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

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 10, 2020

WILLSCOT MOBILE MINI HOLDINGS CORP.
(Exact name of registrant as specified in its charter)

Delaware	**001-37552**	**82-3430194**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4646 E Van Buren St., Suite 400
Phoenix, AZ 85008
(Address, including zip code, of principal executive offices)

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

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value $0.0001 per share	WSC	The Nasdaq Capital Market
Warrants to purchase common stock(1)	WSCWW	OTC Markets Group Inc.
Warrants to purchase common stock(2)	WSCTW	OTC Markets Group Inc.

(1) Issued in connection with the initial public offering of Double Eagle Acquisition Corp., the registrant's legal predecessor company, in September 2015, which are exercisable for one-half of one share of the registrant's common stock for an exercise price of $5.75.
(2) Issued in connection with the registrant's acquisition of Modular Space Holdings, Inc. in August 2018, which are exercisable for one share of the registrant's common stock at an exercise price of $15.50 per share.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 8.01 Other Events.

As previously disclosed, on March 1, 2020, WillScot Corporation, a Delaware corporation ("WillScot"), Mobile Mini, Inc., a Delaware corporation ("Mobile Mini"), and Picasso Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of WillScot ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, subject to the satisfaction of certain customary closing conditions, Merger Sub would be merged with and into Mobile Mini, with Mobile Mini surviving as a wholly-owned subsidiary of WillScot (the "Merger"). The closing of the Merger was completed on July 1, 2020, upon which Merger Sub merged with and into Mobile Mini and the separate corporate existence of Merger Sub ceased and Mobile Mini continued its existence as the surviving corporation in the Merger and a wholly-owned subsidiary of WillScot. Immediately following the Merger, on July 1, 2020, WillScot changed its name to WillScot Mobile Mini Holdings Corp. (the "Company").

This Current Report on Form 8-K is being filed to provide certain historical financial statements of Mobile Mini and certain pro forma financial information giving effect to the Merger, as set forth under Item 9.01 below, which are incorporated herein by reference, so that such financial information is incorporated by reference into the Company's resale registration statements on Form S-3 filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended.

Included in this filing are (1) the historical consolidated financial statements of Mobile Mini filed hereto as Exhibit 99.1, (2) Mobile Mini management's discussion and analysis of its financial condition and results of operations, filed hereto as Exhibit 99.2 and (3) the pro forma financial information described in Item 9.01(b) below, giving effect to the Merger, filed hereto as Exhibit 99.3.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

The following unaudited (except as noted below) historical financial information of Mobile Mini is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

- Unaudited Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019 (audited);
- Unaudited Condensed Consolidated Statements of Income for the Three and Six Months Ended June 30, 2020 and June 30, 2019
- Unaudited Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2020 and June 30, 2019
- Unaudited Condensed Consolidated Statements of Stockholders' Equity for the Three and Six Months Ended June 30, 2020 and June 30, 2019
- Unaudited Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2020 and June 30, 2019
- Unaudited Notes to the Condensed Consolidated Financial Statements

(b) Pro Forma Financial Information

The following unaudited pro forma financial information, giving effect to the Merger, is filed as Exhibit 99.3 hereto and is incorporated herein by reference.

- Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2020;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the twelve months ended December 31, 2019;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 30, 2019;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 30, 2020; and
- Notes to the Unaudited Pro Forma Condensed Combined Financial Information.

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Historical Unaudited Condensed Combined Financial Statements of Mobile Mini, as of June 30, 2020 and December 31, 2019, and for the three and six months ended June 30, 2020 and June 30, 2019.
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations.
99.3	Unaudited Pro Forma Condensed Combined Financial Information.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

	WillScot Mobile Mini Holdings Corp.
Dated: August 10, 2020	By: /s/ Christopher J. Miner
	Name: Christopher J. Miner
	Title: Senior Vice President, General Counsel & Secretary

Exhibit 99.1

Mobile Mini, Inc.

Financial Statements

June 30, 2020

MOBILE MINI, INC.
Financial Statements
June 30, 2020

MOBILE MINI, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value data)

	June 30, 2020 (unaudited)	December 31, 2019 (audited)
ASSETS		
Cash and cash equivalents	$ 17,170	$ 8,053
Receivables, net of allowance for doubtful accounts of $6,549 and $4,622 at June 30, 2020 and December 31, 2019, respectively	92,465	104,390
Inventories	9,034	9,517
Rental fleet, net	958,155	966,223
Property, plant and equipment, net	152,367	157,183
Operating lease assets	91,807	93,116
Other assets	16,979	13,806
Intangibles, net	49,088	51,185
Goodwill	710,013	713,404
Total assets	$ 2,097,078	$ 2,116,877
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable	$ 32,416	$ 31,554
Accrued liabilities	62,874	77,069
Operating lease liabilities	93,814	94,932
Lines of credit	563,202	555,400
Obligations under finance leases	76,697	74,399
Senior notes, net of deferred financing costs of $2,554 and $2,873 at June 30, 2020 and December 31, 2019, respectively	247,446	247,127
Deferred income taxes	203,596	195,034
Total liabilities	1,280,045	1,275,515
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, 50,665 issued and 44,414 outstanding at June 30, 2020 and 50,381 issued and 44,152 outstanding at December 31, 2019	507	504
Additional paid-in capital	644,915	638,083
Retained earnings	430,665	445,285
Accumulated other comprehensive loss	(80,737)	(65,093)
Treasury stock, at cost, 6,251 and 6,229 shares at June 30, 2020 and December 31, 2019, respectively	(178,317)	(177,417)
Total stockholders' equity	817,033	841,362
Total liabilities and stockholders' equity	$ 2,097,078	$ 2,116,877

See accompanying notes to condensed consolidated financial statements (unaudited).

MOBILE MINI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenues:				
Rental	$ 124,461	$ 141,906	$ 265,117	$ 284,078
Sales	7,551	8,135	15,867	15,358
Other	79	140	147	406
Total revenues	132,091	150,181	281,131	299,842
Costs and expenses:				
Rental, selling and general expenses	78,922	95,735	181,180	187,969
Cost of sales	4,706	5,044	9,808	9,646
Depreciation and amortization	17,563	18,135	35,055	35,470
Total costs and expenses	101,191	118,914	226,043	233,085
Income from operations	30,900	31,267	55,088	66,757
Other income (expense):				
Interest income	12	—	24	—
Interest expense	(7,717)	(10,592)	(16,974)	(21,352)
Deferred financing costs write-off	—	—	—	(123)
Foreign currency exchange	(36)	(167)	(39)	(166)
Income before income tax provision	23,159	20,508	38,099	45,116
Income tax provision	5,917	6,450	12,556	12,973
Net income	$ 17,242	$ 14,058	$ 25,543	$ 32,143
Earnings per share:				
Basic	$ 0.39	$ 0.32	$ 0.58	$ 0.72
Diluted	0.39	0.31	0.58	0.72
Weighted average number of common and common share equivalents outstanding:				
Basic	43,971	44,496	43,922	44,472
Diluted	44,069	44,750	44,227	44,814
Cash dividends declared per share	$ 0.61	$ 0.28	$ 0.91	$ 0.55

MOBILE MINI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Net income	$ 17,242	$ 14,058	$ 25,543	$ 32,143
Foreign currency translation adjustment	(1,259)	(5,236)	(15,644)	(131)
Comprehensive income	$ 15,983	$ 8,822	$ 9,899	$ 32,012

See accompanying notes to condensed consolidated financial statements (unaudited).

MOBILE MINI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	For the Six Months Ended June 30, 2020							
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at January 1, 2020	44,152	$ 504	$ 638,083	$ 445,285	$ (65,093)	6,229	$ (177,417)	$ 841,362
Net income	—	—	—	8,301	—	—	—	8,301
Common stock dividends declared	—	—	—	(13,442)	—	—	—	(13,442)
Other comprehensive loss	—	—	—	—	(14,385)	—	—	(14,385)
Exercise of stock options	24	—	752	—	—	—	—	752
Purchase of treasury stock	(22)	—	—	—	—	22	(900)	(900)
Restricted stock grants, net	225	2	(2)	—	—	—	—	—
Share-based compensation	—	—	2,682	—	—	—	—	2,682
Balance at March 31, 2020	44,379	506	641,515	440,144	(79,478)	6,251	(178,317)	824,370
Net income	—	—	—	17,242	—	—	—	17,242
Common stock dividends declared	—	—	—	(26,721)	—	—	—	(26,721)
Other comprehensive loss	—	—	—	—	(1,259)	—	—	(1,259)
Exercise of stock options	22	—	682	—	—	—	—	682
Purchase of treasury stock	—	—	—	—	—	—	—	—
Restricted stock grants, net	13	1	(1)	—	—	—	—	—
Share-based compensation	—	—	2,719	—	—	—	—	2,719
Balance at June 30, 2020	44,414	$ 507	$ 644,915	$ 430,665	$ (80,737)	6,251	$ (178,317)	$ 817,033

	For the Six Months Ended June 30, 2019							
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at January 1, 2019	44,690	$ 500	$ 619,850	$ 410,641	$ (72,861)	5,296	$ (147,861)	$ 810,269
Net income	—	—	—	18,085	—	—	—	18,085
Common stock dividends declared	—	—	—	(12,339)	—	—	—	(12,339)
Other comprehensive income	—	—	—	—	5,105	—	—	5,105
Exercise of stock options	66	1	1,689	—	—	—	—	1,690
Purchase of treasury stock	(29)	—	—	—	—	29	(1,057)	(1,057)
Restricted stock grants, net	248	2	(2)	—	—	—	—	—
Share-based compensation	—	—	3,404	—	—	—	—	3,404
Balance at March 31, 2019	44,975	503	624,941	416,387	(67,756)	5,325	(148,918)	825,157
Net income	—	—	—	14,058	—	—	—	14,058
Common stock dividends declared	—	—	—	(12,372)	—	—	—	(12,372)
Other comprehensive loss	—	—	—	—	(5,236)	—	—	(5,236)
Exercise of stock options	5	—	114	—	—	—	—	114
Purchase of treasury stock	(321)	—	—	—	—	321	(10,006)	(10,006)
Restricted stock grants, net	35	—	—	—	—	—	—	—
Share-based compensation	—	—	6,933	—	—	—	—	6,933
Balance at June 30, 2019	44,694	$ 503	$ 631,988	$ 418,073	$ (72,992)	5,646	$ (158,924)	$ 818,648

See accompanying notes to condensed consolidated financial statements (unaudited).

MOBILE MINI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Cash flows from operating activities:		
Net income	$ 25,543	$ 32,143
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred financing costs write-off	—	123
Provision for doubtful accounts	3,295	2,303
Amortization of deferred financing costs	909	940
Amortization of long-term liabilities	—	13
Share-based compensation expense	5,401	10,337
Depreciation and amortization	35,055	35,470
Gain on sale of rental fleet	(3,042)	(3,041)
Loss on disposal of property, plant and equipment	186	102
Deferred income taxes	9,705	10,086
Foreign currency exchange	39	166
Changes in certain assets and liabilities:		
Receivables	7,787	21,236
Inventories	351	1,344
Other assets	(1,223)	(806)
Accounts payable	2,784	3,033
Accrued liabilities	(14,375)	(12,897)
Net cash provided by operating activities	72,415	100,552
Cash flows from investing activities:		
Cash paid for business acquired, net of cash acquired	(4,808)	—
Additions to rental fleet, excluding acquisitions	(18,786)	(46,397)
Proceeds from sale of rental fleet	7,385	7,054
Additions to property, plant and equipment, excluding acquisitions	(7,538)	(6,435)
Proceeds from sale of property, plant and equipment	93	133
Net cash used in investing activities	(23,654)	(45,645)
Cash flows from financing activities:		
Net borrowings (repayments) under lines of credit	7,802	(13,395)
Deferred financing costs	—	(3,332)
Principal payments on finance lease obligations	(6,618)	(5,141)
Issuance of common stock	1,433	1,804
Dividend payments	(40,212)	(24,689)
Purchase of treasury stock	(900)	(11,063)
Net cash used in financing activities	(38,495)	(55,816)
Effect of exchange rate changes on cash	(1,149)	(9)
Net increase (decrease) in cash	9,117	(918)
Cash and cash equivalents at beginning of period	8,053	5,605
Cash and cash equivalents at end of period	$ 17,170	$ 4,687

See accompanying notes to condensed consolidated financial statements (unaudited).

MOBILE MINI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2020	**2019**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 16,330	$ 20,195
Cash paid for income and franchise taxes	4,604	3,762
Equipment and other acquired through finance lease obligations	8,921	6,319
Capital expenditures accrued or payable	3,789	6,528

See accompanying notes to condensed consolidated financial statements (unaudited).

MOBILE MINI, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(1) Mobile Mini, Inc. - Organization and Description of Business

Mobile Mini, Inc., a Delaware corporation, is a leading provider of portable storage solutions and tank and pump solutions. In these notes, the terms "Mobile Mini" the "Company," "we," "us," and "our" refer to Mobile Mini, Inc.

At June 30, 2020, we had a fleet of storage solutions units operating throughout the United States (the "U.S."), Canada and the United Kingdom (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 rent 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 had a fleet of tank and pump solutions products, concentrated in the U.S. Gulf Coast, including liquid and solid containment units, serving a specialty sector in the industry. Our tank and pump products are rented 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. The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management of Mobile Mini, all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for all periods presented have been made. The results of operations for the three and six months ended June 30, 2020 and 2019, respectively, are not necessarily indicative of the results to be expected for the full year.

These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and accompanying notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the Securities and Exchange Commission ("SEC") on February 3, 2020.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying condensed 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.

Recent Developments – Merger Agreement

In March 2020, Mobile Mini entered into a definitive merger agreement (the "Merger Agreement") with WillScot Corporation ("WillScot"). The Merger Agreement provides for the merger of Mobile Mini with and into a newly formed subsidiary of WillScot, with Mobile Mini surviving as a wholly owned subsidiary of WillScot (the "Merger"). The board of directors of both Mobile Mini and WillScot approved the Merger and the Merger Agreement. In June 2020, the stockholders of both Mobile Mini and WillScot voted in favor of the adoption of the Merger Agreement and the Merger closed on July 1, 2020. At the effective time of the Merger, subject to the terms and conditions set forth in the Merger Agreement, each outstanding share of the common stock of Mobile Mini was converted into the right to receive 2.4050 shares of WillScot Class A common stock. Subsequent to the Merger, Mobile Mini is no longer a stand-alone public company and is not subject to SEC filing requirements. In the Condensed Consolidated Statement of Income for the six months ended June 30, 2020, $19.9 million of merger-related expenses are included in the financial statement caption rental, selling and general expenses.

Recent Developments – COVID-19

On January 30, 2020, the World Health Organization declared an outbreak of a highly contagious form of an upper respiratory infection caused by COVID-19, a novel coronavirus strain commonly referred to as "coronavirus". Mobile Mini was deemed an essential infrastructure business. We have continued to supply our products and services in most of the areas in which we operate; however, federal and local guidelines and restrictions have significantly curtailed the level of economic activity in affected areas, which include the areas in which we conduct our business.

(2) 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 was effective for annual and interim periods beginning after December 15, 2019. We adopted this standard on January 1, 2020. The adoption did not have a material effect on our consolidated financial statements.

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 is measured using the difference between the carrying amount and the fair value of the reporting unit. This standard was effective for annual and interim periods beginning after December 15, 2019. We adopted this standard on January 1, 2020. The adoption did not 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 was effective for fiscal years and interim periods beginning after December 15, 2019. We adopted this standard utilizing a modified-retrospective approach on January 1, 2020. The adoption did not have a material effect on our consolidated financial statements.

(3) 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 June 30, 2020 and December 31, 2019, 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 June 30, 2020 and December 31, 2019 approximated their respective book values.

The fair value of our $250.0 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 the 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 our Senior Notes were as follows on the dates indicated:

	June 30, 2020	December 31, 2019
	(In thousands)	
Carrying value	$ 250,000	$ 250,000
Fair value	257,350	260,938

In conjunction with the Merger, our revolving credit facility was paid in full and terminated and the Senior Notes were redeemed in July 2020.

(4) Revenues

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 pick up 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.

Contract Costs and Liabilities

When customers are billed in advance, we defer recognition of revenue and reflect unearned rental revenue at the end of the period. As of June 30, 2020 and December 31, 2019, we had approximately $38.7 million and $41.2 million, respectively, of unearned rental revenue included in accrued liabilities in the Condensed Consolidated Balance Sheets for June 30, 2020 and December 31, 2019. We expect to perform the remaining performance obligations and recognize the unearned rental revenue within the next twelve months.

Disaggregated Rental Revenue

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 Three Months Ended June 30, 2020				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Direct rental revenue	$ 66,968	$ 12,349	$ 79,317	$ 15,015	$ 94,332
Delivery, pickup and similar revenue	16,428	2,698	19,126	6,525	25,651
Ancillary rental revenue	2,929	905	3,834	644	4,478
Total rental revenues	$ 86,325	$ 15,952	$ 102,277	$ 22,184	$ 124,461

	For the Three Months Ended June 30, 2019				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Direct rental revenue	$ 68,026	$ 13,292	$ 81,318	$ 21,273	$ 102,591
Delivery, pickup and similar revenue	20,361	4,372	24,733	9,480	34,213
Ancillary rental revenue	3,069	1,265	4,334	768	5,102
Total rental revenues	$ 91,456	$ 18,929	$ 110,385	$ 31,521	$ 141,906

	For the Six Months Ended June 30, 2020				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Direct rental revenue	$ 138,356	$ 25,168	$ 163,524	$ 32,653	$ 196,177
Delivery, pickup and similar revenue	38,252	7,079	45,331	14,246	59,577
Ancillary rental revenue	6,186	1,980	8,166	1,197	9,363
Total rental revenues	$ 182,794	$ 34,227	$ 217,021	$ 48,096	$ 265,117

	For the Six Months Ended June 30, 2019				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
Direct rental revenue	$ 136,501	$ 26,572	$ 163,073	$ 41,382	$ 204,455
Delivery, pickup and similar revenue	42,150	9,048	51,198	18,074	69,272
Ancillary rental revenue	6,321	2,518	8,839	1,512	10,351
Total rental revenues	$ 184,972	$ 38,138	$ 223,110	$ 60,968	$ 284,078

(5) Earnings Per Share

Basic earnings per share (“EPS”) is calculated by dividing net income 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 include 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 and weighted-average shares of common stock outstanding for purposes of calculating basic and diluted EPS:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands, except per share data)			
Numerator:				
Net income	$ 17,242	$ 14,058	$ 25,543	$ 32,143
Denominator:				
Weighted average shares outstanding - basic	43,971	44,496	43,922	44,472
Dilutive effect of share-based awards	98	254	305	342
Weighted average shares outstanding - diluted	44,069	44,750	44,227	44,814
Earnings per share:				
Basic	$ 0.39	$ 0.32	$ 0.58	$ 0.72
Diluted	0.39	0.31	0.58	0.72

The following table represents the effect of stock options and restricted share awards that were issued or outstanding but excluded in calculating diluted EPS because their effect would have been anti-dilutive for the period indicated, or the underlying performance criteria had not yet been met:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
Stock options	1,827	1,540	849	1,523
Restricted share awards	224	111	134	1
Total	2,051	1,651	983	1,524

(6) Acquisition

During the six months ended June 30, 2020, we completed one acquisition of a portable storage business which further strengthened our business in Dallas, Texas. The accompanying condensed consolidated financial statements include the operations of the acquired business from the date of acquisition. The aggregate purchase price for the assets acquired were preliminarily allocated based on their estimated fair values at the date of the acquisition. We have not disclosed the pro-forma impact of the acquisition on operations as it was immaterial to our financial position or results of operations in aggregate.

The components of the purchase price and net assets acquired during the six months ended June 30, 2020 are as follows (in thousands):

Net Assets Acquired	
Rental fleet	$ 3,265
Intangible assets:	
Customer relationships	950
Non-compete agreements	50
Goodwill	570
Other assets	66
Liabilities	(93)
Total purchase price	$ 4,808

(7) Inventories

Inventories at June 30, 2020 and December 31, 2019 consisted of the following:

	June 30, 2020	December 31, 2019
	(In thousands)	
Raw materials and supplies	$ 7,433	$ 6,957
Finished units	1,601	2,560
Inventories	$ 9,034	$ 9,517

(8) 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. 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 as of June 30, 2020 was approximately $1.0 billion.

Depreciation expense related to our rental fleet for the six months ended June 30, 2020 and 2019 was $15.4 million and $15.9 million, respectively. At June 30, 2020, all rental fleet units were pledged as collateral under our 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.

Rental fleet consisted of the following at June 30, 2020 and December 31, 2019:

	Residual Value as Percentage of Original Cost (1)	Estimated Useful Life in Years	June 30, 2020	December 31, 2019
			(In thousands)	
Storage Solutions:				
Steel storage containers	55%	30	$ 623,474	$ 627,230
Steel ground level offices	55	30	370,926	366,630
Other			6,137	6,565
Total			1,000,537	1,000,425
Accumulated depreciation			(172,348)	(166,565)
Total Storage Solutions fleet, net			$ 828,189	$ 833,860
Tank & Pump Solutions:				
Steel tanks		25	$ 81,395	$ 82,015
Roll-off boxes		15 - 20	34,975	35,398
Stainless steel tank trailers		25	31,166	29,716
Vacuum boxes		20	17,193	16,775
Dewatering boxes		20	10,353	9,486
Pumps and filtration equipment		7	14,775	14,343
Other			9,855	9,776
Total			199,712	197,509
Accumulated depreciation			(69,746)	(65,146)
Total Tank & Pump Solutions fleet, net			$ 129,966	$ 132,363
Total rental fleet, net			$ 958,155	$ 966,223

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

(9) 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 the six months ended June 30, 2020 and 2019 was $16.6 million and $16.3 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 Condensed Consolidated Statements of Income.

Property, plant and equipment at June 30, 2020 and December 31, 2019 consisted of the following:

	Residual Value as Percentage of Original Cost	Estimated Useful Life in Years	June 30, 2020	December 31, 2019
			(In thousands)	
Land			$ 1,624	$ 1,653
Vehicles and machinery	0 - 55%	5 - 30	179,507	174,191
Buildings and improvements (1)	0 - 25	3 - 30	32,861	33,137
Computer equipment and software	0	3 - 10	81,108	76,587
Furniture and office equipment	0	3 - 10	4,971	5,354
Property, plant and equipment			300,071	290,922
Accumulated depreciation			(147,704)	(133,739)
Property, plant and equipment, net			$ 152,367	$ 157,183

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

(10) Goodwill and Intangibles

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 $710.0 million total goodwill at June 30, 2020, $475.0 million related to the North America Storage Solutions segment, $53.8 million related to the U.K. Storage Solutions segment and $181.2 million related to the Tank & Pump Solutions segment.

The following table shows the activity and balances related to goodwill from January 1, 2020 to June 30, 2020 (in thousands):

Balance at January 1, 2020	$ 713,404
Acquisition	570
Foreign currency	(3,961)
Balance at June 30, 2020	$ 710,013

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. When the intangible reaches the end of its life and no longer has value to the Company, the gross carrying amount and the related accumulated amortization are removed from our balance sheet.

The following table reflects balances related to intangible assets for the periods presented:

		June 30, 2020			December 31, 2019		
	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
				(In thousands)			
Customer relationships	15 - 20	$ 95,239	$ (47,227)	$ 48,012	$ 94,808	$ (44,846)	$ 49,962
Trade names/trademarks	5 - 7	2,300	(1,429)	871	5,200	(4,164)	1,036
Non-compete agreements	5	337	(155)	182	1,810	(1,648)	162
Other	20	59	(36)	23	60	(35)	25
Total		$ 97,935	$ (48,847)	$ 49,088	$ 101,878	$ (50,693)	$ 51,185

Amortization expense for amortizable intangibles was approximately $3.1 million and $3.2 million for the six-month periods ended June 30, 2020 and 2019, respectively. Based on the carrying value at June 30, 2020, future amortization of intangible assets is expected to be as follows for the years ended December 31 (in thousands):

2020 (remaining)	$ 3,120
2021	5,626
2022	5,163
2023	4,491
2024	4,105
Thereafter	26,583
Total	$ 49,088

(11) Debt

Lines of Credit

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. In conjunction with the Merger, the Credit Agreement was repaid in full and terminated in July 2020.

The Credit Agreement provided for a $1 billion first lien senior secured revolving credit facility, which was 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 was 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 was subject to a similar borrowing base that included certain pledged U.K. collateral; and the Canadian Subfacility was subject to a similar borrowing base that included certain pledged Canadian collateral. Under the terms of the Credit Agreement, certain real property required an appraisal before the value could be considered in the borrowing base of the respective subfacilities. All three borrowing bases were subject to certain reserves and caps customary for financings of this type. The Credit Agreement had an accordion feature that permitted, under certain conditions, an increase of up to $500 million of additional commitments. If at any time the aggregate amounts outstanding under the subfacilities exceeded the respective borrowing base then in effect, a prepayment of an amount sufficient to eliminate such excess was required to be made. Mobile Mini had the right to prepay loans under the Credit Agreement in whole or in part at any time. All amounts borrowed under the Credit Agreement were required to be repaid on or before March 22, 2024. The Credit Agreement also provided 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 (i) U.S. Subfacility bore 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”); (ii) U.K. Subfacility denominated in British Pounds bore interest at LIBOR plus an applicable margin and loans denominated in Euros bore interest at the Euro interbank offered rate plus an applicable margin; and (iii) Canadian Subfacility bore interest at a rate equal to, at Mobile Mini’s option, either (a) the Canadian prime rate plus an applicable margin or (b) the Canadian Dollar bankers’ acceptance rate plus an applicable margin. As of June 30, 2020, the applicable margins were 1.50% for LIBOR Loans and 0.50% for Base Rate Loans. Mobile Mini was also required to pay an unused line fee in respect of 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 were subject to customary conditions, including sufficient availability under the respective borrowing base. The Credit Agreement also contained various financial and nonfinancial covenants which required Mobile Mini to, among other things, 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 June 30, 2020, we were in compliance with the minimum borrowing availability threshold set forth in the Credit Agreement and therefore, were not subject to any financial maintenance covenants.

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

The Credit Agreement also included 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.

Senior Notes

We had outstanding $250.0 million aggregate principal amount of 2024 Notes issued at their face value on May 9, 2016. In July 2020, the notes were redeemed in conjunction with the Merger. The 2024 Notes bore interest at a rate of 5.875% per year and would have matured on July 1, 2024. Interest on the 2024 Notes was payable semiannually in arrears on January 1 and July 1. The 2024 Notes were senior unsecured obligations of the Company and were unconditionally guaranteed on a senior unsecured basis by certain of our existing and future domestic subsidiaries.

Obligations Under Finance Leases

At June 30, 2020 and December 31, 2019, obligations under finance leases for certain real property and transportation related equipment were $76.7 million and $74.4 million, respectively. See additional information in Note 12.

Future Debt Obligations

The scheduled maturity for debt obligations for balances outstanding at June 30, 2020 are as follows:

	Lines of Credit	Senior Notes	Finance Lease Obligations	Total
	(In thousands)			
2020 (remaining)	$ —	$ —	$ 8,111	$ 8,111
2021	—	—	14,743	14,743
2022	—	—	13,745	13,745
2023	—	—	12,365	12,365
2024	563,202	250,000	8,797	821,999
Thereafter	—	—	18,936	18,936
Total	$ 563,202	$ 250,000	$ 76,697	$ 889,899

In conjunction with the Merger, the Credit Agreement was paid in full and terminated and the Senior Notes were redeemed in July 2020.

(12) Leases

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 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 Condensed 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.

(13) Income Taxes

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 June 30, 2020, 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.

Our effective income tax rate increased to 33.0% for the six months ended June 30, 2020, compared to 28.8% for the prior-year period. The increase in the effective tax rate was primarily due to non-deductible costs incurred associated with the Merger partially offset by a favorable settlement of uncertain tax positions. The prior-year tax rate was affected by the tax impact of non-deductible stock compensation recorded.

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.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	2020 (In thousands)
Beginning balance	$ 515
Reductions due to settled positions related to prior years	(493)
Ending balance	$ 22

Our policy for recording interest and penalties associated with audits 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 Condensed Consolidated Statements of Income.

(14) 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. Share-based compensation plans are approved by our stockholders and administered by the stock compensation committee of the Company's Board of Directors (the "Board"). Prior to the Merger, the plan allowed 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 did not award stock options with an exercise price below the market price of the underlying securities on the date of grant. As of June 30, 2020, 0.8 million shares were available for future grants, assuming performance-based awards vest at their target amount. Generally, stock options had contractual terms of ten years.

All unvested share-based awards outstanding on June 30, were vested upon execution of the merger in July 2020 and exchanged for WillScot shares adjusted to reflect the exchange ratio of 2.4050. Outstanding options for Company shares were exchanged for WillScot options in July 2020 with the amount of options and exercise price adjusted to reflect the exchange ratio.

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

Performance-based awards. All performance-based awards granted from 2017 through 2020 vested contingently over a three-year period assuming a target number of options or restricted share awards. However, the terms of these awards provided that the number of options or restricted share awards that ultimately vested could vary between 50% and 200% of the target amount or could be zero. The targets were set at the time of grant. For awards granted from 2017 through 2020, performance conditions were related to the Company's return on capital employed.

Expense related to performance-based awards that have multiple vesting dates was recognized using the accelerated attribution approach, whereby each vesting tranche was treated as a separate award for purposes of determining the implicit service period. The accelerated attribution approach generally resulted in a higher expense during the earlier years of vesting. Expense related to performance-based awards was recognized based upon anticipated attainment. All share-based compensation was included in rental, selling and general expenses for the six months ended June 30, 2020 and 2019.

During the three months ended June 30, 2019, Mobile Mini amended the terms of certain share-based compensation agreements with our then Chief Executive Officer in conjunction with his planned retirement as an employee of the Company and assumption of the position of Chairman of the Board for Mobile Mini as of October 1, 2019. The amended agreements provided that his service period under such agreements be extended to include his status as a Director. In connection with these modifications, we recorded additional share-based compensation during the quarter of $3.6 million.

As of June 30, 2020, the Company did not have any unvested stock options. As of June 30, 2020, the unrecognized compensation cost related to restricted stock awards assuming achievement at target was approximately $9.8 million, which would have been expected to be recognized over a weighted-average period of approximately 1.6 years.

Stock Options. No new stock option grants were made in the six months ended June 30, 2020 and there are no unvested stock options as of June 30, 2020.

The following table summarizes stock option activity for the six months ended June 30, 2020:

	Total Options	Weighted Average Exercise Price
	(In thousands)	
Options outstanding, beginning of period	3,010	$ 32.53
Additional options awarded based upon achievement of specified performance criteria	106	32.43
Canceled/Expired	(11)	43.10
Exercised	(46)	31.01
Options outstanding, end of period	3,059	32.51

Due to actual performance exceeding targets, shares granted in 2017 that contingently vested based upon 2019 performance criteria vested above target at 200% resulting in additional awards.

A summary of stock options outstanding as of June 30, 2020 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms	Aggregate Intrinsic Value
	(In thousands)		(In years)	(In thousands)
Outstanding and Exercisable	3,059	$ 32.51	3.83	$ 2,089

The aggregate intrinsic value of options exercised during the six months ended June 30, 2020 was approximately $0.4 million.

Restricted Stock Awards. The fair value of restricted stock awards was estimated as the closing price of our common stock on the date of grant. A summary of restricted stock award activity for the six months ended June 30, 2020 is as follows:

	Number of Shares			
	Performance-Based Awards	Service-Based Awards	Total Awards	Weighted Average Grant Date Fair Value
		(In thousands)		
Restricted stock awards at beginning of period	172	259	431	$ 36.06
Awarded	91	125	216	37.89
Additional shares awarded based upon achievement of specified performance criteria	52	—	52	40.53
Released	(119)	(133)	(252)	34.99
Forfeited	(7)	(23)	(30)	35.65
Restricted stock awards at end of period	189	228	417	37.92
Unvested target stock awards that vest based upon 2020 performance conditions	94			
Unvested target stock awards that vest based upon 2021 performance conditions	66			
Unvested target stock awards that vest based upon 2022 performance conditions	29			

Due to actual performance exceeding targets, shares granted in 2019 and 2018 that contingently vested based upon 2019 performance criteria vested above target at 163% and 200%, respectively, resulting in additional share awards.

The restricted stock awards that vested during the six months ended June 30, 2020 had an aggregate grant date fair value of $8.8 million and an aggregate vesting date fair value of $9.9 million.

(15) Commitments and Contingencies

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.

(16) Stockholders' Equity

Dividends

The Board authorized and declared cash dividends to all of our common stockholders as follows:

Declaration Date	Payment Date	Record Date (close of business)	Dividend Amount Per Share of Common Stock
January 27, 2020	March 11, 2020	February 26, 2020	$ 0.303
April 29, 2020	May 27, 2020	May 13, 2020	$ 0.303
June 10, 2020	June 30, 2020	June 20, 2020	$ 0.303

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.

During the six months ended June 30, 2020, we did not purchase shares of our common stock under the authorized share repurchase. Approximately $42.4 million is available for repurchase as of June 30, 2020. We withheld approximately 22,000 shares of stock from employees, for an approximate value of $0.9 million, upon vesting of share awards to satisfy tax withholding obligations during the six months ended June 30, 2020.

(17) Segment Reporting

Our operations are comprised of three reportable segments: North America Storage Solutions, U.K. Storage Solutions 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., the U.K. and Canada. All of our locations operate in their local currency. 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 $114.1 million and $128.4 million for the three months ended June 30, 2020 and 2019, respectively, and were $242.1 million and $256.4 million for the six months ended June 30, 2020 and 2019, respectively.

The following tables set forth certain information regarding each of the Company’s segments for the three-month periods indicated:

	For the Three Months Ended June 30, 2020				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Revenues:					
Rental	$ 86,325	$ 15,952	$ 102,277	$ 22,184	$ 124,461
Sales	4,838	1,202	6,040	1,511	7,551
Other	53	—	53	26	79
Total revenues	91,216	17,154	108,370	23,721	132,091
Costs and expenses:					
Rental, selling and general expenses	53,785	9,484	63,269	15,653	78,922
Cost of sales	2,958	892	3,850	856	4,706
Depreciation and amortization	9,521	1,677	11,198	6,365	17,563
Total costs and expenses	66,264	12,053	78,317	22,874	101,191
Income from operations	$ 24,952	$ 5,101	$ 30,053	$ 847	$ 30,900
Interest expense, net of interest income	$ 4,927	$ 102	$ 5,029	$ 2,676	$ 7,705
Income tax provision (benefit)	5,435	877	6,312	(395)	5,917
Capital expenditures for additions to rental fleet, excluding acquisitions	7,272	522	7,794	941	8,735

	For the Three Months Ended June 30, 2019				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Revenues:					
Rental	$ 91,456	$ 18,929	$ 110,385	$ 31,521	$ 141,906
Sales	4,781	1,990	6,771	1,364	8,135
Other	62	1	63	77	140
Total revenues	96,299	20,920	117,219	32,962	150,181
Costs and expenses:					
Rental, selling and general expenses	61,937	13,120	75,057	20,678	95,735
Cost of sales	2,778	1,492	4,270	774	5,044
Depreciation and amortization	9,122	1,816	10,938	7,197	18,135
Total costs and expenses	73,837	16,428	90,265	28,649	118,914
Income from operations	$ 22,462	$ 4,492	$ 26,954	$ 4,313	$ 31,267
Interest expense, net of interest income	$ 7,782	$ 127	$ 7,909	$ 2,683	$ 10,592
Income tax provision	5,128	828	5,956	494	6,450
Capital expenditures for additions to rental fleet, excluding acquisitions	16,166	1,190	17,356	6,025	23,381

The following tables set forth certain information regarding each of the Company's segments for the six-month periods indicated:

	For the Six Months Ended June 30, 2020				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Revenues:					
Rental	$ 182,794	$ 34,227	$ 217,021	$ 48,096	$ 265,117
Sales	10,122	3,124	13,246	2,621	15,867
Other	92	—	92	55	147
Total revenues	193,008	37,351	230,359	50,772	281,131
Costs and expenses:					
Rental, selling and general expenses	125,073	21,879	146,952	34,228	181,180
Cost of sales	6,019	2,369	8,388	1,420	9,808
Depreciation and amortization	18,826	3,447	22,273	12,782	35,055
Total costs and expenses	149,918	27,695	177,613	48,430	226,043
Income from operations	$ 43,090	$ 9,656	$ 52,746	$ 2,342	$ 55,088
Interest expense, net of interest income	$ 11,389	$ 209	$ 11,598	$ 5,352	$ 16,950
Income tax provision (benefit)	11,686	1,652	13,338	(782)	12,556
Capital expenditures for additions to rental fleet, excluding acquisitions	12,472	859	13,331	5,455	18,786

	For the Six Months Ended June 30, 2019				
	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
	(In thousands)				
Revenues:					
Rental	$ 184,972	$ 38,138	$ 223,110	$ 60,968	$ 284,078
Sales	8,807	3,741	12,548	2,810	15,358
Other	287	1	288	118	406
Total revenues	194,066	41,880	235,946	63,896	299,842
Costs and expenses:					
Rental, selling and general expenses	120,893	26,790	147,683	40,286	187,969
Cost of sales	5,191	2,895	8,086	1,560	9,646
Depreciation and amortization	18,111	3,550	21,661	13,809	35,470
Total costs and expenses	144,195	33,235	177,430	55,655	233,085
Income from operations	$ 49,871	$ 8,645	$ 58,516	$ 8,241	$ 66,757
Interest expense, net of interest income	$ 15,712	$ 262	$ 15,974	$ 5,378	$ 21,352
Income tax provision	10,523	1,592	12,115	858	12,973
Capital expenditures for additions to rental fleet, excluding acquisitions	28,007	2,111	30,118	16,279	46,397

Assets related to the Company's reportable segments include the following:

	Storage Solutions				
	North America	United Kingdom	Total	Tank & Pump Solutions	Consolidated
			(In thousands)		
As of June 30, 2020:					
Goodwill	$ 474,980	$ 53,817	$ 528,797	$ 181,216	$ 710,013
Intangibles, net	2,951	196	3,147	45,941	49,088
Rental fleet, net	694,750	133,439	828,189	129,966	958,155
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

Included in the table above are assets in the U.S. of $1.5 billion as of both June 30, 2020 and December 31, 2019.

(18) Subsequent Events

Execution of Merger Agreement

On July 1, 2020, Mobile Mini and WillScot Corporation ("WillScot") executed the Merger Agreement entered into in March 2020. The Merger Agreement provides for the merger of Mobile Mini with and into a newly formed subsidiary of WillScot, with Mobile Mini surviving as a wholly owned subsidiary of WillScot (the "Merger"). At the effective time of the Merger, subject to the terms and conditions set forth in the Merger Agreement, each outstanding share of the common stock of Mobile Mini was converted into the right to receive 2.4050 shares of WillScot Class A common stock.

Among other things, in July 2020 in conjunction with the Merger:

- Our Credit Agreement was repaid in full and discontinued
- Our Senior Notes were redeemed
- All unvested share-based awards were vested, with performance-based awards vesting at the target amount

Exhibit 99.2

Mobile Mini, Inc.

Management's Discussion and Analysis

June 30, 2020

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 our consolidated financial statements and the accompanying notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC. This discussion contains forward-looking statements. Forward-looking statements are based on current expectations and assumptions that involve risks and uncertainties. Our actual results may differ materially from those anticipated in our forward-looking statements. The tables and information in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section were derived from exact numbers and may have immaterial rounding differences.

Overview

Executive Summary

We believe we are the world's leading provider of portable storage solutions, maintaining a strong leadership position in virtually all markets served. Our mission is to be the leader in portable storage solutions to customers throughout North America and the U.K. and tank and pump solutions in the U.S. We are committed to providing our customers with superior service and access to a high-quality and diverse fleet. In managing our business, we focus on renting rather than selling our units, with rental revenues representing approximately 94% of our total revenues for the six months ended June 30, 2020. We believe this strategy is highly attractive and provides predictable, recurring revenue. Additionally, our assets have long useful lives and relatively low maintenance costs. We also sell new and used units and provide delivery, and other ancillary products and value-added services.

We operate our portable storage business in North America as "Mobile Mini Storage Solutions" and our tank and pump business as "Mobile Mini Tank + Pump Solutions". As of June 30, 2020, our network of locations included 117 Storage Solutions locations, 20 Tank & Pump Solutions locations and 18 combined locations. Our Storage Solutions fleet consisted of approximately 200,000 units and our Tank & Pump Solutions fleet consisted of approximately 12,500 units. During the first six months of 2020, we completed the acquisition of a portable storage business which further strengthened our business in Dallas, Texas.

Merger. In March 2020, Mobile Mini entered into a definitive merger agreement (the "Merger Agreement") with WillScot Corporation ("WillScot"). The Merger Agreement provides for the merger of Mobile Mini with and into a newly formed subsidiary of WillScot, with Mobile Mini surviving as a wholly owned subsidiary of WillScot (the "Merger"). The board of directors of both Mobile Mini and WillScot approved the Merger and the Merger Agreement. In June 2020 the stockholders of both Mobile Mini and WillScot voted in favor of the adoption of the Merger Agreement and the Merger was executed on July 1, 2020. At the effective time of the Merger, subject to the terms and conditions set forth in the Merger Agreement, each outstanding share of the common stock of Mobile Mini was converted into the right to receive 2.4050 shares of WillScot Class A common stock.

Business Environment and Outlook, including COVID-19 Considerations. On January 30, 2020 the World Health Organization declared an outbreak of a highly contagious form of an upper respiratory infection caused by COVID-19, a novel coronavirus strain commonly referred to as "coronavirus". In March 2020, the outbreak of COVID-19 was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread, including in the markets in which we operate. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses; "shelter in place" and other governmental regulations; and reduced consumer spending due to both job losses and other effects attributable to COVID-19. Mobile Mini was been deemed an essential infrastructure business. We have continued to supply our products and services. Our business is subject to the general health of the economy and federal and local guidelines and restrictions have significantly curtailed the level of economic activity in affected areas, which include the areas in which we conduct our business. While our business was minimally impacted in the first quarter 2020, the curtailment did affect our second quarter as discussed below and further under the Results of Operations Section of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

As an essential business during this pandemic our operations have not been significantly disrupted by the effects of the pandemic and we expect to be able to continue to meet demand. We have implemented work from home policies for many of our employees and introduced practices for our drivers and yard workers to protect their safety and health. We have an adequate near-term supply of parts and supplies to maintain our fleet and do not anticipate any material supply gaps. Further, we anticipate that our significant business partners will continue to provide the services and materials, including software-related services, necessary to manage and operate our business.

Our pipeline of new orders has decreased since the outbreak of COVID-19. While our level of deactivations has also decreased compared to the prior year, we anticipate the decreased demand for new rentals will result in continued lower year-over-year rental revenues across the Company for the near-term, most notably in delivery, pickup and similar revenue, which comprised 23% of our rental revenues for the twelve months ended June 30, 2020.

Our customer end markets are experiencing varying degrees of impact related to COVID-19. Entering 2020, non-residential construction projects for local and national account customers were healthy. Units on rent for projects that were in progress prior to the pandemic, largely remain on rent. However, some projects that were scheduled for commencement for the remainder of 2020 have been delayed and some may be cancelled. Similarly, within our retail end market, projects in progress have continued, however, certain national customers have temporarily postponed remodels. The duration of postponements is uncertain.

In the Tank & Pump Solutions business, industrial softening in the second half of 2019 was exacerbated in the first half of 2020 by an oversupply of oil leading to lower oil prices and reduced average refinery capacity utilization. Further, the effects of COVID-19 have resulted in decreased demand for oil resulting in decreased demand for our products from certain of our customers in this business segment. When supply and demand dynamics normalize, we are well positioned to respond to increased demand.

As of June 30, 2020, units on rent were down compared to June 30, 2019 by 4.8% for North America Storage Solutions and 3.4% for U.K. Storage Solutions. In Tank & Pump Solutions owned equipment on rent, using original cost, was down 18.2% as of June 30, 2020, compared to June 30, 2019. We do expect stabilization of units on rent in the near term.

To mitigate the effect of decreased year-over-year near-term revenues on our profitability, we have reduced variable costs and overhead where appropriate, including minimizing use of third-party vendors and reducing our workforce. Depending on future levels of demand, management will further enact contingency plans to minimize the impact of reduced revenue on adjusted EBITDA. Consistent with our demand-driven business model we have curtailed capital expenditures and expect to continue to generate healthy levels of free cash flow.

Mobile Mini’s leverage ratio at June 30, 2020 was near our lowest leverage ratio since September 30, 2014 and as of June 30, 2020 we believe we had ample liquidity to meet foreseeable needs. Access to our line of credit through June 30, 2020 was not affected by recent events and we had $433 million of available borrowings with no significant debt maturities until 2024. We had also elected to suspend both small acquisitions and share repurchases in the near-term.

Approximately 69% of our consolidated rental revenue during the twelve-month period ended June 30, 2020 was derived from our North America Storage Solutions business, 13% was derived from our U.K. Storage Solutions business and 18% was derived from the Tank & Pump Solutions business. Based on rental revenue for the twelve months ended June 30, 2020, the construction industry represents approximately 36% of our consolidated rental revenue, industrial and commercial customers comprise approximately 26% of our rental revenue and generally operate in industries such as: large processing plants for organic and inorganic chemicals, refineries, distributors and trucking and utility companies. 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 less than 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.

On January 31, 2020 the U.K. ceased to be a member of the European Union (the “E.U.”) (commonly known as “Brexit”), on terms set out in a withdrawal agreement concluded and ratified by the E.U. and U.K. (“Withdrawal Agreement”). The Withdrawal Agreement provides for a transition period until December 31, 2020 (“Transition Period”), during which time the U.K. will continue to be treated as a member of the E.U., in effect, for legal and regulatory purposes. The U.K. and E.U. continue to negotiate the terms of a future trading relationship to come into effect at the end of the Transition Period. The terms of any future trade deal between the U.K. and the E.U. remain highly uncertain and the chances of the U.K. and E.U. failing to reach agreement before the end of the Transition Period cannot be ruled out. In tandem with its negotiations with the E.U., the U.K. is commencing future trade deal negotiations with other key countries, including the U.S. As the future trade deal terms and their impact become clear, we may adjust our U.K. strategy and operations accordingly.

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.

Our principal asset is our rental fleet, which 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.

The table below outlines the composition of our Storage Solutions rental fleet at June 30, 2020:

	Rental Fleet (In thousands)	Number of Units	Percentage of Gross Fleet in Dollars	Percentage of Units
Steel storage containers	$ 623,474	170,195	62%	85%
Steel ground level offices	370,926	29,205	37	15
Other	6,137	627	1	—
Storage Solutions rental fleet	1,000,537	200,027	100%	100%
Accumulated depreciation	(172,348)			
Storage Solutions rental fleet, net	$ 828,189			

The table below outlines the composition of our Tank & Pump Solutions rental fleet at June 30, 2020:

	Rental Fleet (In thousands)	Number of Units	Percentage of Gross Fleet in Dollars	Percentage of Units
Steel tanks	$ 81,395	3,158	41%	25%
Roll-off boxes	34,975	5,514	18	44
Stainless steel tank trailers	31,166	645	15	5
Vacuum boxes	17,193	1,538	9	12
Dewatering boxes	10,353	922	5	8
Pumps and filtration equipment	14,775	717	7	6
Other	9,855	n/a	5	
Tank & Pump Solutions rental fleet	199,712	12,494	100%	100%
Accumulated depreciation	(69,746)			
Tank & Pump Solutions rental fleet, net	$ 129,966			

We are a capital-intensive business. Therefore, in addition to focusing on measurements calculated in accordance with 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 Management’s Discussion and Analysis reconciliations to their most directly comparable GAAP financial measures. We also evaluate our operations on a constant currency basis. These reconciliations and a description of the limitations of these measures are included below.

Non-GAAP Data and Reconciliations

EBITDA and Adjusted EBITDA. EBITDA is defined as net income before discontinued operations, 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 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, the most directly comparable GAAP measure, to EBITDA and adjusted EBITDA is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands, except percentages)			
Net income	$ 17,242	$ 14,058	$ 25,543	$ 32,143
Interest expense	7,717	10,592	16,974	21,352
Income tax provision	5,917	6,450	12,556	12,973
Depreciation and amortization	17,563	18,135	35,055	35,470
Deferred financing costs write-off	—	—	—	123
EBITDA	48,439	49,235	90,128	102,061
Share-based compensation expense (1)	3,155	3,340	5,837	6,744
Chief Executive Officer transition (2)	—	3,593	—	3,593
Merger and acquisition related expenses (3)	4,385	739	19,890	739
Other (4)	303	—	303	—
Adjusted EBITDA	$ 56,282	$ 56,907	$ 116,158	$ 113,137
EBITDA margin	36.7%	32.8%	32.1%	34.0%
Adjusted EBITDA margin	42.6	37.9	41.3	37.7

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(In thousands)			
Net cash provided by operating activities	$ 39,192	$ 61,769	$ 72,415	$ 100,552
Interest paid	3,722	5,919	16,330	20,195
Income and franchise taxes paid	2,691	1,742	4,604	3,762
Share-based compensation expense (1)(2)(4)	(2,719)	(6,933)	(5,401)	(10,337)
Gain on sale of rental fleet	1,598	1,616	3,042	3,041
Loss on disposal of property, plant and equipment	(160)	(84)	(186)	(102)
Change in certain assets and liabilities, net of effect of businesses acquired:				
Receivables	(6,762)	(6,147)	(11,082)	(23,539)
Inventories	(505)	(1,268)	(351)	(1,344)
Other assets	2,604	(588)	1,223	806
Accounts payable and accrued liabilities	8,778	(6,791)	9,534	9,027
EBITDA	$ 48,439	$ 49,235	$ 90,128	$ 102,061

(1) Share-based compensation represents non-cash compensation expense associated with the granting of equity instruments. See additional information in Note 14 “Share-Based Compensation” to the accompanying condensed consolidated financial statements.

(2) 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. For more information see Note 14 “Share-Based Compensation”.

(3) For the three and six months ended June 30, 2020, this amount represents incremental costs related to our merger with WillScot. See additional information in Note 1 “Mobile Mini, Inc. - Organization and Description of Business” to the accompanying condensed consolidated financial statements. For the three and six months ended June 30, 2019, this amount represents costs associated with potential acquisitions.

(4) Other expenses in the three and six months ended June 30, 2020 relate primarily to a realignment of personnel and business structure, including cash severance partially offset by the reversal of expense for non-vested share-based compensation.

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 acquisitions.

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

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2020	**2019**	**2020**	**2019**
	(In thousands)		**(In thousands)**	
Net cash provided by operating activities	$ 39,192	$ 61,769	$ 72,415	$ 100,552
Additions to rental fleet, excluding acquisitions	(8,735)	(23,381)	(18,786)	(46,397)
Proceeds from sale of rental fleet	3,911	3,716	7,385	7,054
Additions to property, plant and equipment, excluding acquisitions	(3,364)	(3,516)	(7,538)	(6,435)
Proceeds from sale of property, plant and equipment	78	84	93	133
Net capital expenditures, excluding acquisitions	(8,110)	(23,097)	(18,846)	(45,645)
Free cash flow	$ 31,082	$ 38,672	$ 53,569	$ 54,907

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 current period using the average exchange rates from the same period in the prior year. 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:

	Three Months Ended June 30, 2020		
	Calculated in Constant Currency	**As Reported**	**Difference**
		(In thousands)	
Rental revenues	$ 125,032	$ 124,461	$ 571
Rental, selling and general expenses	79,257	78,922	335
Adjusted EBITDA	56,530	56,282	248

	Six Months Ended June 30, 2020		
	Calculated in Constant Currency	**As Reported**	**Difference**
		(In thousands)	
Rental revenues	$ 265,979	$ 265,117	$ 862
Rental, selling and general expenses	181,697	181,180	517
Adjusted EBITDA	116,523	116,158	365

RESULTS OF OPERATIONS

Three Months Ended June 30, 2020, Compared to Three Months Ended June 30, 2019

	Three Months Ended June 30,		Percentage of Revenue Three Months Ended June 30,		Increase (Decrease) 2020 versus 2019	
	2020	2019	2020	2019		
	(In thousands, except percentages)					
Revenues:						
Rental	$ 124,461	$ 141,906	94.2%	94.5%	$ (17,445)	(12.3)%
Sales	7,551	8,135	5.7	5.4	(584)	(7.2)
Other	79	140	0.1	0.1	(61)	(43.6)
Total revenues	132,091	150,181	100.0	100.0	(18,090)	(12.0)
Costs and expenses:						
Rental, selling and general expenses	78,922	95,735	59.7	63.7	(16,813)	(17.6)
Cost of sales	4,706	5,044	3.6	3.4	(338)	(6.7)
Depreciation and amortization	17,563	18,135	13.3	12.1	(572)	(3.2)
Total costs and expenses	101,191	118,914	76.6	79.2	(17,723)	(14.9)
Income from operations	30,900	31,267	23.4	20.8	(367)	(1.2)
Other income (expense):						
Interest income	12	—	—	—	12	n/a
Interest expense	(7,717)	(10,592)	(5.8)	(7.1)	2,875	(27.1)
Foreign currency exchange	(36)	(167)	—	(0.1)	131	n/a
Income before income tax provision	23,159	20,508	17.5	13.7	2,651	
Income tax provision	5,917	6,450	4.5	4.3	(533)	
Net income	$ 17,242	$ 14,058	13.1%	9.4%	$ 3,184	

	Three Months Ended June 30,		Percentage of Revenue Three Months Ended June 30,		Increase (Decrease) 2020 versus 2019	
	2020	2019	2020	2019		
	(In thousands, except percentages)					
EBITDA	$ 48,439	$ 49,235	36.7%	32.8%	$ (796)	(1.6)%
Adjusted EBITDA	56,282	56,907	42.6	37.9	(625)	(1.1)
Free Cash Flow	31,082	38,672	23.5	25.8	(7,590)	(19.6)

Total Revenues. The following table depicts revenues by type of business for the three-month periods ended June 30:

	2020	2019	Increase (Decrease) 2020 versus 2019	
	(In thousands, except percentages)			
Rental Revenues:				
North America Storage Solutions	$ 86,325	$ 91,456	$ (5,131)	(5.6)%
U.K. Storage Solutions	15,952	18,929	(2,977)	(15.7)
Total Storage Solutions	102,277	110,385	(8,108)	(7.3)
Tank & Pump Solutions	22,184	31,521	(9,337)	(29.6)
Total Rental Revenues	$ 124,461	$ 141,906	$ (17,445)	(12.3)
U.K. Storage Solutions in Constant Currency	*$ 16,523*	*$ 18,929*	*$ (2,406)*	*(12.7)*
Total Storage Solutions in Constant Currency	*102,848*	*110,385*	*(7,537)*	*(6.8)*
Sales Revenues:				
North America Storage Solutions	$ 4,838	$ 4,781	$ 57	1.2
U.K. Storage Solutions	1,202	1,990	(788)	(39.6)
Total Storage Solutions	6,040	6,771	(731)	(10.8)
Tank & Pump Solutions	1,511	1,364	147	10.8
Total Sales Revenues	$ 7,551	$ 8,135	$ (584)	(7.2)
Total Revenues:				
North America Storage Solutions	$ 91,216	$ 96,299	$ (5,083)	(5.3)
U.K. Storage Solutions	17,154	20,920	(3,766)	(18.0)
Total Storage Solutions	108,370	117,219	(8,849)	(7.5)
Tank & Pump Solutions	23,721	32,962	(9,241)	(28.0)
Total Revenues	$ 132,091	$ 150,181	$ (18,090)	(12.0)

Of the $132.1 million of total revenues for the three months ended June 30, 2020, $108.4 million, or 82.0%, related to the Storage Solutions business and $23.7 million, or 18.0%, related to the Tank & Pump Solutions business. Of the $150.2 million of total revenues for the three-month period ended June 30, 2019, $117.2 million, or 78.1%, related to the Storage Solutions business and $33.0 million, or 21.9%, related to the Tank & Pump Solutions business.

Rental Revenues. Storage Solutions rental revenues decreased 7.3%, during the three-month period ended June 30, 2020, as compared to the prior-year period. In North America Storage Solutions rental revenues decreased 5.6%. An increase in year-over-year rental rates of 3.2% and growth in our managed services business were more than offset by a decrease in delivery, pickup and similar revenues and a 3.4% decrease in average units on rent. Related to managed service arrangements, we recognized $2.9 million and $1.7 million of rental revenue during the second quarters of 2020 and 2019, respectively. We do not include managed services rentals in our units on rent. The COVID-19 outbreak has had a notable impact on general economic conditions in North America and has resulted in a decline in new units placed on rent as well as a decrease in returned units. The lower activity has led to a year-over-year decrease in our delivery, pickup and similar revenues of approximately 19% during the current quarter.

In the U.K. stringent curtailment of economic activity in response to COVID-19 drove a 12.7% year-over-year decrease in constant currency rental revenue, during the three-month period ended June 30, 2020. The decrease in year-over-year activity resulted in a 4.0% decrease in average units on rent and an approximate 36% decrease in delivery, pickup and similar revenues year-over-year for the quarter ended June 30, 2020 in local currency. Rates remained healthy with a 1.7% increase in the current quarter when compared to the prior-year quarter.

Excluding revenues and units related to managed service rental arrangements, Storage Solutions yield for the three months ended June 30, 2020 (calculated as rental revenues divided by average units on rent and adjusted to a 28-day period) decreased 5.3%, as compared to the prior-year period. The decrease was primarily driven by reduced delivery, pickup and similar revenues, partially offset by increased rates.

Rental revenues within the Tank & Pump Solutions business decreased $9.3 million, or 29.6%, for the three-month period ended June 30, 2020, as compared to the prior-year period. Industrial softening in the second half of 2019 was exacerbated in 2020 by an oversupply of oil leading to lower oil prices. Further, in the second quarter of 2020 the effects of COVID-19 have resulted in decreased demand for oil. The current business environment has resulted in reduced demand for our products as well as a decrease in average rental rates. Downstream business, which represented approximately 73% of our Tank & Pump Solutions business, decreased 27.7% in the current quarter as compared to the prior-year quarter. Also contributing to the year-over-year decrease is prior-year rental revenue related to certain large-scale maintenance projects that did not repeat this year. Revenue related to our upstream market was down primarily due to the excess oil supply and lower commodity pricing in North America which resulted in reduced upstream activity as a whole.

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 $6.0 million for the quarter ended June 30, 2020 decreased $0.7 million, or 10.8%, compared to the prior-year period. Tank & Pump Solutions sales revenue of $1.5 million for the quarter ended June 30, 2020 increased slightly from the prior-year period.

Costs and Expenses. The following table depicts costs and expenses by type of business for the three-month periods ended June 30:

	2020	2019	Increase (Decrease) 2020 versus 2019	
	(In thousands, except percentages)			
Rental, Selling and General Expenses:				
North America Storage Solutions	$ 53,785	$ 61,937	$ (8,152)	(13.2)%
U.K. Storage Solutions	9,484	13,120	(3,636)	(27.7)
Total Storage Solutions	63,269	75,057	(11,788)	(15.7)
Tank & Pump Solutions	15,653	20,678	(5,025)	(24.3)
Total Rental, Selling and General Expenses	$ 78,922	$ 95,735	$ (16,813)	(17.6)
U.K. Storage Solutions in Constant Currency	*$ 9,819*	*$ 13,120*	*$ (3,301)*	*(25.2)*
Total Storage Solutions in Constant Currency	*63,604*	*75,057*	*(11,453)*	*(15.3)*
Cost of Sales:				
North America Storage Solutions	$ 2,958	$ 2,778	$ 180	6.5
U.K. Storage Solutions	892	1,492	(600)	(40.2)
Total Storage Solutions	3,850	4,270	(420)	(9.8)
Tank & Pump Solutions	856	774	82	10.6
Total Cost of Sales	$ 4,706	$ 5,044	$ (338)	(6.7)

Rental, Selling and General Expenses. Rental, selling and general expenses for the three months ended June 30, 2020 of $78.9 million decreased $16.8 million, or 17.6%, as compared to the prior-year period. As a percentage of total revenues, rental, selling and general expenses were 59.7% for the three months ended June 30, 2020, which was a decrease from 63.7% in the prior-year period.

Rental, selling and general expenses for the three months ended June 30, 2020 and 2019 included expenses related to certain transactions that management believes are not indicative of our business. In 2020, these expenses included merger-related expenses of $4.4 million as well as $0.3 million of expenses related to a realignment of personnel and business structure. In 2019, these expenses included $3.6 million related to the amendment of certain stock award agreements in conjunction with the transition of our then Chief Executive Officer ("CEO") to Chairman of the Board of Directors and $0.7 million of expense related to incremental costs associated with potential acquisitions.

Excluding expenses related to the transactions described above, rental, selling and general expenses decreased $17.2 million, or 18.8% and as a percentage of revenues decreased to 56.2% from 60.9%. Throughout the Company, proactive cost management in response to reduced business activity in the current business environment, drove reductions in rental, selling and general expenses including decreases in payroll, employee travel and fleet transportation costs. In addition, lower business activity resulted in reduced other variable expenses such as repairs and maintenance expense.

Adjusted to exclude the $4.7 million and $4.3 million of costs related to transactions not indicative of our business, Storage Solutions, rental, selling and general expenses decreased $12.1 million for the quarter ended June 30, 2020 compared to the prior-year quarter, of which $8.5 million of the decrease related to North America and $3.6 million related to U.K. In North America Storage Solutions, adjusted rental, selling and general expenses decreased 14.8% for the quarter ended June 30, 2020, compared to the prior-year quarter. U.K. Storage Solutions rental, selling and general expenses for the three months ended June 30, 2020 decreased 25.2% year-over year in constant currency.

Rental, selling and general expenses for the Tank & Pump Solutions business decreased $5.0 million, or 24.3%, in the current-year quarter, as compared to the prior-year quarter.

Cost of Sales. Cost of sales is the cost related to our sales revenue only. Within the Storage Solutions business, cost of sales was $3.9 million and $4.3 million for the three months ended June 30, 2020 and 2019, respectively. Storage Solutions sales revenue, less cost of sales (sales profit), was $2.2 million and $2.5 million for the three-months ended June 30, 2020 and 2019, respectively. Sales profit expressed as a percentage of sales revenue (sales profit margin) was 36.3% in the quarter ended June 30, 2020 and 36.9% in the prior-year quarter.

Within the Tank & Pump Solutions business, cost of sales was $0.9 million in the quarter ended June 30, 2020 and $0.8 million for the quarter ended June 30, 2019. Tank & Pump Solutions sales profit was $0.7 million and $0.6 million for the three-month periods ended June 30, 2020 and 2019, respectively.

Depreciation and Amortization Expense. Total depreciation and amortization expense was $17.6 million for the three months ended June 30, 2020, compared to $18.1 million in the prior-year period.

Interest Expense. Interest expense decreased $2.9 million for the three months ended June 30, 2020 to $7.7 million compared to $10.6 million in the prior-year period. The decrease is due to a lower effective interest rate on our lines of credit combined with an overall decrease in debt outstanding. Our average debt outstanding in the quarter ended June 30, 2020 was $883.4 million, compared to $891.7 million in the prior-year quarter. The weighted average interest rate on our debt was 3.3% and 4.6% for the three-month periods ended June 30, 2020 and 2019, respectively, excluding the amortization of deferred financing costs. Taking into account the amortization of deferred financing costs, the weighted average interest rate was 3.5% and 4.8% for the three-month periods ended June 30, 2020 and 2019, respectively.

Provision for Income Taxes. For the quarters ended June 30, 2020 and 2019 our provision for income taxes was $5.9 million and $6.5 million, respectively. Our effective income tax rate decreased to 25.5% for the quarter ended June 30, 2020, compared to 31.5% for the prior-year quarter. The current quarter effective tax rate reflects non-deductible costs related to the Merger, offset by the favorable settlement of uncertain tax positions. In the prior-year quarter the tax rate was impacted by non-deductible stock compensation.

Net Income. As a result of the income statement activity discussed above, we had net income of $17.2 million for the three months ended June 30, 2020, compared to net income of $14.1 million for the three months ended June 30, 2019. Decreased revenues in the current-year quarter were offset by cost reductions.

Adjusted EBITDA. The following table depicts adjusted EBITDA by type of business for the three-month periods ended June 30:

	2020	2019	Increase (Decrease) 2020 versus 2019	
	(In thousands, except percentages)			
Adjusted EBITDA				
North America Storage Solutions	$ 42,170	$ 38,872	$ 3,298	8.5%
U.K. Storage Solutions	6,853	6,397	456	7.1
Total Storage Solutions	49,023	45,269	3,754	8.3
Tank & Pump Solutions	7,259	11,638	(4,379)	(37.6)
Total Adjusted EBITDA	$ 56,282	$ 56,907	$ (625)	(1.1)

For the three-month period ended June 30, 2020, we realized adjusted EBITDA of $56.3 million, a decrease of $0.6 million compared to the prior-year period. Decreased consolidated year-over-year revenue during the period was largely offset by cost reductions throughout the Company. Our adjusted EBITDA margins were 42.6% and 37.9% for the quarters ended June 30, 2020 and 2019, respectively.

During the quarter ended June 30, 2020 as compared to the prior-year quarter, adjusted EBITDA related to the North America Storage Solutions business increased $3.3 million and adjusted EBITDA related to our U.K. Storage Solutions business increased $0.5 million. Increased adjusted EBITDA in the Storage Solutions business was offset by a $4.4 million decrease in adjusted EBITDA related to the Tank & Pump Solutions business. Adjusted EBITDA margins for the quarter ended June 30, 2020 were 46.2% for the North America Storage Solutions business, 39.9% for U.K. Storage Solutions business and 30.6% for the Tank & Pump Solutions business.

Six Months Ended June 30, 2020, Compared to Six Months Ended June 30, 2019

	Six Months Ended June 30,		Percentage of Revenue Six Months Ended June 30,		Increase (Decrease) 2020 versus 2019	
	2020	**2019**	**2020**	**2019**		
	(In thousands, except percentages)					
Revenues:						
Rental	$ 265,117	$ 284,078	94.3%	94.7%	$ (18,961)	(6.7)%
Sales	15,867	15,358	5.6	5.1	509	3.3
Other	147	406	0.1	0.1	(259)	(63.8)
Total revenues	281,131	299,842	100.0	100.0	(18,711)	(6.2)
Costs and expenses:						
Rental, selling and general expenses	181,180	187,969	64.4	62.7	(6,789)	(3.6)
Cost of sales	9,808	9,646	3.5	3.2	162	1.7
Depreciation and amortization	35,055	35,470	12.5	11.8	(415)	(1.2)
Total costs and expenses	226,043	233,085	80.4	77.7	(7,042)	(3.0)
Income from operations	55,088	66,757	19.6	22.3	(11,669)	(17.5)
Other income (expense):						
Interest income	24	—	—	—	24	n/a
Interest expense	(16,974)	(21,352)	(6.0)	(7.1)	4,378	(20.5)
Deferred financing costs write-off	—	(123)	—	—	123	n/a
Foreign currency exchange	(39)	(166)	—	(0.1)	127	n/a
Income before income tax provision	38,099	45,116	13.6	15.0	(7,017)	
Income tax provision	12,556	12,973	4.5	4.3	(417)	
Net income	$ 25,543	$ 32,143	9.1%	10.7%	$ (6,600)	

	Six Months Ended June 30,		Percentage of Revenue Six Months Ended June 30,		Increase (Decrease) 2020 versus 2019	
	2020	**2019**	**2020**	**2019**		
	(In thousands, except percentages)					
EBITDA	$ 90,128	$ 102,061	32.1%	34.0%	$ (11,933)	(11.7%)
Adjusted EBITDA	116,158	113,137	41.3	37.7	3,021	2.7
Free Cash Flow	53,569	54,907	19.1	18.3	(1,338)	(2.4)

Total Revenues. The following table depicts revenues by type of business for the six-month periods ended June 30:

	2020	2019	Increase (Decrease) 2020 versus 2019	
	(In thousands, except percentages)			
Rental Revenues:				
North America Storage Solutions	$ 182,794	$ 184,972	$ (2,178)	(1.2)%
U.K. Storage Solutions	34,227	38,138	(3,911)	(10.3)
Total Storage Solutions	217,021	223,110	(6,089)	(2.7)
Tank & Pump Solutions	48,096	60,968	(12,872)	(21.1)
Total Rental Revenues	$ 265,117	$ 284,078	$ (18,961)	(6.7)
U.K. Storage Solutions in Constant Currency	*$ 35,089*	*$ 38,138*	*$ (3,049)*	*(8.0)*
Total Storage Solutions in Constant Currency	*217,883*	*223,110*	*(5,227)*	*(2.3)*
Sales Revenues:				
North America Storage Solutions	$ 10,122	$ 8,807	$ 1,315	14.9
U.K. Storage Solutions	3,124	3,741	(617)	(16.5)
Total Storage Solutions	13,246	12,548	698	5.6
Tank & Pump Solutions	2,621	2,810	(189)	(6.7)
Total Sales Revenues	$ 15,867	$ 15,358	$ 509	3.3
Total Revenues:				
North America Storage Solutions	$ 193,008	$ 194,066	$ (1,058)	(0.5)
U.K. Storage Solutions	37,351	41,880	(4,529)	(10.8)
Total Storage Solutions	230,359	235,946	(5,587)	(2.4)
Tank & Pump Solutions	50,772	63,896	(13,124)	(20.5)
Total Revenues	$ 281,131	$ 299,842	$ (18,711)	(6.2)

Of the $281.1 million of total revenues for the six months ended June 30, 2020, $230.4 million, or 81.9%, related to the Storage Solutions business and $50.8 million, or 18.1%, related to the Tank & Pump Solutions business. Of the $299.8 million of total revenues for the six-month period ended June 30, 2019, $235.9 million, or 78.7%, related to the Storage Solutions business and $63.9 million, or 21.3%, related to the Tank & Pump Solutions business.

Rental Revenues. Storage Solutions rental revenues decreased 2.7% during the six-month period ended June 30, 2020, as compared to the prior-year period. In North America Storage Solutions, decreased business activity in the second quarter of 2020 more than offset first quarter 2020 year-over-year growth in rental revenues of 3.2%, resulting in a year-over-year decrease of 1.2% for the six-month period. Year-over-year rental rates for the six-month period increased 3.5%. Increased rates combined with growth in our managed services business was more than offset by a decrease in delivery, pickup and similar revenues and a 2.8% decrease in average units on rent. Related to managed service arrangements, we recognized $6.5 million and $4.1 million of rental revenue during the six months ended June 30, 2020 and 2019, respectively. The impact of COVID-19 on general economic conditions in North America in the second quarter of 2020 resulted in a decline in new units placed on rent as well as a decrease in returned units. Lower delivery and pickup activity led to a decrease of approximately 9.3% in delivery, pickup and similar revenues during the current six-month period compared to the prior-year period.

In the U.K., stringent curtailment of economic activity in response to COVID-19 during the second quarter of 2020 combined with decreased year-over-year rental revenue in the first quarter of 2020 resulted in an 8.0% year-over-year constant currency rental revenue decrease for the six-month period ended June 30, 2020. Average units on rent decreased 3.8% and delivery, pickup and similar revenues decreased approximately 20% year-over-year in local currency for the six-month period. Rates increased approximately 1.8% for the six months ended June 30, 2020 when compared to the same period in the prior year.

Excluding revenues and units related to managed service rental arrangements, Storage Solutions yield for the six months ended June 30, 2020 decreased 1.5%, or 1.1% in constant currency, as compared to the prior-year period. The decrease was driven primarily by reduced delivery, pickup and similar revenues partially offset by increased rental rates.

Rental revenues within the Tank & Pump Solutions business decreased $12.9 million, or 21.1%, for the six-month period ended June 30, 2020, as compared to the prior-year period. Industrial softening in the second half of 2019 was exacerbated in the first half of 2020 by an oversupply of oil leading to lower oil prices. Further, in the second quarter of 2020 the effects of COVID-19 have resulted in decreased demand for oil. The current business environment has resulted in reduced demand for our products as well as a decrease in average rental rates. Downstream business, which represented approximately 73% of our Tank & Pump Solutions business, decreased approximately 19.6% in the six months ended June 30, 2020 as compared to the first six months of the prior year. Also contributing to the year-over-year decrease in rental revenue is certain large-scale maintenance projects in the prior-year period that did not repeat this year. Revenue related to our upstream market was down primarily due to the excess oil supply and lower commodity pricing in North America which resulted in reduced upstream activity as a whole.

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 $13.2 million for the six months ended June 30, 2020 increased $0.7 million, or 5.6%, compared to the prior-year period. Tank & Pump Solutions sales revenue of $2.6 million for the six months ended June 30, 2020 decreased slightly from the prior-year period.

Costs and Expenses. The following table depicts costs and expenses by type of business for the six-month periods ended June 30:

	2020	2019	Increase (Decrease) 2020 versus 2019	
	(In thousands, except percentages)			
Rental, Selling and General Expenses:				
North America Storage Solutions	$ 125,073	$ 120,893	$ 4,180	3.5%
U.K. Storage Solutions	21,879	26,790	(4,911)	(18.3)
Total Storage Solutions	146,952	147,683	(731)	(0.5)
Tank & Pump Solutions	34,228	40,286	(6,058)	(15.0)
Total Rental, Selling and General Expenses	$ 181,180	$ 187,969	$ (6,789)	(3.6)
U.K. Storage Solutions in Constant Currency	*$ 22,396*	*$ 26,790*	*$ (4,394)*	*(16.4)*
Total Storage Solutions in Constant Currency	*147,469*	*147,683*	*(214)*	*(0.1)*
Cost of Sales:				
North America Storage Solutions	$ 6,019	$ 5,191	$ 828	16.0
U.K. Storage Solutions	2,369	2,895	(526)	(18.2)
Total Storage Solutions	8,388	8,086	302	3.7
Tank & Pump Solutions	1,420	1,560	(140)	(9.0)
Total Cost of Sales	$ 9,808	$ 9,646	$ 162	1.7

Rental, Selling and General Expenses. Rental, selling and general expenses for the six months ended June 30, 2020 of $181.2 million decreased $6.8 million, or 3.6%, as compared to the prior-year period. As a percentage of total revenues, rental, selling and general expenses were 64.4% for the six months ended June 30, 2020, which was an increase from 62.7% in the prior-year period.

Rental, selling and general expenses for the six months ended June 30, 2020 and 2019 included expenses related to certain transactions that management believes are not indicative of our business. In 2020, these expenses included merger-related expenses of $19.9 million as well as $0.3 million of expenses related to a realignment of personnel and business structure. In 2019, these expenses included $3.6 million related to the amendment of certain stock award agreements in conjunction with the transition of our then CEO to Chairman of the Board of Directors and $0.7 million of expense related to incremental costs associated with potential acquisitions.

Excluding the expenses related to transactions described above, rental, selling and general expenses decreased $22.7 million, or 12.3% and as a percentage of revenues decreased to 57.3% from 61.2%. Throughout the Company, proactive cost management in response to reduced business activity resulting from COVID-19 drove reductions in rental, selling and general expenses resulting in year-over-year decreases in payroll, employee travel and fleet transportation costs. In addition, lower business activity resulted in reduced other variable expenses such as repairs and maintenance, especially during the second quarter.

Adjusted to exclude the $20.2 million and $4.3 million of costs related to transactions not indicative of our business, rental, selling and general expenses decreased $16.6 million in our total Storage Solutions business for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, of which $11.7 million of the decrease related to North America and $4.9 million related to U.K. In North America Storage Solutions, adjusted rental, selling and general expenses decreased 10.0% for the six months ended June 30, 2020 compared to the same period in the prior year. The decrease resulted from the combination of a 14.8% year-over-year decrease in expenses for the second quarter 2020 driven by our proactive cost reductions in response to COVID-19, and a first quarter year-over-year decrease in expenses of 5.4%. The first quarter decrease was driven by reduced expense associated with our short-term cash incentive plan, a policy change resulting in the reduction to our paid time off accrual, and decreased stock-based compensation expenses, partially offset by a year-over-year payroll increase.

In U.K. Storage Solutions, rental, selling and general expenses decreased 18.3%, or 16.4% in constant currency, for the six months ended June 30, 2020 compared to the same period in the prior year. The decrease was the combination of a 27.7% year-over-year decrease in expenses for the second quarter 2020 driven by our cost reductions in response to COVID-19, and a first quarter year-over-year decrease in expenses of 9.3% driven by lower year-over-year rental activity. In constant currency, U.K Storage Solutions rental, selling and general expenses decreased 7.9% and 25.2% year-over-year during the first and second quarters of 2020, respectively.

Rental, selling and general expenses for the Tank & Pump Solutions business decreased $6.1 million, or 15.0%, in the current-year period, as compared to the prior-year period. The decrease was primarily due to overall reduced expenses related to cost reductions in response to decreased rental activity, especially in the second quarter. Rental, selling and general expenses in this segment decreased 5.3% and 24.3% year-over-year during the first and second quarters of 2020, respectively.

Cost of Sales. Cost of sales is the cost related to our sales revenue only. Within the Storage Solutions business, cost of sales was $8.4 million and $8.1 million for the six months ended June 30, 2020 and 2019, respectively. Storage Solutions sales profit was $4.9 million and $4.5 million for the six-months ended June 30, 2020 and 2019, respectively. Sales profit margin was 36.7% in the quarter ended June 30, 2020 and 35.6% in the prior-year quarter.

Within the Tank & Pump Solutions business, cost of sales was $1.4 million compared to $1.6 million for the six-month periods ended June 30, 2020 and 2019, respectively. Tank & Pump Solutions sales profit was $1.2 million and $1.3 million for the six-month periods ended June 30, 2020 and 2019, respectively.

Depreciation and Amortization Expense. Total depreciation and amortization expense was $35.1 million for the six months ended June 30, 2020, which is a slight decrease compared to $35.5 million in the prior-year period.

Interest Expense. Interest expense was $17.0 million for the six months ended June 30, 2020 and $21.4 million in the prior-year period. The decrease is due to an overall decrease in debt outstanding combined with a lower effective interest rate on our lines of credit. Our average debt outstanding in the six months ended June 30, 2020 was $880.0 million, compared to $894.6 million in the prior-year period. The weighted average interest rate on our debt was 3.7% and 4.6% for the six-month periods ended June 30, 2020 and 2019, respectively, excluding the amortization of deferred financing costs. Taking into account the amortization of deferred financing costs, the weighted average interest rate was 3.9% and 4.8% for the six-month periods ended June 30, 2020 and 2019, respectively.

Provision for Income Taxes. During the six-month periods ended June 30, 2020 and 2019 our provision for income taxes was $12.6 million and $13.0 million, respectively. Our effective income tax rate was 33.0% for the six months ended June 30, 2020, compared to 28.8% for the prior-year period. In the current year, our tax rate was affected by non-deductible costs incurred associated with the Merger partially offset by a favorable settlement of uncertain tax positions. The prior-year tax rate was affected by the tax impact of non-deductible stock compensation recorded in the six-month period in the prior year.

Net Income. As a result of the income statement activity discussed above, we had net income of $25.5 million for the six months ended June 30, 2020, compared to net income of $32.1 million for the six months ended June 30, 2019. The decrease in net income was due to merger-related expenses. Decreased revenues due to lower business activity, particularly in the second half of the period, were offset by reduced expenses.

Adjusted EBITDA. The following table depicts adjusted EBITDA by type of business for the six-month period ended June 30:

	2020	2019	Increase (Decrease) 2020 versus 2019	
	(In thousands, except percentages)			
Adjusted EBITDA				
North America Storage Solutions	$ 87,564	$ 78,230	$ 9,334	11.9 %
U.K. Storage Solutions	13,257	12,467	790	6.3
Total Storage Solutions	100,821	90,697	10,124	11.2
Tank & Pump Solutions	15,337	22,440	(7,103)	(31.7)
Total Adjusted EBITDA	$ 116,158	$ 113,137	$ 3,021	2.7

For the six-month period ended June 30, 2020, we realized adjusted EBITDA of $116.2 million, an increase of $3.0 million in the prior-year period. Decreased consolidated year-over-year revenue during the period was more than offset by cost reductions throughout the Company.

During the six months ended June 30, 2020, adjusted EBITDA related to the North America Storage Solutions business increased $9.3 million and adjusted EBITDA related to the U.K. Storage Solutions business increased $0.8 million. Increased adjusted EBITDA in the Storage Solutions business was offset by a $7.1 million decrease in adjusted EBITDA related to the Tank & Pump Solutions business. Adjusted EBITDA margins for the six months ended June 30, 2020 were 45.4% for the North America Storage Solutions business, 35.5% for the U.K. Storage Solutions business and 30.2% for the Tank & Pump Solutions business.

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, execute opportunistic acquisitions, increase the number of units available for rent at our existing locations, and 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 strong cash flows from operating activities for the six-month periods ended June 30, 2020 and 2019 of $72.4 million and $100.6 million, respectively, resulted in free cash flow of $53.6 million and $54.9 million, respectively. Excluding cash expenditures related to merger-related costs, free cash flow for the six months ended June 30, 2020 was $68.0 million. In addition to free cash flow, our principal current source of liquidity is our revolving credit facility as 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. In July 2020, the Credit Agreement was paid in full and terminated in conjunction with the Merger.

The Credit Agreement provided for a five year, $1 billion first lien senior secured revolving credit facility, maturing on or before March 22, 2024. The Credit Agreement also provided 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 were secured by a blanket lien on substantially all of our assets. At June 30, 2020, we had $563.2 million of borrowings outstanding and $432.6 million of additional borrowing availability under the Credit Agreement. We were in compliance with the terms of the Credit Agreement as of June 30, 2020 and were above the minimum borrowing availability threshold and, therefore, were not subject to any financial maintenance covenants.

We believe our cash provided by operating activities would have provided for our normal capital needs for the next twelve months, irrespective of the Merger. If not, we had sufficient borrowings available under our Credit Agreement to meet any additional funding requirements. We monitored the financial strength of our lenders on an ongoing basis using publicly available information. Based upon that information, we did not believe that there was a likelihood that any of our lenders would have been unable to honor their respective commitments under the Credit Agreement.

Senior Notes. The 2024 Notes, issued on May 9, 2016, bore interest at a rate of 5.875% per year, had an eight-year term and were to mature on July 1, 2024. Interest on the 2024 Notes was payable semiannually in arrears on January 1 and July 1. The 2024 Notes were senior unsecured obligations of the Company and were unconditionally guaranteed on a senior unsecured basis by certain of our existing and future domestic subsidiaries. In conjunction with the Merger, the 2024 Notes were redeemed in July 2020.

Cash Flow Summary.

	Six Months Ended June 30,	
	2020	**2019**
	(In thousands)	
Net income	$ 25,543	$ 32,143
Adjustments to reconcile net income to net cash provided by operating activities	51,548	56,499
Changes in certain assets and liabilities	(4,676)	11,910
Net cash provided by operating activities	72,415	100,552
Net cash used in investing activities	(23,654)	(45,645)
Net cash used in financing activities	(38,495)	(55,816)
Effect of exchange rate changes on cash	(1,149)	(9)
Net increase (decrease) in cash	$ 9,117	$ (918)

Operating Activities. Net cash provided by operating activities was $72.4 million for the six months ended June 30, 2020, compared to $100.6 million in the prior-year period, a decrease of $28.1 million. Excluding merger-related costs, net cash provided by operating activities was $86.9 million. Changes in certain assets and liabilities resulted in a $4.7 million decrease to cash provided by operating activities for the six months ended June 30, 2020 as compared to an $11.9 million increase in the prior-year period. The $16.6 million year-over-year fluctuation in changes in certain assets and liabilities is primarily due to cash inflow related to the change in accounts receivable balances, which was $7.8 million in the current year period, compared to $21.2 million in the prior-year period.

Investing Activities. The amount of cash that we use during any period in investing activities is almost entirely within management's discretion. In addition to our expenditures for our rental fleet, capital expenditures include items such as the cost to buy or replace forklifts, trucks and trailers that we use to move and deliver our products to our customers, and for our computer information and communication systems. Net cash used in investing activities was $23.7 million in the six months ended June 30, 2020, compared to $45.6 million in the prior-year period. During the six months ended June 30, 2020, we made one acquisition for $4.8 million.

Rental fleet expenditures were as follows for the periods indicated:

	Additions to Rental Fleet, Excluding Acquisitions for the Six Months Ended June 30,	
	2020	**2019**
	(In thousands)	
North America Storage Solutions	$ 12,472	$ 28,007
United Kingdom Storage Solutions	859	2,111
Tank & Pump Solutions	5,455	16,279
Consolidated additions to rental fleet, excluding acquisitions	18,786	46,397
Proceeds from sale of rental fleet	(7,385)	(7,054)
Rental fleet net capital expenditures	$ 11,401	$ 39,343

During the six-month period ended June 30, 2020, and especially during the three months ended June 30, 2020, rental fleet expenditures were curtailed in response to developments in the economic environment, including decreased business activity due to COVID-19. Rental fleet expenditures were $18.8 million in the six months ended June 30, 2020 compared to $46.4 million in the prior-year period. Rental fleet expenditures in 2020 were made primarily to meet demand for specific products, including ground level offices. Proceeds of $7.4 million from the sale of rental fleet units for the first six months of 2020 were consistent with the first six months of 2019. In general, sales of units from our fleet occur due to a particular customer need, or due to having fleet in excess of rental demand at a particular location; as such, the proceeds from sale of rental units will normally fluctuate from period to period.

Gross capital expenditures for property, plant and equipment were $7.5 million for the six months ended June 30, 2020, compared to $6.4 million for the six-month period ended June 30, 2019.

Financing Activities. Net cash used in financing activities during the six months ended June 30, 2020 was $38.5 million, compared to $55.8 million for the prior-year period. In the current-year period, we borrowed $7.8 million under our lines of credit. Also, in the six months ended June 30, 2020, we paid three separate dividends totaling $40.2 million. The first and second dividends related to fourth quarter 2019 and first quarter 2020 results, respectively. The payment of the third dividend was in accordance with the Merger Agreement and related to second quarter 2020 results. In the prior-year period, we paid $13.4 million under our lines of credit and paid $24.7 million of dividends. We did not purchase treasury shares under our authorized share repurchase program during the six months ended June 30, 2020, while we purchased $10.0 million in the prior-year period. As of June 30, 2020, we had $42.4 million remaining for stock repurchases under this program.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information has been prepared to reflect adjustments to the financial condition and results of operations of WillScot Corp. (“WillScot,” and now called “WillScot Mobile Mini Holdings Corp.” or “WillScot Mini Holdings”) to give effect to the following items:

i. the estimated effects of the merger of Mobile Mini, Inc. (“Mobile Mini”) with and into Picasso Merger Sub, Inc. (“Merger Sub”), one of WillScot’s wholly-owned subsidiaries (the “Merger”), inclusive of the effects of the assumption and subsequent repayment of the Mobile Mini’s revolving credit facility (“Mobile Mini ABL Facility”) and Mobile Mini's outstanding senior notes due 2024 (“Mobile Mini 2024 Notes”), both of which are deemed to be debt assumed as of the acquisition date;

ii. the extinguishment of WillScot's existing revolving credit facility (“WillScot ABL Facility”) and a contemporaneous arrangement to enter into the new revolving credit facility (“New ABL Facility”), with an increased commitment; and

iii. the issuance of secured notes to qualified institutional buyers in a private placement transaction and the use of the proceeds therefrom and the extinguishment of WillScot’s outstanding senior secured notes due 2022 (“WillScot 2022 Senior Secured Notes”)(collectively with items above, the “Transactions”)

Upon completion of the Merger, WillScot changed its name to WillScot Mini Holdings and filed an amended and restated certificate of incorporation, which reclassified all outstanding shares of WillScot’s Class A Common Stock, par value $0.0001 per share (the “Class A Common Stock”), and converted such shares into shares of WillScot Mobile Mini common stock, par value $0.0001 per share (the “Common Stock”). Unless the context otherwise requires, all references herein to “WillScot,” refer to WillScot Corporation, at or prior to the completion of the Merger and without giving effect to the name change and all references to “WillScot Mini Holdings,” refer to WillScot Mobile Mini Holdings Corp., after giving effect to the Merger and the name change.

The following unaudited pro forma condensed combined financial information is based on the historical financial statements of WillScot and Mobile Mini described below. In preparing the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2019, the six months ended June 30, 2019, and the six months ended June 30, 2020 certain reclassifications were made to the reported financial information of Mobile Mini to conform to the reporting classifications of WillScot.

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2019, is based on, derived from, and should be read in conjunction with, WillScot’s historical audited financial statements as set forth in WillScot's 2019 Annual Report on Form 10-K (the “WillScot 10-K”). The aforementioned pro forma financial statements are also based on, derived from, and reclassified from Mobile Mini’s historical audited financial statements for the fiscal year ended December 31, 2019 and they should be read in conjunction with Mobile Mini’s historical audited financial statements as set forth in Mobile Mini’s 2019 Annual Report on Form 10-K (the “Mobile Mini 10-K”).

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2019, and for the six months ended June 30, 2020, as well as the unaudited pro forma condensed balance sheet as of June 30, 2020, are based on, derived from, and should be read in conjunction with, WillScot’s historical unaudited financial statements as set forth in WillScot Mini Holdings' Form 10-Q for the six months ended June 30, 2020 (the “WillScot 10-Q”). The aforementioned pro forma financial statements are also based on, derived from, and should be read in conjunction with Mobile Mini’s historical unaudited financial statements as set forth in the Form 10-Q for the six months ended June 30, 2019, and in the Form 8-K filed by WillScot Mini Holdings on August 10, 2020.

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2019, the six months ended June 30, 2019, and the six months ended June 30, 2020, assume that the Transactions occurred on January 1, 2019. The unaudited pro forma condensed combined balance sheet as of June 30, 2020 assumes that the Transactions occurred on June 30, 2020. The unaudited pro forma condensed combined financial information has been prepared by WillScot Mini Holdings management for illustrative purposes only and is not necessarily indicative of the combined financial position or results of operations that would have been realized had the Transactions occurred as of the dates indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations of WillScot Mini Holdings. In addition, the accompanying unaudited pro forma condensed combined statements of operations do not include any expected cost savings or restructuring actions which may be achievable or which may occur in the future. Furthermore, the accompanying unaudited pro forma condensed combined statements of operations also do not include the impact of any non-recurring activity and one-time transaction related costs arising from the Transactions. The historical combined financial information has been adjusted in the accompanying unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the Transactions related thereto, (2) factually supportable and (3) with respect to the unaudited pro forma condensed combined statements of operations, are expected to have a continuing impact on the combined results.

The Merger will be accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standard Codification No. 805, “Business Combinations,” (“ASC 805”) and applying the pro forma assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements. Under ASC 805, WillScot Mini Holdings values assets acquired and liabilities assumed in a business combination at their fair values as of the acquisition date. Fair value measurements can be highly subjective and the reasonable application of measurement principles may result in a range of alternative estimates using the same facts and circumstances. The process for estimating the fair values of identifiable intangible assets and certain tangible assets requires the use of significant estimates and assumptions by management, including estimating future cash flows, and developing appropriate discount rates. Under ASC 805, transaction costs are not included as a component of consideration transferred, and are expensed as incurred. The final valuation is expected to be completed as soon as practicable but no later than one year after the consummation of the Merger. The assignment of purchase price to assets acquired and liabilities assumed is subject to completion of the final analysis of the fair value of the assets and liabilities of Mobile Mini as of the effective date of the Merger. Accordingly, the assignment of purchase price in the unaudited pro forma condensed combined financial statements is preliminary and adjustments could be material. The preliminary fair values assigned to the assets to be acquired and liabilities to be assumed are based on reasonable estimates and assumptions developed using currently available data.

WILLSCOT CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2020
(In thousands)

	Historical WillScot as of June 30, 2020	Historical Mobile Mini (as reclassified) as of June 30, 2020	Combined Historical Financial Statements as of June 30, 2020	Debt Adjustments (see Note 3)		Merger Adjustments (see Note 4)		Pro Forma Combined
Assets								
Cash and cash equivalents	$ 9,061	$ 17,170	$ 26,231	$ 932,413	**(3a)**	$ (913,007)	**(4a)**	$ 45,637
Restricted Cash	655,087	-	655,087	(655,087)	**(3a)**	-		-
Trade receivables, net of allowance for doubtful accounts	231,007	91,764	322,771	-		-		322,771
Inventories	14,800	9,034	23,834	-		-		23,834
Prepaid expenses and other current assets	21,392	11,891	33,283	-		(5,424)	**(4b)**	27,859
Assets held for sale	9,332	-	9,332	-		-		9,332
Total current assets	940,679	129,859	1,070,538	277,326		(918,431)		429,433
Rental equipment, net	1,908,299	958,155	2,866,454	-		185,784	**(4c)**	3,052,238
Property, plant and equipment, net	142,454	152,367	294,821	-		2,330	**(4d)**	297,151
Operating lease assets	146,721	91,807	238,528	-		-		238,528
Goodwill	233,829	710,013	943,842	-		(16,755)	**(4e)**	927,087
Intangible assets, net	126,125	49,088	175,213	-		545,912	**(4f)**	721,125
Other non-current assets	3,433	1,395	4,828	(1,610)	**(3b)**	-		3,218
Total long-term assets	2,560,861	1,962,825	4,523,686	(1,610)		717,271		5,239,347
Total assets	$ 3,501,540	$ 2,092,684	$ 5,594,224	$ 275,716		$ (201,160)		$ 5,668,780
Liabilities								
Accounts payable	$ 87,847	$ 27,791	$ 115,638	$ -		$ -		$ 115,638
Accrued liabilities	101,212	19,995	121,207	-		(30,663)	**(4g)**	90,544
Accrued interest	16,772	7,776	24,548	(2,276)	**(3c)**	(7,776)	**(4h)**	14,496
Deferred revenue and customer deposits	89,258	39,728	128,986	-		-		128,986
Operating lease liabilities - current	30,438	17,126	47,564	-		-		47,564
Finance lease liabilities - current	-	15,637	15,637	-		-		15,637
Current portion of long-term debt	265,398	-	265,398	(265,398)	**(3d)**	-		-
Total current liabilities	590,925	128,053	718,978	(267,674)		(38,439)		412,865
			-					
Long-term debt	1,971,010	806,254	2,777,264	564,679	**(3d)**	(806,254)	**(4h)**	2,535,689
Deferred tax liabilities	69,044	203,596	272,640	(5,174)	**(3e)**	95,980	**(4i)**	363,446
Deferred revenue and customer deposits	12,284	-	12,284	-		-		12,284
Operating lease liabilities - non-current	117,159	76,688	193,847	-		-		193,847
Finance lease liabilities - non-current	-	61,060	61,060	-		-		61,060
Other non-current liabilities	36,028	-	36,028	-		-		36,028
Long-term liabilities	2,205,525	1,147,598	3,353,123	559,505		(710,274)		3,202,354
Total liabilities	2,796,450	1,275,651	4,072,101	291,831	`	(748,713)		3,615,219
Commitments and Contingencies								
Class A common stock	12	507	519	-		(496)	**(4j)**	23
Additional paid-in-capital	2,471,312	644,915	3,116,227	-		718,402	**(4j)**	3,834,629
Accumulated other comprehensive (loss) / income	(84,807)	(80,737)	(165,544)	-		80,737	**(4j)**	(84,807)
Retained earnings / (accumulated deficit)	(1,681,427)	430,665	(1,250,762)	(16,115)	**(3f)**	(429,407)	**(4j)**	(1,696,284)
Treasury stock	-	(178,317)	(178,317)	-		178,317	**(4j)**	-
Total shareholders' equity	705,090	817,033	1,522,123	(16,115)		547,553		2,053,561
Non-controlling interest	-	-	-	-		-		-
Total equity	705,090	817,033	1,522,123	(16,115)		547,553		2,053,561
Total liabilities and invested equity	$ 3,501,540	$ 2,092,684	$ 5,594,224	$ 275,716		$ (201,160)		$ 5,668,780

See notes to unaudited pro forma condensed combined financial statements

WILLSCOT CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR TWELVE MONTHS ENDED DECEMBER 31, 2019
(In thousands, except share and per share data)

	Historical WillScot for the twelve months ended December 31, 2019	Historical MobileMini (as reclassified) for the twelve months ended December 31, 2019	Debt Adjustments (see Note 3)	Merger Adjustments (see Note 5)	Pro Forma Combined
Revenues:					
Leasing and service revenue:					
Modular leasing	$ 744,185	$ 440,242	$ -	$ -	$ 1,184,427
Modular delivery and installation	220,057	141,415	-	-	361,472
Sales:					
New units	59,085	17,255	-	-	76,340
Rental units	40,338	13,713	-	-	54,051
Total revenues	1,063,665	612,625	-	-	1,676,290
Costs:					
Cost of leasing and services:					
Modular leasing	213,151	60,003	-	-	273,154
Modular delivery and installation	194,107	99,634	-	-	293,741
Cost of sales:					
New units	42,160	10,885	-	-	53,045
Rental units	26,255	9,480	-	-	35,735
Depreciation of rental equipment	174,679	31,802	-	4,918 **(5a)**	211,399
Gross profit	413,313	400,821	-	(4,918)	809,216
Expenses:					
Selling, general and administrative	271,004	208,098	-	1,553**(5b)**	480,655
Other depreciation and amortization	12,395	38,781	-	15,677**(5c)**	66,853
Impairment losses on long-lived assets	2,848	-	-	-	2,848
Lease impairment expense and other related charges	8,674	-	-	-	8,674
Restructuring costs	3,755	-	-	-	3,755
Currency (gains) losses, net	(688)	274	-	-	(414)
Other (income) expense, net	(2,200)	100	-	-	(2,100)
Operating income (loss)	117,525	153,568	-	(22,148)	248,945
Interest expense	122,504	41,366	7,823 **(3g)**	(39,672) **(5d)**	132,021
Loss on extinguishment of debt	8,755	123	-	-	8,878
Income / (loss) before income tax	(13,734)	112,079	(7,823)	17,524	108,046
Income tax expense (benefit)	(2,191)	28,345	(1,995) **(3h)**	4,469**(5e)**	28,628
Net income / (loss)	(11,543)	83,734	(5,828)	13,055	79,418
Net loss attributable to non-controlling interest, net of tax	(421)	-	-	421**(5f)**	-
Total income / (loss) attributable to WSC	**$ (11,122)**	**$ 83,734**	**$ (5,828)**	**$ 12,634**	**$ 79,418**
Net (loss) income per share attributable to WSC					
Basic	$ (0.10)				$ 0.35
Diluted	(0.10)				0.35
Weighted Average Shares					
Basic	108,683,820			117,067,547**(5g)**	225,751,367
Diluted	108,683,820			121,347,284**(5g)**	230,031,104

See notes to unaudited pro forma condensed combined financial statements

WILLSCOT CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR SIX MONTHS ENDED JUNE 30, 2019
(In thousands, except share and per share data)

	Historical WillScot for the six months ended June 30, 2019	Historical MobileMini (as reclassified)for the six months ended June 30, 2019	Debt Adjustments (see Note 3)	Merger Adjustments (see Note 5)	Pro Forma Combined
Revenues:					
Leasing and service revenue:					
Modular leasing	$ 363,110	$ 214,163	$ -	$ -	$ 577,273
Modular delivery and installation	105,966	69,916	-	-	175,882
Sales:					
New units	26,348	8,727	-	-	35,075
Rental units	21,974	7,036	-	-	29,010
Total revenues	517,398	299,842	-	-	817,240
Costs:					
Cost of leasing and services:					
Modular leasing	102,308	30,569	-	-	132,877
Modular delivery and installation	91,811	50,165	-	-	141,976
Cost of sales:					
New units	18,877	5,651	-	-	24,528
Rental units	14,516	5,001	-	-	19,517
Depreciation of rental equipment	85,071	15,894	-	2,459**(5a)**	103,424
Gross profit	204,815	192,562	-	(2,459	394,918
Expenses:					
Selling, general and administrative	143,704	106,127	-	776**(5b)**	250,607
Other depreciation and amortization	5,733	19,576	-	7,931**(5c)**	33,240
Impairment losses on long-lived assets	2,638	-	-	-	2,638
Lease impairment expense and other related charges	4,605	-	-	-	4,605
Restructuring costs	3,288	-	-	-	3,288
Currency (gains) losses, net	(670)	166	-	-	(504)
Other (income) expense, net	(2,241)	102	-	-	(2,139)
Operating income (loss)	47,758	66,591	-	(11,166	103,183
Interest expense	62,783	21,352	3,282**(3g)**	(20,520)**(5d)**	66,897
Loss on extinguishment of debt	7,244	123	-	-	7,367
Income / (loss) before income tax	(22,269)	45,116	(3,282)	9,354	28,919
Income tax expense (benefit)	(802)	12,973	(837)**(3h)**	2,386**(5e)**	13,720
Net income / (loss)	(21,467)	32,143	(2,445)	6,968	15,199
Net loss attributable to non-controlling interest, net of tax	(1,590)	-	-	1,590**(5f)**	-
Total income / (loss) attributable to WSC	**$ (19,877)**	**$ 32,143**	**$ (2,445)**	**5,378**	**15,199**
Net (loss) income per share attributable to WSC					
Basic	$ (0.18)				$ 0.07
Diluted	(0.18)				0.07
Weighted Average Shares					
Basic	108,609,068			117,067,547**(5g)**	225,676,615
Diluted	108,609,068			118,761,567**(5g)**	227,370,635

See notes to unaudited pro forma condensed combined financial statements

WILLSCOT CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR SIX MONTHS ENDED JUNE 30, 2020
(In thousands, except share and per share data)

	Historical WillScot for the six months ended June 30, 2020	Historical MobileMini (as reclassified) for the six months ended June 30, 2020	Debt Adjustments (see Note 3)		Merger Adjustments (see Note 5)		Pro Forma Combined
Revenues:							
Leasing and service revenue:							
Modular leasing	$ 378,495	$ 205,063	$ -		$ -		$ 583,558
Modular delivery and installation	102,710	60,054	-		-		162,764
Sales:							
New units	19,376	8,549	-		-		27,925
Rental units	12,102	7,465	-		-		19,567
Total revenues	512,683	281,131	-		-		793,814
Costs:							
Cost of leasing and services:							
Modular leasing	97,556	25,274	-		-		122,830
Modular delivery and installation	87,388	42,677	-		-		130,065
Cost of sales:							
New units	12,534	5,457	-		-		17,991
Rental units	7,609	4,625	-		-		12,234
Depreciation of rental equipment	91,442	15,360	-		2,459	**(5a)**	109,261
Gross profit	216,154	187,738	-		(2,459)		401,433
Expenses:							
Selling, general and administrative	140,240	112,769	-		(24,463)	**(5b)**	228,546
Other depreciation and amortization	5,957	19,695	-		7,923	**(5c)**	33,575
Lease impairment expense and other related charges	3,055	-	-		-		3,055
Restructuring costs	689	-	-		-		689
Currency (gains) losses, net	518	39	-		-		557
Other (income) expense, net	(745)	186	-		-		(559)
Operating income (loss)	66,440	55,049	-		14,081		135,570
Interest expense	56,776	16,950	7,826	**(3g)**	(15,921)	**(5d)**	65,631
Income / (loss) before income tax	9,664	38,099	(7,826)		30,002		69,939
Income tax expense (benefit)	505	12,556	(1,996)	**(3h)**	7,650	**(5e)**	18,715
Net income / (loss)	9,159	25,543	(5,830)		22,352		51,224
Net loss attributable to non-controlling interest, net of tax	1,213	-	-		(1,213)	**(5f)**	-
Total income / (loss) attributable to WSC	**$ 7,946**	**$ 25,543**	**$ (5,830)**		**$ 23,565**		**$ 51,224**
Net (loss) income per share attributable to WSC							
Basic	$ 0.07						$ 0.23
Diluted	0.07						0.22
Weighted Average Shares							
Basic	110,174,536				117,008,431	**(5g)**	227,182,967
Diluted	112,209,212				117,585,783	**(5g)**	229,794,995

See notes to unaudited pro forma condensed combined financial statements

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION
(in thousands, except per share data)

1. Mobile Mini Merger

On March 1, 2020, WillScot, Mobile Mini and Merger Sub, entered into the Merger Agreement. On July 1, 2020, in accordance with the terms and subject to the conditions set forth in the Merger Agreement and in accordance with the applicable provisions of the Delaware General Corporation Law (the “DGCL”), Merger Sub merged with and into Mobile Mini (the “Merger”). At the effective time of the Merger (the “Effective Time”), the separate corporate existence of Merger Sub ceased and Mobile Mini continued its existence under Delaware law, as the surviving corporation in the Merger and a wholly-owned subsidiary of WillScot. In connection with the Merger, each share of Mobile Mini common stock, par value $0.01 per share (the “Mobile Mini Common Stock”) issued and outstanding immediately prior to the Effective Time (other than shares held by Mobile Mini as treasury shares or owned by a subsidiary of Mobile Mini), was converted into the right to receive 2.4050 shares of WillScot Class A Common Stock (the “Merger Consideration”). Immediately following Mobile Mini stockholders’ receipt of the Merger Consideration and upon the filing of the amended and restated certificate of incorporation of WillScot at the Effective Time, which is the certificate of incorporation of WillScot Mini Holdings (the “A&R Charter”), all issued and outstanding shares of WillScot’s Class A Common Stock were reclassified as and converted into shares of WillScot Mini Holdings’ Common Stock.

Upon completion of the Merger, each outstanding and unexercised option to purchase shares of Mobile Mini Common Stock was assumed by WillScot Mini Holdings and became an option to purchase shares of WillScot Mini Holdings’ Common Stock, on the same terms and conditions as applied to each such option immediately prior to the Effective Time, except that (A) the number of shares of WillScot Mini Holdings’ Common Stock subject to such option equaled the product of (i) the number of shares of Mobile Mini Common Stock that were subject to such option immediately prior to the Effective Time multiplied by (ii) 2.4050, rounded down to the nearest whole share, and (B) the per-share exercise price was equal the quotient of (i) the exercise price per share of Mobile Mini Common Stock at which such option was exercisable immediately prior to the Effective Time, divided by (ii) 2.4050, rounded up to the nearest whole cent.

In connection with the Merger, on March 1, 2020, WillScot also entered into a commitment letter (as amended and restated from time to time, for the purpose of joining additional financial institutions, the "Commitment Letter") pursuant to which certain financial institutions committed to provide a $2.4 billion revolving credit facility, consisting of: (i) a senior secured asset-based US dollar revolving credit facility in the aggregate principal amount of $2 billion (the “US Facility”) and (ii) a senior secured asset-based multicurrency revolving credit facility (together with the US Facility, the “New ABL Facility”). The proceeds of the New ABL Facility were available to (i) repay in full the existing WillScot ABL Facility and the Mobile Mini ABL Facility, (ii) redeem the existing Mobile Mini 2024 Notes, (iii) pay the fees, costs and expenses incurred in connection with the Transactions, and (iv) other general corporate purposes. On July 1, 2020, in connection with the completion of the Merger, Williams Scotsman Holdings Corp (“WSHC”), WSII (as defined below) and the guarantors named therein, entered into the New ABL Facility credit agreement, in accordance with the terms of the Commitment Letter.

Furthermore, in anticipation of the Merger, on June 15, 2020 Picasso Finance Sub, Inc., a newly-formed finance subsidiary of Williams Scotsman International Inc. (“WSII”) and Delaware corporation (the “Escrow Issuer”), completed a private offering of $650.0 million in aggregate principal amount of its senior secured notes due 2025 (the “2025 Notes”). On July 1, 2020, the Escrow Issuer merged with and into WSII, with WSII as the surviving entity in such merger (the “Escrow Issuer Merger”). In connection with the Escrow Issuer Merger, WSII, each of WSII’s direct and indirect domestic subsidiaries and Williams Scotsman Holdings Corp. (together with the direct and indirect domestic subsidiaries of WSII (including Mobile Mini and its domestic subsidiaries), the “Note Guarantors”) and the Trustee entered into a supplemental indenture (the “2025 Notes Supplemental Indenture”) pursuant to which WSII assumed all of the Escrow Issuer’s obligations and rights under the 2025 Notes Indenture and the Note Guarantors unconditionally guaranteed the 2025 Notes.

The following table summarizes the components of the estimated total purchase price included in the pro forma condensed combined financial statements as if the Merger had been completed on June 30, 2020:

In thousands, except share and per share amounts		
Mobile Mini common stock outstanding		44,252,275
Share conversion ratio (per Mobile Mini share)		2.4050
Estimated total WillScot Class A Common Stock to be issued		106,426,722
WillScot Class A Common Stock per share price as of July 1, 2020	$	12.53
Fair value of shares of WillScot Class A Common Stock issued	**$**	**1,333,527**
Cash paid for fractional shares		**30**
Fair value of Mobile Mini Options converted to WillScot Options		**34,129**
Estimated total purchase price	**$**	**1,367,686**

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting under the provisions of ASC 805 and was based on the historical financial information of WillScot and Mobile Mini. Under the acquisition method of accounting, the total estimated purchase price of an acquisition is assigned to the net tangible and intangible assets to be acquired based on their estimated fair values as of the date the acquisition is consummated. Such fair values are based on available information and certain assumptions that we believe are reasonable. Management has made a preliminary assignment of the estimated purchase price to the tangible (including rental equipment) and intangible assets acquired and liabilities assumed based on various preliminary assumptions and estimates. The final determination of these estimated fair values, the assets' useful lives and the amortization methods are subject to completion of an ongoing assessment and will be available as soon as practicable but no later than one year after the consummation of the Merger. Fair value measurements can be highly subjective and the reasonable application of measurement principles may result in a range of alternative estimates using the same facts and circumstances. The results of the final assignment could be materially different from the preliminary assignment set forth in these unaudited pro forma condensed combined financial statements, including but not limited to, the assignment related to identifiable intangible assets, rental equipment, property, plant and equipment, operating lease assets, inventories, deferred taxes, goodwill, operating lease liabilities, finance lease liabilities, debt, and the resulting impacts on, among others, depreciation and amortization, interest expense and income taxes.

The following table summarizes the preliminary estimated purchase price assignment, as if the Merger had been completed on June 30, 2020:

In thousands	
Purchase Price	**$ 1,367,686**
Cash and cash equivalents	17,170
Trade receivables, net	91,764
Inventories	9,034
Prepaid expenses and other current assets	11,891
Rental equipment	1,143,939
Property, plant and equipment, net	154,697
Operating lease assets	91,807
Intangible assets	595,000
Other non-current assets	1,395
Total identifiable assets acquired	**$ 2,116,697**
Accounts payable	(27,791)
Accrued liabilities	(19,995)
Accrued interest	(7,776)
Deferred revenue and customer deposits	(39,728)
Operating lease liabilities	(93,814)
Finance lease liabilities	(76,697)
Debt	(818,678)
Deferred tax liabilities	(357,790)
Total identifiable liabilities assumed	**(1,442,269)**
Goodwill Identified	**$ 693,258**

2. Accounting Policies and Reclassifications

During the preparation of these unaudited pro forma condensed combined financial statements, WillScot Mini Holdings made a preliminary assessment as to any material differences between accounting policies of the two companies. These unaudited pro forma condensed combined financial statements do not present any material differences in accounting policies between the two companies based on this preliminary assessment.

Financial information presented in the “Historical Mobile Mini” column in the unaudited pro forma condensed combined balance sheet and statements of operations has been reclassified to conform to the historical presentation of WillScot as follows (primarily related to classification of current and non-current amounts):

Historical Mobile Mini Balance Sheet as of June 30, 2020

	As of June 30 , 2020 (in 000's)	(As reclassified) as of June 30 , 2020 (in 000s)
Assets		
Cash and cash equivalents	$ 17,170	$ 17,170
Trade receivables, net	92,465	91,764
Inventories	9,034	9,034
Prepaid expenses and other current assets	-	11,891
Total current assets		129,859
Rental equipment, net	958,155	958,155
Property, plant and equipment, net	152,367	152,367
Operating lease assets	91,807	91,807
Other assets	16,979	1,395
Goodwill	710,013	710,013
Intangible assets, net	49,088	49,088
Total long-term assets		1,962,825
Total assets	**$ 2 ,097,078**	$ 2,092,684
Liabilities		
Accounts payable	$ 32,416	$ 27,791
Accrued liabilities	62,874	19,995
Accrued interest	-	7,776
Deferred revenue and customer deposits	-	39,728
Operating lease liabilities	93,814	17,126
Finance lease liabilities	76,697	15,637
Total current liabilities		128,053
Lines of credit	563,202	-
Long-term debt	247,446	806,254
Deferred tax liabilities	203,596	203,596
Operating lease liabilities	-	76,688
Finance lease liabilities	-	61,060
Long-term liabilities		1,147,598
Total liabilities	1,280,045	1,275,651
Commitments and contingencies		
Common stock	507	507
Additional paid-in capital	644,915	644,915
Accumulated other comprehensive (loss)	(80,737)	(80,737)
Retained earnings	430,665	430,665
Treasury stock	(178,317)	(178,317)
Total equity	817,033	817,033
Total liabilities and equity	$ 2,097,078	**$ 2,092,684**

Historical Mobile Mini Statement of Operations for the twelve months ended December 31, 2019

	Historical MobileMini for the twelve months ended December 31, 2019 (in 000's)	(As reclassified) for the twelve months ended December 31, 2019 (in 000's)
Revenues		
Rental revenue	$ 581,657	$ -
Modular leasing	-	440,242
Modular delivery and installation	-	141,415
Sales revenue	30,394	-
New units	-	17,255
Rental units	-	13,713
Other revenue	574	-
Total revenues	612,625	612,625
Costs		
Cost of leasing and services - Modular leasing	-	60,003
Cost of leasing and services - Modular delivery and installation	-	99,634
Cost of sales	18,675	-
Cost of sales - New units	-	10,885
Cost of sales - Rental units	-	9,480
Depreciation of rental equipment	-	31,802
Gross profit	-	400,821
Expenses		
Selling, general and administrative	-	208,098
Rental, selling and general expenses	369,525	-
Depreciation and amortization	70,583	-
Other depreciation and amortization	-	38,781
Currency (gains) losses, net	274	274
Other (income) expense, net	-	100
Operating income (loss)	153,568	153,568
Interest expense	41,378	41,366
Interest income	(12)	-
Deferred financing costs write-off	123	-
Loss on extinguishment of debt	-	123
Income before income tax	112,079	112,079
Income tax provision	28,345	28,345
Net income	**$ 83,734**	**$ 83,734**

Historical Mobile Mini Statement of Operations for the six months ended June 30, 2019

	Historical MobileMini for the six months ended June 30, 2019 (in 000's)	**(As reclassified) for the six months ended June 30, 2019** (in 000's)
Revenues		
Rental revenue	$ 284,078	$ -
Modular leasing	-	214,163
Modular delivery and installation	-	69,916
Sales revenue	15,358	-
New units	-	8,727
Rental units	-	7,036
Other revenue	406	-
Total revenues	299,842	299,842
Costs		
Cost of leasing and services - Modular leasing	-	30,569
Cost of leasing and services - Modular delivery and installation	-	50,165
Cost of sales	9,646	-
Cost of sales - New units	-	5,651
Cost of sales - Rental units	-	5,001
Depreciation of rental equipment	-	15,894
Gross profit		192,562
Expenses		
Selling, general and administrative	-	106,127
Rental, selling and general expenses	187,969	-
Depreciation and amortization	35,470	-
Other depreciation and amortization	-	19,576
Currency (gains) losses, net	166	166
Other (income) expense, net	-	102
Operating income (loss)	66,591	66,591
Interest expense	21,352	21,352
Interest income	-	-
Deferred financing costs write-off	123	-
Loss on extinguishment of debt	-	123
Income before income tax	45,116	45,116
Income tax provision	12,973	12,973
Net income	**$ 32,143**	**$ 32,143**

Historical Mobile Mini Statement of Operations for the six months ended June 30, 2020

		Historical MobileMini for the six months ended June 30, 2020 (in 000's)		(As reclassified) for the six months ended June 30, 2020 (in 000's)
Revenues				
Rental revenue	$	265,117	$	-
Modular leasing		-		205,063
Modular delivery and installation		-		60,054
Sales revenue		15,867		-
New units		-		8,549
Rental units		-		7,465
Other revenue		147		-
Total revenues		281,131		281,131
Costs				
Cost of leasing and services - Modular leasing		-		25,274
Cost of leasing and services - Modular delivery and installation		-		42,677
Cost of sales		9,808		-
Cost of sales - New units		-		5,457
Cost of sales - Rental units		-		4,625
Depreciation of rental equipment		-		15,360
Gross profit				187,738
Expenses				
Selling, general and administrative		-		112,769
Rental, selling and general expenses		181,180		-
Depreciation and amortization		35,055		-
Other depreciation and amortization				19,695
Currency (gains) losses, net		39		39
Other (income) expense, net				186
Operating income (loss)		55,049		55,049
Interest expense		16,974		16,950
Interest income		(24)		-
Deferred financing costs write-off				-
Loss on extinguishment of debt				-
Income before income tax		38,099		38,099
Income tax provision		12,556		12,556
Net income	$	25,543	$	25,543

3. Debt Related Pro Forma Adjustments

The following summarizes the pro forma adjustments related to WillScot Mini Holdings' borrowings under the New ABL Facility entered into in connection with the Merger as well as the proceeds from the issuance of the 2025 Notes, which were held in escrow at June 30, 2020 and classified as restricted cash on the condensed consolidated balance sheet. On July 1, 2020, proceeds from the New ABL Facility borrowings and the issuance of the 2025 Notes were used to repay (1) the WillScot ABL Facility, (2) the Mobile Mini ABL Facility, (3) Mobile Mini 2024 Notes and (4) WillScot 2022 Senior Secured Notes, in each case, outstanding as of July 1, 2020. Pursuant to the redemption notice (the "Mobile Mini Redemption Notice") delivered prior to July 1, 2020, certain proceeds from the Transactions were paid to the trustee of the Mobile Mini 2024 Notes for payment to bond holders upon completion of the 30 day redemption period. Repayment of the Mobile Mini ABL Facility borrowings and redemption of the Mobile Mini 2024 Notes is presented in note 4 (Merger Related Pro Forma Condensed Combined Balance Sheet Adjustments).

The Transactions are presented as of June 30, 2020, assuming an extinguishment of the WillScot 2022 Senior Secured Notes, which resulted in a write-off of $4,602 of deferred financing costs recorded in the current portion of long-term debt. Extinguishment of the WillScot ABL Facility and a contemporaneous arrangement to enter into the New ABL Facility, resulted in a write-off of $6,054 of deferred financing costs, $4,444 recorded in long-term debt and $1,610 recorded in other long-term assets. The presentation of the WillScot ABL Facility extinguishment, which occurred on July 1, 2020, is preliminary and subject to change as additional information becomes available to finalize the accounting treatment.

a) Adjustment to cash and cash equivalents, and restricted cash consists of the following:

In thousands	*As of June 30, 2020*
Restricted cash reclassified to cash and cash equivalents (i)	$ 655,087
Amount borrowed under the New ABL Facility	1,466,820
Cash paid to redeem the WillScot ABL Facility	(865,000)
Cash paid to redeem the WillScot 2022 Secured Notes	(270,000)
Cash paid for accrued interest associated with the WillScot ABL Facility	(1,331)
Cash paid for accrued interest associated with the WillScot 2022 Secured Notes	(945)
Cash paid for deferred financing costs associated with the New ABL Facility	(41,585)
Cash paid for redemption premium associated with WillScot 2022 Secured Notes	(10,633)
Net adjustment to cash	**$ 932,413**

(i) The restrictions on the escrow account resulted in the proceeds of the 2025 Notes and required interest deposited therein being classified as Restricted cash which deposits, were released at the Merger and used to repay the WillScot 2022 Senior Secured Notes, the Mobile Mini 2024 Notes, and fees and expenses of the Transactions.

b) Adjustment to other non-current assets represents the elimination of deferred financing costs associated with the WillScot ABL Facility, specifically related to the Canadian portion of the WillScot ABL Facility which had no borrowings at June 30, 2020.

c) Adjustment to accrued interest represents accrued interest that is repaid in connection with the repayment of the WillScot 2022 Senior Secured Notes and repayment of the WillScot ABL Facility.

d) Adjustment to long-term debt and the current portion of long-term debt represents the following:

In thousands	As of June 30, 2020
Outstanding borrowings of the WillScot 2022 Secured Notes repaid	$ (270,000)
Elimination of deferred financing costs associated with the WillScot 2022 Secured Notes	4,602
Net adjustment to current portion of long-term debt	**$ (265,398)**

Amount borrowed under the New ABL Facility	$ 1,466,820
Outstanding borrowings on the WillScot ABL Facility repaid	(865,000)
Elimination of deferred financing costs associated with the WillScot ABL Facility	4,444
Cash paid for deferred financing costs related to the New ABL Facility	(41,585)
Net adjustment to long-term debt	**$ 564,679**

e) Adjustment represents the tax effect on the elimination of deferred financing costs associated with i) WillScot's 2022 Senior Secured Notes and ii) WillScot ABL Facility.

f) Adjustment to accumulated deficit represents the following:

In thousands	As of June 30, 2020
Elimination of all deferred financing costs associated with the WillScot ABL Facility	$ (6,054)
Elimination of deferred financing costs associated with the WillScot 2022 Secured Notes	(4,602)
Redemption premium associated with WillScot 2022 Secured Notes	(10,633)
Tax impact associated with elimination of deferred financing costs associated with the WillScot ABL Facility	4,000
Tax impact associated with elimination of deferred financing costs associated with the WillScot 2022 Secured Notes	1,174
Net adjustment to accumulated deficit	**$ (16,115)**

g) Adjustment to interest expense represents the following:

In thousands	For the six months ended June 30, 2019	For the twelve months ended December 31, 2019	For the six months ended June 30, 2020
Interest expense related to the New ABL Facility	$ 15,006	$ 30,011	$ 15,006
Interest expense related to the Willscot 2025 Notes	19,906	39,812	19,906
Interest expense related to the WillScot 2025 Notes already recognized	-	-	(1,769)
Amortization of deferred financing costs for the New ABL Facility	5,122	10,243	5,122
Amortization of deferred financing costs for the 2025 Secured Notes	1,435	2,870	1,435
Interest expense on WillScot's ABL Facility	(21,643)	(43,781)	(16,278)
Interest expense on WillScot's 2022 Secured Notes	(11,813)	(21,656)	(10,631)
Amortization of deferred financing costs on WillScot ABL Facility	(4,099)	(8,203)	(4,090)
Amortization of deferred financing costs on WillScot' 2022 Secured Notes	(632)	(1,473)	(875)
Net adjustment to interest expense	**$ 3,282**	**$ 7,823**	**$ 7,826**

Interest on outstanding borrowings of the New ABL Facility are based off the London Interbank Offered Rate (LIBOR). The 2.05% per annum rate used in the above calculation assumes the one month USD LIBOR interest rate as of July 1, 2020 of 0.17%, and a 1.875% spread as specified by the New ABL Facility commitments. A 1/8% change in interest rate to the drawn portion of the New ABL Facility which is subject to a variable interest rate would increase or decrease the pro forma cash interest expense on the $1.46 billion New ABL Facility borrowings by approximately $1.8 million annually.

h) Adjustment to recognize the income tax impacts of the pro forma adjustments for which a tax expense is recognized using a U.S. federal and state statutory tax rate of 25.5%. This rate may vary from the effective tax rates of the historical and combined businesses.

4) Merger Related Pro Forma Condensed Combined Balance Sheet Adjustments

The following summarizes the pro forma adjustments in connection with the Merger to give effect as if it had been completed on June 30, 2020 for the purposes of pro forma condensed combined balance sheet:

a) Adjustment to cash consists of the following:

In thousands		*As of June 30, 2020*
Repayment of Mobile Mini's ABL Facility assumed		(563,202)
Repayment of Mobile Mini's 2024 Notes assumed		(250,000)
Repayment of Mobile Mini's accrued interest associated with ABL Facility		(432)
Repayment of Mobile Mini's accrued interest associated with 2024 Notes		(7,344)
Redemption premium on repayment of Mobile Mini 2024 Notes		(7,350)
Estimated non-recurring transaction costs to be paid with proceeds from New ABL Facility borrowings		(84,649)
Cash payment for fractional Mobile Mini shares	$	(30)
Net adjustment to cash	**$**	**(913,007)**

b) Adjustment to prepaid expenses and other current assets represents the reclassification of certain transaction costs previously deferred as financing costs and equity issuance costs.

c) Adjustment to recognize the estimated step-up in fair value of rental equipment acquired. We have preliminarily assigned the purchase price to the net tangible and intangible assets based upon their estimated fair values at the closing date of the Merger. The calculated value is preliminary and subject to change and could vary materially from the final purchase price assignment.

d) Adjustment to recognize the estimated step-up in fair value of property, plant and equipment acquired, net of $5.3 million of previously capitalized assets reclassified and recognized as an intangible asset in the Pro Forma Condensed Combined Balance Sheet of WillScot Mini Holdings. We have preliminarily assigned the purchase price to the net tangible and intangible assets based upon their estimated fair values at the closing date of the Merger. The calculated value is preliminary and subject to change and could vary materially from the final purchase price assignment.

e) Represents an adjustment to goodwill to reflect the balance that would have been recorded if the Merger occurred on June 30, 2020. We have preliminarily assigned the purchase price to the net tangible and intangible assets based upon their estimated fair values at the closing date of the Merger. The excess of the purchase price over the estimated fair values of the net tangible and intangible assets acquired has been recorded as goodwill as of June 30, 2020. The calculated value is preliminary and subject to change and could vary materially from the final purchase price assignment.

f) Adjustment to recognize the estimated step-up in fair value of intangible assets acquired consisting of a trade name, acquired technology, and customer relationships. The fair value of the intangible assets acquired is as follows:

In thousands		*As of June 30, 2020*
Trade name	$	301,000
Customer relationships		263,000
Technology		31,000
Fair value of intangible assets acquired		**595,000**
Mobile Mini historical carrying value of intangible assets		(49,088)
Total adjustment to intangible assets, net	**$**	**545,912**

The ranges of calculated values for the trade name and developed technology were determined using the relief-from-royalty method of the income approach. The principle behind this method is that the value of the intangible asset is equal to the present value of the after-tax royalty savings attributable to owning the intangible asset. In estimating ranges of calculated values, management utilized various assumptions in order to assess the reasonableness of the selection of a royalty rate and life of the intangible asset. The selected calculated value for the trade name intangible asset reflects the calculated value under an indefinite-life assumption, which is subject to change based on a final determination grounded in both the terms of the merger agreement and assumed market participant treatment of the acquired trade name.

The range of calculated values for the customer relationships intangible asset was determined using the multi-period excess earnings method of the income approach. The principle behind this method is that the value of the intangible asset is equal to the present value of the after-tax cash flows solely attributable to the intangible asset, following the application of post-tax contributory asset charges that reflect the return on other assets that contribute to the generation of the forecasted cash flows. The above calculated values are preliminary and subject to change and could vary materially from the final purchase price assignment.

g) Represents an adjustment to reflect the reversal of Merger transaction costs incurred as of June 30, 2020.

h) Represents the repayment of Mobile Mini's long-term debt, payment of a redemption premium on the Mobile Mini 2024 Notes, elimination of deferred financing costs and repayment of accrued interest in connection with the Merger. In addition to the adjustments to long-term debt outlined below, accrued interest of $7,776 was repaid in connection with repayment of the Mobile Mini ABL Facility and Mobile Mini 2024 Notes. Adjustment to long-term debt consists of the following:

In thousands		*As of June 30, 2020*
Elimination of deferred financing costs associated with Mobile Mini's ABL Facility	$	4,394
Elimination of deferred financing costs associated with Mobile Mini's 2024 Notes		2,554
Redemption Premium on repayment of Mobile Mini 2024 Notes		7,350
Repayment of Mobile Mini's ABL Facility assumed		(563,202)
Repayment of Mobile Mini's 2024 Notes assumed		(257,350)
Net adjustment to long-term debt	**$**	**(806,254)**

i) The identified basis differences between both (a) the fair value and historic carrying value and (b) as a result of recording or recognition of non-recurring transaction costs, which have been tax effected at the appropriate jurisdictional statutory tax rates, primarily, 25.5% for U.S. Federal and state rate and the removal of the historical WillScot valuation allowance (see 4j (vi) below for additional details). These rates may vary from the effective tax rates of the historical and combined businesses. The estimate of deferred tax balances is preliminary and is subject to change based upon certain factors including tax attribute limitation analysis and final determination of the fair value of assets acquired and liabilities assumed by taxing jurisdiction. In addition, deferred taxes associated with deductible non-recurring items as described in note 4g are included in the balance sheet at the statutory tax rates of the applicable jurisdictions.

WillScot's results for income taxes presented herein is WillScot's best estimate based on the factors described herewith. The tax results may differ from the actual tax balances and effective tax rates of WillScot Mini Holdings and is dependent on several factors including fair value adjustments and post-combination restructuring actions.

j) The changes to equity as of June 30, 2020 are as follows:

	Class A common stock	**Additional paid-in capital**	**Accumulated other comprehensive income (loss)**	**Accumulated earnings / (deficit)**	**Treasury stock**	**Total stockholders equity**
(i)Elimination of Mobile Mini's equity	$ (507)	$ (644,915)	$ 80,737	$ (430,665)	$ 178,317	$ (817,033)
(ii) Issuance of WillScot Class A Common Stock, par value $0.0001 per share	11	1,333,516				1,333,527
(iii) Non recurring transaction costs estimate				(46,458)		(46,458)
(iv) Fair value of Mobile Mini Options exchanged for WillScot Options		34,129				34,129
(v) Non-recurring equity issuance costs estimate		(4,328)				(4,328)
(vi) Federal valuation allowance				47,716		47,716
	$ (496)	**$ 718,402**	**$ 80,737**	**$ (429,407)**	**$ 178,317**	**$ 547,553**

i) Represents the adjustment to eliminate Mobile Mini's historical stockholder's equity.

ii) Represents the adjustment to reflect the issuance of 106,426,722 shares of WillScot Class A Common Stock based on the closing price of $12.53 per share on Nasdaq on July 1, 2020.

iii) Represents an adjustment to accumulated deficit for non-recurring transaction costs, as adjusted for the impact of the associated deferred tax asset (presented as a component of the deferred tax liabilities).

iv) Represents the exchange of all Mobile Mini vested options outstanding for 2.4050 stock options reflecting the right to acquire Common Stock of the Company. Note that the adjusted exercise price is equal to the exercise price at which such stock option was exercisable immediately prior to the Merger, divided by 2.4050 (subject to rounding).

v) Represents an adjustment to additional paid-in capital to record equity issuance costs of $4.3 million, incurred in connection with the Merger.

vi) WillScot's historical Federal valuation allowance on net operating losses ("NOLs") and business interest limitation was provisionally removed for pro forma purposes based on the combined tax attributes of the merged companies which is subject to final determinations of fair value of assets and liabilities and completion of certain tax attribute calculations.

5. Merger Related Pro Forma Combined Condensed Statement of Operations Adjustments

a) Adjustment to recognize depreciation expense associated with the estimated step-up in fair value of rental equipment acquired. The average estimated remaining useful lives of the rental equipment acquired ranges from 12 to 19 years.

b) Adjustment to selling, general and administrative expense represents the estimated equity based compensation expense associated with the executive retention agreements entered into in connection with the Merger for the twelve months ended December 31, 2019, for the six months ended June 30, 2019, and for the six months ended June 30, 2020. The underlying executive employment agreements have terms of 24 to 36 months, and the respective equity based awards vest over 36 to 48 months. For the six months ended June 30, 2020, the adjustment also includes the elimination of non-recurring transaction costs incurred by WillScot Mini Holdings as shown in the table below.

In thousands	*For the six months ended June 30, 2020*
Equity based compensation expense associated with retention agreements	$ 776
Non-recurring transaction costs expensed for the three months ending March 31, 2020	(25,239)
Net adjustment to Selling, general and administrative expense	**$ (24,463)**

c) Adjustment to recognize depreciation expense on property, plant and equipment and amortization expense on intangible assets, relating to the fair value purchase accounting adjustments, as shown below. Estimated Fair Value of the Property, plant and equipment is net of $5.3 million of previously capitalized assets eliminated and recognized as an intangible asset in the Pro Forma Condensed Combined Balance Sheet of WillScot Mini Holdings.

In thousands	Estimated Useful Life	Estimated Fair Value	*Depreciation and Amortization expense for the six months ended June 30, 2019*	*Depreciation and Amortization expense for the twelve months ended December 31, 2019*	*Depreciation and Amortization expense for the six months ended June 30, 2020*
Trade name	Indefinite	$ 301,000	$ -	$ -	$ -
Customer relationships	13 years	263,000	$ 10,116	$ 20,230	$ 10,116
Technology	15 years	31,000	$ 1,033	$ 2,067	$ 1,033
Mobile Mini historical amortization expense			$ (3,222)	$ (6,555)	$ (3,080)
Pro forma adjustment for amortization			**$ 7,927**	**$ 15,742**	**$ 8,069**
Property, plant and equipment	Various	$ 154,697	$ 16,358	$ 32,161	$ 16,469
Mobile Mini historical depreciation expense			$ (16,354)	$ (32,226)	$ (16,615)
Pro forma adjustment for depreciation			**$ 4**	**$ (65)**	**$ (146)**
Net adjustment to other depreciation and amortization			**$ 7,931**	**$ 15,677**	**$ 7,923**

d) Represents the elimination of Mobile Mini's interest expense associated with its historical ABL Facility and the Mobile Mini 2024 Notes repaid in connection with the Merger.

e) Adjustment to record the income tax impacts of the pro forma adjustments using a statutory tax rate of 25.5% for the twelve months ended December 31, 2019, for the six months ended June 30, 2019, and for six months ended June 30, 2020. These rates do not reflect WillScot Mini Holdings' effective tax rate, which includes foreign taxes and other items and may differ from the rates assumed for purposes of preparing these statements. Because the tax rates used for these unaudited pro forma condensed combined financial statements are an estimate, the blended rate will likely vary from the actual effective rate in periods subsequent to completion of the Merger. Further, WillScot Mini Holdings' ability to use NOL carryforwards to offset future taxable income for U.S. federal income tax purposes is subject to limitations. In general, under Section 382 of the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. Based on the information available WillScot Mini Holdings provisionally expects the ability to utilize all tax attributes, subject to a formal Section 382 analysis upon closing.

f) Reflects the pro forma adjustment for the extinguishment of non-controlling interest as a result of the exchange of all issued and outstanding shares of WSHC common stock held by Sapphire Holding S.a r.l. ("Sapphire Holding") for newly-issued shares of WillScot Class A Common Stock at an exchange ratio of 1.3261 times and the resulting cancellation of all issued and outstanding shares of WillScot Class B Common Stock, on June 30, 2020, as provided by the Merger Agreement and the Voting Agreement (as defined therein).

g) Pro forma earnings per common share for the year ended December 31, 2019, the six months ended June 30, 2019, and the six months ended June 30, 2020, have been calculated based on the estimated weighted average number of common shares outstanding on a pro forma basis, as described below. The pro forma weighted average number of common shares outstanding has been calculated as if the Merger shares had been issued and outstanding on January 1, 2019.

The following table sets forth the computation of pro forma weighted average common and diluted shares outstanding as of June 30, 2019:

In thousands	*As of June 30, 2019*
Historical WillScot weighted average shares	108,609,068
Shares of WillScot Class A common stock issued as Merger Consideration	106,426,722
WillScot Class A shares issued in exchange for shares of WSHC shares of common stock (i)	10,640,825
Pro forma weighted-average shares used in computing net earnings per share – basic	**225,676,615**
Dilutive Securities - WillScot Dilution (ii)	1,016,195
Dilutive Securities - Mobile Mini Stock options (iii)	677,825
Pro forma weighted-average shares used in computing net earnings per share – diluted	**227,370,635**

The following table sets forth the computation of pro forma weighted average common and diluted shares outstanding as of December 31, 2019:

In thousands	*As of December 30, 2019*
Historical WillScot weighted average shares	108,683,820
Shares of WillScot Class A common stock issued as Merger Consideration	106,426,722
WillScot Class A shares issued in exchange for shares of WSHC shares of common stock	10,640,825
Pro forma weighted-average shares used in computing net earnings per share – basic	**225,751,367**
Dilutive Securities - WillScot Dilution (ii)	3,551,053
Dilutive Securities - Mobile Mini Stock options (iii)	728,684
Pro forma weighted-average shares used in computing net earnings per share – diluted	**230,031,104**

The following table sets forth the computation of pro forma weighted average common and diluted shares outstanding as of June 30, 2020:

In thousands	*As of June 30, 2020*
Historical WillScot weighted average shares	110,174,536
Shares of WillScot Class A common stock issued as Merger Consideration	106,426,722
WillScot Class A shares issued in exchange for shares of WSHC shares of common stock (i)	10,581,709
Pro forma weighted-average shares used in computing net earnings per share – basic	**227,182,967**
Dilutive Securities - WillScot Dilution	2,034,676
Dilutive Securities - Mobile Mini Stock options (iii)	577,352
Pro forma weighted-average shares used in computing net earnings per share – diluted	**229,794,995**

i. WillScot Class A shares were issued on June 30, 2020 in exchange for shares of WSHC common stock. The exchanged shares are included in historical WillScot's weighted average shares calculation for 1 day of the six months ended June 30, 2020. As a result, the exchanged share amount has been adjusted to take into account the number of additional WillScot Class A shares already included in the historical WillScot weighted average shares count for the six months ended June 30, 2020.

ii. WillScot's Historical Consolidated Statement of Operations for the six months ended June 30, 2019, and for the year ended December 31, 2019 were in a net loss position, thus WillScot's stock options and stock awards were excluded from the computation of diluted EPS because their effect would have been anti-dilutive. This adjustment represents the dilutive impact of WillScot's securities which are no longer anti-dilutive, as the pro forma condensed combined statement of operations has net income attributable to the WillScot Mini Holdings. The impact of dilutive shares was calculated based on average share price for the respective periods and may not reflect dilution under current market conditions.

iii. Represents the dilutive impact of Mobile Mini's stock options on Mobile Mini's Consolidated Statement of Operations for the year ended December 31, 2019, for the six months ended June 30, 2019, and the six months ended June 30, 2020, multiplied by the 2.4050 Merger exchange ratio respectively. Each stock option of Mobile Mini was exchanged into 2.4050 stock options reflecting the right to acquire shares of WillScot Mini Holdings Common Stock, with the adjusted exercise price equal to the exercise price at which such stock option was exercisable immediately prior to the Merger, divided by 2.4050 (subject to rounding). The impact of dilutive shares was calculated based on average share price for the respective periods and may not reflect dilution under current market conditions.