

EARNINGS RELEASE

4Q18 @ 2018



 **Localiza**

[B]³ BRASIL
BOLSA
BALCÃO

 **NOVO
MERCADO**
BM&FBOVESPA

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Ações com Tag Along
Diferenciado **ITAG**

OTCQX

Dear Investors,

We finished the year of 2018 with impressive results. The average rented fleet of the **Car Rental** Division increased 39.4%, totaling 97,245 cars, while **Fleet Rental's** grew 19.5%, reaching 42,321 cars. **Seminovos** sales totaled 111,279 cars in the year, representing a growth of 22.9%. The final result was consolidated net revenues of R\$ 7.9 billion, 30.3% higher than in 2017, with a net income totaling R\$659.2 million in the year.

Despite the strong growth and operational challenges as a result of our business strong expansion, the main quality and productivity indicators evolved. Our customer satisfaction index, measured by the NPS (net promoter score), has increased in all segments and the result of our annual organizational climate survey has placed us among the top 25% of companies conducting the same survey by Korn Ferry. We won several quality related awards, of which we highlight the Época Reclame Aqui awards (winner for the 4th consecutive time in **Car Rental** and 2nd consecutive time in **Seminovos**), best car rental company by Datafolha, best service company and best rental company for Small and Midsize Companies by Estadão newspaper. We were also elected the most innovative company in the category of transportation and logistics, according to the "Valor Inovação" award of Valor Econômico newspaper and were evaluated the 22nd most valuable brand in Brazil according to Interbrand, reaffirming the recognition of our brand.

Last year's results consistency is due to a planned and shared transformation agenda between the Board of Directors and the Executive Officers.

I would like to highlight some priorities that were part of this agenda:

(1) Our careful renewal and succession process of the Company's management. A process conducted with great caution, ensuring the alignment of the new professionals with the values of Localiza, promoting a smooth transition to preserve the experience and knowledge of the successors, who temporarily remain at the Company as senior advisors;

(2) In order to take advantage of market movements and technology opportunities, we invest in the development of our employees and leaders, as well as in hiring new talents with complementary skills. In addition, we placed a culture project, with the participation of all employees, which reinforces and updates our values and characteristics, preparing us for future challenges;

(3) We have expanded our digital leadership by investing in customer experience innovation and operational excellence across the platform. We have also invested in our brand, reinforcing our leadership in customer's preference and brand awareness;

(4) We continue focusing and carefully working with our programs of integrity, governance, and sustainability that strengthen our reputation in the market with all stakeholders.

We would like to thank the investors who trusted the Company and participated in our primary funding of R\$1.8 billion concluded in February 2019. With these resources we will support our business and expansion plans.

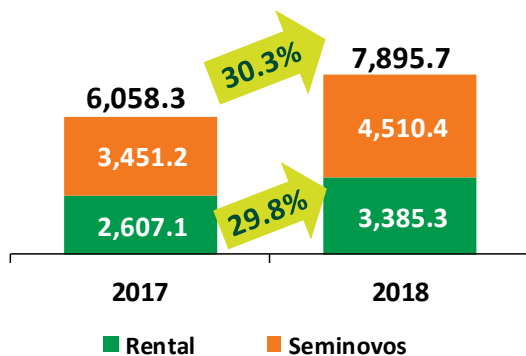
We also thank our employees for the commitment and energy they have dedicated to making all this happen, taking even better care of our clients and cultivating a trust relationship with all our stakeholders.

We started 2019 with even higher motivation and focused on the growth with profitability and quality goals, expanding our market leadership.

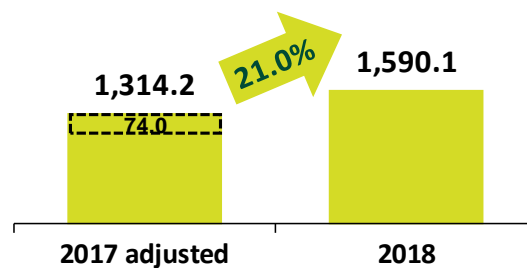
Eugênio Mattar.

2018 financial highlights

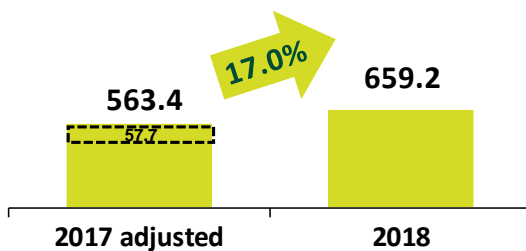
Net revenues (R\$ millions)



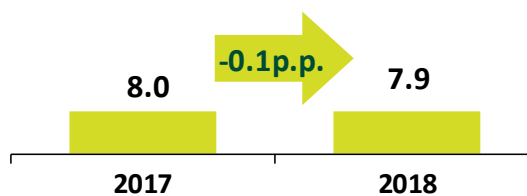
EBITDA (R\$ millions)



Net Income (R\$ millions)



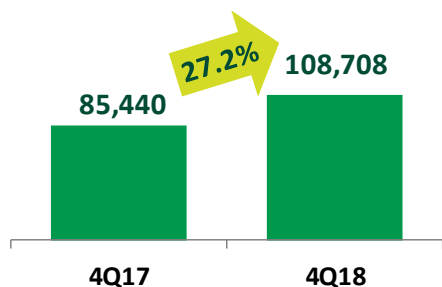
SPREAD (ROIC – Costs of debt)



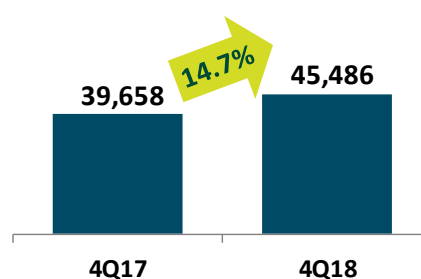
One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

4Q18 operating highlights

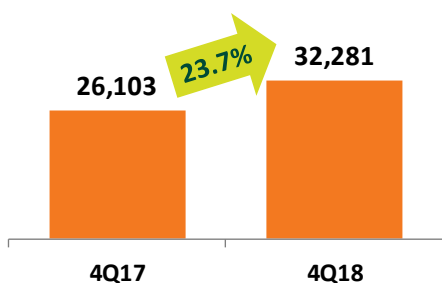
Average rented fleet – Car Rental



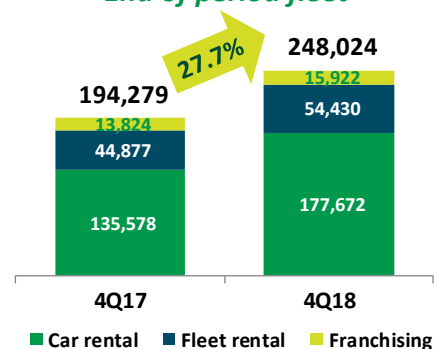
Average rented fleet – Fleet Rental



Cars Sold

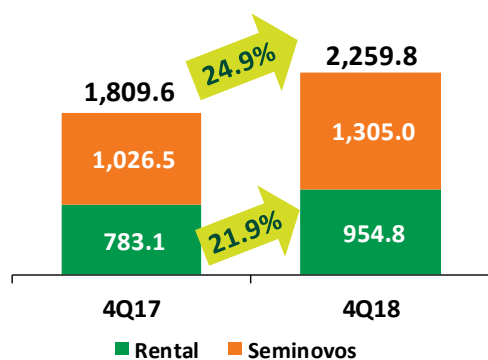


End of period fleet

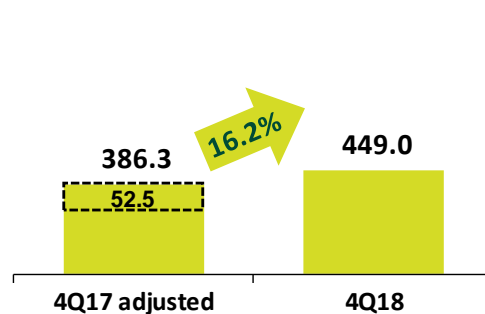


4Q18 consolidated financial highlights

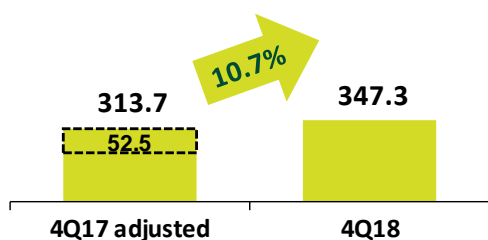
Net revenues (R\$ millions)



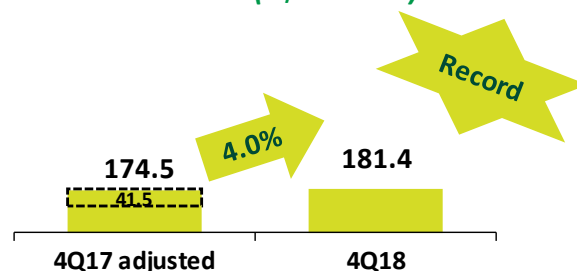
EBITDA (R\$ millions)



EBIT (R\$ millions)

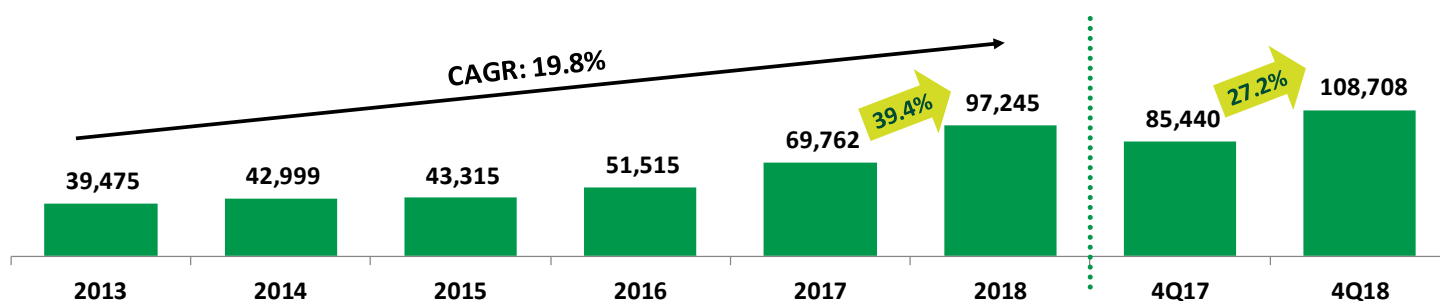


Net Income (R\$ millions)

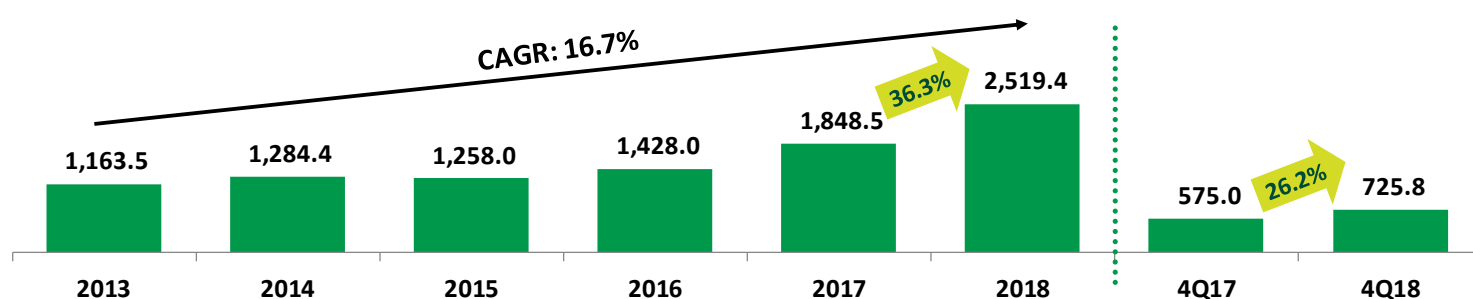


1 - Rent a Car

Average rented fleet



Net revenues (R\$ million)

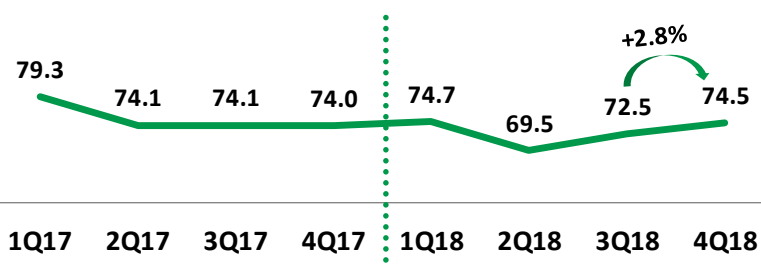


In 4Q18, the **Car Rental** division's average rented fleet grew 27.2% compared with 4Q17. In the same period, gross revenues increased 28.2%, with a 0.6% increase in the average rental rate. Net revenues increased 26.2%, at a lower rate than the gross revenues due to the reclassification of the amounts provisioned for the taxes PIS and COFINS to the operating expenses account in 4Q17.

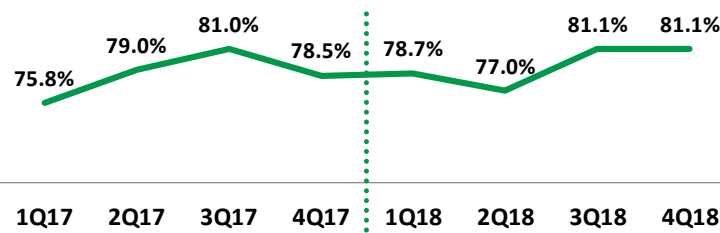
In 2018, the volume grew 39.4% and net revenues increased 36.3% when compared with the previous year, due to 3.1% reduction in the average rental rate. Such rate reduction in 2018 reflects product mix.

Efficient asset management coupled with a strong demand for rentals contributed to an increase of 2.6p.p. in the utilization rate of the 4Q18 when compared with 4Q17, reaching 81.1%.

Average rental rate (in R\$)

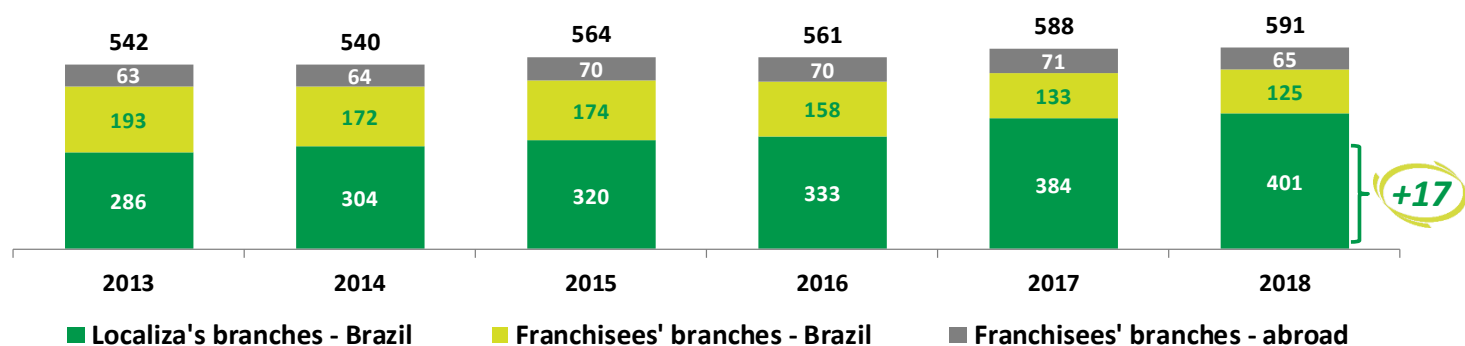


Operating fleet utilization rate (%)



1.1 - Distribution network

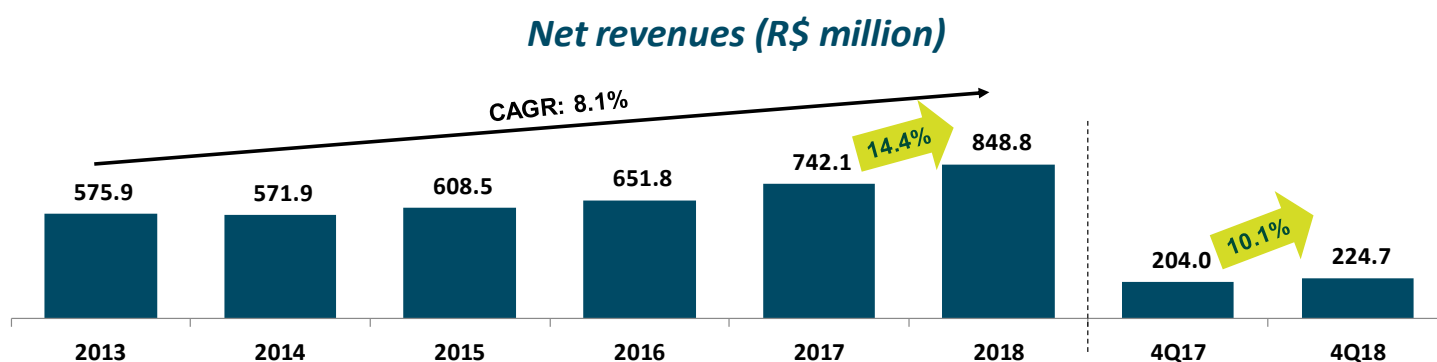
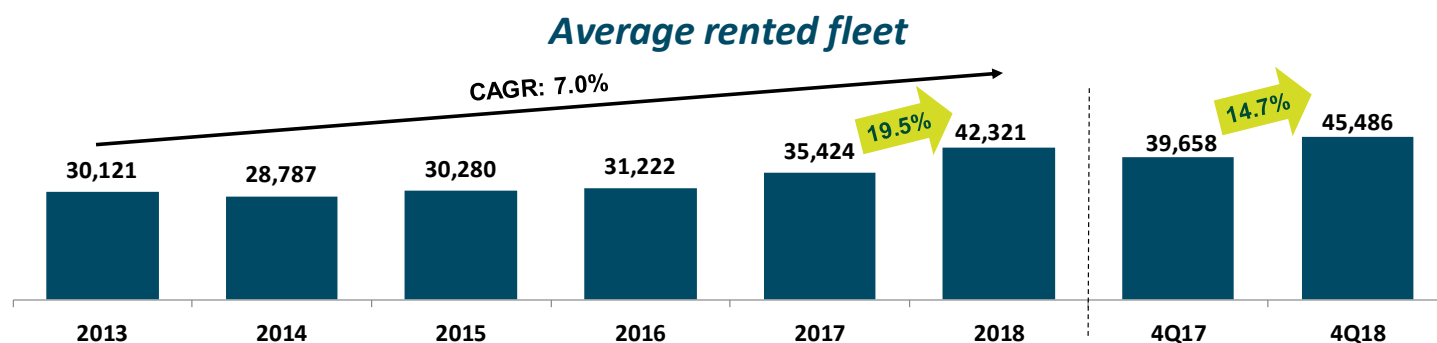
Number of car rental locations Brazil and abroad



In the year, Localiza's corporate network was expanded by 17 locations, going from 384 on 12/31/2017 to 401 as of December 31, 2018, including 8 locations previously operated by franchisees.

By the end of 2018, Localiza system had 591 rental locations, being 526 in Brazil and 65 in 5 other South American countries. The reduction of branches outside Brazil reflects the adjustment in the network of franchisees in Argentina and Chile.

2 – Fleet Rental



In 4Q18, the **Fleet Rental** division registered a 14.7% increase in the average rented fleet and 10.1% in net revenues compared with the same period of the previous year, reflecting 4.0% reduction in the average rental rate.

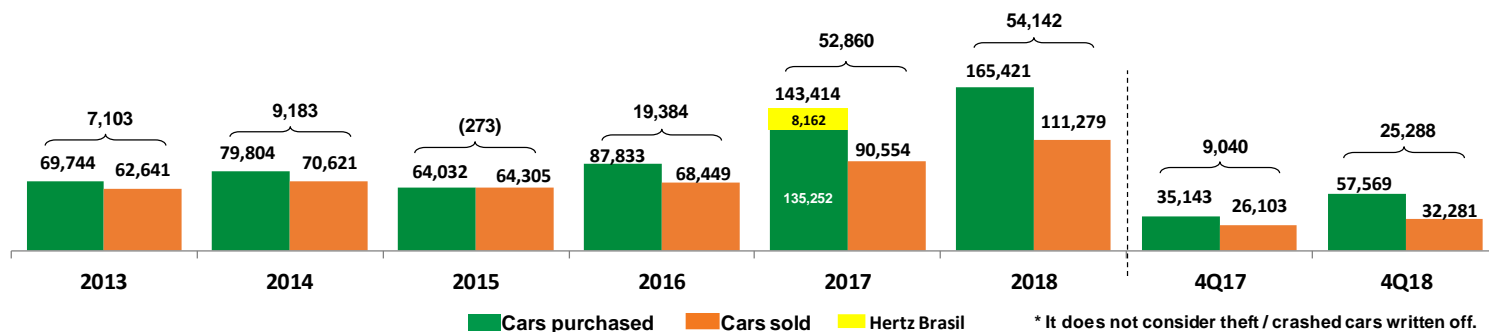
In 2018, there was an increase of 19.5% in the average rented fleet and 14.4% in the net revenues of this division, due to a 5.4% reduction in average rental rate.

The decrease in average rental rate of the **Fleet Rental** division mainly reflects the pricing of new contracts and the renewal of existing ones in a context of lower interest rates.

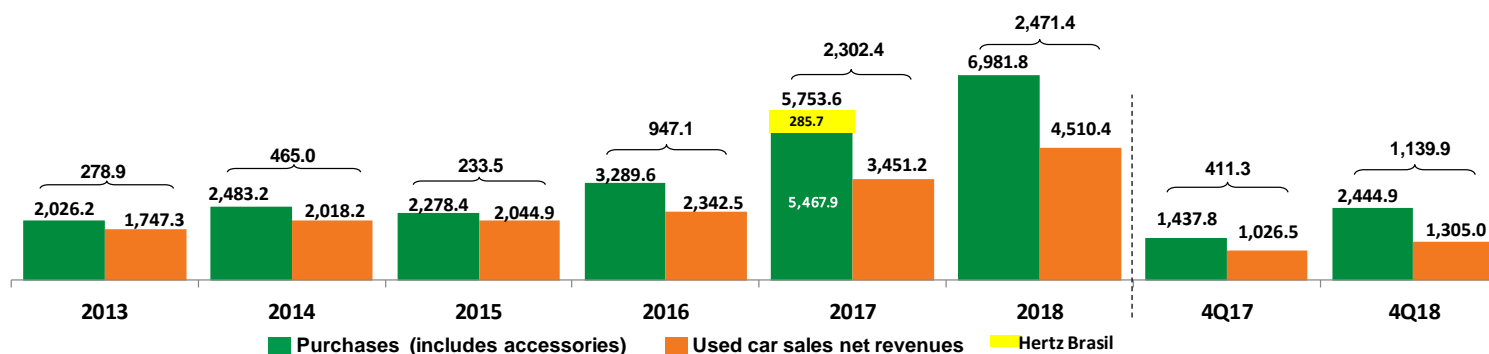
3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales (quantity)



Net investment in fleet (R\$ million)

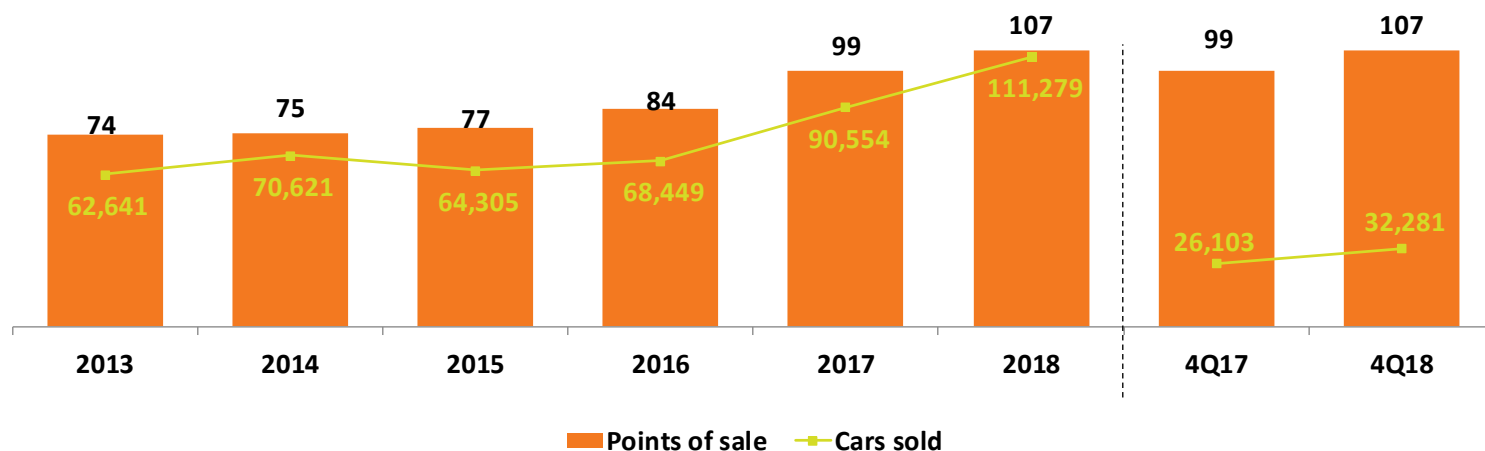


In 4Q18, 57,569 cars were purchased and 32,281 cars were sold, reflecting an increase of 25,288 cars in the fleet and a net investment of R\$1,139.9 million. Compared with 4Q17, the volume of cars purchased increased 63.8% and the volume of cars sold grew 23.7%.

In the year, the addition to the fleet totaled 54,142 cars, 2.4% higher than in 2017, reflecting a net investment of R\$ 2,471.4 million.

4 – Seminovos – Number of points of sale

Number of points of sale (Brazil)



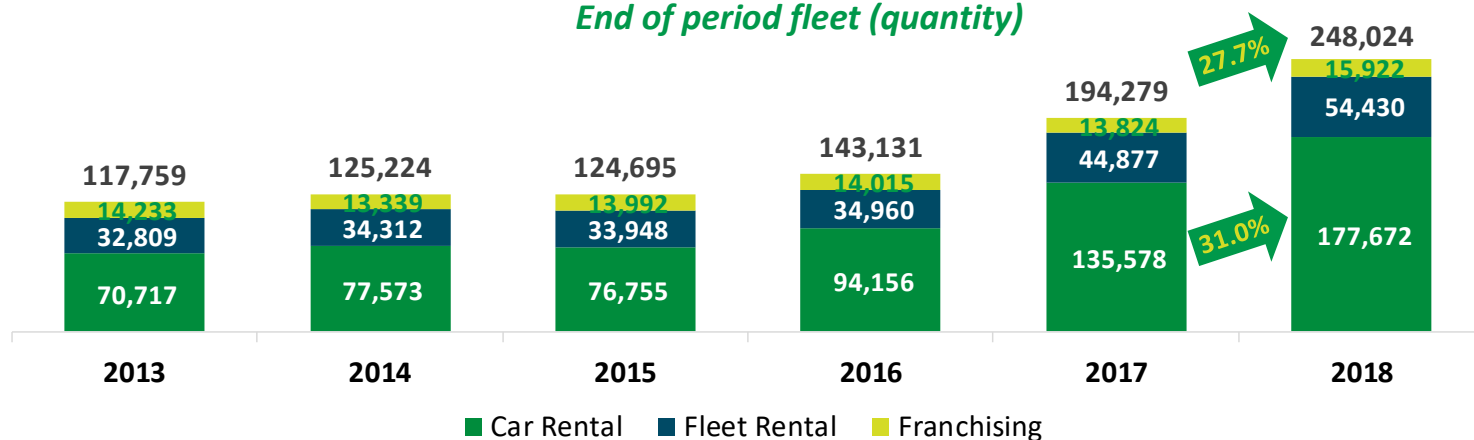
On December 31, 2018, **Seminovos** network was comprised of 107 stores distributed in 67 cities in Brazil.

In 2018, the Company accelerated the pace of sales to support the need for fleet renewal. 8 stores were opened in the year, which contributed to the increase in the Company's sales capacity.

In 4Q18, were opened 6 points of sale and new ones will continue to be opened to meet the growing need for fleet renewal, without any impact on selling expenses that remained stable at 7.0% as a percentage of **Seminovos** net revenues.

5 – End of period fleet

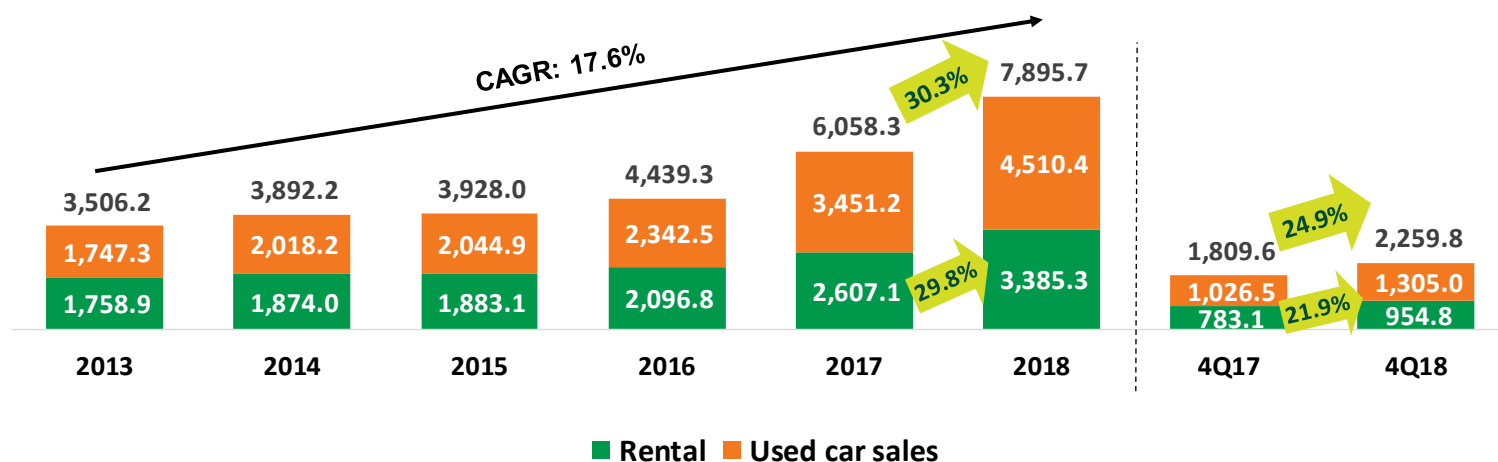
End of period fleet (quantity)



We have reached a consolidated fleet of 248,024 cars in 2018, including 15,922 of franchisee cars.

6 – Net revenues - consolidated

Consolidated net revenues (R\$ million)



In 4Q18, consolidated net revenues grew 24.9% when compared with 4Q17. Net rental revenues increased 21.9%, 26.2% in the **Car Rental** division and 10.1% in the **Fleet Rental** division, even with the strong comparison basis of 4Q17.

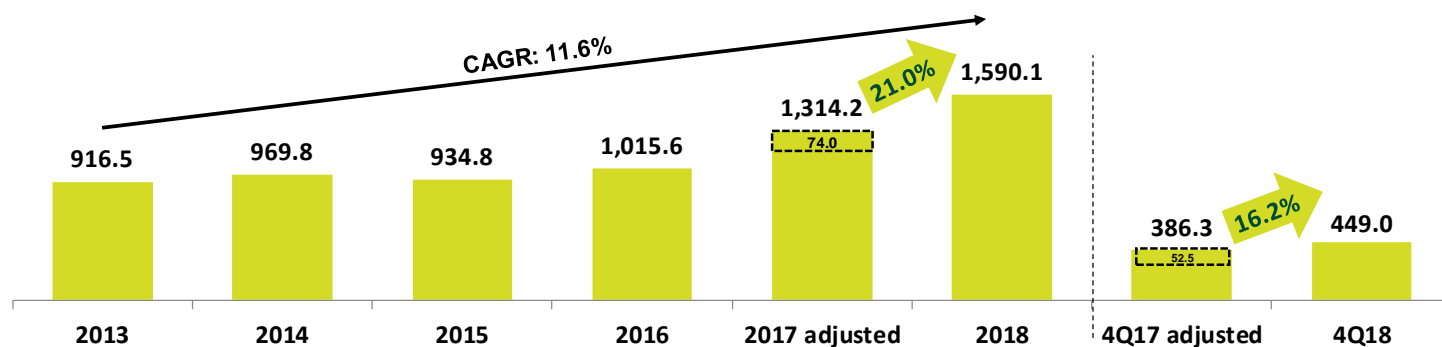
Seminovos net revenues in 4Q18 grew 27.1% compared with the same period last year, due to a 23.7% increase in sales volumes and an increase in average price of 2.8%.

In 2018, consolidated net revenues grew 30.3% when compared with 2017. Net revenues from rentals increased 29.8% being 36.3% in the **Car Rental** Division and 14.4% in the **Fleet Rental**.

Net revenues from **Seminovos** increased 30.7% in 2018 when compared with 2017, due to 22.9% increase in sales volumes and 6.4% increase in average price of car sold, mainly due to the sales mix.

7 - EBITDA

Consolidated EBITDA (R\$ million)



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

EBITDA margin:

Divisions	2013	2014*	2015	2016	2017**	2018	4Q17**	4Q18
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%	35.9%	36.6%	39.7%
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%	64.0%	59.8%	63.3%
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%	43.0%	42.7%	45.2%
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	3.0%	5.1%	1.3%

(*) From 2014 on, 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.

In 4Q18, consolidated EBITDA totaled R\$449.0 million, 16.2% higher than the same period of the previous year.

The EBITDA margin of the **Car Rental** division was 39.7% in 4Q18, representing an increase of 3.1 p.p. in relation to 4Q17. The Company is continuously working on cost and expense management, as well as investing in process and productivity improvements.

In the **Fleet Rental** division, EBITDA margin was 63.3% in 4Q18, 3.5 p.p. higher when compared with 4Q17, due to better costs and expenses management.

Seminovos EBITDA margin in 4Q18 was 1.3%, reflecting (i) lower depreciation in the **Car Rental** division in 1H18, causing the depreciated cost of the cars sold (book value) to be closer to the actual cars sales prices and (ii) lower increases in cars sales prices.

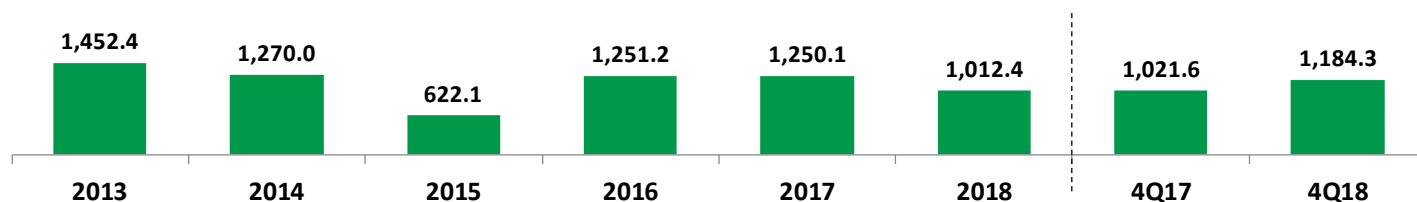
In 2018, consolidated EBITDA totaled R\$1,590.1 million, presenting a 21.0% increase when compared with 2017.

8 - Depreciation

Depreciation is the difference between the car's purchasing and selling prices net of selling expenses. At the time of cars purchase, the Company estimates the selling price and expenses. The depreciation is recorded over the life of the car. Periodically, price and selling expenses estimates are revised based on fluctuations in the car market and depreciation is recalculated to reflect the marking of our asset to market.

8.1 – Rent a Car

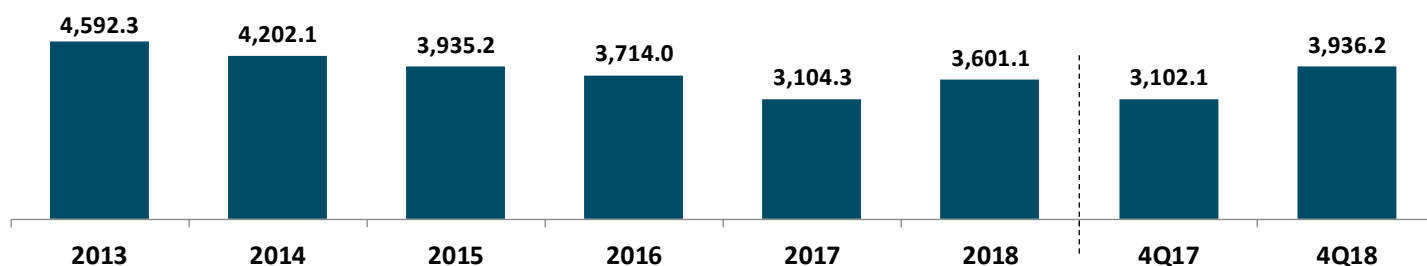
Annualized average depreciation per car (R\$) – RAC



In 2018, the annualized average depreciation per car in the **Car Rental** division was R\$1,012.4, 19.0% lower than in 2017. In 4Q18, the annualized average depreciation per car was R\$1,184.3 and reflects the Company's expectation on prices and selling costs.

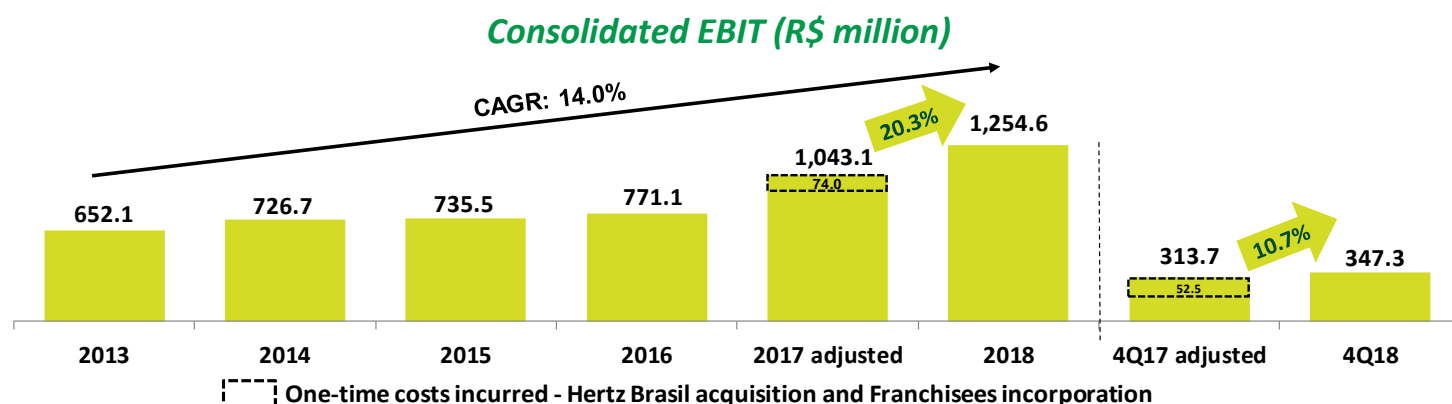
8.2 – Fleet Rental

Annualized average depreciation per car (R\$) – Fleet Rental



In the **Fleet Rental** division, the annualized average depreciation per car in 2018 was R\$3,601.1, 16.0% higher than 2017, reflecting the higher depreciation at the beginning of the car's life by the use of the SOYD (sum of digits) method, since the average age of the fleet fell from 18.1 to 15.1 months compared with the previous year. In 4Q18, the average depreciation per car was R\$3,936.2 and reflects the Company's expectation on prices and selling costs.

9 - EBIT



The EBIT margin is calculated over the rental revenues:

Divisions	2013	2014	2015	2016	2017*	2018	4Q17*	4Q18
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%	33.2%	37.2%	33.9%
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%	48.6%	48.1%	44.8%
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%	37.1%	40.1%	36.4%

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

Consolidated EBIT for 4Q18 reached R\$347.3 million, representing an increase of 10.7% when compared with 4Q17. The growth is due to 16.2% increase in EBITDA, partially offset by 40.1% increase in depreciation.

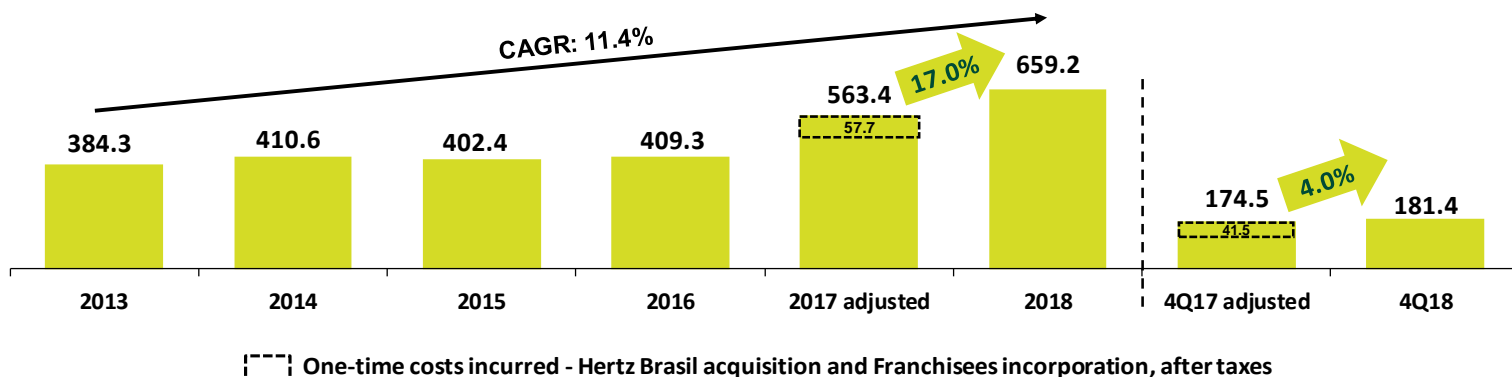
In 4Q18 the EBIT margin of the **Car Rental** division was 33.9%, representing a decrease of 3.3 p.p. in relation to 4Q17. In the **Fleet Rental** division, EBIT margin was 44.8%, a reduction of 3.3 p.p. in relation to 4Q17. The decrease in the EBIT margin in both divisions is a reflect of higher car depreciation and lower EBITDA margin of **Seminovos**.

In 2018, the EBIT margin of the **Car Rental** division was 33.2%, representing a decrease of 2.3 p.p., compared with 2017. In the **Fleet Rental** division the EBIT margin was 48.6%, a reduction of 2.8 p.p. in relation to the same period of last year.

The lower interest rate in Brazil allows us having a lower EBIT margin, with the maintenance of the spread (ROIC - Kd) at healthy levels and the larger capital basis, which results in higher value creation by the Company.

10 - Consolidated net income

Consolidated net income (R\$ million)



Reconciliation EBITDA x Net income	2013	2014	2015	2016	2017*	2018	Var. R\$	Var. %	4Q17*	4Q18	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	1,590.1	275.9	21.0%	386.3	449.0	62.7	16.2%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(291.6)	(59.6)	25.7%	(61.8)	(90.3)	(28.5)	46.1%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(43.9)	(4.8)	12.3%	(10.8)	(11.4)	(0.6)	5.6%
EBIT	652.1	726.7	735.5	771.1	1,043.1	1,254.6	211.5	20.3%	313.7	347.3	33.6	10.7%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(368.9)	(53.9)	17.1%	(93.6)	(107.5)	(13.9)	14.9%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(226.5)	(61.8)	37.5%	(45.6)	(58.4)	(12.8)	28.1%
Net income of the period	384.3	410.6	402.4	409.3	563.4	659.2	95.8	17.0%	174.5	181.4	6.9	4.0%

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

Net income was R\$181.4 million in 4Q18, representing an increase of 4.0% in relation to 4Q17, mainly due to:

(+) R\$62.7 million EBITDA increase, due to higher revenues and margins in the **Car Rental** and **Fleet Rental** divisions, partially offset by the lower **Seminovos** EBITDA.

(-) R\$28.5 million increase in depreciation, due to 22.3% increase in the average operating fleet and higher average depreciation per car;

(-) R\$13.9 million increase in net financial expenses due to higher average debt balance, partially offset by the lower interest rate; and

(-) R\$12.8 million increase in income tax due to higher taxable income and increase in the effective income tax and social contribution rate from 20.7% to 24.4%. The higher tax rate is due to the lower representativeness of interest on capital in relation to net income.

In 2018, the Company recorded an accumulated net income of R\$659.2 million, representing an increase of 17.0% compared with the same period of the previous year.

11 – Free cash flow (FCF)

Free cash flow - R\$ million		2013	2014	2015	2016	2017	2018
Operations	EBITDA	916.5	969.8	934.8	1,015.7	1314.2*	1,590.1
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.6)	(3,451.2)	(4,510.4)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	4,198.5
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(131.2)
	Change in working capital	2.9	(27.1)	(30.0)	(40.8)	(47.9)	(117.4)
Cash generated by rental operations		607.4	588.4	518.3	641.5	813.4	1,029.6
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	1,747.3	2,018.2	2,036.3	2,342.6	3,451.2	4,510.4
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(4,696.7)
	Change in accounts payable to car suppliers for fleet renewal	144.3	120.0	(25.4)	219.8	227.6	250.1
	Net investment for fleet renewal	71.9	(59.5)	(267.5)	(1.2)	17.9	63.8
Fleet renewal – quantity		62,641	70,621	64,032	68,449	90,554	111,279
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(40.9)	(28.8)	(42.8)
Free cash flow from operations, before growth		631.8	482.6	221.1	599.4	802.5	1,050.6
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)	(2,285.1)
	Change in accounts payable to car suppliers for fleet growth	(54.6)	214.4	(23.9)	26.8	168.7	509.4
	Hertz Brazil acquisition - fleet	-	-	-	-	(285.7)	-
	Fleet growth capex	(264.0)	(72.4)	(15.3)	(699.2)	(1,924.0)	(1,775.7)
Fleet increase / (reduction) – quantity		7,103	9,183	(273)	19,384	52,860	54,142
Free cash flow after growth		367.8	410.2	205.8	(99.8)	(1,121.5)	(725.1)
Capex - non-recurring	Hertz Acquisition (Except fleet) / Incurred one-time costs effect	-	-	-	-	(121.5)	-
	New headquarters construction and furniture	(6.5)	(148.3)	(30.7)	(85.7)	(146.2)	-
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)	(725.1)
Cash effects of discount of credit card receivables and anticipation of payables to suppliers (**)		-	-	(71.9)	98.0	88.3	(113.2)
Free cash flow before interest		361.3	261.9	103.2	(87.5)	(1,300.9)	(838.3)

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

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

(**) Discount of credit card receivables and anticipation of accounts payable to suppliers 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

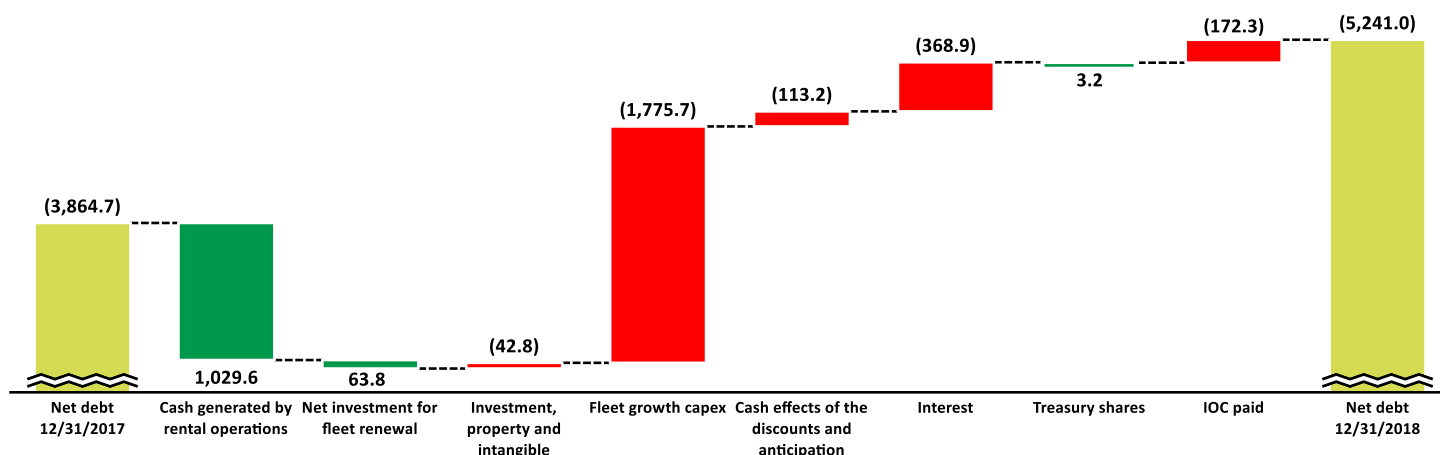
In 2018, the Company continued to take advantage of its strong cash position to reduce its carrying costs by reducing discounts on credit card receivables and taking suppliers prepayment opportunities. In the year, the net effect of these measures totals R\$113.2 million of impact on the Company's cash flow, with the benefit of reducing net financial expenses.

Those effects are demonstrated in the line "Cash Effects of Discount of Credit Card Receivables and Anticipation of Payables to Suppliers" for not reflecting the contractual terms of suppliers and customers. We only considered in this line the discounts and anticipations made based on financial decision of short-term cash management.

Cash generated before growth totaled R\$1,050.6 million. The Company consumed about R\$1,775.7 million for growth of 54,142 cars in the 2018 fleet.

12 – Net debt

12.1 – Change in net debt – R\$ million



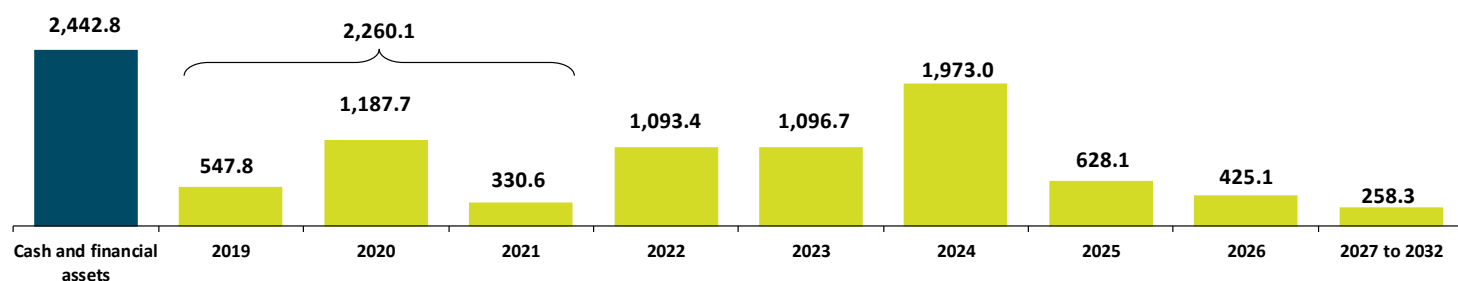
Net debt increased 35.6% in the year to support fleet growth.

12.2 – Debt maturity profile

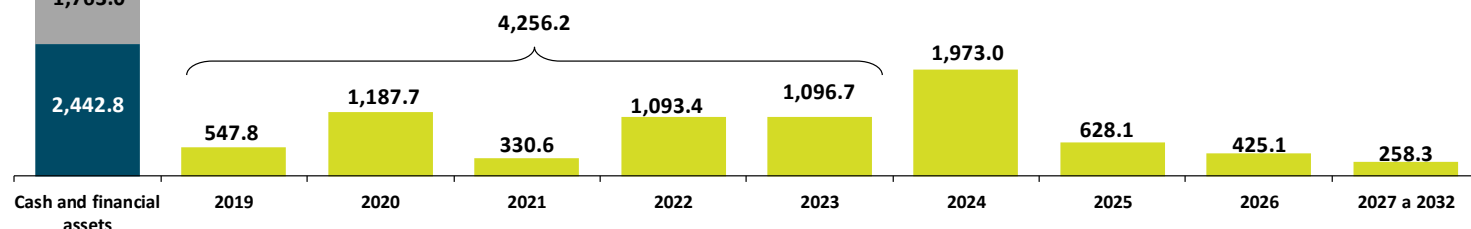
Debt	Issuance	Contract rate	2019	2020	2021	2022	2023	2024	2025+	Total
Debentures 7th Issuance	09/30/2013	110.95% CDI	75.0	100.0	100.0	-	-	-	-	275.0
Debentures 8th Issuance	09/10/2014	109.50% CDI	250.0	250.0	-	-	-	-	-	500.0
Debentures 10th Issuance	01/08/2016	113.90% CDI	-	100.0	100.0	-	-	-	-	200.0
Debentures 11th Issuance	12/12/2016	111.50% CDI	-	-	-	500.0	-	-	-	500.0
Debentures 12th Issuance	05/15/2017	107.25% CDI	-	-	-	-	-	700.0	-	700.0
Debentures da 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	-	434.5	434.5	-	-	869.0
Debentures da 13th Issuance - 2nd serie	12/15/2017	111.30% CDI	-	-	-	-	-	108.1	108.1	216.2
Debentures da 14th Issuance - 1st serie	09/18/2018	107.90% CDI	-	-	-	-	-	200.0	-	200.0
Debentures da 14th Issuance - 2nd serie	09/18/2018	112.32% CDI	-	-	-	-	-	200.0	600.0	800.0
Debentures 3rd Issuance of Localiza Fleet	05/05/2017	107.00% CDI	-	-	-	-	500.0	-	-	500.0
Debentures 4th Issuance of Localiza Fleet	10/02/2017	CDI + 0.30%	-	-	-	-	-	350.0	-	350.0
Debentures 5th Issuance of Localiza Fleet	07/18/2018	112.00% CDI	-	-	-	-	-	-	300.0	300.0
Debentures 6th Issuance of Localiza Fleet	12/21/2018	110.40% CDI	-	-	-	-	-	400.0	-	400.0
Foreign currency loan with swap	05/22/2018	108.00% CDI	-	-	-	150.0	150.0	-	-	300.0
Promissory notes 6th issuance	09/29/2017	CDI + 0.40%	-	650.0	-	-	-	-	-	650.0
Real State Receivables Certificate (CRI)	02/26/2018	99.00% CDI	7.0	4.3	5.6	9.0	12.3	15.0	303.5	356.7
Working Capital / Others	-	Several	215.8	83.4	125.0	-	-	-	-	424.2
Interest accrued and paid	-	-	142.7	-	-	-	-	-	-	142.7
Cash and cash equivalents on 12/31/2018	-	-	(2,442.8)	-	-	-	-	-	-	(2,442.8)
Net debt	-	-	(1,752.3)	1,187.7	330.6	1,093.5	1,096.8	1,973.1	1,311.6	5,241.0

12.3 – Debt profile

As of December 31, 2018

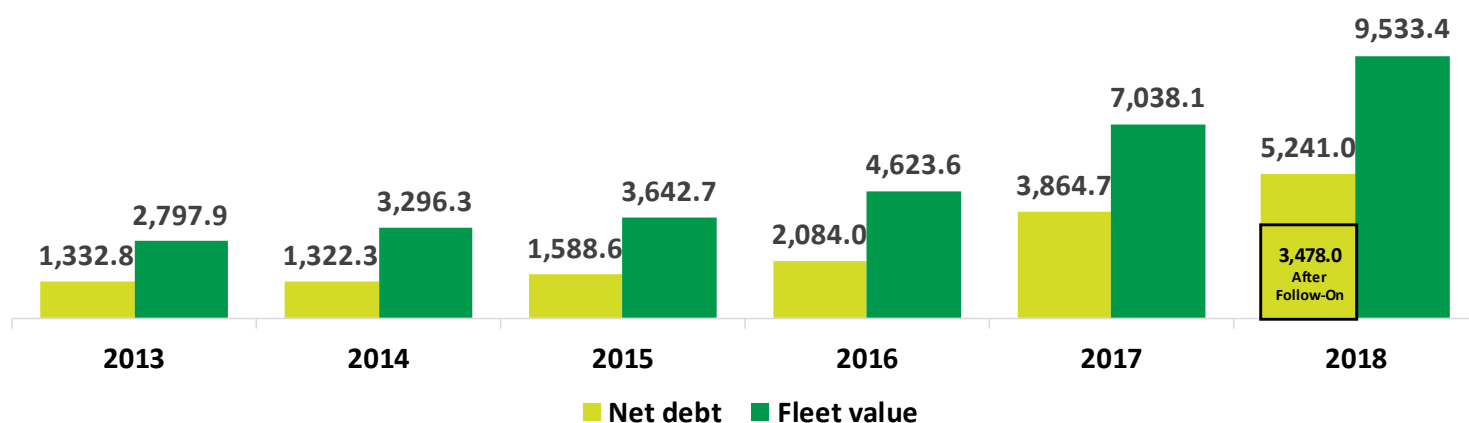


Proforma after follow on



In February 2019, the Company completed the the public offering of shares raising R\$ 1.8 billion to strengthen cash and support investments in technology and fleet growth.

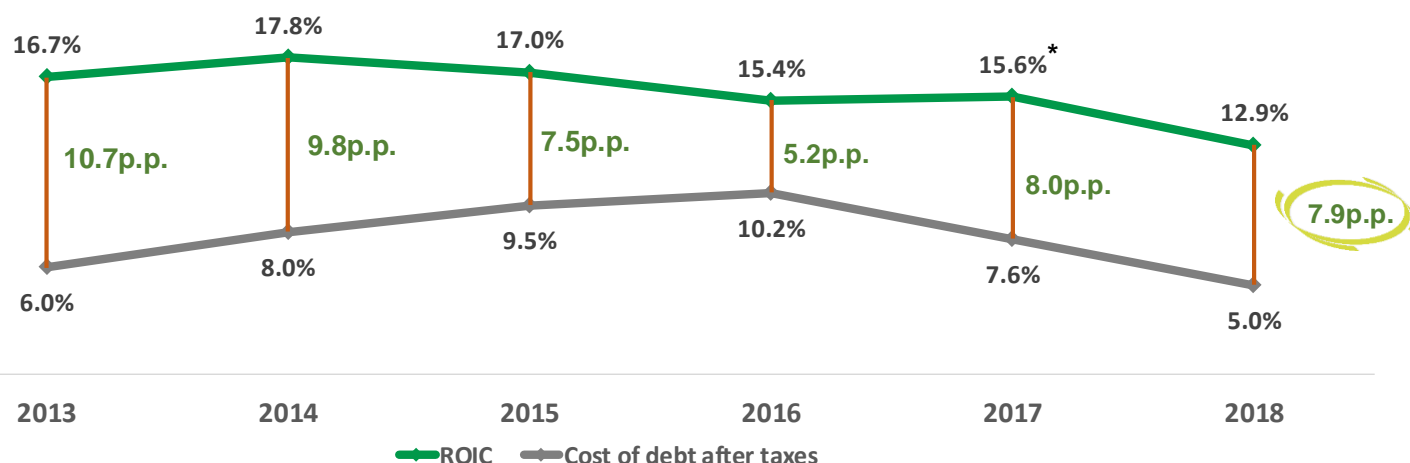
12.4 – Debt ratios



BALANCE AT THE END OF PERIOD	2013	2014	2015	2016	2017	2018	2018 after Follow-on
Net debt / Fleet value	48%	40%	44%	45%	55%	55%	36%
Net debt / annualized EBITDA	1.5x	1.4x	1.7x	2.1x	2.9x	3.3x	2.2x
Net debt / Equity	1.0x	0.8x	0.8x	0.9x	1.5x	1.7x	1.1x
EBITDA / Net financial expenses	8.3x	6.4x	4.6x	4.2x	4.2x	4.3x	-

COMPATIBLE DEBT RATIOS FOR GROWTH CONTINUITY

13 – Spread (ROIC minus 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

STABLE SPREAD WITH A STRONG PACE OF GROWTH

14 – Dividends and interest on capital (IOC)

2017 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)(*)
IOC	2017	03/08/2017	03/15/2017	05/02/2017	39.9	0.060829
IOC	2017	06/30/2017	07/06/2017	08/24/2017	39.2	0.059539
IOC	2017	09/13/2017	09/22/2017	11/07/2017	41.0	0.062161
IOC	2017	12/07/2017	12/14/2017	01/31/2018	42.8	0.064746
Total					162.9	

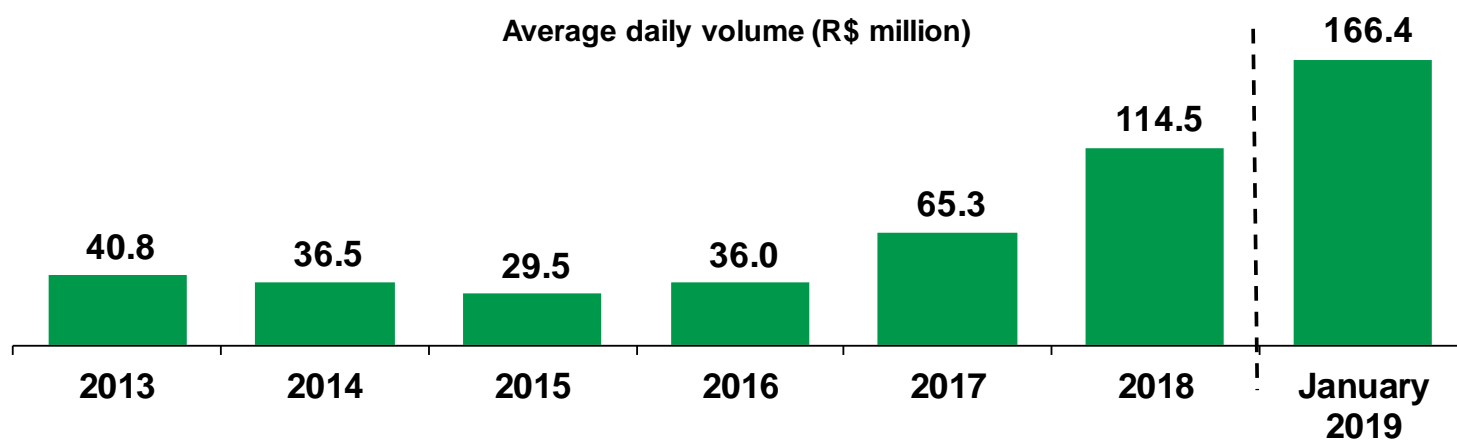
2018 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2018	03/22/2018	03/28/2018	05/16/2018	42.0	0.063557
IOC	2018	06/21/2018	06/28/2018	08/16/2018	43.0	0.064955
IOC	2018	09/21/2018	09/27/2018	11/16/2018	44.6	0.067377
IOC	2018	12/13/2018	12/19/2018	02/06/2019	49.3	0.074537
Total					178.9	

(*) For comparative purpose, the amount of IOC and dividend per share was adjusted considering the stock dividend approved by the Extraordinary Shareholders' Meeting of April 25, 2017 and the Stock Split approved by the Extraordinary Shareholders' Meeting of November 22, 2017.

15 – RENT3

In 2018, the average daily traded volume of RENT3 was R\$114.5 million, 75.3% above the average volume of 2017. Under the ADR level I program, the Company had 14,433,339 ADRs issued on December 31, 2018.



16 – Subsequent Events

On February 06, 2019, Localiza concluded a capital increase based on a primary distribution of 55,200,000 new common shares, with the price per share of R\$33.00, in the total amount of R\$1,821.6 million.

As a result of such increase in the Company's capital stock under the Offer, the Company's new capital stock will be R\$3,321.6 million, divided into 722,349,210 common shares, all registered, book-entry shares with no par value.

Localiza will use the funds obtained for: i) fleet expansion; ii) innovations investments and operational improvements; and iii) strengthening of working capital.

17 – Results per division

17.1 –Table 1 – Car Rental – R\$ million

CAR RENTAL RESULTS	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	35.4%	577.7	740.4	28.2%
Taxes on revenues (**)	(44.9)	(67.7)	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	2.4%	(2.7)	(14.6)	440.7%
Car rental net revenues	1,163.5	1,284.4	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	36.3%	575.0	725.8	26.2%
Car rental costs	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	35.3%	(252.0)	(316.2)	25.5%
Gross profit	626.6	707.1	639.9	720.6	922.1	977.8	1,341.3	37.2%	323.0	409.6	26.8%
Operating expenses (SG&A)	(197.9)	(209.7)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	31.6%	(112.5)	(121.4)	7.9%
Other assets depreciation and amortization	(22.2)	(22.2)	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	12.7%	(6.5)	(6.8)	4.6%
Operating profit before financial results and taxes (EBIT)	406.5	475.2	377.7	437.9	551.3	621.9	877.4	41.1%	204.0	281.4	37.9%
Financial expenses, net	(1.3)	(1.5)	(2.0)	(1.4)	(5.3)	(5.3)	(23.7)	347.2%	(4.2)	(3.4)	-19.0%
Income tax and social contribution	(119.5)	(136.2)	(89.9)	(95.9)	(123.4)	(138.9)	(218.3)	57.2%	(41.3)	(67.9)	64.4%
Net income for the period	285.7	337.5	285.8	340.6	422.6	477.7	635.4	33.0%	158.5	210.1	32.6%
Net Margin	24.6%	26.3%	22.7%	23.9%	22.9%	25.8%	25.2%	-0.6 p.p.	27.6%	28.9%	1.3 p.p.
EBITDA	428.7	497.4	400.0	461.8	574.9	645.5	904.0	40.0%	210.5	288.2	36.9%
EBITDA Margin	36.8%	38.7%	31.8%	32.3%	31.1%	34.9%	35.9%	1.0 p.p.	36.6%	39.7%	3.1 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Gross revenues (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	31.1%	876.2	1,170.4	33.6%
Taxes on revenues	(3.1)	(3.5)	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	51.0%	(1.8)	(2.8)	55.6%
Net revenues	1,483.0	1,667.9	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	31.0%	874.4	1,167.6	33.5%
Book value of cars sold and preparation for sale	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	36.1%	(770.0)	(1,083.8)	40.8%
Gross profit	211.1	239.5	280.4	267.6	381.9	381.9	369.3	-3.3%	104.4	83.8	-19.7%
Operating expenses (SG&A)	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	22.5%	(62.6)	(74.0)	18.2%
Cars depreciation	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	11.9%	(29.6)	(42.7)	44.3%
Other assets depreciation and amortization	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	5.2%	(2.5)	(2.8)	12.0%
Operating profit (loss) before financial results and taxes (EBIT)	(25.1)	(10.6)	53.9	(6.1)	34.5	34.5	(42.2)	-222.3%	9.7	(35.7)	-468.0%
Financial expenses, net	(76.6)	(106.3)	(138.4)	(174.4)	(229.9)	(229.9)	(266.5)	15.9%	(68.0)	(80.1)	17.8%
Income tax and social contribution	30.3	33.2	17.6	37.2	43.9	43.9	77.5	76.5%	12.2	27.9	128.7%
Net loss for the period	(71.4)	(83.7)	(66.9)	(143.3)	(151.5)	(151.5)	(231.2)	52.6%	(46.1)	(87.9)	90.7%
Net Margin	-4.8%	-5.0%	-4.0%	-7.2%	-5.1%	-5.1%	-5.9%	-0.8 p.p.	-5.3%	-7.5%	-2.2 p.p.
EBITDA	72.4	78.8	101.6	90.8	161.9	161.9	99.7	-38.4%	41.8	9.8	-76.6%
EBITDA Margin	4.9%	4.7%	6.1%	4.6%	5.4%	5.4%	2.5%	-2.9 p.p.	4.8%	0.8%	-4.0 p.p.

CAR RENTAL TOTAL FIGURES	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	35.4%	577.7	740.4	28.2%
Car sales for fleet renewal - gross revenues (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	31.1%	876.2	1,170.4	33.6%
Total gross revenues (*)	2,694.5	3,023.5	2,996.1	3,484.7	4,888.7	4,888.7	6,490.0	32.8%	1,453.9	1,910.8	31.4%
Taxes on revenues											
Car rental (**)	(44.9)	(67.7)	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	2.4%	(2.7)	(14.6)	440.7%
Car sales for fleet renewal	(3.1)	(3.5)	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	51.0%	(1.8)	(2.8)	55.6%
Car rental revenues - net revenues	1,163.5	1,284.4	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	36.3%	575.0	725.8	26.2%
Car sales for fleet renewal - net revenues	1,483.0	1,667.9	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	31.0%	874.4	1,167.6	33.5%
Total net revenues	2,646.5	2,952.3	2,934.7	3,423.1	4,833.6	4,833.6	6,431.2	33.1%	1,449.4	1,893.4	30.6%
Direct costs											
Car rental	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	35.3%	(252.0)	(316.2)	25.5%
Car sales for fleet renewal	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	36.1%	(770.0)	(1,083.8)	40.8%
Gross profit	837.7	946.6	920.3	988.2	1,304.0	1,359.7	1,710.6	25.8%	427.4	493.4	15.4%
Operating expenses (SG&A)											
Car rental	(197.9)	(209.7)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	31.6%	(112.5)	(121.4)	7.9%
Car sales for fleet renewal	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	22.5%	(62.6)	(74.0)	18.2%
Cars depreciation	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	11.9%	(29.6)	(42.7)	44.3%
Other assets depreciation and amortization											
Car rental	(22.2)	(22.2)	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	12.7%	(6.5)	(6.8)	4.6%
Car sales for fleet renewal	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	5.2%	(2.5)	(2.8)	12.0%
Operating profit before financial results and taxes (EBIT)	381.4	464.6	431.6	431.8	585.8	656.4	835.2	27.2%	213.7	245.7	15.0%
Financial expenses, net	(77.9)	(107.8)	(140.4)	(175.8)	(235.2)	(235.2)	(290.2)	23.4%	(72.2)	(83.5)	15.7%
Income tax and social contribution	(89.2)	(103.0)	(72.3)	(58.7)	(79.5)	(95.0)	(140.8)	48.2%	(29.1)	(40.0)	37.5%
Net income for the period	214.3	253.8	218.9	197.3	271.1	326.2	404.2	23.9%	112.4	122.2	8.7%
Net margin	8.1%	8.6%	7.5%	5.8%	5.6%	6.7%	6.3%	-0.4 p.p.	7.8%	6.5%	-1.3 p.p.
EBITDA	501.1	576.2	501.6	552.6	736.8	807.4	1,003.7	24.3%	252.3	298.0	18.1%
EBITDA margin	18.9%	19.5%	17.1%	16.1%	15.2%	16.7%	15.6%	-1.1 p.p.	17.4%	15.7%	-1.7 p.p.

OPERATING DATA	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17	4Q18	Var.
Average operating fleet	59,094	61,525	62,513	70,185	94,194	94,194	130,058	38.1%	115,727	144,017	24.4%
Average rented fleet	39,475	42,999	43,315	51,515	69,762	69,762	97,245	39.4%	85,440	108,708	27.2%
Average operating fleet age (in months)	7.2	7.2	7.4	7.9	6.5	6.5	7.2	10.8%	5.9	7.0	18.6%
End of period fleet	70,717	77,573	76,755	94,156	135,578	135,578	177,672	31.0%	135,578	177,672	31.0%
Number of rental days - in thousands	14,241.7	15,416.0	15,566.1	18,662.4	25,263.6	25,263.6	35,284.5	39.7%	7,802.3	9,936.7	27.4%
Average daily rental revenues per car (R\$)	84.85	87.71	84.56	79.67	75.16	75.16	72.86	-3.1%	74.04	74.51	0.6%
Annualized average depreciation per car (R\$)	1,452.4	1,270.0	622.1	1,251.2	1,250.1	1,250.1	1,012.4	-19.0%	1,021.6	1,184.3	15.9%
Utilization rate (Does not include cars in preparation and decommissioning)	-	-	75.4%	78.0%	78.6%	78.6%	79.6%	1.0 p.p.	78.5%	81.1%	2.6 p.p.
Number of cars purchased	58,826	64,908	52,343	76,071	114,966	114,966	139,273	21.1%	30,285	50,606	67.1%
Number of cars sold	52,759	57,578	52,508	57,596	76,901	76,901	94,945	23.5%	21,696	28,560	31.6%
Average sold fleet age (in months)	15.3	14.4	14.9	16.8	14.3	14.3	14.7	2.8%	13.9	15.4	10.8%
Average total fleet	68,251	70,982	72,169	80,765	107,997	107,997	150,045	38.9%	134,302	174,918	30.2%
Average value of total fleet - R\$ million	1,776.8	1,963.8	2,205.9	2,790.2	4,100.6	4,100.6	6,005.7	46.5%	5,143.5	7,176.4	39.5%
Average value per car in the period - R\$ thsd	26.0	27.7	30.6	34.5	38.0	38.0	40.0	5.3%	38.3	41.0	7.0%

(*) Gross revenues from car rental and car sales for fleet renewal are net of discounts and cancellations.

(**) As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note Provisions and Escrow Deposits of the 2017 Financial Statements

17.2 – Table 2 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Fleet rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	757.4	857.8	13.3%	206.2	227.9	10.5%
Taxes on revenues (**)	(16.9)	(17.6)	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	-41.2%	(2.2)	(3.2)	45.5%
Fleet rental net revenues	575.9	571.9	608.5	651.8	742.1	742.1	848.8	14.4%	204.0	224.7	10.1%
Fleet rental costs	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	11.7%	(61.3)	(65.4)	6.7%
Gross profit	414.8	381.1	419.2	458.1	521.7	522.0	602.9	15.5%	142.7	159.3	11.6%
Operating expenses (SG&A)	(37.5)	(38.1)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	-4.3%	(20.7)	(17.0)	-17.9%
Other assets depreciation and amortization	(1.1)	(1.1)	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	40.0%	(1.2)	(1.3)	8.3%
Operating profit before financial results and taxes (EBIT)	376.2	341.9	376.3	417.3	452.8	456.2	538.4	18.0%	120.8	141.0	16.7%
Financial expenses, net	(0.1)	(0.2)	(0.1)	(1.1)	(1.6)	(1.6)	(0.5)	-68.8%	(0.1)	(0.2)	100.0%
Income tax and social contribution	(111.4)	(99.2)	(90.5)	(90.4)	(102.8)	(103.6)	(136.5)	31.8%	(25.6)	(33.9)	32.4%
Net income for the period	264.7	242.5	285.7	325.8	348.4	351.0	401.4	14.4%	95.1	106.9	12.4%
Net Margin	46.0%	42.4%	47.0%	50.0%	46.9%	47.3%	47.3%	0.0 p.p.	46.6%	47.6%	1.0 p.p.
EBITDA	377.3	343.0	378.5	420.2	456.3	459.7	543.3	18.2%	122.0	142.3	16.6%
EBITDA Margin	65.5%	60.0%	62.2%	64.5%	61.5%	61.9%	64.0%	2.1 p.p.	59.8%	63.3%	3.5 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Gross revenues (*)	264.6	350.8	368.6	347.8	466.5	466.5	599.5	28.5%	152.3	137.7	-9.6%
Taxes on revenues	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	125.0%	(0.2)	(0.3)	50.0%
Net revenues	264.3	350.3	368.2	347.4	466.1	466.1	598.6	28.4%	152.1	137.4	-9.7%
Book value of cars sold and preparation for sale	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	34.1%	(131.3)	(122.5)	-6.7%
Gross profit	50.2	74.0	81.5	68.0	74.0	74.0	72.7	-1.8%	20.8	14.9	-28.4%
Operating expenses (SG&A)	(23.4)	(32.6)	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	11.9%	(10.7)	(7.4)	-30.8%
Cars depreciation	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	39.9%	(32.2)	(47.6)	47.8%
Other assets depreciation and amortization	-	(0.6)	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	0.0%	(0.5)	(0.3)	-40.0%
Operating profit (loss) before financial results and taxes (EBIT)	(116.4)	(88.5)	(78.8)	(83.3)	(74.7)	(74.7)	(125.5)	68.0%	(22.6)	(40.4)	78.8%
Financial expenses, net	(34.0)	(44.9)	(63.8)	(68.7)	(80.0)	(80.0)	(79.6)	-0.5%	(21.7)	(24.5)	12.9%
Income tax and social contribution	44.7	38.4	33.7	32.3	35.1	35.1	52.0	48.1%	9.4	15.6	66.0%
Net loss for the period	(105.7)	(95.0)	(108.9)	(119.7)	(119.6)	(119.6)	(153.1)	28.0%	(34.9)	(49.3)	41.3%
Net Margin	-40.0%	-27.1%	-29.6%	-34.5%	-25.7%	-25.7%	-25.6%	0.1 p.p.	-22.9%	-35.9%	-13.0 p.p.
EBITDA	26.8	41.4	47.9	37.0	41.3	41.3	36.1	-12.6%	10.1	7.5	-25.7%
EBITDA Margin	10.1%	11.8%	13.0%	10.7%	8.9%	8.9%	6.0%	-2.9 p.p.	6.6%	5.5%	-1.1 p.p.

FLEET RENTAL TOTAL FIGURES	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Fleet rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	757.4	857.8	13.3%	206.2	227.9	10.5%
Car sales for fleet renewal - gross revenues (*)	264.6	350.8	368.6	347.8	466.5	466.5	599.5	28.5%	152.3	137.7	-9.6%
Total gross revenues (*)	857.4	940.3	988.2	1,011.9	1,223.9	1,223.9	1,457.3	19.1%	358.5	365.6	2.0%
Taxes on revenues											
Fleet rental (**)	(16.9)	(17.6)	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	-41.2%	(2.2)	(3.2)	45.5%
Car sales for fleet renewal	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	125.0%	(0.2)	(0.3)	50.0%
Fleet rental - net revenues	575.9	571.9	608.5	651.8	742.1	742.1	848.8	14.4%	204.0	224.7	10.1%
Car sales for fleet renewal - net revenues	264.3	350.3	368.2	347.4	466.1	466.1	598.6	28.4%	152.1	137.4	-9.7%
Total net revenues (**)	840.2	922.2	976.7	999.2	1,208.2	1,208.2	1,447.4	19.8%	356.1	362.1	1.7%
Direct costs											
Fleet rental	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	11.7%	(61.3)	(65.4)	6.7%
Car sales for fleet renewal	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	34.1%	(131.3)	(122.5)	-6.7%
Gross profit	465.0	455.1	500.7	526.1	595.7	596.0	675.6	13.4%	163.5	174.2	6.5%
Operating expenses (SG&A)											
Fleet rental	(37.5)	(38.1)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	-4.3%	(20.7)	(17.0)	-17.9%
Car sales for fleet renewal	(23.4)	(32.6)	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	11.9%	(10.7)	(7.4)	-30.8%
Cars depreciation	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	39.9%	(32.2)	(47.6)	47.8%
Other assets depreciation and amortization											
Fleet rental	(1.1)	(1.1)	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	40.0%	(1.2)	(1.3)	8.3%
Car sales for fleet renewal	-	(0.6)	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	0.0%	(0.5)	(0.3)	-40.0%
Operating profit before financial results and taxes (EBIT)	259.8	253.4	297.5	334.0	378.1	381.5	412.9	8.2%	98.2	100.6	2.4%
Financial expenses, net	(34.1)	(45.1)	(63.9)	(69.8)	(81.6)	(81.6)	(80.1)	-1.8%	(21.8)	(24.7)	13.3%
Income tax and social contribution	(66.7)	(60.8)	(56.8)	(58.1)	(67.7)	(68.5)	(84.5)	23.4%	(16.2)	(18.3)	13.0%
Net income for the period	159.0	147.5	176.8	206.1	228.8	231.4	248.3	7.3%	60.2	57.6	-4.3%
Net margin	18.9%	16.0%	18.1%	20.6%	18.9%	19.2%	17.2%	-2.0 p.p.	16.9%	15.9%	-1.0 p.p.
EBITDA	404.1	384.4	426.4	457.2	497.6	501.0	579.4	15.6%	132.1	149.8	13.4%
EBITDA margin	48.1%	41.7%	43.7%	45.8%	41.2%	41.5%	40.0%	-1.5 p.p.	37.1%	41.4%	4.3 p.p.

OPERATING DATA	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17	4Q18	Var.
Average operating fleet	31,188	30,778	31,676	31,908	36,804	36,804	44,404	20.6%	41,569	48,394	16.4%
Average rented fleet	30,121	28,787	30,280	31,222	35,424	35,424	42,321	19.5%	39,658	45,486	14.7%
Average operating fleet age (in months)	18.6	18.0	16.7	18.0	18.1	18.1	15.1	-16.6%	16.7	14.7	-12.0%
End of period fleet											
Rented Fleet	32,809	34,312	33,948	34,960	44,877	44,877	54,430	21.3%	44,877	54,430	21.3%
Managed Fleet	30	267	207	145	94	94	57	-39.4%	94	57	-39.4%
Number of rental days - in thousands	10,843.7	10,363.3	10,900.9	11,240.0	12,752.7	12,752.7	15,235.7	19.5%	3,569.2	4,093.8	14.7%
Average daily rental revenues per car (R\$)	53.83	56.16	56.08	58.23	58.77	58.77	55.62	-5.4%	57.27	54.99	-4.0%
Annualized average depreciation per car (R\$)	4,592.3	4,202.1	3,935.2	3,714.0	3,104.3	3,104.3	3,601.1	16.0%	3,102.1	3,936.2	26.9%
Utilization rate (Does not include cars in preparation and decommissioning) (***)	-	-	98.4%	98.9%	98.2%	98.2%	96.8%	-1.4 p.p.	98.0%	95.6%	-2.4 p.p.
Number of cars purchased	10,918	14,896	11,689	11,762	20,286	20,286	26,148	28.9%	4,858	6,963	43.3%
Number of cars sold	9,882	13,043	11,797	10,853	13,653	13,653	16,334	19.6%	4,407	3,721	-15.6%
Average sold fleet age (in months)	32.4	35.1	33.4	31.4	31.8	31.8	31.2	-1.9%	32.9	26.8	-18.5%
Average total fleet	32,488	32,686	33,446	33,436	39,605	39,605	48,776	23.2%	44,701	53,365	19.4%
Average value of total fleet - R\$ million	887.3	943.3	1,067.1	1,130.4	1,482.5	1,482.5	1,943.1	31.1%	1,796.5	2,154.9	20.0%
Average value per car in the period - R\$ thsd	27.3	28.9	31.9	33.8	37.4	37.4	39.8	6.4%	40.2	40.4	0.5%

(*) Gross revenues from fleet rental and car sales for fleet renewal are net of discounts and cancellations.

(**) As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note Provisions and Escrow Deposits of 2017 the Financial Statements

(***) The 2015 utilization rate was calculated only on the basis of the fourth quarter of 2015.

17.3 – Table 3 – *Franchising* – R\$ million

FRANCHISING RESULTS	2013	2014	2015	2016	2017	2018	Var.	4Q17	4Q18	Var.
Gross revenues(*)	20.6	18.7	17.8	18.0	17.6	18.1	2.8%	4.5	4.6	2.2%
Taxes on revenues	(1.1)	(1.0)	(1.2)	(1.0)	(1.1)	(1.0)	-9.1%	(0.4)	(0.3)	-25.0%
Net revenues	19.5	17.7	16.6	17.0	16.5	17.1	3.6%	4.1	4.3	4.9%
Costs	(8.1)	(7.8)	(9.2)	(9.7)	(8.9)	(9.6)	7.9%	(1.8)	(2.9)	61.1%
Gross profit	11.4	9.9	7.4	7.3	7.6	7.5	-1.3%	2.3	1.4	-39.1%
Operating expenses (SG&A)	(0.1)	(0.7)	(0.6)	(1.5)	(1.8)	(0.5)	-72.2%	(0.4)	(0.2)	-50.0%
Other assets depreciation and amortization	(0.4)	(0.5)	(0.4)	(0.5)	(0.6)	(0.5)	-16.7%	(0.1)	(0.2)	100.0%
Operating profit before financial results and taxes (EBIT)	10.9	8.7	6.4	5.3	5.2	6.5	25.0%	1.8	1.0	-44.4%
Financial expenses, net	1.4	1.8	1.6	2.1	1.8	1.3	-27.8%	0.4	0.7	75.0%
Income tax and social contribution	(1.3)	(1.2)	(1.3)	(1.5)	(1.2)	(1.2)	0.0%	(0.3)	(0.3)	0.0%
Net income for the period	11.0	9.3	6.7	5.9	5.8	6.6	13.8%	1.9	1.4	-26.3%
Net Margin	56.4%	52.5%	40.4%	34.7%	35.2%	38.6%	3.4 p.p.	46.3%	32.6%	-13.7 p.p.
EBITDA	11.3	9.2	6.8	5.8	5.8	7.0	20.7%	1.9	1.2	-36.8%
EBITDA Margin	57.9%	52.0%	41.0%	34.1%	35.2%	40.9%	5.7 p.p.	46.3%	27.9%	-18.4 p.p.

(*) Gross revenues are net of discounts and cancellations.

17.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2013	2014	2015	2016	2017	2017 Adjusted	2018	Var.	4Q17 Adjusted	4Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	35.4%	577.7	740.4	28.2%
Franchising gross revenues (*)	20.6	18.7	17.8	18.0	17.6	17.6	18.1	2.8%	4.5	4.6	2.2%
Car Rental and Franchising total gross revenues (*)	1,229.0	1,370.8	1,334.7	1,504.9	1,916.3	1,916.3	2,588.9	35.1%	582.2	745.0	28.0%
Fleet Rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	757.4	857.8	13.3%	206.2	227.9	10.5%
Car and Fleet Rentals and Franchising total gross revenues (*)	1,821.8	1,960.3	1,954.3	2,169.0	2,673.7	2,673.7	3,446.7	28.9%	788.4	972.9	23.4%
Taxes on revenues - Car and Fleet Rentals and Franchising (**)	(62.9)	(86.3)	(71.2)	(72.2)	(66.6)	(66.6)	(61.4)	-7.8%	(5.3)	(18.1)	241.5%
Car and Fleet Rentals and Franchising net revenues	1,758.9	1,874.0	1,883.1	2,096.8	2,607.1	2,607.1	3,385.3	29.8%	783.1	954.8	21.9%
Car sales gross revenues											
Car sales for fleet renewal - Car Rental (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	31.1%	876.2	1,170.4	33.6%
Car sales for fleet renewal - Fleet Rental (*)	264.6	350.8	368.6	347.8	466.5	466.5	599.5	28.5%	152.3	137.7	-9.6%
Car sales for fleet renewal - total gross revenues (*)	1,750.7	2,022.2	2,047.8	2,345.6	3,456.5	3,456.5	4,518.7	30.7%	1,028.5	1,308.1	27.2%
Taxes on revenues - Car sales for fleet renewal	(3.4)	(4.0)	(2.9)	(3.1)	(5.3)	(5.3)	(8.3)	56.6%	(2.0)	(3.1)	55.0%
Car sales for fleet renewal - net revenues	1,747.3	2,018.2	2,044.9	2,342.5	3,451.2	3,451.2	4,510.4	30.7%	1,026.5	1,305.0	27.1%
Total net revenues	3,506.2	3,892.2	3,928.0	4,439.3	6,058.3	6,058.3	7,895.7	30.3%	1,809.6	2,259.8	24.9%
Direct costs and expenses:											
Car rental	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	35.3%	(252.0)	(316.2)	25.5%
Franchising	(8.1)	(7.8)	(9.2)	(9.7)	(8.9)	(8.9)	(9.6)	7.9%	(1.8)	(2.9)	61.1%
Total Car rental and Franchising	(545.0)	(585.1)	(627.3)	(717.1)	(935.3)	(879.6)	(1,187.7)	35.0%	(253.8)	(319.1)	25.7%
Fleet Rental	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	(220.4)	(245.9)	11.7%	(61.3)	(65.4)	6.7%
Total Car and Fleet Rentals and Franchising	(706.1)	(775.9)	(816.6)	(910.8)	(1,155.7)	(1,099.7)	(1,433.6)	30.4%	(315.1)	(384.5)	22.0%
Car sales for fleet renewal - Car rental	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	36.1%	(770.0)	(1,083.8)	40.8%
Car sales for fleet renewal - Fleet Rental	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	34.1%	(131.3)	(122.5)	-6.7%
Total Car sales for fleet renewal (book value) and preparation for sale	(1,486.0)	(1,704.7)	(1,683.0)	(2,006.9)	(2,995.3)	(2,995.3)	(4,068.4)	35.8%	(901.3)	(1,206.3)	33.8%
Total costs	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	34.4%	(1,216.4)	(1,590.8)	30.8%
Gross profit	1,314.1	1,411.6	1,428.4	1,521.6	1,907.3	1,963.3	2,393.7	21.9%	593.2	669.0	12.8%
Operating expenses											
Advertising, promotion and selling:											
Car rental	(103.5)	(117.8)	(127.9)	(148.6)	(199.6)	(193.3)	(285.8)	47.9%	(56.7)	(75.8)	33.7%
Franchising	(0.1)	(0.8)	(0.6)	(0.6)	(1.1)	(1.1)	-	-100.0%	(0.1)	(0.1)	0.0%
Total car rental and Franchising	(103.6)	(118.6)	(128.5)	(149.2)	(200.7)	(194.4)	(285.8)	47.0%	(56.8)	(75.9)	33.6%
Fleet Rental	(14.4)	(15.1)	(18.2)	(14.0)	(18.8)	(18.8)	(27.7)	47.3%	(5.4)	(7.6)	40.7%
Car sales for fleet renewal	(162.1)	(172.3)	(191.1)	(191.6)	(232.3)	(232.3)	(279.5)	20.3%	(67.6)	(73.3)	8.4%
Total advertising, promotion and selling	(280.1)	(306.0)	(337.8)	(354.8)	(451.8)	(445.5)	(593.0)	33.1%	(129.8)	(156.8)	20.8%
General, administrative and other expenses	(117.5)	(135.8)	(155.8)	(151.2)	(215.3)	(203.6)	(210.6)	3.4%	(77.1)	(63.2)	-18.0%
Total Operating expenses	(397.6)	(441.8)	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	23.8%	(206.9)	(220.0)	6.3%
Depreciation expenses:											
Cars depreciation:											
Car rental	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	11.9%	(29.6)	(42.7)	44.3%
Fleet Rental	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	39.9%	(32.2)	(47.6)	47.8%
Total cars depreciation expenses	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	25.7%	(61.8)	(90.3)	46.1%
Other assets depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	12.3%	(10.8)	(11.4)	5.6%
Total depreciation and amortization expenses	(264.4)	(243.1)	(199.3)	(244.5)	(271.1)	(271.1)	(335.5)	23.8%	(72.6)	(101.7)	40.1%
Operating profit before financial results and taxes (EBIT)	652.1	726.7	735.5	771.1	969.1	1,043.1	1,254.6	20.3%	313.7	347.3	10.7%
Financial expenses, net:											
Expense	(187.1)	(276.4)	(370.1)	(445.5)	(511.9)	(511.9)	(536.8)	4.9%	(131.0)	(152.0)	16.0%
Income	76.5	125.3	167.4	202.0	196.9	196.9	167.9	-14.7%	37.4	44.5	19.0%
Financial (expenses) revenues, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)	17.1%	(93.6)	(107.5)	14.9%
Income before tax and social contribution	541.5	575.6	532.8	527.6	654.1	728.1	885.7	21.6%	220.1	239.8	9.0%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	37.5%	(45.6)	(58.4)	28.1%
Net income for the period	384.3	410.6	402.4	409.3	505.7	563.4	659.2	17.0%	174.5	181.4	4.0%
EBITDA	916.5	969.8	934.8	1,015.6	1,240.2	1,314.2	1,590.1	21.0%	386.3	449.0	16.2%
EBIT	652.1	726.7	735.5	771.1	969.1	1,043.1	1,254.6	20.3%	313.7	347.3	10.7%
Consolidated EBIT Margin (calculated over rental revenues)	37.1%	38.8%	39.1%	36.8%	37.2%	40.0%	37.1%	-2.9 p.p.	40.1%	36.4%	-3.7 p.p.
Car and Fleet Rentals and Franchising EBITDA	817.3	849.6	785.3	887.8	1,037.0	1,111.0	1,454.3	30.9%	334.4	431.7	29.1%
EBITDA Margin	46.5%	45.3%	41.7%	42.3%	39.8%	42.6%	43.0%	0.4 p.p.	42.7%	45.2%	2.5 p.p.
Used Car Sales (Seminovos) EBITDA	99.2	120.2	149.5	127.7	203.2	203.2	135.8	-33.2%	51.9	17.3	-66.7%
EBITDA Margin	5.7%	6.0%	7.3%	5.5%	5.9%	5.9%	3.0%	-2.9 p.p.	5.1%	1.3%	-3.8 p.p.

(*) Gross revenues are net of discounts and cancellations.

(**)As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note Provisions and Escrow Deposits of the 2017 Financial

17.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2013	2014	2015	2016	2017	2018	Var.	4Q17	4Q18	Var.
Average operating fleet:										
Car Rental	59,094	61,525	62,513	70,185	94,194	130,058	38.1%	115,727	144,017	24.4%
Fleet Rental	31,188	30,778	31,676	31,908	36,804	44,404	20.6%	41,569	48,394	16.4%
Total	90,282	92,303	94,189	102,093	130,998	174,462	33.2%	157,296	192,411	22.3%
Average rented fleet:										
Car Rental	39,475	42,999	43,315	51,515	69,762	97,245	39.4%	85,440	108,708	27.2%
Fleet Rental	30,121	28,787	30,280	31,222	35,424	42,321	19.5%	39,658	45,486	14.7%
Total	69,596	71,786	73,595	82,737	105,186	139,566	32.7%	125,098	154,194	23.3%
Average age of operating fleet (months)										
Car Rental	7.2	7.2	7.4	7.9	6.5	7.2	10.8%	5.9	7.0	18.6%
Fleet Rental	18.6	18.0	16.7	18.0	18.1	15.1	-16.6%	16.7	14.7	-12.0%
Average age of total operating fleet	11.1	10.0	10.6	11.0	9.8	9.3	-5.1%	8.7	9.0	3.4%
Fleet at end of period:										
Car Rental	70,717	77,573	76,755	94,156	135,578	177,672	31.0%	135,578	177,672	31.0%
Fleet Rental	32,809	34,312	33,948	34,960	44,877	54,430	21.3%	44,877	54,430	21.3%
Total	103,526	111,885	110,703	129,116	180,455	232,102	28.6%	180,455	232,102	28.6%
Managed fleet at end period - Fleet Rental	30	267	207	145	94	57	-39.4%	94	57	-39.4%
Fleet investment (R\$ million)										
Car Rental	1,634.5	1,909.1	1,773.1	2,782.2	4,581.8	5,785.2	26.3%	1,215.4	2,127.6	75.1%
Fleet Rental	389.7	571.2	502.0	503.4	881.5	1,189.2	34.9%	220.9	315.2	42.7%
Total	2,024.2	2,480.3	2,275.1	3,285.6	5,463.3	6,974.4	27.7%	1,436.3	2,442.8	70.1%
Number of rental days (In thousands):										
Car Rental - Total	14,414.7	15,696.2	15,815.8	18,864.8	25,494.0	35,514.6	39.3%	7,861.4	10,001.1	27.2%
Rental days for Fleet Rental replacement service	(173.0)	(280.2)	(249.7)	(202.4)	(230.4)	(230.1)	-0.1%	(59.1)	(64.4)	9.0%
Car Rental - Net	14,241.7	15,416.0	15,566.1	18,662.4	25,263.6	35,284.5	39.7%	7,802.3	9,936.7	27.4%
Fleet Rental	10,843.7	10,363.3	10,900.9	11,240.0	12,752.7	15,235.7	19.5%	3,569.2	4,093.8	14.7%
Total	25,085.4	25,779.3	26,467.0	29,902.4	38,016.3	50,520.2	32.9%	11,371.5	14,030.5	23.4%
Annualized average depreciation per car (R\$)										
Car Rental	1,452.4	1,270.0	622.1	1,251.2	1,250.1	1,012.4	-19.0%	1,021.6	1,184.3	15.9%
Fleet Rental	4,592.3	4,202.1	3,935.2	3,714.0	3,104.3	3,601.1	16.0%	3,102.1	3,936.2	26.9%
Total	2,537.1	2,247.7	1,736.3	2,020.9	1,771.0	1,671.2	-5.6%	1,571.4	1,876.5	19.4%
Average annual revenues per operating car (R\$ thousand)										
Car Rental	19.7	20.9	20.1	20.3	19.4	19.4	0.0%	19.2	20.0	4.2%
Fleet Rental	18.2	18.3	18.9	20.1	19.9	18.9	-5.0%	19.2	18.3	-4.7%
Average daily rental (R\$)										
Car Rental (*)	84.85	87.71	84.56	79.67	75.16	72.86	-3.1%	74.04	74.51	0.6%
Fleet Rental	53.83	56.16	56.08	58.23	58.77	55.62	-5.4%	57.27	54.99	-4.0%
Utilization rate (Does not include cars in preparation and decommissioning):										
Car Rental	-	-	75.4%	78.0%	78.6%	79.6%	1.0 p.p.	78.5%	81.1%	2.6 p.p.
Fleet Rental	-	-	98.4%	98.9%	98.2%	96.8%	-1.4 p.p.	98.0%	95.6%	-2.4 p.p.
Number of cars purchased - consolidated (**)	69,744	79,804	64,032	87,833	135,252	165,421	22.3%	35,143	57,569	63.8%
Average price of cars purchased (R\$ thsd) - consolidated	29.02	31.08	35.53	37.41	40.39	42.16	4.4%	40.87	42.43	3.8%
Numbers of cars sold - consolidated	62,641	70,621	64,305	68,449	90,554	111,279	22.9%	26,103	32,281	23.7%
Average price of cars sold (R\$ thsd) (***) - consolidated	25.36	25.90	28.54	31.23	35.38	37.86	7.0%	36.59	38.00	3.9%

(*) Not included the rentals for Fleet Rental Division.

(**) Does not include cars from Hertz Brazil

(***) Net of SG&A expenses related to the sale of cars decommissioned for fleet renewal.

18 – Consolidated financial statements – IFRS – R\$/million

ASSETS	2013	2014	2015	2016	2017	2018
CURRENT ASSETS:						
Cash and cash equivalents	1,010.7	1,390.2	1,385.1	1,692.3	1,338.2	2,175.3
Financial assets	-	-	-	-	1,275.7	267.5
Trade accounts receivable	408.3	459.6	486.1	424.5	585.1	1,016.5
Derivative financial instruments - swap	-	-	-	2.2	-	-
Other current assets	57.9	94.6	102.6	115.0	128.6	182.7
Decommissioning cars to fleet renewal	16.5	18.3	31.8	8.8	103.4	51.8
Total current assets	1,493.4	1,962.7	2,005.6	2,242.8	3,431.0	3,693.8
NON CURRENT ASSETS:						
Long-term assets:						
Marketable securities	-	92.5	-	-	-	-
Derivative financial instruments - swap	-	-	45.6	7.4	16.7	2.8
Trade accounts receivable	7.1	3.2	4.7	3.2	4.7	3.8
Escrow deposit	38.1	41.9	52.9	60.1	83.1	96.3
Deferred income tax and social contribution	32.4	-	-	-	42.0	42.2
Investments in restricted accounts	-	-	-	-	40.6	43.0
Other non current assets	0.1	0.1	0.1	0.1	0.7	0.1
Total long-term assets	77.7	137.7	103.3	70.8	187.8	188.2
Property and equipment						
Cars	2,781.4	3,278.0	3,610.9	4,614.8	6,934.7	9,481.6
Other	166.1	203.9	314.1	405.8	549.3	550.3
Intangible:						
Software and others	47.3	60.3	67.1	61.1	52.8	47.8
Goodwill on acquisition of investments	12.3	22.0	22.0	22.0	30.6	30.7
Total non current assets	3,084.8	3,701.9	4,117.4	5,174.5	7,755.2	10,298.6
TOTAL ASSETS	4,578.2	5,664.6	6,123.0	7,417.3	11,186.2	13,992.4

LIABILITIES AND SHAREHOLDERS' EQUITY	2013	2014	2015	2016	2017	2018
CURRENT LIABILITIES:						
Trade accounts payable	460.5	828.4	690.6	910.9	1,331.7	2,202.6
Social and labor obligations	73.9	86.3	85.6	95.0	109.2	135.0
Loans, financing and debentures	275.4	300.9	422.4	654.6	537.2	616.6
Derivative financial instruments - swap	-	-	-	-	6.8	18.7
Income tax and social contribution	35.2	41.3	28.3	23.0	31.3	41.1
Dividends and interest on own capital	53.1	59.2	29.3	39.7	36.4	42.6
Other current liabilities	78.6	82.3	99.9	118.5	181.5	282.8
Total current liabilities	976.7	1,398.4	1,356.1	1,841.7	2,234.1	3,339.4
NON CURRENT LIABILITIES:						
Loans, financing and debentures	2,068.1	2,411.6	2,596.9	3,131.3	5,940.5	7,029.4
Derivative financial instruments - swap	-	-	-	-	10.8	21.9
Provisions	50.9	69.9	68.3	63.1	126.5	148.8
Deferred income tax and social contribution	111.8	106.0	141.6	171.9	219.7	297.3
Restricted Obligations	-	-	-	-	40.6	43.1
Other non current liabilities	29.5	23.2	18.5	12.3	13.3	18.0
Total non current liabilities	2,260.3	2,610.7	2,825.3	3,378.6	6,351.4	7,558.5
Total liabilities	3,237.0	4,009.1	4,181.4	5,220.3	8,585.5	10,897.9
SHAREHOLDERS' EQUITY:						
Capital	976.7	976.7	976.7	976.7	1,500.0	1,500.0
Capital Reserves	30.2	40.4	35.9	34.0	94.9	125.0
Earnings Reserves	334.3	638.4	929.0	1,186.3	1,005.8	1,469.5
Total shareholders' equity	1,341.2	1,655.5	1,941.6	2,197.0	2,600.7	3,094.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,578.2	5,664.6	6,123.0	7,417.3	11,186.2	13,992.4

19 – Consolidated financial statements – Income statements - R\$/million

STATEMENT OF INCOME	2013	2014	2015	2016	2017	2017 Adjusted	2018
Total net revenues	3,506.2	3,892.2	3,928.0	4,439.3	6,058.3	6,058.3	7,895.7
COSTS AND EXPENSES:							
Direct costs	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)
Selling, general, administrative and other expenses	(397.6)	(441.8)	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)
Other assets depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)
Total costs and expenses	(2,854.1)	(3,165.5)	(3,192.5)	(3,668.2)	(5,089.2)	(5,015.2)	(6,641.1)
Income before financial results and taxes (EBIT)	652.1	726.7	735.5	771.1	969.1	1,043.1	1,254.6
FINANCIAL EXPENSES, NET	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)
Income before taxes	541.5	575.6	532.8	527.6	654.1	728.1	885.7
INCOME TAX AND SOCIAL CONTRIBUTION							
Current	(130.1)	(139.5)	(94.8)	(88.0)	(119.4)	(135.7)	(139.8)
Deferred	(27.1)	(25.5)	(35.6)	(30.3)	(29.0)	(29.0)	(86.7)
	(157.2)	(165.0)	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)
Net income	384.3	410.6	402.4	409.3	505.7	563.4	659.2

20 – Statements of Cash Flows – R\$/million

CONSOLIDATED CASH FLOW	2013	2014	2015	2016	2017	2017 Adjusted	2018
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income	384.3	410.6	402.4	409.3	505.7	563.4	659.2
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:							
Depreciation and amortization	264.4	243.2	199.3	244.5	271.1	271.1	335.5
Net book value of vehicles written off	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	3,106.6	4,198.5
Deferred income tax and social contribution	27.1	25.5	35.6	30.3	29.1	29.1	86.7
Interest on loans, financing, debentures and swaps of fixed rates	181.6	281.7	406.6	438.1	476.2	476.2	529.8
Income from financial investments	-	-	-	-	-	-	-
Other	33.7	32.0	17.3	26.9	81.7	81.7	87.8
(Increase) decrease in assets:							
Trade receivable	(54.7)	(49.9)	(36.6)	56.8	(151.8)	(151.8)	(489.0)
Purchases of cars (see supplemental disclosure below)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)
Escrow deposits	(15.1)	(5.7)	(15.3)	(7.2)	(17.5)	(17.5)	(13.1)
Taxes recoverable	(20.3)	(43.4)	(5.2)	(6.0)	2.6	2.6	3.4
Prepaid expenses	0.0	0.0	0.0	0.0	2.7	2.7	1.3
Other assets	6.1	(5.7)	(1.3)	(3.6)	(8.8)	(8.8)	(71.9)
Increase (decrease) in liabilities:							
Accounts payable (except car manufacturers)	14.6	33.5	(16.7)	29.6	(4.8)	(4.8)	3.1
Social and labor obligations	20.7	12.4	(0.5)	9.4	7.5	7.5	25.8
Income tax and social contribution	130.1	139.5	94.8	88.0	119.4	135.7	139.8
Insurance premium	4.0	(0.6)	4.4	8.6	19.3	19.3	37.0
Other liabilities	1.1	(5.4)	5.9	(19.5)	40.1	40.1	60.1
Cash provided by (used in) operating activities	582.0	694.5	460.2	308.8	(573.3)	(499.3)	(519.7)
Income tax and social contribution paid	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(108.3)	(131.2)
Interest on loans, financing and debentures paid(*)	(152.0)	(328.0)	(352.9)	(442.3)	(485.7)	(485.7)	(424.7)
Financial assets	-	-	-	-	(1,275.8)	(1,275.8)	1,008.2
Net cash provided by (used in) operating activities	321.5	253.4	(3.4)	(226.8)	(2,443.1)	(2,369.1)	(67.4)
CASH FLOWS FROM INVESTING ACTIVITIES:							
(Investments) withdraw in marketable securities	-	(92.6)	92.6	-	-	-	-
Acquisition of investment, goodwill and fair value surplus	(12.5)	(14.4)	-	-	(333.2)	(333.2)	-
Purchases of other property and equipment and addition of intangible assets	(41.5)	(87.3)	(153.0)	(126.6)	(175.0)	(175.0)	(42.8)
Net cash provided by (used in) investing activities	(54.0)	(194.3)	(60.4)	(126.6)	(508.2)	(508.2)	(42.8)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Loans and financings:							
Proceeds	112.6	499.1	747.1	266.3	950.1	950.1	742.8
Repayment	(129.4)	(490.4)	(368.4)	(297.9)	(510.1)	(510.1)	(518.5)
Debentures							
Proceeds	496.3	497.3	496.8	943.4	2,626.9	2,626.9	1,690.7
Repayment	(220.7)	(90.8)	(668.0)	(105.0)	(355.0)	(355.0)	(815.0)
Treasury shares (acquired)/ sold	(36.8)	0.0	(27.5)	(25.0)	2.1	2.1	3.20
Exercise of stock options with treasury shares, net	12.8	5.5	18.0	18.2	50.1	50.1	16.4
Dividends paid	(255.1)	(38.6)	(44.7)	(1.0)	-	-	-
Interest on own capital	(60.4)	(61.7)	(94.6)	(138.4)	(166.9)	(166.9)	(172.3)
Net cash provided by (used in) financing activities	(80.7)	320.4	58.7	660.6	2,597.2	2,597.2	947.3
NET CASH FLOW PROVIDED (USED) IN THE YEAR	186.8	379.5	(5.1)	307.2	(354.1)	(280.1)	837.1
Cash flow without incurred one-time costs Hertz and franchisees	-	-	-	-	-	(74.0)	-
NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS	186.8	379.5	(5.1)	307.2	(354.1)	(354.1)	837.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,692.3	1,338.2
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,010.7	1,390.2	1,385.1	1,692.3	1,338.2	1,338.2	2,175.3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	186.8	379.5	(5.1)	307.2	(354.1)	(354.1)	837.1
Supplemental disclosure of cash flow information:							
Cash paid during the period for cars acquisition							
Cars acquisition in the year/period - renewal	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(3,660.9)	(4,696.7)
Cars acquisition in the year/period - growth	(209.4)	(286.9)	-	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)
Suppliers - automakers:							
Balance at the end of the year	378.1	712.5	591.3	782.0	1,197.5	1,197.5	2,065.6
Balance at the beginning of the year	(288.4)	(378.1)	(712.5)	(591.3)	(782.0)	(782.0)	(1,197.5)
Cash paid for cars purchased	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)

(*) In 2014, approximately R\$90.0 million interest was paid due to the settlement of one operation. The interest was accrued over many years.

21 – Glossary and other information

- **Adjusted:** financials have been recalculated to exclude the impact of incurred one-time costs related with the acquisition of Hertz Brazil and the integration of 20 franchised branches in 2017.
- **Average Rented Fleet:** In the car rental division it is the number of daily rentals in the period divided by the number of days in the period. In the Fleet Rental is the actual number of cars rented.
- **CAGR:** Compounded annual growth rate.
- **CAPEX:** Capital expenditure.
- **Carrying Cost of Cash:** Consists of the cost to maintain minimum cash position. This is the difference between the average rate of fundraising and the average rate of investment.
- **Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of the selling expenses. The amount to be depreciated is the positive difference between the acquisition price of the vehicle and its estimated residual value. Depreciation is calculated as long as the assets' estimated residual value does not exceed its accounting value. Depreciation is recognized during the estimated life cycle of each asset. In the Car Rental Division, depreciation method used is linear. In the Fleet Rental Division, depreciation is recorded according to the sum of the years' digits (SOYD) method, which better reflects the consumption pattern of the economic benefits that decrease during the cars' useful life. The residual value is the estimated sale price net of the estimated selling expense.
- **Depreciated cost of used cars sales (book value):** consists of the acquisition value of vehicles, depreciated up to the date of sale, less the technical discount. The **technical discount** is the discount given to the buyer for any required repairs that were not made. These repair costs are recorded as a charge to operating costs and as a credit to cost of cars sold.
- **EBITDA:** EBITDA is the net income of the period, added by the income tax, net financial expenses, depreciation, amortization and exhaustions, as defined by CVM instruction 527/12.
- **EBITDA Margin:** EBITDA divided by the net revenues.
- **EBIT:** EBIT is the net income of the period added by the income tax and net financial expenses.
- **EBIT Margin:** EBIT divided by the rental net revenues.
- **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.
- **Net debt:** Short and long term debts +/- the results from the swap operations, net of the cash, cash equivalents and short term financial investments. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.
- **Net (Divestment) Investment in cars:** capital investment in cars acquisition, net of the revenues from selling decommissioned cars.
- **NOPAT:** Net operating profit after tax.
- **One-time costs:** non-recurring costs and expenses related to the acquisition of Hertz Brazil's operations and the integration of 20 franchised branches.
- **ROIC:** Return on invested capital.
- **Swap:** Financial transactions carried out to hedge exchange rate and interest rate risks.
- **Utilization Rate:** It is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.

22 – 4Q18 Results Conference Call

Date: Friday, February 22, 2018.

Portuguese (with simultaneous translation to English)

12:00 p.m. (BR time)

10:00 a.m. (Eastern time)

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