



## Williams Scotsman Announces Second Quarter 2018 Results and Provides Update on Pending ModSpace Acquisition

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BALTIMORE, Aug. 07, 2018 (GLOBE NEWSWIRE) -- WillScot Corporation (Nasdaq: WSC) ("Williams Scotsman" or the "Company") today announced its second quarter 2018 financial results and provided an update on the closing status and timeframe of its pending acquisition of Modular Space Holdings, Inc. ("ModSpace").

### Second Quarter 2018 Financial Highlights<sup>1,2</sup>

- Revenues of \$140.3 million, representing a 27.4% (or \$30.2 million) year over year increase, driven by growth in core leasing and services revenues of \$36.7 million, or 38.2%, as a result of organic rate and volume growth, further accelerated by our Acton Mobile ("Acton") and Tyson Onsite ("Tyson") acquisitions.
  - Consolidated modular space average monthly rental rate of \$551 or a 3.2% year over year increase. Pro-forma, including results of Williams Scotsman, Acton, and Tyson for all periods presented, monthly rental rates increased 9.8% year over year.
  - Consolidated modular space units on rent increased 13,841 or a 34.0% year over year increase, including both organic growth and growth from recent acquisitions, and average modular space utilization increased 50 basis points ("bps") year over year to 70.3%. Pro-forma, including results of Williams Scotsman, Acton and Tyson for all periods presented, average modular space units on rent and utilization increased 2.6% and 240 bps year over year, respectively.
  - The increases in leasing and services revenue were partially offset by decreases of \$6.5 million, or 46.1%, in new unit and rental unit sales as compared to the same period in 2017.
- Consolidated net income of \$0.4 million, which includes \$5.2 million of discrete integration and restructuring costs related to the Acton integration, and \$4.1 million of transaction costs associated with the pending ModSpace acquisition.
- Adjusted EBITDA of \$41.9 million from our Modular - US and Modular - Other North America segments (the "Modular Segments"), representing a 45.5% (or \$13.1 million) year over year increase as compared to the same period in 2017 and an 18.0% increase from the first quarter of 2018.

| <b>Adjusted EBITDA by Segment (in thousands)</b> | <b>Three Months Ended June 30,</b> |                  | <b>Six Months Ended June 30,</b> |                  |
|--|------------------------------------|------------------|----------------------------------|------------------|
|  | <b>2018</b>                        | <b>2017</b>      | <b>2018</b>                      | <b>2017</b>      |
| Modular - US                                     | \$ 38,104                          | \$ 26,329        | \$ 70,716                        | \$ 50,012        |
| Modular - Other North America                    | 3,812                              | 2,506            | 6,692                            | 5,625            |
| <b>Modular Segments Adjusted EBITDA</b>          | <b>41,916</b>                      | <b>28,835</b>    | <b>77,408</b>                    | <b>55,637</b>    |
| Corporate and Other                              | —                                  | (2,588)          | —                                | (7,444)          |
| <b>Consolidated Adjusted EBITDA</b>              | <b>\$ 41,916</b>                   | <b>\$ 26,247</b> | <b>\$ 77,408</b>                 | <b>\$ 48,193</b> |

  

| <b>(in thousands)</b>          | <b>Three Months Ended June 30,</b> |             | <b>Six Months Ended June 30,</b> |             |
|--------------------------------|------------------------------------|-------------|----------------------------------|-------------|
|                                | <b>2018</b>                        | <b>2017</b> | <b>2018</b>                      | <b>2017</b> |
| Consolidated net income (loss) | \$ 379                             | \$ (5,896)  | \$ (6,456)                       | \$ (16,075) |

<sup>1</sup> - WillScot Corporation (formerly known as Double Eagle Acquisition Corp.) acquired Williams Scotsman International, Inc. ("WSII") on November 29, 2017 (the "Business Combination"). The Business Combination was accounted for as a reverse acquisition of Double Eagle Acquisition Corp. by WSII. Prior to completing the Business Combination, WSII's parent company undertook an internal restructuring in which WSII's remote accommodations business was removed from WSII. Financial results from WSII's former remote accommodations business are presented as discontinued operations in the financial statements. As a result of the Business Combination, (i) Williams Scotsman's consolidated financial results for periods prior to November 29, 2017, reflect the financial results of WSII and its consolidated subsidiaries, as the accounting predecessor to Williams Scotsman, and (ii) for periods from and after this date, Williams Scotsman's financial results reflect those of Williams Scotsman and its consolidated subsidiaries (including WSII and its subsidiaries) as the successor following the Business Combination.

<sup>2</sup> - Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of Adjusted EBITDA, as well as segment-level results to net loss, have been provided in the financial statement tables included in this press release. An explanation of these non-GAAP financial measures is included below under the heading "Non-GAAP Financial Measures." Please see the non-GAAP reconciliation tables included at the end of this press release.

### Acquisition Updates

- Executed on Acton integration plan, with full information technology system cut-over achieved, production consolidated in 90% of overlapping markets, and redundant branch location exit activities completed on schedule.
- Announced acquisition of ModSpace, the largest privately held provider of office trailers, portable storage units and modular buildings in the US and Canada, with over 80 operating locations for an enterprise value of \$1.1 billion, at the time of announcement.
- Obtained the financing required to fund the pending ModSpace acquisition.
  - Secured a debt commitment to fund the acquisition prior to its announcement.
  - Upsized our revolving credit agreement to \$1.35 billion (expandable to \$1.8 billion through an accordion feature) and obtained the amendments required to finance the acquisition and to give effect to our greater scale thereafter.
  - Raised \$128.0 million of gross proceeds from an underwritten common stock offering, subject to the underwriters' right to purchase an additional 1.2 million shares (which could raise an additional \$19.2 million of gross proceeds).
  - Completed \$200.0 million private placement of senior unsecured notes due 2023.
  - Completed \$300.0 million private placement of 6.875% senior secured notes due 2023.
- Received a No Action Letter from the Canadian Competition Bureau, the receipt of which was a closing condition for the ModSpace acquisition.
- Accelerated target closing date of pending ModSpace acquisition to mid-August.

### Management Commentary

Brad Soutz, President and Chief Executive Officer of Williams Scotsman commented, "I am delighted with our second quarter Adjusted EBITDA results of \$41.9 million, which is up 45.5% year over year for our modular segments and up 18.0% sequentially over the first quarter of 2018. The sequential growth is especially notable, as it reflects our continued strong organic growth as well as the realization of Acton-related synergies as the integration progresses. Of particular note, pro-forma modular space rates in our Modular - US Segment were up nearly 10% year over year for the third quarter in a row, driven by both continued improvement in base rental rates and expansion of our Ready to Work value proposition.

While delivering these outstanding results in the quarter, we also successfully migrated the Acton business onto the Williams Scotsman operating platform, representing a major integration milestone, and have now secured and announced the transformational acquisition of ModSpace. I am extremely proud of the Williams Scotsman team."

Tim Boswell, Chief Financial Officer, commented, "Since July 9, we've raised \$628.0 million of gross proceeds in the debt and equity capital markets and announced the expansion of our revolving credit facility to \$1.35 billion. Together these transactions will allow us to fund the cash consideration for the ModSpace acquisition and give us the operational and financial flexibility to continue executing our strategy post-closing. We appreciate the strong support we have received from the investment community in meeting those objectives."

### Second Quarter 2018 Results

Total consolidated revenues increased 27.4% to \$140.3 million, as compared to \$110.1 million in the prior year quarter.

- Modular - US segment revenue increased 27.1% to \$124.8 million, as compared to \$98.2 million in the prior year quarter with core leasing and services revenues up \$32.6 million, or 38.0% year over year.
  - Modular space average monthly rental rate of \$549, or a 2.6% year over year increase. Pro-forma, including results of Williams Scotsman, Acton, and Tyson for all periods presented, monthly rental rates increased 9.8% year over year.
  - Average modular space units on rent increased 13,217, or a 36.9% year over year increase, including both organic growth and growth from recent acquisitions. Pro-forma, including results of Williams Scotsman, Acton and Tyson for all periods presented, units on rent increased 1.6% year over year.
  - Average modular space utilization decreased 160 basis points ("bps") year over year to 72.2% as a result of businesses acquired at lower utilization rates, however utilization increased 40 bps from Q1 2018. Pro-forma, including results of Williams Scotsman, Acton and Tyson for all periods presented, utilization increased 170 bps year over year.
  - The increases in leasing and services revenue were partially offset by decreases of \$6.0 million, or 48.4%, in new unit and rental unit sales.
- Modular - Other North America segment revenue increased 29.2% to \$15.5 million, compared to \$12.0 million in the prior year quarter, with modular space average units on rent up 12.7% and average monthly rental rate up 7.3% compared to the prior year quarter.

The Modular Segments delivered Adjusted EBITDA of \$41.9 million, up 45.5% compared to \$28.8 million in the prior year quarter. Modular - US segment Adjusted EBITDA increased 44.9% to \$38.1 million, and Modular - Other North America segment Adjusted EBITDA increased \$1.3 million to \$3.8 million from the prior year quarter. Consolidated Adjusted EBITDA increased 59.9% to \$41.9 million, as compared to \$26.2 million in the prior year quarter.

### Capitalization and Liquidity Update

Capital expenditures for rental equipment from continuing operations increased \$5.1 million, or 18.5%, to \$32.7 million for the three months ended June 30, 2018, from \$27.6 million for the three months ended June 30, 2017. Net capital expenditures for rental equipment also increased \$5.9 million, or 25.8%, to \$28.8 million for the three months ended June 30, 2018. For the six months ended June 30, 2018, capital expenditures for rental equipment from continuing operations increased \$14.5 million, or 28.8% to \$64.8 million from \$50.3 million for the six months ended June 30, 2017.

Net capital expenditures for rental equipment also increased \$13.0 million, or 32.7% to \$52.7 million for the six months ended June 30, 2018. The increases for both periods were driven by increased spend for refurbishments, new fleet, and value-added products and services ("VAPS") to drive modular space unit on rent and revenue growth, and maintenance of a larger fleet following our Acton and Tyson acquisitions.

During the six months ended June 30, 2018, the Company's total debt balance increased by \$59.8 million to \$686.5 million due to the Tyson acquisition, continued capital investments in our fleet, and borrowing to fund an \$11.8 million reduction of accounts payable and accrued liabilities related to the Business Combination and certain aged accounts. As of June 30, 2018, the Company had \$219.6 million of availability under its revolving credit facility.

Since June 30, 2018, we obtained the financing required to fund the pending ModSpace acquisition and to pay related fees and expenses.

- We amended our revolving credit agreement to, among other things, (i) permit the ModSpace acquisition and our financing thereof, (ii) increase the credit facility limit to \$1.35 billion, and increase its accordion feature to \$450.0 million, and (iii) increase certain thresholds, basket sizes and default and notice triggers to account for our increased scale business following the ModSpace acquisition. The amendments will be effective upon closing of the ModSpace acquisition.
- We issued 8.0 million shares of our Class A common stock at a public offering price of \$16.00 per share, yielding gross proceeds of \$128.0 million. The underwriters have the right to purchase an additional 1.2 million shares by August 24, which would yield an additional \$19.2 million of gross proceeds.
- We sold \$200.0 million in aggregate principal amount of senior unsecured notes due 2023.
- We sold \$300.0 million in aggregate principal amount of 6.875% senior secured notes due 2023.

## 2018 Outlook

Management reaffirmed the Company's outlook for full year 2018, inclusive of the Acton and Tyson acquisitions. Management expects to provide updated guidance after completing the ModSpace acquisition. This guidance is subject to the risks and uncertainties described in the "Forward-Looking Statements" below.

## Non-GAAP Financial Measures

This press release includes non-GAAP financial measures, including Adjusted EBITDA. Williams Scotsman believes that this non-GAAP measure is useful to investors because it (i) allows investors to compare performance over various reporting periods on a consistent basis by removing from operating results the impact of items that do not reflect core operating performance; (ii) is used by our board of directors and management to assess our performance; (iii) may, subject to the limitations described below, enable investors to compare the performance of Williams Scotsman to its competitors; and (iv) provides an additional tool for investors to use in evaluating ongoing operating results and trends. A metric similar to Adjusted EBITDA is also used to evaluate Williams Scotsman's ability to service its debt. This non-GAAP measure should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Other companies may calculate Adjusted EBITDA and other non-GAAP financial measures differently, and therefore Williams Scotsman's non-GAAP financial measures may not be directly comparable to similarly titled measures of other companies. For reconciliation of the non-GAAP measures used in this press release, see "Reconciliation of non-GAAP Financial Measures" included in this press release.

## Conference Call Information

Williams Scotsman will host a conference call and webcast to discuss its second quarter results at 10 a.m. Eastern Time on Wednesday, August 8, 2018. The live call can be accessed by dialing (855) 312-9420 (US/Canada toll-free) or (210) 874-7774 (international) and asking to be connected to the Williams Scotsman call. A live webcast will also be accessible via the "Events & Presentations" section of the Company's investor relations website <https://investors.willscot.com>. Choose "Events" and select the information pertaining to the Q2 WSC Earnings Conference Call. Additionally, there will be slides accompanying the webcast. Please allow at least 15 minutes prior to the call to register, download and install any necessary software. For those unable to listen to the live broadcast, an audio webcast of the call will be available for 60 days on the Company's investor relations website.

## About WillScot Corporation

Headquartered in Baltimore, Maryland, WillScot Corporation is the public holding company for the Williams Scotsman family of companies in the United States, Canada and Mexico. WillScot Corporation trades on the NASDAQ stock exchange under the ticker symbol "WSC." Williams Scotsman is a specialty rental services market leader providing innovative modular space and portable storage solutions across North America. Williams Scotsman is the modular space supplier of choice for the construction, education, health care, government, retail, commercial, transportation, security and energy sectors. With over half a century of innovative history, organic growth and strategic acquisitions, its branch network includes over 100 locations, its fleet comprises nearly 100,000 modular space and portable storage units and its customer base has grown to approximately 35,000.

## Forward-Looking Statements

This news release contains forward-looking statements (including affirmation of earnings guidance) within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended. The words "estimates," "expects," "anticipates," "believes," "forecasts," "plans," "intends," "may," "will," "should," "shall" and variations of these words and similar expressions identify forward-looking statements, which are generally not historical in nature. Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other important factors, many of which are outside our control, which could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Although Williams Scotsman believes that these forward-looking statements are based on reasonable assumptions, it can give no assurance that any such forward-looking statement will materialize. Important factors that may affect actual results or outcomes include, among others, our ability to acquire and integrate new assets and operations (including the pending ModSpace acquisition); our ability to manage growth and execute our business plan; our estimates of the size of the markets for our products; the rate and degree of market acceptance of our products; the success of other competing modular space and portable storage solutions that exist or may become available; rising costs adversely affecting our profitability; potential litigation involving our Company; general economic and market conditions impacting demand for our products and services; implementation of tax reform; our ability to implement and maintain an effective system of internal controls; and such other risks and uncertainties described in the periodic reports we file with the Securities and Exchange Commission ("SEC") from time to time (including our Form

10-K for the year ending December 31, 2017), which are available through the SEC's EDGAR system at [www.sec.gov](http://www.sec.gov) and on our website. Any forward-looking statement speaks only at the date which it is made, and Williams Scotsman disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

#### Additional Information and Where to Find It

Additional information about the transaction can be found on the Williams Scotsman investor relations website at <https://investors.willscot.com>.

### WillScot Corporation Consolidated Statements of Operations (Unaudited)

| <i>(in thousands, except share data)</i>                               | Three Months Ended June 30, |            | Six Months Ended June 30, |             |
|--|-----------------------------|------------|---------------------------|-------------|
|  | 2018                        | 2017       | 2018                      | 2017        |
| Revenues:  |                             |            |                           |             |
| Leasing and services revenue:  |                             |            |                           |             |
| Modular leasing  | \$ 101,249                  | \$ 72,954  | \$ 198,511                | \$ 141,941  |
| Modular delivery and installation                                      | 31,413                      | 22,949     | 57,663                    | 41,953      |
| Sales:   |                             |            |                           |             |
| New units  | 5,236                       | 9,396      | 12,664                    | 14,882      |
| Rental units   | 2,435                       | 4,778      | 6,246                     | 10,622      |
| Total revenues   | 140,333                     | 110,077    | 275,084                   | 209,398     |
| Costs:   |                             |            |                           |             |
| Costs of leasing and services:   |                             |            |                           |             |
| Modular leasing  | 27,129                      | 21,340     | 54,291                    | 40,442      |
| Modular delivery and installation                                      | 30,127                      | 22,339     | 55,648                    | 40,472      |
| Costs of sales:  |                             |            |                           |             |
| New units  | 3,704                       | 6,766      | 8,691                     | 10,486      |
| Rental units   | 1,263                       | 2,575      | 3,578                     | 6,283       |
| Depreciation of rental equipment                                       | 23,470                      | 17,474     | 47,315                    | 34,194      |
| Gross profit   | 54,640                      | 39,583     | 105,561                   | 77,521      |
| Expenses:  |                             |            |                           |             |
| Selling, general and administrative                                    | 47,734                      | 31,652     | 92,948                    | 64,413      |
| Other depreciation and amortization                                    | 1,570                       | 1,890      | 4,006                     | 3,831       |
| Restructuring costs  | 449                         | 684        | 1,077                     | 968         |
| Currency losses (gains), net   | 572                         | (6,497)    | 1,596                     | (8,499)     |
| Other (income) expense, net  | (1,574)                     | 461        | (4,419)                   | 591         |
| Operating income   | 5,889                       | 11,393     | 10,353                    | 16,217      |
| Interest expense   | 12,155                      | 29,907     | 23,874                    | 54,568      |
| Interest income  | —                           | (3,509)    | —                         | (6,093)     |
| Loss from continuing operations before income tax                      | (6,266)                     | (15,005)   | (13,521)                  | (32,258)    |
| Income tax benefit   | (6,645)                     | (5,269)    | (7,065)                   | (10,138)    |
| Income (loss) from continuing operations                               | 379                         | (9,736)    | (6,456)                   | (22,120)    |
| Income from discontinued operations, net of tax                        | —                           | 3,840      | —                         | 6,045       |
| Net income (loss)  | 379                         | (5,896)    | (6,456)                   | (16,075)    |
| Net income (loss) attributable to non-controlling interest, net of tax | 143                         | —          | (505)                     | —           |
| Total income (loss) attributable to WSC                                | \$ 236                      | \$ (5,896) | \$ (5,951)                | \$ (16,075) |
| Net income (loss) per share attributable to WSC – basic                |                             |            |                           |             |
| Continuing operations - basic  | \$ 0.00                     | \$ (0.67)  | \$ (0.08)                 | \$ (1.53)   |
| Discontinued operations - basic  | \$ 0.00                     | \$ 0.26    | \$ 0.00                   | \$ 0.42     |
| Net (loss) income per share - basic                                    | \$ 0.00                     | \$ (0.41)  | \$ (0.08)                 | \$ (1.11)   |
| Net (loss) income per share attributable to WSC – diluted              |                             |            |                           |             |
| Continuing operations - diluted  | \$ 0.00                     | \$ (0.67)  | \$ (0.08)                 | \$ (1.53)   |
| Discontinued operations - diluted                                      | \$ 0.00                     | \$ 0.26    | \$ 0.00                   | \$ 0.42     |
| Net (loss) income per share - diluted                                  | \$ 0.00                     | \$ (0.41)  | \$ (0.08)                 | \$ (1.11)   |
| Weighted average shares:   |                             |            |                           |             |
| Basic  | 78,432,274                  | 14,545,833 | 77,814,456                | 14,545,833  |
| Diluted  | 82,180,086                  | 14,545,833 | 77,814,456                | 14,545,833  |
| Cash dividends declared per share                                      | \$ —                        | \$ —       | \$ —                      | \$ —        |

**Unaudited Segment Operating Data**

**Three Months Ended June 30, 2018 and 2017**

| <i>(in thousands, except for units on rent and rates)</i>  | <b>Three Months Ended June 30, 2018</b> |                                      |                              |              |   |
|--|---|--------------------------------------|------------------------------|--------------|---|
|  | <b>Modular - US</b>                     | <b>Modular - Other North America</b> | <b>Corporate &amp; Other</b> | <b>Total</b> |   |
| Revenue  | \$ 124,813                              | \$ 15,520                            | \$ —                         | \$ 140,333   |   |
| Gross profit   | \$ 49,741                               | \$ 4,899                             | \$ —                         | \$ 54,640    |   |
| Adjusted EBITDA  | \$ 38,104                               | \$ 3,812                             | \$ —                         | \$ 41,916    |   |
| Capital expenditures for rental equipment                  | \$ 30,931                               | \$ 1,748                             | \$ —                         | \$ 32,679    |   |
| Modular space units on rent (average during the period)    | 48,997                                  | 5,524                                | —                            | 54,521       |   |
| Average modular space utilization rate                     | 72.2                                    | % 57.1                               | %                            | 70.3         | % |
| Average modular space monthly rental rate                  | \$ 549                                  | \$ 573                               | \$ —                         | \$ 551       |   |
| Portable storage units on rent (average during the period) | 13,127                                  | 369                                  | —                            | 13,496       |   |
| Average portable storage utilization rate                  | 68.5                                    | % 57.4                               | %                            | 68.1         | % |
| Average portable storage monthly rental rate               | \$ 120                                  | \$ 116                               | \$ —                         | \$ 119       |   |

| <i>(in thousands, except for units on rent and rates)</i>  | <b>Three Months Ended June 30, 2017</b> |                                      |                              |              |   |
|--|---|--------------------------------------|------------------------------|--------------|---|
|  | <b>Modular - US</b>                     | <b>Modular - Other North America</b> | <b>Corporate &amp; Other</b> | <b>Total</b> |   |
| Revenue  | \$ 98,209                               | \$ 12,010                            | \$ (142 )                    | \$ 110,077   |   |
| Gross profit   | \$ 35,954                               | \$ 3,769                             | \$ (140 )                    | \$ 39,583    |   |
| Adjusted EBITDA  | \$ 26,329                               | \$ 2,506                             | \$ (2,588 )                  | \$ 26,247    |   |
| Capital expenditures for rental equipment                  | \$ 25,909                               | \$ 1,716                             | \$ —                         | \$ 27,625    |   |
| Modular space units on rent (average during the period)    | 35,780                                  | 4,900                                | —                            | 40,680       |   |
| Average modular space utilization rate                     | 73.8                                    | % 50.0                               | %                            | 69.8         | % |
| Average modular space monthly rental rate                  | \$ 535                                  | \$ 534                               | \$ —                         | \$ 534       |   |
| Portable storage units on rent (average during the period) | 11,988                                  | 351                                  | —                            | 12,339       |   |
| Average portable storage utilization rate                  | 70.7                                    | % 51.8                               | %                            | 70.0         | % |
| Average portable storage monthly rental rate               | \$ 114                                  | \$ 118                               | \$ —                         | \$ 114       |   |

**Six Months Ended June 30, 2018 and 2017**

| <i>(in thousands, except for units on rent and rates)</i>  | <b>Six Months Ended June 30, 2018</b> |                                      |   | <b>Total</b> |   |
|--|---------------------------------------|--------------------------------------|---|--------------|---|
|  | <b>Modular - US</b>                   | <b>Modular - Other North America</b> |   |              |   |
| Revenue  | \$ 246,900                            | \$ 28,184                            |   | \$ 275,084   |   |
| Gross profit   | \$ 96,549                             | \$ 9,012                             |   | \$ 105,561   |   |
| Adjusted EBITDA  | \$ 70,716                             | \$ 6,692                             |   | \$ 77,408    |   |
| Capital expenditures for rental equipment                  | \$ 61,455                             | \$ 3,308                             |   | \$ 64,763    |   |
| Modular space units on rent (average during the period)    | 48,841                                | 5,487                                |   | 54,328       |   |
| Average modular space utilization rate                     | 72.2                                  | % 57.0                               | % | 70.3         | % |
| Average modular space monthly rental rate                  | \$ 541                                | \$ 557                               |   | \$ 543       |   |
| Portable storage units on rent (average during the period) | 13,434                                | 364                                  |   | 13,798       |   |
| Average portable storage utilization rate                  | 69.8                                  | % 56.4                               | % | 69.4         | % |
| Average portable storage monthly rental rate               | \$ 118                                | \$ 116                               |   | \$ 118       |   |

| <i>(in thousands, except for units on rent and rates)</i>  | <b>Six Months Ended June 30, 2017</b> |                                      |                              |              |   |
|--|---------------------------------------|--------------------------------------|------------------------------|--------------|---|
|  | <b>Modular - US</b>                   | <b>Modular - Other North America</b> | <b>Corporate &amp; Other</b> | <b>Total</b> |   |
| Revenue  | \$ 185,624                            | \$ 24,069                            | \$ (295 )                    | \$ 209,398   |   |
| Gross profit   | \$ 69,769                             | \$ 8,035                             | \$ (283 )                    | \$ 77,521    |   |
| Adjusted EBITDA  | \$ 50,012                             | \$ 5,625                             | \$ (7,444 )                  | \$ 48,193    |   |
| Capital expenditures for rental equipment                  | \$ 47,958                             | \$ 2,344                             | \$ —                         | \$ 50,302    |   |
| Modular space units on rent (average during the period)    | 35,438                                | 4,868                                | —                            | 40,306       |   |
| Average modular space utilization rate                     | 73.0                                  | % 49.6                               | %                            | 69.1         | % |
| Average modular space monthly rental rate                  | \$ 524                                | \$ 531                               | \$ —                         | \$ 524       |   |
| Portable storage units on rent (average during the period) | 12,394                                | 355                                  | —                            | 12,749       |   |
| Average portable storage utilization rate                  | 72.9                                  | % 52.2                               | %                            | 72.1         | % |
| Average portable storage monthly rental rate               | \$ 113                                | \$ 114                               | \$ —                         | \$ 113       |   |

**WillScot Corporation**  
**Consolidated Balance Sheets**

| <i>(in thousands, except share data)</i>   | <b>June 30, 2018<br/>(unaudited)</b> | <b>December 31,<br/>2017</b> |
|--|--------------------------------------|------------------------------|
| Assets   |                                      |                              |
| Cash and cash equivalents  | \$ 8,181                             | \$ 9,185                     |
| Trade receivables, net of allowances for doubtful accounts at June 30, 2018 and December 31, 2017 of \$5,631 and \$4,845, respectively   | 104,013                              | 94,820                       |
| Raw materials and consumables  | 9,829                                | 10,082                       |
| Prepaid expenses and other current assets  | 14,137                               | 13,696                       |
| Total current assets   | 136,160                              | 127,783                      |
| Rental equipment, net  | 1,075,040                            | 1,040,146                    |
| Property, plant and equipment, net   | 82,361                               | 83,666                       |
| Goodwill   | 33,570                               | 28,609                       |
| Intangible assets, net   | 125,864                              | 126,259                      |
| Other non-current assets   | 4,038                                | 4,279                        |
| Total long-term assets   | 1,320,873                            | 1,282,959                    |
| Total assets   | \$ 1,457,033                         | \$ 1,410,742                 |
| Liabilities  |                                      |                              |
| Accounts payable   | 58,370                               | 57,051                       |
| Accrued liabilities  | 45,606                               | 48,912                       |
| Accrued interest   | 1,802                                | 2,704                        |
| Deferred revenue and customer deposits   | 50,382                               | 45,182                       |
| Current portion of long-term debt  | 1,883                                | 1,881                        |
| Total current liabilities  | 158,043                              | 155,730                      |
| Long-term debt   | 684,641                              | 624,865                      |
| Deferred tax liabilities   | 111,924                              | 120,865                      |
| Deferred revenue and customer deposits   | 6,696                                | 5,377                        |
| Other non-current liabilities  | 19,109                               | 19,355                       |
| Long-term liabilities  | 822,370                              | 770,462                      |
| Total liabilities  | 980,413                              | 926,192                      |
| Commitments and contingencies  |                                      |                              |
| Class A common stock: \$0.0001 par, 400,000,000 shares authorized at June 30, 2018 and December 31, 2017; 84,644,744 shares issued and outstanding at both June 30, 2018 and December 31, 2017 | 8                                    | 8                            |
| Class B common stock: \$0.0001 par, 100,000,000 shares authorized at June 30, 2018 and December 31, 2017; 8,024,419 shares issued and outstanding at both June 30, 2018 and December 31, 2017  | 1                                    | 1                            |
| Additional paid-in-capital   | 2,123,101                            | 2,121,926                    |
| Accumulated other comprehensive loss   | (54,417                              | ) (49,497 )                  |
| Accumulated deficit  | (1,640,230                           | ) (1,636,819 )               |
| Total shareholders' equity   | 428,463                              | 435,619                      |
| Non-controlling interest   | 48,157                               | 48,931                       |
| Total equity   | 476,620                              | 484,550                      |
| Total liabilities and equity   | \$ 1,457,033                         | \$ 1,410,742                 |

**Reconciliation of non-GAAP Financial Measures**

***Net Income (Loss) to Adjusted EBITDA non-GAAP Reconciliations***

We define EBITDA as net income (loss) plus interest (income) expense, income tax expense (benefit), depreciation and amortization. Our Adjusted EBITDA reflects the following further adjustments to EBITDA to exclude certain non-cash items and the effect of what we consider transactions or events not related to our core business operations:

- Currency (gains) losses, net: on monetary assets and liabilities denominated in foreign currencies other than the subsidiaries' functional currency. Substantially all such currency gains (losses) are unrealized and attributable to financings due to and from affiliated companies.
- Goodwill and other impairment charges related to non-cash costs associated with impairment charges to goodwill, other intangibles, rental fleet and property, plant and equipment.
- Restructuring costs associated with restructuring plans designed to streamline operations and reduce costs.
- Costs to integrate acquired companies.
- Non-cash charges for stock compensation plans.
- Other expense includes consulting expenses related to certain one-time projects, financing costs not classified as interest expense and gains and losses on disposals of property, plant, and equipment.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider the measure in isolation or as a substitute for net income (loss),

cash flow from operations or other methods of analyzing WSC's results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect changes in, or cash requirements, for our working capital needs;
- Adjusted EBITDA does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- Adjusted EBITDA does not reflect our tax expense or the cash requirements to pay our taxes;
- Adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect the impact on earnings or changes resulting from matters that we consider not to be indicative of our future operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as discretionary cash available to reinvest in the growth of our business or as measures of cash that will be available to meet our obligations.

The table below presents the unaudited reconciliation of net loss calculated in accordance with GAAP to Adjusted EBITDA. See "Non-GAAP Financial Measures" above for further information regarding the Company's use of non-GAAP financial measures.

| <i>(in thousands)</i>                             | Three Months Ended June 30, |            | Six Months Ended June 30, |             |
|---|-----------------------------|------------|---------------------------|-------------|
|   | 2018                        | 2017       | 2018                      | 2017        |
| Net income (loss)                                 | \$ 379                      | \$ (5,896) | \$ (6,456)                | \$ (16,075) |
| Income from discontinued operations, net of tax   | —                           | 3,840      | —                         | 6,045       |
| Income (loss) from continuing operations          | 379                         | (9,736)    | (6,456)                   | (22,120)    |
| Income tax benefit                                | (6,645)                     | (5,269)    | (7,065)                   | (10,138)    |
| Loss from continuing operations before income tax | (6,266)                     | (15,005)   | (13,521)                  | (32,258)    |
| Interest expense, net                             | 12,155                      | 26,398     | 23,874                    | 48,475      |
| Depreciation and amortization                     | 25,040                      | 19,364     | 51,321                    | 38,025      |
| Currency losses (gains), net                      | 572                         | (6,497)    | 1,596                     | (8,499)     |
| Restructuring costs                               | 449                         | 684        | 1,077                     | 968         |
| Transaction fees                                  | 4,118                       | 776        | 4,118                     | 862         |
| Integration costs                                 | 4,785                       | —          | 7,415                     | —           |
| Stock compensation expense                        | 1,054                       | —          | 1,175                     | —           |
| Other expense                                     | 9                           | 527        | 353                       | 620         |
| Adjusted EBITDA                                   | \$ 41,916                   | \$ 26,247  | \$ 77,408                 | \$ 48,193   |

#### **Net (Loss) Income to Adjusted EBITDA non-GAAP Reconciliations**

The following tables present unaudited reconciliations of the Company's loss from continuing operations before income tax to Adjusted EBITDA by segment for the three and six months ended June 30, 2018 and 2017, respectively:

| <i>(in thousands)</i>                             | Three Months Ended June 30, 2018 |                               |                   |              |
|---|----------------------------------|-------------------------------|-------------------|--------------|
|   | Modular - US                     | Modular - Other North America | Corporate & Other | Consolidated |
| Net (loss) income                                 | \$ (5,533)                       | \$ (733)                      | \$ 6,645          | \$ 379       |
| Income from discontinued operations, net of tax   | —                                | —                             | —                 | —            |
| Loss (income) from continuing operations          | (5,533)                          | (733)                         | 6,645             | 379          |
| Income tax benefit <sup>(a)</sup>                 | —                                | —                             | (6,645)           | (6,645)      |
| Loss from continuing operations before income tax | (5,533)                          | (733)                         | —                 | (6,266)      |
| Interest expense, net                             | 11,663                           | 492                           | —                 | 12,155       |
| Depreciation and amortization                     | 21,571                           | 3,469                         | —                 | 25,040       |
| Currency losses, net                              | 114                              | 458                           | —                 | 572          |
| Restructuring costs                               | 449                              | —                             | —                 | 449          |
| Transaction Fees                                  | 4,049                            | 69                            | —                 | 4,118        |
| Integration costs                                 | 4,785                            | —                             | —                 | 4,785        |
| Stock compensation expense                        | 1,054                            | —                             | —                 | 1,054        |
| Other expense                                     | (48)                             | 57                            | —                 | 9            |
| Adjusted EBITDA                                   | \$ 38,104                        | \$ 3,812                      | \$ —              | \$ 41,916    |

| <i>(in thousands)</i> | Three Months Ended June 30, 2017 |                               |                   |              |
|-----------------------|----------------------------------|-------------------------------|-------------------|--------------|
|                       | Modular - US                     | Modular - Other North America | Corporate & Other | Consolidated |
| Net income (loss)     | \$ 320                           | \$ (1,442)                    | \$ (4,774)        | \$ (5,896)   |

|  |           |          |            |           |
|--|-----------|----------|------------|-----------|
| Income from discontinued operations, net of tax <sup>(b)</sup> | —         | —        | 3,840      | 3,840     |
| Income (loss) from continuing operations                       | 320       | (1,442)  | (8,614)    | (9,736)   |
| Income tax benefit <sup>(a)</sup>                              | —         | —        | (5,269)    | (5,269)   |
| Income (loss) from continuing operations before income tax     | 320       | (1,442)  | (13,883)   | (15,005)  |
| Interest expense, net  | 15,953    | 1,038    | 9,407      | 26,398    |
| Depreciation and amortization                                  | 15,830    | 3,189    | 345        | 19,364    |
| Currency gains, net  | (5,800)   | (294)    | (403)      | (6,497)   |
| Restructuring costs  | —         | —        | 684        | 684       |
| Transaction fees   | 46        | —        | 730        | 776       |
| Other expense  | (20)      | 15       | 532        | 527       |
| Adjusted EBITDA  | \$ 26,329 | \$ 2,506 | \$ (2,588) | \$ 26,247 |

#### Six Months Ended June 30, 2018

| <i>(in thousands)</i>                             | Modular - US | Modular - Other North America | Corporate & Other | Consolidated |
|---|--------------|-------------------------------|-------------------|--------------|
| Net (loss) income                                 | \$ (10,841)  | \$ (2,680)                    | \$ 7,065          | \$ (6,456)   |
| Income from discontinued operations, net of tax   | —            | —                             | —                 | —            |
| (Loss) income from continuing operations          | (10,841)     | (2,680)                       | 7,065             | (6,456)      |
| Income tax benefit <sup>(a)</sup>                 | —            | —                             | (7,065)           | (7,065)      |
| Loss from continuing operations before income tax | (10,841)     | (2,680)                       | —                 | (13,521)     |
| Interest expense, net                             | 22,823       | 1,051                         | —                 | 23,874       |
| Depreciation and amortization                     | 44,463       | 6,858                         | —                 | 51,321       |
| Currency losses, net                              | 271          | 1,325                         | —                 | 1,596        |
| Restructuring costs                               | 1,067        | 10                            | —                 | 1,077        |
| Transaction Fees                                  | 4,049        | 69                            | —                 | 4,118        |
| Integration costs                                 | 7,415        | —                             | —                 | 7,415        |
| Stock compensation expense                        | 1,175        | —                             | —                 | 1,175        |
| Other expense                                     | 294          | 59                            | —                 | 353          |
| Adjusted EBITDA                                   | \$ 70,716    | \$ 6,692                      | \$ —              | \$ 77,408    |

#### Six Months Ended June 30, 2017

| <i>(in thousands)</i>  | Modular - US | Modular - Other North America | Corporate & Other | Consolidated |
|--|--------------|-------------------------------|-------------------|--------------|
| Net loss   | \$ (5,210)   | \$ (2,458)                    | \$ (8,407)        | \$ (16,075)  |
| Income from discontinued operations, net of tax <sup>(b)</sup> | —            | —                             | 6,045             | 6,045        |
| Loss from continuing operations                                | (5,210)      | (2,458)                       | (14,452)          | (22,120)     |
| Income tax benefit <sup>(a)</sup>                              | —            | —                             | (10,138)          | (10,138)     |
| Loss from continuing operations before income tax              | (5,210)      | (2,458)                       | (24,590)          | (32,258)     |
| Interest expense, net  | 31,512       | 2,216                         | 14,747            | 48,475       |
| Depreciation and amortization                                  | 30,993       | 6,331                         | 701               | 38,025       |
| Currency gains, net  | (7,399)      | (481)                         | (619)             | (8,499)      |
| Restructuring costs  | —            | —                             | 968               | 968          |
| Transaction fees   | 46           | —                             | 816               | 862          |
| Other expense  | 70           | 17                            | 533               | 620          |
| Adjusted EBITDA  | \$ 50,012    | \$ 5,625                      | \$ (7,444)        | \$ 48,193    |

(a) The Company does not allocate expenses on a segment level. As such, we have included tax income benefit in Corporate and other for the purpose of this reconciliation.

(b) For the purpose of this reconciliation, the Company has included income related to discontinued operations in Corporate and other as it all pertained to the Remote Accommodations segment which was discontinued as of November 29, 2017.

#### Net Capital Expenditures for Rental Equipment non-GAAP Reconciliation

The following table provides an unaudited reconciliation of purchase of rental equipment to Net Capital Expenditures for Rental Equipment:

| <i>(in thousands)</i>  | Three Months Ended June 30, |             | Six Months Ended June 30, |             |
|--|-----------------------------|-------------|---------------------------|-------------|
|  | 2018                        | 2017        | 2018                      | 2017        |
| Total purchase of rental equipment                               | \$ (32,679)                 | \$ (29,326) | \$ (64,763)               | \$ (54,223) |
| Total purchases of rental equipment from discontinued operations | —                           | (1,701)     | —                         | (3,921)     |
| Total purchases of rental equipment from continuing operations   | (32,679)                    | (27,625)    | (64,763)                  | (50,302)    |
| Proceeds from sale of rental equipment                           | 3,905                       | 4,778       | 12,033                    | 10,622      |
| Net Capital Expenditures for Rental Equipment                    | \$ (28,774)                 | \$ (22,847) | \$ (52,730)               | \$ (39,680) |

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