
**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) **February 28, 2018 (February 27, 2018)**

**HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION**

(Exact name of registrant as specified in its charter)

DELAWARE
DELAWARE
(State of incorporation)

001-37665
001-07541
(Commission File Number)

61-1770902
13-1938568
(I.R.S Employer Identification No.)

8501 Williams Road
Esterro, Florida 33928
8501 Williams Road
Esterro, Florida 33928

(Address of principal executive offices, including zip code)

(239) 301-7000
(239) 301-7000

(Registrant's telephone number, including area code)

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))

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 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The information set forth in Item 7.01 is incorporated by reference into this Item 2.02.

ITEM 7.01 REGULATION FD DISCLOSURE

On February 27, 2018, Hertz Global Holdings, Inc. and The Hertz Corporation (collectively, "Hertz" or the "Company") issued a press release with respect to the Company's fourth quarter and full-year 2017 financial results. A copy of the press release is attached as Exhibit 99.1 to this current report. The Company utilized certain non-GAAP financial measures in the press release that are detailed in the document attached as Exhibit 99.1 to this current report.

On February 28, 2018, the Company will conduct an earnings webcast relating to the Company's financial results for the fourth quarter and full-year 2017. The earnings webcast will be made available to the public via a link on the Investor Relations section of the Hertz website, IR.Hertz.com, and the slides that will accompany the presentation will be available to the public at the time of the earnings webcast through the Company's website. Certain financial information relating to completed fiscal periods that will be part of the earnings webcast is included in the set of slides that will accompany the earnings webcast, a copy of which is attached hereto as Exhibit 99.2. The earnings webcast will include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the comparable measures calculated and presented in accordance with GAAP are included in the Company's press release issued February 27, 2018 and attached hereto as part of Exhibit 99.1.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in such a filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this report, 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 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 our 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 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.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

[Exhibit 99.1 - Press Release of Hertz Global Holdings, Inc. and The Hertz Corporation dated February 27, 2018.](#)

[Exhibit 99.2 - Set of slides that will accompany the February 28, 2018 earnings webcast.](#)

Exhibits 99.1 and 99.2 shall not be deemed filed for purposes of Section 18 of the Exchange Act, nor shall they be deemed incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference in a filing.

SIGNATURE

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

HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION
(Registrant)

By: /s/ Thomas C. Kennedy
Name: Thomas C. Kennedy
Title: Senior Executive Vice President and
Chief Financial Officer

Date: February 28, 2018

**Hertz Global Holdings Reports
Fourth Quarter 2017 and Full-Year Financial Results**

ESTERO, Fla, February 27, 2018 - Hertz Global Holdings, Inc. (NYSE: HTZ) ("Hertz Global" or the "Company") today reported results for its fourth quarter and year ended December 31, 2017.

- Worldwide revenue increased 4% in the fourth quarter
- Net income in the fourth quarter was \$616 million, including a one-time benefit of \$679 million related to U.S. tax reform
- Adjusted Corporate EBITDA increased to \$21 million from \$12 million in the prior-year quarter
- The Company's U.S. operational improvement initiatives drove year-over-year progress in the second half of the year compared with the first half of 2017 as reflected in increased revenue expansion, improved fleet utilization and reduced vehicle depreciation expense

"The Company's top priority in 2017 was to design and launch an operational improvement plan that would drive sustainable, profitable revenue growth," said Kathryn V. Marinello, president and chief executive officer of Hertz. "In the first half of the year, we right-sized our fleet and began upgrading vehicle quality, redesigned operating processes, including our Ultimate Choice offering, and deployed smart systems for revenue management. In the second half, our performance reflected positive momentum against these initiatives."

"In 2018, we expect to see continued progress from our U.S. improvement programs. However, we also will have elevated investments throughout the year as we implement several, major technology conversions. By 2019, we should begin to evolve toward a more competitive earnings profile."

For the fourth quarter 2017, total revenues were \$2.1 billion, a 4% increase versus the fourth quarter 2016. Loss before income taxes for the fourth quarter 2017 was \$179 million versus a loss of \$466 million in the same period last year. Fourth quarter 2017 net income was \$616 million, or \$7.42 per diluted share, which included a one-time benefit of \$679 million related to U.S. tax reform, compared with a net loss from continuing operations of \$438 million during the fourth quarter 2016, or \$5.28 per diluted share. The Company reported adjusted net loss for the fourth quarter 2017 of \$64 million, or \$0.77 adjusted diluted loss per share, compared with adjusted net loss of \$59 million, or \$0.71 adjusted diluted loss per share, for the same period last year. Adjusted Corporate EBITDA for the fourth quarter 2017 was \$21 million, compared to \$12 million in the same period last year.

For the full-year 2017, Hertz Global reported net income of \$327 million, or \$3.94 per diluted share, including the one-time benefit related to U.S. tax reform, compared with net loss from continuing operations of \$474 million, or \$5.65 per diluted share, for 2016. Total revenues for 2017 were unchanged from 2016 at \$8.8 billion. The Company reported adjusted net loss for 2017 of \$132 million, or \$1.59 adjusted diluted loss per share, compared with adjusted net income of \$41 million, or \$0.49 adjusted diluted earnings per share, for the same period last year. Adjusted corporate EBITDA for 2017 was \$267 million, versus \$553 million for 2016.

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

| U.S. RAC⁽¹⁾ | Three Months Ended | | Percent Inc/(Dec) |
|---|---------------------------|-------------|--------------------------|
| | December 31, | | |
| <i>(\$ in millions, except where noted)</i> | 2017 | 2016 | |
| Total Revenues | \$ 1,437 | \$ 1,417 | 1 % |
| Depreciation of revenue earning vehicles and lease charges, net | \$ 426 | \$ 456 | (7)% |
| Income (loss) from continuing operations before income taxes | \$ (24) | \$ (151) | (84)% |
| Adjusted pre-tax income (loss) | \$ 7 | \$ (14) | NM |
| Adjusted pre-tax margin | —% | (1)% | 150 bps |
| Adjusted Corporate EBITDA | \$ 10 | \$ 8 | 25 % |
| Adjusted Corporate EBITDA margin | 1% | 1 % | 10 bps |
| Average vehicles | 470,800 | 473,200 | (1)% |
| Transaction days (in thousands) | 34,958 | 34,056 | 3 % |
| Total RPD (in whole dollars) | \$ 40.53 | \$ 41.02 | (1)% |
| Total RPU (in whole dollars) | \$ 1,003 | \$ 984 | 2 % |
| Net depreciation per unit per month (in whole dollars) | \$ 302 | \$ 321 | (6)% |

NM - Not Meaningful

Total U.S. RAC revenues increased 1% versus the same period last year. Transaction days increased by 3% year-over-year as a result of increased rentals to commercial customers, including corporate, insurance replacement and ride-hailing drivers. Pricing, as measured by Total Revenue Per Day (Total RPD), decreased 1% in the quarter. Excluding ancillary revenue and the growth in ride-hailing rentals, pricing increased 3% over the 2016 fourth quarter.

The 3% increase in transaction days combined with 1% reduction in U.S. fleet capacity resulted in a 250-basis point increase in utilization in the quarter. Revenue per unit, an important measure of asset efficiency, increased 2% over the prior year.

The revenue improvement along with a 6% decrease in monthly depreciation per unit supported a year-over-year increase in Adjusted Corporate EBITDA in the fourth 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⁽¹⁾ (\$ in millions, except where noted) | Three Months Ended December 31, | | Percent Inc/(Dec) |
|--|--|-------------|--------------------------|
| | 2017 | 2016 | |
| Total Revenues | \$ 487 | \$ 441 | 10 % |
| Depreciation of revenue earning vehicles and lease charges, net | \$ 105 | \$ 89 | 18 % |
| Income (loss) from continuing operations before income taxes | \$ (4) | \$ (181) | (98)% |
| Adjusted pre-tax income (loss) | \$ 4 | \$ 15 | (73)% |
| Adjusted pre-tax margin | 1% | 3% | (260) bps |
| Adjusted Corporate EBITDA | \$ 11 | \$ 23 | (52)% |
| Adjusted Corporate EBITDA margin | 2% | 5% | (300) bps |
| Average vehicles | 163,100 | 163,100 | — % |
| Transaction days (in thousands) | 10,935 | 10,880 | 1 % |
| Total RPD (in whole dollars) | \$ 40.42 | \$ 39.15 | 3 % |
| Total RPU (in whole dollars) | \$ 903 | \$ 871 | 4 % |
| Net depreciation per unit per month (in whole dollars) | \$ 194 | \$ 178 | 9 % |

The Company's International RAC segment revenues increased 10% from the fourth quarter 2016, or 4% excluding currency adjustments, driven by a 3% increase in Total RPD and a 1% increase in transaction days. Excluding the sale of the Company's Brazil rental car and leasing operations to Localiza in August 2017, transaction days increased 6%.

The 1% increase in transaction days combined with flat fleet capacity resulted in a 40-basis point increase in utilization in the quarter. Revenue per unit, an important measure of asset efficiency, increased 4% over the prior year.

Fourth quarter 2017 Adjusted Corporate EBITDA for International RAC decreased compared with a year ago in part due to the divestiture of the Brazil fleet, declining residual values on diesel vehicles in Europe and elevated fleet-related expenses.

ALL OTHER OPERATIONS

| All Other Operations⁽¹⁾ (\$ in millions) | Three Months Ended December 31, | | Percent Inc/(Dec) |
|---|--|-------------|--------------------------|
| | 2017 | 2016 | |
| Total Revenues | \$ 167 | \$ 151 | 11% |
| Depreciation of revenue earning vehicles and lease charges, net | \$ 123 | \$ 117 | 5% |
| Income (loss) from continuing operations before income taxes | \$ 16 | \$ 16 | —% |
| Adjusted pre-tax income (loss) | \$ 21 | \$ 19 | 11% |
| Adjusted pre-tax margin | 13% | 13% | — bps |
| Adjusted Corporate EBITDA | \$ 20 | \$ 18 | 11% |
| Adjusted Corporate EBITDA margin | 12% | 12% | 10 bps |
| Average vehicles - Donlen | 197,800 | 197,000 | —% |

All Other Operations is primarily comprised of the Company's Donlen leasing operations.

(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 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.

STRATEGIC INVESTMENTS - 2018 expenses will continue to be elevated as the Company remains committed to its U.S. operating turnaround initiatives. The elevated expense level will be targeted toward new marketing campaigns, ongoing field process improvements, an upgraded model-year 2018 fleet and the deployment of several redesigned technology platforms. The benefits from its U.S. turnaround program are expected to accelerate in 2019.

BALANCE SHEET - The Company had more than \$1.6 billion of corporate liquidity at December 31, 2017. It has no material corporate debt maturities due until October 2020. In January 2018, it executed a \$1 billion five-year term ABS transaction for U.S. rental car with proceeds used to refinance its 2018 vehicle debt maturities.

TAX REFORM - The enactment of U.S. tax reform resulted in the Company recording an estimated net benefit of \$679 million, resulting from the remeasured valuation of its net deferred tax liabilities. It does not anticipate a liability from the one-time charge on accumulated foreign earnings. Due to the lower corporate tax rate in 2018, the Company's effective tax rate now is estimated to be between 23% and 26% on results in future years.

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 fourth quarter 2017 live webcast discussion will be held on February 28, 2018, at 8:00 a.m. Eastern. The earnings release and related supplemental schedules containing the reconciliations of non-GAAP measures will be available on our website, IR.Hertz.com.

ANNUAL MEETING OF STOCKHOLDERS

The Company's Board of Directors has set the date of the annual meeting of stockholders for May 22, 2018. Holders of record at the close of business on March 27, 2018, will be entitled to vote at the meeting. The Annual Meeting will be a completely virtual meeting, which will be conducted via live audio webcast. Shareholders will be able to attend the Annual Meeting online, vote their shares electronically and submit questions during the Annual Meeting via a live audio webcast by visiting www.virtualshareholdermeeting.com/HTZ2018. This information will also be announced in the Company's proxy materials, which it expects to file with the U.S. Securities and Exchange Commission in late March or early April 2018.

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 and reconciliations of non-GAAP measures to their most comparable GAAP measure. Following the Supplemental Schedules, the Company provides definitions for terminology used throughout this earnings release and provides the usefulness of non-GAAP measures 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 airport general use 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, 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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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 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 our 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 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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FINANCIAL INFORMATION AND OPERATING DATA

On June 30, 2016, former Hertz Global Holdings, Inc. (for periods on or prior to June 30, 2016, "Old Hertz Holdings" and for periods after June 30, 2016, "Herc Holdings") completed the previously announced separation of its existing vehicle rental and equipment rental businesses into two independent, publicly traded companies (the "Spin-Off"). The separation was structured as a reverse spin-off under which the vehicle rental business was contributed to the Company, the stock of which was then distributed as a dividend to stockholders of Old Hertz Holdings. While the Company was the legal spinnee in the separation, the Company is the accounting successor to the pre-spin-off business. As a result, the former equipment rental business and certain former parent entities of Old Hertz Holdings are presented as discontinued operations in the Company's financial information. Unless noted otherwise, information presented in the following tables and supplemental schedules pertain to Hertz Global's continuing operations.

SELECTED UNAUDITED CONSOLIDATED INCOME STATEMENT DATA

| (In millions, except per share data) | Three Months Ended December 31, | | As a Percentage of Total Revenues | | Twelve Months Ended December 31, | | As a Percentage of Total Revenues | |
|---|------------------------------------|-----------|--------------------------------------|-------|-------------------------------------|-----------|--------------------------------------|-------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Total revenues | \$ 2,091 | \$ 2,009 | 100 % | 100 % | \$ 8,803 | \$ 8,803 | 100 % | 100 % |
| Expenses: | | | | | | | | |
| Direct vehicle and operating | 1,223 | 1,154 | 58 % | 57 % | 4,958 | 4,932 | 56 % | 56 % |
| Depreciation of revenue earning vehicles and lease charges, net | 654 | 662 | 31 % | 33 % | 2,798 | 2,601 | 32 % | 30 % |
| Selling, general and administrative | 221 | 213 | 11 % | 11 % | 880 | 899 | 10 % | 10 % |
| Interest expense, net: | | | | | | | | |
| Vehicle | 88 | 68 | 4 % | 3 % | 331 | 280 | 4 % | 3 % |
| Non-vehicle | 84 | 75 | 4 % | 4 % | 306 | 344 | 3 % | 4 % |
| Total interest expense, net | 172 | 143 | 8 % | 7 % | 637 | 624 | 7 % | 7 % |
| Goodwill and intangible asset impairments | — | 292 | — % | 15 % | 86 | 292 | 1 % | 3 % |
| Other (income) expense, net | — | 11 | — % | 1 % | 19 | (75) | — % | (1)% |
| Total expenses | 2,270 | 2,475 | 109 % | 123 % | 9,378 | 9,273 | 107 % | 105 % |
| Income (loss) from continuing operations before income taxes | (179) | (466) | (9)% | (23)% | (575) | (470) | (7)% | (5)% |
| Income tax (provision) benefit from continuing operations | 795 | 28 | 38 % | 1 % | 902 | (4) | 10 % | — % |
| Net income (loss) from continuing operations | 616 | (438) | 29 % | (22)% | 327 | (474) | 4 % | (5)% |
| Net income (loss) from discontinued operations | — | (2) | — % | — % | — | (17) | — % | — % |
| Net income (loss) | \$ 616 | \$ (440) | 29 % | (22)% | \$ 327 | \$ (491) | 4 % | (6)% |
| Weighted average number of shares outstanding: | | | | | | | | |
| Basic | 83 | 83 | | | 83 | 84 | | |
| Diluted | 83 | 83 | | | 83 | 84 | | |
| Earnings (loss) per share- basic and diluted: | | | | | | | | |
| Basic earnings (loss) per share from continuing operations | \$ 7.42 | \$ (5.28) | | | \$ 3.94 | \$ (5.65) | | |
| Basic earnings (loss) per share from discontinued operations | — | (0.02) | | | — | (0.20) | | |
| Basic earnings (loss) per share | \$ 7.42 | \$ (5.30) | | | \$ 3.94 | \$ (5.85) | | |
| Diluted earnings (loss) per share from continuing operations | \$ 7.42 | \$ (5.28) | | | \$ 3.94 | \$ (5.65) | | |
| Diluted earnings (loss) per share from discontinued operations | — | (0.02) | | | — | (0.20) | | |
| Diluted earnings (loss) per share | \$ 7.42 | \$ (5.30) | | | \$ 3.94 | \$ (5.85) | | |
| Adjusted pre-tax income (loss) ^(a) | \$ (102) | \$ (93) | | | \$ (210) | \$ 65 | | |
| Adjusted net income (loss) ^(a) | \$ (64) | \$ (59) | | | \$ (132) | \$ 41 | | |
| Adjusted diluted earnings (loss) per share ^(a) | \$ (0.77) | \$ (0.71) | | | \$ (1.59) | \$ 0.49 | | |
| Adjusted Corporate EBITDA ^(a) | \$ 21 | \$ 12 | | | \$ 267 | \$ 553 | | |

(a) Represents a non-GAAP measure, see the accompanying reconciliations included in Supplemental Schedule II.

SELECTED UNAUDITED CONSOLIDATED BALANCE SHEET DATA

| (In millions) | As of December 31, 2017 | | As of December 31, 2016 | |
|-------------------------------------|-------------------------|--------|-------------------------|--------|
| Cash and cash equivalents | \$ | 1,072 | \$ | 816 |
| Total restricted cash | | 432 | | 278 |
| Revenue earning vehicles, net: | | | | |
| U.S. Rental Car | | 7,761 | | 7,716 |
| International Rental Car | | 2,153 | | 1,755 |
| All Other Operations | | 1,422 | | 1,347 |
| Total revenue earning vehicles, net | | 11,336 | | 10,818 |
| Total assets | | 20,058 | | 19,155 |
| Total debt | | 14,865 | | 13,541 |
| Net vehicle debt ^(a) | | 10,079 | | 9,447 |
| Net non-vehicle debt ^(a) | | 3,402 | | 3,116 |
| Total equity | | 1,520 | | 1,075 |

(a) Represents a non-GAAP measure, see the accompanying reconciliation included in Supplemental Schedule V.

SELECTED UNAUDITED CONSOLIDATED CASH FLOW DATA

| (In millions) | Twelve Months Ended December 31, | | | |
|--|----------------------------------|---------|------|---------|
| | 2017 | | 2016 | |
| Cash from continuing operations provided by (used in): | | | | |
| Operating activities | \$ | 2,394 | \$ | 2,529 |
| Investing activities | | (3,147) | | (1,996) |
| Financing activities | | 988 | | (183) |
| Effect of exchange rate changes | | 21 | | (8) |
| Net change in cash and cash equivalents | \$ | 256 | \$ | 342 |
| Fleet growth ^(a) | \$ | 144 | \$ | 335 |
| Adjusted free cash flow ^(a) | \$ | (336) | \$ | 258 |

(a) Represents a non-GAAP measure, see the accompanying reconciliations included in Supplemental Schedules III and IV.

SELECTED UNAUDITED OPERATING DATA BY SEGMENT

| | Three Months Ended December 31, | | Percent Inc/(Dec) | Twelve Months Ended December 31, | | Percent Inc/(Dec) |
|---|---------------------------------|----------|-------------------|----------------------------------|----------|-------------------|
| | 2017 | 2016 | | 2017 | 2016 | |
| U.S. RAC | | | | | | |
| Transaction days (in thousands) | 34,958 | 34,056 | 3 % | 140,382 | 142,268 | (1)% |
| Total RPD ^(a) | \$ 40.53 | \$ 41.02 | (1)% | \$ 42.06 | \$ 42.44 | (1)% |
| Total RPU ^(a) | \$ 1,003 | \$ 984 | 2 % | \$ 1,015 | \$ 1,038 | (2)% |
| Average vehicles | 470,800 | 473,200 | (1)% | 484,700 | 484,800 | — % |
| Vehicle utilization ^(a) | 81% | 78% | 250 bps | 79% | 80% | (80) bps |
| Net depreciation per unit per month ^(a) | \$ 302 | \$ 321 | (6)% | \$ 327 | \$ 301 | 9 % |
| Percentage of program vehicles at period end | 7% | 6% | 10 bps | 7% | 6% | 10 bps |
| Adjusted pre-tax income (loss) (in millions) ^(b) | \$ 7 | \$ (14) | NM | \$ 13 | \$ 298 | (96)% |
| International RAC | | | | | | |
| Transaction days (in thousands) | 10,935 | 10,880 | 1 % | 50,301 | 48,627 | 3 % |
| Total RPD ^(a) | \$ 40.42 | \$ 39.15 | 3 % | \$ 40.18 | \$ 40.74 | (1)% |
| Total RPU ^(a) | \$ 903 | \$ 871 | 4 % | \$ 946 | \$ 952 | (1)% |
| Average vehicles | 163,100 | 163,100 | — % | 178,100 | 173,400 | 3 % |
| Vehicle utilization ^(a) | 73% | 73% | 40 bps | 77% | 77% | 80 bps |
| Net depreciation per unit per month ^{(a)(c)} | \$ 194 | \$ 178 | 9 % | \$ 181 | \$ 176 | 3 % |
| Percentage of program vehicles at period end | 34% | 31% | 310 bps | 34% | 31% | 310 bps |
| Adjusted pre-tax income (loss) (in millions) ^(b) | \$ 4 | \$ 15 | (73)% | \$ 203 | \$ 194 | 5 % |
| All Other Operations | | | | | | |
| Average vehicles — Donlen | 197,800 | 197,000 | — % | 204,300 | 174,900 | 17 % |
| Adjusted pre-tax income (loss) (in millions) ^(b) | \$ 21 | \$ 19 | 11 % | \$ 80 | \$ 72 | 11 % |

NM - Not meaningful

(a) Represents a key metric, see the accompanying calculations included in Supplemental Schedule VI.

(b) Represents a non-GAAP measure, see the accompanying reconciliations included in Supplemental Schedule II.

HERTZ GLOBAL HOLDINGS, INC.
CONDENSED STATEMENT OF OPERATIONS BY SEGMENT
Unaudited

| (In millions) | Three Months Ended December 31, 2017 | | | | | Three Months Ended December 31, 2016 | | | | |
|---|--------------------------------------|------------------|----------------------|-----------|--------------|--------------------------------------|------------------|----------------------|-----------|--------------|
| | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global |
| Total revenues: | \$ 1,437 | \$ 487 | \$ 167 | \$ — | \$ 2,091 | \$ 1,417 | \$ 441 | \$ 151 | \$ — | \$ 2,009 |
| Expenses: | | | | | | | | | | |
| Direct vehicle and operating | 901 | 311 | 12 | (1) | 1,223 | 873 | 277 | 5 | (1) | 1,154 |
| Depreciation of revenue earning vehicles and lease charges, net | 426 | 105 | 123 | — | 654 | 456 | 89 | 117 | — | 662 |
| Selling, general and administrative | 102 | 54 | 11 | 54 | 221 | 90 | 48 | 10 | 65 | 213 |
| Interest expense, net: | | | | | | | | | | |
| Vehicle | 60 | 20 | 8 | — | 88 | 46 | 17 | 5 | — | 68 |
| Non-vehicle | (28) | 1 | (3) | 114 | 84 | (16) | — | (2) | 93 | 75 |
| Total interest expense, net | 32 | 21 | 5 | 114 | 172 | 30 | 17 | 3 | 93 | 143 |
| Goodwill and intangible asset impairments | — | — | — | — | — | 120 | 172 | — | — | 292 |
| Other (income) expense, net | — | — | — | — | — | (1) | 19 | — | (7) | 11 |
| Total expenses | 1,461 | 491 | 151 | 167 | 2,270 | 1,568 | 622 | 135 | 150 | 2,475 |
| Income (loss) from continuing operations before income taxes | \$ (24) | \$ (4) | \$ 16 | \$ (167) | (179) | \$ (151) | \$ (181) | \$ 16 | \$ (150) | (466) |
| Income tax (provision) benefit from continuing operations | | | | | 795 | | | | | 28 |
| Net income (loss) from continuing operations | | | | | 616 | | | | | (438) |
| Net income (loss) from discontinued operations | | | | | — | | | | | (2) |
| Net income (loss) | | | | | \$ 616 | | | | | \$ (440) |

HERTZ GLOBAL HOLDINGS, INC.
CONDENSED STATEMENT OF OPERATIONS BY SEGMENT
Unaudited

| (In millions) | Twelve Months Ended December 31, 2017 | | | | | Twelve Months Ended December 31, 2016 | | | | |
|---|---------------------------------------|---------------------|-------------------------|-----------------|---------------|---------------------------------------|---------------------|-------------------------|-----------------|-----------------|
| | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global |
| Total revenues: | \$ 5,994 | \$ 2,169 | \$ 640 | \$ — | \$ 8,803 | \$ 6,114 | \$ 2,097 | \$ 592 | \$ — | \$ 8,803 |
| Expenses: | | | | | | | | | | |
| Direct vehicle and operating | 3,651 | 1,273 | 40 | (6) | 4,958 | 3,646 | 1,256 | 22 | 8 | 4,932 |
| Depreciation of revenue earning vehicles and lease charges, net | 1,904 | 416 | 478 | — | 2,798 | 1,753 | 389 | 459 | — | 2,601 |
| Selling, general and administrative | 392 | 223 | 35 | 230 | 880 | 397 | 215 | 40 | 247 | 899 |
| Interest expense, net: | | | | | | | | | | |
| Vehicle | 226 | 75 | 30 | — | 331 | 199 | 61 | 20 | — | 280 |
| Non-vehicle | (94) | 5 | (11) | 406 | 306 | (45) | 5 | (6) | 390 | 344 |
| Total interest expense, net | 132 | 80 | 19 | 406 | 637 | 154 | 66 | 14 | 390 | 624 |
| Goodwill and intangible asset impairments | 86 | — | — | — | 86 | 120 | 172 | — | — | 292 |
| Other (income) expense, net | — | (8) | — | 27 | 19 | (12) | 19 | — | (82) | (75) |
| Total expenses | 6,165 | 1,984 | 572 | 657 | 9,378 | 6,058 | 2,117 | 535 | 563 | 9,273 |
| Income (loss) from continuing operations before income taxes | <u>\$ (171)</u> | <u>\$ 185</u> | <u>\$ 68</u> | <u>\$ (657)</u> | <u>(575)</u> | <u>\$ 56</u> | <u>\$ (20)</u> | <u>\$ 57</u> | <u>\$ (563)</u> | <u>(470)</u> |
| Income tax (provision) benefit from continuing operations | | | | | 902 | | | | | (4) |
| Net income (loss) from continuing operations | | | | | 327 | | | | | (474) |
| Net income (loss) from discontinued operations | | | | | — | | | | | (17) |
| Net income (loss) | | | | | <u>\$ 327</u> | | | | | <u>\$ (491)</u> |

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATION OF INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES
TO GROSS EBITDA, CORPORATE EBITDA, ADJUSTED CORPORATE EBITDA, ADJUSTED PRE-TAX INCOME (LOSS),
ADJUSTED NET INCOME (LOSS) AND ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE
Unaudited

| (In millions, except per share data) | Three Months Ended December 31, 2017 | | | | | Three Months Ended December 31, 2016 | | | | |
|---|--------------------------------------|---------------------|-------------------------|-----------|--------------|--------------------------------------|---------------------|-------------------------|-----------|--------------|
| | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global |
| Income (loss) from continuing operations before income taxes | \$ (24) | \$ (4) | \$ 16 | \$ (167) | \$ (179) | \$ (151) | \$ (181) | \$ 16 | \$ (150) | \$ (466) |
| Depreciation and amortization | 468 | 114 | 126 | 3 | 711 | 506 | 98 | 120 | 6 | 730 |
| Interest, net of interest income | 32 | 21 | 5 | 114 | 172 | 30 | 17 | 3 | 93 | 143 |
| Gross EBITDA | \$ 476 | \$ 131 | \$ 147 | \$ (50) | \$ 704 | \$ 385 | \$ (66) | \$ 139 | \$ (51) | \$ 407 |
| Revenue earning vehicle depreciation and lease charges, net | (426) | (105) | (123) | — | (654) | (456) | (89) | (117) | — | (662) |
| Vehicle debt interest | (60) | (20) | (8) | — | (88) | (46) | (17) | (5) | — | (68) |
| Vehicle debt-related charges ^(a) | 6 | 2 | 1 | — | 9 | 5 | 2 | 1 | — | 8 |
| Loss on extinguishment of vehicle-related debt ^(b) | — | — | — | — | — | (1) | — | — | — | (1) |
| Corporate EBITDA | \$ (4) | \$ 8 | \$ 17 | \$ (50) | \$ (29) | \$ (113) | \$ (170) | \$ 18 | \$ (51) | \$ (316) |
| Non-cash stock-based employee compensation charges | — | — | — | 4 | 4 | — | — | — | (3) | (3) |
| Restructuring and restructuring related charges ^(c) | 1 | 4 | — | 2 | 7 | (1) | 2 | — | 11 | 12 |
| Sale of CAR, Inc. common stock ^(k) | — | — | — | — | — | — | — | — | (9) | (9) |
| Impairment charges and asset write-downs ^(e) | — | — | — | 2 | 2 | 119 | 190 | — | — | 309 |
| Information technology and finance transformation costs ^(l) | 1 | — | — | 13 | 14 | — | — | — | 13 | 13 |
| Other items ^(g) | 12 | (1) | 3 | 9 | 23 | 3 | 1 | — | 2 | 6 |
| Adjusted Corporate EBITDA | \$ 10 | \$ 11 | \$ 20 | \$ (20) | \$ 21 | \$ 8 | \$ 23 | \$ 18 | \$ (37) | \$ 12 |
| Non-vehicle depreciation and amortization | (42) | (9) | (3) | (3) | (57) | (50) | (9) | (3) | (6) | (68) |
| Non-vehicle debt interest, net of interest income | 28 | (1) | 3 | (114) | (84) | 16 | — | 2 | (93) | (75) |
| Non-vehicle debt-related charges ^(a) | — | — | — | 4 | 4 | — | — | — | 4 | 4 |
| Loss on extinguishment of non-vehicle-related debt ^(b) | — | — | — | 5 | 5 | — | — | — | 16 | 16 |
| Non-cash stock-based employee compensation charges | — | — | — | (4) | (4) | — | — | — | 3 | 3 |
| Acquisition accounting ^(h) | 11 | 3 | 1 | 2 | 17 | 12 | 1 | 2 | — | 15 |
| Other | — | — | — | (4) | (4) | — | — | — | — | — |
| Adjusted pre-tax income (loss) ⁽ⁱ⁾ | \$ 7 | \$ 4 | \$ 21 | \$ (134) | \$ (102) | \$ (14) | \$ 15 | \$ 19 | \$ (113) | \$ (93) |
| Income tax (provision) benefit on adjusted pre-tax income (loss) ^(j) | — | — | — | — | 38 | — | — | — | — | 34 |
| Adjusted net income (loss) | — | — | — | — | \$ (64) | — | — | — | — | \$ (59) |
| Weighted average number of diluted shares outstanding | — | — | — | — | 83 | — | — | — | — | 83 |
| Adjusted diluted earnings (loss) per share | — | — | — | — | \$ (0.77) | — | — | — | — | \$ (0.71) |

HERTZ GLOBAL HOLDINGS, INC
RECONCILIATION OF INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES
TO GROSS EBITDA, CORPORATE EBITDA, ADJUSTED CORPORATE EBITDA, ADJUSTED PRE-TAX INCOME (LOSS),
ADJUSTED NET INCOME (LOSS) AND ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE
Unaudited

| (In millions, except per share data) | Twelve Months Ended December 31, 2017 | | | | | Twelve Months Ended December 31, 2016 | | | | |
|---|---------------------------------------|------------------|----------------------|-----------|--------------|---------------------------------------|------------------|----------------------|-----------|--------------|
| | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global | U.S. Rental Car | Int'l Rental Car | All Other Operations | Corporate | Hertz Global |
| Income (loss) from continuing operations before income taxes | \$ (171) | \$ 185 | \$ 68 | \$ (657) | \$ (575) | \$ 56 | \$ (20) | \$ 57 | \$ (563) | \$ (470) |
| Depreciation and amortization | 2,085 | 449 | 489 | 15 | 3,038 | 1,951 | 422 | 470 | 23 | 2,866 |
| Interest, net of interest income | 132 | 80 | 19 | 406 | 637 | 154 | 66 | 14 | 390 | 624 |
| Gross EBITDA | \$ 2,046 | \$ 714 | \$ 576 | \$ (236) | \$ 3,100 | \$ 2,161 | \$ 468 | \$ 541 | \$ (150) | \$ 3,020 |
| Revenue earning vehicle depreciation and lease charges, net | (1,904) | (416) | (478) | — | (2,798) | (1,753) | (389) | (459) | — | (2,601) |
| Vehicle debt interest | (226) | (75) | (30) | — | (331) | (199) | (61) | (20) | — | (280) |
| Vehicle debt-related charges ^(a) | 20 | 8 | 4 | — | 32 | 17 | 8 | 3 | — | 28 |
| Loss on extinguishment of vehicle-related debt ^(b) | — | — | — | — | — | 6 | — | — | — | 6 |
| Corporate EBITDA | \$ (64) | \$ 231 | \$ 72 | \$ (236) | \$ 3 | \$ 232 | \$ 26 | \$ 65 | \$ (150) | \$ 173 |
| Non-cash stock-based employee compensation charges ^(d) | — | — | — | 19 | 19 | — | — | — | 13 | 13 |
| Restructuring and restructuring related charges ^{(c)(d)} | 3 | 5 | — | 12 | 20 | 16 | 9 | 3 | 25 | 53 |
| Sale of CAR, Inc. common stock ^(k) | — | — | — | (3) | (3) | — | — | — | (84) | (84) |
| Impairment charges and asset write-downs ^(e) | 86 | — | — | 32 | 118 | 149 | 190 | 1 | — | 340 |
| Information technology and finance transformation costs ^(f) | 1 | — | — | 67 | 68 | 11 | — | — | 42 | 53 |
| Other items ^(g) | 24 | (1) | 2 | 17 | 42 | (8) | 3 | — | 10 | 5 |
| Adjusted Corporate EBITDA | \$ 50 | \$ 235 | \$ 74 | \$ (92) | \$ 267 | \$ 400 | \$ 228 | \$ 69 | \$ (144) | \$ 553 |
| Non-vehicle depreciation and amortization | (181) | (33) | (11) | (15) | (240) | (198) | (33) | (11) | (23) | (265) |
| Non-vehicle debt interest, net of interest income | 94 | (5) | 11 | (406) | (306) | 45 | (5) | 6 | (390) | (344) |
| Non-vehicle debt-related charges ^(a) | — | — | — | 15 | 15 | — | — | — | 20 | 20 |
| Loss on extinguishment of non-vehicle-related debt ^(b) | — | — | — | 13 | 13 | — | — | — | 49 | 49 |
| Non-cash stock-based employee compensation charges ^(d) | — | — | — | (19) | (19) | — | — | — | (13) | (13) |
| Acquisition accounting ^(h) | 50 | 6 | 6 | — | 62 | 51 | 4 | 8 | 2 | 65 |
| Other ⁽ⁱ⁾ | — | — | — | (2) | (2) | — | — | — | — | — |
| Adjusted pre-tax income (loss) ^(j) | \$ 13 | \$ 203 | \$ 80 | \$ (506) | \$ (210) | \$ 298 | \$ 194 | \$ 72 | \$ (499) | \$ 65 |
| Income tax (provision) benefit on adjusted pre-tax income (loss) ^(j) | — | — | — | — | 78 | — | — | — | — | (24) |
| Adjusted net income (loss) | — | — | — | — | \$ (132) | — | — | — | — | \$ 41 |
| Weighted average number of diluted shares outstanding | — | — | — | — | 83 | — | — | — | — | 84 |
| Adjusted diluted earnings (loss) per share | — | — | — | — | \$ (1.59) | — | — | — | — | \$ 0.49 |

(a) Represents debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.

(b) In 2017, primarily comprised of \$6 million of early redemption premium and write-off of deferred financing costs associated with the redemption of the outstanding 4.25% Senior Notes due April 2018 during the second quarter and the fourth quarter write-off of approximately \$7 million in deferred financing costs associated with the termination of commitments under the Senior RCF. In 2016, primarily comprised of the second quarter 2016 write-off of deferred financing costs and debt discount of \$20 million as a result of paying off the Senior Term Facility and various vehicle debt refinancings, an early redemption premium of \$13 million and the write-off of

\$7 million in deferred financing costs associated with the redemption of all of the 7.50% Senior Notes due October 2018 and certain vehicle debt refinancings during the third quarter 2016 and an early redemption premium of \$14 million.

- (c) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs, which are shown separately in the table. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. Such costs include transition costs incurred in connection with business process outsourcing arrangements and incremental costs incurred to facilitate business process re-engineering initiatives that involve significant organization redesign and extensive operational process changes. Also includes \$5 million and \$6 million of consulting costs and legal fees related to the previously disclosed accounting review and investigation in 2017 and 2016, respectively.
- (d) For purposes of this reconciliation, due to the nature of certain costs, \$2 million of restructuring and restructuring related costs have been reclassified to non-cash stock-based compensation charges for the twelve months ended December 31, 2017.
- (e) In 2017, primarily represents a second quarter \$86 million impairment of the Dollar Thrifty tradenames and a first quarter impairment of \$30 million related to an equity method investment. In 2016, includes a third quarter impairment of \$25 million of certain tangible assets used in the U.S. RAC segment in conjunction with a restructuring program. Also includes a \$120 million impairment of the Dollar Thrifty tradenames, a \$172 million impairment of goodwill associated with the Company's vehicle rental operations in Europe, and a \$18 million impairment of certain assets used in the Company's Brazil operations, all of which were recorded in the fourth quarter 2016.
- (f) Represents costs associated with the Company's information technology and finance transformation programs, both of which are multi-year initiatives that commenced in 2016 to upgrade and modernize the Company's systems and processes.
- (g) Represents miscellaneous and non-recurring items. In 2017, includes second quarter charges of \$5 million relating to PLPD as a result of a terrorist event. Also includes net expenses of \$16 million primarily due to charges in the third quarter 2017 related to the hurricanes, offset by \$6 million gain on the sale of the Company's Brazil Operations and a return of capital from an equity method investment resulting in a \$4 million gain. Additionally, includes fourth quarter charges of \$5 million associated with strategic financings. For 2016, includes a \$9 million settlement gain recorded in the first quarter from an eminent domain case related to one of the Company's airport locations.
- (h) Represents incremental expense associated with amortization of other intangible assets and depreciation of property and equipment relating to acquisition accounting.
- (i) Adjustments by caption to arrive at adjusted pre-tax income (loss) are as follows:

| Increase (decrease) to expenses (In millions) | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|---------------------------------|----------|----------------------------------|----------|
| | 2017 | 2016 | 2017 | 2016 |
| Direct vehicle and operating | \$ (27) | \$ (15) | \$ (93) | \$ (98) |
| Selling, general and administrative | (26) | (29) | (99) | (115) |
| Interest expense, net: | | | | |
| Vehicle | (9) | (7) | (32) | (37) |
| Non-vehicle | (9) | (19) | (28) | (65) |
| Total interest expense, net | (18) | (26) | (60) | (102) |
| Goodwill and intangible asset impairments | — | (292) | (86) | (292) |
| Other income (expense), net | (6) | (11) | (27) | 72 |
| Total adjustments | \$ (77) | \$ (373) | \$ (365) | \$ (535) |

(j) Derived utilizing a combined statutory rate of 37% applied to the adjusted income (loss) before income taxes.

(k) Represents the pre-tax gain on the sale of CAR Inc. common stock.

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURE - FLEET GROWTH
Unaudited

| (In millions) | Twelve Months Ended December 31, 2017 | | | | Twelve Months Ended December 31, 2016 | | | |
|---|---------------------------------------|---------------------|-------------------------|---------------|---------------------------------------|---------------------|-------------------------|---------------|
| | U.S. Rental Car | Int'l Rental Car | All Other Operations | Hertz Global | U.S. Rental Car | Int'l Rental Car | All Other Operations | Hertz Global |
| Revenue earning vehicles expenditures ^(a) | \$ (6,747) | \$ (3,118) | \$ (731) | \$ (10,596) | \$ (7,311) | \$ (2,840) | \$ (721) | \$ (10,872) |
| Proceeds from disposal of revenue earning vehicles ^(a) | 4,870 | 2,600 | 183 | 7,653 | 5,976 | 2,494 | 209 | 8,679 |
| Net revenue earning vehicles capital expenditures | (1,877) | (518) | (548) | (2,943) | (1,335) | (346) | (512) | (2,193) |
| Depreciation of revenue earning vehicles, net | 1,903 | 341 | 478 | 2,722 | 1,753 | 319 | 459 | 2,531 |
| Financing activity related to vehicles: | | | | | | | | |
| Borrowings | 8,316 | 1,455 | 985 | 10,756 | 6,410 | 2,456 | 826 | 9,692 |
| Payments | (7,952) | (1,363) | (929) | (10,244) | (6,722) | (2,265) | (761) | (9,748) |
| Restricted cash changes | (181) | 32 | 2 | (147) | 112 | (61) | 2 | 53 |
| Net financing activity related to vehicles | 183 | 124 | 58 | 365 | (200) | 130 | 67 | (3) |
| Fleet growth | <u>\$ 209</u> | <u>\$ (53)</u> | <u>\$ (12)</u> | <u>\$ 144</u> | <u>\$ 218</u> | <u>\$ 103</u> | <u>\$ 14</u> | <u>\$ 335</u> |

(a) In 2016, includes an \$85 million classification correction in the International RAC segment which decreased both revenue earning vehicles expenditures and proceeds from disposal of revenue earning vehicles and did not impact net revenue earning vehicles capital expenditures.

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURE - ADJUSTED FREE CASH FLOW
Unaudited

| (In millions) | Twelve Months Ended December 31, | |
|---|----------------------------------|----------|
| | 2017 | 2016 |
| Net cash provided by operating activities | \$ 2,394 | \$ 2,529 |
| Net change in restricted cash and cash equivalents, vehicle | (147) | 53 |
| Revenue earning vehicles expenditures | (10,596) | (10,872) |
| Proceeds from disposal of revenue earning vehicles | 7,653 | 8,679 |
| Capital asset expenditures, non-vehicle | (173) | (134) |
| Proceeds from disposal of property and other equipment | 21 | 59 |
| Proceeds from issuance of vehicle debt | 10,756 | 9,692 |
| Repayments of vehicle debt | (10,244) | (9,748) |
| Adjusted free cash flow | \$ (336) | \$ 258 |

Supplemental Schedule V

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURE - NET DEBT
Unaudited

| (In millions) | As of December 31, 2017 | | | As of December 31, 2016 | | |
|---|-------------------------|-------------|-----------|-------------------------|-------------|-----------|
| | Vehicle | Non-Vehicle | Total | Vehicle | Non-Vehicle | Total |
| Debt as reported in the balance sheet | \$ 10,431 | \$ 4,434 | \$ 14,865 | \$ 9,646 | \$ 3,895 | \$ 13,541 |
| Add: | | | | | | |
| Debt issue costs deducted from debt obligations | 34 | 40 | 74 | 36 | 37 | 73 |
| Less: | | | | | | |
| Cash and cash equivalents | — | 1,072 | 1,072 | — | 816 | 816 |
| Restricted cash | 386 | — | 386 | 235 | — | 235 |
| Net debt | \$ 10,079 | \$ 3,402 | \$ 13,481 | \$ 9,447 | \$ 3,116 | \$ 12,563 |

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATIONS OF KEY METRICS
REVENUE, UTILIZATION AND DEPRECIATION
Unaudited

U.S. Rental Car

| (\$ in millions, except where noted) | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|------------------------------------|----------|-------------------|----------------------------------|-----------|-------------------|
| | 2017 | 2016 | Percent Inc/(Dec) | 2017 | 2016 | Percent Inc/(Dec) |
| Total RPD | | | | | | |
| Revenues | \$ 1,437 | \$ 1,417 | | \$ 5,994 | \$ 6,114 | |
| Ancillary retail vehicle sales revenue | (20) | (20) | | (90) | (76) | |
| Total rental revenue | \$ 1,417 | \$ 1,397 | | \$ 5,904 | \$ 6,038 | |
| Transaction days (in thousands) | 34,958 | 34,056 | | 140,382 | 142,268 | |
| Total RPD (in whole dollars) | \$ 40.53 | \$ 41.02 | (1)% | \$ 42.06 | \$ 42.44 | (1)% |
| Total Revenue Per Unit Per Month | | | | | | |
| Total rental revenue | \$ 1,417 | \$ 1,397 | | \$ 5,904 | \$ 6,038 | |
| Average vehicles | 470,800 | 473,200 | | 484,700 | 484,800 | |
| Total revenue per unit (in whole dollars) | \$ 3,010 | \$ 2,952 | | \$ 12,181 | \$ 12,455 | |
| Number of months in period | 3 | 3 | | 12 | 12 | |
| Total RPU (in whole dollars) | \$ 1,003 | \$ 984 | 2 % | \$ 1,015 | \$ 1,038 | (2)% |
| Vehicle Utilization | | | | | | |
| Transaction days (in thousands) | 34,958 | 34,056 | | 140,382 | 142,268 | |
| Average vehicles | 470,800 | 473,200 | | 484,700 | 484,800 | |
| Number of days in period | 92 | 92 | | 365 | 366 | |
| Available car days (in thousands) | 43,314 | 43,534 | | 176,916 | 177,437 | |
| Vehicle utilization ^(a) | 81% | 78% | 250 bps | 79% | 80% | (80) bps |
| Net Depreciation Per Unit Per Month | | | | | | |
| Depreciation of revenue earning vehicles and lease charges, net | \$ 426 | \$ 456 | | \$ 1,904 | \$ 1,753 | |
| Average vehicles | 470,800 | 473,200 | | 484,700 | 484,800 | |
| Depreciation of revenue earning vehicles and lease charges, net divided by average vehicles (in whole dollars) | \$ 905 | \$ 964 | | \$ 3,928 | \$ 3,616 | |
| Number of months in period | 3 | 3 | | 12 | 12 | |
| Net depreciation per unit per month (in whole dollars) | \$ 302 | \$ 321 | (6)% | \$ 327 | \$ 301 | 9 % |

(a) Calculated as transaction days divided by available car days.

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATIONS OF KEY METRICS
REVENUE, UTILIZATION AND DEPRECIATION
Unaudited

International Rental Car

| (\$ in millions, except where noted) | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|------------------------------------|----------|-------------------|----------------------------------|-----------|-------------------|
| | 2017 | 2016 | Percent Inc/(Dec) | 2017 | 2016 | Percent Inc/(Dec) |
| Total RPD | | | | | | |
| Revenues | \$ 487 | \$ 441 | | \$ 2,169 | \$ 2,097 | |
| Foreign currency adjustment ^(a) | (45) | (15) | | (148) | (116) | |
| Total rental revenue | \$ 442 | \$ 426 | | \$ 2,021 | \$ 1,981 | |
| Transaction days (in thousands) | 10,935 | 10,880 | | 50,301 | 48,627 | |
| Total RPD (in whole dollars) | \$ 40.42 | \$ 39.15 | 3% | \$ 40.18 | \$ 40.74 | (1)% |
| Total Revenue Per Unit Per Month | | | | | | |
| Total rental revenue | \$ 442 | \$ 426 | | \$ 2,021 | \$ 1,981 | |
| Average vehicles | 163,100 | 163,100 | | 178,100 | 173,400 | |
| Total revenue per unit (in whole dollars) | \$ 2,710 | \$ 2,612 | | \$ 11,348 | \$ 11,424 | |
| Number of months in period | 3 | 3 | | 12 | 12 | |
| Total RPU (in whole dollars) | \$ 903 | \$ 871 | 4% | \$ 946 | \$ 952 | (1)% |
| Vehicle Utilization | | | | | | |
| Transaction days (in thousands) | 10,935 | 10,880 | | 50,301 | 48,627 | |
| Average vehicles | 163,100 | 163,100 | | 178,100 | 173,400 | |
| Number of days in period | 92 | 92 | | 365 | 366 | |
| Available car days (in thousands) | 15,005 | 15,005 | | 65,007 | 63,464 | |
| Vehicle utilization ^(b) | 73% | 73% | 40 bps | 77% | 77% | 80 bps |
| Net Depreciation Per Unit Per Month | | | | | | |
| Depreciation of revenue earning vehicles and lease charges, net | \$ 105 | \$ 89 | | \$ 416 | \$ 389 | |
| Foreign currency adjustment ^(a) | (10) | (2) | | (29) | (22) | |
| Adjusted depreciation of revenue earning vehicles and lease charges, net | \$ 95 | \$ 87 | | \$ 387 | \$ 367 | |
| Average vehicles | 163,100 | 163,100 | | 178,100 | 173,400 | |
| Adjusted depreciation of revenue earning vehicles and lease charges, net divided by average vehicles (in whole dollars) | \$ 582 | \$ 533 | | \$ 2,173 | \$ 2,116 | |
| Number of months in period | 3 | 3 | | 12 | 12 | |
| Net depreciation per unit per month (in whole dollars) | \$ 194 | \$ 178 | 9% | \$ 181 | \$ 176 | 3% |

(a) Based on December 31, 2016 foreign exchange rates.

(b) Calculated as transaction days divided by available car days.

HERTZ GLOBAL HOLDINGS, INC.
RECONCILIATIONS OF KEY METRICS
REVENUE, UTILIZATION AND DEPRECIATION
Unaudited

Worldwide Rental Car

| (\$ in millions, except where noted) | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|------------------------------------|----------|-------------------|----------------------------------|-----------|-------------------|
| | 2017 | 2016 | Percent Inc/(Dec) | 2017 | 2016 | Percent Inc/(Dec) |
| Total RPD | | | | | | |
| Revenues | \$ 1,924 | \$ 1,858 | | \$ 8,163 | \$ 8,211 | |
| Ancillary retail vehicle sales revenue | (20) | (20) | | (90) | (76) | |
| Foreign currency adjustment ^(a) | (45) | (15) | | (148) | (116) | |
| Total rental revenue | \$ 1,859 | \$ 1,823 | | \$ 7,925 | \$ 8,019 | |
| Transaction days (in thousands) | 45,893 | 44,936 | | 190,683 | 190,895 | |
| Total RPD (in whole dollars) | \$ 40.51 | \$ 40.57 | — % | \$ 41.56 | \$ 42.01 | (1)% |
| Total Revenue Per Unit Per Month | | | | | | |
| Total rental revenue | \$ 1,859 | \$ 1,823 | | \$ 7,925 | \$ 8,019 | |
| Average vehicles | 633,900 | 636,300 | | 662,800 | 658,200 | |
| Total revenue per unit (in whole dollars) | \$ 2,933 | \$ 2,865 | | \$ 11,957 | \$ 12,183 | |
| Number of months in period | 3 | 3 | | 12 | 12 | |
| Total RPU (in whole dollars) | \$ 978 | \$ 955 | 2 % | \$ 996 | \$ 1,015 | (2)% |
| Vehicle Utilization | | | | | | |
| Transaction days (in thousands) | 45,893 | 44,936 | | 190,683 | 190,895 | |
| Average vehicles | 633,900 | 636,300 | | 662,800 | 658,200 | |
| Number of days in period | 92 | 92 | | 365 | 366 | |
| Available car days (in thousands) | 58,319 | 58,540 | | 241,922 | 240,901 | |
| Vehicle utilization ^(b) | 79% | 77% | 190 bps | 79% | 79% | (40) bps |
| Net Depreciation Per Unit Per Month | | | | | | |
| Depreciation of revenue earning vehicles and lease charges, net | \$ 531 | \$ 545 | | \$ 2,320 | \$ 2,142 | |
| Foreign currency adjustment ^(a) | (10) | (2) | | (29) | (22) | |
| Adjusted depreciation of revenue earning vehicles and lease charges, net | \$ 521 | \$ 543 | | \$ 2,291 | \$ 2,120 | |
| Average vehicles | 633,900 | 636,300 | | 662,800 | 658,200 | |
| Adjusted depreciation of revenue earning vehicles and lease charges, net divided by average vehicles (in whole dollars) | \$ 822 | \$ 853 | | \$ 3,457 | \$ 3,221 | |
| Number of months in period | 3 | 3 | | 12 | 12 | |
| Net depreciation per unit per month (in whole dollars) | \$ 274 | \$ 284 | (4)% | \$ 288 | \$ 268 | 7 % |

Note: Worldwide Rental Car represents U.S. Rental Car and International Rental Car segment information on a combined basis and excludes our All Other Operations segment, which is primarily comprised of our Donlen leasing operations, and Corporate.

(a) Based on December 31, 2016 foreign exchange rates.

(b) Calculated as transaction days divided by available car days.

NON-GAAP MEASURES AND KEY METRICS - DEFINITIONS AND USE

Hertz Global is the top-level holding company and The Hertz Corporation is Hertz Global's primary operating company (together, the "Company"). The term "GAAP" refers to accounting principles generally accepted in the United States of America.

Definitions of non-GAAP measures and key metrics are set forth below. Also set forth below is a summary of the reasons why management of the Company believes that the presentation of the non-GAAP financial measures included in the earnings release provide useful information regarding the Company's financial condition and results of operations and additional purposes for which management of the Company utilizes the non-GAAP measures. Non-GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with GAAP.

NON-GAAP MEASURES

Adjusted Pre-Tax Income (Loss) and Adjusted Pre-tax Margin

Adjusted pre-tax income (loss) is calculated as income (loss) from continuing operations before income taxes plus non-cash acquisition accounting charges, debt-related charges relating to the amortization and write-off of debt financing costs and debt discounts, goodwill, intangible and tangible asset impairments and write-downs, information technology and finance transformation costs and certain other miscellaneous, non-recurring, or non-cash items. Adjusted pre-tax income (loss) is important to management because it allows management to assess operational performance of the Company's business, exclusive of the items mentioned above. It also allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes it is important to investors for the same reasons it is important to management and because it allows them to assess the operational performance of the Company on the same basis that management uses internally. When evaluating the Company's operating performance, investors should not consider adjusted pre-tax income (loss) in isolation of, or as a substitute for, measures of the Company's financial performance, such as net income (loss) from continuing operations or income (loss) from continuing operations before income taxes. Adjusted pre-tax margin is adjusted pre-tax income (loss) divided by total revenues.

Adjusted Net Income (Loss)

Adjusted net income (loss) is calculated as adjusted pre-tax income (loss) less a provision for income taxes derived utilizing a combined statutory rate of 37%. The combined statutory rate is management's estimate of the Company's long-term tax rate. Adjusted net income (loss) is important to management and investors because it represents the Company's operational performance exclusive of the effects of purchase accounting, debt-related charges, and certain other miscellaneous, non-recurring, or non-cash items that are not operational in nature or comparable to those of the Company's competitors.

Adjusted Diluted Earnings (Loss) Per Share ("Adjusted Diluted EPS")

Adjusted diluted EPS is calculated as adjusted net income (loss) divided by the weighted average number of diluted shares outstanding for the period. Adjusted diluted EPS is important to management and investors because it represents a measure of the Company's operational performance exclusive of the effects of purchase accounting adjustments, debt-related charges, and certain other miscellaneous, non-recurring, or non-cash items that are not operational in nature or comparable to those of the Company's competitors.

Adjusted Free Cash Flow

Adjusted free cash flow is calculated as net cash provided by operating activities from continuing operations, including the change in restricted cash and cash equivalents related to vehicles, net revenue earning vehicle and capital asset expenditures and the net impact of vehicle financing activities. Adjusted free cash flow is important to management and investors as it provides useful information about the amount of cash available for acquisitions and the reduction of non-vehicle debt. When evaluating the Company's liquidity, investors should not consider Adjusted free cash flow in isolation of, or as a substitute for, a measure of the Company's liquidity as determined in accordance with GAAP, such as net cash provided by operating activities.

Earnings Before Interest, Taxes, Depreciation and Amortization ("Gross EBITDA"), Corporate EBITDA, Adjusted Corporate EBITDA and Adjusted Corporate EBITDA Margin

Gross EBITDA is defined as net income (loss) from continuing operations before net interest expense, income taxes and depreciation (which includes lease charges on revenue earning vehicles) and amortization. Corporate EBITDA, as presented herein, represents Gross EBITDA as adjusted for vehicle debt interest, vehicle depreciation and vehicle debt-related charges. Adjusted Corporate EBITDA, as presented herein, represents Corporate EBITDA as adjusted for certain other miscellaneous, non-recurring, or non-cash items, as described in more detail in the accompanying schedules.

Management uses Gross EBITDA, Corporate EBITDA and Adjusted Corporate EBITDA as operating performance metrics for internal monitoring and planning purposes, including the preparation of the Company's annual operating budget and monthly operating reviews, as well as to facilitate analysis of investment decisions, profitability and performance trends. Further, Gross EBITDA enables management and investors to isolate the effects on profitability of operating metrics such as revenue, direct vehicle and operating expenses and selling, general and administrative expenses, which enables management and investors to evaluate the Company's business segments that are financed differently and have different depreciation characteristics and compare the Company's performance against companies with different capital structures and depreciation policies. We also present Adjusted Corporate EBITDA as a supplemental measure because such information is utilized in the determination of certain executive compensation.

Adjusted Corporate EBITDA Margin is calculated as the ratio of Adjusted Corporate EBITDA to total revenues and is used by the Compensation Committee to determine certain executive compensation, primarily in the form of PSUs.

Gross EBITDA, Corporate EBITDA, Adjusted Corporate EBITDA and Adjusted Corporate EBITDA Margin are not recognized measurements under U.S. GAAP. When evaluating the Company's operating performance, investors should not consider Gross EBITDA, Corporate EBITDA and Adjusted Corporate EBITDA in isolation of, or as a substitute for, measures of the Company's financial performance as determined in accordance with GAAP, such as net income (loss) from continuing operations or income (loss) from continuing operations before income taxes.

Fleet Growth

U.S. and International Rental Car segments fleet growth is defined as revenue earning vehicles expenditures, net of proceeds from disposals, plus vehicle depreciation and net vehicle financing which includes borrowings, repayments and the change in restricted cash associated with vehicles. Fleet growth is important as it allows the Company to assess the cash flow required to support its investment in revenue earning vehicles.

Net Non-Vehicle Debt

Net non-vehicle debt is calculated as non-vehicle debt as reported on the Company's balance sheet, excluding the impact of unamortized debt issue costs associated with non-vehicle debt, less cash and cash equivalents. Non-vehicle debt consists of the Company's Senior Term Loan, Senior RCF, Senior Notes, Senior Second Priority Secured Notes, Promissory Notes and certain other non-vehicle indebtedness of its domestic and foreign subsidiaries. Net non-vehicle debt is important to management and investors as it helps measure the Company's corporate leverage. Net non-vehicle debt also assists in the evaluation of the Company's ability to service its non-vehicle debt without reference to the expense associated with the vehicle debt, which is collateralized by assets not available to lenders under the non-vehicle debt facilities.

Net Vehicle Debt

Net vehicle debt is calculated as vehicle debt as reported on the Company's balance sheet, excluding the impact of unamortized debt issue costs associated with vehicle debt, less restricted cash associated with vehicles. Restricted cash associated with vehicle debt is restricted for the purchase of revenue earning vehicles and other specified uses under the Company's vehicle debt facilities and its vehicle rental like-kind exchange program. Net vehicle debt is important to management, investors and ratings agencies as it helps measure the Company's leverage with respect to its vehicle assets.

Total Net Debt

Total net debt is calculated as total debt, excluding the impact of unamortized debt issue costs, less total cash and cash equivalents and restricted cash associated with vehicle debt. Unamortized debt issue costs are required to be reported as a deduction from the carrying amount of the related debt obligation under GAAP. Management believes that eliminating the effects that these costs have on debt will more accurately reflect the Company's net debt position. Total net debt is important to management, investors and ratings agencies as it helps measure the Company's gross leverage.

KEY METRICS**Available Car Days**

Available car days is calculated as average vehicles multiplied by the number of days in a period.

Average Vehicles

Average Vehicles, also known as "fleet capacity", is determined using a simple average of the number of vehicles in our fleet whether owned or leased by the Company at the beginning and end of a given period. Among other things, average vehicles is used to calculate Vehicle Utilization which represents the portion of the Company's vehicles that are being utilized to generate revenue.

Net Depreciation Per Unit Per Month

Net depreciation per unit per month represents the amount of average depreciation expense and lease charges, net per vehicle per month and is calculated as depreciation of revenue earning vehicles and lease charges, net, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates, divided by the average vehicles in each period and then dividing by the number of months in the period reported. Management believes eliminating the effect of fluctuations in foreign currency exchange rates is appropriate so as not to affect the comparability of underlying trends. This metric is important to management and investors as it is reflective of how the Company is managing the costs of its vehicles and facilitates in comparison with other participants in the vehicle rental industry.

Total Rental Revenue

Total rental revenue is calculated as total revenue less ancillary retail vehicle sales revenue, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates. Management believes eliminating the effect of fluctuations in foreign currency exchange rates is appropriate so as not to affect the comparability of underlying trends.

Total Revenue Per Transaction Day ("Total RPD," also referred to as "pricing")

Total RPD is calculated as total rental revenue divided by the total number of transaction days. This metric is important to management and investors as it represents a measurement of the changes in underlying pricing in the vehicle rental business and encompasses the elements in vehicle rental pricing that management has the ability to control.

Total Revenue Per Unit Per Month ("Total RPU")

Total RPU is calculated as total rental revenue divided by the average vehicles in each period and then dividing by the number of months in the period reported. This metric is important to management and investors as it provides a measure of revenue productivity relative to fleet capacity.

Transaction Days (also referred to as "volume")

Transaction days, also known as volume, represent the total number of 24-hour periods, with any partial period counted as one transaction day, that vehicles were on rent (the period between when a rental contract is opened and closed) in a given period. Thus, it is possible for a vehicle to attain more than one transaction day in a 24-hour period. This metric is important to management and investors as it represents the number of revenue generating days.

Vehicle Utilization

Vehicle utilization is calculated by dividing total transaction days by available car days. This metric is important to management and investors as it is the measurement of the proportion of our vehicles that are being used to generate revenues relative to fleet capacity.

HERTZ



4Q 2017 Earnings Call

February 28, 2018

8:00 am ET

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 February 28, 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 Fourth Quarter 2017 results issued on February 27, 2018, and the Risk Factors and Forward-Looking Statements sections of the Company's 2017 Form 10-K filed on February 27, 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

4Q

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

| | |
|--|-------------------------------------|
| Adjusted corporate EBITDA | Total RPU |
| Adjusted corporate EBITDA margin | Net depreciation per unit per month |
| Adjusted pre-tax income (loss) | Vehicle utilization |
| Adjusted net income (loss) | Transaction days |
| Adjusted diluted earnings (loss) per share (Adjusted diluted EPS) | |
| Total RPD | |

Definitions and reconciliations of key metrics and non-GAAP measures are provided in the Company's fourth quarter 2017 press release issued on February 27, 2018 and as an exhibit to the Company's Form 8-K filed on February 28, 2018.

NYSE: HTZ 3

BUSINESS OVERVIEW



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

FINANCIAL RESULTS OVERVIEW



Tom Kennedy
Chief Financial Officer
Hertz Global Holdings, Inc.

NA Turnaround Progress Evident in 2017

4Q

Momentum is Broad Based Across the Organization

Fleet

- Optimized car-class mix
- Successful model year 2018 negotiations
- Managing growth in ride-hailing demand
- Increased remarketing capability

Operations

- Ultimate Choice available at 50+ locations
- Site Optimization Initiative creating best rental experience for customers
- Improved customer satisfaction scores

Sales / Marketing

- Upcoming digital enhancements and a new, mobile-first strategy, will offer more options to engage with Hertz, Dollar and Thrifty

Technology

- Transforming reservation, digital and enhanced customer management platforms for roll out in 2018

2H:17 YoY U.S. RPD, utilization, RPU, monthly depreciation per unit improve vs. 2H:16

NYSE: HTZ

5



Quarterly Overview

TOM KENNEDY
CHIEF FINANCIAL OFFICER
Hertz Global Holdings, Inc.

4Q/FY:17 Consolidated Results

4Q

| | 4Q:17 Results | 4Q:16 Results | YoY % Inc/(Dec) | FY:17 Results | FY:16 Results | YoY % Inc/(Dec) |
|---|------------------|------------------|--------------------|------------------|------------------|--------------------|
| GAAP | | | | | | |
| Total revenues | \$2,091M | \$2,009M | 4% | \$8,803M | \$8,803M | 0% |
| Income (loss) from continuing operations before income taxes | \$(179)M | \$(466)M | 62% | \$(575)M | \$(470)M | (22%) |
| Net income (loss) from continuing operations | \$616M | \$(438)M | NM | \$327M | \$(474)M | NM |
| Diluted earnings (loss) per share from continuing operations | \$7.42 | \$(5.28) | NM | \$3.94 | \$(5.65) | NM |
| Weighted average shares outstanding: diluted | 83M | 83M | | 83M | 84M | |
| Non-GAAP* | | | | | | |
| Adjusted corporate EBITDA | \$21M | \$12M | 75% | \$267M | \$553M | (52)% |
| Adjusted corporate EBITDA margin | 1% | 1% | 40 bps | 3% | 6% | (330 bps) |
| Adjusted pre-tax income (loss) | \$(102)M | \$(93)M | (10%) | \$(210)M | \$65M | NM |
| Adjusted net income (loss) | \$(64)M | \$(59)M | (8%) | \$(132)M | \$41M | NM |
| Adjusted diluted EPS | \$(0.77) | \$(0.71) | (8%) | \$(1.59) | \$0.49 | NM |

Net benefit of \$679M in 4Q:17 from the re-measured valuation of net deferred tax liabilities

* Definitions and reconciliations of these key metrics and non-GAAP measures are provided in the Company's fourth quarter 2017 press release issued on February 27, 2018 and as an exhibit to the Company's Form 8-K filed on February 28, 2018.
NM = not meaningful

2H:17 Results Improved Significantly from 1H:17

4Q

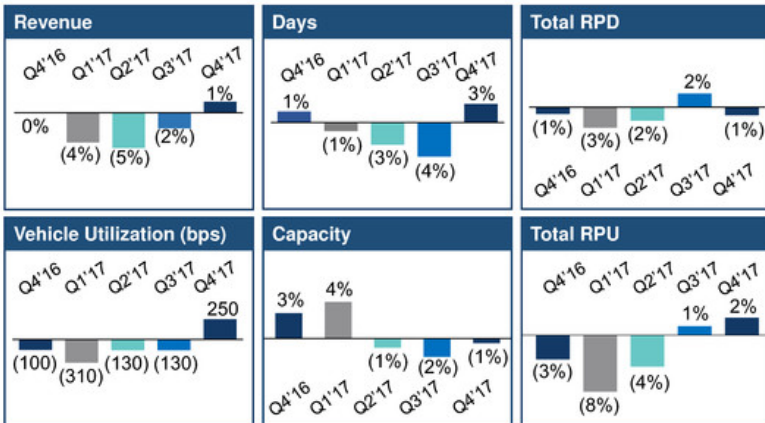
| | 1H:17 Results | YoY % Inc/(Dec) | 2H:17 Results | YoY % Inc/(Dec) |
|--------------------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| Total Revenues | \$4,140M | (3%) | \$4,663M | 2% |
| Adjusted Corporate EBITDA | (\$75)M | (135%) | \$342M | 0% |
| US RAC Total RPD | \$41.23 | (2%) | \$42.83 | 1% |
| US RAC Total RPU | \$968 | (6%) | \$1,062 | 1% |
| US RAC Vehicle Utilization | 78% | (220 bps) | 81% | 50 bps |
| US RAC Monthly Depreciation Per Unit | \$351 | 21% | \$304 | (3%) |

Actions taken for operational turn around beginning to show momentum

4Q:17 U.S. RAC Revenue Performance

4Q

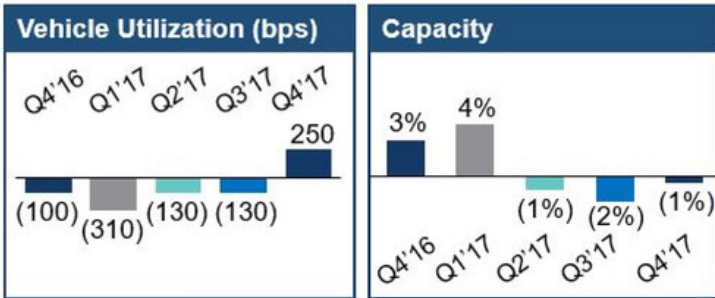
U.S. RAC (YoY quarterly results¹)



4Q:17 Performance Drivers

- RPD decreased 1% YoY, but increased 3% excluding Value-Added Service Revenues, reflecting strong leisure demand
 - Modifying and introducing new value-added services and digital capabilities to re-energize ancillary sales
- Transaction days increased 3% YoY as a result of growth in ride-hailing customers and our off airport business
- Total RPU increased 2% YoY, a key performance measure

¹Revenue is defined as total revenue excluding ancillary retail vehicle sales revenue; Capacity is average fleet.



Continued focus on optimizing our fleet profile

- Vehicle utilization was 81% vs 78% in 4Q:16
- New analytic tools and optimized fleet capacity aligned fleet with customer demand
 - Core rental fleet decreased 4% YoY
 - Ride-hailing fleet grew to 22,000 vehicles as of year end

4Q:17 U.S. RAC Monthly Depreciation Per Unit

4Q

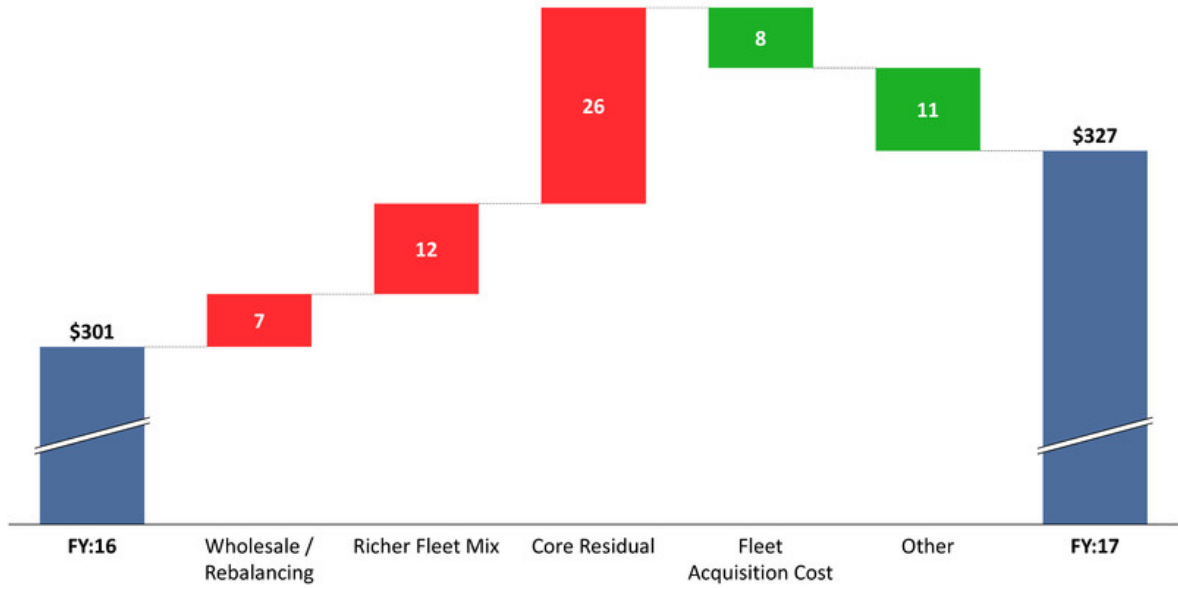


YEAR OVER YEAR TREND CONTINUES TO IMPROVE

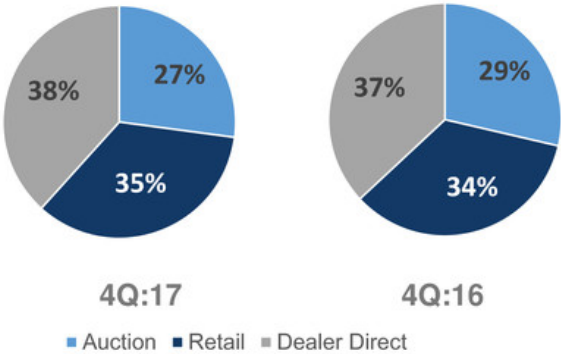
- Continued transition to a richer, more preferred vehicle mix
- Lower model year 2017 and model year 2018 purchase prices (like-for-like vs. model year 2016)
- Stabilizing residual values – FY:17 core residuals decreased 2.5% YoY
- Incremental demand for replacement vehicles post-hurricanes
- Increased sales through higher return re-marketing channels

FY:17 US RAC Monthly Vehicle Depreciation Per Unit

4Q



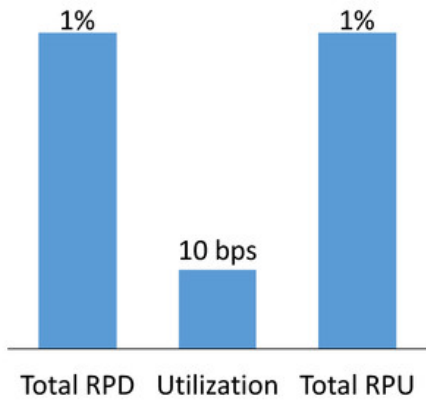
**Non-Program Vehicle
Disposition Channel Mix**



**Focused on Driving More Sales
Through Alternative Channels**

- Absolute sales through highest-return retail channel grew 6% in 4Q:17
- FY:17 largest number of units re-marketed in company history
- 80 Hertz retail stores across the country
- 10th largest used car operation nationally

Key Operating Metrics²
4Q:17 YoY



- Revenue increased 10%, or 4% YoY excluding foreign exchange
- Revenue ex-Brazil increased 13%, or 7% YoY excluding foreign exchange
 - Transaction days increased 1%, or 6% excluding Brazil operations¹
 - Total RPD growth driven by improved pricing environment in Australia and New Zealand for summer and holiday peak season and the sale of lower RPD Brazil operations
- Vehicle utilization a result of continued improvement in fleet management
- Monthly depreciation per unit increased 9% YoY driven by declining residual values on diesel vehicles in Europe and divestiture of Brazil operations

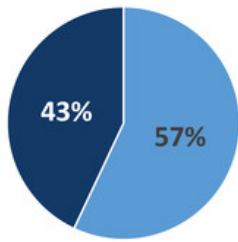
¹Sale finalized August 2017
²Excluding Brazil operations



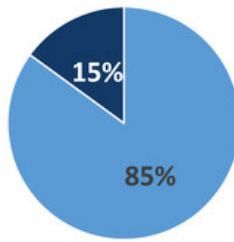
LIQUIDITY / BALANCE SHEET
OVERVIEW

TOM KENNEDY
CHIEF FINANCIAL OFFICER
Hertz Global Holdings, Inc.

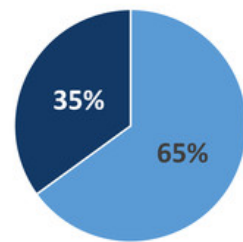
■ Fixed Rate Debt ■ Floating Rate Debt



Vehicle Debt



Non-Vehicle Debt



Total Debt

Notes: YE fixed rate debt ratio at highest level because total vehicle debt is at seasonally lowest level
100 bps change in YE:17 net floating rate debt = \$44M change in annual interest expense
Excluding Donlen floating rate debt, which is effectively hedged, increases the total fixed rate debt to 70%

YE:17 Liquidity Overview

Corporate Liquidity at December 31, 2017

\$ in millions

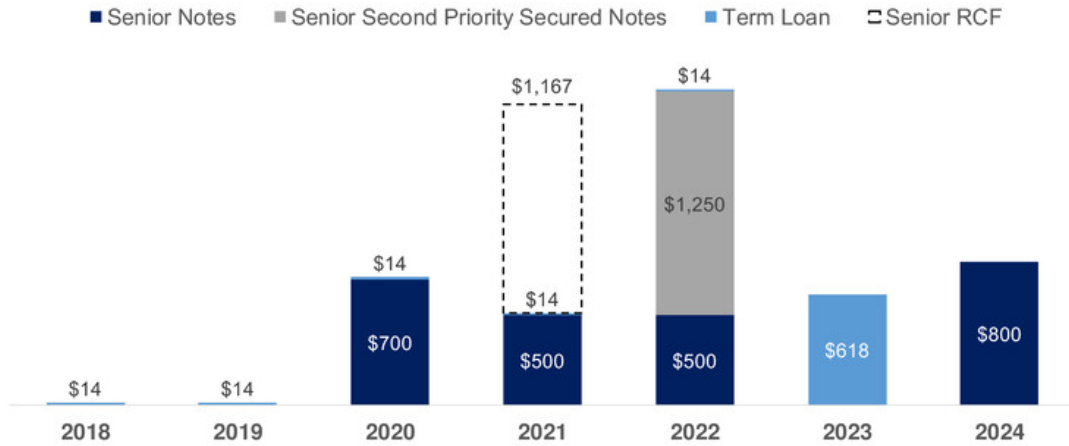
| | |
|-------------------------------|----------|
| Senior RCF Facility Size | \$ 1,167 |
| Outstanding Letters of Credit | 615 |
| Borrowings O/S | - |
| Available under Senior RCF | \$ 552 |
| Unrestricted Cash | 1,072 |
| Corporate Liquidity | \$ 1,624 |

- Corporate liquidity increased by \$232M in 4Q:17
- Redeemed \$450 million of senior notes due 2019 in December 2017
- Issued \$1.0 billion of 5 year term ABS in January 2018
- Higher unrestricted cash balance reflects, in part, the equivalent of \$383M of proceeds from the Senior Second Priority Notes offering associated with a corresponding reduction in Senior RCF commitments

Corporate Debt Maturity Profile is Well Laddered

December 31, 2017 Hertz Global Non-Vehicle Debt Maturity Profile¹

\$ in millions



¹ Excludes \$27M of promissory notes due 2028 and \$11M of capital leases.

First Lien Financial Maintenance Covenant

Consolidated First Lien Leverage Ratio as of December 31, 2017 was 1.9x

| | | |
|--|---|----------|
| Senior RCF Facility Size | | \$1,167M |
| Outstanding Letters of Credit | - | 615 |
| Term Loan Outstanding | + | 688 |
| Unrestricted Cash ² | - | 500 |
| First Lien Secured Net Debt | | \$740M |
| | | |
| TTM Adjusted Corporate EBITDA ¹ / | | \$390M |
| First Lien Leverage Ratio ³ | | 1.9x |

Our Consolidated First Lien Leverage Ratio is tested each quarter and must not exceed the thresholds outlined below:

| | |
|--------------|---------------|
| 3Q:17 | 4Q:17+ |
| 3.25x | 3.0x |

¹ TTM adjusted corporate EBITDA defined as \$267M reported LTM adjusted corporate EBITDA + \$123M adjustments as per credit agreement

² Actual unrestricted cash on the balance sheet as of 12/31/17 was \$1,072M. The credit facility limits netting of unrestricted cash to \$500M

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



Q&A

