

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **August 1, 2024**

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

(Exact name of registrant as specified in its charter)

Delaware
Delaware
(State or other jurisdiction of
incorporation)

001-37665
001-07541
(Commission File Number)

61-1770902
13-1938568
(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
Not Applicable
(Former name, former address and
former fiscal year, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

	<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on which Registered</u>
Hertz Global Holdings, Inc.	Common Stock par value \$0.01 per share	HTZ	The Nasdaq Stock Market LLC
Hertz Global Holdings, Inc.	Warrants to purchase common stock	HTZWW	The Nasdaq Stock Market LLC
The Hertz Corporation	None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On August 1, 2024, Hertz Global Holdings, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2024. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02, including the exhibit attached hereto, is being furnished and shall not be deemed to be filed for the purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless such subsequent filing specifically references this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit	Description
99.1	Press Release, dated August 1, 2024, of Hertz Global Holdings, Inc.
104.1	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

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

By: /s/ SCOTT M. HARALSON
Name: Scott M. Haralson
Title: Executive Vice President and Chief Financial Officer

Date: August 1, 2024

HERTZ REPORTS SECOND QUARTER 2024 RESULTS

"We're moving quickly with a best-in-class leadership team, a strategy laser-focused on delivering sustainable returns and elevating our operational performance across the business," said Gil West, Hertz CEO. "During the second quarter, we bolstered our liquidity to expedite our cost and revenue improvement initiatives and accelerate our fleet refresh to provide vehicles aligned with customer needs. We are at an exciting inflection point in our path to generate greater value for our customers, employees and shareholders – and I am more confident than ever in our plan, our team and the road ahead."

ESTERO, Fla, August 1, 2024 - Hertz Global Holdings, Inc. (NASDAQ: HTZ) ("Hertz", "Hertz Global" or the "Company") today reported results for its second quarter 2024.

OVERVIEW

- Revenue of \$2.4 billion
- GAAP net loss of \$865 million, a negative 37% margin, or \$2.82 loss per diluted share
- Adjusted net loss of \$440 million, or \$1.44 loss per diluted share
- Adjusted Corporate EBITDA of negative \$460 million, a negative 20% margin, due mainly to an increase in vehicle depreciation of \$706 million largely driven by acceleration of the Company's fleet refresh
- GAAP operating cash flow of \$546 million; Adjusted operating cash outflow of \$576 million and adjusted free cash outflow of \$553 million
- The Company raised \$1 billion during the quarter to bolster liquidity and de-risk its fleet refresh
- Corporate liquidity of \$1.8 billion at June 30, 2024

SECOND QUARTER RESULTS

Second quarter revenue was \$2.4 billion. Demand was healthy yet the Company remained disciplined on capacity and prioritized rate. Execution of the Company's revenue strategy continued to narrow its year-over-year RPD decline, which was 3% for the quarter and moderated to 2% in June.

Vehicle depreciation increased \$706 million compared to the prior year quarter due mainly to a decline in future and current residual values. As previously announced, acceleration of the Company's fleet refresh shortened the hold period on a substantial portion of its fleet, which resulted in DPU of \$600 for the quarter, up sequentially from Q1 2024. The Company expects to substantially complete the refresh by the end of 2025, at which time it expects DPU to normalize in the low \$300s.

Direct operating expense on a per transaction day basis in the second quarter of 2024 increased by 7% year over year. Approximately 30% of the increase was driven by non-recurring charges in both periods. The remaining increase was driven by insurance, personnel, and collision and damage costs, as well as general inflationary pressure. The Company has cost management actions in place to reduce expenses and increase productivity.

Consistent with previous guidance, Adjusted Corporate EBITDA was negative \$460 million in the quarter compared with positive Adjusted Corporate EBITDA of \$347 million in the prior year quarter. The decrease was due mainly to increased vehicle depreciation.

Recently, the Company announced critical executive management appointments to strengthen its leadership team and sharpen the Company's focus on driving enhanced profitability through operational excellence, superior customer service, strategic fleet management, cost control, and premium revenue.

SUMMARY RESULTS

(\$ in millions, except earnings per share or where noted)	Three Months Ended June 30,		Percent Inc/(Dec) 2024 vs 2023
	2024	2023	
Hertz Global - Consolidated			
Total revenues	\$ 2,353	\$ 2,437	(3)%
Net income (loss)	\$ (865)	\$ 139	NM
Net income (loss) margin	(37)%	6 %	
Adjusted net income (loss) ^(a)	\$ (440)	\$ 227	NM
Adjusted diluted earnings (loss) per share ^(a)	\$ (1.44)	\$ 0.72	NM
Adjusted Corporate EBITDA ^(a)	\$ (460)	\$ 347	NM
Adjusted Corporate EBITDA Margin ^(a)	(20)%	14 %	
Average Vehicles (in whole units)	577,224	561,277	3%
Average Rentable Vehicles (in whole units)	546,187	533,813	2%
Vehicle Utilization	80 %	82 %	
Transaction Days (in thousands)	39,721	39,705	—%
Total RPD (in dollars) ^(b)	\$ 59.65	\$ 61.62	(3)%
Total RPU Per Month (in whole dollars) ^(b)	\$ 1,446	\$ 1,527	(5)%
Depreciation Per Unit Per Month (in whole dollars) ^(b)	\$ 600	\$ 197	NM
Americas RAC Segment			
Total revenues	\$ 1,928	\$ 2,015	(4)%
Adjusted EBITDA	\$ (403)	\$ 331	NM
Adjusted EBITDA Margin	(21)%	16 %	
Average Vehicles (in whole units)	467,863	457,405	2%
Average Rentable Vehicles (in whole units)	439,284	431,921	2%
Vehicle Utilization	81 %	83 %	
Transaction Days (in thousands)	32,216	32,469	(1)%
Total RPD (in dollars) ^(b)	\$ 59.94	\$ 62.11	(3)%
Total RPU Per Month (in whole dollars) ^(b)	\$ 1,465	\$ 1,556	(6)%
Depreciation Per Unit Per Month (in whole dollars) ^(b)	\$ 645	\$ 198	NM
International RAC Segment			
Total revenues	\$ 425	\$ 422	1%
Adjusted EBITDA	\$ (6)	\$ 96	NM
Adjusted EBITDA Margin	(1)%	23 %	
Average Vehicles (in whole units)	109,361	103,872	5%
Average Rentable Vehicles (in whole units)	106,903	101,892	5%
Vehicle Utilization	77 %	78 %	
Transaction Days (in thousands)	7,505	7,237	4%
Total RPD (in dollars) ^(b)	\$ 58.38	\$ 59.41	(2)%
Total RPU Per Month (in whole dollars) ^(b)	\$ 1,366	\$ 1,406	(3)%
Depreciation Per Unit Per Month (in whole dollars) ^(b)	\$ 409	\$ 188	NM

NM - Not meaningful

(a) Represents a non-GAAP measure. See the accompanying reconciliations included in Supplemental Schedule II for 2024 and 2023.

(b) Based on December 31, 2023 foreign exchange rates.

EARNINGS WEBCAST INFORMATION

Hertz Global's live webcast and conference call to discuss its second quarter 2024 results will be held on August 1, 2024, at 9:00 a.m. Eastern Time. The conference call will be broadcast live in listen-only mode on the Company's investor relations website at IR.Hertz.com. If you would like to access the call by phone and ask a question, please go to Hertz Q2 earnings participant call link, and you will be provided with dial in details. Investors are encouraged to dial-in approximately 15 minutes prior to the call. A web replay will remain available on the website for approximately one year. The earnings release and related supplemental schedules containing the reconciliations of non-GAAP measures will be available on the Hertz website, IR.Hertz.com.

UNAUDITED FINANCIAL DATA, SUPPLEMENTAL SCHEDULES, NON-GAAP MEASURES AND DEFINITIONS

In this earnings release, we include select unaudited financial data of Hertz Global, Supplemental Schedules, which are provided to present segment results, and reconciliations of non-GAAP measures to their most comparable GAAP measures. Following the Supplemental Schedules, the Company provides definitions for terminology used throughout the earnings release and its rationale on the importance and usefulness of non-GAAP measures for investors and management.

ABOUT HERTZ

The Hertz Corporation, a subsidiary of Hertz Global Holdings, Inc., operates the Hertz, Dollar and Thrifty vehicle rental brands throughout North America, Europe, the Caribbean, Latin America, Africa, the Middle East, Asia, Australia and New Zealand. The Hertz Corporation is one of the largest worldwide vehicle rental companies, and the Hertz brand is one of the most recognized globally. Additionally, The Hertz Corporation owns and operates the Firefly vehicle rental brand and Hertz 24/7 car sharing business in international markets and sells vehicles through Hertz Car Sales. For more information about The Hertz Corporation, visit www.hertz.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this release, and in related comments by the Company's management, include "forward-looking statements." Forward-looking statements are identified by words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts," "guidance" or similar expressions, and include information concerning our liquidity, our results of operations, our business strategies, the business environment and other information. These forward-looking statements are based on certain assumptions that the Company has made in light of its experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors. The Company believes these judgments are reasonable, but you should understand that these forward-looking statements are not guarantees of future performance or results, and that the Company's actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed or furnished to the SEC.

Important factors that could affect the Company's actual results and cause them to differ materially from those expressed in forward-looking statements include, among other things:

- *mix of program and non-program vehicles in the Company's fleet, which can lead to increased exposure to residual value risk upon disposition;*
- *the potential for residual values associated with non-program vehicles in the Company's fleet to decline, including suddenly or unexpectedly, or fail to follow historical seasonal patterns;*
- *the Company's ability to purchase adequate supplies of competitively priced vehicles at a reasonable cost in order to efficiently service rental demand, including upon any disruptions in the global supply chain;*

- *the Company's ability to effectively dispose of vehicles, at the times and through the channels, that maximize the Company's returns;*
- *the age of the Company's fleet, and its impact on vehicle carrying costs, customer service scores, as well as on the Company's ability to sell vehicles at acceptable prices and times;*
- *whether a manufacturer of the Company's program vehicle fulfills its repurchase obligations;*
- *the frequency or extent of manufacturer safety recalls;*
- *levels of travel demand, particularly business and leisure travel in the U.S. and in global markets;*
- *seasonality and other occurrences that disrupt rental activity during the Company's peak periods, including in critical geographies;*
- *the Company's ability to accurately estimate future levels of rental activity and adjust the number, location and mix of vehicles used in the Company's rental operations accordingly;*
- *the Company's ability to implement its business strategy or strategic transactions, including the Company's ability to implement plans to support an electric vehicle fleet and to play a central role in the modern mobility ecosystem;*
- *the Company's ability to achieve cost savings and normalized depreciation levels, as well as revenue enhancements from its profitability initiatives and other operational programs;*
- *the Company's ability to adequately respond to changes in technology impacting the mobility industry;*
- *significant changes in the competitive environment and the effect of competition in the Company's markets on rental volume and pricing;*
- *the Company's reliance on third-party distribution channels and related prices, commission structures and transaction volumes;*
- *the Company's ability to offer services for a favorable customer experience, and to retain and develop customer loyalty and market share;*
- *the Company's ability to maintain its network of leases and vehicle rental concessions at airports and other key locations in the U.S. and internationally;*
- *the Company's ability to maintain favorable brand recognition and a coordinated branding and portfolio strategy;*
- *the Company's ability to attract and retain effective frontline employees, senior management and other key employees;*
- *the Company's ability to effectively manage its union relations and labor agreement negotiations;*
- *the Company's ability to manage and respond to cybersecurity threats and cyber attacks on the Company's information technology systems, or those of the Company's third-party providers;*
- *the Company's ability, and that of the Company's key third-party partners, to prevent the misuse or theft of information the Company possesses, including as a result of cyber attacks and other security threats;*
- *the Company's ability to maintain, upgrade and consolidate its information technology systems;*
- *the Company's ability to comply with current and future laws and regulations in the U.S. and internationally regarding data protection, data security and privacy risks;*
- *risks associated with operating in many different countries, including the risk of a violation or alleged violation of applicable anti-corruption or anti-bribery laws and the Company's ability to repatriate cash from non-U.S. affiliates without adverse tax consequences;*
- *risks relating to tax laws, including those that affect the Company's ability to recapture accelerated tax depreciation and expensing, as well as any adverse determinations or rulings by tax authorities;*
- *the Company's ability to utilize its net operating loss carryforwards;*
- *the Company's exposure to uninsured liabilities relating to personal injury, death and property damage, or otherwise, including material litigation;*

- *the potential for adverse changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, including those related to environmental matters, optional insurance products or policies, franchising and licensing matters, the ability to pass-through rental car related expenses, or taxes, among others, that affect the Company's operations, the Company's costs or applicable tax rates;*
- *the Company's ability to recover its goodwill and indefinite-lived intangible assets when performing impairment analysis;*
- *the potential for changes in management's best estimates and assessments;*
- *the Company's ability to maintain an effective compliance program;*
- *the availability of earnings and funds from the Company's subsidiaries;*
- *the Company's ability to comply, and the cost and burden of complying, with environmental, social and governance, or ESG, regulations or expectations of stakeholders, and otherwise achieve the Company's corporate responsibility goals;*
- *the availability of additional or continued sources of financing at acceptable rates for the Company's revenue earning vehicles and to refinance the Company's existing indebtedness, and the Company's ability to comply with the covenants in the agreements governing its indebtedness;*
- *the extent to which the Company's consolidated assets secure its outstanding indebtedness;*
- *volatility in the Company's share price, the Company's ownership structure and certain provisions of the Company's charter documents, which could negatively affect the market price of the Company's common stock;*
- *the Company's ability to implement an effective business continuity plan to protect the business in exigent circumstances;*
- *the Company's ability to effectively maintain effective internal control over financial reporting; and*
- *the Company's ability to execute strategic transactions.*

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

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

CONTACTS:

Hertz Investor Relations:
investorrelations@hertz.com

Hertz Media Relations:
mediarelations@hertz.com

UNAUDITED FINANCIAL INFORMATION

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 2,353	\$ 2,437	\$ 4,433	\$ 4,484
Expenses:				
Direct vehicle and operating	1,440	1,347	2,806	2,568
Depreciation of revenue earning vehicles and lease charges, net	1,035	329	2,004	710
Depreciation and amortization of non-vehicle assets	41	32	73	67
Selling, general and administrative	243	285	405	506
Interest expense, net:				
Vehicle	149	132	290	243
Non-vehicle	88	56	163	107
Total interest expense, net	237	188	453	350
Other (income) expense, net	(5)	(2)	(3)	7
(Gain) on sale of non-vehicle capital assets	—	—	—	(162)
Change in fair value of Public Warrants	(165)	100	(251)	218
Total expenses	2,826	2,279	5,487	4,264
Income (loss) before income taxes	(473)	158	(1,054)	220
Income tax (provision) benefit	(392)	(19)	3	115
Net income (loss)	\$ (865)	\$ 139	\$ (1,051)	\$ 335
Weighted average number of shares outstanding:				
Basic	306	314	306	318
Diluted	306	315	306	319
Earnings (loss) per share:				
Basic	\$ (2.82)	\$ 0.44	\$ (3.44)	\$ 1.06
Diluted	\$ (2.82)	\$ 0.44	\$ (3.44)	\$ 1.05

UNAUDITED CONSOLIDATED BALANCE SHEETS

(In millions, except par value and share data)	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	\$ 568	\$ 764
Restricted cash and cash equivalents:		
Vehicle	137	152
Non-vehicle	289	290
Total restricted cash and cash equivalents	426	442
Total cash and cash equivalents and restricted cash and cash equivalents	994	1,206
Receivables:		
Vehicle	164	211
Non-vehicle, net of allowance of \$53 and \$47, respectively	1,103	980
Total receivables, net	1,267	1,191
Prepaid expenses and other assets	754	726
Revenue earning vehicles:		
Vehicles	18,122	16,806
Less: accumulated depreciation	(2,753)	(2,155)
Total revenue earning vehicles, net	15,369	14,651
Property and equipment, net	670	671
Operating lease right-of-use assets	2,229	2,253
Intangible assets, net	2,858	2,863
Goodwill	1,044	1,044
Total assets	\$ 25,185	\$ 24,605
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable:		
Vehicle	\$ 429	\$ 191
Non-vehicle	566	510
Total accounts payable	995	701
Accrued liabilities	931	860
Accrued taxes, net	208	157
Debt:		
Vehicle	12,774	12,242
Non-vehicle	4,595	3,449
Total debt	17,369	15,691
Public Warrants	203	453
Operating lease liabilities	2,108	2,142
Self-insured liabilities	501	471
Deferred income taxes, net	912	1,038
Total liabilities	23,227	21,513
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 481,250,923 and 479,990,286 shares issued, respectively, and 306,438,879 and 305,178,242 shares outstanding, respectively	5	5
Treasury stock, at cost, 174,812,044 and 174,812,044 common shares, respectively	(3,430)	(3,430)
Additional paid-in capital	6,365	6,405
Retained earnings (Accumulated deficit)	(691)	360
Accumulated other comprehensive income (loss)	(291)	(248)
Total stockholders' equity	1,958	3,092
Total liabilities and stockholders' equity	\$ 25,185	\$ 24,605

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Net income (loss)	\$ (865)	\$ 139	\$ (1,051)	\$ 335
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and reserves for revenue earning vehicles, net	1,124	418	2,194	884
Depreciation and amortization, non-vehicle	41	32	73	67
Amortization of deferred financing costs and debt discount (premium)	15	15	33	29
Stock-based compensation charges	16	22	32	43
Stock-based compensation forfeitures	—	—	(68)	—
Provision for receivables allowance	32	20	63	40
Deferred income taxes, net	349	(28)	(65)	(163)
(Gain) loss on sale of non-vehicle capital assets	2	(3)	3	(165)
Change in fair value of Public Warrants	(165)	100	(251)	218
Changes in financial instruments	2	(2)	8	106
Other	6	5	(4)	5
Changes in assets and liabilities:				
Non-vehicle receivables	(165)	(284)	(201)	(334)
Prepaid expenses and other assets	(3)	(50)	(59)	(98)
Operating lease right-of-use assets	90	87	190	165
Non-vehicle accounts payable	67	33	63	6
Accrued liabilities	40	39	71	68
Accrued taxes, net	31	55	52	56
Operating lease liabilities	(100)	(94)	(200)	(178)
Self-insured liabilities	29	(7)	33	(25)
Net cash provided by (used in) operating activities	546	497	916	1,059
Cash flows from investing activities:				
Revenue earning vehicles expenditures	(3,723)	(3,719)	(5,627)	(6,543)
Proceeds from disposal of revenue earning vehicles	1,669	1,560	2,902	2,766
Non-vehicle capital asset expenditures	(26)	(78)	(59)	(123)
Proceeds from non-vehicle capital assets disposed of	4	1	7	176
Return of (investment in) equity investments	(1)	(1)	(3)	(1)
Net cash provided by (used in) investing activities	(2,077)	(2,237)	(2,780)	(3,725)
Cash flows from financing activities:				
Proceeds from issuance of vehicle debt	1,149	1,960	1,683	4,021
Repayments of vehicle debt	(229)	(682)	(1,121)	(1,872)
Proceeds from issuance of non-vehicle debt	1,950	825	2,885	1,250
Repayments of non-vehicle debt	(1,245)	(329)	(1,735)	(759)
Payment of financing costs	(42)	(9)	(42)	(17)
Share repurchases	—	(104)	—	(222)
Other	(1)	1	(3)	—
Net cash provided by (used in) financing activities	1,582	1,662	1,667	2,401
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents	(2)	2	(15)	13
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents during the period	49	(76)	(212)	(252)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	945	1,242	1,206	1,418
Cash and cash equivalents and restricted cash and cash equivalents at end of period	\$ 994	\$ 1,166	\$ 994	\$ 1,166

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

(In millions)	Three Months Ended June 30, 2024				Three Months Ended June 30, 2023			
	Americas RAC	International RAC	Corporate	Hertz Global	Americas RAC	International RAC	Corporate	Hertz Global
Revenues	\$ 1,928	\$ 425	\$ —	\$ 2,353	\$ 2,015	\$ 422	\$ —	\$ 2,437
Expenses:								
Direct vehicle and operating	1,199	244	(3)	1,440	1,139	211	(3)	1,347
Depreciation of revenue earning vehicles and lease charges, net	905	130	—	1,035	272	57	—	329
Depreciation and amortization of non-vehicle assets	28	3	10	41	27	3	2	32
Selling, general and administrative	137	46	60	243	148	45	92	285
Interest expense, net:								
Vehicle	123	26	—	149	113	19	—	132
Non-vehicle	—	(6)	94	88	(4)	(5)	65	56
Total interest expense, net	123	20	94	237	109	14	65	188
Other (income) expense, net	1	—	(6)	(5)	—	(4)	2	(2)
Change in fair value of Public Warrants	—	—	(165)	(165)	—	—	100	100
Total expenses	2,393	443	(10)	2,826	1,695	326	258	2,279
Income (loss) before income taxes	\$ (465)	\$ (18)	\$ 10	(473)	\$ 320	\$ 96	\$ (258)	158
Income tax (provision) benefit				(392)				(19)
Net income (loss)				\$ (865)				\$ 139

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

(In millions)	Six Months Ended June 30, 2024				Six Months Ended June 30, 2023			
	Americas RAC	International RAC	Corporate	Hertz Global	Americas RAC	International RAC	Corporate	Hertz Global
Revenues	\$ 3,667	\$ 766	\$ —	\$ 4,433	\$ 3,745	\$ 739	\$ —	\$ 4,484
Expenses:								
Direct vehicle and operating	2,351	460	(5)	2,806	2,178	393	(3)	2,568
Depreciation of revenue earning vehicles and lease charges, net	1,781	223	—	2,004	621	89	—	710
Depreciation and amortization of non-vehicle assets	53	7	13	73	55	5	7	67
Selling, general and administrative	261	103	41	405	253	82	171	506
Interest expense, net:								
Vehicle	239	51	—	290	206	37	—	243
Non-vehicle	(2)	(10)	175	163	(22)	(7)	136	107
Total interest expense, net	237	41	175	453	184	30	136	350
Other (income) expense, net	—	1	(4)	(3)	(1)	2	6	7
(Gain) on sale of non-vehicle capital assets	—	—	—	—	(162)	—	—	(162)
Change in fair value of Public Warrants	—	—	(251)	(251)	—	—	218	218
Total expenses	4,683	835	(31)	5,487	3,128	601	535	4,264
Income (loss) before income taxes	\$ (1,016)	\$ (69)	\$ 31	(1,054)	\$ 617	\$ 138	\$ (535)	220
Income tax (provision) benefit				3				115
Net income (loss)				\$ (1,051)				\$ 335

HERTZ GLOBAL HOLDINGS, INC.

RECONCILIATION OF GAAP TO NON-GAAP MEASURE - ADJUSTED NET INCOME (LOSS), ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE AND ADJUSTED CORPORATE EBITDA

Unaudited

(In millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share:				
Net income (loss) ^(a)	\$ (865)	\$ 139	\$ (1,051)	\$ 335
Adjustments:				
Income tax provision (benefit)	392	19	(3)	(115)
Vehicle and non-vehicle debt-related charges ^(b)	16	15	34	29
Restructuring and restructuring related charges ^(c)	12	5	44	8
Acquisition accounting-related depreciation and amortization ^(d)	1	1	1	1
Unrealized (gains) losses on financial instruments ^(e)	2	(2)	8	106
(Gain) on sale of non-vehicle capital assets ^(f)	—	—	—	(162)
Change in fair value of Public Warrants	(165)	100	(251)	218
Other items ^{(g)(k)}	20	(10)	28	4
Adjusted pre-tax income (loss) ^(h)	(587)	267	(1,190)	424
Income tax (provision) benefit on adjusted pre-tax income (loss) ⁽ⁱ⁾	147	(40)	298	(64)
Adjusted Net Income (Loss)	\$ (440)	\$ 227	\$ (892)	\$ 360
Weighted-average number of diluted shares outstanding	306	315	306	319
Adjusted Diluted Earnings (Loss) Per Share ^(j)	\$ (1.44)	\$ 0.72	\$ (2.92)	\$ 1.13
Adjusted Corporate EBITDA:				
Net income (loss)	\$ (865)	\$ 139	\$ (1,051)	\$ 335
Adjustments:				
Income tax provision (benefit)	392	19	(3)	(115)
Non-vehicle depreciation and amortization	41	32	73	67
Non-vehicle debt interest, net of interest income	88	56	163	107
Vehicle debt-related charges ^(b)	10	10	22	20
Restructuring and restructuring related charges ^(c)	12	5	44	8
Unrealized (gains) losses on financial instruments ^(e)	2	(2)	8	106
(Gain) on sale of non-vehicle capital assets ^(f)	—	—	—	(162)
Non-cash stock-based compensation forfeitures ^(l)	—	—	(64)	—
Change in fair value of Public Warrants	(165)	100	(251)	218
Other items ^(g)	25	(12)	32	—
Adjusted Corporate EBITDA ^(l)	\$ (460)	\$ 347	\$ (1,027)	\$ 584
Adjusted Corporate EBITDA margin	(20)%	14 %	(23)%	13 %

(a) Net income (loss) margin for the three and six months ended June 30, 2024 was (37)% and (24)%, respectively. Net income (loss) margin for the three and six months ended June 30, 2023 was 6% and 7%, respectively.

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

- (c) Represents charges incurred under restructuring actions as defined in U.S. GAAP. Also includes restructuring related charges such as incremental costs incurred related to personnel reductions and closure of underperforming locations.
- (d) Represents incremental expense associated with the amortization of other intangible assets and depreciation of property and equipment relating to acquisition accounting.
- (e) Represents unrealized gains (losses) on derivative financial instruments. In 2023, also includes the realization of \$88 million of previously unrealized gains resulting from the unwind of certain interest rate caps in the first quarter of 2023.
- (f) Represents gain on the sale of certain non-vehicle capital assets sold in March 2023.
- (g) Represents miscellaneous items. For the three and six months ended June 30, 2024, primarily includes certain IT-related charges and certain storm-related damages, partially offset by certain litigation settlements. For the three and six months ended June 30, 2023, primarily includes a loss recovery settlement, partially offset by certain IT-related charges.
- (h) The table below reconciles expenses as reported in the condensed consolidated unaudited statement of operations to adjusted expenses utilized in calculating Adjusted Pretax Income (Loss) and Adjusted Net Income (Loss), all of which are deemed non-GAAP measures:

(in millions)	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	As Reported	Adjustment	As Adjusted	As Reported	Adjustment	As Adjusted
Expenses:						
Direct vehicle and operating	1,440	\$ (10)	\$ 1,430	1,347	\$ 17	\$ 1,364
Depreciation of revenue earning vehicles and lease charges, net	1,035	—	1,035	329	—	329
Depreciation and amortization of non-vehicle assets	41	—	41	32	—	32
Selling, general and administrative	243	(16)	227	285	(13)	272
Interest expense, net:						
Vehicle	149	(13)	136	132	(3)	129
Non-vehicle	88	(10)	78	56	(9)	47
Total interest expense, net	237	(23)	214	188	(12)	176
Other income (expense), net	(5)	(2)	(7)	(2)	(1)	(3)
Change in fair value of Public Warrants	(165)	165	—	100	(100)	—
Total	\$ 2,826	\$ 114	\$ 2,940	\$ 2,279	\$ (109)	\$ 2,170

(in millions)	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	As Reported	Adjustment	As Adjusted	As Reported	Adjustment	As Adjusted
Expenses:						
Direct vehicle and operating	2,806	\$ (16)	\$ 2,790	2,568	\$ 17	\$ 2,585
Depreciation of revenue earning vehicles and lease charges, net	2,004	5	2,009	710	2	712
Depreciation and amortization of non-vehicle assets	73	—	73	67	—	67
Selling, general and administrative	405	(55)	350	506	(27)	479
Interest expense, net:						
Vehicle	290	(26)	264	243	(122)	121
Non-vehicle	163	(20)	143	107	(17)	90
Total interest expense, net	453	(46)	407	350	(139)	211
Other income (expense), net	(3)	(3)	(6)	7	(1)	6
Gain on sale non-vehicle capital assets	—	—	—	(162)	162	—
Change in fair value of Public Warrants	(251)	251	—	218	(218)	—
Total	\$ 5,487	\$ 136	\$ 5,623	\$ 4,264	\$ (204)	\$ 4,060

- (i) Derived utilizing a combined statutory rate of 25% and 15% for the three and six months ended June 30, 2024 and 2023, respectively, applied to the respective Adjusted Pre-tax Income (Loss). The increase in rate is primarily resulting from reduced EV-related tax credits anticipated to be used to decrease the Company's U.S. federal tax provision throughout 2024 based on the Company's expected purchases of electric vehicles.
- (j) Adjustments used to reconcile diluted earnings (loss) per share on a GAAP basis to Adjusted Diluted Earnings (Loss) Per Share are comprised of the same adjustments, inclusive of the tax impact, used to reconcile net income (loss) to Adjusted Net Income (Loss) divided by the weighted-average diluted shares outstanding during the period.
- (k) Also includes letter of credit fees.
- (l) Represents former CEO awards forfeited in March 2024.
- (m) The table below reconciles expenses as reported in the condensed consolidated unaudited statement of operations to adjusted expenses utilized in calculating Adjusted Corporate EBITDA, both of which are deemed non-GAAP measures:

(in millions)	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	As Reported	Adjustment	As Adjusted	As Reported	Adjustment	As Adjusted
Expenses:						
Direct vehicle and operating	1,440	\$ (10)	\$ 1,430	1,347	\$ 17	\$ 1,364
Depreciation of revenue earning vehicles and lease charges, net	1,035	—	1,035	329	—	329
Depreciation and amortization of non-vehicle assets	41	(41)	—	32	(32)	—
Selling, general and administrative	243	(17)	226	285	(13)	272
Interest expense, net:						
Vehicle	149	(13)	136	132	(3)	129
Non-vehicle	88	(88)	—	56	(56)	—
Total interest expense, net	237	(101)	136	188	(59)	129
Other income (expense), net	(5)	(9)	(14)	(2)	(2)	(4)
Change in fair value of Public Warrants	(165)	165	—	100	(100)	—
Total	\$ 2,826	\$ (13)	\$ 2,813	\$ 2,279	\$ (189)	\$ 2,090

(in millions)	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	As Reported	Adjustment	As Adjusted	As Reported	Adjustment	As Adjusted
Expenses:						
Direct vehicle and operating	2,806	\$ (16)	\$ 2,790	2,568	\$ 17	\$ 2,585
Depreciation of revenue earning vehicles and lease charges, net	2,004	5	2,009	710	2	712
Depreciation and amortization of non-vehicle assets	73	(73)	—	67	(67)	—
Selling, general and administrative	405	8	413	506	(27)	479
Interest expense, net:						
Vehicle	290	(26)	264	243	(122)	121
Non-vehicle	163	(163)	—	107	(107)	—
Total interest expense, net	453	(189)	264	350	(229)	121
Other income (expense), net	(3)	(13)	(16)	7	(4)	3
Gain on sale non-vehicle capital assets	—	—	—	(162)	162	—
Change in fair value of Public Warrants	(251)	251	—	218	(218)	—
Total	\$ 5,487	\$ (27)	\$ 5,460	\$ 4,264	\$ (364)	\$ 3,900

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

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
ADJUSTED OPERATING CASH FLOW AND ADJUSTED FREE CASH FLOW:				
Net cash provided by (used in) operating activities	\$ 546	\$ 497	\$ 916	\$ 1,059
Depreciation and reserves for revenue earning vehicles, net	(1,124)	(418)	(2,194)	(884)
Bankruptcy related payments (post emergence) and other payments	2	12	5	20
Adjusted operating cash flow	(576)	91	(1,273)	195
Non-vehicle capital asset proceeds (expenditures), net	(22)	(77)	(52)	53
Adjusted operating cash flow before vehicle investment	(598)	14	(1,325)	248
Net fleet growth after financing	45	(437)	43	(754)
Adjusted free cash flow	\$ (553)	\$ (423)	\$ (1,282)	\$ (506)
CALCULATION OF NET FLEET GROWTH AFTER FINANCING:				
Revenue earning vehicles expenditures	\$ (3,723)	\$ (3,719)	\$ (5,627)	\$ (6,543)
Proceeds from disposal of revenue earning vehicles	1,669	1,560	2,902	2,766
Revenue earning vehicles capital expenditures, net	(2,054)	(2,159)	(2,725)	(3,777)
Depreciation and reserves for revenue earning vehicles, net	1,124	418	2,194	884
Financing activity related to vehicles:				
Borrowings	1,149	1,960	1,683	4,021
Payments	(229)	(682)	(1,121)	(1,872)
Restricted cash changes, vehicle	55	26	12	(10)
Net financing activity related to vehicles	975	1,304	574	2,139
Net fleet growth after financing	\$ 45	\$ (437)	\$ 43	\$ (754)

HERTZ GLOBAL HOLDINGS, INC.
NET DEBT CALCULATION
Unaudited

(In millions)	As of June 30, 2024			As of December 31, 2023		
	Vehicle	Non-Vehicle	Total	Vehicle	Non-Vehicle	Total
First Lien RCF	\$ —	\$ 160	\$ 160	\$ —	\$ —	\$ —
Term loans	—	2,004	2,004	—	2,013	2,013
First lien senior notes	—	750	750	—	—	—
Exchangeable notes	—	250	250	—	—	—
Senior unsecured notes	—	1,500	1,500	—	1,500	1,500
U.S. vehicle financing (HVF III)	10,471	—	10,471	10,203	—	10,203
International vehicle financing (Various)	2,216	—	2,216	2,001	—	2,001
Other debt	144	21	165	110	2	112
Debt issue costs, discounts and premiums	(57)	(90)	(147)	(72)	(66)	(138)
Debt as reported in the balance sheet	12,774	4,595	17,369	12,242	3,449	15,691
Add:						
Debt issue costs, discounts and premiums	57	90	147	72	66	138
Less:						
Cash and cash equivalents	—	568	568	—	764	764
Restricted cash	137	—	137	152	—	152
Restricted cash and restricted cash equivalents associated with Term C Loan	—	245	245	—	245	245
Net Debt	\$ 12,694	\$ 3,872	\$ 16,566	\$ 12,162	\$ 2,506	\$ 14,668
LTM Adjusted Corporate EBITDA ^(a)		(1,050)			561	
Net Corporate Leverage		NM			4.5x	

NM - Not meaningful

(a) Reconciliation of LTM Adjusted Corporate EBITDA for the six months ended June 30, 2024 and twelve months ended December 31, 2023 are as follows:

(in millions)	Six Months Ended June 30, 2024	Twelve Months Ended December 31, 2023
Net income (loss) three months ended:		
September 30, 2023	\$ 629	n/a
December 31, 2023	(348)	n/a
March 31, 2024	(186)	n/a
June 30, 2024	(865)	n/a
LTM net income (loss)	(770)	\$ 616
Adjustments:		
Income tax provision (benefit)	(218)	(330)
Non-vehicle depreciation and amortization	155	149
Non-vehicle debt interest, net of interest income	294	238
Vehicle debt-related charges	44	42
Restructuring and restructuring related charge	59	17
Unrealized (gains) losses on financial instruments	19	117
(Gain) on sale of non-vehicle capital assets	—	(162)
Non-cash stock-based compensation forfeitures	(64)	—
Change in fair value of Public Warrants	(632)	(163)
Other items	69	37
LTM Adjusted Corporate EBITDA	\$ (1,044)	\$ 561

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

Global RAC

(\$ in millions, except where noted)	Three Months Ended June 30,		Percent Inc/(Dec)	Six Months Ended June 30,		Percent Inc/(Dec)
	2024	2023		2024	2023	
Total RPD						
Revenues	\$ 2,353	\$ 2,437		\$ 4,433	\$ 4,484	
Foreign currency adjustment ^(a)	16	9		25	18	
Total Revenues - adjusted for foreign currency	\$ 2,369	\$ 2,446		\$ 4,458	\$ 4,502	
Transaction Days (in thousands)	39,721	39,705		76,575	73,493	
Total RPD (in dollars)	\$ 59.65	\$ 61.62	(3)%	\$ 58.22	\$ 61.27	(5)%
Total Revenue Per Unit Per Month						
Total Revenues - adjusted for foreign currency	\$ 2,369	\$ 2,446		\$ 4,458	\$ 4,502	
Average Rentable Vehicles (in whole units)	546,187	533,813		537,710	508,550	
Total revenue per unit (in whole dollars)	\$ 4,338	\$ 4,582		\$ 8,291	\$ 8,853	
Number of months in period (in whole units)	3	3		6	6	
Total RPU Per Month (in whole dollars)	\$ 1,446	\$ 1,527	(5)%	\$ 1,382	\$ 1,476	(6)%
Vehicle Utilization						
Transaction Days (in thousands)	39,721	39,705		76,575	73,493	
Average Rentable Vehicles (in whole units)	546,187	533,813		537,710	508,550	
Number of days in period (in whole units)	91	91		182	181	
Available Car Days (in thousands)	49,701	48,576		97,882	92,079	
Vehicle Utilization ^(b)	80%	82%		78%	80%	
Depreciation Per Unit Per Month						
Depreciation of revenue earning vehicles and lease charges, net	\$ 1,035	\$ 329		\$ 2,004	\$ 710	
Foreign currency adjustment ^(a)	5	2		8	4	
Adjusted depreciation of revenue earning vehicles and lease charges	\$ 1,040	\$ 331		\$ 2,012	\$ 714	
Average Vehicles (in whole units)	577,224	561,277		562,358	532,903	
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	\$ 1,801	\$ 590		\$ 3,577	\$ 1,339	
Number of months in period (in whole units)	3	3		6	6	
Depreciation Per Unit Per Month (in whole dollars)	\$ 600	\$ 197	NM	\$ 596	\$ 223	NM

Note: Global RAC represents Americas RAC and International RAC segment information on a combined basis and excludes Corporate

NM - Not meaningful

(a) Based on December 31, 2023 foreign exchange rates.

(b) Calculated as Transaction Days divided by Available Car Days.

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

Americas RAC

(\$ in millions, except where noted)	Three Months Ended June 30,		Percent Inc/(Dec)	Six Months Ended June 30,		Percent Inc/(Dec)
	2024	2023		2024	2023	
Total RPD						
Revenues	\$ 1,928	\$ 2,015		\$ 3,667	\$ 3,745	
Foreign currency adjustment ^(a)	3	1		4	2	
Total Revenues - adjusted for foreign currency	\$ 1,931	\$ 2,016		\$ 3,671	\$ 3,747	
Transaction Days (in thousands)	32,216	32,469		62,776	60,348	
Total RPD (in dollars)	\$ 59.94	\$ 62.11	(3)%	\$ 58.47	\$ 62.10	(6)%
Total Revenue Per Unit Per Month						
Total Revenues - adjusted for foreign currency	\$ 1,931	\$ 2,016		\$ 3,671	\$ 3,747	
Average Rentable Vehicles (in whole units)	439,284	431,921		436,553	412,717	
Total revenue per unit (in whole dollars)	\$ 4,396	\$ 4,668		\$ 8,408	\$ 9,079	
Number of months in period (in whole units)	3	3		6	6	
Total RPU Per Month (in whole dollars)	\$ 1,465	\$ 1,556	(6)%	\$ 1,401	\$ 1,513	(7)%
Vehicle Utilization						
Transaction Days (in thousands)	32,216	32,469		62,776	60,348	
Average Rentable Vehicles (in whole units)	439,284	431,921		436,553	412,717	
Number of days in period (in whole units)	91	91		182	181	
Available Car Days (in thousands)	39,974	39,304		79,470	74,725	
Vehicle Utilization ^(b)	81%	83%		79%	81%	
Depreciation Per Unit Per Month						
Depreciation of revenue earning vehicles and lease charges, net	\$ 905	\$ 272		\$ 1,781	\$ 621	
Foreign currency adjustment ^(a)	1	—		2	1	
Adjusted depreciation of revenue earning vehicles and lease charges	\$ 906	\$ 272		\$ 1,783	\$ 622	
Average Vehicles (in whole units)	467,863	457,405		459,224	435,194	
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	\$ 1,936	\$ 595		\$ 3,882	\$ 1,430	
Number of months in period (in whole units)	3	3		6	6	
Depreciation Per Unit Per Month (in whole dollars)	\$ 645	\$ 198	NM	\$ 647	\$ 238	NM

NM - Not meaningful

(a) Based on December 31, 2023 foreign exchange rates.

(b) Calculated as Transaction Days divided by Available Car Days.

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

International RAC

(\$ in millions, except where noted)	Three Months Ended June 30,		Percent Inc/(Dec)	Six Months Ended June 30,		Percent Inc/(Dec)
	2024	2023		2024	2023	
Total RPD						
Revenues	\$ 425	\$ 422		\$ 766	\$ 739	
Foreign currency adjustment ^(a)	13	8		22	16	
Total Revenues - adjusted for foreign currency	\$ 438	\$ 430		\$ 788	\$ 755	
Transaction Days (in thousands)	7,505	7,237		13,799	13,145	
Total RPD (in dollars)	\$ 58.38	\$ 59.41	(2)%	\$ 57.07	\$ 57.45	(1)%
Total Revenue Per Unit Per Month						
Total Revenues - adjusted for foreign currency	\$ 438	\$ 430		\$ 788	\$ 755	
Average Rentable Vehicles (in whole units)	106,903	101,892		101,156	95,834	
Total revenue per unit (in whole dollars)	\$ 4,098	\$ 4,219		\$ 7,785	\$ 7,880	
Number of months in period (in whole units)	3	3		6	6	
Total RPU Per Month (in whole dollars)	\$ 1,366	\$ 1,406	(3)%	\$ 1,298	\$ 1,313	(1)%
Vehicle Utilization						
Transaction Days (in thousands)	7,505	7,237		13,799	13,145	
Average Rentable Vehicles (in whole units)	106,903	101,892		101,156	95,834	
Number of days in period (in whole units)	91	91		182	181	
Available Car Days (in thousands)	9,727	9,271		18,413	17,354	
Vehicle Utilization ^(b)	77%	78%		75%	76%	
Depreciation Per Unit Per Month						
Depreciation of revenue earning vehicles and lease charges, net	\$ 130	\$ 57		\$ 223	\$ 89	
Foreign currency adjustment ^(a)	4	2		6	3	
Adjusted depreciation of revenue earning vehicles and lease charges	\$ 134	\$ 59		\$ 229	\$ 92	
Average Vehicles (in whole units)	109,361	103,872		103,134	97,709	
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	\$ 1,226	\$ 564		\$ 2,220	\$ 937	
Number of months in period (in whole units)	3	3		6	6	
Depreciation Per Unit Per Month (in whole dollars)	\$ 409	\$ 188	NM	\$ 370	\$ 156	NM

NM - Not meaningful

(a) Based on December 31, 2023 foreign exchange rates.

(b) Calculated as Transaction Days divided by Available Car Days.

NON-GAAP MEASURES AND KEY METRICS

The term "GAAP" refers to accounting principles generally accepted in the United States. Adjusted EBITDA is the Company's segment measure of profitability and complies with GAAP when used in that context.

NON-GAAP MEASURES

Non-GAAP measures are not recognized measurements under GAAP. When evaluating the Company's operating performance or liquidity, investors should not consider non-GAAP measures in isolation of, superior to, or as a substitute for measures of the Company's financial performance as determined in accordance with GAAP.

Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share ("Adjusted EPS")

Adjusted Net Income (Loss) represents income or loss attributable to the Company as adjusted to eliminate the impact of GAAP income tax; vehicle and non-vehicle debt-related charges; restructuring and restructuring related charges; acquisition accounting-related depreciation and amortization; unrealized (gains) losses on financial instruments, gain on sale of non-vehicle capital assets; change in fair value of Public Warrants and certain other miscellaneous items on a pre-tax basis. Adjusted Net Income (Loss) includes a provision (benefit) for income taxes derived utilizing a combined statutory rate. The combined statutory rate is management's estimate of the Company's long-term tax rate. Its most comparable GAAP measure is net income (loss) attributable to the Company.

Adjusted EPS represents Adjusted Net Income (Loss) on a per diluted share basis using the weighted-average number of diluted shares outstanding for the period. Its most comparable GAAP measure is diluted earnings (loss) per share.

Adjusted Net Income (Loss) and Adjusted EPS are important operating metrics because they allow management and investors to assess operational performance of the Company's business, exclusive of the items mentioned above that are not operational in nature or comparable to those of the Company's competitors.

Adjusted Corporate EBITDA and Adjusted Corporate EBITDA Margin

Adjusted Corporate EBITDA represents income or loss attributable to the Company as adjusted to eliminate the impact of GAAP income tax; non-vehicle depreciation and amortization; non-vehicle debt interest, net; vehicle debt-related charges; restructuring and restructuring related charges; unrealized (gains) losses on financial instruments; gain on sale of non-vehicle capital assets; former CEO stock-based compensation award forfeitures; change in fair value of Public Warrants and certain other miscellaneous items.

Adjusted Corporate EBITDA Margin is calculated as the ratio of Adjusted Corporate EBITDA to total revenues.

Management uses these measures as operating performance metrics for internal monitoring and planning purposes, including the preparation of the Company's annual operating budget and monthly operating reviews, and analysis of investment decisions, profitability and performance trends. These measures enable management and investors to isolate the effects on profitability of operating metrics most meaningful to the business of renting and leasing vehicles. They also allow management and investors to assess the performance of the entire business on the same basis as its reportable segments. Adjusted Corporate EBITDA is also utilized in the determination of certain executive compensation. Its most comparable GAAP measure is net income (loss) attributable to the Company.

Adjusted operating cash flow and adjusted free cash flow

Adjusted operating cash flow represents net cash provided by operating activities net of the non-cash add back for vehicle depreciation and reserves, and exclusive of bankruptcy related payments made post emergence. Adjusted operating cash flow is an important performance measure to management and investors as it provides useful information about the amount of cash generated from operations when fully burdened by fleet costs.

Adjusted free cash flow represents adjusted operating cash flow plus the impact of net non-vehicle capital expenditures and net fleet growth after financing. Adjusted free cash flow is an important performance measure to

management and investors as it provides useful information about the amount of cash available for, but not limited to, the reduction of non-vehicle debt, share repurchase and acquisition.

The most comparable GAAP measure for adjusted operating cash flow and adjusted free cash flow is net cash provided by (used in) operating activities.

Net Fleet Growth After Financing

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

Net Non-vehicle Debt

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

Net Vehicle Debt

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

Total Net Debt

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

Net Corporate Leverage

Net Corporate Leverage is calculated as non-vehicle net debt divided by Adjusted Corporate EBITDA for the last twelve months. Net Corporate Leverage is important to management and investors as it measures the Company's corporate leverage net of unrestricted cash. Net Corporate Leverage also assists in the evaluation of the Company's ability to service its non-vehicle debt with reference to the generation of Adjusted Corporate EBITDA.

KEY METRICS

Available Rental Car Days

Available Rental Car Days represents Average Rentable Vehicles multiplied by the number of days in a given period.

Average Vehicles ("Fleet Capacity" or "Capacity")

Average Vehicles is determined using a simple average of the number of vehicles in the fleet whether owned or leased by the Company at the beginning and end of a given period.

Average Rentable Vehicles

Average Rentable Vehicles reflects Average Vehicles excluding vehicles for sale on the Company's retail lots or actively in the process of being sold through other disposition channels.

Depreciation Per Unit Per Month ("Depreciation Per Unit" or "DPU")

Depreciation Per Unit Per Month represents the amount of average depreciation expense and lease charges per vehicle per month, exclusive of the impacts of foreign currency exchange rates so as not to affect the comparability of underlying trends. This metric is important to management and investors as it reflects how effectively the Company is managing the costs of its vehicles and facilitates comparisons with other participants in the vehicle rental industry.

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

Total RPD represents revenue generated per transaction day, excluding the impact of foreign currency exchange rates so as not to affect the comparability of underlying trends. This metric is important to management and investors as it represents a measure of changes in the 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", "RPU" or "Total RPU Per Month")

Total RPU Per Month represents the amount of revenue generated per vehicle in the rental fleet each month, excluding the impact of foreign currency exchange rates so as not to affect the comparability of underlying trends. This metric is important to management and investors as it provides a measure of revenue productivity relative to the number of vehicles in our rental fleet whether owned or leased, or asset efficiency.

Transaction Days ("Days"; also referred to as "volume")

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

Vehicle Utilization ("Utilization")

Vehicle Utilization represents the ratio of Transaction Days to Available Rental Car Days. This metric is important to management and investors as it is the measurement of the proportion of vehicles that are being used to generate revenues relative to rentable fleet capacity.