



## Herc Rentals Declines Only 3.6 Percent in Fourth Quarter 2020

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Herc Holdings reported \$520.4 million in total revenue for the fourth quarter of 2020 compared to \$540.1 million for the fourth quarter of 2019, a decline of \$3.6 million, a low figure for the COVID-19 pandemic. Equipment rental revenue was \$427.3 million, compared to \$457 million a year, a 6.5-percent decrease.

The drop in equipment rental revenue was partially offset by a hike on used equipment sales, which was \$81.8 million compared to \$71 million in the fourth quarter of 2019, a 15.2-percent increase, generally seen in the industry as signs of an increase in demand from contractors.

Herc reported net income of \$35.5 million, or \$1.19 per diluted share, in the fourth quarter of 2020, compared to \$35.1 million, or \$1.20 per diluted share in the fourth quarter of 2019.

Pricing decreased 0.8 percent compared to Q419. Dollar utilization increased to 40.6 percent compared to 40.5 percent a year ago, jumping 300 basis points sequentially from the third quarter.

For the full year, Herc reported \$1,781.3 million in total revenue compared to \$1,999 million in the year-ago frame, a 10.9-percent dip. Equipment rental dropped 9.3 percent, from \$1,701.9 million in Q419 to \$1,543.7 million in Q420.

Dollar utilization was 36.1 percent compared with 38.7 percent in 2019, primarily a result of lower volume and mix. Adjusted EBITDA declined 7 percent to \$689.4 million compared to \$741.0 million in the prior-year period. The decline was primarily from lower volume. Adjusted EBITDA margin increased 160 basis points to 38.7 percent compared to 37.1 percent in the prior year.

Herc reported net rental equipment capital expenditures of \$151.6 million for 2020. Gross rental equipment capital expenditures were \$344.1 million compared with \$638.4 million in 2019. Proceeds from disposals were \$192.5 million compared to \$224.2 million last year. As of December 31, 2020, the company's total fleet was approximately \$3.59 billion at OEC, and average age was 46 months compared to 45 months a year ago. Herc generated \$424.5 million in free cash flow in 2020, compared with \$176.2 million in the same period in 2019.

"We exceeded our expectations for the fourth quarter and have good momentum going into 2021," said Larry Silber, president and CEO. "During the year, we adjusted fleet to respond to the declines in volume related to the impact of COVID-19 on our customers and focused on controlling costs. The quick implementation of those initiatives led to our improved adjusted EBITDA margin and excellent free cash flow for the full year. Our commitment to customer service and consistent implementation of a strategy to diversify our customer and industry base continues to demonstrate the strength of our business model."