avis budget group

Third Quarter 2019

Forward-Looking Statements

Statements about future results made in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include projections.

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

Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements and projections are specified in the Company's most recently filed Form 10-K and other SEC filings.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, the date of our last earnings conference call. The Company undertakes no obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. We believe that our financial performance is better demonstrated using these non-GAAP financial measures. Important information regarding reconciliation of such measures is contained within this presentation, included in the appendix.

A Global Leader in Vehicle Services

We are committed to providing on-demand mobility services for customers, businesses and cities alike. You will find us at the intersection where technology meets convenience, choice and responsible living.

30 COUNTRIES
Plus 150 licensee operated

11,000 LOCATIONS
Including 4,600 licensee operated

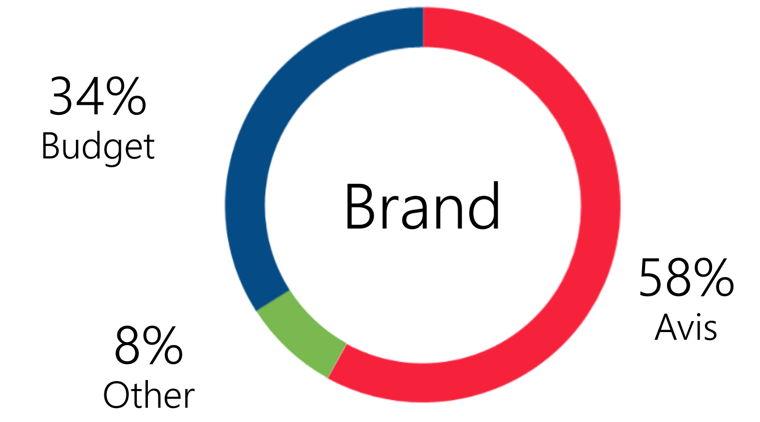
648,000 VEHICLES

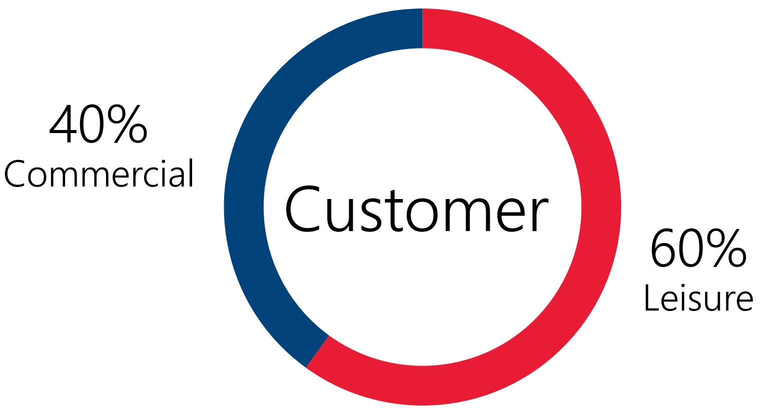
167 MILLION RENTAL DAYS

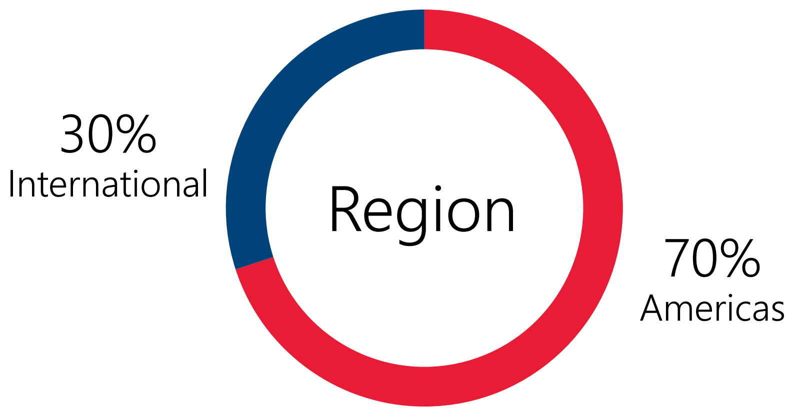
$9.1 BILLION REVENUE

All numbers are approximate as of year ended December 31, 2018

Diversified Revenue Stream







All numbers are approximate as of year ended December 31, 2018
Budget brand includes Budget Truck. Other brands include Zipcar, Payless, Apex, Maggiore, FranceCars, Amico Blu, Turiscar, and Morini

Connected Mobility Strategy


GLOBAL BRAND
PORTFOLIO & EXPERIENCE
PIPELINE OF MARGIN
EXPANSION INITIATIVES
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CONNECTED BUSINESS
NEW MOBILITY OPPORTUNITIES
AND PLATFORM

Global Brand Portfolio

AVIS

Budget

zipcar

CAR RENTAL Payless

Maggiore

AmicoBlu
IL PIÙ NOLEGGIATO DAGLI ITALIANI

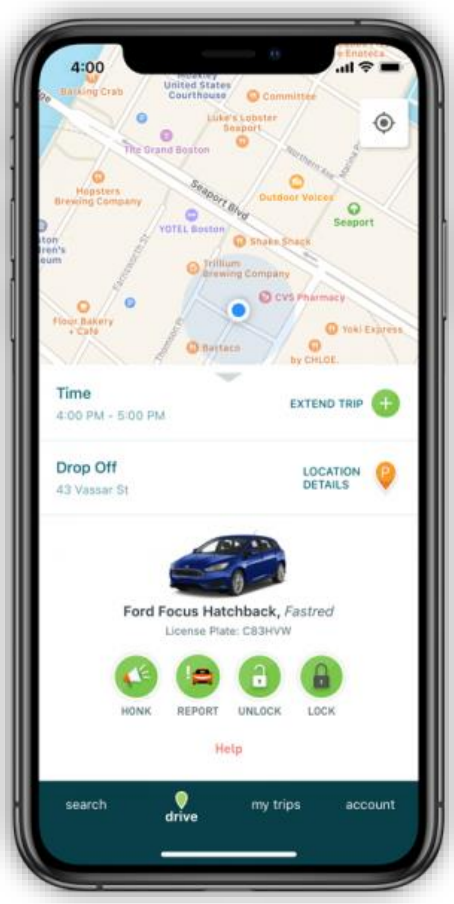
turiscar
RENT-A-CAR

apex car rentals
the kiwi way

FRANCECARS
Louez la liberté !

RENT MORINI
NOLEGGIO AUTO E FURGONI

Innovation Initiatives



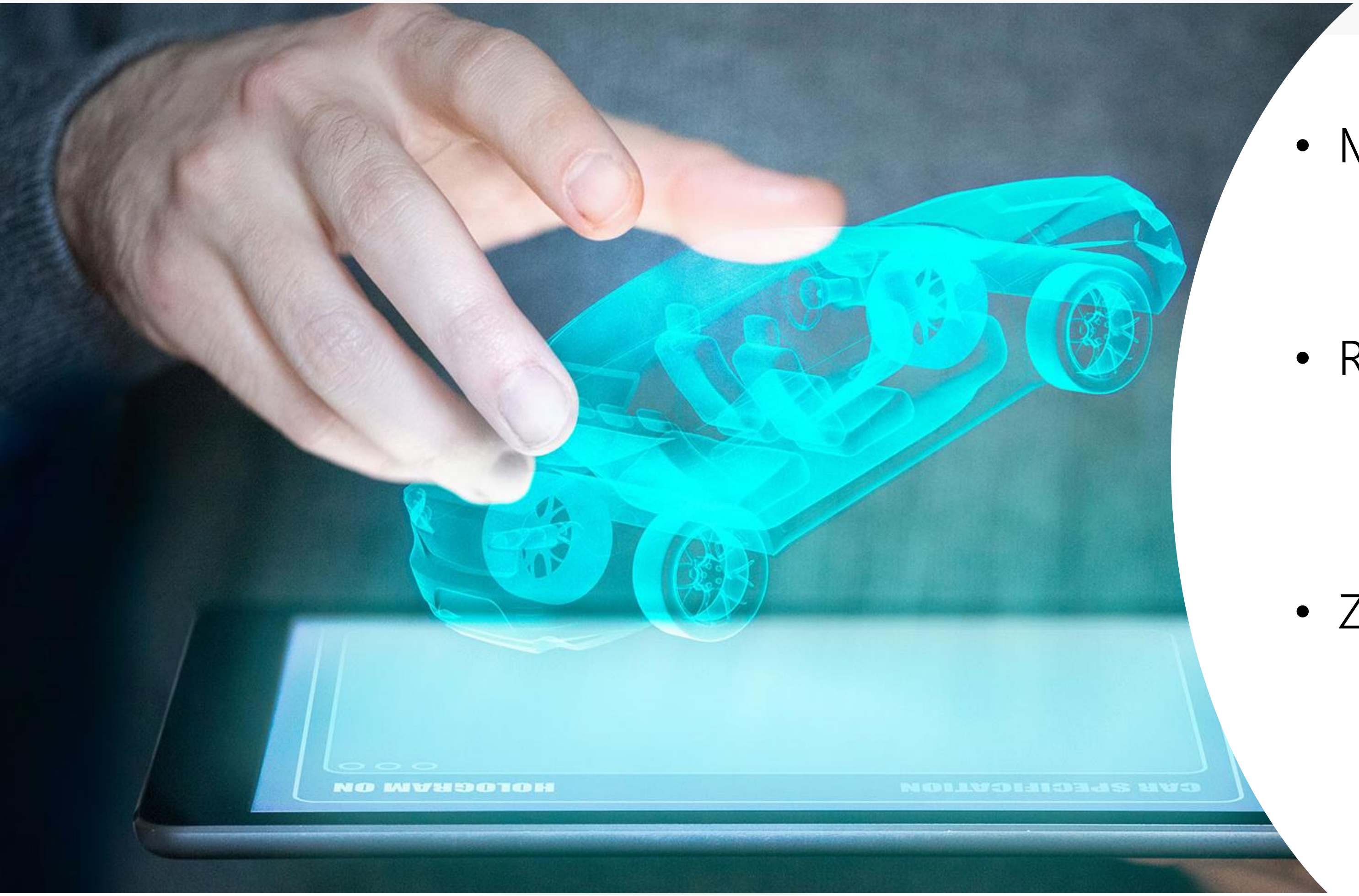
Enhancing Mobility

1) Technology
   - Modernizing legacy system infrastructure
   - Building next generation platform

2) Connected car
   - Creating largest global connected fleet

3) Strategic partnerships
   - Waymo
   - Lyft
   - Via
   - Fetch
   - Otonomo
   - Uber

1) Technology



- Modernizing Legacy System Infrastructure
  - Platform enhancements for improved operations
  - Migrating to cloud for speed and efficiency

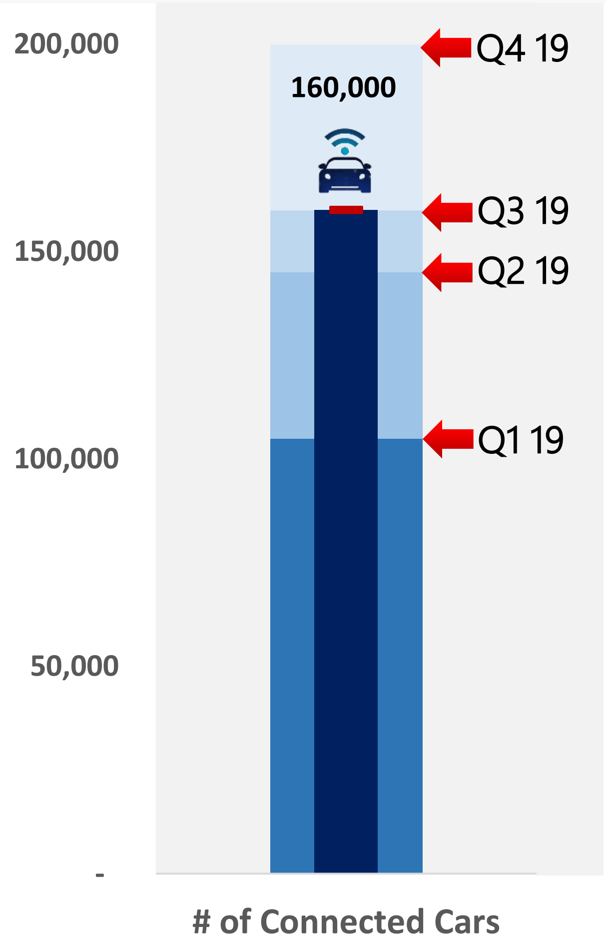
- Redesigned Avis and Budget Apps
  - Enhances ease of use and customer experience
  - Introduced split billing
  - Partnered with Arrive for in-app parking

- Zipcar New Platform
  - Rebuilt platform using new tech stack enhancements allowing more use cases
  - Zipcar Flex provides on-demand one way mobility

Next Generation Platform

- We have designed and are building a new mobility platform in the cloud.
- This platform will lower costs, scale systems on demand, and greatly reduce time to market.
- It enables us to support innovative partnerships and accelerate the implementation of new products and offerings.
- Allows API integration for strategic opportunities and new use cases.

2) Connected Car



Fuel Optimization

- At the time of rental return, fuel is automatically measured to 1/10th of a gallon
- We are realizing well over a dollar net benefit per transaction for connected vs. non-connected fleet

Enhanced Operations

- Improved rental process through digital rental forms in the Avis app, reducing customer wait times
- Reduction in idle days as ERS agents can access a connected car's diagnostic codes and quickly dispatch a recovery vehicle

Improved Vehicle Recovery

- Reduced lost revenue and higher utilization due to fewer monthly average missing vehicles
- Two day improvement in average recovery of overdue vehicles as connectivity allows us to locate cars faster

Data Monetization

- Struck inaugural partnership with Otonomo, generating revenue from anonymized data
- Leverage our connected fleet to utilize vehicle data for additional margin accretive revenue streams

3) Strategic Partnerships

- Connected over 160,000 vehicles, and progressing toward a globally connected fleet

- Strategic revenue partnerships unlocking top line growth opportunities

- Expanding partnerships with alternate mobility offerings

Margin Expansion Initiatives

1) Profitable Revenue
   - Directing focus toward revenue generation and higher margin opportunities

2) Fleet Optimization
   - Leveraging our fleet analytics to drive change in the way we buy, use, and sell fleet

3) Operational Efficiencies
   - Driving operational improvements through efficiency and cost control

1) Profitable Revenue

- Fully implemented revenue management system
- Increase direct digital revenue
  - Direct bookings
  - Pre-paid rentals
- Expand marketing partnerships
- Loyalty programs
- Reorganized sales team to focus on higher-margin segments

2) Fleet Optimization

- Optimize fleet mix
  - Changes to the way we buy and sell fleet including makes, models, and trim levels
- Leverage data analytics from our mileage optimization initiative to improve usage and residual values
- Increase alternative disposition channels
  - Record dispositions representing approximately 70% of sales in the quarter
  - 13 direct-to-consumer retail lots open and expanding

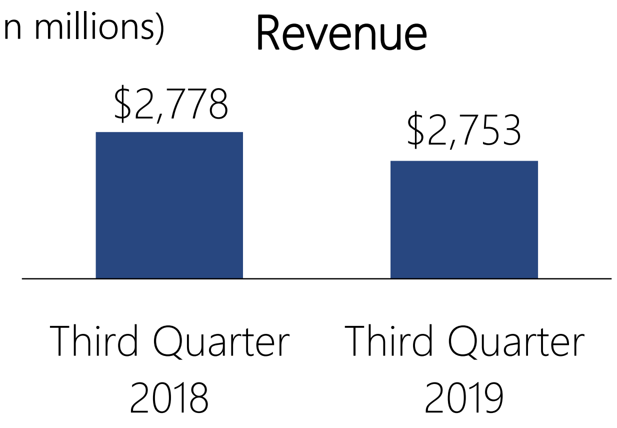
3) Operational Efficiencies

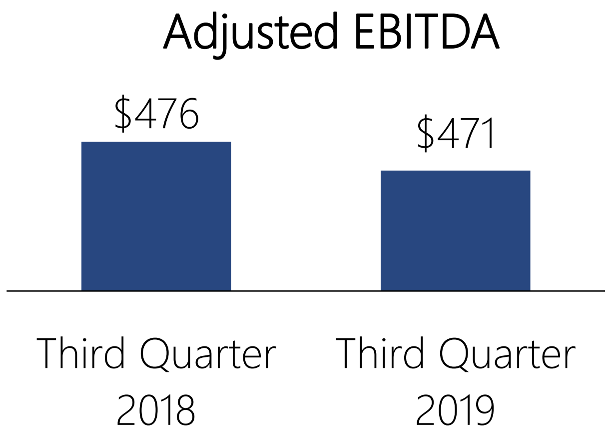
- Workforce planning and rationalization
- Shuttling efficiency
- Shared services
- Global procurement
- Finance and accounting modernization

Third Quarter Results

Total Company

($'s in millions)





- Rental Days increased 2% driven by strong Americas volume
- Revenues of $2.8 billion were comparable to prior year, up 1% excluding currency exchange rate movements
  - Revenue had a $44 million negative impact from currency exchange rate movements

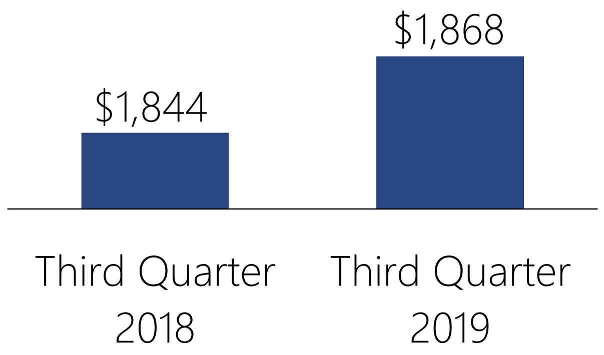
- Per-Unit Fleet Costs improved 6%
  - Driven by the Americas Per-Unit Fleet Costs
- Vehicle Utilization increased by 20 basis points
- Adjusted EBITDA increased 1%, excluding a negative impact of 2% from currency exchange rate movements
  - Includes a $9 million negative impact from currency exchange rate movements

Revenue per Day and Per-Unit Fleet Costs exclude exchange rate effects
See appendix for reconciliation of net income (loss) to Adjusted EBITDA

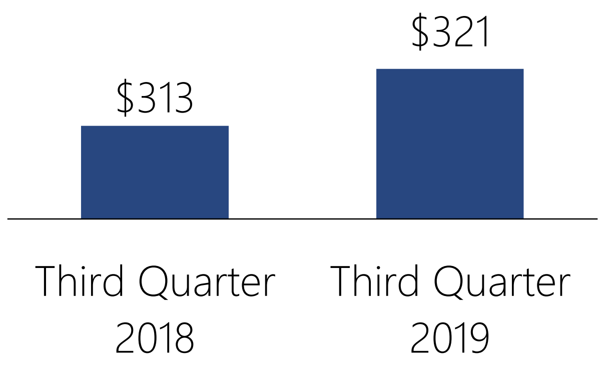
Americas

($'s in millions)

Revenue



Adjusted EBITDA



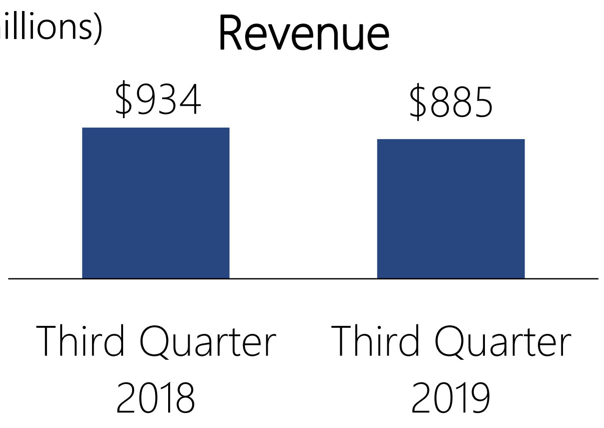
- Revenue grew more than 1% in the quarter
- 2% lower Revenue per Day
  - Partially offset by increased ancillary revenue
  - Digital revenue up more than 3%
  - Budget Truck package delivery, Zipcar Commuter, and Ride-hail business growth had a roughly 30 basis point impact to rate per item
- 3% increase in volume

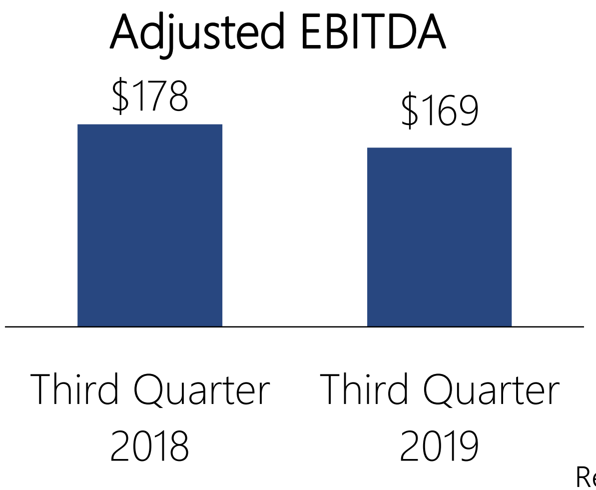
- Per-Unit Fleet Costs improved 9%
- Vehicle utilization was 30 basis points higher
- Adjusted EBITDA grew by $8 million

Revenue per Day and Per-Unit Fleet Costs exclude exchange rate effects

International

($'s in millions)





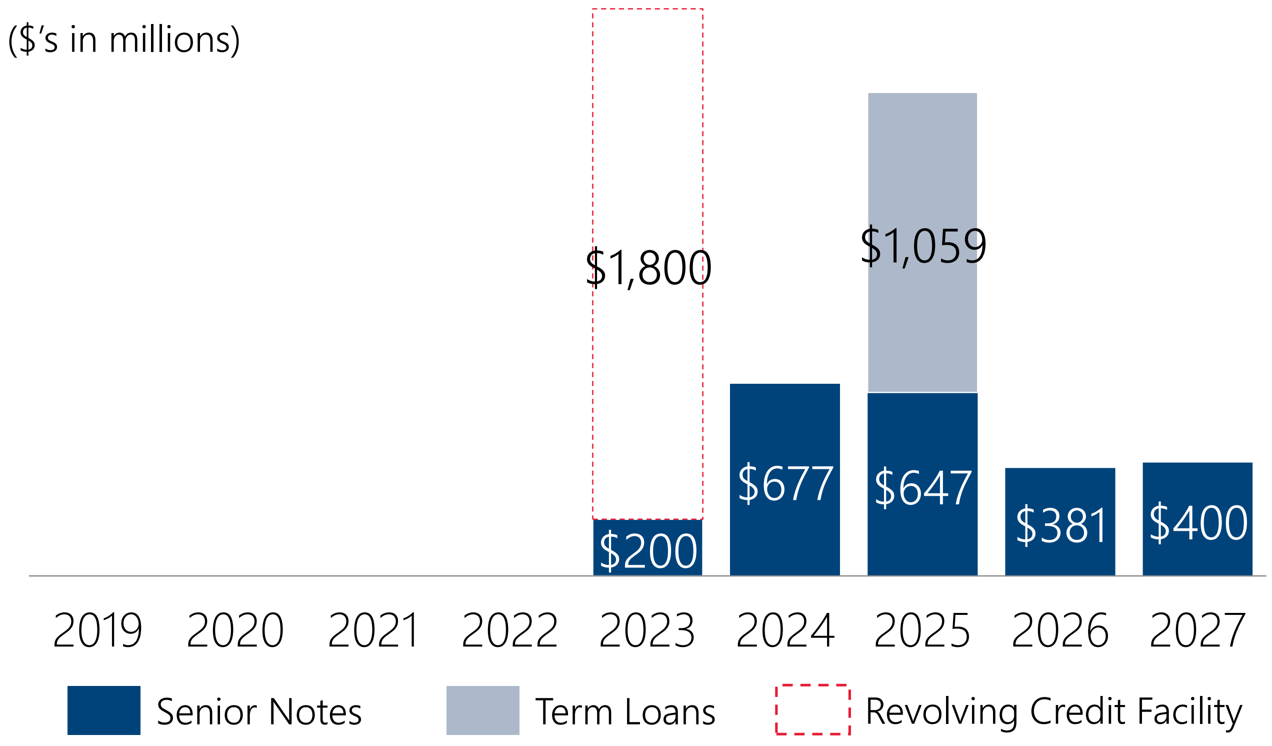
- Revenue decreased 1% excluding exchange rate effects
  - Revenue per Day was up compared to prior year
  - Volume reduced by 1%
- Revenue decreased 5% due to a $42 million impact from currency exchange rates

- Per-Unit Fleet Costs were up 1% compared to prior year
- Vehicle Utilization was in line with prior year
- Adjusted EBITDA was consistent with prior year results, excluding a $9 million exchange rate effect

Revenue per Day and Per-Unit Fleet Costs exclude exchange rate effects

Corporate Debt Maturities

- Adjusted Free Cash Flow for the year is estimated between $250 - $300 million
- Net Corporate Leverage at 3.6x as of September 30, 2019, down 0.2x from prior quarter
- $3.9 billion of liquidity as of September 30, 2019
- Redeemed $75 million of the remaining $275 million Senior Notes due 2023
- No corporate debt maturities until 2023

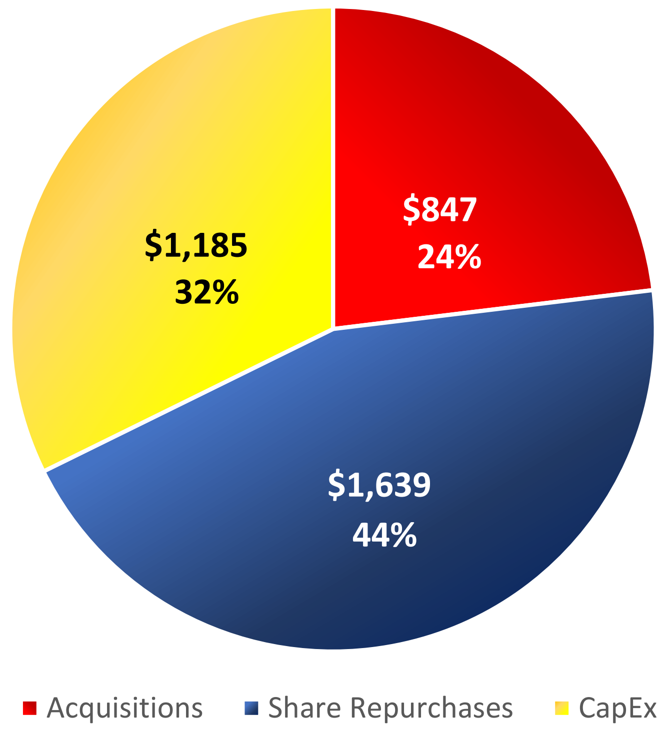


Pro forma maturity schedule as of October 7, 2019 after giving effect to redemptions made in October. Corporate debt maturities exclude capital leases, which are secured by liens on the related assets, short-term debt and current portion of long-term debt, $11 million per annum of Term Loan amortization and deferred financing fees. Floating Rate Term Loan at face value.

Net cash provided by operating activities for the nine months ended September 30, 2019 was $1,930 million. Net Corporate Leverage is calculated by dividing Net Corporate Debt by last twelve months' Adjusted EBITDA.

Capital Allocation

Capital Allocation From 2014 - 2019



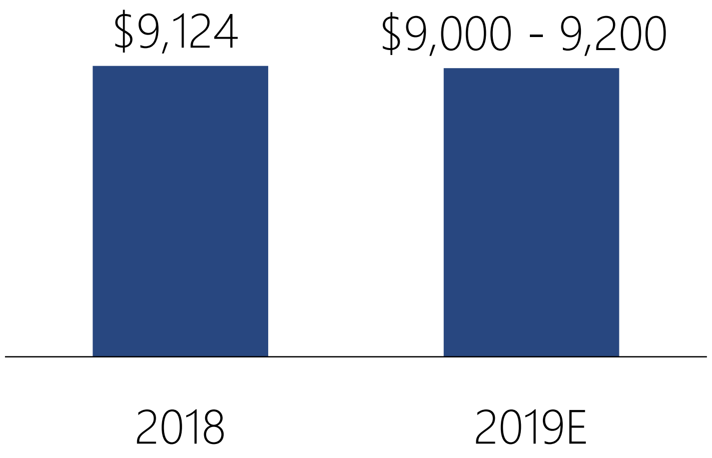
Note: 2019 figures as of September 30, 2019

- Seek highest returns and balanced approach for capital allocation
- In August 2019, we increased share repurchase authorization by $100 million to a total of $250 million, or 9% of shares outstanding at the time.
  - We repurchased approximately 2.1 million shares for $59 million in the third quarter, at an average price of $27.46

2019 Outlook

Key Metrics

($'s in millions) Revenue



(Year-over-Year change)	Americas	International
Rental Days	1.0% - 2.0%	2.0% - 3.0%
Revenue per Day	0.0% - 1.0%	(1.0%) - (2.0%)
Per-Unit Fleet Costs per Month	(6.0%) - (8.0%)	1.0% - 2.0%

Guidance as of October 31, 2019
Revenue per Day and Per-Unit Fleet Costs per Month exclude the effect of changes in foreign currency exchange rates

Earnings

($'s in millions, except EPS)	Full-Year	Year-over-Year Change
Revenues	$9,000 – 9,200	-
Adjusted EBITDA	750 – 800	(1%)
Non-vehicle D&A	200 – 215	6%
Non-vehicle Interest expense	180 – 190	(2%)
Adjusted pretax income	350 – 450	1%
Adjusted diluted EPS	$3.35 – 4.20	3%
Currency impact on revenues	(185) – (165)	*n/a*
Currency impact on Adjusted EBITDA (net of hedging)	(25) – (15)	*n/a*

Guidance as of October 31, 2019
Interest expense excludes early extinguishment of debt
All figures are approximate and year-over-year percentage growth is calculated at midpoint
Non-vehicle depreciation and amortization (D&A) excludes acquisition-related amortization expense
See appendix for definitions of forecasted non-GAAP financial measures

Adjusted free cash flow

($'s in millions)	Full-Year
Adjusted pretax income	$350 – 450
Plus: Non-vehicle D&A	200 – 215
Less: Capex	(230 – 250)
Less: Cash taxes, vehicle programs and other	(70) – (120)
Adjusted free cash flow	$250 – 300

Guidance as of October 31, 2019. All figures are approximate
See appendix for definitions of forecasted non-GAAP financial measures
Non-vehicle depreciation and amortization (D&A) excludes acquisition-related amortization expense

Appendix

Definitions

This presentation includes certain non-GAAP (generally accepted accounting principles) financial measures as defined under SEC rules. We have provided below reasons why we present these non-GAAP financial measures, a description of what they represent and a reconciliation to the most comparable financial measure calculated and presented in accordance with GAAP. The GAAP measures most directly comparable to Adjusted EBITDA, Adjusted free cash flow, Adjusted pretax income (loss), Adjusted net income (loss) and Adjusted diluted earnings (loss) per share are net income (loss), net cash provided by operating activities, income(loss) before income taxes, net income (loss) and diluted earnings (loss) per share, respectively. Because of the forward-looking nature of the Company's forecasted non-GAAP Adjusted EBITDA, Adjusted free cash flow, Adjusted pretax income (loss), Adjusted net income (loss) and Adjusted diluted earnings (loss) per share, specific quantifications of the amounts that would be required to reconcile forecasted net income (loss), net cash provided by operating activities, pretax income (loss), net income (loss) and diluted earnings (loss) per share are not available. The Company believes that there is a degree of volatility with respect to certain of the Company's GAAP measures which preclude the Company from providing accurate forecasted GAAP to non-GAAP reconciliations. Based on the above, the Company believes that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above. Additional definitions and reconciliations of non-GAAP measures not included herein are provided in Appendix I and the tables of our press release furnished on Form 8-K on October 31, 2019.

Adjusted EBITDA

The accompanying press release presents Adjusted EBITDA, which represents 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 legal matters, non-operational charges related to shareholder activist activity, gain on sale of equity method investment in Anji and income taxes. Net charges for unprecedented personal-injury legal matters and gain on sale of equity method investment in Anji are recorded within operating expenses in our consolidated condensed statement 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. We have revised our definition of Adjusted EBITDA to exclude the gain on sale of equity method investment in Anji. We did not revise prior years' Adjusted EBITDA amounts because there were no gains similar in nature to this gain. Adjusted EBITDA includes stock-based compensation expense and deferred financing fee amortization totaling $11 million and $12 million in third quarter 2019 and 2018, respectively, and totaling $34 million and $32 million in the nine months ended September 30, 2019 and 2018, respectively.

We believe that Adjusted EBITDA is useful to investors as a supplemental measure in evaluating the aggregate performance of our operating businesses and in comparing our results from period to period. Adjusted EBITDA is the measure that is used by our management, including our chief operating decision maker, to perform such evaluation. Adjusted EBITDA is also a component in the determination of management's compensation. Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other income statement data prepared in accordance with GAAP and our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. A reconciliation of Adjusted EBITDA from net income (loss) recognized under GAAP is provided on Table 5 of our press release furnished on Form 8-K on October 31, 2019.

Adjusted Free Cash Flow

Represents Net Cash Provided by Operating Activities adjusted to reflect the cash inflows and outflows relating to capital expenditures, the investing and financing activities of our vehicle programs, asset sales, if any, and to exclude debt extinguishment costs, transaction-related costs, restructuring and other related charges and non-operational charges related to shareholder activist activity. We have revised our definition of Adjusted Free Cash Flow to exclude restructuring and other related charges and have revised prior years' Adjusted Free Cash Flow amounts accordingly. We believe this change is meaningful to investors as it brings the measurement in line with our other non-GAAP measures. We believe that Adjusted Free Cash Flow is useful to management and investors in measuring the cash generated that is available to be used to repay debt obligations, repurchase stock, pay dividends and invest in future growth through new business development activities or acquisitions. Adjusted Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Adjusted Free Cash Flow may not be comparable to similarly-titled measures used by other companies. A reconciliation of Adjusted Free Cash Flow to the appropriate measure recognized under GAAP is provided in this appendix and on Table 4 of our press release furnished on Form 8-K on October 31, 2019.

Foreign Currency

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

Last Twelve Month Period Financial Information

We present certain unaudited financial information for the last twelve month period ended September 30, 2019, which is calculated as the nine months ended September 30, 2019 plus the actual year ended December 31, 2018 less the actual nine months ended September 30, 2018. This presentation is not in accordance with GAAP. However, the Company believes that this presentation provides useful information to investors regarding its recent financial performance, and it views this presentation of the four most recently completed fiscal quarters as a key measurement period for investors to assess its historical results.

Reconciliation of Non-GAAP Measures

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

	Three Months Ended September 30,	
	2019	2018
Net income	$ 189	$ 213
Provision for income taxes	139	142
Income before income taxes	$ 328	$ 355
Add certain items:		
Restructuring and other related charges	22	4
Acquisition-related amortization expense	13	14
Early extinguishment of debt	10	-
Transaction-related costs, net	-	11
Adjusted pretax income	$ 373	$ 384
Add:		
Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)	49	48
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	49	44
Adjusted EBITDA	$ 471	$ 476

Reconciliation of Non-GAAP Measures

Reconciliation of net income to adjusted net income (in millions, except per-share amounts):	Three Months Ended September 30,			
	2019		2018	
Net income	$	189	$	213
Add certain items, net of tax:				
Restructuring and other related charges		17		3
Acquisition-related amortization expense		10		11
Early extinguishment of debt		7		-
Transaction-related costs, net		-		8
Income tax provision from the Tax Act (A)		-		30
Adjusted net income	$	223	$	265
Earnings per share – Diluted	$	2.50	$	2.68
Adjusted diluted earnings per share	$	2.96	$	3.33
Shares used to calculate Adjusted diluted earnings per share		75.7		79.5

Reconciliation of Non-GAAP Measures

Reconciliation of Net Corporate Debt (in millions):

	September 30, 2019	December 31, 2018
Corporate Debt	$ 3,483	$ 3,551
Less: Cash and cash equivalents	615	615
Net Corporate Debt	$ 2,868	$ 2,936

Reconciliation of Non-GAAP Measures

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

	Last Twelve months Ended September 30,	
	2019	2018
Net income	$ 173	$ 372
Provision for (benefit from) income taxes	103	(107)
Income before income taxes	$ 276	$ 265
Add certain items:		
Acquisition-related amortization expense	59	59
Restructuring and other related charges	74	25
Transaction-related costs, net	8	33
Early extinguishment of debt	24	5
Non-operational charges related to shareholder activist activity **(A)**	-	9
Impairment	-	2
Gain on sale of equity method investment in Anji **(B)**	(44)	-
Adjusted pretax income	$ 397	$ 398
Add:		
Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense)	202	196
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	188	185
Adjusted EBITDA	$ 787	$ 779

(A) Reported within selling, general and administrative expenses in our Consolidated Statements of Operations.
(B) Reported within operating expenses in our Consolidated Statements of Operations.

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