H&E Equipment Services®

First Quarter 2021 Earnings Conference

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April 27, 2021

Forward-Looking Information

This presentation contains "forward-looking statements" within the meaning of the federal securities laws. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Statements containing the words "may", "could", "would", "should", "believe", "expect", "anticipate", "plan", "estimate", "target", "project", "intend", "foresee" and similar expressions constitute forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following: (1) risks related to the impact of the COVID-19 pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays and cancellations of construction infrastructure projects, supply chain disruptions and other impacts to the business; (2) general economic conditions and construction and industrial activity in the markets where we operate in North America; (3) our ability to forecast trends in our business accurately, and the impact of economic downturns and economic uncertainty on the markets we serve (including as a result of current uncertainty due to COVID-19); (4) trends in oil and natural gas could adversely affect the demand for our services and products; (5) the impact of conditions in the global credit and commodity markets (including as a result of current volatility and uncertainty in credit and commodity markets due to COVID-19) and their effect on construction spending and the economy in general; (6) relationships with equipment suppliers; (7) increased maintenance and repair costs as we age our fleet and decreases in our equipment's residual value; (8) our indebtedness; (9) risks associated with the expansion of our business and any potential acquisitions we may make, including any related capital expenditures or our 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 in our public filings, including the risk factors included in the Company's most recent Annual Report on Form 10-K. Investors, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the SEC, we are under no obligation to publicly update or revise any forward-looking statements after the date of this presentation.

Non-GAAP Financial Measures

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

First Quarter Overview, Market Conditions, Growth Strategy

- Q1 2021 Summary
- Current Operating Environment
- Growth Strategy Update
- Supplemental Company Data
    - Rental Performance
    - Regional Branch Map
    - End-User Markets and Fleet Mix

First Quarter Financial Overview

- Q1 2021 Results
- 2021 Fleet and Free Cash Flow Update
- Capital Structure Update

Question and Answer Session

Brad Barber CHIEF EXECUTIVE OFFICER

First Quarter 2021 Overview, Market Conditions and Growth Strategy

Total Revenue
$278.4M ↓ 2.6% YOY

Physical Utilization
63.5% ↓ 80 bps YOY

Adjusted EBITDA[1]
$83.2M ↓ 16.2% YOY

Managing Fleet Size
$11.2M ↓ 0.6% YTD

Total Rental Revenue
$156.2M ↓ 10.5% YOY

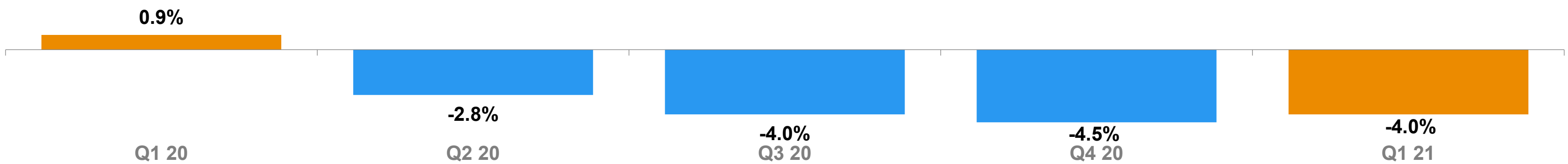
Growth Strategy
Executing ↑

[1]For a reconciliation to GAAP financial measures, see Appendix beginning on Slide 20.

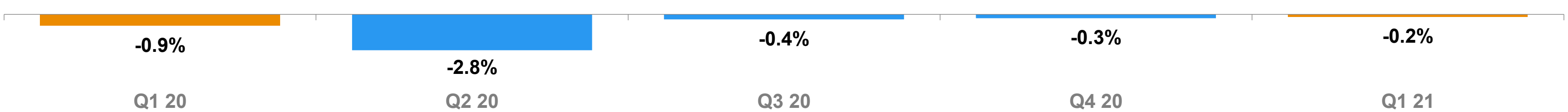
Rental Business Highlights

- Rental revenue decreased 11.8% to $139.9 million compared to $158.6 million in Q1 2020.
- Rental gross margins were 42.1% compared to 46.1% in Q1 2020.
- Rental rates decreased 4.0% over Q1 2020; rates decreased 0.2% sequentially.
- Time utilization (based on OEC) was 63.5% vs. 64.3% in Q1 2020.
- Dollar utilization was 32.0% vs. 33.1% in Q1 2020.

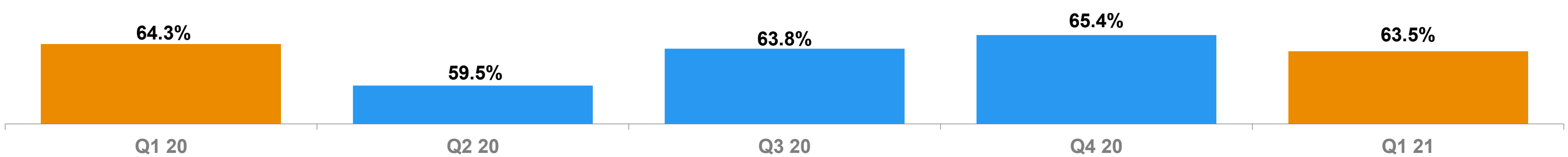
Year-Over-Year Average Rental Rate Trends



Sequential Average Rental Rate Trends



Time Utilization Trends (OEC)



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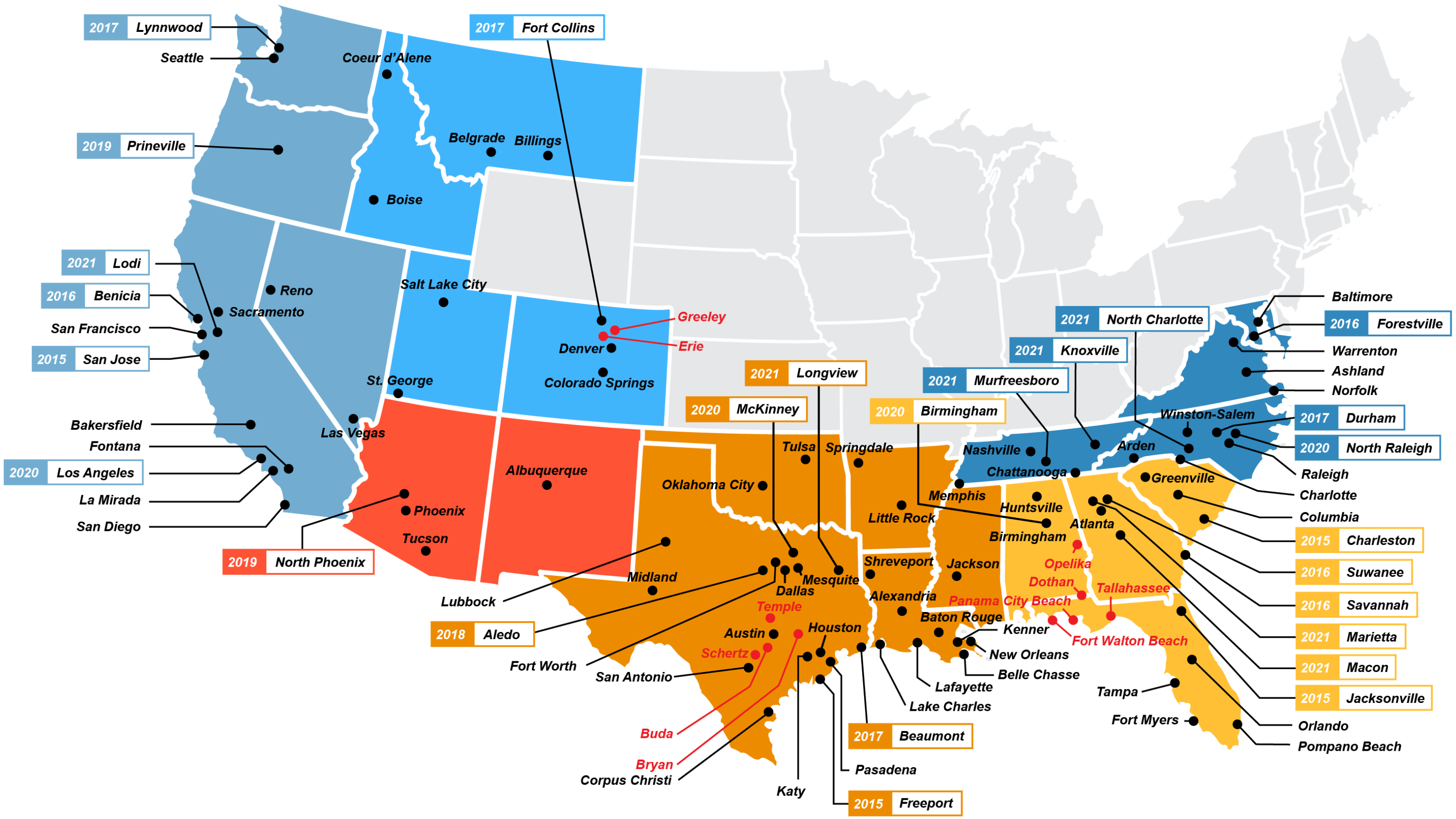
Regional Branch Map



104
Locations in 23 States

Branch Opening Year and Count

YTD	7
2020	4
2019	2
2018	1
2017	4
2016	4
2015	4

Acquisitions and Location Count

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

West Coast
13% Revenue
14% Gross Profit
15 Branches

Southwest
6% Revenue
7% Gross Profit
4 Branches

Intermountain
16% Revenue
18% Gross Profit
11 Branches

Gulf Coast
42% Revenue
36% Gross Profit
37 Branches

Southeast
11% Revenue
13% Gross Profit
22 Branches

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

Revenue and gross profit data is as of LTM March 31, 2021.

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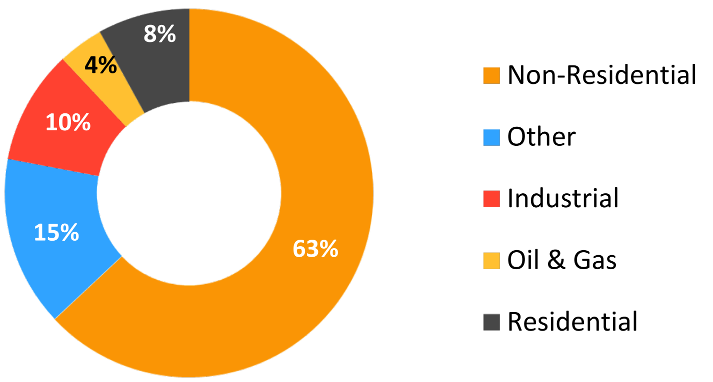
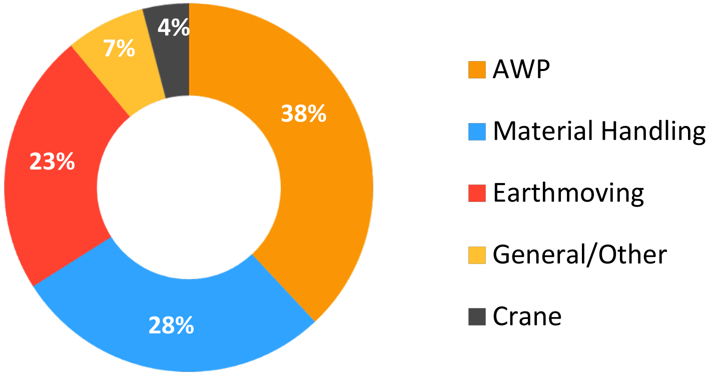
Well Diversified End-User Markets / Fleet

- **End-market exposure and fleet mix are strategic advantages for our business.**
- **Non-residential construction end market focus; equipment on wide variety type of non-residential projects.**
- **Key industry indicators are rebounding:**
  - **February Dodge Momentum Index rose 7.1% to 148.8 from 139.1 in January; highest level in nearly three years. March DMI rose to 151.4 with institutional projects at highest level since 2018.**
  - **March ABI increased to 55.6 from 53.3 in February, reaching its highest point since July 2007.**
  - **The ABC Backlog Indicator and ABC Customer Confidence Index have shown solid improvements in recent months.**
- **Demand in Texas is strong and broad-based.**
- **First quarter physical utilization in key oil and gas markets up 190 basis points from a year ago.**
- **Young, well-maintained fleet; 41.5 months as of March 31, 2021 compared to industry average of 52.5 months.**
- **Large ($400 million based on OEC) and diverse earthmoving fleet; well-positioned for infrastructure projects.**

Total Revenues by End Market[1]



Fleet Mix[2]

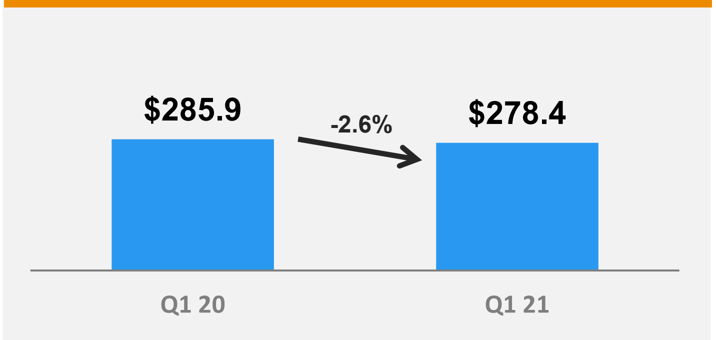


1 – Company data for LTM March 31, 2021.
2 – As of March 31, 2021.

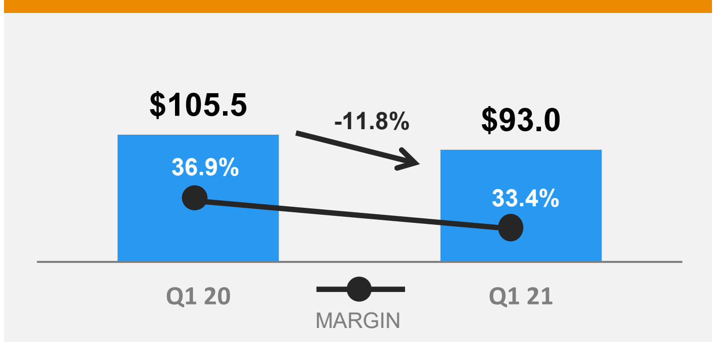
Leslie Magee CHIEF FINANCIAL OFFICER

First Quarter 2021 Financial Overview

Revenues ($MM)



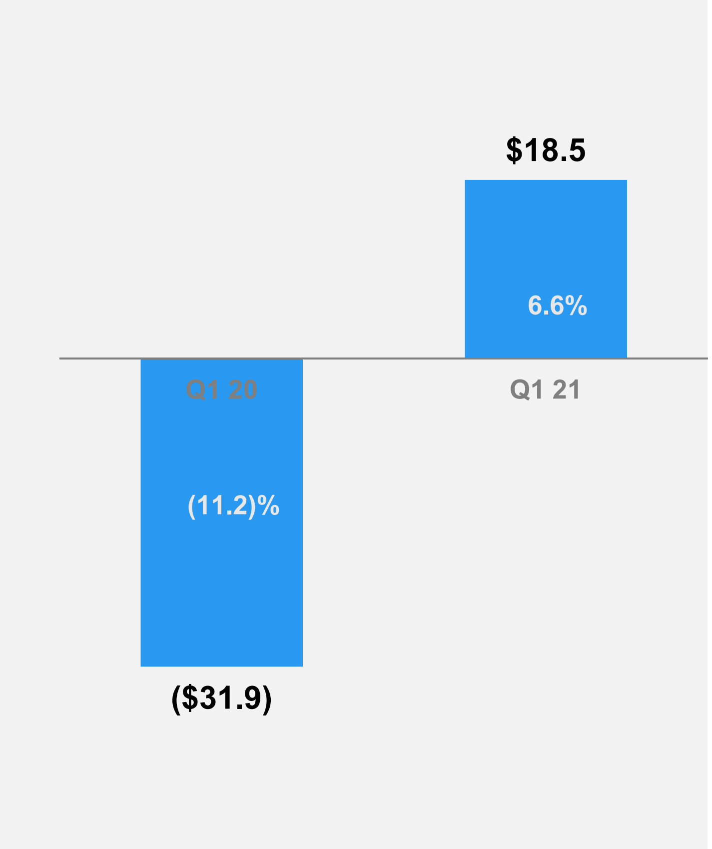
Gross Profit ($MM)



Key Takeaways

- **Revenues decreased 2.6%, or $7.5 million.**
  - Increases in new and used equipment; declines in rentals and parts and service.
- **Rental revenue decreased 11.8% to $139.9 million vs. $158.6 million a year ago.**
  - Average rates down 4.0% from a year ago; sequential rates down 0.2%.
  - Utilization at 63.5% (on an OEC basis), down 80 bps from a year ago.
  - Fleet 0.6% smaller than prior year end; 8.4% smaller than a year ago.
- **New equipment sales increased 22.3%, or $6.9 million, to $37.7 million.**
  - Increase is primarily due to higher new crane sales.
- **Used equipment sales increased 33.8%, or $10.5 million, to $41.8 million.**
  - Increase is primarily due to higher sales in all product lines except used cranes.
- **Gross profit decreased 11.8%, or $12.5 million.**
  - Gross margin was 33.4% vs. 36.9% largely driven by rental gross margins, used equipment sales margins and revenue mix.
    - Margins by segments Q1 21 vs. Q1 20:
      - Total Equipment Rentals 37.4% vs. 41.3%
        - Rentals 42.1% vs. 46.1%
      - New 11.4% vs. 11.2%
      - Used 32.1% vs. 34.5%
        - Fleet only 34.0% vs. 36.4%
      - Parts 26.8% vs. 26.4%; Service 67.6% vs. 67.1%

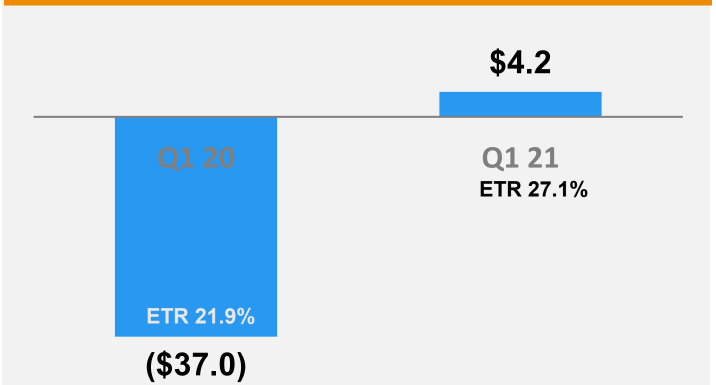
Income from Operations ($MM)



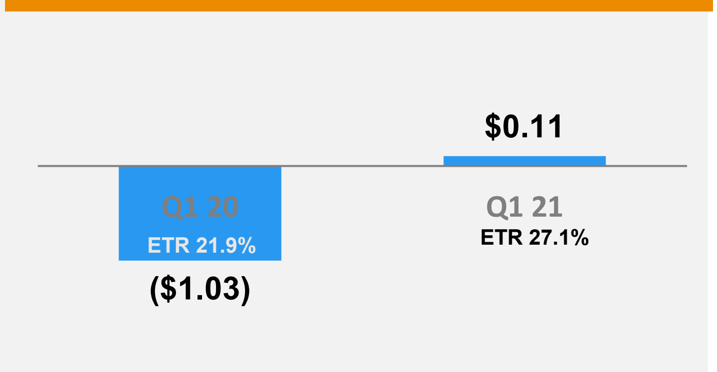
Key Takeaways

- **Income from operations was $18.5 million compared to a loss from operations of $(31.9) million a year ago.**
- **The Q1 20 period included a non-cash goodwill impairment charge of $62.0 million. Excluding this item, Q1 20 income from operations was $30.1 million.**
- **Included in income from operations was gain on sales of property and equipment of $0.2 million in Q1 21 compared to $4.3 million a year ago.**
- **Margins were 6.6% in Q1 21 vs. (11.2)% in Q1 20; excluding the impairment charge in Q1 20, margins were 10.5%. The net decrease on an adjusted basis in margin is primarily due to the following:**
  - Lower gross margins in rentals and used equipment sales.
    - Equipment rental margins decreased 400 basis points.
  - Revenue mix.
  - Lower gain on sales of property and equipment.

Net Income ($MM)



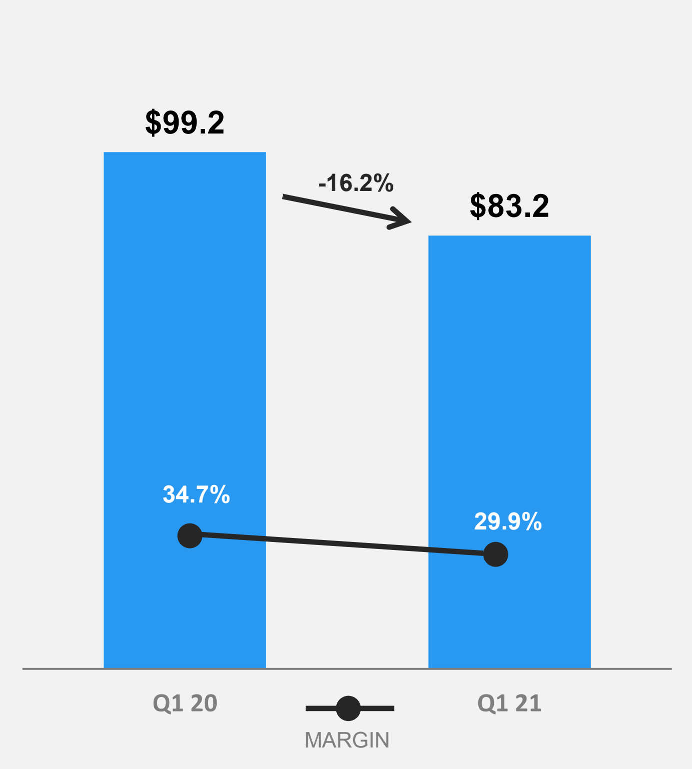
Net Income Per Share



Key Takeaways

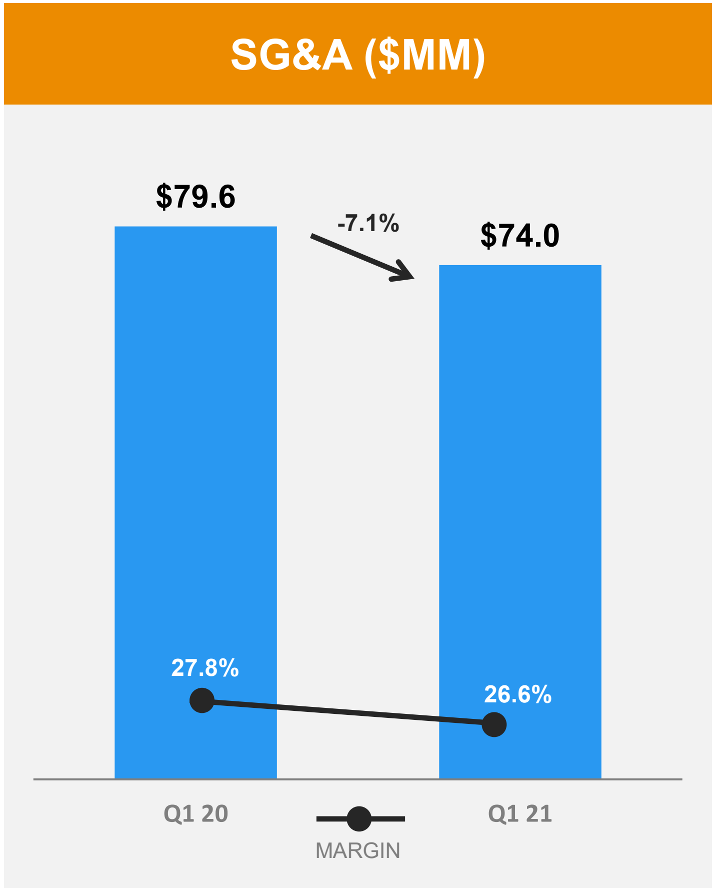
- **Net income of $4.2 million compared to a net loss of $(37.0) million in Q1 20. Adjusted net income in Q1 20 was $10.8 million.**
- **Diluted net income per share was $0.11 vs. diluted net loss per share of $(1.03) a year ago. Adjusted diluted net income per share in Q1 20 was $0.30.**
  - Effective tax rate ("ETR") was 27.1% vs. 21.9% a year ago. On an adjusted basis, ETR was 26.2% in Q1 20.

Adjusted EBITDA ($MM)



Key Takeaways

- **Results were Adjusted EBITDA of $83.2 million in Q1 21 compared to $99.2 million a year ago.**
  - Adjusted EBITDA decreased 16.2% on a 2.6% decrease in revenues.
- **Margin was 29.9% compared to 34.7% a year ago primarily due to the following:**
  - Revenue mix shift to higher new and used equipment sales.
  - Lower margins in rentals and used equipment sales.
    - Equipment rental margins decreased by 400 basis points largely driven by lower rates and time utilization.
  - Lower gain on sales of property and equipment which decreased by $4.1 million to $0.2 million in Q1 21.
  - Partially offsetting decreases to EBITDA margin was a positive impact from the decline in SG&A expenses.



Key Takeaways

- **SG&A was $74.0 million compared to $79.6 million in Q1 20, a $5.7 million decrease.**
  - SG&A as a percentage of revenues was 26.6% compared to 27.8% a year ago.
  - Decreases:
    - $3.4 million in employee salaries, wages, payroll taxes and related employee benefits, and other employee related expenses
    - $1.3 million in bad debt expense
    - $0.9 million in liability insurance expense
    - $0.6 million in legal and professional fees.
  - Increase:
    - $1.0 million increase in accrued litigation loss contingencies.
  - Greenfield branch expansion costs were $2.2 million compared to a year ago.

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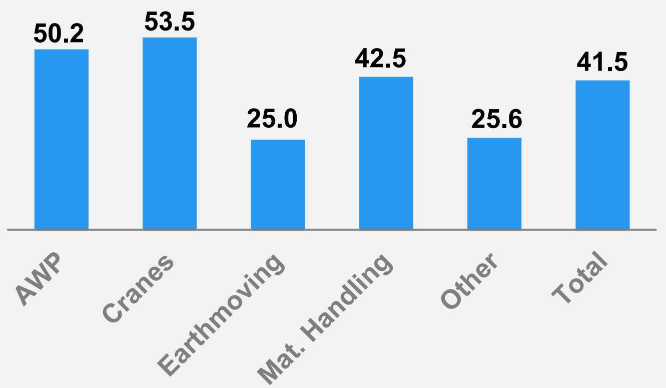
2021 Fleet and Free Cash Flow Update

Rental Cap-Ex Summary ($MM)

	2015	2016	2017	2018	2019	2020	3 Mos. Ended March 31, 2020	3 Mos. Ended March 31, 2021
Gross Rental CapEx[1]	$230.2	$218.2	$244.7	$ 440.9	$349.1	$138.8	$32.5	$71.7
Sale of Rental Equipment	$ (99.5)	$ (84.4)	$(96.1)	$(112.0)	$(127.6)	$(141.6)	$(29.1)	(38.8)
Net Rental CapEx	$130.7	$133.8	$148.6	$328.9	$221.5	$(2.8)	$3.4	$32.9

Fleet Age by Type (Months)



Free Cash Flow Summary ($MM)

	2015	2016	2017	2018	2019	2020	3 Mos. Ended March 31, 2020	3 Mos. Ended March 31, 2021
Free Cash Flow[2]	$104.9	$62.6	$73.1	$(279.0)	$(6.7)	$307.1	$40.5	$22.2

NOTE: Fleet statistics as of March 31, 2021.
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.

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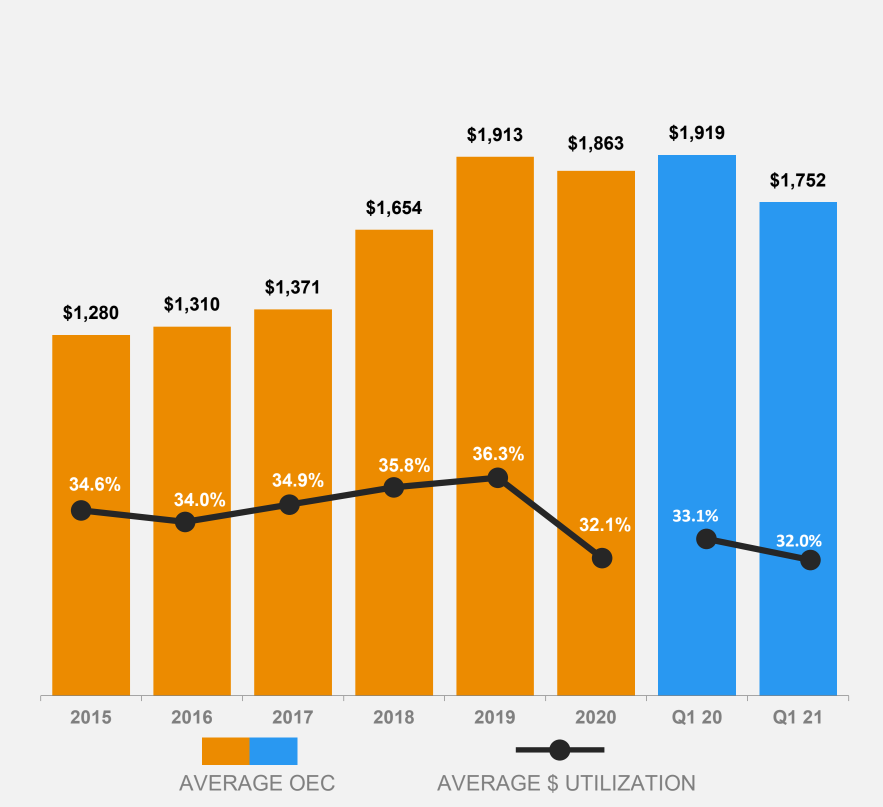
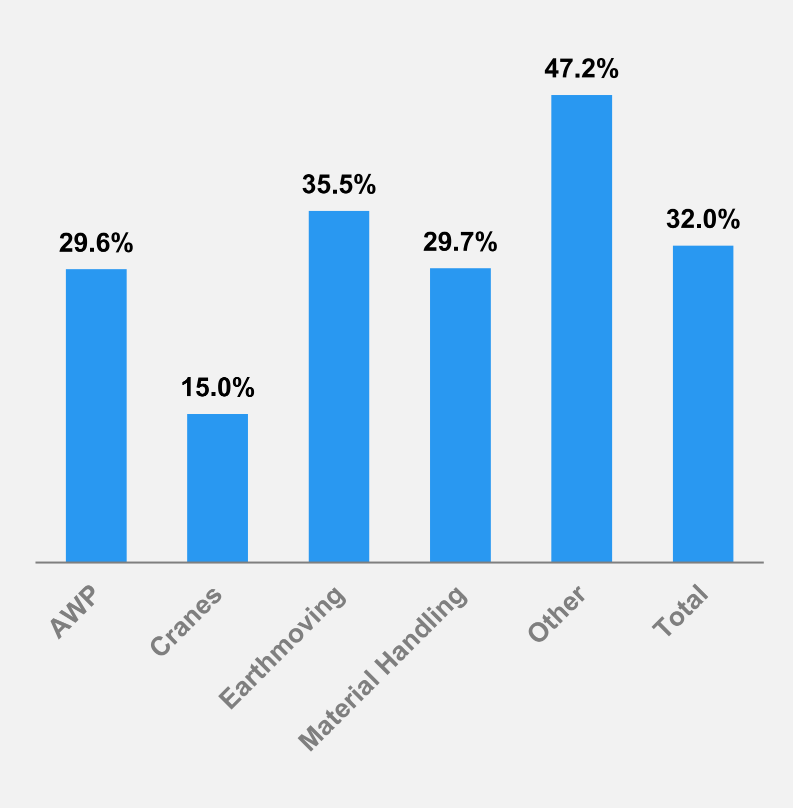
2021 Fleet Update

Rental Fleet Statistics[1] ($MM)



$ Utilization by Equipment Type[1]



Note: Fleet statistics as of March 31, 2021.
1 – Represents rental revenues annualized divided by the average original equipment cost.

Capital Structure ($MM)

3/31/21	
Cash	$322.5
Debt:	
Sr. Sec'd Credit Facility (ABL)	$0.0
Senior Unsecured Notes[1]	1,250.0
Finance Lease Liabilities	0.2
Total Debt	$1,250.2
Shareholders' Equity	233.7
Total Book Capitalization	$1,483.9

Credit Statistics

	2015	2016	2017	2018	2019	2020	LTM Q1 2021
Adj. EBITDA[2] /Total Interest Exp.	5.9x	5.6x	6.0x	6.4x	6.9x	6.4x	6.4x
Total Net Debt[3] /Adj. EBITDA[2]	2.6x	2.6x	2.4x	2.7x	2.4x	2.4x	2.4x
Total Debt /Total Capitalization	85.1%	84.8%	81.4%	81.4%	79.2%	84.0%	84.3%

1 – Senior Unsecured Notes exclude $9.0 million of unaccreted discount and $2.1 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; $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 $62.0 million impairment charge in the first quarter of 2020, 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, deferred costs associated therewith in the fourth quarter of 2020; and $0.7 million in merger and other costs in the first quarter of 2021. See Appendix A for a reconciliation of Non-GAAP measures.
3 – Net debt is defined as total debt less cash on hand.

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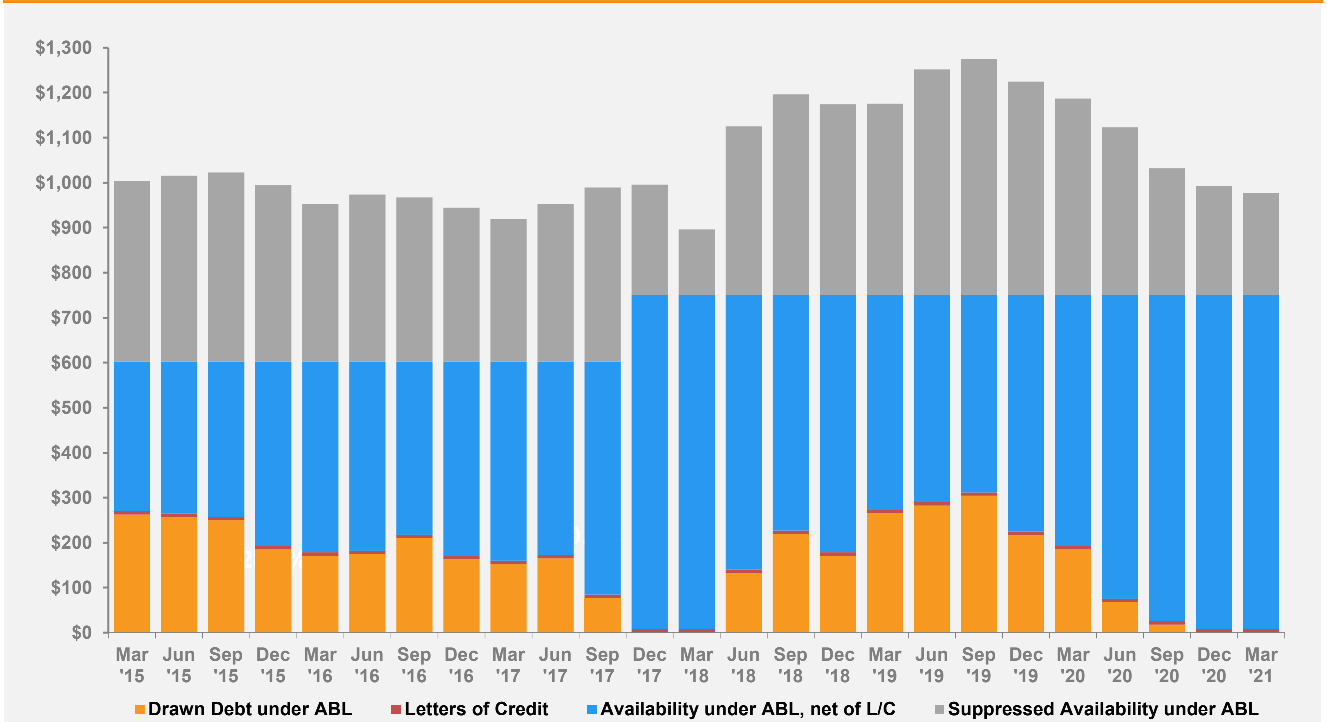
Liquidity Profile

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



Credit Facility

- **Liquidity under facility.**
  - At March 31, 2021, no outstanding balance under $750 million amended ABL facility.
  - $741.3 million of borrowing availability, net of letters of credit, under the ABL at March 31, 2021.
  - Suppressed availability (supporting asset value in excess of $750 million facility size) under ABL borrowing base certificate was $227.2 million at March 31, 2021.
  - Excess availability under the ABL for purposes of the springing fixed charge covenant was $968.5 million at March 31, 2021.
  - No covenant concern.
    - Minimum excess availability requirement is $75 million, or 10% of the $750 million amended ABL facility.

Appendix A-Unaudited Reconciliation of Non-GAAP Financial Measures

Unaudited Reconciliation of Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Free Cash Flow are non-GAAP measures as defined under the rules of the SEC. We define EBITDA as net income (loss) before interest expense, income taxes, depreciation and amortization. For the year ended December 31, 2017, we define Adjusted EBITDA as EBITDA adjusted for 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 the $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, $62.0 million of goodwill impairment charges and $0.5 million of merger costs. We define Adjusted EBITDA for the three month period ended March 31, 2020 as EBITDA adjusted for $62.0 million of goodwill impairment charges and $0.04 million of merger costs. We define Adjusted EBITDA for three months period ended March 31, 2021 as EBITDA adjusted for the $0.7 million of merger and other costs. We define Adjusted EBITDA for the last twelve months ended March 31, 2021 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 and $1.2 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 use Adjusted Net Income and Adjusted Net Income per Share in our business operations to, among other things, analyze our financial performance on a comparative period basis without the effects of significant one-time, non-recurring items. Additionally, we believe Adjusted Income from Operations, Adjusted Net Income and Adjusted Net Income per Share provide useful information concerning future profitability. However, Adjusted Income from Operations, Adjusted Net Income and Adjusted Net Income per Share are not measures of financial performance under GAAP and, accordingly, these measures should not be considered as alternatives to GAAP Net Income and GAAP Net Income per Share. Because Adjusted Income from Operations, Adjusted Net Income and Adjusted Net Income per Share are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

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

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

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Appendix A

EBITDA and Adjusted EBITDA GAAP Reconciliation ($ in thousands)

	2015	2016	2017	2018	2019	2020	Q1 2020	Q1 2021	LTM 03/31/21
Net Income (Loss)	$44,305	$37,172	$109,658	$76,623	$87,211	$(32,667)	$(36,968)	4,151	8,452
Interest expense	54,030	53,604	54,958	63,707	68,277	61,790	16,030	13,443	59,203
Provision (Benefit) for income taxes	31,371	21,858	(50,314)	28,040	28,650	(8,719)	(10,343)	1,540	3,164
Depreciation	186,457	189,697	193,245	233,046	272,368	263,330	67,424	62,294	258,200
Amortization of intangibles	-	-	-	3,320	4,132	3,987	1,010	993	3,970
EBITDA	$316,163	$302,331	$307,547	$404,736	$460,638	$287,721	$37,153	82,421	332,989
Loss on early extinguishment of debt[1]	-	-	25,363	-	-	44,630	-	-	44,630
Merger and other[1]	-	-	(5,782)	708	416	503	40	737	1,200
Impairment of goodwill[1]	-	-	-	-	12,184	61,994	61,994	-	-
Adjusted EBITDA	$316,163	$302,331	$327,128	$405,444	$473,238	$394,848	$99,187	83,158	378,819

1 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.

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

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

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

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

Free Cash Flow GAAP Reconciliation ($ in thousands)

	2015	2016	2017	2018	2019	2020	3 Mos. Ended March 31, 2020	3 Mos. Ended March 31, 2021
Net cash provided by operating activities	$206,620	$176,979	$226,199	$247,211	$319,218	$286,015	$34,462	46,915
Acquisition of business, net of cash acquired	-	-	-	(196,027)	(106,746)	-	-	-
Purchases of property and equipment	(26,797)	(22,895)	(22,515)	(34,960)	(43,111)	(18,664)	(10,069)	(7,329)
Purchases of rental equipment[1]	(178,772)	(179,709)	(234,209)	(416,600)	(309,654)	(116,363)	(19,785)	(56,313)
Proceeds from sale of property and equipment	4,289	3,805	7,506	9,261	6,050	14,524	6,880	156
Proceeds from sale of rental equipment	99,521	84,389	96,143	112,086	127,558	141,594	29,056	38,801
Free cash flow	$104,861	$62,569	$73,124	$(279,029)	$(6,685)	$307,106	$40,544	22,230

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 16.

Transfers from New and Used Inventory ($MM)

	2015	2016	2017	2018	2019	2020	3 Mos. Ended March 31, 2020	3 Mos. Ended March 31, 2021
Transfers of new and used inventory	$51.4	$38.5	$10.5	$24.3	$39.5	$22.4	$12.7	$15.4

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

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
RENTAL REVENUES				
Equipment rentals[1]	$	139,941	$	158,618
Rentals other		16,283		15,901
Total equipment rentals		156,224		174,519
RENTAL COST OF SALES				
Rental depreciation		55,349		59,986
Rental expense		25,688		25,569
Rental other		16,723		16,805
Total rental cost of sales		97,760		102,360
RENTAL REVENUES GROSS PROFIT (LOSS)				
Equipment rentals		58,904		73,063
Rentals other		(440)		(904)
Total rental revenues gross profit	$	58,464	$	72,159
RENTAL REVENUES GROSS MARGIN				
Equipment rentals		42.1%		46.1%
Rentals other		-2.7%		-5.7%
Total rental revenues gross margin		37.4%		41.3%

[1] 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.

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RENTALS / SALES / PARTS / SERVICE