

Avis Investor Presentation

November 2, 2021

Forward-Looking Statements

Non-GAAP Financial Measures

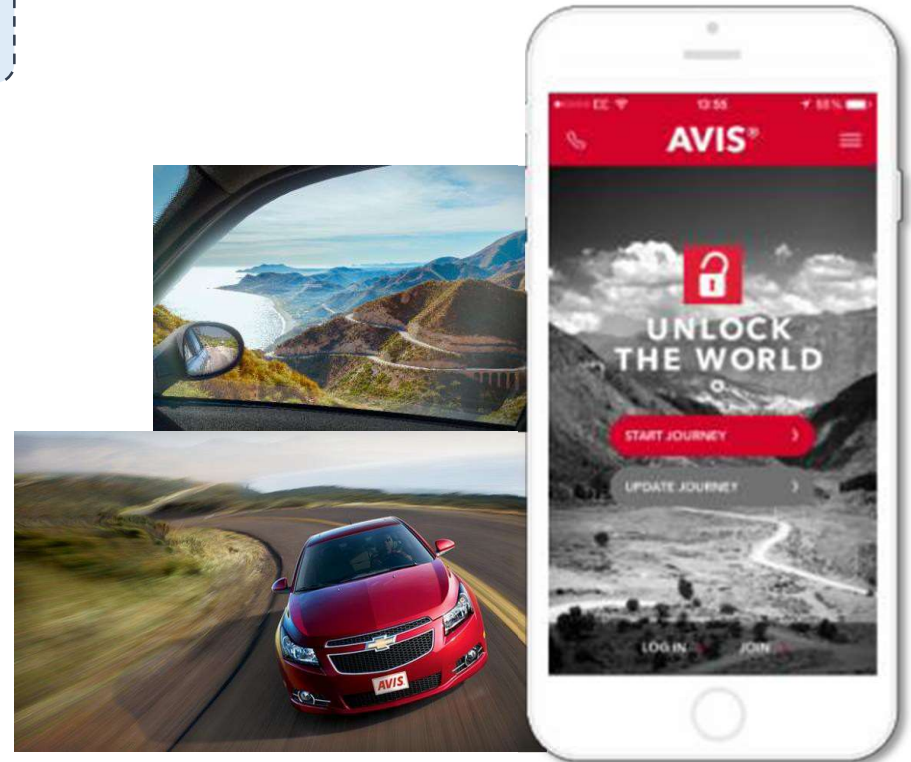
Avis Budget Group (“Avis” or “the Company”) emphasizes that statements about future results made in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include projections.

Certain statements in this presentation constitute “forward-looking statements.” Any statements that refer to outlook, expectations or other characterizations of future events, circumstances or results, including all statements related to any impact from the coronavirus, cost-saving actions, the global semiconductor shortage and cash flows are forward-looking statements. Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this presentation include, but are not limited to, the severity and duration of the COVID-19 pandemic and related impact on travel and the economy, the high level of competition in the mobility industry, changes in our fleet costs as a result of a change in the cost of new vehicles, manufacturer recalls and/or the value of used vehicles, disruption in the supply of new vehicles, the financial condition of the manufacturers that supply our rental vehicles which could affect their ability to perform their obligations under our repurchase and/or guaranteed depreciation arrangements, any further deterioration in economic conditions, particularly during our peak season and/or in key market segments, any further deterioration in travel demand, including airline passenger traffic, any occurrence or threat of terrorism, any changes to the cost or supply of fuel, risks related to acquisitions or integration of acquired businesses, a significant increase in interest rates or borrowing costs, our ability to obtain financing for our global operations, including the funding of our vehicle fleet via asset-backed securities markets, our ability to meet the covenants contained in the agreements governing our indebtedness, and our ability to accurately estimate our future results and implement our cost savings actions. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Avis Budget Group’s Annual Report on Form 10-K for the year ended December 31, 2020, Quarterly Report on Form 10-Q for the three and six months ended June 30, 2021 and in other filings and furnishings made by the Company with the Securities and Exchange Commission (the “SEC”) from time to time. The Company undertakes no obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. See the appendix to this presentation for important information regarding such non-GAAP financial measures, including a discussion of the definitions of such measures and the reasons why the Company believes the presentation of such measures provides useful information to investors. Important information regarding reconciliation of such measures is contained within this presentation, included in the appendix.

Agenda

- Company Overview
- Financial Results & Update
- Liquidity and Leverage Summary
- Safety & Strategy



Overview and Brands

- We are a leading global provider of mobility solutions with a portfolio of premium and leisure car rental and sharing brands:
 - Approximately 10,600 rental locations in ~180 countries around the world.
 - Zipcar is the world's leading car sharing network with more than one million members.
- We generated Revenues of \$8.1 billion, Net Income of \$812 million and Adjusted EBITDA of \$1.8 billion for the twelve month period ended September 30, 2021.
- Due to the pandemic and related declines in global travel volumes, we reduced our ending fleet by 31% year-over-year, removed over \$2.5 billion in costs, and have liquidity of \$1.3 billion as of December 31, 2020, after returning more than \$600 million back into our vehicle programs.

We operate directly in approximately 30 countries...



Licensees operate our brands
in more than 150 additional countries

...and maintain a Global Brand Portfolio

AVIS

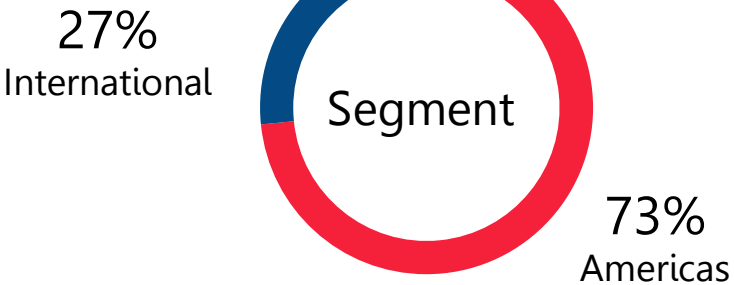
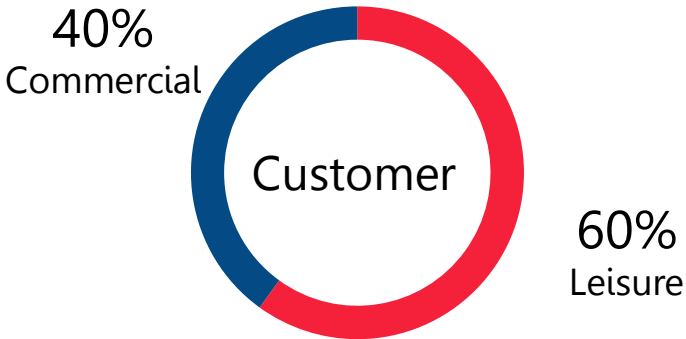
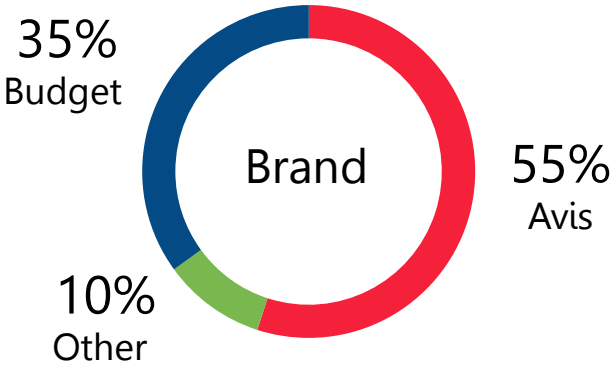
Budget

zipcar

Payless CAR RENTAL

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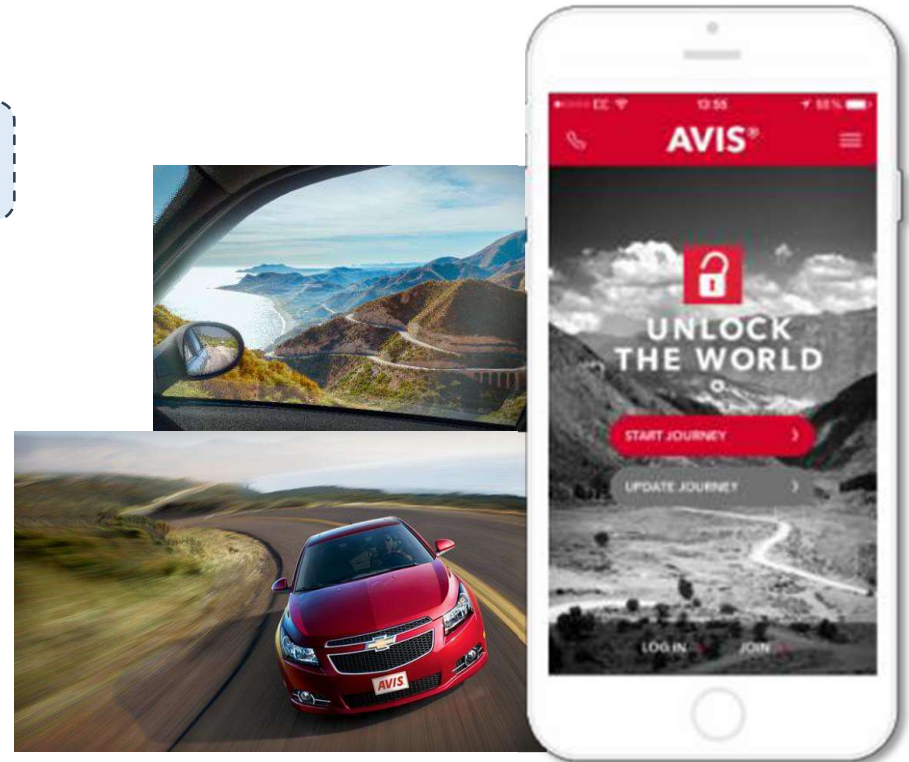
Diversified Revenue Stream



All numbers are approximate as of year ended December 31, 2020
 Budget brand includes Budget Truck. Other brands include Zipcar, Payless, Apex, Maggiore, FranceCars, ACL Hire, Turiscar, and Morini

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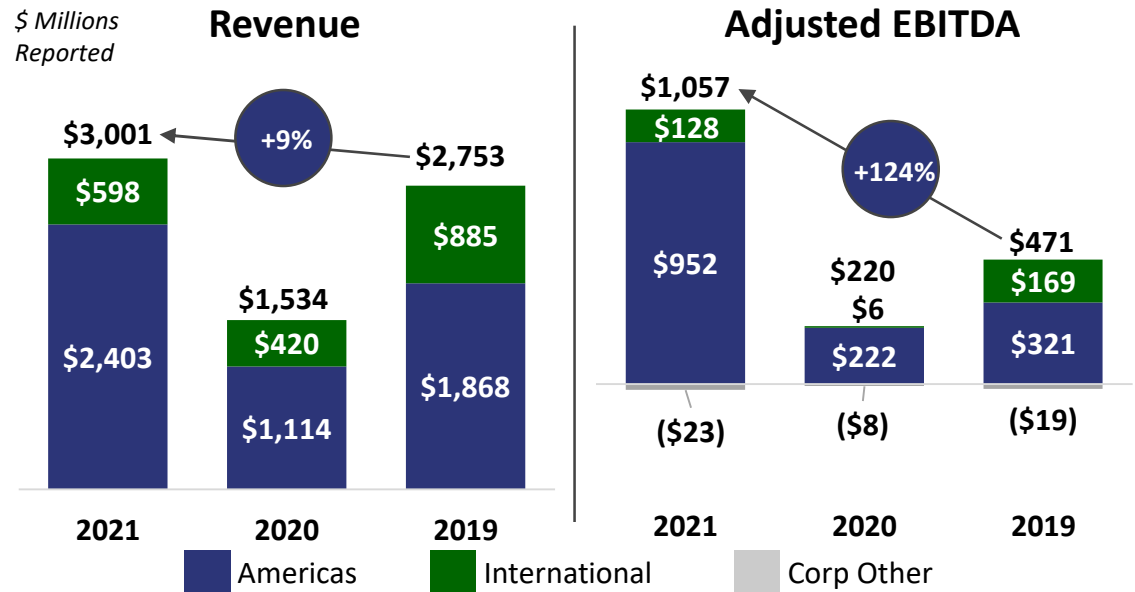


Q3 2021 Results

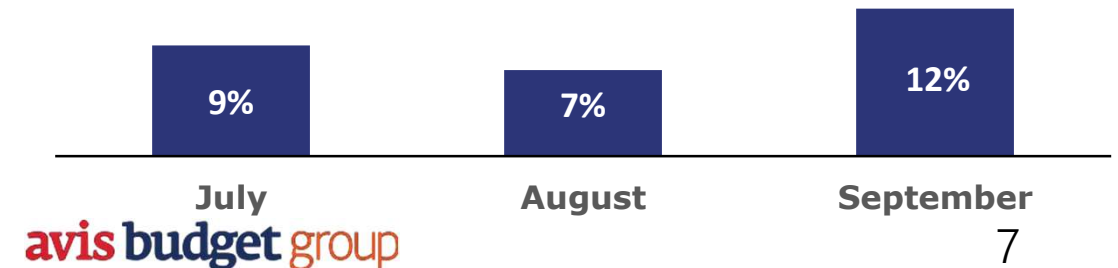
Revenue & Other Metrics

- Revenue increased 96% to \$3,001m in the quarter compared to the similar period in 2020, due to a 42% increase in Revenue per Day, excluding exchange rate effects and an 37% increase in Rental Days.
- Generated positive Adjusted EBITDA of \$1,057m in the quarter compared to the similar period in 2020, due to higher pricing, strong demand and cost discipline as volume returned.
 - Americas Adjusted EBITDA was the best quarterly Adjusted EBITDA and margin in our Company's history.
 - International Adjusted EBITDA was \$128m, driven by pricing and volume beginning to recover along with strong cost mitigating actions.
- Revenue increased 9% in the quarter compared to the similar period in 2019, due to higher Revenue per Day and returning demand.
- Adjusted EBITDA increased 124% in the quarter compared to the similar period in 2019, due to higher pricing and stringent cost discipline.

\$ Millions Reported



Monthly Revenue vs 2019



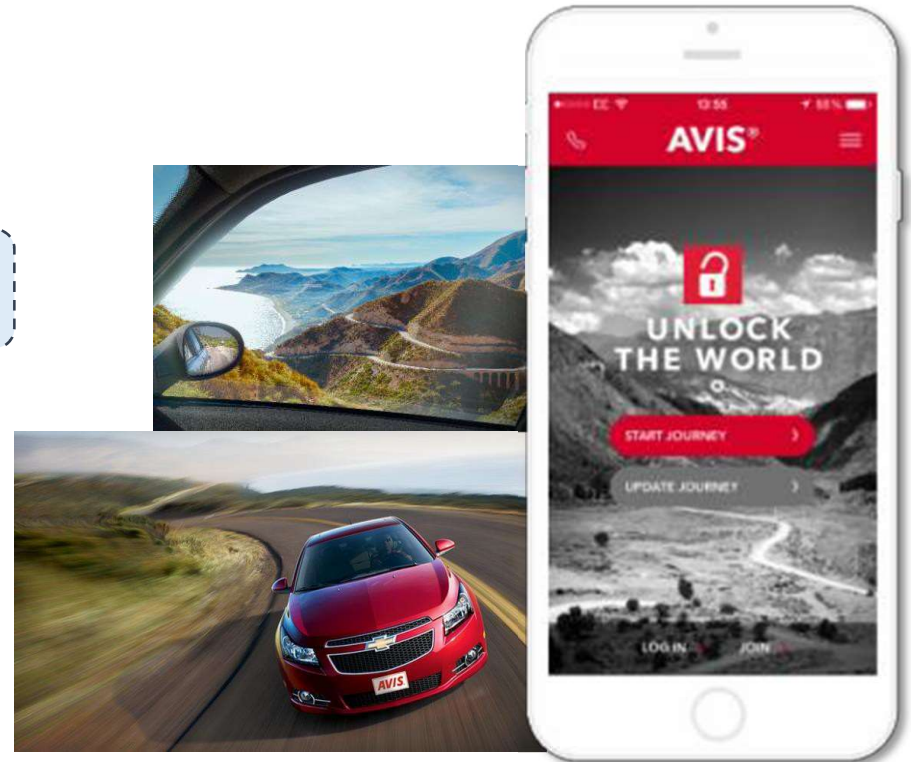
Semiconductor Shortage

The semiconductor shortage has impacted our industry, however...

- In the third quarter, we purchased approximately \$2 billion of fleet.
- We have long standing relationships with our key manufacturers that have been built over decades and we are working hand in hand with our OEM partners and have daily conversations to work with them on any supply chain constraints.
- We have confidence that our OEM partners will be able to navigate these disruptions and we will work with them to maximize our deliveries while being flexible with their production schedules.
- We have purchased more than \$8 billion in new fleet purchases in 2021, and continue to manage the mileage accretion to extend the life of the vehicles while maintaining high quality vehicles for our consumers to utilize.

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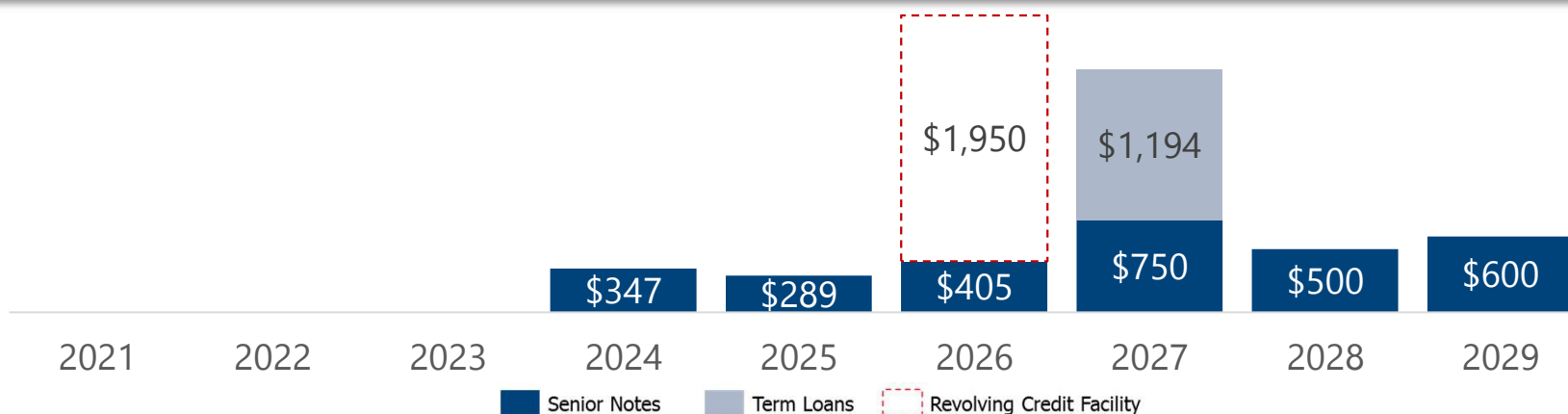


Corporate Debt Overview

Q3 2021 Highlights and Recent Activities

- On July 9th the Credit Agreement was extended to July 2026 and upsized from \$1.8B to \$1.95B to facilitate expected growth in the business. The deal also included a fee reduction as well.
- The remaining \$235 million of 5.25% Senior Notes due 2025 were redeemed on September 2nd.
- We continue to explore additional refinancing opportunities to extend maturities and issue at historically low coupon levels.

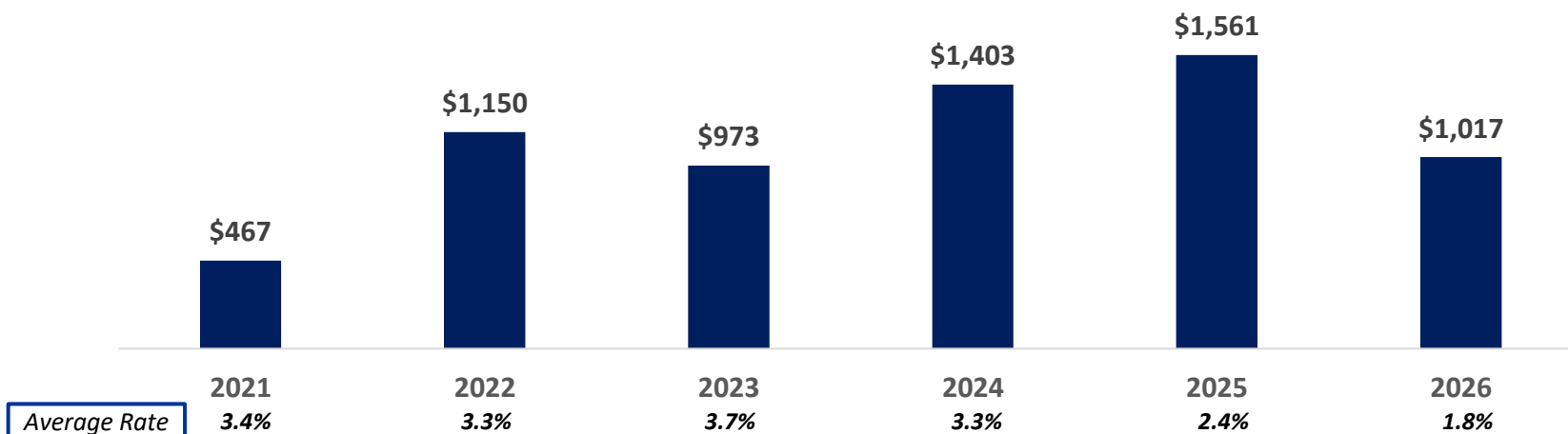
Debt Maturities, Proforma as of September 30, 2021



Note: The figures shown above reflect the face amount of debt at maturity.

Fleet Debt Overview

AESOP Term Debt Maturities (as of September 30, 2021)



Note: Maturity schedule amounts in millions. Data excludes Risk Retention tranche, if any.

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Our Unwavering Commitment to Safety



The Avis Safety Pledge is our commitment to keep you safe. We've built strategic partnerships with RB, the maker of Lysol, and health experts to provide the latest guidance and best practices for disinfecting vehicles, training our employees and helping to protect your health.




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Longer Term: Six Areas of Strategic Focus

- Our strategic priorities remain unchanged despite the pandemic.


Customer Experience

#1 in Customer Satisfaction with Rental Car Travel Apps



The 2021 J.D. Power Rental Car Satisfaction Award

Local Market, Ride-hail, and Package delivery



Alternative Disposition Channels

AVIS | CAR SALES



Connected Cars and Technology



International Integration



Organizational Efficiencies





Appendix

Definitions

This presentation includes certain non-GAAP (generally accepted accounting principles) financial measures as defined under SEC rules. We have provided below reasons why we present these non-GAAP financial measures and a description of what they represent. The GAAP measures most directly comparable to Adjusted EBITDA, Adjusted free cash flow, Adjusted pretax income (loss), and Adjusted diluted earnings (loss) per share are net income (loss), net cash provided by operating activities, income(loss) before income taxes, and diluted earnings (loss) per share, respectively. Because of the forward-looking nature of the Company's forecasted non-GAAP Adjusted EBITDA, Adjusted free cash flow, Adjusted pretax income (loss), and Adjusted diluted earnings (loss) per share, specific quantifications of the amounts that would be required to reconcile forecasted net income (loss), net cash provided by operating activities, pretax income (loss), and diluted earnings (loss) per share are not available. The Company believes that there is a degree of volatility with respect to certain of the Company's GAAP measures which preclude the Company from providing accurate forecasted GAAP to non-GAAP reconciliations. Based on the above, the Company believes that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above. Additional definitions and reconciliations of non-GAAP measures not included herein are provided in Appendix I and the tables of our press release furnished on Form 8-K on November 1, 2021.

Adjusted EBITDA

The accompanying press release presents Adjusted EBITDA, which represents income (loss) from continuing operations before non-vehicle related depreciation and amortization, any impairment charges, restructuring and other related charges, early extinguishment of debt costs, non-vehicle related interest, transaction-related costs, net, charges for unprecedented personal-injury and other legal matters, net, which includes amounts recorded in excess of \$5 million related to class action lawsuits, non-operational charges related to shareholder activist activity, which include third party advisory, legal and other professional service fees, gain on sale of equity method investment in China, COVID-19 charges and income taxes. COVID-19 charges include unusual, direct and incremental costs due to the COVID-19 pandemic such as minimum annual guaranteed rent in excess of concession fees for the period, overflow parking for idle vehicles and related shuttling costs, incremental cleaning supplies to sanitize vehicles and facilities, and losses associated with vehicles damaged in overflow parking lots, net of insurance proceeds. We have revised our definition of Adjusted EBITDA to exclude amounts recorded in excess of \$5 million related to class action lawsuits. We did not revised prior years' Adjusted EBITDA because there were no costs similar in nature to these costs. Adjusted EBITDA includes stock-based compensation expense and deferred financing fee amortization totaling \$16 million and \$9 million in third quarter 2021 and 2020, respectively, and totaling \$41 million and \$22 million in the nine months ended September 30, 2021 and 2020, respectively.

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

Adjusted Free Cash Flow

Represents Net Cash Provided by Operating Activities adjusted to reflect the cash inflows and outflows relating to capital expenditures, the investing and financing activities of our vehicle programs, asset sales, if any, and to exclude debt extinguishment costs, transaction-related costs, restructuring and other related charges, COVID-19 charges and non-operational charges related to shareholder activist activity. We have revised our definition of Adjusted Free Cash Flow to exclude COVID-19 charges and have not revised prior years' Adjusted Free Cash Flow amounts as there were no other charges similar in nature to these. We believe this change is meaningful to investors as it brings the measurement in line with our other non-GAAP measures. We believe that Adjusted Free Cash Flow is useful to management and investors in measuring the cash generated that is available to be used to repay debt obligations, repurchase stock, pay dividends and invest in future growth through new business development activities or acquisitions. Adjusted Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Adjusted Free Cash Flow may not be comparable to similarly-titled measures used by other companies. A reconciliation of Adjusted Free Cash Flow to the appropriate measure recognized under GAAP is provided on Table 4.

Foreign Currency

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

Net Corporate Debt

Represents corporate debt minus cash and cash equivalents.

Net Corporate Leverage

Represents Net Corporate Debt divided by Adjusted EBITDA for the twelve months prior to the date of calculation.

Last Twelve Month Period Financial Information

We present certain unaudited financial information for the last twelve month period ended September 30, 2021, which is calculated as the nine months ended September 30, 2021 plus the actual year ended December 31, 2020 less the actual nine months ended September 30, 2020. This presentation is not in accordance with GAAP. However, the Company believes that this presentation provides useful information to investors regarding its recent financial performance, and it views this presentation of the four most recently completed fiscal quarters as a key measurement period for investors to assess its historical results.

Reconciliation of Non-GAAP Measures

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

	Three Months Ended September 30,		
	2021	2020	2019
Net income	\$ 674	\$ 45	\$ 189
Provision for income taxes	255	8	139
Income before income taxes	929	53	328
Add certain items:			
Early extinguishment of debt	7	2	10
Restructuring and other related charges	5	17	22
Acquisition-related amortization expense	13	17	13
COVID-19 charges, net ^(A)	(6)	10	-
Transaction-related costs, net	1	-	-
Unprecedented personal-injury and other legal matters, net ^(B)	5	-	-
Adjusted pretax income	954	99	373
Add:			
Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense) ^(C)	56	57	49
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	47	64	49
Adjusted EBITDA	\$ 1,057	\$ 220	\$ 471

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

	Three Months Ended September 30,	
	2021	2020
Minimum Annual guaranteed rent in excess of concession fees, net	\$ (4)	\$ 11
Vehicles damaged in overflow parking lots, net of insurance proceeds	(3)	(19)
Incremental cleaning supplies to sanitize vehicles and facilities, and over flow parking for idle vehicles	-	18
Other charges	1	-
Operating expenses	\$ (6)	\$ 8
Selling, general and administrative expenses	\$ -	\$ 1
Vehicle depreciation and lease charges, net	\$ -	\$ 1

(B) Reported within operating expenses in our Consolidated Statements of Operations.

(C) For the three months ended September 30, 2021 includes \$5 million within operating expenses in our Consolidated Statements of Operations related to cloud computing costs.

Reconciliation of Non-GAAP Measures

Reconciliation of net income to adjusted net income (in millions, except per share data):

Net income attributable to Avis Budget Group, Inc.

Add certain items, net of tax:

Early extinguishment of debt

Restructuring and other related charges

Acquisition-related amortization expense

COVID-19 charges

Transaction-related costs, net

Unprecedented personal-injury and other legal matters, net

Adjusted net income

Earnings per share - Diluted

Adjusted diluted earnings per share

Shares used to calculate Adjusted diluted earnings per share

	Three Months Ended September 30,		
	2021	2020	2019
	\$ 675	\$ 45	\$ 189
	5	1	7
	4	14	17
	9	12	10
	(5)	7	-
	1	-	-
	4	-	-
	<u>\$ 693</u>	<u>\$ 79</u>	<u>\$ 223</u>
	\$ 10.45	\$ 0.63	\$ 2.50
	<u>\$ 10.74</u>	<u>\$ 1.13</u>	<u>\$ 2.96</u>
	<u>64.6</u>	<u>70.2</u>	<u>75.7</u>

Reconciliation of Non-GAAP Measures

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

	Last Twelve Months September 30, 2021
Net income	\$ 812
Provision for income taxes	218
Income before income taxes	1,030
Add certain items:	
Early extinguishment of debt	136
Restructuring and other related charges	76
Acquisition-related amortization expense	65
COVID-19 charges, net ^(A)	44
Transaction-related costs, net	3
Unprecedented personal-injury and other legal matters, net ^(B)	2
Adjusted pretax income	1,356
Add:	
Non-vehicle related depreciation and amortization (excluding acquisition-related amortization expense) ^(C)	211
Interest expense related to corporate debt, net (excluding early extinguishment of debt)	235
Adjusted EBITDA	\$ 1,802

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

	Last Twelve Months September 30, 2021
Minimum Annual guaranteed rent in excess of concession fees, net	\$ 31
Vehicles damaged in overflow parking lots, net of insurance proceeds	(7)
Incremental cleaning supplies to sanitize vehicles and facilities, and over flow parking for idle vehicles	13
Other charges	7
Operating expenses	\$ 40
Selling, general and administrative expenses	\$ 4
Vehicle depreciation and lease charges, net	\$ -

(B) Reported within operating expenses in our Consolidated Statements of Operations.

(C) For the last twelve months ended September 30, 2021 includes \$5 million within operating expenses in our Consolidated Statements of Operations related to cloud computing costs.