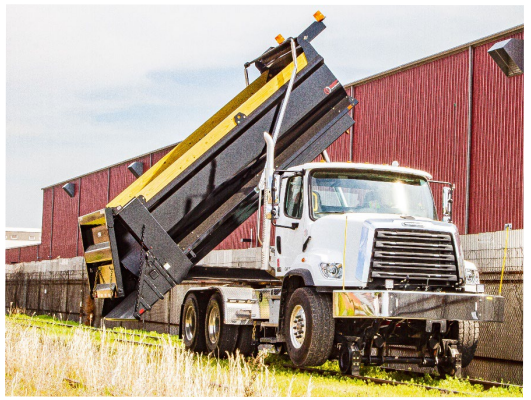
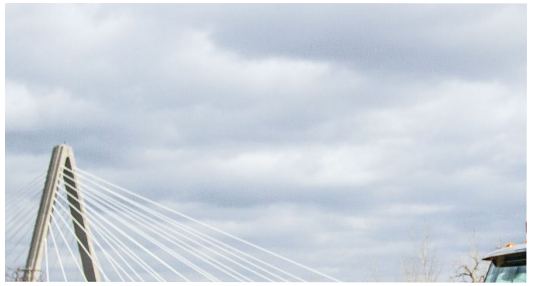
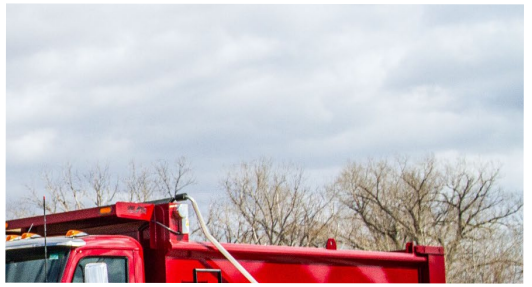








Custom Truck One Source

3rd Quarter 2023 Investor Presentation

November 7, 2023

CUSTOM TRUCK ONE SOURCE™



Safe Harbor

This presentation includes certain financial measures that have not been prepared in a manner that complies with generally accepted accounting principles in the United States ("GAAP"), including, without limitation, Adjusted Gross Profit, Adjusted Gross Margin, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA (collectively, the "non-GAAP financial measures"). These non-GAAP financial measures may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to measures of financial performance in accordance with GAAP. Management believes that these non-GAAP financial measures provide meaningful information to investors because they provide insight into how effectively we operate our business. You should be aware that these non-GAAP financial measures may not be comparable to similarly-titled measures used by other companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the appendix of this presentation.

This presentation includes market data and other statistical information from third-party sources. Although CTOS believes these third-party sources are reliable as of their respective dates, CTOS has not independently verified the accuracy or completeness of this information.

This presentation is not intended to be all-inclusive or to contain all the information that a person may desire in considering an investment in CTOS. This presentation is for informational purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, as amended, and within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, that are based on certain assumptions that management has made in light of its experience in the industry, as well as the Company's perceptions of historical trends, current conditions, expected future developments and other factors the Company believes are appropriate in these circumstances. When used in this presentation, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside management's control, that could cause actual results or outcomes to differ materially from those discussed in this presentation. Important factors, among others, that may affect actual results or outcomes include: difficulty in integrating the Nesco Holdings and Custom Truck LP businesses and fully realizing the anticipated benefits of this business combination; as well as significant transaction and transition costs that we will continue to incur following this business combination; material disruptions to our operation and manufacturing locations as a result of public health concerns, including the COVID-19 pandemic, equipment failures, natural disasters, work stoppages, power outages or other reasons; the cyclical nature of demand for our products and services and our vulnerability to industry, regional and national downturns, which impact, among others, our ability to manage our rental equipment; our inability to obtain raw materials, component parts and/or finished goods in a timely and cost-effective manner; our inability to manage our rental equipment in an effective manner; any further increase in the cost of new equipment that we purchase for use in our rental fleet or for our sales inventory; disruptions in our supply chain as a result of the ongoing COVID-19 pandemic; aging or obsolescence of our existing equipment or fluctuations in the market value thereof; our inability to recruit and retain experienced personnel, including skilled technicians, necessary to compete in our industries; disruptions in our information technology systems or a compromise of our system security, limiting our ability to effectively monitor and control our operations, adjust to changing market conditions, and implement strategic initiatives; unfavorable conditions in the capital and credit markets and our inability to obtain additional capital as required; our dependence on a limited number of manufacturers and suppliers and on third-party contractors to provide us with various services to assist us with conducting our business; potential impairment charges; our exposure to various risks related to legal proceedings or claims, and our failure to comply with relevant laws and regulations, including those related to occupational health and safety, the environment, government contracts, and data privacy and data security; the interest of our majority stockholder, which may not be consistent with other stockholders; our significant indebtedness, which may adversely affect our financial position, limit our available cash and our access to additional capital, prevent us from growing our business and increase our risk of default; our inability to generate cash, which could lead to a default; significant operating and financial restrictions imposed by the agreements governing our indebtedness; additional unionization of our workforce; and changes in interest rates. For a more complete description of these and other possible risks and uncertainties, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and its subsequent reports filed with the Securities and Exchange Commission. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements.

CTOS at a Glance

Leading Integrated Provider of Specialty Equipment

- True "One-Stop-Shop" platform, focused on rental and sales
- Deep product knowledge and truck expertise
- Strong track record of consistent growth
- Favorable end markets with positive tailwinds
- Proven integration experience and operational focus
- Nationwide footprint with significant potential for expansion
- Established track record of conservative balance sheet management and de-levering

$1.83B+
LTM Revenue

$433M
LTM Adj. EBITDA[1]

2,400+
Employees[2]

10,200+
Fleet Units[2]

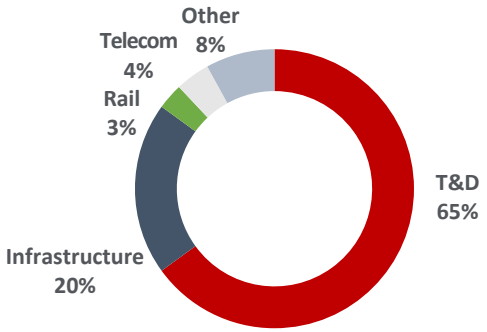
$1.47B
Fleet OEC[3]



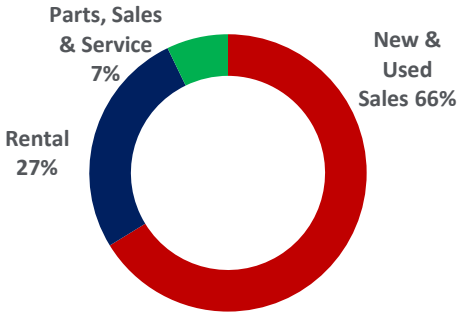
35
Locations[4]

End Market & Business Mix

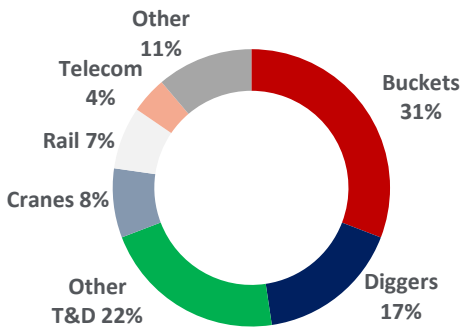
End Market[5]



Revenue[2]



Rental Fleet OEC[2]



(1) **Adjusted EBITDA** is a non-GAAP measure. Please refer to the supplemental information provided in Appendix for reconciliations to the most comparable GAAP measure.
(2) As of, or for the LTM period ended, September 30, 2023.
(3) OEC represents the original equipment cost exclusive of the effect of purchase accounting adjustments applied to rental equipment acquired in business combinations and any rental equipment held for sale. As of September 30, 2023.
(4) Excludes third-party service locations. As of November 1, 2023.
(5) Based on FY22.

Q3 2023 – Continued Strong Growth & Financial Results

- Delivered strong year-over-year growth, taking advantage of improved inventory flows and record levels of production
  - Revenue of $434M, +21% vs. Q3 ’22
  - Adjusted Gross Profit(1) of $150M, +14% vs. Q3 ’22
  - Adjusted EBITDA(1) of $100M, +9% vs. Q3 ’22
- Results reflect continued strong end-market fundamentals driving solid demand in all three business segments
  - ERS revenue +12% vs. Q3 ’22
  - TES revenue +33% vs. Q3 ‘22
    - New truck sales remain strong—backlog up 10% vs. Q3 ’22
  - APS revenue up 4% vs. Q3 ‘22
- Improved supply chain flow and inventory levels continue to drive investment in our ERS fleet, as well as significant growth in new equipment sales for TES
- Capital investment project in Union Grove, WI is complete, with the Kansas City, MO expansion expected to be completed in Q4
- Established record of conservative balance sheet management
  - Net leverage at September 30th of 3.3x, the 10th consecutive quarter of reduced leverage and down from 4.6x at the close of the combination with Nesco



(1) **Adjusted Gross Profit and Adjusted EBITDA** are non-GAAP measures. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

Unique Business Model = Strong Value Creation

Attractive end markets with long-term secular growth drivers	Infrastructure Bill and Inflation Reduction Act will further supercharge end-market tailwinds
Differentiated one-stop shop business model with strong unit economics for rent or buy	Best-in-class asset level returns: Rental Asset ROICs of 20%+ and New Sales margins of 15%+
Market leading specialty rental fleet	Youngest, highest quality equipment in the industry
Long-term relationships with blue-chip customer base	Demonstrated ability to grow with our customers and win new logos
Nationwide footprint provides superior customer service and operating flexibility	35 branches and 350 technicians, with ability to expand further
CTOS/Nesco combination created multiple operating synergy opportunities and scale benefits	Improved operating and production efficiency with increased scale resulting in enhanced vendor relationships
Executing on a well-defined growth strategy	Value creation for shareholders
Solid balance sheet and consistent cash flow generation	Financial flexibility to both reduce leverage and invest for growth

Favorable End-Market Dynamics

Strong, Multi-Year End Market Tailwinds With Upside From 2021 Infrastructure Investment and Jobs Act



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

~$65B	8.3%
Annual Total Spend	*'19-'21 CAGR*

IIJA Impact: $79B



RAIL

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

Rail Capex

~$10B	6.7%
Annual Total Spend	*'20-'22 CAGR*

IIJA Bill Impact: $66B



INFRASTRUCTURE

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

Infrastructure Capex

~$225B	2.3%
Annual Total Spend	*'20-'22 CAGR*

IIJA Bill Impact: $210B



TELECOM

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

Telecom Capex

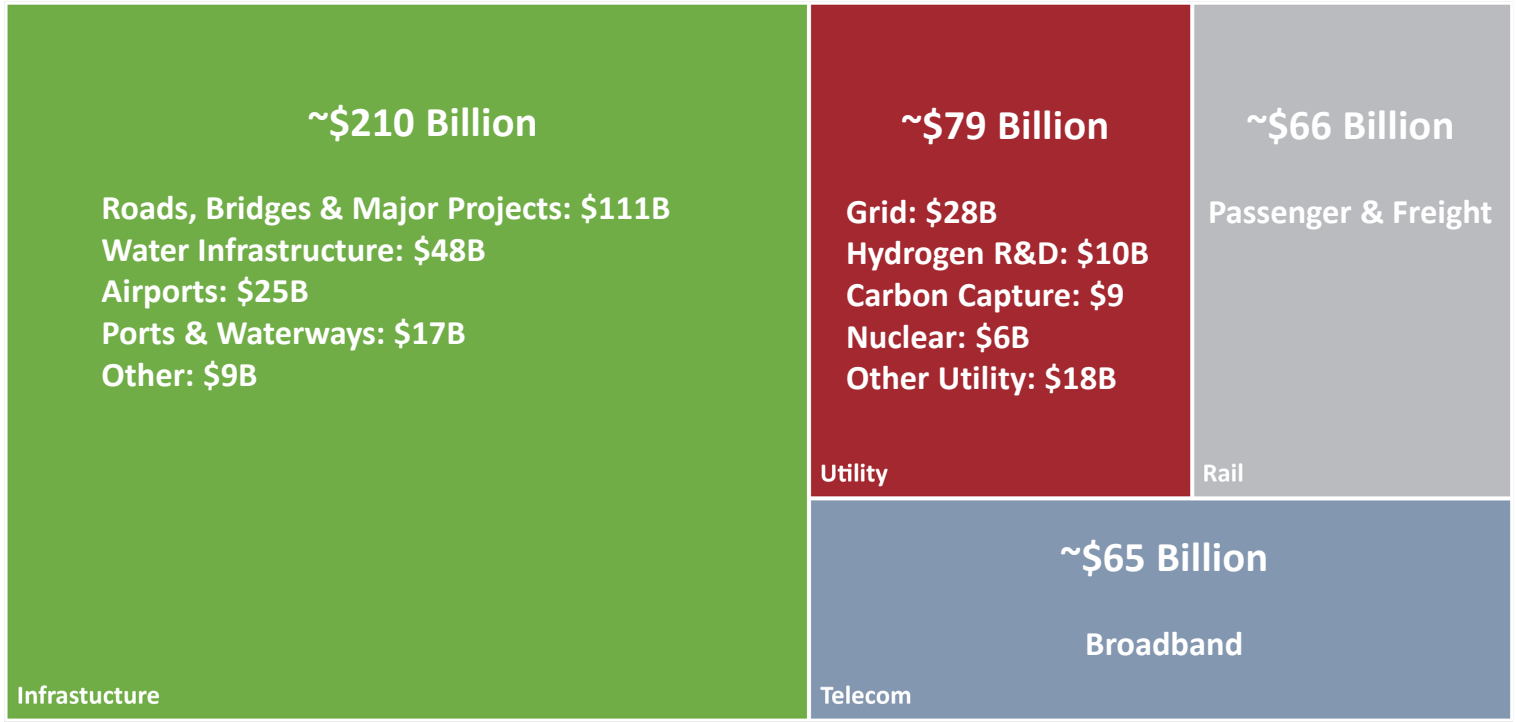
~$80B	3.2%
Annual Total Spend	*'19-'21 CAGR*

IIJA Bill Impact: $65B

Source: Edison Electric Institute, FactSet, FMI and US Telecom.

Infrastructure Spending Bills Extend End-Market Growth

Infrastructure Investment and Jobs Act Allocates ~$420 Billion of Funding to Our End Markets



Source: White House & US Chamber of Commerce

The CHIPS & Science Act and the Inflation Reduction Act both result in significant additional funding that will indirectly impact our end markets through:

- The expansion of US manufacturing capacity (Utility & Infrastructure)
- Certain conservation efforts (Infrastructure)
- The promotion of growth and adoption of electric vehicles, electrification and renewable energy (Utility & Infrastructure)

Diverse, Highly Loyal Customer Base

Highlights

- Serve more than 3,000 customers, with the top 15 customers representing ~25% of revenue
- No customer represents more than 4% of company revenue
- Strong brand recognition and awareness among industry-leading customers
- 15+ year tenure with top customers
- Breadth of equipment and geographic reach enables servicing of largest national customers with recurring business tied to long-term engagements

Diverse Customer Base

T&D

PIKE
AMERICAN ELECTRIC POWER
H&M HENKELS & McCOY
MYR GROUP
QUANTA SERVICES
PLH GROUP
LINETEC SERVICES
LA DWP Los Angeles Department of Water & Power
nationalgrid
res
LEWIS
DUKE ENERGY
ABC Professional Tree Services
ASPLUNDH
Consumers Energy Count on Us®
DAVEY Proven Solutions for a Growing World

Infrastructure / Telecom

MasTec
DYCOM
EXCELL COMMUNICATIONS
WASTE CONNECTIONS
HERITAGE
WM WASTE MANAGEMENT
BARNARD
S&N COMMUNICATIONS
webber
HOLT CAT

Rail

BNSF RAILWAY
GENESEE & WYOMING
RAILWORKS
BART Bay Area Rapid Transit
mec mass. electric construction company
METROLINK
SOUNDTRANSIT
CPKC

Note: Metrics are as of and for the year ended 12/31/22, unless otherwise noted.

Differentiated “One-Stop-Shop” Business Model

Integrated Production Capabilities and Rental + Sales Model Provides 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

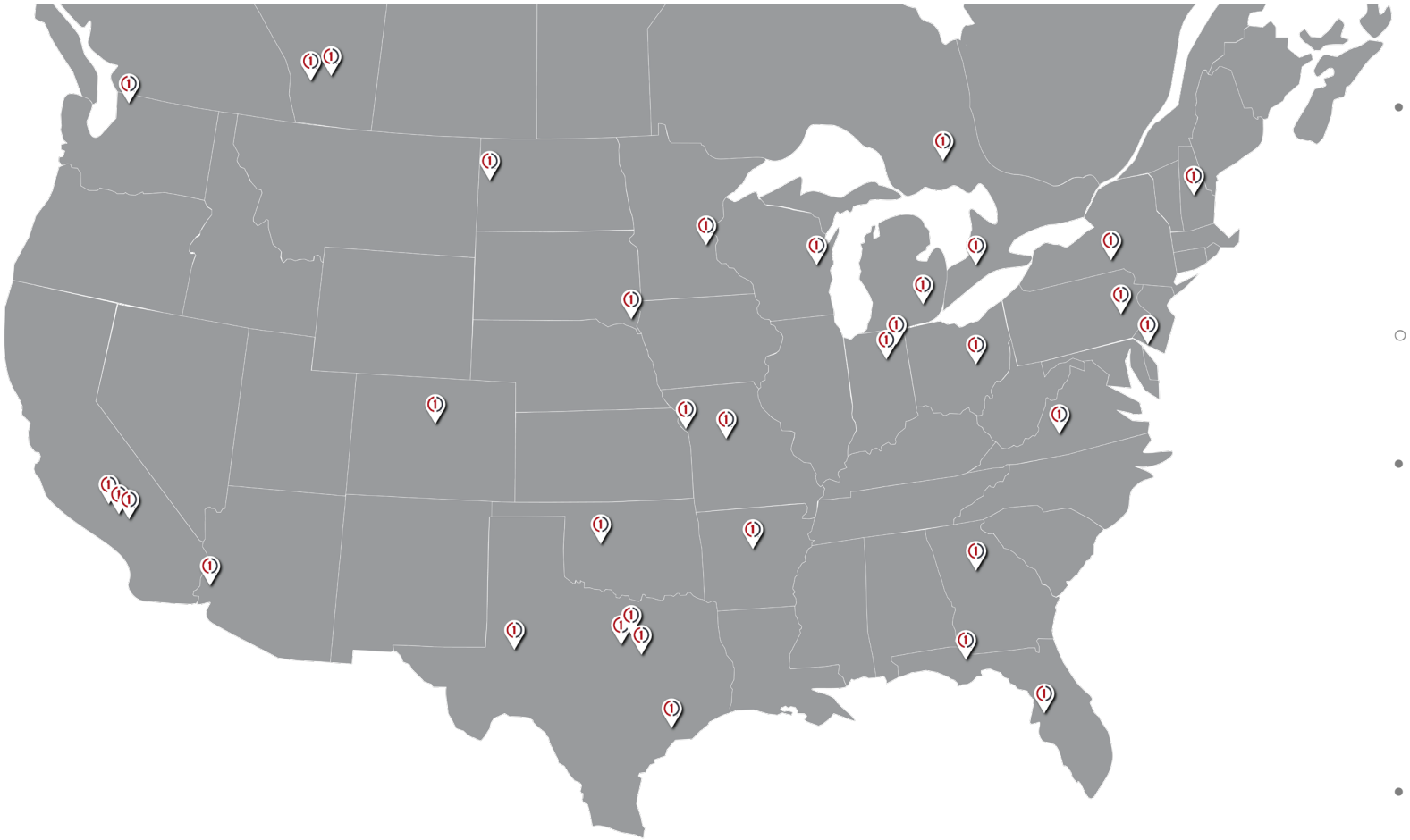
CTOS Benefits

- ✓ 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 in the U.S. and Canada
  - Relocated our Fargo, ND location to an expanded site in Williston, ND
  - Relocated and expanded our Acheson, Alberta location to an adjacent site
- 350 technicians located throughout our branches
  - 80 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

Our ESG Strategy





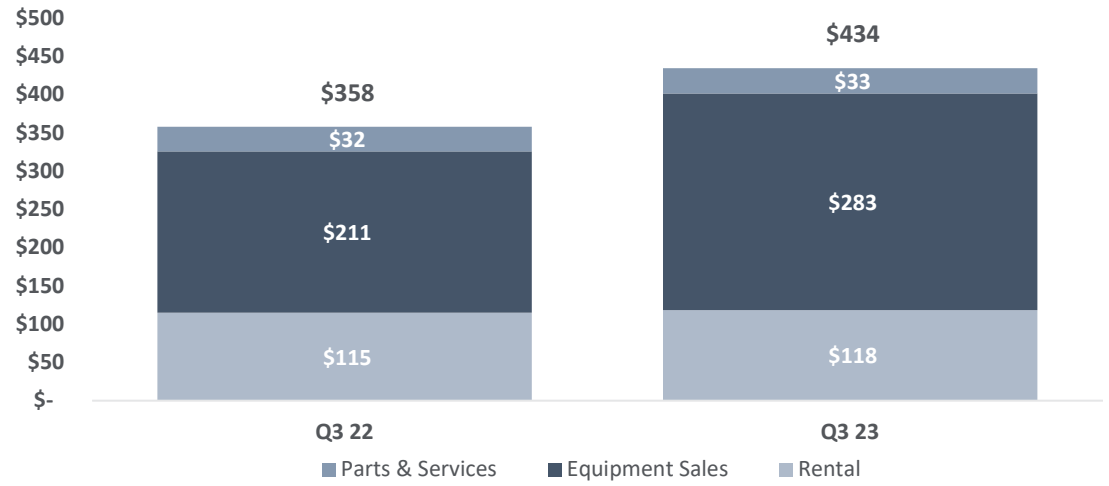
- We issued our inaugural ESG report in early July
- Our ESG plan is driven by our shared Purpose, Vision and Values
- We are committed to staying at the forefront of technological innovations in our industry and adapting our products and services to align with our ESG objectives
  - Developed and deployed the Lightning PTO, an electric power takeoff (ePTO) that allows for auxiliary equipment to operate when the engine is off. Eliminating work site idling results in significant noise reduction, as well as greatly reduced fuel consumption and CO_2 emissions
  - At the forefront of EV chassis utilization in specialty vehicles through our partnerships with Peterbilt and Battle Motors to produce all electric bucket trucks and digger derricks
- Our ESG efforts will focus on the opportunities, risks and priorities that are particularly relevant to Custom Truck:
  - Environmental Compliance
  - Sustainable Operations
  - Environmental Benefits of Products & Services
  - Human Capital Management
  - Diversity, Equity and Inclusion
  - Employee Health and Safety
  - Enterprise Risk Management
  - Business Ethics
  - Data Privacy and Security
  - Corporate Governance

Consolidated Operating Performance – Q3

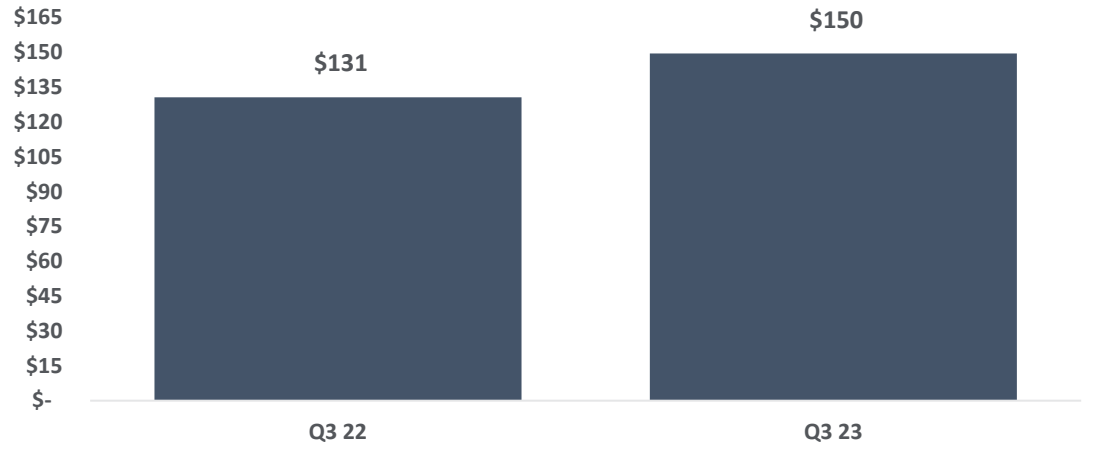
($ millions, except where indicated)

Q3 Revenue, Adjusted Gross Profit(1) and Adjusted EBITDA(1) grew 21%, 14% and 9% year-over-year

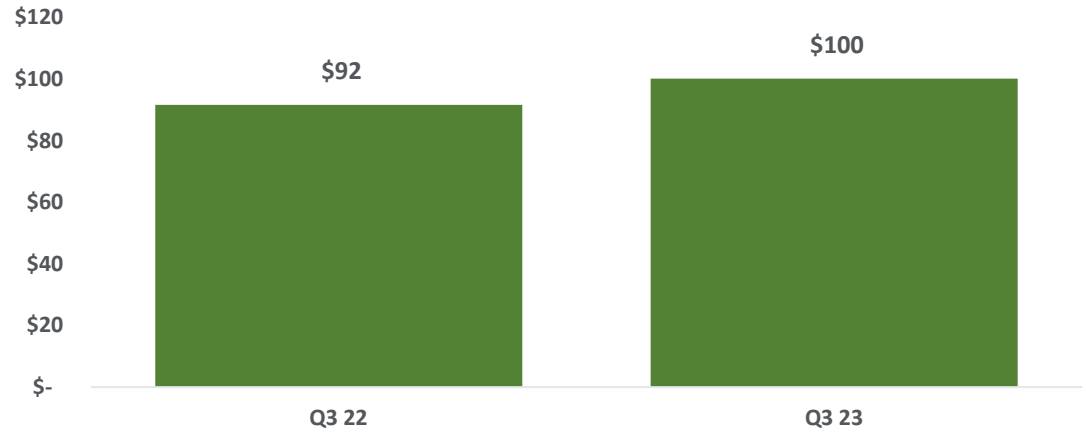
Revenue



Adjusted Gross Profit(1)



Adjusted EBITDA(1)



- Revenue increased 21% in Q3 ’23 vs. Q3 ’22, driven by continued strong demand across our end markets
- Adjusted Gross Profit improved by $19M (+14%) in Q3 ’23 vs. Q3 ’22, and Adjusted Gross Margin for Q2 ‘23 was 34.4%
- Adjusted EBITDA was up 9% in Q3 ‘23 vs. Q3 ’22
- SG&A, excluding stock-based compensation, of $54 million, or less than 12.5% of revenue, an improvement from 12.7% in Q3 ‘22
- Increased inventory by over $123M in Q3 ’23, which will drive expected fleet investment and new equipment sales growth

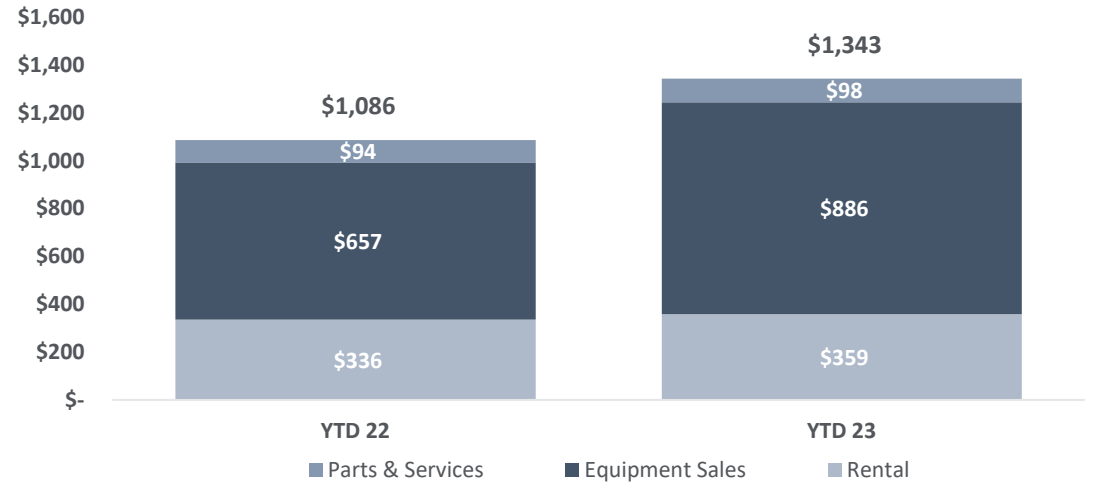
(1) **Adjusted Gross Profit and Adjusted EBITDA** are non-GAAP measures. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

Consolidated Operating Performance – Year-to-Date

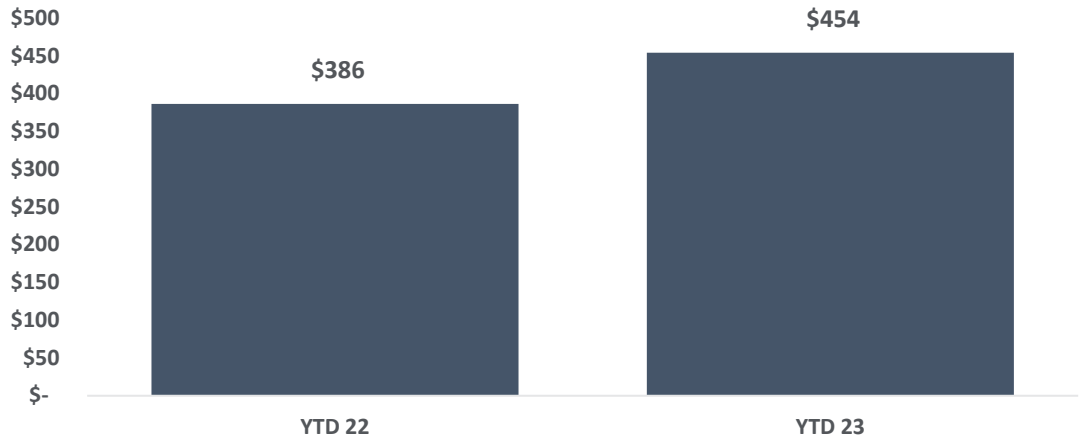
($ millions, except where indicated)

YTD Revenue, Adjusted Gross Profit(1) and Adjusted EBITDA(1) grew 24%, 18% and 15% year-over-year

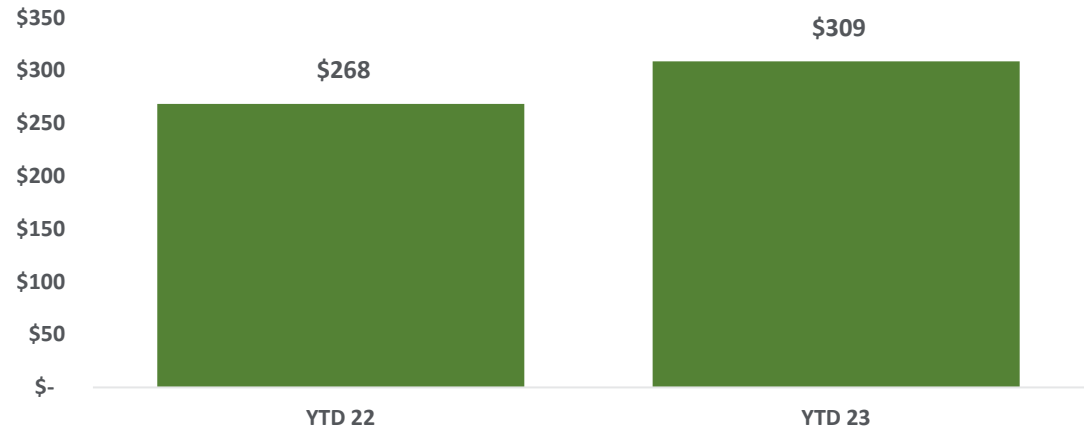
Revenue



Adjusted Gross Profit(1)



Adjusted EBITDA(1)



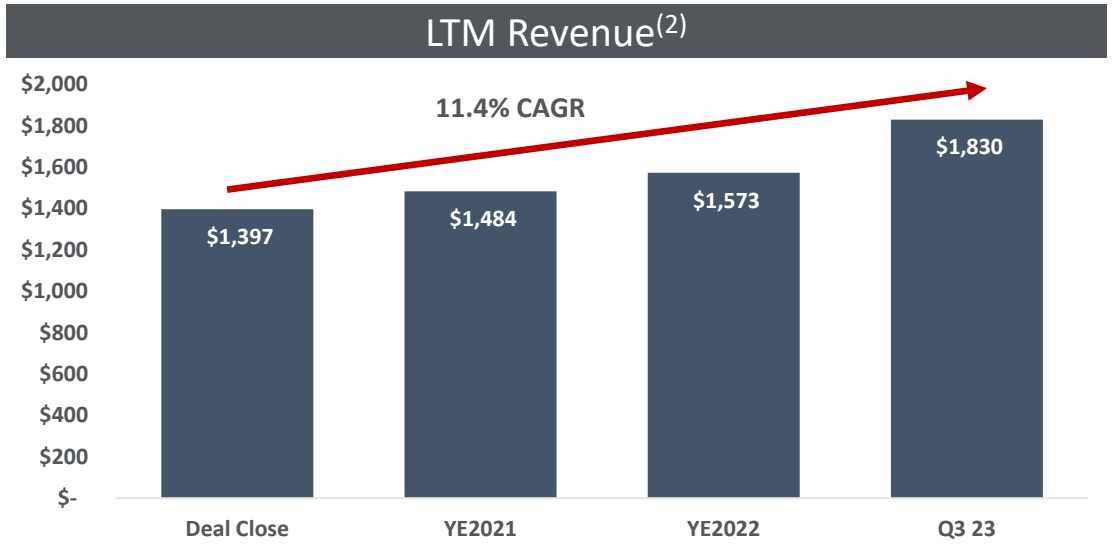
- Revenue increased 24% YTD ’23 vs. YTD ’22, driven by consistent strong demand across our end markets
- Adjusted Gross Profit improved by $68M (+17%) YTD ’23 vs. YTD ’22, and Adjusted Gross Margin for YTD ‘23 was 33.8%
- Adjusted EBITDA was up 15% YTD ‘23 vs. YTD ’22
- SG&A, excluding stock-based compensation, of $162M, or 12% of revenue, an improvement from more than 13% YTD ‘22
- Increased inventory by almost $292M YTD ’23, which will drive expected fleet investment and new equipment sales growth

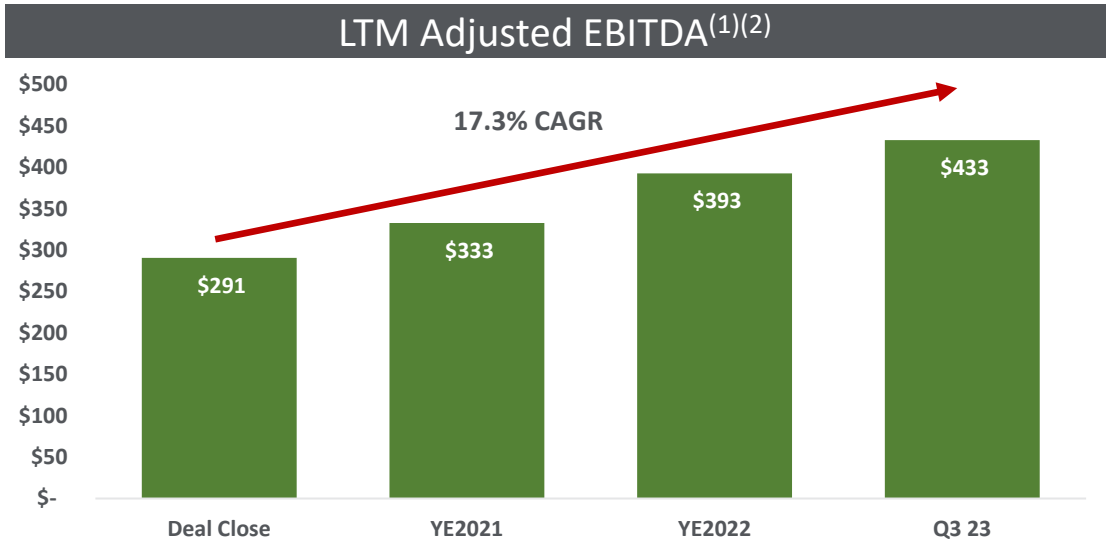
(1) **Adjusted Gross Profit and Adjusted EBITDA** are non-GAAP measures. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

Consistent Revenue and Adjusted EBITDA[(1)] Growth

($ millions, except where indicated)

Produced strong and consistent Revenue and Adjusted EBITDA[(1)] growth since the closing of the combination with Nesco, resulting in Revenue and Adjusted EBITDA[(1)] CAGRs through the LTM period of 11.4% and 17.3%, respectively





(1) Adjusted EBITDA is a non-GAAP measure. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.
(2) Deal Close and 2021 figures are presented on a pro forma basis as if Nesco Holdings' acquisition of Custom Truck LP occurred on January 1, 2020. Adjusted EBITDA in the fiscal year period 2021 includes $10 million of previously disclosed special charges related to leasing receivables and inventory reserves taken in connection with the CTOS/Nesco business combination in the second quarter of 2021.

CTOS Reporting Segments

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

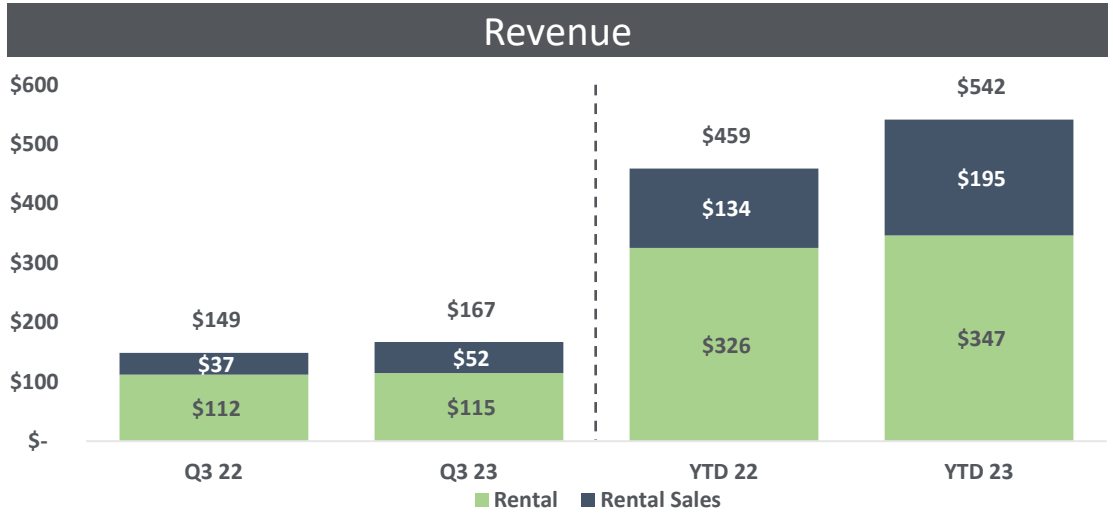
Equipment Rental Solutions (ERS)	Truck & Equipment Sales (TES)	Aftermarket Parts & Service (APS)

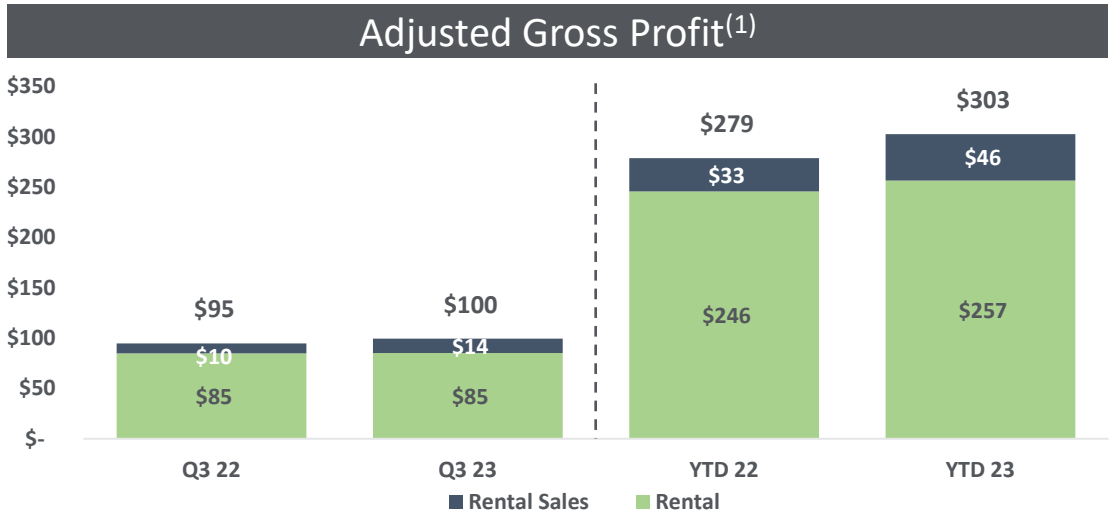
➢ Includes results from core rental revenues, sale of rental assets, and related ancillary fees revenues and expenses
➢ Key Metrics
  ➢ Utilization
  ➢ OEC on Rent
  ➢ On Rent Yield (ORY)
	➢ Includes results from new and used (non-rental) sales, as well as the impacts from our production and manufacturing 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)

($ millions, except where indicated)

Strong Q3 and YTD 2023 Revenue and Adjusted Gross Profit[(1)] growth vs. 2022, driven by continued strong utilization, pricing and strong used equipment sales





- ***Total Revenue*** increased $18M, or 12%, in Q3 '23 vs. Q3 '22 and $82M, or 18%, YTD '23 vs. YTD '22
  - *Rental*: +$3M in Q3 '23, or +3%, vs. Q3 '22
+$21M YTD '23, or +6%, vs. YTD '22
  - *Rental Sales*: +$15M in Q3 '23, or +41%, vs. Q3 '22
+$61M YTD '23, or +46%, vs. YTD '22
- ***Adjusted Gross Profit***[(1)] increased $5M, or 5%, in Q3 '23 vs. Q3 '22 and $24M, or 9%, YTD '23 vs. YTD '22
  - *Rental*: +$1M in Q3 '23, or +1%, vs. 32 '22
+$11M YTD '23, or +4% vs. YTD '22
  - *Rental Sales*: +$4M in Q3 '23, or +42%, vs. Q3 '22
+$13M YTD '23, or +40%, vs. YTD '22
- ***Adjusted Gross Margin*** was 60% in Q3 '23, up more than 185bp vs. Q2 '23

Please refer to the appendix for Q3 2023 ERS results

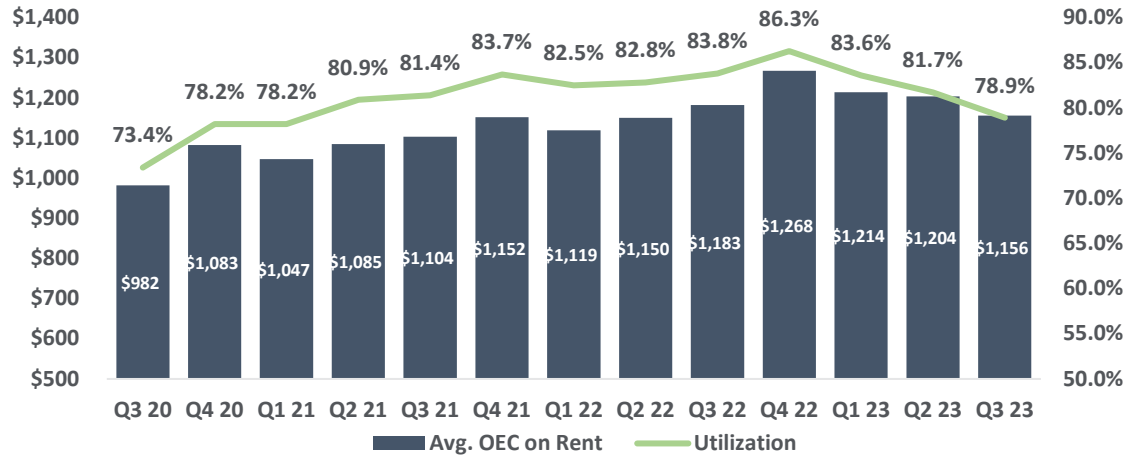
(1) **Adjusted Gross Profit** is a non-GAAP financial measure, which the Company calculates as segment gross profit plus depreciation of rental equipment.

Equipment Rental Solutions (ERS)

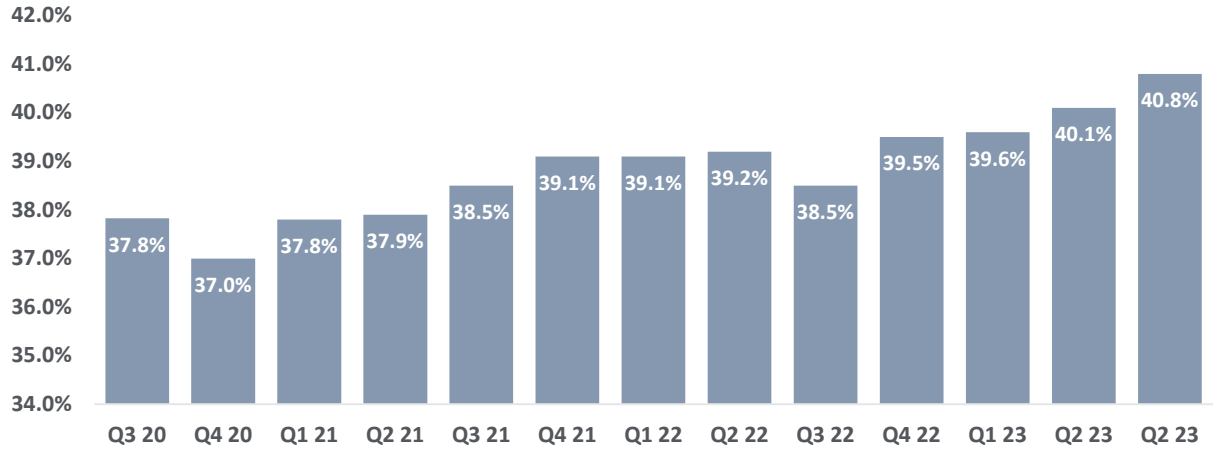
($ millions, except where indicated)

Utilization near historic highs, with ORY at a record level

Utilization & Average OEC on Rent



On Rent Yield



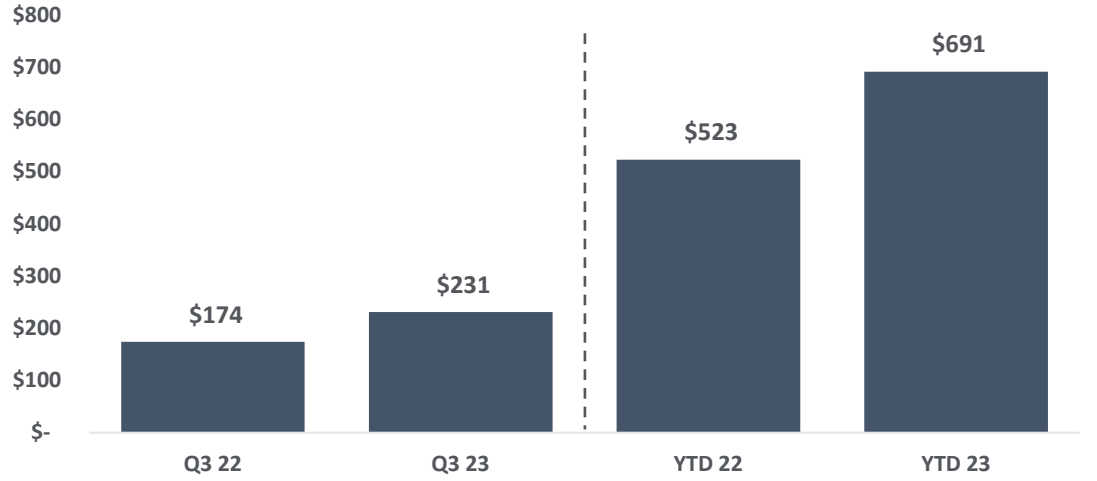
- ERS continues to perform at a high level, with utilization at just under 79% for Q3 ‘23
  - A decline in utility distribution equipment utilization, primarily related to our customers’ supply chain delays in Q2 and Q3, resulted in temporary decline in utilization into Q3
  - While average utilization was down sequentially from Q2, we ended Q3 with utilization at over 81%, a 400bp improvement from the intra-quarter low
- The drop in utilization impacted Average OEC on Rent, which also rebounded by the end of Q3
- On Rent Yield was 40.8% for Q3 ‘23, up from 38.5% in Q3 ’22 and 40.1% in last quarter
  - We continue to benefit from previously announced pricing actions implemented since the beginning of last year
  - Year-over-year growth in Rental Revenue and Rental Adjusted Gross Profit both were driven primarily by 7% pricing gains in our core product despite recent Utilization and Average OEC on Rent trends

Truck & Equipment Sales (TES)

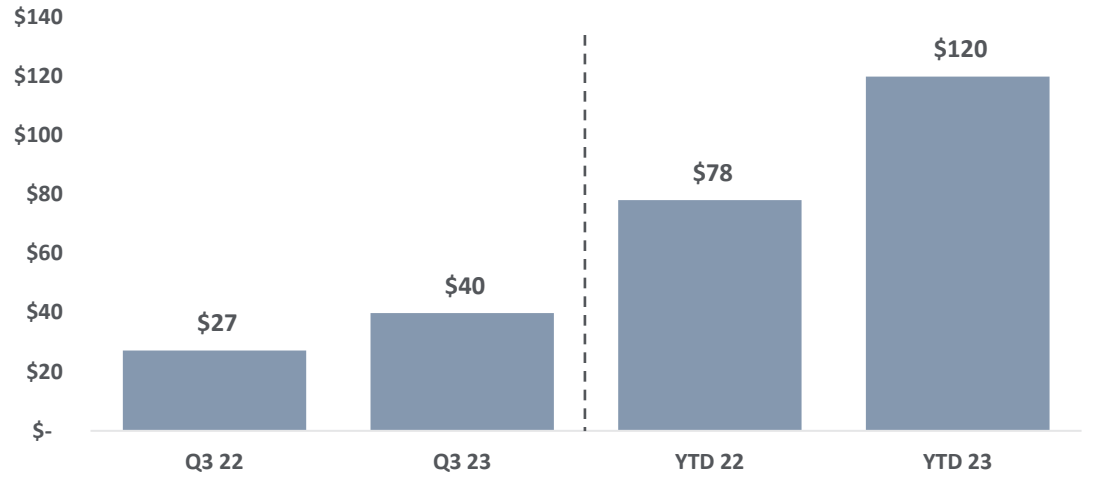
($ millions, except where indicated)

Revenue up 33% in Q3 2023 vs. Q2 2022 and up 32% YTD 2023 vs. YTD 2023; Backlog normalizing

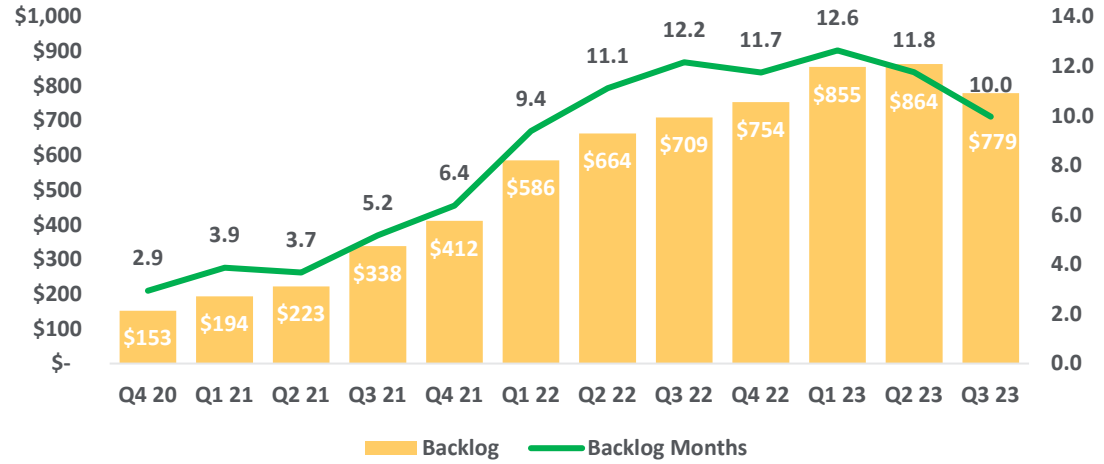
Revenue



Gross Profit



New Sales Backlog



- ***Revenue:***
  - +$57M in Q3 '23, or +33%, vs. Q3 '22
  - +$169M YTD '23, or +32%, vs. YTD '22
    - Improved inventory flows and record production levels drove record YTD revenue
- ***Gross Profit:***
  - +$13M in Q3 '23, or +46%, vs. Q3 '22
  - +$42M YTD '23, or +54%, vs. YTD '22
- ***Gross Margin:***
  - 17.2% for Q3 '23, an improvement of ~160bp vs. Q3 '22
  - 17.3% for YTD '23, an improvement of 240bp vs. YTD '22
    - Very strong 2023 gross margins reflect continued focus on pricing discipline and ongoing improvement in production efficiency

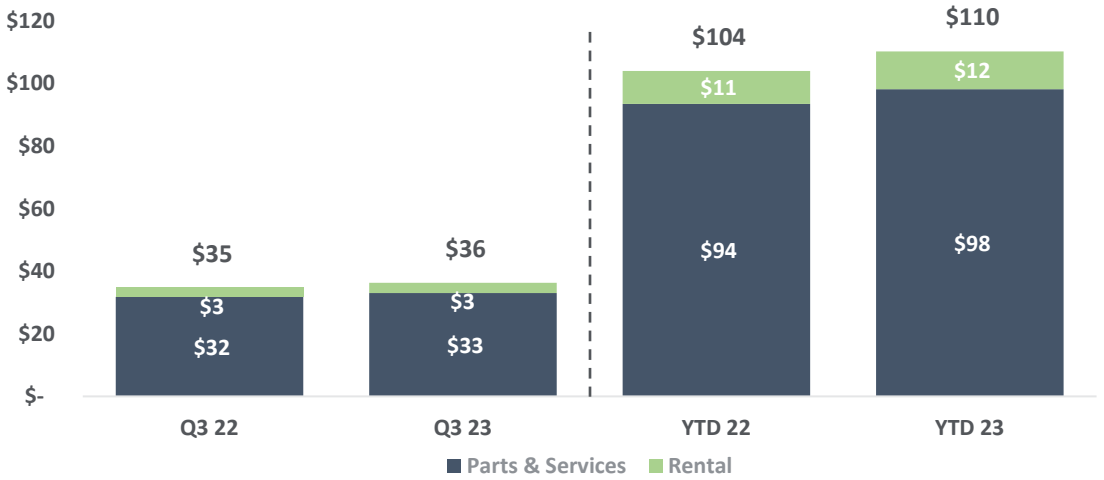
Please refer to the appendix for Q3 2023 TES results

Aftermarket Parts & Service (APS)

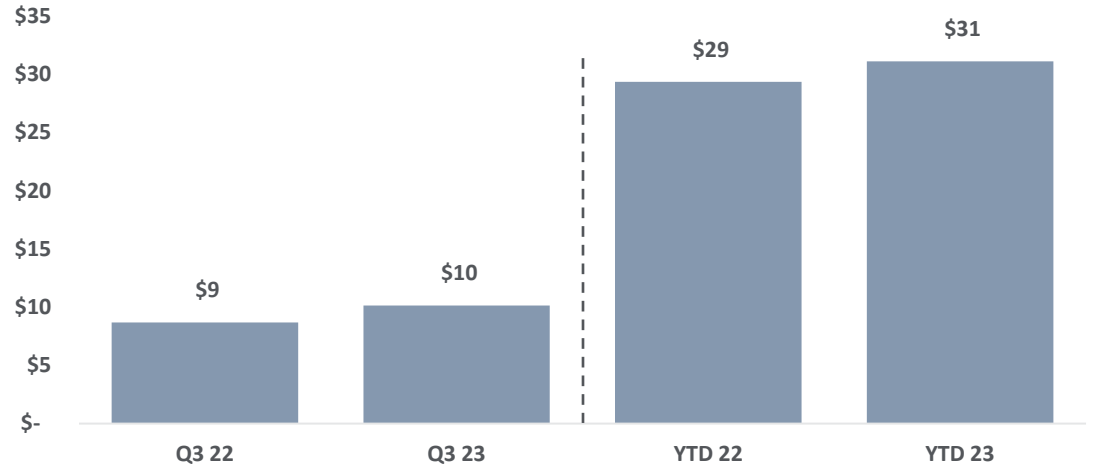
($ millions, except where indicated)

APS revenue up 4% vs. Q3 2022 – consistent year-over-year growth

Revenue



Adjusted Gross Profit[(1)]



- ***Total Revenue*** increased 4% in Q3 '23 vs. Q3 '22 and 6% YTD'23 vs. YTD'22
  - Parts & Services revenue increased 4% in Q3 '23 vs. Q3 '22 and 5% YTD '23 vs. YTD '22
  - Rental revenue increased 9% in Q3 '23 vs. Q3 '22 and 15% YTD '23 vs. YTD '22
- ***Adjusted Gross Margin*** remained strong for Q3 '23 at 28%
- Next steps for APS include:
  - Continue to 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%+
  - Investing in significant footprint expansion and capabilities in Kansas City, MO location
  - Continued focus on cost reductions through operational efficiencies
  - Enhance digital consumer experience to accelerate growth

Please refer to the appendix for Q3 2023 APS results

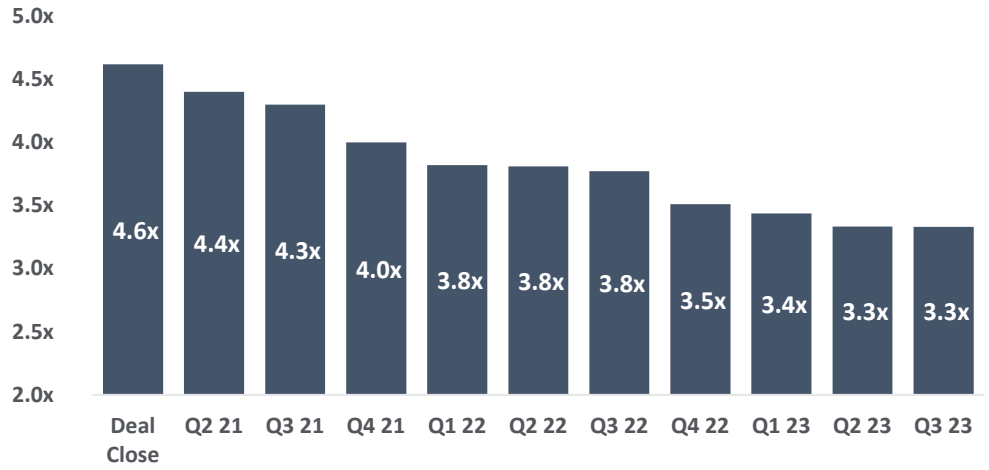
(1) **Adjusted Gross Profit** is a non-GAAP financial measure, which the Company calculates as segment gross profit plus depreciation of rental equipment.

Balance Sheet & Capex

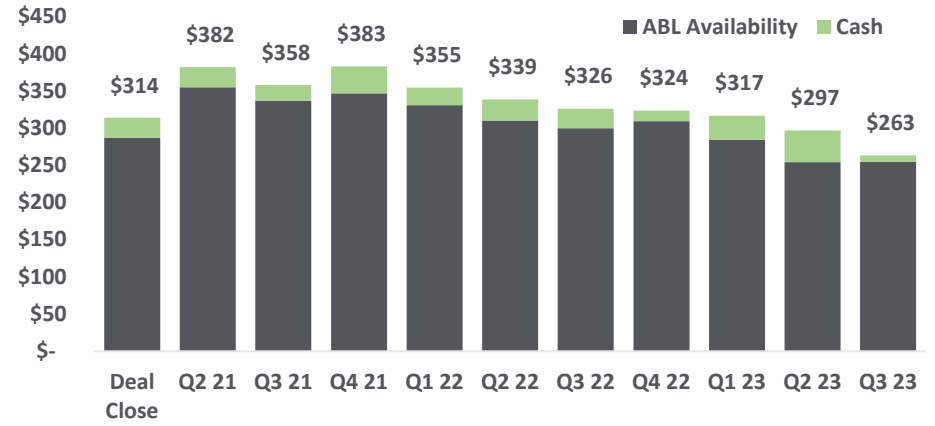
($ millions, except where indicated)

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

Reduced leverage by 1.3x since the combination



Available liquidity steady since the combination with significant suppressed availability under the ABL facility



	Deal Close	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Suppressed ABL Availability		---	$41	$50	$32	$70	$127	$189	$245	$296	$287
Liquidity & Supp. Availability.		$382	$399	$433	$387	$409	$453	$513	$561	$593	$551

Net Rental Capex of $32M in Q3 2023 and $112M YTD

	Q1 2023	Q2 2023	Q3 2023	YTD
Gross Rental Asset Additions	$109	$101	$80	$290
Proceeds From Sale of Assets	($79)	($52)	($47)	($178)
Net Capex	**$31**	**$50**	**$32**	**$112**

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

- Net leverage at the end of Q3 ‘23 was 3.33x LTM Adjusted EBITDA—the 10th consecutive quarter of reduced leverage since the deal closed
- Strong production resulted in $80M in gross OEC additions to the fleet and allowed for strong used rental sales in the quarter, particularly of older equipment, resulting in $32M of net capex
- Total available liquidity was $263M at the end of Q3 ‘23
- Based on the current borrowing base, we could increase availability under the ABL facility by almost $290M

Updated 2023 Outlook

	2022	Previous 2023 Outlook	Updated 2023 Outlook	Growth
Consolidated Revenue	$1.573 billion	$1.725 - $1.83 billion	$1.765 - $1.87 billion	12% - 19%
ERS	*$661 million*	*$700 - $735 million*	*$710 - $745 million*	*7% - 13%*
TES	*$770 million*	*$880 - $940 million*	*$910 - $970 million*	*18% - 26%*
APS	*$142 million*	*$145 - $155 million*	*$145 - $155 million*	*2% - 9%*
Adjusted EBITDA(1)	$393 million	$425 - $445 million	$425 - $445 million	9% - 13%

Highlights

- ERS will continue to benefit from strong rental demand, as well as for purchases of used rental units, particularly older equipment
- Expect to grow our net OEC in 2023 by low-single digits vs. 2022, with gross rental capex of ~$400M
- TES will benefit from continued supply chain improvements, improved inventory levels, and record backlog levels, which should improve our ability to produce and deliver more units for the remainder of the year
- Continued focus on supply chain management, improving margins across all three segments and exceptional customer service
- Given the level of share repurchase activity this year, as well as the continued investment in working capital to meet expected revenue growth, our ability to achieve our 3.0x leverage target by year end will be delayed until later in 2024

(1) **Adjusted EBITDA** is a non-GAAP measure. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

Investment Highlights

1. Favorable End-Market Dynamics with Outstanding Secular Growth Drivers
2. Differentiated “One-Stop-Shop” Business Model
3. CTOS Well-Positioned for Continued Growth & Margin Expansion
4. Integration Drives Cost Efficiencies and Creates Scale Benefits
5. Demonstrated Performance and Financial Profile Support Growth Opportunities



Our Purpose:

Power the people who strengthen our nation’s infrastructure



Appendix

Adjusted EBITDA Reconciliation

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
(in $ millions)							
Net income (loss)	$ (3)	$ 14	$ (2)	$ 31	$ 14	$ 12	$ 9
Interest expense	17	18	19	21	22	24	24
Income tax expense	3	—	4	1	1	1	—
Depreciation and amortization	63	55	54	52	52	55	55
EBITDA	80	86	75	105	89	92	88
Adjustments:							
Non-cash purchase accounting impact[1]	9	2	3	8	7	—	6
Transaction and integration costs[2]	5	6	7	9	3	4	3
Sales-type lease adjustment[3]	1	2	1	1	3	3	2
Share-based payments[4]	3	2	4	3	3	4	3
Change in fair value of derivative and warrants[5]	(6)	(13)	1	(2)	(1)	(1)	(1)
Adjusted EBITDA	91	85	92	124	105	103	100

Adjusted EBITDA is defined as net income 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.
(3) 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.
(4) Represents non-cash share-based compensation expense associated with the issuance of stock options and restricted stock units.
(5) 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

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
(in $ millions)							
Revenue:							
Rental	$ 109	$ 112	$ 115	$ 128	$ 118	$ 122	$ 118
Equipment sales	227	219	211	326	301	302	283
Parts sales and services	30	32	32	33	33	33	33
Total revenue	366	362	358	487	452	457	434
Cost of Revenue:							
Cost of revenue	237	236	227	318	302	303	285
Depreciation of rental equipment	45	43	43	41	40	44	42
Total cost of revenue	282	279	270	358	343	346	327
Less: Depreciation of rental equipment	(45)	(43)	(43)	(41)	(40)	(44)	(42)
Cost of revenue excluding depreciation	237	236	227	318	302	303	285
Adjusted gross profit	129	126	131	169	150	154	150
Less: Depreciation of rental equipment	(45)	(43)	(43)	(41)	(40)	(44)	(42)
Gross profit - GAAP	$ 84	$ 83	$ 88	$ 128	$ 110	$ 111	$ 107

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

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
(in $ millions)							
Revenue:							
Rental revenue	$ 106	$ 108	$ 112	$ 123	$ 114	$ 118	$ 115
Equipment sales	59	37	37	78	92	51	52
Total revenue	165	145	149	202	206	169	167
Cost of revenue:							
Cost of rental revenue	25	28	27	27	29	31	30
Cost of equipment sales	43	30	27	58	71	40	38
Depreciation of rental equipment	44	42	42	40	40	43	42
Total cost of revenue	112	101	96	124	140	114	109
Gross profit	53	45	53	78	66	55	58
Depreciation of rental equipment	44	42	42	40	40	43	42
Gross profit excluding depreciation of rental equipment	$ 97	$ 87	$ 95	$ 118	$ 106	$ 97	$ 100

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

Supplementary Segment Data — TES

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
(in $ millions)							
Equipment sales	$ 168	$ 181	$ 174	$ 247	$ 209	$ 251	$ 231
Cost of equipment sales	144	154	147	203	175	205	191
Gross profit	$ 24	$ 27	$ 27	$ 44	$ 34	$ 46	$ 40

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

Supplementary Segment Data — APS

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
(in $ millions)							
Revenue:							
Rental revenue	$ 4	$ 4	$ 3	$ 4	$ 5	$ 4	$ 3
Parts sales and services	30	32	32	33	33	33	33
Total revenue	34	35	35	38	37	37	36
Cost of revenue:							
Cost of parts sales and services	25	24	26	30	27	26	26
Depreciation of rental equipment	1	1	1	1	1	1	1
Total cost of revenue	26	25	27	31	28	27	27
Gross profit	8	11	8	6	9	10	9
Depreciation of rental equipment	1	1	1	1	1	1	1
Gross profit excluding depreciation of rental equipment	$ 9	$ 12	$ 9	$ 7	$ 10	$ 11	$ 10

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

Leverage Ratio Calculation

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
(in $ millions)							
Net Debt and Finance Leases (As of Period End):							
Current Maturities of Long-Term Debt	$ 5	$ 3	$ 2	$ 7	$ 5	$ 4	$ 1
Current Portion of Finance Leases	5	3	2	2	1	—	—
Long-Term Debt, Net	1,324	1,350	1,363	1,355	1,394	1,425	1,426
Finance Leases	2	3	3	3	3	3	—
Add: Deferred Financing Costs	32	30	29	28	27	25	24
Total Debt and Finance Leases	1,368	1,390	1,399	1,394	1,430	1,457	1,451
Less: Cash and Cash Equivalents	(24)	(29)	(26)	(14)	(32)	(42)	(9)
Net Debt and Finance Leases	$ 1,344	$ 1,361	$ 1,373	$ 1,380	$ 1,398	$ 1,415	$ 1,442
Adjusted EBITDA:							
Adjusted EBITDA (Current Year-to-Date Period)	$ 91	$ 177	$ 268	$ 393	$ 105	$ 208	$ 309
Add: Adjusted EBITDA (Prior Fiscal Year)[1]	333	333	333	N/A	393	393	393
Less: Adjusted EBITDA (Prior Year-to-Date Period)[1]	(74)	(153)	(237)	N/A	(91)	(176)	(268)
LTM Adjusted EBITDA	$ 350	$ 357	$ 364	$ 393	$ 407	$ 425	$ 433
Leverage Ratio	3.84	3.81	3.77	3.51	3.44	3.33	3.33

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").

(1) Adjusted EBITDA in the fiscal year period 2021 and each quarterly period therein is pro forma and includes $10 million of previously disclosed special charges related to leasing receivables and inventory reserves taken in connection with the CTOS/Nesco business combination in the second quarter of 2021.

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