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AMERCO REPORTS THIRD QUARTER FISCAL 2018 FINANCIAL RESULTS

RENO, Nev. (February 7, 2018)--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 third quarter ended December 31, 2017, of \$528.9 million, or \$27.00 per share, compared with net earnings of \$65.2 million, or \$3.33 per share, for the same period last year. Included in the results for the quarter ended December 31, 2017 was a \$17.32 per share, or \$339.2 million benefit resulting from the Tax Reform Act and an additional after-tax benefit of \$7.34 per share or \$143.8 million resulting from the sale of a portion of our Chelsea, NY property. Excluding these items, adjusted earnings were \$2.34 per share for the quarter ended December 31, 2017.

For the nine-month period ended December 31, 2017, net earnings available to shareholders were \$779.7 million, or \$39.81 per share, compared with net earnings of \$388.9 million, or \$19.85 per share, for the same period last year. Included in the results for the nine-month period ended December 31, 2017, was a \$17.32 per share, or \$339.2 million benefit resulting from the Tax Reform Act and an additional after-tax benefit of \$7.34 per share or \$143.8 million resulting from the sale of a portion of our Chelsea, NY property. Excluding these items, adjusted earnings were \$15.15 per share for the nine-month period ended December 31, 2017. Included in the results for the nine-month period ended December 31, 2016, was an after tax benefit of \$0.79 per share associated with our settlement of the PEI litigation that resulted in a reduction in operating expenses of \$24.6 million. Excluding this after tax benefit, adjusted earnings were \$19.06 per share for the nine-month period ended December 31, 2016.

“Tax reform is a real benefit. While accounting rules required us to recognize a large book gain in the quarter, significant cash flow benefits will accrue to us over time,” stated Joe Shoen, chairman of AMERCO. “We have already been investing savings from bonus tax depreciation back into increased rental equipment. The new depreciation rules will allow us to accelerate investments in the future. The tax rate changes allow U-Haul to invest still more in our people and in facility and equipment upgrades. I was pleased with the growth in both equipment and self-storage revenues. We are still challenged to better manage the sales of our pickups and cargo vans.”

Highlights of Third Quarter Fiscal 2018 Results

- The recently enacted Tax Reform Act resulted in a net benefit to the Company of \$339.2 million. This is a combination of a \$349.2 million benefit resulting from the application of the new 21% federal income tax rate in our deferred tax liability calculation, partially offset by a \$10.0 million charge from the deemed repatriation of foreign earnings from our Canadian subsidiaries. Excluding the net benefits resulting from the initial application of the new laws we expect our blended GAAP effective tax rate for the twelve months of fiscal 2018 will be approximately 34.3% and 24.3% for fiscal 2019.

- Self-moving equipment rental revenues increased \$33.3 million or 6.2% during the third quarter of fiscal 2018, compared with the third quarter of fiscal 2017. The revenue improvement was primarily transaction driven and came from our truck and trailer rental fleets. Transaction and revenue increases were recognized in both the one-way and in-town markets. We increased the number of trucks, trailers, towing devices, independent dealers and Company-owned locations compared with the same period last year.
- Self-storage revenues increased \$9.8 million during the third quarter of fiscal 2018, compared with the third quarter of fiscal 2017. The average monthly amount of occupied square feet increased by 9.2% during the third quarter of fiscal 2018 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved occupancy at existing locations as well as the addition of new facilities to the portfolio. Over the last twelve months, we have added approximately 3.5 million net rentable square feet or a 13.2% increase to our owned self-storage portfolio with approximately 0.7 million of that coming on during the third quarter.
- Depreciation, net of gains and losses on sales increased \$18.5 million. Depreciation on the rental equipment fleet increased \$17.9 million primarily due to a larger fleet. Gains on the sales of rental trucks increased \$2.1 million due to higher unit sales partially offset by lower gains per unit. All other depreciation increased \$2.7 million from the increase in new moving and storage locations.
- Net gains on the sale of real estate increased \$190.0 million. The increase was caused by the sale of a portion of our Chelsea, NY property which resulted in a pre-tax gain of \$190.7 million.
- Fleet maintenance and repair costs increased \$32.3 million in the third quarter of fiscal 2018 compared with the same period last year. Higher repair and maintenance spending was primarily associated with the portion of the fleet nearing resale.
- Operating earnings at our Moving and Storage operating segment, excluding the gain on the Chelsea property, decreased \$23.5 million in the third quarter of fiscal 2018 compared with the same period last year. Total revenues climbed \$48.5 million and total costs and expenses excluding the gain on the Chelsea property increased \$72.0 million.
- For the first nine months of fiscal 2018 compared with the first nine months of fiscal 2017 gross truck and trailer capital expenditures were \$788 million and \$870 million, for the first nine months of fiscal 2018 compared with the first nine months of fiscal 2017 proceeds from sales of rental equipment were \$389 million compared with \$403 million and spending on real estate related acquisitions and projects were \$400 million compared with \$378 million.
- Cash and credit availability at the Moving and Storage operating segment was \$1,141.3 million at December 31, 2017 compared with \$804.7 million at March 31, 2017.
- On December 6, 2017, the Board declared a cash dividend on our Common Stock of \$0.50 per share to holders of record on December 21, 2017. The dividend was paid on January 5, 2018.

AMERCO will hold its investor call for the third quarter of fiscal 2018 on Thursday, February 8, 2018, 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 December 31, 2017, 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 third quarter of fiscal 2018 and 2017.

	Quarter Ended December 31,	
	2017	2016
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 574,801	\$ 541,473
Self-storage revenues	82,127	72,309
Self-moving and self-storage product and service sales	53,130	51,562
Property management fees	9,881	9,734
Life insurance premiums	38,957	41,279
Property and casualty insurance premiums	16,093	14,938
Net investment and interest income	28,821	22,833
Other revenue	39,072	36,327
Consolidated revenue	<u>\$ 842,882</u>	<u>\$ 790,455</u>

Listed below are revenues and earnings from operations at each of our operating segments for the third quarter of fiscal 2018 and 2017.

	Quarter Ended December 31,	
	2017	2016
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 762,487	\$ 713,984
Earnings from operations before equity in earnings of subsidiaries	285,456	118,253
Property and casualty insurance		
Revenues	20,399	18,381
Earnings from operations	7,595	7,219
Life insurance		
Revenues	62,379	59,694
Earnings from operations	10,382	6,872
Eliminations		
Revenues	(2,383)	(1,604)
Earnings from operations before equity in earnings of subsidiaries	(296)	(363)
Consolidated Results		
Revenues	842,882	790,455
Earnings from operations	303,137	131,981

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 December 31,	
	2017	2016
	(In thousands, except occupancy rate)	
Room count as of December 31	352	305
Square footage as of December 31	29,780	26,310
Average monthly number of rooms occupied	247	227
Average monthly occupancy rate based on room count	70.9%	75.1%
Average monthly square footage occupied	22,401	20,515

Listed below on a consolidated basis are revenues for our major product lines for the first nine months of fiscal 2018 and 2017.

	Nine Months Ended December 31,	
	2017	2016
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 1,985,217	\$ 1,899,519
Self-storage revenues	239,317	212,194
Self-moving and self-storage product and service sales	205,309	199,195
Property management fees	23,474	23,050
Life insurance premiums	116,910	123,064
Property and casualty insurance premiums	42,934	40,202
Net investment and interest income	82,507	75,754
Other revenue	147,825	139,353
Consolidated revenue	<u>\$ 2,843,493</u>	<u>\$ 2,712,331</u>

Listed below are revenues and earnings from operations at each of our operating segments for the first nine months of fiscal 2018 and 2017.

	Nine Months Ended December 31,	
	2017	2016
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 2,610,222	\$ 2,480,215
Earnings from operations before equity in earnings of subsidiaries	722,894	659,918
Property and casualty insurance		
Revenues	55,704	53,153
Earnings from operations	19,118	21,816
Life insurance		
Revenues	183,465	183,450
Earnings from operations	20,536	17,886
Eliminations		
Revenues	(5,898)	(4,487)
Earnings from operations before equity in earnings of subsidiaries	(999)	(1,102)
Consolidated Results		
Revenues	2,843,493	2,712,331
Earnings from operations	761,549	698,518

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:

	Nine Months Ended December 31,	
	2017	2016
	(In thousands, except occupancy rate)	
Room count as of December 31	352	305
Square footage as of December 31	29,780	26,310
Average monthly number of rooms occupied	245	226
Average monthly occupancy rate based on room count	72.6%	77.1%
Average monthly square footage occupied	22,064	20,343

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31,	March 31,
	2017	2017
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 1,022,887	\$ 697,806
Reinsurance recoverables and trade receivables, net	205,873	178,081
Inventories, net	95,672	82,439
Prepaid expenses	147,375	124,728
Investments, fixed maturities and marketable equities	1,868,314	1,663,768
Investments, other	407,822	367,830
Deferred policy acquisition costs, net	124,820	130,213
Other assets	93,608	97,525
Related party assets	42,909	86,168
	<u>4,009,280</u>	<u>3,428,558</u>
Property, plant and equipment, at cost:		
Land	738,525	648,757
Buildings and improvements	3,000,208	2,618,265
Furniture and equipment	600,216	510,415
Rental trailers and other rental equipment	538,334	492,280
Rental trucks	4,243,305	4,091,598
	<u>9,120,588</u>	<u>8,361,315</u>
Less: Accumulated depreciation	(2,632,909)	(2,384,033)
Total property, plant and equipment	<u>6,487,679</u>	<u>5,977,282</u>
Total assets	<u>\$ 10,496,959</u>	<u>\$ 9,405,840</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 469,955	\$ 450,541
Notes, loans and leases payable	3,493,908	3,262,880
Policy benefits and losses, claims and loss expenses payable	1,090,206	1,086,322
Liabilities from investment contracts	1,319,945	1,112,498
Other policyholders' funds and liabilities	10,739	10,150
Deferred income	27,491	28,696
Deferred income taxes	671,548	835,009
Total liabilities	<u>7,083,792</u>	<u>6,786,096</u>
Common stock	10,497	10,497
Additional paid-in capital	452,619	452,172
Accumulated other comprehensive loss	(9,911)	(51,236)
Retained earnings	3,643,253	2,892,893
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	(5,641)	(6,932)
Total stockholders' equity	<u>3,413,167</u>	<u>2,619,744</u>
Total liabilities and stockholders' equity	<u>\$ 10,496,959</u>	<u>\$ 9,405,840</u>

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended December 31,	
	2017	2016
	(Unaudited)	
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 574,801	\$ 541,473
Self-storage revenues	82,127	72,309
Self-moving and self-storage products and service sales	53,130	51,562
Property management fees	9,881	9,734
Life insurance premiums	38,957	41,279
Property and casualty insurance premiums	16,093	14,938
Net investment and interest income	28,821	22,833
Other revenue	39,072	36,327
Total revenues	842,882	790,455
Costs and expenses:		
Operating expenses	438,071	389,352
Commission expenses	63,487	61,052
Cost of sales	33,995	32,537
Benefits and losses	45,168	45,403
Amortization of deferred policy acquisition costs	5,952	5,200
Lease expense	8,415	8,807
Depreciation, net of (gains) losses on disposal	137,061	118,541
Net (gains) losses on disposal of real estate	(192,404)	(2,418)
Total costs and expenses	539,745	658,474
Earnings from operations	303,137	131,981
Interest expense	(31,558)	(28,782)
Amortization on early extinguishment of debt	-	(499)
Pretax earnings	271,579	102,700
Income tax (expense) benefit	257,315	(37,472)
Earnings available to common shareholders	\$ 528,894	\$ 65,228
Basic and diluted earnings per common share	\$ 27.00	\$ 3.33
Weighted average common shares outstanding: Basic and diluted	19,589,218	19,586,694

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended December 31,	
	2017	2016
	(Unaudited)	
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 1,985,217	\$ 1,899,519
Self-storage revenues	239,317	212,194
Self-moving and self-storage products and service sales	205,309	199,195
Property management fees	23,474	23,050
Life insurance premiums	116,910	123,064
Property and casualty insurance premiums	42,934	40,202
Net investment and interest income	82,507	75,754
Other revenue	147,825	139,353
Total revenues	2,843,493	2,712,331
Costs and expenses:		
Operating expenses	1,347,477	1,172,647
Commission expenses	222,203	215,330
Cost of sales	124,456	116,851
Benefits and losses	139,997	139,242
Amortization of deferred policy acquisition costs	18,217	19,131
Lease expense	25,277	29,204
Depreciation, net of (gains) losses on disposal	396,540	323,785
Net (gains) losses on disposal of real estate	(192,223)	(2,377)
Total costs and expenses	2,081,944	2,013,813
Earnings from operations	761,549	698,518
Interest expense	(93,926)	(83,197)
Amortization on early extinguishment of debt	-	(499)
Pretax earnings	667,623	614,822
Income tax (expense) benefit	112,117	(225,946)
Earnings available to common shareholders	\$ 779,740	\$ 388,876
Basic and diluted earnings per common share	\$ 39.81	\$ 19.85
Weighted average common shares outstanding: Basic and diluted	19,588,558	19,586,389

Quarter Ended
December 31, 2017

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries

Earnings per common share: basic and diluted	\$	27.00
Gain on sale of Chelsea property, per common share basic and diluted		(7.34)
Earnings per common share: basic and diluted before gain on sale of Chelsea property	\$	19.66
Gain on sale of Chelsea property	\$	190,712
Income tax expense		(46,915)
Gain on sale of Chelsea property, net of taxes	\$	143,797
Gain on sale of Chelsea property, net of taxes, per common share basic and diluted	\$	7.34
Weighted average shares outstanding: basic and diluted		19,589,218

Nine Months Ended
December 31, 2017

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries

Earnings per common share: basic and diluted	\$	39.81
Gain on sale of Chelsea property, per common share basic and diluted		(7.34)
Earnings per common share: basic and diluted before gain on sale of Chelsea property	\$	32.47
Gain on sale of Chelsea property	\$	190,712
Income tax expense		(46,915)
Gain on sale of Chelsea property, net of taxes	\$	143,797
Gain on sale of Chelsea property, net of taxes, per common share basic and diluted	\$	7.34
Weighted average shares outstanding: basic and diluted		19,588,558

Quarter Ended
December 31, 2017

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries

Earnings per common share: basic and diluted	\$	27.00
Tax Reform Act adjustment, per common share basic and diluted		(17.32)
Earnings per common share: basic and diluted before Tax Reform Act adjustment	\$	9.68
Tax Reform Act adjustment	\$	339,221
Tax Reform Act adjustment, per common share basic and diluted	\$	17.32
Weighted average shares outstanding: basic and diluted		19,589,218

Nine Months Ended
December 31, 2017

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries

Earnings per common share: basic and diluted	\$	39.81
Tax Reform Act adjustment, per common share basic and diluted		(17.32)
Earnings per common share: basic and diluted before Tax Reform Act adjustment	\$	22.49
Tax Reform Act adjustment	\$	339,221
Tax Reform Act adjustment, per common share basic and diluted	\$	17.32
Weighted average shares outstanding: basic and diluted		19,588,558

Nine Months Ended
December 31, 2016

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries

Earnings per common share: basic and diluted	\$	19.85
PEI litigation accrual, net of taxes, per common share basic and diluted		(0.79)
Earnings per common share: basic and diluted before PEI litigation accrual	\$	19.06
PEI litigation accrual	\$	24,600
Income tax expense		(9,053)
PEI litigation accrual, net of taxes	\$	15,547
PEI litigation accrual, net of taxes, per common share basic and diluted	\$	0.79
Weighted average shares outstanding: basic and diluted		19,586,389

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