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AMERCO REPORTS SECOND QUARTER FISCAL 2020 FINANCIAL RESULTS

RENO, Nev. (November 6, 2019)--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, 2019, of \$156.3 million, or \$7.97 per share, compared with net earnings of \$163.5 million, or \$8.35 per share, for the same period last year.

For the six-month period ended September 30, 2019, net earnings available to shareholders were \$288.7 million, or \$14.73 per share, compared with net earnings of \$291.4 million, or \$14.87 per share, for the same period last year.

“We continued to fill self-storage rooms during the quarter while also adding new locations to the portfolio,” stated Joe Shoen, chairman of AMERCO. “Growth in the fleet has led to additional depreciation and maintenance costs. We have not realized the truck and trailer revenue we expected from this investment. I am working to resolve this, but improvement will likely come slowly.”

Highlights of Second Quarter Fiscal 2020 Results

- Self-moving equipment rental revenues increased \$22.6 million or 3% during the second quarter of fiscal 2020, compared with the second quarter of fiscal 2019 from improvements in both One-way and in-town markets. Compared with the same period last year, we increased the number of Company-owned locations, along with trucks, trailers and towing devices in the rental fleet.
- Self-storage revenues increased \$13.5 million during the second quarter of fiscal 2020, compared with the second quarter of fiscal 2019. The average monthly amount of occupied units increased by 17%, or 47,000 units during the second quarter of fiscal 2020 compared with the same period last year. The growth in revenues comes from a combination of occupancy gains at existing locations and the addition of new facilities to the portfolio. Over the last twelve months, we have added approximately 6.1 million net rentable square feet, or an 18% increase to our owned self-storage portfolio with 1.5 million of that coming on during the second quarter.
- For the second quarter of fiscal 2020 compared with the second quarter of fiscal 2019, depreciation, net of gains and losses on sales increased \$18.9 million. Depreciation expense on the rental equipment fleet increased \$17.1 million primarily due to a larger fleet while gains on the sales of rental trucks increased \$6.0 million. All other depreciation increased \$7.8 million from the increase in new moving and storage locations.
- For the first six months of fiscal 2020 and fiscal 2019 gross truck and trailer capital expenditures were approximately \$1,037 million compared with \$787 million, proceeds from the sales of rental equipment were \$397 million compared with \$428 million and spending on real estate related acquisitions and projects were approximately \$423 million compared with \$481 million.

- Fleet maintenance and repair costs increased \$3.9 million in the second quarter of fiscal 2020 compared with the same period last year.
- Operating earnings at our Moving and Storage operating segment decreased \$6.9 million in the second quarter of fiscal 2020 compared with the same period last year. Total revenues climbed \$42.6 million and total costs and expenses increased \$49.5 million.
- Cash and credit availability at the Moving and Storage operating segment was \$559.0 million at September 30, 2019 compared with \$724.5 million at March 31, 2019.
- On August 22, 2019, we declared a cash dividend on our Common Stock of \$0.50 per share to holders of record on September 9, 2019. The dividend was paid on September 23, 2019.

AMERCO will hold its investor call for the second quarter of fiscal 2020 on Thursday, November 7, 2019, 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, 2019, 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 2020 and 2019.

	Quarter Ended September 30,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 804,325	\$ 781,713
Self-storage revenues	104,965	91,493
Self-moving and self-storage product and service sales	73,121	72,913
Property management fees	7,233	7,192
Life insurance premiums	32,355	35,920
Property and casualty insurance premiums	18,365	16,283
Net investment and interest income	33,098	28,227
Other revenue	76,752	70,766
Consolidated revenue	<u>\$ 1,150,214</u>	<u>\$ 1,104,507</u>

Listed below are revenues and earnings from operations at each of our operating segments for the second quarter of fiscal 2020 and 2019.

	Quarter Ended September 30,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 1,069,552	\$ 1,026,934
Earnings from operations before equity in earnings of subsidiaries	228,987	235,874
Property and casualty insurance		
Revenues	23,528	20,522
Earnings from operations	9,092	7,859
Life insurance		
Revenues	59,859	59,612
Earnings from operations	6,941	7,502
Eliminations		
Revenues	(2,725)	(2,561)
Earnings from operations before equity in earnings of subsidiaries	(280)	(291)
Consolidated Results		
Revenues	1,150,214	1,104,507
Earnings from operations	244,740	250,944

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,	
	2019	2018
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of September 30	471	398
Square footage as of September 30	39,629	33,553
Average monthly number of units occupied	323	276
Average monthly occupancy rate based on unit count	69.5%	70.6%
Average monthly square footage occupied	29,200	24,867

Listed below on a consolidated basis are revenues for our major product lines for the first six months of fiscal 2020 and 2019.

	Six Months Ended September 30,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 1,552,921	\$ 1,498,315
Self-storage revenues	203,239	177,705
Self-moving and self-storage product and service sales	153,147	152,154
Property management fees	14,389	14,608
Life insurance premiums	65,065	72,808
Property and casualty insurance premiums	31,789	29,064
Net investment and interest income	68,847	52,832
Other revenue	140,066	126,598
Consolidated revenue	<u>\$ 2,229,463</u>	<u>\$ 2,124,084</u>

Listed below are revenues and earnings from operations at each of our operating segments for the first six months of fiscal 2020 and 2019.

	Six Months Ended September 30,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	2,069,950	1,974,819
Earnings from operations before equity in earnings of subsidiaries	430,883	436,269
Property and casualty insurance		
Revenues	43,833	36,411
Earnings from operations	17,558	10,572
Life insurance		
Revenues	120,180	117,475
Earnings from operations	10,722	9,383
Eliminations		
Revenues	(4,500)	(4,621)
Earnings from operations before equity in earnings of subsidiaries	(558)	(576)
Consolidated Results		
Revenues	2,229,463	2,124,084
Earnings from operations	458,605	455,648

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,	
	2019	2018
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of September 30	471	398
Square footage as of September 30	39,629	33,553
Average monthly number of units occupied	313	269
Average monthly occupancy rate based on unit count	69.0%	70.1%
Average monthly square footage occupied	28,310	24,266

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30,	March 31,
	2019	2019
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 525,231	\$ 673,701
Reinsurance recoverables and trade receivables, net	222,481	224,785
Inventories and parts, net	102,357	103,504
Prepaid expenses	194,250	174,100
Investments, fixed maturities and marketable equities	2,413,350	2,235,397
Investments, other	320,992	300,736
Deferred policy acquisition costs, net	111,708	136,276
Other assets	72,432	78,354
Right of use assets – financing, net	1,185,629	-
Right of use assets – operating	105,298	-
Related party assets	12,902	30,889
	<u>5,266,630</u>	<u>3,957,742</u>
Property, plant and equipment, at cost:		
Land	1,016,918	976,454
Buildings and improvements	4,371,637	4,003,726
Furniture and equipment	716,287	689,780
Rental trailers and other rental equipment	495,264	590,039
Rental trucks	3,560,034	4,762,028
	<u>10,160,140</u>	<u>11,022,027</u>
Less: Accumulated depreciation	(2,570,568)	(3,088,056)
Total property, plant and equipment	<u>7,589,572</u>	<u>7,933,971</u>
Total assets	<u>\$ 12,856,202</u>	<u>\$ 11,891,713</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 546,260	\$ 556,873
Notes, loans and leases payable, net	4,497,912	4,163,323
Operating lease liability	104,832	-
Policy benefits and losses, claims and loss expenses payable	1,022,134	1,011,183
Liabilities from investment contracts	1,720,995	1,666,742
Other policyholders' funds and liabilities	10,911	15,047
Deferred income	35,926	35,186
Deferred income taxes, net	859,164	750,970
Total liabilities	<u>8,798,134</u>	<u>8,199,324</u>
Common stock	10,497	10,497
Additional paid-in capital	453,761	453,326
Accumulated other comprehensive income (loss)	17,151	(66,698)
Retained earnings	4,255,906	3,976,962
Cost of common shares in treasury, net	(525,653)	(525,653)
Cost of preferred shares in treasury, net	(151,997)	(151,997)
Unearned employee stock ownership plan shares	(1,597)	(4,048)
Total stockholders' equity	<u>4,058,068</u>	<u>3,692,389</u>
Total liabilities and stockholders' equity	<u>\$ 12,856,202</u>	<u>11,891,713</u>

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Quarter Ended September 30,

2019 **2018**

(Unaudited)

(In thousands, except share and per share data)

Revenues:			
Self-moving equipment rentals	\$	804,325	\$ 781,713
Self-storage revenues		104,965	91,493
Self-moving and self-storage products and service sales		73,121	72,913
Property management fees		7,233	7,192
Life insurance premiums		32,355	35,920
Property and casualty insurance premiums		18,365	16,283
Net investment and interest income		33,098	28,227
Other revenue		76,752	70,766
Total revenues		1,150,214	1,104,507
Costs and expenses:			
Operating expenses		565,413	529,350
Commission expenses		86,099	85,334
Cost of sales		43,930	46,402
Benefits and losses		45,825	45,773
Amortization of deferred policy acquisition costs		6,515	5,899
Lease expense		6,356	8,170
Depreciation, net of gains on disposals		151,553	132,625
Net (gains) losses on real estate		(217)	10
Total costs and expenses		905,474	853,563
Earnings from operations		244,740	250,944
Other components of net periodic benefit costs		(264)	(254)
Interest expense		(39,122)	(35,030)
Pretax earnings		205,354	215,660
Income tax expense		(49,028)	(52,118)
Earnings available to common shareholders	\$	156,326	\$ 163,542
Basic and diluted earnings per common share	\$	7.97	\$ 8.35
Weighted average common shares outstanding: Basic and diluted		19,602,566	19,591,312

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, 2019, the balance of ROU-Financing also included the rental equipment purchased under new financing liability leases during the first six months of fiscal 2020. The table below shows adjusted property, plant and equipment, net as of September 30, 2019, by including the ROU-Financing to help compare our PPE assets with our March 2019 fiscal year end. The assets included in ROU-Financing are 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, 2019</u>	<u>ROU Assets Financing</u> (Unaudited)	<u>September 30, 2019</u> <u>Property, Plant and Equipment Adjusted</u>	<u>March 31, 2019</u>
		(In thousands)		
Property, plant and equipment, at cost				
Land	\$ 1,016,918	\$ -	\$ 1,016,918	\$ 976,454
Buildings and improvements	4,371,637	-	4,371,637	4,003,726
Furniture and equipment	716,287	27,414	743,701	689,780
Rental trailers and other rental equipment	495,264	125,747	621,011	590,039
Rental trucks	<u>3,560,034</u>	<u>1,759,118</u>	<u>5,319,152</u>	<u>4,762,028</u>
Right-of-use assets, gross	10,160,140	1,912,279	12,072,419	11,022,027
Less: Accumulated depreciation	<u>(2,570,568)</u>	<u>(726,650)</u>	<u>(3,297,218)</u>	<u>(3,088,056)</u>
Total property, plant and equipment, net	<u>\$ 7,589,572</u>	<u>\$ 1,185,629</u>	<u>\$ 8,775,201</u>	<u>\$ 7,933,971</u>

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