H&E Equipment Services®

First Quarter 2020 Earnings Conference

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John Engquist EXECUTIVE CHAIRMAN OF THE BOARD
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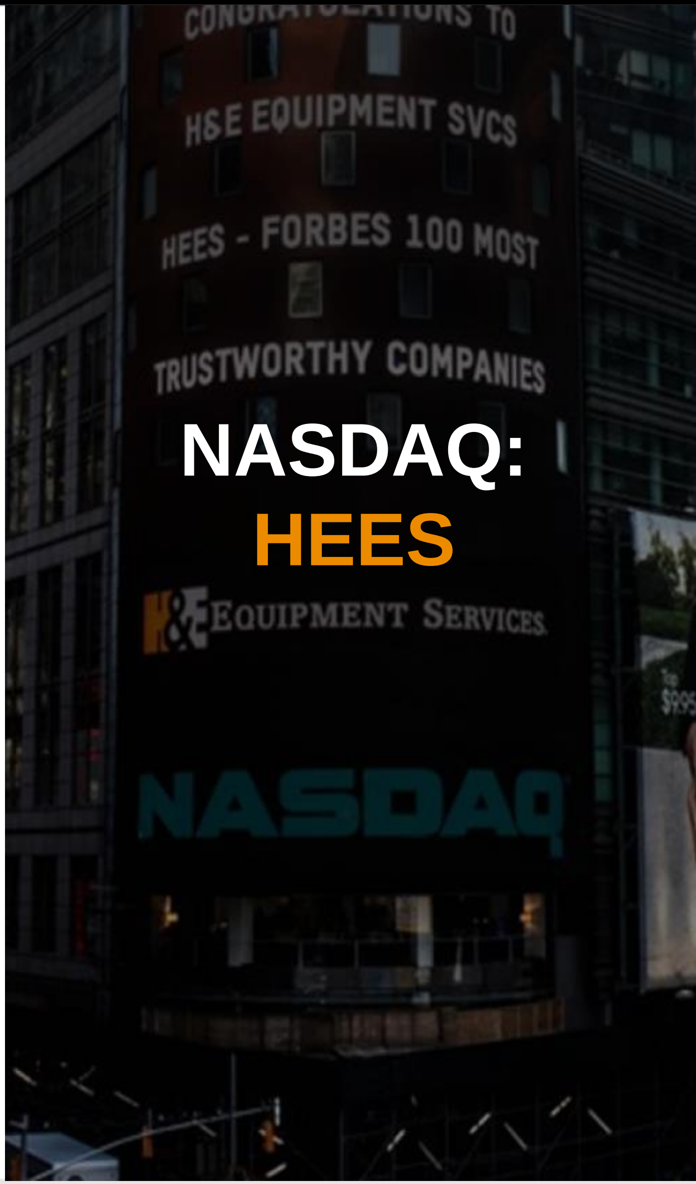
May 8, 2020



Forward-Looking Information

This presentation contains "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", "foresee" 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) risks related to the impact of the COVID-19 pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays and cancellations of construction infrastructure projects, supply chain disruptions and other impacts to the business; (2) general economic conditions and construction and industrial activity in the markets where we operate in North America; (3) our ability to forecast trends in our business accurately, and the impact of economic downturns and economic uncertainty on the markets we serve (including as a result of current uncertainty due to COVID-19); (4) trends in oil and natural gas could adversely affect the demand for or services and products; (5) the impact of conditions in the global credit and commodity markets (including as a result of current volatility and uncertainty in credit and commodity markets due to COVID-19) and their effect on construction spending and the economy in general; (6) relationships with equipment suppliers; (7) increased maintenance and repair costs as we age our fleet and decreases in our equipment’s residual value; (8) our indebtedness; (9) risks associated with the expansion of our business and any potential acquisitions we may make, including any related capital expenditures or our inability to consummate such acquisitions; (10) our possible inability to integrate any businesses we acquire; (11) competitive pressures; (12) security breaches and other disruptions in our information technology systems; (13) adverse weather events or natural disasters; (14) compliance with laws and regulations, including those relating to environmental matters, corporate governance matters and tax matters, as well as any future changes to such laws and regulations; and (15) other factors discussed in our public filings, including the risk factors included in the Company's most recent Annual Report on Form 10-K. 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 presentation.

Non-GAAP Financial Measures

This presentation contains certain Non-GAAP measures (EBITDA, Adjusted EBITDA, Free Cash Flow, Adjusted Income from Operations, Adjusted Net Income, Adjusted Net Income per share and recasting of certain revenue and cost of revenue numbers). Please refer to Appendix A of this presentation for a description of these measures and a discussion of our use of these measures. These Non-GAAP measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these Non-GAAP measures are not a measurement of financial or operating performance or liquidity under GAAP and should not be considered an alternative to the Company's other financial information determined under GAAP. See Appendix A for a reconciliation of these Non-GAAP measures.

COVID-19 Response and Updates

First Quarter Overview

- Q1 2020 Highlights
- Supplemental Company Data
  - Rental Business Trends
  - Regional Branch Map; Greenfield and Acquisitions Locations
  - End-User Markets and Fleet

First Quarter Financial Overview

- Q1 2020 Results
- 2020 Fleet and Free Cash Flow Update
- Capital Structure Update

Question and Answer Session

Brad Barber CHIEF EXECUTIVE OFFICER AND PRESIDENT

First Quarter 2020 Overview

COVID-19 Response and Updates

- Experienced management team to manage through any crisis.
- Acted swiftly and in accordance with the CDC and WHO recommendations to safeguard employees and avoid business disruption.
- Designated as an essential business; branches remain open.
- COVID-19 is resulting in delays and cancellations on projects across our footprint.
- Actions taken to right-size business in uncertain environment. Continually assessed.

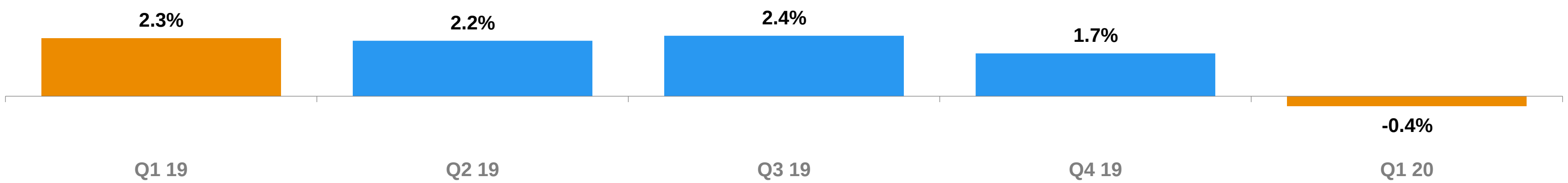
Q1 2020 Highlights

- Q1 2020 results impacted by the ongoing rebalancing of supply and demand, seasonality and the COVID-19 outbreak.
- Financial results negatively impacted from top to bottom line.
- Q1 2020 impacts on major business segments:
  - Rentals:
    - Rental revenues down 0.7% from a year ago.
    - Physical utilization decreased 570 basis points to 64.3% from 70.0%.
    - Rates were 0.4% lower than a year ago and declined 1.9% sequentially.
  - New Equipment:
    - Customers hesitant to make large capital purchases given the uncertainty with COVID-19.
    - Revenues decreased 47.8% from a year ago; cranes, earthmoving down 58.6% and 42.8%, respectively.
- Oil and gas exposure remains low at 6% of total revenues on an LTM basis.
- Opened new branches in Birmingham, AL and North Raleigh, NC, in 2020.
- Aggressively managing business through current environment and evolving changes in end-user markets.

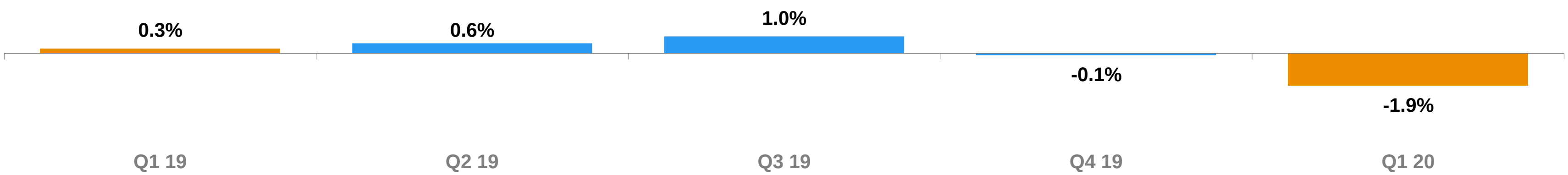
Rental Business Highlights

- Rental revenue decreased 0.7% to $158.6 million compared to $159.7 million in Q1 2019.
- Rental gross margins were 46.1% compared to 48.7% in Q1 2019.
- Rental rates decreased 0.4% over Q1 2019; rates decreased 1.9% sequentially.
- Time utilization (based on OEC) was 64.3% vs. 70.0% in Q1 2019.
- Dollar utilization was 33.1% vs. 35.2% in Q1 2019.

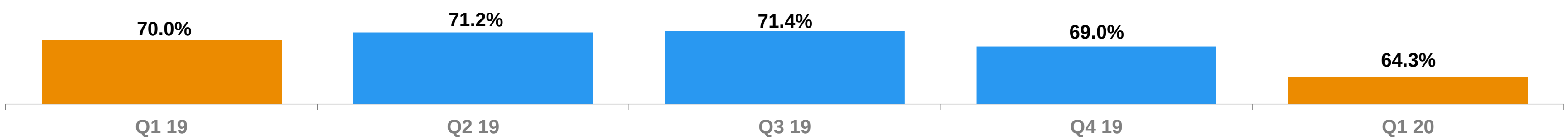
Year-Over-Year Average Rental Rate Trends



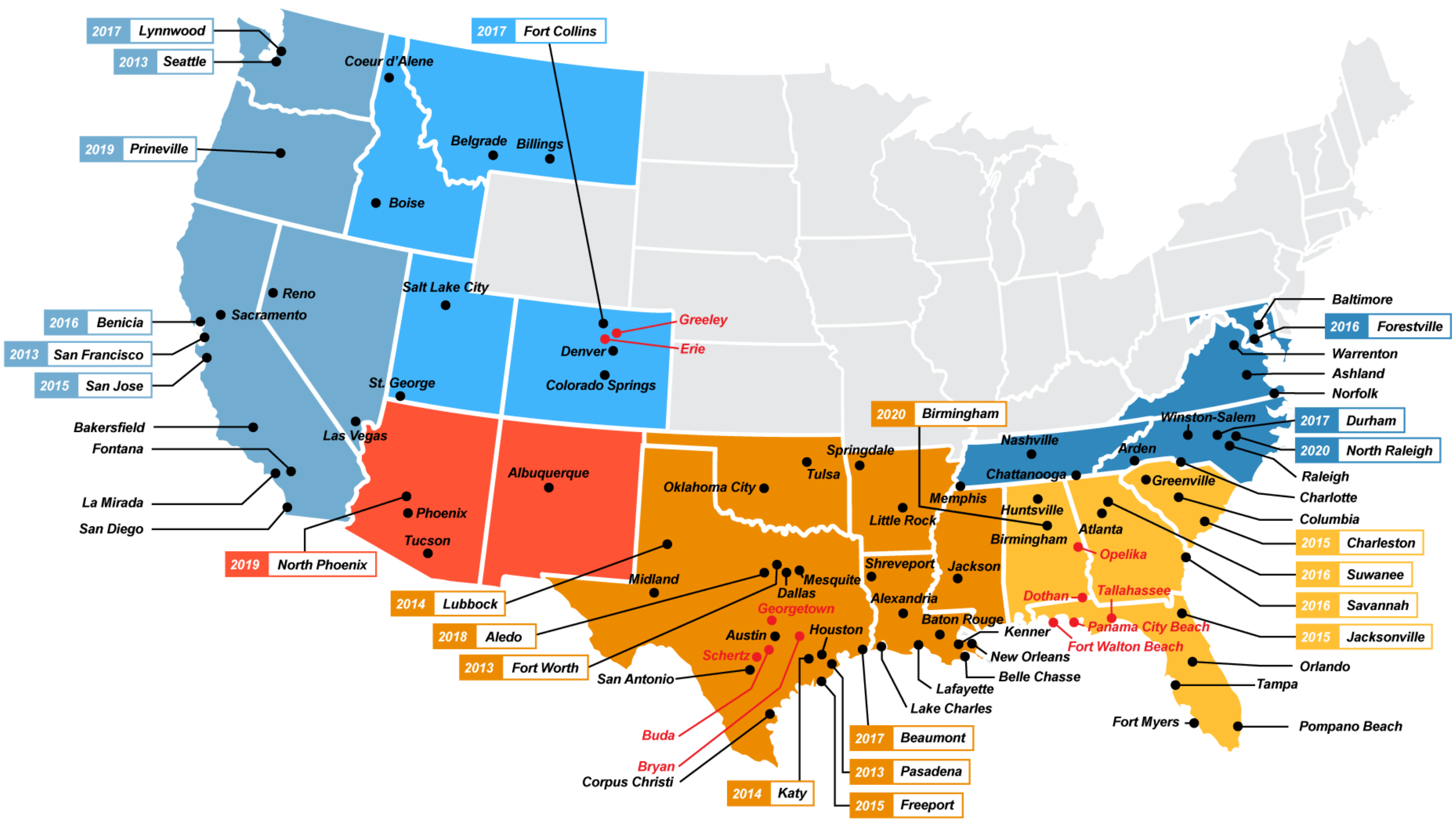
Sequential Average Rental Rate Trends



Time Utilization Trends (OEC)



Regional Branch Map



95
Locations in 23 States

Greenfield Opening Year and Count

YTD	2
2019	2
2018	1
2017	4
2016	4
2015	4
2014	2

Acquisitions and Location Count

2019	
We-Rent-It	4
2018	
Rental Inc	5
CEC	2

West Coast
12% Revenue
14% Gross Profit
13 Branches

Southwest
6% Revenue
6% Gross Profit
4 Branches

Intermountain
15% Revenue
17% Gross Profit
11 Branches

Gulf Coast
45% Revenue
40% Gross Profit
35 Branches

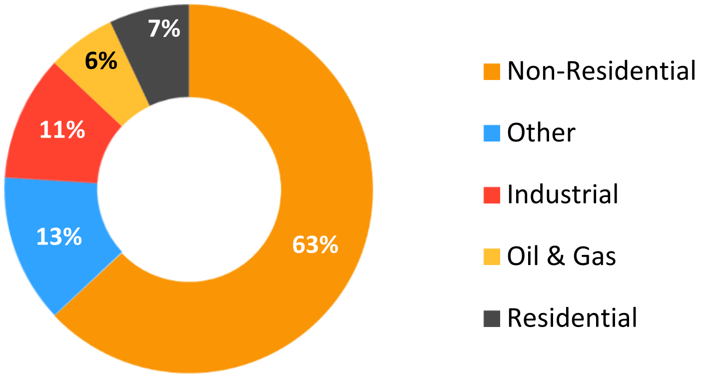
Southeast
10% Revenue
11% Gross Profit
19 Branches

Mid-Atlantic
12% Revenue
12% Gross Profit
13 Branches

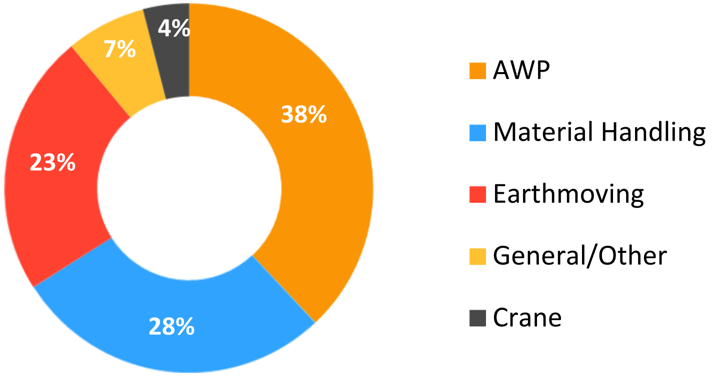
Revenue and gross profit data is as of LTM March 31, 2020.

- **End-market exposure and fleet mix are strategic advantages for our business.**
- **Non-residential construction end market focus; equipment on wide variety type of non-residential projects.**
- **Well-diversified customer base.**
- **Total industrial end market exposure only 11.0%; majority of our industrial exposure is ongoing maintenance work.**
- **Oil and gas exposure remains low at 6.0%.**
- **Young fleet; 37.7 months as of March 31, 2020 compared to industry average of 47.5 months.**
- **Fleet is well maintained.**
- **100% transferrable; no specialized fleet.**
- **Continue to increase exposure in earthmoving category; focused on adjusting fleet mix to maximize returns.**

Total Revenues by End Market[1]



Fleet Mix[2]

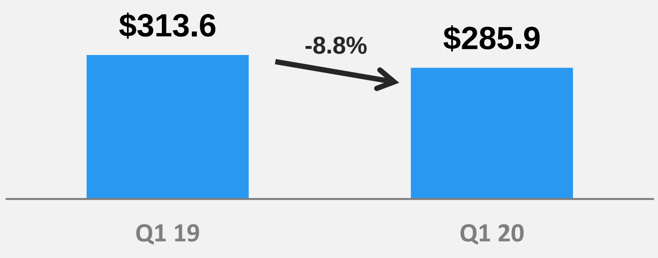


1 – Company data for LTM March 31, 2020.
2 – As of March 31, 2020; in March 2020, Telehandler fleet reclassed from AWP to Material Handling.

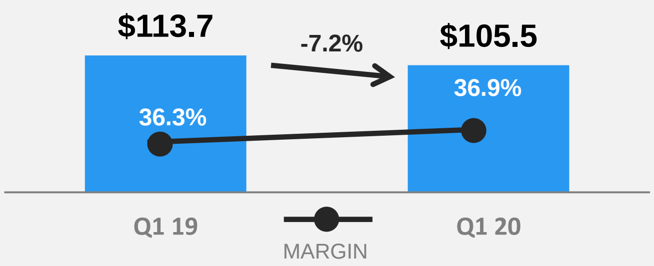
Leslie Magee CHIEF FINANCIAL OFFICER

First Quarter 2020 Financial Overview

Revenues ($MM)



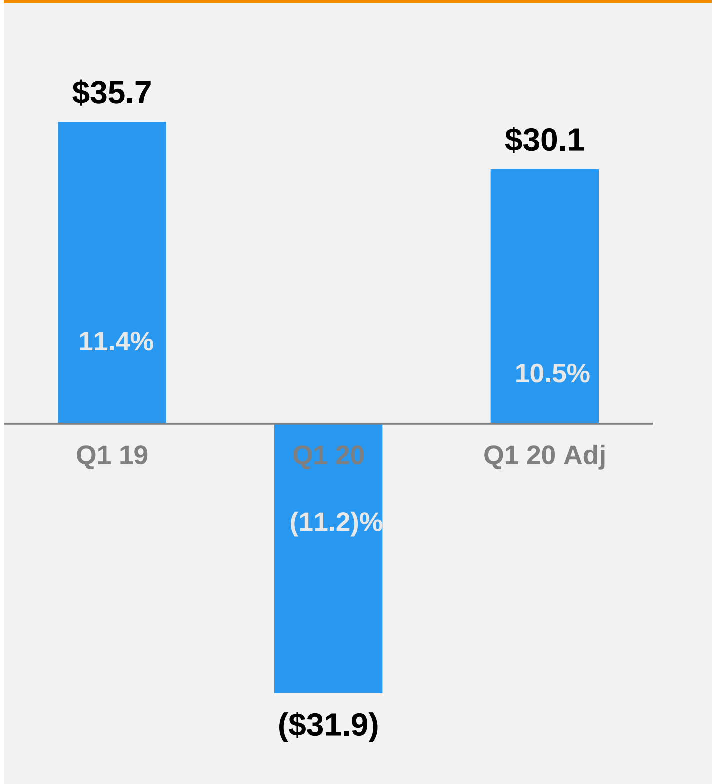
Gross Profit ($MM)



Key Takeaways

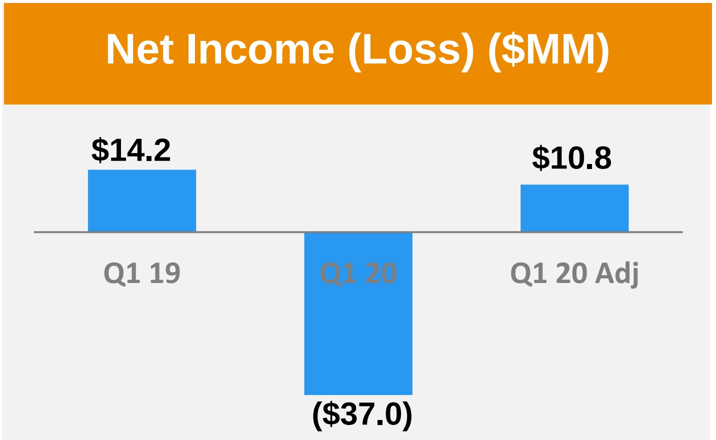
- **Revenues decreased 8.8%, or $27.7 million.**
  - Rental revenues near flat; significant decline in new equipment sales.
  - One acquisition completed since 1/1/19: We-Rent-It (2/1/19).
- **Rental revenue decreased 0.7% to $158.6 million vs. $159.7 million a year ago.**
  - Average rates down 0.4% from a year ago; sequential rates down 1.9%.
  - Utilization at 64.3% (on an OEC basis).
  - Fleet 3.3% larger than comparable prior-year period.
- **New equipment sales decreased 47.8%, or $28.2 million, to $30.9 million.**
  - Decrease is primarily due to lower crane and earthmoving sales; all categories declined.
- **Used equipment sales increased 5.3%, or $1.6 million, to $31.2 million.**
  - Increase is primarily due to higher earthmoving sales.
- **Gross profit decreased 7.2%, or $8.2 million.**
  - Gross margin was 36.9% vs. 36.3%.
    - Margins by segments Q1 20 vs. Q1 19:
      - Total Equipment Rentals 41.3% vs. 44.3%
        - Rentals 46.1% vs. 48.7%
      - New 11.2% vs. 11.9%
      - Used 34.5% vs. 35.8%
        - Fleet only 36.4% vs. 37.5%
      - Parts 26.4% vs. 26.8%; Service 67.1% vs. 67.9%

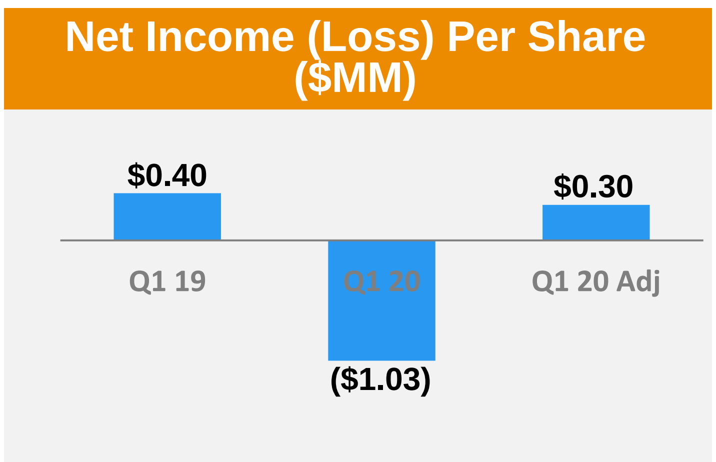
Income (Loss) from Operations ($MM)



Key Takeaways

- **Loss from operations was ($31.9) million compared to $35.7 million a year ago.**
- **The Q1 20 period included a non-cash impairment charge of $62.0 million.**
- **Adjusted Q1 20 income from operations was $30.1 million, a 15.7% decrease from $35.7 million a year ago.**
- **Excluding this item, margins decreased to 10.5% in Q1 20 vs. 11.4% in Q1 19. The net decrease in margin is primarily due to the following:**
    - Equipment rental margins decreased 260 basis points.
    - Higher SG&A costs than a year ago.
    - Decreases partially offset by a positive shift in revenue mix and an increase in gain on sales of property and equipment.

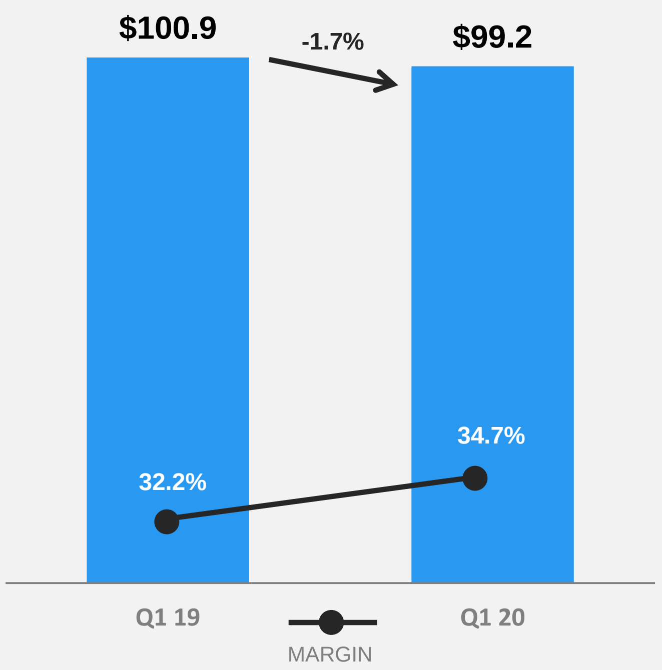




Key Takeaways

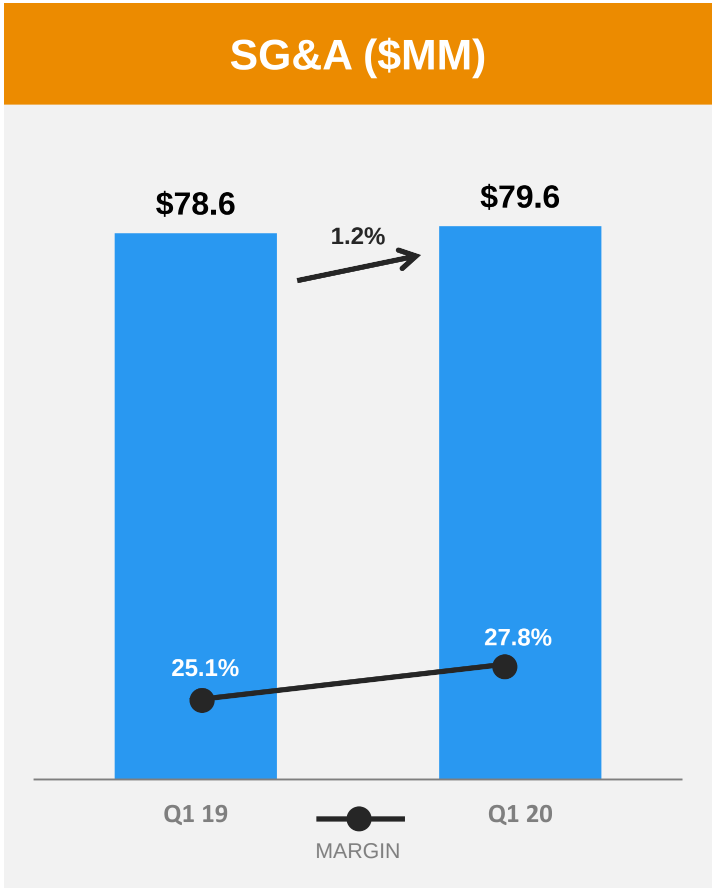
- **Net loss of $37.0 million compared to net income of $14.2 million in Q1 19.**
- **Adjusted net income in Q1 20 was $10.8 million**
- **Net loss per share was $1.03 vs. diluted net income per share of $0.40 a year ago.**
  - Effective tax rate ("ETR") was 21.9% vs. 26.4% a year ago
- **Adjusted diluted net income per share in Q1 20 was $0.30.**
  - Effective tax rate ("ETR") was 26.2% vs. 26.4% a year ago.

Adjusted EBITDA ($MM)



Key Takeaways

- **Results were Adjusted EBITDA of $99.2 million in Q1 20 compared to $100.9 million a year ago.**
  - Adjusted EBITDA decreased 1.7% on an 8.8% decrease in revenues.
- **Margin was 34.7% compared to 32.2% a year ago primarily due to the following:**
  - Revenue mix shifted to rentals.
  - Higher gain on sales of property and equipment.
  - Increases above were partially offset by higher SG&A costs.



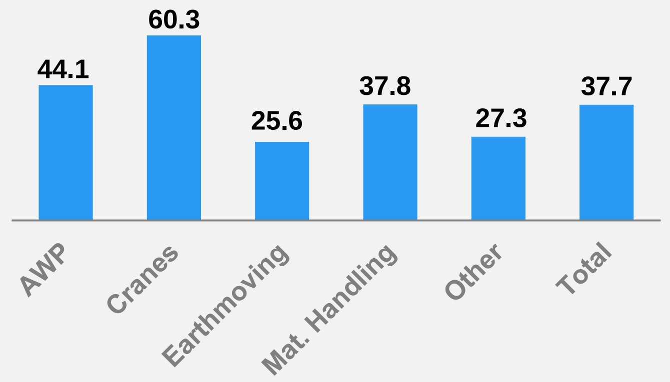
Key Takeaways

- **SG&A was $79.6 million compared to $78.6 million in Q1 19, a $1.0 million increase.**
  - SG&A as a percentage of revenues was 27.8% compared to 25.1% a year ago.
  - Decrease of $1.7 million in employee salaries, wages, payroll taxes and related employee benefit and other employee related expenses.
  - This decrease was offset by:
    - Excess liability insurance increased $1.5 million.
    - Outside services increased $0.9 million.
    - Greenfield branch expansion costs increased $0.5 million compared to a year ago.

Rental Cap-Ex Summary ($MM)

	2014	2015	2016	2017	2018	2019	3 Mos. Ended March 31, 2019	3 Mos. Ended March 31, 2020
Gross Rental CapEx[1]	$412.7	$230.2	$218.2	$244.7	$ 440.9	$349.1	$69.8	$32.5
Sale of Rental Equipment	$(101.4)	$ (99.5)	$ (84.4)	$(96.1)	$(112.0)	$(127.6)	$(28.3)	$(29.1)
Net Rental CapEx	$311.3	$130.7	$133.8	$148.6	$328.9	$221.5	$41.5	$3.4

Fleet Age by Type (Months)

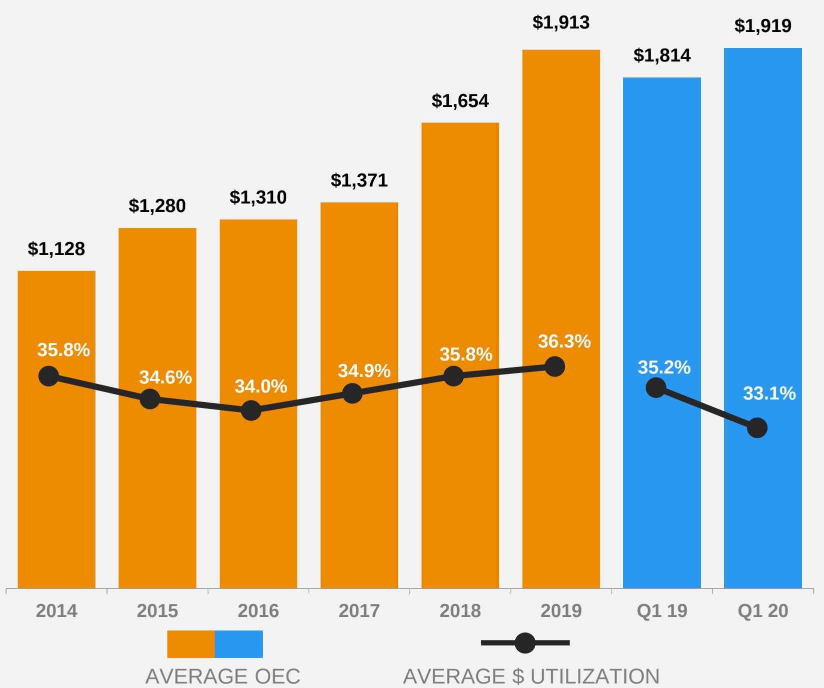


Free Cash Flow Summary ($MM)

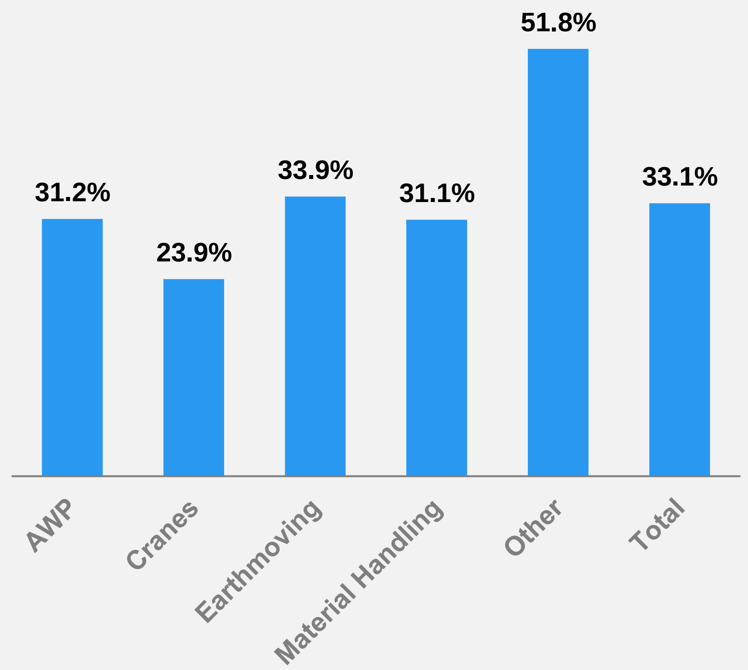
	2014	2015	2016	2017	2018	2019	3 Mos. Ended March 31, 2019	3 Mos. Ended March 31, 2020
Free Cash Flow[2]	$(138.3)	$104.9	$62.6	$73.1	$(279.0)	$(6.7)	$(94.3)	$40.5

NOTE: Fleet statistics as of March 31, 2020.
1 – Gross rental cap-ex includes amounts transferred from new and used inventory considered non-cash asset purchases for purposes of the Consolidated Statement of Cash Flows. Gross rental cap-ex does not include amounts acquired through acquisitions.
2 – We define Free Cash Flow as net cash provided by operating activities less (1) purchases of rental equipment, property and equipment, and acquisition of businesses, net of cash acquired plus (2) proceeds from sales of rental equipment and property and equipment. Please refer to Appendix A for a further description and reconciliation of net cash provided by operating activities to this Non-GAAP measure.

Rental Fleet Statistics[1] ($MM)



$ Utilization by Equipment Type[1]



Note: Fleet statistics as of March 31, 2020.
1 – Represents rental revenues annualized divided by the average original equipment cost.

Capital Structure ($MM)

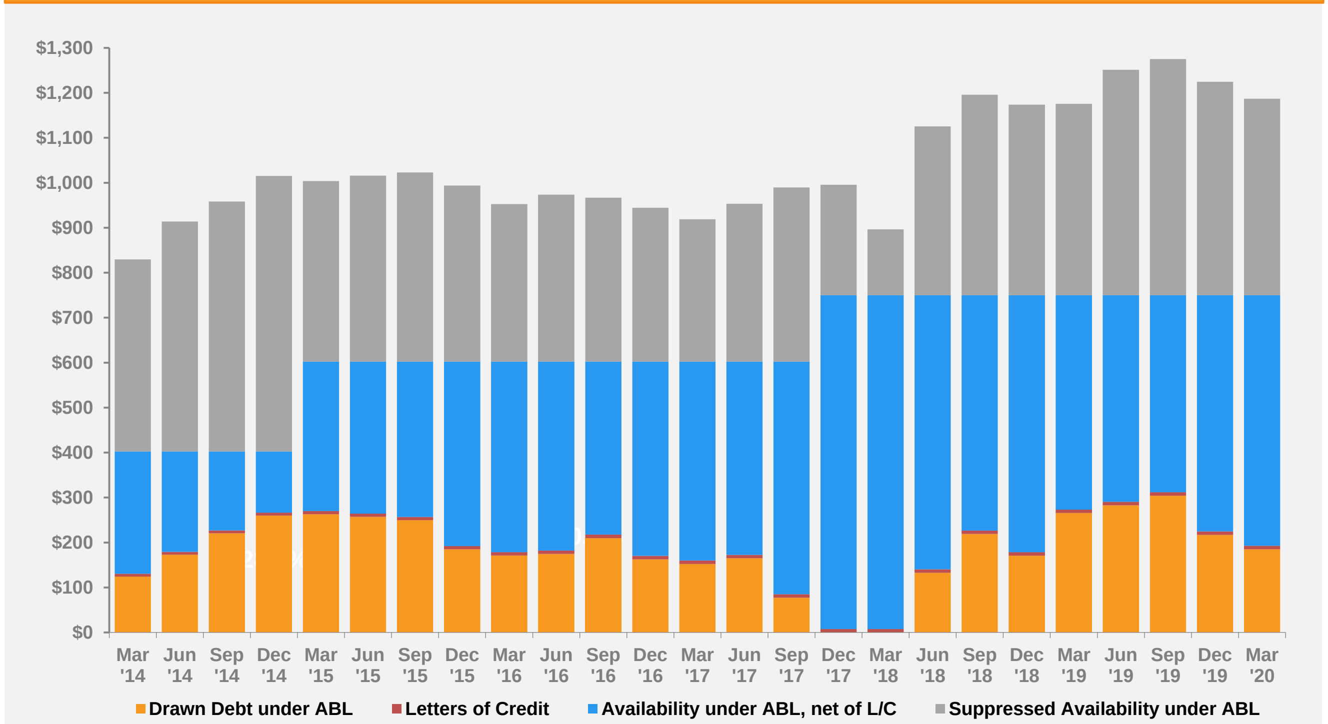
3/31/20	
Cash	**$12.4**
Debt:	
Sr. Sec'd Credit Facility (ABL)	**$184.9**
Senior Unsecured Notes[1]	**950.0**
Finance Lease Liabilities	**0.5**
Total Debt	**$1,135.4**
Shareholders' Equity	**261.9**
Total Book Capitalization	**$1,397.3**

Credit Statistics

	2014	2015	2016	2017	2018	2019	LTM Q1 2020
Adj. EBITDA[2] /Total Interest Exp.	6.0x	5.9x	5.6x	6.0x	6.4x	6.9x	7.0x
Total Net Debt[3] /Adj. EBITDA[2]	2.8x	2.6x	2.6x	2.4x	2.7x	2.4x	2.4x
Total Debt /Total Capitalization	87.0%	85.1%	84.8%	81.4%	81.4%	81.2%	78.6%

1 – Senior Unsecured Notes exclude $8.3 million of unaccreted discount; $5.7 million of unamortized premium and $1.7 million of deferred financing costs.
2 – Excludes the impact of the $25.4 million non-recurring item associated with the premiums paid to repurchase and redeem previously outstanding 7% senior unsecured notes, the write-off of unamortized note discount and deferred transaction costs associated therewith and $5.8 million of merger breakup fee proceeds, net of merger costs, of the termination of the merger agreement with Neff Corporation in the third quarter of 2017, $0.7 million of other merger costs recorded in 2018 and $0.4 million in merger costs recorded in 2019, a $12.2 million impairment charge in the fourth quarter of 2019 and a $62.0 million impairment charge in the first quarter of 2020. See Appendix A for a reconciliation of Non-GAAP measures.
3 – Net debt is defined as total debt less cash on hand.

Components of Asset-Backed Loan (ABL) Credit Facility ($MM)



Credit Facility

- **Liquidity under facility.**
  - At March 31, 2020, $184.9 million outstanding balance under $750 million amended ABL facility.
  - $557.3 million of borrowing availability, net of letters of credit, under the ABL at March 31, 2020.
  - Suppressed availability (supporting asset value in excess of $750 million facility size) under ABL borrowing base certificate was $437.1 million at March 31, 2020.
  - Excess availability under the ABL for purposes of the springing fixed charge covenant was $994.4 million at March 31, 2020.
  - No covenant concern.
    - Minimum excess availability requirement is $75 million, or 10% of the $750 million amended ABL facility.

Appendix A-Unaudited Reconciliation of Non-GAAP Financial Measures

Unaudited Reconciliation of Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Free Cash Flow are non-GAAP measures as defined under the rules of the SEC. We define EBITDA as net income (loss) before interest expense, income taxes, depreciation and amortization. For the year ended December 31, 2017, we define Adjusted EBITDA as EBITDA adjusted for (1) merger breakup fees, net of related merger costs, totaling $5.8 million related to the previously proposed acquisition of Neff Corporation and the previously mentioned CEC transaction costs; and (2) a non-recurring $25.4 million item associated with the premiums paid to repurchase and redeem previously outstanding 7% senior unsecured notes and the write-off of unamortized note discount and deferred transaction costs associated therewith. We define Adjusted EBITDA for the year ended December 31, 2018, as EBITDA adjusted for $0.7 million of recent acquisition costs. We define Adjusted EBITDA for the twelve months ended December 31, 2019, as EBITDA adjusted for the $12.2 million goodwill impairment charges recorded in the fourth quarter of 2019 and the $0.4 million of transaction costs related to recent acquisitions. We define Adjusted EBITDA for the three month period ended March 31, 2019 and 2020, and for the last twelve months ended March 31, 2020 as EBITDA adjusted for $0.1 million, $40,000 and $0.3 million, respectively, of transaction costs related to recent acquisitions. We define Adjusted EBITDA for the three month period ended March 31, 2020 and the last twelve months ended March 31, 2020 as EBITDA adjusted for $62.0 million and $74.2 million, respectively, of goodwill impairment charges.

We use EBITDA and Adjusted 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 and Adjusted EBITDA as supplemental measures to evaluate a company's overall operating performance. However, EBITDA and Adjusted EBITDA have material limitations as analytical tools and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. We consider them useful tools to assist us in evaluating performance because they eliminate 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 and, in the case of Adjusted EBITDA, any other items described above applicable to the particular period. 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 and Adjusted EBITDA as performance measures and also consider our GAAP results. EBITDA and Adjusted EBITDA are not measurements of our financial performance under GAAP and should not be considered alternatives to net income, operating income or any other measures derived in accordance with GAAP.

The Company uses Free Cash Flow in our business operations to, among other things, evaluate the cash flow available to meet future debt service obligations and working capital requirements. However, this measure should not be considered as an alternative to cash flows from operating activities or any other measures derived in accordance with GAAP as indicators of operating performance or liquidity. Additionally, our definition of Free Cash Flow is limited, in that it does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations. Therefore, we believe it is important to view Free Cash Flow as a measure that provides supplemental information to our entire statement of cash flows. Further, the method used by our management to calculate Free Cash Flow may differ from the methods other companies use to calculate their Free Cash Flow.

Because EBITDA, Adjusted EBITDA and Free Cash Flow may not be calculated in the same manner by all companies, these measures may not be comparable to other similarly titled measures by other companies.

We use Adjusted Net Income and Adjusted Net Income per Share in our business operations to, among other things, analyze our financial performance on a comparative period basis without the effects of significant one-time, non-recurring items. Additionally, we believe Adjusted Income from Operations, Adjusted Net Income and Adjusted Net Income per Share provide useful information concerning future profitability. However, Adjusted Income from Operations, Adjusted Net Income and Adjusted Net Income per Share are not measures of financial performance under GAAP and, accordingly, these measures should not be considered as alternatives to GAAP Net Income and GAAP Net Income per Share. Because Adjusted Income from Operations, Adjusted Net Income and Adjusted Net Income per Share are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

We have presented in a supplemental schedule the disaggregation of our equipment rental revenues to provide further detail in evaluating the period over period performance of our rental business relative to equipment rental gross profit and equipment rental gross margin, and believe these non-GAAP measures may be useful to investors for this reason. However, you should not consider this in isolation, or as substitutes for analysis of our results as reported under GAAP.

For a reconciliation of historical non-GAAP financial measures to the nearest comparable GAAP measures, see the Non-GAAP reconciliations included further in this presentation.

H&E EQUIPMENT SERVICES.

Appendix A

EBITDA and Adjusted EBITDA GAAP Reconciliation ($ in thousands)

	2014	2015	2016	2017	2018	2019	Q1 2019	Q1 2020	LTM 3/31/20
Net Income (Loss)	$55,139	$44,305	$37,172	$109,658	$76,623	$87,211	$14,243	($36,968)	$36,000
Interest expense	52,353	54,030	53,604	54,958	63,707	68,277	16,855	16,030	67,452
Provision (Benefit) for income taxes	37,545	31,371	21,858	(50,314)	28,040	28,650	5,109	(10,343)	13,198
Depreciation	166,514	186,457	189,697	193,245	233,046	272,368	63,668	67,424	276,124
Amortization of intangibles	-	-	-	-	3,320	4,132	952	1,010	4,190
EBITDA	$311,551	$316,163	$302,331	$307,547	$404,736	$460,638	$100,827	$37,153	$396,964
Loss on early extinguishment of debt[1]	-	-	-	25,363	-	-	-	-	-
Merger costs, net of merger breakup fee proceeds[1]	-	-	-	(5,782)	708	416	119	40	337
Impairment of goodwill[1]	-	-	-	-	-	12,184	-	61,994	74,178
Adjusted EBITDA	$311,551	$316,163	$302,331	$327,128	$405,444	$473,238	$100,946	$99,187	$471,479

1 Adjustments relate to loss from early extinguishment of debt incurred in the third quarter ended September 30, 2017. Adjustment also includes the net merger breakup fee proceeds associated with the terminated merger agreement with Neff Corporation and transaction costs associated with subsequent acquisitions. Adjustment includes $12.2 million impairment charge in the fourth quarter of 2019 and $62.0 million impairment charge in the first quarter of 2020.

Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share (S in thousands, except share amounts)

	Three Months Ended March 31,		
	2020 As Reported	Adjustment[1]	2020 As Adjusted
Gross profit	$ 105,483	–	$ 105,483
Selling, general and administrative expenses	79,624	–	79,624
Impairment of goodwill	61,994	(61,994)	–
Gain on sale of property and equipment, net	4,264	–	4,264
Merger costs	40	–	40
Income (loss) from operations	(31,911)	61,994	30,083
Interest expense	(16,030)	–	(16,030)
Other income, net	630	–	630
Income (loss) before provision (benefit) for income taxes	(47,311)	61,994	14,683
Provision (benefit) for income taxes	(10,343)	14,196	3,853
Net income (loss)	$ (36,968)	$ 47,798	$ 10,830

	Three Months Ended December 31,		
	2020 As Reported	Adjustment	2020 As Adjusted
NET INCOME (LOSS) PER SHARE[2]			
Basic – Net income (loss) per share	$ (1.03)	$ 1.33	$ 0.30
Basic – Weighted average number of common shares outstanding	35,965	35,965	35,965
Diluted – Net income (loss) per share	$ (1.03)	$ 1.32	$ 0.30
Diluted – Weighted average number of common shares outstanding	35,965	36,082	36,082

[1]Income (loss) from operations, provision (benefit) for income taxes, net income (loss) and net income (loss) per share have been adjusted in the table above to eliminate goodwill impairment charges taken in first quarter of 2020.
[2]Because of the method used in calculating per share data, the summation of the above per share data may not necessarily total to the as adjusted per share data.

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Appendix A

Free Cash Flow GAAP Reconciliation ($ in thousands)

	2014	2015	2016	2017	2018	2019	3 Mos. Ended March 31, 2019	3 Mos. Ended March 31, 2020
Net cash provided by operating activities	$158,318	$206,620	$176,979	$226,199	$247,211	$319,218	$39,068	$34,462
Acquisition of business, net of cash acquired	-	-	-	-	(196,027)	(106,746)	(106,746)	-
Purchases of property and equipment	(33,235)	(26,797)	(22,895)	(22,515)	(34,960)	(43,111)	(7,221)	(10,069)
Purchases of rental equipment[1]	(368,491)	(178,772)	(179,709)	(234,209)	(416,600)	(309,654)	(48,644)	(19,785)
Proceeds from sale of property and equipment	3,657	4,289	3,805	7,506	9,261	6,050	931	6,880
Proceeds from sale of rental equipment	101,426	99,521	84,389	96,143	112,086	127,558	28,292	29,056
Free cash flow	$(138,325)	$104,861	$62,569	$73,124	$(279,029)	$(6,685)	$(94,320)	$40,544

1 – Purchases of rental equipment as reflected in the Consolidated Statement of Cash Flows exclude non-cash assets transferred from new and used inventory to rental. Transfers from new and used inventory to rental are included below and also shown in the supplemental schedule of non-cash investing and financing activities of the Consolidated Statement of Cash Flows. In addition, the amounts as detailed below are included in gross rental cap-ex on slide 17.

Transfers from New and Used Inventory ($MM)

	2014	2015	2016	2017	2018	2019	3 Mos. Ended March 31, 2019	3 Mos. Ended March 31, 2020
Transfers of new and used inventory	$44.2	$51.4	$38.5	$10.5	$24.3	$39.5	$21.1	$12.7

Unaudited Reconciliation of Non-GAAP Financial Measures (Amounts in thousands)

	Three Months Ended	
	March 31, 2020	March 31, 2019
RENTAL REVENUES		
Equipment rentals[1]	$ 158,618	$ 159,660
Rentals other	15,901	16,469
Total equipment rentals	174,519	176,129
RENTAL COST OF SALES		
Rental depreciation	59,986	57,148
Rental expense	25,569	24,768
Rental other	16,805	16,275
Total rental cost of sales	102,360	98,191
RENTAL REVENUES GROSS PROFIT (Loss)		
Equipment rentals	73,063	77,744
Rental other	(904)	194
Total rental revenues gross profit	72,159	77,938
RENTAL REVENUES GROSS MARGIN		
Equipment rentals	46.1%	48.7%
Rental other	-5.7%	1.1%
Total rental revenues gross margin	41.3%	44.3%

[1] Pursuant to SEC Regulation S-X, our equipment rental revenues are aggregated and presented in our unaudited consolidated statements of income in this press release as a single line item, "Equipment Rentals". The above table disaggregates our equipment rental revenues for discussion and analysis purposes only.

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