

Operations Overview

Matthew Flannery – Executive Vice President and COO

United Rentals®

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Introduction



Matthew J. Flannery
Executive Vice President and COO

- EVP and COO since April 2012
- 25 years of sales, management and operations experience in the rental industry
- Joined URI in 1998 as part of the acquisition of Connecticut-based McClinch Equipment

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Creating a new industry standard





Our vision

- Deploying the best people, equipment and solutions to enable our customers to safely build a better and stronger future

Driven by these values

- Safety first
- Leading by example
- Continuous innovation
- Integrity
- Passion for people
- Community minded

Superior returns to our stockholders by achieving strong and consistent financial performance

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Our four pillar strategy for success



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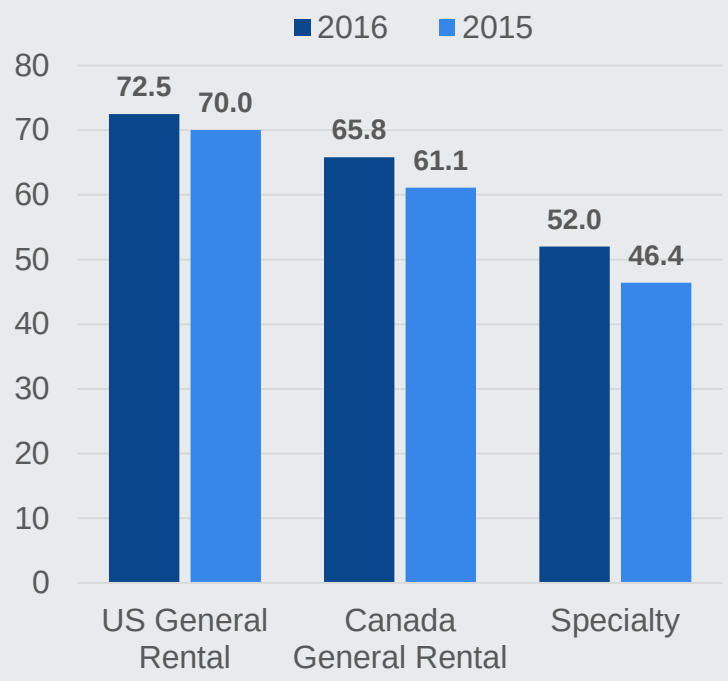
Recent industry / company trends

- Strength in U.S. East and West Coast non-residential construction markets and several key industrial markets including downstream oil & gas
- Specialty continues to post strong growth fueled by gains in cross-selling and new locations
- Industry excess supply abating as monthly rental rates have found relative stability over the last several quarters relative to 1Q15–1Q16
- Significant headwinds from oil & gas and Canada, but comps expected to ease in 2017

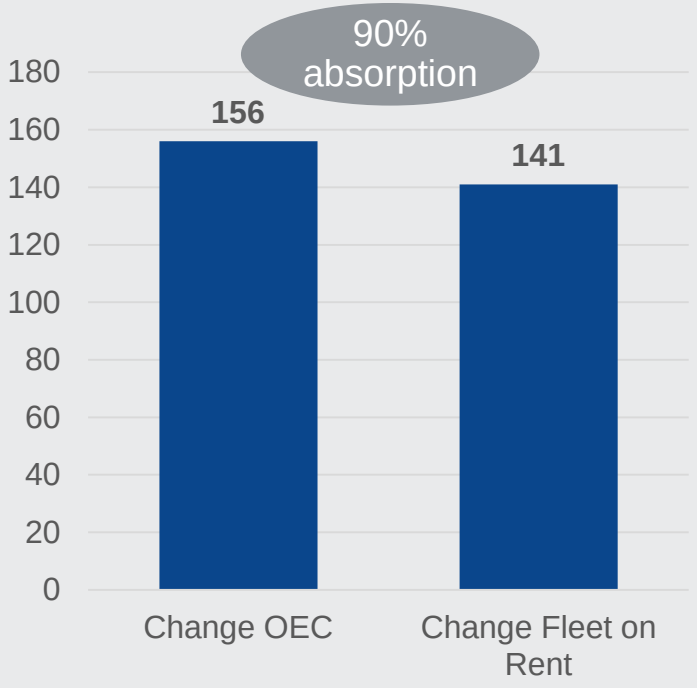
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Disciplined capital allocation

Strong time utilization (%, Q3 only)



Putting capital to work ($MM, Q3 only)



Funding most attractive markets

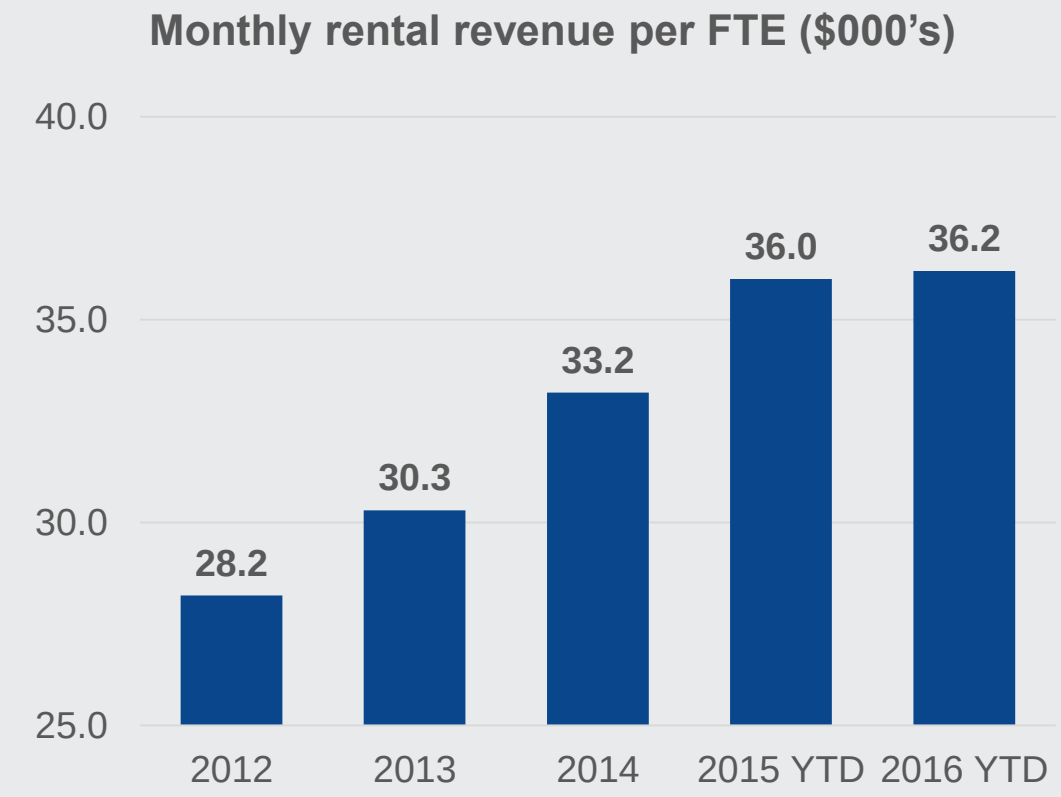


Focused deployment of capital spending

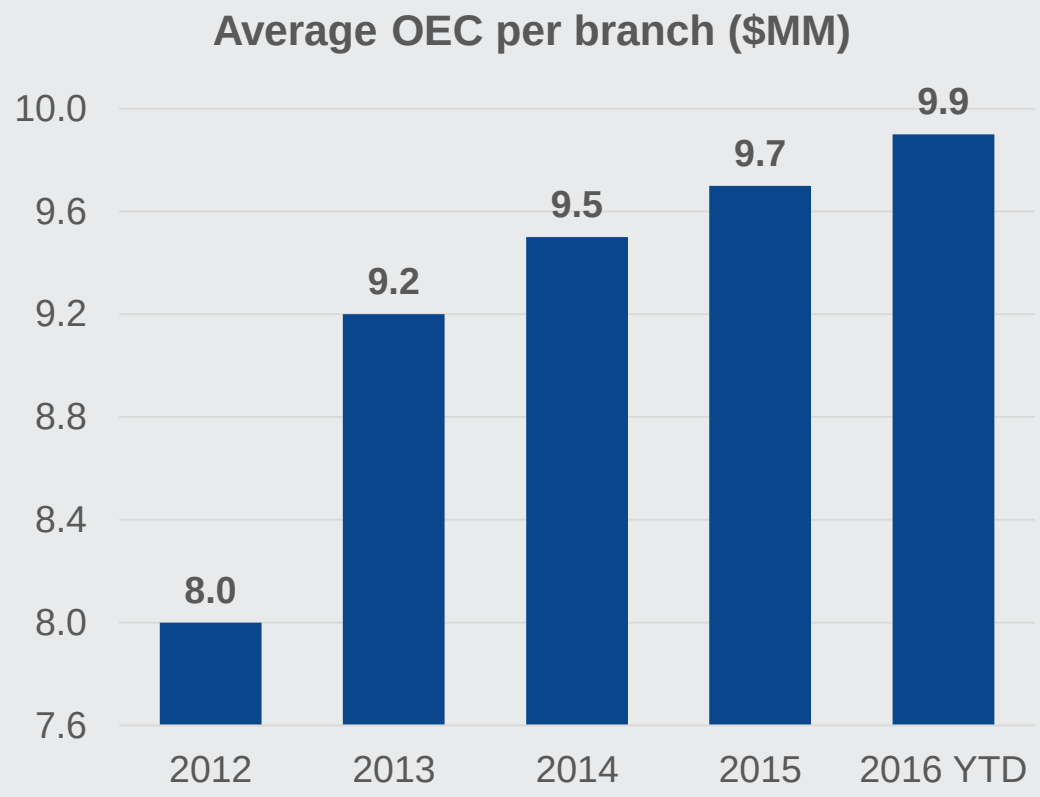
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Operational excellence driving continuous efficiency improvement

Continuous productivity improvement

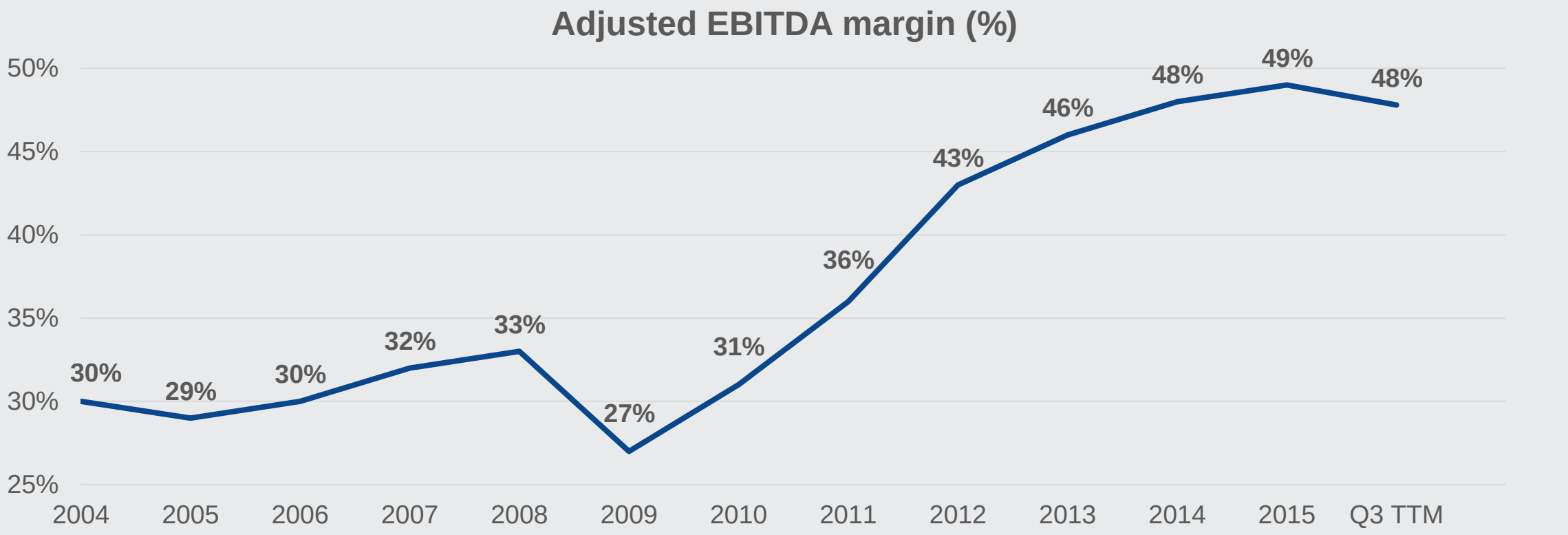


Improving operating leverage



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URI EBITDA margin dramatically improved



Margins at record levels for the company

Note: 2004-2006 margins utilize a different methodology than other years

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Outlook for future growth

- Continue to believe the cycle has legs, but acknowledge macro-economic uncertainty and the need for flexibility
- Relative stability in rental rates following challenging 2015 and 1Q2016
- Election likely creates an opportunity for significant infrastructure/fiscal stimulus

Launched Project XL to identify profit improvement levers to pursue regardless of the economic environment

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Project XL: Realizing our full potential

Revenue	• **Broaden customer base:** Vertical growth, digital • **Deepen penetration:** Specialty/team sell, coverage
Cost / Productivity	• Operational Excellence • SG&A improvements
Capital	• Lifecycle management • Capital allocation

Target $200MM of run-rate EBITDA improvement by Q4 2018

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Summary

- End markets continue to be supportive
- Focus on factors within our control, maintain disciplined capital allocation, and maximize flexibility to capture opportunities
- Potential tailwinds from infrastructure and penetration to a broader customer base
- Project XL drives both material improvement in EBITDA and extends industry leadership regardless of the external environment

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