FOURTH QUARTER 2022 EARNINGS CONFERENCE

February 22, 2023

H&E EQUIPMENT SERVICES®

Earnings Conference

Fourth Quarter 2022 Company Participants

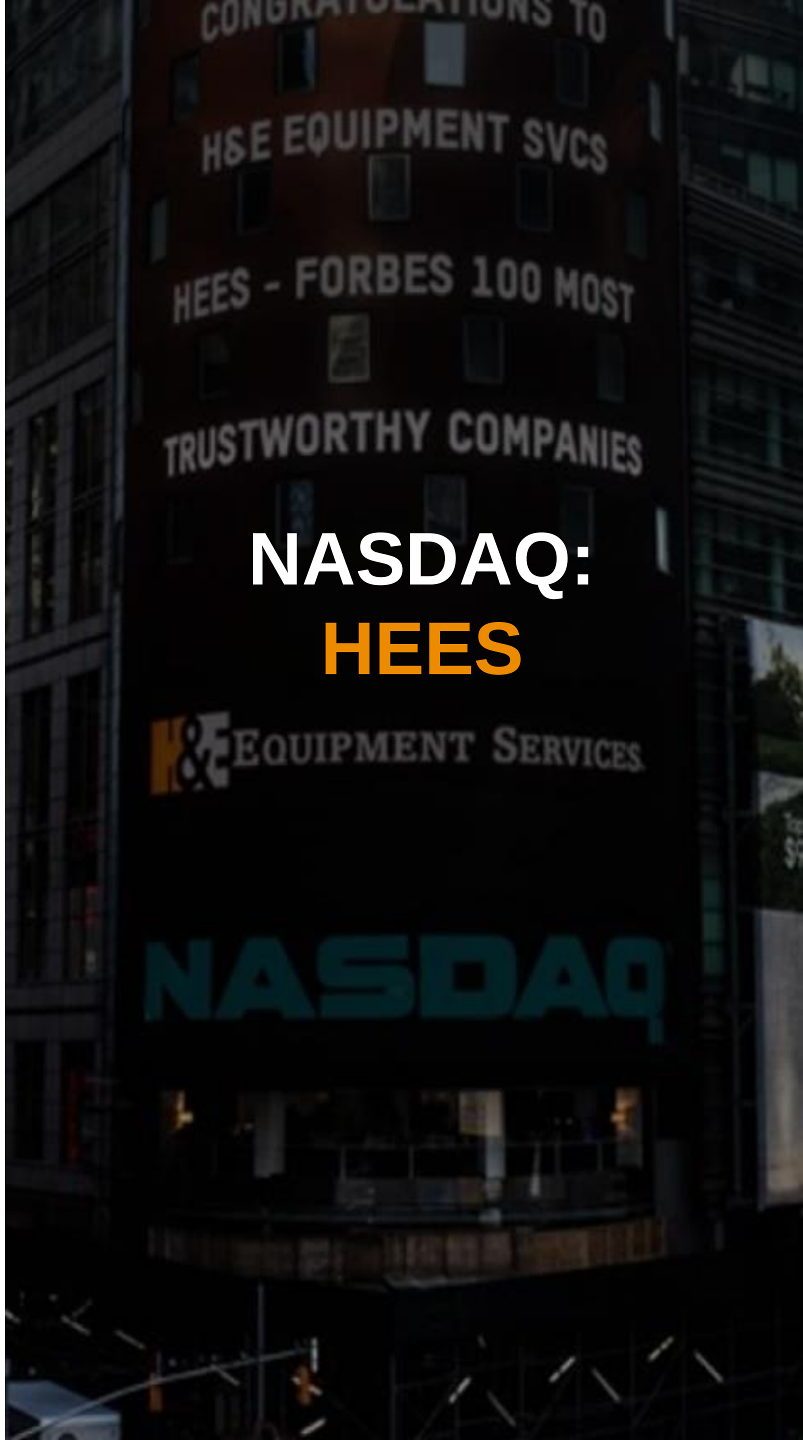
Brad Barber — CHIEF EXECUTIVE OFFICER

John Engquist — PRESIDENT AND CHIEF OPERATING OFFICER

Leslie Magee — CHIEF FINANCIAL OFFICER AND SECRETARY

Jeff Chastain — VICE PRESIDENT OF INVESTOR RELATIONS

February 22, 2023



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 a global pandemic, including COVID-19 and similar health concerns, 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 or 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 increased interest rates) 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) inability to obtain equipment and other supplies for business from our key suppliers on acceptable terms or at all, as a result of supply chain disruptions, insolvency, financial difficulties, supplier relationships or other factors; (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, cybersecurity attacks, failure to protect personal information, compliance with data protection laws and other disruptions in our information technology systems; (13) adverse weather events or natural disasters; (14) risks related to climate change and climate change regulation (15) 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 (16) 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

Fourth Quarter Summary, Market Conditions, Strategic Growth and Execution

- Q4 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
  - 2023 Growth Initiatives

Fourth Quarter Financial Overview

- Q4 2022 Results
- 2022 Fleet and Free Cash Flow Update
- Capital Structure Update
- Liquidity Profile

Question and Answer Session

FOURTH QUARTER 2022 OVERVIEW, MARKET OUTLOOK AND STRATEGIC EXECUTION

Brad Barber
Chief Executive Officer

H&E Equipment Services

Q4 2022 Highlights[1]

TOTAL REVENUE

$353.1M

↑ 25.6% YOY

TOTAL EQUIPMENT RENTAL REVENUE

$275.7M

↑ 35.3% YOY

EBITDA[2]

$171.5M

↑ 56.1% YOY

48.6% gross margin

PHYSICAL UTILIZATION

72.0%

↓ 110 bps YOY

Seasonal factors

CHANGE IN FLEET SIZE

$498.5M

↑ 26.8% YOY

STRATEGIC GROWTH AND EXECUTION

- Completed Transition to Pure-Play Rental Business.
- Integration of One Source Acquisition.
- Opened 10 New Branches - Second Consecutive Year.
- Record Investment in Fleet.

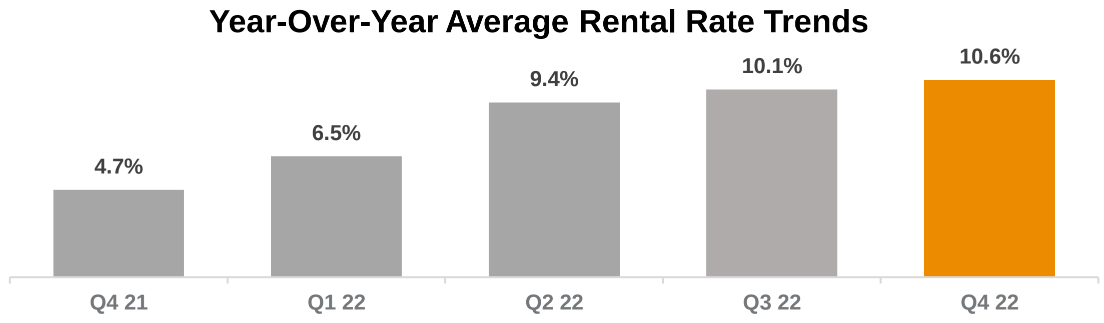
[1] Results and information are presented on a continuing operations basis.

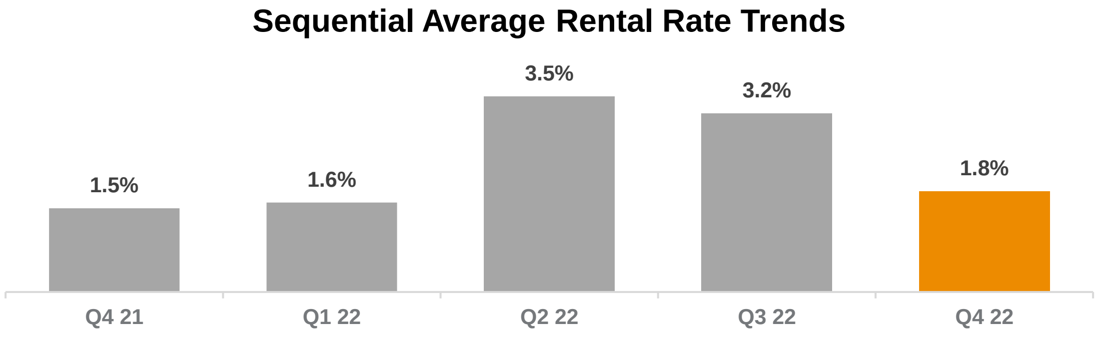
[2] For a reconciliation to GAAP financial measures, see Appendix A beginning on Slide 23.

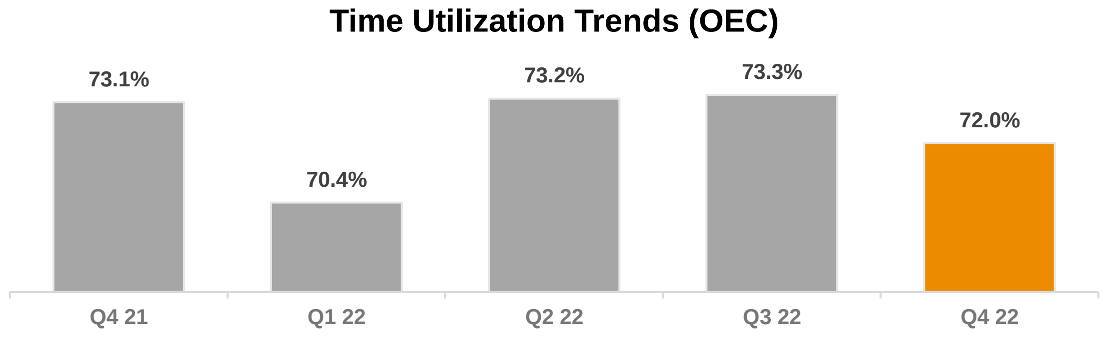
Q4 2022 Rental Performance[1]

Rental Business Highlights

- Rental revenue increased 34.6% to a new record of $245.0 million compared to $182.0 million in Q4 2021.
- Rental gross margins of 53.1% compared to 51.7% in Q4 2021.
- Rental rates were 10.6% better than Q4 2021 and improved 1.8% sequentially. FY 2022 average rate improvement of 9.3%. Results exclude One Source.
- Time utilization (based on OEC) a healthy 72.0% vs. 73.1% in Q4 2021.
  - Presence of seasonal factors - holidays, rain and winter conditions.
- Dollar utilization was 41.9% vs. 39.3% in Q4 2021.





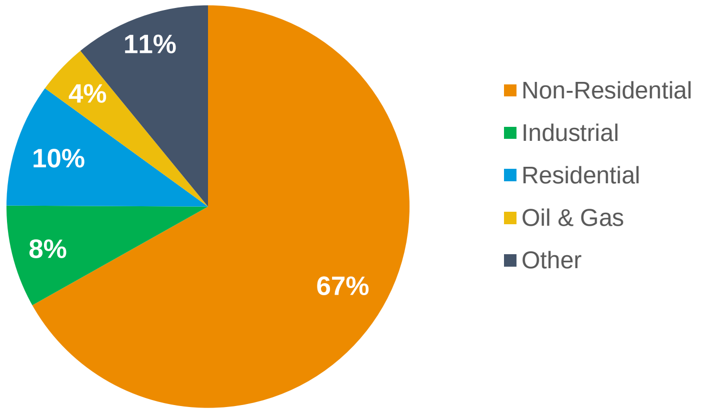


[1] Results and information are presented on a continuing operations basis.

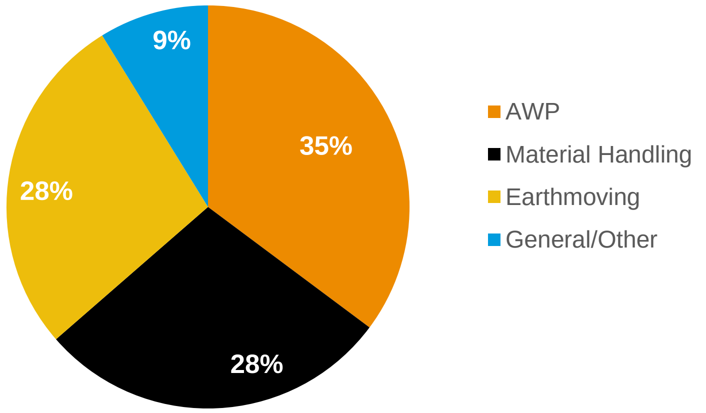
Promising Outlook Prevails as Favorable Trends Reinforce End Markets and Demand For Equipment

- **Construction trends remain strong.**
  - Led by non-residential and industrial project backlogs.
  - Customer feedback supports expectations for growth with robust backlogs.
- **Indicators reinforce confidence in future non-residential activity.**
    - Strong project backlogs and active planning agendas.
    - Recent declines from historically high readings inevitable.
- **Rising federally funded programs.**
  - Focused on infrastructure, manufacturing capabilities and renewable energy.
    - Extended time frames for project completion.
- **Rental penetration trending higher, up 150 bps in 2022**
- **Sustained healthy industry utilization and attractive pricing environment.**
  - Modest sequential quarterly rate improvement anticipated**.**

Total Revenues by End Market[1]



Fleet Mix[2]



[1] Company data for LTM December 31, 2022.
[2] As of December 31, 2022.

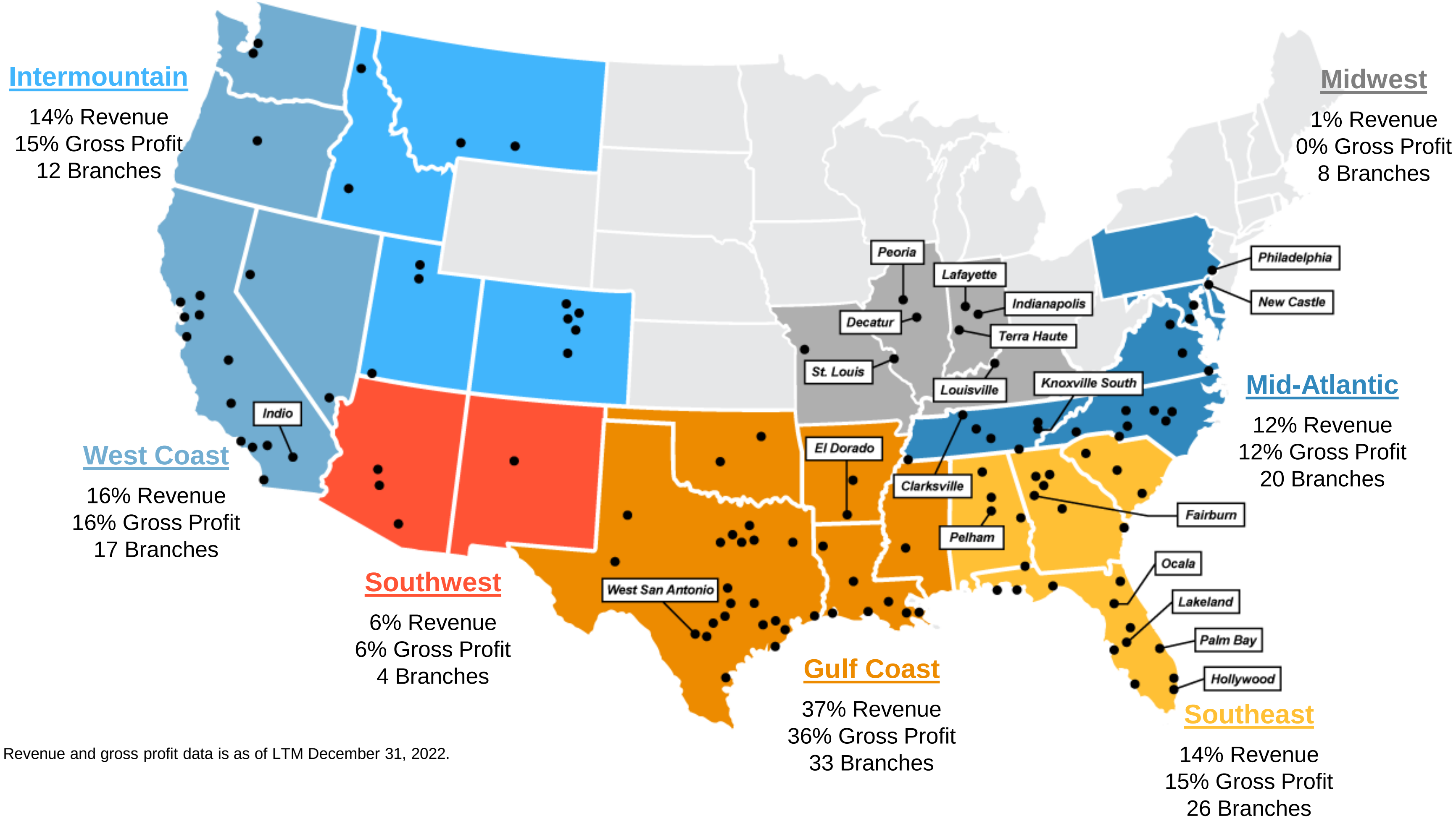
2022 Concludes Record Year of Growth With Continued Focus on Expansion Initiatives in 2023

- **Expanded branch locations by 18%, concluding year with a record 120 locations.**
  - Included 10 new locations, second consecutive year.
  - Acquisition of One Source added 10 locations, establishing initial Midwest exposure.
- **Record gross investment in fleet totaling $507.8 million, concluding year with record fleet OEC of $2.4 billion.**

- **2023 Growth Initiatives:**
  - Accelerating branch growth target to range of 10-15 locations.
  - Targeting gross fleet investment of $500 million to $550 million.
  - Continued evaluation of suitable M&A targets.

A Comprehensive Plan for Growth.

Regional Branch Map - 120 Locations in 29 States



Revenue and gross profit data is as of LTM December 31, 2022.

Adding Operational Scale as a Fundamentally Sound Industry Creates Greater Opportunities for Expansion

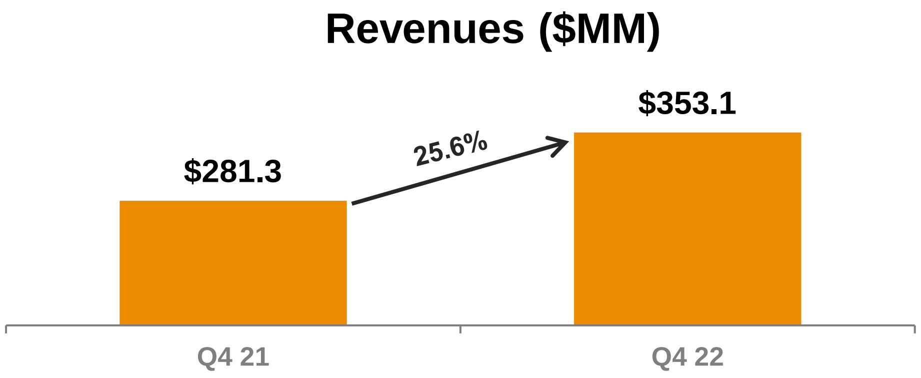
- Increased branch density, especially in Southeast and Gulf Coast regions.
  - Construction project backlog expanding.
  - Florida locations up 50% in 2022.
- Penetrating new regions.
  - Midwest presence established.

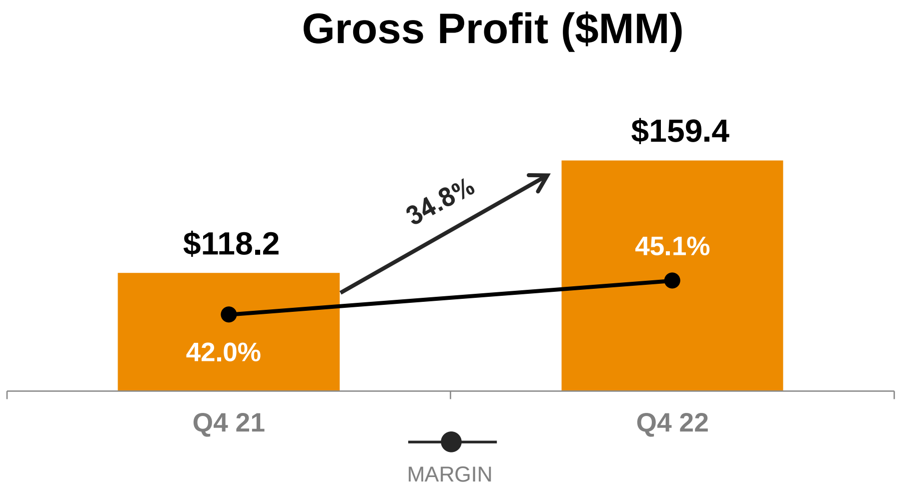
FOURTH QUARTER 2022 FINANCIAL OVERVIEW

Leslie Magee

Chief Financial Officer

Q4 2022 Revenues and Gross Profit[1]





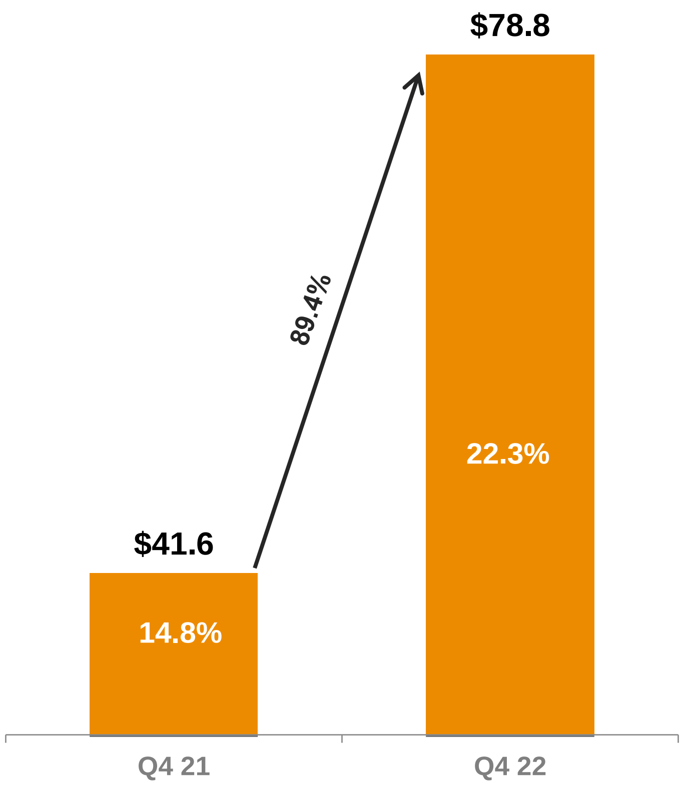
[1] Results and information are presented on a continuing operations basis.

Key Takeaways

- **Revenues increased 25.6%, or $71.8 million, to $353.1 million.**
  - Led by higher rental revenue and contribution from One Source.
- **Rental revenue increased 34.6% to $245.0 million vs. $182.0 million a year ago.**
  - Fleet Growth of 26.8%, or $498.5 million larger than a year ago.
  - Average rates up 10.6% from a year ago; sequential rates up 1.8%.
  - One Source contribution.
- **Used equipment sales of $30.2 million, an increase of 2.5% from $29.5 million.**
  - Increase driven by higher sales of earthmoving and AWP, largely offset by lower sales of material handling.
- **New equipment sales decreased 4.5% to $21.5 million compared to $22.5 million.**
- **Gross profit increased $41.2 million, or 34.8%, to $159.4 million.**
  - Gross margin was 45.1% vs. 42.0% primarily driven by higher margins for rentals, used equipment sales and favorable revenue mix.
    - Margins by segments Q4 22 vs. Q4 21:
      - Total Equipment Rentals 47.9% vs. 46.3%
        - Rentals 53.1% vs. 51.7%
      - Used 51.2% vs. 39.3%
        - Fleet only 54.5% vs. 41.9%
      - New 13.6% vs. 14.5%
      - Parts 28.6% vs. 25.8%; Service 63.9% vs. 63.5%

Q4 2022 Income from Operations[1]

Income from Operations ($MM)



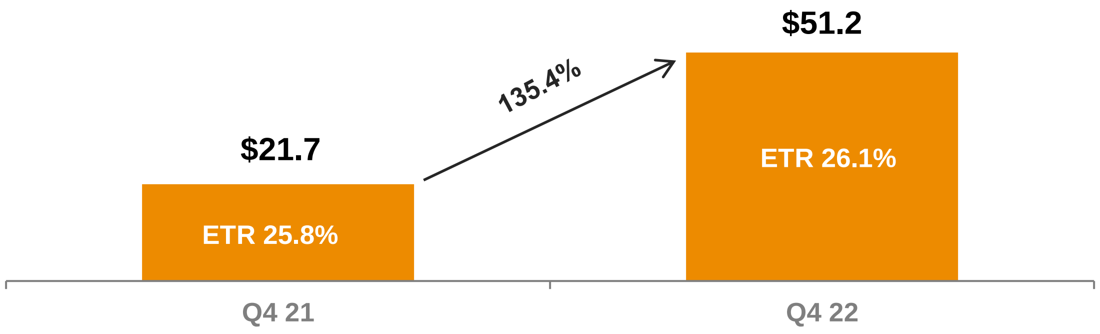
[1] Results and information are presented on a continuing operations basis.

Key Takeaways

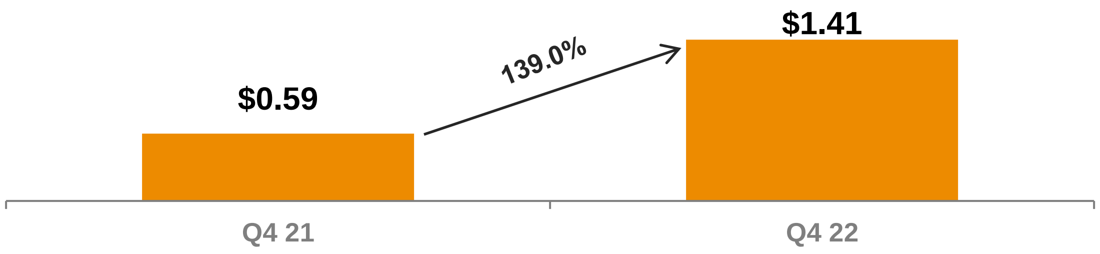
- Income from operations in Q4 22 was $78.8 million compared to $41.6 million in Q4 21.
- Included in income from operations was a gain on sales of property and equipment of $13.9 million in Q4, including $12.9 million resulting from the sale of Komatsu earthmoving distributorship to Waukesha-Pearce Industries (WPI). Result compared to $0.8 million in Q4 21.
- Margins were 22.3% in Q4 22 vs. 14.8% in Q4 21. The increase was primarily due to the following:
  – Gain on sale of PP&E and inventory of $12.9 million - WPI transaction.
  – Higher gross margins on rentals, used equipment sales and favorable revenue mix.

Q4 2022 Net Income[1]

Net Income ($MM)



Diluted Net Income Per Share

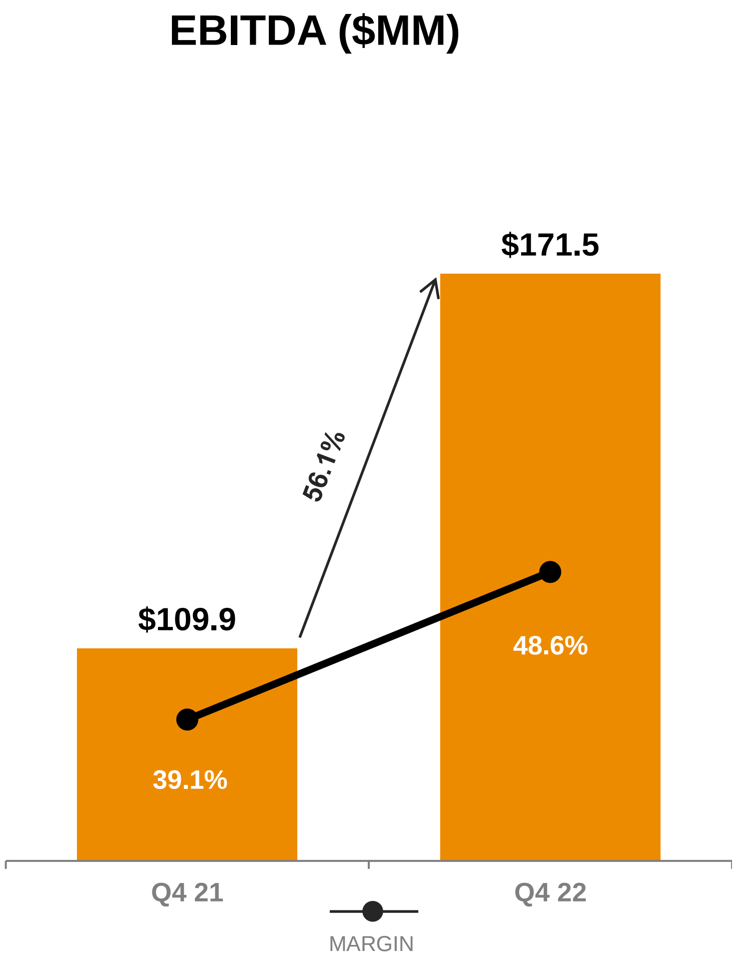


Key Takeaways

- Net income in Q4 22 of $51.2 million compared to $21.7 million in Q4 21.
- Diluted net income per share in Q4 22 was $1.41 vs. $0.59 a year ago.
  - Effective tax rate ("ETR") was 26.1% vs. 25.8% a year ago.
- Gain on sale of PP&E and inventory to WPI contributed $15.4 million to pre-tax income in Q4 2022.

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

Q4 2022 EBITDA[1]



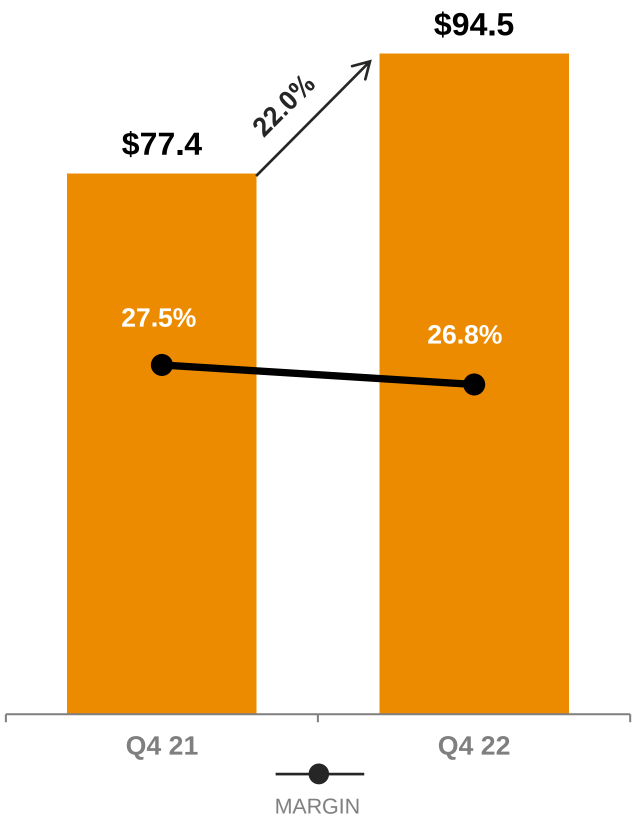
Key Takeaways

- EBITDA of $171.5 million in Q4 22 compared to $109.9 million a year ago.
  - EBITDA increased 56.1% on a 25.6% increase in revenues.
- Margin was 48.6% compared to 39.1% a year ago; increase primarily due to the following:
  - Total gain of $15.4 million on sale of PP&E and inventory - WPI transaction.
  - Improved revenue mix, and higher margins on used equipment and rentals.
  - Decrease in SG&A on a percent of revenue basis.

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

Q4 2022 SG&A Expense[1]

SG&A ($MM)



Key Takeaways

- SG&A was $94.5 million in Q4 22 compared to $77.4 million in Q4 21, an increase of $17.1 million.
  - Increase due primarily to:
    - Employee salaries, wages, incentive compensation related to increased profitability and headcount, and payroll taxes.
    - Facilities expenses.
    - Professional fees.
    - Higher depreciation expense.
  - Approximately $3.3 million of increased costs attributable to the addition of One Source.
  - Branch expansion costs increased $3.6 million in Q4 22 compared to Q4 21.
  - SG&A as a percentage of revenues was 26.8% compared to 27.5% a year ago.

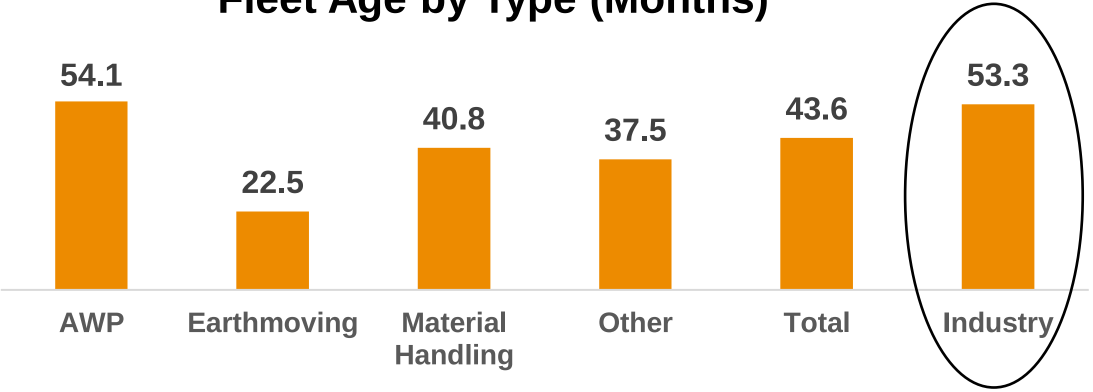
[1] Results and information are presented on a continuing operations basis.

2022 Fleet and Free Cash Flow Update[1]

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

	2016	2017	2018	2019	2020	2021	2022
Gross Rental CapEx[2]	$218.2	$244.7	$ 440.9	$349.1	$138.8	$436.8	$507.8
Sale of Rental Equipment	$(84.4)	$(96.1)	$(112.0)	$(127.6)	$(141.6)	$(133.9)	$(83.7)
Net Rental CapEx	$133.8	$148.6	$328.9	$221.5	$(2.8)	$302.9	$424.1

Fleet Age by Type (Months)



Free Cash Flow Summary ($MM)[3]

	2016	2017	2018	2019	2020	2021	2022
Free Cash Flow[3]	$62.6	$73.1	$(279.0)	$(6.7)	$307.1	$88.6	$(233.3)

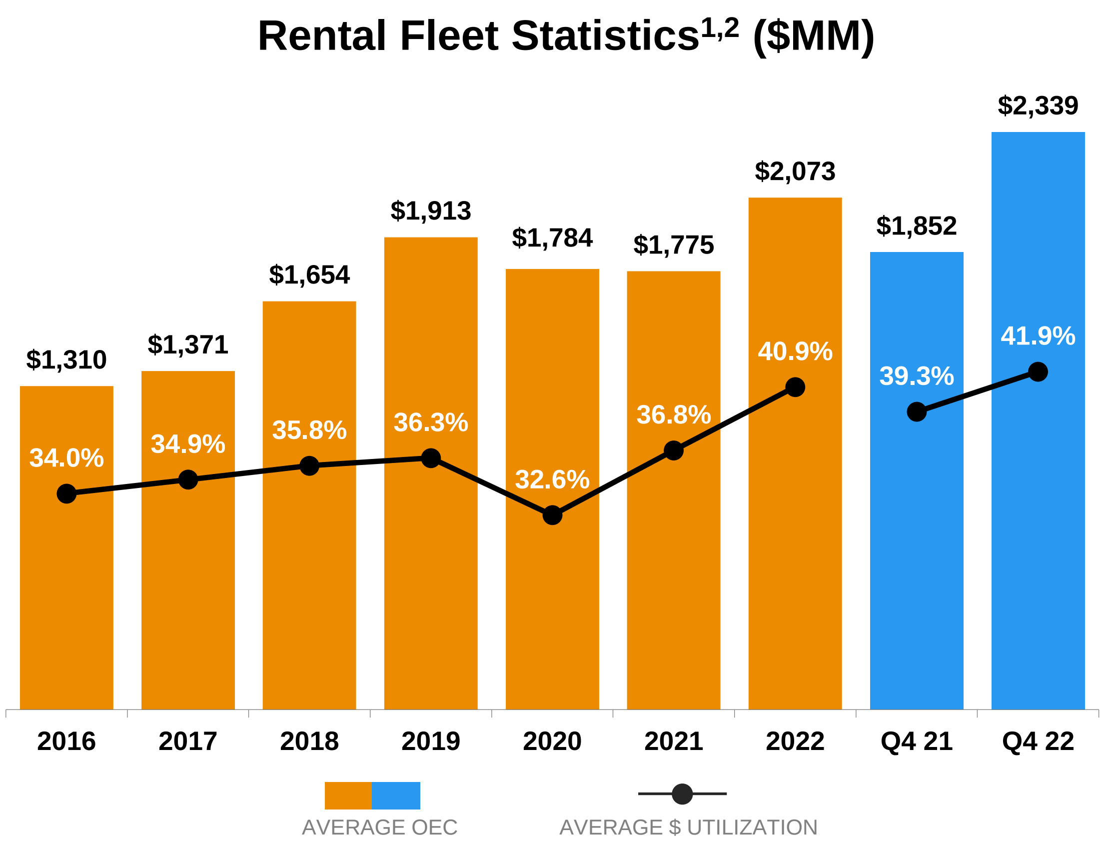
NOTE: Fleet statistics as of December 31, 2022.

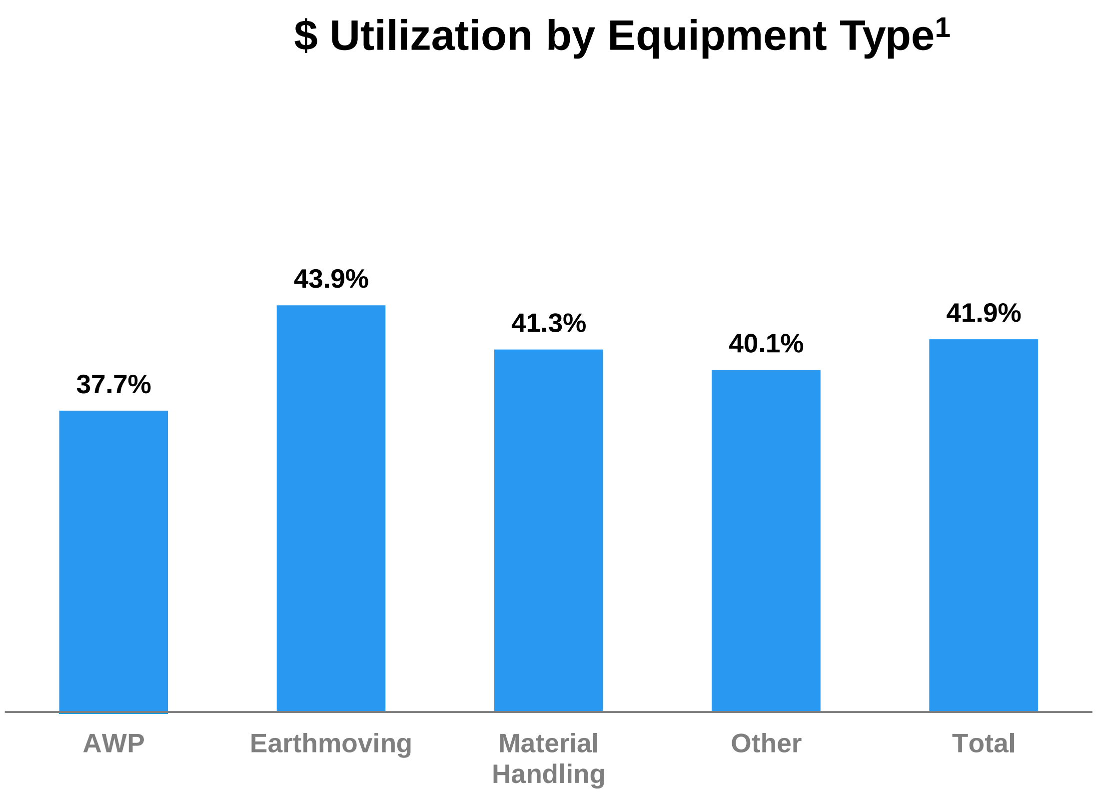
[1] Results and information preceding 2020 include both continuing and discontinued operations.

[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





Note: Fleet statistics as of December 31, 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)

12/31/22	
Cash and Cash Equivalents	**$81.3**
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	**401.0**
Total Book Capitalization	**$1,652.6**

Credit Statistics[2, 5]

	2016	2017	2018	2019	2020	2021	2022
Adj. EBITDA[3] /Total Interest Exp.	5.6x	6.0x	6.4x	6.9x	5.8x	7.3x	9.9x
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%	75.8%

[1] Senior Unsecured Notes exclude $7.0 million of unaccreted discount and $1.6 million of deferred financing costs.

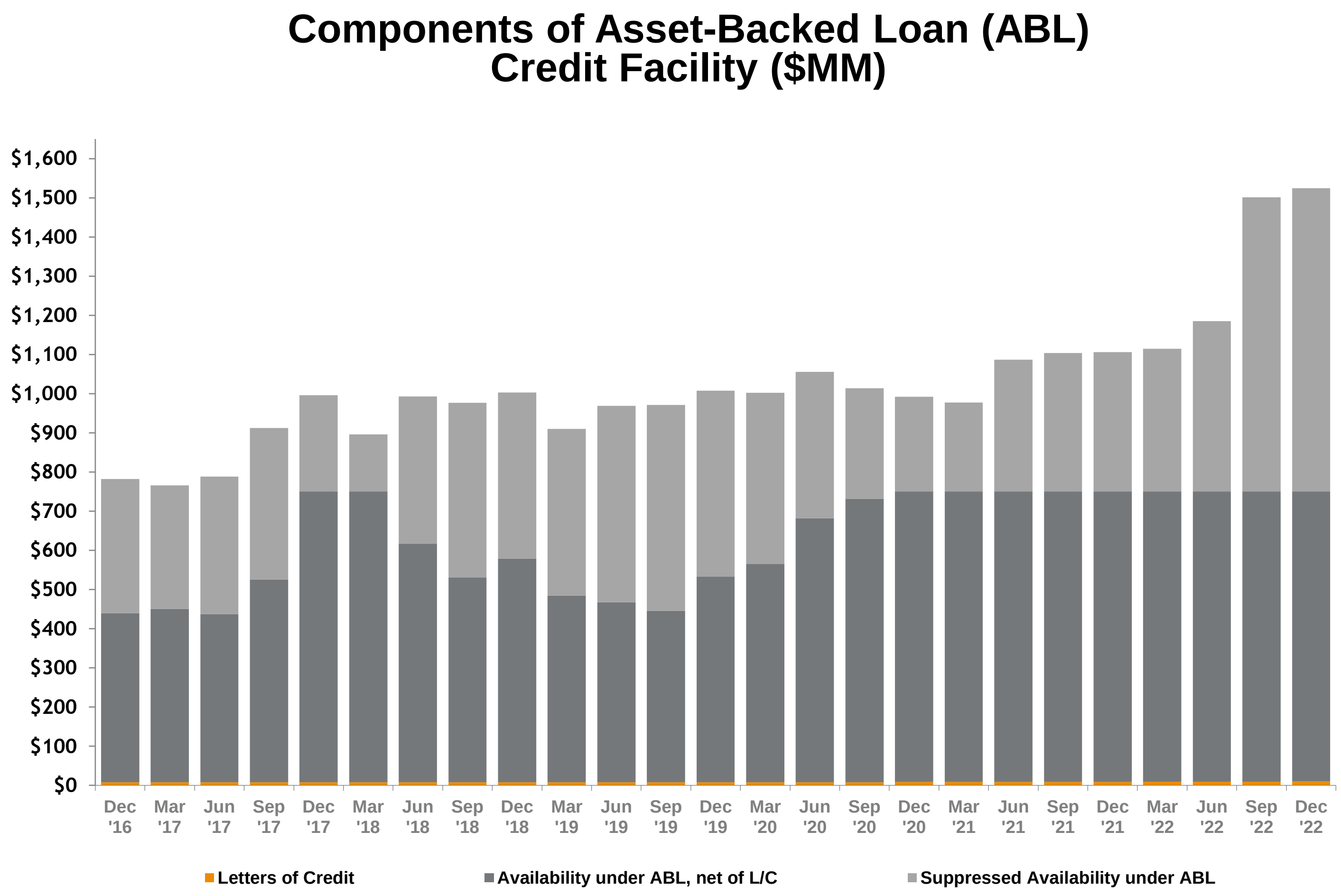
[2] All years preceding 2020 are presented as continuing and discontinued operations.

[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. See Appendix A for a reconciliation of Non-GAAP measures.

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

[5] Due to the recurring nature of our acquisition-related operating expenses, we will no longer adjust EBITDA for merger and other costs effective December 31, 2021.

Liquidity Profile



Key Takeaways

- **Liquidity under facility.**
  - At December 31, 2022, no outstanding balance under $750 million amended ABL facility.
  - $739.4 million of borrowing availability, net of letters of credit, under the ABL at December 31, 2022.
  - Suppressed availability (supporting asset value in excess of $750 million facility size) under ABL borrowing base certificate was $774.1 million at December 31, 2022.
  - Excess availability under the ABL for purposes of the springing fixed charge covenant was $1.5 billion at December 31, 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 December 31, 2022, of $81.3 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 29 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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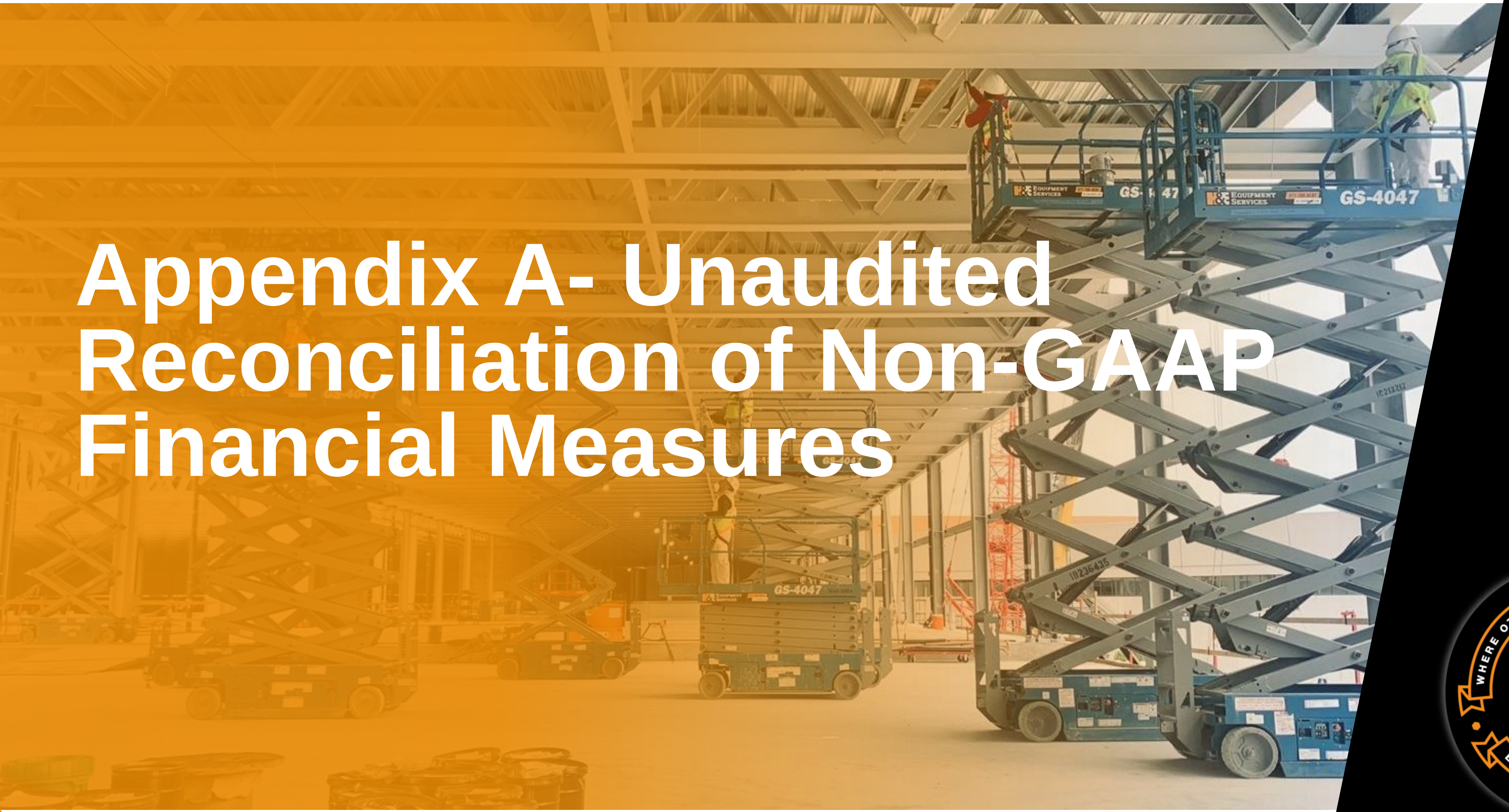
Appendix A- Unaudited Reconciliation of Non-GAAP Financial Measures



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

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 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	Q4 2021	Q4 2022	2022
Net Income (Loss)	$37,172	$109,658	$76,623	$87,211	$(46,396)	$60,564	$21,730	$51,152	$133,694
Interest expense	53,604	54,958	63,707	68,277	61,790	53,758	13,460	13,538	54,033
Provision (Benefit) for income taxes	21,858	(50,314)	28,040	28,650	(13,428)	21,160	7,549	18,069	47,036
Depreciation	189,697	193,245	233,046	272,368	252,681	254,158	66,153	87,096	296,310
Amortization of intangibles	–	–	3,320	4,132	3,987	3,970	992	1,682	4,660
EBITDA	$302,331	$307,547	$404,736	$460,638	$258,634	$393,610	$109,884	$171,537	$535,733
Loss on early extinguishment of debt[2]	–	25,363	–	–	44,630	_	_	–	_
Merger and other[3]	–	(5,782)	708	416	503	_	_	_	_
Impairment of goodwill[2]	–	–	–	12,184	55,664	–	–	–	–
Adjusted EBITDA	$302,331	$327,128	$405,444	$473,238	$359,431	$393,610	$109,884	$171,537	$535,733

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 includes goodwill impairment charges in the fourth quarter ended December 31, 2019, and in the first quarter ended March 31, 2020.

3 Adjustment includes the net merger breakup fee proceeds associated with the terminated merger agreement with Neff Corporation and subsequent merger and other costs. Due to the recurring nature of our acquisition-related operating expenses, we will no longer adjust for merger and other costs effective with the year ending December 31, 2021.

Appendix A[1]

Free Cash Flow GAAP Reconciliation ($ in thousands)

	2016	2017	2018	2019	2020	2021	2022
Net cash provided by operating activities	$176,979	$226,199	$247,211	$319,218	$286,016	$259,572	$313,238
Acquisition of business, net of cash acquired	–	–	(196,027)	(106,746)	–	–	(135,710)
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)	(51,452)
Purchases of rental equipment[2]	(179,709)	(234,209)	(416,600)	(309,654)	(116,363)	(418,082)	(464,434)
Proceeds from sale of property and equipment	3,805	7,506	9,261	6,050	14,524	11,884	23,626
Proceeds from sale of rental equipment	84,389	96,143	112,086	127,558	141,594	133,900	83,689
Free cash flow	$62,569	$73,124	$(279,029)	$(6,685)	$307,106	$88,597	$(233,299)

[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	2022
Transfers of new and used inventory	$38.5	$10.5	$24.3	$39.5	$22.4	$18.7	$43.3

[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 December 31,		Twelve Months Ended December 31,	
	2022	**2021**	**2022**	**2021**
RENTAL				
Equipment rentals [2]	$ 245,004	$ 181,993	$ 847,555	$ 653,004
Rental other	30,672	21,693	108,487	76,696
Total equipment rentals	275,676	203,686	956,042	729,700
RENTAL COST OF SALES				
Rental depreciation	79,134	59,467	267,395	227,772
Rental expense	35,733	28,465	128,850	109,365
Rental other	28,779	21,540	99,554	76,934
Total rental cost of sales	143,646	109,472	495,799	414,071
RENTAL REVENUES GROSS PROFIT (LOSS)				
Equipment rentals	130,137	94,061	451,310	315,867
Rentals other	1,893	153	8,933	(238)
Total rental revenues gross profit	$ 132,030	$ 94,214	$ 460,243	$ 315,629
RENTAL REVENUES GROSS MARGIN				
Equipment rentals	53.1%	51.7%	53.2%	48.4%
Rentals other	6.2%	0.7%	8.2%	-0.3%
Total rental revenues gross margin	47.9%	46.3%	48.1%	43.3%

[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!

February 22, 2023

H&E EQUIPMENT SERVICES®