
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): May 2, 2022

Avis Budget Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-10308
(Commission File Number)

06-0918165
(IRS Employer Identification Number)

6 Sylvan Way
Parsippany, NJ
(Address of Principal Executive Offices)

07054
(Zip Code)

Registrant's telephone number, including area code (973) 496-4700

N/A

(Former name or former address 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
Common Stock, Par Value \$0.01

Trading Symbol(s)
CAR

Name of each exchange on which registered
The Nasdaq Global Select Market

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 May 2, 2022, Avis Budget Group, Inc. (The "Company") reported its first quarter 2022 results. The first quarter 2022 results are discussed in detail in the press release attached hereto as Exhibit 99.1, which is incorporated herein by reference.

The information in this item, including Exhibit 99.1, is being furnished, not filed. Accordingly, the information in this item will not be incorporated by reference into any registration statement filed by the Company, under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 8.01 Other Events.

Share Repurchase Program

On May 2, 2022, the Company's board of directors approved a \$2.0 billion increase to the Company's existing share repurchase authorization. After giving effect to this increase, as of May 2, 2022, the Company had approximately \$2.3 billion of available share repurchase authorization remaining.

Under the Company's stock repurchase program, the Company repurchases shares from time to time in open market transactions, and may also repurchase shares in accelerated share repurchases, tender offers, privately negotiated transactions or by other means. Repurchases may also be made under a plan pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing and amount of repurchase transactions will be determined by the Company's management based on its evaluation of market conditions, the Company's share price, legal requirements, restricted payment capacity under its debt instruments and other factors. The stock repurchase program may be suspended, modified or discontinued at any time without prior notice.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release dated May 2, 2022. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURE

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

AVIS BUDGET GROUP, INC.

By: /s/ Cathleen DeGenova

Cathleen DeGenova
Vice President and Chief Accounting Officer

Date: May 2, 2022



Avis Budget Group Reports Record First Quarter Results

PARSIPPANY, N.J., May 2, 2022 - Avis Budget Group, Inc. (NASDAQ: CAR) today announced financial results for first quarter 2022.

We ended the quarter with revenues 77% above the first quarter 2021, at \$2.4 billion. Our revenues were driven by rental days as demand improved throughout the quarter and increased revenue per day.

Net income was \$527 million and our Adjusted EBITDA was \$810 million, our best first quarter Adjusted EBITDA in our history. Utilization for the quarter was 67.4% and in-line with first quarter 2021, showing our fleet is well positioned to meet seasonal peak demand.

Our liquidity position at the end of the quarter was approximately \$900 million, with an additional \$1.7 billion of fleet funding capacity. We have well-laddered corporate debt and no meaningful maturities until 2024.

“Despite the impact of Omicron on the first half of the quarter, our team was able to quickly pivot to manage the significantly increasing demand during the back half of the quarter,” said Joe Ferraro, Avis Budget Group Chief Executive Officer. “We focused on diligent fleet management and continued cost optimization to generate a new record first quarter Adjusted EBITDA. I want to thank all the employees for their continued tireless efforts in helping us achieve this milestone.”

Q1 and April Highlights

- Total Company revenues increased by 77% and 27% compared to first quarter 2021 and 2019, respectively.
- Adjusted EBITDA in the Americas was \$810 million for the first quarter 2022 driven by strong pricing and volume as demand increased throughout the quarter. Utilization for the quarter was 68.9% and in-line with first quarter 2019.
- Adjusted EBITDA in International was \$23 million for the first quarter 2022 driven by pricing and volume along with strong cost optimization, the best first quarter Adjusted EBITDA in International's history.
- Our Board of Directors approved a \$1.0 billion and \$2.0 billion increase to our existing share repurchase authorization in March and May, respectively, bringing our available authorization under the stock repurchase program to \$2.3 billion.

Investor Conference Call

We will host a conference call to discuss our first quarter results on May 3, 2022, at 8:30 a.m. (ET). Investors may access the call at ir.avisbudgetgroup.com or by dialing (877) 407-2991 and a replay will be available on our website and at (877) 660-6853 using conference code 13728961.

About Avis Budget Group

Avis Budget Group, Inc. is a leading global provider of mobility solutions, both through our Avis and Budget brands, which have more than 10,000 rental locations in approximately 180 countries around the world, and through our Zipcar brand, which is the world's leading car sharing network. Avis Budget Group operates most of our car rental offices in North America, Europe and Australasia directly, and operates primarily through licensees in other parts of the world. Avis Budget Group is headquartered in Parsippany, N.J. More information is available at avisbudgetgroup.com.

Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements." Any statements that refer to outlook, expectations or other characterizations of future events, circumstances or results, including all statements related to our future results, impacts from the COVID-19 outbreak, future travel levels, cost-saving actions, the global semiconductor shortage and liquidity and cash flows are forward-looking statements. Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this press release include, but are not limited to, the severity and duration of the COVID-19 outbreak, which is expected to continue to have a significant impact on our operations, and resulting economic conditions and related restrictions, the high level of competition in the mobility industry, changes in our fleet costs, including as a result of a change in the cost of new vehicles, manufacturer recalls and/or the value of used vehicles, disruption in the supply of new vehicles, disposition of vehicles not covered by manufacturer repurchase programs, our ability to realize our estimated cost savings on a timely basis, or at all, the financial condition of the manufacturers that supply our rental vehicles, including as a result of the global semiconductor shortage, which could affect their ability to perform their obligations under our repurchase and/or guaranteed depreciation arrangements, the significant decline in travel demand as a result of COVID-19, including the current and any further disruptions in airline passenger traffic, the absence of an improvement in or any further deterioration in economic conditions generally, particularly during our peak season and/or in key market segments, any occurrence or threat of terrorism, the current and any future pandemic diseases or other natural disasters, any changes to the cost or supply of fuel, risks related to acquisitions or integration of acquired businesses, risks associated with litigation, including class action lawsuits, governmental or regulatory inquiries or investigations, risks related to the security of our information technology systems, disruptions in our communication networks, changes in tax or other regulations, a significant increase in interest rates or borrowing costs, our ability to obtain financing for our global operations, including the funding of our vehicle fleet via asset-backed securities markets, any fluctuations related to the mark-to-market of derivatives which hedge our exposure to exchange rates, interest rates and fuel costs, our ability to meet the covenants contained in the agreements governing our indebtedness, and our ability to accurately estimate our future results and implement our cost savings actions. Other unknown or unpredictable factors could also have material adverse effects on our performance or achievements, such as the potential effects on the world economy and markets, elections and government shutdowns, as a result of Russia's recent invasion of Ukraine. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Avis Budget Group's Annual Report on Form 10-K for the year ended December 31, 2021 and in other filings and furnishings made by us with the Securities and Exchange Commission (the "SEC") from time to time. We undertake no obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Non-GAAP Financial Measures and Key Metrics

This release includes financial measures such as Adjusted EBITDA, Adjusted net income and Adjusted free cash flow, as well as other financial measures that are not considered generally accepted accounting principles ("GAAP") measures as defined under SEC rules. Important information regarding such measures is contained in the financial tables to this release and in Appendix I, including the definitions of these measures and reconciliations to the closest comparable GAAP measures. The Company and its management believe that these non-GAAP measures are useful to investors in measuring our comparable period-over-period results. The GAAP measures most directly comparable to Adjusted EBITDA, Adjusted free cash flow, Adjusted pretax income (loss), Adjusted net income (loss) and Adjusted diluted earnings (loss) per share are net income (loss), net cash provided by operating activities, income (loss) before income taxes, net income (loss) attributable to Avis Budget Group, Inc. and diluted earnings (loss) per share, respectively. Foreign currency translation effects on our results are quantified by translating the current period's non-U.S. dollar-denominated results using the currency exchange rates of the prior period of comparison including any related gains and losses on currency hedges. Per-unit fleet costs, which represent vehicle depreciation, lease charges and gain or loss on vehicle sales, divided by average rental fleet, are calculated on a per-month basis.

Contact

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Tables Follow

Avis Budget Group, Inc.
SUMMARY DATA SHEET
(In millions, except per share data)

| | Three Months Ended March 31, | | |
|--|------------------------------|-------------------|----------|
| | 2022 | 2021 | % Change |
| Income Statement and Other Items | | | |
| Revenues | \$ 2,432 | \$ 1,372 | 77 % |
| Income (loss) before income taxes | 695 | (250) | 378 % |
| Net income (loss) | 527 | (170) | 410 % |
| Earnings (loss) per share - diluted | 9.71 | (2.43) | 500 % |
| Adjusted Earnings Measures (non-GAAP)^(A) | | | |
| Adjusted EBITDA | 810 | 47 | n/m |
| Adjusted pretax income (loss) | 713 | (64) | n/m |
| Adjusted net income (loss) | 544 | (32) | n/m |
| Adjusted earnings (loss) per share - diluted | 9.99 | (0.46) | n/m |
| As of | | | |
| | March 31, 2022 | December 31, 2021 | |
| Balance Sheet Items | | | |
| Cash and Cash Equivalents | \$ 550 | \$ 534 | |
| Vehicles, net | 13,987 | 12,866 | |
| Debt under vehicle programs | 12,099 | 11,390 | |
| Corporate debt | 4,705 | 4,009 | |
| Stockholders' equity attributable to Avis Budget Group, Inc. | (992) | (220) | |
| Segment Results | | | |
| | Three Months Ended March 31, | | |
| | 2022 | 2021 | % Change |
| Revenues | | | |
| Americas | \$ 2,000 | \$ 1,080 | 85% |
| International | 432 | 292 | 48% |
| Corporate and Other | — | — | n/m |
| Total Company | \$ 2,432 | \$ 1,372 | 77% |
| Adjusted EBITDA | | | |
| Americas | \$ 810 | \$ 108 | 650% |
| International | 23 | (50) | 146% |
| Corporate and Other | (23) | (11) | n/m |
| Total Company | \$ 810 | \$ 47 | n/m |

n/m Not meaningful.

(A) See Table 5 for reconciliations of non-GAAP measures and Appendix I for definitions.

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)

| | Three Months Ended March 31, | |
|---|-------------------------------------|-----------------|
| | 2022 | 2021 |
| Revenues | \$ 2,432 | \$ 1,372 |
| Expenses | | |
| Operating | 1,147 | 832 |
| Vehicle depreciation and lease charges, net | 111 | 254 |
| Selling, general and administrative | 283 | 182 |
| Vehicle interest, net | 77 | 75 |
| Non-vehicle related depreciation and amortization | 58 | 68 |
| Interest expense related to corporate debt, net: | | |
| Interest expense | 53 | 61 |
| Early extinguishment of debt | — | 129 |
| Restructuring and other related charges | 8 | 20 |
| Transaction-related costs, net | — | 1 |
| Total expenses | 1,737 | 1,622 |
| Income (loss) before income taxes | 695 | (250) |
| Provision for (benefit from) income taxes | 168 | (80) |
| Net income (loss) | 527 | (170) |
| Less: net loss attributable to non-controlling interests | (2) | — |
| Net income (loss) attributable to Avis Budget Group, Inc | \$ 529 | \$ (170) |
| Earnings (loss) per share | | |
| Basic | \$ 9.96 | \$ (2.43) |
| Diluted | \$ 9.71 | \$ (2.43) |
| Weighted average shares outstanding | | |
| Basic | 53.1 | 69.9 |
| Diluted | 54.5 | 69.9 |

Avis Budget Group, Inc.
KEY METRICS SUMMARY

| | Three Months Ended March 31, | | |
|--|------------------------------|----------|-----------|
| | 2022 | 2021 | % Change |
| Americas | | | |
| Rental Days (000's) | 27,482 | 18,021 | 52 % |
| Revenue per Day, excluding exchange rate effects ^(A) | \$ 72.76 | \$ 59.92 | 21 % |
| Average Rental Fleet | 443,356 | 294,634 | 50 % |
| Vehicle Utilization | 68.9 % | 68.0% | 0.9 pps |
| Per-Unit Fleet Costs per Month, excluding exchange rate effects ^(A) | \$ 20 | \$ 208 | (90)% |
| International | | | |
| Rental Days (000's) | 8,581 | 6,825 | 26 % |
| Revenue per Day, excluding exchange rate effects ^(A) | \$ 53.76 | \$ 42.88 | 25 % |
| Average Rental Fleet | 150,788 | 117,470 | 28 % |
| Vehicle Utilization | 63.2 % | 64.6% | (1.4) pps |
| Per-Unit Fleet Costs per Month, excluding exchange rate effects ^(A) | \$ 198 | \$ 199 | (1)% |
| Total | | | |
| Rental Days (000's) | 36,063 | 24,846 | 45 % |
| Revenue per Day, excluding exchange rate effects ^(A) | \$ 68.24 | \$ 55.24 | 24 % |
| Average Rental Fleet | 594,144 | 412,104 | 44 % |
| Vehicle Utilization | 67.4 % | 67.0% | 0.4 pps |
| Per-Unit Fleet Costs per Month, excluding exchange rate effects ^(A) | \$ 65 | \$ 205 | (68)% |

Refer to Table 6 for key metrics calculations and Appendix I for key metrics definitions.

(A) The following metrics include changes in currency exchange rates:

| | Three Months Ended March 31, | | |
|--------------------------------|------------------------------|----------|----------|
| | 2022 | 2021 | % Change |
| Americas | | | |
| Revenue per Day | \$ 72.76 | \$ 59.92 | 21 % |
| Per-Unit Fleet Costs per Month | \$ 20 | \$ 208 | (90)% |
| International | | | |
| Revenue per Day | \$ 50.42 | \$ 42.88 | 18 % |
| Per-Unit Fleet Costs per Month | \$ 186 | \$ 199 | (7)% |
| Total | | | |
| Revenue per Day | \$ 67.44 | \$ 55.24 | 22 % |
| Per-Unit Fleet Costs per Month | \$ 62 | \$ 205 | (70)% |

Avis Budget Group, Inc.
CONSOLIDATED CONDENSED SCHEDULES OF CASH FLOWS AND ADJUSTED FREE CASH FLOWS
(In millions)

CONSOLIDATED CONDENSED SCHEDULE OF CASH FLOWS

| | Three Months Ended March 31, 2022 |
|---|--------------------------------------|
| Operating Activities | |
| Net cash provided by operating activities | \$ 1,148 |
| Investing Activities | |
| Net cash used in investing activities exclusive of vehicle programs | \$ (14) |
| Net cash used in investing activities of vehicle programs | (1,151) |
| Net cash used in investing activities | \$ (1,165) |
| Financing Activities | |
| Net cash used in financing activities exclusive of vehicle programs | \$ (581) |
| Net cash provided by financing activities of vehicle programs | 611 |
| Net cash provided by financing activities | \$ 30 |
| Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash | \$ (2) |
| Net change in cash and cash equivalents, program and restricted cash | 11 |
| Cash and cash equivalents, program and restricted cash, beginning of period ^(A) | 626 |
| Cash and cash equivalents, program and restricted cash, end of period ^(B) | \$ 637 |

CONSOLIDATED SCHEDULE OF ADJUSTED FREE CASH FLOWS ^(C)

| | Three Months Ended March 31, 2022 |
|---|--------------------------------------|
| Income before income taxes | \$ 695 |
| Add-back of non-vehicle related depreciation and amortization ^(D) | 60 |
| Add-back of restructuring and other related costs | 8 |
| Add-back of COVID-19 charges | (7) |
| Add-back of unprecedented personal-injury and other legal matters, net | 1 |
| Working capital and other | 279 |
| Capital expenditures ^(E) | (46) |
| Tax payments, net of refunds | (10) |
| Vehicle programs and related ^(F) | (379) |
| Adjusted free cash flow | \$ 601 |
| Acquisition and related payments, net of acquired cash | \$ (1) |
| Borrowings, net of debt repayments | 724 |
| Restructuring and other related payments | (5) |
| Transaction-related payments | (1) |
| Repurchases of common stock | (1,299) |
| Change in program cash | (2) |
| Change in restricted cash | (1) |
| Foreign exchange effects, financing costs and other | (5) |
| Net change in cash and cash equivalents, program and restricted cash (per above) | \$ 11 |

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW

| | Three Months Ended March 31, 2022 | |
|---|--------------------------------------|--------------|
| Net cash provided by operating activities (per above) | \$ | 1,148 |
| Investing activities of vehicle programs | | (1,151) |
| Financing activities of vehicle programs | | 611 |
| Capital expenditures | | (37) |
| Proceeds received on sale of assets and nonmarketable equity securities | | 1 |
| Change in program cash | | 2 |
| Change in restricted cash | | 1 |
| Acquisition and disposition-related payments | | 20 |
| Restructuring and other related payments | | 5 |
| Transaction-related payments | | 1 |
| Adjusted free cash flow (per above) | \$ | 601 |

- (A) Consists of cash and cash equivalents of \$534 million, program cash of \$89 million and restricted cash of \$3 million.
- (B) Consists of cash and cash equivalents of \$550 million, program cash of \$85 million and restricted cash of \$2 million.
- (C) See Appendix I for the definition of Adjusted free cash flow.
- (D) Includes \$2 million of cloud computing costs.
- (E) Includes \$9 million of cloud computing implementation costs.
- (F) Includes vehicle-backed borrowings (repayments) that are incremental to amounts required to fund incremental (reduced) vehicle and vehicle-related assets. Also includes \$17 million of vehicles sold in the divestiture of our operations in the United States Virgin Islands and the Netherlands.

Avis Budget Group, Inc.
DEFINITIONS AND RECONCILIATIONS OF NON-GAAP MEASURES
(In millions, except per share data)

The accompanying press release includes certain non-GAAP (generally accepted accounting principles) financial measures as defined under SEC rules. To the extent not provided in the press release or accompanying tables, we have provided the reasons we present these non-GAAP financial measures and a description of what they represent in Appendix I. For each non-GAAP financial measure a reconciliation to the most comparable GAAP financial measure is calculated and presented below with reconciliations of net income (loss), income (loss) before income taxes and diluted earnings (loss) per share to Adjusted EBITDA and our Adjusted earnings measures.

| | Three Months Ended March 31, | |
|--|------------------------------|--------------|
| | 2022 | 2021 |
| Reconciliation of Net income (loss) to Adjusted EBITDA: | | |
| Net income (loss) | \$ 527 | \$ (170) |
| Add: Provision for (benefit from) income taxes | 168 | (80) |
| Income (loss) before income taxes | 695 | (250) |
| Add certain items: | | |
| Acquisition-related amortization expense | 16 | 18 |
| Restructuring and other related charges | 8 | 20 |
| Unprecedented personal-injury and other legal matters, net ^(A) | 1 | — |
| Early extinguishment of debt | — | 129 |
| Transaction-related costs, net | — | 1 |
| COVID-19 charges ^(B) | (7) | 18 |
| Adjusted pretax income (loss) | 713 | (64) |
| Add: Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense) ^(C) | 44 | 50 |
| Interest expense related to corporate debt, net (excluding early extinguishment of debt) | 53 | 61 |
| Adjusted EBITDA | \$ 810 | \$ 47 |

Reconciliation of Net income (loss) attributable to Avis Budget Group, Inc. to adjusted net income (loss):

| | | |
|--|----------------|------------------|
| Net income (loss) attributable to Avis Budget Group, Inc. | \$ 529 | \$ (170) |
| Add certain items, net of tax: | | |
| Acquisition-related amortization expense | 12 | 13 |
| Restructuring and other related charges | 7 | 15 |
| Unprecedented personal-injury and other legal matters, net | 1 | — |
| Early extinguishment of debt | — | 96 |
| Transaction-related costs, net | — | 1 |
| COVID-19 charges | (5) | 13 |
| Adjusted net income (loss) | \$ 544 | \$ (32) |
| Earnings (loss) per share - Diluted | \$ 9.71 | \$ (2.43) |
| Adjusted diluted earnings (loss) per share | \$ 9.99 | \$ (0.46) |
| Shares used to calculate Adjusted diluted earnings (loss) per share | 54.5 | 69.9 |

(A) Reported within operating expenses in our Consolidated Statements of Operations.

(B) The following table presents the unusual, direct and incremental costs due to the COVID-19 pandemic.

| | Three Months Ended March 31, | |
|--|------------------------------|-------|
| | 2022 | 2021 |
| Minimum annual guaranteed rent in excess of concession fees, net | \$ (7) | \$ 19 |
| Vehicles damaged in overflow parking lots, net of insurance proceeds | — | (6) |
| Other charges | — | 5 |
| Operating expenses | \$ (7) | \$ 17 |
| Selling, general and administrative expenses | \$ — | \$ 1 |
| COVID-19 charges, net | \$ (7) | \$ 18 |

(C) For the three months ended March 31, 2022 consists of \$2 million within operating expenses in our Consolidated Statements of Operations related to cloud computing costs.

Avis Budget Group, Inc.
KEY METRICS CALCULATIONS
(\$ in millions, except as noted)

| | Three Months Ended March 31, 2022 | | | Three Months Ended March 31, 2021 | | |
|--|-----------------------------------|---------------|----------|-----------------------------------|---------------|----------|
| | Americas | International | Total | Americas | International | Total |
| Revenue per Day (RPD) | | | | | | |
| Revenue | \$ 2,000 | \$ 432 | \$ 2,432 | \$ 1,080 | \$ 292 | \$ 1,372 |
| Currency exchange rate effects | — | 29 | 29 | — | — | — |
| Revenue excluding exchange rate effects | \$ 2,000 | \$ 461 | \$ 2,461 | \$ 1,080 | \$ 292 | \$ 1,372 |
| Rental days (000's) | 27,482 | 8,581 | 36,063 | 18,021 | 6,825 | 24,846 |
| RPD excluding exchange rate effects (in \$'s) | \$ 72.76 | \$ 53.76 | \$ 68.24 | \$ 59.92 | \$ 42.88 | \$ 55.24 |
| Vehicle Utilization | | | | | | |
| Rental days (000's) | 27,482 | 8,581 | 36,063 | 18,021 | 6,825 | 24,846 |
| Average rental fleet | 443,356 | 150,788 | 594,144 | 294,634 | 117,470 | 412,104 |
| Number of days in period | 90 | 90 | 90 | 90 | 90 | 90 |
| Available rental days (000's) | 39,902 | 13,571 | 53,473 | 26,517 | 10,572 | 37,089 |
| Vehicle utilization | 68.9 % | 63.2 % | 67.4 % | 68.0 % | 64.6 % | 67.0 % |
| Per-Unit Fleet Costs | | | | | | |
| Vehicle depreciation and lease charges, net | \$ 26 | \$ 85 | \$ 111 | \$ 184 | \$ 70 | \$ 254 |
| Currency exchange rate effects | — | 5 | 5 | — | — | — |
| | \$ 26 | \$ 90 | \$ 116 | \$ 184 | \$ 70 | \$ 254 |
| Average rental fleet | 443,356 | 150,788 | 594,144 | 294,634 | 117,470 | 412,104 |
| Per-unit fleet costs (in \$'s) | \$ 59 | \$ 595 | \$ 195 | \$ 623 | \$ 597 | \$ 615 |
| Number of months in period | 3 | 3 | 3 | 3 | 3 | 3 |
| Per-unit fleet costs per month excluding exchange rate effects (in \$'s) | \$ 20 | \$ 198 | \$ 65 | \$ 208 | \$ 199 | \$ 205 |

Our calculation of rental days and revenue per day may not be comparable to the calculation of similarly-titled metrics by other companies. Currency exchange rate effects are calculated by translating the current-year results at the prior-period average exchange rates plus any related gains and losses on currency hedges.

Avis Budget Group, Inc.
DEFINITIONS OF NON-GAAP MEASURES AND KEY METRICS

Adjusted EBITDA

The accompanying press release presents Adjusted EBITDA, which represents income (loss) from continuing operations before non-vehicle related depreciation and amortization, any impairment charges, restructuring and other related charges, early extinguishment of debt costs, non-vehicle related interest, transaction-related costs, net, charges for unprecedented personal-injury and other legal matters, net, which includes amounts recorded in excess of \$5 million related to class action lawsuits, non-operational charges related to shareholder activist activity, which include third party advisory, legal and other professional service fees, COVID-19 charges and income taxes. COVID-19 charges include unusual, direct and incremental costs due to the COVID-19 pandemic such as minimum annual guaranteed rent in excess of concession fees for the period, overflow parking for idle vehicles and related shuttling costs, incremental cleaning supplies to sanitize vehicles and facilities, and losses associated with vehicles damaged in overflow parking lots, net of insurance proceeds. Adjusted EBITDA includes stock-based compensation expense and deferred financing fee amortization totaling \$12 million and \$9 million in first quarter 2022 and 2021, respectively.

We believe that Adjusted EBITDA is useful to investors as a supplemental measure in evaluating the aggregate performance of our operating businesses and in comparing our results from period to period. Adjusted EBITDA is the measure that is used by our management, including our chief operating decision maker, to perform such evaluation. Adjusted EBITDA is also a component in the determination of management's compensation. Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other income statement data prepared in accordance with GAAP and our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. A reconciliation of Adjusted EBITDA from net income (loss) recognized under GAAP is provided on Table 5.

Adjusted Earnings Non-GAAP Measures

The accompanying tables present Adjusted pretax income (loss), Adjusted net income (loss) and Adjusted diluted earnings (loss) per share, which exclude certain items. We believe that these measures referred to above are useful to investors as supplemental measures in evaluating our aggregate performance. We exclude restructuring and other related charges, transaction-related costs, costs related to early extinguishment of debt and certain other items as such items are not representative of the results of operations of our business less a provision for income taxes derived utilizing applicable statutory tax rates for each item. A reconciliation of our Adjusted earnings Non-GAAP measures from the appropriate measures recognized under GAAP is provided on Table 5.

Adjusted Free Cash Flow

Represents Net Cash Provided by Operating Activities adjusted to reflect the cash inflows and outflows relating to capital expenditures, the investing and financing activities of our vehicle programs, asset sales, if any, and to exclude debt extinguishment costs, transaction-related costs, restructuring and other related charges, charges for unprecedented personal-injury and other legal matters, COVID-19 charges and non-operational charges related to shareholder activist activity. We believe that Adjusted Free Cash Flow is useful to management and investors in measuring the cash generated that is available to be used to repay debt obligations, repurchase stock, pay dividends and invest in future growth through new business development activities or acquisitions. Adjusted Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Adjusted Free Cash Flow may not be comparable to similarly-titled measures used by other companies. A reconciliation of Adjusted Free Cash Flow to the appropriate measure recognized under GAAP is provided on Table 4.

Adjusted EBITDA Margin

Represents Adjusted EBITDA as a percentage of revenues.

Available Rental Days

Defined as Average Rental Fleet times the numbers of days in a given period.

Average Rental Fleet

Represents the average number of vehicles in our fleet during a given period of time.

Currency Exchange Rate Effects

Represents the difference between current-period results as reported and current-period results translated at the prior-period average exchange rates plus any related currency hedges.

Net Corporate Debt

Represents corporate debt minus cash and cash equivalents.

Net Corporate Leverage

Represents Net Corporate Debt divided by Adjusted EBITDA for the twelve months prior to the date of calculation.

Per-Unit Fleet Costs

Represents vehicle depreciation, lease charges and gain or loss on vehicles sales, divided by Average Rental Fleet.

Rental Days

Represents the total number of days (or portion thereof) a vehicle was rented during a 24-hour period.

Revenue per Day

Represents revenues divided by Rental Days.

Vehicle Utilization

Represents Rental Days divided by Available Rental Days.