



## Herc Rentals' Rental Revenue Jumps 31.6 Percent in First Quarter

April 21, 2022

Herc Rentals posted \$526.8 million in rental revenue during the first quarter of 2022 compared to \$400.4 million in the first quarter of 2021, a 31.6-percent year-over-year increase. Total revenues for the quarter were \$567.3 compared to \$453.8 in the first quarter of 2021, a 25-percent hike.

Dollar utilization for the quarter increased 280 basis points to a record 41.4 percent compared to 38.6 percent in the year-ago quarter. First quarter 2022 adjusted net income was \$59.2 million, or \$1.95 per diluted share, compared to \$33.3 million, or \$1.10 per diluted share, in 2021. Adjusted EBITDA grew 28.3 percent to a record \$236.8 million and adjusted EBITDA margin expanded 100 basis points to 41.7 percent.

"We continued our 'shift into high gear' with an excellent first quarter," said Larry Silber, president and CEO. "Our average fleet increased 23.4 percent to \$4.5 billion, dollar utilization increased to 41.4 percent, and rental revenue increased 31.6 percent over the prior year. Outstanding execution by our operations and field support team was enhanced by strong demand in our markets and a positive operating environment. The record first quarter results have accelerated our growth expectations for the full year, and we now expect 2022 adjusted EBITDA to increase between approximately 31 percent to 39 percent over 2021."

Herc reported net rental equipment capital expenditures of \$258.0 million for the first three months of 2022. Gross rental equipment capital expenditures were \$286.8 million compared to \$90.9 million in the comparable prior-year period. Proceeds from disposals were \$28.8 million compared to \$40.3 million last year. The reduction in sales of rental equipment resulted from strong rental demand and the company's decision to maximize fleet size and minimize the sales of rental equipment.

### Rental rates increase 4.3 percent

As of March 31, 2022, Herc's total fleet was approximately \$4.6 billion at original equipment cost. Average fleet at OEC in the first quarter increased year-over-year by 23.4 percent compared to the prior-year period. Average fleet age was 48 months as of March 31, 2022, and the end of the first quarter of 2021.

Pricing increased 4.3 percent compared to the same period in 2021.

Herc raised its expectation of net rental equipment capital expenditures for the year to a range of \$900 million to \$1,120 million.

"We closed on the previously announced acquisition of Cloverdale Equipment Co. earlier this week and are confident we can continue to execute our organic growth strategy that is supplemented with strategic M&A," added Silber. "We raised our guidance for the full year 2022 based on our outlook for continued strong momentum in operating performance."

Herc acquired three companies with a total of three locations and opened five new greenfield locations during the quarter.

Based in Bonita Springs, Fla., Herc Rentals is No. 3 on the *RER* 100.