Second Quarter 2015 Earnings Call
August 4, 2015
Webcast: ir.avisbudgetgroup.com
Dial-in: (630) 395-0021
Replay: (402) 280-1650
Passcode: 2995545
Statements about future results made in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include projections.

These statements are based on current expectations and the current economic environment. Forward-looking statements and projections are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements.

Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements and projections are specified in the Company’s most recently filed Form 10-K, its current report on Form 8-K filed May 6, 2015 and other SEC filings.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, the date of our last earnings conference call.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. Important information regarding reconciliation of such measures is contained within this presentation, including in the Glossary section.
Ron Nelson

Chairman and Chief Executive Officer
SECOND QUARTER 2015 HIGHLIGHTS

As expected, pricing comparisons improved month by month

Strong Adjusted EBITDA and EPS Growth

- Americas pricing declined 1% year-over-year\(^{(a)}\)
- Per-unit fleet costs declined 2%
- International Adjusted EBITDA grew 42\(^{(a)}\) and margins expanded
- Increased our share repurchase program by $250 million

\(^{(a)}\) In constant currency
**Year-over-Year Pricing Trends Improved as the Second Quarter Progressed**

<table>
<thead>
<tr>
<th>Component</th>
<th>Effect</th>
</tr>
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<tbody>
<tr>
<td>Payless pricing increase</td>
<td>5%</td>
</tr>
<tr>
<td>Avis and Budget U.S. Pricing</td>
<td>(1%)</td>
</tr>
<tr>
<td>Currency Effects</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>Payless Mix Effect</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>Other Effects</td>
<td>(0.2%)</td>
</tr>
<tr>
<td><strong>Reported Americas Pricing</strong></td>
<td><strong>(2%)</strong></td>
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</tbody>
</table>

(a) Primarily Canada and Latin America
Proven Ability to Achieve Pricing Growth

Two-Year Change in U.S. Pricing

Year-over-year pricing comparisons are easier in the second half

First Half 2015 vs. 2013: 4%
Full Year 2015E vs. 2013: 4%

Pricing Gains Are Unlikely to Be Linear
AMERICAS – VOLUME

Second Quarter Volume Driven by Strong Leisure Demand

- Rental days increased 3% in the second quarter
  - Reflects organic growth and acquisition of Budget Southern California
- International-inbound volume increased 7%
- High-margin ancillary revenue increased 6%
- Revenues from “Signature” vehicles grew 14%

Shifted more than 150 basis points of volume to our proprietary channels

Launched new Avis loyalty program
INTERNATIONAL

12% Constant-Currency Revenue Growth

- Modest demand growth across Europe
- Pricing was challenged due to competitive pressures
- Ancillary revenue per day increased 6% (a)
- Per-unit fleet costs declined 12% (b)

Volume grew 4% organically in the quarter

Integrations of Scandinavia licensee and Maggiore are going as planned

Revenue Growth (b)

<table>
<thead>
<tr>
<th></th>
<th>2%</th>
<th>4%</th>
<th>6%</th>
<th>12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Scandinavia</td>
<td></td>
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<tr>
<td>Acquisition Effect</td>
<td></td>
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<tr>
<td>Maggiore</td>
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<tr>
<td>Acquisition Effect</td>
<td></td>
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</tr>
<tr>
<td>Total</td>
<td></td>
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</tbody>
</table>

(a) Excluding gas, customer recoveries, currency effects and Maggiore acquisition
(b) Excluding Zipcar, in constant currency
Zipcar is Well-Positioned for Future Growth

- Continuing to expand to new cities and additional universities
- ONE>WAY pilot has been well received
- Introduced “Instant Join” technology
- Increased member satisfaction
Use of Free Cash Flow Has Now Shifted Toward Share Repurchases

- Our priorities for free cash flow continue to be share repurchases and tuck-in acquisitions
- Repurchased $115 million of stock in the first half of 2015
  - Plus $45 million in month of July
- Increased authorization by $250 million
  - $375 million available as of August 1
- Expect to spend at least $300 million on share repurchases in 2015

Acquired full ownership of our Avis and Budget licensee in Brazil in April for roughly $55 million

Acquired Maggiore, the fourth-largest car rental company in Italy, in April for roughly $160 million
2015 OUTLOOK

Narrowed Full-Year 2015 Adjusted EBITDA Projections

Americas
- Full-year pricing projected to be largely unchanged in constant currency
- Volume expected to grow 4% to 5%
- Per-unit fleet costs expected to decline by up to 3%
- Increasing fleet utilization

International
- Volume expected to grow more than 15%, reflecting acquisitions and organic growth
- Effects of exchange rates on earnings are significant
Second Quarter Earnings Growth Projected to Lead to Record Year

- Encouraging summer trends
  - Growing U.S. demand
  - Firm vehicle residual values
  - Strong European volumes
  - Rigorous cost control globally
- Deploying more free cash flow to share repurchases
- Expect to achieve record earnings in 2015
David Wyshner
Senior Executive Vice President
and Chief Financial Officer
SECOND QUARTER 2015 RESULTS

Second quarter earnings per share increased 24% to $0.84, excluding certain items.

Expanded Margins in Second Quarter

($ in millions)

Revenue

- Second Quarter 2014: $2,194
- Second Quarter 2015: $2,173

(1%) decrease

+5% excluding currency

Adjusted EBITDA

- Second Quarter 2014: $213
- Second Quarter 2015: $227

9.7% margin

10.4% margin

Second quarter earnings per share increased 24% to $0.84, excluding certain items.

Expansion of operating margins to 9.7% in the second quarter of 2015 versus 9.1% in the first quarter of 2015.

Revenue growth of 1% in the second quarter of 2015 compared to the first quarter of 2015.

Adjusted EBITDA margin expanded to 10.4% in the second quarter of 2015 from 9.7% in the first quarter of 2015.
SECOND QUARTER 2015 RESULTS – AMERICAS

Ancillary revenue per day increased 4%\(^{(b)}\)

Adjusted EBITDA increased 3% due to higher rental volumes and increased fleet utilization

Record Quarterly Revenue

Americas Revenue Drivers\(^{(a)}\)

- Rental Days: +3%
- Average Daily Rate: (2%)
- Total Revenue: +1%

\(^{(a)}\) Year-over-year growth, excluding Zipcar
\(^{(b)}\) Excluding Zipcar, gas and customer recoveries, in constant currency
## Increased Margins Despite Pricing Pressures

### International Revenue Drivers\(^{(a)}\)

<table>
<thead>
<tr>
<th>Revenue Driver</th>
<th>Reported</th>
<th>Excluding Maggiore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>+12%</td>
<td>+6%</td>
</tr>
<tr>
<td>Pricing</td>
<td>- 5%</td>
<td>- 4%</td>
</tr>
<tr>
<td>Ancillary revenue per day</td>
<td>+3%</td>
<td>+6%</td>
</tr>
<tr>
<td>Total revenue per day</td>
<td>- 4%</td>
<td>- 2%</td>
</tr>
<tr>
<td>Rental days(^{(b)})</td>
<td>+18%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA Increased 11% on a Reported Basis and 42% in Constant Currency

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\(^{(a)}\) Year-over-year change, excluding Zipcar, in constant currency

\(^{(b)}\) Rental days include five points of growth from Scandinavia acquisition
Demand – Fleet – Pricing

Roll-Out Proceeding Well

Americas
- Pricing robotic deployed in more than 130 U.S. and Canadian markets
- Demand forecaster being piloted throughout 2015
- Full system expected to begin piloting around year-end

International
- Launched pricing robotic in Australia and New Zealand in the second quarter
- Expect to pilot pricing robotic in Europe in early 2016

State-of-the-art yield-management initiative began in 2013
FLEET COSTS

Fleet Costs Have Been Better than Anticipated

Monthly Per-Unit Fleet Costs
(Americas)

- Second Quarter 2014: $302
- Second Quarter 2015: $295 (2% decrease)
- Full Year 2014: $310
- Full Year 2015E: $300 - $310 (0-3% decrease)

Note: Including Zipcar, excluding Truck fleet

- Americas fleet expected to be approximately 50% risk in 2015
- Selling more than 35% of our risk vehicles through alternative disposition channels
- Model-year 2016 negotiations are going as planned
Strong Liquidity Position

- More than $3 billion of available liquidity worldwide
- Net corporate leverage of 3.4x
- Issued $550 million of five-year asset backed notes at a rate of 2.8%

LTM Net Corporate Leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>3.7x</th>
<th>3.4x</th>
<th>3.4x</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Quarter 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Quarter 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Quarter 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Net corporate debt to Adjusted EBITDA
Increased Focus on Share Repurchases

- Purchased $85 million of stock in second quarter and $45 million in July
  - Repurchases nearly tripled from the first quarter to the second
- Recent share repurchases were under 10b5-1 trading plan
- Company would have repurchased more stock in July if it had had trading-window flexibility

Expect to purchase at least $300 million of stock this year
### 2015 Outlook

- Expect cash taxes of $25 to $50 million
- Expect capital expenditures of approximately $200 million
- Tax rate expected to be 37% to 38%
- Diluted share count of approximately 106 million

### 2015 Estimates

<table>
<thead>
<tr>
<th>($ in millions, except EPS)</th>
<th>Projection (a)</th>
<th>Growth vs. 2014 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$8,600 – $8,700</td>
<td>2%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>900 – 950</td>
<td>5%</td>
</tr>
<tr>
<td>Non-vehicle D&amp;A</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Pretax income</td>
<td>535 – 585</td>
<td>8%</td>
</tr>
<tr>
<td>Net income</td>
<td>$330 – $370</td>
<td>7%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$3.15 – $3.45</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Expect Free Cash Flow of Approximately $475 to $525 Million (c)**

(a) Excluding certain items  
(b) Based on midpoint of projections  
(c) Excluding any significant timing differences
**FOREIGN CURRENCY**

**Significant Impacts from Exchange-Rate Movements**

**Year-over-Year Effect of Currency Movements**

*in millions*

<table>
<thead>
<tr>
<th></th>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>($85)</td>
<td>($122)</td>
<td>($143)</td>
<td>($60)</td>
<td>($410)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$17&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>($19)</td>
<td>($36)</td>
<td>($5)</td>
<td>($43)</td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Based on exchange rates as of June 30, 2015 and assuming no further changes to exchange rates

<sup>(b)</sup> Primarily due to hedging gains

**Currently Expect Approximately $40 Million Negative Impact on Adjusted EBITDA**
On Track for a Record 2015

- Better-than-expected fleet costs and residual values
- Solid summer demand across Europe
- Continued roll-out of integrated Demand–Fleet–Pricing yield-management system in 2015
- Generating synergies from recent acquisitions of Budget Southern California licensee and Maggiore
- Increased share repurchase authorization by $250 million
Adjusted EBITDA
Adjusted EBITDA represents income before non-vehicle related depreciation and amortization, any impairment charge, restructuring expense, early extinguishment of debt costs, non-vehicle related interest, transaction-related costs and income taxes. We believe that Adjusted EBITDA is useful as a supplemental measure in evaluating the aggregate performance of our operating businesses. Adjusted EBITDA is the measure that is used by our management, including our chief operating decision maker, to perform such evaluation. It is also a component of our financial covenant calculations under our credit facilities, subject to certain adjustments. 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.

Reconciliation of Adjusted EBITDA to income before income taxes (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$227</td>
<td>$213</td>
</tr>
<tr>
<td>Less: Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense related to corporate debt, net (excluding early extinguishment of debt)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes, excluding certain items</td>
<td>$142</td>
<td>$122</td>
</tr>
<tr>
<td>Less certain items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early extinguishment of debt</td>
<td>23</td>
<td>56</td>
</tr>
<tr>
<td>Transaction-related costs</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>Acquisition-related amortization expense</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Restructuring expense</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>$82</td>
<td>$48</td>
</tr>
</tbody>
</table>
### GLOSSARY

Reconciliation of Net Corporate Debt (in millions):

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate debt</td>
<td>$ 3,416</td>
<td>$ 3,388</td>
<td>$ 3,552</td>
</tr>
<tr>
<td>Less: Cash and cash equivalents</td>
<td>503</td>
<td>537</td>
<td>529</td>
</tr>
<tr>
<td><strong>Net corporate debt</strong></td>
<td><strong>$ 2,913</strong></td>
<td><strong>$ 2,851</strong></td>
<td><strong>$ 3,023</strong></td>
</tr>
</tbody>
</table>

Reconciliation of Adjusted EBITDA excluding certain items (in millions):

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$ 727</td>
<td>$ 827</td>
<td>$ 890</td>
</tr>
<tr>
<td>Less: Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)</td>
<td>116</td>
<td>139</td>
<td>155</td>
</tr>
<tr>
<td>Interest expense related to corporate debt, net (excluding early extinguishment of debt)</td>
<td>239</td>
<td>225</td>
<td>195</td>
</tr>
<tr>
<td><strong>Income before income taxes, excluding certain items</strong></td>
<td><strong>$ 372</strong></td>
<td><strong>$ 463</strong></td>
<td><strong>$ 540</strong></td>
</tr>
<tr>
<td>Less certain items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early extinguishment of debt</td>
<td>156</td>
<td>72</td>
<td>23</td>
</tr>
<tr>
<td>Transaction-related costs, net</td>
<td>50</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Acquisition-relation amortization expense</td>
<td>18</td>
<td>28</td>
<td>44</td>
</tr>
<tr>
<td>Restructuring expense</td>
<td>44</td>
<td>44</td>
<td>22</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td><strong>$ 104</strong></td>
<td><strong>$ 245</strong></td>
<td><strong>$ 405</strong></td>
</tr>
</tbody>
</table>

**Free Cash Flow**

Represents Net Cash Provided by Operating Activities adjusted to reflect the cash inflows and outflows relating to capital expenditures and GPS navigational units, the investing and financing activities of our vehicle programs, asset sales, if any, and to exclude debt extinguishment costs and transaction-related costs. We believe that Free Cash Flow is useful to management and investors in measuring the cash generated that is available to be used to repurchase stock, repay debt obligations, pay dividends and invest in future growth through new business development activities or acquisitions. Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Free Cash Flow may not be comparable to similarly-titled measures used by other companies.