



## Q4 2023 HIGHLIGHTS

**Continued strength in rental demand**

**Better than expected rate performance**

**Strategic decision to reduce EV fleet**

## Q4 2023 RESULTS

REVENUE	ADJ. CORP. EBITDA	ADJUSTED EPS	LIQUIDITY
<b>\$2.2B</b>	<b>\$(382)M</b>	<b>\$(1.36)</b>	<b>\$2.0B</b>
REVENUE PER UNIT	ADJ. OPERATING CASH FLOW	NET CORP. LEVERAGE RATIO	
<b>\$1,381</b>	<b>\$(366)M</b>	<b>4.5x</b>	

*"Our business benefitted from solid demand and a stable rate environment in the fourth quarter. Nevertheless, we continued to face headwinds related to our electric vehicle fleet and other costs throughout the quarter. We have taken steps to address those challenges and heading into 2024, we are confident that our planned reduction in EVs and cost base, along with the ongoing execution of our enhanced profitability plan, will enable us to regain our operational cadence and improve our financial performance with increasing effect into 2025."*

*-- Stephen Scherr, Hertz Chair and CEO*

## FY 2023 RESULTS

REVENUE	ADJ. CORP. EBITDA	ADJUSTED EPS	REVENUE PER UNIT	ADJ. OPERATING CASH FLOW
<b>\$9.4B</b>	<b>\$561M</b>	<b>\$0.53</b>	<b>\$1,479</b>	<b>\$44M</b>

## \$500M INCREMENTAL ADJUSTED CORPORATE EBITDA OPPORTUNITY

**Project-Driven Profitable Revenue**

**Yield Improvement on Assets**

**\$250M of Productivity and Cost Benefit in 2024**



**HERTZ GLOBAL HOLDINGS, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
**MEASURE – ADJUSTED CORPORATE EBITDA**  
 UNAUDITED

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; change in fair value of Public Warrants; unrealized (gains) losses on financial instruments; gain on sale of non-vehicle capital assets 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 measurements enable 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. 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 reconciliation to the most comparable consolidated U.S. GAAP measure are presented herein.

(In Millions)	Q4 2023	FY 2023
<b>Adjusted Corporate EBITDA:</b>		
Net Income (Loss)	\$(348)	\$616
<b>Adjustments:</b>		
Income Tax Provision (Benefit)	(145)	(330)
Non-vehicle Depreciation and Amortization	49	149
Non-vehicle Debt Interest, Net of Interest Income	68	238
Vehicle Debt-related Charges <sup>(A)</sup>	11	42
Restructuring and Restructuring Related Charges <sup>(B)</sup>	7	17
Unrealized (Gains) Losses on Financial Instruments <sup>(C)</sup>	10	117
(Gain) on sale of non-vehicle capital assets <sup>(D)</sup>	—	(162)
Change in Fair Value of Public Warrants	(53)	(163)
Other Items <sup>(E)</sup>	19	37
<b>Adjusted Corporate EBITDA</b>	<b>\$(382)</b>	<b>\$561</b>

- A. Represents debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.
- B. Represents charges incurred under restructuring actions as defined in U.S. GAAP. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives.
- C. Represents unrealized gains (losses) on derivative financial instruments.
- D. Represents gain on the sale of certain non-vehicle capital assets sold in March 2023 in Americas RAC.
- E. Represents miscellaneous items.



**HERTZ GLOBAL HOLDINGS, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
**MEASURE – ADJUSTED EPS**  
 UNAUDITED

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; change in fair value of Public Warrants; unrealized (gains) losses on financial instruments, gain on sale of non-vehicle capital assets 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. When evaluating our operating performance, investors should not consider Adjusted Net Income or Adjusted EPS in isolation of, or as a substitute for, measures of our financial performance determined in accordance with U.S. GAAP. The reconciliation to the most comparable consolidated U.S. GAAP measure are presented herein.

(In Millions, except per share data )	Q4 2023	FY 2023
<b>GAAP EPS</b>		
Net Income (Loss)	\$(348)	\$616
Weighted-average Number of Diluted Shared Outstanding	306	326
Diluted Earnings (Loss) Per Share	\$(1.14)	\$1.39
<b>Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share:</b>		
Net Income (Loss)	(348)	616
Income Tax Provision (Benefit)	(145)	(330)
Vehicle and Non-vehicle Debt-related Charges <sup>(A)</sup>	17	62
Restructuring and Restructuring Related Charges <sup>(B)</sup>	7	17
Acquisition Account-related Depreciation and Amortization <sup>(C)</sup>	1	2
Unrealized (Gains) Losses on Financial Instruments <sup>(D)</sup>	10	117
(Gain) on Sale of Non-vehicle Capital Assets	—	(162)
Change in Fair Value of Public Warrants	(53)	(163)
Other Items <sup>(E)</sup>	19	43
Adjusted Pre-tax Income (Loss)	(492)	202
Income Tax (Provision) Benefit on Adjusted Pre-tax Income (Loss) <sup>(F)</sup>	74	(30)
Adjusted Net Income (Loss)	\$(418)	\$172
Weighted-average Number of Diluted Shared Outstanding	306	326
Adjusted Diluted Earnings (Loss) Per Share <sup>(G)</sup>	\$(1.36)	\$0.53

- A. Represents debt-related charges relating to the amortization of deferred financing costs and debt discounts and premiums.
- B. Represents charges incurred under restructuring actions as defined in U.S. GAAP. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives.
- C. Represents incremental expense associated with the amortization of other intangible assets and depreciation of property and equipment relating to acquisition accounting.
- D. Represents unrealized gains (losses) on derivative financial instruments.
- E. Represents miscellaneous items.
- F. Derived utilizing a combined statutory rate of 15%
- G. 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.



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

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 important 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 important 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. When evaluating our operating performance, investors should not consider Adjusted Corporate Operating Cash Flow or Adjusted Free Cash Flow in isolation of, or as a substitute for, measures of our financial performance determined in accordance with U.S. GAAP. The most comparable GAAP measure for adjusted operating cash flow and adjusted free cash flow is net cash provided by (used in) operating activities. The reconciliation to the most comparable consolidated U.S. GAAP measure are presented herein.

Net Fleet Growth After Financing 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.

(In Millions)	Q4 2023	FY 2023
<b>Adjusted Operating Cash Flow And Adjusted Free Cash Flow:</b>		
Net cash provided by (used in) operating activities	\$564	\$2,474
Depreciation and reserves for revenue earning vehicles, net	(932)	(2,422)
Bankruptcy related payments (post emergence) and other payments	2	(8)
Adjusted operating cash flow	(366)	44
Non-vehicle capital asset proceeds (expenditures), net	(34)	(7)
Adjusted operating cash flow before vehicle investment	(400)	37
Net fleet growth after financing	272	(358)
Adjusted free cash flow	\$(128)	\$(321)
<b>Calculation Of Net Fleet Growth After Financing:</b>		
Revenue earning vehicles expenditures	\$(1,202)	\$(9,514)
Proceeds from disposal of revenue earning vehicles	1,320	5,498
Revenue earning vehicles capital expenditures, net	118	(4,016)
Depreciation and reserves for revenue earning vehicles, net	932	2,422
Financing activity related to vehicles:		
Borrowings	302	6,043
Payment	(1,098)	(4,837)
Restricted cash changes, vehicles	18	30
Net financing activity related to vehicles	(778)	1,236
Net fleet growth after financing	\$272	\$(358)



### 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, Senior Notes, Senior Second Priority Secured Notes, Promissory Notes and certain other non-vehicle indebtedness of its domestic and foreign subsidiaries. Net Non-vehicle Debt is important to management and investors as it helps measure the Company's corporate leverage. Net Non-vehicle Debt also assists in the evaluation of the Company's ability to service its non-vehicle debt without reference to the expense associated with the vehicle debt, which is collateralized by assets not available to lenders under the non-vehicle debt facilities.

### Net Vehicle Debt

Net Vehicle Debt is calculated as vehicle debt as reported on the Company's balance sheet, excluding the impact of unamortized debt issue costs associated with vehicle debt, less restricted cash associated with vehicles. Restricted cash associated with vehicle debt is restricted for the purchase of revenue earning vehicles and other specified uses under the Company's vehicle debt facilities. 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.

(In millions)	Non-Vehicle debt as of December 31, 2023
Term Loans	\$2,013
Senior Notes	1,500
Other Debt	2
Debt Issue Costs, Discounts and Premiums	(66)
Non-vehicle Debt as Reported in the Balance Sheet	3,449
<b>Add:</b>	
Debt Issue costs, Discounts and Premiums	66
<b>Less:</b>	
Cash and Cash Equivalents	764
Restricted Cash	—
Restricted Cash and Restricted Cash Equivalents Associated with Term C Loan	245
<b>Net Debt</b>	<b>\$2,506</b>
LTM Adjusted Corp EBITDA	\$561
Net Corporate Leverage	4.5x



## 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.

(\$ In Millions, except where noted)	Q4 2023	FY 2023
<b>Total Revenue Per Unit Per Month</b>		
Revenues	\$2,184	\$9,371
Foreign Currency Adjustment <sup>(A)</sup>	—	(24)
Total Revenues – Adjusted for Foreign Currency	2,184	9,347
Average Rentable Vehicles (In Whole Units)	527,267	526,659
Total Revenue Per Unit (In Whole Dollars)	\$4,143	\$17,748
Number of Months in Period (In Whole Units)	3	12
Total RPU Per Month (In Whole Dollars)	\$1,381	\$1,479

A. Based on December 31, 2022 foreign exchange rates.