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AMERCO REPORTS SECOND QUARTER FISCAL 2021 FINANCIAL RESULTS

RENO, Nev. (November 4, 2020)--AMERCO (Nasdaq: UHAL), parent of U-Haul International, Inc., Oxford Life Insurance Company, Repwest Insurance Company and Amerco Real Estate Company, today reported net earnings available to shareholders for its second quarter ended September 30, 2020, of \$266.4 million, or \$13.58 per share, compared with net earnings of \$156.3 million, or \$7.97 per share, for the same period last year.

For the six-month period ended September 30, 2020, net earnings available to shareholders were \$354.1 million, or \$18.06 per share, compared with net earnings of \$288.7 million, or \$14.73 per share, for the same period last year.

“We drastically cut rental equipment additions in March as OEM plants closed and we prepared for the worst. Likewise, we cut real estate acquisition and development investment. It will take about two years to normalize rental equipment investment, probably longer on real estate investment,” stated Joe Shoen, chairman of AMERCO. “In both self-storage and self-move, we are in very competitive markets. This remains a close game. We are committed to winning. Over the last 7 months, we have simply outworked our peer group. No one knows what next year will bring.”

Highlights of Second Quarter Fiscal 2021 Results

- Self-moving equipment rental revenues increased \$126.7 million or 16% during the second quarter of fiscal 2021, compared with the second quarter of fiscal 2020. As government-imposed restrictions on public activity have lessened and customer behavior has evolved, revenue and transactions for both our In-town and one-way markets improved for trucks and trailers. For July, August and September revenues increased by approximately 11%, 14% and 24%, respectively. Compared to the same period last year, we increased the number of retail locations, independent dealers, box trucks and trailers in the rental fleet.
- Self-storage revenues increased \$10.3 million or 10% during the second quarter of fiscal 2021, compared with the second quarter of fiscal 2020. The average monthly number of occupied units increased by 15%, or 50,000 units, during the second quarter of fiscal 2021 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations and from the addition of new capacity to the portfolio. Over the last twelve months, we added approximately 4.4 million net rentable square feet, or an 11% increase, with approximately 0.6 million of that coming on during the second quarter of fiscal 2021.
- Sales of self-moving and self-storage products and services increased \$25.5 million, or 35% compared with the second quarter of fiscal 2020 due to increased sales of hitches, moving supplies and propane.
- For the second quarter of fiscal 2021 compared with the second quarter of fiscal 2020, depreciation, net of gains and losses on sales decreased \$14.1 million. Depreciation expense on the rental equipment fleet decreased \$10.5 million as new truck production has

been slowed by COVID-19 related delays at manufacturers, while gains on the sales of rental trucks increased \$10.1 million from higher resale values and additional box truck sales. All other depreciation increased \$6.5 million from the increase in new moving and storage locations.

- For the first six months of fiscal 2021 and fiscal 2020 gross truck and trailer capital expenditures were approximately \$395 million compared with \$1,037 million, proceeds from the sales of rental equipment were \$310 million compared with \$397 million and spending on real estate related acquisitions and projects were approximately \$226 million compared with \$423 million.
- Fleet maintenance and repair costs decreased \$6.8 million in the second quarter of fiscal 2021 compared with the same period last year.
- Operating earnings at our Moving and Storage operating segment increased \$145.0 million in the second quarter of fiscal 2021 compared with the same period last year. Total revenues climbed \$175.8 million and total costs and expenses increased \$30.8 million.
- Cash and credit availability at the Moving and Storage operating segment was \$1,293.3 million at September 30, 2020 compared with \$498.1 million at March 31, 2020.
- On August 20, 2020, we declared a cash dividend on our Common Stock of \$0.50 per share to holders of record on September 7, 2020. The dividend was paid on September 21, 2020.

AMERCO will hold its investor call for the second quarter of fiscal 2021 on Thursday, November 5, 2020, at 8 a.m. Arizona Time (10 a.m. Eastern). The call will be broadcast live over the Internet at www.amerco.com. To hear a simulcast of the call, or a replay, visit www.amerco.com.

About AMERCO

AMERCO is the parent company of U-Haul International, Inc., Oxford Life Insurance Company, Repwest Insurance Company and Amerco Real Estate Company. U-Haul is in the shared use business and was founded on the fundamental philosophy that the division of use and specialization of ownership is good for both U-Haul customers and the environment.

Certain of the statements made in this press release regarding our business constitute forward-looking statements as contemplated under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those anticipated as a result of various risks and uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. The Company undertakes no obligation to publish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law. For a brief discussion of the risks and uncertainties that may affect AMERCO's business and future operating results, please refer to our Form 10-Q for the quarter ended September 30, 2020, which is on file with the SEC.

Report on Business Operations

Listed below on a consolidated basis are revenues for our major product lines for the second quarter of fiscal 2021 and 2020.

	Quarter Ended September 30,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 931,030	\$ 804,325
Self-storage revenues	115,273	104,965
Self-moving and self-storage product and service sales	98,628	73,121
Property management fees	7,840	7,233
Life insurance premiums	31,057	32,355
Property and casualty insurance premiums	15,869	18,365
Net investment and interest income	33,333	33,098
Other revenue	91,878	76,752
Consolidated revenue	\$ 1,324,908	\$ 1,150,214

Listed below are revenues and earnings from operations at each of our operating segments for the second quarter of fiscal 2021 and 2020.

	Quarter Ended September 30,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 1,245,318	\$ 1,069,552
Earnings from operations before equity in earnings of subsidiaries	373,956	228,987
Property and casualty insurance		
Revenues	22,673	23,528
Earnings from operations	12,069	9,092
Life insurance		
Revenues	59,560	59,859
Earnings from operations	6,040	6,941
Eliminations		
Revenues	(2,643)	(2,725)
Earnings from operations before equity in earnings of subsidiaries	(275)	(280)
Consolidated Results		
Revenues	1,324,908	1,150,214
Earnings from operations	391,790	244,740

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements represent Company-owned locations only. Self-storage data for our owned locations follows:

	Quarter Ended September 30,	
	2020	2019
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of September 30	520	471
Square footage as of September 30	43,985	39,629
Average monthly number of units occupied	373	323
Average monthly occupancy rate based on unit count	71.9%	69.5%
Average monthly square footage occupied	33,296	29,200

Listed below on a consolidated basis are revenues for our major product lines for the first six months of fiscal 2021 and 2020.

	Six Months Ended September 30,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 1,585,315	\$ 1,552,921
Self-storage revenues	224,228	203,239
Self-moving and self-storage product and service sales	189,978	153,147
Property management fees	15,187	14,389
Life insurance premiums	61,965	65,065
Property and casualty insurance premiums	29,603	31,789
Net investment and interest income	50,315	68,847
Other revenue	155,554	140,066
Consolidated revenue	\$ 2,312,145	\$ 2,229,463

Listed below are revenues and earnings from operations at each of our operating segments for the first six months of fiscal 2021 and 2020.

	Six Months Ended September 30,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	2,171,618	2,069,950
Earnings from operations before equity in earnings of subsidiaries	525,617	430,883
Property and casualty insurance		
Revenues	36,307	43,833
Earnings from operations	12,847	17,558
Life insurance		
Revenues	109,213	120,180
Earnings from operations	7,960	10,722
Eliminations		
Revenues	(4,993)	(4,500)
Earnings from operations before equity in earnings of subsidiaries	(548)	(558)
Consolidated Results		
Revenues	2,312,145	2,229,463
Earnings from operations	545,876	458,605

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements represent Company-owned locations only. Self-storage data for our owned locations follows:

	Six Months Ended September 30,	
	2020	2019
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of September 30	520	471
Square footage as of September 30	43,985	39,629
Average monthly number of units occupied	360	313
Average monthly occupancy rate based on unit count	69.8%	69.0%
Average monthly square footage occupied	32,153	28,310

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2020	March 31, 2020
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 1,215,568	\$ 494,352
Reinsurance recoverables and trade receivables, net	213,397	186,672
Inventories and parts, net	100,595	101,083
Prepaid expenses	447,073	562,904
Investments, fixed maturities and marketable equities	2,495,342	2,492,738
Investments, other	425,527	360,373
Deferred policy acquisition costs, net	93,407	103,118
Other assets	71,314	71,956
Right of use assets – financing, net	970,361	1,080,353
Right of use assets - operating	101,946	106,631
Related party assets	32,397	34,784
	<u>6,166,927</u>	<u>5,594,964</u>
Property, plant and equipment, at cost:		
Land	1,052,205	1,032,945
Buildings and improvements	4,863,590	4,663,461
Furniture and equipment	767,290	752,363
Rental trailers and other rental equipment	531,465	511,520
Rental trucks	3,644,674	3,595,933
	<u>10,859,224</u>	<u>10,556,222</u>
Less: Accumulated depreciation	(2,902,673)	(2,713,162)
Total property, plant and equipment, net	<u>7,956,551</u>	<u>7,843,060</u>
Total assets	<u>\$ 14,123,478</u>	<u>\$ 13,438,024</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 630,666	\$ 554,353
Notes, loans and finance/capital leases payable, net	4,701,225	4,621,291
Operating lease liability	101,976	106,443
Policy benefits and losses, claims and loss expenses payable	1,015,189	997,647
Liabilities from investment contracts	1,838,280	1,802,217
Other policyholders' funds and liabilities	5,426	10,190
Deferred income	41,715	31,620
Deferred income taxes, net	1,183,370	1,093,543
Total liabilities	<u>9,517,847</u>	<u>9,217,304</u>
Common stock	10,497	10,497
Additional paid-in capital	453,819	453,819
Accumulated other comprehensive income	78,156	34,652
Retained earnings	4,740,809	4,399,402
Cost of common stock in treasury, net	(525,653)	(525,653)
Cost of preferred stock in treasury, net	(151,997)	(151,997)
Unearned employee stock ownership plan stock	-	-
Total stockholders' equity	<u>4,605,631</u>	<u>4,220,720</u>
Total liabilities and stockholders' equity	<u>\$ 14,123,478</u>	<u>\$ 13,438,024</u>

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Quarter Ended September 30,

2020 **2019**

(Unaudited)

(In thousands, except share and per share data)

Revenues:

Self-moving equipment rentals	\$	931,030	\$	804,325
Self-storage revenues		115,273		104,965
Self-moving and self-storage products and service sales		98,628		73,121
Property management fees		7,840		7,233
Life insurance premiums		31,057		32,355
Property and casualty insurance premiums		15,869		18,365
Net investment and interest income		33,333		33,098
Other revenue		91,878		76,752
Total revenues		1,324,908		1,150,214

Costs and expenses:

Operating expenses		574,083		565,413
Commission expenses		99,365		86,099
Cost of sales		60,933		43,930
Benefits and losses		45,452		45,825
Amortization of deferred policy acquisition costs		5,552		6,515
Lease expense		6,870		6,356
Depreciation, net of gains on disposals		137,438		151,553
Net (gains) losses on real estate		3,425		(217)
Total costs and expenses		933,118		905,474

Earnings from operations

Earnings from operations		391,790		244,740
Other components of net periodic benefit costs		(246)		(264)
Interest expense		(40,525)		(39,122)
Pretax earnings		351,019		205,354
Income tax expense		(84,654)		(49,028)
Earnings available to common shareholders	\$	266,365	\$	156,326
Basic and diluted earnings per common share	\$	13.58	\$	7.97
Weighted average common shares outstanding: Basic and diluted		19,607,788		19,602,566

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Six Months Ended September 30,

2020 **2019**

(Unaudited)

(In thousands, except share and per share data)

Revenues:			
Self-moving equipment rentals	\$	1,585,315	\$ 1,552,921
Self-storage revenues		224,228	203,239
Self-moving and self-storage products and service sales		189,978	153,147
Property management fees		15,187	14,389
Life insurance premiums		61,965	65,065
Property and casualty insurance premiums		29,603	31,789
Net investment and interest income		50,315	68,847
Other revenue		155,554	140,066
Total revenues		2,312,145	2,229,463
Costs and expenses:			
Operating expenses		1,066,745	1,099,885
Commission expenses		168,540	166,998
Cost of sales		113,764	92,859
Benefits and losses		85,029	94,831
Amortization of deferred policy acquisition costs		12,440	12,579
Lease expense		13,473	13,392
Depreciation, net of gains on disposals		303,109	292,153
Net (gains) losses on real estate		3,169	(1,839)
Total costs and expenses		1,766,269	1,770,858
Earnings from operations		545,876	458,605
Other components of net periodic benefit costs		(493)	(527)
Interest expense		(80,046)	(78,010)
Pretax earnings		465,337	380,068
Income tax expense		(111,246)	(91,320)
Earnings available to common shareholders	\$	354,091	288,748
Basic and diluted earnings per common share	\$	18.06	14.73
Weighted average common shares outstanding: Basic and diluted		19,607,788	19,600,211

NON-GAAP FINANCIAL RECONCILIATION SCHEDULE

As of April 1, 2019, we adopted the new accounting standard for leases. Part of this adoption resulted in approximately \$1 billion of property, plant and equipment, net (“PPE”) being reclassified to Right of use assets - financing, net (“ROU-financing”). As of September 30, 2020, the balance of ROU-financing also includes the rental equipment purchased under new financing liability leases during the first six months of fiscal 2021. The table below shows adjusted PPE as of September 30, 2020 and March 31, 2020, by including the ROU-financing. The assets included in the ROU-financing is not a true book value as some of the assets are recorded at between 70% and 100% of value based on the lease agreement.

	<u>September 30, 2020</u>	<u>ROU Assets Financing</u> (Unaudited)	<u>September 30, 2020</u>	<u>March 31, 2020</u>
			<u>Property, Plant and Equipment Adjusted</u>	<u>Property, Plant and Equipment Adjusted</u>
		(In thousands)		
Property, plant and equipment, at cost				
Land	\$ 1,052,205	\$ -	\$ 1,052,205	\$ 1,032,945
Buildings and improvements	4,863,590	-	4,863,590	4,663,461
Furniture and equipment	767,290	20,965	788,255	773,476
Rental trailers and other rental equipment	531,465	115,875	647,340	627,592
Rental trucks	<u>3,644,674</u>	<u>1,637,456</u>	<u>5,282,130</u>	<u>5,334,014</u>
Right-of-use assets, gross	10,859,224	1,774,296	12,633,520	12,431,488
Less: Accumulated depreciation	<u>(2,902,673)</u>	<u>(803,935)</u>	<u>(3,706,608)</u>	<u>(3,508,075)</u>
Total property, plant and equipment, net	<u>\$ 7,956,551</u>	<u>\$ 970,361</u>	<u>\$ 8,926,912</u>	<u>\$ 8,923,413</u>

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