



# HERTZ GLOBAL HOLDINGS, INC.

1Q 2019 Earnings Call

May 7, 2019

8:30 am ET



# Forward Looking Statements

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Certain statements made within this presentation contain forward-looking statements. 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 May 7, 2019, 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 first quarter 2019 results issued on May 6, 2019, and the Risk Factors and Forward-Looking Statements sections of the Company’s 2018 Annual Report on Form 10-K filed on February 25, 2019. Copies of these filings are available from the SEC, the Hertz website, or the Company’s Investor Relations Department.

# Non-GAAP Measures and Key Metrics

THE FOLLOWING NON-GAAP MEASURES<sup>1</sup> AND KEY METRICS<sup>1</sup> WILL BE USED IN THE PRESENTATION:

- Adjusted Corporate EBITDA
- Adjusted Corporate EBITDA Margin
- Adjusted Pre-tax Income (Loss)
- Adjusted Net Income (Loss)
- Adjusted Diluted Loss Per Share
- Adjusted Free Cash Flow
- Total RPD
- Total RPU
- T&M Rate
- Depreciation Per Unit Per Month
- Average Vehicles
- Vehicle Utilization
- Transaction Days

# Agenda

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## BUSINESS OVERVIEW

**Kathryn Marinello**

President & Chief Executive Officer

Hertz Global Holdings, Inc.



## FINANCIAL RESULTS OVERVIEW

**Jamere Jackson**

Chief Financial Officer

Hertz Global Holdings, Inc.

# Focused on Driving Sustainable Revenue and Earnings Growth



## Revenue Growth

- U.S. 1Q:19 +7%
  - 1Q:19 RPD +2%, T&M +4%
- Superior product breadth and quality
- TNC growth
- AI-enabled revenue management
  - International launch June 2019



## Productivity

- Drive operational efficiency
- Centralize maintenance
- Optimize procurement



## U.S. Fleet Management Excellence

- Monthly net depreciation per unit
  - (15)% 1Q:19
- Leveraging fleet acquisition strategy
- Opportunistic fleet rotation
- Expansion of highest-return retail channel
- Longer asset life: TNC, insurance replacement

## Technology and Innovation

- New Hertz app launched April 2019
- NA rollout new, cloud-based systems, fall 2019
  - CRM, mobile apps, reservation, rental, fleet management, back-office systems
- Expansion of Hertz Fast Lane *powered by CLEAR* biometrics
- Global expansion of connected fleet across TNC, rental and corporate-leased fleet



# QUARTERLY OVERVIEW

**Jamere Jackson**  
Chief Financial Officer  
Hertz Global Holdings, Inc.



# 1Q:19 Consolidated Results

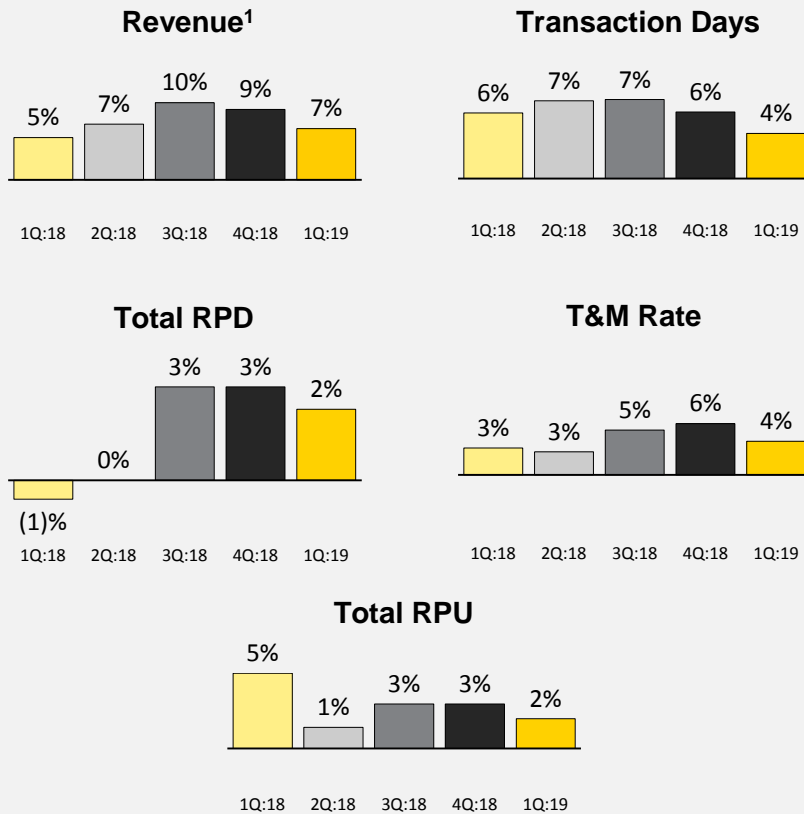
*\$ in millions, except per share data*

	<b>1Q:19 Results</b>	<b>1Q:18 Results</b>	<b>YoY Inc/(Dec)</b>
<b>GAAP</b>			
Total revenues	\$2,107	\$2,063	2%
Loss before income taxes	\$(149)	\$(231)	(35)%
Net loss attributable to Hertz Global	\$(147)	\$(202)	(27)%
Diluted loss per share	\$(1.75)	\$(2.43)	(28)%
Weighted average shares outstanding: diluted	84M	83M	
<b>Non-GAAP</b>			
Adjusted Corporate EBITDA	\$(4)	\$(59)	(93)%
Adjusted Corporate EBITDA Margin	–%	(3)%	270bps
Adjusted Pre-tax Loss	\$(111)	\$(175)	(37)%
Adjusted Net Loss	\$(83)	\$(131)	(37)%
Adjusted Diluted EPS	\$(0.99)	\$(1.58)	(37)%



# 1Q:19 U.S. RAC

## U.S. RAC (YoY quarterly results)



## Performance Overview:

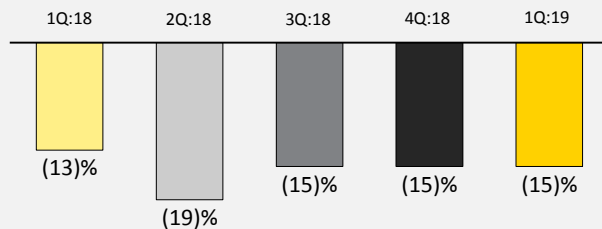
- Revenue<sup>1</sup> +7%, +3% ex-TNC<sup>2</sup>
  - Days +4%, flat ex-TNC
  - RPD +2%, +3% ex-TNC
  - Strong pricing in leisure segments
  - RPD up Airport and Off-Airport
  
- Growth Drivers
  - Revenue management capabilities
  - Accelerated growth in TNC
  - Brand-building marketing
  - Great fleet and customer service
  
- Adj. Corporate EBITDA \$7M, +\$55M YoY



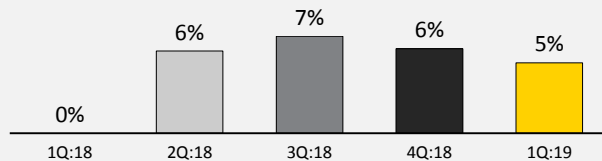
# 1Q:19 U.S. RAC Fleet

## U.S. RAC Fleet

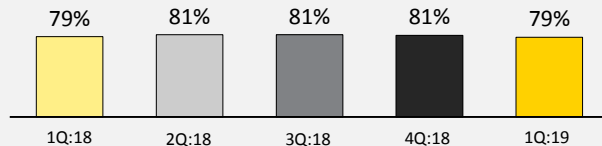
### Depreciation Per Unit Per Month YoY



### Average Vehicles YoY



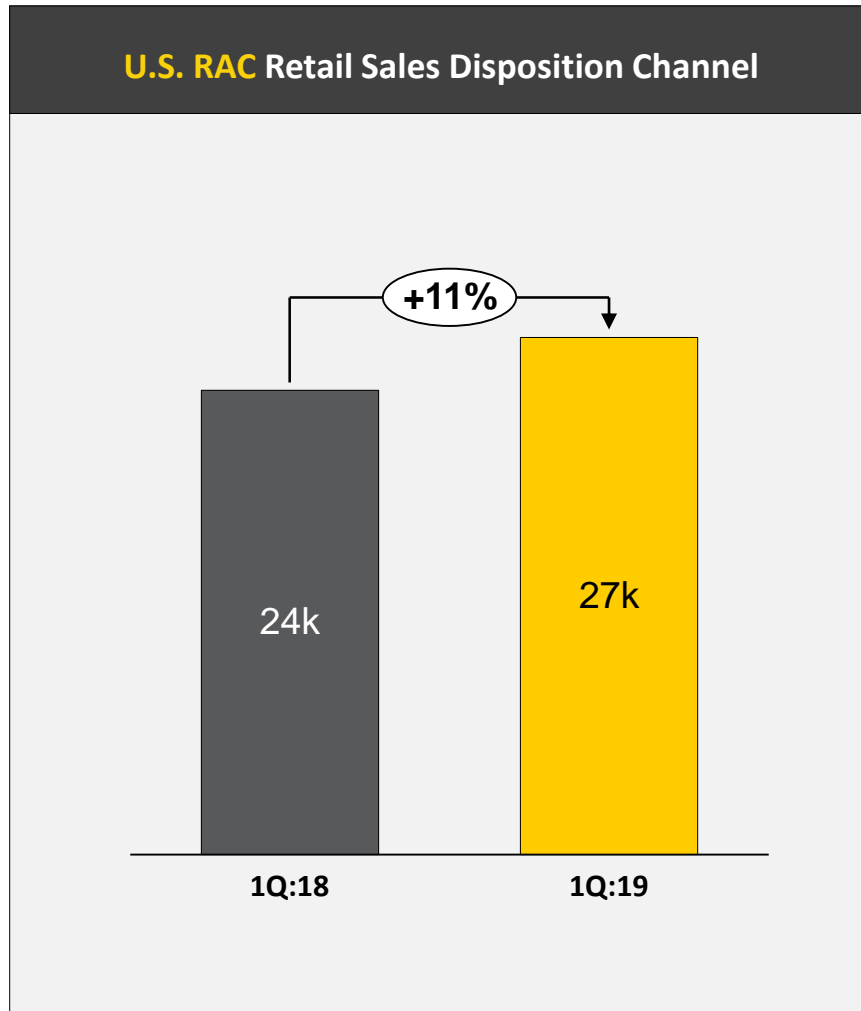
### Vehicle Utilization



## Continued Focus on Optimizing Fleet:

- Depreciation Per Unit Per Month (15)% YoY
  - Lower acquisition cost on like-for-like vehicles
  - Driving unit sales through high-return channels
  - Residual value market strength
  - Opportunistic fleet rotations
  - Growth in TNC extends asset life
  
- Average Vehicles +5%, +1% ex-TNC
  - TNC fleet +85% YoY to 43k vehicles
  - Disciplined, data-driven approach

# 1Q:19 U.S. RAC Retail Sales Initiative



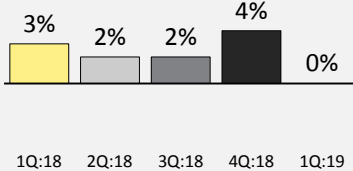
## Focused on Highest-Return Disposition Channel:

- Retail sales volume 1Q +11%
- Same store sales +7%
- High-margin ancillary retail sales revenue +15%
- Net +4 retail store fronts in 1Q:19 to 84 stores
- World-class sales team and capability
- Top 10 used-vehicle retailer nationally
- Hertz's preferred fleet mix drives higher residual values

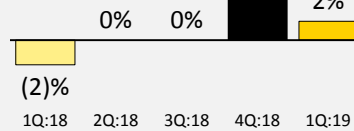
# 1Q:19 International RAC

## International RAC (YoY quarterly results)<sup>1</sup>

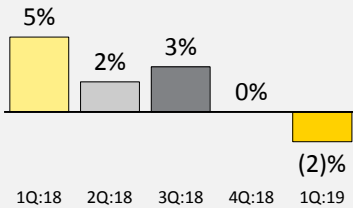
### Revenue



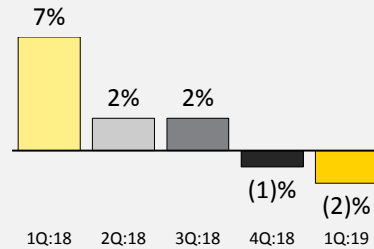
### Transaction Days



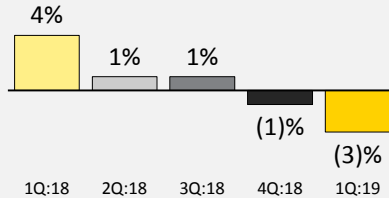
### Total RPD



### T&M Rate



### Total RPU



## Performance Overview<sup>1</sup>:

- Revenue flat on a constant currency basis
  - Days +2%, RPD (2)%
  - Days strong in APAC, relatively flat in Europe
  - Easter shift into 2Q:19 vs. 1Q:18
  
- Adj. Corporate EBITDA \$(13)M
  
- Key focus areas:
  - Improved revenue management capabilities
  - Driving operating cost productivity

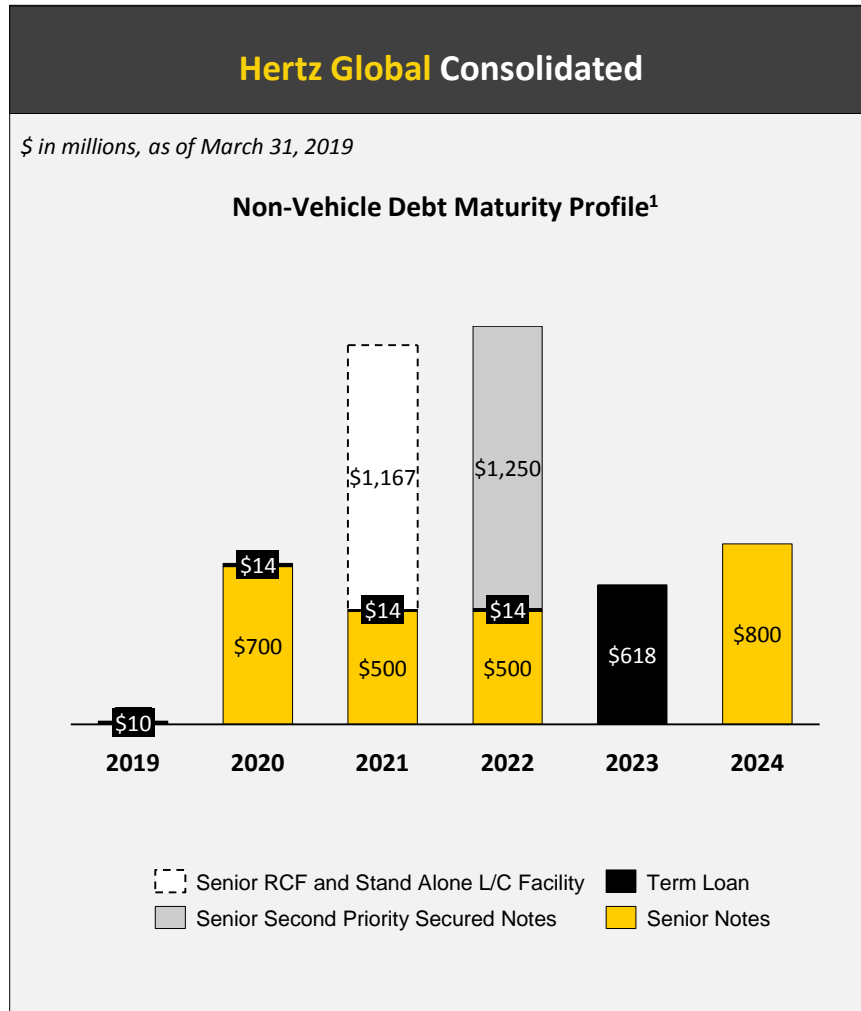


# DEBT, LIQUIDITY & CASH FLOW OVERVIEW

Jamere Jackson  
Chief Financial Officer  
Hertz Global Holdings, Inc.



# 1Q:19 Debt, Liquidity and Cash Flow



## Overview:

- Liquidity of \$1.0B at March 31, 2019
- Focused on 2020 non-vehicle debt stack
- 2019 Adjusted Free Cash Flow dynamics
  - + Operating cash flow
  - Technology investments
  - Vehicle interest
  - ± Residual values

<sup>1</sup>As of March 31, 2019. Excludes \$27M of promissory notes due 2028 and \$13M of other non-vehicle debt.

# Key Areas of Focus

Revenue Growth



Asset Efficiency



Productivity



Innovation



- **Sustain top line momentum...growth initiatives:**
  - Right cars, right place, right time, right price
  - Disciplined fleet management
  - Service excellence
  - Brand-building marketing
  - Innovation
  
- **Drive productivity and operating efficiency**
  
- **Execute technology transformation**

**Hertz**

**dollar.**  
CAR RENTAL

**Thrifty**  
CAR RENTAL

**DONLEN**  
A Hertz Company

# Q&A

