

HERTZ GLOBAL HOLDINGS, INC.



3Q 2016 Earnings Call

November 8, 2016

8:00am ET

Safe Harbor Statement

3Q

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 November 7, 2016, and Hertz Global Holdings, Inc (the “Company”). 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 Third Quarter 2016 results issued on November 7, 2016, and the Risk Factors and Forward-Looking Statements sections of the Company’s Second Quarter 2016 Quarterly Report on Form 10-Q filed on August 8, 2016 and Third Quarter 2016 Quarterly Report on Form 10-Q filed on November 8, 2016. Copies of these filings are available from the SEC, the Hertz website or the Company’s Investor Relations Department.

THE FOLLOWING NON-GAAP* MEASURES WILL BE USED IN THE PRESENTATION:

Adjusted corporate EBITDA	Total RPD
Adjusted corporate EBITDA margin	Net depreciation per unit per month
Adjusted pre-tax income (loss)	Net non-vehicle debt
Adjusted net income (loss)	Net vehicle debt
Adjusted earnings (loss) per share (Adjusted EPS)	Free cash flow
Revenue per available car day (RACD)	

*Definitions and reconciliations of these non-GAAP measures are provided in the Company's third quarter 2016 press release and in the Company's form 8-K filed on November 8, 2016.

BUSINESS OVERVIEW



John Tague
President & Chief Executive Officer
Hertz Global Holdings, Inc.

FINANCIAL RESULTS OVERVIEW



Tom Kennedy
Chief Financial Officer
Hertz Global Holdings, Inc.

3Q/YTD:16 Consolidated Results

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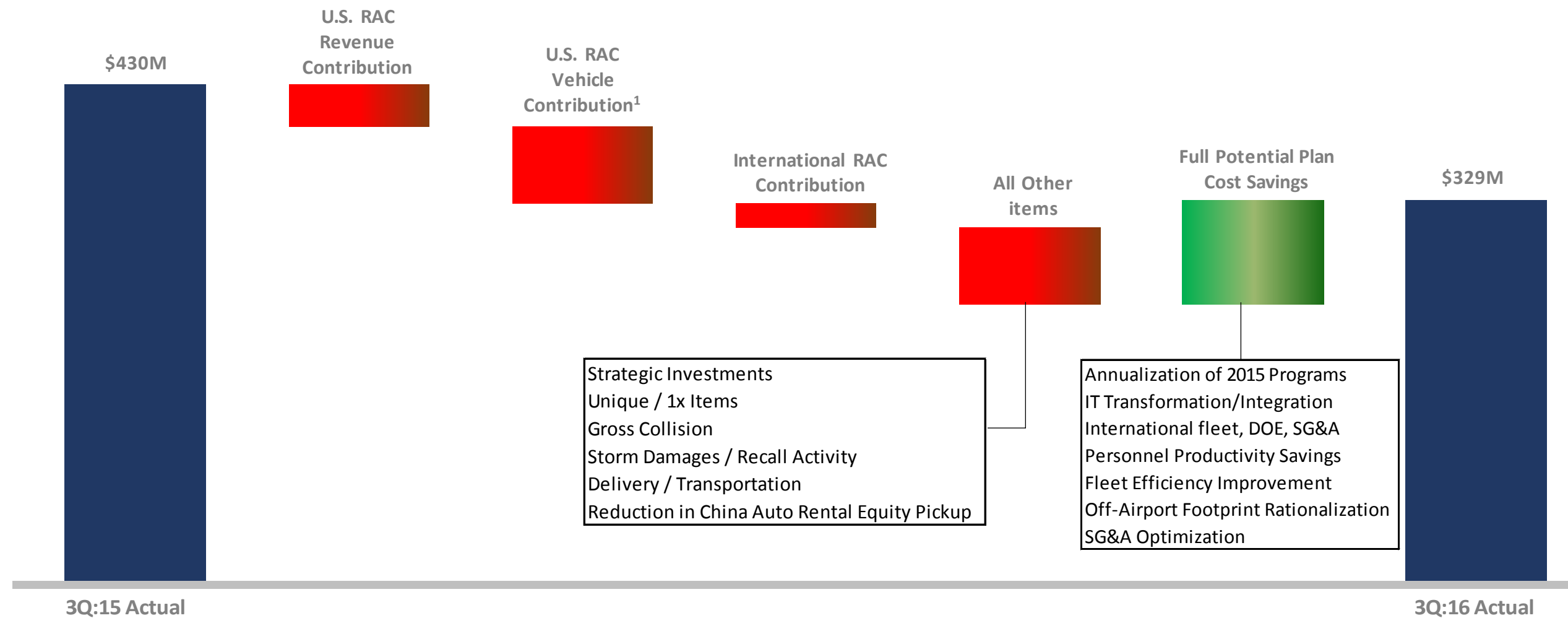
	3Q:16 Results	3Q:15 Results	YoY Change	3Q YTD:16 Results	3Q YTD:15 Results	YoY Change
GAAP						
Revenue	\$2,542M	\$2,575M	(1)%	\$6,794M	\$6,991M	(3)%
Income (loss) from continuing operations before income taxes	\$108M	\$256M	(58)%	\$(3)M	\$185M	NM
Net Income (loss) from continuing operations	\$44M	\$217M	(80)%	\$(36)M	\$152M	NM
Diluted earnings (loss) per share from continuing operations	\$0.52	\$2.38	(78)%	\$(0.42)	\$1.65	NM
Weighted Average Shares outstanding: Diluted	85M	91M		85M	92M	
Non-GAAP*						
Adjusted corporate EBITDA	\$329M	\$430M	(23)%	\$541M	\$768M	(30)%
Adjusted corporate EBITDA margin	13%	17%	(370 bps)	8%	11%	(300 bps)
Adjusted pre-tax income	\$212M	\$289M	(27)%	\$159M	\$368M	(57)%
Adjusted net income from continuing operations	\$134M	\$182M	(26)%	\$100M	\$232M	(57)%
Adjusted diluted EPS from continuing operations	\$1.58	\$2.00	(21)%	\$1.18	\$2.52	(53)%

*Definitions and reconciliations of these non-GAAP measures are provided in the Company's third quarter 2016 press release.
NM – Not Meaningful

NYSE: HTZ

3Q:16 YoY Adjusted Corporate EBITDA Bridge

- Cost savings not sufficient to fully offset revenue and vehicle contribution pressures



¹Vehicle contribution includes net depreciation rate, utilization and vehicle interest

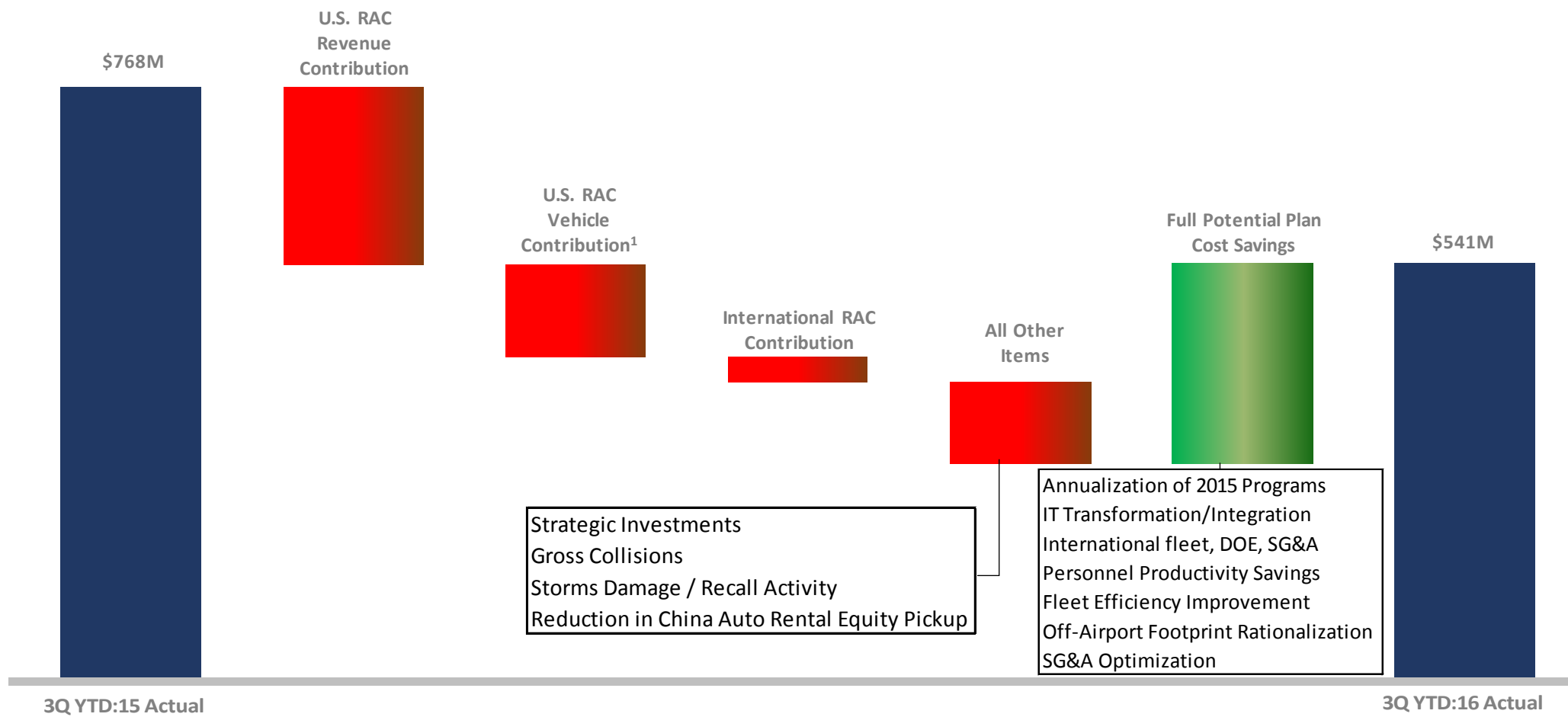
3Q YTD:16 Adjusted Corporate EBITDA Bridge

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- Cost savings offset by operation headwinds

Consolidated Cost Savings

- **FY:16E \$350M full year savings**
 - 3Q:16 realized savings of ~\$90M
 - YTD 9/30/16 realized savings of ~\$260M
- **FY:15 realized savings of ~\$230M**



¹Vehicle contribution includes net depreciation rate, utilization and vehicle interest

Adjusted Corporate EBITDA Variance to 8/8/16 Guidance

	Variance to 8/8/16 Guidance	Comments
Global Revenue Pressure	(\$70)M	U.S. vehicles out of service; Continued post EU terror event pressure
Global Fleet Ownership, Incl Utilization	(\$100)M	Declining residuals on compacts/mid size; shortening hold period on compacts
Timing of Cost Saving Initiatives	(\$75)M	Cost savings stretch plan was \$425M, expect to realize \$350M
Other Costs and 1x Items	(\$55)M	Gross Damage/Collision, etc
VARIANCE to 8/8/16 Guidance	(\$300)M	
Free Cash Flow		~1-for-1 flow through

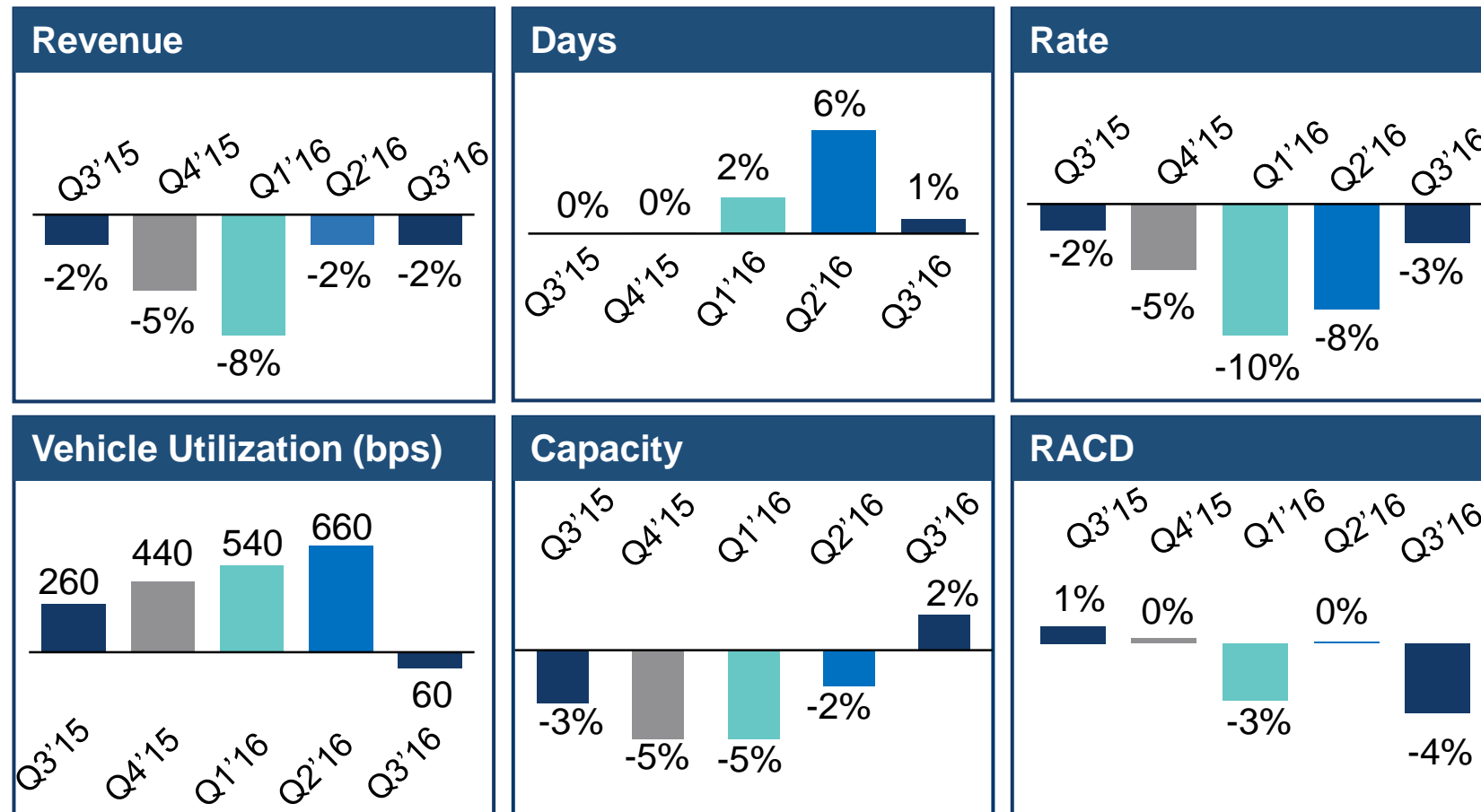
Quarterly Overview

TOM KENNEDY

CHIEF FINANCIAL OFFICER

Hertz Global Holdings, Inc.

U.S. RAC (YOY quarterly results)



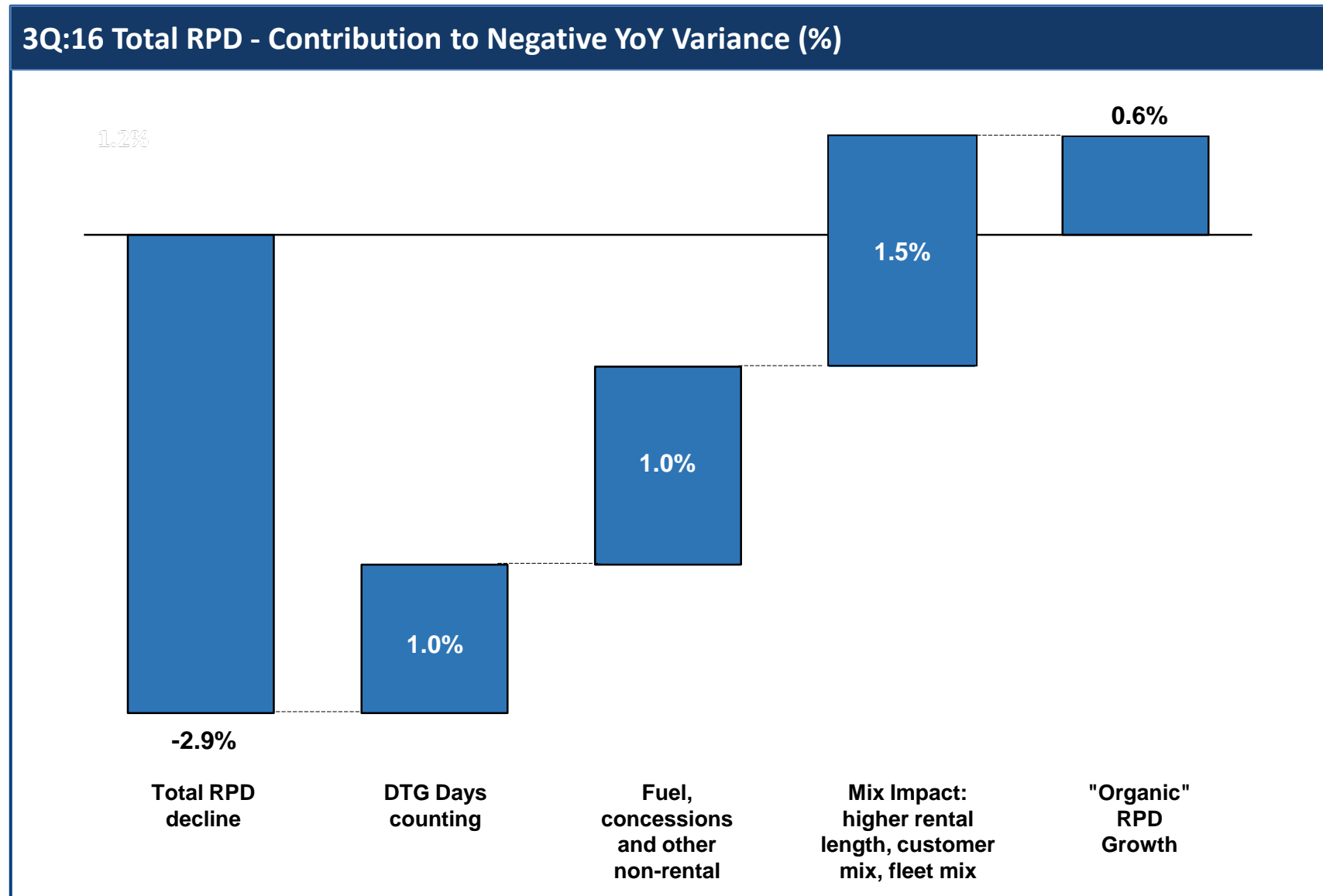
3Q:16 Performance Drivers

- Rate
 - Q2:16 to Q3:16 YoY pricing improved 500bps
 - RPD declined 1% YoY when adjusted for DTG days counting methodology and non-rental related declines such as fuel-related ancillary
- Volume
 - Out-of-service vehicles due to recalls and weather damage reduced utilization and capacity available for rent
 - Leisure volume flat, impacted by discontinuation of Firefly brand in North America and YoY decline in opaque channel use
 - Business volume increased 3% on double-digit increases in insurance replacement and government offset by continued weakness in corporate contracted volume

Revenue is defined as total revenue excluding ancillary retail car sales. Capacity is available cars days, see calculation in Q3:16 press release. Vehicle utilization is calculated as transaction days divided by capacity. RACD calculated as Revenue divided by Capacity.

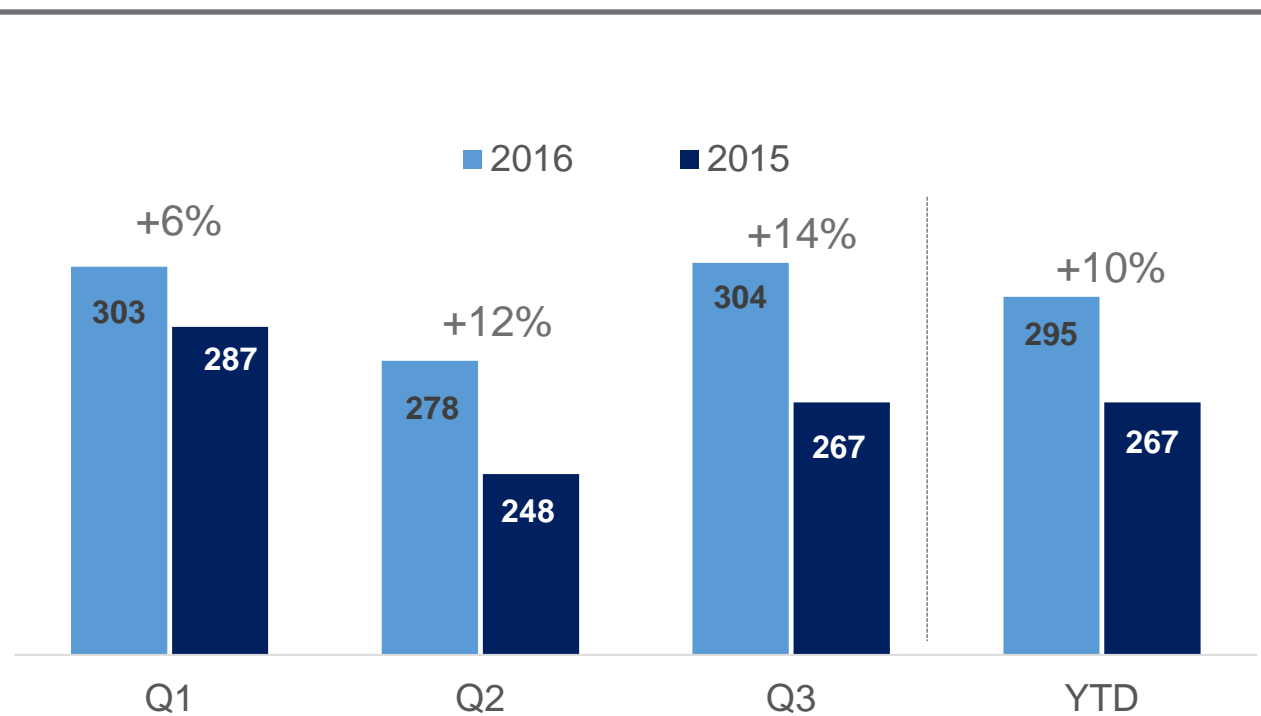
3Q:16 U.S. RAC YoY Total RPD Bridge

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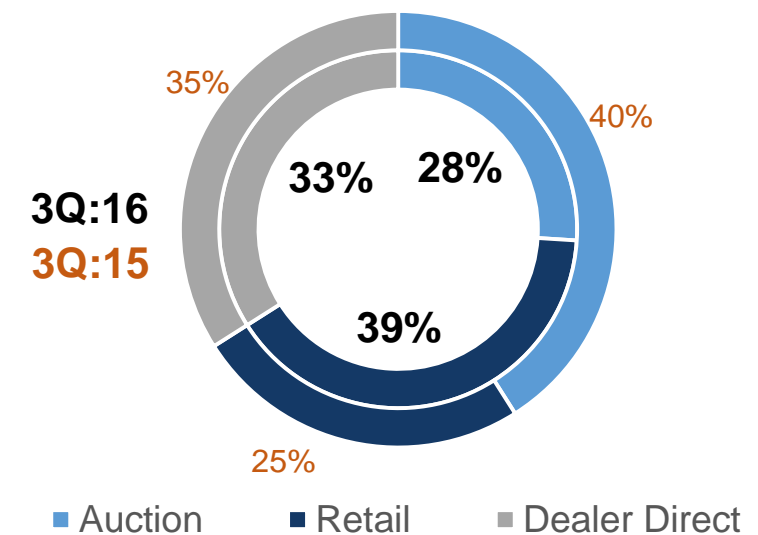
- Q3:16 last quarter of impact from DTG transaction day counting methodology
- Expect ancillary fuel pricing pressure to anniversary mid-Q1:17
- Customer mix shifted to lower yielding segments due to corporate volume weakness
- Higher mix of longer-length rental volumes YoY, OAP insurance replacement volume returns to more normal demand levels
 - Q3:16 insurance replacement volume +14% YoY after 14% volume decline Q3:15 vs. Q3:14
 - Avg. length of insurance replacement rental ~15 days
- YoY impact of compact mix will anniversary by 1Q:17

Monthly Depreciation Per Unit YoY %



- Per unit vehicle costs continue to be pressured by residual value decline
- Late 3Q rate review disproportionately impacted compact and mid-size residuals

Non-Program Vehicle Disposition Channel Mix



Use of Alternative Sales Channels core competency, maintaining 72% of mix

- 39% of sales through highest-return retail channel 3Q:16

- 3Q:16 revenue increased 1% YoY, excluding FX
 - Volume increased 2% despite greater than expected weakness in inbound long-haul business following recent terrorist attacks in Europe
 - Total RPD declined 1%, on a constant currency basis, due to impact of reduced pace of high-yielding inbound rentals
- Revenue per available car day decreased 2% YoY, on a constant currency basis
- Vehicle utilization remains unchanged YoY at 81%
- Net monthly depreciation per unit increased 1%, on a constant currency basis
- Adjusted corporate EBITDA declined \$11M YoY

CASH FLOW / BALANCE SHEET

OVERVIEW

TOM KENNEDY
CHIEF FINANCIAL OFFICER
Hertz Global Holdings, Inc.

Liquidity and Debt Overview

Corporate Liquidity at September 30, 2016

	<u>9/30/16</u>	<u>Proforma for 6.75% Note Redemption</u>
Senior RCF Availability	\$1,100M	\$1,100M
Unrestricted Cash	1,430M	616M
Corporate Liquidity	\$2,530M	\$1,716M

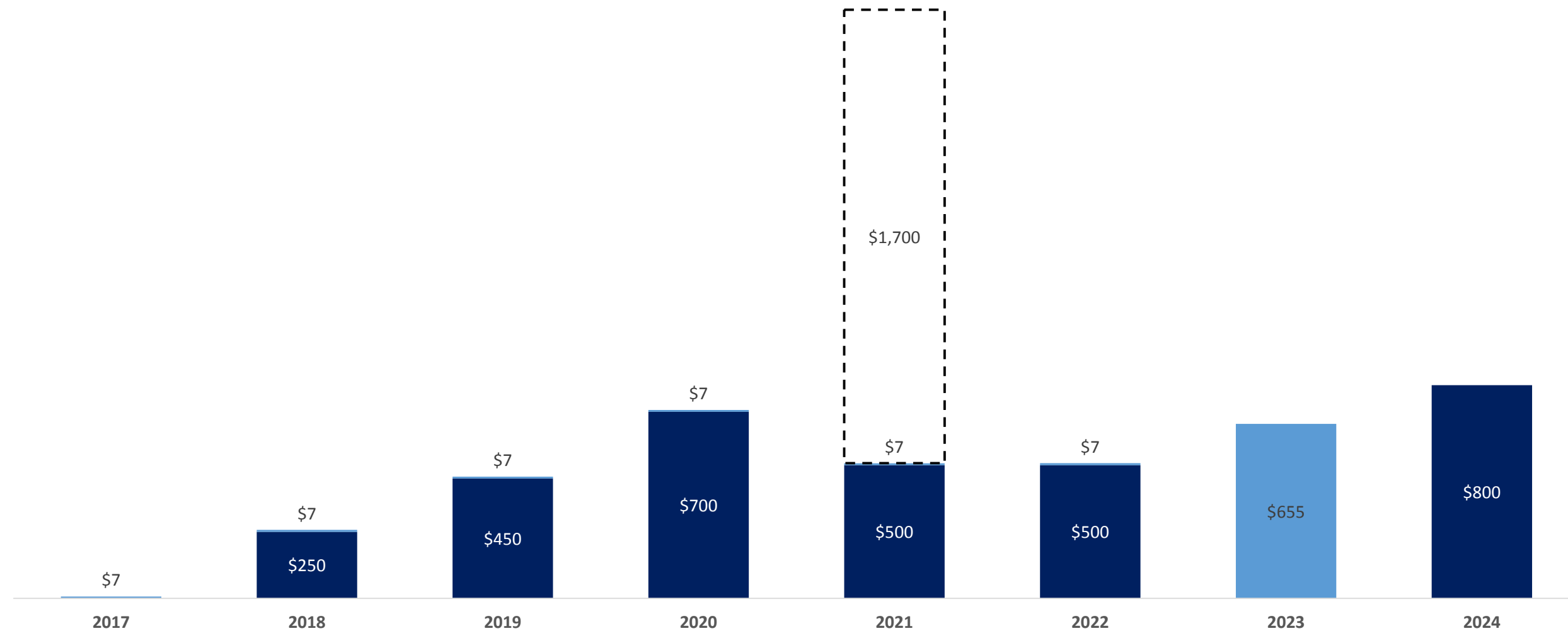
- Executed ~\$1.6 billion 3Q:16 financing transactions
 - \$800 million 5.50% Senior Note Issuance
 - Proceeds used to refinance \$800 million of 6.75% senior notes maturing in 2019
 - €225 million 4.125% European Vehicle Notes issuance
 - Extension of \$500 million Donlen (HFLF) VFN maturity date to September, 2018.
- 4Q:16 planned refinancing activity focused on extending three existing bank funded vehicle facilities
- Only \$7M in non-vehicle debt maturities in 2017
- 5.2x net non-vehicle debt/LTM adj. corporate EBITDA; Covenant leverage at 4.5x

Non-Vehicle Debt Maturity Profile

- Pro Forma 9/30/16 Hertz Global Non-Vehicle Debt Maturity Stack¹²

■ Senior Notes ■ Term Loan □ Undrawn Senior RCF

(\$ in millions)



¹Reflects redemption of \$800 million of the 6.75% Senior Notes due 2019 which occurred in October 2016. Excludes \$27 million of Promissory Notes due 2028, and \$11 million of other non-vehicle debt

²\$600 million of letters of credit outstanding under the Senior RCF resulting in approximately \$1.1 billion of available borrowing capacity.

OUTLOOK

FY:16 Updated Financial Guidance

FY:16 Guidance

Adjusted Corporate EBITDA	\$575M - \$625M
Non-vehicle capital expenditures, net	\$75M – \$85M
Non-Vehicle cash interest expense	\$280M – \$285M
Cash income taxes	\$60M – \$65M
Free cash flow	\$250M – \$300M
U.S. RAC net depreciation per unit per month	\$295 - \$300
U.S. RAC fleet capacity growth	(1.0)% to (1.5)%
U.S. RAC revenue growth	(2.0)% to (3.0)%
Adjusted earnings per share ¹	\$0.51-\$0.88

¹Assumes Tax rate 37%, shares outstanding 85M

Q&A