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**WEBCAST**

**>>> 3Q18**

**Localiza**

**[B]<sup>3</sup>**  
BRASIL  
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BALCÃO

**NOVO  
MERCADO**  
BM&FBOVESPA

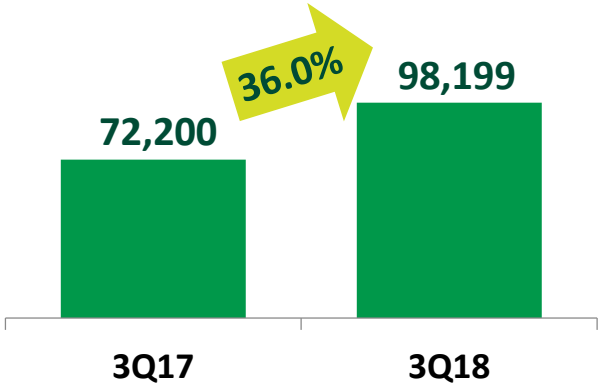
Índice de  
Brasil 50 **IBRX 50**

Índice de  
Ações com Tag Along  
Diferenciado **ITAG**

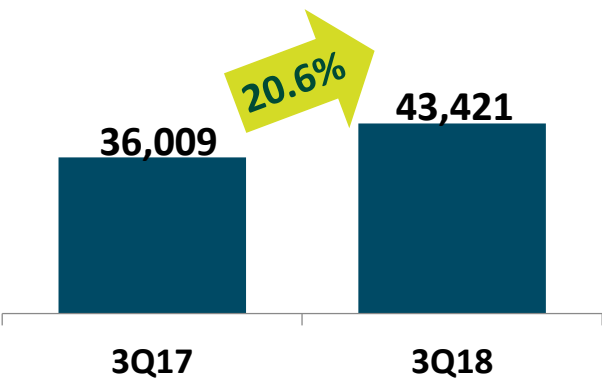
**OTCQX**

# 3Q18 OPERATING HIGHLIGHTS

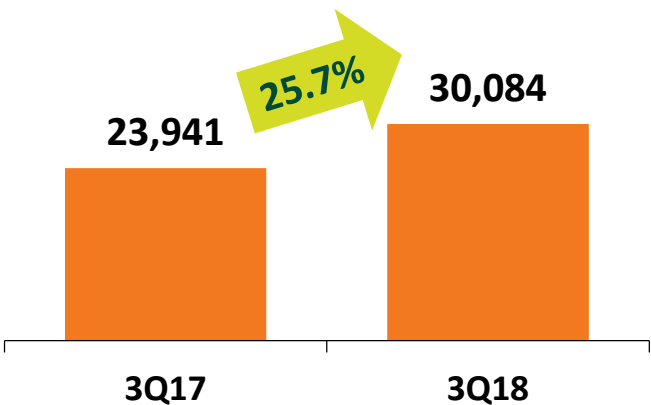
Average rented fleet – Car Rental



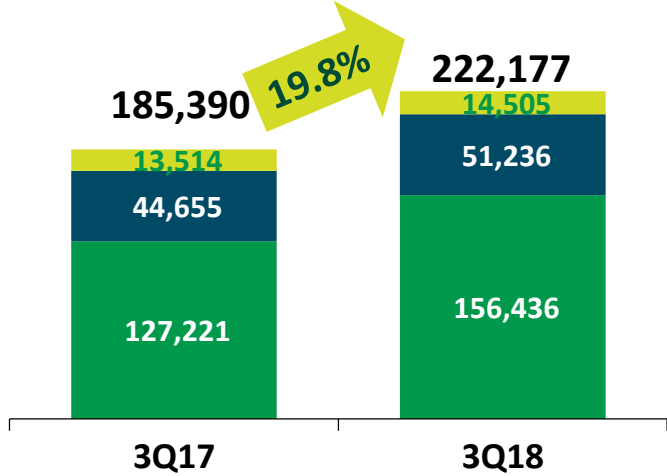
Average rented fleet – Fleet Rental



# of cars sold



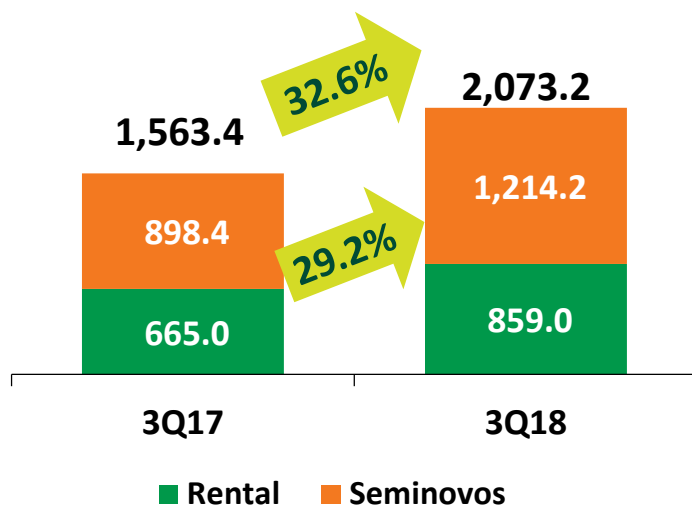
Fleet at end of the period



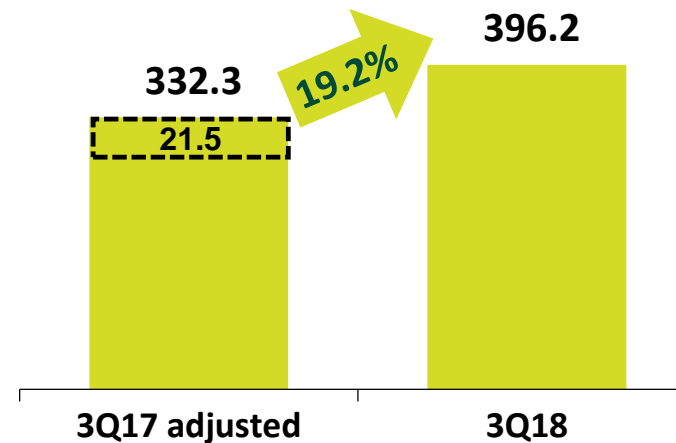
■ Car rental   ■ Fleet rental   ■ Franchising

# 3Q18 FINANCIAL HIGHLIGHTS

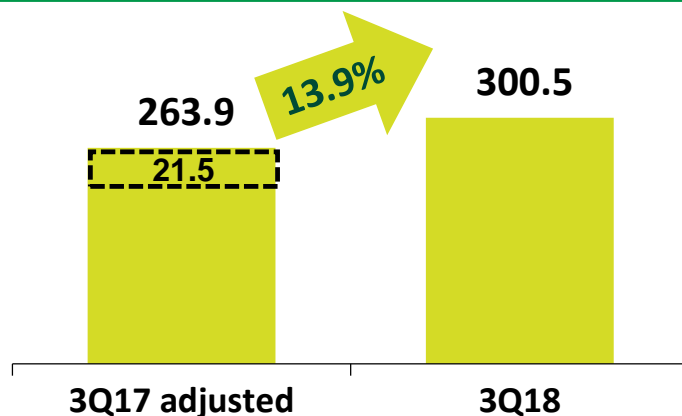
## Net revenues (R\$ million)



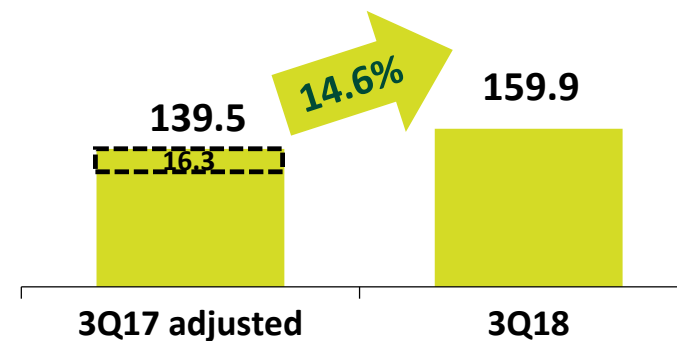
## EBITDA (R\$ million)



## EBIT (R\$ million)



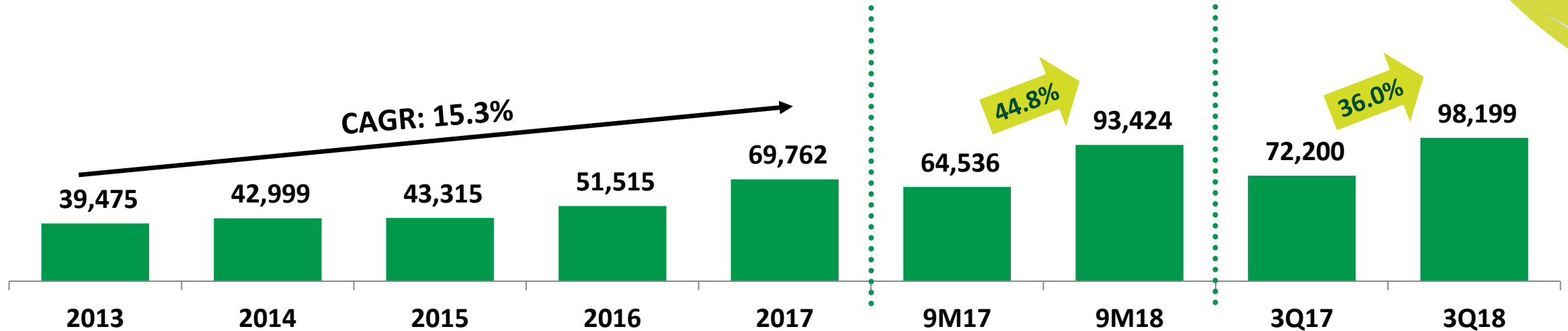
## Net income (R\$ million)



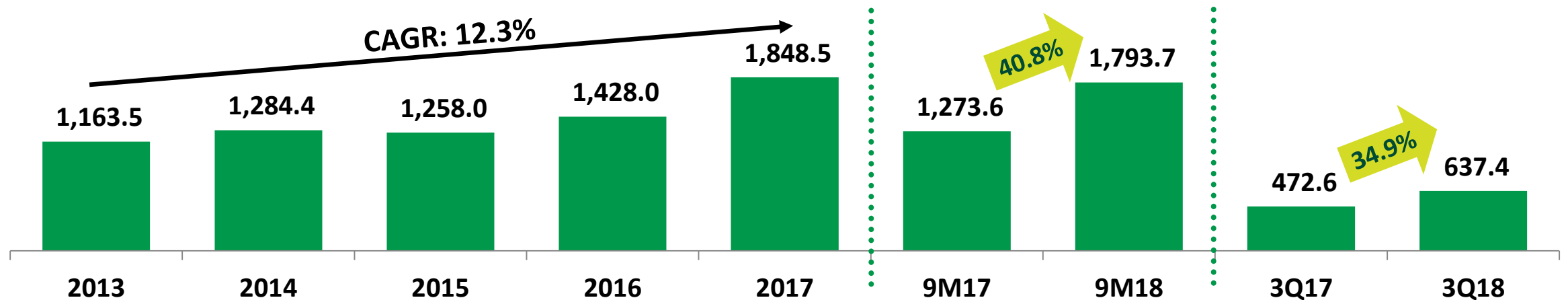
[- - -] One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

# CAR RENTAL

*Average rented fleet*



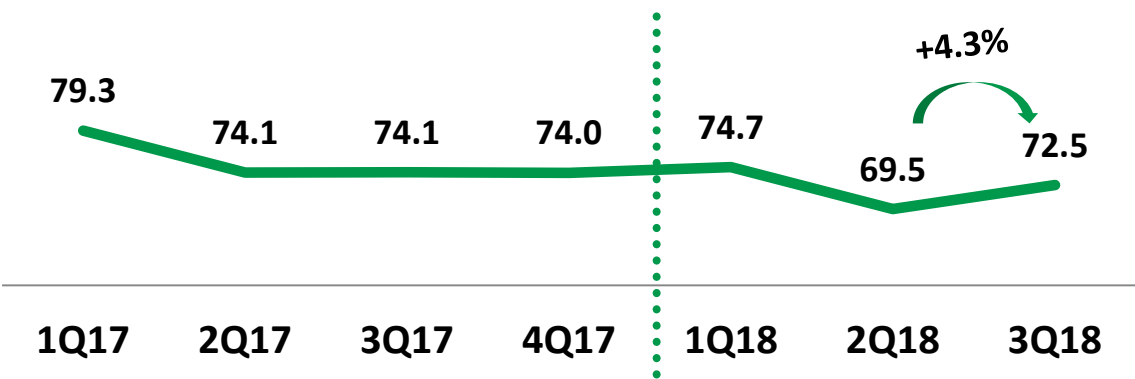
*Net revenues (R\$ million)*



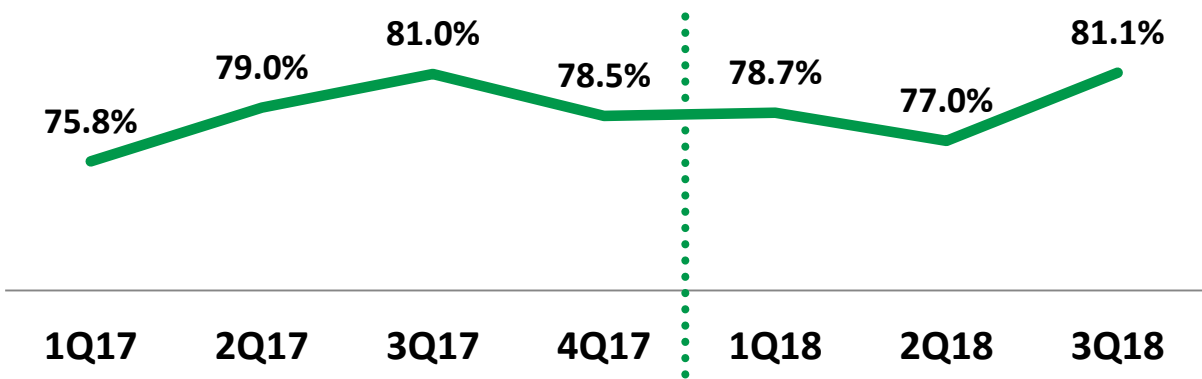
**STRONG GROWTH OF RENTED FLEET AND REVENUE**

# CAR RENTAL

Average rental rate (in R\$)



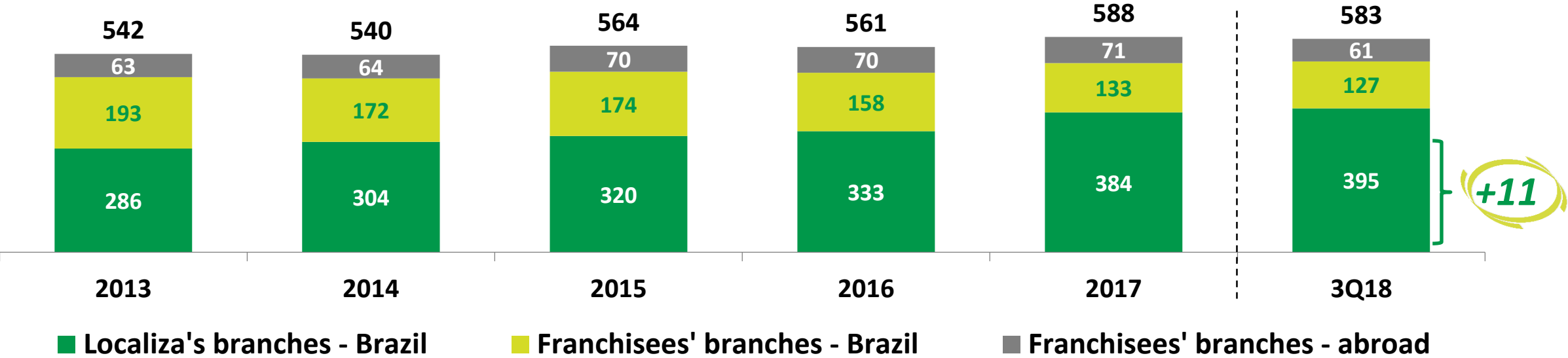
Utilization rate (%)



**POSITIVE TREND OF THE AVERAGE RENTAL RATE**

# CAR RENTAL NETWORK EVOLUTION

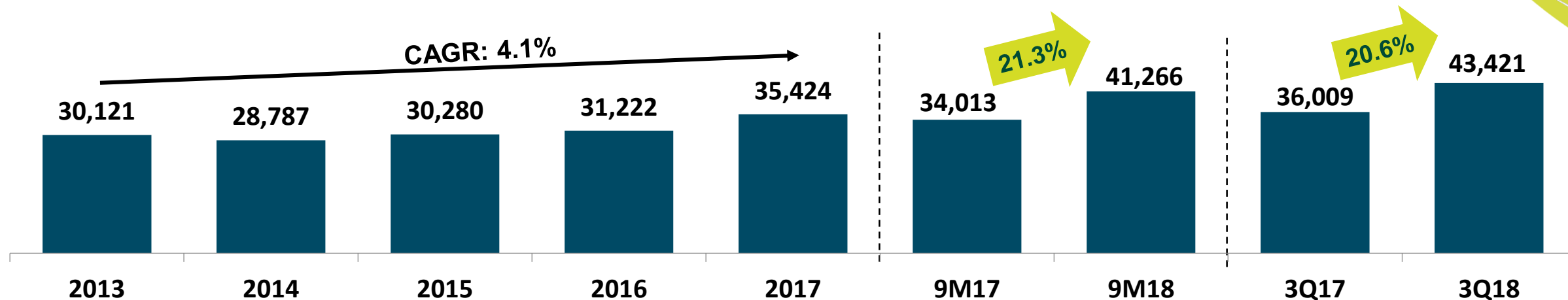
Number of car rental locations Brazil and abroad



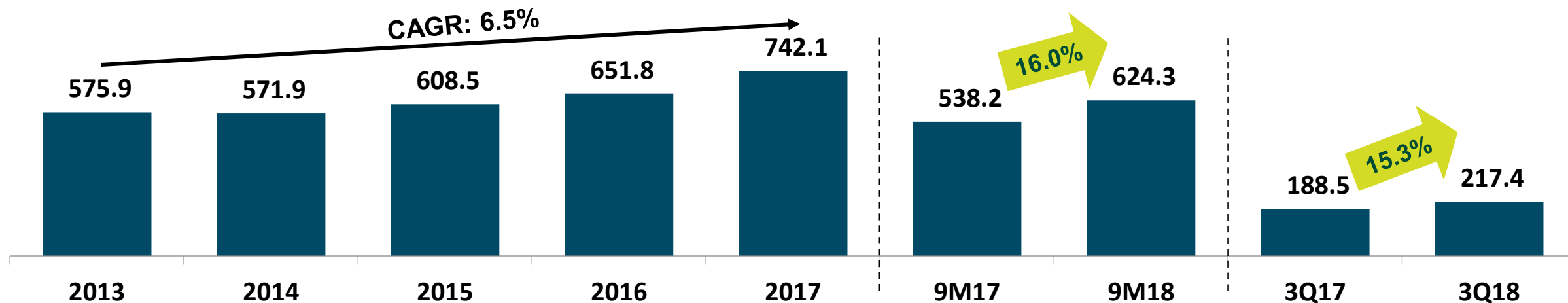
11 NEW OWNED BRANCHES

# FLEET RENTAL

*Average rented fleet*



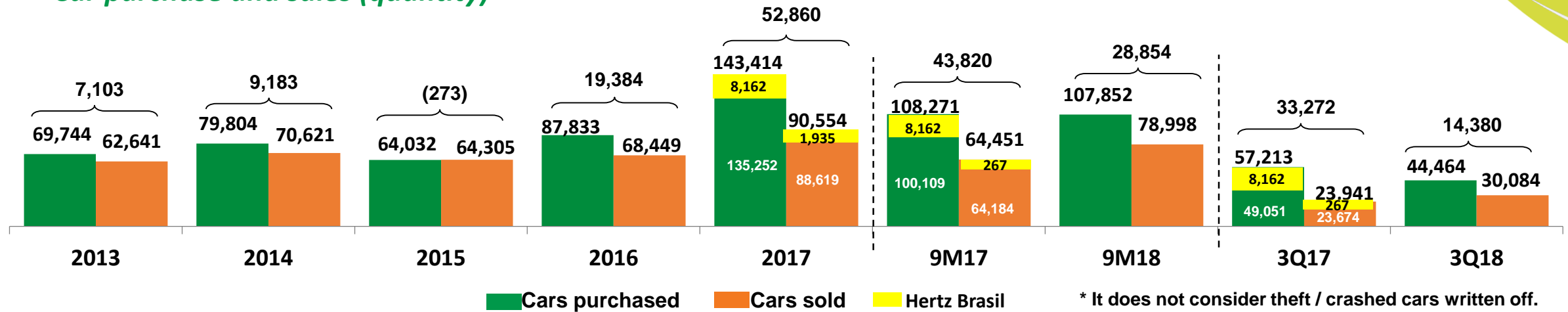
*Net revenues (R\$ million)*



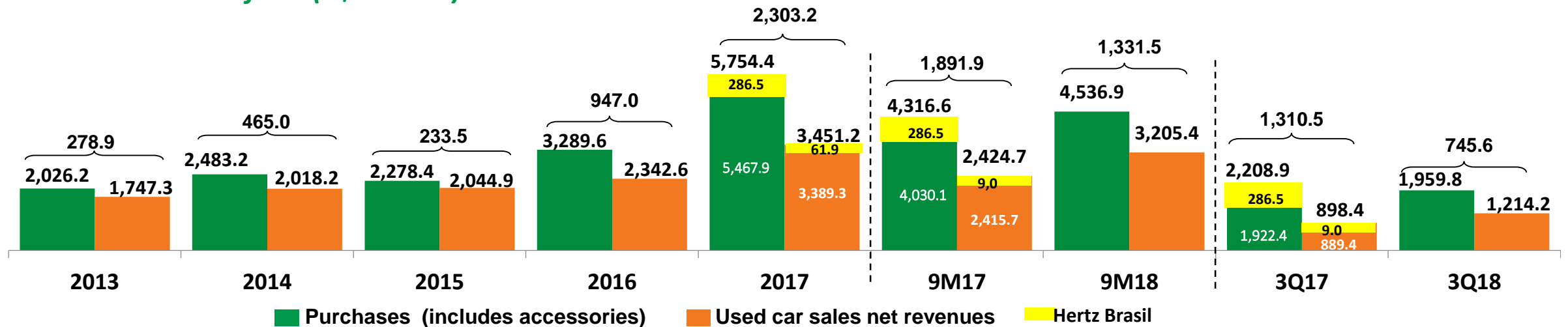
**MAINTENANCE OF THE GROWTH RATE**

# NET INVESTMENT

## Car purchase and sales (quantity)



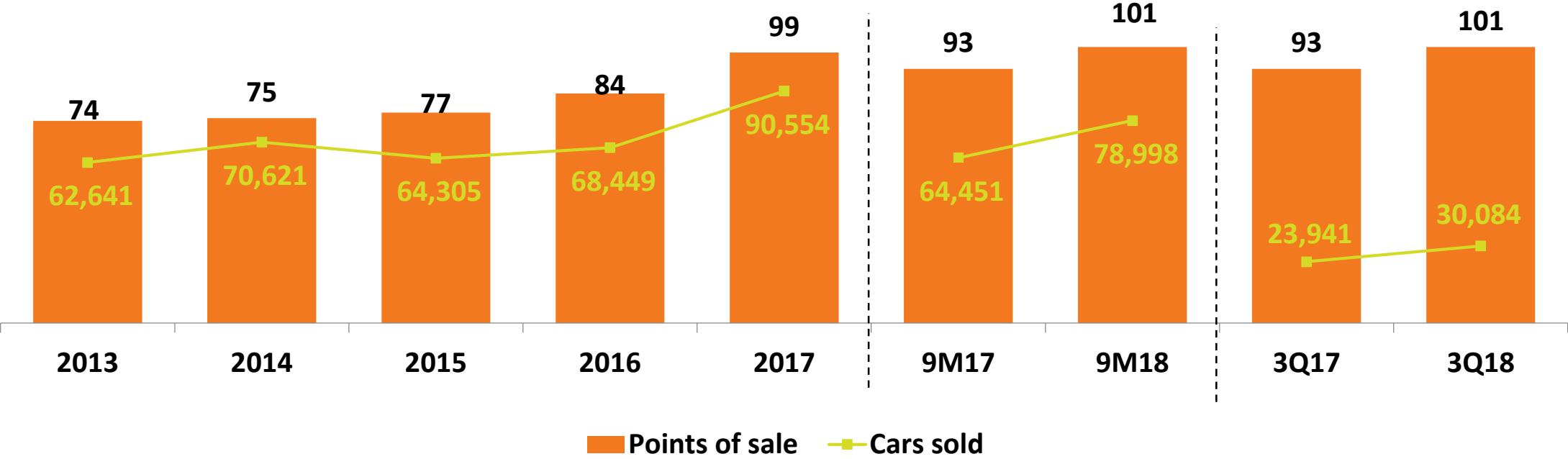
## Net investment in fleet (R\$ million)



**GROWTH OF THE FLEET TO SUPPORT STRONG DEMAND FOR RENTALS**



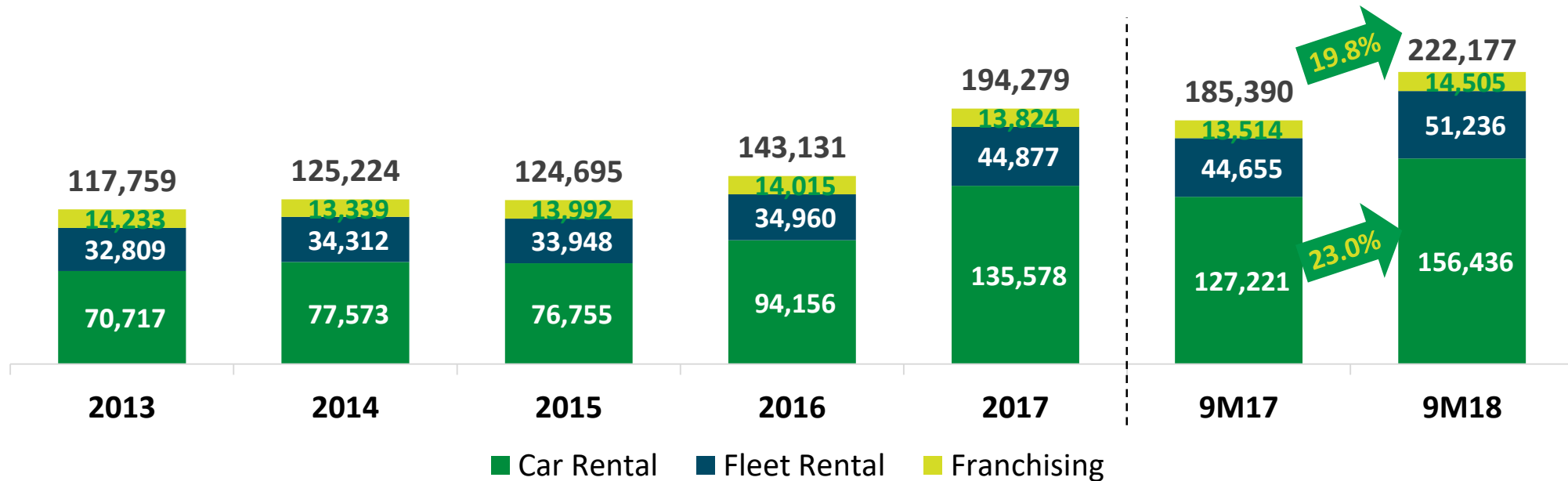
# NUMBER OF POINTS OF SALE



**NEW POINTS OF SALE WILL BE OPENED TO SUPPORT FUTURE NEEDS OF FLEET RENEWAL**

# END OF PERIOD FLEET

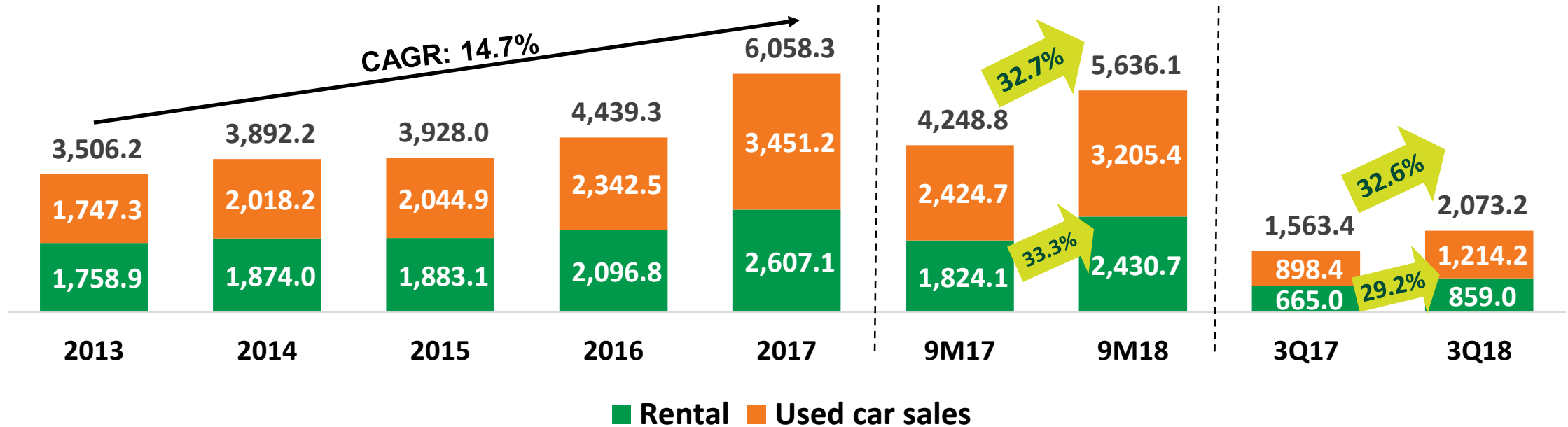
(Quantity)



**CURRENT FLEET: MORE THAN 220,000 CARS**

# CONSOLIDATED NET REVENUES

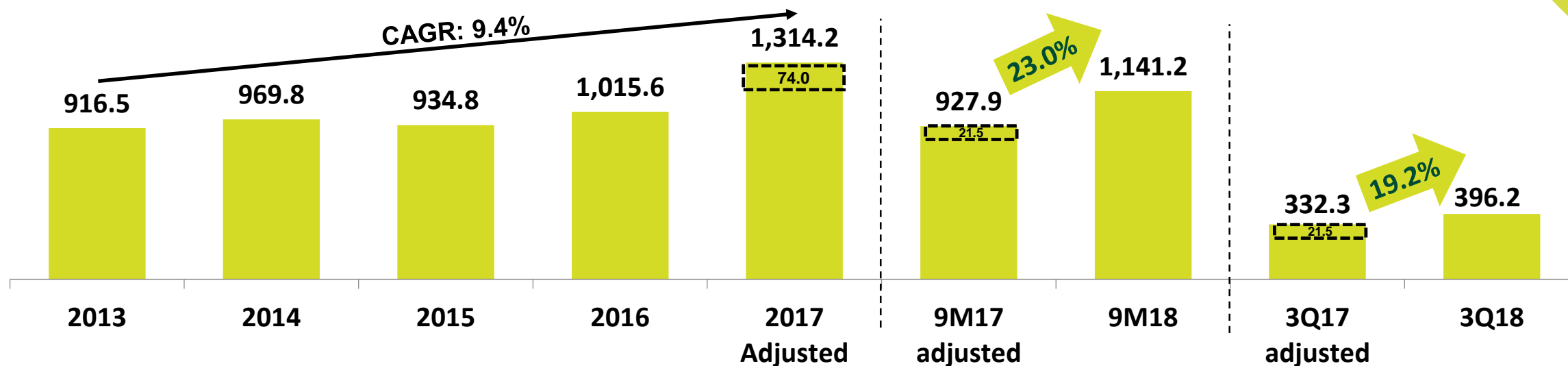
(R\$ million)



**32.6% INCREASE IN CONSOLIDATED NET REVENUE**

# CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:

[ ] One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

Divisions	2013	2014*	2015	2016	2017	9M17	9M18	3Q17	3Q18
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%**	34.2%**	34.3%	32.2%**	35.1%
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%**	62.7%	64.2%	63.4%	66.7%
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%**	42.6%**	42.1%	41.0%**	43.1%
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	6.2%	3.7%	6.6%	2.1%

(\*) It considers the new appropriation criteria of the overhead, which is also appropriated to Seminovos.

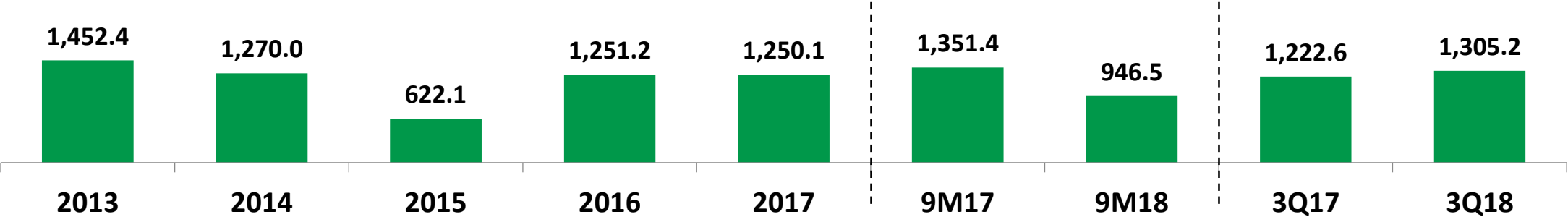
(\*\*) Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

**GAINS OF MARGINS IN CAR RENTAL AND FLEET RENTAL**

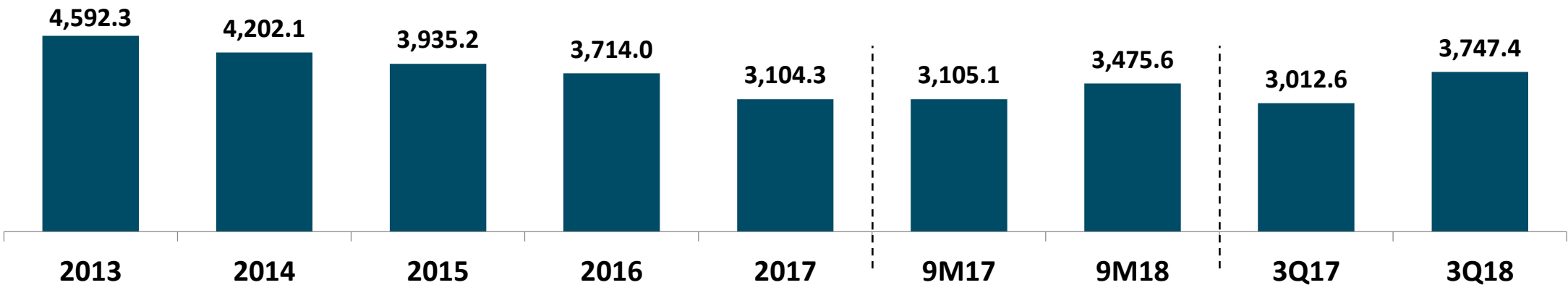
# AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

## Car Rental



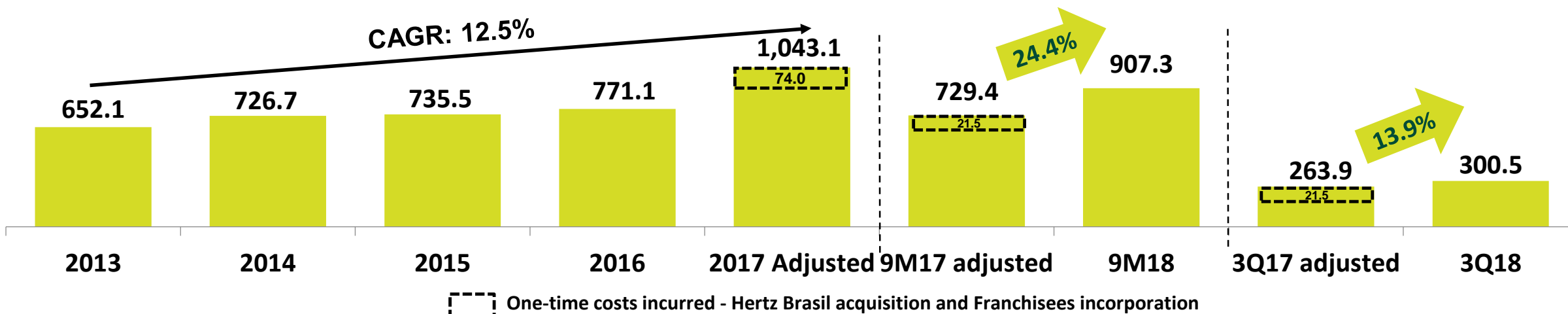
## Fleet Rental



INCREASE IN DEPRECIATION IN THE QUARTER AS A RESULT OF LOWER INFLATION ON NEW CAR PRICES

# CONSOLIDATED EBIT

(R\$ million)



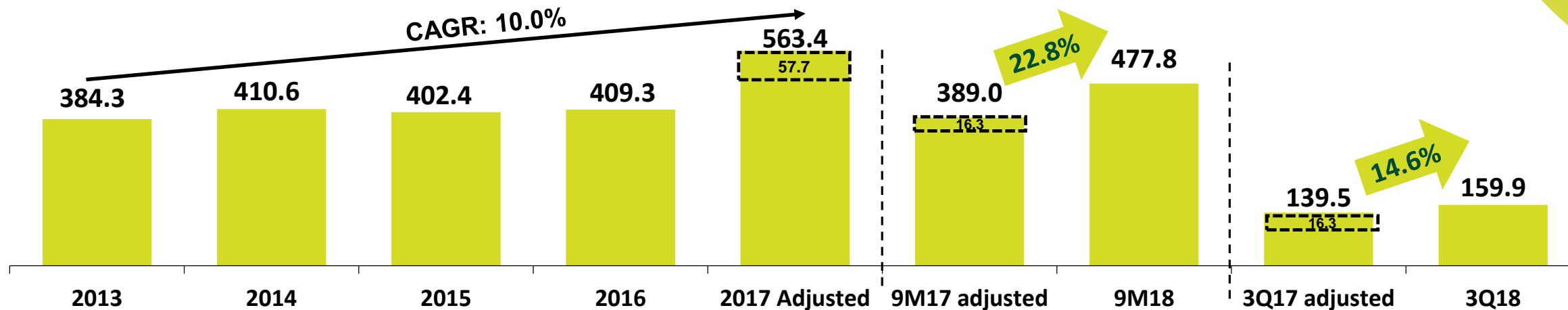
Divisions	2013	2014	2015	2016	2017	9M17	9M18	3Q17	3Q18
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%*	34.8%*	32.9%	34.4%*	29.8%
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%*	52.7%	50.0%	53.1%	50.4%
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%*	40.0%*	37.3%	39.7%*	35.0%

(\*) Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

**13.9% INCREASE IN EBIT**

# CONSOLIDATED NET INCOME

(R\$ million)



One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation, after taxes

Reconciliation EBITDA x Net income	2013	2014	2015	2016	2017*	Var. R\$	Var. %	9M17*	9M18	Var. R\$	Var. %	3Q17*	3Q18	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	298.6	29.4%	927.9	1,141.2	213.3	23.0%	332.3	396.2	63.9	19.2%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(25.7)	12.5%	(170.2)	(201.3)	(31.1)	18.3%	(58.2)	(84.5)	(26.3)	45.2%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(0.9)	2.4%	(28.3)	(32.6)	(4.3)	15.2%	(10.2)	(11.2)	(1.0)	9.8%
EBIT	652.1	726.7	735.5	771.1	1,043.1	272.0	35.3%	729.4	907.3	177.9	24.4%	263.9	300.5	36.6	13.9%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(71.5)	29.4%	(221.3)	(261.4)	(40.1)	18.1%	(79.4)	(83.8)	(4.4)	5.5%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(46.4)	39.2%	(119.1)	(168.1)	(49.0)	41.1%	(45.0)	(56.8)	(11.8)	26.2%
Net income of the period	384.3	410.6	402.4	409.3	563.4	154.1	37.6%	389.0	477.8	88.8	22.8%	139.5	159.9	20.4	14.6%

(\*)Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

14.6% INCREASE IN NET INCOME

# FREE CASH FLOW

Free cash flow - R\$ million		2013	2014	2015	2016	2017	9M18
Operations	EBITDA	916.5	969.8	934.8	1,015.60	1314.2*	1,141.2
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(3,451.2)	(3,205.4)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	2,961.2
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(99.7)
	Change in working capital	2.9	(27.1)	(30.0)	(40.8)	(47.9)	(111.1)
	Cash generated by rental operations	607.4	588.4	518.3	641.5	813.4	686.2
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	1,747.3	2,018.2	2,036.3	2,342.5	3,451.2	3,205.4
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(3,323.1)
	Change in accounts payable to car suppliers for fleet renewal	144.3	120.0	(25.4)	219.9	227.6	287.7
	Net investment for fleet renewal	71.9	(59.5)	(267.5)	(1.2)	17.9	170.0
	Fleet renewal – quantity	62,641	70,621	64,032	68,449	90,554	78,998
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(42.2)	(48.8)	(29.4)
Free cash flow from operations, before growth		631.8	482.6	221.1	598.1	782.5	826.8
Capex - Growth	Fleet (growth) investment / Used car sale revenue, net from taxes – fleet reduction	(209.4)	(286.8)	8.6	(726.0)	(1,807.0)	(1,213.8)
	Change in accounts payable to car suppliers for fleet growth	(54.6)	214.4	(23.9)	26.8	168.7	173.7
	Hertz Brazil acquisition - fleet	-	-	-	-	(286.5)	-
	Fleet growth capex	(264.0)	(72.4)	(15.3)	(699.2)	(1,924.8)	(1,040.1)
	Fleet increase / (reduction) – quantity	7,103	9,183	(273)	19,384	52,860	28,854
Free cash flow after growth		367.8	410.2	205.8	(101.1)	(1,142.3)	(213.3)
Capex - non-recurring	Hertz Acquisition (Except fleet) / Incurred one-time costs effect	-	-	-	-	(120.7)	-
	New headquarters construction and furniture	(6.5)	(148.3)	(30.7)	(84.4)	(126.2)	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		361.3	261.9	175.1	(185.5)	(1,389.2)	(213.3)
Cash effects of discount of credit card receivables and anticipation of payables to suppliers (**)		-	-	(71.9)	98.0	88.3	(288.0)
Free cash flow before interest		361.3	261.9	103.2	(87.5)	(1,300.9)	(501.3)

In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediately liquidity

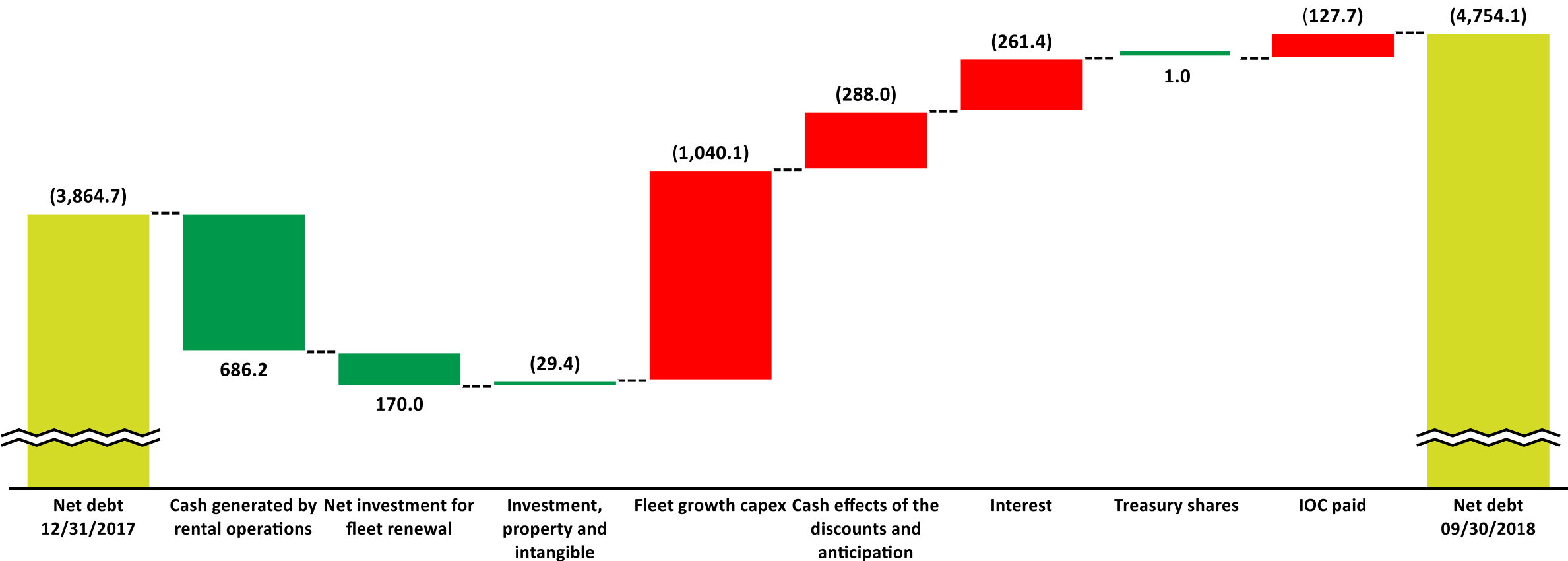
(\*) Adjusted by one-time costs incurred -Hertz Brasil acquisition and franchisees incorporation

(\*\*) Discount of credit card receivables and anticipation of accounts payable were demonstrated in a different line so that the Free Cash Flow From Operations, Before Growth considered only the contractual terms, reflecting the Company's operation



# CHANGE IN NET DEBT

(R\$ million)

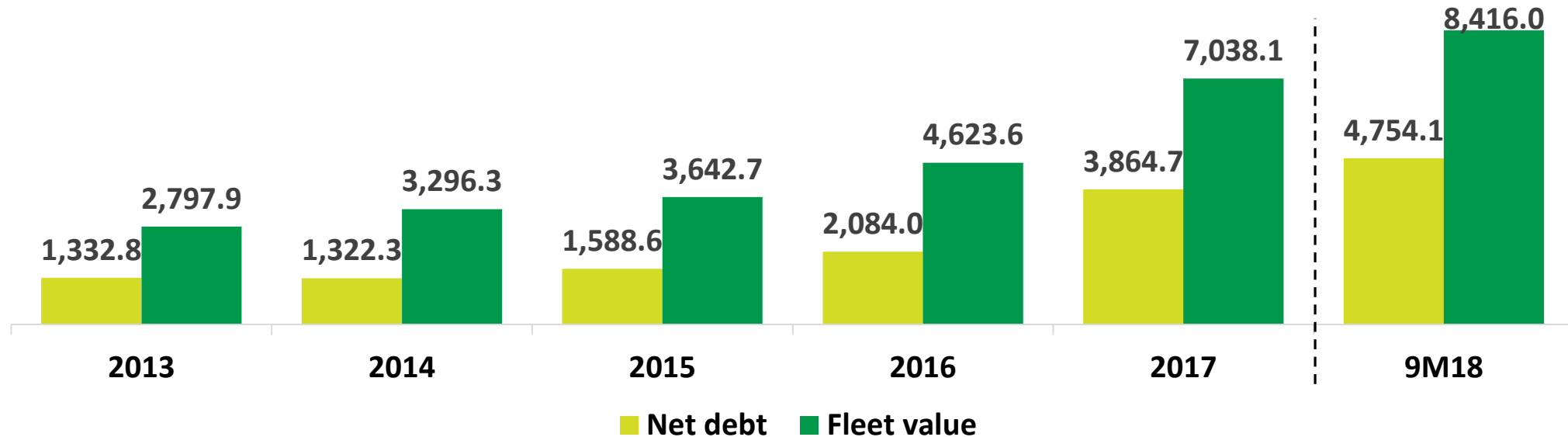


**FLEET GROWTH INVESTMENT RESULTED IN 23.0% INCREASE OF NET DEBT**

# DEBT RATIOS

(R\$ million)

## Net debt versus fleet value



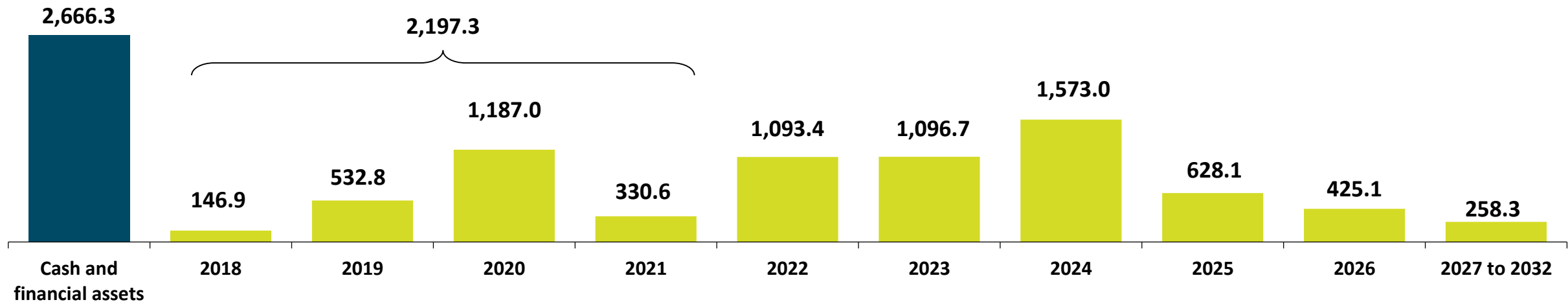
BALANCE AT THE END OF PERIOD	2013	2014	2015	2016	2017	9M18
Net debt / Fleet value	48%	40%	44%	45%	55%	56%
Net debt / annualized EBITDA	1.5x	1.4x	1.7x	2.1x	2.9x	3.1x
Net debt / Equity	1.0x	0.8x	0.8x	0.9x	1.5x	1.6x
EBITDA / Net financial expenses	8.3x	6.4x	4.6x	4.2x	4.2x	4.4x

**NET DEBT/EBITDA STABLE IN RELATION TO 2Q18, EVEN WITH GROWING FLEET**

# DEBT MATURITY PROFILE (PRINCIPAL)

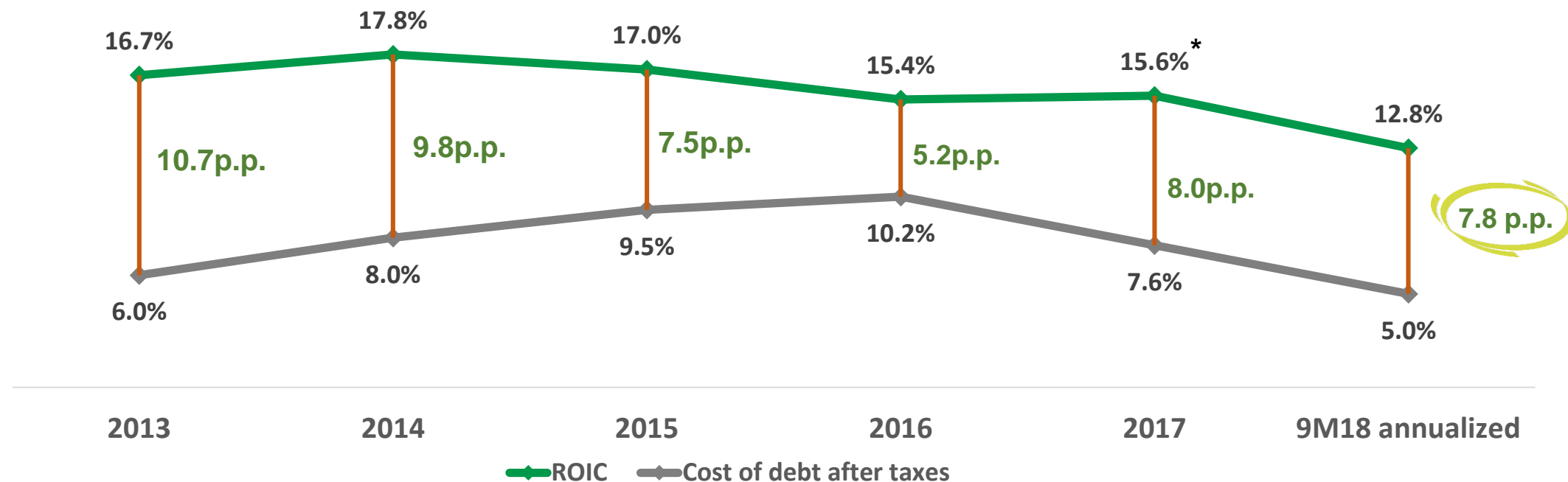
(R\$ million)

As of September 30, 2018



**STRONG CASH POSITION TO SUPPORT COMPANY'S GROWTH**

# ROIC *VERSUS* COST OF DEBT AFTER TAXES



(\*)Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation  
ROIC considered each year's effective income tax and social contribution rate

***STRONG PACE OF GROWTH WITH VALUE CREATION***

# Thank You!

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