H&E Equipment Services®

Third Quarter 2019 Earnings Conference

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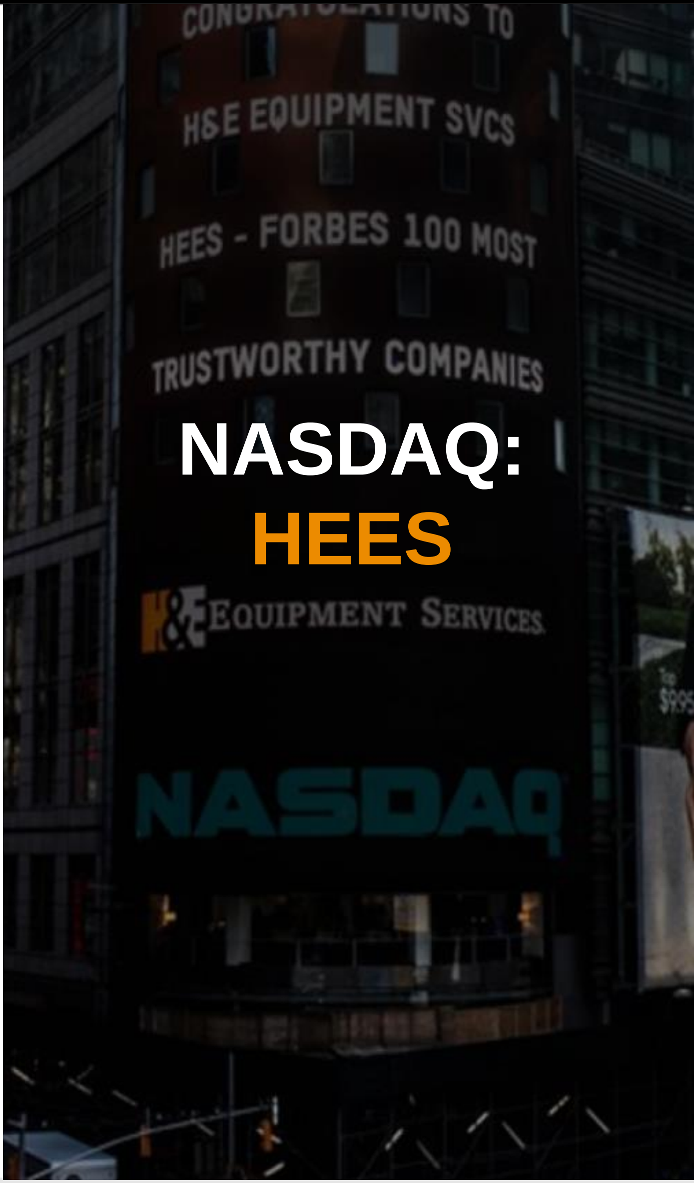
October 24, 2019



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) general economic conditions and construction and industrial activity in the markets where we operate in North America; (2) our ability to forecast trends in our business accurately, and the impact of economic downturns and economic uncertainty on the markets we serve; (3) the impact of conditions in the global credit and commodity markets and their effect on construction spending and the economy in general; (4) relationships with equipment suppliers; (5) increased maintenance and repair costs as we age our fleet and decreases in our equipment's residual value; (6) our indebtedness; (7) 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; (8) our possible inability to integrate any businesses we acquire; (9) competitive pressures; (10) security breaches and other disruptions in our information technology systems; (11) adverse weather events or disasters; (12) 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 (13) 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 and Free Cash Flow). 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.

Third Quarter Overview

- Q3 2019 Summary
- Rental Business Highlights
- Regional, Acquisitions and Greenfield Update
- End-User Markets/Fleet Update
- Current Market Conditions

Third Quarter Financial Overview

- Q3 2019 Results
- 2019 Fleet and Free Cash Flow Update
- Capital Structure Update

Conclusion

Question and Answer Session

Brad Barber CHIEF EXECUTIVE OFFICER AND PRESIDENT

Third Quarter 2019 Overview

Third Quarter Summary

- Solid Q3 2019 results demonstrate continued broad-based demand in non-residential and other end-user construction markets.
- Rental business achieved strong growth, physical utilization and rate gains.

Revenue/Gross Margin

- Total revenue increased 9.6%, or $30.9 million, to $353.0 million vs. $322.1 million in Q3 2018.
- Gross margin was 37.4% vs. 35.6% in year ago quarter.

Adjusted EBITDA

- Adjusted EBITDA increased 17.9% to $127.5 million (36.1% margin) vs. Q3 2018 Adjusted EBITDA of $108.2 million (33.6% margin).

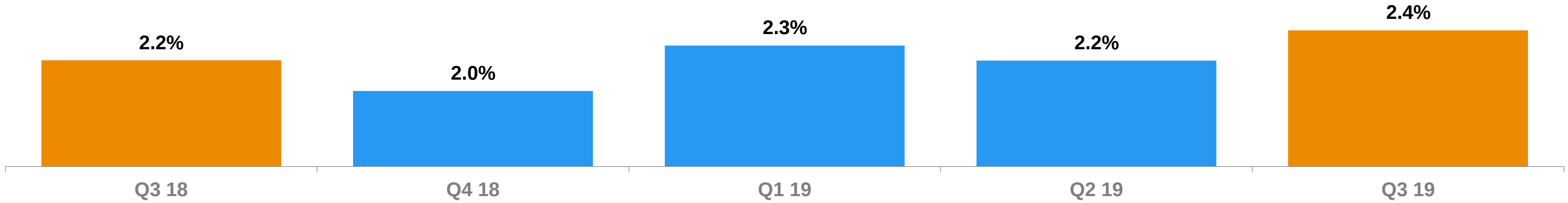
Net Income

- Net income was $28.4 million vs. net income of $21.3 million in Q3 2018.
- Net income per share was $0.79 vs. $0.59 in Q3 2018.
- Effective tax rate was 26.7% in Q3 2019 vs. 26.4% in Q3 2018.

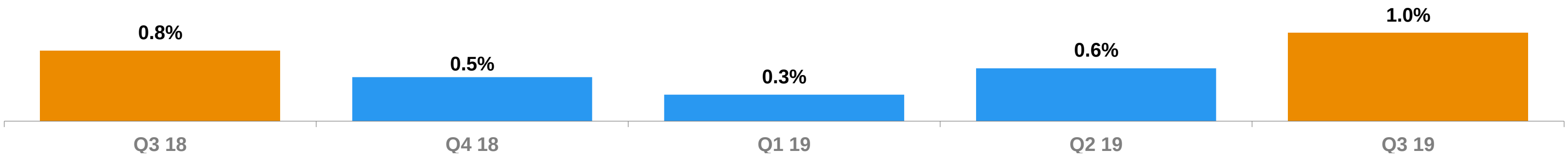
Rental Business Highlights

- Rental revenue increased 18.4% to $184.8 million compared to $156.0 million in Q3 2018.[1]
- Rental gross margins were 50.8% compared to 50.0% in Q3 2018.[1]
- Rental rates increased 2.4% over Q3 2018; rates increased 1.0% sequentially.
- Time utilization (based on OEC) was 71.4% vs. 71.0% in Q3 2018.
- Dollar utilization was 37.5% vs. 35.9% in Q3 2018.

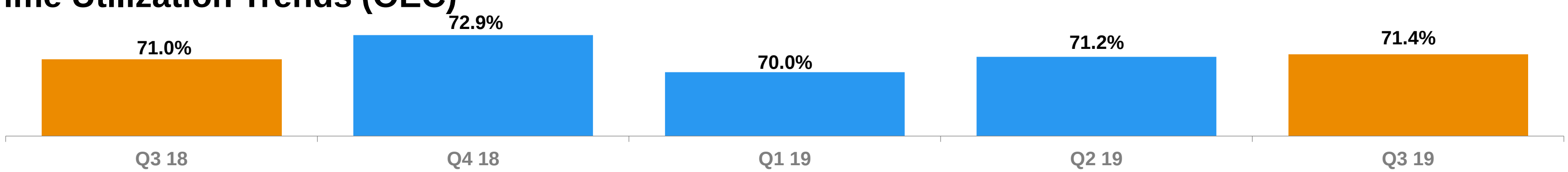
Year-Over-Year Average Rental Rate Trends



Sequential Average Rental Rate Trends

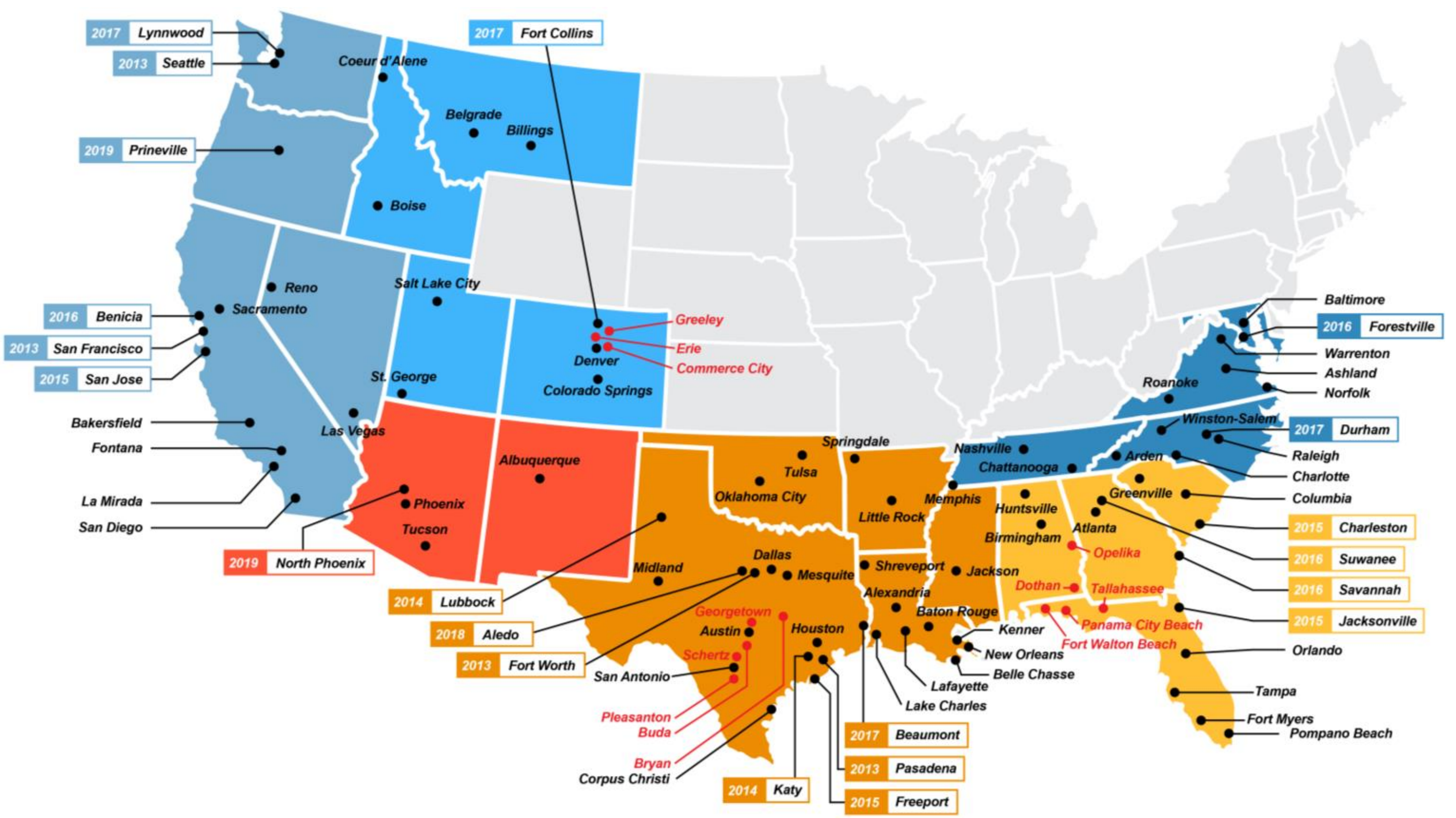


Time Utilization Trends (OEC)



[1] As detailed on slide 26.

Regional Map - Greenfield and Acquisition Locations



96
Total Locations

Greenfield Opening Year and Count

YTD	2
2018	1
2017	4
2016	4
2015	4
2014	2
2013	4

Acquisitions and Location Count

2019	
We-Rent-It	6
2018	
Rental Inc	5
CEC	3

West Coast
11% Revenue
12% Gross Profit
13 Branches

Southwest
7% Revenue
6% Gross Profit
4 Branches

Intermountain
15% Revenue
16% Gross Profit
12 Branches

Gulf Coast
44% Revenue
41% Gross Profit
36 Branches

Southeast
10% Revenue
12% Gross Profit
18 Branches

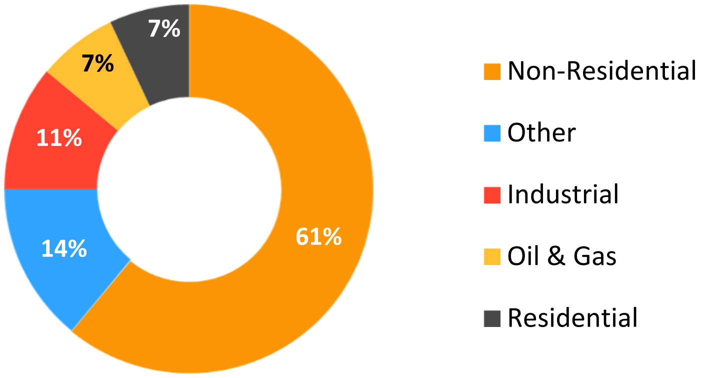
Mid-Atlantic
13% Revenue
13% Gross Profit
13 Branches

Revenue and gross profit data is as of LTM September 30, 2019.

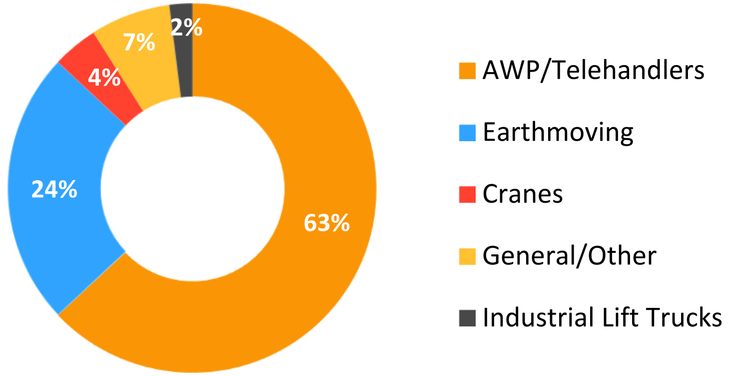
Well Diversified End-User Markets / Fleet

- 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%; majority of our industrial exposure is ongoing maintenance work.
- Young fleet; 34.9 months as of September 30, 2019 compared to industry average of 45.6 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]

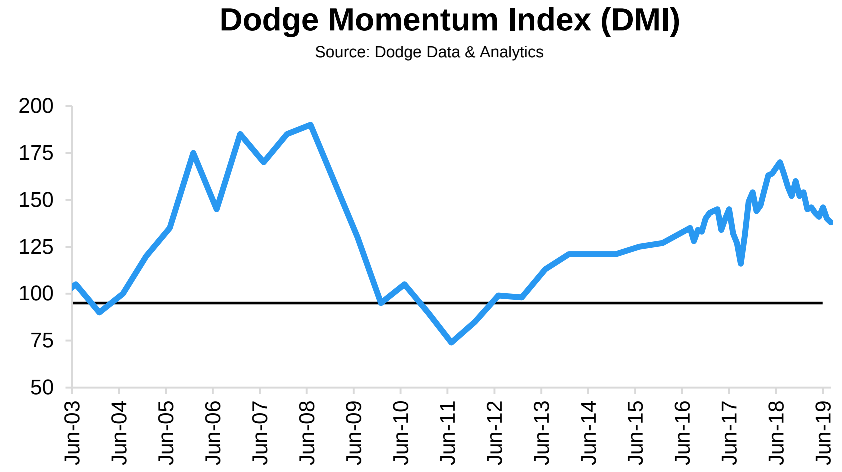


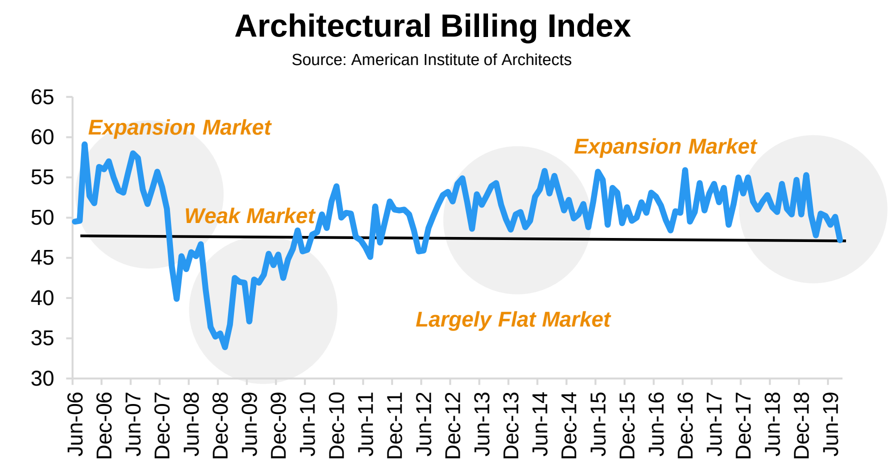
Fleet Mix[2]



1 – Company data for LTM September 30, 2019.
2 – As of September 30, 2019.

- **Demand in non-residential and other end-user construction markets remains solid and broad-based.**
- **American Rental Association forecasting total equipment and event rental revenue in the U.S. up 5% over 2018, with growth in 2020 and 2021 at 3.8%; 4.1% growth in 2022; and 3% in 2023 to reach $64.7 billion.**
- **Significant number of large data centers.**
- **New Gulf Coast industrial projects continue to be announced. In Louisiana alone, some 125 projects valued at $32 billion among 12 industries have begun construction or plan to begin construction in 2019 and 2020.**
- **Energy-related markets remain solid.**
- **State DOTs increasing funding for transportation needs.**
- **Customer sentiment remains optimistic. September TRG large contractor survey cites solid optimism for non-residential construction, high and strong visibility into project pipelines in 2019 and 2020.**



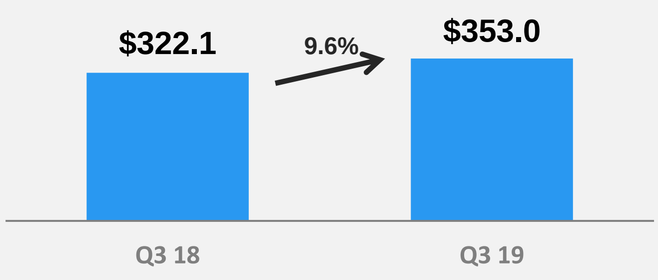


Sources: American Institute of Architects, American Rental Association, Dodge Data and Analytics, Houston Chronicle Fuel Fix, Industrial Info, IHS Markit, Louisiana Economic Development, National Bureau of Economic Research and Thompson Research Group (TRG).

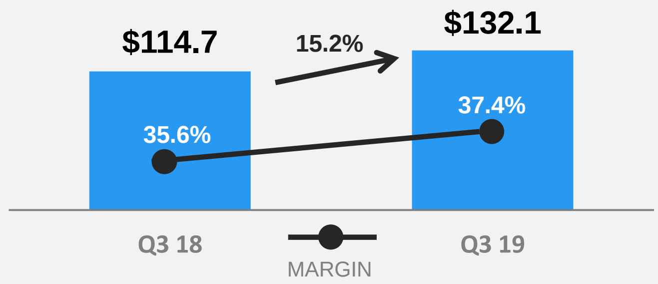
Leslie Magee CHIEF FINANCIAL OFFICER

Third Quarter 2019 Financial Overview

Revenues ($MM)



Gross Profit ($MM)

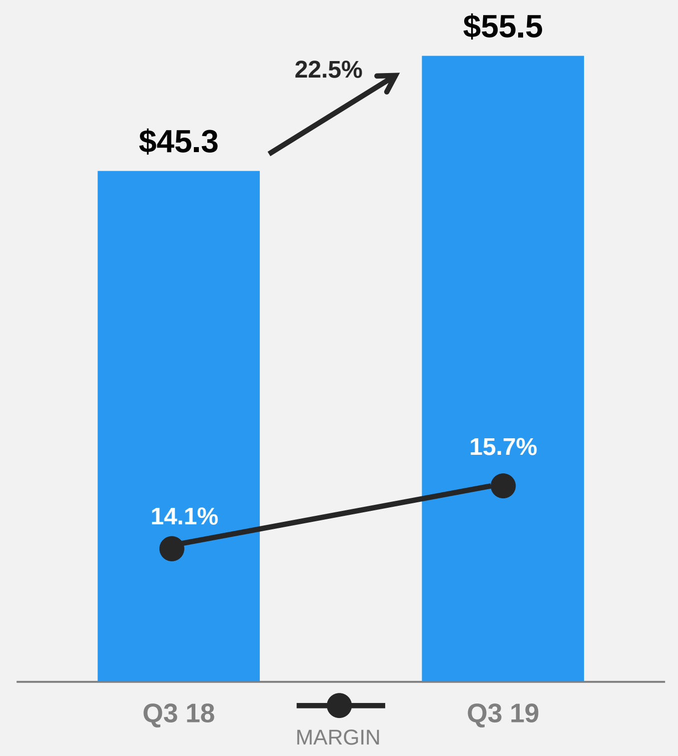


Key Takeaways

- **Revenues increased 9.6%, or $30.9 million.**
  - Strong growth in rentals.
  - One acquisition completed since September 30, 2018: We-Rent-It (2/1/19).
- **Rental revenue increased 18.4% to $184.8 million vs. $156.0 million a year ago.[1]**
  - Average rates up 2.4% from a year ago; sequential rates up 1.0%.
  - Utilization at 71.4% (on an OEC basis).
  - Significantly larger fleet than a year ago.
- **New equipment sales decreased 4.7%, or $3.2 million, to $65.0 million.**
  - Decrease is primarily due to lower crane sales.
- **Used equipment sales increased 2.9%, or $0.9 million, to $31.2 million.**
- **Gross profit increased 15.2%, or $17.4 million.**
  - Gross margin was 37.4% vs. 35.6%; Strong operating performance.
    - Margins by segments Q3 19 vs. Q3 18:
      - Equipment Rentals 46.3% vs. 45.2%[1]
        - Rentals 50.8% vs. 50.0%[1]
      - New 11.6% vs. 11.5%
      - Used 31.3% vs. 32.3%
        - Fleet only 34.8% vs 36.0%
      - Parts 26.4% vs. 26.5%; Service 67.4% vs. 65.7%

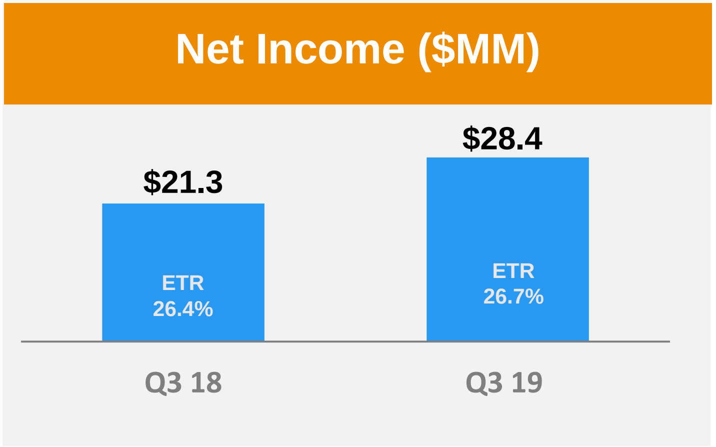
[1] As detailed on slide 26.

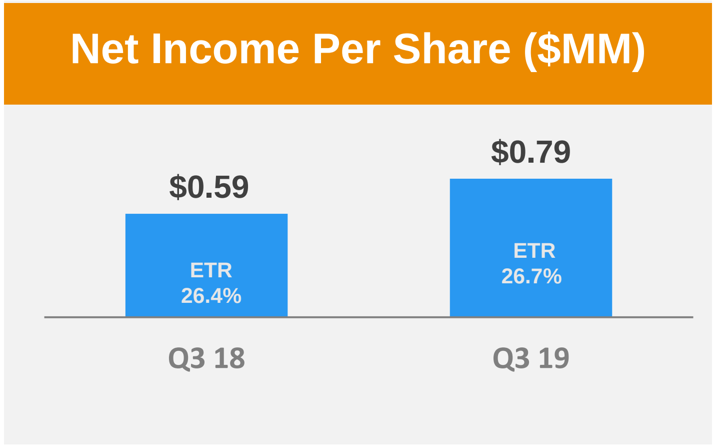
Income from Operations ($MM)



Key Takeaways

- **Income from operations was $55.5 million compared to $45.3 million a year ago, an increase of 22.5% on a 9.6% increase in revenues.**
- **Margins increased to 15.7% in Q3 19 vs. 14.1% in Q3 18; The net increase in margin is primarily due to the following:**
    - Revenue mix shift to higher margin rentals.
    - Strong rental gross margins.

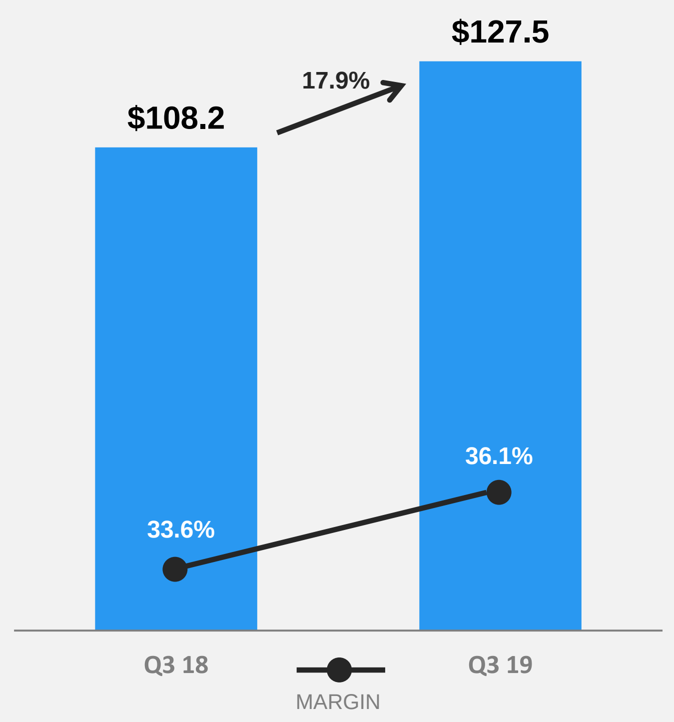




Key Takeaways

- **Net income of $28.4 million compared to net income of $21.3 million in Q3 18.**
- **Diluted net income per share was $0.79 vs. diluted net income per share of $0.59 a year ago.**
    - Effective tax rate ("ETR") was 26.7% vs. 26.4% a year ago.

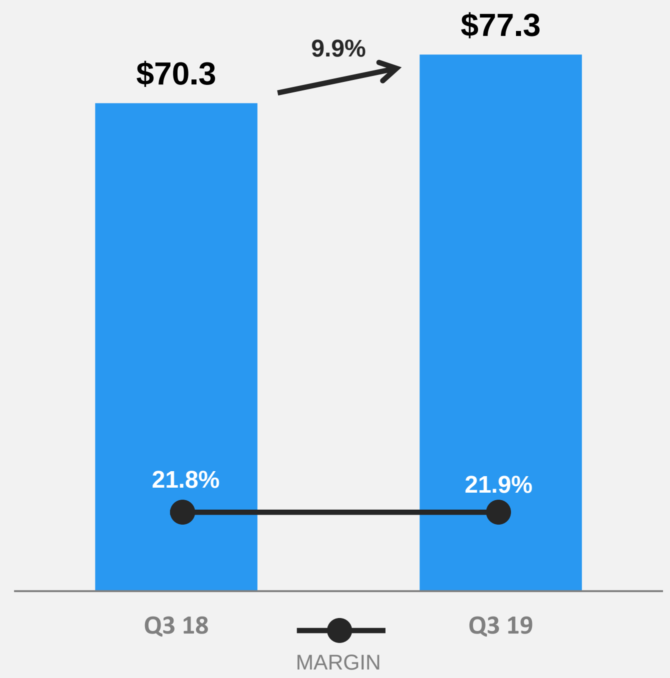
Adjusted EBITDA ($MM)



Key Takeaways

- **Results were Adjusted EBITDA of $127.5 million in Q3 19 compared to $108.2 million a year ago.**
  - Adjusted EBITDA increased 17.9% on a 9.6% increase in revenues.
- **Margin was 36.1% compared to 33.6% a year ago primarily due to the following:**
  - Revenue mix shifted to higher margin rentals.

SG&A ($MM)



Key Takeaways

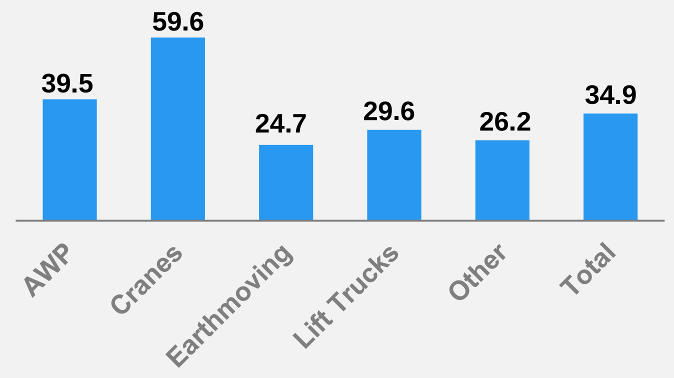
- **SG&A was $77.3 million compared to $70.3 million, a $7.0 million increase.**
  - SG&A as a percentage of revenues was 21.9% compared to 21.8% a year ago.
  - Net increase primarily a result of:
    - Higher labor, wages, incentives, related employee benefits costs and other employee expenses of $3.1 million due to acquisition since September 30, 2018, larger workforce and higher incentive compensation related to our improved profitability.
    - Facility related expenses increased $1.0 million.
    - Insurance related expenses increased $0.7 million.
    - Depreciation and amortization expenses increased $0.6 million.
    - Greenfield branch expansion costs increased $0.8 million compared to a year ago.

2019 Fleet and Free Cash Flow Update

Rental Cap-Ex Summary ($MM)

	2013	2014	2015	2016	2017	2018	9 Mos. Ended Sept. 30, 2018	9 Mos. Ended Sept. 30, 2019
Gross Rental CapEx[1]	$303.3	$412.7	$230.2	$218.2	$ 244.7	$ 440.9	$374.5	$307.4
Sale of Rental Equipment	$(114.6)	$(101.4)	$ (99.5)	$ (84.4)	$ (96.1)	$(112.0)	$(78.9)	$(89.1)
Net Rental CapEx	$188.7	$311.3	$130.7	$133.8	$ 148.6	$ 328.9	$295.6	$218.3

Fleet Age by Type (Months)

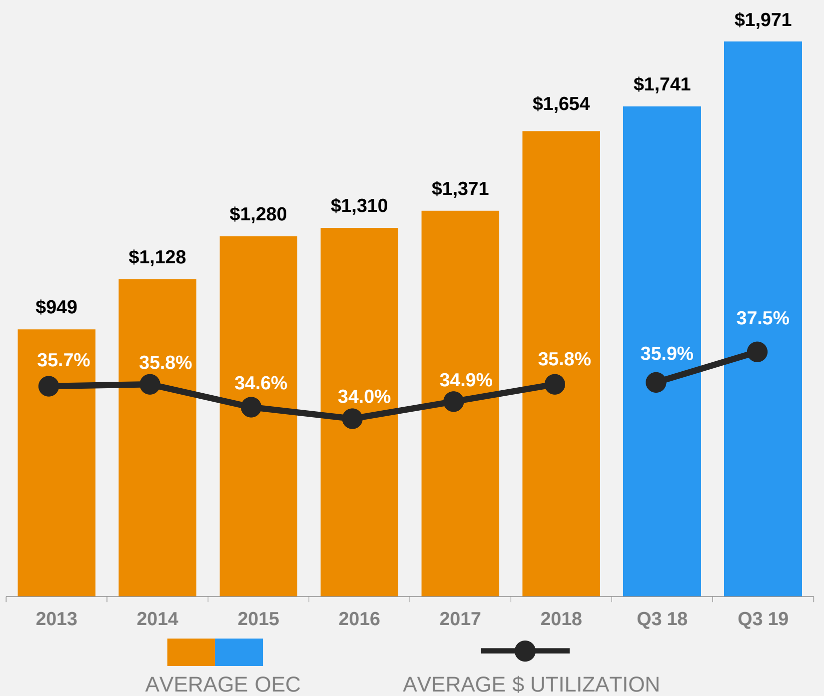


Free Cash Flow Summary ($MM)

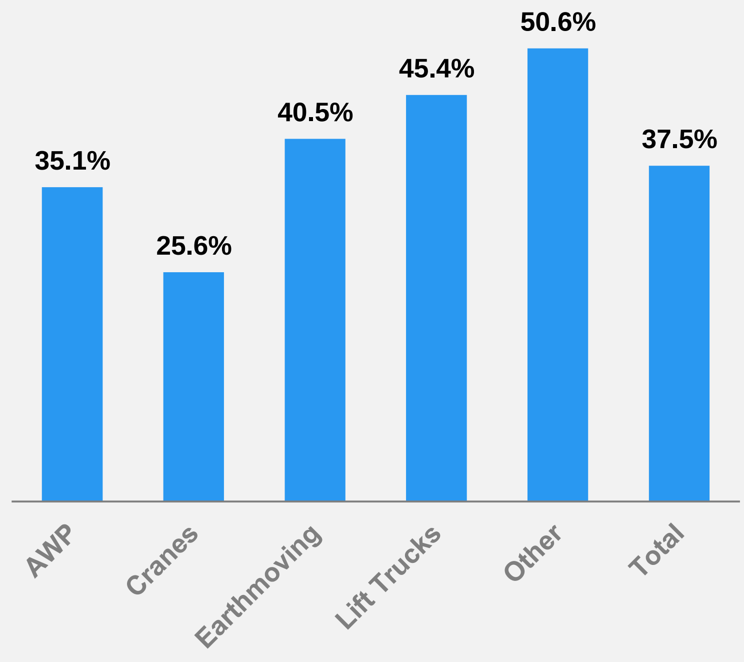
	2013	2014	2015	2016	2017	2018	9 Mos. Ended Sept. 30, 2018	9 Mos. Ended Sept. 30, 2019
Free Cash Flow[2]	$ (40.9)	$ (138.3)	$104.9	$ 62.6	$ 73.1	$ (279.0)	$(348.8)	$(107.5)

NOTE: Fleet statistics as of September 30, 2019.
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 September 30, 2019.
1 – Represents rental revenues annualized divided by the average original equipment cost.

Capital Structure ($MM)

9/30/19

Cash	**$10.6**
Debt:	
Sr. Sec'd Credit Facility (ABL)	**$304.1**
Senior Unsecured Notes[1]	**950.0**
Finance Lease Liabilities	**0.6**
Total Debt	**$1,254.7**
Shareholders' Equity	**293.9**
Total Book Capitalization	**$1,548.6**

Credit Statistics

	2013	2014	2015	2016	2017	2018	LTM Q3 2019
Adj. EBITDA[2] /Total Interest Exp.	5.0x	6.0x	5.9x	5.6x	6.0x	6.4x	6.8x
Total Net Debt[3] /Adj. EBITDA[2]	2.8x	2.8x	2.6x	2.6x	2.4x	2.7x	2.7x
Total Debt /Total Capitalization	88.6%	87.0%	85.1%	84.8%	81.4%	81.4%	81.0%

1 – Senior Unsecured Notes exclude $9.1 million of unaccreted discount; $6.3 million of unamortized premium and $1.8 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 $0.3 million in merger costs recorded in 2019. See Appendix A for a reconciliation of Non-GAAP measures.
3 – Net debt is defined as total debt less cash on hand.

Brad Barber CHIEF EXECUTIVE OFFICER AND PRESIDENT

Conclusion

- **Rental business performing well; strong operational execution resulting in solid rates and physical utilization.**
- **Focused on improving all business segments with continued emphasis on growth in rental business.**
- **Paid twenty-first consecutive quarterly cash dividend of $0.275 per share on September 13, 2019.**

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 related to recent acquisition costs. We define Adjusted EBITDA for the three month period ended September 30, 2018 and 2019, and for the last twelve months ended September 30, 2019, as EBITDA adjusted for $0.2 million, $47,000 and $0.6 million, respectively, of transaction costs related to recent acquisitions.

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 have recast certain prior year period information to conform to the current year presentation of hauling fees and related cost of revenues included within Rentals Other rather than included within Other Revenues as previously reported. Upon our adoption of the new lease accounting guidance (ASC 842), certain ancillary fees associated with our equipment rental activities, such as damage waiver income, environmental fees and fuel and other recovery fees, are properly included within our Rental Revenue segment rather than Other Revenues as previously reported. Because we elected to not recast prior periods upon ASC 842 adoption, we recast and presented these amounts on an "As Adjusted" basis to conform to the current year presentation. We use these non-GAAP metrics to provide further detail to evaluate the period over period performance of the Company, and believe these may be useful to investors for this reason. However, you should not consider them 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.

EBITDA and Adjusted EBITDA GAAP Reconciliation ($ in thousands)

	2013	2014	2015	2016	2017	2018	Q3 2018	Q3 2019	LTM 9/30/19
Net Income	$44,140	$55,139	$44,305	$37,172	$109,658	$76,623	$21,314	$28,431	$90,348
Interest expense	51,404	52,353	54,030	53,604	54,958	63,707	16,715	17,331	68,099
Provision (Benefit) for income taxes	21,007	37,545	31,371	21,858	(50,314)	28,040	7,657	10,329	33,414
Depreciation	138,903	166,514	186,457	189,697	193,245	233,046	61,342	70,320	264,589
Amortization of intangibles	-	-	-	-	-	3,320	930	1,042	3,996
EBITDA	$255,454	$311,551	$316,163	$302,331	$307,547	$404,736	$107,958	$127,453	$460,446
Loss on early extinguishment of debt[1]	-	-	-	-	25,363	-	-	-	-
Merger costs, net of merger breakup fee proceeds[1]	-	-	-	-	(5,782)	708	219	47	583
Adjusted EBITDA	$255,454	$311,551	$316,163	$302,331	$327,128	$405,444	$108,177	$127,500	$461,029

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.

Free Cash Flow GAAP Reconciliation ($ in thousands)

	2013	2014	2015	2016	2017	2018	9 Mos. Ended Sept. 30, 2018	9 Mos. Ended Sept. 30, 2019
Net cash provided by operating activities	$138,652	$158,318	$206,620	$176,979	$226,199	$247,211	$138,025	$207,607
Acquisition of business, net of cash acquired	-	-	-	-	-	(196,027)	(196,027)	(106,745)
Purchases of property and equipment	(29,479)	(33,235)	(26,797)	(22,895)	(22,515)	(34,960)	(27,038)	(31,451)
Purchases of rental equipment[1]	(267,465)	(368,491)	(178,772)	(179,709)	(234,209)	(416,600)	(350,646)	(269,150)
Proceeds from sale of property and equipment	2,759	3,657	4,289	3,805	7,506	9,261	7,958	3,085
Proceeds from sale of rental equipment	114,595	101,426	99,521	84,389	96,143	112,086	78,947	89,105
Free cash flow	$(40,938)	$(138,325)	$104,861	$62,569	$73,124	$(279,029)	$(348,781)	$(107,549)

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)

	2013	2014	2015	2016	2017	2018	9 Mos. Ended Sept. 30, 2018	9 Mos. Ended Sept. 30, 2019
Transfers of new and used inventory	$35.9	$44.2	$51.4	$38.5	$10.5	$24.3	$23.9	$38.2

H&E Equipment Services

Appendix A

H&E Equipment Services, Inc.
Unaudited Reconciliation of Non-GAAP Financial Measures
(Amounts in thousands)

$'s in thousands	Quarter Ended 9/30/18[1] As Previously Reported	Hauling Fees[(a)]	As Currently Reported	Other Rental Fees[(b)]	As Adjusted	Quarter Ended 9/30/19 As Currently Reported
REVENUES						
Equipment rentals [2]						
Rentals	$ 156,037	$ -	$ 156,037	$ -	$ 156,037	$ 184,797
Rentals other	-	9,378	9,378	7,356	16,734	19,335
Total equipment rentals	156,037	9,378	165,415	7,356	172,771	204,132
New equipment sales	68,233	-	68,233	-	68,233	65,010
Used equipment sales	30,294	-	30,294	-	30,294	31,180
Parts sales	31,484	-	31,484	-	31,484	31,499
Services revenues	16,426	-	16,426	-	16,426	18,105
Other	19,667	(9,378)	10,289	(7,356)	2,933	3,071
Total revenues	322,141	-	322,141	-	322,141	352,997
COST OF REVENUES						
Rental depreciation	55,060	-	55,060	-	55,060	63,065
Rental expense	22,936	-	22,936	-	22,936	27,889
Rental other	-	15,007	15,007	1,673	16,680	18,620
	77,996	15,007	93,003	1,673	94,676	109,574
New equipment sales	60,394	-	60,394	-	60,394	57,475
Used equipment sales	20,512	-	20,512	-	20,512	21,409
Parts sales	23,129	-	23,129	-	23,129	23,171
Services revenues	5,628	-	5,628	-	5,628	5,898
Other	19,752	(15,007)	4,745	(1,673)	3,072	3,342
Total cost of revenues	207,411	-	207,411	-	207,411	220,869
GROSS PROFIT						
Equipment rentals						
Rentals	78,041	-	78,041	-	78,041	93,843
Rentals other	-	(5,629)	(5,629)	5,683	54	715
	78,041	(5,629)	72,412	5,683	78,095	94,558
New equipment sales	7,839	-	7,839	-	7,839	7,535
Used equipment sales	9,782	-	9,782	-	9,782	9,771
Parts sales	8,355	-	8,355	-	8,355	8,328
Services revenues	10,798	-	10,798	-	10,798	12,207
Other	(85)	5,629	5,544	(5,683)	(139)	(271)
Total gross profit	$ 114,730	$ -	$ 114,730	$ -	$ 114,730	$ 132,128
GROSS MARGIN						
Equipment rentals						
Rentals	50.0%	-	50.0%	-	50.0%	50.8%
Rentals other	-	-60.0%	-60.0%	77.3%	0.3%	3.7%
	50.0%	-60.0%	43.8%	77.3%	45.2%	46.3%
New equipment sales	11.5%	-	11.5%	-	11.5%	11.6%
Used equipment sales	32.3%	-	32.3%	-	32.3%	31.3%
Parts sales	26.5%	-	26.5%	-	26.5%	26.4%
Services revenues	65.7%	-	65.7%	-	65.7%	67.4%
Other	-0.4%	60.0%	53.9%	-77.3%	-4.7%	-8.8%
Total gross margin	35.6%	-	35.6%	-	35.6%	37.4%

1 (a) We have recast the prior year period information to conform to the current year presentation of hauling fees and related cost of revenues included within Equipment Rentals rather than included within Other Revenues as previously reported.

(b) Upon our adoption of the new lease accounting guidance (ASC 842), certain ancillary fees associated with our equipment rental activities, such as damage waiver income, environmental fees and fuel and other recovery fees, are properly included within our Rental Revenue segment rather than Other Revenues as previously reported. Because we elected to not recast prior periods upon ASC 842 adoption, the table above recasts these amounts on an "As Adjusted" basis to conform to the current year presentation.

2 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". This table disaggregates our equipment rental revenues for discussion and analysis purposes only.

H&E Equipment Services, Inc.
Unaudited Reconciliation of Non-GAAP Financial Measures
(Amounts in thousands)

$'s in thousands	Nine Months Ended 9/30/18[1]					Nine Months Ended 9/30/19
	As Previously Reported	Hauling Fees[(a)]	As Currently Reported	Other Rental Fees[(b)]	As Adjusted	As Currently Reported
REVENUES						
Equipment rentals [2]						
Rentals	$ 429,227	$ -	$ 429,227	$ -	$ 429,227	$ 518,294
Rentals other	-	25,940	25,940	20,411	46,351	54,269
Total equipment rentals	429,227	25,940	455,167	20,411	475,578	572,563
New equipment sales	183,265	-	183,265	-	183,265	177,709
Used equipment sales	87,287	-	87,287	-	87,287	96,942
Parts sales	89,916	-	89,916	-	89,916	93,798
Services revenues	48,250	-	48,250	-	48,250	50,398
Other	55,042	(25,940)	29,102	(20,411)	8,691	8,822
Total revenues	892,987	-	892,987	-	892,987	1,000,232
COST OF REVENUES						
Rental depreciation	152,700	-	152,700	-	152,700	181,647
Rental expense	66,281	-	66,281	-	66,281	79,676
Rental other	-	40,637	40,637	4,640	45,277	52,742
	218,981	40,637	259,618	4,640	264,258	314,065
New equipment sales	162,465	-	162,465	-	162,465	156,638
Used equipment sales	59,221		59,221		59,221	63,742
Parts sales	65,677	-	65,677	-	65,677	68,750
Services revenues	16,430	-	16,430	-	16,430	16,261
Other	54,795	(40,637)	14,158	(4,640)	9,518	10,167
Total cost of revenues	577,569	-	577,569	-	577,569	629,623
GROSS PROFIT						
Equipment rentals						
Rentals	210,246	-	210,246	-	210,246	256,971
Rentals other	-	(14,697)	(14,697)	15,771	1,074	1,527
	210,246	(14,697)	195,549	15,771	211,320	258,498
New equipment sales	20,800	-	20,800	-	20,800	21,071
Used equipment sales	28,066	-	28,066	-	28,066	33,200
Parts sales	24,239	-	24,239	-	24,239	25,048
Services revenues	31,820	-	31,820	-	31,820	34,137
Other	247	14,697	14,944	(15,771)	(827)	(1,345)
Total gross profit	$ 315,418	$ -	$ 315,418	$ -	$ 315,418	$ 370,609
GROSS MARGIN						
Equipment rentals						
Rentals	49.0%	-	49.0%	-	49.0%	49.6%
Rentals other	-	-56.7%	-56.7%	77.3%	2.3%	2.8%
	49.0%	-56.7%	43.0%	77.3%	44.4%	45.1%
New equipment sales	11.3%	-	11.3%	-	11.3%	11.9%
Used equipment sales	32.2%	-	32.2%	-	32.2%	34.2%
Parts sales	27.0%	-	27.0%	-	27.0%	26.7%
Services revenues	65.9%	-	65.9%	-	65.9%	67.7%
Other	0.4%	56.7%	51.4%	-77.3%	-9.5%	-15.2%
Total gross margin	35.3%	-	35.3%	-	35.3%	37.1%

1 (a) We have recast the prior year period information to conform to the current year presentation of hauling fees and related cost of revenues included within Equipment Rentals rather than included within Other Revenues as previously reported.

(b) Upon our adoption of the new lease accounting guidance (ASC 842), certain ancillary fees associated with our equipment rental activities, such as damage waiver income, environmental fees and fuel and other recovery fees, are properly included within our Rental Revenue segment rather than Other Revenues as previously reported. Because we elected to not recast prior periods upon ASC 842 adoption, the table above recasts these amounts on an "As Adjusted" basis to conform to the current year presentation.

2 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". This table disaggregates our equipment rental revenues for discussion and analysis purposes only.

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