February 08 2018

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

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Amerco Inc (UHAL-NASDAQ)

UHAL : Third quarter moving & storage revenue beats expectations as did operating income. Cash exceeds $1 Billion.

Our estimated price range is based on historical price to EBIDAL ratios with a single point price target at the top of the range.

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. Continued growth in rental outlets, both company and independent dealer owned, with fleet expansions are expected to drive earnings.

Our valuation is a price target of $400

Current Price (02/07/18)	$354.3
Valuation	**$400**

SUMMARY DATA

52-Week High	**$396.30**
52-Week Low	**$340.72**
One-Year Return (%)	**-4.4**
Beta	**1.0**
Average Daily Volume (sh)	**82,665**
Shares Outstanding (mil)	**19.6**
Market Capitalization ($mil)	**$6,980**
Short Interest Ratio (days)	**4.9**
Institutional Ownership (%)	**33.3**
Insider Ownership (%)	**64.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**7.2**
Earnings Per Share (%)	**8.5**
Dividend (%)	**N/A**
P/E using TTM EPS	**8.8**
P/E using N4Q Estimate	**18.8**
P/E using 2019 Estimate	**18.8**

Risk Level	**Below Avg.,**
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)
2016	842.7A	913.3A	712.6A	659.5A	3154.5A
2017	877.7A	941.6A	754.3A	676.4A	3279.1A
2018	910.4A	981.5A	803.8A	706.7E	3433.8E
2019	964.5E	1042.3E	846.5E	748.5E	3601.8E

Price/Sales Ratio (Industry = 2.5x)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2016	$8.74A	$9.36A	$4.17A	$2.68A	$24.95A
2017	$7.51A	$8.22A	$5.24A	$0.48A	$22.24A
2018	$6.44A	$6.36A	$27.00A	-$0.30E	$14.84E
2019	$7.67E	$8.20E	$3.32E	-$0.27E	$18.92E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

RECENT EVENTS

On Feb. 7, 2018 AMERCO reported its third quarter numbers followed by a conference the following morning. Moving and Storage revenue beat our forecast as did operating income. Adjusting for the sales of assets pretax income was slightly below our estimate.

													EST
Revenue:	2015	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	EST 3Q
Truck Rentals	$2,152	$629	$698	$517	$453	$646	$712	$541	$463	$670	$741	$575	$565
Moving & Storage total	$2,810	$812	$887	$682	$630	$844	$918	$720	$630	$880	$962	$759	$753
All Operating Revenue	$2,945	$843	$913	$713	$659	$878	$942	$754	$676	$910	$981	$804	$790
Op. Expenses	$1,411	$363	$406	$356	$344	$385	$423	$389	$395	$417	$492	$438	$430
Op. Income	$589	$249	$261	$126	$83	$214	$225	$96	$11	$181	$168	$72	$69
Pre-Tax	$561	$269	$287	$132	$80	$233	$279	$103	$13	$199	$197	$272	$282
Net for Common	$395	$171	$183	$82	$53	$147	$161	$103	$9	$126	$125	$46	N/M

The gain in moving revenue of 6.15% was almost entirely based on transaction growth fueled mainly by the increase in fleet size and occurred in both the one-way and point to point markets. All of the operating metrics improved with gains in fleet size (as well as trailers and hitches) , Company owned locations and dealer locations. Since Company owned storage locations are also truck leasing locations the acquisitions of existing buildings that are then converted to storage facilities benefits both parts of operations.

Maintenance and repair cost continue to hamper the growth in earnings. Over $32 million additional expenses, as compared to the prior year, in this area had a significant impact on operating margins based on moving and storage revenue. Much of this increase was due to retention of older trucks that would normally be sold. Truck sales in the third quarter were $389 million as compared to $403 million a year ago.

AMERCO reported the sale of the Chelsea NY property for $191 million (and purchased offsetting properties so deferring any federal tax on the sale) and other properties for $1.4 million. We have excluded this from our normalized earnings.

The impact of the Tax Reform Act was a non-cash profit of $339 million. The cash on the balance sheet now exceeds $1022 million.

The estimated reported tax rate for future years is 24.3%

The company's tax rate has been close to 36% in each of the last five years (counting back from 2017 the annual percentage rates have been 36.4, 36.4, 36.5, 36.3, 35.7). This includes current taxes, deferred taxes, state taxes and non-U.S. taxes (Canada).

The amount paid as dividends is $1.50 this fiscal year. The $30 million announced so far in fiscal 2018 is paid out of excess cash flow and does not impact capital spending or mortgage backed borrowing.

Although AMERCO has paid these special dividends for a number of years it is not included as dividends by the various financial sources such as Yahoo or Google.

AMERCO reported its second quarter results after the market closed on Nov. 08, 2017, followed by a conference call the next morning.

Revenue was better than expected but operating expenses were much higher than forecast.

There were a number of factors that impacted the drop in operating income. A bonus was granted to frontline managers ($20 million), fewer trucks were sold (this impacts depreciation), and, as mentioned at the recent virtual conference call, trucks for sale were not in a first class condition. Increased maintenance and repair over and above normal expenses cost, in our opinion, an extra $25 million.

These additional maintenance expense are expected to continue through the next nine months, but at a reduced and declining rate. The trucks were generally about town vehicles. Ford had a truck recall that also affected availability of trucks for rent. The cost of repair is born by Ford but the down time impacted revenue. Currently U-Haul has about 5,000 trucks for sale before the fleet is in balance.

Most other expenses were in line with our expectations. We have adjusted our forecasts for the increased level of repair costs.

The recent two hurricanes in the SE United States did not have a significant impact on earnings. Although operations were suspended in both cases transactions increased as people rented trucks to move out and then return after the hurricanes moderated. Box sales actually increased.

Overall, truck rental transactions increased in the second quarter as compared to a year ago at a faster rate than truck revenue. In our opinion this was more of a mix change than the result of discounting.

The sale of the facility in Chelsea, NYC, occurred in October, 2018. The net before tax profit was about $188 million. For accounting purposes it will be taxed at close to 35% but this is a non cash event. We have excluded this from our forecasts, treating it as a non-reoccurring event. The company will purchase other real estate to offset the sale, in which case the profit is deferred as a rule 1031 exchange.

On August 24, 2017 AMERCO held its annual meeting and a virtual investors conference. During the conference the company expanded on prior statements made at the earnings call.

The major factor affecting current earnings was the impact of truck sales made in the last fiscal year and into the 1Q18. Two years ago the torrid new car/truck market pushed used truck sales demand to an unusually high level of pricing and U-Haul was able to sell many trucks into that market, $480 million worth . Over the past six to nine months the used truck market has softened, prices have declined and, more to the point, the buyer has demanded (and received) a vehicle of better quality. It has moved from a seller's market to a buyers market.

The company is aware that it has to improve the quality of the trucks up for sale. Fewer dings and scrapes will garner a higher sales price. U-Haul uses the used truck auctions, in part, to move vehicles out of areas of low rental demand and positions new vehicles into locations of strong demand.

U-Box is profitable, and growing. There are two major factors that determine profitability. The first is the cost of shipping containers across country. This is done through third party freight carriers. AMERCO is working on this part of the cost structure to lower its cost structure.

Profitability depends on how many containers can be stacked on top of each other, that is how to maximize revenue per square foot of floor space. A stack one-high is not profitable. Two high is a bit better than breakeven and three high is very profitable. That means the facility has to be sized for its market and it may take some time to reach break-even in certain markets.

The facility in Chelsea, NY should be sold late in the second quarter. The selling price is about $200 million, and the cost on the books is about $5 million. Under current IRS regulations taxes may be deferred by buying an equivalent amount of real estate within a certain time frame. AMERCO will use this to defer taxes as much as possible and may be able to defer all of the gains on the building. The company will keep part of the building as a rental facility since there is strong demand for one in that area.

Employee count varies with seasonal demand, with the current quarter needing the most employees. U-Haul intends to hold headcount to as low a number as is possible commensurate with demand.

Most of the line items were in line with our projections. Operating expenses were slightly above our estimates which dropped operating income to less than we had forecast. Other income and other expenses were better than expected which raised pretax income.

During the conference call management reiterated that the poor market for used trucks had impacted the financials more than expected. U-Haul uses auction sales to partially balance the geographical dispersion of trucks (when one way rentals leave trucks in locations with low new transactions) and to remove older trucks from the fleet. Approximately 2% of the fleet ends up in locations with low demand and U-Haul does not back haul them.

The decision the buy and incur depreciation rather than lease is based on a cash flow calculation and not on earnings. At the moment interest rates favour purchase. About 70% of the capital expenditure on new fleet is bought using short term borrowings.

The new endeavor, Truck Share 24/7, is generating significant interest from the independent dealers. This has not been advertized as a feature but will be emphasized in promotions this quarter. It will add to dealer revenue without adding expenses (including company owned locations) so it is an attractive feature in web based bookings.

U-Box is still growing! The purchase of rented boxes in April is working out. U-Box has been profitable for the past four quarters.

Self storage rates continue to improve as recent start-ups increase occupancy. For over a year AMERCO's management has voiced its view that self storage facilities are attracting inexperienced buyers that are paying too much for them. On the other hand local regulations have increased the time lag between land purchase and the start of rentals.

We have tweaked our numbers for the next 7 quarters but there are no significant changes to EBITDA and EBITDAL that change our target price range.

On July12, 2017 AMERCO announced another special dividend. $1.00, payable Aug. 03, 2017 to stockholders of record July 20, 2017. The stock goes ex-dividend on July 18, 2017.In our opinion the special dividends have become so frequent that investors should include them in their valuations.

The company is cash flow positive and should have no problems in refinancing any of the debt due over the next two years. This takes them "over the hump" of the bulk of the refinancing.

On May 24 2017 AMERCO filed its 10K for fiscal 2017 and followed this with a conference call on May 25.

Revenue was slightly below our estimates but were within our range of projections. Most of the expenses were close to our estimates except for operating expenses. These were far higher than expected and this was a major part of the discussion on the conference call. There were two major factors, all of which we expect to carry through fiscal 2018 and have a negative impact of operating income before growth in revenue overcomes the added expenses.

The two largest factors were increased headcount and higher medical costs ($14 million; AMERCO is self insured on medical premiums and the medical cost increase was about $5 million). Higher maintenance and repair costs were $14 million, mainly due to the increased fleet size although this is higher than we would have expected based on fleet numbers. Increased local taxes and expenses ($7 million) and accounting changes ($6.3 million) added up to close to $41 million of added expense. If we delete this from the reported number the ration of operating expenses to Rental revenue was in line with our projections.

Net new dealer additions were 500, bringing the total of independent dealers to 20,000 and company owned facilities are now over 1,750

As of March 31, 2017 the rental fleet was approximately 150,000 trucks; 112,000 trailers and 40,000 towing devices. The truck count in March 2016 was 139,000 and the truck increase was higher than the truck rental change. As the additional trucks generate more revenue the operating expense should move closer to historical values. We estimate that average revenue per truck declined about 4% for the full fiscal year.

Fleet additions of the largest truck will be complete over the next twelve months and we expect the increase in depreciation to be less than that over the last year.

U-Haul has added a new feature to its rental system U-Haul Truck Share 24/7. This allows a prospective renter to find and book a rental truck any time, any day. Many dealers keep normal shop hours but the company now has 3,457 locations that provide 24 hour service, Ultimately the service can be extended so that a renter can find a truck, its key and paperwork, and drive off without needing any personnel intervention.

We have made certain assumptions as to how the transaction growth and truck utilization will absorb the added expenses. This has reduced our earnings estimates by a significant amount. Given the increased uncertainty of revenue growth

A $1 a share dividend was paid in March 2017.

AMERCO reported is financials for the 3Q17 on February 8, 2017, followed by a conference call the next day.

Revenue was slightly above our estimates in every category. All of the operating expenses except depreciation were close to our estimates. Transactions continue to increase on a year/year basis and dollar value per transaction was about the same as in 2Q17, which is the peak revenue quarter. Expense ratios were in line with our estimates, as were the fixed costs such as interest income except for depreciation. As we have mentioned in prior reports the company is in the process of replacing the biggest, and oldest, portion of its fleet acquired in 2008. The depreciation rate on these truck is 2% of the acquisition cost. The new trucks are depreciated at 16%. The list price of a new Ford F750 series truck starts at close to $60,000. Although the number of large trucks is small the total dollar amount is large. Buying these trucks should peak in 2018 and overall depreciation should then start to decline.

Resale prices for trucks sold continue to be below year ago levels and AMERCO has been selling less of them this year than they did a year ago. Profits from the sale of trucks is netted against depreciation so this has a negative impact on earnings.

Storage capacity continues to grow. Room count and square feet increased from 2Q17 levels. Occupancy declined due to seasonal factors. Dollars per sq. ft. increased slightly and dollars per room per quarter was flat as compared to year ago level.

U-Haul International Inc. and PODS Enterprises Inc. (PEI) have agreed on a settlement that concludes the litigation between the two companies. Prior to the settlement PEI had sued for over $65 million and the settlement was for $41.4 million. UHAL had accrued $66 million and had charged this amount to earnings. The $24.6 million difference will be credited back as a reduction in operating expenses in 2Q17.

We treat such payments on a line item called Extra Items and Discontinued Operations (EDIO) and publish earnings without such items. As such our estimate will not agree with GAAP numbers as published by the company. However, the payment will impact total cash on the balance sheet.

In our opinion net free cash flow is more than sufficient to continue paying a quarterly dividend of $1.00 a share over the next five years.

On August 03, 2016 AMERCO reported the results of its first fiscal quarter of 2017, followed by a conference call on August 04, 2016.

Our revenue estimates were far too optimistic. In the last two years the sequential gain in truck rental revenue from the 4Q to the 1Q of the following year was close to 46%, and we had assumed this would be the case this year. However, this year the gain was only 42.6%. There was still an increase year over year of 2.7% but this was well below the traditional increase. This was the lowest rate of gain in the last six years. The increase in rental revenue was due to transaction gains but this was limited due to shortages of trucks in some areas.

Except for depreciation most of the other operating expenses were in line with revenue and were below our estimates. Depreciation increased significantly, as we had expected and the company had warned us, but profits from truck sales was below our estimates.

The net result was a decline in earnings from a year ago to a level well below street expectations.

The company is increasing its purchase of new trucks. However, some of the larger trucks that had been purchased from GM are no longer being manufactured so U-Haul has to buy from Ford, which has taken advantage of the situation by increasing prices. This will increase depreciation at a higher rate than normal as long as AMERCO chooses to buy rather than lease.

AMERCO offsets part of its depreciation expenses with profits from the sales of trucks. A year ago the company sold $193 million worth of trucks for a profit of $46.0 million. This year it sold $146 million worth and made a profit of $18.6 million. This differential was a significant hurdle that it could not overcome with the lower sales growth.

We have decided to be more conservative than we usually are in the short run. We have reduced our revenue estimates (maybe by too much) and our earnings are keyed to moving and storage revenue more than any other factor. Increased truck purchases should have an impact in the second half of the year but this is the seasonally slow period, We expect earnings growth in fiscal 2018.

Regarding the PODS litigation the Eleventh Circuit Court of appeals decided on July 19, 2016 to set September 13, 2016 (not a Friday) as the date to start the oral argument on the claims. This will be held in Jacksonville Florida.

On May 25, 2016 AMERCO reported its full fiscal year 2016 results, followed by a conference call on the 26 May, 2016. Truck rental revenue was in line with our projections as was All Operating Revenue, as shown below, and operating expenses. The only major category that was where we were wrong was the depreciation number. The difference was solely the profit from the sale of trucks declined by nearly $14 million. The sale of trucks is used to offset to depreciation expense and it is not possible for us, or the company, to forecast the amount.

In general we were pleased with the results.

In the second half of fiscal 2016 U-Haul experienced a lack of available trucks in certain areas. The company intends to increase its truck purchases during 2017. At the end of fiscal 2016 U-Haul owned and leased about 139,000 trucks, up from 135,000 at the end of fiscal 2015. Capital spending on trucks may increase as much as 30% when compared to 2015. The independent dealer count increased to 19,500 and company owned store rose to 1,700.

Truck rental revenue increased by just over 5.3%. We estimate that average truck revenue increased by about 2.5%, truck count was up 3% and was a bias towards about town rentals rather than the more expensive point to point rental.

Although average occupancy rates for self storage declined in 4Q16 from year ago levels and sequentially Q-Q this was due to the higher level of spending on greenfield facilities. These obviously are at zero occupancy rates and about half of the 3.6 million square feet was new. The other half had occupancy rates of 68%, well below the 84% of 2Q16. We expect rates to pick up as facilities are expanded and proportionally less capital is spent on new buildings.

AMERCO had announced another special dividend of $1.00 a share payable April 21, 2016 to holders of record on April 05, 2016. This follows the announcements of special dividends in August, 2015; June 2015; February 2015 and December 2014. We think that AMERCO is not getting the benefit of these dividends in the valuation of its common stock. The dividends have become so regular that we assume the company will pay one on a continuous basis and it should be factored into the future returns to the stockholders.

Third quarter results, announced on February 3, 2016, were in line with our estimates.

Truck rental revenue increased by 6.2%, the slowest rate of growth this fiscal year. The impact of seasonality (the NE United States is at its lowest point in Q4 and Q3) always moderates the growth in all areas of business so we were not surprised as this is normal. As far as we could tell there was no significant change in the discounting that occurs in the truck rental business, with Avis Budget Group (CAR $26.57) and Penske maintaining the status quo so the growth is mainly from truck count and, to a lesser extent, transaction growth. The company did add 300 net new dealers during the quarter, which will have a positive impact in the first and second fiscal quarters of 2017. Fleet expansion in the 3Q was at the lowest rate of the year but the seasonality of revenue and truck utilization rate dictates the positioning of new trucks and we would expect a slow rate of additions in Q4.

Sales of trucks over the nine months of each fiscal year were $459 in 2016 as compared to $258 in 2015. On an accounting basis this is used to reduce the depreciation charge. Although the company leases trucks its lease agreement allows it to sell leased trucks so there is no differentiation between trucks owned versus trucks leased.

U-Box revenue and expenses were down on sequentially, as expected, but the company expects to resume growth on a year to year basis in the spring

The reduction in the price of propane has been significant over the last year and this has impacted the net sales line. However, AMERCO's propane business is a retail one and buyers have been so happy with the overall decline in price that, in some areas, the gross profit per gallon has increased and volume sale increased slightly from last year's level. There are close to 900 company owned outlets selling propane.

Third quarter truck rental operating margins increased from 18.5% a year ago to 21.1% this last quarter

The storage business expanding each quarter for several years. The mix of business has changed, sometime biased towards new stores versus raw real estate and existing facilities. In 3Q16 about half of the additions were of existing facilities with an occupancy rate of about 50% and half from new facilities that have a zero occupancy. As a result the overall rate declined in Q3 from 81.1% year ago and 84% in Q2 to 78.4% in Q3. We would expect this rate to increase as new facilities come on line. However, this business is also seasonal so the increase may be a modest one. AMERCO stated that there is a lot on money being spent on self storage, there are few barriers to entry, and we would expect a near term decline in capital spending of existing facilities and more on real estate. The flow of money into self storage may impact Public Storage (PSA $246.22) and Sovran Self Storage (SSS $108.97) as this new money will impact occupancy rates for all companies.

Management did caution investors about the impact of the bad weather in the North East. As we have mentioned the seasonality of the rental business, both truck and self storage, is due to the decline of business in the North East USA and in Canada. The greatest decline is during the fourth fiscal quarter. Revenue in the second half of each year is usually 25% or more less than the first half of the year so the disruption are minimized but can still be significant. Our estimates have always reflected the probability of bad weather.

AMERCO announced its 2Q16 results on November 04, 2015 followed by a conference call on Nov. 05, 2015.

Results were very positive. Revenue was in line with our expectations, as shown below. Operating expenses were slightly higher than expected. However, commission expenses were significantly higher than expected which suggests that the independent dealers generated a higher proportion of revenue in 2Q16 than they did a year ago and in the 1Q16. The net results was that net income was slightly below our estimate (by 4.7%). Revenue was impacted by a weaker Canadian dollar which the company estimated the impact as a reduction in income of $12 million. The impact of the lower valuation was a reduction of $13 million in the value of cash held in Canada. (this accounts for a lot of the shortfall in earnings from our estimate) The company added 350 new independent dealers and 30 new company owned locations. These include newly acquired storage facilities (all AMERCO owned storage locations are U-Haul dealers) as well as storage locations that have been built on a greenfield basis. About 60% of the capital expenditure was for operating units and 40% was real estate. Room count increased from 237 thousand at the end of 1Q16 to 252 thousand at the end of 2Q16. Same store occupancy increased about 5%.

Fleet size was at about the same level as the 1Q16 ago and truck sales increased from the 1Q16 level. Companywide efficiencies drove transaction growth. Capital expenditure over the last few years has moved from mid-sized trucks to small trucks (enclosed bodies on pick-up trucks to appeal to a younger generation) and back to mid-sized and large trucks. As unit growth of trucks slows down so the utilization (transactions) of the fleet increases. U-Box revenue declined from 2Q15 levels and costs were held constant from 2Q15 levels. The company expects U-box to be profitable for the full fiscal year.

On August 28, 2015 AMERCO announced a special cash dividend of $3.00 a share payable on October 01, 2015 to stockholders of record on September 16, 2015. This raises the total dividends for 2016 fiscal year to $4.00 a share.

We had considered more dividends would be paid as the debt repayment schedule became clearer and near term repayments were reduced. However, this special dividend was sooner and larger than expected and is a testimony to the company's outstanding cash management.

On Sept. 24, 2016 the Eleventh Circuit Court of Appeals issued a notice setting a telephonic mediation between H-Haul and PEI regarding the law suit based on the term PODS. This will be held on November 24, 2015 beginning at 2:00 pm Eastern time (12.00 noon Phoenix time).

AMERCO has financed a mortgage loan of $270 million, funded by Morgan Stanley Bank and JPMorgan Chase Bank. Several of the properties are based in Florida and consist of several limited liability companies, Each company is incorporated in Delaware. The rate is $.865% per year and the term is 20 years. The current home mortgage rate for a jumbo 20yr loan is 4.08% This financing is part of the debt restructuring that the company has discussed several times in conference calls. It gives better visibility to cash flow over the next 12 months and increases the probability that the company will pay another dividend next year.

On Aug. 5, 2015 the company filed it 10Q on the first fiscal quarter of 2016, followed by a conference call on August 6, 2015. Results exceeded our expectations. Moving and storage revenue was slightly ahead of our forecast but cost controls, expense mix change and a reduction in expenses for U-Box had a major positive impact on margins.

Based on the positive results we increased our target to $400 a share.

Both truck count and transactions increased. For the first time in many years prices increased in certain markets although overall the business continues to be very competitive. The U-Box operations were cut back from year ago levels and expenses for this business were significantly reduced. This is still a viable business for AMERCO but there are several new entrants since there are few barriers except funding for operators to start up in a local area.

Overall revenue growth outpaced expense growth and margins expanded in U-Haul International. There was a shift from outside truck rental operators to company owned stores thereby reducing commission expenses by a significant amount. Low interest rates lease financing rates reduced the cost of funding fleet acquisitions. Repair and maintenance costs were low as the fleet age continues to decline.

Net additions to the fleet continue, U-Haul International selling prices of used truck were very strong. Sales of used trucks increased from $128 million to $193 million, an increase of $75 million. This increase was the primary factor in our estimates being too low. Fleet size is expected to increase as the year progresses.

Acquisitions by the storage continue but there has been a shift from raw real estate to existing storage facilities. The price of real estate is increasing nationwide whereas there are always existing storage facilities for sale. AMERCO has some unencumbered real estate and the company may take advantage of low mortgage rates to improve cash flow and pay down some existing mortgages that become due over the next eighteen months.

We have never been able to forecast the life insurance revenue. Small acquisitions have a significant impact on revenue and. often, a negative impact on near term earnings.

The cost of propane dropped quicker than did the sales price (many self storage properties sell propane) but we expect the decline to moderate as the peak season ends.

On June 05, 2015 the company declared a special dividend of $1 per common share payable to stockholders of record on Jun 19, 2015; payable on July 01, 2015.

This is the third consecutive fiscal year that the company has declared a dividend. The others were in Feb. 2015 and Dec. 2013.

In our opinion, going forward, AMERCO will continue to pay a special dividend each fiscal year from operating cash flow.

AMERCO announced its 4Q and full 2015 results on May 27, 2015 followed by its conference call on May 28, 2015.

Revenue was slightly below our estimate but improved utilization drove pretax earnings to a record fourth quarter of $72.8 million. A charge of $60.7 million ($38.4 million after tax adjustments) from the PEI (PODS) litigation dropped per share earnings from $2.43 to $0.47. 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. Mileage on the point-to-point transactions increased slightly. Our estimate of average revenue for the fleet grew by 3.5% and the net truck count year-end to year-end increased by 6.3%. Moving and Storage margins improved slightly and this should continue into 2016. Operating expenses in the 4Q were impacted by a reduction in repair expenses. 2015 was an all-time low in the number of trucks in for repair. The recent flooding in Texas had a minor impact on business in Houston and Austin and some trucks needed repair as well as a SAC storage facility.

U-Box, the storage container part of the business, has been suffering from growing pains and U-Haul has cut back on the growth. From breakeven in fiscal 2014 the implementation of the IT infrastructure has proved to be difficult and this operation is currently in the red. This should reverse by the end of the second quarter and we expect profits in 2016. Storage revenue was in line with our projections. Capital expenditures in this area during the second half of the year were biased toward greenfield acquisitions versus buying existing properties, as was the case in the last few years. This impacts returns since it take some time to achieve over 75% occupancy rates.

The insurance companies reported revenue close to our expectations. Since Oxford Life is involved in Medicare health insurance we were not sure of what the impact of Obamacare would be. So there is none we can discern.

Looking through the current year we expect continued growth in revenue as the expanded rental fleet is available for the full year. In fiscal 2015 the company sold 29,000 vehicles (at an average price of over $14,000) and added 37,000 (APP $26,000).

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

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

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 Life Storage Inc. (LSI, which was called 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 7.5 times EBITDAL in recent years. Based on our estimates for 2017 EBITDAL of over $60 a share, we would expect a price of $400 a share. The stock continues to sell at a discount to its peer group. It always has and we do not think that this will change.

AMERCO's common stock continues to reach valuations higher than before. As shown on below the high price to EBITDAL ratio has increased over past years and has reached 7.6 during a period when the stock market averages reached record highs. Based on our latest forecasts, and assuming slightly lower valuations both this year and next year, our target price is $400 a share. The lack of predictability of the financials reported in fiscal 2018 has caused a decline in the stock price to close to the low of the expected valuation range. Since the valuations are based on pretax data the recent changes in the tax laws has no impact on the valuations based on EBITDA or EBITDAL.

UHAL														
FY March 31	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**2012A**	**2013A**	**2014A**	**2015A**	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
8-Feb														
Op. Inc.	$248	$204	$121	$194	$378	$416	$1,652	$514	$589	$746	$575	$440	$425	$445
Depreciation & Amort.	$189	$222	$265	$228	$189	$209	$238	$260	$278	$291	$445	$537	$560	$560
Amort of policy	$17	$13	$12	$2	$9	$14	$17	$20	$20	$23	$26	$25	$28	$28
Total EBITDA $ millions	$454	$439	$399	$424	$576	$639	$1,908	$793	$887	$1,060	$1,047	$1,002	$1,013	$1,033
Stock Hi L4Q	$107	$90	$72	$108	$109	$126	$179	$245	$335	$436	$397	$401	$435	$465
Stock Low L4Q	$66	$60	$35	$35	$45	$60	$75	$150	$225	$306	$310	$338	$335	$335
Current price *												$354		
Lease expense	$149	$134	$152	$157	$151	$131	$117	$100	$80	$50	$37	$34	$40	$48
EBITDAL, millions	$603	$573	$551	$580	$727	$770	$2,025	$894	$966	$1,109	$1,084	$1,036	$1,053	$1,081
EBITDAL per Share	$29	$29	$29	$30	$37	$40	$104	$46	$49	$57	$55	$53	$54	$55
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013A**	**2014A**	**2015A**	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
EBITDA to High	**4.90**	**4.05**	**3.49**	**4.92**	**3.66**	**3.85**	**1.83**	**6.03**	**7.39**	**8.05**	**7.42**	**7.84**	**8.41**	**8.81**
EBITDA to Low	**3.05**	**2.70**	**1.69**	**1.59**	**1.52**	**1.83**	**0.77**	**3.70**	**4.96**	**5.65**	**5.80**	**6.61**	**6.48**	**6.35**
EBITDAL to High	**3.69**	**3.10**	**2.52**	**3.59**	**2.90**	**3.19**	**1.72**	**5.35**	**6.78**	**7.69**	**7.17**	**7.58**	**8.09**	**8.42**
EBITDAL to low	**2.29**	**2.07**	**1.23**	**1.16**	**1.20**	**1.52**	**0.73**	**3.28**	**4.55**	**5.40**	**5.60**	**6.39**	**6.23**	**6.07**
EBITDAL to current price													**6.59**	
*** based on time of writing and not on prior close.**														

Comparables Table												
Company	**Ticker**	**Price 2/8/18**	**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**	$355.85	$6,970	8.83	18.84	23.12	2.07	3.10	2.04	5.88	1.60	33.0
Avis Budget Group, Inc.	CAR	$44.37	$3,610	34.83	14.60	25.14	0.41	1.92	9.07	18.36	2.66	142.6
Cube Smart~	CUBE	$26.13	$4,780	40.20	33.50	7.05	8.75	11.93	2.92	19.56	6.14	111.5
Extra Space Storage Inc.~	EXR	$80.40	$10,580	29.46	28.01	14.71	9.63	13.23	4.57	20.13	4.76	115.2
Hertz Global Holdings Inc	HTZ	$21.57	$1,810	26.69	174.90	4.35	0.21	1.94	2.09	41.53	0.42	128.5
National Storage Affiliates-	NSA	$24.00	$1,890	132.60	1199.00	4.49	7.54	8.55	1.88	15.20	54.30	88.2
Public Storage Inc.	PSA	$185.31	$32,250	27.09	24.38	16.33	11.86	13.74	6.56	19.31	1.56	83.1
Life Storage Inc.*~	LSI	$78.96	$3,660	39.28	25.47	4.49	7.53	11.25	1.79	18.22	6.60	110.6
Smart Move Inc.	SMVE		No data					N/A				
* was Sovtan												
Mean					189.84	12.46	6.00	8.21	3.87	19.77	9.75	
Median					26.74	10.88	7.54	9.90	2.51	18.84	3.71	
(Source: Yahoo Finance & Zacks Investment Research)				* Priced at time of w riting.								

RISKS

- The current housing recovery could reverse and lead to reduced consumer and commercial spending. Although U-Haul is not a traditionally cyclical stock but declines in consumer spending may result in price wars, 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. There have been no significant (more than 2,000 share) buys or sell by insiders over the last six months.

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

FINANCIAL STATEMENTS

Fiscal year March 31st.
(Dollars in millions, except per share data)

Consolidated statements of operations	2013A	2014A	2015A	2016A	1Q17	2Q17	3Q17	4Q17	2017A
AMERCO Moving & Storage revenue	$3,345.7	$2,395.9	$2,632.3	$2,823.9	$798.0	$860.9	$675.1	$597.9	$2,931.9
Other revenue	24.4	24.5	25.3	26.5	0.0	0.0	0.0	0.0	29.1
Insurance premiums	212.5	199.0	202.6	212.7	52.1	54.9	56.2	52.6	215.9
All revenue	**$3,702.9**	**$2,718.9**	**$2,944.9**	**$3,154.5**	**$877.7**	**$941.6**	**$754.3**	**$676.4**	**$3,279.1**
Operating expense	1,170.57	1,288.48	1,410.62	1,470.05	385.08	422.81	389.35	395.44	1,592.68
Cost of sales	107.22	127.27	146.07	144.99	43.36	40.95	32.54	35.63	152.49
Commissions	228.12	252.53	262.97	262.63	73.82	80.46	61.05	51.90	267.23
Lease expense	117.45	100.47	79.80	49.78	11.05	9.35	8.81	8.14	37.34
Benefits and losses	171.94	156.70	158.76	167.44	47.00	46.84	45.40	43.47	182.71
Amortization of policy costs	17.38	19.98	19.66	23.27	7.94	5.99	5.20	7.09	26.22
Net depreciation	238.00	259.61	278.17	290.69	95.38	109.90	116.12	124.03	445.44
AMERCO op. income	1,652.25	513.86	588.87	745.69	214.03	225.33	95.87	10.72	575.03
Interest expense	90.70	92.69	24.00	97.90	26.64	28.22	29.00	29.54	113.41
Non operating income	0.00	0.00	(60.70)	0.06	0.00	24.60	(0.50)	0.00	24.10
Other income	21.00	139.28	156.12	147.59	45.75	57.28	36.33	0.00	139.35
Pretax income	402.55	537.52	561.42	768.91	233.13	278.99	102.70	13.54	628.36
Income taxes (benefit)	143.78	195.13	204.68	279.91	85.96	102.52	37.47	3.99	229.93
Tax rate	35.72	36.30	36.46	36.40	36.87	36.75	36.49	29.46	36.59
Net income	258.77	342.39	356.74	489.00	147.17	176.48	65.23	9.55	398.42
Preferred dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extra items & Discontinued Operations	0.00	0.00	38.10	0.00	0.00	(15.55)	0.00	0.00	(15.55)
Net for common	258.77	342.39	394.84	489.00	147.17	160.93	65.23	9.55	382.87
Shares used for EPS	19.50	19.52	19.59	19.60	19.59	19.59	19.59	19.60	19.60
Earnings Per Share									
Net EPS	$13.27	$17.54	$20.17	$24.95	$7.51	$8.22	$3.33	$0.49	$20.33
EPS before Extra Items									
EBITDA/Share	$97.83	$40.65	$45.27	$54.06	$16.20	$17.42	$11.09	$7.24	$53.40
EBITDAL/Share	$103.85	$45.80	$49.34	$56.60	$16.77	$17.90	$11.54	$7.65	$55.31

Consolidated statements of operations	1Q18	2Q18	3Q18	4Q18	2018E	1Q19	2Q19	3Q19	4Q19	2019E	2020E
	Act.	Act.									
AMERCO Moving & Storage revenue	$832.2	$901.1	$702.8	$627.7	$3,063.8	$877.5	$950.3	$737.9	$659.0	$3,224.8	$3,346.3
Other revenue	0.0	0.0	0.0	0.0	29.6	9.0	9.0	9.5	9.5	37.0	37.0
Insurance premiums	50.9	53.9	57.0	54.0	215.8	62.2	64.4	58.8	56.3	241.7	240.8
All revenue	**$910.4**	**$981.5**	**$784.8**	**$706.7**	**$3,412.9**	**$973.7**	**$1,048.7**	**$831.2**	**$749.8**	**$3,603.5**	**$3,724.1**
Operating expense	416.90	492.48	430.00	430.00	1,769.38	450.00	480.00	440.00	430.00	1,800.00	1,858.37
Cost of sales	47.60	42.87	35.00	37.00	162.46	45.52	43.77	34.46	37.73	161.47	157.58
Commissions	75.37	83.35	64.98	55.78	279.47	81.27	89.85	68.22	58.56	297.91	309.82
Lease expense	8.29	8.58	9.00	9.00	34.86	10.00	10.00	10.00	10.00	40.00	48.00
Benefits and losses	47.72	47.11	46.50	44.47	185.80	48.00	49.00	46.00	46.00	189.00	189.00
Amortization of policy costs	6.32	5.94	5.00	7.00	24.27	7.00	7.00	7.00	7.00	28.00	28.00
Net depreciation	126.68	132.98	130.00	130.00	519.66	125.00	125.00	125.00	125.00	500.00	500.00
AMERCO op. income	181.48	168.18	64.28	(6.58)	436.96	206.95	244.07	100.54	35.53	587.09	633.35
Interest expense	30.34	32.02	30.00	30.00	122.37	30.00	30.00	28.00	28.00	116.00	0.00
Non operating income	0.00	0.00	188.00	0.00	188.00	0.00	0.00	0.00	0.00	0.00	0.00
Other income	47.55	61.20	55.00	55.00	218.75	42.00	42.00	42.00	42.00	168.00	160.00
Pretax income	198.70	197.36	277.28	18.42	691.76	218.95	256.07	114.54	49.53	639.09	793.35
Income taxes (benefit)	72.48	72.72	97.05	5.53	247.77	65.68	76.82	34.36	14.86	191.73	238.00
Tax rate	36.48	36.85	35.00	30.00	35.82	30.00	30.00	30.00	30.00	30.00	30.00
Net income	126.22	124.64	180.23	12.90	443.99	153.26	179.25	80.18	34.67	447.36	555.34
Preferred dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extra items & Discontinued Operations	0.00	0.00	(122.20)	0.00	(122.20)	0.00	0.00	0.00	0.00	0.00	0.00
Net for common	126.22	124.64	58.03	12.90	321.79	153.26	179.25	80.18	34.67	447.36	555.34
Shares used for EPS	19.59	19.59	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60
Earnings Per Share											
Net EPS	$6.44	$6.36	$9.20	$0.66	$22.65	$7.82	$9.15	$4.09	$1.77	$22.82	$28.33
EPS before Extra Items											
EBITDA/Share	$16.06	$15.68	$10.17	$6.65	$50.05	$17.29	$19.19	$11.86	$8.55	$56.89	$59.25
EBITDAL/Share	$16.48	$16.12	$10.63	$7.11	$51.82	$17.80	$19.70	$12.37	$9.06	$58.93	$61.70

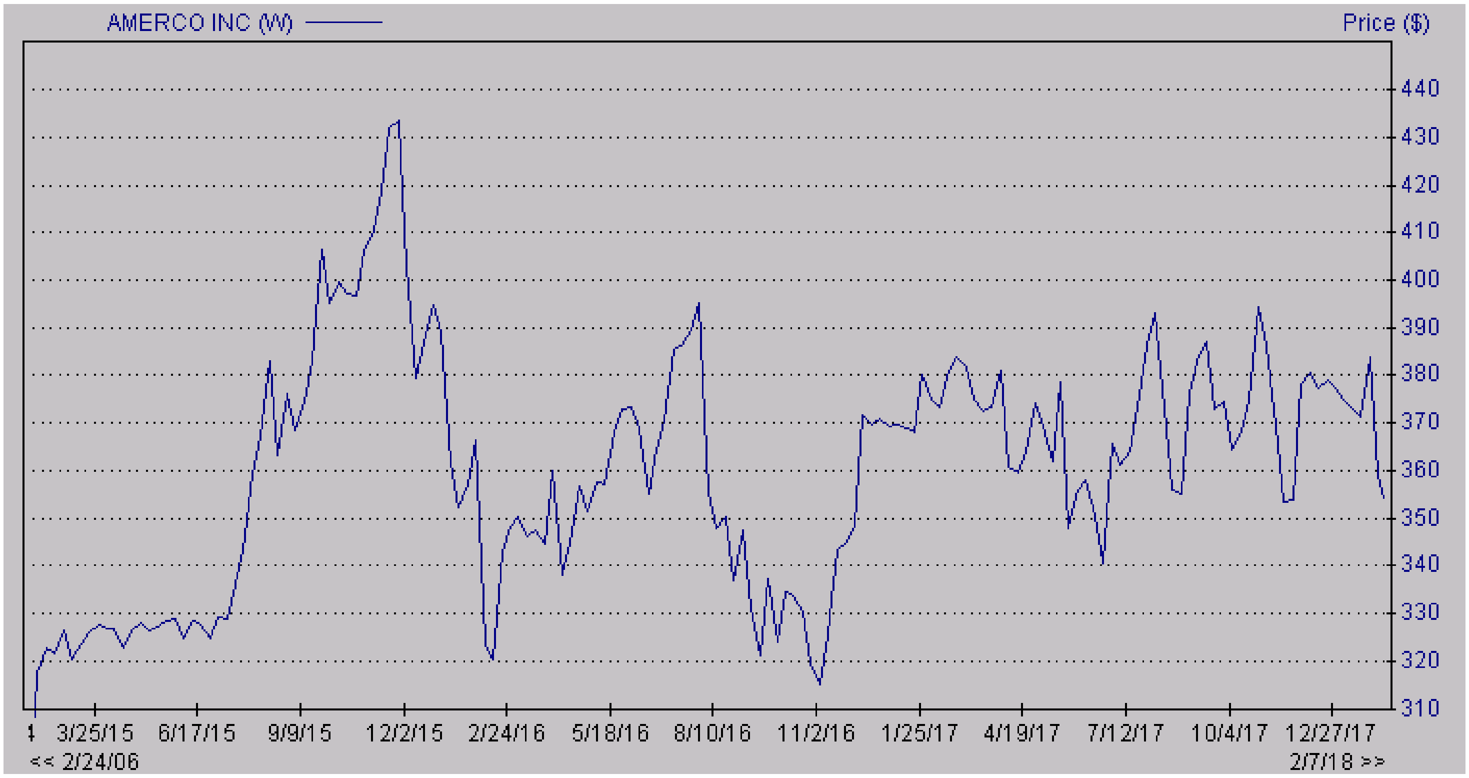
AMERCO and Consolidated Subsidiaries
(Dollars in millions)

Fiscal year March 31	4Q12	4Q13	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
ASSETS																	
Cash and cash equiv	350.10	463.74	495.11	692.59	849.15	729.02	441.85	475.56	961.65	674.63	600.65	646.19	921.33	984.19	697.81	803.52	768.35
Trade receivables	297.97	261.79	199.32	200.02	186.15	197.64	189.87	209.27	176.13	181.33	175.21	189.32	183.24	199.10	178.08	187.04	194.13
Inventories, net	58.74	56.40	67.02	69.34	69.24	69.82	69.47	69.89	72.02	75.03	79.76	82.92	81.61	79.68	82.44	93.37	100.69
Prepaid expenses	41.86	57.45	55.27	49.91	41.18	94.08	126.30	67.51	51.96	180.63	134.30	94.54	87.97	54.49	124.73	80.12	83.67
Gross PP&E ex SAC	3787.82	4314.41	2530.92	5457.72	5639.36	2870.86	2987.49	3111.14	3281.04	3463.28	3637.07	3794.44	3958.21	4113.14	4250.17	4417.65	4602.08
Trucks	0.00	0.00	2610.80	0.00	0.00	2881.05	3060.00	3133.20	3085.80	3162.17	3514.18	3702.78	3720.27	3806.39	4091.60	4228.78	4337.31
Less accumulated de	1415.46	1559.36	1732.51	1782.42	1833.47	1891.18	1939.86	1979.17	2021.54	2074.45	2133.73	2191.51	2244.42	2314.85	2384.03	2457.89	2551.06
Investments, total	1032.42	1337.10	1387.13	1457.87	1521.95	1541.33	1573.68	1657.09	1691.01	1787.04	1820.61	1937.02	2014.49	2077.39	2031.60	2139.25	2239.10
Other	436.68	282.02	267.24	266.55	282.31	297.72	247.95	230.75	177.43	183.68	186.31	161.28	165.77	287.79	203.24	180.42	182.69
Total Assets	$4,654.05	$5,306.60	$5,999.00	$6,528.68	$6,869.79	$6,906.53	$6,872.18	$7,090.63	$7,600.55	$7,762.53	$8,150.73	$8,543.81	$9,007.12	$9,287.32	$9,405.84	$9,801.14	$10,082.89
Liabilities and Stockholders' Equity																	
AMERCO's notes an	1507.98	1667.01	1862.87	2185.37	2382.32	2382.32	2364.51	0.00	2192.67	2483.19	2424.67	2665.40	2827.05	2992.49	3198.44	3422.08	3386.85
Policy benefits and l	1145.94	1122.34	1090.59	1083.30	1087.72	1074.46	1071.19	1074.17	1084.57	1082.04	1080.06	1081.62	1098.34	1091.90	1096.47	1105.78	1120.05
Liabilities from inves	248.23	510.79	616.73	643.07	664.22	673.05	685.75	725.25	810.47	891.24	951.49	1016.65	1043.13	1085.78	1112.50	1221.38	1263.11
Deferred income taxes																	
Other	1486.21	1661.85	1942.36	2185.37	2382.32	2364.51	2190.87	2192.67	2483.19	2424.67	2688.76	2827.05	2992.49	3198.44	3262.88	3386.85	3422.08
Total Liabilities	3618.23	4077.34	4471.61	4854.23	5027.54	5000.12	4987.82	5041.57	5456.93	5537.60	5899.32	6124.52	6392.20	6626.61	6786.10	7038.08	7190.47
Preferred stock																	
Common stock	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Additional paid-in ca	433.74	438.17	444.21	445.86	447.49	449.16	449.67	450.20	450.83	451.49	451.63	451.77	451.91	452.01	452.17	452.32	452.47
Retained earnings	1317.06	1482.63	1805.45	1929.93	2086.17	2152.71	2142.60	2294.29	2418.89	2500.66	2533.64	2680.81	2857.29	2902.93	2892.89	3019.10	3124.15
Other	-199.83	-176.38	-207.14	-186.18	-176.25	-180.31	-192.75	-180.28	-210.95	-212.06	-218.71	-198.14	-179.13	-179.09	-210.17	-193.20	-169.05
Treasury stock	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65	525.65
Total stockholders e	$1,035.82	$1,229.26	$1,527.37	$1,674.46	$1,842.25	$1,906.41	$1,884.36	$2,049.06	$2,143.62	$2,224.94	$2,251.41	$2,419.29	$2,614.91	$2,660.70	$2,619.74	$2,763.06	$2,892.42
Total liabilities and s	$4,654.05	$5,306.60	$5,998.98	$6,528.68	$6,869.79	$6,906.53	$6,872.18	$7,090.63	$7,600.55	$7,762.53	$8,150.73	$8,543.81	$9,007.12	$9,287.32	$9,405.84	$9,801.14	$10,082.89

Source: Company reports and Zacks Equity Research estimates

AMERCO and Consolidated Subsidiaries									
Consolidated Statements of Cash Flows									
Years ended March 31st.									
(Dollars in millions)									
As reported	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Cash flow from operations									***6 Months***
Net earnings before dividends	53.07	170.99	233.74	264.70	342.39	356.7	489.0	398.4	250.9
Depreciation and amortization	227.63	198.76	222.70	277.80	313.15	372.5	412.7	511.8	269.5
Other	124.50	203.40	207.90	119.03	54.00	79.0	139.4	109.9	189.3
Net cash from operations	**405.20**	**573.15**	**664.34**	**661.53**	**709.54**	**808.2**	**1,041.1**	**1,020.1**	**709.7**
Cash flows from investing activities									
PP&E purchased	259.50	480.40	589.80	656.00	999.37	1,111.9	1,509.2	1,419.5	754.1
Real estate, net	2.30	0.20	7.80	0.40		15.4	0.0	32.8	-2.7
PP&E sold (Excluding real estate)	-142.90	-180.40	-168.90	-220.70	-270.05	-411.6	-539.3	-487.5	-259.5
Other	-3.70	-81.20	-163.90	-277.30	-116.43	-140.3	-303.5	-245.3	-181.3
Net cash from investing activities	**-118.00**	**-381.00**	**-577.00**	**-712.20**	**-845.75**	**-825.2**	**-1,273.4**	**-1,144.5**	**-678.6**
Cash flows from financing									
Sale of stock									
Stock purchased			144.30						
Debt paid	302.00	288.90	201.90	258.00	293.07	593.7	428.4	367.8	214.4
Borrowings	72.20	321.90	237.80	270.55	431.03	657.5	856.0	742.6	285.5
Dividends			19.48	97.42	19.57	19.6	78.4	58.6	-19.6
Other, inc currency	-53.90	-93.80	-23.82	145.23	29.08	-89.3	57.7	-94.5	-51.3
Net cash from financing activities	**283.70**	**60.80**	**112.74**	**157.78**	**167.04**	**-45.0**	**406.9**	**221.7**	**39.5**
Change in cash	3.50	131.35	-25.40	107.11	30.83	-72.8	174.6	97.3	70.5
Cash at beginning of year	240.60	244.10	375.45	357.18	464.29	495.1	441.9	600.6	697.9
Period adjustment			7.13				-15.9		
Cash and cash equivalents at period end	**244.10**	**375.45**	**357.18**	**464.29**	**495.12**	**422.3**	**600.6**	**697.9**	**768.5**
Source: Company reports and Zacks Equity Research estimates.									

HISTORICAL STOCK PRICE



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