



# avis budget group

## Investor Day Presentation

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## 40-Years With Avis Budget Group



**My wife asked, “What are you doing?”**

**I said, “Nothing.”**

**My wife then asked, “Didn’t you do that yesterday?”**

**I replied, “I wasn’t finished yet.”**

# Key Messages

- ▶ Leading market positions
- ▶ Strong margins
- ▶ High customer satisfaction levels
- ▶ Extensive relationships with leading travel partners
- ▶ Emerging market growth opportunities



# Agenda

- ▶ **The business today**
- ▶ **Competitive strengths**
- ▶ **Growth drivers**
- ▶ **Summary**



# The Business Today

Annual revenue

**\$670 million**

Adjusted EBITDA<sup>(a)</sup>

**\$125 million**

Rental days

**8 million**

Vehicles

**33,000**

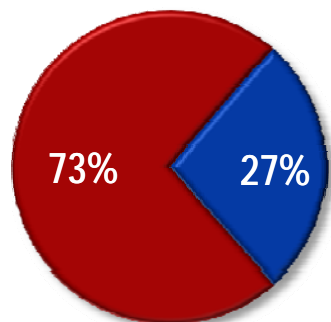
Locations<sup>(b)</sup>

**1,600**

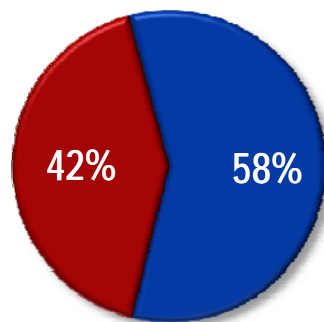


# Diversified Revenue Sources

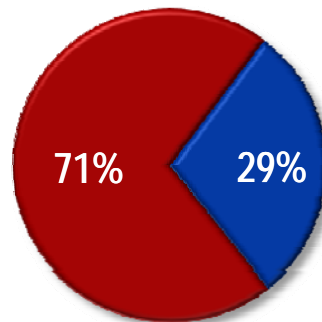
## Avis vs. Budget



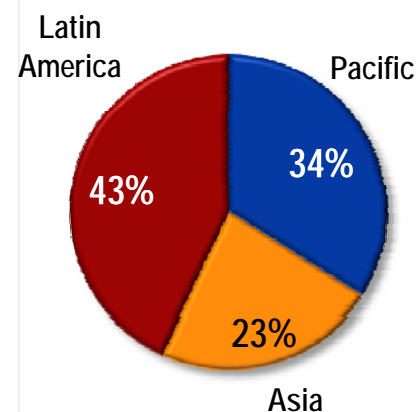
## Commercial vs. Leisure



## On-Airport vs. Off-Airport

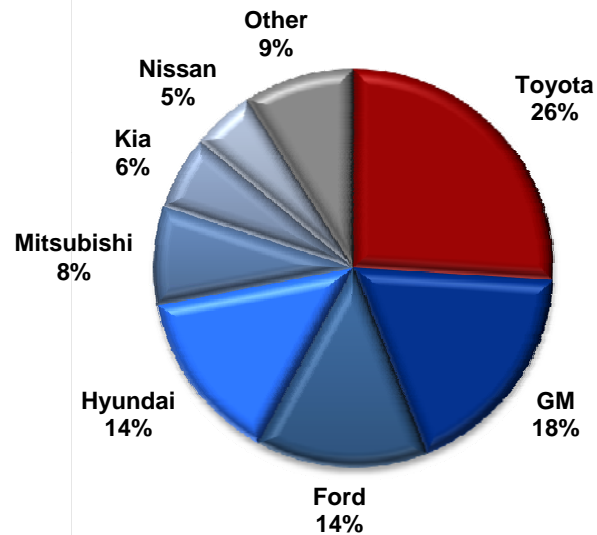


## Locations by Region<sup>(a)</sup>

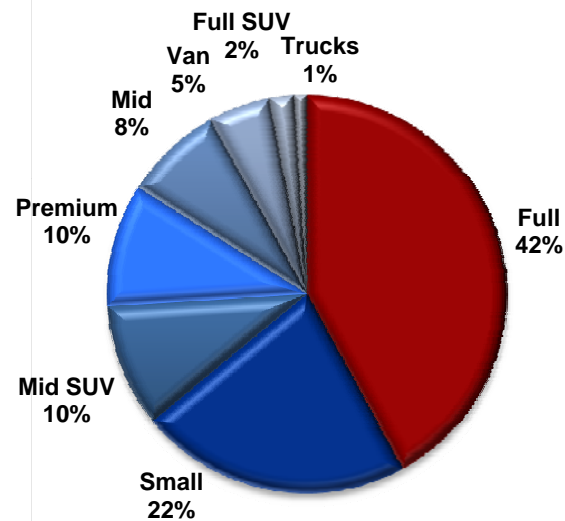


# Diversified Fleet Mitigates Risk

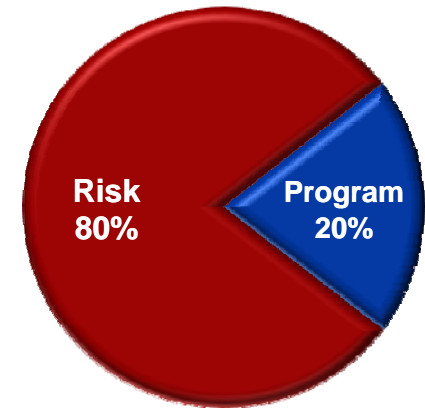
## By Manufacturer



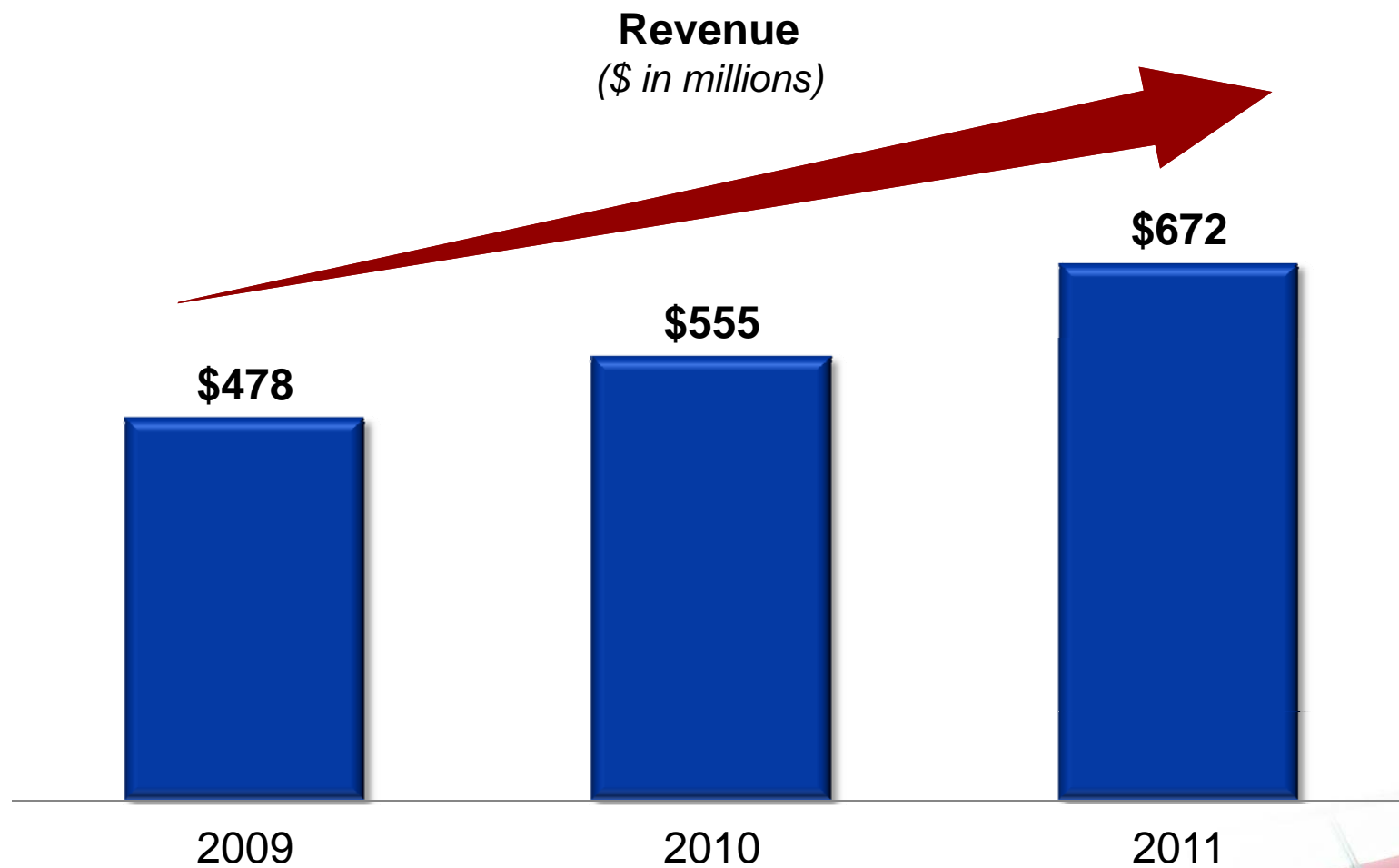
## By Car Class



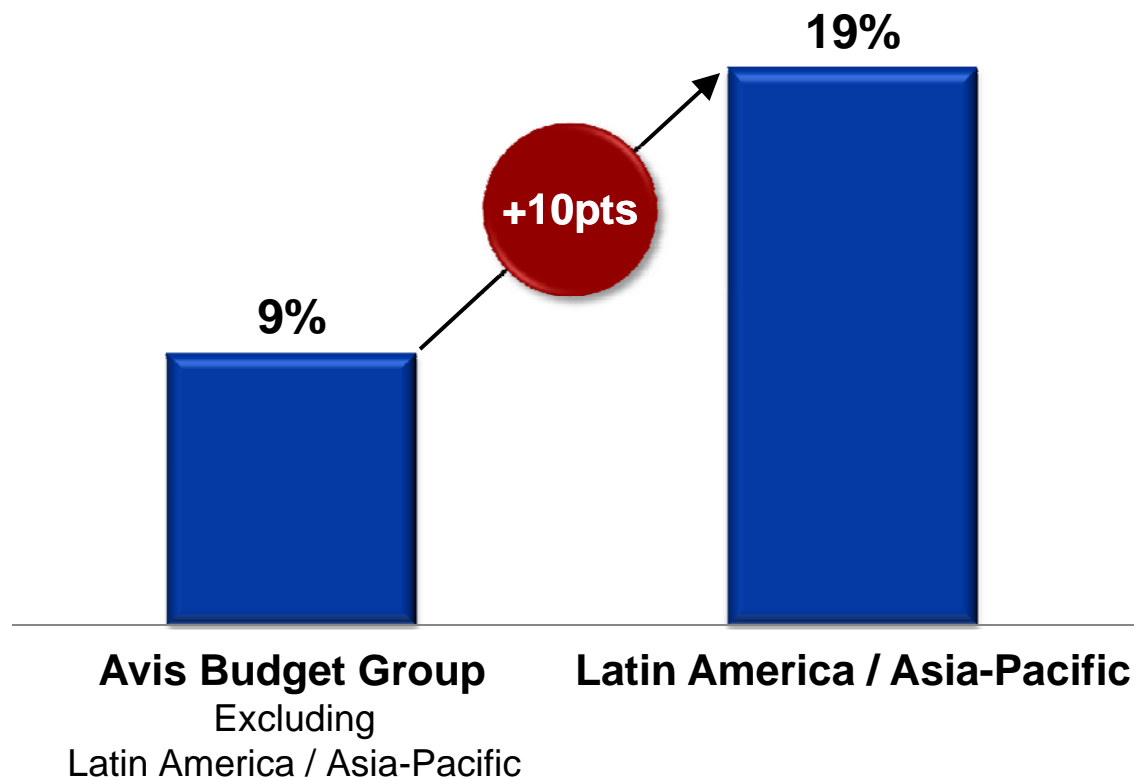
## By Type



## Strong Revenue Growth . . .



# Consistently High Margins



# Agenda

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- ▶ Growth drivers

- ▶ Summary



# Competitive Strengths

## Position

- ▶ Strong leadership position in corporate-operated countries



## Network

- ▶ Well developed licensee and joint venture network throughout 74 countries



## Brand

- ▶ Brand recognition, excellent customer service and industry partnerships driving growth

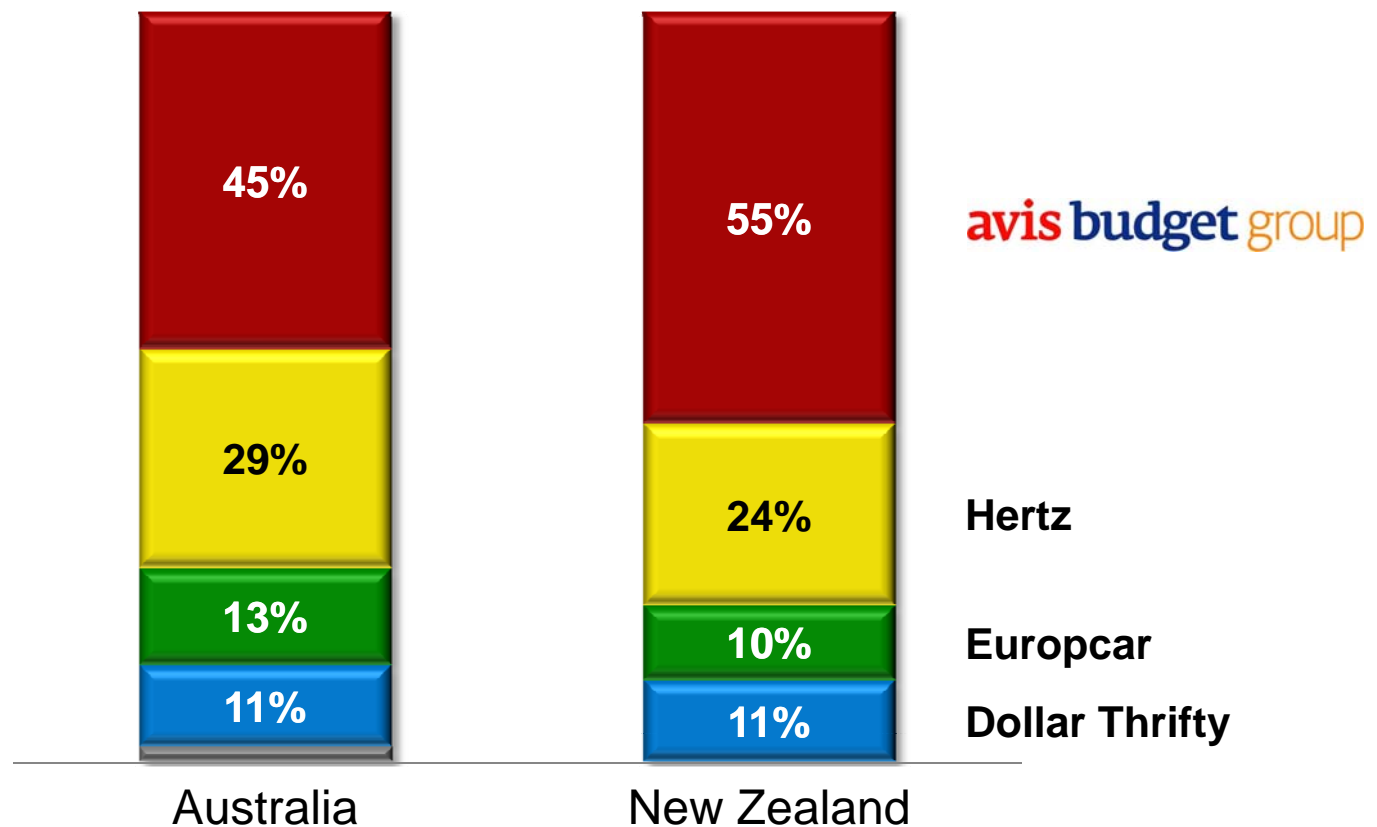


## Ancillary

- ▶ High ancillary revenue penetration drives above average margins

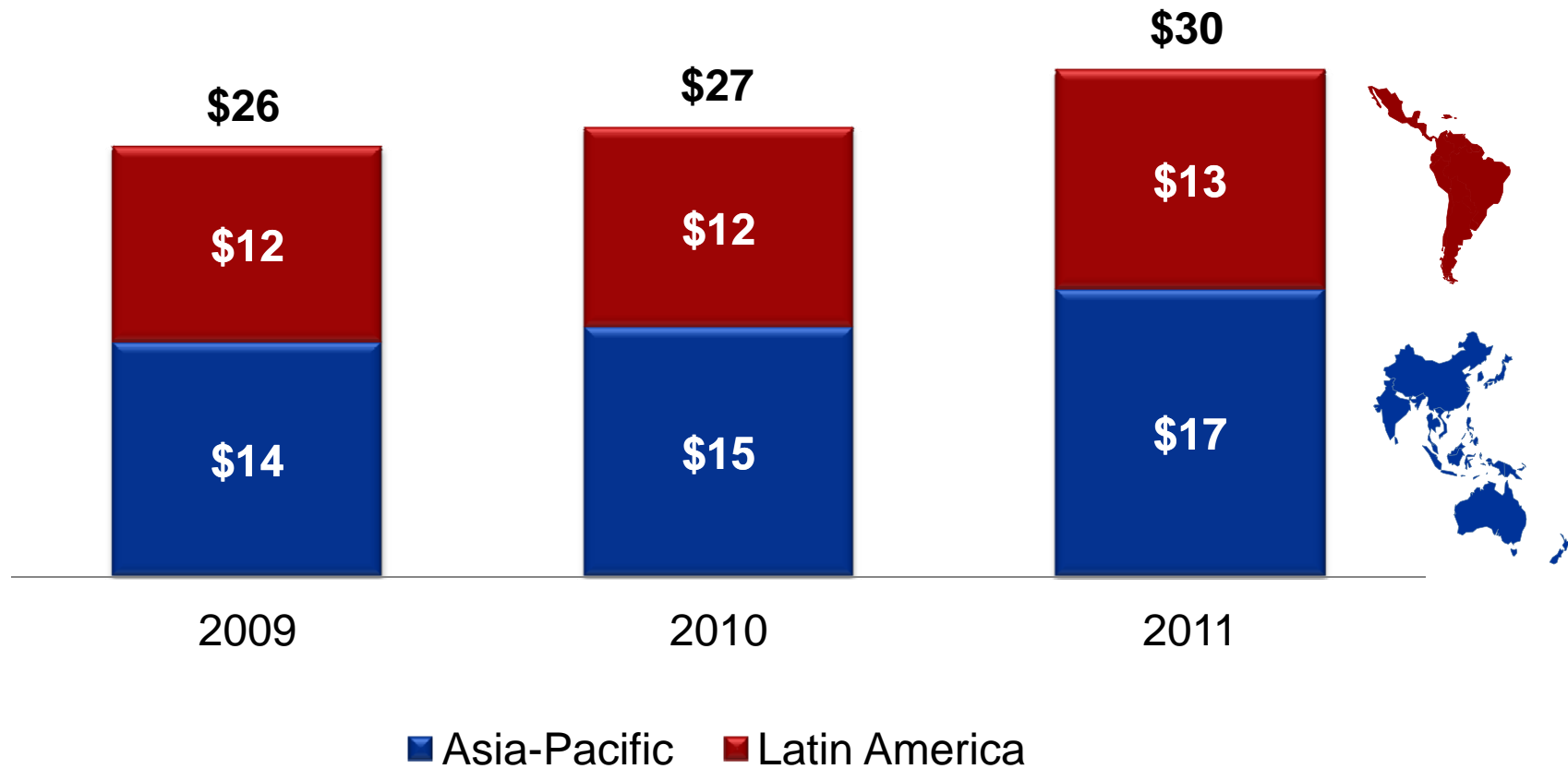


# Leading Market Shares in Australia and New Zealand



**Grew two share points in each country in 2011**

# Highly Resilient, Diversified Licensee Cash-Flow Stream



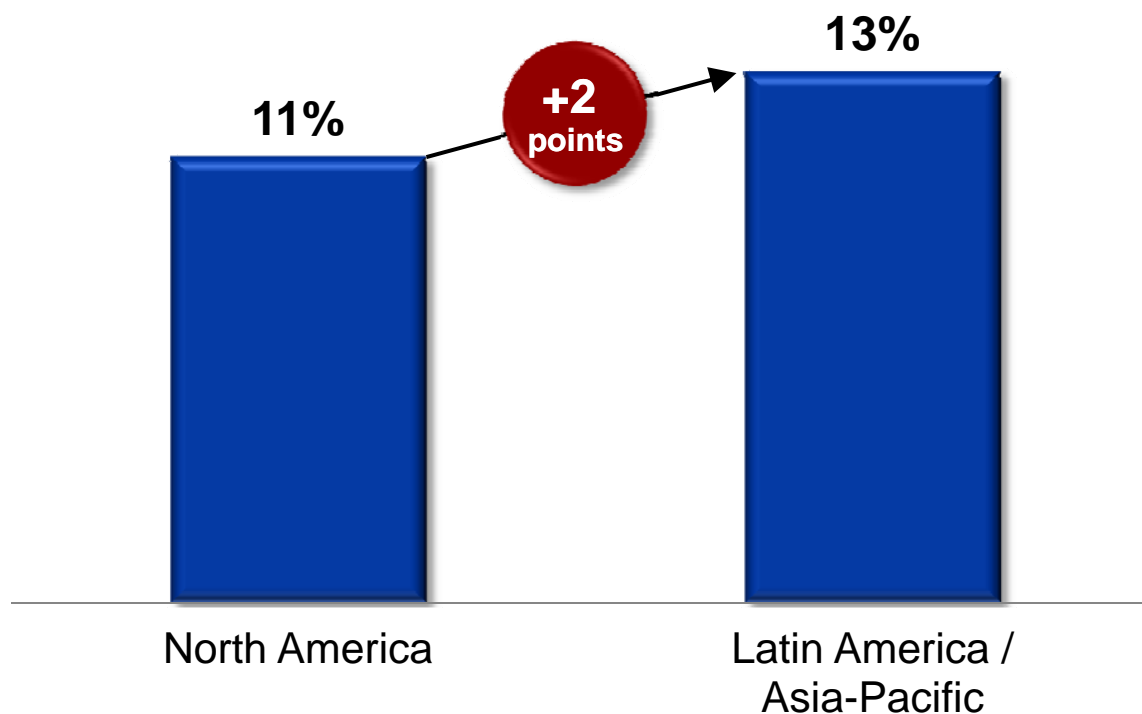
# Strong Industry Partnerships Drive Incremental Revenues

## Long-Standing Relationships with Leading Industry Participants

Travel	Air	Corporate
    	     	     

# Significant Revenue Derived from Ancillary Sales

## Ancillary Revenue as a % of Total Revenue



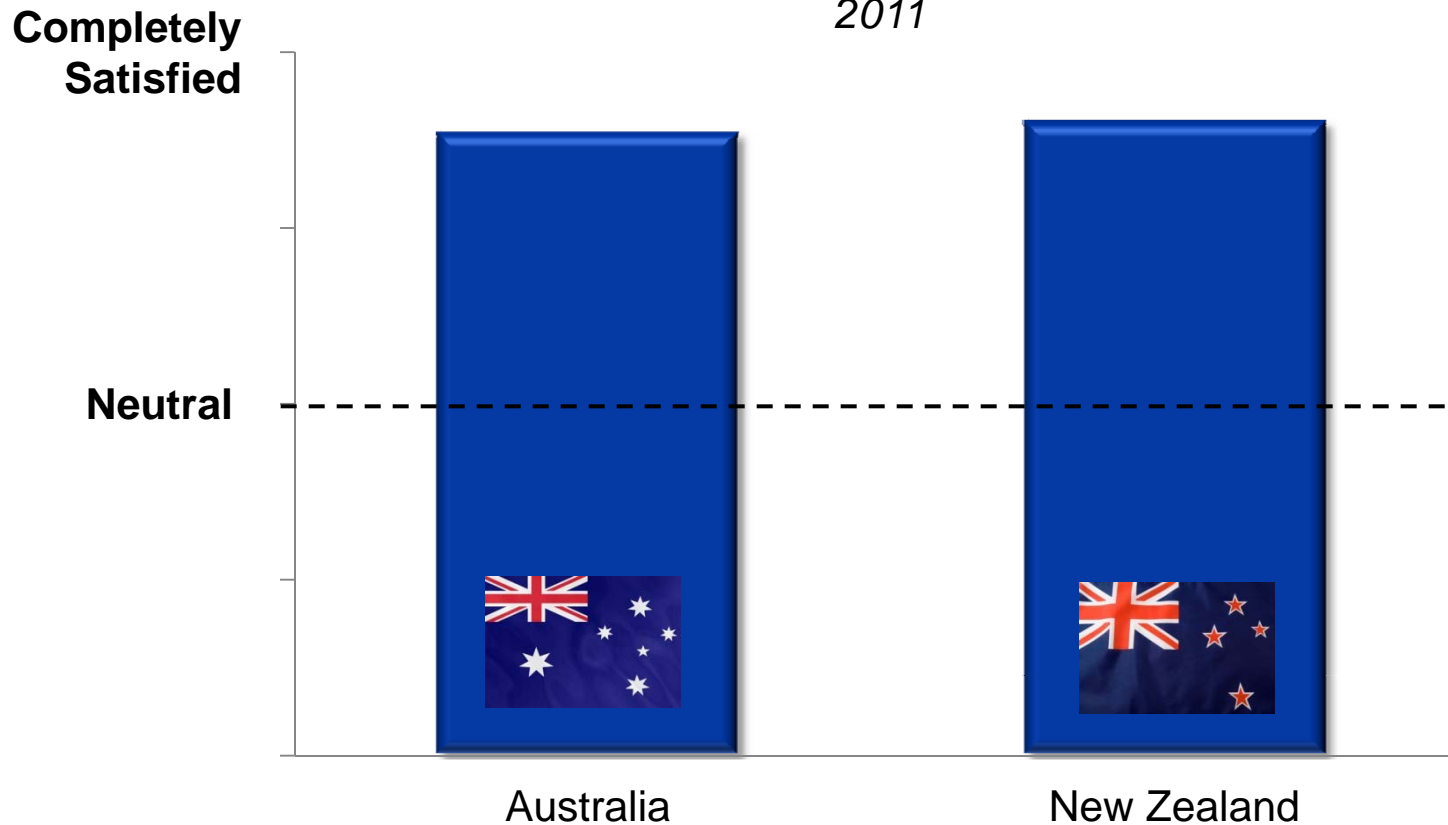
**Ancillary revenues have significantly higher margins**



# High Customer Satisfaction Drives Incremental Sales

## “Voice of The Customer” Scores

2011



**Approximately 85% of Australian customers say they will likely or probably choose Avis again<sup>(a)</sup>**

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# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



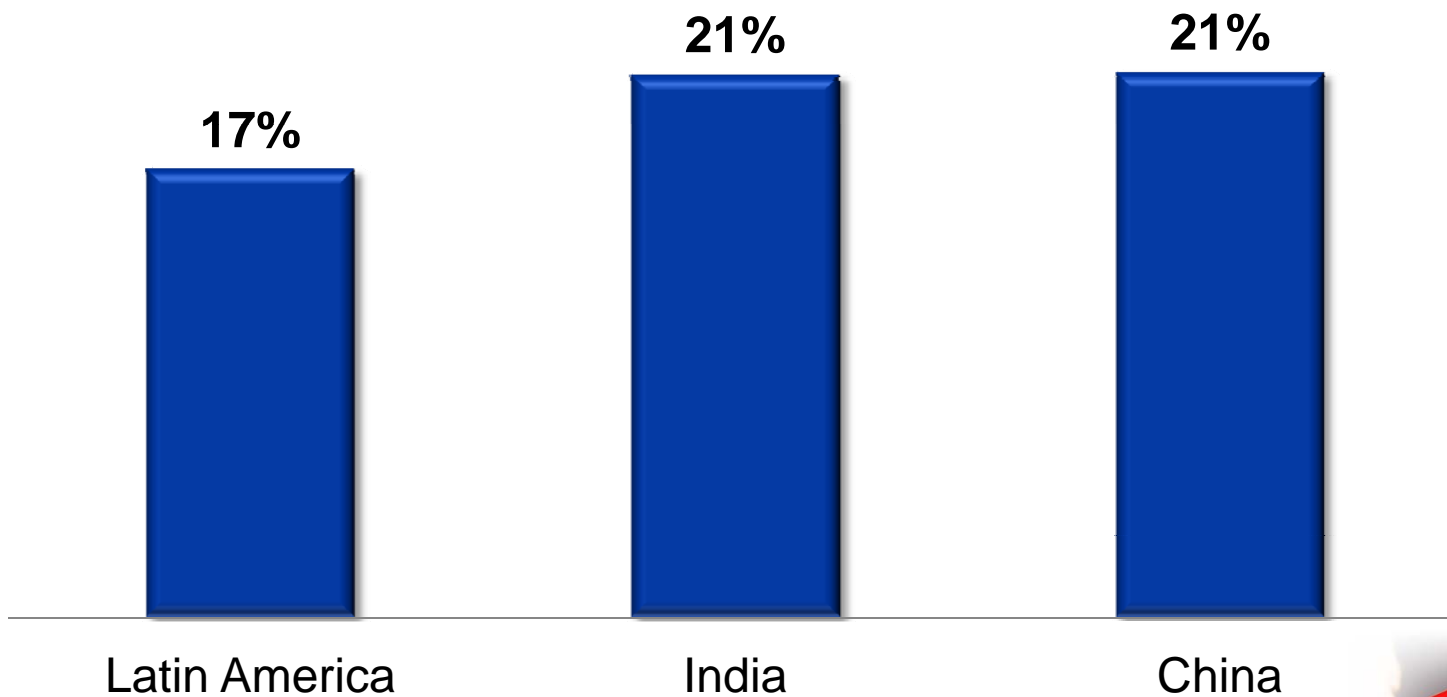
***Drive  
Efficiency  
Throughout  
the  
Organization***

# Key Initiatives Drive Underlying Strategies



# Well Positioned in Growth Markets

## 10-Year Average Annual Travel and Tourism Growth Rate Projection<sup>(a)</sup>



Accelerate  
Growth

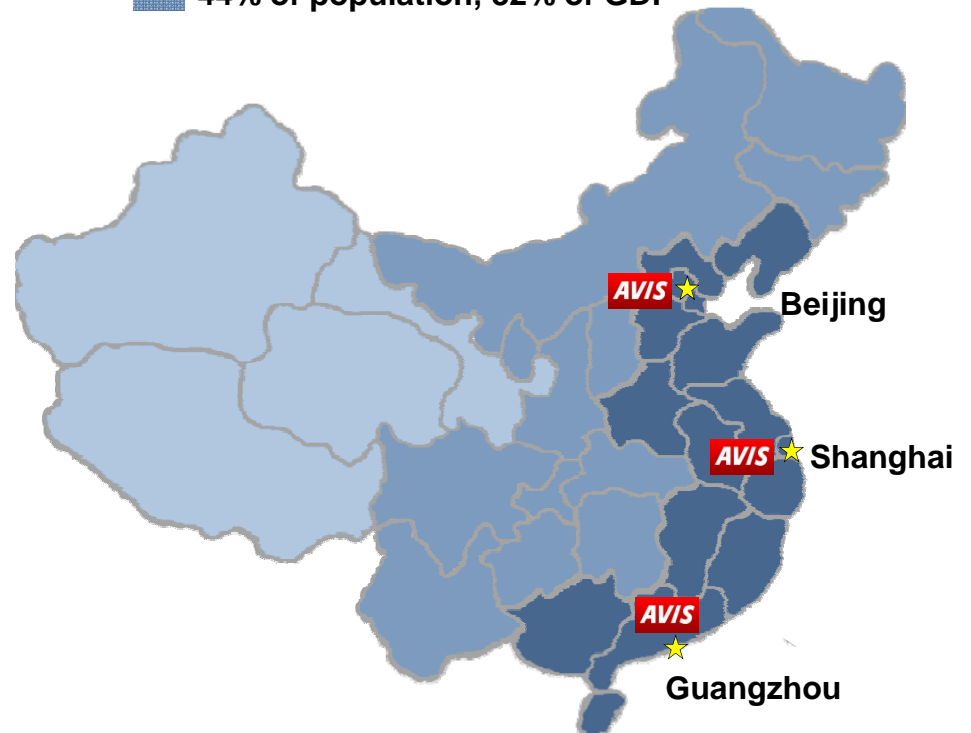


# Leading International Car Rental Company in China

- ▶ First-mover advantage with 10 years of operation in China
- ▶ 70 locations, targeting 110 by end of 2012
- ▶ Annual revenues of \$88 million
- ▶ Joint venture with Shanghai Automotive Group

■ 51% of population, 64% of GDP

■ 44% of population, 32% of GDP

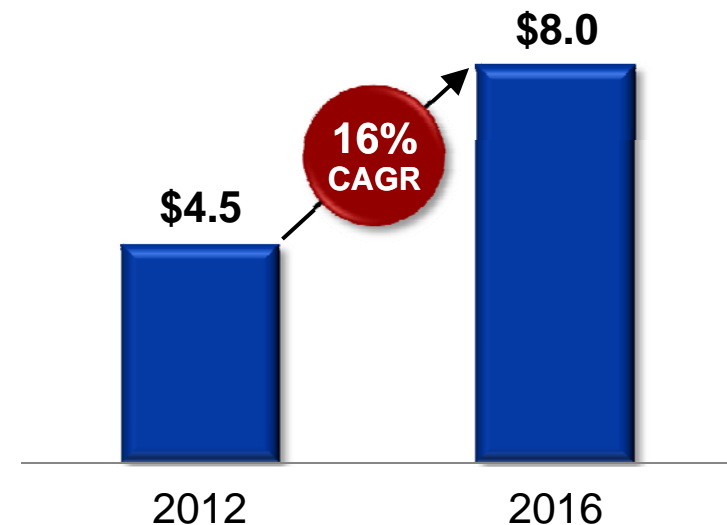


# Fast Growing China Market

Expand  
Footprint

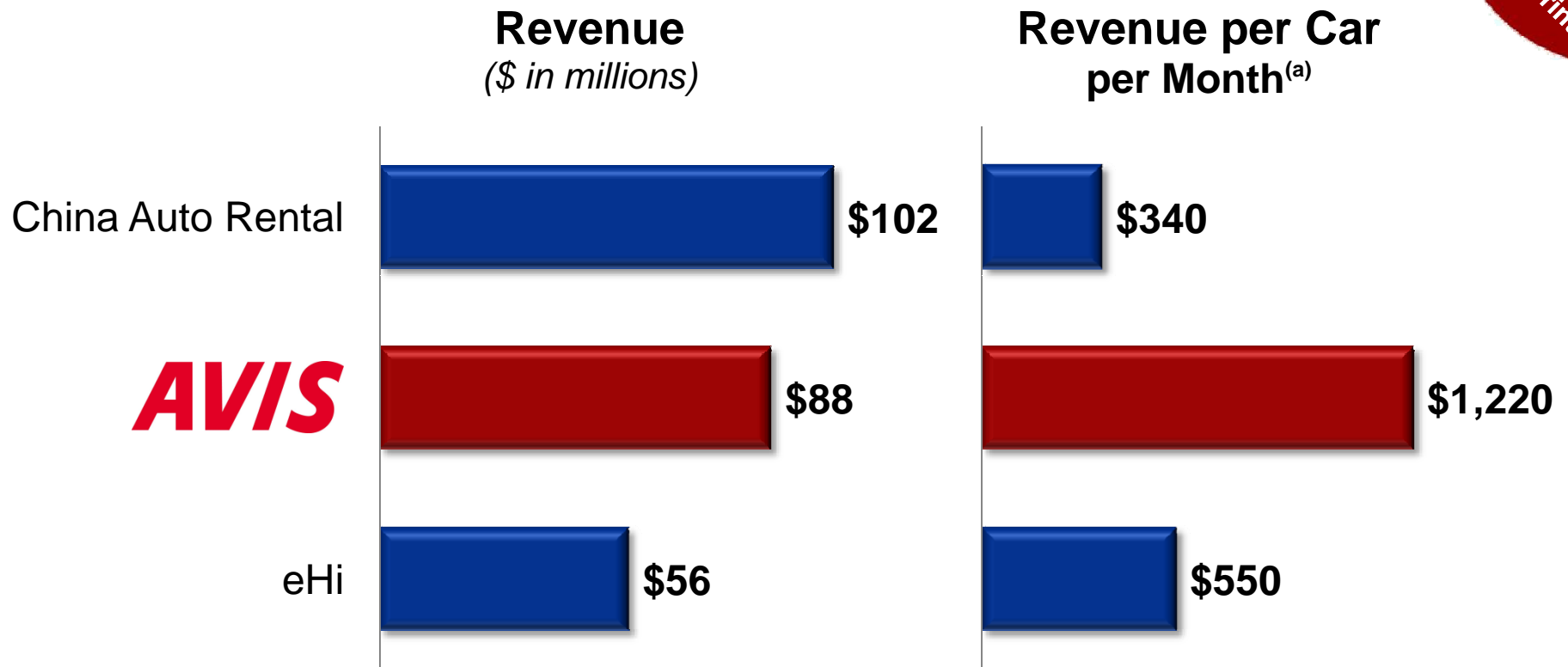
- ▶ **Growth drivers**
  - Expanding middle class
  - Increased urbanization
  - Government policies curbing private car usage
- ▶ **Consolidation opportunities**
  - Highly fragmented market
  - More than 40,000 car rental companies; 75% operate with five cars or less

## Strong Growth in Car Rental Market (*\$ in billions*)



# Well Positioned in China

Expand  
Footprint



**Avis China has been profitable  
for the past 6 years**



# Well Positioned in India

## 12<sup>th</sup> Year of Operation in India

Expand  
Footprint

- ▶ 600,000 transactions
- ▶ 30 locations in 16 cities
- ▶ 1,100 vehicles
- ▶ 90% chauffeur driven



# Fast Growing India Market

Expand  
Footprint

## ► Growth drivers

- Increasing local and international tourism
- Business growth
- Investment in road infrastructure



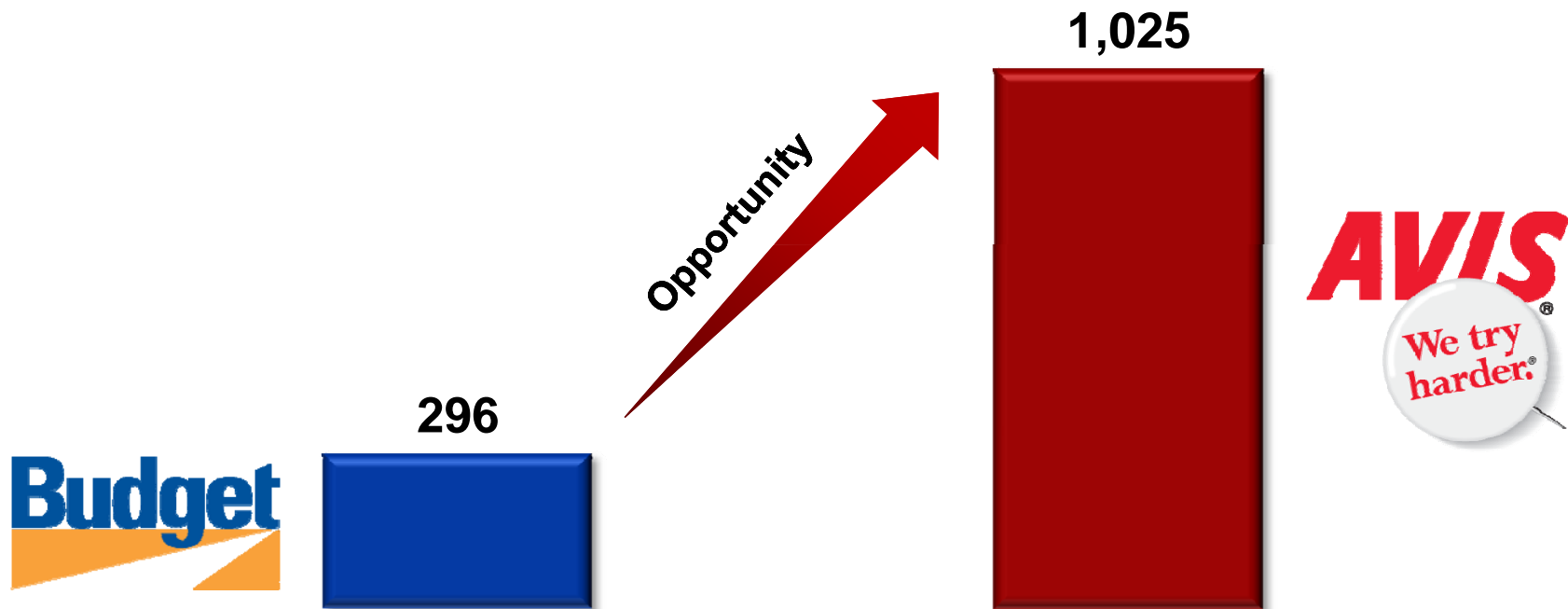
## ► Consolidation opportunity

- Highly fragmented market
- Organized car rental companies are 3% of the total car rental market



**\$1.5 Billion Car Rental Market**

# Substantial Budget Expansion Opportunity in Asia



Avis has >3x the Number of Locations than Budget

# 2012 Outlook

- ▶ Revenue expected to grow 6% to 9%
- ▶ Strong growth in corporate countries
- ▶ Licensees continue to drive high-margin revenue
- ▶ Further expansion in China



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**Investor Day 2012**