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As of October 15, 2018, there were 81,102,622 shares of United Rentals, Inc. common stock, \$0.01 par value, outstanding. There is no market for the common stock of United Rentals (North America), Inc., all outstanding shares of which are owned by United Rentals, Inc.

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This combined Form 10-Q is separately filed by (i) United Rentals, Inc. and (ii) United Rentals (North America), Inc. (which is a wholly owned subsidiary of United Rentals, Inc.). United Rentals (North America), Inc. meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this report with the reduced disclosure format permitted by such instruction.

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 UNITED RENTALS (NORTH AMERICA), INC.
 FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2018
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “seek,” “on-track,” “plan,” “project,” “fore” or “anticipate,” or the negative thereof or comparable terminology, or by discussions of strategy or outlook. You are cautioned that our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control, and, consequently, our actual results may differ materially from those projected.

Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following:

- the possibility that companies that we have acquired or may acquire, including NES Rentals Holdings II, Inc. (“NES”), Neff Corporation (“Neff”), BakerCorp International Holdings, Inc. (“BakerCorp”) and Vander Holding Corporation and its subsidiaries (“BlueLine”), could have undiscovered liabilities or involve other unexpected costs, may strain our management capabilities or may be difficult to integrate;
- the possibility that the proposed BlueLine acquisition will not close;
- the cyclical nature of our business, which is highly sensitive to North American construction and industrial activities;
- if construction or industrial activity decline, our revenues and, because many of our costs are fixed, our profitability may be adversely affected;
- our significant indebtedness (which totaled \$10.1 billion at September 30, 2018) requires us to use a substantial portion of our cash flow for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions;
- inability to refinance our indebtedness on terms that are favorable to us, or at all;
- incurrence of additional debt, which could exacerbate the risks associated with our current level of indebtedness;
- noncompliance with financial or other covenants in our debt agreements, which could result in our lenders terminating the agreements and requiring us to repay outstanding borrowings;
- restrictive covenants and amount of borrowings permitted in our debt instruments, which can limit our financial and operational flexibility;
- overcapacity of fleet in the equipment rental industry;
- inability to benefit from government spending, including spending associated with infrastructure projects;
- fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated;
- rates we charge and time utilization we achieve being less than anticipated;
- inability to manage credit risk adequately or to collect on contracts with a large number of customers;
 - inability to access the capital that our businesses or growth plans may require;
- incurrence of impairment charges;
- trends in oil and natural gas could adversely affect the demand for our services and products;
- the fact that our holding company structure requires us to depend in part on distributions from subsidiaries and such distributions could be limited by contractual or legal restrictions;
- increases in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves;
- incurrence of additional expenses (including indemnification obligations) and other costs in connection with litigation, regulatory and investigatory matters;
- the outcome or other potential consequences of regulatory matters and commercial litigation;
- shortfalls in our insurance coverage;
-

our charter provisions as well as provisions of certain debt agreements and our significant indebtedness may have the effect of making more difficult or otherwise discouraging, delaying or deterring a takeover or other change of control of us;

• turnover in our management team and inability to attract and retain key personnel;

• costs we incur being more than anticipated, and the inability to realize expected savings in the amounts or time frames planned;

• dependence on key suppliers to obtain equipment and other supplies for our business on acceptable terms;

• inability to sell our new or used fleet in the amounts, or at the prices, we expect;

• competition from existing and new competitors;

• risks related to security breaches, cybersecurity attacks and other significant disruptions in our information technology systems;

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the costs of complying with environmental, safety and foreign law and regulations, as well as other risks associated with non-U.S. operations, including currency exchange risk;

- labor disputes, work stoppages or other labor difficulties, which may impact our productivity, and potential enactment of new legislation or other changes in law affecting our labor relations or operations generally;

increases in our maintenance and replacement costs and/or decreases in the residual value of our equipment; and the effect of changes in tax law, such as the effect of the Tax Cuts and Jobs Act that was enacted on December 22, 2017.

For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report on Form 10-K for the year ended December 31, 2017, as well as to our subsequent filings with the SEC. Our forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UNITED RENTALS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In millions, except share data)

	September 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 65	\$ 352
Accounts receivable, net of allowance for doubtful accounts of \$77 at September 30, 2018 and \$68 at December 31, 2017	1,438	1,233
Inventory	104	75
Prepaid expenses and other assets	85	112
Total current assets	1,692	1,772
Rental equipment, net	8,910	7,824
Property and equipment, net	529	467
Goodwill	4,313	4,082
Other intangible assets, net	895	875
Other long-term assets	15	10
Total assets	\$ 16,354	\$ 15,030
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of long-term debt	\$ 896	\$ 723
Accounts payable	688	409
Accrued expenses and other liabilities	503	536
Total current liabilities	2,087	1,668
Long-term debt	9,182	8,717
Deferred taxes	1,628	1,419
Other long-term liabilities	123	120
Total liabilities	13,020	11,924
Common stock—\$0.01 par value, 500,000,000 shares authorized, 112,874,448 and 81,537,040 shares issued and outstanding, respectively, at September 30, 2018 and 112,394,395 and 84,463,662 shares issued and outstanding, respectively, at December 31, 2017	1	1
Additional paid-in capital	2,380	2,356
Retained earnings	3,791	3,005
Treasury stock at cost—31,337,408 and 27,930,733 shares at September 30, 2018 and December 31, 2017, respectively	(2,660)	(2,105)
Accumulated other comprehensive loss	(178)	(151)
Total stockholders' equity	3,334	3,106
Total liabilities and stockholders' equity	\$ 16,354	\$ 15,030
See accompanying notes.		

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UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Revenues:				
Equipment rentals	\$ 1,861	\$ 1,536	\$4,951	\$4,069
Sales of rental equipment	140	139	478	378
Sales of new equipment	54	40	140	126
Contractor supplies sales	24	21	66	60
Service and other revenues	37	30	106	86
Total revenues	2,116	1,766	5,741	4,719
Cost of revenues:				
Cost of equipment rentals, excluding depreciation	671	557	1,883	1,556
Depreciation of rental equipment	343	290	988	804
Cost of rental equipment sales	83	84	282	225
Cost of new equipment sales	46	34	121	108
Cost of contractor supplies sales	15	14	43	42
Cost of service and other revenues	20	14	58	42
Total cost of revenues	1,178	993	3,375	2,777
Gross profit	938	773	2,366	1,942
Selling, general and administrative expenses	265	237	736	648
Merger related costs	11	16	14	32
Restructuring charge	9	9	15	28
Non-rental depreciation and amortization	75	63	213	189
Operating income	578	448	1,388	1,045
Interest expense, net	118	131	339	338
Other income, net	—	(5) (2) (5
Income before provision for income taxes	460	322	1,051	712
Provision for income taxes	127	123	265	263
Net income	\$ 333	\$ 199	\$786	\$449
Basic earnings per share	\$ 4.05	\$ 2.36	\$9.44	\$5.31
Diluted earnings per share	\$ 4.01	\$ 2.33	\$9.34	\$5.26
See accompanying notes.				

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UNITED RENTALS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
 (In millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net income	\$ 333	\$ 199	\$ 786	\$ 449
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	18	41	(28)	75
Fixed price diesel swaps	—	1	1	—
Other comprehensive (loss) income	18	42	(27)	75
Comprehensive income (1)	\$ 351	\$ 241	\$ 759	\$ 524

(1)There were no material reclassifications from accumulated other comprehensive loss reflected in other comprehensive income (loss) during 2018 or 2017. There is no tax impact related to the foreign currency translation adjustments, as the earnings are considered permanently reinvested. There were no material taxes associated with other comprehensive income (loss) during 2018 or 2017.

See accompanying notes.

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UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

(In millions)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss (2)
	Number of Shares (1)	Amount			Number of Shares Amount	
Balance at December 31, 2017	84	\$ 1	\$ 2,356	\$ 3,005	28 \$(2,105)	\$ (151)
Net income				786		
Foreign currency translation adjustments						(28)
Fixed price diesel swaps						1
Stock compensation expense, net	1		73			
Exercise of common stock options			2			
Shares repurchased and retired			(51)			
Repurchase of common stock	(3)				3 (555)	
Balance at September 30, 2018	82	\$ 1	\$ 2,380	\$ 3,791	31 \$(2,660)	\$ (178)

(1)Common stock outstanding increased by less than 1 million net shares during the year ended December 31, 2017.

(2)The Accumulated Other Comprehensive Loss balance primarily reflects foreign currency translation adjustments.

See accompanying notes.

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UNITED RENTALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In millions)

	Nine Months Ended September 30, 2018 2017	
Cash Flows From Operating Activities:		
Net income	\$ 786	\$ 449
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,201	993
Amortization of deferred financing costs and original issue discounts	9	6
Gain on sales of rental equipment	(196)	(153)
Gain on sales of non-rental equipment	(4)	(4)
Gain on insurance proceeds from damaged equipment	(18)	(10)
Stock compensation expense, net	73	64
Merger related costs	14	32
Restructuring charge	15	28
Loss on repurchase/redemption of debt securities and amendment of ABL facility	—	43
Increase in deferred taxes	190	97
Changes in operating assets and liabilities, net of amounts acquired:		
Increase in accounts receivable	(131)	(172)
Increase in inventory	(23)	(9)
Decrease (increase) in prepaid expenses and other assets	31	(1)
Increase in accounts payable	238	350
(Decrease) increase in accrued expenses and other liabilities	(62)	43
Net cash provided by operating activities	2,123	1,756
Cash Flows From Investing Activities:		
Purchases of rental equipment	(1,962)	(1,485)
Purchases of non-rental equipment	(134)	(87)
Proceeds from sales of rental equipment	478	378
Proceeds from sales of non-rental equipment	13	10
Insurance proceeds from damaged equipment	18	10
Purchases of other companies, net of cash acquired	(805)	(1,063)
Purchases of investments	(1)	(5)
Net cash used in investing activities	(2,393)	(2,242)
Cash Flows From Financing Activities:		
Proceeds from debt	7,062	8,702
Payments of debt	(6,464)	(8,156)
Proceeds from the exercise of common stock options	2	1
Common stock repurchased	(606)	(26)
Payments of financing costs	(1)	(44)
Net cash (used in) provided by financing activities	(7)	477
Effect of foreign exchange rates	(10)	21
Net (decrease) increase in cash and cash equivalents	(287)	12
Cash and cash equivalents at beginning of period	352	312
Cash and cash equivalents at end of period	\$ 65	\$ 324
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net	\$ 50	\$ 114

Cash paid for interest	379	305
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See accompanying notes.

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UNITED RENTALS, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in millions, except per share data, unless otherwise indicated)

1. Organization, Description of Business and Basis of Presentation

United Rentals, Inc. (“Holdings,” “URI” or the “Company”) is principally a holding company and conducts its operations primarily through its wholly owned subsidiary, United Rentals (North America), Inc. (“URNA”), and subsidiaries of URNA. Holdings’ primary asset is its sole ownership of all issued and outstanding shares of common stock of URNA. URNA’s various credit agreements and debt instruments place restrictions on its ability to transfer funds to its shareholder.

We rent equipment to a diverse customer base that includes construction and industrial companies, manufacturers, utilities, municipalities, homeowners and government entities in the United States, Canada and Europe. In addition to renting equipment, we sell new and used rental equipment, as well as related contractor supplies, parts and service. We have prepared the accompanying unaudited condensed consolidated financial statements in accordance with the accounting policies described in our annual report on Form 10-K for the year ended December 31, 2017 (the “2017 Form 10-K”) and the interim reporting requirements of Form 10-Q. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the 2017 Form 10-K.

In our opinion, all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of financial condition, operating results and cash flows for the interim periods presented have been made. Interim results of operations are not necessarily indicative of the results of the full year.

New Accounting Pronouncements

Leases. In March 2016, the Financial Accounting Standards Board (“FASB”) issued guidance (“Topic 842”) to increase transparency and comparability among organizations by requiring (1) recognition of lease assets and lease liabilities on the balance sheet and (2) disclosure of key information about leasing arrangements. Some changes to the lessor accounting guidance were made to align both of the following: (1) the lessor accounting guidance with certain changes made to the lessee accounting guidance and (2) key aspects of the lessor accounting model with revenue recognition guidance. Topic 842 will be effective for fiscal years and interim periods beginning after December 15, 2018, and early adoption is permitted. A modified retrospective approach is required for adoption for all leases that exist at or commence after the date of initial application with an option to use certain practical expedients. We expect to use the package of practical expedients that allows us to not reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases. We additionally expect to use the practical expedient that allows us to treat the lease and non-lease components of our leases as a single component for our real estate leases. We expect to adopt this guidance when effective, using the transition method that allows us to initially apply Topic 842 at the adoption date of January 1, 2019 and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption.

As discussed in note 2 to our condensed consolidated financial statements, most of our equipment rental revenues, which accounted for 86 percent of total revenues for the nine months ended September 30, 2018, will be accounted for under the current lease accounting standard (“Topic 840”) until the adoption of Topic 842. We have tentatively concluded that no significant changes are expected to the accounting for most of our equipment rental revenues upon adoption of Topic 842.

Under Topic 842, our operating leases, which include both real estate and non-rental equipment, will result in lease assets and lease liabilities being recognized on the balance sheet. We lease a significant portion of our branch locations, and also lease other premises used for purposes such as district and regional offices and service centers. We expect that the quantification of the amount of the lease assets and lease liabilities that we will recognize on our balance sheet will take a significant amount of time given the size of our lease portfolio. While our review of the lessee accounting requirements of Topic 842 is ongoing, we believe that the impact on our balance sheet, while not

currently estimable, will be significant.

Measurement of Credit Losses on Financial Instruments. In June 2016, the FASB issued guidance that will require companies to present assets held at amortized cost and available for sale debt securities net of the amount expected to be collected. The guidance requires the measurement of expected credit losses to be based on relevant information from past events, including historical experiences, current conditions and reasonable and supportable forecasts that affect collectibility. The guidance will be effective for fiscal years and interim periods beginning after December 15, 2019 and early adoption is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Different components of the guidance require modified retrospective or prospective adoption. We are currently assessing whether we will

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early adopt, and the impact on our financial statements is not currently estimable as it will depend on market conditions and our forecast expectations upon, and following, adoption.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance intended to simplify the subsequent accounting for goodwill acquired in a business combination. Prior guidance required utilizing a two-step process to review goodwill for impairment. A second step was required if there was an indication that an impairment may exist, and the second step required calculating the potential impairment by comparing the implied fair value of the reporting unit's goodwill (as if purchase accounting were performed on the testing date) with the carrying amount of the goodwill. The new guidance eliminates the second step from the goodwill impairment test. Under the new guidance, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, and then recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value (although the loss should not exceed the total amount of goodwill allocated to the reporting unit). The guidance requires prospective adoption and will be effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption of this guidance is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We are currently assessing whether we will early adopt. The guidance is not expected to have a significant impact on our financial statements.

Derivatives and Hedging. In August 2017, the FASB issued guidance with the objective of improving the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. The guidance is additionally intended to simplify hedge accounting, and no longer requires separate measurement and reporting of hedge ineffectiveness. For cash flow and net investment hedges existing at the date of adoption, entities must apply a cumulative-effect adjustment related to eliminating the separate measurement of ineffectiveness to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings. The amended presentation and disclosure guidance is required prospectively. The guidance will be effective for fiscal years and interim periods beginning after December 15, 2018, and early adoption is permitted. We are currently assessing whether we will early adopt. Given our currently limited use of derivative instruments, the guidance is not expected to have a significant impact on our financial statements.

Guidance Adopted in 2018

Revenue from Contracts with Customers. See note 2 to our condensed consolidated financial statements for a discussion of our revenue recognition accounting following our adoption in the first quarter of 2018 of FASB guidance addressing the principles for recognizing revenue.

Statement of Cash Flows. In 2018, we retrospectively adopted guidance that was issued to reduce the diversity in the presentation of certain cash receipts and cash payments presented and classified in the statement of cash flows. The guidance addresses the following specific cash flow issues: (1) debt prepayment or debt extinguishment costs, (2) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, (3) contingent consideration payments made after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, (6) distributions received from equity method investees, (7) beneficial interests in securitization transitions and (8) separately identifiable cash flows and application of predominance principle. The adoption of this guidance did not have a significant impact on our financial statements for the three and nine months ended September 30, 2018 or 2017.

Intra-Entity Transfers of Assets Other Than Inventory. In 2018, we adopted guidance that requires companies to recognize the income tax effects of intra-entity sales and transfers of assets other than inventory in the period in which the transfer occurs. The adoption of this guidance did not have a significant impact on our financial statements.

Clarifying the Definition of a Business. In 2018, we adopted guidance that was issued to clarify the definition of a business with the objective of assisting entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The guidance is intended to make determining when a set of assets and activities is a business more consistent and cost-efficient. The future impact of this guidance will depend on the nature of our future activities, and fewer transactions may be treated as acquisitions (or disposals) of

businesses after adoption.

Stock Compensation: Scope of Modification Accounting. In 2018, we prospectively adopted guidance that was issued to provide clarity and reduce both the (1) diversity in practice and (2) cost and complexity when changing the terms or conditions of share-based payment awards. Under the updated guidance, a modification is defined as a change in the terms or conditions of a share-based payment award, and an entity should account for the effects of a modification unless all of the following are met:

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1. The fair value of the modified award is the same as the fair value of the original award immediately before the original award is modified. If the modification does not affect any of the inputs to the valuation techniques that the entity uses to value the award, the entity is not required to estimate the value immediately before and after the modification.

2. The vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified.

3. The classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified.

The majority of our modifications relate to the acceleration of vesting conditions. The accounting for such modifications did not change under the adopted guidance, which did not have a significant impact on our financial statements.

Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act (the "Tax Act") was enacted in December 2017. The Act reduced the U.S. federal corporate tax rate from 35 percent to 21 percent, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign sourced earnings. As of December 31, 2017, we were able to determine a reasonable estimate of (1) the effects on our existing deferred tax balances and (2) the one-time transition tax. We recognized a provisional income tax benefit of \$689 in the year ended December 31, 2017 associated with these items that we reasonably estimated. As of September 30, 2018, we have not changed the provisional estimate recognized in 2017 associated with the effects on our existing deferred tax balances. During the three and nine months ended September 30, 2018, we increased the estimated one-time transition tax by \$6. The Tax Act subjects U.S. shareholders to a tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. Entities can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI in the year the tax is incurred. Given the complexity of the GILTI provisions, we are still evaluating the tax impact and have not yet made the accounting policy election. As of September 30, 2018, we were able to reasonably estimate provisional adjustments, based on current year operations only, related to GILTI and recognized the immaterial adjustments in our financial statements. In all cases as it relates to the Tax Act, we will continue to refine our calculations as additional analysis is completed and as we gain a more thorough understanding of the tax law.

All amounts recognized associated with the Tax Act as of September 30, 2018 are provisional. Given the complexity of the Tax Act, we are still evaluating the tax impact. We expect to complete the accounting in the fourth quarter of 2018. As noted above, most of the impact of the Act was recognized in 2017, with \$6 of additional expense recognized during the three and nine months ended September 30, 2018.

2. Revenue Recognition

Adoption of Accounting Standards Codification ("ASC") Topic 606, "Revenue from Contracts with Customers" In May 2014, and in subsequent updates, the FASB issued guidance ("Topic 606") to clarify the principles for recognizing revenue. Topic 606 is an update to Topic 605, which was the revenue recognition standard in effect through December 31, 2017. Topic 606 includes the required steps to achieve the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We adopted Topic 606 on January 1, 2018, using the modified retrospective method. The adoption of Topic 606 did not result in any significant changes to our historic revenue accounting under Topic 605. Results for 2018 are presented under Topic 606, while results for 2017 continue to reflect our historic accounting under Topic 605. Because there were no significant changes to our revenue recognition accounting upon adoption of Topic 606, no changes to our historic financial statements were required, and no cumulative change to retained earnings was required.

We applied the Topic 606 practical expedient that allows entities to not restate contracts that begin and are completed within the same annual reporting period. No other practical expedients associated with the adoption of Topic 606 were

applied. The only change to our revenue accounting upon adoption of Topic 606 pertains to sales of certain rental equipment. Prior to the adoption of Topic 606, certain sales of rental equipment were deferred until certain contingent future events occurred. Under Topic 606, we are no longer required to defer the revenue. The adoption of Topic 606 results in earlier recognition (primarily in the first quarter) of certain sales of rental equipment, but it does not impact total annual revenue because the contingencies that previously resulted in deferral under Topic 605 are always resolved within the same calendar year. During the three months ended September 30, 2017, we recognized \$139 of sales of rental equipment under Topic 605. Under Topic 606, sales of rental equipment during the three months ended September 30, 2017 would have been \$14 less because such sales would have been recognized prior to the three months ended September 30, 2017. During the nine months ended September 30,

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2017, we recognized \$378 of sales of rental equipment under Topic 605 and such amount does not differ materially from the amount that would have been recognized under Topic 606.

As discussed below, following the adoption of Topic 606, we recognize revenue in accordance with two different accounting standards: 1) Topic 606 and 2) Topic 840 (which addresses lease accounting. As discussed below, we expect to adopt an update to this standard on January 1, 2019). Under Topic 606, revenue from contracts with customers is measured based on the consideration specified in the contract with the customer, and excludes any sales incentives and amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of account under Topic 606. We recognize revenue when we satisfy a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for such products or services. As reflected below, most of our revenue is accounted for under Topic 840. Our contracts with customers generally do not include multiple performance obligations. For contracts with multiple Topic 606 performance obligations, we allocate revenue to each performance obligation using our best estimate of the standalone selling price for each performance obligation.

Nature of goods and services

In the following table, revenue is summarized by type and by the applicable accounting standard.

	Three Months Ended September 30,					
	2018			2017		
	Topic 840	Topic 606	Total	Topic 840	Topic 605	Total
Revenues:						
Owned equipment rentals	\$1,589	\$	-\$1,589	\$1,320	\$	-\$1,320
Re-rent revenue	41	—	41	32	—	32
Ancillary and other rental revenues:						
Delivery and pick-up						