

Herc Rentals

NYSE: HRI

Invitation-only, performance-ranked freight ecosystem with rare multi-board access.

CURRENT MARGIN RUN-RATE

~\$1.8M

UPSIDE SCENARIO

\$2.3–\$2.5M

INTEGRATION TAILWIND

~40% vol.

ELITE ACCESS

3–4 brokers

Executive Overview

- Herc Rentals is a top-three rental operator and expanded materially through its 2025 H&E acquisition, creating meaningful volume tailwinds.
- Core was onboarded in mid-2025 via Transportation Insight (TI) corporate referral and quickly became a top performer.
- Core earned rare multi-board access granted to only 3–4 brokers nationally (U.S., Canada, ProSolutions, After-Hours, Emergency).
- 2026 growth is driven by full-year contribution vs. partial 2025 ramp, H&E integration (+160 branches, ~40% more volume), AVRL automation, and premium emergency/after-hours freight.

Verified Baseline & Positioning

Metric	Detail
Network structure	Centralized procurement and performance-ranked awarding; invitation-only access.
Onboarding	Mid-2025 via TI corporate referral; rapid ramp.
Current run rate	~\$150K Oct margin ~\$1.8M annualized run rate (Peakstone case study).
Access level	U.S., Canada, ProSolutions, After-Hours, Emergency (elite multi-board access).
Integration tailwind	+160 branches; ~40% more volume from H&E integration (Peakstone case study).

Closed Ecosystem Thesis

- Herc's network is closed and invitation-only; new broker additions are rare and performance-gated.
- Core's multi-board access is a defensible advantage because it is earned through ranking and trust – not procurement paperwork.
- Premium boards (After-Hours, Emergency) allocate the highest-yield freight based on execution credibility.

2026 Organic Growth Plan

1 Full-Year Run Rate Capture

- Convert 2025 ramp into a full-year 2026 baseline at the current monthly run rate.
- Maintain top-tier responsiveness and data accuracy to protect ranking.

2 H&E Integration Share Capture

- Pre-position pricing and operational capacity as systems consolidate through Transportation Insight.
- Expand lane intelligence as branch footprint grows, prioritizing high-yield complexity.

3 AVRL Automation (coverage + precision)

- Automate a growing share of bids and expand throughput with flat headcount.
- Drive +0.5–1.0 pp margin lift via improved cost-to-carry precision.

4 Premium Freight (After-Hours + Emergency)

- Operationalize a rapid-response playbook and ensure 24/7 coverage for time-sensitive requests.
- Prioritize service metrics that preserve invite-only eligibility.

2026 Outlook

Metric	2025 Baseline	2026 Base	Notes
Margin run rate	~\$1.8M annualized	\$1.8–\$2.0M	Full-year vs partial 2025.
Upside scenario	—	\$2.3–\$2.5M	Storm/integration year upside.
H&E integration	In progress	Full integration	~40% volume tailwind.
AVRL automation	0% ramp	~35% (target)	Efficiency + margin lift.

Investor Takeaway

Herc is a locked, centralized, performance-ranked ecosystem where access is scarce and share is earned. Core's elite multi-board access – including After-Hours and Emergency – positions the company in the highest-yield tiers of the network. The 2026 plan is straightforward: convert ramp to a full-year baseline, harvest the H&E integration tailwind, and scale bid coverage and precision through AVRL automation without increasing SG&A.

Notes & Assumptions

- Multi-board access and baseline metrics shown are summarized from Peakstone case study materials for Herc.
- Forward-looking ranges reflect management targets and are subject to internal review and market conditions.
- All metrics shown are for strategic planning and do not constitute guarantees.