

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2024
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

(State or other jurisdiction of
incorporation or organization)

379 Interpace Parkway

Parsippany, NJ

(Address of principal executive offices)

06-0918165

(I.R.S. Employer Identification Number)

07054

(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

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of June 30, 2024, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$1,797,778,805 based on the closing price of its common stock on the Nasdaq Global Select Market.

As of February 7, 2025, the number of shares outstanding of the registrant's common stock was 35,110,440.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be mailed to stockholders in connection with the registrant's 2025 annual meeting of stockholders (the "Annual Proxy Statement") are incorporated by reference into Part III hereof.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K 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, tariffs or otherwise, manufacturer recalls, disruption in the supply of new vehicles, including due to labor actions, tariffs or otherwise, shortages in semiconductors used in new vehicle production, and/or a change in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;
- the results of operations or financial condition of the manufacturers of our vehicles, which could impact their ability to perform their payment obligations under our agreements with them, including repurchase and/or guaranteed depreciation arrangements, and/or their willingness or ability to make vehicles available to us or the mobility industry as a whole on commercially reasonable terms or at all;
- levels of and volatility in travel demand, including future volatility in airline passenger traffic;
- a deterioration in economic conditions, resulting in a recession or otherwise, particularly during our peak season or in key market segments;
- an occurrence or threat of terrorism, pandemics, severe weather events or natural disasters, military conflicts, including the ongoing military conflict in Eastern Europe, or civil unrest in the locations in which we operate, and the potential effects of sanctions on the world economy and markets and/or international trade;
- any substantial changes in the cost or supply of fuel, vehicle parts, energy, labor or other resources on which we depend to operate our business, including as a result of pandemics, inflation, tariffs, the ongoing military conflict in 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;
- 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;

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- 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, or any failure or inability to comply with laws, regulations or contractual obligations or any changes in laws, regulations or contractual obligations, including with respect to personally identifiable information and consumer privacy, labor and employment, and tax;
- risks related to protecting the integrity of, and preventing unauthorized access to, our information technology systems or those of our third-party vendors, licensees, dealers, independent operators and independent contractors, and protecting the confidential information of our employees and customers against security breaches, including physical or cybersecurity breaches, attacks, or other disruptions, compliance with privacy and data protection regulation, and the effects of any potential increase in cyberattacks on the world economy and markets and/or international trade;
- any impact on us from the actions of our third-party vendors, licensees, dealers, independent operators and independent contractors and/or disputes that may arise out of our agreements with such parties;
- any major disruptions in our communication networks or information systems;
- risks related to tax obligations and the effect of future changes in tax laws and accounting standards;
- risks related to our indebtedness, including our substantial outstanding debt obligations, 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 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” set forth in Part II, Item 7, in “Risk Factors” set forth in Part I, Item 1A and in other portions of this

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Annual Report on 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

ITEM 1. BUSINESS

Except as expressly indicated or unless the context otherwise requires, the “Company,” “Avis Budget,” “we,” “our” or “us” means Avis Budget Group, Inc. and its subsidiaries. Unless the context requires otherwise, these references and references to our brands do not include the operations of our licensees, as further discussed below.

OVERVIEW

We are a leading global provider of mobility solutions through our three most recognized brands, Avis, Budget and Zipcar, as well as several other brands, well recognized in their respective markets. Our brands offer a range of options, from car and truck rental to car sharing. We license the use of the Avis, Budget, Zipcar and other brands’ trademarks to licensees in areas in which we do not operate directly. We and our licensees operate our brands in approximately 180 countries throughout the world. We generally maintain a leading share of airport car rental revenues in North America, Europe and Australasia, and we operate a leading car sharing network and one of the leading commercial truck rental businesses in the United States. We believe the range of options from our diversified brands enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand.

On average, our global rental fleet totaled approximately 695,000 vehicles in 2024. We completed over 38 million vehicle rental transactions worldwide and generated total revenues of approximately \$11.8 billion during 2024. Our brands and mobility solutions have an extended global reach with approximately 10,250 rental locations throughout the world, including approximately 3,800 locations operated by our licensees.

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

Additional discussion of our reportable segments is included in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in Note 21 – Segment Information to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

OUR STRATEGY

For 2025, we expect our strategy to focus on transforming key parts of our business through technology, system enhancements and data, particularly with respect to customer experience, revenue generation and costs. We believe this strategy, together with a change in fourth quarter 2024 in our fleet strategy to accelerate certain fleet rotations (as discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in Part II, Item 7), will continue to strengthen our Company, maximize profitability, and deliver stakeholder value. With respect to customer experience, our aim will continue to be to deliver a superior customer journey. For revenue, we will focus on optimizing mix and marketing, and for costs, we plan to implement centers of excellence and develop new tools and capabilities to increase margin.

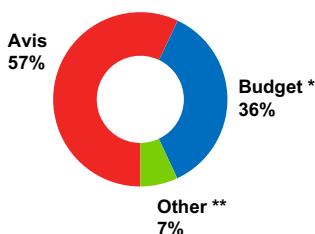
OUR BRANDS AND OPERATIONS

OUR BRANDS

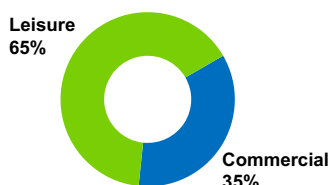
Our Avis, Budget and Zipcar brands are three of the most recognized brands in our industry. We believe that each of our brands is positioned to be embraced by different target customers, and we see benefits and savings from our brands sharing some of the same facilities, systems, and administrative infrastructure. In addition, we are able to recognize benefits as a result of complementary demand patterns with commercial rentals occurring primarily on business days and leisure rentals occurring primarily on holidays and weekends. We also operate the Payless and Apex brands in the value segment of the car rental industry. In addition, we further extend our offerings through our AmicoBlu, Maggiore, and Morini Rent brands in Italy; FranceCars brand in France, ACL Hire and McNicoll Hire brands in the UK; and Turiscar and Turisprime brands in Portugal.

The following graphs present the approximate composition of our revenues in 2024.

Revenues by Brand



Revenues by Customer



Revenues by Market



* Includes Budget Truck.

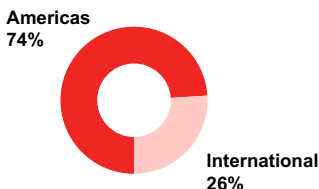
** Includes Zipcar and other operating brands.



The Avis brand provides high-quality vehicle rental and other mobility solutions at price points generally above non-branded and value-branded vehicle rental companies and serves the premium commercial and leisure segments of the travel industry.

In 2024, our Company-operated Avis locations generated total revenues of approximately \$6.8 billion. The following graphs present the approximate composition of our Avis revenues in 2024.

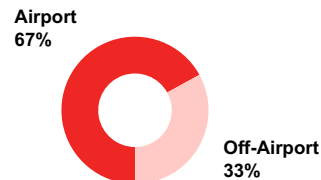
Avis Revenues by Segment



Avis Revenues by Customer



Avis Revenues by Market



We also license the Avis brand to independent commercial owners who operate approximately half of our locations worldwide and generally pay royalty fees to us based on a percentage of applicable revenues. In 2024, these royalty fees totaled approximately 1% of our Avis revenues.

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We operate or license Avis vehicle rental locations at virtually all of the largest commercial airports and cities in the world. The table below presents the approximate number of Avis locations as of December 31, 2024.

	Avis Locations*		
	Americas	International	Total
Company-operated locations	2,075	970	3,045
Licensee locations	430	1,635	2,065
Total Avis Locations	2,505	2,605	5,110

* Certain locations support multiple brands.

We offer Avis customers a variety of premium services, including:

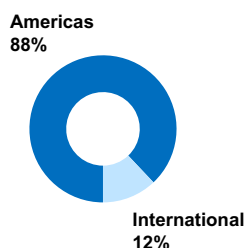
- the Avis mobile application, which allows customers a unique and innovative way to control many elements of their rental experience via their mobile devices without the need to visit the rental counter. In many United States locations, the application also allows customers to choose, exchange or upgrade their vehicles upon arrival and utilize a unique code to exit via our automated *Express Exit* for a completely contactless rental experience. The application also allows customers to track Avis shuttle buses to rental locations, find their vehicle, and locate nearby gas stations and parking facilities;
- *Avis Preferred*, our frequent renter rewards program that offers counter bypass at major airport locations, as well as additional benefits at different customer status levels, such as vehicle upgrades;
- availability of a selection of luxury vehicles through our *Avis Signature Series*, as well as premium, sport, performance and electrified vehicles;
- access to satellite radio service, mobile WiFi devices, and GPS navigation;
- Avis rental services such as roadside assistance, fuel service options, e-receipts, electronic toll collection services that allow customers to pay highway tolls without waiting in toll booth lines, and amenities such as *Avis Cares*, a full range of special products and services for drivers and passengers with disabilities;
- for our corporate customers, *Avis Budget Group Business Intelligence*, a proprietary reporting solution that provides a centralized reporting tool and customer reporting portal for corporate clients in North America and Europe, enabling them to easily view and analyze their rental activity, allowing them to better manage their travel budgets and monitor employee compliance with applicable travel policies.



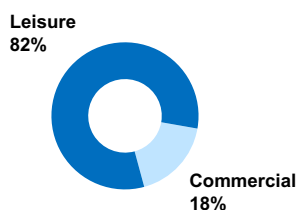
The Budget brand is a leading supplier of vehicle rental and other mobility solutions focused primarily on more value-conscious customers.

In 2024, our Company-operated Budget vehicle rental operations generated total revenues of approximately \$4.3 billion. The following graphs present the approximate composition of our Budget revenues in 2024.

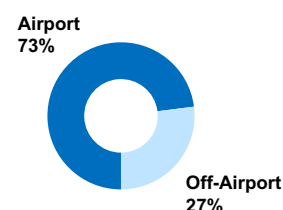
Budget Revenues by Segment



Budget Revenues by Customer



Budget Revenues by Market



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We also license the Budget brand to independent commercial owners who generally pay royalty fees to us based on a percentage of applicable revenues. In 2024, these royalty fees totaled approximately 1% of our Budget revenues.

Car Rental

We operate or license Budget car rental locations at airports and in cities worldwide. The table below presents the approximate number of Budget car rental locations as of December 31, 2024.

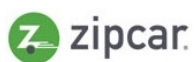
	Budget Locations*		
	Americas	International	Total
Company-operated locations	1,425	785	2,210
Licensee locations	530	1,030	1,560
Total Budget Locations	1,955	1,815	3,770

* Certain locations support multiple brands.

Budget offers its customers several products and services similar to Avis, such as refueling options, roadside assistance, electronic toll collection, and other supplemental rental products, e-receipts and special rental rates for frequent renters. In addition, Budget's *Fastbreak* service expedites rental service for frequent travelers and the mobile application allows customers to reserve, modify and cancel reservations on their mobile devices.

Budget Truck

Our Budget Truck rental business is one of the largest local and one-way truck and cargo van rental businesses in the United States. As of December 31, 2024, our Budget Truck fleet is comprised of approximately 22,000 vehicles that are rented through a network of approximately 400 Company-operated and 380 dealer-operated locations throughout the continental United States. These dealers are independently-owned businesses that generally operate other retail service businesses. In addition to their principal businesses, the dealers rent our light- and medium-duty trucks and commercial cargo vans to customers and are responsible for collecting payments on our behalf. The dealers receive a commission on all truck, van and ancillary equipment rentals. The Budget Truck rental business serves both the light commercial and consumer sectors. The light commercial sector consists of a wide range of businesses that rent light- to medium-duty trucks, which we define as trucks having a gross vehicle weight of less than 26,000 pounds, for a variety of commercial applications. The consumer sector consists primarily of individuals who rent trucks to move household goods on either a one-way or local basis.



Zipcar is a leading car sharing network, driven by a mission to enable simple and responsible urban living. With its wide variety of self-service vehicles available by the hour or day, Zipcar offers comprehensive, convenient and flexible car sharing options in urban areas and college campuses in hundreds of cities and towns. Zipcar provides its members on-demand, self-service vehicles in reserved parking spaces located in neighborhoods, business districts, office complexes and college campuses, as an alternative to car ownership. We continue to offer our Zipcar *Flex* product in London providing one-way rentals, including to and from Heathrow airport, which can be parked in public on-street parking spots in designated areas of the city.



Payless is a leading rental car supplier serving the deep-value segment of the industry, which we license or operate in approximately 285 locations worldwide, including more than 175 locations operated by licensees and approximately 110 Company-operated locations primarily located in North America, the majority of which are at or near major airports. Payless' rental fees are often lower than those of larger, more established vehicle rental brands. The Payless business model allows us to extend the life-cycle of a portion of our rental fleet, as we "cascade" certain vehicles that exceed certain Avis and Budget age or mileage thresholds to be used by Payless.

RESERVATIONS, MARKETING AND SALES

Reservations

Our customers can make vehicle rental reservations through our brand-specific websites and toll-free reservation centers, through our brand-specific mobile applications, online travel agencies, travel agents or through selected partners, including many major airlines, associations and retailers. Travel agents can access our reservation systems through all major global distribution systems, which provide information with respect to rental locations, vehicle availability and applicable rate structures.

Our Zipcar members can reserve vehicles through Zipcar's reservation system, which is accessible online or on a mobile device, by the hour or day, at rates that include fuel, secondary insurance and other costs typically associated with vehicle ownership.

Marketing and Sales

We support our brands through a range of marketing channels and campaigns, including traditional media as well as digital media, including internet and email marketing, social media, streaming services, and mobile device applications. Our Avis brand campaign *Plan On Us* highlights the trust our customers have in us. We also market through sponsorships of major sports entities and charitable organizations. We utilize a customer relationship management system that enables us to deliver more targeted and relevant offers to customers across online and offline channels, including an expedited and contactless rental process and loyalty programs that reward frequent renters with free rental days and car class upgrades.

We are able to reach and merchandise cars and rentals to a diverse demographic of consumers through our strategic partnerships with airlines, associations and hotel companies, and we maintain strong links to the travel industry. In addition, we have developed relationships that provide brand exposure and access to new customers, including deals to provide vehicles to ride-hail drivers in cities across North America.

In 2024, approximately 51% of vehicle rental transactions originating from Avis locations were generated by travelers who rented from Avis under contracts between Avis and their employers or through membership in an organization with which Avis has a contractual affiliation. We offer *Avis Budget Group Business Intelligence*, an online portal complete with rental summary dashboards, visualizations and detailed reports that provides our corporate customers with insight into their program's performance, giving them direct access to more data in a customer-facing portal offering useful data insights, including options to customize and schedule reports. Avis also maintains marketing relationships with other travel partners through which we are able to offer their customers incentives to rent from Avis.

Additionally, we offer *Unlimited Rewards*, our loyalty incentive program for travel agents, and Avis and Budget programs for small businesses that offer discounted rates, central billing options and rental credits to members.

Our Zipcar brand utilizes a diverse set of marketing and sales strategies to acquire and engage members, including digital marketing, email and in-app messaging, and social media engagement. Zipcar maintains close relationships with universities that provide access to campuses and various marketing channels to attract students who, upon graduation, may continue their relationship with us. Through our *Zipcar for Business* program, we also offer direct-bill accounts and employee benefit programs to companies and governments that support the use of Zipcar vehicles.

LICENSING

We have licensees in approximately 175 countries throughout the world. Royalty fee revenues derived from our vehicle rental licensees in 2024 totaled \$143 million, with \$104 million in our International segment and \$39 million in our Americas segment. Licensed locations are independently operated by our licensees and range from large operations at major airport locations and territories encompassing entire countries to relatively small operations in suburban or rural locations. Our licensees generally maintain separate independently owned and operated fleets. Royalties generated from licensing provide us with a source of high-margin revenue because there are relatively limited additional costs associated with fees paid by licensees to us. In some geographies we facilitate one-way vehicle rentals between Company-operated and licensed locations, which enables us to offer an integrated network of locations to our customers.

We generally enjoy good relationships with our licensees and meet regularly with them at regional, national and international meetings. Our relationships with our licensees are governed by license agreements that grant the licensee the right to operate independently operated vehicle rental businesses in certain territories. Our license agreements generally provide our licensees with the exclusive right to operate under one or more of our brands in their assigned territory. These agreements impose obligations on the licensee regarding its operations, and most agreements restrict the licensee's ability to sell, transfer or assign its rights granted under the license agreement or to change the control of its ownership without our consent.

The terms of our license agreements, including duration, royalty fees and termination provisions, vary based upon brand, territory, and original signing date. Royalty fees are generally structured to be a percentage of the licensee's gross rental income. We maintain the right to monitor the operations of licensees and, when applicable, can declare a licensee to be in default under its license agreement. We perform audits as part of our program to assure licensee compliance with brand quality standards and contract provisions. Generally, we can terminate license agreements for certain defaults, including failure to pay royalties or to adhere to our operational standards. Upon termination of a license agreement, the licensee is prohibited from using our brand names and related marks in any business. In the United States, these license relationships constitute "franchises" under most federal and state laws regulating the offer and sale of franchises and the relationship of the parties to a franchise agreement.

We continue to optimize the Avis, Budget and Payless brands by issuing new license agreements and periodically acquiring licensees to grow our revenues and expand our global presence. Discussion of our acquisitions is included in Note 6 – Acquisitions to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

OTHER REVENUES

In addition to revenues derived from time and mileage fees from our vehicle rentals and licensee royalties, we generate revenues from our customers through the sale and/or rental of optional ancillary products and services. We offer products to customers that will enhance their rental experience, including:

- collision and loss damage waivers, under which we agree to relieve a customer from financial responsibility arising from vehicle damage incurred during the rental;
- additional/supplemental liability insurance or personal accident/effects insurance products which provide customers with additional protections for personal or third-party losses incurred;
- products for driving convenience such as fuel service options, roadside assistance services, electronic toll collection services, access to satellite radio, mobile WiFi devices, GPS navigation and child safety seat rentals; and
- products that supplement truck rental including automobile towing equipment and other moving accessories, such as hand trucks, furniture pads and moving supplies.

We also receive payment from our customers for certain operating expenses that we incur, including vehicle licensing fees, as well as airport concession fees that we pay in exchange for the right to operate at airports and other locations. In addition, we collect membership fees in connection with our car sharing business.

OUR FLEET

We offer a wide variety of vehicles in our rental fleet, including luxury vehicles, electrified vehicles, specialty-use vehicles and light commercial vehicles. Our fleet consists primarily of vehicles from the current and immediately preceding model year. We maintain a single fleet of vehicles for Avis and Budget in countries where we operate both brands. A substantial majority of Zipcar's fleet is dedicated to use by Zipcar.

Fleet Purchases

We maintain a diverse rental fleet, in which no vehicle brand represented more than 19% of our 2024 fleet purchases, and we regularly adjust our fleet levels to be consistent with anticipated demand. We participate in a variety of vehicle purchase programs with major vehicle manufacturers. In 2024, we primarily purchased from the following vehicle brands: Toyota, Ford, Chevrolet, Kia, Volkswagen, Hyundai, Jeep, Dodge, Subaru, Honda, Volvo and Genesis.

Fleet costs represented approximately 21% of our aggregate expenses in 2024. Fleet costs can vary significantly from year to year based on the prices at which we are able to purchase and dispose of rental vehicles, the mix of risk and program vehicles, holding periods, and overall fleet mix.

In 2024, approximately 10% of our average rental fleet was comprised of vehicles subject to agreements requiring automobile manufacturers to repurchase vehicles at a specified price during a specified time period or guarantee our rate of depreciation on the vehicles during a specified period of time; or vehicles subject to operating leases with a fixed lease period and interest rate. We refer to vehicles subject to these agreements as "program" vehicles and vehicles not subject to these agreements as "risk" vehicles because we retain the risk associated with such vehicles' residual values at the time of their disposition. Our agreements with automobile manufacturers typically require that we pay more for program vehicles and maintain them in our fleet for a minimum number of months and impose certain return conditions, including vehicle condition and mileage requirements. When we return program vehicles to the manufacturer, we receive the price guaranteed at the time of purchase and are therefore protected from fluctuations in the price of previously-owned vehicles in the wholesale market. In 2024, approximately 30% of the vehicles we disposed of were program vehicles sold pursuant to repurchase or guaranteed depreciation programs. Over the past several years, program vehicles have comprised of a decreasing proportion of our fleet. The approximate percentage of program vehicles in our average rental fleet within each of our reportable segments in 2024 was 46% for International and less than 1% for the Americas. The future percentages of program and risk vehicles in our fleet will depend on several factors, including our expectations for future used vehicle prices, our seasonal needs and the availability and attractiveness of manufacturers' repurchase and guaranteed depreciation programs.

Fleet Dispositions

We dispose of our risk vehicles largely through alternative disposition channels, including direct-to-consumer, online auctions, and direct-to-dealer sales, as well as through more traditional automobile auctions. Alternative disposition channels provide the opportunity to increase speed to sale and vehicle sales prices and also to reduce relevant fleet costs when compared to selling vehicles at auctions. We sell vehicles direct to consumers through our retail locations and through RubyCar, our online retail sales platform, which offers customers the ability to purchase well-maintained, late-model rental vehicles from our fleet. We dispose of our program vehicles in accordance with repurchase or guaranteed depreciation programs with major vehicle manufacturers.

Fleet Utilization

In 2024, our average quarterly vehicle rental fleet size ranged from a low of approximately 667,000 vehicles in the first quarter to a high of approximately 736,000 vehicles in the third quarter. Average quarterly fleet utilization for 2024, which is based on the number of rental days (or portion thereof) that vehicles are rented compared to the total amount of time that vehicles are available for rent, ranged from approximately 66% to 72%. Our average car rental fleet size and utilization are typically highest in the summer months. Our calculation of utilization may not be comparable to other companies' calculation of similarly titled metrics.

Fleet Maintenance

We place a strong emphasis on the quality of our vehicle maintenance for customer safety and customer satisfaction reasons, and because quick and proper repairs are critical to fleet utilization. To accomplish this task, we have developed and continue to evolve specialized training programs for our technicians. Our Supply Chain Department reviews, distributes, and makes accessible original equipment manufacturer (“OEM”) technical service bulletins that can be retrieved electronically at our repair locations. In addition, we have implemented policies and procedures to promptly address manufacturer recalls as part of our ongoing maintenance and repair efforts to maximize the customer experience.

CUSTOMER SERVICE

Our commitment to delivering a consistently high level of customer service across all of our brands is a critical element of our success and business strategy. Our *Customer Led, Service Driven* program focuses on continually improving the overall customer experience based on our research of customer service practices, improved customer insights, executing our customer relationship management strategy, delivering customer-centric employee training and leveraging our mobile applications technology and the enriched experience it provides our customers. In addition, our social media platform allows us to engage with our customers in their preferred channel, which enables us to meet the needs of our customers while promoting our brands to gain more market share and drive customer loyalty.

The employees at our Company-operated locations are trained and empowered to resolve many customer issues at the location level. We also continuously track customer-satisfaction levels by sending location-specific surveys to recent customers and utilize detailed reports and tracking to assess and identify ways that we can improve our customer service delivery and the overall customer experience. Our location-specific surveys ask customers to evaluate their overall satisfaction with their rental experience and the likelihood that they will recommend our brands, as well as key elements of the rental experience. Results are analyzed in aggregate and by location to help further enhance our service levels to our customers.

We also offer rental options that provide greater control, self-service and contactless capabilities. While our mobile applications provide a fast customer experience, a company representative is available to meet customers’ needs. Our survey platform includes specific questions to learn more about individual preferences and find innovative ways to better serve and anticipate our customers’ needs.

AIRPORT CONCESSION AGREEMENTS

We generally operate our vehicle rental and car sharing services at airports under concession agreements with airport authorities, pursuant to which we typically make airport concession payments and/or lease payments. In general, concession fees for on-airport locations are based on a percentage of total commissionable revenues (as defined by each airport authority), often subject to minimum annual guaranteed amounts. Concessions are typically awarded by airport authorities every three to ten years based upon competitive bids. Our concession agreements with the various airport authorities generally impose certain minimum operating requirements, provide for relocation in the event of future construction and in some cases provide for abatement of the minimum annual guarantee in the event of extended low passenger volume.

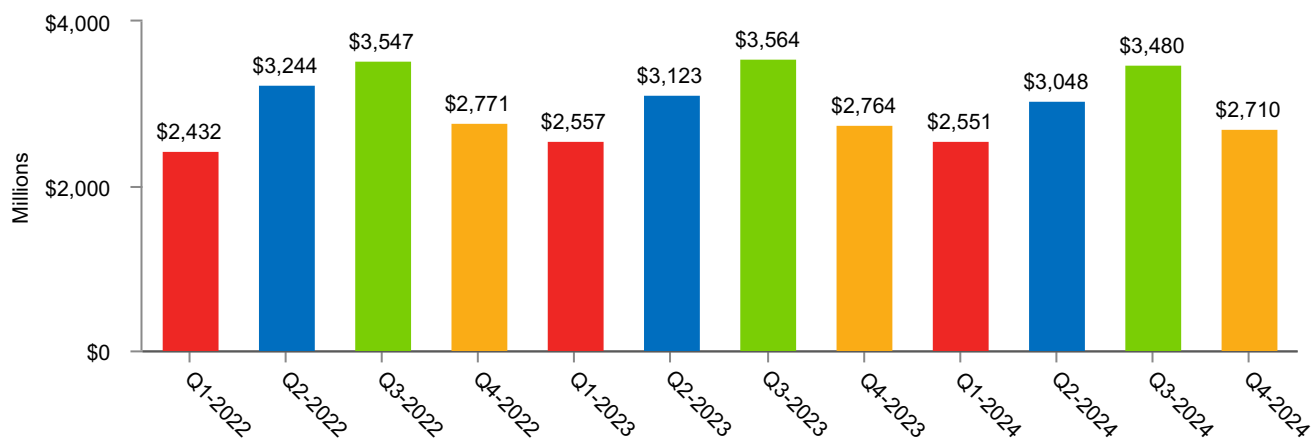
OTHER BUSINESS CONSIDERATIONS

SEASONALITY

Our operating results are subject to variability due to seasonality, macroeconomic conditions and other factors. Car rental volumes tend to be associated with the travel industry, particularly airline passenger volumes, or enplanements, which in turn tend to reflect general economic conditions. Our operations are also seasonal, with the third quarter of the year historically having been our strongest due to the increased level of leisure travel during the quarter. We have a partially variable cost structure and routinely adjust the size, and therefore the cost, of our rental fleet in response to fluctuations in demand.

The following chart presents our quarterly revenues for the years ended December 31, 2022, 2023 and 2024.

Revenues by Quarter



COMPETITION

The competitive environment for our industry is generally characterized by intense price and service competition among global, local and regional competitors. Competition in our vehicle rental operations is based primarily upon price; customer service quality, including usability of booking systems and ease of rental and return; vehicle availability; vehicle condition, age and mileage; rental locations; product innovation and national or international distribution. In addition, competition is also influenced strongly by advertising, marketing, loyalty programs and brand reputation. We believe the prominence and service reputation of our brands, extensive worldwide ownership of mobility solutions and commitment to innovation provides us with a competitive advantage.

The use of technology has increased pricing transparency among vehicle rental companies and other mobility solutions providers enabling cost-conscious customers to more easily compare on the Internet and their mobile devices the rates available for the mobility solutions that fit their needs. This transparency has further increased the prevalence and intensity of price competition in the industry.

Our vehicle rental operations compete primarily with Enterprise Holdings, Inc., which operates the Enterprise, National and Alamo car rental brands; Hertz Global Holdings, Inc., which operates the Hertz, Dollar and Thrifty brands; Europcar Mobility Group, which operates the Europcar, Goldcar, InterRent, Buchbinder, Fox Rent A Car and Ubeeqo brands; and Sixt SE. We also compete with smaller local and regional vehicle rental companies for vehicle rental market share, and with ride-hailing companies largely for short length trips in urban areas. Our Zipcar brand also competes with various local and regional mobility companies, including mobility services sponsored by several auto manufacturers, ride-hailing and car sharing companies and other technology players in the mobility industry. Our Budget Truck operations in the United States competes with several other local, regional and nationwide truck rental companies including U-Haul International, Inc., Penske Truck Leasing Corporation, Ryder System, Inc., Enterprise Truck Rental, and Hertz Global Holdings, Inc.

INSURANCE AND RISK MANAGEMENT

Our vehicle rental and corporate operations expose us to various types of claims for bodily injury, death and property damage related to the use of our vehicles and/or properties, as well as general employment-related matters stemming from our operations. In addition, we currently purchase insurance coverage to limit our exposure to legal fees and expenses resulting from cybersecurity breaches. We generally retain economic exposure for liability to third parties arising from vehicle rental and car sharing services in the United States, Canada and Puerto Rico in accordance with the minimum financial responsibility requirements (“MFRs”) and primacy of coverage laws of the relevant jurisdiction. In certain cases, we assume liability above applicable MFRs, up to \$5 million per occurrence, other than in cases involving a negligent act on the part of the Company, for which we purchase insurance coverage for exposures beyond retained amounts from a combination of unaffiliated excess insurers.

In Europe, we insure the risk of liability to third parties arising from vehicle rental and car sharing services in accordance with local regulatory requirements primarily through insurance policies provided by unaffiliated insurers. We retain a portion of the insured risk of liability through local deductibles, and by reinsuring certain risks through our captive insurance subsidiary AEGIS Motor Insurance Limited. AEGIS Motor Insurance Limited reinsures certain risks through unaffiliated companies, which limits its liabilities. In Australasia, motor vehicle bodily injury insurance coverage is compulsory and provided upon vehicle registration. In addition, we provide our customers with third-party property damage insurance through an unaffiliated third-party insurer. We retain a share of property damage risk through local deductibles.

We offer our United States customers a range of optional insurance products and coverages such as supplemental liability insurance, personal accident insurance, personal effects protection, emergency sickness protection, automobile towing protection and cargo insurance, which create additional risk exposure for us. When a customer elects to purchase supplemental liability insurance or other optional insurance related products, we typically retain economic exposure to loss, since the insurance is provided by an unaffiliated insurer that is reinsuring its exposure through our captive insurance subsidiary, Constellation Reinsurance Company Limited. Additional personal accident insurance offered to our customers in Europe is provided by a third-party insurer, and primarily reinsured by our Avis Budget Europe International Reinsurance Limited subsidiary. We otherwise bear these and other risks, except to the extent that the risks are transferred through insurance or contractual arrangements.

OUR INTELLECTUAL PROPERTY

We rely primarily on a combination of trademark, trade secret and copyright laws, as well as contractual provisions with employees and third parties, to establish and protect our intellectual property rights. The service marks “Avis,” “Budget,” and “Zipcar” and related marks or designs incorporating such terms and related logos and marks such as “Plan On Us,” “We Try Harder” and “Own The Trip, Not The Car,” “Preferred,” and “Fastbreak” are material to our vehicle rental and car sharing businesses. Our subsidiaries and licensees actively use these marks. All of the material marks used by Avis, Budget and Zipcar are registered (or have applications pending for registration) with the U.S. Patent and Trademark Office as well as in foreign jurisdictions. Our subsidiaries own the marks and other intellectual property, including the Wizard system, used in our business. We also own trademarks and logos related to the “Apex Car Rentals” brand in Australia and New Zealand, the “Payless Car Rental” brand in the United States and several other countries, the “Maggiore” and “Morini Rent” brands in Italy, the “FranceCars” brand in France and the “Turiscar” brand in Portugal. Our subsidiaries have also filed patent applications pertaining to fleet and connected car technology in the United States and other countries.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (“ESG”)

We recognize our role as one of the world’s leading mobility solutions providers. As a result, we are focused on supporting the transition to a low-carbon economy and employ practices designed to promote a more fair, just and equal workplace and community.

The Environment: We are committed to offering safe and low-carbon transportation solutions:

- Greenhouse Gas Emissions: As our corporate and leisure customers become increasingly aware and concerned about pollution and congestion caused by vehicles, we aim to provide more sustainable

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transportation solutions by leveraging connected vehicle technology and introducing more fuel efficient, low emission, and electric vehicles.

- **Sustainable Operations Improvements:** We are driving the efficiencies needed to reduce our environmental impact and enhance the sustainability of our operations. These are mainly driven by improvements in vehicle preventive maintenance, the incorporation of green building practices and by complying with environmental regulations.
- **Carbon Offset Program:** We work closely with our corporate customers to help them achieve their environmental impact reduction targets through our carbon offset program.
- **More Sustainable Fleet:** We are actively anticipating and driving changes in mobility. Connected vehicles are likely to become a common feature worldwide, along with an increased use of electric and shared vehicles, which is why we are building on our core experience, data intelligence and technology to develop entirely new lines of business and extend our offering and capabilities for our customers, businesses and cities. Our efforts include:
 - **Car Sharing:** Zipcar continually improves its car sharing technology, which includes its mobile member app, in-vehicle telematics hardware and reservation, fleet management and community management systems. Zipcar's technology platform is key to providing a successful self-service experience for its members and effectively managing a distributed fleet of vehicles and associated parking locations.
 - **Connected Vehicles:** Connected vehicles support our ability to reduce emissions through a steadfast focus on fleet maintenance and optimization.
 - **Fleet Efficiency:** We offer our customers the opportunity to choose from a wide variety of vehicles, including fuel-efficient, hybrid, or electric vehicles at almost all of our locations. Our fleet consists primarily of vehicles from the current and immediately preceding model year - this ensures the highest possible standards of air emissions control.

Social: We believe that our success has its foundation in how we treat our employees. We seek to foster an environment where communication among our employees is open, honest, and respectful; performance is recognized; growth is encouraged; and accomplishments—individual and collective—are celebrated. We also seek to support the well-being and development of the people we employ and the communities in which they work. Our efforts include:

- **Giving Back:** We are a global company with local reach in numerous communities around the world. Whether we work individually or as a team, doing the right thing and supporting our communities helps employees feel their work is more than just a job, and makes them feel proud to be part of the Avis Budget Group family. As well as encouraging our employees to volunteer in their local communities, we are committed to supporting a variety of causes and charities that aid people in crisis situations.
- **Supporting Community Resilience:** We have developed strong competencies in responding to business disruptions. Whether the disruption is man-made, an extreme weather event or a global health crisis, our business continuity programs are central to how we respond in times of crisis. Our program's focus is on preparing and protecting our people, property and infrastructure. We utilize an "all hands on deck" approach within our incident management and command structure to ensure that we respond as rapidly and effectively as possible. We have also developed longstanding partnerships with leading national disaster response agencies, which strengthen our ability to provide support to affected customers, employees and communities.

Governance: Our Board of Directors monitors the effectiveness of our policy and decision making, including with respect to ESG, on the current and long-term value of our company.

Our most recent Corporate Governance documents are available on the Company's website. The information contained on the Company's website is not included in, or incorporated by reference into, this Annual Report on Form 10-K.

OUR HUMAN CAPITAL RESOURCES AND MANAGEMENT

Our human capital objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and future or prospective employees. Our compensation program is designed to attract, retain and motivate highly qualified employees and executives.

Employees

As of December 31, 2024, we employed approximately 24,000 people worldwide, of whom approximately 7,000 were employed on a part-time basis. Of our approximately 24,000 employees, approximately 8,000 were employed in our International segment. In our Americas segment, the majority of our employees are at-will employees and, therefore, not subject to any type of employment contract or agreement. In our International segment, we enter into employment contracts and agreements in those countries in which such relationships are mandatory or customary. The provisions of these agreements correspond in each case with the required or customary terms in the subject jurisdiction. Many of our employees are covered by a variety of union contracts and governmental regulations affecting, among other things, compensation, job retention rights and pensions.

We strive to maintain satisfactory relationships with all of our employees, including the unions and work councils representing these employees. As of December 31, 2024, approximately 29% of our employees were covered by collective bargaining or similar agreements with various labor unions. We believe our employee relations are satisfactory. We have never experienced a large-scale work stoppage.

Employee Benefits

Supporting our employees with the right benefits is one of the most important things we do. We understand benefits are a key element to a total reward package, so ensuring we provide meaningful benefit programs and resources across the globe is an integral part of how we reward employees, including with respect to healthcare and retirement. As a global company, benefits will vary by country to reflect local practices and cultures, but our commitment to providing comprehensive and meaningful benefits and resources is consistent across the world. We continuously review and, when necessary, update our programs to ensure they remain flexible, competitive, and aligned to what is important for our employees and their families.

Global Gender Pay Equity

To ensure we are compensating both men and women employees fairly and equitably, we utilize a global Center of Excellence total rewards function which standardizes and harmonizes our rewards programs across all countries. As a result, we have established pay programs that provide for equal incentive pay opportunity for all employees in same or similar positions across the globe. Additionally, we utilize global guidelines and standards to inform compensation decisions for all new hires and promotions. To monitor our performance for our management employees, we evaluate base salary placement relative to our internal salary ranges for men and women. For our hourly field workforce (non-management employees), we maintain pay equity through our standardized compensation practices in which all employees begin at the same start rate, based on their location and position, and annual pay increases are applied consistently to all employees based on tenure.

Health and Safety

The health and safety of our employees is our highest priority because our people are our most valuable asset. Consistent with our operating philosophy, we are committed to safety and our core belief is that health and safety is every employee's responsibility, not only for our employees but for our customers, vendors, and all stakeholders.

Well-being

We take a holistic approach to well-being. We understand that to deliver our best performance, our employees need to be healthy and happy in all areas of their lives. Our well-being program focuses on helping our people achieve all aspects of wellness through encouraging habits that promote physical, emotional and financial well-being.

REGULATION

We are subject to a wide variety of laws and regulations in the countries in which we operate, including those relating to, among others, consumer protection, insurance products and rates, franchising and distribution, customer privacy and data protection, securities and public disclosure, competition and antitrust, environmental matters, taxes, automobile-related liability, corruption and anti-bribery, labor and employment matters, health and safety, claims management, automotive retail sales, currency-exchange and other various banking and financial industry regulations, cost and fee recovery, the protection of our trademarks and other intellectual property, ESG matters and local ownership or investment requirements. Additional information about the regulations that we are subject to can be found in Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K.

AVAILABLE INFORMATION

Our principal executive office is located at 379 Interpace Parkway, Parsippany, New Jersey 07054 (our telephone number is 973-496-4700). The Company files electronically with the Securities and Exchange Commission (the “SEC”) required reports on Form 8-K, Form 10-Q and Form 10-K; proxy materials; registration statements and other forms or reports as required. Certain of the Company’s officers, directors and stockholders also file statements of beneficial ownership and of changes in beneficial ownership on Forms 3, 4 and 5 with the SEC. Such materials may be accessed electronically on the SEC’s Internet site (sec.gov). The Company maintains a website (avisbudgetgroup.com) and copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports, proxy materials and any amendments to these reports filed or furnished with the SEC are available free of charge in the Investor Relations section of our website (ir.avisbudgetgroup.com), as soon as reasonably practicable after filing with the SEC. Copies of our board committee charters, Codes of Conduct and Ethics, Corporate Governance Guidelines and other corporate governance information are also available on our website. If the Company should decide to amend any of its board committee charters, Codes of Conduct and Ethics or other corporate governance documents, copies of such amendments will be made available to the public through the Company’s website. The information contained on the Company’s website is not included in, or incorporated by reference into, this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

The following is a discussion of the risks, uncertainties and assumptions that we believe are material to our business and should be considered carefully in conjunction with all of the other information set forth in this Annual Report on Form 10-K. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. In addition to the factors discussed elsewhere in this Annual Report on Form 10-K, the factors described in this item could, individually or in the aggregate, cause our actual results to differ materially from those described in any forward-looking statements. Should unknown risks or uncertainties materialize or underlying assumptions prove inaccurate, actual results could materially differ from past results and/or those anticipated, estimated or projected.

RISKS RELATED TO OUR INDUSTRY AND THE BROADER ECONOMY

We face risks related to the high level of competition in the mobility industry.

The mobility industry is highly competitive, with price being one of the primary factors. To the extent that our competitors reduce their pricing and we do not provide competitive pricing, or if price increases we implement make us less competitive, we risk losing rental volume, and reducing the chances of success for bids for customer accounts. If competitive pressures lead us to lose rental volume or match any downward pricing and we are unable to reduce our operating costs, then our financial condition or results of operations could be materially adversely impacted.

Additionally, pricing in the vehicle rental industry is impacted by the size and age of rental fleets and the supply of vehicles available for rent. Any significant fluctuations in the supply of rental vehicles, including as a result of actions taken by our competitors that increases fleet significantly above market demand, could negatively affect our pricing, operating plans or results of operations.

The competitive environment for our mobility services has become more intense as additional companies, including automobile manufacturers, ride-hailing companies, car sharing companies and other technology players in the mobility industry enter our existing markets or expand their operations, which may affect demand for rental vehicles. Some of these companies may have access to substantial capital, innovative technologies or have the ability to provide services at a relatively low cost. To the extent these companies can improve transportation efficiency, alter driving patterns or attitudes toward vehicle rental, offer more competitive prices, undertake more aggressive marketing campaigns, price their competing services below market or otherwise disrupt the mobility industry, we risk heightened pricing competition and/or loss of rental volume, which could adversely impact our business and results of operations.

The risk of competition on the basis of pricing in the truck rental industry can be even more impactful than in the car rental industry as it can be more difficult to reduce the size of our truck rental fleet in response to significantly reduced demand.

We face risks related to fleet costs and availability.

Fleet costs typically represent our single largest expense and can vary from year to year based on the prices that we are able to purchase and dispose of our vehicles. We purchase program vehicles, which are guaranteed a rate of depreciation through agreements with auto manufacturers, and non-program, or risk vehicles. In 2024, on average approximately 90% of our rental fleet was comprised of risk vehicles.

The costs of our risk vehicles are impacted (sometimes negatively) by the relative strength of the used car market, particularly the market for one- to two-year old used vehicles, or potentially by the insolvency or bankruptcy of an auto manufacturer from whom we purchase vehicles. We currently sell risk vehicles through various sales channels in the used vehicle marketplace, including traditional auctions, and alternative disposition channels, including online auctions, direct-to-dealer sales and directly to consumers through either retail lots or online. These channels may not produce stable vehicle prices in the future, as the market for used vehicles is subject to changes in demand for such vehicles, consumer interests, inventory levels, new car pricing, interest rates, fuel costs, tariffs and general economic conditions. A reduction in residual values for risk vehicles in our rental fleet could cause us to sustain a substantial loss on the sale of such vehicles or require us to depreciate those vehicles at a more accelerated rate than previously anticipated while we own them.

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If the market value of the vehicles in our fleet is reduced or our ability to sell vehicles in the used vehicle marketplace were to become severely limited, each of which has occurred in the past and may occur in the future, we may have difficulty meeting collateral requirements under our asset-backed financing facilities, which could lead to decreased capacity in such facilities and effectively increase our fleet costs or adversely impact our profitability. In addition, if we are unable to meet our collateral requirements under such facilities, the outstanding principal amount due may be required to be repaid earlier than anticipated. If that were to occur, the holders of our asset-backed debt may have the ability to exercise their right to instruct the trustee to direct the return of program vehicles and/or the sale of risk vehicles to generate proceeds sufficient to repay such debt.

Program vehicles enable us to determine our depreciation expense in advance of purchase. Our program vehicles also generally provide us with flexibility to reduce the size of our fleet rapidly. This flexibility is negatively affected as the percentage of program vehicles in our fleet is reduced as has been the trend over the last several years, or if the features of the programs provided by auto manufacturers are less favorable. Our inability to reduce the size of our fleet in response to seasonal demand fluctuations, economic constraints or other changes in demand could have an adverse impact on our fleet costs and results of operations.

Failure by a manufacturer to fulfill its obligations under any program agreement or incentive payment obligation, due to insolvency, bankruptcy or other reasons, could leave us with a material expense if we are unable to dispose of program vehicles at prices estimated at the time of purchase or with a substantial unpaid claim against the manufacturer, particularly with respect to program vehicles that were either (i) resold for an amount less than the amount guaranteed under the applicable program; or (ii) returned to the manufacturer, but for which we were not paid, and therefore we could incur a substantial loss as a result of such failure to perform.

While we source our fleet purchases from a wide range of auto manufacturers, we are exposed to risk to the extent that any auto manufacturer significantly curtails production. Such production may be curtailed as a result of a wide range of factors, including impacts of a pandemic and supply chain impacts, including as a result of tariffs and shortages of parts, which have impacted certain manufacturers in the past.

We are also exposed to risk to the extent that any auto manufacturer increases the cost of vehicles, including as a result of inflation, tariffs, labor shortages or disruptions, or supply chain disruptions, or declines to sell vehicles to us on terms or at prices consistent with past practice. Should any of these risks occur, we may be unable to obtain a sufficient number of vehicles to operate our business without significantly increasing our fleet costs or the mileage of the vehicles in our fleet, or reducing our volumes.

We face risks related to safety recalls affecting our vehicles.

Our vehicles may be subject to safety recalls by their manufacturers, which could have an adverse impact on our business when we remove recalled vehicles from our rentable fleet. We can neither control nor predict the number of vehicles that will be subject to manufacturer recalls in the future. Recalls often require us to retrieve vehicles from customers and/or hold vehicles from rental or sale until we can arrange for the repairs described in the recalls to be completed. As such, recalls can increase our costs, negatively impact our revenues and/or reduce our fleet utilization. If a large number of vehicles were to be the subject of one or more recalls, or if needed replacement parts were not in adequate supply, we may be unable to utilize recalled vehicles for a significant period of time. We may also be subject to material liability claims or regulatory action related to vehicles subject to a safety recall. Depending on the nature and severity of the recall, it could create customer service problems, reduce the residual value of the vehicles involved, harm our reputation and/or have an adverse impact on our financial condition or results of operations.

Weakness or fluctuations in travel demand or general economic conditions, or a significant increase in fuel costs, can adversely impact our business.

Demand for vehicle rentals is generally subject to and impacted by international, national and local economic conditions and travel demand, which can be impacted by many factors, including inflation. When travel demand or economic conditions in the United States, Europe and/or worldwide weaken, our financial condition and results of operations are often adversely impacted.

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Any significant airline capacity reductions, airfare or related fee increases, reduced flight schedules, or any events that disrupt or reduce business or leisure air travel or weaken travel demand and tourism, globally or in the key areas in which we operate, such as work stoppages, military conflicts, terrorist incidents, natural disasters, disease epidemics, or the response of governments to any such events, could have an adverse impact on our results of operations. For example, events of a global nature such as the COVID-19 pandemic have had, and may in the future have, material impacts on the Company.

In addition, any significant increases in fuel prices, a severe protracted disruption in fuel supplies or rationing of fuel, or severe inflation that disrupts consumers' discretionary spending patterns could discourage our customers from renting vehicles or reduce or disrupt air travel, which could also adversely impact our results of operations.

Our truck rental business can be impacted by the housing market. If conditions in the housing market were to weaken, we may see a reduction in truck rental transactions, which could have an adverse impact on our business. Our truck rental business can also be impacted by changes in the light commercial business sector. If the light commercial business develops their own package delivery service with a fleet of trucks and vans to use for their business, or other large competitors enter the package delivery service industry, in particular around the holiday season, we may see a reduction in truck rental transactions, which could have an adverse impact on our business.

We face risks related to political, economic and commercial instability or uncertainty in the countries in which we operate.

Our global operations expose us to risks related to international, national and local economic and political conditions and instability. Operating our business in a number of different regions and countries exposes us to a number of other risks, including:

- multiple and potentially conflicting laws, regulations, trade policies and agreements, and varying tax regimes that are subject to change;
- the imposition of currency restrictions, restrictions on repatriation of earnings or other restraints, as well as difficulties in obtaining financing in foreign countries for local operations;
- potential changes to import-export laws, trade treaties or tariffs in the countries where we purchase vehicles;
- international trade disruptions or disputes;
- local ownership or investment requirements, or compliance with local laws, regulations or business practices;
- uncertainty and changes to political and regulatory regimes as a result of changing social, political, regulatory and economic environments in the United States and internationally;
- national and international conflict, including terrorist acts; and
- political and economic instability or civil unrest that may severely disrupt economic activity in affected countries.

Exposure to these risks may adversely impact our financial condition or results of operations. Our licensees' vehicle rental operations may also be impacted by these risks, which in turn could impact the amount of royalty payments they make to us.

Ongoing military conflicts, including in Eastern Europe, are causing uncertainty that may have an adverse impact on our business, financial condition and results of operations.

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

RISKS RELATED TO THE NATURE OF OUR BUSINESS

Damage to our reputation or brands may negatively impact our business.

Our reputation and global brands are integral to the success of our business. Maintenance of our Company's reputation and brands depends on many factors, including the quality of our products and services and the trust we maintain with our customers. Negative claims or publicity regarding our Company or our operations, offerings, practices, among many other things, may damage our brands or reputation, even if such claims are untrue. Damage to our reputation or brands could adversely impact our revenue and profitability.

We face risks related to third-party distribution channels that we rely upon.

We rely upon third-party distribution channels to generate a significant portion of our vehicle rental reservations, including:

- traditional and online travel agencies, airlines and hotel companies, marketing partners such as credit card companies and membership organizations and other entities that help us attract customers; and
- global distribution systems ("GDS") that connect travel agents, travel service providers and corporations to our reservation systems.

Changes in our pricing agreements, commission schedules or arrangements with third-party distribution channels, the termination of any of our relationships or a reduction in the transaction volume of such channels, or a GDS's inability to process and communicate reservations to us could have an adverse impact on our financial condition or results of operations.

We face risks related to our property leases and vehicle rental concessions.

We have property leases or vehicle rental concessions at locations throughout the world, including at most airports where we operate and at train stations throughout Europe, where vehicle rental companies are frequently required to bid periodically for space at these locations. If we were to lose a property lease or vehicle rental concession, particularly at an airport or a train station in a major metropolitan area, there can be no assurance that we would be able to find a suitable replacement location on reasonable terms, which could adversely impact our business. Most leases and airport concessions have fixed obligations that can be required even if our volume drops significantly. While we have been successful at partially mitigating some of these requirements in the past, including when enplanements have decreased significantly, there is no guarantee that we will be able to do so in the future, and if we are not successful our costs as a percentage of revenue could increase.

We face risks related to the seasonality of our business.

In our business, the third quarter of the year has historically been our most profitable quarter, as measured by net income and Adjusted EBITDA, due primarily to the increased level of summer leisure travel. We vary our fleet size over the course of the year to help manage seasonal variations in demand, as well as localized changes in demand that we may encounter in the various regions in which we operate. Any circumstance or occurrence that disrupts rental activity during the third quarter, especially in North America and Europe, could have a disproportionately adverse impact on our financial condition or results of operations.

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We face risks related to acquisitions, including the acquisition of existing licensees or investments in or partnerships with other related businesses.

We may engage in strategic transactions, including the acquisition of, or investment in, existing licensees and/or other businesses, partnerships or joint ventures. The risks involved in engaging in these types of transactions include the possible failure to successfully integrate the operations of acquired businesses, or to realize expected benefits within the anticipated time frame, or at all, such as cost savings, synergies, sales and growth opportunities. In addition, the integration of an acquired business or oversight of a partnership or joint venture may result in material unanticipated challenges, expenses, liabilities or competitive responses, including:

- inconsistencies between our standards, procedures and policies and those of an acquired business, partnership and/or joint venture;
- costs or inefficiencies associated with the integration of our operational and administrative systems;
- the increased scope and complexity of our operations could require significant attention from management and could impose constraints on our operations or other projects;
- unforeseen expenses, delays or conditions, including required regulatory or other third-party approvals or consents, or provisions in contracts with third parties that could limit our flexibility to take certain actions;
- an inability to retain the customers, employees, suppliers and/or marketing partners of an acquired business, partnership or joint venture or generate new customers or revenue opportunities through a strategic partnership;
- the costs of compliance with local laws and regulations and the implementation of compliance processes, as well as the assumption of unexpected liabilities, litigation, penalties or other enforcement actions;
- exposure to undetected malware and viruses embedded in the acquired IT systems of the acquired entity; and
- higher than expected costs arising due to unforeseen changes in tax, trade, environmental, labor, safety, payroll or pension policies.

Any one of these factors could result in delays, increased costs or decreases in the amount of expected revenues related to or derived from a strategic transaction and could adversely impact our financial condition or results of operations.

We face risks related to vehicle electrification.

Vehicle electrification refers to a range of technologies that use electricity to propel a vehicle and includes hybrid, plug-in, extended-range and battery electric vehicles, as well as autonomous vehicles. We believe that the vehicle industry will continue to experience significant change in the coming years, in particular as it relates to vehicle electrification. Worldwide demand for electric and hybrid vehicles continues to increase, and manufacturers continue to invest more time and cost into producing these types of vehicles in an effort to reduce fuel consumption and greenhouse gas emissions, as mandated by various governmental standards and regulations. If we are not adequately prepared to meet consumer demand for electric, hybrid and autonomous vehicles as such demand develops, including if we are unable to attain an optimal and consistently reliable charging infrastructure and systems, which will require substantial capital investment, or if consumer demand for electric, hybrid and autonomous vehicles fails to meet our expectations, including due to slower or inadequate investments in charging infrastructure by third parties, changes in governmental regulations, rebates and subsidies, or changes in consumer sentiment, our financial condition or results of operations could be adversely impacted.

We face risks related to liability and insurance.

Our global operations expose us to several forms of liability, including claims for bodily injury, death and property damage related to the use of our vehicles, or for having our customers or other parties on our premises, as well as workers' compensation and other claims. We may become exposed to uninsured liability at levels in excess of our historical levels, or increases in the number of incidents or the cost per incident, which has recently occurred and may continue in the future, which may cause us to exceed the level of our reserves and could adversely impact our financial condition and results of operations. This impact could occur for a variety of reasons, including increased severity and/or instances of weather and climate-related events and overall liability loss trends. Furthermore, insurance with unaffiliated insurers may not continue to be available to us on economically reasonable terms or at all. Should we be subject to an adverse ruling or judgment, or experience other significant liability for which we did not plan and were not adequately insured, our results of operations, financial position or cash flows could be negatively impacted.

We reinsure certain insurance exposures as well as offer optional insurance coverages through unaffiliated third-party insurers that then reinsure all or a portion of their risks through our insurance company subsidiaries, which subjects us to regulation under various insurance laws and statutes. Any changes in regulations that alter or impede our reinsurance obligations or insurance subsidiary operations, or any negative regulatory or other legal action against us with respect to our reinsurance, could adversely impact the economic benefits that we rely upon to support our reinsurance efforts, which in turn would adversely impact our financial condition or results of operations.

Optional insurance products that we offer to renters in the United States, including, but not limited to, supplemental or additional liability insurance, personal accident insurance and personal effects protection, are regulated under state laws. Our vehicle rental operations outside the United States must also comply with certain local laws and regulations regarding the sale of personal accident and effects insurance by intermediaries. Any changes in law that affect our operating requirements with respect to our sale of optional insurance products could increase our costs of compliance or make it uneconomical to offer such products, which would lead to a reduction in revenue and profitability. Should more of our customers decline to purchase optional liability insurance products as a result of any changes in these laws, or otherwise, our financial condition or results of operations could be adversely impacted.

We offer loss damage waivers to our customers as an option for them to reduce their financial responsibility that may be incurred as a result of loss or damage to the rental vehicle. Certain states in the United States have enacted legislation that mandates disclosure to each customer and some states have statutes that establish or cap the daily rate that can be charged for loss damage waivers. Should new laws or regulations arise that place new limits on our ability to offer loss damage waivers to our customers, our financial condition or results of operations could be adversely impacted.

Additionally, current United States federal law pre-empts state laws that impute tort liability based solely on ownership of a vehicle involved in an accident. If such federal law were to change, our insurance liability exposure could materially increase.

We may be unable to collect amounts that we believe are owed to us by customers, insurers and other third parties related to vehicle damage claims or liabilities. The inability to collect such amounts in a timely manner or to the extent that we expect could adversely impact our financial condition or results of operations.

We face risks related to fluctuations in currency exchange rates.

Our operations generate revenue and incur operating costs in a variety of currencies. The financial position and results of operations of many of our foreign subsidiaries are reported in the relevant local currency and then translated to United States dollars at the applicable currency exchange rate for inclusion in our Consolidated Financial Statements. Changes in exchange rates among these currencies and the U.S. dollar have affected, and will continue to affect, among other things, the recorded levels of our assets and liabilities in our Consolidated Financial Statements. While we take steps to manage our currency exposure, such as currency hedging, we may not be able to effectively limit our exposure to intermediate or long-term movements in currency exchange rates, which could adversely impact our financial condition or results of operations.

We face risks related to our derivative instruments.

We typically utilize derivative instruments to manage fluctuations in foreign exchange rates, interest rates and fuel prices. The derivative instruments we use to manage our risk are usually in the form of interest rate swaps and caps and foreign exchange and commodity contracts. Periodically, we are required to determine the change in fair value, called the “mark-to-market,” of some of these derivative instruments, which could expose us to substantial mark-to-market losses or gains if such rates or prices fluctuate materially from the time we entered into the derivatives. Accordingly, volatility in rates or prices may adversely impact our financial position or results of operations and could impact the cost and effectiveness of our derivative instruments in managing our risks.

We have in the past been, and may in the future be, impacted by impairment charges.

We carry a significant amount of goodwill and long-lived assets on our Consolidated Balance Sheets. Goodwill is the excess of purchase price over the fair value of the net assets of acquired businesses. We assess goodwill and long-lived assets for impairment if circumstances suggest an impairment may have occurred, and annually for goodwill and indefinite-lived intangible assets. We have determined in the past and may again determine in the future that a significant impairment has occurred in the value of our goodwill and long-lived assets. Additionally, we have a significant amount of goodwill and long-lived assets that could also be subject to impairment. If we determine that an impairment has occurred in the value of our goodwill or long-lived assets, we could be required to write off a portion of our goodwill or long-lived assets, which could adversely affect our consolidated financial condition or our reported results of operations. For example, to decrease our fleet age for competitive reasons, in the fourth quarter of 2024 we accelerated our plans with respect to certain fleet rotations and shortened the useful life associated with such vehicles, which resulted in an impairment charge. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations” and Note 2 – Summary of Significant Accounting Policies – Impairment of Long-Lived Assets to our Consolidated Financial Statements.

RISKS RELATED TO LEGAL, REGULATORY AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”) RELATED MATTERS

Costs associated with lawsuits, investigations or increases in legal reserves that we establish based on our assessment of contingent liabilities may have an adverse effect on our results of operations.

Our global operations expose us to various claims, lawsuits and other legal proceedings that arise in and outside of the ordinary course of our business in the countries in which we operate. We are or may be subject to complaints and/or litigation involving our customers, licensees, employees, independent operators and others with whom we conduct business and other third parties, including claims for bodily injury, death and property damage related to use of our vehicles or our locations, or claims based on allegations of discrimination, misclassification as exempt, wage and hour pay disputes or allegations related to our business practices, and various other claims. We could be subject to substantial costs and/or adverse outcomes from such claims, which could have a material adverse effect on our financial condition, cash flows or results of operations.

At some of our locations, we outsource to third-party independent contractors who operate the business as a separate entity and we pay these independent contractors a commission for operating their business under our brands. There is a growing trend in the United States aimed at the gig economy to define independent contractors as employees. As such, we are subject to legislative and or judicial determination that any such changes are applicable to these independent contractors. Such determinations may require us to change the business operations and make such independent contractor locations employee operated. This could potentially expose us to additional costs and material liability under federal and state labor and employment and tax laws.

From time to time, our Company is reviewed or investigated by government regulators, which could lead to tax assessments, enforcement actions, fines and penalties or the assertion of private litigation claims. It is not possible to predict with certainty the outcome of claims, investigations and lawsuits, which could have an adverse impact on our financial condition or results of operations. In addition, while we maintain insurance coverage with respect to exposure for certain, but not all, types of legal claims, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

We face risks related to laws and regulations that could impact our global operations.

We are subject to multiple, and sometimes conflicting, laws and regulations in the countries in which we operate that relate to, among others, consumer protection, competition and antitrust, customer privacy and data protection, securities and public disclosure, automotive retail sales, franchising, corruption and anti-bribery, environmental matters, taxes, automobile-related liability, labor and employment matters, cost and fee recovery, currency-exchange and other various banking and financial industry regulations, health and safety, insurance rates and products, claims management, protection of our trademarks and other intellectual property and other trade-related laws and regulations. We cannot predict the nature, scope or effect of future regulatory requirements to which our global operations may be subject or the manner in which existing or future laws may be administered or interpreted. Any alleged or actual violations of any law or regulation, change in law, regulation, trade treaties or tariffs, or changes in the interpretation of existing laws or regulations may subject us to government scrutiny, investigation and civil and criminal penalties, limit our ability to provide services in any of the countries in which we operate and could result in a material adverse impact on our reputation, business, financial position or results of operations.

In certain countries where we have Company-operated locations, we may recover certain costs from consumers, including costs associated with the title and registration of our vehicles, or concession costs imposed by an airport authority or the owner and/or operator of the premises from which our vehicles are rented. We may in the future be subject to potential laws or regulations that could negatively impact our ability to separately state, charge and recover such costs, which could adversely impact our financial condition or results of operations.

We are seeking Advanced Pricing Agreements with certain tax authorities to obtain certainty regarding our transfer pricing policy. While this effort is ongoing, the process of negotiating and ultimately entering into these agreements has been lengthy and may take several more years. The ultimate results of our negotiations of these agreements with tax authorities, the expiration of such agreements, or changes in circumstances or in the interpretation of such agreements could increase our tax costs in these jurisdictions, including through the assessment of significant interest charges and/or penalties if non-compliance is adjudicated. To the extent we do not have an existing Advanced Pricing Agreement or other agreement, governmental authorities could challenge our transfer pricing policy in the future and, if challenged, we may not prevail, which could increase our tax costs or reduce savings related to our transfer pricing policy.

We face risks related to environmental laws and regulations.

We are subject to a wide variety of environmental laws and regulations in connection with our operations, including, among other things, with respect to the ownership or use of tanks for the storage of petroleum products such as gasoline, diesel fuel and motor and used oils; the treatment or discharge of waste waters; and the generation, storage, transportation and off-site treatment or disposal of solid or liquid wastes. We maintain liability insurance covering storage tanks at our locations. In the United States, we administer an environmental compliance program designed to ensure that these tanks are properly registered in the jurisdiction in which they are located and are in compliance with applicable technical and operational requirements. The tank systems located at each of our locations may not at all times remain free from undetected leaks, and the use of these tanks has resulted in, and from time to time in the future may result in, spills, which may be significant and may require remediation and expose us to material uninsured liability or liabilities in excess of insurance.

We may also be subject to requirements related to the remediation of substances that have been released into the environment at properties owned or operated by us or at properties to which we send substances for treatment or disposal. Such remediation requirements may be imposed without regard to fault and liability for environmental remediation can be substantial. These remediation requirements and other environmental regulations differ depending on the country where the property is located. We have made, and will continue to make, expenditures to comply with environmental laws and regulations, including, among others, expenditures for the remediation of impacts at our owned and leased properties, as well as impacts at other locations at which our wastes have reportedly been identified. Our compliance with existing or future environmental laws and regulations may, however, require material expenditures by us or otherwise have an adverse impact on our financial condition or results of operations.

Governments are likely to continue to pursue measures related to climate change and greenhouse gas emissions, including vehicle travel restrictions. Should rules establishing limitations on greenhouse gas or other emissions or rules imposing fees on entities deemed to be responsible for greenhouse gas emissions, or rules establishing bans on diesel or fuel vehicles from entering certain locations become effective in the countries in which we operate, demand for our services could be affected, our fleet and/or other costs could increase, and our business could be adversely impacted.

We face risks related to ESG matters.

The growing focus on climate change, heightened societal expectations for companies to address environmental and social matters, and the proliferation of ESG related regulations and laws relating to disclosures and otherwise, both domestically (including in California) and globally (especially in the European continent) pose risks to our business. These developments could lead to increased operational and compliance costs, shifts in consumer and customer preferences toward substitute products, reduced demand for our offerings, and potential impacts on profitability. Additionally, these factors, as well as our action or inaction with respect to ESG matters, may result in heightened regulatory or public scrutiny, increased litigation, reputational damage, and adverse effects on our revenue, stock price and/or access to capital markets.

We have developed certain initiatives, goals and practices relating to ESG matters. We may not be successful in implementing these initiatives, goals and practices, including due to factors beyond our control, and even if successful, they may not achieve our desired or expected outcomes. If our ESG initiatives, goals, and practices do not meet our expectations, those of our investors or other stakeholders, or requirements of local rules and regulations, each of which continue to evolve, we may incur additional costs, and our brand, reputation and results of operations and financial condition may be adversely impacted.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings and investment community divestment initiatives may lead to negative publicity or investor sentiment toward us and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital.

We face risks related to franchising or licensing laws and regulations.

We license to third parties the right to operate locations using our brands in exchange for royalty payments. Our licensing activities are subject to various laws and regulations in the countries in which we operate. In particular, laws in the United States require that we provide extensive disclosure to prospective licensees in connection with licensing offers and sales, as well as comply with franchise relationship laws that could limit our ability to, among other things, terminate license agreements or withhold consent to the renewal or transfer of these agreements. We are also subject to certain regulations affecting our license arrangements in Europe and other international locations. Should our operations become subject to new laws or regulations that negatively impact our ability to engage in licensing activities, our financial condition or results of operations could be adversely impacted.

We face risks related to the actions of, or failures to act by, our licensees, dealers, independent operators or third-party vendors.

Our vehicle rental licensee and dealer locations are independently owned and operated. We also operate many of our Company-owned locations through agreements with independent operators, which are third-party independent contractors who receive commissions to operate such locations. We also enter into service contracts with various third-party vendors that provide services for us or in support of our business. Under our agreements with our licensees, dealers, independent operators and third-party vendors (collectively referred to as “third-party operators”), the third-party operators retain control over the employment and management of all personnel at their locations or in support of the services that they provide our Company. These agreements also generally require that third-party operators comply with all laws and regulations applicable to their businesses, including relevant internal policies and standards. Regulators, courts or others may seek to hold us responsible for the actions of, or failures to act by, third-party operators or their employees based on theories of vicarious liability, negligence, joint operations or joint employer liability. Although we actively monitor the operations of these third-party operators, and under certain circumstances have the ability to terminate their agreements for failure to adhere to contracted

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operational standards, we are unlikely to detect all misconduct or noncompliance by a third-party operator or its employees. It is our policy to vigorously seek to be dismissed from any claims involving third-party operators and to pursue indemnity for any adverse outcomes that affect the Company. Failure of third-party operators to comply with laws and regulations or our operational standards, or our inability to be dismissed from claims against our third-party operators, may expose us to liability, damages and negative publicity that may damage our brand and reputation and adversely affect our financial condition or results of operations.

We face risks associated with changes in tax laws.

The Tax Cuts and Jobs Act of 2017 (the “Tax Act”) eliminated the use of like-kind exchange for personal property and allowed for full expensing of qualified property purchases through 2022. From 2004 until its elimination, we utilized like-kind exchange to replace vehicles in a manner that allowed for a material deferral of United States (U.S.) federal and state income taxes. The effect of the repeal of the like-kind exchange treatment for vehicle sales has been largely offset through 2022 by the availability of full expensing for certain business assets (including our vehicles) in the year placed in service. During 2023, the full expensing provision started to phase-out ratably by 20% each year between 2023 and 2027. Certain U.S. states have modified their tax statutes as a result of the Tax Act, and such state legislation does not allow the use of full expensing benefits for state tax purposes, which negatively impacts our tax liability in such states. Other U.S. states continue to modify their tax statutes related to full expensing. Therefore, we cannot offer assurance that the benefits from the expected tax deductions will continue.

The Inflation Reduction Act of 2022 (the “IRA”) includes a 15% corporate alternative minimum tax on certain large corporations and a 1% excise tax on certain corporate stock repurchases. The impact on the Company of these provisions, which became effective on January 1, 2023, will depend on several factors, including recently released and forthcoming interpretive regulatory guidance. The Company continues to review and assess the provisions of the IRA, and its potential impact on our financial condition, results of operations, liquidity, and cash flows.

There is also a high level of uncertainty in today’s tax environment stemming from both global initiatives put forth by the Organisation for Economic Co-operation and Development (the “OECD”), and unilateral measures being implemented by various countries. As an example, the OECD has put forth two proposals—Pillar One and Pillar Two—that revise the existing profit allocation and nexus rules (profit allocation based on location of sales versus physical presence) and ensure a minimal level of taxation, respectively. The OECD issued administrative guidance and proposals which provide for transition and safe harbor rules for the global minimum tax, which is effective fiscal year 2024. Further, many countries have proposed or have begun to implement changes to existing tax laws in response to the OECD’s proposals. The Company continues to closely monitor any such developments and guidance issued to determine any impact on our effective tax rate, cash tax obligations and operations.

RISKS RELATED TO OUR CAPITAL STRUCTURE AND INDEBTEDNESS

We face risks related to our current and future debt obligations, including risks related to conditions in the credit and asset-backed securities markets.

Our ability to satisfy and manage our debt obligations depends on our ability to generate cash flow and on overall financial market conditions. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, many of which are beyond our control. Our outstanding debt obligations require us to dedicate a significant portion of our cash flows to pay interest and principal on our debt, which reduces funds available to us for other purposes. Our business may not generate sufficient cash flow from operations to permit us to service our debt obligations and meet our other cash needs, which may force us to reduce or delay capital expenditures, sell or curtail assets or operations, seek additional capital or seek to restructure or refinance our indebtedness. If we must sell or curtail our assets or operations, it may negatively affect our ability to generate revenue. Certain of our debt obligations contain restrictive covenants and provisions that may limit our ability to, among other things, incur additional debt; provide guarantees; pay dividends or distributions, redeem or repurchase capital stock; prepay, redeem or repurchase debt; create or incur liens; make distributions from our subsidiaries; sell assets and capital stock of our subsidiaries; and consolidate or merge with or into, or sell substantially all of our assets to, another person. These covenants and provisions also may limit our

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ability to respond to adverse changes in general economic, industry and competitive conditions, as well as changes in government regulation and changes to our business.

Our failure to comply with these restrictive covenants and provisions, if not waived, would cause a default under the applicable debt agreement and could result in a cross-default under several of our other debt obligations, including our asset-backed debt facilities. If such a default were to occur, we could be required to repay or accelerate debt payments to the lenders or holders of our debt, and there can be no assurance that we would be able to refinance or obtain a replacement for such financing programs.

We finance our vehicle fleet purchases and operations through the use of asset-backed securities in the United States, Canada, Australia and Europe and other debt financing structures available through the credit markets. If the asset-backed financing and/or credit markets were to be disrupted for any reason, we may be unable to obtain refinancing for our operations or vehicle fleet purchases at current levels, or at all, when our respective asset-backed financings or debt financings mature. Likewise, any disruption of the asset-backed financing or credit markets could also increase our borrowing costs, as we seek to refinance existing debt or increase our indebtedness. In addition, we could be subject to increased collateral requirements to the extent that we request any amendment or renewal of any of our existing asset-backed or debt financings.

We face risks related to increases in interest rates.

A portion of our borrowings, primarily our vehicle-backed borrowings, bears interest at variable rates that expose us to interest rate risk. If interest rates continue to increase, whether due to continued increases in market interest rates or one or more increases in our own cost of borrowing, our debt service obligations for our variable rate indebtedness would increase even though the amount of borrowings remain the same, and our results of operations could be adversely affected. As of December 31, 2024, our total outstanding debt of approximately \$23.1 billion included unhedged interest rate sensitive debt of approximately \$4.1 billion. During our seasonal borrowing peak in 2024, outstanding unhedged interest rate sensitive debt totaled approximately \$6.4 billion.

Virtually all of our debt under vehicle programs and certain of our corporate indebtedness matures within the next five years. If we are unable to refinance maturing indebtedness at interest rates that are equivalent to or lower than the interest rates on our maturing debt, our results of operations or our financial condition may be adversely affected.

We face certain risks related to our share repurchase program.

Our Board of Directors previously authorized the repurchase of up to \$8.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded most recently in February 2023 (the "Share Repurchase Program"). As of December 31, 2024, approximately \$757 million remains available under the Share Repurchase Program. If we purchase additional shares of our common stock under the Share Repurchase Program, the percentage of our outstanding common stock owned by SRS Investment Management, LLC and its affiliates ("SRS") may increase, even without further action by SRS. Under the terms of the Fourth Amended and Restated Cooperation Agreement between the Company and SRS, SRS has committed, with respect to shares of common stock SRS holds in excess of 35% of the Company's outstanding common stock, to exercise its voting rights in the same proportion in which other shares of common stock are voted. Notwithstanding this commitment, the ownership by SRS of more than 50% of the Company's outstanding common stock could trigger, or increase the likelihood that we trigger, certain change in control provisions in the indentures governing our senior notes. The Company must make a 101% change of control offer for the senior notes if, within 60 days following a change of control, the ratings on the notes are downgraded by one or more gradations or withdrawn and the applicable rating agency announces that such downgrade or withdrawal is attributable to the change of control.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY MATTERS, DATA SECURITY AND PRIVACY

We face risks related to our protection of our intellectual property.

We have registered certain marks and designs as trademarks in the United States and in certain other countries. At times, competitors may adopt service names similar to ours, thereby potentially impeding our ability to build brand identity and possibly leading to confusion in the marketplace. In addition, we have been subject to, and from time to time in the future may be subject to, trade name or trademark infringement claims brought by owners

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of other trademarks or names. From time to time, we have acquired or attempted to acquire Internet domain names held by others when such names have caused consumer confusion or had the potential to cause consumer confusion. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be unsuccessful and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

We face risks related to our reliance on communications networks and centralized information systems.

We rely heavily on the satisfactory performance and availability of our information systems, including our reservation systems, websites and network infrastructure to attract and retain customers, accept reservations, process rental and sales transactions, manage our fleet of vehicles, account for our activities and otherwise conduct our business. We rely on third-party communications service and system providers for technology services. We have been subjected to, and from time to time in the future may be subject to, a failure or interruption that results in the unavailability of certain of our information systems. Such a failure or interruption, or a major disruption, could cause a loss of reservations, interfere with our fleet management, slow rental and sales processes, create negative publicity that damages our reputation or otherwise adversely impacts our ability to manage our business effectively. We may experience system interruptions or disruptions for a variety of reasons, including from network failures, power outages, cyber-attacks, human error or misuse, software errors, an unusually high volume of visitors attempting to access our systems, or other events such as fire, explosions, earthquakes, storms, floods, epidemics, strikes, acts of war, civil unrest or terrorist acts. Because we are dependent in part on independent third parties for the implementation and maintenance of certain aspects of our systems and because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. Our systems' business continuity plans and insurance programs seek to mitigate such risks but they cannot fully eliminate the risks.

We face risks related to cybersecurity breaches of our systems and information technology.

Threats to network and data security are becoming increasingly diverse and sophisticated. We have experienced cybersecurity attacks in the past, and we experience attempts to gain unauthorized access to our systems on a regular basis. As cybersecurity threats become more frequent, intense, and sophisticated, costs of proactive defense measures may increase. Third parties may have the technology or expertise to breach the security of our systems and data and our security measures may not prevent or timely detect physical security or cybersecurity breaches, which could result in substantial harm to our business, our reputation or our results of operations. We rely on encryption and/or authentication technology licensed from and, at times, administered by independent third parties to secure transmission of confidential information, including credit card numbers and other customer personal information. Our outsourcing agreements with these third-party service providers, including third-party hosted cloud environments, generally require that they have adequate security systems in place to protect our customer transaction data. Despite the implementation of cybersecurity measures (including access controls, data encryption, vulnerability assessments, continuous monitoring, and maintenance of backup and protective systems), our information technology systems or those used by our third-party service providers may still be vulnerable to a breach, including due to defects or other unexpected factors. Additionally, if a third-party service provider on which we rely experiences a breach, we may not learn of such breach in a timely manner, or at all, which may inhibit our ability to mitigate its impacts, and exacerbate the risks described in this paragraph.

In addition, anyone who is able to circumvent our security measures or gain unauthorized access to our systems or information or those of our third-party service providers despite such security measures, could misappropriate proprietary information or cause interruptions in our operations. Cybersecurity incidents that we have experienced in the past and may experience in the future may be caused by malicious third parties using sophisticated, targeted methods to circumvent firewalls, encryption, and other security defenses, and could include hacking, viruses, malicious software, ransomware, phishing attacks, denial of service attacks and other attempts to capture, disrupt or gain unauthorized access to data, all of which are rapidly evolving. Such incidents could lead to disruptions in our reservation system or other data systems, unauthorized release of confidential or otherwise protected information or corruption of data. The techniques used by third parties change frequently and may be difficult to detect for long periods of time. Any successful efforts by individuals to infiltrate, break into, disrupt, damage or otherwise steal from the Company's, its licensees' or its third-party service providers' security or information systems could damage our reputation and expose us to increased cybersecurity protection costs, litigation or other liability that could adversely impact our financial condition or results of operations. A cybersecurity breach resulting in the unauthorized use or disclosure of certain personal information could put

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individuals at risk of identity theft and financial or other harm and result in costs to the Company in investigation, remediation, legal defense and in liability to parties who are financially harmed. Failure to appropriately address these issues could also give rise to potentially material legal risks and liabilities.

We are subject to privacy, data protection, data security and other regulations, as well as private industry standards, which could negatively impact our global operations and cause us to incur additional incremental expense or reputational harm that impacts our future operating results.

Our business requires the secure processing and storage of personal information relating to our customers, employees, business partners and others. Current privacy and data protection laws, particularly the European Union's General Data Protection Regulation ("GDPR"), the United Kingdom Data Protection Act ("UK DPA"), the California Consumer Privacy Act including modifications by the California Privacy Rights Act (collectively, the "CCPA"), the Virginia Consumer Data Protection Act ("VCDPA"), and other regulations in the jurisdictions in which we operate impose obligations and restrictions regarding the types of information that we may collect, process, sell and retain about our customers, employees and other individuals with whom we deal or propose to deal, some of which may be non-public personal data. A patchwork of new and proposed privacy and data protection legislation and regulation continues to evolve across the jurisdictions in which we operate. These laws and regulations, each wide-ranging in scope, provide individuals located in those jurisdictions with greater control over their personal data and impose various requirements on our business relating to the collection and processing of personal data. These laws also impose significant forfeitures and penalties for noncompliance and afford private rights of action to individuals under certain circumstances. The Company has adopted policies and procedures in compliance with these laws, which may need to be updated as new laws are passed or as additional guidance is made available from regulatory authorities or published enforcement decisions. Data protection laws in the countries where we operate are developing at a rapid pace and may be interpreted and applied inconsistently from jurisdiction to jurisdiction and impose inconsistent or conflicting requirements. Complying with varying jurisdictional privacy and data protection requirements could increase our operating costs, divert management attention or require additional changes to our business practices. Should we be found to not be in compliance with the GDPR, UK DPA, CCPA, VCDPA or similar privacy and data protection laws, we could be subject to substantial monetary penalties, government consent decrees, regulatory enforcement actions, and other sanctions that could negatively impact our operating results or harm our reputation.

The centralized nature of our information systems combined with the expansive nature of our global business requires the routine flow of information regarding employees, customers and potential customers, and suppliers across national borders, particularly in the United States, the United Kingdom, and Europe. Although new and updated personal data transfer mechanisms, such as the European Commission's Standard Contractual Clauses, have been adopted by regulators following the invalidation of previously available transfer mechanisms in 2020 by the Court of Justice of the European Union, these mechanisms remain subject to legal uncertainty and face ongoing scrutiny from EU supervisory authorities. This continued uncertainty may affect our ability to process and transfer personal data, which could impact our ability to serve our customers and efficiently manage our employees and operations. Moreover, our failure to maintain the security of the data we hold, whether as a result of our own error or the actions of others, could harm our reputation or give rise to legal liabilities that adversely impact our financial condition or results of operations. Privacy and data protection laws and regulations restrict the ways that we process our transaction information, and the payment card industry imposes strict customer credit card data security standards to ensure that our customers' credit card information is protected. Failure to meet these data privacy and security standards could result in substantial increased fees to credit card companies, other liabilities and/or loss of the right to collect credit card payments, which could adversely impact our financial condition or results of operations.

GENERAL RISK FACTORS

We face risks related to the market price of our common stock.

We cannot predict the prices at which our common stock will trade. The market price of our common stock has experienced substantial volatility in the past and may fluctuate widely in the future, depending on many factors, some of which may be beyond our control, including, but not limited to, the factors described in this "Risk Factors" section and the section titled "Forward-Looking Statements." If any of these factors materialize, it could cause our stock price to fall and may expose us to litigation, including class action lawsuits that, even if unsuccessful, could be costly to defend, distract management, and harm our reputation.

Certain provisions of our certificate of incorporation and by-laws and Delaware law could prevent or delay a potential acquisition of control of our Company, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation, amended and restated by-laws and the laws in the State of Delaware contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the prospective acquirer and to encourage prospective acquirers to negotiate with our Board of Directors rather than to attempt a hostile takeover. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock.

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by effectively requiring those who seek to obtain control of the Company to negotiate with our Board of Directors and by providing our Board with more time to assess any such potential acquisition of control. However, these provisions could apply even if such a potential acquisition of control of the Company may be considered beneficial by some stockholders and could delay or prevent an acquisition of control that our Board of Directors determines is not in the best interests of our Company and our stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We maintain processes for assessing, identifying and managing material risks from cybersecurity threats.

We regularly use both outsourced and in-house information security expertise to employ a variety of administrative, technical, and physical data safeguards designed to both deter and mitigate cybersecurity risks, including cyber incident response procedures, endpoint threat detection and response solutions, employee training, third-party risk reviews, penetration testing, technical control reviews, vulnerability assessments, and enterprise-wide risk assessments. These policies and procedures, which are based on the National Institute of Standards and Technology framework, align with international standards under ISO/IEC 27001 and are reviewed annually, including via an annual assessment of relevant IT SOX controls and Payment Card Industry Data Security Standard reviews performed both by external Qualified Security Assessors and authorized members of our internal information security team. Our third-party due diligence processes also include procedures for identifying cybersecurity threats associated with third-party service providers. Cybersecurity risks are also identified and evaluated through our enterprise risk management (ERM) processes, which are overseen by the Audit Committee of our Board of Directors. Through our ERM processes, key stakeholders across the business identify, assess, and manage risk, including material cybersecurity risks. These processes enable us to monitor and assess the evolving landscape of cybersecurity risks.

Our information security program is administered under the supervision of our EVP, Chief Digital and Innovation Officer (CDIO) and Vice President (VP) of Platforms, Infrastructure and Cybersecurity, who share responsibility for assessing and managing the Company's cybersecurity risks. Both our CDIO and VP of Platforms, Infrastructure, and Cybersecurity have over 20 years of related experience, holding technical leadership roles at notable multinational organizations, across diverse industries.

Our CDIO and VP of Platforms, Infrastructure and Cybersecurity also monitor the prevention, detection, mitigation and remediation of cybersecurity incidents through the same processes described above for the identification and management of material cybersecurity risks.

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The Audit Committee of our Board of Directors oversees risks associated with information technology and cybersecurity. Cybersecurity risks and incidents identified through these processes are evaluated by our CDIO and VP of Platforms, Infrastructure and Cybersecurity. Our VP of Platforms, Infrastructure and Cybersecurity provides regular updates on a quarterly basis, and more frequently as required, on these matters to the Audit Committee of our Board of Directors. Such reports may include discussions on current control audits, risk assessments, proposed mitigation measures, and other key information technology and cyber initiatives.

Information about our material cybersecurity risks can be found in Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

Our principal executive offices are owned and located at 379 Interpace Parkway, Parsippany, New Jersey 07054. We own a facility in Virginia Beach, Virginia, which serves as a satellite administrative facility for our car and truck rental operations. We also lease office space in Tulsa, Oklahoma and Boston, Massachusetts, pursuant to leases expiring in 2028 and 2031, respectively. These locations primarily provide operational and administrative services or contact center operations for our Americas segment. We also lease office space in Bracknell, England, Barcelona, Spain and Budapest, Hungary, pursuant to leases expiring in 2032, 2026 and 2026, respectively, for corporate offices, contact center activities and other administrative functions, respectively, for our International segment. Other office locations throughout the world are leased for administrative, regional sales and operations activities.

We lease or have vehicle rental concessions for our brands at locations throughout the world. We own approximately 3% of the locations from which we operate and in some cases we sublease to licensees or other third parties. The remaining locations from which we operate our vehicle rental businesses are leased or operated under concession agreements with governmental authorities and private entities. Those leases and concession agreements typically require the payment of minimum rents or minimum concession fees and often also require us to pay or reimburse operating expenses, to pay additional rent, or concession fees above guaranteed minimums based on a percentage of revenues or sales arising at the relevant premises, or to do both. See Note 3 – Leases to our Consolidated Financial Statements for information regarding lease commitments.

We believe that our properties are sufficient to meet our present needs and we do not anticipate any difficulty in securing additional space, as needed, on acceptable terms.

ITEM 3. LEGAL PROCEEDINGS

For information regarding legal proceedings, see Note 15 – Commitments and Contingencies to our Consolidated Financial Statements.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET FOR COMMON EQUITY

Our common stock is currently traded on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “CAR.” At January 31, 2025, the number of stockholders of record was 2,109.

DIVIDEND POLICY

We evaluate our dividend policy on a regular basis and may pay dividends in the future, subject to compliance with the covenants in our senior credit facility, the indentures governing our senior notes and our vehicle financing programs. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors and will also depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board of Directors deems relevant. We did not declare or pay any cash dividends in 2024 or 2022. In December 2023, we declared and paid a \$10.00 per share special cash dividend to all holders of our common stock as of December 15, 2023.

ISSUER PURCHASES OF EQUITY SECURITIES

	Total Number of Shares Purchased (in millions) ^(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (\$ in millions)
October 2024	0.45	\$ 81.77	0.45	\$ 757
November 2024	—	—	—	757
December 2024	—	—	—	757
	0.45	\$ 81.77	0.45	\$ 757

^(a) Excludes shares which were withheld by the Company to satisfy employees’ income tax liabilities attributable to the vesting of restricted stock unit awards.

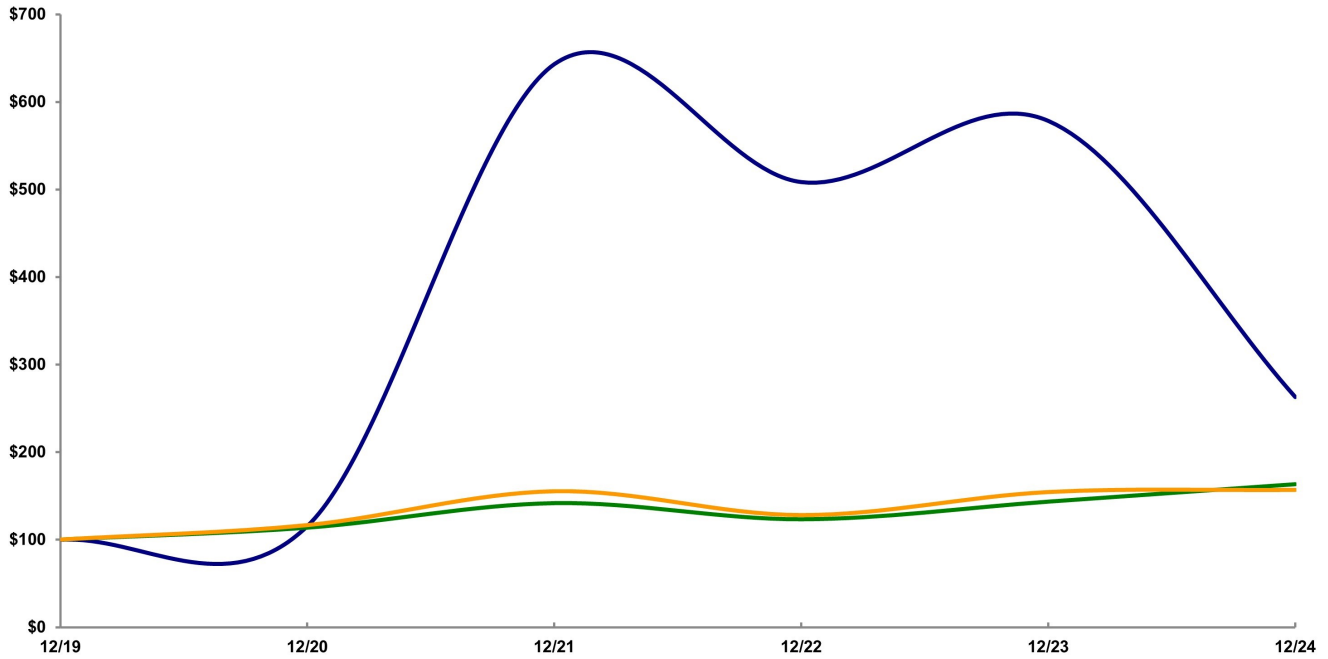
Our Board of Directors has authorized the repurchase of up to approximately \$8.1 billion of our common stock under a plan originally approved in 2013 and subsequently expanded, most recently in February 2023 (the “Stock Repurchase Program”). Under our Stock Repurchase Program, we repurchase shares from 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.

PERFORMANCE GRAPH

Set forth below are a line graph and table comparing the cumulative total stockholder return of our common stock against the cumulative total returns of the S&P MidCap 400 Index and the Dow Jones US Transportation Average Index for the period of five fiscal years commencing December 31, 2019 and ending December 31, 2024. The broad equity market index used by the Company is the S&P MidCap 400 Index, which measures the performance of mid-sized companies, and the published industry index used by the Company is the Dow Jones US Transportation Average Index, which measures the performance of transportation companies. The graph and table depict the result of an investment on December 31, 2019 of \$100 in the Company’s common stock, the S&P MidCap 400 Index and the Dow Jones US Transportation Average Index, including investment of dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Among Avis Budget Group, Inc., the S&P MidCap 400 Index and the Dow Jones US Transportation Average Index



— Avis Budget Group, Inc.

— S&P MidCap 400

— Dow Jones US Transportation Average

As of December 31,

	2019	2020	2021	2022	2023	2024
Avis Budget Group, Inc.	\$ 100.00	\$ 115.69	\$ 643.21	\$ 508.47	\$ 578.37	\$ 263.01
S&P MidCap 400 Index	\$ 100.00	\$ 113.66	\$ 141.80	\$ 123.28	\$ 143.54	\$ 163.54
Dow Jones US Transportation Average Index	\$ 100.00	\$ 116.52	\$ 155.22	\$ 127.96	\$ 154.31	\$ 156.71

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with Part I, Item 1, "Business", Item 1A, "Risk Factors" and our Consolidated Financial Statements and accompanying Notes included in this Annual Report on Form 10-K commencing on page F-1. Our actual results of operations may differ materially from those discussed in forward-looking statements as a result of various factors, including but not limited to those included in Part I, Item 1A, "Risk Factors" and other portions of this Annual Report on Form 10-K. 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 695,000 vehicles in 2024. 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.

RESULTS OF OPERATIONS

A discussion regarding our financial condition and results of operations for the year ended December 31, 2024 compared to 2023 is presented below. A discussion regarding our financial condition and results of operations for the year ended December 31, 2023 compared to 2022 can be found under Part II, Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 16, 2024, which is available on the SEC's website at www.sec.gov and our Investor Relations website at ir.avisbudgetgroup.com.

In 2024, we saw sustained volume, decreased revenue per day, and increased fleet and interest costs. This resulted in revenues of approximately \$11.8 billion, a net loss of \$1.8 billion and Adjusted EBITDA of \$628 million for the year ended December 31, 2024. During the fourth quarter of 2024, we changed our fleet strategy to accelerate certain fleet rotations in order to decrease the age of our fleet for competitive reasons, and accordingly, we shortened the useful life associated with such vehicles. Our net loss reflects \$2.5 billion in long-lived asset impairment and other related charges, approximately \$2.3 billion of which was recorded to reduce the carrying value of our rental fleet to its fair value in connection with this change. See Note 2 – Summary of Significant Accounting Policies – Impairment of Long-lived Assets to our Consolidated Financial Statements.

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, and an economic downturn that may impact travel demand, all of which may be exacerbated by ongoing military conflicts, including in Eastern Europe. Additionally, uncertainty remains with respect to tariffs and tax regulations, and this uncertainty has had and may continue to have impacts on global stock markets and foreign exchange rates. 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. Our strategy continues to primarily focus on customer experience and costs to strengthen our Company, maximize profitability, and deliver stakeholder value.

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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; restructuring and other related charges; early extinguishment of debt costs; non-vehicle related interest; transaction-related costs, net; legal matters, net, which includes amounts recorded in excess of \$5 million, related primarily 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 have revised our definition of Adjusted EBITDA to exclude severe weather-related damages in excess of \$5 million, net of insurance proceeds. We did not revise prior years' Adjusted EBITDA amounts because there were no other charges similar in nature to these. 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.

Year Ended December 31, 2024 vs. Year Ended December 31, 2023

Our consolidated results of operations comprised the following:

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
Revenues	\$ 11,789	\$ 12,008	\$ (219)	(2%)
Expenses				
Operating	6,014	5,675	339	6%
Vehicle depreciation and lease charges, net	2,976	1,739	1,237	71%
Selling, general and administrative	1,352	1,408	(56)	(4%)
Vehicle interest, net	941	736	205	28%
Non-vehicle related depreciation and amortization	237	216	21	10%
Interest expense related to corporate debt, net:				
Interest expense	358	296	62	21%
Early extinguishment of debt	19	5	14	n/m
Long-lived asset impairment and other related charges	2,470	—	2,470	n/m
Restructuring and other related charges	37	11	26	n/m
Transaction-related costs, net	3	5	(2)	(40%)
Other (income) expense, net	9	3	6	n/m
Total expenses	\$ 14,416	\$ 10,094	\$ 4,322	43%
Income (loss) before income taxes	(2,627)	1,914	(4,541)	n/m
Provision for (benefit from) income taxes	(810)	279	(1,089)	n/m
Net income (loss)	\$ (1,817)	\$ 1,635	\$ (3,452)	n/m
Less: Net income attributable to non-controlling interests	4	3	1	n/m
Net income (loss) attributable to Avis Budget Group, Inc.	\$ (1,821)	\$ 1,632	\$ (3,453)	n/m

n/m Not meaningful.

Revenues decreased \$219 million or 2% for the year ended December 31, 2024 compared to the similar period in 2023, primarily due to a 3% decrease in revenue per day, excluding exchange rate effects and a \$9 million negative impact from currency exchange rate movements, partially offset by a 1% increase in volume. Total expenses increased 43% for the year ended December 31, 2024, compared to the similar period in 2023, primarily due to long-lived asset impairment and other related charges, higher per-unit fleet costs and higher interest costs. See Note 2 – Summary of Significant Accounting Policies – Impairment of Long Lived Assets to our Consolidated Financial Statements. Our effective tax rates for the years ended December 31, 2024 and 2023 were a benefit of 30.8% and a provision of 14.6%, respectively. As a result of these items, our net income decreased by \$3.5 billion compared to the similar period in 2023. For the years ended December 31, 2024 and 2023, we reported diluted earnings (loss) per share of \$(51.23) and \$42.08, respectively.

Operating expenses increased to 51.0% of revenues for the year ended December 31, 2024 compared to 47.3% during the similar period in 2023, primarily due to an increase in volume. Vehicle depreciation and lease charges increased to 25.2% of revenues for the year ended December 31, 2024 compared to 14.5% during the similar period in 2023, primarily driven by higher per-unit fleet costs; adjusted depreciation on our rental fleet following a change in our fleet strategy, whereby we have accelerated certain fleet rotations and shortened the useful life associated with such vehicles; and a decrease in the gain on sale of vehicles. Selling, general and administrative costs were 11.5% of revenues for the year ended December 31, 2024 compared to 11.7% during the similar period in 2023. Vehicle interest costs increased to 8.0% of revenues for the year ended December 31, 2024, compared to 6.1% during the similar period in 2023, primarily due to rising interest rates.

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

	2024		2023	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
Americas	\$ 9,111	\$ 551	\$ 9,347	\$ 2,196
International	2,678	161	2,661	400
Corporate and other ^(a)	—	(84)	—	(106)
Total company	<u>\$ 11,789</u>	<u>\$ 628</u>	<u>\$ 12,008</u>	<u>\$ 2,490</u>

Reconciliation of net income (loss) to Adjusted EBITDA

	2024	2023
Net income (loss)	\$ (1,817)	\$ 1,635
Provision for (benefit from) income taxes	(810)	279
Income (loss) before income taxes	<u>\$ (2,627)</u>	<u>\$ 1,914</u>
Non-vehicle related depreciation and amortization	237	216
Interest expense related to corporate debt, net:		
Interest expense	358	296
Early extinguishment of debt	19	5
Long-lived asset impairment and other related charges ^(b)	2,470	—
Restructuring and other related charges	37	11
Transaction-related costs, net	3	5
Other (income) expense, net ^(c)	9	3
Legal matters, net ^(d)	64	5
Cloud computing costs ^(e)	45	35
Severe weather-related damages, net ^(e)	13	—
Adjusted EBITDA	<u>\$ 628</u>	<u>\$ 2,490</u>

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

^(b) Includes an impairment charge of approximately \$2.3 billion related to the acceleration of the rotation of our fleet and a charge of \$180 million related to the write-down of the carrying value of certain vehicles held for sale within our Americas reportable segment. See Note 2 – Summary of Significant Accounting Policies – Impairment of Long-Lived Assets to our Consolidated Financial Statements.

^(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) Includes \$4 million reported within selling, general and administrative expenses for the year ended December 31, 2024 and \$60 million and \$5 million reported within operating expenses in the years ended December 31, 2024 and 2023, respectively. The \$60 million recorded within operating expenses for the year ended December 31, 2024 includes \$46 million relating to our self-insurance reserves for allocated loss adjustment expense.

^(e) Reported within operating expenses.

Americas

	2024	2023	% Change
Revenues	\$ 9,111	\$ 9,347	(3%)
Adjusted EBITDA	551	2,196	n/m

Revenues decreased for the year ended December 31, 2024 compared to the similar period in 2023, primarily due to a 3% decrease in revenue per day, excluding exchange rate effects and a \$8 million negative impact from currency exchange rate movements, partially offset by a 1% increase in volume.

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Operating expenses increased to 51.2% of revenues for the year ended December 31, 2024 compared to 47.4% during the similar period in 2023, primarily due to an increase in volume. Vehicle depreciation and lease charges increased to 25.3% of revenues for the year ended December 31, 2024 compared to 13.0% during the similar period in 2023, primarily driven by higher per-unit fleet costs; adjusted depreciation on our rental fleet following a change in our fleet strategy, whereby we have accelerated certain fleet rotations and shortened the useful life associated with such vehicles; and a decrease in the gain on sale of vehicles. Selling, general and administrative costs were 9.5% of revenues for the year ended December 31, 2024 compared to 9.6% during the similar period in 2023. Vehicle interest costs increased to 8.6% of revenues for the year ended December 31, 2024 compared to 6.6% during the similar period in 2023, primarily due to rising interest rates.

Adjusted EBITDA decreased for the year ended December 31, 2024 compared to the similar period in 2023, primarily due to higher per-unit fleet costs, interest costs, and a \$2 million negative impact from currency exchange rate movements.

International

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Revenues	\$ 2,678	\$ 2,661	1%
Adjusted EBITDA	161	400	n/m

Revenues increased for the year ended December 31, 2024 compared to the similar period in 2023, primarily due to a 4% increase in volume, partially offset by a 3% decrease in revenue per day, excluding exchange rate effects and a \$1 million negative impact from currency exchange rate movements.

Operating expenses increased to 48.3% of revenues for the year ended December 31, 2024 compared to 45.6% during the similar period in 2023, primarily due to an increase in volume. Vehicle depreciation and lease charges increased to 25.2% of revenues for the year ended December 31, 2024 compared to 19.7% during the similar period in 2023, primarily due to increased per-unit fleet costs, increased depreciation rates, and a decrease in the gain on sale of vehicles. Selling, general and administrative costs were 15.3% of revenues for the year ended December 31, 2024 compared to 15.4% during the similar period in 2023. Vehicle interest costs increased to 5.7% of revenues for the year ended December 31, 2024 compared to 4.4% during the similar period in 2023, primarily due to rising interest rates.

Adjusted EBITDA decreased for the year ended December 31, 2024 compared to the similar period in 2023, primarily due to higher per-unit fleet and interest costs, and a \$13 million negative impact from currency exchange rate movements.

Corporate and Other

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Adjusted EBITDA	(84)	(106)	n/m

Adjusted EBITDA increased for the year ended December 31, 2024 compared to the similar period in 2023, primarily due to decreased selling, general and administrative expenses, which are not attributable to a particular segment.

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

	As of December 31,		
	2024	2023	Change
Total assets exclusive of assets under vehicle programs	\$ 9,668	\$ 9,590	\$ 78
Total liabilities exclusive of liabilities under vehicle programs	11,047	10,095	952
Assets under vehicle programs	19,373	22,979	(3,606)
Liabilities under vehicle programs	20,311	22,817	(2,506)
Stockholders' equity	(2,317)	(343)	(1,974)

The increase in assets exclusive of assets under vehicle programs compared to 2023 is principally related to the increase in operating lease right-of-use assets. See Note 3 – Leases to our Consolidated Financial Statements.

The increase in liabilities exclusive of liabilities under vehicle programs compared to 2023 is principally related to the increase in operating lease liabilities and corporate indebtedness from the issuance of senior notes. See "Liquidity and Capital Resources," Note 3 – Leases and Note 13 – Long-term Corporate Debt and Borrowing Arrangements to our Consolidated Financial Statements.

The decreases in assets and liabilities under vehicle programs are principally related to the decrease in the size and value of our vehicle rental fleet.

The decrease in stockholders' equity compared to 2023 is principally related to our comprehensive 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.

In February 2024, we issued €600 million of 7.000% euro-denominated Senior Notes due February 2029, at par, with interest payable semi-annually. In April 2024, we used net proceeds from the offering to redeem all of our outstanding 4.750% euro-denominated Senior Notes due January 2026 plus accrued interest, with the remainder being used for general corporate purposes.

In May 2024, we issued an additional €200 million 7.250% euro-denominated Senior Notes due July 2030, at 100.25% of their face value, with interest payable semi-annually. Net proceeds from the offering were used for general corporate purposes.

In September 2024, we issued \$700 million of 8.250% Senior Notes due January 2030, at par, with interest payable semi-annually. In October 2024, we used net proceeds from the offering to repay the outstanding borrowings under our floating rate term loan due 2029, with the remainder being used to repay maturing vehicle-backed debt and for general corporate purposes.

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In February 2025, we borrowed \$500 million under a floating rate term loan due December 2025, which is part of our senior revolving credit facilities.

During 2024, our Avis Budget Rental Car Funding (AESOP) subsidiary issued approximately \$2.8 billion of asset-backed notes with expected final payment dates ranging from February 2026 to December 2029, and a weighted average interest rate of 6.04%. Avis Budget Rental Car Funding (AESOP) has also amended and extended its asset-backed variable-funding financing facilities, most recently in December 2024. 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 January 2025, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued an additional \$358 million of asset-backed notes to investors with expected final payment dates ranging from August 2027 to February 2029 and a weighted average interest rate of 8.01%. These notes were issued under previously outstanding series of debt. 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 2024, we amended our European rental fleet securitization program to increase its capacity from €1.7 billion to €1.9 billion, to add £200 million to our capacity within the program, and to extend the maturity of the program from 2024 to 2026. The program is used to finance fleet purchases for certain of our European operations.

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. For the year ended December 31, 2024, we repurchased approximately 0.6 million shares of common stock at a cost of approximately \$45 million (excluding excise taxes due under the Inflation Reduction Act of 2022) under the Stock Repurchase Program. As of December 31, 2024, approximately \$757 million of authorization remained available to repurchase common stock under the Stock Repurchase Program.

Cash Flows

Year Ended December 31, 2024 vs. Year Ended December 31, 2023

The following table summarizes our cash flows:

	Year Ended December 31,		
	2024	2023	Change
Cash provided by (used in):			
Operating activities	\$ 3,518	\$ 3,828	\$ (310)
Investing activities	(2,753)	(7,346)	4,593
Financing activities	(781)	3,506	(4,287)
Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash	(31)	14	(45)
Net change in cash and cash equivalents, program and restricted cash	(47)	2	(49)
Cash and cash equivalents, program and restricted cash, beginning of period	644	642	2
Cash and cash equivalents, program and restricted cash, end of period	\$ 597	\$ 644	\$ (47)

The decrease in cash provided by operating activities during 2024 compared with 2023 is primarily due to the decrease in our net income.

The decrease in cash used in investing activities during 2024 compared with 2023 is primarily due to the decrease in our net investment in vehicles.

The increase in cash used in financing activities during 2024 compared with 2023 is primarily due to the increase in our net payments under vehicle programs, partially offset by the decrease in our common stock repurchases and the increase in our net corporate borrowings.

We anticipate that our non-vehicle property and equipment additions will be approximately \$225 million in 2025.

Debt and Financing Arrangements

At December 31, 2024, we had approximately \$22.9 billion of indebtedness (including corporate indebtedness of approximately \$5.4 billion and debt under vehicle programs of approximately \$17.5 billion). For information regarding our debt and borrowing arrangements, see Note 1 – Basis of Presentation, Note 13 – Long-term Corporate Debt and Borrowing Arrangements, and Note 14 – Debt Under Vehicle Programs and Borrowing Arrangements to our 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 facility, 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 (see Part I, Item 1A, “Risk Factors” for further discussion).

As of December 31, 2024, we had \$534 million of available cash and cash equivalents and access to \$503 million of available borrowing capacity under our revolving credit facility, providing us with access to approximately \$1.0 billion of total liquidity. Including our uncommitted facilities, we had total liquidity of approximately \$1.1 billion.

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 December 31, 2024, 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”.

CONTRACTUAL OBLIGATIONS

For contractual obligations for material cash requirements from known contractual and other obligations as part of a liquidity and capital resources discussion, see Note 3 – Leases, Note 13 – Long-term Corporate Debt and Borrowing Arrangements, Note 14 – Debt Under Vehicle Programs and Borrowing Arrangements, and Note 15 – Commitments and Contingencies to our 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 below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Goodwill and Other Indefinite-lived Intangible Assets. We have reviewed the carrying value of our goodwill and other indefinite-lived intangible assets for impairment. In performing this review, we are required to make an assessment of fair value for our goodwill and other indefinite-lived intangible assets. When determining fair value, we utilize various assumptions, including the fair market trading price of our common stock and management's projections of future cash flows, which include forecast of future revenue and Adjusted EBITDA. When appropriate, comparative market multiples and other factors are used to corroborate the discounted cash flow results. A change in these underlying assumptions will cause a change in the results of the tests and, as such, could cause the fair value to be less than the respective carrying amount. In such event, we would then be required to record a charge, which would impact earnings. We review the carrying value of goodwill and other indefinite-lived intangible assets for impairment annually or more frequently if circumstances indicate that an impairment may have occurred.

Our goodwill and other indefinite-lived intangible assets are allocated among our reporting units. During 2024, we recorded \$28 million in long-lived asset impairment and other related charges for impairment of one of our unamortized indefinite-lived intangible assets. During 2024, there was no impairment of goodwill. During 2023, there was no impairment of goodwill and other indefinite-lived intangible assets.

See Note 2 – Summary of Significant Accounting Policies and Note 7 – Intangible Assets to our Consolidated Financial Statements for more information regarding our goodwill and other indefinite-lived intangible assets.

Vehicles. We present vehicles at cost, net of accumulated depreciation, on the Consolidated Balance Sheets. We record the initial cost of the vehicle, net of incentives and allowances from manufacturers. We acquire our rental vehicles either through repurchase and guaranteed depreciation programs with certain automobile manufacturers or outside of such programs. For rental vehicles purchased under such programs, we depreciate the vehicles such that the net book value on the date of sale or return to the manufacturers is intended to equal the contractual guaranteed residual values. For risk vehicles acquired outside of manufacturer repurchase and guaranteed depreciation programs, we depreciate based on the vehicles' estimated residual market values at their expected dates of disposition. The estimation of residual values requires us to make assumptions regarding the age and mileage of the vehicle at the time of disposal, as well as expected used vehicle market conditions. We regularly evaluate estimated residual values and adjusts depreciation rates as appropriate. Differences between actual residual values and those estimated result in a gain or loss on disposal and are recorded as part of vehicle depreciation and lease charges, net, at the time of sale.

During 2024, we recorded \$2.5 billion in long-lived asset impairment and other related charges related to vehicles, including an approximately \$2.3 billion impairment charge related to the acceleration of rotation of our fleet and shortened useful life associated with such vehicles. During 2023, there was no long-lived asset impairment and other related charges. See Note 2 – Summary of Significant Accounting Policies and Note 8 – Vehicle Rental Activities to our Consolidated Financial Statements for more information regarding our vehicles. For a discussion of risk factors and assumptions relative to our vehicle valuations, refer to Item 1A, "Risk Factors", included under Part 1 of this Annual Report on Form 10-K.

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Income Taxes. We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been reflected in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operations. In the event we were to determine that we would be able to realize deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance which would reduce the provision for income taxes. Currently we do not record valuation allowances on the majority of our tax loss carryforwards as there are adequate deferred tax liabilities that could be realized within the carryforward period.

See Note 2 – Summary of Significant Accounting Policies and Note 9 – Income Taxes to our Consolidated Financial Statements for more information regarding income taxes.

Public Liability, Property Damage and Other Insurance Liabilities. Insurance liabilities on our Consolidated Balance Sheets include supplemental liability insurance, personal effects protection insurance, public liability, property damage and personal accident insurance claims for which we are self-insured. We estimate the required liability of such claims on an undiscounted basis utilizing an actuarial method that is based upon various assumptions which include, but are not limited to, our historical loss experience and projected loss development factors. The required liability is also subject to adjustment in the future based upon changes in claims experience, including changes in the number of incidents for which we are ultimately liable and changes in the cost per incident.

See Note 2 – Summary of Significant Accounting Policies to our Consolidated Financial Statements for more information regarding public liability, property damage and other insurance liabilities.

Adoption of New Accounting Pronouncements

For a description of our adoption of new accounting pronouncements and the impact thereof on our business, see Note 2 – Summary of Significant Accounting Policies to our Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

For a description of recently issued accounting pronouncements and the impact thereof on our business, see Note 2 – Summary of Significant Accounting Policies to our Consolidated Financial Statements.

ITEM 7A. 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 manage our exposure to market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments, particularly currency forward contracts to manage and reduce currency exchange rate risk; swap contracts, futures and options contracts, to manage and reduce the interest rate risk related to our debt; and derivative commodity instruments to manage and reduce the risk of changing unleaded fuel prices.

We are exclusively an end user of these instruments. We do not engage in trading, market-making or other speculative activities in the derivatives markets. We manage our exposure to counterparty credit risk related to our use of derivatives through specific minimum credit standards, diversification of counterparties, and procedures to monitor concentrations of credit risk. Our counterparties are substantial investment and commercial banks with significant experience providing such derivative instruments.

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Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses discussed below. These “shock tests” are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. For additional information regarding our borrowings and financial instruments, see Note 13 – Long-term Corporate Debt and Borrowing Arrangements, Note 14 – Debt Under Vehicle Programs and Borrowing Arrangements and Note 20 – Financial Instruments to our Consolidated Financial Statements.

Currency Risk Management

We have exposure to currency exchange rate fluctuations worldwide and particularly with respect to the Australian, Canadian and New Zealand dollars, the euro and British pound sterling. We use currency forward contracts and currency swap contracts to manage exchange rate risk that arises from certain intercompany transactions and from non-functional currency denominated assets and liabilities and earnings denominated in non-U.S. dollar currencies. Our currency forward contracts are often not designated as hedges and therefore changes in the fair value of these derivatives are recognized in earnings as they occur. We anticipate that such currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We assess our market risk based on changes in currency exchange rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on earnings, cash flows and fair values based on a hypothetical 10% appreciation or depreciation in the value of the underlying currencies being hedged, against the U.S. dollar at December 31, 2024. With all other variables held constant, a hypothetical 10% change (increase or decrease) in currency exchange rates would not have a material impact on our 2024 earnings. Because unrealized gains or losses related to foreign currency forward and swap contracts are expected to be offset by corresponding gains or losses on the underlying exposures being hedged, when combined, these foreign currency contracts and the offsetting underlying commitments do not create a material impact on our Consolidated Financial Statements.

Interest Rate Risk Management

Our primary interest rate exposure at December 31, 2024 was interest rate fluctuation in the United States due to its impact on variable rate borrowings and other interest rate sensitive liabilities. We use interest rate swaps and caps to manage our exposure to interest rate movements. We anticipate interest rate fluctuation will remain a primary market risk exposure for the foreseeable future.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. Based on our interest rate exposures and derivatives as of December 31, 2024, we estimate that a 10% change in interest rates would not have a material impact on our 2024 earnings. Because gains or losses related to interest rate derivatives are expected to be offset by corresponding gains or losses on the underlying exposures being hedged, when combined, these interest rate contracts and the offsetting underlying commitments do not create a material impact on our Consolidated Financial Statements.

Commodity Risk Management

We have commodity price exposure related to fluctuations in the price of fuel. We anticipate that such commodity risk will remain a market risk exposure for the foreseeable future. We determined that a hypothetical 10% change in the price of fuel would not have a material impact on our earnings as of December 31, 2024.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Consolidated Financial Statements and Consolidated Financial Statement Index commencing on Page F-1 hereof.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 the end of the period covered by this annual report.
- (b) *Management’s Annual Report on Internal Control Over Financial Reporting.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (2013)*. Based on this assessment, our management believes that, as of December 31, 2024, our internal control over financial reporting was effective. The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm. Their attestation report is included below.
- (c) *Changes in Internal Control Over Financial Reporting.* During the fourth quarter of 2024, 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of
Avis Budget Group, Inc.
Parsippany, New Jersey

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Avis Budget Group, Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 14, 2025, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 14, 2025

ITEM 9B. OTHER INFORMATION

During the quarter ended December 31, 2024, 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 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is incorporated by reference from our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC pursuant to Regulation 14A within 120 days after December 31, 2024.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC pursuant to Regulation 14A within 120 days after December 31, 2024.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference from our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC pursuant to Regulation 14A within 120 days after December 31, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC pursuant to Regulation 14A within 120 days after December 31, 2024.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated by reference from our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC pursuant to Regulation 14A within 120 days after December 31, 2024.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

ITEM 15(A)(1). FINANCIAL STATEMENTS

See Consolidated Financial Statements and Consolidated Financial Statements Index commencing on page F-1 hereof.

ITEM 15(A)(2). FINANCIAL STATEMENT SCHEDULES

See Schedule II – Valuation and Qualifying Accounts for the years ended December 31, 2024, 2023 and 2022 commencing on page G-1 hereof.

ITEM 15(A)(3). EXHIBITS

See Exhibit Index commencing on page H-1 hereof.

ITEM 16. FORM 10-K SUMMARY

None.

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Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2024, 2023 and 2022	7
Consolidated Balance Sheets as of December 31, 2024 and 2023	8
Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023 and 2022	9
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of
Avis Budget Group, Inc.
Parsippany, New Jersey

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Avis Budget Group, Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 14, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

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Vehicles - Depreciation Expense - United States Risk Vehicles - Refer to Notes 2 and 8 to the financial statements

Critical Audit Matter Description

The Company records rental vehicles at cost, net of accumulated depreciation. The initial cost of the vehicles is recorded net of incentives and allowances from manufacturers. Rental vehicles acquired by the Company outside of the manufacturer repurchase and guaranteed depreciation programs are referred to as risk vehicles and the carrying values of these risk vehicles are depreciated based upon the vehicles' estimated residual values at their expected dates of disposition. The estimation of residual values for risk vehicles requires the Company to make assumptions regarding factors which include, but are not limited to, the anticipated age of the vehicles and market conditions for used vehicles at the time of disposal. The Company regularly evaluates estimated residual values and adjusts vehicle depreciation rates as appropriate. Any adjustments to depreciation are made prospectively.

Given the volume of risk vehicles in the United States and the significant estimation uncertainty and judgments made by management to calculate the estimated residual values of these risk vehicles, auditing the estimated residual values of the United States risk vehicles and related vehicle depreciation expense required extensive audit effort to develop an independent expectation of residual values and depreciation expense, and a high degree of auditor judgment was required when performing audit procedures and evaluating the results of those procedures. The significant estimation uncertainty was primarily due to management's assumptions regarding the impact of future consumer demand and general economic conditions on expected pricing of used vehicles. Additionally, auditing the calculation of the estimated residual values for United States risk vehicles was challenging due to the volume of data inputs utilized in management's calculation, including historical sales data and data specific to the Company's current fleet.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures to assess the reasonableness of the estimated residual values and vehicle depreciation expense related to United States risk vehicles included the following, among others:

- We evaluated the appropriateness and consistency of the Company's methods, significant assumptions and judgments to calculate the estimated residual values of risk vehicles and the expected dates of disposition.
- We tested the effectiveness of controls over vehicle depreciation expense related to risk vehicles and management's review of the significant assumptions and judgments to calculate the estimated residual values of risk vehicles, including those over the Company's monitoring of residual values and used vehicle market conditions.
- We assessed the reasonableness of the estimated residual values of risk vehicles by performing the following procedures on a selection of risk vehicles:
 - We tested the underlying historical data that served as the basis for the Company's calculation of the estimated residual values to evaluate the reasonableness of the inputs.
 - We tested the mathematical accuracy of the Company's calculation of the estimated residual values and vehicle depreciation expense rates.
 - We tested significant assumptions and judgments used in the Company's calculation by developing an independent expectation of residual values and compared them to the estimated residual values calculated by the Company. Our independent expectation was calculated using our professional judgment by reference to third-party data, information produced by the Company, subsequent vehicle sales, and inquiries of management.
 - We searched for contradictory evidence associated with the significant assumptions and judgments made by management based on our knowledge of the industry and review of third-party industry data.
- We developed an independent expectation of depreciation expense based on, but not limited to, the vehicles' age and results of our residual value testing and compared it to the amount recorded by the Company as depreciation expense.

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Self-Insurance Reserves - Public Liability and Property Damage Claims - United States - Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company is self-insured for public liability and property damage claims. These self-insurance reserves represent an estimate for both reported claims not yet paid and claims incurred but not yet reported. The estimated reserve requirements for such claims are calculated on an undiscounted basis using actuarial methods and various assumptions which include, but are not limited to, historical loss experience and projected loss development factors. The required liability is subject to adjustment in the future based upon changes in claims experience, including changes in the number of incidents for which the Company is ultimately liable and changes in the cost per incident.

Given the volume of public liability and property damage claims in the United States and the subjectivity of estimating the related self-insurance reserves for reported claims not yet paid and claims incurred but not yet reported due to the uncertain exposure and projected loss development, performing audit procedures to evaluate whether these self-insurance reserves were appropriately recorded as of December 31, 2024 required a significant degree of auditor judgment and an increased extent of effort, including the need to involve our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to United States public liability and property damage self-insurance reserves included the following, among others:

- We tested the effectiveness of controls over management's review of significant assumptions, key inputs and methods used to calculate the estimate of the reported claims not yet paid and claims incurred but not yet reported.
- We tested the underlying data that served as the basis for the Company's actuarial analysis, including historical claims, to test the reasonableness of the inputs to the actuarial estimate.
- With the assistance of our actuarial specialists, we developed an independent estimate of the self-insurance reserves, including assessment of loss data and claim development factors, and compared our estimate to management's estimate. In addition, we performed the following:
 - Evaluated the reasonableness of the methodologies used in management's estimate based on actuarial methods followed in the insurance industry associated with such liabilities.
 - Evaluated the reasonableness of the assumptions used in management's estimate by comparing prior-year assumptions of expected development and ultimate loss to actuals incurred during the current year to identify potential bias in the determination of these liabilities.

Impairment of Long-Lived Assets – United States Vehicles – Refer to Notes 2 and 8 to the financial statements

Critical Audit Matter Description

The Company reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying value of these assets may exceed their current fair values. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. Assets are grouped at the lowest level of identifiable cash flows. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the assets. In the current year, the Company changed their fleet strategy for the United States and Canadian vehicles, to accelerate certain fleet rotations and shorten the useful life of the associated vehicles. As a result, the Company performed a recoverability test by comparing the sum of undiscounted cash flows expected to result from the use and eventual disposition of the impacted vehicles, to their carrying value and concluded, that for certain vehicles, the carrying value exceeded the sum of undiscounted cash flows expected to result from the use and eventual disposition of those vehicles. For purposes of the recoverability test, the vehicles were aggregated into asset groups based on make, model and year of the vehicles. The test was performed as of November 30, 2024. The Company used a market approach to determine the fair value of the impacted vehicles, utilizing prices for similar assets in active markets (Level 2). During the year ended December 31, 2024, the Company recorded a non-cash impairment charge.

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Given the volume of vehicles in the United States and the significant assumptions made by management to evaluate vehicles for impairment, we performed audit procedures to (1) evaluate whether management appropriately identified events or changes in circumstances indicating that the carrying amounts of vehicle assets may not be recoverable; (2) evaluate management's determination of asset groups at the lowest level of identifiable cash flows; (3) evaluate management's recoverability test by comparing the sum of undiscounted cash flows expected to result from the use and eventual disposition of the impacted vehicles to their carrying value and, when applicable, (4) evaluate the fair value estimates for the impacted vehicles. Those procedures required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists and other professionals in our firm with expertise in long-lived asset impairment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to impairment of long-lived assets of United States vehicles included the following, among others:

- We tested the effectiveness of controls over (1) management's identification of events or changes in circumstances that indicate that the carrying amount of vehicles may not be recoverable, including management's review of forecasted future cash flows, and (2) management's review of the methodology in determining the fair value estimate of vehicles.
- We evaluated whether management appropriately identified events or changes in circumstances that indicated that the carrying amounts of vehicle assets may not be recoverable.
- We evaluated management's determination of asset groups at the lowest level of identifiable cash flows.
- We tested management's recoverability test by comparing the sum of undiscounted cash flows expected to result from the use and eventual disposition of the impacted vehicles to their carrying value by performing the following:
 - Tested the mathematical accuracy of management's analysis.
 - Compared relevant information to historical data.
 - Assessed management's assumptions used when determining the expected rental revenue, operating expenses and residual values expected at the time of disposition of vehicles as part of their recoverability test.
- We tested the fair value estimates for the impacted vehicles.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology applied and fair value determined for vehicles by testing the methodology applied and measurable inputs used, and the mathematical accuracy of the calculation.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 14, 2025

We have served as the Company's auditor since 1997.

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)

	Year Ended December 31,		
	2024	2023	2022
Revenues	<u>\$ 11,789</u>	<u>\$ 12,008</u>	<u>\$ 11,994</u>
Expenses			
Operating	6,014	5,675	5,285
Vehicle depreciation and lease charges, net	2,976	1,739	828
Selling, general and administrative	1,352	1,408	1,348
Vehicle interest, net	941	736	402
Non-vehicle related depreciation and amortization	237	216	225
Interest expense related to corporate debt, net:			
Interest expense	358	296	250
Early extinguishment of debt	19	5	—
Long-lived asset impairment and other related charges	2,470	—	—
Restructuring and other related charges	37	11	19
Transaction-related costs, net	3	5	8
Other (income) expense, net	9	3	(7)
Total expenses	<u>14,416</u>	<u>10,094</u>	<u>8,358</u>
Income (loss) before income taxes	(2,627)	1,914	3,636
Provision for (benefit from) income taxes	(810)	279	880
Net income (loss)	<u>(1,817)</u>	<u>1,635</u>	<u>2,756</u>
Less: Net income (loss) attributable to non-controlling interests	4	3	(8)
Net income (loss) attributable to Avis Budget Group, Inc.	<u>\$ (1,821)</u>	<u>\$ 1,632</u>	<u>\$ 2,764</u>
Earnings (loss) per share			
Basic	\$ (51.23)	\$ 42.57	\$ 58.41
Diluted	\$ (51.23)	\$ 42.08	\$ 57.16

See Notes to Consolidated Financial Statements.

Avis Budget Group, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	\$ (1,817)	\$ 1,635	\$ 2,756
Less: Net income (loss) attributable to non-controlling interests	4	3	(8)
Net income (loss) attributable to Avis Budget Group, Inc.	<u>(1,821)</u>	<u>1,632</u>	<u>2,764</u>
Other comprehensive income (loss), net of tax			
Currency translation adjustments:			
Currency translation adjustments, net of tax of \$(19), \$7 and \$(11), respectively	(122)	27	(46)
Cash flow hedges:			
Net unrealized holding gains (losses), net of tax of \$(5), \$(2), and \$(20), respectively	15	5	57
Reclassification of cash flow hedges to earnings, net of tax of \$7, \$5, and \$(2), respectively	(21)	(13)	7
Minimum pension liability adjustment:			
Pension and post-retirement benefits, net of tax of \$(4), \$6, and \$(4), respectively	10	(18)	11
Reclassification of pension and post-retirement benefits to earnings, net of tax of \$(1), \$(1), and \$(2), respectively	4	4	3
	<u>(114)</u>	<u>5</u>	<u>32</u>
Total comprehensive income (loss) attributable to Avis Budget Group, Inc.	<u>\$ (1,935)</u>	<u>\$ 1,637</u>	<u>\$ 2,796</u>

See Notes to Consolidated Financial Statements.

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

	As of December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 534	\$ 555
Receivables (net of allowance for doubtful accounts of \$96 and \$87, respectively)	838	900
Other current assets	662	684
Total current assets	<u>2,034</u>	<u>2,139</u>
Property and equipment, net	697	719
Operating lease right-of-use assets	3,057	2,654
Deferred income taxes	1,786	1,868
Goodwill	1,071	1,099
Other intangibles, net	601	670
Other non-current assets	422	441
Total assets exclusive of assets under vehicle programs	<u>9,668</u>	<u>9,590</u>
Assets under vehicle programs:		
Program cash	60	85
Vehicles, net	17,619	21,240
Receivables from vehicle manufacturers and other	386	443
Investment in Avis Budget Rental Car Funding (AESOP) LLC—related party	1,308	1,211
	<u>19,373</u>	<u>22,979</u>
Total assets	<u>\$ 29,041</u>	<u>\$ 32,569</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 2,700	\$ 2,627
Short-term debt and current portion of long-term debt	20	32
Total current liabilities	<u>2,720</u>	<u>2,659</u>
Long-term debt	5,373	4,791
Long-term operating lease liabilities	2,484	2,117
Other non-current liabilities	470	528
Total liabilities exclusive of liabilities under vehicle programs	<u>11,047</u>	<u>10,095</u>
Liabilities under vehicle programs:		
Debt	3,453	3,496
Debt due to Avis Budget Rental Car Funding (AESOP) LLC—related party	14,083	15,441
Deferred income taxes	2,442	3,418
Other	333	462
	<u>20,311</u>	<u>22,817</u>
Commitments and contingencies (Note 15)		
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	6,620	6,634
Retained earnings	2,029	3,854
Accumulated other comprehensive loss	(210)	(96)
Treasury stock, at cost—102 shares, in each period	(10,767)	(10,742)
Stockholders' equity attributable to Avis Budget Group, Inc.	<u>(2,327)</u>	<u>(349)</u>
Non-controlling interests	10	6
Total stockholders' equity	<u>(2,317)</u>	<u>(343)</u>
Total liabilities and stockholders' equity	<u>\$ 29,041</u>	<u>\$ 32,569</u>

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2024	2023	2022
Operating activities			
Net income (loss)	\$ (1,817)	\$ 1,635	\$ 2,756
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Vehicle depreciation	2,658	2,228	1,709
Amortization of right-of-use assets	1,114	1,006	877
(Gain) loss on sale of vehicles, net	167	(656)	(1,019)
Vehicle related reserves	496	348	234
Non-vehicle related depreciation and amortization	237	216	225
Deferred income taxes	(905)	191	682
Stock-based compensation	19	30	25
Amortization of debt financing fees	46	40	34
Early extinguishment of debt costs	21	5	—
Long-lived asset impairment and other related charges	2,470	—	—
Net change in assets and liabilities:			
Receivables	51	(43)	(97)
Income taxes	45	(81)	6
Accounts payable and other current liabilities	63	(72)	217
Operating lease liabilities	(1,097)	(1,002)	(879)
Other, net	(50)	(17)	(63)
Net cash provided by operating activities	3,518	3,828	4,707
Investing activities			
Property and equipment additions	(202)	(273)	(246)
Proceeds received on asset sales	3	3	2
Net assets acquired (net of cash acquired)	(3)	(65)	(3)
Other, net	12	6	(33)
Net cash used in investing activities exclusive of vehicle programs	(190)	(329)	(280)
<i>Vehicle programs:</i>			
Investment in vehicles	(9,860)	(15,185)	(10,491)
Proceeds received on disposition of vehicles	7,394	8,403	6,606
Investment in debt securities of Avis Budget Rental Car Funding (AESOP) LLC —related party	(798)	(541)	(439)
Proceeds from debt securities of Avis Budget Rental Car Funding (AESOP) LLC —related party	701	306	305
	(2,563)	(7,017)	(4,019)
Net cash used in investing activities	(2,753)	(7,346)	(4,299)

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

	Year Ended December 31,		
	2024	2023	2022
Financing activities			
Proceeds from long-term borrowings	\$ 1,569	\$ 936	\$ 729
Payments on long-term borrowings	(939)	(818)	(24)
Net change in short-term borrowings	—	—	(1)
Debt financing fees	(28)	(22)	(7)
Repurchases of common stock	(70)	(951)	(3,329)
Dividends paid	—	(355)	—
Contributions from non-controlling interests	—	—	40
Net cash provided by (used) in financing activities exclusive of vehicle programs	532	(1,210)	(2,592)
<i>Vehicle programs:</i>			
Proceeds from borrowings	21,335	23,980	17,419
Payments on borrowings	(22,604)	(19,220)	(15,160)
Debt financing fees	(44)	(44)	(27)
	(1,313)	4,716	2,232
Net cash provided by (used in) financing activities	(781)	3,506	(360)
Effect of changes in exchange rates on cash and cash equivalents, program and restricted cash	(31)	14	(32)
Net increase (decrease) in cash and cash equivalents, program and restricted cash	(47)	2	16
Cash and cash equivalents, program and restricted cash, beginning of period	644	642	626
Cash and cash equivalents, program and restricted cash, end of period	\$ 597	\$ 644	\$ 642
Supplemental disclosure			
Interest payments	\$ 1,273	\$ 988	\$ 543
Income tax payments, net	\$ 50	\$ 169	\$ 192

See Notes to Consolidated Financial Statements.

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

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Stockholders' Equity Attributable to Avis Budget Group, Inc.	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount				Shares	Amount			
Balance at January 1, 2022	137.1	\$ 1	\$ 6,676	\$ (185)	\$ (133)	(81.2)	\$ (6,579)	\$ (220)	\$ 11	\$ (209)
Comprehensive income:										
Net income	—	—	—	2,764	—	—	—	2,764	(8)	2,756
Other comprehensive income	—	—	—	—	32	—	—	32	—	32
Total comprehensive income				2,764	32			2,796	(8)	2,788
Contributions from non-controlling interests	—	—	24	—	—	—	—	24	—	24
Net activity related to restricted stock units	—	—	(34)	—	—	0.3	(2)	(36)	—	(36)
Repurchases of common stock	—	—	—	—	—	(16.7)	(3,267)	(3,267)	—	(3,267)
Balance at December 31, 2022	137.1	\$ 1	\$ 6,666	\$ 2,579	\$ (101)	(97.6)	\$ (9,848)	\$ (703)	\$ 3	\$ (700)
Comprehensive income:										
Net income	—	—	—	1,632	—	—	—	1,632	3	1,635
Other comprehensive income	—	—	—	—	5	—	—	5	—	5
Total comprehensive income				1,632	5			1,637	3	1,640
Net activity related to restricted stock units	—	—	(32)	(2)	—	0.3	3	(31)	—	(31)
Repurchases of common stock ^(a)	—	—	—	—	—	(4.3)	(897)	(897)	—	(897)
Dividends paid (\$10.00 per share)	—	—	—	(355)	—	—	—	(355)	—	(355)
Balance at December 31, 2023	137.1	\$ 1	\$ 6,634	\$ 3,854	\$ (96)	(101.6)	\$ (10,742)	\$ (349)	\$ 6	\$ (343)
Comprehensive income:										
Net income (loss)	—	—	—	(1,821)	—	—	—	(1,821)	4	(1,817)
Other comprehensive income (loss)	—	—	—	—	(114)	—	—	(114)	—	(114)
Total comprehensive income (loss)				(1,821)	(114)			(1,935)	4	(1,931)
Net activity related to restricted stock units	—	—	(14)	(4)	—	0.2	21	3	—	3
Repurchases of common stock ^(a)	—	—	—	—	—	(0.6)	(46)	(46)	—	(46)
Balance at December 31, 2024	137.1	\$ 1	\$ 6,620	\$ 2,029	\$ (210)	(102.0)	\$ (10,767)	\$ (2,327)	\$ 10	\$ (2,317)

^(a) Amount includes excise taxes due under the Inflation Reduction Act of 2022.

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Avis Budget Group, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(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 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”).

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.

We have completed the business acquisitions discussed in Note 6 – Acquisitions to these Consolidated Financial Statements. The operating results of the acquired businesses are included in the accompanying Consolidated Financial Statements from the dates of acquisition.

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

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of our Company and all entities in which we have a direct or indirect controlling financial interest and variable interest entities for which we have determined we are the primary beneficiary. We consolidate joint venture activities when we have a controlling interest and record non-controlling interests within stockholders’ equity and the statement of comprehensive income equal to the percentage of ownership interest retained in such entities by the respective non-controlling party. Intercompany transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The use of estimates and assumptions as determined by management is required in the preparation of the Consolidated Financial Statements in conformity with GAAP. These estimates are based on management’s evaluation of historical trends and other information available when the Consolidated Financial Statements are prepared and may affect the amounts reported and related disclosures. Actual results could differ from those estimates.

Revenue Recognition

We derive revenues primarily by providing vehicle rentals and other related products and mobility services to commercial and leisure customers, as well as through licensing of our rental brands. Other related products and mobility services include sales of collision and loss damage waivers, under which we agree to relieve a customer from financial responsibility arising from vehicle damage incurred during the rental; additional/supplemental liability insurance or personal accident/effects insurance products which provide

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customers with additional protections for personal or third-party losses incurred; products for driving convenience such as fuel service options, roadside assistance services, electronic toll collection services, access to satellite radio, mobile WiFi devices, GPS navigation and child safety seat rentals; and rentals of other supplemental items including automobile towing equipment and other moving accessories and supplies. We also receive payment from customers for certain operating expenses that we incur, including airport concession fees that are paid by us in exchange for the right to operate at airports and other locations, as well as vehicle licensing fees. In addition, we collect membership fees in connection with our car sharing business.

We combine all lease and non-lease components of our vehicle rental contracts for which the timing and pattern of transfer are the same and the lease component meets the classification of an operating lease. Vehicle rentals and other related products and mobility services are recognized evenly over the period of rental, which is on average approximately five days (See Note 3 – Leases).

Licensing revenues principally consist of royalties paid by our licensees and are recorded as the licensees' revenues are earned (over the rental period). We renew license agreements in the normal course of business and occasionally terminate, purchase or sell license agreements. In connection with ongoing fees that we receive from our licensees pursuant to license agreements, we are required to provide certain services, such as training, marketing and the operation of reservation systems.

We exclude from the measurement of our transaction price any tax assessed by a governmental authority that is both imposed on and concurrent with a specific revenue-producing transaction and collected from a customer. As a result, revenue is recorded net of such taxes collected. Revenues and expenses associated with fuel, airport concessions and vehicle licensing are recorded on a gross basis within revenues and operating expenses. Membership fees related to our car sharing business are generally nonrefundable, are deferred and recognized ratably over the period of membership.

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 \$246 million, \$187 million, and \$165 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table presents our revenues disaggregated by geography:

	Year Ended December 31,		
	2024	2023	2022
Americas	\$ 9,111	\$ 9,347	\$ 9,474
Europe, Middle East and Africa	2,045	2,014	1,927
Asia and Australasia	633	647	593
Total revenues	<u>\$ 11,789</u>	<u>\$ 12,008</u>	<u>\$ 11,994</u>

The following table presents our revenues disaggregated by brand:

	Year Ended December 31,		
	2024	2023	2022
Avis	\$ 6,775	\$ 6,779	\$ 6,519
Budget	4,271	4,478	4,701
Other ^(a)	743	751	774
Total revenues	<u>\$ 11,789</u>	<u>\$ 12,008</u>	<u>\$ 11,994</u>

^(a) Other includes Zipcar and other operating brands.

Deferred Revenue

We record deferred revenues when cash payments are received in advance of satisfying our performance obligations, including amounts that are refundable. In addition, certain customers earn loyalty points on rentals, for which we defer a portion of our rental revenues generally equivalent to the estimated retail value of points expected to be redeemed. We estimate points that will never be redeemed based upon actual redemption and expiration patterns. Loyalty points generally expire five years from when they were earned or after 12 months of member inactivity. Future changes to expiration assumptions or expiration policy, or to program rules, may result in changes to deferred revenue as well as recognized revenues from the program.

The following table presents changes in deferred revenue associated with our customer loyalty program:

	Year Ended December 31,	
	2024	2023
Balance, January 1	\$ 67	\$ 61
Revenue deferred	61	58
Revenue recognized	(78)	(52)
Balance, December 31 ^(a)	<u>\$ 50</u>	<u>\$ 67</u>

^(a) At December 31, 2024 and 2023, \$27 million and \$20 million was included in accounts payable and other current liabilities, respectively, and \$23 million and \$47 million in other non-current liabilities, respectively. Non-current amounts are expected to be recognized as revenue within two to three years.

Currency Translation

Assets and liabilities of foreign operations are translated at the rate of exchange in effect on the balance sheet date; income and expenses are translated at the prevailing monthly average rate of exchange. The related translation adjustments are reflected in accumulated other comprehensive income (loss) in the stockholders' equity section of the Consolidated Balance Sheets and in the Consolidated Statements of Comprehensive Income (See Note 16 – Stockholders' Equity). We have designated our euro-denominated Notes as a hedge of our investment in euro-denominated foreign operations and, accordingly, record the effective portion of gains or losses on this net investment hedge in accumulated other comprehensive income (loss) as part of currency translation adjustments.

Cash and Cash Equivalents, Program Cash and Restricted Cash

We consider highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Program cash primarily represents amounts specifically designated to purchase assets under vehicle programs and/or to repay the related debt, as such we consider it a restricted cash equivalent. The following table provides a detail of cash and cash equivalents, program and restricted cash reported within the Consolidated Balance Sheets to the amounts shown in the Consolidated Statements of Cash Flows:

	As of December 31,	
	2024	2023
Cash and cash equivalents	\$ 534	\$ 555
Program cash	60	85
Restricted cash ^(a)	3	4
Total cash and cash equivalents, program and restricted cash	<u>\$ 597</u>	<u>\$ 644</u>

^(a) Included within other current assets.

Property and Equipment

Property and equipment (including leasehold improvements) are stated at cost, net of accumulated depreciation and amortization. Depreciation (non-vehicle related) is computed utilizing the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. Useful lives are as follows:

Buildings	30 years
Furniture, fixtures & equipment	3 to 10 years
Capitalized software	3 to 7 years
Buses and support vehicles	4 to 15 years

We capitalize the costs of software developed for internal use when the preliminary project stage is completed and management (i) commits to funding the project and (ii) believes it is probable that the project will be completed and the software will be used to perform the function intended. The software developed or obtained for internal use is amortized on a straight-line basis commencing when such software is ready for its intended use. The net carrying value of software developed or obtained for internal use was \$126 million and \$143 million as of December 31, 2024 and 2023, respectively.

Goodwill and Other Intangible Assets

Goodwill represents the excess, if any, of the fair value of the consideration transferred by the acquirer and the fair value of any non-controlling interest remaining in the acquiree, if any, over the fair values of the identifiable net assets acquired. We do not amortize goodwill, but assess it for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amounts of their respective reporting units exceed their fair values. We perform our annual impairment assessment in the fourth quarter of each year at the reporting unit level. We assess goodwill for such impairment by comparing the carrying value of each reporting unit to its fair value using the present value of expected future cash flows. When appropriate, comparative market multiples and other factors are used to corroborate the discounted cash flow results.

Other intangible assets, primarily trademarks, with indefinite lives are not amortized but are evaluated annually for impairment and whenever events or changes in circumstances indicate that the carrying amount of this asset may exceed its fair value. If the carrying value of an other intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. Other intangible assets with finite lives are amortized over their estimated useful lives and are evaluated each reporting period to determine if circumstances warrant a revision to these lives.

During our annual impairment assessment performed as of October 1, 2024, we determined that the carrying value of our Zipcar trademark, which is an unamortized intangible asset included within our Americas reportable segment, exceeded its fair value. We determined the fair value of the Zipcar trademark using the relief-from-royalty method (Level 3), which is a form of the income approach. This method applies a royalty rate to projected income to quantify the benefit of owning the intangible asset rather than paying a royalty for use of the asset. The significant assumptions used in the assessment of the fair value of the trademark included future revenues, a discount rate and a royalty rate. As a result, we recognized an impairment of \$28 million within long-lived asset impairment and other related charges in the Consolidated Statement of Operations for the year ended December 31, 2024. There was no impairment to goodwill for the year ended December 31, 2024 and there were no impairments to goodwill or other intangible assets during the years ended December 31, 2023 or 2022.

Impairment of Long-Lived Assets

We review long-lived assets for impairment when events or changes in circumstances indicate the carrying value of these assets may exceed their current fair values. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. Assets are grouped at the lowest level of identifiable cash flows. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the assets.

During the fourth quarter of 2024, we changed our fleet strategy, specific to United States and Canadian rental car vehicles, to accelerate certain fleet rotations in order to decrease the age of our fleet for competitive reasons, and accordingly, we shortened the useful life associated with such vehicles. We considered this change in strategy to be a triggering event that indicated the carrying amount of these assets may not be recoverable. As a result, we performed a recoverability test by comparing the sum of undiscounted cash flows expected to result from the use and eventual disposition of the impacted vehicles to their carrying value and concluded, that for certain vehicles, the carrying value exceeded the sum of undiscounted cash flows expected to result from the use and eventual disposition of those vehicles. For purposes of the recoverability test, the vehicles were aggregated into asset groups based on make, model and year of the vehicles. The test was performed as of November 30, 2024, and we used a market approach to determine the value of the impacted vehicles, utilizing prices for similar assets in active markets (Level 2). During the year ended December 31, 2024, we recorded a \$2.3 billion non-cash impairment within long-lived asset impairment and other related charges in the Consolidated Statement of Operations within our Americas reportable segment. There were no impairments to long-lived assets during the years ended December 31, 2023 or 2022. In the future, if events or market conditions affect the estimated fair value to the extent that a long-lived asset is impaired, we will adjust the carrying value of these long-lived assets in the period in which the impairment occurs.

Vehicles

Vehicles are stated at cost, net of accumulated depreciation. The initial cost of the vehicles is recorded net of incentives and allowances from manufacturers. We acquire a portion of our rental vehicles pursuant to repurchase and guaranteed depreciation programs established by automobile manufacturers. Under these programs, the manufacturers agree to repurchase vehicles at a specified price and date, or guarantee the depreciation rate for a specified period of time, subject to certain eligibility criteria (such as car condition and mileage requirements). We depreciate vehicles such that the net book value on the date of return to the manufacturers is intended to equal the contractual guaranteed residual values, thereby minimizing any gain or loss.

Rental vehicles acquired outside of manufacturer repurchase and guaranteed depreciation programs are depreciated based upon their estimated residual values at their expected dates of disposition, after giving effect to anticipated conditions in the used car market. Any adjustments to depreciation are made prospectively.

The estimation of residual values requires us to make assumptions regarding the age and mileage of the car at the time of disposal, as well as expected used vehicle auction market conditions. We regularly evaluate estimated residual values and adjust depreciation rates as appropriate. Differences between actual residual values and those estimated result in a gain or loss on disposal and are recorded as part of vehicle depreciation at the time of sale. Vehicle-related interest expense amounts are net of vehicle-related interest income of \$12 million, \$34 million, and \$1 million for 2024, 2023 and 2022, respectively.

We classify vehicles as held for sale in the period in which they are available for immediate sale in their present condition and the sale is probable. Vehicles held for sale are separately presented at the lower of the carrying amount or fair value less costs to sell in our Consolidated Balance Sheets and are no longer depreciated. We reassess their fair value each reporting period until disposed.

As of December 31, 2024, in connection with the change to our fleet strategy described above, we wrote down the carrying value of certain vehicles held for sale within our Americas reportable segment to fair value (Level 2). For the year ended December 31, 2024, we recorded a charge of \$180 million, which is included within long-lived asset impairment and other related charges in the Consolidated Statement of Operations. We expect to complete the sale of these vehicles primarily through our standard disposition

channels during the first quarter of 2025. There were no similar charges during the years ended December 31, 2023 or 2022. To the extent there are further changes in market conditions or the performance of our long-lived assets, there is a possibility that we could incur additional related costs in the future.

Advertising Expenses

Advertising and digital marketing costs are generally expensed in the period incurred and are recorded within selling, general and administrative expenses in our Consolidated Statements of Operations. During 2024, 2023 and 2022, advertising costs were \$77 million, \$86 million, and \$64 million, respectively. In addition, during 2024, 2023 and 2022, digital marketing costs were \$90 million, \$86 million, and \$71 million, respectively.

Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. As a result of the provisions of the Tax Cuts and Jobs Act, we account for Global Intangible Low-Taxed Income ("GILTI") as a component of current period income tax expense in the year incurred.

We record net deferred tax assets to the extent we believe that it is more likely than not that these assets will be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operations. In the event we were to determine that we would be able to realize the deferred income tax assets in the future in excess of their net recorded amount, we would adjust the valuation allowance, which would reduce the provision for income taxes.

Fair Value Measurements

We measure the fair value of assets and liabilities and disclose the source for such fair value measurements. Financial assets and liabilities are classified as follows: Level 1, which refers to assets and liabilities valued using quoted prices from active markets for identical assets or liabilities; Level 2, which refers to assets and liabilities for which significant other observable market inputs are readily available; and Level 3, which are valued based on significant unobservable inputs.

The fair value of our financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market (Level 1 inputs). In some cases where quoted market prices are not available, prices are derived by considering the yield of the benchmark security that was issued to initially price the instruments and adjusting this rate by the credit spread that market participants would demand for the instruments as of the measurement date (Level 2 inputs). In situations where long-term borrowings are part of a conduit facility backed by short-term floating rate debt, we have determined that its carrying value approximates the fair value of this debt (Level 2 inputs). The carrying amounts of cash and cash equivalents, available-for-sale securities, receivables, program cash, and accounts payable and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

Our derivative assets and liabilities consist principally of currency exchange contracts, interest rate swaps, interest rate caps and commodity contracts, and are carried at fair value based on significant observable inputs (Level 2 inputs). Derivatives entered into by us are typically executed over-the-counter and are valued using internal valuation techniques, as no quoted market prices exist for such instruments. The valuation technique and inputs depend on the type of derivative and the nature of the underlying exposure. We principally use discounted cash flows to value these instruments. These models take into account a variety of factors including, where applicable, maturity, currency exchange rates, our interest rate yield curves and counterparties, credit curves, counterparty creditworthiness and commodity prices. These factors are applied on a consistent basis and are based upon observable inputs where available.

Derivative Instruments

Derivative instruments are used as part of our overall strategy to manage exposure to market risks associated with fluctuations in currency exchange rates, interest rates and fuel costs. As a matter of policy, derivatives are not used for trading or speculative purposes.

All derivatives are recorded at fair value either as assets or liabilities. Changes in fair value of derivatives not designated as hedging instruments are recognized currently in earnings within the same line item as the hedged item. The changes in fair value of a derivative that is designated as either a cash flow or net investment hedge is recorded as a component of accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods 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. Amounts related to our derivative instruments are recognized in the Consolidated Statements of Cash Flows consistent with the nature of the hedged item (principally operating activities).

Currency Transactions

Currency gains and losses resulting from foreign currency transactions are generally included in operating expenses within the Consolidated Statements of Operations; 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.

Self-Insurance Reserves

The Consolidated Balance Sheets include \$451 million and \$397 million of liabilities associated with retained risks of liability to third parties as of December 31, 2024 and 2023, respectively. Such liabilities relate primarily to public liability and third-party property damage claims, as well as claims arising from the sale of ancillary insurance products including, but not limited to, supplemental liability, personal effects protection and personal accident insurance. These obligations represent an estimate for both reported claims not yet paid and claims incurred but not yet reported. The estimated reserve requirements for such claims are recorded on an undiscounted basis utilizing actuarial methodologies and various assumptions which include, but are not limited to, our historical loss experience and projected loss development factors. The required liability is also subject to adjustment in the future based upon changes in claims experience, including changes in the number of incidents for which we are ultimately liable and changes in the cost per incident. For the year ended December 31, 2024, we recorded an unprecedented adjustment to our self-insurance reserves for allocated loss adjustment expense. These amounts are included within accounts payable and other current liabilities and other non-current liabilities.

The Consolidated Balance Sheets also include liabilities of \$50 million and \$49 million as of December 31, 2024 and 2023, respectively, related to workers' compensation, health and welfare and other employee benefit programs. The liabilities represent an estimate for both reported claims not yet paid and claims incurred but not yet reported, utilizing actuarial methodologies similar to those described above. These amounts are included within accounts payable and other current liabilities and other non-current liabilities.

Stock-Based Compensation

Stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense on a straight-line basis over the vesting period. Our policy is to record compensation expense for stock options, and restricted stock units that are time- and performance-based, for the portion of the award that vests. Compensation expense related to market-based restricted stock units is recognized provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied. We estimate the fair value of restricted stock units using the market price of our common stock on the date of grant. We estimate the fair value of stock-based and cash unit awards containing a market condition using a Monte Carlo simulation model. Key inputs and assumptions used in the Monte Carlo simulation model include the stock price of the award on the grant date, the expected term, the risk-free interest rate over the expected term, the expected annual dividend yield and the expected stock price volatility. The expected volatility is based on a combination of the historical and implied volatility of our publicly traded, near-the-money stock options, and the valuation period is based on the vesting period of the awards. The risk-free interest rate is derived from the U.S. Treasury yield curve in effect at the

time of grant and, since we do not currently pay or plan to pay a recurring dividend on our common stock, the expected dividend yield was zero.

Business Combinations

We use the acquisition method of accounting for business combinations, which requires that the assets acquired and liabilities assumed be recorded at their respective fair values at the date of acquisition. Assets acquired and liabilities assumed in a business combination that arise from contingencies are recognized if fair value can be reasonably estimated at the acquisition date. The excess, if any, of (i) the fair value of the consideration transferred by the acquirer and the fair value of any non-controlling interest remaining in the acquiree, over (ii) the fair values of the identifiable net assets acquired is recorded as goodwill. Gains and losses on the re-acquisition of license agreements are recorded in the Consolidated Statements of Operations within transaction-related costs, net, upon completion of the respective acquisition. Costs incurred to effect a business combination are expensed as incurred, except for the cost to issue debt related to the acquisition.

We record contingent consideration resulting from a business combination at its fair value on the acquisition date. The fair value of the contingent consideration is generally estimated by utilizing a Monte Carlo simulation technique, based on a range of possible future results (Level 3). Any changes in contingent consideration are recorded in transaction-related costs, net.

Transaction-related Costs, net

Transaction-related costs, net are classified separately in the Consolidated Statements of Operations. 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.

Investments

We account for investments for which we have the ability to exercise significant influence, but do not have a controlling interest, using the equity method of accounting and record our proportional share of net income or loss within operating expenses in the Consolidated Statements of Operations. We assess equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. Any difference between the carrying value of the equity method investment and its estimated fair value is recognized as an impairment charge if the loss in value is deemed other than temporary. As of December 31, 2024 and 2023, we had investments with a carrying value of \$100 million and \$93 million, respectively, recorded within other non-current assets on the Consolidated Balance Sheets.

Aggregate realized gains and losses on equity method investments and dividend income are recorded within operating expenses on the Consolidated Statements of Operations. During 2024, 2023 and 2022, we recorded net gains from our equity method investments, including dividend income of \$23 million, \$12 million, and \$12 million, respectively. See Note 17 – Related Party Transactions for our equity method investment in our former subsidiary.

Divestitures

We classify long-lived assets and liabilities to be disposed of as held for sale in the period in which they are available for immediate sale in their present condition and the sale is probable and expected to be completed within one year. We initially measure assets and liabilities held for sale at the lower of their carrying value or fair value less costs to sell, and we reassess their fair value each reporting period until disposed. When the divestiture represents a strategic shift that has, or will have, a major effect on our operations and financial results, the disposal is presented as a discontinued operation.

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In February 2022, we completed the sale of our operations in the United States Virgin Islands for \$13 million, for the right to operate the Avis brand. During the year ended December 31, 2022, we recorded a gain of \$2 million within restructuring and other related charges. The United States Virgin Islands operations were reported within our Americas reportable segment.

In March 2022, we completed the sale of our operations in the Netherlands for \$15 million, for the right to operate the Avis and Budget brands. During the year ended December 31, 2022, we recorded a loss of \$7 million, net of impact of foreign currency adjustments, within restructuring and other related charges. The Netherlands operations were reported within our International reportable segment.

Variable Interest Entity (“VIE”)

We review our investments to determine if they are VIEs. A VIE is an entity in which either (i) the equity investors as a group lack the power through voting or similar rights to direct the activities of such entity that most significantly impact such entity’s economic performance or (ii) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support. Entities that are determined to be VIEs are consolidated if we are the primary beneficiary of the entity. The primary beneficiary possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it. We will reconsider our original assessment of a VIE upon the occurrence of certain events such as contributions and redemptions, either by us, or third parties, or amendments to an entity’s governing documents. On an ongoing basis, we reconsider whether we are deemed to be a VIE’s primary beneficiary. See Note 17 – Related Party Transactions for our VIE investment in our former subsidiary.

Nonmarketable Equity Securities

We classify investments without readily determinable fair values that are not accounted for under the equity method as nonmarketable equity securities. The accounting guidance requires nonmarketable equity securities to be recorded at cost and adjusted to fair value at each reporting period. We apply the measurement alternative, which allows these investments to be recorded at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. Any changes in value are recorded within operating expenses. As of December 31, 2024 and 2023, our nonmarketable equity securities within non-current assets on our Consolidated Balance Sheets were not material and no material adjustments were made to the carrying values of these securities during the years ended December 31, 2024, 2023 or 2022.

Reclassification

We reclassified certain items within operating activities on the Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022 to conform to the current year presentation. These reclassifications had no impact on reported net cash provided by operating activities.

Adoption of New Accounting Pronouncements

Improvements to Reportable Segment Disclosures

On January 1, 2024, as the result of a new accounting pronouncement, we adopted ASU 2023-07, “Improvements to Reportable Segment Disclosures,” which amends Topic 280 primarily through enhanced disclosures about significant segment expenses. The adoption of this accounting pronouncement has resulted in incremental disclosures within the notes to our Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

Improvements to Income Tax Disclosures

On January 1, 2025, as the result of a new accounting pronouncement, we adopted ASU 2023-09, “Improvements to Income Tax Disclosures,” which amends Topic 740 primarily through enhanced income tax disclosures, improving transparency into the factors affecting income tax expense. We expect to include certain additional income tax disclosures in the notes to our Consolidated Financial Statements as a result of the adoption of this accounting pronouncement.

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 on our Consolidated Financial Statements.

Reference Rate Reform

In January 2021, the FASB issued ASU 2021-01, “Reference Rate Reform (Topic 848),” which amends ASU 2020-04 and clarifies the scope and guidance of Topic 848 to allow derivatives impacted by the reference rate reform to qualify for certain optional expedients and exceptions for contract modifications and hedge accounting. The guidance is optional and is effective for a limited period of time. In December 2022, the FASB also issued ASU 2022-06, “Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848,” to defer the sunset date of ASC 848 from December 31, 2022 to December 31, 2024. As of December 31, 2024, this guidance had no impact on our Consolidated Financial Statements.

3. Leases

Lessor

The following table presents our lease revenues disaggregated by geography:

	Year Ended December 31,		
	2024	2023	2022
Americas	\$ 8,970	\$ 9,261	\$ 9,401
Europe, Middle East and Africa	1,958	1,932	1,852
Asia and Australasia	615	628	576
Total lease revenues	<u>\$ 11,543</u>	<u>\$ 11,821</u>	<u>\$ 11,829</u>

The following table presents our lease revenues disaggregated by brand:

	Year Ended December 31,		
	2024	2023	2022
Avis	\$ 6,609	\$ 6,660	\$ 6,420
Budget	4,220	4,425	4,650
Other ^(a)	714	736	759
Total lease revenues	<u>\$ 11,543</u>	<u>\$ 11,821</u>	<u>\$ 11,829</u>

^(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 (“ROU”) assets and operating lease liabilities and are recorded as variable lease expense as incurred. Our operating leases for rental locations often also require us to pay or reimburse operating expenses.

We lease a portion of our vehicles under operating leases. As of December 31, 2024 and 2023, we have guaranteed up to \$30 million and \$52 million, respectively, of residual values for these vehicles at the end of their respective lease terms. We believe that, based on current market conditions, the net proceeds from the sale of these vehicles at the end of their lease terms will equal or exceed their net book values and therefore have not recorded a liability related to guaranteed residual values.

The components of lease expense are as follows:

	Year Ended December 31,		
	2024	2023	2022
Property leases			
Operating lease expense	\$ 935	\$ 860	\$ 703
Variable lease expense	343	402	520
Sublease income	(6)	(6)	(5)
Total property lease expense ^(a)	\$ 1,272	\$ 1,256	\$ 1,218
Vehicle leases			
Finance lease expense:			
Amortization of ROU assets ^(b)	\$ 27	\$ 28	\$ 29
Interest on lease liabilities ^(c)	7	6	3
Operating lease expense ^(b)	151	167	138
Total vehicle lease expense	\$ 185	\$ 201	\$ 170

^(a) Primarily included in operating expenses and for the year ended December 31, 2022, includes \$(9) million of minimum annual guaranteed rent in excess of concession fees as defined in our rental concession agreements.

^(b) Included in vehicle depreciation and lease charges, net.

^(c) Included in vehicle interest, net.

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Supplemental balance sheet information related to leases is as follows:

	As of December 31,	
	2024	2023
Property leases		
Operating lease ROU assets	\$ 3,057	\$ 2,654
Short-term operating lease liabilities ^(a)	\$ 628	\$ 576
Long-term operating lease liabilities	2,484	2,117
Operating lease liabilities	<u>\$ 3,112</u>	<u>\$ 2,693</u>
Weighted average remaining lease term	8.0 years	8.1 years
Weighted average discount rate	4.98%	4.83%
Vehicle leases		
Finance		
Finance lease ROU assets, gross	\$ 228	\$ 265
Accumulated amortization	(43)	(41)
Finance lease ROU assets, net ^(b)	<u>\$ 185</u>	<u>\$ 224</u>
Short-term vehicle finance lease liabilities	\$ 75	\$ 59
Long-term vehicle finance lease liabilities	68	113
Vehicle finance lease liabilities ^(c)	<u>\$ 143</u>	<u>\$ 172</u>
Weighted average remaining lease term	2.1 years	2.8 years
Weighted average discount rate	5.07%	3.68%
Operating		
Vehicle operating lease ROU assets ^(d)	\$ 73	\$ 117
Short-term vehicle operating lease liabilities	\$ 58	\$ 83
Long-term vehicle operating lease liabilities	15	36
Vehicle operating lease liabilities ^(e)	<u>\$ 73</u>	<u>\$ 119</u>
Weighted average remaining lease term	1.3 years	1.5 years
Weighted average discount rate	5.20%	5.13%

^(a) Included in accounts payable and other current liabilities.

^(b) Included in vehicles, net within assets under vehicle programs.

^(c) Included in debt within liabilities under vehicle programs.

^(d) Included in receivables from vehicle manufacturers and other within assets under vehicle programs.

^(e) Included in other within liabilities under vehicle programs.

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Supplemental cash flow information related to leases is as follows:

	Year Ended December 31,		
	2024	2023	2022
Cash payments for lease liabilities within operating activities:			
Property operating leases	\$ 947	\$ 838	\$ 743
Vehicle finance leases	7	6	3
Vehicle operating leases	151	167	137
Cash payments for lease liabilities within financing activities:			
Vehicle finance leases	\$ 105	\$ 105	\$ 181
Non-cash activities - increase in ROU assets in exchange for lease liabilities:			
Property operating leases	\$ 1,404	\$ 1,079	\$ 812
Vehicle finance leases	102	118	153
Vehicle operating leases	112	191	161

Maturities of lease liabilities as of December 31, 2024 are as follows:

	Property Operating Leases	Vehicle Finance Leases	Vehicle Operating Leases
Within 1 year	\$ 766	\$ 75	\$ 60
Between 1 and 2 years	579	—	10
Between 2 and 3 years	513	—	3
Between 3 and 4 years	415	61	1
Between 4 and 5 years	311	7	1
Thereafter	1,221	—	—
Total lease payments	3,805	143	75
Less: Imputed interest	(693)	—	(2)
Total	<u>\$ 3,112</u>	<u>\$ 143</u>	<u>\$ 73</u>

4. Earnings Per Share

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

	Year Ended December 31,		
	2024	2023	2022
Net income (loss) attributable to Avis Budget Group, Inc. for basic and diluted EPS	\$ (1,821)	\$ 1,632	\$ 2,764
Basic weighted average shares outstanding	35.5	38.3	47.3
Non-vested stock	—	0.5	1.1
Diluted weighted average shares outstanding	<u>35.5</u>	<u>38.8</u>	<u>48.4</u>
Earnings (loss) per share			
Basic	\$ (51.23)	\$ 42.57	\$ 58.41
Diluted	\$ (51.23)	\$ 42.08	\$ 57.16

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Diluted EPS was computed using the treasury stock method for non-vested stock. In computing diluted loss per share for the year ended December 31, 2024, 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.

The following table summarizes our outstanding common stock equivalents that were anti-dilutive and therefore excluded from the computation of diluted EPS (shares in millions):

	As of December 31,		
	2024	2023	2022
Non-vested stock ^(a)	0.4	0.1	0.2

^(a) The weighted average grant date fair value for anti-dilutive non-vested stock for 2024, 2023 and 2022 was \$134.69, \$198.92 and \$177.70, respectively.

5. Restructuring and Other Related Charges

In 2024, we initiated a global restructuring plan to further 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 \$70 million related to this initiative to be incurred in 2025.

In 2022, we initiated a restructuring plan to focus on consolidating our global operations by designing new processes and implementing new systems (“Cost Optimization”). In 2021, we initiated a global restructuring plan to focus on cost discipline by reviewing headcounts, facilities and contractor agreements. We transformed our business as we exited the COVID-19 crisis by controlling fixed costs and matching variable costs to demand (“T21”). In 2020, we initiated a global restructuring plan to reduce operating costs, such as headcount and facilities, due to declining reservations and revenue resulting from the COVID-19 outbreak (“2020 Optimization”). In 2019, we initiated a restructuring plan to exit our operations in Brazil by closing rental facilities, disposing of assets and terminating personnel (“Brazil”). We also initiated a restructuring plan in that same year to drive global efficiency by improving processes and consolidating functions, and to create new objectives and strategies for our truck rental operations in the United States by reducing headcount, large vehicles and rental locations (“T19”). These initiatives are complete.

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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 at January 1, 2022	\$ 7	\$ 2	\$ 1	\$ 10
Restructuring expense:				
Cost Optimization	9	—	—	9
T21	3	—	—	3
Brazil	—	—	1	1
Restructuring payment/utilization:				
Cost Optimization	(6)	—	(1)	(7)
T21	(8)	(1)	—	(9)
2020 Optimization	(1)	—	—	(1)
Brazil	—	—	(1)	(1)
T19	—	(1)	—	(1)
Balance as of December 31, 2022	\$ 4	\$ —	\$ —	\$ 4
Restructuring expense:				
Cost Optimization	8	—	2	10
Brazil	—	—	1	1
Restructuring payment/utilization:				
Cost Optimization	(8)	—	(2)	(10)
Brazil	—	—	(1)	(1)
Balance as of December 31, 2023	\$ 4	\$ —	\$ —	\$ 4
Restructuring expense:				
Global Rightsizing ^(a)	19	—	17	36
Cost Optimization	—	—	1	1
Restructuring payment/utilization:				
Global Rightsizing ^(a)	(12)	—	(8)	(20)
Cost Optimization	(1)	—	(3)	(4)
Balance as of December 31, 2024	\$ 10	\$ —	\$ 7	\$ 17

^(a) Other includes the disposition of vehicles.

	Americas	International	Total
Balance at January 1, 2022	\$ 2	\$ 8	\$ 10
Restructuring expense:			
Cost Optimization	2	7	9
T21	1	2	3
Brazil	1	—	1
Restructuring payment/utilization:			
Cost Optimization	(2)	(5)	(7)
T21	(2)	(7)	(9)
2020 Optimization	—	(1)	(1)
Brazil	(1)	—	(1)
T19	—	(1)	(1)
Balance as of December 31, 2022	1	3	4
Restructuring expense:			
Cost Optimization	7	3	10
Brazil	1	—	1
Restructuring payment/utilization:			
Cost Optimization	(6)	(4)	(10)
Brazil	(1)	—	(1)
Balance as of December 31, 2023	2	2	4
Restructuring expense:			
Global Rightsizing	19	17	36
Cost Optimization	1	—	1
Restructuring payment/utilization:			
Global Rightsizing	(12)	(8)	(20)
Cost Optimization	(1)	(3)	(4)
Balance as of December 31, 2024	\$ 9	\$ 8	\$ 17

Other Related Charges

In April 2022, we announced the departure of Veresh Sita as Executive Vice President and Chief Digital and Innovation Officer effective May 13, 2022. In connection with Mr. Sita's separation, we recorded other related charges of approximately \$1 million, inclusive of accelerated stock-based compensation expense, for the year ended December 31, 2022.

6. Acquisitions

McNicoll Vehicle Hire

In September 2023, we completed the acquisition of McNicoll Vehicle Hire, a vehicle rental company in Scotland specializing in van and car rentals, for approximately \$17 million, net of acquired cash. The investment enabled us to expand our footprint of vehicle rental services in Scotland. The excess of the purchase price over preliminary fair value of net assets acquired was allocated to goodwill, which was assigned to our International reportable segment. In connection with this acquisition, approximately \$10 million was recorded to goodwill, \$4 million was recorded to trade names, and \$1 million was recorded to customer relationships. The trade names and customer relationships will be amortized over a weighted average useful life of approximately 10 years. The goodwill was not deductible for tax purposes. In 2024, we finalized our accounting for this acquisition. As a result, we recorded an additional \$2 million to the goodwill connected to this acquisition during the year ended December 31, 2024, which represents the additional excess of the purchase price over the fair value of the identifiable net assets acquired.

Licensees

In June 2023, we completed the acquisition of a licensee in North America for approximately \$14 million, plus approximately \$20 million for acquired fleet. In October 2023, we completed the acquisition of a second licensee in North America for approximately \$10 million, plus approximately \$4 million for acquired fleet. These investments were in-line with our strategy to re-acquire licensees when advantageous to expand our footprint of Company-operated locations. The acquired fleet for each acquisition was financed under our existing financing arrangements. In connection with these acquisitions in June 2023 and October 2023, approximately \$14 million and \$10 million, respectively, was recorded to other intangibles related to license agreements, which are being amortized over weighted average useful lives of approximately five years and three years, respectively. Differences between the preliminary allocation of purchase prices and the final allocations for these acquisitions were not material.

7. Intangible Assets

Intangible assets consisted of:

	As of December 31, 2024			As of December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Amortized Intangible Assets</i>						
License agreements ^(a)	\$ 306	\$ 244	\$ 62	\$ 316	\$ 234	\$ 82
Customer relationships ^(b)	244	221	23	253	221	32
Other ^(c)	52	47	5	56	46	10
Total	<u>\$ 602</u>	<u>\$ 512</u>	<u>\$ 90</u>	<u>\$ 625</u>	<u>\$ 501</u>	<u>\$ 124</u>
<i>Unamortized Intangible Assets</i>						
Goodwill	<u>\$ 1,071</u>			<u>\$ 1,099</u>		
Trademarks	<u>\$ 511</u>			<u>\$ 546</u>		

^(a) Primarily amortized over a period ranging from 0 to 40 years with a weighted average life of 15 years.

^(b) Primarily amortized over a period ranging from 1 to 20 years with a weighted average life of 11 years.

^(c) Primarily amortized over a period ranging from 3 to 10 years with a weighted average life of 9 years.

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During 2024, we recorded an impairment related to our unamortized Zipcar trademark of \$28 million. See Note 2 – Summary of Significant Accounting Policies.

Amortization expense relating to all intangible assets was as follows:

	Year Ended December 31,		
	2024	2023	2022
License agreements	\$ 17	\$ 14	\$ 29
Customer relationships	9	9	10
Other	4	6	5
Total	\$ 30	\$ 29	\$ 44

Based on our amortizable intangible assets at December 31, 2024, we expect amortization expense of approximately \$22 million for 2025, \$21 million for 2026, \$15 million for 2027, \$9 million for 2028 and \$7 million for 2029 excluding effects of currency exchange rates.

The carrying amounts of goodwill and related changes are as follows:

	Americas	International	Total Company
Goodwill as of January 1, 2023	\$ 2,137	\$ 1,051	\$ 3,188
Accumulated impairment losses as of January 1, 2023	(1,587)	(531)	(2,118)
Goodwill as of January 1, 2023	550	520	1,070
Acquisitions	—	10	10
Currency translation adjustments and other	1	18	19
Goodwill as of December 31, 2023	551	548	1,099
Acquisitions	—	2	2
Currency translation adjustments and other	(3)	(27)	(30)
Goodwill as of December 31, 2024	\$ 548	\$ 523	\$ 1,071

8. Vehicle Rental Activities

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

	As of December 31,	
	2024	2023
Rental vehicles ^(a)	\$ 20,094	\$ 23,114
Less: Accumulated depreciation	(3,143)	(2,639)
	16,951	20,475
Vehicles held for sale ^(a)	594	734
Vehicles, net investment in lease ^(b)	74	31
Vehicles, net	\$ 17,619	\$ 21,240

^(a) For the year ended December 31, 2024, reflects long-lived asset impairment and other related charges, which reduced the carrying value of our rental vehicles and vehicles held for sale to fair value. See Note 2 – Summary of Significant Accounting Policies.

^(b) See Note 17 – Related Party Transactions.

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

	Year Ended December 31,		
	2024	2023	2022
Depreciation expense	\$ 2,658	\$ 2,228	\$ 1,709
Lease charges	151	167	138
(Gain) loss on sale of vehicles, net	167	(656)	(1,019)
Vehicle depreciation and lease charges, net	<u>\$ 2,976</u>	<u>\$ 1,739</u>	<u>\$ 828</u>

At December 31, 2024, 2023 and 2022, we had payables related to vehicle purchases included in liabilities under vehicle programs - other of \$203 million, \$287 million, and \$265 million, respectively, and receivables related to vehicle sales included in assets under vehicle programs - receivables from vehicle manufacturers and other of \$287 million, \$237 million, and \$212 million, respectively.

9. Income Taxes

The provision for (benefit from) income taxes consists of the following:

	Year Ended December 31,		
	2024	2023	2022
<i>Current</i>			
Federal	\$ 14	\$ —	\$ —
State	11	45	137
Foreign	70	43	61
Current income tax provision	<u>95</u>	<u>88</u>	<u>198</u>
<i>Deferred</i>			
Federal	(644)	77	622
State	(211)	47	(22)
Foreign	(50)	67	82
Deferred income tax provision	(905)	191	682
Provision for (benefit from) income taxes	<u>\$ (810)</u>	<u>\$ 279</u>	<u>\$ 880</u>

Income (loss) before income taxes is comprised of the following:

	Year Ended December 31,		
	2024	2023	2022
United States (U.S.)	\$ (2,642)	\$ 1,418	\$ 3,114
Foreign	15	496	522
Income (loss) before income taxes	<u>\$ (2,627)</u>	<u>\$ 1,914</u>	<u>\$ 3,636</u>

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Deferred income tax assets, net is comprised of the following:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
<i>Deferred income tax assets:</i>		
Net tax loss carryforwards	\$ 983	\$ 1,373
Long-term operating lease liabilities	807	703
Tax credits	405	323
Deferred interest expense ^(a)	358	179
Accrued liabilities and deferred revenue	157	169
Depreciation and amortization	24	22
Provision for doubtful accounts	19	18
Other ^(a)	28	34
Valuation allowance ^(b)	(83)	(103)
Deferred income tax assets	<u>2,698</u>	<u>2,718</u>
<i>Deferred income tax liabilities:</i>		
Operating lease right of use assets	793	693
Depreciation and amortization	74	117
Prepaid expenses	32	33
Other	13	7
Deferred income tax liabilities	<u>912</u>	<u>850</u>
Deferred income tax assets, net	<u><u>\$ 1,786</u></u>	<u><u>\$ 1,868</u></u>

^(a) For the year ended December 31, 2023, we reclassified \$179 million of deferred interest expense to conform to the current year presentation. This reclassification had no impact to our reported deferred income tax assets.

^(b) The valuation allowance at December 31, 2024 relates to tax loss carryforwards and certain deferred tax assets of \$80 million and \$3 million, respectively. The valuation allowance at December 31, 2023 relates to tax loss carryforwards and certain deferred tax assets of \$100 million and \$3 million, respectively. The valuation allowances will be reduced when and if we determine it is more likely than not that the related deferred income tax assets will be realized.

Deferred income tax assets and liabilities related to vehicle programs are comprised of the following:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
<i>Deferred income tax assets:</i>		
Depreciation and amortization	\$ 73	\$ 80
Other	20	28
Deferred income tax assets	<u>93</u>	<u>108</u>
<i>Deferred income tax liabilities:</i>		
Depreciation and amortization	2,513	3,497
Other	22	29
Deferred income tax liabilities	<u>2,535</u>	<u>3,526</u>
Deferred income tax liabilities under vehicle programs, net	<u><u>\$ 2,442</u></u>	<u><u>\$ 3,418</u></u>

At December 31, 2024, we had U.S. federal net operating loss carryforwards of approximately \$3.0 billion. The net operating loss carryforwards have an indefinite utilization period pursuant to the Tax Act. Such net operating loss carryforwards are primarily related to accelerated depreciation of our U.S. vehicles. Currently, we do not record valuation allowances on the majority of our U.S. federal tax loss carryforwards as there are adequate deferred tax liabilities that could be realized within the carryforward period. At December 31,

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2024, we had foreign net operating loss carryforwards of approximately \$890 million, the majority of which has an indefinite utilization period.

At December 31, 2024, we had undistributed earnings of certain foreign subsidiaries of approximately \$1.6 billion that we have indefinitely reinvested, and on which we have not recognized deferred taxes. Estimating the amount of potential tax is not practicable because of the complexity and variety of assumptions necessary to compute the tax.

The reconciliation between the U.S. federal income tax statutory rate and our effective income tax rate is as follows:

	Year Ended December 31,		
	2024	2023	2022
U.S. federal statutory rate	21.0 %	21.0 %	21.0 %
Adjustments to reconcile to our effective rate:			
State and local income taxes, net of federal tax benefits	6.0	4.0	3.9
Changes in valuation allowances	0.2	—	(1.3)
Taxes on foreign operations at rates different than U.S. federal statutory rates	(0.9)	2.8	1.2
Tax credits ^(a)	3.6	(11.7)	(0.4)
Stock-based compensation	0.1	(1.1)	(0.5)
Other non-deductible (non-taxable) items	(0.2)	0.7	0.4
Other ^(a)	1.0	(1.1)	(0.1)
	<u>30.8 %</u>	<u>14.6 %</u>	<u>24.2 %</u>

^(a) For the year ended December 31, 2022, we reclassified (0.4%) of certain tax credits to conform to the current year presentation. This reclassification had no impact to our reported effective income tax rate.

The Organisation for Economic Cooperation and Development (“OECD”) published a proposal for the establishment of a global minimum tax rate of 15% (the “Pillar Two rule”), effective for fiscal 2024. We are closely monitoring developments of the Pillar Two rule as the OECD continues to refine its technical guidance and member states implement tax laws and regulations based on Pillar Two proposals. Pillar Two did not have a material impact on our Consolidated Financial Statements for 2024.

The following is a reconciliation of the gross amount of unrecognized tax benefits:

	2024	2023	2022
Balance, January 1	\$ 63	\$ 53	\$ 58
Additions for tax positions related to current year	4	5	4
Additions for tax positions related to prior years	—	5	3
Reductions for tax positions related to prior years	(2)	—	(5)
Settlements	—	—	(5)
Statute of limitations	(4)	(2)	—
Foreign currency translation	(3)	2	(2)
Balance, December 31	<u>\$ 58</u>	<u>\$ 63</u>	<u>\$ 53</u>

We do not anticipate the gross amount of unrecognized tax benefits to change significantly in 2025.

We are subject to taxation in the U.S. and various foreign jurisdictions. As of December 31, 2024, the 2007 through 2023 tax years generally remain subject to examination by the federal tax authorities. The 2012 through 2023 tax years generally remain subject to examination by various state tax authorities. In significant foreign jurisdictions, the 2012 through 2023 tax years generally remain subject to examination by their respective tax authorities.

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Substantially all of the gross amount of unrecognized tax benefits at December 31, 2024, 2023 and 2022, if recognized, would affect our provision for (benefit from) income taxes. As of December 31, 2024, our unrecognized tax benefits were offset by tax loss carryforwards and other deferred tax assets in the amount of \$27 million.

The following table presents unrecognized tax benefits:

	As of December 31,	
	2024	2023
Unrecognized tax benefits in current income taxes payable ^(a)	\$ 17	\$ 17
Unrecognized tax benefits in non-current income taxes payable ^(a)	17	21
Accrued interest payable on potential tax liabilities ^(b)	47	44

^(a) Pursuant to the agreements governing the disposition of certain subsidiaries in 2006, we are entitled to indemnification for certain predisposition tax contingencies. As of December 31, 2024 and 2023, liabilities for unrecognized tax benefits associated with these tax contingencies are included in current income taxes payable.

^(b) We recognize potential interest expense related to unrecognized tax benefits within interest expense related to corporate debt, net on the accompanying Consolidated Statements of Operations. Penalties incurred during the years ended December 31, 2024, 2023 and 2022, were not significant and were recognized in the provision for (benefit from) income taxes.

10. Other Current Assets

Other current assets consisted of:

	As of December 31,	
	2024	2023
Prepaid expenses	\$ 239	\$ 239
Sales and use taxes	187	192
Other	236	253
Other current assets	<u>\$ 662</u>	<u>\$ 684</u>

11. Property and Equipment, net

Property and equipment, net consisted of:

	As of December 31,	
	2024	2023
Land	\$ 61	\$ 61
Buildings and leasehold improvements	616	574
Capitalized software	981	957
Furniture, fixtures and equipment	484	440
Projects in process	92	154
Buses and support vehicles	94	94
	<u>2,328</u>	<u>2,280</u>
Less: Accumulated depreciation and amortization	(1,631)	(1,561)
Property and equipment, net	<u>\$ 697</u>	<u>\$ 719</u>

Depreciation and amortization expense relating to property and equipment during 2024, 2023 and 2022 was \$207 million, \$187 million, and \$181 million, respectively (including \$102 million, \$101 million, and \$115 million, respectively, of amortization expense relating to capitalized software). At December 31, 2024, we had payables related to property and equipment included in accounts payable and other current liabilities of \$10 million. At December 31, 2023, we had payables related to property and equipment included in accounts payable and other current liabilities and in other non-current liabilities of \$18 million and \$6 million, respectively.

12. Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of:

	As of December 31,	
	2024	2023
Short-term operating lease liabilities	\$ 628	\$ 576
Accounts payable	450	487
Accrued sales and use taxes	305	251
Accrued advertising and marketing	258	276
Public liability and property damage insurance liabilities – current	245	181
Accrued interest ^(a)	180	141
Deferred lease revenues – current	149	168
Accrued payroll and related	126	188
Other ^(a)	359	359
Accounts payable and other current liabilities	<u>\$ 2,700</u>	<u>\$ 2,627</u>

^(a) For the year ended December 31, 2023, we reclassified \$141 million of accrued interest to conform to the current year presentation. This reclassification had no impact to accounts payable and other current liabilities.

13. Long-term Corporate Debt and Borrowing Arrangements

Long-term debt and other borrowing arrangements consisted of:

	Maturity Date	As of December 31,	
		2024	2023
4.750% euro-denominated Senior Notes	January 2026	—	386
5.750% Senior Notes	July 2027	740	736
4.750% Senior Notes	April 2028	500	500
7.000% euro-denominated Senior Notes	February 2029	621	—
5.375% Senior Notes	March 2029	600	600
8.250% Senior Notes	January 2030	700	—
7.250% euro-denominated Senior Notes	July 2030	622	441
8.000% Senior Notes	February 2031	497	497
Floating Rate Term Loan ^(a)	August 2027	1,153	1,164
Floating Rate Term Loan ^(a)	March 2029	—	524
Other ^(b)		20	30
Deferred financing fees		(60)	(55)
Total		5,393	4,823
Less: Short-term debt and current portion of long-term debt		20	32
Long-term debt		<u>\$ 5,373</u>	<u>\$ 4,791</u>

^(a) The floating rate term loan due August 2027 is, and the floating rate term loan due March 2029 was, part of our senior revolving credit facility, which is secured by pledges of capital stock of certain of our subsidiaries, and liens on substantially all of our intellectual property and certain other real and personal property.

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

Term Loan

Floating Rate Term Loan due 2027. In February 2020, we amended our Floating Rate Term Loan and extended its maturity term to 2027. As of December 31, 2024, the loan bears interest at one-month Secured Overnight Financing Rate (“SOFR”) plus 1.75%, for an aggregate rate of 6.22%. We have entered into an interest rate swap to hedge \$750 million of our interest rate exposure related to the floating rate term loan at an aggregate rate of 3.26%.

Floating Rate Term Loan due 2029. In March 2022, we entered into a \$750 million Floating Rate Term Loan due March 2029, at a price of 97% of the aggregate principal amount, with interest paid monthly. In December 2023, we repaid approximately \$200 million of our outstanding balance using the proceeds from the issuance of our 8.000% Senior Notes due February 2031. In October 2024, we fully repaid the outstanding borrowings under our floating rate term loan due 2029 using the proceeds from the issuance of our 8.250% Senior Notes due January 2030.

Senior Notes

4.750% euro-denominated Senior Notes due 2026. In October 2018, we issued €350 million of 4.750% euro-denominated Senior Notes due 2026, at par, with interest payable semi-annually. We had the right to redeem these notes in whole or in part on or after September 30, 2021 at specified redemption prices plus accrued interest. Net proceeds from the offering were used to redeem our 5.125% Senior Notes due June 2022 for \$410 million plus accrued interest. In April 2024, we redeemed these notes using the proceeds from our 7.000% euro-denominated Senior Notes due February 2029.

5.750% Senior Notes due 2027. In July 2019, we issued \$400 million of 5.750% Senior Notes due July 2027, at par, with interest payable semi-annually. We used the net proceeds from the offering to redeem \$400 million principal amount of our 5.500% Senior Notes due April 2023. In August 2020, we issued \$350 million of additional 5.750% Senior Notes due July 2027, at 92% of face value, under the indenture governing our existing 5.750% Senior Notes. We used the proceeds from this offering to redeem the outstanding \$100 million in aggregate principal amount of our 5.500% Senior Notes due 2023, with the remainder being used for general corporate purposes.

4.750% Senior Notes due 2028. In March 2021, we issued \$500 million of 4.750% Senior Notes due April 2028, at par, with interest paid semi-annually. We have the right to redeem these notes in whole or in part at any time on or after April 1, 2024 at specified redemption prices plus accrued interest. Net proceeds, together with cash on hand, were used to redeem all of the outstanding 6.375% Senior Notes due 2024 for \$356 million plus accrued interest and a portion of our outstanding 5.250% Senior Notes due 2025 for \$142 million plus accrued interest.

5.375% Senior Notes due 2029. In March 2021, we issued \$600 million of 5.375% Senior Notes due March 2029, at par, with interest paid semi-annually. We have the right to redeem these notes in whole or in part at any time on or after March 1, 2024 at specified redemption prices plus accrued interest. Net proceeds, together with cash on hand, were used to redeem all of the outstanding 10.500% Senior Secured Notes due 2025 for \$599 million plus accrued interest.

7.250% euro-denominated Senior Notes due July 2030. In July 2023, we issued €400 million of 7.250% euro-denominated Senior Notes due July 2030, at par, with interest payable semi-annually. We have the right to redeem these notes in whole or in part at any time on or after July 2026 at a specified redemption price plus accrued interest. Net proceeds from the offering were used primarily to redeem all of the €300 million of our outstanding 4.125% euro-denominated Senior Notes due 2024 plus accrued interest. In May 2024, we issued €200 million of additional 7.250% euro-denominated Senior Notes due July 2030, at 100.25% of face value, under the indenture governing our existing 7.250% euro-denominated Senior Notes. Net proceeds from this offering were used for general corporate purposes.

8.000% Senior Notes due February 2031. In November 2023, we issued \$500 million of 8.000% Senior Notes due February 2031, at 99.3% of face value, with interest payable semi-annually. We have the right to redeem these notes in whole or in part at any time on or after November 2026 at a specified redemption price plus accrued interest. Net proceeds were used to fully redeem our 4.500% euro-denominated Senior Notes due 2025 and a portion of our outstanding balance on our Term Loan due 2029, with the remainder being used for general corporate purposes.

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7.000% euro-denominated Senior Notes due February 2029. In February 2024, we issued €600 million of 7.000% euro-denominated Senior Notes due February 2029, at par, with interest payable semi-annually. We have the right to redeem these notes in whole or in part at any time prior to February 28, 2026 at their principal amount plus accrued interest and a make-whole premium, or at any time on or after February 28, 2026 at a specified redemption price plus accrued interest. Net proceeds from the offering were used primarily to redeem all of our outstanding 4.750% euro-denominated Senior Notes due January 2026 plus accrued interest, with the remainder being used for general corporate purposes.

8.250% Senior Notes due January 2030. In September 2024, we issued \$700 million of 8.250% Senior Notes due January 2030, at par, with interest payable semi-annually. We have the right to redeem these notes in whole or in part, at any time prior to September 15, 2026 at the principal amount plus accrued interest and a make-whole premium, or at any time on or after September 15, 2026 at a specified redemption price plus accrued interest. Net proceeds from the offering were used to repay the outstanding borrowings under our floating rate term loan due 2029, with the remainder being used to repay maturing vehicle-backed debt and for general corporate purposes.

In connection with the debt amendments and repayments for the years ended December 31, 2024 and 2023, we recorded \$19 million and \$5 million, respectively, in early extinguishment of debt costs.

The 5.750% Senior Notes, the 4.750% Senior Notes, the 5.375% Senior Notes, the 8.000% Senior Notes and the 8.250% Senior Notes are senior unsecured obligations of our Avis Budget Car Rental, LLC (“ABCR”) subsidiary, are guaranteed by us and certain of our domestic subsidiaries and rank equally in right of payment with all of our existing and future senior unsecured indebtedness.

The 4.750% euro-denominated Senior Notes were, and the 7.250% euro-denominated Senior Notes and the 7.000% euro-denominated Senior Notes are, unsecured obligations of our Avis Budget Finance plc subsidiary, and are (or were) guaranteed on a senior basis by us and certain of our domestic subsidiaries and rank (or ranked) equally with all of our existing senior unsecured debt.

Debt Maturities

The following table provides contractual maturities of our corporate debt at December 31, 2024:

Year	Amount
2025 ^(a)	\$ 20
2026	17
2027	1,872
2028	503
2029	1,222
Thereafter	1,819
	<u>\$ 5,453</u>

^(a) These short-term borrowings have weighted average interest rates which range from 5.39% to 5.80% as of December 31, 2024.

Committed Credit Facilities And Available Funding Arrangements

At December 31, 2024, 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)	\$ 2,000	\$ —	\$ 1,497	\$ 503

^(a) The senior revolving credit facility bears interest at one-month SOFR plus 2.00% and is part of our senior credit facilities, which include the floating rate term loan and the senior revolving credit facility, and which are secured by pledges of capital stock of certain of our subsidiaries, and liens on substantially all of our intellectual property and certain other real and personal property.

Uncommitted Standby Letter of Credit Facilities. We have other uncommitted standby letter of credit facilities (“SBLC facilities”) with an additional letter of credit capacity of up to \$455 million. As of December 31, 2024, letters of credit totaling \$400 million have been issued on our SBLC facilities, which results in a remaining available capacity of approximately \$55 million.

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 facility also contains a maximum leverage ratio requirement. As of December 31, 2024, we were in compliance with the financial covenants governing our indebtedness.

14. 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:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
Americas – Debt due to Avis Budget Rental Car Funding ^(a)	\$ 14,143	\$ 15,502
Americas – Debt borrowings	1,160	1,075
International – Debt borrowings	2,159	2,203
International – Finance leases	143	172
Other	8	55
Deferred financing fees ^(b)	(77)	(70)
Total	<u>\$ 17,536</u>	<u>\$ 18,937</u>

^(a) Includes \$751 million and \$841 million of Class R notes as of December 31, 2024 and December 31, 2023, respectively, which are held by us.

^(b) Deferred financing fees related to Debt due to Avis Budget Rental Car Funding as of December 31, 2024 and 2023 were \$60 million and \$61 million, respectively.

Americas

Debt due to Avis Budget Rental Car Funding. Avis Budget Rental Car Funding, an unconsolidated bankruptcy remote qualifying special purpose limited liability company, issues privately placed notes to investors as well as to banks and bank-sponsored conduit entities. Avis Budget Rental Car Funding uses the proceeds from its note issuances to make loans to our wholly-owned subsidiary, AESOP Leasing LP (“AESOP Leasing”), on a continuing basis. AESOP Leasing is required to use the proceeds of such loans to acquire or finance the acquisition of vehicles used in our rental car operations. By issuing debt through the Avis Budget Rental Car Funding program, we pay a lower rate of interest than if we had issued debt directly to third parties. Avis Budget Rental Car Funding is not consolidated, as we are not the “primary beneficiary” of Avis Budget Rental Car Funding. We determined that we are not the primary beneficiary because we do not have the obligation to absorb the potential losses or receive the benefits of Avis Budget Rental Car Funding’s activities since our only significant source of variability in the earnings, losses or cash flows of Avis Budget Rental Car Funding is exposure to our own creditworthiness, due to our loan from Avis Budget Rental Car Funding. Because Avis Budget Rental Car Funding is not consolidated, AESOP Leasing’s loan obligations to Avis Budget Rental Car Funding are reflected as related party debt on our Consolidated Balance Sheets. We also have an asset within Assets under vehicle programs on our Consolidated Balance Sheets which represents securities issued to us by Avis Budget Rental Car Funding. AESOP Leasing is consolidated, as we are the “primary beneficiary” of AESOP Leasing; as a result, the vehicles purchased by AESOP Leasing remain on our Consolidated Balance Sheets. We determined we are the primary beneficiary of AESOP Leasing, as we have the ability to direct its activities, an obligation to absorb a majority of its expected losses and the right to receive the benefits of AESOP Leasing’s activities. AESOP Leasing’s vehicles and related assets, which as of December 31, 2024, approximate \$17 billion and some of which are subject to manufacturer repurchase and guaranteed depreciation agreements, collateralize the debt issued by Avis Budget Rental Car Funding. The assets and liabilities of AESOP Leasing are presented

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on our Consolidated Balance Sheets within assets under vehicle programs and liabilities under vehicle programs, respectively. The assets of AESOP Leasing, included within assets under vehicle programs (excluding the investment in Avis Budget Rental Car Funding (AESOP) LLC—related party) are restricted. Such assets may be used only to repay the respective AESOP Leasing liabilities, included within Liabilities under vehicle programs, and to purchase new vehicles, although if certain collateral coverage requirements are met, AESOP Leasing may pay dividends from excess cash. The creditors of AESOP Leasing and Avis Budget Rental Car Funding have no recourse to our general credit. We periodically provide Avis Budget Rental Car Funding with non-contractually required support, in the form of equity and loans, to serve as additional collateral for the debt issued by Avis Budget Rental Car Funding.

The business activities of Avis Budget Rental Car Funding are limited primarily to issuing indebtedness and using the proceeds thereof to make loans to AESOP Leasing for the purpose of acquiring or financing the acquisition of vehicles to be leased to our rental car subsidiaries and pledging its assets to secure the indebtedness. Because Avis Budget Rental Car Funding is not consolidated by us, its results of operations and cash flows are not reflected within our financial statements.

The following table provides a summary of debt issued by Avis Budget Rental Car Funding during the years ended December 31, 2024 and 2023:

Issuance Date	Maturity Date	Weighted Average Interest Rate	Amount Issued
January 2024	June 2029	5.51 %	\$ 1,200
February 2024	April 2026	6.24 %	53
February 2024	April 2028	6.23 %	52
February 2024	October 2026	6.18 %	37
March 2024	October 2027	5.26 %	400
March 2024	December 2029	5.35 %	700
December 2024 ^(a)	February 2026	9.56 %	88
December 2024 ^(a)	April 2026	9.56 %	75
December 2024 ^(a)	October 2026	9.61 %	53
December 2024 ^(a)	February 2027	9.65 %	61
December 2024 ^(a)	April 2027	9.66 %	65
December 2024 ^(a)	October 2027	9.67 %	55
		6.04 %	\$ 2,839
January 2023	April 2028	5.36 %	\$ 500
January 2023	October 2026	5.31 %	350
April 2023	February 2027	5.67 %	450
April 2023	June 2028	5.76 %	550
June 2023	April 2027	5.91 %	476
June 2023	December 2028	5.98 %	526
September 2023	August 2027	6.09 %	300
September 2023	February 2029	6.21 %	700
		5.81 %	\$ 3,852

^(a) During December 2024, Avis Budget Rental Car Funding issued additional notes under several previously outstanding series of debt.

We used the proceeds from these borrowings to fund the repayment of maturing vehicle-backed debt and the acquisition of rental cars in the United States. Borrowings under the Avis Budget Rental Car Funding program primarily represent fixed rate notes and had a weighted average interest rate of 5.04% and 4.99% as of December 31, 2024 and 2023 respectively.

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Debt borrowings. We finance the acquisition of vehicles used in our Canadian rental operations through a consolidated, bankruptcy remote special-purpose entity, which issues privately placed notes to investors and bank-sponsored conduits. We finance the acquisition of fleet for our truck rental operations in the United States through a combination of debt facilities and leases. These debt borrowings represent a mix of fixed and floating rate debt and had a weighted average interest rate of 5.78% and 5.77% as of December 31, 2024 and 2023 respectively.

We entered into a repurchase agreement (the “Repurchase Facility”) in September 2024, whereby we may sell our Class D notes issued by Avis Budget Rental Car Funding to the Repurchase Facility counterparty and repurchase such notes. Transactions under the Repurchase Facility have a 180-day tenor. As of December 31, 2024, \$116 million was outstanding under the Repurchase Facility, which bears interest at a rate of 6.64%. As of December 31, 2024, we had \$195 million of securities pledged as collateral for the Repurchase Facility, included within investment in Avis Budget Rental Car Funding (AESOP) LLC—related party on our Consolidated Balance Sheets.

International

Debt borrowings. In EMEA we operate a European rental fleet securitization program which is used to finance fleet purchases for certain of our European operations. In February 2024, we amended our European rental fleet securitization program to increase its capacity from €1.7 billion to €1.9 billion, to add £200 million to our capacity within the program, and to extend the maturity of the program from 2024 to 2026. The International borrowings primarily represent floating rate notes and had a weighted average interest rate of 5.07% and 5.51% as of December 31, 2024 and 2023, respectively.

Finance leases. We obtain a portion of our International vehicles under finance lease arrangements. For the years ended December 31, 2024 and 2023, the weighted average interest rate on these borrowings was 5.07% and 3.68% respectively. All finance leases are on a fixed repayment basis and interest rates are fixed at the contract date.

Debt Maturities

The following table provides the contractual maturities of our debt under vehicle programs, including related party debt due to Avis Budget Rental Car Funding, at December 31, 2024:

	Debt under Vehicle Programs ^(a)
2025 ^(b)	\$ 1,966
2026 ^(c)	6,484
2027 ^(d)	3,930
2028 ^(e)	2,330
2029	2,749
Thereafter	154
	<u>\$ 17,613</u>

^(a) Vehicle-backed debt primarily represents asset-backed securities.

^(b) Includes \$0.5 billion of bank and bank-sponsored facilities. These short-term borrowings have a weighted average interest rate of 4.04% as of December 31, 2024.

^(c) Includes \$3.2 billion of bank and bank-sponsored facilities.

^(d) Includes \$0.1 billion of bank and bank-sponsored facilities.

^(e) Includes \$0.1 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, at December 31, 2024:

	Total Capacity ^(a)	Outstanding Borrowings ^(b)	Available Capacity
Americas – Debt due to Avis Budget Rental Car Funding	\$ 15,720	\$ 14,143	\$ 1,577
Americas – Debt borrowings	1,424	1,160	264
International – Debt borrowings	3,031	2,159	872
International – Finance leases	242	143	99
Other	8	8	—
Total	\$ 20,425	\$ 17,613	\$ 2,812

^(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 amendments of our asset-backed variable funding financing facilities, which were most recently amended and extended in December 2024.

^(b) The outstanding debt is collateralized by vehicles and related assets of \$14 billion for Americas - Debt due to Avis Budget Rental Car Funding; \$1.5 billion for Americas - Debt borrowings; \$2.7 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 December 31, 2024, 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.

15. 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.

In March 2023, the California Office of Tax Appeals (“OTA”) issued an opinion in a case involving notices of proposed assessment of California corporation franchise tax for tax year 1999 issued to us. The case involves whether (i) the notices of proposed assessment were barred by the statute of limitations; and (ii) a transaction undertaken by us in tax year 1999 constituted a tax-free reorganization under the Internal Revenue Code (“IRC”). The OTA concluded that the notices of proposed assessment were not barred by the statute of limitations and that the 1999 transaction was not a tax-free reorganization under the IRC. Anywhere Real Estate, Inc. has assumed 62.5%, and Wyndham Hotels and Resorts, Inc. and Travel + Leisure Co. have assumed 37.5% of the potential tax liability in this matter, respectively. We filed a petition for rehearing, which was denied in April 2024, and the tax assessment is expected to become payable, even if judicial relief is sought.

We are also named in litigation that is primarily related to the businesses of our former subsidiaries, including Realogy and Wyndham. We are entitled to indemnification from such entities for any liability resulting from such litigation.

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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. We have been named as a defendant in other purported consumer class action lawsuits, including two class actions filed against us in New Jersey, one seeking damages in connection with a breach of contract claim and another related to ancillary charges at our Payless subsidiary. However, the Company intends to vigorously defend them.

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.

We are a defendant in a number of legal proceedings for personal injury arising from the operation of our vehicles. In June 2023, two of our subsidiaries were named as defendants in a lawsuit filed in Dallas, Texas alleging that one of our employees caused the death of an individual with one of our vehicles: Peggy Dawson Edwards, Individually and as Anticipated Representative of the Estate of Michael Edwards, Sr., et. al. v. Avis Budget Car Rental, LLC; PV Holding Corp.; and Kevin Barnes, Cause No. CC-23-03188-E, pending in County Court at Law No. 5 for Dallas County, Texas. The complaint alleges that our subsidiaries are responsible for Mr. Edwards' death and seeks compensatory and punitive damages in an unspecified amount exceeding \$1 million. The court has set a trial date in May 2025 for this lawsuit. Given the early stages of the legal proceedings, it is not possible to predict the outcome of the claim. However, the Company intends to vigorously defend it.

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 December 31, 2024. We do not believe that the impact should result in a material liability to us in relation to our consolidated financial condition or results of operations.

Commitments to Purchase Vehicles

We maintain agreements with vehicle manufacturers under which we have agreed to purchase approximately \$6.3 billion of vehicles from manufacturers over the next 12 months, a \$0.5 billion decrease compared to December 31, 2023, 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.

Other Purchase Commitments

In the normal course of business, we make various commitments to purchase other goods or services from specific suppliers, including those related to marketing, advertising, computer services and capital expenditures. As of December 31, 2024, we had approximately \$145 million of purchase obligations, which extend through 2029.

Concentrations

Concentrations of credit risk at December 31, 2024, include (i) risks related to our repurchase and guaranteed depreciation agreements with domestic and foreign car manufacturers and primarily with respect to receivables for program cars that have been disposed, but for which we have not yet received payment from the manufacturers and (ii) risks related to Realogy and Wyndham, including receivables of \$39 million and \$24 million, respectively, related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with their disposition.

Asset Retirement Obligations

We maintain a liability for asset retirement obligations. An asset retirement obligation is a legal obligation to perform certain activities in connection with the retirement, disposal or abandonment of assets. Our asset retirement obligations, which are measured at discounted fair values, are primarily related to the removal of underground fuel storage tanks at our rental facilities. The Consolidated Balance Sheets include liabilities for asset retirement obligations of \$25 million and \$27 million at December 31, 2024 and 2023, respectively.

Standard Guarantees/Indemnifications

In the ordinary course of business, we enter into numerous agreements that contain standard guarantees and indemnities whereby we agree to indemnify another party, among other things, for performance under contracts and any breaches of representations and warranties thereunder. In addition, many of these parties are also indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. Such guarantees or indemnifications are granted under various agreements, including those governing (i) purchases, sales or outsourcing of assets, businesses or activities, (ii) leases of real estate, (iii) licensing of trademarks, (iv) access to credit facilities and use of derivatives and (v) issuances of debt or equity securities. The guarantees or indemnifications issued are for the benefit of the (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) licensees under licensing agreements, (iv) financial institutions in credit facility arrangements and derivative contracts and (v) underwriters and placement agents in debt or equity security issuances. While some of these guarantees extend only for the duration of the underlying agreement, many may survive the expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that we could be required to make under these guarantees, nor are we able to develop an estimate of the maximum potential amount of future payments to be made under these guarantees as the triggering events are not subject to predictability. With respect to certain of the aforementioned guarantees, such as indemnifications provided to landlords against third-party claims for the use of real estate property leased by us, we maintain insurance coverage that mitigates our potential exposure.

16. Stockholders' Equity

Cash Dividend Payments

During 2024 and 2022, we did not declare or pay any cash dividends. In December 2023, we paid a special cash dividend of \$10.00 per share to all holders of our common stock as of December 15, 2023, totaling \$355 million. Our ability to pay dividends to holders of our common stock is limited by our senior credit facility, the indentures governing our senior notes and our vehicle financing programs.

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 2024, 2023 and 2022, we repurchased 21.6 million shares of common stock under the Stock Repurchase Program at a cost of approximately \$4.2 billion (excluding excise taxes due for 2024 and 2023 repurchases under the Inflation Reduction Act of 2022). As of December 31, 2024, approximately \$757 million of authorization remained available to repurchase common stock under the Stock Repurchase Program.

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, January 1, 2022	\$ 16	\$ (19)	\$ (130)	\$ (133)
Other comprehensive income (loss) before reclassifications	(46)	57	11	22
Gross (gains) losses reclassified		9	5	14
Tax on (gains) losses reclassified		(2)	(2)	(4)
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	7	3	10
Net current-period other comprehensive income (loss)	(46)	64	14	32
Balance, December 31, 2022	(30)	45	(116)	(101)
Other comprehensive income (loss) before reclassifications	27	5	(18)	14
Gross (gains) losses reclassified		(18)	5	(13)
Tax on (gains) losses reclassified		5	(1)	4
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	(13)	4	(9)
Net current-period other comprehensive income (loss)	27	(8)	(14)	5
Balance, December 31, 2023	(3)	37	(130)	(96)
Other comprehensive income (loss) before reclassifications	(122)	15	10	(97)
Gross (gains) losses reclassified		(28)	5	(23)
Tax on (gains) losses reclassified		7	(1)	6
(Gains) losses reclassified from accumulated other comprehensive income (loss), net of tax	—	(21)	4	(17)
Net current-period other comprehensive income (loss)	(122)	(6)	14	(114)
Balance, December 31, 2024	\$ (125)	\$ 31	\$ (116)	\$ (210)

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 (see Note 9 – Income Taxes) and include a \$148 million gain, net of tax, related to our hedge of our investment in euro-denominated foreign operations (See Note 20 – Financial Instruments).

^(a) Amounts reclassified to interest expense.

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

17. Related Party Transactions

SRS Mobility Ventures, LLC

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

On September 1, 2022, through the issuance of Class B Preferred Voting Membership Interests, SRS Mobility Ventures, LLC increased their ownership in this subsidiary to 51% at fair value of \$62 million. In accordance with ASC Topic 810-10-40, we must deconsolidate a subsidiary as of the date we cease to have a controlling interest in that subsidiary and recognize the gain or loss in net income at that time. The fair value of our retained investment was determined utilizing a discounted cash flow methodology based on various assumptions, including projections of future cash flows, which include forecast of future revenue and EBITDA. As a result, we deconsolidated our former subsidiary, Avis Mobility Ventures LLC (“AMV”), from our financial statements and began to report our proportional share of the former subsidiary’s income or loss within other (income) expense, net in our Consolidated Statements of Operations as we no longer had the ability to direct the significant activities of the former subsidiary and were no longer primary beneficiary of the VIE. Upon deconsolidation in 2022, our former subsidiary had a net asset carrying amount of \$49 million and we recorded a gain within other (income) expense, net. In August and October 2023, SRS Mobility Ventures, LLC made capital contributions to AMV, increasing their ownership to approximately 65%. In June 2024, SRS Mobility Ventures, LLC made a capital contribution of approximately \$22 million to AMV, and we simultaneously settled approximately \$12 million in receivables from AMV related to services we provided. SRS Mobility Ventures, LLC’s ownership percentage remained at approximately 65% following these transactions.

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We continue to provide vehicles, related fleet services, and certain administrative services to AMV to support their operations. The following table provides amounts reported within our Consolidated Balance Sheets related to our equity method investment in AMV and these services.

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
Receivables from AMV ^(a)	\$ 3	\$ 2
Equity method investment in AMV ^(b)	28	24
Vehicles, net investment in lease with AMV ^(c)	74	31

^(a) Included within other current assets.

^(b) Included within other non-current assets.

^(c) Included within vehicles, net. See Note 8 – Vehicle Rental Activities.

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

	<u>Year Ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
(Income) expense for services to AMV, net	\$ 2	\$ (22)	\$ (7)
(Income) loss on equity method investment in AMV, net	7	25	10
(Gain) loss on deconsolidation of former subsidiary	—	—	(10)
Other (income) expense, net	<u>\$ 9</u>	<u>\$ 3</u>	<u>\$ (7)</u>

18. Stock-Based Compensation

Our Amended and Restated Equity and Incentive Plan provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units (“RSUs”) and other stock- or cash-based awards to employees, directors and other individuals who perform services for us and our subsidiaries. The maximum number of shares reserved for grant of awards under the plan is 22.5 million, with 3.6 million shares available as of December 31, 2024. We typically settle stock-based awards with treasury shares.

Time-based awards generally vest ratably over a three-year period following the date of grant, and performance-based awards generally vest three years following the date of grant based on the attainment of performance goals, both of which are subject to a service condition.

Stock Unit Awards

Stock unit awards entitle the holder to receive shares of common stock upon vesting on a one-to-one basis, and certain performance-based RSUs vest based upon the level of performance attained.

As part of our declaration and payment of a special cash dividend in December 2023, we granted additional 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.

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Annual 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 at January 1, 2024	290	\$	161.87				
Granted ^(a)	165		109.80				
Vested ^(b)	(123)		138.07				
Forfeited	(26)		162.88				
Outstanding and expected to vest at December 31, 2024 ^(c)	306	\$	143.25		1.3	\$	25
Performance-based RSUs							
Outstanding at January 1, 2024	411	\$	128.77				
Granted ^(a)	152		112.34				
Vested ^(b)	(222)		68.54				
Forfeited	(26)		172.89				
Outstanding at December 31, 2024	315	\$	159.62		1.4	\$	25
Outstanding and expected to vest at December 31, 2024 ^(c)	64	\$	192.77		1.4	\$	5

^(a) Reflects the maximum number of stock units assuming achievement of all time- and performance-vesting criteria and does not include those for non-employee directors, which are discussed separately below. The weighted-average fair value of time- and performance-based RSUs granted in 2023 was \$204.17 and \$204.13, respectively, and the weighted-average fair value of time- and performance-based RSUs granted in 2022 was \$172.34 and \$193.48, respectively.

^(b) The total fair value of time- and performance-based RSUs vested during 2024 was \$32 million. The total fair value of time-, performance-, and market-based RSUs vested during 2023 and 2022 was \$21 million and \$22 million, respectively.

^(c) Aggregate unrecognized compensation expense related to time- and performance-based RSUs amounted to \$26 million and will be recognized over a weighted average vesting period of 1.3 years.

Non-employee Directors Deferred Compensation Plan

We grant stock awards on an annual basis to non-employee directors representing between 50% and 100% of a director's annual compensation and such awards could be deferred under the Non-employee Directors Deferred Compensation Plan. During 2024, 2023 and 2022, we granted approximately 4,400, 4,000, and 2,500 awards, respectively, to non-employee directors.

Stock-Compensation Expense

During 2024, 2023 and 2022, we recorded stock-based compensation expense of \$19 million (\$14 million, net of tax), \$30 million (\$21 million, net of tax), and \$25 million (\$17 million, net of tax), respectively.

19. Employee Benefit Plans

Defined Contribution Savings Plans

We sponsor several defined contribution savings plans in the United States and certain foreign subsidiaries that provide certain of our eligible employees an opportunity to accumulate funds for retirement. We match portions of the contributions of participating employees on the basis specified by the plans. Our contributions to these plans were \$31 million, \$29 million, and \$26 million during 2024, 2023 and 2022, respectively.

Defined Benefit Pension Plans

We sponsor defined benefit pension plans in the United States and in certain foreign subsidiaries with some plans offering participation in the plans at the employees' option. Under these plans, benefits are based on an employee's years of credited service and a percentage of final average compensation. However, the majority of the plans are closed to new employees and participants are no longer accruing benefits.

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The funded status of the defined benefit pension plans is recognized on the Consolidated Balance Sheets and the gains or losses and prior service costs or credits that arise during the period, but are not recognized as components of net periodic benefit cost, are recognized as a component of accumulated other comprehensive income (loss), net of tax.

The components of net periodic (benefit) cost consisted of the following:

	Year Ended December 31,		
	2024	2023	2022
Service cost ^(a)	\$ 3	\$ 3	\$ 5
Interest cost ^(b)	28	27	16
Expected return on plan assets ^(b)	(32)	(30)	(37)
Amortization of unrecognized amounts ^(b)	5	5	5
Net periodic cost (benefit)	\$ 4	\$ 5	\$ (11)

^(a) For the years ended December 31, 2024, 2023, and 2022, \$3 million, \$3 million, and \$4 million was included in operating expenses, respectively. For the year ended December 31, 2022, \$1 million was included in selling, general and administrative expenses.

^(b) Included in selling, general and administrative expenses.

We use a measurement date of December 31st for our pension plans. The funded status of the pension plans were as follows:

	As of December 31,	
	2024	2023
Change in Benefit Obligation		
Benefit obligation at end of prior year	\$ 620	\$ 575
Service cost	3	3
Interest cost	28	27
Actuarial (gain) loss	(43)	30
Plan amendments	(1)	—
Currency translation adjustment	(11)	15
Net benefits paid	(31)	(30)
Benefit obligation at end of current year	\$ 565	\$ 620

Change in Plan Assets

Fair value of assets at end of prior year	\$ 540	\$ 514
Actual return on plan assets	3	35
Employer contributions	4	6
Currency translation adjustment	(6)	15
Net benefits paid	(31)	(30)
Fair value of assets at end of current year	\$ 510	\$ 540

Amounts recognized in the statement of financial position consist of the following:

	As of December 31,	
	2024	2023
Funded Status		
Classification of net balance sheet assets (liabilities):		
Non-current assets	\$ 39	\$ 24
Current liabilities	(4)	(4)
Non-current liabilities	(90)	(100)
Net funded status	\$ (55)	\$ (80)

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The following assumptions were used to determine pension obligations and pension costs for the principal plans in which our employees participated:

U.S. Pension Benefit Plans	For the Year Ended December 31,		
	2024	2023	2022
Discount rate:			
Net periodic benefit cost	4.96 %	5.18 %	2.67 %
Benefit obligation	5.51 %	4.96 %	5.18 %
Long-term rate of return on plan assets	6.25 %	6.25 %	6.25 %
Non-U.S. Pension Benefit Plans			
Discount rate:			
Net periodic benefit cost	4.40 %	4.79 %	1.83 %
Benefit obligation	5.01 %	4.40 %	4.79 %
Long-term rate of return on plan assets	5.97 %	5.59 %	4.39 %

To select discount rates for our defined benefit pension plans, we use a modeling process that involves matching the expected cash outflows of such plans, to yield curves constructed from portfolios of AA-rated fixed-income debt instruments. We use the average yields of the hypothetical portfolios as a discount rate benchmark.

Our expected rate of return on plan assets of 6.25% and 5.97% for the U.S. plans and non-U.S. plans, respectively, used to determine pension obligations and pension costs, are long-term rates based on historic plan asset returns in individual jurisdictions, over varying long-term periods combined with current market expectations and broad asset mix considerations.

As of December 31, 2024 and 2023, plans with projected benefit obligations in excess of plan assets had projected benefit obligations of \$330 million and \$350 million, respectively, and plan assets of \$236 million and \$246 million, respectively. As of December 31, 2024 and 2023, plans with accumulated benefit obligations in excess of plan assets had accumulated benefit obligations of \$327 million and \$346 million, respectively, and plan assets of \$236 million and \$246 million, respectively. The accumulated benefit obligation for all plans was \$561 million and \$615 million as of December 31, 2024 and 2023, respectively. We expect to contribute approximately \$3 million to the plans in 2025.

Our defined benefit pension plans' assets are invested primarily in mutual funds and may change in value due to various risks, such as interest rate and credit risk and overall market volatility. Due to the level of risk associated with investment securities, it is reasonably possible that changes in the values of the pension plans' investment securities will occur in the near term and that such changes would materially affect the amounts reported in our financial statements.

The defined benefit pension plans' investment goals and objectives are managed by us or Company-appointed and member-appointed trustees with consultation from independent investment advisors. While the objectives may vary slightly by country and jurisdiction, collectively we seek to produce returns on pension plan investments, which are based on levels of liquidity and investment risk that we believe are prudent and reasonable, given prevailing capital market conditions. The pension plans' assets are managed in the long-term interests of the participants and the beneficiaries of the plans. A suitable strategic asset allocation benchmark is determined for each plan to maintain a diversified portfolio, taking into account government requirements, if any, regarding unnecessary investment risk and protection of pension plans' assets. We believe that diversification of the pension plans' assets is an important investment strategy to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the pension plans. As such, we allocate assets among traditional equity, fixed income (government issued securities, corporate bonds and short-term cash investments) and other investment strategies.

The equity component's purpose is to provide a total return that will help preserve the purchasing power of the assets. The pension plans hold various mutual funds that invest in equity securities and are diversified

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among funds that invest in large cap, small cap, growth, value and international stocks as well as funds that are intended to “track” an index, such as the S&P 500. The equity investments in the portfolios will represent a greater assumption of market volatility and risk as well as provide higher anticipated total return over the long term. The equity component is expected to approximate 35%-55% of the plans’ assets.

The purpose of the fixed income component is to provide a deflation hedge, to reduce the overall volatility of the pension plans’ assets in relation to the liability and to produce current income. The pension plans hold mutual funds that invest in securities issued by governments, government agencies and corporations. The fixed income component is expected to approximate 35%-55% of the plans’ assets.

The purpose of the alternative investment component is to provide diversification and risk reduction through less correlated investment strategies with the goal of enhanced returns and downside protection. Alternative strategies will not be used if they are designed solely to enhance return and/or employ significant leverage. Diversification of asset categories, investment styles and managers is central to managing investment risk. The alternative investment component is expected to approximate 5%-15% of the plans’ assets.

The following table presents the defined benefit pension plans’ assets measured at fair value:

Asset Class	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash equivalents and short-term investments	\$ 8	\$ 12	\$ —	\$ 20
U.S. equities	49	10	—	59
Non-U.S. equities	29	15	—	44
Government bonds	9	48	—	57
Corporate bonds	159	39	—	198
Other assets	—	73	59	132
Total assets	\$ 254	\$ 197	\$ 59	\$ 510

Asset Class	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash equivalents and short-term investments	\$ 12	\$ 12	\$ —	\$ 24
U.S. equities	73	15	—	88
Non-U.S. equities	40	23	—	63
Government bonds	1	—	—	1
Corporate bonds	138	47	—	185
Other assets	—	118	61	179
Total assets	\$ 264	\$ 215	\$ 61	\$ 540

For the years ended December 31, 2024 and 2023, we purchased and classified investments of \$2 million and \$11 million, respectively, as Level 3.

We estimate that future benefit payments from plan assets will be \$33 million, \$34 million, \$35 million, \$36 million, \$37 million and \$197 million for 2025, 2026, 2027, 2028, 2029 and 2030 to 2034, respectively.

Multiemployer Plans

We contribute to a number of multiemployer plans under the terms of collective-bargaining agreements that cover a portion of our employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; (iii) if we elect to stop participating in a multiemployer plan, we may be required to contribute to such plan an amount based on the under-funded status of the plan; and (iv) we have no involvement in the management of the multiemployer plans’ investments. For the years ended December 31, 2024, 2023, and 2022, we contributed \$10 million, \$10 million and \$8 million, respectively, to multiemployer plans.

20. Financial Instruments

Risk Management

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 \$20 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.

Credit Risk and Exposure. We are exposed to counterparty credit risks in the event of nonperformance by counterparties to various agreements and sales transactions. We manage such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in certain instances in which financing is provided. We mitigate counterparty credit risk associated with our derivative contracts by monitoring the amount for which we are at risk with each counterparty, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing our risk among multiple counterparties.

There were no significant concentrations of credit risk with any individual counterparty or groups of counterparties at December 31, 2024 or 2023, other than (i) risks related to our repurchase and guaranteed depreciation agreements with domestic and foreign car manufacturers, and primarily with respect to receivables for program cars that were disposed but for which we have not yet received payment from the manufacturers (see Note 2 – Summary of Significant Accounting Policies), (ii) receivables from Realogy and Wyndham related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with their disposition, and (iii) risks related to leases which have been assumed by Realogy but of which we are a guarantor. Concentrations of credit risk associated with trade receivables are considered minimal due to our diverse customer base. We do not normally require collateral or other security to support credit sales.

Fair Value

Derivative instruments and hedging activities

As described above, derivative assets and liabilities consist principally of currency exchange contracts, interest rate swaps, interest rate caps and commodity contracts. We held derivative instruments with absolute notional values as follows:

	As of December 31,	
	2024	2023
Foreign exchange contracts	\$ 1,704	\$ 1,407
Interest rate caps ^(a)	12,014	15,146
Interest rate swaps	750	750

^(a) Represents \$8.9 billion of interest rate caps sold and approximately \$3.1 billion of interest rate caps purchased at December 31, 2024 and \$10.3 billion of interest rate caps sold and approximately \$4.9 billion of interest rate caps purchased at December 31, 2023. These amounts exclude \$5.8 billion and \$5.9 billion of interest rate caps purchased by our Avis Budget Rental Car Funding subsidiary at December 31, 2024 and 2023, respectively, as it is not consolidated by us.

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

	As of December 31, 2024		As of December 31, 2023	
	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)	\$ 41	\$ —	\$ 50	\$ —
Derivatives not designated as hedging instruments				
Foreign exchange contracts ^(b)	5	10	5	4
Interest rate caps ^(c)	3	12	19	74
Total	\$ 49	\$ 22	\$ 74	\$ 78

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 16 – Stockholders' Equity.

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

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

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

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

	Year Ended December 31,		
	2024	2023	2022
Financial instruments designated as hedging instruments ^(a)			
Interest rate swaps ^(b)	\$ (6)	\$ (8)	\$ 64
Euro-denominated notes ^(c)	55	(21)	44
Financial instruments not designated as hedging instruments ^(d)			
Foreign exchange contracts ^(e)	(47)	(12)	36
Interest rate caps ^(f)	—	(1)	(1)
Total	\$ 2	\$ (42)	\$ 143

^(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 16 – 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) For the year ended December 31, 2024, included a \$47 million loss in interest expense. For the year ended December 31, 2023, included a \$14 million loss in interest expense and a \$2 million gain in operating expenses. For the year ended December 31, 2022, included a \$39 million gain in interest expense and a \$3 million loss in operating expenses.

^(f) Primarily included in vehicle interest, net.

Debt Instruments

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

	As of December 31, 2024		As of December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Corporate debt				
Short-term debt and current portion of long-term debt	\$ 20	\$ 20	\$ 32	\$ 32
Long-term debt	5,373	5,452	4,791	4,812
Debt under vehicle programs				
Vehicle-backed debt due to Avis Budget Rental Car Funding	\$ 14,083	\$ 14,154	\$ 15,441	\$ 15,238
Vehicle-backed debt	3,441	3,469	3,422	3,435
Interest rate swaps and interest rate caps ^(a)	12	12	74	74

^(a) Derivatives in a liability position.

21. 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.

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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; restructuring and other related charges; early extinguishment of debt costs; non-vehicle related interest; transaction-related costs, net; legal matters, net, which includes amounts recorded in excess of \$5 million, related primarily 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 have revised our definition of Adjusted EBITDA to exclude severe weather-related damages in excess of \$5 million, net of insurance proceeds. We did not revise prior years' Adjusted EBITDA amounts because there were no other charges similar in nature to these. 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, reportable segment Adjusted EBITDA and a reconciliation of reportable segment Adjusted EBITDA to income (loss) before income taxes.

Year Ended December 31, 2024

	<u>Americas</u>	<u>International</u>	<u>Total</u>
Revenues	\$ 9,111	\$ 2,678	\$ 11,789
Significant segment expenses:			
Operating ^(a)	4,604	1,279	
Vehicle depreciation and lease charges, net	2,301	675	
Selling, general and administrative	868	409	
Vehicle interest, net	787	154	
Reportable segment Adjusted EBITDA	<u>\$ 551</u>	<u>\$ 161</u>	\$ 712
Reconciliation of reportable segment Adjusted EBITDA to income (loss) before income taxes:			
Non-vehicle related depreciation and amortization			234
Interest expense related to corporate debt, net			4
Long-lived asset impairment and other related charges ^(b)			2,470
Restructuring and other related charges			37
Transaction-related costs, net			3
Other (income) expense, net			9
Legal matters, net; cloud computing costs; and severe weather-related damages, net			77
Corporate and other ^(c)			505
Income (loss) before income taxes			<u>\$ (2,627)</u>

^(a) Excludes legal matters, net; cloud computing costs; and severe weather-related damages, net.

^(b) Includes an impairment charge of approximately \$2.3 billion related to the acceleration of the rotation of our fleet and a charge of \$180 million related to the write-down of the carrying value of certain vehicles held for sale within our Americas reportable segment. See Note 2 – Summary of Significant Accounting Policies – Impairment of Long-Lived Assets.

^(c) Includes unallocated corporate expenses, including \$354 million and \$19 million in interest expense and early extinguishment of debt, respectively, which are not attributable to a particular reportable segment.

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Year Ended December 31, 2023

	Americas	International	Total
Revenues	\$ 9,347	\$ 2,661	\$ 12,008
Significant segment expenses:			
Operating ^(a)	4,425	1,209	
Vehicle depreciation and lease charges, net	1,215	524	
Selling, general and administrative	894	409	
Vehicle interest, net	617	119	
Reportable segment Adjusted EBITDA	<u>\$ 2,196</u>	<u>\$ 400</u>	\$ 2,596
Reconciliation of reportable segment Adjusted EBITDA to income (loss) before income taxes:			
Non-vehicle related depreciation and amortization			215
Interest expense related to corporate debt, net			(6)
Restructuring and other related charges			11
Transaction-related costs, net			3
Other (income) expense, net			3
Legal matters, net and cloud computing costs			10
Corporate and other ^(b)			446
Income (loss) before income taxes			<u>\$ 1,914</u>

^(a) Excludes legal matters, net and cloud computing costs.

^(b) Includes unallocated corporate expenses, including \$302 million and \$5 million in interest expense and early extinguishment of debt, respectively, which are not attributable to a particular reportable segment.

Year Ended December 31, 2022

	Americas	International	Total
Revenues	\$ 9,474	\$ 2,520	\$ 11,994
Significant segment expenses:			
Operating ^(a)	4,150	1,114	
Vehicle depreciation and lease charges, net	414	414	
Selling, general and administrative	902	378	
Vehicle interest, net	348	54	
Reportable segment Adjusted EBITDA	<u>\$ 3,660</u>	<u>\$ 560</u>	\$ 4,220
Reconciliation of reportable segment Adjusted EBITDA to income (loss) before income taxes:			
Non-vehicle related depreciation and amortization			207
Interest expense related to corporate debt, net			3
Restructuring and other related charges			18
Transaction-related costs, net			8
Other (income) expense, net			(7)
Cloud computing costs; COVID-19 charges, net; and legal matters, net			(3)
Corporate and other ^(b)			358
Income (loss) before income taxes			<u>\$ 3,636</u>

^(a) Excludes cloud computing costs; COVID-19 charges, net; and legal matters, net.

^(b) Includes unallocated corporate expenses, including \$247 million in interest expense, which are not attributable to a particular reportable segment.

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Provided below is information about our segment assets.

	Americas	International	Unallocated Assets ^(a)	Total
2024				
Property and equipment additions	\$ 109	\$ 40	\$ 53	\$ 202
Assets exclusive of assets under vehicle programs	6,785	2,539	344	9,668
Assets under vehicle programs	16,058	3,315	—	19,373
Net long-lived assets	1,474	733	162	2,369
2023				
Property and equipment additions	\$ 126	\$ 44	\$ 103	\$ 273
Assets exclusive of assets under vehicle programs	6,533	2,633	424	9,590
Assets under vehicle programs	19,285	3,694	—	22,979
Net long-lived assets	1,483	795	210	2,488
2022				
Property and equipment additions	\$ 117	\$ 33	\$ 96	\$ 246
Assets exclusive of assets under vehicle programs	5,798	2,402	299	8,499
Assets under vehicle programs	14,269	3,159	—	17,428
Net long-lived assets	1,446	761	123	2,330

^(a) Includes unallocated corporate assets which are not attributable to a particular reportable segment.

Provided below is information classified based on the geographic location of our subsidiaries.

	United States	All Other Countries	Total
2024			
Revenues	\$ 8,583	\$ 3,206	\$ 11,789
Assets exclusive of assets under vehicle programs	6,720	2,948	9,668
Assets under vehicle programs	15,295	4,078	19,373
Net long-lived assets	1,465	904	2,369
2023			
Revenues	\$ 8,775	\$ 3,233	\$ 12,008
Assets exclusive of assets under vehicle programs	6,460	3,130	9,590
Assets under vehicle programs	18,228	4,751	22,979
Net long-lived assets	1,507	981	2,488
2022			
Revenues	\$ 8,975	\$ 3,019	\$ 11,994
Assets exclusive of assets under vehicle programs	5,622	2,877	8,499
Assets under vehicle programs	13,514	3,914	17,428
Net long-lived assets	1,386	944	2,330

22. Subsequent Events

In January 2025, our Avis Budget Rental Car Funding (AESOP) LLC subsidiary issued an additional \$358 million of asset-backed notes to investors with expected final payment dates ranging from August 2027 to February 2029 and a weighted average interest rate of 8.01%. These notes were issued under previously outstanding series of debt.

In February 2025, we borrowed \$500 million under a floating rate term loan due December 2025, which is part of our senior revolving credit facilities.

* * * *

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(in millions)**

Description	Balance at Beginning of Period	Expense (Benefit)	Other Adjustments^(a)	Deductions	Balance at End of Period
Allowance for Doubtful Accounts:					
Year Ended December 31,					
2024	\$ 87	\$ 87	\$ (3)	\$ (75)	\$ 96
2023	86	86	1	(86)	87
2022	84	91	(3)	(86)	86
Tax Valuation Allowance:					
Year Ended December 31,					
2024	\$ 106	\$ (6)	\$ (15)	\$ —	\$ 85
2023	103	(2)	5	—	106
2022	169	(63)	(3)	—	103

^(a) Primarily currency translation adjustments.

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EXHIBIT NO.	DESCRIPTION
2.1	Separation and Distribution Agreement by and among Cendant Corporation*, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, dated August 1, 2006).
2.2	Letter Agreement dated August 17, 2006, related to the Separation and Distribution Agreement by and among Realogy Corporation, Cendant Corporation*, Wyndham Worldwide Corporation and Travelport Inc. dated as of July 27, 2006 (Incorporated by reference to Exhibit 2.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2007, dated August 8, 2007).
3.1	Amended and Restated Certificate of Incorporation of Avis Budget Group, Inc. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated September 5, 2006).
3.2	Amended and Restated Bylaws of Avis Budget Group, Inc., dated 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	Indenture dated as of July 3, 2019, among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as Issuers, the Guarantors from time to time parties thereto and Deutsche Bank Trust Company Americas, as Trustee, governing the 5.75% Senior Notes due 2027 (Incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019, dated August 6, 2019).
4.2	First Supplemental Indenture, dated as of August 6, 2020, to the indenture dated as of July 3, 2019 by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as issuers, the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, dated August 7, 2020).
4.3	Indenture, dated as of March 1, 2021, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as issuers, the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, governing the 5.375% Senior Notes due 2029 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, dated March 1, 2021).
4.4	Indenture, dated as of March 23, 2021, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., as issuers, the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, governing the 4.75% Senior Notes due 2028 (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, dated March 23, 2021).
4.5	Indenture, dated as of July 13, 2023, by and among Avis Budget Finance plc, as issuer, the guarantors party thereto, Deutsche Bank Trust Company Americas, as trustee and registrar, and Deutsche Bank AG, London Branch, as paying agent (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 2023).
4.6	First Supplemental Indenture, dated as of May 21, 2024, to the indenture dated as of July 13, 2023 by and among Avis Budget Finance plc, as issuer, the guarantors party thereto, Deutsche Bank Trust Company Americas, as trustee and registrar, and Deutsche Bank AG, London Branch, as paying agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 21, 2024).
4.7	Indenture, dated as of November 22, 2023, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., together 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 November 22, 2023).
4.8	Indenture, dated as of February 28, 2024, by and among Avis Budget Finance plc, as issuer, the guarantors party thereto, U.S. Bank Trust Company, National Association, as trustee, Elavon Financial Services DAC, as registrar and transfer agent, and Elavon Financial Services DAC, UK Branch, as paying agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 29, 2024).
4.9	Indenture, dated as of September 13, 2024, by and among Avis Budget Car Rental, LLC and Avis Budget Finance, Inc., together as issuers, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 13, 2024).
4.10	Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (Incorporated by reference to Exhibit 4.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, dated February 17, 2022).
10.1	Agreement between Avis Budget Group, Inc. and Joseph Ferraro (Incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015, dated February 24, 2016).†
10.2	Agreement between Avis Budget Group, Inc. and Edward Linnen, dated April 20, 2015 (Incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, dated February 20, 2020). †
10.3	Offer Letter, dated August 12, 2020, between Brian Choi and Avis Budget Group, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated August 13, 2020). †
10.4	Offer Letter, dated May 17, 2022, between Ravi Simhambhatla and Avis Budget Group, Inc. (incorporated by reference to Exhibit 10.75 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, dated February 16, 2023).†
10.5	Avis Budget Group, Inc. Executive Severance Pay Plan for Grade A and B Employees and Summary Plan Description (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated December 14, 2020). †

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10.6	Fourth Amended and Restated Cooperation Agreement, dated as of December 23, 2022, by and among Avis Budget Group, Inc., SRS Investment Management, LLC and certain of its affiliates (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 27, 2022).
10.7	Avis Budget Group, Inc. Amended and Restated Equity and Incentive Plan (Incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Schedule 14A, dated March 26, 2019).†
10.8	Amendment to the Avis Budget Group, Inc. Amended and Restated Equity and Incentive Plan dated October 26, 2021 (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021, dated November 2, 2021).†
10.9	Form of Award Agreement - Restricted Stock Units (Incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 dated February 21, 2019).†
10.10	Form of Award Agreement - Performance Based Restricted Stock Units (Incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018, dated February 21, 2019).†
10.11	Form of Non-Employee Director Award Agreement - Restricted Stock Units (Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018, dated February 21, 2019).†
10.12	Form of Avis Budget Group, Inc. Severance Agreement (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018, dated February 21, 2019).†
10.13	Avis Budget Group, Inc. Non-Employee Directors Deferred Compensation Plan, amended and restated as of January 1, 2019 (Incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 dated February 21, 2019).†
10.14	Amendment No. 1 dated as of December 8, 2022, to the Avis Budget Group, Inc. Non-Employee Directors Deferred Compensation Plan, amended and restated as of January 1, 2019 (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, dated February 16, 2023). †
10.15	Avis Budget Group, Inc. Supplemental Savings Plan, amended and restated as of January 1, 2023 (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, dated February 16, 2023). †
10.16	Cendant Corporation* Officer Personal Financial Services Policy (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, dated January 26, 2005).
10.17	Tax Sharing Agreement among Cendant Corporation*, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 28, 2006 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated August 1, 2006).
10.18	Amendment to the Tax Sharing Agreement, dated July 28, 2006, among Avis Budget Group, Inc., Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc. (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008, dated August 7, 2008).
10.19	Second Amended and Restated Base Indenture, dated as of June 3, 2004, among Cendant Rental Car Funding (AESOP) LLC***, as Issuer, and The Bank of New York, as Trustee (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, dated August 2, 2004).
10.20	Supplemental Indenture No. 1, dated as of December 23, 2005, among Cendant Rental Car Funding (AESOP) LLC***, as Issuer, and The Bank of New York, as Trustee, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated January 20, 2006).
10.21	Supplemental Indenture No. 2, dated as of May 9, 2007, among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.22	Supplemental Indenture No. 3, dated as of August 16, 2013, among Avis Budget Rental Car Funding (AESOP) LLC, as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.35(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, dated February 20, 2014).
10.23	Second Amended and Restated Loan Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Borrower, Quartx Fleet Management, Inc., as a Permitted Nominee, PV Holding Corp., as a Permitted Nominee, and Cendant Rental Car Funding (AESOP) LLC***, as Lender (Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, dated August 2, 2004).
10.24	First Amendment, dated as of December 23, 2005, among AESOP Leasing L.P., as Borrower, Quartx Fleet Management, Inc., as a Permitted Nominee, PV Holding Corp., as a Permitted Nominee, and Cendant Rental Car Funding (AESOP) LLC***, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated January 20, 2006).

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10.25	Second Amendment, dated as of May 9, 2007, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as a Permitted Nominee, Quartx Fleet Management, Inc., as a Permitted Nominee, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.26	Third Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as a Permitted Nominee, Quartx Fleet Management, Inc., as a Permitted Nominee, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.36(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, dated February 20, 2014).
10.27	Fourth Amendment, dated as of July 28, 2022, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as a Permitted Nominee, Quartx Fleet Management, Inc., as a Permitted Nominee, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, dated November 1, 2022).
10.28	Amended and Restated Loan Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Borrower, and Cendant Rental Car Funding (AESOP) LLC***, as Lender (Incorporated by reference to Exhibit 10.29(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).
10.29	First Amendment, dated as of December 23, 2005, among AESOP Leasing L.P., as Borrower, and Cendant Rental Car Funding (AESOP) LLC***, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.29(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).
10.30	Second Amendment, dated as of the May 9, 2007, among AESOP Leasing L.P., as Borrower, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.31	Third Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Borrower, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.37(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, dated February 20, 2014).
10.32	Fourth Amendment, dated as of July 28, 2022, between AESOP Leasing L.P., as Borrower, and Avis Budget Rental Car Funding (AESOP) LLC, as Lender, to the Amended and Restated Loan Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, dated November 1, 2022).
10.33	Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Lessor, and Cendant Car Rental Group, Inc.**, as Lessee and as Administrator (Incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, dated August 2, 2004).
10.34	First Amendment, dated December 23, 2005, among AESOP Leasing L.P., as Lessor, and Cendant Car Rental Group, Inc.**, as Lessee and as Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, dated January 20, 2006).
10.35	Third Amendment, dated as of May 9, 2007, among AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC, as Lessee and as the Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.36	Fourth Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC, as Lessee and as the Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.38(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, dated February 20, 2014).
10.37	Fifth Amendment, dated as of July 28, 2022, among AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC, as Lessee and as the Administrator, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, dated November 1, 2022).
10.38	Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Lessor, Cendant Car Rental Group, Inc.**, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, Inc.****, as Lessee, and Budget Rent A Car System, Inc., as Lessee (Incorporated by reference to Exhibit 10.30(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).
10.39	First Amendment, dated as of December 23, 2005, among AESOP Leasing L.P., as Lessor, Cendant Car Rental Group, Inc.**, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, Inc.****, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.30(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, dated March 1, 2007).

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10.40	Third Amendment, dated as of May 9, 2007, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, LLC, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, dated August 8, 2007).
10.41	Fourth Amendment, dated as of August 16, 2013, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, LLC, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.39(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, dated February 20, 2014).
10.42	Fifth Amendment, dated as of July 28, 2022, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, as Administrator and as Finance Lease Guarantor, Avis Rent A Car System, LLC, as Lessee, and Budget Rent A Car System, Inc., as Lessee, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, dated November 1, 2022).
10.43	AESOP I Operating Sublease Agreement dated as of March 26, 2013, between Zipcar, Inc., as Sublessee and Avis Budget Car Rental, LLC, as Sublessor (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013, dated May 8, 2013).
10.44	Second Amended and Restated Administration Agreement, dated as of June 3, 2004, among Cendant Rental Car Funding (AESOP) LLC***, AESOP Leasing L.P., AESOP Leasing Corp. II, Avis Rent A Car System, Inc.****, Budget Rent A Car System, Inc., Cendant Car Rental Group, Inc.** and The Bank of New York, as Trustee (Incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, dated March 1, 2006).
10.45	First Amendment, dated as of August 16, 2013, among Avis Budget Rental Car Funding (AESOP) LLC, AESOP Leasing L.P., AESOP Leasing Corp. II, Avis Rent A Car System, LLC, Budget Rent A Car System, Inc. and Avis Budget Car Rental, LLC, as Administrator, to the Second Amended and Restated Administration Agreement dated as of June 3, 2004 (Incorporated by reference to Exhibit 10.41(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, dated February 20, 2014).
10.46	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 March 8, 2024).
10.47	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 March 8, 2024).
10.48	Amended and Restated Series 2019-3 Supplement, dated as of May 26, 2022, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2019-3 Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated June 10, 2022).
10.49	Amended and Restated Series 2020-1 Supplement, dated as of June 18, 2021, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2020-1 Agent. (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, dated June 23, 2021).
10.50	Amended and Restated Series 2020-2 Supplement, dated as of December 27, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2020-2 Agent.
10.51	Series 2021-1 Supplement dated as of May 18, 2021, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2021-1 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated May 21, 2021).
10.52	Series 2021-2 Supplement, dated as of November 17, 2021, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2021-2 Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated November 19, 2021).
10.53	Series 2022-1 Supplement, dated as of April 14, 2022, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2022-1 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated April 19, 2022).
10.54	Series 2022-3 Supplement, dated as of July 21, 2022, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2022-3 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated July 22, 2022).
10.55	Series 2022-4 Supplement, dated as of July 21, 2022, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and Series 2022-4 Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated July 22, 2022).

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10.56	Amended and Restated Series 2022-5 Supplement, dated as of December 27, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2022-5 Agent.
10.57	Series 2023-1 Supplement, dated as of January 17, 2023, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-1 Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 20, 2023).
10.58	First Amendment to Series 2023-1 Supplement, dated as of February 5, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-1 Agent. (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 10-Q, for the quarterly period ended March 31, 2024, dated May 2, 2024).
10.59	Amended and Restated Series 2023-2 Supplement, dated as of December 27, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-2 Agent.
10.60	Amended and Restated Series 2023-3 Supplement, dated as of December 27, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-3 Agent.
10.61	Series 2023-4 Supplement, dated as of April 6, 2023, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-4 Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 11, 2023).
10.62	Amended and Restated Series 2023-5 Supplement, dated as of December 27, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-5 Agent.
10.63	Series 2023-6 Supplement, dated as of June 1, 2023, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-6 Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 6, 2023).
10.64	Series 2023-7 Supplement, dated as of September 18, 2023, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-7 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated September 21, 2023).
10.65	Series 2023-8 Supplement, dated as of September 18, 2023, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2023-8 Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated September 21, 2023).
10.66	Series 2024-1 Supplement, dated as of January 12, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2024-1 Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 18, 2024).
10.67	Amended and Restated Series 2024-2 Supplement, dated as of December 27, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2024-2 Agent.
10.68	Series 2024-3 Supplement, dated as of March 12, 2024, between Avis Budget Rental Car Funding (AESOP) LLC and The Bank of New York Mellon Trust Company, N.A., as trustee and as Series 2024-3 Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 18, 2024).
10.69	Sixth Amended and Restated Credit Agreement, dated as of July 9, 2021, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, Avis Budget Group, Inc., the subsidiary borrowers from time to time party thereto, the financial institutions from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated July 13, 2021).
10.70	First Amendment, dated as of March 16, 2022, to the Sixth Amended and Restated Credit Agreement, dated as of July 9, 2021, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, Avis Budget Group, Inc., the subsidiary borrowers from time to time party thereto, the financial institutions from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated March 25, 2022).
10.71	Second Amendment, dated as of March 24, 2022, to the Sixth Amended and Restated Credit Agreement, dated as of July 9, 2021, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, Avis Budget Group, Inc., the subsidiary borrowers from time to time party thereto, the financial institutions from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated March 25, 2022).
10.72	Third Amendment, dated as of July 28, 2022, to the Sixth Amended and Restated Credit Agreement, dated as of July 9, 2021, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, as borrower, Avis Budget Group, Inc., the subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, dated November 1, 2022).
10.73	Fourth Amendment, dated as of February 6, 2023, 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 and JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto (incorporated by reference to Exhibit 10.76 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, dated February 16, 2023).

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10.74	Fifth Amendment, dated as of April 21, 2023, 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 and JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023, dated August 1, 2023).
10.75	Sixth Amendment, dated as of December 8, 2023, 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 and 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 December 14, 2023).
10.76	Seventh Amendment, dated as of December 27, 2023, 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 and 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 January 3, 2024).
10.77	Eighth Amendment, dated as of May 29, 2024, 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 and 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 10-Q for the quarterly period ended June 30, 2024, dated August 6, 2024).
10.78	Administrative Amendment, dated as of December 27, 2023, 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 and JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto (incorporated by reference to Exhibit 10.90 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, dated February 16, 2024).
19	Securities Trading Policy.
21	Subsidiaries of Registrant.
23.1	Consent of Deloitte & Touche LLP.
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.
97	Avis Budget Group, Inc. Clawback Policy (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, dated February 16, 2024).
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	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted as Inline XBRL and contained in Exhibit 101.

Certain other long-term debt is described in Note 14 of the Notes to Consolidated Financial Statements. The Company agrees to furnish to the Securities and Exchange Commission, upon request, copies of any instruments defining the rights of holders of any such long-term debt described in Note 14 and not filed herewith.

* Cendant Corporation is now known as Avis Budget Group, Inc.

** Cendant Car Rental Group, LLC (formerly known as Cendant Car Rental Group, Inc.) is now known as Avis Budget Car Rental, LLC.

*** Cendant Rental Car Funding (AESOP) LLC, formerly known as AESOP Funding II L.L.C., is now known as Avis Budget Rental Car Funding (AESOP) LLC.

**** Avis Rent A Car System, Inc. is now known as Avis Rent A Car System, LLC.

† Denotes management contract or compensatory plan.