

Dear Shareholders,

I am writing this annual letter to you with deep appreciation for your investment in McGrath RentCorp (Nasdaq: MGRC).

I want to start by acknowledging that 2024 was a year with some challenges, but also one where we were able to demonstrate perseverance and our commitment to long-term growth. We navigated some tough market demand conditions and the distractions of the terminated merger with WillScot. Through it all, we executed solidly and are well-positioned for future growth and success. We came through stronger, more resilient, and independent as ever. We also celebrated the year-end with two impressive milestones.

We celebrated McGrath's 40th anniversary as a Nasdaq-listed company and announced an increase in the company's dividend for the 34th consecutive year, retaining the rare distinction of being one of just 137 publicly listed companies that are referred to as Dividend Champions. Both these milestones demonstrate McGrath's impressive longevity and shareholder focus as a public company.

We have honed our culture and customer experience over decades, resulting in many loyal and appreciative customers, team members, and shareholders. We have managed our company responsibly over the years, through many market ups and downs. We have also built a depth of leadership and strategic management with a strong commitment to growing shareholder value.

Strong Financial Performance

For the full year 2024, we reported total revenue of \$911 million, adjusted EBITDA of \$352 million, and adjusted earnings per share of \$5.93. This strong performance enabled us to make capital investments of \$191 million in new rental equipment and pay \$47 million in shareholder dividends.

I am very proud of the results we delivered in 2024. Our 10% growth in both revenue and adjusted EBITDA reflects a diligent focus on execution. The modular business had a strong year, and we made solid progress with our growth initiatives, which include providing broader solutions for our customers and expanding our regional coverage.

We have a simple set of priorities for the enterprise: grow the company responsibly, deploy capital in a disciplined way, and build value for our shareholders over time.

Strategic Growth

We have positioned McGrath to grow our modular and portable storage businesses that have multiple growth opportunities. We are a leader in education modular building rentals, and we have a strong commercial rental business serving many different segments. We have the fleet and expertise to execute complex projects with virtually any customer in any industry.

A few highlights that set us apart:

- We excel at providing solutions to customers and not simply renting them a temporary space. We provide accessories inside our buildings to make the unit more functional for the client (***Mobile Modular Plus***) as well as site work outside the building (***Site Related Services***) to enable the customer to streamline their project and reduce the number of subcontractors they must manage.
- Our distinctive production centers have the capabilities to customize, maintain, and refurbish our fleet with experienced in-house production crews.
- Our sales and operations teams are experts in product applications and know the local market codes and requirements well. They provide excellent service and are located in close proximity to our customers so they can respond quickly to customer needs.
- We have a very capable and experienced custom sales solutions team, including sales representatives, project managers, and site superintendents, who handle large and complex projects on a nationwide basis.
- We have unique capabilities to enable customers to configure a building easily and quickly via our digital offerings, including placing furniture and accessories inside the building.
- Our customer feedback scores are world-class, validating that we are customer-focused in our interactions.

Disciplined Capital Allocation

Our strong balance sheet, cash flow, and resilient business model provide a sound financial foundation to support our current business operations and future growth. We strive for appropriate leverage and invest cash responsibly. Our disciplined capital allocation decision-making means investments must meet a high bar for financial return achievement. We make organic investments and acquisitions to deploy growth capital and maintain a flexible balance sheet to enable us to execute smart M&A.

Our decision-making process is dynamic and reflective of current conditions. For instance, we ended 2024 with modular fleet utilization at 75%, which means we enter 2025 with more fleet available to meet rental demand than a year ago. Consequently, our plans for 2025 include an expected shift from capital spending to operating expense as we fulfill customer orders with existing fleet.

Shareholder Focus

Our unwavering focus and commitment to growing shareholder value is demonstrated by a shareholder return of 16% CAGR (Cumulative Average Growth Rate), based on our 1984 IPO and through 12/31/24 assuming reinvestment of dividends (which we have grown for 34 consecutive years, as previously highlighted).

We value our shareholders, and we remain honored by your ongoing relationship and trust in us to manage McGrath responsibly.

Looking Ahead

Across McGrath, we entered 2025 confident that our strategy is sound, and we are well-positioned to execute.

We will continue with our focus on the Mobile Modular business with multiple growth initiatives, including a focus on increasing our geographic coverage. Our current market presence includes 38 of the 50 United States. We have opportunities for additional long-term growth in several regional markets. As we develop these growth opportunities, we are investing in increased sales team coverage and will be accompanying that with prudent equipment purchases to meet order volumes.

We are hopeful that market demand will stabilize for Portable Storage and, also, that early positive demand improvement signs across both general purpose and communications equipment rentals for our TRS-RenTelco business will continue in 2025.

A key driver for our performance in 2025 and beyond will be the demand environment. We will be working hard to build momentum as the year progresses. We will be closely monitoring market trends and customer demand to ensure we are making the right decisions to meet customer needs as the year unfolds.

I consider it a privilege to lead McGrath. As we look ahead, for 2025, we will be working hard to continue to grow our business while maintaining our focus on this simple set of priorities.

2025 Shareholders Meeting

Our Annual Meeting of Shareholders is scheduled for June 4, 2025, as a virtual meeting (via live audio webcast) format only. The details of how shareholders can participate in our virtual Annual Meeting are included in the proxy materials that accompany this letter.

On behalf of McGrath's leadership team and our nearly 1,300 employees, I want to thank each of you for your investment in the company. With an experienced leadership team, track record of execution, strong balance sheet, and healthy free cash flow generation, we continue to be well-positioned for long-term growth.

Sincerely,

Joe Hanna

President and Chief Executive Officer

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

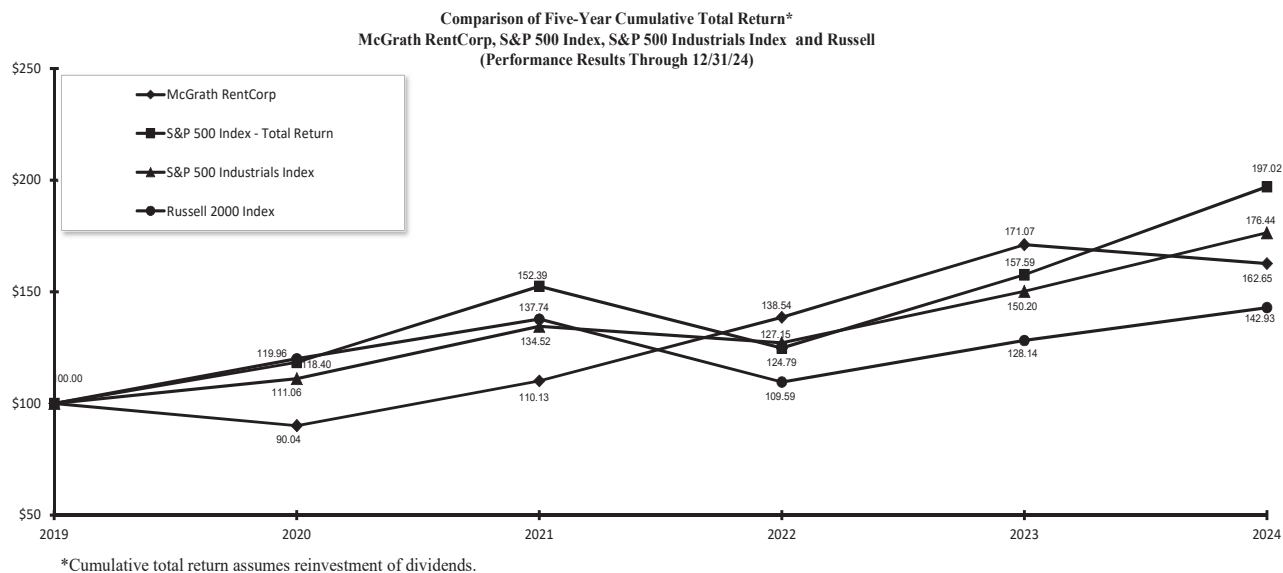
Statements contained in this presentation, which are not historical facts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements in the “Looking Ahead” section. All statements, other than statements of historical facts, regarding McGrath’s (the “Company’s”) expectations, strategies, prospects, or targets are forward-looking statements. These forward-looking statements also can be identified by the use of forward-looking terminology such as “anticipates,” “believes,” “continues,” “could,” “estimates,” “expects,” “intends,” “may,” “plan,” “predict,” “project,” or “will,” or the negative of these terms or other comparable terminology.

These forward-looking statements are not guarantees of future performance and are subject to significant risks and uncertainties that could cause our actual results to differ materially from those projected. Important factors that could cause actual results to differ materially from the Company’s expectations are disclosed under “Risk Factors” in the Company’s Form 10-K for 2024 and other SEC filings.

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

Performance Graph

The following graph compares McGrath RentCorp's annual percentage change in cumulative total return on common shares over the past five years with the cumulative total return of companies comprising the S&P 500 Index, the S&P 500 Industrials Index, and the Russell 2000 Index. This presentation assumes that \$100 was invested in shares of the relevant issuers on December 31, 2019, and that dividends received were immediately invested in additional shares. The graph plots the value of the initial \$100 investment at one-year intervals for the fiscal years shown.



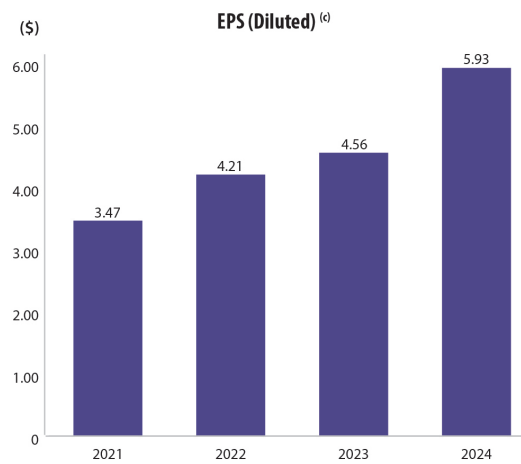
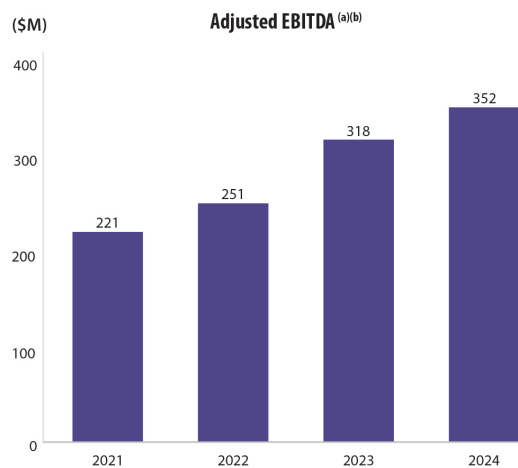
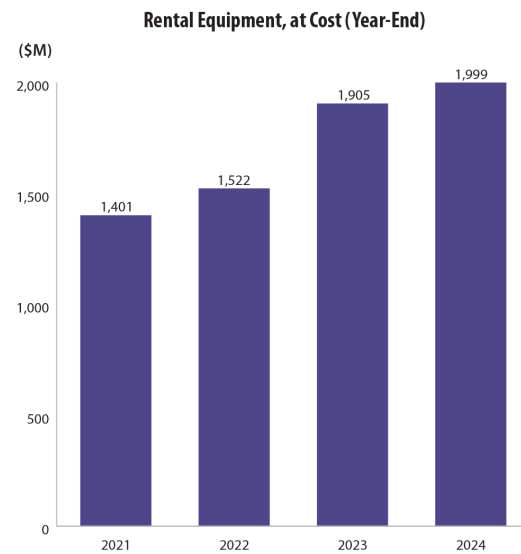
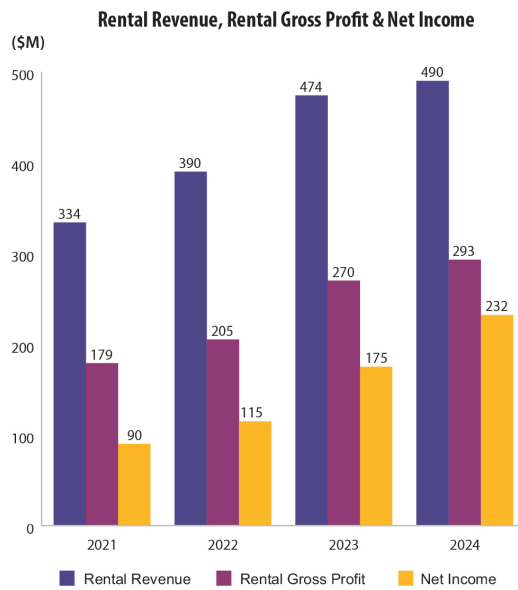
Source:

ZACKS TOTAL RETURN ANNUAL COMPARISON

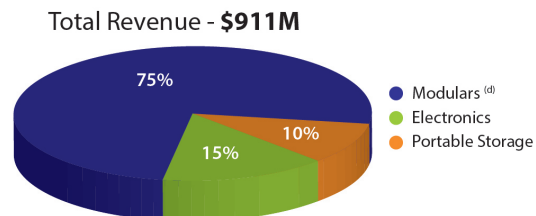
CUMULATIVE TOTAL RETURN SUMMARY

	2019	2020	2021	2022	2023	2024
McGrath RentCorp	\$100.00	\$ 90.04	\$110.13	\$138.54	\$171.07	\$162.65
S&P 500 Index—Total Return	\$100.00	\$118.40	\$152.39	\$124.79	\$157.59	\$197.02
S&P 500 Industrials Index	\$100.00	\$111.06	\$134.52	\$127.15	\$150.20	\$176.44
Russell 2000 Index	\$100.00	\$119.96	\$137.74	\$109.59	\$128.14	\$142.93

FINANCIAL HIGHLIGHTS



Total Revenue 2024 by Business Segment



(a) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income and Net Cash Provided by Operating Activities, both GAAP financial measures, see pages 45 and 46 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 which is included in this Annual Report.

(b) The Company defines Adjusted EBITDA as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs, share-based compensation and transaction costs.

(c) The 2024 EPS excludes the gain and transaction costs attributed to the merger termination with Willscot Mobile Mini.

(d) Modulares includes Mobile Modular, Kitchens To Go and Enviroplex.