



# ...>>> **WEBCAST** ...

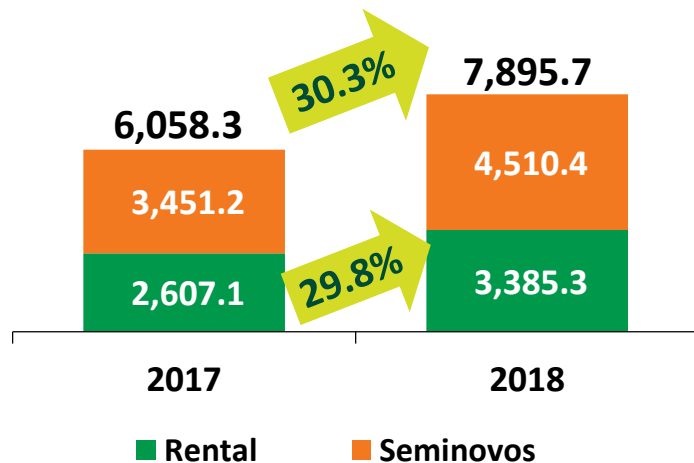
... 4Q 18 & 2018 ->>>

 **Localiza**

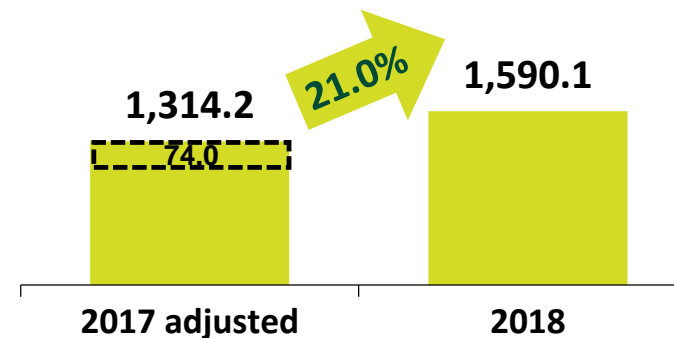


# 2018 FINANCIAL HIGHLIGHTS

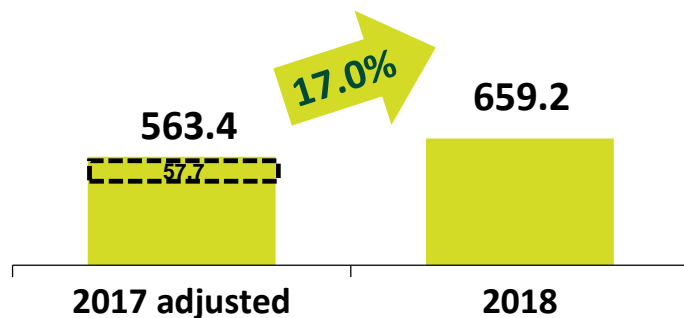
## Net Revenues (R\$ million)



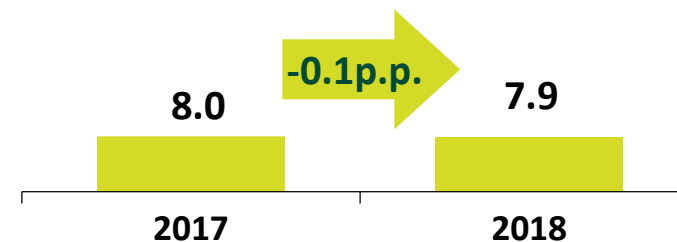
## EBITDA (R\$ million)



## Net income (R\$ million)



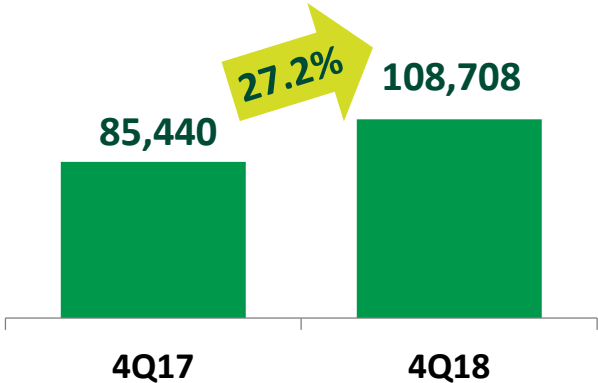
## SPREAD (ROIC – Cost of debt after taxes)



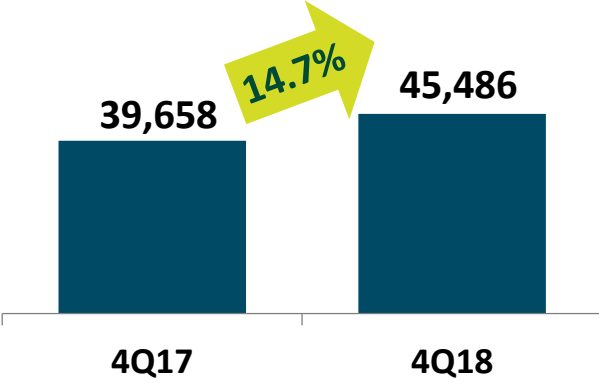
--- One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

# 4Q18 OPERATING HIGHLIGHTS

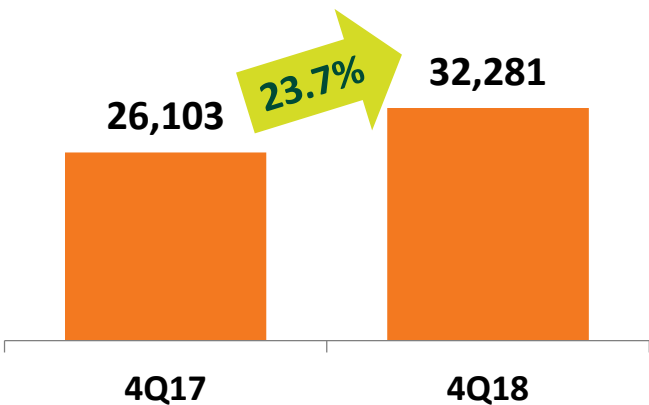
Average rented fleet – Car Rental



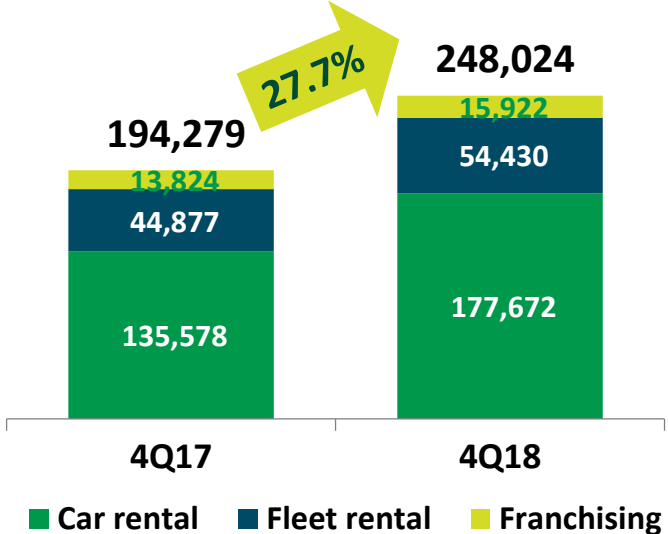
Average rented fleet – Fleet Rental



# of cars sold

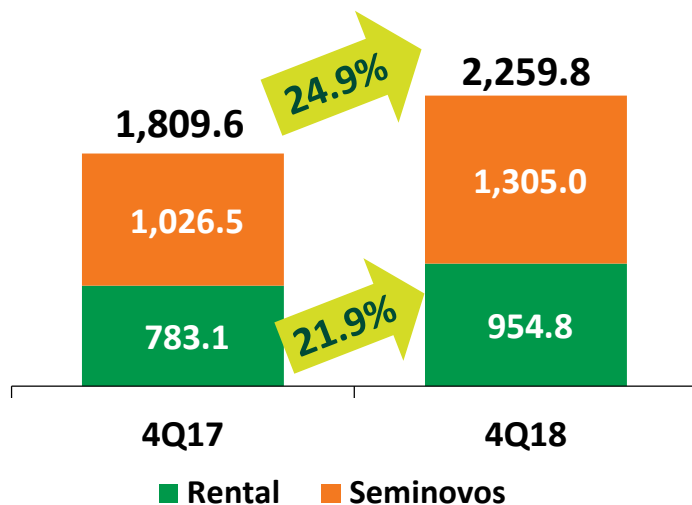


Fleet at end of the period

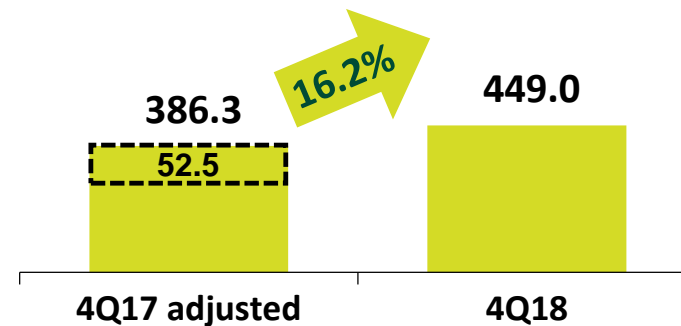


# 4Q18 FINANCIAL HIGHLIGHTS

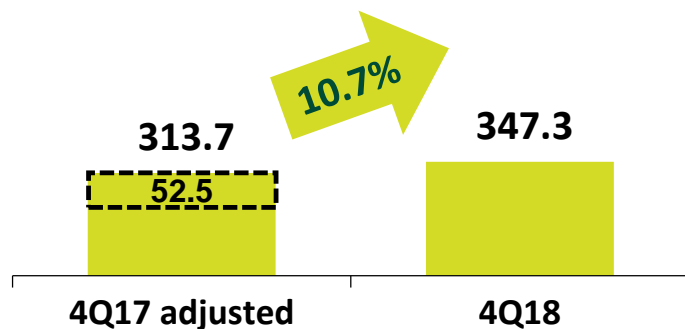
## Net revenues (R\$ million)



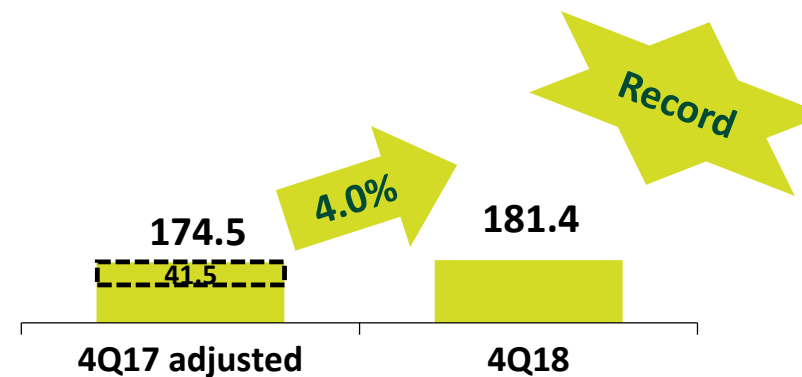
## EBITDA (R\$ million)



## EBIT (R\$ million)



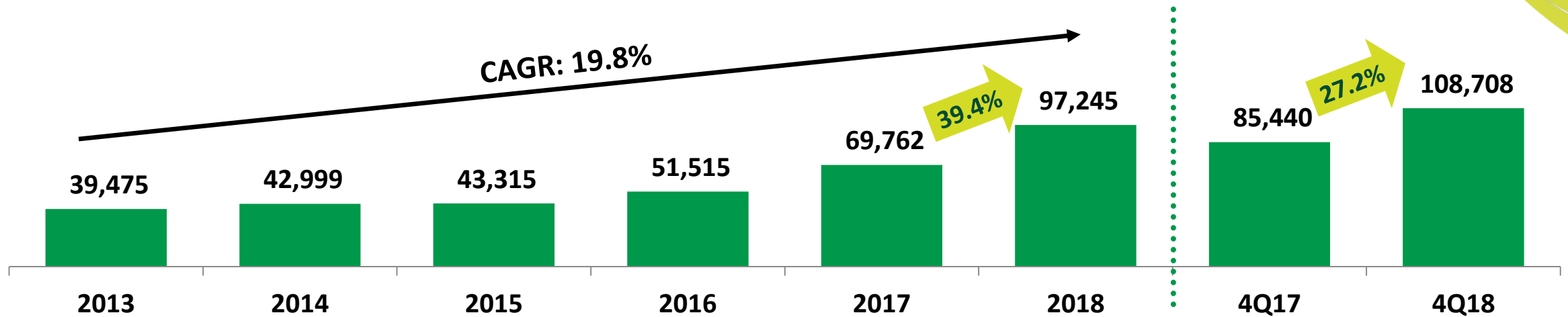
## Net income (R\$ million)



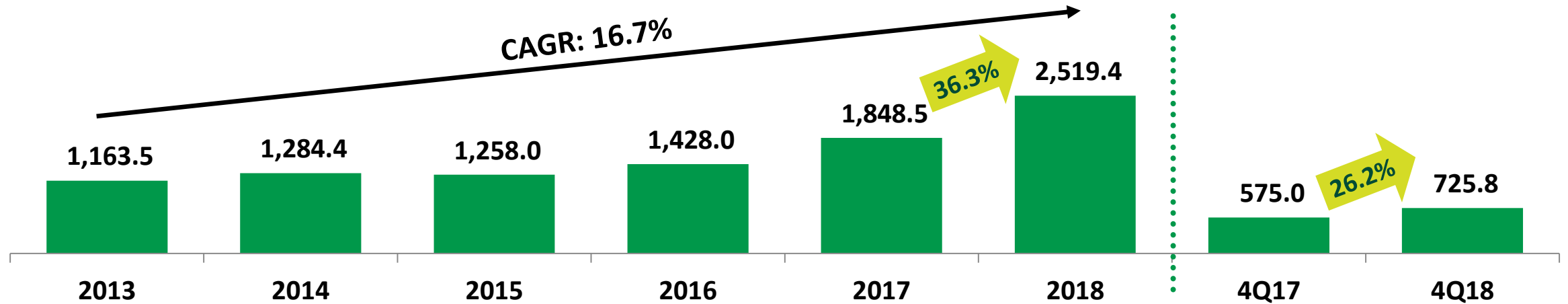
One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

# CAR RENTAL

*Average rented fleet*



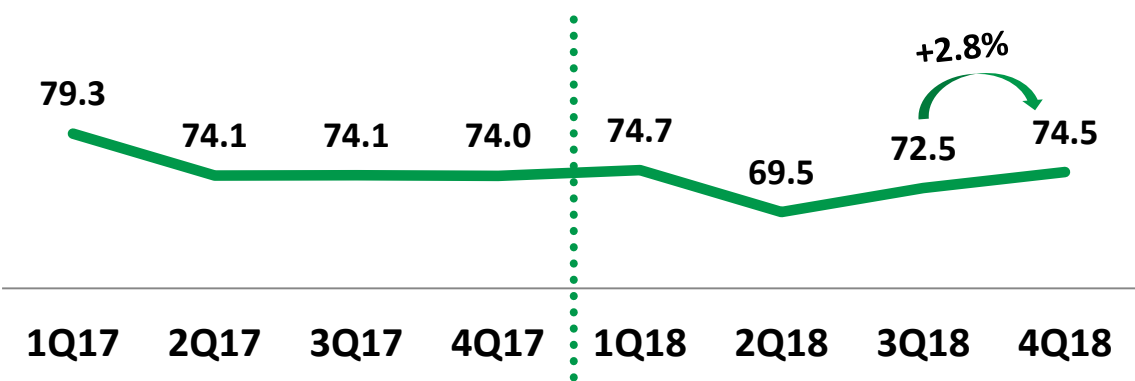
*Net revenues (R\$ million)*



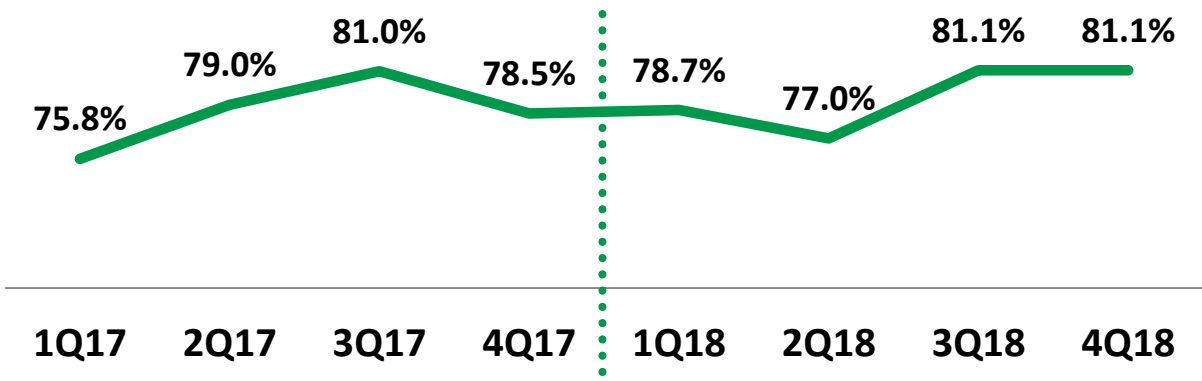
**ACCELERATION OF ANNUAL RAC GROWTH, EVEN WITH A STRONG COMPARATIVE BASIS**

# CAR RENTAL

Average rental rate (in R\$)



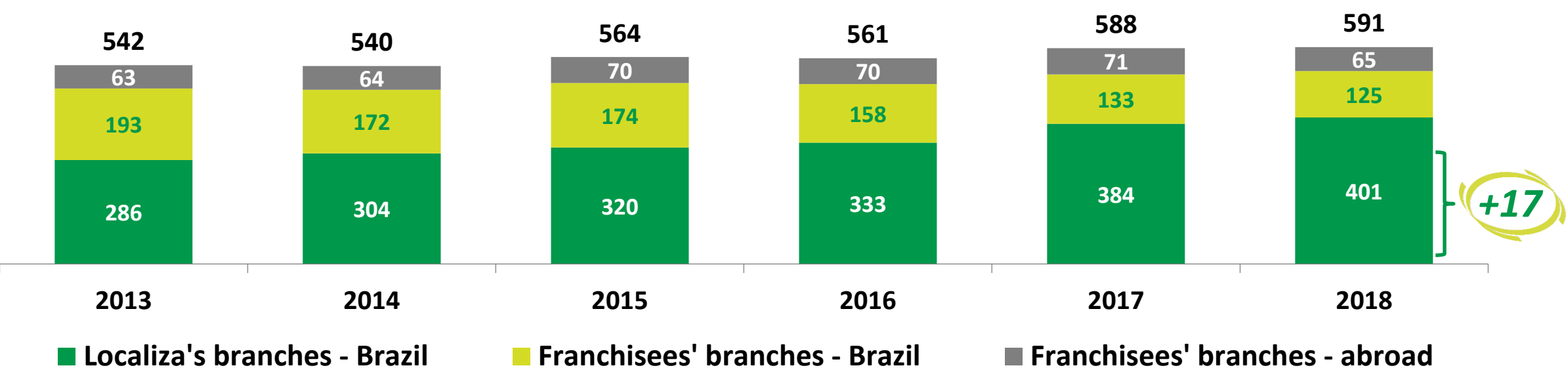
Utilization rate (%)



EFFICIENT REVENUES AND FLEET UTILIZATION

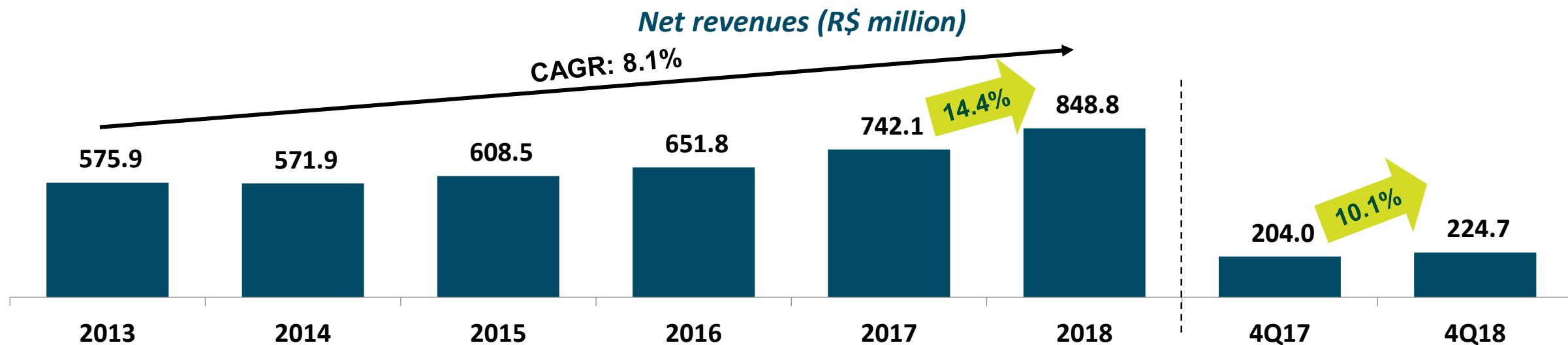
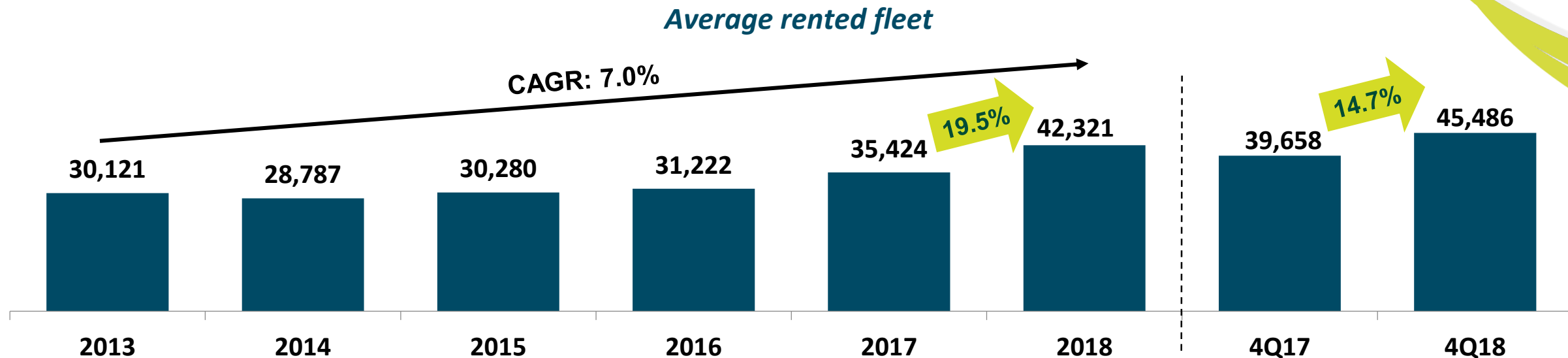
# CAR RENTAL NETWORK EVOLUTION

Number of car rental locations Brazil and abroad



DISTRIBUTION EXPANSION AND EXPANSION OF EXISTING LOCATIONS TO SUPPORT GROWTH

# FLEET RENTAL

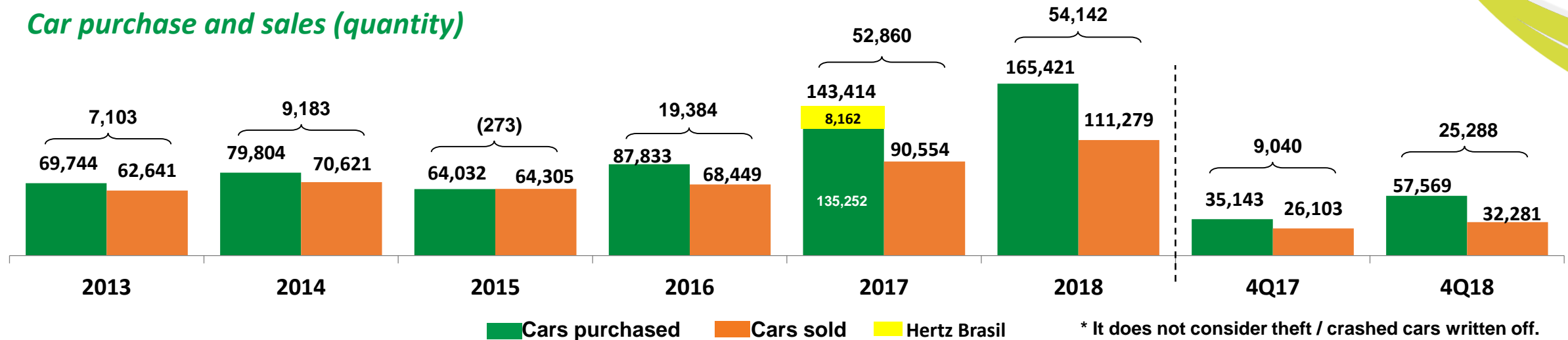


**AVERAGE RENTED FLEET OVERCAME THE 45 THOUSAND CARS MILESTONE IN 4Q18**

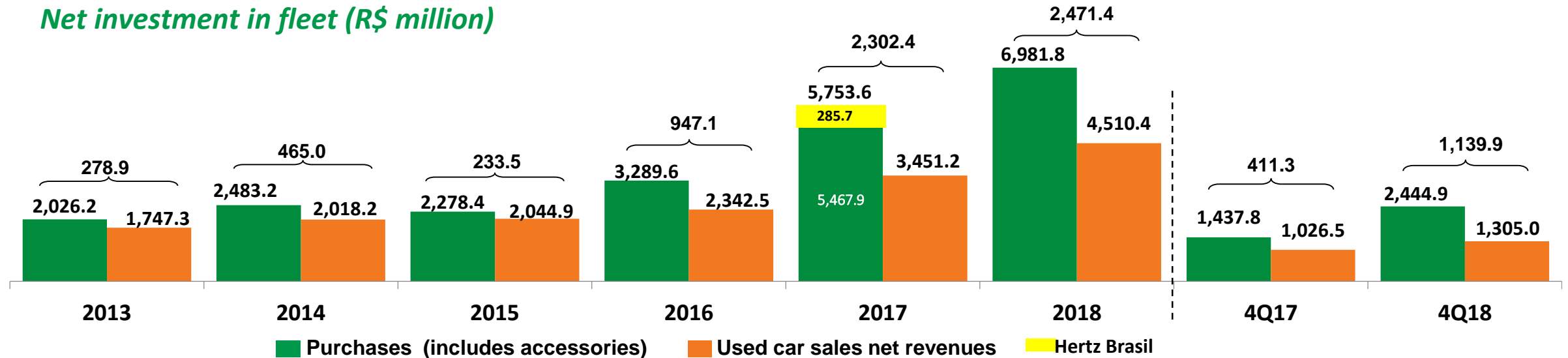


# NET INVESTMENT

## Car purchase and sales (quantity)

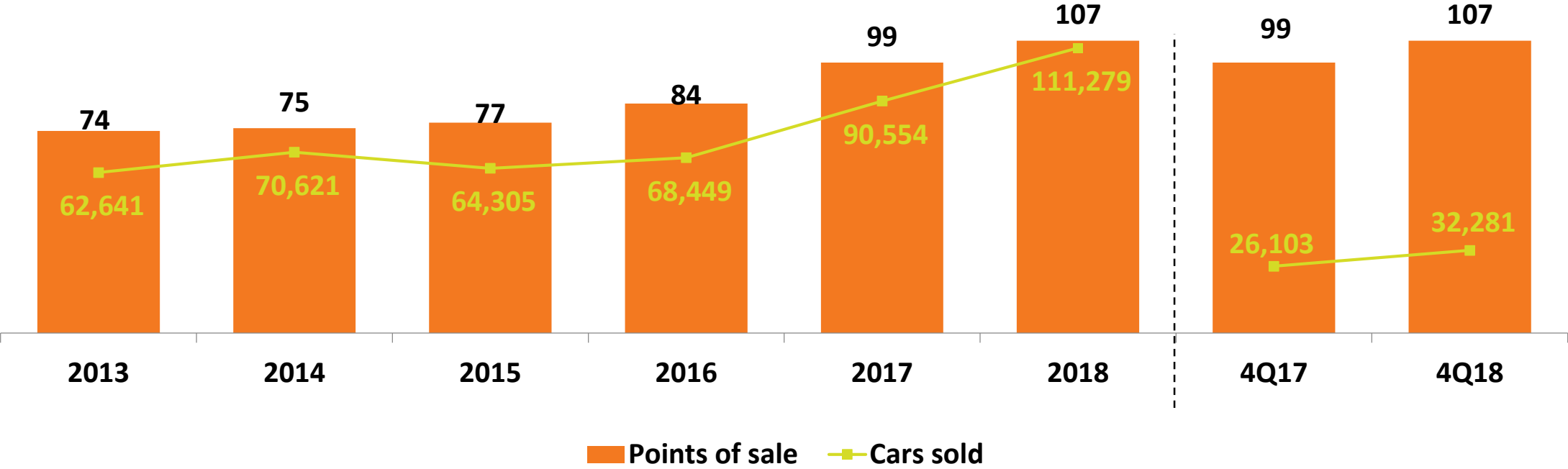


## Net investment in fleet (R\$ million)



**NET FLEET INCREASE IN 2018 HIGHER THAN IN 2017**

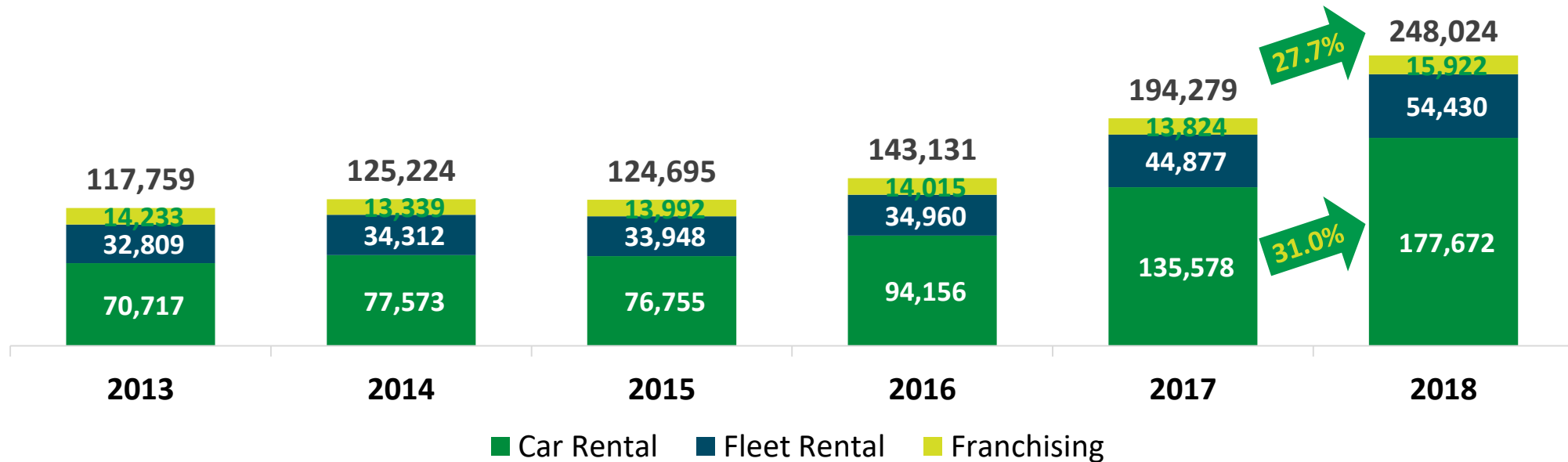
# NUMBER OF POINTS OF SALE



**STORES INAUGURATION CONCENTRATED IN 4Q18 TO SUPPORT 2019 CAR SALES**

# END OF PERIOD FLEET

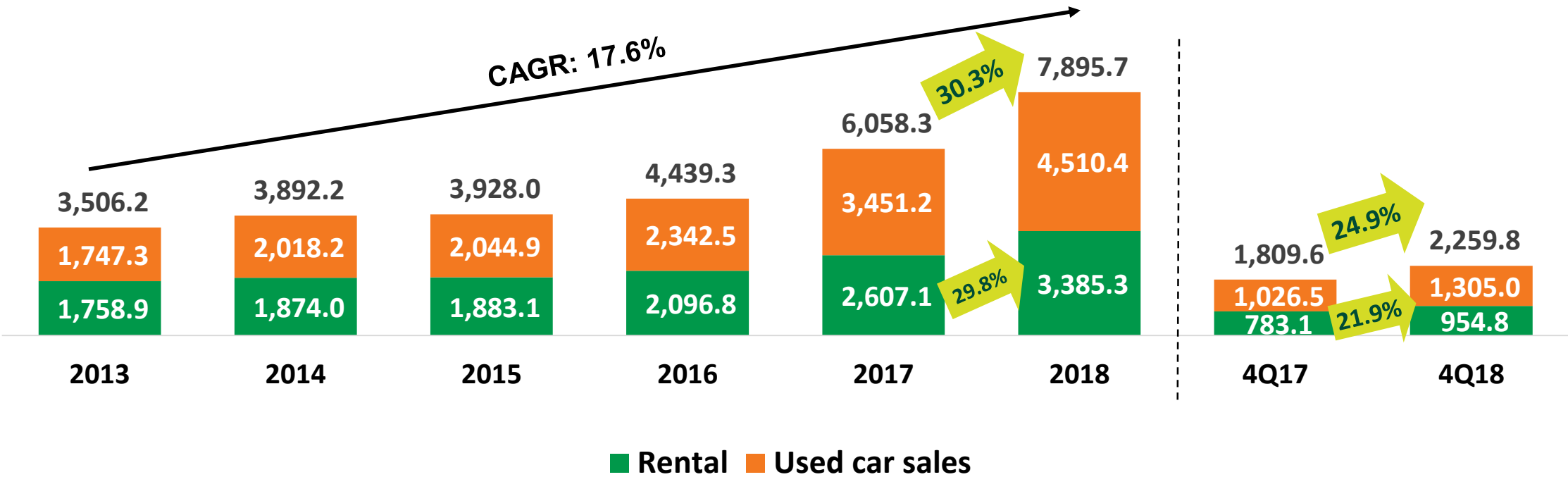
(Quantity)



**FLEET GROWTH IN EVERY SEGMENT**

# CONSOLIDATED NET REVENUES

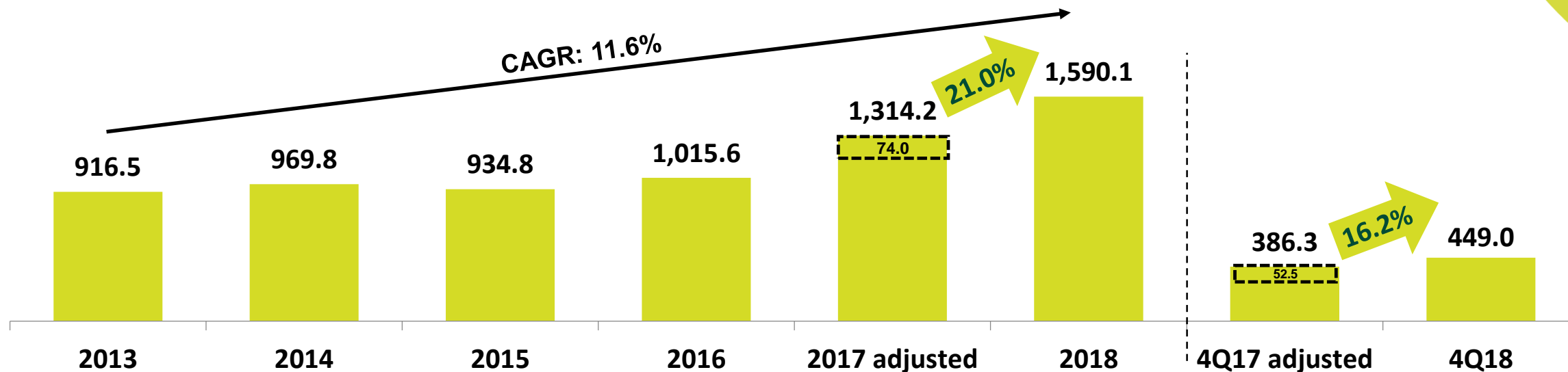
(R\$ million)



**NET REVENUES GROWTH OF 30.3% IN THE YEAR**

# CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:

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

| 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%  |

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

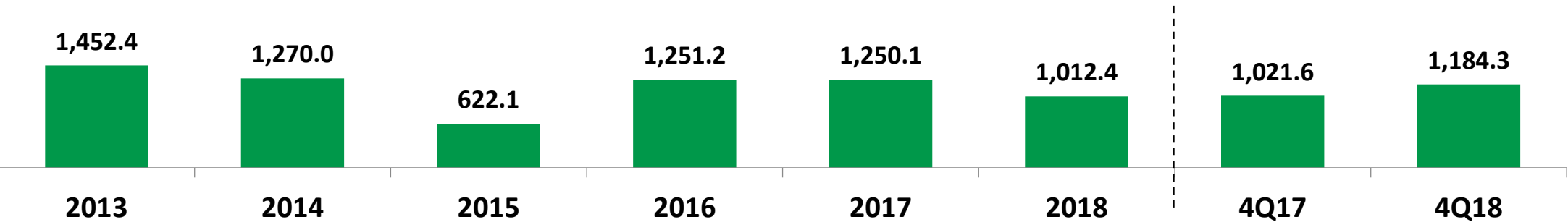
(\*\*) Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

OPERATING LEVERAGE IN RENTALS IN 2018

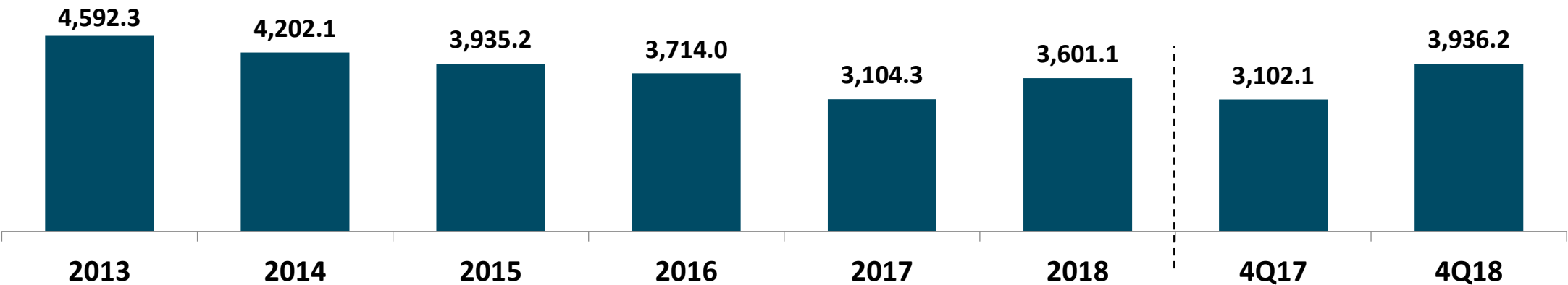
# AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

## Car Rental



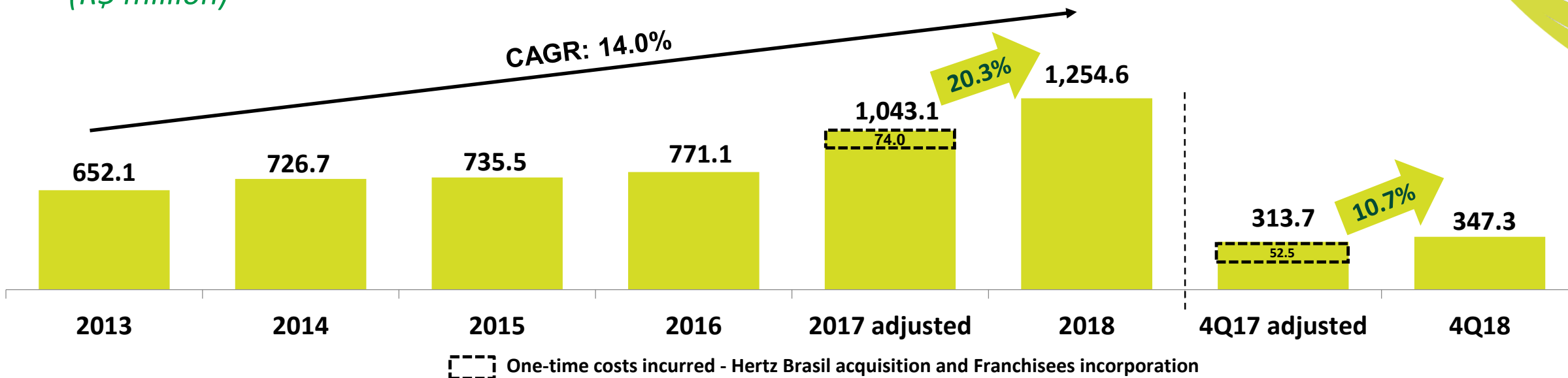
## Fleet Rental



DEPRECIATION IN LINE WITH THE HISTORICAL LEVELS, EVEN AT HIGHER CAR PRICES

# CONSOLIDATED EBIT

(R\$ million)



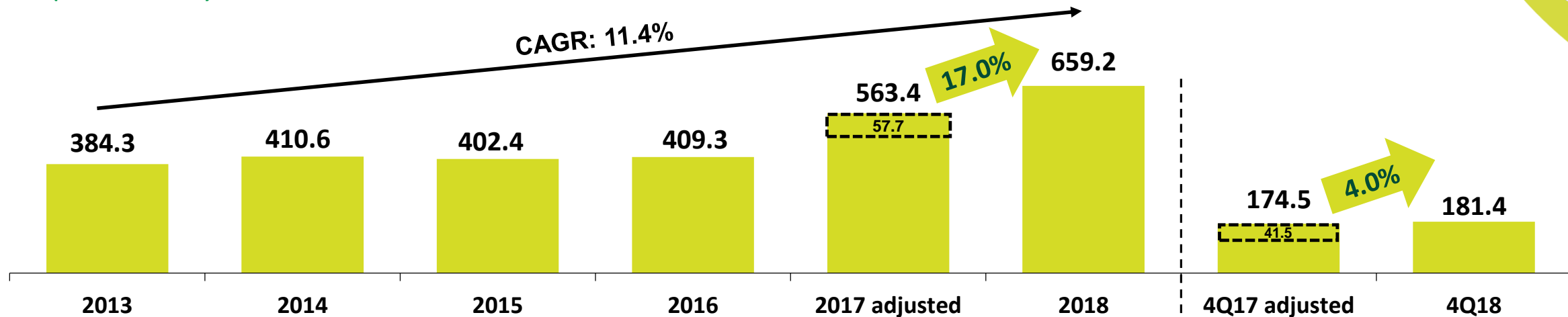
| Divisions    | 2013  | 2014  | 2015  | 2016  | 2017* | 2018  | 4Q17* | 4Q18  |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Car Rental   | 32.8% | 36.2% | 34.3% | 30.2% | 35.5% | 33.2% | 37.2% | 33.9% |
| Fleet Rental | 45.1% | 44.3% | 48.9% | 51.2% | 51.4% | 48.6% | 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

**20.3% GROWTH IN 2018 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*   | 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

ANOTHER RECORD NET INCOME THIS QUARTER



# FREE CASH FLOW

| 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)   |

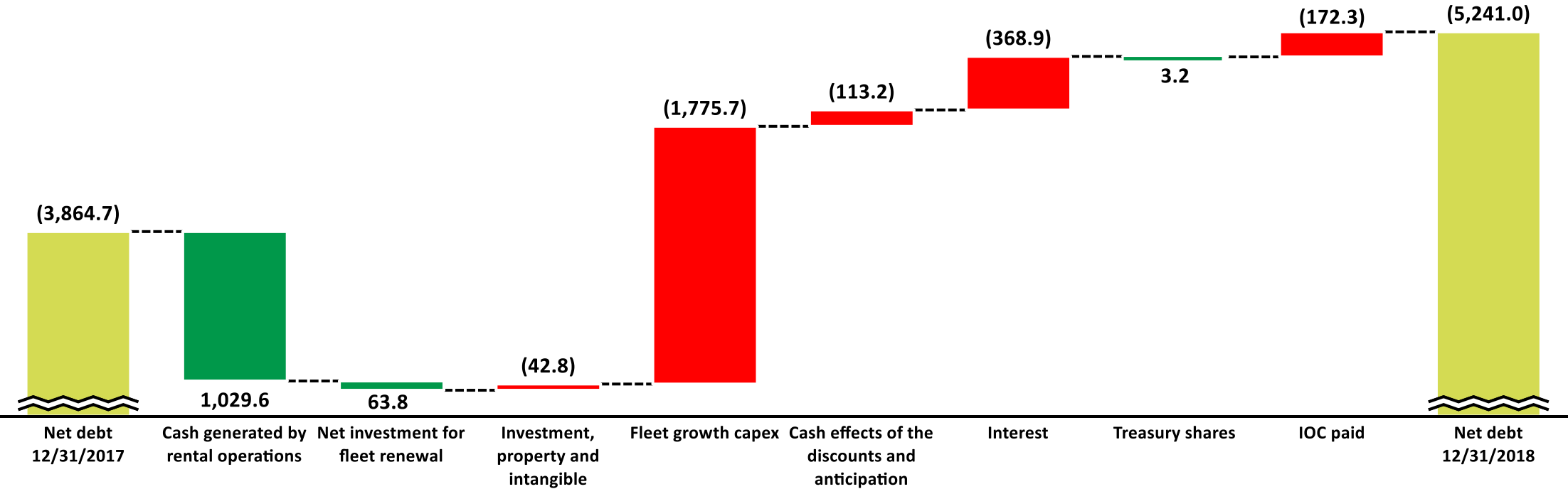
In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediately liquidity

(\*) 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

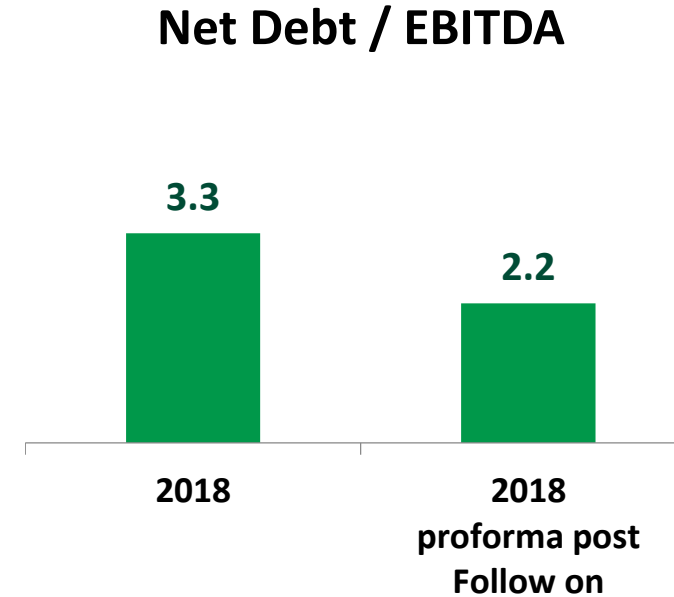
(R\$ million)



HIGHER NET DEBT DUE TO FLEET GROWTH

# ***FOLLOW ON***

- Number of shares issued: **55.2 millions**
- Price per share: **R\$33.00**
- Value of the capital increase: **R\$1.8 billion**

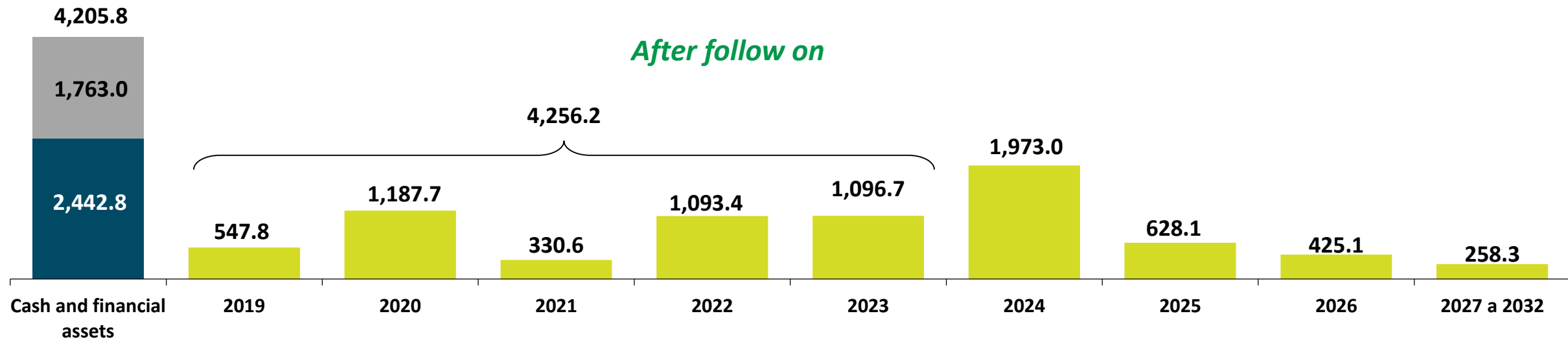
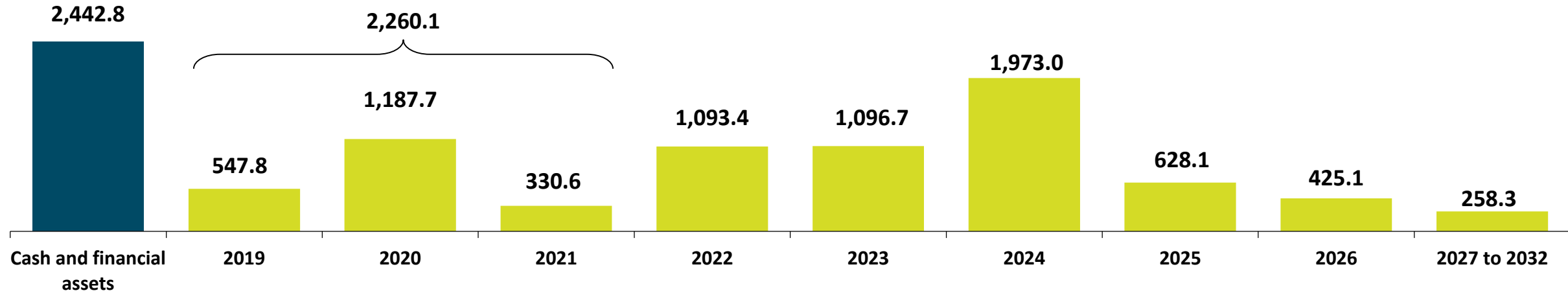


***CAPITAL STRUCTURE PREPARED FOR GROWTH***

# DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of December 31, 2018

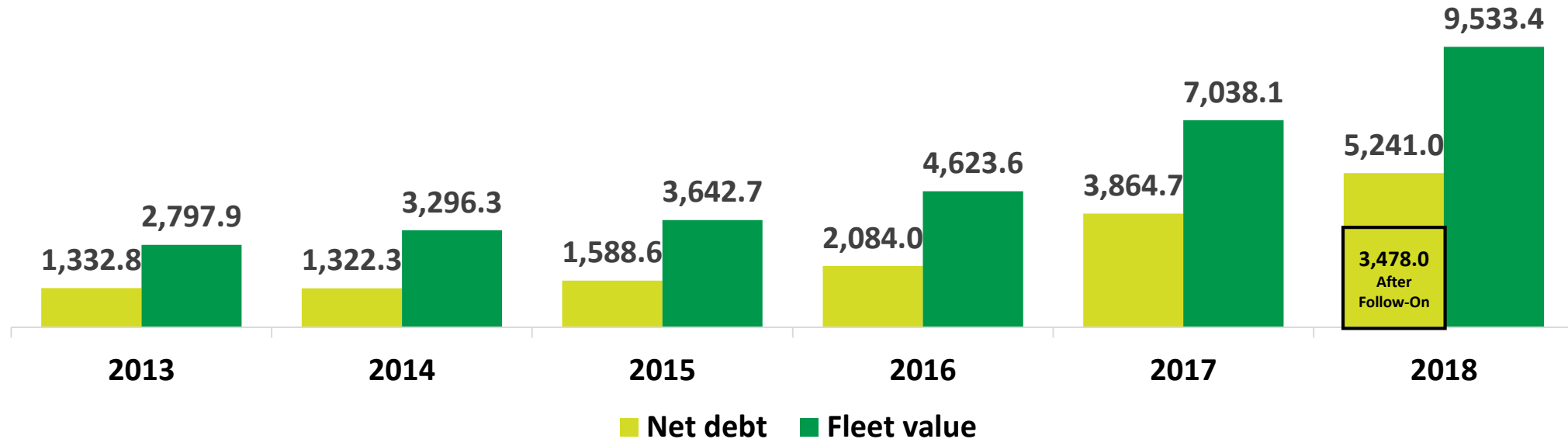


**EVEN MORE COMFORTABLE DEBT PROFILE AFTER THE FOLLOW ON**

# DEBT RATIOS

(R\$ million)

## Net debt versus fleet value

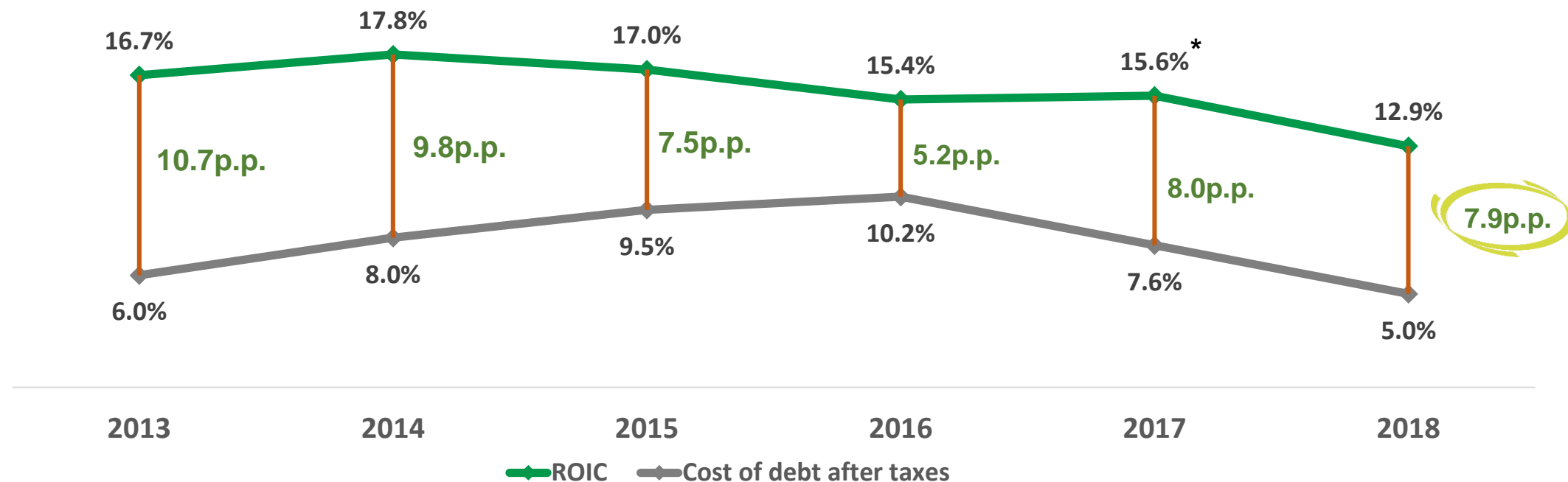


| BALANCE AT THE END OF PERIOD    | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2018 after Follow-on |
|---------------------------------|------|------|------|------|------|------|----------------------|
| Net debt / Fleet value          | 48%  | 40%  | 44%  | 45%  | 55%  | 55%  | 36%                  |
| 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 | -                    |

**RATIOS BACK TO HISTORICAL LEVELS AFTER FOLLOW ON**

\* Public offering completed in February 2019

# 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

**STABLE SPREAD WITH ACCELERATED GROWTH**

# Thank You!

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