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AMERCO REPORTS FIRST QUARTER FISCAL 2021 FINANCIAL RESULTS

RENO, Nev. (August 5, 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 common shareholders for its first quarter ended June 30, 2020, of \$87.7 million, or \$4.47 per share, compared with net earnings of \$132.4 million, or \$6.76 per share, for the same period last year.

“Customer demand for U-Haul products and services has rebounded as society learns to cope with the effects of COVID-19,” stated Joe Shoen, chairman of AMERCO. “As essential critical workers, the U-Haul team has stood tall and come through for the customer.”

Highlights of First Quarter Fiscal 2021 Results

- Self-moving equipment rental revenues decreased \$94.3 million, or 12.6% for the first quarter of fiscal 2021 compared with the first quarter of fiscal 2020. Either through force of government or personal caution, self-moving rental activity decreased as a result of COVID-19 during the first quarter of fiscal 2021. The decline in equipment rental revenues, as compared to the same period the previous year, did improve throughout the quarter. April, May and June revenues were down approximately 30%, 8% and 4%, 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 \$10.7 million, or 10.9% for the first quarter of fiscal 2021 compared with the first quarter of fiscal 2020. The average number of units occupied during the quarter increased by 15%, or 44,000 compared to the same quarter 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 have added approximately 5.2 million net rentable square feet to the self-storage portfolio with approximately 1.3 million square feet of that coming online during the first quarter.
- Sales of self-moving and self-storage products and services increased \$11.3 million, or 14.2% compared with the first quarter of fiscal 2020 due to increased sales of hitches, moving supplies and propane.
- For the first quarter of fiscal 2021 compared with the first quarter of fiscal 2020, depreciation, net of gains on sales increased \$25.1 million. Depreciation expense on the rental equipment fleet increased \$2.5 million to \$124.9 million. Net gains on the sales of rental trucks decreased \$15.6 million from a reduction in auction activity due to COVID-19. All other depreciation increased \$7.0 million to \$41.9 million from the increase in new moving and storage locations. Net gains on disposal of real estate decreased \$1.4 million from the condemnation of a property in the first quarter of fiscal 2020.

- For the first quarter of fiscal 2021 compared with the first quarter of fiscal 2020 gross truck and trailer capital expenditures were approximately \$123 million compared with approximately \$561 million. Proceeds from sales of rental equipment were \$74 million compared with \$158 million. Spending on real estate related acquisitions and development were approximately \$103 million compared with \$218 million, respectively. We will continue to calibrate our capital spending based in part upon the evolving effects of COVID-19.
- Fleet maintenance and repair costs decreased \$27.8 million in the first quarter of fiscal 2021 compared with the same period last year.
- Operating earnings at our Moving and Storage operating segment decreased \$50.2 million compared with the same period last year. Total revenues decreased \$74.1 million and total costs and expenses decreased \$23.9 million.
- Cash and credit availability at the Moving and Storage segment was \$840.9 million at June 30, 2020 compared with \$498.1 million at March 31, 2020.
- We are holding our 14th Annual Virtual Analyst and Investor meeting on Thursday, August 20, 2020 at 11:00 a.m. Arizona Time (2:00 p.m. Eastern). This is an opportunity to interact directly with Company representatives through a live video webcast on amerco.com. A brief presentation by the Company will be followed by a question and answer session.

AMERCO will hold its investor call for the first quarter of fiscal 2021 on Thursday, August 6, 2020, at 8 a.m. Arizona Time (11 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 June 30, 2020, which is on file with the SEC.

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Report on Business Operations

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

	Quarter Ended June 30,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 654,285	\$ 748,596
Self-storage revenues	108,955	98,274
Self-moving and self-storage product and service sales	91,350	80,026
Property management fees	7,347	7,156
Life insurance premiums	30,908	32,710
Property and casualty insurance premiums	13,734	13,424
Net investment and interest income	16,982	35,749
Other revenue	63,676	63,314
Consolidated revenue	<u>\$ 987,237</u>	<u>\$ 1,079,249</u>

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

	Quarter Ended June 30,	
	2020	2019
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 926,300	\$ 1,000,398
Earnings from operations before equity in earnings of subsidiaries	151,661	201,896
Property and casualty insurance		
Revenues	13,634	20,305
Earnings from operations	778	8,466
Life insurance		
Revenues	49,653	60,321
Earnings from operations	1,920	3,781
Eliminations		
Revenues	(2,350)	(1,775)
Earnings from operations before equity in earnings of subsidiaries	(273)	(278)
Consolidated Results		
Revenues	987,237	1,079,249
Earnings from operations	154,086	213,865

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 June 30,	
	2020	2019
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of June 30	516	452
Square footage as of June 30	43,393	38,175
Average monthly number of units occupied	347	302
Average monthly occupancy rate based on unit count	67.6%	68.4%
Average monthly square footage occupied	31,010	27,421

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2020	March 31, 2020
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 825,074	\$ 494,352
Reinsurance recoverables and trade receivables, net	208,371	186,672
Inventories and parts, net	100,835	101,083
Prepaid expenses	585,879	562,904
Investments, fixed maturities and marketable equities	2,393,522	2,492,738
Investments, other	395,123	360,373
Deferred policy acquisition costs, net	117,123	103,118
Other assets	70,415	71,956
Right of use assets – financing, net	1,026,928	1,080,353
Right of use assets - operating	106,682	106,631
Related party assets	9,406	34,784
	<u>5,839,358</u>	<u>5,594,964</u>
Property, plant and equipment, at cost:		
Land	1,043,952	1,032,945
Buildings and improvements	4,752,816	4,663,461
Furniture and equipment	754,641	752,363
Rental trailers and other rental equipment	513,623	511,520
Rental trucks	3,619,718	3,595,933
	<u>10,684,750</u>	<u>10,556,222</u>
Less: Accumulated depreciation	<u>(2,811,749)</u>	<u>(2,713,162)</u>
Total property, plant and equipment, net	<u>7,873,001</u>	<u>7,843,060</u>
Total assets	<u>\$ 13,712,359</u>	<u>\$ 13,438,024</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 582,356	\$ 554,353
Notes, loans and finance/capital leases payable, net	4,777,963	4,621,291
Operating lease liability	106,614	106,443
Policy benefits and losses, claims and loss expenses payable	998,762	997,647
Liabilities from investment contracts	1,833,617	1,802,217
Other policyholders' funds and liabilities	6,764	10,190
Deferred income	42,789	31,620
Deferred income taxes, net	1,106,312	1,093,543
Total liabilities	<u>9,455,177</u>	<u>9,217,304</u>
Common stock	10,497	10,497
Additional paid-in capital	453,819	453,819
Accumulated other comprehensive income (loss)	(13,732)	34,652
Retained earnings	4,484,248	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	<u>-</u>	<u>-</u>
Total stockholders' equity	<u>4,257,182</u>	<u>4,220,720</u>
Total liabilities and stockholders' equity	<u>\$ 13,712,359</u>	<u>\$ 13,438,024</u>

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended June 30,	
	2020	2019
	(Unaudited)	
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 654,285	\$ 748,596
Self-storage revenues	108,955	98,274
Self-moving and self-storage products and service sales	91,350	80,026
Property management fees	7,347	7,156
Life insurance premiums	30,908	32,710
Property and casualty insurance premiums	13,734	13,424
Net investment and interest income	16,982	35,749
Other revenue	63,676	63,314
Total revenues	987,237	1,079,249
Costs and expenses:		
Operating expenses	492,662	534,472
Commission expenses	69,175	80,899
Cost of sales	52,831	48,929
Benefits and losses	39,577	49,006
Amortization of deferred policy acquisition costs	6,888	6,064
Lease expense	6,603	7,036
Depreciation, net of gains on disposals	165,671	140,600
Net gains on disposal of real estate	(256)	(1,622)
Total costs and expenses	833,151	865,384
Earnings from operations	154,086	213,865
Other components of net periodic benefit costs	(247)	(263)
Interest expense	(39,521)	(38,888)
Pretax earnings	114,318	174,714
Income tax expense	(26,592)	(42,292)
Earnings available to common stockholders	\$ 87,726	\$ 132,422
Basic and diluted earnings per common stock	\$ 4.47	\$ 6.76
Weighted average common stock outstanding: Basic and diluted	19,607,788	19,597,697

NON-GAAP DISCLOSURE

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 June 30, 2020, the balance of ROU-financing also includes the rental equipment purchased under new financing liability leases during the first quarter. The table below shows adjusted PPE as of June 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.

	June 30, 2020	ROU Assets Financing	June 30, 2020	March 31, 2020
		(Unaudited)	Property, Plant and Equipment Adjusted	Property, Plant and Equipment Adjusted
		(In thousands)		
Property, plant and equipment, at cost				
Land	\$ 1,043,952	\$ -	\$ 1,043,952	\$ 1,032,945
Buildings and improvements	4,752,816	-	4,752,816	4,663,461
Furniture and equipment	754,641	21,111	775,752	773,476
Rental trailers and other rental equipment	513,623	115,967	629,590	627,592
Rental trucks	3,619,718	1,697,339	5,317,057	5,334,014
Right-of-use assets, gross	10,684,750	1,834,417	12,519,167	12,431,488
Less: Accumulated depreciation	(2,811,749)	(807,489)	(3,619,238)	(3,508,075)
Total property, plant and equipment, net	\$ 7,873,001	\$ 1,026,928	\$ 8,899,929	\$ 8,923,413

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