HERTZ GLOBAL HOLDINGS, INC. (“HERTZ GLOBAL”)
Q2 2026 Prepared Remarks
August 6, 2026

Gil West, Chief Executive Officer

I want to begin by saying thanks to the Hertz team. Quarter after quarter, their discipline and execution are what turn strategy into results.

We are halfway through 2026, and it’s been more than two years since I stepped into this role. In that time, I’ve had the chance to get into the detail of every part of this business – the fleet, the operations, and the economics that drive them. What’s become clear is that this transformation is about both fixing what wasn’t working and building for what’s next.

We’ve done that under real pressure. Over these two years, we’ve navigated tariffs, vehicle recalls, inflation, a partial government shutdown, elevated TSA wait times, and storm disruptions – on top of the normal volatility of the rental car industry. None of it has changed our approach. We’ve stayed focused on what we can control: our fleet, our costs, our revenu23e performance, and the customer experience we deliver. Through disciplined execution, we’re building a financial footing strong enough to withstand whatever pressures today and tomorrow bring. We’re both running our core rental business better and building a platform — spanning Rent-A-Car, Fleet, Service and Mobility — that diversifies and strengthens Hertz for the future.

Q2 Results

This quarter is more proof of that progress, where our disciplined execution is showing up in our results, led by our continued commercial momentum. Revenue was up 10% year-over-year with a 1% smaller fleet and came in ahead of both consensus and our latest guidance. By continuing to sweat the assets and increasing total fleet utilization by 80 basis points to 79%, we achieved this despite elevated recalls compared to the year before.

This performance was driven by our strongest second quarter RPD on record, excluding the peak Covid year of 2022. RPD was up 9% and RPU was up 8% versus last year coming in at $1,542. RPU exceeded our North Star target and we saw sequential improvements in both throughout the quarter.

Adjusted Corporate EBITDA came in at $81 million – a $63 million year-over-year improvement and above our latest guidance, driven primarily by an even stronger RPD in June than we anticipated.

We continue to execute our annual DPU North Star target through our disciplined rotation strategy that has defined our “Buy Right, Hold Right, Sell Right” approach. At $302, DPU remains in line with target; however, we did experience three quarter-specific items that caused the total gain on sale to be lower than originally expected. First, the seasonal decline was more pronounced than we anticipated, as higher wholesale volume temporarily outpaced demand. Second, our disposition channels were not as optimal as we would like given the volume of cars we sold. Third, during the quarter, we altered the mix of vehicles and prioritized older and certain models. These dynamics temporarily drove down the proceeds from sale, resulting in a lower gain on sale. However, this doesn't impact our go forward view. The seasonally adjusted Manheim Rental Index increased 3.5% month over month in July, recovering from the declines experienced during the second quarter and remaining strong at +6.1% year over year. The used car market is good, and we're set up well for it. At the end of Q2, our model year '25 and '26 units made up nearly 94% of our U.S. core fleet. We believe we have an exceptionally healthy fleet, and we expect DPU will benefit as we rotate out those vehicles over the coming quarters.

Turning to costs, Total DOE per day increased slightly, primarily driven by costs that were both revenue-related and were margin accretive, associated with stronger RPD performance. Now, this brings me to a broader point: the North Star metrics have given our teams a steady compass over the last two years, but as the business evolves, it's important to recognize that these metrics do not operate in isolation. As revenue grows, a portion of our DOE naturally grows alongside it, and many of those costs are tied to higher revenue and stronger profitability. As a result, we're also increasingly focused on the relationship between those metrics, and we expect our performance framework to evolve as our transformation continues. So while DOE was higher, our RPD-to-DOE per day spread improved by 17% year over year, and it was our third consecutive quarter of year-over-year spread expansion.

We remain extremely focused on managing core operating cost and the improvements we're seeing are the result of productivity initiatives encompassing people, processes, and technology. One of the biggest levers we have is labor productivity. Supported by Palantir, our new labor planning model aligns staffing with real-time demand, reducing overtime, third-party labor, and improving workforce planning. We're also leveraging technology and AI-driven data insights to improve throughput and productivity across our operations to reduce our vehicle turnaround time. Additionally, we're making progress in leveraging our supply chain network, expanding part-out capabilities, strengthening collections recovery and improving maintenance processes, all to drive greater productivity with existing resources while lowering unit costs.

Although these results demonstrate the progress we've made in strengthening the economics of the business, recalls remain a significant headwind. Recall volume was up over 300% in Q2 from the year prior, impacting an average of 15,000 vehicles per month. Across the first half of 2026, recalls represented more than an $55 million EBITDA impact, and we're pursuing regulatory, operational, and contractual solutions to address this issue.

More importantly, our ability to deliver this level of performance despite that headwind reinforces our confidence in the path to our longer-term targets.

Platform

That said, while 2027 and $1 billion of Adjusted Corporate EBITDA are important milestones, they're not the final destination. As we've shared, we're focused on something bigger. We are applying our commercial, operational, and fleet management capabilities across the four strategic areas of our platform to drive greater efficiency, create diversified growth engines, and strengthen the company for the future.

Our platform is the unlock to the next phase of value creation, deleveraging the balance sheet, and growth. And one of the greatest opportunities to grow is by more effectively leveraging the power of the Hertz brand. Hertz is an iconic, century-old brand, recognized the world over. It's one of our most valuable assets, with a strong reputation that we believe is under-monetized today.

One way that we think we can use the power of our brand is in Franchising. It's a strong, asset-light, capital-efficient part of our business with attractive and predictable economics. It's not new either. Today, more than 25% of the Hertz branded revenue is generated by franchises. However, we haven't grown it in years, and it hasn't received the level of focus necessary to realize its full potential. We're now changing that and we're evaluating near-term opportunities across our global footprint through both whitespace expansion and conversion activity and thinking strategically about whether Hertz should look more like our partners in the hotel industry. If our goal is to achieve higher quality earnings, stronger free cash flow conversion, more durable shareholder returns, and an improved balance sheet, franchise can help us get there.

In the next area of our platform, Fleet, we are building on our unique competitive advantage as one of the largest used car dealers in the country, enhancing the capabilities of our "used car factory." We're continuing our journey of moving from primarily wholesale disposition towards more lucrative channels. We expect that expanding our ability to move additional car sales volume through these higher yielding channels will have a significant effect on Net DPU and we're working to unlock those opportunities. We're exploring how we build deep strategic relationships with the leading used car companies, creating more mutual value and structurally reducing our cost of sale, alongside new partnerships with best-in-class retailers. We also continue to make progress on our direct retail channel. Wins this quarter included growing direct retail sales volumes, reducing reconditioning costs, and delivering strong F&I performance.

In Mobility, Oro is gaining momentum. For over a century, Hertz has mastered the ability to operate complex fleets reliably, efficiently and at scale. Today, Oro is extending those capabilities to a new era of mobility, filling a critical gap in the industry's transition toward commercially operated driver-led and autonomous fleets. The capabilities we've built – from acquisition and financing to efficient fleet management and maintenance – would be incredibly difficult and costly to replicate from scratch today.

We're already putting those capabilities to work through Oro's driver-led business model, where we own, maintain and operate vehicles on rideshare platforms. Oro is now active on the Uber platform in four markets – Atlanta, Los Angeles, San Francisco, and Northern New Jersey. We've expanded into new offerings on the app, including Uber Black in New Jersey and Uber

Teen in San Francisco and Los Angeles, and our drivers have logged more than 6 million miles to date. This business validates our ability to deliver high quality and turnkey fleet solutions safely and at scale, supporting an enhanced customer experience. At the same time, we're developing the operations, processes, systems, and infrastructure that directly translate to operating AVs at scale.

Earlier this year, we announced our first AV partnership with Uber's robotaxi program, supporting Lucid vehicles equipped with Nuro autonomous technology, and we're on track to begin operations later this year in the San Francisco Bay Area. We continue to see encouraging traction as we scale this part of the business.

Oro already has meaningful scale and momentum - through these offerings and the existing rideshare rental business; we expect it to generate more than $600 million in total revenue this year, with the ability to grow dramatically over the next decade. Opportunities for expanded capabilities, new partnerships, and new avenues for value-creation are emerging, and we're focusing our resources on unlocking this growth.

Key Takeaways

This quarter is an exciting proof point in Hertz's transformation. We're making tangible progress across the business, and we're focused on execution and accelerating the improvements ahead of us. As I look at the quarter, there are four key takeaways I'd highlight:

- First, our core rental car business continues to improve, and our commercial momentum is strong. The actions we've taken over the last two years are driving better unit economics, creating a clearer path to stronger margins and potentially more than $1 billion of Adjusted Corporate EBITDA run rate in 2027 and beyond.
- Second, our Fleet "Buy Right, Hold Right, Sell Right" strategy should continue to yield strong near-term results and solidify our ability to deliver Net DPU below $300 per month.
- Third, our strategy to expand the franchise portion of our Rent-a-Car business has the potential to accelerate that progress. We see it as a way to generate consistent earnings, strengthen free cash flow, unlock liquidity for growth initiatives, and ultimately create more durable value for shareholders, while also supporting deleveraging.
- Finally, Oro may be new, but it is rapidly emerging as a meaningful growth platform. We believe it will continue to scale in revenue this year across all of its business lines, and have a plan in place that we think can reshape Hertz's growth trajectory for years to come.

The opportunities in front of us are significant. We're encouraged by the momentum across the business and the opportunities ahead. Ultimately, results will speak louder than words, and we're focused on continuing to execute and demonstrating that progress quarter after quarter.

Sandeep Dube, Chief Commercial Officer

In Q2, we delivered revenue of $2.4 billion, a 10% increase from the year before. RPU increased 8% from the prior year, even when factoring in elevated recalls. RPD increased 9% year-over-year, our highest second quarter RPD per our records excluding the peak COVID year of 2022. The result was even better in the United States. U.S. airports car rental RPD increased 12% year over year.

This was the second quarter in a row where we achieved double-digit year-over-year revenue growth globally, coupled with year-over-year RPU and RPD improvements in the mid-to-high single digit percent range.

Let’s detail our RPD improvement a bit. The majority of the improvement, roughly 6-7 percentage points, came from our Commercial action. Of the remainder, roughly 2-3 percent points came from positive industry pricing, and roughly less than half a percentage point came from the World Cup.

Our Commercial Strategy is gaining momentum based on the initiatives we have been executing over the last several quarters, and the results of which are now clearly evident. Each quarter, we're getting more value from the same levers we've discussed previously. Let me break those down:

- First, improving our customer experience. Our pursuit of a more consistent, convenient, and caring customer experience is tangible across each area of the business, as teams work together to develop more precise alignment between demand and available supply, enhance customer communication throughout the entire rental journey, expand the capabilities of our mobile app, and more. One aspect to highlight is service recovery. Even when we fall short of customer expectations, we have significantly strengthened our service recovery capabilities over the past year. Now, overall, customers who go through our service recovery process have a positive Net Promoter Score.
- Second, generating greater durable demand from higher margin channels. We continue to invest in the brand to drive further direct channel growth while also making meaningful gains with corporate and government customers. Partnerships remain a key priority, and Q2 wins include our strongest year-over-year performance in the AAA partnership in more than four years. At the same time, we continue to drive consistent growth in our off-airport and rideshare rental businesses.
- Third, improving our pricing tactics and strategies. Our key commercial objective is to drive positive RPD for comparable asset classes and so far, the actions we’ve taken to implement and refine our pricing matrix continue to bring greater precision to the way we price demand, playing a part in this quarter’s strong RPD results.
- Fourth, improved monetization of our higher RPU assets. With our new fleet management tools in place, our team is better equipped to get the right vehicle in the right location at the right time, supporting more refined pricing.
- Fifth, better value-added product sales. We have grown sales of our value-added products by improving both conversion and pricing, while providing customers with greater clarity and consistency in their experience.

- And finally, local level profitability and optimization. We continue to manage our business with increasing granularity, enabling stronger profitability in each of our markets.

Taken together, these actions are driving stronger demand for our brands and creating the conditions for more durable pricing performance, enabling us to achieve a primary commercial objective, which is driving RPD gains beyond the industry pricing environment.

Pricing Environment

Talking about the industry pricing environment, it has been quite constructive. Some context might be helpful here. Over the past few years, industry costs, including fleet financing, depreciation, and operating expenses, moved materially higher while pricing did not fully keep pace. However, more recently, the industry has just started recapturing ground lost over many years rather than simply keeping pace with current inflation. In the last three quarters, we've started to see the beginning of a reversal of the pricing declines that characterized much of the post-COVID period. Before the industry reaches a more mature level of profitability where pricing primarily offsets ongoing cost inflation, there remains an opportunity for pricing to continue normalizing toward levels that better reflect the economics of the business.

In Q2, consumer demand and willingness to pay was greater than what TSA numbers would imply, and that combined with a more disciplined industry supply environment supported positive pricing trends.

Q3 Early Results

Early Q3 results indicate that we are on track to deliver meaningful RPD gains again. In July, we hit a major achievement – 200 consecutive days of positive year-over-year RPD – a milestone which reinforces that our growing commercial acumen, coupled with consistent execution, is translating into consistent commercial performance.

Looking ahead at the rest of the Quarter, the industry pricing environment, as we sit here today, continues to be supportive. Demand for our brands is healthy. Our fleet mix is expected to be a positive factor going forward. Most importantly, we have a long list of meaningful initiatives slated to come live in the next few quarters which will be a rising tide for our customer experience, our demand generation and our pricing capabilities, thereby improving our ability to continue delivering strong RPD outcomes, enabling us to better control our destiny.

Commercial Outlook

In summary, our commercial strategy is translating into strong revenue performance and, importantly, those results are driven by deliberate actions. We are seeing clear proof points that these actions are gaining traction, and with a strong pipeline of initiatives in front of us, we expect commercial performance to be a continued tailwind for the business. And, given the positive trajectory, for full-year 2026, we now expect RPU to trend above our North Star target of $1,500.

Scott Haralson, Chief Financial Officer

Before I get into the financial results, I'd like to step back for a moment.

In any transformation, it's easy to become consumed by the next quarter, the next milestone, or the next challenge, and lose sight of how much has already changed. While we're certainly not declaring victory today, we are seeing a business that is executing with increasing consistency - operationally, commercially, and financially.

Every successful transformation reaches an inflection point where the conversation begins to change. Early on, the question is, "Can this company recover?" Eventually, through consistent disciplined execution, the question becomes, "How did they do it?"

We believe that shift comes through consistent execution over time. We believe we are doing that and this quarter represents another meaningful step in that journey. Not because of any one single metric, but because the underlying economics of the business continue to improve.

We recognize that it is hard for the market to fully reflect the progress we believe is occurring inside the business. That's understandable. We recognize that investors remain focused on our capital structure and upcoming debt maturities. That's appropriate. Strengthening the balance sheet remains one of our highest priorities.

What gives us confidence is that the business supporting our capital structure today is fundamentally different from the business of two years ago. We have continued to improve our fleet, the customer experience, and operating efficiency, which has resulted in better operating performance and strengthened free cash flow. Plus, we continue to create additional strategic options. Our focus remains on continuing that progress while thoughtfully addressing our capital structure in a disciplined manner.

And while this quarter's results are a really good outcome, and they are important, we believe the more significant story is the trajectory of the business and the strategic initiatives that are beginning to reshape our earnings profile.

Gil outlined the takeaways for where we are today. I'd like to spend a minute discussing one on his list, and that's franchising, because I believe it represents one of the most underappreciated value creation opportunities within our business. I believe that our business today is ripe for an increasing level of franchising. It's already a consistent contributor to our Adjusted Corporate EBITDA results, and we haven't capitalized on this side of the business in the way that we should and will.

Over the last two years, much of our work has been focused on transforming operations. Increasingly, the next phase of our strategy is about transforming the quality of our earnings. Franchising has the potential to accelerate that evolution through a more capital-light model that enhances margins, free cash flow generation, returns on invested capital and financial flexibility. It could give us more flexibility to allocate capital toward higher-return opportunities across the platform, while also providing meaningful deleveraging benefits. We have already started down this path, and we will likely start to see evidence of this progression in the near future.

Taken together, the near-term benefits of a more focused franchise strategy, plus the opportunities in our fleet business for retail car sales, as well as the longer-term potential in Oro, on top of a consistently improving rental car business, gives us a broader set of levers to improve margins, strengthen returns on capital, and enhance how Hertz creates value over time. We recognize there is significant work ahead, but we have been building toward this for some time, and we expect to share more as these initiatives progress.

With that, let me pivot back to our Q2 results. I'll also cover our liquidity and insights into Q3, the full year, and a bit on 2027.

Q2 Results

For Q2, we generated revenue of $2.4 billion, up 10% year over year, notably with a 1% smaller fleet. This was driven by strong pricing performance, with RPD up 9% year over year, and total fleet utilization was 79%, up 80 basis points even with a nearly 200 basis point headwind on utilization due to continued elevated recalls. This utilization increase allowed us to keep transaction days at prior-year levels even with less available vehicles for rent. Also, despite elevated recalls, RPU surpassed our expectations, reaching $1,542, up 8% year over year.

GAAP net income for the quarter was $64 million, and Diluted GAAP EPS was $0.05, with an adjusted net loss of $47 million. GAAP net income benefited from gains on sale of real estate locations on which we completed sale leaseback transactions, as well as revaluations of other exchangeable notes and warrants issued in prior years.

Adjusted Corporate EBITDA was $81 million, representing a $63 million year-over-year improvement and coming in at the top of our most recent guidance. Adjusted Corporate EBITDA margin improved by 260 basis points to 3.4%, from 0.8% in the second quarter of last year and in line with our guidance expectations.

These results included a total impact from recalls of approximately $55 million on revenue $30 million of EBITDA. Despite this, we still produced a strong year-over-year improvement in EBITDA.

Turning to costs, Adjusted DOE per transaction day was $37.49, slightly higher than our expectations and higher year over year due primarily to higher revenue-related variable costs and higher expenses related to sale leaseback transactions. When normalizing for these factors and the days impact of recalls, Adjusted DOE per day improved approximately 2% year over year. While these dynamics can make DOE appear less favorable in isolation, a large portion is tied to revenue growth and are Adjusted Corporate EBITDA accretive.

In fact, approximately 25% of our DOE cost structure is influenced by RPD movements, including airport facility costs or concessions, commissions, credit card processing fees, and fuel-related expenses. Because of this, the spread between RPD and DOE per day is a key measure of the value we create from each vehicle day and the effectiveness of our commercial and operational execution. This quarter, our RPD-to-DOE-per-day spread was approximately $24.36, up 17% year over year, and it's the third consecutive quarter that spread has increased.

SG&A increased slightly year over year, driven primarily by investments in sales and advertising which contributed to this quarter's strong RPD growth. As a percentage of revenue, SG&A declined from 11.3% to 10.8%, reflecting improved operating leverage.

Gross depreciation per unit per month was $298 during the quarter. Net DPU was $302, reflecting an incremental $4 per unit per month driven by the loss on sale of a concentrated mix of older vehicles and pressure on the wholesale market dynamics that have since normalized.

With that said, we've seen the overall used car index and rental car index both show positive signs of stability, and year to date gross DPU has been fairly stable. We now have our youngest rental car fleet in over a dozen years at just under 9 months and believe those vehicles are well positioned for good economics over their lifecycle.

Our 2027 fleet acquisitions have been picking up steam and while total volumes are still an unknown at this point, what we have secured to date are at similar economics to the 2026 model year vehicles. Our young fleet gives us a lot of flexibility to be both picky about model year 2027 vehicles and consider growth given we can extend the life of vehicles a little further or sell during peak periods to monetize gains. This could be a useful lever going into 2027.

Liquidity and Capital Structure

Turning to liquidity, we ended the quarter with $984 million of liquidity which includes cash and cash equivalents and the available capacity under our revolving credit facility. This was in line with guidance of just under $1 billion. In June, we completed an exchangeable senior first-lien secured notes offering for a total of $350 million which used capacity created through expiring revolving commitments as well as from term loan amortization. In addition, we added another $30 million of notes in July as part of the exercising of the greenshoe which would bring our pro forma liquidity post transaction to slightly over $1 billion. As mentioned on prior calls, we had anticipated refinancing the first lien capacity that was being freed up from the reduction in revolver capacity at the end of June.

Guidance

With that in mind, let's discuss guidance.

For liquidity, we expect to end the year between $1.0 and $1.4 billion, with sufficient levers to fund strategic growth initiatives. This contemplates some amount of free cash flow generation in the back half of the year as we enter the peak Q3 period balanced with a somewhat off-peak Q4 period. The broad range contemplates the potential for strategic transactions, including franchise-related agreements, that could take place during the back end of the year. It also includes the payment of the remaining $200 million stub portion of our December 2026 maturity in cash. This is also slightly lower than our previous guidance due to the fact that we removed proceeds from the ATM program from our forecast. However, it will remain available should that become a viable option in the future.

An additional potential benefit to 2027 liquidity, we're also evaluating the seasonality of our fleet moves. As we reflect on what we're seeing throughout 2026 across the supply, demand, rental car pricing, and used vehicle pricing, we're taking a fresh look at the timing of our fleet investments and how we manage fleet levels throughout the year particularly as it pertains to working capital, recognizing that decisions around fleet timing and seasonality can have a nine-figure impact to the timing of cash flows in the year. This analysis balances the fact that peak demand for rental cars overlaps heavily with the peak periods to sell vehicles.

For profitability, we expect Q3 Adjusted Corporate EBITDA production to be between $275 and $325 million with positive earnings per share for the quarter. Transaction days should be up approximately 1% year over year, and Net DPU is expected to be in the $285-$295 per unit per month range. Also, for the full year, we expect EBITDA to be in the $225 to $275 million range, with net DPU at approximately $300 and transaction days up approximately 2% year over year.

For 2027, we continue to target $1B of Adjusted Corporate EBITDA, but we will need some scale for the number to be within a reasonable reach. However, at a minimum, we do expect that in 2027 we will finally reach full year net income profitability and will be free cash flow positive for the full year. We expect our year-end cash balance, together with our projected 2027 profitability, to provide the liquidity necessary to support some modest growth in 2027. Any liquidity above the midpoint of our guidance range could be deployed toward additional growth investments. This highlights, perhaps, the most meaningful change in our business. We are increasingly shifting our conversations from how we finance the business to how we allocate capital to create the greatest long-term value. This is an important distinction, and it's one we believe reflects the progress the business has made.

I'll leave you with one final thought. Every quarter tells part of the story. But transformations aren't defined by individual quarters. They're defined by the accumulation of hundreds of operational decisions, disciplined and smart capital allocation, consistent execution, and an organization committed to improving every day.

That is exactly what we believe we are building at Hertz.

Gil West, Chief Executive Officer

We're proud of the progress we've made in our transformation to date.

We’ve made great strides in shoring up our Core Rent-a-Car business. Adjusted Corporate EBITDA improved by $1.2 billion in 2025 and another $200 million in the first half of 2026. We are on-track to deliver more than $500 million of year-over-year Adjusted Corporate EBITDA improvement and positive margins this year. That would represent nearly 2,000 basis points of margin expansion in just two years, with more to come in 2027.

This quarter, our commercial momentum and operational initiatives continued to translate into results. Looking forward, we know exactly where the work is: revenue, depreciation, cost, and customer experience. Sustaining our progress means executing with discipline across all of these. And we’re encouraged by the momentum building across the business, by what we’re seeing in the opportunities ahead, and by the actions already in motion.