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 June 30, 2026

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)*
379 Interpace Parkway	
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 $.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 an 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 ☒

As of July 22, 2026, the number of shares outstanding of the registrant's common stock was 35,325,754.

Table of Contents

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,” “forecasts,” “guidance,” 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. These factors include, but are not limited to:

- 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, trade disputes, tariffs or otherwise, manufacturer recalls, disruption in the supply of new vehicles, including due to labor actions, trade disputes, tariffs or otherwise, shortages in semiconductors and/or other parts 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;

- levels of and volatility in travel demand, including volatility in airline passenger traffic;

- a deterioration or fluctuation in economic conditions, resulting in a recession, decreased levels of discretionary consumer spending for travel, or otherwise, particularly during our peak season or in key market segments;

- an occurrence or threat of terrorism, pandemics, severe weather events or natural disasters, military conflicts, including the ongoing military conflicts in the Middle East and Eastern Europe, or civil unrest in the locations in which we operate, trade disputes and tariffs, 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 pandemics, inflation, tariffs, government shutdowns, the ongoing military conflicts in the Middle East and Eastern Europe, and any embargoes on oil sales imposed on or by the Russian government;

- our ability to successfully implement or achieve our business plans and strategies, achieve and maintain cost savings and adapt our business to changes in mobility, and successfully implement digital transformation initiatives;

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

- the performance of the used vehicle market from time to time, including our ability to dispose of vehicles in the used vehicle market on attractive terms;

- 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, fuel prices and exchange rates, changes in government regulations and other factors;

- our exposure to uninsured or unpaid claims in excess of historical levels or changes in the number of incidents or cost per incident, and our ability to obtain insurance at desired levels and the cost of that insurance;

- risks associated with litigation or governmental or regulatory inquiries, uncertainties related to the ability to recover amounts pursuant to settlement agreements, including risks related to the failure to obtain any necessary court approvals, timing related to such approvals and any potential termination of such settlement agreements, 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, including the expiration of tax credits, and accounting standards;

- risks related to our indebtedness, including our substantial outstanding debt obligations, recent and future interest rate increases, which increase our financing costs, 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 timing of our fleet rotation, carrying value of goodwill, or long-lived assets, including when there are events or changes in circumstances that indicate the carrying value may exceed the current fair value, which have in the past resulted in and in the future could result in a significant impairment charge; 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 forecasted 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 2025 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on February 19, 2026 (the “2025 Form 10-K”), may contain forward-looking statements and involve uncertainties that could 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.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues	$ 2,998	$ 3,039	$ 5,528	$ 5,469
Expenses				
Operating	1,526	1,526	2,948	2,879
Vehicle depreciation and lease charges, net	583	636	1,247	1,691
Selling, general and administrative	385	396	726	704
Vehicle interest, net	232	229	461	439
Non-vehicle related depreciation and amortization	60	60	118	116
Interest expense related to corporate debt, net:				
Interest expense	108	110	217	207
Early extinguishment of debt	3	3	3	3
Restructuring and other related charges	18	59	53	81
Transaction-related costs, net	9	—	15	—
Other (income) expense, net	1	5	7	11
Total expenses	2,925	3,024	5,795	6,131
Income (loss) before income taxes	73	15	(267)	(662)
Provision for (benefit from) income taxes	10	10	(96)	(163)
Net income (loss)	63	5	(171)	(499)
Less: Net income attributable to non-controlling interests	28	1	77	2
Net income (loss) attributable to Avis Budget Group, Inc.	$ 35	$ 4	$ (248)	$ (501)
Comprehensive income (loss) attributable to Avis Budget Group, Inc.	$ 22	$ 71	$ (259)	$ (426)
Earnings (loss) per share				
Basic	$ 1.00	$ 0.10	$ (7.01)	$ (14.24)
Diluted	$ 0.98	$ 0.10	$ (7.01)	$ (14.24)

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 558	$ 519
Receivables, net	936	878
Other current assets	1,014	696
Total current assets	2,508	2,093
Property and equipment, net	756	748
Operating lease right-of-use assets	3,197	3,239
Deferred income taxes	2,298	2,105
Goodwill	1,115	1,129
Other intangibles, net	614	589
Other non-current assets	375	403
Total assets exclusive of assets under vehicle programs	10,863	10,306
Assets under vehicle programs:		
Program cash	126	94
Vehicles, net	19,589	18,720
Receivables from vehicle manufacturers and other	281	540
Investment in Avis Budget Rental Car Funding (AESOP) LLC—related party	1,469	1,597
	21,465	20,951
Total assets	$ 32,328	$ 31,257
Liabilities, redeemable non-controlling interests and stockholders' equity		
Current liabilities:		
Accounts payable and other current liabilities	$ 3,074	$ 2,865
Short-term debt and current portion of long-term debt	23	24
Total current liabilities	3,097	2,889
Long-term debt	5,999	6,049
Long-term operating lease liabilities	2,632	2,614
Other non-current liabilities	472	495
Total liabilities exclusive of liabilities under vehicle programs	12,200	12,047
Liabilities under vehicle programs:		
Debt	5,414	4,792
Debt due to Avis Budget Rental Car Funding (AESOP) LLC—related party	14,436	14,396
Deferred income taxes	2,736	2,677
Other	769	387
	23,355	22,252
Commitments and contingencies (Note 13)		
Redeemable non-controlling interests	147	74
Stockholders' equity:		
Preferred stock, $0.01 par value—authorized 10 shares; none issued and outstanding, in each period	—	—
Common stock, $0.01 par value—authorized 250 shares; issued 137 shares, in each period	1	1
Additional paid-in capital	6,612	6,622
Retained earnings	891	1,139
Accumulated other comprehensive loss	(149)	(138)
Treasury stock, at cost—102 shares, in each period	(10,743)	(10,753)
Stockholders' equity attributable to Avis Budget Group, Inc.	(3,388)	(3,129)
Non-controlling interests	14	13
Total stockholders' equity	(3,374)	(3,116)
Total liabilities, redeemable non-controlling interests and stockholders' equity	$ 32,328	$ 31,257

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

	Six Months Ended June 30,	
	2026	**2025**
Operating activities		
Net loss	$ (171)	$ (499)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Vehicle depreciation	1,273	1,350
Amortization of right-of-use assets	583	533
(Gain) loss on sale of vehicles, net	(78)	280
Vehicle related reserves	136	175
Non-vehicle related depreciation and amortization	118	116
Amortization of debt financing fees	25	27
Early extinguishment of debt costs	3	3
Stock-based compensation	7	12
Net change in assets and liabilities:		
Receivables	(63)	(56)
Income taxes and deferred income taxes	(170)	(220)
Accounts payable and other current liabilities	21	235
Operating lease liabilities	(582)	(535)
Other, net	(36)	35
Net cash provided by operating activities	1,066	1,456
Investing activities		
Property and equipment additions	(109)	(85)
Proceeds received on asset sales	2	2
Net assets acquired (net of cash acquired)	(28)	—
Other, net	8	—
Net cash used in investing activities exclusive of vehicle programs	(127)	(83)
Vehicle programs:		
Investment in vehicles	(7,763)	(8,755)
Proceeds received on disposition of vehicles	6,153	4,986
Investment in debt securities of Avis Budget Rental Car Funding (AESOP) LLC—related party	(445)	(609)
Proceeds from debt securities of Avis Budget Rental Car Funding (AESOP) LLC—related party	571	505
	(1,484)	(3,873)
Net cash used in investing activities	(1,611)	(3,956)

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

	Six Months Ended June 30,	
	2026	**2025**
Financing activities		
Proceeds from borrowings (original maturities greater than three months)	$ 302	$ 1,100
Payments on borrowings (original maturities greater than three months)	(315)	(610)
Repurchases of common stock	(7)	(3)
Debt financing fees	(9)	(12)
Net cash provided by (used in) financing activities exclusive of vehicle programs	(29)	475
Vehicle programs:		
Proceeds from borrowings	12,723	14,086
Payments on borrowings	(12,043)	(12,075)
Debt financing fees	(28)	(15)
	652	1,996
Net cash provided by financing activities	623	2,471
Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash	(9)	35
Net increase in cash and cash equivalents, program and restricted cash	69	6
Cash and cash equivalents, program and restricted cash, beginning of period	618	597
Cash and cash equivalents, program and restricted cash, end of period	$ 687	$ 603

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Avis Budget Group, Inc.
CONDENSED CONSOLIDATED 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 as of March 31, 2026	137.1	$ 1	$ 6,607	$ 856	$ (136)	(101.8)	$ (10,743)	$ (3,415)	$ 13	$ (3,402)
Comprehensive income (loss):										
Net income (loss)	—	—	—	35	—	—	—	35	1	36
Other comprehensive income (loss)	—	—	—	—	(13)	—	—	(13)	—	(13)
Total comprehensive income (loss)				35	(13)			22	1	23
Net activity related to restricted stock units	—	—	5	—	—	—	—	5	—	5
Balance as of June 30, 2026	137.1	$ 1	$ 6,612	$ 891	$ (149)	(101.8)	$ (10,743)	$ (3,388)	$ 14	$ (3,374)
Balance as of March 31, 2025	137.1	$ 1	$ 6,612	$ 1,524	$ (202)	(101.9)	$ (10,757)	$ (2,822)	$ 11	$ (2,811)
Comprehensive income (loss):										
Net income (loss)	—	—	—	4	—	—	—	4	1	5
Other comprehensive income (loss)	—	—	—	—	67	—	—	67	—	67
Total comprehensive income (loss)				4	67			71	1	72
Net activity related to restricted stock units	—	—	6	—	—	—	—	6	—	6
Balance as of June 30, 2025	137.1	$ 1	$ 6,618	$ 1,528	$ (135)	(101.9)	$ (10,757)	$ (2,745)	$ 12	$ (2,733)

	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 as of December 31, 2025	137.1	$ 1	$ 6,622	$ 1,139	$ (138)	(101.9)	$ (10,753)	$ (3,129)	$ 13	$ (3,116)
Comprehensive income (loss):										
Net income (loss)	—	—	—	(248)	—	—	—	(248)	2	(246)
Other comprehensive income (loss)	—	—	—	—	(11)	—	—	(11)	(1)	(12)
Total comprehensive income (loss)				(248)	(11)			(259)	1	(258)
Net activity related to restricted stock units	—	—	(10)	—	—	0.1	10	—	—	—
Balance as of June 30, 2026	137.1	$ 1	$ 6,612	$ 891	$ (149)	(101.8)	$ (10,743)	$ (3,388)	$ 14	$ (3,374)
Balance as of December 31, 2024	137.1	$ 1	$ 6,620	$ 2,029	$ (210)	(102.0)	$ (10,767)	$ (2,327)	$ 10	$ (2,317)
Comprehensive income (loss):										
Net income (loss)	—	—	—	(501)	—	—	—	(501)	2	(499)
Other comprehensive income (loss)	—	—	—	—	75	—	—	75	—	75
Total comprehensive income (loss)				(501)	75			(426)	2	(424)
Net activity related to restricted stock units	—	—	(2)	—	—	0.1	10	8	—	8
Balance as of June 30, 2025	137.1	$ 1	$ 6,618	$ 1,528	$ (135)	(101.9)	$ (10,757)	$ (2,745)	$ 12	$ (2,733)

See Notes to Condensed Consolidated Financial Statements (Unaudited).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Avis Budget Group, Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Unless otherwise noted, all dollar amounts 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 Condensed Consolidated 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 the 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 the areas in which we do not operate directly.

The operating results of acquired businesses are included in the accompanying Condensed Consolidated Financial Statements from the dates of acquisition. We consolidate joint venture activities when we have a controlling interest and record non-controlling interests within stockholders’ equity, temporary equity and the statement of comprehensive income equal to the percentage of ownership interest retained in such entities by the respective non-controlling party. Intercompany transactions have been eliminated in consolidation.

In presenting the Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), management makes estimates and assumptions that may 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 Condensed Consolidated 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 2025 Annual Report on Form 10-K (the “2025 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 2025 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 Condensed Consolidated Balance Sheets to the amounts shown in the Condensed Consolidated Statements of Cash Flows.

	As of June 30,	
	2026	**2025**
Cash and cash equivalents	$ 558	$ 541
Program cash	126	57
Restricted cash [(a)]	3	5
Total cash and cash equivalents, program and restricted cash	$ 687	$ 603

[(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 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.

Transaction-related costs, net. Transaction-related costs, net are classified separately in the Condensed Consolidated 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 our own 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. Currency gains and losses resulting from foreign currency transactions are generally included in operating expenses within the Condensed Consolidated Statements of Comprehensive Income; however, the net gain or loss of currency transactions on intercompany loans and the unrealized gain or loss on intercompany loan hedges are included within interest expense related to corporate debt, net.

Variable Interest Entities ("VIE") and Non-Controlling Interests. 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. We account for VIEs where we are not the primary beneficiary under the equity method.

Our former subsidiary, Avis Mobility Ventures LLC ("AMV"), is a VIE. We lack the ability to direct the significant activities of AMV and are not its primary beneficiary. As such, we account for AMV under the equity method. See Note 15 – Related Party Transactions for our VIE investment in our former subsidiary.

Interpace Ventures Transaction

On September 30, 2025, we received a contribution of $12 million from a non-controlling interest party ("Class A Member") in exchange for approximately 17% in a new joint venture establishing Interpace Ventures LLC ("Interpace Ventures"). On December 30, 2025, we completed the joint venture transaction and Interpace Ventures subsequently funded its wholly-owned subsidiary, Interpace Funding LLC ("Interpace Funding"), with the total contribution from both its Class A members, the third-party investors in the amount of $183 million, and the Company, as the Class B member. Interpace Funding was established to acquire, own, operate, manage, lease, and sell vehicles. This transaction was undertaken as part of our efforts to monetize a portion of our available tax credits. Additionally, in conjunction with this transaction, we reviewed our fleet strategy, specific to certain United States EV rental car vehicles, and as a result shortened the useful life associated with such vehicles.

We consolidate joint venture activities when we have a controlling financial interest. We determined that Interpace Ventures and its related subsidiaries are VIEs and that we are the primary beneficiary. In accordance with Accounting Standards Codification Topic 810-10, all entities created as a result of the Interpace Ventures transaction have been consolidated. Based on the substance of the transaction, the non-controlling interests are presented as temporary equity.

The Company has determined the allocation of economics between the controlling party and third-party investors should follow the hypothetical liquidation at book value ("HLBV") method of accounting, based on governing provisions in each respective limited liability company agreement, instead of respective ownership percentages. Under the HLBV method, the amounts of income and loss attributable to the non-controlling interest reflects changes in the amount the owners would hypothetically receive at each balance sheet date under the respective liquidation provisions, assuming the net assets of these entities were liquidated at the recorded amounts, after taking into account any capital transactions, such as contributions and distributions, between the entities and the owners.

As specified in the respective limited liability company agreements, the Class A members' interests are redeemable based upon events that are not solely within our control. As such, the non-controlling interests were classified as redeemable non-controlling interests of $147 million and $74 million and presented outside of permanent equity on the Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025, respectively. See Note 14 – Stockholders' Equity for the components of redeemable non-controlling interests.

Investments. As of June 30, 2026 and December 31, 2025, we had investments with a carrying value of $125 million and $130 million, respectively, recorded within other non-current assets on the Condensed Consolidated Balance Sheets. Aggregate realized gains and losses on equity method investments are recorded within operating expenses on the Condensed Consolidated Statements of Comprehensive Income. For the three months ended June 30, 2026 and 2025, we recorded net gains from our equity method investments of $4 million and $3 million, respectively. For the six months ended June 30, 2026 and 2025, we recorded net gains from our equity method investments of $5 million, in each period. In January 2026, we received an $8 million dividend, and in December 2025, we purchased additional shares for $1 million, relating to our equity method investment in our Greece licensee. See Note 15 – Related Party Transactions for our equity method investment in our former subsidiary, AMV.

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 $52 million and $50 million during the three months ended June 30, 2026 and 2025, respectively, and $98 million and $95 million during the six months ended June 30, 2026 and 2025, respectively.

The following table presents our revenues disaggregated by geography:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Americas	$ 2,288	$ 2,332	$ 4,250	$ 4,239
Europe, Middle East and Africa	551	564	926	925
Asia and Australasia	159	143	352	305
Total revenues	$ 2,998	$ 3,039	$ 5,528	$ 5,469

The following table presents our revenues disaggregated by brand:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Avis	$ 1,715	$ 1,718	$ 3,143	$ 3,090
Budget	1,136	1,133	2,088	2,018
Other [(a)]	147	188	297	361
Total revenues	$ 2,998	$ 3,039	$ 5,528	$ 5,469

[(a)] Other includes Zipcar and other operating brands.

Recently Issued Accounting Pronouncements

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, “Disaggregation of Income Statement Expenses,” which amends Topic 220 primarily through requiring disclosures, in the notes to financial statements, about certain costs and expenses. The amendments are effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted on a prospective or retrospective basis. ASU 2024-03 becomes effective for us on January 1, 2027. We are currently evaluating the impact of the adoption of this accounting pronouncement.

Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, “Targeted Improvements to the Accounting for Internal-Use Software,” which amends Topic 350 primarily to modernize the accounting for software costs. The amendments are effective for annual periods beginning after December 15, 2027, and interim periods within those annual periods. Early adoption is permitted as of the beginning of an annual period. A prospective, modified or retrospective transition approach is permitted. ASU 2025-06 becomes effective for us on an interim basis beginning on January 1, 2028. We are currently evaluating the impact of the adoption of this accounting pronouncement.

Hedge Accounting Improvements

In November 2025, the FASB issued ASU 2025-09, “Hedge Accounting Improvements,” which clarifies certain aspects of the guidance on hedge accounting and addresses several incremental hedge accounting issues arising from the global reference rate reform initiative. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods, with early adoption permitted on a prospective basis. ASU 2025-09 becomes effective for us on an interim basis beginning on January 1, 2027. We are currently evaluating the impact of the adoption of this accounting pronouncement.

Narrow-Scope Improvements

In December 2025, the FASB issued ASU 2025-11, “Narrow-Scope Improvements,” which clarifies interim disclosure requirements and the applicability of Topic 270. The amendments are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted on a prospective or retrospective basis. ASU 2025-11 becomes effective for us on an interim basis beginning on January 1, 2028. We are currently evaluating the impact of the adoption of this accounting pronouncement.

2. Leases

Lessor

The following table presents our lease revenues disaggregated by geography:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Americas	$ 2,265	$ 2,308	$ 4,206	$ 4,193
Europe, Middle East and Africa	527	543	882	885
Asia and Australasia	154	138	342	296
Total lease revenues	$ 2,946	$ 2,989	$ 5,430	$ 5,374

The following table presents our lease revenues disaggregated by brand:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Avis	$ 1,682	$ 1,687	$ 3,082	$ 3,032
Budget	1,123	1,120	2,063	1,994
Other [a]	141	182	285	348
Total lease revenues	$ 2,946	$ 2,989	$ 5,430	$ 5,374

[a] 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 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Property leases				
Operating lease expense	$ 245	$ 237	$ 492	$ 469
Variable lease expense	96	89	165	148
Total property lease expense [a]	$ 341	$ 326	$ 657	$ 617

[a] Primarily included within operating expenses.

Supplemental balance sheet information related to leases is as follows:

	As of June 30, 2026	As of December 31, 2025
Property leases		
Operating lease right-of-use assets	$ 3,197	$ 3,239
Short-term operating lease liabilities [a]	$ 621	$ 680
Long-term operating lease liabilities	2,632	2,614
Operating lease liabilities	$ 3,253	$ 3,294
Weighted average remaining lease term	8.1 years	7.6 years
Weighted average discount rate	5.45 %	5.35 %

[a] Included within accounts payable and other current liabilities.

Supplemental cash flow information related to leases is as follows:

	Six Months Ended June 30,	
	2026	2025
Cash payments for lease liabilities within operating activities:		
Property operating leases	$ 531	$ 474
Non-cash activities - increase in right-of-use assets in exchange for lease liabilities:		
Property operating leases	$ 497	$ 553

3. Restructuring and Other Related Charges

In 2024, we initiated a global restructuring plan to right size our operations ("Global Rightsizing"). The costs associated with this initiative are primarily related to the operational scaling of processes, locations, and lines of business. We expect further restructuring expense of approximately $9 million related to this initiative to be incurred this year.

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

	Personnel Related	Facility Related	Other	Total
Balance as of January 1, 2026	$ 19	$ 3	$ 29	$ 51
Restructuring expense:				
Global Rightsizing [a]	26	2	17	45
Restructuring payment/utilization:				
Global Rightsizing [a]	(31)	(2)	(44)	(77)
Balance as of June 30, 2026	$ 14	$ 3	$ 2	$ 19

[a] Other includes the disposition of vehicles.

	Americas	International	Total
Balance as of January 1, 2026	$ —	$ 51	$ 51
Restructuring expense:			
Global Rightsizing	13	32	45
Restructuring payment/utilization:			
Global Rightsizing	(12)	(65)	(77)
Balance as of June 30, 2026	$ 1	$ 18	$ 19

Other Related Charges

Officer Separation Costs

In February 2025, we announced that Joseph A. Ferraro, President and Chief Executive Officer, would transition to a Board Advisor role effective June 30, 2025. In connection with Mr. Ferraro's departure, for the three months ended June 30, 2026 and 2025 we recorded other related charges of $1 million and $8 million, respectively. For the six months ended June 30, 2026 and 2025, we recorded other related charges of $1 million and $8 million, respectively. We do not expect further expenses to be incurred this year.

Limited Voluntary Opportunity Plans ("LVOP")

During the first quarter of 2026, our Americas segment offered a voluntary termination program to certain employees in field operations and general and administrative functions for a limited time. These employees, if qualified, elected resignation from employment in return for enhanced severance benefits to be settled in cash. In connection with the LVOP, we recorded minimal other related charges for the three months ended June 30, 2026 and $7 million for the six months ended June 30, 2026. As of June 30, 2026, approximately 200 employees elected to participate in the plan and have been terminated.

4. Earnings Per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss) attributable to Avis Budget Group, Inc. for basic and diluted EPS	$ 35	$ 4	$ (248)	$ (501)
Basic weighted average shares outstanding	35.3	35.2	35.3	35.2
Non-vested stock [(a)]	0.4	0.2	—	—
Diluted weighted average shares outstanding [(b)]	35.7	35.4	35.3	35.2
Earnings (loss) per share				
Basic	$ 1.00	$ 0.10	$ (7.01)	$ (14.24)
Diluted [(c)]	$ 0.98	$ 0.10	$ (7.01)	$ (14.24)

(a) For the three months ended June 30, 2025, 0.1 million non-vested stock awards have an anti-dilutive effect and therefore have been excluded from the computation of diluted weighted average shares outstanding.

(b) For the six months ended June 30, 2026 and 2025, our number of diluted weighted average shares outstanding excludes the effect of non-vested stock as the effect would have been anti-dilutive. This occurs when a net loss is reported and the effect of using dilutive shares would be anti-dilutive. For the six months ended June 30, 2026 and 2025, 0.6 million and 0.4 million non-vested stock awards have an anti-dilutive effect and therefore have been excluded from the computation of diluted weighted average shares outstanding.

(c) Diluted earnings (loss) per share was computed using the treasury stock method for non-vested stock.

5. Other Current Assets

Other current assets consisted of:

	As of June 30, 2026	As of December 31, 2025
Sales and use taxes	$ 466	$ 246
Prepaid expenses [(a)]	219	163
Prepaid vehicle license and registration [(a)]	134	85
Other	195	202
Other current assets	$ 1,014	$ 696

(a) For the year ended December 31, 2025 balance, we reclassified $85 million of prepaid vehicle license and registration to conform to the current year presentation. This reclassification had no impact to other current assets.

6. Acquisitions

In February 2026, we completed the acquisition of a licensee in North America for approximately $46 million, plus approximately $1 million in acquired fleet, with approximately $16 million remaining to be paid through March 2027. This investment is in-line with our strategy to re-acquire licensees when advantageous to expand our footprint of Company-operated locations. In connection with this acquisition, approximately $43 million was recorded to other intangibles related to license agreements, which are being amortized over a weighted average useful life of approximately five years. The fair value of the assets acquired and liabilities assumed has not yet been finalized and is therefore subject to change.

7. Intangible Assets

Intangible assets consisted of:

	As of June 30, 2026			As of December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized Intangible Assets						
License agreements	$ 335	$ 250	$ 85	$ 296	$ 243	$ 53
Customer relationships	252	240	12	257	240	17
Other	55	51	4	56	51	5
Total	$ 642	$ 541	$ 101	$ 609	$ 534	$ 75
Unamortized Intangible Assets						
Goodwill	$ 1,115			$ 1,129		
Trademarks	$ 513			$ 514		

For the three months ended June 30, 2026 and 2025, amortization expense related to amortizable intangible assets was approximately $8 million and $5 million, respectively. For the six months ended June 30, 2026 and 2025, amortization expense related to amortizable intangible assets was approximately $15 million and $11 million, respectively.

Based on our amortizable intangible assets as of June 30, 2026, we expect amortization expense of approximately $15 million for the remainder of 2026, $24 million for 2027, $19 million for 2028, $16 million for 2029, $16 million for 2030 and $7 million for 2031, excluding effects of currency exchange rates.

8. Vehicle Rental Activities

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

	As of June 30, 2026	As of December 31, 2025
Rental vehicles [(a)]	$ 22,057	$ 21,011
Less: Accumulated depreciation	(2,846)	(2,859)
	19,211	18,152
Vehicles held for sale	207	432
Vehicles, net investment in lease [(b)]	171	136
Vehicles, net	$ 19,589	$ 18,720

(a) For the year ended December 31, 2025, reflects long-lived asset impairment and other related charges, which reduced the carrying value of our rental vehicles to fair value.
(b) See Note 15 – Related Party Transactions.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Depreciation expense	$ 623	$ 657	$ 1,273	$ 1,350
Lease charges	28	33	52	61
(Gain) loss on sale of vehicles, net [(a)]	(68)	(54)	(78)	280
Vehicle depreciation and lease charges, net	$ 583	$ 636	$ 1,247	$ 1,691

(a) For the six months ended June 30, 2025, includes other fleet charges of $390 million related to the disposal of certain fleet in our Americas reportable segment.

As of June 30, 2026 and 2025, we had payables related to vehicle purchases included in liabilities under vehicle programs - other of $664 million and $630 million, respectively, and receivables related to vehicle sales included in assets under vehicle programs - receivables from vehicle manufacturers and other of $190 million and $137 million, respectively.

9. Income Taxes

Our effective tax rate for the six months ended June 30, 2026 was a benefit of 36.0%. Such rate differed from the Federal Statutory rate of 21.0% primarily due to foreign income inclusions and foreign taxes associated with our International operations, as well as state taxes.

Our effective tax rate for the six months ended June 30, 2025 was a benefit of 24.6%. Such rate differed from the Federal Statutory rate of 21.0% primarily due to foreign taxes on our International operations and state taxes.

In July 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted, making permanent key provisions of the Tax Cuts and Jobs Act, including full expensing on qualified property, and modifications to the business interest expense limitation, as well as introducing phased-in modifications to certain foreign income inclusion provisions effective in 2026 and future periods. As a result of the enactment of OBBBA, our deferred tax balances as of June 30, 2026 reflect the new law. In addition, these phased-in provisions impacted our income tax expense and effective tax rate for the three and six months ended June 30, 2026; however, the overall impact on our condensed consolidated results of operations was not significant.

We continue to monitor the implementation of the Organisation for Economic Cooperation and Development (“OECD”) Pillar Two global minimum tax framework, including recent administrative guidance; however, it did not have a material impact on our condensed consolidated financial statements for the three and six months ended June 30, 2026.

10. Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of:

	As of June 30, 2026	As of December 31, 2025
Short-term operating lease liabilities	$ 621	$ 680
Accounts payable	573	453
Accrued sales and use taxes	419	391
Accrued advertising and marketing	259	246
Public liability and property damage insurance liabilities – current	252	284
Accrued interest	136	149
Deferred lease revenues - current	278	155
Accrued payroll and related	171	165
Other	365	342
Accounts payable and other current liabilities	$ 3,074	$ 2,865

11. Long-term Corporate Debt and Borrowing Arrangements

Long-term debt and other borrowing arrangements consisted of:

	Maturity Date	As of June 30, 2026	As of December 31, 2025
5.750% Senior Notes	July 2027	$ 348	$ 645
4.750% Senior Notes	April 2028	500	500
7.000% euro-denominated Senior Notes	February 2029	685	705
5.375% Senior Notes	March 2029	600	600
8.250% Senior Notes	January 2030	700	700
7.250% euro-denominated Senior Notes	July 2030	686	705
8.000% Senior Notes	February 2031	799	498
8.375% Senior Notes	June 2032	600	600
Floating Rate Term Loan [a]	July 2032	1,127	1,131
Other [b]		36	45
Deferred financing fees		(59)	(56)
Total		6,022	6,073
Less: Short-term debt and current portion of long-term debt		23	24
Long-term debt		$ 5,999	$ 6,049

(a) The floating rate term loan is part of our senior revolving credit facilities, 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 June 30, 2026, the floating rate term loan due 2032 bears interest at one-month Secured Overnight Financing Rate ("SOFR") plus 2.50%, for an aggregate rate of 6.14%. We have entered into a swap to hedge $750 million of interest rate exposure related to the floating rate term loan at an aggregate rate of 4.01%.

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

In May 2026, we issued an additional $300 million of 8.000% Senior Notes due February 2031. Net proceeds were used to redeem a portion of our 5.750% Senior Notes due July 2027.

In June 2026, we redeemed $300 million of our outstanding 5.750% Senior Notes due July 2027.

Committed Credit Facilities And Available Funding Arrangements

As of June 30, 2026, 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 2028 [a]	$ 200	$ —	$ —	$ 200
Senior revolving credit facility maturing 2031 [a]	$ 2,000	$ —	$ 1,729	$ 271

(a) The senior revolving credit facilities bear interest at one-month SOFR plus 2.00% and are part of our senior credit facilities, which include the floating rate term loan and the senior revolving credit facilities, and which are 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.

In June 2026, we refinanced our existing $2 billion senior revolving credit facility with a new $2 billion senior revolving credit facility with a maturity in June 2031 and also established a new $200 million senior revolving credit facility with a maturity in June 2028.

As of June 30, 2026, we have other uncommitted standby letter of credit facilities (“SBLC facilities”) with an additional letter of credit capacity of up to $464 million. As of June 30, 2026, letters of credit totaling $464 million have been issued on our SBLC facilities, which results in no remaining available capacity.

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 and/or liens by us and certain of our subsidiaries, acquisitions, mergers, liquidations, and sale and leaseback transactions. Our senior credit facilities also contain a maximum leverage ratio requirement. As of June 30, 2026, we were in compliance with the financial covenants governing our indebtedness.

12. 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 June 30, 2026	As of December 31, 2025
Americas - Debt due to Avis Budget Rental Car Funding [a]	$ 14,489	$ 14,447
Americas - Debt borrowings [b]	2,232	2,202
International - Debt borrowings [c]	3,055	2,480
International - Finance leases	155	130
Other	—	—
Deferred financing fees [d]	(81)	(71)
Total	$ 19,850	$ 19,188

(a) Includes approximately $780 million and $826 million of Class R notes as of June 30, 2026 and December 31, 2025, respectively, which are held by us.

(b) Includes our Repurchase Facilities and $694 million and $965 million associated with the Interpace Ventures transaction as of June 30, 2026 and December 31, 2025, respectively. See Note 1 – Basis of Presentation.

(c) In February 2026, we amended our European rental fleet securitization program to increase its capacity to approximately €2.1 billion and £250 million and extended the maturity of the program to February 2029.

(d) Deferred financing fees related to Debt due to Avis Budget Rental Car Funding as of June 30, 2026 and December 31, 2025 were $53 million and $51 million, respectively.

The following table provides a summary of debt issued by Avis Budget Rental Car Funding during the six months ended June 30, 2026:

Issuance Date		Maturity Date	Weighted Average Interest Rate	Amount Issued
March 2026	(a)	August 2027	6.36 %	$ 90
March 2026	(a)	June 2029	7.20 %	164
March 2026		August 2029	4.62 %	384
March 2026		August 2031	4.98 %	284
June 2026		April 2030	5.14 %	250
June 2026		December 2031	5.46 %	400
			5.35 %	$ 1,572

(a) In March 2026, Avis Budget Rental Car Funding issued additional notes under several previously outstanding series of debt.

We entered into several repurchase agreements (the "Repurchase Facilities") pursuant to which we may sell certain of our Class D notes issued by our wholly-owned subsidiary, Avis Budget Rental Car Funding (AESOP) LLC, to the Repurchase Facility's respective counterparty and repurchase such notes at a later date and subject to certain conditions set forth in the applicable Repurchase Facility. Transactions under the Repurchase Facilities may be extended at our sole discretion and the interest rate for such Repurchase Facility is simultaneously repriced in connection with such extensions.

The following table provides a summary of the Repurchase Facilities as of June 30, 2026:

Maturity Date	Interest Rate	Tenor	Amount Outstanding
August 2026	4.74 %	3 months	$ 39
September 2026	4.84 %	3 months	25
September 2026	4.84 %	3 months	39
September 2026	4.76 %	3 months	24
September 2026	4.76 %	3 months	42
September 2026	5.70 %	3 months	86
			$ 255

As of June 30, 2026, we had $326 million of securities pledged as collateral for the Repurchase Facilities, included within investment in Avis Budget Rental Car Funding (AESOP) LLC—related party on our Condensed Consolidated Balance Sheets.

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, as of June 30, 2026:

	Debt under Vehicle Programs [(a)]
Within 1 year [(b)]	$ 4,700
Between 1 and 2 years [(c)]	5,317
Between 2 and 3 years [(d)]	6,597
Between 3 and 4 years	1,639
Between 4 and 5 years	911
Thereafter	767
Total	$ 19,931

[(a)] Vehicle-backed debt primarily represents asset-backed securities.
[(b)] Includes $0.8 billion of bank and bank-sponsored facilities. These short-term borrowings have a weighted average interest rate of 4.81% as of June 30, 2026.
[(c)] Includes $2.4 billion of bank and bank-sponsored facilities.
[(d)] Includes $2.8 billion of bank and bank-sponsored facilities.

Committed Credit Facilities And Available Funding Arrangements

The following table presents available funding under our debt arrangements related to our vehicle programs, including related party debt due to Avis Budget Rental Car Funding, as of June 30, 2026:

	Total Capacity [(a)]	Outstanding Borrowings [(b)]	Available Capacity
Americas - Debt due to Avis Budget Rental Car Funding	$ 15,831	$ 14,489	$ 1,342
Americas - Debt borrowings	2,349	2,232	117
International - Debt borrowings	3,463	3,055	408
International - Finance leases	155	155	—
Total	$ 21,798	$ 19,931	$ 1,867

[(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 our asset-backed variable funding financing facilities. These facilities were most recently amended and extended in April 2026.
[(b)] The outstanding debt is collateralized by vehicles and related assets of $14.6 billion for Americas - Debt due to Avis Budget Rental Car Funding; $2.5 billion for Americas - Debt borrowings; $3.7 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 June 30, 2026, we are not aware of any instances of non-compliance with any of the financial or restrictive covenants contained in the debt agreements under our vehicle-backed funding programs.

13. Commitments and Contingencies

Contingencies

In 2006, we completed the spin-offs of our Realogy and Wyndham subsidiaries (now known as Anywhere Real Estate, Inc., and Wyndham Hotels and Resorts, Inc. and Travel + Leisure Co., respectively). 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

Anywhere Real Estate, Inc., Wyndham Hotels and Resorts, Inc. and Travel + Leisure Co. have agreed to assume responsibility for these liabilities.

We are also involved 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 September 2014, Dawn Valli et al. v. Avis Budget Group Inc., et al. was filed in U.S. District Court for the District of New Jersey. The plaintiffs seek to represent a purported nationwide class of certain renters of vehicles from our Avis and Budget subsidiaries from September 30, 2008 through the present. The plaintiffs seek damages in connection with claims relating to alleged misrepresentations and omissions concerning charging customers for traffic infractions and related administrative fees. In October 2023, plaintiffs' motion for class certification was denied as to their proposed nationwide class and granted as to a subclass, created at the Court's discretion, of Avis Preferred and Budget Fastbreak members. In February 2026, plaintiffs agreed to limit the class to the period from September 30, 2008 through April 2016. We have been named as a defendant in other purported consumer class action lawsuits, including a class action filed against us in New Jersey seeking damages in connection with a breach of contract claim, which the Company intends to vigorously defend.

On June 19, 2026, we entered into a Settlement and Release Agreement (the "Settlement Agreement") with Pentwater Capital Management LP and certain affiliated persons ("Pentwater") to settle our pending lawsuit against Pentwater for the recovery of short-swing profits under Section 16(b) of the Securities Exchange Act of 1934 (the "Section 16(b) Action"). Under the Settlement Agreement, the settlement amount is $650 million in cash (the "Settlement Amount"). The Settlement Agreement and payment to the Company of the Settlement Amount is subject to court approval, including the issuance of an order approving the terms of the settlement agreement and making a finding that, among other things, the Company has diligently pursued the claims raised in the Section 16(b) Action and that the Settlement Amount is fair, reasonable and adequate, and other customary conditions. As of June 30, 2026, no amount related to the Settlement Amount has been recognized in the Company's Condensed Consolidated Financial Statements, as receipt of the Settlement Amount remains contingent upon satisfaction of the conditions described above, including court approval.

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. In addition, we are a defendant in a number of legal proceedings for personal injury arising from the operation of our vehicles.

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 $40 million in excess of amounts accrued as of June 30, 2026. We do not believe that the impact should result in a material liability to us in relation to our consolidated financial condition, results of operations or cash flows.

Commitments to Purchase Vehicles

We maintain agreements with vehicle manufacturers under which we have agreed to purchase approximately $2.6 billion of vehicles from manufacturers over the next 12 months, a $4.2 billion decrease compared to December 31, 2025, 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 June 30, 2026 include risks related to our repurchase and guaranteed depreciation agreements with domestic and foreign automobile manufacturers, and primarily with respect to receivables for program cars that have been disposed of, but for which we have not yet received payment from the manufacturers.

14. Stockholders' Equity

Share Repurchases

Our Board of Directors has authorized the repurchase of up to approximately $8.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded, most recently in February 2023 (the "Stock Repurchase Program"). During the six months ended June 30, 2026 and 2025, we did not repurchase shares of common stock under the Stock Repurchase Program. As of June 30, 2026, approximately $757 million of authorization remained available to repurchase common stock under the Stock Repurchase Program.

Common stock repurchases under the Stock Repurchase Program do not include shares withheld to satisfy employees' income tax liabilities attributable to the vesting of restricted stock unit awards.

Total Comprehensive Income (Loss)

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	$ 63	$ 5	$ (171)	$ (499)
Less: Net income attributable to non-controlling interests	28	1	77	2
Net income (loss) attributable to Avis Budget Group, Inc.	35	4	(248)	(501)
Other comprehensive income (loss), net of tax				
Currency translation adjustments, net of tax of $(4), $30, $(10) and $44, respectively [(a)]	(13)	71	(7)	84
Net unrealized gain (loss) on cash flow hedges, net of tax of $0, $1, $1 and $4, respectively	(2)	(5)	(3)	(11)
Minimum pension liability adjustment, net of tax of $1, $0, $1 and $0, respectively	2	1	(1)	2
	(13)	67	(11)	75
Total comprehensive income (loss) attributable to Avis Budget Group, Inc.	$ 22	$ 71	$ (259)	$ (426)

(a) 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	Net Unrealized Gains (Losses) on Cash Flow Hedges [(a)]	Minimum Pension Liability Adjustment [(b)]	Accumulated Other Comprehensive Income (Loss)
Balance as of April 1, 2026	$ (42)	$ 13	$ (107)	$ (136)
Other comprehensive income (loss) before reclassifications	(13)	1	1	(11)
Gross (gains) losses reclassified		(4)	2	(2)
Tax on (gains) losses reclassified		1	(1)	—
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	(3)	1	(2)
Net current-period other comprehensive income (loss)	(13)	(2)	2	(13)
Balance as of June 30, 2026	$ (55)	$ 11	$ (105)	$ (149)
Balance as of April 1, 2025	$ (112)	$ 25	$ (115)	$ (202)
Other comprehensive income (loss) before reclassifications	71	(1)	—	70
Gross (gains) losses reclassified		(6)	2	(4)
Tax on (gains) losses reclassified		2	(1)	1
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	(4)	1	(3)
Net current-period other comprehensive income (loss)	71	(5)	1	67
Balance as of June 30, 2025	$ (41)	$ 20	$ (114)	$ (135)

	Currency Translation Adjustments	Net Unrealized Gains (Losses) on Cash Flow Hedges [(a)]	Minimum Pension Liability Adjustment [(b)]	Accumulated Other Comprehensive Income (Loss)
Balance as of January 1, 2026	$ (48)	$ 14	$ (104)	$ (138)
Other comprehensive income (loss) before reclassifications	(7)	3	(3)	(7)
Gross (gains) losses reclassified		(8)	3	(5)
Tax on (gains) losses reclassified		2	(1)	1
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	(6)	2	(4)
Net current-period other comprehensive income (loss)	(7)	(3)	(1)	(11)
Balance as of June 30, 2026	$ (55)	$ 11	$ (105)	$ (149)
Balance as of January 1, 2025	$ (125)	$ 31	$ (116)	$ (210)
Other comprehensive income (loss) before reclassifications	84	(3)	—	81
Gross (gains) losses reclassified		(11)	3	(8)
Tax on (gains) losses reclassified		3	(1)	2
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	(8)	2	(6)
Net current-period other comprehensive income (loss)	84	(11)	2	75
Balance as of June 30, 2025	$ (41)	$ 20	$ (114)	$ (135)

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 $53 million gain, net of tax, as of June 30, 2026 related to our hedge of our investment in euro-denominated foreign operations (See Note 17 – Financial Instruments).

(a) Amounts reclassified to interest expense.

(b) Amounts reclassified to selling, general and administrative expenses.

Redeemable Non-controlling Interests

The following tables present changes in our redeemable non-controlling interests:

		2026
Balance as of April 1	$	120
Net income (loss) [(a)]		27
Distributions		—
Balance as of June 30	$	147

		2026
Balance as of January 1	$	74
Net income (loss) [(a)]		75
Distributions		(2)
Balance as of June 30	$	147

[(a)] Represents the allocation of net income (loss) to the redeemable non-controlling interest holders under the HLBV method. See Note 1 – Basis of Presentation - Variable Interest Entities (“VIE”) and Non-Controlling Interests.

15. Related Party Transactions

Avis Mobility Ventures LLC

Avis Mobility Ventures LLC (“AMV”) is our former subsidiary. We ceased to have a controlling interest in AMV in 2022, and as a result we deconsolidated AMV from our financial statements. Our proportional share of AMV’s income or loss is included within other (income) expense, net in our Condensed Consolidated Statements of Comprehensive Income. In November 2025, we made a capital contribution of approximately $9 million to AMV. As of June 30, 2026, we own approximately 35% of AMV. We continue to provide vehicles, related fleet services, and certain administrative services to AMV to support their operations. The following tables provide amounts reported within our financial statements related to our equity method investment in AMV and these services.

The components of other (income) expense, net are summarized below:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
(Income) expense for services to AMV, net	$	(1)	$	4	$	3	$	8
(Income) loss on equity method investment in AMV, net		2		1		4		3
Other (income) expense, net	$	1	$	5	$	7	$	11

The following table provides amounts reported within our Condensed Consolidated Balance Sheets related to AMV:

	As of June 30, 2026		As of December 31, 2025	
Receivables from AMV [(a)]	$	7	$	6
Equity method investment in AMV [(b)]		26		30
Vehicles, net investment in lease with AMV [(c)]		171		136

[(a)] Included within other current assets.
[(b)] Included within other non-current assets.
[(c)] Included within vehicles, net. See Note 8 – Vehicle Rental Activities.

SRS Mobility Ventures, LLC

SRS Mobility Ventures, LLC is an affiliate of our largest shareholder, SRS Investment Management, LLC. SRS Mobility Ventures, LLC obtained a controlling interest in AMV in 2022. In November 2025, SRS Mobility Ventures, LLC made a capital contribution of approximately $16 million to AMV. As of June 30, 2026, they own approximately 65% of AMV.

16. Stock-Based Compensation

We recorded stock-based compensation expense of $6 million ($4 million, net of tax) and $6 million ($5 million, net of tax) during the three months ended June 30, 2026 and 2025, respectively. We recorded stock-based compensation expense of $7 million ($5 million, net of tax) and $12 million ($9 million, net of tax) during the six months ended June 30, 2026 and 2025, respectively.

As part of our declaration and payment of a special cash dividend in December 2023, we granted additional restricted stock units ("RSUs") to our award holders with unvested shares as a dividend equivalent, which has been deferred until, and will not be paid unless, the shares of stock underlying the award vest.

In March 2026, the Company granted market-based RSUs that vest based on the level of total shareholder return. The grant date fair value of the market-based RSUs incorporates the total shareholder return metric, which is estimated using a Monte Carlo simulation model to estimate the Company's ranking relative to an applicable stock index. The weighted average assumptions used in the Monte Carlo simulation model to calculate the fair value of the Company's stock unit awards are outlined in the table below.

	Six Months Ended June 30, 2026
Expected volatility of stock price	20.4 %
Risk-free interest rate	3.68 %
Valuation period	3 years
Dividend yield	— %

The activity related to stock units 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 as of January 1, 2026	419	$ 88.53		
Granted [(a)]	157	101.88		
Vested [(b)]	(162)	90.64		
Forfeited	(27)	84.81		
Outstanding and expected to vest as of June 30, 2026 [(c)]	387	$ 93.31	1.3	$ 57
Performance-based and market-based RSUs				
Outstanding as of January 1, 2026	556	$ 87.91		
Granted [(a)]	187	122.36		
Vested	—	—		
Forfeited	(219)	112.51		
Outstanding as of June 30, 2026	524	$ 89.94	1.8	$ 77
Outstanding and expected to vest as of June 30, 2026 [(c)]	124	$ 122.36	1.8	$ 18

(a) Reflects the maximum number of stock units assuming achievement of all time-, performance- and market-vesting criteria and does not include those for non-employee directors. The weighted-average fair value of time- and performance-based RSUs granted during the six months ended June 30, 2025 was $62.67 and $62.64, respectively.

(b) The total fair value of time-based RSUs vested during the six months ended June 30, 2026 was $15 million and the total fair value of time- and performance-based RSUs vested during the six months ended June 30, 2025 was $23 million.

(c) Aggregate unrecognized compensation expense related to time-, performance- and market-based RSUs amounted to $40 million and will be recognized over a weighted average vesting period of 1.4 years.

17. 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. 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 $14 million of gain 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 fuel. 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 June 30, 2026
Foreign exchange contracts	$ 1,984
Interest rate caps [(a)]	13,276
Interest rate swaps	750

(a) Represents $6.6 billion of interest rate caps sold and approximately $6.7 billion of interest rate caps purchased. These amounts exclude $0.2 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 are as follows:

	As of June 30, 2026		As of December 31, 2025	
	Fair Value, Asset Derivatives	Fair Value, Liability Derivatives	Fair Value, Asset Derivatives	Fair Value, Liability Derivatives
Derivatives designated as hedging instruments				
Interest rate swaps [a]	$ 14	$ —	$ 17	$ —
Derivatives not designated as hedging instruments				
Foreign exchange contracts [b]	1	20	4	4
Interest rate caps [c]	9	9	1	1
Total	$ 24	$ 29	$ 22	$ 5

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 14 – Stockholders' Equity.

(a) Included within other non-current assets or other non-current liabilities.
(b) Included within other current assets or other current liabilities.
(c) Included within assets under vehicle programs or liabilities under vehicle programs.

The effects of financial instruments recognized in our Condensed Consolidated Financial Statements are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Financial instruments designated as hedging instruments [a]				
Interest rate swaps [b]	$ (2)	$ (5)	$ (3)	$ (11)
Euro-denominated notes [c]	12	(87)	29	(128)
Financial instruments not designated as hedging instruments [d]				
Foreign exchange contracts [e]	(13)	29	(8)	26
Interest rate caps [f]	—	—	(1)	—
Total	$ (3)	$ (63)	$ 17	$ (113)

(a) Recognized, net of tax, as a component of accumulated 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 14 – Stockholders' Equity for amounts reclassified from accumulated other comprehensive income (loss) into earnings.
(c) Classified as a net investment hedge within currency translation adjustments 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) Primarily included within interest expense.
(f) Primarily included within vehicle interest, net.

Debt Instruments

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

	As of June 30, 2026		As of December 31, 2025	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Corporate debt				
Short-term debt and current portion of long-term debt	$ 23	$ 23	$ 24	$ 24
Long-term debt	5,999	6,115	6,049	6,214
Debt under vehicle programs				
Vehicle-backed debt due to Avis Budget Rental Car Funding	$ 14,436	$ 14,568	$ 14,396	$ 14,634
Vehicle-backed debt	5,405	5,439	4,791	4,822
Interest rate swaps and interest rate caps [(a)]	9	9	1	1

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[(a)] Derivatives in a liability position.

18. Segment Information

Our chief executive officer, who also serves as our chief operating decision-maker (“CODM”), assesses performance and allocates resources based upon the separate financial information of our operating segments. We aggregate certain of our operating segments into our reportable segments. In identifying our reportable segments, we also consider the management structure of the organization, the nature of services provided by our operating segments, the geographical areas and economic characteristics in which the segments operate, and other relevant factors.

Our CODM evaluates the operating results of each of our reportable segments based upon revenues and Adjusted EBITDA, which we define as income (loss) from continuing operations before non-vehicle related depreciation and amortization; long-lived asset impairment and other related charges; other fleet charges; restructuring and other related charges; early extinguishment of debt costs; non-vehicle related interest; transaction-related costs, net; legal matters, net, which primarily includes amounts recorded in excess of $5 million, related to unprecedented self-insurance reserves for allocated loss adjustment expense, class action lawsuits and personal injury matters; non-operational charges related to shareholder activist activity, which includes third-party advisory, legal and other professional fees; COVID-19 charges, net; cloud computing costs; other (income) expense, net; severe weather-related damages in excess of $5 million, net of insurance proceeds; and income taxes.

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.

Provided below is information about our revenues, significant segment expenses, and reportable segment Adjusted EBITDA, together with a reconciliation of reportable segment Adjusted EBITDA to income (loss) before income taxes.

	Three Months Ended June 30,					
	2026			2025		
	Americas	International	Total	Americas	International	Total
Revenues	$ 2,288	$ 710	$ 2,998	$ 2,332	$ 707	$ 3,039
Significant segment expenses:						
Operating [(a)]	1,170	341		1,169	329	
Vehicle depreciation and lease charges, net	443	140		484	152	
Selling, general and administrative	241	121		264	110	
Vehicle interest, net	197	35		195	34	
Reportable segment Adjusted EBITDA	$ 237	$ 73	$ 310	$ 220	$ 82	$ 302

Reconciliation of reportable segment Adjusted EBITDA to income before income taxes:

	2026	2025
Reportable segment Adjusted EBITDA	$ 310	$ 302
Non-vehicle related depreciation and amortization	58	60
Interest expense related to corporate debt, net:		
Interest expense	2	4
Restructuring and other related charges	17	51
Other (income) expense, net	1	5
Other segment expenses [(b)]	—	12
Corporate and other [(c)]	159	155
Income before income taxes	$ 73	$ 15

(a) Excludes other segment expenses.
(b) Cloud computing costs and legal matters, net for the three months ended June 30, 2025.
(c) Consists of unallocated corporate expenses which are not attributable to a particular reportable segment. For the three months ended June 30, 2026 and 2025, includes $106 million of interest expense, in each period.

	Six Months Ended June 30,					
	2026			2025		
	Americas	International	Total	Americas	International	Total
Revenues	$ 4,250	$ 1,278	$ 5,528	$ 4,239	$ 1,230	$ 5,469
Significant segment expenses:						
Operating [(a)]	2,260	657		2,233	603	
Vehicle depreciation and lease charges, net [(b)]	975	272		1,017	284	
Selling, general and administrative	464	222		464	197	
Vehicle interest, net	394	67		372	67	
Reportable segment Adjusted EBITDA	$ 157	$ 60	$ 217	$ 153	$ 79	$ 232

Reconciliation of reportable segment Adjusted EBITDA to loss before income taxes:	2026	2025
Reportable segment Adjusted EBITDA	$ 217	$ 232
Non-vehicle related depreciation and amortization	116	115
Interest expense related to corporate debt, net:		
Interest expense	7	6
Other fleet charges	—	390
Restructuring and other related charges	52	73
Transaction-related costs, net	4	—
Other (income) expense, net	7	11
Other segment expenses [(c)]	1	13
Corporate and other [(d)]	297	286
Loss before income taxes	$ (267)	$ (662)

(a) Excludes other segment expenses.
(b) For the six months ended June 30, 2025, excludes other fleet charges related to the disposal of certain fleet within our Americas reportable segment.
(c) Cloud computing costs for the six months ended June 30, 2026. Cloud computing cost and legal matters, net for the six months ended June 30, 2025.
(d) Consists of unallocated corporate expenses which are not attributable to a particular reportable segment. For the six months ended June 30, 2026 and 2025, includes $210 million and $201 million of interest expense, respectively.

Provided below is information about our segment assets.

	Americas	International	Unallocated Assets [a]	Total
Six Months Ended June 30, 2026				
Property and equipment additions	$ 35	$ 20	$ 54	$ 109
As of June 30, 2026				
Assets exclusive of assets under vehicle programs	7,340	3,187	336	10,863
Assets under vehicle programs	17,099	4,366	—	21,465
Net long-lived assets	1,491	784	210	2,485
Year Ended December 31, 2025				
Property and equipment additions	$ 79	$ 36	$ 103	$ 218
As of December 31, 2025				
Assets exclusive of assets under vehicle programs	7,070	2,951	285	10,306
Assets under vehicle programs	17,312	3,639	—	20,951
Net long-lived assets	1,470	805	191	2,466

[a] Includes unallocated corporate assets which are not attributable to a particular reportable segment.

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

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying Notes included in this Quarterly Report on Form 10-Q and with our 2025 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 665,000 vehicles in second quarter 2026. 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 (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 the areas in which we do not operate directly; and *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 the areas in which we do not operate directly.

Business and Trends

Our strategy remains centered on driving sustainable growth through operational efficiency, analytics, customer experience and innovation. Additionally, during the fourth quarter of the fiscal year ended December 31, 2025, in conjunction with the Interpace Ventures transaction, we reviewed our fleet strategy, specific to certain United States EV rental car vehicles, and as a result shortened the useful life associated with such vehicles. We believe our strategies will continue to reinforce our competitive position, support long-term profitability, and deliver value to our stakeholders. During the three months ended June 30, 2026, we generated revenues of $3.0 billion, net income of $63 million and Adjusted EBITDA of $286 million. These results were primarily driven by lower per-unit fleet costs and increased revenue per day, partially offset by decreased volume.

We continue to be susceptible to a number of industry-specific and global macroeconomic factors that may cause our actual results of operations to differ from our historical results of operations or current expectations. The factors and trends that we currently believe are or will be most impactful to our results of operations and financial condition include the following: interest rates, inflationary impact on items such as commodity prices and wages, cost of new vehicles, used car values, increases in the number of personal injury claims and cost per incident, government shutdowns, manufacturer recalls, and an economic downturn that may impact travel demand, all of which may be exacerbated by ongoing military conflicts, including in the Middle East and Eastern Europe. Additionally, uncertainty remains with respect to tariffs and tax regulations, and this uncertainty has had and may continue to have impacts on our operations. We continue to monitor the potential favorable or unfavorable impacts of these and other factors on our business, operations, financial condition, and future results of operations and cash flows.

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 being 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 period 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. We aggregate certain of our operating segments into our reportable segments. In identifying our reportable segments, we also consider the management structure of the organization, the nature of services provided by our operating segments, the geographical areas and economic characteristics in which the 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 (loss) from continuing operations before non-vehicle related depreciation and amortization; long-lived asset impairment and other related charges; other fleet charges; restructuring and other related charges; early extinguishment of debt costs; non-vehicle related interest; transaction-related costs, net; legal matters, net, which primarily includes amounts recorded in excess of $5 million, related to unprecedented self-insurance reserves for allocated loss adjustment expense, class action lawsuits and personal injury matters; non-operational charges related to shareholder activist activity, which includes third-party advisory, legal and other professional fees; COVID-19 charges, net; cloud computing costs; other (income) expense, net; severe weather-related damages in excess of $5 million, net of insurance proceeds; and income taxes.

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 six months ended June 30, 2026:

- Our revenues totaled $5.5 billion, an increase of $59 million year-over-year, primarily due to increased revenue per day, partially offset by decreased volume.
- Our net loss attributable to Avis Budget Group, Inc. was $248 million, representing a decreased loss of $253 million year-over-year, primarily due to increased revenue per day and decreased fleet charges.
- Our Adjusted EBITDA was $173 million, representing a decrease of $11 million year-over-year.

Three Months Ended June 30, 2026 vs. Three Months Ended June 30, 2025

Our condensed consolidated results of operations comprised of the following:

	Three Months Ended June 30,			
	2026	**2025**	**$ Change**	**% Change**
Revenues	$ 2,998	$ 3,039	$ (41)	(1%)
Expenses				
Operating	1,526	1,526	—	—%
Vehicle depreciation and lease charges, net	583	636	(53)	(8%)
Selling, general and administrative	385	396	(11)	(3%)
Vehicle interest, net	232	229	3	1%
Non-vehicle related depreciation and amortization	60	60	—	—%
Interest expense related to corporate debt, net:				
Interest expense	108	110	(2)	(2%)
Early extinguishment of debt	3	3	—	—%
Restructuring and other related charges	18	59	(41)	(69%)
Transaction-related costs, net	9	—	9	n/m
Other (income) expense, net	1	5	(4)	(80%)
Total expenses	2,925	3,024	(99)	(3%)
Income before income taxes	73	15	58	n/m
Provision for income taxes	10	10	—	—%
Net income	63	5	58	n/m
Less: Net income attributable to non-controlling interests	28	1	27	n/m
Net income attributable to Avis Budget Group, Inc.	$ 35	$ 4	31	n/m

n/m - Not Meaningful

Revenues decreased $41 million during the three months ended June 30, 2026 compared to the similar period in 2025, primarily due to a 2% decrease in volume, partially offset by a $20 million positive impact from currency exchange rate movements. Total expenses decreased 3% during the three months ended June 30, 2026 compared to the similar period in 2025, primarily due to lower fleet costs. Our effective tax rates were a provision of 13.7% and 66.7% for the three months ended June 30, 2026 and 2025, respectively. As a result of these items, our net income attributable to Avis Budget Group, Inc. increased by $31 million compared to the similar period in 2025. For the three months ended June 30, 2026 and 2025, we reported diluted earnings per share of $0.98 and $0.10, respectively.

Operating expenses increased to 50.9% of revenue during the three months ended June 30, 2026 compared to 50.2% during the similar period in 2025, primarily due to increased facilities costs and decreased revenue, partially offset by decreased fleet operating costs. Vehicle depreciation and lease charges decreased to 19.4% of revenue during the three months ended June 30, 2026 compared to 20.9% during the similar period in 2025, primarily due to decreased per-unit fleet costs, excluding exchange rate effects, driven by an increase in the gain on sale of vehicles. Selling, general and administrative costs were 12.9% of revenue during the three months ended June 30, 2026 compared to 13.0% during the similar period in 2025. Vehicle interest costs were 7.7% of revenue during the three months ended June 30, 2026 compared to 7.6% during the similar period in 2025.

Table of Contents

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

	Three Months Ended June 30,			
	2026		2025	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Americas	$ 2,288	$ 237	$ 2,332	$ 220
International	710	73	707	82
Corporate and other [(a)]	—	(24)	—	(25)
Total Company	$ 2,998	$ 286	$ 3,039	$ 277

Reconciliation of net income to Adjusted EBITDA:

	2026	2025
Net income	$ 63	$ 5
Provision for income taxes	10	10
Income before income taxes	73	15
Non-vehicle related depreciation and amortization	60	60
Interest expense related to corporate debt, net:		
Interest expense	108	110
Early extinguishment of debt	3	3
Restructuring and other related charges	18	59
Transaction-related costs, net	9	—
Other (income) expense, net [(b)]	1	5
Legal matters, net [(c)]	3	12
Cloud computing costs [(d)]	11	13
Adjusted EBITDA	$ 286	$ 277

(a) Includes unallocated corporate expenses which are not attributable to a particular segment.

(b) Primarily consists of gains or losses related to our equity method investment in a former subsidiary, offset by fleet related and certain administrative services provided to the same former subsidiary.

(c) Consists of $2 million and $1 million reported within selling, general, and administrative expenses for the three months ended June 30, 2026 and 2025, respectively and $1 million and $11 million reported within operating expenses for the three months ended June 30, 2026 and 2025, respectively.

(d) Reported within operating expenses.

Americas

	Three Months Ended June 30,		
	2026	2025	% Change
Revenues	$ 2,288	$ 2,332	(2%)
Adjusted EBITDA	237	220	8%

Revenues decreased during the three months ended June 30, 2026 compared to the similar period in 2025, primarily due to a 2% decrease in volume and a $1 million negative impact from currency exchange rate movements.

Operating expenses increased to 51.2% of revenue during the three months ended June 30, 2026 compared to 50.6% during the similar period in 2025, primarily due to increased facilities costs and decreased revenue, partially offset by decreased fleet operating costs. Vehicle depreciation and lease charges decreased to 19.3% of revenue during the three months ended June 30, 2026 compared to 20.8% during the similar period in 2025, primarily due to decreased per-unit fleet costs, excluding exchange rate effects, driven by an increase in the gain on sale of vehicles. Selling, general and administrative costs decreased to 10.5% of revenue during the three months ended June 30, 2026 compared to 11.3% during the similar period in 2025, primarily due to decreased commissions and marketing costs. Vehicle interest costs were 8.6% of revenue during the three months ended June 30, 2026 compared to 8.4% during the similar period in 2025.

Adjusted EBITDA increased during the three months ended June 30, 2026 compared to the similar period in 2025, primarily due to decreased vehicle depreciation and lease charges and selling, general and administrative costs, partially offset by decreased volume and a $1 million negative impact from currency exchange rate movements.

International

	Three Months Ended June 30,		
	2026	**2025**	**% Change**
Revenues	$ 710	$ 707	—%
Adjusted EBITDA	73	82	(11%)

Revenues increased during the three months ended June 30, 2026 compared to the similar period in 2025, primarily due to a $21 million positive impact from currency exchange rate movements, offset by a 3% decrease in volume.

Operating expenses increased to 48.1% of revenue during the three months ended June 30, 2026 compared to 46.7% during the similar period in 2025, primarily due to increased facilities costs. Vehicle depreciation and lease charges decreased to 19.7% of revenue during the three months ended June 30, 2026 compared to 21.4% during the similar period in 2025, primarily due to decreased per-unit fleet costs, excluding exchange rate effects, driven by decreased fleet levels. Selling, general and administrative costs increased to 17.0% of revenue during the three months ended June 30, 2026 compared to 15.5% during the similar period in 2025, primarily due to increased commissions and marketing costs. Vehicle interest costs were 4.9% of revenue during the three months ended June 30, 2026 compared to 4.9% during the similar period in 2025.

Adjusted EBITDA decreased during the three months ended June 30, 2026 compared to the similar period in 2025, primarily due to increased operating expenses and selling, general and administrative costs.

Six Months Ended June 30, 2026 vs. Six Months Ended June 30, 2025

Our condensed consolidated results of operations comprised of the following:

	Six Months Ended June 30,			
	2026	**2025**	**$ Change**	**% Change**
Revenues	$ 5,528	$ 5,469	$ 59	1%
Expenses				
Operating	2,948	2,879	69	2%
Vehicle depreciation and lease charges, net	1,247	1,691	(444)	(26%)
Selling, general and administrative	726	704	22	3%
Vehicle interest, net	461	439	22	5%
Non-vehicle related depreciation and amortization	118	116	2	2%
Interest expense related to corporate debt, net:				
Interest expense	217	207	10	5%
Early extinguishment of debt	3	3	—	—%
Restructuring and other related charges	53	81	(28)	(35%)
Transaction-related costs, net	15	—	15	n/m
Other (income) expense, net	7	11	(4)	(36%)
Total expenses	5,795	6,131	(336)	(5%)
Loss before income taxes	(267)	(662)	395	60%
Benefit from income taxes	(96)	(163)	67	41%
Net loss	(171)	(499)	328	66%
Less: Net income attributable to non-controlling interests	77	2	75	n/m
Net loss attributable to Avis Budget Group, Inc.	$ (248)	$ (501)	$ 253	50%

n/m - Not Meaningful

Revenues increased $59 million during the six months ended June 30, 2026 compared to the similar period in 2025, primarily due to a 1% increase in revenue per day, excluding exchange rate effects, and a $71 million positive impact from currency exchange rate movements, partially offset by a 2% decrease in volume. Total expenses decreased 5% during the six months ended June 30, 2026 compared to the similar period in 2025, primarily due to other fleet charges related to the disposal of certain fleet in our Americas reportable segment recorded in 2025. Our effective tax rates were a benefit of 36.0% and 24.6% for the six months ended June 30, 2026 and 2025, respectively. As a result of these items, our net loss attributable to Avis Budget Group, Inc. resulted in a decrease of $253 million compared to the similar period in 2025. For the six months ended June 30, 2026 and 2025, we reported diluted loss per share of $7.01 and $14.24, respectively.

Operating expenses increased to 53.3% of revenue during the six months ended June 30, 2026 compared to 52.6% during the similar period in 2025, primarily due to increased facilities costs. Vehicle depreciation and lease charges decreased to 22.5% of revenue during the six months ended June 30, 2026 compared to 30.9% during the similar period in 2025, primarily due to other fleet charges related to the accelerated disposal of certain fleet in our Americas reportable segment recorded in 2025. Selling, general and administrative costs were 13.1% of revenue during the six months ended June 30, 2026 compared to 12.9% during the similar period in 2025. Vehicle interest costs increased to 8.3% of revenue during the six months ended June 30, 2026 compared to 8.0% during the similar period in 2025, primarily due to increased interest rates, partially offset by decreased fleet levels.

Following is a more detailed discussion of the results of each of our reportable segments and corporate and other, together with a reconciliation of net loss to Adjusted EBITDA:

	Six Months Ended June 30,			
	2026		2025	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Americas	$ 4,250	$ 157	$ 4,239	$ 153
International	1,278	60	1,230	79
Corporate and other [(a)]	—	(44)	—	(48)
Total Company	$ 5,528	$ 173	$ 5,469	$ 184

Reconciliation of net loss to Adjusted EBITDA:

	2026	2025
Net loss	$ (171)	$ (499)
Benefit from income taxes	(96)	(163)
Loss before income taxes	(267)	(662)
Non-vehicle related depreciation and amortization	118	116
Interest expense related to corporate debt, net:		
Interest expense	217	207
Early extinguishment of debt	3	3
Other fleet charges [(b)]	—	390
Restructuring and other related charges	53	81
Transaction-related costs, net	15	—
Other (income) expense, net [(c)]	7	11
Legal matters, net [(d)]	4	13
Cloud computing costs [(e)]	23	25
Adjusted EBITDA	$ 173	$ 184

(a) Includes unallocated corporate expenses which are not attributable to a particular segment.

(b) Costs reported within vehicle depreciation and lease charges, net related to the disposal of certain fleet in our Americas reportable segment.

(c) Primarily consists of gains or losses related to our equity method investment in a former subsidiary, offset by fleet related and certain administrative services provided to the same former subsidiary.

(d) Consists of $3 million and $2 million reported within selling, general and administrative expenses for the six months ended June 30, 2026 and 2025, respectively and $1 million and $11 million reported within operating expenses for the six months ended June 30, 2026 and 2025, respectively.

(e) Reported within operating expenses.

Americas

	Six Months Ended June 30,		
	2026	2025	% Change
Revenues	$ 4,250	$ 4,239	—%
Adjusted EBITDA	157	153	3%

Revenues increased during the six months ended June 30, 2026 compared to the similar period in 2025, primarily due to a 1% increase in revenue per day, excluding exchange rate effects and a $2 million positive impact from currency exchange rate movements, partially offset by a 1% decrease in volume.

Operating expenses increased to 53.2% of revenue during the six months ended June 30, 2026 compared to 52.9% during the similar period in 2025, primarily due to increased facilities costs. Vehicle depreciation and lease charges decreased to 22.9% of revenue during the six months ended June 30, 2026 compared to 33.2% during the similar period in 2025, primarily due to other fleet charges related to the accelerated disposal of certain fleet recorded in 2025. Selling, general and administrative costs were 10.9% of revenue during the six months ended

June 30, 2026 compared to 10.9% during the similar period in 2025. Vehicle interest costs increased to 9.3% of revenue during the six months ended June 30, 2026 compared to 8.8% during the similar period in 2025, primarily due to increased interest rates, partially offset by decreased fleet levels.

Adjusted EBITDA increased during the six months ended June 30, 2026 compared to the similar period in 2025, primarily due to increased revenue per day, excluding exchange rate effects and decreased vehicle depreciation and lease charges, partially offset by increased operating expenses and vehicle interest costs, and a $1 million negative impact from currency exchange rate movements.

International

	Six Months Ended June 30,		
	2026	2025	% Change
Revenues	$ 1,278	$ 1,230	4%
Adjusted EBITDA	60	79	(24%)

Revenues increased during the six months ended June 30, 2026 compared to the similar period in 2025, primarily due to a $69 million positive impact from currency exchange rate movements and a 2% increase in revenue per day, excluding exchange rate effects, partially offset by a 3% decrease in volume.

Operating expenses increased to 51.4% of revenue during the six months ended June 30, 2026 compared to 49.2% during the similar period in 2025, primarily due to increased fleet operating and facilities costs. Vehicle depreciation and lease charges decreased to 21.2% of revenue during the six months ended June 30, 2026 compared to 23.0% during the similar period in 2025, primarily due to decreased per-unit fleet costs, excluding exchange rate effects, driven by decreased fleet levels, partially offset by increased revenue. Selling, general and administrative costs increased to 17.4% of revenue during the six months ended June 30, 2026 compared to 16.0% during the similar period in 2025, primarily due to increased commissions, marketing and other general and administrative costs. Vehicle interest costs decreased to 5.2% of revenue during the six months ended June 30, 2026 compared to 5.5% during the similar period in 2025, primarily due to decreased fleet levels and sustained interest rates.

Adjusted EBITDA decreased during the six months ended June 30, 2026 compared to the similar period in 2025, primarily due to increased operating expenses and selling, general and administrative costs and a $5 million negative impact from currency exchange rate movements, partially offset by increased revenue per day, excluding exchange rate effects.

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

	June 30, 2026	December 31, 2025	$ Change
Total assets exclusive of assets under vehicle programs	$ 10,863	$ 10,306	$ 557
Total liabilities exclusive of liabilities under vehicle programs	12,200	12,047	153
Assets under vehicle programs	21,465	20,951	514
Liabilities under vehicle programs	23,355	22,252	1,103
Redeemable non-controlling interests	147	74	73
Total stockholders’ equity	(3,374)	(3,116)	(258)

The increase in total assets exclusive of assets under vehicle programs is primarily due to our deferred income taxes as well as sales and use taxes in other current assets. See Note 5 – Other Current Assets and Note 9 – Income Taxes.

The increases in assets under vehicle programs and liabilities under vehicle programs are primarily due to the increase in the cost of our rental fleet and related debt.

The increase in redeemable non-controlling interests is due to net income allocated to the interest holders of the Interpace Ventures transaction. See Note 14 – Stockholders' Equity for the components of redeemable non-controlling interests. The decrease in total stockholders' equity is primarily due to our net loss.

LIQUIDITY AND CAPITAL RESOURCES

Overview

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.

During 2026, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued approximately $1,572 million of asset-backed notes with expected final payment dates ranging from August 2027 to December 2031 and a weighted average interest rate of 5.35%. Avis Budget Rental Car Funding (AESOP) LLC has also amended and extended its asset-backed variable funding financing facilities, most recently in April 2026. The proceeds from these borrowings were used to fund the repayment of maturing vehicle-backed debt and the acquisition of rental cars in the United States.

In February 2026, we amended our European rental fleet securitization program to increase its capacity to approximately €2.1 billion and £250 million and extended the maturity of the program to February 2029.

In March 2026, we entered into an Equity Distribution Agreement with certain sales agents, in which we may sell, from time to time through or to the sales agents, as our agents or as principals, up to 5 million shares of our common stock (the "ATM Program"). The sales, if any, of the shares of our common stock made under the Equity Distribution Agreement may be made in sales deemed to be "at-the-market offerings." As of June 30, 2026, we have not sold any shares of our common stock under the ATM Program.

In May 2026, we issued an additional $300 million of 8.000% Senior Notes due February 2031. Net proceeds were used to redeem a portion of our 5.750% Senior Notes due July 2027.

In June 2026, we redeemed $300 million of our outstanding 5.750% Senior Notes due July 2027.

In June 2026, we refinanced our existing $2 billion senior revolving credit facility with a new $2 billion senior revolving credit facility with a maturity in June 2031 and also established a new $200 million senior revolving credit facility with a maturity in June 2028.

Our Board of Directors has authorized the repurchase of up to approximately $8.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded, most recently in February 2023 (the "Stock Repurchase Program"). 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 Stock Repurchase Program may be suspended, modified or discontinued at any time without prior notice. The Stock Repurchase Program has no set expiration or termination date. During the six months ended June 30, 2026, we did not repurchase shares of common stock under the Stock Repurchase Program. As of June 30, 2026, approximately $757 million of authorization remained available to repurchase common stock under the Stock Repurchase Program.

CASH FLOWS

The following table summarizes our cash flows:

	Six Months Ended June 30,		
	2026	2025	$ Change
Cash provided by (used in):			
Operating activities	$ 1,066	$ 1,456	$ (390)
Investing activities	(1,611)	(3,956)	2,345
Financing activities	623	2,471	(1,848)
Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash	(9)	35	(44)
Net change in cash and cash equivalents, program and restricted cash	69	6	63
Cash and cash equivalents, program and restricted cash, beginning of period	618	597	21
Cash and cash equivalents, program and restricted cash, end of period	$ 687	$ 603	$ 84

Cash provided by operating activities during the six months ended June 30, 2026 decreased when compared with the similar period in 2025, primarily due to changes in the components of working capital.

Cash used in investing activities during the six months ended June 30, 2026 decreased when compared with the similar period in 2025, primarily due to the increase in our proceeds received on vehicle sales and the decrease in our investment in vehicles.

Cash provided by financing activities during the six months ended June 30, 2026 decreased when compared with the similar period in 2025, primarily due to the decrease in both our corporate borrowings and borrowings under vehicle programs.

DEBT AND FINANCING ARRANGEMENTS

As of June 30, 2026, we had approximately $25.9 billion of indebtedness, including corporate indebtedness of approximately $6.0 billion and debt under vehicle programs of approximately $19.9 billion. For information regarding our debt and borrowing arrangements, see Note 1 – Basis of Presentation, Note 11 – Long-term Corporate Debt and Borrowing Arrangements and Note 12 – Debt Under Vehicle Programs and Borrowing Arrangements to our Condensed Consolidated 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 facilities, and other financing activities.

Our liquidity has in the past been, and could in the future be, negatively affected by any financial market disruptions, a worsening of the United States and worldwide economies or by increases in interest rates, 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, including due to a decrease in the fair value of our fleet, 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 June 30, 2026, we had $558 million of available cash and cash equivalents and access to $471 million of available borrowing capacity under our revolving credit facilities providing us with access to approximately $1,029 million 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 June 30, 2026, 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 2025 Form 10-K.

CONTRACTUAL OBLIGATIONS

Our future contractual obligations have not changed significantly from the amounts reported within our 2025 Form 10-K with the exception of our commitment to purchase vehicles, which decreased by approximately $4.2 billion from December 31, 2025, to approximately $2.6 billion as of June 30, 2026 due to existing fleet levels. 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 Note 11 – Long-term Corporate Debt and Borrowing Arrangements and Note 12 – Debt Under Vehicle Programs and Borrowing Arrangements to our Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING ESTIMATES

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 (GAAP), we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they relate to future events and/or events that are outside of our control. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our consolidated results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented within the section titled “Critical Accounting Estimates” of our 2025 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 complex judgments that could potentially affect 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.

New Accounting Standards

For detailed information regarding new accounting standards and their impact on our business, see Note 1 – Basis of Presentation to our Condensed Consolidated 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 fuel 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 June 30, 2026 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 fuel. 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 fuel would not have a material impact on our earnings for the period ended June 30, 2026. For additional information regarding our long-term borrowings and financial instruments, see Note 11 – Long-term Corporate Debt and Borrowing Arrangements, Note 12 – Debt Under Vehicle Programs and Borrowing Arrangements and Note 17 – Financial Instruments to our Condensed Consolidated 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 June 30, 2026.

(b) *Changes in Internal Control Over Financial Reporting.* During the second quarter of 2026, there was 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 13 – Commitments and Contingencies to our Condensed Consolidated Financial Statements and refer to our 2025 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

During the quarter ended June 30, 2026, we had no material developments to report with respect to our risk factors. For additional information regarding our risk factors, please refer to our 2025 Form 10-K.

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

Our Board of Directors has authorized the repurchase of up to approximately $8.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded, most recently in February 2023 (the “Stock Repurchase Program”). Under our Stock Repurchase Program, we may 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 “Exchange Act”). The timing and amount of repurchase transactions is determined by 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 without prior notice. During the second quarter of 2026, no common stock repurchases were made under the Stock Repurchase Program. As of June 30, 2026, approximately $757 million of authorization remained available to repurchase common stock under the Stock Repurchase Program.

Item 5. Other Information

During the quarter ended June 30, 2026, no director or Section 16 officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

See Exhibit Index commencing on page 48 hereof.

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: July 29, 2026	/s/ TINA GOLDENBERG
	Tina Goldenberg Vice President and Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Avis Budget Group, Inc., dated as of July 31, 2025 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated July 31, 2025).
3.2	Amended and Restated Bylaws of Avis Budget Group, Inc., dated August 10, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, dated August 13, 2020).
4.1	First Supplemental Indenture, dated as of May 29, 2026, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as issuers, the guarantors party thereto and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, dated June 1, 2026).
10.1	Fourth Amendment, dated as of April 30, 2026, to Sixth Amended and Restated Series 2010-6 Supplement, dated as of March 4, 2024, by and among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, Avis Budget Car Rental, LLC, as Administrator, JPMorgan Chase Bank, N.A., as Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the Committed Note Purchasers, the APA Banks and the Funding Agents named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee and as Series 2010-6 Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated May 5, 2026).
10.2	Fourth Amendment, dated as of April 30, 2026, to Fourth Amended and Restated Series 2015-3 Supplement, dated as of March 4, 2024, by and among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, Avis Budget Car Rental, LLC, as Administrator, JPMorgan Chase Bank, N.A., as Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the Committed Note Purchasers, the APA Banks and the Funding Agents named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee and as Series 2015-3 Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated May 5, 2026).
10.3	Offer Letter dated May 26, 2026 between Tina Goldenberg and Avis Budget Group, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated May 29, 2026).†
10.4	Series 2026-3 Supplement, dated as of June 9, 2026, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2026-3 Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 12, 2026).
10.5	Series 2026-4 Supplement, dated as of June 9, 2026, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2026-4 Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated June 12, 2026).
10.6	Eleventh Amendment, dated as of June 29, 2026, 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 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated July 1, 2026).
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	Certifications 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)

† Denotes management contract or compensatory plan.

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Brian J. 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: July 29, 2026

/s/ Brian J. Choi

Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Daniel Crestian Cunha, 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: July 29, 2026

/s/ Daniel Crestian Cunha

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 June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Brian J. Choi, as Chief Executive Officer of the Company, and Daniel Crestian Cunha, 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.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ BRIAN J. CHOI
Brian J. Choi
Chief Executive Officer
July 29, 2026

/s/ DANIEL CRESTIAN CUNHA
Daniel Crestian Cunha
Executive Vice President and Chief Financial Officer
July 29, 2026