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UHAL approves the change of its corporate moniker to U-Haul Holding Co. as well as the creation of a new Series N non-voting stock that will effectively act as a 10-for-1 stock split and pay quarterly cash dividends of \$0.04 per share

- Last night, after the market close, UHAL announced that an Independent Special Committee, which was convened in April 2022 (and will remain an active committee within the company) approved several actions, including a change in the corporate moniker and the creation of a new series of non-voting common stock.
- On the former, Amerco will change its name to U-Haul Holding Company by the end of 2022. (For context, shareholders have long pressed the alignment of the company's name with its ubiquitous underlying brand as to promote increased awareness among the investment community.)
- On the latter, the company authorized the creation of new Series N non-voting common stock, which will be issued via a 9-for-1 stock dividend on November 9th (to shareholders of record on November 3rd) and trade under ticker NASDAQ: UHALB. (Notably, this transaction is intended to have the same effect as a 10-for-1 stock split, which, again, was a move long advocated by shareholders to enhance UHAL's trading liquidity).
- Separately, this morning, before the market open, the company announced that the Series N stock would pay a quarterly cash dividend of \$0.04 per share beginning in 3Q F2023 (i.e., the December quarter).
- In our view, these steps, while still modest, are representative of management's evolution toward becoming a somewhat more shareholder friendly company in recent months; in that context, as mentioned earlier, the Independent Special Committee, which is chaired by James Grogan and comprised of two other independent directors, will remain an active committee within UHAL.
- Our base case fair value estimate remains \$765 per share, reflecting a blended multiple of ~8.5x on F2023E Moving & Storage segment EBITDA of \$2.06 billion, the insurance assets at 0.5x book and net debt of ~\$3.07 billion (see Exhibit #1 on page 2).

UPDATE

Amerco NASDAQ: UHAL

Publication Date:
October 25, 2022

Price: \$545.04/share

Market capitalization: ~\$10.6B

Moving & Storage: \$902/share

Moving: \$323/share
Storage: ~\$579/share

Insurance: \$18/share

Repwest: \$7/share
Oxford: \$11/share

Corporate & Net Debt: (\$155/share)

SOTP: \$765/share *

*SOTP may not add due to rounding

(See the reports dated 6/1/2018 and 5/11/2021 as well as updates from 8/24/2018, 3/27/2020, 5/28/2020, 8/6/2020, 11/5/2020, 2/4/2021, 8/5/2021, 10/22/2022, 5/6/2022 and 8/4/2022 for more info.)

NOTE: This publication could be considered as advocating for corporate restructurings. Authors select companies for this report based on the potential for a future value-unlocking transaction. In many cases, these companies have or could come under activist investor pressure, media scrutiny, or general market speculation that a spin-off or asset sale is possible.



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Exhibit #1 Amerco: Sum-of-the-Parts Fair Value Estimate

(\$ in millions, except per share figures)

	<u>Moving</u>	<u>Storage</u>	<u>Eliminations</u>	<u>Insurance</u>	<u>Enterprise Value</u>	<u>Net Debt</u>	<u>Market Cap</u>
F2023E Revenue	\$4,372.5	\$873.6	(\$12.5)				
Operating margin	20.0%	85.0%					
Operating income	\$874.5	\$742.5	(\$2.5)				
EBITDA margin	<u>29.5%</u>	<u>88.3%</u>					
F2023E EBITDA	\$1,291.4	\$771.5	(\$2.5)			(\$3,070.4)	
Applied multiple	<u>5.0x</u>	<u>15.0x</u>	<u>8.7x</u>			1.0x	
Enterprise value	\$6,457.1	\$11,572.8	(\$21.8)	\$368.3	\$18,376.3	(\$3,070.4)	<u>\$15,305.9</u>
Diluted shares	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>		<u>20.0</u>	<u>20.0</u>
Per share basis	\$322.86	\$578.64	(\$1.09)	\$18.41		(\$153.52)	\$765.30
Bull (10x)	\$387.43	\$655.79	(\$1.26)	\$18.41		(\$153.52)	\$906.85
Base	\$322.86	\$578.64	(\$1.09)	\$18.41		(\$153.52)	\$765.30
Bear (7.5x)	\$258.29	\$501.49	(\$0.92)	\$18.41		(\$153.52)	\$623.74

Source: Company reports, Bloomberg, and Institutional Research Group estimates.