Equipment Rental - Industrial

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Capital Markets Day
Feb. 19-20, 2001
Agenda

- Economic Conditions
- Offering Overview
- Structure
- Customer
- Offering Specifics
Economic Status

- Industrial segment
  - Less cyclical
  - More stable
  - Different drivers than construction
Economic Status

- Maintenance & Repairs and Overhaul
  - Business activity
  - Needs to be done
  - Change in technologies

- Planned Capital Expenditures
  - Cash flow
  - Current plant initialization
Equipment Rental Industry

- Industrial: 20%
- Building and Construction: 70%
- Other: 10%
U.S. Forecast Analysis
Industrial Market

Source: Industrial Information Resources
Market Segments
Rental Service Business Area

- Industrial: 35%
- Residential: 15%
- Construction (non-residential and non-building): 50%
Prime Industrial

- Prime Industrial is the combination of RSC and Primes’ industrial locations together consists of #1 and #2 competitors in the industrial market.

- Recognized as industry leader for industrial sector
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Industrial Offerings

- Prime Industrial is the only one stop shop in the rental industry
Single Source
Industrial Supplier Strategy

LaPorte Location

On-Site Rental Facilities

Job-Site Tool Trailers

Total Control System

MRO Supplies

Prime Energy

Tool Room Mgmt
Prime Industrial Offerings

- Industrial locations
- On site locations
- Prime Energy
- Tool Trailers
- Tool Rooms
- MRO Supplies
Video
Agenda

- Economic Conditions
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- **Structure**
- Customer
- Offering Specifics
Prime Industrial Structure

Industrial locations
Prime Energy
On sites
MRO Supplies
Prime Industrial

- Benefits same as construction divisions
- Part of one common RSC management team
- Industrial account focus
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Industrial Customers
Industrial Customers

vs. Construction Customers

- Well networked
- Expect zero defects
- Relationship driven
- More professional sales calls
Industrial Customers vs. Construction Customers

- More sophisticated purchaser with high expectations
- Expect 24 hour a day service
- Bigger peak demand periods
- Expect full range of product
- Larger and more stable
- Driven by outsourcing
  - Started in early 1990’s
  - Only want to focus on core competencies
Agenda

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Industrial Locations
LaPorte, Texas
Industrial Locations

- Free standing
- Share fleet
- Support on sites
- Provide 24-hour support
- Larger facilities
  - 3+ acres
Industrial Fleet Mix

Fleet as of Dec. ’00

RSBA Equipment Fleet Mix (Original Cost)

- Forklift: 17%
- Dirt: 22%
- Compressor, oil free: 4%
- Compressor: 5%
- Lighting: 1%
- Welding: 2%
- Concrete: 1%
- Cranes: 1%
- Trucks: 3%
- Generators: 2%
- Other: 6%
- Welding: 2%

AWP: 36%
Fleet differences vs. Construction

- Smaller equipment
  - Fewer types
  - Larger quantities

- Larger equipment
  - Same offerings
  - Broader

- Example: Air compressors
  - Construction location – 185-375 CFM
  - Industrial location – Full range 185-1600 CFM
Industrial On-Site Locations
Number of On-Sites

- Prime Industrial - 23
  - Leader
- Total industry 35+ on-sites
Industrial On-Site Potential

- > 1,000 Employees
- 1,432 Plants Available

U.S. Plants
Potential Industries

- Current
  - Petro-chemical
  - Pulp and paper

- Potential
  - Ship yards
  - Military bases
  - Manufacturing
  - Entertainment
On-Site Rental Usage

(project specific)

Day: 30%
Week: 47%
Month: 23%
On-Site Services

- On-Site Personnel
- On-Site Equipment Inventory
  - Customer owned equipment
  - Provide rental fleet
  - Alliance vendor equipment
- 3rd Party Equipment Supply
  - Providing complete Management Services
On-Site Services (cont..)

- Total Control (Integrated solution)
  - Consolidated Monthly/Weekly Invoicing
  - Complete Process Management - from point of issue to return
  - Providing the expertise for Proper Equipment Application
  - Maintain Customer Owned Equipment
  - Provide Equipment Operator Training
  - Quarterly KPI Reporting (Key Performance Indicators)
  - 24/7 Services
Prime Energy Offerings

▶ Products
  ▶ Portable oil-free compression
  ▶ Large generator 250kw and larger
  ▶ Temperature control
    - Chillers
    - Cooling tower

▶ Applications
  ▶ Snow making
  ▶ Nuclear plants
  ▶ Substitute clean air
  ▶ Bottle plants

▶ Engineered solutions
  ▶ Another way into plant
Industrial Tool Trailers
Industrial Tool Trailers

- Turnarounds/Shutdowns
- Large Commercial Projects
- Plant Expansions
- Electrical Plant Outages
- Provide tools to outside temporary employees
- Bar coded solution
Industrial Tool Trailers

- Widest selection of tools, equipment and supplies
- Trained and qualified tool room personnel
- Most advanced and innovative management systems
- We are the industry leader
Industrial Tool Trailers

- Capacity of 43 Tool Trailers
- 82 completed jobs in 2000
- Average job duration is 28 days for petrochemical and 9 days for pulp and paper
Total Control 2000

Utilize Bar Code Technology
Total Control 2000

- Comprehensive Management Reporting
- Utilization
- Stock Replenishment
- Outstanding Issues
- Consumable Usage
- Safety Validation
Tool Rooms
Tool Room Management
on a Permanent Basis

- Currently on 24 sites
- Tool management
  - Client owns small tools
    - RSC provides staff only and Total Control 2000
  - RSC owns small tools
    - RSC provides all tool needs
Tool Rooms

- Benefits to customer
  - Impartial administration
  - Continuity of management
  - Consistency or service
  - No repetitive training cost
  - Total Control 2000
Tool Rooms

Benefits to Prime Industrial

- Representation at facility
- Secure core businesses
  - Shutdowns/Turnarounds
  - Consumable Sales
  - Equipment Rentals
  - Small tool day to day Rentals
- Growth path to full on-sites
- Offers us something that no competitor can/has offered
MRO Supplies
MRO Supplies

- Industrial warehouses
  - Another relationship into plant
  - Add exposure to different plant personnel
  - One customer is 100% stock/replenished

- Serves external customers

- Supplies internal customers
Cautionary Statement

“Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially effected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.”