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

Form 10-K

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

For the fiscal year ended December 31, 2019

Commission File Number 1-12804

mobile mini®, inc.

(Exact name of registrant as specified in its charter)

Delaware	**86-0748362**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4646 E. Van Buren Street, Suite 400
Phoenix, Arizona 85008
(Address of principal executive offices) (Zip Code)

(480) 894-6311
(Registrant's telephone number, including area code)

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	**MINI**	**Nasdaq Global Select Market**
Preferred Share Purchase Rights		

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the 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. ☐

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

The aggregate market value on June 28, 2019 of the voting common stock held by non-affiliates of the registrant was approximately $1.3 billion.

As of January 24, 2020, there were 44,152,190 outstanding shares of the registrant's common stock, par value $.01.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement for the registrant's 2020 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

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Cautionary Statement about Forward Looking Statements

Unless otherwise indicated, the terms "Mobile Mini," the "Company," "we," "us" and "our" refer to Mobile Mini, Inc. together with its consolidated subsidiaries.

Our discussion and analysis in this Annual Report on Form 10-K, our 2019 Annual Report to Stockholders, our other reports that we file with the Securities and Exchange Commission (the "SEC"), our press releases and in public statements of our officers and corporate spokespersons contain "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current events. We have tried, wherever possible, to identify such statements by using words such as "may," "plan," "seek," "will," "expect," "intend," "estimate," "anticipate," "believe," "continue," "project," "could," "should," "would," "likely," "future," "target," "forecast," "goal," "observe," and "strategy" or the negative thereof or variations thereon or similar terminology. The forward-looking statements in this Annual Report on Form 10-K reflect management's beliefs, plans, objectives, goals, expectations, anticipations and intentions with respect to our financial condition, results of operations, future performance and business, and include statements regarding, among other things, our future actions; financial position; management forecasts; efficiencies; cost savings, synergies and opportunities to increase productivity and profitability; our plans and expectations regarding acquisitions; income and margins; liquidity; anticipated growth; the economy; business strategy; budgets; projected costs and plans and objectives of management for future operations; sales efforts; taxes; refinancing of existing debt; and the outcome of contingencies such as legal proceedings and financial results.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to certain risks and uncertainties, including, without limitation, an economic slowdown in the United States ("U.S.") and/or the United Kingdom ("U.K.") that affects any significant portion of our customer base, or the geographic regions where we operate in those countries; our ability to manage growth at existing or new locations; our ability to obtain borrowings under our revolving credit facility or additional debt or equity financings on acceptable terms; changes in the supply and price of used containers; our ability to increase revenue and control operating costs; our ability to continue to develop revenue from managed rental services; our ability to raise or maintain rental rates; our ability to leverage and protect our information technology systems; our ability to protect our patents and other intellectual property; currency exchange and interest rate fluctuations; oil and gas prices; governmental laws and regulations affecting domestic and foreign operations, including tax obligations and labor laws; changes in the supply and cost of the raw materials we use in refurbishing or remanufacturing storage units; competitive developments affecting our industry, including pricing pressures; the timing, effectiveness and number of new markets we enter; our ability to cross-sell our portable storage and specialty containment products; our ability to integrate recent acquisitions; changes in generally accepted accounting principles; changes in local zoning laws affecting either our ability to operate in certain areas or our customer's ability to use our products; any changes in business, political and economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world and related U.S. military action overseas; our ability to utilize our deferred tax assets; and those other risks and uncertainties discussed herein, that could cause actual results to differ materially from historical results or those anticipated. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this Annual Report on Form 10-K will in fact transpire or prove to be accurate. Readers are cautioned to consider the specific risk factors described herein and in "Item 1A. Risk Factors" of this Annual Report on Form 10-K, and not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof.

The Company undertakes no obligation to update or publicly revise any forward-looking statement whether as a result of new information, future developments or otherwise. All subsequent written or oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this paragraph. You are advised, however, to review and consider any further disclosures we make on related subjects in our subsequently filed Form 10-Q and Form 8-K reports and our other filings with the SEC. Also note that we provide a cautionary discussion of risks, uncertainties and possibly inaccurate assumptions relevant to our business under "Item 1A. Risk Factors" of this Annual Report on Form 10-K. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand it is not possible to predict or identify all such factors.

PART I

ITEM 1. *BUSINESS.*

Mobile Mini, Inc. - General

We believe we are the world's leading provider of portable storage solutions, and are committed to providing our customers with superior service and access to a high-quality and diverse fleet. We are also a leading provider of specialty containment solutions in the United States ("U.S."). Our mission is to uphold our leadership positions in portable storage solutions to customers throughout North America and the United Kingdom ("U.K.") and become the provider of choice for specialty containment products in the U.S.

Business Model

Mobile Mini, founded in 1983, focuses on renting rather than selling our units, with rental revenues representing approximately 95% of our total revenues for the year ended December 31, 2019. We believe this strategy provides us with predictable, recurring revenue. Additionally, our assets have long useful lives, low maintenance and generally maintain their value throughout their useful lives. We also sell new and used units and provide delivery, installation and other ancillary products and value-added services.

Our business is comprised primarily of two product categories:

- *Storage Solutions*

  This category consists of our container and ground level office product offerings. We offer a wide range of Storage Solutions products in varying lengths and widths with an assortment of differentiated features such as patented locking systems, premium doors, electrical wiring and shelving. Our Storage Solutions products provide secure, accessible storage for a diversified client base of approximately 74,000 customers across various industries, including construction, retail and consumer services, industrial, commercial and governmental. Our customers use these products for a wide variety of storage applications, including construction materials and equipment, retail and manufacturing inventory, maintenance supplies, documents and records, household goods, and as portable offices.

- *Tank & Pump Solutions*

  Our Tank & Pump Solutions products consist primarily of liquid and solid containment units, pumps and filtration equipment. Additionally, we provide an offering to our customers of value-added services designed to enhance the efficiency of managing liquid and solid waste. The client base for our Tank & Pump Solutions products includes customers in specialty industries, such as chemical, refinery, oil and natural gas drilling, mining and environmental.

As of December 31, 2019, our network includes 120 Storage Solutions locations, 20 Tank & Pump Solutions locations and 16 combined locations. Included in our Storage Solutions network are 15 locations in the U.K., where we are a leading provider, and two in Canada. Our Storage Solutions fleet consists of approximately 200,200 units, and our Tank & Pump business has a fleet of approximately 12,700 units. In the discussions below, we generally refer to our business and assets as either "Storage Solutions" or "Tank & Pump Solutions."

Recent Strategic Transactions

In March 2019, we created more capital flexibility and positioned Mobile Mini for future growth by entering into the Second Amended and Restated ABL Credit Agreement dated as of March 22, 2019 (the "Credit Agreement") with Deutsche Bank AG New York Branch ("Deutsche Bank"), as administrative agent, and the other lenders party thereto, which replaced our prior Amended and Restated ABL Credit Agreement dated as of December 14, 2015. The Credit Agreement extends the maturity of our ABL financing to March 2024 and reduces fees associated with unused credit.

Industry Overview

Storage Solutions

The storage industry includes two principal sectors, fixed self-storage and portable storage. The fixed self-storage sector consists of permanent structures located away from customer locations to store excess household goods. We do not participate in the fixed self-storage sector.

The portable storage sector, upon which our business focuses, differs from the fixed self-storage sector, as it brings the storage solution to the customer's location and fulfills the need for secure storage with immediate access to the storage unit.

The advantages of portable storage include convenience, immediate accessibility, and lower price. In contrast to the fixed self-storage sector, the portable storage sector is primarily used by businesses. This sector of the storage industry is highly fragmented and remains primarily local in nature. Although there are no published estimates of the size of the portable storage market, we believe the sector is expanding due to the increasing awareness of the advantages of portable storage and that portable storage units are achieving increased market share compared to other portable options because containers provide ground level access, better protection against wind or water damage, higher security and improved aesthetics when compared to certain other portable storage alternatives such as van trailers.

We also offer ground level offices to serve the modular space industry, which includes mobile offices and other modular structures. Our ground level offices are either custom designed and manufactured or made from converted ISO (International Organization for Standardization) containers. In addition, our fleet includes combination steel ground level office/storage units in varying lengths and widths to serve the various requirements of our customers.

Tank & Pump Solutions

In the specialty containment sector, we service different markets. We serve the industrial market, which is comprised mainly of chemical facilities and refineries (the "downstream" market), and, to a lesser extent, companies engaged in the exploration and production of oil and natural gas (the "upstream" market). Additionally, we serve a diversified group of customers engaged in projects in the construction, pipeline and mining markets. Downstream customers utilize our equipment and services to manage and remove liquid and solid waste generated by ongoing operating activities as well as turn-around projects and large-scale expansion projects, while upstream customers tend to rent steel tanks to store water used in well hydraulic fracturing ("fracking"). Other customers utilize a wide variety of our products differentiated by the type of project in which they are engaged.

Business Environment and Outlook

Based on our assessment, we expect that the majority of our North American end markets will continue to drive demand for our products, although some macro-economic indicators are pointing to slower growth. The construction industry, which represents approximately 36% of our consolidated rental revenue, is forecasted to continue to show growth. Economic indicators related to the industrial and commercial end-segment are mixed. Industrial and commercial customers, which comprise approximately 26% of our rental revenue, generally operate in industries such as: large processing plants for organic and inorganic chemicals, refineries, distributors and trucking and utility companies. Our national retail accounts typically involve seasonal demand in the third and fourth quarter during the holiday season. Retail and consumer service customers comprise approximately 23% of our rental revenue and include department, drug, grocery and strip mall stores as well as hotels, restaurants, service stations and dry cleaners. Upstream oil and gas customers comprise approximately 2% of our rental revenue and include companies performing such activities as exploratory well drilling, operation of producing wells and bringing crude oil and/or raw natural gas to the surface using alternative methods.

In October 2019, the U.K. and E.U. agreed upon the terms of the U.K.'s withdrawal from the E.U. in the form of a Withdrawal Agreement. The Withdrawal Agreement was ratified by the U.K. Parliament, and the European Parliament in Brussels, in late January, with the consequence that Brexit formally occurred on January 31, 2020.

Economists predict there may be a modest improvement in the U.K. economy in the early months of 2020, as certain of the uncertainties facing the economy are diluted by the decisive U.K. election result and the certainty of the U.K. leaving the E.U. on January 31, 2020. This may lead to business investment decisions and commitments to major projects going ahead. However, the upside is expected to be limited by, among other things, longer-term Brexit uncertainties after the end of 2020. The current opinion of most economists is that, even after the U.K. formally leaves the E.U., there will be no lasting recovery until a U.K.-E.U. trade deal is in place.

Competitive Strengths

Our competitive strengths include the following:

Market Leader. We believe we are the world's largest provider of portable storage solutions, the largest portable storage provider in North America, a market leader in portable storage and accommodation solutions in the U.K., where we have nearly 100% geographic coverage, and the third largest provider of specialty containment solutions in the U.S.

Our business units operate under one family of brands. The portable storage business is branded as "Mobile Mini Storage Solutions," while our specialty containment business is known as "Mobile Mini Tank + Pump Solutions". Together we are "Mobile Mini Solutions". The Mobile Mini Solutions brand name is associated with high quality products, superior customer service and value-added solutions. Our branding reinforces this reputation and communicates to Mobile Mini's customers that the Company offers a diversified portfolio of products, with consistent quality and world-class service.

We believe we are one of a few competitors in the U.S. and the U.K. who possess the brand awareness, network of locations, customer relationships and infrastructure to compete on a national and regional basis while maintaining a strong local market presence.

Superior, Differentiated Products and Service. Within Storage Solutions, we offer a wide breadth of products and proprietary security features, like our patented tri-cam locking system. This product differentiation within the Storage Solutions sector and our superior service allows us to gain market share and charge premium rental rates.

We also offer a broad range of Tank & Pump Solutions equipment and value-added services, which enables us to meet customers' ongoing needs throughout the various life cycles of projects unique to the petrochemical and industrial industries. Our comprehensive turnkey solutions to customers' containment, storage, pumping and filtration needs drive the creation of strong long-term partnerships with our customers.

Sales and Marketing Emphasis. We target a diverse customer base and, unlike most of our competitors, have developed sophisticated sales and marketing programs enabling us to expand market awareness of our products and generate strong organic growth. We have a dedicated, commissioned sales team that works within our highly customized customer relationship management ("CRM") system. We manage our salespersons' effectiveness through extensive sales call monitoring, mentoring and intensive training programs. Our digital advertising includes paid and organic search, industry targeted content, social messaging and strategic partnerships. Additionally, our web site is designed to maximize organic and local search features, making use of location-specific content using the latest in technology to connect our customers with the nearest branch, as quickly as possible. Our web site features video case studies, product specifications, easy access to our customer portal and supports real time sales inquiries that enable customers to chat live with salespeople.

National Presence with Local Service. We have invested significant capital developing a national network of locations that serve most major metropolitan areas in the U.S. and the U.K. Our national presence in both markets allows us to offer our products to larger customers who wish to centralize the procurement of Storage Solutions and Tank & Pump Solutions products on a multi-regional or national basis. We have leveraged and will continue to leverage our national Storage Solutions presence and infrastructure across the U.S. to facilitate the geographic expansion of our Tank & Pump Solutions division. Locally, our branch managers, sales representatives and drivers develop and maintain critical long-lasting relationships with our customers who benefit from our reach and exceptional service, as well as our wide selection of products.

Customer Service. The portable storage industry is service intensive. To position ourselves to understand our customers' needs, we have trained our sales force to focus on all aspects of customer service from the sales call onward. We use Salesforce.com® as our CRM platform to increase our responsiveness to customer inquiries and to efficiently monitor our sales force's performance.

We use a Net Promoter Score ("NPS") system to measure customer loyalty through real time surveys conducted by a third party. We utilize customer feedback to drive service improvements across the Company, from our field locations to our corporate headquarters, resulting in proven success as evidenced by our best in class NPS score of 86% for 2019. We differentiate ourselves by coupling market-leading product quality, security, convenience, selection and availability, with exceptional customer service. We believe our superior customer service drives customer satisfaction and we survey our customers to determine the ease of doing business with us. Survey results are scrutinized to prioritize customer-facing process improvements.

Within the tank and pump industry, we have leveraged our broad range of products and expertise to differentiate ourselves from our competitors. Our Tank & Pump Solutions business offers a full suite of the liquid and solid containment equipment required to execute a comprehensive containment solution that often must meet stringent regulatory and technical requirements.

Management Information Systems and Proprietary Digital Solutions. We continue to make significant investments in the management information systems supporting our operations. Our customized management information systems enable us to optimize fleet utilization, control pricing, dispatch and track our trucks, capture detailed customer data, evaluate and approve credit applications, monitor company results, gain efficiencies in internal control compliance, and support our growth by projecting near-term capital needs. These systems also provide insight into estimating our forward-looking market potential by territory, enabling us to be more proactive and responsive when driving specific revenue streams. Decision makers and field personnel at all levels have access to real-time business information. In addition, we consistently capture relevant customer demographic and usage information to target new customers within existing and new markets. These capabilities result in a competitive advantage over smaller, less sophisticated regional competitors.

As part of our commitment to be the supplier of choice for our customers in 2019 we expanded several proprietary digital business solutions. Our customer portal MM Connect™ provides our customers real-time access to track and execute customer rental agreements, request services, review account history and make payments. In 2018 and 2019, we also introduced several mobile applications to drive efficiencies when interacting with our customers including delivery notifications, enabling real time contract activations and confirmation of delivery with digital signatures. In 2019, we launched a live chat feature on our website that allows customers to be guided through the entire rental process digitally by a sales team member. This alignment of technology and process provides value for our customers, drives market share growth and enables Mobile Mini to be easy to do business with.

Within the tank and pump industry specifically, we offer EnviroTrack™, a proprietary, sophisticated technology platform that provides detailed real-time data capture, tracking and customized reporting capabilities. We continue to further develop EnviroTrack™ as a GPS and smart-device enabled solution allowing our Tank & Pump Solutions customers to manage both their equipment on rent as well as their waste streams through the life cycle of the rental period. Our technology is a market differentiator, enabling us to develop strong, long-term relationships with the majority of our customer base, many of whom are large, blue-chip companies.

In addition to our customer-facing solutions, we continue to deploy new technology internally to promote efficient and effective processes within operations. In 2019, we implemented a new mobile platform to facilitate the inspection and repair process of units returning from rental contracts. This process ensures we have accurate status of all assets in yards and provides a clear view of specific required maintenance by unit, which ultimately results in accurate and timely billing of any damage caused while on rent. All solutions deployed are designed to ensure our fleet is maintained in a rent ready state.

Safety. At Mobile Mini, we are committed to the safety of our employees and our business partners. We believe that our focus on safety is a competitive advantage, as customers are increasingly focused on safety records in their sourcing decisions, especially in the Tank & Pump Solutions segment.

Business Strategy

Our strategic goal is to accelerate rental revenue growth and expand our operating margins by leveraging our infrastructure, focusing on higher returning assets and driving continuous improvements in efficiency. To achieve this goal, we intend to continue execution of the following strategies:

Focus on Core Rental Business with Higher Returning Assets. Our rental business provides predictable recurring revenue and high margins. We are constantly evaluating our portfolio of product offerings to ensure our capital is invested in products that provide optimal returns.

Generate Strong Organic Growth. We focus on increasing market penetration and gaining additional revenues from existing customers as well as gaining new customers through sophisticated sales and marketing programs aimed at increasing brand recognition, expanding market awareness of the uses of portable storage and differentiating our superior products from those of our competitors. In particular, we have experienced increased customer demand for our ground level offices and anticipate strong rental revenue growth related to this product group.

Opportunistic Geographic Expansion. We continue to evaluate potential acquisitions of varying sizes for our North America Storage Solutions business. Acquisitions are a method we may use to create value, gain market share and expand to new or underserved markets in North America where we believe demand for portable storage units is underdeveloped. We also have a proven strategy to enter markets by migrating available fleet to new markets that can be serviced by nearby full-service field locations. From these start-up operational yards, we are able to redeploy existing available fleet, allowing for cost effective new location openings with minimal capital expenditures. We also believe we have the opportunity to geographically expand the markets in which we offer Tank & Pump Solutions products.

Innovative Product Offering. Our wide offering of products with varying features expands the applications and overall market for our Storage Solutions products. Within our Tank & Pump Solutions products, we offer one of the broadest ranges of services and containment equipment in the industry complemented by an assortment of pumps and filtration units designed to allow us to partner with customers through every project stage. We believe that there will continue to be substantial demand for our rental products throughout North America and the U.K.

Managed Services. For certain of our customers, we partner with other rental companies to provide supplementary product and service offerings that may not be provided as part of our core product offering. Arranging these comprehensive services for our customers increases customer loyalty while generating additional rental revenue without additional investment in fleet.

Opportunities for Cross-selling and Expansion. By leveraging Mobile Mini's national footprint we can expand the geographic reach of our Tank & Pump Solutions products. Additionally, our significant Tank & Pump Solutions presence in downstream markets, particularly in the Gulf Coast region of the U.S., has allowed us to leverage established, long-term Tank & Pump Solutions relationships for their Storage Solutions needs.

Focus on Efficient Utilization of Fleet. We are focused on following disciplined pricing practices and maintaining the right mix of products within each geography to maximize the return on our assets and we continuously strive to enhance our fleet management processes to maximize fleet availability. Additionally, our salesforce proactively reaches out to the market to increase awareness of our products and has sophisticated tools to increase sales productivity. Optimizing fleet availability enables increased utilization resulting in higher rental margins, reduced capital expenditure requirements and maximum return on investment.

Drive Profitability of Existing Locations. We have established key performance indicators to optimize profitability at individual locations and incentivize local management teams based on the performance of their branch. We also compare results across locations and regions to identify areas of opportunity for growth or for increased efficiencies.

Continuous Improvement in Our Systems. We have made significant investments in our management information systems supporting our operations and believe these systems give us a competitive advantage. We utilize SAP® Enterprise Resource Planning ("ERP") system which is a scalable platform to support future growth. We are focused on continued enhancements that drive further process improvements and efficiencies.

Products

To achieve favorable pricing and optimize our capital expenditures we centrally manage the purchasing of our rental fleet. We acquire our products through a trusted worldwide network of industry leading suppliers and manufacturers, negotiating competitive purchasing programs aimed at reducing total cost of ownership and maximizing asset returns across all of our business units. We maintain our assets at industry leading quality standards through rigorous maintenance programs executed throughout its branch network. We do not generally maintain long-term contracts with any of our suppliers.

We protect our products and brands through the use of trademarks and patents. In particular, we have patented our proprietary tri-cam locking system, our Container Guard Lock and other continued improvements in our locking technology both in the markets in which we operate, as well as in Europe and China.

Storage Solutions

We offer customers a wide range of portable storage and office products with an assortment of differentiated features such as patented locking systems, premium and multiple door options and numerous configuration options. Our portable storage units provide secure, accessible storage. Our principal products are listed below:

- *Steel Storage Containers.* Standard portable storage containers are available in lengths ranging from 5 to 48 feet, widths of either 8 feet or 10 feet and a variety of customization options. Doors can be placed at the front, front and back, or the sides of containers. Other options include partitions and shelving. We believe our steel storage containers are a cost-effective alternative to mass warehouse storage, with a high level of fire and water damage protection.
- *Steel Ground Level Offices.* We offer steel ground level offices from 10 to 40 feet in length and 8 or 10 feet in width. Our 8 foot wide offices are available in various configurations, including office and storage combination units that provide a 10- or 15-foot office with the remaining area available for storage. Our office units provide the advantage of ground accessibility for ease of access and high security in an all-steel design. Our U.K. products include canteen units and drying rooms for the construction industry. For customers with space limitations, the

U.K. office/canteen units can also be stacked two or three-high with stairs for access to the upper units. These office units are equipped with electrical wiring, heating and air conditioning, phone jacks, carpet or tile, high security doors and windows with security bars or shutters. Some of these offices are also equipped with sinks, hot water heaters, cabinets and restrooms.

Tank & Pump Solutions

We offer a broad range of specialty containment equipment and services complemented by an assortment of pumps, filtration units and waste hauling services. In addition, we offer ancillary products for rental and for sale to our customers, such as hoses, pipes, filters and spill containment. Our principal products and services include those listed below:

- *Steel Tanks.* Our fleet of steel tanks offers flexible sizes and other options such as weir, gas buster and open top steel tanks. Applications include: temporary storage of chemicals, water and other liquids, thorough mixing, agitation and circulation of stored liquids with other products, removal of gas from fluids circulated in the wellbore - such as mud used during drilling operations and settling of solids in liquids prior to filtration or discharge.
- *Stainless Steel Tank Trailers.* Our stainless steel tankers meet department of transportation specifications for use in the storage and transportation of chemical, caustics and other liquids. Stainless steel tanks are offered insulated or non-insulated with level indication and vapor recovery capability.
- *Roll-Off Boxes.* Utilized for a variety of containment applications where it is necessary to maintain the homogeneity of the contents, our roll-off boxes provide simple, leak-proof storage and transportation of solid industrial byproducts. Roll-tarps or rolling metal lids are available to protect the contents from the elements during transport or storage.
- *Vacuum boxes.* Vacuum roll-off boxes are also offered to pair with a vacuum truck for containment, storage or transportation of pressurized contents.
- *Dewatering Boxes.* Our dewatering boxes are configured to provide for the draining of excess liquid from slurry or sludge which reduces storage, transportation and disposal costs. Upon completion of dewatering, the container is generally picked up by a roll-off truck for content disposal. Vacuum dewatering boxes are also offered.
- *Pumps and Filtration Equipment.* We offer a variety of pumps and filtration equipment differentiated by size and power. This equipment is used primarily for liquid circulation and filtration in municipal and industrial applications.
- *Services.* Value-added services performed by our employees include:
  - Transportation of containers for waste management between multiple locations or in-plant,
  - Waste management oversight and service provision by an on-site dedicated team,
  - System design including assessment of pumping, filtration and temporary storage needs, and
  - Field services to correctly install and connect customer containment equipment.

Product Lives and Durability

We rent containers and equipment that have been in our fleet for various lengths of time at similar rates, without regard to the age of the unit. Third-party appraisals on our rental fleet are required by our lenders on a regular basis. The appraisals typically report no difference in the value of the unit due to the age or length of time it has been in our fleet. These appraisals are used to calculate our available borrowings under our Credit Agreement. Based in part upon our lender's third-party appraiser who evaluated our fleet as of August 31, 2019, management estimates that the net orderly liquidation appraisal value of our rental fleet at December 31, 2019 was approximately $1.1 billion. Our net book value for this fleet as of December 31, 2019 was $966.2 million.

Storage Solutions

Steel containers have a long useful life with no technical obsolescence. Our steel portable storage containers and steel ground level offices have estimated useful lives of 30 years from the date we build or acquire and remanufacture them, with residual values of 55%. We maintain our steel containers on a regular basis by removing rust, painting them with rust inhibiting paint, plug-welding holes, and occasionally replacing the wooden floor or a rusted steel panel. Repainting the outside of storage units is the most common maintenance item. A properly maintained container is essentially in the same condition as when initially remanufactured.

Tank & Pump Solutions

When purchased new, our steel tanks and stainless steel tank trailers have estimated useful lives of 25 years, dewatering and roll-off boxes have useful lives ranging from 15 to 20 years and our pumps and filtration equipment have estimated lives of 7 years. We do not assume any residual value at the end of the assets' useful lives. There is a limited secondary market for Tank & Pump Solutions products. We have outlined a stringent quality control and maintenance program to ensure that only equipment of the highest quality is released to the field. Each container undergoes a thorough visual inspection, hydro-testing and ultrasonic thickness testing to identify maintenance requirements. Tank maintenance includes repainting with rust inhibiting paint, replacing interior liners, and repairing valves, gaskets and rails. This periodic maintenance keeps the Tank & Pump units in essentially the same condition as when initially purchased and is designed to maintain the units' value.

Depreciation

We depreciate our rental fleet using the straight-line method over each unit's estimated useful life after the date we place the unit in service, and the units are depreciated down to their estimated residual values, if any. Assets obtained through acquisitions are recorded at their then current fair market value and depreciated to their estimated residual value over each asset's estimated remaining life.

Remanufacturing and Manufacturing of Storage Solutions Containers

We purchase used ISO containers from leasing companies, shipping lines and brokers. These containers were originally built to ISO standards and are 8 feet wide, up to 9.5 feet high and 20, 40 or 45 feet long. After acquisition, we remanufacture and modify these ISO containers. Remanufacturing typically involves cleaning, removing rust and dents, repairing floors and sidewalls, painting, adding our signs and further customizing units by adding our proprietary easy opening door system and our patented locking system. Modification typically involves splitting some containers into differing lengths. The capitalized cost for remanufactured units includes the price we paid for the unit, plus the cost of customizing units and freight charges to our location when the unit is first placed in service. For manufactured units, cost includes our manufacturing cost, customization costs and freight charges to our location when the unit is first placed in service. In addition, we also purchase containers that have been manufactured in China that meet our size and quality specifications and as a result require no further customization.

Rental Fleet Composition

The table below outlines the composition of our Storage Solutions rental fleet at December 31, 2019:

	Rental Fleet (In thousands)	Number of Units	Percentage of Gross Fleet in Dollars	Percentage of Units
Steel storage containers	$ 627,230	170,717	63 %	85 %
Steel ground level offices	366,630	28,762	37	14
Other	6,565	672	—	1
Storage Solutions rental fleet	1,000,425	200,151	100 %	100 %
Accumulated depreciation	(166,565)			
Storage Solutions rental fleet, net	$ 833,860			

The table below outlines the composition of our Tank & Pump Solutions rental fleet at December 31, 2019:

	Rental Fleet (In thousands)	Number of Units	Percentage of Gross Fleet in Dollars	Percentage of Units
Steel tanks	$ 82,015	3,254	42 %	26 %
Roll-off boxes	35,398	5,640	18	45
Stainless steel tank trailers	29,716	639	15	5
Vacuum boxes	16,775	1,521	8	12
Dewatering boxes	9,486	880	5	7
Pumps and filtration equipment	14,343	725	7	5
Other	9,776	n/a	5	n/a
Tank & Pump Solutions rental fleet	197,509	12,659	100 %	100 %
Accumulated depreciation	(65,146)			
Tank & Pump Solutions rental fleet, net	$ 132,363			

Operations

Our senior management analyzes and manages our business as (i) two Storage Solutions business segments: North America and the U.K. and (ii) one Tank & Pump Solutions business segment. To effectively manage this business across different geographic areas, we divide these business segments into smaller management areas we call divisions, regions and locations. Each of our locations, in their respective segment, generally has similar characteristics covering products rented or sold, similar customer bases, sales personnel, advertising, yard facilities, general and administrative costs and field operations management. Further financial information by segment is provided in Note 16 “Segment Reporting” to the accompanying consolidated financial statements.

We locate our field operations in markets with attractive demographics and strong growth prospects. Within each market, we are located in areas that allow for easy delivery of units to our customers over a wide geographic area. In addition, when cost effective, we seek locations that are visible from high traffic roads in order to advertise our products and our name. A typical branch consists of outdoor storage space for units not currently on rent and a small office.

Each branch has a manager who has overall supervisory responsibility for all operational activities. Branch managers report to regional managers who each generally oversee multiple locations. Our regional managers, in turn, report to one of our operational senior vice presidents (called a managing director in the U.K.). Performance-based incentive bonuses are a substantial portion of the compensation for these senior vice presidents, regional managers and branch managers.

Locations have dedicated sales staff and transportation personnel that deliver and pick up units from customers. We also supplement our delivery fleet by outsourcing delivery services to independent haulers when appropriate. The locations have delivery trucks and forklifts to load, transport and unload units and a yard staff responsible for unloading and stacking units. Portable storage steel units can be stored by stacking them to maximize usable ground area. Our branch employees perform preventive maintenance tasks but outsource major repairs and other maintenance requirements either externally or to a senior repair team.

Sales and Marketing

Storage Solutions

We approach the market through a territory-based sales model with local, regional and national sales, including dedicated staff at our field locations as well as at our National Sales Center (“NSC”). Our field sales representatives handle local inbound calls and work to develop their branch territory and deepen local relationships through effective networking. Additionally, throughout the salesforce, we have multiple avenues of customer communication, including digital methods like live chat. The NSC handles overflow, answering inbound calls and working digital leads while initiating outbound sales campaigns across our footprint. Our one-team approach means that everyone works with our local branch managers and dispatchers to ensure customers receive integrated first-class service from inquiry to pickup. We believe that offering our customers local sales and service support in addition to the convenience of a centralized sales operation, allows us to serve all of our customers in a dedicated, efficient manner.

Our sales and marketing personnel provide information about our products to prospective customers by handling inbound calls and initiating outbound marketing calls. We have ongoing sales and marketing training programs covering all aspects of sales process and customer service. Our field locations communicate with one another and with corporate headquarters through our ERP system and our CRM platform, Salesforce.com®. This centralization of information enables the sales team to share leads and other information and permits management to monitor and review sales and rental productivity on a location-by-location basis. We improve our sales efforts by recording and rating the sales calls made and received by our trained sales force. Our sales personnel are compensated largely on a commission basis.

Our national footprint in the U.S. and the U.K. allows us to offer our products to larger customers who wish to centralize the procurement of portable storage on a multi-regional or national basis. Within our portable storage business, we are well equipped to meet these customers' needs through our National Account Program, which centralizes and simplifies the procurement, rental and billing process for those customers. Our largest customers tend to participate in our National Account Program. We provide our National Account customers with service guarantees, which assure them they will receive the same superior customer service and access to high quality, diverse fleet from any of our field locations. This program has helped us succeed in leveraging customer relationships developed at one location across our entire network of locations.

We focus a significant portion of our marketing expenditures on digital initiatives for both existing and potential customers. We also use targeted direct email and digital programs to build brand awareness by communicating market specific features and tying them to industry benefits of using portable storage solutions. We have implemented aspects of search engine marketing like remarketing, pay per click, content curation, and organic search best practices to drive our customers to on-line lead generation integrated into our CRM. Immediately after completion of the online form, our dedicated sales force contacts the customer and completes the request. External market research vendors are an integral part of our sales and marketing approach.

Tank & Pump Solutions

Each Tank & Pump Solutions branch is responsible for targeting potential new customers in the branch's service area and to be available to respond to customers 24 hours a day, 365 days a year. The branches are supported by a corporate team, including a sales and marketing department, business development representatives and National Account management. Branch managers and business development representatives work with customers to design customized solutions and identify new service and product applications. National Account management maintains contractual relationships with numerous blue-chip customers and coordinates the provision of services to customers with locations across multiple areas. Our sales personnel are compensated largely on a commission basis.

Within our Tank & Pump Solutions business we utilize an advanced prospect and customer management software package across our sales force and branch network, providing enhanced visibility and tracking on all prospective customer accounts. Personnel have access to real-time critical customer information regardless of location. This access facilitates targeted marketing and sharing of relevant customer information across branches.

Customers

Storage Solutions

In 2019, we served approximately 74,000 customers. Within the Storage Solutions product lines, our largest customer accounted for approximately 6% and 7% of our rental revenues for the years ended December 31, 2019 and 2018, respectively, while no other customer accounted for more than 2% of rental revenues either year. Our 20 largest customers combined accounted for approximately 14% and 15% of Storage Solutions rental revenues in 2019 and 2018, respectively. During 2019 and 2018, approximately 56% of our customers rented a single unit. We target customers who we believe can benefit from our Storage Solutions, either for seasonal, temporary or long-term storage needs. Customers use our portable storage units for a wide range of purposes.

Tank & Pump Solutions

Our Tank & Pump Solutions customers are concentrated in the Gulf Coast region of the U.S. and are generally large companies, including blue-chip companies, with whom we have long-term relationships. During the year ended December 31, 2019, our first and second largest customers accounted for approximately 10% and 8%, respectively of Tank & Pump Solutions revenue and during the year ended December 31, 2018 our first and second largest customers accounted for approximately 12% and 7%, respectively of Tank & Pump Solutions rental revenues. Our 20 largest customers combined accounted for approximately 52% and 53% of Tank & Pump Solutions rental revenues in 2019 and 2018, respectively. Generally, our Tank & Pump Solutions customers belong in one of the following three categories:

- Downstream customers that focus on refining petroleum crude oil as well as processing and purifying raw natural gas. These customers may also market and distribute products derived from crude oil and natural gas including such products as gasoline, kerosene, jet fuel, diesel oil, lubricants, asphalt, natural gas and hundreds of varieties of petrochemicals.
- Upstream customers focusing on exploration for underground crude oil and natural gas fields. Upstream companies perform such activities as well drilling, operation of producing wells and bringing crude oil and/or raw natural gas to the surface using alternative methods. This category includes companies that perform fracking and transmission services.
- Diversified customers consist of all other companies to whom we provide products or services. These customers primarily perform pump and filtration activities such as: municipal sewer and water infrastructure, mining pit pump work, pipeline construction and maintenance, non-residential construction and other major projects.

We estimate that total 2019 Tank & Pump Solutions rental revenue was 71%, 10% and 19% from downstream, upstream and diversified customers, respectively.

Combined Customer Base

The following table provides an overview of our customers and the estimated portion of total rental revenue generated by each customer group during the year ended December 31, 2019:

Business	Estimated Percentage	Representative Customers
Construction	36%	General, electrical, plumbing and mechanical contractors, landscapers, residential homebuilders, and equipment rental companies
Retail and consumer services	23%	Department, drug, grocery and strip mall stores, hotels, restaurants, dry cleaners and service stations
Industrial and commercial	26%	Major processing plants for organic and inorganic chemicals, refineries, distributors and trucking and utility companies
Government and institutions	6%	National, state and local agencies and municipalities, schools, hospitals, medical centers, military, Native American tribal governments and reservations
Oil and gas	2%	Companies performing such activities as exploratory well drilling, operation of producing wells and bringing crude oil and/or raw natural gas to the surface using alternative methods (including fracking)
Other	7%	
Total	100%	

Rental Terms

Storage Solutions

We enter into contracts with our Storage Solutions customers generally based on a 28-day rate and billing cycle. The rental continues until cancelled by the customer or the Company. On average, the steel storage containers on rent at December 31, 2019, have been in place for 30 months, and the steel ground level offices on rent at December 31, 2019 have been in place for 15 months. Our rental contracts provide that the customer is responsible for the cost of delivery and pickup and specify that the customer is liable for any damage done to the unit beyond ordinary wear and tear. Customers may purchase a damage waiver from us to avoid damage liability in certain circumstances, which provides us with an additional source of recurring revenue. Customer possessions stored within a portable storage unit are the responsibility of that customer.

Tank & Pump Solutions

Our Tank & Pump Solutions rental contracts typically offer daily, weekly or monthly rates. Certain of our larger customers have multi-year agreements that limit rate increases during the term of the contract. The rental duration varies widely by application, and the rental continues until the unit is returned in clean condition to us. Rental contracts specify that the customer is responsible for carrying commercial general liability insurance, is liable for any damage to the unit beyond ordinary wear and tear, and for all materials the customer contains in rented equipment. The customer is contractually responsible for the cost of delivery and pickup, as well as thoroughly emptying and cleaning the equipment before return.

Competition

In all segments, we face competition from local and regional companies, as well as national companies, in substantially all of our current markets. We compete with several large national and international companies in our ground level office product line. Our competitors include lessors of storage units, mobile offices, van trailers and other structures used for portable storage. We also compete with conventional fixed self-storage facilities. In our Storage Solutions segments, we compete primarily in terms of security, convenience, product quality, broad product selection and availability, rental rates and customer service. In our Storage Solutions business, our largest competitors are WillScot Corporation, PODS, Pac-Van, 1-800-PACK-RAT, Haulaway Storage Containers, ModSpace, McGrath RentCorp, and Wernick Hire, along with other national, regional and local companies.

The liquid and solid containment industry is highly fragmented, consisting principally of local providers, with a handful of regional and national providers. In our Tank & Pump Solutions business we compete based on factors including: quality and breadth of equipment, technical applications expertise, knowledgeable and experienced sales and service personnel, on-time delivery and proactive logistics management, geographic areas serviced, rental rates and customer service. Our competitors include United Rentals, Rain For Rent and Adler Tanks.

Employees

As of December 31, 2019, we employed 2,042 employees, the majority of which are full time. Of these employees, 1,643 are employed in North America and 399 are employed in the U.K. No employees are currently covered by a collective bargaining agreement, and we have never experienced a work stoppage. We believe that our relations with our employees are good.

Seasonality

Demand from our Storage Solutions customers is somewhat seasonal. Construction customers typically reflect higher demand during months with more temperate weather, while demand for our portable storage units by large retailers is stronger from September through December because these retailers need to store more inventories for the holiday season. Our retail customers usually return these rented units to us in December and early in the following year. In our Tank & Pump Solutions business, demand from customers is typically higher in the middle of the year from March to October, driven by the timing of customer maintenance projects. The demand for rental of our pumps may also be impacted by weather, specifically when temperatures drop below freezing.

Environmental, Social and Safety

Our operations, and the operations of certain of our customers, are subject to numerous federal and local laws and regulations governing environmental protection and transportation. These laws regulate such issues as wastewater, storm water and the management, storage and disposal of, or exposure to, hazardous substances. We are not aware of any pending environmental compliance or remediation matters that are reasonably likely to have a material adverse effect on our business, financial position or results of operations. However, failure by us to comply with applicable environmental and other requirements could result in fines, penalties, enforcement actions, third party claims, remediation actions, and could negatively impact our reputation with customers. We have adopted Environmental and Social Commitment Policies outlining our commitment to environmental responsibility and accountability and our commitment to respect internationally recognized human rights and labor standards. These policies apply to the company as a whole, our customers, and our vendors and suppliers and are available on our website. We have a company-wide focus on safety and have implemented a number of measures to promote workplace safety. Customers are increasingly focused on safety records in their sourcing decisions due to increased regulations to report all incidents that occur at their sites and the costs associated with such incidents.

Cybersecurity

We believe that we have implemented appropriate preventative measures to avert and mitigate the effects of cyber-attacks; however, like other companies, the measures that we employ to protect our systems may not detect or prevent all cybersecurity breaches. We have, from time to time, experienced threats to our data and systems, including malware, computer virus attacks and phishing attempts. We monitor regional regulatory requirements to ensure compliance and to continually improve our processes. Additionally, in the event we encounter any suspected cybersecurity issues, we have a robust response plan, including controls over the sales of securities by executives and those with knowledge of any cybersecurity issues to prevent insider trading on non-public information related to cybersecurity risks and incidents. While we carry robust cybersecurity insurance, costs and consequences of a cybersecurity incident could include remediation expenses, lost revenues, litigation, increased insurance premiums, reputational damage and erosion of shareholder value. Our Board regularly reviews our cybersecurity risks and controls with senior management. We have not experienced a material cybersecurity breach.

Access to Information

Our website is located at *www.mobilemini.com.* We make available at this address, free of charge, our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Throughout this Form 10-K, we "incorporate by reference" as identified herein certain information from parts of our proxy statement for the 2020 Annual Meeting of Stockholders, which we will file with the SEC and which will be available free of charge on our website. Reports of our executive officers, directors and any other persons required to file securities ownership reports under Section 16(a) of the Exchange Act are also available through our website. Information contained on our website does not, and shall not be deemed to, constitute part of this Annual Report on Form 10-K. Mobile Mini's reference to the URL for our website is intended to be an inactive textual reference only.

ITEM 1A. *RISK FACTORS.*

Our business, results of operations and financial condition are subject to numerous risks and uncertainties. Set forth below and elsewhere in this Annual Report on Form 10-K and in other documents we file with the SEC are descriptions of the risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this Annual Report on Form 10-K. Should any of these risks materialize, our business, results of operations, financial condition and future prospects could be negatively impacted, which in turn could affect the trading value of our securities.

RISKS RELATED TO OUR BUSINESS

Our business is subject to the general health of the economy, including non-residential spending and energy prices, accordingly any slowdowns or decreases in the U.S. or international economy could materially affect our revenue and operating results.

An economic slowdown in the U.S. or international economy, including non-residential construction spending and energy prices, may cause substantial volatility in the stock market and layoffs and other restrictions on spending by companies in almost every business sector which could impact our business in a variety of ways, including:

- a reduction in consumer and business spending, which would result in a reduction in demand for our products;
- a negative impact on rates we can charge or on the ability of our customers to timely pay their obligations to us or our vendors to timely supply services, thus reducing our cash flow; and
- an increase in payment risk with others we do business with, including financial institutions.

Without similar changes in expenses, which may be difficult to achieve, our margins will contract if revenue falls, and ultimately may result in having a material adverse effect on our financial condition.

We face unique regulatory and political challenges presented by international markets.

In connection with our business outside the U.S., we face exposure to additional regulatory requirements, including certain trade barriers, unforeseen risks related to foreign trade, tariffs and embargos, changes in political and economic conditions, and exposure to additional and potentially adverse tax regimes. Our success in the U.K. depends, in part, on our ability to anticipate and effectively manage these and other risks. Our failure to manage these risks may adversely affect our growth, in the U.K. and elsewhere, and lead to increased administrative costs.

On June 23, 2016, the U.K. voted to leave the European Union (the “E.U.”) in a referendum vote that continues to have unknown social, geopolitical and economic impacts (“Brexit”). In October 2019, the U.K. and E.U. agreed upon the terms of the U.K.'s withdrawal from the E.U. in the form of a Withdrawal Agreement. The Withdrawal Agreement was ratified by the U.K. Parliament, and the European Parliament in Brussels, in late January, with the consequence that Brexit formally occurred on January 31, 2020.

Under the Withdrawal Agreement, a "transition period" will come into force for eleven months, from February 1, 2020 until December 31, 2020. During this time E.U. rules and regulations as they currently apply to our U.K. business will remain the same. The U.K. Government has stated that the transition period will end on December 31, 2020. This deadline will be incorporated into U.K. legislation. If a U.K.-E.U. trade deal is not agreed to by the end of 2020, the U.K.’s trade with the E.U. and the rest of the world would be subject to tariffs and duties set by the World Trade Organization. Additionally, the movement of goods between the U.K. and the remaining member states of the E.U. would be subject to additional inspections and documentation checks, leading to possible delays at ports of entry and departure. Although the Withdrawal Agreement ensures that a "no-deal" or "cliff-edge" Brexit was avoided on January 31, 2020, there is no certainty that a similar effect will be avoided at the end of 2020. This could result in an adverse impact on labor and trade and will create further short-term currency volatility in global stock markets and currency exchange rate fluctuations, which could result in a decrease in the profitability of our U.K. operations.

Many of our larger National Account customers are retailers, which is a sector that has been undergoing pressure from changes in their competitive environment. We also service customers in a variety of other industries, some of which have also been under financial pressure. If changes in the businesses of our customers cause them to rent fewer units or to be unable to meet their obligations to us, our operating results could be materially adversely affected.

National Accounts made up approximately 37% of our 2019 North American Storage Solutions rental revenues. Many of these accounts are large retailers who are under pressure from changes to their industry (including consolidation and lower sales revenue from physical locations). While none of these changes has yet had a material impact on our business, it could be that future changes to the retail industry would cause them to rent fewer units from us. Alternatively, consolidation or financial pressures could see some retail customers either be acquired or become bankrupt. We also service a variety of other industries, some of which have also been under financial pressure.

Historically, accounts receivable write-offs have not been material. However, if we are unable to manage credit risk issues, or if a large number of customers have financial difficulties at the same time, our credit losses could increase above historical levels and our operating results would be adversely affected. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions.

We face intense competition that may lead to our inability to increase or maintain our prices, which could have a material adverse impact on our results of operations.

The Storage Solutions and Tank & Pump Solutions industries are highly competitive and highly fragmented. Many of the markets in which we operate are served by numerous competitors, ranging from national companies like ourselves, to smaller multi-regional companies and small, independent businesses with a limited number of locations. See “Business — Competition.” Some of our principal competitors are less leveraged than we are and may have lower fixed costs and may be better able to withstand adverse market conditions within the industry. Additionally, some of our competitors currently offer products outside of our offerings or may have better brand recognition in some end customer sectors. If these competitors use their brand awareness to compete with our product offerings, customers may choose these competitors’ products over ours and we could lose business. Our competitors typically compete aggressively on the basis of pricing and may continue to impact our ability to attract and retain customers or maintain the rental rates we charge. Additionally, general economic factors could negatively impact the rental rates we are able to charge. To the extent that we choose to match our competitors’ declining prices, it could harm our results of operations as we would have lower margins. To the extent that we choose not to match or remain within a reasonable competitive distance from our competitors’ pricing, it could also harm our results of operations, as we may lose rental volume.

We intend to continue to launch operations into new geographic markets and/or add Tank & Pump Solutions operations in existing Storage Solutions markets, which may be costly and may not be successful.

We have in the past, and intend in the future, to expand our Storage Solutions and Tank & Pump Solutions operations into new geographic markets in North America. This expansion could require financial resources that would not therefore be available for other aspects of our business. In addition, this expansion could require the time and attention of management, leaving less time to focus on existing business. If we fail to manage the risks inherent in our geographic expansion, we could incur capital and operating costs without any related increase in revenue, which would harm our operating results.

If we fail to attract and retain key management and personnel, we may be unable to implement our business plan.

One of the most important factors in our ability to profitably execute our business plan is our ability to attract, develop and retain qualified personnel, including our chief executive officer (“CEO”) and senior operational management. Our success in retaining a CEO and attracting and retaining qualified people, particularly experienced operational and sales management, is dependent on the resources available in individual geographic areas and the impact on the labor supply due to general economic conditions, as well as our ability to provide a competitive compensation package, including the implementation of adequate drivers of retention and rewards based on performance, and work environment. The departure of any key personnel and our inability to enforce non-competition agreements could have a negative impact on our business.

We may not be able to complete and integrate future acquisitions, or greenfield expansions, or successfully integrate past acquisitions.

Historically, we have achieved growth through acquisitions and continue to consider potential acquisitions on a strategic basis. We may not be able to successfully complete future strategic acquisitions if we cannot reach agreement on acceptable terms or for other reasons. Should we be unable to complete future acquisitions, our strategy for growth could be impeded.

Any acquisition or expansion may result in additional and unexpected expenses, and the anticipated benefits of the integration of an acquisition or expansion may not be realized. In addition, we may assume certain liabilities in connection with any acquisition. To the extent there are unrecorded liabilities, including current or future environmental-related costs, which we failed to discover during our due diligence investigations and that are not subject to indemnification or reimbursement, our future operations could be materially and adversely affected.

We may have to incur debt or issue equity securities to pay for any future acquisition, the issuance of which could involve the imposition of restrictive covenants or be dilutive to our existing stockholders.

In connection with potential future acquisitions, we may experience difficulty integrating personnel and operations, which could negatively affect our operating results in the following manner:

- key personnel of the acquired company may decide not to work for us;
- we may experience business disruptions as a result of information technology systems conversions;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning, treasury management, and financial reporting;
- we may be held liable for environmental risks and liabilities as a result of our acquisitions or expansion, some of which we may not have discovered during our due diligence;
- we may assume the liabilities of companies we acquire or properties we expand to in the future which could materially and adversely affect our business;
- our ongoing core business may be disrupted or receive insufficient management attention; and
- we may not be able to realize anticipated cost savings, synergies or other financial benefits.

Our operational measures designed to increase revenue while continuing to control operating costs may not generate the improvements and efficiencies we expect and may not drive growth or returns.

We continually initiate new operational processes designed to increase revenue while continuing to pursue our strategy of reducing operating costs where available. Additionally, we employ a hybrid sales strategy of using local sales people in addition to a centralized call center team designed to meet customer needs and drive revenue growth. However, no assurance can be given that these strategies will achieve the desired goals and efficiencies in the future. The success of these strategies is somewhat dependent on a number of factors that are beyond our control.

Even if we carry out these processes in the manner we currently expect, we may not achieve the improvements or efficiencies we anticipate, or on the timetable we anticipate. There may be unforeseen productivity, revenue or other consequences resulting from our strategies that will adversely affect us or impact our strategies for asset management. Therefore, there can be no guarantee that our strategies will prove effective in achieving desired profitability, margins, or returns on capital employed. Additionally, these strategies may have adverse consequences if our cost cutting and operational changes are deemed by customers to adversely impact product quality or service levels.

Any material failure, inadequacy, interruption or breach of security of our information technology could harm our ability to effectively operate our business.

We rely heavily on information systems across our operations. We also utilize third-party cloud providers to host certain of our applications and to store data. Our ability to effectively manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively could result in substantial harm or inconvenience to us, our employees, or our customers and negatively impact our results.

We believe that we have implemented appropriate measures to mitigate potential risks; however, like other companies, our information technology systems may be vulnerable to a variety of interruptions due to our own error or events beyond our control. The measures that we employ to protect our systems may not detect or prevent cybersecurity breaches, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers, phishing attacks, and other security issues. We have, from time to time, experienced threats to our data and systems, including malware, computer virus attacks and phishing attempts. Additionally, we may not anticipate or combat all types of future attacks until after they have been launched. Costs and consequences of each of these situations or data privacy breaches could include remediation expenses, lost revenues, litigation, increased insurance premiums, reputational damage and erosion of shareholder value.

We are exposed to various possible claims relating to our business and our insurance may not fully protect us.

We are exposed to various possible claims relating to our business. These possible claims include those relating to: (i) personal injury or death caused by products rented or sold by us; (ii) motor vehicle accidents involving our vehicles and our employees; (iii) employment and labor law-related claims; (iv) property damage; (v) cybersecurity breaches or IT compliance issues; (vi) shareholder lawsuits; (vii) medical claims exceeding our insurance limits and (viii) commercial claims. Our insurance policies have deductibles or self-insured retentions which would require us to expend amounts prior to taking advantage of coverage limits. Currently, we believe that we have adequate insurance coverage for the protection of our assets and operations. However, our insurance may not fully protect us for certain types of claims, such as claims for punitive damages or for damages arising from intentional misconduct, which are often alleged in third party lawsuits. In addition, we may be exposed to uninsured liability for claims falling outside the scope of our current coverage or at levels in excess of our policy limits.

If we are found liable for any significant claims that are not covered by insurance, our liquidity and operating results could be materially adversely affected. It is possible that our insurance carrier may disclaim coverage for any class action and derivative lawsuits against us. It is also possible that some or all of the insurance that is currently available to us will not be available in the future on economically reasonable terms or not available at all. In addition, whether we are covered by insurance or not, certain claims may have the potential for negative publicity surrounding such claims, which may lead to lower revenues, as well as additional similar claims being filed.

We depend on our suppliers for the Tank & Pump Solutions equipment we rent to customers.

Nearly all the Tank & Pump Solutions equipment we rent to customers is manufactured by a limited number of suppliers. We do not maintain long-term contracts with any of these suppliers. If our suppliers were unable or unwilling to provide us with such equipment, our operations would be affected if we were unable to obtain the equipment necessary to operate and grow our business. Also, should our suppliers substantially increase their prices (due to increased demand in certain products, or otherwise), we may not be able to raise our rental rates to absorb such increased cost. These events could cause our revenues and earnings to decline.

The supply and cost of raw materials we use in remanufacturing and repairing units fluctuates and could increase our operating costs.

As needed, we remanufacture and repair units for our rental fleet and for sale. In these processes, we purchase steel, paint, glass and other raw materials from various suppliers. We cannot be sure that an adequate supply of these materials will continue to be available on terms acceptable to us. The raw materials we use are subject to price fluctuations that we cannot control. Changes in the cost of raw materials can have a significant effect on our operations and earnings. Rapid increases in raw material prices are often difficult to pass through to customers, particularly to rental customers. If we are unable to pass on these higher costs, our profitability could decline. If raw material prices decline significantly, we may have to write down our raw materials inventory values. If this happens, our results of operations and financial condition could decline.

We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.

Our ability to compete effectively depends in part upon protection of our rights in trademarks, copyrights and other intellectual property rights we own or license, including patents to our locking system for our Storage Solutions. Our use of contractual provisions, confidentiality procedures and agreements, and trademark, copyright, unfair competition, trade secret and other laws to protect our intellectual property and other proprietary rights may not be adequate. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information and patents, or to defend against claims by third parties that our services or our use of intellectual property infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, copyright or other intellectual property infringement against us could prevent us from providing services, which could harm our business, financial condition or results of operations. In addition, a breakdown in our internal policies and procedures may lead to an unintentional disclosure of our proprietary, confidential or material non-public information, which could in turn harm our business, financial condition or results of operations.

If we determine that our goodwill, intangible assets or other long-lived assets have become impaired, or if we determine that our fleet residual values are too high, we may incur significant charges to our pre-tax income.

At December 31, 2019, we had $713.4 million of goodwill, $51.2 million of unamortized intangible assets and $966.2 million of undepreciated rental fleet on our Consolidated Balance Sheet. Goodwill is reviewed at least annually for impairment. All long-lived assets are reviewed for impairment when an impairment indicator is present. Impairment may result from, among other things, deterioration in the performance of the business, adverse market conditions, stock price, and adverse changes in applicable laws or regulations, including changes that restrict the activities of the Company.

Additionally, our rental fleet is subject to residual value risk upon disposition. We include in income from operations the difference between the sales price and the depreciated value of a unit sold. Market value at the time of sale is subject to numerous factors including general economic conditions. Fleet may not sell at the prices or in the quantities we expect. Sales of our rental fleet at prices significantly below our projections will have a negative impact on our results of operations and cash flow.

For more information, see the "Notes to Consolidated Financial Statements" included in our financial statements contained in this Annual Report on Form 10-K.

Unionization by some or all of our employees could cause increases in operating costs.

None of our employees are presently covered by collective bargaining agreements. From time to time various unions attempt to organize certain of our employees. We cannot predict the outcome of any continuing or future efforts to organize our employees, the terms of any future labor agreements, or the effect, if any, those agreements might have on our operations or financial performance.

We believe that a unionized workforce would generally increase our operating costs, divert the attention of management from servicing customers and increase the risk of work stoppages, all of which could have a material adverse effect on our business, results of operations or financial condition.

Fluctuations in fuel costs or reduced supplies of fuel could harm our business.

In connection with our business, to better serve our customers and limit our capital expenditures, we often move our fleet from branch to branch. In addition, the majority of our customers arrange for delivery and pickup of our units through us. Accordingly, we could be materially adversely affected by significant increases in fuel prices that result in higher costs to us for transporting equipment. It is unlikely that we would be able to promptly raise our prices to make up for increased fuel costs. A significant or prolonged price fluctuation or disruption of fuel supplies could have a material adverse effect on our financial condition and results of operations.

RISKS RELATED TO OUR INDEBTEDNESS AND GLOBAL CAPITAL AND CREDIT MARKETS

We operate with a high amount of debt and we may incur significant additional indebtedness.

Our operations are capital intensive, and we operate with a high amount of debt relative to our size. At December 31, 2019, we had $250.0 million in aggregate principal amount of 5.875% senior notes due July 1, 2024 (the "2024 Notes") and $555.4 million of indebtedness under the Credit Agreement. Our substantial indebtedness could have adverse consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which could reduce the availability of our cash flow to fund future working capital, pay dividends, capital expenditures, acquisitions and other general corporate purposes;
- make it more difficult for us to satisfy our obligations with respect to the 2024 Notes;
- expose us to the risk of increased interest rates, as approximately 63% of our borrowings are at variable rates of interest;
- require us to sell assets to reduce indebtedness or influence our decisions about whether to do so;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;

- restrict us from making strategic acquisitions or pursuing business opportunities; and
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds. Failing to comply with those covenants could result in an event of default which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations.

Covenants in our debt instruments restrict or prohibit our ability to engage in or enter into a variety of transactions.

Our Credit Agreement requires us, under certain limited circumstances, to maintain certain financial ratios and limits our ability to make capital expenditures. These covenants and ratios could have an adverse effect on our business by limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities and to fund our operations. Breach of a covenant in our debt instruments could cause acceleration of a significant portion of our outstanding indebtedness. Any future debt could also contain financial and other covenants more restrictive than those imposed under the indenture governing the 2024 Notes, and the Credit Agreement.

The indenture governing the 2024 Notes contains various covenants that limit our discretion in operating our business. In particular, we are limited in our ability to merge, consolidate or transfer substantially all of our assets, issue preferred stock of subsidiaries and create liens on our assets to secure debt. In addition, if there is a default, and we do not maintain borrowing availability in excess of certain pre-determined levels, we may be unable to incur additional indebtedness, make restricted payments (including paying cash dividends on our capital stock) and redeem or repurchase our capital stock. The 2024 Notes do not contain financial maintenance covenants and the financial maintenance covenant under the Credit Agreement is not applicable unless we fall below specific borrowing availability levels.

A breach of a covenant or other provision in any debt instrument governing our current or future indebtedness could result in a default under that instrument and, due to cross-default and cross-acceleration provisions, could result in a default under our other debt instruments. Upon the occurrence of an event of default under the Credit Agreement or any other debt instrument, the lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them, if any, to secure the indebtedness. If the lenders under our current or future indebtedness accelerate the payment of the indebtedness, we cannot assure you that our assets or cash flow would be sufficient to repay in full our outstanding indebtedness, including the 2024 Notes.

The amount we can borrow under our Credit Agreement depends in part on the value of our rental fleet. If the value of our rental fleet declines under appraisals our lenders receive, the amount we can borrow will similarly decline. We are required to satisfy several covenants with our lenders that are affected by changes in the value of our rental fleet. We would be in breach of certain of these covenants if the value of our rental fleet drops below specified levels. If this happens, we may not be able to borrow the amounts we need to expand our business, and we may be forced to liquidate a portion of our existing fleet.

We may not be able to generate sufficient cash to service all of our debt and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our obligations under our debt will depend on our financial and operating performance and that of our subsidiaries, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business factors, many of which may be beyond our control. See the table under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Contractual Obligations and Commitments" for disclosure regarding the amount of cash required to service our debt.

We may not maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our debt. Such alternative measures may not be successful and may not enable us to meet our scheduled debt service obligations. We may not be able to refinance any of our indebtedness or obtain additional financing, particularly because of our anticipated high levels of debt and the debt incurrence restrictions imposed by the agreements governing our debt, as well as prevailing market conditions. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The instruments governing our indebtedness restrict our ability to dispose of assets and use the proceeds from any such dispositions. We may not be able to consummate those sales, or if we do, at an opportune time, or the proceeds that we realize may not be adequate to meet debt service obligations when due.

The planned discontinuation or replacement of LIBOR would require us to amend our Credit Agreement and may otherwise adversely affect our business.

The Financial Conduct Authority announced that it intends to phase out the London interbank offered rate ("LIBOR") by the end of 2021. Outstanding amounts under our Credit Agreement currently bear interest at our option at either: (i) LIBOR plus an applicable margin or (ii) the prime rate plus an applicable margin. Under the Credit Agreement, when LIBOR ceases to exist after 2021, Deutsche Bank, as our administrative agent, is required to present us with a new benchmark interest rate they believe is used by the wider industry. If we agree with the proposed benchmark interest rate, an amendment will be made to the Credit Agreement. If we disagree, we can negotiate a new benchmark interest rate with Deutsche Bank. If an agreement is reached, any calculation of interest based upon the new benchmark interest rate may result in higher interest rates than are currently available to us under the Credit Agreement. To the extent that these interest rates increase, our interest expense may also increase, which could adversely affect our financial condition, operating results and cash flows. If no agreement on a new benchmark interest rate can be reached with Deutsche Bank, our access to credit under the Credit Agreement may be hindered.

Fluctuations between the British pound and U.S. dollar could adversely affect our results of operations.

We derived approximately 13% of our consolidated rental revenues in 2019 from our operations in the U.K. The financial position and results of operations of our U.K. subsidiaries are measured using the British pound as the functional currency. As a result, we are exposed to currency fluctuations both in receiving cash from our U.K. operations and in translating our financial results back into U.S. dollars. We believe the impact on us of currency fluctuations from an operations perspective is mitigated by the fact that the majority of our expenses, capital expenditures and revenues in the U.K. are in British pounds. We do, however, have significant currency exposure as a result of translating our financial results from British pounds into U.S. dollars for purposes of financial reporting. Assets and liabilities of our U.K. subsidiaries are translated at the period-end exchange rate in effect at each balance sheet date. Our income statement accounts are translated at the average rate of exchange prevailing during each month. Translation adjustments arising from differences in exchange rates from period to period are included in accumulated other comprehensive loss in stockholders' equity.

A strengthening of the U.S. dollar against the British pound reduces the amount of income or loss we recognize on a consolidated basis from our U.K. business. We cannot predict the effects of further exchange rate fluctuations on our future operating results. We are also exposed to additional currency transaction risk when our U.S. operations incur purchase obligations in a currency other than in U.S. dollars and our U.K. operations incur purchase obligations in a currency other than in British pounds. As exchange rates vary, our results of operations and profitability may be harmed. We do not currently hedge our currency transaction or translation exposure, nor do we have any current plans to do so. The risks we face in foreign currency transactions and translation may continue to increase as we further develop and expand our U.K. operations. Furthermore, to the extent we expand our business into other countries, we anticipate we will face similar market risks related to foreign currency translation caused by exchange rate fluctuations between the U.S. dollar and the currencies of those countries.

Global capital and credit market conditions could have an adverse effect on our ability to access the capital and credit markets, including our revolving credit facility.

Disruptions in the global credit markets that materially impact liquidity in the debt market, making financing terms for borrowers less attractive or, in some cases, unavailable altogether, have occurred in the past and may occur again in the future. Such a disruption could result in the unavailability of certain types of debt financing, including access to revolving lines of credit. We engage in borrowing and repayment activities under our revolving credit facility on an almost daily basis and have not had any disruption in our ability to access our revolving credit facility as needed. However, future credit market conditions could increase the likelihood that one or more of our lenders may be unable to honor its commitments under our revolving credit facility, which could have an adverse effect on our business, financial condition and results of operations.

Additionally, in the future we may need to raise additional funds to, among other things, fund our existing operations, improve or expand our operations, respond to competitive pressures, or make acquisitions. If adequate funds are not available on acceptable terms, we may be unable to meet our business or strategic objectives or compete effectively. If we raise additional funds by issuing equity securities, stockholders may experience dilution of their ownership interests, and the newly issued securities may have rights superior to those of the common stock. If we raise additional funds by issuing debt, we may be subject to further limitations on our operations arising out of the agreements governing such debt. If we fail to raise capital when needed, our business will be negatively affected.

RISKS RELATED TO GOVERNMENT REGULATIONS

As Department of Transportation regulations change, our operations could be negatively impacted and competition for qualified drivers could increase.

We operate in the U.S. pursuant to operating authority granted by the U.S. Department of Transportation ("DOT"). Our Company drivers must comply with the safety and fitness regulations of the DOT, including those relating to drug and alcohol testing and hours-of-service. Such matters as equipment weight and dimensions are also subject to government regulations. Our safety record could be ranked poorly compared to our peer firms. A poor safety ranking may result in the loss of customers or difficulty attracting and retaining qualified drivers which could affect our results of operations. Should additional rules be enacted in the future, compliance with such rules could result in additional costs.

We are subject to environmental regulations and could incur costs relating to environmental matters.

Federal, state, local, foreign and provincial laws and regulations regulate such issues as wastewater, storm water, air quality and the management, storage and disposal of, or exposure to, hazardous substances and hazardous and solid wastes. Several aspects of our businesses may involve risks related to environmental and health and safety liability. For example, we own, transport and rent tanks and boxes in which waste materials are placed by our customers. While we have a policy which, with certain limited exceptions, requires customers to return tanks and containers clean of any substances, they may fail to comply with these obligations. Additionally, we provide waste hauling services, which involves environmental risks during transport. While we endeavor to comply with all regulatory requirements, failure to be in compliance with any environmental regulatory requirements may increase our compliance or remediation costs or cause restrictions on our business, either of which could have a material effect on our financial position or results of operations.

We are also required to obtain environmental permits from governmental authorities for certain of our operations. If we violate or fail to obtain or comply with these laws, regulations, or permits, we could be fined or otherwise sanctioned by regulators. We could also become liable if employees or other parties are improperly exposed to hazardous materials.

Under certain environmental laws, we could be held responsible for all of the costs relating to any contamination at, or migration to or from, our or our predecessors' past or present facilities. These laws often impose liability even if the owner, operator or lessor did not know of, or was not responsible for, the release of such hazardous substances.

Environmental laws are complex, change frequently, and have tended to become more stringent over time. The costs of complying with current and future environmental and health and safety laws, and our liabilities arising from past or future releases of, or exposure to, hazardous substances, may adversely affect our business, results of operations, or financial condition.

Ongoing governmental review of hydraulic fracturing ("fracking") and its environmental impact could lead to changes to this activity or its substantial curtailment, which could adversely affect our revenue and results of operations.

Approximately 2% of our consolidated rental revenue for the year ended December 31, 2019 is related to customers involved in the upstream exploration and production of oil and natural gas. A portion of this revenue involves rentals to customers that use the fracking method to extract natural gas. The Environmental Protection Agency has issued regulations or guidance regarding certain aspects of the process. Other federal, state and local governments and governmental agencies also investigate and/or regulate fracking. Additional governmental regulation could result in increased costs of compliance or the curtailment of fracking in the future, which would adversely affect our revenue and results of operations.

We have operations throughout North America and the U.K. and are subject to multiple state and local regulations as well as federal, state and local taxing authorities. Changes in applicable law, regulations or our material failure to comply with any of them, can have negative impacts on our business. Additionally, our effective tax rates and cash payable for taxes could be adversely impacted by changes in tax laws within the jurisdictions in which profits are determined to be earned and taxed.

Most of our customers use our storage units to store their goods on their own properties for various lengths of time. Local zoning laws and temporary planning permission regulations in certain of our markets do not allow some of our customers to keep portable storage and office units on their properties or do not permit portable storage units unless located out of sight from the street or may limit the type of product they may use or how long it can be at their locations. Local building codes may place restrictions on our office units. If local zoning laws or planning permission regulations in one or more of our markets no longer allow our units to be stored on customers' sites, our business in that market will suffer. We are also subject to numerous and differing state and local laws governing labor. While we endeavor to comply with all requirements, failure to be in compliance with any labor requirements may result in increased costs, or affect our ability to maintain an effective workforce, either of which could have a material effect on our financial position or results of operations.

Our financial results are significantly impacted by our effective tax rates which could be impacted by a number of factors, including changes in tax rules and regulations or their interpretation, including changes in the U.S. related to the treatment of accelerated depreciation expense, carry-forwards of net operating losses, and taxation of foreign income and expenses. The enactment of future tax law changes by federal and state taxing authorities may impact the Company's future period tax provision and its deferred tax liabilities.

Any tariffs on steel imports could result in increased container prices and adversely affect our results of operations.

On June 15, 2018, the U.S. government issued part 2 of the 25% ad valorem tariff that will be applied to Chinese exports to the U.S. The list of proposed commodities that would be subject to this 25% tariff included intermodal containers, however, this was later reversed, and containers were removed from the list of items subject to the tariffs. On May 17, 2019, containers were placed on a subsequent list ("List 4") of products subject to an additional 10% tariff. While, this List 4 was subsequently reversed again and containers were removed from such list, there cannot be any guarantee that containers will not later be subject to future tariffs. Because most portable storage containers currently in the United States are originally manufactured in China to transport goods before eventually being sold for domestic use, any proposed future tariff would immediately increase the cost of new and used containers being sold into the U.S. If such a tariff were to be enacted, steel container prices would increase. We may not be able to pass such price increases on to our customers and may not be able to secure adequate alternative sources of containers on a timely or cost-effective basis. Either of these occurrences could adversely affect our results of operations and financial condition.

RISKS RELATED TO OUR COMMON STOCK

The market price of our common stock has been volatile and may continue to be volatile and the value of your investment may decline.

Volatility may cause wide fluctuations in the price of our common stock on the NASDAQ Global Select Market. The market price of our common stock is likely to be affected by:

- changes in general conditions in the economy, geopolitical events or the financial markets;
- variations in our quarterly operating results;
- changes in financial estimates by securities analysts;
- our ability to maintain our dividend;
- other developments affecting us, our industry, customers or competitors;
- changes in demand for our products or the prices we charge due to changes in economic conditions, competition or other factors;
- general economic conditions in the markets where we operate;
- the cyclical nature of our customers' businesses, particularly those operating in the construction sectors;
- the market perception that we are exposed to oil and gas production more than we currently are, and the related stock market volatility around oil and gas production companies;
- rental rate changes in response to competitive factors;
- bankruptcy or insolvency of our customers, thereby reducing demand for our used units;
- seasonal rental patterns;
- acquisitions or divestitures and related costs;
- labor shortages, work stoppages or other labor difficulties;
- possible unrecorded liabilities of acquired companies;

- possible write-offs or exceptional charges due to changes in applicable accounting standards, goodwill impairment, or divestiture or impairment of assets;
- the operating and stock price performance of companies that investors deem comparable to us;
- the number of shares available for resale in the public markets under applicable securities laws; and
- the composition of our shareholder base.

ITEM 1B. *UNRESOLVED STAFF COMMENTS.*

We have received no written comments regarding our periodic or current reports from the Staff of the SEC that were issued 180 days or more preceding the end of our 2019 fiscal year and that remain unresolved.

ITEM 2. *PROPERTIES.*

The location and general character of our principal properties are as follows:

Corporate and administrative:

- Our corporate and administrative offices are located in Phoenix, Arizona. These leased offices occupy approximately 50,000 square feet of office space, including our national sales center. The lease term expires in October 2025.
- Our U.K. headquarters are located in Stockton-on-Tees, United Kingdom, where we lease approximately 10,000 square feet of office space. The lease term expires in July 2027.

Field Locations. We locate our field operations in markets with attractive demographics and strong growth prospects. Within each market, we are located in areas that allow for easy delivery of units to our customers over a wide geographic area. In addition, when cost effective, we seek locations that are visible from high traffic roads in order to advertise our products and our name. A typical branch consists of outdoor storage space for units not currently on rent and a small office. These properties tend to be one to five acre sites with little development needed for us to use them, other than a paved or hard-packed surface, utilities and proper zoning. In North America we own two locations, and in the U.K., we own one location. We lease the remaining locations in which we operate.

We believe that satisfactory alternative properties can be found in all of our markets if we do not renew existing leased properties.

ITEM 3. *LEGAL PROCEEDINGS.*

We are party from time to time to various claims and lawsuits that arise in the ordinary course of business, including claims related to employment matters, contractual disputes, personal injuries and property damage. In addition, various legal actions, claims and governmental inquiries and proceedings are pending or may be instituted or asserted in the future against us and our subsidiaries.

Litigation is subject to many uncertainties, and the outcome of the individual litigated matters is not predictable with assurance. It is possible that certain of the actions, claims, inquiries or proceedings, including those discussed above, could be decided unfavorably to us or any of our subsidiaries involved. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, we do not believe that the ultimate resolution of these claims or lawsuits will have a material adverse effect on our business, financial condition, results of operations or cash flows.

ITEM 4. *MINE SAFETY DISCLOSURES.*

Not applicable.

PART II

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

Common Stock Prices

Our common stock trades on The NASDAQ Global Select Market under the symbol "MINI". We had 55 shareholders of record of our common stock on January 24, 2020. The number of beneficial owners is substantially greater than the number of record holders because a large portion of our common stock is held of record in broker "street names."

Dividend Policy

In November 2013, our Board of Directors (the "Board") authorized the initiation of a quarterly cash dividend program to all of our common stockholders with the first quarterly common stock cash dividend paid in the first quarter of 2014. Each dividend payment is subject to review and approval by the Board. We declared cash dividends of approximately $1.10 per share for a total of $49.1 million during fiscal year 2019 and approximately $1.00 per share for a total of $44.6 million during fiscal year 2018. Our Credit Agreement contains certain restrictions on the declaration and payment of dividends.

Issuer Purchases of Equity Securities

On November 6, 2013, the Board approved a share repurchase program authorizing up to $125.0 million of our outstanding shares of common stock to be repurchased. On April 17, 2015, the Board authorized up to an additional $50.0 million of our outstanding shares of common stock to be repurchased, for a total of $175.0 million under the share repurchase program. The shares may be repurchased from time to time in the open market or in privately negotiated transactions. The share repurchases are subject to prevailing market conditions and other considerations. The share repurchase program does not have an expiration date and may be suspended or terminated at any time by the Board. All shares repurchased are held in treasury.

During the full year 2019, we purchased 901,669 shares of our common stock under the authorized share repurchase program for an approximate value of $28.4 million and we withheld 31,181 shares of vested stock awards from employees, for an approximate value of $1.1 million, to satisfy tax withholding obligations. These shares were not acquired pursuant to the share repurchase program.

The table below summarizes the information about purchases of our common stock during the quarterly period ended December 31, 2019:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs
				(In thousands)
October 1, 2019 - October 31, 2019	—	$ —	—	$ 42,397
November 1, 2019 - November 30, 2019	—	—	—	42,397
December 1, 2019 - December 31, 2019	301	37.96	—	42,397
Total	301		—	

(1) Shares not purchased as part of a publicly announced plan or program represent shares withheld from employees to satisfy tax withholding obligations upon the vesting of restricted stock.

(2) The weighted average price paid per share of common stock does not include the cost of commissions.

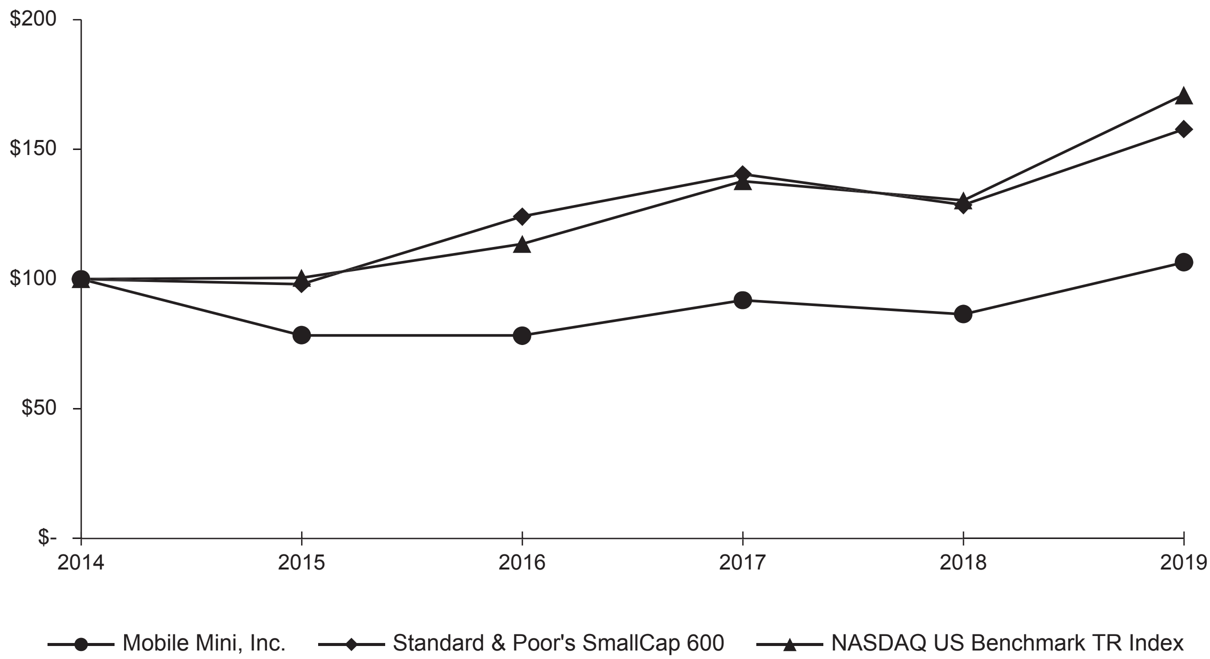
Stock Performance Graph

The following Performance Graph and related information shall not be deemed "soliciting material" or "filed" with the SEC, nor should such information be incorporated by reference into any future filings under the Securities Act or the Exchange Act, except to the extent that Mobile Mini specifically incorporates it by reference in such filing.

The following graph compares the five-year cumulative total return on our common stock with the cumulative total returns (assuming reinvestment of dividends) on the Standard and Poor's SmallCap 600 and the NASDAQ US Benchmark TR Index if $100 were invested in our common stock and each index on December 31, 2014.

Comparison of Five Year Cumulative Total Return*

Among Mobile Mini, Inc., the Standard & Poor's SmallCap 600 and the NASDAQ US Benchmark TR Index



	2014	2015	2016	2017	2018	2019
Mobile Mini, Inc.	$ 100.00	$ 78.40	$ 78.21	$ 91.87	$ 86.51	$ 106.51
Standard & Poor's SmallCap 600	100.00	98.03	124.06	140.48	128.56	157.85
NASDAQ US Benchmark TR Index	100.00	100.48	113.55	137.83	130.33	170.96

* Total Return based on $100 initial investment and reinvestment of dividends.

ITEM 6. *SELECTED FINANCIAL DATA.*

The following selected financial data reflect the results of operations, cash flow and balance sheet data as of and for the years ended December 31, 2015 through 2019. You should read this material with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related footnotes included elsewhere in this Annual Report on Form 10-K.

	For the Years Ended December 31,				
	2019	2018	2017	2016	2015
	(In thousands, except per share and operating data)				
Consolidated Statements of Operations Data:					
Revenues:					
Rental	$ 581,657	$ 558,197	$ 498,825	$ 480,083	$ 494,715
Sales	30,394	34,354	32,440	26,499	29,953
Other	574	678	2,284	2,040	6,109
Total revenues	612,625	593,229	533,549	508,622	530,777
Costs and expenses:					
Rental, selling and general expenses	369,525	364,123	336,438	309,294	326,252
Cost of sales	18,675	22,437	21,001	16,471	19,671
Restructuring expenses	—	2,006	2,886	6,020	20,798
Asset impairment charge and loss on divestiture, net	—	102,140	—	—	66,128
Depreciation and amortization	70,583	67,000	63,372	63,734	60,344
Total costs and expenses	458,783	557,706	423,697	395,519	493,193
Income from operations	153,842	35,523	109,852	113,103	37,584
Other income (expense):					
Interest income	12	6	25	2	1
Interest expense	(41,378)	(40,904)	(35,728)	(32,726)	(35,900)
Debt restructuring/extinguishment expense	—	—	—	(9,192)	—
Deferred financing costs write-off	(123)	—	—	(2,271)	(931)
Foreign currency exchange	(274)	64	(25)	(18)	(2)
Income (loss) before income tax provision (benefit)	112,079	(5,311)	74,124	68,898	752
Income tax provision (benefit)	28,345	2,751	(48,104)	21,650	(4,822)
Net income (loss)	$ 83,734	$ (8,062)	$ 122,228	$ 47,248	$ 5,574
Earnings (loss) per share:					
Basic	$ 1.90	$ (0.18)	$ 2.77	$ 1.07	$ 0.12
Diluted	$ 1.88	$ (0.18)	$ 2.76	$ 1.06	$ 0.12
Weighted average number of common and common share equivalents outstanding:					
Basic	44,178	44,295	44,055	44,145	44,953
Diluted	44,550	44,295	44,254	44,390	45,460
Other Data:					
Net cash from operating activities	$ 212,718	$ 160,098	$ 135,646	$ 136,244	$ 152,814
Net cash from investing activities	(82,707)	(77,063)	(70,006)	(88,153)	(14,415)
Net cash from financing activities	(127,629)	(92,144)	(57,043)	(44,853)	(140,576)

	December 31, 2019	2018	2017	2016	2015
Operating Data (unaudited):					
Number of Storage Solutions stand-alone locations (at year end)	120	117	121	125	133
Number of Tank & Pump Solutions stand-alone locations (at year end)	20	20	17	19	19
Combined Storage Solutions and Tank & Pump Solutions locations (at year end)	16	17	16	14	7
Storage Solutions rental fleet units (at year end)	200,151	195,609	214,997	211,332	205,238
Storage Solutions rental fleet utilization based on number of units (annual average) (1)	79.1%	75.9%	71.5%	70.6%	69.4%
Storage Solutions rental fleet utilization based on original equipment cost (annual average) (2)	77.9%	74.2%	—	—	—
Tank & Pump Solutions rental fleet units (at year end)	12,659	12,573	12,109	12,051	11,744
Tank & Pump Solutions rental fleet utilization based on number of units (annual average) (1)	—	—	—	61.8%	68.0%
Tank & Pump Solutions rental fleet utilization based on original equipment cost (annual average) (2)	71.1%	74.0%	66.5%	—	—

(1) Utilization calculated as average units on rent divided by average rental fleet size in units, including re-rented equipment. Beginning in 2017, Mobile Mini transitioned to utilization based on original equipment cost for our Tank & Pump Solutions business.

(2) Utilization calculated as the average original cost of equipment on rent, excluding re-rented equipment, divided by the average original cost of equipment in the fleet. Statistic is not available prior to 2018 for Storage Solutions and 2017 for Tank & Pump Solutions.

	December 31, 2019	2018	2017 (In thousands)	2016	2015
Consolidated Balance Sheet Data:					
Rental fleet, net	$ 966,223	$ 929,090	$ 989,154	$ 950,065	$ 951,323
Total assets	2,116,877	2,005,064	2,073,407	2,004,894	1,976,775
Total debt, net	876,926	903,343	932,926	937,076	903,535
Stockholders' equity	841,362	810,269	861,688	735,614	765,529

Non-GAAP Data and Reconciliations

We are a capital-intensive business. Therefore, in addition to focusing on measurements calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"), we focus on EBITDA, adjusted EBITDA and free cash flow to measure our operating results. EBITDA, adjusted EBITDA and the resultant margins, and free cash flow are non-GAAP financial measures. As such, we include in this Annual Report on Form 10-K reconciliations to their most directly comparable GAAP financial measures. We also evaluate our operations on a constant currency basis. The non-GAAP data, reconciliations and a description of the limitations of these measures are included below.

EBITDA and Adjusted EBITDA. EBITDA is defined as net income before discontinued operation, net of tax (if applicable), interest expense, income taxes, depreciation and amortization, and debt restructuring or extinguishment expense (if applicable), including any write-off of deferred financing costs. Adjusted EBITDA further excludes certain non-cash expenses, as well as transactions that management believes are not indicative of our ongoing business. Because EBITDA and adjusted EBITDA, as defined, exclude some but not all items that affect our cash flow from operating activities, they may not be comparable to similarly titled performance measures presented by other companies.

We present EBITDA and adjusted EBITDA because we believe that they provide an overall evaluation of our financial condition and useful information regarding our ability to meet our future debt payment requirements, capital expenditures and working capital requirements. EBITDA and adjusted EBITDA have certain limitations as analytical tools and should not be used as substitutes for net income, cash flows, or other consolidated income or cash flow data prepared in accordance with GAAP. EBITDA and adjusted EBITDA margins are calculated as EBITDA and adjusted EBITDA divided by total revenues expressed as a percentage.

Reconciliation of net income (loss), the most directly comparable GAAP measure, to EBITDA and adjusted EBITDA is as follows:

	For the Years Ended December 31,				
	2019	2018	2017	2016	2015
			(In thousands)		
Net income (loss)	$ 83,734	$ (8,062)	$ 122,228	$ 47,248	$ 5,574
Interest expense	41,378	40,904	35,728	32,726	35,900
Income tax provision (benefit)	28,345	2,751	(48,104)	21,650	(4,822)
Depreciation and amortization	70,583	67,000	63,372	63,734	60,344
Debt restructuring/extinguishment expense	—	—	—	9,192	—
Deferred financing costs write-off	123	—	—	2,271	931
EBITDA	224,163	102,593	173,224	176,821	97,927
Share-based compensation expense (1)	11,528	10,504	6,070	6,947	12,277
Restructuring expenses (2)	—	2,006	2,886	6,020	20,798
Acquisition-related expenses (3)	3,128	—	123	100	2,650
Asset impairment charge and loss on divestiture, net (4)	—	102,140	—	—	66,128
Chief Executive Officer transition (5)	3,593	—	—	—	—
Sales tax refunds and remittance, net (6)	—	—	—	(219)	(1,176)
Transition services revenue (7)	—	—	—	—	(2,997)
Transition services expense (7)	—	—	—	—	4,357
Other (8)	481	—	2,500	707	872
Adjusted EBITDA	$ 242,893	$ 217,243	$ 184,803	$ 190,376	$ 200,836
EBITDA margin	36.6 %	17.3 %	32.5 %	34.8 %	18.4 %
Adjusted EBITDA, margin (9)	39.6	36.6	34.6	37.4	38.1

Reconciliation of net cash provided by operating activities to EBITDA is as follows:

	For the Years Ended December 31,				
	2019	2018	2017	2016	2015
			(In thousands)		
Net cash provided by operating activities	$ 212,718	$ 160,098	$ 135,646	$ 136,244	$ 152,814
Interest paid	40,150	37,979	35,029	21,546	32,372
Income and franchise taxes paid	6,600	4,012	2,607	1,772	4,935
Share-based compensation expense, including share-based restructuring expense (1)(2)	(15,121)	(10,867)	(7,373)	(7,399)	(13,827)
Asset impairment charge and loss on divestiture, net (4)	—	(102,140)	—	—	(66,128)
Non-cash restructuring expense, excluding share-based compensation (2)	—	—	—	—	(12,411)
Gain on sale of rental fleet	5,923	6,055	5,657	5,472	6,402
Loss on disposal of property, plant and equipment	(100)	(600)	(517)	(1,285)	(2,188)
Change in certain assets and liabilities, net of effect of businesses acquired:					
Receivables	(26,549)	19,599	10,640	21,159	479
Inventories	(2,280)	406	90	(598)	(945)
Other assets	(486)	(826)	635	(60)	855
Accounts payable and accrued liabilities	3,308	(11,123)	(9,190)	(30)	(4,431)
EBITDA	$ 224,163	$ 102,593	$ 173,224	$ 176,821	$ 97,927

(1) Share-based compensation represents non-cash compensation expense associated with the granting of equity instruments. The reconciliation of net cash provided by operating activities to EBITDA includes share-based compensation recognized within restructuring expense and share-based compensation that is included in the "other" line item. See footnotes 2 and 8 below.

(2) The Company has undergone restructuring actions to align its business operations. For more information related to the 2018 and 2017 restructuring costs, see Note 15 "Restructuring Costs" to the accompanying consolidated financial statements. The $6.0 million of 2016 restructuring expense included $3.3 million related to our move away from the wood mobile office business. The remaining expenses primarily related to the integration of Evergreen Tank Solutions, Inc. ("ETS") into the existing Mobile Mini infrastructure. In 2015, we recognized $19.7 million of restructuring charges related to activities associated with the integration of ETS into the existing Mobile Mini infrastructure. The remaining 2015 restructuring charges primarily related to costs associated with our move away from the wood mobile office business.

(3) Incremental costs associated with actual and potential acquisitions.

(4) In 2018, Mobile Mini placed for sale and divested of certain underperforming assets. See additional information in Note 4 "Asset Impairment Charge and Loss on Divestiture, Net of Proceeds" to the accompanying consolidated financial statements. In 2015, these costs represent asset impairment charge and loss on divestiture of our wood mobile offices.

(5) Non-cash expense related to the amendment of certain share-based compensation agreements with our Chief Executive Officer who retired as an employee of the Company and assumed the position of Chairman of the Board for Mobile Mini as of October 1, 2019. For more information see Note 11 "Share-Based Compensation" to the accompanying consolidated financial statements.

(6) Revenue associated with sales tax refunds of $1.4 million in 2016 and $1.2 million in 2015, offset by a sales tax remittance of $1.1 million in 2016.

(7) Transition services revenue and operating expenses associated with the provision of transition services related to the wood mobile offices divestiture, including expenses related to wood mobile offices on our leased properties.

(8) Other expenses in 2019 relate to a realignment of personnel and resources with our current business model and operational needs. Other expenses in 2017 and 2016 related to severance for senior executives, including the acceleration of stock-based compensation, as well as fees and penalties associated with the 2016 sales tax remittance discussed previously. Other expenses in 2015 are related to the settlement of an outstanding unclaimed property liability with the state of Delaware.

(9) Revenue discussed above associated with the sales tax refunds as well as the transition services were excluded in the calculation of the adjusted EBITDA margin.

Free Cash Flow. Free cash flow is defined as net cash provided by operating activities, minus or plus, net cash used in or provided by investing activities, excluding acquisitions and certain transactions. Free cash flow is a non-GAAP financial measure and is not intended to replace net cash provided by operating activities, the most directly comparable financial measure prepared in accordance with GAAP. We present free cash flow because we believe it provides useful information regarding our liquidity and ability to meet our short-term obligations. In particular, free cash flow indicates the amount of cash available after capital expenditures for, among other things, investments in our existing business, debt service obligations, payment of authorized quarterly dividends, repurchase of our common stock and strategic small acquisitions.

Reconciliation of net cash provided by operating activities to free cash flow is as follows:

	For the Years Ended December 31,				
	2019	2018	2017	2016	2015
			(In thousands)		
Net cash provided by operating activities	$ 212,718	$ 160,098	$ 135,646	$ 136,244	$ 152,814
Additions to rental fleet, excluding acquisitions	(70,851)	(85,961)	(63,688)	(57,372)	(74,732)
Proceeds from sale of rental fleet	13,726	14,993	12,953	13,679	16,865
Additions to property, plant and equipment, excluding acquisitions	(13,274)	(16,931)	(20,122)	(30,659)	(31,163)
Proceeds from sale of property, plant and equipment	740	683	851	2,764	9,860
Net capital expenditures, excluding acquisitions	(69,659)	(87,216)	(70,006)	(71,588)	(79,170)
Free cash flow	$ 143,059	$ 72,882	$ 65,640	$ 64,656	$ 73,644

Constant Currency. We calculate the effect of currency fluctuations on current periods by translating the results for our business in the U.K. during the applicable period using the average exchange rates from the comparative prior-year period. We present constant currency information to provide useful information to assess our underlying business excluding the effect of material foreign currency rate fluctuations.

The table below shows certain financial information as calculated on a constant currency basis, whereby the indicated 2019 financial information has been translated utilizing the average exchange rate for the twelve months ended December 31, 2018:

	For the Year Ended December 31, 2019		
	Calculated in Constant Currency	As Reported	Difference
		(In thousands)	
Rental revenues	$ 585,099	$ 581,657	$ 3,442
Rental, selling and general expenses	371,853	369,525	2,328
Adjusted EBITDA	244,083	242,893	1,190

The table below reflects a summary of certain non-GAAP financial data set forth above:

	For the Years Ended December 31,				
	2019	2018	2017	2016	2015
			(In thousands, except percentages)		
Non-GAAP Data:					
EBITDA	$ 224,163	$ 102,593	$ 173,224	$ 176,821	$ 97,927
EBITDA margin	36.6%	17.3%	32.5%	34.8%	18.4%
Adjusted EBITDA	$ 242,893	$ 217,243	$ 184,803	$ 190,376	$ 200,836
Adjusted EBITDA margin	39.6%	36.6%	34.6%	37.4%	38.1%
Free cash flow	$ 143,059	$ 72,882	$ 65,640	$ 64,656	$ 73,644

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.*

The following discussion of our financial condition and results of operations should be read together with the consolidated financial statements and the accompanying notes included elsewhere in this Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in those forward-looking statements as a result of certain factors, including, but not limited to, those described under "Item 1A. Risk Factors." The tables and information in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") section were derived from exact numbers and may have immaterial rounding differences.

Overview

Executive Summary

Throughout 2019, our continuing operational strategic goals included growing revenue through organic growth, strategic acquisitions and new revenue streams such as managed services. In addition, we expanded our operating margins by leveraging our infrastructure, optimizing our high-return, long-lived fleet and through continuous improvements in efficiency. To accomplish these goals, we have and will continue to introduce both internal and customer-facing technology solutions, including increased ERP system functionality and enhanced mobile applications and processes around the management of fleet.

As of December 31, 2019, our network includes 120 Storage Solutions locations, 20 Tank & Pump Solutions locations and 16 combined locations. Our Storage Solutions fleet consists of approximately 200,200 units and our Tank & Pump Solutions business has a fleet of approximately 12,700 units.

For the year ended December 31, 2019, our achievements included:

- Grew total rental revenues 4.2% year-over-year,
- Generated adjusted EBITDA of $242.9 million and expanded the margin to 39.6%, a 300 basis point increase,
- Nearly doubled free cash flow to $143.1 million and returned $78.4 million to shareholders through dividends and purchases of treasury shares,
- Improved return on capital employed year-over-year, exceeding our weighted average cost of capital,
- Decreased our leverage ratio to 3.6x as of December 31, 2019, from 4.2x as of December 31, 2018 (leverage ratio calculated by dividing debt, less cash, by adjusted EBITDA),
- Successfully refinanced our $1.0 billion line of credit, extending the maturity to March 2024 and reducing certain recurring fees.
- Within our Storage Solutions business, which represented approximately 80% of rental revenue in 2019:
  - Strengthened and expanded our North America service area through the execution of four strategic acquisitions, and established a robust pipeline of potential acquisitions,
  - Grew total rental revenues 4.0% year-over-year, with a 6.3% increase in North America,
  - Increased year-over-year Storage Solutions rental rates by 3.3%,
  - Increased utilization of owned fleet, using original equipment cost, by 370 basis points to 77.9%, and increased owned fleet on rent by 1.7% for total Storage Solutions and 3.6% in North America, and
  - Grew our North America managed services rental revenue by 80% to $10.6 million,
- Within our Tank & Pump Solutions business, which represented approximately 20% of rental revenue in 2019:
  - Year-over-year rental revenue growth of 5.0%,
  - Increased average owned fleet on rent (based on original equipment cost) by 7.3% year-over-year, and
  - Grew adjusted EBITDA $4.7 million to $41.8 million and expanded the adjusted EBITDA margin to 34.3%, an increase of 230 basis points.

ABL Refinancing

In March 2019, we created more capital flexibility and positioned Mobile Mini for future growth by entering into the Second Amended and Restated ABL Credit Agreement dated as of March 22, 2019 (the "Credit Agreement") with Deutsche Bank AG New York Branch ("Deutsche Bank"), as administrative agent, and the other lenders party thereto, which replaced our prior Amended and Restated ABL Credit Agreement dated as of December 14, 2015 (the "Prior Credit Agreement"). The Credit Agreement extends the maturity of our ABL credit facility to March 2024 and reduces fees associated with unused credit.

Asset Impairment Charge and Loss on Divestiture, Net of Proceeds

Consistent with our strategy to focus on high returning assets, during the second quarter of 2018 we initiated an organization-wide project to assess the economic and operational status of our fleet and other assets as well as an in-depth analysis of our fleet management process to identify inefficiencies. The result of this review was the identification of specific assets over which a further determination as to the economics of continued retention and repair could be made. In July 2018, management presented a proposed plan of sale for certain identified assets to the Board of Directors, and on July 24, 2018 the Board of Directors made the strategic decision to approve the plan and authorized management to begin actively marketing the assets for sale. As a result, we classified these assets, which were primarily rental fleet, as held for sale and recognized a loss of $102.1 million in 2018. We also identified and placed as held for sale, property, plant and equipment and inventory that were not being used efficiently. The assets represented a subset of larger asset groups held by the Company. The sale was completed as of December 31, 2018.

Overall, between the disposal of fleet and our strengthened processes around fleet management, we realized operating expense savings of approximately $4.5 million in 2019 and $2.1 million in 2018.

Tax Cuts and Jobs Act

On December 22, 2017, the U.S. government enacted the Tax Cuts and Jobs Act (the "Tax Act"), which, among other things, reduced the federal income tax rate from 35% to 21% effective January 1, 2018, and requires mandatory repatriation of foreign earnings. As a result of the Tax Act, we remeasured our net deferred tax liabilities and recognized a net tax benefit of $77.6 million during the fourth quarter of 2017. In addition, in 2017 we recorded a provisional income tax expense of $3.1 million related to the repatriation of foreign earnings. The Company finalized its analysis of the impact of the Tax Act in 2018 and recorded a reduction of $2.6 million to provisional amounts that were recorded in 2017.

Business Environment and Outlook

Approximately 67% of our consolidated rental revenue during the twelve-month period ended December 31, 2019 was derived from our North American Storage Solutions business, 13% was derived from our U.K. Storage Solutions business and 20% was derived from the Tank & Pump Solutions business. Our business is subject to the general health of the economy and we utilize a variety of general economic indicators to assess market trends and determine the direction of our business.

Based on our assessment, we expect that the majority of our North American end markets will continue to drive demand for our products, although some macro-economic indicators are pointing to slower growth. The construction industry, which represents approximately 36% of our consolidated rental revenue, is forecasted to continue to show growth. Economic indicators related to the industrial and commercial end-segment are mixed. Industrial and commercial customers, which comprise approximately 26% of our rental revenue, generally operate in industries such as: large processing plants for organic and inorganic chemicals, refineries, distributors and trucking and utility companies. Our national retail accounts typically involve seasonal demand in the third and fourth quarter during the holiday season. Retail and consumer service customers comprise approximately 23% of our rental revenue and include department, drug, grocery and strip mall stores as well as hotels, restaurants, service stations and dry cleaners. Upstream oil and gas customers comprise approximately 2% of our rental revenue and include companies performing such activities as exploratory well drilling, operation of producing wells and bringing crude oil and/or raw natural gas to the surface using alternative methods.

In October 2019, the U.K. and E.U. agreed upon the terms of the U.K.'s withdrawal from the E.U. in the form of a Withdrawal Agreement. The Withdrawal Agreement was ratified by the U.K. Parliament, and the European Parliament in Brussels, in late January, with the consequence that Brexit formally occurred on January 31, 2020.

Economists predict there may be a modest improvement in the U.K. economy in the early months of 2020, as certain of the uncertainties facing the economy are diluted by the decisive U.K. election result and the certainty of the U.K. leaving the E.U. on January 31, 2020. This may lead to business investment decisions and commitments to major projects going ahead. However, the upside is expected to be limited by, among other things, longer-term Brexit uncertainties after the end of 2020.

The current opinion of most economists is that, even after the U.K. formally leaves the E.U., there will be no lasting recovery until a U.K.-E.U. trade deal is in place.

Accounting and Operating Overview

Our principal operating revenues and expenses are:

Revenues:

- Rental revenues include all rent and ancillary revenues we receive for our rental fleet.
- Sales revenues consist primarily of sales of new and used fleet and, to a lesser extent, parts and supplies sold to customers.

Costs and Expenses:

- Rental, selling and general expenses include, among other expenses, payroll and payroll-related costs (including share-based compensation and commissions for our sales team), fleet transportation and fuel costs, repair and maintenance costs for our rental fleet and transportation equipment, real estate lease expense, insurance costs, and general corporate expenses.
- Cost of sales is the net book value of the units that were sold during the reported period and includes both our cost to buy, transport, remanufacture and modify used containers and our cost to manufacture Storage Solutions units and other structures.
- Depreciation and amortization includes depreciation on our rental fleet, our property, plant and equipment, and amortization of definite-lived intangible assets.

In addition to focusing on GAAP measurements, we focus on EBITDA, adjusted EBITDA, and free cash flow to measure our operating results. As such, we include in this Annual Report on Form 10-K reconciliations to their most directly comparable GAAP financial measures. We also evaluate our operations on a constant currency basis. These reconciliations and descriptions of why we believe these measures provide useful information to investors as well as a description of the limitations of these measures are included in "Item 6. Selected Financial Data."

Results of Operations

Twelve Months Ended December 31, 2019, Compared to Twelve Months Ended December 31, 2018

The following table sets forth for each of the periods indicated our statements of operations data and expresses revenue and expense data as a percentage of total revenues for the periods presented:

	Years Ended December 31,		Percent of Revenue Years Ended December 31,		Increase (Decrease) 2019 versus 2018	
	2019	2018	2019	2018		
	(In thousands, except percentages)					
Revenues:						
Rental	$581,657	$558,197	94.9 %	94.1 %	$ 23,460	4.2 %
Sales	30,394	34,354	5.0	5.8	(3,960)	(11.5)
Other	574	678	0.1	0.1	(104)	(15.3)
Total revenues	612,625	593,229	100.0	100.0	19,396	3.3
Costs and expenses:						
Rental, selling and general expenses	369,525	364,123	60.3	61.4	5,402	1.5
Cost of sales	18,675	22,437	3.0	3.8	(3,762)	(16.8)
Restructuring expenses	—	2,006	—	0.3	(2,006)	n/a
Asset impairment charge and loss on divestiture, net	—	102,140	—	17.2	(102,140)	n/a
Depreciation and amortization	70,583	67,000	11.5	11.3	3,583	5.3
Total costs and expenses	458,783	557,706	74.9	94.0	(98,923)	(17.7)
Income from operations	153,842	35,523	25.1	6.0	118,319	333.1
Other income (expense):						
Interest income	12	6	—	—	6	n/a
Interest expense	(41,378)	(40,904)	(6.8)	(6.9)	(474)	1.2
Deferred financing costs write-off	(123)	—	—	—	(123)	n/a
Foreign currency exchange	(274)	64	—	—	(338)	n/a
Income (loss) before income tax provision	112,079	(5,311)	18.3	(0.9)	117,390	
Income tax provision	28,345	2,751	4.6	0.5	25,594	
Net income (loss)	$ 83,734	$ (8,062)	13.7 %	(1.4)%	$ 91,796	

	Years Ended December 31,		Percent of Revenue Years Ended December 31,		Increase (Decrease) 2019 versus 2018	
	2019	2018	2019	2018		
	(In thousands, except percentages)					
EBITDA (1)	$224,163	$102,593	36.6 %	17.3 %	$121,570	118.5 %
Adjusted EBITDA (1)	242,893	217,243	39.6	36.6	25,650	11.8
Free Cash Flow (1)	143,059	72,882	23.4	12.3	70,177	96.3

(1) See "Non-GAAP Data and Reconciliations" earlier in this Annual Report on Form 10-K.

The following table sets forth certain financial information as calculated on a constant currency basis:

	For the Year Ended December 31, 2019		
	Calculated in Constant Currency (1)	As Reported	Difference
		(In thousands)	
Rental revenues	$ 585,099	$ 581,657	$ 3,442
Rental, selling and general expenses	371,853	369,525	2,328
Adjusted EBITDA	244,083	242,893	1,190

(1) See "Non-GAAP Data and Reconciliations" earlier in this Annual Report on Form 10-K.

Total Revenues. The following table depicts revenue by type of business for the twelve-month periods ended December 31:

	2019	2018	Increase (Decrease) 2019 versus 2018	
	(In thousands, except percentages)			
Rental Revenues:				
North America Storage Solutions	$ 389,674	$ 366,713	$ 22,961	6.3 %
U.K. Storage Solutions	75,738	80,751	(5,013)	(6.2)
Total Storage Solutions	465,412	447,464	17,948	4.0
Tank & Pump Solutions	116,245	110,733	5,512	5.0
Total Rental Revenues	$ 581,657	$ 558,197	$ 23,460	4.2
U.K. Storage Solutions in Constant Currency	*$ 79,180*	*$ 80,751*	*$ (1,571)*	*(1.9)*
Total Storage Solutions in Constant Currency	*468,854*	*447,464*	*21,390*	*4.8*
Sales Revenues:				
North America Storage Solutions	$ 18,047	$ 20,008	$ (1,961)	(9.8)
U.K. Storage Solutions	6,819	9,024	(2,205)	(24.4)
Total Storage Solutions	24,866	29,032	(4,166)	(14.3)
Tank & Pump Solutions	5,528	5,322	206	3.9
Total Sales Revenues	$ 30,394	$ 34,354	$ (3,960)	(11.5)
Total Revenues:				
North America Storage Solutions	$ 408,120	$ 387,025	$ 21,095	5.5
U.K. Storage Solutions	82,557	89,999	(7,442)	(8.3)
Total Storage Solutions	490,677	477,024	13,653	2.9
Tank & Pump Solutions	121,948	116,205	5,743	4.9
Total Revenues	$ 612,625	$ 593,229	$ 19,396	3.3

Of the $612.6 million of total revenues for the twelve months ended December 31, 2019, $490.7 million, or 80.1%, related to the Storage Solutions business and $121.9 million, or 19.9%, related to the Tank & Pump Solutions business. Of the $593.2 million of total revenues for the twelve-month period ended December 31, 2018, $477.0 million, or 80.4%, related to the Storage Solutions business and $116.2 million, or 19.6%, related to the Tank & Pump Solutions business.

Rental Revenues. Storage Solutions rental revenues increased 4.0% during the twelve-month period ended December 31, 2019, as compared to the prior-year period. Excluding revenues and units related to managed rental service arrangements, yield (calculated as rental revenues divided by average units on rent and adjusted to a 28-day period) for the twelve months ended December 31, 2019 increased 3.5%, or 4.3% in constant currency as compared to the prior-year period, due primarily to increased rates and increased delivery and pickup revenue.

North America Storage Solutions rental revenues increased 6.3% driven by a 3.5% increase in year-over-year rental rates as well as favorable mix, managed services growth and increases in delivery and pickup. Average units on rent in North America Storage Solutions, excluding managed services, were up slightly compared to the prior year, while average owned fleet on rent increased 3.6%, when using original equipment cost. During 2018, we began to pursue partnerships with other rental companies to provide supplementary product offerings for certain of our Storage Solutions customers. Arranging these comprehensive managed rental services for our customers increases loyalty while generating additional revenue, without additional investment in fleet. While these revenues were not material for 2019 or 2018, we do expect to continue to develop these revenues. During the twelve months ended December 31, 2019 we recognized $10.6 million of rental revenue related to managed service arrangements, compared to $5.9 million in 2018.

In constant currency, rental revenues for the U.K. Storage Solutions business decreased 1.9% due to a 3.0% decrease in average units on rent and unfavorable mix. Despite the challenging economic environment resulting from Brexit, U.K. year-over-year rental rates increased 2.4%. Average owned fleet on rent decreased 2.8%, when using original equipment cost.

Rental revenues within the Tank & Pump Solutions business increased $5.5 million, or 5.0%, for the twelve-month period ended December 31, 2019, as compared to the prior-year period. Delivery, pickup and similar revenue increased due to growth in areas such as equipment monitoring and other trucking services. Direct rental revenue increased due to an increase in owned fleet on rent for the current year as well as increased year-over-year rental rates, partially offset by unfavorable mix. The majority of the rental revenue increase occurred in the first half of the year and was offset by lower year-over-year growth in the third quarter and a year-over-year decrease in the fourth quarter of the current year compared to the prior year period.

In the downstream segment, year-over-year rental revenue increased 5.5% for the twelve months ended December 31, 2019 and was driven by the continued growth of business conducted under several large master service agreements signed in late 2017 and early 2018, as well as increased rates. These agreements were still in early stages in the first twelve months of 2018 and fully implemented mid-year 2019. Downstream revenue in the fourth quarter of 2019 decreased compared to the prior-year quarter due to a decrease in the volume and scope of maintenance projects. Within our upstream segment, healthy year-over-year growth in the first six months of 2019 was offset by a year-over-year decrease in rental revenue for the six months ended December 31, 2019, resulting in a decrease in rental revenue for the twelve months ended December 31, 2019 as compared to the prior year. Rental revenues from our diversified customers were up compared to the prior year as a result of increased project activity during the first nine months of the year.

Sales Revenues. We focus on rental revenues. In general, sales of units from our fleet occur due to a particular customer need, or due to having fleet in excess of demand at a particular location. Storage Solutions sales revenue of $24.9 million for the twelve months ended December 31, 2019 decreased $4.2 million, or 14.3%, compared to the prior year. Tank & Pump Solutions sales revenue of $5.5 million for the twelve months ended December 31, 2019 increased $0.2 million from the prior year.

Costs and Expenses. The following table depicts rental, selling and general costs and costs of sales by type of business for the twelve-month periods ended December 31:

	2019	2018	Increase (Decrease) 2019 versus 2018	
	(In thousands, except percentages)			
Rental, Selling and General Expenses:				
North America Storage Solutions	$ 239,650	$ 233,764	$ 5,886	2.5%
U.K. Storage Solutions	51,946	53,884	(1,938)	-3.6%
Total Storage Solutions	291,596	287,648	3,948	1.4%
Tank & Pump Solutions	77,929	76,475	1,454	1.9%
Total Rental, Selling and General Expenses	$ 369,525	$ 364,123	$ 5,402	1.5%
U.K. Storage Solutions in Constant Currency	*$ 54,274*	*$ 53,884*	*$ 390*	*0.7%*
Total Storage Solutions in Constant Currency	*293,924*	*287,648*	*6,276*	*2.2%*
Cost of Sales:				
North America Storage Solutions	$ 10,441	$ 12,263	$ (1,822)	-14.9%
U.K. Storage Solutions	5,385	7,176	(1,791)	-25.0%
Total Storage Solutions	15,826	19,439	(3,613)	-18.6%
Tank & Pump Solutions	2,849	2,998	(149)	-5.0%
Total Cost of Sales	$ 18,675	$ 22,437	$ (3,762)	-16.8%

Rental, Selling and General Expenses. Rental, selling and general expenses for the twelve months ended December 31, 2019 of $369.5 million increased $5.4 million, or 1.5%, as compared to the prior year. As a percentage of total revenues, rental, selling and general expenses were 60.3% for the twelve months ended December 31, 2019, which was a decrease from 61.4% in the prior-year period.

Rental, selling and general expenses for the twelve months ended December 31, 2019 included $3.6 million related to the amendment of certain stock award agreements in conjunction with the transition of our Chief Executive Officer ("CEO") to Chairman of the Board of Directors. In addition, we recognized $3.1 million of expense related to incremental costs associated with actual and potential acquisitions and $0.5 million related to departmental realignments. Excluding these $7.2 million of expenses, rental, selling and general expenses decreased $1.8 million, or 0.5% and as a percentage of total revenues decreased to 59.1%. In constant currency, rental, selling and general expenses increased slightly.

Excluding the CEO transition expenses, the incremental costs associated with actual and potential acquisitions and the other costs noted above, Storage Solutions rental, selling and general expenses for the twelve months ended December 31, 2019 decreased $0.9 million in constant currency or 0.3%, from the prior year. The decrease was primarily due to lower short-term variable incentive plan expense, partially offset by higher payroll costs. In addition, decreased transportation costs were offset by an increase in the provision for doubtful accounts.

Rental, selling and general expenses for the Tank & Pump Solutions business increased $1.5 million, or 1.9%, in the twelve months of 2019, as compared to the prior year. Decreased short-term variable incentive plan expense, was more than offset by increased payroll, cross-hire and maintenance costs to support the increased business.

Cost of Sales. Cost of sales is the cost related to our sales revenue only. Within the Storage Solutions business, cost of sales was $15.8 million and $19.4 million for the twelve months ended December 31, 2019 and 2018, respectively. Storage Solutions sales profit was $9.0 million and $9.6 million for the twelve-month periods ended December 31, 2019 and 2018, respectively. Sales profit margin was 36.4% in the twelve months ended December 31, 2019 and 33.0% in the prior year.

Within the Tank & Pump Solutions business, cost of sales was $2.8 million compared to $3.0 million in the twelve-month periods ended December 31, 2019 and 2018, respectively. Tank & Pump Solutions sales profit was $2.7 million and $2.3 million for the twelve-month periods ended December 31, 2019 and 2018, respectively.

Restructuring expenses. The $2.0 million of restructuring expenses recognized in the twelve months ended December 31, 2018, consisted primarily of expense related to the restructuring of our corporate service center, including the severance of an executive, and expense incurred in conjunction with the divestiture of certain assets as discussed earlier in this MD&A. Additionally, in 2018, we recognized expenses related to projects initiated in prior years that were not accruable during such periods.

Asset impairment charge and loss on divestiture, net. As discussed in the overview section of this MD&A, in 2018 we identified specific underperforming assets to classify as held for sale. As a result, we recognized a loss of $102.1 million.

Depreciation and Amortization Expense. Total depreciation and amortization expense was $70.6 million for the twelve months ended December 31, 2019, an increase of $3.6 million, or 5.3%, as compared to the prior-year period.

Interest Expense. Interest expense was $41.4 million for the twelve months ended December 31, 2019 and $40.9 million in the prior year. This increase was due to a higher average effective interest rate on our lines of credit, partially offset by an overall decrease in average debt outstanding. Our average debt outstanding in the twelve months ended December 31, 2019 was $891.6 million, compared to $917.8 million in the prior year. The weighted average interest rate on our debt was 4.4% and 4.2% for the twelve-month periods ended December 31, 2019 and 2018, respectively, excluding the amortization of deferred financing costs. Taking into account the amortization of deferred financing costs, the weighted average interest rate was 4.6% and 4.5% for the twelve-month periods ended December 31, 2019 and 2018, respectively.

Provision for Income Taxes. The effective income tax expense rate of 25.3% for the year ended December 31, 2019 was impacted by a $1.0 million benefit related to a federal tax true up and a $0.7 million state blended tax rate true up. These benefits were partially offset by the tax effect of the $3.6 million non-deductible stock compensation recorded in the current year. See additional information regarding the non-deductible stock compensation in Note 11 “Share-Based Compensation” to the accompanying consolidated financial statements. Based on information currently available to us, we estimate that our 2020 effective tax rate will be between 26% and 27%.

The effective income tax (benefit) rate of (51.8%) for the year ended December 31, 2018 was impacted by the $102.1 million asset impairment charge and loss on divestiture which resulted in a $5.3 million loss before income taxes. As a result of the low pre-tax loss, the permanent differences between actual income and taxable income are having a meaningful effect on the tax rate. Income tax in 2018 includes $5.8 million of tax expense related to the reversal of tax assets associated with share-based compensation that had been established in previous years, offset by a $2.6 million benefit related to the reduction in 2018 of the provisional tax expense established in 2017 related to the Tax Act. Excluding the asset impairment charge and loss on divestiture along with the other items noted above, our income tax provision for the year ended December 31, 2018 was $24.7 million and the effective tax rate would have been 25.5%.

At December 31, 2019, we had a federal net operating loss carryforward of approximately $126.5 million, which expires, if unused, from 2030 to 2034. In addition, we had net operating loss carryforwards in the various states in which we operate. Over the past three years, we have generated $121.8 million of federal taxable income. At December 31, 2019, we had $89.0 million of gross deferred tax assets included within the net deferred tax liability on our balance sheet, and a $1.0 million valuation allowance. We believe, based on internal projections, that we will generate sufficient taxable income needed to realize the corresponding unreserved federal and state deferred tax assets to the extent they are recorded as deferred tax assets in our balance sheet. However, given that the federal net operating loss carryforwards that give rise to the deferred tax asset expire over five years beginning in 2030, there could be changes in management’s judgment in future periods with respect to the recoverability of these assets. See Note 9 “Income Taxes” to the accompanying consolidated financial statements for further discussion on income taxes.

Net Income (Loss). As a result of the income statement activity discussed above, we had net income of $83.7 million for the twelve months ended December 31, 2019, compared to a net loss of $8.1 million for the twelve months ended December 31, 2018. The 2018 net loss was driven by our asset impairment charge and loss on divestiture.

Adjusted EBITDA. The following table depicts adjusted EBITDA by type of business for the twelve-month periods ended December 31:

	2019	2018	Increase (Decrease) 2019 versus 2018	
	(In thousands, except percentages)			
Adjusted EBITDA				
North America Storage Solutions	$ 175,295	$ 150,871	$ 24,424	16.2%
U.K. Storage Solutions	25,759	29,218	(3,459)	-11.8%
Total Storage Solutions	201,054	180,089	20,965	11.6%
Tank & Pump Solutions	41,839	37,154	4,685	12.6%
Total Adjusted EBITDA	$ 242,893	$ 217,243	$ 25,650	11.8%

For the twelve-month period ended December 31, 2019, we realized adjusted EBITDA of $242.9 million, an increase of $25.7 million. In constant currency, adjusted EBITDA increased $26.8 million, or 12.4%, as compared to adjusted EBITDA of $217.2 million in the prior year. The increase was generated by revenue growth in our North America business and overall decreased rental, selling and general expenses, including the decrease in short-term variable incentive plan expense. Our adjusted EBITDA margins were 39.6% and 36.6% for the twelve months ended December 31, 2019 and 2018, respectively.

During the twelve months ended December 31, 2019, adjusted EBITDA related to the Storage Solutions business increased $21.0 million. In constant currency, adjusted EBITDA increased $22.2 million, or 12.3%, to $202.2 million from $180.1 million in the prior year. Adjusted EBITDA related to the Tank & Pump Solutions business increased $4.7 million, or 12.6%, to $41.8 million during the twelve months ended December 31, 2019 from $37.2 million during the prior year. Adjusted EBITDA margins for the twelve months ended December 31, 2019 were 41.0% for the Storage Solutions business and 34.3% for the Tank & Pump Solutions business.

The Results of Operations for the Twelve Months Ended December 31, 2018, Compared to Twelve Months Ended December 31, 2017 is presented in our 2018 Annual Report on Form 10-K.

LIQUIDITY AND CAPITAL RESOURCES

Renting is a capital-intensive business that requires us to acquire assets before they generate revenues, cash flow and earnings. The majority of the assets that we rent have very long useful lives and require relatively little maintenance expenditures. Most of the capital we have deployed in our rental business historically has been used to expand our operations geographically, to execute opportunistic acquisitions, to increase the number of units available for rent at our existing locations, and to add to the mix of products we offer. During recent years, our operations have generated annual cash flow that exceeds our pre-tax earnings, particularly due to cash flow from operations and the deferral of income taxes caused by accelerated depreciation of our fixed assets in our tax return filings. Our cash from operating activities for the years ended December 31, 2019 and 2018 of $212.7 million and $160.1 million, respectively, resulted in free cash flow of $143.1 million and $72.9 million, respectively. In addition to free cash flow, our principal current source of liquidity is the Credit Agreement described below.

Revolving Credit Facility. On March 22, 2019, Mobile Mini and certain of its subsidiaries entered into the Second Amended and Restated ABL Credit Agreement dated as of March 22, 2019 (the “Credit Agreement”) with Deutsche Bank AG New York Branch (“Deutsche Bank”), as administrative agent, and the other lenders party thereto. The Credit Agreement amends, restates and replaces Mobile Mini’s existing Amended and Restated ABL Credit Agreement dated as of December 14, 2015 (the “Prior Credit Agreement”) with Deutsche Bank, as administrative agent, and the other lenders party thereto.

The Credit Agreement provides for a five year, $1 billion first lien senior secured revolving credit facility, maturing on or before March 22, 2024. The Credit Agreement also provides for the issuance of irrevocable standby letters of credit by U.S.-based lenders in amounts totaling up to $50.0 million, by U.K.-based lenders in amounts totaling up to $20.0 million, and by Canadian-based lenders in amounts totaling up to $20.0 million.

Our and our subsidiary guarantors' obligations under the Credit Agreement are secured by a blanket lien on substantially all of our assets. At December 31, 2019, we had $555.4 million of borrowings outstanding and $440.4 million of additional borrowing availability under the Credit Agreement. We were in compliance with the terms of the Credit Agreement as of December 31, 2019 and were above the minimum borrowing availability threshold and, therefore, are not subject to any financial maintenance covenants.

We believe our cash provided by operating activities will provide for our normal capital needs for the next twelve months. If not, we have sufficient borrowings available under our Credit Agreement to meet any additional funding requirements. We monitor the financial strength of our lenders on an ongoing basis using publicly-available information. Based upon that information, we do not presently believe that there is a likelihood that any of our lenders will be unable to honor their respective commitments under the Credit Agreement.

Senior Notes. On May 9, 2016, we issued $250.0 million aggregate principal amount of the 2024 Notes at an initial offering price of 100% of their face value. The 2024 Notes bear interest at a rate of 5.875% per year and mature on July 1, 2024. Interest on the 2024 Notes is payable semiannually in arrears on January 1 and July 1, are senior unsecured obligations of the Company and are unconditionally guaranteed on a senior unsecured basis by certain of our existing and future domestic subsidiaries.

Cash Flow Summary.

	For the Years Ended December 31,	
	2019	2018
	(In thousands)	
Net income (loss)	$ 83,734	$ (8,062)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Asset impairment charge and loss on divestiture, net	—	102,140
Deferred income taxes	23,305	(2,523)
Other adjustments	88,007	76,965
Total adjustments to reconcile net income (loss) to net cash provided by operating activities	111,312	176,582
Changes in certain assets and liabilities, net of effect of businesses acquired	17,672	(8,422)
Net cash provided by operating activities	212,718	160,098
Net cash used in investing activities	(82,707)	(77,063)
Net cash used in financing activities	(127,629)	(92,144)
Effect of exchange rate changes on cash	66	1,263
Net increase (decrease) in cash	$ 2,448	$ (7,846)

Operating Activities. Net cash provided by operating activities was $212.7 million for the twelve months ended December 31, 2019, compared to $160.1 million in the prior year, an increase of $52.6 million. The increase was driven by growth in our underlying business and changes in certain assets and liabilities. Net cash provided by operating activities was increased by $17.7 million and reduced by $8.4 million related to changes in certain assets and liabilities for the twelve months ended December 31, 2019 and 2018, respectively. Decreased accounts receivable resulted in a $20.7 million increase in cash provided by operating activities for the year ended December 31, 2019.

Cash provided by operating activities is enhanced by the deferral of most income taxes due to the rapid tax depreciation rate of our assets and our federal and state net operating loss carryforwards. At December 31, 2019, we had a federal net operating loss carryforward of approximately $126.5 million and a net deferred tax liability of $195.0 million.

Investing Activities. Net cash used in investing activities was $82.7 million in 2019, compared to $77.1 million in 2018. Included in 2019 activity is $13.0 million in acquisition expenditures. In 2018, investing activities included $10.2 million of proceeds related to assets that were designated as held for sale. Net expenditures for rental fleet and property, plant and equipment were $69.7 million and $87.2 million for the twelve months ended December 31, 2019 and 2018, respectively, a decrease of $17.6 million.

Rental fleet expenditures were as follows for the periods indicated:

	Additions to Rental Fleet, Excluding Acquisitions For the Years Ended December 31,	
	2019	2018
	(In thousands)	
North America Storage Solutions	$ 46,314	$ 52,654
United Kingdom Storage Solutions	4,218	6,893
Tank & Pump Solutions	20,319	26,414
Consolidated additions to rental fleet, excluding acquisitions	70,851	85,961
Proceeds from sale of rental fleet	(13,726)	(14,993)
Rental fleet net capital expenditures	$ 57,125	$ 70,968

Rental fleet expenditures were $70.9 million in 2019, a decrease of $15.1 million compared to 2018. Expenditures for rental fleet were made to meet overall increases in Tank & Pump Solutions demand as well as for North American Storage Solutions and were concentrated in the first six months of 2019. Proceeds from sale of rental fleet units were consistent over the past two years. In general, sales of units from our fleet occur due to a particular customer need, or due to having fleet in excess of demand at a particular location; as such, the proceeds from sale of rental units will normally fluctuate from year to year.

Property, plant and equipment net capital expenditures were $12.5 million in 2019 and $16.2 million in 2018. These expenditures primarily related to internal software development and leasehold improvements.

The amount of cash that we use during any period in investing activities is almost entirely within management's discretion. In addition to the cash expenditures, we acquired property, plant and equipment through finance leases totaling $21.7 million and $20.3 million in 2019 and 2018, respectively. These leases were primarily for transportation related equipment.

We anticipate our near-term net fleet capital expenditures in 2020 will be between $45 million and $55 million and will be primarily focused on obtaining fleet to support growth in our North America Storage Solutions, including expenditures to convert containers into ground level offices, as well as to meet specific needs in Tank & Pump Solutions. In addition, we expect to invest in North America Storage Solutions acquisitions.

Financing Activities. Net cash used in financing activities was $127.6 million in 2019 and $92.1 million in 2018. We have used free cash flow to purchase treasury stock, pay down borrowings and pay dividends. In 2019 and 2018, we paid cash dividends of $48.9 million and $44.5 million, respectively, to our stockholders and purchased shares of our common stock of $29.6 million and $0.7 million, respectively. As of December 31, 2019, we have $42.4 million remaining to repurchase treasury shares under the repurchase program. Borrowings outstanding under our Credit Agreement as of December 31, 2019, totaled $555.4 million and approximately $440.4 million of additional borrowings were available to us. Deferred financing cost expenditures in 2019 largely relate to the Credit Agreement.

Contractual Obligations and Commitments

Our contractual obligations primarily consist of our outstanding balance under the Credit Agreement, $250.0 million aggregate principal amount of the 2024 Notes and obligations under finance and operating leases. At December 31, 2019, primarily in connection with securing our insurance policies, we provided certain insurance carriers and others with approximately $4.2 million in letters of credit.

The table below provides a summary of our contractual commitments as of December 31, 2019.

	Total	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			(In thousands)		
Revolving credit facility	$ 555,400	$ —	$ —	$ 555,400	$ —
Interest payment obligations under our revolving credit facility (1)	84,137	19,919	39,837	24,381	—
Senior Notes	250,000	—	—	250,000	—
Interest payment obligations under our Senior Notes (2)	66,095	14,688	29,375	22,032	—
Obligations under finance leases (4)	74,399	14,136	26,534	19,103	14,626
Interest payment obligations under our finance leases (3)(4)	6,098	1,816	2,547	1,318	417
Operating leases (4)(5)	108,464	20,344	33,027	24,426	30,667
Total contractual obligations	$1,144,593	$ 70,903	$ 131,320	$ 896,660	$ 45,710

(1) Scheduled interest rate obligations under our Credit Agreement, which is subject to a variable rate of interest, were calculated using our weighted average interest rate as of December 31, 2019 of 3.2%. Also included in this number are estimated fees to be paid related to unused portions of our lines of credit.
(2) Scheduled interest rate obligations under our Senior Notes were calculated using the stated rate of 5.875%.
(3) Scheduled interest rate obligations under finance leases were calculated using imputed rates primarily ranging from 1.7% to 4.1%.
(4) For further discussion, see Note 8 “Leases” to the accompanying consolidated financial statements.
(5) Operating lease obligations represent future cash payments.

Off-Balance Sheet Transactions

We do not maintain any off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Seasonality

Demand from our Storage Solutions customers is somewhat seasonal. Construction customers typically reflect higher demand during months with more temperate weather, while demand for our portable storage units by large retailers is stronger from September through December because these retailers need to store more inventories for the holiday season. Our retail customers usually return these rented units to us in December and early in the following year. In the Tank & Pump Solutions business, demand from customers is typically higher in the middle of the year from March to October, driven by the timing of customer maintenance projects. The demand for rental of our pumps may also be impacted by weather, specifically when temperatures drop below freezing.

Critical Accounting Policies, Estimates and Judgments

Our significant accounting policies are disclosed in Note 2 to the accompanying consolidated financial statements. The following discussion addresses our most critical accounting policies, some of which require significant judgment.

Our consolidated financial statements have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. These estimates and assumptions are based upon expert information, our evaluation of historical results and anticipated future events, and these estimates may change as additional information becomes available. We have identified below our accounting policies that we believe could potentially produce materially different results if we were to change underlying estimates or assumptions.

Revenue Recognition. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Rental contracts with our customers may have multiple performance obligations including the direct rental of fleet to our customers, fleet delivery and pickup. Also included in rental revenues are ancillary fees, including late charges and charges for damages. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using the contractually stated price as our best estimate of the standalone selling price of each distinct promise in the contract. Our prices are determined using methods and assumptions developed consistently across similar customers and markets. We perform an ongoing collectability assessment of our accounts receivables and establish specific reserves when appropriate. Activity related to specific reserves is recorded as a reduction to revenue.

We enter into contracts with our customers to rent equipment generally based on a 28-day rate for our Storage Solutions fleet and a daily, weekly or monthly rate for our Tank & Pump Solutions fleet. Revenues from renting are recognized ratably over the rental period under lessor accounting. The rental continues until cancelled by the customer or the Company. If equipment is returned prior to the end of the contractually obligated period, the excess, if any, between the amount the customer is contractually required to pay, over the cumulative amount of revenue recognized to date, is recognized as incremental revenue upon return. Customers may utilize our equipment delivery and pick-up services in conjunction with the rental of equipment, but it is not required. Revenue pursuant to the delivery or pickup of a rented unit is recognized in rental revenue upon completion of the service.

We may use third parties to satisfy our performance obligations, including both the provision of rental units and other services. To determine whether we are the principal or agent in the arrangement, we review each third-party relationship on a contract by contract basis. We are an agent when our role is to arrange for another entity to provide the rental units and other services to the customer. In these instances, we do not control the rental unit or service before it is provided. We are the principal when we control the rental unit or service prior to transferring control to the customer. Mobile Mini may be a principal in the fulfillment of some rental units and services and an agent for other rental units and services within the same contract. We recognize revenue on a gross basis when we are the principal in the arrangement and on a net basis when we are the agent.

Sales revenue is primarily generated by the sale of new and used units, and to a lesser extent, parts and supplies sold to Tank & Pump Solutions customers. Sales contracts generally have a single performance obligation that is satisfied at the time of delivery. Sales revenue is measured based on the consideration specified in the contract and recognized when the customer takes possession of the unit or other sale items.

Purchase Accounting. We account for acquisitions under the acquisition method. Under the acquisition method of accounting, we record assets acquired and liabilities assumed at their estimated fair market value on the date of acquisition. Goodwill is measured as the excess of the fair value of the consideration transferred over the fair value of the identifiable net assets. Estimated fair values of acquired assets and liabilities is provisional and could change as additional information is received. We finalize valuations as soon as practicable, but not later than one-year from the acquisition date. Any subsequent changes to purchase price allocations result in a corresponding adjustment to goodwill.

The determination of the fair value of intangible assets requires the use of significant judgment with regard to (i) the fair value; and (ii) whether such intangibles are amortizable or non-amortizable and, if amortizable, the period and the method by which the intangible asset will be amortized. We estimate the fair value of acquisition-related intangible assets principally based on projections of cash flows that will arise from identifiable intangible assets of acquired businesses. The projected cash flows are discounted to determine the present value of the assets at the dates of acquisition.

Goodwill. For acquired businesses, we record assets acquired and liabilities assumed at their estimated fair values on the respective acquisition dates. Based on these values, the excess purchase prices over the fair value of the net assets acquired is recorded as goodwill. Of the $713.4 million total goodwill at December 31, 2019, $474.6 million related to the North American Storage Solutions segment, $57.6 million related to the U.K. Storage Solutions segment and $181.2 million related to the Tank & Pump Solutions segment.

Goodwill impairment testing requires judgment, including: the identification of the reporting units; determination of the fair value of each reporting unit; the assignment of assets, liabilities and goodwill to each reporting unit; estimates and assumptions regarding future cash flows and discount rates; and an assumption regarding the form of the transaction in which the reporting unit would be acquired by a market participant. Management assesses potential impairment of goodwill on an annual basis at December 31, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Some factors management considers important which could require an impairment review include the following:

- significant under-performance relative to historical, expected or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for the overall business;
- market capitalization relative to net book value; and
- significant negative industry or general economic trends.

Management may choose to assess qualitative factors to determine if it is more-likely-than-not that goodwill might be impaired and whether or not to perform the two-step goodwill impairment test. When the two-step impairment test is performed, the first step requires a comparison of the fair value of each of our reporting unit's net assets to the respective carrying value of net assets. If the carrying value of a reporting unit's net assets is less than its fair value, no indication of impairment exists and a second step is not performed. If the carrying amount of a reporting unit's net assets is higher than its fair value, there is an indication that an impairment may exist, and a second step must be performed. If the second step is necessary, management is required to determine the implied fair value of the goodwill and compare it to the carrying value of the goodwill. The fair value of the reporting units would be assigned to the respective assets and liabilities of each reporting unit as if the reporting units had been acquired in separate and individual business combinations and the fair value of the reporting units was the price paid to acquire the reporting units. The excess of the fair value of the reporting units over the amounts assigned to their respective assets and liabilities is the implied fair value of goodwill. If the carrying amount of the reporting unit's goodwill is greater than the implied fair value of its goodwill, an impairment loss must be recognized for the difference.

When assessing the fair value of the reporting units under the two-step impairment test, management considers both the market approach and the income approach. Under the market approach, the fair value of the reporting unit is based on quoted market prices of companies comparable to the reporting unit being valued. Under the income approach, the fair value of the reporting unit is based on the present value of estimated cash flows. The income approach is dependent on a number of significant management assumptions, including estimated future revenue growth rates and discount rates. Other estimates relate to tax payments, operating margins and capital expenditures. Each approach is given equal weight in arriving at the fair value of the reporting unit.

As of December 31, 2019, 2018 and 2017, we assessed qualitative factors and determined it is more-likely-than-not each of the reporting unit's assigned goodwill had estimated fair values greater than the respective reporting unit's individual net asset carrying values; therefore, the two-step impairment test was not performed.

Impairment of Long-Lived Assets (Other than Goodwill). Our rental fleet, property, plant and equipment, and finite-lived intangibles are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may be impaired. If this review indicates the carrying value of these assets will not be recoverable, as measured based on estimated undiscounted cash flows over their remaining life, the carrying amount would be adjusted to fair value. The cash flow estimates contain management's best estimates using appropriate and customary assumptions and projections at the time of evaluation.

Rental Fleet. Rental fleet is capitalized at cost and depreciated over the estimated useful life of the unit using the straight-line method. Rental fleet is depreciated whether or not it is out on rent. Capitalized cost of our rental fleet includes the price paid to acquire the unit and freight charges to the location when the unit is first placed in service, and when applicable, the cost of our manufacturing or remanufacturing, which includes the cost of customizing units. Ordinary repair and maintenance costs are charged to operations as incurred.

We periodically review depreciable lives and residual values against various factors, including the results of our lenders' independent appraisal of our rental fleet, practices of our competitors in comparable industries and profit margins achieved on sales of depreciated units.

The table below depicts the estimated useful lives and residual values (presented as a percentage of capitalized cost) for our major categories of Storage Solutions rental fleet.

	Residual Value as Percentage of Original Cost	Useful Life in Years
Storage Solutions:		
Steel storage containers	55%	30
Steel ground level offices	55	30

The table below depicts the estimated useful lives for our major categories of Tank & Pump Solutions rental fleet when purchased new. We estimate zero residual value for our Tank & Pump Solutions fleet as there is a limited secondary market for Tank & Pump Solutions products.

	Useful Life in Years
Tank & Pump Solutions:	
Steel tanks	25
Roll-off boxes	15 - 20
Vacuum boxes	20
Stainless steel tank trailers	25
De-watering boxes	20
Pumps and filtration equipment	7

The estimated useful lives and residual values of our rental fleet might change in the future based on changing circumstances. If these estimates change in the future, we may be required to recognize increased or decreased depreciation expense for these assets. For instance, if all our rental fleet units had been placed in service with useful lives 25% less or greater than our current estimated useful lives, we estimate that our annual depreciation expense for the year ended December 31, 2019 would have been $10.6 million higher or $6.3 million lower, respectively.

Similarly, if our rental fleet units had been placed in service with estimated residual values decreased by 10% of the original cost, for example from 55% to 45% (with Tank & Pump Solutions residual values remaining at 0%), depreciation expense would have been approximately $3.3 million higher for the year ended December 31, 2019. If our rental fleet units had been placed in service with estimated residual values increased by 10% of the original cost, for example, from 55% to 65% for steel storage containers and from 0% to 10% for Tank & Pump Solutions, our depreciation expense would have been lower by approximately $5.0 million, for the year ended December 31, 2019.

Income Taxes. In preparing our consolidated financial statements, we recognize income taxes in each of the jurisdictions in which we operate. For each jurisdiction, we estimate the actual amount of taxes currently payable or receivable as well as deferred tax assets and liabilities attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A valuation allowance is provided for those deferred tax assets for which it is more-likely-than-not that the related benefits will not be realized. In determining the amount of the valuation allowance, we consider estimated future taxable income as well as feasible tax planning strategies in each jurisdiction. If we determine that we will not realize all or a portion of our deferred tax assets, we will increase our valuation allowance with a charge to income tax expense. Conversely, if we determine that we will ultimately be able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced with a credit to income tax expense.

The majority of our deferred tax asset relates to federal net operating loss carryforwards that have future expiration dates. Management believes that adequate future taxable income will be generated through future operations to recover the unreserved portion of these assets. However, given that the federal net operating loss carryforwards that give rise to the deferred tax asset expire over five years beginning in 2030, there could be changes in management's judgment in future periods with respect to the recoverability of these assets.

Tax regulations within the various jurisdictions we operate are subject to interpretation of the related tax laws and regulations and require the application of significant judgment. Our income taxes are subject to examination by federal, state and foreign tax authorities. There may be differing interpretations of tax laws and regulations, and as a result, disputes may arise with these tax authorities involving the timing and amount of deductions and allocation of income.

We have recorded certain income tax effects for the impact of the Tax Act which was enacted on December 22, 2017. Previously issued guidance provided for a one year period from the enactment date to allow the Company to complete its analysis of the Tax Act. The Company has completed its analysis and recorded any final effects within this one year period.

The Tax Act enacted a new a minimum tax on U.S. companies' foreign operations called Global Intangible Low Tax Income ("GILTI"). The Company has made a policy election to account for any impacts of GILTI tax in the period in which it is incurred.

See additional information regarding income taxes in Note 9 "Income Taxes" to the accompanying financial statements.

Recent Accounting Pronouncements

For discussions of the adoption and potential impacts of recently issued accounting standards, refer to Note 2 "Summary of Significant Accounting Policies" to the accompanying consolidated financial statements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.*

The following table sets forth the scheduled maturities and the total fair value of our debt portfolio as of December 31, 2019:

	Principal Maturing in the Twelve Months Ended December 31,						Total at December 31,	Total Fair Value at December 31,
	2020	2021	2022	2023	2024	Thereafter	2019	2019
	(In thousands, except percentages)							
Debt:								
Fixed rate	$14,136	$13,779	$12,755	$11,349	$257,754	$ 14,626	$ 324,399	$ 335,337
Average interest rate							5.2%	
Floating rate	$ —	$ —	$ —	$ —	$555,400	$ —	$ 555,400	$ 555,400
Average interest rate							3.2%	
Operating leases	$20,344	$17,473	$15,554	$13,156	$ 11,270	$ 30,667	$ 108,464	

Impact of Foreign Currency Rate Changes. We currently have operations outside the U.S., and we bill those customers primarily in their local currency, which is subject to foreign currency rate changes. Our operations in Canada are billed in the Canadian dollar, and our operations in the U.K. are billed in British pounds. We are exposed to foreign exchange rate fluctuations as the financial results of our non-U.S. operations are translated into U.S. dollars. The impact of foreign currency rate changes has historically been insignificant with our Canadian operations, but we have more exposure to volatility with our U.K. operations. Based on the level of our U.K. operations during the twelve months ended December 31, 2019, a 10% change in the value of the British pound as compared to the U.S. dollar would have changed net income by approximately $1.5 million for the twelve months ended December 31, 2019. We do not currently hedge our currency transaction or translation exposure, nor do we have any current plans to do so.

On June 23, 2016, the U.K. held a referendum in which British citizens approved an exit from the E.U., commonly referred to as "Brexit." As a result of the referendum, the global markets and currencies have been adversely impacted, including volatility in the value of the British pound as compared to the U.S. dollar. In October 2019, the U.K. and E.U. agreed upon the terms of the U.K.'s withdrawal from the E.U. in the form of a Withdrawal Agreement. The Withdrawal Agreement was ratified by the U.K. Parliament, and the European Parliament in Brussels, in late January, with the consequence that Brexit formally occurred on January 31, 2020.

Volatility in exchange rates is expected to continue in the short term. The current opinion of economists is that, even after the U.K. formally leaves the E.U., there will be no lasting recovery until a U.K.-E.U. trade deal is in place. In order to help minimize our exchange rate gain and loss volatility, we finance our U.K. entities through our revolving credit facility, which allows us, at our option, to borrow funds locally in British pound denominated debt. In the longer term, any impact from

Brexit on us will depend, in part, on the outcome of tariff, trade, regulatory and other negotiations. Although it is unknown what the result of those negotiations will be, it is possible that new terms may adversely affect our operations and financial results.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.***

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Mobile Mini, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Mobile Mini, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019, due to the adoption of Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 842, *Leases*.

Basis for Opinions

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the sufficiency of audit evidence over income taxes

As discussed in Notes 2 and 9 to the consolidated financial statements, the Company estimates the actual amount of taxes currently payable or receivable as well as deferred tax assets and liabilities. Deferred taxes are primarily derived from temporary carrying value and tax bases differences in rental fleet and property, plant and equipment fixed assets, goodwill and intangibles, and stock compensation. The Company's net deferred income tax liabilities and income tax provision were $195.0 million and $28.3 million, respectively, as of and for the year ended December 31, 2019.

We identified the evaluation of the sufficiency of audit evidence over income taxes as a critical audit matter. Evaluating the sufficiency of audit evidence required subjective auditor judgment, and the involvement of tax professionals with specialized skills and knowledge, in order to assess the nature and extent of procedures performed in relation to the amounts recorded and disclosed in the consolidated financial statements.

The primary procedures we performed to address this critical audit matter included the following. We applied auditor judgment to determine the nature and extent of procedures to be performed over the income tax accounts and disclosures. We tested certain internal controls over the Company's income tax process, including controls over the amounts recorded and disclosed. We assessed the disclosures included in the consolidated financial statements. We involved tax professionals with specialized skills and knowledge, who assisted in analyzing the estimated tax payable or receivable and testing significant carrying value and tax bases differences impacting the deferred tax assets and liabilities recorded. In addition, we evaluated the overall sufficiency of audit evidence obtained over income taxes.

Evaluation of the adoption of ASC Topic 842

As discussed in Notes 2 and 8 to the consolidated financial statements, the Company adopted Accounting Standards Codification ASC Topic 842, Leases, on January 1, 2019. As part of the adoption, the Company recognized a lease liability and asset for leases with an initial term greater than twelve months. Upon adoption, the operating lease liabilities recognized were $91 million, with corresponding right-of-use assets. Operating lease liabilities and assets as of December 31, 2019 were $94.9 million and $93.1 million, respectively.

We identified the evaluation of the adoption of ASC Topic 842 as a critical audit matter. Evaluating the Company's application of the ASC Topic 842 transition guidance and assessing the amounts at which the lease liabilities and assets were recognized and disclosed required subjective auditor judgment. Specifically, a high degree of auditor judgment was required in evaluating 1) the estimates and judgments associated with the lease adoption, 2) the transition impact on a lease-by-lease basis, 3) the transition adjustment recognized, and 4) the lease disclosures.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's ASC Topic 842 process, including controls over the considerations described above. We evaluated the Company's assessment of the adoption of ASC Topic 842 by comparing the underlying facts and circumstances in the lease contracts to the accounting treatment applied. We tested the operating lease liabilities and corresponding right-of-use assets as presented and disclosed in the consolidated financial statements by:

1) Evaluating the Company's transition adjustment to determine that it included the entire population of leases subject to the transition,
2) Assessing a sample of lease contracts and comparing the relevant terms to the terms used by the Company in its underlying calculations of the operating lease liabilities and assets, and
3) Assessing the disclosures included in the consolidated financial statements.

/s/ KPMG LLP

We have served as the Company's auditor since 2013.

Phoenix, Arizona
February 3, 2020

MOBILE MINI, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands except par value data)

	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 8,053	$ 5,605
Receivables, net of allowance for doubtful accounts of $4,622 and $4,599 at December 31, 2019 and December 31, 2018, respectively	104,390	130,233
Inventories	9,517	11,725
Rental fleet, net	966,223	929,090
Property, plant and equipment, net	157,183	154,254
Operating lease assets	93,116	—
Other assets	13,806	13,398
Intangibles, net	51,185	55,542
Goodwill	713,404	705,217
Total assets	$ 2,116,877	$ 2,005,064
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable	$ 31,554	$ 33,177
Accrued liabilities	77,069	88,136
Operating lease liabilities	94,932	—
Lines of credit	555,400	593,495
Obligations under finance leases	74,399	63,359
Senior notes, net of deferred financing costs of $2,873 and $3,511 at December 31, 2019 and December 31, 2018, respectively	247,127	246,489
Deferred income taxes	195,034	170,139
Total liabilities	1,275,515	1,194,795
Commitments and contingencies		
Stockholders' equity:		
Preferred stock $.01 par value, 20,000 shares authorized, none issued	—	—
Common stock $.01 par value, 95,000 shares authorized, 50,381 issued and 44,152 outstanding at December 31, 2019 and 49,986 issued and 44,690 outstanding at December 31, 2018	504	500
Additional paid-in capital	638,083	619,850
Retained earnings	445,285	410,641
Accumulated other comprehensive loss	(65,093)	(72,861)
Treasury stock, at cost, 6,229 and 5,296 shares at December 31, 2019 and December 31, 2018, respectively	(177,417)	(147,861)
Total stockholders' equity	841,362	810,269
Total liabilities and stockholders' equity	$ 2,116,877	$ 2,005,064

See accompanying notes.

MOBILE MINI, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share data)

	For the Years Ended December 31, 2019	2018	2017
Revenues:			
Rental	$ 581,657	$ 558,197	$ 498,825
Sales	30,394	34,354	32,440
Other	574	678	2,284
Total revenues	612,625	593,229	533,549
Costs and expenses:			
Rental, selling and general expenses	369,525	364,123	336,438
Cost of sales	18,675	22,437	21,001
Restructuring expenses	—	2,006	2,886
Asset impairment charge and loss on divestiture, net	—	102,140	—
Depreciation and amortization	70,583	67,000	63,372
Total costs and expenses	458,783	557,706	423,697
Income from operations	153,842	35,523	109,852
Other income (expense):			
Interest income	12	6	25
Interest expense	(41,378)	(40,904)	(35,728)
Deferred financing costs write-off	(123)	—	—
Foreign currency exchange	(274)	64	(25)
Income (loss) from operations before income tax provision (benefit)	112,079	(5,311)	74,124
Income tax provision (benefit)	28,345	2,751	(48,104)
Net income (loss)	$ 83,734	$ (8,062)	$ 122,228
Earnings (loss) per share:			
Basic	$ 1.90	$ (0.18)	$ 2.77
Diluted	1.88	(0.18)	2.76
Weighted average number of common and common share equivalents Outstanding:			
Basic	44,178	44,295	44,055
Diluted	44,550	44,295	44,254
Cash dividends declared per share	$ 1.10	$ 1.00	$ 0.91

See accompanying notes.

MOBILE MINI, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	For the Years Ended December 31,		
	2019	2018	2017
Net income (loss)	$ 83,734	$ (8,062)	$ 122,228
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of income tax provision of $123, $88 and $30 in 2019, 2018 and 2017, respectively	7,768	(12,527)	20,713
Other comprehensive income (loss)	7,768	(12,527)	20,713
Comprehensive income (loss)	$ 91,502	$ (20,589)	$ 142,941

See accompanying notes.

MOBILE MINI, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the years ended December 31, 2017, 2018 and 2019
(In thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total Stockholders' Equity
Balance at January 1, 2017	44,295	$ 493	$592,071	$362,896	$ (81,047)	4,997	$(138,799)	$ 735,614
Net income	—	—	—	122,228	—	—	—	122,228
Common stock dividends declared	—	—	—	(40,214)	—	—	—	(40,214)
Other comprehensive income	—	—	—	—	20,713	—	—	20,713
Exercise of stock options	233	3	5,797	—	—	—	—	5,800
Purchase of treasury stock	(281)	—	—	—	—	281	(8,367)	(8,367)
Restricted stock grants, net	133	1	(1)	—	—	—	—	—
Share-based compensation	—	—	7,373	—	—	—	—	7,373
Cumulative effect of adoption of accounting pronouncement	—	—	129	18,412	—	—	—	18,541
Balance at December 31, 2017	44,380	497	605,369	463,322	(60,334)	5,278	(147,166)	861,688
Net loss	—	—	—	(8,062)	—	—	—	(8,062)
Common stock dividends declared	—	—	—	(44,619)	—	—	—	(44,619)
Other comprehensive income	—	—	—	—	(12,527)	—	—	(12,527)
Exercise of stock options	118	1	3,616	—	—	—	—	3,617
Purchase of treasury stock	(18)	—	—	—	—	18	(695)	(695)
Restricted stock grants, net	210	2	(2)	—	—	—	—	—
Share-based compensation	—	—	10,867	—	—	—	—	10,867
Balance at December 31, 2018	44,690	500	619,850	410,641	(72,861)	5,296	(147,861)	810,269
Net income	—	—	—	83,734	—	—	—	83,734
Common stock dividends declared	—	—	—	(49,090)	—	—	—	(49,090)
Other comprehensive loss	—	—	—	—	7,768	—	—	7,768
Exercise of stock options	114	1	3,115	—	—	—	—	3,116
Purchase of treasury stock	(933)	—	—	—	—	933	(29,556)	(29,556)
Restricted stock grants, net	281	3	(3)	—	—	—	—	—
Share-based compensation	—	—	15,121	—	—	—	—	15,121
Balance at December 31, 2019	44,152	$ 504	$638,083	$445,285	$ (65,093)	6,229	$(177,417)	$ 841,362

See accompanying notes.

MOBILE MINI, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31, 2019	2018	2017
Cash Flows from Operating Activities:			
Net income (loss)	$ 83,734	$ (8,062)	$ 122,228
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Deferred financing costs write-off	123	—	—
Asset impairment charge and loss on divestiture, net	—	102,140	—
Provision for doubtful accounts	5,879	2,412	5,037
Amortization of deferred financing costs	1,837	2,060	2,060
Amortization of long-term liabilities	13	145	130
Share-based compensation expense	15,121	10,867	7,373
Depreciation and amortization	70,583	67,000	63,372
Gain on sale of rental fleet	(5,923)	(6,055)	(5,657)
Loss on disposal of property, plant and equipment	100	600	517
Deferred income taxes	23,305	(2,523)	(49,980)
Foreign currency exchange	274	(64)	25
Changes in certain assets and liabilities, net of effect of businesses acquired:			
Receivables	20,670	(22,011)	(15,677)
Inventories	2,280	(406)	(90)
Other assets	486	826	(635)
Accounts payable	3,041	2,909	(4,985)
Accrued liabilities	(8,805)	10,260	11,928
Net cash provided by operating activities	212,718	160,098	135,646
Cash Flows from Investing Activities:			
Cash paid for businesses acquired, net of cash acquired	(13,048)	—	—
Proceeds from sale of assets held for sale	—	10,153	—
Additions to rental fleet, excluding acquisitions	(70,851)	(85,961)	(63,688)
Proceeds from sale of rental fleet	13,726	14,993	12,953
Additions to property, plant and equipment, excluding acquisitions	(13,274)	(16,931)	(20,122)
Proceeds from sale of property, plant and equipment	740	683	851
Net cash used in investing activities	(82,707)	(77,063)	(70,006)
Cash Flows from Financing Activities:			
Net repayments under lines of credit	(38,096)	(40,790)	(6,875)
Deferred financing costs	(3,521)	—	(12)
Principal payments on finance lease obligations	(10,690)	(9,746)	(7,418)
Issuance of common stock	3,116	3,617	5,800
Dividend payments	(48,882)	(44,530)	(40,171)
Purchase of treasury stock	(29,556)	(695)	(8,367)
Net cash used in financing activities	(127,629)	(92,144)	(57,043)
Effect of exchange rate changes on cash and cash equivalents	66	1,263	717
Net increase (decrease) in cash and cash equivalents	2,448	(7,846)	9,314
Cash and cash equivalents at beginning of year	5,605	13,451	4,137
Cash and cash equivalents at end of year	$ 8,053	$ 5,605	$ 13,451
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for interest	$ 40,150	$ 37,979	$ 35,029
Cash paid during the year for income and franchise taxes	6,600	4,012	2,607
Equipment and other acquired through finance lease obligations	21,730	20,314	9,501
Capital expenditures accrued or payable	5,591	10,752	7,270

See accompanying notes.

MOBILE MINI, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Mobile Mini, Organization and Description of Business

Mobile Mini, Inc., a Delaware corporation, is a leading provider of portable storage and specialty containment solutions. In these notes, the terms "Mobile Mini," the "Company," "we," "us," and "our" refer to Mobile Mini, Inc. At December 31, 2019, we have a fleet of portable storage and office units operating throughout the U.S., Canada and the U.K. serving a diversified customer base, including construction companies, large and small retailers, medical centers, schools, utilities, distributors, the military, hotels, restaurants, entertainment complexes and households. These customers use our products for a wide variety of applications, including the storage of construction materials and equipment, retail and manufacturing inventory, documents and records and other goods. We also have a fleet of specialty containment products, concentrated in the Gulf Coast region of the U.S., including liquid and solid containment units, serving a specialty sector in the industry. Specialty products are leased primarily to chemical, refinery, oil and natural gas drilling, mining and environmental service customers.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Mobile Mini and our wholly owned subsidiaries. We do not have any subsidiaries in which we do not own 100% of the outstanding stock. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the accompanying consolidated financial statements and the notes to those statements. Actual results could differ from those estimates. Significant estimates affect the calculation of depreciation and amortization, the calculation of the allowance for doubtful accounts, the analysis of goodwill and long-lived assets for potential impairment and certain accrued liabilities.

(2) Summary of Significant Accounting Policies

Cash Equivalents

We consider all highly liquid instruments with insignificant interest rate risk and with maturities of three months or less at purchase to be cash equivalents.

Receivables and Allowance for Doubtful Accounts

Receivables are stated net of an allowance for doubtful accounts. We maintain a general allowance for doubtful accounts based on collection experience for which no specific customer has been identified. Expense related to this reserve is recorded within the rental, selling and general expenses line on our consolidated statements of operations. Accounts are written off against the allowance when management determines the account is uncollectible. We require a security deposit on most leased office units to cover the cost of damages or unpaid balances, if any. Our provision for doubtful accounts was less than 1.5% of total revenues in the years ended December 31, 2019, 2018 and 2017.

The information presented in the table below reflects the activity in the allowance for doubtful accounts during the periods presented.

	For the Years Ended December 31,		
	2019	2018	2017
		(In thousands)	
Balance at beginning of year	$ 4,599	$ 6,250	$ 4,886
Provision charged to expense	5,879	2,412	5,037
Write-offs and other	(5,856)	(4,063)	(3,673)
Balance at end of year	$ 4,622	$ 4,599	$ 6,250

Concentration of Credit Risk

Financial instruments which potentially expose us to concentrations of credit risk consist primarily of receivables. Concentration of credit risk with respect to receivables is limited due to our large number of customers spread over a broad geographic area in many industry sectors. We typically have the right to repossess rented portable storage units, including any customer goods contained in the unit, following non-payment of rent. Receivables related to sold units are generally secured by the product sold to the customer. Our largest customer accounted for approximately 5% of our consolidated rental revenue for the year ended December 31, 2019, and 7% of our trade receivables at December 31, 2019. These receivables generally fluctuate throughout the year depending upon seasonal demand but are typically higher at year end following the seasonal holiday business.

Inventories

Inventories at December 31 consisted of the following:

	2019	2018
	(In thousands)	
Raw materials and supplies	$ 6,957	$ 8,078
Finished units	2,560	3,647
Inventories	$ 9,517	$ 11,725

Rental fleet

Rental fleet is capitalized at cost and depreciated over the estimated useful life of the unit using the straight-line method. Rental fleet is depreciated whether or not it is out on rent. Capitalized cost of rental fleet includes the price paid to acquire the unit and freight charges to the location when the unit is first placed in service, and when applicable, the cost of manufacturing or remanufacturing, which includes the cost of customizing units. Ordinary repair and maintenance costs are charged to operations as incurred.

We periodically review depreciable lives and residual values against various factors, including the results of our lenders' independent appraisal of our rental fleet, practices of our competitors in comparable industries and profit margins achieved on sales of depreciated units.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation is recorded using the straight-line method over the assets' estimated useful lives. Our depreciation expense related to property, plant and equipment for 2019, 2018 and 2017 was $32.2 million, $28.8 million and $25.9 million, respectively. Normal repairs and maintenance to property, plant and equipment are expensed as incurred. When property or equipment is retired or sold, the net book value of the asset, reduced by any proceeds, is charged to gain or loss on the disposal of property, plant and equipment and is included in rental, selling and general expenses in the consolidated statements of operations.

Property, plant and equipment at December 31 consisted of the following:

	Residual Value as Percentage of Original Cost	Useful Life in Years	2019	2018
			(In thousands)	
Land			$ 1,653	$ 1,638
Vehicles and machinery	0 - 55%	5 - 30	174,191	156,195
Buildings and improvements (1)	0 - 25	3 - 30	33,137	27,614
Computer equipment and software	0	3 - 10	76,587	70,903
Furniture and office equipment	0	3 - 10	5,354	6,680
Property, plant and equipment			290,922	263,030
Accumulated depreciation and amortization			(133,739)	(108,776)
Property, plant and equipment, net			$ 157,183	$ 154,254

(1) Improvements made to leased properties are depreciated over the lesser of the estimated useful life or the remaining term of the respective lease.

Capitalized Software Development Costs

We capitalize qualifying computer software costs incurred during the application development stage for internally developed software. Additionally, we capitalize qualifying costs incurred for upgrades and enhancements that result in additional functionality to existing software. Costs related to preliminary project planning activities, post-implementation activities, maintenance and minor modifications are expensed as incurred. Internal-use software is amortized on a straight line basis over its estimated useful life.

Deferred Financing Costs

Deferred financing costs consist of the costs of obtaining long-term financing. Deferred financing costs related to our lines of credit are included in other assets in the consolidated balance sheets, while the Senior Notes are presented on the balance sheet net of deferred financing costs. These costs are amortized and included in interest expense over the term of the related debt, using the straight-line method, which approximates the effective interest method. Amortization expense for deferred financing costs was approximately $1.8 million, $2.1 million and $2.1 million in 2019, 2018 and 2017, respectively.

As of December 31, 2019, $2.9 million and $5.0 million of the total $7.9 million unamortized deferred financing costs, related to the 2024 Notes and the Credit Agreement, respectively. The annual amortization of deferred financing costs is expected to be as follows (in thousands):

2020	$ 1,818
2021	1,818
2022	1,818
2023	1,818
2024	585
Total	$ 7,857

Goodwill

For acquired businesses, we record assets acquired and liabilities assumed at their estimated fair values on the respective acquisition dates. Based on these values, the excess purchase prices over the fair value of the net assets acquired is recorded as goodwill. Of the $713.4 million total goodwill at December 31, 2019, $474.6 million related to the North America Storage Solutions segment, $57.6 million related to the U.K. Storage Solutions segment and $181.2 million related to the Tank & Pump Solutions segment.

Goodwill impairment testing requires judgment, including: the identification of the reporting units; determination of the fair value of each reporting unit; the assignment of assets, liabilities and goodwill to each reporting unit; estimates and assumptions regarding future cash flows and discount rates; and an assumption regarding the form of the transaction in which the reporting unit would be acquired by a market participant. Management assesses potential impairment of goodwill on an annual basis at December 31, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. We have determined that the reporting units are consistent with our identified segments.

Some factors management considers important which could indicate an impairment review include the following:

- significant under-performance relative to historical, expected or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for the overall business;
- market capitalization relative to net book value; and
- significant negative industry or general economic trends.

Management may choose to assess qualitative factors to determine if it is more-likely-than-not that goodwill might be impaired and whether or not to perform the two-step goodwill impairment test. When we review goodwill for impairment utilizing a two-step process, the first step of the impairment test requires a comparison of the fair value of each of our reporting unit's net assets to the respective carrying value of net assets. If the carrying value of a reporting unit's net assets is less than its fair value, no indication of impairment exists and a second step is not performed. If the carrying amount of a reporting unit's net assets is higher than its fair value, there is an indication that an impairment may exist and a second step must be performed. If the second step is necessary, management is required to determine the implied fair value of the goodwill and compare it to the carrying value of the goodwill. The fair value of the reporting units would be assigned to the respective assets and liabilities of each reporting unit as if the reporting units had been acquired in separate and individual business combinations and the fair value of the reporting units was the price paid to acquire the reporting units. The excess of the fair value of the reporting units over the amounts assigned to their respective assets and liabilities is the implied fair value of goodwill. If the carrying amount of the reporting unit's goodwill is greater than the implied fair value of its goodwill, an impairment loss must be recognized for the difference.

When assessing the fair value of the reporting units under the two-step impairment test, management considers both the market approach and the income approach. Under the market approach, the fair value of the reporting unit is based on quoted market prices of companies comparable to the reporting unit being valued. Under the income approach, the fair value of the reporting unit is based on the present value of estimated cash flows. The income approach is dependent on a number of significant management assumptions, including estimated future revenue growth rates and discount rates. Other estimates relate to tax payments, operating margins and capital expenditures. Each approach is given equal weight in arriving at the fair value of the reporting unit.

As of December 31, 2019, 2018 and 2017, management assessed qualitative factors and determined it is more-likely-than-not each of the reporting unit's assigned goodwill had estimated fair values greater than the respective reporting unit's individual net asset carrying values; therefore, the two step impairment test was not performed.

The following table shows the activity and balances related to goodwill from January 1, 2018 to December 31, 2019:

	(In thousands)
Balance at January 1, 2018 (1)	$ 708,907
Foreign currency (2)	(3,690)
Balance at December 31, 2018 (1)	705,217
Acquisitions	6,011
Foreign currency (2)	2,176
Balance at December 31, 2019 (1)	$ 713,404

(1) Includes accumulated amortization of $2.0 million and accumulated impairment of $12.5 million.
(2) Represents foreign currency translation adjustments primarily related to the U.K. Storage Solutions reporting unit.

Intangibles

Intangible assets are amortized over the estimated useful life of the asset utilizing a method which reflects the estimated pattern in which the economic benefits will be consumed. Customer relationships are amortized based on the estimated attrition rates of the underlying customer base, other intangibles are amortized using the straight-line method.

The following table reflects balances related to intangible assets for the years ended December 31:

		2019			2018		
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
				(In thousands)			
Customer relationships	15 - 20	$ 94,808	$ (44,846)	$ 49,962	$ 92,751	$ (39,472)	$ 53,279
Trade names/trademarks	5 - 7	5,200	(4,164)	1,036	5,913	(4,014)	1,899
Non-compete agreements	5	1,810	(1,648)	162	1,886	(1,549)	337
Other	20	60	(35)	25	59	(32)	27
Total		$ 101,878	$ (50,693)	$ 51,185	$ 100,609	$ (45,067)	$ 55,542

Amortization expense for amortizable intangibles was approximately $6.6 million, $6.5 million and $6.5 million in 2019, 2018 and 2017, respectively. See information regarding intangibles acquired in conjunction with company acquisitions in Note 3. When intangible assets reach the end of their contractual term or are fully amortized, the gross carrying amount and accumulated amortization are reduced to zero. Based on the carrying value at December 31, 2019, future amortization of intangible assets is expected to be as follows for the years ended December 31 (in thousands):

2020	$ 5,891
2021	5,423
2022	5,027
2023	4,382
2024	4,021
Thereafter	26,441
Total	$ 51,185

Impairment of Long-Lived Assets (Other than Goodwill)

Our rental fleet, property, plant and equipment, and finite-lived intangibles are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may be impaired. If this review indicates the carrying value of these assets will not be recoverable, as measured based on estimated undiscounted cash flows over their remaining life, the carrying amount would be adjusted to fair value. The cash flow estimates contain management's best estimates using appropriate and customary assumptions and projections at the time of evaluation. See Note 4 for discussion of an impairment and divestiture loss during 2018 related primarily to long-lived assets. There were no indicators of impairment for long-lived assets held for use at December 31, 2019 or at December 31, 2018.

Purchase Accounting

We account for acquisitions under the acquisition method. Under the acquisition method of accounting, we record assets acquired and liabilities assumed at their estimated fair market value on the date of acquisition. Goodwill is measured as the excess of the fair value of the consideration transferred over the fair value of the identifiable net assets. Estimated fair values of acquired assets and liabilities is provisional and could change as additional information is received. We finalize valuations as soon as practicable, but not later than one-year from the acquisition date. Any subsequent changes to purchase price allocations results in a corresponding adjustment to goodwill.

The determination of the fair value of intangible assets requires the use of significant judgment with regard to (i) the fair value; and (ii) whether such intangibles are amortizable or non-amortizable and, if amortizable, the period and the method by which the intangible asset will be amortized. We estimate the fair value of acquisition-related intangible assets principally based on projections of cash flows that will arise from identifiable intangible assets of acquired businesses. The projected cash flows are discounted to determine the present value of the assets at the dates of acquisition.

Revenue Recognition

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Rental revenue includes revenues associated with rental contracts with customers and may have multiple performance obligations including the direct rental of fleet to our customers, fleet delivery and pickup. Also included in rental revenues are ancillary fees including late charges and charges for damages. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using the contractually stated price as our best estimate of the standalone selling price of each distinct promise in the contract. Our prices are determined using methods and assumptions developed consistently across similar customers and markets. We perform an ongoing collectability assessment of our accounts receivables and establish specific reserves when appropriate. Activity related to specific reserves is recorded as a reduction to revenue.

We enter into contracts with our customers to rent equipment based on a monthly rate for our Storage Solutions fleet and a daily, weekly or monthly rate for our Tank & Pump Solutions fleet. Revenues from renting are recognized ratably over the rental period, in accordance with lease accounting guidance. The rental continues until cancelled by the customer or the Company. If equipment is returned prior to the end of the contractually obligated period, the excess, if any, between the amount the customer is contractually required to pay, over the cumulative amount of revenue recognized to date, is recognized as incremental revenue upon return. Customers may utilize our equipment delivery and pick-up services in conjunction with the rental of equipment, but it is not required. Revenue pursuant to the delivery or pickup of a rented unit is recognized upon completion of the service in accordance with revenue recognition guidance and is included in the rental revenues financial statement caption.

We may use third parties to satisfy our performance obligations, including both the provision of rental units and other services. To determine whether we are the principal or agent in the arrangement, we review each third-party relationship on a contract by contract basis. We are an agent when our role is to arrange for another entity to provide the rental units and other services to the customer. In these instances, we do not control the rental unit or service before it is provided. We are the principal when we control the rental unit or service prior to transferring control to the customer. Mobile Mini may be a principal in the fulfillment of some rental units and services and an agent for other rental units and services within the same contract. We recognize revenue on a gross basis when we are the principal in the arrangement and on a net basis when we are the agent.

Sales revenue is primarily generated by the sale of new and used units, and to a lesser extent, parts and supplies sold to Tank & Pump Solutions customers. Sales contracts generally have a single performance obligation that is satisfied at the time of delivery. Sales revenue is measured based on the consideration specified in the contract and recognized when the customer takes possession of the unit or other sale items.

Our Storage Solutions rental customers are generally billed in advance. Additionally, we may bill our customers in advance for fleet pickup. Tank & Pump Solutions rental customers are typically billed in arrears, a minimum of once per month. Sales transactions are generally billed in advance or upon transfer of the sold items. Payments from customers are generally due upon receipt of the invoice. Certain customers have extended terms for payment, but no terms are greater than one year following the invoice date.

Taxes assessed by a governmental authority that are both imposed and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

We adopted new guidance related to leases as of January 1, 2019. The adoption did not have a significant impact on our revenue, nor did it result in a cumulative effect adjustment.

Contract Costs and Liabilities

We incur commission costs to obtain rental contracts and for sales of fleet inventory. We expect the period benefitted by each commission to be less than one year. As a result, we have applied the practical expedient for incremental costs of obtaining a contract and expense commissions as incurred.

When customers are billed in advance, we defer recognition of revenue and reflect unearned rental revenue at the end of the period. As of December 31, 2019 and 2018, we had approximately $41.2 million and $41.0 million, respectively, of unearned rental revenue included in accrued liabilities in the consolidated balance sheets for December 31, 2019 and 2018. We expect to perform the remaining performance obligations and recognize the unearned rental revenue within the next twelve months.

Cost of Sales

Cost of sales in our consolidated statements of operations includes the net book value of the units that were sold during the reported period and includes both our cost to buy, transport, remanufacture and modify used containers and our cost to manufacture Storage Solutions units and other structures, and to a lesser extent the costs of parts and supplies sold to customers.

Advertising Costs

Advertising expense was $3.0 million, $3.4 million and $4.0 million in 2019, 2018 and 2017, respectively. The balance of prepaid advertising costs, which are never amortized more than twelve months, was approximately $0.1 million at both December 31, 2019 and 2018.

Income Taxes

In preparing our consolidated financial statements, we recognize income taxes in each of the jurisdictions in which we operate. For each jurisdiction, we estimate the actual amount of taxes currently payable or receivable as well as deferred tax assets and liabilities attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A valuation allowance is provided for those deferred tax assets for which it is more-likely-than-not that the related benefits will not be realized. In determining the amount of the valuation allowance, we consider estimated future taxable income as well as feasible tax planning strategies in each jurisdiction. If we determine that we will not realize all or a portion of our deferred tax assets, we will increase our valuation allowance with a charge to income tax expense. Conversely, if we determine that we will ultimately be able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced with a credit to income tax expense.

We record uncertain tax positions using a two-step process, whereby (1) we determine whether it is more-likely-than-not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits within the interest expense line and other expense line, respectively, in the accompanying consolidated statements of operations. Accrued interest and penalties are included within the related liability lines in the consolidated balance sheets.

The Tax Act enacted a new minimum tax on U.S. companies' foreign operations called Global Intangible Low Tax Income ("GILTI"). The Company has made a policy election to account for any impacts of GILTI tax in the period in which it is incurred.

Earnings (Loss) per Share

Basic earnings (loss) per share ("EPS") is calculated by dividing net income or loss by the weighted average number of common shares outstanding during the period. Restricted stock awards are subject to the risk of forfeiture and are not included in the calculation of basic weighted average number of common shares outstanding until vested. Diluted EPS is calculated under the treasury stock method. Potential common shares included restricted common stock and incremental shares of common stock issuable upon the exercise of stock options.

The following table is a reconciliation of net income (loss) and weighted-average shares of common stock outstanding for purposes of calculating basic and diluted EPS:

	For the Years Ended December 31,		
	2019	2018	2017
	(In thousands, except per share data)		
Numerator:			
Net income (loss)	$ 83,734	$ (8,062)	$ 122,228
Denominator:			
Weighted average shares outstanding - basic	44,178	44,295	44,055
Dilutive effect of share-based awards	372	—	199
Weighted average shares outstanding - diluted	44,550	44,295	44,254
Earnings per share:			
Basic	$ 1.90	$ (0.18)	$ 2.77
Diluted	1.88	(0.18)	2.76

There are approximately 0.7 million of common stock equivalents that would have been included in the diluted EPS denominator for the year ended December 31, 2018 had there not been a net loss. These common stock equivalents were excluded because their inclusion would reduce the net loss per share. In addition, the following table represents the number of stock options and restricted stock awards that were issued or outstanding but excluded in calculating diluted EPS because their effect would have been anti-dilutive, or the underlying performance criteria had not been met:

	For the Years Ended December 31,		
	2019	2018	2017
		(In thousands)	
Stock options	1,516	915	2,078
Restricted stock awards	1	33	2
Total	1,517	948	2,080

Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement determined by assumptions that market participants would use in pricing an asset or liability. We categorize each of our fair value measurements in one of the following three levels based on the lowest level of input that is significant to the fair value measurement:

Level 1 — Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2 — Observable inputs, other than Level 1 inputs in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

At December 31, 2019 and 2018, we did not have any financial instruments required to be recorded at fair value on a recurring basis.

The carrying amounts of cash, cash equivalents, receivables, accounts payable and accrued liabilities approximate fair values based on their short-term nature. Based on the borrowing rates currently available to us for bank loans with similar terms and average maturities, the fair value of our revolving credit facility debt and finance leases at December 31, 2019 and 2018 approximated their respective book values.

The fair value of our $250 million aggregate principal amount of 5.875% senior notes due July 1, 2024 (the "Senior Notes" or "2024 Notes") is based on their latest sales price at the end of each period obtained from a third-party institution and is Level 2 in the fair value hierarchy as there is not an active market for these Senior Notes.

The Senior Notes are presented on the balance sheet net of deferred financing costs. The gross carrying value and the fair value of the Senior Notes are as follows:

	2019	2018
	(In thousands)	
Carrying value	$ 250,000	$ 250,000
Fair value	260,938	247,028

Derivatives

In the normal course of business, our operations are exposed to fluctuations in interest rates. We have in the past, and may again in the future, address a portion of these risks through a controlled program of risk management that includes the use of derivative financial instruments. The objective of controlling these risks is to limit the impact of fluctuations in interest rates on earnings. At December 31, 2019 and 2018, we did not have any derivative financial instruments.

Share-Based Compensation

We calculate the fair value of stock options using the Black-Scholes-Merton option pricing valuation model, which incorporates various assumptions including volatility, expected life and risk-free interest rates. The fair value of stock awards is estimated as the closing price of our common stock on the date of grant. Compensation related to service-based awards are recognized on a straight-line basis over the vesting period, which is generally three to four years. Compensation expense related to performance-based awards is recognized over the implicit service period of the award based on management's estimate of the probability of the performance criteria being satisfied, adjusted at each balance sheet date. Expense related to performance-based awards that have multiple vesting dates, is recognized using the accelerated attribution approach, whereby each vesting tranche is treated as a separate award for purposes of determining the implicit service period. Share-based compensation expense is reduced for forfeitures when they occur. We did not issue stock options in the years ended December 31, 2019 or 2018.

Foreign Currency Translation and Transactions

For our non-U.S. operations, the local currency is the functional currency. All assets and liabilities are translated into U.S. dollars at period-end exchange rates and all income statement amounts are translated at the average exchange rate for each month within the year.

Impact of Recently Issued Accounting Standards

Intangibles – Goodwill and Other – Internal-Use Software. In August 2018, the Financial Accounting Standards Board (the "FASB") issued a standard that provides guidance on accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software, and hosting arrangements that include an internal-use software license.

This guidance also requires entities to present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting element (service) of the arrangement and classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. The entity is also required to present the capitalized implementation costs in the statement of financial position in the same line item that a prepayment for the fees of the associated hosting arrangement would be presented. This standard is effective for annual and interim periods beginning after December 15, 2019. We will adopt this standard on January 1, 2020. Adoption will not have a material effect on our consolidated financial statements.

Share-Based Compensation – Modifications. In May 2017, the FASB issued a standard which clarifies what constitutes a modification of a share-based payment award. This standard is effective for annual and interim periods beginning after December 15, 2017. We implemented this standard on January 1, 2018.

Business Combinations. In January 2017, the FASB issued a standard which clarifies the definition of a business and provides a new framework for determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This standard is effective for annual and interim periods beginning after December 15, 2017. We implemented this standard on January 1, 2018.

Intangibles – Goodwill and Other. In January 2017, the FASB issued a standard requiring an entity to no longer perform a hypothetical purchase price allocation to measure goodwill impairment. Instead, impairment will be measured using the difference between the carrying amount and the fair value of the reporting unit. This standard is effective for annual and interim periods beginning after December 15, 2019. Entities may early adopt the guidance for goodwill impairment tests with measurement dates after January 1, 2017. We will adopt this standard on January 1, 2020. We do not expect the adoption to have a material effect on our consolidated financial statements.

Financial Instruments – Credit Losses. In June 2016, the FASB issued guidance amending the previous guidance on impairment of financial instruments. Among other things, the new guidance requires expectations of future credit losses to be based on relevant information from past events, including historical experience, current conditions and reasonable and supportable forecasts that affect collectability. This guidance does not apply to receivables arising from direct rental revenue related to our operating leases. The guidance will be effective for fiscal years and interim periods beginning after December 15, 2019. We will adopt this standard utilizing a modified-retrospective approach on January 1, 2020. We do not expect the adoption to have a material effect on our consolidated financial statements.

Leases. In February 2016, the FASB issued a standard on lease accounting requiring a lessee to recognize assets and liabilities on the balance sheet for leases with lease terms greater than 12 months. This standard is effective for annual and interim periods beginning after December 15, 2018. We adopted this standard effective January 1, 2019, utilizing a modified retrospective transition approach. We chose to use the effective date as our date of initial application. Consequently, financial information was not updated, and the disclosures required under the new standard were not provided for dates and periods before January 1, 2019. For more information regarding our leases, see the disclosure in Note 8.

The standard includes optional transition practical expedients intended to simplify its adoption. We elected to adopt the package of practical expedients, which allowed us to retain the historical lease classification determined under legacy GAAP as well as a relief from reviewing expired or existing contracts to determine if they contain leases. Upon adoption, we recognized operating lease liabilities totaling approximately $91 million, with corresponding right of use assets. The liabilities were calculated as the present value of the remaining minimum rental payments for existing operating leases.

When we enter contractual arrangements as lessor, we expect the period of each rental to be less than one year. As such, the accounting for contracts in which we are the lessor is not affected. This standard did not materially impact our consolidated net earnings and had no impact on cash flows. See Note 8 for additional information.

Revenue from Contracts with Customers. In May 2014, the FASB issued an accounting standard on revenue from contracts with customers. The standard provides a single model for revenue arising from contracts with customers and supersedes previous revenue recognition guidance. The standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of goods or services and is effective for annual and interim periods beginning after December 15, 2017. We adopted this guidance with a date of initial application of January 1, 2018.

The majority of our revenue, as it relates to contractual rental revenue, is excluded from the scope of this standard, and the accounting for the remaining revenue streams were not affected. We utilized the modified retrospective adoption and there was no impact on our consolidated financial statements, nor was there a cumulative effect of initially applying the standard. For more information regarding our revenue from contracts with customers, see the disclosure in Note 5.

(3) Acquisitions

During the year ended December 31, 2019, we completed four acquisitions of portable storage businesses through both asset purchase and stock purchase agreements. Three of these acquisitions strengthened our existing operations in Oklahoma, Missouri and New York. The fourth acquisition created a new location in the Bloomington, Illinois market.

The accompanying consolidated financial statements include the operations of the acquired businesses from the dates of acquisition. The aggregate purchase price for the assets acquired were recorded based on their estimated fair values at the date of the acquisitions. We have not disclosed the pro-forma impact of the acquisitions on operations as they were immaterial to our financial position or results of operations in the aggregate.

The components of the purchase price and net assets acquired during the year ended December 31, 2019 are as follows (in thousands):

Net Assets Acquired:		
Cash	$	10
Rental fleet		5,833
Property, plant and equipment		40
Intangible assets:		
Customer relationships		2,038
Non-compete agreements		150
Goodwill		6,011
Other assets		162
Other liabilities		(1,186)
Total	$	13,058
Total, less cash acquired	$	13,048

We did not make any acquisitions during the years ended December 31, 2018 and 2017.

(4) Asset Impairment Charge and Loss on Divestiture, Net of Proceeds

Consistent with our strategy to focus on high returning assets, during the second quarter of 2018 we initiated an organization-wide project to assess the economic and operational status of our fleet and other assets as well as an in-depth analysis of our fleet management process to identify inefficiencies. The task encompassed an intensive review of underperforming assets throughout North America and the United Kingdom using our recently implemented enterprise resource planning system and sophisticated work order system that allows specific identification of the status of each unit and facilitates deeper analysis of repair and maintenance costs. The result of this review was the identification of specific assets over which a further determination as to the economics of continued retention and repair could be made.

In July 2018, management presented a proposed plan of sale for certain identified assets to the Board of Directors, and on July 24, 2018 the Board of Directors made the strategic decision to approve the plan and authorized management to begin actively marketing the assets for sale. As a result, we placed these assets as held for sale and recognized a $98.3 million loss on divestiture in the third quarter of 2018. In the fourth quarter of 2018, additional assets were identified and placed as held for sale, resulting in a full-year loss of $102.1 million, which consisted primarily of a non-cash loss of $111.4 million. The majority of the assets have been sold as scrap metal. In addition to rental fleet, we also identified and placed for sale, property, plant and equipment and inventory that were not being used efficiently. The assets represented a subset of larger asset groups held by the Company. As of December 31, 2018, the sale was completed.

In conjunction with this project, we evaluated the assigned depreciable lives and salvage values of our fleet. We believe that the assigned lives and salvage values discussed in Note 6 continue to be appropriate for our fleet.

Related to this activity, the Company has recognized exit costs as positions were eliminated and yards, or portions of yards were exited.

The loss for the year ended December 31, 2018 is set forth below:

	Net Book Value (In thousands)	Units
North America Storage Solutions Fleet:		
Steel storage containers	$ 57,579	20,072
Steel ground level offices	30,806	3,543
Other	363	286
United Kingdom Storage Solutions Fleet	8,152	1,525
Tank & Pump Solutions Fleet	1,654	622
Other	12,875	n/a
Total	111,429	26,048
Proceeds, net of disposal costs	(9,289)	
Net loss on impairment and divestiture	$ 102,140	

(5) Revenues

In the following table, rental revenue is disaggregated by the nature of the underlying service provided and for the periods indicated. The table also includes a reconciliation of the disaggregated rental revenue to our reportable segments.

	For the Year Ended December 31, 2019				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Direct rental revenue	$ 289,427	$ 52,976	$ 342,403	$ 78,715	$ 421,118
Delivery, pickup and similar revenue	87,824	17,933	105,757	34,535	140,292
Ancillary rental revenue	12,423	4,829	17,252	2,995	20,247
Total rental revenues	$ 389,674	$ 75,738	$ 465,412	$ 116,245	$ 581,657

	For the Year Ended December 31, 2018				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Direct rental revenue	$ 273,232	$ 56,516	$ 329,748	$ 78,163	$ 407,911
Delivery, pickup and similar revenue	82,325	19,456	101,781	30,330	132,111
Ancillary rental revenue	11,156	4,779	15,935	2,240	18,175
Total rental revenues	$ 366,713	$ 80,751	$ 447,464	$ 110,733	$ 558,197

	For the Year Ended December 31, 2017				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Direct rental revenue	$ 247,014	$ 54,102	$ 301,116	$ 66,204	$ 367,320
Delivery, pickup and similar revenue	70,478	18,698	89,176	23,889	113,065
Ancillary rental revenue	11,756	4,542	16,298	2,142	18,440
Total rental revenues	$ 329,248	$ 77,342	$ 406,590	$ 92,235	$ 498,825

(6) Rental Fleet

Depreciation expense related to our rental fleet for 2019, 2018 and 2017 was $31.8 million, $31.7 million and $31.0 million, respectively. At December 31, 2019 and 2018, all rental fleet units were pledged as collateral under the Credit Agreement. Appraisals on our rental fleet are required by our lenders on a regular basis. The appraisal typically reports no difference in the value of the unit due to the age or length of time it has been in our fleet. Based in part upon our lender's third-party appraiser who evaluated our fleet as of August 31, 2019, management estimates that the net orderly liquidation appraisal value of our rental fleet as of December 31, 2019 was approximately $1.1 billion. Our net book value for this fleet as of December 31, 2019 was $966.2 million.

Rental fleet at December 31 consisted of the following:

	Residual Value as Percentage of Original Cost (1)	Useful Life in Years	2019	2018
			(In thousands)	
Storage Solutions:				
Steel storage containers	55%	30	$ 627,230	$ 601,127
Steel ground level offices	55%	30	366,630	341,385
Other			6,565	7,249
Total			1,000,425	949,761
Accumulated depreciation			(166,565)	(151,666)
Total Storage Solutions fleet, net			$ 833,860	$ 798,095
Tank & Pump Solutions:				
Steel tanks		25	$ 82,015	$ 72,770
Roll-off boxes		15 - 20	35,398	34,205
Stainless steel tank trailers		25	29,716	28,764
Vacuum boxes		20	16,775	17,005
De-watering boxes		20	9,486	8,429
Pumps and filtration equipment		7	14,343	13,984
Other			9,776	8,475
Total			197,509	183,632
Accumulated depreciation			(65,146)	(52,637)
Total Tank & Pump Solutions fleet, net			$ 132,363	$ 130,995
Total rental fleet, net			$ 966,223	$ 929,090

(1) Tank & Pump Solutions fleet has been assigned zero residual value.

(7) Debt

Lines of Credit

On March 22, 2019, Mobile Mini and certain of its subsidiaries entered into the Credit Agreement with Deutsche Bank as administrative agent, and the other lenders party thereto. The Credit Agreement amended, restated and replaced Mobile Mini's prior Amended and Restated ABL Credit Agreement dated as of December 14, 2015 (the "Prior Credit Agreement") with Deutsche Bank, as administrative agent, and the other lenders party thereto.

The Credit Agreement provides for a five year, $1 billion first lien senior secured revolving credit facility, which is for borrowing in U.S. Dollars (the "U.S. Subfacility"), in British Pounds and Euros (the "U.K. Subfacility"), and in Canadian Dollars (the "Canadian Subfacility"). The U.S. Subfacility is subject to, among other things, the terms of a borrowing base calculated as a discount to the value of certain pledged U.S. collateral; the U.K. Subfacility is subject to a similar borrowing base that includes certain pledged U.K. collateral; and the Canadian Subfacility is subject to a similar borrowing base that includes certain pledged Canadian collateral. Under the terms of the Credit Agreement, certain real property will require an appraisal before the value can be considered in the borrowing base of the respective subfacilities. All three borrowing bases are subject to certain reserves and caps customary for financings of this type. The Credit Agreement has an accordion feature that permits, under certain conditions, an increase of up to $500 million of additional commitments. If at any time the aggregate amounts outstanding under the subfacilities exceed the respective borrowing base then in effect, a prepayment of an amount sufficient to eliminate such excess is required to be made. Mobile Mini has the right to prepay loans under the Credit Agreement in whole or in part at any time. All amounts borrowed under the New Credit Agreement must be repaid on or before March 22, 2024. The Credit Agreement also provides for the issuance of irrevocable standby letters of credit by U.S. lenders in amounts totaling up to $50 million, by U.K.-based lenders in amounts totaling up to $20 million and by Canadian-based lenders in amounts totaling up to $20 million.

Loans made under the U.S. Subfacility bear interest at a rate equal to, at Mobile Mini's option, either (a) the London interbank offered rate ("LIBOR") plus an applicable margin ("LIBOR Loans") or (b) the prime rate plus an applicable margin ("Base Rate Loans"). With some exceptions, Mobile Mini may freely convert LIBOR Loans to Base Rate Loans and vice versa. Loans made under the U.K. Subfacility denominated in British Pounds bear interest at a rate equal to LIBOR plus an applicable margin and loans denominated in Euros bear interest at a rate equal to the Euro interbank offered rate ("EURIBOR") plus an applicable margin. Loans made under the Canadian Subfacility bear interest at a rate equal to, at Mobile Mini's option, either (i) the Canadian prime rate plus an applicable margin ("Canadian Prime Rate Loans") or (ii) the Canadian Dollar bankers' acceptance rate ("B/A Rate") plus an applicable margin ("Canadian LIBOR Loans"). With some exceptions, Mobile Mini may freely convert Canadian Prime Rate Loans to Canadian LIBOR Loans and vice versa. The applicable margin for each type of loan is based on an availability-based pricing grid and ranges from 1.25% to 1.75% for LIBOR Loans and 0.25% to 0.75% for Base Rate Loans at each measurement date. As of December 31, 2019, the applicable margins are 1.50% for LIBOR Loans and 0.50% for Base Rate Loans. The applicable margins will be readjusted quarterly based upon Mobile Mini's daily average total borrowing availability. Mobile Mini is also required to pay an unused line fee in respect to the unutilized commitments under the Credit Agreement at a fee rate of 0.225% per annum, as well as customary letter of credit fees.

Ongoing extensions of credit under the Credit Agreement are subject to customary conditions, including sufficient availability under the respective borrowing base. The Credit Agreement also contains covenants that require Mobile Mini to, among other things, periodically furnish financial and other information to the various lenders. The Credit Agreement contains customary negative covenants applicable to Mobile Mini and its subsidiaries, including negative covenants that restrict the ability of such entities to, among other things, (i) allow certain liens to attach to Mobile Mini or subsidiary assets, (ii) repurchase or pay dividends or make certain other restricted payments on capital stock and certain other securities, or prepay certain indebtedness, (iii) incur additional indebtedness or engage in certain other types of financing transactions, and (iv) make acquisitions or other investments. In addition, Mobile Mini must comply with a minimum fixed charge coverage ratio of 1.00 to 1.00 as of the last day of each quarter, upon specified excess availability under the Credit Agreement falling below the greater of (y) $90 million and (z) 10% of the lesser of the then total revolving loan commitment and aggregate borrowing base. As of December 31, 2019, we were in compliance with the minimum borrowing availability threshold set forth in the Credit Agreement and therefore, are not subject to any financial maintenance covenants.

The U.S. Subfacility is guaranteed by Mobile Mini and certain of its domestic subsidiaries. The U.K. Subfacility and the Canadian Subfacility are guaranteed by Mobile Mini and certain of its domestic and foreign subsidiaries. The U.S. Subfacility is secured by a first priority lien on substantially all assets of Mobile Mini and the guarantors of such subfacility; the U.K. Subfacility is secured by a first priority lien on substantially all of the assets of the borrowers and the guarantors of such subfacility; and the Canadian Subfacility is secured by a first priority lien on substantially all of the borrowers and the guarantors of such subfacility.

The Credit Agreement also includes other covenants, representations, warranties, indemnities, and events of default that are customary for facilities of this type, including events of default relating to a change of control of Mobile Mini.

The weighted average interest rate under the lines of credit was approximately 3.8% in 2019 and 3.5% in 2018. The average outstanding balance was approximately $578.5 million and $613.8 million during 2019 and 2018, respectively. At December 31, 2019, the Company had approximately $555.4 million of borrowings outstanding and $440.4 million of additional borrowing availability under the Credit Agreement, based upon borrowing base calculations as of such date.

Senior Notes

On May 9, 2016, we issued $250.0 million aggregate principal amount of the 2024 Notes at an initial offering price of 100% of their face value. The 2024 Notes bear interest at a rate of 5.875% per year and mature on July 1, 2024. The 2024 Notes are senior unsecured obligations of the Company and are unconditionally guaranteed on a senior unsecured basis by certain of our existing and future domestic subsidiaries.

Obligations Under Finance Leases

At December 31, 2019 and 2018, obligations under finance leases for certain real property, transportation, technology and office related equipment were $74.4 million and $63.4 million, respectively. See additional information in Note 8.

Future Debt Obligations

The scheduled maturity for debt obligations for balances outstanding at December 31, 2019 are as follows:

	Lines of Credit	Senior Notes	Finance Lease Obligations	Total
	(In thousands)			
2020	$ —	$ —	$ 14,136	$ 14,136
2021	—	—	13,779	13,779
2022	—	—	12,755	12,755
2023	—	—	11,349	11,349
2024	555,400	250,000	7,754	813,154
Thereafter	—	—	14,626	14,626
Total	$ 555,400	$ 250,000	$ 74,399	$ 879,799

(8) Leases

We determine if an arrangement is a lease at inception. Our material lease contracts are generally for real estate or equipment, and the determination of whether such contracts contain leases generally does not require significant estimates or judgments.

Real Estate

We lease our corporate and administrative offices in Phoenix, Arizona and our U.K. headquarters in Stockton-on-Tees. We also lease field locations throughout the U.S. and the U.K., as well as two in Canada. Many real estate leases include one or more options to renew. The exercise of lease renewal options is generally at our discretion and we assess the initial lease term based on the term that we are reasonably certain to occupy the leased property. None of our real estate leases contain residual value guarantees or purchase options. The majority of our real estate leases are operating leases.

Equipment Leases

Mobile Mini also engages in leases related to ancillary equipment to support our field operations; such as, forklifts, trucks, service vehicles and automobiles. These leases often include an option to purchase the equipment at the end of the lease and are generally finance leases. In addition, we have leases for certain office equipment.

Lease Assets and Liabilities

For leases with an initial term greater than twelve months, we recognize a lease asset and liability at the commencement date. Lease assets are initially measured at cost, which includes the initial amount of the lease liability, plus any initial direct costs incurred, less lease incentives received. In our consolidated balance sheets, finance lease assets are included in property, plant and equipment.

For operating leases, the liability is initially and subsequently measured as the present value of the unpaid lease payments. For finance lease liabilities, the lease liability is also initially measured as the present value of the unpaid lease payments and is subsequently measured at amortized cost using the effective interest method. We are required to use estimates and judgments in the determination of our lease liabilities. Key estimates and judgments include the following:

Lease Discount Rate – We are required to discount our unpaid fixed lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate. Our finance leases generally have an interest rate implicit in the lease. For operating leases and certain finance leases, we generally cannot determine the interest rate implicit in the lease, in which case we use our incremental borrowing rate as the discount rate for the lease. We estimate our incremental borrowing rate for these leases based on current rates available to us on finance leases, which are collateralized, have a level payments structure and a specified lease term.

Lease Term – Our lease terms include the non-cancellable period of the lease plus any additional periods covered by an extension of the lease that we are reasonably certain to exercise.

Fixed Payments – Lease payments included in our measurement of the lease liability include the following: fixed payments owed over the lease term, termination penalties if we expect to exercise a termination option, the price to purchase the underlying asset if we are reasonably certain to exercise the purchase option and residual value guarantees, if applicable.

Maturity of Lease Liabilities

The scheduled maturity for lease liabilities for balances outstanding at December 31, 2019 were as follows:

	Operating Leases	Finance Leases
	(In thousands)	
2020	$ 20,344	$ 15,952
2021	17,473	15,227
2022	15,554	13,854
2023	13,156	12,124
2024	11,270	8,297
Thereafter	30,667	15,043
Total liabilities	108,464	80,497
Less: interest	(13,532)	(6,098)
Present value of lease liabilities	$ 94,932	$ 74,399

Assets recorded under finance lease obligations totaled approximately $112.3 million as of December 31, 2019 and the related accumulated amortization totaled approximately $49.7 million.

The scheduled maturity for lease payments at December 31, 2018 were as follows:

	Operating Leases	Finance Leases
	(In thousands)	
2019	$ 18,827	$ 12,055
2020	15,510	12,869
2021	13,324	12,434
2022	12,205	11,060
2023	10,402	9,331
Thereafter	33,440	11,029
Total	$ 103,708	68,778
Less: interest		(5,419)
Present value of minimum lease payments		$ 63,359

Lease Expense and Activity

Payments due under lease contracts include fixed payments plus, for many of our leases, variable payments. Fixed payments under our leases are recognized on a straight-line basis over the term of the lease, including any periods of free rent. Variable expenses associated with leases are recognized when they are incurred. For our real estate leases, variable payments include such items as allocable property taxes, local sales and business taxes, and common area maintenance charges. Variable payments associated with equipment leases include such items as maintenance services provided by the lessor and local sales and business taxes. We have elected as an accounting policy to not separate lease components and non-lease components for all classes of underlying assets.

In our consolidated statements of operations, expenses for our operating leases are recognized within rental, selling and general expenses and amortization of assets held under finance leases is included in depreciation and amortization expense.

Our lease activity was as follows:

	For the Year Ended December 31, 2019
Expense:	
Finance lease expense:	
Amortization of finance lease assets	$ 13,999
Interest on obligations under finance leases	1,692
Total finance lease expense	$ 15,691
Operating lease expense:	
Short-term lease expense	$ 1,151
Fixed lease expense	22,002
Variable lease expense	3,099
Sublease income	(114)
Total operating lease expense	$ 26,138
Cash paid and new or modified lease information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash outflows from finance leases	$ 1,693
Operating cash outflows from operating leases, fixed payments	21,354
Financing cash outflows from finance leases	10,690
Net assets obtained in exchange for new or modified finance lease liabilities	21,730
Net operating lease assets obtained in exchange for new or modified operating lease liabilities	21,518

Expense under operating leases was approximately $25.3 million and $23.9 million for the years ended December 31, 2018 and 2017, respectively.

Lease Term and Discount Rates

Weighted-average remaining lease terms and discount rates as of December 31, 2019 were as follows:

Lease terms and discount rates:	
Weighted-average remaining lease term - finance leases (in years)	4.6
Weighted-average remaining lease term - operating leases (in years)	7.1
Weighted average discount rate - finance leases	2.7%
Weighted average discount rate - operating leases	3.4%

(9) Income Taxes

Income (loss) from operations before income tax consisted of the following:

	For the Years Ended December 31, 2019	2018	2017
		(In thousands)	
U.S.	$ 94,064	$ (16,784)	$ 52,609
Foreign	18,015	11,473	21,515
Total	$ 112,079	$ (5,311)	$ 74,124

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

	For the Years Ended December 31, 2019	2018	2017
		(In thousands)	
Current:			
U.S. federal	$ —	$ —	$ —
State	2,218	2,340	990
Foreign	2,822	2,934	886
Total current	5,040	5,274	1,876
Deferred:			
U.S. federal	20,877	158	(59,257)
State	1,971	(1,796)	7,000
Foreign	457	(885)	2,277
Total deferred	23,305	(2,523)	(49,980)
Total provision (benefit) for income taxes	$ 28,345	$ 2,751	$ (48,104)

A reconciliation of the U.S. federal statutory rate to our effective tax rate is as follows:

	For the Years Ended December 31, 2019	2018	2017
U.S. federal statutory rate	21.0 %	21.0 %	35.0 %
State taxes, net of federal benefit	4.2	6.3	4.5
Nondeductible expenses and other	(1.0)	(0.7)	0.1
U.S. mandatory repatriation	—	47.5	4.2
Executive compensation	1.2	(15.2)	—
Adjustment of deferred tax asset for nondeductible share-based compensation	—	(109.5)	—
Global intangible low tax income	1.0	(14.3)	—
Adjustment of net deferred tax liability for enacted tax rate change	(0.8)	7.7	(104.7)
Foreign rate differential	(0.3)	5.4	(4.0)
Effective tax rate	25.3 %	(51.8)%	(64.9)%

The effective income tax expense rate of 25.3% for the year ended December 31, 2019 was impacted by a $1.0 million benefit related to a federal tax true up and a $0.7 million state tax true up to the blended tax rate applied to deferred tax liabilities partially offset by the tax effect of the $3.6 million non-deductible stock compensation recorded in the current year. See additional information regarding the non-deductible stock compensation in Note 11.

The effective income tax (benefit) rate of (51.8%) for the year ended December 31, 2018 was impacted by the $102.1 million asset impairment charge and loss on divestiture which resulted in a $5.3 million loss before income taxes. As a result of the low pre-tax loss, the permanent differences between actual income and taxable income had a meaningful effect on the tax rate. The nondeductible items include $5.8 million in tax expense related to share-based compensation, offset by a $2.6 million reduction in our provisional tax expense related to the repatriation of foreign earnings for the impact of the Tax Act enacted in December 2017.

The $5.8 million tax expense from share-based compensation resulted from an out-of-period adjustment recorded in the fourth quarter of 2018 to correct deferred tax assets that had been established in error in previous years based on the expectation that the compensation would be deductible. In the fourth quarter of 2018 we determined the share-based compensation to be nondeductible and reversed the $5.8 million of deferred tax assets. We determined that the error is immaterial to all prior period financial statements. Further, the out-of-period correction was immaterial to the consolidated financial statements for the quarter and year ended December 31, 2018.

The components of the net deferred tax liability at December 31 are approximately as follows:

	2019	2018
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 32,726	$ 38,693
Deferred revenue and expenses	9,124	8,999
Accrued compensation and other benefits	2,303	4,552
Allowance for doubtful accounts	1,354	1,307
Equity compensation	3,992	2,573
Finance leases	17,553	14,008
Operating lease assets	20,615	—
Other	1,335	1,177
Total deferred tax assets	89,002	71,309
Valuation allowance	(1,024)	(1,037)
Net deferred tax assets	87,978	70,272
Deferred tax liabilities:		
Fixed assets	(224,246)	(204,394)
Intangibles and goodwill	(37,438)	(35,051)
Operating lease liabilities	(20,748)	—
Other	(580)	(966)
Total deferred tax liabilities	(283,012)	(240,411)
Net deferred tax liabilities	$ (195,034)	$ (170,139)

A net deferred tax liability of approximately $18.9 million and $17.6 million related to our U.K. operations has been combined with the net deferred tax liabilities of our U.S. operations in the consolidated balance sheets at December 31, 2019 and 2018, respectively.

Prior to 2019, we asserted that the unremitted earnings of our U.K. subsidiaries were permanently reinvested. In 2019, we withdrew our permanent reinvestment assertion for one of these subsidiary's 2019 earnings but maintain our assertion in relation to this subsidiary's historical earnings prior to 2019. Therefore, no deferred tax liability has been recorded on the related historical earnings. The 2019 earnings are not subject to withholding taxes in the U.K. and, due to U.S. tax reform enacted in 2017, are not subject to U.S. federal income taxes when distributed. We may be subject to state income taxes in very limited circumstances and have accordingly accounted for this immaterial impact in the current period.

At December 31, 2019, we had U.S. federal net operating loss carryforwards on our federal tax return of approximately $126.5 million, which expire if unused from 2030 to 2034. At December 31, 2019, we had net operating loss carryforwards on the various states' tax returns in which we operate totaling $88.3 million, which expire if unused from 2020 to 2039.

Management evaluates the ability to realize our deferred tax assets on a quarterly basis and adjusts the amount of our valuation allowance if necessary. Over the past three years, we have generated $121.8 million of federal taxable income.

Management currently believes that the ability to generate adequate future taxable income through operations and the reversal of taxable temporary differences are adequate to recover the unreserved portion of these deferred tax assets.

For income tax purposes, deductible compensation related to share-based awards is based on the value of the award when realized, which may be different than the compensation expense recognized by us in our consolidated financial statements, which is based on the award value on the date of grant. The difference between the value of the award upon grant, and the value of the award when ultimately realized, creates either additional tax expense or benefit.

As our stock is publicly traded, it is possible that we have undergone a change in ownership for federal income tax purposes, which can limit the amount of net operating loss currently available as a deduction. We have determined that even if such an ownership change has occurred, it would not impair the realization of the deferred tax asset resulting from the federal net operating loss carryover.

We paid income and franchise taxes of approximately $6.6 million in 2019, $4.0 million in 2018 and $2.6 million in 2017. These amounts are lower than the recorded expense in some years due to net operating loss carryforwards and general business credit utilization.

We are subject to taxation in the U.S. federal jurisdiction, as well as various U.S. state and foreign jurisdictions. We have identified our U.S. federal tax return as our "major" tax jurisdiction. As of December 31, 2019, we are no longer subject to examination by U.S. federal tax authorities for years prior to 2016, to examination for any U.S. state taxing authority prior to 2014, or to examination for any foreign jurisdictions prior to 2015. All subsequent periods remain open to examination.

Uncertain tax positions are recognized and measured using a two-step approach. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more-likely-than-not that the position will be sustained on audit, including resolution of related appeals or litigation process, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

As of December 31, 2019, we had $0.5 million of unrecognized tax benefits all of which would affect the effective tax rate if recognized. A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	(In thousands)
Balance December 31, 2018	$ —
Additions for tax positions in prior years	515
Balance December 31, 2019	$ 515

All of the amount of unrecognized tax benefits outstanding at December 31, 2019, is expected to reverse within the next twelve months.

Our policy for recording interest and penalties associated with uncertain tax positions is to record such items as a component of income before taxes. Penalties and associated interest costs, if any, are recorded in rental, selling and general expenses in our consolidated statements of operations.

(10) Transactions with Related Persons

With the acquisition of Evergreen Tank Solutions, Inc. ("ETS") in December 2014 (the "ETS Acquisition"), we acquired its wholly owned subsidiary, Water Movers, Inc. which has two real property leases with an entity partly owned by Michael Watts, a member of our Board. These leases began in 2013, prior to the ETS Acquisition, and expire in 2023. Rental payments under these leases are currently approximately $19,000 per month. Any future renewals of these leases will be approved by the Board as related party transactions.

Mr. Watts is also an investor in a digital marketing and strategy company with which Mobile Mini conducts business. During 2019, 2018 and 2017, Mobile Mini made approximately $0.3 million, $0.4 million and $0.7 million, respectively, in payments to this company. There was no payable due at December 31, 2019.

Prior to becoming Senior Vice President – Chief Human Resources Officer on November 30, 2017, Mark Krivoruchka was president and owner of a management consultant company that provided human resources consulting and staffing services to Mobile Mini. For the year ended December 31, 2017, Mobile Mini expensed approximately $1.0 million related to this agreement, including reimbursement for expenses incurred. No expenses were incurred under this agreement in 2019 or 2018.

(11) Share-Based Compensation

We have historically awarded stock options and restricted stock awards for employees and non-employee directors as a means of attracting and retaining quality personnel and to align employee performance with stockholder value. Stock option plans are approved by our stockholders and administered by the compensation committee of the Board. The current plan allows for a variety of equity programs designed to provide flexibility in implementing equity and cash awards, including incentive stock options, nonqualified stock options, restricted stock awards, restricted stock units, stock appreciation rights, performance stock, performance units and other stock-based awards. Participants may be granted any one of the equity awards or any combination. We do not award stock options with an exercise price below the market price of the underlying securities on the date of award. As of December 31, 2019, 1.2 million shares are available for future grants assuming performance-based award vest at their target amounts. Generally stock options have contractual terms of ten years.

Service-based awards. We grant share-based compensation awards that vest over time subject to the employee rendering service over the vesting period. The majority of the service–based awards vest in equal annual installments over a period of three to four years. The expense for service-based awards is expensed ratably over the full service period of the grant.

Performance-based awards. All performance-based awards granted from 2016 through 2019 vest contingently over a three-year period assuming a target number of options or restricted share awards. However, the terms of these awards provide that the number of options or restricted share awards that ultimately vest may vary between 50% and 200% of the target amount, or may be zero. The targets were set at the time of grant. For the years 2016 through 2019, vesting conditions were related to the Company's return on capital employed.

Expense related to performance-based awards that have multiple vesting dates, is recognized using the accelerated attribution approach, whereby each vesting tranche is treated as a separate award for purposes of determining the implicit service period. The accelerated attribution approach results in a higher expense during the earlier years of vesting.

Non-employee director awards. Each non-employee director serving on the Board receives an automatic award of shares of Mobile Mini's common stock annually. These awards vest 100% when granted. For each of the years ended December 31, 2019, 2018 and 2017, \$0.9 million, \$0.8 million and \$0.8 million, respectively, of expense was recognized related to these grants.

Share-based compensation expense. The following table summarizes our share-based compensation:

	For the Years Ended December 31,		
	2019	2018	2017
		(In thousands)	
Share-based compensation expense included in:			
Rental, selling and general expenses	$ 15,121	$ 10,504	$ 7,255
Restructuring expenses	—	363	118
Total share-based compensation	$ 15,121	$ 10,867	$ 7,373

During the year ended December 31, 2019, Mobile Mini amended the terms of certain share-based compensation agreements with its former Chief Executive Officer who retired as an employee of the Company and assumed the position of Chairman of the Board for Mobile Mini as of October 1, 2019. The amended agreements provide that his service period under such agreements will extend to include his status as a Director. In connection with these modifications, we recorded additional share-based compensation expense during the period of \$3.6 million.

As of December 31, 2019, remaining total unrecognized compensation cost related to stock option awards, assuming achievement at target, was less than \$50,000 and the related weighted-average period over which it is expected to be recognized is approximately 0.2 years. As of December 31, 2019, the unrecognized compensation cost related to restricted stock awards assuming achievement at target was approximately \$7.6 million, which is expected to be recognized over a weighted-average period of approximately 1.3 years.

Stock options. The fair value of each stock option award is estimated on the date of the grant using the Black-Scholes-Merton option pricing model which requires the input of assumptions. We estimate the risk-free interest rate based on the U.S. Treasury security rate in effect at the time of the grant. The expected life of the options, volatility and dividend rates are estimated based on our historical data. No new stock options were issued in 2019 or 2018. The following are the key assumptions used for 2017:

	2017
Risk-free interest rate	1.7% - 2.1%
Expected life of the options (years)	5.0
Expected stock price volatility	32.9% - 35.4%
Expected dividend rate	2.5% - 3.1%

The following table summarizes stock option activity for the years ended December 31 (share amounts in thousands):

	Number of Options			
	Performance-Based Options	Service-Based Options	Total Options	Weighted Average Exercise Price
Outstanding options at January 1, 2017	528	2,764	3,292	$ 32.06
Granted	462	—	462	32.44
Canceled/Expired	(233)	(119)	(352)	33.43
Exercised	(96)	(137)	(233)	24.88
Outstanding options at December 31, 2017	661	2,508	3,169	32.49
Additional options granted based upon achievement of specified performance criteria	81	—	81	32.42
Canceled/Expired	(146)	(32)	(178)	27.82
Exercised	(63)	(55)	(118)	30.86
Outstanding options at December 31, 2018	533	2,421	2,954	32.71
Additional options granted based upon achievement of specified performance criteria	227	—	227	29.54
Canceled/Expired	(19)	(38)	(57)	40.50
Exercised	(71)	(43)	(114)	27.32
Outstanding options at December 31, 2019	670	2,340	3,010	32.53
Unvested target options that vest based upon 2019 performance conditions	107			

Grants of performance-based stock options are shown in the table above at the target amount in the year of the award.

Additional options granted based upon achievement above target specified performance criteria are shown in the table above when they vest, which is generally in the first quarter of the year following the performance year. Forfeitures of target options are shown in the table above in the period they are forfeited, which is generally in the first quarter of the year following the performance year.

Actual performance for 2019 exceeded the target established for the 2017 performance-based options. As a result, in the first quarter of 2020, we expect 107,000 options to vest in addition to the unvested options shown in the table above.

A summary of stock options outstanding as of December 31, 2019, is as follows:

	Number of Shares (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (In years)	Aggregate Intrinsic Value (In thousands)
Outstanding	3,010	$ 32.53	4.16	$ 18,287
Exercisable	2,904	32.53	4.05	17,702

The aggregate intrinsic value of options exercised during the period ended December 31, 2019, 2018 and 2017 was \$0.9 million, \$1.4 million and \$1.6 million, respectively. The weighted average fair value of stock options granted was \$8.23 for the year ended December 31, 2017.

Restricted Stock Awards. The fair value of restricted stock awards is estimated as the closing price of our common stock on the date of grant. A summary of restricted stock activity is as follows (share amounts in thousands):

	Number of Shares			
	Performance-Based Awards	Service-Based Awards	Total Awards	Weighted Average Grant Date Fair Value
Restricted stock awards at January 1, 2017	—	243	243	30.27
Awarded	—	163	163	32.25
Released	—	(142)	(142)	30.39
Forfeited	—	(30)	(30)	31.53
Restricted stock awards at December 31, 2017	—	234	234	31.42
Awarded	103	123	226	38.47
Released	(2)	(115)	(117)	34.26
Forfeited	(7)	(9)	(16)	36.38
Restricted stock awards at December 31, 2018	94	233	327	35.06
Awarded	120	157	277	36.66
Additional shares awarded based upon achievement of specified performance criteria	31	—	31	36.41
Released	(62)	(115)	(177)	35.25
Forfeited	(11)	(16)	(27)	36.09
Restricted stock awards at December 31, 2019	172	259	431	36.06
Restricted target stock awards that vest based upon 2019 performance conditions	67			
Restricted target stock awards that vest based upon 2020 performance conditions	67			

Grants of performance-based restricted stock awards are shown in the table above at the target amount in the year of the award. Additional shares awarded based upon achievement above target specified performance criteria are shown in the table above when they vest, which is generally in the first quarter of the year following the performance year. Forfeitures of target awards are shown in the table above in the period they are forfeited, which is generally in the first quarter of the year following the performance year.

Actual performance for 2019 exceeded targets established for both 2018 and 2019 performance-based grants. As a result, in the first quarter of 2020, we expect approximately 53,000 shares to vest in addition to the unvested options shown in the table above.

The total fair value of restricted stock awards that vested in 2019, 2018 and 2017 were \$6.2 million, \$4.0 million and \$4.3 million, respectively.

(12) Benefit Plans

In the U.S. we sponsor 401(k) retirement plans designed to provide tax-deferred retirement benefits to employees in accordance with the provisions of Section 401(k) of the Internal Revenue Code. We also sponsor defined contribution programs in the U.K., and have a Registered Retirement Savings Plan regulated by Canadian law.

Under the U.S. and Canadian plans, we match a percentage of the participants' contributions up to a specified amount. Under the U.K. plan, we contribute a percentage of each participant's annual salary to the plan and, depending on the plan, employees may also be required to contribute a percentage of their annual salary into the plan. Company matches vest immediately. Company contributions to all these benefit plans totaled approximately $2.9 million, $1.2 million and $0.9 million in 2019, 2018 and 2017, respectively. In each of the three years ending December 31, 2019, 2018 and 2017, we incurred less than $0.1 million for administrative costs for these programs.

(13) Commitments and Contingencies

Insurance Reserves

We maintain insurance coverage for our operations and employees with appropriate aggregate, per occurrence and deductible limits as we reasonably determine is necessary or prudent considering current operations and historical experience. The majority of these coverages have large deductible programs which allow for potential improved cash flow benefits based on our loss control efforts, while guaranteeing a maximum premium liability.

Our employee group health insurance program is a self-insured program with individual and aggregate stop loss limits. The insurance provider is responsible for funding all claims in excess of the calculated monthly maximum liability. This calculation is based on a variety of factors including the number of employees enrolled in the plan. Actual results may vary from estimates based on our actual experience at the end of the plan policy periods based on the carrier's loss predictions and our historical claims data.

We expense the deductible portion of the individual claims. However, we generally do not know the full amount of our exposure to a deductible in connection with any particular claim during the fiscal period in which the claim is incurred and for which we must make an accrual for the deductible expense. We make these accruals based on a combination of the claims development experience of our staff and our insurance companies, and, at year end, the accrual is reviewed and adjusted, in part, based on an independent actuarial review of historical loss data and using certain actuarial assumptions followed in the insurance industry. A high degree of judgment is required in developing these estimates of amounts to be accrued, as well as in connection with the underlying assumptions. In addition, our assumptions will change as our loss experience is developed. All of these factors have the potential for significantly impacting the amounts previously reserved in respect to anticipated deductible expenses and we may be required in the future to increase or decrease amounts previously accrued.

Our worker's compensation, auto and general liability insurance are purchased under large deductible programs. Our worker's compensation and auto liability insurance have deductibles of $500,000 and our general liability insurance deductible is $50,000. Under our various insurance programs, we have collective reserves recorded in accrued liabilities of $3.1 million and $3.6 million at December 31, 2019 and 2018, respectively.

In connection with the issuance of our insurance policies, we have provided our various insurance carriers $4.2 million in letters of credit as of December 31, 2019.

General Litigation

We are a party to various claims and litigation in the normal course of business. Our current estimated range of liability related to various claims and pending litigation is based on claims for which our management can determine that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Because of the uncertainties related to both the probability of incurred and possible range of loss on pending claims and litigation, management must use considerable judgment in making reasonable determination of the liability that could result from an unfavorable outcome. As additional information becomes available, we will assess the potential liability related to our pending litigation and revise our estimates. Such revisions in our estimates of the potential liability could materially impact our results of operation. We do not anticipate the resolution of such matters known at this time will have a material adverse effect on our business or consolidated financial position.

(14) Stockholders' Equity

Dividends

During the twelve months ended December 31, 2019 we declared cash dividends of $1.10 per share for a total of $49.1 million. Each future quarterly dividend payment is subject to review and approval by the Board. In addition, our Credit Agreement contains restrictions on the declaration and payment of dividends.

Declaration Date	Payment Date	Record Date (close of business)	Dividend Amount Per Share of Common Stock
January 30, 2019	March 13, 2019	February 27, 2019	$ 0.275
April 18, 2019	May 29, 2019	May 15, 2019	0.275
July 24, 2019	August 28, 2019	August 14, 2019	0.275
October 29, 2019	November 27, 2019	November 13, 2019	0.275

Treasury stock

On November 6, 2013, the Board approved a share repurchase program authorizing up to $125.0 million of our outstanding shares of common stock to be repurchased. On April 17, 2015, the Board authorized up to an additional $50.0 million of our outstanding shares of common stock to be repurchased, for a total of $175.0 million under the share repurchase program. The shares may be repurchased from time to time in the open market or in privately negotiated transactions. The share repurchases are subject to prevailing market conditions and other considerations. The share repurchase program does not have an expiration date and may be suspended or terminated at any time by the Board. All shares repurchased are held in treasury.

The following table presents share repurchase activities:

	For the Years Ended December 31,		
	2019	2018	2017
Shares repurchased under share repurchase program:			
Number of shares repurchased	901,669	400	248,072
Average price per repurchased share (1)	$ 31.53	$ 29.99	$ 29.58
Aggregate purchase price, in thousands	$ 28,428	$ 12	$ 7,338
Other shares repurchased (2)			
Number of shares repurchased	31,181	17,217	33,700
Average price per repurchased share (1)	$ 35.61	$ 39.65	$ 30.40
Aggregate purchase price, in thousands	$ 1,110	$ 683	$ 1,024

(1) The weighted average price paid per share of common stock does not include the cost of commissions.
(2) Shares not purchased as part of a publicly announced plan or program represent shares withheld from employees to satisfy withholding obligations upon the vesting of restricted stock.

Approximately $42.4 million is available for repurchase under our authorized repurchase program as of December 31, 2019.

(15) Restructuring Costs

We have undergone restructuring actions to align our business operations, resulting in expense of $2.0 million and $2.9 million for the years ended December 31, 2018 and 2017, respectively.

The $2.0 million of restructuring expenses recognized in the twelve months ended December 31, 2018, consisted primarily of expense related to the restructuring of our corporate service center, including the severance of an executive, and expense incurred with the restructuring of our business in conjunction with the divestiture of certain assets as discussed in Note 4. Additionally, in 2018, we recognized expenses related to projects initiated in prior years that were not accruable during such periods.

For the twelve months ended December 31, 2017, we recognized $1.3 million in expenses related to activities associated with the integration of Evergreen Tank Solutions into the existing Mobile Mini infrastructure. In addition, we recognized $0.9 million during the twelve months ended December 31, 2017, related to the abandonment of yards, or portions of yards, as well as other costs due to our move away from the wood mobile office business. The remaining costs in 2017 related largely to divisional and corporate departmental restructurings.

The following table details accrued restructuring obligations (included in accrued liabilities in the consolidated balance sheets) and related activity for the years ended December 31, 2019, 2018 and 2017:

	Severance and Benefits	Lease Abandonment Costs	Other Costs	Total
		(In thousands)		
Accrued obligations as of January 1, 2017	$ 395	$ 368	$ —	$ 763
Restructuring expense	931	900	1,055	2,886
Settlement of obligations	(787)	(1,086)	(1,019)	(2,892)
Accrued obligations as of December 31, 2017	539	182	36	757
Restructuring expense	1,338	482	186	2,006
Settlement of obligations	(1,473)	(578)	(209)	(2,260)
Accrued obligations as of December 31, 2018	404	86	13	503
Restructuring expense	—	—	—	—
Settlement of obligations	(271)	(86)	(13)	(370)
Accrued obligations as of December 31, 2019	$ 133	$ —	$ —	$ 133

The following amounts are included in restructuring expense for the years ended December 31:

	2018	2017
	(In thousands)	
Severance and benefits	$ 1,338	$ 931
Lease abandonment costs	482	900
Other costs	186	1,055
Restructuring expenses	$ 2,006	$ 2,886

(16) Segment Reporting

Our operations are comprised of three reportable segments: Storage Solutions North America, Storage Solutions United Kingdom and Tank & Pump Solutions. Discrete financial data on each of our products is not available and it would be impractical to collect and maintain financial data in such a manner. The results for each segment are reviewed discretely by our chief operating decision maker.

We operate in the U.S., U.K. and Canada. All of our locations operate in their local currency and, although we are exposed to foreign exchange rate fluctuation in foreign markets where we rent and sell our products, we do not believe such exposure will have a significant impact on our results of operations. Revenues recognized by our U.S. locations were $526.6 million, $499.8 million and $444.7 million for the twelve months ended December 31, 2019, 2018 and 2017, respectively.

The following tables set forth certain information regarding each of our reportable segments for the years ended December 31, 2019, 2018 and 2017:

	For the Year Ended December 31, 2019				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Revenues:					
Rental	$ 389,674	$ 75,738	$ 465,412	$ 116,245	$ 581,657
Sales	18,047	6,819	24,866	5,528	30,394
Other	399	—	399	175	574
Total revenues	408,120	82,557	490,677	121,948	612,625
Costs and expenses:					
Rental, selling and general expenses	239,650	51,946	291,596	77,929	369,525
Cost of sales	10,441	5,385	15,826	2,849	18,675
Depreciation and amortization	36,103	7,070	43,173	27,410	70,583
Total costs and expenses	286,194	64,401	350,595	108,188	458,783
Income from operations	$ 121,926	$ 18,156	$ 140,082	$ 13,760	$ 153,842
Interest expense, net of interest income	$ 30,141	$ 491	$ 30,632	$ 10,734	$ 41,366
Income tax provision	24,975	3,126	28,101	244	28,345
Capital expenditures for additions to rental fleet, excluding acquisitions	46,314	4,218	50,532	20,319	70,851

	For the Year Ended December 31, 2018				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Revenues:					
Rental	$ 366,713	$ 80,751	$ 447,464	$ 110,733	$ 558,197
Sales	20,008	9,024	29,032	5,322	34,354
Other	304	224	528	150	678
Total revenues	387,025	89,999	477,024	116,205	593,229
Costs and expenses:					
Rental, selling and general expenses	233,764	53,884	287,648	76,475	364,123
Cost of sales	12,263	7,176	19,439	2,998	22,437
Restructuring expenses	1,934	—	1,934	72	2,006
Asset impairment charge and loss on divestiture, net	91,230	8,652	99,882	2,258	102,140
Depreciation and amortization	33,591	7,891	41,482	25,518	67,000
Total costs and expenses	372,782	77,603	450,385	107,321	557,706
Income from operations	$ 14,243	$ 12,396	$ 26,639	$ 8,884	$ 35,523
Interest expense, net of interest income	$ 29,305	$ 801	$ 30,106	$ 10,792	$ 40,898
Income tax provision	258	2,381	2,639	112	2,751
Capital expenditures for additions to rental fleet, excluding acquisitions	52,654	6,893	59,547	26,414	85,961

	For the Year Ended December 31, 2017				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Revenues:					
Rental	$ 329,248	$ 77,342	$ 406,590	$ 92,235	$ 498,825
Sales	19,016	7,973	26,989	5,451	32,440
Other	1,430	445	1,875	409	2,284
Total revenues	349,694	85,760	435,454	98,095	533,549
Costs and expenses:					
Rental, selling and general expenses	217,718	50,295	268,013	68,425	336,438
Cost of sales	11,534	6,396	17,930	3,071	21,001
Restructuring expenses	2,674	—	2,674	212	2,886
Depreciation and amortization	31,735	7,057	38,792	24,580	63,372
Total costs and expenses	263,661	63,748	327,409	96,288	423,697
Income from operations	$ 86,033	$ 22,012	$ 108,045	$ 1,807	$ 109,852
Interest expense, net of interest income	$ 24,385	$ 501	$ 24,886	$ 10,817	$ 35,703
Income tax (benefit) provision	(52,886)	2,045	(50,841)	2,737	(48,104)
Capital expenditures for additions to rental fleet, excluding acquisitions	45,043	11,405	56,448	7,240	63,688

Assets related to our reportable segments include the following:

	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
As of December 31, 2019:					
Goodwill	$ 474,622	$ 57,566	$ 532,188	$ 181,216	$ 713,404
Intangibles, net	2,518	256	2,774	48,411	51,185
Rental fleet, net	689,424	144,436	833,860	132,363	966,223
As of December 31, 2018:					
Goodwill	$ 468,400	$ 55,601	$ 524,001	$ 181,216	$ 705,217
Intangibles, net	859	341	1,200	54,342	55,542
Rental fleet, net	657,459	140,636	798,095	130,995	929,090

Included in the consolidated balance sheets are long-lived assets other than property, plant and equipment in the U.S. of $1.5 billion as of both December 31, 2019 and 2018.

(17) Selected Consolidated Quarterly Financial Data (unaudited)

The following table sets forth certain unaudited selected consolidated financial information for each of the four quarters in the years ended December 31, 2019 and 2018. In management's opinion, this unaudited consolidated quarterly selected information has been prepared on the same basis as the audited consolidated financial statements and includes all necessary adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair presentation when read in conjunction with the consolidated financial statements and notes. We believe these comparisons of consolidated quarterly selected financial data are not necessarily indicative of future performance.

Quarterly EPS may not total to the fiscal year EPS due to the weighted average number of shares outstanding at the end of each period reported and rounding.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
2019				
Rental revenue	$ 142,172	$ 141,906	$ 145,519	$ 152,060
Total revenues	149,661	150,181	153,517	159,266
Income from operations	35,490	31,267	39,790	47,295
Net income	18,085	14,058	22,575	29,016
Earnings per share:				
Basic	0.41	0.32	0.51	0.66
Diluted	0.40	0.31	0.51	0.66

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
2018				
Rental revenue	$ 132,338	$ 132,887	$ 140,924	$ 152,048
Total revenues	140,654	141,999	149,707	160,869
Income (loss) from operations	29,331	28,577	(61,296)	38,911
Net income (loss)	14,855	15,000	(52,165)	14,248
Earnings (loss) per share:				
Basic	0.34	0.34	(1.18)	0.32
Diluted	0.33	0.33	(1.18)	0.32

(18) Condensed Consolidating Financial Information for Guarantors

The following tables reflect the condensed consolidating financial information of our subsidiary guarantors of the Senior Notes and our non-guarantor subsidiaries. Separate financial statements of the subsidiary guarantors are not presented because the guarantee by each 100% owned subsidiary guarantor is full and unconditional, joint and several, subject to customer exceptions, and management has determined that such information is not material to investors.

CONDENSED CONSOLIDATING BALANCE SHEETS
As of December 31, 2019
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	$ 559	$ 7,494	$ —	$ 8,053
Receivables, net	90,153	14,237	—	104,390
Inventories	7,210	2,307	—	9,517
Rental fleet, net	814,129	152,094	—	966,223
Property, plant and equipment, net	132,532	24,651	—	157,183
Operating lease assets	69,911	23,205		93,116
Other assets	12,531	1,275	—	13,806
Intangibles, net	50,920	265	—	51,185
Goodwill	651,137	62,267	—	713,404
Intercompany receivables	146,008	31,829	(177,837)	—
Total assets	$ 1,975,090	$ 319,624	$ (177,837)	$ 2,116,877
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities:				
Accounts payable	$ 25,156	$ 6,398	$ —	$ 31,554
Accrued liabilities	68,916	8,153	—	77,069
Operating lease liabilities	72,453	22,479		94,932
Lines of credit	555,400	—	—	555,400
Obligations under finance leases	74,319	80	—	74,399
Senior Notes	247,127	—	—	247,127
Deferred income taxes	175,291	19,743	—	195,034
Intercompany payables	29,782	56	(29,838)	—
Total liabilities	1,248,444	56,909	(29,838)	1,275,515
Commitments and contingencies				
Stockholders' equity:				
Common stock	504	—	—	504
Additional paid-in capital	638,083	147,999	(147,999)	638,083
Retained earnings	265,476	179,809	—	445,285
Accumulated other comprehensive loss	—	(65,093)	—	(65,093)
Treasury stock, at cost	(177,417)	—	—	(177,417)
Total stockholders' equity	726,646	262,715	(147,999)	841,362
Total liabilities and stockholders' equity	$ 1,975,090	$ 319,624	$ (177,837)	$ 2,116,877

CONDENSED CONSOLIDATING BALANCE SHEETS
As of December 31, 2018
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	$ 1,483	$ 4,122	$ —	$ 5,605
Receivables, net	114,702	15,531	—	130,233
Inventories	9,811	1,914	—	11,725
Rental fleet, net	781,588	147,502	—	929,090
Property, plant and equipment, net	130,351	23,903	—	154,254
Other assets	11,341	2,057	—	13,398
Intangibles, net	55,189	353	—	55,542
Goodwill	645,126	60,091	—	705,217
Intercompany receivables	148,811	34,449	(183,260)	—
Total assets	$ 1,898,402	$ 289,922	$ (183,260)	$ 2,005,064
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities:				
Accounts payable	$ 27,271	$ 5,906	$ —	$ 33,177
Accrued liabilities	79,537	8,599	—	88,136
Lines of credit	589,310	4,185	—	593,495
Obligations under finance leases	63,253	106	—	63,359
Senior Notes	246,489	—	—	246,489
Deferred income taxes	151,758	18,381	—	170,139
Intercompany payables	29,586	5,675	(35,261)	—
Total liabilities	1,187,204	42,852	(35,261)	1,194,795
Commitments and contingencies				
Stockholders' equity:				
Common stock	500	—	—	500
Additional paid-in capital	619,850	147,999	(147,999)	619,850
Retained earnings	238,709	171,932	—	410,641
Accumulated other comprehensive loss	—	(72,861)	—	(72,861)
Treasury stock, at cost	(147,861)	—	—	(147,861)
Total stockholders' equity	711,198	247,070	(147,999)	810,269
Total liabilities and stockholders' equity	$ 1,898,402	$ 289,922	$ (183,260)	$ 2,005,064

CONDENSED CONSOLIDATING STATEMENTS OF INCOME
For the Year Ended December 31, 2019
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:				
Rental	$ 502,649	$ 79,008	$ —	$ 581,657
Sales	23,362	7,032	—	30,394
Other	573	1	—	574
Total revenues	526,584	86,041	—	612,625
Costs and expenses:				
Rental, selling and general expenses	314,936	54,589	—	369,525
Cost of sales	13,159	5,516	—	18,675
Depreciation and amortization	63,192	7,391	—	70,583
Total costs and expenses	391,287	67,496	—	458,783
Income from operations	135,297	18,545	—	153,842
Other income (expense):				
Interest income	12	—	—	12
Dividend income	4,963	—	(4,963)	—
Interest expense	(40,887)	(491)	—	(41,378)
Deferred financing costs write-off	(123)	—	—	(123)
Foreign currency exchange	(234)	(40)	—	(274)
Income before income tax provision	99,028	18,014	(4,963)	112,079
Income tax provision	25,117	3,228	—	28,345
Net income	$ 73,911	$ 14,786	$ (4,963)	$ 83,734

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2019
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income	$ 73,911	$ 14,786	$ (4,963)	$ 83,734
Other comprehensive income:				
Foreign currency translation adjustment, net of income tax provision of $123	—	7,768	—	7,768
Other comprehensive income	—	7,768	—	7,768
Comprehensive income	$ 73,911	$ 22,554	$ (4,963)	$ 91,502

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2018
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:				
Rental	$ 474,347	$ 83,850	$ —	$ 558,197
Sales	24,988	9,366	—	34,354
Other	445	233	—	678
Total revenues	499,780	93,449	—	593,229
Costs and expenses:				
Rental, selling and general expenses	307,374	56,749	—	364,123
Cost of sales	15,028	7,409	—	22,437
Restructuring expenses	2,006	—	—	2,006
Asset impairment charge and loss on divestiture, net	92,441	9,699	—	102,140
Depreciation and amortization	58,769	8,231	—	67,000
Total costs and expenses	475,618	82,088	—	557,706
Income from operations	24,162	11,361	—	35,523
Other income (expense):				
Interest income	3	3	—	6
Dividend income	8,983	—	(8,983)	—
Interest expense	(40,101)	(803)	—	(40,904)
Foreign currency exchange	47	17	—	64
(Loss) income before income tax provision	(6,906)	10,578	(8,983)	(5,311)
Income tax provision	677	2,074		2,751
Net (loss) income	$ (7,583)	$ 8,504	$ (8,983)	$ (8,062)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE LOSS
For the Year Ended December 31, 2018
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net (loss) income	$ (7,583)	$ 8,504	$ (8,983)	$ (8,062)
Other comprehensive loss:				
Foreign currency translation adjustment, net of income tax provision of $88	—	(12,527)	—	(12,527)
Other comprehensive loss	—	(12,527)	—	(12,527)
Comprehensive loss	$ (7,583)	$ (4,023)	$ (8,983)	$ (20,589)

CONDENSED CONSOLIDATING STATEMENTS OF INCOME
For the Year Ended December 31, 2017
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:				
Rental	$ 418,590	$ 80,235	$ —	$ 498,825
Sales	24,265	8,175	—	32,440
Other	1,829	455	—	2,284
Total revenues	444,684	88,865	—	533,549
Costs and expenses:				
Rental, selling and general expenses	283,490	52,948	—	336,438
Cost of sales	14,464	6,537	—	21,001
Restructuring expenses	2,886	—	—	2,886
Depreciation and amortization	55,976	7,396	—	63,372
Total costs and expenses	356,816	66,881	—	423,697
Income from operations	87,868	21,984	—	109,852
Other income (expense):				
Interest income	10,616	9	(10,600)	25
Interest expense	(45,819)	(509)	10,600	(35,728)
Foreign currency exchange	—	(25)	—	(25)
Income before income tax (benefit) provision	52,665	21,459	—	74,124
Income tax (benefit) provision	(51,256)	3,152	—	(48,104)
Net income	$ 103,921	$ 18,307	$ —	$ 122,228

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2017
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income	$ 103,921	$ 18,307	$ —	$ 122,228
Other comprehensive income:				
Foreign currency translation adjustment, net of income tax benefit of $30	—	20,713	—	20,713
Other comprehensive income	—	20,713	—	20,713
Comprehensive income	$ 103,921	$ 39,020	$ —	$ 142,941

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2019
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Cash Flows from Operating Activities:				
Net income	$ 73,911	$ 14,786	$ (4,963)	$ 83,734
Adjustments to reconcile net income to net cash provided by operating activities:				
Deferred financing costs write-off	123	—	—	123
Provision for doubtful accounts	5,499	380	—	5,879
Amortization of deferred financing costs	1,837	—	—	1,837
Amortization of long-term liabilities	13	—	—	13
Share-based compensation expense	14,849	272	—	15,121
Depreciation and amortization	63,192	7,391	—	70,583
Gain on sale of rental fleet	(5,270)	(653)	—	(5,923)
Loss on disposal of property, plant and equipment	71	29	—	100
Deferred income taxes	22,621	684	—	23,305
Foreign currency exchange	234	40	—	274
Changes in certain assets and liabilities, net of effect of businesses acquired:				
Receivables	19,212	1,458	—	20,670
Inventories	2,601	(321)	—	2,280
Other assets	603	(117)	—	486
Accounts payable	1,806	1,235	—	3,041
Accrued liabilities	(8,175)	(630)	—	(8,805)
Intercompany	5,987	(5,987)	—	—
Net cash provided by operating activities	199,114	18,567	(4,963)	212,718
Cash Flows from Investing Activities:				
Cash paid for businesses acquired, net of cash acquired	(13,048)	—	—	(13,048)
Additions to rental fleet, excluding acquisitions	(66,466)	(4,385)	—	(70,851)
Proceeds from sale of rental fleet	11,170	2,556	—	13,726
Additions to property, plant and equipment, excluding acquisitions	(8,971)	(4,303)	—	(13,274)
Proceeds from sale of property, plant and equipment	694	46	—	740
Net cash used in investing activities	(76,621)	(6,086)	—	(82,707)
Cash Flows from Financing Activities:				
Net repayments under lines of credit	(33,910)	(4,186)	—	(38,096)
Deferred financing costs	(3,521)	—	—	(3,521)
Principal payments on finance lease obligations	(10,664)	(26)	—	(10,690)
Issuance of common stock	3,116	—	—	3,116
Dividend payments	(48,882)	—	—	(48,882)
Purchase of treasury stock	(29,556)	—	—	(29,556)
Intercompany	—	(4,963)	4,963	—
Net cash used in financing activities	(123,417)	(9,175)	4,963	(127,629)
Effect of exchange rate changes on cash and cash equivalents	—	66	—	66
Net (decrease) increase in cash and cash equivalents	(924)	3,372	—	2,448
Cash and cash equivalents at beginning of year	1,483	4,122	—	5,605
Cash and cash equivalents at end of year	$ 559	$ 7,494	$ —	$ 8,053

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2018
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Cash Flows from Operating Activities:				
Net (loss) income	$ (7,583)	$ 8,504	$ (8,983)	$ (8,062)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Asset impairment charge and loss on divestiture, net	92,441	9,699		102,140
Provision for doubtful accounts	2,193	219	—	2,412
Amortization of deferred financing costs	2,060	—	—	2,060
Amortization of long-term liabilities	145	—	—	145
Share-based compensation expense	10,642	225	—	10,867
Depreciation and amortization	58,769	8,231	—	67,000
Gain on sale of rental fleet	(5,307)	(748)	—	(6,055)
Loss on disposal of property, plant and equipment	569	31	—	600
Deferred income taxes	(1,782)	(741)	—	(2,523)
Foreign currency exchange	(47)	(17)	—	(64)
Changes in certain assets and liabilities, net of effect of businesses acquired:				
Receivables	(25,271)	3,260	—	(22,011)
Inventories	(128)	(278)	—	(406)
Other assets	1,030	(204)	—	826
Accounts payable	3,332	(423)	—	2,909
Accrued liabilities	7,885	2,375	—	10,260
Intercompany	25,345	(25,345)	—	—
Net cash provided by operating activities	164,293	4,788	(8,983)	160,098
Cash Flows from Investing Activities:				
Proceeds from sale of assets held for sale	9,468	685	—	10,153
Additions to rental fleet, excluding acquisitions	(78,694)	(7,267)	—	(85,961)
Proceeds from sale of rental fleet	11,835	3,158	—	14,993
Additions to property, plant and equipment, excluding acquisitions	(10,541)	(6,390)	—	(16,931)
Proceeds from sale of property, plant and equipment	611	72	—	683
Net cash used in investing activities	(67,321)	(9,742)	—	(77,063)
Cash Flows from Financing Activities:				
Net (repayments) borrowings under lines of credit	(44,975)	4,185	—	(40,790)
Principal payments on finance lease obligations	(9,709)	(37)	—	(9,746)
Issuance of common stock	3,617	—	—	3,617
Dividend payments	(44,530)	—	—	(44,530)
Purchase of treasury stock	(695)	—	—	(695)
Intercompany	—	(8,983)	8,983	-
Net cash used in financing activities	(96,292)	(4,835)	8,983	(92,144)
Effect of exchange rate changes on cash and cash equivalents	—	1,263	—	1,263
Net increase (decrease) in cash and cash equivalents	680	(8,526)	—	(7,846)
Cash and cash equivalents at beginning of year	803	12,648	—	13,451
Cash and cash equivalents at end of year	$ 1,483	$ 4,122	$ —	$ 5,605

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2017
(In thousands)

	Guarantors	Non-Guarantors	Eliminations	Consolidated
Cash Flows from Operating Activities:				
Net income	$ 103,921	$ 18,307	$ —	$ 122,228
Adjustments to reconcile net income to net cash provided by operating activities:				
Provision for doubtful accounts	4,446	591	—	5,037
Amortization of deferred financing costs	2,060	—	—	2,060
Amortization of long-term liabilities	130	—	—	130
Share-based compensation expense	7,083	290	—	7,373
Depreciation and amortization	55,976	7,396	—	63,372
Gain on sale of rental fleet	(5,319)	(338)	—	(5,657)
Loss on disposal of property, plant and equipment	140	377	—	517
Deferred income taxes	(52,248)	2,268	—	(49,980)
Foreign currency exchange	—	25	—	25
Changes in certain assets and liabilities, net of effect of businesses acquired:				
Receivables	(15,595)	(82)	—	(15,677)
Inventories	1,056	(1,146)	—	(90)
Other assets	(578)	(57)	—	(635)
Accounts payable	(2,939)	(2,046)	—	(4,985)
Accrued liabilities	12,917	(989)	—	11,928
Intercompany	503	(503)	—	—
Net cash provided by operating activities	111,553	24,093	—	135,646
Cash Flows from Investing Activities:				
Additions to rental fleet, excluding acquisitions	(52,115)	(11,573)	—	(63,688)
Proceeds from sale of rental fleet	11,432	1,521	—	12,953
Additions to property, plant and equipment, excluding acquisitions	(14,672)	(5,450)	—	(20,122)
Proceeds from sale of property, plant and equipment	149	702	—	851
Net cash used in investing activities	(55,206)	(14,800)	—	(70,006)
Cash Flows from Financing Activities:				
Net repayments under lines of credit	(6,690)	(185)	—	(6,875)
Deferred financing costs	(12)	—	—	(12)
Principal payments on finance lease obligations	(7,364)	(54)	—	(7,418)
Issuance of common stock	5,800	—	—	5,800
Dividend payments	(40,171)	—	—	(40,171)
Purchase of treasury stock	(8,367)	—	—	(8,367)
Net cash used in financing activities	(56,804)	(239)	—	(57,043)
Effect of exchange rate changes on cash and cash equivalents	—	717	—	717
Net (decrease) increase in cash and cash equivalents	(457)	9,771	—	9,314
Cash and cash equivalents at beginning of year	1,260	2,877	—	4,137
Cash and cash equivalents at end of year	$ 803	$ 12,648	$ —	$ 13,451

(19) Subsequent Events

On January 27, 2020, the Board authorized and declared a cash dividend to all our common stockholders of $0.303 per share of common stock, payable on March 11, 2020 to stockholders of record as of the close of business February 26, 2020. Each future quarterly dividend payment is subject to review and approval by the Board.

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

None.

ITEM 9A. *CONTROLS AND PROCEDURES.*

Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of the end of the period covered by this Annual Report on Form 10-K, the Company's disclosure controls and procedures, were effective such that the information relating to the Company required to be disclosed in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to the Company's management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Report of Management on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use, or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2019.

Our internal control over financial reporting as of December 31, 2019 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that there has not been any change in our internal control over financial reporting during that quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. *OTHER INFORMATION.*

None.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.*

The information required to be disclosed by this item is incorporated herein by reference to our definitive proxy statement for the 2020 Annual Meeting of Stockholders (the "2020 Proxy Statement"), which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2019.

ITEM 11. *EXECUTIVE COMPENSATION.*

The information required to be disclosed by this item is incorporated herein by reference to the 2020 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2019.

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

Equity Compensation Plan Information

A description of our equity compensation plans approved by our shareholders is included in Note 11 to the accompanying consolidated financial statements.

Plan Category	Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected in Column (a) (c)
	(In thousands)		(In thousands)
Equity compensation plans approved by Mobile Mini Stockholders (1)	1,010	$ 34.67	1,173
Equity compensation plans not approved by Mobile Mini Stockholders (2)	2,000	31.45	—
Totals	3,010	32.53	1,173

(1) Options to purchase shares were outstanding under our Amended and Restated Equity Incentive Plan.

(2) Reflects shares subject to an outstanding stock option agreement awarded as a non-plan based inducement grant in connection with the hiring of Mr. Olsson as the Company's President and CEO. This grant was made pursuant to NASDAQ rule 5635(c)(4).

On December 31, 2019, the closing price of Mobile Mini's common stock as reported by The NASDAQ Stock Market was $37.91.

All other information required to be disclosed by this item is incorporated herein by reference to the 2020 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2019.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.*

The information required to be disclosed by this item is incorporated herein by reference to the 2020 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2019.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES.*

The information required to be disclosed by this item is incorporated herein by reference to the 2020 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended December 31, 2019.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.*

(a) Financial Statements:

(1) The financial statements required to be included in this Annual Report on Form 10-K are included in Item 8 of Part II of this Annual Report on Form 10-K.

(2) All schedules have been omitted because they are not applicable or because the information is included elsewhere in this Annual Report on Form 10-K.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of February 22, 2008, among Mobile Mini, Inc., Cactus Merger Sub, Inc., MSG WC Holdings Corp., and Welsh, Carson, Anderson & Stowe X, L.P. (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 28, 2008).
2.2+	Stock Purchase Agreement dated as of November 13, 2014 by and among Mobile Mini, Inc., each Seller listed on Annex A thereto, Gulf Tanks Holdings, Inc. and Odyssey Investment Partners, LLC. (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 11, 2014).
3.1	Amended and Restated Certificate of Incorporation of Mobile Mini, Inc. (Incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997 filed with the SEC on March 27, 1998).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Mobile Mini, Inc., dated July 20, 2000. (Incorporated by reference to Exhibit 3.1A to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000 filed with the SEC on August 14, 2000).
3.3	Form of Certificate of Designation, Preferences and Rights of Series C Junior Participating Preferred Stock of Mobile Mini, Inc. (Incorporated by reference to Exhibit A to Exhibit 1 to the Registrant's Registration Statement on Form 8-A filed with the SEC on December 13, 1999).
3.4	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Mobile Mini, Inc., dated June 26, 2008. (Incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on July 1, 2008).
3.5	Certificate of Designation of Mobile Mini, Inc. Series A Convertible Redeemable Participating Preferred Stock, dated June 26, 2008. (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on July 1, 2008).
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Mobile Mini, Inc., dated September 14, 2015 (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 15, 2015).
3.7	Third Amended and Restated Bylaws of Mobile Mini, Inc., effective as of September 14, 2015. (Incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 15, 2015).
3.8	Fourth Amended and Restated Bylaws of Mobile Mini, Inc., effective as of January 31, 2018. (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 6, 2018).
4.1	Form of Common Stock Certificate. (Incorporated by reference to Exhibit 4.1 of the Registrant's Annual Report to Form 10-K for the fiscal year ended December 31, 2003 filed with the SEC on March 15, 2004).
4.2	Rights Agreement, dated as of December 9, 1999, between Mobile Mini, Inc. and Norwest Bank Minnesota, NA, as rights agent. (Incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A filed with the SEC on December 13, 1999).
4.3	Indenture, dated as of November 23, 2010, among Mobile Mini, Inc., the Guarantor parties thereto, Law Debenture Trust Company of New York, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, registrar and transfer agent. (Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 29, 2010).

Exhibit Number	Description
4.4	Indenture, dated as of May 9, 2016, by and among the Company, the subsidiary guarantors identified therein, and Deutsche Bank Trust Company Americas, as trustee, paying agent, registrar and transfer agent (Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 10, 2016).
4.5	Registration Rights Agreement, dated as of May 9, 2016, by and among the Company, the subsidiary guarantors identified therein, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., BNP Paribas Securities Corp., J.P. Morgan Securities LLC, BBVA Securities Inc., and Mitsubishi UFJ Securities (USA) Inc., as initial purchasers (Incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on May 10, 2016).
4.6*	Description of Registrant's Securities
10.1†	Mobile Mini, Inc. Amended and Restated 1999 Stock Option Plan, as amended through March 25, 2003. (Incorporated by reference to Appendix B to the Registrant's Definitive Proxy Statement for its 2003 Annual Meeting of Stockholders, filed with the SEC on April 11, 2003).
10.2†	Form of Stock Option Grant Agreement. (Incorporated by reference to Exhibit 10.2.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 filed with the SEC on March 16, 2005).
10.3†	Mobile Mini, Inc. Amended and Restated Equity Incentive Plan, effective March 20, 2015. (Incorporated by reference to Appendix B of the Registrant's Definitive Proxy Statement for its 2015 Annual Meeting of Stockholders filed with the SEC on March 30, 2015).
10.4†	Amendment No. 1 to the Mobile Mini, Inc. Amended and Restated Equity Incentive Plan (effective as of March 11, 2016) (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 14, 2016).
10.5†	Employment Agreement dated as of December 22, 2009, by and between Mobile Mini, Inc. and Christopher J. Miner. (Incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 24, 2009).
10.6†	Amendment No. 1 to Employment Agreement, effective December 21, 2012, by and between Mobile Mini, Inc. and Christopher J. Miner (Incorporated by reference to Exhibit 10.14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on March 1, 2013).
10.7†	Amendment No. 2 to Employment Agreement, dated April 20, 2015 by and between Mobile Mini, Inc. and Christopher J. Miner. (Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on April 21, 2015).
10.8†	Form of Indemnification Agreement between Mobile Mini, Inc. and its Directors and Executive Officers (Incorporated by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 filed with the SEC on August 9, 2004).
10.9	ABL Credit Agreement, dated February 22, 2012, among Mobile Mini, Deutsche Bank AG New York Branch and other lenders party thereto. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 28, 2012).
10.10++	Schedules to the ABL Credit Agreement, dated February 22, 2012, among Mobile Mini, Deutsche Bank AG New York Branch and other Lenders party thereto. (Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 filed with the SEC on May 10, 2012).
10.11†	Amended and Restated Executive Employment Agreement, effective as of January 14, 2016, by and between Mobile Mini, Inc. and Erik Olsson. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 14, 2016).
10.12†	Form of Stock Option Agreement between Mobile Mini, Inc. and Erik Olsson. (Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8 filed with the SEC on May 10, 2013).

Exhibit Number	Description
10.13†	Retirement Transition Agreement and Mutual Release Agreement between Mobile Mini, Inc. and Erik Olsson, dated May 6, 2019 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 10, 2019)
10.14†	Letter agreement between Mobile Mini, Inc. and Erik Olsson, dated May 6, 2019 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on May 10, 2019
10.15†	Second Amended and Restated Employment Agreement between Mobile Mini, Inc. and Kelly Williams, dated June 4, 2014. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 10, 2014).
10.16†	Amendment No. 1 to Second Amended and Restated Employment Agreement, dated April 20, 2015 by and between Mobile Mini, Inc. and Kelly Williams. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 21, 2015)
10.17†	Third Amended and Restated Employment Agreement between Mobile Mini and Kelly Williams, dated January 15, 2019. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 22, 2019)
10.18†	Fourth Amended and Restated Employment Agreement between Mobile Mini and Kelly Williams, dated May 8, 2019. (Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on May 10, 2019)
10.19	Incremental Credit Agreement dated as of December 10, 2014, to the ABL Credit Agreement, dated as of February 22, 2012, among Mobile Mini, Inc., the other borrowers and guarantors party thereto, the lenders from time to time party thereto and Deutsche Bank AG New York Branch, as administrative agent. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 11, 2014).
10.20	Amended and Restated ABL Credit Agreement, dated December 14, 2015, among Mobile Mini, Inc., Deutsche Bank AG New York Branch, and the other lenders party thereto. (Incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 5, 2016).
10.21++	Schedules to the Amended and Restated ABL Credit Agreement, dated December 14, 2015, between Mobile Mini, Inc., Deutsche Bank AG New York Branch and the other lenders party thereto. (Incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 5, 2016).
10.22++	Second Amended and Restated ABL Credit Agreement, dated March 22, 2019, among Mobile Mini, Inc., Deutsche Bank AG New York Branch, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 25, 2019)
10.23	Asset Purchase Agreement, dated as of April 16, 2015, between New Acton Mobile Industries LLC and Mobile Mini, Inc. (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the SEC on July 23, 2015).
10.24	Purchase Agreement, dated May 4, 2016, by and between the Company, and Deutsche Bank Securities Inc., as the representative of the several parties listed on Schedule II thereto (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 10, 2016).
10.25†	Employment Agreement between Mobile Mini, Inc. and Van Welch, dated August 31, 2017 (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 7, 2017).
10.26†	Employment Agreement between Mobile Mini, Inc. and Mark Krivoruchka, dated November 30, 2017 (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2017).
10.27†	Amendment to Employment Agreement between Mobile Mini, Inc. and Mark Krivoruchka, dated December 30, 2019 (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 3, 2020).
21*	Subsidiaries of Mobile Mini, Inc.

Exhibit Number	Description
23.1*	Consent of Independent Registered Public Accounting Firm.
24*	Power of Attorney (included on signature page).
31.1*	Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K.
31.2*	Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-K.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Item 601(b)(32) of Regulation S-K.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, has been formatted in Inline XBRL.

* Filed herewith.

** Furnished herewith.

\+ The schedules and exhibits in this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Mobile Mini agrees to furnish supplementally a copy of such schedules and exhibits, or any section thereof, to the SEC upon request.

++ Confidential treatment has been granted for certain portions of this exhibit pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended. The confidential information has been omitted and filed separately with the Securities and Exchange Commission.

† Management contract or compensatory arrangement.

SIGNATURES

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

MOBILE MINI, INC.

Date: February 3, 2020

By: /s/ Kelly Williams
Kelly Williams
President & Chief Executive Officer and Director

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Van Welch his true and lawful attorneys-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, and fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming all that said attorney-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

Date: February 3, 2020

By: /s/ Kelly Williams
Kelly Williams
President & Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 3, 2020

By: /s/ Van Welch
Van Welch
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: February 3, 2020

By: /s/ Scott Sailors
Scott Sailors
Director of Accounting & Controller

Date: February 3, 2020

By: /s/ Erik Olsson
Erik Olsson
Non-Executive Chairman of the Board and Director

Date: February 3, 2020

By: /s/ Michael L. Watts
Michael L. Watts, Lead Independent Director

Date: February 3, 2020

By: /s/ Sara R. Dial
Sara R. Dial, Director

Date: February 3, 2020

By: /s/ Jeffrey S. Goble
Jeffrey S. Goble, Director

Date: February 3, 2020

By: /s/ James J. Martell
James J. Martell, Director

Date: February 3, 2020

By: /s/ Stephen A McConnell
Stephen A McConnell, Director

Date: February 3, 2020

By: /s/ Frederick G. McNamee, III
Frederick G. McNamee, III, Director

Date: February 3, 2020

By: /s/ Kimberly J. McWaters
Kimberly J. McWaters, Director

Date: February 3, 2020

By: /s/ Lawrence Trachtenberg
Lawrence Trachtenberg, Director

Date: February 3, 2020

By: /s/ Michael W. Upchurch
Michael W. Upchurch, Director