Zacks Small-Cap Research

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AMERCO Inc (UHAL-NASDAQ)

UHAL: Record 3Q revenue in line with our estimates. Special dividend announced. Increasing price target.

Current Recommendation	**Outperform**
Prior Recommendation	Neutral
Date of Last Change	06/26/13
Current Price (02/04/15)	$274.67
Target Price	**$350.00**

OUTLOOK

AMERCO is the parent company of U-Haul International, the world's largest consumer truck rental company. It is also the second largest self-storage operator in North America. The impact of the decline in housing and a decrease in apartment occupancy rates appears to have ended. We expect continued improvements in operating parameters.

Our recommendation is Outperform, with a price target of $350.

SUMMARY DATA

52-Week High	**$296.31**
52-Week Low	**$212.21**
One-Year Return (%)	**37.15**
Beta	**1.4**
Average Daily Volume (sh)	**20,506**
Shares Outstanding (mil)	**19.6**
Market Capitalization ($mil)	**$5,804**
Short Interest Ratio (days)	**1.4**
Institutional Ownership (%)	**27.3**
Insider Ownership (%)	**69.3**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**8.6**
Earnings Per Share (%)	**49.1**
Dividend (%)	**N/A**
P/E using TTM EPS	**15.0**
P/E using N4Q Estimate	**13.7**
P/E using 2016 Estimate	**13.5**

Risk Level	**Average**
Type of Stock	**Large Blend**
Industry	**Trans-Eqp&Lsng**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2014	**707.6A**	**799.8A**	**615.9A**	**572.6A**	**2718.9A**
2015	**778.6A**	**853.7A**	**670.9A**	**623.5E**	**2952.6E**
2016	**827.5E**	**905.0E**	**710.0E**	**655.0E**	**3125.5E**
2017	**861.9E**	**943.0E**	**735.6E**	**684.7E**	**3257.2E**

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2014	**$5.78A**	**$7.06A**	**$2.67A**	**$2.00A**	**$17.54A**
2015	**$6.36A**	**$7.98A**	**$3.40A**	**$2.17E**	**$19.93E**
2016	**$7.08E**	**$8.29E**	**$4.04E**	**$2.53E**	**$21.94E**
2017	**$8.32E**	**$9.26E**	**$5.08E**	**$3.34E**	**$26.00E**

Zacks Projected EPS Growth Rate - Next 5 Years % **15**

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RECENT NEWS

On Feb. 5, 2015 AMERCO announced a special dividend of $1 a share, payable on March 17, 2015 to shareholders of March 06, 2015.

The company announced its 3Q fiscal results on Feb. 05, 2014 followed by a conference call on Feb 04, 2014. As shown below our estimates were close to those reported for rental revenue, moving and storage and operating expenses. Our all operating revenue number of $671 excludes certain income amounts and we adjust the reported data for this. We had over-estimated the "other income" amount which accounts for the difference in reported pretax and net income.

Both transactions and average price per transaction increased from year ago levels. There was some price improvement in the quarter and the weather this year was better than it was in 2014. Pricing is also a function of distance in the point-to-point market and the size of the truck rented. During the third quarter 10 more company owned locations were added as well as several independent dealers. Since all company owned locations are also self storage facilities there was an increased in room count and square footage in the self storage business. Despite the significant increase in rooms for rent the average occupancy rate increased.

	Actual	Actual	Actual	Actual	Actual	Actual	Actual		Est
Revenue:	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	Est 3q	4Q15
Rentals	$522	$599	$436	$399	$581	$654	$487	$480	$440
Moving & Storage	$679	$766	$578	$543	$755	$833	$637	$627	$591
All Operating Revenue	$708	$800	$616	$573	$779	$854	$671	$669	$624
Op. Expenses	$310	$351	$313	$315	$355	$384	$339	$348	$355
Op. Income	$163	$203	$81	$44	$174	$223	$98	$94	$46
Pre-Tax	$179	$217	$82	$59	$195	$247	$107	$115	$67
Net for Common	$113	$138	$52	$39	$124	$156	$67	$72	$42

The company has decided to build and expand existing self storage facilities rather than buying new outlets. This will have a modest negative on the near term profitability of these operations but will increase profitability in 2017 fiscal year and beyond. It will also reduce overall capital spending.

During the first nine months of this year gross truck and trailer capital spending was $635 million as compared to $512 million last year. Total spending for the year should be close to $815 million. Spending this year has been predominantly in the small and mid-sized truck arena, Going forward U-Haul will be spending more on the larger trucks (the very large trucks are kept longer) but the number of large trucks added will be offset by sales of existing units.

During the fourth quarter (in January) the company prepaid $246 million of senior mortgages from internally generated cash flow. At the end of the third quarter cash declined from the September 2014 level by $120 million to $729 million. We expect cash to decline further given the announced dividend, the mortgage payment and capital spending of about $100 million. With estimated earnings of over $40 million, depreciation and amortization exceeding $80 million and the sale of trucks of about $100 million cash at year-end should exceed $450 million.

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AMERCO announced its 2Q15 results on Nov. 05, 2014. Moving and Storage revenue was $833 million as compared to our estimate of $837 (both numbers include SAC management fees and other income less interest income). Operating income was the same as our estimate. Pretax income was ahead of our forecast and the tax rate was slightly below our estimate. Given the accuracy of our estimates we are not changing them for the rest of the fiscal year or for fiscal 2016.

Transaction growth was close to the revenue growth. Overall pricing was unchanged versus year ago levels and fleet additions did not have a major impact. The company does not report fleet data on a quarterly basis but for fiscal 2014 the revenue per truck was over 10%. The company spent $536 million on trucks, excluding the revenue from the sale of older trucks, and expect to spend $279 in the second half. With cash flow from operations exceeding $150 in the second half of the year available cash should exceed $700 million, leaving room for another dividend, possibly in the 4Q15. The company is using cash to buy the trucks since the cost of borrowed funds is so low at this time. This will increase depreciation in the rest of 2015 and into 2016 fiscal years.

Cash and cash equivalents increased from $495 million at year end 2014 and from $693 million at the end of the 1Q15 to $849 million. The change included a prepayment of $127 million with a prepayment penalty of $4 million, (charged to earnings). A significant amount of debt is due to be paid in early 2015, the 4Q15, and the total debt due by Sept. 2015 is $502 million with a further $322 million before Sept. 2016.

In July 2012 PODS Enterprises (PEI) filed a lawsuit alleging common law trademark infringement in the use of the words pod and pods. U-Haul claims that the words were generic. The jury found in favor of PEI on Sept.8, 2014 on all counts and awarded $61 million in damages and loss of profits. U-Haul intends to file post-trial motions and on Oct. 1, 2014 the court ordered briefing on the generic question that had been deferred during trial. Briefing was completed on Oct. 21,2014.

All the self storage units operated by AMERCO are also truck rental facilities, as are the managed locations owned by Blackwater. This give the company a competitive advantage versus other truck rental companies like Budget and Penske.

The company has begun to replace mortgage debt that is due this year and next year. Mortgage rates are down from when this debt was raised by over one percentage point, the new rate is in the low 4% area. AMERCO has long been able to finance both mortgages and leasing costs at the low end of the rate curve

U-Haul truck and rental revenue is being driven by increasing capital expenditures that are not being matched by the competition. More trucks available contribute to more transactions and the company's past investments in IT infrastructure have reduced the expenses needed to handle the transactions.

The company has announced on several occasions that dividends depend on the cash flow required to refinance significant amounts of long term debt over the next two years. The current dividend policy is based on cash flow that is above the need fund operations, including fleet expansion and the acquisition of real estate for self storage facilities. Any self storage facility acquired or opened is also a truck rental facility which adds to the growth in the moving and storage operations.

An annual dividend: In fiscal 2016 and 2017 nearly $600 million of mortgage debt matures. Although we are sure that there would be no problems in negotiating new loan agreements it is better to have extra cash as a standby resource.

KEY POINTS

- U-Haul is one of the most recognized names in the world and has a commanding share of the consumer self-moving business.
- Today, U-Haul, with a network of more than 18,940 locations in all 50 United States and 10 Canadian provinces, is the first choice of do-it-yourself movers.
- The company also supplies alternative-fuel for vehicles and backyard barbecues as one of the nation's largest retailers of propane.
- At March 31, 2014 the size of the rental truck fleet was approximately 127,000 trucks and 98,000 trailers, as compared to 112,000 and 90,000 at the end of fiscal 2013. The company consistently buys and sells trucks each year.

OVERVIEW

AMERCO is North America's largest "do-it-yourself" moving and storage operator, which operates through its subsidiary, U-Haul International, Inc. (U-Haul) as well as AMERCO Real Estate Company, Republic Western Insurance Company (or RepWest), and Oxford Life Insurance Company (or Oxford). U-Haul offers "do-it-yourself" moving and storage and supplies products and services to help people move and store their household and commercial goods in the United States and Canada. The company, formerly known as U-Haul Trailer Rental Company, was founded in 1945 and is based in Reno, Nevada. Since 1945, the company had rented trailers, and starting in 1959, it rented trucks on a one-way and in-town basis exclusively through independent U-Haul dealers. Since 1974, the company developed a network of U-Haul managed retail centers, through which it rents its trucks and trailers and sell moving and self-storage products and services to complement its independent dealer network.

Moving and Storage operations include AMERCO, U-Haul, and AMERCO Real Estate and the wholly-owned subsidiaries of U-Haul and AMERCO Real Estate. The segment engages in the rental of trucks, trailers, specialty rental items, and self-storage spaces to the "do-it-yourself" mover and management of self-storage properties owned by others, as well as sales of moving supplies, towing accessories, and propane. Operations are conducted under the registered trade name U-Haul throughout the United States and Canada. The company sells U-Haul brand boxes, tape and other moving and self-storage products and services to do-it-yourself moving and storage customers at all of its distribution outlets and through its eMove Website.

eMove® is an online marketplace that connects consumers to independent Moving Help® service providers and thousands of independent Self-Storage Affiliates. The network of customer rated affiliates and service providers furnish pack and load help, cleaning help, self-storage and similar services, all over North America. The goal is to leverage AMERCO's web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Property and Casualty Insurance segment offers moving and storage contents insurance products, including Safemove policy that provides moving customers with a damage waiver, cargo protection, and medical and life coverage; and Safestor, which protects storage customers from loss of their goods in storage. RepWest provides loss adjusting and claims handling for U-Haul through regional offices across North America. RepWest also underwrites components of the Safemove, Safetow, and Safestor protection packages to U-Haul customers. The business plan for RepWest includes offering property and casualty products for other U-Haul related programs. Net revenue from this segment for fiscal 2012 was approximately 1.6%.

Life Insurance segment that includes Oxford Life Insurance Company provides life and health insurance products primarily to the senior market through the direct writing or reinsuring of life insurance, Medicare supplement and annuity policies. Additionally, Oxford administers the self-insured employee health and dental plans for Arizona employees of the company. Net revenue from this segment for fiscal 2012 was approximately 12.8%.

AMERCO rents its distinctive orange U-Haul trucks and trailers, as well as offers self-storage rooms through a network of over 1,540 company operated retail-moving centers and approximately 17,400 independent U-Haul dealers. The company also has an storage facility network with thousands of independent service providers participating in the eMove network. . As of now, the company’s rental fleet consisted of more than 106,000 trucks, 83,000 trailers, and 33,000 towing devices. As a result, U-Haul operates over 423,000 storage rooms, comprising approximately 37.8 million square feet of storage space at more than 1,140 facilities throughout North America. U-Haul’s owned and managed self-storage facility locations having 184,600 square feet of storage space, with individual storage units ranging in size from 6 square feet to 1,000 square feet.

The primary market for storage rooms is the storage of household goods. U-Haul serves millions of ‘do-it-yourself’ household moving customers annually. A logical extension of do-it-yourself-moving is self-storage. A large number of renters use a rental truck or trailer to move goods in or out of the storage facilities. Based on managed locations, U-Haul is the second largest self-storage company in the USA, behind Public Storage . All of U-Haul’s storage centers (including those managed but not owned) are truck rental dealers.

U-Haul is one of the most recognized names in the world and has a commanding share of the consumer self-moving business. The company is the consumer’s number one choice as the largest installer of permanent trailer hitches in the automotive aftermarket industry. U-Haul’s brand awareness is very high. A survey of public brand identification of truck manufacturers placed U-Haul second behind Mack Truck, even though U-Haul does not make trucks. The name U-Haul is as well known as Kleenex, Coke (the Cola), and Clorox. U-Haul trucks often appear in movies and television without AMERCO having to pay for advertising. Independent dealers receive trucks on a consignment basis and are paid a commission based on gross revenue generated by the dealer. The independent dealers are not franchisees. U-Haul does not franchise its name. Dealer contracts can be terminated upon 30 days written notice by either party. Today, U-Haul, with a network of more than 16,950 locations in all 50 United States and 10 Canadian provinces, is the first choice of do-it-yourself movers. These locations include climate controlled facilities, which is a growing trend in the self-storage industry. Climate controlled facilities are

more expensive to rent and cost more to build and maintain. This tends to favor the larger operators versus the smaller ones with only a few locations. The company also supplies alternative-fuel for vehicles and backyard barbecues as one of the nation’s largest retailers of propane. U-Haul has developed and sells a broad range of hitches for towing boats etc. This business has been developed to include bicycle carriers. U-Haul is one of the largest sellers of propane in North America.

The company has seven different truck models and five major types of trailers. The truck chassis are delivered to one of seven U-Haul manufacturing centers to be fitted with a cargo box. These manufacturing centers also build the trailers from the "ground up." Manufacturing centers may be situated in areas of net migration to provide vehicles that will move into other areas. This is particularly so in Southern California.

The trucks are made to U-Haul's specifications. As many parts as possible are common across similar trucks. The same engines (all gasoline to avoid potential problems in mixing fuels), the same gear boxes and rear axles are used for many of the trucks to reduce parts inventory and maintenance expenses. Only two types of tires are used across 80% of the fleet. Except for warranty claims, the company does nearly all of its own maintenance on a preventive maintenance basis where possible.

eMove® is an online marketplace that connects consumers to independent Moving Help® service providers and thousands of independent Self-Storage Affiliates. The network of customer rated affiliates and service providers furnish pack and load help, cleaning help, self-storage and similar services, all over North America. The goal is to leverage AMERCO's web-based technology platform to increase service to consumers and businesses in the moving and storage market.

U-Haul is now expanding its service to customers by offering U-Haul Car Share. Partnering with municipalities, U-Haul Car Share provides the most convenient on-street access to vehicles downtown. U-Haul Car Share allows multiple users to share one vehicle, thus reducing an individual's environmental impact and allowing members to save thousands of dollars a year. U-Haul Car Share takes care of fuel, insurance and maintenance costs.

AMERCO has two insurance subsidiaries, Repwest (Property and Casualty) and Oxford Life (Health, Life and Annuities). These companies were originally set up to serve U-Haul employees and the U-Haul dealers (many of these were one proprietor gas station owners that were not able to obtain low priced insurance). However, over the years they branched out into other lines of insurance. Oxford Life has usually been profitable, but Repwest has not and required additions to reserves. AMERCO had decided to scale back Repwest and the casualty business is now restricted to insure U-Haul risks only. Oxford Life is now focused on Medicare supplement, Annuities and Life insurance. It is a small company but profitable.

A number of years ago AMERCO, formed a relationship through Mark Schoen called SAC that provided off-balance sheet ownership of self-storage rental properties. AMERCO sold real estate to SAC in return for debt and managed the storage properties for a fee. The debt was paid down by SAC in 2012.

AMERCO is also working towards increasing its storage occupancy at existing sites, adding new eMove Storage Affiliates and building new locations. The company expects occupancy gains in its current portfolio of locations to be realized in fiscal 2012 and 2013. As such, the company is continuing to evaluate new moving and storage opportunities in the market place, including the introduction of portable storage in selected markets.

RepWest will continue to provide loss adjusting and claims handling for U-Haul and underwrite components of the Safemove, Safetow, and Safestor protection packages to U-Haul customers. RepWest has started to grow again and its revenue is tied to the operations of moving and storage. Oxford is pursuing its goals of expanding its presence in the senior market through the sales of its Medicare supplement, life and annuity policies. As part of this strategy, Oxford is focused on growing its agency force and developing new product offerings.

INDUSTRY OUTLOOK

Longer term POSITIVE

Consumer self moving and self-storage are relatively low growth industries (less than 5% annually). However, both are highly fragmented industries, and so there are opportunities to gain market share. Both industries are less cyclical than most, since in bad times some people downgrade their living quarters (and some move back in with their parents) and use self-storage and consumer truck rental to move and store their belongings. In good economies, people move up scale from small apartments to larger ones or to houses.

INDUSTRY POSITION

The moving truck and trailer rental industry is large and highly competitive. There are two distinct users of rental trucks: commercial and “do-it-yourself” residential users. AMERCO (UHAL) focuses primarily on the “do-it-yourself” residential user and is the largest self moving company with over 50% of the applicable market. There are few large competitors and new entrants have found it difficult to achieve a significant market share. Within this segment, the company’s major competitors are Avis Budget Group, Inc. (CAR) and Penske Truck Leasing. Enterprise rent-a-car has started a small truck service, but this appears to be aimed at the light local delivery business (the trucks have lift gates which is a potential hazard for unwary users). Penske is very efficient (and profitable) but is not expanding as far as we know. Budget is buying new trucks to replace older ones, but its fleet may be shrinking. Meanwhile, the self-storage market is large and highly fragmented. The company competes primarily with Public Storage Inc. (PSA), Extra Space Storage, Inc. (EXR), and Sovran Self-Storage Inc. (SSS). Public Storage does not have a large fleet, and neither does Enterprise. However, both of these companies could become significant over time.

On the other hand, the highly competitive insurance industry includes a large number of life insurance companies and property and casualty insurance companies. In addition, the marketplace includes financial services firms offering both insurance and financial products. Some of the insurance companies are owned by stockholders and others are owned by policyholders. Many competitors have been in business for a longer period of time or possess substantially greater financial resources and broader product portfolios than AMERCO’s insurance companies. The company competes in the insurance business based upon price, product design, and services rendered to agents and policyholders.

VALUATION

The stock has usually been valued on EBITDAL (EBITDA plus lease expense) per share, selling over 6.5 EBITDAL in recent years. Based on our estimates for 2016 EBITDAL of over $50 a share, we would expect a price of $350 a share.

AMERCO's common stock continues to reach valuations higher than before. As shown on below the high price to EBITDAL ratio reached 5.35, during a period when the stock market averages reached record highs. Based on our latest forecasts, and assuming slightly higher valuations, our target price is $350 a share.

UHAL FY March 31 5-Feb	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015E	2016E	2017E
Op. Inc.	167.00	288.85	247.69	203.70	121.05	193.55	377.70	416.00	1652.25	513.86	566.60	597.88	709.16
Depreciation & Amort.	121.10	142.82	189.23	221.88	265.21	227.63	189.27	208.90	238.00	259.61	280.93	276.00	287.04
Amort of policy	28.51	24.26	17.14	13.18	12.39	2.34	9.49	13.80	17.38	19.98	17.20	10.00	10.00
Total EBITDA $ millions	316.61	455.93	454.06	438.76	398.66	423.52	576.46	638.70	1907.62	793.46	864.72	883.88	1006.20
Stock Hi March to March	48.23	101.20	106.55	90.00	72.00	108.00	108.62	126.14	178.70	244.69	320.00	350.00	385.00
Stock Low	21.60	42.75	66.22	60.00	35.00	35.00	45.17	60.14	75.41	150.24	210.00	225.00	250.00
Lease expense	151.35	142.78	149.04	133.93	152.42	156.95	150.81	131.22	117.45	100.47	88.95	125.00	142.50
EBITDAL, millions	467.97	598.71	603.10	572.69	551.08	580.47	727.26	769.92	2025.07	893.92	953.67	1008.88	1148.70
EBITDAL per Share	22.51	28.75	28.86	29.01	28.55	30.08	37.49	39.53	103.85	45.74	48.77	51.57	58.69
	2005	2006	2007	2008	2009	2010	2011	2012	2013A	2014A	2015E	2016E	2017E
EBITDA to High	3.17	4.62	4.90	4.05	3.49	4.92	3.66	3.85	1.83	6.03	7.24	7.75	7.49
EBITDA to Low	1.42	1.95	3.05	2.70	1.69	1.59	1.52	1.83	0.77	3.70	4.75	4.98	4.86
EBITDAL to High	2.14	3.52	3.69	3.10	2.52	3.59	2.90	3.19	1.72	5.35	6.56	6.79	6.56
EBITDAL to low	0.96	1.49	2.29	2.07	1.23	1.16	1.20	1.52	0.73	3.28	4.31	4.36	4.26

Comparables Table												
Company	Ticker	Price 2/5/15	Mkt Cap. million $	P/E Trailing	P/E Forward	ROE(%) L4Q	P/Sales L4Q	EV/Rev.	P/BV	EV/EBITDA	PEG	Inst. Hldgs~
AMERCO*	UHAL	$296.25	$5,804	15.01	13.73	20.99	2.02	2.55	3.15	5.88	1.49	27.3
Avis Budget Group, Inc.	CAR	$61.26	$6,510	33.70	16.76	25.26	0.76	2.19	8.53	16.74	0.69	100.0
Cube Smart	CUBE	$25.31	$4,120	95.87	21.26	2.21	11.48	14.57	2.97	26.70	1.95	100.0
Hertz Global Holdings Inc	HTZ	$22.55	$10,100	29.67	17.72	13.17	0.90	2.36	3.47	13.54	2.15	94.1
Public Storage Inc.	PSA	$205.73	$35,530	40.98	23.79	12.15	15.88	17.47	6.81	25.10	4.59	80.3
Sovran Self-Storage Inc.	SSS	$96.92	$3,220	37.22	20.29	9.17	10.87	13.46	3.33	24.11	3.53	92.1
Extra Space Storage Inc.	EXR	$67.78	$7,880	37.22	23.62	12.69	12.27	15.64	4.4	25.4	4.27	97.3
Mean					19.60	13.66	7.74	9.75	4.67	19.64	2.67	
Median					20.29	12.69	10.87	13.46	3.47	24.11	2.15	
(Source: Yahoo Finance & Zacks Investment Research)				* Based on 10% CAGR of EPS.			~ Inst. Holdinggs capped at 100%					

RISKS

- The current housing recovery could reverse and lead to reduced consumer and commercial spending. Although U-Haul is not as traditionally cyclical stock but declines in consumer spending may result in price war, which would have a negative impact on the company's gross profit. Competitor rates continued to have a negative influence on U-Haul's revenues. While revenue per transaction statistics over the last two quarters indicate a softening trend and price decline, competitive rate pressures still impact U-Haul's result. Competitors' actions combined with the current economic stress affecting U-Haul's customers could dampen the company's revenues in the near term.
- AMERCO's business is subject to many economic factors that are not included in our forecasts. These include the impact of high fuel costs, a significant economic downturn or a significant decline in housing starts.
- Since revenue (and therefore earnings) is affected by seasonal changes in the weather, it is assumed that past weather conditions are continued over the time frame of estimates unless otherwise stated.
- Moving and storage revenue is still under some pricing pressure, which is expected to continue.
- U-Haul has been purchasing its rental trucks from a limited number of manufacturers such as Ford Motor Company and General Motors Corporation. If either company has production or quality control problems it could have a negative impact on AMERCO's operations and stock price.
- To meet the needs of customers, U-Haul maintains a large fleet of rental equipment. Its rental truck fleet rotation program is funded internally through operations and externally from debt and lease financing. Given a worsening financial market, the company's fleet rotation program can be adversely affected.
- Another important aspect of U-Haul's fleet rotation program is the sale of used rental equipment. The sale of used equipment provides the organization with funds that can be used to purchase new equipment. However, the sale of used rental equipment market is currently not in good shape and may have a material adverse effect on the company's financial results, leading to increases in depreciation expense and losses on the sale of equipment and decreases in cash flows from the sales of equipment.

INSIDER TRADING AND OWNERSHIP

Insiders hold or control 70.0% of outstanding shares. Over the past six months, insiders have sold approximately 3,700 shares.

Institutions currently hold approximately 28.6% of the outstanding shares. The largest institutional holders include Dimensional Fund Advisors Inc..

PROJECTED INCOME STATEMENT & BALANCE SHEET

AMERCO Fiscal year March 31st. data)																		
Consolidated statements of operations	**2011A**	**2012A**	**2013A**	**1Q14**	**2Q14**	**3Q14**	**4Q14**	**2014A**	**1Q15**	**2Q15**	**3Q15**	**4Q15**	**2015E**	**1Q16**	**2Q16**	**3Q16**	**4Q16**	**2016E**	**2017E**
									Act.	Act.	Act.	Est.		Est.	Est.	Est.	Est.		
AMERCO Moving & Storage revenue	$1,895.4	$2,049.6	$3,345.7	$639.6	$715.2	$536.5	$504.6	$2,395.9	$710.0	$780.4	$597.5	$551.0	$2,638.9	$747.0	$820.0	$625.0	$576.0	$2,768.0	$2,879.2
Other revenue	22.1	23.3	24.4	0.0	5.3	7.1	0.0	24.5	0.0	0.0	0.0	0.0	26.0	0.0	0.0	0.0	0.0	32.0	32.0
Insurance premiums	237.7	310.2	212.5	49.0	39.4	51.4	48.2	199.0	47.5	51.5	52.6	52.5	204.2	58.5	63.0	63.0	57.0	237.5	250.0
All revenue	**$2,241.3**	**$2,502.7**	**$3,702.9**	**$707.6**	**$799.8**	**$615.9**	**$572.6**	**$2,718.9**	**$778.6**	**$853.7**	**$670.9**	**$623.5**	**$2,952.6**	**$827.5**	**$905.0**	**$710.0**	**$655.0**	**$3,125.5**	**$3,257.2**
Operating expense	1,026.58	1,093.19	1,170.57	309.50	350.54	313.23	315.21	1,288.48	355.21	383.97	338.69	355.40	1,433.26	372.38	407.25	375.00	375.00	1,529.63	1,490.00
Cost of sales	106.02	116.54	107.22	35.57	34.53	28.23	28.94	127.27	41.63	39.84	30.75	25.00	137.22	39.00	37.00	26.00	26.00	128.00	133.60
Commissions	190.98	212.19	228.12	68.63	78.38	55.57	49.95	252.53	79.67	76.16	58.44	52.80	267.06	76.00	86.00	60.00	56.00	278.00	296.88
Lease expense	150.81	131.22	117.45	27.01	25.82	24.47	23.17	100.47	22.47	19.78	18.71	28.00	88.95	31.00	32.00	30.00	32.00	125.00	142.50
Benefits and losses	190.43	310.84	171.94	42.63	37.99	38.63	37.45	156.70	40.78	39.56	40.08	41.00	161.43	50.00	43.00	46.00	42.00	181.00	188.00
Amortization of policy costs	9.49	13.80	17.38	3.68	6.06	4.46	5.79	19.98	4.18	4.29	4.72	4.00	17.20	2.50	2.50	2.50	2.50	10.00	10.00
Net depreciation	189.27	208.90	238.00	57.43	63.21	70.79	68.18	259.61	61.05	67.07	81.81	71.00	280.93	62.00	67.00	74.00	73.00	276.00	287.04
AMERCO op. income	377.70	416.00	1,652.25	163.16	203.31	80.56	43.90	513.86	173.60	223.06	97.65	46.31	566.60	194.63	230.25	96.50	48.50	597.88	709.16
Interest expense	88.38	90.37	90.70	23.33	23.12	23.61	22.64	92.69	24.15	24.88	25.72	24.00	24.00	20.00	20.00	20.00	20.00	80.00	80.00
Non operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other income	0.00	0.00	21.00	39.21	36.66	25.41	38.00	0.00	45.60	48.69	35.50	45.00	174.78	45.00	47.00	49.00	50.00	191.00	210.00
Pretax income	289.31	325.63	402.55	179.05	216.85	82.37	59.26	537.52	195.05	246.88	107.43	67.31	616.67	219.63	257.25	125.50	78.50	680.88	807.16
Income taxes (benefit)	105.74	120.27	143.78	66.08	78.86	30.15	20.05	195.13	70.58	90.63	40.89	24.90	227.00	81.26	95.18	46.44	29.05	251.92	298.65
Tax rate	36.55	36.93	35.72	36.91	36.37	36.60	33.83	36.30	36.18	36.71	38.06	37.00	36.81	37.00	37.00	37.00	37.00	37.00	37.00
Net income	183.58	205.36	258.77	112.97	137.99	52.22	39.21	342.39	124.47	156.25	66.54	42.40	389.66	138.36	162.07	79.07	49.46	428.95	508.51
Preferred dividend	12.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extra items	(0.14)	37.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net for common	170.99	233.74	258.77	112.97	137.99	52.22	39.21	342.39	124.47	156.25	66.54	42.40	389.66	138.36	162.07	79.07	49.46	428.95	508.51
Shares used for EPS Earnings Per Share	19.40	19.48	19.50	19.55	19.55	19.56	19.57	19.52	19.58	19.59	19.59	19.55	19.55	19.55	19.55	19.55	19.55	19.55	19.55
Net EPS	$8.82	$12.00	$13.27	$5.78	$7.06	$2.67	$2.00	$17.54	$6.36	$7.98	$3.40	$2.17	$19.93	$7.08	$8.29	$4.04	$2.53	$21.94	$26.00
EPS before Extra Items																			
EBITDA/Share	$29.71	$32.79	$97.83	$11.47	$13.94	$7.96	$6.02	$40.65	$12.20	$15.03	$9.40	$6.20	$44.22	$13.25	$15.33	$8.85	$6.34	$45.20	$51.46

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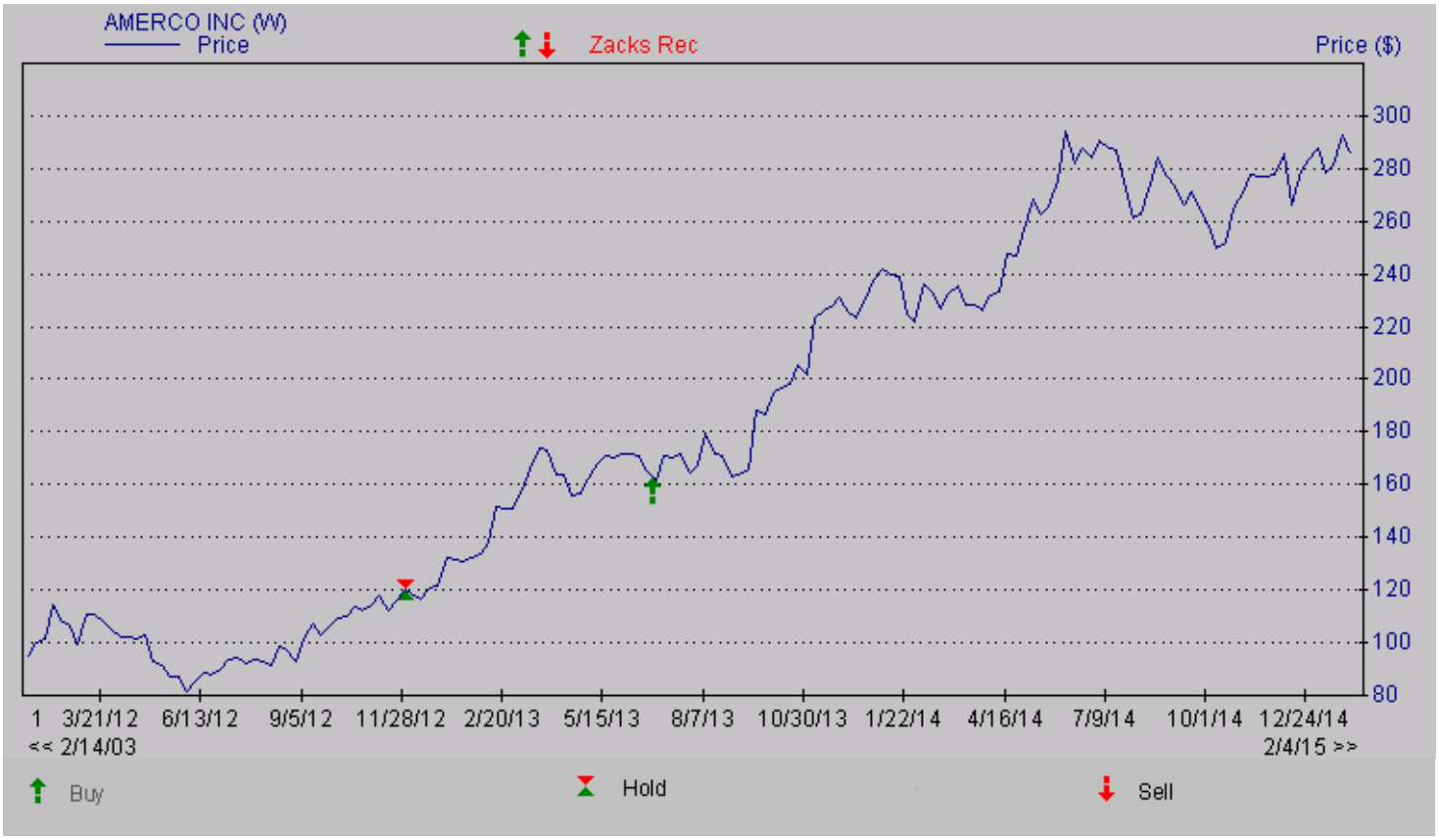
AMERCO and Consolidated Subsidiaries (Dollars in millions) Fiscal year March 31.	4Q09	4Q10	4Q11	4Q12	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
ASSETS										
Cash and cash equivalents	240.59	244.12	375.50	350.10	463.74	552.59	679.58	601.62	495.11	692.59
Trade receivables	213.85	199.74	205.37	297.97	261.79	284.52	237.24	228.42	199.32	200.02
Inventories, net	70.75	52.84	59.94	58.74	56.40	58.30	61.43	65.26	67.02	69.34
Prepaid expenses	54.20	53.38	57.62	41.86	57.45	43.38	55.13	44.34	55.27	49.91
Gross PP&E ex SAC	3347.49	3293.13	3435.98	3787.82	4314.41	4535.78	4669.27	4878.36	2530.92	5457.72
Trucks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2610.80	0.00
Less accumulated depreciation	1333.56	1344.74	1341.41	1415.46	1559.36	1597.92	1636.07	1685.26	1732.51	1782.42
Investments, total	746.65	776.80	861.68	1032.42	1337.10	1348.43	1327.04	1361.47	1387.13	1457.87
Other	440.11	447.98	468.60	436.68	282.02	255.87	273.43	265.43	267.24	266.55
Total Assets	$3,825.07	$3,762.45	$4,176.15	$4,654.05	$5,306.60	$5,578.76	$5,776.35	$5,874.11	$5,999.00	$6,528.68
Liabilities and Stockholders' Equity										
AMERCO's notes and loans	0.00	0.00	1417.97	1507.98	1667.01	0.00	1737.28	1775.12	1862.87	2185.37
Policy benefits and losses	779.31	825.06	927.38	1145.94	1122.34	1122.94	1122.81	1102.88	1090.59	1083.30
Liabilities from investment contracts	303.33	268.81	255.44	248.23	510.79	538.78	570.32	596.27	616.73	643.07
Deferred income taxes										
Other	1546.49	1347.64	1397.84	1486.21	1661.85	1737.28	1775.12	1862.87	1942.36	2185.37
Total Liabilities	3107.44	2949.54	3183.13	3618.23	4077.34	4232.47	4314.53	4379.69	4471.61	4854.23
Preferred stock										
Common stock	0.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Additional paid-in capital	420.59	419.81	418.02	433.74	438.17	439.52	440.94	442.84	444.21	445.86
Retained earnings	915.86	969.02	1140.00	1317.06	1482.63	1595.60	1733.59	1766.24	1805.45	1929.93
Other	-93.17	-60.76	-49.85	-199.83	-176.38	0.00	-197.55	-199.51	-207.14	-186.18
Treasury stock	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65
Total stockholders equity	$717.63	$812.91	$993.02	$1,035.82	$1,229.26	$1,519.97	$1,461.82	$1,494.42	$1,527.37	$1,674.46
Total liabilities and stockholders equity	$3,825.07	$3,762.45	$4,176.15	$4,654.05	$5,306.60	$5,752.44	$5,776.35	$5,874.11	$5,998.98	$6,528.68

Source: Company reports and Zacks Equity Research estimates

AMERCO and Consolidated Subsidiaries							
Consolidated Statements of Cash Flows							
Years ended March 31st.							
(Dollars in millions)						6 Months	9 Months
As reported	**2010**	**2011**	**2012**	**2013**	**2014**	**Sept. 2014**	**Dec.. 2014**
Cash flow from operations							
Net earnings before dividends	53.07	170.99	233.74	264.70	342.39	280.7	347.3
Depreciation and amortization	227.63	198.76	222.70	277.80	313.15	181.1	273.1
Other	124.50	203.40	207.90	119.03	54.00	17.2	-98.7
Net cash from operations	**405.20**	**573.15**	**664.34**	**661.53**	**709.54**	**479.0**	**521.7**
Cash flows from investing activities							
PP&E purchased	259.50	480.40	589.80	656.00	999.37	599.4	725.5
Real estate, net	2.30	0.20	7.80	0.40		-0.4	11.3
PP&E sold (Excluding real estate)	-142.90	-180.40	-168.90	220.70	270.05	260.7	321.7
Other	-3.70	-81.20	-163.90	164.09	423.67	443.5	529.4
Net cash from investing activities	**-118.00**	**-381.00**	**-577.00**	**-712.21**	**-845.75**	**-417.0**	**-506.4**
Cash flows from financing							
Sale of stock							
Stock purchased			144.30				
Debt paid	302.00	288.90	201.90	258.00	293.07	-208.1	-266.7
Borrowings	72.20	321.90	237.80	270.55	431.03	506.8	510.1
Dividends			19.48	97.42	19.57		
Other, inc currency	-53.90	-93.80	-23.82	145.23	29.83	-423.7	-551.9
Net cash from financing activities	**283.70**	**60.80**	**112.74**	**157.78**	**167.79**	**291.2**	**224.9**
Change in cash	3.50	131.35	-25.40	107.10	31.58	353.2	240.2
Cash at beginning of year	240.60	244.10	375.45	357.18	464.28	495.9	495.9
Period adjustment			7.13				-6.2
Cash and cash equivalents at period end	**244.10**	**375.45**	**357.18**	**464.28**	**495.86**	**849.1**	**729.8**
Source: Company reports and Zacks Equity Research estimates.							

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Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

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