



## Dear Fellow Mobile Mini Stockholders:

2018 was an exceptional year for Mobile Mini. Compared to 2017, 2018 rental revenues grew 12% to \$558.2 million and adjusted EBITDA increased 18% to \$217.2 million.

Looking back, the fourth quarter of 2017 was an inflection point for us. Throughout 2018, we continued growing and further separated ourselves from our competitors as the premium provider of product and services for both segments of our business – especially for our National Customers who value our nationwide presence and the connectivity tools we provide.

## 2018 Performance

In 2018, both segments capitalized on the momentum generated at the end of 2017. Compared to 2017, Tank & Pump Solutions' 2018 rental revenues were up 20%, North America Storage Solutions' rental revenues were up 11%, and United Kingdom Storage Solutions' rental revenues grew 1% in local currency despite headwinds from Brexit uncertainties. By leveraging our infrastructure and efficiencies, we converted this robust top-line growth into increased profitability. Our 2018 adjusted EBITDA margin grew to 36.6%, a 200 basis point increase from 2017. We generated \$72.9 million of free cash flow and returned \$44.5 million to shareholders through dividends. Further, we decreased our total debt-to-

adjusted EBITDA leverage ratio to 4.2x as of December 31, 2018, from 5.0x as of December 31, 2017.

Employees at Mobile Mini are dedicated to identifying and implementing efficiencies throughout the Company. In 2018, we utilized our enterprise resource planning platform to deliver deepened insight into the economics of our capital assets. As a result, in the second half of 2018, we launched an organization-wide assessment of the economic and operational status of our fleet and other assets. This project resulted in more effective fleet management processes, greater yard efficiencies, and precipitated our decision to divest more than 26,000 units that we determined were uneconomic to repair. Even with less required capital employed, we can generate the same amount of revenue and provide the same premium customer service.

In October 2018, Kelly Williams, our Chief Operating Officer since 2014, was promoted to President & COO. Kelly is now responsible for daily operations company-wide, allowing me to focus on our strategic growth.

Also in 2018, we were honored that Mobile Mini was named one of the Most Admired Companies in Arizona by AZ Business Magazine and Best Companies AZ, due to our corporate leadership and responsibility, community involvement, and innovative and supportive workplace culture. With a focus



on community giving, we as a company made in-kind corporate donations to a variety of non-profits and provided financial support to local charities.

### **2019 Outlook**

Mobile Mini enters 2019 a financially stronger and more efficient company than ever before. Based on forecasts and our assessment of current business trends, we expect the majority – if not all – of our end markets will continue to drive healthy demand for our products in 2019. Our strategy for generating strong organic growth include achieving deeper penetration of our end markets and additional revenue from our existing customers, especially National Customers. We also have a proven strategy to enter new geographic markets by migrating available fleet to locations we feel have significant potential demand for our assets and by providing service from nearby field locations. Additionally, we remain open to exploring acquisition opportunities as a method to create value and expand to new or underserved markets. Combining these strategies, we expect our revenue growth to outpace that of the U.S. economy.

National Customers value our premium service, including our superior technological tools. We are poised to deliver additional enhancements to MM Connect and EnviroTrack, especially in mobility. Our customer portal, MM Connect, provides customers real-time access to track units on rent, order new units, request services, and make payments. Specific to Tank & Pump Solutions, we continue leveraging EnviroTrack, which customers use to track

equipment and regulatory compliance. Technological innovation is a real market differentiator, enabling us to develop long-term relationships with customers and help them improve their productivity.

In 2019, we will continue to explore opportunities to partner with other rental companies to consolidate early on-site rental needs such as generators, dumpsters, toilet services, and temporary fencing for our customers' jobsites, and remodels. Arranging these comprehensive additional products increases customer loyalty while generating additional rental revenue for us with no incremental capital expenditures.

Driven by increased revenues, technological innovation, and continuous operational improvements, we anticipate higher return on capital employed and the expansion of our adjusted EBITDA margin in 2019. We also expect to generate healthy free cash flow, which we will deploy to bring value to our shareholders.

I am very pleased with our 2018 performance and look forward to another great year in 2019. On behalf of our Board of Directors, I want to thank the Mobile Mini team, our customers and you, our shareholders, for your ongoing support of our Company.

Erik Olsson  
Chief Executive Officer

