

**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) **April 27, 2023**

**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:

	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	Nasdaq Global Select
Hertz Global Holdings, Inc.	Warrants to purchase common stock		HTZWW	Nasdaq Global Select
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 April 27, 2023, Hertz Global Holdings, Inc. issued a press release announcing its first quarter 2023 financial results. A copy of the press release is attached as Exhibit 99.1 hereto.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

[Exhibit 99.1 - Press Release of Hertz Global Holdings, Inc. dated April 27, 2023.](#)

Exhibit 104.1 - Cover Page Interactive Data File (Embedded within the Inline XBRL document)

Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

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/ ALEXANDRA BROOKS

Name: Alexandra Brooks

Title: Senior Vice President and Interim Chief Financial Officer

Date: April 27, 2023

**HERTZ REPORTS FIRST QUARTER 2023 RESULTS:
REVENUE OF \$2.0 BILLION, NET INCOME OF \$196 MILLION AND
ADJUSTED CORPORATE EBITDA OF \$237 MILLION**

"Hertz posted strong results in the first quarter, reflecting continued growth in demand across all customer segments and sustained pricing both in the U.S. and abroad," said Stephen Scherr, Hertz chair and chief executive officer. "Our continued investments in the business, particularly in the areas of technology and electrification, are improving our operational cadence, extending our reach in rideshare, and enabling the revitalization of our value brands, all with a view toward delivering sustainable returns for our shareholders. We look forward to serving our customers with excellence during the upcoming summer season."

ESTERO, Fla, April 27, 2023 - Hertz Global Holdings, Inc. (NASDAQ: HTZ) ("Hertz", "Hertz Global" or the "Company") today reported results for its first quarter 2023.

HIGHLIGHTS

- Total revenues of \$2.0 billion
- GAAP net income of \$196 million, or \$0.61 per diluted share
- Adjusted Net Income of \$126 million, or \$0.39 per adjusted diluted share
- Adjusted Corporate EBITDA of \$237 million, a 12% margin
- Operating cash flow of \$562 million, adjusted operating cash flow of \$104 million
- Adjusted free cash outflow of \$83 million
- Corporate liquidity of \$2.2 billion at March 31, including \$728 million in unrestricted cash
- Company utilized \$100 million to repurchase 5.7 million common shares during the quarter

FIRST QUARTER RESULTS

First quarter revenue was \$2.0 billion, up 13% year over year, characterized by continued strength in leisure and corporate demand. Transaction days increased 10% year over year while average fleet was up 5%. Monthly revenue per unit in the quarter of \$1,409, was up 7% year over year and benefited from a 280-basis point improvement in utilization and pricing strength.

Adjusted Corporate EBITDA was \$237 million in the quarter. Fleet depreciation was \$381 million, or \$252 per unit per month. Fleet depreciation in the first quarter of 2022 reflected outsized gains on sale of vehicles. Adjusted Corporate EBITDA in the quarter included \$88 million of gains from the monetization of interest rate caps associated with the Company's HVFIII U.S. ABS facility.

Adjusted free cash outflow of \$83 million in the quarter reflected an investment to grow the fleet to meet spring and summer demand.

During the first quarter of 2023, the Company repurchased 5.7 million shares of its common stock for \$100 million. As of April 20, 2023, the Company had approximately \$1.0 billion remaining under its share repurchase authorization.

The Company's liquidity position was \$2.2 billion at March 31, 2023, of which \$728 million was unrestricted cash.

SUMMARY RESULTS

(\$ in millions, except earnings per share or where noted)	Three Months Ended March 31,		Percent Inc/(Dec) 2023 vs 2022
	2023	2022	
Hertz Global - Consolidated			
Total revenues	\$ 2,047	\$ 1,810	13%
Adjusted net income (loss) ^(a)	\$ 126	\$ 403	(69)%
Adjusted diluted earnings (loss) per share ^(a)	\$ 0.39	\$ 0.87	(55)%
Adjusted Corporate EBITDA ^(a)	\$ 237	\$ 614	(61)%
Adjusted Corporate EBITDA Margin ^(a)	12 %	34 %	
Average Vehicles (in whole units)	504,528	481,211	5%
Average Rentable Vehicles (in whole units)	483,288	455,517	6%
Vehicle Utilization	77 %	75 %	
Transaction Days (in thousands)	33,787	30,621	10%
Total RPD (in dollars) ^(b)	\$ 60.48	\$ 58.54	3%
Total RPU Per Month (in whole dollars) ^(b)	\$ 1,409	\$ 1,312	7%
Depreciation Per Unit Per Month (in whole dollars) ^(b)	\$ 252	\$ (42)	NM
Americas RAC Segment			
Total revenues	\$ 1,730	\$ 1,558	11%
Adjusted EBITDA	\$ 261	\$ 641	(59)%
Adjusted EBITDA Margin	15 %	41 %	
Average Vehicles (in whole units)	412,983	397,620	4%
Average Rentable Vehicles (in whole units)	393,512	373,153	5%
Vehicle Utilization	79 %	76 %	
Transaction Days (in thousands)	27,879	25,579	9%
Total RPD (in dollars) ^(b)	\$ 62.03	\$ 60.81	2%
Total RPU Per Month (in whole dollars) ^(b)	\$ 1,465	\$ 1,390	5%
Depreciation Per Unit Per Month (in whole dollars) ^(b)	\$ 282	\$ (78)	NM
International RAC Segment			
Total revenues	\$ 317	\$ 252	25%
Adjusted EBITDA	\$ 53	\$ 27	97%
Adjusted EBITDA Margin	17 %	11 %	
Average Vehicles (in whole units)	91,545	83,591	10%
Average Rentable Vehicles (in whole units)	89,776	82,364	9%
Vehicle Utilization	72 %	68 %	
Transaction Days (in thousands)	5,908	5,042	17%
Total RPD (in dollars) ^(b)	\$ 53.18	\$ 47.00	13%
Total RPU Per Month (in whole dollars) ^(b)	\$ 1,167	\$ 959	22%
Depreciation Per Unit Per Month (in whole dollars) ^(b)	\$ 115	\$ 129	(11)%

NM - Not meaningful

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

(b) Based on December 31, 2022 foreign exchange rates.

EARNINGS WEBCAST INFORMATION

Hertz Global's live webcast and conference call to discuss its first quarter 2023 results will be held on April 27, 2023, at 8:30 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 <https://register.vevent.com/register/BI62d702e50f4c42c0b23858ca0440e2e4>, 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

Following is selected financial data of Hertz Global. Also included are Supplemental Schedules, which are provided to present segment results, and reconciliations of non-GAAP measures to their most comparable GAAP measure. Following the Supplemental Schedules, the Company provides definitions for terminology used throughout the earnings release and its view of the usefulness of non-GAAP measures to 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 include information concerning the Company's liquidity and its possible or assumed future results of operations, including descriptions of its business strategies. These statements often include words such as "believe," "expect," "project," "potential," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "would," "should," "could," "forecasts," "guidance" or similar expressions. These statements are based on certain assumptions that the Company has made in light of its experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate in these circumstances. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and 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 on Form 10-K, 10-Q and 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:

- *the Company's ability to purchase adequate supplies of competitively priced vehicles at a reasonable cost in order to efficiently service rental demand, including as a result of disruptions in the global supply chain;*
- *the Company's ability to attract and retain effective frontline employees and senior management and other key employees;*
- *levels of travel demand, particularly business and leisure travel in the U.S. and in global markets;*
- *significant changes in the competitive environment and the effect of competition in the Company's markets on rental volume and pricing;*

- *occurrences that disrupt rental activity during the Company's peak periods particularly in critical geographies;*
- *the Company's ability to accurately estimate future levels of rental activity and adjust the number and mix of vehicles used in its rental operations accordingly;*
- *the Company's ability to implement its business strategy or strategic transactions, including its ability to implement plans to support a large-scale electric vehicle fleet, execute its rideshare strategy and to play a central role in the modern mobility ecosystem;*
- *the Company's ability to adequately respond to changes in technology impacting the mobility industry;*
- *the mix of vehicles in the Company's fleet, including but not limited to program and non-program vehicles, which can lead to increased exposure to residual risk upon disposition;*
- *increases in vehicle holding periods, which may result in additional maintenance costs and lower customer satisfaction;*
- *financial instability of the manufacturers of the Company's vehicles, which could impact their ability to fulfill obligations under repurchase or guaranteed depreciation programs;*
- *increases in the level of recall activity by the manufacturers of the Company's vehicles, which may increase the Company's costs and can disrupt its rental activity due to safety recalls by the manufacturers of its vehicles;*
- *the Company's access to third-party distribution channels and related prices, commission structures and transaction volumes associated with those channels;*
- *the Company's ability to offer an excellent customer experience, retain and increase customer loyalty and increase 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 effectively manage its union relations and labor agreement negotiations;*
- *the Company's ability, and that of its key third-party partners, to prevent the misuse or theft of information the Company possesses, including as a result of cyber security breaches and other security threats, as well as to comply with privacy regulations across the globe;*
- *a major disruption in the Company's communication or centralized information networks or a failure to maintain, upgrade and consolidate its information technology systems;*
- *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 offset future tax on fleet dispositions, 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;*
- *changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, including those related to accounting principles, that affect the Company's operations, its costs or applicable tax rates;*
- *the recoverability of the Company's goodwill and indefinite-lived intangible assets when performing impairment analysis;*
- *costs and risks associated with potential litigation and investigations, compliance with and changes in laws and regulations and potential exposures under environmental laws and regulations;*
- *the Company's ability to comply with ESG regulations, meet increasing ESG expectations of stakeholders, and otherwise achieve ESG goals;*

- *the availability of additional or continued sources of financing at acceptable rates for the Company's revenue earning vehicles and to refinance its existing indebtedness;*
- *volatility in the Company's stock price and certain provisions of its charter documents which could negatively affect the market price of the Company's common stock;*
- *the Company's ability to effectively maintain effective internal controls over financial reporting; and*
- *the Company's ability to implement an effective business continuity plan to protect the business in exigent circumstances.*

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 March 31,	
	2023	2022
Revenues	\$ 2,047	\$ 1,810
Expenses:		
Direct vehicle and operating	1,221	1,053
Depreciation of revenue earning vehicles and lease charges, net	381	(59)
Depreciation and amortization of non-vehicle assets	35	33
Selling, general and administrative	221	235
Interest expense, net:		
Vehicle	111	5
Non-vehicle	51	39
Total interest expense, net	162	44
Other (income) expense, net	9	(2)
(Gain) on sale of non-vehicle capital assets	(162)	—
Change in fair value of Public Warrants	118	(50)
Total expenses	1,985	1,254
Income (loss) before income taxes	62	556
Income tax (provision) benefit	134	(130)
Net income (loss)	\$ 196	\$ 426
Weighted average number of shares outstanding:		
Basic	321	432
Diluted	323	461
Earnings (loss) per share:		
Basic	\$ 0.61	\$ 0.99
Diluted	\$ 0.61	\$ 0.82

UNAUDITED CONSOLIDATED BALANCE SHEETS

(In millions, except par value and share data)	March 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 728	\$ 943
Restricted cash and cash equivalents:		
Vehicle	216	180
Non-vehicle	298	295
Total restricted cash and cash equivalents	514	475
Total cash and cash equivalents and restricted cash and cash equivalents	1,242	1,418
Receivables:		
Vehicle	136	111
Non-vehicle, net of allowance of \$42 and \$45, respectively	898	863
Total receivables, net	1,034	974
Prepaid expenses and other assets	980	1,155
Revenue earning vehicles:		
Vehicles	15,746	14,281
Less: accumulated depreciation	(1,888)	(1,786)
Total revenue earning vehicles, net	13,858	12,495
Property and equipment, net	642	637
Operating lease right-of-use assets	2,067	1,887
Intangible assets, net	2,882	2,887
Goodwill	1,044	1,044
Total assets	\$ 23,749	\$ 22,497
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable:		
Vehicle	\$ 167	\$ 79
Non-vehicle	553	578
Total accounts payable	720	657
Accrued liabilities	926	911
Accrued taxes, net	173	170
Debt:		
Vehicle	11,789	10,886
Non-vehicle	2,975	2,977
Total debt	14,764	13,863
Public Warrants	735	617
Operating lease liabilities	1,977	1,802
Self-insured liabilities	457	472
Deferred income taxes, net	1,223	1,360
Total liabilities	20,975	19,852
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 479,114,852 and 478,914,062 shares issued, respectively, and 317,948,320 and 323,483,178 shares outstanding, respectively	5	5
Treasury stock, at cost, 161,166,532 and 155,430,884 common shares, respectively	(3,237)	(3,136)
Additional paid-in capital	6,346	6,326
Retained earnings (Accumulated deficit)	(60)	(256)
Accumulated other comprehensive income (loss)	(280)	(294)
Total stockholders' equity	2,774	2,645
Total liabilities and stockholders' equity	\$ 23,749	\$ 22,497

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ 196	\$ 426
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and reserves for revenue earning vehicles	466	(20)
Depreciation and amortization, non-vehicle	35	33
Amortization of deferred financing costs and debt discount (premium)	14	11
Stock-based compensation charges	21	28
Provision for receivables allowance	20	13
Deferred income taxes, net	(135)	103
(Gain) loss on sale of non-vehicle capital assets	(162)	(2)
Change in fair value of Public Warrants	118	(50)
Changes in financial instruments	108	(44)
Other	—	1
Changes in assets and liabilities:		
Non-vehicle receivables	(50)	(43)
Prepaid expenses and other assets	(48)	(40)
Operating lease right-of-use assets	78	72
Non-vehicle accounts payable	(27)	51
Accrued liabilities	29	124
Accrued taxes, net	1	30
Operating lease liabilities	(84)	(80)
Self-insured liabilities	(18)	8
Net cash provided by (used in) operating activities	562	621
Cash flows from investing activities:		
Revenue earning vehicles expenditures	(2,824)	(2,985)
Proceeds from disposal of revenue earning vehicles	1,206	1,471
Non-vehicle capital asset expenditures	(45)	(30)
Proceeds from non-vehicle capital assets disposed of or to be disposed of	175	1
Collateral returned in exchange for letters of credit	—	17
Return of (investment in) equity investments	—	(15)
Net cash provided by (used in) investing activities	(1,488)	(1,541)
Cash flows from financing activities:		
Proceeds from issuance of vehicle debt	2,061	4,680
Repayments of vehicle debt	(1,190)	(3,492)
Proceeds from issuance of non-vehicle debt	425	—
Repayments of non-vehicle debt	(430)	(5)
Payment of financing costs	(8)	(24)
Proceeds from exercises of Public Warrants	—	3
Share repurchases	(118)	(766)
Other	(1)	(4)
Net cash provided by (used in) financing activities	739	392
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents	11	(1)
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents during the period	(176)	(529)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	1,418	2,651
Cash and cash equivalents and restricted cash and cash equivalents at end of period	\$ 1,242	\$ 2,122

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

(In millions)	Three Months Ended March 31, 2023				Three Months Ended March 31, 2022			
	Americas RAC	International RAC	Corporate	Hertz Global	Americas RAC	International RAC	Corporate	Hertz Global
Revenues	\$ 1,730	\$ 317	\$ —	\$ 2,047	\$ 1,558	\$ 252	\$ —	\$ 1,810
Expenses:								
Direct vehicle and operating	1,039	182	—	1,221	903	151	(1)	1,053
Depreciation of revenue earning vehicles and lease charges, net	349	32	—	381	(93)	34	—	(59)
Depreciation and amortization of non-vehicle assets	28	2	5	35	26	3	4	33
Selling, general and administrative	105	37	79	221	86	42	107	235
Interest expense, net:								
Vehicle	93	18	—	111	2	3	—	5
Non-vehicle	(18)	(2)	71	51	(8)	—	47	39
Total interest expense, net	75	16	71	162	(6)	3	47	44
Other (income) expense, net	(1)	6	4	9	(1)	(3)	2	(2)
(Gain) on sale of non-vehicle capital assets	(162)	—	—	(162)	—	—	—	—
Change in fair value of Public Warrants	—	—	118	118	—	—	(50)	(50)
Total expenses	1,433	275	277	1,985	915	230	109	1,254
Income (loss) before income taxes	\$ 297	\$ 42	\$ (277)	62	\$ 643	\$ 22	\$ (109)	556
Income tax (provision) benefit				134				(130)
Net income (loss)				\$ 196				\$ 426

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 March 31,	
	2023	2022
Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share:		
Net income (loss)	\$ 196	\$ 426
Adjustments:		
Income tax provision (benefit)	(134)	130
Vehicle and non-vehicle debt-related charges ^{(a),(k)}	14	12
Restructuring and restructuring related charges ^(b)	3	6
Acquisition accounting-related depreciation and amortization ^(c)	—	1
Unrealized (gains) losses on financial instruments ^(d)	108	(44)
(Gain) on sale of non-vehicle capital assets ^(e)	(162)	—
Change in fair value of Public Warrants	118	(50)
Other items ^{(f),(l)}	14	56
Adjusted pre-tax income (loss) ^(g)	157	537
Income tax (provision) benefit on adjusted pre-tax income (loss) ^(h)	(31)	(134)
Adjusted Net Income (Loss)	\$ 126	\$ 403
Weighted-average number of diluted shares outstanding	323	461
Adjusted Diluted Earnings (Loss) Per Share ⁽ⁱ⁾	\$ 0.39	\$ 0.87
Adjusted Corporate EBITDA:		
Net income (loss)	\$ 196	\$ 426
Adjustments:		
Income tax provision (benefit)	(134)	130
Non-vehicle depreciation and amortization ^(j)	35	33
Non-vehicle debt interest, net of interest income	51	39
Vehicle debt-related charges ^{(a),(k)}	10	7
Restructuring and restructuring related charges ^(b)	3	6
Unrealized (gains) losses on financial instruments ^(d)	108	(44)
(Gain) on sale of non-vehicle capital assets ^(e)	(162)	—
Change in fair value of Public Warrants	118	(50)
Other items ^{(f),(m)}	12	67
Adjusted Corporate EBITDA	\$ 237	\$ 614

(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, excluding impairments and asset write-downs. Also includes restructuring related charges such as incremental costs incurred directly supporting business transformation initiatives. For the three months ended March 31, 2023 and 2022, respectively, charges incurred related primarily to International RAC.

(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, primarily associated with Americas RAC. In 2023, also includes the realization of \$88 million of previously unrealized gains resulting from the unwind of certain interest rate caps in Americas RAC.
- (e) Represents gain on the sale of certain non-vehicle capital assets sold in March 2023 in Americas RAC.
- (f) Represents miscellaneous items. For 2023, primarily includes certain IT related charges primarily in Corporate. For 2022, primarily includes bankruptcy claims, certain professional fees and charges related to the settlement of bankruptcy claims.
- (g) Adjustments by caption on a pre-tax basis were as follows:

Increase (decrease) to expenses (In millions)	Three Months Ended March 31,	
	2023	2022
Direct vehicle and operating	\$ —	\$ (2)
Depreciation of revenue earning vehicles and lease charges, net	2	—
Selling, general and administrative	(14)	(5)
Interest expense, net:		
Vehicle	(119)	36
Non-vehicle	(8)	(5)
Total interest expense, net	(127)	31
Other income (expense), net	—	(55)
Gain on sale non-vehicle capital assets	162	—
Change in fair value of Public Warrants	(118)	50
Total adjustments	\$ (95)	\$ 19

- (h) Derived utilizing a combined statutory rate of 20% and 25% for the three months ended March 31, 2023 and 2022, respectively, applied to the respective Adjusted Pre-tax Income (Loss). The decrease in rate is primarily resulting from EV-related tax credits anticipated to be used to decrease the Company's U.S. federal tax provision throughout 2023 based on the Company's expected purchases of electric vehicles.
- (i) 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.
- (j) Non-vehicle depreciation and amortization expense for Americas RAC, International RAC and Corporate for the three months ended March 31, 2023 was \$28 million, \$2 million and \$5 million, respectively. For the three months ended March 31, 2022 was \$26 million, \$3 million, and \$4 million for Americas RAC, International RAC and Corporate, respectively.
- (k) Vehicle debt-related charges for Americas RAC and International RAC for the three months ended March 31, 2023 were \$8 million and \$1 million, respectively, and were \$6 million and \$1 million, respectively, for the three months ended March 31, 2022.
- (l) Also includes letter of credit fees recorded primarily in Corporate.
- (m) In 2022, also includes an adjustment for certain non-cash stock-based compensation charges recorded in Corporate.

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 March 31,	
	2023	2022
ADJUSTED OPERATING CASH FLOW AND ADJUSTED FREE CASH FLOW:		
Net cash provided by (used in) operating activities	\$ 562	\$ 621
Depreciation and reserves for revenue earning vehicles	(466)	20
Bankruptcy related payments (post emergence) and other payments	8	36
Adjusted operating cash flow	104	677
Non-vehicle capital asset proceeds (expenditures), net	130	(29)
Adjusted operating cash flow before vehicle investment	234	648
Net fleet growth after financing	(317)	(569)
Adjusted free cash flow	\$ (83)	\$ 79
CALCULATION OF NET FLEET GROWTH AFTER FINANCING:		
Revenue earning vehicles expenditures	\$ (2,824)	\$ (2,985)
Proceeds from disposal of revenue earning vehicles	1,206	1,471
Revenue earning vehicles capital expenditures, net	(1,618)	(1,514)
Depreciation and reserves for revenue earning vehicles	466	(20)
Financing activity related to vehicles:		
Borrowings	2,061	\$ 4,680
Payments	(1,190)	\$ (3,492)
Restricted cash changes, vehicle	(36)	\$ (223)
Net financing activity related to vehicles	835	965
Net fleet growth after financing	\$ (317)	\$ (569)

HERTZ GLOBAL HOLDINGS, INC.
NET DEBT CALCULATION
Unaudited

(In millions)	As of March 31, 2023			As of December 31, 2022		
	Vehicle	Non-Vehicle	Total	Vehicle	Non-Vehicle	Total
Term loans	\$ —	\$ 1,522	\$ 1,522	\$ —	\$ 1,526	\$ 1,526
Senior notes	—	1,500	1,500	—	1,500	1,500
U.S. vehicle financing (HVF III)	10,283	—	10,283	9,406	—	9,406
International vehicle financing (Various)	1,490	—	1,490	1,466	—	1,466
Other debt	78	8	86	76	9	85
Debt issue costs, discounts and premiums	(62)	(55)	(117)	(62)	(58)	(120)
Debt as reported in the balance sheet	11,789	2,975	14,764	10,886	2,977	13,863
Add:						
Debt issue costs, discounts and premiums	62	55	117	62	58	120
Less:						
Cash and cash equivalents	—	728	728	—	943	943
Restricted cash	216	—	216	180	—	180
Restricted cash and restricted cash equivalents associated with Term C Loan	—	245	245	—	245	245
Net Debt	\$ 11,635	\$ 2,057	\$ 13,692	\$ 10,768	\$ 1,847	\$ 12,615
Corporate leverage ratio ^(a)		1.1x			0.8x	

(a) Corporate leverage ratio is calculated as non-vehicle net debt divided by LTM Adjusted Corporate EBITDA.

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

Global RAC

(\$ in millions, except where noted)	Three Months Ended March 31,		Percent Inc/(Dec)
	2023	2022	
Total RPD			
Revenues	\$ 2,047	\$ 1,810	
Foreign currency adjustment ^(a)	(3)	(18)	
Total Revenues - adjusted for foreign currency	\$ 2,044	\$ 1,792	
Transaction Days (in thousands)	33,787	30,621	
Total RPD (in dollars)	<u>\$ 60.48</u>	<u>\$ 58.54</u>	3 %
Total Revenue Per Unit Per Month			
Total Revenues - adjusted for foreign currency	\$ 2,044	\$ 1,792	
Average Rentable Vehicles (in whole units)	483,288	455,517	
Total revenue per unit (in whole dollars)	\$ 4,228	\$ 3,935	
Number of months in period (in whole units)	3	3	
Total RPU Per Month (in whole dollars)	<u>\$ 1,409</u>	<u>\$ 1,312</u>	7 %
Vehicle Utilization			
Transaction Days (in thousands)	33,787	30,621	
Average Rentable Vehicles (in whole units)	483,288	455,517	
Number of days in period (in whole units)	90	90	
Available Car Days (in thousands)	43,609	40,999	
Vehicle Utilization ^(b)	77%	75%	
Depreciation Per Unit Per Month			
Depreciation of revenue earning vehicles and lease charges, net	\$ 381	\$ (59)	
Foreign currency adjustment ^(a)	—	(2)	
Adjusted depreciation of revenue earning vehicles and lease charges	\$ 381	\$ (61)	
Average Vehicles (in whole units)	504,528	481,211	
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	\$ 756	\$ (127)	
Number of months in period (in whole units)	3	3	
Depreciation Per Unit Per Month (in whole dollars)	<u>\$ 252</u>	<u>\$ (42)</u>	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, 2022 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 March 31,		Percent Inc/(Dec)
	2023	2022	
Total RPD			
Revenues	\$ 1,730	\$ 1,558	
Foreign currency adjustment ^(a)	(1)	(2)	
Total Revenues - adjusted for foreign currency	\$ 1,729	\$ 1,556	
Transaction Days (in thousands)	27,879	25,579	
Total RPD (in dollars)	<u>\$ 62.03</u>	<u>\$ 60.81</u>	2 %
Total Revenue Per Unit Per Month			
Total Revenues - adjusted for foreign currency	\$ 1,729	\$ 1,556	
Average Rentable Vehicles (in whole units)	393,512	373,153	
Total revenue per unit (in whole dollars)	\$ 4,395	\$ 4,169	
Number of months in period (in whole units)	3	3	
Total RPU Per Month (in whole dollars)	<u>\$ 1,465</u>	<u>\$ 1,390</u>	5 %
Vehicle Utilization			
Transaction Days (in thousands)	27,879	25,579	
Average Rentable Vehicles (in whole units)	393,512	373,153	
Number of days in period (in whole units)	90	90	
Available Car Days (in thousands)	35,420	33,584	
Vehicle Utilization ^(b)	79%	76 %	
Depreciation Per Unit Per Month			
Depreciation of revenue earning vehicles and lease charges, net	\$ 349	\$ (93)	
Foreign currency adjustment ^(a)	1	—	
Adjusted depreciation of revenue earning vehicles and lease charges	\$ 350	\$ (93)	
Average Vehicles (in whole units)	412,983	397,620	
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	\$ 847	\$ (235)	
Number of months in period (in whole units)	3	3	
Depreciation Per Unit Per Month (in whole dollars)	<u>\$ 282</u>	<u>\$ (78)</u>	NM

NM - Not meaningful

(a) Based on December 31, 2022 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 March 31,		Percent Inc/(Dec)
	2023	2022	
Total RPD			
Revenues	\$ 317	\$ 252	
Foreign currency adjustment ^(a)	(3)	(15)	
Total Revenues - adjusted for foreign currency	\$ 314	\$ 237	
Transaction Days (in thousands)	5,908	5,042	
Total RPD (in dollars)	\$ 53.18	\$ 47.00	13 %
Total Revenue Per Unit Per Month			
Total Revenues - adjusted for foreign currency	\$ 314	\$ 237	
Average Rentable Vehicles (in whole units)	89,776	82,364	
Total revenue per unit (in whole dollars)	\$ 3,500	\$ 2,877	
Number of months in period (in whole units)	3	3	
Total RPU Per Month (in whole dollars)	\$ 1,167	\$ 959	22 %
Vehicle Utilization			
Transaction Days (in thousands)	5,908	5,042	
Average Rentable Vehicles (in whole units)	89,776	82,364	
Number of days in period (in whole units)	90	90	
Available Car Days (in thousands)	8,191	7,415	
Vehicle Utilization ^(b)	72%	68%	
Depreciation Per Unit Per Month			
Depreciation of revenue earning vehicles and lease charges, net	\$ 32	\$ 34	
Foreign currency adjustment ^(a)	(1)	(2)	
Adjusted depreciation of revenue earning vehicles and lease charges	\$ 31	\$ 32	
Average Vehicles (in whole units)	91,545	83,591	
Adjusted depreciation of revenue earning vehicles and lease charges divided by Average Vehicles (in whole dollars)	\$ 344	\$ 386	
Number of months in period (in whole units)	3	3	
Depreciation Per Unit Per Month (in whole dollars)	\$ 115	\$ 129	(11)%

(a) Based on December 31, 2022 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; 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.

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; 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 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 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.

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

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" 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.