

**Close coverage of UHAL with shares trading toward the high-end of our bull/bear cases**

- ✓ For context, UHAL has returned 126.5% (compared with a 68% increase in the S&P 500 and a 40.5% rise in the Russell 2000) since our initial recommendation in June 2018.
- ✓ That said, with shares trading toward the high-end of our bull/bear valuation scenarios (see Exhibit #1 on page 2), we prefer to maintain our disciplined approach and close coverage/withdraw our recommendation, as of today's close.
- ✓ While we think UHAL is a high-quality operator in a space where it has durable competitive advantages, we do think the shares could see a degree of increased volatility as the company begins to re-engages in self-storage investments, which were put on hold during the pandemic (to the benefit of near-term profitability), in coming quarters; to that end, we will continue to monitor shares for the opportunity to re-recommend as valuation shifts or if incremental steps toward potential strategic alternatives materialize.

**Amerco**

**(NASDAQ: UHAL)**

**Date (10/22/21)**

**Price \$724.89/share**

**Market capitalization ~\$14.2B**

**Moving & Storage: \$751/share**

*Moving: \$364/share*

*Storage: \$387/share*

**Insurance: \$37/share**

*Repwest: \$13/share*

*Oxford: \$24/share*

**Corporate/Net Debt:  
(\$159/share)**

**SOTP: \$630 per share\***

\*SOTP may not add due to rounding

*(See the report dated 6/1/2018 and updates from 8/14/2018, 3/27/2020, 5/28/2020, 8/6/2020, 11/5/2020, 2/4/21 and 8/5/2021 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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# HIDDEN OPPORTUNITIES

*“Valuing possible breakups by providing sum-of-the-parts analysis.”*

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

(\$ 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>
<b>2022E Revenue</b>	<b>\$3,800.4</b>	<b>\$670.1</b>	<b>(\$6.5)</b>				
Operating margin	17.0%	70.0%					
<b>Operating income</b>	<b>\$646.1</b>	<b>\$469.0</b>	<b>(\$2.5)</b>				
EBITDA margin	<u>34.9%</u>	<u>77.0%</u>					
<b>2022E EBITDA</b>	<b>\$1,325.3</b>	<b>\$516.3</b>	<b>(\$2.5)</b>			<b>(\$3,153.4)</b>	
Applied multiple	<u>5.5x</u>	<u>15.0x</u>	<u>8.2x</u>			<b>1.0x</b>	
<b>Enterprise value</b>	<b>\$7,289.1</b>	<b>\$7,743.9</b>	<b>(\$20.4)</b>	<b>\$741.8</b>	<b>\$15,754.4</b>	<b>(\$3,153.4)</b>	<b>\$12,601.0</b>
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>
<b>Per share basis</b>	<b>\$364.46</b>	<b>\$387.20</b>	<b>(\$1.02)</b>	<b>\$37.09</b>		<b>(\$157.67)</b>	<b>\$630.05</b>
Bull (10x)	\$430.72	\$438.82	(\$1.18)	\$37.09		(\$157.67)	\$747.78
Base	\$364.46	\$387.20	(\$1.02)	\$37.09		(\$157.67)	\$630.05
Bear (7.5x)	\$298.19	\$335.57	(\$0.86)	\$37.09		(\$157.67)	\$512.32

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