

# avis budget group

**Investor Day Presentation**

**Tom Gartland  
President, North America**

May 2012

# Key Messages

- ▶ Well-positioned in the North American vehicle rental market
- ▶ Strategic initiatives driving accelerated profit growth
- ▶ Investing to drive *sustainable* long-term growth
- ▶ Focused on improving the customer experience



# Agenda

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



# The Business Today

## Car

- ▶ \$4.5 billion annual revenue
- ▶ 81 million rental days
- ▶ Approximately 2,600 locations<sup>(a)</sup>
- ▶ Airport share: 27%



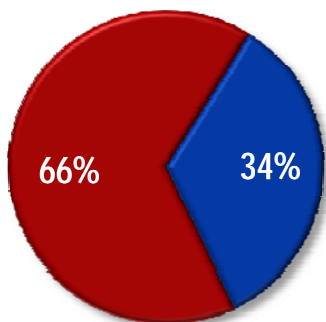
## Truck

- ▶ \$375 million annual revenue
- ▶ 4 million rental days
- ▶ Approximately 2,200 locations

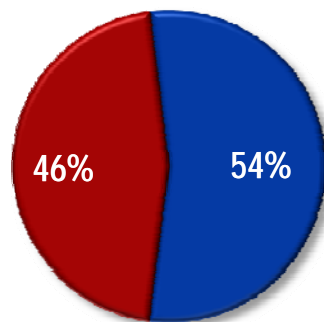


# Diversified Revenue Sources

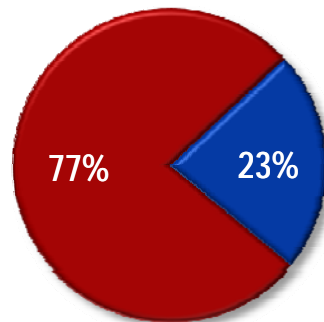
## Avis vs. Budget



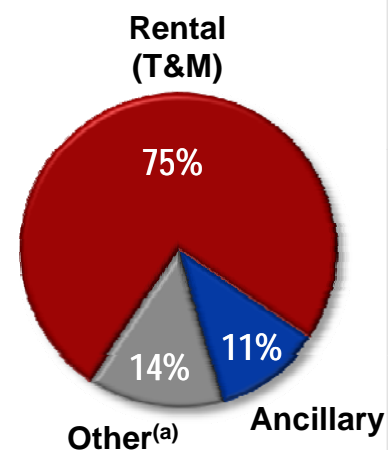
## Commercial vs. Leisure



## On-Airport vs. Off-Airport

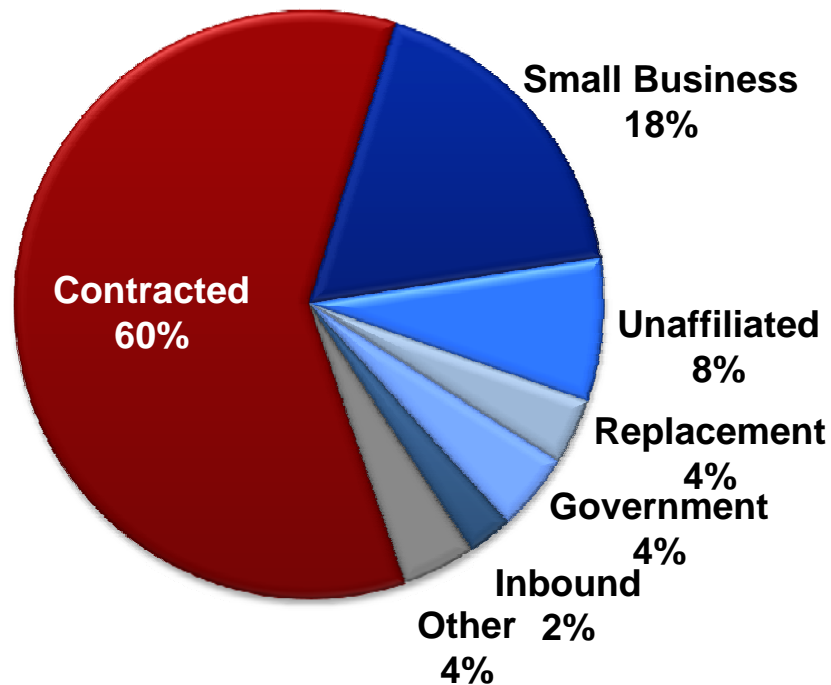


## Time & Mileage vs. Ancillary

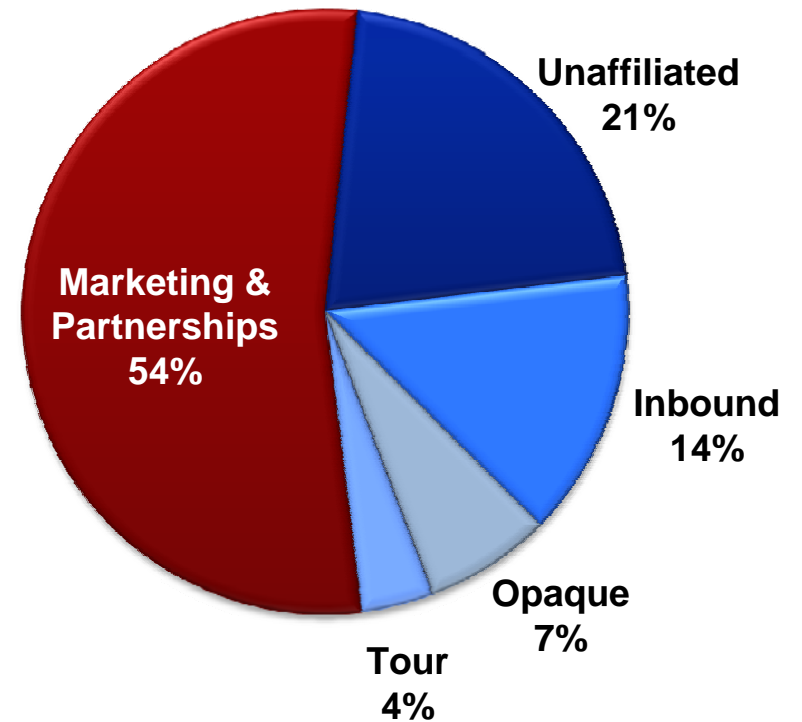


# Serving Both Commercial and Leisure Travelers

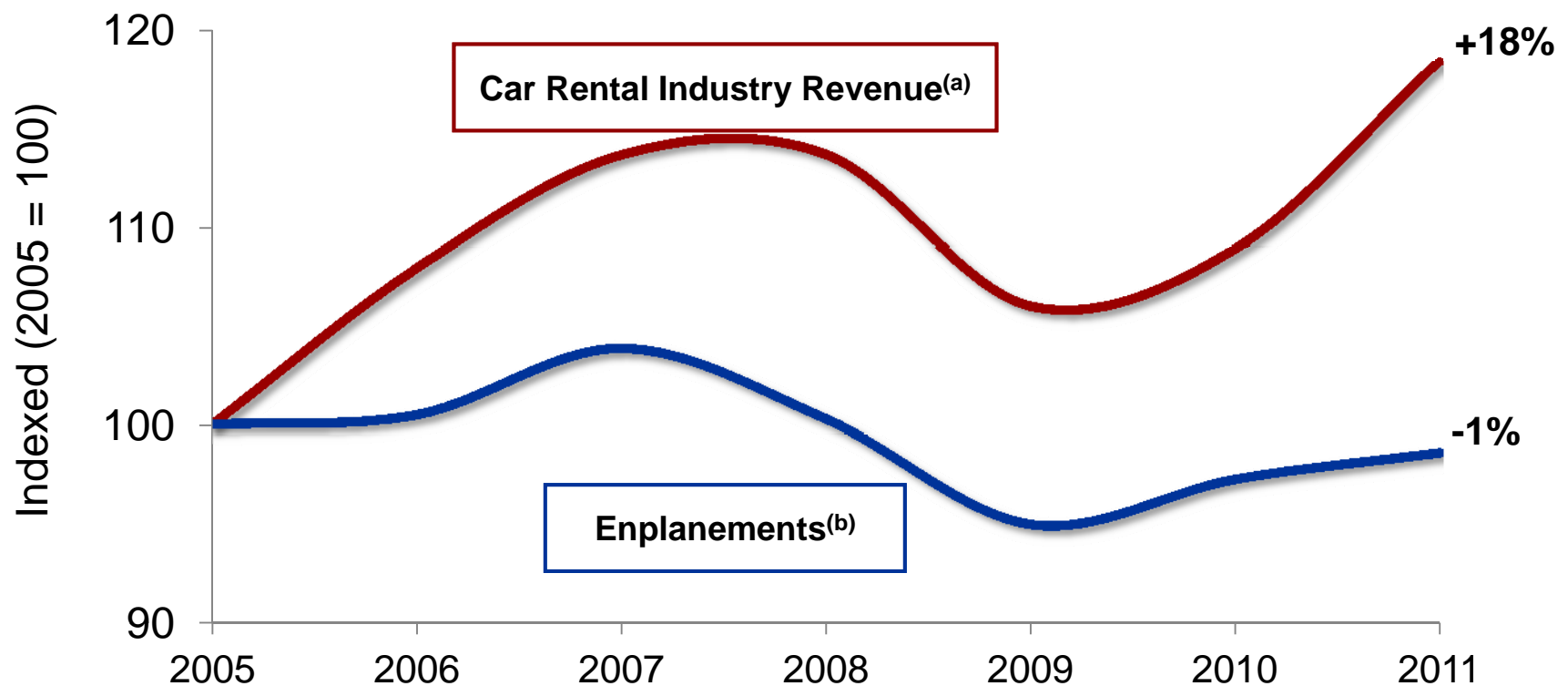
**Commercial**  
**\$2.1 Billion**



**Leisure**  
**\$2.4 Billion**

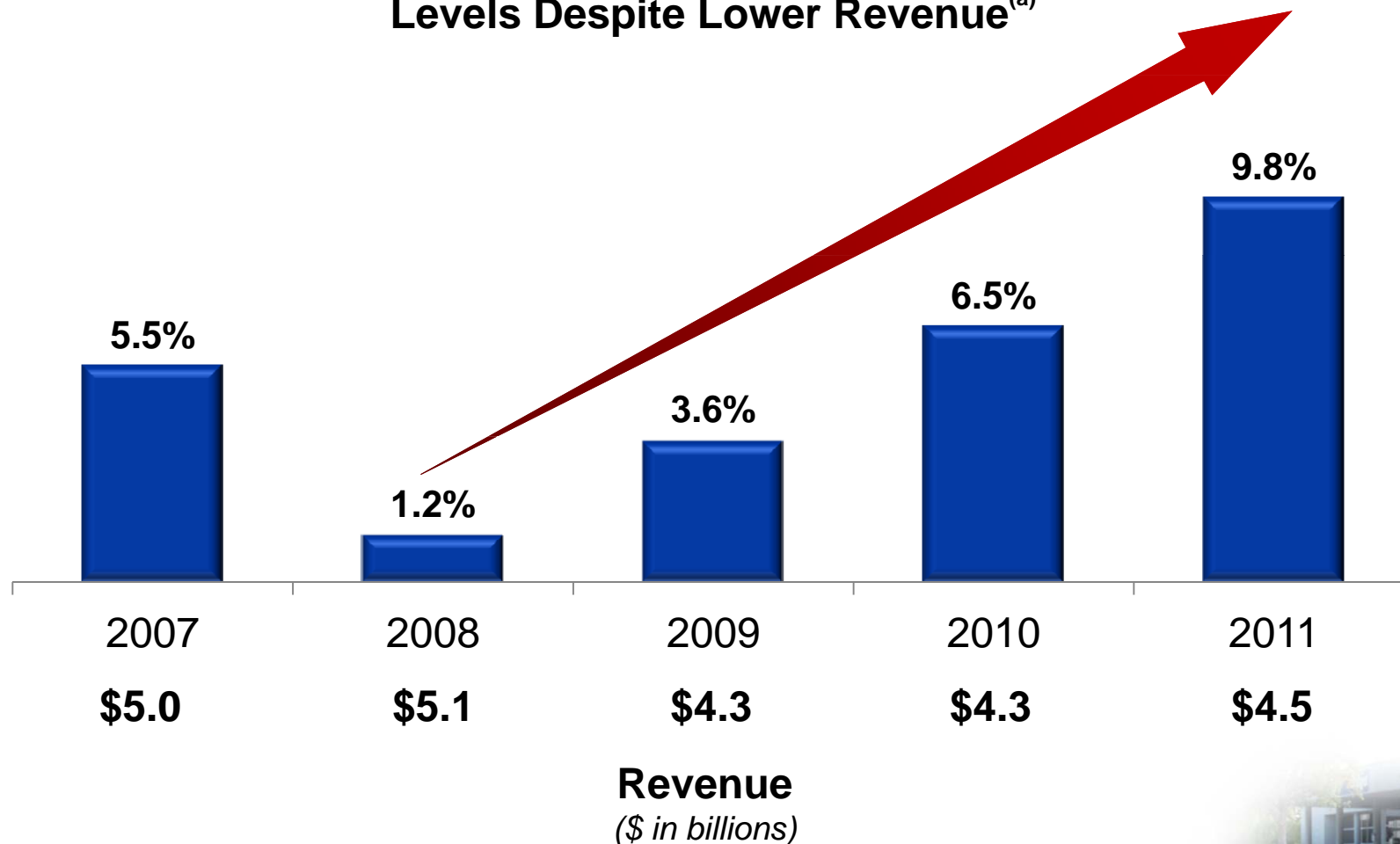


# Industry Revenue Has Rebounded Faster Than Enplanements . . .



## . . . and Our Profitability Has Improved Substantially

**Adjusted EBITDA Margins Exceed Pre-Recession Levels Despite Lower Revenue<sup>(a)</sup>**





# Agenda

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- ▶ Growth drivers



# Competitive Strengths

## Brands

- ▶ Two leading brands sharing one cost structure



## Partnerships

- ▶ Strong partnerships and customer relationships drive revenue



## Fleet

- ▶ Diversified fleet to meet range of customer needs



## Focus

- ▶ Sales force segmentation and channel focus



## Team

- ▶ Dedicated Customer Experience team



# Strong Industry Partnerships Drive Incremental Revenues

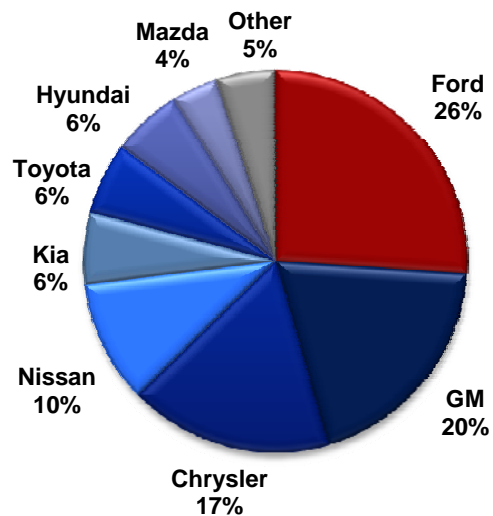
## Long-Standing Relationships with Leading Industry Participants



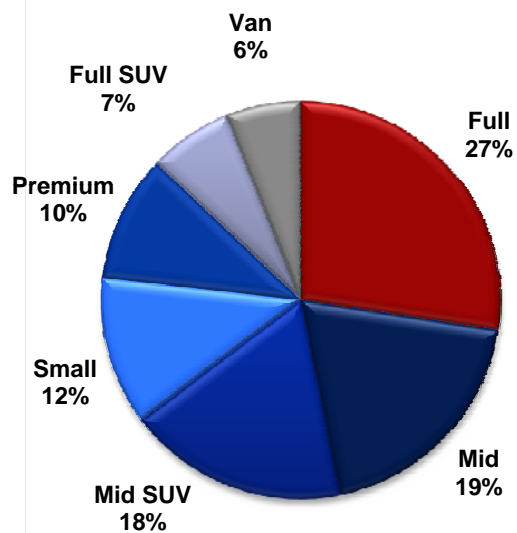
- ▶ Over \$1 billion of revenue from travel and air partnerships

# Diversified Fleet Mitigates Risk

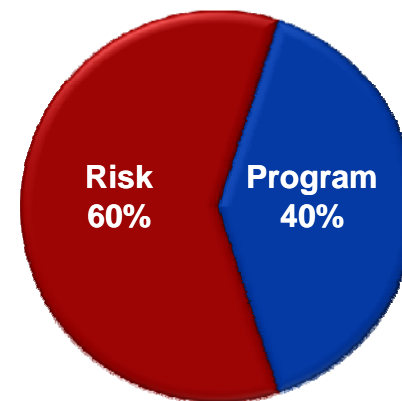
## By Manufacturer



## By Car Class

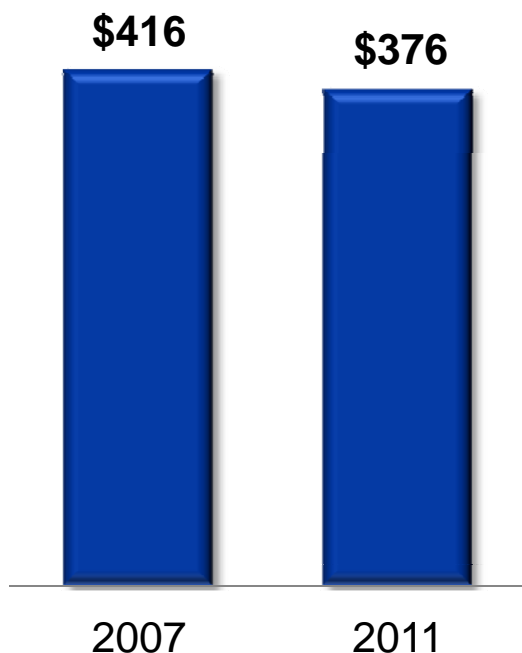


## By Type

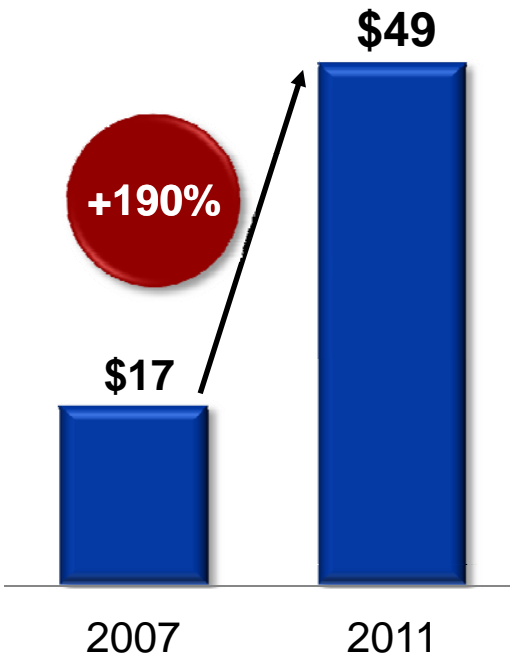


# Segment Focus: Highly Profitable Truck Rental Business

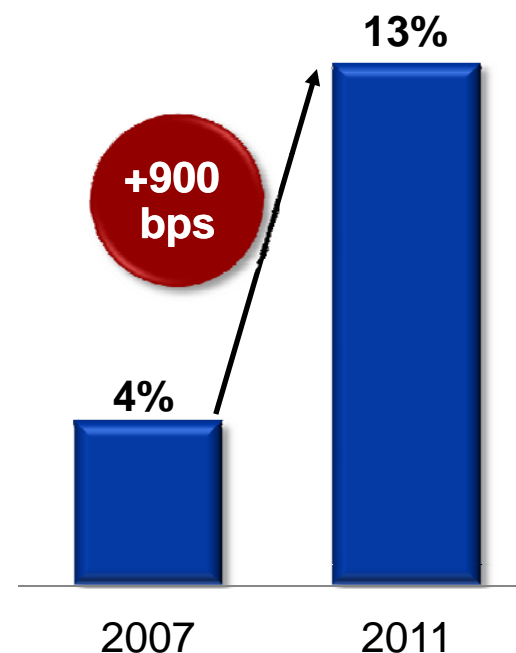
Despite Stable  
Revenues...  
(in millions)



Adjusted EBITDA  
Increased  
Substantially<sup>(a)</sup>...  
(in millions)



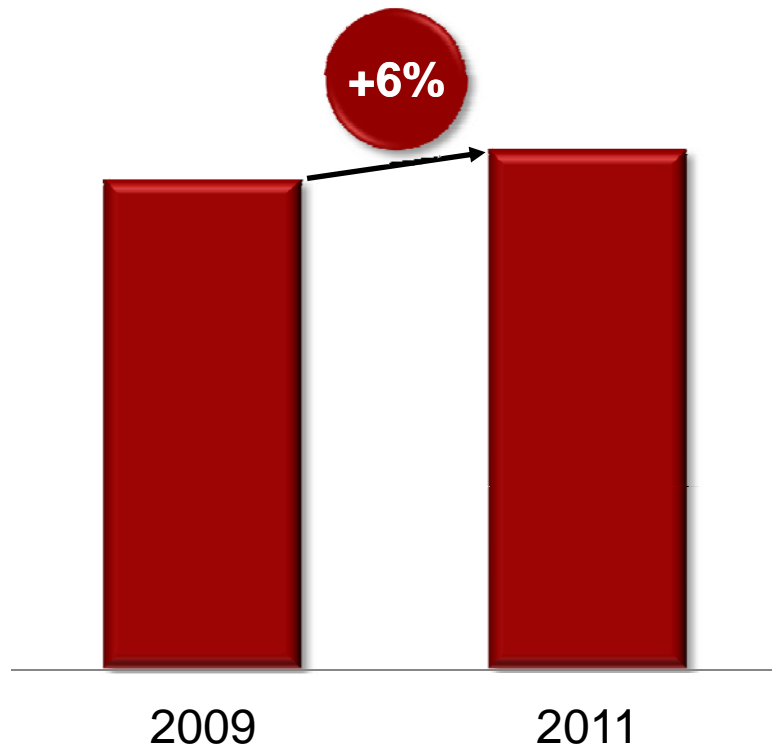
...Reflecting  
Significantly Higher  
Margins<sup>(a)</sup>



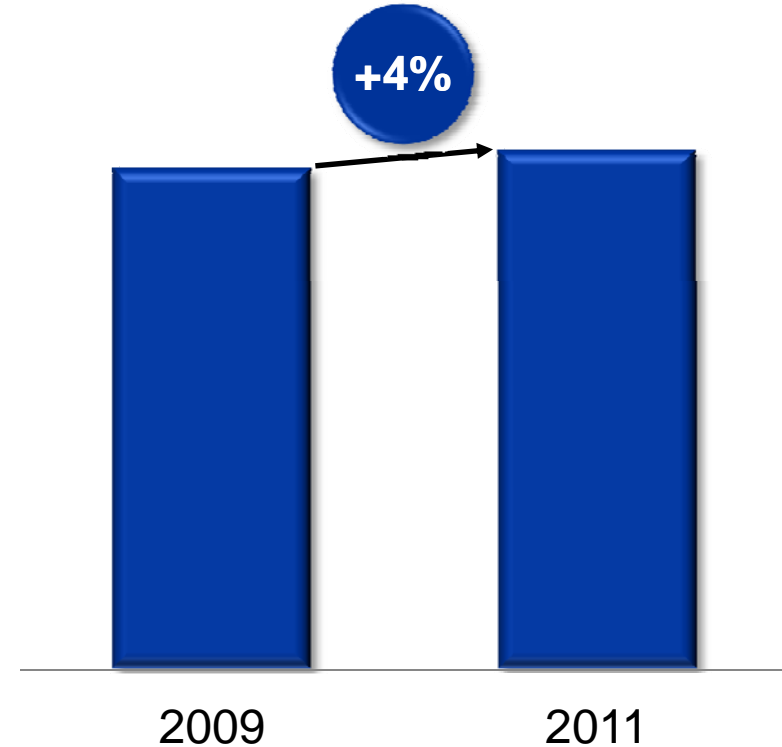
# Customer Experience Team: Drives Brand Awareness and Customer Loyalty

## Improved Customer Satisfaction Scores

**AVIS**



**Budget**



# Agenda

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- ▶ Growth drivers



# Four Underlying Strategies Drive Our Business Choices

## Driving Sustained, Profitable Growth



***Strategically  
Accelerate  
Growth***



***Expand Our  
Global  
Footprint***



***Put the  
Customer  
First***



***Drive  
Efficiency  
Throughout  
the  
Organization***



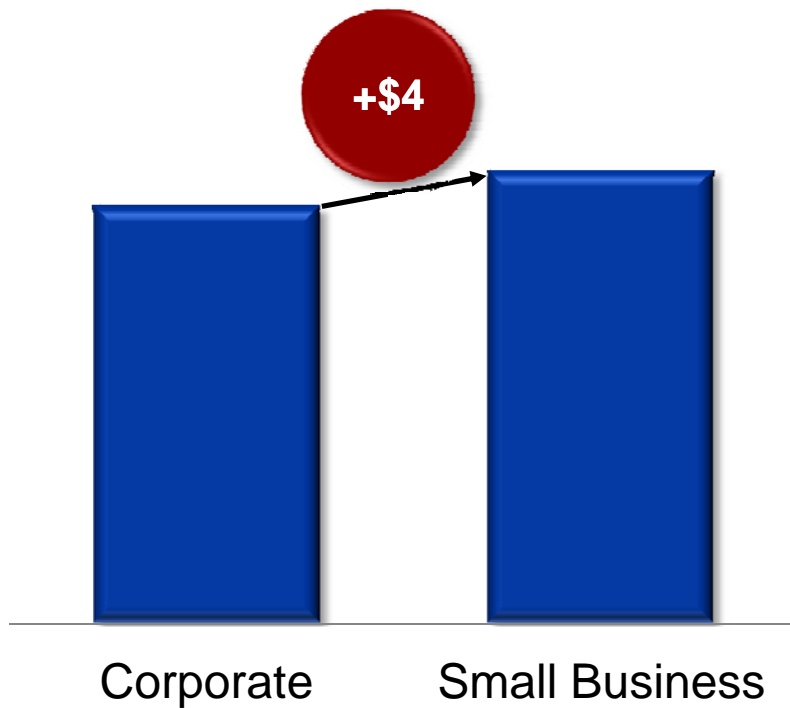
# Key Initiatives Drive Underlying Strategies



# Grow Small Business

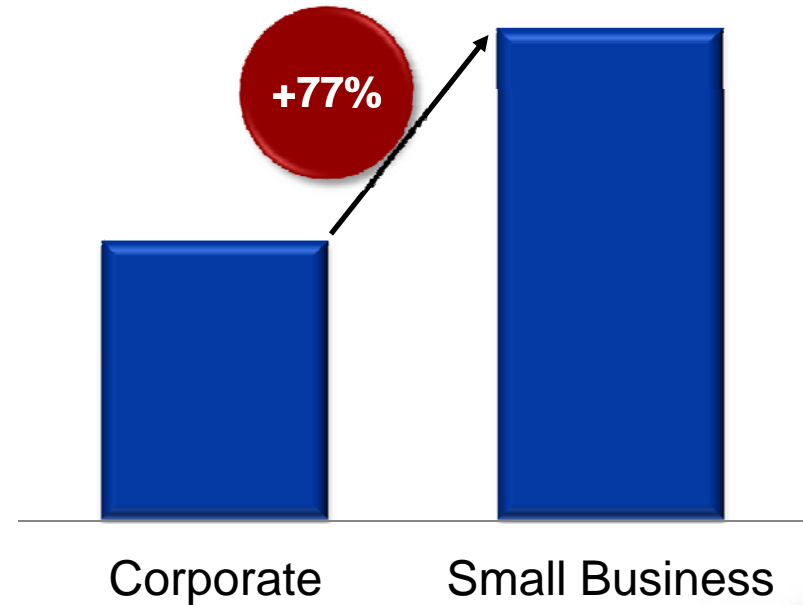
Accelerate  
Growth

Average  
Daily Rate



+

Ancillary Revenue  
per Day

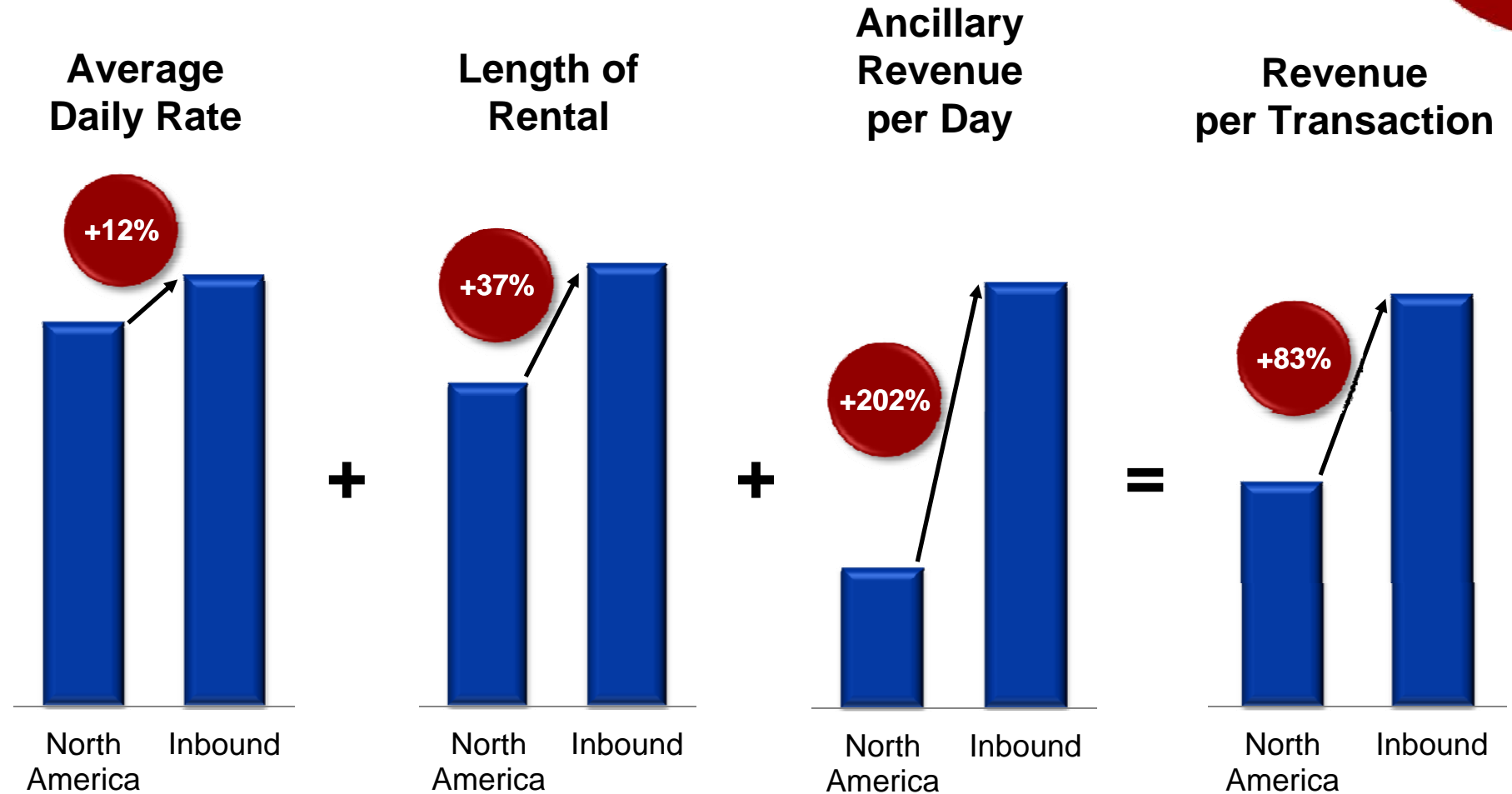


13% higher revenue per transaction



# Expand International Inbound

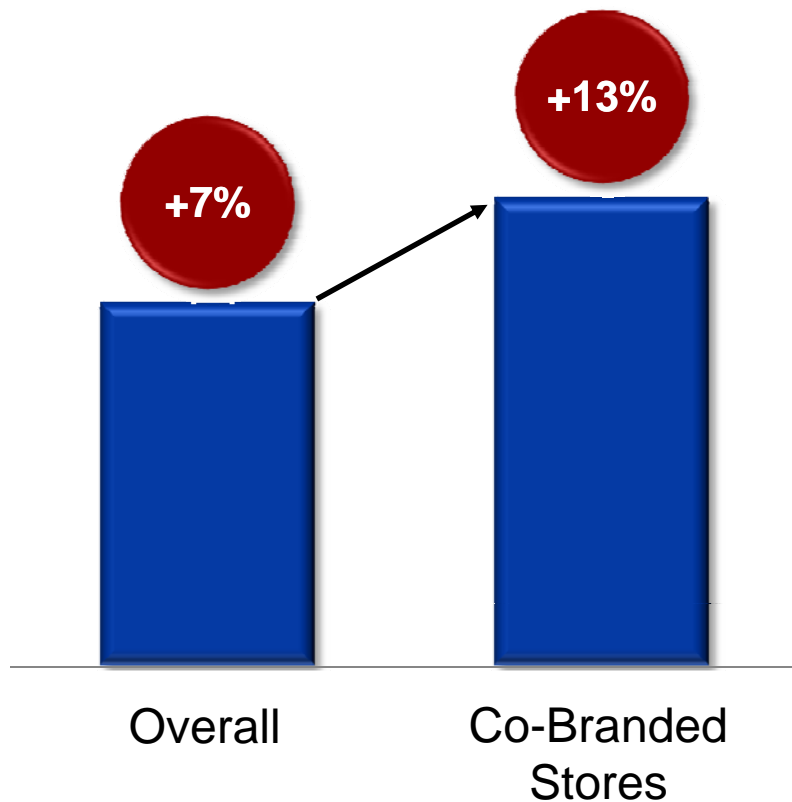
Accelerate  
Growth



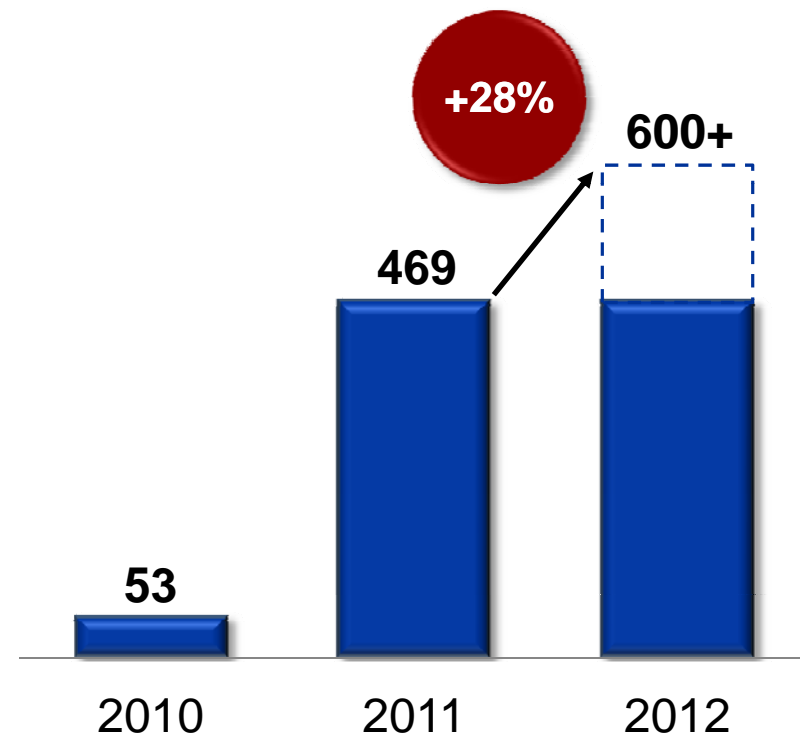
# Co-Branding Local Market Locations Increases Profits

Accelerate  
Growth

## Revenue Growth



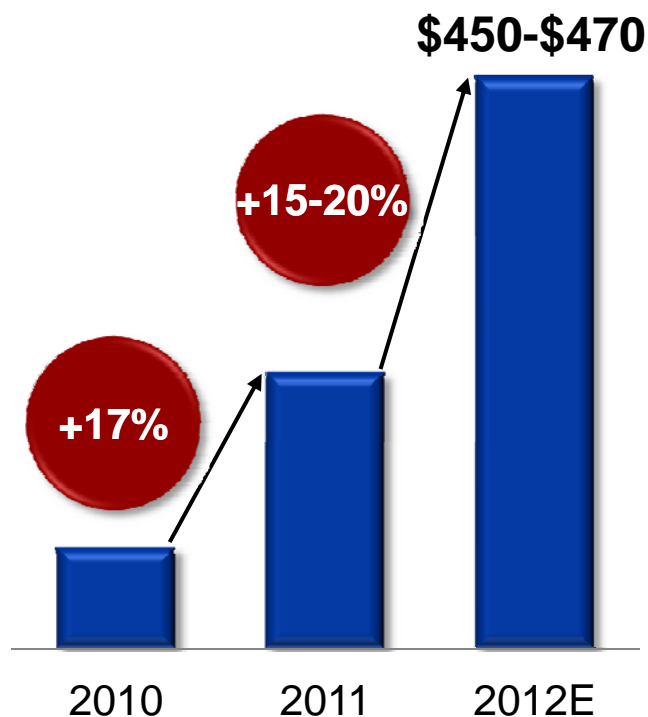
## Multi-Branded Locations



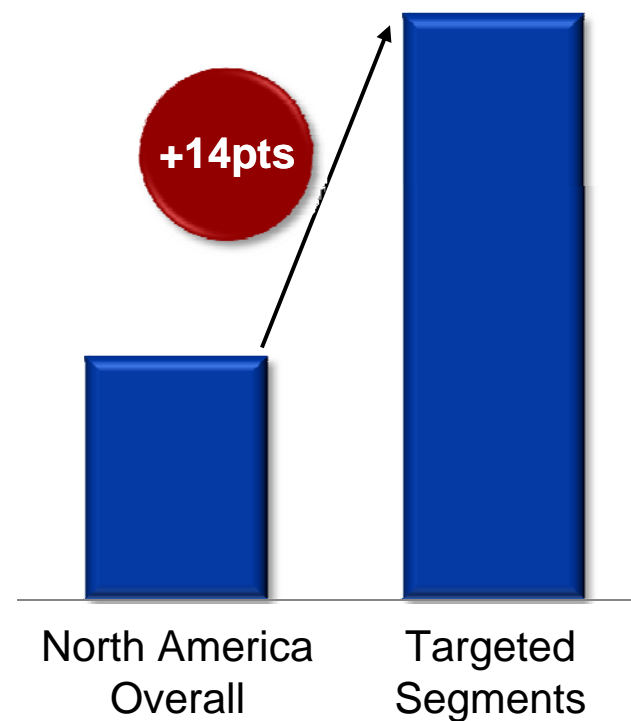
# Growing Revenues in Other Strategically Targeted Segments

Accelerate Growth

## Revenue



## Margin<sup>(a)</sup>

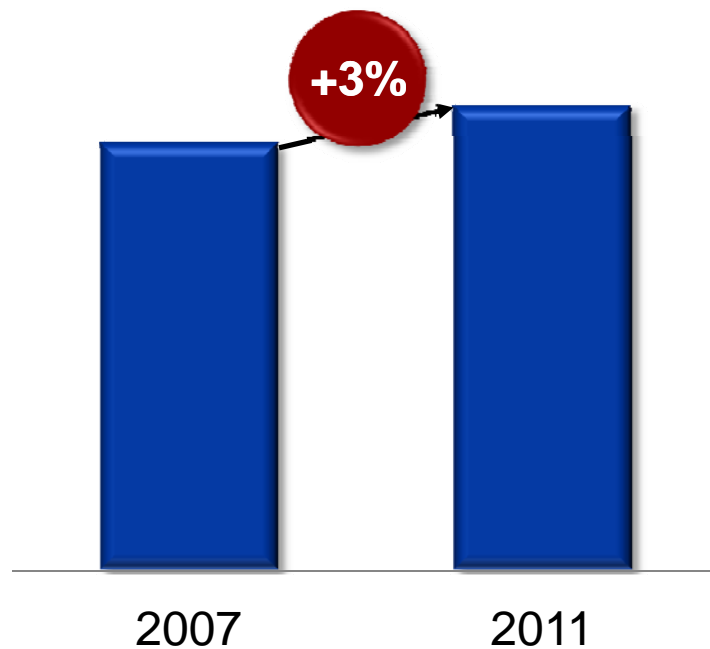


# Driving Increased Profits Through Ancillary Sales

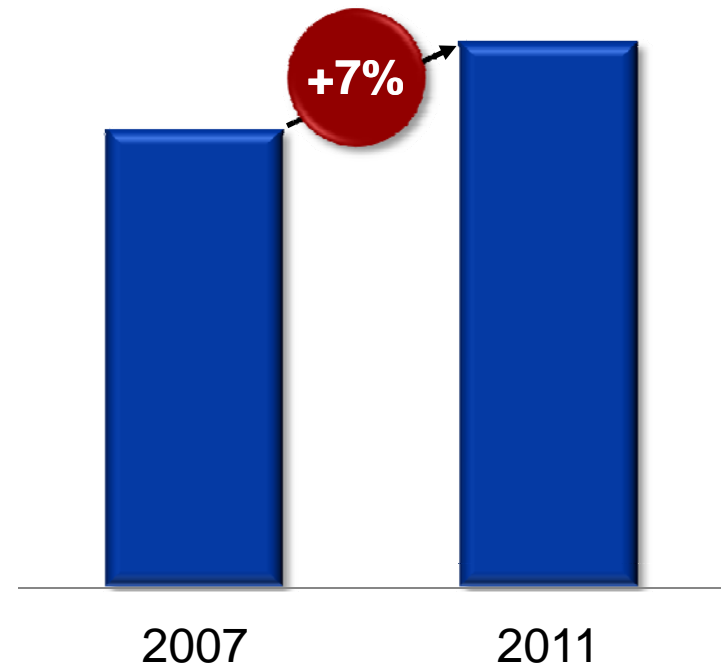
Accelerate  
Growth

Generate **\$6** per Rental Day in Ancillary Revenue

T&M Revenue  
per Rental Day<sup>(a)</sup>

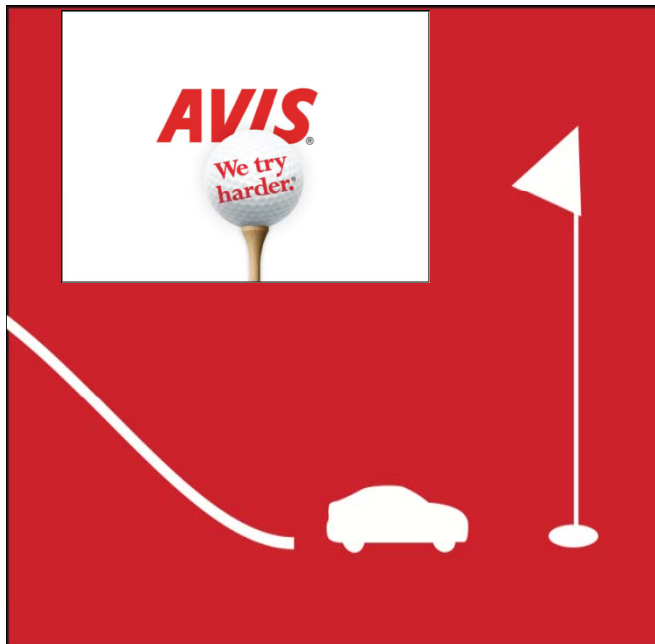


T&M + Ancillary Revenue  
per Rental Day<sup>(b)</sup>



# Brand Investments Drive Revenue and Improve Loyalty

Accelerate  
Growth



# Improve the Customer Experience to Drive Profits

Customer  
First



**Our customers spend  
\$2 billion annually with our competitors**





# Introducing “Select & Go”

Customer  
First

**Available from Avis at 50 Major U.S. and Canadian Airports by Year-End**



**Vehicle choice increases customer satisfaction**

**AVIS Preferred.**  
*Select & Go*

# 2012 Outlook

- ▶ **Volume expected to increase mid-single-digits**
- ▶ **Increased penetration of high-margin ancillary products**
- ▶ **Continued used car market strength**
- ▶ **Laser focus on productivity, revenue generation and sustained profitability**



# Key Messages

- ▶ **Well-positioned in the North American vehicle rental market**
- ▶ **Strategic initiatives driving accelerated profit growth**
- ▶ **Investing to drive *sustainable* long-term growth**
- ▶ **Focused on improving the customer experience**

