THIRD QUARTER 2022 EARNINGS CONFERENCE

October 27, 2022

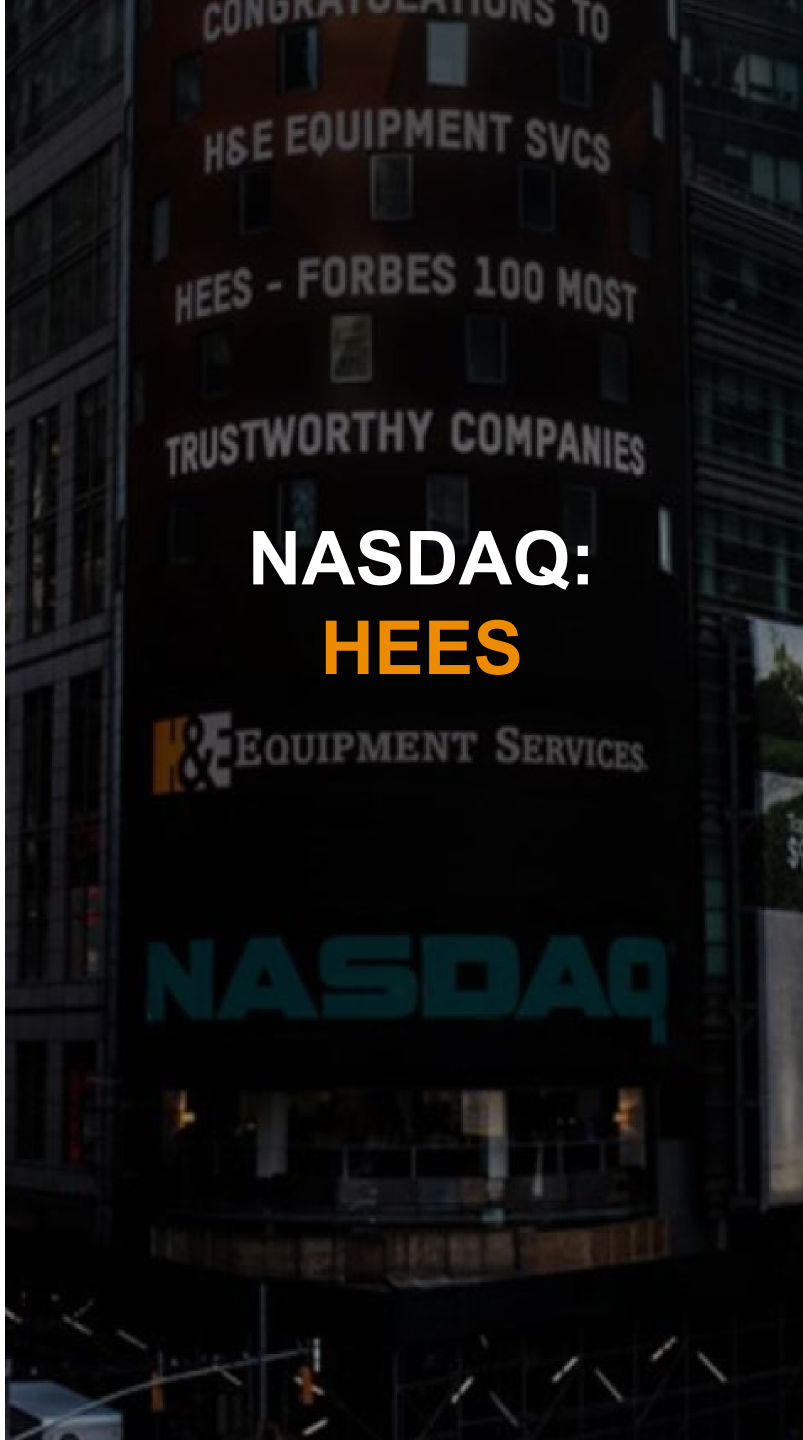
H&E EQUIPMENT SERVICES®

Earnings Conference

Third Quarter 2022 Company Participants

Brad Barber	CHIEF EXECUTIVE OFFICER
John Engquist	PRESIDENT AND CHIEF OPERATING OFFICER
Leslie Magee	CHIEF FINANCIAL OFFICER AND SECRETARY
Jeff Chastain	VICE PRESIDENT OF INVESTOR RELATIONS

October 27, 2022



Legal Disclaimers

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 to the pandemic, material delays and cancellations of construction infrastructure projects, labor shortages, 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 and inflation); (4) 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; (5) trends in oil and natural gas which could adversely affect the demand for our services and products; (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 ability 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 under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021. 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, and the disaggregation of equipment rental revenues and cost of sales 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.

Agenda

Third Quarter Summary, Market Conditions, Strategic Growth and Execution

- Q3 2022 Highlights
- Supplemental Company Data
  - Rental Performance
- Equipment Rental Market
  - End-User Markets and Fleet Mix
- Strategy Implementation and Execution
  - Fleet Update and Branch Expansion

Third Quarter Financial Overview

- Q3 2022 Results
- 2022 Fleet and Free Cash Flow Update
- Capital Structure Update
- Liquidity Profile

Question and Answer Session

THIRD QUARTER 2022 OVERVIEW, MARKET OUTLOOK AND STRATEGIC EXECUTION

Brad Barber
Chief Executive Officer

H&E Equipment Services.

Q3 2022 Highlights[1]

TOTAL REVENUE

$324.3M

↑ 17.7% YOY

TOTAL EQUIPMENT RENTAL REVENUE

$253.6M

↑ 28.6% YOY

ADJUSTED EBITDA[2]

$139.4M

↑ 24.1% YOY

43.0% gross margin

PHYSICAL UTILIZATION

73.3%

↑ 140 bps YOY

CHANGE in FLEET SIZE

$305.4M

↑16.7% YOY

STRATEGIC GROWTH

Fleet Investment

Bolt-on Acquisition

Branch Expansion

[1] Results and information are presented on a continuing operations basis.

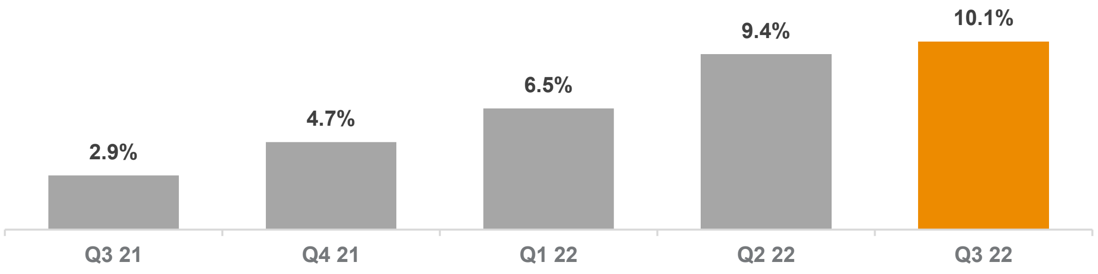
[2] For a reconciliation to GAAP financial measures, see Appendix A beginning on Slide 23.

Q3 2022 Rental Performance[1]

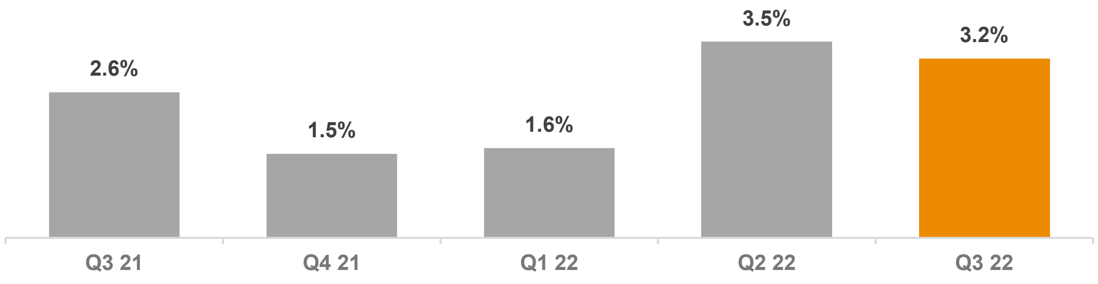
Rental Business Highlights

- Rental revenue increased 26.9% to a record $224.1 million compared to $176.7 million in Q3 2021.
- Rental gross margins improved to a record 55.6% compared to 50.9% in Q3 2021.
- Rental rates were 10.1% better than Q3 2021 and improved 3.2% sequentially. YTD 2022 average rate improvement of 8.9%.
- Time utilization (based on OEC) improved to 73.3% vs. 71.9% in Q3 2021.
- Dollar utilization was 42.7% vs. 38.9% in Q3 2021.

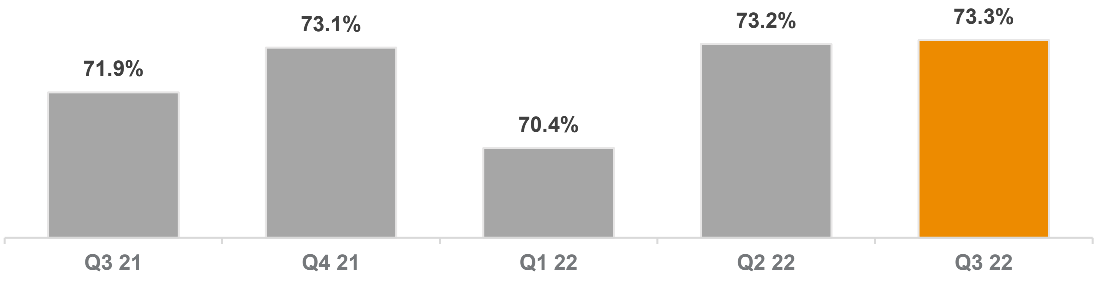
Year-Over-Year Average Rental Rate Trends



Sequential Average Rental Rate Trends



Time Utilization Trends (OEC)

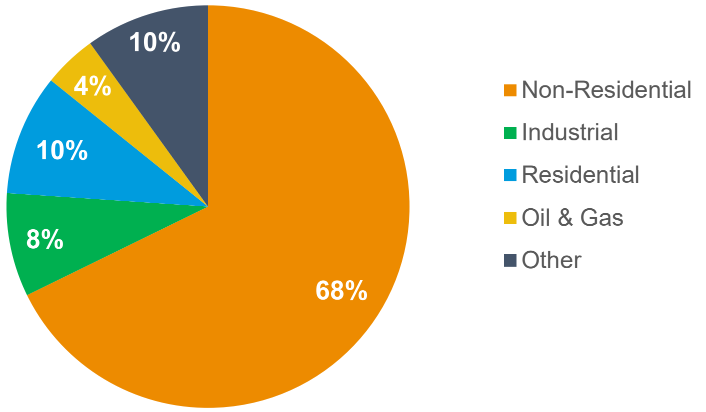


[1] Results and information are presented on a continuing operations basis.

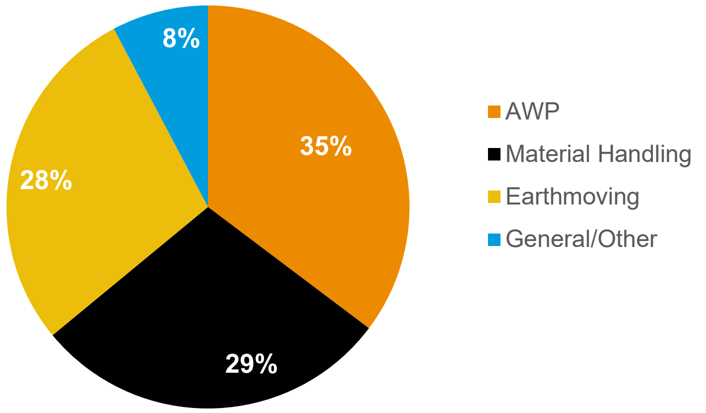
Resilient Industry Fundamentals Reinforce Favorable Trends and Encouraging Outlook

- **Sustained backlog of non-residential and industrial projects.**
  - Customer projects proceeding with no sign of delay or cancellation.
  - Future construction demand supported by forward measures of activity.
    - September DMI measure near all-time high.
    - ABC backlog above pre-pandemic level.
- **Status of global supply chains.**
  - Supply of rental equipment remains constrained.
- **Solid fleet utilization and favorable pricing trends persist.**
- **Project visibility expected to improve.**
  - Infrastructure spending (IIJA).
  - Intensified focus on U.S. manufacturing and renewable energy projects (Chips Act, IRA).

Total Revenues by End Market[1]



Fleet Mix[2]

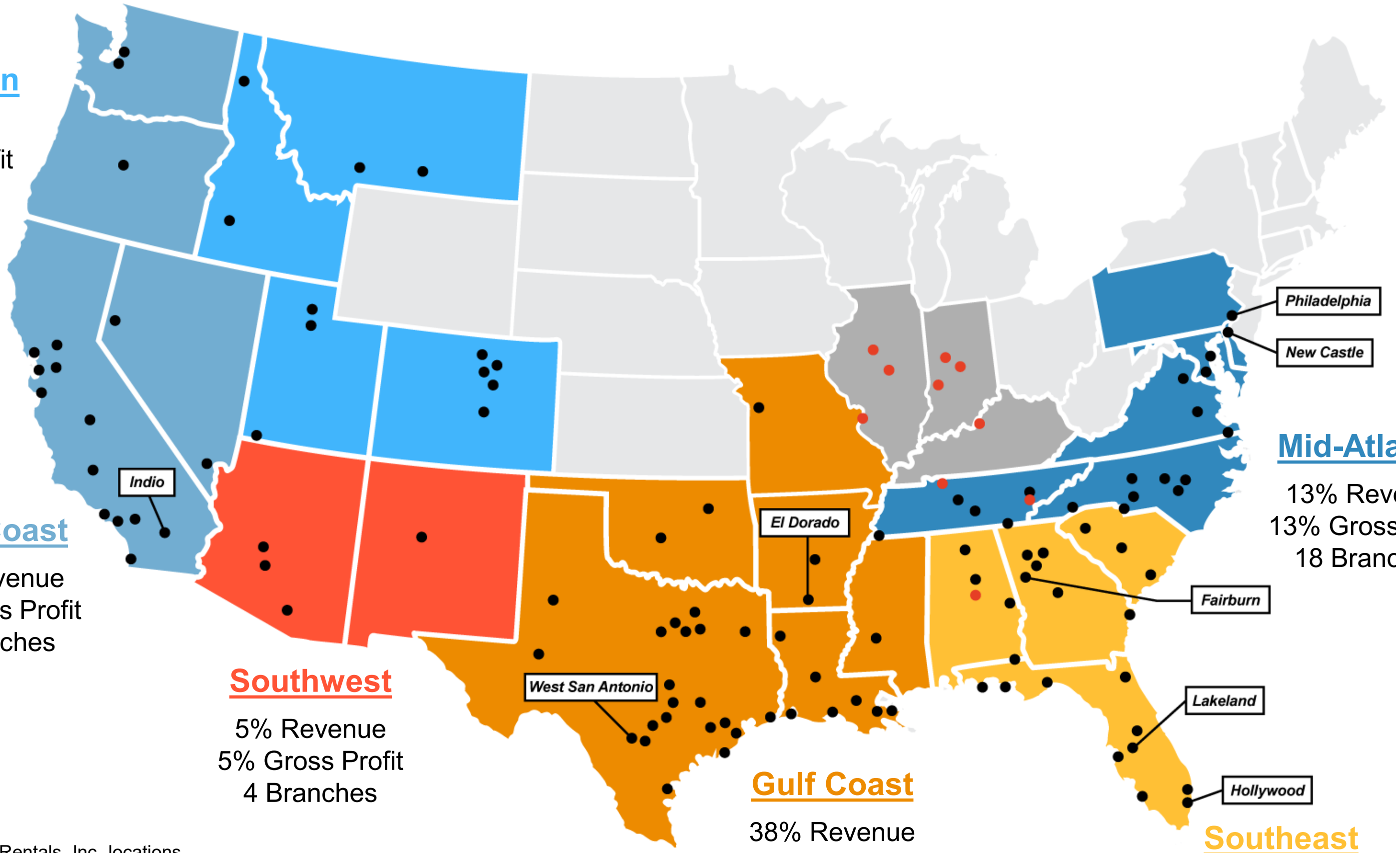


[1] Company data for LTM September 30, 2022.
[2] As of September 30, 2022.

2022 Strategic Growth Initiatives
Record Year of Fleet Growth & Branch Expansion

- **Meaningful gross fleet investment despite supply chain challenges.**
  - YTD September gross spend of $379.5 million, including $163.9 million in Q3 22.
    - Record fleet OEC of $2.1+ billion at Q3 22.
    - No change to revised range of $465 to $500 million.
- **Acquisition of One Source Equipment Rentals.**
  - Excellent cultural fit.
  - Addition of 10 branches.
  - Initial operations in Illinois, Indiana & Kentucky; supplements U.S. southern presence.
  - Adds an estimated $138 million of OEC.
  - Transaction closed October 1, 2022.
- **Success of accelerated new location program.**

Regional Branch Map - 120 Locations[1]



Intermountain
14% Revenue
15% Gross Profit
12 Branches

West Coast
16% Revenue
16% Gross Profit
17 Branches

Southwest
5% Revenue
5% Gross Profit
4 Branches

Gulf Coast
38% Revenue
36% Gross Profit
36 Branches

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

Southeast
14% Revenue
15% Gross Profit
23 Branches

● One Source Equipment Rentals, Inc. locations.

Revenue and gross profit data is as of LTM September 30, 2022.

Accelerated New Location Growth Initiative

- Four locations added in Q3 22.
  - West San Antonio, TX; Hollywood, FL; New Castle, DE; Indio, CA.
- Eight locations added YTD Sept. 2022.
- No less than 10 new locations expected in 2022.

Including the One Source acquisition, H&E has added 28 locations to its branch network in less than two years and is now present in 29 states.

[1] Location count includes 10 One Source Rentals, Inc. branches.

THIRD QUARTER 2022 FINANCIAL OVERVIEW

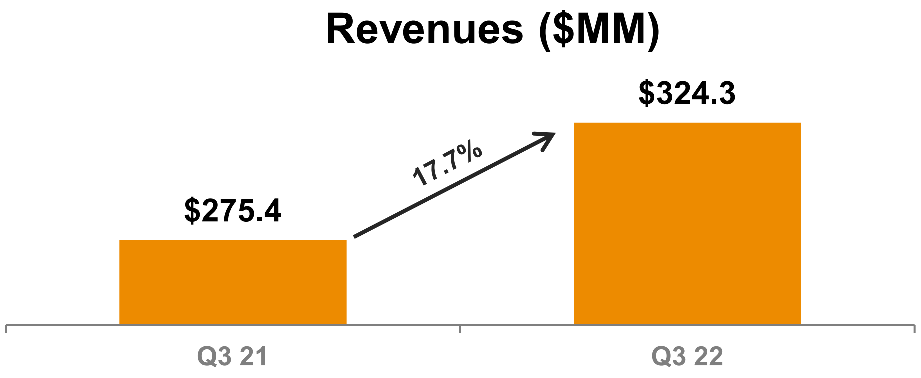
Leslie Magee

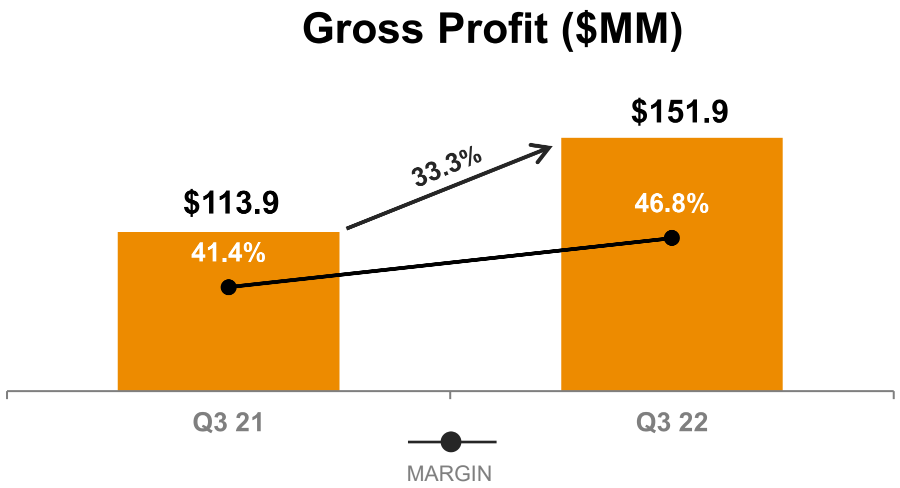
Chief Financial Officer

WHERE OTHERS STOP, WE CONTINUE.
CELEBRATING
60
YEARS
ESTD. 1961

H&E Equipment Services.

Q3 2022 Revenues and Gross Profit[1]



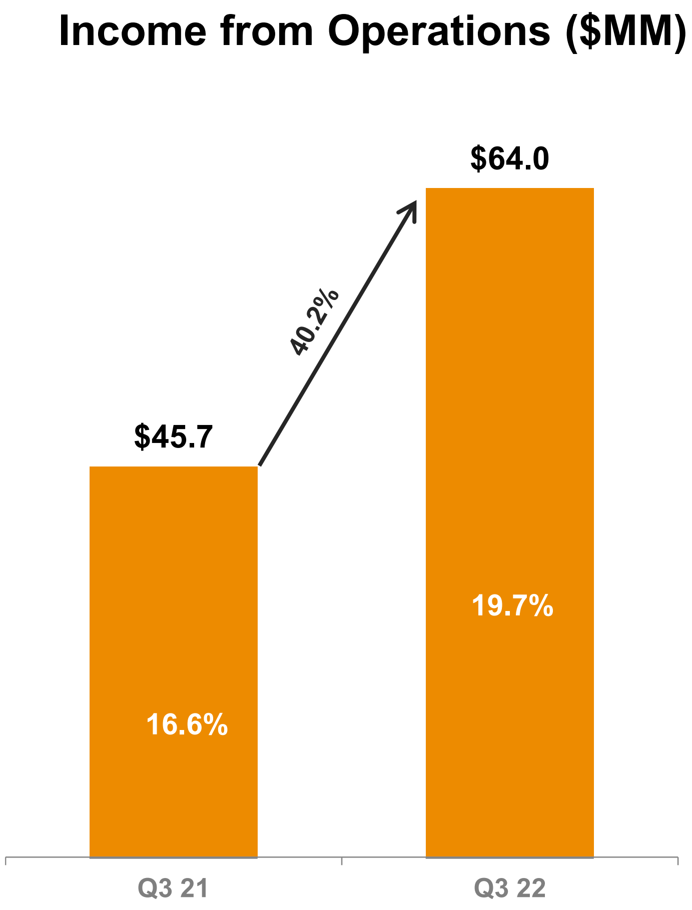


Key Takeaways

- **Revenues increased 17.7%, or $48.8 million, to $324.3 million.**
  - Led by a larger rental fleet, rental rate appreciation and higher utilization, partially offset by lower used equipment sales.
- **Rental revenue increased 26.9% to $224.1 million vs. $176.7 million a year ago.**
  - Utilization at 73.3% (on an OEC basis), up 140 bps from a year ago.
  - Average rates up 10.1% from a year ago; sequential rates up 3.2%.
  - Fleet Growth – 16.7%, or $305.4 million larger than a year ago.
- **Used equipment sales declined $10.8 million, or 34.7%, to $20.3 million.**
  - Decline driven by lower sales across all major product lines.
- **New equipment sales increased $4.1 million, or 21.4%, to $23.5 million.**
  - Increase led by earthmoving and other equipment.
- **Gross profit increased $38.0 million, or 33.3%, to $151.9 million.**
  - Gross margin was 46.8% vs. 41.4% primarily driven by higher margins for rentals, rental other and used equipment sales.
    - Margins by segments Q3 22 vs. Q3 21:
      - Total Equipment Rentals 50.5% vs. 45.6%
        - ➢ Rentals 55.6% vs. 50.9%
      - Used 53.7% vs. 37.6%
        - ➢ Fleet only 55.6% vs. 39.7%
      - New 13.8% vs. 12.4%
      - Parts 29.0% vs. 24.5%; Service 63.2% vs. 65.2%

[1] Results and information are presented on a continuing operations basis.

Q3 2022 Income from Operations[1]



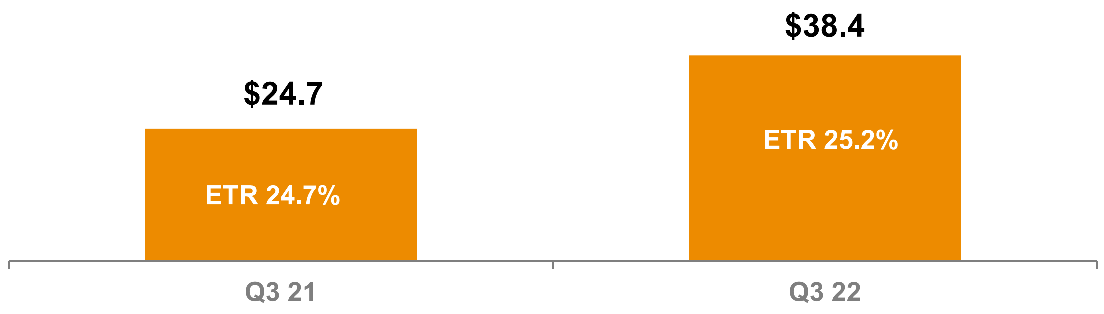
Key Takeaways

- Income from operations in Q3 22 was $64.0 million compared to $45.7 million in Q3 21.
- Included in income from operations was gain on sales of property and equipment of $0.5 million in Q3 22 compared to $6.2 million in Q3 21.
- Margins were 19.7% in Q3 22 vs. 16.6% in Q3 21. The increase was primarily due to the following:
  - Higher gross margins on rentals, rental other and used equipment sales.
  - Partially offset by lower gain on sales of PP&E with prior year including sale of Arkansas branch.

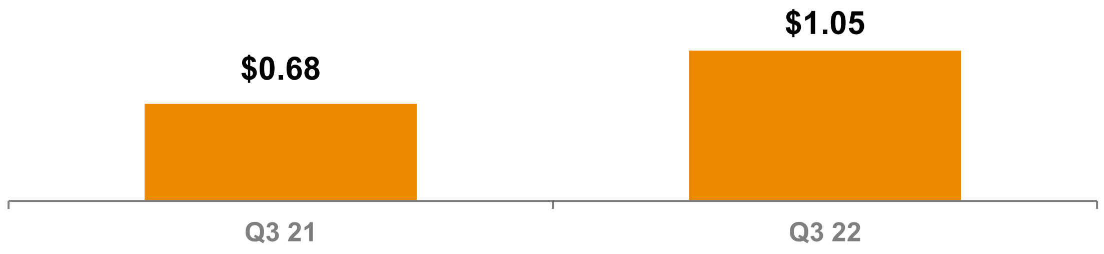
[1] Results and information are presented on a continuing operations basis.

Q3 2022 Net Income[1]

Net Income ($MM)



Diluted Net Income Per Share

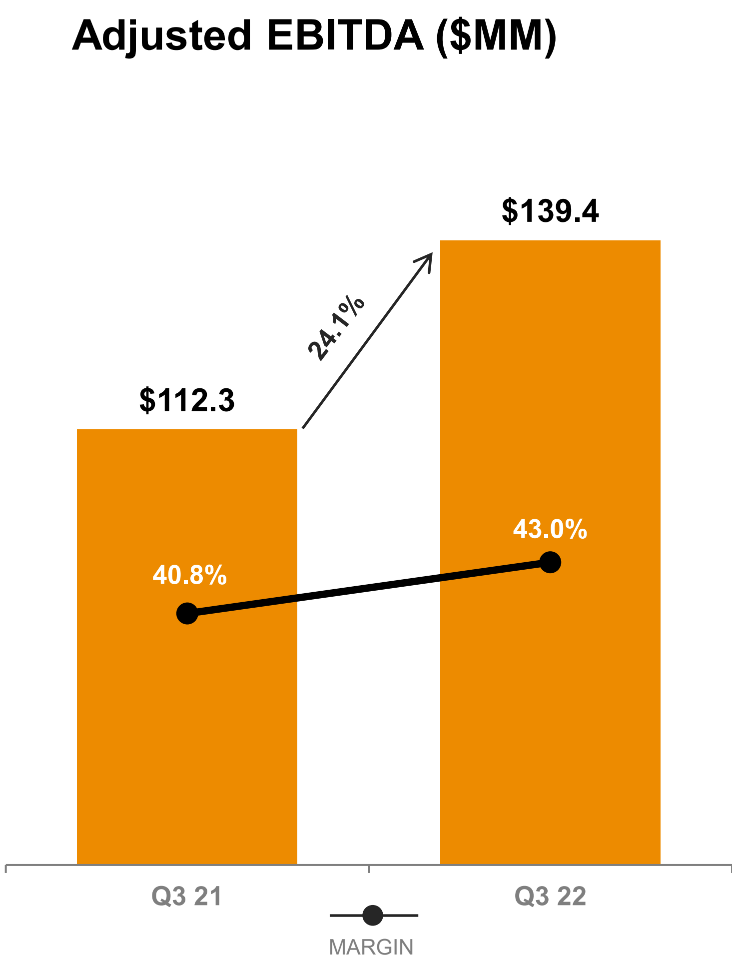


Key Takeaways

- Net income in Q3 22 of $38.4 million compared to $24.7 million in Q3 21.
- Diluted net income per share in Q3 22 was $1.05 vs. $0.68 a year ago.
  - Effective tax rate ("ETR") was 25.2% vs. 24.7% a year ago.

[1] Results and information are presented on a continuing operations basis.

Q3 2022 Adjusted EBITDA[1]

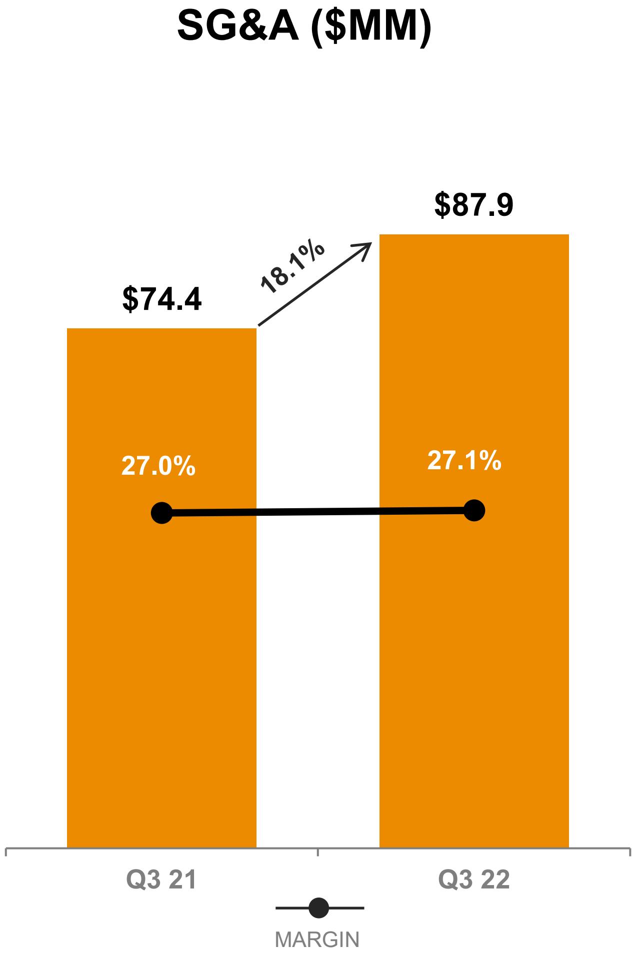


Key Takeaways

- Adjusted EBITDA of $139.4 million in Q3 22 compared to $112.3 million a year ago.
  - Adjusted EBITDA increased 24.1% on a 17.7% increase in revenues.
- Margin was 43.0% compared to 40.8% a year ago; increase primarily due to the following:
  - Favorable revenue mix.
  - Higher margins on used equipment, rental, and rental other.
  - Partially offset by lower gain on sales of PP&E with prior year including sale of Arkansas branch.

[1] Results and information are presented on a continuing operations basis.

Q3 2022 SG&A Expense[1]



Key Takeaways

- SG&A was $87.9 million in Q3 22 compared to $74.4 million in Q3 21, a $13.5 million increase.
  - Increase due primarily to:
    - Employee salaries, wages, incentive compensation related to increased profitability and headcount, and payroll taxes.
    - Facilities expenses.
    - Liability insurance.
    - Professional fees.
  - SG&A as a percentage of revenues was 27.1% compared to 27.0% a year ago.
  - Warm starts and greenfield branch expansion costs increased $3.3 million in Q3 22 compared to Q3 21.

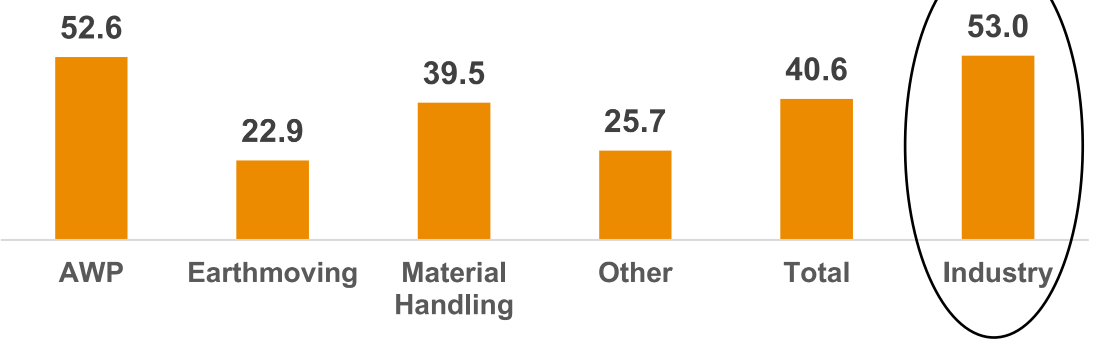
[1] Results and information are presented on a continuing operations basis.

2022 Fleet and Free Cash Flow Update[1]

Rental Cap-Ex Summary ($MM)[2]

	2016	2017	2018	2019	2020	2021	Nine Mos. Ended Sept. 30, 2021	Nine Mos. Ended Sept. 30, 2022
Gross Rental CapEx[2]	$218.2	$244.7	$ 440.9	$349.1	$138.8	$436.8	$357.0	$379.5
Sale of Rental Equipment	$(84.4)	$(96.1)	$(112.0)	$(127.6)	$(141.6)	$(133.9)	$(106.5)	$(55.7)
Net Rental CapEx	$133.8	$148.6	$328.9	$221.5	$(2.8)	$302.9	$250.5	$323.8

Fleet Age by Type (Months)



Free Cash Flow Summary ($MM)[3]

	2016	2017	2018	2019	2020	2021	Nine Mos. Ended Sept. 30, 2021	Nine Mos. Ended Sept. 30, 2022
Free Cash Flow[3]	$62.6	$73.1	$(279.0)	$(6.7)	$307.1	$88.6	$(43.6)	$(105.3)

NOTE: Fleet statistics as of September 30, 2022.

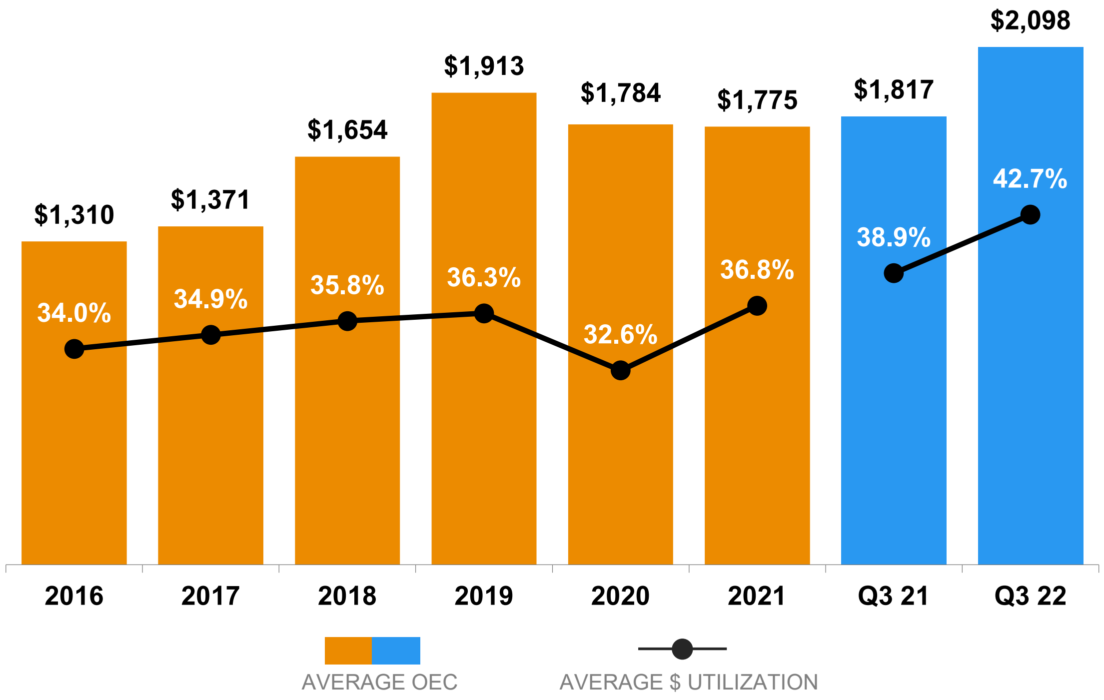
[1] Results and information preceding the nine months ended September 30, 2022, include both continuing and discontinued operations.

[2] 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.

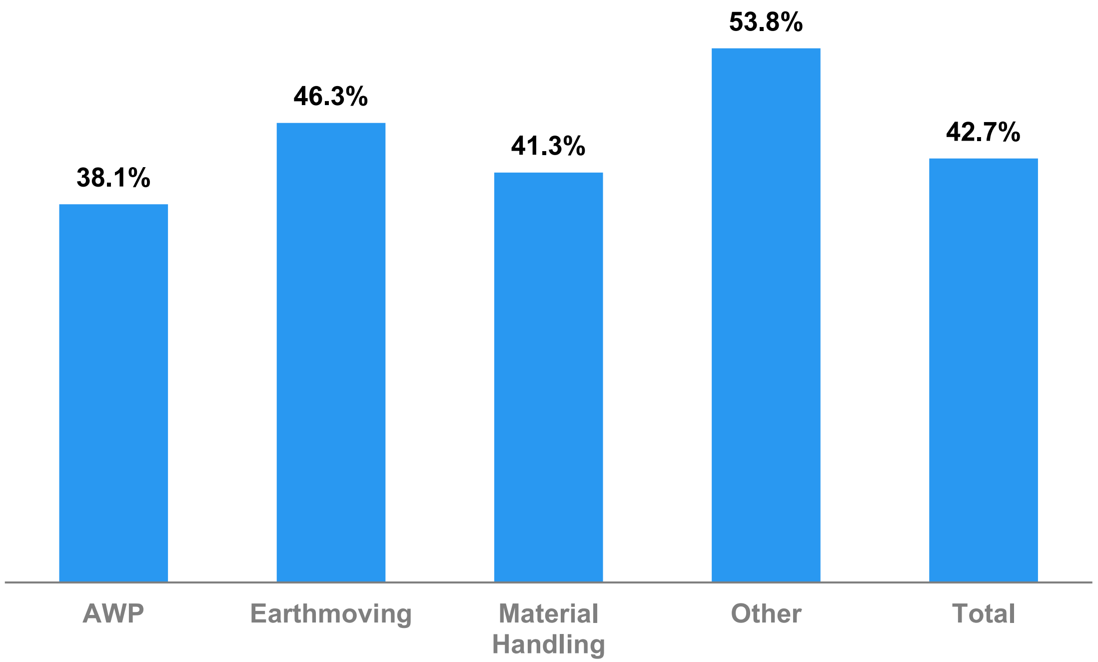
[3] We define Free Cash Flow as net cash provided by operating activities less (1) purchases of rental equipment, property and equipment, and acquisition of businesses, net of cash acquired plus (2) proceeds (closing adjustment) from sale of discontinued operations, proceeds from sales of rental equipment 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.

2022 Fleet Update

Rental Fleet Statistics[1,2] ($MM)



$ Utilization by Equipment Type[1]



Note: Fleet statistics as of September 30, 2022.
[1] Represents rental revenues annualized divided by the average original equipment cost.
[2] All years preceding 2020 are presented as both continuing and discontinued operations.

Capital Structure

Capital Structure ($MM)

9/30/22	
Cash and Cash Equivalents	**$220.5**
Debt:	
Sr. Sec'd Credit Facility (ABL)	**$0.0**
Senior Unsecured Notes[1]	**1,250.0**
Finance Lease Liabilities	**1.6**
Total Debt	**$1,251.6**
Shareholders' Equity	**357.7**
Total Book Capitalization	**$1,609.3**

Credit Statistics[2]

	2016	2017	2018	2019	2020	2021	LTM Q3 2022
Adj. EBITDA[3] /Total Interest Exp.	5.6x	6.0x	6.4x	6.9x	5.8x	7.3x	8.8x
Total Net Debt[4] /Adj. EBITDA[3]	2.6x	2.4x	2.7x	2.4x	2.6x	2.3x	2.2x
Total Debt /Total Capitalization	84.8%	81.4%	81.4%	79.2%	84.0%	80.5%	77.8%

[1] Senior Unsecured Notes exclude $7.3 million of unaccreted discount and $1.7 million of deferred financing costs.

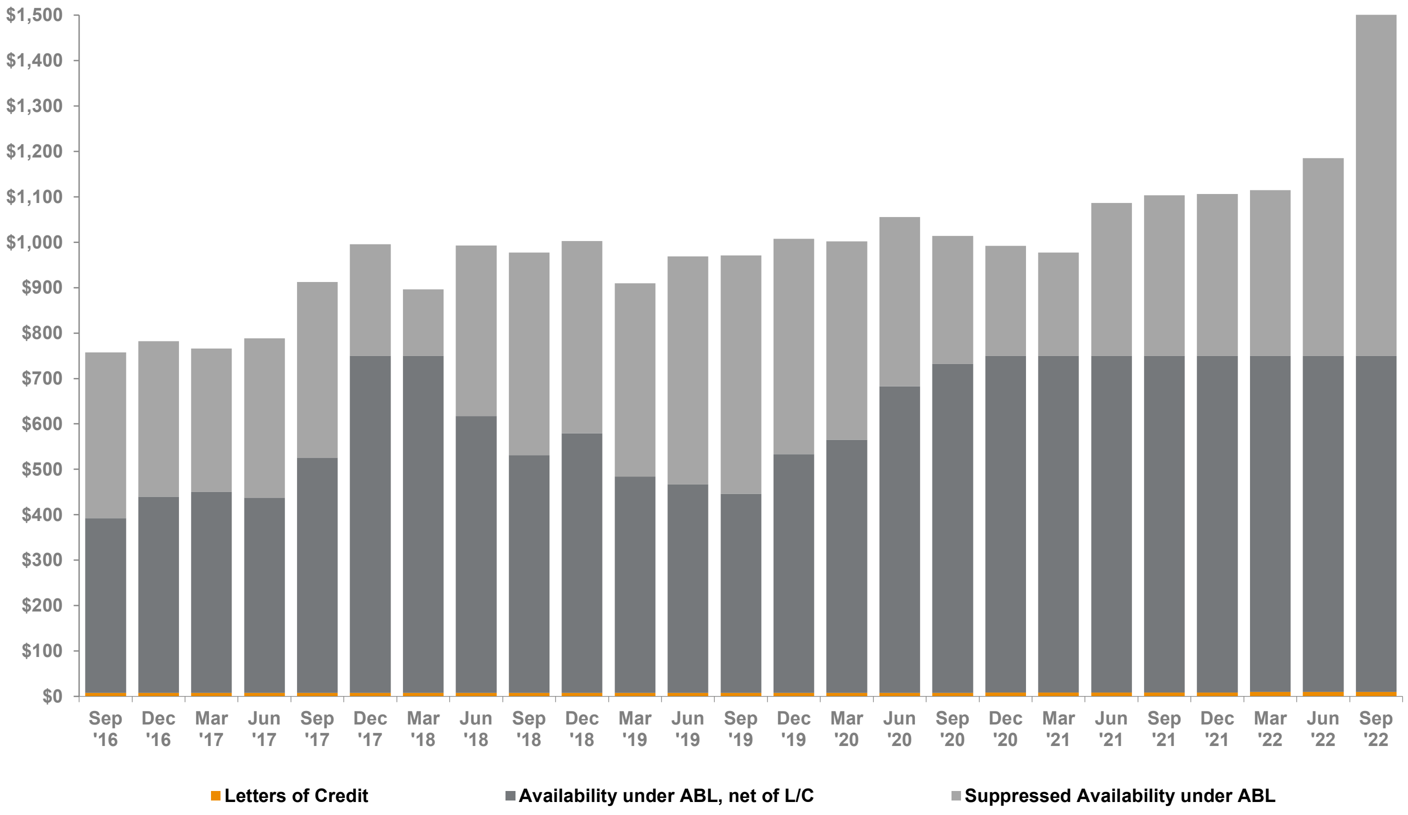
[2] All years preceding 2020 are presented as continuing and discontinued operations.

[3] 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; $0.4 million in merger costs and a $12.2 million impairment charge recorded in 2019; $0.5 million in merger costs recorded in 2020, a $55.7 million impairment charge in the first quarter of 2020, and the impact of the $44.6 million non-recurring item associated with the premiums paid to repurchase and redeem previously outstanding 5.625% senior unsecured notes, the write-off of unaccreted note discount, unamortized note premium, and deferred costs associated therewith in the fourth quarter of 2020; $0.7 million in merger and other costs in 2021; and $1.1 million in merger and other costs in LTM 2022. See Appendix A for a reconciliation of Non-GAAP measures.

[4] Net debt is defined as total debt less cash on hand.

Liquidity Profile

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



Key Takeaways

- **Liquidity under facility.**
  - At September 30, 2022, no outstanding balance under $750 million amended ABL facility.
  - $740.3 million of borrowing availability, net of letters of credit, under the ABL at September 30, 2022.
  - Suppressed availability (supporting asset value in excess of $750 million facility size) under ABL borrowing base certificate was $702.7 million at September 30, 2022.
  - Excess availability under the ABL for purposes of the springing fixed charge covenant was $1.4 billion at September 30, 2022.
  - No covenant concern.
    - Minimum excess availability requirement is $75 million, or 10% of the $750 million amended ABL facility.
    - Cash and cash equivalents balance at September 30, 2022, of $220.5 million.

About H&E

Founded in 1961, H&E Equipment Services, Inc. is one of the largest rental equipment companies in the nation, serving customers across 26 states. The Company's fleet is among the industry's youngest and most versatile with a superior equipment mix comprised of aerial work platforms, earthmoving, material handling, and other general and specialty lines. H&E serves a diverse set of end markets in many high-growth geographies including branches throughout the Pacific Northwest, West Coast, Intermountain, Southwest, Gulf Coast, Southeast, Midwest, and Mid-Atlantic regions.

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Appendix A- Unaudited Reconciliation of Non-GAAP Financial Measures

Appendix A

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 merger breakup fees, net of related merger costs, totaling $5.8 million related to the previously proposed acquisition of Neff Corporation and CEC transaction costs; and 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 acquisition costs. We define Adjusted EBITDA for the year ended December 31, 2019, as EBITDA adjusted for the $12.2 million goodwill impairment charges recorded in the fourth quarter of 2019 and $0.4 million of merger costs. We define Adjusted EBITDA for the year ended December 31, 2020, as EBITDA adjusted for a non-recurring $44.6 million item associated with the premiums paid to repurchase and redeem previously outstanding 5.625% senior unsecured notes and the write-off of unaccreted note discount, unamortized note premium, deferred transaction costs associated therewith, $55.7 million of goodwill impairment charges and $0.5 million of merger costs. We define Adjusted EBITDA for the year ended December 31, 2021, as EBITDA adjusted for $0.7 million of acquisition costs. We define Adjusted EBITDA for the three months ended September 30, 2021 and September 30, 2022 as EBITDA adjusted for $9 thousand and $0.5 million of merger and other costs, respectively. We define Adjusted EBITDA for the LTM ended September 30, 2022, as EBITDA adjusted for $1.1 million of merger and other costs.

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 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 new non-GAAP reconciliations included further in this presentation.

Appendix A

EBITDA and Adjusted EBITDA GAAP Reconciliation ($ in thousands)[1]

	2016	2017	2018	2019	2020	2021	Q3 2021	Q3 2022	LTM Q3 2022
Net Income (Loss)	$37,172	$109,658	$76,623	$87,211	$(46,396)	$60,564	$24,728	$38,376	$104,272
Interest expense	53,604	54,958	63,707	68,277	61,790	53,758	13,430	13,548	53,955
Provision (Benefit) for income taxes	21,858	(50,314)	28,040	28,650	(13,428)	21,160	8,119	12,953	36,516
Depreciation	189,697	193,245	233,046	272,368	252,681	254,158	65,040	73,000	275,367
Amortization of intangibles	–	–	3,320	4,132	3,987	3,970	993	993	3,970
EBITDA	$302,331	$307,547	$404,736	$460,638	$258,634	$393,610	$112,310	$138,870	$474,080
Loss on early extinguishment of debt[2]	–	25,363	–	–	44,630	_	_	–	_
Merger and other[2]	–	(5,782)	708	416	503	662	9	547	1,094
Impairment of goodwill[2]	–	–	–	12,184	55,664	–	–	–	–
Adjusted EBITDA	$302,331	$327,128	$405,444	$473,238	$359,431	$394,272	$112,319	$139,417	$475,174

[1] All years preceding 2020 are presented as continuing and discontinued operations.

[2] Adjustments relate to loss from early extinguishment of debt incurred in the third quarter ended September 30, 2017, and the fourth quarter ended December 31, 2020. Adjustment also includes the net merger breakup fee proceeds associated with the terminated merger agreement with Neff Corporation and subsequent merger and other costs. Adjustment includes goodwill impairment charges in the fourth quarter ended December 31, 2019, and in the first quarter ended March 31, 2020.

Appendix A[1]

Free Cash Flow GAAP Reconciliation ($ in thousands)

	2016	2017	2018	2019	2020	2021	Nine Mos. Ended Sept. 30, 2021	Nine Mos. Ended Sept. 30, 2022
Net cash provided by operating activities	$176,979	$226,199	$247,211	$319,218	$286,016	$259,572	$202,064	$211,202
Acquisition of business, net of cash acquired	–	–	(196,027)	(106,746)	–	–	–	–
Proceeds (closing adjustment) on sale of discontinued operations	–	–	–	–	–	135,945	–	(2,256)
Purchases of property and equipment	(22,895)	(22,515)	(34,960)	(43,111)	(18,664)	(34,622)	(24,723)	(36,327)
Purchases of rental equipment[2]	(179,709)	(234,209)	(416,600)	(309,654)	(116,363)	(418,082)	(338,463)	(337,156)
Proceeds from sale of property and equipment	3,805	7,506	9,261	6,050	14,524	11,884	11,014	3,561
Proceeds from sale of rental equipment	84,389	96,143	112,086	127,558	141,594	133,900	106,494	55,692
Free cash flow	$62,569	$73,124	$(279,029)	$(6,685)	$307,106	$88,597	$(43,614)	$(105,284)

[2] Purchases of rental equipment as reflected in the Condensed 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)

	2016	2017	2018	2019	2020	2021	Nine Mos. Ended Sept. 30, 2021	Nine Mos. Ended Sept. 30, 2022
Transfers of new and used inventory	$38.5	$10.5	$24.3	$39.5	$22.4	$18.7	$18.5	$42.3

[1] Results and information are presented as continuing and discontinued operations for all years presented.

Appendix A [1]

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
RENTAL				
Equipment rentals [2]	$ 224,126	$ 176,655	$ 602,551	$ 471,012
Rental other	29,438	20,529	77,815	55,002
Total equipment rentals	253,564	197,184	680,366	526,014
RENTAL COST OF SALES				
Rental depreciation	65,952	58,339	188,261	168,305
Rental expense	33,543	28,326	93,117	80,900
Rental other	25,989	20,510	70,775	55,394
Total rental cost of sales	125,484	107,175	352,153	304,599
RENTAL REVENUES GROSS PROFIT (LOSS)				
Equipment rentals	124,631	89,990	321,173	221,807
Rentals other	3,449	19	7,040	(392)
Total rental revenues gross profit	$ 128,080	$ 90,009	$ 328,213	$ 221,415
RENTAL REVENUES GROSS MARGIN				
Equipment rentals	55.6%	50.9%	53.3%	47.1%
Rentals other	11.7%	0.1%	9.0%	-0.7%
Total rental revenues gross margin	50.5%	45.6%	48.2%	42.1%

[1] Results and information are presented on a continuing operations basis.

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

THANK YOU!

October 27, 2022