United Rentals®

Services & Advanced Solutions (SAS)

Update

October 22, 2019

Introduction and background

- Joining together CES and CFS into **"Customer Equipment Solutions" (CES)**

- Plan to grow CES in 2020 as part of the strategic aspiration we outlined for the BOD

Customer Equipment Solutions Vision:

Build North Americas' largest and most dependable equipment service and parts single source network that customers rely on and trust for prompt, world class, innovative services and solutions to increase equipment performance and productivity.

Customer Equipment Solutions Integrated Offering

**Future vision:
Fleet Management for
Non-Industrial Customers**

Fleet Management Solutions
- On-Site (Industrial) Solutions
- Maintenance Programs
- Fueling Services
- Performance Reporting
- Fleet Strategy
- Consulting
- Fleet Specialist

*Greatest
Entanglement
Opportunity*

Maintenance Programs
- Subscription/Agreement
- Scheduled Maintenance (PM's)
- Scheduled Inspections
- Standard Reporting
- Single Point of Contact

On-Demand Services
- Repair
- Maintenance (PM's)
- Inspections
- Retail Part Sales

*More
Transactional*

*Telematics Controlled
Access; Shared
Insights and Analytics*

United Rentals®

Customer Success Stories

On-Demand Services	Maintenance Programs	Fleet Management Solutions

Brakebush Transportation
(Green Bay, Wisconsin)

Preferred Properties
(Minneapolis, Minnesota)

Chemours
**(DeLisle, Mississippi)**

Priorities for 2020

What	How
1. **Build our operational capability** to serve multi-region customers with high quality, timely service	• Expanding tech recruiting across more geographies, and especially in 25 national priority metros • Develop and roll-out standard operating procedures to CES branches
2. **Increase tech productivity for the techs we have today** to achieve minimum $30,000 service revenue per month per CES tech	• Focus on increasing chargeability including standardized operational processes • Enable overtime for CES techs where desired and warranted • Work with Ops Ex to improve procedures for CES
3. **Leverage alternative go-to-market channels** to drive demand by augmenting UR's existing sales force	• Awareness and training for all field employees (e.g., OSRs) • CES RPDMs in select geographies • Outbound calling • On-line part sales, and dedicated parts specialists • Marketing campaigns

United Rentals®

Customer Experience Improvements

6 Months Ago
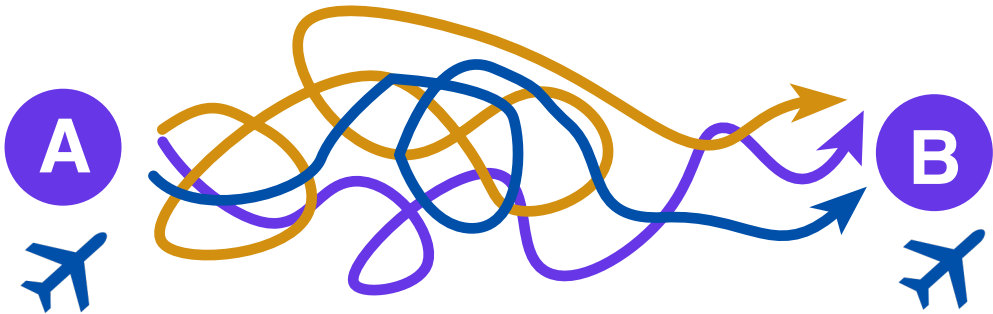
Customer Experience different by region each one doing business differently.

Trainers **directly responding customers on training leads**, in different ways, causing delays or not responding at all
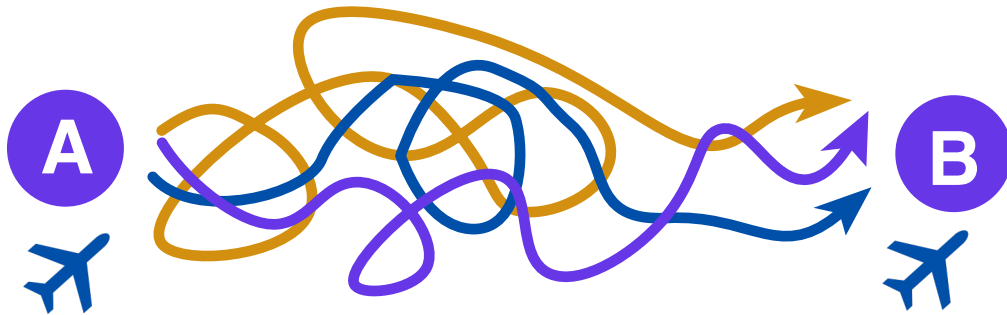
Now

Customer Experience same in all regions with standard practices.

Training Associates **handling all customers training leads**, improving response time and process consistency

United Rentals®

Customer Experience Improvements

6 Months Ago

Customer self service – not friendly solved by inefficient UA work arounds.

United Academy 1.0
- Different login credentials
- PO payment only with staff support

November 01st

Customer self service aligned to our customers similar to rental business.

United Academy 2.0
- Login credentials from UR applications
- PO payment done online

United Rentals®

United Academy – Roll Out Actions

Date	Who is involved	Description
Weeks of October 14th and 21st	All Division Trainers	United Academy 2.0 update training sessions
October 25th through October 31st	Customers and UA Staff	'Blackout' period - During this time, customers, trainers/evaluators will not have access to UA, only admins. This is necessary to process the final migration of data from current system into UA 2.0.
3 days before Go Live and Go Live	Training Associates /CCC/UA Admins	This team will be together for 3 days of training and go-live. This team will be there to support all of you on go live and beyond.
November 1st	Everyone involved with UA	All orders and enrollments will be processed starting at 7am EST on Friday, November 1st .
November 4th	Certified Evaluators	Certified Evaluator training sessions will begin on November 4th and continuing through the balance of the year.

United Rentals®

Next Steps: How Can You Contribute to UA Success

Include Academy in your business goals
With measurable targets for your metros.

Ask your OSRs / RPDMs to sale more Academy
With specific goals for your sales team.

Ask your CEs to serve more customers per month
Today's focus is employees, no sessions available.
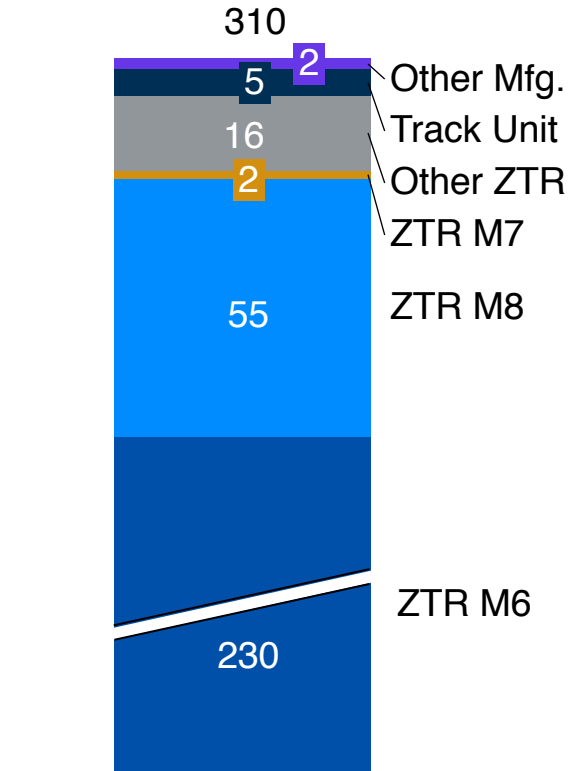
Let us know, continuously, how can we be better
Gather feedback from your team, communicate.

United Rentals®

Continuing to Focus on Telematics to Meet Customer Needs

Broad base of installed devices

Units, 000

310

5 — Other Mfg.

2

16 — Track Unit

— Other ZTR

2

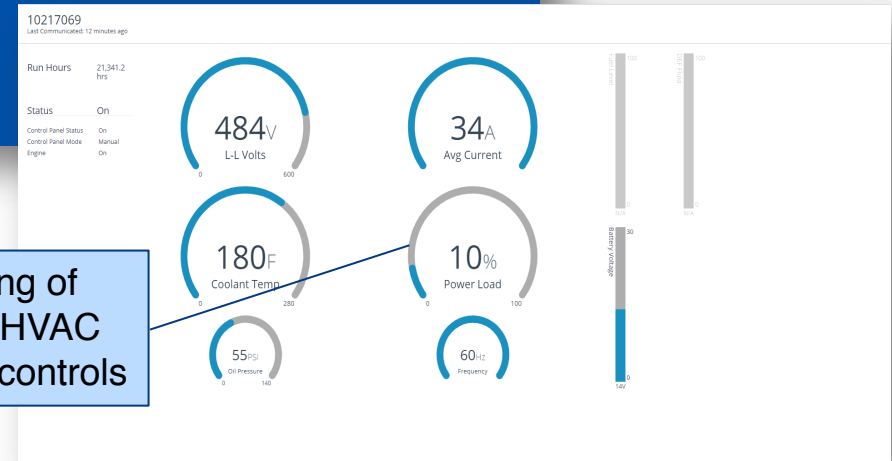— ZTR M7

55 — ZTR M8

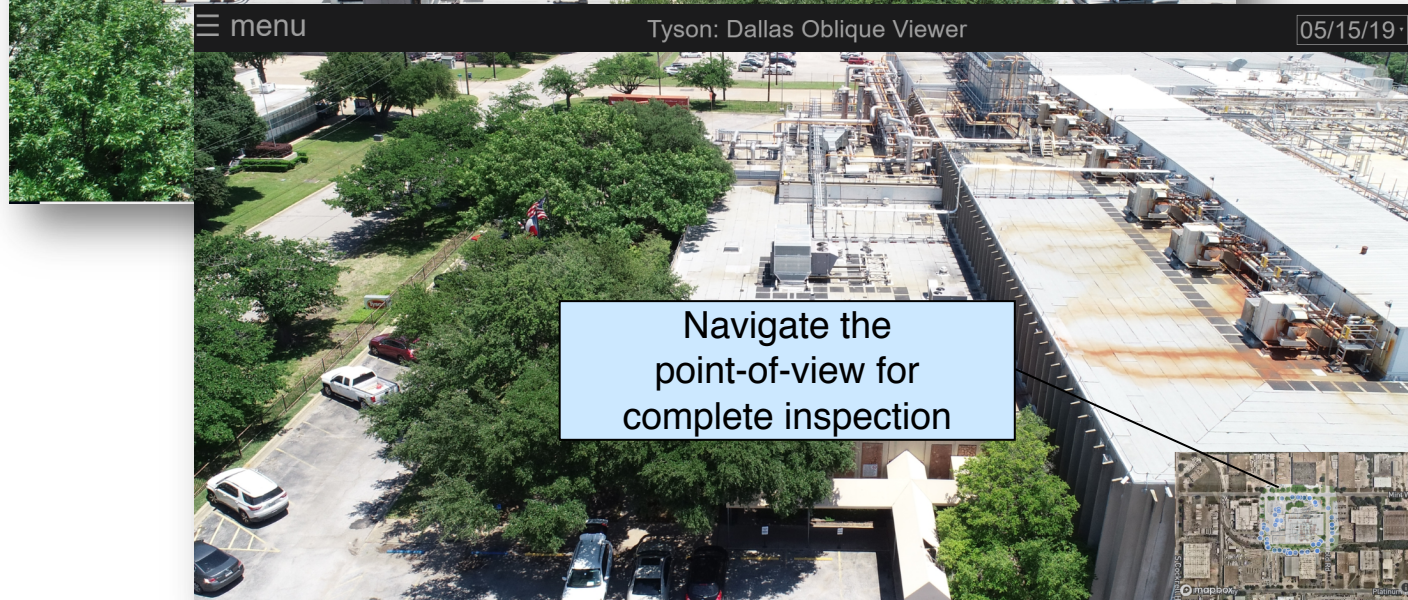230 — ZTR M6

As of Aug. 5

Specific applications in use
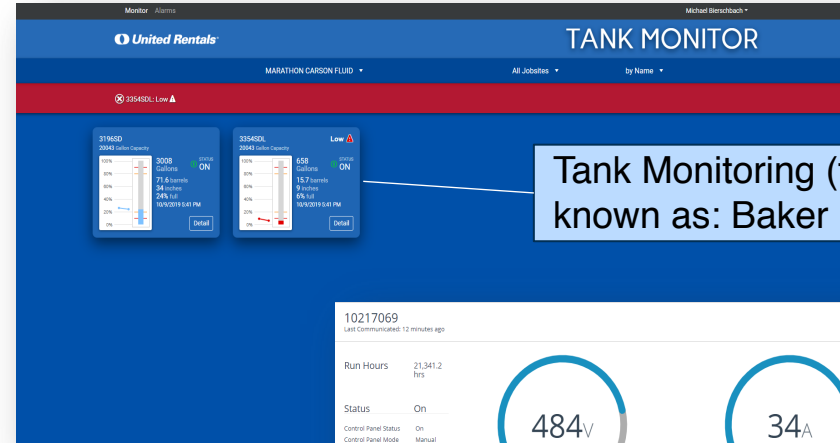
Tank Monitoring (formerly known as: Baker Insite)

Remote monitoring of Pump, Power or HVAC … soon: remote controls

• Wedge … managing heating monitoring and alerting from humidity data

United Rentals®

Drone Services – Tyson Example

Navigate the point-of-view for complete inspection

Situation:
- Had rooftop railing violation and was required by OSHA to inspect all 41 rooftops

Task:
- Accurate inspection of the rooftops' conditions and maintenance

Solution:
- Drone Services completed 41 rooftop inspections under 2 weeks

Result:
- Tyson agreed to re-enter the conversation of signing an NA with URI and expect NA agreement

United Rentals®

Benefits of growing CES

High returns on capital

Estimated Trailing 12 Month ROIC

NOPLAT	$29.3M

——————————————— = 64.8% ROIC

IC	$45.2M

Includes several assumed cost burdens

- Share of Delivery, Insurance, Building & Property Costs from COR proportional to Service Revenue as percent of Rental Revenue

- Corporate G&A Allocation – 5% of revenues

- Invested capital assumes Accounts Receivable, Field Servie Truck Assets

Other benefits

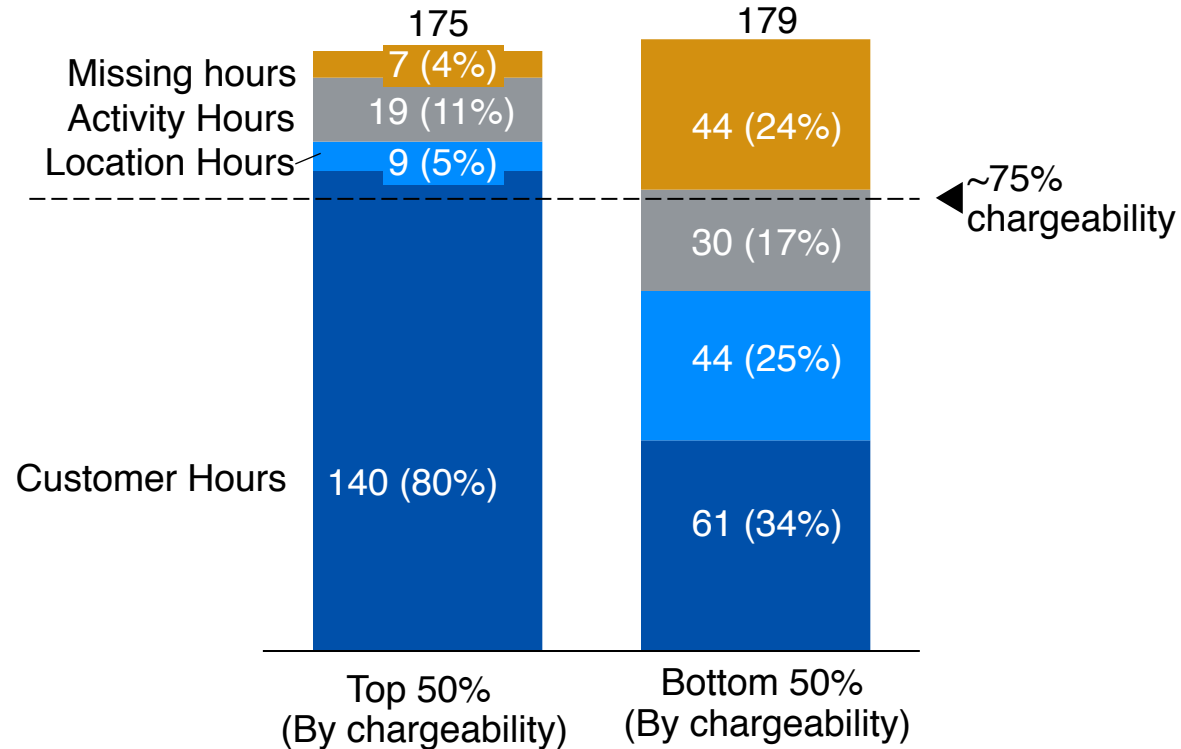- Meets known customer needs for integrated supply of equipment services

- Extend our value proposition versus competitors

- Drives increase in rental spend

- Expands our market to customers who traditionally own equipment

- Enables part sales

- Generates data and insights which can be used to improve our own operations

- Can attract new customers to rental

- Leads to increased new and used equipment sales

Techs Are Spending Time on Both Customer and UR Equip; Target 75% Chargeability

CES Tech Hours

Average Hours Per Tech (% of Total), September 2019

	Top 50% (By chargeability)	Bottom 50% (By chargeability)
Total	175	179
Missing hours	7 (4%)	44 (24%)
Activity Hours	19 (11%)	30 (17%)
Location Hours	9 (5%)	44 (25%)
Customer Hours	140 (80%)	61 (34%)

~75% chargeability

Multiple levers for growing CES

1. Hire more techs
2. Increase total hours per tech (OT)
3. Increasing CES portion of total hours per tech (Chargeability)
   - Manage activity time
   - Ensure accurate invoicing
   - Balance rental vs. COE
4. Increasing revenue per tech hour (efficiency / 5S etc.)
5. Leverage third party providers to service COE and balance rental needs (flex capacity?)

Dedicated CES-only locations vs. shared locations

United Rentals®

Locations with CES techs today have lower than average OECNA

OECNA – In-Shop or Needs Inspection, by branch

%, as of June 2019[1,2]

	No CES Techs	1-2 CES Techs	3+ CES Techs
	8.79%	8.17%	7.95%
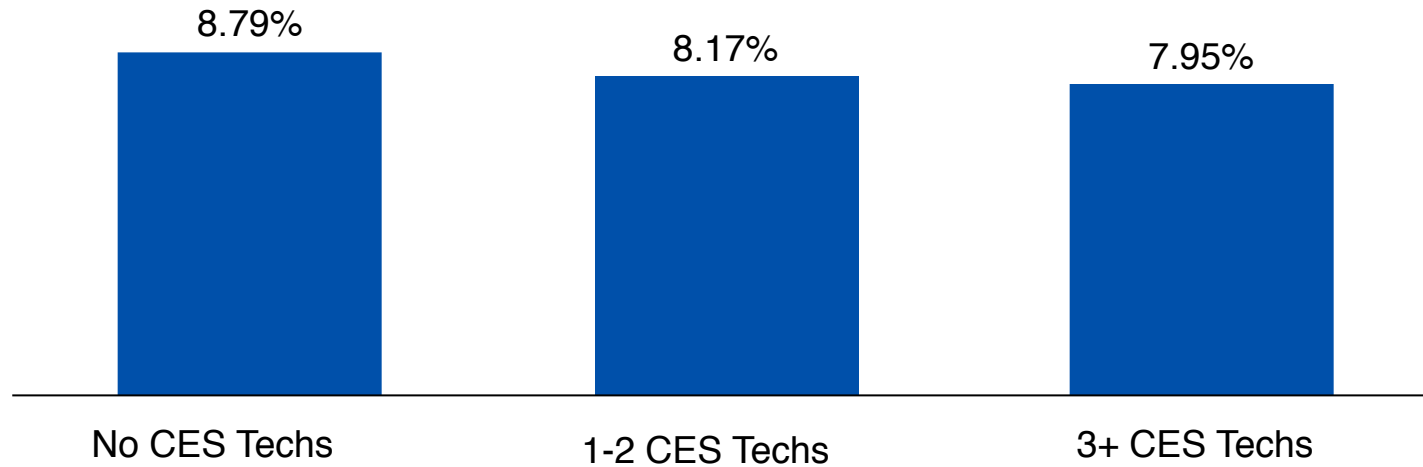
OEC $M	8,498	2,700	513
Branches #	550	134	15

Correlation vs. Causation?

1 From CES working file over the summer
2 Excludes Specialty, GenRent/CES Service Centers, Locations with Rental Revenue Less than $2.5M, Onsites, Locations with zero techs, or minimal OEC

United Rentals®

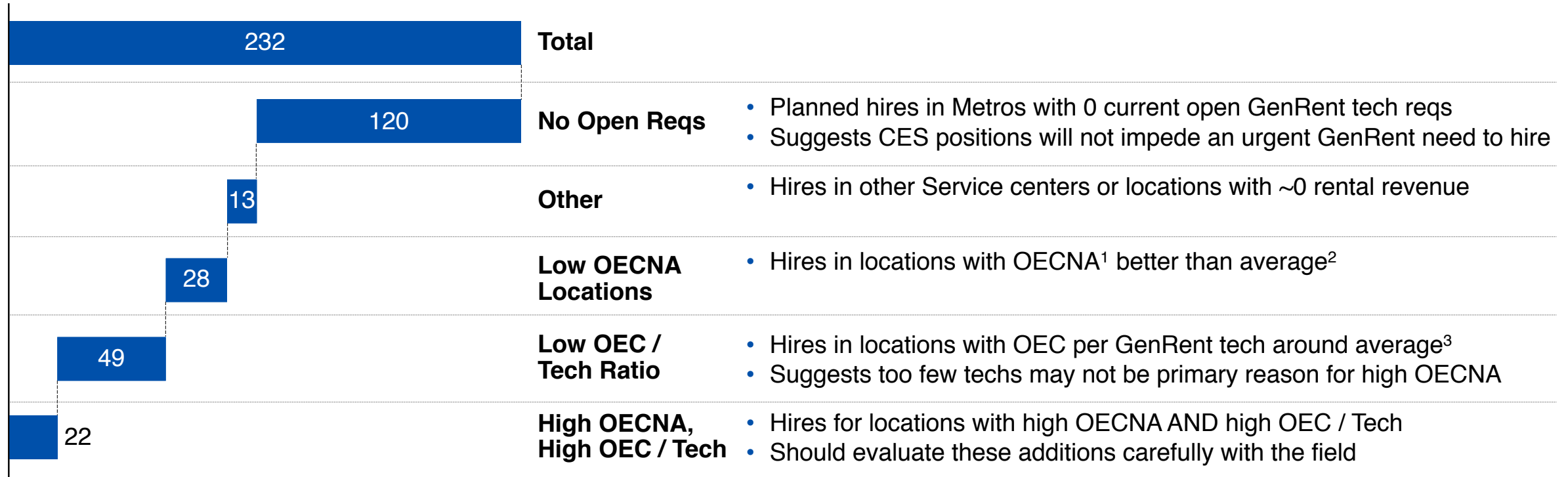# Developed CES Growth Plan with Field and Operational Leaders

- **Bottoms up district by district.**
  - Discussions with RVP's (or there designee) and DM's in July and August 2019.

- **Agreed upon hiring targets with field leaders.**
  - New CES locations – Reviewed branches that they felt had market demands, capacity to add shop or field CES Techs, available shop space, and support staff.
  - Existing CES locations – Reviewed current performance vs market demands and operational capacity for growth.

Bottoms Up	2019			2020 Aspirational			Change In Chargeability	2019 WO Revenue Per CES Tech	2020 WO Revenue Per CES Tech-Aspirational
	Average FY Techs	Aug Act	Average Chargeability	Average FY Techs	EOY Techs	Average Changeability			
Road and Shop									
Carolina (013)	18	22	64.4%	33	38	64.8%	0.3%	$ 284,623	$ 296,783
Gulf South (105)	24	24	62.0%	36	41	64.5%	2.5%	$ 252,987	$ 298,467
Industrial (017)	16	17	36.1%	23	26	43.5%	7.1%	$ 233,463	$ 225,126
Mid Central (014)	34	39	56.6%	52	61	60.7%	4.1%	$ 285,651	$ 274,803
Mid-Atlantic (008)	51	54	68.9%	71	79	69.4%	0.5%	$ 330,002	$ 324,491
Midwest (006)	31	33	54.7%	45	51	59.2%	4.5%	$ 239,680	$ 238,653
Northeast (005)	23	27	63.4%	45	54	65.1%	1.7%	$ 306,315	$ 277,729
Pacific West (001)	16	17	49.6%	28	33	52.7%	3.1%	$ 247,722	$ 234,700
South (002)	18	18	62.2%	23	24	67.3%	5.1%	$ 277,659	$ 316,562
Southeast (016)	18	20	52.7%	32	37	55.5%	2.8%	$ 276,363	$ 270,268
Western Canada (003)	12	15	47.0%	20	22	48.7%	1.7%	$ 261,720	$ 277,690
Totals	**262**	**286**	**56.1%**	**408**	**466**	**59.2%**	**3.0%**	**272,381**	**275,934**

CES growth plans not intended to negatively impact OECNA

CES Tech Hires by type of location (at Metro level)
#, 2020 planned hires

232	**Total**	
120	**No Open Reqs**	• Planned hires in Metros with 0 current open GenRent tech reqs • Suggests CES positions will not impede an urgent GenRent need to hire
13	**Other**	• Hires in other Service centers or locations with ~0 rental revenue
28	**Low OECNA Locations**	• Hires in locations with OECNA[1] better than average[2]
49	**Low OEC / Tech Ratio**	• Hires in locations with OEC per GenRent tech around average[3] • Suggests too few techs may not be primary reason for high OECNA
22	**High OECNA, High OEC / Tech**	• Hires for locations with high OECNA AND high OEC / Tech • Should evaluate these additions carefully with the field

1 Bottom up tech hiring targets are ~30% higher than top-down plan to account for expected slippage in hiring (180 techs planned to be hired by YE 2020, while 232 techs are in the bottom up district plans)

1 Excludes Awaiting Pickup;   2 40th percentile or better;   3 60th percentile or better of OEC / Tech

United Rentals®

Top Customer Development Strategies

Strategy	Description
1. CES Awareness, Training, & Development	• CES Product Offering ~ Processes & Procedures • Region, District, Branch • Best Practices, Tools & Resources, Marketing Material
2. Direct Selling – Large Volume Buyers	• RPDM's, SAMs, KAM's, IKAMs • Targeted Accounts, On-Sites, Contracts & Agreements • OSR's – Awareness & Maintenance Agreements
3. Outbound Calling Program	• National Call Center – Outbound / Inbound calls • Location / Industry specific target customers • SST to support processing of order direct to Branch ops.
4. Retail Part Sales	• On-Line Parts Ordering Portal • Target customer segments – OEM specific users • Outbound calling, Email, Print
5. Multi Channel Marketing	• Sales collateral – Industry / Service specific / Viideo • Email / Direct Mail Campaigns • Digital, Social Media, Associations, Trade Shows, Commercial