

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2025**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 001-38186**

**CUSTOM TRUCK ONE SOURCE, INC.**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**84-2531628**  
*(I.R.S. Employer  
Identification No.)*

**7701 Independence Ave  
Kansas City, MO 64125**  
*(Address of principal executive offices, including zip code)*  
**(816) 241-4888**  
*(Registrant's telephone number, including area code)*

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                        | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, \$0.0001 par value per share | CTOS              | New York Stock Exchange                   |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

|                         |                          |                           |                                     |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer         | <input checked="" type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/>            |
|                         |                          | Emerging growth company   | <input type="checkbox"/>            |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock outstanding as of October 23, 2025 was 226,559,586.

# Custom Truck One Source, Inc. and Subsidiaries

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## **PART I - FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

**Custom Truck One Source, Inc.**

**Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (unaudited)**

|   | Three Months Ended September 30, |                    | Nine Months Ended September 30, |                    |
|---|----------------------------------|--------------------|---------------------------------|--------------------|
|   | 2025                             | 2024               | 2025                            | 2024               |
| <i>(in \$000s, except per share data)</i>           |                                  |                    |                                 |                    |
| <b>Revenue</b>                                      |                                  |                    |                                 |                    |
| Rental revenue                                      | \$ 127,142                       | \$ 108,324         | \$ 364,217                      | \$ 317,492         |
| Equipment sales                                     | 320,583                          | 305,476            | 950,558                         | 863,711            |
| Parts sales and services                            | 34,333                           | 33,420             | 100,998                         | 100,337            |
| Total revenue                                       | 482,058                          | 447,220            | 1,415,773                       | 1,281,540          |
| <b>Cost of Revenue</b>                              |                                  |                    |                                 |                    |
| Cost of rental revenue                              | 30,434                           | 29,439             | 91,172                          | 88,559             |
| Depreciation of rental equipment                    | 54,775                           | 45,956             | 158,873                         | 134,285            |
| Cost of equipment sales                             | 268,377                          | 251,987            | 793,526                         | 704,105            |
| Cost of parts sales and services                    | 27,719                           | 28,009             | 83,371                          | 82,786             |
| Total cost of revenue                               | 381,305                          | 355,391            | 1,126,942                       | 1,009,735          |
| <b>Gross Profit</b>                                 | 100,753                          | 91,829             | 288,831                         | 271,805            |
| <b>Operating Expenses</b>                           |                                  |                    |                                 |                    |
| Selling, general and administrative expenses        | 54,863                           | 54,630             | 173,479                         | 168,322            |
| Amortization  | 6,683                            | 6,696              | 20,274                          | 19,966             |
| Non-rental depreciation                             | 3,332                            | 3,472              | 9,904                           | 9,752              |
| Transaction expenses and other                      | 3,246                            | 3,994              | 12,209                          | 14,684             |
| Total operating expenses                            | 68,124                           | 68,792             | 215,866                         | 212,724            |
| <b>Operating Income</b>                             | 32,629                           | 23,037             | 72,965                          | 59,081             |
| <b>Other Expense</b>                                |                                  |                    |                                 |                    |
| Interest expense, net                               | 40,247                           | 43,875             | 119,364                         | 124,191            |
| Financing and other expense (income)                | (874)                            | (2,818)            | (3,261)                         | (9,399)            |
| Total other expense                                 | 39,373                           | 41,057             | 116,103                         | 114,792            |
| <b>Income (Loss) Before Income Taxes</b>            | (6,744)                          | (18,020)           | (43,138)                        | (55,711)           |
| <b>Income Tax Expense (Benefit)</b>                 | (988)                            | (604)              | 8,789                           | 518                |
| <b>Net Income (Loss)</b>                            | <u>\$ (5,756)</u>                | <u>\$ (17,416)</u> | <u>\$ (51,927)</u>              | <u>\$ (56,229)</u> |
| <b>Other Comprehensive Income (Loss):</b>           |                                  |                    |                                 |                    |
| Unrealized foreign currency translation adjustments | \$ (1,769)                       | \$ 1,310           | \$ 3,069                        | \$ (2,159)         |
| Other Comprehensive Income (Loss)                   | (1,769)                          | 1,310              | 3,069                           | (2,159)            |
| <b>Comprehensive Income (Loss)</b>                  | <u>\$ (7,525)</u>                | <u>\$ (16,106)</u> | <u>\$ (48,858)</u>              | <u>\$ (58,388)</u> |
| <b>Net Income (Loss) Per Share:</b>                 |                                  |                    |                                 |                    |
| Basic   | <u>\$ (0.03)</u>                 | <u>\$ (0.07)</u>   | <u>\$ (0.23)</u>                | <u>\$ (0.24)</u>   |
| Diluted   | <u>\$ (0.03)</u>                 | <u>\$ (0.07)</u>   | <u>\$ (0.23)</u>                | <u>\$ (0.24)</u>   |
| <b>Weighted-Average Common Shares Outstanding:</b>  |                                  |                    |                                 |                    |
| Basic   | 226,560                          | 234,438            | 227,098                         | 238,162            |
| Diluted   | <u>226,560</u>                   | <u>234,438</u>     | <u>227,098</u>                  | <u>238,162</u>     |

See accompanying notes to unaudited condensed consolidated financial statements.

**Custom Truck One Source, Inc.**  
**Condensed Consolidated Balance Sheets (unaudited)**

(in \$000s, except share data)

|  | September 30, 2025  | December 31, 2024   |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| <b>Current Assets</b>  |                     |                     |
| Cash and cash equivalents  | \$ 13,058           | \$ 3,805            |
| Accounts receivable, net   | 182,217             | 215,873             |
| Financing receivables, net   | 6,823               | 8,913               |
| Inventory  | 1,035,642           | 1,049,304           |
| Prepaid expenses and other   | 19,759              | 23,557              |
| Total current assets   | 1,257,499           | 1,301,452           |
| Property and equipment, net  | 140,110             | 130,923             |
| Rental equipment, net  | 1,088,346           | 1,001,651           |
| Goodwill   | 705,055             | 704,806             |
| Intangible assets, net   | 232,327             | 252,393             |
| Operating lease assets   | 104,502             | 94,696              |
| Other assets   | 12,868              | 16,046              |
| <b>Total Assets</b>  | <b>\$ 3,540,707</b> | <b>\$ 3,501,967</b> |
| <b>Liabilities and Stockholders' Equity</b>  |                     |                     |
| <b>Current Liabilities</b>   |                     |                     |
| Accounts payable   | \$ 107,086          | \$ 88,487           |
| Accrued expenses   | 91,595              | 69,349              |
| Deferred revenue and customer deposits   | 27,467              | 26,250              |
| Floor plan payables - trade  | 367,174             | 330,498             |
| Floor plan payables - non-trade  | 366,414             | 470,830             |
| Operating lease liabilities - current  | 8,865               | 7,445               |
| Current maturities of long-term debt   | 20,892              | 7,842               |
| Total current liabilities  | 989,493             | 1,000,701           |
| Long-term debt, net  | 1,628,866           | 1,519,882           |
| Operating lease liabilities - noncurrent   | 99,097              | 88,674              |
| Deferred income taxes  | 38,569              | 31,401              |
| Total long-term liabilities  | 1,766,532           | 1,639,957           |
| <b>Stockholders' Equity</b>  |                     |                     |
| Common stock — \$0.0001 par value, 500,000,000 shares authorized; 253,246,030 and 251,908,970 shares issued; and 226,559,586 and 233,794,319 shares outstanding, at September 30, 2025 and December 31, 2024, respectively | 25                  | 25                  |
| Treasury stock, at cost — 26,686,444 and 18,114,651 shares at September 30, 2025 and December 31, 2024, respectively   | (122,602)           | (88,229)            |
| Additional paid-in capital   | 1,557,389           | 1,550,785           |
| Accumulated other comprehensive loss   | (11,675)            | (14,744)            |
| Accumulated deficit  | (638,455)           | (586,528)           |
| Total stockholders' equity   | 784,682             | 861,309             |
| <b>Total Liabilities and Stockholders' Equity</b>  | <b>\$ 3,540,707</b> | <b>\$ 3,501,967</b> |

See accompanying notes to unaudited condensed consolidated financial statements.

**Custom Truck One Source, Inc.**  
**Condensed Consolidated Statements of Cash Flows (unaudited)**

|  | Nine Months Ended September 30, |             |
|--|---------------------------------|-------------|
|  | 2025                            | 2024        |
| <i>(in \$000s)</i>   |                                 |             |
| <b>Operating Activities</b>  |                                 |             |
| Net income (loss)  | \$ (51,927)                     | \$ (56,229) |
| Adjustments to reconcile net income (loss) to net cash flow from operating activities: |                                 |             |
| Depreciation and amortization  | 195,010                         | 173,271     |
| Amortization of debt issuance costs  | 3,289                           | 4,627       |
| Provision for losses on accounts receivable  | 7,429                           | 9,541       |
| Share-based compensation   | 6,259                           | 8,748       |
| Gain on sales and disposals of rental equipment  | (32,177)                        | (34,702)    |
| Change in fair value of warrants   | —                               | (527)       |
| Deferred tax expense (benefit)   | 6,974                           | (718)       |
| Changes in assets and liabilities:   |                                 |             |
| Accounts and financing receivables   | 28,929                          | 12,980      |
| Inventories  | 15,753                          | (213,468)   |
| Prepays, operating leases and other  | 5,610                           | 11,390      |
| Accounts payable   | 17,582                          | (27,219)    |
| Accrued expenses and other liabilities   | 22,205                          | (14,628)    |
| Floor plan payables - trade, net   | 36,675                          | 175,559     |
| Customer deposits and deferred revenue   | 1,193                           | (8,691)     |
| Net cash flow from operating activities  | 262,804                         | 39,934      |
| <b>Investing Activities</b>  |                                 |             |
| Acquisition of business, net of cash acquired  | —                               | (6,015)     |
| Purchases of rental equipment  | (348,923)                       | (278,507)   |
| Proceeds from sales and disposals of rental equipment                                  | 138,749                         | 155,788     |
| Purchase of non-rental property and cloud computing arrangements                       | (23,612)                        | (36,149)    |
| Net cash flow for investing activities   | (233,786)                       | (164,883)   |
| <b>Financing Activities</b>  |                                 |             |
| Borrowings under revolving credit facilities   | 260,581                         | 168,069     |
| Repayments under revolving credit facilities   | (135,000)                       | (92,569)    |
| Proceeds from debt, net issuance costs   | —                               | 987         |
| Principal payments on long-term debt   | (6,836)                         | (7,946)     |
| Acquisition of inventory through floor plan payables - non-trade                       | 363,907                         | 490,195     |
| Repayment of floor plan payables - non-trade   | (468,321)                       | (405,522)   |
| Repurchase of common stock   | (32,575)                        | (28,984)    |
| Share-based payments   | (1,453)                         | (1,451)     |
| Net cash flow (for) from financing activities  | (19,697)                        | 122,779     |
| Effect of exchange rate changes on cash and cash equivalents                           | (68)                            | 299         |
| <b>Net Change in Cash and Cash Equivalents</b>   | 9,253                           | (1,871)     |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                                | 3,805                           | 10,309      |
| <b>Cash and Cash Equivalents at End of Period</b>                                      | \$ 13,058                       | \$ 8,438    |

**Custom Truck One Source, Inc.**  
**Condensed Consolidated Statements of Cash Flows (unaudited) — Continued**

|   | Nine Months Ended September 30, |            |
|---|---------------------------------|------------|
|   | 2025                            | 2024       |
| <i>(in \$000s)</i>  |                                 |            |
| <b>Supplemental Cash Flow Information</b>                                 |                                 |            |
| Interest paid   | \$ 104,109                      | \$ 105,202 |
| Income taxes paid   | 697                             | 4,140      |
| <b>Non-Cash Investing and Financing Activities</b>                        |                                 |            |
| Rental equipment and property and equipment purchases in accounts payable | 1,508                           | 439        |
| Rental equipment sales in accounts receivable                             | 1,355                           | 111        |

See accompanying notes to unaudited condensed consolidated financial statements.



**Custom Truck One Source, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity (unaudited)**

| (in \$000s, except share data)     | Shares      |              | Common<br>Stock | Treasury<br>Stock | Additional<br>Paid-in Capital | Accumulated Other<br>Comprehensive<br>Loss | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity |
|------------------------------------|-------------|--------------|-----------------|-------------------|-------------------------------|--|------------------------|----------------------------------|
|                                    | Common      | Treasury     |                 |                   |                               |  |                        |                                  |
| <b>Balance, December 31, 2024</b>  | 251,908,970 | (18,114,651) | \$ 25           | \$ (88,229)       | \$ 1,550,785                  | \$ (14,744)                                | \$ (586,528)           | \$ 861,309                       |
| Net income (loss)                  | —           | —            | —               | —                 | —                             | —  | (17,791)               | (17,791)                         |
| Other comprehensive income (loss)  | —           | —            | —               | —                 | —                             | 72   | —                      | 72                               |
| Common stock repurchases           | —           | (8,143,635)  | —               | (32,575)          | —                             | —  | —                      | (32,575)                         |
| Share-based payments               | 128,865     | —            | —               | —                 | 2,404                         | —  | —                      | 2,404                            |
| <b>Balance, March 31, 2025</b>     | 252,037,835 | (26,258,286) | 25              | (120,804)         | 1,553,189                     | (14,672)                                   | (604,319)              | 813,419                          |
| Net income (loss)                  | —           | —            | —               | —                 | —                             | —  | (28,380)               | (28,380)                         |
| Other comprehensive income (loss)  | —           | —            | —               | —                 | —                             | 4,766                                      | —                      | 4,766                            |
| Share-based payments               | 1,208,195   | (428,158)    | —               | (1,798)           | 2,120                         | —  | —                      | 322                              |
| <b>Balance, June 30, 2025</b>      | 253,246,030 | (26,686,444) | 25              | (122,602)         | 1,555,309                     | (9,906)                                    | (632,699)              | 790,127                          |
| Net income (loss)                  | —           | —            | —               | —                 | —                             | —  | (5,756)                | (5,756)                          |
| Other comprehensive income (loss)  | —           | —            | —               | —                 | —                             | (1,769)                                    | —                      | (1,769)                          |
| Share-based payments               | —           | —            | —               | —                 | 2,080                         | —  | —                      | 2,080                            |
| <b>Balance, September 30, 2025</b> | 253,246,030 | (26,686,444) | \$ 25           | \$ (122,602)      | \$ 1,557,389                  | \$ (11,675)                                | \$ (638,455)           | \$ 784,682                       |

| (in \$000s, except share data)     | Shares      |              | Common<br>Stock | Treasury<br>Stock | Additional<br>Paid-in Capital | Accumulated Other<br>Comprehensive<br>Loss | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity |
|------------------------------------|-------------|--------------|-----------------|-------------------|-------------------------------|--|------------------------|----------------------------------|
|                                    | Common      | Treasury     |                 |                   |                               |  |                        |                                  |
| <b>Balance, December 31, 2023</b>  | 249,903,120 | (8,891,788)  | \$ 25           | \$ (56,524)       | \$ 1,537,553                  | \$ (5,978)                                 | \$ (557,873)           | \$ 917,203                       |
| Net income (loss)                  | —           | —            | —               | —                 | —                             | —  | (14,335)               | (14,335)                         |
| Other comprehensive income (loss)  | —           | —            | —               | —                 | —                             | (2,530)                                    | —                      | (2,530)                          |
| Common stock repurchases           | —           | (1,040,585)  | —               | (6,381)           | —                             | —  | —                      | (6,381)                          |
| Share-based payments               | 171,990     | (9,885)      | —               | (53)              | 2,774                         | —  | —                      | 2,721                            |
| <b>Balance, March 31, 2024</b>     | 250,075,110 | (9,942,258)  | 25              | (62,958)          | 1,540,327                     | (8,508)                                    | (572,208)              | 896,678                          |
| Net income (loss)                  | —           | —            | —               | —                 | —                             | —  | (24,478)               | (24,478)                         |
| Other comprehensive income (loss)  | —           | —            | —               | —                 | —                             | (939)                                      | —                      | (939)                            |
| Common stock repurchases           | —           | (3,589,436)  | —               | (16,736)          | —                             | —  | —                      | (16,736)                         |
| Share-based payments               | 1,336,574   | (408,262)    | —               | (2,400)           | 4,557                         | —  | —                      | 2,157                            |
| <b>Balance, June 30, 2024</b>      | 251,411,684 | (13,939,956) | 25              | (82,094)          | 1,544,884                     | (9,447)                                    | (596,686)              | 856,682                          |
| Net income (loss)                  | —           | —            | —               | —                 | —                             | —  | (17,416)               | (17,416)                         |
| Other comprehensive income (loss)  | —           | —            | —               | —                 | —                             | 1,310                                      | —                      | 1,310                            |
| Common stock repurchases           | —           | (1,260,827)  | —               | (5,486)           | —                             | —  | —                      | (5,486)                          |
| Earnout share forfeitures          | —           | (2,778,434)  | —               | —                 | —                             | —  | —                      | —                                |
| Share-based payments               | —           | —            | —               | —                 | 2,419                         | —  | —                      | 2,419                            |
| <b>Balance, September 30, 2024</b> | 251,411,684 | (17,979,217) | \$ 25           | \$ (87,580)       | \$ 1,547,303                  | \$ (8,137)                                 | \$ (614,102)           | \$ 837,509                       |

See accompanying notes to unaudited condensed consolidated financial statements.



**Custom Truck One Source, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**

**Note 1: Business and Organization**

***Organization***

Custom Truck One Source, Inc., a Delaware corporation, and its wholly owned subsidiaries (“we,” “our,” “us,” or “the Company”) are engaged in the business of providing a range of products and services to customers through rentals and sales of specialty equipment, rentals and sales of aftermarket parts and services related to the specialty equipment, and repair, maintenance and customization services related to that equipment.

We are a specialty equipment provider to the electric utility transmission and distribution, telecommunications, rail, forestry, waste management and other infrastructure-related industries in North America. Our core business relates to our new equipment inventory and rental fleet of specialty equipment that is utilized by service providers in infrastructure development and improvement work. We offer our specialized equipment to a diverse customer base, including utilities and contractors, for the maintenance, repair, upgrade, and installation of critical infrastructure assets, including distribution and transmission electric lines, telecommunications networks and rail systems, as well as for lighting and signage. We rent, produce, sell and service a broad range of new and used equipment, including bucket trucks, digger derricks, dump trucks, cranes, service trucks, and heavy-haul trailers. We manage the business in three reporting segments: Equipment Rental Solutions (“ERS”), Truck and Equipment Sales (“TES”) and Aftermarket Parts and Services (“APS”).

***Basis of Presentation***

Our accompanying condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”). Our condensed consolidated financial statements include the accounts of all wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in accordance with GAAP requires that these Unaudited Condensed Consolidated Financial Statements and most of the disclosures in these Notes be presented on a historical basis, as of or for the current interim period ended or comparable prior period.

The accompanying interim statements of the Company have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X, and the Condensed Consolidated Balance Sheet at December 31, 2024 has been derived from the audited consolidated financial statements of Custom Truck One Source, Inc. at that date. Accordingly, these interim financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments and disclosures necessary for a fair statement of these interim statements, have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year or for any other periods. These interim statements should be read in conjunction with the Custom Truck One Source, Inc. audited consolidated financial statements included in the Custom Truck One Source, Inc. Annual Report on Form 10-K for the year ended December 31, 2024.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### Recently Adopted Accounting Standards

In December 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update No. 2023-09, Income Taxes—Improvements to Income Tax Disclosures (Topic 740) (“ASU 2023-09”), which expands income tax disclosure requirements to include additional information related to the rate reconciliation of our effective tax rates to statutory rates as well as additional disaggregation of taxes paid. The amendments in the ASU also remove disclosures related to certain unrecognized tax benefits and deferred taxes. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The amendments may be applied prospectively or retrospectively. The Company adopted ASU 2023-09 on January 1, 2025, and will include the newly required disclosures in the notes to its consolidated financial statements in its Annual Report on Form 10-K for the fiscal year ending December 31, 2025.

### Recently Issued Accounting Standards

In September 2025, the FASB issued Accounting Standards Update No. 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (“ASU 2025-06”), which amends the guidance for accounting for software costs to reflect current software development practices, including iterative and agile methodologies, by removing references to development stages. It also clarifies the criteria for capitalization, which begins when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted. The amendments may be applied either prospectively, retrospectively, or utilizing a modified transition approach. The Company is currently assessing the impact of ASU 2025-06 on its condensed consolidated financial statements and disclosures.

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), which requires additional disclosures in the notes to financial statements, disaggregating specific expense categories within relevant income statement captions. The FASB further clarified the effective date in January 2025 with the issuance of ASU 2025-01, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date (“ASU 2025-01”). ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently assessing the impact of the requirements on its condensed consolidated financial statements and disclosures.

## Note 2: Revenue

### Revenue Disaggregation

#### Geographic Areas

The Company had total revenue in the following geographic areas:

| (in \$000s)   | Three Months Ended September 30, |            | Nine Months Ended September 30, |              |
|---------------|----------------------------------|------------|---------------------------------|--------------|
|               | 2025                             | 2024       | 2025                            | 2024         |
| United States | \$ 472,333                       | \$ 435,919 | \$ 1,385,467                    | \$ 1,247,682 |
| Canada        | 9,725                            | 11,301     | 30,306                          | 33,858       |
| Total Revenue | \$ 482,058                       | \$ 447,220 | \$ 1,415,773                    | \$ 1,281,540 |

#### Major Product Lines and Services

Equipment leasing and equipment sales are the core businesses of the Company, with leasing complemented by the sale of rental units from the rental fleet. The Company’s revenue by major product and service line for the three and nine months ended September 30, 2025 and 2024 are presented in the table below.

| (in \$000s)              | Three Months Ended September 30, |            |            | Three Months Ended September 30, |            |            |
|--------------------------|----------------------------------|------------|------------|----------------------------------|------------|------------|
|                          | 2025                             |            |            | 2024                             |            |            |
|                          | Topic 842                        | Topic 606  | Total      | Topic 842                        | Topic 606  | Total      |
| Rental:                  |                                  |            |            |                                  |            |            |
| Rental                   | \$ 120,203                       | \$ —       | \$ 120,203 | \$ 103,703                       | \$ —       | \$ 103,703 |
| Shipping and handling    | —                                | 6,939      | 6,939      | —                                | 4,621      | 4,621      |
| Total rental revenue     | 120,203                          | 6,939      | 127,142    | 103,703                          | 4,621      | 108,324    |
| Sales and services:      |                                  |            |            |                                  |            |            |
| Equipment sales          | 383                              | 320,200    | 320,583    | 3,701                            | 301,775    | 305,476    |
| Parts and services       | 1,619                            | 32,714     | 34,333     | 2,300                            | 31,120     | 33,420     |
| Total sales and services | 2,002                            | 352,914    | 354,916    | 6,001                            | 332,895    | 338,896    |
| Total revenue            | \$ 122,205                       | \$ 359,853 | \$ 482,058 | \$ 109,704                       | \$ 337,516 | \$ 447,220 |

| (in \$000s)              | Nine Months Ended September 30, |              |              | Nine Months Ended September 30, |            |              |
|--------------------------|---------------------------------|--------------|--------------|---------------------------------|------------|--------------|
|                          | 2025                            |              |              | 2024                            |            |              |
|                          | Topic 842                       | Topic 606    | Total        | Topic 842                       | Topic 606  | Total        |
| Rental:                  |                                 |              |              |                                 |            |              |
| Rental                   | \$ 345,127                      | \$ —         | \$ 345,127   | \$ 303,418                      | \$ —       | \$ 303,418   |
| Shipping and handling    | —                               | 19,090       | 19,090       | —                               | 14,074     | 14,074       |
| Total rental revenue     | 345,127                         | 19,090       | 364,217      | 303,418                         | 14,074     | 317,492      |
| Sales and services:      |                                 |              |              |                                 |            |              |
| Equipment sales          | 3,528                           | 947,030      | 950,558      | 8,273                           | 855,438    | 863,711      |
| Parts and services       | 8,001                           | 92,997       | 100,998      | 8,170                           | 92,167     | 100,337      |
| Total sales and services | 11,529                          | 1,040,027    | 1,051,556    | 16,443                          | 947,605    | 964,048      |
| Total revenue            | \$ 356,656                      | \$ 1,059,117 | \$ 1,415,773 | \$ 319,861                      | \$ 961,679 | \$ 1,281,540 |

Rental revenue is primarily comprised of revenues from rental agreements and freight charges billed to customers. Equipment sales recognized pursuant to sales-type leases are recorded within equipment sales revenue. Charges to customers for damaged rental equipment are recorded within parts and services revenue.

### Receivables, Contract Assets and Liabilities

As of September 30, 2025 and December 31, 2024, the Company had net receivables related to contracts with customers of \$85.5 million and \$119.9 million, respectively. As of September 30, 2025 and December 31, 2024, the Company had net receivables related to rental contracts of \$96.7 million and \$95.9 million, respectively.

The Company manages credit risk associated with its accounts receivable at the customer level. Because the same customers generate the revenues that are accounted for under both Topic 606 and Topic 842, the discussions below address how credit risk and the Company's allowance for credit losses impact the Company's total revenues.

The Company's allowance for credit losses reflects its estimate of the amount of receivables that it will be unable to collect. The estimated losses are calculated using the loss rate method based upon a review of outstanding receivables, related aging, including specific accounts if deemed necessary, and on the Company's historical collection experience. The Company's estimates reflect changing circumstances, including changes in the economy or in the particular circumstances of individual customers, and, as a result, the Company may be required to increase or decrease its allowance.

Accounts receivable, net consisted of the following:

| (in \$000s)                           | September 30, 2025 | December 31, 2024 |
|---------------------------------------|--------------------|-------------------|
| Accounts receivable                   | \$ 199,458         | \$ 233,688        |
| Less: allowance for doubtful accounts | (17,241)           | (17,815)          |
| Accounts receivable, net              | \$ 182,217         | \$ 215,873        |

For the nine months ended September 30, 2025 and 2024, the Company wrote-off \$8.0 million and \$8.4 million, respectively, of receivables, net of recoveries.

When customers are billed for rentals in advance of the rental period, the Company defers recognition of revenue. As of September 30, 2025 and December 31, 2024, the Company had approximately \$6.2 million and \$4.8 million, respectively, of deferred rental revenue. All of the \$4.8 million deferred rental revenue as of December 31, 2024 was recognized during the nine months ended September 30, 2025. Additionally, the Company collects deposits from customers for orders placed for equipment and rentals. The Company had approximately \$21.2 million and \$21.5 million in deposits as of September 30, 2025 and December 31, 2024, respectively. All of the \$21.5 million deposit liability balance as of December 31, 2024 was recorded as revenue during the nine months ended September 30, 2025 due to performance obligations being satisfied. The Company's remaining performance obligations on its equipment deposit liabilities have original expected durations of one year or less.

The Company does not have material contract assets, and as such, did not recognize any material impairments of any contract assets.

### Note 3: Sales-Type Leases

Revenue from rental agreements qualifying as sales-type leases was as follows:

| (in \$000s)             | Three Months Ended September 30, |          | Nine Months Ended September 30, |          |
|-------------------------|----------------------------------|----------|---------------------------------|----------|
|                         | 2025                             | 2024     | 2025                            | 2024     |
| Equipment sales         | \$ 383                           | \$ 3,701 | \$ 3,528                        | \$ 8,273 |
| Cost of equipment sales | 118                              | 4,111    | 2,906                           | 8,162    |
| Gross margin            | \$ 265                           | \$ (410) | \$ 622                          | \$ 111   |

As these transactions remained under rental contracts, \$1.6 million and \$3.7 million for the three months ended September 30, 2025 and 2024, respectively, and \$5.3 million and \$14.6 million for the nine months ended September 30, 2025 and 2024, respectively, were billed under the contracts as rentals. Interest income from financing receivables was \$0.9 million and \$2.8 million for the three months ended September 30, 2025 and 2024, respectively, and \$3.2 million and \$8.8 million for the nine months ended September 30, 2025 and 2024, respectively.

### Note 4: Inventory

Whole goods inventory is comprised of chassis, attachments (i.e., boom cranes, aerial lifts, digger derricks, dump bodies, etc.) and the in-process costs incurred in the final assembly of those units. As part of the business model, the Company sells unassembled individual whole goods and whole goods with varying levels of customization direct to consumers or dealers. Whole goods inventory also includes new equipment purchased specifically for resale to customers. Inventory consisted of the following:

| (in \$000s)                              | September 30, 2025 | December 31, 2024 |
|--|--------------------|-------------------|
| Whole goods                              | \$ 910,101         | \$ 913,571        |
| Aftermarket parts and services inventory | 125,541            | 135,733           |
| Inventory                                | \$ 1,035,642       | \$ 1,049,304      |

### Note 5: Floor Plan Financing

Floor plan payables represent financing arrangements to facilitate the Company's purchase of new and used trucks, cranes, and construction equipment inventory. All floor plan payables are collateralized by the inventory financed. These payables become due and payable upon the sale, transfer, or reclassification of each unit of inventory. Certain floor plan arrangements require the Company to satisfy various financial ratios consistent with those under the ABL Facility (as defined below). As of September 30, 2025, the Company was in compliance with these covenants.

The amounts owed under floor plan payables are summarized as follows:

| <i>(in \$000s)</i>             | September 30, 2025 | December 31, 2024 |
|--------------------------------|--------------------|-------------------|
| <b>Trade:</b>                  |                    |                   |
| Daimler Truck Financial        | \$ 162,452         | \$ 166,409        |
| PACCAR Financial Services      | 165,728            | 129,899           |
| Ford Motor Credit Company, LLC | 38,994             | 34,190            |
| Trade floor plan payables      | <u>\$ 367,174</u>  | <u>\$ 330,498</u> |
| <b>Non-trade:</b>              |                    |                   |
| PNC Equipment Finance, LLC     | \$ 366,414         | \$ 470,830        |
| Non-trade floor plan payables  | <u>\$ 366,414</u>  | <u>\$ 470,830</u> |

Interest on outstanding floor plan payable balances is due and payable monthly. Floor plan interest expense was \$13.8 million and \$40.8 million for the three and nine months ended September 30, 2025, respectively, and \$16.7 million and \$45.0 million for the same periods in 2024.

### **Trade Floor Plan Financing:**

#### *Daimler Truck Financial*

The Company is party to the Wholesale Financing Agreement with Daimler Truck Financial (the “Daimler Facility”), which bore interest at a rate of U.S. Prime Rate plus 0.80% after an initial interest free period of up to 150 days. On January 1, 2025, the interest rate was updated to U.S. Prime Rate. The total borrowing capacity under the Daimler Facility is \$225.0 million, however, from time to time, Daimler extends credit to the Company in excess of this amount. The Daimler agreement is evergreen and is subject to termination by either party through written notice.

#### *PACCAR*

The Company has an Inventory Financing Agreement with PACCAR Financial Corp that provides the Company with a line of credit of \$225.0 million as of September 30, 2025, to finance inventory purchases of new Peterbilt and/or Kenworth trucks, tractors, and chassis. Amounts borrowed against this line of credit incur interest at a rate of U.S. Prime Rate minus 0.71%. The PACCAR agreement extends automatically each April and is subject to termination by either party through written notice.

#### *Ford Motor Credit Company, LLC*

On April 2, 2024, the Company entered into the Master Loan and Security Agreement with Ford Motor Credit Company, LLC (the “FMCC Facility”), which allows the Company to enter into individual loan supplements which bear interest based on the bank prime loan rate as reported by the Federal Reserve Board for the Friday preceding the last Monday of a given month. The total borrowing capacity under the FMCC Facility is \$42.0 million. The FMCC agreement is evergreen and is subject to termination by either party through written notice.

References to the U.S. Prime Rate in the foregoing agreements represent the rate as published in The Wall Street Journal.

### **Non-Trade Floor Plan Financing:**

#### *PNC Equipment Finance, LLC*

The Company has an Inventory Loan, Guaranty and Security Agreement (the “Loan Agreement”) with PNC Equipment Finance, LLC. On August 25, 2025, the Company renewed the Loan Agreement for an additional one year. The Loan Agreement, as of September 30, 2025, provides the Company with a \$475.0 million revolving credit facility, which matures on August 25, 2026 and bears interest at a three-month term secured overnight financing rate (“SOFR”) plus 3.00%.

## **Note 6: Rental Equipment**

Rental equipment, net consisted of the following:

| <i>(in \$000s)</i>             | September 30, 2025  | December 31, 2024   |
|--------------------------------|---------------------|---------------------|
| Rental equipment               | \$ 1,651,234        | \$ 1,522,710        |
| Less: accumulated depreciation | (562,888)           | (521,059)           |
| Rental equipment, net          | <u>\$ 1,088,346</u> | <u>\$ 1,001,651</u> |

## Note 7: Long-Term Debt

Debt obligations and associated interest rates consisted of the following:

| <i>(in \$000s, except interest rate data)</i> | September 30, 2025 | December 31, 2024 | September 30, 2025 | December 31, 2024 |
|---|--------------------|-------------------|--------------------|-------------------|
| ABL Facility                                  | \$ 708,481         | \$ 582,900        | 6.5%               | 7.1%              |
| 2029 Secured Notes                            | 920,000            | 920,000           | 5.5%               | 5.5%              |
| 2023 Credit Facility                          | 17,388             | 17,648            | 5.8%               | 5.8%              |
| Other notes payable                           | 20,527             | 27,102            | 3.1%-7.0%          | 3.1%-7.0%         |
| Total debt outstanding                        | 1,666,396          | 1,547,650         |                    |                   |
| Deferred financing fees                       | (16,638)           | (19,926)          |                    |                   |
| Total debt, net of deferred financing fees    | 1,649,758          | 1,527,724         |                    |                   |
| Less: current maturities                      | (20,892)           | (7,842)           |                    |                   |
| Long-term debt                                | \$ 1,628,866       | \$ 1,519,882      |                    |                   |

As of September 30, 2025, borrowing availability under the ABL Facility was \$237.6 million, and outstanding standby letters of credit were \$3.9 million.

### ABL Facility

The Company and certain of its direct and indirect subsidiaries are party to an asset-based revolving credit agreement (the “ABL Credit Agreement”), consisting of a \$950.0 million first lien senior secured asset-based revolving credit facility (the “ABL Facility”), which matures on August 9, 2029, or, if earlier, the date that is 91 days prior to the maturity date of the Company’s existing senior notes or any debt that refinances such existing notes. Borrowings under the ABL Facility bear interest at a floating rate, which, at the Company’s election, could be (a) in the case of U.S. dollar denominated loans, either (i) SOFR plus an applicable margin or (ii) the base rate plus an applicable margin; or (b) in the case of Canadian dollar denominated loans, the term Canadian Overnight Repo Rate Average (the “CORRA” rate) plus an applicable margin. The applicable margin varies based on Average Availability (as defined in the ABL Credit Agreement) from (a) with respect to base rate loans, 0.50% to 1.00% and (b) with respect to SOFR loans and CORRA rate loans, 1.50% to 2.00%.

## Note 8: Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) by the weighted-average number of shares of common stock outstanding. Diluted earnings (loss) per share includes the effects of potentially dilutive shares of common stock, if dilutive. Potentially dilutive effects include the exercise of warrants, contingently issuable shares, and share-based compensation. On July 31, 2024, all of the Company’s stock purchase warrants expired and were unexercised. Our potentially dilutive shares aggregated 4.3 million for both the three and nine months ended September 30, 2025, and 9.8 million and 24.8 million for the same periods in 2024, and were not included in the computation of diluted earnings (loss) per share because the impact would have been anti-dilutive. The Company had no dilutive common share equivalents during the three and nine months ended September 30, 2025 and 2024 due to results from continuing operations being a loss, net of tax.

## Note 9: Equity

### Preferred Stock

As of both September 30, 2025, and December 31, 2024, we were authorized to issue 10,000,000 shares of preferred stock with a par value of \$0.0001 per share, with such designation, rights and preferences as may be determined from time to time by our board of directors. As of both September 30, 2025, and December 31, 2024, there were no shares of preferred stock issued or outstanding.

### Common Stock

As of both September 30, 2025, and December 31, 2024, we were authorized to issue 500,000,000 shares of common stock with a par value of \$0.0001 per share.

On August 2, 2022, the Company's Board of Directors authorized a stock repurchase program, allowing for the repurchase of up to \$30 million of the Company's shares of common stock, which authorization was further increased by \$25 million of shares on September 14, 2023, and increased again by \$25 million of shares on March 11, 2024, upon exhaustion of prior authorization. Under the repurchase program, repurchases can be made from time to time using a variety of methods, which may include open market purchases, privately negotiated transactions, or otherwise, all in accordance with the rules of the Securities and Exchange Commission and other applicable legal requirements. The specific timing, price and size of purchases will depend on prevailing stock prices, general economic and market conditions, and other considerations. The repurchase program does not obligate the Company to acquire any particular amount of its common stock, and the repurchase program may be suspended or discontinued at any time at the Company's discretion. At September 30, 2025, \$1.9 million was available under the stock repurchase program.

### **Earnout Shares**

Pursuant to the Stockholders' Agreement dated July 31, 2019 (as amended and restated from time to time, the "Stockholders' Agreement"), certain stockholders agreed to restrictions on approximately 3,100,000 of their shares of the Company's common stock (the "Earnout Shares"). The Earnout Shares shall be automatically forfeited by the holders thereof to the Company for no consideration with respect to (i) 2.8 million shares unless the trading price of the common stock equals or exceeds certain price targets by July 31, 2024 (the "Minimum and Second Target Earnout Shares"), which Minimum and Second Target Earnout Shares were forfeited on July 31, 2024; and (ii) approximately 0.3 million shares unless the trading price of the common stock equals or exceeds \$19.00 per share for any period of 20 trading days out of 30 consecutive trading days to and including July 31, 2026 (the "Maximum Target Earnout Shares").

### **Energy Capital Partners Stock Repurchase**

NESCO Holdings, LP is a Delaware limited partnership which held shares of our common stock. NESCO Holdings, LP is owned and controlled by Energy Capital Partners ("ECP"). On January 30, 2025, the Company purchased 8,143,635 shares of the Company's common stock from affiliates of ECP ("Repurchase from ECP"), at a purchase price of \$4.00 per share, which represents an approximately 23% discount from the price of \$5.19 per share of common stock at the close of trading on January 29, 2025, for an aggregate purchase price of \$32.6 million. The transaction was approved by the Company's Board of Directors and the Audit Committee of the Board of Directors and the purchased shares are held in treasury.

## **Note 10: Fair Value Measurements**

The FASB accounting standards provide a comprehensive framework for measuring fair value and sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

The following table sets forth the carrying values (exclusive of deferred financing fees) and fair values of our financial liabilities:

| (in \$000s)               | Carrying Value |         | Fair Value |         |         |
|---------------------------|----------------|---------|------------|---------|---------|
|                           |                |         | Level 1    | Level 2 | Level 3 |
| <b>September 30, 2025</b> |                |         |            |         |         |
| ABL Facility              | \$             | 708,481 | \$         | 708,481 | \$      |
| 2029 Secured Notes        |                | 920,000 |            | 899,346 |         |
| 2023 Credit Facility      |                | 17,388  |            | 17,388  |         |
| Other notes payable       |                | 20,527  |            | 20,527  |         |
| <b>December 31, 2024</b>  |                |         |            |         |         |
| ABL Facility              | \$             | 582,900 | \$         | 582,900 | \$      |
| 2029 Secured Notes        |                | 920,000 |            | 859,050 |         |
| 2023 Credit Facility      |                | 17,648  |            | 17,733  |         |
| Other notes payable       |                | 27,102  |            | 27,102  |         |

The carrying amounts of the ABL Facility, 2023 Credit Facility and other notes payable approximated fair value as of September 30, 2025, and December 31, 2024, based upon terms and conditions available to the Company at those dates in comparison to the terms and conditions of its outstanding debt. The estimated fair value of the 2029 Secured Notes is calculated using Level 2 inputs, based on bid prices obtained from brokers.

## Note 11: Income Taxes

*Interim Income Tax Expense (Benefit)* – Our income tax expense or benefit reflects a combination of income taxes in foreign jurisdictions and certain U.S. states. We have federal and state net operating loss carryforwards (“NOLs”) and non-deductible interest expense carryforwards in the U.S. that may be applied to reduce taxable income in current and future tax years. Some of these carryforwards are subject to annual usage limitations and expiration, while other state NOLs and a portion of federal NOLs do not have limitations or expiration. We carry a valuation allowance against our U.S. carryforwards, which results in no net income tax expense in our earnings in periods when additional NOLs are generated or when existing NOLs are utilized. Certain states that we operate in have rules regarding the deductibility of items that diverge from U.S. federal deductibility rules and in addition, a number of these states have placed limitations on the usage of NOLs to offset taxable income apportioned to those states. Our overall effective tax rate is affected by a number of factors, including the relative amounts of income we earn in different tax jurisdictions, tax law changes, certain non-deductible expenses, the changes in our valuation allowance and divergence of state rules from federal rules. The factors result in an effective tax rate that differs from statutory rates.

For interim periods, we estimate our annual effective tax rate, exclusive of discrete items, which is derived primarily by our estimate of taxable income or losses for our applicable jurisdictions together with estimates of changes to our valuation allowance. The estimated annual effective tax rate is recorded in interim periods based on year-to-date income or loss before income taxes. Accordingly, income tax expense or benefit in quarterly periods reflects the impacts of changes to our annual effective tax rate. Because of the impacts of (i) the U.S. carryforwards’ valuation allowances, (ii) taxes in foreign jurisdictions and (iii) taxes in U.S. states that diverge from U.S. federal deductibility rules, our effective tax rate may fluctuate between a positive and a negative rate. For the nine months ended September 30, 2025, our income tax expense is comprised of \$8.0 million of state income tax expense and \$0.8 million of foreign income tax expense, resulting in an effective tax rate of (20.4)%. The effective tax rate was (0.9)% for the nine months ended September 30, 2024.

*Recent Tax Legislation* – On July 4, 2025, the President signed the One Big Beautiful Bill Act (the “OBBBA”) into law. This act introduces significant changes to tax law and other areas affecting company operations, including items such as extensions of provisions previously enacted under the 2017 Tax Cuts and Jobs Act, changes to business interest deductions, or modifications to depreciation deductions and impacts on energy tax credits. We are evaluating the potential impact of the OBBBA on our financial statements.

## Note 12: Commitments and Contingencies

We record a liability when we believe that it is both probable that a liability has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. We review these provisions at least quarterly and adjust these provisions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information.

### Legal Matters

In the normal course of business, there are various claims in process, matters in litigation, and other contingencies. At this time, no claims of these types, certain of which are covered by insurance policies, have had a material effect on the Company. Certain jurisdictions in which the Company operates do not allow insurance recoveries related to punitive damages. For matters pertaining to the pre-acquisition activities of Custom Truck One Source, L.P. (“Custom Truck LP”), the sellers of Custom Truck LP have agreed to indemnify the Company for losses arising out of the breach of pre-closing covenants in the purchase agreement and certain indemnified tax matters discussed below, with recourse limited to \$10.0 million and \$5.0 million escrow accounts, respectively.

From time to time, the Company is audited by state and local taxing authorities. These audits typically focus on the Company’s withholding of state-specific sales tax and rental-related taxes.

Custom Truck LP’s withholdings of federal excise taxes for each of the four quarterly periods during 2015 are currently under audit by the IRS. The IRS issued an assessment on October 28, 2020 in an aggregate amount of \$2.4 million for the 2015 periods, alleging that certain types of sold equipment are not eligible for the Mobile Machinery Exemption set forth in the Internal Revenue Code (the “Code”). An appeal was filed on January 28, 2021. Based on management’s understanding of the facts and circumstances, including the relevant provisions of the Code, and historical precedent, including previous successful appeals of similar assessments in prior years, management does not believe the likelihood of a loss resulting from the IRS assessment to be probable at this time.

While it is not possible to predict the outcome of the foregoing matters with certainty, it is the opinion of management that the final outcome of these matters will not have a material effect on the Company’s consolidated financial condition, results of operations and cash flows.



### Purchase Commitments

We enter into purchase agreements with manufacturers and suppliers of equipment for our rental fleet and inventory. All of these agreements are cancellable within a specified notification period to the supplier.

### Note 13: Related Parties

The Company has transactions with related parties as summarized below.

*Rentals and Sales* — The Company rents and sells equipment and provides services to R&M Equipment Rental, a business partially owned by members of the Company's management. The Company also rents equipment and purchases inventory from R&M Equipment Rental.

*Other* — The Company has purchased products and aircraft charter services from entities owned by members of the Company's management and their immediate families. Product purchases and charter services payments related to these transactions are immaterial. Expenses for products and air travel services are recorded in selling, general, and administrative expenses.

*Management Fees* — The Company is obligated under a Corporate Advisory Services Agreement with Platinum Equity, LLC ("Platinum"), under which management fees are payable to Platinum quarterly. The management fees are recorded in transaction expenses and other in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

*Energy Capital Partners Stock Repurchase* — On January 30, 2025, the Company purchased 8,143,635 shares of Common Stock from affiliates of ECP, at a purchase price of \$4.00 per share, which represents an approximately 23% discount from the price of \$5.19 per share of Common Stock at the close of trading on January 29, 2025, for an aggregate purchase price of \$32.6 million. The transaction was approved by the Company's Board of Directors and the Audit Committee of the Board of Directors and the purchased shares are held in treasury.

A summary of the transactions with the foregoing related parties included in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows:

| (in \$000s)   | Three Months Ended September 30, |          | Nine Months Ended September 30, |           |
|---|----------------------------------|----------|---------------------------------|-----------|
|   | 2025                             | 2024     | 2025                            | 2024      |
| Total revenues from transactions with related parties                                   | \$ 1,408                         | \$ 6,341 | \$ 7,479                        | \$ 17,945 |
| Expenses incurred from transactions with related parties included in cost of revenue    | \$ 6                             | \$ 287   | \$ 47                           | \$ 1,039  |
| Expenses incurred from transactions with related parties included in operating expenses | \$ 813                           | \$ 693   | \$ 2,197                        | \$ 2,093  |

Amounts receivable from/payable to related parties included in the Condensed Consolidated Balance Sheets are as follows:

| (in \$000s)                              | September 30, 2025 | December 31, 2024 |
|--|--------------------|-------------------|
| Accounts receivable from related parties | \$ 547             | \$ 3,688          |
| Accounts payable to related parties      | \$ 165             | \$ 211            |

### Note 14: Segments

Our operations are primarily organized and managed by operating segment. Operating segment performance and resource allocations are primarily based on gross profit. Gross profit aids the Chief Operating Decision Maker ("CODM") in managing the inventory levels and rental fleet, entering into significant revenue contracts, expanding into new markets or launching new products, making capital expenditures, designing and implementing key marketing strategies, personnel changes, and approving operating budgets. Significant expense categories that are regularly reviewed by the operating segments' CODM are disclosed below. The CODM for all segments is the Company's Chief Executive Officer. We manage the business in three reporting segments: Equipment Rental Solutions ("ERS"), Truck and Equipment Sales ("TES") and Aftermarket Parts and Services ("APS"). Transactions between our segments consist of equipment produced by TES that is sold to ERS for inclusion in its fleet of rental equipment. Additionally, TES and APS provide repair and maintenance services to ERS for maintenance of its rental fleet. Transactions between segments are at cost and intersegment sales and purchases are eliminated in consolidation.

The Company's segment results are presented in the tables below:

|   | Three Months Ended September 30,<br>2025 |           |          |            |
|---|--|-----------|----------|------------|
| (in \$000s)                                   | ERS                                      | TES       | APS      | Total      |
| <b>Revenue:</b>                               |  |           |          |            |
| Rental  | \$ 123,945                               | \$ —      | \$ 3,197 | \$ 127,142 |
| Equipment sales                               | 45,160                                   | 275,423   | —        | 320,583    |
| Parts and services                            | —  | —         | 34,333   | 34,333     |
| Total revenue from external customers         | 169,105                                  | 275,423   | 37,530   | 482,058    |
| <b>Cost of revenue:</b>                       |  |           |          |            |
| Rentals/parts and services                    | 30,425                                   | —         | 27,728   | 58,153     |
| Equipment sales                               | 34,339                                   | 234,038   | —        | 268,377    |
| Depreciation of rental equipment              | 54,068                                   | —         | 707      | 54,775     |
| Total cost of revenue from external customers | 118,832                                  | 234,038   | 28,435   | 381,305    |
| Gross profit                                  | \$ 50,273                                | \$ 41,385 | \$ 9,095 | \$ 100,753 |

| Three Months Ended September 30,<br>2024      |            |           |          |           |
|---|------------|-----------|----------|-----------|
| (in \$000s)                                   | ERS        | TES       | APS      | Total     |
| <b>Revenue:</b>                               |            |           |          |           |
| Rental  | \$ 105,317 | \$ —      | \$ 3,007 | 108,324   |
| Equipment sales                               | 45,574     | 259,902   | —        | 305,476   |
| Parts and services                            | —          | —         | 33,420   | 33,420    |
| Total revenue from external customers         | 150,891    | 259,902   | 36,427   | 447,220   |
| <b>Cost of revenue:</b>                       |            |           |          |           |
| Rentals/parts and services                    | 29,415     | —         | 28,033   | 57,448    |
| Equipment sales                               | 33,975     | 218,012   | —        | 251,987   |
| Depreciation of rental equipment              | 44,964     | —         | 992      | 45,956    |
| Total cost of revenue from external customers | 108,354    | 218,012   | 29,025   | 355,391   |
| Gross profit                                  | \$ 42,537  | \$ 41,890 | \$ 7,402 | \$ 91,829 |

| Nine Months Ended September 30,<br>2025       |            |            |           |            |
|---|------------|------------|-----------|------------|
| (in \$000s)                                   | ERS        | TES        | APS       | Total      |
| <b>Revenue:</b>                               |            |            |           |            |
| Rental  | \$ 354,638 | \$ —       | \$ 9,579  | \$ 364,217 |
| Equipment sales                               | 139,287    | 811,271    | —         | 950,558    |
| Parts and services                            | —          | —          | 100,998   | 100,998    |
| Total revenue from external customers         | 493,925    | 811,271    | 110,577   | 1,415,773  |
| <b>Cost of revenue:</b>                       |            |            |           |            |
| Rentals/parts and services                    | 91,141     | —          | 83,402    | 174,543    |
| Equipment sales                               | 105,742    | 687,784    | —         | 793,526    |
| Depreciation of rental equipment              | 156,695    | —          | 2,178     | 158,873    |
| Total cost of revenue from external customers | 353,578    | 687,784    | 85,580    | 1,126,942  |
| Gross profit                                  | \$ 140,347 | \$ 123,487 | \$ 24,997 | \$ 288,831 |

| Nine Months Ended September 30,<br>2024       |            |            |           |            |
|---|------------|------------|-----------|------------|
| (in \$000s)                                   | ERS        | TES        | APS       | Total      |
| <b>Revenue:</b>                               |            |            |           |            |
| Rental  | \$ 309,304 | \$ —       | \$ 8,188  | \$ 317,492 |
| Equipment sales                               | 116,026    | 747,685    | —         | 863,711    |
| Parts and services                            | —          | —          | 100,337   | 100,337    |
| Total revenue from external customers         | 425,330    | 747,685    | 108,525   | 1,281,540  |
| <b>Cost of revenue:</b>                       |            |            |           |            |
| Rentals/parts and services                    | 88,496     | —          | 82,849    | 171,345    |
| Equipment sales                               | 83,865     | 620,240    | —         | 704,105    |
| Depreciation of rental equipment              | 131,242    | —          | 3,043     | 134,285    |
| Total cost of revenue from external customers | 303,603    | 620,240    | 85,892    | 1,009,735  |
| Gross profit                                  | \$ 121,727 | \$ 127,445 | \$ 22,633 | \$ 271,805 |

Total assets by operating segment are not disclosed herein because assets by operating segment data is not reviewed by the CODM to assess performance and allocate resources.

Gross profit is the primary operating result whereby our segments are evaluated for performance and resource allocation. The following table presents a reconciliation of consolidated gross profit to consolidated income (loss) before income taxes:

| <i>(in \$000s)</i>                           | Three Months Ended September 30, |                    | Nine Months Ended September 30, |                    |
|--|----------------------------------|--------------------|---------------------------------|--------------------|
|  | 2025                             | 2024               | 2025                            | 2024               |
| Gross profit                                 | \$ 100,753                       | \$ 91,829          | \$ 288,831                      | \$ 271,805         |
| Selling, general and administrative expenses | 54,863                           | 54,630             | 173,479                         | 168,322            |
| Amortization                                 | 6,683                            | 6,696              | 20,274                          | 19,966             |
| Non-rental depreciation                      | 3,332                            | 3,472              | 9,904                           | 9,752              |
| Transaction expenses and other               | 3,246                            | 3,994              | 12,209                          | 14,684             |
| Interest expense, net                        | 40,247                           | 43,875             | 119,364                         | 124,191            |
| Financing and other expense (income)         | (874)                            | (2,818)            | (3,261)                         | (9,399)            |
| Income (loss) before income taxes            | <u>\$ (6,744)</u>                | <u>\$ (18,020)</u> | <u>\$ (43,138)</u>              | <u>\$ (55,711)</u> |

The following table presents total assets by country:

| <i>(in \$000s)</i> | September 30, 2025  | December 31, 2024   |
|--------------------|---------------------|---------------------|
| Assets:            |                     |                     |
| United States      | \$ 3,390,830        | \$ 3,385,786        |
| Canada             | 149,877             | 116,181             |
| Total Assets       | <u>\$ 3,540,707</u> | <u>\$ 3,501,967</u> |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking Statements

Any statements made in this report that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, and should be evaluated as such. These statements often include words such as "estimates," "projected," "expects," "anticipates," "forecasts," "suggests," "plans," "targets," "intends," "believes," "seeks," "may," "will," "should," "future," "propose," "could," "would," and other similar expressions. We base these forward-looking statements or projections on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such time. As you read and consider this report, you should understand that these statements are not guarantees of performance or results and are subject to and involve risks, uncertainties, and assumptions. You should not place undue reliance on these forward-looking statements or projections. Below is a summary of risk factors applicable to us that may materially affect such forward-looking statements and projections:

- increases in labor costs, changes in U.S. trade policy including tariffs, our inability to obtain raw materials, component parts and/or finished goods in a timely and cost-effective manner, and our inability to manage our rental equipment in an effective manner;
- competition in the equipment dealership and rental industries;
- our sales order backlog may not be indicative of the level of our future revenues;
- increases in unionization rate in our workforce;
- our inability to attract and retain key personnel, including our management and skilled technicians;
- material disruptions to our operation and manufacturing locations as a result of public health concerns, equipment failures, natural disasters, work stoppages, power outages or other reasons;
- any further increase in the cost of new equipment that we purchase for use in our rental fleet or for sale as inventory; and aging or obsolescence of our existing equipment, and the fluctuations of market value thereof;
- disruptions in our supply chain;
- our business may be impacted by government spending;
- we may experience losses in excess of our recorded reserves for receivables;
- uncertainty relating to macroeconomic conditions, unfavorable conditions in the capital and credit markets and our customers' inability to obtain additional capital as required;
- increases in price of fuel or freight;
- regulatory, technological advancement, or other changes in our core end-markets may affect our customers' spending;
- our strategic initiatives including acquisitions and divestitures may not be successful and may divert our management's attention away from operations and could create general customer uncertainty;
- the interest of our majority stockholder, which may not be consistent with the other stockholders;
- volatility of our common stock market price;
- 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 our debt agreements;
- changes in interest rates, which could increase our debt service obligations on the variable rate indebtedness and decrease our net income and cash flows;
- disruptions or security compromises affecting our information technology systems or those of our critical services providers could adversely affect our operating results by subjecting us to liability, and limiting our ability to effectively monitor and control our operations, adjust to changing market conditions, or implement strategic initiatives;
- we are subject to complex laws and regulations, including environmental and safety regulations that can adversely affect cost, manner or feasibility of doing business;
- we are subject to a series of risks related to climate change; and increased attention to, and evolving expectations for, sustainability and environmental, social and governance initiatives.

These cautionary statements should not be construed by you to be exhaustive and are made only as of the date of this report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law. See "Risk Factors" in Part I, Item 1A of the Annual Report for the year ended December 31, 2024 and in Part II, Item 1A of this report, for additional risks.

Custom Truck One Source, Inc., a Delaware corporation, and its wholly owned subsidiaries (“we,” “our,” “us,” or “the Company”) are engaged in the business of providing a range of products and services to customers through rentals and sales of specialty equipment, rentals and sales of aftermarket parts and services related to the specialty equipment, and repair, maintenance and customization services related to that equipment.

We are a specialty equipment provider to the electric utility transmission and distribution, telecommunications, rail, forestry, waste management and other infrastructure-related industries in North America. Our core business relates to our new equipment inventory and rental fleet of specialty equipment that is utilized by service providers in infrastructure development and improvement work. We offer our specialized equipment to a diverse customer base, including utilities and contractors, for the maintenance, repair, upgrade, and installation of critical infrastructure assets, including distribution and transmission electric lines, telecommunications networks and rail systems, as well as for lighting and signage. We rent, produce, sell and service a broad range of new and used equipment, including bucket trucks, digger derricks, dump trucks, cranes, service trucks, and heavy-haul trailers. We manage the business in three reporting segments: Equipment Rental Solutions (“ERS”), Truck and Equipment Sales (“TES”) and Aftermarket Parts and Services (“APS”).

## Financial and Performance Measures

### **Financial Measures**

*Revenue* — As a full-service equipment provider, we generate revenue through renting, selling, assembling, upfitting, and servicing new and used heavy-duty trucks and cranes, as well as the sale of related parts. We also sell and rent specialized tools on an individual basis and in kits. Rental revenue is primarily comprised of revenues from rental agreements and freight charges billed to customers. The Company records changes in estimated collectability directly against rental revenue. Equipment sales revenue reflects the value of vocational trucks and other equipment sold to customers as well as upfit services. Parts and service revenue is derived from maintenance and repair services, and parts, tools and accessories sold directly to customers. Rental revenue excludes active rental contracts which qualify to be accounted for as sales-type leases.

*Cost of rental revenue* — Cost of rental revenue reflects repairs and maintenance costs of rental equipment, parts costs, labor and other overheads related to maintaining the rental fleet, and freight associated with the shipping of rental equipment.

*Depreciation of rental equipment* — Depreciation of rental equipment is comprised of depreciation expense on the rental fleet. We allocate the cost of rental equipment generally over the rentable life of the equipment. The depreciation allocation is based upon estimated lives ranging from five to seven years. The cost of equipment is depreciated to an estimated residual value using the straight-line method.

*Cost of equipment and parts and services sales* — Cost of equipment sales reflects production and inventory costs associated with new units sold, parts costs, labor and other overheads related to production, and freight associated with the shipping and receiving of equipment and parts. Cost of equipment sales also includes the net book value of rental units sold, including active rental contracts which qualify to be accounted for as sales-type leases.

*Selling, general and administrative expenses* — Selling, general and administrative expenses include sales compensation, fleet licensing fees and corporate expenses, including salaries, stock-based compensation expense, insurance, advertising costs, professional services, fees earned on customer arranged financing, gains or losses resulting from insurance settlements, and information technology costs.

*Amortization and non-rental depreciation* — Amortization expense relates to intangible assets such as customer lists, trade names, etc. Non-rental depreciation expense reflects the depreciation of property and equipment that is not part of the rental fleet.

*Transaction expenses and other* — Transaction expenses and other include costs related to acquisitions of businesses; costs associated with closed operations; costs associated with restructuring and business optimization activities (inclusive of systems establishment costs); employee retention and/or severance costs; costs related to start-up/pre-openings and openings of locations; reconfiguration or consolidation of facilities and equipment conversion costs.

*Financing and other expense (income)* — Financing and other expense (income) reflects the financing expense (income) associated with lease agreements qualifying to be accounted for as a sales-type lease, foreign currency gains and losses related to our Canadian operations, as well as other miscellaneous gains or losses from non-operating activities. Also included in financing and other expense (income) are the unrealized remeasurement gains and losses related to derivative financial instruments.

*Interest expense* — Interest expense consists of contractual interest expense on outstanding debt obligations, floor plan financing facilities, amortization of deferred financing costs and other related financing expenses.

*Income Tax Expense (Benefit)* — We have net operating loss carryforward and disallowed interest deduction carryforward assets, which are generally available to be used to offset taxable income generated in future years. Due to limitations on the use of these carryforwards under U.S. federal and state income tax regulations, we record valuation allowances to reduce the carryforward assets to amounts that we estimate will be realized. Accordingly, income tax expense or benefit generally is comprised of changes to these valuation allowance estimates and does not reflect taxes on current period income (or tax benefit on current period losses). For these reasons, our effective tax rate differs from the federal statutory tax rate.

## **Operating Metrics**

We consider the following key operational metrics, which are consistent with those defined by the American Rental Association, when evaluating our performance and making day-to-day operating decisions:

*Ending OEC* — Ending original equipment cost (“OEC”) is the original equipment cost of units at the end of the measurement period. OEC represents the original equipment cost and excludes the effect of adjustments to rental equipment fleet acquired in business combinations. OEC is the basis for calculating certain of the measures set forth below. Additionally, the pricing of our rental contracts and equipment sales prices for our equipment is based upon OEC, and we measure a rate of return from our rentals and sales using OEC. OEC is a widely used industry metric to compare fleet dollar value independent of depreciation.

*Average OEC on rent* — Average OEC on rent is calculated as the weighted-average OEC on rent during the stated period.

*Fleet utilization* — Fleet utilization is defined as the total number of days the rental equipment was rented during a specified period of time divided by the total number of days available during the same period and weighted based on OEC. Utilization is a measure of fleet efficiency expressed as a percentage of time the fleet is on rent and is considered to be an important indicator of the revenue generating capacity of the fleet.

*OEC on rent yield* — OEC on rent yield (“ORY”) is a measure of return realized by our rental fleet during a period. ORY is calculated as rental revenue (excluding freight recovery and ancillary fees) during the stated period divided by the average OEC on rent for the same period. For periods less than 12 months, ORY is adjusted to an annualized basis.

*Sales order backlog* — Sales order backlog consists of purchase orders received for customized and stock equipment. Sales order backlog should not be considered an accurate measure of future net sales.

## **Operating Segments**

We operate in three reportable operating segments: Equipment Rental Solutions, Truck and Equipment Sales and Aftermarket Parts and Services.

*Equipment Rental Solutions (“ERS”) Segment* — We own a broad range of new and used specialty equipment, including truck-mounted aerial lifts, cranes, service trucks, dump trucks, trailers, digger derricks and other machinery and equipment. As of September 30, 2025, this equipment (the “rental fleet”) is comprised of more than 10,350 units. The majority of our rental fleet can be used across a variety of end-markets, which coincides with the needs of many of our customers who operate in multiple end-markets. As is customary for equipment rental companies, we sell used equipment out of our rental fleet to end user customers. These sales are often made in response to specific customer requests. These sales offer customers an opportunity to buy well-maintained equipment with long remaining useful lives and enable us to effectively manage the age and mix of our rental fleet to match current market demand. We also employ rental purchase options (“RPOs”) on a select basis, which provide a buyout option with an established purchase price that decreases over time as rental revenue is collected. Customers are given credit against such purchase price for a portion of the amounts paid over the life of the rental, allowing customers the flexibility of a rental with the option to purchase at any time at a known price. Activities in our ERS segment consist of the rental and sale from the rental fleet of the foregoing products.

*Truck and Equipment Sales (“TES”) Segment* — We offer a broad variety of new equipment for sale to be used across our end-markets, which can be modified to meet our customers’ specific needs. We believe that our integrated production capabilities and extensive knowledge gained over a long history of selling equipment have established us as a trusted partner for customers seeking tailored solutions with short lead times. In support of these activities, we primarily employ a direct-to-customer sales model, leveraging our dedicated sales force of industry and product managers, who are focused on driving national and local sales. We also opportunistically engage in the sale of used equipment purchased from third parties or received via trade-ins from new equipment sales customers. In the majority of these cases, we will sell used equipment directly to customers, rather than relying on auctions. Activities in our TES segment consist of the production and sale of new and used specialty equipment and vocational trucks, which includes equipment from leading original equipment manufacturers (“OEMs”) across our end-markets, as well as our Load King<sup>TM</sup> brand.

**Aftermarket Parts and Services (“APS”) Segment** — The APS segment includes the sale of specialized aftermarket parts, including captive parts related to our Load King™ brand, used in the maintenance and repair of the equipment we sell and rent. Specialized tools, including stringing blocks, insulated hot stick, and rigging equipment, are sold or rented to our customers on an individual basis or in packaged specialty kits. We also provide truck and equipment maintenance and repair services, which are executed throughout our nationwide branch network and fleet of mobile technicians supported by our 24/7 call center based in Kansas City, Missouri.

## Results of Operations

### Three and nine months ended September 30, 2025, compared to the same periods in 2024

#### Condensed Consolidated Results of Operations

| (in \$000s)  | Three Months Ended    |              |                       |              |           |          |               |
|--|-----------------------|--------------|-----------------------|--------------|-----------|----------|---------------|
|  | September 30,<br>2025 | % of revenue | September 30,<br>2024 | % of revenue | \$ Change | % change | June 30, 2025 |
| Rental revenue   | \$ 127,142            | 26.4%        | \$ 108,324            | 24.2%        | \$ 18,818 | 17.4%    | \$ 120,814    |
| Equipment sales  | 320,583               | 66.5%        | 305,476               | 68.3%        | 15,107    | 4.9%     | 356,112       |
| Parts sales and services                                 | 34,333                | 7.1%         | 33,420                | 7.5%         | 913       | 2.7%     | 34,557        |
| Total revenue  | 482,058               | 100.0%       | 447,220               | 100.0%       | 34,838    | 7.8%     | 511,483       |
| Cost of revenue, excluding rental equipment depreciation | 326,530               | 67.7%        | 309,435               | 69.2%        | 17,095    | 5.5%     | 354,934       |
| Depreciation of rental equipment                         | 54,775                | 11.4%        | 45,956                | 10.3%        | 8,819     | 19.2%    | 54,007        |
| Gross profit   | 100,753               | 20.9%        | 91,829                | 20.5%        | 8,924     | 9.7%     | 102,542       |
| Operating expenses                                       | 68,124                |              | 68,792                |              | (668)     | (1.0)%   | 74,611        |
| Operating income   | 32,629                |              | 23,037                |              | 9,592     | 41.6%    | 27,931        |
| Total other expense                                      | 39,373                |              | 41,057                |              | (1,684)   | (4.1)%   | 38,833        |
| Income (loss) before income taxes                        | (6,744)               |              | (18,020)              |              | 11,276    | (62.6)%  | (10,902)      |
| Income tax expense (benefit)                             | (988)                 |              | (604)                 |              | (384)     | 63.6%    | 17,478        |
| Net income (loss)  | \$ (5,756)            |              | \$ (17,416)           |              | \$ 11,660 | (66.9)%  | \$ (28,380)   |

| (in \$000s)  | Nine Months Ended September 30, |              |             |              |           |             |  |
|--|---------------------------------|--------------|-------------|--------------|-----------|-------------|--|
|  | 2025                            | % of revenue | 2024        | % of revenue | \$ Change | % of change |  |
| Rental revenue   | \$ 364,217                      | 25.7 %       | \$ 317,492  | 24.8 %       | \$ 46,725 | 14.7 %      |  |
| Equipment sales  | 950,558                         | 67.1 %       | 863,711     | 67.4 %       | 86,847    | 10.1 %      |  |
| Parts sales and services                                 | 100,998                         | 7.1 %        | 100,337     | 7.8 %        | 661       | 0.7 %       |  |
| Total revenue  | 1,415,773                       | 100.0 %      | 1,281,540   | 100.0%       | 134,233   | 10.5 %      |  |
| Cost of revenue, excluding rental equipment depreciation | 968,069                         | 68.4 %       | 875,450     | 68.3%        | 92,619    | 10.6 %      |  |
| Depreciation of rental equipment                         | 158,873                         | 11.2 %       | 134,285     | 10.5%        | 24,588    | 18.3 %      |  |
| Gross profit   | 288,831                         | 20.4 %       | 271,805     | 21.2%        | 17,026    | 6.3 %       |  |
| Operating expenses                                       | 215,866                         |              | 212,724     |              | 3,142     | 1.5 %       |  |
| Operating income   | 72,965                          |              | 59,081      |              | 13,884    | 23.5 %      |  |
| Total other expense                                      | 116,103                         |              | 114,792     |              | 1,311     | 1.1 %       |  |
| Income (loss) before income taxes                        | (43,138)                        |              | (55,711)    |              | 12,573    | (22.6)%     |  |
| Income tax expense                                       | 8,789                           |              | 518         |              | 8,271     | 1,596.7 %   |  |
| Net income (loss)  | \$ (51,927)                     |              | \$ (56,229) |              | \$ 4,302  | (7.7)%      |  |



**Total Revenue** - The increase in total revenue for the three and nine months ended September 30, 2025, compared to the same periods in 2024 is a result of strong new equipment sales as well as higher rental revenue driven by higher average OEC on rent.

**Cost of Revenue, Excluding Rental Equipment Depreciation** - The increase in cost of revenue, excluding rental equipment depreciation for the three and nine months ended September 30, 2025, compared to the same periods in 2024, was driven primarily by the increase in equipment sales volume.

**Depreciation of Rental Equipment** - Depreciation of our rental equipment increased in the three and nine months ended September 30, 2025, compared to the same periods in 2024, as a result of higher rental equipment levels.

**Operating Expenses** - Operating expenses was flat for the three months ended September 30, 2025 compared to the same period in 2024, and increased for the nine months ended September 30, 2025, compared to the same period in 2024, primarily as a result of an increase in general and administrative expenses due to increased compensation.

**Total Other Expense** - Other expense decreased for the three months ended September 30, 2025, compared to the same period in 2024, due to less interest expense on floorplan financing as a result of lower inventory levels. Other expense remained flat for the nine months ended September 30, 2025, compared to the same period in 2024.

**Income Tax Expense (Benefit)** - Income tax for the three months ended September 30, 2025 was a benefit of approximately \$1.0 million and for the nine months ended September 30, 2025 was expense of approximately \$8.8 million. The fluctuation in income tax is primarily due to taxable income in states that do not follow federal deductibility rules, resulting in an overall effective tax rate for the three and nine months ended September 30, 2025 of 14.7% and (20.4)%, respectively. We expect annual cash taxes to be paid to remain at a level consistent with previous years.

**Net Income (loss)** - Net loss decreased for the three and nine months ended September 30, 2025, compared to the same periods in 2024, primarily due to higher operating income as a result of strong new equipment sales as well as higher rental revenue driven by higher average OEC on rent.

#### Operating Metrics

We principally evaluate operational performance based on the following metrics: ending OEC, average OEC on rent, fleet utilization, and OEC on rent yield. We also report sales order backlog related to our customers' orders for new vocational heavy duty trucks as an indicator of the demand environment for our products. The table below presents these key measures.

| (in \$000s)         | Three Months Ended |                    |              |          |               |          |
|---------------------|--------------------|--------------------|--------------|----------|---------------|----------|
|                     | September 30, 2025 | September 30, 2024 | Change       | % Change | June 30, 2025 | % Change |
| Ending OEC          | \$ 1,621,725       | \$ 1,493,799       | \$ 127,926   | 8.6 %    | \$ 1,560,704  | 3.9 %    |
| Average OEC on rent | \$ 1,262,477       | \$ 1,082,679       | \$ 179,798   | 16.6 %   | \$ 1,207,231  | 4.6 %    |
| Fleet utilization   | 79.3 %             | 73.2 %             | 6.1 %        | 8.3 %    | 77.6 %        | 2.2 %    |
| OEC on rent yield   | 38.2 %             | 38.4 %             | (0.2)%       | (0.5)%   | 38.6 %        | (1.0)%   |
| Sales order backlog | \$ 279,785         | \$ 395,603         | \$ (115,818) | (29.3)%  | \$ 334,805    | (16.4)%  |

  

| (in \$000s)         | Nine Months Ended September 30, |              |              |          |
|---------------------|---------------------------------|--------------|--------------|----------|
|                     | 2025                            | 2024         | Change       | % Change |
| Ending OEC          | \$ 1,621,725                    | \$ 1,493,799 | \$ 127,926   | 8.6 %    |
| Average OEC on rent | \$ 1,215,570                    | \$ 1,064,188 | \$ 151,382   | 14.2 %   |
| Fleet utilization   | 78.0 %                          | 72.7 %       | 5.3 %        | 7.3 %    |
| OEC on rent yield   | 38.2 %                          | 39.2 %       | (1.0)%       | (2.6)%   |
| Sales order backlog | \$ 279,785                      | \$ 395,603   | \$ (115,818) | (29.3)%  |

## Operating Results by Segment

### Equipment Rental Solutions (ERS) Segment

| (in \$000s)                      | Three Months Ended    |                       |           |          |               |          |
|----------------------------------|-----------------------|-----------------------|-----------|----------|---------------|----------|
|                                  | September 30,<br>2025 | September 30,<br>2024 | \$ Change | % Change | June 30, 2025 | % Change |
| Rental revenue                   | \$ 123,945            | \$ 105,317            | \$ 18,628 | 17.7 %   | \$ 117,728    | 5.3 %    |
| Equipment sales                  | 45,160                | 45,574                | (414)     | (0.9)%   | 52,744        | (14.4)%  |
| Total revenue                    | 169,105               | 150,891               | 18,214    | 12.1 %   | 170,472       | (0.8)%   |
| Cost of rental revenue           | 30,425                | 29,415                | 1,010     | 3.4 %    | 30,328        | 0.3 %    |
| Cost of equipment sales          | 34,339                | 33,975                | 364       | 1.1 %    | 40,396        | (15.0)%  |
| Depreciation of rental equipment | 54,068                | 44,964                | 9,104     | 20.2 %   | 53,303        | 1.4 %    |
| Total cost of revenue            | 118,832               | 108,354               | 10,478    | 9.7 %    | 124,027       | (4.2)%   |
| Gross profit                     | \$ 50,273             | \$ 42,537             | \$ 7,736  | 18.2 %   | \$ 46,445     | 8.2 %    |

| (in \$000s)                      | Nine Months Ended September 30, |            |           |          |
|----------------------------------|---------------------------------|------------|-----------|----------|
|                                  | 2025                            | 2024       | \$ Change | % Change |
| Rental revenue                   | \$ 354,638                      | \$ 309,304 | \$ 45,334 | 14.7 %   |
| Equipment sales                  | 139,287                         | 116,026    | 23,261    | 20.0 %   |
| Total revenue                    | 493,925                         | 425,330    | 68,595    | 16.1 %   |
| Cost of rental revenue           | 91,141                          | 88,496     | 2,645     | 3.0 %    |
| Cost of equipment sales          | 105,742                         | 83,865     | 21,877    | 26.1 %   |
| Depreciation of rental equipment | 156,695                         | 131,242    | 25,453    | 19.4 %   |
| Total cost of revenue            | 353,578                         | 303,603    | 49,975    | 16.5 %   |
| Gross profit                     | \$ 140,347                      | \$ 121,727 | \$ 18,620 | 15.3 %   |

**Total Revenue** - The increase in total revenue for the ERS segment for the three and nine months ended September 30, 2025, compared to the same periods in 2024, was due to an increase in rental revenue as well as rental equipment sales for the nine months ended. Rental revenue increased as a result of higher fleet utilization of 6.1% and 5.3% for the three and nine months ended September 30, 2025, respectively, driven by higher average OEC on rent. Rental equipment sales increased for the nine months ended due to steady performance and demand in the utility market for transmission and distribution jobs.

**Cost of Rental Revenue** - The increase in cost of rental revenue for the three and nine months ended September 30, 2025, compared to the same periods in 2024, was largely due to an increase in rental activity.

**Cost of Equipment Sales** - Cost of equipment sales was flat for the three months ended September 30, 2025, compared to the same period in 2024. The increase in cost of equipment sales for the nine months ended September 30, 2025, was due to an increase in rental equipment sales volume.

**Depreciation** - Depreciation of our rental equipment increased for the three and nine months ended September 30, 2025, compared to the same periods in 2024, as a result of higher rental equipment levels.

**Gross Profit** - The increase in gross profit for the three and nine months ended September 30, 2025, compared to the same periods in 2024, was due to the higher mix of rental revenue for the period.

## Truck and Equipment Sales (TES) Segment

| (in \$000s)             | Three Months Ended |                    |           |          |               |          |
|-------------------------|--------------------|--------------------|-----------|----------|---------------|----------|
|                         | September 30, 2025 | September 30, 2024 | \$ Change | % Change | June 30, 2025 | % Change |
| Equipment sales         | \$ 275,423         | \$ 259,902         | \$ 15,521 | 6.0 %    | \$ 303,368    | (9.2)%   |
| Cost of equipment sales | 234,038            | 218,012            | 16,026    | 7.4 %    | 256,276       | (8.7)%   |
| Gross profit            | \$ 41,385          | \$ 41,890          | \$ (505)  | (1.2)%   | \$ 47,092     | (12.1)%  |

| (in \$000s)             | Nine Months Ended September 30, |            |            |          |
|-------------------------|---------------------------------|------------|------------|----------|
|                         | 2025                            | 2024       | \$ Change  | % Change |
| Equipment sales         | \$ 811,271                      | \$ 747,685 | \$ 63,586  | 8.5 %    |
| Cost of equipment sales | 687,784                         | 620,240    | 67,544     | 10.9 %   |
| Gross profit            | \$ 123,487                      | \$ 127,445 | \$ (3,958) | (3.1)%   |

**Equipment Sales** - Equipment sales increased for the three and nine months ended September 30, 2025, compared to the same periods in 2024. The increase in new equipment sales is driven by robust demand for vocational vehicles across our end markets, particularly intra-quarter demand from local and regional customers.

**Cost of Equipment Sales** - Cost of equipment sales increased for the three and nine months ended September 30, 2025, compared to the same periods in 2024, due to the increase in equipment sales volume.

**Gross Profit** - Gross profit remained flat for the three months ended September 30, 2025 compared to the same period in 2024. The decrease in gross profit for the nine months ended September 30, 2025, compared to the same period in 2024, was due to the pricing pressures on truck sales as well as the mix of equipment sold.

## Aftermarket Parts and Services (APS) Segment

| (in \$000s)                      | Three Months Ended |                    |           |          |               |          |
|----------------------------------|--------------------|--------------------|-----------|----------|---------------|----------|
|                                  | September 30, 2025 | September 30, 2024 | \$ Change | % Change | June 30, 2025 | % Change |
| Rental revenue                   | \$ 3,197           | \$ 3,007           | \$ 190    | 6.3 %    | \$ 3,086      | 3.6 %    |
| Parts and services revenue       | 34,333             | 33,420             | 913       | 2.7 %    | 34,557        | (0.6)%   |
| Total revenue                    | 37,530             | 36,427             | 1,103     | 3.0 %    | 37,643        | (0.3)%   |
| Cost of revenue                  | 27,728             | 28,033             | (305)     | (1.1)%   | 27,934        | (0.7)%   |
| Depreciation of rental equipment | 707                | 992                | (285)     | (28.7)%  | 704           | 0.4 %    |
| Total cost of revenue            | 28,435             | 29,025             | (590)     | (2.0)%   | 28,638        | (0.7)%   |
| Gross profit                     | \$ 9,095           | \$ 7,402           | \$ 1,693  | 22.9 %   | \$ 9,005      | 1.0 %    |

| (in \$000s)                      | Nine Months Ended September 30, |           |           |          |
|----------------------------------|---------------------------------|-----------|-----------|----------|
|                                  | 2025                            | 2024      | \$ Change | % Change |
| Rental revenue                   | \$ 9,579                        | \$ 8,188  | \$ 1,391  | 17.0 %   |
| Parts and services revenue       | 100,998                         | 100,337   | 661       | 0.7 %    |
| Total revenue                    | 110,577                         | 108,525   | 2,052     | 1.9 %    |
| Cost of revenue                  | 83,402                          | 82,849    | 553       | 0.7 %    |
| Depreciation of rental equipment | 2,178                           | 3,043     | (865)     | (28.4)%  |
| Total cost of revenue            | 85,580                          | 85,892    | (312)     | (0.4)%   |
| Gross profit                     | \$ 24,997                       | \$ 22,633 | \$ 2,364  | 10.4 %   |

**Total Revenue** - Total revenue increased for the three and nine months ended September 30, 2025, compared to the same periods in 2024, due to an increase in tools, kits and accessories rentals related to the increase in T&D infrastructure end-user demand.

**Cost of Revenue** - Cost of revenue was flat for the three and nine months ended September 30, 2025, compared to the same periods in 2024.

**Gross Profit** - The increase in gross profit for the three and nine months ended September 30, 2025, compared to the same periods in 2024, was primarily driven by the increase in rental revenue which has lower costs associated with it.

## **Liquidity and Capital Resources**

Our principal sources of liquidity include cash generated by operating activities and borrowings under revolving credit facilities as described below. We believe that our liquidity sources and operating cash flows are sufficient to address our operating, debt service and capital requirements, including investments in our rental fleet, over the next 12 months and beyond. As of September 30, 2025, we had \$13.1 million in cash and cash equivalents compared to \$3.8 million as of December 31, 2024. As of September 30, 2025 and December 31, 2024, we had \$708.5 million and \$582.9 million of outstanding borrowings under our ABL Facility, respectively. Availability under the ABL Facility was \$237.6 million as of September 30, 2025, and based on our borrowing base, we have an additional \$232.0 million of suppressed availability that we can potentially utilize by upsizing our existing facility. For further information on the ABL Facility, see Note 7: Long-Term Debt in the Notes to the Unaudited Condensed Consolidated Financial Statements.

### **Loan Covenants and Compliance**

The ABL Facility contains customary negative covenants for transactions of this type, including covenants that, among other things, limit Nesco Holdings II, Inc., our wholly owned subsidiary (the “Borrower” with respect to the ABL Facility, or the “Issuer” with respect to the Indenture, defined below) and its restricted subsidiaries’ ability to: incur additional indebtedness; pay dividends, redeem stock, or make other distributions; repurchase, prepay or redeem subordinated indebtedness; make investments; create restrictions on the ability of the Borrower’s restricted subsidiaries to pay dividends; create liens; transfer or sell assets; consolidate, merge, sell, or otherwise dispose of all or substantially all of the Borrower’s assets; enter into certain transactions with the Borrower’s affiliates; and designate subsidiaries as unrestricted subsidiaries, in each case subject to certain exceptions, as well as a restrictive covenant applicable to each Specified Floor Plan Company (as defined in the ABL Credit Agreement) limiting its ability to own certain assets and engage in certain lines of business. The covenants governing the payment of dividends and making other distributions are based upon a combination of fixed amounts, percentages of Adjusted EBITDA or upon multiple pro forma measures depending on the purpose of any such dividend payments or distributions the Borrower and its restricted subsidiaries are permitted to make. Unlimited dividends under the ABL Facility may be permitted so long as, on a pro forma basis, “distribution conditions” (as defined in the ABL Credit Agreement governing the ABL Facility) are satisfied. As of September 30, 2025, the Company’s distribution conditions were satisfied and, as a result, the Company determined there were no restrictions on distributions by the Borrower and its restricted subsidiaries by the ABL Credit Agreement.

The 5.50% senior secured second lien notes due 2029 (the “2029 Secured Notes”) were issued pursuant to the indenture governing our 2029 Secured Notes (the “Indenture”) which contains covenants that limit the Issuer’s (and certain of its subsidiaries’) ability to, among other things: (i) incur additional debt or issue certain preferred stock; (ii) pay dividends, redeem stock, or make other distributions; (iii) make other restricted payments or investments; (iv) create liens on assets; (v) transfer or sell assets; (vi) create restrictions on payment of dividends or other amounts by the Issuer’s restricted subsidiaries; (vii) engage in mergers or consolidations; (viii) engage in certain transactions with affiliates; or (ix) designate the Issuer’s subsidiaries as unrestricted subsidiaries. The covenants governing the payment of dividends and making other distributions are based upon a combination of fixed amounts, percentages of Adjusted EBITDA or upon multiple pro forma measures depending on the purpose of any such dividend payments or distributions the Issuer and its restricted subsidiaries are permitted to make. Unlimited dividends, under the Indenture, may be made so long as after giving effect to making the dividends, the Consolidated Total Debt Ratio would be no greater than 5.00 to 1.00 on a pro forma basis. As of September 30, 2025, the Company’s Consolidated Total Debt Ratio was not greater than 5.00 to 1.00 and, as a result, the Company determined there were no restrictions on distributions by the Issuer and its restricted subsidiaries by the Indenture. For further information on the ABL Facility and Indenture, see Note 8: Long-Term Debt in the Notes to the Consolidated Financial Statements under Part II, Item 8 in the Company’s annual report on Form 10-K for the year ended December 31, 2024, filed on March 4, 2025.

The Company presents Adjusted EBITDA calculated in accordance with “Consolidated EBITDA” as that term is used in the ABL Credit Agreement and the Indenture. Adjusted EBITDA is defined as net income, as adjusted for provision for income taxes, interest expense, net (excluding interest on floorplan financing), depreciation of rental equipment and non-rental depreciation and amortization, and further adjusted for the impact of the fair value mark-up of acquired rental fleet (the “non-cash purchase accounting impact”), business acquisition and merger-related costs, including integration, the impact of accounting for certain of our rental contracts with customers that are accounted for under GAAP as a sales-type lease and stock compensation expense.

The Company presents Net Leverage Ratio, which is equivalent to Consolidated Total Net Leverage Ratio in our ABL Credit Agreement and Consolidated Total Debt Ratio in the Indenture, is defined as Net Debt over Adjusted EBITDA for the previous

twelve-month period (“last twelve months,” or “LTM”). Net debt is defined as total debt (calculated as current and long-term debt, excluding deferred financing fees, plus current and long-term finance lease obligations) minus cash and cash equivalents.

Our creditors utilize Adjusted EBITDA and Net Leverage Ratio to assess our compliance with the restrictive covenants in the ABL Credit Agreement and the Indenture. Neither Adjusted EBITDA or Net Leverage Ratio is calculated in accordance with GAAP and may not conform to the calculation of Adjusted EBITDA or Net Leverage Ratio used by other companies. Neither Adjusted EBITDA or Net leverage Ratio should be considered as a substitute for a measure of our financial performance or liquidity prepared in accordance with GAAP.

The following table provides the calculation of Adjusted EBITDA pursuant to the ABL Credit Agreement and the Indenture.

| (in \$000s)  | Three Months Ended |                    | Nine Months Ended  |                    | Three Months Ended June 30, 2025 |
|--|--------------------|--------------------|--------------------|--------------------|----------------------------------|
|  | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |                                  |
| Net income (loss)                                  | \$ (5,756)         | \$ (17,416)        | \$ (51,927)        | \$ (56,229)        | \$ (28,380)                      |
| Interest expense                                   | 26,462             | 27,156             | 78,518             | 79,174             | 26,440                           |
| Income tax expense (benefit)                       | (988)              | (604)              | 8,789              | 518                | 17,478                           |
| Depreciation and amortization                      | 67,048             | 59,295             | 195,985            | 173,253            | 66,426                           |
| EBITDA   | 86,766             | 68,431             | 231,365            | 196,716            | 81,964                           |
| Adjustments:                                       |                    |                    |                    |                    |                                  |
| Non-cash purchase accounting impact <sup>(1)</sup> | 3,406              | 4,066              | 11,502             | 12,286             | 3,915                            |
| Transaction and integration costs <sup>(2)</sup>   | 3,246              | 3,994              | 12,209             | 14,684             | 5,303                            |
| Sales-type lease adjustment <sup>(3)</sup>         | 465                | 1,295              | 1,482              | 5,730              | 471                              |
| Share-based payments <sup>(4)</sup>                | 2,080              | 2,419              | 6,259              | 8,748              | 1,775                            |
| Change in fair value of warrants <sup>(5)</sup>    | —                  | —                  | —                  | (527)              | —                                |
| Adjusted EBITDA                                    | \$ 95,963          | \$ 80,205          | \$ 262,817         | \$ 237,637         | \$ 93,428                        |

(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 ABL Credit Agreement and Indenture.

(2) Represents transaction and other costs related to acquisitions of businesses; costs associated with closed operations; costs associated with restructuring and business optimization activities (inclusive of systems establishment costs); employee retention and/or severance costs; costs related to start-up/pre-openings and openings of locations; reconfiguration or consolidation of facilities or equipment conversion costs. These adjustments are presented as adjustments to net income (loss) pursuant to our ABL Credit Agreement and Indenture.

(3) Represents the impact of sales-type lease accounting for certain leases containing 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. The adjustments are made pursuant to our ABL Credit Agreement and Indenture. The components of this adjustment are presented in the table below.

| (in \$000s)                 | Three Months Ended |                    | Nine Months Ended  |                    | Three Months Ended June 30, 2025 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------------------------------|
|                             | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |                                  |
| Equipment sales             | \$ (383)           | \$ (3,701)         | \$ (3,528)         | \$ (8,273)         | \$ (984)                         |
| Cost of equipment sales     | 118                | 4,111              | 2,906              | 8,162              | 949                              |
| Gross margin                | (265)              | 410                | (622)              | (111)              | (35)                             |
| Interest income             | (872)              | (2,766)            | (3,206)            | (8,791)            | (1,322)                          |
| Rental invoiced             | 1,602              | 3,651              | 5,310              | 14,632             | 1,828                            |
| Sales-type lease adjustment | \$ 465             | \$ 1,295           | \$ 1,482           | \$ 5,730           | \$ 471                           |

(4) Represents non-cash share-based compensation expense associated with the issuance of restricted stock units.

(5) Represents the charge to earnings for the change in fair value of the liability for warrants. On July 31, 2024, all of the Company’s stock purchase warrants expired and were unexercised.

The following table presents the calculation of Net Debt and Net Leverage Ratio:

| <i>(in \$000s)</i>                             | September 30, 2025 | June 30, 2025 |
|--|--------------------|---------------|
| Current maturities of long-term debt           | 20,892             | 23,114        |
| Long-term debt, net                            | 1,628,866          | 1,589,883     |
| Deferred financing fees                        | 16,638             | 17,705        |
| Less: cash and cash equivalents                | (13,058)           | (5,259)       |
| Net Debt                                       | \$ 1,653,338       | \$ 1,625,443  |
| Divided by: LTM Adjusted EBITDA <sup>(1)</sup> | \$ 364,837         | \$ 349,079    |
| Net Leverage Ratio                             | 4.53               | 4.66          |

(1) The following tables present the calculation of LTM Adjusted EBITDA for the periods ended September 30, 2025 and June 30, 2025:

| <i>(in \$000s)</i>                  | Current Year To Date<br>Period<br>September 30, 2025 | Less: Prior Year To<br>Date Period<br>September 30, 2024 | Add: Prior Fiscal Year<br>December 31, 2024 | LTM Adjusted<br>EBITDA<br>September 30, 2025 |
|-------------------------------------|--|--|---|--|
| Net income (loss)                   | \$ (51,927)  | \$ (56,229)  | \$ (28,655)                                 | \$ (24,353)                                  |
| Interest expense                    | 78,518   | 79,174   | 105,895                                     | 105,239                                      |
| Income tax expense (benefit)        | 8,789  | 518  | (532)                                       | 7,739  |
| Depreciation and amortization       | 195,985  | 173,253  | 235,807                                     | 258,539                                      |
| EBITDA                              | 231,365  | 196,716  | 312,515                                     | 347,164                                      |
| Adjustments:                        |  |  |   |  |
| Non-cash purchase accounting impact | 11,502   | 12,286   | 16,833                                      | 16,049                                       |
| Transaction and integration costs   | 12,209   | 14,684   | 17,915                                      | 15,440                                       |
| Sales-type lease adjustment         | 1,482  | 5,730  | 4,559                                       | 311  |
| Gain on sale leaseback transaction  | —  | —  | (23,497)                                    | (23,497)                                     |
| Share-based payments                | 6,259  | 8,748  | 11,859                                      | 9,370  |
| Change in fair value of warrants    | —  | (527)  | (527)                                       | —  |
| Adjusted EBITDA                     | \$ 262,817   | \$ 237,637   | \$ 339,657                                  | \$ 364,837                                   |

| <i>(in \$000s)</i>                  | Current Year To Date<br>Period<br>June 30, 2025 | Less: Prior Year To<br>Date Period<br>June 30, 2024 | Add: Prior Fiscal Year<br>December 31, 2024 | LTM Adjusted<br>EBITDA<br>June 30, 2025 |
|-------------------------------------|---|---|---|---|
| Net income (loss)                   | \$ (46,171)                                     | \$ (38,813)   | \$ (28,655)                                 | \$ (36,013)                             |
| Interest expense                    | 52,056  | 52,018  | 105,895                                     | 105,933                                 |
| Income tax expense (benefit)        | 9,777   | 1,122   | (532)                                       | 8,123                                   |
| Depreciation and amortization       | 128,937   | 113,958   | 235,807                                     | 250,786                                 |
| EBITDA                              | 144,599   | 128,285   | 312,515                                     | 328,829                                 |
| Adjustments:                        |   |   |   |   |
| Non-cash purchase accounting impact | 8,096   | 8,220   | 16,833                                      | 16,709                                  |
| Transaction and integration costs   | 8,963   | 10,690  | 17,915                                      | 16,188                                  |
| Sales-type lease adjustment         | 1,017   | 4,435   | 4,559                                       | 1,141                                   |
| Gain on sale leaseback transaction  | —   | —   | (23,497)                                    | (23,497)                                |
| Share-based payments                | 4,179   | 6,329   | 11,859                                      | 9,709                                   |
| Change in fair value of warrants    | —   | (527)   | (527)                                       | —                                       |
| Adjusted EBITDA                     | \$ 166,854                                      | \$ 157,432  | \$ 339,657                                  | \$ 349,079                              |

## Historical Cash Flows

The following table summarizes our sources and uses of cash:

| (in \$000s)  | Nine Months Ended September 30, |            |
|--|---------------------------------|------------|
|  | 2025                            | 2024       |
| Net cash flow from operating activities                      | \$ 262,804                      | \$ 39,934  |
| Net cash flow for investing activities                       | (233,786)                       | (164,883)  |
| Net cash flow (for) from financing activities                | (19,697)                        | 122,779    |
| Effect of exchange rate changes on cash and cash equivalents | (68)                            | 299        |
| Net change in cash and cash equivalents                      | \$ 9,253                        | \$ (1,871) |

As of September 30, 2025, we had cash and cash equivalents of \$13.1 million, an increase of \$9.3 million from December 31, 2024. Generally, we manage our cash flow by using any excess cash, after considering our working capital and capital expenditure needs, including paying down the outstanding balance under our ABL Facility, and availability under our credit facilities.

### Cash Flows from Operating Activities

Net cash from operating activities was \$262.8 million for the nine months ended September 30, 2025, as compared to \$39.9 million in the same period of 2024. The change year over year is driven by lower levels of inventory production in 2025 compared to 2024.

### Cash Flows for Investing Activities

Net cash used in investing activities was \$233.8 million for the nine months ended September 30, 2025, as compared to \$164.9 million in the same period of 2024. The increase in cash used in investing activities was primarily due to an increase in purchases of rental equipment of \$70.4 million.

### Cash Flows (for) from Financing Activities

Net cash used in financing activities was \$19.7 million for the nine months ended September 30, 2025, as compared to net cash from financing activities of \$122.8 million in the same period of 2024. The increase in cash used in financing activities was primarily due to an increase in repayments on floorplan liabilities and long term debt of \$105.2 million and lower proceeds from floorplan liabilities and long term debt of \$34.8 million.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

### Interest rate risk

We are subject to interest rate market risk in connection with our long-term debt. Our principal interest rate exposure relates to outstanding amounts under the ABL Credit Facility and our floor plan financing arrangements. Interest rate changes generally impact the amount of our interest payments and, therefore, our future net income and cash flows, assuming other factors are held constant. As of September 30, 2025, we had \$1,442.1 million aggregate principal amount of variable rate debt, consisting of the balance outstanding under floor plan financing and the ABL Facility. Holding other variables constant, each one-eighth percentage point increase or decrease in the applicable interest rates would correspondingly change our interest expense under floor plan financing and the ABL Facility by approximately \$1.8 million on an annual basis.

We, from time to time, may manage a portion of our risks from exposures to fluctuations in interest rates as part of our risk management program through the use of derivative financial instruments. The objective of controlling these risks is to limit the impact on earnings and cash flows caused by fluctuations in the interest rates of our variable-rate debt. We do not currently hedge our interest rate exposure.

### Foreign currency exchange rate risk

During the nine months ended September 30, 2025, we generated \$30.3 million of revenues denominated in Canadian dollars. Each 100-basis point increase or decrease in the average Canadian dollar to U.S. dollar exchange rate for the year would have correspondingly changed our revenues by approximately \$0.6 million on an annual basis. We do not currently hedge our exchange rate exposure.

## **Item 4. Controls and Procedures**

### **(a) Evaluation of Disclosure Controls and Procedures**

In accordance with Securities Exchange Act Rules 13a-15(e) and 15d-15(e), our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2025.

### **(b) Changes to Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings**

We may, at any given time, be named as a defendant in certain lawsuits, investigations and claims arising in the ordinary course of business. While the outcome of these potential lawsuits, investigations and claims cannot be predicted with certainty, we do not expect these matters to have a material adverse impact on our business, results of operations, cash flows or financial condition. In the opinion of management, there are no pending litigation, disputes or claims against the Company that, if decided adversely, would have a material adverse effect on its consolidated financial condition, cash flows or results of operations.

### **Item 1A. Risk Factors**

No material changes occurred to the risk factors as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

### ***Issuer Purchases of Equity Securities***

On August 2, 2022, our Board of Directors authorized a stock repurchase program for up to \$30 million of the Company's shares of common stock, which authorization was further increased by \$25 million of shares on September 14, 2023, and increased again by \$25 million on March 11, 2024, upon exhaustion of prior authorization. The authorization does not have an expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs.

We did not purchase any shares of our common stock during the three months ended September 30, 2025.

## **Item 3. Defaults Upon Senior Securities**

None.

## **Item 4. Mine Safety Disclosures**

Not applicable.

## **Item 5. Other Information**

During the three months ended September 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

## Item 6. Exhibits

| Exhibit No. | Description  |
|-------------|--|
| 10.1+       | <a href="#"><u>Form of 2025 Restricted Stock Unit Agreement (Incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2025).</u></a>                       |
| 10.2+       | <a href="#"><u>Amendment No. 1 to Form of Restricted Stock Unit Agreement (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2025).</u></a>         |
| 10.3+       | <a href="#"><u>Form of 2025 Performance Stock Unit Agreement (Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2025).</u></a>                      |
| 10.4+       | <a href="#"><u>Form of 2025 Corporate Milestones Performance Stock Unit Agreement (Incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2025).</u></a> |
| 10.5+       | <a href="#"><u>Amendment No. 1 to Form of Performance Stock Unit Agreement (Incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2025).</u></a>       |
| 31.1*       | <a href="#"><u>Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>                    |
| 31.2*       | <a href="#"><u>Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>                    |
| 32**        | <a href="#"><u>Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>        |
| 101.INS     | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.  |
| 101.SCH     | XBRL Taxonomy Extension Schema Document.   |
| 101.CAL     | XBRL Taxonomy Extension Calculation Linkbase Document.   |
| 101.DEF     | XBRL Taxonomy Extension Definition Linkbase Document.  |
| 101.LAB     | XBRL Taxonomy Extension Label Linkbase Document.   |
| 101.PRE     | XBRL Taxonomy Extension Presentation Linkbase.   |
| 104         | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).  |

\* Filed herewith.

\*\*Furnished herewith.

+ Management contract or compensatory plan.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CUSTOM TRUCK ONE SOURCE, INC.  
(Registrant)

Date: October 27, 2025

/s/ Ryan McMonagle

**Ryan McMonagle, Chief Executive Officer**

Date: October 27, 2025

/s/ Christopher J. Eperjesy

**Christopher J. Eperjesy, Chief Financial Officer**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ryan McMonagle, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of Custom Truck One Source, Inc. for the quarterly period ended September 30, 2025;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2025

/s/ Ryan McMonagle

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**Ryan McMonagle  
Chief Executive Officer**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

, Christopher J. Eperjesy, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of Custom Truck One Source, Inc. for the quarterly period ended September 30, 2025;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2025

/s/ Christopher J. Eperjesy

**Christopher J. Eperjesy**  
**Chief Financial Officer**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Custom Truck One Source, Inc. (the “Company”) for the quarterly period ended September 30, 2025, as filed with the Securities and Exchange Commission (the “Report”), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 27, 2025

/s/ Ryan McMonagle

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**Ryan McMonagle**  
**Chief Executive Officer**

October 27, 2025

/s/ Christopher J. Eperjesy

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**Christopher J. Eperjesy**  
**Chief Financial Officer**