EHI International, Inc.

Consolidated Financial Statements

Fiscal 2025

Contents

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Report of Independent Auditors

The Board of Directors and Stockholder
EHI International, Inc.

Opinion

We have audited the consolidated financial statements of EHI International, Inc. (the Company), which comprise the consolidated balance sheet as of July 31, 2025, and the related consolidated statements of comprehensive income, stockholder's equity and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at July 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

January 30, 2026

EHI International, Inc.

Consolidated Balance Sheet

	July 31, 2025 *(in millions)*
Assets	
Cash and cash equivalents	$ 278.5
Restricted cash	7.1
Receivables, net	1,102.6
Revenue equipment, net	7,451.4
Property and equipment, net	285.9
Operating lease right-of-use assets, net	741.0
Finance lease right-of-use assets, net	41.9
Goodwill and intangibles, net	435.0
Prepaid expenses and other assets	138.0
Total assets	$ 10,481.4
Liabilities and stockholder's equity	
Debt	$ 4,332.7
Operating lease liabilities	648.3
Accounts payable and accrued expenses	968.5
Income taxes, deferred and current portion	392.8
Total liabilities	6,342.3
Stockholder's equity:	
Common stock	-
Additional paid-in capital	280.2
Retained earnings	4,123.9
Accumulated other comprehensive loss	(265.0)
Total stockholder's equity	4,139.1
Total liabilities and stockholder's equity	$ 10,481.4

See accompanying notes to consolidated financial statements

EHI International, Inc.

Consolidated Statement of Comprehensive Income

	Year Ended July 31, 2025 (in millions)
Revenue	$ 5,003.0
Expenses:	
Direct operating	2,132.4
Vehicle expense	1,168.0
Selling, general and administrative	1,019.1
Interest, net	143.3
	4,462.8
Earnings before income tax	540.2
Income tax expense	179.5
Net income	$ 360.7
Other comprehensive income:	
Foreign currency translation adjustments	17.3
Comprehensive income	$ 378.0

See accompanying notes to consolidated financial statements

EHI International, Inc.

Consolidated Statement of Stockholder's Equity

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholder's Equity
			(in millions)		
Balance at July 31, 2024	$ -	$ 280.2	$ 3,763.2	$ (282.3)	$ 3,761.1
Net income			360.7		360.7
Other comprehensive income:					
Foreign currency translation adjustments				17.3	17.3
Balance at July 31, 2025	$ -	$ 280.2	$ 4,123.9	$ (265.0)	$ 4,139.1

See accompanying notes to consolidated financial statements

EHI International, Inc.

Consolidated Statement of Cash Flows

	Year Ended July 31, 2025
	(in millions)
Operating activities:	
Net income	$ 360.7
Adjustments to reconcile net income to net cash provided by operating activities:	
Revenue equipment depreciation, net	1,115.1
Property and equipment depreciation and amortization	47.8
Amortization of intangibles	4.3
Amortization of debt-related costs	1.4
Change in assets and liabilities:	
Receivables	12.2
Operating lease right-of-use assets	97.8
Prepaid expenses and other assets	(4.1)
Operating lease liabilities	(98.6)
Accounts payable and accrued expenses	5.8
Income taxes, deferred and current portion	27.1
Total adjustments	1,208.8
Net cash provided by operating activities	1,569.5
Investing activities:	
Proceeds from the disposition of revenue equipment	3,073.1
Additions to revenue equipment	(4,662.5)
Additions to property and equipment, net	(56.8)
Purchase of businesses, net of cash acquired	(1.4)
Net cash used in investing activities	(1,647.6)
Financing activities:	
Proceeds from debt, net of discount	785.4
Repayment of debt	(535.4)
Net change in short-term borrowings	(230.0)
Debt-related costs	(0.1)
Principal payments on finance lease liabilities	(1.0)
Net cash provided by financing activities	18.9
Effect of changes in currency exchange rates	5.0
Net decrease in cash and restricted cash	(54.2)
Cash and restricted cash, beginning of year	339.8
Cash and restricted cash, end of year	$ 285.6
Supplemental disclosures of cash:	
Cash paid during the year for:	
Interest, net	$ 166.3
Income taxes	130.9
Noncash investing and financing activities:	
Purchases of vehicles included in accounts payable	111.0

See accompanying notes to consolidated financial statements

1. Summary of Significant Accounting Policies

Principles of Consolidation

EHI International, Inc. is a wholly-owned subsidiary of Enterprise Holdings, Inc. (the "Parent Company" or "Enterprise").

Prior to May 1, 2025, the Company was domiciled in Luxembourg and known as EHI International S.à r.l. On May 1, 2025, Enterprise transferred the Company to be incorporated in the United States and changed the name to EHI International, Inc. The incorporation in the United States was accounted for as a transfer under common control in accordance with the provisions of Accounting Standards Codification (ASC) 805-50, which requires that the transaction be presented as though it occurred at the beginning of the period. The resulting financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements include the accounts of EHI International, Inc. including its domestic and international subsidiaries (the "Company"). All material intercompany balances and transactions have been eliminated.

Business

The primary business of the Company is the renting of vehicles under the Enterprise Rent-A-Car, National Car Rental and Alamo Rent-A-Car brands through Company-owned entities in Canada, the United Kingdom, France and Spain. The Company also has franchised locations in 58 countries pertaining to all three brands. Under the Enterprise Car Share network, the Company offers membership-based vehicle share programs. To support its operations, the Company engages in fleet acquisition, vehicle maintenance and risk management activities, as well as vehicle disposition through wholesale channels.

Revenue Recognition

The Company accounts for revenue earned from vehicle rentals and rental-related activities ("daily rental revenue") as operating lease revenue under Accounting Standards Codification ("ASC") Topic 842, "Leases" ("Topic 842"). Other revenue is accounted for under ASC Topic 606, "Revenue from Contracts with Customers" ("Topic 606"). The policy discussed herein is applicable under Topics 842 and 606, unless otherwise noted.

<u>Daily Rental and Rental Related Revenues</u>

The Company's daily rental business consists of the following:

Home City Car Rental – rentals from "neighborhood" locations to customers who have lost the use of their primary vehicles through accidents, mechanical repairs or thefts or who need a vehicle for personal or business use.

Airport Car Rental – rentals to retail and business customers from branches located on or near airports.

Truck Rental – rentals of a variety of trucks, primarily to commercial customers, providing customized, flexible solutions to fit unique business needs.

Daily rental revenues consist primarily of fees from vehicle rentals, net of discounts, and the sale of rental-related products. Revenue is recognized when performance obligations under the terms of a contract with the customer are satisfied and when control of the promised products or services is transferred to the customer. Performance obligations associated with vehicle rental transactions are satisfied over the rental period, except for the portion associated with loyalty rewards. Performance obligations associated with rental-related activities, such as charges to the customer for the fueling of vehicles, and value-added services such as loss or collision damage waivers, insurance products, navigation units, supplemental equipment and other consumables, are also satisfied over the rental period, which is short-term in nature. Payments are due from customers at the completion of the rental, except for customers with negotiated payment terms, generally net 30 days or less, which are invoiced and remain as accounts receivable until collected.

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue is measured as the amount of consideration the Company expects to be entitled to receive in exchange for transferring products or services. Certain contracts may allow customers to receive cash-based rebates upon achieving a specific rental volume threshold. The Company estimates these rebates based on the expected amount to be provided to customers and reduces revenue recognized.

Daily rental revenues also include $139.6 million in fiscal 2025 of amounts collected from customers associated with certain airport-related charges and vehicle licensing fees. These charges collected from customers are recorded on a gross basis with the expenses related to these charges recorded in direct operating expense in the Consolidated Statement of Comprehensive Income.

The Company reports taxes collected from customers on behalf of governmental authorities on a net basis in accounts payable and accrued expenses on the Consolidated Balance Sheet.

<u>Other Revenue</u>

Loyalty Programs

The Company offers loyalty programs wherein customers are eligible to earn loyalty rewards that are redeemable for free rental days. Each transaction that generates loyalty rewards results in the deferral of revenue equivalent to the retail value of a rental day at the date the rewards are earned. The associated revenue is recognized when the customer redeems the loyalty rewards at some point in the future. The retail value of loyalty rewards is estimated based on the number of rewards required to redeem a free rental day and the equivalent retail value of a rental day measured as of the date the loyalty rewards are earned, less an estimated amount representing loyalty rewards that are not expected to be redeemed (“breakage”). Breakage is estimated annually using historical breakage trends as a significant assumption.

Licensee and Franchisee Revenue

The Company has licensee and franchisee agreements which allow an independent entity to rent their vehicles under the Company’s brands for a fee (“royalty fees”). Royalty fees are earned by the Company over time for the duration of the agreement and are typically based on an amount representing a percentage of gross sales of the licensed or franchised business. Royalty fees are recognized on a gross basis as earned and when collectability is reasonably assured. In connection with ongoing fees that the Company receives from its licensees and franchisees pursuant to the agreements, the Company is required to provide certain services, such as training, marketing and the operation of reservation systems.

Credit Repair Revenue

The Company’s United Kingdom operations also include credit repair revenue. In the event of a motor vehicle accident where the customer is not at-fault, the Company will arrange and pay for the customer’s vehicle to be repaired and claim those charges from the at fault party’s insurer. The charges to repair the vehicle and the charges billed to the insurer are each recorded to expense and revenue, respectively, net of any discounts.

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Company considers short-term investments with maturities of less than three months to be cash equivalents.

Restricted Cash

Restricted cash consists of cash held as collateral as required by certain insurance programs.

Receivables and Allowance for Credit Losses

Receivables are stated net of allowance for credit losses and represent credit extended to manufacturers and customers that satisfy defined credit criteria. The Company maintains an allowance for credit losses for estimated losses from the inability or failure of counterparties to make payments for rental activities. For outstanding receivables, the allowance is based on specific identification, current trends in the credit quality of the customer base and historical collection experience. Accounts are generally written off against allowance for credit losses after all collection attempts have been exhausted. The allowance for credit losses is recorded in receivables, net on the Consolidated Balance Sheet and was $181.7 million at July 31, 2025.

Revenue Equipment

Revenue equipment, consisting of rental vehicles in service and vehicles held for sale, comprised 71.1% of the Company's total assets at July 31, 2025. Revenue equipment is stated at cost, net of related discounts, which primarily relate to manufacturer purchase incentive programs, less accumulated depreciation.

Rental vehicles are predominately depreciated at an average monthly rate of 1.7%, except for rental vehicles purchased under manufacturer repurchase agreements ("program vehicles"), which are depreciated on a straight-line basis to their estimated repurchase amount.

At the time of disposal, any differences between proceeds received and net book values are recorded as adjustments to vehicle expense. In determining depreciation rates on vehicles, management considers many factors, including estimated residual values, anticipated holding periods, fleet mix, buyback guarantees, historical experience, and used car market conditions. Management regularly monitors residual values and the need, if any, to adjust depreciation rates. Depreciation is discontinued when the rental vehicle is removed from service to be sold.

Vehicles held for sale are recorded at the lesser of cost, net of related discounts, less accumulated depreciation or anticipated sales price less cost to sell. Maintenance and repairs are charged to expense as incurred. Vehicle sales tax and license costs are capitalized and amortized over the lesser of the respective tax period or the estimated remaining period the vehicle is expected to be in service.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Expenditures for major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Depreciation and amortization, including amortization of assets recorded under finance leases, are recorded under the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	2 - 20 years
Furniture and equipment	1 - 20 years
Computer equipment and software	1 - 5 years
Company vehicles	1.7% per month

Leasehold improvements are amortized over the shorter of the remaining anticipated lease term or the estimated useful life of the improvements, not to exceed 20 years.

1. Summary of Significant Accounting Policies (continued)

Lease Accounting

The Company enters into agreements as a lessee for real estate, vehicles and other equipment to conduct its vehicle rental operations. The Company applies the finance lease classification criteria under Topic 842 to determine if a lease classifies as a finance lease. Finance leases are capitalized as finance lease right-of-use assets, net with corresponding liabilities utilizing the present value of future lease payments, which are recorded in debt on the Consolidated Balance Sheet. As of July 31, 2025, net finance lease right-of-use assets and liabilities were $41.9 million and $42.9 million, respectively. Leases that do not meet any of the finance lease criteria are accounted for as operating leases. Operating leases are included on the Consolidated Balance Sheet as operating lease right-of-use assets with corresponding operating lease liabilities utilizing the present value of future lease payments. As of July 31, 2025, operating lease right-of-use assets and liabilities were $741.0 million and $648.3 million, respectively. In calculating the present value of future lease payments, the Company utilizes its incremental borrowing rate.

Many of the Company's operating leases for airport car rental locations contain concession agreements with various airport authorities that allow the Company to conduct its vehicle rental operations on site. In general, concession fees for airport locations are based on a percentage of total commissionable revenues as defined by each airport authority, many of which are subject to minimum annual guaranteed amounts. Concession fees other than minimum annual guaranteed amounts are not included in the measurement of operating lease right-of-use assets and operating lease liabilities and are recorded as variable lease expense as incurred.

The Company combines lease and non-lease components in its contracts under Topic 842, when permissible. Leases generally include renewal options and the exercise of renewal options is typically at the Company's sole discretion. Options to extend a lease are included in the Company's right-of-use asset and lease liability when it is reasonably certain that such options will be exercised. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company does not recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less and recognizes the lease expense as incurred over the lease term.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of an acquired entity over the net of the fair values assigned to the tangible assets acquired, the identifiable intangible assets that are required to be valued and reported and the liabilities assumed. The Company does not amortize goodwill but tests it at least annually for recoverability. Other intangible assets, primarily customer relationships, with finite lives are amortized over the estimated useful lives.

Deferred Financing Costs

Financing costs directly related to certain debt transactions are deferred and amortized to interest expense over the term of the related debt using a method which approximates the effective interest method.

1. Summary of Significant Accounting Policies (continued)

Insurance

The Company is subject to physical damage losses to its vehicles, to third-party automobile liability and property damage claims resulting from the operation of its vehicles, to workers' compensation claims by its employees and to general liability claims. The Company generally retains the risk of physical damage to its owned vehicles.

Canada

For vehicle third-party liability claims, the Company generally retains the risk of loss in most provinces. The Company retains the risk of bodily injury and property damage losses up to $5 million on a per occurrence basis and up to C$2 million for accident benefit losses on a per occurrence basis. For vehicle accident benefit losses in excess of the C$2 million retention, the Company has insurance up to statutory limits. For vehicle third-party liability claims in excess of the $5 million, the Company utilizes the same excess insurance program as noted under "United States" above. In provinces that do not permit corporations to retain the risk of loss, the Company participates in the provincial government insurance program. For non-vehicle liability claims, the Company insures against general liability and participates in the provincial workers' compensation plans. For general liability claims, the Company has a primary C$2 million per occurrence policy with a C$500,000 per occurrence deductible. For claims in excess of C$2 million, the Company is fully insured for an additional $245 million with various excess insurance companies.

United Kingdom

For vehicle third-party liability and property damage claims, the Company retains the risk of loss up to £5 million on a per occurrence basis. For claims in excess of the £5 million, the Company has unlimited insurance for third-party bodily injury claims and £50 million per occurrence for third-party property damage claims with its primary insurance carrier in the United Kingdom. For non-vehicle liability claims, the Company is fully insured against general liability and employer's liability with its primary carrier for £5 million and £10 million per occurrence, respectively. For non-vehicle liability claims above these amounts, the Company is fully insured for an additional $245 million with various excess insurance companies.

France

For vehicle third-party liability claims, the Company retains the risk of loss up to €5 million on a per occurrence basis. For claims in excess of €5 million, the Company has unlimited insurance for third-party bodily injury claims and €100 million per occurrence for third-party property damage claims with its primary insurance carrier in France. For non-vehicle liability claims, the Company is fully insured against general liability and employer's liability with its primary carrier for €3 million and €500,000 per occurrence, respectively. For claims above these amounts, the Company is fully insured for an additional $245 million with various excess insurance companies.

Spain

For vehicle third-party liability claims, the Company retains the risk of loss up to €5 million on a per occurrence basis. For claims in excess of €5 million, the Company is fully insured against risk of loss up to €120 million per occurrence for third-party bodily injury and €65 million per occurrence for property damage claims with a maximum €135 million combined bodily injury and property damage per occurrence with its primary carrier in Spain. For non-vehicle liability claims, the Company is fully insured against general liability and employer's liability with its primary carrier for €3 million and €1.5 million per occurrence, respectively. For claims above these amounts, the Company is fully insured for an additional $245 million with various excess insurance companies.

Liability reserves

The Company's liability reserves, which includes reserves for possible vehicle and non-vehicle claims discussed above represent an estimate for both reported claims not yet paid and claims incurred, but not yet reported, up to the Company's risk retention levels. The Company estimates the required reserves for such claims on an undiscounted basis utilizing an actuarial method that is based upon various assumptions which include, but are not limited to, the Company's historical loss experience and projected loss development factors. The required liability reserves are also subject to adjustment in the future based upon the changes in claims experience, including changes in the number of incidents and changes in the ultimate cost per incident. These liability reserves are included in accounts payable and accrued expenses on the Consolidated Balance Sheet and were $262.1 million at July 31, 2025.

1. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

The functional currency for the Company's foreign operations is the applicable local currency. The translation from the applicable foreign currencies to U.S. dollars is performed for assets and liabilities using exchange rates in effect at the balance sheet date and for revenue and expenses using average exchange rates during the year. Losses resulting from such translation are included in accumulated other comprehensive loss on the Consolidated Balance Sheet and, on a cumulative basis, were $265.0 million at July 31, 2025. Gains or losses resulting from remeasurement of foreign currency transactions are included in selling, general and administrative expenses in the Consolidated Statement of Comprehensive Income.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash and trade receivables. The Company limits its exposure on cash and cash equivalents and restricted cash by investing in highly rated funds with a diverse group of quality financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base and their dispersion across different geographic areas. Additionally, the Company seeks to limit its exposure to credit risk through performing credit reviews and monitoring the financial strength of its significant customer accounts.

Advertising

Advertising and sales promotion costs are expensed as incurred in selling, general and administrative expenses in the Consolidated Statement of Comprehensive Income. The Company incurred advertising expenses of $52.4 million in fiscal 2025.

Impairment Policy

The Company assesses the recoverability of its long-lived assets, excluding goodwill and indefinite life intangible assets, when events or changes in circumstances indicate that the carrying amount of the long-lived asset might not be recoverable. If impairment indicators exist, the Company first determines whether the projected undiscounted cash flows will be sufficient to cover the carrying value of such assets. This requires the Company to make significant judgments about the expected future cash flows of the asset group. The future cash flows are dependent on general and economic conditions and are subject to change. If a potential impairment is identified, the second step compares the fair value of the long-lived asset with its carrying amount to measure the impairment loss. The Company did not identify any potential impairment of its long-lived assets during fiscal 2025.

The carrying amounts of goodwill and indefinite life intangible assets are tested annually as of May 1 each year and whenever events occur or circumstances indicate that impairment may have occurred. Impairment testing is performed at the reporting unit level of the business and is based on a discounted cash flow approach to determine the fair value of each reporting unit. The determination of future cash flows requires significant judgment. Unforeseen events and changes in circumstances and market conditions, including general economic and competitive conditions, could result in significant changes in those estimates and material charges to income. The Company did not identify any potential impairment of its goodwill and indefinite life intangible assets during fiscal 2025.

Income Taxes

The Company is included in the consolidated U.S. income tax return of the Parent Company. The provision for federal and state income taxes is computed as if the Company had filed a separate U.S. income tax return, except in certain instances in which use of the stand-alone approach results in tax outcomes that will not occur in the Parent Company's consolidated tax return or have an impact on the Company. Any income taxes that become payable currently will be paid to the Parent Company and charged to the Company through an intercompany tax allocation. In the event of a taxable loss for the Company, the Parent Company will pay the Company for the tax benefit of its losses to the extent that those losses were utilized in the Parent Company's tax return. Amounts receivable or payable, according to the terms of the intercompany tax sharing agreement, are reflected as current taxes receivable or payable and included in income taxes, deferred and current portion on the Consolidated Balance Sheet.

1. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined by the Company based on differences between financial reporting and tax basis reporting of assets and liabilities and are measured using the enacted tax rates and laws that are anticipated to be in effect when the differences are expected to reverse. Such amounts are determined on a stand-alone basis and may not reflect the taxable position of the Parent Company. Changes in tax laws and rates in future periods may materially affect the amount of recorded deferred tax assets and liabilities. A valuation allowance is established on a jurisdictional basis if it is "more likely than not" that the underlying tax benefits will not be realized. Provisions are not made for income taxes on contributed earnings of international subsidiaries that are intended to be indefinitely reinvested.

Recently Adopted Accounting Pronouncements

In March 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standard Update ("ASU") No. 2023-01, "Leases (Topic 842): Common Control Arrangements," which was effective for fiscal years beginning after December 15, 2023 (August 1, 2024, for the Company). The main provisions of ASU No. 2023-01 require all companies to amortize leasehold improvements associated with common control leases over the asset's useful life to the common control group regardless of the lease term. It also allows private and certain not-for-profit entities to use the written terms and conditions of an agreement to account for common control leases without further assessing the legal enforceability of those terms. The adoption of this standard in the first quarter of fiscal 2025 did not impact the Company's Consolidated Financial Statements.

Pending Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is effective for fiscal years beginning after December 15, 2025 (August 1, 2026, for the Company). The main provisions of ASU No. 2023-09 require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. The Company is currently evaluating the impact of the adoption of this standard on the Company's Consolidated Financial Statements.

In July 2025, the FASB issued ASU No. 2025-05, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets," which is effective for fiscal years beginning after December 15, 2025 (August 1, 2026, for the Company). The main provisions of ASU No. 2025-05 allow all entities to elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of an asset when estimating expected credit losses on current accounts receivable and/or current contract assets arising from transactions under Topic 606. Entities other than public business entities that elect the practical expedient are permitted to make a policy election to consider collection activity after the balance sheet date when estimating expected credit losses. The Company is currently evaluating the impact of the adoption of this standard on the Company's Consolidated Financial Statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Revenue Equipment

Revenue equipment consists of the following:

	July 31, 2025
	(in millions)
Rental vehicles	$ 9,480.3
Accumulated depreciation	(2,135.3)
	7,345.0
Vehicles held for sale	106.4
	$ 7,451.4

Vehicle expense totaled $1,168.0 million in fiscal 2025. As a percentage of revenue, vehicle expense was 23.3% in fiscal 2025.

3. Property and Equipment

Property and equipment consists of the following:

	July 31, 2025
	(in millions)
Land	$ 17.3
Buildings and improvements	48.6
Furniture and equipment	94.9
Computer equipment and software	51.7
Leasehold improvements	339.0
Company vehicles	52.0
	603.5
Accumulated depreciation and amortization	(317.6)
	$ 285.9

4. Leases

Lessor:

The Company enters into operating lease agreements as a lessor through the renting of vehicles to customers under the Enterprise Rent-A-Car, National Car Rental and Alamo Rent-A-Car brands. The rental period for vehicle rentals are typically short-term (e.g., daily or weekly) and can generally be extended up to one month or terminated at the customer's discretion. The Company offers supplemental equipment rentals (e.g., child seats, GPS devices) in connection with the vehicle rental. The Company also offers value-added services (e.g., collision damage waiver, personal accident insurance, supplemental liability premium) in connection with the vehicle rental. The Company also charges for variable services such as fees for concession fees, refueling charges incurred during the rental period, and fees for extensions of the rental contract. Lease revenue totaled $4,590.8 million in fiscal 2025 and was recorded in revenue in the Consolidated Statement of Comprehensive Income.

4. Leases (continued)

Lessee:

The Company enters into agreements as a lessee for real estate, vehicles and other equipment to conduct its vehicle rental operations. Many of the Company's agreements contain escalation clauses, which increase the payment obligation based on a fixed or variable rate, and renewal options. The length of renewals options vary and may result in different payment terms.

The components of lease expense are as follows:

	July 31, 2025 *(in millions)*
Operating lease expense	$ 177.6
Finance lease expense	
Amortization of ROU assets	1.1
Interest on lease liabilities	0.9
Short-term lease expense	187.6
Variable lease expense	121.4
Sublease income	(0.7)
	$ 487.9

Supplemental balance sheet information related to leases is as follows:

	July 31, 2025
Weighted-average remaining lease term – operating leases	10.4 Years
Weighted-average discount rate – operating leases	4.2%
Weighted-average remaining lease term – finance leases	19.3 Years
Weighted-average discount rate –finance leases	4.3%

Supplemental cash flow information related to leases is as follows:

	July 31, 2025 *(in millions)*
Cash paid during the year for:	
Operating leases	$ 172.5
Finance leases	1.4
Noncash investing and financing activities:	
Change in right-of-use assets in exchange for:	
Operating lease liabilities	192.5
Finance lease liabilities	26.9
Conversion of non-vehicle operating leases to finance leases	2.6

4. Leases (continued)

Lessee: (continued)

Future minimum lease commitments, under all such agreements in effect at July 31, 2025, with terms in excess of one year are as follows:

	Operating Leases	Finance Leases[1] (in millions)	Total
Year ending July 31,			
2026	$ 117.4	$ 2.9	$ 120.3
2027	96.7	3.1	99.8
2028	88.3	3.0	91.3
2029	80.5	3.1	83.6
2030	68.1	3.1	71.2
Thereafter	361.7	49.8	411.5
Total future minimum lease payments	812.7	65.0	877.7
Less: imputed interest	164.4	22.1	186.5
Total operating and finance lease liabilities	$ 648.3	$ 42.9	$ 691.2

[1] Finance lease liabilities are recognized within debt on the Consolidated Balance Sheet.

5. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following:

	Gross Carrying Amount	Accumulated Amortization (in millions)	Net Carrying Amount
		July 31, 2025	
Amortizable intangible assets			
Customer relationships	$ 43.7	$ (23.6)	$ 20.1
Indefinite life intangible assets			
Goodwill	414.9	-	414.9
Total	$ 458.6	$ (23.6)	$ 435.0

5. Goodwill and Intangible Assets (continued)

Amortization expense for amortizable intangible assets for fiscal 2025 of $4.3 million is recorded in selling, general and administrative expenses in the Consolidated Statement of Comprehensive Income. The Company amortizes customer relationships over 10 years. Estimated amortization expense for the next five years is as follows:

	Estimated Amortization Expense *(in millions)*
Year Ending July 31,	
2026	$ 4.4
2027	4.4
2028	4.4
2029	4.3
2030	2.6
	$ 20.1

Changes in the carrying amount of goodwill for fiscal 2025 are as follows (in millions):

Balance at July 31, 2024	$ 411.4
Foreign currency translation	3.5
Balance at July 31, 2025	$ 414.9

Of the $68.3 million of goodwill amortizable for tax purposes, approximately $52.8 million was unamortized at July 31, 2025.

6. Debt

Debt consists of the following:

	July 31, 2025
	(in millions)
Promissory Notes due to Parent Company:	
Note at 5.02%, due 2026	$ 99.1
Note at 2.32%, due 2026	57.1
Note at 5.01%, due 2026	198.1
Note at 3.75%, due 2026	297.5
Note at 5.22%, due 2026	707.9
Note at 2.92%, due 2026	166.7
Note at 2.89%, due 2026	341.3
Note at 2.87%, due 2026	34.2
Note at 2.02%, due 2027	231.1
Note at 3.53%, due 2027	57.1
Note at 4.90%, due 2027	66.0
Note at 4.62%, due 2027	79.2
Note at 3.04%, due 2027	99.1
Note at 4.91%, due 2028	198.1
Note at 4.89%, due 2028	198.1
Note at 3.93%, due 2028	103.7
Note at 4.93%, due 2029	198.1
Note at 4.76%, due 2029	72.6
Note at 4.90%, due 2029	198.1
Note at 3.70%, due 2029	57.1
Note at 4.75%, due 2030	264.1
Note at 3.16%, due 2030	285.4
Note at 4.42%, due 2033	103.8
Unsecured Private Placement Notes:	
Notes; at 3.43%, due 2027 (£75.0 million at July 31, 2025)	99.1
Notes; at 2.27%, due 2027 (€70.0 million at July 31, 2025)	79.9
Other:	
Finance lease liabilities	42.9
Unamortized loan fees	(2.7)
	$ 4,332.7

6. Debt (continued)

Aggregate annual principal payments applicable to debt at July 31, 2025 are as follows:

	Annual Principal Payments *(in millions)*
Year Ending July 31,	
2026	$ 1,903.0 [1]
2027	712.7
2028	501.1
2029	527.3
2030	551.0
Thereafter	140.3
	$ 4,335.4

1 Amounts are presented gross of $2.7 million of unamortized debt issuance costs.

The Company extended the expiration of its €900 million unsecured credit facility to November 2028. At July 31, 2025, the credit facility was undrawn.

Financing costs incurred with the issuance of debt and renewal of the credit agreement are deferred and are amortized to interest, net over the remaining term of the associated debt. The unamortized balance at July 31, 2025 was $2.7 million, and is recorded as a reduction from the corresponding debt liability.

As of July 31, 2025, accrued interest was $15.0 million, which is recorded in accounts payable and accrued liabilities, on the Consolidated Balance Sheet.

In the normal course of business, the Company is required to post letters of credit as financial guarantees of the Company's performance. At July 31, 2025, the Company had $7.4 million of letters of credit issued.

A portion of the Company's debt contains restrictive covenants. The Company was in compliance with all covenants under its financing agreements at July 31, 2025.

7. Fair Value of Financial Instruments

ASC Topic 820, "Fair Value Measurements and Disclosures," establishes a three-tier fair value hierarchy, which categorizes the inputs used in measuring fair value. These categories include (in descending order of priority): level 1, defined as observable inputs such as quoted prices in active markets for identical assets and liabilities; level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. A financial instrument's level within the fair value hierarchy is based on the lowest level of an input that is significant to the fair value measurement.

Cash, Restricted Cash, Receivables, and Accounts Payable and Accrued Expenses

The carrying amounts are a reasonable estimate of their fair value due to their short-term nature.

Debt

The fair value of debt is estimated based upon quoted market rates where available or borrowing rates currently available to the Company for loans with similar terms and average maturities (level 2). Carrying value approximates fair value for borrowings with a maturity of 90 days or less. The fair value of all debt was $4,429.0 million compared to the carrying value of $4,332.7 million at July 31, 2025.

8. Revenue from Contracts with Customers

Total revenue was $5,003.0 million and was comprised of lease revenue of $4,590.8 million and other revenue of $412.2 million in fiscal 2025 and was recorded in the Consolidated Statement of Comprehensive Income.

The Company recognizes liabilities resulting from its contracts with customers. Contract liabilities primarily consist of obligations to customers related to the Company's loyalty programs. The contract liability balance at July 31, 2025 was $18.5 million and was included in accounts payable and accrued expenses on the Consolidated Balance Sheet.

9. Income Taxes

On July 4, 2025, the One Big Beautiful Bill Act ("Tax Act") was signed into law in the United States. The Tax Act makes permanent certain key tax provisions, including but not limited to modifications to international tax rules such as future changes to the calculation of Global Low-Taxed Income (GILTI) and the Foreign-Derived Intangible Income (FDII) deduction. ASC 740 requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation is enacted. Accordingly, the applicable effects of the Tax Act have been recognized in the income tax provision computation for fiscal 2025 and did not have a material impact on tax expense or deferred tax balances. The Company will evaluate any further impacts to its Consolidated Financial Statements as business operations or financial results change, or as additional regulations and administrative guidance are issued.

Significant components of the Company's income taxes, deferred and current at July 31 are as follows:

	July 31, 2025 *(in millions)*
Deferred income tax liabilities:	
Tax depreciation in excess of book depreciation	$ 623.1
Lease right-of-use assets	139.4
Total deferred tax liabilities	762.5
Deferred income tax assets:	
Lease liabilities	140.4
Unpaid self-insurance provision	193.9
Net operating loss carryforwards	91.8
Bad debt reserve	43.4
Accrued expenses	10.9
Other	6.9
Total deferred tax assets	487.3
Valuation allowance for deferred tax assets	(79.7)
Net deferred tax assets	407.6
Net deferred tax liabilities	$ 354.9
Current taxes payable (including amounts due under the tax sharing agreement)	37.9
Total income taxes, deferred and current portion	$ 392.8

9. Income Taxes (continued)

Significant components of the provision for income taxes are as follows:

	July 31, 2025 *(in millions)*
Current income tax expense:	
Federal	$ 0.2
Foreign	201.9
Total current income tax expense	202.1
Deferred income tax benefit:	
Foreign	(22.6)
Total deferred income tax benefit	(22.6)
Total income tax expense	$ 179.5

The reconciliation of income taxes computed at the U.S. federal statutory tax rate to income tax expense is as follows:

	July 31, 2025 *(in millions)*
Earnings before income tax	$ 540.2
Federal statutory rate	21.0%
Federal tax at statutory rate	113.4
Effect of rates different than statutory	31.7
Impairment of investment in subsidiary	27.8
Change in valuation allowance	(31.5)
Tax effect of permanent differences	28.4
Other	9.7
Total income tax expense	$ 179.5

At July 31, 2025, the Company has foreign net operating loss carryforwards of $91.8 million for income tax purposes, of which $91.7 million can be carried forward indefinitely. Those carryforwards resulted from the Company's subsidiaries in Canada, the United Kingdom, France, and Spain in fiscal 2000 through fiscal 2025. The valuation allowance related to these loss carryforwards is $79.7 million at July 31, 2025.

Undistributed earnings of certain foreign subsidiaries of the Company amounted to approximately $3,718.2 million at July 31, 2025. Those earnings are considered to be indefinitely reinvested and, accordingly, no provision for U.S. federal and state income taxes, or foreign withholding taxes has been provided thereon. Determination of the amount of unrecognized deferred taxes related to these undistributed earnings is not practicable.

At July 31, 2025, the Company had no unrecognized tax benefits. Interest and penalties related to unrecognized tax benefits are presented as a component of income tax expense. At July 31, 2025, the Company had no accrued interest or penalties related to unrecognized tax benefits.

The Company and its subsidiaries are subject to income tax in the U.S. federal jurisdiction, various U.S. state and local jurisdictions and foreign jurisdictions. During fiscal 2025, the consolidated U.S. income tax returns filed by the Parent Company for fiscal 2022 and 2023 were selected for examination by the U.S. Internal Revenue Service. The Company is also subject to routine audits by state, local and foreign tax authorities. No audit adjustments have been proposed to date related to the Company and its subsidiaries.

With few exceptions, as of July 31, 2025, the Company is no longer subject to U.S. state and local or non-U.S. income tax examination by tax authorities for tax years before 2019. Additionally, the Company is no longer subject to U.S. federal examination for tax years before 2022.

9. Income Taxes (continued)

Many countries have enacted or are in the process of enacting a 15% minimum tax rule based on the Organization for Economic Co-Operation and Development ("OECD") framework, commonly referred to as "Pillar Two." As the Company primarily does business in jurisdictions with a tax rate greater than 15%, the Company does not anticipate that these regulations will materially affect its effective tax rate, net income, or Consolidated Balance Sheet.

10. Retirement Savings Plan

Eligible employees may participate in the Enterprise Holdings Retirement Savings Plan (the "Plan"). The Plan consists of a 401(k) component and a profit sharing component, with Enterprise providing a match under the 401(k) component and charging the Company for the related expenses. Any further discretionary contributions made by the Company to the Plan are allocated for distribution to the profit sharing component.

401(k) Participation and Contribution

Non-union employees are eligible to make elective contributions (Before-Tax and/or Roth) and receive employer matching contributions in the Plan on the first day of the month, following one month of employment.

Employees who have met these eligibility requirements may make voluntary contributions to various funds at their discretion. There is a 100% match of Plan participants' contributions to their 401(k) accounts, up to 4% of eligible compensation, subject to a maximum benefit per participant.

Profit Sharing

In addition to the employer 401(k) match offered through the Plan, the Parent Company may determine, in its sole discretion, to make a profit sharing contribution. Participants are eligible to participate on the first day of the month following one year of continuous service and must have at least 1,000 hours of service in their anniversary year or in the plan year in which the first anniversary occurs. To qualify for a plan contribution, participants must be employed on the last day of that plan year.

Total expense under these plans was $42.3 million in fiscal 2025 and is recorded in selling, general and administrative expenses in the Consolidated Statement of Comprehensive Income.

11. Commitments and Contingencies

Service Contracts

The Company has contracts for marketing-related services under agreements that expire at various dates through fiscal 2029. Total expenses recorded in selling, general and administrative expenses in the Consolidated Statement of Comprehensive Income under these agreements were:

	Year Ended July 31, 2025 *(in millions)*
Marketing- related services	$ 29.6
Total	$ 29.6

11. Commitments and Contingencies (continued)

Future minimum service commitments under all such agreements in effect at July 31, 2025, with terms in excess of one year, are as follows:

	Total (in millions)
Year ending July 31,	
2026	$ 2.4
2027	2.3
2028	1.8
	$ 6.5

Litigation

The Company and certain of its subsidiaries have been named as defendants in a number of lawsuits, the outcomes of which cannot presently be predicted with certainty. It is possible that certain of the actions, claims, inquiries or proceedings could be decided unfavorably to the Company or the subsidiary involved. Although the amount of liability with respect to these matters cannot be ascertained, potential liability in excess of related accruals is not expected to materially affect the consolidated financial condition or results of operations of the Company.

Vehicle Purchase Commitment

The Company enters into agreements on an annual basis with a number of different manufacturers to purchase a substantial number of vehicles to meet the requirements for its rental fleet. The agreements typically indicate the pricing, volume and timing of delivery of vehicles to be purchased by the Company. Certain of these agreements may commit the Company to minimum purchase volumes for the model year. Based on the agreements that have been finalized at January 30, 2026, the Company had commitments for vehicle purchases, subject to availability, totaling approximately $4.0 billion for fiscal 2026.

12. Related Parties

The Company is charged a management fee by the Parent Company for its allocated share of expenses. These expenses primarily relate to information technology and management and administrative expenses. The cost of the services is allocated based on specific identification or an agreed upon methodology. These allocations may not be indicative of the actual expenses that would have been incurred by the Company had it been operating as an independent Company. Charges for these activities totaled $61.5 million for fiscal 2025 and are included in selling, general, and administrative expenses in the Consolidated Statement of Comprehensive Income.

The Company is charged a royalty fee by the Parent Company for its use of the Enterprise tradename. These charges totaled $145.2 million for fiscal 2025 and are included in selling, general, and administrative expenses in the Consolidated Statement of Comprehensive Income.

At July 31, 2025, $4,113.5 million of unsecured demand notes were due to a wholly-owned affiliate of the Parent Company and are included in debt in the Consolidated Balance Sheet. Interest expense on these notes was $163.0 million for fiscal 2025 and is included in interest expense in the Consolidated Statement of Comprehensive Income.

13. Subsequent Events

In preparing the accompanying Consolidated Balance Sheet, the Company has reviewed subsequent events that have occurred after July 31, 2025 through January 30, 2026, the date the Consolidated Balance Sheet was issued. The Company noted no reportable subsequent events other than the subsequent events noted below.

13. Subsequent Events (continued)

In August 2025, the Company repaid the $1,448.6M outstanding at July 31, 2025 of promissory notes and credit facility borrowings due to the US Parent. The Company financed the repayments of the promissory notes with additional borrowings from the US Parent under new terms. The intercompany promissory notes are a revolving facility. The facility is routinely borrowed against and repaid frequently to allow the Company operational flexibility and to remain competitive, with market-based interest rates and principal amounts fluctuating alongside changes in the business.

In November 2025, the Company repaid the $99.1M outstanding at July 31, 2025 of promissory note due to the US Parent.

As of January 30, 2026, the Company had $486.6M of borrowings outstanding under the credit facility.