

## Hertz Global Holdings Reports Second Quarter 2018 Financial Results

**ESTERO, Fla, August 6, 2018** - Hertz Global Holdings, Inc. (NYSE: HTZ) ("Hertz Global" or the "Company") today reported results for its second quarter 2018.

### ***Second Quarter 2018 Compared to Second Quarter 2017:***

- Total revenue increased 7%
- Net loss improved by 60%
- Adjusted Corporate EBITDA improved by \$58 million
- Highest Q2 U.S. RAC segment revenues since 2014
- Improved trend in U.S. RAC per unit fleet costs continue

“In the second quarter, we generated growth across every business segment with higher year-over-year revenue and Adjusted Corporate EBITDA. In the U.S., our turnaround initiatives are bearing fruit as a result of effective strategies, experienced leaders, and critical investments in fleet, marketing and our retail operations,” said Kathryn V. Marinello, president and chief executive officer of Hertz. “At the same time, we’re developing and testing new technology platforms with the future in mind. The successful launch of those systems in the second half of 2019 will further support our strategy to sustainably grow revenue, improve productivity and drive innovation over the long term.”

For the second quarter 2018, total revenues were \$2.4 billion, a 7% increase versus the second quarter 2017. Loss before income taxes for the second quarter 2018 was \$86 million versus a loss of \$245 million in the same period last year. Second quarter 2018 net loss was \$63 million, or \$0.75 loss per diluted share compared with a net loss of \$158 million during the second quarter 2017, or \$1.90 loss per diluted share. The Company reported adjusted net loss for the second quarter 2018 of \$16 million, or \$0.19 per adjusted diluted loss per share, compared with adjusted net loss of \$52 million, or \$0.63 adjusted diluted loss per share, for the same period last year. Adjusted Corporate EBITDA for the second quarter 2018 was \$93 million, compared to \$35 million in the same period last year.

## U.S. RENTAL CAR ("U.S. RAC") SUMMARY

U.S. RAC <sup>(1)</sup> (\$ in millions, except where noted)	Three Months Ended June 30,		Percent Inc/(Dec)
	2018	2017	
Total Revenues	\$ 1,628	\$ 1,519	7 %
Depreciation of revenue earning vehicles and lease charges, net	\$ 447	\$ 524	(15)%
Income (loss) before income taxes	\$ 10	\$ (146)	NM
Adjusted pre-tax income (loss)	\$ 24	\$ (37)	NM
Adjusted pre-tax margin	1%	(2)%	NM
Adjusted Corporate EBITDA	\$ 18	\$ (22)	NM
Adjusted Corporate EBITDA margin	1%	(1)%	NM
Average vehicles	523,000	495,000	6 %
Vehicle utilization	81%	80 %	100 bps
Transaction days (in thousands)	38,747	36,233	7 %
Total RPD (in whole dollars)	\$ 41.37	\$ 41.26	— %
Total RPU per month (in whole dollars)	\$ 1,022	\$ 1,007	1 %
Net depreciation per unit per month (in whole dollars)	\$ 285	\$ 353	(19)%

NM - Not Meaningful

Total U.S. RAC revenues increased 7% versus the prior year quarter as a result of increased volume both on and off airport. Excluding rentals to transportation network companies ("TNC"), volume increased 5%. Total RPD was flat but time and mileage pricing, which excludes revenue from value-added services, increased 3%.

Vehicle utilization improved by 100 basis points to 81% due to efficient fleet management. Vehicle capacity increased 3%, excluding the growth in fleet specifically dedicated to TNC rentals. Monthly net per unit vehicle depreciation expense decreased 19% to \$285 driven by favorable residual values and strategic fleet management.

Direct vehicle operating ("DOE") and selling, general and administrative expenses as a percentage of total revenues for U.S. RAC was 70% for the second quarter of 2018 compared to 67% for the second quarter of 2017. Increases in DOE expense primarily reflect the impact of higher rental volume and incremental investments related to the Company's transformation initiatives.

Revenue growth coupled with a decrease in monthly depreciation per unit expenses supported an improvement in Adjusted Corporate EBITDA for the segment in the second quarter, despite higher expenses associated with the Company's operating turnaround initiatives and increased vehicle interest expense due to rising interest rates.

## INTERNATIONAL RENTAL CAR ("INTERNATIONAL RAC") SUMMARY

International RAC <sup>(1)</sup> (\$ in millions, except where noted)	Three Months Ended June 30,		Percent Inc/(Dec)
	2018	2017	
Total Revenues	\$ 589	\$ 543	8 %
Depreciation of revenue earning vehicles and lease charges, net	\$ 112	\$ 100	12 %
Income (loss) before income taxes	\$ 50	\$ 43	16 %
Adjusted pre-tax income (loss)	\$ 74	\$ 56	32 %
Adjusted pre-tax margin	13%	10%	230 bps
Adjusted Corporate EBITDA	\$ 81	\$ 63	29 %
Adjusted Corporate EBITDA margin	14%	12%	220 bps
Average vehicles	187,300	186,100	1 %
Vehicle utilization	78%	78%	(60) bps
Transaction days (in thousands)	13,225	13,235	— %
Total RPD (in whole dollars)	\$ 44.61	\$ 43.67	2 %
Total RPU per month (in whole dollars)	\$ 1,050	\$ 1,035	1 %
Net depreciation per unit per month (in whole dollars)	\$ 199	\$ 192	4 %

The Company's International RAC segment revenues increased 8%, and increased 2% when excluding the impact of foreign currency. Total RPD increased 2% on volume that was consistent with prior year. Excluding the impact of the Company's operations in Brazil, which was sold in August 2017, Total RPD decreased slightly and transaction days increased 4% due to strength in commercial and multi-month volume.

Monthly net per unit vehicle depreciation expense increased 4%, or 1% excluding Brazil.

DOE and selling, general and administrative expenses as a percentage of total revenues for International RAC was 65% for the second quarter of 2018 compared to 69% for the second quarter of 2017. DOE was flat year over year, but excluding the impact of foreign currency decreased \$21 million primarily due to a decrease in insurance liability expenses.

Adjusted Corporate EBITDA for International RAC improved 29% compared with a year ago.

**ALL OTHER OPERATIONS**

<b>All Other Operations</b> <sup>(1)</sup> (\$ in millions)	<b>Three Months Ended June 30,</b>		<b>Percent Inc/(Dec)</b>
	<b>2018</b>	<b>2017</b>	
Total Revenues	\$ 172	\$ 162	6 %
Depreciation of revenue earning vehicles and lease charges, net	\$ 128	\$ 119	8 %
Income (loss) before income taxes	\$ 21	\$ 16	31 %
Adjusted pre-tax income (loss)	\$ 24	\$ 19	26 %
Adjusted pre-tax margin	14%	12%	220 bps
Adjusted Corporate EBITDA	\$ 21	\$ 17	24 %
Adjusted Corporate EBITDA margin	12%	10%	170 bps
Average vehicles - Donlen	187,600	206,200	(9)%

All Other Operations is primarily comprised of the Company's Donlen leasing operations. A 4% growth in units under lease, as well as a richer mix of vehicles, resulted in increased revenues and depreciation expense. Average vehicles decreased as a result of a reduction in non-lease units in Donlen's maintenance management programs.

(1) Adjusted pre-tax income (loss), adjusted pre-tax margin, Adjusted Corporate EBITDA, Adjusted Corporate EBITDA margin, adjusted net income (loss) and adjusted diluted earnings (loss) per share are non-GAAP measures. Average vehicles, transaction days, Total RPD, Total RPU per month and net depreciation per unit per month are key metrics. See the accompanying Supplemental Schedules and Definitions for the reconciliations and definitions for each of these non-GAAP measures and key metrics and the reason the Company's management believes that this information is useful to investors.

**RESULTS OF THE HERTZ CORPORATION**

The GAAP and non-GAAP profitability metrics for Hertz Global's operating subsidiary, The Hertz Corporation ("Hertz"), are materially the same as those for Hertz Global.

**EARNINGS WEBCAST INFORMATION**

Hertz Global's second quarter 2018 live webcast discussion will be held on August 7, 2018, at 8:30 a.m. Eastern Time, and can be accessed through a link on the Investor Relations section of the Hertz website, [IR.Hertz.com](http://IR.Hertz.com), or by dialing (800) 288-8961 and providing passcode 452287. Investors are encouraged to dial-in approximately 10 minutes prior to the call. A web replay will remain available for approximately one year. A telephone replay will be available one hour following the conclusion of the call for one year at (800) 475-6701 with pass code 452287.

The earnings release and related supplemental schedules containing the reconciliations of non-GAAP measures will be available on the Company's website, [IR.Hertz.com](http://IR.Hertz.com).

**SELECTED FINANCIAL AND OPERATING DATA, SUPPLEMENTAL SCHEDULES AND DEFINITIONS**

Following are tables that present selected financial and operating data of Hertz Global. Also included are Supplemental Schedules which are provided to present segment results, reconciliations of non-GAAP measures to their most comparable GAAP measure and key metrics. Following the Supplemental Schedules, the Company provides definitions for terminology used throughout this earnings release and provides the usefulness of non-GAAP measures and key metrics to investors and additional purposes for which management uses such measures.

**ABOUT HERTZ**

The Hertz Corporation, a subsidiary of Hertz Global Holdings, Inc., operates the Hertz, Dollar and Thrifty vehicle rental brands in approximately 10,200 corporate and franchisee locations throughout North America, Europe, the Caribbean, Latin America, Africa, the Middle East, Asia, Australia and New Zealand. The Hertz Corporation is one of

the largest worldwide vehicle rental companies, and the Hertz brand is one of the most recognized in the world. Product and service initiatives such as Hertz Gold Plus Rewards, Ultimate Choice, Carfirmations, Mobile Wi-Fi and unique vehicles offered through the Adrenaline, Dream, Green and Prestige Collections set Hertz apart from the competition. Additionally, The Hertz Corporation owns the vehicle leasing and fleet management leader Donlen Corporation, operates the Firefly vehicle rental brand and Hertz 24/7 car sharing business in international markets and sells vehicles through Hertz Car Sales. For more information about The Hertz Corporation, visit: [www.hertz.com](http://www.hertz.com).

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this release, and in related comments by the Company's management, include "forward-looking statements." Forward-looking statements include information concerning the Company's liquidity and its possible or assumed future results of operations, including descriptions of its business strategies. These statements often include words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts" or similar expressions. These statements are based on certain assumptions that the Company has made in light of its experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate in these circumstances. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company's actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the Securities and Exchange Commission ("SEC"). Among other items, such factors could include: any claims, investigations or proceedings arising as a result of the restatement in 2015 of the Company's previously issued financial results; the Company's ability to remediate the material weaknesses in its internal controls over financial reporting; levels of travel demand, particularly with respect to airline passenger traffic in the United States and in global markets; the effect of the Company's separation of its vehicle and equipment rental businesses, any failure by Herc Holdings Inc. to comply with the agreements entered into in connection with the separation and the Company's ability to obtain the expected benefits of the separation; significant changes in the competitive environment and the effect of competition in the Company's markets on rental volume and pricing, including on the Company's pricing policies or use of incentives; occurrences that disrupt rental activity during the Company's peak periods; increased vehicle costs due to declines in the value of the Company's non-program vehicles; the Company's ability to purchase adequate supplies of competitively priced vehicles and risks relating to increases in the cost of the vehicles it purchases; the Company's ability to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in its rental operations accordingly; the Company's ability to maintain sufficient liquidity and the availability to it of additional or continued sources of financing for its revenue earning vehicles and to refinance its existing indebtedness; the Company's ability to adequately respond to changes in technology and customer demands; the Company's access to third-party distribution channels and related prices, commission structures and transaction volumes; an increase in the Company's vehicle costs or disruption to its rental activity, particularly during its peak periods, due to safety recalls by the manufacturers of its vehicles; a major disruption in the Company's communication or centralized information networks; financial instability of the manufacturers of the Company's vehicles; any impact on the Company from the actions of its franchisees, dealers and independent contractors; the Company's ability to sustain operations during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease); shortages of fuel and increases or volatility in fuel costs; the Company's ability to successfully integrate acquisitions and complete dispositions; the Company's ability to maintain favorable brand recognition and a coordinated and comprehensive branding and portfolio strategy; costs and risks associated with litigation and investigations; risks related to the Company's indebtedness, including its substantial amount of debt, its ability to incur substantially more debt, the fact that substantially all of its consolidated assets secure certain of its outstanding indebtedness and increases in interest rates or in its borrowing margins; the Company's ability to meet the financial and other covenants contained in its Senior Facilities and the Letter of Credit Facility, its outstanding unsecured Senior Notes, its outstanding Senior Second Priority Secured Notes and certain asset-backed and asset-based arrangements; changes in accounting principles, or their application or interpretation, and the Company's ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on operating results; risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anticorruption or antibribery laws and the Company's ability to repatriate cash from non-U.S. affiliates without adverse tax consequences; the Company's ability to prevent the misuse or theft of information it possesses, including as a result of cyber security breaches and other security threats; the Company's ability to successfully implement its information technology and finance transformation programs; changes in the existing, or the adoption of new laws, regulations, policies or other activities of governments,

agencies and similar organizations, such as the Tax Cuts and Jobs Act, where such actions may affect the Company's operations, the cost thereof or applicable tax rates; changes to the Company's senior management team and the dependence of its business operations on its senior management team; the effect of tangible and intangible asset impairment charges; the Company's exposure to uninsured claims in excess of historical levels; fluctuations in interest rates and commodity prices; the Company's exposure to fluctuations in foreign currency exchange rates and other risks and uncertainties described from time to time in periodic and current reports that the Company files with the SEC.

Additional information concerning these and other factors can be found in the Company's filings with the SEC, including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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