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AMERCO REPORTS FISCAL 2020 FINANCIAL RESULTS

RENO, Nev. (May 27, 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 the year ended March 31, 2020, were \$442.0 million, or \$22.55 per share, compared with \$370.9 million, or \$18.93 per share for the same period last year. Included in the results for the year ended March 31, 2020, was a \$7.45 per share, or \$146.0 million tax benefit resulting from the CARES Act. Excluding this item, adjusted earnings were \$15.10 per share for the year ended March 31, 2020. This adjustment to our net earnings and earnings per share provides a reconciliation for comparison of our financial performance for the periods presented.

For the quarter ended March 31, 2020, the Company reported net earnings available to shareholders of \$122.4 million, or \$6.24 per share compared with net earnings of \$0.8 million, or \$0.04 per share for the same period last year. Included in the results for the quarter ended March 31, 2020, was a \$7.45 per share, or \$146.0 million tax benefit resulting from the CARES Act, excluding this, adjusted losses were (\$1.21) per share for the quarter ended March 31, 2020.

“As a critical essential business, U-Haul has continued to serve customers throughout the COVID-19 pandemic,” stated Joe Shoen, chairman of AMERCO. “We had a good year filling storage units and are poised to improve our equipment rental business once we clear the COVID-19 hurdle. I am proud of how our team has responded during this time.”

Highlights of Fiscal Year and Fourth Quarter 2020 Results

- Self-moving equipment rental revenues decreased \$11.0 million or 2.1% in the fourth quarter of fiscal 2020 compared with the fourth quarter of fiscal 2019 and finished the full year up \$38.9 million or 1.5% compared with fiscal 2019. For the year, revenue for both our In-town and one-way markets improved for trucks and trailers. In the fourth quarter, these improvements were more than offset by a reduction in the volume of Corporate Account rentals along with the decline in overall rental activity in the second half of March 2020 due to the COVID-19 related stay-at-home orders. We increased the number of retail locations, trucks and trailers in the rental fleet compared to the same period last year.
- Self-storage revenues increased \$12.6 million or 13.1% in the fourth quarter of fiscal 2020 compared with the fourth quarter of fiscal 2019 and for the full year increased \$51.5 million or 14% compared with fiscal 2019. The average monthly number of occupied units increased by 16.5%, or 47,000 units during the fourth quarter of fiscal 2020 compared with the same period last year. The growth in revenues and units rented comes from a combination of occupancy gains at existing locations and from the additions of new facilities to the portfolio. In fiscal 2020, we added approximately 5.8 million net rentable square feet, or a 16% increase, with approximately 1.2 million of that occurring during the fourth quarter of fiscal 2020.

- For the quarter, depreciation, net of gains and losses on sales increased \$23.3 million. Depreciation on the rental equipment fleet increased \$13.0 million primarily due to a larger fleet while losses on the sales of rental trucks increased \$3.3 million. All other depreciation increased \$7.0 million from the increase in new moving and storage locations. For the full fiscal year, depreciation, net of gains and losses on sales, increased \$83.0 million. Depreciation on the rental equipment fleet increased \$55.1 million primarily due to a larger fleet. All other depreciation increased \$28.0 million largely from the increase in new moving and storage locations.
- Fleet maintenance and repair costs increased \$4.5 million in the fourth quarter of fiscal 2020 compared with the same period last year and \$19.5 million for the full year of fiscal 2020 due to an increase in the number of rental trucks and trailers.
- Operating earnings at our Moving and Storage operating segment decreased \$33.7 million in the fourth quarter of fiscal 2020 compared with the same period last year. Total revenues increased \$9.4 million and total costs and expenses increased \$43.1 million.
- Our Life Insurance subsidiary's premiums increased \$75.8 million in the fourth quarter fiscal 2020 compared with fiscal 2019 primarily due to a terminated reinsurance agreement in the fourth quarter of fiscal 2019, which reduced their Life Insurance premiums \$78.4 million and their Benefits and Losses expense by \$76.4 million.
- Gross truck and trailer capital expenditures for fiscal 2020 were approximately \$1,374 million compared with approximately \$1,163 million for fiscal 2019. Capital expenditures for the rental fleet are expected to decline in fiscal 2021. Proceeds from the sales of rental equipment were approximately \$678 million for fiscal 2020 compared with \$603 million in fiscal 2019. Spending on real estate related acquisitions and projects decreased approximately \$252 million to \$751 million in fiscal 2020 compared with fiscal 2019. In April and May of 2020, we have opted to slow the development of new self-storage projects to preserve liquidity. We will calibrate our capital spending based in part upon the evolving effects of COVID-19.
- Towards the end of March and into April and May, COVID-19 has negatively affected operating cash flows through lower self-moving equipment rental revenues along with a near total reduction in equipment sales proceeds stemming from the closures of commercial auto auctions. However, cash and credit availability at the Moving and Storage operating segment was \$498.1 million at March 31, 2020 and in excess of \$400 million as of April 30, 2020. In May 2020, we have entered into a \$200 million term loan to further strengthen our liquidity position.
- We continue to examine the impact the CARES Act may have on our business, financial condition, results of operations or liquidity in fiscal 2021. To date we have availed ourselves of the provisions related to deferring certain payroll taxes, carrybacks of net operating losses, and will utilize the technical corrections to tax depreciation methods. We estimate that the net operating loss carrybacks combined with the depreciation adjustments for our fiscal 2020 federal income tax return will result in a refund of approximately \$381 million.

AMERCO will hold its investor call for fiscal 2020 on Thursday, May 28, 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-K for the year ended March 31, 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 fourth quarter and the full year of fiscal 2020 and 2019.

	<u>Quarters Ended March 31,</u>		<u>Years Ended March 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(In thousands)			
Self-moving equipment rentals	\$ 518,021	\$ 529,046	\$ 2,692,413	\$ 2,653,497
Self-storage revenues	108,801	96,179	418,741	367,276
Self-moving and self-storage product and service sales	57,490	56,327	265,091	264,146
Property management fees	6,919	6,641	30,406	29,148
Life insurance premiums	31,747	(44,098)	127,976	63,488
Property and casualty insurance premiums	14,997	14,121	66,053	60,853
Net investment and interest income	35,200	25,891	137,829	110,934
Other revenue	48,350	41,425	240,359	219,365
Consolidated revenue	\$ <u>821,525</u>	\$ <u>725,532</u>	\$ <u>3,978,868</u>	\$ <u>3,768,707</u>

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

	<u>Quarters Ended March 31,</u>		<u>Years Ended March 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(In thousands)			
Moving and storage				
Revenues	\$ 741,452	\$ 732,062	\$ 3,657,766	\$ 3,545,809
Earnings (losses) from operations before equity in earnings of subsidiaries	(20,690)	13,013	471,962	569,241
Property and casualty insurance				
Revenues	19,865	17,280	89,064	75,837
Earnings from operations	15,442	5,833	42,884	27,406
Life insurance				
Revenues	62,395	(23,196)	241,464	154,714
Earnings from operations	6,482	8,669	26,394	25,481
Eliminations				
Revenues	(2,187)	(614)	(9,426)	(7,653)
Earnings from operations before equity in earnings of subsidiaries	(276)	(278)	(1,112)	(1,141)
Consolidated Results				
Revenues	821,525	725,532	3,978,868	3,768,707
Earnings from operations	958	27,237	540,128	620,987

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 storage locations follows:

	Quarters Ended March 31,	
	2020	2019
	(In thousands, except occupancy rate)	
Unit count as of March 31	503	428
Square footage as of March 31	42,082	36,237
Average monthly number of units occupied	329	283
Average monthly occupancy rate based on unit count	66.1%	66.9%
Average monthly square footage occupied	29,846	25,790

	Years Ended March 31,	
	2020	2019
	(In thousands, except occupancy rate)	
Unit count as of March 31	503	428
Square footage as of March 31	42,082	36,237
Average monthly number of units occupied	319	275
Average monthly occupancy rate based on unit count	67.7%	68.7%
Average monthly square footage occupied	28,946	24,862

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2020	March 31, 2019
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 494,352	\$ 673,701
Reinsurance recoverables and trade receivables, net	186,672	224,785
Inventories and parts, net	101,083	103,504
Prepaid expenses	562,904	174,100
Investments, fixed maturities and marketable equities	2,492,738	2,235,397
Investments, other	360,373	300,736
Deferred policy acquisition costs, net	103,118	136,276
Other assets	71,956	78,354
Right of use assets - financing, net	1,080,353	-
Right of use assets - operating	106,631	-
Related party assets	34,784	30,889
	5,594,964	3,957,742
Property, plant and equipment, at cost:		
Land	1,032,945	976,454
Buildings and improvements	4,663,461	4,003,726
Furniture and equipment	752,363	689,780
Rental trailers and other rental equipment	511,520	590,039
Rental trucks	3,595,933	4,762,028
	10,556,222	11,022,027
Less: Accumulated depreciation	(2,713,162)	(3,088,056)
Total property, plant and equipment	7,843,060	7,933,971
Total assets	\$ 13,438,024	\$ 11,891,713
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 554,353	\$ 556,873
Notes, loans and finance/capital leases payable, net	4,621,291	4,163,323
Operating lease liabilities	106,443	-
Policy benefits and losses, claims and loss expenses payable	997,647	1,011,183
Liabilities from investment contracts	1,802,217	1,666,742
Other policyholders' funds and liabilities	10,190	15,047
Deferred income	31,620	35,186
Deferred income taxes	1,093,543	750,970
Total liabilities	9,217,304	8,199,324
Common stock	10,497	10,497
Additional paid-in capital	453,819	453,326
Accumulated other comprehensive income (loss)	34,652	(66,698)
Retained earnings	4,399,402	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	4,220,720	3,692,389
Total liabilities and stockholders' equity	\$ 13,438,024	\$ 11,891,713

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended March 31,	
	2020	2019
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 518,021	\$ 529,046
Self-storage revenues	108,801	96,179
Self-moving and self-storage products and service sales	57,490	56,327
Property management fees	6,919	6,641
Life insurance premiums	31,747	(44,098)
Property and casualty insurance premiums	14,997	14,121
Net investment and interest income	35,200	25,891
Other revenue	48,350	41,425
Total revenues	821,525	725,532
Costs and expenses:		
Operating expenses	499,810	476,815
Commission expenses	54,792	56,324
Cost of sales	35,841	31,710
Benefits and losses	37,141	(36,919)
Amortization of deferred policy acquisition costs	10,594	9,972
Lease expense	7,000	8,929
Depreciation, net of losses on disposals	174,836	151,518
Net (gains) losses on real estate	553	(54)
Total costs and expenses	820,567	698,295
Earnings from operations	958	27,237
Other components of net periodic benefit costs	(264)	(253)
Interest expense	(42,967)	(37,334)
Pretax losses	(42,273)	(10,350)
Income tax benefit	164,641	11,181
Earnings available to common shareholders	\$ 122,368	\$ 831
Basic and diluted earnings per common share	\$ 6.24	\$ 0.04
Weighted average common shares outstanding: Basic and diluted	19,607,788	19,594,008

AMERCO AND CONSOLIDATED ENTITIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Twelve Months Ended March 31,	
	2020	2019
	(In thousands, except share and per share data)	
Revenues:		
Self-moving equipment rentals	\$ 2,692,413	\$ 2,653,497
Self-storage revenues	418,741	367,276
Self-moving and self-storage products and service sales	265,091	264,146
Property management fees	30,406	29,148
Life insurance premiums	127,976	63,488
Property and casualty insurance premiums	66,053	60,853
Net investment and interest income	137,829	110,934
Other revenue	240,359	219,365
Total revenues	3,978,868	3,768,707
Costs and expenses:		
Operating expenses	2,117,148	1,981,180
Commission expenses	288,332	288,408
Cost of sales	164,018	162,142
Benefits and losses	174,836	100,277
Amortization of deferred policy acquisition costs	31,219	28,556
Lease expense	26,882	33,158
Depreciation, net of (gains) losses on disposals	637,063	554,043
Net gains on real estate	(758)	(44)
Total costs and expenses	3,438,740	3,147,720
Earnings from operations	540,128	620,987
Other components of net periodic benefit costs	(1,054)	(1,013)
Interest expense	(160,950)	(142,445)
Pretax earnings	378,124	477,529
Income tax benefit (expense)	63,924	(106,672)
Earnings available to common shareholders	\$ 442,048	\$ 370,857
Basic and diluted earnings per common share	\$ 22.55	\$ 18.93
Weighted average common shares outstanding: Basic and diluted	19,603,708	19,592,048

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

	March 31, 2020	ROU Assets Financing	March 31, 2020 Property, Plant and Equipment Adjusted	March 31, 2019
(In thousands)				
Property, plant and equipment, at cost				
Land	\$ 1,032,945	\$ -	\$ 1,032,945	\$ 976,454
Buildings and improvements	4,663,461	-	4,663,461	4,003,726
Furniture and equipment	752,363	21,113	773,476	689,780
Rental trailers and other rental equipment	511,520	116,072	627,592	590,039
Rental trucks	3,595,933	1,738,081	5,334,014	4,762,028
Right-of-use assets, gross	10,556,222	1,875,266	12,431,488	11,022,027
Less: Accumulated depreciation	(2,713,162)	(794,913)	(3,508,075)	(3,088,056)
Total property, plant and equipment, net	\$ 7,843,060	\$ 1,080,353	\$ 8,923,413	\$ 7,933,971

This adjustment to earnings per share for the quarter and year ended fiscal 2020, provides a reconciliation for comparison of our financial performance for the periods presented.

Quarter Ended
March 31, 2020

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries	
Earnings per common share: basic and diluted	\$ 6.24
CARES Act adjustment, per common share basic and diluted	(7.45)
Losses per common share: basic and diluted before CARES Act adjustment	\$ (1.21)
CARES Act adjustment	\$ (146,015)
CARES Act adjustment, per common share basic and diluted	\$ (7.45)
Weighted average shares outstanding: basic and diluted	19,607,788

Year Ended
March 31, 2020

(In thousands, except share and per share amounts)

AMERCO and Consolidated Subsidiaries

Earnings per common share: basic and diluted	\$ 22.55
CARES Act adjustment, per common share basic and diluted	<u>(7.45)</u>
Earnings per common share: basic and diluted before CARES Act adjustment	\$ 15.10
CARES Act adjustment	\$ <u>(146,015)</u>
CARES Act adjustment, per common share basic and diluted	<u>(7.45)</u>
Weighted average shares outstanding: basic and diluted	<u>19,603,708</u>