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AMERCO REPORTS THIRD QUARTER FISCAL 2020 FINANCIAL RESULTS

RENO, Nev. (February 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 shareholders for its third quarter ended December 31, 2019, of \$30.9 million, or \$1.58 per share, compared with net earnings of \$78.6 million, or \$4.01 per share, for the same period last year.

For the nine-month period ended December 31, 2019, net earnings available to shareholders were \$319.7 million, or \$16.31 per share, compared with net earnings of \$370.0 million, or \$18.89 per share, for the same period last year.

“We maintained our expected rate of renting new storage rooms while continuing our strategy of releasing new self-storage product in markets underserved by U-Haul,” stated Joe Shoen, chairman of AMERCO. “As I cautioned in November, I expected our business with last mile delivery companies might be flat or down. We saw a decline in this segment of the business during the quarter. Business with our core residential moving customers improved, but as I indicated last quarter, there is room for more progress.”

Highlights of Third Quarter Fiscal 2020 Results

- Self-moving equipment rental revenues decreased \$4.7 million or 1% during the third quarter of fiscal 2020, compared with the third quarter of fiscal 2019. The decline was a result of a reduction in our Corporate Account business. The third quarter of fiscal 2019 experienced a higher than usual volume of Corporate Account rentals. Outside of that portion of the business, we had revenue increases for both our In-town and one-way markets. We increased the number of retail locations, trucks, trailers and towing devices in the rental fleet compared with the same period last year.
- Self-storage revenues increased \$13.3 million during the third quarter of fiscal 2020, compared with the third quarter of fiscal 2019. The average monthly amount of occupied square feet increased by 16%, or 45,000 units, during the third 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 from 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 approximately 1.2 million of that coming on during the third quarter.

- For the third quarter of fiscal 2020 compared with the third quarter of fiscal 2019, depreciation, net of gains and losses on sales increased \$26.6 million. Depreciation expense on the rental equipment fleet increased \$16.6 million primarily due to a larger fleet, while net losses on the disposals of rental equipment increased \$2.9 million. All other depreciation increased \$7.0 million due primarily to the increase in new moving and storage locations.
- For the first nine months of fiscal 2020 and fiscal 2019 gross truck and trailer capital expenditures totaled approximately \$1,161 million compared with \$882 million, proceeds from the sales of rental equipment totaled \$591 million compared with \$559 million and spending on real estate related acquisitions and projects totaled approximately \$600 million compared with \$639 million, respectively.
- Fleet maintenance and repair costs increased \$13.6 million in the third quarter of fiscal 2020 compared with the same period last year.
- Operating earnings at our Moving and Storage operating segment decreased \$58.2 million in the third quarter of fiscal 2020 compared with the same period last year. Total revenues increased \$7.4 million and total costs and expenses increased \$65.6 million.
- Cash and credit availability at the Moving and Storage operating segment was \$659.2 million at December 31, 2019 compared with \$724.5 million at March 31, 2019.
- On December 4, 2019, we declared a cash dividend on our Common Stock of \$0.50 per share to holders of record on December 19, 2019. The dividend was paid on January 6, 2020.

AMERCO will hold its investor call for the third quarter of fiscal 2020 on Thursday, February 6, 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 December 31, 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 third quarter of fiscal 2020 and 2019.

	Quarter Ended December 31,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 621,471	\$ 626,136
Self-storage revenues	106,701	93,392
Self-moving and self-storage product and service sales	54,454	55,665
Property management fees	9,098	7,899
Life insurance premiums	31,164	34,778
Property and casualty insurance premiums	19,267	17,668
Net investment and interest income	33,782	32,211
Other revenue	51,943	51,342
Consolidated revenue	\$ 927,880	\$ 919,091

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

	Quarter Ended December 31,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 846,364	\$ 838,928
Earnings from operations before equity in earnings of subsidiaries	61,769	119,959
Property and casualty insurance		
Revenues	25,366	22,146
Earnings from operations	9,884	11,001
Life insurance		
Revenues	58,889	60,435
Earnings from operations	9,190	7,429
Eliminations		
Revenues	(2,739)	(2,418)
Earnings from operations before equity in earnings of subsidiaries	(278)	(287)
Consolidated Results		
Revenues	927,880	919,091
Earnings from operations	80,565	138,102

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,	
	2019	2018
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of December 31	487	411
Square footage as of December 31	40,835	34,693
Average monthly number of units occupied	323	277
Average monthly occupancy rate based on unit count	66.9%	68.0%
Average monthly square footage occupied	29,318	25,126

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

	Nine Months Ended December 31,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 2,174,392	\$ 2,124,451
Self-storage revenues	309,940	271,097
Self-moving and self-storage product and service sales	207,601	207,819
Property management fees	23,487	22,507
Life insurance premiums	96,229	107,586
Property and casualty insurance premiums	51,056	46,732
Net investment and interest income	102,629	85,043
Other revenue	192,009	177,940
Consolidated revenue	\$ 3,157,343	\$ 3,043,175

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

	Nine Months Ended December 31,	
	2019	2018
	(Unaudited)	
	(In thousands)	
Moving and storage		
Revenues	\$ 2,916,314	2,813,747
Earnings from operations before equity in earnings of subsidiaries	492,652	556,228
Property and casualty insurance		
Revenues	69,199	58,557
Earnings from operations	27,442	21,573
Life insurance		
Revenues	179,069	177,910
Earnings from operations	19,912	16,812
Eliminations		
Revenues	(7,239)	(7,039)
Earnings from operations before equity in earnings of subsidiaries	(836)	(863)
Consolidated Results		
Revenues	3,157,343	3,043,175
Earnings from operations	539,170	593,750

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,	
	2019	2018
	(Unaudited)	
	(In thousands, except occupancy rate)	
Unit count as of December 31	487	411
Square footage as of December 31	40,835	34,693
Average monthly number of units occupied	316	272
Average monthly occupancy rate based on unit count	68.2%	69.4%
Average monthly square footage occupied	28,646	24,553

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31,	March 31,
	2019	2019
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 631,951	\$ 673,701
Reinsurance recoverables and trade receivables, net	200,164	224,785
Inventories and parts, net	103,003	103,504
Prepaid expenses	188,780	174,100
Investments, fixed maturities and marketable equities	2,469,468	2,235,397
Investments, other	336,727	300,736
Deferred policy acquisition costs, net	106,354	136,276
Other assets	71,821	78,354
Right of use assets – financing, net	1,130,473	-
Right of use assets - operating	107,974	-
Related party assets	47,988	30,889
	<u>5,394,703</u>	<u>3,957,742</u>
Property, plant and equipment, at cost:		
Land	1,018,010	976,454
Buildings and improvements	4,522,855	4,003,726
Furniture and equipment	733,063	689,780
Rental trailers and other rental equipment	511,872	590,039
Rental trucks	3,454,759	4,762,028
	<u>10,240,559</u>	<u>11,022,027</u>
Less: Accumulated depreciation	(2,640,940)	(3,088,056)
Total property, plant and equipment, net	<u>7,599,619</u>	<u>7,933,971</u>
Total assets	<u>\$ 12,994,322</u>	<u>\$ 11,891,713</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 551,770	\$ 556,873
Notes, loans and finance/capital leases payable, net	4,548,609	4,163,323
Operating lease liability	107,581	-
Policy benefits and losses, claims and loss expenses payable	1,015,663	1,011,183
Liabilities from investment contracts	1,753,428	1,666,742
Other policyholders' funds and liabilities	12,924	15,047
Deferred income	31,459	35,186
Deferred income taxes, net	869,671	750,970
Total liabilities	<u>8,891,105</u>	<u>8,199,324</u>
Common stock	10,497	10,497
Additional paid-in capital	453,819	453,326
Accumulated other comprehensive income (loss)	39,517	(66,698)
Retained earnings	4,277,034	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	-	(4,048)
Total stockholders' equity	<u>4,103,217</u>	<u>3,692,389</u>
Total liabilities and stockholders' equity	<u>\$ 12,994,322</u>	<u>\$ 11,891,713</u>

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended December 31,	
	2019	2018
	(Unaudited)	
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 621,471	\$ 626,136
Self-storage revenues	106,701	93,392
Self-moving and self-storage products and service sales	54,454	55,665
Property management fees	9,098	7,899
Life insurance premiums	31,164	34,778
Property and casualty insurance premiums	19,267	17,668
Net investment and interest income	33,782	32,211
Other revenue	51,943	51,342
Total revenues	927,880	919,091
Costs and expenses:		
Operating expenses	517,453	478,461
Commission expenses	66,542	67,493
Cost of sales	35,318	34,149
Benefits and losses	42,864	42,869
Amortization of deferred policy acquisition costs	8,046	6,654
Lease expense	6,490	7,890
Depreciation, net of (gains)/losses on disposal	170,074	143,473
Net losses on disposal of real estate	528	-
Total costs and expenses	847,315	780,989
Earnings from operations	80,565	138,102
Other components of net periodic benefit costs	(263)	(253)
Interest expense	(39,973)	(34,827)
Pretax earnings	40,329	103,022
Income tax expense	(9,397)	(24,387)
Earnings available to common shareholders	\$ 30,932	\$ 78,635
Basic and diluted earnings per common share	\$ 1.58	\$ 4.01
Weighted average common shares outstanding: Basic and diluted	19,607,788	19,591,963

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended December 31,	
	2019	2018
	(Unaudited)	
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 2,174,392	\$ 2,124,451
Self-storage revenues	309,940	271,097
Self-moving and self-storage products and service sales	207,601	207,819
Property management fees	23,487	22,507
Life insurance premiums	96,229	107,586
Property and casualty insurance premiums	51,056	46,732
Net investment and interest income	102,629	85,043
Other revenue	192,009	177,940
Total revenues	3,157,343	3,043,175
Costs and expenses:		
Operating expenses	1,617,338	1,504,365
Commission expenses	233,540	232,084
Cost of sales	128,177	130,432
Benefits and losses	137,695	137,196
Amortization of deferred policy acquisition costs	20,625	18,584
Lease expense	19,882	24,229
Depreciation, net of gains on disposal	462,227	402,525
Net (gains) losses on disposal of real estate	(1,311)	10
Total costs and expenses	2,618,173	2,449,425
Earnings from operations	539,170	593,750
Other components of net periodic benefit costs	(790)	(760)
Interest expense	(117,983)	(105,111)
Pretax earnings	420,397	487,879
Income tax expense	(100,717)	(117,853)
Earnings available to common shareholders	\$ 319,680	\$ 370,026
Basic and diluted earnings per common share	\$ 16.31	\$ 18.89
Weighted average common shares outstanding: Basic and diluted	19,602,484	19,591,282

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 December 31, 2019, the balance of ROU-Financing also included the rental equipment purchased under new financing liability leases during the first nine months of fiscal 2020. The table below shows adjusted property, plant and equipment, net as of December 31, 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.

	December 31, 2019	ROU Assets Financing (Unaudited)	December 31, 2019 Property, Plant and Equipment Adjusted	March 31, 2019
(In thousands)				
Property, plant and equipment, at cost				
Land	\$ 1,018,010	\$ -	\$ 1,018,010	\$ 976,454
Buildings and improvements	4,522,855	-	4,522,855	4,003,726
Furniture and equipment	733,063	27,309	760,372	689,780
Rental trailers and other rental equipment	511,872	117,987	629,859	590,039
Rental trucks	3,454,759	1,746,036	5,200,795	4,762,028
Right-of-use assets, gross	10,240,559	1,891,332	12,131,891	11,022,027
Less: Accumulated depreciation	(2,640,940)	(760,859)	(3,401,799)	(3,088,056)
Total property, plant and equipment, net	\$ 7,599,619	\$ 1,130,473	\$ 8,730,092	\$ 7,933,971

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