Custom Truck One Source

3rd Quarter 2021 Investor Presentation

November 9, 2021









CUSTOM TRUCK ONE SOURCE™



Safe Harbor

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Strong Q3 2021 Financial Results

- Delivered record quarterly Gross Profit and Adj. EBITDA despite supply chain pressures
  - Continued strong YoY revenue growth for the quarter
- Results reflect continued robust end-market fundamentals driving increased demand in all three business segments
- Strong rental revenue growth and continued solid demand for new truck sales
  - Rental revenue increased 11% vs. Q2 ‘21 and new sales remained strong despite supply chain constraints
  - New sales backlog up 52% vs. Q2 ‘21 to $338 million
- OEC on Rent increased ~$120 million vs. Q3 ’20, to $1.1 billion
- Integration remains ahead of schedule
  - On track to achieve updated synergy targets
- Established record of conservative balance sheet management
  - Positive free cash flow generation and Adj. EBITDA growth combined to reduce pro forma leverage to 4.3x



Unique Business Model = Strong Value Creation

Attractive end markets with long-term secular growth drivers	Stable markets with GDP++ growth potential
Diversified revenue streams; one-stop shop with strong unit economics for rent or buy	Best-in-class asset level returns: Rental Asset ROICs of 20%+ and New Sales margins of 13%+
CTOS/Nesco merger is creating multiple operating synergy opportunities	$55M+ of cost synergies identified and in-process of being monetized
Largest independent provider of vocational trucks the U.S.	Growing market share in a ~$30B market
Coast to coast footprint provides superior customer service and flexibility	35 branches and 350 technicians, with ability to expand even further
Solid balance sheet, attractive cash flow and capital allocation framework	$358M of available liquidity; Leverage reduced 0.3x since close with a path to below 3.0x

MAXIMIZE ASSET-LEVEL RETURNS + EXPAND MARGINS + GROW MARKET SHARE = EXCEPTIONAL VALUE CREATION

Favorable End-Market Dynamics

Strong, Multi-Year End Market Tailwinds With Upside From New Infrastructure Bill

T&D

Rapidly increasing major projects driven by need for grid upgrades and renewable energy investment, coupled with frequent, often government mandated, maintenance

T&D Capex

~$70B *Annual Total Spend*

6.8% *'17-'19 CAGR*

Proposed Infrastructure Bill Impact: $73B

TELECOM

Build-out and implementation of 5G technology driving investments over next decade while significant recurring maintenance of existing networks required

Telecom Capex

~$80B *Annual Total Spend*

3.0% *'17-'19 CAGR*

Proposed Infrastructure Bill Impact: $65B

RAIL

Aging rail infrastructure drives extensive replacement / refurbishment spend, while increasing consumer usage and freight transportation needs are driving investment

Rail Capex

~$10B *Annual Total Spend*

5.4% *'17-'19 CAGR*

Proposed Infrastructure Bill Impact: $66B

INFRASTRUCTURE

Large and growing pent-up demand in North America with growing bipartisan support to address

Infrastructure Capex

~$200B *Annual Total Spend*

6.8% *'17-'19 CAGR*

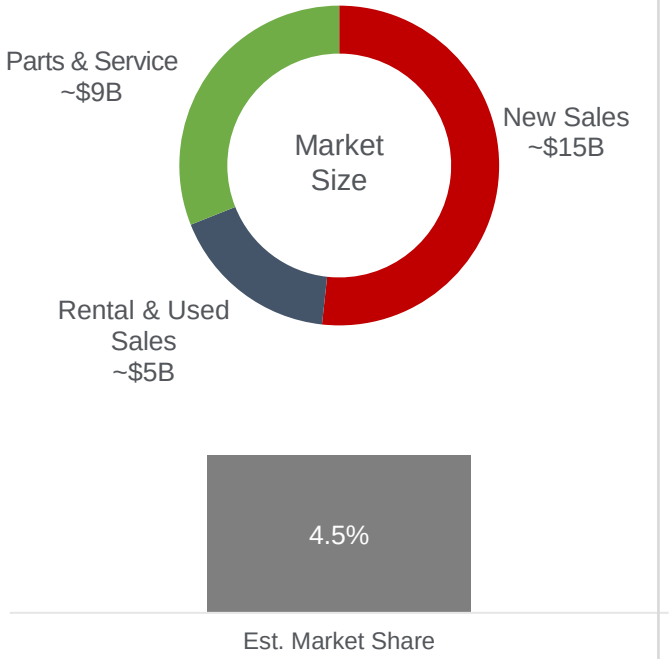
Proposed Infrastructure Bill Impact: $200B

Source: FactSet, FMI, and Wall Street research.

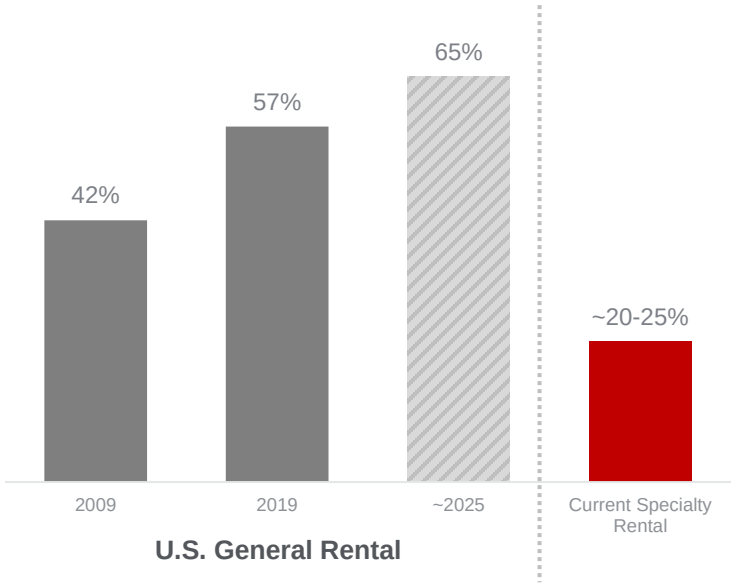
Favorable End-Market Dynamics

Large Addressable Market with Strong Secular Growth

~$30B Total Addressable Market[1]



Rental Penetration[2]



General Rental Penetration in Other Markets

60%	65%	80%	80%
Australia	*Europe*	*Japan*	*UK*

Key Drivers of Rental

- Improved asset utilization with significantly reduced storage and maintenance costs
- Better risk management with dedicated customer care
- Capital allocation flexibility for end users
- Wider range of modern productive equipment in rental fleets
- Health & safety regulations have increased implicit cost of ownership & maintenance
- Increased outsourcing by utilities to comparably asset-light contractors

(1) Market size based on management estimates. Market share calculated based on 2019 revenue as a percentage of total addressable market.
(2) Rental percentage of equipment fleet.

Differentiated “One-Stop-Shop” Business Model

Integrated Production Capabilities and Rental+Sales Model Provided Unique Value Proposition

Integrated Production Capabilities

Unit Economic Advantages

Chassis OEM



Body OEM



Attachment OEM



Boom



Cable Placer



Bucket

Completed Unit







One-Stop-Shop Value Proposition

Multiple Revenue Streams

Service Offering

- Production and Customization
- Rental
- New and Used Sales
- Aftermarket Parts and Service
- Financing
- Disposal

End Markets Served



TRANSMISSION & DISTRIBUTION (T&D)



RAIL



INFRASTRUCTURE



TELECOM



Waste

Strong, Consistent Returns

Customer Benefits

- ✓ End-to-end customer solution
- ✓ Single point of contact for customer
- ✓ Ability to customize equipment to meet customer needs

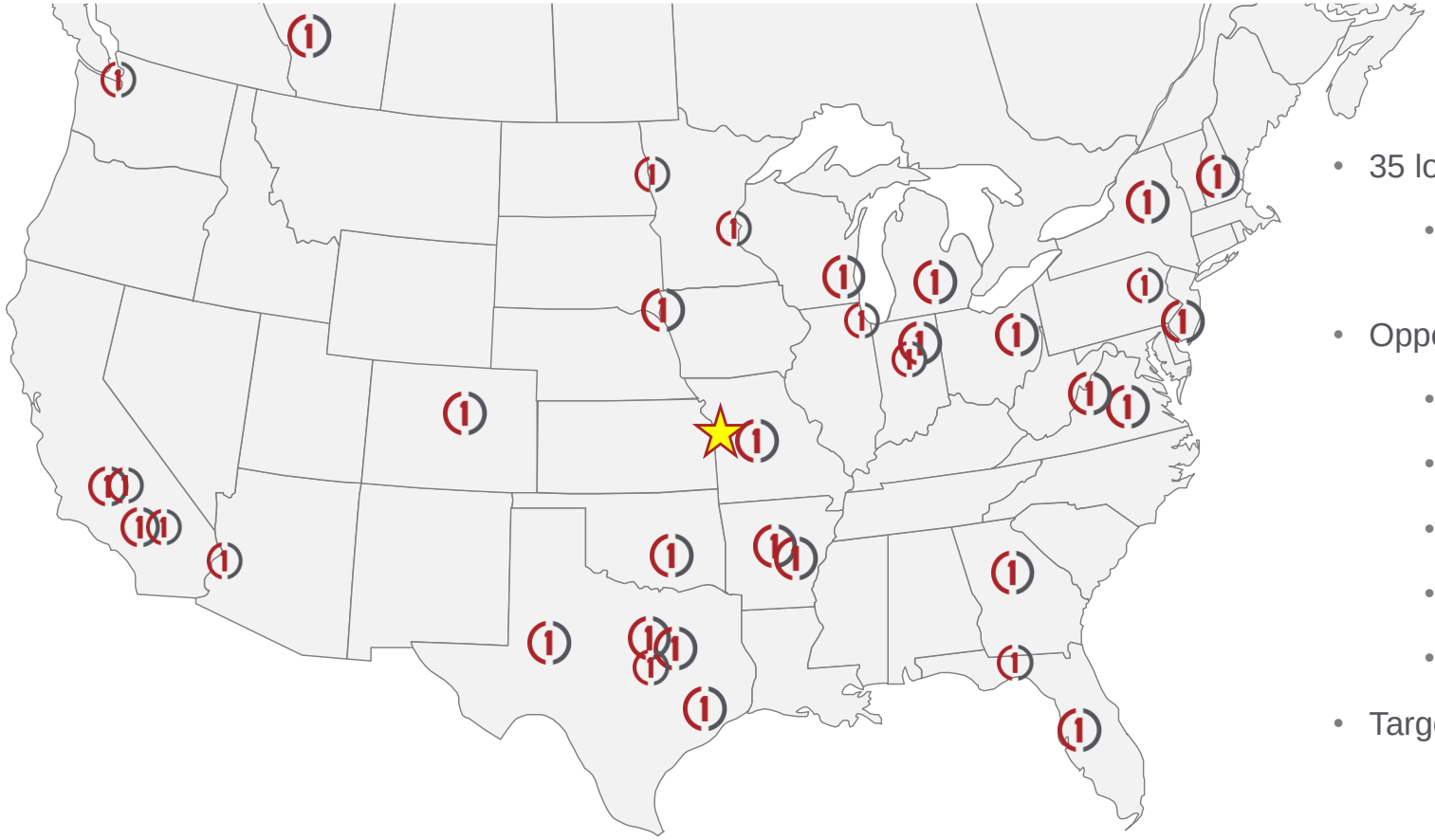
CTOS Benefits

- ✓ Superior unit economics
- ✓ Size and Scale
- ✓ Production efficiencies and cost leverage
- ✓ Increased opportunity for customer share-of-wallet

Note: Graphic shows representative components and is not intended to be exhaustive.

National Branch Network

National footprint provides flexibility in managing the rental fleet and superior customer service for rental and sales customers

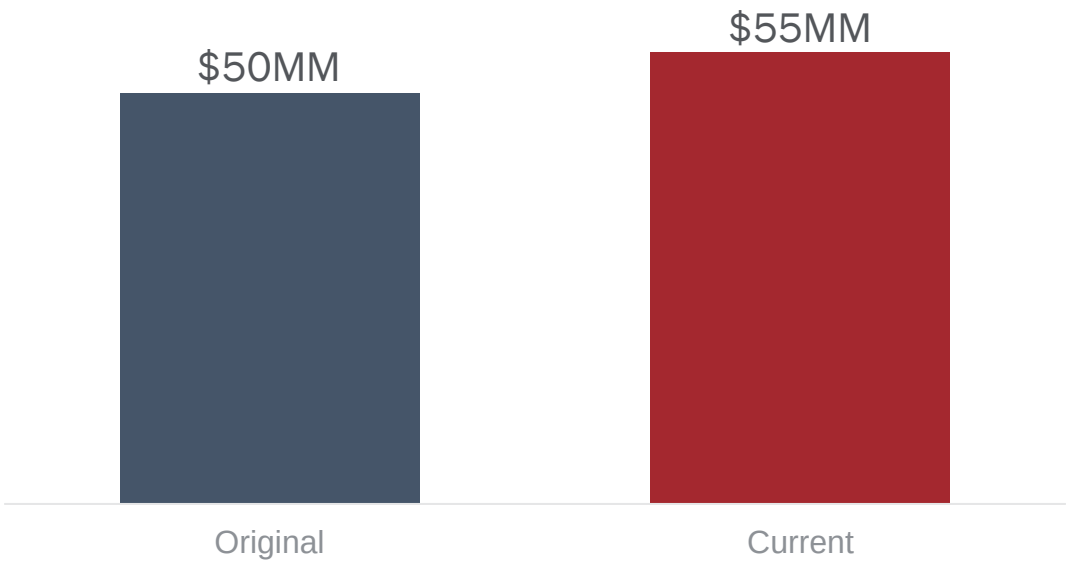


- 35 locations and 350 of technicians around the country
  - 85 mobile technicians capable of being deployed across the country
- Opportunity remains to invest in under served regions
  - Pacific Northwest
  - Northern California
  - NY/NJ Metro
  - Carolinas
  - Southwest
- Targeting several new sites over the next 3 years

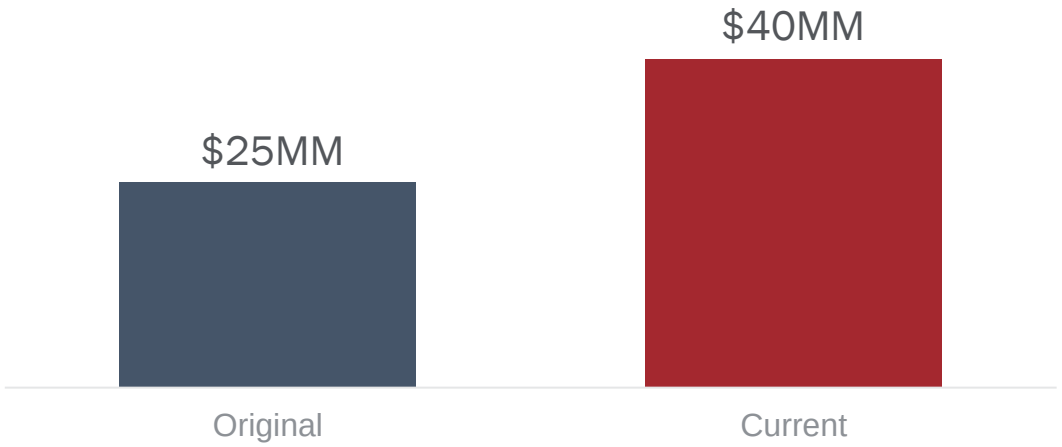
CTOS / Nesco Integration & Synergy Update

Integration activities are ahead of plan and the synergy opportunity is greater than anticipated

Run-Rate Annual Cost Synergies



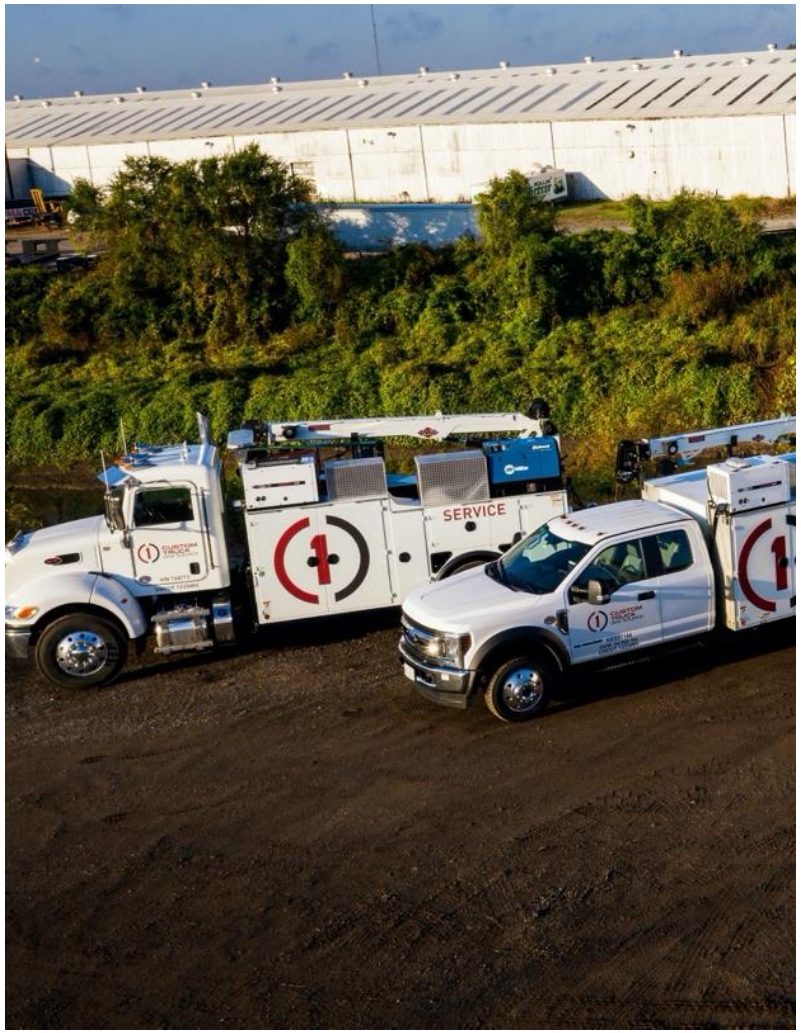
Year 1 Run-Rate Synergies



- Service and Production Operations, Procurement and SG&A synergies are larger than initial forecast

- Expecting to capture more synergies in the first 12 months than originally forecasted, because integration is ahead of plan
- Costs to achieve synergies are expected to come in below the original $50 million estimate

Our ESG Strategy for 2022 & Beyond



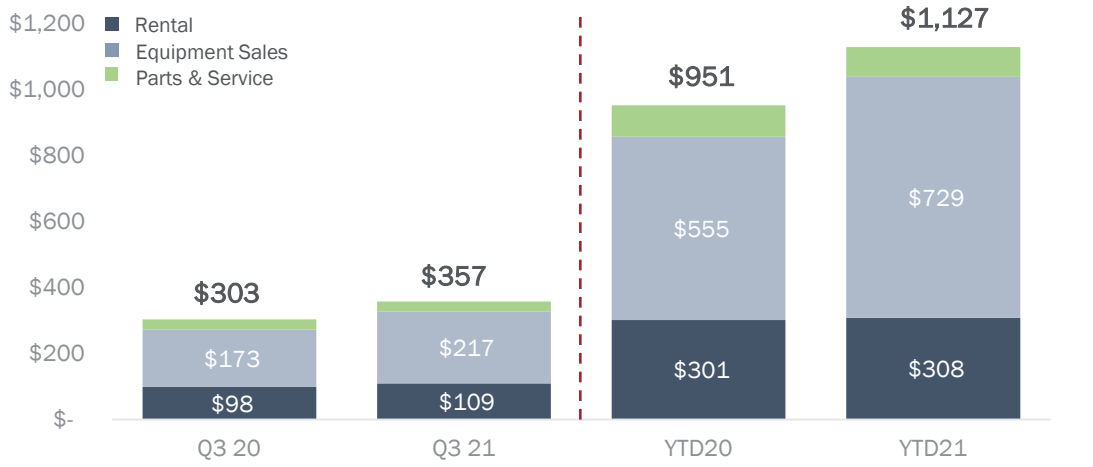
- As we head into 2022 and complete the integration of the businesses, we will increase our focus on Environmental, Social and Governance (ESG)
- The Board is dedicated to, and actively involved in, developing our ESG strategy
- Our ESG plan will:
  - Build upon the core values shared across our organization
  - Highlight the sustainable nature of our end markets
  - Become an essential aspect of our culture and how we do business



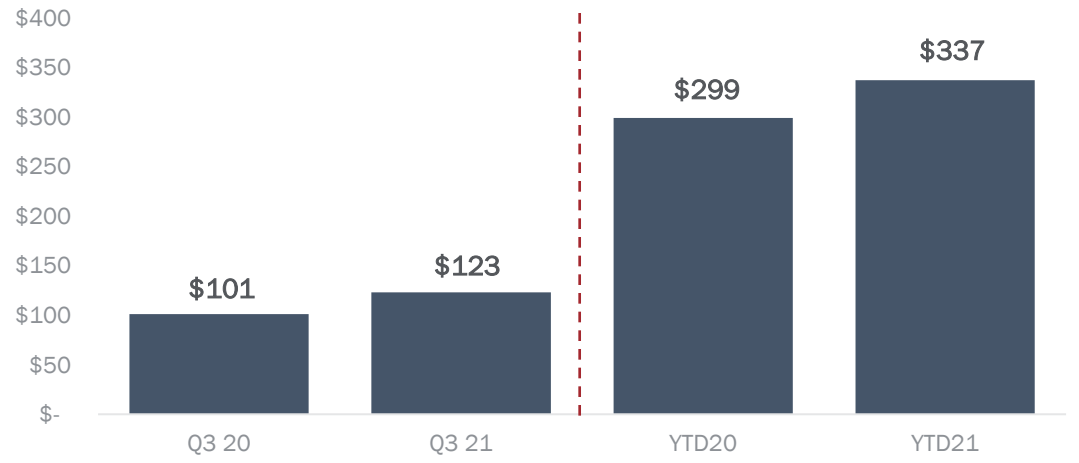
Consolidated Pro Forma Operating Performance(1)(2)

Revenue and Adjusted EBITDA grew 18% and 20%, respectively

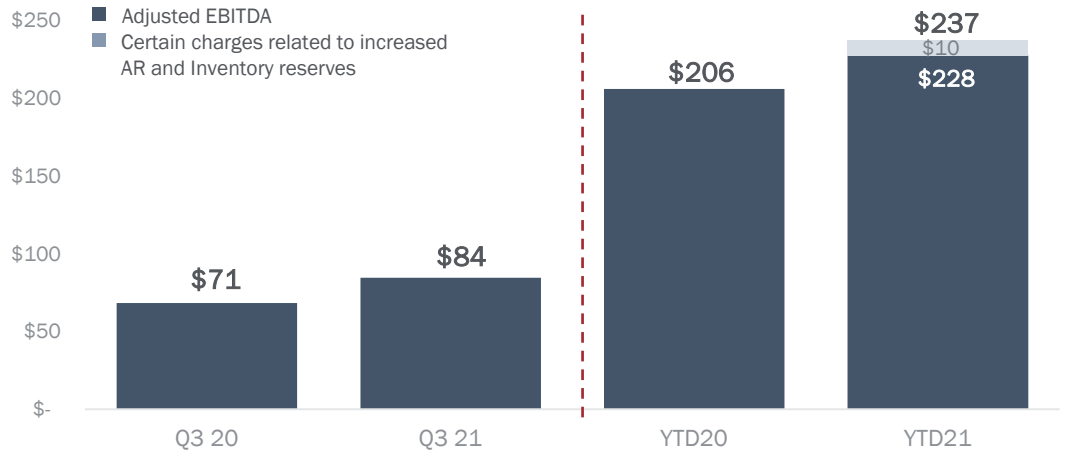
Pro Forma Revenue



Pro Forma Adjusted Gross Profit



Pro Forma Adjusted EBITDA excl. certain charges



- Revenue grew 18% in Q3 vs prior year, driven by 25% equipment sales growth
- Rental revenue grew 11% compared to last year, driven by improved utilization but offset due to smaller fleet size
- Adjusted gross profit improved $22M (+22%) vs Q3 20, and margins were 34% vs 33% due to improved pricing and revenue mix shift
- Q3 21 SG&A, excluding stock compensation, was $44M; a slight improvement from Q2 21
- Projected FY21 combined revenue of $1.50B and Adjusted EBITDA of $320M - $340M

(1) Pro forma combined information is as if Nesco Holdings' acquisition of Custom Truck LP occurred on January 1, 2020
(2) **Adjusted EBITDA** and **Adjusted Gross Profit** are non-GAAP measures. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

CTOS Reporting Segments

Reporting segments align with our go-to market strategies and capital allocation decisions

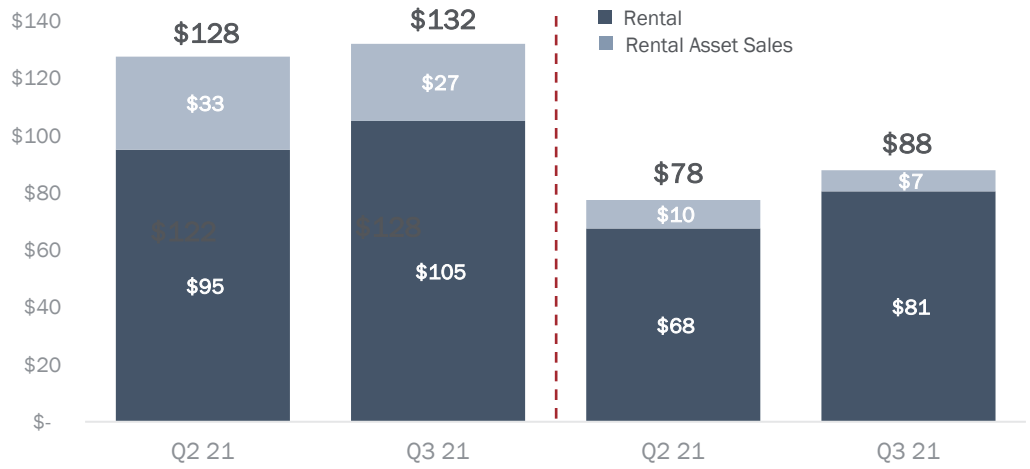
Equipment Rental Solutions (ERS)	Truck & Equipment Sales (TES)	Aftermarket Parts & Service (APS)

➢ Includes results from core rental revenues, sale of rental assets, and related ancillary fees revenues and expenses
➢ Key Metrics
  ➢ Utilization
  ➢ OEC on Rent
  ➢ On Rent Yield (ORY)
	➢ Includes results from new and used (non-rental) sales, as well as the impacts from our production and manufacturing activities
	➢ Key Metrics
	  ➢ New Sales Backlog
		➢ Includes results from sales of external parts and services, as well as the rental activity associated with the accessories business

Equipment Rental Solutions (ERS)

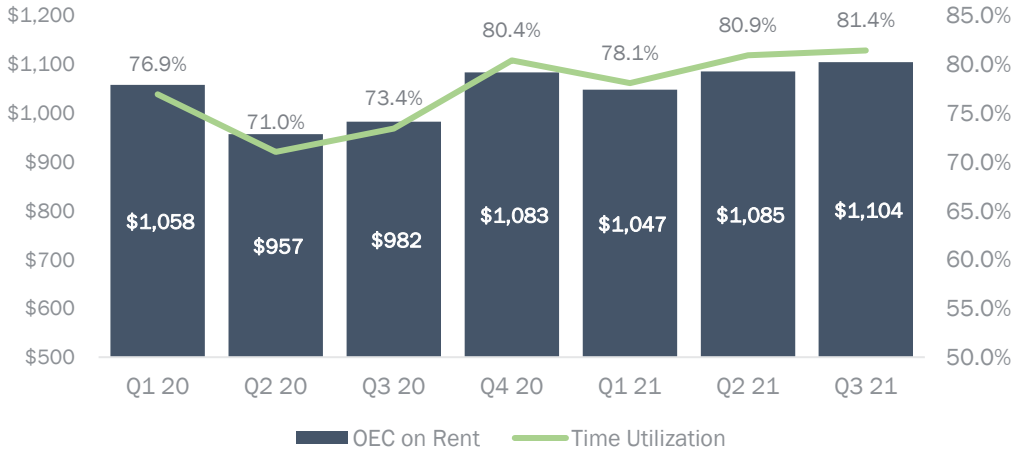
Revenue up 3.6% vs Q2 2021, driven by improved utilization

Revenue & Adjusted Gross Profit[1]

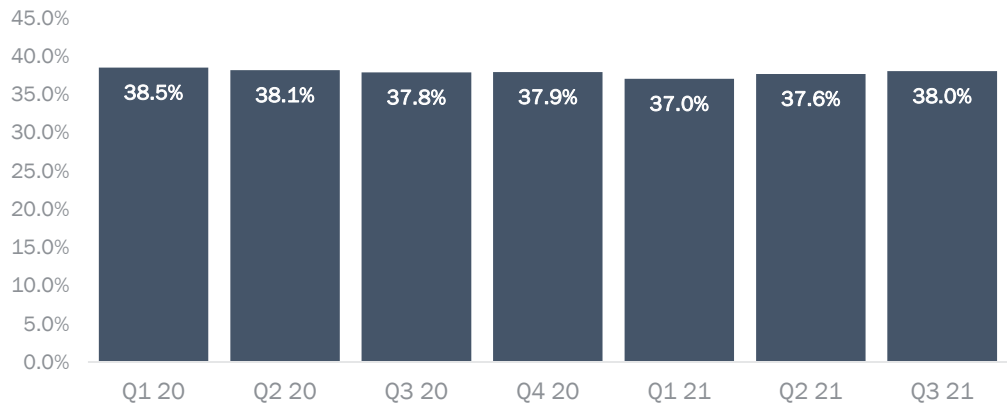


- ERS performance continues to perform at a high level, with utilization holding strong at 81% and OEC on rent at record levels
- The adoption of ASC 842 requires us to now record bad debt charges against rental revenue rather than SG&A; Q2 2021 renal revenue reflects a $6 million charge related to aged balances, primarily related to 2017/2018 Puerto Rico recovery efforts
- Rental gross margins improved to 77%, compared to 72% in Q2 2021, driven by lower bad debt charges and lower repair & maintenance costs
- *Refer to the appendix for Q3 2020 ERS results for Nesco and Custom Truck LP*

Utilization & OEC on Rent



On Rent Yield

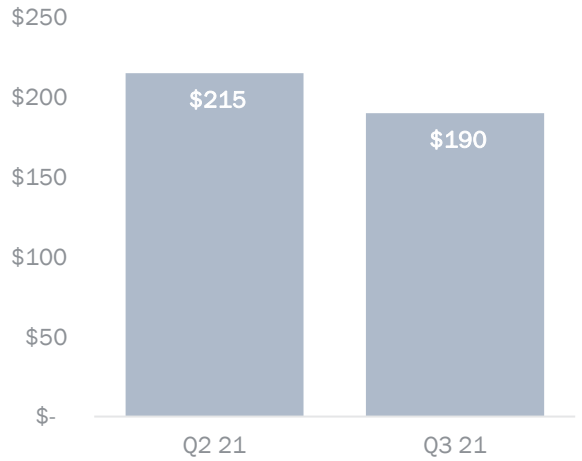


(1) Excludes impact of purchase accounting step-up on sold rental equipment.

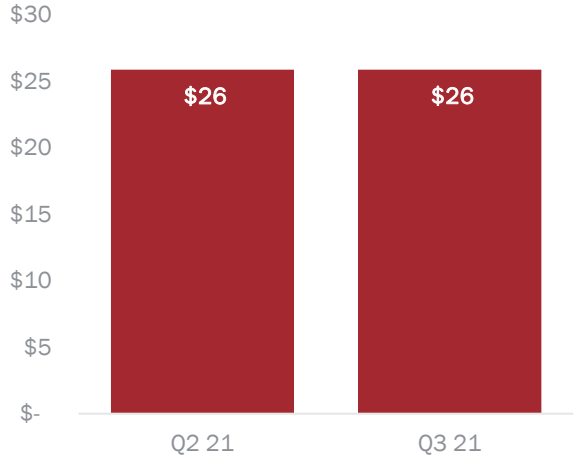
Truck & Equipment Sales (TES)

New sales order backlog grew by 52% in Q3

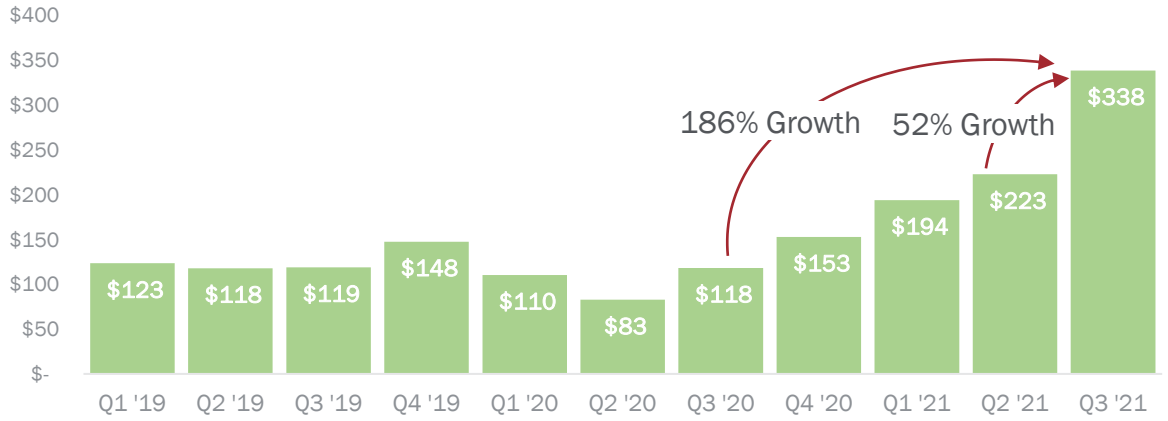
Revenue



Adjusted Gross Profit[1]



New Sales Backlog



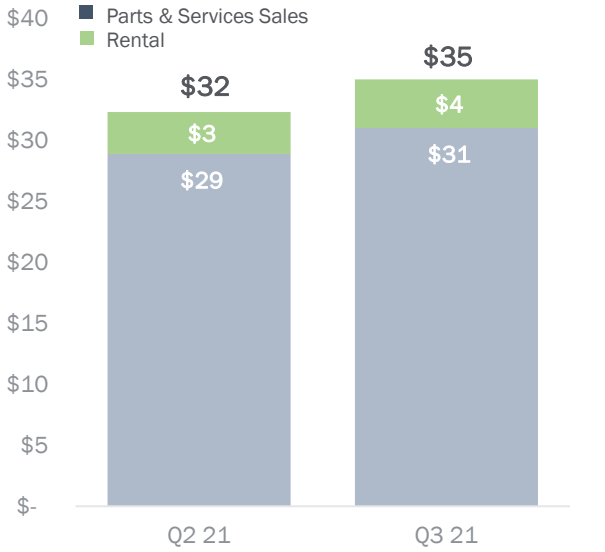
- Revenue declined $25 million in Q3 due to typical seasonal trends and greater allocation of inventory to support rental fleet growth
- New sales backlog grew by $115 million, or 52%, in Q3; backlog growth was strong across all key product segments
- Gross margins were 13.6% in Q3, up from 12.1% in Q2
  - *Gross margin in Q3 2020 for standalone Custom Truck LP was 11.3%*
- Adjusted Gross Profit excludes the impact of purchase accounting $6 million and $8 million, respectively
- Margin expansion reflects impact of focused pricing strategies, continuous improvement in production efficiency, and reduction on inventory reserve charges
- *Refer to the appendix for Q3 2020 ERS results for Nesco and Custom Truck LP*

(1) Gross profit excludes the impact of purchase accounting

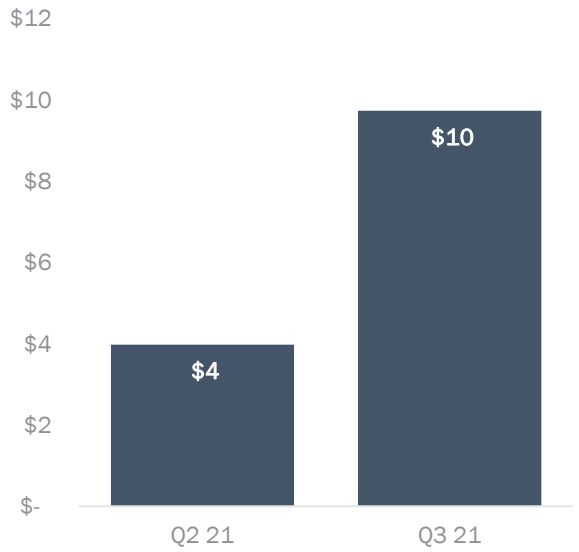
Aftermarket Parts & Service (APS)

APS margins improved 850 bps to 29%, driven by strong improvement in rental activities

Revenue



Adjusted Gross Profit[1]



(1) Gross profit excluding depreciation is a non-GAAP financial measure, which the Company calculates as segment gross profit plus depreciation of rental equipment.

- Q3 results reflect focus on improving cost structure and operational execution of the aftermarket rental business
- Service related revenues continue to be negatively impacted by incremental rental related service performed in house
- Gross margins were 28.5%, up from 12.5% in Q2; margin improvement driven by realized cost synergies at legacy Nesco sites and reduction in inventory reserve charges
- *Refer to the appendix for Q3 2020 ERS results for Nesco and Custom Truck LP*

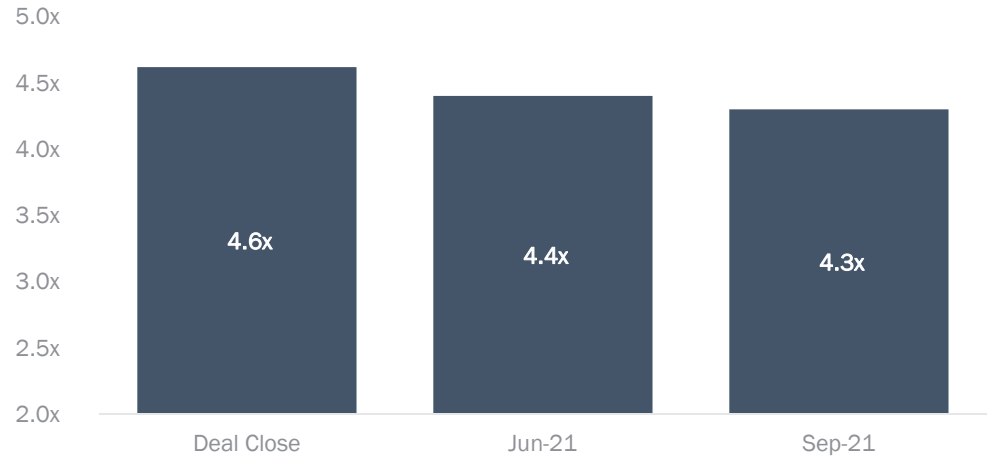
APS Next Steps

- Leverage the large installed based on rental and sales customers with clear go-to market strategy and product offering
- Additional investment to increase market share of captive and specialized parts business, which have margins of 50%+
- Invest in footprint expansion and capabilities
- Continued focus on cost reductions through operational efficiencies
- Enhance digital consumer experience to accelerate growth

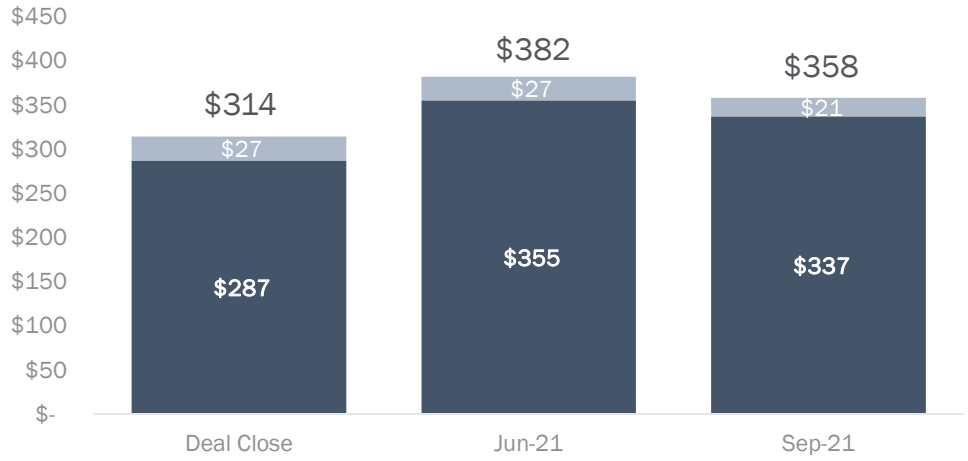
Balance Sheet & Capex

Continue to strengthen the balance sheet and demonstrated ability to de-lever quickly through cash flow generation and Adjusted EBITDA growth

Improved Leverage by 0.3x since close



Availability liquidity up $44M since close



Net Capital Expenditures were $55 million in Q3

($ in millions)	Q3 2021	YTD 2021
Gross Rental Asset Additions	$75	$190
Non-Rental Asset Additions	2	5
Gross Capex	**$77**	**$195**
Proceeds From Sale of Assets	(22)	(106)
Net Capex	**$55**	**$89**

- Leverage at the end of Q3 was 4.3x Pro Forma LTM Adjusted EBITDA and continues to improve compared to the leverage at deal close
- Net capex was $55 million, a significant increase compared to the $30 million in Q2; Driven by continued to demand for equipment
- Total available liquidity was $358 million at the end of Q3, down slightly from Q2 due to increased capex investments

Summary

1. Favorable End-Market Dynamics with Secular Growth Drivers
2. Differentiated “One-Stop-Shop” Business Model
3. CTOS Well-Positioned for Growth & Margin Expansion
4. Monetizing Synergy Opportunity from Merger
5. Demonstrated Performance and Financial Profile Support Growth Opportunities



CTOS is Well Positioned to Deliver Significant Value Creation



Appendix

Adjusted EBITDA Reconciliation

	Actual					Pro Forma			
	Three Months Ended June 30,	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(in $ millions)	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net income (loss)	$ (129)	$ 15	$ (21)	$ (14)	$ (178)	$ 19	$ (15)	$ (104)	$ (88)
Interest expense	18	16	17	48	50	19	17	57	53
Income tax expense (benefit)	7	(26)	—	(26)	10	(25)	2	(54)	40
Depreciation and amortization	60	21	67	64	146	55	67	167	181
EBITDA	(45)	26	63	72	28	68	71	66	186
Adjustments:									
Non-cash purchase accounting impact (1)	21	—	6	1	27	1	(1)	19	11
Transaction and integration costs (2)	25	1	8	5	43	—	8	48	8
Loss on extinguishment of debt (3)	62	—	—	—	62	—	—	62	—
Sales-type lease adjustment (4)	(1)	—	4	—	3	2	4	2	4
Share-based payments (5)	7	1	5	2	13	1	5	3	13
Change in fair value of derivative and warrants (6)	1	(1)	(1)	6	5	(1)	(1)	6	5
Adjusted EBITDA	$ 70	$ 28	$ 84	$ 86	$ 182	$ 71	$ 84	$ 206	$ 228

Adjusted EBITDA is defined as net income (loss) plus interest expense, provision for income taxes, depreciation and amortization, and further adjusted for non-cash purchase accounting impact, transaction and process improvement costs, including business integration expenses, share-based payments, the change in fair value of derivative instruments, sales-type lease adjustment, and other special charges that are not expected to recur. This non-GAAP measure is subject to certain limitations.

(1) Represents the non-cash impact of purchase accounting, net of accumulated depreciation, on the cost of equipment and inventory sold. The equipment and inventory acquired received a purchase accounting step-up in basis, which is a non-cash adjustment to the equipment cost pursuant to our credit agreement.
(2) Represents transaction costs related to acquisitions of businesses, including post-acquisition integration costs. These expenses are comprised of professional consultancy, legal, tax and accounting fees. Also included are expenses associated with the integration of acquired businesses.
(3) Loss on extinguishment of debt represents a special charge, which is not expected to recur. Such charges are adjustments pursuant to our credit agreement.
(4) Represents the adjustment for the impact of sales-type lease accounting for certain leases containing rental purchase options (or "RPOs"), as the application of sales-type lease accounting is not deemed to be representative of the ongoing cash flows of the underlying rental contracts. This adjustment is made pursuant to our credit agreement.
(5) Represents non-cash share-based compensation expense associated with the issuance of stock options and restricted stock units.
(6) Represents the charge to earnings for our interest rate collar and the change in fair value of the liability for warrants.

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Adjusted Gross Profit Reconciliation

(in $ millions)	Actual					Pro Forma			
	Three Months Ended June 30, 2021	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2020	2021	2020	2021	2020	2021	2020	2021
Revenue									
Rental revenue	$ 99	$ 46	$ 109	$ 144	$ 256	$ 98	$ 109	$ 301	$ 308
Equipment sales	248	12	217	39	483	173	217	555	729
Parts sales and services	29	12	31	37	72	31	31	95	90
Total Revenue	375	69	357	219	811	303	357	951	1,127
Cost of revenue	285	34	242	107	567	202	234	652	790
Depreciation of rental equipment	43	19	50	59	111	46	50	139	138
Total cost of revenue	328	54	292	166	679	248	285	791	928
Less: Depreciation of rental equipment	(43)	(19)	(50)	(59)	(111)	(46)	(50)	(139)	(138)
Cost of revenue excluding depreciation	285	34	242	107	567	202	234	652	790
Adjusted Gross Profit	90	35	115	113	243	101	123	299	337
Less: Depreciation of rental equipment	(43)	(19)	(50)	(59)	(111)	(46)	(50)	(139)	(138)
Gross Profit - GAAP	$ 47	$ 16	$ 65	$ 53	$ 132	$ 55	$ 73	$ 160	$ 199

Adjusted Gross Profit is defined as Gross Profit excluding depreciation of rental equipment and is a financial performance measure that we use to monitor our results from operations. We believe the exclusion of depreciation expense of the rental fleet provides a meaningful measure of financial performance because it provides useful information relating to profitability that reflects ongoing and direct operating expenses, such as freight costs and fleet maintenance costs, related to our rental fleet. Although management evaluates and presents this non-GAAP measure for the reasons described herein, please be aware that this non-GAAP measure has limitations and should not be considered in isolation or as a substitute for revenue, gross profit or any other comparable operating measure prescribed by GAAP. In addition, we may calculate and/or present this non-GAAP financial measure differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measure we report may not be comparable to those reported by others.

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Supplementary Segment Data — ERS

(in $ millions)	Three Months Ended September 30, 2020		Three Months Ended September 30, 2021	Nine Months Ended September 30, 2020		Nine Months Ended September 30, 2021	Three Months Ended March 31, 2021
	Nesco Holdings	Custom Truck LP	CTOS Inc.	Nesco Holdings	Custom Truck LP	CTOS Inc.	Custom Truck LP
Rental revenue	$ 43	$ 52	$ 105	$ 133	$ 157	$ 245	$ 52
Equipment sales	6	29	27	20	97	70	49
Total revenue	48	81	132	152	254	315	101
Cost of rental revenue	13	13	25	39	38	68	13
Cost of equipment sales	5	21	20	16	72	61	36
Depreciation of rental equipment	19	24	49	56	74	108	23
Total cost of revenue	36	58	93	111	184	237	72
Gross profit	$ 12	$ 24	$ 39	$ 41	$ 71	$ 78	$ 29

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Supplementary Segment Data — TES

(in $ millions)	Three Months Ended September 30, 2020		Three Months Ended September 30, 2021	Nine Months Ended September 30, 2020		Nine Months Ended September 30, 2021	Three Months Ended March 31, 2021
	Nesco Holdings	Custom Truck LP	CTOS Inc.	Nesco Holdings	Custom Truck LP	CTOS Inc.	Custom Truck LP
Equipment sales	$ 6	$ 133	$ 190	$ 19	$ 419	$ 413	$ 197
Cost of equipment sales	5	118	172	17	372	374	176
Gross profit	$ 1	$ 15	$ 18	$ 2	$ 47	$ 39	$ 21

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Supplementary Segment Data — APS

(in $ millions)	Three Months Ended September 30, 2020		Three Months Ended September 30, 2021	Nine Months Ended September 30, 2020		Nine Months Ended September 30, 2021	Three Months Ended March 31, 2021
	Nesco Holdings	Custom Truck LP	CTOS Inc.	Nesco Holdings	Custom Truck LP	CTOS Inc.	Custom Truck LP
Rental revenue	$ 4	$ —	$ 4	$ 11	$ —	$ 11	$ —
Parts and services revenue	12	19	31	37	58	72	19
Total revenue	15	19	35	48	58	83	19
Cost of revenue	11	17	25	35	49	65	15
Depreciation of rental equipment	1	—	1	3	—	3	—
Total cost of revenue	12	17	26	38	49	68	15
Gross profit	$ 3	$ 3	$ 9	$ 10	$ 10	$ 15	$ 3

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Net Capex Reconciliation

	Actual				Pro Forma		
	Three Months Ended September 30,		Nine Months Ended September 30,				
(in $ millions)	2020	2021	2020	2021	CTOS Inc. Nine Months Ended September 30, 2021	Custom Truck LP Three Months Ended March 31, 2021	Pro Forma Combined Nine Months Ended September 30, 2021
Purchases of rental equipment	$ 4	$ 75	$ 59	$ 141	$ 141	$ 49	$ 190
Purchase of other property and equipment	—	2	1	3	3	1	5
Total Capital Expenditures	3	77	60	145	145	50	195
Less:							
Proceeds from sale of rental equipment	(11)	(22)	(30)	(63)	(63)	(43)	(106)
Net Capital Expenditures	$ (8)	$ 55	$ 30	$ 82	$ 82	$ 7	$ 89

Net Capital Expenditures is defined as cash purchases of rental equipment and property and other equipment, less proceeds from sales of rental equipment. Net capital expenditures is a financial performance measure that we use to monitor our investing cash flows related to our rental fleet. Although management evaluates and presents this non-GAAP measure for the reasons described herein, please be aware that this non-GAAP measure has limitations and should not be considered in isolation or as a substitute for cash flow from operating activities, investing activities or any other comparable measure prescribed by GAAP. In addition, we may calculate and/or present this non-GAAP financial measure differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measure we report may not be comparable to those reported by others.

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Leverage Ratio Calculation

(in $ millions) (As of Period End)	June 30, 2021	September 30, 2021
Current Maturities of Long-Term Debt	$ 6	$ 5
Current Portion of Finance Leases	5	4
Long-Term Debt, Net	1,304	1,324
Finance Leases	7	5
Add: Deferred Financing Costs	35	34
Total Debt and Finance Leases	1,358	1,373
Less: Cash and Cash Equivalents	(27)	(21)
Net Debt and Finance Leases	$ 1,330	$ 1,352
Pro Forma Combined Adjusted EBITDA (Current Year to Date Period)	$ 143	$ 228
Less: Pro Forma Combined Adjusted EBITDA (Prior Year to Date Period)	(138)	(206)
Add: Nesco Holdings Adjusted EBITDA (Fiscal Year 2020)	119	119
Add: Custom Truck LP Adjusted EBITDA (Fiscal Year 2020)	176	176
LTM Adjusted EBITDA	$ 301	$ 317
Leverage Ratio	4.4	4.3

Leverage Ratio is defined as current maturities and long-term debt and finance lease obligations, net of cash and cash equivalents ("net debt") divided by Adjusted EBITDA for the previous twelve-month period ("last twelve months," or "LTM").

Sum of individual line items may not equal subtotal and total amounts due to rounding.