



SECOND QUARTER EARNINGS CALL

August 8, 2017

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FORWARD-LOOKING STATEMENTS

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 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. We believe that our financial performance is better demonstrated using these non-GAAP financial measures. Important information regarding reconciliation of such measures is contained within this presentation, including in the appendix.



SECOND QUARTER HIGHLIGHTS

- Results reflect:
 - ▶ Lower pricing due to industry over-fleeting
 - ▶ Higher per-unit fleet costs due to lower used-car values
- Industry fleets tightened up in the Americas towards the end of the quarter
 - ▶ Rate per day increased more than 1% in July
- We have identified \$25 million of additional savings opportunities, bringing our total expected savings this year to \$75 million



WE'VE BEEN BUSY...

Alphabet Inks Deal for Avis to Manage Self-Driving Car Fleet

Avis Budget Group's Blueprint: Internet of Things and Connected Cars

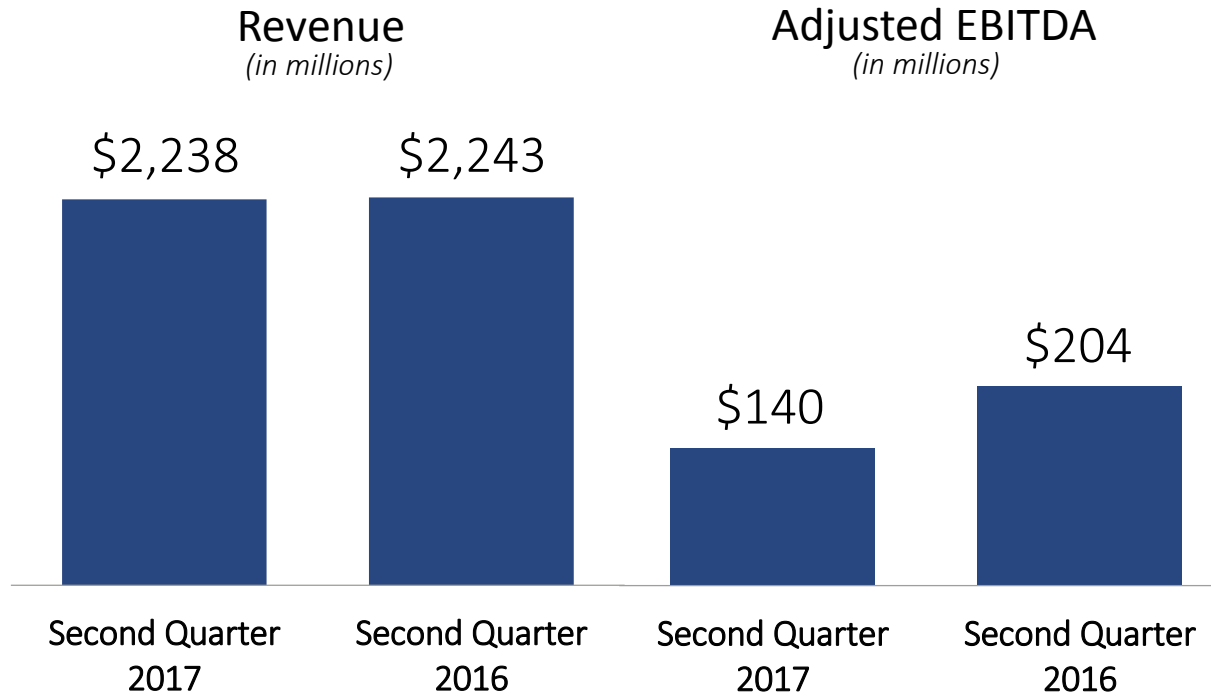
Zipcar launches Flex

Avis Budget Group Partners With RocketSpace To Accelerate Innovation In Mobility

Avis Teams Up With Amazon Echo on Car Rental Reservations

Alexa will take care of making reservations

COMPANY SECOND QUARTER RESULTS



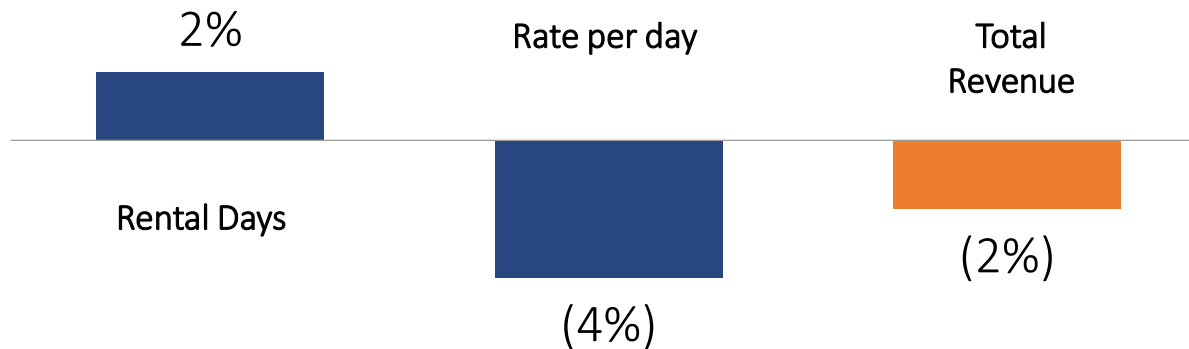
Reconciliation of net income (loss) to Adjusted EBITDA can be found on slide A-3 of this presentation

AMERICAS SECOND QUARTER RESULTS

- Leisure volume increased 6% and commercial volume was down 4%
- Rate per day was 4% lower year-over-year
- Per-unit fleet costs increased just under 10% year-over-year
- Adjusted EBITDA was \$67 million lower compared to prior year

Inbound volume
grew 5%

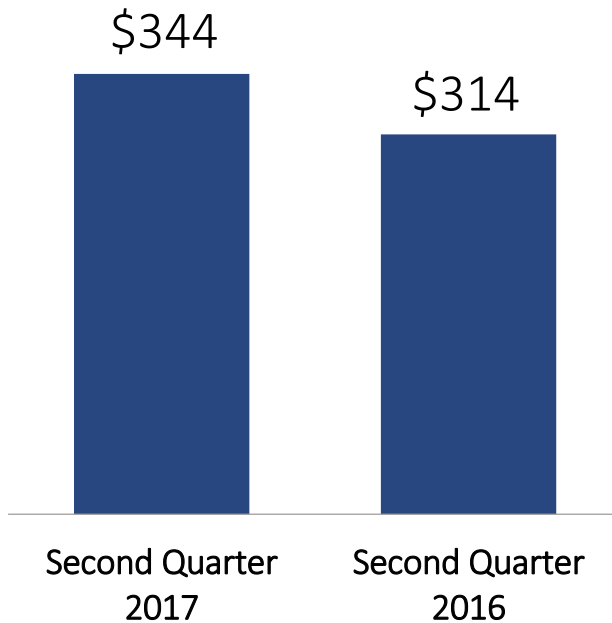
Americas Revenue Drivers



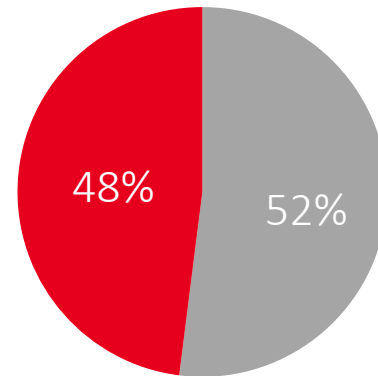
Monthly per-unit fleet costs exclude Truck
Rental days and rate per day exclude both Zipcar and Truck

AMERICAS SECOND QUARTER FLEET COSTS

Monthly Per-Unit Fleet Costs



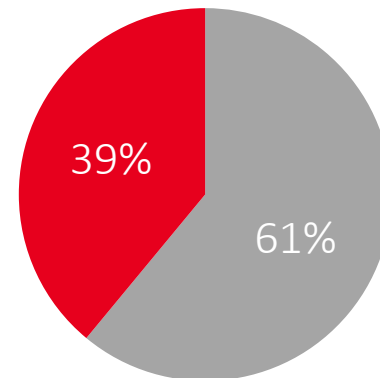
Second Quarter 2017



Alternative Channels

Traditional Auction

Second Quarter 2016



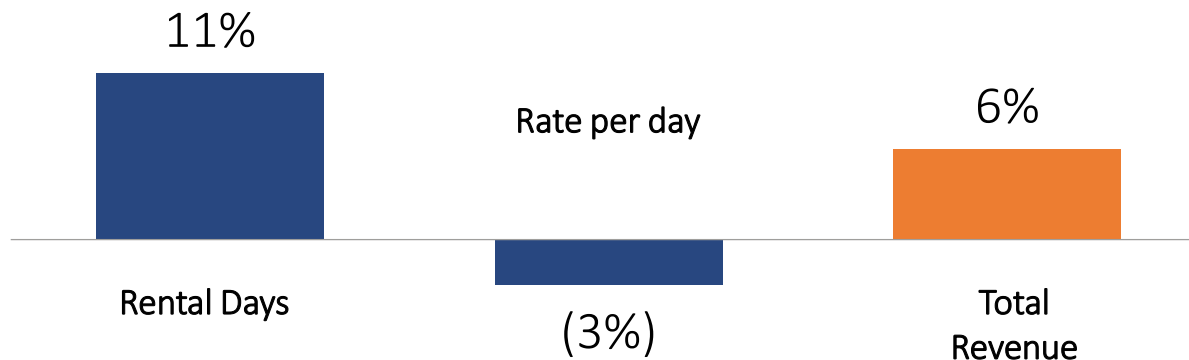
Excludes Truck

INTERNATIONAL SECOND QUARTER RESULTS

- Volume increased 11%, including 6% from the acquisition of FranceCars
- Local-currency rate per day was 3% lower reflecting competitive market conditions
- Revenue grew 4%, or 6% in local currency
- Adjusted EBITDA increased 4% and 14% in local-currency

Inbound volume
grew 6%

International Revenue Drivers



Year-over-year change includes currency effects; all figures other than total revenue exclude Zipcar
On a reported basis, rate per day was down 4%

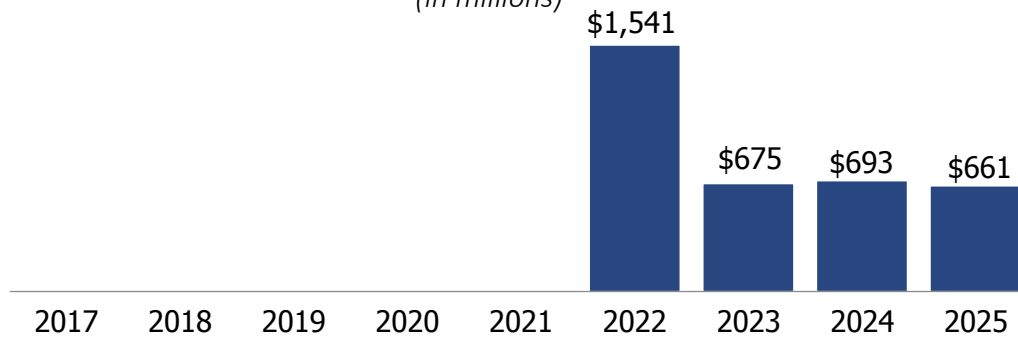
STRONG CASH FLOW AND FUNDING POSITION

- Adjusted free cash flow of \$397 million in the first half benefitted from timing of vehicle programs, expected to reverse in the second half, and from strong working capital management
- \$3 billion of available liquidity, after funding seasonal peak
- Corporate leverage of 4.0 times, no maturities until 2022

Repurchased \$100 million of shares in the first half

Expect to repurchase \$200 to \$250 million of shares in full-year 2017

Corporate Debt Maturities *(in millions)*



Corporate leverage is calculated by dividing net corporate debt by last twelve months Adjusted EBITDA

2017 ADJUSTED EARNINGS OUTLOOK

(in millions, except EPS)

	Full-Year Projection
Revenue	\$8,800 – 8,950
Adjusted EBITDA	725 – 775
Non-vehicle D&A	205
Interest expense	195 – 200
Adjusted pretax income	320 – 375
Adjusted net income	205 – 240
Adjusted diluted EPS	\$2.40 – 2.85

Non- GAAP effective tax rate expected to be approximately 36%

Diluted share count of approximately 84 to 86 million

All projection figures are approximate
Non-vehicle depreciation and amortization (D&A) excludes acquisition-related amortization expense

2017 ADJUSTED FREE CASH FLOW OUTLOOK

(in millions)

Adjusted pretax income

Plus: Non-vehicle D&A

Less: Capex

Less: Cash taxes

Plus: Vehicle programs

Plus: Working capital and other

Adjusted Free Cash Flow

Full-Year Projection

\$320 – \$375

205

(200)

(55) – (75)

50 – 60

30 – (15)

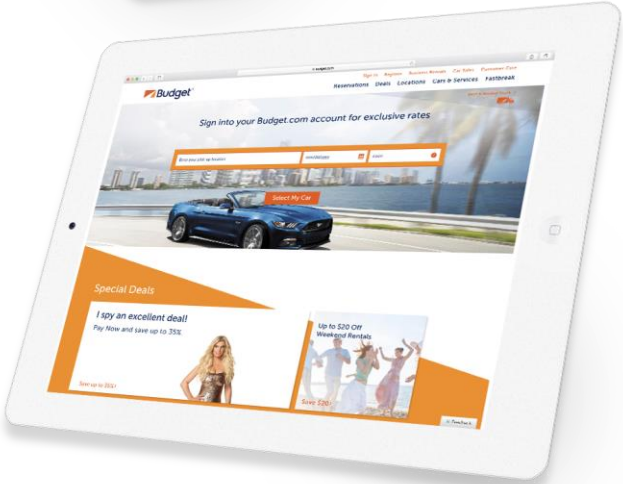
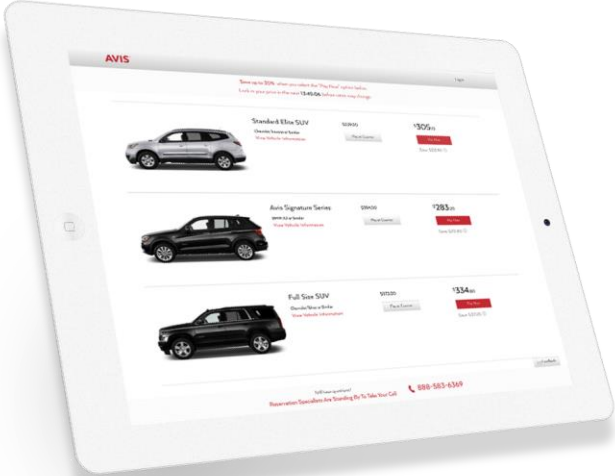
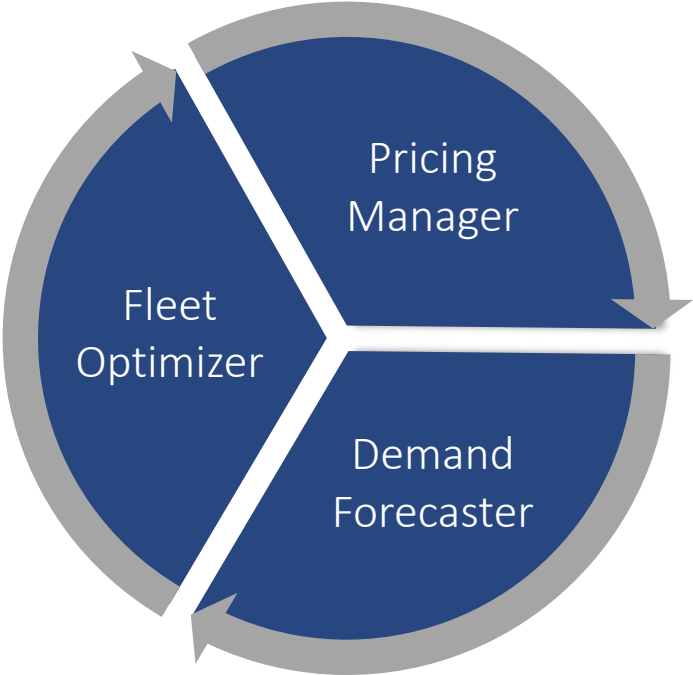
Approx. \$350

All projection figures are approximate

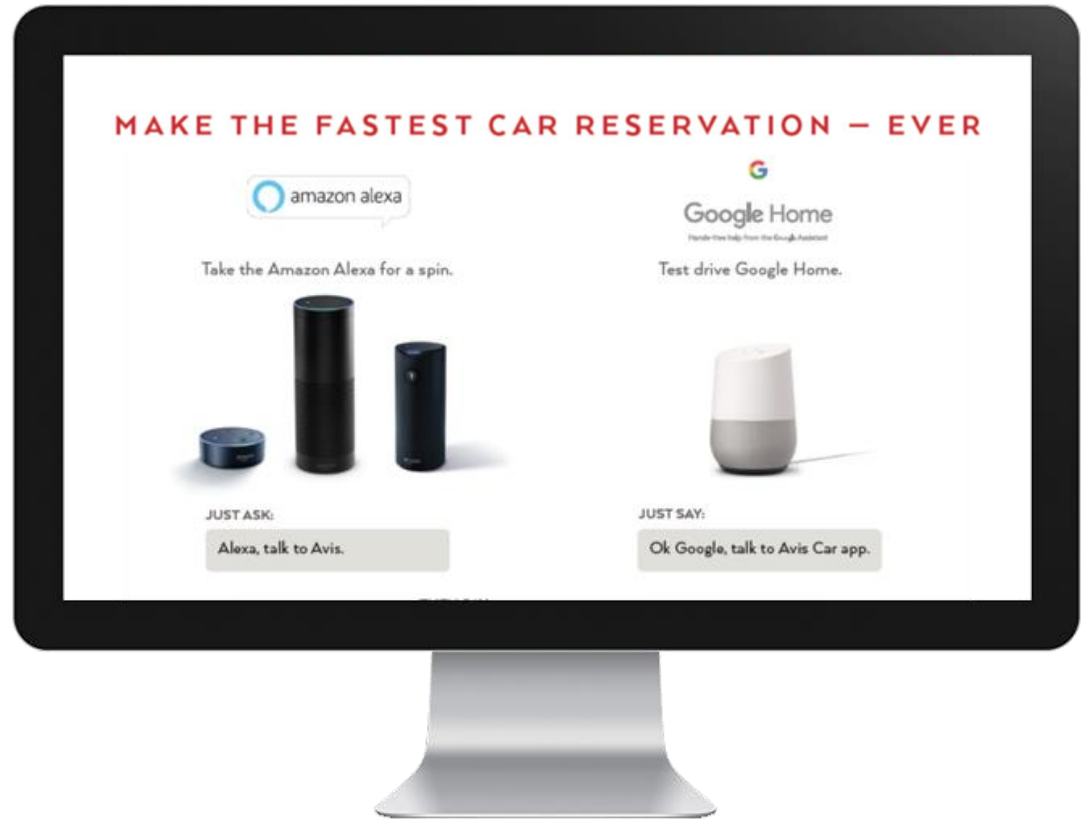
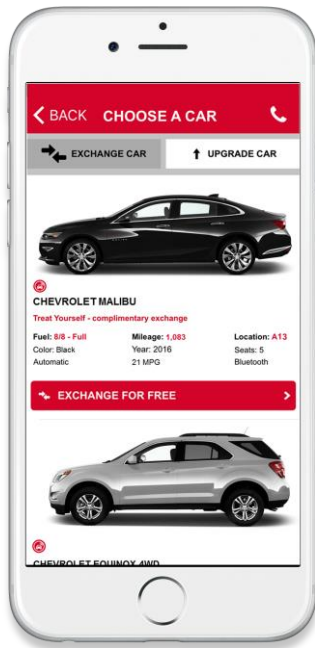
Non-vehicle depreciation and amortization (D&A) excludes acquisition-related amortization expense

Working capital and other includes cash restructuring costs

DRIVING PROFITABLE REVENUE GROWTH



IMPROVING AND DIFFERENTIATING OUR CUSTOMERS' DIGITAL USER EXPERIENCE



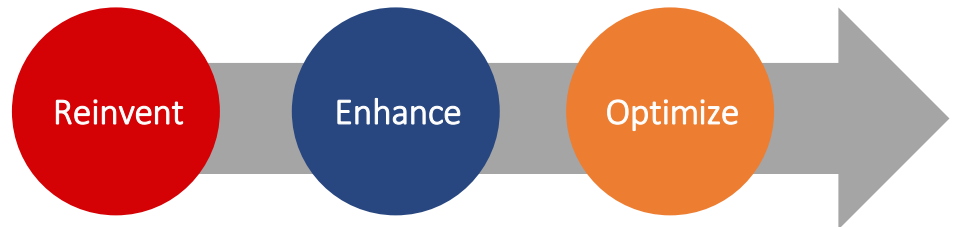
LEVERAGING OUR GLOBAL PRESENCE AND CAPABILITIES IN NEW AND INNOVATIVE WAYS



CONNECTED CARS WILL FACILITATE SUBSTANTIAL OPERATIONAL EFFICIENCIES



Leverage connected car technology and organizational experience to...



our global end-to-end rental processes.

FIRST OF ITS KIND START-UP TECHNOLOGY
MOBILITY ACCELERATOR

RocketSpace



SUMMARY

- Higher fleet costs and lower pricing put pressure on second quarter results
- Pricing has begun to improve in the Americas and was up more than 1% in July
- Focused on multiple transformative cost saving initiatives
- Leveraging our core competencies to play a major role in the future of mobility

AVIS[®]

 **Budget**[®]

 **zipcar**[®]



avis **budget** group

APPENDIX

CURRENCY MOVEMENTS YEAR-OVER-YEAR EFFECT

<i>(in millions)</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year 2017
Revenue	(\$5)	(\$20)	\$15-20	\$25-30	\$15-25
Adjusted EBITDA (net of hedging)	\$18	(\$7)	\$4-7	\$5-7	\$20-25

Expect a \$20 - \$25 million year-over-year benefit to Adjusted EBITDA

Estimated ranges based on exchange rates as of June 30, 2017
 First quarter benefit to Adjusted EBITDA was primarily due to hedging losses in 2016

DEFINITIONS

This presentation includes certain non-GAAP (generally accepted accounting principles) financial measures as defined under SEC rules. We have provided below reasons why we present these non-GAAP financial measures, a description of what they represent and a reconciliation to the most comparable financial measure calculated and presented in accordance with GAAP. Because of the forward-looking nature of the Company's forecasted non-GAAP Adjusted EBITDA, adjusted free cash flow, adjusted pretax income and adjusted diluted earnings per share, specific quantifications of the amounts that would be required to reconcile forecasted net income, net cash provided by operating activities, pretax income and diluted earnings per share are not available. The Company believes that there is a degree of volatility with respect to certain of the Company's GAAP measures which preclude the Company from providing accurate forecasted GAAP to non-GAAP reconciliations. Based on the above, the Company believes that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

Adjusted EBITDA

Adjusted EBITDA represents income from continuing operations before non-vehicle related depreciation and amortization, any impairment charges, restructuring and other related charges, early extinguishment of debt costs, nonvehicle related interest, transaction-related costs, net charges for unprecedented personal-injury legal matters and income taxes. Net charges for unprecedented personal-injury legal matters are recorded within operating expenses in our consolidated statement of operations. We have revised our definition of Adjusted EBITDA to exclude costs associated with the separation of certain officers of the Company and our limited voluntary opportunity plan, which offers certain employees the limited opportunity to elect resignation from employment for enhanced severance benefits. Costs associated with the separation of certain officers and our limited voluntary opportunity plan are recorded as part of restructuring and other related charges in our consolidated statement of operations. We did not revise prior years' Adjusted EBITDA amounts because there were no costs similar in nature to these costs. We and our management believe that Adjusted EBITDA is useful 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.

Adjusted 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 Adjusted 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. 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 of our press release furnished on Form 8-K with the SEC on August 7, 2017.

Foreign Currency

We present currency exchange rate effects to provide a method of assessing how our business performed excluding the effects of foreign currency rate fluctuations. Local currency results are calculated using functional currencies outside the United States. Foreign currency exchange rate effects are calculated by translating the current-year results at the prior-period average exchange rate plus any related gains and losses on currency hedges.

Last Twelve Month Period Financial Information

We present certain unaudited financial information for the last twelve month period ended June 30, 2017, which is calculated as the six months ended June 30, 2017 plus the actual year ended December 31, 2016 less the actual six months ended June 30, 2016. This presentation is not in accordance with GAAP. However, the Company believes that this presentation provides useful information to investors regarding its recent financial performance, and it views this presentation of the four most recently completed fiscal quarters as a key measurement period for investors to assess its historical results.

RECONCILIATIONS OF NON-GAAP MEASURES

Reconciliation of net income (loss) to adjusted net income (loss) (in millions, except per-share amounts):

	Three Months Ended June 30,	
	2017	2016
Net income (loss)	\$ 3	\$ 36
Add certain items, net of tax:		
Acquisition-related amortization expense	11	10
Restructuring and other related charges	23	4
Early extinguishment of debt	-	6
Transaction-related costs, net	4	4
Charges for legal matter, net	(16)	-
Adjusted net income (loss)	\$ 25	\$ 60
Adjusted diluted earnings (loss) per share	\$ 0.04	\$ 0.38
Earnings (loss) per share – Diluted	\$ 0.30	\$ 0.63
Shares used to calculate adjusted diluted earnings (loss) per share	85.2	95.1

Reconciliation of net income (loss) to adjusted net income (loss) (in millions):

	Three Months Ended June 30,	
	2017	2016
Net income (loss)	\$ 3	\$ 36
Provision for (benefit from) income taxes	8	27
Income (loss) before income taxes	\$ 11	\$ 63
Add certain items:		
Restructuring and other related charges	38	5
Acquisition-related amortization expense	15	15
Transaction-related costs, net	5	5
Early extinguishment of debt	-	10
Charges for legal matter, net	(27)	-
Adjusted pretax income (loss)	\$ 42	\$ 98
Add:		
Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)	50	50
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	48	56
Adjusted EBITDA	\$ 140	\$ 204

Charges for legal matter, net are reported within operating expenses in our Consolidated Statement of Operations

RECONCILIATIONS OF NON-GAAP MEASURES

Reconciliation of net corporate debt (in millions):

Corporate debt
Less: Cash and cash equivalents
Net corporate debt

June 30, 2017	
\$	3,572
	776
\$	<u>2,796</u>

Reconciliation of net income (loss) to Adjusted EBITDA (in millions):

Net income (loss)
Provision for (benefit from) income taxes
Income (loss) before income taxes
Add certain items:
Acquisition-related amortization expense
Restructuring expense
Transaction-related costs, net
Early extinguishment of debt
Charges for legal matter, net
Adjusted pretax income (loss)
Add:
Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)
Interest expense related to corporate debt, net (excluding early extinguishment of debt)
Adjusted EBITDA

Latest Twelve Months Ended June 30,		
	2017	2016
	\$ 74	\$ 164
	74	129
	<u>\$ 148</u>	<u>\$ 293</u>
	58	59
	54	34
	20	28
	20	10
	12	-
	<u>\$ 312</u>	<u>\$ 424</u>
	197	180
	194	203
	<u>\$ 703</u>	<u>\$ 807</u>

Charges for legal matter, net are reported within operating expenses in our Consolidated Statement of Operations