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

FORM 10-Q

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

For the quarterly period ended June 30, 2025

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

For the transition period from ______ to ______

Commission File Number 1-14387

Commission File Number 1-13663

United Rentals, Inc.
United Rentals (North America), Inc.
(Exact Names of Registrants as Specified in Their Charters)

Delaware	**06-1522496**
Delaware	**86-0933835**
(States of Incorporation)	**(I.R.S. Employer Identification Nos.)**
100 First Stamford Place, Suite 700	
Stamford	
Connecticut	**06902**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrants' Telephone Number, Including Area Code: (203) 622-3131

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, $.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

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. x Yes o 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 x No o

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 definitions 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. o

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

As of July 21, 2025, there were 64,341,222 shares of United Rentals, Inc. common stock, $0.01 par value, outstanding. There is no market for the common stock of United Rentals (North America), Inc., all outstanding shares of which are owned by United Rentals, Inc.

This combined Form 10-Q is separately filed by (i) United Rentals, Inc. and (ii) United Rentals (North America), Inc. (which is a wholly owned subsidiary of United Rentals, Inc.). United Rentals (North America), Inc. meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this report with the reduced disclosure format permitted by such instruction.

UNITED RENTALS, INC.

UNITED RENTALS (NORTH AMERICA), INC.
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "seek," "on-track," "plan," "project," "forecast," "intend" or "anticipate," or the negative thereof or comparable terminology, or by discussions of strategy or outlook. You are cautioned that our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control, and, consequently, our actual results may differ materially from those projected.

Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following:

- the impact of global economic conditions (including inflation, interest rates, supply chain constraints, tariffs, trade wars and sanctions), geopolitical risks (including risks related to international conflicts) and public health crises and epidemics on us, our customers and our suppliers, in the United States and the rest of the world;
- declines in construction or industrial activity, which can adversely impact our revenues and, because many of our costs are fixed, our profitability;
- rates we charge and demand being less than anticipated;
- changes in customer, fleet, geographic and segment mix;
- excess fleet in the equipment rental industry;
- inability to benefit from government spending, including spending associated with infrastructure projects, or a reduction in government spending;
- trends in oil and natural gas, including significant fluctuations in the prices of oil or natural gas, have in the past affected, and could in the future adversely affect, the demand for our services and products;
- competition from existing and new competitors;
- the cyclical nature of the industry in which we operate and the industries of our customers, such as those in the construction industry;
- costs we incur being more than anticipated, including as a result of inflation or tariffs, and the inability to realize expected savings in the amounts or time frames planned;
- our significant indebtedness (which totaled $13.4 billion at June 30, 2025) requires a significant amount of cash for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions;
- inability to refinance our indebtedness on terms that are favorable to us, including as a result of volatility and uncertainty in capital or credit markets or increases in interest rates, or at all;
- incurrence of additional debt, which could exacerbate the risks associated with our current level of indebtedness;
- noncompliance with financial or other covenants in our debt agreements, which could result in our lenders terminating the agreements and requiring us to repay outstanding borrowings;
- restrictive covenants and the amount of borrowings permitted under our debt instruments, which can limit our financial and operational flexibility;
- inability to access the capital that our businesses or growth plans may require, including as a result of uncertainty in capital or credit markets;
- the possibility that companies that we have acquired or may acquire could have undiscovered liabilities, or that companies or assets that we have acquired or may acquire could involve other unexpected costs, may strain our management capabilities, or may be difficult to integrate, and that we may not realize the expected benefits from an acquisition over the timeframe we expect, or at all;
- incurrence of impairment charges;
- fluctuations in the price of our common stock and inability to complete stock repurchases or pay dividends in the time frames and/or on the terms anticipated;
- our charter provisions as well as provisions of certain debt agreements and our significant indebtedness may have the effect of making more difficult or otherwise discouraging, delaying or deterring a takeover or other change of control of us;
- inability to manage credit risk adequately or to collect on contracts with a large number of customers;
- turnover in our management team and inability to attract and retain key personnel, as well as loss, absenteeism or the inability of employees to work or perform key functions in light of public health crises or epidemics;
- inability to obtain equipment and other supplies for our business from our key suppliers on acceptable terms or at all, as a result of insolvency, financial difficulties or other factors, including tariffs, affecting our suppliers;
- increases in our maintenance and replacement costs, including as a result of tariffs, and/or decreases in the residual value of our equipment;
- inability to sell our new or used fleet in the amounts, or at the prices, we expect;

- risks related to security breaches, cybersecurity attacks, failure to protect personal information, compliance with privacy, data protection and cyber incident reporting laws and regulations, and other significant disruptions to our information technology systems;
- risks related to severe weather events and other natural occurrences, and climate change regulation;
- risks related to our aspirational sustainability and safety goals, including our greenhouse gas intensity reduction goal;
- the fact that our holding company structure requires us to depend in part on distributions from subsidiaries and such distributions could be limited by contractual or legal restrictions;
- shortfalls in our insurance coverage or inability to obtain coverage on reasonable terms or at all;
- increases in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves;
- the outcome or other potential consequences of litigation, regulatory and investigatory matters;
- incurrence of expenses (including indemnification obligations) and other costs in connection with litigation, regulatory and investigatory matters;
- risks related to, and the costs of complying with, environmental and safety laws and regulations;
- risks related to, and the costs of complying with, foreign laws and regulations, as well as other risks associated with non-U.S. operations, including currency exchange risk and tariffs;
- labor shortages and/or disputes, work stoppages or other labor difficulties, which may impact our productivity and increase our costs, and changes in law that could affect our labor relations or operations generally; and
- the effect of changes in tax law.

For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report on Form 10-K for the year ended December 31, 2024, as well as to our subsequent filings with the SEC. Our forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UNITED RENTALS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	June 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 548	$ 457
Accounts receivable, net	2,368	2,357
Inventory	242	200
Prepaid expenses and other assets	362	235
Total current assets	3,520	3,249
Rental equipment, net	15,763	14,931
Property and equipment, net	1,062	1,034
Goodwill	6,888	6,900
Other intangible assets, net	588	663
Operating lease right-of-use assets	1,329	1,337
Other long-term assets	56	49
Total assets	**$ 29,206**	**$ 28,163**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of long-term debt	$ 1,287	$ 1,178
Accounts payable	1,439	748
Accrued expenses and other liabilities	1,374	1,397
Total current liabilities	4,100	3,323
Long-term debt	12,098	12,228
Deferred taxes	2,678	2,685
Operating lease liabilities	1,070	1,089
Other long-term liabilities	225	216
Total liabilities	**20,171**	**19,541**
Common stock—$0.01 par value, 500,000,000 shares authorized, 115,318,894 and 64,450,115 shares issued and outstanding, respectively, at June 30, 2025 and 115,179,350 and 65,305,731 shares issued and outstanding, respectively, at December 31, 2024	1	1
Additional paid-in capital	2,721	2,691
Retained earnings	14,718	13,813
Treasury stock at cost—50,868,779 and 49,873,619 shares at June 30, 2025 and December 31, 2024, respectively	(8,151)	(7,478)
Accumulated other comprehensive loss	(254)	(405)
Total stockholders' equity	**9,035**	**8,622**
Total liabilities and stockholders' equity	**$ 29,206**	**$ 28,163**

See accompanying notes.

UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Revenues:				
Equipment rentals	$ 3,415	$ 3,215	$ 6,560	$ 6,144
Sales of rental equipment	317	365	694	748
Sales of new equipment	75	61	145	109
Contractor supplies sales	41	42	77	78
Service and other revenues	95	90	186	179
Total revenues	**3,943**	**3,773**	**7,662**	**7,258**
Cost of revenues:				
Cost of equipment rentals, excluding depreciation	1,443	1,322	2,821	2,566
Depreciation of rental equipment	651	608	1,288	1,190
Cost of rental equipment sales	171	192	381	388
Cost of new equipment sales	61	49	117	87
Cost of contractor supplies sales	28	29	54	54
Cost of service and other revenues	56	55	112	109
Total cost of revenues	**2,410**	**2,255**	**4,773**	**4,394**
Gross profit	**1,533**	**1,518**	**2,889**	**2,864**
Selling, general and administrative expenses	422	404	859	793
Restructuring charge	—	1	1	2
Non-rental depreciation and amortization	108	109	222	213
Operating income	**1,003**	**1,004**	**1,807**	**1,856**
Interest expense, net	171	173	355	333
Other income, net	(7)	(4)	(75)	(7)
Income before provision for income taxes	**839**	**835**	**1,527**	**1,530**
Provision for income taxes	217	199	387	352
Net income	**$ 622**	**$ 636**	**$ 1,140**	**$ 1,178**
Basic earnings per share	$ 9.59	$ 9.56	$ 17.51	$ 17.62
Diluted earnings per share	$ 9.59	$ 9.54	$ 17.48	$ 17.57

See accompanying notes.

UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 622	$ 636	$ 1,140	$ 1,178
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	130	(13)	151	(64)
Other comprehensive (loss) income (1)	130	(13)	151	(64)
Comprehensive income	**$ 752**	**$ 623**	**$ 1,291**	**$ 1,114**

(1) There were no material reclassifications from accumulated other comprehensive loss reflected in other comprehensive income (loss) during 2025 or 2024. There were no material taxes associated with other comprehensive income (loss) during 2025 or 2024.

See accompanying notes.

UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

(In millions)

	Three Months Ended June 30, 2025						
	Common Stock				Treasury Stock		
	Number of Shares (1) (2)	Amount	Additional Paid-in Capital	Retained Earnings	Number of Shares	Amount	Accumulated Other Comprehensive Loss (3)
Balance at March 31, 2025	**65**	**$ 1**	**$ 2,688**	**$ 14,214**	**50**	**$ (7,730)**	**$ (384)**
Net income				622			
Dividends declared (3)				(118)			
Foreign currency translation adjustments							130
Stock compensation expense, net	—		34				
Tax withholding for share based compensation	—		(1)				
Repurchase of common stock	(1)				1	(421)	
Balance at June 30, 2025	**64**	**$ 1**	**$ 2,721**	**$ 14,718**	**51**	**$ (8,151)**	**$ (254)**

	Three Months Ended June 30, 2024						
	Common Stock				Treasury Stock		
	Number of Shares (1) (2)	Amount	Additional Paid-in Capital	Retained Earnings	Number of Shares	Amount	Accumulated Other Comprehensive Loss (3)
Balance at March 31, 2024	**67**	**$ 1**	**$ 2,638**	**$ 12,103**	**48**	**$ (6,343)**	**$ (279)**
Net income				636			
Dividends declared (3)				(109)			
Foreign currency translation adjustments							(13)
Stock compensation expense, net	—		27				
Tax withholding for share based compensation	—		(1)				
Repurchase of common stock	(1)				1	(379)	
Balance at June 30, 2024	**66**	**$ 1**	**$ 2,664**	**$ 12,630**	**49**	**$ (6,722)**	**$ (292)**

	Six Months Ended June 30, 2025						
	Common Stock				Treasury Stock		
	Number of Shares (1)	Amount	Additional Paid-in Capital	Retained Earnings	Number of Shares	Amount	Accumulated Other Comprehensive Loss (2)
Balance at December 31, 2024	**65**	**$ 1**	**$ 2,691**	**$ 13,813**	**50**	**$ (7,478)**	**$ (405)**
Net income				1,140			
Dividends declared (3)				(235)			
Foreign currency translation adjustments							151
Stock compensation expense, net	—		70				
Tax withholding for share based compensation	—		(40)				
Repurchase of common stock	(1)				1	(673)	
Balance at June 30, 2025	**64**	**$ 1**	**$ 2,721**	**$ 14,718**	**51**	**$ (8,151)**	**$ (254)**

	Six Months Ended June 30, 2024						
	Common Stock				Treasury Stock		
	Number of Shares (1)	Amount	Additional Paid-in Capital	Retained Earnings	Number of Shares	Amount	Accumulated Other Comprehensive Loss (2)
Balance at December 31, 2023	**67**	**$ 1**	**$ 2,650**	**$ 11,672**	**48**	**$ (5,965)**	**$ (228)**
Net income				1,178			
Dividends declared (3)				(220)			
Foreign currency translation adjustments							(64)
Stock compensation expense, net	—		55				
Tax withholding for share based compensation	—		(41)				
Repurchase of common stock	(1)				1	(757)	
Balance at June 30, 2024	**66**	**$ 1**	**$ 2,664**	**$ 12,630**	**49**	**$ (6,722)**	**$ (292)**

(1) Common stock outstanding decreased by approximately two million net shares during the year ended December 31, 2024.
(2) The Accumulated Other Comprehensive Loss balance primarily reflects foreign currency translation adjustments.
(3) We declared dividends of $1.79 and $1.63 per share during the three months ended June 30, 2025 and 2024, respectively, and $3.58 and $3.26 per share during the six months ended June 30, 2025 and 2024, respectively.

See accompanying notes.

UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In millions)

	Six Months Ended June 30,	
	2025	2024
Cash Flows From Operating Activities:		
Net income	$ 1,140	$ 1,178
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,510	1,403
Amortization of deferred financing costs and original issue discounts	8	7
Gain on sales of rental equipment	(313)	(360)
Gain on sales of non-rental equipment	(10)	(8)
Insurance proceeds from damaged equipment	(23)	(24)
Stock compensation expense, net	70	55
Restructuring charge	1	2
Debt related activity (1)	13	1
Decrease in deferred taxes	(38)	(32)
Changes in operating assets and liabilities, net of amounts acquired:		
Decrease in accounts receivable	5	66
Increase in inventory	(41)	(7)
Increase in prepaid expenses and other assets	(114)	(90)
Increase in accounts payable	529	250
Increase (decrease) in accrued expenses and other liabilities	16	(147)
Net cash provided by operating activities	**2,753**	**2,294**
Cash Flows From Investing Activities:		
Payments for purchases of rental equipment	(2,121)	(1,866)
Payments for purchases of non-rental equipment and intangible assets	(182)	(165)
Proceeds from sales of rental equipment	694	748
Proceeds from sales of non-rental equipment	31	30
Insurance proceeds from damaged equipment	23	24
Purchases of other companies, net of cash acquired	(16)	(1,234)
Purchases of investments	(1)	(3)
Net cash used in investing activities	**(1,572)**	**(2,466)**
Cash Flows From Financing Activities:		
Proceeds from debt	4,829	6,911
Payments of debt	(4,952)	(5,597)
Payment of contingent consideration	(23)	—
Common stock repurchased, including tax withholdings for share based compensation	(720)	(791)
Payments of financing and other debt related costs (1)	(14)	(17)
Dividends paid	(235)	(219)
Net cash (used in) provided by financing activities	**(1,115)**	**287**
Effect of foreign exchange rates	25	(11)
Net increase in cash and cash equivalents	**91**	**104**
Cash and cash equivalents at beginning of period	457	363
Cash and cash equivalents at end of period	**$ 548**	**$ 467**
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net	$ 540	$ 606
Cash paid for interest	339	317

(1) The amounts for the six months ended June 30, 2025 primarily reflect bridge financing fees associated with the terminated acquisition of H&E Equipment Services, Inc. d/b/a H&E Rentals ("H&E") discussed below.

See accompanying notes.

1. Organization, Description of Business and Basis of Presentation

United Rentals, Inc. (“Holdings,” “URI” or the “Company”) is principally a holding company and conducts its operations primarily through its wholly owned subsidiary, United Rentals (North America), Inc. (“URNA”), and subsidiaries of URNA. Holdings’ primary asset is its sole ownership of all issued and outstanding shares of common stock of URNA. URNA’s various credit agreements and debt instruments place restrictions on its ability to transfer funds to its shareholder.

We rent equipment to a diverse customer base that includes construction and industrial companies, manufacturers, utilities, municipalities, homeowners and government entities. We primarily operate in the United States and Canada, and have a smaller presence in Europe, Australia and New Zealand. In addition to renting equipment, we sell new and used rental equipment, as well as related contractor supplies, parts and service.

We have prepared the accompanying unaudited condensed consolidated financial statements in accordance with the accounting policies described in our annual report on Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”) and the interim reporting requirements of Form 10-Q. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the 2024 Form 10-K.

In our opinion, all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of financial condition, operating results and cash flows for the interim periods presented have been made. Interim results of operations are not necessarily indicative of the results of the full year.

New Accounting Pronouncements

Improvements to Income Tax Disclosures. In December 2023, the FASB issued ASU 2023-09, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, may be applied prospectively or retrospectively, and allows for early adoption. These requirements are not expected to have an impact on our financial statements, but will impact our income tax disclosures.

Disaggregation of Income Statement Expenses. In November 2024, the FASB issued ASU 2024-03, which requires more detailed disclosures about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, may be applied prospectively or retrospectively, and allows for early adoption. We are currently assessing the impact this standard will have on our financial statements.

2. Revenue Recognition

Revenue Recognition Accounting Standards

We recognize revenue in accordance with two different accounting standards: 1) Topic 606 (which addresses revenue from contracts with customers) and 2) Topic 842 (which addresses lease revenue). Under Topic 606, revenue from contracts with customers is measured based on the consideration specified in the contract with the customer, and excludes any sales incentives and amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of account under Topic 606. As reflected below, most of our revenue is accounted for under Topic 842. Our contracts with customers generally do not include multiple performance obligations. We recognize revenue when we satisfy a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for such products or services.

Nature of goods and services

In the following table, revenue is summarized by type and by the applicable accounting standard.

	Three Months Ended June 30,					
	2025			2024		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
Revenues:						
Owned equipment rentals	$ 2,745	$ —	$ 2,745	$ 2,604	$ —	$ 2,604
Re-rent revenue	60	—	60	58	—	58
Ancillary and other rental revenues:						
Delivery and pick-up	—	294	294	—	267	267
Other	266	50	316	241	45	286
Total ancillary and other rental revenues	266	344	610	241	312	553
Total equipment rentals	**3,071**	**344**	**3,415**	**2,903**	**312**	**3,215**
Sales of rental equipment	—	317	317	—	365	365
Sales of new equipment	—	75	75	—	61	61
Contractor supplies sales	—	41	41	—	42	42
Service and other revenues	—	95	95	—	90	90
Total revenues	**$ 3,071**	**$ 872**	**$ 3,943**	**$ 2,903**	**$ 870**	**$ 3,773**

	Six Months Ended June 30,					
	2025			2024		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
Revenues:						
Owned equipment rentals	$ 5,267	$ —	$ 5,267	$ 5,008	$ —	$ 5,008
Re-rent revenue	123	—	123	113	—	113
Ancillary and other rental revenues:						
Delivery and pick-up	—	546	546	—	481	481
Other	507	117	624	442	100	542
Total ancillary and other rental revenues	507	663	1,170	442	581	1,023
Total equipment rentals	**5,897**	**663**	**6,560**	**5,563**	**581**	**6,144**
Sales of rental equipment	—	694	694	—	748	748
Sales of new equipment	—	145	145	—	109	109
Contractor supplies sales	—	77	77	—	78	78
Service and other revenues	—	186	186	—	179	179
Total revenues	**$ 5,897**	**$ 1,765**	**$ 7,662**	**$ 5,563**	**$ 1,695**	**$ 7,258**

Revenues by reportable segment are presented in note 3 of the condensed consolidated financial statements, using the revenue captions reflected in our condensed consolidated statements of operations. The majority of our revenue is recognized in our general rentals segment and in the U.S. (for the six months ended June 30, 2025, 69 percent and 91 percent, respectively). We believe that the disaggregation of our revenue from contracts to customers as reflected above, coupled with the further discussion below and the reportable segment disclosures in note 3, depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

Lease revenues (Topic 842)

The accounting for the types of revenue that are accounted for under Topic 842 is discussed below.

Owned equipment rentals represent our most significant revenue type (they accounted for 69 percent of total revenues for the six months ended June 30, 2025) and are governed by our standard rental contract. We account for such rentals as operating leases. The lease terms are included in our contracts, and the determination of whether our contracts contain leases generally does not require significant assumptions or judgments. Our lease revenues do not include material amounts of variable payments.

Owned equipment rentals: Owned equipment rentals represent revenues from renting equipment that we own. We do not generally provide an option for the lessee to purchase the rented equipment at the end of the lease, and do not generate material revenue from sales of equipment under such options.

We recognize revenues from renting equipment on a straight-line basis. Our rental contract periods are hourly, daily, weekly or monthly. By way of example, if a customer were to rent a piece of equipment and the daily, weekly and monthly rental rates for that particular piece were (in actual dollars) $100, $300 and $900, respectively, we would recognize revenue of $32.14 per day. The daily rate for recognition purposes is calculated by dividing the monthly rate of $900 by the monthly term of 28 days. This daily rate assumes that the equipment will be on rent for the full 28 days, as we are unsure of when the customer will return the equipment and therefore unsure of which rental contract period will apply.

As part of this straight-line methodology, when the equipment is returned, we recognize as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, we will have customers return equipment and be contractually required to pay us more than the cumulative amount of revenue recognized to date under the straight-line methodology. For instance, continuing the above example, if the customer rented the above piece of equipment on December 29 and returned it at the close of business on January 1, we would recognize incremental revenue on January 1 of $171.44 (in actual dollars, representing the difference between the amount the customer is contractually required to pay, or $300 at the weekly rate, and the cumulative amount recognized to date on a straight-line basis, or $128.56, which represents four days at $32.14 per day).

We record amounts billed to customers in excess of recognizable revenue as deferred revenue on our balance sheet. We had deferred revenue (associated with both Topic 842 and Topic 606) of $188 and $185 as of June 30, 2025 and December 31, 2024, respectively.

As noted above, we are unsure of when the customer will return rented equipment. As such, we do not know how much the customer will owe us upon return of the equipment and cannot provide a maturity analysis of future lease payments. Our equipment is generally rented for short periods of time. Lessees do not provide residual value guarantees on rented equipment.

We expect to derive significant future benefits from our equipment following the end of the rental term. Our rentals are generally short-term in nature, and our equipment is typically rented for the majority of the time that we own it. We additionally recognize revenue from sales of rental equipment when we dispose of the equipment.

Re-rent revenue: Re-rent revenue reflects revenues from equipment that we rent from vendors and then rent to our customers. We account for such rentals as subleases. The accounting for re-rent revenue is the same as the accounting for owned equipment rentals described above.

"Other" equipment rental revenue is primarily comprised of 1) Rental Protection Plan (or "RPP") revenue associated with the damage waiver customers can purchase when they rent our equipment to protect against potential loss or damage, 2) environmental charges associated with the rental of equipment, 3) charges for rented equipment that is damaged by our customers and 4) charges for setup and other services performed on rented equipment.

Revenues from contracts with customers (Topic 606)

The accounting for the types of revenue that are accounted for under Topic 606 is discussed below. Substantially all of our revenues under Topic 606 are recognized at a point-in-time rather than over time.

Delivery and pick-up: Delivery and pick-up revenue associated with renting equipment is recognized when the service is performed.

"Other" equipment rental revenue is primarily comprised of revenues associated with the consumption of fuel by our customers which are recognized when the equipment is returned by the customer (and consumption, if any, can be measured).

Sales of rental equipment, new equipment and contractor supplies are recognized at the time of delivery to, or pick-up by, the customer and when collectibility is probable.

Service and other revenues primarily represent revenues earned from providing repair and maintenance services on our customers' fleet (including parts sales). Service revenue is recognized as the services are performed.

Receivables and contract assets and liabilities

As reflected above, most of our equipment rental revenue is accounted for under Topic 842 (such revenue represented 77 percent of our total revenues for the six months ended June 30, 2025). The customers that are responsible for the remaining revenue that is accounted for under Topic 606 are generally the same customers that rent our equipment. We manage credit risk associated with our accounts receivables at the customer level. Because the same customers generate the revenues that are accounted for under both Topic 606 and Topic 842, the discussions below on credit risk and our allowance for credit losses address receivables arising from revenues from both Topic 606 and Topic 842.

Concentration of credit risk with respect to our receivables is limited because a large number of geographically diverse customers makes up our customer base. Our largest customer accounted for one percent or less of total revenues for the six months ended June 30, 2025 and for each of the last three full years. Our customer with the largest receivable balance represented approximately two percent of total receivables at June 30, 2025 and December 31, 2024. We manage credit risk through credit approvals, credit limits and other monitoring procedures.

Our allowance for credit losses reflects our estimate of the amount of our receivables that we will be unable to collect based on historical write-off experience and, as applicable, current conditions and reasonable and supportable forecasts that affect collectibility. Our estimate could require change based on changing circumstances, including changes in the economy or in the particular circumstances of individual customers. Accordingly, we may be required to increase or decrease our allowance. Trade receivables that have contractual maturities of one year or less are written-off when they are determined to be uncollectible based on the criteria necessary to qualify as a deduction for federal tax purposes. Write-offs of such receivables require management approval based on specified dollar thresholds. See the table below for a rollforward of our allowance for credit losses.

The measurement of expected credit losses is based on relevant information from past events, including historical experiences, current conditions and reasonable and supportable forecasts that affect collectibility. Trade receivables are the only material financial asset we have that is subject to the requirement to measure expected credit losses as noted above, as this requirement does not apply to receivables arising from operating lease revenues. Substantially all of our non-lease trade receivables are due in one year or less. As discussed above, most of our equipment rental revenue is accounted for as lease revenue (such revenue represented 77 percent of our total revenues for the six months ended June 30, 2025, and these revenues account for corresponding portions of the $2.368 billion of net accounts receivable and the associated allowance for credit losses of $183 as of June 30, 2025).

As discussed above, most of our equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining revenue that is accounted for under Topic 606 are generally the same customers that rent our equipment. We manage credit risk associated with our accounts receivables at the customer level. The rollforward of our allowance for credit losses (in total, and associated with revenues arising from both Topic 606 and Topic 842) is shown below.

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Beginning balance	**$ 181**	**$ 174**	**$ 186**	**$ 169**
Charged to costs and expenses (1)	3	3	6	7
Charged to revenue (2)	14	14	28	23
Deductions and other (3)	(15)	(15)	(37)	(23)
Ending balance	**$ 183**	**$ 176**	**$ 183**	**$ 176**

(1) Reflects bad debt expenses recognized within selling, general and administrative expenses (associated with Topic 606 revenues).
(2) Primarily reflects credit losses associated with lease revenues that were recognized as a reduction to equipment rentals revenue (primarily associated with Topic 842 revenues).
(3) Primarily represents write-offs of accounts, net of immaterial recoveries and other activity.

We do not have material contract assets, or impairment losses associated therewith, or material contract liabilities, associated with contracts with customers. Our contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. We did not recognize material revenue during the three or six months ended June 30, 2025 or 2024 that was included in the contract liability balance as of the beginning of such periods.

Performance obligations

Most of our Topic 606 revenue is recognized at a point-in-time, rather than over time. Accordingly, in any particular period, we do not generally recognize a significant amount of revenue from performance obligations satisfied (or partially satisfied) in previous periods, and the amounts of such revenue recognized during the three and six months ended June 30, 2025 and 2024 were not material. We also do not expect to recognize material revenue in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as of June 30, 2025.

Payment terms

Our Topic 606 revenues do not include material amounts of variable consideration. Our payment terms vary by the type and location of our customer and the products or services offered. The time between invoicing and when payment is due is not significant. Our contracts do not generally include a significant financing component. For certain products or services and customer types, we require payment before the products or services are delivered to the customer. Our contracts with customers do not generally result in significant obligations associated with returns, refunds or warranties. See above for a discussion of how we manage credit risk.

Revenue is recognized net of taxes collected from customers, which are subsequently remitted to governmental authorities.

Contract costs

We do not recognize any assets associated with the incremental costs of obtaining a contract with a customer (for example, a sales commission) that we expect to recover. Most of our revenue is recognized at a point-in-time or over a period of one year or less, and we use the practical expedient that allows us to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that we otherwise would have recognized is one year or less.

Contract estimates and judgments

Our revenues accounted for under Topic 606 generally do not require significant estimates or judgments, primarily for the following reasons:

- The transaction price is generally fixed and stated in our contracts;
- As noted above, our contracts generally do not include multiple performance obligations, and accordingly do not generally require estimates of the standalone selling price for each performance obligation;
- Our revenues do not include material amounts of variable consideration, or result in significant obligations associated with returns, refunds or warranties; and
- Most of our revenue is recognized as of a point-in-time and the timing of the satisfaction of the applicable performance obligations is readily determinable. As noted above, our Topic 606 revenue is generally recognized at the time of delivery to, or pick-up by, the customer.

Our revenues accounted for under Topic 842 also generally do not require significant estimates or judgments. We monitor and review our estimated standalone selling prices on a regular basis.

3. Segment Information

Our reportable segments are (i) general rentals and (ii) specialty. Our determination of the operating segments is primarily based on geography, but also includes consideration of the offered products and services. For general rentals, the divisions discussed below, which are our operating segments, are aggregated into the reportable segment. The specialty segment is a single division that is both an operating segment and a reportable segment. We believe that the divisions that are aggregated into our reportable segments have similar economic characteristics, as each division is capital intensive, offers similar products to similar customers, uses similar methods to distribute its products, and is subject to similar competitive risks. The aggregation of our divisions also reflects the management structure that we use for making operating decisions and assessing performance. We evaluate segment performance primarily based on segment equipment rentals gross profit.

The general rentals segment includes the rental of (i) general construction and industrial equipment, such as backhoes, skid-steer loaders, forklifts, earthmoving equipment and material handling equipment, (ii) aerial work platforms, such as boom

lifts and scissor lifts and (iii) general tools and light equipment, such as pressure washers, water pumps and power tools. The general rentals segment reflects the aggregation of four geographic divisions—Central, Northeast, Southeast and West—and operates throughout the United States and Canada.

The specialty segment, which, as noted above, is a single division that is both an operating segment and a reportable segment, rents products (and provides setup and other services on such rented equipment) including (i) trench safety equipment, such as trench shields, aluminum hydraulic shoring systems, slide rails, crossing plates, construction lasers and line testing equipment for underground work, (ii) power and HVAC equipment, such as portable diesel generators, electrical distribution equipment, and temperature control equipment, (iii) fluid solutions equipment primarily used for fluid containment, transfer and treatment, (iv) mobile storage equipment and modular office space and (v) surface protection mats. The specialty segment’s customers include construction companies involved in infrastructure projects, municipalities and industrial companies. This segment primarily operates in the United States and Canada, and has a smaller presence in Europe, Australia and New Zealand.

Our Chief Operating Officer is our chief operating decision maker (“CODM”). Equipment rentals gross profit is the primary measure the CODM utilizes in assessing segment performance and determining the allocation of resources. The CODM is the primary individual in control of resource allocation, and the allocation determinations are made in consultation with our senior executive committee, of which the CODM is a member. The most significant allocation determinations made by the CODM pertain to purchases of rental equipment (see the table below for total capital expenditures, including rental and non-rental equipment, by segment), and these determinations are generally made as part of the annual budgeting process, with regular reviews occurring throughout the year that can result in allocation changes (for example, if a specific division outperforms its plan, that could result in a reallocation of resources between divisions or an increase in the total allocated resources). On a monthly basis, the CODM considers budget-to-actual variances for equipment rentals gross profit when making decisions about allocating capital to the segments. Equipment rentals gross profit is also used to assess the performance of each segment by comparing the results and return on assets of each segment with one another, which also informs the determinations made pertaining to the allocation of resources.

The following tables set forth financial information by segment, and include reconciliations of the primary measure of segment profit (equipment rentals gross profit) to income before provision for income taxes.

	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	General rentals	Specialty	Total	General rentals	Specialty	Total
Equipment rentals	$ 2,268	$ 1,147	$ 3,415	$ 2,209	$ 1,006	$ 3,215
Sales of rental equipment	272	45	317	313	52	365
Sales of new equipment	49	26	75	27	34	61
Contractor supplies sales	22	19	41	23	19	42
Service and other revenues	87	8	95	81	9	90
Total revenue (1)	**2,698**	**1,245**	**3,943**	**2,653**	**1,120**	**3,773**
Equipment rentals gross profit (see calculation below)	**796**	**525**	**1,321**	**802**	**483**	**1,285**
Equipment rentals gross margin	**35.1 %**	**45.8 %**	**38.7 %**	**36.3 %**	**48.0 %**	**40.0 %**
Calculation of equipment rentals gross profit:						
Equipment rentals	2,268	1,147	3,415	2,209	1,006	3,215
Less:						
Depreciation of rental equipment	(497)	(154)	(651)	(480)	(128)	(608)
Significant/all other rental expenses (2):						
Labor and benefits (3)	(415)	(128)	(543)	(392)	(106)	(498)
Repairs and maintenance	(209)	(59)	(268)	(206)	(52)	(258)
Delivery	(128)	(119)	(247)	(118)	(88)	(206)
All other rental expenses (2)	(223)	(162)	(385)	(211)	(149)	(360)
Equipment rentals gross profit	**796**	**525**	**1,321**	**802**	**483**	**1,285**
Reconciliation of equipment rentals gross profit to income before provision for income taxes:						
Gross profit from other lines of business			212			233
Selling, general and administrative expenses			(422)			(404)
Restructuring charge (4)			—			(1)
Non-rental depreciation and amortization			(108)			(109)
Interest expense, net			(171)			(173)
Other income, net			7			4
Income before provision for income taxes			**$ 839**			**$ 835**

	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024		
	General rentals	Specialty	Total	General rentals	Specialty	Total
Equipment rentals	$ 4,367	$ 2,193	$ 6,560	$ 4,279	$ 1,865	$ 6,144
Sales of rental equipment	602	92	694	659	89	748
Sales of new equipment	92	53	145	56	53	109
Contractor supplies sales	42	35	77	43	35	78
Service and other revenues	168	18	186	162	17	179
Total revenue (1)	**5,271**	**2,391**	**7,662**	**5,199**	**2,059**	**7,258**
Equipment rentals gross profit (see calculation below)	**1,475**	**976**	**2,451**	**1,483**	**905**	**2,388**
Equipment rentals gross margin	**33.8 %**	**44.5 %**	**37.4 %**	**34.7 %**	**48.5 %**	**38.9 %**
Capital expenditures (5)	1,822	634	2,456	1,658	523	2,181
Calculation of equipment rentals gross profit:						
Equipment rentals	4,367	2,193	6,560	4,279	1,865	6,144
Less:						
Depreciation of rental equipment	(985)	(303)	(1,288)	(968)	(222)	(1,190)
Significant/all other rental expenses (2):						
Labor and benefits (3)	(821)	(248)	(1,069)	(782)	(204)	(986)
Repairs and maintenance	(402)	(112)	(514)	(405)	(96)	(501)
Delivery	(243)	(215)	(458)	(220)	(154)	(374)
All other rental expenses (2)	(441)	(339)	(780)	(421)	(284)	(705)
Equipment rentals gross profit	**1,475**	**976**	**2,451**	**1,483**	**905**	**2,388**
Reconciliation of equipment rentals gross profit to income before provision for income taxes:						
Gross profit from other lines of business			438			476
Selling, general and administrative expenses			(859)			(793)
Restructuring charge (4)			(1)			(2)
Non-rental depreciation and amortization			(222)			(213)
Interest expense, net			(355)			(333)
Other income, net (6)			75			7
Income before provision for income taxes			**$ 1,527**			**$ 1,530**

	June 30, 2025			December 31, 2024		
	General rentals	Specialty	Total	General rentals	Specialty	Total
Total assets	$ 21,548	$ 7,658	$ 29,206	$ 21,044	$ 7,119	$ 28,163

(1) Includes immaterial intersegment revenues.
(2) The significant expense categories align with the segment-level information that is regularly provided to the CODM. The "all other rental expenses" category reflects the difference between equipment rentals revenue less the significant separately disclosed expense categories above and the primary measure of segment profit (equipment rentals gross profit), and is primarily comprised of property costs, costs associated with re-rent revenue and certain ancillary revenues (see note 2 to the condensed consolidated financial statements for a discussion of the different types of equipment rentals revenue), and insurance costs. Intersegment expenses are included within the amounts shown.
(3) Labor and benefits includes all internal labor and benefits costs associated with equipment rentals, including labor and benefits costs associated with repairs and maintenance and delivery.

(4) Primarily reflects severance and branch closure charges associated with our restructuring programs. The restructuring charges generally involve the closure of a large number of branches over a short period of time, often in periods following a major acquisition. As of June 30, 2025, there were no open restructuring programs.

(5) The condensed consolidated statements of cash flows include the payments for capital expenditures, while the table above reflects the gross capital expenditures. Accounts payable included $230 and $77 as of June 30, 2025 and December 31, 2024, respectively, and $224 and $74 as of June 30, 2024 and December 31, 2023, respectively, of amounts due but unpaid for purchases of rental equipment.

(6) In January 2025, we announced that we had signed a merger agreement to acquire H&E. In February 2025, the merger agreement was terminated. Other income, net for the six months ended June 30, 2025 includes a break-up fee of $64 that we received following the termination of the H&E merger agreement.

4. Fair Value Measurements

As of June 30, 2025 and December 31, 2024, the amounts of our assets and liabilities that were accounted for at fair value were immaterial.

Fair value measurements are categorized in one of the following three levels based on the lowest level input that is significant to the fair value measurement in its entirety:

Level 1- Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2- Observable inputs other than quoted prices in active markets for identical assets or liabilities include:

a) quoted prices for similar assets or liabilities in active markets;

b) quoted prices for identical or similar assets or liabilities in inactive markets;

c) inputs other than quoted prices that are observable for the asset or liability;

d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3- Inputs to the valuation methodology are unobservable (i.e., supported by little or no market activity) and significant to the fair value measure.

Fair Value of Financial Instruments

The carrying amounts reported in our condensed consolidated balance sheets for accounts receivable, accounts payable and accrued expenses and other liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments. The fair values of our variable rate debt facilities and finance leases approximated their book values as of June 30, 2025 and December 31, 2024. The estimated fair values of our other financial instruments, all of which are categorized in Level 1 of the fair value hierarchy, as of June 30, 2025 and December 31, 2024 have been calculated based upon available market information, and were as follows:

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior notes	$ 8,826	$ 8,762	$ 8,821	$ 8,518

5. Debt

Debt, net of unamortized original issue discounts or premiums, and unamortized debt issuance costs, consists of the following:

	June 30, 2025	December 31, 2024
Accounts receivable securitization facility expiring 2026 (1) (2)	$ 1,184	$ 1,085
$4.25 billion ABL facility expiring 2027 (1) (3)	2,091	2,253
Term loan facility expiring 2031 (1)	979	984
5 $^{1}/_{2}$ percent Senior Notes due 2027	499	499
3 $^{7}/_{8}$ percent Senior Secured Notes due 2027	747	747
4 $^{7}/_{8}$ percent Senior Notes due 2028 (4)	1,668	1,667
6 percent Senior Secured Notes due 2029	1,491	1,490
5 $^{1}/_{4}$ percent Senior Notes due 2030	746	746
4 percent Senior Notes due 2030	746	745
3 $^{7}/_{8}$ percent Senior Notes due 2031	1,093	1,092
3 $^{3}/_{4}$ percent Senior Notes due 2032	745	745
6 $^{1}/_{8}$ percent Senior Notes due 2034	1,091	1,090
Finance leases	305	263
Total debt	**13,385**	**13,406**
Less short-term portion (5)	(1,287)	(1,178)
Total long-term debt	**$ 12,098**	**$ 12,228**

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(1) The table below presents financial information associated with our variable rate indebtedness as of and for the six months ended June 30, 2025. We have borrowed the full available amount under the term loan facility. The principal obligation under the term loan facility is required to be repaid in quarterly installments in an aggregate amount equal to 1.0 percent per annum, with the balance due at the maturity of the facility. The average amount of debt outstanding under the term loan facility decreases slightly each quarter due to the requirement to repay a portion of the principal obligation.

	ABL facility	Accounts receivable securitization facility	Term loan facilit
Borrowing capacity, net of letters of credit	$ 2,133	$ 315	$ —
Letters of credit	22		
Interest rate at June 30, 2025	5.5 %	5.3 %	6.1
Average month-end debt outstanding	1,670	1,308	990
Weighted-average interest rate on average debt outstanding	5.5 %	5.3 %	6.1
Maximum month-end debt outstanding	2,096	1,420	993

(2) In June 2025, the accounts receivable securitization facility was amended, primarily to extend the maturity date to June 24, 2026. The facility may be extended on a 364-day basis by mutual agreement with the purchasers under the facility. Borrowings under the accounts receivable securitization facility are permitted only to the extent that the face amount of the receivables in the collateral pool, net of applicable reserves and other deductions, exceeds the outstanding loans. As of June 30, 2025, there were $1.539 billion of receivables, net of applicable reserves and other deductions, in the collateral pool.

(3) In July 2025, the ABL facility was amended, primarily to increase the facility size to $4.50 billion and to extend the maturity date to July 10, 2030.

(4) URNA separately issued 4 $^{7}/_{8}$ percent Senior Notes in August 2017 and in September 2017. Following the issuances, URNA consummated an exchange offer pursuant to which most of the 4 $^{7}/_{8}$ percent Senior Notes issued in September 2017 were exchanged for additional notes fungible with the 4 $^{7}/_{8}$ percent Senior Notes issued in August 2017. As of June 30, 2025, the total above is comprised of two separate 4 $^{7}/_{8}$ percent Senior Notes, one with a book value of $1.664 billion and one with a book value of $4.

(5) Short-term debt primarily reflects borrowings under the accounts receivable securitization facility and the short-term portion of our finance leases.

Loan Covenants and Compliance

As of June 30, 2025, we were in compliance with the covenants and other provisions of the ABL, accounts receivable securitization and term loan facilities and our senior notes. Any failure to be in compliance with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations.

The only financial covenant that currently exists under the ABL facility is the fixed charge coverage ratio. Subject to certain limited exceptions specified in the ABL facility, the fixed charge coverage ratio covenant under the ABL facility will only apply in the future if specified availability under the ABL facility falls below 10 percent of the maximum revolver amount under the ABL facility for five consecutive business days. When certain conditions are met, cash and cash equivalents and borrowing base collateral in excess of the ABL facility size may be included when calculating specified availability under the ABL facility. As of June 30, 2025, specified availability under the ABL facility exceeded the required threshold and, as a result, this financial covenant was inapplicable. Under our accounts receivable securitization facility, we are required, among other things, to maintain certain financial tests relating to: (i) the default ratio, (ii) the delinquency ratio, (iii) the dilution ratio and (iv) days sales outstanding. The accounts receivable securitization facility also requires us to comply with the fixed charge coverage ratio under the ABL facility, to the extent the ratio is applicable under the ABL facility.

Covenants in the agreements governing our ABL facility, term loan facility and certain other debt instruments impose limitations on our ability to make share repurchases and dividend payments, subject to important exceptions that would allow us to make such repurchases or payments under certain conditions. Based on our current total indebtedness leverage ratio (as defined in the applicable debt agreements) and usage of the ABL facility as of June 30, 2025, we met the criteria under the applicable debt agreements for these exceptions, and as a result we were not restricted in our ability to make share repurchases and dividend payments.

6. Legal and Regulatory Matters

We are subject to a number of claims and proceedings that generally arise in the ordinary conduct of our business. These matters include, but are not limited to, general liability claims (including personal injury, product liability, and property and automobile claims), indemnification and guarantee obligations, employee injuries and employment-related claims, self-insurance obligations and contract and real estate matters. Based on advice of counsel and available information, including current status or stage of proceeding, and taking into account accruals included in our consolidated balance sheets for matters where we have established them, we currently believe that any liabilities ultimately resulting from these ordinary course claims and proceedings will not, individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or cash flows.

7. Earnings Per Share

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding. Diluted earnings per share is computed by dividing net income available to common stockholders by the weighted-average number of common shares plus the effect of dilutive potential common shares outstanding during the period. The following table sets forth the computation of basic and diluted earnings per share (shares in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income available to common stockholders	$ 622	$ 636	1,140	1,178
Denominator:				
Denominator for basic earnings per share—weighted-average common shares	64,895	66,563	65,114	66,888
Effect of dilutive securities:				
Employee stock options	1	2	1	3
Restricted stock units	51	147	95	173
Denominator for diluted earnings per share—adjusted weighted-average common shares	**64,947**	**66,712**	**65,210**	**67,064**
Basic earnings per share	$ 9.59	$ 9.56	$ 17.51	$ 17.62
Diluted earnings per share	$ 9.59	$ 9.54	$ 17.48	$ 17.57

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollars in millions, except per share data, unless otherwise indicated)

Global Economic Conditions

Our operations are impacted by global economic conditions, including inflation, tariffs, interest rate fluctuations and supply chain constraints, and we take actions to modify our plans to address such economic conditions. To date, the impact from supply chain disruptions has been limited, but we may experience more severe supply chain disruptions in the future. Interest rates on our debt instruments have increased in recent years. For example, in March 2024, United Rentals (North America), Inc. ("URNA") issued $1.1 billion aggregate principal amount of senior unsecured notes at a 6 $^{1}/_{8}$ percent interest rate, while URNA's issuance in August 2021 of $750 aggregate principal amount of senior unsecured notes was at a 3 ¾ percent interest rate. Additionally, the weighted average interest rates on our variable debt instruments were 5.6 percent and 1.4 percent for the six months ended June 30, 2025 and the year ended December 31, 2021, respectively. We have experienced and are continuing to experience inflationary pressures. A portion of inflationary cost increases is passed on to customers. The most significant cost increases that can be, in part, passed on to customers are for fuel and delivery, and there are other costs for which the pass through to customers is less direct, such as repairs and maintenance, and labor. Tariffs could result in the costs we incur being more than anticipated, as well as impact consumer confidence and/or result in declines in construction or industrial activity. The impact of inflation, tariffs and interest rate fluctuations may be significant in the future.

We continue to assess the economic environment in which we operate and take appropriate actions to address the economic challenges we face.

Executive Overview

We are the largest equipment rental company in the world, with an integrated network of 1,713 rental locations. We primarily operate in the United States and Canada, and have a smaller presence in Europe, Australia and New Zealand. Although the equipment rental industry is highly fragmented and diverse, we believe that we are well positioned to take advantage of this environment because, as a larger company, we have more extensive resources and certain competitive advantages. These include a fleet of rental equipment with a total original equipment cost ("OEC") of $22.1 billion, and a North American branch network that operates in 49 U.S. states and every Canadian province, and serves 99 of the 100 largest metropolitan areas in the U.S. Our size also gives us greater purchasing power, the ability to provide customers with a broader range of equipment and services, the ability to provide customers with equipment that is more consistently well-maintained and therefore more productive and reliable, and the ability to enhance the earning potential of our assets by transferring equipment among branches to satisfy customer needs.

We offer our equipment for rent to a diverse customer base that includes construction and industrial companies, manufacturers, utilities, municipalities, homeowners and government entities. Our revenues are derived from the following sources: equipment rentals, sales of rental equipment, sales of new equipment, contractor supplies sales and service and other revenues. Equipment rentals represented 86 percent of total revenues for the six months ended June 30, 2025.

For the past several years, we have executed a strategy focused on improving the profitability of our core equipment rental business through revenue growth, margin expansion and operational efficiencies. In particular, we have focused on customer segmentation, customer service differentiation, rate management, fleet management and operational efficiency. Our general strategy focuses on profitability and return on invested capital, and, in particular, calls for:

- ***A consistently superior standard of service to customers*****,** often provided through a single lead contact who can coordinate the cross-selling of the various services we offer throughout our network. We utilize a proprietary software application, Total Control®, which provides our key customers with a single in-house software application that enables them to monitor and manage all their equipment needs. Total Control® is a unique customer offering that enables us to develop strong, long-term relationships with our larger customers. Our digital capabilities, including our Total Control® platform, allow our sales teams to provide contactless end-to-end customer service;
- ***The further optimization of our customer mix and fleet mix, with a dual objective*****:** to enhance our performance in serving our current customer base, and to focus on the accounts and customer types that are best suited to our strategy for profitable growth. We believe these efforts will lead to even better service of our target accounts, primarily large construction and industrial customers, as well as select local contractors. Our fleet team's analyses are aligned with these objectives to identify trends in equipment categories and define action plans that can generate improved returns;
- ***A continued focus on "Lean" management techniques, including kaizen processes focused on continuous improvement.*** We have a dedicated team responsible for reducing waste in our operational processes, with the objectives of: condensing the cycle time associated with preparing equipment for rent; optimizing our resources for delivery and pickup of equipment; improving the effectiveness and efficiency of our repair and maintenance operations; and implementing customer service best practices;

- ***The continued expansion and cross-selling of adjacent specialty and services products, which enables us to provide a "one-stop" shop for our customers***. We believe that the expansion of our specialty business, as exhibited by our acquisition of Yak Access, LLC, Yak Mat, LLC and New South Access & Environmental Solutions, LLC (collectively, "Yak") in March 2024, as well as our tools and onsite services offerings, further positions United Rentals as a single source provider of total jobsite solutions through our extensive product and service resources and technology offerings; and
- ***The pursuit of strategic acquisitions to continue to expand our core equipment rental business,*** as exhibited by our acquisition of assets of Ahern Rentals, Inc. ("Ahern Rentals") in December 2022. Strategic acquisitions allow us to invest our capital to expand our business, further driving our ability to accomplish our strategic goals.

Financial Overview

Prior to taking actions pertaining to our financial flexibility and liquidity, we assess our available sources and anticipated uses of cash, including, with respect to sources, cash generated from operations and from the sale of rental equipment. As of June 30, 2025, we had available liquidity of $2.996 billion, comprised of cash and cash equivalents, and availability under the ABL and accounts receivable securitization facilities.

In January 2024, our Board of Directors authorized a $1.5 billion share repurchase program, which was completed in the first quarter of 2025. In April 2025, our Board of Directors authorized a new $1.5 billion share repurchase program, and repurchases under this program began in April 2025. We have repurchased $417 under the current program through June 30, 2025. Subsequent to the enactment of the new federal tax legislation discussed below (see "Results of Operations-Other costs/(income)-effective tax rates") on July 4, 2025, and with consideration of the expected cash flow benefit associated with the legislation, our Board of Directors approved an increase in the size of the current share repurchase program, from $1.5 billion to $2.0 billion. We intend to repurchase $1.65 billion under the $2.0 billion program in 2025, with the remaining $350 under the program carried into 2026. A 1 percent excise tax is imposed on "net repurchases" (certain purchases minus certain issuances) of common stock. The repurchases above (as well as the total program sizes) do not include the excise tax, which totaled $6 year-to-date through June 30, 2025 (the total excise tax amount relates to both the current program and the prior program that was completed in the first quarter of 2025).

Our Board of Directors also approved our first-ever quarterly dividend program in January 2023, and the first dividend under the program was paid in February 2023. During the six months ended June 30, 2025 and 2024, we paid dividends of $235 ($3.58 per share) and $219 ($3.26 per share), respectively. On July 23, 2025, our Board of Directors declared a quarterly dividend of $1.79 per share, payable on August 27, 2025 to stockholders of record on August 13, 2025.

Merger Termination Benefit. In January 2025, we announced that we had signed a merger agreement to acquire H&E Equipment Services, Inc. d/b/a H&E Rentals ("H&E"). In February 2025, following the termination of that merger agreement, we received a break-up fee of $64. The merger agreement was terminated in the first quarter of 2025, and the merger termination had no impact on the results for the three months ended June 30, 2025. Our results for the six months ended June 30, 2025 include a net $39 merger termination benefit, which reflects this break-up fee, net of related transaction costs. The net merger termination benefit is comprised of $12 of professional fees recorded in selling, general and administrative ("SG&A") expenses, $13 of bridge financing fees recorded in interest expense, net, and the break-up fee of $64 recorded in other income, net. For the six months ended June 30, 2025, the impact of the merger termination was a $29 after-tax benefit, or $0.45 per diluted share, for net income and a $52 benefit for adjusted EBITDA (as defined below), cash flow from operating activities and free cash flow (as defined below). The cash flow impact reflects the fact that the associated taxes have not yet been paid.

Net income. Net income and diluted earnings per share are presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Net income	$ 622	$ 636	$ 1,140	$ 1,178
Diluted earnings per share	$ 9.59	$ 9.54	$ 17.48	$ 17.57

Net income and diluted earnings per share for the six months ended June 30, 2025 include the impact of the H&E merger termination benefit discussed above. The impact of the merger termination for the six months ended June 30, 2025 was a net after-tax benefit of $29, or $0.45 per diluted share. The merger termination did not impact the results for any other period above. Net income and diluted earnings per share include the after-tax impacts of the items below. The tax rates applied to the items below reflect the statutory rates in the applicable entities.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Tax rate applied to items below	25.2 %		25.1 %		25.2 %		25.2 %	
	Contribution to net income (after-tax)	Impact on diluted earnings per share	Contribution to net income (after-tax)	Impact on diluted earnings per share	Contribution to net income (after-tax)	Impact on diluted earnings per share	Contribution to net income (after-tax)	Impact on diluted earnings per share
Merger related intangible asset amortization (1)	$ (31)	$ (0.47)	$ (39)	$ (0.58)	$ (65)	$ (1.00)	$ (72)	$ (1.07)
Impact on depreciation related to acquired fleet and property and equipment (2)	(19)	(0.29)	(26)	(0.39)	(38)	(0.58)	(53)	(0.79)
Impact of the fair value mark-up of acquired fleet (3)	(6)	(0.08)	(12)	(0.18)	(14)	(0.21)	(25)	(0.37)
Restructuring charge (4)	—	(0.01)	—	(0.01)	(1)	(0.02)	(1)	(0.02)
Asset impairment charge (5)	(2)	(0.03)	—	—	(2)	(0.03)	—	(0.01)
Debt related losses	—	—	—	—	—	—	(1)	(0.01)

(1) This reflects the amortization of the intangible assets acquired in the major acquisitions that significantly impact our operations (the "major acquisitions," each of which had annual revenues of over $200 prior to acquisition).
(2) This reflects the impact of extending the useful lives of equipment acquired in certain major acquisitions, net of the impact of additional depreciation associated with the fair value mark-up of such equipment.
(3) This reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions that was subsequently sold.
(4) This primarily reflects severance and branch closure charges associated with our restructuring programs. For additional information on the restructuring charges, which generally involve the closure of a large number of branches over a short period of time, often in periods following a major acquisition, see "Results of Operations-Other costs/(income)-restructuring charges" below.
(5) This reflects write-offs of leasehold improvements and other fixed assets.

EBITDA GAAP Reconciliations. EBITDA represents the sum of net income, provision for income taxes, interest expense, net, depreciation of rental equipment and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the restructuring charges, stock compensation expense, net, and the impact of the fair value mark-up of acquired fleet. See below for further detail on each adjusting item. These items are excluded from adjusted EBITDA internally when evaluating our operating performance and for strategic planning and forecasting purposes, and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. The net income and adjusted EBITDA margins represent net income or adjusted EBITDA divided by total revenue. Management believes that EBITDA and adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliations, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA help investors gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced. However, EBITDA and adjusted EBITDA are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income or cash flow from operating activities as indicators of operating performance or liquidity.

Adjusted EBITDA for the six months ended June 30, 2025 includes the impact of the H&E merger termination benefit discussed above. The impact of the merger termination for the six months ended June 30, 2025 was a net after-tax benefit of $29 for net income and a $52 benefit for adjusted EBITDA. The merger termination did not impact the results for any other period in the table below. The table below provides a reconciliation between net income and EBITDA and adjusted EBITDA:

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	**$ 622**	**$ 636**	**$ 1,140**	**$ 1,178**
Provision for income taxes	217	199	387	352
Interest expense, net	171	173	355	333
Depreciation of rental equipment	651	608	1,288	1,190
Non-rental depreciation and amortization	108	109	222	213
EBITDA	**$ 1,769**	**$ 1,725**	**$ 3,392**	**$ 3,266**
Restructuring charge (1)	—	1	1	2
Stock compensation expense, net (2)	34	27	70	55
Impact of the fair value mark-up of acquired fleet (3)	7	16	18	33
Adjusted EBITDA	**$ 1,810**	**$ 1,769**	**$ 3,481**	**$ 3,356**
Net income margin	*15.8 %*	*16.9 %*	*14.9 %*	*16.2 %*
Adjusted EBITDA margin	*45.9 %*	*46.9 %*	*45.4 %*	*46.2 %*

The table below provides a reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA:

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	**$ 2,753**	**$ 2,294**
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:		
Amortization of deferred financing costs and original issue discounts	(8)	(7)
Gain on sales of rental equipment	313	360
Gain on sales of non-rental equipment	10	8
Insurance proceeds from damaged equipment	23	24
Restructuring charge (1)	(1)	(2)
Stock compensation expense, net (2)	(70)	(55)
Debt related activity (4)	(13)	(1)
Changes in assets and liabilities	(494)	(278)
Cash paid for interest	339	317
Cash paid for income taxes, net	540	606
EBITDA	**$ 3,392**	**$ 3,266**
Add back:		
Restructuring charge (1)	1	2
Stock compensation expense, net (2)	70	55
Impact of the fair value mark-up of acquired fleet (3)	18	33
Adjusted EBITDA	**$ 3,481**	**$ 3,356**

(1) This primarily reflects severance and branch closure charges associated with our restructuring programs. For additional information on the restructuring charges, which generally involve the closure of a large number of branches over a short period of time, often in periods following a major acquisition, see “Results of Operations-Other costs/(income)-restructuring charges” below.

(2) Represents non-cash, share-based payments associated with the granting of equity instruments.

(3) This reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions that was subsequently sold.

(4) The amount for the six months ended June 30, 2025 reflects bridge financing fees associated with the terminated H&E acquisition discussed above.

For the three months ended June 30, 2025, net income decreased $14, or 2.2 percent, to $622. Net income margin decreased 110 basis points to 15.8 percent, primarily driven by decreased gross margin from equipment rentals, which reflected the impact of inflation and normal cost variability, particularly in delivery and labor and benefits costs. The impact of an increase in the effective tax rate, which was primarily due to state tax benefits recognized in 2024, was offset by a decrease in interest expense as a percentage of revenue, which primarily reflected decreased variable debt interest rates.

For the three months ended June 30, 2025, adjusted EBITDA increased $41, or 2.3 percent, to $1.810 billion. Adjusted EBITDA margin decreased 100 basis points to 45.9 percent, primarily reflecting decreases in gross margin from equipment rentals (excluding depreciation and stock compensation expense) and gross margin from used equipment sales (excluding the adjustment for the impact of the fair value mark-up of acquired fleet). The decreased gross margin from equipment rentals reflected the impact of inflation and normal cost variability, particularly in delivery and labor and benefits costs. The decreased gross margin from sales of rental equipment primarily reflected the normalization of the used equipment market, including pricing.

For the six months ended June 30, 2025, net income decreased $38, or 3.2 percent, to $1.140 billion, which included the $29 after-tax H&E merger termination benefit discussed above. Net income margin decreased 130 basis points to 14.9 percent, primarily driven by 1) decreased gross margin from equipment rentals, particularly for the specialty segment, as discussed below (see “Results of Operations-Segment Equipment Rentals Gross Profit”), 2) decreased gross margin from used equipment sales, which primarily reflected the normalization of the used equipment market, including pricing, and 3) increased SG&A expenses, which included the professional fees associated with the terminated H&E acquisition, partially offset by 4) the impact of the H&E break-up fee discussed above.

For the six months ended June 30, 2025, adjusted EBITDA increased $125, or 3.7 percent, to $3.481 billion, which included the $52 merger termination benefit discussed above. Adjusted EBITDA margin decreased 80 basis points to 45.4 percent, primarily reflecting 1) decreased gross margin from equipment rentals (excluding depreciation and stock compensation expense), 2) decreased gross margin from sales of rental equipment (excluding the adjustment for the impact of the fair value mark-up of acquired fleet), which primarily reflected the normalization of the used equipment market, including pricing, and 3) higher SG&A expenses, which included the professional fees associated with the terminated H&E acquisition, partially offset by 4) the impact of the H&E break-up fee discussed above. The decreased gross margin from equipment rentals is discussed below (see “Results of Operations-Segment Equipment Rentals Gross Profit”). While the gross margin discussion below includes the impact of depreciation, the other non-depreciation items discussed below, including inflation, normal cost variability, and a higher proportion of 2025 revenue from ancillary revenues, which generate lower margins than owned equipment rentals, for the specialty segment, were the primary drivers of the decrease in gross margin from equipment rentals on the adjusted EBITDA basis (excluding depreciation and stock compensation expense).

Revenues are noted below. Fleet productivity is a comprehensive metric that provides greater insight into the decisions made by our managers in support of equipment rental growth and returns. Specifically, we seek to optimize the interplay of rental rates, time utilization and mix to drive rental revenue. Fleet productivity aggregates, in one metric, the impact of changes in rates, utilization and mix on owned equipment rental revenue. We believe that this metric is useful in assessing the effectiveness of our decisions on rates, time utilization and mix, particularly as they support the creation of shareholder value. The table below includes the components of the year-over-year change in rental revenue using the fleet productivity methodology.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Equipment rentals*	$ 3,415	$ 3,215	6.2 %	$ 6,560	$ 6,144	6.8 %
Sales of rental equipment	317	365	(13.2) %	694	748	(7.2) %
Sales of new equipment	75	61	23.0 %	145	109	33.0 %
Contractor supplies sales	41	42	(2.4) %	77	78	(1.3) %
Service and other revenues	95	90	5.6 %	186	179	3.9 %
Total revenues	**$ 3,943**	**$ 3,773**	**4.5 %**	**$ 7,662**	**$ 7,258**	**5.6 %**
*Equipment rentals variance components:						
Year-over-year change in average OEC			3.6 %			3.5 %
Assumed year-over-year inflation impact (1)			(1.5) %			(1.5) %
Fleet productivity (2)			3.3 %			3.2 %
Contribution from ancillary and re-rent revenue (3)			0.8 %			1.6 %
Total change in equipment rentals			**6.2 %**			**6.8 %**

(1) Reflects the estimated impact of inflation on the revenue productivity of fleet based on OEC, which is recorded at cost.

(2) Reflects the combined impact of changes in rental rates, time utilization, and mix that contribute to the variance in owned equipment rental revenue. See note 2 to the condensed consolidated financial statements for a discussion of the different types of equipment rentals revenue. Rental rate changes are calculated based on the year-over-year variance in average contract rates, weighted by the prior period revenue mix. Time utilization is calculated by dividing the amount of time an asset is on rent by the amount of time the asset has been owned during the year. Mix includes the impact of changes in customer, fleet, geographic and segment mix.

(3) Reflects the combined impact of changes in the other types of equipment rentals revenue (see note 2 for further detail), excluding owned equipment rental revenue.

Equipment rentals include our revenues from renting equipment, as well as revenue related to the fees we charge customers: for equipment delivery and pick-up; to protect the customer against liability for damage to our equipment while on rent; for fuel; and for environmental and other miscellaneous costs and services. Sales of rental equipment represent our revenues from the sale of used rental equipment. Sales of new equipment represent our revenues from the sale of new equipment. Contractor supplies sales represent our sales of supplies utilized by contractors, which include construction consumables, tools, small equipment and safety supplies. Services and other revenues primarily represent our revenues earned from providing repair and maintenance services on our customers' fleet (including parts sales). See note 2 to the condensed consolidated financial statements for a discussion of our revenue recognition accounting.

For the three months ended June 30, 2025, total revenues of $3.943 billion increased 4.5 percent compared with 2024. Equipment rentals and sales of rental equipment are our largest revenue types (together, they accounted for 95 percent of total revenue for the three months ended June 30, 2025). Equipment rentals increased $200, or 6.2 percent, primarily due to a 3.6 percent increase in average OEC and a 3.3 percent increase in fleet productivity. Sales of rental equipment decreased $48, or 13.2 percent, primarily due to the normalization of used equipment pricing.

For the six months ended June 30, 2025, total revenues of $7.662 billion increased 5.6 percent compared with 2024. Equipment rentals and sales of rental equipment are our largest revenue types (together, they accounted for 95 percent of total revenue for the six months ended June 30, 2025). Equipment rentals increased $416, or 6.8 percent, primarily due to a 3.5 percent increase in average OEC, and a 3.2 percent increase in fleet productivity, which includes the impact of the Yak acquisition. Fleet productivity increased 2.6 percent on a pro forma basis including the pre-acquisition results of Yak for 2024. Sales of rental equipment did not change significantly year-over-year.

Results of Operations

As discussed in note 3 to our condensed consolidated financial statements, our reportable segments are general rentals and specialty. The general rentals segment includes the rental of construction, aerial, industrial and homeowner equipment and related services and activities. The general rentals segment's customers include construction and industrial companies, manufacturers, utilities, municipalities, homeowners and government entities. This segment operates throughout the United States and Canada. The specialty segment rents products (and provides setup and other services on such rented equipment) including (i) trench safety equipment, such as trench shields, aluminum hydraulic shoring systems, slide rails, crossing plates, construction lasers and line testing equipment for underground work, (ii) power and HVAC equipment, such as portable diesel

generators, electrical distribution equipment, and temperature control equipment, (iii) fluid solutions equipment primarily used for fluid containment, transfer and treatment, (iv) mobile storage equipment and modular office space and (v) surface protection mats. The specialty segment's customers include construction companies involved in infrastructure projects, municipalities and industrial companies. This segment primarily operates in the United States and Canada, and has a smaller presence in Europe, Australia and New Zealand.

As discussed in note 3 to our condensed consolidated financial statements, we aggregate our four geographic divisions—Central, Northeast, Southeast and West—into our general rentals reporting segment. Historically, there have occasionally been variances in the levels of equipment rentals gross margins achieved by these divisions, though such variances have generally been small (close to or less than 10 percent, measured versus the equipment rentals gross margins of the aggregated general rentals' divisions). For the five year period ended June 30, 2025, there was no general rentals' division with an equipment rentals gross margin that differed materially from the equipment rentals gross margin of the aggregated general rentals' divisions. The rental industry is cyclical, and there historically have occasionally been divisions with equipment rentals gross margins that varied by greater than 10 percent from the equipment rentals gross margins of the aggregated general rentals' divisions, though the specific divisions with margin variances of over 10 percent have fluctuated, and such variances have generally not exceeded 10 percent by a significant amount. We monitor the margin variances and confirm margin similarity between divisions on a quarterly basis.

We believe that the divisions that are aggregated into our segments have similar economic characteristics, as each division is capital intensive, offers similar products to similar customers, uses similar methods to distribute its products, and is subject to similar competitive risks. The aggregation of our divisions also reflects the management structure that we use for making operating decisions and assessing performance. Although we believe aggregating these divisions into our reporting segments for segment reporting purposes is appropriate, to the extent that there are significant margin variances that do not converge, we may be required to disaggregate the divisions into separate reporting segments. Any such disaggregation would have no impact on our consolidated results of operations.

These reporting segments align our external segment reporting with how management evaluates business performance and allocates resources. We evaluate segment performance primarily based on segment equipment rentals gross profit. Our revenues, operating results, and financial condition fluctuate from quarter to quarter reflecting the seasonal rental patterns of our customers, with rental activity tending to be lower in the winter.

Revenues by segment were as follows:

	General rentals		Specialty		Total
Three Months Ended June 30, 2025					
Equipment rentals	$	2,268	$	1,147	$ 3,415
Sales of rental equipment		272		45	317
Sales of new equipment		49		26	75
Contractor supplies sales		22		19	41
Service and other revenues		87		8	95
Total revenue	**$**	**2,698**	**$**	**1,245**	**$ 3,943**
Three Months Ended June 30, 2024					
Equipment rentals	$	2,209	$	1,006	$ 3,215
Sales of rental equipment		313		52	365
Sales of new equipment		27		34	61
Contractor supplies sales		23		19	42
Service and other revenues		81		9	90
Total revenue	**$**	**2,653**	**$**	**1,120**	**$ 3,773**
Six Months Ended June 30, 2025					
Equipment rentals	$	4,367	$	2,193	$ 6,560
Sales of rental equipment		602		92	694
Sales of new equipment		92		53	145
Contractor supplies sales		42		35	77
Service and other revenues		168		18	186
Total revenue	**$**	**5,271**	**$**	**2,391**	**$ 7,662**
Six Months Ended June 30, 2024					
Equipment rentals	$	4,279	$	1,865	$ 6,144
Sales of rental equipment		659		89	748
Sales of new equipment		56		53	109
Contractor supplies sales		43		35	78
Service and other revenues		162		17	179
Total revenue	**$**	**5,199**	**$**	**2,059**	**$ 7,258**

Equipment rentals represented 87 percent of total revenues for the three months ended June 30, 2025. For the three months ended June 30, 2025, equipment rentals of $3.415 billion increased $200, or 6.2 percent, as compared to the same period in 2024, primarily due to a 3.6 percent increase in average OEC and a 3.3 percent increase in fleet productivity.

For the three months ended June 30, 2025, equipment rentals represented 84 percent of total revenues for the general rentals segment. For the three months ended June 30, 2025, general rentals equipment rentals increased $59, or 2.7 percent, as compared to the same period in 2024.

For the three months ended June 30, 2025, equipment rentals represented 92 percent of total revenues for the specialty segment. For the three months ended June 30, 2025, specialty equipment rentals increased $141, or 14.0 percent, as compared to the same period in 2024, primarily due to increased average OEC.

For the six months ended June 30, 2025, equipment rentals represented 86 percent of total revenues. For the six months ended June 30, 2025, equipment rentals of $6.560 billion increased $416, or 6.8 percent, as compared to the same period in 2024, primarily due to a 3.5 percent increase in average OEC, and a 3.2 percent increase in fleet productivity, which includes the impact of the Yak acquisition. Fleet productivity increased 2.6 percent on a pro forma basis including the pre-acquisition results of Yak for 2024.

For the six months ended June 30, 2025, equipment rentals represented 83 percent of total revenues for the general rentals segment. For the six months ended June 30, 2025, general rentals equipment rentals increased $88, or 2.1 percent, as compared to the same period in 2024.

For the six months ended June 30, 2025, equipment rentals represented 92 percent of total revenues for the specialty segment. For the six months ended June 30, 2025, specialty equipment rentals increased $328, or 17.6 percent, as compared to the same period in 2024, primarily due to the impact of the Yak acquisition and increased average OEC. Specialty equipment rentals increased 14.4 percent year-over-year on a pro forma basis including the pre-acquisition results of Yak for 2024.

Sales of rental equipment. For the six months ended June 30, 2025, sales of rental equipment represented approximately 9 percent of our total revenues. For the three months ended June 30, 2025, sales of rental equipment decreased $48, or 13.2 percent, primarily due to the normalization of used equipment pricing. For the six months ended June 30, 2025, sales of rental equipment did not change significantly year-over-year.

Sales of new equipment. For the six months ended June 30, 2025, sales of new equipment represented approximately 2 percent of our total revenues. For the three and six months ended June 30, 2025, sales of new equipment increased 23.0 percent and 33.0 percent year-over-year, respectively, primarily due to supply chain normalization.

Contractor supplies sales represent our revenues associated with selling a variety of supplies, including construction consumables, tools, small equipment and safety supplies. For the six months ended June 30, 2025, contractor supplies sales represented approximately 1 percent of our total revenues. Contractor supplies sales for the three and six months ended June 30, 2025 did not change significantly year-over-year.

Service and other revenues primarily represent our revenues earned from providing repair and maintenance services on our customers' fleet (including parts sales). For the six months ended June 30, 2025, service and other revenues represented approximately 2 percent of our total revenues. For the three and six months ended June 30, 2025, service and other revenues did not change significantly year-over-year.

Segment Equipment Rentals Gross Profit

See note 3 to our condensed consolidated financial statements for additional information on segment performance. Segment equipment rentals gross profit and gross margin were as follows:

	General rentals	Specialty	Total
Three Months Ended June 30, 2025			
Equipment Rentals Gross Profit	$ 796	$ 525	$ 1,321
Equipment Rentals Gross Margin	35.1 %	45.8 %	38.7 %
Three Months Ended June 30, 2024			
Equipment Rentals Gross Profit	$ 802	$ 483	$ 1,285
Equipment Rentals Gross Margin	36.3 %	48.0 %	40.0 %
Six Months Ended June 30, 2025			
Equipment Rentals Gross Profit	$ 1,475	$ 976	$ 2,451
Equipment Rentals Gross Margin	33.8 %	44.5 %	37.4 %
Six Months Ended June 30, 2024			
Equipment Rentals Gross Profit	$ 1,483	$ 905	$ 2,388
Equipment Rentals Gross Margin	34.7 %	48.5 %	38.9 %

General rentals. For the three months ended June 30, 2025, equipment rentals gross profit decreased by $6, and equipment rentals gross margin decreased by 120 basis points year-over-year. Gross margin decreased primarily due to inflation and normal cost variability, particularly in delivery and labor and benefits costs.

For the six months ended June 30, 2025, equipment rentals gross profit decreased by $8, and equipment rentals gross margin decreased by 90 basis points year-over-year. Gross margin decreased primarily due to inflation and normal cost variability, particularly in delivery and labor and benefits costs.

Specialty. For the three months ended June 30, 2025, equipment rentals gross profit increased by $42, and equipment rentals gross margin decreased by 220 basis points, year-over-year. Gross margin decreased primarily due to inflation and normal cost variability, particularly in delivery and labor and benefits costs, and higher depreciation expense due, in part, to growth in our matting business, which is primarily comprised of locations acquired in the Yak acquisition. The increase in delivery costs also related in part to repositioning fleet to efficiently support strong demand.

For the six months ended June 30, 2025, equipment rentals gross profit increased by $71, and equipment rentals gross margin decreased by 400 basis points, year-over-year. Gross margin decreased primarily due to 1) increased depreciation expense, including the impact of the Yak acquisition and growth in the acquired Yak locations, 2) the impact of a higher proportion of 2025 revenue from ancillary revenues, which generate lower margins than owned equipment rentals, and 3) inflation and normal cost variability, particularly in delivery and labor and benefits costs. The increase in delivery costs related in part to repositioning fleet to efficiently support strong demand.

Gross Margin. Gross margins by revenue classification were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Total gross margin	38.9 %	40.2 %	(130) bps	37.7%	39.5%	(180) bps
Equipment rentals	38.7 %	40.0 %	(130) bps	37.4%	38.9%	(150) bps
Sales of rental equipment	46.1 %	47.4 %	(130) bps	45.1%	48.1%	(300) bps
Sales of new equipment	18.7 %	19.7 %	(100) bps	19.3%	20.2%	(90) bps
Contractor supplies sales	31.7 %	31.0 %	70 bps	29.9%	30.8%	(90) bps
Service and other revenues	41.1 %	38.9 %	220 bps	39.8%	39.1%	70 bps

For the three months ended June 30, 2025, total gross margin decreased 130 basis points from 2024. Equipment rentals gross margin decreased 130 basis points from 2024, primarily due to inflation and normal cost variability, particularly in delivery and labor and benefits costs, as well as increased depreciation expense in the specialty segment, all of which are discussed above. Gross margin from sales of rental equipment decreased 130 basis points from 2024, which primarily reflected the normalization of the used equipment market, including pricing. The gross margin fluctuations from sales of new equipment, contractor supplies sales and service and other revenues generally reflect normal variability, and such revenue types did not account for a significant portion of total gross profit (gross profit for these revenue types represented 4 percent of total gross profit for the three months ended June 30, 2025).

For the six months ended June 30, 2025, total gross margin decreased 180 basis points from 2024. Equipment rentals gross margin decreased 150 basis points from 2024, primarily due to reduced margins in the specialty segment, as discussed above. Additionally, as discussed above, equipment rentals gross margin for the general rentals segment decreased primarily due to inflation and normal cost variability, particularly in delivery and labor and benefits costs. Gross margin from sales of rental equipment decreased 300 basis points from 2024, which primarily reflected the normalization of the used equipment market, including pricing. The gross margin fluctuations from sales of new equipment, contractor supplies sales and service and other revenues generally reflect normal variability, and such revenue types did not account for a significant portion of total gross profit (gross profit for these revenue types represented 4 percent of total gross profit for the six months ended June 30, 2025).

Other costs/(income)

The table below includes the other costs/(income) in our condensed consolidated statements of income, as well as key associated metrics:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	Change	2025	2024	Change
Selling, general and administrative ("SG&A") expense	$422	$404	4.5%	$859	$793	8.3%
SG&A expense as a percentage of revenue	10.7%	10.7%	— bps	11.2%	10.9%	30 bps
Restructuring charge	—	1	(100.0)%	1	2	(50.0)%
Non-rental depreciation and amortization	108	109	(0.9)%	222	213	4.2%
Interest expense, net	171	173	(1.2)%	355	333	6.6%
Other income, net	(7)	(4)	75.0%	(75)	(7)	971.4%
Provision for income taxes	217	199	9.0%	387	352	9.9%
Effective tax rate	25.9%	23.8%	210 bps	25.3%	23.0%	230 bps

SG&A expense primarily includes sales force compensation, information technology costs, third party professional fees, management salaries, bad debt expense and clerical and administrative overhead. The year-over-year increase in SG&A

expense as a percentage of revenue for the six months ended June 30, 2025 includes the impact of the professional fees associated with the terminated H&E acquisition discussed above.

The ***restructuring charges*** primarily reflect severance and branch closure charges associated with our restructuring programs. We incur severance costs and branch closure charges in the ordinary course of our business. We only include such costs that are part of a restructuring program as restructuring charges. The designated restructuring programs generally involve the closure of a large number of branches over a short period of time, often in periods following a major acquisition, and result in significant costs that we would not normally incur absent a major acquisition or other triggering event that results in the initiation of a restructuring program. Since the first such program was initiated in 2008, we have completed seven restructuring programs and have incurred total restructuring charges of $384. We currently have no open restructuring programs, and the total liability associated with our restructuring programs was $16 as of June 30, 2025.

Non-rental depreciation and amortization includes (i) the amortization of other intangible assets and (ii) depreciation expense associated with equipment that is not offered for rent (such as computers and office equipment) and amortization expense associated with leasehold improvements. Our other intangible assets consist of customer relationships, non-compete agreements and trade names and associated trademarks.

Interest expense, net for the three months ended June 30, 2025 decreased slightly year-over-year, as the impact of decreased variable debt interest rates was partially offset by a slight increase in average debt. The weighted average interest rates on our variable debt instruments were 5.6 percent and 6.6 percent for the three months ended June 30, 2025 and 2024, respectively. Interest expense, net for the six months ended June 30, 2025 increased by 6.6 percent year-over-year, primarily reflecting the impact of the bridge financing fees associated with the terminated H&E acquisition discussed above and increased average debt, including the debt issued to partially fund the March 2024 acquisition of Yak discussed above, partially offset by decreased variable debt interest rates. The weighted average interest rates on our variable debt instruments were 5.6 percent and 6.6 percent for the six months ended June 30, 2025 and 2024, respectively.

Other income, net primarily includes (i) currency gains and losses, (ii) finance charges, (iii) gains and losses on sales of non-rental equipment and (iv) other miscellaneous items. Other income, net for the six months ended June 30, 2025 includes $64 of income associated with the receipt of the break-up fee associated with the terminated H&E acquisition discussed above.

The ***effective tax rates*** for 2025 and 2024 differed from the federal statutory rate of 21 percent primarily due to the geographical mix of income between foreign and domestic operations, the impact of state and local taxes, stock compensation, and other deductible and nondeductible charges. The year-over-year increases in the effective tax rates for the three and six months ended June 30, 2025 primarily reflected benefits recognized in 2024 associated with decreases to the average state tax rates and changes to tax laws in certain states.

On July 4, 2025, new federal tax legislation ("H.R.1") was enacted. The primary effects of this legislation include making 100 percent bonus depreciation permanent, the permanent restoration of the ability of taxpayers to immediately expense certain domestic research and experimental expenditures, and the restoration of EBITDA-based interest deduction limitations. In addition, H.R.1 includes international tax provisions, including eliminating the net deemed tangible income return, decreasing the tax rates and taxable income computations applicable to global intangible low-taxed income ("GILTI") and foreign derived intangible income ("FDII"), and permanently increasing the base erosion and anti-abuse minimum tax ("BEAT") rate. The potential impact of these changes on our financial statements is currently under evaluation, and the impact on our effective tax rate is not expected to be material in 2025. We currently expect that these provisions will both decrease our 2025 cash income tax liability and increase our deferred tax liability, and we continue to evaluate the provisions of the legislation and its potential effects on our financial position, results of operations, and cash flows. The effects of the legislation will be reflected in our financial statements in the period of enactment (in the third quarter of 2025), and disclosures addressing the financial statement impact will be provided in future periods as the impact of the legislation is determined.

Balance sheet. Prepaid expenses and other assets increased by $127, or 54.0 percent, from December 31, 2024 to June 30, 2025, primarily due to an increase in income taxes receivable which reflected required tax payments exceeding the estimated tax accruals. Accounts payable increased by $691, or 92.4 percent, from December 31, 2024 to June 30, 2025, primarily due to seasonal increases in capital expenditures and business activities. See the condensed consolidated statements of cash flows for further information on changes in cash and cash equivalents, the condensed consolidated statements of stockholders' equity for further information on changes in stockholders' equity and note 5 to the condensed consolidated financial statements for further information on debt changes.

Liquidity and Capital Resources

We manage our liquidity using internal cash management practices, which are subject to (i) the policies and cooperation of the financial institutions we utilize to maintain and provide cash management services, (ii) the terms and other requirements of the agreements to which we are a party and (iii) the statutes, regulations and practices of each of the local jurisdictions in which we operate.

In January 2024, our Board of Directors authorized a $1.5 billion share repurchase program, which was completed in the first quarter of 2025. In April 2025, our Board of Directors authorized a new $1.5 billion share repurchase program, and repurchases under this program began in April 2025. We have repurchased $417 under the current $1.5 billion program through June 30, 2025. Subsequent to the enactment of the new federal tax legislation discussed above (see "Results of Operations-Other costs/(income)-effective tax rates”) on July 4, 2025, and with consideration of the expected cash flow benefit associated with the legislation, our Board of Directors approved an increase in the size of the current share repurchase program, from $1.5 billion to $2.0 billion. We intend to repurchase $1.65 billion under the $2.0 billion program in 2025, with the remaining $350 under the program carried into 2026. A 1 percent excise tax is imposed on “net repurchases” (certain purchases minus certain issuances) of common stock. The repurchases above (as well as the total program sizes) do not include the excise tax, which totaled $6 year-to-date through June 30, 2025 (the total excise tax amount relates to both the current program and the prior program that was completed in the first quarter of 2025). Since 2012, we have repurchased a total of $8.151 billion (inclusive of immaterial excise taxes, which were first imposed in 2023) of Holdings' common stock under our share repurchase programs (comprised of nine programs that have ended, including the program that was completed in the first quarter of 2025).

Our Board of Directors also approved our first-ever quarterly dividend program in January 2023, and the first dividend under the program was paid in February 2023. During the six months ended June 30, 2025 and 2024, we paid dividends totaling $235 ($3.58 per share) and $219 ($3.26 per share), respectively. On April 23, 2025, our Board of Directors declared a quarterly dividend of $1.79 per share, payable on August 27, 2025 to stockholders of record on August 13, 2025.

Our principal existing sources of cash are cash generated from operations and from the sale of rental equipment, and borrowings available under our ABL and accounts receivable securitization facilities. As of June 30, 2025, we had cash and cash equivalents of $548. We believe that our existing sources of cash will be sufficient to support our existing operations over the next 12 months. The table below presents financial information associated with our principal sources of cash as of and for the six months ended June 30, 2025:

ABL facility:	
Borrowing capacity, net of letters of credit	$ 2,133
Outstanding debt, net of debt issuance costs (1)	2,091
Interest rate at June 30, 2025	5.5 %
Average month-end principal amount of debt outstanding (1)	1,670
Weighted-average interest rate on average debt outstanding	5.5 %
Maximum month-end principal amount of debt outstanding (1)	2,096
Accounts receivable securitization facility:	
Borrowing capacity	315
Outstanding debt, net of debt issuance costs	1,184
Interest rate at June 30, 2025	5.3 %
Average month-end principal amount of debt outstanding	1,308
Weighted-average interest rate on average debt outstanding	5.3 %
Maximum month-end principal amount of debt outstanding	1,420

(1) The outstanding and maximum amounts of debt under the ABL facility exceeded the average outstanding amount primarily due to the use of borrowings under the facility to fund seasonal expenditures.

We expect that our principal short-term (over the next 12 months) and long-term needs for cash relating to our operations will be to fund (i) operating activities and working capital, (ii) the purchase of rental equipment and inventory items offered for sale, (iii) payments due under operating leases, (iv) debt service, (v) share repurchases, (vi) dividends and (vii) acquisitions. We plan to fund such cash requirements from our existing sources of cash. In addition, we may seek additional financing through the securitization of some of our real estate, the use of additional operating leases or other financing sources as market conditions permit.

To access the capital markets, we rely on credit rating agencies to assign ratings to our securities as an indicator of credit quality. Lower credit ratings generally result in higher borrowing costs and reduced access to debt capital markets. Credit ratings also affect the costs of derivative transactions, including interest rate and foreign currency derivative transactions. As a result, negative changes in our credit ratings could adversely impact our costs of funding. Our credit ratings as of July 21, 2025 were as follows:

	Corporate Rating	Outlook
Moody’s	Ba1	Stable
Standard & Poor’s	BB+	Stable

A security rating is not a recommendation to buy, sell or hold securities. There is no assurance that any rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn by a rating agency in the future.

Loan Covenants and Compliance. As of June 30, 2025, we were in compliance with the covenants and other provisions of the ABL, accounts receivable securitization and term loan facilities and our senior notes. Any failure to be in compliance with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations.

The only financial covenant that currently exists under the ABL facility is the fixed charge coverage ratio. Subject to certain limited exceptions specified in the ABL facility, the fixed charge coverage ratio covenant under the ABL facility will only apply in the future if specified availability under the ABL facility falls below 10 percent of the maximum revolver amount under the ABL facility for five consecutive business days. When certain conditions are met, cash and cash equivalents and borrowing base collateral in excess of the ABL facility size may be included when calculating specified availability under the ABL facility. As of June 30, 2025, specified availability under the ABL facility exceeded the required threshold and, as a result, this financial covenant was inapplicable. Under our accounts receivable securitization facility, we are required, among other things, to maintain certain financial tests relating to: (i) the default ratio, (ii) the delinquency ratio, (iii) the dilution ratio and (iv) days sales outstanding. The accounts receivable securitization facility also requires us to comply with the fixed charge coverage ratio under the ABL facility, to the extent the ratio is applicable under the ABL facility.

Covenants in the agreements governing our ABL facility, term loan facility and certain other debt instruments impose limitations on our ability to make share repurchases and dividend payments, subject to important exceptions that would allow us to make such repurchases or payments under certain conditions. Based on our current total indebtedness leverage ratio (as defined in the applicable debt agreements) and usage of the ABL facility as of June 30, 2025, we met the criteria under the applicable debt agreements for these exceptions, and as a result we were not restricted in our ability to make share repurchases and dividend payments.

Sources and Uses of Cash. During the six months ended June 30, 2025, we (i) generated cash from operating activities of $2.753 billion, including the $52 H&E merger termination benefit discussed above, and (ii) generated cash from the sale of rental and non-rental equipment of $725. We used cash during this period principally to (i) make payments for purchases of rental and non-rental equipment and intangible assets of $2.303 billion, (ii) make debt payments, net of proceeds, of $123, (iii) purchase shares of our common stock for $720 and (iv) pay dividends of $235. During the six months ended June 30, 2024, we (i) generated cash from operating activities of $2.294 billion, (ii) generated cash from the sale of rental and non-rental equipment of $778 and (iii) received cash from debt proceeds, net of payments, of $1.314 billion. We used cash during this period principally to (i) make payments for purchases of rental and non-rental equipment and intangible assets of $2.031 billion, (ii) purchase other companies for $1.234 billion, (iii) purchase shares of our common stock for $791 and (iv) pay dividends of $219.

Free Cash Flow GAAP Reconciliation. We define “free cash flow” as net cash provided by operating activities less payments for purchases of, and plus proceeds from, equipment and intangible assets. The equipment and intangible asset items are included in cash flows from investing activities. Management believes that free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. The table below provides a reconciliation between net cash provided by operating activities and free cash flow.

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	**$ 2,753**	**$ 2,294**
Payments for purchases of rental equipment	(2,121)	(1,866)
Payments for purchases of non-rental equipment and intangible assets	(182)	(165)
Proceeds from sales of rental equipment	694	748
Proceeds from sales of non-rental equipment	31	30
Insurance proceeds from damaged equipment	23	24
Free cash flow	**$ 1,198**	**$ 1,065**

Net cash provided by operating activities and free cash flow for the six months ended June 30, 2025 both include the $52 H&E merger termination benefit discussed above (as noted above, the associated taxes have not yet been paid). The year-over-year increase in free cash flow for the six months ended June 30, 2025 also reflects the impact of working capital activities, partially offset by higher net payments for rental capital expenditures (payments for purchases of rental equipment less the proceeds from sales of rental equipment).

Relationship between Holdings and URNA. Holdings is principally a holding company and primarily conducts its operations through its wholly owned subsidiary, URNA, and subsidiaries of URNA. Holdings licenses its tradename and other intangibles and provides certain services to URNA in connection with its operations. These services principally include: (i) senior management services; (ii) finance and tax-related services and support; (iii) information technology systems and support; (iv) acquisition-related services; (v) legal services; and (vi) human resource support. In addition, Holdings leases certain equipment and real property that are made available for use by URNA and its subsidiaries.

Information Regarding Guarantors of URNA Indebtedness

URNA is 100 percent owned by Holdings and has certain outstanding indebtedness that is guaranteed by both Holdings and, with the exception of its U.S. special purpose vehicle which holds receivable assets relating to the Company’s accounts receivable securitization facility (the “SPV”) and a foreign subsidiary holding company acquired in connection with the General Finance acquisition, all of URNA’s U.S. subsidiaries (the “guarantor subsidiaries”). Other than the guarantee by our Canadian subsidiary of URNA's indebtedness under the ABL facility, none of URNA’s indebtedness is guaranteed by URNA's foreign subsidiaries, the SPV, or the foreign subsidiary holding company acquired in connection with the General Finance acquisition (together, the “non-guarantor subsidiaries”). The receivable assets owned by the SPV have been sold or contributed by URNA to the SPV and are not available to satisfy the obligations of URNA or Holdings’ other subsidiaries. Holdings consolidates each of URNA and the guarantor subsidiaries in its consolidated financial statements. URNA and the guarantor subsidiaries are all 100 percent-owned and controlled by Holdings. Holdings’ guarantees of URNA’s indebtedness are full and unconditional, except that the guarantees may be automatically released and relieved upon satisfaction of the requirements for legal defeasance or covenant defeasance under the applicable indenture being met. The Holdings guarantees are also subject to subordination provisions (to the same extent that the obligations of the issuer under the relevant notes are subordinated to other debt of the issuer) and to a standard limitation which provides that the maximum amount guaranteed by Holdings will not exceed the maximum amount that can be guaranteed without making the guarantee void under fraudulent conveyance laws.

The guarantees of Holdings and the guarantor subsidiaries are made on a joint and several basis. The guarantees of the guarantor subsidiaries are not full and unconditional because a guarantor subsidiary can be automatically released and relieved of its obligations under certain circumstances, including sale of the guarantor subsidiary, the sale of all or substantially all of the guarantor subsidiary's assets, the requirements for legal defeasance or covenant defeasance under the applicable indenture being met, designating the guarantor subsidiary as an unrestricted subsidiary for purposes of the applicable covenants or the notes being rated investment grade by both Standard & Poor’s Ratings Services and Moody’s Investors Service, Inc., or, in certain circumstances, another rating agency selected by URNA. Like the Holdings guarantees, the guarantees of the guarantor subsidiaries are subject to subordination provisions (to the same extent that the obligations of the issuer under the relevant notes are subordinated to other debt of the issuer) and to a standard limitation which provides that the maximum amount guaranteed by each guarantor will not exceed the maximum amount that can be guaranteed without making the guarantee void under fraudulent conveyance laws.

All of the existing guarantees by Holdings and the guarantor subsidiaries rank equally in right of payment with all of the guarantors' existing and future senior indebtedness. The secured indebtedness of Holdings and the guarantor subsidiaries (including guarantees of URNA’s existing and future secured indebtedness) will rank effectively senior to guarantees of any unsecured indebtedness to the extent of the value of the assets securing such indebtedness. Future guarantees of subordinated indebtedness will rank junior to any existing and future senior indebtedness of the guarantors. The guarantees of URNA’s

indebtedness are effectively junior to any indebtedness of our subsidiaries that are not guarantors, including our foreign subsidiaries. As of June 30, 2025, the indebtedness of our non-guarantors was comprised of (i) $1.184 billion of outstanding borrowings by the SPV in connection with the Company's accounts receivable securitization facility, (ii) $126 of outstanding borrowings under the ABL facility by non-guarantor subsidiaries and (iii) $13 of finance leases of our non-guarantor subsidiaries.

Covenants in the agreements governing our ABL facility, term loan facility and certain other debt instruments impose limitations on our ability to make share repurchases and dividend payments, subject to important exceptions that would allow us to make such repurchases or payments under certain conditions. Based on our current total indebtedness leverage ratio (as defined in the applicable debt agreements) and usage of the ABL facility as of June 30, 2025, we met the criteria under the applicable debt agreements for these exceptions, and as a result we were not restricted in our ability to make share repurchases and dividend payments.

Based on our understanding of Rule 3-10 of Regulation S-X ("Rule 3-10"), we believe that Holdings' guarantees of URNA indebtedness comply with the conditions set forth in Rule 3-10, which enables us to present summarized financial information for Holdings, URNA and the consolidated guarantor subsidiaries in accordance with Rule 13-01 of Regulation S-X. The summarized financial information excludes the financial information of the non-guarantor subsidiaries. In accordance with Rule 3-10, separate financial statements of the guarantor subsidiaries have not been presented. Our presentation below excludes the investment in the non-guarantor subsidiaries and the related income from the non-guarantor subsidiaries.

The summarized financial information of Holdings, URNA and the guarantor subsidiaries on a combined basis is as follows:

	June 30, 2025
Current receivable from non-guarantor subsidiaries	$4
Other current assets	582
Total current assets	**586**
Long-term assets	23,307
Total assets	**23,893**
Current liabilities	2,621
Long-term liabilities	15,628
Total liabilities	**18,249**
	Six Months Ended June 30, 2025
Total revenues	$6,986
Gross profit	2,671
Net income	1,010

Item 3. Quantitative and Qualitative Disclosures about Market Risk (dollars in millions, unless otherwise indicated)

Our exposure to market risk primarily consists of (i) interest rate risk associated with our variable and fixed rate debt and (ii) foreign currency exchange rate risk associated with our foreign operations.

Interest Rate Risk. As of June 30, 2025, we had an aggregate of $4.3 billion of indebtedness that bears interest at variable rates, comprised of borrowings under the ABL, accounts receivable securitization and term loan facilities. The amount of variable rate indebtedness outstanding under these facilities may fluctuate significantly. See note 5 to the condensed consolidated financial statements for the amounts outstanding, and the interest rates thereon, as of June 30, 2025 under these facilities. As of June 30, 2025, based upon the amount of our variable rate debt outstanding, our annual after-tax earnings would decrease by approximately $32 for each one percentage point increase in the interest rates applicable to our variable rate debt.

At June 30, 2025, we had an aggregate of $9.1 billion of indebtedness that bears interest at fixed rates. A one percentage point decrease in market interest rates as of June 30, 2025 would increase the fair value of our fixed rate indebtedness by approximately 3 percent. For additional information concerning the fair value of our fixed rate debt, see note 4 (see “Fair Value of Financial Instruments”) to our condensed consolidated financial statements.

Currency Exchange Risk. We primarily operate in the U.S. and Canada, and have a smaller presence in Europe, Australia and New Zealand. During the six months ended June 30, 2025, our foreign subsidiaries accounted for $675, or 9 percent, of our total revenue of $7.662 billion, and $84, or 6 percent, of our total pretax income of $1.527 billion. Based on the size of our foreign operations relative to the Company as a whole, we do not believe that a 10 percent change in exchange rates would have a material impact on our earnings. We do not engage in purchasing forward exchange contracts for speculative purposes.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

The Company's management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a–15(e) and 15d–15(e) of the Exchange Act, as of June 30, 2025. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under note 6 to our unaudited condensed consolidated financial statements of this quarterly report on Form 10-Q is incorporated by reference in answer to this item.

Item 1A. Risk Factors

Our results of operations and financial condition are subject to numerous risks and uncertainties described in our 2024 Form 10-K, which risk factors are incorporated herein by reference. You should carefully consider the risk factors in our 2024 Form 10-K in conjunction with the other information contained in this report. Should any of these risks materialize, our business, financial condition and future prospects could be negatively impacted.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information about purchases of Holdings' common stock by Holdings during the second quarter of 2025:

Period	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Dollar Amount of Shares That May Yet Be Purchased Under the Program (2)
April 1, 2025 to April 30, 2025	31,271	(1)	$ 631.57	30,870	
May 1, 2025 to May 31, 2025	216,147	(1)	$ 690.12	215,850	
June 1, 2025 to June 30, 2025	349,381	(1)	$ 711.09	349,095	
Total	**596,799**		**$ 699.33**	**595,815**	**$ 1,083,300,263**

(1) In April 2025, May 2025 and June 2025, 401, 297 and 286 shares, respectively, were withheld by Holdings to satisfy tax withholding obligations upon the vesting of restricted stock unit awards. These shares were not acquired pursuant to any repurchase plan or program.

(2) On April 23, 2025, our Board of Directors authorized a $1.5 billion share repurchase program, and repurchases under the program began in April 2025. Subsequent to the enactment of the new federal tax legislation discussed above (see "Management's Discussion and Analysis of Financial Condition and Results of Operations-Results of Operations-Other costs/(income)-effective tax rates") on July 4, 2025, and with consideration of the expected cash flow benefit associated with the legislation, our Board of Directors approved an increase in the size of the share repurchase program, from $1.5 billion to $2.0 billion. We intend to repurchase $1.65 billion under the program in 2025, with the remaining $350 million under the program carried into 2026. The maximum dollar amount yet to be purchased above reflects the amount as of June 30, 2025, and the amount yet to be purchased increased by $500 million upon the increase in the program size. A 1 percent excise tax is imposed on "net repurchases" (certain purchases minus certain issuances) of common stock. The repurchases above (as well as the total program size) do not include the excise tax, which totaled $6 million year-to-date through June 30, 2025 (the total excise tax amount relates to both the open program above and our prior $1.5 billion share repurchase program that was completed in the first quarter of 2025).

Item 5. Other Information

Certain of our officers or directors have made, and may from time to time make, elections to have shares withheld or sold back to Holdings to cover withholding taxes, which may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

3(a)	Seventh Amended and Restated Certificate of Incorporation of United Rentals, Inc., dated May 9, 2024 (incorporated by reference to Exhibit 3.1 of the United Rentals, Inc. and United Rentals (North America), Inc. Current Report on Form 8-K filed on May 9, 2024)
3(b)	Third Amended and Restated By-Laws of United Rentals, Inc., amended as of December 19, 2022 (incorporated by reference to Exhibit 3.1 of the United Rentals, Inc. Current Report on Form 8-K filed on December 20, 2022)
3(c)	Restated Certificate of Incorporation of United Rentals (North America), Inc., dated April 30, 2012 (incorporated by reference to Exhibit 3(c) of the United Rentals, Inc. and United Rentals (North America), Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2013)
3(d)	By-laws of United Rentals (North America), Inc. dated May 8, 2013 (incorporated by reference to Exhibit 3(d) of the United Rentals, Inc. and United Rentals (North America), Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2013)
10	Amendment No. 17 to Third Amended and Restated Receivables Purchase Agreement and Amendment No. 10 to Third Amended and Restated Purchase and Contribution Agreement, dated as of June 6, 2025, by and among United Rentals (North America), Inc., United Rentals Receivables LLC II, United Rentals, Inc., Liberty Street Funding LLC, Gotham Funding Corporation, GTA Funding LLC, Reliant Trust, The Bank of Nova Scotia, PNC Bank, National Association, Truist Bank, National Association, MUFG Bank, Ltd., The Toronto-Dominion Bank and Regions Bank (incorporated by reference to Exhibit 10.1 of the United Rentals, Inc. Current Report on Form 8-K filed on June 6, 2025)
22	Subsidiary Guarantors (incorporated by reference to Exhibit 22 of the United Rentals, Inc. and United Rentals (North America), Inc. Report on Form 10-K for the fiscal year ended December 31, 2024)
31(a)*	Rule 13a-14(a) Certification by Chief Executive Officer
31(b)*	Rule 13a-14(a) Certification by Chief Financial Officer
32(a)**	Section 1350 Certification by Chief Executive Officer
32(b)**	Section 1350 Certification by Chief Financial Officer
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished (and not filed) herewith pursuant to Item 601(b)(32)(ii) of Regulation S-K under the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED RENTALS, INC.

Dated: July 23, 2025 By: /s/ ANDREW B. LIMOGES

Andrew B. Limoges
Vice President, Controller and Principal Accounting Officer

UNITED RENTALS (NORTH AMERICA), INC.

Dated: July 23, 2025 By: /s/ ANDREW B. LIMOGES

Andrew B. Limoges
Vice President, Controller and Principal Accounting Officer

Exhibit 31(a)

CERTIFICATIONS

I, Matthew J. Flannery, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Rentals, Inc. and United Rentals (North America), Inc. for the quarterly period ended June 30, 2025;

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 registrants as of, and for, the periods presented in this report;

4. The registrants' 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 registrants 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 registrants, including their 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 registrants' 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 registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' 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 registrants' 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 registrants' internal control over financial reporting.

/s/ MATTHEW J. FLANNERY

Matthew J. Flannery
Chief Executive Officer

July 23, 2025

Exhibit 31(b)

CERTIFICATIONS

I, William E. Grace, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Rentals, Inc. and United Rentals (North America), Inc. for the quarterly period ended June 30, 2025;

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 registrants as of, and for, the periods presented in this report;

4. The registrants' 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 registrants 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 registrants, including their 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 registrants' 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 registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' 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 registrants' 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 registrants' internal control over financial reporting.

/s/ WILLIAM E. GRACE

William E. Grace
Chief Financial Officer

July 23, 2025

Exhibit 32(a)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of United Rentals, Inc. and United Rentals (North America), Inc. (the “Companies”) on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission (the “Report”), I, Matthew J. Flannery, Chief Executive Officer of the Companies, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to 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, as amended (15 U.S.C. 78m); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ MATTHEW J. FLANNERY

Matthew J. Flannery
Chief Executive Officer

July 23, 2025

Exhibit 32(b)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of United Rentals, Inc. and United Rentals (North America), Inc. (the “Companies”) on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission (the “Report”), I, William E. Grace, Chief Financial Officer of the Companies, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to 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, as amended (15 U.S.C. 78m); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ William E. Grace

William E. Grace
Chief Financial Officer

July 23, 2025