

Hertz to shrink EV rental fleet over sluggish US demand

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Hertz, which is shrinking its US electric vehicle fleet, said it is committed to education programs such as this EV test drive initiative last year at Los Angeles International Airport.

Hertz said Thursday it will sell one-third of its electric vehicle (EV) automobiles to resize its fleet in line with slowing demand growth for

emission-free transport.

The rental car giant will sell 20,000 EVs in the United States, steering a portion of the funds to purchase "internal combustion engine vehicles to meet customer demand," Hertz said in a securities filing.

"The Company expects this action to better balance supply against expected demand of EVs," said the filing.

The action is the latest auto industry move to slow or retreat from earlier targets amid expectations for slower EV growth in the next year or two.

Both General Motors and Ford have slowed some plans to build additional EV capacity in the very near term, while emphasizing that they remain believers in the long-term growth of the sector.

US consumers remain cautious about the vehicles, due in part to concerns about recharging on longer trips, with the slow pace of programs to expand national recharging facilities.

Hertz "will continue to execute its strategy around EV mobility and offer customers a wide selection of vehicles," the [company](#) said, adding that it is working to expand charging infrastructure and provide educational tools for customers about the vehicles.

The car rental company plans to account for \$245 million in one-time expenses related to the action, adding that its operating earnings will be "negatively impacted."

EV sales in the United States reached a record 1.2 million in 2023, according to a report from Kelley Blue Book.

That included a 40 percent jump in fourth quarter sales, "a strong result

by any measure, except when compared to the growth the industry saw in previous quarters," the auto industry research group said, noting that sales jumped 49 percent in the prior quarter.

Shares of Hertz fell 4.5 percent near midday.

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