

# H&E EQUIPMENT SERVICES®



## *History 1961-Present*

H&E Equipment Services was established in 1961, when manufacturer's sales representative Tom Engquist and Houston equipment distributor Frank Head recognized a trend of growth along the Mississippi River and decided to take advantage of the increasing opportunities that were developing in the earthmoving and construction equipment business.

Founding their alliance in Baton Rouge, the two men named their company Head and Engquist and focused on offering quality construction equipment and personalized customer service.

By 1968, the reputation Tom Engquist and Frank Head built drew the attention of Southwest Growth Pool. Southwest Growth Pool, a diversified conglomerate, bought Head & Engquist and retained the services of Tom Engquist to manage the business.

In 1974 Southwest Growth Pool elected to liquidate and Tom Engquist once again purchased the company along with minority partner Bob Kennedy. Business continued to grow with the opening of a new branch in Kenner, LA in 1978. Expanding to Kenner enhanced opportunities in the growing New Orleans market.

Six years later, Kennedy left Head & Engquist to join Houston's South Texas Equipment as their executive vice president and general manager. Like Head & Engquist, Southwest Texas Equipment was the Grove Crane distributor, which set the stage for a merge with Head & Engquist.

The opportunity to merge the two companies came in 1988 when South Texas Equipment's parent company moved to divest itself from the wholesale equipment business. A partnership including Bob Kennedy, Tom Engquist and his son John was quickly formed to purchase South Texas Equipment. In 1991, the company's stock was liquidated, and it became a wholly-owned division of Head & Engquist.

Other Head & Engquist stores opened between 1985 and 1991 in Shreveport, LA; Lake Charles, LA; and Beaumont, TX. Between 1995 and 1997, branch offices also opened in Alexandria, LA; Little Rock, Springdale and Fort Smith, AR; San Antonio, TX; Jackson, MS; and Memphis, TN. Aerial lift divisions opened in Southern Texas and Gonzales, LA.

To solidify the crane and aerial lift market in the large Dallas, TX area, Head & Engquist acquired Martin Equipment in August 1998. This Dallas-based distributor boasted more than \$20 million in annual sales, and provided Head & Engquist access to the Manitowoc Crane line. The purchase of this Manitowoc Crane distributor meant instant expansion into Martin's territory of North, East and West Texas. Such a strategic move was important because Manitowoc Cranes holds the highest market share for lattice boom cranes in the United States.

That same year, Head & Engquist acquired Houston-based Coastal Crane. In business since 1971, Coastal was among the leaders in the Manitowoc distributor network. Coastal also rebuilt Manitowoc cranes, sold replacement parts and serviced Manitowoc cranes. The Coastal acquisition included offices in Belle Chase, LA and Birmingham, AL, and opened markets in Southern Texas, Mississippi, Louisiana, Alabama and Tennessee.

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Continual growth established Head & Engquist as a premium equipment dealer and one of the largest equipment distributors in the world.

In May 1999, the majority interest in Head & Engquist's parent company (Gulf Wide Industries L.L.C.) was purchased by a capital investment group called BRS. In addition, in the spring of 1999, BRS made another significant investment in a large equipment distributor that operated in the west, ICM Equipment Company LLC, with the intent of merging the two corporations.

The merger of Head & Engquist and ICM was delayed due to the unstable economy, but growth continued. After years of focusing on the earthmoving and industrial crane business, Head & Engquist turned their attention to the aerial lift and telescopic forklift business. In 2000, Head & Engquist embarked in a huge undertaking as they established H&E Hi-Lift with locations in Texas, Florida, Louisiana, Georgia and North Carolina. H&E Hi-Lift secured dealership rights for such top-name manufacturers as JLG, Genie, Gehl, Gradall and Skytrak.

By the summer of 2002 things began to turn around in the bond market, providing the perfect opportunity and funding necessary to merge Head & Engquist and ICM. The merge took place June 17, 2002, creating H&E Equipment Services L.L.C.

The many common manufacturers and the contiguous geographic markets of ICM and Head and Engquist made the merger of the two companies a perfect match. Once combined the company operated 47 facilities throughout the Gulf Coast, Intermountain, Southwest and Northwest Regions with a combined rental fleet of over 15,000 units.

On January 31, 2006 H&E Equipments Service L.L.C. announced their Initial Public Offering (IPO) of common stock at a price of \$18.00 per share on NASDAQ becoming H&E Equipment Services, Inc. (NASDAQ: HEES) The Company sold 10,937,500 shares in the offering. An additional 1,640,625 shares were sold pursuant to an over-allotment option exercised by the underwriters. Total net proceeds to the Company from the offering, after deducting underwriter discounts, commissions and estimated offering expenses, were approximately \$198,807,813.

With a portion of the proceeds generated by the IPO, H&E Equipment Services, Inc. acquired the assets of Eagle High Reach on February 28, 2006. Eagle High Reach was a Southern California-based equipment company, operating 4 locations in La Mirada, Santa Fe Springs, San Diego and Bakersfield. Eagle focused primarily on aerial lift rentals, but with the acquisition, these locations adopted the H&E full service dealership model and now provide rentals, sales, parts, service and training.

On September 1, 2007, H&E Equipment Services, Inc. acquired the assets of J.W. Burress, Incorporated, headquartered in Roanoke, Virginia with 12 locations in the mid-Atlantic states of Virginia, North Carolina, South Carolina & Maryland. The J.W. Burress locations now make up the Mid-Atlantic Division of H&E Equipment Services, Inc., bringing the current total H&E locations to 65 nationwide.

Executive Officers for H&E Equipment Services, Inc. are as follows:

Gary Bagley, Chairman

John Engquist, President, Chief Executive Officer and Director

Leslie Magee, Chief Financial Officer and Secretary

Brad Barber, Executive Vice President and Chief Operating Officer

William W. Fox, Vice President - Cranes and Contract Services

John D. Jones, Vice President of Product Support