

HERTZ GLOBAL HOLDINGS, INC.



2Q 2018 Earnings Call

August 7, 2018

8:30 am ET

Safe Harbor Statement

2Q

Certain statements made within this presentation contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees of performance and by their nature are subject to inherent uncertainties. Actual results may differ materially. Any forward-looking information relayed in this presentation speaks only as of August 7, 2018 and Hertz Global Holdings, Inc. (the “Company”) undertakes no obligation to update that information to reflect changed circumstances.

Additional information concerning these statements is contained in the Company’s press release regarding its Second Quarter 2018 results issued on August 6, 2018, and the Risk Factors and Forward-Looking Statements sections of the Company’s 2017 Annual Report on Form 10-K filed on February 27, 2018 and the Company’s Second Quarter 2018 Quarterly Report on Form 10-Q filed on August 6, 2018. Copies of these filings are available from the SEC, the Hertz website, or the Company’s Investor Relations Department.

Key Metrics and Non-GAAP Measures

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THE FOLLOWING KEY METRICS AND NON-GAAP¹ MEASURES WILL BE USED IN THE PRESENTATION:

Adjusted corporate EBITDA

Total RPD

Adjusted corporate EBITDA margin

Total RPU

Adjusted pre-tax income (loss)

Net depreciation per unit per month

Adjusted net income (loss)

Vehicle utilization (UTE)

Adjusted diluted earnings (loss) per share
(Adjusted diluted EPS)

Transaction days

T&M rate

¹Definitions and reconciliations of non-GAAP measures are provided in the Company's second quarter 2018 press release issued on August 6, 2018 and as an exhibit to the Company's Form 8-K filed on August 7, 2018.

BUSINESS OVERVIEW



Kathryn Marinello
President & Chief Executive Officer
Hertz Global Holdings, Inc.

FINANCIAL RESULTS OVERVIEW

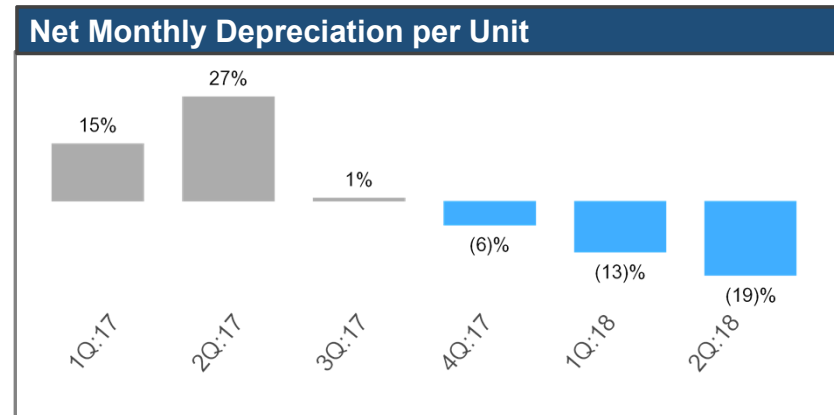
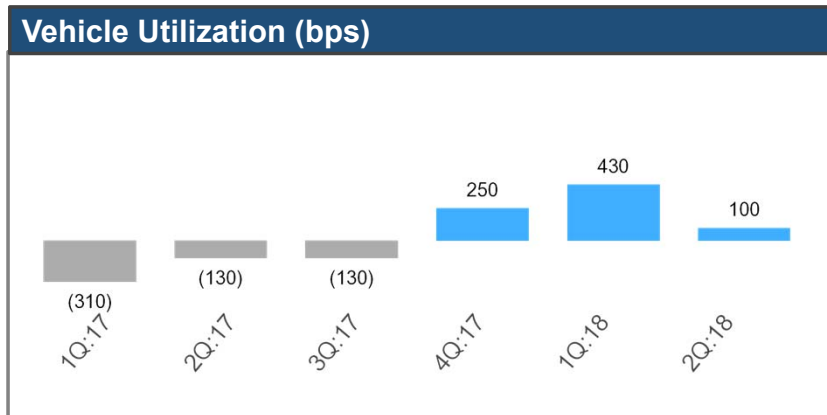
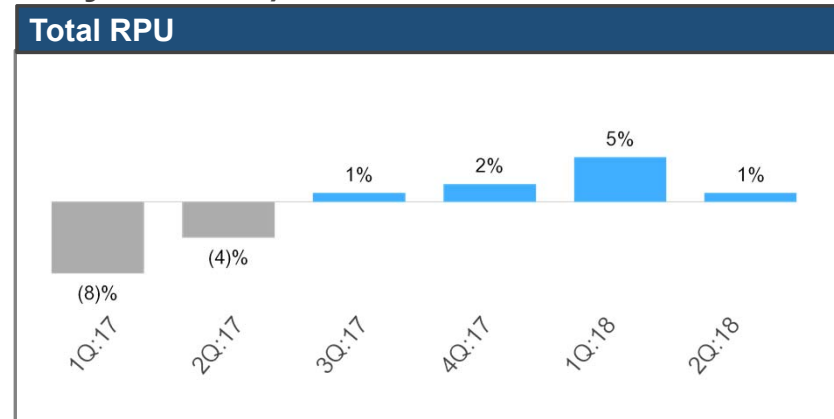
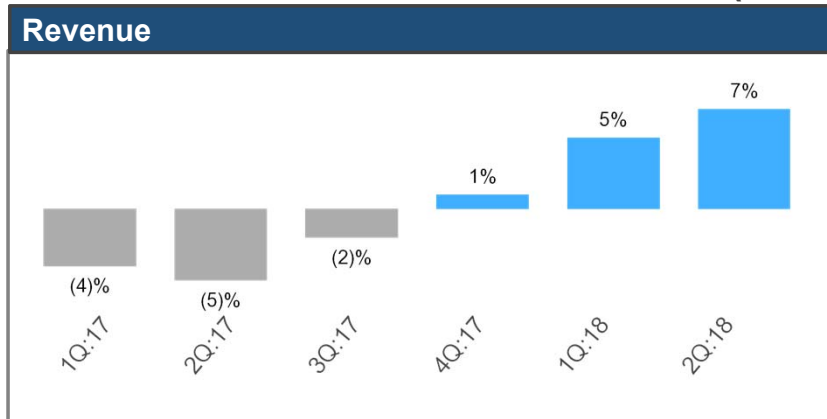


Tom Kennedy
Chief Financial Officer
Hertz Global Holdings, Inc.

U.S. Operational Turnaround: Gaining Traction

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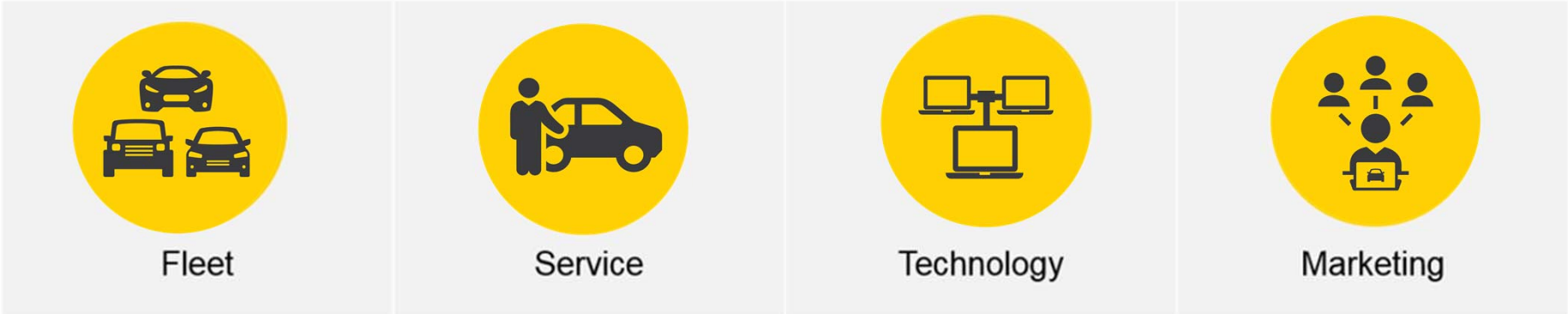
U.S. RAC (YoY quarterly results¹)



¹Revenue is defined as total revenue excluding ancillary retail vehicle sales revenue.

Bolstering the Foundation for Sustainable Growth and Innovation

PRIORITIES



Unlocking
asset value

Driving
operational growth

Leading
through technology

Leveraging
Hertz's iconic brand

The Most Sustainable Path to Creating Value is to Continually Invest in our Capabilities

Catalysts to Improving Trends in 2018 and Beyond

- Integrated, AI-based demand and fleet forecasting system
- Fully rolled-out fleet and pricing optimization system
- Car-class mix that customers prefer
- Broad roll out of Ultimate Choice
- Development of brand segmentation strategy
- Customer service training, recruitment, incentive programs
- Added field personnel for car cleanliness, service quality oversight
- Customer-friendly modifications to value-added services
- New leaders in HR, Marketing and Retail Operations



Revenue Growth Asset Efficiency Productivity Innovation

Catalysts to Improving Trends in 2019 and Beyond

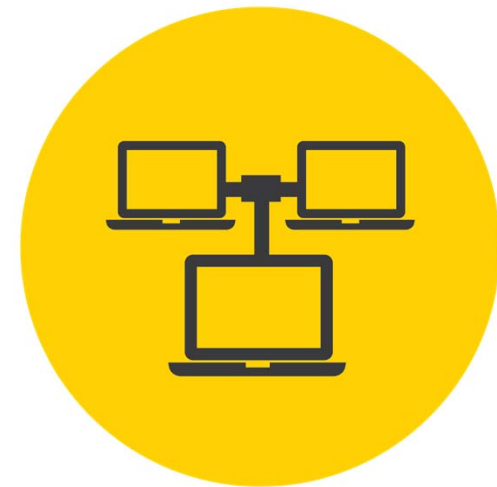
- Brand marketing campaigns launch
- Machine-learnings from pricing and demand & fleet forecasting modules
- Stepping up field recruiting and training
- Centralizing maintenance to reduce out-of-service fleet, supports higher utilization
- Lean Six-Sigma Site Optimization Initiative (SOI), improves and standardizes processes across locations for enhanced service and lower cost
- Additional used-car retail lots and updated website for online digital retail selling
- New CIO; Enhanced CRM capabilities launched



Revenue Growth Asset Efficiency Productivity Innovation

Catalysts to Improving Trends in 2020 and Beyond

- Site Optimization Initiative roll out continues
- Systems field training
- Legacy technology architecture updated
- Hertz Digital apps rolled out
- Fall 2019 core systems launch
 - Fleet management and accounting system
 - Reservation system
 - Rental system



Revenue Growth Asset Efficiency Productivity Innovation

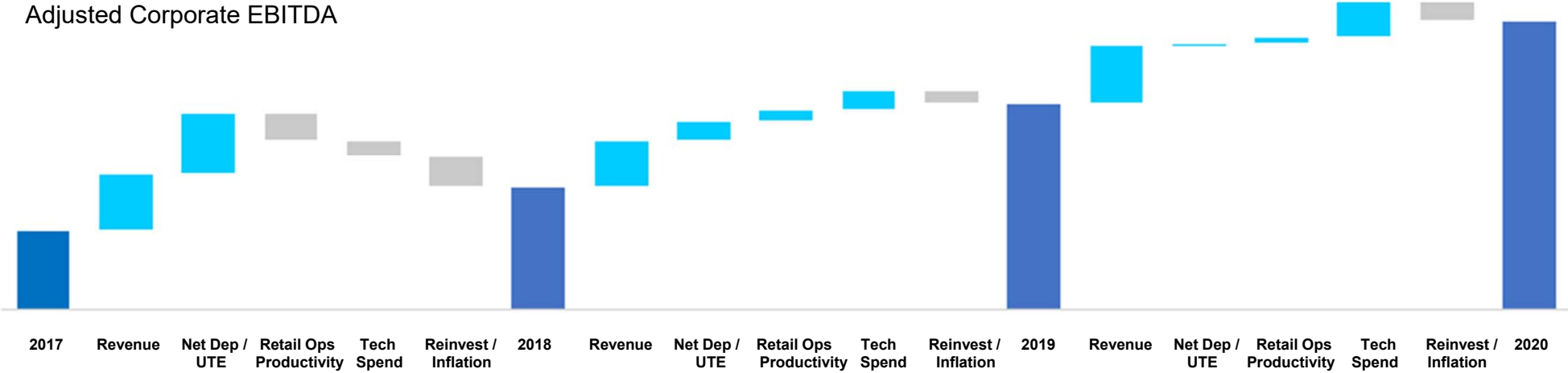
Our Path Forward: Achieving Growth and Productivity

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Performance Objectives – Indicative Trend

- Revenue Growth
- Improved fleet utilization and depreciation expense management
- Productivity
- Lower technology spend

Adjusted Corporate EBITDA



Improvements in Core Business Performance and Productivity Drive Increased Profitability

Quarterly Overview

Tom Kennedy

CHIEF FINANCIAL OFFICER
Hertz Global Holdings, Inc.

2Q:18 Consolidated Results

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(in \$M USD, except per share data)

GAAP

	2Q:18 Results	2Q:17 Results	YoY Inc/(Dec)
Total revenues	\$2,389	\$2,224	7%
Income (loss) before income taxes	\$(86)	\$(245)	(65)%
Net income (loss)	\$(63)	\$(158)	(60)%
Diluted earnings (loss) per share	\$(0.75)	\$(1.90)	(61)%
Weighted average shares outstanding: diluted	84	83	

Non-GAAP¹

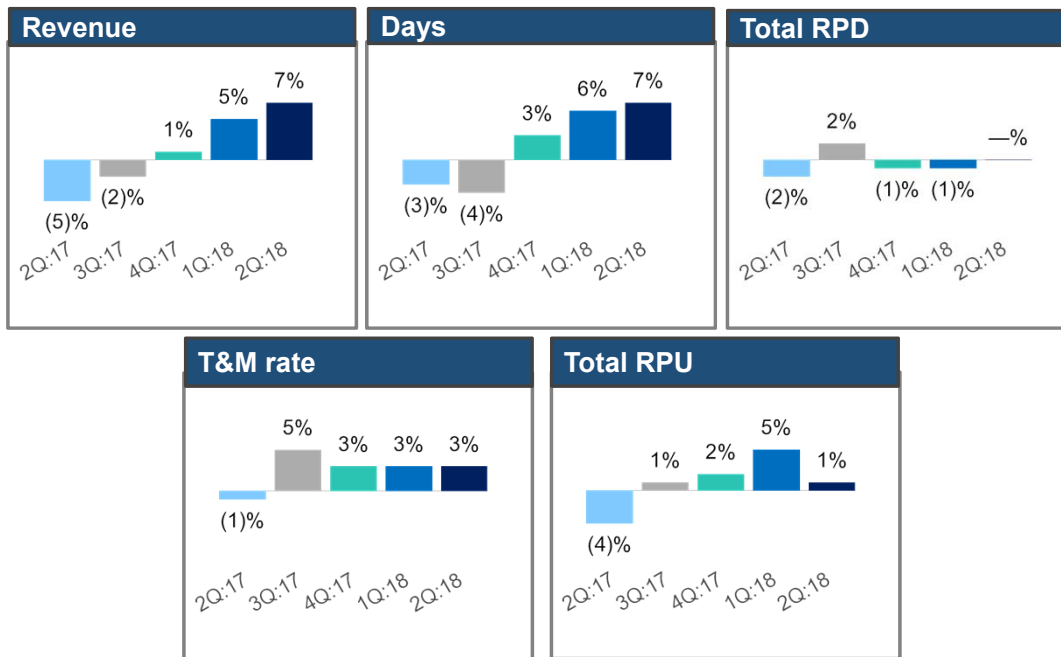
Adjusted corporate EBITDA	\$93	\$35	166%
Adjusted corporate EBITDA margin	4%	2%	230 bps
Adjusted pre-tax income (loss)	\$(21)	\$(82)	(74)%
Adjusted net income (loss)	\$(16)	\$(52)	(69)%
Adjusted diluted EPS	\$(0.19)	\$(0.63)	(70)%

¹Definitions and reconciliations of non-GAAP measures are provided in the Company's second quarter 2018 press release issued on August 6, 2018 and as an exhibit to the Company's Form 8-K filed on August 7, 2018.

2Q:18 U.S. RAC Revenue Performance

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U.S. RAC (YoY quarterly results¹)

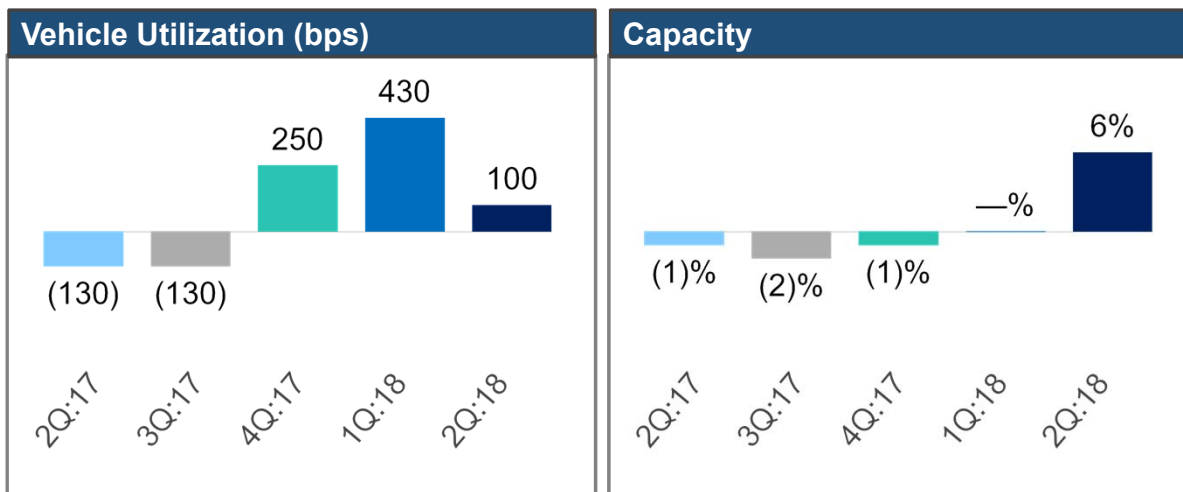


2Q:18 Performance Drivers

- T&M rate increased 3% excluding value-added service revenues
 - Continuing to focus on improving value-added service sales tactics, product design and digital capabilities to re-energize sales
- Transaction days increased 7% YoY as a result of growth in both airport and off-airport business
 - Excluding TNC rentals, volume up 5%
- Total RPU increased due to strong revenue and improved vehicle utilization

¹Revenue is defined as total revenue excluding ancillary retail vehicle sales revenue.

U.S. RAC (YoY quarterly results¹)



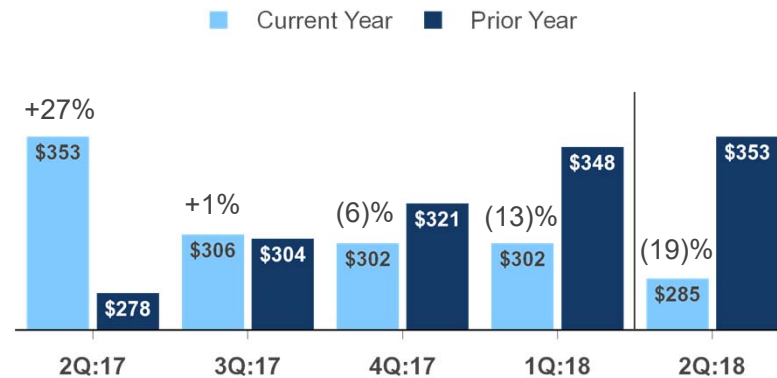
Continued Focus on Optimizing Fleet

- Total capacity increased 6% YoY, aligned with improving demand trends leading into peak season
 - Excluding ride-hailing, capacity increased 3% YoY
- Higher vehicle utilization benefited from enhanced demand/fleet forecasting tools

¹Capacity equals average fleet.

2Q:18 U.S. RAC Net Monthly Depreciation Per Unit

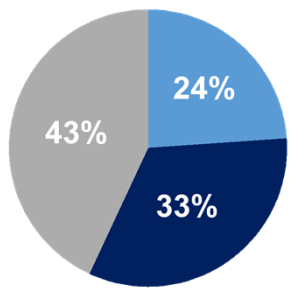
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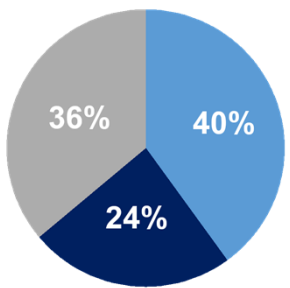
Year-Over-Year Trend Continues to Improve

- Incremental fleet costs from 2Q:17 re-balancing activity did not reoccur
- Stabilizing residual values YoY - expecting tougher comps in 2H:18
- Enhanced process for identifying accretive fleet rotation opportunities
- Increased sales through higher yielding disposition channels
- Lower model year 2018 purchase prices (like-for-like vs. model year 2017)
- Completed transition to a richer, more preferred vehicle mix

Non-Program Vehicle Disposition Channel Mix



2Q:18



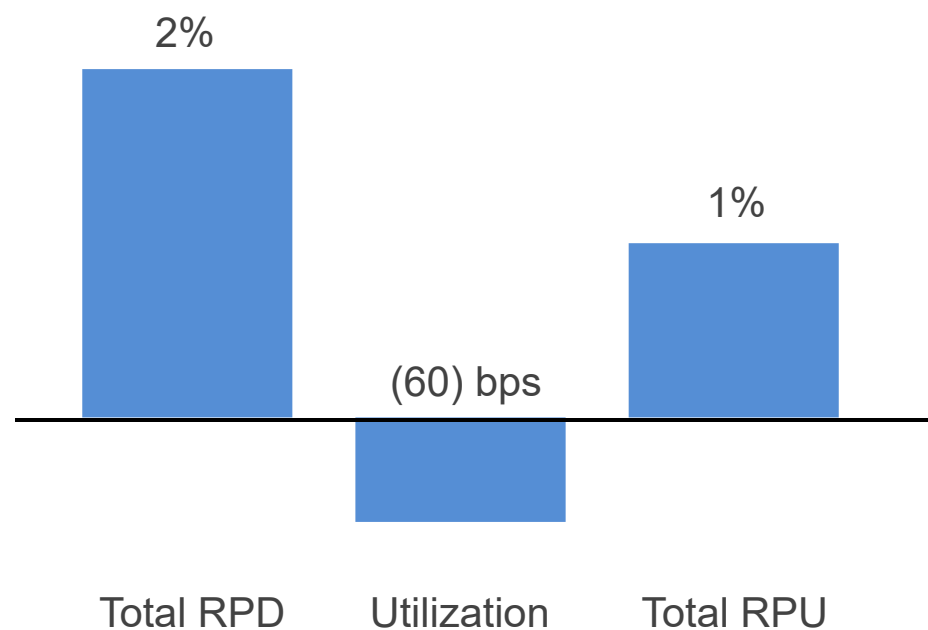
2Q:17

■ Dealer Direct ■ Retail ■ Auction

Focused on Driving More Sales Through Alternative Channels

- Mix of unit sales through highest-return retail channel grew 900 bps in 2Q:18
- 76% of total units sold through higher yielding alternative channels compared to 60% in 2Q:17

Key Metrics¹ 2Q:18 YoY



Performance Overview²

- Revenue increased 2% YoY excluding foreign exchange
 - Revenue increased 4% YoY excluding Brazil³ and foreign exchange
 - Total RPD was flat YoY
 - Transaction days increased 4% YoY
- Vehicle utilization decrease primarily driven by lower than expected volume as the World Cup delayed leisure travel
- Monthly depreciation per unit excluding Brazil³ and foreign exchange increased 1% YoY

¹ As reported.

² Based on December 31, 2017, foreign exchange rates.

³ Sale of Brazil operations finalized August 2017.

LIQUIDITY / BALANCE SHEET OVERVIEW

Tom Kennedy

CHIEF FINANCIAL OFFICER
Hertz Global Holdings, Inc.

2Q:18 Liquidity Overview and Financing Activities

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Corporate Liquidity at June 30, 2018

<i>\$ in millions</i>				
		Senior RCF	Letter of Credit Facility	Total
Commitments		\$ 865	\$ 302	\$ 1,167
Issued Letters of Credit	-	363	302	665
Borrowings O/S ¹	-	-	n/a	-
Borrowing Availability		\$ 502	\$ -	\$ 502
Unrestricted Cash	+			685
Corporate Liquidity				<u>\$ 1,187</u>

Reissuance of \$302 million of letters of credit from Senior RCF to Letter of Credit Facility was liquidity neutral and created \$302 million of incremental debt capacity (must be junior to the Senior RCF).

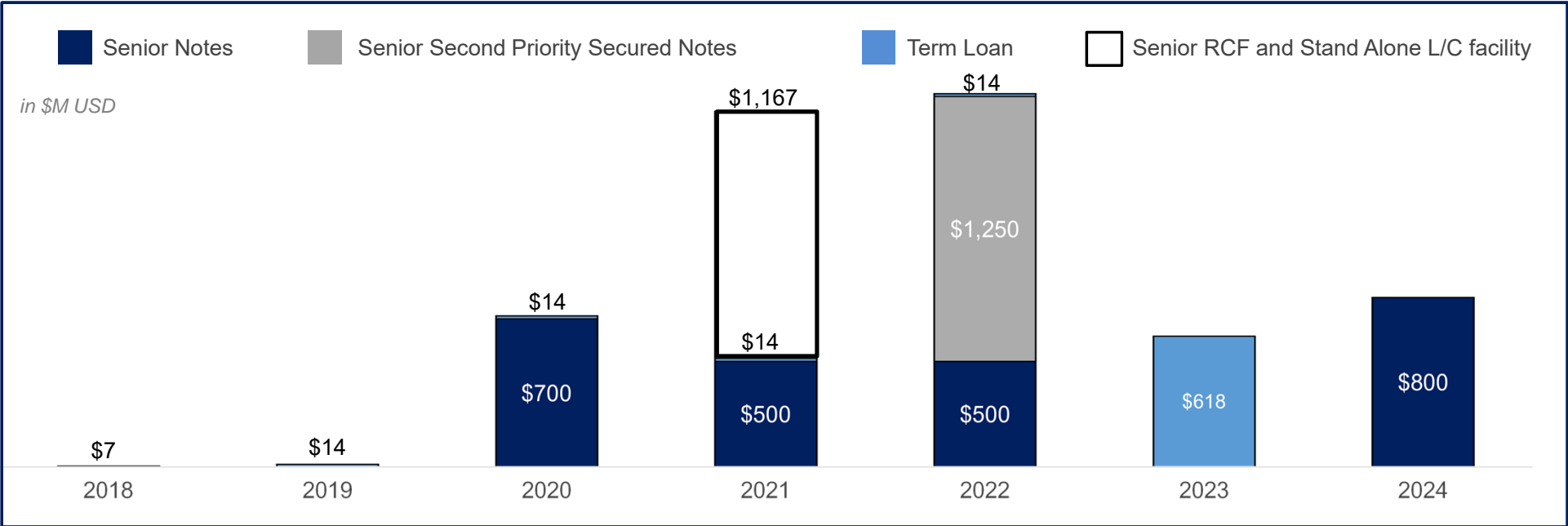
- Decrease in liquidity from Q1 level to \$1.2 billion reflects seasonal upsizing in fleet and working capital
 - Liquidity in 2H:18 expected to improve as we defleet out of peak season
- Levels of committed corporate bank facilities unchanged from prior quarter
- Extended tenor of rental car vehicle funding with June issuance of \$400 million of term ABS, equally split between 3- and 5-year maturities

¹ Letter of Credit (L/C) Facility supports issued letters of credit but does not provide committed borrowing capacity for general corporate purposes.

Corporate Debt Maturity Profile

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June 30, 2018 Hertz Global Non-Vehicle Debt Maturity Profile¹



¹ Excludes \$27M of promissory notes due 2028 and \$11M of other non-vehicle debt. There are no current outstanding borrowings under the Senior RCF facility.

First Lien Financial Maintenance Covenant

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Consolidated First Lien Leverage Ratio as of June 30, 2018 was 1.60x

<i>\$ in millions</i>		
Senior RCF Facility and L/C Facility Commitments		\$1,167
Outstanding Letters of Credit	-	665
Term Loan Outstanding	+	681
Unrestricted Cash ¹	-	500
First Lien Secured Net Debt		<u>\$683</u>
TTM Adjusted Corporate EBITDA ²	/	\$427
First Lien Leverage Ratio ³		1.60 x

Our Consolidated First Lien Leverage Ratio is tested each quarter and must not exceed 3.0x

¹ Actual unrestricted cash on the balance sheet as of 6/30/2018 was \$685 million. The credit facility limits netting of unrestricted cash to \$500 million.

² TTM adjusted corporate EBITDA defined as \$376 million reported LTM adjusted corporate EBITDA + \$51 million adjustments as per Credit Agreement.

³ First lien leverage ratio must not exceed 3.0x in accordance with the terms of the Credit Agreement.

July revenue grew 11% versus prior year

- Total RPD increased 4% YoY
- Transaction days increased 7% YoY
- Total RPU increased nearly 5% YoY
- Excluding TNC, capacity grew approximately 3% with an approximate 70 bps improvement in utilization

Early indications suggest positive performance in August

September is expected to follow seasonal trends

Q&A