UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31 , 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000-13292

McGRATH RENTCORP

(Exact name of registrant as specified in its Charter)

California	**94-2579843**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5700 Las Positas Road , Livermore , CA 94551-7800

(Address of principal executive offices)

Registrant's telephone number: (925) 606-9200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MGRC	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2024 (based upon the closing sale price of the registrant's common stock as reported on the NASDAQ Global Select Market on June 30, 2024): $

2,575,595,751

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As of February 18, 2025,

24,551,184

shares of Registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III (Items 10, 11, 12, 13 and 14) of this Annual Report on Form 10-K will either be incorporated herein by reference to the Company's Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for its 2024 Annual or Special Meeting of Shareholders or included in an amendment to this Annual Report on Form 10-K, which, in either case, will be filed no later than 120 days after December 31, 2024.

Exhibit index appears on page 96.

FORWARD-LOOKING STATEMENTS

Statements contained in this Annual Report on Form 10-K ("this Form 10-K") which are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding McGrath RentCorp's (the "Company's") expectations, strategies, prospects or targets are forward looking statements. These forward-looking statements also can be identified by the use of forward-looking terminology such as "anticipates", "believes", "continues", "could", "estimates", "expects", "intends", "may", "plan", "predict", "project", or "will", or the negative of these terms or other comparable terminology.

Management cautions that forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause our actual results to differ materially from those projected in such forward-looking statements. Further, our future business, financial condition and results of operations could differ materially from those anticipated by such forward-looking statements and are subject to risks and uncertainties as set forth under "Risk Factors" in this Form 10-K. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements.

Forward-looking statements are made only as of the date of this Form 10-K and are based on management's reasonable assumptions, however these assumptions can be wrong or affected by known or unknown risks and uncertainties. No forward-looking statement can be guaranteed and subsequent facts or circumstances may contradict, obviate, undermine or otherwise fail to support or substantiate such statements. Readers should not place undue reliance on these forward-looking statements and are cautioned that any such forward-looking statements are not guarantees of future performance. Except as otherwise required by law, we are under no duty to update any of the forward-looking statements after the date of this Form 10-K to conform such statements to actual results or to changes in our expectations.

PART I

TEM 1. BUSINESS.

General Overview

McGrath RentCorp (the "Company") is a California corporation organized in 1979 with corporate offices located in Livermore, California. The Company's common stock is traded on the NASDAQ Global Select Market under the symbol "MGRC". References in this report to the "Company", "we", "us", and "ours" refer to McGrath RentCorp and its subsidiaries, unless the context requires otherwise.

The Company is a diversified business-to-business rental company with three rental divisions: relocatable modular buildings, portable storage containers and electronic test equipment. Although the Company's primary emphasis is on equipment rentals, sales of equipment occur in the normal course of business. At December 31, 2024, the Company was comprised of four reportable business segments: (1) its modular building segment ("Mobile Modular"); (2) its portable storage container segment ("Portable Storage"); (3) its electronic test equipment segment ("TRS-RenTelco"); and (4) its classroom manufacturing business selling modular buildings used primarily as classrooms in California ("Enviroplex").

Mutual decision to terminate Merger Agreement with WillScot Mobile Mini Holdings Corp

As previously disclosed, on January 28, 2024, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), with WillScot Mobile Mini Holdings Corp., a Delaware corporation ("WillScot Mobile Mini"), Brunello Merger Sub I, Inc., a California corporation and a direct wholly owned subsidiary of WillScot Mobile Mini, and Brunello Merger Sub II, LLC, a Delaware limited liability company and direct wholly owned subsidiary of WillScot Mobile Mini. On September 17, 2024, the Company and WillScot Mobile Mini mutually agreed to terminate the Merger Agreement, effective upon WillScot Mobile Mini's cash payment of $180.0 million to the Company, which was received on September 20, 2024.

Transaction costs attributed to the Merger Agreement are reported in the Company's Corporate segment. Expenses recognized as a result of the terminated Merger Agreement during the year ended December 31, 2024, were $63.2 million. The termination payment received of $180.0 million, net of transaction costs, resulted in net proceeds received of $116.8 million during the year ended December 31, 2024. The Company determined that the transaction costs incurred on the terminated merger were significant and required separate presentation on the Company's consolidated statements of income for the year ended December 31, 2024. Due to this determination, the Company has excluded such transaction costs from Selling and administrative expenses and reported these costs separately on the consolidated statements of income as non-operating expenses.

Business Model

The Company invests capital in rental products and generally has recovered its original investment through rents less cash operating expenses in a relatively short period of time compared to the product’s rental life. When the Company’s rental products are sold, the proceeds generally have covered a high percentage of the original investment. With these characteristics, a significant base of rental assets on rent generates a considerable amount of operating cash flows to support continued rental asset growth. The Company’s rental products have the following characteristics:

• The product required by the customer tends to be expensive compared to the Company’s monthly rental charge, with the interim rental solution typically evaluated as a less costly alternative.

• Generally, we believe the Company’s customers have a short-term need for our rental products. The customer’s rental requirement may be driven by a number of factors including time, budget or capital constraints, future uncertainty impacting their ongoing requirements, equipment availability, specific project requirements, peak periods of demand or the customer may want to eliminate the burdens and risks of ownership.

• All of the Company’s rental products have long useful lives relative to the typical rental term. Modular buildings (“modulars”) have an estimated life of eighteen years compared to the typical rental term of twelve to twenty-four months, portable storage containers ("containers") have an estimated life of twenty-five years compared to a typical rental term of three to twelve months and electronic test equipment has an estimated life range of one to eight years (depending on the type of product) compared to a typical rental term of one to six months.

• We believe short-term rental rates typically recover the Company’s original investment quickly based on the respective product’s annual yield, or annual rental revenues divided by the average cost of rental equipment. For modulars the original investment is recovered in approximately four years, in approximately three years for containers and approximately three years for electronic test equipment.

• When a product is sold from our rental inventory, a significant portion of the original investment is usually recovered. Effective asset management is a critical element to each of the rental businesses and the residuals realized when product is sold from inventory. Modular asset management requires designing and building the product for a long life, coupled with ongoing repair and maintenance investments, to ensure its long useful rental life and generally higher residuals upon sale. Container asset management requires selecting and purchasing quality products and making ongoing repair and maintenance investments. Steel containers have no technical obsolescence. Electronic test equipment asset management requires understanding, selecting and investing in equipment technologies that support market demand and, once invested, proactively managing the equipment at the model level for optimum utilization through its technology life cycle to maximize the rental revenues and residuals realized.

The Company believes that rental revenue growth from an increasing base of rental assets and improved gross profits on rents are the best measures of the health of each of our rental businesses. Additionally, we believe our business model and results are enhanced by operational leverage that is created from large regional sales and inventory centers for modulars, a single U.S. based sales, inventory and operations facility for electronic test equipment, as well as shared senior management and back-office functions for financing, human resources, insurance, marketing, information technology and operating and accounting systems.

Human Capital Management

As of December 31, 2024, the Company had 1,219 employees, of whom 142 were primarily administrative and executive personnel, with 687, 177, 133 and 80 in the operations of Mobile Modular, Portable Storage, TRS-RenTelco and Enviroplex, respectively. None of our employees are covered by a collective bargaining agreement, and management believes its relationship with our employees is good.

The Company believes its employees are key to its success and it is committed to all of its employees’ engagement, training and career development, and personal and professional growth. The Board of Directors also receives regular updates from senior management on matters relating to the Company’s strategy for the recruitment, retention and development of the Company’s employees. The Company provides training in technical, operational and leadership skills, and places special emphasis on safety, effective communications, customer service, and employee development. Additionally, the Company offers employees a tuition reimbursement program whereby the employee may receive reimbursement for tuition and fees for undergraduate or graduate level academic courses at an accredited two or four year college or university that may help employees improve performance in their current job or prepare them for advancement.

Government Regulations

We are subject to certain environmental, transportation, anti-corruption, import controls, health and safety, privacy and other laws and regulations in locations in which we operate. Our activity in jurisdictions in which we operate is additionally subject to anti-bribery laws and regulations, such as the US Foreign Corrupt Practices Act of 1977, which prevent companies and their officers, employees and agents from making payments to officials and public entities of foreign countries to facilitate obtaining new contracts. We are also subject to laws and regulations that govern and impose liability for activities that may have adverse environmental effects, including discharges into air and water, and handling and disposal of hazardous substances and waste. Our motor vehicles and related units are subject to regulation in certain states under motor vehicle and similar registrations. While we incur costs in our business to comply with these laws and regulations, management does not believe that the costs of compliance with these various governmental regulations is material to our business and financial condition.

Available Information

We make the Company's Securities and Exchange Commission ("SEC") filings available at our website www.mgrc.com. These filings include our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Act of 1934, which are available as soon as reasonably practicable after the Company electronically files such material with, or furnishes such material to, the SEC. Information included on our website is not incorporated by reference to this Form 10-K. Furthermore, all reports the Company files with the SEC are available through the SEC's website at www.sec.gov.

We have a Code of Business Conduct and Ethics which applies to all directors, officers and employees. Copies of this code can be obtained at our website www.mgrc.com. Any waivers to the Code of Business Conduct and Ethics and any amendments to such code applicable to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or persons performing similar functions, will be posted on our web site.

RELOCATABLE MODULAR BUILDINGS

Description

Modulars are designed for use as classrooms, temporary offices adjacent to existing facilities, sales offices, construction field offices, restroom buildings, health care clinics, child care facilities, office space and for a variety of other purposes and may be moved from one location to another. Modulars vary from simple single-unit construction site offices to multi-floor modular complexes. The Company's modular rental fleet includes a full range of styles and sizes. The Company considers its modulars to be among the most attractive and well-designed available. The units are constructed with wood or metal siding, sturdily built and physically capable of a long useful life. Modulars are generally provided with installed heat, air conditioning, lighting, electrical outlets and floor covering, and may have customized interiors including partitioning, cabinetry and plumbing facilities.

Mobile Modular purchases new modulars from various manufacturers who build to Mobile Modular's design specifications. During 2024, Mobile Modular purchased 18% of its new modular units from one manufacturer. The Company believes that the loss of any of its primary modular manufacturers could have an adverse effect on its operations since Mobile Modular could experience higher prices and longer lead times for delivery of modular units until other manufacturers were able to increase their production capacity.

The Company's modulars are manufactured to comply with state building codes, have a low risk of obsolescence, and can be modified or reconfigured to accommodate a wide variety of customer needs. Historically, as state building codes have changed over the years, Mobile Modular has been able to continue to use existing modulars, with minimal, if any, required upgrades. The Company has no assurance that it will continue to be able to use existing modular equipment with minimal upgrades as building codes change in the future.

Mobile Modular operates from regional sales and inventory centers serving large geographic areas. These sales and inventory centers have in-house infrastructure and operational capabilities to support quick and efficient repair, modification, and refurbishment of equipment for the next rental opportunity. The Company believes operating from large regional sales and inventory centers results in better operating margins as operating costs can be spread over a large installed customer base. Mobile Modular actively maintains and repairs its rental equipment, and management believes this ensures the continued use of the modular product over its long life and, when sold, has resulted in higher sale proceeds relative to its capitalized cost. When rental equipment returns from a customer, the necessary repairs and preventative maintenance are performed prior to its next rental. By making these expenditures for repair and maintenance throughout the equipment's life we believe that older equipment can generally rent for rates similar to those of newer equipment. Management believes the condition of the equipment is a more significant factor in determining the rental rate and sale price than its age. Over the last three years, used equipment sold each year represented approximately 2% of rental equipment, and has been, on average, 16 years old with sale proceeds above its net book value.

Competitive Strengths

Strong Industry Position – Mobile Modular has a leading modular building fleet in the United States. Rental units for temporary classroom and other educational space needs are an important industry segment and the Company believes Mobile Modular is a leading supplier in California and Florida, and a significant supplier in Texas, of modular educational facilities for rental to both public and private schools. Management is knowledgeable about the needs of its educational customers and the related regulatory requirements in the states where Mobile Modular operates, which enables Mobile Modular to meet its customers' specific project requirements.

Expertise – The Company believes that over the 40 plus years during which Mobile Modular has competed in the modular rental industry, it has developed expertise that delivers value to customers. Mobile Modular has dedicated its attention to continuously developing and improving the quality of its modular units. Mobile Modular has expertise in the licensing and regulatory requirements that govern modulars in the states where it operates, and its management, sales and operational staffs are knowledgeable and committed to providing exemplary customer service. Mobile Modular has expertise in project management and complex applications.

Operating Structure – Part of the Company's strategy for Mobile Modular is to create facilities and infrastructure capabilities that allow it to drive greater efficiency and pass the benefits to customers. Mobile Modular achieves this by building regional sales and inventory centers designed to serve a broad geographic area and a large installed customer base under a single overhead structure, thereby reducing its cost per transaction. The Company's regional facilities and related infrastructure enable Mobile Modular to maximize its modular inventory utilization through efficient and cost effective in-house repair, maintenance and refurbishment for quick redeployment of equipment to meet its customers' needs.

Asset Management – The Company believes Mobile Modular markets high quality, well-constructed and attractive modulars. Mobile Modular requires manufacturers to build to its specifications, which enables Mobile Modular to maintain a standardized quality fleet. In addition, through its ongoing repair, refurbishment and maintenance programs, the Company believes Mobile Modular's buildings are the best maintained in the industry. The Company depreciates its modular buildings over an 18 year estimated useful life to a 50% residual value. Older buildings continue to be productive primarily because of Mobile Modular's focus on ongoing fleet maintenance. Also, as a result of Mobile Modular's maintenance programs, when a modular unit is sold, a high percentage of the equipment's capitalized cost is recovered. In addition, the fleet's utilization is regionally optimized by managing inventory through estimates of market demand, fulfillment of current rental and sale order activity, modular returns and capital purchases.

Customer Service - The Company believes the modular rental industry to be service intensive and locally based. The Company strives to provide excellent service by meeting its commitments to its customers, being proactive in resolving project issues and seeking to continuously improve the customers' experience. Mobile Modular is committed to offering quick response to requests for information, providing experienced assistance, on time delivery and preventative maintenance of its units. Mobile Modular's goal is to continuously improve its procedures, processes and computer systems to enhance internal operational efficiency. The Company believes this dedication to customer service results in high levels of customer loyalty and repeat business.

Market

Management estimates relocatable modular building rental is an industry that today has equipment on rent or available for rent in the U.S. with an aggregate original cost of over $5.0 billion. Mobile Modular's largest business segment is for temporary classroom and other educational space needs of public and private schools, colleges and universities in California, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Texas, Virginia and Washington, D.C. Management believes the demand for rental classrooms is caused by shifting and fluctuating school populations, the limited state funds for new construction, the need for temporary classroom space during reconstruction of older schools, class size reduction and the phasing out of portable classrooms compliant with older building codes (see "Classroom Rentals and Sales to Public Schools (K-12)" below). Other customer applications include sales offices, construction field offices, health care facilities, church sanctuaries and child care facilities. Industrial, manufacturing, entertainment and utility companies, as well as governmental agencies commonly use large multi-modular complexes to serve their interim administrative and operational space needs. Modulars offer customers quick, cost-effective space solutions while conserving their capital. The Company's corporate offices and regional sales and inventory center offices are housed in various sizes of modular units.

Since most of Mobile Modular's customer requirements are to fill temporary space needs, Mobile Modular's marketing emphasis is primarily on rentals rather than sales. Mobile Modular attracts customers through its website at www.mobilemodular.com, internet advertising and direct marketing. Customers are encouraged to visit a regional sales and inventory center to view different models on display and to see a regional office, which is a working example of a modular application.

Because service is a major competitive factor in the rental of modulars, Mobile Modular offers quick response to requests for information, assistance in the choice of a suitable size and floor plan, in-house customization services, rapid delivery, timely installation and field service of its units. On Mobile Modular's website, customers are able to view and select inventory for quotation and request in-field service.

Rentals

Rental periods range from one month to several years with a typical initial contract term between twelve and twenty four months. In general, monthly rental rates are determined by a number of factors including length of term, market demand, product availability and product type. Upon expiration of the initial term, or any extensions, rental rates are reviewed, and when appropriate, are adjusted based on current market conditions. Most rental agreements are operating leases that provide no purchase options, and when a rental agreement does provide the customer with a purchase option, it is generally on terms management believes to be attractive to Mobile Modular.

The customer is responsible for obtaining the necessary use permits and for the costs of insuring the unit, and is financially responsible for transporting the unit to the site, preparation of the site, installation of the unit, dismantle and return delivery of the unit to Mobile Modular, and certain costs for customization. Mobile Modular maintains the units in good working condition while on rent. Upon return, the units are inspected for damage and customers are billed for items considered beyond normal wear and tear. Generally, the units are then repaired for subsequent use. Repair and maintenance costs are expensed as incurred and can include floor repairs, roof maintenance, cleaning, painting and other cosmetic repairs. The costs of major refurbishment of equipment are capitalized to the extent the refurbishment significantly improves the quality and adds value or life to the equipment.

At December 31, 2024, Mobile Modular owned 41,299 new or previously rented modulars, with an aggregate cost of $1,414.4 million including accessories, or an average cost per unit of $34,247. Utilization is calculated at the end of each month by dividing the cost of rental equipment on rent by the total cost of rental equipment, excluding new equipment inventory and accessory equipment. At December 31, 2024, fleet utilization was 75.1% and average fleet utilization during 2024 was 77.5%.

Sales

In addition to operating its rental fleet, Mobile Modular sells modulars to customers. These sales may arise out of its marketing efforts for the rental fleet and from existing equipment already on rent or from specific requests for new buildings for a permanent need. The Company has a dedicated team that focuses on these custom sale opportunities. Such sales can be of either new or used units from the rental fleet, which permits some turnover of older units. During 2024 Mobile Modular's largest sale represented approximately 5% of Mobile Modular's sales, 4% of the Company's consolidated sales and 1% of the Company's consolidated revenues.

Mobile Modular typically provides limited 90-day warranties on used modulars and passes through the manufacturers' one-year warranty on new units to its customers. Warranty costs have not been significant to Mobile Modular's operations to date, and the Company attributes this to its commitment to high quality standards and regular maintenance programs. However, there can be no assurance that warranty costs will continue to be insignificant to Mobile Modular's operations in the future.

Enviroplex manufactures portable classrooms built to the requirements of the California Division of the State Architect ("DSA") and sells directly to California public school districts and other educational institutions.

Seasonality

Typically, during each calendar year, our highest numbers of classrooms are shipped for rental and sale orders during the second and third quarters for delivery and installation prior to the start of the upcoming school year. The majority of classrooms shipped in the second and third quarters have rental start dates during the third quarter, thereby making the fourth quarter the first full quarter of rental revenues recognized for these transactions.

Competition

Competition in the rental and sale of relocatable modular buildings is intense. Some of our competitors in the modular building leasing industry have a greater range of products and services, greater financial and marketing resources, larger customer bases, and greater name recognition than we have. In addition, a number of other smaller companies operate regionally throughout the country and have a stronger local presence in those places. Mobile Modular operates primarily in California, Colorado, Florida, Georgia, Louisiana, Maryland, North Carolina, the Pacific Northwest, South Carolina, Texas, Virginia and Washington, D.C. Significant competitive factors in the rental business include availability, price, service, reliability, appearance and functionality of the product. Mobile Modular markets high quality, well-constructed and attractive modulars. Part of the Company's strategy for modulars is to create facilities and infrastructure capabilities that its competitors cannot easily duplicate. The Company's facilities and related infrastructure enable it to modify modulars efficiently and cost effectively to meet its customers' needs. Management's goal is to be more responsive at less expense. Management believes this strategy, together with its emphasis on prompt and efficient customer service, gives Mobile Modular a competitive advantage. Mobile Modular is determined to respond quickly to requests for information, and provide experienced assistance for the first-time user, rapid delivery and timely repair of its modular units. Mobile Modular's already high level of efficiency and responsiveness continues to improve as the Company upgrades procedures, processes and computer systems that control its internal operations. The Company anticipates intense competition to continue and believes it must continue to improve its products and services to remain competitive in the market for modulars.

Classroom Rentals and Sales to Public Schools (K-12)

Mobile Modular and Enviroplex provide classroom and specialty space needs serving public and private schools, colleges and universities. Within the educational market, the rental (by Mobile Modular) and sale (by Enviroplex and Mobile Modular) of modulars to public school districts for use as portable classrooms, restroom buildings and administrative offices for kindergarten through grade twelve (K-12) are a significant portion of the Company's revenues. Mobile Modular rents and sells classrooms in California, Florida, Georgia, Louisiana, Maryland, North Carolina, the Pacific Northwest, South Carolina, Texas, Virginia and Washington, D.C. Enviroplex sells classrooms in the California market. California is Mobile Modular's largest educational market. Historically, demand in this market has been fueled by shifting and fluctuating student populations, insufficient funding for new school construction, class size reduction programs, modernization of aging school facilities and the phasing out of portable classrooms no longer compliant with current building codes. The following table shows the approximate percentages of the Company's modular rental and sales revenues, and of its consolidated rental and sales revenues for the past three years, that rentals and sales to these schools constitute:

Rentals and Sales to Public Schools (K-12) as a Percentage of Total Rental and Sales Revenues

Percentage of:	*2024*	*2023*	*2022*
Modular Rental Revenues *(Mobile Modular)*	29%	26%	30%
Modular Sales Revenues *(Mobile Modular & Enviroplex)*	38%	30%	43%
Modular Rental and Sales Revenues *(Mobile Modular & Enviroplex)*	33%	27%	35%
Consolidated Rental and Sales Revenues [1]	24%	18%	21%

1. Consolidated Rental and Sales Revenue percentage is calculated by dividing Modular rental and sales revenues to public schools (K-12) by the Company's consolidated rental and sales revenues from continuing operations.

School Facility Funding

Funding for public school facilities is derived from a variety of sources including the passage of both statewide and local facility bond measures, operating budgets, developer fees, various taxes including parcel and sales taxes levied to support school operating budgets, and lottery funds. There is no certainty on the timing of the bond sales and it could take additional years before projects funded by these bonds generate meaningful demand for relocatable classrooms.

PORTABLE STORAGE CONTAINERS

Description

Portable Storage’s rental inventory is comprised of steel containers used to provide a temporary storage solution that is delivered to the customer’s location and addresses the need for secure, temporary storage with immediate access to the unit. The containers are comprised of the following products:

- Storage containers, which consist of new and used steel shipping containers certified under International Organization for Standardization (“ISO”) standards, that provide a flexible, low cost alternative to warehousing, while offering greater security, convenience and immediate accessibility. Storage containers are made from weather-resistant corrugated steel and are 8 feet wide and available in lengths ranging from 8 to 53 feet, with 20-foot and 40-foot length containers being the most common.

- Office containers are either modified or specifically manufactured containers that provide self-contained office space with maximum design flexibility. Office containers are often referred to as ground level offices (“GLOs”). GLOs provide the advantage of ground level accessibility and high security.

Competitive Strengths

Strong Industry Position - The Company believes that Portable Storage is one of the largest participants in the temporary portable storage rental industry in North America. Portable Storage has a national reach from branches serving the West, Pacific Northwest, Northeast, Mid-Atlantic, Southeast and Midwest.

Expertise and Customer Service – The Company believes that Portable Storage has highly experienced operating management and branch employees. The Company believes that Portable Storage provides a superior level of customer service due to its strong relationship building skills, quality of fleet, driver development program and the quality of its responsiveness.

Asset Management – The Company believes that Portable Storage markets high quality, well-constructed and well-maintained rental products. The Company depreciates its containers over a 25-year estimated useful life to 62.5% residual value. We believe that if maintained, older containers will continue to produce similar rental rates as newer equipment. The fleet’s utilization is regionally optimized by understanding key vertical market customer demand, seasonality factors, competitors’ product availability and expected equipment returns.

Market

The portable storage container rental market in the U.S. has a large and diverse number of market segments including construction, retail, commercial and industrial, energy and petrochemical, manufacturing, education and healthcare.

The container rental products may be utilized throughout the U.S. and are not subject to any local or regional construction code or approval standards.

Rentals

Portable Storage rents its storage and office containers typically for rental periods of one to twelve months, although in some instances, rental terms can be over a year or longer. Monthly rental rates typically are between 2% and 4% of the equipment’s original acquisition cost. At December 31, 2024, Portable Storage owned 41,888 containers with an aggregate cost of $240.8 million or an average cost per unit of $5,750. Utilization is calculated each month by dividing the cost of the rental equipment on rent by the total cost of rental equipment, excluding new and accessory equipment. Utilization was 59.8% at December 31, 2024 and averaged 64.9% during the year.

Seasonality

Rental activity may vary depending upon the extent of retail activity that typically occurs during the fourth quarter and the impact inclement weather may have on construction activity.

Competition

The portable storage container rental industry is highly competitive. Some of our competitors may be larger than we are, have greater financial and other resources than we have, are more geographically diverse than we are and have greater name recognition among customers than we do. Portable Storage also competes against local companies that may have longer operating histories and a strong local presence. As a result, our competitors that have these advantages may be better able to attract and retain customers and provide their products and services at lower rental rates. Portable Storage competes with these companies based upon product availability, product quality, price and service. Portable Storage may encounter increased competition from existing competitors or from new entrants in the future.

ELECTRONIC TEST EQUIPMENT

Description

TRS-RenTelco rents and sells electronic test equipment nationally and internationally from two facilities located on the grounds of the Dallas Fort Worth International Airport in Grapevine, Texas (the “Dallas facility”) and Dollard-des-Ormeaux, Canada (the “Montreal facility”). TRS-RenTelco’s revenues are derived from the rental and sale of general purpose and communications test equipment to a broad range of companies, from Fortune 500 to middle and smaller market companies, in the aerospace, defense, communications, manufacturing and semiconductor industries. Electronic test equipment revenues are primarily affected by the business activity within these industries related to research and development, manufacturing, and communication infrastructure installation and maintenance. The Dallas facility, TRS-RenTelco’s primary operating location, houses the electronic test equipment inventory, sales engineers, calibration laboratories, and operations staff for U.S. and international business. The Montreal facility houses sales engineers and operations staff to serve the Canadian market. As of December 31, 2024, the original cost of electronic test equipment inventory was comprised of 79% general purpose electronic test equipment and 21% communications electronic test equipment.

Engineers, technicians and scientists utilize general purpose electronic test equipment in developing products, controlling manufacturing processes, completing field service applications and evaluating the performance of their own electrical and electronic equipment. These instruments are rented primarily to aerospace, defense, electronics, industrial, research and semiconductor industries. To date, Keysight Technologies, Rhode & Schwarz and Tektronix, a division of Fortive Corporation, have manufactured the majority of TRS-RenTelco’s general purpose electronic test equipment with the remainder acquired from over 60 other manufacturers.

Communications test equipment, including fiber optic test equipment, is utilized by technicians, engineers and installation contractors to evaluate voice, data and multimedia communications networks, to install fiber optic cabling, and in the development and manufacturing of transmission, network and wireless products. These instruments are rented primarily to manufacturers of communications equipment and products, electrical and communications installation contractors, field technicians, and service providers. To date, Anritsu, Viavi Solutions and Fluke Networks, a division of Fortive Corporation, have manufactured a significant portion of TRS-RenTelco’s communications test equipment, with the remainder acquired from over 40 other manufacturers.

TRS-RenTelco’s general purpose test equipment rental inventory includes oscilloscopes, amplifiers, analyzers (spectrum, network and logic), signal source and power source test equipment. The communications test equipment rental inventory includes network and transmission test equipment for various fiber, copper and wireless networks. TRS-RenTelco occasionally rents electronic test equipment from other rental companies and re-rents the equipment to customers.

Competitive Strengths

Strong Industry Position - The Company believes that TRS-RenTelco is one of the largest electronic test equipment rental and leasing companies offering a broad and deep selection of general purpose and communications test equipment for rent in North America.

Expertise - The Company believes that its knowledge of products, technology and applications expertise provides it with a competitive advantage over others in the industry. Customer requirements are supported by application engineers and technicians that are knowledgeable about the equipment’s uses to ensure the right equipment is selected to meet the customer’s needs. This knowledge can be attributed to the experience of TRS-RenTelco’s management, sales and operational teams.

Operating Structure - TRS-RenTelco is supported by a centralized distribution and inventory center on the grounds of the Dallas-Fort Worth International Airport in Texas. The Company believes that the centralization of servicing all customers in North America and internationally by TRS-RenTelco’s experienced logistics teams provides a competitive advantage by minimizing transaction costs and enabling TRS-RenTelco to ensure customer requirements are met.

Asset Management - TRS-RenTelco’s rental equipment inventory is serviced by an ISO 9001-2015 registered and compliant calibration laboratory that repairs and calibrates equipment ensuring that off rent equipment is ready to ship immediately to meet customers’ needs. TRS-RenTelco’s team of technicians, product managers and sales personnel are continuously monitoring and analyzing the utilization of existing products, new technologies, general economic conditions and estimates of customer demand to ensure the right equipment is purchased and sold, at the right point in the equipment’s technology life cycle. The Company believes this enables it to maximize utilization of equipment and the cash flow generated by the rental and sales revenue of each model of equipment. TRS-RenTelco strives to maintain strong relationships with equipment manufacturers, which enables it to leverage those relationships to gain rental opportunities.

Customer Service - The Company believes that its focus on providing excellent service to its customers provides a competitive advantage. TRS-RenTelco strives to provide exemplary service to fulfill its commitments to its customers. TRS-RenTelco prides itself in providing solutions to meet customers’ needs by having equipment available and responding quickly and thoroughly to their requests. TRS-RenTelco’s sophisticated in-house laboratory ensures the equipment is fully functional and meets its customers’ delivery requirements. Service needs of TRS-RenTelco’s customers are supported 24 hours a day, 7 days a week by its customer care specialists. TRS-RenTelco’s goal is to provide service beyond its customers’ expectations, which, the Company believes, results in customer loyalty and repeat business.

Market

Electronic test equipment rental is a market which we estimate has equipment on rent worldwide or available for rent with an aggregate original cost in excess of $1 billion. There is a broad customer base for the rental of such instruments, including aerospace, communications, defense, electrical contractor, electronics, industrial, installer contractor, network systems and research companies.

TRS-RenTelco markets its electronic test equipment throughout the United States, Canada, and, to a limited extent, other countries. TRS-RenTelco attracts customers through its outside sales force, website at www.TRSRenTelco.com, telemarketing program, trade show participation, paid internet search and electronic mail campaigns. A key part of the sales process is TRS-RenTelco’s knowledgeable inside sales engineering team that effectively matches test equipment solutions to meet specific customer’s requirements.

The Company believes that customers rent electronic test equipment for many reasons. Customers frequently need equipment for short-term projects, to evaluate new products, and for backup to avoid costly downtime. Delivery times for the purchase of such equipment can be lengthy; thus, renting allows the customer to obtain the equipment expeditiously. The Company also believes that the relative certainty of rental costs can facilitate cost control and be useful in the bidding of and pass-through of contract costs. Finally, renting rather than purchasing may better satisfy the customer’s budgetary constraints.

Rentals

TRS-RenTelco rents electronic test equipment typically for rental periods of one to six months, although in some instances, rental terms can be up to a year or longer. Monthly rental rates typically are between 2% and 10% of the current manufacturers’ list price. TRS-RenTelco depreciates its equipment over 1 to 8 years with no residual value.

At December 31, 2024, TRS-RenTelco had an electronic test equipment rental inventory including accessories with an aggregate cost of $344.0 million. Utilization is calculated each month by dividing the cost of the rental equipment on rent by the total cost of rental equipment, excluding accessory equipment. Utilization was 58.6% as of December 31, 2024 and averaged 57.3% during the year.

Sales

Profit from equipment sales is a material component of TRS-RenTelco’s overall annual earnings. Gross profit from sales of both used and new equipment over the last five years generally has ranged from approximately 21% to 27% of total annual gross profit for our electronics division. For 2024, gross profit on equipment sales was approximately 27% of total division gross profit. Equipment sales are driven by the turnover of older technology rental equipment, to maintain target utilization at a model number level, and new equipment sales opportunities. In 2024, approximately 20% of the electronic test equipment revenues were derived from sales. The largest electronic test equipment sale during 2024 represented 3% of electronic test equipment sales, less than 1% of the Company’s consolidated sales and less than 1% of consolidated revenues. There is intense competition in the sales of electronic test equipment from a world-wide network of test equipment brokers and resellers, legacy rental companies, and equipment manufacturers. We believe the annual world-wide sales of electronic test equipment is in excess of $8.0 billion per year.

Seasonality

Rental activity may decline in the fourth quarter month of December and the first quarter months of January and February. These months may have lower rental activity due to holiday closures, particularly by larger companies, inclement weather and its impact on various field related communications equipment rentals, and companies’ operational recovery from holiday closures which may impact the start-up of new projects coming online in the first quarter. These factors may impact the quarterly results of each year’s first and fourth quarter.

Competition

The electronic test equipment rental business is characterized by intense competition from several competitors, some of which may have access to greater financial and other resources than we do. TRS-RenTelco competes with these and other test equipment rental companies on the basis of product availability, price, service and reliability. Although no single competitor holds a dominant market share, we face intense competition from these established entities and new entrants in the market. Some of our competitors may offer similar equipment for lease, rental or sales at lower prices and may offer more extensive servicing, or financing options.

REPORTABLE SEGMENTS

For segment information regarding the Company’s four reportable business segments: Mobile Modular, Portable Storage, TRS-RenTelco and Enviroplex, see “Note 16. Segment Reporting” to the audited Consolidated Financial Statements of the Company included in “Item 8. Financial Statements and Supplementary Data.”

TEM 1A. RISK FACTORS

You should carefully consider the following discussion of various risks and uncertainties. We believe these risk factors are the most relevant to our business and could cause our results to differ materially from the forward-looking statements made by us. Our business, financial condition, and results of operations could be seriously harmed if any of these risks or uncertainties actually occur or materialize. In that event, the market price for our common stock could decline, and you may lose all or part of your investment.

RISKS RELATED TO OUR STRATEGY AND OPERATIONS:

Our future operating results may fluctuate, fail to match past performance or fail to meet expectations, which may result in a decrease in our stock price.

Our operating results may fluctuate in the future, may fail to match our past performance or fail to meet the expectations of analysts and investors. Our results and related ratios, such as gross margin, operating income percentage and effective tax rate may fluctuate as a result of a number of factors, some of which are beyond our control including but not limited to:

• general economic conditions in the geographies and industries where we rent and sell our products;

• legislative and educational policies where we rent and sell our products;

• the budgetary constraints of our customers;

• seasonality of our rental businesses and our end-markets;

• success of our strategic growth initiatives;

• costs associated with the launching or integration of new or acquired businesses;

• the timing and type of equipment purchases, rentals and sales;

• the nature and duration of the equipment needs of our customers;

• the timing of new product introductions by us, our suppliers and our competitors;

• the volume, timing and mix of maintenance and repair work on our rental equipment;

• supply chain delays or disruptions;

• our equipment mix, availability, utilization and pricing;

• inflation in the cost of materials, labor and new rental equipment;

• the mix, by state and country, of our revenues, personnel and assets;

• rental equipment impairment from excess, obsolete or damaged equipment;

• movements in interest rates or tax rates;

• changes in, and application of, accounting rules;

• changes in the law and regulations applicable to our business operations; and

• claims and litigation matters.

As a result of these factors, our historical financial results are not necessarily indicative of our future results or stock price.

Our stock price has fluctuated and may continue to fluctuate in the future, which may result in a decline in the value of your investment in our common stock.

The market price of our common stock fluctuates on the NASDAQ Global Select Market and is likely to be affected by a number of factors including but not limited to:

• our operating performance and the performance of our competitors, and in particular any variations in our operating results or dividend rate from our stated guidance or from investors' expectations;

• any changes in general conditions in the global economy, the industries in which we operate or the global financial markets;

• investors' reaction to our press releases, public announcements or filings with the SEC;

• the stock price performance of our competitors or other comparable companies;

- any changes in research analysts' coverage, recommendations or earnings estimates for us or for the stocks of other companies in our industry;
- any sales of common stock by our directors, executive officers and our other large shareholders, particularly in light of the limited trading volume of our stock;
- any merger, acquisition or divestiture activity that involves us or our competitors; and
- other announcements or developments affecting us, our industry, customers, suppliers or competitors.

In addition, in recent years the U.S. stock market has experienced significant price and volume fluctuations. These fluctuations are often unrelated to the operating performance of particular companies. Additionally, the most recent global credit crisis adversely affected the prices of most publicly traded stocks as many stockholders became more willing to divest their stock holdings at lower values to increase their cash flow and reduce exposure to such fluctuations. These broad market fluctuations and any other negative economic trends may cause declines in the market price of our common stock and may be based upon factors that have little or nothing to do with our Company or its performance, and these fluctuations and trends could materially reduce our stock price.

Our ability to retain our executive management and to recruit, retain and motivate key qualified employees is critical to the success of our business.

If we cannot successfully recruit and retain qualified personnel, our operating results and stock price may suffer. We believe that our success is directly linked to the competent people in our organization, including our executive officers, senior managers and other key personnel. Personnel turnover can be costly and could materially and adversely impact our operating results and can potentially jeopardize the success of our current strategic initiatives. We need to attract and retain highly qualified personnel to replace personnel when turnover occurs, as well as add to our staff levels as growth occurs. Our business and stock price likely will suffer if we are unable to fill, or experience delays in filling open positions, or fail to retain key personnel.

Failure by third parties to manufacture and deliver our products to our specifications or on a timely basis may harm our reputation and financial condition.

We depend on third parties to manufacture our products even though we are able to purchase products from a variety of third-party suppliers. In the future, we may be limited as to the number of third-party suppliers for some of our products. Although in general, we make advance purchases of some products to help ensure an adequate supply, currently we do not have any long-term purchase contracts with any third-party supplier. We may experience supply problems as a result of financial or operating difficulties or failure of our suppliers, or shortages and discontinuations resulting from product obsolescence or other shortages or allocations by our suppliers. Unfavorable economic conditions may also adversely affect our suppliers or the terms on which we purchase products. In the future, we may not be able to negotiate arrangements with third parties to secure products that we require in sufficient quantities or on reasonable terms. If we cannot negotiate arrangements with third parties to produce our products or if the third parties fail to produce our products to our specifications or in a timely manner, our reputation and financial condition could be harmed.

We are subject to information technology system failures, network disruptions and breaches in data security which could subject us to liability, reputational damage or interrupt the operation of our business.

We rely upon our information technology systems and infrastructure for our business. We sustained an immaterial cybersecurity attack in 2021. Upon detection, we promptly undertook steps to address the incident, restored network systems and resumed normal operations. The attack did not result in any material disruption to our operations or ability to service our customers and did not affect our financial performance.

In the future, we could experience additional breaches of our security measures resulting in the theft of confidential information or reputational damage from industrial espionage attacks, malware or other cyber-attacks, which may compromise our system infrastructure or lead to data leakage, either internally or at our third-party providers. Similarly, additional data privacy breaches by those who access our systems may pose a risk that sensitive data, including intellectual property, trade secrets or personal information belonging to us, our employees, customers or other business partners, may be exposed to unauthorized persons or to the public.

Any future breaches could subject us to reputational damage. Cyber-attacks are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect. We expend significant resources to minimize the risk of security breaches, including deploying additional personnel and protection technologies, training employees annually, and engaging third-party experts and contractors. Significant and increasing investments of time and resources by management and Board have been, and will continue to be, required to anticipate and address cybersecurity risks and incidents. However, given that the techniques used to obtain unauthorized access or to sabotage systems change frequently, and often are not identified until they are launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures in time to stop a cyber incident. Thus, there can be no assurance that our efforts to protect our data and information technology systems will prevent future breaches in our systems (or that of our third-party providers). Such breaches could adversely affect our business and result in financial and reputational harm to us, theft of trade secrets and other proprietary information, legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties.

Disruptions in our information technology systems or failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail, become unavailable for any period of time or are not upgraded, this could limit our ability to effectively monitor and control our operations and adversely affect our operations.

Our information technology systems facilitate our ability to transact business, monitor and control our operations and adjust to changing market conditions. We sustained an immaterial cybersecurity attack in 2021 involving ransomware that impacted certain of our systems, but was unsuccessful in its ability to disrupt our network. Upon detection, we promptly undertook steps to address the incident, restored network systems and resumed normal operations. Any future cybersecurity attack causing disruption in our information technology systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively transact business, monitor and control our operations and adjust to changing market conditions in a timely manner.

As part of our business, we develop, receive and retain confidential data about our company and our customers. In addition, because of recent advances in technology and well-known efforts on the part of computer hackers and cyber-terrorists to breach data security of companies, we face risks associated with failure to adequately protect critical corporate, customer and employee data, which could adversely impact our customer relationships, our reputation, and even violate privacy laws.

Further, the delay or failure to implement information system upgrades and new systems effectively could disrupt our business, distract management's focus and attention from our business operations and growth initiatives, and increase our implementation and operating costs, any of which could negatively impact our operations and operating results.

We have engaged in acquisitions and may engage in future acquisitions that could negatively impact our results of operations, financial condition and business.

We anticipate that we will continue to consider acquisitions in the future that meet our strategic growth plans. We are unable to predict whether or when any prospective acquisition will be completed. Acquisitions involve numerous risks, including the following:

- difficulties in integrating the operations, technologies, products and personnel of the acquired companies;
- diversion of management's attention from normal daily operations of our business;
- difficulties in entering markets in which we have no or limited direct prior experience and where competitors in such markets may have stronger market positions;
- regulatory hurdles in completing the transaction;
- difficulties in complying with regulations applicable to any acquired business, such as environmental regulations, and managing risks related to an acquired business;
- timely completion of necessary financing and required amendments, if any, to existing agreements;
- an inability to implement uniform standards, controls, procedures and policies;
- undiscovered and unknown problems, defects, damaged assets liabilities, or other issues related to any acquisition that become known to us only after the acquisition;
- negative reactions from our customers to an acquisition;
- disruptions among employees related to any acquisition which may erode employee morale;
- loss of key employees, including costly litigation resulting from the termination of those employees;
- an inability to realize cost efficiencies or synergies that we may anticipate when selecting acquisition candidates;
- recording of goodwill and non-amortizable intangible assets that will be subject to future impairment testing and potential periodic impairment charges;
- incurring amortization expenses related to certain intangible assets; and
- becoming subject to litigation.

Acquisitions are inherently risky, and no assurance can be given that our recent and future acquisitions will be successful or will not adversely affect our business, operating results, or financial condition. The success of our acquisition strategy depends upon our ability to successfully complete acquisitions and integrate any businesses that we acquire into our existing business. The difficulties of integration could be increased by the necessity of coordinating geographically dispersed organizations; maintaining acceptable standards, controls, procedures and policies; integrating personnel with disparate business backgrounds; combining different corporate cultures; and the impairment of relationships with employees and customers as a result of any integration of new management and other personnel. In addition, if we consummate one or more significant future acquisitions in which the consideration consists of stock or other securities, our existing shareholders' ownership could be diluted significantly. If we were to proceed with one or more significant future acquisitions in which the consideration included cash, we could be required to use, to the extent available, a substantial portion of our Credit Facility. If we increase the amount borrowed against our available credit line, we would increase the risk of breaching the covenants under our credit facilities with our lenders. In addition, it would limit our ability to make other investments, or we may be required to seek additional debt or equity financing. Any of these items could adversely affect our results of operations.

We continually assess the strategic fit of our existing businesses and may divest or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment, and we cannot be certain that our business, operating results and financial condition will not be materially and adversely affected.

A successful divestiture depends on various factors, including reaching an agreement with potential buyers on terms we deem attractive, as well as our ability to effectively transfer liabilities, contracts, facilities, and employees to any purchaser, identify and separate the assets to be divested from the assets that we wish to retain, reduce fixed costs previously associated with the divested assets or business, and collect the proceeds from any divestitures. These efforts require varying levels of management resources, which may divert our attention from other business operations. If we do not realize the expected benefits of any divestiture transaction, our consolidated financial position, results of operations and cash flows could be negatively impacted. In addition, divestitures of businesses involve a number of risks, including significant costs and expenses, the loss of customer relationships and a decrease in revenues and earnings associated with the divested business. Furthermore, divestitures potentially involve significant post-closing separation activities, which could involve the expenditure of material financial resources and significant employee resources. Any divestiture may result in a dilutive impact to our future earnings if we are unable to offset the dilutive impact from the loss of revenue associated with the divestiture, as well as significant write-offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial condition.

If we determine that our goodwill and intangible assets have become impaired, we may incur impairment charges, which would negatively impact our operating results.

At December 31, 2024, we had $377.6 million of goodwill and intangible assets, net, on our Consolidated Balance Sheets. Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. Under accounting principles generally accepted in the United States of America, we assess potential impairment of our goodwill and intangible assets at least annually, as well as on an interim basis to the extent that factors or indicators become apparent that could reduce the fair value of any of our businesses below book value. Impairment may result from significant changes in the manner of use of the acquired asset, negative industry or economic trends and significant underperformance relative to historic or projected operating results.

Our rental equipment is subject to residual value risk upon disposition and may not sell at the prices or in the quantities we expect.

The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- the market price for new equipment of a like kind;
- the age of the equipment at the time it is sold, as well as wear and tear on the equipment relative to its age;
- the supply of used equipment on the market;
- technological advances relating to the equipment;
- worldwide and domestic demand for used equipment; and
- general economic conditions.

We include in income from operations the difference between the sales price and the depreciated value of an item of equipment sold. Changes in our assumptions regarding depreciation could change our depreciation expense, as well as the gain or loss realized upon disposal of equipment. Sales of our used rental equipment at prices that fall significantly below our projections or in lesser quantities than we anticipate will have a negative impact on our results of operations and cash flows.

If we do not effectively manage our credit risk, collect on our accounts receivable or recover our rental equipment from our customers' sites, it could have a material adverse effect on our operating results.

We generally rent and sell to customers on 30 day payment terms, individually perform credit evaluation procedures on our customers for each transaction and require security deposits or other forms of security from our customers when a significant credit risk is identified. Historically, accounts receivable write-offs and write-offs related to equipment not returned by customers have not been significant and have averaged less than 1% of total revenues over the last five years. If economic conditions deteriorate, we may see an increase in credit losses relative to historical levels, which may materially and adversely affect our operations. Business segments that experience significant market disruptions or declines may experience increased customer credit risk and higher credit losses. Failure to manage our credit risk and receive timely payments on our customer accounts receivable may result in write-offs and/or loss of equipment, particularly electronic test equipment. If we are not able to effectively manage credit risk issues, or if a large number of our customers should have financial difficulties at the same time, our receivables and equipment losses could increase above historical levels. If this should occur, our results of operations may be materially and adversely affected.

Effective management of our rental assets is vital to our business. If we are not successful in these efforts, it could have a material adverse impact on our results of operations.

Our modular, containers and electronics rental products have long useful lives and managing those assets is a critical element to each of our rental businesses. Generally, we design units and find manufacturers to build them to our specifications for our modulars and containers. Modular asset management requires designing and building the product for a long life that anticipates the needs of our customers, including anticipating potential changes in legislation, regulations, building codes and local permitting in the various markets in which the Company operates. Electronic test equipment asset management requires understanding, selecting and investing in equipment technologies that support market demand, including anticipating technological advances and changes in manufacturers' selling prices. Container asset management requires obtaining high quality, well-constructed products and repairing and maintaining the products to ensure its long life. For each of our modular, container and electronic test equipment assets, we must successfully maintain and repair this equipment cost-effectively to maximize the useful life of the products and the level of proceeds from the sale of such products. To the extent that we are unable to do so, our result of operations could be materially adversely affected.

The nature of our businesses, including the ownership of industrial property, exposes us to the risk of litigation and liability under environmental, health and safety and products liability laws. Violations of environmental or health and safety related laws or associated liability could have a material adverse effect on our business, financial condition and results of operations.

We are subject to national, state, provincial and local environmental laws and regulations concerning, among other things, hazardous substance handling, storage and disposal and employee health and safety. These laws and regulations are complex and frequently change. We could incur unexpected costs, penalties and other civil and criminal liability if we fail to comply with applicable environmental or health and safety laws. We also could incur costs or liabilities related to waste disposal or remediating soil or groundwater contamination at our properties, at our customers' properties or at third party landfill and disposal sites. These liabilities can be imposed on the parties generating, transporting or disposing of such substances or on the owner or operator of any affected property, often without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances.

Several aspects of our businesses involve risks of environmental and health and safety liability. For example, our operations involve the use of petroleum products, solvents and other hazardous substances in the construction and maintaining of modular buildings and for fueling and maintaining our delivery trucks and vehicles. The historical operations at some of our previously or currently owned or leased and newly acquired or leased properties may have resulted in undiscovered soil or groundwater contamination or historical non-compliance by third parties for which we could be held liable. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination or non-compliance, may also give rise to liabilities or other claims based on these operations that may be material. In addition, compliance with future environmental or health and safety laws and regulations may require significant capital or operational expenditures or changes to our operations.

Accordingly, in addition to potential penalties for non-compliance, we may become liable, either contractually or by operation of law, for investigation, remediation and monitoring costs even if the contaminated property is not presently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. In addition, certain parties may be held liable for more than their "fair" share of environmental investigation and cleanup costs. Contamination and exposure to hazardous substances or other contaminants such as mold can also result in claims for remediation or damages, including personal injury, property damage, and natural resources damage claims. Although expenses related to environmental compliance, health and safety issues, and related matters have not been material to date, we cannot assure that we will not have to make significant expenditures in the future in order to comply with applicable laws and regulations. Violations of environmental or health and safety related laws or associated liability could have a material adverse effect on our business, financial condition and results of operations.

In general, litigation in the industries in which we operate, including class actions that seek substantial damages, arises with increasing frequency. Enforcement of environmental and health and safety requirements is also frequent. Such proceedings are invariably expensive, regardless of the merit of the plaintiffs' or prosecutors' claims. We may be named as a defendant in the future, and there can be no assurance, irrespective of the merit of such future actions, that we will not be required to make substantial settlement payments in the future. Further, a significant portion of our business is conducted in California which is one of the most highly regulated and litigious states in the country. Therefore, our potential exposure to losses and expenses due to new laws, regulations or litigation may be greater than companies with a less significant California presence.

The nature of our business also subjects us to property damage and product liability claims, especially in connection with our modular buildings and tank and box rental businesses. Although we maintain liability coverage that we believe is commercially reasonable, an unusually large property damage or product liability claim or a series of claims could exceed our insurance coverage or result in damage to our reputation.

Our routine business activities expose us to risk of litigation from employees, vendors and other third parties, which could have a material adverse effect on our results of operations.

We may be subject to claims arising from disputes with employees, vendors and other third parties in the normal course of our business; these risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time. If the plaintiffs in any suits against us were to successfully prosecute their claims, or if we were to settle any such suits by making significant payments to the plaintiffs, our operating results and financial condition would be harmed. Even if the outcome of a claim proves favorable to us, litigation can be time consuming and costly and may divert management resources. In addition, our organizational documents require us to indemnify our senior executives to the maximum extent permitted by California law. We maintain directors' and officers' liability insurance that we believe is commercially reasonable in connection with such obligations, but if our senior executives were named in any lawsuit, our indemnification obligations could magnify the costs of these suits and/or exceed the coverage of such policies.

If we suffer loss to our facilities, equipment or distribution system due to catastrophe, our insurance policies could be inadequate or depleted, our operations could be seriously harmed, which could negatively affect our operating results.

Our facilities, rental equipment and distribution systems may be subject to catastrophic loss due to fire, flood, hurricane, earthquake, terrorism or other natural or man-made disasters. In particular, our headquarters, three operating facilities, and certain of our rental equipment are located in areas of California, with above average seismic activity and could be subject to catastrophic loss caused by an earthquake. Our rental equipment and facilities in Texas, Louisiana, Florida, North Carolina and Georgia are located in areas subject to hurricanes and other tropical storms. In addition to customers' insurance on rented equipment, we carry property insurance on our rental equipment in inventory and operating facilities as well as business interruption insurance. We believe our insurance policies have adequate limits and deductibles to mitigate the potential loss exposure of our business. We do not maintain financial reserves for policy deductibles and our insurance policies contain exclusions that are customary for our industry, including exclusions for earthquakes, flood and terrorism. If any of our facilities or a significant amount of our rental equipment were to experience a catastrophic loss, it could disrupt our operations, delay orders, shipments and revenue recognition and result in expenses to repair or replace the damaged rental equipment and facility not covered by insurance, which could have a material adverse effect on our results of operations.

INTEREST RATE AND INDEBTEDNESS RISKS:

Our debt instruments contain covenants that restrict or prohibit our ability to enter into a variety of transactions and may limit our ability to finance future operations or capital needs. If we have an event of default under these instruments, our indebtedness could be accelerated, and we may not be able to refinance such indebtedness or make the required accelerated payments.

The agreements governing our Series D, E and F Senior Notes (as defined and more fully described under the heading "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources") and our Credit Facility contain various covenants that limit our discretion in operating our business. In particular, we are limited in our ability to merge, consolidate, reorganize or transfer substantially all of our assets, make investments, pay dividends or distributions, redeem or repurchase stock, change the nature of our business, enter into transactions with affiliates, incur indebtedness and create liens on our assets to secure debt. In addition, we are required to meet certain financial covenants under these instruments. These restrictions could limit our ability to obtain future financing, make strategic acquisitions or needed capital expenditures, withstand economic downturns in our business or the economy in general, conduct operations or otherwise take advantage of business opportunities that may arise.

A failure to comply with the restrictions contained in these agreements could lead to an event of default, which could result in an acceleration of our indebtedness. In the event of an acceleration, we may not have or be able to obtain sufficient funds to refinance our indebtedness or make any required accelerated payments. If we default on our indebtedness, our business financial condition and results of operations could be materially and adversely affected.

The majority of our indebtedness is subject to variable interest rates, which makes us vulnerable to increases in interest rates, which could negatively affect our net income.

Our indebtedness exposes us to interest rate increases because the majority of our indebtedness is subject to variable rates. At present, we do not have any derivative financial instruments such as interest rate swaps or hedges to mitigate interest rate variability. The interest rates under our credit facilities are reset at varying periods. These interest rate adjustments could cause periodic fluctuations in our operating results and cash flows. Our annual debt service obligations increase by approximately $4.2 million per year for each 1% increase in the average interest rate we pay based on the $415.4 million balance of variable rate debt outstanding at December 31, 2024. If interest rates rise in the future, and, particularly if they rise significantly, interest expense will increase and our net income will be negatively affected.

SPECIFIC RISKS RELATED TO OUR RELOCATABLE MODULAR BUILDINGS AND PORTABLE STORAGE BUSINESS SEGMENTS:

Significant reductions of, or delays in, funding to public schools have caused the demand and pricing for our modular classroom units to decline, which has in the past caused, and may cause in the future, a reduction in our revenues and profitability.

Rentals and sales of modular buildings to public school districts for use as classrooms, restroom buildings, and administrative offices for K-12 represent a significant portion of Mobile Modular’s rental and sales revenues. Funding for public school facilities is derived from a variety of sources including the passage of both statewide and local facility bond measures, developer fees and various taxes levied to support school operating budgets. Many of these funding sources are subject to financial and political considerations, which vary from district to district and are not tied to demand. Historically, we have benefited from the passage of statewide and local facility bond measures and believe these are essential to our business.

The state of California is our largest market for classroom rentals. The strength of this market depends heavily on public funding from voter passage of both state and local facility bond measures, and the ability of the state to sell such bonds in the public market. A lack of passage of state and local facility bond measures, or the inability to sell bonds in the public markets in the future could reduce our revenues and operating income, and consequently have a material adverse effect on the Company’s financial condition. Furthermore, even if voters have approved facility bond measures and the state has raised bond funds, there is no guarantee that individual school projects will be funded in a timely manner.

To the extent public school districts’ funding is reduced for the rental and purchase of modular buildings, our business could be harmed and our results of operations negatively impacted. We believe that interruptions or delays in the passage of facility bond measures or completion of state budgets, an insufficient amount of state funding, a significant reduction of funding to public schools, or changes negatively impacting enrollment may reduce the rental and sale demand for our educational products. Any reductions in funding available to the school districts from the states in which we do business may cause school districts to experience budget shortfalls and to reduce their demand for our products despite growing student populations, class size reduction initiatives and modernization and reconstruction project needs, which could reduce our revenues and operating income and consequently have a material adverse effect on the Company’s financial condition.

Public policies that create demand for our products and services may change, resulting in decreased demand for or the pricing of our products and services, which could negatively affect our revenues and operating income.

Various states where we operate enacted laws and constitutional amendments to provide funding for school districts to limit the number of students that may be grouped in a single classroom. School districts with class sizes in excess of state limits have been and continue to be a significant source of our demand for modular classrooms. In California, efforts to address aging infrastructure and deferred maintenance have resulted in modernization and reconstruction projects by public school districts including seismic retrofitting, asbestos abatement and various building repairs and upgrades, which has been another source of demand for our modular classrooms. The most recent economic recession caused state and local budget shortfalls, which reduced school districts’ funding and their ability to comply with state class size reduction requirements. If educational priorities and policies shift away from class-size reduction or modernization and reconstruction projects, demand and pricing for our products and services may decline, not grow as quickly as, or not reach the levels that we anticipate. Significant equipment returns may result in lower utilization until equipment can be redeployed or sold, which may cause rental rates to decline and negatively affect our revenues and operating income. Additionally, declining public school enrollment could lead to decreased demand for our products and services.

Our business is subject to various federal, state and local laws and regulations, which can change from time to time, governing construction, environmental health and safety, labor and employment, government contracts, transportation, immigration, anti-corruption, anti-trust and privacy, among others. Failure to comply with applicable laws and regulations could harm our business and financial condition, resulting in lower operating results and cash flows.

Similar to conventionally constructed buildings, the modular building industry, including the manufacturers and lessors of portable classrooms, are subject to regulations by multiple governmental agencies at the federal, state and local level relating to environmental, zoning, health, safety, energy efficiency, labor and transportation matters, among other matters. Failure to comply with these laws or regulations could impact our business or harm our reputation and result in higher capital or operating expenditures or the imposition of penalties or restrictions on our operations.

As with conventional construction, typically new codes and regulations are not retroactively applied. Nonetheless, new governmental regulations in these or other areas may increase our acquisition cost of new rental equipment, limit the use of or make obsolete some of our existing equipment, or increase our costs of rental operations.

Building codes are generally reviewed every three years. All aspects of a given code are subject to change including, but not limited to, such items as structural specifications for earthquake safety, energy efficiency and environmental standards, fire and life safety, transportation, lighting and noise limits.

Compliance with building codes and regulations entails a certain amount of risk as state and local government authorities do not necessarily interpret building codes and regulations in a consistent manner, particularly where applicable regulations may be unclear and subject to interpretation. These regulations often provide broad discretion to governmental authorities that oversee these matters, which can result in unanticipated delays or increases in the cost of compliance in particular markets. The construction and modular industries have developed many “best practices” which are constantly evolving. Some of our peers and competitors may adopt practices that are more or less stringent than the Company’s. When, and if, regulatory standards are clarified, the effect of the clarification may be to impose rules on our business and practices retroactively, at which time, we may not be in compliance with such regulations and we may be required to incur costly remediation. If we are unable to pass these increased costs on to our customers, our profitability, operating cash flows and financial condition could be negatively impacted.

We are subject to laws and regulations governing government contracts. These laws and regulations expose us to business volatility and risks, including government budgeting cycles and appropriations, potential early termination of contracts, procurement regulations, governmental policy shifts, audits, investigations, sanctions and penalties. Furthermore, these laws and regulations make these government contracts more favorable to government entities than other third parties and any changes in these laws and regulations, or our failure to comply with these laws and regulations could harm our business.

Mobile Modular and Portable Storage derive a portion of its revenues from contracts with U.S. federal government entities, government prime contractors, state entities and local entities, including school districts. Contracts with government entities are subject to budgetary constraints, and our continued performance under our contracts with these agencies and their prime contractors, or award of additional contracts from these agencies or their prime contractors, could be jeopardized by spending reductions or budget cutbacks at these agencies. Such contracts are also subject to unique laws and regulations, and the adoption of new laws or regulations relating to government contracting or changes to existing laws or regulations. New laws, regulations or procurement requirements, or changes to current ones, can significantly increase our costs and risks and reduce our profitability. In addition, any failure on the part of the company to comply with applicable government contract laws and regulations might result in administrative penalties or even in the termination or suspension of these contracts and as a result, the loss of the related revenues, which would harm our business.

Furthermore, the laws governing government contracts differ from the laws governing private contracts. For example, many government contracts contain pricing terms and conditions that are not applicable to private contracts such as clauses that allow government entities not to perform on contractual obligations in the case of a lack of fiscal funding. Also, in the educational markets we serve, we are able to utilize “piggyback” contracts in marketing our products and services and ultimately to book business. The term “piggyback” contract refers to contracts for portable classrooms or other products entered into by public school districts following a formal bid process that allows for the use of the same contract terms and conditions with the successful vendor by other public school districts. As a result, “piggyback” contracts allow us to more readily book orders from our government customers, primarily public school districts, and to reduce the administrative expense associated with booking these orders. The governmental statutes and regulations that allow for use of “piggyback” contracts are subject to change or elimination in their entirety. A change in the manner of use or the elimination of “piggyback” contracts would likely negatively impact our ability to book new business from these government customers and could cause our administrative expenses related to processing these orders to increase significantly. In addition, any failure to comply with these laws and regulations might result in administrative penalties or even in the suspension of these contracts and as a result, the loss of the related revenues which would harm our business and results from operations.

Expansions of our modular and portable storage operations into new markets may negatively affect our operating results.

In the past we have expanded our modular and portable storage operations into new geographies and states. There are risks inherent in the undertaking of such expansion, including the risk of revenue from the business in any new markets not meeting our expectations, higher than expected costs in entering these new markets, risk associated with compliance with applicable state and local laws and regulations, response by competitors and unanticipated consequences of expansion. In addition, expansion into new markets may be affected by local economic and market conditions. Expansion of our operations into new markets will require a significant amount of attention from our management, a commitment of financial resources and will require us to add qualified management in these markets, which may negatively impact our operating results.

Seasonality of our educational business may have adverse consequences for our modular building business.

A significant portion of the modular sale and rental revenues is derived from the educational market. Typically, during each calendar year, our highest numbers of classrooms are shipped for rental and sale orders during the second and third quarters for delivery and installation prior to the start of the upcoming school year. The majority of classrooms shipped in the second and third quarters have rental start dates during the third quarter, thereby making the fourth quarter the first full quarter of rental revenues recognized for these transactions. Although this is the historical seasonality of our business, it is subject to change or may not meet our expectations, which may have adverse consequences for our business.

We face strong competition in our modular building and portable storage markets and we may not be able to effectively compete.

The modular building and portable storage leasing industries are highly competitive in our states of operation and we expect it to remain so. The competitive market in which we operate may prevent us from raising rental fees or sales prices to pass any increased costs on to our customers. We compete on the basis of a number of factors, including equipment and labor availability, quality, price, service, reliability, appearance, functionality and delivery terms. We may experience pricing pressures in our areas of operation in the future as some of our competitors seek to obtain market share by reducing prices.

Some of our competitors in the modular building leasing industry have greater range of products and services, greater financial and marketing resources, larger customer bases, and greater name recognition than we have. These competitors may be better able to respond to changes in the relocatable modular building and portable storage container markets, to finance acquisitions, to fund internal growth and to compete for market share, any of which could harm our business.

We may not be able to quickly redeploy modular and container units returning from leases, which could negatively affect our financial performance and our ability to expand, or utilize, our rental fleet.

As of December 31, 2024, 63% of our modular and 57% of our container portfolios had equipment on rent for periods exceeding the original committed term. Generally, when a customer continues to rent the units beyond the contractual term, the equipment rents on a month-to-month basis. If a significant number of our rented units were returned during a short period of time, particularly those units that are rented on a month-to-month basis, a large supply of units would need to be remarketed. Our failure to effectively remarket a large influx of units returning from leases could negatively affect our financial performance and our ability to continue expanding our rental fleet. In addition, if returned units stay off rent for an extended period of time, we may incur additional costs to securely store and maintain them.

Significant increases in raw material and labor costs could increase our acquisition cost of new modular rental units and repair and maintenance costs of our fleet, which would increase our operating costs and harm our profitability.

We incur labor costs and purchase raw materials, including lumber, siding and roofing and other products to perform periodic repairs, modifications and refurbishments to maintain physical conditions of our modular units. The volume, timing and mix of maintenance and repair work on our rental equipment may vary quarter-to-quarter and year-to-year. Generally, increases in labor and raw material costs will also increase the acquisition cost of new modular units and increase the repair and maintenance costs of our fleet. We also maintain a fleet of service trucks and use subcontractor companies for the delivery, set-up, return delivery and dismantle of modulars for our customers. We rely on our drivers and subcontractor service companies to meet customer demands for timely shipment and return, and the loss or inadequate number of driver and subcontractor service companies may cause prices to increase, while negatively impacting our reputation and operating performance. During periods of rising prices for labor, raw materials or fuel, and in particular, when the prices increase rapidly or to levels significantly higher than normal, we may incur significant increases in our acquisition costs for new modular units and incur higher operating costs that we may not be able to recoup from our customers, which would reduce our profitability.

Failure by third parties to manufacture our products timely or properly may harm our reputation and financial condition.

We are dependent on third parties to manufacture our products even though we are able to purchase products from a variety of third-party suppliers. Mobile Modular purchases new modulars from various manufacturers who build to Mobile Modular's design specifications. With the exception of Enviroplex, none of the principal suppliers are affiliated with the Company. During 2024, Mobile Modular purchased 18% of its modular product from one manufacturer. The Company believes that the loss of any of its primary manufacturers of modulars could have an adverse effect on its operations since Mobile Modular could experience higher prices and longer delivery lead times for modular product until other manufacturers were able to increase their production capacity.

Failure to properly design, manufacture, repair and maintain the modular product may result in impairment charges, potential litigation and reduction of our operating results and cash flows.

We estimate the useful life of the modular product to be 18 years with a residual value of 50% and containers to be 25 years with a residual value of 62.5%. However, proper design, manufacture, repairs and maintenance of the products during our ownership is required for the product to reach their useful lives and residual values. If we do not appropriately manage the design, manufacture, repair and maintenance of our modular product, or otherwise delay or defer such repair or maintenance, we may be required to incur impairment charges for equipment that is beyond economic repair costs or incur significant capital expenditures to acquire new modular product to serve demand. In addition, such failures may result in personal injury or property damage claims, including claims based on presence of mold, and termination of leases or contracts by customers. Costs of contract performance, potential litigation, and profits lost from termination could accordingly reduce our future operating results and cash flows.

Our warranty costs may increase and warranty claims could damage our reputation and negatively impact our revenues and operating income.

Sales of new relocatable modular buildings not manufactured by us are typically covered by warranties provided by the manufacturer of the products sold. We provide ninety-day warranties on certain modular sales of used rental units and one-year warranties on equipment manufactured by our Enviroplex subsidiary. Historically, our warranty costs have not been significant, and we monitor the quality of our products closely. If a defect were to arise in the installation of our equipment at the customer’s facilities or in the equipment acquired from our suppliers or by our Enviroplex subsidiary, we may experience increased warranty claims. Such claims could disrupt our sales operations, damage our reputation and require costly repairs or other remedies, negatively impacting revenues and operating income.

SPECIFIC RISKS RELATED TO OUR ELECTRONIC TEST EQUIPMENT BUSINESS SEGMENT:

Market risk and cyclical downturns in the industries using test equipment may result in periods of low demand for our product resulting in excess inventory, impairment charges and reduction of our operating results and cash flows.

TRS-RenTelco’s revenues are derived from the rental and sale of general purpose and communications test equipment to a broad range of companies, from Fortune 500 to middle and smaller market companies, in the aerospace, defense, communications, manufacturing and semiconductor industries. Electronic test equipment rental and sales revenues are primarily affected by the business activity within these industries related to research and development, manufacturing, and communication infrastructure installation and maintenance. Historically, these industries have been cyclical and have experienced periodic downturns, which can have a material adverse impact on the industry’s demand for equipment, including our rental electronic test equipment. In addition, the severity and length of any downturn in an industry may also affect overall access to capital, which could adversely affect our customers and result in excess inventory and impairment charges. During periods of reduced and declining demand for test equipment, we are exposed to additional receivable risk from non-payment and may need to rapidly align our cost structure with prevailing market conditions, which may negatively impact our operating results and cash flows.

Seasonality of our electronic test equipment business may impact quarterly results.

Generally, rental activity declines in the fourth quarter month of December and the first quarter months of January and February. These months may have lower rental activity due to holiday closures, particularly by larger companies, inclement weather and its impact on various field related communications equipment rentals, and companies’ operational recovery from holiday closures which may impact the start-up of new projects coming online in the first quarter. These seasonal factors historically have impacted quarterly results in each year’s first and fourth quarter, but we are unable to predict how such factors may impact future periods.

Our rental test equipment may become obsolete or may no longer be supported by a manufacturer, which could result in an impairment charge.

Electronic test equipment is characterized by changing technology and evolving industry standards that may render our existing equipment obsolete through new product introductions, or enhancements, before the end of its anticipated useful life, causing us to incur impairment charges. We must anticipate and keep pace with the introduction of new hardware, software and networking technologies and acquire equipment that will be marketable to our current and prospective customers.

Additionally, some manufacturers of our equipment may be acquired or cease to exist, resulting in a future lack of support for equipment purchased from those manufacturers. This could result in the remaining useful life becoming shorter, causing us to incur an impairment charge. We monitor our manufacturers’ capacity to support their products and the introduction of new technologies, and we acquire equipment that will be marketable to our current and prospective customers. However, any prolonged economic downturn could result in unexpected bankruptcies or reduced support from our manufacturers. Failure to properly select, manage and respond to the technological needs of our customers and changes to our products through their technology life cycle may cause certain electronic test equipment to become obsolete, resulting in impairment charges, which may negatively impact operating results and cash flows.

If we do not effectively compete in the rental equipment market, our operating results will be materially and adversely affected.

The electronic test equipment rental business is characterized by intense competition from several competitors, some of which may have access to greater financial and other resources than we do. Although no single competitor holds a dominant market share, we face competition from these established entities and new entrants in the market. We believe that we anticipate and keep pace with the introduction of new products and acquire equipment that will be marketable to our current and prospective customers. We compete on the basis of a number of factors, including product availability, price, service and reliability. Some of our competitors may offer similar equipment for lease, rental or sale at lower prices and may offer more extensive servicing, or financing options. Failure to adequately forecast the adoption of, and demand for, new or existing products may cause us not to meet our customers' equipment requirements and may materially and adversely affect our operating results.

If we are not able to obtain equipment at favorable rates, there could be a material adverse effect on our operating results and reputation.

The majority of our rental equipment portfolio is comprised of general purpose test and measurement instruments purchased from leading manufacturers. We depend on purchasing equipment from these manufacturers and suppliers for use as our rental equipment. If, in the future, we are not able to purchase necessary equipment from one or more of these suppliers on favorable terms, we may not be able to meet our customers' demands in a timely manner or for a rental rate that generates a profit. If this should occur, we may not be able to secure necessary equipment from an alternative source on acceptable terms and our business and reputation may be materially and adversely affected.

Our business is subject to various federal, state and local laws and regulations, in each of the jurisdictions in which we conduct business within the U.S. and internationally, related to government contracts, immigration, export control, anti-corruption, anti-trust, privacy, environmental health and safety, labor and employment, among others. Failure to comply with applicable laws and regulations could harm our business and financial condition, resulting in lower operating results and cash flows. More specifically, if we are not able to anticipate and mitigate the risks associated with operating internationally, there could be a material adverse effect on our operating results.

Currently, total foreign country customers and operations account for less than 10% of the Company's revenues. In recent years some of our customers have expanded their international operations faster than domestic operations, and this trend may continue. Over time, the amount of our international business may increase if we focus on international market opportunities. Operating in foreign countries subjects the Company to additional risks, any of which may adversely impact our future operating results, including:

• international political, economic and legal conditions including political unrest and conflict, sanctions, tariffs and trade barriers;

• our ability to comply with customs, anti-corruption, import/export and other trade compliance regulations, under U.S. and applicable foreign laws, together with any unexpected changes in such regulations;

• greater difficulty in our ability to recover rental equipment and obtain payment of the related trade receivables;

• additional costs to establish and maintain international subsidiaries and related operations;

• difficulties in attracting and retaining staff and business partners to operate internationally;

• language and cultural barriers;

• seasonal reductions in business activities in the countries where our international customers are located;

• difficulty with the integration of foreign operations;

• longer payment cycles;

• currency fluctuations; and

• potential adverse tax consequences.

Unfavorable currency exchange rates may negatively impact our financial results in U.S. dollar terms.

We receive revenues in Canadian dollars from our business activities in Canada. Conducting business in currencies other than U.S. dollars subjects us to fluctuations in currency exchange rates. If the currency exchange rates change unfavorably, the value of net receivables we receive in foreign currencies and later convert to U.S. dollars after the unfavorable change would be diminished. This could have a negative impact on our reported operating results. We currently do not engage in hedging strategies to mitigate this risk.

GENERAL RISKS:

Our effective tax rate may change and become less predictable as our business expands, or as a result of federal and state tax law changes, making our future earnings less predictable.

We continue to consider expansion opportunities domestically and internationally for our rental businesses. Since the Company’s effective tax rate depends on business levels, personnel and assets located in various jurisdictions, further expansion into new markets or acquisitions may change the effective tax rate in the future and may make it, and consequently our earnings, less predictable going forward. Further, the enactment of future tax law changes by federal and state taxing authorities may impact the Company’s current period tax provision and its deferred tax liabilities. In addition, the amount and timing of stock-based compensation may also impact the Company’s current tax provision.

Changes in financial accounting standards may cause lower than expected operating results and affect our reported results of operations.

Changes in accounting standards and their application may have a significant effect on our reported results on a going-forward basis and may also affect the recording and disclosure of previously reported transactions. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred in the past and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

Adverse economic conditions in the United States and globally, as well as geopolitical tensions, could have a negative effect on our business, results of operations, financial condition and liquidity.

Adverse macroeconomic conditions in the United States and globally, including inflation, cost increases from tariffs, slower than expected growth or recession, changes to fiscal and monetary policy, tightening of the credit markets, higher interest rates and currency fluctuations, could negatively impact our business, financial condition, results of operations and liquidity. These factors could negatively affect demand for our business.

Adverse economic conditions in the United States and globally have from time to time caused or exacerbated significant slowdowns in our industry and in the markets in which we operate, which have adversely affected our business and results of operations. Macroeconomic weakness and uncertainty also make it more difficult for us to accurately forecast revenue, gross margin and expenses, and may make it more difficult to refinance debt.

Furthermore, sustained uncertainty about, or worsening of, geopolitical tensions, including further escalation of war between Russia and Ukraine, further escalation of trade tensions between the U.S. and China, escalation of tensions between China and Taiwan, further escalation in the conflict between the State of Israel and Hamas, as well as further escalation of tensions between the State of Israel and various countries in the Middle East and North Africa, could result in a global economic slowdown and long-term changes to global trade. Any or all of these factors could negatively affect our revenue and could materially adversely affect our business, results of operations, financial condition and growth.

Environmental, social and governance (ESG) matters may impact our business and reputation.

Governmental authorities, non-governmental organizations, customers, investors, external stakeholders and employees have sensitivities to ESG concerns. Our ability to compete could also be affected by changing customer preferences and requirements, such as growing demand for more environmentally friendly products, supplier practices, or by failure to meet such customer expectations or demand. We risk negative shareholder reaction, including from proxy advisory services, as well as damage to our reputation, if we do not act responsibly, or if we are perceived to not be acting responsibly in key ESG areas. If we do not meet the ESG expectations of our investors, customers and other stakeholders, we could experience reduced demand for our products, loss of customers, and other negative impacts on our business and results of operations.

We have begun to report our prior modular building and portable storage segment in two separate segments of modular building and portable storage container. This segment reporting structure has been in effect for a limited period of time, and there are no assurances that we will be able to successfully operate the prior segment in two distinct segments, and the change could be confusing to investors and may not have the desired effects.

During the quarter ended December 31, 2023, we began reporting our prior modular building and portable storage segment as two distinct segments of modular buildings and portable storage containers. Managing these changes has required, and may continue to require, significant expenditures and allocation of valuable management resources. We have provided disclosures about this new segment reporting structure, but there is no guarantee that investors or the market will understand this change to our financial reporting. There is also no guarantee that this change will have the desired effect. Failure of investors or analysts to understand our revised segment reporting structure may negatively affect their ability to understand our business and operating results which could adversely affect our stock price. In addition, we test for goodwill impairment at the reporting segment level and consider the difference between the fair value of a reporting segment and its' carrying value, when determining whether any impairment exists. There can be no assurance that the change to our segment reporting structure will not result in impairment charges in future periods.

TEM 1B. UNRESOLVED STAFF COMMENTS

None.

TEM 1C. CYBERSECURITY

Cybersecurity represents an important component of the Company's overall approach to risk management. The Company's cybersecurity policies, standards and practices are integrated into the Company's enterprise risk management ("ERM") approach, and cybersecurity risks are one of the enterprise risks that are subject to oversight by the Company's Board of Directors (the "Board"). The Company's cybersecurity policies, standards and practices follow industry trends, which align with frameworks established by the National Institute of Standards and Technology and the International Organization for Standardization. The Company approaches cybersecurity threats through a cross-functional approach which endeavors to: (i) identify, prevent and mitigate cybersecurity threats to the Company; (ii) preserve the confidentiality, security and availability of the information that we collect and store to use in our business; (iii) protect the Company's intellectual property; (iv) maintain the confidence of our customers, clients and business partners; and (v) provide appropriate public disclosure of cybersecurity risks and incidents when required.

Risk Management and Strategy

The Company's cybersecurity program focuses on the following areas:

- **Vigilance:** The Company maintains cybersecurity threat operations with the goal of identifying, preventing and mitigating cybersecurity threats and responding to cybersecurity incidents in accordance with our established incident response and recovery plans.
- **Systems Safeguards:** The Company deploys systems safeguards that are designed to protect the Company's information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through ongoing vulnerability assessments and cybersecurity threat intelligence.
- **Collaboration:** The Company utilizes collaboration mechanisms established with public and private entities, including intelligence and enforcement agencies, industry groups and third-party service providers, to identify, assess and respond to cybersecurity risks.
- **Third-Party Risk Management:** The Company endeavors to identify and oversee cybersecurity risks presented by third parties as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.
- **Training:** The Company provides periodic training and testing for personnel regarding cybersecurity threats, which reinforce the Company's information security policies, standards and practices.
- **Incident Response and Recovery Planning:** The Company has established and maintains incident response and recovery plans that address the Company's response to a cybersecurity incident and the recovery from a cybersecurity incident; such plans are tested and evaluated periodically.
- **Communication, Coordination and Disclosure:** The Company utilizes a cross-functional approach to address the risk from cybersecurity threats, involving management personnel from the Company's technology, operations, legal, risk management, and other key business functions, as well as the members of the Board in an ongoing dialogue regarding cybersecurity threats and incidents, while also implementing controls and procedures for the escalation of cybersecurity incidents pursuant to established thresholds so that decisions regarding the disclosure and reporting of such incidents can be made by management in a timely manner.
- **Governance:** The Board's oversight of cybersecurity risk management is supported by the Company's executive leadership team and Cybersecurity Steering Committee, which regularly interacts with the Company's Vice President of Information Technology and other members of the cyber team and management.

The Company manages risks from cybersecurity threats through the assessment and testing of the Company's processes and practices focused on evaluating the effectiveness of our cybersecurity measures. The Company engages a third-party independent cybersecurity company that provides security testing and monitoring, including penetration testing, auditing, and security assessment, for the Company. The results of such assessments and reviews are reported as part of the technology and cybersecurity update to the Company's executive leadership team and the Board, and the Company adjusts its cybersecurity policies, standards, processes and practices as necessary based on the information provided by the assessments, audits and reviews.

Governance

The Board oversees the effectiveness of the Company's management of risks from cybersecurity threats, including the policies, standards, processes and practices that the Company's management implements to address risks from cybersecurity threats. The Board receives reports on the Company's technology and cybersecurity functions, including vulnerability assessments, any third-party and independent reviews, the threat environment, and other information security considerations. The Board also receives on a regular basis information and updates regarding cybersecurity matters. The Cybersecurity Steering Committee meets multiple times throughout the year to discuss the Company's cybersecurity programs and practices, risk management related to cybersecurity and a wide range of other related topics including, for example, recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to the Company's peers and third parties. At least once each year, the Board and the Company's executive leadership team discuss the Company's approach to cybersecurity risk management with the Company's VP of Information Technology.

The Company's VP of Information Technology is the member of the Company's management who is principally responsible for overseeing the Company's cybersecurity risk management program, in partnership with other business leaders across the Company. The VP of Information Technology works in coordination with senior leadership, which includes our Chief Executive Officer and President, Chief Financial Officer and General Counsel. The Company's VP of Information Technology has served in various roles in technology and is supported by a team of information technology and cybersecurity professionals with decades of relevant experience.

The Company has established a Cybersecurity Steering Committee that includes executives and senior leadership across all divisions and corporate services to implement and manage a program designed to protect the Company's information systems from cybersecurity threats and to respond promptly to any cybersecurity incidents. To facilitate the success of this program, multidisciplinary teams throughout the Company are created and deployed to address cybersecurity threats and to respond to cybersecurity incidents in accordance with the Company's Incident Response Plan. Through the ongoing communications from these teams, the Cybersecurity Steering Committee monitors effectiveness of the prevention, detection, mitigation and remediation within the cybersecurity program. The Company's General Counsel, as part of the Incident Response Team, will report any material cybersecurity incidents to the Board when appropriate.

As of the date of this Annual Report on Form 10-K, we are not aware of any cybersecurity incidents that have materially affected or are reasonably likely to affect the Company, including its business strategy, results of operations, or financial condition.

TEM 2. PROPERTIES.

The Company's corporate and administrative offices are located in Livermore, California in approximately 26,000 square feet. At December 31, 2024, the Company's four reportable business segments conducted operations from the following locations:

Mobile Modular and Portable Storage – Mobile Modular and Portable Storage operate from 26 owned and 54 leased locations. Our largest owned facilities include eight inventory centers, at which relocatable modular buildings and storage containers are displayed, refurbished and stored:

Livermore, California (140 acres in the San Francisco Bay Area),
Mira Loma, California (82 acres in the Los Angeles area),
Pasadena, Texas (50 acres in the Houston area),
Grand Prairie, Texas (30 acres in the Dallas area),
Auburndale, Florida (123 acres in the Orlando area),
Arcade, Georgia (48 acres in the Atlanta area),
Fredericksburg, Virginia (68 acres in the Washington D.C. area),
Concord, North Carolina (74 acres in the Charlotte N.C. area).

The inventory centers conduct rental and sales operations from modular buildings, serving as working models of the Company's modular product.

TRS-RenTelco – Electronic test equipment rental and sales operations are conducted from a 117,000 square foot leased facility in Grapevine, Texas (Dallas area) and a sales office in Dollard-des-Ormeaux, Quebec (Montreal, Canada area).

Enviroplex – The Company's wholly owned subsidiary, Enviroplex, manufactures modular buildings used primarily as classrooms in California from its own 108,000 square foot facility in Stockton, California (San Francisco Bay Area).

TEM 3. LEGAL PROCEEDINGS.

The Company is involved in various lawsuits and routine claims arising out of the normal course of its business. The Company maintains insurance coverage for its operations and employees with appropriate aggregate, per occurrence and deductible limits as the Company reasonably determines necessary or prudent with current operations and historical experience. The major policies include coverage for property, general liability, cyber, auto, directors and officers, health, and workers' compensation insurances. In the opinion of management, the ultimate amount of liability not covered by insurance, if any, under any pending litigation and claims, individually or in the aggregate, will not have a material adverse effect on the financial position or operating results of the Company.

TEM 4. MINE SAFETY DISCLOSURES.

Not Applicable

PART II

TEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The Company's common stock is traded in the NASDAQ Global Select Market under the symbol "MGRC". As of February 19, 2025, the Company's common stock was held by approximately 46 shareholders of record, which does not include shareholders whose shares are held in street or nominee name. The Company believes that when holders in street or nominee name are added, the number of holders of the Company's common stock exceeds 500.

The Company has in the past made purchases of shares of its common stock from time to time in over-the-counter market (NASDAQ) transactions, through privately negotiated, large block transactions and through a share repurchase plan, in accordance with Rule 10b5-1 of the Exchange Act. In September 2024, the Company's Board of Directors increased the capacity under the share repurchase program by authorizing the Company to repurchase up to 2,000,000 shares of the Company's outstanding common stock (the "Repurchase Plan"), an increase from the 1,309,805 remaining shares authorized for repurchase under the Repurchase Plan established in August 2015. The amount and time of the specific repurchases are subject to prevailing market conditions, applicable legal requirements and other factors, including management's discretion. All shares repurchased by the Company are canceled and returned to the status of authorized but unissued shares of common stock. There can be no assurance that any authorized shares will be repurchased, and the Repurchase Plan may be modified, extended or terminated by the Company's Board of Directors at any time. There were no shares repurchased during the three and twelve months ended December 31, 2024 and 2023. As of December 31, 2024, 2,000,000 shares were authorized for repurchase under the Repurchase Plan.

There were no repurchases of our common stock for the quarter ended December 31, 2024.

TEM 6. [Reserved]

TEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in this section as well as those discussed under Part I, “Item 1A. Risk Factors” and elsewhere in this document. This discussion should be read together with the financial statements and the related notes thereto set forth in “Item 8. Financial Statements and Supplementary Data.”

Results of Operations

General

The Company, incorporated in 1979, is a leading rental provider of relocatable modular buildings for classroom and office space, portable storage containers, and electronic test equipment for general purpose and communications needs. The Company’s primary emphasis is on equipment rentals. At December 31, 2024 the Company was comprised of four reportable business segments: (1) its modular building rental segment (“Mobile Modular”); (2) its portable storage container rental segment ("Portable Storage"); (3) its electronic test equipment rental segment (“TRS-RenTelco”); and (4) its classroom manufacturing segment selling modular buildings used primarily as classrooms in California (“Enviroplex”). In 2024, Mobile Modular, Portable Storage, TRS-RenTelco and Enviroplex contributed 68%, 16%, 12% and 4%, respectively, of the Company’s income from continuing operations before provision for taxes (the equivalent of “pre-tax income”), compared to 62%, 22%, 16% and less than 1%, respectively, for 2023.

The Company generates its revenues primarily from the rental of its equipment on operating leases with sales of equipment occurring in the normal course of business. The Company requires significant capital outlay to purchase its rental inventory and recovers its investment through rental and sales revenues. Rental revenue and certain other service revenues negotiated as part of the lease agreements with customers and related costs are recognized on a straight-line basis over the terms of the lease. Sales revenue and related costs are recognized upon delivery and installation of the equipment to the customers. Sales revenues are less predictable and can fluctuate from period to period depending on customer demands and requirements. Generally, rental revenues less cash operating costs recover the equipment’s capitalized cost in a shorter period of time relative to the equipment’s potential rental life and when sold, sale proceeds are usually above its net book value.

The Company’s rental operations include rental and rental related services revenues which comprised approximately 70% of the Company’s total revenues from continuing operations in 2024 and 74% for the three years ended December 31, 2024. Over the past three years, modulars, storage containers and electronic test equipment comprised approximately 65%, 15% and 20%, respectively, of the cumulative rental operations revenues from continuing operations. The Company’s direct costs of rental operations include depreciation of rental equipment, rental related service costs, impairment of rental equipment, and other direct costs of rental operations (which include direct labor, supplies, repairs, insurance, property taxes, license fees and amortization of certain lease costs).

The Company sells modulars, storage containers and electronic test equipment that are new, or previously rented. The Company’s Enviroplex subsidiary manufactures and sells new modular classrooms. The renting and selling of some modular equipment requires a dealer’s license, which the Company has obtained from the appropriate governmental agencies. Sales and other revenues of modulars, containers and electronic test equipment have comprised approximately 30% of the Company’s consolidated revenues from continuing operations in 2024 and 26% for the three years ended December 31, 2024. Over the past three years, modulars, containers and electronic test equipment comprised approximately 83%, 3% and 14% of sales and other revenues, respectively. The Company’s cost of sales includes the carrying value of the equipment sold and the direct costs associated with the equipment sold such as delivery, installation, modifications and related site work.

The rental and sale of modulars to public school districts comprised 24%, 18% and 21% of the Company’s consolidated rental and sales revenues from continuing operations for 2024, 2023 and 2022, respectively. (For more information, see “Item 1. Business – Relocatable Modular Buildings – Classroom Rentals and Sales to Public Schools (K-12)” above.)

Selling and administrative expenses primarily include personnel and benefit costs, which includes share-based compensation, depreciation and amortization of property, plant and equipment and intangible assets, credit losses, advertising costs, and professional service fees. The Company believes that sharing of common facilities, financing, senior management, and operating and accounting systems by all of the Company’s operations, results in an efficient use of overhead. Historically, the Company’s operating margins have been impacted favorably to the extent its costs and expenses are leveraged over a large installed customer base. However, there can be no assurance as to the Company’s ability to maintain a large installed customer base or ability to sustain its historical operating margins.

Recent Developments

Dividends

In February 2025, the Company announced that its Board of Directors declared a cash dividend of $0.485 per common share for the quarter ending March 31, 2025, an increase of 2% over the prior year's comparable quarter.

Percentage of Revenue Table

The following table sets forth for the periods indicated the results of operations as a percentage of the Company's total revenues from continuing operations and the percentage of changes in the amount of such items as compared to the amount in the indicated prior period:

	Percent of Total Revenues				Percent Change	
	Three Years	Year Ended December 31,			2024 over	2023 over
	2024–2022	2024	2023	2022	2023	2022
Revenues						
Rental	57%	54%	57%	61%	3%	22%
Rental related services	17	16	17	15	7	45
Rental operations	74	70	74	76	4	26
Sales	25	29	25	23	27	40
Other	1	1	1	1	*nm*	*nm*
Total revenues	100	100	100	100	10	31
Costs and expenses						
Direct costs of rental operations						
Depreciation of rental equipment	11	11	11	13	—	11
Rental related services	11	11	12	11	7	40
Other	14	11	13	16	(5)	10
Total direct costs of rental operations	36	33	36	40	0	18
Cost of sales	17	19	17	14	27	50
Total costs	53	52	53	54	9	27
Gross profit	47	48	47	46	11	36
Selling and administrative expenses	23	22	25	22	(3)	45
Other income	1	1	—	—	157	100
Income from operations	24	27	23	24	29	29
Interest expense	4	5	5	2	16	232
Gain on merger termination from WillScot Mobile Mini, net of transaction costs	5	13	—	—	100	—
Income from continuing operations before provision for income taxes	25	34	18	22	110	11
Provision for income taxes from continuing operations	6	9	5	5	118	20
Income from continuing operations	19%	25%	13%	17%	107%	8%

nm = Not meaningful

Twelve Months Ended December 31, 2024 Compared to
Twelve Months Ended December 31, 2023

Overview

Consolidated revenues in 2024 increased 8% to $910.9 million, from $841.3 million in 2023. Consolidated net income in 2024 increased to $231.7 million, or $9.43 per diluted share in 2024, compared to $174.6 million, or $7.12 per diluted share, in 2023. The increase in consolidated net income and earnings per diluted share during the year was primarily attributed to the $180.0 million gain on merger termination, partly offset by $63.2 million in transaction costs attributed to the terminated merger with Willscot Mobile Mini, net of provision for income taxes. Consolidated net income for the year ended December 31, 2023, included the $61.5 million gain on sale of discontinued operations from the divestiture of Adler Tanks, net of tax. Excluding the gain and transaction costs attributed to the merger termination in the current year, and the gain on sale of discontinued operations in 2023, the Company's net income increased by approximately $33.9 million, or 30%, to $145.7 million, and diluted earnings per share increased $1.37, or 30%, to $5.93, compared to $4.56 in 2023. The Company’s year over year total revenue increase was primarily due to higher sales, rental, and rental related services revenues, as more fully described below.

There was no revenue, income or earnings per share from discontinued operations during the year ended December 31, 2024. Revenues from discontinued operations for the year ended December 31, 2023, was $9.4 million and income from discontinued operations was $62.8 million, which included the net gain on sale of discontinued operations of $61.5 million. Earnings per diluted share from discontinued operations for the year ended December 31, 2023 was $2.56. For additional information on discontinued operations and the divestiture of Adler Tanks, refer to Note 5 to the consolidated financial statements.

For 2024 compared to 2023, on a consolidated basis from continuing operations:

• Gross profit increased $41.8 million, or 11%, to $435.4 million. Mobile Modular’s gross profit increased $45.6 million, or 18%, due to higher gross profit on rental, sales and rental related services revenues. Portable Storage's gross profit decreased $5.0 million, or 7%, due to lower gross profit on rental and rental related services revenues. TRS-RenTelco’s gross profit decreased $6.5 million, or 10%, primarily due to lower gross profit on rental and other revenues. Enviroplex’s gross profit increased $7.7 million, primarily due to $25.6 million higher sales revenues and increased gross margin on sales revenues of 26.1%, compared to 20.9% in 2023.

• Selling and administrative expenses decreased $7.1 million, or 3%, to $200.4 million, primarily due to $15.9 million in transaction costs incurred by the Company in 2023, attributed to the acquisitions of Vesta Modular, Brekke Storage, Dixie Storage and Inland Leasing, and the divestiture of Adler Tanks, partly offset by an increase in employee salaries and benefit costs of $7.8 million in 2024. During the year ended December 31, 2024, the Company determined that transaction costs incurred by the Company attributed to the terminated merger were significant and required separate presentation on the consolidated statements of income. Due to this determination, the Company has excluded the transaction costs incurred by the Company from Selling and administrative expenses for all reportable business segments for the year ended December 31, 2024.

• Other income, net increased $5.7 million due to the sale of a property in 2024, resulting in a net gain of $9.3 million, compared to the gain on sale of four properties in 2023.

• Interest expense increased $6.7 million, due to 10% higher average debt levels of the Company, accompanied by 6% higher net average interest rates of 6.48% in 2024 compared to 6.12% in 2023.

• Pre-tax income contribution by Mobile Modular, Portable Storage and TRS-RenTelco was 69%, 16% and 12%, respectively, compared to 62%, 22% and 16%, respectively, in 2023. These results are discussed on a segment basis below. Pre-tax income contribution by Enviroplex was 3% for 2024 and less than 1% for 2023.

• The provision for income taxes resulted in an effective tax rate of 26.1% and 25.5% for the years ended December 31, 2024 and 2023, respectively.

• Adjusted EBITDA increased $33.4 million, or 10%, to $351.7 million in 2024. Adjusted EBITDA is a non-GAAP financial measure and is defined as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs, share-based compensation and transaction costs. A reconciliation of Adjusted EBITDA to net cash provided by operating activities and net income to Adjusted EBITDA can be found on page 45.

Mobile Modular

For 2024, Mobile Modular's total revenues increased $73.1 million, or 13%, to $635.4 million compared to 2023, primarily due to higher rental, sales and rental related services revenues. Higher gross profit on rental, sales and rental related services revenues, and $1.9 million lower selling and administrative expenses, resulted in an increase in pre-tax income of $44.0 million, or 48%, to $136.0 million in 2024.

The following table summarizes year-to-year results for each revenue and gross profit category, income from operations, pre-tax income, and other selected information.

Mobile Modular – 2024 compared to 2023

(dollar amounts in thousands)	Year Ended December 31,		Increase (Decrease)	
	2024	2023	$	%
Revenues				
Rental	$ 318,149	$ 285,553	$ 32,596	11%
Rental related services	127,589	114,511	13,078	11%
Rental operations	445,738	400,064	45,674	11%
Sales	183,234	155,267	27,967	18%
Other	6,394	6,905	(511)	(7)%
Total revenues	635,366	562,236	73,130	13%
Costs and Expenses				
Direct costs of rental operations:				
Depreciation of rental equipment	40,399	36,921	3,478	9%
Rental related services	83,547	75,390	8,157	11%
Other	83,023	86,983	(3,960)	(5)%
Total direct costs of rental operations	206,969	199,294	7,675	4%
Costs of sales	124,886	105,021	19,865	19%
Total costs of revenues	331,855	304,315	27,540	9%
Gross Profit				
Rental	194,727	161,649	33,078	20%
Rental related services	44,042	39,121	4,921	13%
Rental operations	238,769	200,770	37,999	19%
Sales	58,348	50,246	8,102	16%
Other	6,394	6,905	(511)	(7)%
Total gross profit	303,511	257,921	45,590	18%
Expenses:				
Selling and administrative expenses	136,670	138,574	(1,904)	(1)%
Other income, net	(6,220)	(2,329)	3,891	*nm*
Income from operations	173,061	121,676	51,385	42%
Interest expense allocation	37,087	29,724	7,363	25%
Pre-tax income	$ 135,974	$ 91,952	$ 44,022	48%
Other Selected Information				
Adjusted EBITDA	$ 229,160	$ 189,661	$ 39,499	21%
Average rental equipment [1]	$ 1,221,900	$ 1,093,086	$ 128,814	12%
Average rental equipment on rent	$ 946,437	$ 870,621	$ 75,816	9%
Average monthly total yield [2]	2.17%	2.18%		(0)%
Average utilization [3]	77.5%	79.7%		(3)%
Average monthly rental rate [4]	2.80%	2.73%		3%
Period end rental equipment [1]	$ 1,279,955	$ 1,163,704	$ 116,251	10%
Period end utilization [3]	75.1%	79.4%		(5)%

1. Average and Period end rental equipment represents the cost of rental equipment excluding new equipment inventory and accessory equipment.

2. Average monthly total yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment for the period.

3. Period end utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding new equipment inventory and accessory equipment. Average utilization for the period is calculated using the average month end costs of the rental equipment.

4. Average monthly rental rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent for the period.

nm = Not meaningful

Mobile Modular’s gross profit for 2024 increased $45.6 million, or 18%, to $303.5 million. For the year ended December 31, 2024 compared to the year ended December 31, 2023:

- **Gross Profit on Rental Revenues** – Rental revenues increased $32.6 million, or 11%, due to 9% higher average rental equipment on rent and 3% higher average monthly rental rates in 2024. As a percentage of rental revenues, depreciation was 13% in both 2024 and 2023, respectively, and other direct costs were 26% in 2024 and 30% in 2023, which resulted in gross margin percentage of 61% in 2024, compared to 57% in 2023. The higher rental revenues and increased rental margins resulted in gross profit on rental revenues increasing $33.1 million, or 20%, to $194.7 million in 2024.

- **Gross Profit on Rental Related Services** – Rental related services revenues increased $13.1 million, or 11%, compared to 2023. The increase in rental related services revenues was primarily attributable to higher delivery, return delivery and dismantle revenues and higher site related services. The higher revenues accompanied by higher gross margin percentage of 35% in 2024, compared to 34% in 2023, resulted in rental related services gross profit increasing $4.9 million, or 13%, to $44.0 million in 2024.

- **Gross Profit on Sales** – Sales revenues increased $28.0 million, or 18%, primarily due to higher new equipment sales of $143.3 million compared to $116.2 million in 2023. The higher sales revenues and comparable gross margin of 32% in 2024, resulted in sales gross profit increasing $8.1 million, or 16%, to $58.3 million in 2024. Sales occur routinely as a normal part of Mobile Modular’s rental business; however, these sales can fluctuate from period to period depending on customer requirements, equipment availability and funding.

For 2024, Mobile Modular’s selling and administrative expenses decreased $1.9 million, or 1%, to $136.7 million, when compared to 2023.

Portable Storage

For 2024, Portable Storage's total revenues decreased $6.6 million, or 7%, to $94.5 million compared to 2023, primarily due to lower rental and rental related services revenues, partly offset by $1.1 million higher sales revenues. Lower gross profit on rental and rental related services revenues, partly offset by $0.4 million higher gross profit on sales revenues and a $2.3 million reduction in selling and administrative expenses, resulted in a decrease in pre-tax income of $2.1 million, or 6%, to $30.8 million in 2024.

The following table summarizes year-to-year results for each revenue and gross profit category, income from operations, pre-tax income, and other selected information.

Portable Storage – 2024 compared to 2023

(dollar amounts in thousands)	Year Ended December 31,		Increase (Decrease)	
	2024	2023	$	%
Revenues				
Rental	$ 69,983	$ 74,536	$ (4,553)	(6)%
Rental related services	17,702	20,510	(2,808)	(14)%
Rental operations	87,685	95,046	(7,361)	(8)%
Sales	5,695	4,587	1,108	24%
Other	1,117	1,504	(387)	(26)%
Total revenues	94,497	101,137	(6,640)	(7)%
Costs and Expenses				
Direct costs of rental operations:				
Depreciation of rental equipment	3,982	3,514	468	13%
Rental related services	17,267	18,568	(1,301)	(7)%
Other	5,816	7,317	(1,501)	(21)%
Total direct costs of rental operations	27,065	29,399	(2,334)	(8)%
Costs of sales	3,551	2,858	693	24%
Total costs of revenues	30,616	32,257	(1,641)	(5)%
Gross Profit				
Rental	60,185	63,705	(3,520)	(6)%
Rental related services	435	1,942	(1,507)	(78)%
Rental operations	60,620	65,647	(5,027)	(8)%
Sales	2,144	1,729	415	24%
Other	1,117	1,504	(387)	(26)%
Total gross profit	63,881	68,880	(4,999)	(7)%
Expenses:				
Selling and administrative expenses	29,197	31,537	(2,340)	(7)%
Other income, net	(1,319)	(457)	862	*nm*
Income from operations	36,003	37,800	(1,797)	(5)%
Interest expense allocation	5,243	4,950	293	6%
Pre-tax income	$ 30,760	$ 32,850	$ (2,090)	(6)%
Other Selected Information				
Adjusted EBITDA	$ 43,255	$ 46,690	$ (3,435)	(7)%
Average rental equipment [1]	$ 227,600	$ 206,095	$ 21,505	10%
Average rental equipment on rent	$ 147,734	$ 159,391	$ (11,657)	(7)%
Average monthly total yield [2]	2.56%	3.01%		(15)%
Average utilization [3]	64.9%	77.3%		(16)%
Average monthly rental rate [4]	3.95%	3.90%		1%
Period end rental equipment [1]	$ 232,995	$ 221,817	$ 11,178	5%
Period end utilization [3]	59.8%	71.5%		(16)%

1. Average and Period end rental equipment represents the cost of rental equipment excluding new equipment inventory and accessory equipment.

2. Average monthly total yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment for the period.

3. Period end utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding new equipment inventory and accessory equipment. Average utilization for the period is calculated using the average month end costs of the rental equipment.

4. Average monthly rental rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent for the period.

nm = Not meaningful

Portable Storage's gross profit for 2024 decreased $5.0 million, or 7%, to $63.9 million. For the year ended December 31, 2024 compared to the year ended December 31, 2023:

- **Gross Profit on Rental Revenues** – Rental revenues decreased $4.6 million, or 6%, due to 7% lower average rental equipment on rent, partly offset by 1% higher average monthly rental rates in 2024. As a percentage of rental revenues, depreciation was 6% and 5% in 2024 and 2023, respectively, and other direct costs were 8% and 10% in 2024 and 2023, respectively, which resulted in gross margin percentage of 86% in 2024, compared to 85% in 2023. The lower rental revenues and higher rental margins resulted in gross profit on rental revenues decreasing $3.5 million, or 6%, to $60.2 million in 2024.

- **Gross Profit on Rental Related Services** – Rental related services revenues decreased $2.8 million, or 14%, compared to 2023. The decrease in rental related services revenues was primarily attributable to a reduction in delivery and return delivery revenues. The lower revenues coupled with lower gross margin percentage of 2% in 2024, compared to 9% in 2023, resulted in rental related services gross profit decreasing $1.5 million to $0.4 million, in 2024.

- **Gross Profit on Sales** – Sales revenues increased $1.1 million, or 24%, primarily due to higher used equipment sales. The higher sales revenues and comparable gross margin of 38% in 2024, resulted in sales gross profit increasing $0.4 million, or 24%, to $2.1 million in 2024. Sales occur routinely as a normal part of Portable Storage's rental business; however, these sales can fluctuate from period to period depending on customer requirements, equipment availability and funding.

For 2024, Portable Storage's selling and administrative expenses decreased $2.3 million, or 7%, to $29.2 million, compared to $31.5 million in 2023. The reduction in selling and administrative expenses was primarily the result of $2.5 million lower allocated corporate services, which in 2023 included transaction costs of $1.3 million, attributed to the divestiture of Adler Tanks.

TRS-RenTelco

For 2024, TRS-RenTelco's total revenues decreased $13.0 million, or 9%, to $135.2 million, compared to 2023, primarily due to lower rental and other revenues, partly offset by higher sales revenues. Pre-tax income decreased $1.5 million, or 6%, to $23.2 million for 2024, primarily due to lower gross profit on rental and other revenues, partly offset by $1.9 million higher gross profit on sales revenues and a $4.0 million reduction in selling and administrative expenses.

The following table summarizes year-to-year results for each revenue and gross profit category, income from operations, pre-tax income, and other selected information.

TRS-RenTelco – 2024 compared to 2023

(dollar amounts in thousands)	Year Ended December 31, 2024	2023	Increase (Decrease) $	%
Revenues				
Rental	$ 101,797	$ 114,247	$ (12,450)	(11)%
Rental related services	3,207	3,139	68	2%
Rental operations	105,004	117,386	(12,382)	(11)%
Sales	27,531	27,119	412	2%
Other	2,714	3,772	(1,058)	(28)%
Total revenues	135,249	148,277	(13,028)	(9)%
Costs and Expenses				
Direct costs of rental operations:				
Depreciation of rental equipment	43,886	48,477	(4,591)	(9)%
Rental related services	2,605	2,670	(65)	(2)%
Other	20,277	20,642	(365)	(2)%
Total direct costs of rental operations	66,768	71,789	(5,021)	(7)%
Costs of sales	12,426	13,884	(1,458)	(11)%
Total costs of revenues	79,194	85,673	(6,479)	(8)%
Gross Profit				
Rental	37,634	45,128	(7,494)	(17)%
Rental related services	602	469	133	28%
Rental operations	38,236	45,597	(7,361)	(16)%
Sales	15,105	13,235	1,870	14%
Other	2,714	3,772	(1,058)	(28)%
Total gross profit	56,055	62,604	(6,549)	(10)%
Expenses:				
Selling and administrative expenses	27,000	30,962	(3,962)	(13)%
Other income, net	(1,742)	(832)	910	*nm*
Income from operations	30,797	32,474	(1,677)	(5)%
Interest expense allocation	7,407	8,146	(739)	(9)%
Foreign currency exchange loss (gain)	215	(310)	525	*nm*
Pre-tax income	$ 23,175	$ 24,638	$ (1,463)	(6)%
Other Selected Information				
Adjusted EBITDA	$ 74,525	$ 83,903	$ (9,378)	(11)%
Average rental equipment [1]	$ 362,558	$ 388,679	$ (26,121)	(7)%
Average rental equipment on rent	$ 207,834	$ 228,787	$ (20,953)	(9)%
Average monthly total yield [2]	2.34%	2.43%		(4)%
Average utilization [3]	57.3%	58.9%		(3)%
Average monthly rental rate [4]	4.08%	4.16%		(2)%
Period end rental equipment [1]	$ 342,110	$ 374,438	$ (32,328)	(9)%
Period end utilization [3]	58.6%	55.9%		5%

1. Average and Period end rental equipment represents the cost of rental equipment excluding new inventory and accessory equipment.

2. Average monthly total yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment for the period.

3. Period end utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding accessory equipment. Average utilization for the period is calculated using the average month end costs of the rental equipment.

4. Average monthly rental rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent for the period.

nm = Not meaningful

TRS-RenTelco's gross profit for 2024 decreased $6.5 million, or 10%, to $56.1 million. For the year ended December 31, 2024 compared to the year ended December 31, 2023:

- **Gross Profit on Rental Revenues** – Rental revenues decreased $12.5 million, or 11%, to $101.8 million, with depreciation expense decreasing $4.6 million, or 9%, and other direct costs decreasing $0.4 million, or 2%, resulting in a decrease in gross profit on rental revenues of $7.5 million, or 17%, in 2024 compared to 2023. As a percentage of rental revenues, depreciation was 43% and 42% in 2024 and 2023, respectively, and other direct costs were 20% and 18% in 2024 and 2023, respectively, which resulted in gross margin percentage of 37% in 2024, compared to 40% in 2023. The reduction in rental revenues was primarily attributed to 9% lower average rental equipment on rent and 2% lower average monthly rental rates.

- **Gross Profit on Sales** – Sales revenues increased $0.4 million, or 2%, to $27.5 million in 2024. Gross profit on sales increased $1.9 million, or 14%, to $15.1 million, with a gross margin percentage of 55% in 2024, compared to 49% in 2023. The higher gross margin during the year was primarily attributed to an increase in margin on used equipment sales. Sales occur routinely as a normal part of TRS-RenTelco's rental business; however, these sales and related gross margins can fluctuate from period to period depending on customer requirements, equipment availability and funding.

For 2024, TRS-RenTelco's selling and administrative expenses decreased $4.0 million, or 13%, to $27.0 million, when compared to 2023. The reduction in selling and administrative expenses was primarily the result of $4.0 million lower allocated corporate services, which included transaction costs of $1.6 million in 2023 attributed to the divestiture of Adler Tanks.

Twelve Months Ended December 31, 2023 Compared to
Twelve Months Ended December 31, 2022

Overview

Consolidated revenues in 2023 increased 13% to $841.3 million, from $733.8 million in 2022. Consolidated net income in 2023, excluding the gain on sale of discontinued operations from the divestiture of Adler Tanks, decreased to $113.1 million, or $4.61 per diluted share in 2023, compared to $115.1 million, or $4.70 per diluted share, in 2022. The Company's year over year total revenue increase was primarily due to higher rental, sales and rental related services revenues, as more fully described below.

Revenues from discontinued operations for the year ended December 31, 2023, was $9.4 million, compared to $98.2 million for the same period in 2022. Income from discontinued operations for the year ended December 31, 2023, was $62.8 million, which included the net gain on sale of discontinued operations of $61.5 million, compared to $11.8 million for the same period in 2022. Earnings per diluted share from discontinued operations for the year ended December 31, 2023 was $2.56, compared to $0.48 for the same period in 2022. For additional information on discontinued operations and the divestiture of Adler Tanks, refer to Note 5 to the consolidated financial statements.

For 2023 compared to 2022, on a consolidated basis from continuing operations:

• Gross profit increased $103.4 million, or 36%, to $393.6 million. Mobile Modular's gross profit increased $96.0 million, or 59%, due to higher gross profit on rental, sales and rental related services revenues. Portable Storage's gross profit increased $13.6 million, or 25%, due to higher gross profit on rental and rental related services revenues. TRS-RenTelco's gross profit decreased $5.3 million, or 8%, primarily due to lower gross profit on rental and sales revenues. Enviroplex's gross profit decreased $0.9 million, or 17%, primarily due to $3.0 million lower sales revenues and lower gross margins of 20.9%, compared to 22.1% in 2022.

• Selling and administrative expenses increased $64.6 million, or 45%, to $207.5 million, primarily due to increased headcount and employees' salaries and benefit costs totaling $29.0 million, partly attributed to increased employee headcount from the Vesta Modular acquisition, and $21.4 million higher marketing and administrative costs, which included $15.9 million in acquisition and divestiture related transaction costs.

• During the year ended December 31, 2023, the Company sold four properties, which resulted in a net gain on sale of $3.6 million. The gain on sale, which was presented in Other income on the Consolidated Statements of Income, contributed $0.11 in earnings per diluted share.

• Interest expense increased $28.3 million, due to 55% higher average debt levels of the Company, accompanied by 72% higher net average interest rates of 6.12% in 2023, compared to 3.55% in 2022.

• Pre-tax income contribution by Mobile Modular, Portable Storage and TRS-RenTelco was 62%, 22% and 16%, respectively, compared to 50%, 22% and 27%, respectively, in 2022. These results are discussed on a segment basis below. Pre-tax income contribution by Enviroplex was less than 1% for 2023 and 1% for 2022.

• The provision for income taxes resulted in an effective tax rate of 25.5% and 23.3% for the twelve months ended December 31, 2023 and 2022, respectively. The higher rate in 2023 was primarily due to changes in state business activity levels and nondeductible expenses.

• Adjusted EBITDA increased $67.2 million, or 27%, to $318.4 million in 2023. Adjusted EBITDA is a non-GAAP financial measure and is defined as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs, share-based compensation and transaction costs. A reconciliation of Adjusted EBITDA to net cash provided by operating activities and net income to Adjusted EBITDA can be found on page 45.

Mobile Modular

For 2023, Mobile Modular's total revenues increased $183.0 million, or 48%, to $562.2 million compared to 2022, primarily due to higher rental, sales and rental related services revenues. Higher gross profit on rental, sales and rental related services revenues, partly offset by $52.8 million higher selling and administrative expenses, resulted in an increase in pre-tax income of $24.5 million, or 36%, to $92.0 million in 2023.

The following table summarizes year-to-year results for each revenue and gross profit category, income from operations, pre-tax income, and other selected information.

Mobile Modular – 2023 compared to 2022

(dollar amounts in thousands)	Year Ended December 31,		Increase (Decrease)	
	2023	2022	$	%
Revenues				
Rental	$ 285,553	$ 206,070	$ 79,483	39%
Rental related services	114,511	74,756	39,755	53%
Rental operations	400,064	280,826	119,238	42%
Sales	155,267	97,046	58,221	60%
Other	6,905	1,339	5,566	*nm*
Total revenues	562,236	379,211	183,025	48%
Costs and Expenses				
Direct costs of rental operations:				
Depreciation of rental equipment	36,921	28,373	8,548	30%
Rental related services	75,390	49,910	25,480	51%
Other	86,983	76,819	10,164	13%
Total direct costs of rental operations	199,294	155,102	44,192	28%
Costs of sales	105,021	62,224	42,797	69%
Total costs of revenues	304,315	217,326	86,989	40%
Gross Profit				
Rental	161,649	100,878	60,771	60%
Rental related services	39,121	24,847	14,274	57%
Rental operations	200,770	125,725	75,045	60%
Sales	50,246	34,822	15,424	44%
Other	6,905	1,339	5,566	*nm*
Total gross profit	257,921	161,885	96,036	59%
Selling and administrative expenses	138,574	85,769	52,805	62%
Other income	(2,329)	—	2,329	*nm*
Income from operations	121,676	76,116	45,560	60%
Interest expense allocation	29,724	8,657	21,067	*nm*
Pre-tax income	$ 91,952	$ 67,459	$ 24,493	36%
Other Selected Information				
Adjusted EBITDA	$ 189,661	$ 121,981	$ 67,680	55%
Average rental equipment [1]	$ 1,093,086	$ 855,640	$ 237,446	28%
Average rental equipment on rent	$ 870,621	$ 667,559	$ 203,062	30%
Average monthly total yield [2]	2.18%	2.01%		8%
Average utilization [3]	79.7%	78.0%		2%
Average monthly rental rate [4]	2.73%	2.57%		6%
Period end rental equipment [1]	$ 1,163,704	$ 869,926	$ 293,778	34%
Period end utilization [3]	79.4%	80.3%		(1)%

1. Average and Period end rental equipment represents the cost of rental equipment excluding accessory equipment.

2. Average monthly total yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment for the period.

3. Period end utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding accessory equipment. Average utilization for the period is calculated using the average month end costs of the rental equipment.

4. Average monthly rental rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent for the period.

nm = Not meaningful

Mobile Modular’s gross profit for 2023 increased $96.0 million, or 59%, to $257.9 million. For the year ended December 31, 2023 compared to the year ended December 31, 2022:

- **Gross Profit on Rental Revenues** – Rental revenues increased $79.5 million, or 39%, due to 30% higher average rental equipment on rent and 6% higher average monthly rental rates in 2023. As a percentage of rental revenues, depreciation was 13% and 14% in 2023 and 2022, respectively, and other direct costs were 30% in 2023 and 37% in 2022, which resulted in gross margin percentage of 57% in 2023, compared to 49% in 2022. The higher rental revenues and increased rental margins resulted in gross profit on rental revenues increasing $60.8 million, or 60%, to $161.6 million in 2023.

- **Gross Profit on Rental Related Services** – Rental related services revenues increased $39.8 million, or 53%, compared to 2022. Most of these service revenues are negotiated with the initial lease and are recognized on a straight-line basis with the associated costs over the initial term of the lease. The increase in rental related services revenues was primarily attributable to higher delivery, return delivery and dismantle revenues and higher site related services. The higher revenues accompanied by higher gross margin percentage of 34% in 2023, compared to 33% in 2022, resulted in rental related services gross profit increasing $14.3 million, or 57%, to $39.1 million in 2023.

- **Gross Profit on Sales** – Sales revenues increased $58.2 million, or 60%, primarily due to higher new equipment sales. The higher sales revenues and lower gross margins of 32% in 2023, compared to 36% in 2022, resulted in sales gross profit increasing $15.4 million, or 44%, to $50.2 million in 2023. Sales occur routinely as a normal part of Mobile Modular’s rental business; however, these sales can fluctuate from period to period depending on customer requirements, equipment availability and funding.

For 2023, Mobile Modular’s selling and administrative expenses increased $52.8 million, or 62%, to $138.6 million, primarily due to increased employee salaries and benefit costs totaling $21.6 million, partly attributed to increased employee headcount from the Vesta Modular acquisition, $14.1 million higher allocated corporate expenses, which included $5.3 million of transaction costs primarily attributed to the divestiture of Adler Tanks. In addition, the Company had $10.7 million higher marketing and administrative costs compared to 2022, which included $7.7 million Vesta Modular transaction costs.

Portable Storage

For 2023, Portable Storage's total revenues increased $18.6 million, or 23%, to $101.1 million compared to 2022, primarily due to higher rental, rental related services and sales revenues. Higher gross profit on rental, rental related services and sales revenues, partly offset by $7.1 million higher selling and administrative expenses, resulted in an increase in pre-tax income of $3.5 million, or 12%, to $32.9 million in 2023.

The following table summarizes year-to-year results for each revenue and gross profit category, income from operations, pre-tax income, and other selected information.

Portable Storage – 2023 compared to 2022

(dollar amounts in thousands)	Year Ended December 31,		Increase (Decrease)	
	2023	2022	$	%
Revenues				
Rental	$ 74,536	$ 62,218	$ 12,318	20%
Rental related services	20,510	17,095	3,415	20%
Rental operations	95,046	79,313	15,733	20%
Sales	4,587	2,933	1,654	56%
Other	1,504	260	1,244	*nm*
Total revenues	101,137	82,506	18,631	23%
Costs and Expenses				
Direct costs of rental operations:				
Depreciation of rental equipment	3,514	2,799	715	26%
Rental related services	18,568	16,344	2,224	14%
Other	7,317	6,212	1,105	18%
Total direct costs of rental operations	29,399	25,355	4,044	16%
Costs of sales	2,858	1,849	1,009	55%
Total costs of revenues	32,257	27,204	5,053	19%
Gross Profit				
Rental	63,705	53,207	10,498	20%
Rental related services	1,942	750	1,192	*nm*
Rental operations	65,647	53,957	11,690	22%
Sales	1,729	1,084	645	60%
Other	1,504	260	1,244	*nm*
Total gross profit	68,880	55,302	13,578	25%
Selling and administrative expenses	31,537	24,465	7,072	29%
Other income	(457)	—	457	*nm*
Income from operations	37,800	30,837	6,963	23%
Interest expense allocation	4,950	1,518	3,432	*nm*
Pre-tax income	$ 32,850	$ 29,319	$ 3,531	12%
Other Selected Information				
Adjusted EBITDA	$ 46,690	$ 37,393	$ 9,297	25%
Average rental equipment [1]	$ 206,095	$ 169,997	$ 36,098	21%
Average rental equipment on rent	$ 159,391	$ 144,133	$ 15,258	11%
Average monthly total yield [2]	3.01%	3.05%		(1)%
Average utilization [3]	77.3%	84.8%		(9)%
Average monthly rental rate [4]	3.90%	3.60%		8%
Period end rental equipment [1]	$ 221,817	$ 184,919	$ 36,898	20%
Period end utilization [3]	71.5%	82.6%		(13)%

1. Average and Period end rental equipment represents the cost of rental equipment excluding accessory equipment.
2. Average monthly total yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment for the period.
3. Period end utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding accessory equipment. Average utilization for the period is calculated using the average month end costs of the rental equipment.
4. Average monthly rental rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent for the period.

nm = Not meaningful

Portable Storage's gross profit for 2023 increased $13.6 million, or 25%, to $68.9 million. For the year ended December 31, 2023 compared to the year ended December 31, 2022:

- **Gross Profit on Rental Revenues** – Rental revenues increased $12.3 million, or 20%, due to 11% higher average rental equipment on rent and 8% higher average monthly rental rates in 2023. As a percentage of rental revenues, depreciation was 5% and 4% in 2023 and 2022, respectively, and other direct costs were 10% in both 2023 and 2022, which resulted in gross margin percentage of 85% in 2023 compared to 86% in 2022. The higher rental revenues and lower rental margins resulted in gross profit on rental revenues increasing $10.5 million, or 20%, to $63.7 million in 2023.

- **Gross Profit on Rental Related Services** – Rental related services revenues increased $3.4 million, or 20%, compared to 2022. The increase in rental related services revenues was primarily attributable to increased delivery and return delivery revenues. The higher revenues coupled with higher gross margin percentage of 9% in 2023, compared to 4% in 2022, resulted in rental related services gross profit increasing $1.2 million to $1.9 million in 2023.

- **Gross Profit on Sales** – Sales revenues increased $1.7 million, or 56%, primarily due to higher used equipment sales. The higher sales revenues and higher gross margins of 38% in 2023, compared to 37% in 2022, resulted in sales gross profit increasing $0.6 million, or 60%, to $1.7 million in 2023. Sales occur routinely as a normal part of Portable Storage's rental business; however, these sales can fluctuate from period to period depending on customer requirements, equipment availability and funding.

For 2023, Portable Storage's selling and administrative expenses increased $7.1 million, or 29%, to $31.5 million, primarily due to $3.2 million higher allocated corporate expenses, which included $1.3 million of allocated transaction costs from the divestiture of Adler Tanks, and increased employee salaries and benefit costs totaling $2.0 million, as compared to 2022.

TRS-RenTelco

For 2023, TRS-RenTelco's total revenues decreased $2.5 million, or 2%, to $148.3 million compared to 2022, primarily due to lower rental revenues, partially offset by higher sales and other revenues. Pre-tax income decreased $12.3 million, or 33%, to $24.6 million for 2023, primarily due to lower gross profit on rental and sales revenues, coupled with an increase in selling and administrative expenses.

The following table summarizes year-to-year results for each revenue and gross profit category, income from operations, pre-tax income, and other selected information.

TRS-RenTelco – 2023 compared to 2022

(dollar amounts in thousands)	Year Ended December 31,		Increase (Decrease)	
	2023	2022	$	%
Revenues				
Rental	$ 114,247	$ 121,375	$ (7,128)	(6)%
Rental related services	3,139	3,112	27	1%
Rental operations	117,386	124,487	(7,101)	(6)%
Sales	27,119	24,571	2,548	10%
Other	3,772	1,720	2,052	*nm*
Total revenues	148,277	150,778	(2,501)	(2)%
Costs and Expenses				
Direct costs of rental operations:				
Depreciation of rental equipment	48,477	49,253	(776)	(2)%
Rental related services	2,670	2,592	78	3%
Other	20,642	21,327	(685)	(3)%
Total direct costs of rental operations	71,789	73,172	(1,383)	(2)%
Costs of sales	13,884	9,707	4,177	43%
Total costs of revenues	85,673	82,879	2,794	3%
Gross Profit				
Rental	45,128	50,795	(5,667)	(11)%
Rental related services	469	520	(51)	(10)%
Rental operations	45,597	51,315	(5,718)	(11)%
Sales	13,235	14,864	(1,629)	(11)%
Other	3,772	1,720	2,052	119%
Total gross profit	62,604	67,899	(5,295)	(8)%
Selling and administrative expenses	30,962	27,245	3,717	14%
Other income	(832)	—	832	*nm*
Income from operations	32,474	40,654	(8,180)	(20)%
Interest expense allocation	8,146	3,294	4,852	*nm*
Foreign currency exchange (gain) loss	(310)	378	688	*nm*
Pre-tax income	$ 24,638	$ 36,982	$ (12,344)	(33)%
Other Selected Information				
Adjusted EBITDA	$ 83,903	$ 92,007	$ (8,104)	(9)%
Average rental equipment [1]	$ 388,679	$ 383,235	$ 5,444	1%
Average rental equipment on rent	$ 228,787	$ 245,893	$ (17,106)	(7)%
Average monthly total yield [2]	2.43%	2.63%		(8)%
Average utilization [3]	58.9%	64.2%		(8)%
Average monthly rental rate [4]	4.16%	4.11%		1%
Period end rental equipment [1]	$ 374,438	$ 395,214	$ (20,776)	(5)%
Period end utilization [3]	55.9%	59.4%		(6)%

1. Average and Period end rental equipment represents the cost of rental equipment excluding new inventory and accessory equipment.

2. Average monthly total yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment for the period.

3. Period end utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding accessory equipment. Average utilization for the period is calculated using the average month end costs of the rental equipment.

4. Average monthly rental rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent for the period.

nm = Not meaningful

TRS-RenTelco's gross profit for 2023 decreased $5.3 million, or 8%, to $62.6 million. For the year ended December 31, 2023 compared to the year ended December 31, 2022:

- **Gross Profit on Rental Revenues** – Rental revenues decreased $7.1 million, or 6%, to $114.2 million, with depreciation expense decreasing $0.8 million, or 2%, and other direct costs decreasing $0.7 million, or 3%, resulting in a decrease in gross profit on rental revenues of $5.7 million, or 11%, in 2023 compared to 2022. As a percentage of rental revenues, depreciation was 42% and 41% in 2023 and 2022, respectively, and other direct costs were 18% in both 2023 and 2022, which resulted in gross margin percentage of 40% in 2023, compared to 42% in 2022. The reduction in rental revenues was attributed to 7% lower average rental equipment on rent, partly offset by 1% higher average monthly rental rates.

- **Gross Profit on Sales** – Sales revenues increased $2.5 million, or 10%, to $27.1 million in 2023. Gross profit on sales decreased $1.6 million, or 11%, to $13.2 million, with a gross margin percentage of 49% in 2023, compared to 60% in 2022. The reduction in gross margin during the year was primarily attributed to a decrease in margin on used equipment sales. Sales occur routinely as a normal part of TRS-RenTelco's rental business; however, these sales and related gross margins can fluctuate from period to period depending on customer requirements, equipment availability and funding.

For 2023, TRS-RenTelco's selling and administrative expenses increased $3.7 million, or 14%, to $31.0 million, primarily due to $2.6 million higher allocated corporate expenses, which included $1.6 million of allocated transaction costs from the divestiture of Adler Tanks, as compared to 2022.

Adjusted EBITDA

To supplement the Company's financial data presented on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP"), the Company presents "Adjusted EBITDA", which is defined by the Company as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs, share-based compensation, transaction costs, gains on property sales and non-operating transactions. The Company presents Adjusted EBITDA as a financial measure as management believes it provides useful information to investors regarding the Company's liquidity and financial condition and because management, as well as the Company's lenders, use this measure in evaluating the performance of the Company.

Management uses Adjusted EBITDA as a supplement to GAAP measures to further evaluate period-to-period operating performance, compliance with financial covenants in the Company's revolving lines of credit and senior notes and the Company's ability to meet future capital expenditure and working capital requirements. Management believes the exclusion of non-cash charges and non-operating transactions, including share-based compensation, transaction costs and gains on property sales is useful in measuring the Company's cash available for operations and performance of the Company. Because management finds Adjusted EBITDA useful, the Company believes its investors will also find Adjusted EBITDA useful in evaluating the Company's performance.

Adjusted EBITDA should not be considered in isolation or as a substitute for net income, cash flows, or other consolidated income or cash flow data prepared in accordance with GAAP or as a measure of the Company's profitability or liquidity. Adjusted EBITDA is not in accordance with or an alternative for GAAP and may be different from non−GAAP measures used by other companies. Unlike EBITDA, which may be used by other companies or investors, Adjusted EBITDA does not include share-based compensation charges, transaction costs, gains on property sales and non-operating transactions. The Company believes that Adjusted EBITDA is of limited use in that it does not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP and does not accurately reflect real cash flow. In addition, other companies may not use Adjusted EBITDA or may use other non-GAAP measures, limiting the usefulness of Adjusted EBITDA for purposes of comparison. The Company's presentation of Adjusted EBITDA should not be construed as an inference that the Company will not incur expenses that are the same as or similar to the adjustments in this presentation. Therefore, Adjusted EBITDA should only be used to evaluate the Company's results of operations in conjunction with the corresponding GAAP measures. The Company compensates for the limitations of Adjusted EBITDA by relying upon GAAP results to gain a complete picture of the Company's performance. Because Adjusted EBITDA is a non-GAAP financial measure, as defined by the SEC, the Company includes in the tables below reconciliations of Adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Reconciliation of Income from Continuing Operations to Adjusted EBITDA

(dollar amounts in thousands)	Year Ended December 31,				
	2024	2023	2022	2021	2020
Income from continuing operations	$ 231,727	$ 111,852	$ 103,309	$ 85,085	$ 96,121
Provision for income taxes	81,922	37,610	31,377	30,725	28,715
Interest expense	47,241	40,560	12,230	8,244	6,680
Depreciation and amortization	107,455	107,918	93,490	87,972	75,751
EBITDA	468,345	297,940	240,406	212,026	207,267
Share-based compensation	9,502	8,157	6,747	6,585	4,746
Transaction costs [3]	63,159	15,877	4,053	2,045	—
Other income, net [4]	(9,281)	(3,618)	—	—	—
Gain on merger termination from WillScot Mobile Mini [5]	(180,000)	—	—	—	—
Adjusted EBITDA [1]	$ 351,725	$ 318,356	$ 251,206	$ 220,656	$ 212,013
Adjusted EBITDA margin [2]	38%	39%	40%	41%	43%

1. Adjusted EBITDA is defined as income from operations before interest expense, provision for income taxes, depreciation, amortization, share-based compensation and non-operating transactions.
2. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total revenues for the period.
3. Transaction costs include acquisition and divestiture related legal and professional fees and other costs specific to these transactions.
4. Other income, net consists of net gains on property, plant and equipment sales that are infrequent in nature and excluded from Adjusted EBITDA.
5. The gain on merger termination from WillScot Mobile Mini was considered a non-operating transaction and is excluded from Adjusted EBITDA.

For the year ended December 31, 2024, total Adjusted EBITDA from continuing and discontinued operations was $351.7 million, compared to $322.0 million for the same period in 2023, excluding the gain on sale of the divestiture of Adler Tanks. For the years ended December 31, 2024 and 2023, the total Adjusted EBITDA from continuing operations was $351.7 million and $318.4 million, respectively, and the total Adjusted EBITDA from discontinued operations in 2023 was $3.7 million.

The following table reconciles Adjusted EBITDA on a combined basis, including both continuing and discontinued operations, to the net cash provided by operating activities on the Company's consolidated statement of cash flows.

Reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities

(dollar amounts in thousands)	Year Ended December 31,				
	2024	2023	2022	2021	2020
Adjusted EBITDA [1]	$ 351,725	$ 322,038	$ 288,866	$ 248,617	$ 241,023
Interest paid	(48,324)	(38,603)	(14,775)	(10,326)	(9,050)
Income taxes paid, net of refunds received	(36,524)	(91,565)	(27,362)	(9,087)	(34,903)
Gain on sale of used rental equipment	(35,085)	(31,642)	(37,979)	(25,441)	(19,329)
Foreign currency exchange (gain) loss	215	(310)	378	210	(78)
Amortization of debt issuance costs	66	8	16	15	11
Change in certain assets and liabilities:					
Accounts receivable, net	8,026	(35,143)	(30,524)	(23,946)	4,783
Prepaid expenses and other assets	6,887	(29,326)	(16,484)	(6,816)	3,807
Accounts payable and other liabilities	128,981	(14,208)	8,595	11,155	3,229
Deferred income	(1,592)	14,094	23,701	9,082	(8,989)
Net cash provided by operating activities	$ 374,375	$ 95,343	$ 194,432	$ 193,463	$ 180,504

1. Adjusted EBITDA is defined as income from operations before interest expense, provision for income taxes, depreciation, amortization, share-based compensation and non-operating transactions

Adjusted EBITDA is a component of two restrictive financial covenants for the Company's unsecured Credit Facility, the Note Purchase Agreement, Series D Senior Notes, Series E Senior Notes and Series F Senior Notes (as defined and more fully described under the heading "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources"). These instruments contain financial covenants requiring the Company to not:

• Permit the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Facility and the Note Purchase Agreement (as defined and more fully described under the heading "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation - Liquidity and Capital Resources" in this MD&A)) of Adjusted EBITDA (as defined in the Credit Facility and the Note Purchase Agreement) to fixed charges as of the end of any fiscal quarter to be less than 2.50 to 1. At December 31, 2024, the actual ratio was 3.19 to 1.

• Permit the Consolidated Leverage Ratio of funded debt (as defined in the Credit Facility and the Note Purchase Agreement) to Adjusted EBITDA at any time during any period of four consecutive quarters to be greater than 2.75 to 1. At December 31, 2024, the actual ratio was 1.68 to 1.

At December 31, 2024, the Company was in compliance with each of these aforementioned covenants. There are no anticipated trends that the Company is aware of that would indicate non-compliance with these covenants, though, significant deterioration in our financial performance could impact the Company's ability to comply with these covenants.

Liquidity and Capital Resources

The Company's rental businesses are capital intensive and generate significant cash flows. Cash flows for the Company in 2024 as compared to 2023 are summarized as follows:

Cash Flows from Operating Activities: The Company's operations provided net cash flows of $374.4 million for 2024, compared to $95.3 million in 2023. The $279.0 million increase in net cash provided by operating activities was primarily attributable to the gain on merger termination from WillScot Mobile Mini after transaction costs, which contributed $86.0 million to net income during the year, and the $61.5 million gain on sale of discontinued operations of Adler Tanks included in operating activities during 2023. Further, operating activities provided for an $61.6 million increase in accounts payable and a $43.9 million decrease in accounts receivable, as compared to 2023, which contributed to the net change in cash provided.

Cash Flows from Investing Activities: Net cash used in investing activities was $150.8 million for 2024, compared to $391.9 million in 2023. The $241.1 million reduction in net cash used was primarily due to the $462.1 million paid for the business acquisitions of Vesta Modular, Brekke Storage, Dixie Storage and Inland Leasing in 2023, partly offset by $268.0 million in proceeds received from the sale of the Adler Tanks business. The net effect of these transaction in 2023 was $194.1 million in cash used by investing activities.

Cash Flows from Financing Activities: Net cash used in financing activities was $223.7 million in 2024, compared to net provided of $296.4 million in 2023. The change in net cash during 2024 was primarily due to reduced borrowings under bank lines of credit and note purchase agreements. The borrowings in 2023 were primarily attributed to the funding of the Vesta Modular, Brekke Storage, Dixie Storage and Inland Leasing acquisitions, and capital needs for the tax obligations arising from the divestiture of Adler Tanks.

Significant capital expenditures are required to maintain and grow the Company's rental assets. During the last three years, the Company has financed its working capital and capital expenditure requirements through cash flows from operations, proceeds from the sale of rental equipment and from borrowings. During the year ended December 31, 2024, the Company entered into a merger agreement with WillScot Mobile Mini, which was subsequently terminated, resulting in proceeds received of $116.8 million, net of transaction costs, which were primarily used to paydown outstanding borrowings on bank lines of credit. Comparatively, in 2023 the Company sold its Adler Tanks business, generating a total of $202.7 million in net proceeds, which were primarily used to expand the Company's rental asset fleet through the purchase of Vesta Modular. These types of transactions are considered nonrecurring to the Company and not a normal part of continuing operations. Sales of rental equipment occur routinely as a normal part of the Company's rental businesses. However, these sales can fluctuate from period to period depending on customer requirements and funding. Although the net proceeds received from sales may fluctuate from period to period, the Company believes its liquidity will not be adversely impacted from lower sales in any given year because it believes it has the ability to increase its bank borrowings, offer additional notes and conserve its cash in the future by reducing the amount of cash it uses to purchase rental equipment, pay dividends, or repurchase the Company's common stock.

As the following table indicates, cash flow provided by operating activities and proceeds from sales of used rental equipment have been greater than rental equipment purchases over the past three years.

Funding of Rental Asset Growth

(amounts in thousands)	Year Ended December 31, 2024	2023	2022	Three Year Totals
Cash provided by operating activities	$ 374,375	$ 95,343	$ 194,432	$ 664,150
Proceeds from sales of used rental equipment	68,453	66,168	73,879	208,500
Proceeds from sale of discontinued operation, net of tax	—	202,706	—	202,706
Proceeds from Willscot Mobile Mini merger termination, net of transaction costs	116,841	—	—	116,841
Cash available for purchase of rental equipment	559,669	364,217	268,311	1,192,197
Purchases of rental equipment	(191,231)	(229,679)	(187,689)	(608,599)
Cash available for other purposes	$ 368,438	$ 134,538	$ 80,622	$ 583,598

In addition to increasing its rental assets, the Company has periodically made acquisitions of businesses and business assets. During the year ended December 31, 2023, the Company transacted a total of $462.1 million in acquisition related costs. There were no acquisition related transactions during the years ended December 31, 2024 and 2022, respectively. The Company had other capital expenditures for property, plant and equipment of $40.2 million in 2024, $44.0 million in 2023 and $17.6 million in 2022, and has used cash to provide returns to its shareholders in the form of cash dividends. The Company paid cash dividends of $46.8 million, $45.6 million and $44.3 million in the years ended December 31, 2024, 2023 and 2022, respectively.

The Company has in the past made purchases of shares of its common stock from time to time in over-the-counter market (NASDAQ) transactions, through privately negotiated, large block transactions and through a share repurchase plan, in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In September 2024, the Company's Board of Directors increased the capacity under the share repurchase program by authorizing the Company to repurchase up to 2,000,000 shares of the Company's outstanding common stock (the "Repurchase Plan"), an increase from the 1,309,805 remaining shares authorized for repurchase under the Repurchase Plan established in August 2015. The amount and time of the specific repurchases are subject to prevailing market conditions, applicable legal requirements and other factors, including management’s discretion. All shares repurchased by the Company are canceled and returned to the status of authorized but unissued shares of common stock. There can be no assurance that any authorized shares will be repurchased, and the Repurchase Plan may be modified, extended or terminated by the Company’s Board of Directors at any time. There were no shares of common stock repurchased during the twelve months ended December 31, 2024, 2023 and 2022. As of December 31, 2024, 2,000,000 shares remain authorized for repurchase under the Repurchase Plan.

Unsecured Revolving Lines of Credit

On July 15, 2022, the Company entered into an amended and restated credit agreement with Bank of America, N.A., as Administrative Agent, Swing Line Lender, L/C Issuer and lender, and other lenders named therein (the “Credit Facility”). The Credit Facility provides for a $650.0 million unsecured revolving credit facility (which may be further increased to $950.0 million, of which as of December 31, 2024, $73.0 million was utilized through the term loan entered on April 23, 2024, by adding one or more tranches of term loans and/or increasing the aggregate revolving commitments), which includes a $40.0 million sublimit for the issuance of standby letters of credit and a $20.0 million sublimit for swingline loans. The proceeds of the Credit Facility are available to be used for general corporate purposes, including permitted acquisitions. The Credit Facility permits the Company’s existing indebtedness to remain, which includes the Company’s $20.0 million Treasury Sweep Note due July 15, 2027, the Company’s existing senior notes issued pursuant to the Note Purchase and Private Shelf Agreement with Prudential Investment Management, Inc., dated as of April 21, 2011 (as amended): (i) the $60.0 million aggregate outstanding principal of notes issued November 5, 2015 and due November 5, 2022, (ii) the $40.0 million aggregate outstanding principal of notes issued March 17, 2021 and due March 17, 2028, and (iii) the $60.0 million aggregate outstanding principal of notes issued June 16, 2021 and due June 16, 2026. In addition, the Company may incur additional senior note indebtedness in an aggregate amount not to exceed $250.0 million. The Credit Facility matures on July 15, 2027 and replaced the Company’s prior $420.0 million credit facility dated March 31, 2020 with Bank of America, N.A., as agent, as amended. All obligations outstanding under the prior credit facility as of the date of the Credit Facility were refinanced by the Credit Facility on April 23, 2022.

On August 19, 2022, the Company entered into an amended and restated Credit Facility Letter Agreement and a Credit Line Note in favor of MUFG Union Bank, N.A., which provides for a $20.0 million line of credit facility related to its cash management services (“Sweep Service Facility”). The Sweep Service Facility matures on the earlier of July 15, 2027, or the date the Company ceases to utilize MUFG Union Bank, N.A. for its cash management services. The Sweep Service Facility replaced the Company’s prior $12.0 million sweep service facility, dated as of March 30, 2020.

On April 23, 2024, the Company entered into a first incremental facility amendment with Bank of America, N.A., as Administrative Agent and the first incremental lender (“BoA”) and the guarantors named therein (the “First Incremental Amendment”). The First Incremental Amendment amends the Second Amended and Restated Credit Agreement, dated as of July 15, 2022, as amended, by and among the Company, BoA, the other lenders named therein, and the guarantors named therein (the “Credit Agreement”) to institute an incremental term loan “A” facility in an aggregate principal amount of $75.0 million (the “Incremental Credit Facility”). The proceeds from the Incremental Credit Facility were used for general corporate purposes. Concurrently with entry into the First Incremental Amendment, the Company repaid revolving loans issued under the Credit Agreement in an aggregate amount equal to approximately $75.0 million.

At December 31, 2024, under the Credit Facility and Sweep Service Facility, the Company had unsecured lines of credit that permit it to borrow up to $650.0 million of which $342.4 million was outstanding and had the capacity to borrow up to an additional

$307.6 million. The Credit Facility contains financial covenants requiring the Company to not (all defined terms used below not otherwise defined herein have the meaning assigned to such terms in the Amended Credit Facility):

- Permit the Consolidated Fixed Charge Coverage Ratio of EBITDA to fixed charges as of the end of any fiscal quarter to be less than 2.50 to 1. At December 31, 2024, the actual ratio was 3.19 to 1.
- Permit the Consolidated Leverage Ratio of funded debt to EBITDA at any time during any period of four consecutive fiscal quarters to be greater than 2.75 to 1. At December 31, 2024, the actual ratio was 1.68 to 1.

At December 31, 2024, the Company was in compliance with each of the aforementioned covenants. There are no anticipated trends that the Company is aware of that would indicate non-compliance with these covenants, although significant deterioration in our financial performance could impact the Company's ability to comply with these covenants.

Note Purchase and Private Shelf Agreement

On June 8, 2023, the Company entered into a Second Amended and Restated Note Purchase and Private Shelf Agreement (the "Note Purchase Agreement") with PGIM, Inc. ("PGIM") and the holders of Series D and Series E Notes previously issued pursuant to the Prior Amended and Restated Note Purchase Agreement, among the Company and the other parties to the Note Purchase Agreement. The Note Purchase Agreement amended and restated, and superseded in its entirety, the Prior NPA. Pursuant to the Prior NPA, the Company issued (i) $40.0 million aggregate principal amount of its 2.57% Series D Senior Notes, due March 17, 2028, and (ii) $60.0 million aggregate principal amount of its 2.35% Series E Senior Notes, due June 16, 2026, to which the terms of the Note Purchase Agreement shall apply.

In addition, pursuant to the Note Purchase Agreement, the Company may authorize the issuance and sale of additional senior notes (the "Shelf Notes") in the aggregate principal amount of (x) $300 million minus (y) the amount of other notes (such as the Series D Senior Notes, Series E Senior Notes and Series F Senior Notes, each defined below) then outstanding, to be dated the date of issuance thereof, to mature, in case of each Shelf Note so issued, no more than 15 years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than 15 years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in accordance with the Note Purchase Agreement. Shelf Notes may be issued and sold from time to time at the discretion of the Company's Board of Directors and in such amounts as the Board of Directors may determine, subject to prospective purchasers' agreement to purchase the Shelf Notes. The Company will sell the Shelf Notes directly to such purchasers. The full net proceeds of each Shelf Note will be used in the manner described in the applicable Request for Purchase with respect to such Shelf Note.

6.25% Senior Notes Due in 2030

On September 27, 2023, the Company issued and sold to the purchasers $75.0 million aggregate principal amount of 6.25% Series F Notes (the "Series F Senior Notes") pursuant to the terms of the Second Amended and Restated Note Purchase and Private Shelf Agreement, dated June 8, 2023 (the "Note Purchase Agreement"), among the Company, PGIM, Inc. and the noteholders party thereto.

The Series F Senior Notes are an unsecured obligation of the Company and bear interest at a rate of 6.25% per annum and mature on September 27, 2030. Interest on the Series F Senior Notes is payable semi-annually beginning on March 27, 2024 and continuing thereafter on September 27 and March 27 of each year until maturity. The principal balance is due when the notes mature on September 27, 2030. The full net proceeds from the Series F Senior Notes were primarily used to fulfill the income tax obligations incurred from the divestiture of Adler Tanks. At December 31, 2024, the principal balance outstanding under the Series F Senior Notes was $75.0 million.

2.57% Senior Notes Due in 2028

On March 17, 2021, the Company issued and sold to the purchasers $40.0 million aggregate principal amount of 2.57% Series D Notes (the "Series D Senior Notes") pursuant to the terms of the Amended and Restated Note Purchase and Private Shelf Agreement, dated March 31, 2020 (the "Note Purchase Agreement"), among the Company, PGIM, Inc. and the noteholders party thereto.

The Series D Senior Notes are an unsecured obligation of the Company and bear interest at a rate of 2.57% per annum and mature on March 17, 2028. Interest on the Series D Senior Notes is payable semi-annually beginning on September 17, 2021 and continuing thereafter on March 17 and September 17 of each year until maturity. The principal balance is due when the notes mature on March 17, 2028. The full net proceeds from the Series D Senior Notes were used to pay off the Company's $40.0 million Series B Senior Notes. At December 31, 2024, the principal balance outstanding under the Series D Senior Notes was $40.0 million.

2.35% Senior Notes Due in 2026

On June 16, 2021, the Company issued and sold to the purchasers $60.0 million aggregate principal amount of 2.35% Series E Notes (the "Series E Notes") pursuant to the terms of the Amended and Restated Note Purchase and Private Shelf Agreement, dated March 31, 2020 (the "Note Purchase Agreement"), among the Company, PGIM, Inc. and the noteholders party thereto.

The Series E Senior Notes are an unsecured obligation of the Company and bear interest at a rate of 2.35% per annum and mature on June 16, 2026. Interest on the Series E Senior Notes is payable semi-annually beginning on December 16, 2021 and continuing thereafter on June 16 and December 16 of each year until maturity. The principal balance is due when the notes mature on June 16, 2026. The full net proceeds from the Series E Senior Notes were used to pay down the Company's credit facility. At December 31, 2024, the principal balance outstanding under the Series E Senior Notes was $60.0 million.

Among other restrictions, the Note Purchase Agreement, which has superseded in its entirety the Prior NPA, under which the Series D Senior Notes, Series E Senior Notes and Series F Senior Notes were sold, contains financial covenants requiring the Company to not (all defined terms used below not otherwise defined herein have the meaning assigned to such terms in the Note Purchase Agreement):

- Permit the Consolidated Fixed Charge Coverage Ratio of EBITDA (as defined in the Note Purchase Agreement) to fixed charges as of the end of any fiscal quarter to be less than 2.50 to 1. At December 31, 2024, the actual ratio was 3.19 to 1.
- Permit the Consolidated Leverage Ratio of funded debt to EBITDA (as defined in the Note Purchase Agreement) at any time during any period of four consecutive quarters to be greater than 2.75 to 1. At December 31, 2024, the actual ratio was 1.68 to 1.

At December 31, 2024, the Company was in compliance with each of the aforementioned covenants. There are no anticipated trends that the Company is aware of that would indicate non-compliance with these covenants, although significant deterioration in our financial performance could impact the Company's ability to comply with these covenants.

Although no assurance can be given, the Company believes it will continue to be able to negotiate general bank lines of credit and issue senior notes adequate to meet capital requirements not otherwise met by operational cash flows and proceeds from sales of rental equipment.

Contractual Obligations and Commitments

At December 31, 2024, the Company's material contractual obligations and commitments consisted of outstanding borrowings under our credit facilities expiring in 2027, outstanding amounts under our 2.35%, 2.57% and 6.25% senior notes due in 2026, 2028 and 2030, respectively, and operating leases for facilities. The operating lease amounts exclude property taxes and insurance. The table below provides a summary of the Company's contractual obligations and reflects expected payments due as of December 31, 2024 and does not reflect changes that could arise after that date.

Payments Due by Period

(dollar amounts in thousands)	Total	Within 1 Year	Within 2 to 3 Years	Within 4 to 5 Years	More than 5 Years
Revolving lines of credit and term loan	$ 415,440	$ —	$ 415,440	$ —	$ —
6.25% Series F senior notes due in 2030	103,126	4,688	9,375	9,375	79,688
2.57% Series D senior notes due in 2028	43,598	1,028	2,056	40,514	—
2.35% Series E senior notes due in 2026	62,115	1,410	60,705	—	—
Operating leases for facilities	12,094	5,231	4,331	1,638	894
Total contractual obligations	$ 636,373	$ 12,357	$ 491,907	$ 51,527	$ 80,582

The Company believes that its needs for working capital and capital expenditures through 2025 and beyond will be adequately met by operating cash flow, proceeds from the sale of rental equipment, and bank borrowings.

Please see the Company's Consolidated Statements of Cash Flows on page 63 for a more detailed presentation of the sources and uses of the Company's cash.

Critical Accounting Policies

The Company prepares its consolidated financial statements in accordance with GAAP. A summary of the Company's significant accounting policies are in Note 1 to the Company's consolidated financial statements. The Company determined its critical accounting policies by considering those policies that involve the most complex or subjective assumptions, estimates, and/or judgment. Material changes in these assumptions, estimates or judgments could have the potential to have a material impact on the Company's financial results. The Company has identified below the accounting policies that it believes could potentially have a material impact on operating results if a change in assumption, estimate and/or judgment were to occur.

Depreciation - The estimated useful lives and estimated residual values used for rental equipment are based on the Company's experience as to the economic useful life and sale value of its products. Additionally, to the extent information is publicly available, the Company also compares its depreciation policies to other companies with similar rental products for reasonableness.

The lives and residual values of rental equipment are subject to periodic evaluation. For modular equipment, external factors to consider may include, but are not limited to, changes in legislation, regulations, building codes, local permitting, and supply or demand. Internal factors for modulars may include, but are not limited to, change in equipment specifications, condition of equipment, or maintenance policies. For portable storage containers, external factors to consider may include, but are not limited to, the quality of the steel construction, types of materials stored and the frequency of movements and uses. Internal factors for portable storage containers may include, but are not limited to, change in equipment specifications and maintenance policies. For electronic test equipment, external factors to consider may include, but are not limited to, technological advances, changes in manufacturers' selling prices, and supply or demand. Internal factors for electronic test equipment may include, but are not limited to, change in equipment specifications, condition of equipment, or maintenance policies.

To the extent that the useful lives of all of our rental equipment were to decrease or increase by one year, the Company estimates the annual depreciation expense would increase or decrease by approximately $5.0 million. If the estimated residual values of all of our rental equipment were to change one percentage point, the Company estimates the annual depreciation expense would change by approximately $1.0 million. Any changes in depreciation expense as a result of a change in useful lives or residual values would result in a proportional increase or decrease in the gross profit the Company would recognize upon the ultimate sale of the equipment.

Maintenance, repair and refurbishment - Maintenance and repairs are expensed as incurred. The direct material and labor costs of value-added additions or major refurbishment of modular buildings are capitalized to the extent the refurbishment significantly improves the quality and adds value or life to the equipment. Judgment is involved as to when these costs should be capitalized. The Company's policies narrowly limit the capitalization of value-added items to specific additions such as portable storage office conversions, restrooms, sidewalls and ventilation upgrades. In addition, only major refurbishment costs incurred near the end of the estimated useful life of the rental equipment, which extend its useful life, and are subject to certain limitations, are capitalized. The Company capitalized $17.0 million in extended life or value added refurbishments in 2024. Changes in these policies to expense these costs as incurred could impact the Company's financial results.

Acquisition Accounting - The Company has made acquisitions of businesses in the past and records the assets acquired and liabilities assumed based on their respective fair values at the date of acquisition. Long-lived assets (primarily rental equipment), goodwill and other intangible assets generally represent the largest components of the Company's acquisitions. Determining the fair value of the assets and liabilities acquired can be judgmental in nature and can involve the use of significant estimates and assumptions. Rental equipment is valued utilizing either a cost, market or income approach, or a combination of certain of these methods, depending on the asset being valued and the availability of market or income data. The intangible assets acquired are primarily comprised of customer relationships, non-compete agreements and trade names. These assets are valued on an excess earnings or income approach based on projected cash flows. The estimated fair values of these intangible assets reflect various assumptions about revenue growth rates, operating margins, projected cash flows, discount rates, customer attrition rates, terminal values, useful lives and other prospective financial information. When appropriate, the Company's estimates of the fair values of assets and liabilities acquired include assistance from independent third-party valuation firms. Goodwill is calculated as the excess of the cost of the acquired business over the net of the fair value of the assets acquired and the liabilities assumed. The judgments made in determining the estimated fair value assigned to the assets acquired, as well as the estimated life of the assets, can materially impact the Company's financial results in periods subsequent to the acquisition through depreciation and amortization, and in certain instances through impairment charges, if the asset becomes impaired in the future. As discussed below, we regularly review for impairments.

Impairment of rental equipment - The carrying value of the Company's rental equipment is its capitalized cost less accumulated depreciation. To the extent events or circumstances indicate that the carrying value cannot be recovered, an impairment loss is recognized to reduce the carrying value to fair value. The Company evaluates the carrying value of rental equipment for impairment whenever events and circumstances have occurred that would indicate the carrying value may not be fully recoverable. Determining fair value includes estimates and judgments regarding the projected net cash flows considering current and future market conditions including assumptions regarding utilization, rental pricing, the condition of the equipment, the equipment's expected remaining life and sale proceeds. Due to uncertainties inherent in the valuation process and market conditions, it is reasonably possible that actual results of operating and disposing of rental equipment could be materially different than current expectations.

Impairment of goodwill and intangible assets - The Company's goodwill is not amortized to expense, the Company assesses whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount as a basis for determining whether it is necessary to complete quantitative impairment assessments. These impairment assessments occur annually, or more frequently if an event occurs, or circumstances change in the interim that would indicate that it was more likely than not the fair value had reduced below its carrying value. Application of the goodwill impairment assessment requires judgement including the identification of reporting units, assignment of assets and liabilities to reporting units, business projections including changes in pricing, rental and sale activity and costs, long term growth rates and discount rates. In 2024, 2023 and 2022 the Company performed qualitative assessments taking into consideration the market value of the Company, any changes in management, key personnel, strategy and any relevant macroeconomic conditions, concluding that the fair value of the reporting units substantially exceeded the respective reporting units carrying value, including goodwill.

Intangible assets (other than goodwill) acquired are recorded at their estimated fair value at the date of acquisition. Definite lived intangibles are amortized over their expected useful lives, while indefinite lived intangibles are not amortized. The Company monitors conditions related to these assets to determine whether events and circumstances warrant a revision to the remaining amortization period. The Company tests these assets for potential impairment annually and whenever management determines events or changes in circumstances indicate that the carrying value may not be recoverable.

Revenue recognition:

Lease revenue - Rental revenues from operating leases are recognized on a straight-line basis over the term of the lease for all operating segments. Rental billings for periods extending beyond period end are recorded as deferred income and are recognized in the period earned. Rental related services revenues are primarily associated with relocatable modular building and portable storage container leases. For modular building leases, rental related services revenues for modifications, delivery, installation, dismantle and return delivery are lease related because the payments are considered minimum lease payments that are an integral part of the negotiated lease agreement with the customer. These revenues are recognized on a straight-line basis over the term of the lease. Certain leases are accounted for as sales-type leases. For these leases, sales revenue and the related accounts receivable are recognized upon delivery and installation of the equipment and the unearned interest is recognized over the lease term on a basis which results in a constant rate of return on the unrecovered lease investment. Other revenues include interest income on sales-type leases and rental income on facility leases.

Non-lease revenue - Sales revenue is recognized upon delivery and installation of the equipment to customers. The Company typically recognizes non-lease related revenues at a point in time because the customer does not simultaneously consume the benefits of the Company's promised goods and services, or performance obligations, and obtain control when delivery and installation are complete. Revenue from contracts that satisfy the criteria for over-time recognition are recognized as work is performed by using the input method based on the ratio of costs incurred to estimated total contract costs for each contract. For contracts that have multiple performance obligations, the transaction price is allocated to each performance obligation in the contract based on the Company's best estimate of the standalone selling prices of each distinct performance obligation in the contract. The standalone selling price is typically determined based upon the expected cost plus an estimated margin of each performance obligation. Judgment is involved in determining the performance obligations and standalone selling prices. To the extent actual results were to differ from these estimates, the timing of profit recognition could change and impact the Company's financial results.

TEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to cash flow and fair value risk due to changes in interest rates with respect to its 2.35%, 2.57% and 6.25% senior notes due in 2026, 2028 and 2030, respectively, and its revolving lines of credit. Weighted average variable rates are based on implied forward rates in the yield curve at December 31, 2024. The estimate of fair value of the Company's fixed rate debt is based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities. The table below presents principal cash flows by expected annual maturities, related weighted average interest rates and estimated fair value for the Company's Series E, Series D and Series F Senior Notes and the Company's revolving lines of credit under the Credit Facility and Sweep Service Facility as of December 31, 2024.

(dollar amounts in thousands)	2025	2026	2027	2028	2029	Thereafter	Total	Estimated Fair Value
Revolving lines of credit and term loan	$ —	$ —	$ 415,440	$ —	$ —	$ —	$ 415,440	$ 415,440
Weighted average interest rate	—	—	6.94%	—	—	—	6.94%	
2.35% Series E senior notes due in 2026	$ —	$ 60,000	$ —	$ —	$ —	$ —	$ 60,000	$ 57,285
Stated interest rate	—	2.35%	—	—	—	—	2.35%	
2.57% Series D senior notes due in 2028	$ —	$ —	$ —	$ 40,000	$ —	$ —	$ 40,000	$ 36,366
Stated interest rate	—	—	—	2.57%	—	—	2.57%	
6.25% Series F senior notes due in 2030						$ 75,000	$ 75,000	$ 75,725
Stated interest rate	—	—	—	—	—	6.25%	6.25%	

The Company formed a wholly owned Canadian subsidiary, TRS-RenTelco Inc., in 2004 in conjunction with the TRS acquisition and a wholly owned Indian subsidiary, TRS-RenTelco India Private Limited, in 2013. The Company commenced the closure of its Indian operations during 2017. The Canadian operations of the Company subject it to foreign currency risks (i.e. the possibility that the financial results could be better or worse than planned because of changes in foreign currency exchange rates). Currently, the Company does not use derivative instruments to hedge its economic exposure with respect to assets, liabilities and firm commitments denominated in foreign currencies. In 2024, the Company experienced minimal impact on net income due to foreign exchange rate fluctuations. Although there can be no assurances, given the size of the Canadian operations, the Company does not expect future foreign exchange gains and losses to be significant.

The Company has no derivative financial instruments that expose the Company to significant market risk.

TEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Management’s Report on Internal Control over Financial Reporting

The Company’s management is responsible for the preparation and integrity of the consolidated financial statements appearing in our Annual Report filed on Form 10-K. The consolidated financial statements were prepared in conformity with United States generally accepted accounting principles and include amounts based on management’s estimates and judgments. All other financial information in this report has been presented on a basis consistent with the information included in the consolidated financial statements.

The Company’s management is also responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company maintains a system of internal control that is designed to provide reasonable assurance as to the reliable preparation and presentation of the consolidated financial statements, as well as to safeguard assets from unauthorized use or disposition.

The Company’s system of internal control over financial reporting is embodied in the Company’s Code of Business Conduct and Ethics. It sets the tone of our organization and includes factors such as integrity and ethical values. Our internal control over financial reporting is supported by formal policies and procedures, which are reviewed, modified and improved as changes occur in business conditions and operations.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Audit Committee of the Board of Directors, which is composed solely of outside directors, meets periodically with members of management and the independent auditors to review and discuss internal control over financial reporting, as well as accounting and financial reporting matters. The independent auditors report to the Audit Committee and accordingly have full and free access to the Audit Committee at any time.

The Company’s management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024 based on the criteria set forth in the 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation, management has concluded that, as of December 31, 2024, the Company’s internal control over financial reporting was effective based on those criteria.

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

McGrath RentCorp

Opinion on internal control over financial reporting
We have audited the internal control over financial reporting of McGrath RentCorp (a California corporation) and subsidiaries (the “Company”) as of December 31, 2024, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of and for the year ended December 31, 2024, and our report dated February 19, 2025 expressed an unqualified opinion on those financial statements.

Basis for opinion
The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting
A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

San Francisco, California
February 19, 2025

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

McGrath RentCorp

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of McGrath RentCorp (a California corporation) and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 19, 2025 expressed an unqualified opinion.

Change in accounting principle

As discussed in Note 3 to the consolidated financial statements, the Company has adopted new accounting guidance in 2024 related to the disclosure of segment information in accordance with ASU 2023-07, Segment Reporting (Topic 280). The adoption was retrospectively applied to 2023 and 2022.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2002.

San Francisco, California
February 19, 2025

MCGRATH RENTCORP
CONSOLIDATED BALANCE SHEETS

(in thousands)	December 31, 2024	December 31, 2023
Assets		
Cash	$ 807	$ 877
Accounts receivable, net of allowance for credit losses of $ 2,866 at December 31, 2024 and $ 2,801 at December 31, 2023	219,342	227,368
Rental equipment, at cost:		
Relocatable modular buildings	1,414,367	1,291,093
Portable storage containers	240,846	236,123
Electronic test equipment	343,982	377,587
	1,999,195	1,904,803
Less: accumulated depreciation	(611,536)	(575,480)
Rental equipment, net	1,387,659	1,329,323
Property, plant and equipment, net	197,439	169,114
Inventories	14,304	15,425
Prepaid expenses and other assets	80,477	87,364
Intangible assets, net	54,332	64,588
Goodwill	323,224	323,224
Total assets	$ 2,277,584	$ 2,217,283
Liabilities and Shareholders' Equity		
Liabilities:		
Notes payable	$ 590,208	$ 762,975
Accounts payable	60,082	58,760
Accrued liabilities	113,961	108,763

Deferred income	109,836	111,428
Deferred income taxes, net	280,129	241,555
Total liabilities	1,154,216	1,283,481
Commitments and contingencies (Note 12)		
Shareholders’ equity:		
Common stock, no par value - Authorized 40,000 shares		
Issued and outstanding - 24,551 shares as of December 31, 2024 and 24,496 shares as of December 31, 2023	116,253	111,122
Retained earnings	1,007,115	822,796
Accumulated other comprehensive loss	—	(116)
Total shareholders’ equity	1,123,368	933,802
Total liabilities and shareholders’ equity	$ 2,277,584	$ 2,217,283

The accompanying notes are an integral part of these consolidated financial statements.

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Year Ended December 31, 2024	2023	2022
Revenues			
Rental	$ 489,929	$ 474,336	$ 389,663
Rental related services	148,498	138,160	94,963
Rental operations	638,427	612,496	484,626
Sales	262,290	207,165	147,720
Other	10,225	12,181	3,319
Total revenues	910,942	831,842	635,665
Costs and Expenses			
Direct costs of rental operations:			
Depreciation of rental equipment	88,267	88,912	80,425
Rental related services	103,419	96,628	68,846
Other	109,116	114,942	104,358
Total direct costs of rental operations	300,802	300,482	253,629
Costs of sales	174,725	137,727	91,828
Total costs of revenues	475,527	438,209	345,457
Gross profit	435,415	393,633	290,208
Expenses:			
Selling and administrative expenses	200,432	207,539	142,914
Other income, net	(9,281)	(3,618)	—
Income from operations	244,264	189,712	147,294
Interest expense	47,241	40,560	12,230
Foreign currency exchange loss (gain)	215	(310)	378

Gain on merger termination from WillScot Mobile Mini (Note 1)	(180,000)	—	—
WillScot Mobile Mini transaction costs	63,159	—	—
Income from continuing operations before provision for income taxes	313,649	149,462	134,686
Provision for income taxes from continuing operations	81,922	37,610	31,377
Income from continuing operations	231,727	111,852	103,309
Discontinued operations:			
Income from discontinued operations before provision for income taxes	—	1,709	15,334
Provision for income taxes from discontinued operations	—	453	3,505
Gain on sale of discontinued operations, net of tax	—	61,513	—
Income from discontinued operations	—	62,769	11,829
Net income	$ 231,727	$ 174,621	$ 115,138
Earnings per share from continuing operations:			
Basic	$ 9.44	$ 4.57	$ 4.24
Diluted	$ 9.43	$ 4.56	$ 4.21
Earnings per share from discontinued operations:			
Basic	$ —	$ 2.57	$ 0.49
Diluted	$ —	$ 2.56	$ 0.48
Earnings per share:			
Basic	$ 9.44	$ 7.14	$ 4.73
Diluted	$ 9.43	$ 7.12	$ 4.70
Shares used in per share calculation:			
Basic	24,541	24,469	24,353
Diluted	24,570	24,529	24,519
Cash dividends declared per share	$ 1.90	$ 1.86	$ 1.82

The accompanying notes are an integral part of these consolidated financial statements.

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	Year Ended December 31, 2024	2023	2022
Net income	$ 231,727	$ 174,621	$ 115,138
Other comprehensive income:			
Foreign currency translation adjustment, net of tax impact	—	(38)	(24)
Comprehensive income	$ 231,727	$ 174,583	$ 115,114

The accompanying notes are an integral part of these consolidated financial statements.

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except per share amounts)	Common Stock Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2021	24,260	$ 108,610	$ 623,465	$ (54)	$ 732,021
Net income	—	—	115,138	—	115,138
Share-based compensation	—	8,009	—	—	8,009
Common stock issued under stock plans, net of shares withheld for employee taxes	128	—	—	—	—
Taxes paid related to net share settlement of stock awards	—	(6,539)	—	—	(6,539)
Dividends accrued at $ 1.82 per share	—	—	(44,660)	—	(44,660)
Other comprehensive loss	—	—	—	(24)	(24)
Balance at December 31, 2022	24,388	110,080	693,943	(78)	803,945
Net income	—	—	174,621	—	174,621
Share-based compensation	—	8,275	—	—	8,275
Common stock issued under stock plans, net of shares withheld for employee taxes	108	—	—	—	—
Taxes paid related to net share settlement of stock awards	—	(7,233)	—	—	(7,233)
Dividends accrued at $ 1.86 per share	—	—	(45,768)	—	(45,768)
Other comprehensive loss	—	—	—	(38)	(38)
Balance at December 31, 2023	24,496	111,122	822,796	(116)	933,802

Net income	—	—	231,727	—	231,727
Share-based compensation	—	9,502	—	—	9,502
Common stock issued under stock plans, net of shares withheld for employee taxes	55	—	—	—	—
Taxes paid related to net share settlement of stock awards	—	(4,371)	—	—	(4,371)
Dividends accrued at $1.90 per share	—	—	(47,408)	—	(47,408)
Other comprehensive loss reclassification adjustment	—	—	—	116	116
Balance at December 31, 2024	24,551	$ 116,253	$ 1,007,115	$ —	$ 1,123,368

The accompanying notes are an integral part of these consolidated financial statements.

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2024	2023	2022
Cash Flows from Operating Activities:			
Net income	$ 231,727	$ 174,621	$ 115,138
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	107,455	109,375	111,344
Deferred income taxes (benefits)	38,574	(16,952)	4,486
Provision for credit losses	1,890	2,633	837
Share-based compensation	9,502	8,275	8,009
Gain on sale of property, plant and equipment	(9,281)	(3,618)	—
Gain on sale of discontinued operations	—	(61,513)	—
Gain on sale of used rental equipment	(35,085)	(31,642)	(37,979)
Foreign currency exchange loss (gain)	215	(310)	378
Amortization of debt issuance costs	66	8	16
Change in:			
Accounts receivable	6,136	(37,776)	(31,361)
Inventories	1,121	(779)	(6,055)
Prepaid expenses and other assets	6,887	(28,547)	(10,429)
Accounts payable	11,836	(49,761)	8,996
Accrued liabilities	4,924	17,235	7,351
Deferred income	(1,592)	14,094	23,701
Net cash provided by operating activities	374,375	95,343	194,432
Cash Flows from Investing Activities:			
Proceeds from sale of discontinued operations	—	268,012	—

Purchases of rental equipment	(191,231)	(229,679)	(187,689)
Purchases of property, plant and equipment	(40,228)	(43,989)	(17,617)
Cash paid for acquisition of businesses	—	(458,315)	—
Cash paid for acquisition of business assets	—	(3,767)	—
Proceeds from sales of used rental equipment	68,453	66,168	73,879
Proceeds from sales of property, plant and equipment	12,251	9,702	—
Net cash used in investing activities	(150,755)	(391,868)	(131,427)
Cash Flows from Financing Activities:			
Net (payments) borrowings under bank lines of credit	(172,560)	274,225	47,275
Borrowings under term note agreement	—	75,000	—
Principal payment of Series C senior notes	—	—	(60,000)
Taxes paid related to net share settlement of stock awards	(4,371)	(7,233)	(6,539)
Payment of dividends	(46,759)	(45,556)	(44,269)
Net cash (used in) provided by financing activities	(223,690)	296,436	(63,533)
Effect of foreign currency exchange rate changes on cash	—	9	(6)
Net decrease in cash	(70)	(80)	(534)
Cash balance, beginning of period	877	957	1,491
Cash balance, end of period	$ 807	$ 877	$ 957
Supplemental Disclosure of Cash Flow Information:			
Gain on merger termination, net of transaction costs, presented under net cash provided by operating activities	$ 116,841	$ —	$ —
Interest paid, during the period	$ 48,324	$ 38,603	$ 14,775
Net income taxes paid, during the period	$ 36,524	$ 91,565	$ 27,362
Dividends accrued during the period, not yet paid	$ 12,482	$ 12,010	$ 11,227

Rental equipment acquisitions, not yet paid	$ 5,393	$ 16,653	$ 13,220

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

McGrath RentCorp and its wholly-owned subsidiaries (the “Company”) is a California corporation organized in 1979. The Company is a diversified business to business rental company with

three

rental divisions; relocatable modular buildings, portable storage containers and electronic test equipment. Although the Company’s primary emphasis is on equipment rentals, sales of equipment occur in the normal course of business. At December 31, 2024, the Company was comprised of

four

reportable business segments: modular building segment ("Mobile Modular"), portable storage container segment (“Portable Storage”), electronic test equipment segment (“TRS-RenTelco”) and classroom manufacturing division selling modular classrooms in California (“Enviroplex”).

Mutual decision to terminate Merger Agreement with WillScot Mobile Mini Holdings Corp.

As previously disclosed, on January 28, 2024, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”), with WillScot Mobile Mini Holdings Corp., a Delaware corporation ("WillScot Mobile Mini”), Brunello Merger Sub I, Inc., a California corporation and a direct wholly owned subsidiary of WillScot Mobile Mini, and Brunello Merger Sub II, LLC, a Delaware limited liability company and direct wholly owned subsidiary of WillScot Mobile Mini. On September 17, 2024, the Company and WillScot Mobile Mini mutually agreed to terminate the Merger Agreement, effective upon WillScot Mobile Mini's cash payment of $

180.0

million to the Company, which was received on September 20, 2024.

Transaction costs attributed to the Merger Agreement are reported in the Company's Corporate segment. Expenses recognized as a result of the terminated merger during year ended December 31, 2024, were $

63.2

million. The termination payment received of $

180.0

million, net of transaction costs, resulted in net proceeds received of $

116.8

million during the year ended December 31, 2024. The Company determined that the transaction costs incurred on the terminated merger were significant and required separate presentation on the Company's consolidated statements of income for the year ended December 31, 2024. Due to this determination, the Company has excluded such transaction costs from Selling and administrative expenses and reported them separately on the consolidated statements of income as non-operating expenses.

Principles of Consolidation

The consolidated financial statements include the accounts of McGrath RentCorp and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

Lease revenues - Rental revenues from operating leases are recognized on a straight-line basis over the term of the lease for all operating segments. Rental billings for periods extending beyond period end are recorded as deferred income and are recognized in the period earned. Rental related services revenues are primarily associated with relocatable modular building and portable storage container leases. For modular building leases, rental related services revenues for modifications, delivery, installation, dismantle and return delivery are lease related because the payments are considered minimum lease payments that are an integral part of the negotiated lease agreement with the customer. These revenues are recognized on a straight-line basis over the term of the lease. Certain leases are accounted for as sales-type leases. For these leases, sales revenue and the related accounts receivable are recognized upon delivery and installation of the equipment and the unearned interest is recognized over the lease term on a basis which results in a constant rate of return on the unrecovered lease investment. Other revenues include interest income on sales-type leases and rental income on facility leases.

Non-lease revenues - Sales revenue is recognized upon delivery and installation of the equipment to customers. Revenue from contracts that satisfy the criteria for over-time recognition are recognized as work is performed by using the input method based on the ratio of costs incurred to estimated total contract costs for each contract. The majority of revenue for these contracts is derived from long-term projects which typically span multiple quarters. The Company uses third parties to provide certain services as part of its contracts with customers. The Company is considered the principal (vs. an agent) as the Company is responsible for the fulfillment of all service elements and risks associated with the underlying performance obligation. Revenue for these services is recognized on a gross basis.

Other revenue is recognized when earned and primarily includes interest income on sales-type leases, rental income on facility leases and certain logistics services.

Sales taxes charged to customers are reported on a net basis and are excluded from revenues and expenses.

Depreciation of Rental Equipment

Rental equipment is depreciated on a straight-line basis for financial reporting purposes and on an accelerated basis for income tax purposes. The costs of major refurbishment of relocatable modular buildings and portable storage containers are capitalized to the extent the refurbishment significantly adds value to, or extends the life of the equipment. Maintenance and repairs are expensed as incurred.

The estimated useful lives and residual values of the Company's rental equipment used for financial reporting purposes are as follows:

Relocatable modular buildings	18 years, 50 % residual value
Relocatable modular accessories	3 to 18 years , no residual value
Blast resistant and kitchen modules	20 years , no residual value
Portable storage containers	25 years , 62.5 % residual value
Electronic test equipment and accessories	1 to 8 years , no residual value

Costs of Rental Related Services

Costs of rental related services are primarily associated with relocatable modular building and portable storage container leases. Modular building leases primarily consist of costs for services to be provided under the negotiated lease agreement for delivery, installation, modifications, skirting, additional site-related work, and dismantle and return delivery. Costs related to these services are recognized on a straight-line basis over the term of the lease. Costs of rental related services associated with portable storage containers consists of costs of delivery, removal and cleaning of the containers. These costs are recognized in the period the service is performed.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of rental equipment and identifiable definite lived intangible assets for impairment whenever events or circumstances have occurred that would indicate the carrying amount may not be fully recoverable. A key element in determining the recoverability of long-lived assets is the Company's outlook as to the future market conditions for its rental equipment. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value. The Company determines fair value based upon the condition of the rental equipment and the projected net cash flows from its rental and sale considering current market conditions. Goodwill and identifiable indefinite lived assets are evaluated for potential impairment annually or when circumstances indicate potential impairment may have occurred. Impairment losses, if any, are determined based upon the excess of carrying value over the estimated fair value of the asset. There were no impairments of long-lived assets during the years ended December 31, 2024, 2023 and 2022.

Other Direct Costs of Rental Operations

Other direct costs of rental operations include direct labor, supplies, repairs, insurance, property taxes, license fees, impairment of rental equipment and certain modular lease costs charged to customers in the negotiated rental rate, which are recognized on a straight-line basis over the term of the lease.

Cost of Sales

Cost of sales in the consolidated statements of income includes the carrying value of the equipment sold and all direct costs associated with the sale.

Warranty Reserves

Sales of new relocatable modular buildings, portable storage containers, electronic test equipment and related accessories not manufactured by the Company are typically covered by warranties provided by the manufacturer of the products sold. The Company typically provides limited 90-day warranties for certain sales of used rental equipment and one-year warranties on equipment manufactured by Enviroplex. Although the Company's policy is to provide reserves for warranties when required for specific circumstances, the Company has not found it necessary to establish such reserves to date as warranty costs have not been significant.

Inventories

Inventories consist of raw materials and work-in-process. Inventories are measured at the lower of actual cost or net realizable value for acquired units and estimated standard costs for manufactured units. Net realizable value is defined as the value for which an asset can be sold, less the estimated costs of selling such asset. The costs include expenditures incurred in acquiring the inventories, manufacturing, production costs, and other costs incurred in bringing them to their existing location and condition.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is recognized on a straight-line basis for financial reporting purposes, and on an accelerated basis for income tax purposes. Depreciation expense for property, plant and equipment is included in “Selling and administrative expenses” and “Rental related services” in the Consolidated Statements of Income. Maintenance and repairs are expensed as incurred.

Property, plant and equipment from continuing operations consist of the following:

(dollar amounts in thousands)	Estimated useful life in years	December 31, 2024	December 31, 2023
Land	Indefinite	$ 88,605	$ 75,143
Land improvements	20 – 50	77,221	65,931
Buildings	30	40,223	35,360
Furniture, office equipment and software	3 – 10	28,073	30,039
Vehicles and machinery	5 – 25	39,259	35,233
		273,381	241,706
Less: accumulated depreciation		(91,042)	(87,399)
		182,339	154,307
Construction in progress		15,100	14,807
		$ 197,439	$ 169,114

Property, plant and equipment depreciation expense was $8.9 million, $9.7 million and $9.0 million for the years ended December 31, 2024, 2023 and 2022, respectively. Construction in progress at December 31, 2024 and 2023 consisted primarily of costs related to acquisition of land and land improvements. For information on the property, plant and equipment from discontinued operations, refer to Note 5 to the consolidated financial statements.

Capitalized Software Costs

The Company capitalizes certain development costs incurred in connection with its internal use software. Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, direct internal and external costs are capitalized until the software is substantially complete and ready for its intended use. These costs generally include external direct costs of materials and services consumed in the project and internal costs, such as payroll and benefits of those employees directly associated with the development of the software. Maintenance, training and post implementation costs are expensed as incurred. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Capitalized software costs are included in property, plant and equipment. There were

no
capitalized internal use software costs during the year ended December 31, 2024, and the Company capitalized $

0.2
million in internal use software during the year ended December 31, 2023.

Shipping Costs

The Company includes third party costs to deliver rental equipment to customers in costs of rental related services and costs of sales.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expenses were $

6.2
million, $

5.9
million and $

5.0
million for the years ended December 31, 2024, 2023 and 2022.

Income Taxes

Income taxes are accounted for using an asset and liability approach. Deferred tax assets and liabilities are recorded for the effect of temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and deferred tax liabilities are adjusted to the extent necessary to reflect tax rates expected to be in effect when temporary differences reverse. Adjustments may be required to deferred tax assets and deferred tax liabilities due to changes in tax laws and audit adjustments by tax authorities. A valuation allowance would be established if, based on the weight of available evidence, management believes that it is more likely than not that some portion or all of a recorded deferred tax asset would not be realized in future periods. To the extent adjustments are required in any given period, the adjustments would be included within the “Provision for income taxes” in the Consolidated Statements of Income.

Goodwill and Intangible Assets

Purchase prices of acquired businesses are allocated to the assets and liabilities acquired based on the estimated fair values on the respective acquisition dates. Based on these values, the excess purchase prices over the fair value of the net assets acquired are allocated to goodwill. At December 31, 2024 and 2023, goodwill and trade name intangible assets from continuing operations which have indefinite lives totaled $

323.4

million for both periods. For information on goodwill and trade name intangible assets from discontinued operations, refer to Note 5 to the consolidated financial statements.

The Company assesses potential impairment of its goodwill and intangible assets when there is evidence that events or circumstances have occurred that would indicate the recovery of an asset’s carrying value is unlikely. The Company also assesses potential impairment of its goodwill and intangible assets with indefinite lives on an annual basis regardless of whether there is evidence of impairment. If indicators of impairment were to be present in intangible assets used in operations and future discounted cash flows were not expected to be sufficient to recover the assets’ carrying amount, an impairment loss would be charged to expense in the period identified. The amount of an impairment loss would be recognized as the excess of the asset’s carrying value over its fair value. Factors the Company considers important, which may cause impairment include, among others, significant changes in the manner of use of the acquired asset, negative industry or economic trends, and significant underperformance relative to historical or projected operating results.

The impairment review of the Company’s goodwill is performed by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The fair value of the reporting unit is compared to its carrying value to determine if the goodwill is impaired. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, then goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit were to exceed its fair value, then a goodwill impairment loss is recorded for the amount the reporting unit’s carrying value exceeds the estimated fair value.

The Company conducted its annual impairment analysis in the fourth quarter of 2024. The impairment analysis did

no
t result in an impairment charge for the fiscal year ended 2024. There were

no

impairment charges in 2023 or 2022. Determining the fair value of a reporting unit is judgmental and involves the use of significant estimates and assumptions. The Company based its fair value estimates on assumptions that it believes are reasonable but are uncertain and subject to changes in market conditions.

Earnings Per Share

Basic earnings per share (“EPS”) is computed as net income divided by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is computed assuming conversion of all potentially dilutive securities including the dilutive effects of stock options, unvested restricted stock awards and other potentially dilutive securities. The table below presents the weighted-average common stock used to calculate basic and diluted earnings per share:

(in thousands)	Year Ended December 31, 2024	2023	2022
Weighted-average common stock for calculating basic earnings per share	24,541	24,469	24,353
Effect of potentially dilutive securities from equity-based compensation	29	60	166
Weighted-average common stock for calculating diluted earnings per share	24,570	24,529	24,519

In 2024, there were

37,214
shares which had an anti-dilutive effect on the computation of diluted earnings per share that required exclusion. In both 2023 and 2022, there were

no

shares having an anti-dilutive effect requiring exclusion from the computation of diluted earnings per share.

The Company has in the past made purchases of shares of its common stock from time to time in over-the-counter market (NASDAQ) transactions, through privately negotiated, large block transactions and through a share repurchase plan, in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In September 2024, the Company's Board of Directors increased the capacity under the share repurchase program by authorizing the Company to repurchase up to

2,000,000
shares of the Company's outstanding common stock (the "Repurchase Plan"), an increase from the

1,309,805

remaining shares authorized for repurchase under the Repurchase Plan established in August 2015. The amount and time of the specific repurchases are subject to prevailing market conditions, applicable legal requirements and other factors, including management's discretion. All shares repurchased by the Company are canceled and returned to the status of authorized but unissued shares of common stock. There can be no assurance that any authorized shares will be repurchased, and the Repurchase Plan may be modified, extended or terminated by the

Company's Board of Directors at any time. In the twelve months ended December 31, 2024, 2023 and 2022 there were

no

shares of common stock repurchased. As of December 31, 2024,

2,000,000
shares remain authorized for repurchase.

Accounts Receivable and Concentration of Credit Risk

The Company's accounts receivable consist of amounts due from customers for rentals, sales, financed sales and unbilled amounts for the portion of modular building end-of-lease services earned, which were negotiated as part of the lease agreement. Unbilled receivables related to end-of-lease services, which consists of dismantle and return delivery of buildings, were $

69.6
million at December 31, 2024 and $

59.5
million at December 31, 2023. The Company sells primarily on 30 -day terms, individually performs credit evaluation procedures on its customers on each transaction and will require security deposits from its customers when a significant credit risk is identified. The Company records an allowance for credit losses in amounts equal to the estimated losses expected to be incurred in the collection of the accounts receivable. The estimated losses are based on historical collection experience in conjunction with an evaluation of the current status of the existing accounts. Customer accounts are written off against the allowance for credit losses when an account is determined to be uncollectable. The allowance for credit losses is based on the Company's assessment of the collectability of customer accounts receivable from operating lease and non-lease revenues. The Company regularly reviews the allowance by considering factors such as historical payment experience and trends, the age of the accounts receivable balances, the Company's operating segment, customer industry, credit quality and current economic conditions that may affect a customer's ability to pay. The Company recognized credit losses of $

1.9
million, $

2.6
million and $

0.8
million for the twelve months ended December 31, 2024, 2023 and 2022, respectively. The allowance for credit losses was $

2.9
million, $

2.8
million and $

2.3
million for the years ended December 31, 2024, 2023 and 2022, respectively.

The allowance for credit loss activity was as follows:

(in thousands)	**2024**	**2023**
Beginning balance, January 1	$ 2,801	$ 2,300
Provision for credit losses	1,890	2,633
Acquired reserve from Vesta Modular (see Note 4)	—	250
Derecognition of reserve from discontinued operations (see Note 5)	—	(450)
Write-offs, net of recoveries	(1,825)	(1,932)
Ending balance, December 31	$ 2,866	$ 2,801

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of trade accounts receivable. From time to time, the Company maintains cash balances in excess of the Federal Deposit Insurance Corporation limits.

Net Investment in Sales-Type Leases

The Company enters into sales-type leases with certain qualified customers to purchase its rental equipment, primarily at its Mobile Modular and

TRS-RenTelco operating segments. Sales-type leases have terms that generally range from 12 to 36 months and are collateralized by a security interest in the underlying rental asset. The net investment in sales-type leases was $

6.7
million at December 31, 2024 and $

3.7
million at December 31, 2023. The Company's assessment of current expected losses on these receivables was not material and

no
credit loss expense was provided as of December 31, 2024. The Company regularly reviews the allowance by considering factors such as historical payment experience, the age of the lease receivable balances, credit quality and current economic conditions that may affect a customer's ability to pay. Lease receivables are considered past due 90 days after invoice. The Company manages the credit risk in net investment in sales-type leases, on an ongoing basis, using a number of factors, including, but not limited to the following: historical payment history, credit score, size of operations, length of time in business, industry, historical profitability, historical cash flows, liquidity and past due amounts. The Company uses credit scores obtained from external credit bureaus as a key indicator for the purposes of determining credit quality of its new customers. The Company does not own available for sale debt securities or other financial assets at December 31, 2024.

Fair Value of Financial Instruments

The Company believes that the carrying amounts for cash, accounts receivable, accounts payable and notes payable approximate their fair values except for fixed rate debt included in notes payable which has an estimated fair value of $

169.4
million and $

169.2
million, as of December 31, 2024 and 2023, respectively, compared to the recorded value of $

175.0

million in both periods. The estimates of fair value of the Company's fixed rate debt are based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities.

Foreign Currency Transactions and Translation

The Company's Canadian subsidiary, TRS-RenTelco Inc., a British Columbia corporation (“TRS-Canada”), functions as a branch sales office for TRS-RenTelco in Canada. The functional currency for TRS-Canada is the U.S. dollar. Foreign currency transaction gains and losses of TRS-Canada are reported in the results of operations in the period in which they occur.

The Company’s Indian subsidiary, TRS-RenTelco India Private Limited (“TRS-India”), functioned as a rental and sales office for TRS-RenTelco in India, which commenced its closure during 2017. The functional currency for TRS-India is the Indian Rupee. All assets and liabilities of TRS-India are translated into U.S. dollars at period-end exchange rates and all income statement amounts are translated at the average exchange rate for each month within the year.

Currently, the Company does not use derivative instruments to hedge its economic exposure with respect to assets, liabilities and firm commitments as the foreign currency transactions and risks to date have not been significant.

Share-Based Compensation

The Company measures and recognizes the compensation expense for all share-based awards made to employees and directors, including stock options, stock appreciation rights (“SARs”) and restricted stock units (“RSUs”), based upon estimated fair values. The fair value of stock options and SARs is estimated on the date of grant using the Black-Scholes option pricing model and for RSUs based upon the fair market value of the underlying shares of common stock as of the date of grant. The Company recognizes share-based compensation cost ratably on a straight-line basis over the requisite service period, which generally equals the vesting period. For performance-based RSUs, compensation costs are recognized when it is probable that vesting conditions will be met. In addition, the Company estimates the probable number of shares of common stock that will be earned and the corresponding compensation cost until the achievement of the performance goal is known. The Company recognizes forfeitures based on actual forfeitures when they occur. The Company records share-based compensation costs in “Selling and administrative expenses” in the Consolidated Statements of Income. The Company recognizes a benefit from share-based compensation in the Consolidated Statements of Shareholders’ Equity if an incremental tax benefit is realized. Further information regarding share-based compensation can be found in Note 10.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in determining reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during each period presented. Actual results could differ from those estimates. The most significant estimates included in the financial statements are the future cash flows and fair values used to determine the recoverability of the rental equipment and identifiable definite and indefinite lived intangible assets carrying value, the various assets’ useful lives and residual values, and the allowance for credit losses. In addition, determining the fair value of the assets and liabilities acquired in a business or asset acquisition can be judgmental in nature and can involve the use of significant estimates and assumptions.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes—Improvements to Income Tax Disclosures* (Topic 740), which will require Companies to disclose annually the specific categories in income tax rate reconciliations, provide additional information for reconciling items which meet a quantitative threshold, and disaggregate domestic and foreign income or loss from continuing operations. Additionally, this ASU will also require the disclosure of income tax expense or benefit from continuing operations disaggregated by federal, state and foreign. This ASU is effective for fiscal years beginning after December 15, 2024, and applied on a prospective basis. The Company is in the process of evaluating the financial statement impact of this ASU.

NOTE 3. IMPLEMENTED ACCOUNTING PRONOUNCEMENTS

Effective December 15, 2024, the Company adopted ASU 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures* (Topic 280), which requires public companies to provide more transparency in both quarterly and annual reports about the expenses they incur from revenue generating reportable business segments. In addition, the ASU requires that a public entity disclose significant segment expenses that are regularly provided to the chief operating decision maker, an amount for other segment items by reportable business segment, including a description of its composition, and the primary measures of a business segment's profit or loss in assessing segment performance. The adoption of this new guidance resulted in changes to "Note 16. Segment Reporting" to the consolidated financial statements, impacting the presentation and disclosure of the Company's four reportable business segments.

Effective January 1, 2024, the Company adopted ASU 2023-01, *Leases* (Topic 842): *Common Control Arrangements*, which requires a lessee involved in a common control lease agreement to amortize leasehold improvements over the useful life of the improvements to the common control group, regardless of the lease term, as long as the lessee controls the use of the underlying asset. If the lessor obtains the right to control the use of the underlying asset through a lease with another entity not within the same control group, the amortization period cannot exceed the period of the common control group. Furthermore, the ASU requires the accounting for a transfer between entities under common control through an adjustment to equity when the lessee no longer controls the use of the underlying asset. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements.

NOTE 4. ACQUISITIONS

On February 1, 2023, the Company completed the acquisition of Vesta Housing Solutions Holdings, Inc. (“Vesta Modular”), a portfolio company of Kinderhook Industries, for $ 437.2 million cash consideration on the closing date, which included certain adjustments, including net working capital and certain qualified capital expenditures. In connection with the acquisition, the Company purchased a representation and warranty insurance policy to provide certain recourse in the event of breaches of representations and warranties of Vesta Modular and the seller of Vesta Modular under the stock purchase agreement. Vesta Modular was a leading provider of temporary and permanent modular space solutions serving customers between its modular leasing and modular construction divisions. The acquisition was accounted for as a purchase of a “business” in accordance with criteria in Accounting Standards Codification ("ASC") 805, *Business Combinations*, using the purchase method of accounting. Under the purchase method of accounting, the total purchase price is assigned to tangible and identifiable intangible assets acquired and liabilities assumed based on their fair values on the closing date. The excess of the purchase price over those fair values is recorded as goodwill. The financial results of Vesta Modular were a part of the Mobile Modular segment since February 1, 2023, including $ 7.7 million of acquisition related transaction costs incurred during the current year as a result of the acquisition.

On March 1, 2023, the Company completed the acquisition of Jerald R. Brekke, Inc., DBA Brekke Storage ("Brekke Storage"), for a total purchase price of $ 16.4 million. Brekke Storage was a regional provider of portable storage solutions in the Colorado market. The acquisition expanded the Portable Storage fleet by approximately 2,700 units and provided a new regional operation to serve the Colorado market. The acquisition was accounted for as a purchase of a “business” in accordance with criteria in ASC 805 using the purchase method of accounting. The financial results of Brekke Storage were a part of the Portable Storage segment since March 1, 2023, including $ 0.2 million of transaction costs.

On April 1, 2023, the Company completed the acquisition of Dixie Temporary Storage, LLC ("Dixie Storage"), for a purchase price of $ 4.9 million. Dixie Storage was a regional provider of portable storage solutions in the South Carolina market and is highly complementary to the Company's Portable Storage business segment. The acquisition expanded the Portable Storage fleet by approximately 800 units and provided a new regional operation to serve the South Carolina market. The acquisition was accounted for as a purchase of a “business” in accordance with criteria in ASC 805 using the purchase method of accounting. The financial results of Dixie Storage were a part of the Portable Storage segment since April 1, 2023, including $ 0.1 million of transaction costs.

On July 1, 2023, the Company completed the purchase of assets of Inland Leasing and Storage, LLC ("Inland Leasing"), for a purchase price of $ 3.8 million. Inland Leasing was a regional provider of portable storage solutions in the Colorado market and is highly complementary to the Company's Portable Storage business segment. The acquisition grew the Portable Storage fleet by approximately 600 units, which will further support the Colorado market. The acquisition was accounted for as a purchase of "assets" in accordance with criteria in ASC 805 and the assessment of the fair value of the purchased assets was allocated primarily to rental equipment totaling $ 3.0 million and intangible assets totaling $ 0.7 million. Supplemental pro forma information has not been provided as the historical financial results of Inland Leasing were not significant. Incremental transaction costs associated with the asset purchase were not significant.

The following tables summarize the purchase price allocations reflecting estimated fair values of assets acquired and liabilities assumed in the Vesta Modular, Brekke Storage and Dixie Storage business acquisitions, with excess amounts allocated to goodwill. The assets acquired and liabilities assumed were based upon their fair values on the closing date. The valuation of intangible assets acquired is based on certain valuation assumptions including cash flow projections, discount rates, contributory asset charges and other valuation model inputs. The valuation of tangible long-lived assets acquired is dependent upon various analyses including an analysis of the condition and estimated remaining economic lives of the assets acquired.

Vesta Modular:

(dollar amounts in thousands)

Rental equipment	$	212,639
Intangible assets:		
Goodwill		211,178
Customer relationships		29,900
Non-compete		7,100
Trade name		800
Cash		11
Accounts receivable		22,666
Property, plant and equipment		1,437
Prepaid expenses and other assets		3,550
Accounts payable and accrued liabilities		(26,202)
Deferred income		(14,273)
Deferred income taxes		(11,596)
Total purchase price	$	437,210

Brekke Storage:

(dollar amounts in thousands)

Rental equipment	$	10,798
Intangible assets:		
Goodwill		4,083
Customer relationships		949
Non-compete		59
Property, plant and equipment		875

Deferred income		(382)
Total purchase price	$	16,382

Dixie Storage:

(dollar amounts in thousands)

Rental equipment	$	2,758
Intangible assets:		
Goodwill		1,555
Customer relationships		259
Non-compete		22
Property, plant and equipment		318
Deferred income		(161)
Total purchase price	$	4,751

The value assigned to identifiable intangible assets was determined based on discounted estimated future cash flows associated with such assets to their present value. The combined acquired goodwill of $216.8 million reflects the strategic fit of Vesta Modular, Brekke Storage and Dixie Storage with the Company's modular and portable storage business operations. The Company amortizes the acquired customer relationships over their expected useful lives of 11 years for Vesta Modular, 8 years for Brekke Storage and 9 years for Dixie Storage. The expected useful life for the non-compete agreements is 5 years. The trade name intangible acquired from the Vesta Modular acquisition was amortized over it's useful life of nine months . Goodwill is expected to have an indefinite life and will be subject to future impairment testing. The goodwill is deductible for tax purposes over 15 years.

The following table reports the actual results of the Company for the year ended December 31, 2024, and the unaudited pro forma financial information for the year ended December 31, 2023. The pro forma financial information shows the combined results of continuing operations of the Company and Vesta Modular as if the acquisition occurred as of the beginning of the period presented. The pro forma results include the effects of the amortization of the purchased intangible assets and depreciation expense of acquired rental equipment valuation step up, interest expense on the debt incurred to finance the acquisitions. A pro forma adjustment has been made to reflect the income taxes that would have been recorded at the combined federal and state statutory rate of 26.5% on the acquisitions' combined net income. The pro forma results for the year ended December 31, 2023, have been adjusted to include transaction related costs. This pro forma data is presented for informational purposes only and does not purport to be indicative of the results of the future operations or the results that would have occurred had the acquisitions taken place in the periods noted below:

(dollar amounts in thousands, except for per share amounts)	**(Unaudited) Year Ended December 31, 2024 (Actual)**	**2023 (Pro Forma)**
Pro-forma total revenues	$ 910,942	$ 839,485
Pro-forma net income	$ 231,727	$ 174,325
Pro-forma basic earnings per share	$ 9.44	$ 4.56
Pro-forma diluted earnings per share	$ 9.43	$ 4.55
Vesta Modular		
Actual total revenues		$ 110,504
Actual net income		$ 21,458
Actual basic earnings per share		$ 0.88
Actual diluted earnings per share		$ 0.87

NOTE 5. DISCONTINUED OPERATIONS

On February 1, 2023, the Company completed the sale of Adler Tank Rentals, LLC to Ironclad Environmental Solutions, Inc. ("Ironclad"), a portfolio company of Kinderhook Industries, for a sale price of $ 268.0 million. The total transaction costs incurred from the divestiture was $ 6.7 million and $ 2.1 million during the years ended December 31, 2023 and 2022, respectively. The divestiture of the Company's Adler Tanks business represents the Company's strategic shift to concentrate its operations on its core modular and storage businesses. The sale price was subject to certain adjustments, including net working capital, certain qualified capital expenditures and certain transaction expenses to be borne by the Company. In connection with the sale, the Company entered into a number of ancillary agreements, including an escrow agreement associated with net working capital adjustments, a restricted covenant agreement, a transition services agreement, and a number of leases whereby Ironclad or one of its affiliates would be a lessee to certain properties owned by the Company that the Adler Tanks business would continue to utilize after the sale. These ancillary agreements do not provide for continued involvement by the Company in Adler Tanks. In accordance with ASC 205-20, *Presentation of Financial Statements - Discontinued Operations* and ASC 360*, Property, Plant and Equipment,* the Company determined that the criteria for the presentation of discontinued operations and held-for-sale, respectively, were met during the first quarter of 2023.

The following table presents the results of Adler Tanks as reported in income from discontinued operations within the Consolidated Statements of Income for the years ended December 31, 2023 and 2022:

(dollar amounts in thousands)	Year Ended December 31,	
	2023	2022
Revenues		
Rental	$ 6,520	$ 66,366
Rental related services	2,584	27,654
Rental operations	9,104	94,020
Sales	269	2,933
Other	65	1,205
Total revenues	9,438	98,158
Costs and Expenses		
Direct costs of rental operations:		
Depreciation of rental equipment	1,325	16,004
Rental related services	2,020	20,947
Other	1,270	12,422
Total direct costs of rental operations	4,614	49,373
Costs of sales	159	2,085
Total costs of revenues	4,773	51,458
Gross Profit		
Rental	3,926	37,940
Rental related services	564	6,707
Rental operations	4,490	44,647
Sales	110	848
Other	65	1,205
Total gross profit	4,665	46,700
Selling and administrative expenses	2,582	28,428

Income from operations	2,083	18,272
Interest expense allocation	374	2,938
Income from discontinued operations before provision for income taxes	1,709	15,334
Provision for income taxes from discontinued operations	453	3,505
Income from discontinued operations	$ 1,256	$ 11,829

The following table presents the carrying value of the divested business' assets and liabilities as presented within assets and liabilities of discontinued operations on the Consolidated Balance Sheets as of December 31, 2022:

(in thousands)	**December 31, 2022**
Assets	
Accounts receivable, net of allowance for credit losses of $ 450	$ 20,086
Rental equipment, net	137,738
Property, plant and equipment, net	6,632
Prepaid expenses and other assets	191
Intangible assets, net	5,700
Goodwill	25,902
Total assets of discontinued operations	$ 196,249
Liabilities	
Accounts payable and accrued liabilities	$ 9,621
Deferred income taxes, net	43,550
Total liabilities of discontinued operations	$ 53,171

For the year ended December 31, 2023, significant operating and investing items related to Adler Tanks were as follows:

(in thousands)	December 31, 2023
Operating activities of discontinued operations:	
Depreciation and amortization	$ 1,457
Gain on sale of used rental equipment	(111)
Investing activities of discontinued operations:	
Proceeds from sales of used rental equipment	269
Purchases of rental equipment	(25)
Purchases of property, plant and equipment	(40)

NOTE 6. LEASES

Lessee

The Company leases real estate for certain of its branch offices and rental equipment storage yards, vehicles and equipment used in its rental operations. The Company determines if an arrangement is a lease at inception. The Company has leases with lease and non-lease components, which are accounted for separately. Right-Of-Use ("ROU") assets and liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred, which are not material. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company uses the interest rate stated in the lease as the discount rate. If the interest rate is not stated, the Company uses its incremental borrowing rate based on information available on lease commencement date in determining the present value of lease payments. Many of the Company's real estate lease agreements include options to extend the lease, which are not included in the minimum lease terms unless they are reasonably certain to be exercised. These leases include one or more options to renew, with renewal terms that may extend the lease term from one to three years. The amount of payments associated with such options is not material. Short-term leases are leases having a term of twelve months or less and exclude leases with a lease term of one month or less. The Company recognizes short-term leases on a straight-line basis and does not record a related ROU asset or liability for such leases. At December 31, 2024 and 2023 the Company's ROU assets and operating lease liabilities were $ 12.6 million and $ 14.8 million, respectively, which are recorded in Prepaid expenses and other assets and Accrued liabilities on the Company's Consolidated Balance Sheets.

During the years ended December 31, 2024 and 2023, operating lease expense was $ 6.4 million and $ 6.7 million, respectively, which included short term lease expense of $ 0.3 million and $ 0.1 million, respectively. At December 31, 2024 and 2023, the weighted-average remaining lease term for operating leases was 3.5 years and the weighted average discount rate was 5.37 % and 4.94 %, respectively. The Company had no sub-lease income or finance leases during the years ended December 31, 2024 and 2023.

Supplemental cash flow information related to leases was as follows:

(in thousands)	Year Ended December 31,	
	2024	**2023**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 6,035	$ 6,441
Right of use assets obtained in exchange for lease obligations:		
Operating leases	$ 6,248	$ 10,058

As of December 31, 2024, maturities of operating lease liabilities were as follows:

(in thousands) Year ended December 31,		
2025	$	5,735
2026		3,063
2027		2,042
2028		1,355
2029		541
Thereafter		894
Total lease payments		13,630
Less: imputed interest		(1,013)
	$	12,617

Lessor

The Company's equipment rentals for each of its operating segments are governed by agreements that detail the lease terms and conditions. The determination of whether these contracts with customers contain a lease generally does not require significant judgement. The Company accounts for these rentals as operating leases. These leases do not include material amounts of variable payments and the Company has made the accounting policy election to exclude all taxes assessed by a governmental authority. The Company generally does not provide an option for the lessee to purchase the rented equipment at the end of the lease term, thus, does not generate material revenue from sales of equipment under such options. Initial lease terms vary in length based upon customer needs and generally range from one to sixty months . Customers have the option to keep equipment on rent beyond the initial lease term on a month-to month basis based upon their needs. All of the Company's rental products have long useful lives relative to the typical rental term with the original investment typically recovered in approximately three to five years . The rental products are typically rented for a majority of the time owned and a significant portion of the original investment is recovered when sold from inventory. The Company's lease agreements do not contain residual value guarantees or restrictive covenants.

As of December 31, 2024, maturities of operating lease payments to be received in 2025 and thereafter were as follows:

(in thousands) Year Ended December 31,		
2025	$	177,149
2026		65,257
2027		27,516
2028		11,405
2029		3,838
Thereafter		943

	$	286,108

In the year ended December 31, 2024, the Company's lease revenues from continuing operations were $591.9 million, consisting of $589.3 million of operating lease revenues and $2.6 million of finance lease revenues. The Company has entered into finance leases to finance certain equipment sales to customers. The lease agreements have a bargain purchase option at the end of the lease term. For these leases, sales revenue and the related accounts receivable are recognized upon delivery and installation of the equipment and the unearned interest is recognized over the lease term on a basis which results in a constant rate of return on the unrecovered lease investment. For the year ended December 31, 2024, the Company's finance lease revenues included $2.0 million of sales revenues and $0.6 million of interest income. The minimum lease payments receivable and the net investment are included in Accounts receivable on the Company's Consolidated Balance Sheet for such leases, which were as follows:

(in thousands)		**December 31, 2024**
Gross minimum lease payments receivable	$	8,543
Less – unearned interest		(1,874)
Net investment in finance lease receivables	$	6,669

As of December 31, 2024, the future minimum lease payments under non-cancelable finance leases to be received in 2025 and thereafter were as follows:

(in thousands)	
Year Ended December 31,	
2025	$ 2,541
2026	1,251
2027	1,012
2028	1,063
2029	802
Total minimum future lease payments to be received	$ 6,669

NOTE 7. REVENUE RECOGNITION

The Company’s accounting for revenues is governed by two accounting standards. The majority of the Company’s revenues are considered lease or lease related and are accounted for in accordance with Topic 842, *Leases*. Revenues determined to be non-lease related are accounted for in accordance with ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The Company accounts for revenues when approval and commitment from both parties have been obtained, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company typically recognizes non-lease related revenues at a point in time because the customer does not simultaneously consume the benefits of the Company’s promised goods and services, or performance obligations, and obtain control when delivery and installation are complete. For contracts that have multiple performance obligations, the transaction price is allocated to each performance obligation in the contract based on the Company’s best estimate of the standalone selling prices of each distinct performance obligation in the contract. The standalone selling price is typically determined based upon the expected cost plus an estimated margin of each performance obligation.

Revenue from contracts that satisfy the criteria for over time recognition are recognized as work is performed by using the ratio of costs incurred to estimated total contract costs for each contract. The majority of revenue for these contracts is derived from long-term projects which typically span multiple quarters . The timing of revenue recognition, billings, and cash collections results in billed contract receivables and contract assets on the Company's Consolidated Balance Sheets. In the Company’s contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. Billings can occur subsequent to revenue recognition, resulting in contract assets, or in advance, resulting in contract liabilities. These contract assets and liabilities are reported on the Consolidated Balance Sheets on a contract-by-contract basis at the end of each reporting period. The contract liabilities included in Deferred income on the Company’s Consolidated Balance Sheets totaled $ 35.4 million and $ 40.7 million at December 31, 2024 and 2023, respectively. Sales revenues totaling $ 35.4 million were recognized during the year ended December 31, 2024, which were included in the contract liability balance at December 31, 2023. For certain modular building sales, the customer retains a small portion of the contract price until full completion of the contract, or revenue is recognizable prior to customer billing, which results in revenue earned in excess of billings. These unbilled contract assets are included in Accounts receivable on the Company’s Consolidated Balance Sheets and totaled $ 13.0 million and $ 8.7 million at December 31, 2024 and 2023, respectively. The Company did not recognize any material contract asset impairments during the years ended December 31, 2024 and 2023.

The Company's uncompleted contracts with customers which meet the criteria for over-time revenue recognition have unsatisfied or partially satisfied performance obligations. As of December 31, 2024, approximately $ 57.0 million of revenue is expected to be recognized for unsatisfied or partially satisfied obligations. We expect to recognize revenue for approximately one half of these unsatisfied or partially satisfied performance obligations over the next 12 months, with the remaining balance recognized thereafter. As of December 31, 2024, approximately $ 267.4 million of revenue was recognized for sales and non-lease services transferred at a point in time and approximately $ 51.7 million of revenue was recognized for sales and non-lease services transferred over time.

The Company generally rents and sells to customers on 30 day payment terms. The Company does not typically offer variable payment terms, or accept non-monetary consideration. Amounts billed and due from the Company’s customers are classified as Accounts receivable on the Company’s Consolidated Balance Sheets. For certain sales of modular buildings, progress payments from the customer are received during the manufacturing of new equipment, or the preparation of used equipment. The advance payments are not considered a significant financing component because the payments are used to meet working capital needs during the contract and to protect the Company from the customer failing to adequately complete their obligations under the contract.

Lease Revenues

Rental revenues from operating leases are recognized on a straight-line basis over the term of the lease for all operating segments. Rental billings for periods extending beyond period end are recorded as deferred income and are recognized in the period earned. Rental related services revenues are primarily associated with relocatable modular building and portable storage container leases. For modular building leases, rental related services revenues for modifications, delivery, installation, dismantle and return delivery are lease related because the payments are considered minimum lease payments that are an integral part of the negotiated lease agreement with the customer. These revenues are recognized on a straight-line basis over the term of the lease. Certain leases are accounted for as sales-type leases. For these leases, sales revenue and the related accounts receivable are recognized upon delivery and installation of the equipment and the unearned interest is recognized over the lease term on a basis which results in a constant rate of return on the unrecovered lease investment. Other revenues include interest income on sales-type leases and rental income on facility leases.

Non-Lease Revenues

Non-lease revenues are recognized in the period when control of the performance obligation is transferred, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. For portable storage container and electronic test equipment leases, rental related services revenues for delivery and return delivery are considered non-lease revenues.

Sales revenues are typically recognized at a point in time, which occurs upon the completion of delivery, installation and acceptance of the equipment by the customer. Sales contracts that satisfy the criteria for over-time recognition are recognized as work is performed by using the ratio of costs incurred to estimated total contracts costs for each contract. Accounting for non-lease revenues requires judgment in determining the point in time the customer gains control of the equipment and the appropriate accounting period to recognize revenue.

Sales taxes charged to customers are reported on a net basis and are excluded from revenues and expenses.

The following table disaggregates the Company’s revenues from continuing operations by lease (within the scope of Topic 842) and non-lease revenues (within the scope of Topic 606) and the underlying service provided for the three years ended December 31, 2024, 2023 and 2022:

(in thousands) **Year Ended December 31,**	**Mobile Modular**	**Portable Storage**	**TRS-RenTelco**	**Enviroplex**	**Consolidated**
2024					
Leasing	$ 414,195	$ 71,999	$ 105,662	$ —	$ 591,856
Non-lease:					
Rental related services	34,778	16,565	2,777	—	54,120
Sales	183,234	5,695	25,499	45,830	260,258
Other	3,159	238	1,311	—	4,708
Total non-lease	221,171	22,498	29,587	45,830	319,086
Total revenues	$ 635,366	$ 94,497	$ 135,249	$ 45,830	$ 910,942
2023					
Leasing	$ 367,753	$ 77,181	$ 119,134	$ —	$ 564,068
Non-lease:					
Rental related services	36,734	19,250	2,658	—	58,642
Sales	155,267	4,587	24,951	20,192	204,997
Other	2,482	119	1,534	—	4,135

Total non-lease	194,483	23,956	29,143	20,192	267,774
Total revenues	$ 562,236	$ 101,137	$ 148,277	$ 20,192	$ 831,842
2022					
Leasing	$ 267,779	$ 63,422	$ 125,695	$ —	$ 456,896
Non-lease:					
Rental related services	14,348	16,082	2,579	—	33,009
Sales	97,045	2,933	21,267	23,170	144,415
Other	39	69	1,237	—	1,345
Total non-lease	111,432	19,084	25,083	23,170	178,769
Total revenues	$ 379,211	$ 82,506	$ 150,778	$ 23,170	$ 635,665

Customer returns of rental equipment prior to the end of the rental contract term are typically billed a cancellation fee, which is recorded as rental revenue in the period billed. Sales of new relocatable modular buildings, portable storage containers, electronic test equipment and related accessories and liquid and solid containment tanks and boxes not manufactured by the Company are typically covered by warranties provided by the manufacturer of the products sold. The Company typically provides limited 90 -day warranties for certain sales of used rental equipment and one-year warranties on equipment manufactured by Enviroplex. Although the Company's policy is to provide reserves for warranties when required for specific circumstances, the Company has not found it necessary to establish such reserves to date as warranty costs have not been significant.

The Company’s incremental cost of obtaining lease contracts, which consists of salesperson commissions, are deferred and amortized over the initial lease term for modular building leases. Incremental costs for obtaining a contract for all other operating segments are expensed in the period incurred because the lease term is typically less than 12 months.

Other Income, net

Other income, net consists of the net gain on sales of property, plant and equipment. These sales are generally recognized at a point in time, with contractually defined performance obligations that are typically transferred upon the closing date of the sale. These types of sales are infrequent in occurrence and reported on the consolidated statements of income within the scope of ASC 610, *Other Income*. Proceeds to be received from the sale of property, plant and equipment are included in Accounts receivable on the Company's consolidated balance sheets.

NOTE 8. NOTES PAYABLE

Notes payable consists of the following:

(in thousands)	December 31, 2024	December 31, 2023
Unsecured revolving lines of credit and term loan	$ 415,440	$ 588,000
2.35 % Series E senior notes due in 2026	60,000	60,000
2.57 % Series D senior notes due in 2028	40,000	40,000
6.25 % Series F senior notes due in 2030	75,000	75,000
	590,440	763,000
Unamortized debt issuance cost	(232)	(25)
	$ 590,208	$ 762,975

As of December 31, 2024, the future minimum payments under the unsecured revolving lines of credit, 2.35 % Series E senior notes, 2.57 % Series D senior notes and 6.25 % Series F senior notes due in 2026 , 2028 and 2030 , respectively, are as follows:

(in thousands)	
Year Ended December 31,	
2025	$ —
2026	60,000
2027	415,440
2028	40,000

2029	—
Thereafter	75,000
	$ 590,440

Unsecured Revolving Lines of Credit

On July 15, 2022, the Company entered into an amended and restated credit agreement with Bank of America, N.A., as Administrative Agent, Swing Line Lender, L/C Issuer and lender, and other lenders named therein (the “Credit Facility”). The Credit Facility provides for a $ 650.0 million unsecured revolving credit facility (which may be further increased to $ 950.0 million by adding one or more tranches of term loans and/or increasing the aggregate revolving commitments), which includes a $ 40.0 million sublimit for the issuance of standby letters of credit and a $ 20.0 million sublimit for swingline loans. The proceeds of the Credit Facility are available to be used for general corporate purposes, including permitted acquisitions. The Credit Facility permits the Company’s existing indebtedness to remain, which includes the Company’s $ 20.0 million Treasury Sweep Note due July 15, 2027 , the Company’s existing senior notes issued pursuant to the Note Purchase and Private Shelf Agreement with Prudential Investment Management, Inc., dated as of April 21, 2011 (as amended): (i) the $ 60.0 million aggregate outstanding principal of notes issued November 5, 2015, which were repaid on November 5, 2022 , (ii) the $ 40.0 million aggregate outstanding principal of notes issued March 17, 2021 and due March 17, 2028 , and (iii) the $ 60.0 million aggregate outstanding principal of notes issued June 16, 2021 and due June 16, 2026 . In addition, the Company may incur additional senior note indebtedness in an aggregate amount not to exceed $ 250.0 million. The Credit Facility matures on July 15, 2027 and replaced the Company’s prior $ 420.0 million credit facility dated March 31, 2020 with Bank of America, N.A., as agent, as amended. All obligations outstanding under the prior credit facility as of the date of the Credit Facility were refinanced by the Credit Facility on July 15, 2022.

On August 19, 2022, the Company entered into an amended and restated Credit Facility Letter Agreement and a Credit Line Note in favor of MUFG Union Bank, N.A., which provides for a $ 20.0 million line of credit facility related to its cash management services (“Sweep Service Facility”). The Sweep Service Facility matures on the earlier of July 15, 2027 , or the date the Company ceases to utilize MUFG Union Bank, N.A. for its cash management services. The Sweep Service Facility replaced the Company’s prior $12.0 million sweep service facility, dated as of March 30, 2020.

On April 23, 2024, the Company entered into a first incremental facility amendment with Bank of America, N.A., as Administrative Agent and the first incremental lender (“BoA”) and the guarantors named therein (the “First Incremental Amendment”). The First Incremental Amendment amends the Second Amended and Restated Credit Agreement, dated as of July 15, 2022, as amended, by and among the Company, BoA, the other lenders named therein, and the guarantors named therein (the “Credit Agreement”) to institute an incremental term loan “A” facility in an aggregate principal amount of $ 75.0 million (the “Incremental Credit Facility”). The proceeds from the Incremental Credit Facility were used for general corporate purposes. Concurrently with entry into the First Incremental Amendment, the Company repaid revolving loans issued under the Credit Agreement in an aggregate amount equal to approximately $ 75.0 million.

At December 31, 2024, under the Credit Facility and Sweep Service Facility, the Company had unsecured lines of credit that permit it to borrow up to $

650.0
million of which $

342.4
million was outstanding and had the capacity to borrow up to an additional $

307.6
million. The Credit Facility contains financial covenants requiring the Company to not (all defined terms used below not otherwise defined herein have the meaning assigned to such terms in the Amended Credit Facility):

- Permit the Consolidated Fixed Charge Coverage Ratio of EBITDA to fixed charges as of the end of any fiscal quarter to be less than

  2.50
  to 1. At December 31, 2024 the actual ratio was

  3.19
  to 1.

- Permit the Consolidated Leverage Ratio of funded debt to EBITDA at any time during any period of four consecutive fiscal quarters to be greater than

  2.75
  to 1. At December 31, 2024, the actual ratio was

  1.68
  to 1.

Amounts borrowed under the Credit Facility bear interest at the Company's option at either: (i) SOFR plus a defined margin, or (ii) the Agent bank's prime rate ("base rate") plus a margin. The applicable margin for each type of loan is measured based upon the Consolidated Leverage Ratio at the end of the prior fiscal quarter and ranges from

1.00
% to

1.75
% for SOFR loans and

0
% to

0.75
% for base rate loans. In addition, the Company pays an unused commitment fee for the portion of the $

650.0
million credit facility that is not used. These fees are based upon the Consolidated Leverage Ratio and range from

0.15
% to

0.30
%. As o f December 31, 2024 and 2023, the applicable margins were

1.25

% for SOFR based loans,

0.25

% for base rate loans and

0.20

% for unused fees. Amounts borrowed under the Sweep Service Facility are based upon the MUFG Union Bank, N.A. base rate plus an applicable margin and an unused commitment fee for the portion of the $

20.0
million facility not used. The applicable base rate margin and unused commitment fee rates for the Sweep Service Facility are the same as for the Amended Credit Facility. The following information relates to the lines of credit for each of the following periods:

(dollar amounts in thousands)	**Year Ended December 31,**

	2024	2023
Maximum amount outstanding	$ 631,101	$ 591,000
Average amount outstanding	$ 555,225	$ 541,635
Weighted average interest rate, during the period	6.94 %	6.63 %
Prime interest rate, end of period	7.50 %	8.50 %

Note Purchase and Private Shelf Agreement

On June 8, 2023, the Company entered into a Second Amended and Restated Note Purchase and Private Shelf Agreement (the "Note Purchase Agreement") with PGIM, Inc. ("PGIM") and the holders of Series D and Series E Notes previously issued pursuant to the Prior Amended and Restated NPA, among the Company and the other parties to the Note Purchase Agreement. The Note Purchase Agreement amended and restated, and superseded in its entirety, the Prior NPA. Pursuant to the Prior NPA, the Company issued (i) $ 40.0 million aggregate principal amount of its 2.57 % Series D Senior Notes, due March 17, 2028 , and (ii) $ 60.0 million aggregate principal amount of its 2.35 % Series E Senior Notes, due June 16, 2026 , to which the terms of the Note Purchase Agreement shall apply.

In addition, pursuant to the Note Purchase Agreement, the Company may authorize the issuance and sale of additional senior notes (the "Shelf Notes") in the aggregate principal amount of (x) $ 300 million minus (y) the amount of other notes (such as the Series D Senior Notes, Series E Senior Notes and Series F Senior Notes, each defined below) then outstanding, to be dated the date of issuance thereof, to mature, in case of each Shelf Note so issued, no more than 15 years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than 15 years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in accordance with the Note Purchase Agreement. Shelf Notes may be issued and sold from time to time at the discretion of the Company's Board of Directors and in such amounts as the Board of Directors may determine, subject to prospective purchasers' agreement to purchase the Shelf Notes. The Company will sell the Shelf Notes directly to such purchasers. The full net proceeds of each Shelf Note will be used in the manner described in the applicable Request for Purchase with respect to such Shelf Note.

6.25% Senior Notes Due in 2030

On September 27, 2023, the Company issued and sold to the purchasers $ 75.0 million aggregate principal amount of 6.25 % Series F Notes (the "Series F Senior Notes") pursuant to the terms of the Second Amended and Restated Note Purchase and Private Shelf Agreement, dated June 8, 2023 (the "Note Purchase Agreement"), among the Company, PGIM, Inc. and the noteholders party thereto.

The Series F Senior Notes are an unsecured obligation of the Company and bear interest at a rate of 6.25 % per annum and mature on September 27, 2030 . Interest on the Series F Senior Notes is payable semi-annually beginning on March 27, 2024 and continuing thereafter on September 27 and March 27 of each year until maturity. The principal balance is due when the notes mature on September

27, 2030. The full net proceeds from the Series F Senior Notes were primarily used to fulfill the income tax obligations incurred from the divestiture of Adler Tanks. At December 31, 2024, the principal balance outstanding under the Series F Senior Notes was $

75.0
million.

2.57% Senior Notes Due in 2028

On March 17, 2021, the Company issued and sold to the purchasers $

40.0
million aggregate principal amount of

2.57
% Series D Notes (the "Series D Senior Notes") pursuant to the terms of the Amended and Restated Note Purchase and Private Shelf Agreement, dated March 31, 2020 (the "Note Purchase Agreement"), among the Company, PGIM, Inc. and the noteholders party thereto.

The Series D Senior Notes are an unsecured obligation of the Company and bear interest at a rate of

2.57
% per annum and mature on March 17, 2028 . Interest on the Series D Senior Notes is payable semi-annually beginning on September 17, 2021 and continuing thereafter on March 17 and September 17 of each year until maturity. The principal balance is due when the notes mature on March 17, 2028. The full net proceeds from the Series D Senior Notes were used to pay off the Company's $

40.0
million Series B Senior Notes. At December 31, 2024, the principal balance outstanding under the Series D Senior Notes was $

40.0
million.

2.35% Senior Notes Due in 2026

On June 16, 2021, the Company issued and sold to the purchasers $

60.0
million aggregate principal amount of

2.35
% Series E Notes (the "Series E Notes") pursuant to the terms of the Amended and Restated Note Purchase and Private Shelf Agreement, dated March 31, 2020 (the "Note Purchase Agreement"), among the Company, PGIM, Inc. and the noteholders party thereto.

The Series E Senior Notes are an unsecured obligation of the Company and bear interest at a rate of

2.35
% per annum and mature on June 16, 2026 . Interest on the Series E Senior Notes is payable semi-annually beginning on December 16, 2021 and continuing thereafter on June 16 and December 16 of each year until maturity. The principal balance is due when the notes mature on June 16, 2026. The full net proceeds from the Series E Senior Notes were used to pay down the Company's credit facility. At December 31, 2024, the principal balance outstanding under the Series E Senior Notes was $

60.0
million.

Among other restrictions, the Note Purchase Agreement, which has superseded in its entirety the Prior NPA, under which the Series D Senior Notes and Series E Senior Notes were sold, contains financial covenants requiring the Company to not (all defined terms used below not otherwise defined herein have the meaning assigned to such terms in the Note Purchase Agreement):

• Permit the Consolidated Fixed Charge Coverage Ratio of EBITDA to fixed charges as of the end of any fiscal quarter to be less than

2.50
to 1. At December 31, 2024, the actual ratio was

3.19
to 1.

• Permit the Consolidated Leverage Ratio of funded debt to EBITDA at any time during any period of four consecutive quarters to be greater than

2.75
to 1. At December 31, 2024, the actual ratio was

1.68
to 1.

At December 31, 2024, the Company was in compliance with each of the aforementioned covenants. There are no anticipated trends that the Company is aware of that would indicate non-compliance with these covenants, though, significant deterioration in the Company's financial performance could impact its ability to comply with these covenants.

NOTE 9. INCOME TAXES

Income before provision for income taxes consisted of the following:

(in thousands)	Year Ended December 31,		
	2024	**2023**	**2022**

U.S.	$ 310,352	$ 234,188	$ 149,759
Foreign	3,296	228	261
	$ 313,648	$ 234,416	$ 150,020

The provision (benefit) for income taxes consisted of the following:

(in thousands)	Year Ended December 31, 2024	2023	2022
Current:			
U.S. Federal	$ 31,127	$ 57,176	$ 19,480
State	10,518	(5,587)	8,708
Foreign	1,704	1,847	2,208
	43,349	53,436	30,396
Deferred:			
U.S. Federal	31,852	4,892	4,563
State	6,693	1,481	(68)
Foreign	28	(14)	(9)
	38,573	6,359	4,486
Total	$ 81,922	$ 59,795	$ 34,882

The reconciliation of the U.S. federal statutory tax rate to the Company's effective tax rate is as follows:

	Year Ended December 31, 2024	2023	2022
U.S. federal statutory rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	4.8	4.9	4.9
State deferred tax apportionment change, net of federal benefit	0.3	(0.2)	(1.1)
Non-deductible transaction costs	—	0.3	—
Non-deductible executive compensation	0.4	0.4	0.6
Share-based compensation	(0.3)	(1.2)	(1.7)
Enactment of the Tax Cuts and Jobs Act	(0.1)	(0.2)	(0.2)

Valuation allowance	(0.1)	—	—
Other	0.1	0.5	(0.2)
	26.1 %	25.5 %	23.3 %

The following table shows the deferred income taxes related to the temporary differences between the tax bases of assets and liabilities and the respective amounts included in “Deferred income taxes, net” on the Company’s Consolidated Balance Sheets:

(in thousands)	December 31, 2024	2023
Deferred tax liabilities:		
Accelerated depreciation	$ 285,835	$ 273,503
Prepaid costs currently deductible	13,572	12,567
Other	10,144	6,767
Total deferred tax liabilities	309,551	292,837
Deferred tax assets:		
Accrued costs not yet deductible	15,909	13,742
Allowance for doubtful accounts	733	713
Net operating loss carry-forward	7,415	28,670
Deferred revenues	2,175	5,439
Share-based compensation	3,190	2,718
Total deferred tax assets	29,422	51,282
Deferred income taxes, net	$ 280,129	$ 241,555

The Company's tax loss carryforwards for the year ended December 31, 2024, were $ 33.7 million and $ 16.7 million for federal and state jurisdictions, respectively, which are expected to result in a future federal and state tax benefit of $ 7.1 million and $ 0.3 million, respectively. The availability of these tax losses to offset future income varies by jurisdiction. Furthermore, the ability to utilize the tax losses may be subject to additional limitations. The Company’s federal net operating loss carryforwards have an indefinite carryforward period. The Company’s state net operating loss carryforwards have differing carryforward periods. The Company anticipates that the available net operating losses as of December 31, 2024, will be utilized prior to their respective expiration dates.

In December 2016, the Company decided to exit the Bangalore, India branch operations of its TRS-RenTelco electronics division. The wind down of operations in India began in 2017. As a result, a valuation allowance was recorded against the deferred tax assets that resulted primarily from accumulated net operating loss carry forwards in India that management estimated the benefit of which will not be realized. As of December 31, 2024, the Company's foreign net operating losses for tax purposes were $ 0.6 million. These loss carry forwards have expired at the end of 2024 and the associated deferred tax assets and valuation allowance have been removed.

For income tax purposes, deductible compensation related to share-based awards is based on the value of the award when realized, which may be different than the compensation expense recognized by the company for financial statement purposes which is based on the award value on the date of grant. The difference between the value of the award upon grant, and the value of the award when ultimately realized, creates either additional tax expense or benefit. In 2024, 2023 and 2022 exercise of share-based awards by employees resulted in an excess tax benefit of $ 0.9 million, $ 2.7 million and $ 2.6 million, respectively.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company evaluated all of its tax positions for which the statute of limitations remained open and determined there were no material unrecognized tax benefits as of December 31, 2024 and 2023. In addition, there have been no material changes in unrecognized benefits during 2024, 2023 and 2022.

The Company is subject to income taxes in the U.S. federal jurisdiction, and various states and foreign jurisdictions. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require the application of significant judgment.

Our income tax returns are subject to examination by federal, state and foreign tax authorities. There may be differing interpretations of tax laws and regulations, and as a result, disputes may arise with these tax authorities involving the timing and amount of deductions and allocation of income. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for the years before 2020.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision (benefit) for income taxes in the accompanying Consolidated Statements of Income for all periods presented. Such interest and penalties were not significant for the years ended December 31, 2024, 2023 and 2022.

NOTE 10. BENEFIT PLANS

Stock Plans

The Company adopted the 2016 Stock Incentive Plan (the "2016 Plan"), effective June 8, 2016, under which 2,000,000 shares of the common stock of the Company, plus the number of shares that remained available for grants of awards under the Company's 2007 Stock Option Plan (the "2007 Plan") become available as a result of forfeiture, termination, or expiration of awards previously granted under the 2007 Plan, were reserved for the grant of equity awards to its employees, directors and consultants. The equity awards have a maximum term of 7 years at an exercise price of not less than 100% of the fair market value of the Company's common stock on the date the equity award is granted. The 2016 Plan replaced the 2007 Plan.

The 2016 Plan provides for the grant of awards in the form of stock options, stock appreciation rights, restricted stock units ("RSUs"), the vesting of which may be performance-based or service-based, and other rights and benefits. Each RSU issued reduces the number of shares of the Company's common stock available for grant under the 2016 Plan by two shares. There were no significant modifications to the 2016 Plan or awards classified as liabilities in the year ended December 31, 2024.

For the years ended December 31, 2024, 2023 and 2022, the share-based compensation expense was $9.5 million, $8.3 million and $8.0 million, respectively, before provision for income taxes. The Company recorded a tax benefit of approximately $2.6 million, $2.2 million and $2.2 million, respectively, related to the aforementioned share-based compensation expenses. There was no capitalized share-based compensation expense in the years ended December 31, 2024, 2023 and 2022.

Restricted Stock Units

The following table summarizes the activity of the Company's RSUs, which includes service-based and performance-based awards, for the three years ended December 31, 2024:

	Number of shares	Weighted-average grant date fair value	Aggregate intrinsic value (in millions)
Balance at December 31, 2021	217,408	$ 67.63	
RSUs granted	95,028	77.79	
RSUs vested	(114,274)	58.30	
RSUs cancelled/forfeited/expired	(10,754)	70.10	
Balance at December 31, 2022	187,408	76.74	
RSUs granted	92,320	103.56	

RSUs vested	(86,402)	50.98	
RSUs cancelled/forfeited/expired	(21,649)	82.69	
Balance at December 31, 2023	171,677	92.18	
RSUs granted	101,340	114.64	
RSUs vested	(90,070)	85.14	
RSUs cancelled/forfeited/expired	(1,913)	95.33	
Balance at December 31, 2024	181,034	$ 108.05	$ 20.2

Performance-based RSUs issued prior to 2018 vest over five years , with 60 % of the shares immediately vesting after three years when the performance criteria has been determined to have been met and 20 % of the remaining shares vesting annually at the anniversary of the performance determination date, subject to continuous employment of the participant. The performance-based RSU grants issued in 2018 and thereafter vest after three years with 100 % of the shares vesting immediately when performance criteria has been determined to have been met. There were 64,000 performance-based RSUs expected to vest as of December 31, 2024. Service based RSUs issued to the Company's directors generally vest over twelve to fourteen months . Service based RSUs issued to the Company's management vest over three years. There were 117,034 service-based RSUs expected to vest as of December 31, 2024. No forfeitures are currently expected. The total fair value of RSUs that vested during the years ended December 31, 2024, 2023 and 2022 based on the weighted average grant date values was $ 11.1 million, $ 8.6 million and $ 9.3 million, respectively.

Share-based compensation expense for RSUs for the years ended December 31, 2024, 2023 and 2022 was $ 9.5 million, $ 8.3 million and $ 7.9 million, respectively. As of December 31, 2024, the total unrecognized compensation expense related to unvested RSUs was $ 10.9 million and is expected to be recognized over a weighted-average period of 1.2 years.

Stock Options

As of December 31, 2024,

no
shares were outstanding under the 2016 Plan, and

no
options had been issued to the Company's non-employee advisors. Additionally,

929,012
shares remained available for issuance under the stock plans.

A summary of the Company's option activity and related information for the three years ended December 31, 2024 is as follows:

	Number of options	Weighted-average price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Balance at December 31, 2021	274,630	$ 29.66		
Options granted	—	—		
Options exercised	(135,280)	25.61		
Options cancelled/forfeited/expired	—	—		
Balance at December 31, 2022	139,350	33.59		
Options granted	—	—		
Options exercised	(139,110)	33.51		
Options cancelled/forfeited/expired	—	—		
Balance at December 31, 2023	240	34.57		
Options granted	—	—		
Options exercised	(240)	34.57		
Options cancelled/forfeited/expired	—	—		
Balance at December 31, 2024	—	$ —	—	$ —
Exercisable at December 31, 2024	—	$ —	—	$ —
Expected to vest after December 31, 2024	—	$ —	—	$ —

The intrinsic value of stock options at any point in time is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's common stock. The aggregate intrinsic value of options exercised and sold under the Company's stock option plans was less than $

0.1
million, $

9.4
million and $

7.9
million for the years ended December 31, 2024, 2023 and 2022, respectively, determined as of the date of option exercise. As of December 31, 2024, there was no unrecognized compensation cost related to unvested share-based compensation option arrangements granted under the Company's stock plans.

The Company utilizes the Black-Scholes option-pricing model to estimate the fair value of share-based compensation at the date of grant, which requires the use of accounting judgment and financial estimates, including estimates of the expected term option holders will retain their vested stock options before exercising them, the estimated volatility of the Company's stock price over the expected term and the expected number of options that will be forfeited prior to the completion of their vesting requirements. Application of alternative assumptions could produce significantly different estimates of the fair value of share-based compensation amounts recognized in the Consolidated Statements of Income.

No

options were granted in the years ended December 31, 2024, 2023 and 2022.

Employee Stock Ownership and 401(k) Plans

The McGrath RentCorp Employee Stock Ownership and 401(k) Plan (the "KSOP") provides that each participant may annually contribute an elected percentage of his or her salary, not to exceed the statutory limit. Each employee who has at least two months of service with the Company and is 21 years or older, is eligible to participate in the KSOP. The Company, at its discretion, may make matching contributions. Contributions are expensed in the year approved by the Board of Directors. Dividends on the Company's stock held by the KSOP are treated as ordinary dividends and, in accordance with existing tax laws, are deducted by the Company in the year paid. For the year ended December 31, 2024 dividends deducted by the Company were $

0.4
million, which resulted in a tax benefit of approximately $

0.1
million in 2024.

At December 31, 2024, the KSOP held

233,270
shares, or

1
% of the Company's total common shares outstanding. These shares are included in basic and diluted earnings per share calculations.

NOTE 11. SHAREHOLDERS' EQUITY

The Company has in the past made purchases of shares of its common stock from time to time in over-the-counter market (NASDAQ) transactions, through privately negotiated, large block transactions and through a share repurchase plan, in accordance with Rule 10b5-1 of the Exchange Act. In September 2024, the Company's Board of Directors increased the capacity under the share repurchase program by authorizing the Company to repurchase up to

2,000,000
shares of the Company's outstanding common stock (the "Repurchase Plan"), an increase from the

1,309,805
remaining shares authorized for repurchase under the Repurchase Plan established in August 2015. The amount and time of the specific repurchases are subject to prevailing market conditions, applicable legal requirements and other factors, including management's discretion. All shares repurchased by the Company are canceled and returned to the status of authorized but unissued shares of common stock. There can be no assurance that any authorized shares will be repurchased, and the Repurchase Plan may be modified, extended or terminated by the Company's Board of Directors at any time. There were

no

shares of common stock repurchased during the twelve months ended December 31, 2024 and 2023. As of December 31, 2024,

2,000,000
shares remain authorized for repurchase under the Repurchase Plan.

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Company leases certain facilities under various operating leases. Most of the lease agreements provide the Company with the option of renewing its lease at the end of the lease term, at the fair rental value. In most cases, management expects that in the normal course of business, facility leases will be renewed or replaced by other leases. Minimum payments under these leases, exclusive of property taxes and insurance, are as follows:

(in thousands)		
Year Ended December 31,		
2025	$	5,231
2026		2,621
2027		1,710
2028		1,164
2029		474
Thereafter		894
	$	12,094

Facility rent expense was $

9.0
million in 2024, $

10.8
million in 2023 and $

7.0
million in 2022.

The Company is involved in various lawsuits and routine claims arising out of the normal course of its business. The Company maintains insurance coverage for its operations and employees with appropriate aggregate, per occurrence and deductible limits as the Company reasonably determines necessary or prudent with current operations and historical experience. The major policies include coverage for property, general liability, auto, directors and officers, health, and workers' compensation insurances. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Litigation is inherently unpredictable and is subject to significant uncertainties, some of which are beyond the Company's control. In the opinion of management, there was not at least a reasonable possibility that the ultimate amount of liability not covered by insurance, if any, under any pending litigation and claims, individually or in the aggregate, will have a material adverse effect on the financial position or operating results of the Company.

The Company’s health plans are self-funded high deductible plans with annual stop-loss insurance of $

225,000
per claim. Beginning in 2019, the Company’s workers compensation insurance is underwritten by an insurance company with no stop-loss value and $

350,000
for prior claim years. Insurance providers are responsible for making claim payments that exceed these amounts on an individual claim basis. In addition, the Company has stop loss insurance that pays for claim payments made during a twelve month coverage period that exceeds certain specified thresholds in the aggregate. The Company records an expense when health and workers compensation claim payments are made and accrues for the portion of claims incurred, but not yet paid at period end. The Company makes these accruals based upon a combination of historical claim payments, loss development experience and actuarial estimates. A high degree of judgment is required in developing the underlying assumptions and the resulting amounts to be accrued. In addition, our assumptions will change as the Company’s loss experience develops. All of these factors have the potential to impact the amounts previously accrued and the Company may be required to increase or decrease the amounts previously accrued. At December 31, 2024 and 2023, accruals for the Company’s health and workers’ compensation high deductible plans were $

1.7
million and $

1.6
million, respectively.

NOTE 13. INVENTORIES

The following table presents the carrying value of inventories:

(dollar amounts in thousands)	December 31, 2024	December 31, 2023
Raw materials	$ 3,380	$ 3,806
Work-in-process	10,924	11,619
Inventories	$ 14,304	$ 15,425

NOTE 14. GOODWILL AND INTANGIBLE ASSETS

There were no changes in the carrying amount of goodwill during 2024. Changes in the carrying amount of goodwill during 2023 were as follows:

(dollar amounts in thousands)	Mobile Modular	Adler Tanks (Discontinued)	Total
Balance at December 31, 2022	$ 106,403	$ 25,902	$ 132,305
Goodwill acquired through business combination	216,821	—	216,821
Derecognition of goodwill divested	—	(25,902)	(25,902)
Balance at December 31, 2023	$ 323,224	$ —	$ 323,224

Intangible assets from continuing operations consist of the following:

(dollar amounts in thousands)	Estimated useful life in years	Average remaining life in years	Cost	Accumulated amortization	Net book value
December 31, 2024					
Customer relationships	8 to 11	6.9	$ 73,217	$(25,010)	$ 48,207
Non-compete agreements	5	2.8	10,556	(5,239)	5,317
Trade name	0.75 to 8	4.3	2,000	(1,363)	637
Total amortizing			85,773	(31,612)	54,161
Trade name - non-amortizing	Indefinite		171	—	171
Total			$ 85,944	$(31,612)	$ 54,332

December 31, 2023					
Customer relationships	8 to 11	7.8	$ 73,217	$(17,003)	$ 56,214
Non-compete agreements	5	3.7	10,556	(3,141)	7,415
Trade name	0.75 to 8	5.3	2,000	(1,212)	788
Total amortizing			85,773	(21,356)	64,417
Trade name - non-amortizing	Indefinite		171	—	171
Total			$ 85,944	$(21,356)	$ 64,588

The Company assesses potential impairment of its goodwill and intangible assets when there is evidence that events or circumstances have occurred that would indicate the recovery of an asset's carrying value is unlikely. The Company also assesses potential impairment of its goodwill and intangible assets with indefinite lives on an annual basis regardless of whether there is evidence of impairment. If indicators of impairment were to be present in intangible assets used in operations and future discounted cash flows were not expected to be sufficient to recover the asset's carrying amount, an impairment loss would be charged to expense in the period identified. The amount of an impairment loss that would be recognized is the excess of the asset's carrying value over its fair value. Factors the Company considers important, which may cause impairment include, among others, significant changes in the manner of use of the acquired asset, negative industry or economic trends, and significant underperformance relative to historical or projected operating results. The Company last conducted a qualitative analysis of its goodwill and intangible assets in the fourth quarter 2024, with no indicators of impairment. In addition, no impairment triggering events occurred during the year ended December 31, 2024. Determining fair value of a reporting unit is judgmental and involves the use of significant estimates and assumptions. The

Company bases its fair value estimates on assumptions that it believes are reasonable but are uncertain and subject to changes in market conditions.

Intangible assets with finite useful lives are amortized over their respective useful lives. Amortization expense in the years ended December 31, 2024, 2023 and 2022 was $

10.3
million, $

10.7
million and $

5.9
million, respectively. Based on the carrying values at December 31, 2024 and assuming

no
subsequent impairment of the underlying assets, the annual amortization is expected to be $

10.2
million in 2025, $

9.8
million in 2026, $

9.6
million in 2027, $

8.2
million in 2028 and $

4.7
million in 2029. For information on intangible assets from discontinued operations refer to Note 5.

NOTE 15. RELATED PARTY TRANSACTIONS

There were

no

significant related party transactions in the years ended December 31, 2024, 2023 and 2022, or amounts owed to related parties at such dates.

NOTE 16. SEGMENT REPORTING

During the quarter ended December 31, 2023, the Company determined that its Portable Storage business segment met the criteria for separate recognition as defined in the Accounting Standards Codification ("ASC") Topic 280, *Segment Reporting*. The guidance under this topic requires a public business entity to evaluate both quantitative and qualitative thresholds to determine the significance of a business segment and whether the separate reporting of a business segment enhances the users' understanding of the reporting entity's performance, future net cash flows and judgments. The Company evaluated the guidance within Topic 280 and made its determination to separately report the Portable Storage segment primarily due to the Company's continued growth in container fleet purchases and related increased revenues and improved profitability performance when compared to previously reported periods. In addition to this determination, the Company also divested its Adler Tanks business segment during the year ended December 31, 2023. Additional information regarding the divestiture of Adler Tanks can be found in Note 5 to the Consolidated Financial Statements.

FASB guidelines establish annual and interim reporting standards for an enterprise’s operating segments and related disclosures about its products, services, geographic areas and major customers. In accordance with these guidelines the Company’s

four
reportable segments are Mobile Modular, Portable Storage, TRS-RenTelco and Enviroplex. The Company's Chief Operating Decision Maker ("CODM") Joe Hanna, Chief Executive Officer, and management focus on several key measures to evaluate and assess each segment’s performance including rental, rental related services and sales revenue growth, segment profit, and income before provision for income taxes. In addition to the evaluation of the aforementioned key measures of each reportable segment, the CODM and management evaluate supplemental information by reportable segment such as rental equipment acquisitions, fleet utilization, and average utilization to further assess segment performance and the future allocation of Company resources. Excluding interest expense, allocations of revenue and expense not directly associated with one of these segments are generally allocated to Mobile Modular, Portable Storage and TRS-RenTelco, based on their pro-rata share of direct revenues. Interest expense is allocated amongst Mobile Modular, Portable Storage and TRS-RenTelco based on their pro-rata share of average rental equipment at cost, goodwill, intangible assets, accounts receivable, deferred income and customer security deposits. The Company does not report total assets by business segment.

Summarized financial information from continuing operations for the years ended December 31, 2024, 2023 and 2022, for the Company’s reportable segments is shown in the following tables:

(dollar amounts in thousands) **Year Ended December 31, 2024**	Mobile Modular	Portable Storage	TRS-RenTelco	Enviroplex[1]	Consolidated
Revenues					
Rental revenues	$ 318,149	$ 69,983	$ 101,797	$ —	$ 489,929
Rental related services revenues	127,589	17,702	3,207	—	148,498
Sales	183,234	5,695	27,531	45,830	262,290
Other	6,394	1,117	2,714	—	10,225
Total revenues	635,366	94,497	135,249	45,830	910,942
Costs of Revenues					
Depreciation of rental equipment	40,399	3,982	43,886	—	88,267
Rental related services	83,547	17,267	2,605	—	103,419
Other	83,023	5,816	20,277	—	109,116
Costs of sales	124,886	3,551	12,426	33,862	174,725
Total costs of revenues	331,855	30,616	79,194	33,862	475,527
Gross profit	303,511	63,881	56,055	11,968	435,415
Significant Segment Expenses [3]					
Wages and benefits	57,741	13,812	10,368	4,859	86,781
Depreciation and amortization	13,712	1,432	107	383	15,634
Marketing and administrative expenses	17,276	6,102	5,342	2,323	31,043
Allocated corporate services [4]	47,146	7,212	10,716	—	65,074
Other segment items [5]	795	639	467	—	1,901

Total expenses	136,670	29,197	27,000	7,565	200,432
Other income, net	(6,220)	(1,319)	(1,742)	—	(9,281)
Segment profit	173,061	36,003	30,797	4,403	244,264
Interest expense (income) allocation	37,087	5,243	7,407	(2,496)	47,241
Foreign currency exchange loss	—	—	215	—	215
Income before provision for income taxes	$ 135,974	$ 30,760	$ 23,175	$ 6,899	$ 196,808
Reconciliation of Segment Profit (Loss)					
Total segment gross profit					$ 435,415
Segment operating expenses, net					200,432
Other income, net					(9,281)
Interest expense allocation					47,241
Foreign currency exchange loss					215
Gain on merger termination from WillScot Mobile Mini (Note 1)					(180,000)
WillScot Mobile Mini transaction costs					63,159
Income (loss) before provision for income taxes					$ 313,649
Other Selected Information					
Rental equipment acquisitions	$ 154,236	$ 8,106	$ 17,629	—	$ 179,971
Accounts receivable, net (period end)	$ 174,598	$ 10,455	$ 21,635	$ 12,654	$ 219,342
Rental equipment, at cost (period end)	$ 1,414,367	$ 240,846	$ 343,982	—	$ 1,999,195
Rental equipment, net book value (period end)	$ 1,060,364	$ 218,493	$ 108,802	—	$ 1,387,659

Utilization (period end) [2]	75.1 %	59.8 %	58.6 %
Average utilization [2]	77.5 %	64.9 %	57.3 %

(dollar amounts in thousands) **Year Ended December 31, 2023**	**Mobile Modular**	**Portable Storage**	**TRS-RenTelco**	**Enviroplex**[1]	**Consolidated**
Revenues					
Rental revenues	$ 285,553	$ 74,536	$ 114,247	$ —	$ 474,336
Rental related services revenues	114,511	20,510	3,139	—	138,160
Sales	155,267	4,587	27,119	20,192	207,165
Other	6,905	1,504	3,772	—	12,181
Total revenues	562,236	101,137	148,277	20,192	831,842
Costs of Revenues					
Depreciation of rental equipment	36,921	3,514	48,477	—	88,912
Rental related services	75,390	18,568	2,670	—	96,628
Other	86,983	7,317	20,642	—	114,942
Costs of sales	105,021	2,858	13,884	15,964	137,727
Total costs of revenues	304,315	32,257	85,673	15,964	438,209
Gross profit	257,921	68,880	62,604	4,228	393,633
Significant Segment Expenses [3]					
Wages and benefits	55,795	13,607	10,074	3,901	83,376
Depreciation and amortization	13,511	1,613	108	337	15,570
Marketing and administrative expenses	15,935	5,866	5,398	2,228	29,427
Allocated corporate services [4]	44,225	9,711	14,748	—	68,684
Other segment items [5]	9,109	740	634	—	10,482

Total expenses	138,574	31,537	30,962	6,466	207,539
Other income, net	(2,329)	(457)	(832)	—	(3,618)
Segment profit (loss)	121,676	37,800	32,474	(2,238)	189,713
Interest expense (income) allocation	29,724	4,950	8,146	(2,260)	40,560
Foreign currency exchange (gain) loss	—	—	(310)	—	(310)
Income before provision for income taxes	$ 91,952	$ 32,850	$ 24,638	$ 22	$ 149,462
Other Selected Information					
Rental equipment acquisitions	$ 176,200	$ 27,967	$ 28,945	—	$ 233,112
Accounts receivable, net (period end)	$ 175,360	$ 16,057	$ 25,511	$ 10,440	$ 227,368
Rental equipment, at cost (period end)	$ 1,291,093	$ 236,123	$ 377,587	—	$ 1,904,803
Rental equipment, net book value (period end)	$ 967,712	$ 217,315	$ 144,296	—	$ 1,329,323
Utilization (period end) [2]	79.4 %	71.5 %	55.9 %		
Average utilization [2]	79.7 %	77.3 %	58.9 %		

(dollar amounts in thousands) **Year Ended December 31, 2022**	**Mobile Modular**	**Portable Storage**	**TRS-RenTelco**	**Enviroplex[1]**	**Consolidated**
Revenues					
Rental revenues	$ 206,070	$ 62,218	$ 121,375	$ —	$ 389,663
Rental related services revenues	74,756	17,095	3,112	—	94,963
Sales	97,046	2,933	24,571	23,170	147,720
Other	1,339	260	1,720	—	3,319
Total revenues	379,211	82,506	150,778	23,170	635,665
Costs of Revenues					
Depreciation of rental equipment	28,373	2,799	49,253	—	80,425
Rental related services	49,910	16,344	2,592	—	68,846
Other	76,819	6,212	21,327	—	104,358
Costs of sales	62,224	1,849	9,707	18,048	91,828
Total costs of revenues	217,326	27,204	82,879	18,048	345,457
Gross profit	161,885	55,302	67,899	5,122	290,208
Significant Segment Expenses [3]					
Wages and benefits	33,465	11,598	9,690	3,144	57,897
Depreciation and amortization	8,815	1,132	113	288	10,348
Marketing and administrative expenses	10,993	4,929	5,087	2,003	23,012
Allocated corporate services [4]	30,064	6,506	12,191	—	48,761
Other segment items [5]	2,431	300	164	—	2,895
Total expenses	85,769	24,465	27,245	5,435	142,914

Segment profit (loss)	76,116	30,837	40,654	(313)	147,294
Interest expense (income) allocation	8,657	1,519	3,294	(1,240)	12,230
Foreign currency exchange loss	—	—	378	—	378
Income before provision for income taxes	$ 67,459	$ 29,318	$ 36,982	$ 926	$ 134,686
Other Selected Information					
Rental equipment acquisitions	$ 87,535	$ 34,072	$ 69,928	—	$ 191,535
Accounts receivable, net (period end)	$ 124,184	$ 14,923	$ 26,442	$ 4,302	$ 169,851
Rental equipment, at cost (period end)	$ 929,636	$ 193,632	$ 398,267	—	$ 1,521,535
Rental equipment, net book value (period end)	$ 637,151	$ 178,241	$ 174,924	—	$ 990,316
Utilization (period end) [2]	80.3 %	82.6 %	59.4 %		
Average utilization [2]	78.0 %	84.8 %	64.2 %		

1. Gross Enviroplex sales revenues were $45,832, $22,615 and $24,164 in 2024, 2023 and 2022, respectively. There were $2, $2,423 and $992 inter-segment sales to Mobile Modular in 2024, 2023 and 2022, respectively, which have been eliminated in consolidation.
2. Utilization is calculated each month by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding new equipment inventory and accessory equipment. The average utilization for the period is calculated using the average costs of rental equipment.
3. The Significant Segment Expense categories and amounts align with the segment-level information that is regularly provided to the CODM.
4. Allocated corporate services costs are comprised of expenses incurred by the Company which are not directly incurred by each business segment as a part of their normal operations. These allocated indirect corporate costs primarily include wages and benefits, depreciation of corporate capital assets, information technology, legal, accounting and other administrative expenses.
5. Other segment items for each reportable segment is primarily comprised of business acquisition and divestiture related transaction costs and credit losses.

No single customer accounted for more than 10% of total revenues during 2024, 2023 and 2022. Revenue from foreign country customers accounted for 2%,

3
% and

4
% of the Company's total revenues for years 2024, 2023, and 2022, respectively. Mobile Modular purchased

18
% of its modular units from one manufacturer during 2024 and

30

% in both 2023 and 2022. There were

no

vendor or supplier concentrations for Portable Storage, TRS-RenTelco and Enviroplex during years 2024, 2023 and 2022.

TEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

TEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures. The Company's management under the supervision and with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") is responsible for establishing and maintaining "disclosure controls and procedures" (as defined in rules promulgated under the Securities Exchange Act of 1934, as amended) for the Company. Based on their evaluation the CEO and CFO have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2024.

Changes in Internal Control over Financial Reporting. During the last quarter of the Company's fiscal year ended December 31, 2024, there were no changes in the Company's internal control that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the CEO and CFO have concluded that these controls and procedures are effective at the "reasonable assurance" level.

Management's Assessment of Internal Control. Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, is discussed in the Management's Report on Internal Control Over Financial Reporting included on page 55.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by Grant Thornton LLP, the Company's independent registered public accounting firm, and its report is included in this Annual Report on Form 10-K.

TEM 9B. OTHER INFORMATION.

(a) *Amended and Restated Bylaw***s.** On February 14, 2025, the Company's Board of Directors approved the Company's Amended and Restated Bylaws to clarify (i) the procedure for the right of shareholders to call special meetings, (ii) information to be provided by shareholders who submit proposals at the Company's annual or special meetings, and (iii) streamlined various records and information available to shareholders and directors. The above description of the changes to the Company's Amended and Restated Bylaws is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to such bylaws filed herewith as an exhibit to this annual report.

McGrath RentCorp Involuntary Termination Severance Plan for Officers. On February 14, 2025, the Company's Board of Directors approved the Company's McGrath RentCorp Involuntary Termination Severance Plan for Officers which sets forth the benefits and obligations of the participants to the plan upon a change in control of the Company or involuntary termination of employment of such participants. This plan also superseded the Company's McGrath RentCorp Change in Control Severance Plan applicable to the Chief Executive Officer and Chief Financial Officer of the Company. The description of the changes to the Company's McGrath RentCorp Involuntary Termination Severance Plan for Officers is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to such plan filed herewith as an exhibit to this annual report.

(b) During the three months ended December 31, 2024, none of our directors or officers adopted , modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

During the three months ended December 31, 2024, the Company did not adopt , modify or terminate a "Rule 10b5-1 trading arrangement" as such term is defined under Item 408 of Regulation S-K.

McGrath RentCorp 2025 Officer Cash Bonus Plan. On February 14, 2025, the Company's Board of Directors approved the McGrath RentCorp Involuntary Termination Severance Plan for Officers which sets forth the benefits and obligations of the participants to the plan upon a change in control of the Company, involuntary termination of employment of such participants, or upon retirement, death or disability. The description of the changes to the Company's McGrath RentCorp 2025 Officer Cash Bonus Plan is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to such plan filed herewith as an exhibit to this annual report.

McGrath RentCorp 2016 Stock Incentive Plan, Notice of Restricted Stock Unit Award. On February 14, 2025, the Company's Board of Directors approved amendments to the McGrath RentCorp 2016 Stock Incentive Plan, Notice of Restricted Stock Unit Award for non-employee directors which sets forth the benefits and obligations of the participants to the plan in the event of the participant's death or disability. The description of the changes to the McGrath RentCorp 2016 Stock Incentive Plan, Notice of Restricted Stock Unit Award for Officers is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to such plan filed herewith as an exhibit to this annual report.

McGrath RentCorp 2016 Stock Incentive Plan Notice of Restricted Stock Unit Award. On February 14, 2025, the Company's Board of Directors approved the amendments to the McGrath RentCorp 2016 Stock Incentive Plan, Notice of Restricted Stock Unit Award, for employees which sets forth the benefits and obligations of the participants to the plan upon a change in control of the Company, involuntary termination of employment of such participants, or upon retirement, death or disability. The description of the changes to the McGrath RentCorp 2016 Stock Incentive Plan, Notice of Restricted Stock Unit Award for Officers is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to such plan filed herewith as an exhibit to this annual report.. In the event of retirement, starting with the 2025 awards, directors will receive accelerated full vesting of RSUs rather than pro rata vesting.

TEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

TEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this Item will either be incorporated herein by reference to the Company's Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for its 2024 Annual or Special Meeting of Shareholders or included in an amendment to this Report, which, in either case, will be filed no later than 120 days after December 31, 2024.

TEM 11. EXECUTIVE COMPENSATION.

The information required by this Item will either be incorporated herein by reference to the Company's Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for its 2024 Annual or Special Meeting of Shareholders or included in an amendment to this Report, which, in either case, will be filed no later than 120 days after December 31, 2024.

TEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this Item will either be incorporated herein by reference to the Company's Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for its 2024 Annual or Special Meeting of Shareholders or included in an amendment to this Report, which, in either case, will be filed no later than 120 days after December 31, 2024.

TEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

The information required by this Item will either be incorporated herein by reference to the Company's Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for its 2024 Annual or Special Meeting of Shareholders or included in an amendment to this Report, which, in either case, will be filed no later than 120 days after December 31, 2024.

TEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information required by this Item will either be incorporated herein by reference to the Company's Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for its 2024 Annual or Special Meeting of Shareholders or included in an amendment to this Report, which, in either case, will be filed no later than 120 days after December 31, 2024.

PART IV

TEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Index of documents filed as part of this report:

1. The following Consolidated Financial Statements of McGrath RentCorp are included in Item 8.

2. Financial Statement Schedules. None

3. Exhibits. See Index of Exhibits on page 95 of this report.

Schedules and exhibits required by Article 5 of Regulation S-X other than those listed are omitted because they are not required, are not applicable, or equivalent information has been included in the consolidated financial statements, and notes thereto, or elsewhere herein.

Number	Description	Method of Filing
2.1	Equity Purchase Agreement, dated as of February 1, 2023, made by and among McGrath RentCorp, a California corporation, Adler Tank Rentals, LLC, a Delaware limited liability company, and Ironclad Environmental Solutions, Inc., a Delaware corporation.	Filed as exhibit 1.01 to the Company's Current Report on Form 8-K (filed February 1, 2023), and incorporated herein by reference.
2.2	Stock Purchase Agreement, dated as of February 1, 2023, made by and among Vesta Housing Solutions Investor, LLC, a Delaware limited liability company, Vesta Housing Solutions Holdings, Inc., a Delaware corporation, and McGrath RentCorp, a California corporation.	Filed as exhibit 1.02 to the Company's Current Report on Form 8-K (filed February 1, 2023), and incorporated herein by reference.
2.3	Agreement and Plan of Merger, dated as of January 28, 2024, by and among WillScot Mobile Mini Holdings Corp., Brunello Merger Sub I, Inc., Brunello Merger Sub II, LLC, and McGrath RentCorp.	Filed as Exhibit 2.1 to the Company's Current Report on Form 8-K/A (filed January 29, 2024), and incorporated herein by reference.
2.4	Termination Agreement, dated as of September 17, 2024, by and among WillScot Holdings Corporation, Brunello Merger Sub I, Inc., Brunello Merger Sub II, LLC, and McGrath RentCorp.	Filed as exhibit 10.1 to the Company's Current Report on Form 8-K (filed September 18, 2024), and incorporated herein by reference.
3.1	Articles of Incorporation of McGrath RentCorp. 'p'	Filed as exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 (filed August 14, 1988), and incorporated herein by reference.
3.1.1	Amendment to Articles of Incorporation of McGrath RentCorp. 'p'	Filed as exhibit 3.1 to the Company's Registration Statement on Form S-1 (filed March 28, 1991 Registration No. 33-39633), and incorporated herein by reference.
3.1.2	Amendment to Articles of Incorporation of McGrath RentCorp.	Filed as exhibit 3.1.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (filed March 31, 1998), and incorporated herein by reference.
3.2	Amended and Restated Bylaws	Filed herewith.
4.1	Second Amended and Restated Note Purchase and Private Shelf Agreement, dated as of June 8, 2023 (filed as Exhibit 10.1 to Registrant's Current Report on 8-K filed on June 13, 2023, and incorporated herein by reference).	Filed as exhibit 10.1 to the Company's Current Report on Form 8-K (filed June 13, 2023), and incorporated herein by reference.
4.1.1	Amendment, dated as of March 17, 2014, to the Note Purchase and Private Shelf Agreement dated as of April 21, 2011 among the Company, Prudential Investment Management, Inc., The Prudential Insurance Company of America and Prudential Retirement Insurance and Annuity Company.	Filed as exhibit 10.1 to the Company's Current Report on Form 8-K (filed March 20, 2014) and incorporated herein by reference.
4.1.2	Amendment, dated as of February 9, 2016, to the Note Purchase and Private Shelf Agreement dated as of April 21, 2011 among the Company, Prudential Investment Management, Inc., The Prudential Insurance Company of America and Prudential Retirement Insurance and Annuity Company, as amended on March 17, 2014.	Filed as exhibit 10.1 to the Company's Current Report on Form 8-K (filed February 11, 2016) and incorporated herein by reference.
4.2	Second Amended and Restated Credit Agreement, dated as of July 15, 2022, among the Company, Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer, and the other lenders party thereto.	Filed as exhibit 10.1 to the Company's Current Report on Form 8-K (filed July 19, 2022) and incorporated herein by reference.
4.2.1	First Incremental Facility Amendment, dated as of April 23, 2024, to Second Amended and Restated Credit Agreement, dated as of July 15,2022, among the Company, Bank of America, N.A. as Administrative Agent and first incremental lender, and the guarantors named therein.	Filed as exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (filed April 25, 2024) and incorporated herein by reference.
4.2.2	Amended and Restated Guaranty, dated as of July 15, 2022, among certain domestic subsidiaries of the Company in favor of Bank of America, N.A., in its capacity as the Administrative Agent.	Filed as exhibit 10.2 to the Company's Current Report on Form 8-K (filed July 19, 2022) and incorporated herein by reference.
4.2.3	Amended and Restated Credit Facility Letter Agreement, dated as of August 19, 2022, between the Company and MUFG Union Bank, N.A.	Filed as exhibit 4.3 to the Company's Quarterly Report on Form 10-Q (filed October 27, 2022) and incorporated herein by reference.
4.2.4	Amended and Restated Credit Line Note, dated as of August 19, 2022, in favor of MUFG Union Bank, N.A.	Filed as exhibit 4.4 to the Company's Quarterly Report on Form 10-Q (filed October 27, 2022) and incorporated herein by reference.
4.3	Description of Registrant's Securities.	Filed as exhibit 4.2.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (filed February 25, 2020), and incorporated herein by reference.

Number	*Description*	*Method of Filing*
10.1†	McGrath RentCorp Employee Stock Ownership Plan, as amended and restated on December 31, 2008.	Filed as exhibit 10.3 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 (filed February 26, 2009), and incorporated herein by reference.
10.1.1†	McGrath RentCorp Employee Stock Ownership Trust Agreement, as amended and restated on December 31, 2008.	Filed as exhibit 10.3.1 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 (filed February 26, 2009), and incorporated herein by reference.
10.2†	McGrath RentCorp 2007 Stock Incentive Plan.	Filed as exhibit 10.12 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 (filed August 2, 2007), and incorporated herein by reference.
10.2.1†	Form of 2007 Stock Incentive Plan Stock Option Award and Agreement.	Filed as exhibit 10.12.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 (filed August 2, 2007), and incorporated herein by reference.
10.2.2†	Form of 2007 Stock Incentive Plan Non-Qualified Stock Option Award and Agreement.	Filed as exhibit 10.12.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 (filed August 2, 2007), and incorporated herein by reference.
10.2.3†	Form of 2007 Stock Incentive Plan Stock Appreciation Right Award and Agreement.	Filed as exhibit 10.4.3 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (filed May 6, 2010), and incorporated herein by reference.
10.2.4†	Form of 2007 Stock Incentive Plan Restricted Stock Unit Award and Agreement.	Filed as exhibit 10.4.4 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (filed May 6, 2010), and incorporated herein by reference.
10.3†	McGrath RentCorp Employee Stock Ownership and 401(k) Plan	Filed as exhibit 4.5 to the Company’s Registration Statement on Form S-8 (filed August 10, 2012) and incorporated herein by reference.
10.4†	McGraw RentCorp Involuntary Termination Severance Plan for Officers	Filed herewith.
10.5†	McGrath RentCorp 2016 Stock Incentive Plan	Filed as Appendix A to the Company's Proxy Statement for the 2016 Annual Meeting (filed April 29, 2016), and incorporated herein by reference.
10.5.1†	McGrath RentCorp 2024 Officer Cash Bonus Plan (certain portions of this exhibit have been omitted)	Filed herewith.
10.5.2†	McGrath RentCorp 2025 Officer Cash Bonus Plan (certain portions of this exhibit have been omitted)	Filed herewith.
10.6†	Form of Indemnification Agreement with Directors and Officers	Filed as exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (filed February 21, 2024), and incorporated herein by reference.
10.6.1†	Form of 2016 Stock Incentive Plan Restricted Stock Unit Award and Agreement - Corporate	Filed herewith.
10.6.2†	Form of 2016 Stock Incentive Plan Performance-Based Restricted Stock Unit Award and Agreement - Division Management	Filed herewith.
10.6.3†	Form of 2016 Stock Incentive Plan Stock Appreciation Right Award and Agreement - Enviroplex	Filed herewith.
10.6.4†	Form of 2016 Stock Incentive Plan Notice of Restricted Stock Unit Award	Filed herewith.
19.1	Amended and Restated McGrath RentCorp Insider Trading and Blackout Policy	Filed herewith.
21.1	List of Subsidiaries.	Filed herewith.
23.1	Written Consent of Grant Thornton LLP.	Filed herewith.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.

Number	Description	Method of Filing
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
97	McGrath RentCorp Compensation Recoupment Policy	Filed as exhibit 97 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (filed February 21, 2024), and incorporated herein by reference.
101	The following materials from McGrath RentCorp's annual Report on Form 10-K for the year ended December 31, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statement of Income, (ii) the Consolidated Balance Sheet, (iii) the Consolidated Statement of Cash Flows, and (iv) Notes to Consolidated Financial Statements.	
104	Cover Page Interactive Data File (embedded within the inline XBRL document).	

† = Indicates a management contract or compensatory plan

'P' = exhibit was filed in paper form

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 19, 2025

McGrath RentCorp

by: /s/ Joseph F. Hanna
JOSEPH F. HANNA
Chief Executive Officer and President
(Principal Executive Officer)

by: /s/ Keith E. Pratt
KEITH E. PRATT
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

by: /s/ David M. Whitney
DAVID M. WHITNEY
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated.

Name	*Title*	*Date*
/s/ Nicolas Anderson NICOLAS ANDERSON	Director	February 19, 2025
/s/ Kimberly A. Box KIMBERLY A. BOX	Director	February 19, 2025
/s/ Smita Conjeevaram SMITA CONJEEVARAM	Director	February 19, 2025
/s/ William J. Dawson WILLIAM J. DAWSON	Director	February 19, 2025
/s/ Joseph F. Hanna JOSEPH F. HANNA	Chief Executive Officer, President and Director	February 19, 2025
/s/ Bradley M. Shuster BRADLEY M. SHUSTER	Chairman of the Board	February 19, 2025

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

McGRATH RENTCORP,
a California corporation

(Amended and Restated as of February 14, 2025)

1.OFFICES

1.1**Principal Office**. The Board of Directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside this state, and the corporation has one or more business offices in this state, the Board of Directors shall fix and designate a principal business office in the State of California.

1.2**Other Offices**. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the corporation is qualified to do business.

2.MEETINGS OF SHAREHOLDERS

2.1**Place of Meetings**. All meetings of shareholders shall be held either at the principal executive office of the corporation or at any other place within or without the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meeting shall be held at the principal executive office of the corporation.

2.2**Annual Meetings**. The Annual Meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. In the absence of such designation, the Annual Meeting of shareholders shall be held on the first Wednesday of June in each year at 2:00 p.m. However, if this day falls on a legal holiday, then the meeting shall be held at the same time and place on the next succeeding full business day. At such meeting, directors shall be elected, reports of the affairs of the corporation shall be considered, and any other proper business may be transacted.

For nominations to the Board of Directors or other business to be properly brought before an annual meeting of shareholders by a shareholder, the shareholder must have given timely notice thereof in proper written form to the Secretary by personal delivery or registered mail to the corporation's principal address, any such proposed business must constitute a proper matter for shareholder action under the California Corporations Code (the "Code"), and the shareholder and the beneficial owner, if any, on whose behalf any such nomination or proposal is made, must have complied with all requirements set forth in, and acted in accordance with the representations made pursuant to, this Section 2.2. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting nor later than the close of business on the ninetieth (90th) day prior to such anniversary date (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the shareholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such annual meeting is first made by the corporation). In no event shall the adjournment, postponement, or rescheduling of an annual meeting of shareholders (or the public announcement thereof) commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

To be in proper written form, if a proposal relates to nomination of persons for election as directors, a shareholder's notice to the Secretary must set forth as to each person proposed for nomination for election as a director (each, a "Proposed Nominee"):

1. the age and the principal occupation or employment of such Proposed Nominee;

2. a description of all direct and indirect compensation or other material monetary agreements, arrangements, or understandings during the past three (3) years, and any other material relationships, between or among any Proposing Person (as such term is defined below), on the one hand, and such Proposed Nominee and such Proposed Nominee's respective affiliates (as such term is defined below) and associates (as such term is defined below), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as if any Proposing Person were the "registrant" for purposes of such rule and such Proposed Nominee were a director or executive officer of such registrant;

3. a description of any business or personal interests that could place such Proposed Nominee in a potential conflict of interest with the corporation or any of its subsidiaries;

4. a written questionnaire with respect to the background and qualification of such Proposed Nominee, completed by such Proposed Nominee in the form required by the corporation (which form the Proposing Person shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to such Proposing Person within ten (10) days after receiving such request);

5. a written representation and agreement completed by such Proposed Nominee in the form required by the corporation (which form the Proposing Person shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to the Proposing Person within ten (10) days after receiving such request), providing, among other things, that such Proposed Nominee: (i) is not and will not become a party to any agreement, arrangement, or understanding with, or any commitment or assurance to, any person or entity as to how such Proposed Nominee, if elected as a director of the corporation, will act or vote on any issue or question to be decided by the Board of Directors or that otherwise relates to the corporation or such Proposed Nominee's service on the Board of Directors (a "Voting Commitment") that has not been disclosed to the corporation or any Voting Commitment that could limit or interfere with such Proposed Nominee's ability to comply, if elected as a director of the corporation, with such Proposed Nominee's fiduciary duties under applicable law; (ii) is not and will not become a party to any compensatory, payment, or other financial agreement,

arrangement, or understanding with any person other than with the corporation, including any agreement to indemnify such Proposed Nominee for obligations arising as a result of such Proposed Nominee's service as a director of the corporation, in connection with such Proposed Nominee's nomination, service, or action as a director of the corporation that has not been disclosed to the corporation; (iii) will, if elected as a director of the corporation, comply with all applicable laws and stock exchange listing standards, the Articles of Incorporation, these Bylaws, and the corporation's policies, guidelines, and principles applicable to directors, including, without limitation, the corporate governance, business conduct, conflict of interest, confidentiality, insider trading, and stock ownership and trading policies and guidelines, and any other corporation policies and guidelines applicable to directors, and all applicable fiduciary duties under state law; (iv) intends to serve a full term as a director of the corporation, if elected; and (v) will provide facts, statements, and other information in all communications with the corporation and its shareholders that are or will be true and correct in all material respects, and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

6. a written representation stating whether such Proposed Nominee agrees to meet with and be interviewed by the Board of Directors or a committee thereof and, if so, that such Proposed Nominee will make themself available for any such meeting and interview within ten (10) business days following receipt of a request from the Board of Directors; and

7. all other information relating to such Proposed Nominee that would be required to be disclosed in a proxy statement or other filing made with the U.S. Securities and Exchange Commission (the "SEC") by any Proposing Person in connection with the solicitation of proxies for a contested election of directors, or would be otherwise required, in each case pursuant to Section 14(a) of the Exchange Act, including such Proposed Nominee's written consent to being named in a proxy statement as a nominee and to serving as a director if elected, whether or not any Proposing Person intends to deliver a proxy statement or conduct a proxy solicitation.

To be in proper written form, if a proposal relates to any business (other than nomination of persons for election as directors), a shareholder's notice to the Secretary must set forth the following information:

A. a brief description of the business desired to be brought before the meeting and any material interest in such business of any Proposing Person;

B. the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Articles of Incorporation or these Bylaws, the language of the proposed amendment);

C. the reasons for conducting such business at the meeting;

D. all other information relating to such business that would be required to be disclosed in a proxy statement or other filing made with the SEC by any Proposing Person in connection with the contested solicitation of proxies in support of such business or that would otherwise be required, in each case pursuant to Section 14(a) of the Exchange Act, whether or not any Proposing Person intends to deliver a proxy statement or conduct a proxy solicitation;

To be in proper written form, as to each Proposing Person, a shareholder's notice to the Secretary must set forth the following information:

a) the name and address of such Proposing Person (as they appear on the corporation's books, if applicable);

b) (i) the class or series and number of shares of capital stock of the corporation that are, directly or indirectly, owned beneficially and held of record by such Proposing Person (including any class or series of shares of capital stock of the corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future), (ii) the date or dates such shares were acquired, (ii) the investment intent of such acquisition, and (iv) any pledge by such Proposing Person with respect to any of such shares;

c) any Derivative Instrument (as such term is defined below) owned beneficially, directly or indirectly, by any such Proposing Person or to which any such Proposing Person is a party, all of which Derivative Instruments shall be disclosed without regard to whether (i) any such Derivative Instrument conveys any voting rights in shares of any class or series of capital stock of the corporation to such Proposing Person, (ii) any such Derivative Instrument is required to be, or is capable of being, settled through delivery of shares of any class or series of capital stock of the corporation, or (iii) such Proposing Person may have entered into other transactions that hedge or mitigate the economic effect of any such Derivative Instrument;

d) a description of any proxy (other than a revocable proxy given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding, or relationship (i) pursuant to which such Proposing Person has a right to vote, directly or indirectly, any shares of the corporation or (ii) with respect to the proposal or nomination, as applicable, or the voting of shares of any class or series of capital stock of the corporation between or among the Proposing Persons;

e) any rights to dividends on the shares of the corporation owned beneficially, directly or indirectly, by any such Proposing Person that are separated or separable from such underlying shares;

f) any proportionate interest in shares of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company, or similar entity in which any such Proposing Person (i) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (ii) is the manager, managing member, or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity;

g) any performance-related fees (other than an asset-based fee) that such Proposing Person is directly or indirectly entitled to based on any increase or decrease in the value of shares of the corporation or Derivative Instruments;

h) any direct or indirect interest of such Proposing Person in any contract with the corporation or any affiliate of the corporation (including any employment agreement, collective bargaining agreement, or consulting agreement);

i) a complete and accurate description of any pending or, to such Proposing Person's knowledge, currently threatened legal proceeding in which such Proposing Person is a party or participant involving the corporation or, to such Proposing Person's knowledge, any current executive officer, director, or affiliate of the corporation;

j) a complete and accurate description of any violations by such Proposing Person of federal or state securities laws relating to the disclosure of information (and supplemental disclosure that, if had been provided, would have cured such violation) and of any material breach of a contract with the corporation by such Proposing Person;

k) any other information about any Derivative Instrument that would be required to be disclosed in a proxy statement or other filing required to be filed with the SEC if, with respect to any such nomination or item of business, such Proposing Person was a participant in a solicitation pursuant to Section 14(a) of the Exchange Act, as if such Derivative Instrument was treated the same as securities of the corporation under such requirements; and

l) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) promulgated under the Exchange Act or an amendment pursuant to Rule 13d-2(a) promulgated under the Exchange Act as if such a statement were required to be filed under the Exchange Act by such Proposing Person (regardless of such Proposing Person is actually required to file a Schedule 13D); provided, however, the disclosures in the foregoing clauses a) through l) in relation to the Proposing Person shall not include any disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company, or other nominee who is a Proposing Person solely as a result of being the shareholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner;

m) a representation that (A) the Proposing Person is a holder of record of stock of the corporation at the time of the giving of notice provided for in these Bylaws and is entitled to vote at such meeting and (B) the Proposing Person (or a qualified representative (as such term is defined below) thereof) intends to appear in person at the meeting to present such Proposed Nominee or Proposed Nominees for election or to bring such other business before the meeting;

n) an acknowledgement that if such Proposing Person (or a qualified representative thereof) does not appear at such meeting (including virtually in the case of a meeting conducted solely by electronic transmission by and to the corporation, electronic video screen communication, conference telephone, or other means of remote communication) to present the Proposed Nominee or Proposed Nominees for election or other proposed business, as applicable, the corporation need not present such Proposed Nominee or Proposed Nominees for election or other proposed business for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the corporation; and

o) a representation that the Proposing Persons have complied, and will comply, with all applicable requirements of state law and the Exchange Act with respect to matters set forth in this Section 2.2.

The Board of Directors may request that any Proposing Person and any Proposed Nominee furnish such additional information as may be reasonably required by the Board of Directors. Such Proposing Person and/or Proposed Nominee shall provide such additional information within ten (10) days after it has been requested by the Board of Directors.

A Proposing Person shall update its notice and any other information provided to the corporation so that the information provided or required to be provided in such notice is true and correct as of the record date for shareholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment, postponement, or rescheduling thereof, and such update shall be delivered in writing to the Secretary at the principal executive offices of the corporation not later than the close of business ten (10) days after such record date (in the case of the update required to be made as of such record date), and not later than the close of business eight (8) business days prior to the date for the meeting or, if practicable, any adjournment, postponement, or rescheduling thereof (or, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned, postponed, or rescheduled). A Proposing Person shall promptly after soliciting the holders of the corporation’s shares in relation to the proposal(s), and in any event not later than the close of business eight (8) business days prior to the date for the meeting, provide the corporation with documents, which may take the form of a certified statement and documentation from a proxy solicitor, specifically demonstrating that the necessary steps have been taken to deliver a proxy statement and form of proxy to holders of such percentage of the corporation’s shares necessary to approve the said proposal(s). Notwithstanding the foregoing, if a Proposing Person no longer plans to solicit proxies, such Proposing Person shall inform the corporation of this change by delivering a writing to the Secretary at the principal executive offices of the corporation no later than two (2) business days after the occurrence of such change. A Proposing Person shall also update its notice so that the information required by this Section 2.2 is current through the date of the meeting or any adjournment, postponement, or rescheduling thereof, and such update shall be delivered in writing to the Secretary at the principal executive offices of the corporation no later than two (2) business days after the occurrence of any material change to the information previously disclosed pursuant to this Section 2.2. For the avoidance of doubt, any information provided pursuant to this paragraph shall not be deemed to cure any deficiencies in any notice provided by a Proposing Person, extend any applicable deadlines under this Section 2.2, or enable or be deemed to permit a Proposing Person to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business, and/or resolutions proposed to be brought before a meeting of shareholders. If a Proposing Person fails to provide any written update in accordance with this paragraph, the information as to which such written update relates may be deemed not to have been provided in accordance with these Bylaws.

If any information submitted pursuant to this Section 2.2 is inaccurate or incomplete in any material respect, such information shall be deemed not to have been provided in accordance with these Bylaws. The Proposing Person shall notify the Secretary in writing at the principal executive offices of the corporation of any inaccuracy or change in any information submitted within two (2) business days after becoming aware of such inaccuracy or change. Upon written request of the

Secretary on behalf of the Board of Directors (or a duly authorized committee thereof), the Proposing Person shall provide, within seven (7) business days after delivery of such request (or such longer period as may be specified in such request), (1) written verification, reasonably satisfactory to the Board of Directors, any committee thereof, or any authorized officer of the corporation, to demonstrate the accuracy of any information submitted and (2) a written affirmation of any information submitted as of an earlier date. If the Proposing Person fails to provide such written verification or affirmation within such period, the information as to which written verification or affirmation was requested may be deemed not to have been provided in accordance with these Bylaws.

Notwithstanding the foregoing provisions of this Section 2.2, unless otherwise required by law, if any Proposing Person (1) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act and (2) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act, then the corporation shall disregard any proxies or votes solicited for the Proposed Nominees.

Notwithstanding the foregoing provisions of this Section 2.2, the Proposing Persons shall also comply with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 2.2. Nothing in this Section 2.2 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation’s proxy statement pursuant to Rule 14a-8 (or any successor thereto) promulgated under the Exchange Act (and any proposal included in the corporation’s proxy statement pursuant to such Rule shall not be subject to any of the advance notice requirements in this Section 2.2).

For purposes of these Bylaws, the terms “affiliate” and “associate” shall have the meanings set forth in Rule 12b-2 promulgated under the Exchange Act and the term “immediate family” shall have the meaning set forth in Rule 16a-1 promulgated under the Exchange Act.

For purposes of these Bylaws, the terms “beneficial owner” and “beneficially owned” shall have the meanings set forth in Section 13(d) of the Exchange Act and the regulations promulgated thereunder and the term “participant” shall have the meaning set forth in Item 4 of Schedule 14A promulgated under the Exchange Act.

For purposes of these Bylaws, the term “Derivative Instrument,” shall mean any agreement, arrangement, or understanding, written or oral, (including any derivative, long or short position, profit interest, forward, future, swap, option, warrant, convertible security, stock appreciation right or similar right, hedging transaction, repurchase agreement or arrangement, borrowed or loaned shares, and so-called “stock borrowing” agreement or arrangement) with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of capital stock of the corporation or with a value derived in whole or in part from the value of any class or series of shares of capital stock of the corporation, the effect or intent of which is to mitigate loss, manage risk, or benefit from changes in the price of any shares of capital stock of the corporation, to transfer to or from any person or entity, in whole or in part, any of the economic consequences of ownership of any shares of capital stock of the corporation, to maintain, increase, or decrease the voting power of any person or entity with respect to shares of capital stock of the corporation, or to provide any person or entity, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any shares of capital stock of the corporation, without regard to whether such agreement, arrangement, or understanding is required to be reported on a Schedule 13D in accordance with the Exchange Act.

For purposes of these Bylaws, the term “Proposing Person” shall mean, with respect to any Proposing Person or any shareholder submitting a request pursuant to Section 2.2 or Section 2.3: (1) such shareholder; (2) if different from such shareholder, the beneficial owner or beneficial owners on whose behalf the notice is provided; (3) if such shareholder or beneficial owner is an entity, each individual who is a director, executive officer, general partner, or managing member of such entity or of any other entity that has or shares control of such entity; (4) any member of the immediate family of any individual described in the foregoing clauses (1) through (3) sharing such individual’s household; (5) any affiliate or associate of any person described in the foregoing clauses (1) through (3); (6) any person who is known by any individual described in the foregoing clauses (1) through (3) to be a member of a “group” (as such term is used in Rule 13d-5 promulgated under the Exchange Act) or to otherwise be knowingly acting in concert with any other Proposing Person with respect to the stock of the corporation; and (7) any participant with any person described in the foregoing clauses (1) through (3) with respect to the nomination or business proposed to be presented by such shareholder or beneficial owners at the corporation’s meeting of shareholders, including the Proposed Nominee. Notwithstanding the foregoing, to the extent that the shareholder described in clause (1) is acting solely at the direction of the beneficial owner and is not otherwise any person described in the foregoing clauses (3) through (7), no information need be provided as to such shareholder of record.

For purposes of these Bylaws, “public announcement” shall mean disclosure (1) in a press release issued by the corporation in accordance with its customary press release procedures, which is reported by the Dow Jones News Service, Associated Press or a comparable national news service or is generally available on Internet news sites or (2) in a document publicly filed by the corporation with the SEC pursuant to Section 13, 14, or 15(d) of the Exchange Act.

For purposes of these Bylaws, to be considered a “qualified representative” of a shareholder, a person must (1) be a duly authorized officer, manager, or partner of such shareholder or (2) be authorized by a writing executed by such shareholder (or a reliable reproduction or an electronic transmission of such a writing) delivered by such shareholder to the Secretary at the principal executive offices of the corporation prior to the making of any nomination or proposal at a meeting of shareholders stating that such person is authorized to act for such shareholder as proxy at the meeting of shareholders, which writing (or a reliable reproduction or an electronic transmission of such a writing) must be produced at least twenty-four (24) hours prior to the meeting of shareholders.

2.3 **Special Meetings**. Special meetings of the shareholders may be called at any time by the Board of Directors, the Chairman of the Board, the President, or by the holders of shares in the aggregate entitled to cast not less than fifteen percent (15%) of the votes at the meeting.

If a special meeting is desired to be called by any person or persons other than the Board of Directors, their request shall be made in writing specifying the time of such meeting, the specific business proposed to be transacted and the required information and specified procedures relating to the proposal(s) to be proposed for the special meeting as set forth in Section 2.2 above. The written request shall then be delivered personally or by registered mail to the Secretary of the corporation at the corporation's principal office. After receiving the request, the Secretary shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 2.4 and 2.5 of these Bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

2.4 **Notice of Shareholders' Meetings**. All notices of meetings of shareholders shall be sent or otherwise given to each shareholder entitled to vote thereat in accordance with Section 2.5 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (i) in the case of a special meeting, the specific business to be transacted, and no other business may be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the shareholders. The notice of any meeting at which Directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If shareholder action, other than unanimous approval of those entitled to vote, is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Code, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a plan of distribution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, then the notice shall also state the general nature of that proposal.

2.5 **Manner of Giving Notice; Affidavit of Notice**. Written notice of any meeting of shareholders shall be given to each shareholder entitled to vote thereat either personally or by first class mail or other means of written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first class mail or other means of written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one year from the date of the giving of notice.

An affidavit of the mailing or other means of giving any notice of any shareholders’ meeting shall be executed by the Secretary, Assistant Secretary, any transfer agent or other authorized agent of the corporation giving the notice, and shall be filed and maintained in the Minute Book of the corporation.

2.6 **Quorum**. The presence in person or by proxy of shareholders entitled to vote a majority of the voting shares of the corporation at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

2.7 **Adjourned Meetings and Notice Thereof**. Whether or not a quorum is present, any shareholders’ meeting may be adjourned from time to time by the vote of a majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum no other business may be transacted at that meeting, except as provided in Section 2.6 of these Bylaws.

When any meeting of shareholders is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. When required, notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 2.4 and 2.5 of these Bylaws. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

2.8 **Voting**. Except as provided in Section 708 of the Code, each outstanding share of this corporation, regardless of class, shall be entitled to one vote on each matter submitted to a vote of shareholders. The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 2.11 of these Bylaws, subject to the provisions of Sections 702, 703 and 704 of the Code (relating to voting by fiduciaries, corporate shareholders, or shares standing in joint ownership). The shareholders’ vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder at the meeting and before the voting has begun. Any shareholder entitled to vote on a proposal may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder’s approving vote is with respect to all shares which the shareholder is entitled to vote.

If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders unless the vote of a greater number or voting by classes is required by the Code or by the Articles of Incorporation.

At a shareholders’ meeting at which Directors are to be elected, no shareholders shall be entitled to cumulate votes (i.e., cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless such candidate's or candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or distribute the shareholder's shares on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of affirmative votes, up to the number of directors to be elected, shall be elected. A shareholder may not cumulate his votes for any candidate whose name was not placed in nomination prior to the commencement of the voting.

2.9 **Waiver of Notice or Consent by Absent Shareholders**. The transactions of any meeting of shareholders, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes thereof. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 2.4 of these Bylaws, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

2.10 **Shareholder Action by Written Consent Without a Meeting**. Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of the election of directors, such a consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the board of directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the Secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holders, or a transferee of the shares or a personal representative of the shareholder or their respective proxy holders, may revoke the consent by a writing received by the Secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the Secretary, but may not do so thereafter. Such revocation is effective upon its receipt by the Secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the Secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting. This notice shall be given in the manner specified in Section 2.5 of these Bylaws. In the case of approval of (i) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Code, (ii) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (iii) reorganization of the corporation, pursuant to Section 1201 of that Code, and (iv) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Any form of written consent distributed to 10 or more shareholders of this corporation shall afford an opportunity on the form of written consent to specify a choice between approval, disapproval or abstention as to each matter or group of related matters the approval for which the written consent is solicited, other than elections to office.

2.11**Record Date for Shareholder Notice, Voting, and Giving Consents**. For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting; and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the Code.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to the corporate action in writing without a meeting, (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the date on which the Board adopts the resolution relating to that action, or the sixtieth (60th) day before the date of such action, whichever is later.

2.12**Proxies**. Every person entitled to vote shares shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the Secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or by attendance at the meeting and voting in person by, the person executing the proxy; or (ii) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Code.

Any form of proxy distributed to 10 or more shareholders of this corporation shall afford an opportunity on the proxy to specify a choice between approval, disapproval or abstention as to each matter or group of related matters intended to be acted upon at the meeting for which the proxy is solicited, other than elections to office.

2.13**Inspectors of Election**. Before any meeting of shareholders, the Board of Directors may appoint any persons to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are appointed, the Chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the Chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

As prescribed by Section 707 of the Code, these inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;

(b) Receive votes, ballots, or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

3.DIRECTORS

3.1 **Powers**. Subject to the provisions of the Code and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:

(a) Select and remove all officers, agents and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation; and require from them security for faithful service.

(b) Conduct, manage, and control the affairs and business of the corporation, and to make such rules and regulations therefor not inconsistent with law, or with the Articles of Incorporation, or the Bylaws, as they may deem to be in the best interests of the corporation.

(c) Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or without the State of California; and designate any place within or without the State of California for the holding of any shareholders' meeting or meetings, including annual meetings.

(d) Adopt, make, and use a corporate seal; prescribe the forms of certificates of stock; and alter the form of the seal and certificates.

(e) Authorize the issuance of shares of stock of the corporation on any lawful terms, in consideration of money paid, labor done, services actually rendered, debts or securities cancelled, or tangible or intangible property actually received.

(f) Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

3.2 **Number of Directors**. The number of directors of the corporation shall be not less than five (5) nor more than nine (9). The exact number of directors shall be six (6) until changed, within the limits specified above, by a Bylaw amending this Section 3.2 duly adopted by the Board of Directors or by the shareholders. The indefinite number of directors may be changed, or a definite number fixed without provision for an indefinite number, by an amendment to this Bylaw duly adopted by the vote or written consent of a majority of the outstanding shares entitled to vote.

3.3 **Election and Term of Office**. The Directors shall be elected at each annual meeting of shareholders, but if any such annual meeting is not held, or the Directors are not elected thereat, the Directors may be elected at any special meeting of shareholders held for that purpose. Each Director, including a Director elected to fill a vacancy, shall hold office until the next annual or special meeting of shareholders at which Directors are elected and until their successors are elected and qualified.

3.4 **Vacancies**. A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of the Director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased, or if the shareholders fail, at any meeting of shareholders at which any Director or Directors are elected, to elect the number of directors to be voted for at that meeting.

Any Director may resign effective on giving written notice to the Chairman of the Board, the Chief Executive Officer, the Secretary, or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, except that a vacancy created by the removal of a Director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote.

The shareholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director’s term of office expires.

3.5**Place of Meetings and Meetings by Telephone**. Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such a designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at the meeting.

3.6**Annual Meeting**. Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers, and the transaction of other business. Notice of this meeting shall not be required.

3.7**Other Regular Meetings**. Other regular meetings of the Board of Directors shall be held without call at such time as shall from time to time be fixed by the Board of Directors; provided, however, that if any regular meeting should fall on a legal holiday, then said meeting shall be held at the same time and place on the next day thereafter which is not a legal holiday. Such regular meetings may be held without notice.

3.8**Special Meetings**. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board or the Chief Executive Officer or the Secretary or any two Directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each Director or sent by first-class mail or telegram, charges prepaid, addressed to each Director at that Director’s address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally, or by telephone or electronically, it shall be delivered personally or by telephone or electronically to the company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the Director or to a person at the office of the Director who the person giving the notice has reason to believe will promptly communicate it to the Director. The notice need not specify the purpose of the meeting.

3.9**Quorum**. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 3.11 of these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Code (as to approval of contracts or transactions in which a Director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of Directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.10**Waiver of Notice**. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the Minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the Minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting without protesting, before or at its commencement, the lack of notice to that Director.

3.11**Adjournment**. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting of the Board to another time and place.

3.12**Notice of Adjournment**. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

3.13**Action Without Meeting**. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board.

3.14**Fees and Compensation of Directors**. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors. This shall not be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for those services.

4.COMMITTEES

4.1**Committees of Directors**. The Board of Directors may, by resolution adopted by a majority of the authorized number of Directors, designate one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except with respect to:

(a) the approval of any action which, under the Code, also requires the vote or consent of the shareholders;

(b) the filling of vacancies on the Board of Directors or on any committee;

(c) the amendment or repeal of Bylaws or the adoption of new Bylaws;

(d) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(e) a distribution to the shareholders of the corporation, except at a rate or in a periodic amount or within a price range determined by the Board of Directors; or

(f) the appointment of any other committees of the Board of Directors or the members of these committees.

5.OFFICERS

5.1**Officers**. The officers of the corporation shall be a Chief Executive Officer, a Secretary, and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, a President, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Financial Officers, and such other officers as may be appointed in accordance with these Bylaws. Any number of offices may be held by the same person.

5.2**Election of Officers**. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 or Section 5.5 of these Bylaws, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

5.3**Subordinate Officers**. The Board of Directors may appoint, and may empower the Chief Executive Officer to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

5.4**Removal and Resignation of Officers**. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board of Directors, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5**Vacancies in Offices**. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

5.6**Chairman of the Board**. The Board of Directors may, in its discretion, elect a Chairman of the Board from among its members. He shall preside at all meetings of the Board of Directors at which he is present and shall exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the Bylaws.

5.7**Chief Executive Officer**. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the Chief Executive Officer shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and at all meetings of the Board of Directors not presided over by the Chairman of the Board. He shall have the general powers and duties of management usually vested in the office of president or chief executive officer of a corporation, shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws and shall be primarily responsible for carrying out all orders and resolutions of the Board of Directors.

5.8**Vice President**. In the absence or disability of the Chief Executive Officer, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the Chief Executive Officer, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Chief Executive Officer. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the Bylaws, and the Chief Executive Officer or the Chairman of the Board.

5.9**Secretary**. The Secretary shall keep or cause to be kept, at the principal office, at the office of the corporation's counsel or at such other place as the Board of Directors may order, a Book of Minutes of all meetings and actions of Directors, committees of directors, and shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings or committee meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent or registrar, a share register, or a duplicate share register, showing the names of all shareholders and their addresses, the number and classes of shares held by each, the number and dates of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the Board of Directors required by the Bylaws or by law to be given, and he shall keep the seal of the corporation, if one be adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

5.10 **Chief Financial Officer**. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any Director.

The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the Chief Executive Officer and Directors, whenever they request it, an account of all of his transactions as Chief Financial Officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

6.INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

6.1**Indemnification**. The corporation may, to the maximum extent permitted by Section 317 of the Code, indemnify each of its "agents" (as defined in Section 317(a) of the Code) against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding against such agent arising by reason of the fact any such person is or was an agent of the corporation. Except with respect to indemnification of agents which is mandatory under Section 317(d) of the Code, such indemnification shall only be effective:

(a) if "approval by the shareholders" (as defined in Section 153 of the Code) in a particular instance;

(b) if approved by the disinterested vote of the Board of Directors in a particular instance; or

(c) if authorized by a written agreement between the corporation and the agent to be indemnified entered into prior to assertion of the claim giving rise to indemnity thereunder by the corporation with any director of the corporation (in any or all of his or her corporate capacities) or with such other agent or agents as the Board of Directors shall approve.

6.2**Required Approval**. Except as provided in Section 317(d) of the Code, any indemnification under Section 6.1 of these Bylaws shall be made by this corporation only if authorized in the specific case (on a determination that indemnification of the agent is proper under the circumstances because the agent has met the applicable standard of conduct set forth in Sections 317(b) or (c) of the Code) by:

(a) a majority vote of a quorum of the Board consisting of directors who are not parties to the proceeding;

(b) “approval of the shareholders” (as defined in Section 153 of the Code), with the shares owned by the person to be indemnified not being considered outstanding or entitled to vote thereon;

(c) the court in which the proceeding is or was pending, on application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this corporation; or

(d) such other method as Section 317 of the Code shall allow.

6.3**Advance of Expenses**. Expenses incurred in defending any proceeding described in Section 6.1 of these Bylaws may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in Sections 6.1 and 6.2 of these Bylaws.

6.4 **Insurance**. This corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, whether or not this corporation would have the power to indemnify the agent against that liability under Sections 6.1 and 6.2 of these Bylaws. Notwithstanding Section 6.1 above, the corporation shall not be obligated to indemnify any agent, to the extent any amount subject to indemnification thereunder is covered by insurance payable to such agent, the premiums for which are paid by the corporation.

6.5**No Limitation of Other Rights**. The indemnification provided by this Section 6 above shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under Section 6.6 below to the extent such additional rights to indemnification are authorized in the corporation’s Articles of Incorporation and Section 6.6 below. The rights to indemnity contained in Sections 6.1, 6.3 and 6.4 above shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of the person. Nothing contained in Sections 6.1 through 6.4 above shall affect any right to indemnification to which persons other than the directors and officers may be entitled by contract or otherwise.

6.6 **Additional Indemnification**. If expressly authorized in the corporation's Articles of Incorporation, the corporation may provide indemnification of agents in excess of the indemnification otherwise permitted by Section 317 of the Code and to the fullest extent permitted by California law. Such additional indemnification shall only be effective (i) if "approved by the shareholders" (as defined in Section 153 of the Code) in a particular instance, (ii) if approved by the disinterested vote of the Board of Directors in a particular instance or (iii) if authorized by a written agreement between the corporation and the agent to be indemnified entered into prior to assertion of the claim giving rise to indemnity thereunder by the corporation with any director of the corporation (in any or all of his or her corporate capacities) or with such other agent or agents as the Board of Directors shall approve; provided, however, that no such agent shall be indemnified for any acts, omissions or transactions, or under circumstances, as to which indemnification is prohibited by Section 204(a)(11) of the Code, as such Section may be amended from time to time.

6.7**Amendment**. Any amendment, repeal or modification of any provision of this Section 6 by the shareholders or the Board of Directors shall not adversely affect any right or protection of an agent of the corporation at the time of such amendment, repeal or modification.

7.RECORDS AND REPORTS

7.1 **Maintenance, Inspection and Location of Share Register**. The corporation shall keep or cause to be kept at its principal executive office or, if so provided by resolution of the Board of Directors, at the corporation's transfer agent or registrar, a share register, or a duplicate share register, which shall contain the names of the shareholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same and the number and date of cancellation of every certificate surrendered for cancellation.

7.2 **Maintenance, Inspection and Location of Bylaws**. The corporation shall keep at its principal executive office, the original or a copy of these Bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours.

7.3**Maintenance, Inspection and Location of Other Corporate Records**. Books and Records of Account and Inspection of Records. The corporation shall keep or cause to be kept at its principal executive office or such other place as the Board of Directors may order, adequate and correct books and records of account. The shareholders and directors of the corporation shall have all of the rights to inspect the books and records of the corporation that are specified in Section 213 and 1600 through 1602 of the Code.

7.4**Annual Report to Shareholders**. The Board of Directors shall cause an annual report to be sent to the shareholders not later than 120 days after the close of the fiscal year of the corporation. Such report shall comply with the provisions of Section 1501 of the Code and shall be sent at least 15 days prior to the annual meeting of shareholders to be held during the next fiscal year.

7.5 **Annual Statement of General Information**. The corporation shall, during the period in each year as provided for in Section 1502 of the Code, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the number of vacancies on the board, if any, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the Chief Executive Officer, Secretary and Chief Financial Officer, the street address of its principal executive office or principal business office in this state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Code.

8.GENERAL CORPORATE MATTERS

8.1 **Record Date for Purposes Other than Notice and Voting**. For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action (other than action by shareholders by written consent without a meeting), the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action, and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution, or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the Code.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

8.2 **Checks, Drafts, Evidences of Indebtedness**. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors, or in the absence of such determination, by the Chief Executive Officer and the Secretary or the Chief Financial Officer.

8.3 **Corporate Contracts and Instruments; How Executed**. The Board of Directors, except as otherwise provided in these Bylaws, may authorize one or more officers, employees, or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.4 **Certificates; Direct Registration System**. Shares of the corporation's stock may be certificated or uncertificated, as provided under California law. Any certificates that are issued shall be signed in the name of the corporation by the Chairman of the Board or Vice Chairman of the Board or the Chief Executive Officer and by the Chief Financial Officer or any Assistant Financial Officer or the Secretary or any Assistant Secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent, or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent, or registrar at the date of issue. Shares of the corporation’s capital stock may also be evidenced by registration in the holder’s name in uncertificated, book-entry form on the books of the corporation in accordance with a direct registration system approved by the Securities and Exchange Commission and by the NASDAQ or any securities exchange on which the stock of the corporation may from time to time be traded.

8.5**Lost Certificates**. Except as provided herein, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The Board of Directors may, in case any share certificate or certificate for any other security is lost, stolen or destroyed, authorize the issuance of a replacement certificate or uncertificated shares in place of any certificate or certificates previously issued by the corporation on such terms and conditions as the Board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate or the uncertificated shares.

8.6**Representation of Shares of Other Corporations**. The Chairman of the Board, the Chief Executive Officer or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

8.7**Construction and Definitions**. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Code shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the singular number includes the plural, the plural number includes the singular, and the term “person” refers to corporations and other entities as well as to natural persons.

9.AMENDMENTS

9.1**Amendment by Shareholders**. New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

9.2**Amendment by Directors**. Subject to the rights of the shareholders as provided in Section 9.1 hereof, bylaws may be adopted, amended, or repealed by the Board of Directors, except that the Board of Directors may adopt a bylaw or amendment of a bylaw changing the authorized number of directors only for the purpose of fixing the exact number of directors within the limits specified in Section 3.2 of these Bylaws.

Exhibit 3.2

CERTIFICATION

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary of McGrath RentCorp, a California corporation; and

(2) That the foregoing is a full, true and correct copy of the Bylaws of the corporation with all amendments to date of this Certificate.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this ___ day of _____, ____.

____
Gilda Malek
Corporate Secretary

Exhibit 10.4

MCGRATH RENTCORP
INVOLUNTARY TERMINATION SEVERANCE PLAN FOR OFFICERS

1.Introduction. McGrath RentCorp (the “Company”) has established this McGrath RentCorp Involuntary Termination Severance Plan for Officers (the “Plan”) to provide severance benefits upon an involuntary termination to the following officers, to the extent such officers have executed and delivered a Participation Agreement to the Company: (i) the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (collectively, the “Tier 1 Officers”), and (ii) officer level employees with the title of senior vice president or who are executive officers with the title of vice president (the “Tier 2 Officers” and together with the Tier 1 Officers, the “Covered Employees”).

2.Defined Terms.

(a)“Administrator” means the Compensation Committee of the Board of Directors (the “Board”).

(b) “Cause” means (i) the Covered Employee’s willful and continued failure to perform the duties and responsibilities of his or her position after there has been delivered to the Covered Employee a written demand for performance from the Company’s Chief Executive Officer (or the Board, in the case of the Chief Executive Officer) which describes the basis for the Chief Executive Officer’s belief (or the Board’s belief, in the case of the Chief Executive Officer) that the Covered Employee has not substantially performed his or her duties and the Covered Employee has not corrected such failure within thirty (30) days of such written demand; (ii) any act of personal dishonesty taken by the Covered Employee in connection with his or her responsibilities as an employee of the Company with the intention or reasonable expectation that such action may result in the substantial personal enrichment of the Covered Employee; (iii) the Covered Employee’s conviction of, or plea of nolo contendere to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company’s reputation or business; (iv) a breach of any fiduciary duty owed to the Company by the Covered Employee that has a material detrimental effect on the Company’s reputation or business; (v) the Covered Employee being found liable in any Securities and Exchange Commission or other civil or criminal securities law action or entering any cease and desist order with respect to such action (regardless of whether or not the Covered Employee admits or denies liability); or (vi) the Covered Employee (A) obstructing or impeding; (B) endeavoring to obstruct, impede or improperly influence, or (C) failing to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an “Investigation”); provided, however, the Covered Employee’s failure to waive attorney-client privilege relating to communications with the Covered Employee’s own attorney in connection with an Investigation will not constitute “Cause”.

(c)“Change in Control” means a “Change in Control” or a “Corporate Transaction” as those events defined under the Company’s 2016 Stock Incentive Plan (“2016 Plan”).

(d)“Disability” has the definition applicable to such term in the 2016 Plan.

(e)“Equity Compensation Awards” means, with respect to a Covered Employee, the Covered Employee’s unvested equity compensation awards outstanding on the date of the Change in Control. For the sake of clarity, nothing herein will be deemed to extend the maximum term of a Covered Employee’s stock appreciation rights or stock options as set forth in the applicable stock appreciation rights or option agreements by and between the Covered Employee and the Company.

(f)“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(g) “Good Reason” means the Covered Employee’s termination of employment as a result of the occurrence of any of the following without his or her written consent: (i) a material diminution of the Covered Employee’s authority, duties, or responsibilities, relative to the Covered Employee’s authority, duties, or responsibilities in effect immediately prior to such reduction; provided, that a Covered Employee will be deemed to have a material diminution unless the Covered Employee retains the same position (or a similar or more senior position (and the same, similar or more significant authority, duties and responsibilities)) in the ultimate publicly listed parent company of the surviving entity following a Change in Control, (ii) a material diminution by the Company in the base salary of the Covered Employee that was in effect immediately prior to such reduction; provided, however, that following a Change in Control, a comparable reduction of the base salary of substantially all other executives of the consolidated entity that includes the Company of not more than ten percent (10%) will not constitute “Good Reason”, (iii) the relocation of the Covered Employee to a facility or a location more than fifty (50) miles from his or her then present location, or (iv) the failure of the Company to obtain the assumption of the Plan by any successor in accordance with Section 18 below. For purposes of clause (i) above, the determination of “material diminution” will include for example, but not by way of limitation, an analysis of whether the Covered Employee maintains at least the same level, scope and type of authority, duties and responsibilities with respect to the management, strategy, operations and business. In order to terminate employment for “Good Reason,” the Covered Employee must provide written notice to the Board of the condition that could constitute a “Good Reason” event within ninety (90) days of the initial existence of such condition, such condition must not have been remedied by the Company within thirty (30) days (the “Cure Period”) of such written notice and the Covered Employee must terminate employment within ninety (90) days following the end of the Cure Period.

(h) “Participation Agreement” means the individual agreement (a form of which is shown in Appendix A) provided by the Administrator to an employee of the Company designating such employee as a Covered Employee under the Plan, which has been signed and accepted by the employee.

(i) “Section 409A Limit” means the lesser of two (2) times: (i) the Covered Employee’s annualized compensation based upon the annual rate of pay paid to the Covered Employee during his or her taxable year preceding the Covered Employee’s taxable year in which the Covered Employee’s separation from service occurs as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Covered Employee’s employment is terminated.

(j) “Severance Benefits” means the compensation and other benefits the Covered Employee will be provided pursuant to Sections 3, 4 and 5, as applicable.

3.Termination Without Cause Outside of the Change in Control Period. If, at any time outside of the Change in Control Period (as defined below), the Company (or any parent or subsidiary of the Company) terminates a Covered Employee's employment other than for Cause, subject to Section 6, such Covered Employee shall receive the following Severance Benefits from the Company (for the avoidance of doubt, no Severance Benefits will be paid under this Section 3 for any other termination of employment, including any termination of employment for Cause, resignation of employment for any reason, or termination of employment due to death or Disability outside of the Change in Control Period), as applicable:

(a)With respect to a Tier 1 Officer, a lump sum payment in cash equal to (i) eighteen (18) months of his or her base salary in effect at the time of such termination, plus (ii) one-and-a-half (1.5) times his or her target cash bonus for the year of termination.

(b)With respect to a Tier 2 Officer, a lump sum payment in equal to (i) twelve (12) months of his or her base salary in effect at the time of such termination, plus (ii) one (1) times his or her target cash bonus for the year of termination.

(c) If the Covered Employee has coverage on the date of the Covered Employee's termination under a group health plan sponsored by the Company, the Company will pay the total applicable premium cost for continued group health plan coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986, 29 U.S.C. Sections 1161-1168; 26 U.S.C. Section 4980B(f), as amended, and all applicable regulations (referred to collectively as "COBRA"), provided that the Covered Employee is eligible for and validly elects to continue coverage under COBRA for the Covered Employee for a period of (i) with respect to Tier 1 Officers, up to eighteen (18) months, and (ii) with respect to Tier 2 Officers, up to twelve (12) months.

(d)The Covered Employee's Equity Compensation Awards automatically shall accelerate and vest on a pro-rata basis, with such proration based on the number of days elapsed prior to the Covered Employee's termination of employment divided by the total number of days in the applicable vesting period, and all restrictions or repurchase rights applicable to the prorated Equity Compensation Awards shall immediately lapse so as to become vested and exercisable. The period over which such Equity Compensation Awards may be exercised shall be governed by the applicable provisions of the Company's stock plans and related award agreements. In addition, the Covered Employees shall enjoy any additional rights provided under the terms of an Equity Compensation Award, including but not limited to the terms of the Equity Plans; provided that, (i) in the event an Equity Plan or an Equity Compensation Award provides less favorable time-based vesting than this Plan, this Plan shall control and (ii) in the event of any other conflict between this Plan and an Equity Plan or an Equity Compensation Award, such Equity Plan or Equity Compensation Award shall control.

(e) Each Covered Employee's Equity Compensation Awards subject to a performance-based vesting condition (which, for the avoidance of doubt, may also be subject to a time-based vesting condition) (each, a "PSU Award") that is outstanding and unvested as of immediately prior to the Covered Employee's termination of employment shall accelerate and vest on a pro-rata basis, with such proration based on the number of days elapsed prior to the Covered Employee's termination of employment divided by the total number of days in the applicable vesting period, with all time-vesting conditions accelerating and vesting on such pro-rata basis and with all performance-vesting conditions deemed achieved at target levels as of the termination of employment, regardless of actual performance.

(f) The Covered Employee shall be entitled to transitional outplacement benefits in accordance with the policies and guidelines of the Company as in effect immediately prior to such termination.

4. Termination Without Cause or Resignation for Good Reason During the Change in Control Period. If, at any time within twenty-four (24) months after a Change in Control (the “Change in Control Period”), the Company (or any parent or subsidiary of the Company) terminates a Covered Employee’s employment other than for Cause or a Covered Employee resigns from employment with the Company (or any parent or subsidiary of the Company) for Good Reason, subject to Section 6, such Covered Employee shall receive the following Severance Benefits from the Company (for the avoidance of doubt, no Severance Benefits will be paid under this Section 4 for any other termination of employment, including any termination of employment for Cause, or termination of employment due to death or Disability within the Change in Control Period), as applicable:

(a) With respect to a Tier 1 Officer, a lump sum payment in cash equal to (i) twenty-four (24) months of his or her base salary in effect at the time of such termination, plus (ii) two (2) times his or her target cash bonus for the year of termination.

(b) With respect to a Tier 2 Officer, a lump sum payment in equal to (i) eighteen (18) months of his or her base salary in effect at the time of such termination, plus (ii) one-and-a-half (1.5) times his or her target cash bonus for the year of termination.

(c) If the Covered Employee has coverage on the date of the Covered Employee’s termination under a group health plan sponsored by the Company, the Company will pay the total applicable premium cost for continued group health plan coverage under COBRA, provided that the Covered Employee is eligible for and validly elects to continue coverage under COBRA for the Covered Employee for a period of (i) with respect to Tier 1 Officers, up to twenty-four (24) months (provided that, to the extent the Tier 1 Officer is eligible for continued coverage under COBRA for only eighteen (18) months, the Company will be obligated to pay such cost only for such eighteen (18) month period), and (ii) with respect to Tier 2 Officers, up to twelve (12) months.

(d) One hundred percent (100%) of the Covered Employee’s Equity Compensation Awards automatically shall accelerate and all restrictions or repurchase rights applicable thereto shall immediately lapse so as to become fully vested and exercisable. The period over which such Equity Compensation Awards may be exercised shall be governed by the applicable provisions of the Company’s stock plans and related award agreements. In addition, the Covered Employee shall enjoy any additional rights provided under the terms of an Equity Compensation Award, including but not limited to the terms of the Equity Plans; provided that, (i) in the event an Equity Plan or an Equity Compensation Award provides less favorable time-based vesting than this Plan, this Plan shall control and (ii) in the event of any other conflict between this Plan and an Equity Plan or an Equity Compensation Award, such Equity Plan or Equity Compensation Award shall control.

(e) Each Covered Employees PSU Awards that are outstanding and unvested as of immediately prior to the termination of employment shall accelerate and vest on the termination of employment, with all time-vesting conditions accelerating and vesting in full, and all performance-vesting conditions deemed achieved at target levels, regardless of actual performance.

(f) Each Covered Employee shall be entitled to transitional outplacement benefits in accordance with the policies and guidelines of the Company as in effect immediately prior to such termination.

5. Termination due to Death or Disability. If a Covered Employee's employment is terminated due to death or Disability, subject to Section 6, such Covered Employee (or their estate, as applicable) shall receive the following Severance Benefits from the Company (for the avoidance of doubt, no Severance Benefits will be paid under this Section 5 for any other termination of employment, including any termination of employment for Cause or resignation of employment), as applicable:

(a) One hundred percent (100%) of the Covered Employee's Equity Compensation Awards automatically shall accelerate and all restrictions or repurchase rights applicable thereto shall immediately lapse so as to become fully vested and exercisable. The period over which such Equity Compensation Awards may be exercised shall be governed by the applicable provisions of the Company's stock plans and related award agreements. In addition, the Covered Employee shall enjoy any additional rights provided under the terms of an Equity Compensation Award, including but not limited to the terms of the Equity Plans; provided that, (i) in the event an Equity Plan or an Equity Compensation Award provides less favorable time-based vesting than this Plan, this Plan shall control and (ii) in the event of any other conflict between this Plan and an Equity Plan or an Equity Compensation Award, such Equity Plan or Equity Compensation Award shall control.

(b) Each Covered Employee's PSU Awards that are outstanding and unvested as of immediately prior to the Covered Employee's termination of employment shall accelerate and vest on the Covered Employee's termination of employment, with all time-vesting conditions accelerating and vesting in full and with all performance-vesting conditions deemed achieved at target levels as of the termination of employment, regardless of actual performance.

6. Conditions to Receipt of Severance.

(a) Release Requirement. As a condition to receiving Severance Benefits under this Plan, each Covered Employee (or their estate, as applicable) shall first sign a separation agreement, including waiver and general release of all claims in favor of the Company and its subsidiaries and, in the form provided by the Company at or following the termination of employment (the "Release"). Further, such Release must be executed by the Covered Employee and not revoked, and become effective, within sixty (60) days following the Covered Employee's termination of employment (the "Release Period").

(b) Non-solicitation. Each Covered Employee agrees that the Covered Employee will not solicit any employee of the Company for employment or engagement with any person or entity other than the Company during the Covered Employee's employment with the Company and for twelve (12) months following the termination of such Covered Employee's employment; provided that if the Covered Employee is the Chief Executive Officer of the Company, the Chief Executive Officer shall comply with this restriction for the period of employment and for 24 months following the termination of his or her employment. Notwithstanding the foregoing, if the Covered Employee is primarily employed by the Company in California during the final month of employment by the Company, this restriction shall only apply to such Covered Employee during the period of employment.

Public solicitation, such as by taking out ads in a newspaper, advertising on the web and the like, not targeting or aimed at employees of the Company, will not constitute a breach of this Section 6(b).

(c) Nondisparagement. During the Covered Employee's employment with the Company and, for twelve (12) months following his or her termination, respectively, the Covered Employee and the Company will not knowingly and materially disparage, libel, slander, or otherwise make any materially derogatory statements regarding the other; provided that the Company's obligations under this Section 6(c) shall apply only to the Company's executive officers and members of its Board who serve in such capacities during the course of the Covered Employee's employment with the Company and only for so long as each such officer or member of the Board is an employee or director of the Company; provided further that the Company's obligations under this Section 6(c) extend only to those communications that are made by the above-referenced officers or directors in their capacities as officers or directors of the Company. Notwithstanding the foregoing, nothing contained in the Plan will be deemed to restrict the Covered Employee, the Company or any of the Company's current or former officers and/or directors from providing information to any governmental or regulatory agency or body (or in any way limit the content of any such information) to report an alleged violation of law or to the extent they are requested or required to provide such information pursuant a subpoena or as otherwise required by applicable law or regulation, or in accordance with any governmental investigation or audit relating to the Company. Further, nothing contained in this Section 6(c) shall in any way limit the rights or relief that the Covered Employee or Company may have under common law or otherwise with respect to the conduct prohibited in this paragraph.

(d) Other Requirements. A Covered Employee's receipt of severance payments pursuant to Section 4 will be subject to the Covered Employee continuing to comply with the provisions of this Section 6 and the terms of any confidential information agreement, proprietary information and inventions agreement and such other appropriate agreement between the Covered Employee and the Company. Benefits under this Plan shall terminate immediately for a Covered Employee if such Covered Employee, at any time, violates any such agreement or the provisions of this Section 6

7. Timing of Severance Benefits. Subject to Section 10 below, the Severance Benefits that do not constitute Deferred Compensation Separation Benefits (as defined in Section 10 below) shall commence or be paid, as applicable, as soon as administratively practicable but within ten (10) calendar days following the date of the Covered Employee's termination of employment (or, if required by Section 10, the Covered Employee's separation from service) or, if later, on the date the Release becomes effective. Subject to Section 10 below, the Severance Benefits that do constitute Deferred Compensation Separation Benefits will commence or be paid as applicable, as follows:

(a) If the Covered Employee's Release Period ends on or before December 15 of the calendar year in which the Covered Employee's termination of employment occurs, his or her Deferred Compensation Separation Benefits will commence or be made, as applicable, on or before December 31 of that calendar year.

(b) If the Covered Employee's Release Period ends after December 15 of the calendar year in which the Covered Employee's termination of employment occurs, his or her Deferred Compensation Separation Benefits will commence or be paid, as applicable, on the later of (a) the first payroll date in the calendar year next following the calendar year of the Covered Employee's termination of employment or (b) the first payroll date following the date his or her Release becomes effective, subject to Section 10 below.

8. Non-Duplication of Benefits. Notwithstanding any other provision in the Plan to the contrary, there shall be no duplication of benefits such that if a Covered Employee would otherwise already be entitled to severance or change in control compensation pursuant to another written plan of or agreement with the Company, then such written plan or agreement would govern in lieu of this plan. Notwithstanding the foregoing, if the Covered Employee is entitled to any benefits other than the benefits under the Plan by operation of applicable law or as negotiated in accordance with applicable law, his or her benefits under the Plan shall be reduced by the value of the benefits the Covered Employee receives by operation of applicable law or as negotiated in accordance with applicable law, as determined by the Administrator in its discretion. It is the intent of the Administrator that amounts owing under the terms of a non-equity performance-based incentive plan will be made in addition to any Plan benefits and will not be so offset.

9. Parachute Payments. In the event that the severance and other benefits provided for in this Plan or otherwise payable or provided to the Covered Employee (i) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) but for this Section 9, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Employee's severance benefits hereunder shall be either

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to the Excise Tax,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by the Covered Employee on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. Unless the Company and the Covered Employee otherwise agree in writing, any determination required under this Section 9 shall be made in writing in good faith by the Company's independent tax accountants immediately prior to the Change in Control (the "Accountants"). In the event of a reduction in accordance with subsection (b) above, the reduction will occur, with respect to such severance and other benefits considered "parachute payments" within the meaning of Section 280G of the Code in a manner designed to maximize the intrinsic value delivered to the Covered Employee by first reducing or eliminating any cash severance benefits, then by reducing or eliminating any accelerated vesting of stock appreciation rights or stock options, then by reducing or eliminating any accelerated vesting of other Equity Compensation Awards, then by reducing or eliminating any other remaining parachute payments.

10. Section 409A.

(a) Notwithstanding anything to the contrary in the Plan, no Deferred Compensation Separation Benefits (as defined below) or other severance benefits that are exempt from Section 409A (as defined below) pursuant to Treasury Regulation Section 1.409A-1(b)(9) will become payable until the Covered Employee has a "separation from service" within the meaning of Section 409A of the Code and the final regulations and any guidance promulgated thereunder ("Section 409A"). Further, if the Covered Employee is subject to Section 409A and is a "specified employee" within the meaning of Section 409A at the time of the Covered Employee's separation from service (other than due to death), then any Deferred Compensation Separation Benefits otherwise due to the Covered Employee on or within the six (6) month period following his or her separation from service will accrue during such six (6) month period and will become payable in a lump sum payment (less applicable withholding taxes) on the date six (6) months and one (1) day following the date of the Covered Employee's separation from service. All subsequent payments of Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Covered Employee dies following his or her separation from service but prior to the six (6) month anniversary of his or her date of separation, then any payments delayed in accordance with this paragraph will be payable in a lump sum (less applicable withholding taxes) to the Covered Employee's estate as soon as administratively practicable after the date of his or her death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. For purposes of the Plan, "Deferred Compensation Separation Benefits" will mean the severance payments or benefits payable to the Covered Employee, if any, pursuant to the Plan that, when considered together with any other severance payments or separation benefits, is considered deferred compensation under Section 409A.

(b) Each payment and benefit payable under the Plan is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. Any severance payment that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute a Deferred Compensation Separation Benefit. Any severance payment that entitles the Covered Employee to taxable reimbursements or taxable in-kind benefits covered by Section 1.409A-1(b)(9)(v) shall not constitute a Deferred Compensation Separation Benefit. Any severance payment or portion thereof that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit shall not constitute a Deferred Compensation Separation Benefit.

(c) It is the intent of this Plan to comply with or be exempt from the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Notwithstanding anything to the contrary in the Plan, including but not limited to Section 12, the Company reserves the right to amend the Plan as it deems necessary or advisable, in its sole discretion and without the consent of the Covered Employees, to comply with

Section 409A of the Code or to otherwise avoid income recognition under Section 409A of the Code prior to the actual payment of Change in Control Severance Benefits or imposition of any additional tax (provided that no such amendment shall materially reduce the benefits provided hereunder).

2. Withholding. The Company will withhold from any Severance Benefits all federal, state, local and other taxes required to be withheld therefrom and any other required payroll deductions.

3. Administration. The Plan will be administered and interpreted by the Administrator. The Administrator is the "named fiduciary" of the Plan for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity. Any decision made or other action taken by the Administrator prior to a Change in Control with respect to the Plan, and any interpretation by the Administrator prior to a Change in Control of any term or condition of the Plan, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. Following a Change in Control, any decision made or other action taken by the Administrator with respect to the Plan, and any interpretation by the Administrator of any term or condition of the Plan, or any related document that (i) does not affect the benefits payable under the Plan shall not be subject to review unless found to be arbitrary and capricious or (ii) does affect the benefits payable under the Plan shall not be subject to review unless found to be unreasonable or not to have been made in good faith.

4. Amendment or Termination. The Company, by action of the Administrator, reserves the right to amend or terminate the Plan at any time, without advance notice to any Covered Employee and without regard to the effect of the amendment or termination on any Covered Employee or on any other individual. Any amendment or termination of the Plan will be in writing. Notwithstanding the preceding, once the Change in Control has occurred, the Company may not, without a Covered Employee's written consent, amend or terminate the Plan in any way, nor take any other action, that (a) prevents that Covered Employee from becoming eligible for Severance Benefits under the Plan or (b) reduces or alters to the detriment of the Covered Employee the Severance Benefits payable, or potentially payable, to a Covered Employee under the Plan (including, without limitation, imposing additional conditions or modifying the timing of payment). Any action of the Company in amending or terminating the Plan will be taken in a non-fiduciary capacity.

5. Claims Procedure. Any employee or other person who believes he or she is entitled to any payment under the Plan may submit a claim in writing to the Administrator within ninety (90) days of the earlier of (i) the date the claimant learned the amount of their Change in Control Severance Benefits under the Plan or (ii) the date the claimant learned that he or she will not be entitled to any benefits under the Plan. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice will also describe any additional information needed to support the claim and the Plan's procedures for appealing the denial. The denial notice will be provided within ninety (90) days after the claim is received. If special circumstances require an extension of time (up to ninety (90) days), written notice of the extension will be given within the initial ninety (90) day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim. The Administrator has delegated the claims review responsibility to the Company's

Vice President, Human Resources, except in the case of a claim filed by or on behalf of the Company's Vice President, Human Resources, in which case, the claim will be reviewed by the Company's Chief Executive Officer.

6. Appeal Procedure. If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within sixty (60) days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of its decision on review within sixty (60) days after it receives a review request. If additional time (up to sixty (60) days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice shall also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA. The Administrator has delegated the appeals review responsibility to the Company's Vice President, Human Resources, except in the case of an appeal filed by or on behalf of the Company's Vice President, Human Resources, in which case, the appeal will be reviewed by the Company's Chief Executive Officer.

7. Legal Expenses. In the event that any party hereto institutes any legal suit, action, or proceeding against the other party arising out of or relating to this Plan, the prevailing party in the suit, action, or proceeding shall be entitled to receive in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, action, or proceeding, including reasonable attorneys' fees and expenses and court costs.

8. Source of Payments. All Severance Benefits will be paid in cash from the general funds of the Company; no separate fund will be established under the Plan, and the Plan will have no assets. No right of any person to receive any payment under the Plan will be any greater than the right of any other general unsecured creditor of the Company.

9. Inalienability. In no event may any current or former employee of the Company or any of its subsidiaries or affiliates sell, transfer, anticipate, assign or otherwise dispose of any right or interest under the Plan. At no time will any such right or interest be subject to the claims of creditors nor liable to attachment, execution or other legal process.

10. No Enlargement of Employment Rights. Neither the establishment or maintenance of the Plan, any amendment of the Plan, nor the making of any benefit payment hereunder, will be construed to confer upon any individual any right to be continued as an employee of the Company. The Company expressly reserves the right to discharge any of its employees at any time, with or without cause. However, as described in the Plan, a Covered Employee may be entitled to benefits under the Plan depending upon the circumstances of his or her termination of employment.

11. Successors. Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) will assume the obligations under the Plan and agree expressly to perform the obligations under the Plan in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Plan, the term "Company" will include any successor to the Company's business and/or assets which become bound by the terms of the Plan by operation of law, or otherwise.

12. Applicable Law. The provisions of the Plan will be construed, administered and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the State of California (with the exception of its conflict of laws provisions).

13. Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provision of the Plan, and the Plan will be construed and enforced as if such provision had not been included.

14. Headings. Headings in this Plan document are for purposes of reference only and will not limit or otherwise affect the meaning hereof.

15. Indemnification. The Company hereby agrees to indemnify and hold harmless the officers and employees of the Company, and the members of its boards of directors, from all losses, claims, costs or other liabilities arising from their acts or omissions in connection with the administration, amendment or termination of the Plan, to the maximum extent permitted by applicable law. This indemnity will cover all such liabilities, including judgments, settlements and costs of defense. The Company will provide this indemnity from its own funds to the extent that insurance does not cover such liabilities. This indemnity is in addition to and not in lieu of any other indemnity provided to such person by the Company.

16. Additional Information.

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ponsor: McGrath RentCorp
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McGrath RentCorp
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5700 Las Positas Road
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ention: Tara Wescott, Chief Human Resources Officer
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may also be made upon the Administrator.

rance Plan/Employee Welfare Benefit Plan

st of the Plan is paid by the Employer.

17.Statement of ERISA Rights.

As a Covered Employee under the Plan, you have certain rights and protections under ERISA:

(a) You may examine (without charge) all Plan documents, including any amendments and copies of all documents filed with the U.S. Department of Labor. These documents are available for your review in the Company's Human Resources Department.

(b) You may obtain copies of all Plan documents and other Plan information upon written request to the Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Covered Employees, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan (called "fiduciaries") have a duty to do so prudently and in the interests of you and the other Covered Employees. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA. If your claim for a severance benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the denial of your claim reviewed. (The claim review procedure is explained in Sections 13 and 14 above.)

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials and do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim which is denied or ignored, in whole or in part, you may file suit in a federal court. If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

If you have any questions regarding the Plan, please contact the Administrator. If you have any questions about this statement or about your rights under ERISA, you may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX A

MCGRATH RENTCORP

INVOLUNTARY TERMINATION SEVERANCE PLAN FOR OFFICERS

PARTICIPATION AGREEMENT

This Participation Agreement (the “Agreement”) with respect to participation in the McGrath RentCorp Involuntary Termination Severance Plan for Officers (the “Plan”) is made as of __________, 20__ by and between McGrath RentCorp (the “Company”) and [Click and Type Name] (“Employee”). Capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan.

WHEREAS, the Company has adopted and sponsors the Plan, a copy of which is attached hereto; and

WHEREAS, Employee has been selected to participate in the Plan in accordance with and subject to the terms of the Plan and this Agreement.

NOW, THEREFORE, in consideration of the mutual promises made herein, the parties hereby agree as follows:

1. Participation. Employee has been designated as a Covered Employee in the Plan, subject to Employee executing this Agreement pursuant to which Employee has agreed to, among other things, (i) waive his or her rights to any severance benefits provided under any other agreement with the Company or arrangement or plan sponsored by the Company and (ii) amend any existing employment or other agreement by and between Employee and the Company pursuant to which Employee is entitled to receive severance benefits to remove the severance provisions from such agreement. The terms and conditions of Covered Employee’s participation in the Plan are as set forth in the Plan and herein.

2. Severance Benefits. Upon satisfaction of the conditions set forth in Sections 3, 4 or 5 of the Plan, as applicable, Employee will be eligible to receive the Severance Benefits set forth in the applicable section of the Plan, subject to compliance with Section 6 of the Plan.

3. Condition to Receipt of Benefits. Employee acknowledges and agrees that notwithstanding anything herein, in the Plan, or otherwise to the contrary, Employee shall not be entitled to any payments or benefits from the Company under the Plan or this Agreement in connection with a qualifying termination of Employee’s employment with the Company unless Employee has signed and not revoked a waiver and release of claims agreement in a form reasonably satisfactory to the Company. Employee also acknowledges and agrees that receipt of any Severance Benefits will be subject to Employee’s compliance with the conditions during the time periods set forth in Sections 6(b) through 6(d) of the Plan.

4. Interaction with Other Severance Benefit Plans or Arrangements. The change of control and severance benefits and payments provided under the Plan are intended to be and are exclusive and in lieu of any other change of control and severance benefits and payments to which Employee may otherwise be entitled, either at law, tort, or contract, in equity, or under the Plan, in the event of any termination of Employee’s employment unless otherwise specifically agreed to by the Employee and the Company in an agreement entered into after the Effective Date of the Plan. Employee agrees that he or she will be entitled to no change of control or severance benefits or

payments upon a termination of employment without Cause, a resignation of employment for Good Reason or death or Disability, other than those benefits expressly set forth in the Plan and those benefits required to be provided by applicable law or as negotiated in accordance with applicable law. Employee further agrees to amend any existing employment or other agreement by and between Employee and the Company pursuant to which Employee is entitled to receive severance benefits to remove the severance provisions from such agreement. Notwithstanding the foregoing, if the Employee is entitled to any benefits other than the benefits under the Plan by operation of applicable law or as negotiated in accordance with applicable law, his or her benefits under the Plan shall be reduced by the value of the benefits the Employee receives by operation of applicable law or as negotiated in accordance with applicable law, as determined by the Administrator in its discretion.

5. Additional Provisions.

(a) Severability. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

(b) Integration; No Oral Modification. This Agreement and the Plan, constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior agreements, written or oral. This Agreement may only be amended in writing signed by the parties hereto.

(c) Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. Execution and delivery of this Agreement by exchange of facsimile copies bearing the facsimile signature of a party shall constitute a valid and binding execution and delivery of the Agreement by such party. Such facsimile copies shall constitute enforceable original documents.

(d) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(e) Tax Withholding. All payments made pursuant to the Plan and this Agreement will be subject to withholding of applicable taxes.

(f) Governing Law. This Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

By their signatures below, the Company and Employee agree that participation in the Plan is governed by this Agreement and by the provisions of the Plan, a copy of which is attached hereto and made a part of this document. Employee acknowledges receipt of a copy of the Plan, represents that Employee has read and is familiar with its provisions and the provisions of this Agreement, and acknowledges that decisions and determinations by the Administrator under the Plan shall be final and binding on Employee.

(The remainder of this page has been intentionally left blank)

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first set forth above.

MCGRATH RENTCORP EMPLOYEE

By:
[Click and Type Name]

THIS DOCUMENT INCLUDES OMISSION OF CERTAIN IDENTIFIED INFORMATION BECAUSE SUCH INFORMATION IS (i) NOT MATERIAL, AND (ii) THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL.

McGrath RentCorp
2024 Officer Cash Bonus Plan

Cash Bonus Plan Components: The Plan is comprised of two components. The first component measures the officer's success at meeting either the Company's or the division's annual profitability goals. The second component measures the officer's success at accomplishing their annual individual priorities goals.

Component 1 - Profitability: Corporate officers will be evaluated on the Company's success at meeting its annual profitability goals. Determining the annual profitability goals will be a collaborative process involving the CEO, CFO and various other officers of the Company, however, final approval will rest with the Company's Compensation Committee designated by the Board of Directors. The profitability measurements for the Company's corporate officers will be EBITDA. The profitability measurements for the Company's vice president & division manager positions will be divisional EBITDA. However, other metrics may be utilized from time to time, as appropriate. Unusual revenue or expense items may arise from time to time that need to be evaluated as to whether to include or exclude from the profitability calculations. Such determinations will be at the discretion of the Company's Compensation Committee. At the end of this document is a listing for each officer / position indicating the percentage amounts of base salary for the calendar year 2024 that can be earned for achieving 100% of each of their respective profitability goals. Achievement above or below 100% of the profitability goals will be paid using straight-line interpolation. See chart at the end of this document, which includes a straight-line interpolation calculator. The maximum overage percentage of base salary that can be earned is the individual officer's maximum profitability component percentage at 100% of goal, as listed below.

Component 2 - Priorities: Each officer will be evaluated annually on their success at accomplishing their individual priorities list. Determining annual priorities will be a collaborative process between the CEO and each officer. Final determination will rest with the CEO. The priorities list should be comprised mainly of objectives that can have a significant impact on either potential earnings growth beyond the current financial plan year or the long-term divisional or corporate infrastructure needs of the Company. The annual priorities list should be comprised of a maximum of four (4) items, of the most impactful objectives. Each priority should be weighted according to 1) the critical nature of the priority relative to other priorities, and 2) the projected amount of time and effort involved in accomplishing the priority relative to other priorities. Listed below are the bonus percentages for each officer / position and the percentage amounts of base salary for the calendar year 2024 that can be earned under this component for achieving a 100% rating for all priorities.

Payment of Bonuses: Both the annual profitability and priorities goal bonuses will be paid in February or March 2025, as soon as year-end 2024 financial results are finalized, bonus computations are completed, and payments are entered for the next regularly scheduled payroll run /date.

Priorities Component Achievement Evaluation: Officers will be evaluated on their ability to execute each priorities list item successfully according to the "Goal Achievement Criteria" established. Failing to achieve a priority despite making one's best efforts does not alter the fact that the priority was not accomplished. However, from time to time, there may be extenuating circumstances that will need to be considered in the final assessment of an officer's ability to achieve a priority. Additionally, in the event that priorities need to be modified or reset within the calendar year due to requirements of the business, adjustments will be made accordingly. In the event that an officer has a joint priority item with another officer or manager, there will be joint and individual assessments made based upon what portions of the priority were collaborative, and what portions required individual execution. The CEO will determine the final scoring for each priorities list item after consultation with other officers or individuals, as appropriate.

Establishing Priorities Lists: The following list of criteria / practices will be utilized to establish and articulate priorities on the list:

1) Some priorities selected may involve longer time frames than the current year for completion and will transition to future years. In these cases, for the current year, it should be clearly defined what portions of the priority item will be completed for evaluation purposes.

2) Each priority is to have “Goal Achievement Criteria” that identifies specifically how success will be measured on achieving the objective, including a weighting and specific criteria for measurement of each part or item to be accomplished. Please note that the weightings must add to 100% for each priority item that has multiple parts or items. Whenever possible, the goal achievement criteria should be quantitative.

3) For joint priorities, the Priorities List should identify which portions of the priority are to be evaluated jointly with other officers or managers, and which portions are to be evaluated individually.

4) The accomplishment of most priorities will require a perpetuation of the item beyond the current year. It is important that the organization does not lose momentum or fail to create the necessary foundation for the priority to be carried out or remain in place in subsequent years.

5) Progress throughout the performance period will be reviewed to make necessary adjustments in approach to help ensure the priority is completed successfully.

6) An officer’s priorities should be shared with both managers and staff, as appropriate. This allows others to be mindful of the officer’s focus and to influence the day-to-day behaviors of others in support of the initiatives.

Profitability Goals Philosophy: Annual profitability goals will be established based upon a “realistic stretch” philosophy. The Company’s management will determine the profitability goal components and levels to be achieved for the Company and each division annually based upon its outlook in the markets in which it operates, strategic and tactical initiatives, other key factors and special circumstances. A “realistic stretch” philosophy is utilized in establishing goal levels to be achieved.

Profitability Goals Determination: Typically, annual profitability goals will be approved by the board of directors of the Company in December as part of the annual financial plan approval process. However, based upon material changes in either the Company’s actual performance or outlook within the first two months of the new year, the board may elect to either raise or lower profitability targets. In turn, impacted profitability goals will be adjusted as necessary.

Interpretation of Cash Bonus Plan: Should any elements of this bonus plan require interpretation or modification by the Compensation Committee; such decisions will be made in keeping with the spirit and intent of the Plan.

Eligibility: Officers will not be entitled to any bonus upon a voluntary resignation or a termination for Cause. Upon a termination of employment without Cause or resignation for Good Reason (each, as defined in the Company’s Involuntary Termination Severance Eligibility / Payments Policy for Officers, whether or not the individual participates in such policy), subject to the officer’s execution and non-revocation of a general release of claims in the Company's customary form within 60 days following such termination, the bonus will be paid out for the year of such termination of employment based on the following: (1) for the profitability component, the target bonus amount, and (2) for the priorities component, full satisfaction of the specified priorities; provided that the aggregate bonus amount for both the profitability and priorities components will be pro-rated for such year based on the number of days the officer was employed by the Company prior to such termination, payable at the same time bonuses are paid to other officers of the Company. For illustrative purposes, if an officer is eligible to receive a target bonus of $100,000 and a termination of employment without Cause occurred on June 30, such officer would receive $50,000 in pro-rated target bonus amount. The profitability component will not be paid until final year-end financial information is available, but in no event later than March 15 of the year following the year in which termination occurs.

Other: Separate from the annual individual priorities list discussed in this Plan, officers should establish individual and joint objectives, as necessary, in support of achieving the current year's profitability component goals.

In the event of a Change in Control (as defined in the Company's Change in Control Severance Plan applicable for the CEO, CFO and COO), subject to the officer's execution and non-revocation of a general release of claims in the Company's customary form within 60 days following such termination, the bonus will be paid out for the year of a Change in Control based on the following: (1) for the profitability component, the target bonus amount, and (2) for the priorities component, full satisfaction of the specified priorities; provided that the aggregate bonus amount for both the profitability and priorities components will be pro-rated for such year based on the number of days the officer was employed by the Company prior to consummation of such Change in Control, payable as soon as practicable following the consummation of such Change in Control. For illustrative purposes, if an officer is eligible to receive a target bonus of $100,000 and a Change in Control occurred on June 30, such officer would receive $50,000 in pro-rated target bonus amount.

Bonus Percentages: Percentages of calendar year 2024 base salary amounts for both profitability and individual priorities goals are listed below.

McGrath RentCorp 2024 Officer Group Cash Bonus Plan

Name	Position	TOTAL TARGET BONUS %	EBITDA @ 75% of Target	Div. EBITDA @ 75% of Target	Individual Priorities @ 25% of Target
Joe Hanna	CEO & President	100%	75.00%	N/A	25.00%
Keith Pratt	CFO & EVP	60%	45.00%	N/A	15.00%
Phil Hawkins	SVP, Mobile Modular	60%	N/A	45.00%	15.00%
Kristina VanTrease	SVP, Strategy & Business Development	60%	45.00%	N/A	15.00%
Gilda Malek	VP, General Counsel	50%	37.50%	N/A	12.50%
Tara Wescott	VP, H.R.	***	***	***	***
David Whitney	VP, PAO & Controller	***	***	***	***
John Skenesky	VP & Div. Mgr.	***	***	***	***
John Lieffrig	VP & Div. Mgr.	***	***	***	***

Profitability Bonus Achievement Calculator:

Bonus Achivement Table EBITDA			
% of Target Achieved	% of Eligible Bonus Earned	% of Target Achieved	% of Eligible Bonus Earned
<90%	0%		
90%	50.0%	101%	110.0%
91%	55.0%	102%	120.0%
92%	60.0%	103%	130.0%
93%	65.0%	104%	140.0%
94%	70.0%	105%	150.0%
95%	75.0%	106%	160.0%
96%	80.0%	107%	170.0%
97%	85.0%	108%	180.0%
98%	90.0%	109%	190.0%
99%	95.0%	110%	200.0%
100%	100%	>110%	200%

Note
Results falling between percentage points will be calculated via straightline calculation. (Example: 103.5% of Target Achieved equates to 135.0% of Eligible Bonus Earned. [100% = 100%]+[3.5 x 10 = 35.0%] = 135.0% of Eligible Bonus Earned.)

Exhibit 10.5.2

THIS DOCUMENT INCLUDES OMISSION OF CERTAIN IDENTIFIED INFORMATION BECAUSE SUCH INFORMATION IS (i) NOT MATERIAL, AND (ii) THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL.

McGrath RentCorp
2025 Officer Cash Bonus Plan

Cash Bonus Plan Components: The Plan is comprised of two components. The first component measures the officer's success at meeting either the Company's or the division's annual profitability goals. The second component measures the officer's success at accomplishing their annual individual priorities goals.

Component 1 - Profitability: Corporate officers will be evaluated on the Company's or the divisons' success at meeting its annual profitability goals. Determining the annual profitability goals will be a collaborative process involving the CEO, CFO and various other officers of the Company; however, final approval will rest with the Company's Compensation Committee designated by the Board of Directors. The profitability measurements for the Company's corporate officers will be EBITDA. The profitability measurements for the Company's vice president & division manager positions will be divisional EBITDA. However, other metrics may be utilized from time to time, as appropriate. Unusual revenue or expense items may arise from time to time that need to be evaluated as to whether to include or exclude from the profitability calculations. Such determinations will be at the discretion of the Company's Compensation Committee. At the end of this document is a listing for each officer / position indicating the percentage amounts of base salary for the calendar year 2025 that can be earned for achieving 100% of each of their respective profitability goals. Achievement above or below 100% of the profitability goals will be paid using straight-line interpolation. See chart at the end of this document, which includes a straight-line interpolation calculator. The maximum overage percentage of base salary that can be earned for the profitability component is 200% of the target amount, as listed below.

Component 2 - Priorities: Each officer will be evaluated annually on their success at accomplishing their individual priorities list. Determining annual priorities will be a collaborative process between the CEO and each officer. Final determination will rest with the CEO. The priorities list should be comprised mainly of objectives that can have a significant impact on either potential earnings growth beyond the current financial plan year or the long-term divisional or corporate infrastructure needs of the Company. The annual priorities list should be comprised of a maximum of four (4) items, the most impactful objectives. Each priority should be weighted according to 1) the critical nature of the priority relative to other priorities, and 2) the projected amount of time and effort involved in accomplishing the priority relative to other priorities. Listed below are the bonus percentages for each officer / position and the percentage amounts of base salary for the calendar year 2025 that can be earned under this component for achieving a 100% rating for all priorities. Notwithstanding the foregoing, the CEO can recommend to the Compensation Committee that an officer's performance exceeded 100% with respect to the officer's individual priorities and thus, the Compensation Committee has the discretion to award to the officer a cash bonus above the officer's target amount for the officer's individual priorities, as detailed below.

Payment of Bonuses: Both the annual profitability and priorities goal bonuses will be paid in February or March 2026, as soon as year-end 2025 financial results are finalized, bonus computations are completed, and payments are entered for the next regularly scheduled payroll run /date.

Priorities Component Achievement Evaluation: Officers will be evaluated on their ability to execute each priorities list item successfully according to the "Goal Achievement Criteria" established. Failing to achieve a priority despite making one's best efforts does not alter the fact that the priority was not accomplished. However, from time to time, there may be extenuating circumstances that will need to be considered in the final assessment of an officer's ability to achieve a priority. Additionally, in the event that priorities need to be modified or reset within the calendar year due to requirements of the business, adjustments will be made accordingly. In the event that an officer has a joint priority item with another officer or manager, there will be joint and individual assessments made based upon what portions of the priority were collaborative, and what portions required individual execution. The CEO will determine the final scoring for each priorities list item after consultation with other officers or individuals, as appropriate.

Establishing Priorities Lists: The following list of criteria / practices will be utilized to establish and articulate priorities on the list:

1) Some priorities selected may involve longer time frames than the current year for completion and will transition to future years. In these cases, for the current year, it should be clearly defined what portions of the priority item will be completed for evaluation purposes.

2) Each priority is to have "Goal Achievement Criteria" that identifies specifically how success will be measured on achieving the objective, including a weighting and specific criteria for measurement of each part or item to be accomplished. Please note that the weightings must add to 100% for each priority item that has multiple parts or items. Whenever possible, the goal achievement criteria should be quantitative.

3) For joint priorities, the Priorities List should identify which portions of the priority are to be evaluated jointly with other officers or managers, and which portions are to be evaluated individually.

4) The accomplishment of most priorities will require a perpetuation of the item beyond the current year. It is important that the organization does not lose momentum or fail to create the necessary foundation for the priority to be carried out or remain in place in subsequent years.

5) Progress throughout the performance period will be reviewed to make necessary adjustments in approach to help ensure the priority is completed successfully.

6) An officer's priorities should be shared with both managers and staff, as appropriate. This allows others to be mindful of the officer's focus and to influence the day-to-day behaviors of others in support of the initiatives.

Profitability Goals Philosophy: Annual profitability goals will be established based upon a "realistic stretch" philosophy. The Company's management will determine the profitability goal components and levels to be achieved for the Company and each division annually based upon its outlook in the markets in which it operates, strategic and tactical initiatives, other key factors and special circumstances. A "realistic stretch" philosophy is utilized in establishing goal levels to be achieved.

Profitability Goals Determination: Typically, annual profitability goals will be approved by the board of directors of the Company in December as part of the annual financial plan approval process. However, based upon material changes in either the Company's actual performance or outlook within the first two months of the new year, the board may elect to either raise or lower profitability targets. In turn, impacted profitability goals will be adjusted as necessary.

Interpretation of Cash Bonus Plan: Should any elements of this bonus plan require interpretation or modification by the Compensation Committee; such decisions will be made in keeping with the spirit and intent of the Plan.

Other: Separate from the annual individual priorities list discussed in this Plan, officers should establish individual and joint objectives, as necessary, in support of achieving the current year's profitability component goals.

Eligibility: Officers will not be entitled to any bonus upon a voluntary resignation or a termination for Cause.

A prorated bonus payment exception applies in cases of retirement, *i.e.,* voluntary resignation, at age 60 or older with at least 5 years of service with McGrath ("Eligible Retirement"), death, or total and permanent disability for the year of such Eligible Retirement, death, or total and permanent disability (as disability is defined under the Company's 2016 Stock Incentive Plan). The prorated bonus payment will be determined using the same criteria, process and timing as detailed for terminations of employment without Cause or resignations for Good Reason in the following paragraph.

Upon a termination of employment without Cause or resignation for Good Reason (each, as defined in the Company's Involuntary Termination Severance Eligibility / Payments Policy for Officers, whether or not the individual participates in such policy), subject to the officer's execution and non-revocation of a general release of claims in the Company's customary form within 60 days following such termination, 150% of the bonus for the CEO, CFO, and COO and 100% of the bonus for all other officers will be paid out for the year of such termination of employment based on the following: (1) for the profitability component, the target bonus amount, and (2) for the priorities component, full satisfaction of the specified priorities; provided that the aggregate bonus amount for both the profitability and priorities components will be pro-rated for such year based on the number of days the officer was employed by the Company prior to such termination, payable at the same time bonuses are paid to other officers of the Company. For illustrative purposes, if an officer is eligible to receive a target bonus of $100,000 and a termination of employment without Cause occurred on June 30, such officer would receive $50,000 in pro-rated target bonus amount. The profitability component will not be paid until final year-end financial information is available, but in no event later than March 15 of the year following the year in which termination occurs.

In the event of a termination of employment without Cause or resignation for Good Reason (each, as defined in the Company's Involuntary Termination Severance Eligibility / Payments Policy for Officers, whether or not the individual participates in such policy) during the Change in Control Period (as defined in the Company's Involuntary Termination Severance Eligibility / Payments Policy for Officers, whether or not the individual participates in such policy), subject to the officer's execution and non-revocation of a general release of claims in the Company's customary form within 60 days following such termination, 200% of the bonus for the CEO, CFO, and COO and 150% of the bonus for all other officers will be paid out for the year of a Change in Control based on the following: (1) for the profitability component, the target bonus amount, and (2) for the priorities component, full satisfaction of the specified priorities; provided that the aggregate bonus amount for both the profitability and priorities components will be pro-rated for such year based on the number of days the officer was employed by the Company prior to consummation of such Change in Control, payable as soon as practicable following the consummation of such Change in Control. For illustrative purposes, if an officer is eligible to receive a target bonus of $100,000 and a Change in Control occurred on June 30, such officer would receive $75,000 in pro-rated target bonus amount.

Bonus Percentages: Percentages of calendar year 2025 base salary amounts for both profitability and individual priorities goals are listed below.

McGrath RentCorp 2025 Officer and Vice President Group Cash Bonus Plan

Name	Position	TOTAL TARGET BONUS %	EBITDA @ 75% of Target	Div. EBITDA @ 75% of Target	Individual Priorities @ 25% of Target
Joe Hanna	CEO & President	***	***	***	***
Keith Pratt	CFO & EVP	***	***	***	***
Phil Hawkins	Chief Operating Officer (COO)	***	***	***	***
Kristina VanTrease	Chief Strategy Officer	***	***	***	***
Gilda Malek	SVP, Chief Legal Officer	***	***	***	***
Tara Wescott	SVP, Chief Human Resources Officer	***	***	***	***
David Whitney	SVP, Chief Accounting Officer	***	***	***	***
John Skenesky	VP & Div. Mgr.	***	***	***	***
John Lieffrig	VP & Div. Mgr.	***	***	***	***

Profitability Bonus Achievement Calculator:

Bonus Achivement Table EBITDA			
% of Target Achieved	% of Eligible Bonus Earned	% of Target Achieved	% of Eligible Bonus Earned
<90%	0%		
90%	50.0%	101%	110.0%
91%	55.0%	102%	120.0%
92%	60.0%	103%	130.0%
93%	65.0%	104%	140.0%
94%	70.0%	105%	150.0%
95%	75.0%	106%	160.0%
96%	80.0%	107%	170.0%
97%	85.0%	108%	180.0%
98%	90.0%	109%	190.0%
99%	95.0%	110%	200.0%
100%	100%	>110%	200%

Note
Results falling between percentage points will be calculated via straightline calculation. (Example: 103.5% of Target Achieved equates to 135.0% of Eligible Bonus Earned. [100% = 100%]+[3.5 x 10 = 35.0%] = 135.0% of Eligible Bonus Earned.)

Exhibit 10.6.1

MCGRATH RENTCORP

2016 STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

nd Address: <first_name> <middle_name> <last_name>

dress_2>

<city>, <state> <zip>

You (the “Grantee”) have been granted an award of Restricted Stock Units (the “Award”), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the “Notice”), the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), and the Restricted Stock Unit Agreement (the “Agreement”) attached hereto, as follows. Unless otherwise provided herein, the capitalized terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number <award_id>

Date of Award <award_date>

Vesting Commencement Date <award_date>

Total Number of Restricted Stock
Units Awarded (the “Units”) <shares_awarded>

Vesting Schedule:

Subject to the Grantee’s Continuous Service and other limitations set forth in this Notice, the Agreement and the Plan, the Units will “vest” in accordance with the following schedule (the “Vesting Schedule”):

- Thirty-three percent (33%) of the Shares subject to the Award shall vest on the first anniversary of the Vesting Commencement Date,

- An additional thirty-three percent (33%) of the Shares subject to the Award shall vest on the second anniversary of the Vesting Commencement Date, and

- The final thirty-four percent (34%) of the Shares subject to the Award shall vest on the third anniversary of the Vesting Commencement Date,

such that one hundred percent (100%) of the Shares subject to the Award will have vested as of the three (3) year anniversary of the Vesting Commencement Date.

In the event of a Corporate Transaction or Change in Control, Section 11 of the Plan shall apply to the Award, unless otherwise provided herein, in a Company severance plan in which the Grantee participates or by a written amendment hereto signed by the Company and the Grantee.

For purposes of this Notice and the Agreement, the term “vest” shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

Unless otherwise provided in a written agreement between the Grantee and the Company or a Company severance plan in which the Grantee participates, vesting shall immediately cease upon the date of the termination of the Grantee’s Continuous Service for any reason other than the Grantee’s Retirement, the Grantee’s death or Disability. In the event the Grantee’s Continuous Service is terminated for any reason other than Retirement, death or Disability, any unvested Units held by the Grantee immediately upon such termination of Continuous Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by the Grantee.

Notwithstanding the foregoing, in the event the Grantee’s Continuous Service terminates due to Retirement prior to the third anniversary of the Vesting Commencement Date, then a number of Shares subject to the Award shall accelerate and vest on the Grantee’s date of termination on a pro-rata basis, with the number of Shares accelerating and vesting equal to the number of Shares scheduled to vest on the vesting date immediately following the Grantee’s termination date multiplied by a fraction, (A) the numerator of which is the number of calendar days elapsed since either (x) the Grant Date, or (y) if the date of termination occurs after the first anniversary of the Grant Date, the vesting date immediately preceding such termination, and (B) the denominator of which is 365. Any Shares that accelerate and vest as a result of the Grantee’s Retirement shall be settled in accordance with Section 3 of the Agreement. Any Units that remain unvested after giving effect to the accelerating vesting contemplated by this paragraph shall immediately be forfeited and canceled effective as of the date of the Grantee’s termination due to Retirement.

“Retirement” means the Grantee’s termination of Continuous Service due to voluntary resignation from active employment with the Company and any Related Entity at or after the Grantee attains age 60 and has provided, at minimum, 5 years of service to the Company or any Related Entity; provided, that the Grantee provides at least [three (3) months’] advance written notice to the Company prior to the effective date of the Grantee’s Retirement.

Notwithstanding the foregoing, in the event the Grantee’s Continuous Service terminates due to the Grantee’s death or Disability prior to the third anniversary of the Vesting Commencement Date, then the unvested Shares subject to the Award shall accelerate and vest in full on the Grantee’s date of termination. Any Shares that accelerate and vest as a result of the Grantee’s death or Disability shall be settled in accordance with Section 3 of the Agreement.

As a condition to receiving accelerated vesting due to the Grantee’s Retirement, death or Disability, the Grantee (or their estate, as applicable) shall first sign a waiver and general release of all claims in favor of the Company and its subsidiaries and, in the form provided by the Company at or following the termination of employment (the “Release”). Further, the Release must be executed by the Grantee (or their estate, as applicable) and not revoked, and become effective, within sixty (60) days following the Grantee’s termination of employment.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

McGrath RentCorp
a California corporation

By: /s/ Joseph F. Hanna

Title: President and CEO

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES OR CASH AMOUNTS HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S (OR A RELATED ENTITY'S) RIGHT TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan.

The Grantee further acknowledges that, from time to time, the Company may be in a “blackout period” (as defined in the Company’s Insider Trading and Blackout Policy) and/or insider trading rules, federal securities laws or other Applicable Law could prohibit Grantee from engaging in any transaction involving the sale of the Company’s Shares. The Grantee acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee’s responsibility to determine whether or not such sale of Shares will subject the Grantee to liability under insider trading rules, federal securities laws, or other Applicable Law. Failure to comply with these laws and/or the Company’s Insider Trading and Blackout Policy is a violation of Company Policy. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee’s responsibility to determine whether or not such sale of Shares complies with Company policies. In the event it is determined Grantee has violated any Company policy, the Company reserves the right to take disciplinary action, up to and including the termination of Grantee’s employment.

The Grantee understands that the Award is subject to the Grantee’s consent to access this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the “Plan Documents”) in electronic form on the Company’s intranet or the website of the Company’s designated brokerage firm, if applicable. By signing below (or providing an electronic signature by clicking below) and accepting the grant of the Award, the Grantee: (i) consents to access electronic copies (instead of receiving paper copies) of the Plan Documents via the Company’s intranet or the website of the Company’s designated brokerage firm, if applicable; (ii) represents that the Grantee has access to the Company’s intranet or the website of the Company’s designated brokerage firm, if applicable; (iii) acknowledges receipt of electronic copies, or that the Grantee is already in possession of paper copies, of the Plan Documents; (iv) acknowledges that the Grantee is familiar with and accepts the Award subject to the terms and provisions of the Plan Documents; and (v) acknowledges that the Grantee has read and understands the Company’s Insider Trading and Blackout Policy.

The Company may, in its sole discretion, decide to deliver any Plan Documents by electronic means or request the Grantee’s consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

This consent will apply to this Award as well as any future Awards made to the Grantee by the Company. The Grantee may withdraw his or her consent to receive the Plan Documents electronically at any time by sending written notification of the Grantee’s withdrawal of his or her consent to: Gilda Malek, Senior Vice President, Chief Legal Officer, McGrath RentCorp, 5700 Las Positas Road, Livermore, CA 94551. Alternatively, the Grantee may send an e-mail to: gilda.malek@mgrc.com. The Grantee agrees to provide the Company with any changes to the Grantee's e-mail address in order to continue to receive electronic notifications and disclosures. Changes to the Grantee's e-mail address should be sent to the address or e-mail address listed herein.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 9 of the Agreement. The Grantee further agrees to the venue and jurisdiction selection in accordance with Section 10 of the Agreement. The Grantee further agrees to notify the Company upon any change in his or her residence address indicated in this Notice.

Date:
Grantee's Signature

Grantee's Printed Name

Address

City, State & Zip

Exhibit 10.6.1

Award Number: <award_id>

MCGRATH RENTCORP
2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

1.Issuance of Units. McGrath RentCorp, a California corporation (the “Company”), hereby issues to the Grantee (the “Grantee”) named in the Notice of Restricted Stock Unit Award (the “Notice”) an award (the “Award”) of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the “Units”), subject to the Notice, this Restricted Stock Unit Agreement (the “Agreement”) and the terms and provisions of the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2.Transfer Restrictions. The Units may not be transferred, assigned, alienated, encumbered, pledged or attached in any manner other than by will or by the laws of descent and distribution and any such transfer, assignment, alienation, encumbrance, pledge or attachment shall be void and unenforceable against the Company or a Related Entity.

3.Conversion of Units and Issuance of Shares.

(a)General. Subject to Sections 3(b) and 3(c), one Share and, if applicable, a Cash Dividend Equivalent (as defined in this Section 3(a)), shall be issuable for each Unit subject to the Award upon vesting. Immediately after such vesting, or as soon as administratively feasible, the Company will transfer the appropriate number of Shares and the Cash Dividend Equivalent amount, if applicable, to the Grantee after satisfaction of any required tax or other withholding obligations. For purposes herein, “Cash Dividend Equivalent” means for each Share issued in settlement of a vested Unit, a cash payment equal to the aggregate cash dividends, if any, that would have been payable to the Grantee with respect to such Share had the Grantee been the holder of the Share between the Date of Award and the date of such settlement; provided. For the avoidance of doubt, no Cash Dividend Equivalent shall be payable with respect to any Unit that does not vest. Any fractional Unit remaining after the Award is fully vested shall be discarded and shall not be converted into a fractional Share, and no Cash Dividend Equivalent shall be payable with respect to such fractional Unit. Notwithstanding the foregoing, the relevant number of Shares shall be issued, and the related Cash Dividend Equivalent, if applicable, shall be paid, no later than March 15th of the year following the calendar year in which the Award vests. [The Company may, however, in its sole discretion, make a cash payment in lieu of the issuance of Shares under this Section 3(a) in an amount equal to the Fair Market Value thereof; provided that the corresponding Cash Dividend Equivalent in such event shall be calculated as though the Grantee had been issued Shares rather than such cash payment.]

(b)Delay of Conversion. The conversion of the Units into the Shares, but not the payment of the related Cash Dividend Equivalent, if any, under Section 3(a) above shall be

delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(b), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(b), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(c)Delay of Issuance of Shares. The Company shall delay the issuance of any Shares and the payment of any related Cash Dividend Equivalent under this Section 3 to the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain “specified employees” of certain publicly-traded companies); in such event, any Shares and any Cash Dividend Equivalent to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee’s termination of Continuous Service will be issuable on the first business day following the expiration of such six (6) month period.

4.Right to Shares. The Grantee shall not have any right in, to or with respect to any of the Shares (including any shareholder rights, voting rights or, except as provided in Section 3(a), rights with respect to dividends paid on the Common Stock) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee.

5.Restrictive Covenants. Grantee acknowledges and agrees that Grantee’s eligibility for, receipt of, and vesting of the Award is conditioned upon:

(a)Grantee’s execution of and compliance at all times with the Company’s Proprietary Information Agreement entered into between the Grantee and the Company; and

(b)Grantee’s compliance at all times with the Company’s governance policies, including, without limitation, the Company’s Code of Business Conduct and Ethics, as each may be amended from time to time.

Provided the Employee was given a Proprietary Information Agreement by the Company which he/she has not yet executed, if the Company does not receive a fully executed Proprietary Information Agreement (whether electronically or otherwise) within six (6) months of the date of the Award, then the Award shall be terminable by the Company. The Award may also be terminable by the Company if Grantee violates the Company’s governance policies.

6.Taxes.

(a)Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the tax treatment of or any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the payment of any Cash Dividend Equivalent, the subsequent

sale of any Shares acquired upon vesting and the receipt of any other dividends or dividend equivalents. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b)Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Unless the Board or the compensation committee of the Board affirmatively determines to require the Grantee to make other arrangements to satisfy the Tax Withholding Obligation, the Company shall satisfy the Tax Withholding Obligation by Share withholding as set forth in Section 6(c) below; provided, however, that the Company shall satisfy any Tax Withholding Obligation attributable to a Cash Dividend Equivalent by withholding a portion of such Cash Dividend Equivalent sufficient to satisfy such portion of the Tax Withholding Obligation. Notwithstanding the foregoing, if permissible under Applicable Law, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or a Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or a Related Entity to do so, whether or not the Grantee is an employee of the Company and/or a Related Entity at that time.

(c)Share Withholding. If permissible under Applicable Law, the Grantee authorizes the Company to, upon the exercise of its sole discretion, withhold from those Shares otherwise issuable to the Grantee the whole number of Shares sufficient to satisfy the minimum applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's minimum Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above.

7.Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

8.Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

9.Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10.Venue and Jurisdiction. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought exclusively in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of Alameda) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 10 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

11.Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

12.Data Privacy.

(a)The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee’s employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan.

(b)The Grantee understands that the Company and the Grantee’s employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee’s favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

(c)The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan.

The Grantee understands that the recipients of the Data may be located in the Grantee’s country, or elsewhere, and that the recipients’ country may have different data privacy laws and protections than the Grantee’s country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee’s local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee’s participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee’s local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee’s ability to participate in the Plan. For more information on the consequences of the Grantee’s refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee’s local human resources representative.

13.Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

14.Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares issuable or amounts payable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A of the Code as amplified by any Treasury regulations or guidance from the Internal Revenue Service as the Company deems appropriate or advisable. It is the intention of the Company that the Award comply with Section 409A of the Code and this Agreement be interpreted in a matter to effect such compliance. Notwithstanding the foregoing, the Company makes no representation that the Award will comply with Section 409A of the Code and makes no undertaking to prevent Section 409A of the Code from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A of the Code.

15.Status of the RSU. The Units subject to this Award are not intended to constitute property, but are a contract pursuant to which a future payment of cash or a payment in the form of an in-kind transfer of Shares will be made following the vesting of the Units. The Units are not, therefore, subject to Code Section 83 and it is not possible to make an election under Code Section 83(b) (which is only applicable to a transfer of property that is subject to a substantial risk of forfeiture). The Grantee should consult his or her tax advisors to determine the tax implications resulting from this Award and the vesting of the Units subject to this Agreement.

END OF AGREEMENT

Exhibit 10.6.2

MCGRATH RENTCORP

2016 STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

nd Address: <first_name> <middle_name> <last_name>

dress_2>

<city>, <state> <zip>

You (the “Grantee”) have been granted an award of Restricted Stock Units (the “Award”), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the “Notice”), the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), and the Restricted Stock Unit Agreement (the “Agreement”) attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number <award_id>

Date of Award <award_date>

Total Number of Restricted Stock
Units Awarded (the “Units”) <shares_awarded>

Vesting Schedule:

Subject to the Grantee’s Continuous Service through the Determination Date (as defined below) and other limitations set forth in this Notice, the Agreement and the Plan, the Units will “vest” in accordance with the following schedule (the “Vesting Schedule”):

No Units shall vest unless the Company’s three year average annual return on invested capital (“ROIC”) as of the financial plan year ending <Award_User_Defined_2> (the “Determination Date”) and Average Revenue Achievement Compared to Plan is at least equal to Threshold, with achievement measured fifty-percent on each ROIC and Revenue Achievement. Total Achievement for such period shall be determined by the Board in its sole discretion (including, without limitation, after giving effect to adjustments to account for, among other things, extraordinary items, as determined in its sole discretion) no later than <Award_User_Defined_3>. Based on the ROIC and Revenue Achievement for such period, the Units shall vest as follows:

ROIC and Revenue Achieved	Percentage of Vested Units Earned
Threshold	50%

Target	100%
Maximum and above	200%

If ROIC and Revenue achievement is above Threshold and below Target, or above Target and below Maximum, then the number of Units that vest shall be determined based on straight line interpolation, rounded up to the next whole Unit. No Units are earned for achievement below Threshold. The specific Threshold, Target and Maximum goals are documented annually in the minutes of the February Board meeting.

For purposes of this Notice and the Agreement, the term “vest” shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

Unless otherwise provided in a written agreement between the Grantee and the Company or a Company Severance Plan in which the Grantee participates, vesting shall immediately cease upon the date of the termination of the Grantee’s Continuous Service for any reason. In the event the Grantee’s Continuous Service is terminated for any reason other than Retirement, the Grantee’s death or Disability or by the Company without Cause, any unvested Units held by the Grantee immediately upon such termination of Continuous Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by the Grantee.

Notwithstanding the foregoing, in the event the Grantee’s Continuous Service is terminated by the Company without Cause (excluding due to death or Disability) prior to the Determination Date, whether before or after the occurrence of a Change in Control or a Corporate Transaction, the Units shall immediately vest with ROIC and Revenue deemed satisfied at Target and the Percentage of Vested Units Earned equal to the percentage obtained by dividing (A) the number of days between the Date of Award and the date of such termination of Grantee’s Continuous Service by (B) 1,095. For the avoidance of doubt, if the Grantee’s Continuous Service is terminated for Cause, due to death or Disability or if the Grantee resigns Grantee’s Continuous Service for any reason other than Retirement, whether prior to or after the Determination Date, all Units will be forfeited. Any Units that accelerate and vest as a result of the Grantee’s termination by the Company without Cause shall be settled in accordance with Section 3 of the Agreement. Any Units that remain unvested after giving effect to the accelerating vesting contemplated by this paragraph shall immediately be forfeited and canceled effective as of the date of the Grantee’s date of termination.

Notwithstanding the foregoing, in the event the Grantee’s Continuous Service terminates due to Retirement prior to the Determination Date, then the Units shall remain outstanding following such termination and eligible to vest after the Determination Date based on the ROIC and Revenue actually achieved and the Percentage of Vested Units Earned will equal the Percentage of Vested Units Earned based on ROIC and Revenue achievement, multiplied by the percentage obtained by dividing (A) the number of days between the Date of Award and the date of such termination of the Grantee's Continuous Service due to Retirement, by (B) 1,095. Any Units that vest following the Grantee's Retirement shall be settled in accordance with Section 3 of the Agreement.

"Retirement" means the Grantee's termination of Continuous Service due to voluntary resignation from active employment with the Company and any Related Entity at or after the Grantee attains age 60 and has provided, at minimum, 5 years of service to the Company or any Related Entity; provided, that the Grantee provides at least [three (3) months'] advance written notice to the Company prior to the effective date of the Grantee's Retirement.

Notwithstanding the foregoing, in the event the Grantee's Continuous Service terminates due to the Grantee's death or Disability prior to the Determination Date, then the Units shall immediately vest with ROIC and Revenue deemed satisfied at Target and the Percentage of Vested Units Earned equal to 100%. Any Units that accelerate and vest as a result of the Grantee's death or Disability shall be settled in accordance with Section 3 of the Agreement.

As a condition to receiving accelerated vesting in the event of the Grantee's termination of Continuous Service by the Company without Cause or due to the Grantee's Retirement, death or Disability, the Grantee (or their estate, as applicable) shall first sign a waiver and general release of all claims in favor of the Company and its subsidiaries and, in the form provided by the Company at or following the termination of employment (the "Release"). Further, the Release must be executed by the Grantee (or their estate, as applicable) and not revoked, and become effective, within sixty (60) days following the Grantee's termination of employment.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

McGrath RentCorp
a California corporation

By: /s/ Joseph F. Hanna

Title: President and CEO

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES OR CASH AMOUNTS HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S (OR A RELATED ENTITY'S) RIGHT TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A

WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE’S STATUS IS AT WILL.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" (as defined in the Company's Insider Trading and Blackout Policy) and/or insider trading rules, federal securities laws or other Applicable Law could prohibit Grantee from engaging in any transaction involving the sale of the Company's Shares. The Grantee acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares will subject the Grantee to liability under insider trading rules, federal securities laws, or other Applicable Law. Failure to comply with these laws and/or the Company's Insider Trading and Blackout Policy is a violation of Company Policy. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares complies with Company policies. In the event it is determined Grantee has violated any Company policy, the Company reserves the right to take disciplinary action, up to and including the termination of Grantee's employment.

The Grantee understands that the Award is subject to the Grantee's consent to access this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") in electronic form on the Company's intranet or the website of the Company's designated brokerage firm, if applicable. By signing below (or providing an electronic signature by clicking below) and accepting the grant of the Award, the Grantee: (i) consents to access electronic copies (instead of receiving paper copies) of the Plan Documents via the Company's intranet or the website of the Company's designated brokerage firm, if applicable; (ii) represents that the Grantee has access to the Company's intranet or the website of the Company's designated brokerage firm, if applicable; (iii) acknowledges receipt of electronic copies, or that the Grantee is already in possession of paper copies, of the Plan Documents; (iv) acknowledges that the Grantee is familiar with and accepts the Award subject to the terms and provisions of the Plan Documents; and (v) acknowledges that the Grantee has read and understands the Company's Insider Trading and Blackout Policy.

The Company may, in its sole discretion, decide to deliver any Plan Documents by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

This consent will apply to this Award as well as any future Awards made to the Grantee by the Company. The Grantee may withdraw his or her consent to receive the Plan Documents electronically at any time by sending written notification of the Grantee's withdrawal of his or her consent to: Gilda Malek, Vice President General Counsel, McGrath RentCorp, 5700 Las

Positas Road, Livermore, CA 94551. Alternatively, the Grantee may send an e-mail to: Gilda.Malek@mgrc.com. The Grantee agrees to provide the Company with any changes to the Grantee's e-mail address in order to continue to receive electronic notifications and disclosures. Changes to the Grantee's e-mail address should be sent to the address or e-mail address listed herein.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 9 of the Agreement. The Grantee further agrees to the venue and jurisdiction selection in accordance with Section 10 of the Agreement. The Grantee further agrees to notify the Company upon any change in his or her residence address indicated in this Notice.

Date:
Grantee's Signature

Grantee's Printed Name

Address

City, State & Zip

Exhibit 10.6.2

Award Number: <award_id>

MCGRATH RENTCORP
2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

1.Issuance of Units. McGrath RentCorp, a California corporation (the “Company”), hereby issues to the Grantee (the “Grantee”) named in the Notice of Restricted Stock Unit Award (the “Notice”) an award (the “Award”) of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the “Units”), subject to the Notice, this Restricted Stock Unit Agreement (the “Agreement”) and the terms and provisions of the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2.Transfer Restrictions. The Units may not be transferred, assigned, alienated, encumbered, pledged or attached in any manner other than by will or by the laws of descent and distribution and any such transfer, assignment, alienation, encumbrance, pledge or attachment shall be void and unenforceable against the Company or a Related Entity.

3.Conversion of Units and Issuance of Shares.

(a)General. Subject to Sections 3(b) and 3(c), one Share and, if applicable, a Cash Dividend Equivalent (as defined in this Section 3(a)), shall be issuable for each Unit subject to the Award upon vesting. Immediately after such vesting, or as soon as administratively feasible, the Company will transfer the appropriate number of Shares and the Cash Dividend Equivalent amount, if applicable, to the Grantee after satisfaction of any required tax or other withholding obligations. For purposes herein, “Cash Dividend Equivalent” means for each Share issued in settlement of a vested Unit, a cash payment equal to the aggregate cash dividends, if any, that would have been payable to the Grantee with respect to such Share had the Grantee been the holder of the Share between the Date of Award and the date of such settlement; provided. For the avoidance of doubt, no Cash Dividend Equivalent shall be payable with respect to any Unit that does not vest. Any fractional Unit remaining after the Award is fully vested shall be discarded and shall not be converted into a fractional Share, and no Cash Dividend Equivalent shall be payable with respect to such fractional Unit. Notwithstanding the foregoing, the relevant number of Shares shall be issued, and the related Cash Dividend Equivalent, if applicable, shall be paid, no later than March 15th of the year following the calendar year in which the Award vests. [The Company may, however, in its sole discretion, make a cash payment in lieu of the issuance of Shares under this Section 3(a) in an amount equal to the Fair Market Value thereof; provided that the corresponding Cash Dividend Equivalent in such event shall be calculated as though the Grantee had been issued Shares rather than such cash payment.]

(b)Delay of Conversion. The conversion of the Units into the Shares, but not the payment of the related Cash Dividend Equivalent, if any, under Section 3(a) above shall be

delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(b), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(b), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(c)Delay of Issuance of Shares. The Company shall delay the issuance of any Shares and the payment of any related Cash Dividend Equivalent under this Section 3 to the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain "specified employees" of certain publicly-traded companies); in such event, any Shares and any Cash Dividend Equivalent to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee's termination of Continuous Service will be issuable on the first business day following the expiration of such six (6) month period.

4.Right to Shares. The Grantee shall not have any right in, to or with respect to any of the Shares (including any shareholder rights, voting rights or, except as provided in Section 3(a), rights with respect to dividends paid on the Common Stock) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee.

5.Restrictive Covenants. Grantee acknowledges and agrees that Grantee's eligibility for, receipt of, and vesting of the Award is conditioned upon:

(a)Grantee's execution of and compliance at all times with the Company's Proprietary Information Agreement entered into between the Grantee and the Company; and

(b)Grantee's compliance at all times with the Company's governance policies, including, without limitation, the Company's Code of Business Conduct and Ethics, as each may be amended from time to time.

Provided the Employee was given a Proprietary Information Agreement by the Company which he/she has not yet executed, if the Company does not receive a fully executed Proprietary Information Agreement (whether electronically or otherwise) within six (6) months of the date of the Award, then the Award shall be terminable by the Company. The Award may also be terminable by the Company if Grantee violates the Company's governance policies.

6.Taxes.

(a)Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the tax treatment of or any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the payment of any Cash Dividend Equivalent, the subsequent

sale of any Shares acquired upon vesting and the receipt of any other dividends or dividend equivalents. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b)Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Unless the Board or the compensation committee of the Board affirmatively determines to require the Grantee to make other arrangements to satisfy the Tax Withholding Obligation, the Company shall satisfy the Tax Withholding Obligation by Share withholding as set forth in Section 6(c) below; provided, however, that the Company shall satisfy any Tax Withholding Obligation attributable to a Cash Dividend Equivalent by withholding a portion of such Cash Dividend Equivalent sufficient to satisfy such portion of the Tax Withholding Obligation. Notwithstanding the foregoing, if permissible under Applicable Law, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or a Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or a Related Entity to do so, whether or not the Grantee is an employee of the Company and/or a Related Entity at that time.

(c)Share Withholding. If permissible under Applicable Law, the Grantee authorizes the Company to, upon the exercise of its sole discretion, withhold from those Shares otherwise issuable to the Grantee the whole number of Shares sufficient to satisfy the minimum applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's minimum Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above.

7.Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

8.Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

9.Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10.Venue and Jurisdiction. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought exclusively in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of Alameda) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 10 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

11.Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

12.Data Privacy.

(a)The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee’s employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan.

(b)The Grantee understands that the Company and the Grantee’s employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee’s favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

(c)The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan.

The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

13.Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

14.Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares issuable or amounts payable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A of the Code as amplified by any Treasury regulations or guidance from the Internal Revenue Service as the Company deems appropriate or advisable. It is the intention of the Company that the Award comply with Section 409A of the Code and this Agreement be interpreted in a matter to effect such compliance. Notwithstanding the foregoing, the Company makes no representation that the Award will comply with Section 409A of the Code and makes no undertaking to prevent Section 409A of the Code from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A of the Code.

15.Status of the RSU. The Units subject to this Award are not intended to constitute property, but are a contract pursuant to which a future payment of cash or a payment in the form of an in-kind transfer of Shares will be made following the vesting of the Units. The Units are not, therefore, subject to Code Section 83 and it is not possible to make an election under Code Section 83(b) (which is only applicable to a transfer of property that is subject to a substantial risk of forfeiture). The Grantee should consult his or her tax advisors to determine the tax implications resulting from this Award and the vesting of the Units subject to this Agreement.

END OF AGREEMENT

Exhibit 10.6.3

MCGRATH RENTCORP

2016 STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

Grantee’s Name and Address: <first_name> <middle_name> <last_name>

<address_1> <address_2>

<city>, <state> <zip>

You (the “Grantee”) have been granted an award of Restricted Stock Units (the “Award”), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the “Notice”), the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), and the Restricted Stock Unit Agreement (the “Agreement”) attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number <award_id>

Date of Award <award_date>

Total Number of Restricted Stock
Units Awarded (the “Units”) <shares_awarded>

Vesting Schedule:

Subject to the Grantee’s Continuous Service through the Determination Date (as defined below) and other limitations set forth in this Notice, the Agreement and the Plan, the Units will “vest” in accordance with the following schedule (the “Vesting Schedule”):

No Units shall vest unless Enviroplex’s division three year average annual earnings before interest and taxes (“Division EBIT”) as of the financial plan year ending <Award_User_Defined_2> (the “Determination Date”) is at least equal to Threshold. Division EBIT achievement for such period shall be determined by the Board in its sole discretion (including, without limitation, after giving effect to adjustments to account for, among other things, extraordinary items, as determined in its sole discretion) no later than <Award_User_Defined_3>. Based on the Division EBIT for such period, the Units shall vest as follows:

Division EBIT Achieved	**Percentage of Vested Units Earned**
Threshold	50%
Target	100%

Maximum and above	200%

If Division EBIT achievement is above Threshold and below Target, or above Target and below Maximum, then the number of Units that vest shall be determined based on straight line interpolation, rounded up to the next whole Unit. No Units are earned for achievement below Threshold. The specific Threshold, Target and Maximum goals are documented annually in the minutes of the February Board meeting.

For purposes of this Notice and the Agreement, the term “vest” shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

Unless otherwise provided in a written agreement between the Grantee and the Company or a Company severance plan in which the Grantee participates, vesting shall immediately cease upon the date of the termination of the Grantee’s Continuous Service for any reason. In the event the Grantee’s Continuous Service is terminated for any reason other than Retirement, the Grantee’s death or Disability or by the Company without Cause, any unvested Units held by the Grantee immediately upon such termination of Continuous Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by the Grantee.

Notwithstanding the foregoing, in the event the Grantee’s Continuous Service is terminated by the Company without Cause (excluding due to death or Disability) prior to the Determination Date, whether before or after the occurrence of a Change in Control or a Corporate Transaction, the Units shall immediately vest with Division EBIT deemed satisfied at Target and the Percentage of Vested Units Earned equal to the percentage obtained by dividing (A) the number of days between the Date of Award and the date of such termination of Grantee’s Continuous Service by (B) 1,095. For the avoidance of doubt, if the Grantee’s Continuous Service is terminated for Cause or if the Grantee resigns Grantee’s Continuous Service for any reason other than Retirement, whether prior to or after the Determination Date, all Units will be forfeited. Any Units that accelerate and vest as a result of the Grantee’s termination by the Company without Cause shall be settled in accordance with Section 3 of the Agreement. Any Units that remain unvested after giving effect to the accelerating vesting contemplated by this paragraph shall immediately be forfeited and canceled effective as of the date of the Grantee’s date of termination.

Notwithstanding the foregoing, in the event the Grantee’s Continuous Service terminates due to Retirement prior to the Determination Date, then the Units shall remain outstanding following such termination and eligible to vest after the Determination Date based on Division EBIT actually achieved and the Percentage of Vested Units Earned will equal the Percentage of Vested Units Earned based on Division EBIT achievement, multiplied by the percentage obtained by dividing (A) the number of days between the Date of Award and the date of such termination of the Grantee’s Continuous Service due to Retirement, by (B) 1,095. Any Units that vest following the Grantee's Retirement shall be settled in accordance with Section 3 of the Agreement.

"Retirement" means the Grantee's termination of Continuous Service due to voluntary resignation from active employment with the Company and any Related Entity at or after the Grantee attains age 60 and has provided, at minimum, 5 years of service to the Company or any Related Entity; provided, that the Grantee provides at least [three (3) months'] advance written notice to the Company prior to the effective date of the Grantee's Retirement.

Notwithstanding the foregoing, in the event the Grantee's Continuous Service terminates due to the Grantee's death or Disability prior to the Determination Date, then the Units shall immediately vest with ROIC deemed satisfied at Target and the Percentage of Vested Units Earned equal to 100%. Any Units that accelerate and vest as a result of the Grantee's death or Disability shall be settled in accordance with Section 3 of the Agreement.

As a condition to receiving accelerated vesting in the event of the Grantee's termination of Continuous Service by the Company without Cause or due to the Grantee's Retirement, death or Disability, the Grantee (or their estate, as applicable) shall first sign a waiver and general release of all claims in favor of the Company and its subsidiaries and, in the form provided by the Company at or following the termination of employment (the "Release"). Further, the Release must be executed by the Grantee (or their estate, as applicable) and not revoked, and become effective, within sixty (60) days following the Grantee's termination of employment.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

McGrath RentCorp
a California corporation

By: /s/ Joseph F. Hanna

Title: President and CEO

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES OR CASH AMOUNTS HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S (OR A RELATED ENTITY'S) RIGHT TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" (as defined in the Company's Insider Trading and Blackout Policy) and/or insider trading rules, federal securities laws or other Applicable Law could prohibit Grantee from engaging in any transaction involving the sale of the Company's Shares. The Grantee acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares will subject the Grantee to liability under insider trading rules, federal securities laws, or other Applicable Law. Failure to comply with these laws and/or the Company's Insider Trading and Blackout Policy is a violation of Company Policy. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares complies with Company policies. In the event it is determined Grantee has violated any Company policy, the Company reserves the right to take disciplinary action, up to and including the termination of Grantee's employment.

The Grantee understands that the Award is subject to the Grantee's consent to access this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") in electronic form on the Company's intranet or the website of the Company's designated brokerage firm, if applicable. By signing below (or providing an electronic signature by clicking below) and accepting the grant of the Award, the Grantee: (i) consents to access electronic copies (instead of receiving paper copies) of the Plan Documents via the Company's intranet or the website of the Company's designated brokerage firm, if applicable; (ii) represents that the Grantee has access to the Company's intranet or the website of the Company's designated brokerage firm, if applicable; (iii) acknowledges receipt of electronic copies, or that the Grantee is already in possession of paper copies, of the Plan Documents; (iv) acknowledges that the Grantee is familiar with and accepts the Award subject to the terms and provisions of the Plan Documents; and (v) acknowledges that the Grantee has read and understands the Company's Insider Trading and Blackout Policy.

The Company may, in its sole discretion, decide to deliver any Plan Documents by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

This consent will apply to this Award as well as any future Awards made to the Grantee by the Company. The Grantee may withdraw his or her consent to receive the Plan Documents electronically at any time by sending written notification of the Grantee's withdrawal of his or her consent to: Gilda Malek, Senior Vice President, Chief Legal Officer, McGrath RentCorp, 5700 Las Positas Road, Livermore, CA 94551. Alternatively, the Grantee may send an e-mail to: gilda.malek@mgrc.com. The Grantee agrees to provide the Company with any changes to the Grantee's e-mail address in order to continue to receive electronic notifications and disclosures. Changes to the Grantee's e-mail address should be sent to the address or e-mail address listed herein.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 9 of the Agreement. The Grantee further agrees to the venue and jurisdiction selection in accordance with Section 10 of the Agreement. The Grantee further agrees to notify the Company upon any change in his or her residence address indicated in this Notice.

Date:

Grantee's Signature

Grantee's Printed Name

Address

City, State & Zip

Exhibit 10.6.3

Award Number: <award_id>

MCGRATH RENTCORP
2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

1.Issuance of Units. McGrath RentCorp, a California corporation (the “Company”), hereby issues to the Grantee (the “Grantee”) named in the Notice of Restricted Stock Unit Award (the “Notice”) an award (the “Award”) of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the “Units”), subject to the Notice, this Restricted Stock Unit Agreement (the “Agreement”) and the terms and provisions of the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2.Transfer Restrictions. The Units may not be transferred, assigned, alienated, encumbered, pledged or attached in any manner other than by will or by the laws of descent and distribution and any such transfer, assignment, alienation, encumbrance, pledge or attachment shall be void and unenforceable against the Company or a Related Entity.

3.Conversion of Units and Issuance of Shares.

(a)General. Subject to Sections 3(b) and 3(c), one Share and, if applicable, a Cash Dividend Equivalent (as defined in this Section 3(a)), shall be issuable for each Unit subject to the Award upon vesting. Immediately after such vesting, or as soon as administratively feasible, the Company will transfer the appropriate number of Shares and the Cash Dividend Equivalent amount, if applicable, to the Grantee after satisfaction of any required tax or other withholding obligations. For purposes herein, “Cash Dividend Equivalent” means for each Share issued in settlement of a vested Unit, a cash payment equal to the aggregate cash dividends, if any, that would have been payable to the Grantee with respect to such Share had the Grantee been the holder of the Share between the Date of Award and the date of such settlement; provided. For the avoidance of doubt, no Cash Dividend Equivalent shall be payable with respect to any Unit that does not vest. Any fractional Unit remaining after the Award is fully vested shall be discarded and shall not be converted into a fractional Share, and no Cash Dividend Equivalent shall be payable with respect to such fractional Unit. Notwithstanding the foregoing, the relevant number of Shares shall be issued, and the related Cash Dividend Equivalent, if applicable, shall be paid, no later than March 15th of the year following the calendar year in which the Award vests. [The Company may, however, in its sole discretion, make a cash payment in lieu of the issuance of Shares under this Section 3(a) in an amount equal to the Fair Market Value thereof; provided that the corresponding Cash Dividend Equivalent in such event shall be calculated as though the Grantee had been issued Shares rather than such cash payment.]

(b)Delay of Conversion. The conversion of the Units into the Shares, but not the payment of the related Cash Dividend Equivalent, if any, under Section 3(a) above shall be

delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(b), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(b), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(c)Delay of Issuance of Shares. The Company shall delay the issuance of any Shares and the payment of any related Cash Dividend Equivalent under this Section 3 to the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain “specified employees” of certain publicly-traded companies); in such event, any Shares and any Cash Dividend Equivalent to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee’s termination of Continuous Service will be issuable on the first business day following the expiration of such six (6) month period.

4.Right to Shares. The Grantee shall not have any right in, to or with respect to any of the Shares (including any shareholder rights, voting rights or, except as provided in Section 3(a), rights with respect to dividends paid on the Common Stock) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee.

5.Restrictive Covenants. Grantee acknowledges and agrees that Grantee’s eligibility for, receipt of, and vesting of the Award is conditioned upon:

(a)Grantee’s execution of and compliance at all times with the Company’s Proprietary Information Agreement entered into between the Grantee and the Company; and

(b)Grantee’s compliance at all times with the Company’s governance policies, including, without limitation, the Company’s Code of Business Conduct and Ethics, as each may be amended from time to time.

Provided the Employee was given a Proprietary Information Agreement by the Company which he/she has not yet executed, if the Company does not receive a fully executed Proprietary Information Agreement (whether electronically or otherwise) within six (6) months of the date of the Award, then the Award shall be terminable by the Company. The Award may also be terminable by the Company if Grantee violates the Company’s governance policies.

6.Taxes.

(a)Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the tax treatment of or any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the payment of any Cash Dividend Equivalent, the subsequent

sale of any Shares acquired upon vesting and the receipt of any other dividends or dividend equivalents. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee’s tax liability.

(b)Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the “Tax Withholding Obligation”), the Grantee must arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Unless the Board or the compensation committee of the Board affirmatively determines to require the Grantee to make other arrangements to satisfy the Tax Withholding Obligation, the Company shall satisfy the Tax Withholding Obligation by Share withholding as set forth in Section 6(c) below; provided, however, that the Company shall satisfy any Tax Withholding Obligation attributable to a Cash Dividend Equivalent by withholding a portion of such Cash Dividend Equivalent sufficient to satisfy such portion of the Tax Withholding Obligation. Notwithstanding the foregoing, if permissible under Applicable Law, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or a Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or a Related Entity to do so, whether or not the Grantee is an employee of the Company and/or a Related Entity at that time.

(c)Share Withholding. If permissible under Applicable Law, the Grantee authorizes the Company to, upon the exercise of its sole discretion, withhold from those Shares otherwise issuable to the Grantee the whole number of Shares sufficient to satisfy the minimum applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee’s minimum Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above.

7.Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee’s interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

8.Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

9.Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10.Venue and Jurisdiction. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought exclusively in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of Alameda) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 10 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

11.Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

12.Data Privacy.

(a)The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee’s personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee’s employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan.

(b)The Grantee understands that the Company and the Grantee’s employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee’s favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

(c)The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan.

The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

13.Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

14.Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares issuable or amounts payable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A of the Code as amplified by any Treasury regulations or guidance from the Internal Revenue Service as the Company deems appropriate or advisable. It is the intention of the Company that the Award comply with Section 409A of the Code and this Agreement be interpreted in a matter to effect such compliance. Notwithstanding the foregoing, the Company makes no representation that the Award will comply with Section 409A of the Code and makes no undertaking to prevent Section 409A of the Code from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A of the Code.

15.Status of the RSU. The Units subject to this Award are not intended to constitute property, but are a contract pursuant to which a future payment of cash or a payment in the form of an in-kind transfer of Shares will be made following the vesting of the Units. The Units are not, therefore, subject to Code Section 83 and it is not possible to make an election under Code Section 83(b) (which is only applicable to a transfer of property that is subject to a substantial risk of forfeiture). The Grantee should consult his or her tax advisors to determine the tax implications resulting from this Award and the vesting of the Units subject to this Agreement.

END OF AGREEMENT

Exhibit 10.6.4

MCGRATH RENTCORP
2016 STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

Grantee's Name and Address: <first_name> <last_name>
<address_1> <address_2>
<city> <state> <zip>

You (the "Grantee") have been granted an award of Restricted Stock Units (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the "Notice"), the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the "Plan") and the Restricted Stock Unit Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number <award_id>

Date of Award <award_date>

Scheduled Settlement Date <settlement_date>

Total Number of Restricted Stock
Units Awarded (the "Units") <shares_awarded>

Vesting and Settlement

Subject to the limitations set forth in this Notice, the Agreement and the Plan, the Units will "vest" and be settled in accordance with the following schedules:

Vesting Schedule:

Subject to the Grantee's Continuous Service, 100% of the Units subject to the Award shall vest on ________________ (the "Scheduled Vesting Date").

Notwithstanding the foregoing, in the event of any of the following occurrences prior to the Scheduled Vesting Date (any such event, an "Accelerated Vesting Event"), 100% of the Units subject to the Award shall vest immediately prior to the specified effective date of (and contingent upon) a Change in Control or a Corporate Transaction (each as defined in the Plan) which also constitutes a "change in the ownership or effective control, or in the ownership of a substantial portion of the assets" (as defined in Section 409A of the Code) of the Company.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

Vesting shall cease upon the date the Grantee terminates Continuous Service for any reason, including Disability. In the event the Grantee terminates Continuous Service for any reason, including Disability, any unvested Units held by the Grantee immediately upon such termination of the Grantee's Continuous Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by the Grantee.

Notwithstanding anything to the contrary, unless otherwise prohibited by Applicable Law, if the Grantee's Continuous Service is terminated prior to the Scheduled Vesting Date, for any reason other than (i) a removal by vote of the shareholders or (ii) a termination for Cause (as defined in the Plan), then a portion of the Units equal to the quotient of (x) the full number of months of the Grantee's Continuous Service from the Date of Award to the date of such termination, *divided by* (y) 12, rounded up to the next 100 Units, shall become fully vested as of the date of such termination of Continuous Service.

Settlement Schedule:

Subject to Section 3 of the Agreement, one share of Common Stock shall be issuable for each vested Unit subject to the Award (the "Shares") upon the earliest of (i) the Scheduled Settlement Date; (ii) an Accelerated Vesting Event; (iii) the specified effective date of a Change in Control or a Corporate Transaction (each as defined in the Plan) which also constitutes a "change in the ownership or effective control, or in the ownership of a substantial portion of the assets" (as defined in Section 409A of the Code) of the Company; or (iv) (check all that apply):

x

xa termination of the Grantee's Continuous Service which also constitutes a separation from service under Section 1.409A-1(c)(2)(ii) of the Treasury Regulations;

the Grantee's death;

xthe Grantee's Disability (as defined in the Plan) which also constitutes a "disability" (as defined in Section 1.409A-3(i)(4) of the Treasury Regulations).

Within thirty (30) days thereafter, the Company will transfer the appropriate number of Shares to the Grantee after satisfaction of any required tax or other withholding obligations. The Company may however, in its sole discretion, make a cash payment in lieu of the issuance of the Shares in an amount equal to the value of one share of Common Stock multiplied by the number of Units subject to the Award.

During any authorized leave of absence, the vesting of the Units as provided in this schedule shall be suspended (to the extent permitted under Section 409A of the Code) after the leave of absence exceeds a period of three (3) months. The Vesting Schedule of the Units shall be extended by the length of the suspension. Vesting of the Units shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity; provided, however, that if the leave of absence exceeds six (6) months, and a return to service upon expiration of such leave is not guaranteed by statute or contract, then (a) the Grantee's Continuous Service shall be deemed to terminate on the first date following such six-month period and (b) the Grantee will forfeit the Units that are unvested on the date of the Grantee's termination of Continuous Service. An authorized leave of absence shall include sick leave, military leave, or other bona fide leave of absence (such as temporary employment by the government). Notwithstanding the foregoing, with respect to a leave of absence due to any medically determinable physical or mental impairment of the Grantee that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Grantee to be unable to perform the duties of the Grantee's position of employment or substantially similar position of employment, a twenty-nine (29) month period of absence shall be substituted for such six (6) month period above.

The Vesting and Settlement Schedules set forth in this Notice are intended to supersede Section 11 of the Plan.

The elections made by the Grantee in the Settlement Schedule shall not be amended except in compliance with Section 409A of the Code, and in particular in compliance with Section 1.409A-2(b) of the Treasury Regulations.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

McGrath RentCorp
a California corporation

By: /s/ Joseph F. Hanna

Title: President and CEO

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan.

The Grantee further acknowledges that, from time to time, the Company may be in a “blackout period” and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Company’s Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee’s responsibility to determine whether or not such sale of Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Grantee understands that the Award is subject to the Grantee’s consent to access this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the “Plan Documents”) in electronic form on the Company’s intranet or the website of the Company’s designated brokerage firm, if applicable. By signing below (or providing an electronic signature by clicking below) and accepting the grant of the Award, the Grantee: (i) consents to access electronic copies (instead of receiving paper copies) of the Plan Documents via the Company’s intranet or the website of the Company’s designated brokerage firm, if applicable; (ii) represents that the Grantee has access to the Company’s intranet or the website of the Company’s designated brokerage firm, if applicable; (iii) acknowledges receipt of electronic copies, or that the Grantee is already in possession of paper copies, of the Plan Documents; and (iv) acknowledges that the Grantee is familiar with and accepts the Award subject to the terms and provisions of the Plan Documents.

The Company may, in its sole discretion, decide to deliver any Plan Documents by electronic means or request the Grantee’s consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 9 of the Agreement. The Grantee further agrees to the venue and jurisdiction selection in accordance with Section 10 of the Agreement. The Grantee further agrees to notify the Company upon any change in his or her residence address indicated in this Notice.

Date:
Grantee’s Signature

Grantee’s Address:

Exhibit 10.6.4

Award Number: <award_id>

MCGRATH RENTCORP
2016 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

1.Issuance of Units. McGrath RentCorp, a California corporation (the “Company”), hereby issues to the Grantee (the “Grantee”) named in the Notice of Restricted Stock Unit Award (the “Notice”) an award (the “Award”) of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the “Units”), subject to the Notice, this Restricted Stock Unit Agreement (the “Agreement”) and the terms and provisions of the McGrath RentCorp 2016 Stock Incentive Plan, as amended from time to time (the “Plan”), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2.Transfer Restrictions. The Units may not be transferred in any manner other than by will or by the laws of descent and distribution.

3.Delays in the Conversion of Units and Issuance of Shares.

(a)Delay of Conversion. The conversion of the Units into the Shares as set forth in the Notice shall be delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(a), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(a), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(b)Delay of Issuance of Shares. The Company shall delay the issuance of any Shares under the Notice and this Section 3 to the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain “specified employees” of certain publicly-traded companies); in such event, any Shares to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee’s termination of Continuous Service will be issuable on the first business day following the expiration of such six (6) month period.

4.Right to Shares. The Grantee shall not have any right in, to or with respect to any of the Shares (including any voting rights or rights with respect to dividends paid on the Common Stock) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee; provided, however, that vested Units that have not been settled shall accrue amounts equivalent to the dividends declared on the number of Shares subject to such vested Units, which amounts shall be paid in cash without interest to the Grantee at the time such Units are settled as set forth in the Notice (or, if later, upon payment of the dividend).

5.Restrictive Covenants. Grantee acknowledges and agrees that Grantee's eligibility for, receipt of, and vesting of the Award is conditioned upon Grantee's compliance at all times with (a) the Company's Proprietary Information Agreement entered into between the Grantee and the Company and (b) the Company's governance policies, including, without limitation, the Company's Code of Business Conduct and Ethics.

6.Taxes.

(a)Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the subsequent sale of any Shares acquired upon vesting and the receipt of any dividends or dividend equivalents. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in the manner described within this Section 6(b). If the Award is settled in Shares, then at any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., a vesting date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by delivering to the Company an amount that the Company determines is sufficient to satisfy the Tax Withholding Obligation by (x) wire transfer to such account as the Company may direct, (y) delivery of a certified check payable to the Company, or (z) such other means as specified from time to time by the Administrator. If Grantee does not make such arrangements, the Company shall withhold from those Shares otherwise issuable to the Grantee the whole number of Shares sufficient to satisfy the minimum applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's minimum Tax Withholding Obligation. Accordingly, in that event, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above. In the event that the Company elects to settle the Award by making a cash payment in lieu of the issuance of Shares as described in the Notice, the Company shall withhold from the cash amount otherwise payable to the Grantee an amount sufficient to satisfy the minimum applicable Tax Withholding Obligation.

7.Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

8.Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9.Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10.Venue and Jurisdiction. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought exclusively in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of Alameda) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 10 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

11.Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

12.Data Privacy.

(a)The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee’s participation in the Plan.

(b)The Grantee understands that the Company and the Grantee’s employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee’s favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

(c)The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee’s country, or elsewhere, and that the recipients’ country may have different data privacy laws and protections than the Grantee’s country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee’s local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee’s participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee’s participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee’s local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee’s ability to participate in the Plan. For more information on the consequences of the Grantee’s refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee’s local human resources representative.

13.Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

14.Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares issuable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A of the Code as amplified by any Treasury regulations or guidance from the Internal Revenue Service as the Company deems appropriate or advisable. In addition, the Company makes no representation that the Award will comply with Section 409A of the Code and makes no undertaking to prevent Section 409A of the Code from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The

Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A of the Code.

END OF AGREEMENT

Exhibit 19.1

MCGRATH RENTCORP

Insider Trading and Blackout Policy

(Amended and Restated on February 14, 2025)

This Insider Trading Policy provides guidelines to all personnel, including employees (both domestic and international), directors and officers of McGrath RentCorp and its subsidiaries (collectively, the "Company" or "McGrath"), or consultants to the Company who may come into possession of Material Non-Public Information (as defined in Section III, Item 4 below) with respect to the Company (a "Consultant"). The Company's securities to which this policy applies include common stock, options to purchase common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants, convertible debentures and other debt securities. The Company's securities also include derivative securities relating to the Company's stock, even if not issued by the Company, such as exchange-traded options (e.g., puts and calls).

I. POLICY

It is the policy of the Company to comply with all insider trading laws and regulations. Thus, no director, officer or other employee or consultant of the Company who is aware of Material Non-Public Information relating to the Company may, directly or through family members or other persons or entities, (a) buy or sell securities of the Company (other than pursuant to a Rule 10b5-1 trading plan as described in Section III, Item 11 below), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. These same restrictions in trading apply to the Company itself.

In addition, it is the policy of the Company that no employee, officer, director or consultant of the Company who, in the course of working for the Company, learns of Material Non-Public Information about a material customer or supplier, or a potential acquisition target of the Company, may trade in that company's securities until the information becomes public or is no longer material. Further, as described below in Section III, Item 8, every employee, officer, director and Consultant are subjected to certain trading restrictions during a Blackout Period (as defined in Section III, Item 8 below).

II. RESPONSIBILITY

Employees, officers, directors and Consultants may create, use or have access to Material Non-Public Information about the Company, or a material customer or supplier, or a potential acquisition target of the Company, that is not generally available to the investing public. Each such individual has an important ethical and legal obligation to maintain the confidentiality of such information and not to engage in any transactions in the Company's securities or, if applicable, securities of such companies. Each such individual and the Company may be subject to severe civil and criminal penalties as a result of unauthorized disclosure of or trading in the Company's securities or, if applicable, securities of such companies with which it does business while in possession of Material Non-Public Information. Each employee, officer, director, or

Consultant understands that the responsibility for determining whether he or she possesses Material Non-Public Information rests with such individual and that pre-approval of a transaction does not constitute legal advice or insulate such individual from liability under the securities laws.

The Company's Board of Directors has designated the Chief Legal Officer or his or her designee as the person responsible for the administration of this Insider Trading Policy.

III. GUIDELINES

1. Prohibition.

Every employee, officer, director and Consultant is prohibited from:

(a) buying, selling or shorting the Company's securities while in possession of Material Non-Public Information or when subject to the Company's Blackout Period;

(b) communicating such information to third parties other than those who need to know such information in connection with doing business with or for the Company;

(c) recommending the purchase or sale of the Company's securities while in the possession of Material Non-Public Information or when subject to the Blackout Period;

(d) gifting, even if bona fide, the Company's securities during the Blackout Period, while in possession of Material Nonpublic Information or during event-specific blackout periods; and

(e) assisting anyone engaged in any of the above activities.

This prohibition also applies to information about, and the securities of, material customers or suppliers of the Company, or a potential acquisition target of the Company. The policy also applies to any sale of stock as part of a broker-assisted cashless exercise of an equity award, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an equity award.

This Insider Trading Policy does not prohibit (i) the exercise of a Company equity award (i.e. stock option) for cash, (ii) the exercise of a tax withholding right pursuant to which an employee elects to have the Company withhold shares subject to an equity award to satisfy tax withholding requirements, or (iii)the exercise of a tax withholding right under which an employee elects to have the Company withhold shares in connection with the vesting of restricted stock to satisfy tax withholding requirements.

Lastly, this Insider Trading Policy does not prohibit transactions pursuant to a pre-cleared Rule 10b5-1 trading plan.

The policy has specific rules with respect to the Company's Employee Stock Ownership and 401(k) Plan ("KSOP"), which are addressed below in Section III, Item 12.

Engaging in transactions in the Company's securities that are otherwise necessary for personal reasons, such as personal financial commitments, are still prohibited if you possess Material Non-Public Information or when subject to a Blackout Period.

2. Transactions By Family Members; Entities Controlled by You.

The prohibitions outlined in this Insider Trading Policy also apply to your family members who reside with you, including your spouse, minor children, anyone else living in your home, any family members who do not live in your home but whose transactions in Company securities or securities of the companies with which it does business are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in Company securities) and any entities under your control. The Company will hold you responsible for the conduct of these other persons or entities. Therefore, you should make them aware of the need to confer with you before they trade in the Company's securities or, if applicable, securities of the companies with which it does business.

3. Tipping Information to Others.

You may not disclose any Material Non-Public Information to others, including your family members, friends or social acquaintances. This prohibition applies whether or not you receive any benefit from the other person's use of that information. The Securities and Exchange Commission (the "SEC") has imposed large penalties even when the disclosing person did not profit from the trading. In addition to being considered a form of insider trading, tipping is a serious breach of corporate confidentiality. For this reason, you should be careful to avoid discussing sensitive information in any place where such information may be heard by others, including any activity on social media platforms.

4. Material Non-Public Information.

Material Information. Information is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to purchase, hold or sell the Company's securities (*e.g.*, information regarding a possible merger, acquisition or disposition involving the Company, the introduction of important products or major marketing changes). In addition, any information that could be expected to affect the stock price for the Company's securities, whether it is positive or negative, should be considered material.

Non-public Information. Non-public information is any information that has not been disclosed to the investing public. Examples of non-public information may include: undisclosed facts that are the subject of rumors, even if the rumors are reported in the media; information available to a specific group of analysts or brokers; any information that has been entrusted to the Company on a confidential basis until a public announcement has been made and sufficient time has passed for the market to respond to the public announcement; or quarterly and monthly financial and operational performance data. Generally, disclosure by press release or in the

Company's periodic reports filed with the SEC is necessary to make the information public. The Company's trading window opens on the second business day after the Company has released information to the public, meaning you will need to allow at least two (2) full business day (that is, days on which national stock exchanges are open for trading) after public release of information, for the investing public to absorb and evaluate the information, before you trade in the Company's securities.

Although it is not possible to list all types of material information, the following are a few examples of information that is particularly sensitive and should be treated as material:

• projections of future earnings or changes in estimates of earnings or sales	• major marketing changes
• increases or decreases in dividend payments	• unusual gains or losses in major operations or unexpected financial results
• stock splits or securities offerings	• public or private sales by the Company of a significant amount of securities
• possible material mergers, acquisitions, dispositions or joint ventures	• purchase or sale of a significant asset
• significant contracts and technology licenses	• significant labor dispute or major litigation
• material changes in management	• financial liquidity problems
• changes in auditors	• establishment of a repurchase program for the Company's securities
• the introduction of important products or services	• repurchases of the Company's securities, or announcements about possible future repurchases

When in doubt about whether particular non-public information is material, presume it is material, and consult the Chief Legal Officer or his or her designee.

In addition, the imposition of any blackout periods or restrictions or the denial of a request for pre-clearance of a particular trade pursuant to this Insider Trading Policy is, in itself, confidential that should be treated as Material and Non-Public Information. If you have any question as to whether particular information is material or non-public, you should not trade or communicate the information to anyone without prior approval by the Chief Legal Officer or his or her designee.

5. Inadvertent Disclosure.

If Material Non-Public Information is inadvertently disclosed by any employee, officer, director or Consultant to a person outside the Company who is not obligated to keep the information confidential, you should immediately report all the facts to the Chief Legal Officer or his or her designee so that the Company may take appropriate remedial action. As noted in the Company's Fair Disclosure Policy, under SEC rules, the Company generally has only 24 hours after learning of an inadvertent disclosure of Material Non-Public Information to publicly disclose such information to comply with relevant regulations.

6. Short-term, Speculative Transactions.

The Company has determined that there is a substantial likelihood for the appearance of improper conduct by Company personnel when they engage in short-term or speculative securities transactions.

Company personnel are prohibited from buying any Company securities on the open market within six months before or after a sale of any Company stock on the open market. Company personnel are also not permitted to sell any Company securities on the open market within six months before or after a purchase of any Company stock on the open market. The profit generated by either of these examples would constitute "short-swing profits" and that is prohibited profit, subject to disgorgement to the Company, pursuant to SEC rules.

Company personnel are also prohibited from engaging in any of the following activities involving the Company's securities:

(a) short sales;

(b) hedging transactions;

(c) buying or selling puts or calls;

(d) buying the Company's securities on margin;

(e) hold Company's securities in a margin account, unless such account prohibits the trading of Company's securities while in possession of Material Non-Public Information or when subject to the Company's Blackout Period;

(f) pledging transactions; and

(g) engaging in derivative transactions relating to the Company's securities (e.g., exchange traded options, etc.).

7. Further Prohibition.

From time to time, the Company may determine that other types of transactions, or all transactions, by Company personnel in the Company's securities shall be prohibited.

8. Mandatory Blackout Periods for Officers, Directors and Employees.

Every employee, officer and director are subject to the mandatory blackout period restrictions described in this Section 8. Anyone with questions about the application of these provisions when considering a transaction involving the Company's securities, should contact the Chief Legal Officer or his or her designee before undertaking the transaction and follow his or her instructions.

(a) Quarterly Mandatory Blackout Period.

The release of earnings is a particularly sensitive period of time for transactions in the Company's securities. Therefore, with respect to each fiscal quarter of the Company, a "Blackout Period" shall begin on the **fifteenth (15th) calendar day** of the last month of each fiscal quarter and extending through the **second business day** following the date of release of the Company's quarterly or annual earnings results (the "Earnings Release Date"). If an employee, officer, or consultant's employment, or a director's services terminates during a Blackout Period, those individuals may not trade in the Company's securities until that Blackout Period has ended. The Company will inform employees, officers, and directors of the anticipated date of public disclosure of each quarter's financial results upon request.

Further, no employee, officer, director or Consultant may conduct transactions involving the purchase or sale of the Company's securities during a Blackout Period; provided, however, that the trading restrictions in this sentence shall not apply to (i) the exercise of a Company stock option for cash, (ii) the exercise of a tax withholding right pursuant to which an employee elects to have the Company withhold shares subject to an option to satisfy tax withholding requirements, (iii) the exercise of a tax withholding right under which an employee elects to have the Company withhold shares in connection with the vesting of restricted stock to satisfy tax withholding requirements, or (iv) transactions pursuant to a Rule 10b-5 trading plan.

Section 16 Insiders (as defined below in Section III, Item 9), any other employee notified in writing that Section III, Item 9 applies to them, and employees with Material, Non-Public Information have restrictions on what actions they can take with respect to their KSOP during the Blackout Period. Those restrictions are detailed in Section III, Item 12 below; those KSOP Blackout Period restrictions do not apply to other employees or Consultants.

(b) Event-Specific Blackout Periods.

From time to time, the Company may also determine, at the discretion of the Chief Legal Officer or his or her designee that directors, officers or some or all employees and Consultants must suspend all trading in Company securities because of developments known to the Company and not yet disclosed to the public. So long as the event remains material and nonpublic, individuals notified of the event-specific blackout may not trade in the Company's securities.

The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a person whose trades are subject to pre-clearance requests (as defined in Section III, Item 9 below) seeks permission to trade in the Company's securities during the event-specific blackout, the Chief Legal Officer or his or her designee will inform the requester of the existence of the event-specific blackout, without disclosing the reason for the blackout. Any person made aware of the existence of the event-specific blackout should not disclose the existence of the blackout to any other person, as this information in itself should be treated as material and non-public.

(c) Changes or Extensions of Blackout Periods.

From time to time, at the discretion of the Chief Legal Officer or his or her designee, or the Board of Directors of the Company (with the advice of the Company's outside legal counsel if necessary), the Company may make temporary changes to a Blackout Period, including, without limitation, changes in time periods or extensions of any Blackout Period.

9. Pre-clearance of Transactions by Section 16 Insiders and Certain Employees Notified in Writing.

Prior to any transaction involving the Company's securities (including certain KSOP transactions, and the implementation of a Rule 10b5-1 trading plan), all Section 16 Insiders (defined as all (a) directors, (b) executive officers of the Company, including the chief executive officer, president, principal financial officer, principal accounting officer, or senior vice president, and (c) any vice president in charge of a principal business unit, division or function and any officer or employee who performs a policy-making function for the Company) and any other employee notified in writing that this section applies to them must receive approval from the Chief Legal Officer or his or her designee pursuant to the guidelines and procedures set forth in this Section. The Chief Legal Officer or his or her designee will make every effort to respond to requests for approval as quickly and expeditiously as possible. However, the Chief Legal Officer or his or her designee is under no obligation to approve a trade submitted for pre-clearance, and may determine not to permit the trade. If the Chief Legal Officer or his or her designee is unavailable for more than 24 hours, the Vice President of Human Resources or his or her designee may approve the transaction, as appropriate.

A request for pre-clearance should be submitted to the Chief Legal Officer or his or her designee in advance of the proposed transaction; provided, however, that a request relating to a Rule 10b5-1 trading plan should be submitted at least seven (7) business days in advance of the proposed establishment of such a plan. Follow the submission instructions set forth in the Request for Pre- Clearance Form attached hereto as Appendix A.

Any pre-clearance of a requested transaction shall be effective only from the time the pre- clearance is granted until the end of the day on the date that is five (5) full trading days after the pre- clearance is obtained, but regardless may not be executed within such time period if the individual seeking to complete the transaction subsequently acquires Material Non-Public Information during that time. If a pre-cleared transaction does not occur within such time period, then additional pre-clearance shall be required before the completion of such transaction, or any remaining incomplete portion of such transaction can occur.

10. Others with Material Non-Public Information.

It should be noted that, even outside of the trading prohibition, any person possessing Material Non-Public Information concerning the Company should not engage in any transactions in the Company's securities until such information has been known publicly for at least one full trading day, whether or not the Company has recommended a suspension of trading to that person. **Trading in the Company's securities outside of a Blackout Period should not be considered a "safe harbor," and all directors, officers and other employees should use good judgment at all times to make sure that their trades are not effected while they are in possession of Material Non-Public Information about the Company.**

11. Approved Trading Plans Pursuant to Rule 10b5-1.

Rule 10b5-1 is a rule established by the SEC that allows insiders of publicly traded companies to set up a trading plan for selling stocks they own based on a predetermined formula (i.e. a predetermined number of shares at a predetermined time).

Anyone who wishes to implement a Rule 10b5-1 trading plan must first pre-clear the plan with the Chief Legal Officer or his or her designee. As required by Rule 10b5-1, an insider may enter into a trading plan only when such insider is not in possession of Material Non-Public Information, in good faith and not as a part of a plan or scheme to evade the prohibitions of Rule 10b5-1. In addition, an insider may not enter into a trading plan during a Blackout Period. Also, the Company, which may include its senior officers, may be aware of Material Non-Public Information (that the individual is unaware of) that may make it imprudent for the Chief Legal Officer or his or her designee to pre-clear the entry into a Rule 10b5-1 trading plan.

No insider may enter into more than one Rule 10b5-1 trading plan at a time. In additional, all Rule 10b5-1 trading plans must meet the requirements of Rule 10b5-1, including the documentation of the appropriate cooling off period between entry into the plan and any trades under the plan, before they will be pre-cleared. Transactions effected pursuant to a pre-cleared Rule 10b5-1 trading plan will not require further pre-clearance at the time of the transaction if the plan meets the requirements of Rule 10b5-1.

Each insider understands that the pre-clearance or adoption of a pre-planned selling plan in no way reduces or eliminates such person's obligations under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including such person's disclosure and short-swing trading liabilities thereunder. If any questions arise, such person should consult with their own counsel in designing a trading program.

12. KSOP Transactions.

This Insider Trading Policy does not apply to purchases of Company stock in the KSOP resulting from (a) an employee's periodic contribution of money to the plan pursuant to payroll deduction elections and (b) an employee's preexisting decision to automatically reinvest dividends into the MGRC Unitized Stock Fund or similar stock fund consisting solely of holdings of Company stock.

Certain KSOP transactions are restricted for Section 16 Insiders, any other employee notified in writing that Section III, Item 9 applies to them, and employees with Material Non-Public Information. Specifically, during the Blackout Period, Section 16 Insiders, any other employee notified in writing that Section III, Item 9 applies to them, and employees with Material Non-Public Information may not: (i) change the percentage of periodic contributions that will be allocated to the Company stock fund; (ii) change the decision to automatically reinvest dividends in the KSOP; (iii) make an intra-plan transfer from an existing account balance into or out of the Company stock fund; (iv) make a withdrawal out of the Company stock fund; (v) borrow money against their KSOP account if the loan will result in a liquidation of some or all of the Company stock fund balance; or (vi) pre-pay a plan loan if pre-payment will result in allocation of loan proceeds to the Company stock fund. In addition, all Section 16 Insiders and any other employee notified in writing that Section III, Item 9 applies to them, must receive Pre-clearance before he/she: (i) changes the percentage of periodic contributions that will be allocated to the Company stock fund; (ii) changes the decision to automatically reinvest dividends in the KSOP; (iii) makes an intra-plan transfer from an existing account balance into or out of the Company stock fund; (iv) makes a withdrawal out of the Company stock fund; (v) borrows money against their KSOP account if the loan will result in a liquidation of some or all of the Company stock fund balance; or (vi) pre-pays a plan loan if pre-payment will result in allocation of loan proceeds to the Company stock fund.

13. Confidentiality Guidelines.

To provide more effective protection against the inadvertent disclosure of Material Non-Public Information about the Company or other specified companies, the Company has adopted the following guidelines in addition to the prohibitions in Section III, Item 1 above. These guidelines are not intended to be exhaustive. Additional measures to secure the confidentiality of information should be undertaken as deemed necessary under the circumstances. If you have any doubt as to your responsibilities with respect to confidential information, please seek clarification and guidance from the Chief Legal Officer or his or her designee before you act. Do not try to resolve any uncertainties on your own.

The following guidelines establish procedures with which every employee, officer, director and Consultant should comply in order to maximize the security of confidential information:

(a) Do not discuss any Company matter in public places, such as elevators, hallways, restrooms or eating facilities, where conversations might be overheard.

(b) Use passwords to restrict access to the information on computers.

(c) Limit access to particular physical areas where Material Non-Public Information is likely to be documented or discussed.

14. Authorized Disclosure of Material Non-Public Information.

Under certain circumstances, the Chairman, the Chief Executive Officer, or the Chief Financial Officer may authorize the immediate release of Material Non-Public Information. If disclosure is authorized, the form and content of all public disclosures shall be approved by the Chairman, the Chief Executive Officer, or the Chief Financial Officer (and Company legal counsel, as necessary), pursuant to the terms of the Company's Fair Disclosure Policy.

In the case of Material Non-Public Information which is not disclosed, such information is not to be disclosed or discussed except on a strict "need-to-know" basis. All requests for information, comments, or interviews (other than routine product inquiries) made to any employee, officer, director or Consultant should be directed to the Chairman, the Chief Executive Officer, or the Chief Financial Officer, who will clear all proposed responses, which must be in compliance with the Company's Fair Disclosure Policy. It is anticipated that most questions raised can be answered by the Chairman, the Chief Executive Officer, or the Chief Financial Officer or another Company representative to whom the Compliance Officer refers the request.

All employees, officers, directors and Consultants must comply with the Company's Fair Disclosure Policy and should not respond to such requests directly, unless expressly instructed otherwise by the Chairman, the Chief Executive Officer, or the Chief Financial Officer. In particular, great care should be taken not to comment on the Company's expected future financial results. If the Company wishes to give some direction to investors or securities professionals, it must do so only in compliance with the Company's Fair Disclosure Policy. All communications with representatives of the media and securities analysts shall be directed to the Chairman, the Chief Executive Officer, or the Chief Financial Officer.

15. Post-Termination Transactions.

This policy may continue to apply to your transactions in the Company's securities even after you have terminated employment, ceased consulting services, or no longer provide services to the Company as a member of the Board of Directors of the Company. If you are in possession of Material Non-Public Information when your employment, directorship or consulting services terminate, you may not trade in Company securities or until that information has become public or is no longer material. In addition, a Section 16 Insider may continue to have Section 16 reporting obligations for a period of time after termination of employment or board services.

16. Company Assistance.

If you have any questions about specific information or proposed transactions, or as to the applicability or interpretation of this Insider Trading Policy, the Blackout Periods, or the propriety of any desired action, you are encouraged to contact the Chief Legal Officer or his or her designee. Ultimately, however, the responsibility for adhering to this Policy and avoiding unlawful transactions rests with the individual director, employee or Consultant.

IV. SECTION 16 COMPLIANCE PROGRAM

A Section 16 Insider is subject to the restrictions of this Section IV.

Pursuant to federal securities laws, compliance with the ownership, reporting and short-swing trading provisions of Section 16 of the Securities Exchange Act of 1934, as amended is the responsibility of each Section 16 Insider. However, in view of the complexity of the rules in this area and in order to reduce the likelihood of unintentional reporting or trading violations, the Company has established the guidelines set forth in this Section IV to assist its Section 16 Insiders in meeting their Section 16(a) reporting responsibilities and to help avoid liability for Section 16(b) short-swing trading. These guidelines have been implemented by the Company for several reasons:

· to provide a mechanism for reminding Section 16 Insiders of the risks of their reporting obligations and the risks of short-swing profit liability;

· to assist Section 16 Insiders in complying on a timely basis with the often complex Section 16(a) reporting requirements; and

· to minimize Section 16(a) reporting violations that must be disclosed in the Company's proxy statement and Annual Report on Form 10-K.

As a Section 16 Insider, you must continue to comply with other federal securities laws in addition to Section 16 that apply to transactions in the Company's securities. As a Section 16 Insider, you may be considered an "affiliate" of the Company. As an affiliate you must comply with all applicable requirements of Rule 144 before you sell Company securities. If you have any questions or need advice regarding the propriety, timing or other aspects of securities transactions, you should contact the Chief Legal Officer or his or her designee.

1. Chief Legal Officer or Designee.

The Chief Legal Officer or his or her designee will assist you in the preparation and filing of your Section 16(a) reports, as well as to assist you with Section 16(b) issues. As previously noted, compliance with the Section 16 rules is your personal responsibility, and accordingly, you may prepare and file all required reports yourself. However, because most transactions you effect in the Company's securities will require a filing of Form 4 within two (2) business days after the transaction occurs, the Company has implemented the following procedures to assist you.

Remember that under SEC rules, if you file reporting forms late or fail to file at all, the Company is required by law to disclose your name as a late filer in the Company's Form 10-K as well as in the proxy statement. Other significant penalties may apply.

2. Broker-Interface Procedure and Notification of Plan Administration.

For your own protection and compliance with SEC best practices, the Company advises that you and your broker sign the Broker Instruction/Representation attached hereto as Appendix B which imposes requirements on the broker handling your transaction in Company securities, including the following:

1. Not to enter any order (except for orders under pre-cleared Rule 10b5-1 trading plans) without: (a) first verifying with the Company that your transaction was pre-cleared; and (b) complying with the brokerage firm's compliance procedures (e.g., Rule 144, including any requirements relating to the electronic filings of Form 144s).

2. To report immediately to the Company via: (a) telephone; and (b) in writing (via e-mail or fax) the details of every transaction involving Company securities, including gifts, transfers, pledges, and all transactions effected under Rule 10b5-1 trading plans.

We urge you to have your broker sign the Broker Instruction/Representation Form and return it to the Chief Legal Officer or his or her designee as soon as possible but no later than three (3) business days after you open your account with your broker, so that we can work out with your broker a coordinated procedure. Whether or not your broker signs the form, we remind you again that compliance with Section 16 rules is your responsibility.

In addition, the Company will require that the administrator or trustee of any 401(k), retirement or incentive compensation plan under which you hold or transact in the Company's securities to report immediately to the Company any of your transactions in the plan involving Company securities.

The terms and conditions of the Broker Instruction/Representation may be amended from time to time at the Company's discretion.

3. Filing of Reports; Power of Attorney.

Upon receipt of the Request for Pre-Clearance Form attached hereto as Appendix A and the subsequent determination by the Chief Legal Officer or his or her designee that you may affect the transaction the Chief Legal Officer or his or her designee will have a Form 4 prepared and filed with the SEC on your behalf for the transaction.

If you would like to review the Form 4 in advance of its filing, please advise the Chief Legal Officer or his or her designee and a procedure will be arranged to fax or e-mail a draft to you for your immediate review. Remember that the Form 4 must be filed with the SEC within two (2) business days of the reportable transaction. Therefore, if you would like to review the Form 4 in advance of its filing, you will need to review it promptly and notify the Chief Legal Officer or his or her designee immediately of any changes that should be made to the form. **If you do not contact the Chief Legal Officer or his or her designee in a timely fashion, we will be entitled to assume that you have approved the content of the Form 4 and the execution and filing of it on your behalf.**

In addition, at the end of each fiscal year, the Chief Legal Officer or his or her designee will send you a Form 5 filing reminder, if required, which you should promptly complete, sign and return to the Chief Legal Officer or his or her designee. The Chief Legal Officer or his or her designee will then prepare a Form 5 on your behalf if a Form 5 is required. If you would like to review the Form 5 in advance of its filing, you will need to review it promptly and notify the Chief Legal Officer or his or her designee immediately of any changes that should be made to the form. **If you do not contact the Chief Legal Officer or his or her designee in a timely fashion, we will be entitled to assume that you have approved the content of the Form 5 and the execution and filing of it on your behalf.**

In order to enable the Company to prepare and file Forms 4 and 5 on a timely basis, it is imperative that you sign and return immediately (to the extent that you haven't already) the Power of Attorney attached hereto as Appendix C.

While these guidelines and procedures are designed to assist Section 16 Insiders to comply with Section 16, the Company is aiding in the filing of Section 16 forms as a courtesy and you should recognize that it will remain your obligation to see that your filings are made timely and correctly, and that you do not engage in unlawful short swing transactions. *You are responsible for Section 16 filings and will be liable for any delinquencies; the Company cannot and does not assume any legal responsibility in this regard.*

4. EDGAR Filing Codes.

In order to meet the short filing deadline and comply with the requirement that all Form 4s must be filed electronically, you will need to procure an EDGAR filing number if you do not already have one. To the extent that you have not already done so, please provide the Chief Legal Officer or his or her designee with your EDGAR CIK and CCC codes and passphrase. If you do not already have your personal EDGAR filing codes, please advise the Chief Legal Officer or his or her designee and EDGAR codes will be requested on your behalf.

5. Website Posting of Section 16 Filings.

The Company will provide access to the Section 16 Insiders' Form 3, 4 and 5 reports on its corporate website after they are filed with the SEC.

6. Periodic Preventive Email Alerts/Reminders.

Because the risk of inadvertent Form 4 filing violations is so high and because public scrutiny has been heightened, the Company may send Section 16 Insiders periodic preventive reminders and alerts during the course of the year.

APPENDIX A

REQUEST FOR PRE-CLEARANCE

(Please allow 24 hours for the Company's review and response to requests for pre-clearance.)

To: The Chief Legal Officer or his or her designee

Proposed acquisitions or dispositions:
(Include all purchases, sales, option exercises, gifts, etc.)

Owner (direct, or name of indirect owner)	**Proposed Transaction Date** (see below)	**Proposed Transaction Code** (see below)	**Number of Shares to be Acquired**	**Number of Shares to be Disposed Of**	**Proposed Purchase or Sale Price** (if known) (per unit)

TRANSACTION		CODE:		**TRANSACTION DATE:**	
(A)	Grant of Equity Award	(M)	Exercise of Equity Award	(1)	Brokerage transactions – trade date
(P)	Open Market or Private Purchase	(G)	Gift	(2)	Other purchases and sales – date on which firm commitment is made
(S)	Open Market or Private Sale	(U)	Tender of Shares	(3)	Option and SAR exercises – date of exercise
(J)	Other Acquisition or Disposition (specify - if KSOP change, note it)	(Q)	Transfer Pursuant to Divorce	(4)	Acquisition under bonus plan - date of grant
		(W)	Acquisition or Disposition by Will	(5)	Conversions – date of surrender of convertible security
				(6)	Gifts – date on which gift is made
				(7)	Option Grants – date of grant
				(8)	Option Exercises – date of exercise
				(9)	10b5-1 Trading Programs – date plan is submitted for approval
				(10)	KSOP - date of anticipated Plan change

By signing below, I hereby request approval to complete the transaction contemplated above and confirm that I am not in possession of Material Non-Public Information.

I acknowledge and agree that clearance of a transaction is valid only for a five (5) trading day period. If the transaction is not placed within that five (5) business day period, clearance of the transaction must be re-requested.

Date: Signature:
Email: Print Name:

Received	**Approved**
By:	By:
Date:	Date:
Form 4 Provided to Insider for Approval:	**Form 4 Filed:**
☐ Email ☐Telephonically ☐ Fax	
By:	By:
Date:	Date:

Exhibit 19.1

APPENDIX B

BROKER INSTRUCTION/REPRESENTATION

TO: [Broker]

FROM: [Insider's Name]

DATE:

RE: Pre-clearance Procedure for All Transactions Involving Company Stock

In order to comply with the two-day filing requirement for officers and directors subject to Section 16 of the Securities Exchange Act of 1934, McGrath RentCorp (the "Company") has instituted compliance procedures which request that you sign this form and immediately return it to the Company.

1. I authorize the Company and you, my securities broker, to implement procedures for reporting to the Company all of my transactions involving Company securities, including transfers such as gifts, and other changes in beneficial ownership.

2. Prior to executing any instruction from me (other than pursuant to a Rule 10b5-1 trading plan that has been pre-cleared by the Company) involving Company securities, you are hereby instructed to, and you agree that you will, verify with the Company that my proposed order or instruction has been pre-cleared by the Chief Legal Officer or his or her designee). You also agree to adhere to your brokerage firm's Rule 144 procedures and all other relevant compliance procedures.

3. Immediately upon execution of any transaction or instruction involving Company stock (including Rule 10b5-1 trading plan transactions), you are hereby instructed, and you agree, to provide all the details of the transaction to the Company, both:

(a) by telephone; and

(b) in writing (by fax or e-mail).

The undersigned agrees to comply with all the above procedures.

By:
(Insider)
By:
(Broker)

Date:
Brokerage Firm Name:

Address:
Phone:
e-Mail:
Fax No.:

By:
(Branch Manager)

Print Name:
Date:

Please immediately sign, fax and mail this form to the attention of the Chief Legal Officer or his or her designee:

Phone: (925) 606-9200
Fax: (925) 453-3333
Mail: McGrath RentCorp
5700 Las Positas Road

APPENDIX C

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Gilda Malek, Tara Wescott and David Whitney, each acting individually, as the undersigned's true and lawful attorney-in- fact, with full power and authority as hereinafter described, to:

1. prepare, execute, deliver and file for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of McGrath RentCorp (the "Company"), Forms 3, 4, and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules and regulations thereunder as amended from time to time (the "Exchange Act");

2. do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Forms 3, 4, or 5, including any electronic filing thereof, complete and execute any amendment or amendments thereto, and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority;

3. seek or obtain, as the undersigned's representative and on the undersigned's behalf, information on transactions in the Company's securities from any third party, including brokers, employee benefit plan administrators and trustees, and the undersigned hereby authorizes any such person to release any such information to the undersigned and approves and ratifies any such release of information; and

4. take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the responsibility to file the Forms 3, 4 and 5 are the responsibility of the undersigned, and the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Exchange Act. The undersigned further acknowledges and agrees that the attorneys-in-fact and the Company are relying on written and oral information provided by the undersigned to complete such forms and the undersigned is responsible for reviewing the completed forms prior to their filing. The attorneys-in- fact and the Company are not responsible for any errors or omissions in such filings. The attorneys-in-fact and the Company are not responsible for determining whether or not the transactions reported could be matched with any other transactions for the purpose of determining liability for short-swing profits under Section 16(b).

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this ________________ day of 20___.

Signature:

Print Name:

Exhibit 21.1

LIST OF SUBSIDIARIES

(as of December 31, 2024)

Mobile Modular Management Corporation

Enviroplex, Inc.

TRS-RenTelco Inc.

McGrath 180, LLC

McGrath RentCorp Asia PTE. LTD.

TRS-RenTelco India Private Limited

Vesta Housing Solutions Holdings, LLC

Vesta Housing Solutions Group, LLC

Modular Holdings, LLC

Vesta Housing Solutions, LLC

Innovative Modular Solutions, LLC

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 19, 2025, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of McGrath RentCorp on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said reports in the Registration Statements of McGrath RentCorp on Forms S-8 (File Nos. 333-74089, 333-151815, 333-161128, and 333-183231).

/s/ GRANT THORNTON LLP

San Francisco, California
February 19, 2025

Exhibit 31.1

McGRATH RENTCORP
SECTION 302 CERTIFICATION

I, Joseph F Hanna, certify that:

1. I have reviewed this annual report on Form 10-K of McGrath RentCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 19, 2025

By: /s/ Joseph F. Hanna
Joseph F. Hanna
Chief Executive Officer

Exhibit 31.2

McGRATH RENTCORP
SECTION 302 CERTIFICATION

I, Keith E. Pratt, certify that:

1. I have reviewed this annual report on Form 10-K of McGrath RentCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 19, 2025

By: /s/ Keith E. Pratt
Keith E. Pratt
Chief Financial Officer

Exhibit 32.1

McGRATH RENTCORP

SECTION 906 CERTIFICATION

In connection with the periodic report of McGrath RentCorp (the "Company") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Joseph F. Hanna, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, “filed” with the Securities and Exchange Commission for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: February 19, 2025

By: /s/ Joseph F. Hanna
Joseph F. Hanna
Chief Executive Officer

Exhibit 32.2

McGRATH RENTCORP

SECTION 906 CERTIFICATION

In connection with the periodic report of McGrath RentCorp (the "Company") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Keith E. Pratt, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, “filed” with the Securities and Exchange Commission for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: February 19, 2025

By: /s/ Keith E. Pratt
Keith E. Pratt
Chief Financial Officer