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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 08/01/2013

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**H&E Equipment Services, Inc.**

(Exact name of registrant as specified in its charter)

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Commission File Number: 000-51759

Delaware  
(State or other jurisdiction  
of incorporation)

81-0553291  
(IRS Employer  
Identification No.)

7500 Pecue Lane  
Baton Rouge, LA 70809  
(Address of principal executive offices, including zip code)

(225) 298-5200  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On August 1, 2013, we issued a press release announcing our financial results for the three months ended June 30, 2013. A copy of the press release is attached as Exhibit 99.1.

The information in this Form 8-K and the attached exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 8.01 Other Events**

We define EBITDA as net income (loss) before interest expense, income taxes, depreciation and amortization. We use EBITDA in our business operations to, among other things, evaluate the performance of our business, develop budgets and measure our performance against those budgets. We also believe that analysts and investors use EBITDA as a supplemental measure to evaluate a company’s overall operating performance. However, EBITDA has material limitations as an analytical tool and you should not consider EBITDA in isolation, or as a substitute for analysis of our results as reported under GAAP. We consider EBITDA a useful tool to assist us in evaluating performance because it eliminates items related to capital structure, taxes and non-cash charges. The items that we have eliminated in determining EBITDA for the periods presented are interest expense, income taxes, depreciation of fixed assets (which includes rental equipment and property and equipment), and amortization of intangible assets. However, some of these eliminated items are significant to our business. For example, (i) interest expense is a necessary element of our costs and ability to generate revenue because we incur a significant amount of interest expense related to our outstanding indebtedness; (ii) payment of income taxes is a necessary element of our costs; and (iii) depreciation is a necessary element of our costs and ability to generate revenue because rental equipment is the single largest component of our total assets and we recognize a significant amount of depreciation expense over the estimated useful life of this equipment. Any measure that eliminates components of our capital structure and costs associated with carrying significant amounts of fixed assets on our consolidated balance sheet has material limitations as a performance measure. In light of the foregoing limitations, we do not rely solely on EBITDA as a performance measure and also consider our GAAP results. EBITDA is not a measurement of our financial performance under GAAP and should not be considered an alternative to net income (loss), operating income (loss) or any other measures derived in accordance with GAAP. Because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

**Item 9.01 Financial Statements and Exhibits.**

99.1 Press Release, dated August 1, 2013, announcing financial results for the three months ended June 30, 2013.

**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 hereunto duly authorized.

Date: August 1, 2013

By: /s/ Leslie S. Magee

Leslie S. Magee  
Chief Financial Officer



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**H&E Equipment Services Reports Second Quarter 2013 Results**

**BATON ROUGE, Louisiana — (August 1, 2013)** — H&E Equipment Services, Inc. (NASDAQ: HEES) today announced results for the second quarter ended June 30, 2013.

**SECOND QUARTER 2013 HIGHLIGHTS:**

- Revenues increased 17.4% to \$245.3 million versus \$209.0 million a year ago.
- Net income was \$10.8 million in the second quarter compared to net income of \$10.5 million a year ago.
- EBITDA increased 22.3% to \$63.3 million from \$51.7 million, yielding a margin of 25.8% of revenues compared to 24.7% of revenues a year ago.
- Rental revenues increased 18.8%, or \$13.2 million to \$83.7 million on better rates and a larger fleet compared to a year ago.
- Gross margins were consistent at 30.7% in both periods.
- Average time utilization (based on original equipment cost) was 71.0% compared to 73.5% a year ago and 67.9% in the first quarter of 2013. Average time utilization (based on units available for rent) was 66.3% compared to 68.7% last year and 63.6% last quarter.
- Achieved positive year-over-year and sequential rental pricing in the second quarter. Average rental rates increased 7.3% compared to a year ago and improved 2.1% from the first quarter of this year.
- Dollar utilization was 35.8% as compared to 35.6% a year ago.
- Average rental fleet age at June 30, 2013 was 35.9 months, down slightly from the end of the last quarter and younger than the industry average age of 47 months.

John Engquist, H&E Equipment Services' chief executive officer, said, "The strength and momentum in our business continued in the second quarter and was driven by solid improvement in rentals and equipment sales compared to a year ago. Total revenues increased 17.4%, primarily as a result of an 18.8% increase in rental revenues and a 2.4%

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increase in our combined new and used equipment sales, which remain strong in terms of both demand and margin contribution. As a result, EBITDA increased 22.3% from a year ago. End user demand continues to build and activity regarding earthmoving equipment and cranes is strong, demonstrating improved economic confidence and cycle expansion.”

Engquist concluded, “We believe our concentration and penetration in the industrial sector, particularly the oil patch and petrochemical business along the Gulf Coast, continue to be a major benefit for our business. Rising oil prices and demand for natural gas are spurring capital investment. In Louisiana, where we are headquartered, reports indicate we are in the beginning stages of one of the largest industrial expansions of our state’s history. We are also excited about the industrial expansion in markets we serve in Texas. Our less industrial focused regions continue to strengthen as well. Our outlook for the balance of 2013 remains positive.”

#### **FINANCIAL DISCUSSION FOR SECOND QUARTER 2013:**

##### **Revenue**

Total revenues increased 17.4% to \$245.3 million from \$209.0 million in the second quarter of 2012. Equipment rental revenues increased 18.8% to \$83.7 million compared with \$70.5 million in the second quarter of 2012. New equipment sales increased 13.5% to \$73.4 million from \$64.7 million in the second quarter of 2012. Used equipment sales increased 46.9% to \$34.7 million compared to \$23.6 million in the second quarter of 2012. Parts sales increased 7.0% to \$26.4 million from \$24.7 million in the second quarter of 2012. Service revenues were \$13.8 million compared to \$13.9 million a year ago.

##### **Gross Profit**

Gross profit increased 17.4% to \$75.4 million from \$64.2 million in the second quarter of 2012. Gross margin was 30.7% for the quarter ended June 30, 2013 and for the quarter ended June 30, 2012.

On a segment basis, gross margin on rentals in the second quarter of 2013 was 47.1% compared to 47.5% in the second quarter of 2012 due to the increases in depreciation expense as a percentage of equipment rental revenues as a result of fleet growth compared to a year ago. On average, rental rates increased 7.3% compared to the second quarter of 2012. Time utilization (based on OEC) was 71.0% in the second quarter of 2013 compared to 73.5% a year ago.

Gross margin on new equipment sales was 11.4% as compared to 10.9% in the second quarter a year ago. Gross margin on used equipment sales was 30.3% compared to 30.5% a year ago, due to mix of used equipment sold. Gross margin on the sale of rental fleet equipment, which was approximately 80% of used equipment sales for the second quarter ended June 30, 2013 and 89% in the second quarter ended June 30, 2012, increased to 35.0% from 32.8% in the second quarter a year ago. Gross margin on parts sales decreased to 27.3% from 28.0% primarily due to revenue mix. Gross margin on service revenues increased to 63.3% from 62.8% in the prior year due primarily to revenue mix.

##### **Rental Fleet**

At the end of the second quarter of 2013, the original acquisition cost of the Company’s rental fleet was \$954.3 million, an increase of \$145.0 million from \$809.3 million at the end of the second quarter of 2012 and an increase of \$71.3 million from \$883.0 million at the end of 2012. Dollar utilization was 35.8% compared to 35.6% for the second quarter of 2012. Dollar returns increased reflecting higher year-over-year average rental rates and strong time utilization.

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#### **Selling, General and Administrative Expenses**

SG&A expenses for the second quarter of 2013 were \$47.1 million compared with \$41.4 million last year, a \$5.7 million, or 13.8%, increase. For the second quarter of 2013, SG&A expenses as a percentage of total revenues were 19.2% as compared to 19.8% a year ago.

#### **Income from Operations**

Income from operations for the second quarter of 2013 was \$28.9 million, or 11.8% of revenues, compared with income from operations of \$23.5 million, or 11.2% of revenues, a year ago.

#### **Interest Expense**

Interest expense for the second quarter of 2013 was \$13.1 million compared to \$7.0 million a year ago.

#### **Net Income**

Net income was \$10.8 million, or \$0.31 per diluted share, in the second quarter of 2013, compared to net income of \$10.5 million, or \$0.30 per diluted share, a year ago. The effective income tax rate in the second quarter of 2012 was 32.6% compared to 37.2% a year ago.

#### **EBITDA**

EBITDA for the second quarter of 2013 increased 22.3% to \$63.3 million compared to \$51.7 million a year ago. EBITDA, as a percentage of revenues, was 25.8% compared to 24.7% a year ago.

#### **Non-GAAP Financial Measures**

This press release contains certain Non-GAAP measures (EBITDA). Please refer to our Current Report on Form 8-K for a description of these measures and our use of these measures. EBITDA, as calculated by the Company, is not necessarily comparable to similarly titled measures reported by other companies. Additionally, these Non-GAAP measures are not measurements of financial performance or liquidity under GAAP and should not be considered as alternatives to the Company's other financial information determined under GAAP.

#### **Conference Call**

The Company's management will hold a conference call to discuss second quarter results today, August 1, 2013, at 10:00 a.m. (Eastern Time). To listen to the call, participants should dial 719-457-2620 approximately 10 minutes prior to the start of the call. A telephonic replay will be available after 1:00 p.m. (Eastern Time) on August 1, 2013, and will continue to be available through August 14, 2013, by dialing 719-457-0820 and entering confirmation code 8202578.

The live broadcast of the Company's quarterly conference call will be available online at [www.he-equipment.com](http://www.he-equipment.com) on August 1, 2013, beginning at 10:00 a.m. (Eastern Time) and will continue to be available for 30 days. Related presentation materials will be posted to the "Investor Relations" section of the Company's web site at [www.he-equipment.com](http://www.he-equipment.com) prior to the call. The presentation materials will be in Adobe Acrobat format.

#### **About H&E Equipment Services, Inc.**

The Company is one of the largest integrated equipment services companies in the United States with 67 full-service facilities throughout the West Coast, Intermountain, Southwest, Gulf Coast, Mid-Atlantic and Southeast regions of the United States. The Company is focused on heavy construction and industrial equipment and rents, sells and provides parts and service support for four core categories of specialized equipment: (1) hi-lift or aerial platform equipment; (2) cranes; (3) earthmoving equipment; and (4) industrial lift trucks. By providing equipment

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rental, sales, and on-site parts, repair and maintenance functions under one roof, the Company is a one-stop provider for its customers' varied equipment needs. This full service approach provides the Company with multiple points of customer contact, enabling it to maintain a high quality rental fleet, as well as an effective distribution channel for fleet disposal and provides cross-selling opportunities among its new and used equipment sales, rental, parts sales and service operations.

#### **Forward-Looking Statements**

Certain statements in this press release are "forward-looking statements" within the meaning of the federal securities laws. Statements that are not historical facts, including statements about our beliefs and expectations are forward-looking statements. Statements containing the words "may", "could", "would", "should", "believe", "expect", "anticipate", "plan", "estimate", "target", "project", "intend" and similar expressions constitute forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following: (1) general economic conditions and construction and industrial activity in the markets where we operate in North America as well as the depth and duration of the recent macroeconomic downturn related to decreases in construction and industrial activities, and the impact of conditions of the global credit markets and their effect on construction spending activity and the economy in general; (2) relationships with equipment suppliers; (3) increased maintenance and repair costs as we age our fleet and decreases in our equipments' residual value; (4) our indebtedness; (5) the risks associated with the expansion of our business; (6) our possible inability to effectively integrate any businesses we acquire; (7) competitive pressures; (8) compliance with laws and regulations, including those relating to environmental matters and corporate governance matters; and (9) other factors discussed in our public filings, including the risk factors included in the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Investors, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the SEC, we are under no obligation to publicly update or revise any forward-looking statements after the date of this release.

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**H&E EQUIPMENT SERVICES, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME (unaudited)**  
(Amounts in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
<b>Revenues:</b>				
Equipment rentals	\$ 83,728	\$ 70,504	\$ 159,098	\$ 130,133
New equipment sales	73,436	64,704	126,759	105,701
Used equipment sales	34,661	23,588	66,810	50,110
Parts sales	26,448	24,725	51,400	48,103
Service revenues	13,770	13,879	28,321	27,179
Other	13,297	11,624	25,340	21,463
Total revenues	<u>245,340</u>	<u>209,024</u>	<u>457,728</u>	<u>382,689</u>
<b>Cost of revenues:</b>				
Rental depreciation	30,020	24,763	58,152	47,577
Rental expense	14,248	12,253	27,851	23,796
New equipment sales	65,055	57,633	112,794	93,578
Used equipment sales	24,172	16,405	46,920	35,027
Parts sales	19,233	17,805	37,537	34,734
Service revenues	5,057	5,168	10,800	10,292
Other	12,143	10,762	23,782	20,799
Total cost of revenues	<u>169,928</u>	<u>144,789</u>	<u>317,836</u>	<u>265,803</u>
Gross profit	75,412	64,235	139,892	116,886
Selling, general, and administrative expenses	47,106	41,399	93,370	82,102
Gain on sales of property and equipment, net	606	641	1,106	964
Income from operations	28,912	23,477	47,628	35,748
Interest expense	(13,085)	(6,973)	(25,357)	(13,843)
Other income, net	201	151	708	508
Income before provision for income taxes	16,028	16,655	22,979	22,413
Provision for income taxes	5,219	6,187	7,393	7,990
Net income	<u>\$ 10,809</u>	<u>\$ 10,468</u>	<u>\$ 15,586</u>	<u>\$ 14,423</u>
<b>NET INCOME PER SHARE</b>				
Basic – Net income per share	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.45</u>	<u>\$ 0.41</u>
Basic – Weighted average number of common shares outstanding	<u>34,988</u>	<u>34,838</u>	<u>34,982</u>	<u>34,822</u>
Diluted – Net income per share	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.44</u>	<u>\$ 0.41</u>
Diluted – Weighted average number of common shares outstanding	<u>35,122</u>	<u>34,964</u>	<u>35,109</u>	<u>34,957</u>

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**H&E EQUIPMENT SERVICES, INC.**  
**SELECTED BALANCE SHEET DATA (unaudited)**  
**(Amounts in thousands)**

	June 30, 2013	December 31, 2012
Cash	\$ 4,221	\$ 8,894
Rental equipment, net	646,666	583,349
Total assets	1,062,733	942,399
Total debt <sup>(1)</sup>	732,880	690,166
Total liabilities	997,090	893,763
Stockholders' equity	65,643	48,636
Total liabilities and stockholders' equity	\$1,062,733	\$ 942,399

<sup>(1)</sup> Total debt consists of the aggregate amounts outstanding on the senior secured credit facility, capital lease obligations and the aggregate amounts outstanding on the senior unsecured notes.

**H&E EQUIPMENT SERVICES, INC.**  
**UNAUDITED RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**(Amounts in thousands)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income	\$10,809	\$10,468	\$ 15,586	\$14,423
Interest expense	13,085	6,973	25,357	13,843
Provision for income taxes	5,219	6,187	7,393	7,990
Depreciation	34,162	28,079	66,229	54,115
Amortization of intangibles	—	25	—	50
EBITDA	\$63,275	\$51,732	\$114,565	\$90,421

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