Custom Truck One Source

2nd Quarter 2025 Investor Presentation

July 30, 2025

Safe Harbor

This presentation includes certain financial measures that have not been prepared in a manner that complies with generally accepted accounting principles in the United States (“GAAP”), including, without limitation, Adjusted Gross Profit, Adjusted Gross Margin, EBITDA and Adjusted EBITDA (collectively, the “non-GAAP financial measures”). These non-GAAP financial measures may exclude items that are significant in understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to measures of financial performance in accordance with GAAP. Management believes that these non-GAAP financial measures provide meaningful information to investors because they provide insight into how effectively we operate our business. You should be aware that these non-GAAP financial measures may not be comparable to similarly titled measures used by other companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the appendix of this presentation.

This presentation includes market data and other statistical information from third-party sources. Although CTOS believes these third-party sources are reliable as of their respective dates, CTOS has not independently verified the accuracy or completeness of this information

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This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, as amended, and within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, that are based on certain assumptions that management has made in light of its experience in the industry, as well as the Company’s perceptions of historical trends, current conditions, expected future developments and other factors the Company believes are appropriate in these circumstances. When used in this presentation, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “suggests,” “plans,” “targets,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose,” “could,” “would,” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside management’s control, that could cause actual results or outcomes to differ materially from those discussed in this presentation. Important factors, among others, that may affect actual results or outcomes include: increases in labor costs, changes in U.S. trade policy, our inability to obtain raw materials, component parts and/or finished goods in a timely and cost-effective manner, and our inability to manage our rental equipment in an effective manner; competition in the equipment dealership and rental industries; our sales order backlog may not be indicative of the level of our future revenues; increases in unionization rate in our workforce; our inability to attract and retain key personnel, including our management and skilled technicians; material disruptions to our operation and manufacturing locations as a result of public health concerns, equipment failures, natural disasters, work stoppages, power outages or other reasons; any further increase in the cost of new equipment that we purchase for use in our rental fleet or for sale as inventory; aging or obsolescence of our existing equipment, and the fluctuations of market value thereof; disruptions in our supply chain; our business may be impacted by government spending; we may experience losses in excess of our recorded reserves for receivables; uncertainty relating to macroeconomic conditions, unfavorable conditions in the capital and credit markets and our and our customers’ inability to obtain additional capital as required; increases in price of fuel or freight; regulatory technological advancement, or other changes in our core end-markets may affect our customers’ spending; our strategic initiatives including acquisitions and divestitures may not be successful and may divert our management’s attention away from operations and could create general customer uncertainty; the interest of our majority stockholder, which may not be consistent with the other stockholders; volatility of our common stock market price; our significant indebtedness, which may adversely affect our financial position, limit our available cash and our access to additional capital, prevent us from growing our business and increase our risk of default; our inability to generate cash, which could lead to a default; significant operating and financial restrictions imposed by our debt agreements; changes in interest rates, which could increase our debt service obligations on the variable rate indebtedness and decrease our net income and cash flows; disruptions or security compromises affecting our information technology systems or those of our critical services providers could adversely affect our operating results by subjecting us to liability, and limiting our ability to effectively monitor and control our operations, adjust to changing market conditions or implement strategic initiatives; we are subject to complex laws and regulations, including environmental and safety regulations that can adversely affect cost, manner or feasibility of doing business; we are subject to a series of risks related to climate change; and increased attention to, and evolving expectations for, sustainability and environmental, social and governance initiatives. For a more complete description of these and other possible risks and uncertainties, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and its subsequent reports filed with the Securities and Exchange Commission. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements.

CTOS at a Glance

Leading Integrated Provider of Specialty Equipment

- True "One-Stop-Shop" platform, focused on rental and sales
- Deep product knowledge and truck expertise
- Strong track record of consistent growth
- Favorable end markets with positive secular tailwinds
- Proven integration experience and operational focus
- Nationwide footprint, with recent expansion in underserved regions
- Established track record of conservative balance sheet management and de-levering

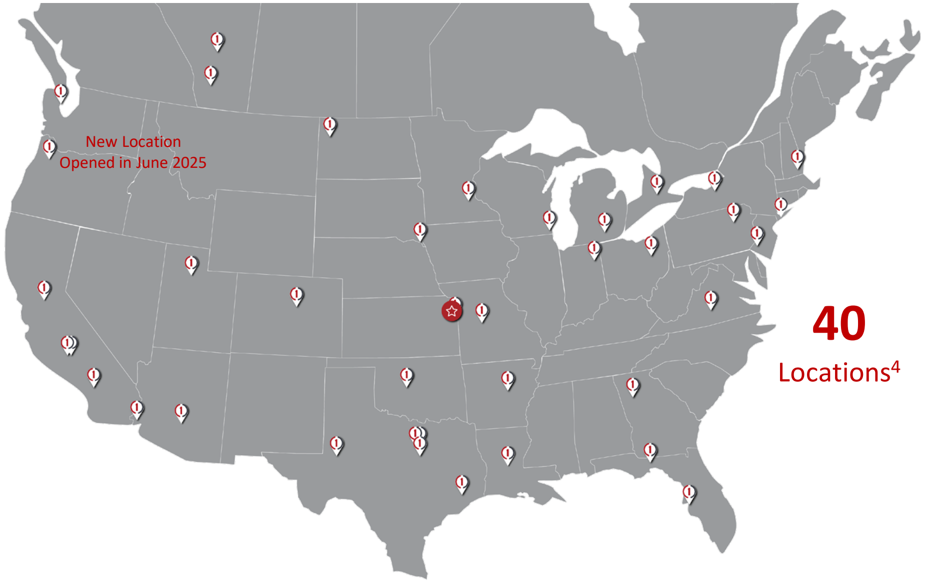
$1.9B+
LTM Revenue[1]

$349M
LTM Adj. EBITDA[1,2]

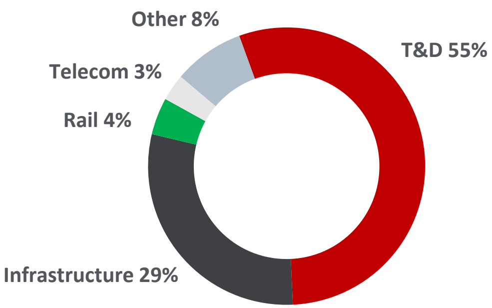
2,600+
Employees[1]

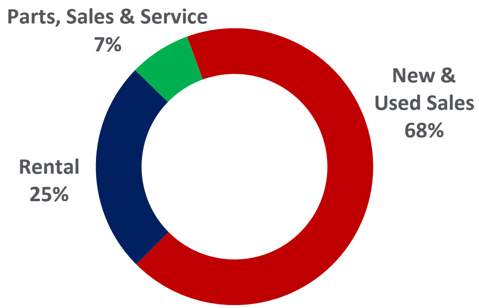
~10,300
Fleet Units[1]

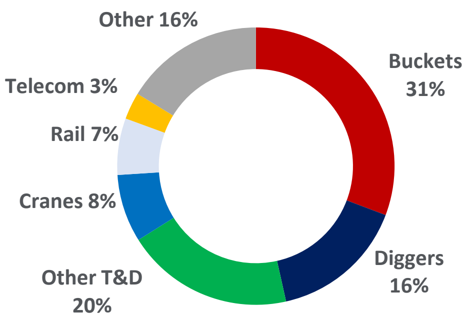
$1.56B
Fleet OEC[3]



End Market & Business Mix







(1) As of, or for the twelve-month period ended, June 30, 2025.
(2) **Adjusted EBITDA** is a non-GAAP measure. Please refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measure.
(3) OEC represents the original equipment cost exclusive of the effect of purchase accounting adjustments applied to rental equipment acquired in business combinations and any rental equipment held for sale. As of June 30, 2025.
(4) Excludes third-party service locations. As of July 30, 2025.
(5) Based on FY24.

CUSTOM TRUCK ONE SOURCE

Q2 2025 – Very Strong Quarter Across All Segments

- Strong fundamentals continue across all end market and product categories
- Revenue of $511M: +21% vs. Q2 '24
  - ERS: $170M — Consistent strength in Rental KPIs and pronounced used sales growth
  - TES: $303M — 2nd highest quarter of sales in our history
  - APS: $38M — Benefitting from improved utility end-market demand
- Adjusted Gross Profit(1) of $157M: +17% vs. Q2 '24
- Adjusted EBITDA(1) of $93M: +17% vs. Q2 '24
- Continue to benefit from previous years' strategic inventory investment
  - Supports continued strong demand for new equipment sales for TES
  - Catalyst for further investment in our ERS fleet in 2025, particularly for specialty vocational trucks that service the Infrastructure end market
- Focused on continued strong execution in H2 '25
  - ERS and TES will continue to benefit from strong demand from customers across our primary end markets
  - Expected inventory reduction to contribute to positive levered free cash flow
  - Expect limited direct cost impact from tariffs this year

(1) **Adjusted Gross Profit and Adjusted EBITDA** are non-GAAP measures. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

CUSTOM TRUCK ONE SOURCE

Unique Business Model = Strong Value Creation

Attractive end markets with long-term secular growth drivers	Infrastructure Bill and Inflation Reduction Act further supercharge end-market tailwinds
Differentiated one-stop shop business model with strong unit economics for rent or buy	Best-in-class asset level returns: High-teens Rental Asset ROICs and New Sales margins of 15%-18%
Market leading specialty rental fleet of approximately 10,300 vehicles and $1.56B of OEC	Youngest, highest quality equipment in the industry
Long-term relationships with blue-chip customer base	Demonstrated ability to grow with our customers and win new logos
Nationwide footprint provides superior customer service and operating flexibility	40 branches with more than 300 technicians, with ability to expand further
CTOS/Nesco combination created multiple operating synergy opportunities and scale benefits	Improved operating and production efficiency with increased scale resulting in enhanced vendor relationships
Executing on a well-defined growth strategy	Value creation for shareholders
Solid balance sheet and prudent capital investment strategy	Financial flexibility to both reduce leverage and invest for growth

Favorable End-Market Dynamics

Strong, Multi-Year End-Market Tailwinds with Continued Upside from 2021 Infrastructure Investment and Jobs Act

T&D

Rapidly increasing major projects driven by AI-driven data center growth, the need for grid upgrades and hardening, renewable energy investment and EV mandates, coupled with frequent, often government mandated, maintenance

T&D Capex

~$95B	10.0%
Annual Total Spend '24E	*'20-'24E CAGR*

IIJA Impact: $79B

INFRASTRUCTURE

Large and growing pent-up demand in North America with growing bipartisan support to address

Infrastructure Capex

~$302B	8.5%
Annual Total Spend '24	*'20-'24 CAGR*

IIJA Bill Impact: $210B

RAIL

Aging rail infrastructure drives extensive replacement / refurbishment spend, while increasing consumer usage and freight transportation needs are driving investment

Rail Capex

~$13B	7.2%
Annual Total Spend '24	*'20-'24 CAGR*

IIJA Bill Impact: $66B

TELECOM

Greatly expanded nationwide broadband offerings via the IIJA-funded BEAD program, as well as the continued build-out and implementation of 5G technology driving investments over next decade while significant recurring maintenance of existing networks required

Telecom Capex

~$95B	4.0%
Annual Total Spend '23	*'19-'23 CAGR*

IIJA Bill Impact: $65B

Source: SEC Filings, Edison Electric Institute, FMI and US Telecom

Diverse, Highly Loyal Customer Base

Highlights

- Serve more than 8,000 customers, with the top 15 customers representing ~18% of revenue
- No customer represents more than 3% of company revenue
- Strong brand recognition and awareness among industry-leading customers
- 15+ year tenure with top customers
- Breadth of equipment and geographic reach enables servicing of largest national customers with recurring business tied to long-term engagements

T&D

Quanta Services, American Electric Power, MYR Group, Pike, Primoris, Quality Lines Inc., res, New River Electrical Corporation, Davey, Linetec (A Centuri Company), Lewis, Asplundh, EquipmentShare, Duke Energy, Kendall Vegetation Services, Consumers Energy, Xylem Tree Experts

Infrastructure / Telecom

MasTec, Dycom, Excell Communications, Waste Connections, WM Waste Management, Beacon, Frontier, Barnard, Holt CAT, Bright Star Solutions, Tilson, The Hydaker-Wheatlake Co. Builders of Power Lines Since 1924, Thayer Power & Communication, ERS, Forbes Bros Group of Companies

Rail

BNSF Railway, Genesee & Wyoming (G&W), RailWorks, BART Bay Area Rapid Transit, mass. electric construction company, Balfour Beatty, Amtrak, Sound Transit, CPKC, CN, Union Pacific

Note: Metrics are as of and for the year ended 12/31/24, unless otherwise noted.

Differentiated “One-Stop-Shop” Business Model

Integrated Production Capabilities and Rental + Sales Model Provides Unique Value Proposition

Integrated Production Capabilities | **One-Stop-Shop Value Proposition**

Unit Economic Advantages | **Multiple Revenue Streams** | **Strong, Consistent Returns**

Chassis OEM

Body OEM

Attachment OEM

Boom Cable Placer Bucket

→

Completed Unit

→

Service Offering

Production and Customization

Rental

New and Used Sales

Aftermarket Parts and Service

Financing

Disposal

→

End Markets Served

TRANSMISSION & DISTRIBUTION (T&D)

INFRASTRUCTURE

RAIL

TELECOM

WASTE

→

Customer Benefits

- ✓ End-to-end customer solution
- ✓ Single point of contact for customer
- ✓ Ability to customize equipment to meet customer needs

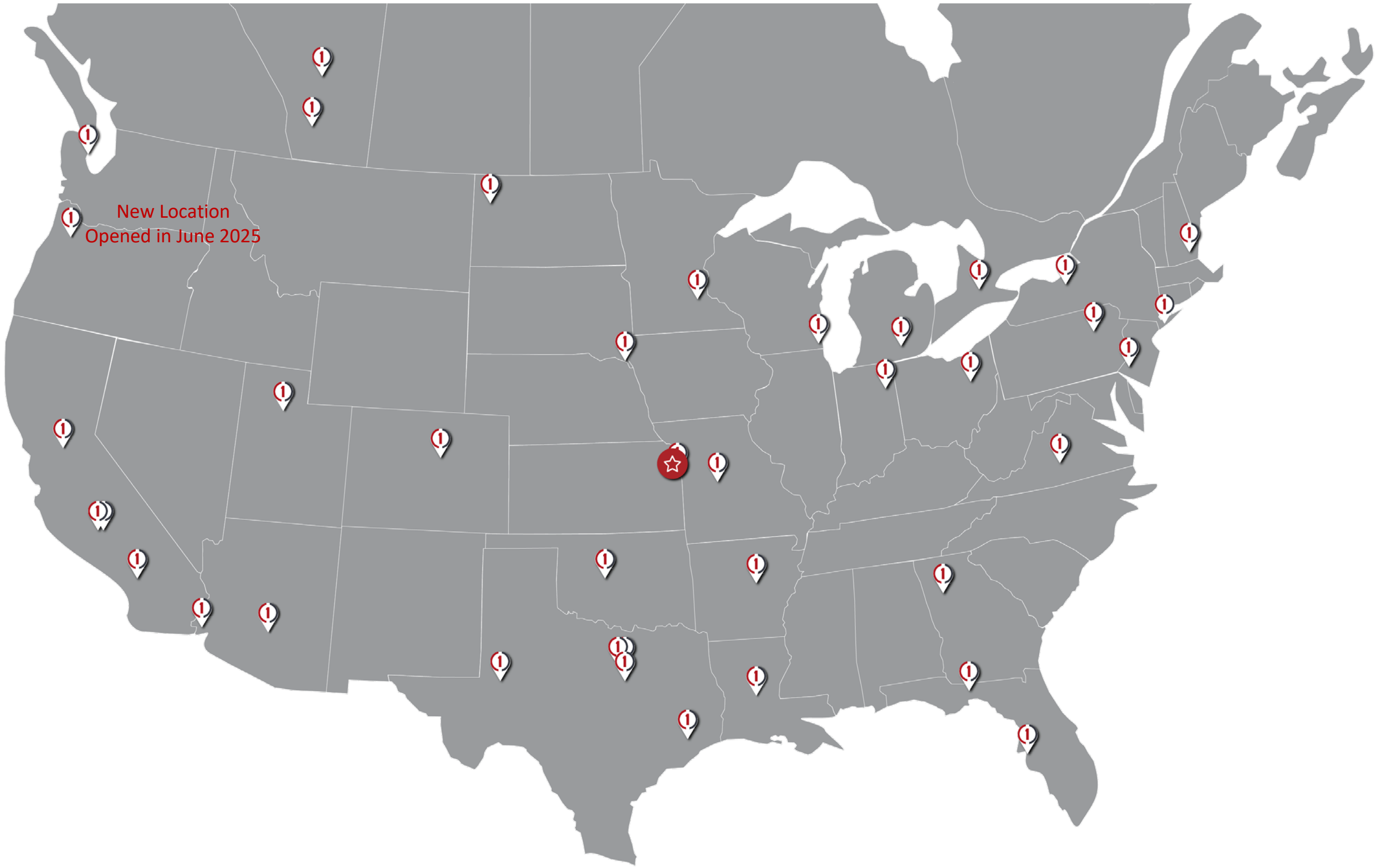
CTOS Benefits

- ✓ Superior unit economics
- ✓ Size and Scale
- ✓ Production efficiencies and cost leverage
- ✓ Increased opportunity for customer share-of-wallet

Note: Graphic shows representative components and is not intended to be exhaustive.

National Branch Network

National Footprint Provides Flexibility in Managing the Rental Fleet and Superior Customer Service for Rental and Sales Customers



- 40 locations in the U.S. and Canada, including a new location in Portland, OR, which opened in June 2025
  - Highlights our confidence in the strength of the rental market
  - Reinforces our commitment to our growth strategy
- More than 300 technicians located throughout our branches
  - 90+ mobile technicians capable of being deployed across the country
- Opportunity remains to invest in underserved regions
  - Pacific Northwest
  - Northern California
  - NY/NJ Metro
  - Carolinas
- Targeting several additional sites over the next few years

Our ESG Strategy

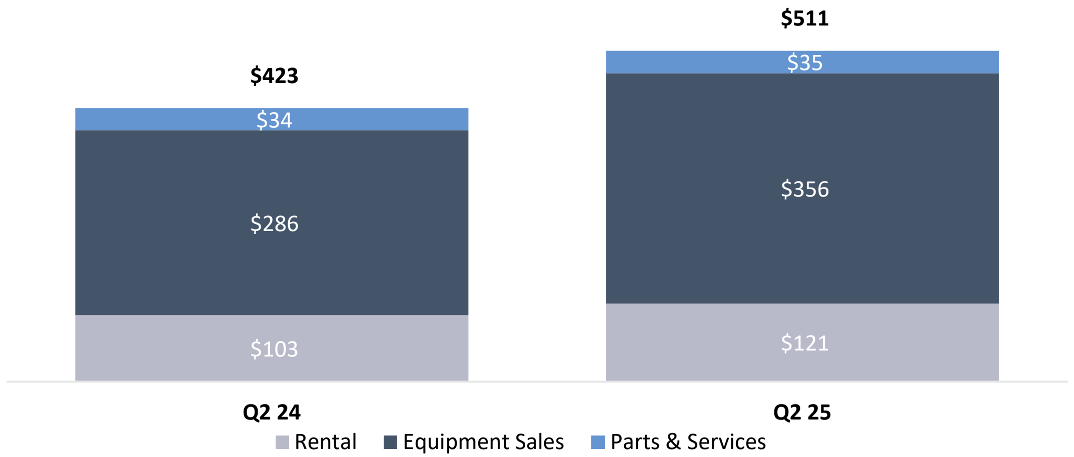
- Our ESG plan is driven by our shared Purpose, Vision and Values
- We are committed to staying at the forefront of technological innovations in our industry as the energy transition continues and adapting our products and services to align with our ESG objectives
  - Developed and deployed the Lightning PTO, an electric power takeoff (ePTO) that allows for auxiliary equipment to operate when the engine is off. Eliminating work site idling results in significant noise reduction, as well as greatly reduced fuel consumption and CO_2 emissions
  - At the forefront of EV chassis utilization in specialty vehicles through our partnerships with Peterbilt and Battle Motors to produce all-electric bucket trucks and digger derricks
- Preparing for the implementation of upcoming CARB and EPA emissions standards
  - Staying up to date on new administration's potential changes to upcoming regulations
- Our ESG efforts will focus on the opportunities, risks and priorities that are particularly relevant to Custom Truck:
  - Environmental Compliance
  - Sustainable Operations
  - Environmental Benefits of Products & Services
  - Human Capital Management
  - Diversity, Equity and Inclusion
  - Employee Health and Safety
  - Enterprise Risk Management
  - Business Ethics
  - Data Privacy and Security
  - Corporate Governance

Consolidated Operating Performance

($ millions, except where indicated)

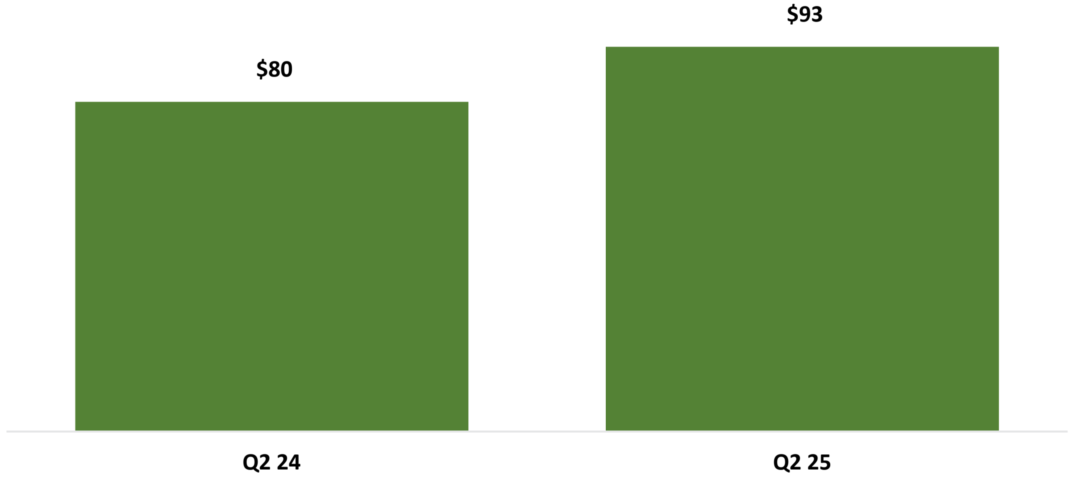
Q2 2025 Operating Results Reflect Strong Execution and Positive Trends Across the Consolidated Business

Revenue



Adjusted Gross Profit(1)

Adjusted EBITDA(1)



- Revenue up 21% in Q2 ‘25 vs. Q2 ’24
  - Continued strong performance in Utility and Infrastructure end markets drove performance in the quarter
- Adjusted Gross Profit up 17% in Q2 ’25 vs. Q2 ’24
- Adjusted EBITDA up 17% in Q2 ’25 vs. Q2 ’24
  - Improvement reflects strong year-over-year ERS and TES performance
- Current inventory levels are sufficient to support expected fleet investment and new equipment sales growth for the remainder of 2025
  - Tactical investment in inventory of $40M in H1 ‘25 as part of tariff mitigation efforts, but expect inventory reduction in H2 ‘25

(1) **Adjusted Gross Profit and Adjusted EBITDA** are non-GAAP measures. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

CUSTOM TRUCK ONE SOURCE

CTOS Reporting Segments

Reporting Segments Align with Our Go-to-Market Strategies and Capital Allocation Decisions

Equipment Rental Solutions (ERS)

- Includes results from core rental revenues, sale of rental assets, and related ancillary fees revenues and expenses
- Key Metrics
  - Utilization
  - OEC on Rent
  - On Rent Yield (ORY)

Truck & Equipment Sales (TES)

- Includes results from new and used (non-rental) sales, as well as the impacts from our production and manufacturing activities
- Key Metrics
  - New Sales Backlog

Aftermarket Parts & Service (APS)

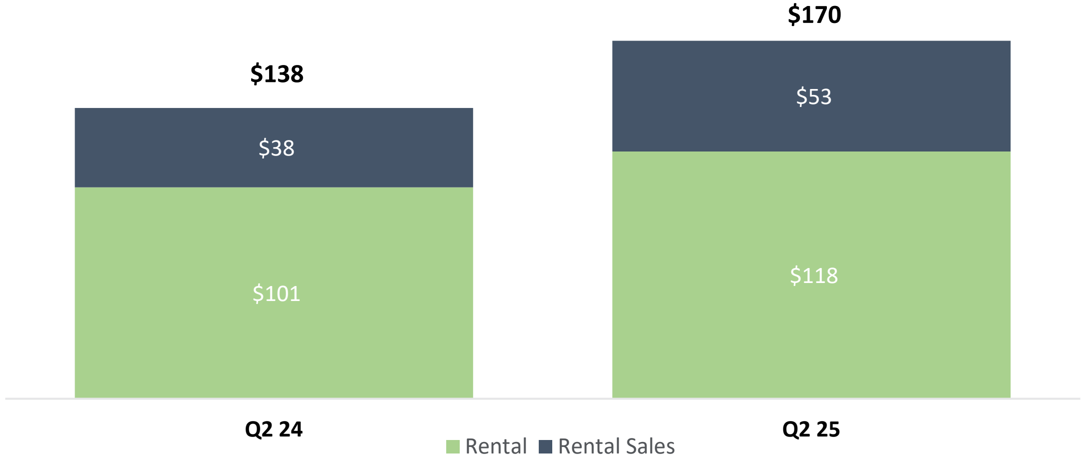
- Includes results from sales of external parts and services, as well as the rental activity associated with the accessories business

Equipment Rental Solutions (ERS)

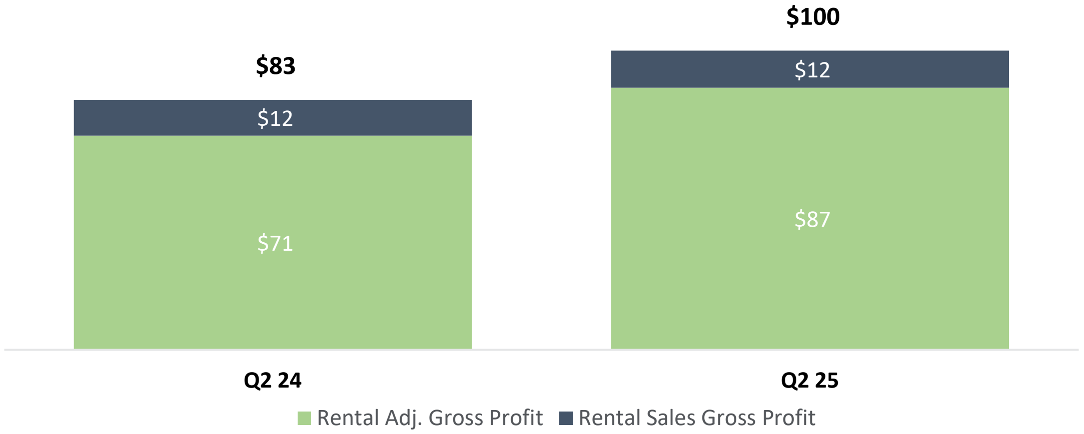
($ millions, except where indicated; sum of individual items may not equal total amounts due to rounding)

Q2 2025 Showed Year-over-Year Revenue Growth Resulting from Sustained Gains in T&D Utilization and Continued Strong Utilization in Infrastructure End Market

Revenue



Adjusted Gross Profit[(1)]



- ***Total Revenue*** increased $32M, or 23%, in Q2 ‘25 vs. Q2 ’24
  - *Rental*: +$17M in Q2 ‘25, or 17%, vs. Q2 ‘24
  - *Rental Sales*: +$15M in Q2 ‘25, or 40%, vs. Q2 ’24
- ***Adjusted Gross Profit***[(1)] increased $16M, or 20%, in Q2 ‘25 vs. Q2 ’24
  - *Rental*: +$16M in Q2 ‘25, or 22%, vs. Q2 ‘24
  - *Rental Sales*: +4% in Q2 ’25 vs. Q2 ‘24
- ***Adjusted Gross Margin*** was 59% in Q2 ‘25, down marginally vs. Q2 ’24 and primarily driven by a higher mix of rental asset sales

Please refer to the Appendix for Q2 2025 ERS results

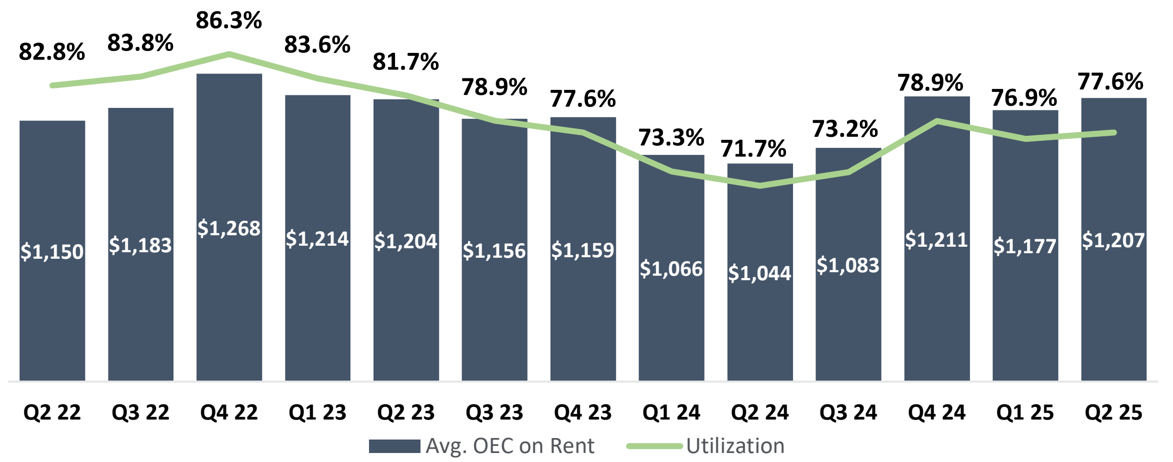
(1) **Adjusted Gross Profit** is a non-GAAP financial measure, which the Company calculates as segment gross profit plus depreciation of rental equipment.

Equipment Rental Solutions (ERS)

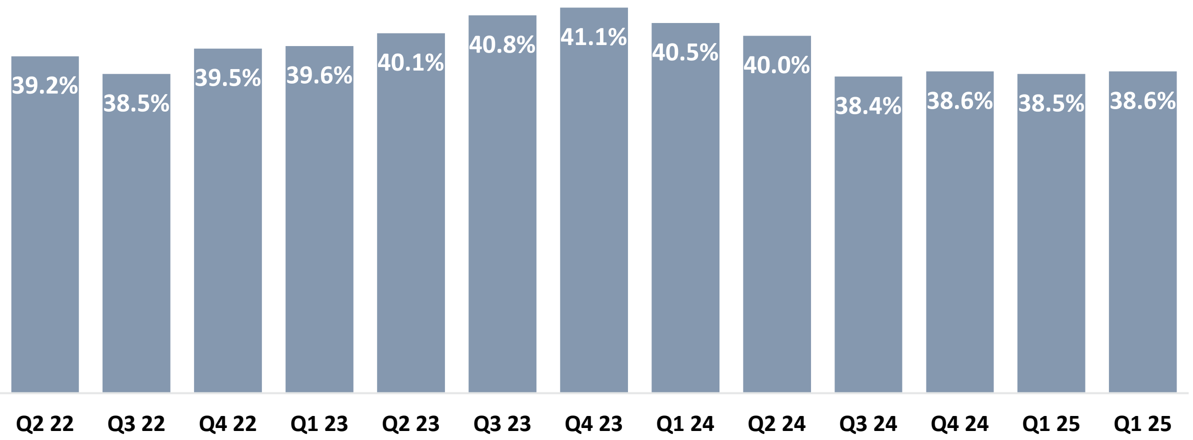
($ millions, except where indicated)

Q2 2025 Saw Improved Average Utilization and OEC on Rent, Driven by Continued Strength in T&D End Markets

Utilization & Average OEC on Rent



On Rent Yield



- Average utilization at just under 78% for Q2 ’25
  - Avg. OEC on Rent ↑$163M and Utilization ↑590 basis points in Q2 ‘25 vs. Q2 ‘24
  - Utilization in the mid-70% to mid-80% range across most of our fleet and end markets
- Experienced typical seasonality from Q1 ’25 into Q2 ‘25, with activity remaining steady so far in Q3 ‘25
  - OEC on Rent currently stands at almost $1.22B, with Utilization at 77%
- On Rent Yield was 38.6% in Q2 ‘24, up slightly from Q1 ’25 and in line with our expected upper-30% to low-40% range

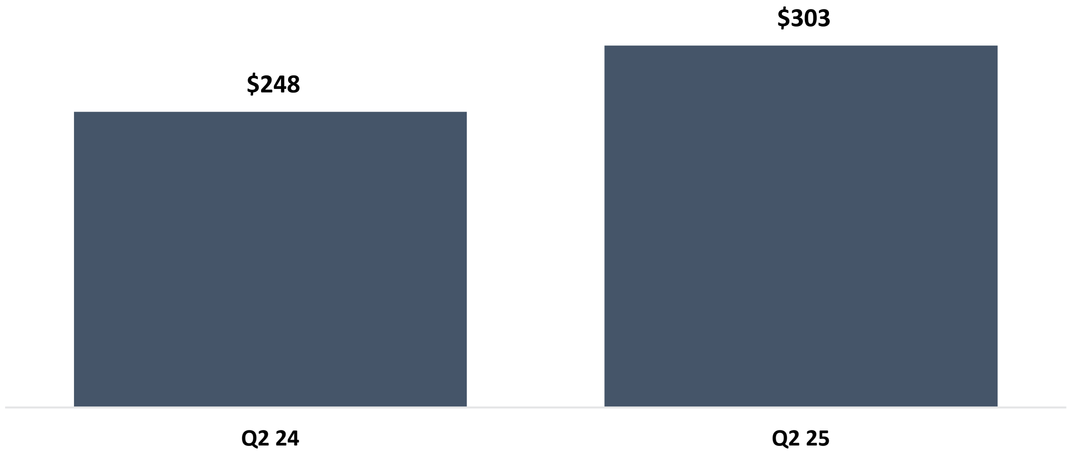
CUSTOM TRUCK ONE SOURCE

Truck & Equipment Sales (TES)

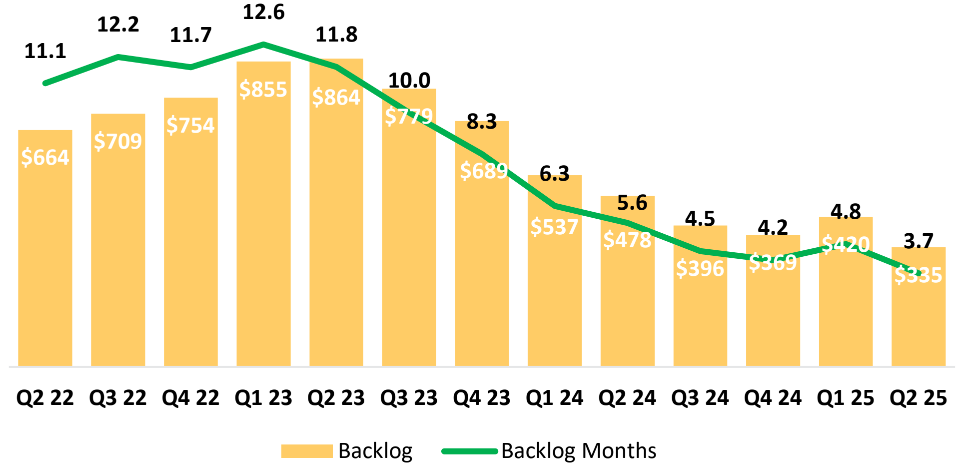
($ millions, except where indicated; sum of individual items may not equal total amounts due to rounding)

Strong Q2 2025 Revenue Growth with 2nd Highest Quarterly Sales in Company History

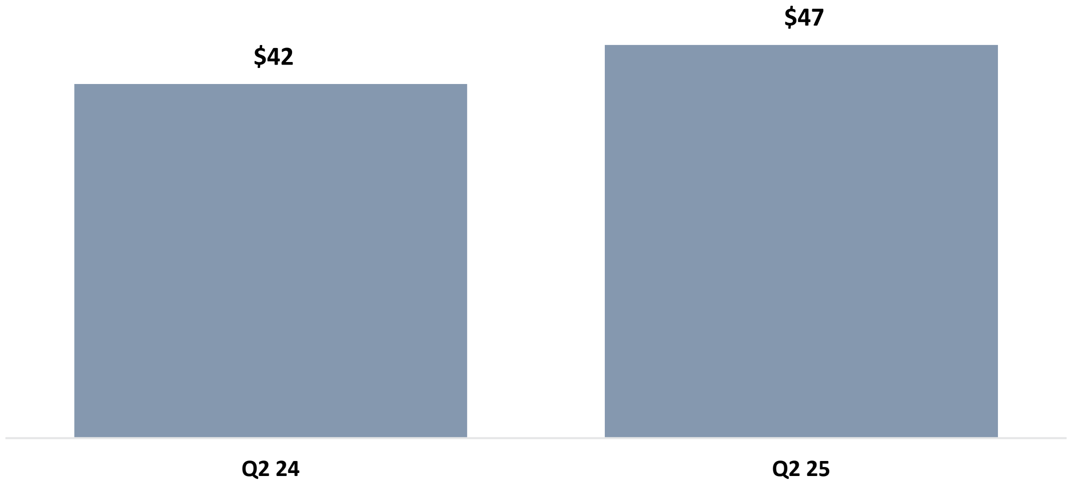
Revenue



New Sales Backlog



Gross Profit



- ***Revenue*** increased $55M, or 22%, in Q2 ‘25 vs. Q2 ’24
  - Continued strong momentum, particularly in Utility and Infrastructure end markets
  - Two consecutive months of sales over $100M for the first time in our history
  - Strong order growth from regional and local customers
  - Net orders of $218M in Q2 ’25, up 15% vs. Q2 ’24
  - Smaller customers continue to be impacted by high interest rates and economic uncertainty
- ***Gross Margin*** of 15.5% in Q2 ’25, up more than 45bp vs. Q1 ‘25
  - Expect continued improvement in H2 ‘25

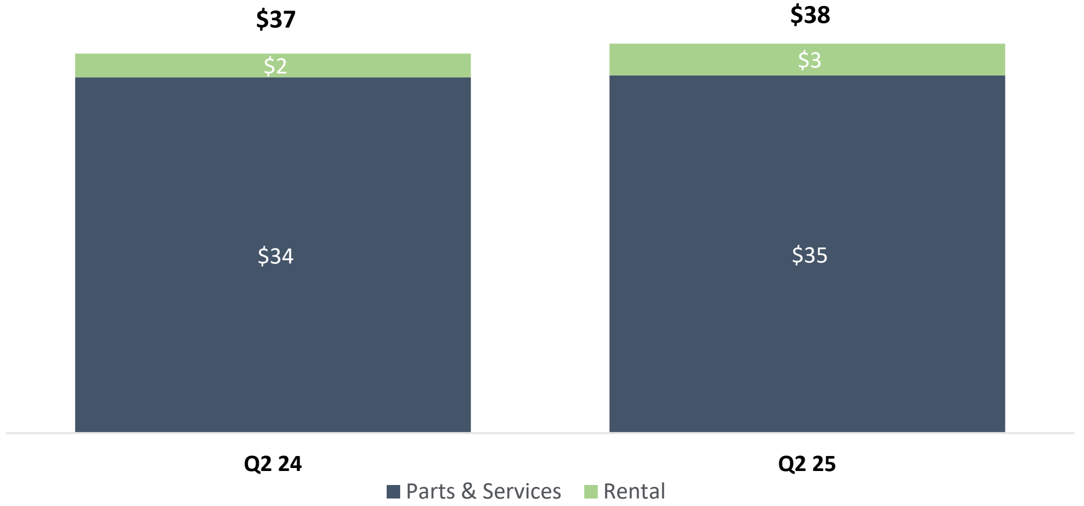
Please refer to the Appendix for Q2 2025 TES results

Aftermarket Parts & Service (APS)

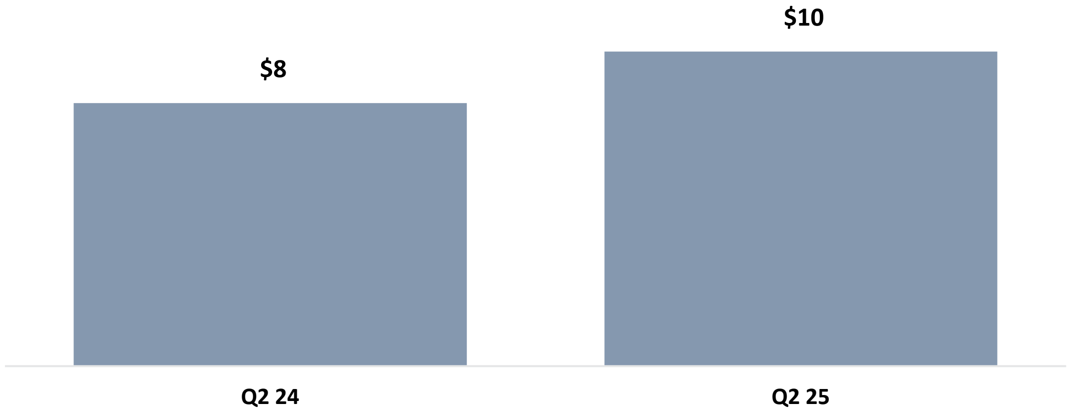
($ millions, except where indicated)

Revenue Up 3% in Q2 2025 vs. Q2 2024, with Performance Helped by Continued Steady Conditions in Utility End Market

Revenue



Adjusted Gross Profit[1]



- ***Total Revenue*** increased 3% in Q2 ‘25 vs. Q2 ‘25
  - Rental and Parts & Services revenue both up year-over-year
- ***Adjusted Gross Margin*** of 26% in Q2 ‘25, up from 22% in Q2 ’24 and on a sequential basis from Q1 ‘25
- Next steps for APS include:
  - Continue to leverage the large installed based on rental and sales customers with clear go-to market strategy and product offering
  - Additional investment to increase market share of captive and specialized parts business, which have margins of 50%+
  - Beginning to see the benefits of significant footprint expansion and capabilities in Kansas City, MO location
  - Continued focus on cost reductions through operational efficiencies
  - Enhance digital consumer experience to accelerate growth

Please refer to the Appendix for Q2 2025 APS results

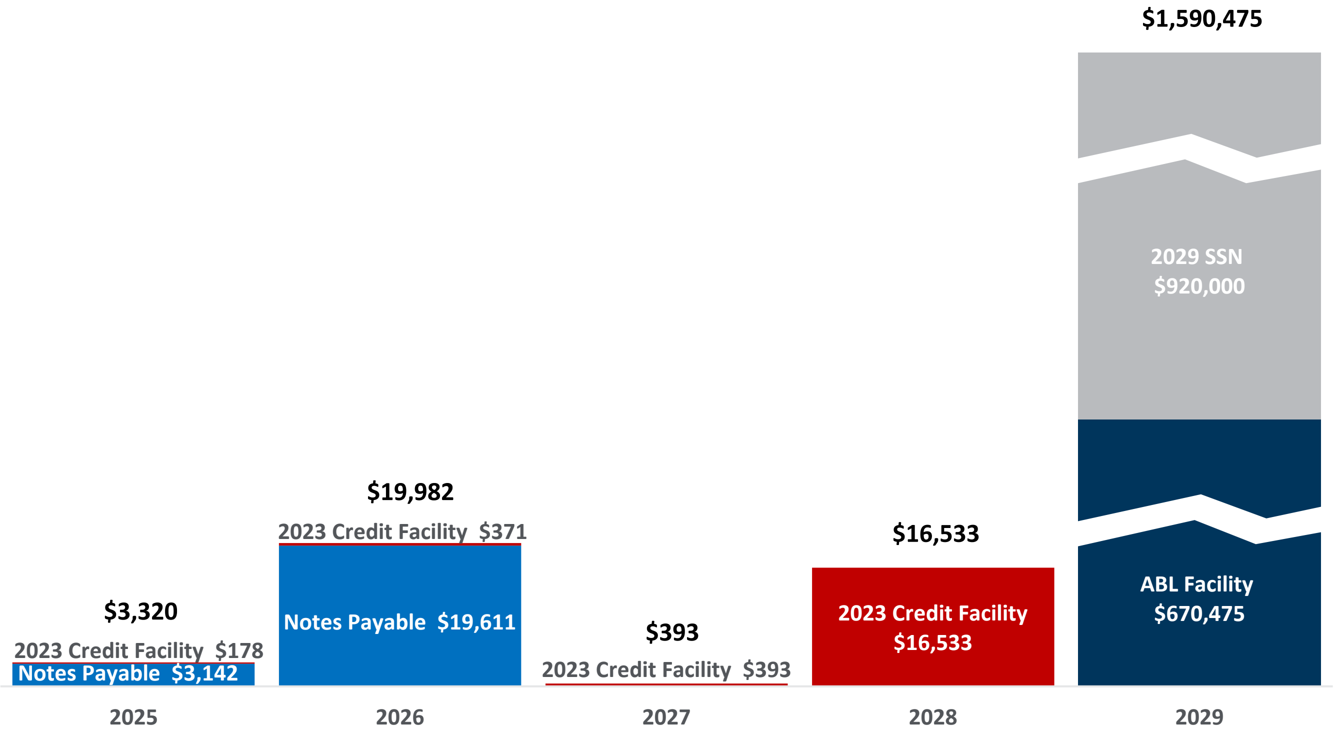
Balance Sheet & Capital Investment

($ thousands, except where indicated; sum of individual items may not equal total amounts due to rounding)

~78% of Outstanding Debt is Covered by $1.27B Total OLV(1) of Rental Fleet

Strong Available Liquidity and No Significant Maturities Until 2029

Fixed 59% / Floating 41%



- Total Available Liquidity: $510M+
  - ABL availability + cash of $281M
  - Ability to upsize the ABL Facility by more than $230M based suppressed availability
- Q2 ’25 Net Rental Capex: $64M
  - Gross OEC additions of $113M
  - Offset by $49M of rental sales proceeds
  - Investing in the fleet to meet expected rental demand in 2025
- Expect to reduce inventory by year end and focus free cash flow on debt reduction
- Remain committed to achieving 3x net leverage target by the end of fiscal 2026

(1) Total Orderly Liquidation Value as of December 31, 2024, effective date as per third-party appraisal.

Reaffirming 2025 Outlook

	2024 Actual	2025 Outlook	Growth
Consolidated Revenue	$1.802 billion	$1.97 - $2.06 billion	9% - 14%
ERS	*$598 million*	*$660 - $690 million*	*10% - 15%*
TES	*$1.055 billion*	*$1.16 - $1.21 billion*	*10% - 15%*
APS	*$149 million*	*$150 - $160 million*	*1% - 7%*
Adjusted EBITDA(1)	$340 million	$370 - $390 million	9% – 15%

- The middle of the outlook range would result in ~12% growth in both Revenue and Adjusted EBITDA
- ERS will continue to benefit from sustained trends in OEC on Rent and Utilization, driven by increased work by our T&D customers
  - Expect our net OEC to be up mid-single-digits percentage this year, with gross rental capex of $375M to $400M, approximately $200M net
- TES will benefit from continued supply chain improvements and healthy inventory and backlog levels, which should improve our ability to produce and deliver more units in 2025, as well as strong orders from local and regional customers
- Expect to tariffs to have a limited direct cost impact in 2025
- Continued benefit from inventory reduction later in H2 '25, as well as Adjusted EBITDA growth, expected to result in more than $50M of levered free cash flow generation in 2025
- Anticipate a significant reduction in net leverage by the end of fiscal 2025 and to achieve our 3x net leverage target by the end of fiscal 2026

(1) **Adjusted EBITDA** is a non-GAAP measure. Refer to the supplemental information provided in the Appendix for reconciliations to the most comparable GAAP measures.

Investment Highlights

1. Favorable End-Market Dynamics with Outstanding Secular Growth Drivers
2. Differentiated “One-Stop-Shop” Business Model
3. Attractive End Market Exposure to Diverse and Mission Critical Industries
4. CTOS Well-Positioned for Continued Growth & Free Cash Flow Generation
5. Integration Drove Cost Efficiencies and Created Scale Benefits
6. Deep, Long-Term Supplier and Customer Relationships
7. Demonstrated Performance and Financial Profile Support Growth Opportunities

Our Purpose:

Power the people who strengthen our nation’s infrastructure

Appendix

Adjusted EBITDA Reconciliation

	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
(in $ millions)						
Net income (loss)	$ (14)	$ (24)	$ (17)	$ 28	$ (18)	$ (28)
Interest expense	25	27	27	27	26	26
Income tax expense (benefit)	(2)	3	(1)	(1)	(8)	17
Depreciation and amortization	56	58	59	63	63	66
EBITDA	65	63	68	116	63	82
Adjustments:						
Non-cash purchase accounting impact (1)	3	5	4	5	4	4
Transaction and other costs (2)	5	6	4	3	4	5
Sales-type lease adjustment (3)	2	2	1	(1)	1	—
Gain on sale leaseback transaction (4)	—	—	—	(23)	—	—
Share-based payments (5)	3	4	2	3	2	2
Change in fair value of derivative and warrants (6)	(1)	—	—	—	—	—
Adjusted EBITDA	$ 77	$ 80	$ 80	$ 102	$ 73	$ 93

Adjusted EBITDA is defined as net income (loss), as adjusted for provision for income taxes, interest expense, net, depreciation of rental equipment and non-rental depreciation and amortization, and further adjusted for the impact of the fair value mark-up of acquired rental fleet, business acquisition and merger-related costs, including integration, the impact of accounting for certain of our rental contracts with customers that are accounted for under GAAP as sales-type lease and stock compensation expense. This non-GAAP measure is subject to certain limitations.

(1) Represents the non-cash impact of purchase accounting, net of accumulated depreciation, on the cost of equipment and inventory sold. The equipment and inventory acquired received a purchase accounting step-up in basis, which is a non-cash adjustment to the equipment cost pursuant to our ABL Credit Agreement and Indenture.

(2) Represents transaction and other costs related to acquisitions of businesses; costs associated with closed operations; costs associated with restructuring and business optimization activities (inclusive of systems establishment costs); employee retention and/or severance costs; costs related to start-up/pre-openings and openings of locations; reconfiguration or consolidation of facilities or equipment conversion costs. These adjustments are presented as adjustments to net income (loss) pursuant to our ABL Credit Agreement and Indenture.

(3) Represents the impact of sales-type lease accounting for certain leases containing rental purchase options (or "RPOs"), as the application of sales-type lease accounting is not deemed to be representative of the ongoing cash flows of the underlying rental contracts. The adjustments are made pursuant to our ABL Credit Agreement and Indenture.

(4) During Q4 2024, the Company closed on a sale leaseback transaction with an unrelated third party. The Company sold 8 properties with a combined net book value of $29.0 million for gross proceeds of $53.8 million, which was reduced by transaction costs and other fees of $1.3 million, for net cash proceeds of approximately $52.5 million. Additionally, $3.2 million from the proceeds were used to repay a note payable. The Company recognized a gain of $23.5 million on this transaction.

(5) Represents non-cash share-based compensation expense associated with the issuance of stock options and restricted stock units.

(6) Represents the charge to earnings for our interest rate collar and the change in fair value of the liability for warrants. On July 31, 2024, all the Company's stock purchase warrants expired and unexercised.

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Adjusted Gross Profit Reconciliation

(in $ millions)	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Revenue:						
Rental	$ 106	$ 103	$ 108	$ 125	$ 116	$ 121
Equipment sales	273	286	305	359	274	356
Parts sales and services	33	34	33	36	32	35
Total revenue	411	423	447	521	422	511
Cost of Revenue:						
Cost of revenue	277	289	309	353	287	355
Depreciation of rental equipment	44	45	46	49	50	54
Total cost of revenue	321	334	355	402	337	409
Less: Depreciation of rental equipment	(44)	(45)	(46)	(49)	(50)	(54)
Cost of revenue excluding depreciation	277	289	309	353	287	355
Adjusted gross profit	134	134	138	168	136	157
Less: Depreciation of rental equipment	(44)	(45)	(46)	(49)	(50)	(54)
Gross profit - GAAP	$ 91	$ 89	$ 92	$ 118	$ 86	$ 103

Adjusted Gross Profit is defined as Gross Profit excluding depreciation of rental equipment and is a financial performance measure that we use to monitor our results from operations. We believe the exclusion of depreciation expense of the rental fleet provides a meaningful measure of financial performance because it provides useful information relating to profitability that reflects ongoing and direct operating expenses, such as freight costs and fleet maintenance costs, related to our rental fleet. Although management evaluates and presents this non-GAAP measure for the reasons described herein, please be aware that this non-GAAP measure has limitations and should not be considered in isolation or as a substitute for revenue, gross profit or any other comparable operating measure prescribed by GAAP. In addition, we may calculate and/or present this non-GAAP financial measure differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measure we report may not be comparable to those reported by others.

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Supplementary Segment Data — ERS

(in $ millions)	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Revenue:						
Rental revenue	$ 103	$ 101	$ 105	$ 121	$ 113	$ 118
Equipment sales	33	38	46	52	41	53
Total revenue	136	138	151	172	154	170
Cost of revenue:						
Cost of rental revenue	30	29	29	28	30	30
Cost of equipment sales	24	26	34	39	31	40
Depreciation of rental equipment	43	44	45	48	49	53
Total cost of revenue	97	99	108	116	111	124
Gross profit	39	40	43	57	44	46
Depreciation of rental equipment	43	44	45	48	49	53
Gross profit excluding depreciation of rental equipment	$ 82	$ 83	$ 88	$ 105	$ 93	$ 100

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Supplementary Segment Data — TES

(in $ millions)	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Equipment sales	$ 240	$ 248	$ 260	$ 308	$ 232	$ 303
Cost of equipment sales	197	206	218	257	197	256
Gross profit	$ 43	$ 42	$ 42	$ 51	$ 35	$ 47

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Supplementary Segment Data — APS

(in $ millions)	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Revenue:						
Rental revenue	$ 3	$ 2	$ 3	$ 5	$ 3	$ 3
Parts sales and services	33	34	33	36	32	35
Total revenue	35	37	36	41	35	38
Cost of revenue:						
Cost of parts sales and services	26	29	28	29	28	28
Depreciation of rental equipment	1	1	1	1	1	1
Total cost of revenue	27	30	29	30	29	29
Gross profit	8	7	7	11	7	9
Depreciation of rental equipment	1	1	1	1	1	1
Gross profit excluding depreciation of rental equipment	$ 9	$ 8	$ 8	$ 12	$ 8	$ 10

Sum of individual line items may not equal subtotal and total amounts due to rounding.

Leverage Ratio Calculation

(in $ millions)	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Net Debt and Finance Leases (As of Period End):						
Current Maturities of Long-Term Debt	$ 6	$ 4	$ 1	$ 8	$ 6	$ 23
Long-Term Debt, Net	1,492	1,528	1,567	1,520	1,593	1,590
Add: Deferred Financing Costs	21	20	21	20	19	18
Total Debt and Finance Leases	1,519	1,552	1,590	1,548	1,618	1,631
Less: Cash and Cash Equivalents	(8)	(8)	(8)	(4)	(5)	(5)
Net Debt and Finance Leases	$ 1,511	$ 1,544	$ 1,581	$ 1,544	$ 1,613	$ 1,625
Adjusted EBITDA:						
Adjusted EBITDA (Current Year to Date Period)	$ 77	$ 157	$ 238	$ 340	$ 73	$ 167
Add: Adjusted EBITDA (Prior Fiscal Year)	427	427	427	N/A	340	340
Less: Adjusted EBITDA (Prior Year to Date Period)	(105)	(208)	(309)	N/A	(77)	(157)
LTM Adjusted EBITDA	$ 399	$ 376	$ 356	$ 340	$ 336	$ 349
Leverage Ratio	3.79	4.11	4.44	4.55	4.80	4.66

Leverage Ratio is defined as current maturities and long-term debt and finance lease obligations, net of cash and cash equivalents (“net debt”) divided by Adjusted EBITDA for the previous twelve-month period (“last twelve months,” or “LTM”).

Sum of individual line items may not equal subtotal and total amounts due to rounding.