UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 001-10308

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**06-0918165**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*
6 Sylvan Way	
Parsippany, NJ	**07054**
(Address of principal executive offices)	*(Zip Code)*

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.01	CAR	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐	Non-accelerated Filer	☐
Smaller Reporting Company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the issuer's common stock was 41,466,412 shares as of October 28, 2022.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q may be considered "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained herein are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by any such forward-looking statements. Forward-looking statements include information concerning our future financial performance, business strategy, projected plans and objectives. These statements may be identified by the fact that they do not relate to historical or current facts and may use words such as "believes," "expects," "anticipates," "will," "should," "could," "may," "would," "intends," "projects," "estimates," "plans," and similar words, expressions or phrases. The following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the Coronavirus ("COVID-19") pandemic, the continued restrictions that have been placed on travel in many countries and the resulting adverse impact on the global economy, the potential effects on the global economy and markets as a result of the ongoing military conflict between Russia and Ukraine, and the risk of a recession in the United States or in any of the other regions in which we operate. These factors include, but are not limited to:

- COVID-19 and its resulting impact on the global economy, which has had, and is expected to continue to have, a significant impact on our operations, including unprecedented volatility in demand levels, as well as its current, and uncertain future, impact including, but not limited to, its effect on the ability or desire of people to travel, including due to travel restrictions, and other restrictions and orders, which may continue to impact our results, operations, outlooks, plans, goals, growth, cash flows, liquidity, and stock price;

- the high level of competition in the mobility industry, including from new companies or technology, and the impact such competition may have on pricing and rental volume;

- a change in our fleet costs, including as a result of a change in the cost of new vehicles, resulting from inflation or otherwise, manufacturer recalls, disruption in the supply of new vehicles, shortages in semiconductors used in new vehicle production, and/or a change in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;

- the results of operations or financial condition of the manufacturers of our vehicles, which could impact their ability to perform their payment obligations under our agreements with them, including repurchase and/or guaranteed depreciation arrangements, and/or their willingness or ability to make vehicles available to us or the mobility industry as a whole on commercially reasonable terms or at all particularly as COVID-19 related restrictions are lifted and travel demand increases;

- the significant volatility in travel demand as a result of COVID-19, including the current and any future disruptions in airline passenger traffic;

- a deterioration in economic conditions, resulting in a recession or otherwise, particularly during our peak season or in key market segments;

- an occurrence or threat of terrorism, the current and any future pandemic diseases, natural disasters, military conflict, including the ongoing military conflict between Russia and Ukraine, or civil unrest in the locations in which we operate, and the potential effects of sanctions on the world economy and markets and/or international trade;

- any substantial changes in the cost or supply of fuel, vehicle parts, energy, labor or other resources on which we depend to operate our business, including as a result of COVID-19, inflation, the ongoing military conflict between Russia and Ukraine, and any embargos on oil sales imposed on or by the Russian government;

- our ability to continue to successfully implement our business strategies, achieve and maintain cost savings and adapt our business to changes in mobility;

- political, economic or commercial instability in the countries in which we operate, and our ability to conform to multiple and conflicting laws or regulations in those countries;

- our dependence on third-party distribution channels, third-party suppliers of other services and co-marketing arrangements with third parties;

- risks related to completed or future acquisitions or investments that we may pursue, including the incurrence of incremental indebtedness to help fund such transactions and our ability to promptly and effectively integrate any acquired businesses or capitalize on joint ventures, partnerships and other investments;

- our ability to utilize derivative instruments, and the impact of derivative instruments we utilize, which can be affected by fluctuations in interest rates, gasoline prices and exchange rates, changes in government regulations and other factors;

- our exposure to uninsured or unpaid claims in excess of historical levels and our ability to obtain insurance at desired levels and the cost of that insurance;

- risks associated with litigation or governmental or regulatory inquiries, or any failure or inability to comply with laws, regulations or contractual obligations or any changes in laws, regulations or contractual obligations, including with respect to personally identifiable information and consumer privacy, labor and employment, and tax;

- risks related to protecting the integrity of, and preventing unauthorized access to, our information technology systems or those of our third-party vendors, licensees, dealers, independent operators and independent contractors, and protecting the confidential information of our employees and customers against security breaches, including physical or cybersecurity breaches, attacks, or other disruptions, compliance with privacy and data protection regulation, and the effects of any potential increase in cyberattacks on the world economy and markets and/or international trade;

- any impact on us from the actions of our third-party vendors, licensees, dealers, independent operators and independent contractors and/or disputes that may arise out of our agreements with such parties;

- any major disruptions in our communication networks or information systems;

- risks related to tax obligations and the effect of future changes in tax laws and accounting standards;

- risks related to our indebtedness, including our substantial outstanding debt obligations, interest rate increases, downgrades by rating agencies and our ability to incur substantially more debt;

- our ability to obtain financing for our global operations, including the funding of our vehicle fleet through the issuance of asset-backed securities and use of the global lending markets;

- our ability to meet the financial and other covenants contained in the agreements governing our indebtedness, or to obtain a waiver or amendment of such covenants should we be unable to meet such covenants;

- significant changes in the assumptions and estimates that are used in our impairment testing for goodwill or intangible assets, which could result in a significant impairment of our goodwill or intangible assets; and

- other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services.

We operate in a continuously changing business environment and new risk factors emerge from time to time. New risk factors, factors beyond our control, or changes in the impact of identified risk factors may cause actual results to differ materially from those set forth in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Moreover, we do not assume responsibility if future results are materially different from those forecast or anticipated. Other factors and assumptions not identified above, including those discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in Item 2 and “Risk Factors” in Item 1A in this quarterly report and in similarly titled sections set forth in Item 7 and in Item 1A and in other portions of our 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 17, 2022 (the “2021 Form 10-K”), may cause actual results to differ materially from those projected in any forward-looking statements.

Although we believe that our assumptions are reasonable, any or all of our forward-looking statements may prove to be inaccurate and we can make no guarantees about our future performance. Should unknown risks or uncertainties materialize or underlying assumptions prove inaccurate, actual results could differ materially from past results and/or those anticipated, estimated or projected. We undertake no obligation to release any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Avis Budget Group, Inc.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(In millions, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	$ 3,547	$ 3,001	$ 9,223	$ 6,744
Expenses				
Operating	1,464	1,225	3,960	3,089
Vehicle depreciation and lease charges, net	134	277	479	869
Selling, general and administrative	384	361	1,026	837
Vehicle interest, net	107	80	281	232
Non-vehicle related depreciation and amortization	59	69	168	199
Interest expense related to corporate debt, net:				
Interest expense	64	47	181	167
Early extinguishment of debt	—	7	—	136
Restructuring and other related charges	2	5	16	47
Transaction-related costs, net	—	1	1	3
Other (income) expense, net	(9)	—	(9)	—
Total expenses	2,205	2,072	6,103	5,579
Income before income taxes	1,342	929	3,120	1,165
Provision for income taxes	311	255	788	263
Net income	1,031	674	2,332	902
Less: net loss attributable to non-controlling interests	(3)	(1)	(9)	(1)
Net income attributable to Avis Budget Group, Inc.	$ 1,034	$ 675	$ 2,341	$ 903
Comprehensive income attributable to Avis Budget Group, Inc.	$ 979	$ 660	$ 2,289	$ 914
Earnings per share				
Basic	$ 22.08	$ 10.58	$ 47.34	$ 13.31
Diluted	$ 21.67	$ 10.45	$ 46.32	$ 13.16

See Notes to Consolidated Condensed Financial Statements (Unaudited).

Avis Budget Group, Inc.
CONSOLIDATED CONDENSED BALANCE SHEETS
(In millions, except par value)
(Unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 581	$ 534
Receivables, net	869	775
Other current assets	526	538
Total current assets	1,976	1,847
Property and equipment, net	506	537
Operating lease right-of-use assets	2,275	2,368
Deferred income taxes	1,316	1,615
Goodwill	1,031	1,108
Other intangibles, net	662	724
Other non-current assets	496	382
Total assets exclusive of assets under vehicle programs	8,262	8,581
Assets under vehicle programs:		
Program cash	139	89
Vehicles, net	15,391	12,866
Receivables from vehicle manufacturers and other	478	222
Investment in Avis Budget Rental Car Funding (AESOP) LLC—related party	927	842
	16,935	14,019
Total Assets	$ 25,197	$ 22,600
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and other current liabilities	$ 2,719	$ 2,389
Short-term debt and current portion of long-term debt	27	19
Total current liabilities	2,746	2,408
Long-term debt	4,563	3,990
Long-term operating lease liabilities	1,822	1,910
Other non-current liabilities	553	625
Total liabilities exclusive of liabilities under vehicle programs	9,684	8,933
Liabilities under vehicle programs:		
Debt	2,682	2,542
Debt due to Avis Budget Rental Car Funding (AESOP) LLC—related party	10,422	8,848
Deferred income taxes	2,636	2,242
Other	280	244
	16,020	13,876
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $0.01 par value—authorized 10 shares; none issued and outstanding, respectively	—	—
Common stock, $0.01 par value—authorized 250 shares; issued 137 shares, respectively	1	1
Additional paid-in capital	6,676	6,676
Retained earnings (accumulated deficit)	2,156	(185)
Accumulated other comprehensive loss	(185)	(133)
Treasury stock, at cost— 94 and 81 shares, respectively	(9,157)	(6,579)
Stockholders' equity attributable to Avis Budget Group, Inc.	(509)	(220)
Non-controlling interests	2	11
Total stockholders' equity	(507)	(209)
Total Liabilities and Stockholders' Equity	$ 25,197	$ 22,600

See Notes to Consolidated Condensed Financial Statements (Unaudited).

Avis Budget Group, Inc.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2022	**2021**
Operating activities		
Net income	$ 2,332	$ 902
Adjustments to reconcile net income to net cash provided by operating activities:		
Vehicle depreciation	1,232	981
Amortization of right-of-use assets	637	562
(Gain) loss on sale of vehicles, net	(856)	(241)
Non-vehicle related depreciation and amortization	168	199
Stock-based compensation	19	25
Amortization of debt financing fees	25	25
Early extinguishment of debt costs	—	136
Net change in assets and liabilities:		
Receivables	(194)	(175)
Income taxes and deferred income taxes	640	200
Accounts payable and other current liabilities	415	435
Operating lease liabilities	(639)	(558)
Other, net	83	57
Net cash provided by operating activities	3,862	2,548
Investing activities		
Property and equipment additions	(120)	(57)
Proceeds received on asset sales	2	3
Net assets acquired (net of cash acquired)	(1)	(17)
Cash disposed upon deconsolidation of subsidiary	(55)	—
Other, net	22	(3)
Net cash used in investing activities exclusive of vehicle programs	(152)	(74)
Vehicle programs:		
Investment in vehicles	(7,946)	(8,041)
Proceeds received on disposition of vehicles	4,608	3,310
Investment in debt securities of Avis Budget Rental Car Funding (AESOP) LLC—related party	(351)	(260)
Proceeds from debt securities of Avis Budget Rental Car Funding (AESOP) LLC—related party	265	134
	(3,424)	(4,857)
Net cash used in investing activities	(3,576)	(4,931)

Avis Budget Group, Inc.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Continued)
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2022	**2021**
Financing activities		
Proceeds from long-term borrowings	729	1,100
Payments on long-term borrowings	(17)	(1,350)
Net change in short-term borrowings	(1)	—
Repurchases of common stock	(2,574)	(997)
Debt financing fees	(7)	(21)
Contributions from non-controlling interests	40	38
Net cash used in financing activities exclusive of vehicle programs	(1,830)	(1,230)
Vehicle programs:		
Proceeds from borrowings	13,075	11,612
Payments on borrowings	(11,360)	(7,790)
Debt financing fees	(23)	(14)
	1,692	3,808
Net cash (used in) provided by financing activities	(138)	2,578
Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash	(53)	(15)
Net increase in cash and cash equivalents, program and restricted cash	95	180
Cash and cash equivalents, program and restricted cash, beginning of period	626	765
Cash and cash equivalents, program and restricted cash, end of period	$ 721	$ 945

See Notes to Consolidated Condensed Financial Statements (Unaudited).

Avis Budget Group, Inc.
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Stockholders' Equity Attributable to Avis Budget Group, Inc.	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount				Shares	Amount			
Balance at June 30, 2022	137.1	$ 1	$ 6,643	$ 1,122	$ (130)	(88.8)	$ (8,290)	$ (654)	$ 5	$ (649)
Comprehensive income:										
Net income	—	—	—	1,034	—	—	—	1,034	(3)	1,031
Other comprehensive loss	—	—	—	—	(55)	—	—	(55)	—	(55)
Total comprehensive income (loss)				1,034	(55)			979	(3)	976
Contributions from non-controlling interests	—	—	40	—	—	—	—	40	—	40
Net activity related to restricted stock units	—	—	(7)	—	—	—	1	(6)	—	(6)
Repurchases of common stock	—	—	—	—	—	(5.3)	(868)	(868)	—	(868)
Balance at September 30, 2022	137.1	$ 1	$ 6,676	$ 2,156	$ (185)	(94.1)	$ (9,157)	$ (509)	$ 2	$ (507)
Balance at June 30, 2021	137.1	$ 1	$ 6,646	$ (1,242)	$ (161)	(67.1)	$ (5,152)	$ 92	$ —	$ 92
Comprehensive income:										
Net income	—	—	—	675	—	—	—	675	(1)	674
Other comprehensive loss	—	—	—	—	(15)	—	—	(15)	—	(15)
Total comprehensive income (loss)				675	(15)			660	(1)	659
Contributions from non-controlling interests	—	—	24	—	—	—	—	24	14	38
Net activity related to restricted stock units	—	—	3	—	—	—	4	7	—	7
Repurchases of common stock	—	—	—	—	—	(11.6)	(994)	(994)	—	(994)
Balance at September 30, 2021	137.1	$ 1	$ 6,673	$ (567)	$ (176)	(78.7)	$ (6,142)	$ (211)	$ 13	$ (198)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Stockholders' Equity Attributable to Avis Budget Group, Inc.	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount				Shares	Amount			
Balance at December 31, 2021	137.1	$ 1	$ 6,676	$ (185)	$ (133)	(81.2)	$ (6,579)	$ (220)	$ 11	$ (209)
Comprehensive income:										
Net income	—	—	—	2,341	—	—	—	2,341	(9)	2,332
Other comprehensive loss	—	—	—	—	(52)	—	—	(52)	—	(52)
Total comprehensive income (loss)				2,341	(52)			2,289	(9)	2,280
Contributions from non-controlling interests	—	—	40	—	—	—	—	40	—	40
Net activity related to restricted stock units	—	—	(40)	—	—	0.3	(2)	(42)	—	(42)
Repurchases of common stock	—	—	—	—	—	(13.2)	(2,576)	(2,576)	—	(2,576)
Balance at September 30, 2022	137.1	$ 1	$ 6,676	$ 2,156	$ (185)	(94.1)	$ (9,157)	$ (509)	$ 2	$ (507)
Balance at December 31, 2020	137.1	$ 1	$ 6,668	$ (1,470)	$ (187)	(67.3)	$ (5,167)	$ (155)	$ —	$ (155)
Comprehensive income:										
Net income	—	—	—	903	—	—	—	903	(1)	902
Other comprehensive income	—	—	—	—	11	—	—	11	—	11
Total comprehensive income				903	11			914	(1)	913
Contributions from non-controlling interests	—	—	24	—	—	—	—	24	14	38
Net activity related to restricted stock units	—	—	(19)	—	—	0.3	29	10	—	10
Repurchases of common stock	—	—	—	—	—	(11.7)	(1,004)	(1,004)	—	(1,004)
Balance at September 30, 2021	137.1	$ 1	$ 6,673	$ (567)	$ (176)	(78.7)	$ (6,142)	$ (211)	$ 13	$ (198)

See Notes to Consolidated Condensed Financial Statements (Unaudited).

(Unless otherwise noted, all dollar amounts in tables are in millions, except per share amounts)

1. Basis of Presentation

Avis Budget Group, Inc. provides mobility solutions to businesses and consumers worldwide. The accompanying unaudited Consolidated Condensed Financial Statements include the accounts and transactions of Avis Budget Group, Inc. and its subsidiaries, as well as entities in which Avis Budget Group, Inc. directly or indirectly has a controlling financial interest (collectively, "we", "our", "us", or the "Company"), and have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission for interim financial reporting.

We operate the following reportable business segments:

- **Americas**—consisting primarily of (i) vehicle rental operations in North America, South America, Central America and the Caribbean, (ii) car sharing operations in certain of these markets, and (iii) licensees in certain areas in which we do not operate directly.
- **International**—consisting primarily of (i) vehicle rental operations in Europe, the Middle East, Africa, Asia and Australasia, (ii) car sharing operations in certain of these markets, and (iii) licensees in certain areas in which we do not operate directly.

The operating results of acquired businesses are included in the accompanying Consolidated Condensed Financial Statements from the dates of acquisition. Differences between the preliminary allocation of purchase price and the final allocation for our 2021 acquisitions of various licensees were not material. We consolidate joint venture activities when we have a controlling interest and record non-controlling interests within stockholders' equity and the statement of comprehensive income equal to the percentage of ownership interest retained in such entities by the respective non-controlling party.

In presenting the Consolidated Condensed Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management's opinion, the Consolidated Condensed Financial Statements contain all adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These financial statements should be read in conjunction with our 2021 Annual Report on Form 10-K (the "2021 Form 10-K").

Summary of Significant Accounting Policies

Our significant accounting policies are fully described in Note 2 – Summary of Significant Accounting Policies in our 2021 Form 10-K.

Cash and cash equivalents, Program cash and Restricted cash. The following table provides a detail of cash and cash equivalents, program and restricted cash reported within the Consolidated Condensed Balance Sheets to the amounts shown in the Consolidated Condensed Statements of Cash Flows.

	As of September 30,	
	2022	2021
Cash and cash equivalents	$ 581	$ 886
Program cash	139	55
Restricted cash [(a)]	1	4
Total cash and cash equivalents, program and restricted cash	$ 721	$ 945

(a) Included within other current assets.

Vehicle Programs. We present separately the financial data of our vehicle programs. These programs are distinct from our other activities since the assets under vehicle programs are generally funded through the issuance of debt that is collateralized by such assets. The income generated by these assets is used, in part, to repay the principal and interest associated with the debt. Cash inflows and outflows relating to the acquisition of such assets and the principal debt repayment or financing of such assets are classified as activities of our vehicle programs. We believe it is appropriate to segregate the financial data of our vehicle programs because, ultimately, the source of repayment of such debt is the realization of such assets.

Transaction-related costs, net. Transaction-related costs, net are classified separately in the Consolidated Condensed Statements of Comprehensive Income. These costs are comprised of expenses primarily related to acquisition-related activities such as due diligence and other advisory costs, expenses related to the integration of the acquiree's operations with those of our operations, including the implementation of best practices and process improvements, non-cash gains and losses related to re-acquired rights, expenses related to pre-acquisition contingencies and contingent consideration related to acquisitions.

Currency Transactions. We record the gain or loss on foreign currency transactions on certain intercompany loans and the gain or loss on intercompany loan hedges within interest expense related to corporate debt, net.

Divestitures. In February 2022, we completed the sale of our operations in the United States Virgin Islands for $13 million, for the right to operate the Avis brand. During the nine months ended September 30, 2022, we recorded a gain of $2 million within restructuring and other related charges.

In March 2022, we completed the sale of our operations in the Netherlands for $15 million, subject to working capital adjustments, for the right to operate the Avis and Budget brands. During the nine months ended September 30, 2022, we recorded a loss of $7 million, net of impact of foreign currency adjustments, within restructuring and other related charges.

Variable Interest Entity ("VIE"). We review our investments to determine if they are VIEs. A VIE is an entity in which either (i) the equity investors as a group lack the power through voting or similar rights to direct the activities of such entity that most significantly impact such entity's economic performance or (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support. Entities that are determined to be VIEs are consolidated if we are the primary beneficiary of the entity. The primary beneficiary possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it. We will reconsider our original assessment of a VIE upon the occurrence of certain events such as contributions and redemptions, either by us, or third parties, or amendments to an entity's governing documents. On an ongoing basis, we reconsider whether we are deemed to be a VIE's primary beneficiary. See Note 14 – Related Party Transactions for our VIE investment in our former subsidiary.

Investments. As of September 30, 2022 and December 31, 2021, we had equity method investments with a carrying value of $69 million and $72 million, respectively, which are recorded within other non-current assets. Earnings from our equity method investments are reported within operating expenses. For the three months ended September 30, 2022 and 2021, we recorded $7 million and $6 million related to our equity method investments, respectively. For the nine months ended September 30, 2022 and 2021, we recorded $10 million and $8 million related to our equity method investments, respectively. See Note 14 – Related Party Transactions for our equity method investment in our former subsidiary.

Revenues. Revenues are recognized under "Leases (Topic 842)," with the exception of royalty fee revenue derived from our licensees and revenue related to our customer loyalty program, which were approximately $51 million and $34 million during the three months ended September 30, 2022 and 2021, respectively, and $127 million and $93 million during the nine months ended September 30, 2022 and 2021, respectively.

The following table presents our revenues disaggregated by geography:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Americas	$ 2,703	$ 2,403	$ 7,270	$ 5,457
Europe, Middle East and Africa	678	527	1,527	1,011
Asia and Australasia	166	71	426	276
Total revenues	$ 3,547	$ 3,001	$ 9,223	$ 6,744

The following table presents our revenues disaggregated by brand:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Avis	$ 1,958	$ 1,588	$ 4,992	$ 3,509
Budget	1,371	1,198	3,637	2,707
Other	218	215	594	528
Total revenues	$ 3,547	$ 3,001	$ 9,223	$ 6,744

Other includes Zipcar and other operating brands.

Recently Issued Accounting Pronouncements

Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," which amends Topic 805 to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations and to require an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. ASU 2021-08 becomes effective for us on January 1, 2023. Early adoption is permitted on a retrospective or prospective basis. The adoption of this accounting pronouncement is not expected to have a material impact on our Consolidated Condensed Financial Statements.

Reference Rate Reform

In January 2021, the FASB issued ASU 2021-01, "Reference Rate Reform (Topic 848)," which amends ASU 2020-04 and clarifies the scope and guidance of Topic 848 to allow derivatives impacted by the reference rate reform to qualify for certain optional expedients and exceptions for contract modifications and hedge accounting. The guidance is optional and is effective for a limited period of time through December 31, 2022. As of September 30, 2022, this guidance had no impact on our Consolidated Condensed Financial Statements and we will continue to evaluate this guidance.

2. Leases

Lessor

The following table presents our lease revenues disaggregated by geography:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Americas	$ 2,682	$ 2,391	$ 7,216	$ 5,417
Europe, Middle East and Africa	654	508	1,468	968
Asia and Australasia	160	68	412	266
Total lease revenues	$ 3,496	$ 2,967	$ 9,096	$ 6,651

The following table presents our lease revenues disaggregated by brand:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Avis	$ 1,926	$ 1,573	$ 4,915	$ 3,464
Budget	1,356	1,185	3,598	2,676
Other	214	209	583	511
Total lease revenues	$ 3,496	$ 2,967	$ 9,096	$ 6,651

Other includes Zipcar and other operating brands.

Lessee

We have operating and finance leases for rental locations, corporate offices, vehicle rental fleet and equipment. Many of our operating leases for rental locations contain concession agreements with various airport authorities that allow us to conduct our vehicle rental operations on site. In general, concession fees for airport locations are based on a percentage of total commissionable revenue as defined by each airport authority, some of which are subject to minimum annual guaranteed amounts. Concession fees other than minimum annual guaranteed amounts are not included in the measurement of operating lease Right of Use ("ROU") assets and operating lease liabilities, and are recorded as variable lease expense as incurred. Our operating leases for rental locations often also require us to pay or reimburse operating expenses.

The components of lease expense are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Property leases [(a)]				
Operating lease expense	$ 184	$ 146	$ 513	$ 419
Variable lease expense	169	152	423	318
Total property lease expense	$ 353	$ 298	$ 936	$ 737

[(a)] Primarily within operating expense and includes $(4) million for the three months ended September 30, 2021, and $(9) million and $12 million for the nine months ended September 30, 2022 and 2021, respectively, of minimum annual guaranteed rent in excess of concession fees, net, as defined in our rental concession agreements.

Supplemental balance sheet information related to leases is as follows:

	As of September 30, 2022	As of December 31, 2021
Property leases		
Operating lease ROU assets	$ 2,275	$ 2,368
Short-term operating lease liabilities [(a)]	$ 488	$ 496
Long-term operating lease liabilities	1,822	1,910
Operating lease liabilities	$ 2,310	$ 2,406
Weighted average remaining lease term	8.5 years	8.8 years
Weighted average discount rate	4.04 %	3.84 %

[(a)] Included in Accounts payable and other current liabilities.

Supplemental cash flow information related to leases is as follows:

	Nine Months Ended September 30,	
	2022	2021
Cash payments for lease liabilities within operating activities:		
Property operating leases	$ 537	$ 445
Non-cash activities - increase (decrease) in ROU assets in exchange for lease liabilities:		
Property operating leases	$ 508	$ 226

3. Restructuring and Other Related Charges

Restructuring

During second quarter 2022, we initiated a restructuring plan to focus on consolidating our global operations by designing new processes and implementing new systems (“Cost Optimization”). During the nine months ended September 30, 2022, we formally communicated the termination of employment to approximately 130 employees, as part of this process, and terminated approximately 120 of these employees. We expect further restructuring expenses of approximately $5 million related to this initiative.

During first quarter 2021, we initiated a global restructuring plan to focus on cost discipline by reviewing headcounts, facilities and contractor agreements. We are transforming our business as we prepare to exit the COVID-19 crisis by controlling fixed costs and matching variable costs to demand (“T21”). As of September 30, 2022, we terminated the employment of approximately 65 employees. We expect no further restructuring expenses to be incurred related to this initiative.

During first quarter 2020, we initiated a global restructuring plan to reduce operating costs, such as headcount and facilities, due to declining reservations and revenue resulting from COVID-19 outbreak (“2020 Optimization”). We expect no further restructuring expenses related to this initiative.

During third quarter 2019, we initiated a restructuring plan to exit our operations in Brazil by closing rental facilities, disposing of assets and terminating personnel (“Brazil”). We expect no further restructuring expenses related to this initiative.

The following tables summarize the changes to our restructuring-related liabilities and identifies the amounts recorded within our reporting segments for restructuring charges and corresponding payments and utilizations:

	Americas	International	Total
Balance as of January 1, 2022	$ 2	$ 8	$ 10
Restructuring expense:			
Cost Optimization	2	4	6
T21	1	2	3
Brazil	1	—	1
Restructuring payment/utilization:			
Cost Optimization	(2)	(3)	(5)
T21	(1)	(8)	(9)
2020 Optimization	—	(1)	(1)
Brazil	(1)	—	(1)
Balance as of September 30, 2022	$ 2	$ 2	$ 4

	Personnel	Facility Related	Other	Total
Balance as of January 1, 2022	$ 7	$ 2	$ 1	$ 10
Restructuring expense:				
Cost Optimization	6	—	—	6
T21	3	—	—	3
Brazil	—	—	1	1
Restructuring payment/utilization:				
Cost Optimization	(5)	—	—	(5)
T21	(9)	—	—	(9)
2020 Optimization	(1)	—	—	(1)
Brazil	—	—	(1)	(1)
Balance as of September 30, 2022	$ 1	$ 2	$ 1	$ 4

Other Related Charges

Officer Separation Costs

In April 2022, we announced the departure of Veresh Sita as Executive Vice President and Chief Digital and Innovation Officer effective May 13, 2022. In connection with Mr. Sita's separation, we recorded other related charges of approximately $1 million, inclusive of accelerated stock-based compensation expense, for the nine months ended September 30, 2022.

4. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share ("EPS") (shares in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income attributable to Avis Budget Group, Inc. for basic and diluted EPS	$ 1,034	$ 675	$ 2,341	$ 903
Basic weighted average shares outstanding	46.8	63.7	49.5	67.8
Non-vested stock [(a)]	0.9	0.9	1.1	0.8
Diluted weighted average shares outstanding	47.7	64.6	50.6	68.6
Earnings per share:				
Basic	$ 22.08	$ 10.58	$ 47.34	$ 13.31
Diluted	$ 21.67	$ 10.45	$ 46.32	$ 13.16

(a) For the three and nine months ended September 30, 2022, 0.1 million non-vested stock awards, in each period, have an anti-dilutive effect and therefore are excluded from the computation of diluted weighted average shares outstanding. For the nine months ended September 30, 2021, 0.4 million non-vested stock awards have an anti-dilutive effect and therefore are excluded from the computation of diluted weighted average shares outstanding.

5. Other Current Assets

Other current assets consisted of:

	As of September 30, 2022	As of December 31, 2021
Prepaid expenses	$ 252	$ 205
Sales and use taxes	147	238
Other	127	95
Other current assets	$ 526	$ 538

6. Intangible Assets

Intangible assets consisted of:

	As of September 30, 2022			As of December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized Intangible Assets						
License agreements	$ 276	$ 204	$ 72	$ 298	$ 193	$ 105
Customer relationships	235	196	39	257	204	53
Other	44	34	10	51	36	15
Total	$ 555	$ 434	$ 121	$ 606	$ 433	$ 173
Unamortized Intangible Assets						
Goodwill	$ 1,031			$ 1,108		
Trademarks	$ 541			$ 551		

For the three months ended September 30, 2022 and 2021, amortization expense related to amortizable intangible assets was approximately $9 million and $13 million, respectively. For the nine months ended September 30, 2022 and 2021, amortization expense related to amortizable intangible assets was approximately $35 million and $45 million, respectively. Based on our amortizable intangible assets at September 30, 2022, we expect amortization expense of approximately $9 million for the remainder of

2022, $24 million for 2023, $20 million for 2024, $14 million for 2025, $13 million for 2026 and $10 million for 2027, excluding effects of currency exchange rates.

7. Vehicle Rental Activities

The components of vehicles, net within assets under vehicle programs were as follows:

	As of September 30, 2022	As of December 31, 2021
Rental vehicles	$ 17,077	$ 14,612
Less: Accumulated depreciation	(2,087)	(1,911)
	14,990	12,701
Vehicles held for sale	365	165
Vehicles, net investment in lease [(a)]	36	—
Vehicles, net	$ 15,391	$ 12,866

[(a)] See Note 14 – Related Party Transactions.

The components of vehicle depreciation and lease charges, net are summarized below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Depreciation expense	$ 455	$ 386	$ 1,232	$ 981
Lease charges	38	43	103	129
(Gain) loss on sale of vehicles, net	(359)	(152)	(856)	(241)
Vehicle depreciation and lease charges, net	$ 134	$ 277	$ 479	$ 869

At September 30, 2022 and 2021, we had payables related to vehicle purchases included in liabilities under vehicle programs - other of $154 million and $167 million, respectively, and receivables related to vehicle sales included in assets under vehicle programs - receivables from vehicle manufacturers and other of $225 million and $145 million, respectively.

8. Income Taxes

Our effective tax rate for the nine months ended September 30, 2022 and 2021 were provisions of 25.3% and 22.6%, respectively. Such rates differed from the Federal Statutory rate of 21.0% primarily due to foreign taxes on our International operations and state taxes.

9. Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of:

	As of September 30, 2022	As of December 31, 2021
Accounts payable	$ 501	$ 407
Short-term operating lease liabilities	488	496
Accrued advertising and marketing	300	218
Accrued sales and use taxes	286	313
Deferred lease revenues - current	248	185
Accrued payroll and related	206	193
Public liability and property damage insurance liabilities – current	163	159
Other	527	418
Accounts payable and other current liabilities	$ 2,719	$ 2,389

10. Long-term Corporate Debt and Borrowing Arrangements

Long-term corporate debt and borrowing arrangements consisted of:

	Maturity Date	As of September 30, 2022	As of December 31, 2021
4.125% euro-denominated Senior Notes	November 2024	$ 294	$ 341
4.500% euro-denominated Senior Notes	May 2025	245	284
4.750% euro-denominated Senior Notes	January 2026	343	398
5.750% Senior Notes	July 2027	731	728
4.750% Senior Notes	April 2028	500	500
5.375% Senior Notes	March 2029	600	600
Floating Rate Term Loan [(a)]	August 2027	1,179	1,187
Floating Rate Term Loan	March 2029	726	—
Other [(b)]		19	19
Deferred financing fees		(47)	(48)
Total		4,590	4,009
Less: Short-term debt and current portion of long-term debt		27	19
Long-term debt		$ 4,563	$ 3,990

(a) The floating rate term loan is part of our senior revolving credit facility, which is secured by pledges of capital stock of certain of our subsidiaries, and liens on substantially all of our intellectual property and certain other real and personal property. As of September 30, 2022, the floating rate term loan due 2027 bears interest at one-month LIBOR plus 175 basis points, for an aggregate rate of 4.87%. We have entered into a swap to hedge $700 million of its interest rate exposure related to the floating rate term loan at an aggregate rate of 4.75%.

(b) Primarily includes finance leases which are secured by liens on the related assets.

In March 2022, we entered into a $750 million Floating Rate Term Loan due March 2029, at a price of 97% of the aggregate principal amount, with interest paid monthly, which is part of our senior credit facilities. The Floating Rate Term Loan due March 2029 bears interest at one-month Secured Overnight Financing Rate (“SOFR”) plus 350 basis points for an aggregate rate of 6.63%.

Committed Credit Facilities and Available Funding Arrangements

As of September 30, 2022, the committed corporate credit facilities available to us and/or our subsidiaries were as follows:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
Senior revolving credit facility maturing 2026 [(a)]	$ 2,000	$ —	$ 888	$ 1,112

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(a) The senior revolving credit facility bears interest at one-month LIBOR plus 175 basis points and is part of our senior credit facilities, which include the floating rate term loan and the senior revolving credit facility, and which are secured by pledges of capital stock of certain of our subsidiaries, liens on substantially all of our intellectual property and certain other real and personal property.

Debt Covenants

The agreements governing our indebtedness contain restrictive covenants, including restrictions on dividends paid to us by certain of our subsidiaries, the incurrence of additional indebtedness by us and certain of our subsidiaries, acquisitions, mergers, liquidations, and sale and leaseback transactions. Our senior credit facility also contains a maximum leverage ratio requirement. As of September 30, 2022, we were in compliance with the financial covenants governing our indebtedness.

11. Debt Under Vehicle Programs and Borrowing Arrangements

Debt under vehicle programs, including related party debt due to Avis Budget Rental Car Funding (AESOP) LLC (“Avis Budget Rental Car Funding”), consisted of:

	As of September 30, 2022	As of December 31, 2021
Americas - Debt due to Avis Budget Rental Car Funding	$ 10,470	$ 8,889
Americas - Debt borrowings	557	612
International - Debt borrowings	1,865	1,757
International - Finance leases	154	177
Other	111	3
Deferred financing fees [(a)]	(53)	(48)
Total	$ 13,104	$ 11,390

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(a) Deferred financing fees related to Debt due to Avis Budget Rental Car Funding as of September 30, 2022 and December 31, 2021 were $48 million and $41 million, respectively.

In April 2022, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued $660 million of asset-backed notes to investors with an expected final payment date of August 2027, with a weighted average interest rate of 3.96%.

In May 2022, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued $87 million, $68 million and $55 million of asset-backed notes with expected final payment dates of March 2025, March 2023 and September 2023, respectively, with a weighted average interest rate of 5.10%.

In June 2022, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary entered into $800 million of variable funding asset-backed notes with an expected final payment date of September 2022.

In July 2022, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued $763 million of asset-backed notes to investors with a weighted average interest rate of 4.90%. Following this issuance, amounts available under our $800 million variable funding asset-backed notes supplement entered into during June 2022 were reduced to zero.

Debt Maturities

The following table provides the contractual maturities of our debt under vehicle programs, including related party debt due to Avis Budget Rental Car Funding, at September 30, 2022:

	Debt under Vehicle Programs [a]
Within 1 year [b]	$ 2,192
Between 1 and 2 years [c]	5,302
Between 2 and 3 years	1,908
Between 3 and 4 years	1,994
Between 4 and 5 years	1,383
Thereafter	378
Total	$ 13,157

[a] Vehicle-backed debt primarily represents asset-backed securities.
[b] Includes $1.0 billion of bank and bank-sponsored facilities.
[c] Includes $3.7 billion of bank and bank-sponsored facilities.

Committed Credit Facilities and Available Funding Arrangements

As of September 30, 2022, available funding under our vehicle programs, including related party debt due to Avis Budget Rental Car Funding, consisted of:

	Total Capacity [a]	Outstanding Borrowings [b]	Available Capacity
Americas - Debt due to Avis Budget Rental Car Funding	$ 12,049	$ 10,470	$ 1,579
Americas - Debt borrowings	950	557	393
International - Debt borrowings	2,439	1,865	574
International - Finance leases	190	154	36
Other	111	111	—
Total	$ 15,739	$ 13,157	$ 2,582

[a] Capacity is subject to maintaining sufficient assets to collateralize debt. The total capacity for Americas - Debt due to Avis Budget Rental Car Funding includes increases from an amendment and renewal of our variable funding asset-backed notes during April 2022.
[b] The outstanding debt is collateralized by vehicles and related assets of $12.7 billion for Americas - Debt due to Avis Budget Rental Car Funding; $0.9 billion for Americas - Debt borrowings; $2.6 billion for International - Debt borrowings; and $0.2 billion for International - Finance leases.

Debt Covenants

The agreements under our vehicle-backed funding programs contain restrictive covenants, including restrictions on dividends paid to us by certain of our subsidiaries and restrictions on indebtedness, mergers, liens, liquidations, and sale and leaseback transactions and in some cases also require compliance with certain financial requirements. As of September 30, 2022, we are not aware of any instances of non-compliance with any of the financial covenants contained in the debt agreements under our vehicle-backed funding programs.

12. Commitments and Contingencies

Contingencies

In 2006, we completed the spin-offs of our Realogy and Wyndham subsidiaries. We do not believe that the impact of any resolution of pre-existing contingent liabilities in connection with the spin-offs should result in a material liability to us in relation to our consolidated financial position or liquidity, as Realogy and Wyndham each have agreed to assume responsibility for these liabilities. We are also named in litigation that is primarily related to the businesses of our former subsidiaries, including Realogy and Wyndham. We are entitled to indemnification from such entities for any liability resulting from such litigation.

In November 2011, Jose Mendez v. Avis Budget Group Inc., et al. was filed in U.S. District Court for the District of New Jersey. The plaintiff seeks to represent a purported nationwide class and two sub-classes of certain renters of vehicles from our Avis and Budget subsidiaries from April 2007 through December 2015. The plaintiff seeks damages in connection with claims relating to our electronic toll service, including that administrative fees and toll charges were not properly disclosed to customers and/or were excessive. Plaintiff’s motion for class certification was approved by the Court in November 2017. The parties have entered into a settlement agreement and the Court has entered an order preliminarily approving the settlement. We have been named as a defendant in other purported consumer class action lawsuits, including a class action filed against us in Florida seeking damages in connection with a breach of contract claim and two purported class action suits filed against us in New Jersey, one related to fines and fees charged to car renters by us for violations incurred during the course of their rental and another related to ancillary charges at our Payless subsidiary. In the Florida lawsuit, the Court has entered an order preliminarily approving a proposed settlement.

We are currently involved, and in the future may be involved, in claims and/or legal proceedings, including class actions, and governmental inquiries that are incidental to our vehicle rental and car sharing operations, including, among others, contract and licensee disputes, competition matters, employment and wage-and-hour claims, insurance and liability claims, intellectual property claims, business practice disputes and other regulatory, environmental, commercial and tax matters. Litigation is inherently unpredictable and, although we believe that our accruals are adequate and/or that we have valid defenses in these matters, unfavorable resolutions could occur. We estimate that the potential exposure resulting from adverse outcomes of current legal proceedings in which it is reasonably possible that a loss may be incurred could, in the aggregate, be up to approximately $35 million in excess of amounts accrued as of September 30, 2022. We do not believe that the impact should result in a material liability to us in relation to our consolidated financial condition or results of operations.

Commitments to Purchase Vehicles

We maintain agreements with vehicle manufacturers under which we have agreed to purchase approximately $4.2 billion of vehicles from manufacturers over the next 12 months, a $1.7 billion decrease compared to December 31, 2021, financed primarily through the issuance of vehicle-backed debt and cash received upon the disposition of vehicles. Certain of these commitments are subject to the vehicle manufacturers satisfying their obligations under their respective repurchase and guaranteed depreciation agreements.

Concentrations

Concentrations of credit risk as of September 30, 2022 include (i) risks related to our repurchase and guaranteed depreciation agreements with domestic and foreign car manufacturers, primarily with respect to receivables for program cars that have been disposed but for which we have not yet received payment from the manufacturers and (ii) risks related to Realogy and Wyndham, including receivables of $26 million and $16 million, respectively, related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with their disposition.

13. Stockholders' Equity

Share Repurchases

Our Board of Directors has authorized the repurchase of up to $7.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded most recently in May 2022 (the “Stock Repurchase Program”). During the nine months ended September 30, 2022, we repurchased approximately 13.2 million shares of common stock at a cost of approximately $2.6 billion under the program. As of September 30, 2022, approximately $1.4 billion of authorization remains available to repurchase common stock under the program.

Total Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income and other gains and losses affecting stockholders’ equity that, under GAAP, are excluded from net income.

The components of other comprehensive income (loss) were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	$ 1,031	$ 674	$ 2,332	$ 902
Less: net loss attributable to non-controlling interests	(3)	(1)	(9)	(1)
Net income attributable to Avis Budget Group, Inc.	1,034	675	2,341	903
Other comprehensive income (loss):				
Currency translation adjustments (net of tax of $(16), $(6), $(33) and $(15), respectively)	(78)	(23)	(121)	(22)
Net unrealized gain (loss) on cash flow hedges (net of tax of $(8), $(2), $(23) and $(9), respectively)	22	6	65	27
Minimum pension liability adjustment (net of tax of $0, $(1), $0 and $(1), respectively)	1	2	4	6
	(55)	(15)	(52)	11
Comprehensive income attributable to Avis Budget Group, Inc.	$ 979	$ 660	$ 2,289	$ 914

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Currency translation adjustments exclude income taxes related to indefinite investments in foreign subsidiaries.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) were as follows:

	Currency Translation Adjustments[(a)]	Net Unrealized Gains (Losses) on Cash Flow Hedges[(b)]	Minimum Pension Liability Adjustment[(c)]	Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2022	$ 16	$ (19)	$ (130)	$ (133)
Other comprehensive income (loss) before reclassifications	(121)	57	1	(63)
Amounts reclassified from accumulated other comprehensive income	—	8	3	11
Net current-period other comprehensive income (loss)	(121)	65	4	(52)
Balance, September 30, 2022	$ (105)	$ 46	$ (126)	$ (185)
Balance, January 1, 2021	$ 40	$ (51)	$ (176)	$ (187)
Other comprehensive income (loss) before reclassifications	(33)	17	1	(15)
Amounts reclassified from accumulated other comprehensive income	11	10	5	26
Net current-period other comprehensive income (loss)	(22)	27	6	11
Balance, September 30, 2021	$ 18	$ (24)	$ (170)	$ (176)

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All components of accumulated other comprehensive income (loss) are net of tax, except currency translation adjustments, which exclude income taxes related to indefinite investments in foreign subsidiaries and include $174 million gain, net of tax, as of September 30, 2022 related to our hedge of our investment in euro-denominated foreign operations (see Note 16 – Financial Instruments).

(a) For the nine months ended September 30, 2021, the amount was reclassified from accumulated other comprehensive income (loss) into restructuring and other related charges.

(b) For the three months ended September 30, 2022 and 2021, the amounts reclassified from accumulated other comprehensive income (loss) into corporate interest expense were $1 million ($1 million, net of tax) and $4 million ($3 million, net of tax), respectively. For the three months ended September 30, 2021, the amounts reclassified from accumulated other comprehensive income (loss) into vehicle interest expense was $1 million ($1 million, net of tax). For the nine months ended September 30, 2022 and 2021, the amounts reclassified from accumulated other comprehensive income (loss) into corporate interest expense was $10 million ($8 million, net of tax) and $12 million ($9 million, net of tax), respectively. For the nine months ended September 30, 2021, the amounts reclassified from accumulated other comprehensive income (loss) into vehicle interest expense was $2 million ($1 million, net of tax).

(c) For the three months ended September 30, 2022 and 2021, amounts reclassified from accumulated other comprehensive income (loss) into selling, general and administrative expenses were $1 million ($1 million, net of tax) and $2 million ($2 million, net of tax), respectively. For the nine months ended September 30, 2022 and 2021, amounts reclassified from accumulated other comprehensive income (loss) into selling, general and administrative expenses were $4 million ($3 million, net of tax) and $7 million ($5 million, net of tax), respectively.

14. Related Party Transactions

In 2021, SRS Mobility Ventures, LLC acquired a 33 1/3% Class A Membership Interest in one of our subsidiaries at fair value of $37.5 million. SRS Mobility Ventures, LLC is an affiliate of our largest shareholder, SRS Investment Management, LLC.

On September 1, 2022, through the issuance of Class B Preferred Voting Membership Interests, SRS Mobility Ventures, LLC increased their ownership in this subsidiary to 51% at a fair value of $62 million. As a result, we deconsolidated our former subsidiary, Avis Mobility Ventures LLC (“AMV”), from our financial statements and now record our proportional share of the former subsidiary’s income or loss within other (income) expense, net in our Consolidated Condensed Statements of Comprehensive Income as we do not have the ability to direct the significant activities of the former subsidiary and are therefore no longer primary beneficiary of the VIE.

In accordance with ASC Topic 810-10-40, we must deconsolidate a subsidiary as of the date we cease to have a controlling interest in that subsidiary and recognize the gain or loss in net income at that time. The fair value of our retained investment was determined utilizing a discounted cash flow methodology based on various assumptions, including projections of future cash flows, which include forecast of future revenue and EBITDA. Upon deconsolidation, our former subsidiary had a net asset carrying amount of $49 million resulting in a gain of $10 million, which is reported within other (income) expense, net during the three and nine months ended September 30, 2022.

We provide vehicles and related fleet services to AMV, as well as certain administrative services to support their operations. During the three and nine months ended September 30, 2022, we recognized $2 million of income related to these services within other (income) expense, net. At September 30, 2022, we had receivables from AMV of $5 million and a net investment in vehicle finance leases of $36 million. The carrying amount of our equity investment was approximately $57 million at September 30, 2022 and is recorded within other non-current assets in our Consolidated Condensed Balance Sheet. For the three and nine months ended September 30, 2022, we recorded losses of $3 million within other (income) expense, net related to our equity investment.

15. Stock-Based Compensation

We recorded stock-based compensation expense of $7 million and $11 million ($5 million and $8 million, net of tax) during the three months ended September 30, 2022 and 2021, respectively, and $19 million and $25 million ($14 million and $19 million, net of tax) during the nine months ended September 30, 2022 and 2021, respectively.

In 2020, we granted market-based restricted stock units ("RSUs") that vest based on absolute stock price attainment. The grant date fair value of this award is estimated using a Monte Carlo simulation model.

The weighted average assumptions used in the model are as follows:

Expected volatility of stock price	91%
Risk-free interest rate	0.18%
Valuation period	3 years
Dividend yield	—%

The activity related to RSUs consisted of (in thousands of shares):

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Time-based RSUs				
Outstanding at January 1, 2022	671	$ 39.39		
Granted [(a)]	104	178.13		
Vested [(b)]	(358)	36.76		
Forfeited	(35)	57.90		
Outstanding and expected to vest at September 30, 2022 [(c)]	382	$ 78.02	1.0	$ 57
Performance-based and market-based RSUs				
Outstanding at January 1, 2022	886	$ 35.40		
Granted [(a)]	99	193.48		
Vested [(b)]	(254)	34.24		
Forfeited	(37)	42.82		
Outstanding at September 30, 2022	694	$ 57.89	1.1	$ 103
Outstanding and expected to vest at September 30, 2022 [(c)]	686	$ 56.30	1.1	$ 102

(a) Reflects the maximum number of stock units assuming achievement of all performance-, market- and time-vesting criteria and does not include those for non-employee directors. The weighted-average fair value of time-based RSUs and performance-based RSUs granted during the nine months ended September 30, 2021 was $63.12 and $62.27, respectively.

(b) The total fair value of RSUs vested during the nine months ended September 30, 2022 and 2021 was $22 million and $17 million, respectively.

(c) Aggregate unrecognized compensation expense related to time-based RSUs and performance-based and market-based RSUs amounted to $44 million and will be recognized over a weighted average vesting period of 1.1 years.

16. Financial Instruments

Derivative Instruments and Hedging Activities

Currency Risk. We use currency exchange contracts to manage our exposure to changes in currency exchange rates associated with certain of our non-U.S.-dollar denominated receivables and forecasted royalties, forecasted earnings of non-U.S. subsidiaries and forecasted non-U.S.-dollar denominated acquisitions. We primarily hedge a portion of our current-year currency exposure to the Australian, Canadian and New Zealand dollars, the euro and the British pound sterling. The majority of forward contracts do not qualify for hedge accounting treatment. The fluctuations in the value of these forward contracts do, however, largely offset the impact of changes in the value of the underlying risk they economically hedge. Forward contracts used to hedge forecasted third-party receipts and disbursements up to 12 months are designated and do qualify as cash flow hedges. We have designated our euro-denominated notes as a hedge of our investment in euro-denominated foreign operations.

The estimated net amount of existing gains or losses we expect to reclassify from accumulated other comprehensive income (loss) to earnings for cash flow and net investment hedges over the next 12 months is not material.

Interest Rate Risk. We use various hedging strategies including interest rate swaps and interest rate caps to create what we deem an appropriate mix of fixed and floating rate assets and liabilities. We use interest rate swaps and interest rate caps to manage the risk related to our floating rate corporate debt and our floating rate vehicle-backed debt. We record the changes in the fair value of our cash flow hedges to other comprehensive income (loss), net of tax, and subsequently reclassify these amounts into earnings in the period during which the hedged transaction affects earnings and is presented in the same income statement line item as the earnings effect of the hedged item. We record the gains or losses related to freestanding derivatives, which are not designated as a hedge for accounting purposes, currently in earnings and are presented in the same line of the income statement expected for the hedged item. We estimate that approximately $9 million of gains currently recorded in accumulated other comprehensive income (loss) will be recognized in earnings over the next 12 months.

Commodity Risk. We periodically enter into derivative commodity contracts to manage our exposure to changes in the price of gasoline. These instruments were designated as freestanding derivatives and the changes in fair value are recorded in earnings and are presented in the same line of the income statement expected for the hedged item.

We held derivative instruments with absolute notional values as follows:

		As of September 30, 2022
Foreign exchange contracts	$	1,470
Interest rate caps [(a)]		13,960
Interest rate swaps		1,450

[(a)] Represents $9.9 billion of interest rate caps sold, partially offset by approximately $4.1 billion of interest rate caps purchased. These amounts exclude $6.2 billion of interest rate caps purchased by our Avis Budget Rental Car Funding subsidiary as it is not consolidated by us.

Estimated fair values (Level 2) of derivative instruments were as follows:

	As of September 30, 2022		As of December 31, 2021	
	Fair Value, Derivative Assets	Fair Value, Derivative Liabilities	Fair Value, Derivative Assets	Fair Value, Derivative Liabilities
Derivatives designated as hedging instruments				
Interest rate swaps [(a)]	$ 62	$ —	$ 2	$ 27
Derivatives not designated as hedging instruments				
Foreign exchange contracts [(b)]	38	12	7	10
Interest rate caps [(c)]	54	164	11	15
Total	$ 154	$ 176	$ 20	$ 52

Amounts in this table exclude derivatives issued by Avis Budget Rental Car Funding, as it is not consolidated by us; however, certain amounts related to the derivatives held by Avis Budget Rental Car Funding are included within accumulated other comprehensive income (loss), as discussed in Note 13 – Stockholders' Equity.

(a) Included in other non-current assets or other non-current liabilities.

(b) Included in other current assets or other current liabilities.

(c) Included in assets under vehicle programs or liabilities under vehicle programs.

The effects of derivatives recognized in our Consolidated Condensed Financial Statements were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Derivatives designated as hedging instruments [(a)]				
Interest rate swaps [(b)]	$ 22	$ 6	$ 65	$ 27
Euro-denominated notes [(c)]	46	19	104	42
Derivatives not designated as hedging instruments [(d)]				
Foreign exchange contracts [(e)]	27	6	70	1
Interest rate caps [(f)]	2	(1)	1	(3)
Total	$ 97	$ 30	$ 240	$ 67

(a) Recognized, net of tax, as a component of other comprehensive income (loss) within stockholders' equity.

(b) Classified as a net unrealized gain (loss) on cash flow hedges in accumulated other comprehensive income (loss). Refer to Note 13 – Stockholders' Equity for amounts reclassified from accumulated other comprehensive income into earnings.

(c) Classified as a net investment hedge within currency translation adjustment in accumulated other comprehensive income (loss).

(d) Gains (losses) related to derivative instruments are expected to be largely offset by (losses) gains on the underlying exposures being hedged.

(e) For the three months ended September 30, 2022, included a $25 million gain in interest expense and a $2 million gain in operating expense and for the nine months ended September 30, 2022, included a $65 million gain in interest expense and a $5 million gain in operating expense. For the three months ended September 30, 2021, included a $7 million gain in interest expense and a $1 million loss in operating expense and for the nine months ended September 30, 2021, included a $2 million gain in interest expense and a $1 million loss in operating expense.

(f) Included primarily in vehicle interest, net.

Debt Instruments

The carrying amounts and estimated fair values (Level 2) of debt instruments were as follows:

	As of September 30, 2022		As of December 31, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Corporate debt				
Short-term debt and current portion of long-term debt	$ 27	$ 26	$ 19	$ 18
Long-term debt	4,563	4,224	3,990	4,153
Debt under vehicle programs				
Vehicle-backed debt due to Avis Budget Rental Car Funding	$ 10,422	$ 9,948	$ 8,848	$ 9,009
Vehicle-backed debt	2,518	2,517	2,528	2,559
Interest rate swaps and interest rate caps [(a)]	164	164	14	14

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[(a)] Derivatives in a liability position.

17. Segment Information

Our chief operating decision-maker assesses performance and allocates resources based upon the separate financial information from each of our operating segments. In identifying our reportable segments, we considered the nature of services provided, the geographical areas in which the segments operated and other relevant factors. We aggregate certain of our operating segments into our reportable segments.

Management evaluates the operating results of each of its reportable segments based upon revenues and "Adjusted EBITDA," which we define as 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, other (income) expense, net 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. We revised our definition of Adjusted EBITDA to exclude other (income) expense, net. We did not revise prior years' Adjusted EBITDA because there were no other charges similar in nature. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended September 30,			
	2022		2021	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Americas	$ 2,703	$ 1,185	$ 2,403	$ 952
International	844	291	598	128
Corporate and Other [(a)]	—	(16)	—	(23)
Total Company	$ 3,547	$ 1,460	$ 3,001	$ 1,057

Reconciliation of Adjusted EBITDA to income before income taxes:

	2022	2021
Adjusted EBITDA	$ 1,460	$ 1,057
Less: Non-vehicle related depreciation and amortization [(b)]	61	69
Interest expense related to corporate debt, net:		
Interest expense	64	47
Early extinguishment of debt	—	7
Restructuring and other related charges	2	5
Unprecedented personal-injury and other legal matters, net [(c)]	—	5
Transaction-related costs, net	—	1
COVID-19 charges [(d)]	—	(6)
Other (income) expense, net [(e)]	(9)	—
Income before income taxes	$ 1,342	$ 929

(a) Includes unallocated corporate overhead which is not attributable to a particular segment.

(b) For the three months ended September 30, 2022, includes operating expenses in our Consolidated Condensed Statements of Comprehensive Income related to cloud computing costs of $2 million.

(c) Reported within operating expenses.

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

	2022	2021
Minimum annual guaranteed rent in excess of concession fees, net	$ —	$ (4)
Vehicles damaged in overflow parking lots, net of insurance proceeds	—	(3)
Other charges	—	1
Operating expenses	$ —	$ (6)
COVID-19 charges, net	$ —	$ (6)

(e) Primarily relates to a gain upon deconsolidation of a former subsidiary.

	Nine Months Ended September 30,			
	2022		2021	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Americas	$ 7,270	$ 3,036	$ 5,457	$ 1,694
International	1,953	497	1,287	86
Corporate and Other [(a)]	—	(58)	—	(52)
Total Company	$ 9,223	$ 3,475	$ 6,744	$ 1,728

Reconciliation of Adjusted EBITDA to income before income taxes:

	2022	2021
Adjusted EBITDA	$ 3,475	$ 1,728
Less: Non-vehicle related depreciation and amortization [(b)]	174	204
Interest expense related to corporate debt, net:		
Interest expense	181	167
Early extinguishment of debt	—	136
Restructuring and other related charges	16	47
Unprecedented personal-injury and other legal matters, net [(c)]	1	(6)
Transaction-related costs, net	1	3
COVID-19 charges [(d)]	(9)	12
Other (income) expense, net [(e)]	(9)	—
Income before income taxes	$ 3,120	$ 1,165

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(a) Includes unallocated corporate overhead which is not attributable to a particular segment.

(b) For the nine months ended September 30, 2022 and 2021, includes operating expenses in our Consolidated Condensed Statements of Operations related to cloud computing costs of $6 million and $5 million, respectively.

(c) Reported within operating expenses.

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

	2022	2021
Minimum annual guaranteed rent in excess of concession fees, net	$ (9)	$ 12
Vehicles damaged in overflow parking lots, net of insurance proceeds	—	(7)
Other charges	—	7
Operating expenses	(9)	11
Selling, general and administrative expenses	—	1
COVID-19 charges, net	$ (9)	$ 12

(e) Primarily relates to a gain upon deconsolidation of a former subsidiary.

Since December 31, 2021, there have been no significant changes in segment assets exclusive of assets under vehicle programs. As of September 30, 2022 and December 31, 2021, Americas' segment assets under vehicle programs were approximately $13.8 billion and $11.4 billion, respectively. The change in assets under vehicle programs is primarily due to the increase in the size of our vehicle rental fleet to meet the increase in rental demand.

18. Subsequent Event

In October 2022, we repurchased approximately 1.5 million shares of our common stock at a cost of approximately $259 million under our Stock Repurchase Program.

* * * *

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Consolidated Condensed Financial Statements and accompanying Notes included in this Quarterly Report on Form 10-Q, and with our 2021 Form 10-K. Our actual results of operations may differ materially from those discussed in forward-looking statements as a result of various factors, including those discussed in "Forward-Looking Statements". See "Forward-Looking Statements" and "Risk Factors" for additional information. Unless otherwise noted, all dollar amounts in tables are in millions.

OVERVIEW

Our Company

We operate three of the most globally recognized brands in mobility solutions, Avis, Budget and Zipcar, together with several other brands well recognized in their respective markets. We are a leading vehicle rental operator in North America, Europe, Australasia and certain other regions we serve, with an average rental fleet of approximately 707,000 vehicles in third quarter 2022. We also license the use of our trademarks to licensees in the areas in which we do not operate directly. We and our licensees operate our brands in approximately 180 countries throughout the world.

Our Segments

We categorize our operations into two reportable business segments: *Americas*, consisting primarily of our vehicle rental operations in North America, South America, Central America and the Caribbean, car sharing operations in certain of these markets, and licensees in certain areas in which we do not operate directly; and *International*, consisting primarily of our vehicle rental operations in Europe, the Middle East, Africa, Asia and Australasia, car sharing operations in certain of these markets, and licensees in certain areas in which we do not operate directly.

Business and Trends

Over the past year, we have seen a number of encouraging developments, such as increased global travel demand, which generated an increase in demand for rental vehicles, and improved pricing across the industry. Our strategy continues to focus on cost optimization, core revenue growth and capital investments aimed at allowing us to maximize our infrastructure to capitalize on what we believe will be continued strong travel demand through the remainder of 2022. During the quarter ended September 30, 2022, we generated revenues of $3.5 billion, net income of $1.0 billion and Adjusted EBITDA of $1.5 billion. These results were driven by increased demand for rental vehicles, improved pricing across the industry, disciplined cost management and continued fleet management.

The full extent of the ongoing impact of the COVID-19 pandemic on our long-term operational and financial performance will depend on future developments, including those outside of our control, such as the spread of new variants of the virus and the implementation of new or continued travel restrictions, and the overall economic environment. This could cause prolonged impacts on the economy, our industry and on us, including with respect to staffing, inflation and interest expense, among other impacts. We will continue to monitor these and other factors and take necessary action by leveraging our technology and evaluating cost mitigation actions, among other actions. Significant events affecting travel have historically had an impact on vehicle rental volumes, with the full extent of the impact generally determined by the length of time the event influences travel decisions. As a consequence, we cannot estimate the impact on our business or financial condition, or forecast financial or operational results with reasonable certainty.

Supply chain issues, including the global semiconductor shortage, are impacting fleet supply, resulting in tighter fleets throughout the industry and causing us to hold cars longer compared to periods prior to the COVID-19 pandemic. While the impacts of the COVID-19 pandemic across the economy have been unprecedented in their scope, we have historically navigated through significant vehicle recalls and worked with our vehicle manufacturers, and believe we have the logistics in place to effectively manage our fleet during this disruption in supply. We continue to purchase vehicles and believe we can increase our fleet utilization efficiency to capture increased demand.

RESULTS OF OPERATIONS

We measure performance principally using the following key metrics: (i) rental days, which represent the total number of days (or portion thereof) a vehicle was rented, (ii) revenue per day, which represents revenues divided by rental days, (iii) vehicle utilization, which represents rental days divided by available rental days, with available rental days defined as average rental fleet times the number of days in the period, and (iv) per-unit fleet costs, which represent vehicle depreciation, lease charges and gain or loss on vehicle sales, divided by average rental fleet. Our rental days, revenue per day and vehicle utilization metrics are all calculated based on the actual rental of the vehicle during a 24-hour period. We believe that this methodology provides management with the most relevant metrics in order to effectively manage the performance of the business. Our calculation may not be comparable to the calculation of similarly-titled metrics by other companies. We present currency exchange rate effects to provide a method of assessing how our business performed excluding the effects of foreign currency rate fluctuations. 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.

We assess performance and allocate resources based upon the separate financial information of our operating segments. In identifying our reportable segments, we also consider the nature of services provided by our operating segments, the geographical areas in which our segments operate and other relevant factors. Management evaluates the operating results of each of our reportable segments based upon revenues and “Adjusted EBITDA,” which we define as income 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 fees, COVID-19 charges, net, other (income) expense, net and income taxes. Net charges for unprecedented personal-injury and other legal matters are recorded within operating expenses in our consolidated results of operations. Non-operational charges related to shareholder activist activity include third party advisory, legal and other professional service fees and are recorded within selling, general and administrative expenses in our consolidated results of operations. 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 other charges, and losses associated with vehicles damaged in overflow parking lots, net of insurance proceeds, and are primarily recorded within operating expenses in our consolidated results of operations. We revised our definition of Adjusted EBITDA to exclude other (income) expense, net. We did not revise prior years’ Adjusted EBITDA because there were no other charges similar in nature. We believe Adjusted EBITDA is useful as a supplemental measure in evaluating the performance of our operating businesses and in comparing our results from period to period. We also believe that Adjusted EBITDA is useful to investors because it allows them to assess our results of operations and financial condition on the same basis that management uses internally. Adjusted EBITDA is a non-GAAP measure and should not be considered in isolation or as a substitute for net income or other income statement data prepared in accordance with U.S. GAAP. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

During the nine months ended September 30, 2022:

- Our revenues totaled $9.2 billion, an increase of 37% compared to the similar period in 2021, primarily due to increased demand for rental vehicles and a significant increase in pricing. The significant increase in revenues was a direct result of the global effort to combat the incidence and spread of the COVID-19 virus, which led to a significant increase in global travel demand, suggesting a steady return to historic travel levels.
- Our net income was $2.3 billion, representing a significant increase of $1.4 billion year-over-year, primarily due to significantly higher revenues, as described above, in addition to disciplined cost management.
- Our Adjusted EBITDA was $3.5 billion, representing a significant increase of $1.7 billion year-over-year, primarily due to significantly higher revenues and disciplined cost management.
- We repurchased approximately $2.6 billion of our common stock, reducing our shares outstanding by approximately 13.2 million shares.

Three Months Ended September 30, 2022 vs. Three Months Ended September 30, 2021

Our consolidated condensed results of operations comprised of the following:

	Three Months Ended September 30,			
	2022	2021	$ Change	% Change
Revenues	$ 3,547	$ 3,001	$ 546	18 %
Expenses				
Operating	1,464	1,225	239	20 %
Vehicle depreciation and lease charges, net	134	277	(143)	(52 %)
Selling, general and administrative	384	361	23	6 %
Vehicle interest, net	107	80	27	34 %
Non-vehicle related depreciation and amortization	59	69	(10)	(14 %)
Interest expense related to corporate debt, net:				
Interest expense	64	47	17	36 %
Early extinguishment of debt	—	7	(7)	n/m
Restructuring and other related charges	2	5	(3)	(60 %)
Transaction-related costs, net	—	1	(1)	n/m
Other (income) expense, net	(9)	—	(9)	n/m
Total expenses	2,205	2,072	133	6 %
Income before income taxes	1,342	929	413	44 %
Provision for income taxes	311	255	56	22 %
Net income	1,031	674	357	53 %
Less: net loss attributable to non-controlling interests	(3)	(1)	(2)	n/m
Net income attributable to Avis Budget Group, Inc.	$ 1,034	$ 675	$ 359	53 %

n/m - Not Meaningful

Revenues increased $546 million, or 18%, during the three months ended September 30, 2022 compared to the similar period in 2021, primarily due to a 17% increase in volume as the mobility industry recovers from the pandemic and a 4% increase in revenue per day, excluding exchange rate effects, partially offset by a $133 million negative impact from currency exchange rate movements. Total expenses increased 6% during the three months ended September 30, 2022, compared to the similar period in 2021, primarily due to increased demand, partially offset by cost discipline as volume returned. Our effective tax rates were a provision of 23.2% and 27.4% for the three months ended September 30, 2022 and 2021, respectively. As a result of these items, our net income increased by $357 million compared to the similar period in 2021. For the three months ended September 30, 2022 and 2021, we reported earnings per diluted share of $21.67 and $10.45, respectively.

Operating expenses increased to 41.3% of revenue during the three months ended September 30, 2022 compared to 40.9% during the similar period in 2021, primarily due to increased demand, partially offset by cost discipline as volume returned. Vehicle depreciation and lease charges decreased to 3.8% of revenue during the three months ended September 30, 2022 compared to 9.2% during the similar period in 2021, primarily due to increased revenues and a 53% lower per unit fleet cost, excluding exchange rate effects, driven by the continued favorable trend in the used-vehicle market. Selling, general and administrative costs decreased to 10.8% of revenue during the three months ended September 30, 2022 compared to 12.0% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle interest costs were 3.0% of revenue during the three months ended September 30, 2022, which is consistent with 2.7% during the similar period in 2021.

Following is a more detailed discussion of the results of each of our reportable segments and reconciliation of net income to Adjusted EBITDA:

	Three Months Ended September 30,							
	2022				2021			
	Revenues		Adjusted EBITDA		Revenues		Adjusted EBITDA	
Americas	$	2,703	$	1,185	$	2,403	$	952
International		844		291		598		128
Corporate and Other [a]		—		(16)		—		(23)
Total Company	$	3,547	$	1,460	$	3,001	$	1,057

		Reconciliation to Adjusted EBITDA			
		2022		2021	
Net income		$	1,031	$	674
Provision for income taxes			311		255
Income before income taxes			1,342		929
Add:	Non-vehicle related depreciation and amortization [b]		61		69
	Interest expense related to corporate debt, net:				
	Interest expense		64		47
	Early extinguishment of debt		—		7
	Restructuring and other related charges		2		5
	Unprecedented personal-injury and other legal matters, net [c]		—		5
	Transaction-related costs, net		—		1
	COVID-19 charges [d]		—		(6)
	Other (income) expense, net [e]		(9)		—
Adjusted EBITDA		$	1,460	$	1,057

[a] Includes unallocated corporate overhead which is not attributable to a particular segment.

[b] For the three months ended September 30, 2022, includes operating expenses related to cloud computing costs of $2 million.

[c] Reported within operating expenses in our consolidated condensed results of operations.

[d] The following table presents the unusual, direct and incremental costs due to the COVID-19 pandemic:

	2022		2021	
Minimum annual guaranteed rent in excess of concession fees, net	$	—	$	(4)
Vehicles damaged in overflow parking lots, net of insurance proceeds		—		(3)
Other charges		—		1
Operating expenses		—		(6)
COVID-19 charges, net	$	—	$	(6)

[e] Primarily relates to a gain upon deconsolidation of a former subsidiary.

Americas

	Three Months Ended September 30,				
	2022		2021		% Change
Revenues	$	2,703	$	2,403	12 %
Adjusted EBITDA		1,185		952	24 %

Revenues increased 12% during the three months ended September 30, 2022 compared to the similar period in 2021, primarily due to a 16% increase in volume, partially offset by a 3% decrease in revenue per day.

Operating expenses increased to 42.7% of revenue during the three months ended September 30, 2022 compared to 39.7% during the similar period in 2021, primarily due to increased demand, partially offset by cost discipline as volume returned. Vehicle depreciation and lease charges decreased to 0.5% of revenue during the three months ended September 30, 2022 compared to 7.8% during the similar period in 2021, primarily due to increased revenues and a 93% decrease in per-unit fleet costs, excluding exchange rate effects, driven by the continued favorable trend in the used-vehicle market. Selling, general and administrative costs decreased to 9.5% of revenue during the three months ended September 30, 2022 compared to 10.3% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle interest costs increased to 3.5% of revenue during the three months ended September 30, 2022 compared to 2.7% during the similar period in 2021, primarily due to higher interest rates.

Adjusted EBITDA was $233 million higher during the three months ended September 30, 2022 compared to the similar period in 2021, primarily due to increased revenues, lower per-unit fleet costs and cost discipline as volume returned.

International

	Three Months Ended September 30,				
	2022		2021		% Change
Revenues	$	844	$	598	41 %
Adjusted EBITDA		291		128	127 %

Revenues increased 41% during the three months ended September 30, 2022, compared to the similar period in 2021, primarily due to 33% increase in revenue per day, excluding exchange rate effects and a 22% increase in volume, partially offset by an $127 million negative impact from currency exchange rate movements.

Operating expenses decreased to 36.4% of revenue during the three months ended September 30, 2022 compared to 44.7% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle depreciation and lease charges decreased to 14.2% of revenue during the three months ended September 30, 2022 compared to 15.1% during the similar period in 2021, primarily due to increased revenues and improved utilization, partially offset by a 28% increase in per-unit fleet costs, excluding exchange rate effects. Selling, general and administrative costs decreased to 13.2% of revenue during the three months ended September 30, 2022 compared to 15.9% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle interest costs decreased to 1.6% of revenue during the three months ended September 30, 2022 compared to 2.4% during the similar period in 2021, primarily due to increased revenues.

Adjusted EBITDA was $163 million higher in third quarter 2022 compared to the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned, partially offset by an increase in per-unit fleet costs and a $39 million negative impact from currency exchange rate movements.

Nine Months Ended September 30, 2022 vs. Nine Months Ended September 30, 2021

Our consolidated condensed results of operations comprised the following:

	Nine Months Ended September 30,			
	2022	**2021**	**$ Change**	**% Change**
Revenues	$ 9,223	$ 6,744	$ 2,479	37 %
Expenses				
Operating	3,960	3,089	871	28 %
Vehicle depreciation and lease charges, net	479	869	(390)	(45 %)
Selling, general and administrative	1,026	837	189	23 %
Vehicle interest, net	281	232	49	21 %
Non-vehicle related depreciation and amortization	168	199	(31)	(16 %)
Interest expense related to corporate debt, net:				
Interest expense	181	167	14	8 %
Early extinguishment of debt	—	136	(136)	n/m
Restructuring and other related charges	16	47	(31)	(66 %)
Transaction-related costs, net	1	3	(2)	(67 %)
Other (income) expense, net	(9)	—	(9)	n/m
Total expenses	6,103	5,579	524	9 %
Income before income taxes	3,120	1,165	1,955	n/m
Provision for income taxes	788	263	525	n/m
Net income	2,332	902	1,430	n/m
Less: net loss attributable to non-controlling interests	(9)	(1)	(8)	n/m
Net income attributable to Avis Budget Group, Inc.	$ 2,341	$ 903	$ 1,438	n/m

n/m - Not Meaningful

Revenues increased $2.5 billion, or 37%, during the nine months ended September 30, 2022 compared to the similar period in 2021, primarily due to a 28% increase in volume as the mobility industry recovers from the pandemic and a 9% increase in revenue per day, excluding exchange rate effects, partially offset by a $248 million negative impact from currency exchange rate movements. Total expenses increased 9% during the nine months ended September 30, 2022, compared to the similar period in 2021, primarily due to increased demand, partially offset by cost discipline as volume returned. Our effective tax rates were a provision of 25.3% and 22.6% for the nine months ended September 30, 2022 and 2021, respectively. As a result of these items, our net income increased by $1.4 billion compared to the similar period in 2021. For the nine months ended September 30, 2022 and 2021, we reported earnings per diluted share of $46.32 and $13.16, respectively.

Operating expenses decreased to 42.9% of revenue during the nine months ended September 30, 2022 compared to 45.8% during the similar period in 2021, primarily due to the increased revenues and cost discipline as volume returned. Vehicle depreciation and lease charges decreased to 5.2% of revenue during the nine months ended September 30, 2022 compared to 12.9% during the similar period in 2021, primarily due to increased revenues and a 54% lower per unit fleet cost, excluding exchange rate effects, driven by the continued favorable trend in the used-vehicle market. Selling, general and administrative costs decreased to 11.1% of revenue during the nine months ended September 30, 2022 compared to 12.4% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle interest costs decreased to 3.0% of revenue during the nine months ended September 30, 2022 compared to 3.4% during the similar period in 2021, primarily due to increased revenues.

Following is a more detailed discussion of the results of each of our reportable segments and reconciliation of net income to Adjusted EBITDA:

	Nine Months Ended September 30,			
	2022		2021	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Americas	$ 7,270	$ 3,036	$ 5,457	$ 1,694
International	1,953	497	1,287	86
Corporate and Other [(a)]	—	(58)	—	(52)
Total Company	$ 9,223	$ 3,475	$ 6,744	$ 1,728

	Reconciliation to Adjusted EBITDA	
	2022	2021
Net income	$ 2,332	$ 902
Provision for income taxes	788	263
Income before income taxes	3,120	1,165
Add: Non-vehicle related depreciation and amortization [(b)]	174	204
Interest expense related to corporate debt, net:		
Interest expense	181	167
Early extinguishment of debt	—	136
Restructuring and other related charges	16	47
Unprecedented personal-injury and other legal matters, net [(c)]	1	(6)
Transaction-related costs, net	1	3
COVID-19 charges [(d)]	(9)	12
Other (expense) income, net [(e)]	(9)	—
Adjusted EBITDA	$ 3,475	$ 1,728

(a) Includes unallocated corporate overhead which is not attributable to a particular segment.
(b) For the nine months ended September 30, 2022 and 2021, includes operating expenses related to cloud computing costs of $6 million and $5 million, respectively.
(c) Reported within operating expenses in our consolidated condensed results of operations.
(d) The following table presents the unusual, direct and incremental costs due to the COVID-19 pandemic:

	2022	2021
Minimum annual guaranteed rent in excess of concession fees, net	$ (9)	$ 12
Vehicles damaged in overflow parking lots, net of insurance proceeds	—	(7)
Other charges	—	7
Operating expenses	(9)	11
Selling, general and administrative expenses	—	1
COVID-19 charges, net	$ (9)	$ 12

(e) Primarily relates to a gain upon deconsolidation of a former subsidiary.

Americas

	Nine Months Ended September 30,		
	2022	2021	% Change
Revenues	$ 7,270	$ 5,457	33 %
Adjusted EBITDA	3,036	1,694	79 %

Revenues increased 33% during the nine months ended September 30, 2022 compared to the similar period in 2021, primarily due to a 29% increase in volume and an 3% increase in revenue per day.

Operating expenses decreased to 42.9% of revenue during the nine months ended September 30, 2022 compared to 43.7% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle depreciation and lease charges decreased to 2.3% of revenue during the nine months ended September 30, 2022 compared to 11.5% during the similar period in 2021, primarily due to increased revenues and a 79% decrease in per-unit fleet costs, driven by the continued favorable trend in the used-vehicle market. Selling, general and administrative costs decreased to 9.6% of revenue during the nine months ended September 30, 2022 compared to 10.3% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle interest costs were 3.4% of revenue during the nine months ended September 30, 2022, which is consistent with 3.5% during the similar period in 2021.

Adjusted EBITDA was $1.3 billion higher during the nine months ended September 30, 2022 compared to the similar period in 2021, primarily due to increased revenues, lower per-unit fleet costs and cost discipline as volume returned.

International

	Nine Months Ended September 30,		
	2022	2021	% Change
Revenues	$ 1,953	$ 1,287	52 %
Adjusted EBITDA	497	86	478 %

Revenues increased 52% during the nine months ended September 30, 2022, compared to the similar period in 2021, primarily due to a 35% increase in revenue per day, excluding exchange rate effects and a 26% increase in volume, partially offset by a $237 million negative impact from currency exchange rate movements.

Operating expenses decreased to 42.5% of revenue during the nine months ended September 30, 2022 compared to 54.3% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle depreciation and lease charges decreased to 15.9% of revenue during the nine months ended September 30, 2022 compared to 18.6% during the similar period in 2021, primarily due to increased revenues and improved utilization, partially offset by a 17% increase in per-unit fleet costs, excluding exchange rate effects. Selling, general and administrative costs decreased to 14.4% of revenue during the nine months ended September 30, 2022 compared to 17.6% during the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned. Vehicle interest costs decreased to 1.9% of revenue during the nine months ended September 30, 2022 compared to 3.1% during the similar period in 2021, primarily due to increased revenues.

Adjusted EBITDA was $411 million higher during the nine months ended September 30, 2022 compared to the similar period in 2021, primarily due to increased revenues and cost discipline as volume returned, offset by higher per-unit fleet costs and a $63 million negative impact from currency exchange rate movements.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

We present separately the financial data of our vehicle programs. These programs are distinct from our other activities as the assets under vehicle programs are generally funded through the issuance of debt that is collateralized by such assets. The income generated by these assets is used, in part, to repay the principal and interest associated with the debt. Cash inflows and outflows relating to the generation or acquisition of such assets and the principal debt repayment or financing of such assets are classified as activities of our vehicle programs. We believe it is appropriate to segregate the financial data of our vehicle programs because, ultimately, the source of repayment of such debt is the realization of such assets.

FINANCIAL CONDITION

	September 30, 2022	December 31, 2021	Change
Total assets exclusive of assets under vehicle programs	$ 8,262	$ 8,581	$ (319)
Total liabilities exclusive of liabilities under vehicle programs	9,684	8,933	751
Assets under vehicle programs	16,935	14,019	2,916
Liabilities under vehicle programs	16,020	13,876	2,144
Stockholders' equity	(507)	(209)	(298)

The increase in liabilities exclusive of liabilities under vehicle programs is principally related to the increase in corporate indebtedness from the issuance of Floating Rate Term Loan due March 2029. See “Liquidity and Capital Resources” and Note 10 to our Consolidated Condensed Financial Statements.

The increases in assets under vehicle programs and liabilities under vehicle programs are principally related to the increase in the size of our vehicle rental fleet to meet increased rental demand.

The decrease in stockholders’ equity is primarily due to our share repurchases, partially offset by comprehensive income.

LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of liquidity are cash on hand and our ability to generate cash through operations and financing activities, as well as available funding arrangements and committed credit facilities, each of which is discussed below.

In March 2022, we entered into a $750 million Floating Rate Term Loan due March 2029, at a price of 97% of the aggregate principal amount, with interest paid monthly, which is part of our senior credit facilities. The Floating Rate Term Loan due March 2029 bears interest at one-month SOFR plus 350 basis points for an aggregate rate of 6.63%.

During second quarter 2022, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued an aggregate of approximately $870 million of asset-backed notes. We used the proceeds from these borrowings to fund the repayment of maturing vehicle-backed debt and the acquisition of rental cars in the United States. Borrowings under the Avis Budget Rental Car Funding program primarily represent fixed rate notes. Our Avis Budget Rental Car Funding (AESOP) LLC subsidiary also entered into $800 million of variable funding asset-backed notes.

In July 2022, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued $763 million of asset-backed notes to investors. Following this issuance, amounts available under our $800 million variable funding asset-backed notes supplement entered into during June 2022 were reduced to zero.

Our Board of Directors has authorized the repurchase of up to $7.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded, most recently in May 2022. Our stock repurchases may occur through open market purchases, privately negotiated transactions or trading plans pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements, restricted payment capacity under our debt instruments and other factors. The repurchase program may be suspended, modified or discontinued at any time without prior notice. The repurchase program has no set expiration or termination date. During the nine months ended September 30, 2022, we repurchased approximately 13.2 million shares of common stock at a cost of approximately $2.6 billion under the program. As of September 30, 2022, approximately $1.4 billion of authorization remained available to repurchase common stock under the program.

CASH FLOWS

The following table summarizes our cash flows:

	Nine Months Ended September 30,		
	2022	**2021**	**Change**
Cash provided by (used in):			
Operating activities	$ 3,862	$ 2,548	$ 1,314
Investing activities	(3,576)	(4,931)	1,355
Financing activities	(138)	2,578	(2,716)
Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash	(53)	(15)	(38)
Net increase in cash and cash equivalents, program and restricted cash	95	180	(85)
Cash and cash equivalents, program and restricted cash, beginning of period	626	765	(139)
Cash and cash equivalents, program and restricted cash, end of period	$ 721	$ 945	$ (224)

The increase in cash provided by operating activities during the nine months ended September 30, 2022 compared with the same period in 2021 is primarily due to the increase in our net income.

The decrease in cash used in investing activities during the nine months ended September 30, 2022 compared with the same period in 2021 is primarily due to the increase in proceeds received on vehicle sales.

The decrease in cash provided by financing activities during the nine months ended September 30, 2022 compared with the same period in 2021 is primarily due to the increase in repurchases of common stock and payments on vehicle borrowings, offset by a decrease in net payments on corporate borrowings.

DEBT AND FINANCING ARRANGEMENTS

At September 30, 2022, we had approximately $17.7 billion of indebtedness, including corporate indebtedness of approximately $4.6 billion and debt under vehicle programs of approximately $13.1 billion. For information regarding our debt and borrowing arrangements, see Notes 1, 10 and 11 to our Consolidated Condensed Financial Statements.

LIQUIDITY RISK

Our primary liquidity needs include the procurement of rental vehicles to be used in our operations, servicing of corporate and vehicle-related debt and the payment of operating expenses. The present intention of management is to reinvest the undistributed earnings of our foreign subsidiaries indefinitely into our foreign operations. Our primary sources of funding are operating revenue, cash received upon the sale of vehicles, borrowings under our vehicle-backed borrowing arrangements and our senior revolving credit facility, and other financing activities.

Our liquidity position was impacted by COVID-19 as a result of significant volume declines. However, since 2021, travel advisories and restrictions were eased, which led to a significant increase in global travel demand, resulting in increased demand for rental vehicles and improved pricing across the industry. However, the full extent of the ongoing impact of this virus on our long-term operational performance and liquidity will depend on future developments, including those outside of our control, such as the spread of new variants of the virus, which may be resistant to currently approved vaccines and the implementation of new or continued travel restrictions.

Our liquidity could be negatively affected by any financial market disruptions or the absence of a recovery or worsening of the U.S. and worldwide economies, which may result in unfavorable conditions in the mobility industry, in the asset-backed financing market and in the credit markets generally. We believe these factors have affected and could further affect the debt ratings assigned to us by credit rating agencies and the cost of our borrowings. Additionally, a worsening or prolonged downturn in the worldwide economy or a disruption in the credit markets could further impact our liquidity due to (i) decreased demand and pricing for vehicles in the used-vehicle market, (ii) increased costs associated with, and/or reduced capacity or increased collateral needs under, our financings, (iii) the adverse impact of vehicle manufacturers being unable or unwilling to honor their obligations to repurchase or guarantee the depreciation on the related program vehicles and (iv) disruption in our ability to obtain financing due to negative credit events specific to us or affecting the overall debt market.

As of September 30, 2022, we had $0.6 billion of available cash and cash equivalents and access to available borrowings under our revolving credit facility of approximately $1.1 billion, providing us with approximately $1.7 billion of total liquidity.

Our liquidity position could also be negatively impacted if we are unable to remain in compliance with the consolidated first lien leverage ratio requirement and other covenants associated with our senior credit facilities and other borrowings. As of September 30, 2022, we were in compliance with the financial covenants governing our indebtedness. For additional information regarding our liquidity risks, see Part I, Item 1A, “Risk Factors” of our 2021 Form 10-K, as well as the “Risk Factors” section in this quarterly report.

CONTRACTUAL OBLIGATIONS

Our future contractual obligations have not changed significantly from the amounts reported within our 2021 Form 10-K with the exception of our commitment to purchase vehicles, which decreased by approximately $1.7 billion from December 31, 2021, to approximately $4.2 billion as of September 30, 2022 due to seasonality. Changes to our obligations related to corporate indebtedness and debt under vehicle programs are presented above within the section titled “Liquidity and Capital Resources—Debt and Financing Arrangements” and also within Notes 10 and 11 to our Consolidated Condensed Financial Statements.

ACCOUNTING POLICIES

The results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex. However, in presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions that we are required to make pertain to matters that are inherently uncertain as they relate to future events. Presented within the section titled “Critical Accounting Policies” of our 2021 Form 10-K are the accounting policies (related to goodwill and other indefinite-lived intangible assets, vehicles, income taxes and public liability, property damage and other insurance liabilities) that we believe require subjective and/or complex judgments that could potentially affect 2022 reported results. There have been no significant changes to those accounting policies or our assessment of which accounting policies we would consider to be critical accounting policies.

Goodwill and Other Indefinite-lived Intangible Assets. We perform our annual goodwill and other indefinite-lived intangible assets impairment assessment in the fourth quarter of each year at the reporting unit level, or more frequently if events or circumstances indicate that the carrying amount of goodwill and other indefinite-lived intangible assets may be impaired. For our Europe, Middle East and Africa (“EMEA”) reporting unit, the percentage by which the estimated fair value exceeded the carrying value as of October 1, 2021 was 10% and the amount of goodwill allocated to our reporting unit was $488 million.

We evaluated qualitative factors and determined that an interim impairment test was not required this quarter as we believe it is more likely than not that the fair value of our goodwill and other indefinite-lived intangible assets exceeds the carrying value. We will continue to closely monitor actual results versus our expectations as well as any significant changes in events or conditions, including the impact of COVID-19 on our business and the travel industry, and the resulting impact to our assumptions about future estimated cash flows, the discount rate and market multiples. In the future, failure to achieve our business plans, a deterioration of the general economic conditions of the countries in which we operate, or significant changes in the assumptions and estimates that are used in our impairment testing for goodwill and indefinite-lived intangible assets (such as the discount rate) could result in significantly different estimates of fair value that could trigger an impairment of the goodwill of our reporting units or intangible assets.

New Accounting Standards

For detailed information regarding new accounting standards and their impact on our business, see Note 1 to our Consolidated Condensed Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of market risks, including changes in currency exchange rates, interest rates and gasoline prices. We assess our market risks based on changes in interest and currency exchange rates utilizing a sensitivity analysis that measures the potential impact on earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest and foreign currency exchange rates. We used September 30, 2022 market rates to perform a sensitivity analysis separately for each of these market risk exposures. We have determined, through such analyses, that the impact of a 10% change in interest or currency exchange rates on our results of operations, balance sheet and cash flows would not be material. Additionally, we have commodity price exposure related to fluctuations in the price of unleaded gasoline. We anticipate that such commodity risk will remain a market risk exposure for the foreseeable future. We determined that a 10% change in the price of unleaded gasoline would not have a material impact on our earnings for the period ended September 30, 2022. For additional information regarding our long-term borrowings and financial instruments, see Notes 10, 11 and 16 to our Consolidated Condensed Financial Statements.

Item 4. Controls and Procedures

(a) *Disclosure Controls and Procedures.* Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2022.

(b) *Changes in Internal Control Over Financial Reporting.* During the fiscal quarter to which this report relates, there has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding our legal proceedings, see Note 12 – Commitments and Contingencies to our Consolidated Condensed Financial Statements and refer to our 2021 Form 10-K.

SEC regulations require us to disclose certain information about proceedings arising under federal, state or local environmental provisions if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. In accordance with these regulations, we use a threshold of $1 million for purposes of determining whether disclosure of any such proceedings is required pursuant to this item.

Item 1A. Risk Factors

The following risk factors are provided to update the risk factors previously disclosed in our periodic reports filed with the SEC, including our 2021 Form 10-K.

The ongoing military conflict between Russia and Ukraine and the related sanctions are causing uncertainty that may have an adverse impact on our business, financial condition and results of operations.

The world economy and markets are experiencing volatility and disruption from the ongoing military conflict between Russia and Ukraine, the length and impact of which are highly unpredictable. This conflict has led to, and could in the future lead to, significant increases in our costs, including gas and fleet costs, including as a result of sanctions or any embargos on oil sales imposed on or by the Russian government; could further impact fleet availability; and could impact demand for travel as a result of weakness in economic conditions, increased inflation or increases in the cost of gas. In addition, as a result of the conflict, governmental and non-governmental entities have issued alerts noting the potential for increased cyber-attacks. Such risks and disruptions could adversely impact our business, results of operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

	Total Number of Shares Purchased (in millions) [(a)]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ($ in millions)
July 2022	0.2	$ 148.29	0.2	$2,222
August 2022	3.3	171.27	3.3	$1,650
September 2022	1.8	147.63	1.8	$1,382
	5.3	$ 162.43	5.3	$1,382

[(a)] Excludes shares which were withheld by us to satisfy employees' income tax liabilities attributable to the vesting of restricted stock unit awards.

Our Board of Directors has authorized the repurchase of up to $7.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded, most recently in May 2022. Under our stock repurchase program, we repurchase 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 our management based on our evaluation of market conditions, our share price, legal requirements, restricted payment capacity under our debt instruments and other factors. The stock repurchase program may be suspended, modified or discontinued at any time without prior notice.

Item 6. Exhibits

See Exhibit Index.

SIGNATURES

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 thereunto duly authorized.

AVIS BUDGET GROUP, INC.

Date:	November 1, 2022	/s/ Cathleen DeGenova
		Cathleen DeGenova Vice President and Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Avis Budget Group, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 5, 2006).
3.2	Amended and Restated Bylaws of Avis Budget Group, Inc., dated as of August 10, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated August 13, 2020).
10.1	Third Amendment, dated as of July 28, 2022, to the Sixth Amended and Restated Credit Agreement, dated as of July 9, 2021, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, as borrower, Avis Budget Group, Inc., the subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto.
10.2	Fourth Amendment, dated as of July 28, 2022, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as a Permitted Nominee, Quartx Fleet Management, Inc., as a Permitted Nominee, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004.
10.3	Fifth Amendment, dated as of July 28, 2022, among AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC, as Lessee and as the Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004.
10.4	Fifth Amendment, dated as of July 28, 2022, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, LLC, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004.
10.5	Fourth Amendment, dated as of July 28, 2022, between AESOP Leasing L.P., as Borrower, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004.
10.6	Series 2022-3 Supplement, dated as of July 21, 2022, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2022-3 Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 22, 2022).
10.7	Series 2022-4 Supplement, dated as of July 21, 2022, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2022-4 Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 22, 2022).
31.1	Certification of Chief Executive Officer pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)

EXHIBIT 10.1

EXECUTION VERSION

THIRD AMENDMENT

Dated as of July 28, 2022

to the

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

among

AVIS BUDGET HOLDINGS, LLC,

AVIS BUDGET CAR RENTAL, LLC,
as Borrower,

AVIS BUDGET GROUP, INC.,

The Subsidiary Borrowers from Time to Time Parties Thereto,

The Several Lenders from Time to Time Parties Thereto,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

and the Other Parties Thereto

Dated as of July 9, 2021

JPMORGAN CHASE BANK, N.A., CITIGROUP GLOBAL MARKETS INC., DEUTSCHE BANK SECURITIES INC. and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as Joint Lead Arrangers and Joint Bookrunners

THIRD AMENDMENT

THIRD AMENDMENT, dated as of July 28, 2022 (this "Amendment"), among AVIS BUDGET HOLDINGS, LLC ("Holdings"), AVIS BUDGET CAR RENTAL, LLC (the "Borrower"), the Third Amendment Incremental Revolving Lender (as defined below) and JPMORGAN CHASE BANK, N.A. ("JPMorgan"), as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, reference is hereby made to the Sixth Amended and Restated Credit Agreement dated as of July 9, 2021 (as heretofore amended, supplemented or otherwise modified from time to time, the "Existing Credit Agreement" and, as amended by this Amendment and as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among others, Holdings, the Borrower, Avis Budget Group, Inc., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto (the "Lenders") and the Administrative Agent; and

WHEREAS, pursuant to Section 2.23 of the Existing Credit Agreement, the Borrower has requested that increases in the Revolving Commitment in the amount of $50,000,000 be made available to the Borrower, and the Administrative Agent and the Third Amendment Incremental Revolving Lender (as defined below) have agreed, upon the terms and subject to the conditions set forth herein, that Wells Fargo Bank, National Association (the "Third Amendment Incremental Revolving Lender") will provide the Third Amendment Increased Revolving Commitment (as defined below), and as permitted by Section 2.23 of the Existing Credit Agreement, the Existing Credit Agreement will be amended as set forth herein without additional consent or approval of the other Lenders;

NOW, THEREFORE, in consideration of the premises contained herein, the parties hereto agree as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, capitalized terms are used herein as defined in the Credit Agreement as amended hereby.

SECTION 2. Third Amendment Increased Revolving Commitment. Subject to the terms and conditions set forth herein, the Third Amendment Incremental Revolving Lender agrees to provide a revolving commitment in an amount equal to the amount set forth under the heading "Increased Revolving Commitment" opposite the Third Amendment Incremental Revolving Lender's name on Exhibit A hereto (such commitment, the "Third Amendment Increased Revolving Commitment"), such that its total Revolving Commitment on the Third Amendment Effective Date (as defined below) shall be the amount set forth under the heading "Total Revolving Commitment" opposite such Lender's name on Exhibit A hereto.

SECTION 3. Joinder and Amendment of the Credit Agreement. Subject to the terms and conditions set forth herein, on the Third Amendment Effective Date: (a) The Third Amendment Increased Revolving Commitment shall be deemed to be an Incremental Revolving Commitment (as defined in the Credit Agreement), the Third Amendment Incremental Revolving Lender shall be deemed to be an Incremental Revolving Lender (as defined in the Credit Agreement) and this Agreement shall be deemed to be an Incremental Commitment Agreement (as defined in the Credit Agreement), in each case, for all purposes of the Credit Agreement and the other Loan Documents and (b) Schedule 1.1A (Commitments) to the Credit Agreement is hereby amended by supplementing such schedule with the information contained in Exhibit A hereto.

SECTION 4. Representations and Warranties. On and as of the date hereof, the Borrower hereby confirms, reaffirms and restates that each of the representations and warranties set forth in Section 4 of the Credit Agreement are, after giving effect to this Amendment, true and correct in all material respects except to the extent that such representations and warranties expressly relate solely to a specific earlier date, and except for any representation and warranty that is qualified as to "materiality," "Material

Adverse Effect," or similar language, in which case the Borrower hereby confirms, reaffirms and restates that such representations and warranties are true and correct in all respects.

SECTION 5. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction of each of the following conditions (the date on which such conditions are satisfied, the "Third Amendment Effective Date"):

(a) The Administrative Agent shall have received a counterpart of this Amendment, executed and delivered by a duly authorized officer of Holdings, the Borrower, the Administrative Agent and the Third Amendment Incremental Revolving Lender;

(b) The Administrative Agent shall have received (i) a Guarantee and Collateral Acknowledgement substantially in the form attached hereto as Exhibit B, executed and delivered by each Loan Party (other than ABG) and (ii) a Guarantee Acknowledgement substantially in the form attached hereto as Exhibit C, executed and delivered by ABG.

(c) (x) The Borrower shall have delivered all documentation and information as is reasonably requested in writing by the Third Amendment Incremental Revolving Lender at least three days prior to the anticipated Third Amendment Effective Date required by U.S. regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act and (y) to the extent the Borrower qualifies as a "legal entity customer" under 31 C.F.R. § 1010.230 (the "Beneficial Ownership Regulation"), at least five days prior to the Third Amendment Effective Date, any Lender that has requested, in a written notice to the Borrower at least ten days prior to the Third Amendment Effective Date, a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation (a "Beneficial Ownership Certification") in relation to the Borrower shall have received such Beneficial Ownership Certification.

(d) The Administrative Agent shall have received all fees required to be paid to the Administrative Agent, the Joint Lead Arrangers and the Third Amendment Incremental Revolving Lender in connection herewith, accrued reasonable and documented out-of-pocket costs and expenses (including, to the extent invoiced in advance, reasonable legal fees and out-of-pocket expenses of one firm of counsel) and other compensation due and payable to the Administrative Agent, the Joint Lead Arrangers and the Third Amendment Incremental Revolving Lender on or prior to the Third Amendment Effective Date.

(e) The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Third Amendment Effective Date, substantially in the form of Exhibit C to the Credit Agreement, with appropriate insertions and attachments and (ii) a good standing certificate for each Loan Party from its jurisdiction of organization.

(f) The Administrative Agent shall have received an executed legal opinion of Kirkland & Ellis LLP, counsel to the Borrower and its subsidiaries, substantially in the form of Exhibit E to the Credit Agreement, addressed to the Administrative Agent and the Third Amendment Incremental Revolving Lender as of the Third Amendment Effective Date.

(g) The Administrative Agent shall have received a solvency certificate in form and substance reasonably satisfactory to it from a Responsible Officer of the Borrower that shall document the solvency of the Borrower and its Subsidiaries after giving effect to the Third Amendment Increased Revolving Commitment and the application of the proceeds thereof.

(h) No Default or Event of Default shall have occurred and be continuing or would immediately result from the Third Amendment Increased Revolving Commitment.

(i) Each of the representations and warranties set forth in Section 4 of the Credit Agreement (as amended by this Amendment) shall be true and correct in all material respects (and in all respects if any such representation and warranty is qualified by materiality) on and as of the Third Amendment Effective Date as if made on such date, except to the extent that such representations and warranties expressly relate solely to a specific earlier date (in which case such representations and warranties are true and correct in all material respects as of such earlier date and in all respects if any such representation and warranty is qualified by materiality).

(j) The Administrative Agent shall have received a certificate from a Responsible Officer of the Borrower stating the Borrower's compliance with the conditions set forth in clauses (h) and (i) above of this Section 5.

SECTION 6. Continuing Effect; No Other Amendments or Consents.

(a) Except as expressly provided herein, all of the terms and provisions of the Existing Credit Agreement are and shall remain in full force and effect. The amendments provided for herein are limited to the specific subsections of the Existing Credit Agreement specified herein and shall not constitute a consent, waiver or amendment of, or an indication of the Administrative Agent's or the Lenders' willingness to consent to any action requiring consent under any other provisions of the Existing Credit Agreement or the same subsection for any other date or time period. Upon the effectiveness of the amendments set forth herein, on and after the Third Amendment Effective Date, each reference in the Credit Agreement to "this Agreement," "the Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) This Amendment shall not extinguish the obligations for the payment of money outstanding under the Credit Agreement or any other Loan Document or discharge or release the Lien or priority of any Security Document or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Credit Agreement, the Security Documents or the other Loan Documents or a novation of the Credit Agreement or any other Loan Document. The obligations outstanding under or of the Credit Agreement and instruments securing the same shall remain in full force and effect, except to any extent expressly modified hereby. Nothing implied in this Amendment or in any other document contemplated hereby shall be construed as a release or other discharge of any of the Loan Parties under any Loan Document from any of its obligations and liabilities as a borrower, guarantor, grantor or pledgor under any of the Loan Documents.

(c) The Borrower and the other parties hereto acknowledge and agree that this Amendment shall constitute a Loan Document and an Incremental Commitment Agreement.

SECTION 7. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the preparation and delivery of this Amendment, and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of one firm of counsel to the Administrative Agent in accordance with the terms in the Credit Agreement.

SECTION 8. Counterparts. This Amendment may be executed in any number of counterparts by the parties hereto (including by facsimile and electronic (e.g. ".pdf", or ".tif") transmission), each of which counterparts when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent. As used herein, "Electronic

Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

SECTION 9. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

AVIS BUDGET HOLDINGS, LLC

By: /s/ David T. Calabria
Name: David T. Calabria
Title: Senior Vice President and Treasurer

AVIS BUDGET CAR RENTAL, LLC

By: /s/ David T. Calabria
Name: David T. Calabria
Title: Senior Vice President and Treasurer

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/ Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

Signature Page to Third Amendment

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Third Amendment Incremental Revolving Lender

By: /s/ Jonathan D. Beck
Name: Jonathan D. Beck
Title: Director

EXHIBIT A

Name of Lender	**Current Revolving Commitment**	**Increased Revolving Commitment**	**Total Revolving Commitment**
Wells Fargo Bank, National Association	$0.00	$50,000,000.00	$50,000,000.00

EXHIBIT B

Form of Guarantee and Collateral Acknowledgement

July 28, 2022

Reference is made to the Sixth Amended and Restated Credit Agreement dated as of July 9, 2021 (as amended from time to time, the "Credit Agreement") among Avis Budget Car Rental, LLC, the Lenders and other parties thereto and JPMorgan Chase Bank, N.A., as administrative agent. Capitalized terms used but not defined herein are used with the meanings assigned to them in the Credit Agreement.

Each of the parties hereto hereby acknowledges and consents to the Third Amendment, dated as of July 28, 2022 (the "Amendment") to the Credit Agreement and agrees with respect to each Loan Document to which it is a party:

(a) all of its obligations, liabilities and indebtedness under such Loan Document shall remain in full force and effect on a continuous basis after giving effect to the Amendment and its guarantee, if any, of the obligations, liabilities and indebtedness of the other Loan Parties under the Credit Agreement shall extend to and cover the Third Amendment Increased Revolving Commitment provided pursuant to the Amendment and interest thereon and fees and expenses and other obligations in respect thereof and in respect of commitments related thereto; and

(b) all of the Liens and security interests created and arising under such Loan Document remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, after giving effect to the Amendment, as collateral security for its obligations, liabilities and indebtedness under the Credit Agreement and under its guarantees, if any, in the Loan Documents, including, without limitation, the obligations under the Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Guarantee and Collateral Acknowledgement to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

[ ]

By: ____________________________

Name:

Title:

EXHIBIT C

Form of Guarantee Acknowledgement

July 28, 2022

Reference is made to the Sixth Amended and Restated Credit Agreement dated as of July 9, 2021 (as amended from time to time, the "Credit Agreement") among Avis Budget Car Rental, LLC, the Lenders and other parties thereto and JPMorgan Chase Bank, N.A., as administrative agent. Capitalized terms used but not defined herein are used with the meanings assigned to them in the Credit Agreement.

Parent hereby acknowledges and consents to the Third Amendment, dated as of July 28, 2022 (the "Amendment") to the Credit Agreement and agrees with respect to each Loan Document to which it is a party that all of its obligations, liabilities and indebtedness under such Loan Document shall remain in full force and effect on a continuous basis after giving effect to the Amendment and its guarantee of the obligations, liabilities and indebtedness of the other Loan Parties under the Credit Agreement shall extend to and cover the Third Amendment Increased Revolving Commitment provided pursuant to the Amendment and interest thereon and fees and expenses and other obligations in respect thereof and in respect of commitments related thereto.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee Acknowledgement to be duly executed and delivered by its respective proper and duly authorized officers as of the day and year first above written.

AVIS BUDGET GROUP, INC.

By: ______________________________
Name:
Title:

EXHIBIT 10.2

EXECUTION VERSION

FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AGREEMENT

This FOURTH AMENDMENT (this "Amendment"), dated as of July 28, 2022, amends the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (as amended to date, the "AESOP I Operating Lease Loan Agreement"), among AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing" or the "Borrower"), PV HOLDING CORP., a Delaware corporation ("PVHC"), as a Permitted Nominee of the Borrower, QUARTX FLEET MANAGEMENT, INC., a Delaware corporation ("Quartx"), as a Permitted Nominee of the Borrower, and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the AESOP I Operating Lease Loan Agreement, as applicable.

W I T N E S S E T H:

WHEREAS, pursuant to Section 13.1 of the AESOP I Operating Lease Loan Agreement, the AESOP I Operating Lease Loan Agreement may be amended with an agreement in writing signed by the Lender, AESOP Leasing, PVHC and Quartx and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP I Operating Lease Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP I Operating Lease Loan Agreement to reflect the allowance for Third-Party Permitted Sublessees in the Related Documents; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the AESOP I Operating Lease Loan Agreement as set forth herein.

NOW, THEREFORE, it is agreed:

1. Section 10.14 of the AESOP I Operating Lease Loan Agreement shall hereby be amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

2. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP I Operating Lease Loan Agreement.

3. This Amendment shall become effective as of the date (the "Amendment Effective Date") on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite

Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

4. From and after the Amendment Effective Date, all references to the AESOP I Operating Lease Loan Agreement shall be deemed to be references to the AESOP I Operating Lease Loan Agreement as amended hereby.

5. This Amendment may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

6. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date above first written.

AESOP LEASING L.P.

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

PV HOLDING CORP.

By: /s/ Jean M. Sera______________________
Name: Jean M. Sera
Title: Senior Vice President, General Counsel and Secretary

QUARTX FLEET MANAGEMENT, INC.

By: /s/ Jean M. Sera______________________
Name: Jean M. Sera
Title: Senior Vice President, General Counsel and Secretary

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

Acknowledged and Consented To:

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: /s/ Vassilena Ouzounova______________
Name: Vassilena Ouzounova
Title: Vice President

EXHIBIT 10.3

EXECUTION VERSION

FIFTH AMENDMENT TO SECOND AMENDED AND RESTATED MASTER MOTOR VEHICLE OPERATING LEASE AGREEMENT

This FIFTH AMENDMENT (this "Amendment"), dated as of July 28, 2022, amends the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (as amended to date, the "AESOP I Operating Lease"), by and among AESOP LEASING L.P., a Delaware limited partnership, as lessor (the "Lessor") and AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as lessee (in such capacity, the "Lessee") and as administrator (in such capacity, the "Administrator"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the AESOP I Operating Lease, as applicable.

W I T N E S S E T H:

WHEREAS, pursuant to Section 29 of the AESOP I Operating Lease, the AESOP I Operating Lease may be amended with an agreement in writing signed by the Lessor and the Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, pursuant to Section 8.24 of the Base Indenture, ABRCF is prohibited, subject to certain exceptions, from giving any approval or consent or permission provided for in any Related Document;

WHEREAS, pursuant to Section 12.2 of the Base Indenture the provisions of the Base Indenture may be waived with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider and the Requisite Investors;

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the AESOP I Operating Lease as set forth herein;

WHEREAS, the parties desire to amend the AESOP I Operating Lease, subject to certain restrictions, to permit U.S. licensees of ARAC and BRAC to sublease vehicles from the Lessee as Permitted Sublessees; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the AESOP I Operating Lease as set forth herein.

NOW, THEREFORE, it is agreed:

1. Section 2.6(a)(ii) of the AESOP I Operating Lease is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

2. Section 3.1(a) of the AESOP I Operating Lease is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

3. Section 3.1(b) of the AESOP I Operating Lease is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP I Operating Lease.

5. This Amendment shall become effective as of the date (the "Amendment Effective Date") on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

6. From and after the Amendment Effective Date, all references to the AESOP I Operating Lease shall be deemed to be references to the AESOP I Operating Lease as amended hereby.

7. This Amendment may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

8. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date above first written.

AESOP LEASING L.P., as Lessor

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

AVIS BUDGET CAR RENTAL, LLC, as Lessee and Administrator

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

Acknowledged and Consented To:

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC, as Lender

By: /s/ David Calabria
Name: David Calabria
Title: Senior Vice President and Treasurer

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: /s/ Vassilena Ouzounova
Name: Vassilena Ouzounova
Title: Vice President

EXHIBIT 10.4

EXECUTION VERSION

FIFTH AMENDMENT TO AMENDED AND RESTATED MASTER MOTOR VEHICLE FINANCE LEASE AGREEMENT

This FIFTH AMENDMENT (this "Amendment"), dated as of July 28, 2022, amends the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (as amended to date, the "Finance Lease"), by and among AESOP LEASING L.P., a Delaware limited partnership, as lessor (the "Lessor"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as a lessee (in such capacity, a "Lessee"), as administrator (in such capacity, the "Administrator") and as guarantor (in such capacity, the "Finance Lease Guarantor"), AVIS RENT A CAR SYSTEM, LLC (formerly known as Avis Rent A Car System, Inc.), a Delaware limited liability company ("ARAC"), as a lessee (in such capacity, a "Lessee") and BUDGET RENT A CAR SYSTEM, INC., a Delaware corporation ("BRAC"), as a lessee (in such capacity, a "Lessee" and together, with ABCR and ARAC, in their capacities as lessees, the "Lessees"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the Finance Lease, as applicable.

W I T N E S S E T H:

WHEREAS, pursuant to Section 29 of the Finance Lease, the Finance Lease may be amended with an agreement in writing signed by the Lessor, the Finance Lease Guarantor and each Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, pursuant to Section 8.24 of the Base Indenture, ABRCF is prohibited, subject to certain exceptions, from giving any approval or consent or permission provided for in any Related Document;

WHEREAS, pursuant to Section 12.2 of the Base Indenture the provisions of the Base Indenture may be waived with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider and the Requisite Investors;

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the Finance Lease as set forth herein;

WHEREAS, the parties desire to amend the Finance Lease, subject to certain restrictions, to permit U.S. licensees of ARAC and BRAC to sublease vehicles from any Lessee as Permitted Sublessees; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the Finance Lease as set forth herein.

NOW, THEREFORE, it is agreed:

1. Section 2.6(a)(ii) of the Finance Lease is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

2. Section 3.1(a) of the Finance Lease is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

3. Section 3.1(b) of the Finance Lease is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Finance Lease.

5. This Amendment shall become effective as of the date (the "Amendment Effective Date") on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

6. From and after the Amendment Effective Date, all references to the Finance Lease shall be deemed to be references to the Finance Lease as amended hereby.

7. This Amendment may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

8. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date above first written.

AESOP LEASING L.P., as Lessor

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

AVIS BUDGET CAR RENTAL, LLC, as Lessee, Administrator and Finance Lease Guarantor

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

AVIS RENT A CAR SYSTEM, LLC, as Lessee

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

BUDGET RENT A CAR SYSTEM, INC.,
as Lessee

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

Acknowledged and Consented To:

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC, as Lender

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: /s/ Vassilena Ouzounova_______________
Name: Vassilena Ouzounova
Title: Vice President

EXECUTION VERSION

FOURTH AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This FOURTH AMENDMENT (this "Amendment"), dated as of July 28, 2022, amends the Amended and Restated Loan Agreement, dated as of June 3, 2004 (as amended to date, the "AESOP I Finance Lease Loan Agreement"), between AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing" or the "Borrower"), and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture, or (ii) the AESOP I Finance Lease Loan Agreement, as applicable.

W I T N E S S E T H:

WHEREAS, pursuant to Section 13.1 of the AESOP I Finance Lease Loan Agreement, the AESOP I Finance Lease Loan Agreement may be amended with an agreement in writing signed by the Lender and AESOP Leasing and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP I Finance Lease Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP I Finance Lease Loan Agreement to reflect the allowance for Third-Party Permitted Sublessees in the Related Documents; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to consent, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented, to the amendment of certain provisions of the AESOP I Finance Lease Loan Agreement as set forth herein.

NOW, THEREFORE, it is agreed:

1. Section 10.14 of the AESOP I Finance Lease Loan Agreement is hereby amended by deleting the text "thirty-six (36) months" and inserting the text "forty-eight (48) months" in lieu thereof.

2. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP I Finance Lease Loan Agreement.

3. This Amendment shall become effective as of the date (the "Amendment Effective Date") on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

4. From and after the Amendment Effective Date, all references to the AESOP I Finance Lease Loan Agreement shall be deemed to be references to the AESOP I Finance Lease Loan Agreement as amended hereby.

5. This Amendment may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

6. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date above first written.

AESOP LEASING L.P.

By: AESOP LEASING CORP.,
its general partner

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

By: /s/ David Calabria____________________
Name: David Calabria
Title: Senior Vice President and Treasurer

Acknowledged and Consented To:

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: /s/ Vassilena Ouzounova______________
Name: Vassilena Ouzounova
Title: Vice President

Signature Page to ASEOP I Finance Lease Loan Agreement

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Joseph A. Ferraro, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avis Budget Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2022

/s/ Joseph A. Ferraro

President and Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Brian Choi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avis Budget Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2022

/s/ Brian Choi

Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Avis Budget Group, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Joseph A. Ferraro, as Chief Executive Officer of the Company, and Brian Choi, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JOSEPH A. FERRARO
Joseph A. Ferraro
President and Chief Executive Officer
November 1, 2022

/s/ BRIAN CHOI
Brian Choi
Executive Vice President and Chief Financial Officer
November 1, 2022