UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

HERTZ GLOBAL HOLDINGS, INC.
THE HERTZ CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-37665**	**61-1770902**
Delaware	**001-07541**	**13-1938568**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

8501 Williams Road
Estero, Florida 33928
239 301-7000
(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Trading Symbol(s)	Name of each exchange on which Registered
Hertz Global Holdings, Inc.	Common Stock par value $0.01 per share	HTZ	New York Stock Exchange
The Hertz Corporation	None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Hertz Global Holdings, Inc. Yes ☒ No ☐
The Hertz Corporation Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Hertz Global Holdings, Inc. Yes ☒ No ☐
The Hertz Corporation Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Hertz Global Holdings, Inc.	Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
	Smaller reporting company	☐	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.			☐		
The Hertz Corporation	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
	Smaller reporting company	☐	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.			☐		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Hertz Global Holdings, Inc. Yes ☐ No ☒
The Hertz Corporation Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

	Class		Shares Outstanding as of May 4, 2020
Hertz Global Holdings, Inc.	Common Stock,	par value $0.01 per share	142,285,475
The Hertz Corporation[1]	Common Stock,	par value $0.01 per share	100
			[1](100% owned by Rental Car Intermediate Holdings, LLC)

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In millions, except par value and share data)

	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 1,017	$ 865
Restricted cash and cash equivalents:		
Vehicle	368	466
Non-vehicle	24	29
Total restricted cash and cash equivalents	392	495
Total cash, cash equivalents, restricted cash and restricted cash equivalents	1,409	1,360
Receivables:		
Vehicle	1,286	791
Non-vehicle, net of allowance of $31 and $35, respectively	809	1,049
Total receivables, net	2,095	1,840
Prepaid expenses and other assets	1,121	689
Revenue earning vehicles:		
Vehicles	17,646	17,085
Less: accumulated depreciation	(3,337)	(3,296)
Total revenue earning vehicles, net	14,309	13,789
Property and equipment, net	765	757
Operating lease right-of-use assets	1,832	1,871
Intangible assets, net	3,231	3,238
Goodwill	1,080	1,083
Total assets[(a)]	$ 25,842	$ 24,627
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable:		
Vehicle	$ 443	$ 289
Non-vehicle	555	654
Total accounts payable	998	943
Accrued liabilities	982	1,032
Accrued taxes, net	133	150
Debt:		
Vehicle	14,438	13,368
Non-vehicle	4,316	3,721
Total debt	18,754	17,089
Operating lease liabilities	1,844	1,848
Self-insured liabilities	532	553
Deferred income taxes, net	1,108	1,124
Total liabilities[(a)]	24,351	22,739
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, no shares issued and outstanding	—	—
Common stock, $0.01 par value, 144,308,001 and 144,153,444 shares issued, respectively and 142,279,069 and 142,124,512 shares outstanding, respectively	1	1
Additional paid-in capital	3,022	3,024
Accumulated deficit	(1,323)	(967)
Accumulated other comprehensive income (loss)	(228)	(189)
Treasury stock, at cost, 2,028,932 and 2,028,932 shares, respectively	(100)	(100)
Stockholders' equity attributable to Hertz Global	1,372	1,769
Noncontrolling interests	119	119
Total stockholders' equity	1,491	1,888
Total liabilities and stockholders' equity	$ 25,842	$ 24,627

(a) Hertz Global Holdings, Inc.'s consolidated total assets as of March 31, 2020 and December 31, 2019 include total assets of variable interest entities ("VIEs") of $1.1 billion and $1.3 billion, respectively, which can only be used to settle obligations of the VIEs. Hertz Global Holdings, Inc.'s consolidated total liabilities as of March 31, 2020 and December 31, 2019 include total liabilities of VIEs of $981 million and $1.1 billion, respectively, for which the creditors of the VIEs have no recourse to Hertz Global Holdings, Inc. See "Special Purpose Entities" in Note 4, "Debt," and "767 Auto Leasing LLC" in Note 10, "Related Party Transactions," for further information.

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In millions, except per share data)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenues:		
Worldwide vehicle rental	$ 1,749	$ 1,953
All other operations	174	154
Total revenues	1,923	2,107
Expenses:		
Direct vehicle and operating	1,241	1,266
Depreciation of revenue earning vehicles and lease charges	677	592
Selling, general and administrative	208	234
Interest expense, net:		
Vehicle	118	112
Non-vehicle	57	71
Total interest expense, net	175	183
Other (income) expense, net	(17)	(19)
Total expenses	2,284	2,256
Income (loss) before income taxes	(361)	(149)
Income tax (provision) benefit	4	1
Net income (loss)	(357)	(148)
Net (income) loss attributable to noncontrolling interests	1	1
Net income (loss) attributable to Hertz Global	$ (356)	$ (147)
Weighted-average shares outstanding:		
Basic	142	96
Diluted	142	96
Earnings (loss) per share:		
Basic earnings (loss) per share	$ (2.50)	$ (1.54)
Diluted earnings (loss) per share	$ (2.50)	$ (1.54)

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Unaudited

(In millions)

	Three Months Ended March 31,	
	2020	2019
Net income (loss)	$ (357)	$ (148)
Other comprehensive income (loss):		
Foreign currency translation adjustments	(41)	8
Net gain (loss) on defined benefit pension plans	1	(1)
Reclassification to other (income) expense for amortization of actuarial (gains) losses on defined benefit pension plans	1	1
Total other comprehensive income (loss) before income taxes	(39)	8
Income tax (provision) benefit related to reclassified amounts of net periodic costs on defined benefit pension plans	—	(1)
Total other comprehensive income (loss)	(39)	7
Total comprehensive income (loss)	(396)	(141)
Comprehensive (income) loss attributable to noncontrolling interests	1	1
Comprehensive income (loss) attributable to Hertz Global	$ (395)	$ (140)

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Unaudited

(In millions)

Balance as of:	Preferred Stock Shares	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Stockholders' Equity Attributable to Hertz Global	Non-controlling Interests	Total Stockholders' Equity
December 31, 2018	—	84	$ 1	$ 2,261	$ (909)	$ (192)	2	$ (100)	$ 1,061	$ 59	$ 1,120
Net income (loss)	—	—	—	—	(147)	—	—	—	(147)	(1)	(148)
Other comprehensive income (loss)	—	—	—	—	—	7	—	—	7	—	7
Net settlement on vesting of restricted stock	—	—	—	(2)	—	—	—	—	(2)	—	(2)
Stock-based compensation charges	—	—	—	3	—	—	—	—	3	—	3
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	25	25
March 31, 2019	—	84	$ 1	$ 2,262	$ (1,056)	$ (185)	2	$ (100)	$ 922	$ 83	$ 1,005

Balance as of:	Preferred Stock Shares	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Stockholders' Equity Attributable to Hertz Global	Non-controlling Interests	Total Stockholders' Equity
December 31, 2019	—	142	$ 1	$ 3,024	$ (967)	$ (189)	2	$ (100)	$ 1,769	$ 119	$ 1,888
Net income (loss)	—	—	—	—	(356)	—	—	—	(356)	(1)	(357)
Other comprehensive income (loss)	—	—	—	—	—	(39)	—	—	(39)	—	(39)
Net settlement on vesting of restricted stock	—	—	—	(2)	—	—	—	—	(2)	—	(2)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	1	1
March 31, 2020	—	142	$ 1	$ 3,022	$ (1,323)	$ (228)	2	$ (100)	$ 1,372	$ 119	$ 1,491

The accompanying notes are an integral part of these financial statements.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Three Months Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income (loss)	$ (357)	$ (148)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles	733	644
Depreciation and amortization, non-vehicle	53	48
Amortization of deferred financing costs and debt discount (premium)	12	14
Stock-based compensation charges	—	3
Provision for receivables allowance	15	10
Deferred income taxes, net	(13)	(4)
(Gain) loss on marketable securities	—	(11)
(Gain) loss on sale of non-vehicle capital assets	(21)	(8)
(Gain) loss on derivatives	—	(5)
Other	4	—
Changes in assets and liabilities:		
Non-vehicle receivables	226	(33)
Prepaid expenses and other assets	(61)	(55)
Operating lease right-of-use assets	100	90
Non-vehicle accounts payable	(86)	32
Accrued liabilities	(59)	25
Accrued taxes, net	(14)	10
Operating lease liabilities	(66)	(94)
Self-insured liabilities	(17)	(4)
Net cash provided by (used in) operating activities	449	514
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(4,346)	(3,973)
Proceeds from disposal of revenue earning vehicles	2,212	2,153
Non-vehicle capital asset expenditures	(59)	(54)
Proceeds from non-vehicle capital assets disposed of or to be disposed of	23	19
Sales of marketable securities	74	—
Other	(1)	—
Net cash provided by (used in) investing activities	(2,097)	(1,855)

The accompanying notes are an integral part of these financial statements.

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Three Months Ended March 31,	
	2020	2019
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	3,661	3,667
Repayments of vehicle debt	(2,538)	(2,736)
Proceeds from issuance of non-vehicle debt	1,440	341
Repayments of non-vehicle debt	(851)	(344)
Payment of financing costs	(9)	(12)
Contributions from noncontrolling interests	—	25
Other	(2)	(2)
Net cash provided by (used in) financing activities	1,701	939
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(4)	(2)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	49	(404)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,360	1,410
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 1,409	$ 1,006
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	$ 103	$ 87
Non-vehicle	26	29
Income taxes, net of refunds	5	6
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable, net of incentives	$ 200	$ 431
Sales of revenue earning vehicles included in vehicle receivables	1,043	365
Purchases of non-vehicle capital assets included in accounts payable	32	45

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In millions, except par value and share data)

	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 1,017	$ 865
Restricted cash and cash equivalents:		
Vehicle	368	466
Non-vehicle	24	29
Total restricted cash and cash equivalents	392	495
Total cash, cash equivalents, restricted cash and restricted cash equivalents	1,409	1,360
Receivables:		
Vehicle	1,286	791
Non-vehicle, net of allowance of $31 and $35, respectively	809	1,049
Total receivables, net	2,095	1,840
Prepaid expenses and other assets	1,121	689
Revenue earning vehicles:		
Vehicles	17,646	17,085
Less: accumulated depreciation	(3,337)	(3,296)
Total revenue earning vehicles, net	14,309	13,789
Property and equipment, net	765	757
Operating lease right-of-use assets	1,832	1,871
Intangible assets, net	3,231	3,238
Goodwill	1,080	1,083
Total assets[(a)]	$ 25,842	$ 24,627
LIABILITIES AND STOCKHOLDER'S EQUITY		
Accounts payable:		
Vehicle	$ 443	$ 289
Non-vehicle	555	654
Total accounts payable	998	943
Accrued liabilities	982	1,032
Accrued taxes, net	133	150
Debt:		
Vehicle	14,438	13,368
Non-vehicle	4,316	3,721
Total debt	18,754	17,089
Operating lease liabilities	1,844	1,848
Self-insured liabilities	532	553
Deferred income taxes, net	1,112	1,128
Total liabilities[(a)]	24,355	22,743
Commitments and contingencies		
Stockholder's equity:		
Common stock, $0.01 par value, 100 and 100 shares issued and outstanding, respectively	—	—
Additional paid-in capital	3,955	3,955
Due from affiliate	(67)	(64)
Accumulated deficit	(2,292)	(1,937)
Accumulated other comprehensive income (loss)	(228)	(189)
Stockholder's equity attributable to Hertz	1,368	1,765
Noncontrolling interests	119	119
Total stockholder's equity	1,487	1,884
Total liabilities and stockholder's equity	$ 25,842	$ 24,627

(a) The Hertz Corporation's consolidated total assets as of March 31, 2020 and December 31, 2019 include total assets of variable interest entities ("VIEs") of $1.1 billion and $1.3 billion, respectively, which can only be used to settle obligations of the VIEs. The Hertz Corporation's consolidated total liabilities as of March 31, 2020 and December 31, 2019 include total liabilities of VIEs of $981 million and $1.1 billion, respectively, for which the creditors of the VIEs have no recourse to The Hertz Corporation. See "Special Purpose Entities" in Note 4, "Debt," and "767 Auto Leasing LLC" in Note 10, "Related Party Transactions," for further information.

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In millions)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenues:		
Worldwide vehicle rental	$ 1,749	$ 1,953
All other operations	174	154
Total revenues	1,923	2,107
Expenses:		
Direct vehicle and operating	1,241	1,266
Depreciation of revenue earning vehicles and lease charges	677	592
Selling, general and administrative	208	234
Interest expense, net:		
Vehicle	118	112
Non-vehicle	55	69
Total interest expense, net	173	181
Other (income) expense, net	(17)	(19)
Total expenses	2,282	2,254
Income (loss) before income taxes	(359)	(147)
Income tax (provision) benefit	3	1
Net income (loss)	(356)	(146)
Net (income) loss attributable to noncontrolling interests	1	1
Net income (loss) attributable to Hertz	$ (355)	$ (145)

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Unaudited

(In millions)

	Three Months Ended March 31,	
	2020	2019
Net income (loss)	$ (356)	$ (146)
Other comprehensive income (loss):		
Foreign currency translation adjustments	(41)	8
Net gain (loss) on defined benefit pension plans	1	(1)
Reclassification to other (income) expense for amortization of actuarial (gains) losses on defined benefit pension plans	1	1
Total other comprehensive income (loss) before income taxes	(39)	8
Income tax (provision) benefit related to reclassified amounts of net periodic costs on defined benefit pension plans	—	(1)
Total other comprehensive income (loss)	(39)	7
Total comprehensive income (loss)	(395)	(139)
Comprehensive (income) loss attributable to noncontrolling interests	1	1
Comprehensive income (loss) attributable to Hertz	$ (394)	$ (138)

The accompanying notes are an integral part of these financial statements.

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THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

Unaudited

(In millions, except share data)

Balance as of:	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Due From Affiliate	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholder's Equity Attributable to Hertz	Noncontrolling Interests	Total Stockholder's Equity
December 31, 2018	100	$ —	$ 3,187	$ (52)	$ (1,884)	$ (192)	$ 1,059	$ 59	$ 1,118
Net income (loss)	—	—	—	—	(145)	—	(145)	(1)	(146)
Due from Hertz Holdings	—	—	—	(4)	—	—	(4)	—	(4)
Other comprehensive income (loss)	—	—	—	—	—	7	7	—	7
Stock-based compensation charges	—	—	3	—	—	—	3	—	3
Contributions from noncontrolling interests	—	—	—	—	—	—	—	25	25
March 31, 2019	100	$ —	$ 3,190	$ (56)	$ (2,029)	$ (185)	$ 920	$ 83	$ 1,003

Balance as of:	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Due From Affiliate	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholder's Equity Attributable to Hertz	Noncontrolling Interests	Total Stockholder's Equity
December 31, 2019	100	$ —	$ 3,955	$ (64)	$ (1,937)	$ (189)	$ 1,765	$ 119	$ 1,884
Net income (loss)	—	—	—	—	(355)	—	(355)	(1)	(356)
Due from Hertz Holdings	—	—	—	(3)	—	—	(3)	—	(3)
Other comprehensive income (loss)	—	—	—	—	—	(39)	(39)	—	(39)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	1	1
March 31, 2020	100	$ —	$ 3,955	$ (67)	$ (2,292)	$ (228)	$ 1,368	$ 119	$ 1,487

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Three Months Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income (loss)	$ (356)	$ (146)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles	733	644
Depreciation and amortization, non-vehicle	53	48
Amortization of deferred financing costs and debt discount (premium)	12	14
Stock-based compensation charges	—	3
Provision for receivables allowance	15	10
Deferred income taxes, net	(12)	(4)
(Gain) loss on marketable securities	—	(11)
(Gain) loss on sale of non-vehicle capital assets	(21)	(8)
(Gain) loss on derivatives	—	(5)
Other	3	—
Changes in assets and liabilities:		
Non-vehicle receivables	226	(33)
Prepaid expenses and other assets	(61)	(55)
Operating lease right-of-use assets	100	90
Non-vehicle accounts payable	(86)	32
Accrued liabilities	(59)	25
Accrued taxes, net	(14)	10
Operating lease liabilities	(66)	(94)
Self-insured liabilities	(17)	(4)
Net cash provided by (used in) operating activities	450	516
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(4,346)	(3,973)
Proceeds from disposal of revenue earning vehicles	2,212	2,153
Non-vehicle capital asset expenditures	(59)	(54)
Proceeds from non-vehicle capital assets disposed of or to be disposed of	23	19
Sales of marketable securities	74	—
Other	(1)	—
Net cash provided by (used in) investing activities	(2,097)	(1,855)

The accompanying notes are an integral part of these financial statements.

THE HERTZ CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In millions)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	3,661	3,667
Repayments of vehicle debt	(2,538)	(2,736)
Proceeds from issuance of non-vehicle debt	1,440	341
Repayments of non-vehicle debt	(851)	(344)
Payment of financing costs	(9)	(12)
Advances to Hertz Holdings	(3)	(4)
Contributions from noncontrolling interests	—	25
Net cash provided by (used in) financing activities	1,700	937
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(4)	(2)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the period	49	(404)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,360	1,410
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 1,409	$ 1,006
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized:		
Vehicle	$ 103	$ 87
Non-vehicle	26	29
Income taxes, net of refunds	5	6
Supplemental disclosures of non-cash information:		
Purchases of revenue earning vehicles included in accounts payable, net of incentives	$ 200	$ 431
Sales of revenue earning vehicles included in vehicle receivables	1,043	365
Purchases of non-vehicle capital assets included in accounts payable	32	45

The accompanying notes are an integral part of these financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

Note 1—Background

Hertz Global Holdings, Inc. ("Hertz Global" when including its subsidiaries and VIEs and "Hertz Holdings" excluding its subsidiaries and VIEs) was incorporated in Delaware in 2015 to serve as the top-level holding company for Rental Car Intermediate Holdings, LLC, which wholly owns The Hertz Corporation ("Hertz" and interchangeably with Hertz Global, the "Company"), Hertz Global's primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918. Hertz operates its vehicle rental business globally primarily through the Hertz, Dollar and Thrifty brands from company-owned, licensee and franchisee locations in the United States ("U.S."), Africa, Asia, Australia, Canada, the Caribbean, Europe, Latin America, the Middle East and New Zealand. Through its Donlen subsidiary, Hertz provides vehicle leasing and fleet management services.

In March 2020, the World Health Organization declared a pandemic resulting from the COVID-19 viral disease ("COVID-19"). In response to COVID-19, local and national governments around the world instituted shelter-in-place and similar orders and travel restrictions, and airline travel decreased suddenly and dramatically. Despite a strong start to the year, as a result of the impact on travel demand, late in the first quarter, the Company began experiencing a high level of rental cancellations and a significant decline in forward bookings. In response, during a time in which the Company would normally be increasing its fleet for the peak summer season, the Company sought to adjust its fleet level to reflect the reduced level of demand by leveraging its multiple used-vehicle channels and negotiating with suppliers to reduce fleet commitments. The Company expects a material reduction in commitments to purchase vehicles with approximately a $4.0 billion reduction from original commitments in our U.S. rental car segment during the remainder of 2020. The Company additionally began aggressively managing costs, including the implementation of employee furlough programs affecting approximately 20,000 employees worldwide to align staffing levels with the slowdown in demand, actively negotiating to abate or defer our airport rent and concession payments, substantially reducing capital expenditures and eliminating discretionary marketing spend. Also, the Company borrowed substantially all available funds under its senior revolving credit facility (the “Senior RCF”) to ensure access to its committed liquidity under the Senior RCF, and as of March 31, 2020, the Company had $595 million of principal outstanding under its Senior RCF and $748 million in outstanding standby letters of credit. As of March 31, 2020, the Company's unrestricted cash and cash equivalents balance was approximately $1.0 billion.

In April 2020, as a result of the continued impact from COVID-19, the Company initiated a restructuring program affecting approximately 10,000 employees in its U.S. RAC segment and U.S. corporate operations, the majority of which were previously furloughed, and expects to incur approximately $30 million of severance and healthcare-related charges to be paid over the next twelve months.

Although the Company has taken aggressive action to eliminate costs, it faces significant ongoing expenses, including monthly payments under its Amended and Restated Master Motor Vehicle Operating Lease and Servicing Agreement (Series 2013-G1) (the "Operating Lease") with Hertz Vehicle Financing LLC ("HVF"), pursuant to which Hertz leases from HVF vehicles used in Hertz's U.S. rental car operations. Hertz Vehicle Financing II LP ("HVF II"), a special purpose financing subsidiary, issues asset-backed notes and lends the proceeds thereof to HVF to finance the acquisition of vehicles, which are then leased to Hertz pursuant to the Operating Lease. Monthly payments under the operating lease are variable and significant and have increased because declining vehicle values resulting from a disrupted used-vehicle market require Hertz to make additional payments to offset such value declines in order to continue using the vehicles. During April 2020, the Company engaged in discussions with various creditors to obtain relief from its obligations to make full rent payments under its Operating Lease. While such discussions were ongoing, to preserve liquidity, on April 27, 2020, Hertz did not make certain payments in accordance with the Operating Lease.

As a result of the failure to make the full rent payments on April 27th, as of May 5, 2020 an amortization event was in effect for all series of notes issued by HVF II and a liquidation event was in effect with respect to the variable funding notes (“Series 2013-A Notes”) issued by HVF II. As a result of the amortization event, and notwithstanding the forbearance agreement described below, proceeds of the sales of vehicles that collateralize the notes issued by HVF II must be applied to the payment of principal and interest under those notes and will not be available to finance new vehicle acquisitions for Hertz. However, in light of the impact of the COVID-19 global pandemic on the travel industry, Hertz believes it will not need to acquire new vehicles for its fleet through the remainder of 2020. A liquidation event means that, unless the affected noteholders otherwise agree, the affected noteholders can direct the liquidation of vehicles serving as collateral for their notes.

On May 4, 2020, prior to the occurrence of the liquidation event with respect to the Series 2013-A Notes, Hertz, HVF, HVF II and DTG Operations, Inc. entered into a forbearance agreement (the “Forbearance Agreement”) with holders (the “VFN Noteholders”) of the Series 2013-A Notes representing approximately 77% in aggregate principal amount of the Series 2013-A Notes. Pursuant to the Forbearance Agreement that is effective against all VFN Noteholders, the VFN Noteholders agreed to forbear from exercising their liquidation remedy. The agreement with the VFN Noteholders is set to expire on May 22, 2020 or, if sooner, the date on which Hertz fails to comply with certain agreements contained in the Forbearance Agreement or any other amortization event occurs under HVF II's financing documents.

Concurrently with entering into the Forbearance Agreement, on May 4, 2020, Hertz entered into limited waiver agreements (collectively, the “Waiver Agreements”) with certain of the lenders (the “Lenders”) under its (i) Senior RCF/senior term loan facility, (ii) letter of credit facility, (iii) alternative letter of credit facility and (iv) U.S. Vehicle RCF (collectively, the “Facilities”). Pursuant to the Waiver Agreements, the Lenders agreed to (a) waive any default or event of default that could have resulted from the above referenced missed payment under the Operating Lease, (b) waive any default or event of default that has arisen as a result of Hertz’s failure to deliver its 2020 operating budget on a timely basis in accordance with the Facilities and (c) extend the grace period to cure a default with respect to Hertz’s obligation to reimburse drawings that occur under certain letters of credit during the waiver period. The Waiver Agreements are effective across the Facilities and are set to expire on May 22, 2020 or, if sooner, the date on which Hertz fails to comply with certain agreements contained in the Waiver Agreements, which include certain limitations on the Company’s ability to incur corporate indebtedness and to make certain restricted payments, investments and prepayments of indebtedness during the waiver period and a requirement to deliver certain financial information to the Lenders during the waiver period.

In accordance with the Forbearance Agreement and the Waiver Agreements, the Company made a payment of approximately $30 million reflecting certain variable payment elements of monthly rent under the Operating Lease, including an interest component. There can be no assurance that the Company will be able to successfully negotiate any relief past May 22, 2020. If additional relief cannot be negotiated, it is possible that the VFN Noteholders could seek to exercise liquidation remedies and that other liquidation events could occur providing a similar right to other holders of notes issued by HVF II.

Management has determined that the Company may not be able to repay or refinance its debt facilities prior to their respective maturities and may not have sufficient cash flows from operations or liquidity to sustain its operating needs or to meet the Company's obligations as they become due over the twelve months following this Quarterly Report on Form 10-Q. As such, management has concluded there is substantial doubt regarding the Company's ability to continue as a going concern within one year from the issuance date of this Quarterly Report on Form 10-Q. The Company’s consolidated financial statements as of March 31, 2020 have been prepared on a going concern basis.

Note 2—Basis of Presentation and Recently Issued Accounting Pronouncements

Basis of Presentation

This Quarterly Report on Form 10-Q combines the quarterly reports on Form 10-Q for the quarterly period ended March 31, 2020 of Hertz Global and Hertz. Hertz Global consolidates Hertz for financial statement purposes, therefore, disclosures that relate to activities of Hertz also apply to Hertz Global. In the sections that combine disclosure of Hertz Global and Hertz, this report refers to actions as being actions of the Company, or Hertz Global, which is appropriate because the business is one enterprise and Hertz Global operates the business through Hertz. When appropriate, Hertz Global and Hertz are named specifically for their individual disclosures and any significant differences between the operations and results of Hertz Global and Hertz are separately disclosed and explained.

The Company's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”). In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

The Company’s consolidated financial statements as of March 31, 2020 have been prepared on a going concern basis.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates.

The December 31, 2019 unaudited condensed consolidated balance sheet data is derived from the audited financial statements at that date but does not include all disclosures required by U.S. GAAP. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with information included in the Company's Form 10-K for the year ended December 31, 2019 (the "2019 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC") on February 25, 2020.

Certain prior period amounts have been reclassified to conform to current period presentation.

Principles of Consolidation

The unaudited condensed consolidated financial statements of Hertz Global include the accounts of Hertz Global, its wholly owned and majority owned U.S. and international subsidiaries and its VIEs, as applicable. The unaudited condensed consolidated financial statements of Hertz include the accounts of Hertz, its wholly owned and majority owned U.S. and international subsidiaries and its VIEs, as applicable. The Company consolidates a VIE when it is deemed the primary beneficiary of the VIE. The Company accounts for its investment in joint ventures using the equity method when it has significant influence but not control and is not the primary beneficiary of the joint venture. All significant intercompany transactions have been eliminated in consolidation.

Recently Issued Accounting Pronouncements

Adopted

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued guidance that sets forth a current expected credit loss impairment model for financial assets, which replaces the current incurred loss model, and issued amendments and updates to the new standard in 2018 and 2019. This model requires a financial asset (or group of financial assets), including trade receivables, measured at amortized cost to be presented at the net amount expected to be collected with an allowance for credit losses deducted from the amortized cost basis. The allowance for credit losses should reflect management’s current estimate of credit losses that are expected to occur over the remaining life of a financial asset. The Company adopted this guidance when effective, on January 1, 2020, using a modified retrospective transition method. The adoption of this guidance did not have a material impact on the Company's financial position, results of operations or cash flows.

Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement

In August 2018, the FASB issued guidance on a customer's accounting for implementation fees paid in a cloud computing service contract arrangement that addresses which implementation costs to capitalize as an asset and which costs to expense. Capitalized implementation fees are to be expensed over the term of the cloud computing arrangement, and the expense is required to be recognized in the same line item in the income statement as the associated hosting service expenses. The entity is also required to present the capitalized implementation fees on the balance sheet in the same line item as the prepayment for hosting service fees associated with the cloud computing arrangement. The Company adopted this guidance when effective, on January 1, 2020, using a prospective transition method. The adoption of this guidance did not have a material impact on the Company's financial position, results of operations or cash flows.

The Company has hosting arrangements in connection with its Enterprise Resource Planning systems. Prior to the adoption of this guidance, the Company capitalized certain implementation costs for its hosting arrangements in intangible assets, net, in the accompanying unaudited condensed consolidated balance sheet as of December 31, 2019. Subsequent to the adoption of this guidance on January 1, 2020, the Company records implementation fees incurred in connection with its hosting arrangements in prepaid expenses and other assets in the accompanying unaudited condensed consolidated balance sheet as of March 31, 2020.

Not Yet Adopted

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued guidance that simplifies the accounting for income taxes by removing certain exceptions in existing guidance and improves consistency in application by clarifying and amending existing guidance. This guidance is effective for annual periods beginning after December 15, 2020, and interim periods within those annual periods, where the transition method varies depending upon the specific amendment. Early adoption is permitted, including adoption in any interim period. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period, and all amendments must be adopted in the same period. The Company is in the process of assessing the overall impact of adopting this guidance on its financial position, results of operations and cash flows.

Facilitation of the Effects of Reference Rate Reform

In March 2020, the FASB issued guidance that provides optional expedients and exceptions for contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform initiatives. This guidance is effective beginning March 12, 2020 through December 31, 2022 where the transition method varies depending upon the specific expedient or exception. The Company is in the process of assessing the available expedients and exceptions and, if applicable, the method and timing of adoption.

Note 3—Divestitures

Sale of Non-vehicle Capital Assets

During the first quarter of 2020, the Company received additional cash from the sale of certain non-vehicle capital assets in its U.S. Rental Car segment, which was completed in the fourth quarter of 2019, and recognized an additional $20 million pre-tax gain on the sale, which is included in other (income) expense, net in the accompanying condensed consolidated statement of operations for the three months ended March 31, 2020.

Sale of Marketable Securities

During the first quarter of 2020, the Company sold marketable securities for $74 million and recognized an immaterial gain on the sale in its corporate operations, which is included in other (income) expense, net in the accompanying condensed consolidated statement of operations for the three months ended March 31, 2020.

Note 4—Debt

The Company's debt, including its available credit facilities, consists of the following ($ in millions):

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

Facility	Weighted-Average Interest Rate as of March 31, 2020	Fixed or Floating Interest Rate	Maturity	March 31, 2020	December 31, 2019
Non-Vehicle Debt					
Senior Term Loan	3.74%	Floating	6/2023	$ 656	$ 660
Senior RCF	3.99%	Floating	6/2021	595	—
Senior Notes[(1)]	6.11%	Fixed	10/2022-1/2028	2,700	2,700
Senior Second Priority Secured Notes	7.63%	Fixed	6/2022	350	350
Promissory Notes	7.00%	Fixed	1/2028	27	27
Other Non-Vehicle Debt	5.71%	Fixed	Various	21	18
Unamortized Debt Issuance Costs and Net (Discount) Premium				(33)	(34)
Total Non-Vehicle Debt				4,316	3,721
Vehicle Debt					
HVF II U.S. ABS Program					
HVF II U.S. Vehicle Variable Funding Notes					
HVF II Series 2013-A[(2)]	2.71%	Floating	3/2022	4,704	2,644
				4,704	2,644
HVF II U.S. Vehicle Medium Term Notes					
HVF II Series 2015-1[(2)]	N/A	Fixed	3/2020	—	780
HVF II Series 2015-3[(2)]	3.10%	Fixed	9/2020	371	371
HVF II Series 2016-2[(2)]	3.41%	Fixed	3/2021	595	595
HVF II Series 2016-4[(2)]	3.09%	Fixed	7/2021	424	424
HVF II Series 2017-1[(2)]	3.38%	Fixed	10/2020	450	450
HVF II Series 2017-2[(2)]	3.74%	Fixed	10/2022	370	350
HVF II Series 2018-1[(2)]	3.54%	Fixed	2/2023	1,058	1,000
HVF II Series 2018-2[(2)]	3.94%	Fixed	6/2021	213	200
HVF II Series 2018-3[(2)]	4.29%	Fixed	7/2023	213	200
HVF II Series 2019-1[(2)]	4.00%	Fixed	3/2022	745	700
HVF II Series 2019-2[(2)]	3.67%	Fixed	5/2024	799	750
HVF II Series 2019-3[(2)]	2.91%	Fixed	12/2024	800	800
				6,038	6,620
Donlen U.S. ABS Program					
HFLF Variable Funding Notes					
HFLF Series 2013-2[(2)]	2.56%	Floating	3/2022	450	286
				450	286
HFLF Medium Term Notes					
HFLF Series 2016-1[(3)]	N/A	Both	1/2020-2/2020	—	34
HFLF Series 2017-1[(3)]	2.54%	Both	4/2020-2/2021	174	229
HFLF Series 2018-1[(3)]	2.78%	Both	4/2020-4/2022	401	462
HFLF Series 2019-1[(3)]	2.41%	Both	4/2020-1/2023	613	650
				1,188	1,375

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

Facility	Weighted-Average Interest Rate as of March 31, 2020	Fixed or Floating Interest Rate	Maturity	March 31, 2020	December 31, 2019
Vehicle Debt - Other					
U.S. Vehicle RCF	3.61%	Floating	6/2021	146	146
European Vehicle Notes[4]	5.07%	Fixed	10/2021-3/2023	808	810
European ABS[2]	1.60%	Floating	11/2021	530	766
Hertz Canadian Securitization[2]	3.10%	Floating	3/2021	214	241
Donlen Canadian Securitization[2]	2.59%	Floating	12/2022	27	24
Australian Securitization[2]	2.11%	Floating	6/2021	147	177
New Zealand RCF	3.82%	Floating	6/2021	45	50
U.K. Financing Facility	2.59%	Floating	4/2020-2/2023	201	247
Other Vehicle Debt	3.78%	Floating	4/2020-11/2024	23	29
				2,141	2,490
Unamortized Debt Issuance Costs and Net (Discount) Premium				(83)	(47)
Total Vehicle Debt				14,438	13,368
Total Debt				$ 18,754	$ 17,089

N/A - Not applicable

(1) References to the "Senior Notes" include the series of Hertz's unsecured senior notes set forth in the table below. Outstanding principal amounts for each such series of the Senior Notes is also specified below:

(In millions)	Outstanding Principal	
Senior Notes	March 31, 2020	December 31, 2019
6.250% Senior Notes due October 2022	500	500
5.500% Senior Notes due October 2024	800	800
7.125% Senior Notes due August 2026	500	500
6.000% Senior Notes due January 2028	900	900
	$ 2,700	$ 2,700

(2) Maturity reference is to the earlier "expected final maturity date" as opposed to the subsequent "legal final maturity date." The expected final maturity date is the date by which Hertz and investors in the relevant indebtedness expect the outstanding principal of the relevant indebtedness to be repaid in full. The legal final maturity date is the date on which the outstanding principal of the relevant indebtedness is legally due and payable in full.

(3) In the case of the Hertz Fleet Lease Funding LP ("HFLF") Medium Term Notes, such notes are repayable from cash flows derived from third-party leases comprising the underlying HFLF collateral pool. The initial maturity date referenced for each series of HFLF Medium Term Notes represents the end of the revolving period for such series, at which time the related notes begin to amortize monthly by an amount equal to the lease collections payable to that series. To the extent the revolving period already has ended, the initial maturity date reflected is April 2020. The second maturity date referenced for each series of HFLF Medium Term Notes represents the date by which Hertz and the investors in the related series expect such series of notes to be repaid in full, which is based upon various assumptions made at the time of pricing of such notes, including the contractual amortization of the underlying leases as well as the assumed rate of prepayments of such leases. Such maturity reference is to the “expected final maturity date” as opposed to the subsequent “legal final maturity date.” The legal final maturity date is the date on which the relevant indebtedness is legally due and payable. Although the underlying lease cash flows that support the repayment of the HFLF Medium Term Notes may vary, the cash flows generally are expected to approximate a straight-line amortization of the related notes from the initial maturity date through the expected final maturity date.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited

(4) References to the "European Vehicle Notes" include the series of Hertz Holdings Netherlands B.V.'s, an indirect wholly-owned subsidiary of Hertz organized under the laws of the Netherlands ("HHN BV"), unsecured senior notes (converted from Euros to U.S. dollars at a rate of 1.11 to 1 and 1.12 to 1 as of March 31, 2020 and December 31, 2019, respectively) set forth in the table below. Outstanding principal amounts for each such series of the European Vehicle Notes is also specified below:

(In millions)	Outstanding Principal	
European Vehicle Notes	March 31, 2020	December 31, 2019
4.125% Senior Notes due October 2021	$ 251	$ 251
5.500% Senior Notes due March 2023	557	559
	$ 808	$ 810

The Company is highly leveraged and a substantial portion of its liquidity requirements arise from servicing its indebtedness and from funding its operations, including purchases of revenue earning vehicles, and funding non-vehicle capital expenditures. The Company's practice is to maintain sufficient liquidity through cash from operations, credit facilities and other financing arrangements to mitigate any adverse impact on its operations resulting from adverse financial market conditions.

As of March 31, 2020, approximately $2.5 billion of vehicle debt and $19 million of non-vehicle debt is due to mature between April 1, 2020 and March 31, 2021. The Company has reviewed its debt facilities and determined that the Company may not be able to repay or refinance these facilities prior to their respective maturities due to the impact from COVID-19, as disclosed in Note 1, "Background."

Vehicle Debt

HVF II U.S. Vehicle Variable Funding Notes

HVF II Series 2013-A Notes: In February 2020, HVF II extended the maturity of the Series 2013-A Notes from March 2021 to March 2022 and increased the commitments thereunder by $750 million. After giving effect to the transactions, the aggregate maximum principal amount of the Series 2013-A Notes was $4.9 billion, where $0.2 billion of commitments have a maturity of March 2021.

HVF II U.S. Vehicle Medium Term Notes

In March 2020, HVF II sold the below notes, which it had acquired at the time of the respective initial offerings and which were previously eliminated in consolidation, to third parties.

(In millions)	Aggregate Principal Amount
HVF II Series 2017-2 Class D Notes	$ 20
HVF II Series 2018-1 Class D Notes	58
HVF II Series 2018-2 Class D Notes	13
HVF II Series 2018-3 Class D Notes	13
HVF II Series 2019-1 Class D Notes	45
HVF II Series 2019-2 Class D Notes	49
Total	$ 198

HFLF Variable Funding Notes

HFLF Series 2013-2 Notes: In February 2020, HFLF amended the HFLF Series 2013-2 Notes ("2013-2 Notes") to extend the end of the revolving period from March 2021 to March 2022 and increased the commitments thereunder by $100 million, such that the aggregate maximum borrowings of the 2013-2 Notes increased to $600 million.

Borrowing Capacity and Availability

Borrowing capacity and availability comes from the Company's "revolving credit facilities," which are a combination of variable funding asset-backed securitization facilities, cash-flow-based revolving credit facilities, asset-based revolving credit facilities, a standalone $400 million letter of credit facility (the "Letter of Credit Facility") and a standalone, unsecured $250 million letter of credit facility ("the Alternative Letter of Credit Facility"). Creditors under each such asset-backed securitization facility and asset-based revolving credit facility have a claim on a specific pool of assets as collateral. The Company's ability to borrow under each such asset-backed securitization facility and asset-based revolving credit facility is a function of, among other things, the value of the assets in the relevant collateral pool. With respect to each such asset-backed securitization facility and asset-based revolving credit facility, the Company refers to the amount of debt it can borrow given a certain pool of assets as the borrowing base.

The Company refers to "Remaining Capacity" as the maximum principal amount of debt permitted to be outstanding under the respective facility (i.e., with respect to a variable funding asset-backed securitization facility or asset-based revolving credit facility, the amount of debt the Company could borrow assuming it possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under such facility. With respect to a variable funding asset-backed securitization facility or asset-based revolving credit facility, the Company refers to "Availability Under Borrowing Base Limitation" as the lower of Remaining Capacity or the borrowing base less the principal amount of debt then-outstanding under such facility (i.e., the amount of debt that can be borrowed given the collateral possessed at such time). With respect to the Senior RCF, the Letter of Credit Facility and the Alternative Letter of Credit Facility, "Availability Under Borrowing Base Limitation" is the same as "Remaining Capacity" since borrowings under these issuances are not subject to a borrowing base.

The following facilities were available to the Company as of March 31, 2020 and are presented net of any outstanding letters of credit:

(In millions)	Remaining Capacity	Availability Under Borrowing Base Limitation
Non-Vehicle Debt		
Senior RCF	$ 25	$ 25
Letter of Credit Facility	5	5
Alternative Letter of Credit Facility	—	—
Total Non-Vehicle Debt	30	30
Vehicle Debt		
U.S. Vehicle RCF	—	—
HVF II U.S. Vehicle Variable Funding Notes	151	—
HFLF Variable Funding Notes	50	9
European ABS	695	138
Hertz Canadian Securitization	37	—
Donlen Canadian Securitization	9	—
Australian Securitization	19	—
U.K. Financing Facility	110	—
New Zealand RCF	—	—
Total Vehicle Debt	1,071	147
Total	$ 1,101	$ 177

As described in Note 1, "Background", the HVF II U.S. ABS Program has experienced an amortization event. Consequently, there is no longer any Remaining Capacity or Availability Under Borrowing Base Limitation with respect to the Series 2013-A Notes.

Letters of Credit

Alternative Letter of Credit Facility

In January 2020, under the terms of the Alternative Letter of Credit Facility, Hertz increased the commitments thereunder by $100 million.

As of March 31, 2020, there were outstanding standby letters of credit totaling $748 million. Such letters of credit have been issued primarily to support the Company's insurance programs, vehicle rental concessions and leaseholds as well as to provide credit enhancement for its asset-backed securitization facilities. Of this amount, $242 million were issued under the Senior RCF, $300 million were issued under the Letter of Credit Facility and $200 million were issued under the Alternative Letter of Credit Facility. As of March 31, 2020, none of the issued letters of credit have been drawn upon.

Special Purpose Entities

Substantially all of the Company's revenue earning vehicles and certain related assets are owned by special purpose entities, or are encumbered in favor of the lenders under the various credit facilities, other secured financings and asset-backed securities programs. None of such assets (including the assets owned by Hertz Vehicle Financing II LP, HVF II GP Corp., Hertz Vehicle Financing LLC, Rental Car Finance LLC, DNRS II LLC, HFLF, Donlen Trust and various international subsidiaries that facilitate the Company's international securitizations) are available to satisfy the claims of general creditors.

The Company has a 25% ownership interest in International Fleet Financing II ("IFF No. 2"), whose sole purpose is to provide commitments to lend in various currencies subject to borrowing bases comprised of revenue earning vehicles and related assets of certain of Hertz International, Ltd.'s subsidiaries. IFF No. 2 is a VIE and the Company is the primary beneficiary, therefore, the assets, liabilities and results of operations of IFF No. 2 are included in the Company's unaudited condensed consolidated financial statements. As of March 31, 2020 and December 31, 2019, IFF No. 2 had total assets of $981 million and $1.1 billion, respectively, primarily comprised of loans receivable, and total liabilities of $981 million and $1.1 billion, respectively, primarily comprised of debt.

Covenant Compliance

The financial covenant provides that Hertz’s consolidated first lien net leverage ratio, as defined in the credit agreements governing the Senior RCF, the Letter of Credit Facility and the Alternative Letter of Credit Facility, as of the last day of any fiscal quarter may not exceed a ratio of 3.00 to 1.00 (the "Covenant Leverage Ratio"). As of March 31, 2020, Hertz was in compliance with the Covenant Leverage Ratio.

Note 5—Leases

The Company enters into certain agreements as a lessor under which it rents vehicles and leases fleets to customers.
The Company's operating leases for vehicle rentals have rental periods that are typically short term (e.g., daily or weekly) and can generally be extended for up to one month or terminated at the customer's discretion. Rental charges are computed on a limited or unlimited mileage rate, or on a time rate plus a mileage charge. In connection with the vehicle rental, the Company offers supplemental equipment rentals (e.g., child seats and ski racks) which are deemed lease components. The Company also offers value-added services in connection with the vehicle rental, which are deemed non-lease components, such as loss or collision damage waiver, theft protection, liability and personal accident/effects insurance coverage, premium emergency roadside service and satellite radio. Additionally, the Company charges for variable services primarily consisting of tolls and refueling charges incurred during the rental period, and for fees associated with the early or late termination of the vehicle lease.

The Company's operating leases for fleets have lease periods that are typically for twelve months, after which the lease converts to a month-to-month lease, allowing the vehicle to be surrendered any time thereafter. The Company's fleet leases contain a terminal rental adjustment clause which are considered variable charges.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

The following table summarizes the amount of operating lease income and other income included in total revenues in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
(In millions)	2020	2019
Operating lease income from vehicle rentals	$ 1,637	$ 1,800
Operating lease income from fleet leasing	169	158
Variable operating lease income	33	67
Revenue accounted for under Topic 842	1,839	2,025
Revenue accounted for under Topic 606	84	82
Total revenues	$ 1,923	$ 2,107

Note 6—Income Tax (Provision) Benefit

On March 27, 2020, the U.S. federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act contains many tax provisions including, but not limited to, accelerated alternative minimum tax ("AMT") refunds, payroll tax payment deferrals, employee retention credits, enhanced net operating loss ("NOL") carryback rules and an increase to the interest deduction limitation. The Company has considered the income tax provisions of the CARES Act in the tax benefit calculation for the three months ended March 31, 2020. The Company continues to monitor and analyze the CARES Act along with global legislation issued in response to the COVID-19 pandemic.

Hertz Global

The effective tax rate is 1% for the three months ended March 31, 2020 and 2019.

The Company recorded a tax benefit of $4 million for the three months ended March 31, 2020, compared to $1 million for the three months ended March 31, 2019. The tax provision is higher for the three months ended March 31, 2020 compared to 2019 due to increased losses on the Company's operations, primarily offset by the impact of valuation allowances on net deferred tax assets for Spain, Italy and U.S. states. Additionally, Hertz Global no longer asserts permanent reinvestment of foreign earnings, due to the impact from COVID-19 as disclosed in Note 1, "Background." The Company does not anticipate that the change in its assertion will have a material impact on its cash flows during the next twelve months, between April 1, 2020 and March 31, 2021.

Hertz

The effective tax rate 1% for the three months ended March 31, 2020 and 2019.

The Company recorded a tax benefit of $3 million for the three months ended March 31, 2020, compared to $1 million for the three months ended March 31, 2019. The tax provision is higher for the three months ended March 31, 2020 compared to 2019 due to increased losses on the Company's operations, primarily offset by the impact of valuation allowances on net deferred tax assets for Spain, Italy and U.S. states. Additionally, Hertz no longer asserts permanent reinvestment of foreign earnings, due to the impact from COVID-19 as disclosed in Note 1, "Background." The Company does not anticipate that the change in its assertion will have a material impact on its cash flows during the next twelve months, between April 1, 2020 and March 31, 2021.

Note 7—Earnings (Loss) Per Share - Hertz Global

Basic earnings (loss) per share has been computed based upon the weighted-average number of common shares outstanding. Diluted earnings (loss) per share has been computed based upon the weighted-average number of common shares outstanding plus the effect of all potentially dilutive common stock equivalents, except when the effect would be anti-dilutive.

Rights Offering

In June 2019, Hertz Global filed a prospectus supplement to its Registration Statement on Form S-3 declared effective by the SEC on June 12, 2019 for a rights offering to raise gross proceeds of approximately $750 million and providing for the issuance of up to an aggregate of 57,915,055 new shares of Hertz Global common stock (the "Rights Offering"). Upon closing in July 2019, the Rights Offering was fully subscribed resulting in Hertz Global selling 57,915,055 shares of its common stock for gross proceeds of $750 million. Basic weighted-average shares outstanding and weighted-average shares used to calculate diluted earnings (loss) per share for the three months ended March 31, 2019 have been adjusted retrospectively to give effect to the Rights Offering.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Three Months Ended March 31,	
(In millions, except per share data)	2020	2019
Numerator:		
Net income (loss) attributable to Hertz Global	$ (356)	$ (147)
Denominator:		
Basic weighted-average shares outstanding (excluding the impact of the Rights Offering)	142	84
Rights Offering adjustment[1]	—	12
Basic weighted-average shares outstanding	142	96
Dilutive stock options, RSUs and PSUs	—	—
Diluted weighted-average shares outstanding	142	96
Antidilutive stock options, RSUs, PSUs and PSAs	2	2
Earnings (loss) per share:		
Basic earnings (loss) per share	$ (2.50)	$ (1.54)
Diluted earnings (loss) per share	$ (2.50)	$ (1.54)

(1) Reflects the impact of the Rights Offering subscription period.

Note 8—Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The fair value of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, to the extent the underlying liability will be settled in cash, approximates the carrying values because of the short-term nature of these instruments.

Cash Equivalents, Restricted Cash Equivalents and Investments

The Company's cash equivalents and restricted cash equivalents primarily consist of investments in money market funds and time deposits. The Company determines the fair value of cash equivalents using a market approach based on quoted prices in active markets (i.e., Level 1 inputs).

Investments in equity securities that are measured at fair value on a recurring basis consisted of marketable securities as of December 31, 2019. See Note 3, "Divestitures." for further information.

The following table summarizes the ending balances of the Company's cash equivalents, restricted cash equivalents and investments:

	March 31, 2020				December 31, 2019			
(In millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money market funds and time deposits	$ 706	$ —	$ —	$ 706	$ 531	$ —	$ —	$ 531
Marketable securities	—	—	—	—	74	—	—	74

Debt Obligations

The fair value of debt is estimated based on quoted market rates as well as borrowing rates currently available to the Company for loans with similar terms and average maturities (i.e., Level 2 inputs).

	As of March 31, 2020		As of December 31, 2019	
(In millions)	Nominal Unpaid Principal Balance	Aggregate Fair Value (1)	Nominal Unpaid Principal Balance	Aggregate Fair Value
Non-Vehicle Debt	$ 4,349	$ 2,872	$ 3,755	$ 3,840
Vehicle Debt	14,521	13,783	13,415	13,529
Total	$ 18,870	$ 16,655	$ 17,170	$ 17,369

(1) The decrease in the aggregate fair value of the Company's debt is due to the impact from COVID-19, as disclosed in Note 1, "Background."

Note 9—Contingencies and Off-Balance Sheet Commitments

Legal Proceedings

Self-insured Liabilities

The Company is currently a defendant in numerous actions and has received numerous claims on which actions have not yet commenced for self-insured liabilities arising from the operation of motor vehicles rented from the Company. The obligation for self-insured liabilities on self-insured U.S. and international vehicles, as stated in the accompanying unaudited condensed consolidated balance sheets, represents an estimate for both reported accident claims not yet paid and claims incurred but not yet reported and are recorded on an undiscounted basis. Reserve requirements are based on rental volume and actuarial evaluations of historical accident claim experience and trends, as well as future projections of ultimate losses, expenses, premiums and administrative costs. As of March 31, 2020 and December 31, 2019, the Company's liability recorded for self-insured liabilities is $532 million and $553 million, respectively. The Company believes that its analysis is based on the most relevant information available, combined with reasonable assumptions. The liability is subject to significant uncertainties. The adequacy of the liability is regularly monitored based on evolving accident claim history and insurance related state legislation changes. If the Company's estimates change or if actual results differ from these assumptions, the amount of the recorded liability is adjusted to reflect these results.

Loss Contingencies

From time to time the Company is a party to various legal proceedings, typically involving operational issues common to the vehicle rental business, including claims by employees and former employees and governmental investigations. The Company has summarized below the most significant legal proceedings to which the Company was and/or is a party as of March 31, 2020 or the period after March 31, 2020, but before the filing of this Quarterly Report on Form 10-Q.

Governmental Investigations - The Company previously identified certain activities in Brazil that raised issues under the Foreign Corrupt Practices Act (the "FCPA") and other federal and local laws, which the Company self-reported to appropriate government entities. The matters associated with the FCPA and other federal matters have been resolved without further action by the applicable U.S. government entities. The Company is continuing its cooperation with respect to matters under local Brazilian laws. The Company has accrued a loss contingency with respect to the ongoing Brazil-related matters that is not material.

In re Hertz Global Holdings, Inc. Securities Litigation - In November 2013, a purported shareholder class action, Pedro Ramirez, Jr. v. Hertz Global Holdings, Inc., et al., was commenced in the U.S. District Court for the District of New Jersey naming Old Hertz Holdings (as defined in the Company's 2019 Form 10-K) and certain of its officers as defendants and alleging violations of the federal securities laws. The complaint alleged that Old Hertz Holdings made material misrepresentations and/or omissions of material fact in certain of its public disclosures in violation of Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The complaint sought an unspecified amount of monetary damages on behalf of the purported class and an award of costs and expenses, including counsel fees and expert fees. The complaint, as amended, was dismissed with prejudice on April 27, 2017 and on September 20, 2018, the Third Circuit affirmed the dismissal of the complaint with prejudice. On February 5, 2019, the plaintiffs filed a motion asking the federal district court to exercise its discretion and allow the plaintiffs to reinstate their claims to include additional allegations from the administrative order agreed to by the SEC and the Company in December 2018, which was supplemented by reference to the Company's subsequently filed litigation against former executives (discussed below). On September 30, 2019, the federal district court of New Jersey denied the plaintiffs' motion for relief from the April 27, 2017 judgment and a related motion to allow the filing of a proposed fifth amended complaint. On October 30, 2019, the plaintiffs filed a notice of appeal as to the September 30, 2019 order. The parties have now fully briefed the appeal. Oral argument on the appeal has not yet been scheduled.

The Company has established reserves for matters where the Company believes that losses are probable and can be reasonably estimated. Other than the aggregate reserve established for claims for self-insured liabilities, none of those reserves are material. For matters, including certain of those described above, where the Company has not established a reserve, the ultimate outcome or resolution cannot be predicted at this time, or the amount of ultimate loss, if any, cannot be reasonably estimated. These matters are subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. It is possible that certain of the actions, claims, inquiries or proceedings, including those discussed above, could be decided unfavorably to the Company or any of its subsidiaries involved. Accordingly, it is possible that an adverse outcome from such a proceeding could exceed the amount accrued in an amount that could be material to the accompanying consolidated financial condition, results of operations or cash flows in any particular reporting period.

Other Proceedings

Litigation Against Former Executives - The Company filed litigation in federal court in New Jersey against Mark Frissora, Elyse Douglas and John Jefferey Zimmerman on March 25, 2019, and in state court in Florida against Scott Sider on March 28, 2019, all of whom were former executive officers of Old Hertz Holdings. The complaints predominantly allege breach of contract and seek repayment of incentive-based compensation received by the defendants in connection with restatements included in the Old Hertz Holdings Form 10-K for the year ended December 31, 2014 and related accounting for prior periods. The Company is also seeking recovery for the costs of the SEC investigation that resulted in an administrative order on December 31, 2018 with respect to events generally involving the restatements included in Old Hertz Holdings Form 10-K for the year ended December 31, 2014 and other damages resulting from the necessity of the restatements. The Company is pursuing these legal proceedings in accordance with its clawback policy and contractual rights. The parties are currently involved in motion practice in the New Jersey action and discovery and depositions have commenced in the Florida action. In October 2019, the Company entered into a confidential Settlement Agreement with Elyse Douglas. Pursuant to the agreements governing the separation of Herc Holdings from Hertz Global that occurred on June 30, 2016, Herc Holdings is entitled to 15% of the net proceeds of any repayment or recovery.

Indemnification Obligations

In the ordinary course of business, the Company has executed contracts involving indemnification obligations customary in the relevant industry and indemnifications specific to a transaction such as the sale of a business. These indemnification obligations might include claims relating to the following: environmental matters; intellectual property rights; governmental regulations and employment-related matters; customer, supplier and other commercial contractual relationships and financial matters. Specifically, the Company has indemnified various parties for the costs associated with remediating numerous hazardous substance storage, recycling or disposal sites in many states and, in some instances, for natural resource damages. The amount of any such expenses or related natural resource damages for which the Company may be held responsible could be substantial. In addition, Hertz entered into customary indemnification agreements with Hertz Holdings and certain of the Company's stockholders and their affiliates pursuant to which Hertz Holdings and Hertz will indemnify those entities and their respective affiliates, directors, officers, partners, members, employees, agents, representatives and controlling persons, against certain liabilities arising out of performance of a consulting agreement with Hertz Holdings and each of such entities and certain other claims and liabilities, including liabilities arising out of financing arrangements or securities offerings. The Company has entered into customary indemnification agreements with each of its directors and certain of its officers. Performance under these indemnification obligations would generally be triggered by a breach of terms of the contract or by a third-party claim. In connection with the Spin-Off (as defined in the Company's 2019 Form 10-K), the Company executed an agreement with Herc Holdings that contains mutual indemnification clauses and a customary indemnification provision with respect to liability arising out of or resulting from assumed legal matters. The Company regularly evaluates the probability of having to incur costs associated with these indemnification obligations and has accrued for expected losses that are probable and estimable.

Note 10—Related Party Transactions

Agreements with the Icahn Group

In the normal course of business, the Company purchases goods and services and leases property from entities controlled by Carl C. Icahn and his affiliates, including The Pep Boys - Manny, Moe & Jack (collectively, the "Icahn Group"). During the three months ended March 31, 2020 and 2019, the Company purchased approximately $17 million and $12 million, respectively, worth of goods and services from these related parties.

Transactions and Agreements between Hertz Holdings and Hertz

In June 2018, Hertz entered into a master loan agreement with Hertz Holdings for a facility size of $425 million with an expiration in June 2019 (the "2018 Master Loan"). The interest rate is based on the U.S. Dollar LIBOR rate plus a margin.

In June 2019, upon expiration of the 2018 Master Loan, Hertz entered into a new master loan agreement with Hertz Holdings for a facility size of $425 million with an expiration in June 2020 (the "2019 Master Loan") where amounts outstanding under the 2018 Master Loan were transferred to the 2019 Master Loan. The interest rate is based on the U.S. Dollar LIBOR rate plus a margin. As of March 31, 2020 and December 31, 2019, there was $132 million and $129 million, respectively, outstanding under the 2019 Master Loan representing advances and any accrued but unpaid interest. Additionally, Hertz has a loan due to an affiliate in the amount of $65 million as of March 31, 2020 and December 31, 2019, respectively, which represents a tax-related liability to Hertz Holdings.

The net impact of the above amounts are included in stockholder's equity in the accompanying unaudited condensed consolidated balance sheets of Hertz.

767 Auto Leasing LLC

In January 2018, Hertz entered into a Master Motor Vehicle Lease and Management Agreement (the “767 Lease Agreement”) pursuant to which Hertz granted 767 Auto Leasing LLC (“767”), an entity affiliated with the Icahn Group, the option to acquire certain vehicles from Hertz at rates aligned with the rates at which Hertz sells vehicles to third parties. Hertz leases the vehicles purchased by 767 under the 767 Lease Agreement or from third parties, under a mutually developed fleet plan and Hertz manages, services, repairs, sells and maintains those leased vehicles on behalf of 767. Hertz currently rents the leased vehicles to drivers of transportation network companies ("TNC") from rental counters within locations leased or owned by affiliates of 767 ("Icahn Locations"), including locations operated under a master lease agreement with The Pep Boys - Manny, Joe & Jack. The 767 Lease Agreement had an initial term, as extended, of approximately 22 months, and is subject to automatic six month renewals thereafter, unless terminated by either party (with or without cause) prior to the start of any such six month renewal.

767’s payment obligations under the 767 Lease Agreement are guaranteed by American Entertainment Properties Corp. ("AEPC"), an entity affiliated with the Icahn Group. During the three months ended March 31, 2019, AEPC contributed $25 million to 767 along with certain services. There were no cash contributions from AEPC to 767 during the three months ended March 31, 2020, except for certain services.

The Company is entitled to 25% of the profit from the rental of the leased vehicles, as specified in the 767 Lease Agreement, which is variable and based primarily on the rental revenue, less certain vehicle-related costs, such as depreciation, licensing and maintenance expenses. The Company has determined that it is the primary beneficiary of 767 due to its power to direct the activities of 767 that most significantly impact 767's economic performance and the Company's obligation to absorb 25% of 767's gains/losses. Accordingly, 767 is consolidated by the Company as a VIE.

In October 2019, the 767 Lease Agreement was amended such that, among other changes, 767 vehicles will be available for rent from Hertz locations that are opened in replacement of closed Icahn Locations, and the 767 vehicles may be available for rent to traditional off-airport customers in addition to TNC drivers, when certain conditions apply.

Note 11—Segment Information

The Company’s chief operating decision maker assesses performance and allocates resources based upon the financial information for the Company’s operating segments. The Company aggregates certain of its operating segments into its reportable segments. The Company has identified three reportable segments, which are organized based on the products and services provided by its operating segments and the geographic areas in which its operating segments conduct business, as follows:

- U.S. Rental Car ("U.S. RAC") - rental of vehicles (cars, crossovers, vans and light trucks), as well as sales of value-added services, in the U.S. and consists of the Company's U.S. operating segment;

- International Rental Car ("International RAC") - rental and leasing of vehicles (cars, vans, crossovers and light trucks), as well as sales of value-added services, internationally and consists of the Company's Europe and Other International operating segments, which are aggregated into a reportable segment based primarily upon similar economic characteristics, products and services, customers, delivery methods and general regulatory environments;

- All Other Operations - primarily consists of the Company's Donlen business, which provides vehicle leasing and fleet management services, together with other business activities which represent less than 1% of revenues and expenses of the segment.

Effective during the three months ended June 30, 2019, the Company changed its segment measure of profitability for its reportable segments to Adjusted EBITDA, as shown in the Adjusted EBITDA reconciliation tables below. This measure better aligns with the way the Company reviews its overall vehicle rental and leasing business. Prior to the three months ended June 30, 2019, the Company’s segment measure of profitability was Adjusted Pre-tax Income (Loss) which included non-vehicle depreciation and amortization, non-vehicle debt interest, net, and certain other items. For comparability purposes, the Company has adjusted retrospectively the 2019 segment results to reflect the new segment measure of profitability.

In addition to the above reportable segments, the Company has corporate operations ("Corporate") which includes general corporate assets and expenses and certain interest expense (including net interest on non-vehicle debt). Corporate includes other items necessary to reconcile the reportable segments to the Company's total amounts.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

The following tables provide significant statements of operations and balance sheet information by reportable segment for each of Hertz Global and Hertz, as well as Adjusted EBITDA, the measure used to determine segment profitability.

	Three Months Ended March 31,	
(In millions)	2020	2019
Revenues		
U.S. Rental Car	$ 1,381	$ 1,520
International Rental Car	368	433
All Other Operations	174	154
Total Hertz Global and Hertz	$ 1,923	$ 2,107
Depreciation of revenue earning vehicles and lease charges		
U.S. Rental Car	$ 463	$ 386
International Rental Car	89	97
All Other Operations	125	109
Total Hertz Global and Hertz	$ 677	$ 592
Adjusted EBITDA		
U.S. Rental Car	$ (199)	$ 7
International Rental Car	(45)	(13)
All Other Operations	24	22
Corporate	(23)	(20)
Total Hertz Global and Hertz	$ (243)	$ (4)

(In millions)	March 31, 2020	December 31, 2019
Total assets		
U.S. Rental Car	$ 17,833	$ 16,459
International Rental Car	4,216	4,563
All Other Operations	2,095	2,115
Corporate	1,698	1,490
Total Hertz Global and Hertz[(1)]	$ 25,842	$ 24,627

(1) The consolidated total assets of Hertz Global and Hertz as of March 31, 2020 and December 31, 2019 include total assets of VIEs of $1.1 billion and $1.3 billion, respectively, which can only be used to settle obligations of the VIEs. See "Special Purpose Entities" in Note 4, "Debt," and "767 Auto Leasing LLC" in Note 10, "Related Party Transactions," for further information.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
Unaudited

Reconciliations of Adjusted EBITDA by reportable segment to consolidated amounts are summarized below.

Hertz Global

(In millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Adjusted EBITDA:		
U.S. Rental Car	$ (199)	$ 7
International Rental Car	(45)	(13)
All Other Operations	24	22
Total reportable segments	(220)	16
Corporate(1)	(23)	(20)
Total Hertz Global	(243)	(4)
Adjustments:		
Non-vehicle depreciation and amortization	(53)	(49)
Non-vehicle debt interest, net	(57)	(71)
Vehicle debt-related charges(2)	(9)	(10)
Restructuring and restructuring related charges(3)	(7)	(7)
Information technology and finance transformation costs(4)	(17)	(23)
Other items(5)	25	15
Income (loss) before income taxes	$ (361)	$ (149)

Hertz

(In millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Adjusted EBITDA:		
U.S. Rental Car	$ (199)	$ 7
International Rental Car	(45)	(13)
All Other Operations	24	22
Total reportable segments	(220)	16
Corporate(1)	(23)	(20)
Total Hertz	(243)	(4)
Adjustments:		
Non-vehicle depreciation and amortization	(53)	(49)
Non-vehicle debt interest, net	(55)	(69)
Vehicle debt-related charges(2)	(9)	(10)
Restructuring and restructuring related charges(3)	(7)	(7)
Information technology and finance transformation costs(4)	(17)	(23)
Other items(5)	25	15
Income (loss) before income taxes	$ (359)	$ (147)

(1) Represents other reconciling items primarily consisting of general corporate expenses, non-vehicle interest expense, as well as other business activities.
(2) Represents vehicle debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.

(3) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives.

(4) Represents costs associated with the Company's information technology and finance transformation programs, both of which are multi-year initiatives to upgrade and modernize the Company's systems and processes.

(5) Represents miscellaneous items, including non-cash stock-based compensation charges, and amounts attributable to noncontrolling interests. In 2020, includes a $20 million gain on the sale of non-vehicle capital assets and $13 million in unrealized gains on derivative financial instruments. In 2019, includes an $11 million gain on marketable securities and an $8 million gain on the sale of non-vehicle capital assets.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Hertz Global Holdings, Inc. (together with its consolidated subsidiaries and variable interest entities, "Hertz Global") is a holding company and its principal, wholly-owned subsidiary is The Hertz Corporation (together with its consolidated subsidiaries and variable interest entities, "Hertz"). Hertz Global consolidates Hertz for financial statement purposes, and Hertz comprises approximately the entire balance of Hertz Global's assets, liabilities and operating cash flows. In addition, Hertz's operating revenues and operating expenses comprise nearly 100% of Hertz Global's revenues and operating expenses. As such, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") that follows herein is for Hertz and also applies to Hertz Global in all material respects, unless noted. Differences between the operations and results of Hertz and Hertz Global are separately disclosed and explained. We sometimes use the words "we," "our," "us" and the "Company" in this MD&A for disclosures that relate to all of Hertz and Hertz Global. Please refer to the defined terms in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q when reviewing the MD&A.

This MD&A should be read in conjunction with the MD&A presented in our 2019 Form 10-K together with the sections entitled "Cautionary Note Regarding Forward-Looking Statements," Part II, Item 1A, "Risk Factors," and our unaudited condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (this "Report"), which include additional information about our accounting policies, practices and the transactions underlying our financial results. The preparation of our unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts in our unaudited condensed consolidated financial statements and the accompanying notes including vehicle depreciation and various claims and contingencies related to lawsuits, taxes and other matters arising during the normal course of business. We apply our best judgment, our knowledge of existing facts and circumstances and our knowledge of actions that we may undertake in the future in determining the estimates that will affect our unaudited condensed consolidated financial statements. We evaluate our estimates on an ongoing basis using our historical experience, as well as other factors we believe to be appropriate under the circumstances, such as current economic conditions, and adjust or revise our estimates as circumstances change. As future events and their effects cannot be determined with precision, actual results may differ from these estimates.

In this MD&A we refer to the following non-GAAP measure and key metrics:

- *Adjusted Corporate EBITDA - important non-GAAP measure to management because it allows management to assess the operational performance of our business, exclusive of certain items, and allows management to assess the performance of the entire business on the same basis as the segment measure of profitability. Management believes that it is important to investors for the same reasons it is important to management and because it allows them to assess our operational performance on the same basis that management uses internally. Adjusted EBITDA, the segment measure of profitability and accordingly a GAAP measure, is calculated exclusive of certain items which are largely consistent with those used in the calculation of Adjusted Corporate EBITDA.*

- *Depreciation Per Unit Per Month - important key metric to management and investors as depreciation of revenue earning vehicles and lease charges is one of our largest expenses for the vehicle rental business and is driven by the number of vehicles, expected residual values at the expected time of disposal and expected hold period of the vehicles. Depreciation Per Unit Per Month is reflective of how we are managing the costs of our vehicles and facilitates a comparison with other participants in the vehicle rental industry.*

- *Total Revenue Per Transaction Day ("Total RPD," also referred to as "pricing") - important key metric 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") - important key metric to management and investors as it provides a measure of revenue productivity relative to the total number of vehicles in our fleet whether owned or leased ("Average Vehicles" or "fleet capacity").*

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- *Transaction Days - important key metric to management and investors as it represents the number of revenue generating days ("volume"). It is used as a component to measure Total RPD and Vehicle Utilization. Transaction Days 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.*
- *Vehicle Utilization - important key metric to management and investors because it is the measurement of the proportion of our vehicles that are being used to generate revenues relative to fleet capacity. Higher Vehicle Utilization means more vehicles are being utilized to generate revenues.*

Our non-GAAP measure should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. The above non-GAAP measure and key metrics are defined, and the non-GAAP measure is reconciled to its most comparable U.S. GAAP measure, in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.

OUR COMPANY

Hertz Holdings was incorporated in Delaware in 2015 to serve as the top-level holding company for Rental Car Intermediate Holdings, LLC, which wholly owns Hertz, Hertz Global's primary operating company. Hertz was incorporated in Delaware in 1967 and is a successor to corporations that have been engaged in the vehicle rental and leasing business since 1918. We are engaged principally in the business of renting vehicles primarily through our Hertz, Dollar and Thrifty brands. In addition to vehicle rental, we provide integrated vehicle leasing and fleet management solutions through our Donlen subsidiary. We operate our vehicle rental business globally from company-owned, licensee and franchisee locations in North America, Europe, Latin America, Africa, Asia, Australia, the Caribbean, the Middle East and New Zealand.

OVERVIEW OF OUR BUSINESS AND OPERATING ENVIRONMENT

Overview of the Impact from COVID-19 on our Business

The recent outbreak of COVID-19 has been declared a pandemic and has spread to multiple global regions. The impact of this pandemic has been and will likely continue to be extensive in many aspects of society, which has resulted in and will likely continue to result in significant disruptions to the global economy, as well as businesses around the world. In an effort to halt the outbreak of COVID-19, many governments around the world have placed significant restrictions on travel and many businesses have announced closures and imposed travel restrictions.

There is uncertainty about the magnitude and duration of the negative impact of COVID-19, and the length and scope of travel restrictions and business closures imposed by governments of impacted countries and private businesses. The COVID-19 outbreak has had, and a continuing outbreak will likely have, several important impacts on our business:

Operations:

- Reservation bookings are significantly behind where they have historically been for the spring and summer months, our peak season, and we anticipate a material adverse impact on our results of operations on a portion or all of our peak season. This is a result of the decrease in business and leisure travel because of COVID-19, and the duration of this pandemic is unclear.
- The pandemic has had a substantial reduction to airline travel and a large portion of our business is generated at airport locations. Consequently, we anticipate a material adverse impact on our results of operations until such travel returns to historical levels.

Fleet:

- We expect a material reduction in our commitments to purchase vehicles with approximately a $4.0 billion reduction from original commitments in our U.S. RAC segment during the remainder of 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- We leveraged our ability to accelerate the timing for the return of program vehicles in order to reduce fleet; and in March 2020, we returned approximately 24,000 program vehicles in our U.S. RAC segment compared to 6,000 program vehicles in March of 2019.
- The conditions of the vehicle resale market have been very challenging. As of March 31, 2020, we had approximately 85% non-program vehicles in our worldwide fleet. The slowing demand in the used-vehicle market due to current conditions in the economy has negatively impacted vehicle values and the value declines are expected to continue, which could result in a substantial loss on the sale of our non-program vehicles. This may cause us to depreciate these assets at a more accelerated rate than we would have expected and require increased collateral enhancement payments to our ABS lenders.
- The downturn in our rental car business has resulted in excess fleet, which we must park in certain overflow parking areas.

Liquidity and Cost Management:

- The pandemic has had a material impact on the travel industry and our operations. Although we experienced strong revenue growth in January and February of 2020 as compared to 2019, if the business and leisure travel industry does not recover in the summer of 2020 or we cannot arrange for additional financing or additional waivers and forbearances with respect to our outstanding debt, we may not be able to meet the obligations of our outstanding debt when it becomes due, or successfully refinance it prior to maturity.
- To mitigate the impact from the pandemic, we began aggressively managing costs, including the implementation of employee furlough programs affecting approximately 20,000 employees worldwide, actively negotiating to abate or defer our airport rent and concession payments, substantially reducing capital expenditures and eliminating discretionary marketing spend. During the three months ended March 31, 2020, we also borrowed $595 million under our Senior RCF, and in April 2020, we initiated a restructuring program affecting approximately 10,000 employees in our U.S. RAC segment and U.S. corporate operations, the majority of which were previously furloughed.
- Although we took aggressive action to eliminate costs, we face significant ongoing monthly expenses, including monthly payments under our Operating Lease, pursuant to which Hertz leases vehicles which we use in our U.S. rental car operations. During April 2020, we engaged in discussions with various creditors to obtain relief from our obligations to make full rent payments under the Operating Lease. While such discussions were ongoing, to preserve liquidity, on April 27, 2020, Hertz did not make certain payments in accordance with the Operating Lease. As a result of the failure to make the full rent payments on April 27th, as of May 5, 2020 an amortization event was in effect for all series of notes issued by HVF II and a liquidation event was in effect with respect to the Series 2013-A Notes issued by HVF II. As a result of the amortization event, and notwithstanding the Forbearance Agreement, proceeds from the sales of vehicles that collateralize the notes issued by HVF II must be applied to the payment of principal and interest under those notes and will not be available to finance new vehicle acquisitions for Hertz. However, in light of the impact of the COVID-19 global pandemic on the travel industry, Hertz believes it will not need to acquire new vehicles for its fleet through the remainder of 2020. Refer to Part I, Item 1 of this Quarterly Report on Form 10-Q in Note 1**,** "Background" for additional information.

Our Business

Our profitability is primarily a function of the volume, mix and pricing of rental transactions and the utilization of vehicles, the related ownership cost of vehicles and other operating costs. Significant changes in the purchase price or residual values of vehicles or interest rates can have a significant effect on our profitability depending on our ability to adjust pricing for these changes. We continue to balance our mix of non-program and program vehicles based on market conditions, including residual values. Our business requires significant expenditures for vehicles, and as such, we require substantial liquidity to finance such expenditures. See the "Liquidity and Capital Resources" section of this MD&A for further information.

Our strategy includes optimization of our vehicle rental operations, disciplined performance management and evaluation of all locations and the pursuit of same-store sales growth.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Our total revenues are primarily derived from rental and related charges and consist of:

- Worldwide vehicle rental revenues - revenues from all company-operated vehicle rental operations, including charges to customers for the reimbursement of costs incurred relating to airport concession fees and vehicle license fees, the fueling of vehicles and revenues associated with value-added services, including the sale of loss or collision damage waivers, theft protection, liability and personal accident/effects insurance coverage, premium emergency roadside service and other products and fees. Also included are ancillary revenues associated with retail vehicle sales and certain royalty fees from our franchisees (such fees are less than 2% of total revenues each period); and
- All other operations revenues - revenues from vehicle leasing and fleet management services by our Donlen business and other business activities.

Our expenses primarily consist of:

- Direct vehicle and operating expense ("DOE"), primarily wages and related benefits; commissions and concession fees paid to airport authorities, travel agents and others; facility, self-insurance and reservation costs; and other costs relating to the operation and rental of revenue earning vehicles, such as damage, maintenance and fuel costs;
- Depreciation expense and lease charges relating to revenue earning vehicles, including costs associated with the disposal of vehicles;
- Selling, general and administrative expense ("SG&A"), which includes advertising and administrative personnel costs, along with costs for information technology and finance transformation programs; and
- Interest expense, net.

Our Business Segments

We have identified three reportable segments, which are organized based on the products and services provided by our operating segments and the geographic areas in which our operating segments conduct business, as follows:

- U.S. RAC - Rental of vehicles, as well as sales of value-added services, in the U.S.;
- International RAC - Rental and leasing of vehicles, as well as sales of value-added services, internationally; and
- All Other Operations - Comprised primarily of our Donlen business, which provides vehicle leasing and fleet management services, and other business activities.

In addition to the above reportable segments, we have corporate operations. We assess performance and allocate resources based upon the financial information for our operating segments.

Seasonality

Our vehicle rental operations are a seasonal business, with decreased levels of business in the winter months and heightened activity during the spring and summer months ("our peak season") for the majority of countries where we generate our revenues. To accommodate increased demand, we typically increase our available fleet and staff during the second and third quarters of the year. As business demand declines, vehicle and staffing levels are decreased accordingly. A number of our other major operating costs, including airport concession fees, commissions and vehicle liability expenses, are directly related to revenues or transaction volumes. In addition, our management expects to utilize enhanced process improvements, including utilization initiatives and the use of our information technology systems, to help manage our variable costs. Generally, between 70% and 75% of our annual operating costs represent variable costs, while the remaining costs are fixed or semi-fixed. We also maintain a flexible workforce, with a significant number of part-time and seasonal workers. Certain operating expenses, including real estate taxes, rent, insurance, utilities, maintenance and other facility-related expenses, the costs of operating our information technology systems and minimum staffing costs, remain fixed and cannot be adjusted for seasonal demand.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Three Months Ended March 31, 2020 Operating Overview

The following provides an overview of our business and financial performance and key factors influencing our results:

U.S. RAC

- 1Q 2020 versus 1Q 2019:
  - Total revenues decreased $138 million, or 9%
  - Total RPU decreased 12% and Total RPD increased 2%
  - Transaction Days decreased 11%
  - Depreciation of revenue earning vehicles and lease charges increased 20% to $463 million
  - Depreciation Per Unit Per Month increased 16% to $298
  - Vehicle Utilization decreased to 67% from 79%
  - DOE as a percentage of total revenues increased to 70% from 64%
  - SG&A as a percentage of total revenues was flat at 8%

International RAC

- 1Q 2020 versus 1Q 2019:
  - Total revenues decreased $65 million, or 15%, and decreased $53 million, or 13%, excluding the impact of foreign currency exchange at average rates ("fx")
  - Total RPU decreased 9% and Total RPD was flat
  - Transaction Days decreased 12%
  - Depreciation of revenue earning vehicles and lease charges decreased 8% to $89 million, and decreased $5 million, or 6%, excluding fx
  - Depreciation Per Unit Per Month decreased 2% to $204
  - Vehicle Utilization decreased to 66% from 74%
  - DOE as a percentage of total revenues increased to 72% from 66%
  - SG&A as a percentage of total revenues increased to 13% from 12%

For more information on the above, see the discussion of our results on a consolidated basis and by segment that follows herein. In this MD&A, certain amounts in the following tables are denoted as in millions. Amounts such as percentages are calculated from the underlying numbers in thousands, and as a result, may not agree to the amount when calculated from the tables in millions.

Change in Segment Measure of Profitability

Effective during the three months ended June 30, 2019, we changed our segment measure of profitability to Adjusted EBITDA. Prior to the three months ended June 30, 2019, our segment measure of profitability was Adjusted Pre-tax Income (Loss), which included non-vehicle depreciation and amortization, non-vehicle debt interest, net and certain other items. For comparability purposes, we have adjusted retrospectively our 2019 segment result tables in this MD&A to reflect the new segment measure of profitability.

Critical Accounting Estimates

The impacts from COVID-19 could have a material impact to certain critical accounting estimates, and as a result, may have an adverse impact on our future operating results.

Revenue Earning Vehicles

COVID-19 may have a significant impact on the used-vehicle market, resulting in a material deterioration of residual values. This deterioration could impact our current fleet and sales plans resulting in changes to the holding period of our vehicles as well as our ability to dispose of vehicles in the period originally anticipated. Changes in any or all of these variables could cause a material change in our estimates regarding depreciation expense.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Recoverability of Goodwill and Intangible Assets

As of March 31, 2020, we tested the recoverability of our goodwill and indefinite-lived intangible assets due to the impact to our business related to COVID-19, our reduction in cash flow projections and declines in the stock price of Hertz Global, noting no material impairments. However, the fair values of a tradename and of goodwill in our International RAC segment were in excess by 12% and 7% of the carrying values of $560 million and $16 million, respectively, and as such, relatively small changes to the weighted average cost of capital assumption or further deterioration in cash flow projections used in the impairment analyses could result in an impairment of these assets in our International RAC segment.

Subsequent to March 31, 2020, the adverse impact from COVID-19 to the overall travel industry and our business has continued. If there is further deterioration in cash flow projections or the weighted average cost of capital assumptions used in our impairment analyses, we may incur impairment charges related to our goodwill and indefinite-lived intangible assets which could be material.

Subrogation Receivables

The impact of COVID-19 could result in a deterioration of the credit worthiness of our customers and third-parties regarding our subrogation receivables, and as a result we could incur material write-offs or a reduction in future collections.

Tax

We may record additional valuation allowances on our deferred tax assets. Further, in some jurisdictions, we may incur additional cash taxes due to changes in fleet acquisitions and dispositions and limitations on utilization of net operating losses.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

CONSOLIDATED RESULTS OF OPERATIONS - HERTZ

($ In millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Percent Increase/(Decrease)
Total revenues	$ 1,923	$ 2,107	(9)%
Direct vehicle and operating expenses	1,241	1,266	(2)
Depreciation of revenue earning vehicles and lease charges	677	592	14
Selling, general and administrative expenses	208	234	(11)
Interest expense, net:			
Vehicle	118	112	6
Non-vehicle	55	69	(20)
Interest expense, net	173	181	(5)
Other (income) expense, net	(17)	(19)	(6)
Income (loss) before income taxes	(359)	(147)	144
Income tax (provision) benefit	3	1	NM
Net income (loss)	(356)	(146)	143
Net (income) loss attributable to noncontrolling interests	1	1	(16)
Net income (loss) attributable to Hertz	$ (355)	$ (145)	145
Adjusted Corporate EBITDA[a]	$ (243)	$ (4)	NM

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not meaningful

Three Months Ended March 31, 2020 Compared with Three Months Ended March 31, 2019

Total revenues decreased $185 million in the first quarter of 2020 compared to 2019 due primarily to the impact from COVID-19 where there was a decrease of $138 million and $65 million in our U.S. RAC and International RAC segments, respectively, partially offset by an increase of $20 million in All Other Operations. U.S. RAC revenues decreased due to lower volume, partially offset by higher pricing. Excluding a $12 million fx impact, revenues for our International RAC segment decreased $53 million. All Other Operations revenues increased due to higher leasing volume.

DOE decreased $25 million in the first quarter of 2020 compared to 2019 due primarily to a decrease of $19 million and $7 million in our International RAC and U.S. RAC segments, respectively. Excluding a $9 million fx impact, DOE in our International RAC segment decreased $10 million. DOE in our U.S. RAC segment decreased $7 million due primarily to lower volume driven by the impact from COVID-19 on total revenues described above.

Depreciation of revenue earning vehicles and lease charges increased $85 million in the first quarter of 2020 compared to 2019 due to an increase of $77 million and $16 million in our U.S. RAC segment and All Other Operations, respectively, partially offset by a decrease of $8 million in our International RAC segment. The increase in our U.S. RAC segment is due primarily to higher average vehicles and the impact on residual values for certain vehicle models, and the increase in All Other Operations is due to higher average vehicles. Excluding a $3 million fx impact, depreciation in our International RAC segment decreased $5 million.

SG&A decreased $25 million in the first quarter of 2020 compared to 2019 primarily due to higher unrealized gains on interest rate derivative financial instruments in All Other Operations in 2020, a decrease in marketing and personnel charges in our U.S. and International RAC segments and lower Information technology and finance transformation costs in our corporate operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Vehicle interest expense, net increased $6 million in the first quarter of 2020 compared to 2019 due primarily to an increase in debt levels resulting from higher average fleet and higher vehicle-related receivables primarily in our U.S. RAC segment, partially offset by lower market interest rates.

Non-vehicle interest expense, net decreased $14 million in the first quarter of 2020 compared to 2019 due primarily to lower debt levels in the first quarter of 2020 compared to 2019 and lower market interest rates.

We had other income of $17 million for the first quarter of 2020 compared to $19 million in the first quarter of 2019. Other income in 2020 is primarily comprised of a $20 million gain due to additional cash received from the sale of non-vehicle capital assets, which was completed in the fourth quarter of 2019. Other income in 2019 is primarily comprised of an $11 million gain on marketable securities and an $8 million gain on the sale of non-vehicle capital assets.

The effective tax rate was 1% in the first quarter of 2020 and 2019, and we recorded a tax benefit of $3 million in the first quarter of 2020 compared to $1 million in the first quarter of 2019. The effective income tax rate and related tax provision were driven by increased losses on our operations due to the effect of COVID-19, primarily offset by the impact of valuation allowances on net deferred tax assets.

CONSOLIDATED RESULTS OF OPERATIONS - HERTZ GLOBAL

The above discussion for Hertz also applies to Hertz Global.

Hertz Global had $2 million of interest expense, net, for the first quarter of 2020 and 2019 that was incremental to the amounts shown for Hertz. This amount represents interest associated with amounts outstanding under a master loan agreement between the companies. Hertz includes this amount as interest income in its statement of operations, but this amount is eliminated in consolidation for purposes of presenting Hertz Global. For the first quarter of 2020, Hertz Global had $1 million of income tax benefit that was incremental to the amounts shown for Hertz.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

RESULTS OF OPERATIONS AND SELECTED OPERATING DATA BY SEGMENT

U.S. Rental Car

($ In millions, except as noted)	Three Months Ended March 31, 2020	2019	Percent Increase/(Decrease)
Total revenues	$ 1,381	$ 1,520	(9)%
Depreciation of revenue earning vehicles and lease charges	$ 463	$ 386	20
Direct vehicle and operating expenses	$ 969	$ 976	(1)
Direct vehicle and operating expenses as a percentage of total revenues	70%	64%	
Selling, general and administrative expenses	$ 115	$ 121	(5)
Selling, general and administrative expenses as a percentage of total revenues	8%	8%	
Vehicle interest expense	$ 86	$ 77	12
Adjusted EBITDA	$ (199)	$ 7	NM
Transaction Days (in thousands)[b]	31,564	35,582	(11)
Average Vehicles (in whole units)[c]	518,580	501,767	3
Vehicle Utilization[c]	67%	79%	
Total RPD (in whole dollars)[d]	$ 42.74	$ 41.90	2
Total RPU Per Month (in whole dollars)[e]	$ 867	$ 990	(12)
Depreciation Per Unit Per Month (in whole dollars)[f]	$ 298	$ 256	16
Percentage of program vehicles as of period end	9%	9%	

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not meaningful

Three Months Ended March 31, 2020 Compared with Three Months Ended March 31, 2019

Total U.S. RAC revenues decreased $138 million in the first quarter of 2020 compared to 2019 due to lower volume, partially offset by higher pricing. The 11% decrease in Transaction Days was primarily driven by the impact from COVID-19 with declines in leisure and most business categories, excluding delivery services where volume and pricing increased year over year. Volume decreased in both our airport and off airport business by 13% and 8%, respectively. Off airport revenues comprised 35% of total revenues for the segment in the first quarter of 2020 as compared to 33% in the first quarter of 2019.

Depreciation of revenue earning vehicles and lease charges for U.S. RAC increased $77 million in the first quarter of 2020 compared to 2019. Depreciation Per Unit Per Month increased to $298 in the first quarter of 2020 compared to $256 in the first quarter of 2019 due primarily to the impact on residual values for certain vehicle models and lower year over year retail sales volume as a result of the COVID-19 shut-down of retail lots.

DOE for U.S. RAC decreased $7 million in the first quarter of 2020 compared to 2019 due primarily to lower volume driven by the impact from COVID-19 on total revenues described above and lower personnel costs due to employee furlough programs in response to COVID-19.

SG&A for U.S. RAC decreased $6 million in the first quarter of 2020 compared to 2019 due primarily to lower marketing charges and lower personnel costs due to employee furlough programs in response to COVID-19.

Vehicle interest expense for U.S. RAC increased $9 million in the first quarter of 2020 compared to 2019 due to an increase in debt levels resulting from higher average fleet and higher vehicle-related receivables due to more program vehicles returned to the manufacturer in 2020, partially offset by lower market interest rates.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

International Rental Car

($ in millions, except as noted)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Percent Increase/(Decrease)
Total revenues	$ 368	$ 433	(15)%
Depreciation of revenue earning vehicles and lease charges	$ 89	$ 97	(8)
Direct vehicle and operating expenses	$ 265	$ 284	(7)
Direct vehicle and operating expenses as a percentage of total revenues	72%	66%	
Selling, general and administrative expenses	$ 48	$ 54	(12)
Selling, general and administrative expenses as a percentage of total revenues	13%	12%	
Vehicle interest expense	$ 21	$ 23	(7)
Adjusted EBITDA	$ (45)	$ (13)	NM
Transaction Days (in thousands)[(b)]	8,863	10,127	(12)
Average Vehicles (in whole units)[(c)]	147,987	152,747	(3)
Vehicle Utilization[(c)]	66%	74%	
Total RPD (in whole dollars)[(d)]	$ 42.35	$ 42.25	—
Total RPU Per Month (in whole dollars)[(e)]	$ 846	$ 934	(9)
Depreciation Per Unit Per Month (in whole dollars)[(f)]	$ 204	$ 209	(2)
Percentage of program vehicles as of period end	37%	39%	

Footnotes to the table above are shown in the "Footnotes to the Results of Operations and Selected Operating Data by Segment Tables" section of this MD&A.
NM - Not meaningful

Three Months Ended March 31, 2020 Compared with Three Months Ended March 31, 2019

Total revenues for International RAC decreased $65 million in the first quarter of 2020 compared to 2019. Excluding a $12 million fx impact, revenues decreased $53 million due primarily to lower volume across all business categories driven by the impact of COVID-19.

Depreciation of revenue earning vehicles and lease charges for International RAC decreased $8 million in the first quarter of 2020 compared to 2019. Excluding a $3 million fx impact, depreciation decreased $5 million, or 6%. Depreciation Per Unit Per Month for International RAC decreased to $204 for the first quarter of 2020 compared to $209 to 2019.

DOE for International RAC decreased $19 million in the first quarter of 2020 compared to 2019. Excluding a $9 million fx impact, DOE decreased $10 million due primarily to lower volume driven by the impact from COVID-19 on total revenues described above and lower personnel costs, partially offset by an increase in public liability and property damage expense.

SG&A for International RAC decreased $6 million in the first quarter of 2020 compared to 2019. Excluding a $3 million fx impact, SG&A decreased $10 million due in part to lower marketing and personnel costs.

Vehicle interest expense for International RAC decreased $2 million in the first quarter of 2020 compared to 2019.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

All Other Operations

The All Other Operations segment is primarily comprised of our Donlen business and, as such, our discussion is limited to Donlen.

Results of operations for this segment are as follows:

($ in millions)	Three Months Ended March 31, 2020	2019	Percent Increase/(Decrease)
Total revenues	$ 174	$ 154	13 %
Depreciation of revenue earning vehicles and lease charges	$ 125	$ 109	15
Direct vehicle and operating expenses	$ 7	$ 6	7
Selling, general and administrative expenses	$ (4)	$ 7	NM
Vehicle interest expense	$ 11	$ 12	(11)
Adjusted EBITDA	$ 24	$ 22	14
Average Vehicles - Donlen	201,364	192,799	4

NM - Not meaningful

Donlen had favorable results in the first quarter of 2020 as compared to 2019. Revenue, depreciation of revenue earning vehicles and lease charges and average vehicles increased in the first quarter of 2020 as compared to 2019 due to higher leasing volume. The decrease in SG&A in the first quarter of 2020 as compared to 2019 is due to higher unrealized gains on interest rate derivative financial instruments.

Footnotes to the Results of Operations and Selected Operating Data by Segment Tables

(a) Adjusted Corporate EBITDA is calculated as net income (loss) attributable to Hertz or Hertz Global, adjusted for income taxes, non-vehicle depreciation and amortization, non-vehicle debt interest, net, vehicle debt-related charges, loss on extinguishment of vehicle debt, restructuring and restructuring related charges, goodwill, intangible and tangible asset impairments and write-downs, information technology and finance transformation costs and certain other miscellaneous items. When evaluating our operating performance, investors should not consider Adjusted Corporate EBITDA in isolation of, or as a substitute for, measures of our financial performance determined in accordance with U.S. GAAP. The reconciliations to the most comparable consolidated U.S. GAAP measure are presented below:

Hertz

(In millions)	Three Months Ended March 31, 2020	2019
Net income (loss) attributable to Hertz	$ (355)	$ (145)
Adjustments:		
Income tax provision (benefit)	(3)	(1)
Non-vehicle depreciation and amortization	53	49
Non-vehicle debt interest, net	55	69
Vehicle debt-related charges[(1)]	9	10
Restructuring and restructuring related charges[(2)]	7	7
Information technology and finance transformation costs[(3)]	17	23
Other items[(4)]	(26)	(16)
Adjusted Corporate EBITDA	$ (243)	$ (4)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Hertz Global

	Three Months Ended March 31,	
(In millions)	**2020**	**2019**
Net income (loss) attributable to Hertz Global	$ (356)	$ (147)
Adjustments:		
Income tax provision (benefit)	(4)	(1)
Non-vehicle depreciation and amortization	53	49
Non-vehicle debt interest, net	57	71
Vehicle debt-related charges(1)	9	10
Restructuring and restructuring related charges(2)	7	7
Information technology and finance transformation costs(3)	17	23
Other items(4)	(26)	(16)
Adjusted Corporate EBITDA	$ (243)	$ (4)

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

(2) Represents charges incurred under restructuring actions as defined in U.S. GAAP, excluding impairments and asset write-downs. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives.

(3) Represents costs associated with our information technology and finance transformation programs, both of which are multi-year initiatives to upgrade and modernize our systems and processes.

(4) Represents miscellaneous items, including non-cash stock-based compensation charges. In 2020, includes a $20 million gain on the sale of non-vehicle capital assets and $13 million in unrealized gains on derivative financial instruments. In 2019, includes an $11 million gain on marketable securities and an $8 million gain on the sale of non-vehicle capital assets.

(b) Transaction Days 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.

(c) Average Vehicles are determined using a simple average of the number of vehicles at the beginning and end of a given period. Among other things, Average Vehicles is used to calculate our Vehicle Utilization which represents the portion of our vehicles that are being utilized to generate revenues. Vehicle Utilization is calculated by dividing total Transaction Days by Available Car Days. The calculation of Vehicle Utilization is shown in the table below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended March 31,			
	2020	**2019**	**2020**	**2019**
Transaction Days (in thousands)	31,564	35,582	8,863	10,127
Average Vehicles (in whole units)	518,580	501,767	147,987	152,747
Number of days in period (in whole units)	91	90	91	90
Available Car Days (in thousands)	47,191	45,159	13,467	13,747
Vehicle Utilization	67%	79%	66%	74%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(d) Total RPD is calculated as total revenues less ancillary retail vehicle sales revenues, with all periods adjusted to eliminate the effect of fluctuations in foreign currency exchange rates ("Total Rental Revenues"), divided by the total number of Transaction Days. Our management believes eliminating the effect of fluctuations in foreign currency exchange rates is useful in analyzing underlying trends. The calculation of Total RPD is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended March 31,			
($ in millions, except as noted)	2020	2019	2020	2019
Total revenues	$ 1,381	$ 1,520	$ 368	$ 433
Ancillary retail vehicle sales revenues	(32)	(29)	—	—
Foreign currency adjustment(1)	—	—	7	(5)
Total Rental Revenues	$ 1,349	$ 1,491	$ 375	$ 428
Transaction Days (in thousands)	31,564	35,582	8,863	10,127
Total RPD (in whole dollars)	$ 42.74	$ 41.90	$ 42.35	$ 42.25

(1) Based on December 31, 2019 foreign currency exchange rates for all periods presented.

(e) Total RPU Per Month is calculated as Total Rental Revenues divided by the Average Vehicles in each period and then divided by the number of months in the period reported. The calculation of Total RPU Per Month is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended March 31,			
($ in millions, except as noted)	2020	2019	2020	2019
Total Rental Revenues	$ 1,349	$ 1,491	$ 375	$ 428
Average Vehicles (in whole units)	518,580	501,767	147,987	152,747
Total revenue per unit (in whole dollars)	$ 2,601	$ 2,971	$ 2,534	$ 2,802
Number of months in period (in whole units)	3	3	3	3
Total RPU Per Month (in whole dollars)	$ 867	$ 990	$ 846	$ 934

(f) Depreciation Per Unit Per Month represents the amount of average depreciation expense and lease charges per vehicle per month and is calculated as depreciation of revenue earning vehicles and lease charges, 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. Our management believes eliminating the effect of fluctuations in foreign currency exchange rates is useful in analyzing underlying trends. The calculation of Depreciation Per Unit Per Month is shown below:

	U.S. Rental Car		International Rental Car	
	Three Months Ended March 31,			
($ in millions, except as noted)	2020	2019	2020	2019
Depreciation of revenue earning vehicles and lease charges	$ 463	$ 386	$ 89	$ 97
Foreign currency adjustment(1)	—	—	2	(1)
Adjusted depreciation of revenue earning vehicles and lease charges	$ 463	$ 386	$ 91	$ 96
Average Vehicles (in whole units)	518,580	501,767	147,987	152,747
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	$ 893	$ 769	$ 615	$ 628
Number of months in period (in whole units)	3	3	3	3
Depreciation Per Unit Per Month (in whole dollars)	$ 298	$ 256	$ 204	$ 209

(1) Based on December 31, 2019 foreign currency exchange rates for all periods presented.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

Our U.S. and international operations are funded by cash provided by operating activities and by financing arrangements maintained by us in the U.S. and internationally.

As of March 31, 2020, we had approximately $1.0 billion of unrestricted cash and cash equivalents and $392 million of restricted cash and cash equivalents. Of these amounts, approximately $172 million of unrestricted cash and cash equivalents and $110 million of restricted cash and cash equivalents was held by our subsidiaries outside of the U.S. As a result of the impact of COVID-19 discussed above, we changed our indefinite investment assertion with respect to our non-U.S. earnings, and if not in the form of loan repayments or subject to favorable tax treaties, repatriation of some of these funds under current regulatory and tax law for use in domestic operations could expose us to additional taxes.

Liquidity Considerations Related to COVID-19

As noted above, the recent outbreak of COVID-19 has spread across the globe, resulting in a global economic slowdown and disruptions of travel and other industries, all of which are negatively impacting our industry. In addition, COVID-19 has resulted in our employees, contractors, suppliers, customers and other business partners being prevented from conducting normal business activities for an indefinite period of time. This has been caused largely by shutdowns that have been requested or mandated by governmental authorities.

As a result, we have been adjusting fleet levels, including negotiating with suppliers to reduce fleet commitments. In addition, we have been aggressively managing costs, including the implementation of employee furlough programs affecting approximately 20,000 employees worldwide, substantially reducing capital expenditures and eliminating discretionary marketing spend. During the three months ended March 31, 2020, we borrowed $595 million under our Senior RCF to ensure access to our committed liquidity under the Senior RCF, and in April 2020, we initiated a restructuring program affecting approximately 10,000 employees, the majority of which were previously furloughed.

During April 2020, we engaged in discussions with various creditors to obtain relief from our obligations to make full rent payments under the Operating Lease, pursuant to which Hertz leases vehicles used in its U.S. rental car operations. While such discussions were ongoing, to preserve liquidity, on April 27, 2020, Hertz did not make certain payments in accordance with its Operating Lease. As a result of the failure to make the full rent payments on April 27th, as of May 5, 2020 an amortization event was in effect for all series of notes issued by HVF II and a liquidation event was in effect with respect to the Series 2013-A Notes issued by HVF II. As a result of the amortization event, and notwithstanding the forbearance agreement described below, proceeds from the sales of vehicles that collateralize the notes issued by HVF II must be applied to the payment of principal and interest under those notes and will not be available to finance new vehicle acquisitions for Hertz. However, in light of the impact of the COVID-19 global pandemic on the travel industry, Hertz believes it will not need to acquire new vehicles for its fleet through the remainder of 2020.

On May 4, 2020, prior to the occurrence of the liquidation event with respect to the Series 2013-A Notes, we entered into forbearance and waivers with certain holders of our asset-backed vehicle debt. The forbearance and waivers provide Hertz with additional time through May 22, 2020 to engage in discussions with its key stakeholders with the goal to develop a financing strategy and structure that better reflects the economic impact of the COVID-19 global pandemic and Hertz’s ongoing operating and financing requirements. As rating agencies have downgraded our corporate debt ratings, our ability to respond to operating cash flow requirements has been severely restricted.

We believe that, if we cannot arrange for additional sources of financing and if there is not a significant recovery in the economic conditions in our major markets, then cash and cash equivalents generated by our operations, together with amounts available under various liquidity facilities and refinancing options currently available to us in the capital markets, will not be sufficient to fund operating requirements for the next twelve months.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Cash Flows - Hertz

As of March 31, 2020 and December 31, 2019, Hertz had unrestricted cash and cash equivalents and restricted cash and cash equivalents of approximately $1.4 billion. The following table summarizes the net change in cash, cash equivalents, restricted cash and restricted cash equivalents for the periods shown:

	Three Months Ended March 31,		
(In millions)	2020	2019	$ Change
Cash provided by (used in):			
Operating activities	$ 450	$ 516	$ (66)
Investing activities	(2,097)	(1,855)	(242)
Financing activities	1,700	937	763
Effect of exchange rate changes	(4)	(2)	(2)
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	$ 49	$ (404)	$ 453

During the first quarter of 2020, cash flows from operating activities, adjusted for non-cash, non-operating items and the net impact from operating leases, increased by $14 million period over period due to a decrease in non-vehicle receivables primarily resulting from the COVID-19 impact to revenues discussed above, partially offset by a decrease in non-vehicle accounts payable and accrued liabilities due in part to timing.

Our primary investing activities relate to the acquisition and disposal of revenue earning vehicles. There was a $242 million increase in the use of cash for investing activities period over period. Net cash outflows for revenue earning vehicles increased $314 million primarily due to an increase in prepaid vehicle costs in our U.S. RAC segment.

Net financing cash inflows were $1.7 billion in the first quarter of 2020 compared to $937 million in the first quarter of 2019 primarily due to $595 million in borrowings on the Senior RCF in the first quarter of 2020.

Cash Flows - Hertz Global

As of March 31, 2020 and December 31, 2019, Hertz Global had cash, cash equivalents, restricted cash and restricted cash equivalents of $1.4 billion. The following table summarizes the net change in cash, cash equivalents, restricted cash and restricted cash equivalents for the periods shown:

	Three Months Ended March 31,		
(In millions)	2020	2019	$ Change
Cash provided by (used in):			
Operating activities	$ 449	$ 514	$ (65)
Investing activities	(2,097)	(1,855)	(242)
Financing activities	1,701	939	762
Effect of exchange rate changes	(4)	(2)	(2)
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	$ 49	$ (404)	$ 453

Fluctuations in operating, investing and financing cash flows from period to period are due to the same factors as those discussed for Hertz above, with the exception of any cash inflows or outflows related to the master loan agreement between Hertz and Hertz Global.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Financing

Substantially all of our revenue earning vehicles and certain related assets are owned by special purpose entities, or are encumbered in favor of our lenders under our various credit facilities, other secured financings and asset-backed securities programs. These assets are not available to satisfy the claims of our general creditors.

We are highly leveraged, and a substantial portion of our liquidity requirements arise from servicing our indebtedness, funding our operations, including purchases of revenue earning vehicles, and funding non-vehicle capital expenditures. Our practice is to maintain sufficient liquidity through cash from operations, credit facilities and other financing arrangements, to mitigate any adverse effect on operations resulting from adverse financial market conditions. For a discussion of additional risks associated with COVID-19, see Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q.

Refer to Part I, Item 1, Note 4, "Debt," to the Notes to our unaudited condensed consolidated financial statements included in this Report for information on our outstanding debt obligations and our borrowing capacity and availability under our revolving credit facilities as of March 31, 2020. Cash paid for interest during the first quarter of 2020 was $26 million for interest on non-vehicle debt and $103 million for interest on vehicle debt. Cash paid for interest during the first quarter of 2019 was $29 million for interest on non-vehicle debt and $87 million for interest on vehicle debt.

Our corporate liquidity, which excludes unused commitments under our vehicle debt, was as follows:

(In millions)	3/31/2020	12/31/2019
Cash and cash equivalents	$ 1,017	$ 865
Availability under the Senior RCF	25	526
Corporate liquidity	$ 1,042	$ 1,391

Approximately $2.5 billion of vehicle debt and $19 million of non-vehicle debt will mature during the twelve months following the issuance of this Report and we will need to refinance a portion of these obligations. We have reviewed our maturing debt obligations and determined that we may not be able to repay or refinance these facilities prior to their respective maturities, due to the impact from COVID-19 on our business.

Covenants

Hertz and certain of its subsidiaries are referred to as the Hertz credit group. The indentures for the Senior Notes and the Senior Second Priority Secured Notes contain covenants that, among other things, limit or restrict the ability of the Hertz credit group to incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, redeeming stock or making other distributions to parent entities of Hertz and other persons outside of the Hertz credit group), make investments, create liens, transfer or sell assets, merge or consolidate, and enter into certain transactions with Hertz's affiliates that are not members of the Hertz credit group.

Certain of our other debt instruments and credit facilities (including the Senior Facilities, the Letter of Credit Facility and the Alternative Letter of Credit Facility) contain a number of covenants that, among other things, limit or restrict the ability of the borrowers and the guarantors to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, share repurchases or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of their business, make capital expenditures or engage in certain transactions with certain affiliates.

The Senior RCF, the Letter of Credit Facility and the Alternative Letter of Credit Facility contain a financial maintenance covenant applicable to such facilities. Such covenant provides that Hertz’s consolidated first lien net leverage ratio, as

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

defined in the credit agreements governing such facilities (together, the "Senior Credit Agreement"), as of the last day of any fiscal quarter, may not exceed a ratio of 3.00 to 1.00 (the "Covenant Leverage Ratio").

As of March 31, 2020, Hertz was in compliance with the Covenant Leverage Ratio with a ratio of 0.58 to 1.00, as calculated in accordance with the Senior Credit Agreement. Consolidated EBITDA is a component of the calculation of the Covenant Leverage Ratio and is a non-GAAP financial measure that is not a measure of operating results, but instead is a measure used to determine compliance with the Covenant Leverage Ratio under the Senior Credit Agreement. Consolidated EBITDA is generally defined in the Senior Credit Agreement as consolidated net income plus the sum of income taxes, non-vehicle interest expense, non-vehicle depreciation and amortization expense, and non-cash charges or losses, as further adjusted for certain other items permitted in calculating covenant compliance under the Senior RCF, the Letter of Credit Facility and the Alternative Letter of Credit Facility, including add-backs for non-recurring, unusual or extraordinary charges, business optimization expenses or other restructuring charges or reserves.

Summarized Financial Information - Hertz

The following tables present the summarized financial information as combined for The Hertz Corporation, ("Parent"), and the Parent's subsidiaries that guarantee the Senior Notes issued by the Parent ("Guarantor Subsidiaries"). The Guarantor Subsidiaries are 100% owned by the Parent and all guarantees are full and unconditional and joint and several. Additionally, substantially all of the assets of the Guarantor Subsidiaries are pledged under the Senior Facilities and Senior Second Priority Secured Notes and consequently, will not be available to satisfy the claims of Hertz general creditors.

During the first quarter of 2020, we early adopted Rule 13-01 of the SEC's Regulation S-X which simplifies the existing disclosure requirements for the Guarantor Subsidiaries and allows for the simplified disclosure to be included within Part 1, Item II, "Management's Discussion and Analysis of Financial Condition and Results of Operations." In lieu of providing separate unaudited financial statements for the Guarantor Subsidiaries, Hertz has included the accompanying summarized financial information based on Rule 13-01 of the SEC's Regulation S-X. Management of Hertz does not believe that separate financial statements of the Guarantor Subsidiaries are material to Hertz's investors; therefore, separate financial statements and other disclosures concerning the Guarantor Subsidiaries are not presented.

(In millions)	March 31, 2020	December 31, 2019
Due from affiliates	$ 3,627	$ 3,562
Total assets	26,072	25,964
Due to affiliates	8,175	8,188
Total liabilities	17,405	16,982

(In millions)	Three Months Ended March 31, 2020
Total revenues	$ 1,313
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries(1)	(1,522)
Net income (loss)	(309)
Net income (loss) attributable to Hertz	(309)

(1) Includes $1.6 billion of intercompany vehicle lease charges from non-guarantor subsidiaries.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Capital Expenditures

Revenue Earning Vehicles Expenditures and Disposals

The table below sets forth our revenue earning vehicles expenditures and related disposal proceeds for the periods shown:

Cash inflow (cash outflow)	Revenue Earning Vehicles		
(In millions)	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2020			
First Quarter	$ (4,346)	$ 2,212	$ (2,134)
2019			
First Quarter	$ (3,973)	$ 2,153	$ (1,820)

The table below sets forth expenditures for revenue earning vehicles, net of disposal proceeds, by segment:

Cash inflow (cash outflow)	Three Months Ended March 31,			
($ in millions)	2020	2019	$ Change	% Change
U.S. Rental Car	$ (2,051)	$ (1,696)	$ (355)	21 %
International Rental Car	79	58	21	36
All Other Operations	(162)	(182)	20	(11)
Total	$ (2,134)	$ (1,820)	$ (314)	17

As disclosed in Item 2, "Contractual Obligations," we anticipate a material reduction in our commitments to purchase vehicles in our U.S. RAC segment during the remainder of 2020.

Non-Vehicle Capital Asset Expenditures and Disposals

The table below sets forth our non-vehicle capital asset expenditures and related disposal proceeds from non-vehicle capital assets disposed of or to be disposed of for the periods shown:

Cash inflow (cash outflow)	Non-Vehicle Capital Assets		
(In millions)	Capital Expenditures	Disposal Proceeds	Net Capital Expenditures
2020			
First Quarter	$ (59)	$ 23	$ (36)
2019			
First Quarter	$ (54)	$ 19	$ (35)

The table below sets forth non-vehicle capital asset expenditures, net of disposal proceeds, by segment:

Cash inflow (cash outflow)	Three Months Ended March 31,			
($ in millions)	2020	2019	$ Change	% Change
U.S. Rental Car	$ (4)	$ (9)	$ 5	(56)%
International Rental Car	(6)	(4)	(2)	50
All Other Operations	(1)	(1)	—	—
Corporate	(25)	(21)	(4)	19
Total	$ (36)	$ (35)	$ (1)	3

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

CONTRACTUAL OBLIGATIONS

As of March 31, 2020, there have been no material changes, with the exception of fleet commitments, outside of the ordinary course of business to our known contractual obligations as set forth in the table included in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2019 Form 10-K. In light of the uncertainty surrounding the impact of COVID-19 discussed above, we have been negotiating with suppliers to reduce commitments. We expect a material reduction in our commitments to purchase vehicles with approximately a $4.0 billion reduction from original commitments in our U.S. RAC segment during the remainder of 2020. Additionally, on May 4, 2020, we entered into forbearance and limited waivers with certain of our corporate lenders and holders of our asset-backed vehicle debt. The forbearance and waivers provide Hertz with additional time through May 22, 2020 to engage in discussions with key stakeholders, which may result in changes to the terms of our financings.

Changes to our aggregate indebtedness, including related interest and terms for new issuances, are described in Part I, Item 1, Note 4, "Debt," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Indemnification Obligations

There have been no significant changes to our indemnification obligations as compared to those disclosed in Note 14, "Contingencies and Off-Balance Sheet Commitments" of the Notes to our consolidated financial statements included in our 2019 Form 10-K under the caption Item 8, "Financial Statements and Supplementary Data."

We regularly evaluate the probability of having to incur costs associated with indemnification obligations and will accrue for expected losses when they are probable and estimable.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For a discussion of recent accounting pronouncements, see Note 2, "Basis of Presentation and Recently Issued Accounting Pronouncements," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this Report on Form 10-Q include "forward-looking statements." Forward-looking statements include information concerning our liquidity and our possible or assumed future results of operations, including descriptions of our 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 we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. We believe these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative.

Important factors that could affect our actual results and cause them to differ materially from those expressed in forward-looking statements include, among others, those that may be disclosed from time to time in subsequent reports filed with or furnished to the SEC, those described under "Item 1A—Risk Factors" included in our 2019 Form 10-K and this Report on Form 10-Q and the following, which were derived in part from the risks set forth in "Item 1A—Risk Factors" of our 2019 Form 10-K and this Report on Form 10-Q:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- *levels of travel demand, particularly with respect to business and leisure travel in the United States and in global markets;*
- *the length and severity of the COVID-19 pandemic and the impact on our vehicle rental business as a result of travel restrictions and business closures or disruptions;*
- *the impact of the COVID-19 pandemic and actions taken in response to the pandemic on global and regional economies and economic factors;*
- *general economic uncertainty and the pace of economic recovery, including in key global markets, when the COVID-19 pandemic subsides;*
- *our ability to successfully restructure our substantial indebtedness, obtain further waivers or forbearance or raise additional capital;*
- *the recoverability of our goodwill and indefinite-lived intangible assets when performing impairment analysis;*
- *our ability to dispose of vehicles in the used-vehicle market, use the proceeds of such sales to acquire new vehicles and to reduce exposure to residual risk;*
- *actions creditors may take with respect to the vehicles used in the rental car operations;*
- *significant changes in the competitive environment and the effect of competition in our markets on rental volume and pricing, including on our pricing policies or use of incentives;*
- *occurrences that disrupt rental activity during our peak periods;*
- *our ability to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in our rental operations accordingly;*
- *increased vehicle costs due to declining value of our non-program vehicles;*
- *our ability to maintain sufficient liquidity and the availability to us of additional or continued sources of financing for our revenue earning vehicles and to refinance our existing indebtedness;*
- *risks related to our indebtedness, including our substantial amount of debt, our ability to incur substantially more debt, the fact that substantially all of our consolidated assets secure certain of our outstanding indebtedness and increases in interest rates or in our borrowing margins;*
- *our ability to meet the financial and other covenants contained in our senior credit facilities and letter of credit facilities, our outstanding unsecured senior notes, our outstanding senior second priority secured notes and certain asset-backed and asset-based arrangements;*
- *our ability to access financial markets, including the financing of our vehicle fleet through the issuance of asset-backed securities;*
- *fluctuations in interest rates, foreign currency exchange rates and commodity prices;*
- *our ability to sustain operations during adverse economic cycles and unfavorable external events (including war, terrorist acts, natural disasters and epidemic disease);*
- *our ability to prevent the misuse or theft of information we possess, including as a result of cyber security breaches and other security threats;*
- *our ability to adequately respond to changes in technology, customer demands and market competition;*
- *our ability to purchase adequate supplies of competitively priced vehicles and risks relating to increases in the cost of the vehicles we purchase;*
- *our recognition of previously deferred tax gains on the disposition of revenue earning vehicles;*
- *financial instability of the manufacturers of our vehicles, which could impact their ability to fulfill obligations under repurchase or guaranteed depreciation programs;*

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

- *an increase in our vehicle costs or disruption to our rental activity, particularly during our peak periods, due to safety recalls by the manufacturers of our vehicles;*
- *our ability to execute a business continuity plan;*
- *our access to third-party distribution channels and related prices, commission structures and transaction volumes;*
- *our ability to retain customer loyalty and market share;*
- *risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anticorruption or antibribery laws, our ability to repatriate cash from non-U.S. affiliates without adverse tax consequences, our exposure to fluctuations in foreign currency exchange rates and our ability to effectively manage our international operations after the United Kingdom's withdrawal from the European Union;*
- *a major disruption in our communication or centralized information networks;*
- *a failure to maintain, upgrade and consolidate our information technology systems;*
- *costs and risks associated with litigation and investigations or any failure or inability to comply with laws and regulations or any changes in the legal and regulatory environment, including laws and regulations relating to environmental matters and consumer privacy and data security;*
- *our ability to maintain our network of leases and vehicle rental concessions at airports in the U.S. and internationally;*
- *our ability to maintain favorable brand recognition and a coordinated branding and portfolio strategy;*
- *our ability to maintain an effective employee retention and talent management strategy and resulting changes in personnel and employee relations;*
- *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 our operations, the cost thereof or applicable tax rates;*
- *risks relating to our deferred tax assets, including the risk of an "ownership change" under the Internal Revenue Code of 1986, as amended;*
- *our exposure to uninsured claims in excess of historical levels;*
- *risks relating to our participation in multiemployer pension plans;*
- *shortages of fuel and increases or volatility in fuel costs;*
- *changes in accounting principles, or their application or interpretation, and our ability to make accurate estimates and the assumptions underlying the estimates, which could have an effect on operating results; and*
- *other risks and uncertainties described from time to time in periodic and current reports that we file with the SEC.*

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including the effects of changes in interest rates (including credit spreads), foreign currency exchange rates and fluctuations in fuel prices. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and have not been used for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage our exposure to counterparty nonperformance on such instruments.

As a result of our declining credit profile from the COVID-19 impact disclosed in Note 1, "Background," we may no longer be able to enter into derivative financial instruments or renew existing derivative financial instruments in order to mitigate market risks arising from the effects of changes in interest rates (including credit spreads) and foreign currency exchange rates.

Except for the effects described above and the impact from COVID-19 on the global economy, there have been no other material changes to the information reported under Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," included in our 2019 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

HERTZ GLOBAL

Evaluation of Disclosure Controls and Procedures

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2020, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2020 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

HERTZ

Evaluation of Disclosure Controls and Procedures

Our senior management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2020, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2020 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of certain pending legal proceedings see Part I, Item 1, Note 9, "Contingencies and Off-Balance Sheet Commitments," to the Notes to our unaudited condensed consolidated financial statements included in this Report.

ITEM 1A.RISK FACTORS

The effects of the COVID-19 outbreak have been and continue to be disruptive to our vehicle rental business and will likely continue to adversely affect our business, results of operations and financial condition.

The global COVID-19 pandemic continues to rapidly evolve and we cannot anticipate with any certainty the length or severity of the effects of COVID-19. The extent to which COVID-19 continues to adversely impact our business will depend on future developments that are highly uncertain, such as the following: the ultimate severity of the disease; the duration of the outbreak or future outbreaks; travel restrictions imposed by governments or businesses in the markets in which we operate; the duration and scope of business closures or business disruptions; changes in customer travel preferences and demand; the impact of increasing unemployment on discretionary spending; the length of time it takes for rental pricing and volume and normal economic conditions to return; technology disruptions; our relationships with vehicle manufacturers; our liquidity position; the development of effective vaccines or treatments; and the effectiveness of actions taken to contain the disease and future outbreaks. The impacts of COVID-19 could include those areas described below:

- *Changes in our revenues, profitability and customer demand*: Our revenues and profitability have been negatively impacted during the first and second quarters of 2020 and we expect this to continue for the remainder of the 2020 fiscal year. We have experienced a high level of rental cancellations and a significant decline in forward bookings due to the decreased customer demand and other economic factors. Historically, we have generated a majority of our rental revenues from on-airport locations, which makes our rental car business sensitive to any decreases in air travel. Although we believe that renting a vehicle will continue to be a safe alternative and we have implemented certain procedures to mitigate the impact of COVID-19, we cannot predict when or if customer demand will return to levels before the COVID-19 pandemic.

- *Changes to our liquidity:* We incur ongoing costs, which we cannot reduce in line with the significant reduction in revenues we have experienced from the COVID-19 outbreak. Such costs include our monthly fleet rental costs under our Operating Lease, facility rentals and concessions, debt service and labor costs. These costs require significant liquidity generated by operations or access to additional financing. If COVID-19 continues to have a significant negative impact on our cash flow from operations and we cannot access the capital markets, we may not be able to generate sufficient liquidity to cover our costs.

- *Our peak season:* The second and third quarters of the year have historically been the strongest quarters for our vehicle rental business due to increased levels of leisure travel. COVID-19 has disrupted our business in the second quarter and we expect that it will continue to disrupt our business in the third quarter. We expect these disruptions during our peak season to have material adverse effects on our results of operations, financial condition, liquidity and cash flows.

- *Our fleet:* In response to reduced demand due to COVID-19, we began adjusting fleet levels, leveraging our multiple used-vehicle channels, and negotiating with suppliers to reduce fleet commitments in the first quarter of 2020. However, we have not yet reduced our fleet size, and the related cost base, in line with our reduced operating results and we may not be able to do so if the challenging conditions in the vehicle resale market continue. As the downturn in our rental car business has resulted in excess fleet, we must store our vehicles in certain overflow parking areas which subjects our vehicles to possible loss due to peril and theft. We may also experience a decline in vehicle values which could increase the monthly payments under the Operating Lease.

ITEM 1A. RISK FACTORS (CONTINUED)

- *Our workforce:* The COVID-19 pandemic has caused us to furlough approximately 20,000 employees worldwide and we have terminated approximately 10,000 employees in our U.S. RAC segment and U.S. corporate operations, the majority of which were previously furloughed, in an effort to reduce our operating costs. This reduction in our operating costs related to our employees could create risks, including but not limited to, our ability to manage the size of our workforce given uncertain future economic conditions and the ability to operate locations in affected jurisdictions. Additionally, we may incur additional costs as a result of workforce reductions or suffer from employee morale issues. We may also be unable to timely respond to a business recovery due to reductions in our workforce already enacted.

We do not expect our business to improve until customer demand begins to increase and the global economy begins to improve. To the extent that the COVID-19 outbreak continues to adversely affect our business, financial performance, liquidity and cash flows, it may also have the effect of heightening many of the other risks identified in this Quarterly Report on Form 10-Q and in the “Risk Factors” section of our 2019 Form 10-K.

If our business does not recover quickly and we are unable to successfully restructure our substantial indebtedness, obtain further waivers or forbearance or raise additional capital, there is substantial doubt that we will be able to continue as a going concern.

As a result of the adverse impact from COVID-19 and the uncertainty about the timing and strength of recovery in our markets, Hertz did not make certain payments in accordance with the Operating Lease, pursuant to which Hertz leases vehicles used in its U.S. rental car operations. As a result of the failure to make the full rent payments on April 27th, as of May 5, 2020 an amortization event was in effect for all series of notes issued by HVF II and a liquidation event was in effect with respect to the Series 2013-A Notes issued by HVF II. As a result of the amortization event, and notwithstanding the forbearance agreement described below, proceeds of the sales of vehicles that collateralize the notes issued by HVF II must be applied to the payment of principal and interest under those notes and will not be available to finance new vehicle acquisitions for Hertz. A liquidation event means that, unless the affected noteholders otherwise agree, the affected noteholders can direct the liquidation of vehicles serving as collateral for their notes.

On May 4, 2020, prior to the occurrence of the liquidation event with respect to the Series 2013-A Notes, Hertz, HVF, HVF II and DTG Operations, Inc. entered into the Forbearance Agreement with the VFN Noteholders. Pursuant to the Forbearance Agreement that is effective against all VFN Noteholders, the VFN Noteholders agreed to forbear from exercising their liquidation remedy. The agreement with the VFN Noteholders is set to expire on May 22, 2020 or, if sooner, the date on which Hertz fails to comply with certain agreements contained in the Forbearance Agreement or any other amortization event occurs under HVF II's financing documents. Concurrently with entering into the Forbearance Agreement, on May 4, 2020, Hertz entered into the Waiver Agreements with certain of the Lenders under its (i) Senior RCF/senior term loan facility, (ii) letter of credit facility, (iii) alternative letter of credit facility and (iv) U.S. Vehicle RCF (collectively, the “Facilities”). Pursuant to the Waiver Agreements, the Lenders agreed to waive any default or event of default that could have resulted from the above referenced missed payment under the Operating Lease, waive certain defaults or events of default and extend the grace period to cure a default with respect to Hertz’s obligation to reimburse drawings that occur under certain letters of credit during the waiver period. The Waiver Agreements are effective across the Facilities and are set to expire on May 22, 2020 or, if sooner, the date on which Hertz fails to comply with certain agreements contained in the Waiver Agreements, which include certain limitations on the Company’s ability to incur corporate indebtedness and to make certain restricted payments, investments and prepayments of indebtedness during the waiver period and a requirement to deliver certain financial information to the Lenders during the waiver period. If additional relief cannot be negotiated, it is possible that the VFN Noteholders could seek to exercise liquidation remedies and that other liquidation events could occur providing a similar right to other holders of notes issued by HVF II.

Hertz is in discussions with key stakeholders and advisors to develop a financing strategy and structure that better reflects the economic impact of the COVID-19 global pandemic and Hertz’s ongoing operating and financing requirements. However, there can be no assurances that Hertz will be able to successfully restructure its substantial indebtedness or negotiate any further forbearance or waivers extending relief past May 22, 2020.

ITEM 1A. RISK FACTORS (CONTINUED)

If our business does not recover and we cannot reach agreement for further waivers and forbearances, or a restructuring of our indebtedness, we may not be able to meet our obligations under our debt facilities and may not have sufficient cash flows from operations or liquidity to sustain our operations. In such circumstances, we may not be able to continue as a going concern.

An impairment of our goodwill and other indefinite-lived intangible assets could have a material impact to our results of operations.

On an annual basis as of October 1, and at interim periods when circumstances require as a result of a triggering event, we test the recoverability of our goodwill and indefinite-lived intangible assets by performing an impairment analysis. An impairment is deemed to exist if the carrying value of goodwill or indefinite-lived intangible assets exceed their fair value as determined using level 3 inputs under the GAAP fair value hierarchy. The reviews of fair value involve judgment and estimates, including projected revenues, royalty rates and discount rates. A significant decline in either projected revenues, projected cash flows or the weighted average cost of capital used to determine fair value could result in a material impairment charge.

We are dependent on a functioning used-vehicle market and highly exposed to risk in the event that vehicle prices decline, which may both be exacerbated by COVID-19

We typically dispose of a significant number of vehicles in the used-vehicle market, including at wholesale automotive auctions, through sales to vehicle dealers and directly to consumers. The COVID-19 crisis has effectively closed many of the automotive auctions and vehicle dealerships across the globe, as well as retail locations that we operate directly. Additionally, unprecedented increases in unemployment rates may severely impact vehicle demand from consumers and increase the number of loan and lease defaults, leading to repossessions which are typically sold by lenders in the wholesale market. Further, car manufacturers may increase incentives to stimulate new vehicle sales, which may depress used-vehicle values. In the event of a sustained revenue decline, our competitors may be attempting to sell vehicles. This confluence of events may lead to sharp and sustained declines in vehicle values, which may require increased compliance payments pursuant to our HVF II U.S. ABS Program. The foregoing factors could have a material adverse impact on our business, financial position and results of operations.

We have experienced an amortization event under our vehicle debt financing instruments.

As a result of the amortization event and notwithstanding the Forbearance Agreement, proceeds of the sales of vehicles that collateralize the HVF II U.S. ABS Program and the medium term notes must be applied to the payment of principal and interest under the HVF II U.S. ABS Program and will not be available to finance new vehicle acquisitions. As long as the Forbearance Agreement is in effect, we have access to our existing vehicle fleet to support our day-to-day operations, but we cannot use any cash in the HVF II U.S. ABS Program to purchase new vehicles for our fleet. Although we anticipate that, because of the COVID-19 pandemic, we will not need to acquire additional fleet through the remainder of 2020, if our business recovers, we will ultimately need to finance new vehicle acquisitions, but we may not be able to utilize the HVF II U.S. ABS Program for that purpose.

Other than the items listed above, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A “Risk Factors” of our Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits:
The attached list of exhibits in the "Exhibit Index" immediately following the signature page to this Report is filed as part of this Form 10-Q and is incorporated herein by reference in response to this item.

HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

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

Date: May 11, 2020

By: /s/ JAMERE JACKSON

Jamere Jackson
Executive Vice President and Chief Financial Officer

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HERTZ GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
THE HERTZ CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit Number		Description
10.1	Hertz Holdings Hertz	2020 Form of Restricted Stock Unit Agreement under the 2016 Omnibus Incentive Plan (3-Year Pro Rata Vesting)*
10.2	Hertz Holdings Hertz	2020 Form of Performance Stock Unit Agreement under the 2016 Omnibus Incentive Plan*^
22	Hertz	List of Guarantor Subsidiaries*
31.1	Hertz Holdings	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.2	Hertz Holdings	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.3	Hertz	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).*
31.4	Hertz	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).*
32.1	Hertz Holdings	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.**
32.2	Hertz Holdings	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.**
32.3	Hertz	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.**
32.4	Hertz	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.**
101.INS	Hertz Holdings Hertz	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Hertz Holdings Hertz	XBRL Taxonomy Extension Schema Document*
101.CAL	Hertz Holdings Hertz	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Hertz Holdings Hertz	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Hertz Holdings Hertz	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Hertz Holdings Hertz	XBRL Taxonomy Extension Presentation Linkbase Document*

^The schedule to this Exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish a copy of the omitted schedule to the Securities and Exchange Commission on a supplemental basis upon its request

*Filed herewith

**Furnished herewith

Note: Certain instruments with respect to various additional obligations, which could be considered as long-term debt, have not been filed as exhibits to this Report because the total amount of securities authorized under any such instrument does not exceed 10% of our total assets on a consolidated basis. We agree to furnish to the SEC upon request a copy of any such instrument defining the rights of the holders of such long-term debt.

RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and the Participant (defined hereafter) pursuant to the Amended and Restated Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), in combination with a 2020 Long Term Incentive Award Summary (or applicable portion thereof) (the "Award Summary"). The Award Summary, which identifies the person to whom the restricted stock units are granted (the "Participant") and specifies the date of grant of this Award (the "Grant Date") and other details of this Award, and the electronic acceptance of this Agreement, are incorporated herein by reference.

1. Grant and Acceptance of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the number of restricted stock units (the "Restricted Stock Units") set forth on the Award Summary and which shall be subject to the terms and conditions of the Plan and this Agreement. This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. If there is any inconsistency between the terms of this Agreement and the terms of the Award Summary, the terms of this Agreement shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units.

(a) Generally. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Restricted Stock Units shall lapse, if at all, in equal one-third increments on the first, second and third anniversaries of the Grant Date (each, a "Vesting Date"), subject to the continued employment of the Participant by the Company or any Subsidiary thereof through the applicable Vesting Date.

(b) Termination of Employment.

(i) Death, Disability or Retirement. If the Participant's employment is terminated due to death, Disability or Retirement, the Restriction Period shall lapse immediately upon such termination with respect to a portion of the Restricted Stock Units equal to the number of Restricted Stock Units that would have vested on the next following Vesting Date (assuming the Participant's employment had continued through such Vesting Date) multiplied by a fraction, the numerator of which is the number of days elapsed since the Tranche Beginning Date (as defined below), and the denominator of which is 365. Such Restricted Stock Units shall be settled as provided in Section 3. Any Restricted Stock Units still subject to restriction after giving effect to the preceding sentences shall immediately be forfeited and canceled effective as of the date of the Participant's termination. The "Tranche Beginning Date" shall be (X) the Grant Date, if the termination of employment occurs prior to the first Vesting Date, or (Y) the most recent prior Vesting Date, if the termination of employment occurs after the first Vesting Date.

(ii) Any Other Reason. If the Participant's employment terminates (whether by the Participant or by the Company or a Subsidiary) for any reason other than death, Disability or Retirement, any outstanding Restricted Stock Units shall immediately be forfeited and canceled effective as of the date of the Participant's termination.

(c) Change in Control.

(i) In General. Subject to Section 2(c)(ii), in the event of a Change in Control, the Restriction Period applicable to any outstanding Restricted Stock Units shall lapse immediately prior to such Change in Control and shall be settled as set forth in Section 3.

(ii) Alternative Awards. Notwithstanding Section 2(c)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Restricted Stock Units if the Committee (as constituted immediately prior to the Change in Control) reasonably determines, in its sole discretion, prior to the Change in Control that the Restricted Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full if the Participant's employment is terminated by the Company without Cause within two years following a Change in Control.

(d) Committee Discretion. Notwithstanding anything contained in this Agreement to the contrary, and subject to Section 8(g) of this Agreement and Section 11.9 of the Plan, the Committee, in its sole discretion, may accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Committee, in its sole discretion, shall determine.

3. Settlement. Subject to the following sentence, not later than the 30th day following the date on which the lapse of the Restriction Period occurs with respect to any Restricted Stock Units, the Company shall issue to the Participant one share of Common Stock underlying each Restricted Stock Unit as to which the Restriction Period has lapsed (or, if determined by the Committee, in its sole discretion, cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate Fair Market Value equal to such number of shares of Common Stock). Notwithstanding the preceding sentence, if the Restriction Period applicable to any Restricted Stock Units which constitutes "deferred compensation" subject to Code Section 409A lapses as a result of a Change in Control that does not qualify as a "change in the ownership or effective control" of the Company or "in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Restricted Stock Units until the 30th day following the earlier of (i) the Participant's termination of employment and (ii) the originally scheduled Vesting Date of such Restricted Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 8(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all applicable law, this Agreement and any other agreement to which such shares are subject. The Participant's settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Covered Period, the Participant engages in Wrongful Conduct, then any Restricted Stock Units for which the Restriction Period has not then lapsed shall automatically be forfeited and cancelled effective as of the date on which the Participant first engaged in such Wrongful Conduct. If the Participant engages in Wrongful Conduct or if the Participant's employment is terminated for Cause, the Participant shall pay to the Company in cash any Restriction-Based Financial Gain the Participant realized from the lapse of the Restriction Period applicable to all or a portion of the Restricted Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period. By entering into this Agreement, the Participant hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Participant any amounts the Participant owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Participant for the Participant's breach of this Section 4. The Participant's obligations under this Section 4 shall be cumulative of any similar obligations the Participant has under the Plan, this Agreement, any Company policy, standard or code or any clawback plan or policy (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company

or any Subsidiary, including, without limitation, an individual employment agreement or restrictive covenant agreement.

5. Effect of Financial Restatements. In addition to any actions under any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time, to the extent applicable, in the event that the Participant commits misconduct, fraud or gross negligence (whether or not such misconduct, fraud or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct, fraud or gross negligence, the Company restates any of its financial statements, then the Committee, in its sole discretion, may require any or all of the following:

(a) that the Participant forfeit some or all of the Restricted Stock Units subject to this Agreement held by the Participant at the time of such restatement,

(b) that the Participant forfeit (or pay or return to the Company) some or all of the cash or the shares of Common Stock held by the Participant at the time of such restatement that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of Restricted Stock Units subject to this Agreement, and

(c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Common Stock that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Restricted Stock Units subject to this Agreement.

Notwithstanding the foregoing, in the event that the Committee, in its sole discretion, determines that the rules and regulations implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act require a longer or different clawback time period than the three-year period contemplated by Sections 5(b) and (c), or terms and conditions other than those reflected in this Section 5, such three-year period shall be deemed extended (but not reduced), and/or such other terms and conditions modified, to the extent necessary to be consistent with such rules and regulations.

6. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Participant may not sell or transfer the shares of Common Stock acquired upon settlement of the Restricted Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Restricted Stock Units shall be registered in the Participant's name, or, if applicable, in the names of the Participant's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Participant or to the Participant's designated broker on the Participant's behalf. If the Participant is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Participant's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Restricted Stock Units and issuance of shares of Common Stock upon settlement of the Restricted Stock Units shall be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Restricted Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Restricted Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Participant's behalf upon the Participant's Disability (if necessary), or upon the Participant's estate's behalf after the death of the Participant, is appropriately authorized.

7. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant. Any attempt by the Participant, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Restricted Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 7(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Common Stock are issued to the Participant in respect thereof.

8. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(c) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries (regardless of whether such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan). Nothing in the Plan or this Agreement shall confer on the Participant the right to receive any future Awards under the Plan.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Participant, as the case may be, at the following addresses or to such other address as the Company or the Participant, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Participant, to the Participant at his or her most recent address as shown on the books and records of the Company or Subsidiary employing the Participant.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee in its sole discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Restricted Stock Units as determined in the sole discretion of the Committee, except as provided in the Plan, or with the consent of the Participant. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and sole discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Tax Withholding; Section 409A.

(i) The Company shall have the right and power to deduct from all amounts paid to the Participant in cash or shares (whether under the Plan or otherwise) or to require the Participant to remit to the Company promptly upon notification of the amount due, an amount (which may include shares of Common Stock) to satisfy the minimum federal, state or local or foreign taxes or other obligations required by law to be withheld with respect to the Restricted Stock Units. No shares of Common Stock shall be issued unless and until arrangements satisfactory to the Committee, in its sole discretion, shall have been made to satisfy the statutory minimum withholding tax obligations applicable with respect to such Restricted Stock Units. To the extent permitted by Section 409A of the Code, the Company may defer payments of cash or issuance or delivery of Common Stock until such requirements are satisfied. Without limiting the generality of the foregoing, the Participant may elect to tender shares of Common Stock (including shares of Common Stock issuable in respect of the Restricted Stock Units) to satisfy, in whole or in part, the amount required to be withheld (provided that such amount shall not be in excess of the minimum amount required to satisfy the statutory withholding tax obligations).

(ii) It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Restricted Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Employee Data Privacy. The Participant authorizes any Affiliate of the Company that employs the Participant or that otherwise has or lawfully obtains personal data relating to the Participant to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company web site or other electronic delivery.

(l) Clawback or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Restricted Stock Units granted hereunder shall be subject to any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time.

(m) Company Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(o) Further Assurances. The Participant agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Participant's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

PERFORMANCE STOCK UNIT AGREEMENT

THIS PERFORMANCE STOCK UNIT AGREEMENT (the "Agreement") is entered into by and between Hertz Global Holdings, Inc., a Delaware corporation (the "Company"), and the Participant (defined hereafter) pursuant to the Amended and Restated Hertz Global Holdings, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), in combination with a 2020 Long Term Incentive Award Summary (or applicable portion thereof) (the "Award Summary"). The Award Summary, which identifies the person to whom the performance stock units are granted (the "Participant") and specifies the date of grant of this Award (the "Grant Date") and other details of this Award, and the electronic acceptance of this Agreement, are incorporated herein by reference.

1. Grant and Acceptance of Performance Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the target number of performance stock units (the "Performance Stock Units") set forth on the Award Summary (the "Grant Target Number") and which shall be subject to the terms and conditions of the Plan and this Agreement, including the adjustments as provided in this Agreement (including, without limitation, Section 2(c)(i)). The Grant Target Number represents the number of Performance Stock Units that would be earned, subject to vesting, if the Company were to achieve the target level of Performance Criteria (as set forth on Exhibit A) and the target Relative TSR Modifier (as set forth on Exhibit A) during the Performance Period. The number of Performance Stock Units earned, if any, is subject to an increase or decrease based on the Company's actual achievement of the Performance Criteria during the Performance Period, as modified by the Relative TSR Modifier.

This Agreement is subordinate to, and the terms and conditions of the Performance Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, except as expressly provided herein, the terms of the Plan shall govern. If there is any inconsistency between the terms of this Agreement and the terms of the Award Summary, the terms of this Agreement shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Performance Stock Units.

(a) Generally. Except as otherwise provided in this Section 2, the Restriction Period applicable to the Performance Stock Units shall lapse, if at all, as to the target number of Performance Stock Units subject to this Agreement (as specified on the Award Summary and as may have been modified by this Agreement (including, without limitation, Section 2(c)(i))) multiplied by the Final Target Adjustment Percentage (as defined in Exhibit A) and the Relative TSR Modifier, as of the later of the Certification Date (as defined in Section 3(a)) and the third anniversary of the Grant Date (the "Vesting Date"), subject to (X) the continued employment of the Participant by the Company or any Subsidiary thereof through the Vesting Date (except as otherwise provided under Section (2)(c)(ii)), (Y) the achievement of the performance criteria established by the Committee, in its sole discretion, pursuant to the Plan for the Performance Stock Units for the Performance Period (as defined in Exhibit A) and set forth at the end of this

Agreement (the "Performance Criteria") and (Z) the Committee's certification of the achievement of the Performance Criteria and Final Target Adjustment Percentage in accordance with Section 3(a). All determinations under this Section 2(a) shall be made by the Committee, in its sole discretion.

Performance Stock Units that cease to be subject to the Restriction Period in accordance with the prior paragraph shall be settled as provided in Section 3. To the extent the Restriction Period of any Performance Stock Units subject to this Agreement does not lapse as of the Vesting Date as provided above, such Performance Stock Units shall immediately be forfeited and canceled.

(b) Forfeiture Due to Performance Criteria Non-Achievement. If the Committee certifies on the Certification Date that the Performance Criteria have not been achieved and/or the Final Target Adjustment Percentage is 0%, all Performance Stock Units subject to this Agreement shall immediately be forfeited and canceled.

(c) Termination of Employment.

(i) Death, Disability or Retirement. If the Participant's employment is terminated due to death, Disability, or Retirement prior to the Vesting Date, then a portion of the Performance Stock Units subject to this Agreement shall be retained, with such portion being retained equal to the Grant Target Number multiplied by a fraction, the numerator of which is the number of days elapsed from the commencement of the applicable Performance Period through the date of termination, and the denominator of which is 1,095. Such portion retained shall be the target number of Performance Stock Units under this Agreement thereafter, and the remaining portion of Performance Stock Units shall be forfeited and cancelled as of the date of the Participant's termination. The retained portion of Performance Stock Units shall remain subject to the other terms of this Agreement (including, without limitation, the provisions of Sections 2(a) and 2(b)); provided, however, such Participant shall be deemed to meet the requirements of clause (X) of Section 2(a).

(ii) Any Other Reason. If the Participant's employment terminates (whether by the Participant or by the Company or a Subsidiary) for any reason other than due to death, Disability or Retirement prior to the Vesting Date, any outstanding Performance Stock Units shall immediately be forfeited and canceled effective as of the date of the Participant's termination.

(d) Change in Control.

(i) In General. Subject to Section 2(d)(ii), in the event of a Change in Control, the Restriction Period applicable to any outstanding Performance Stock Units shall lapse immediately prior to such Change in Control with respect to a portion of the Performance Stock Units subject to this Agreement equal to the number of Performance Stock Units that would vest based upon the actual level of achievement of the Performance Criteria compared against applicable pro rata performance targets related to the Performance Period, as determined by the Committee, in its sole discretion, measured as of the date of the Change in Control, multiplied by a fraction, the numerator of which is the number of full completed months in the Performance Period that had elapsed as of the date of the Change in Control, and the denominator of which is 36. The Performance Stock Units shall be settled as set forth in Section 3.

(ii) Alternative Awards. Notwithstanding Section 2(d)(i), no cancellation, termination, lapse of Restriction Period or settlement or other payment shall occur with respect to the Performance Stock Units if the Committee (as constituted immediately prior to the Change in Control) reasonably determines, in its sole discretion, prior to the Change in Control that the Performance Stock Units shall be honored or assumed or new rights substituted therefor by an Alternative Award, in accordance with the terms of Section 9.2 of the Plan; provided, however, notwithstanding anything in the Plan to the contrary, any such Alternative Award shall vest in full (with any Performance Criteria to be satisfied based on actual level of achievement of the Performance Criteria as of the Participant's date of termination of employment) if the Participant's employment is terminated by the Company without Cause within two years following a Change in Control.

3. Certification and Settlement of Performance Stock Units.

(a) Certification. As soon as administratively feasible in the calendar year after the end of the Performance Period, the Committee shall certify, in writing, whether or not, and to what extent, the Performance Criteria have been achieved and the Final Target Adjustment Percentage. The date on which the Committee makes such certification is referred to herein as the "Certification Date".

(b) Settlement. Subject to the following sentence, not later than the 30th day following the date on which the lapse of the Restriction Period occurs with respect to any Performance Stock Units, the Company shall issue to the Participant one share of Common Stock underlying each Performance Stock Unit as to which the Restriction Period has lapsed (or, if determined by the Committee, in its sole discretion, cash equal to the Fair Market Value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate Fair Market Value equal to such number of shares of Common Stock). Notwithstanding the preceding sentence, if the Restriction Period applicable to any Performance Stock Units which constitutes "deferred compensation" subject to Section 409A of the Code lapses as a result of a Change in Control that does not qualify as a "change in the ownership or effective control" of the Company or "in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code, then the Company shall not settle such Performance Stock Units until the 30th day following the earlier of (i) the Participant's termination of employment and (ii) the originally scheduled Vesting Date of such Performance Stock Units. For the avoidance of doubt, the preceding two sentences are subject to Section 8(g) of this Agreement and Section 11.9 of the Plan. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with all applicable law, this Agreement and any other agreement to which such shares are subject. The Participant's settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

4. Forfeiture. Notwithstanding anything in the Plan or this Agreement to the contrary, if, during the Covered Period, the Participant engages in Wrongful Conduct, then any Performance Stock Units for which the Restriction Period has not then lapsed shall automatically be forfeited and cancelled effective as of the date on which the Participant first engaged in such Wrongful Conduct. If the Participant engages in Wrongful Conduct or if the Participant's employment is terminated for Cause, the Participant shall pay to the Company in cash any Performance-Based Financial Gain the Participant realized from the lapse of the Restriction Period applicable to all or a portion of the Performance Stock Units with respect to which the Restriction Period lapsed within the Wrongful Conduct Period. By entering into this Agreement, the Participant hereby consents to and authorizes the Company and the Subsidiaries to deduct from any amounts payable by such entities to the Participant any amounts the Participant owes to the Company under this Section 4 to the extent permitted by law. This right of set-off is in addition to any other remedies the Company may have against the Participant for the Participant's breach of this Section 4. The Participant's obligations under this Section 4 shall be cumulative of any similar obligations the Participant has under the Plan, this Agreement, any Company policy, standard or code or clawback plan or policy (including, without limitation, the Company's Standards of Business Conduct), or any other agreement with the Company or any Subsidiary, including, without limitation, an individual employment agreement or restrictive covenant agreement.

5. Effect of Financial Restatements. In addition to any actions under any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time, to the extent applicable, in the event that the Participant commits misconduct, fraud or gross negligence (whether or not such misconduct, fraud or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct, fraud or gross negligence, the Company restates any of its financial statements, then the Committee, in its sole discretion, may require any or all of the following:

(a) that the Participant forfeit some or all of the Performance Stock Units subject to this Agreement held by the Participant at the time of such restatement,

(b) that the Participant forfeit (or pay or return to the Company) some or all of the cash or the shares of Common Stock held by the Participant at the time of such restatement that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Performance Stock Units subject to this Agreement, and

(c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Common Stock that had been received within the three-year period prior to the date that the Company is required to prepare a financial restatement in settlement of any Performance Stock Units subject to this Agreement.

Notwithstanding the foregoing, in the event that the Committee, in its sole discretion, determines that the rules and regulations implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act require a longer or different clawback time period than the three-year period contemplated by Sections 5(b) and (c), or terms and conditions other than those reflected in this Section 5, such three-year period shall be deemed extended (but not reduced), and/or such other terms and conditions modified, to the extent necessary to be consistent with such rules and regulations.

6. Issuance of Shares.

(a) Notwithstanding any other provision of this Agreement, the Participant may not sell or transfer the shares of Common Stock acquired upon settlement of the Performance Stock Units except in compliance with all applicable laws and regulations.

(b) The shares of Common Stock issued in settlement of the Performance Stock Units shall be registered in the Participant's name, or, if applicable, in the names of the Participant's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificated form, the Company may deliver a share certificate to the Participant or to the Participant's designated broker on the Participant's behalf. If the Participant is deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates shall be delivered to the Participant's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(c) To the extent permitted by Section 409A of the Code, the grant of the Performance Stock Units and issuance of shares of Common Stock upon settlement of the Performance Stock Units shall be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Performance Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. To the extent permitted by Section 409A of the Code, as a condition to the settlement of the Performance Stock Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) The Company shall not be required to issue fractional shares of Common Stock upon settlement of the Performance Stock Units.

(e) To the extent permitted by Section 409A of the Code, the Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the Participant's behalf upon the Participant's Disability (if necessary), or upon the Participant's estate's behalf after the death of the Participant, is appropriately authorized.

7. Participant's Rights with Respect to the Performance Stock Units.

(a) Restrictions on Transferability. The Performance Stock Units granted hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated other than with the consent of the Company or by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that any such permitted transferee shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant. Any attempt by the Participant, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Performance Stock Units or any interest therein or any rights relating thereto without complying with the provisions of the Plan and this Agreement, including this Section 7(a), shall be void and of no effect. The Company shall not be required to recognize on its books any action taken in contravention of these restrictions.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Performance Stock Units granted hereby unless and until shares of Common Stock are issued to the Participant in respect thereof.

8. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, for the avoidance of doubt, in the case of the Company, subject to Section 4.4 and Article IX of the Plan.

(c) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries (regardless of whether such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan). Nothing in the Plan or this Agreement shall confer on the Participant the right to receive any future Awards under the Plan.

(d) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or the Participant, as the case may be, at the following addresses or to such other address as the Company or the Participant, as the case may be, shall specify by notice to the other:

If to the Company, to it at:

Hertz Global Holdings, Inc.
8501 Williams Road
Estero, Florida 33928
Attention: General Counsel
Fax: (239) 301-6906

If to the Participant, to the Participant at his or her most recent address as shown on the books and records of the Company or Subsidiary employing the Participant.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

(e) Amendment. This Agreement may be amended from time to time by the Committee, in its sole discretion; provided, however, that this Agreement may not be modified in a manner that would have a material adverse effect on the Performance Stock Units as determined in the sole discretion of the Committee, except as provided in the Plan, or with the consent of the Participant. This Agreement may not be amended, modified or supplemented orally.

(f) Interpretation. The Committee shall have full power and sole discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(g) Tax Withholding; Section 409A.

(i) The Company shall have the right and power to deduct from all amounts paid to the Participant in cash or shares (whether under the Plan or otherwise) or to require the Participant to remit to the Company promptly upon notification of the amount due, an amount (which may include shares of Common Stock) to satisfy the minimum federal, state or local or foreign taxes or other obligations required by law to be withheld with respect to the Performance Stock Units. No shares of Common Stock shall be issued unless and until arrangements satisfactory to the Committee, in its sole discretion, shall have been made to satisfy the statutory minimum withholding tax obligations applicable with respect to such Performance Stock Units. To the extent permitted by Section 409A of the Code, the Company may defer payments of cash or issuance or delivery of Common Stock until such requirements are satisfied. Without limiting the generality of the foregoing, the Participant may elect to tender shares of Common Stock (including shares of Common Stock issuable in respect of the Performance Stock Units) to satisfy, in whole or in part, the amount required to be withheld (provided that such amount shall not be in excess of the minimum amount required to satisfy the statutory withholding tax obligations).

(ii) It is intended that the provisions of this Agreement comply with Section 409A of the Code to the extent applicable, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and any similar state or local law.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(i) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Performance Stock Units evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Performance Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

(j) Employee Data Privacy. The Participant authorizes any Affiliate of the Company that employs the Participant or that otherwise has or lawfully obtains personal data relating to the Participant to divulge or transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Performance Stock Units evidenced hereby, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Performance Stock Units via Company web site or other electronic delivery.

(l) Clawback or Compensation Recovery Policy. Without limiting any other provision of this Agreement, and to the extent applicable, the Performance Stock Units granted hereunder shall be subject to any clawback policy or compensation recovery policy or such other similar policy of the Company in effect from time to time.

(m) Company Rights. The existence of the Performance Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(n) Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

(o) Further Assurances. The Participant agrees to use his or her reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Participant's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

(p) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

<u>Exhibit A</u>

Performance Criteria Determination and Earned Performance Stock Units

Exhibit 22

The Hertz Corporation

List of Guarantor Subsidiaries

The following table lists the guarantors of the unsecured Senior Notes issued by the Hertz Corporation (the "Parent") as of March 31, 2020:

Entity
Dollar Rent A Car, Inc.
Dollar Thrifty Automotive Group, Inc.
Donlen Corporation
DTG Operations, Inc.
DTG Supply, LLC
Firefly Rent A Car LLC
Hertz Car Sales, LLC
Hertz Global Services Corporation
Hertz Local Edition Corp.
Hertz Local Edition Transporting, Inc.
Hertz System, Inc.
Hertz Technologies, Inc.
Hertz Transporting, Inc.
Rental Car Group Company, LLC
Smartz Vehicle Rental Corporation
Thrifty Car Sales, Inc.
Thrifty Insurance Agency, Inc.
Thrifty Rent A Car System, LLC
Thrifty, LLC
TRAC Asia Pacific, Inc.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kathryn V. Marinello, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2020 of Hertz Global Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2020

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Jamere Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2020 of Hertz Global Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2020

By: /s/ JAMERE JACKSON
Jamere Jackson
Executive Vice President and Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kathryn V. Marinello, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2020 of The Hertz Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2020

By: /s/ KATHRYN V. MARINELLO
Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 31.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Jamere Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2020 of The Hertz Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2020

By: /s/ JAMERE JACKSON

Jamere Jackson
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn V. Marinello, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2020

By: /s/ KATHRYN V. MARINELLO
Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of Hertz Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamere Jackson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2020

By: /s/ JAMERE JACKSON
Jamere Jackson
Executive Vice President and Chief Financial Officer

EXHIBIT 32.3

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of The Hertz Corporation (the "Company") on Form 10-Q for the period ending March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn V. Marinello, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2020

By: /s/ KATHRYN V. MARINELLO

Kathryn V. Marinello
President, Chief Executive Officer and Director

EXHIBIT 32.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of The Hertz Corporation (the "Company") on Form 10-Q for the period ending March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamere Jackson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report, to which this statement is furnished as an Exhibit, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2020

By: /s/ JAMERE JACKSON
Jamere Jackson
Executive Vice President and Chief Financial Officer