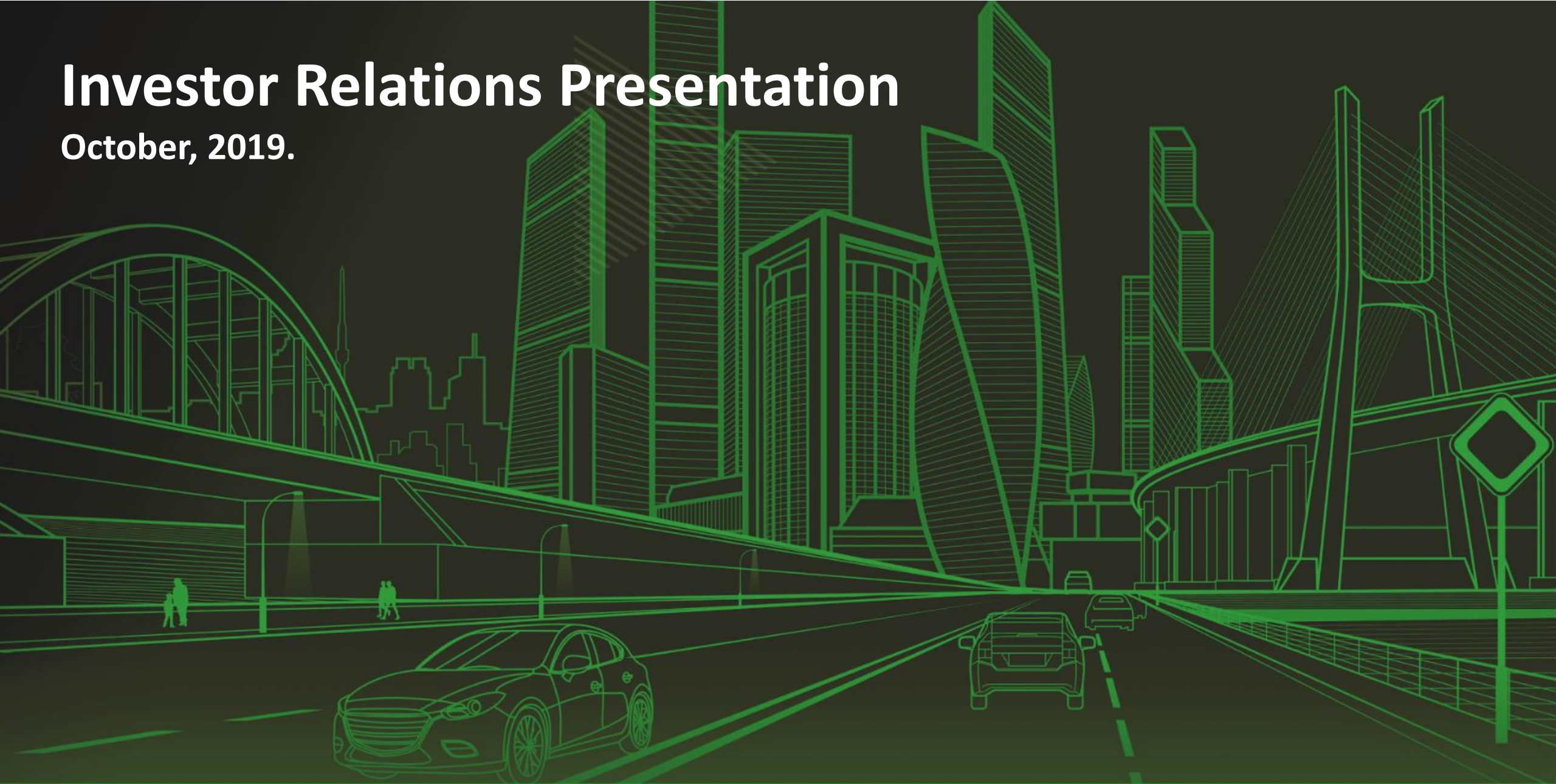


Investor Relations Presentation

October, 2019.



AGENDA

- 1) COMPANY OVERVIEW
- 2) COMPETITIVE ADVANTAGES
- 3) MAIN BUSINESS DIVISIONS
 1. CAR RENTAL
 2. FLEET RENTAL
 3. SEMINOVOS
- 4) FINANCIALS



COMPANY HISTORY:

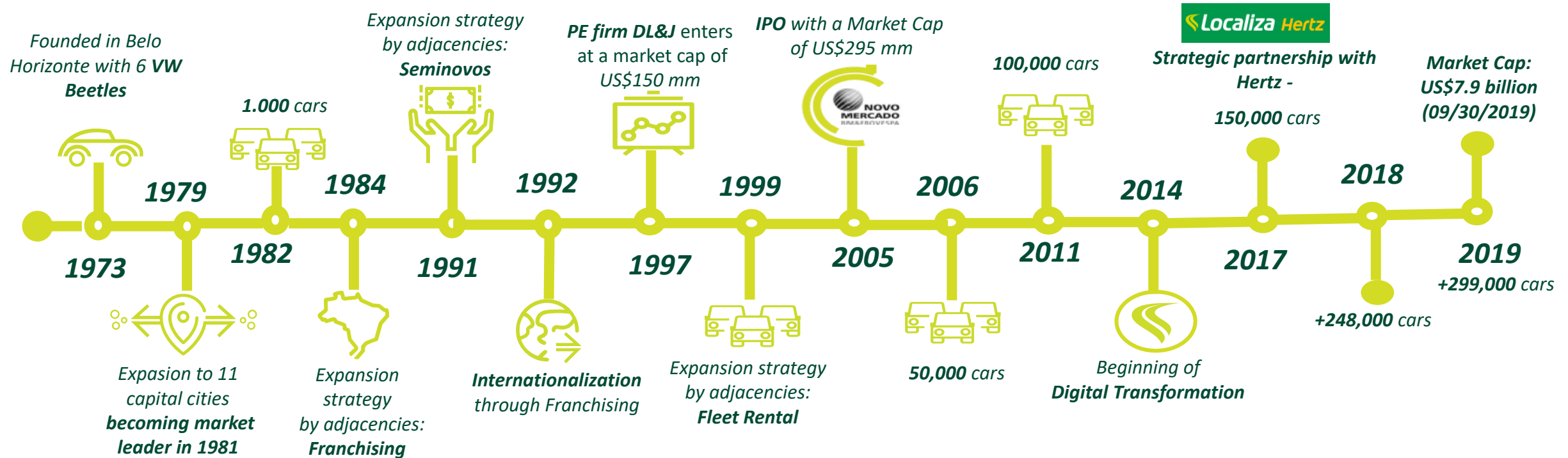
MILESTONES

Phase I: Rise to #1

Phase II: Expansion

Phase III: Reaching Scale

Phase IV: Digital Transformation



INTEGRATED BUSINESS PLATFORM

3Q19



Competitive advantages from a highly scalable operational model and comprehensive business expertise

3Q19

COMPANY:

BUSINESS PLATFORM DIVISIONS



RENTS TO INDIVIDUALS AND COMPANIES AT AIRPORTS AND OTHER LOCATIONS

- HIGH FIXED COST STRUCTURE
- STANDARDIZED FLEET
- 1 YEAR CYCLE
- HIGHER ENTRY BARRIERS
- GAINS OF SCALE
- CAPITAL INTENSIVE
- CONCENTRATED AIRPORT MARKET
- FRAGMENTED OFF AIRPORT MARKET



CONTRIBUTES TO EXPANSION OF LOCALIZA'S NETWORK AND ITS BRAND AWARENESS

- HIGH PROFITABILITY
- LOW CONTRIBUTION TO EARNINGS
- RESPONSIBLE TO DEVELOP NEW MARKETS



OUTSOURCES FLEET FOR 2-3 YEARS CONTRACTS

- LOW FIXED COST STRUCTURE
- CUSTOMIZED FLEET
- 2-3 YEARS CYCLE
- LOWER ENTRY BARRIERS
- CAPITAL INTENSIVE

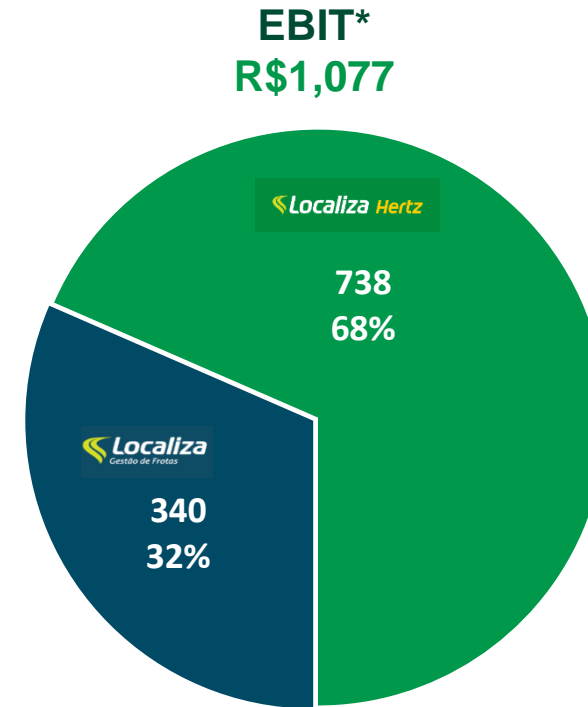
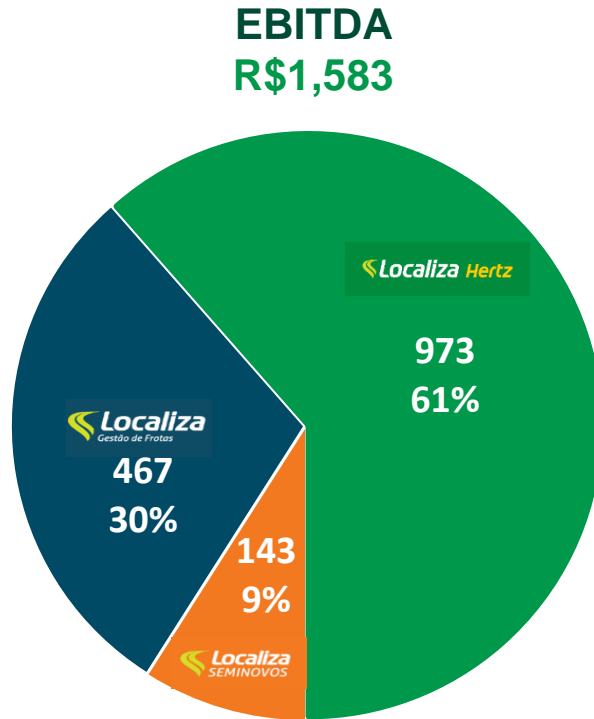


SELLS THE USED CARS AFTER THE END OF CARS' SERVICES AS RENTAL CARS AND ESTIMATES THE RESIDUAL VALUES

- EFFICIENCY AREA RESPONSIBLE TO SELL CARS FROM RAC AND FLEET DIVISIONS
- KNOW HOW OF USED CARS MARKET
- REDUCE DEPENDENCE OF INTERMEDIATES
- ALLOWING FOR LOWER DEPRECIATION

Consolidated breakdown – 9M19

R\$ million



*Seminovos results recorded in the Car Rental and Fleet Rental Divisions

COMPANY'S PROFITABILITY COMES FROM CAR RENTAL AND FLEET RENTAL DIVISIONS

AGENDA

- 1) COMPANY OVERVIEW
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- 3) MAIN BUSINES DIVISIONS
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 2. FLEET RENTAL
 3. SEMINOVOS
- 4) FINANCIALS



OUR KEY PILLARS AND COMPETITIVE ADVANTAGES FOR CONTINUED GROWTH

Raising Money

- Best credit scoring and funding conditions in the industry

Buying Cars

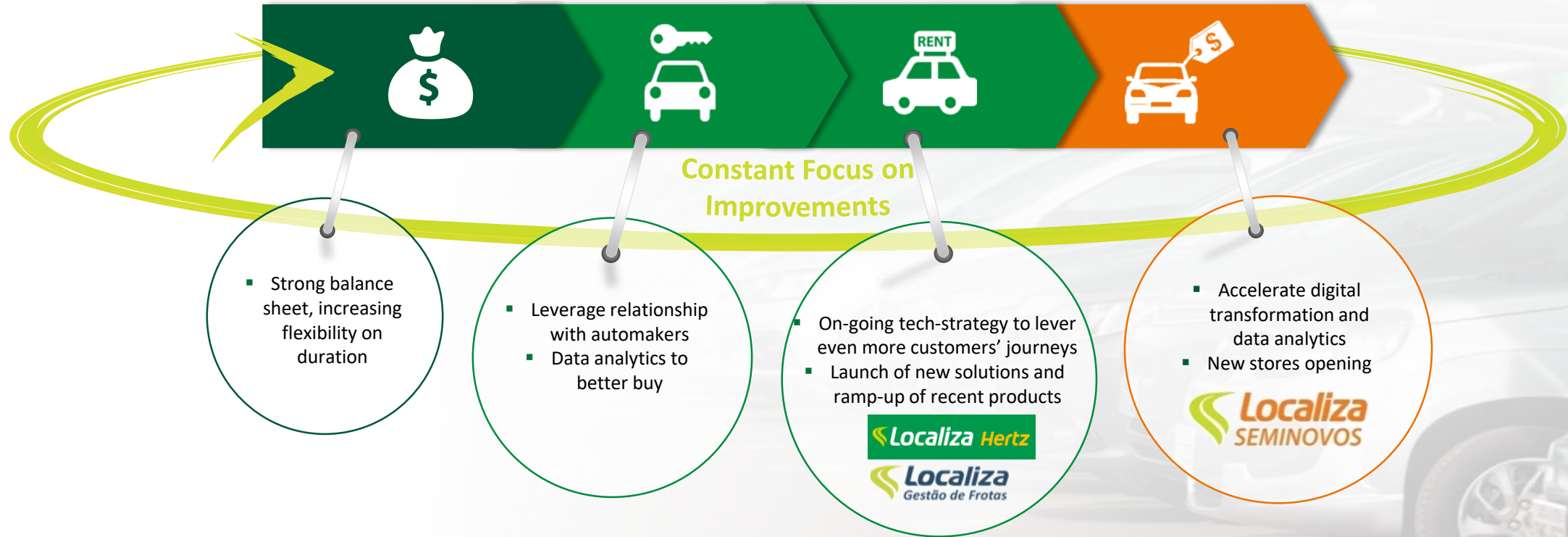
- Leading buyer in the sector with distinguished relationship with automakers

Renting Cars

- Top of mind company and market leader with +30% share on RAC

Selling Cars

- Nation-wide presence with 100+ stores in Brazil



COMPETITIVE ADVANTAGES

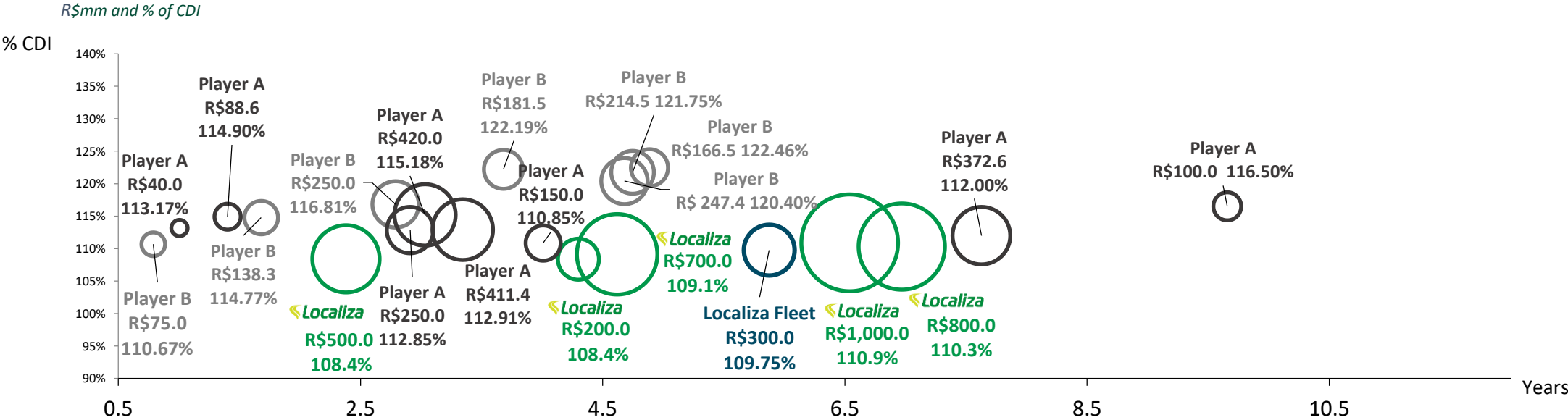
RAISING MONEY CHEAPER THAN EVERYBODY ELSE

Ratings: National and Global

			
		Player A	Player B
STANDARD & POOR'S	AAA	AAA	AA
MOODY'S	Aa1	-	-
FitchRatings	AAA	AA	AA-

				
				
STANDARD & POOR'S	BB+	B+	BB	BB-
MOODY'S	Ba2	-	-	B1
FitchRatings	BB	-	-	-

Secondary Market Emissions



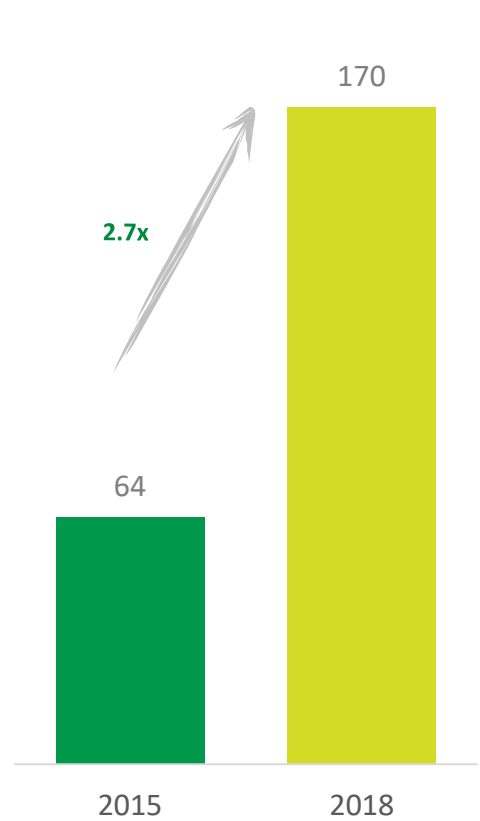
Source: Bloomberg October, 2019 and Companies' public information.

COMPETITIVE ADVANTAGES

BUYING CARS

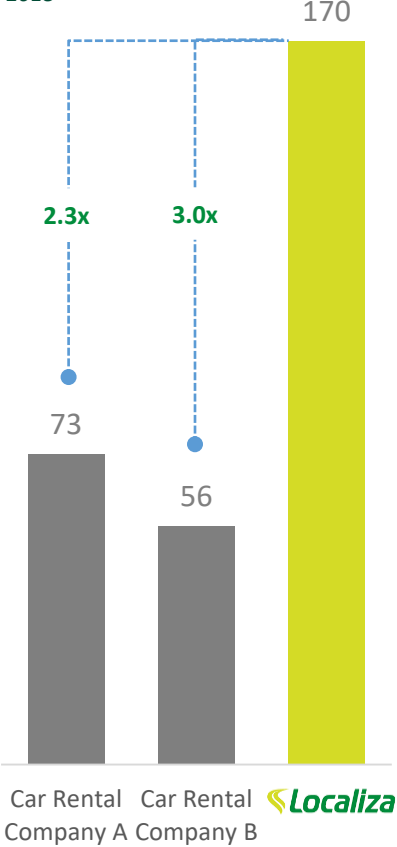
Total Purchased Vehicles

Thousand



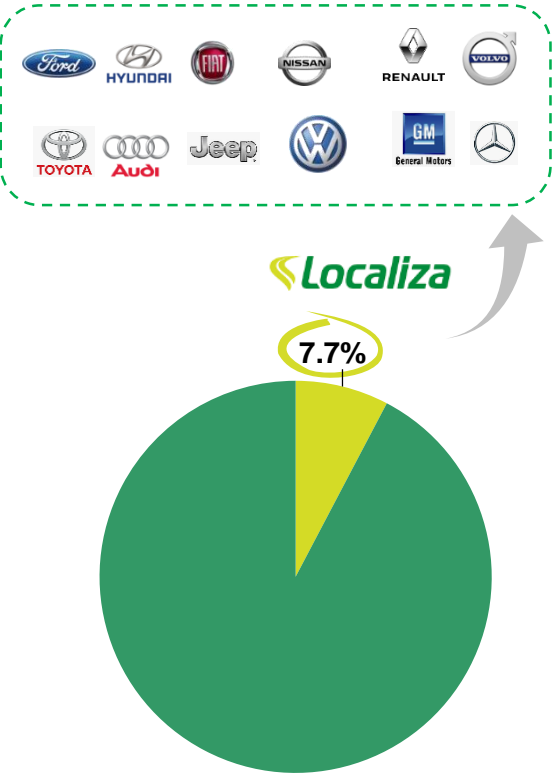
Purchased Vehicles: Competitive Landscape

Thousand, 2018



Share in Brazilian Automakers' Sales

% of total sales, 2018



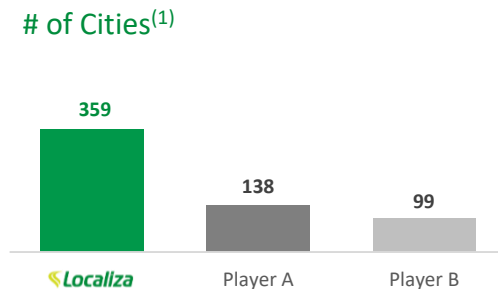
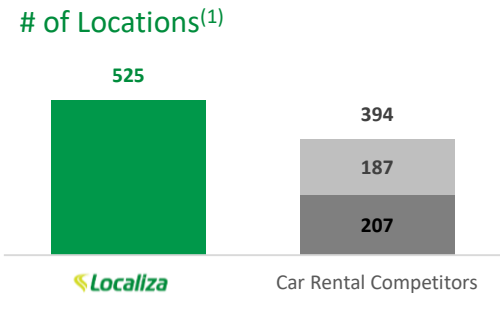
LOCALIZA BUYS CARS WITH BETTER CONDITIONS DUE TO THE VOLUME OF PURCHASES.

Source: website of each company and ANFAVEA.

COMPETITIVE ADVANTAGES

RENTING CARS

Highly awarded and top of mind in the sector, Localiza has a solid presence throughout Brazil with its RAC division...



9.6 million clients (3Q19)

Interbrand

20th Most Valuable
Brand in Brazil

Superior quality

Culture of delighting
Modern and diversified fleet

Top of Mind
in the Sector

Largest NPS among
the 25 companies in the
Interbrand Ranking

Awards

Four-time
Consecutive
Winner



Best
Rental
Company for SME



Best
Car Rental
Company



Best
Services
Company



Source: Companies, ABLA

Note: (1) As of 3Q19 for Localiza and according to each competitors' website as of October, 2019

COMPETITIVE ADVANTAGES

FLEET RENTAL: ONE-STOP-SHOP FOR THE BEST CUSTOMERS JOURNEY

Strong focus on improving client experience throughout the entire journey as the one-stop solution for fleet rental

Technology

Connected Fleet

- ✓ Whole fleet rental information available at any time
- ✓ Fleet monitoring reports with information to support decision-making process
- ✓ Ability to customize reports according to customers' needs, with data such as vehicle age, accidents, mileage, maintenance history



Strategic information adding value to customers



Security and citizenship

- Improving traffic safety
- Transparency in management
- Content offer through lectures and courses
- Cost reduction



Mobile Solutions

- ✓ User-friendly mobile applications connecting users to fleet manager, enabling clients to rapidly anticipate and address potential issues
- ✓ Integration of different platforms through an omni-channel approach



Integrated applications to deliver a seamless experience



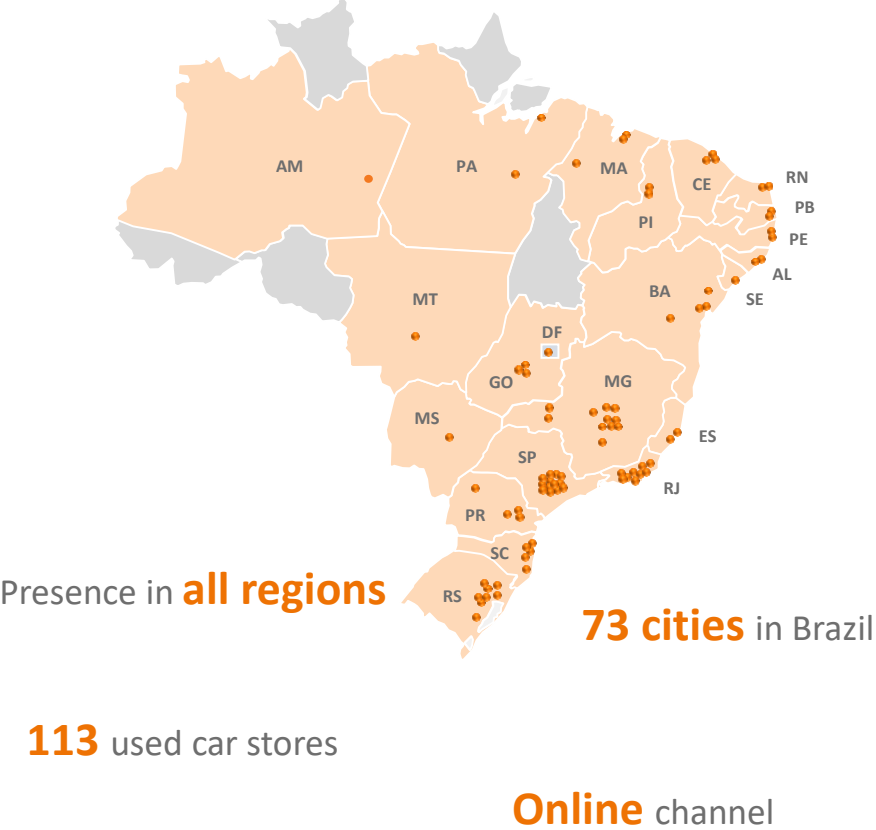
Good Practices

- Consultancy, customized panels, results monitoring
- Definition of indexes related to costs productivity and safety



COMPETITIVE ADVANTAGES

SELLING CARS



113 points of sale (3Q19)

Selling cars

Distribution

73 cities in Brazil
Digital sale

Sales final consumer

Lower depreciation
Loyalty of costumers, generating
good repurchase rates and indication

Big data

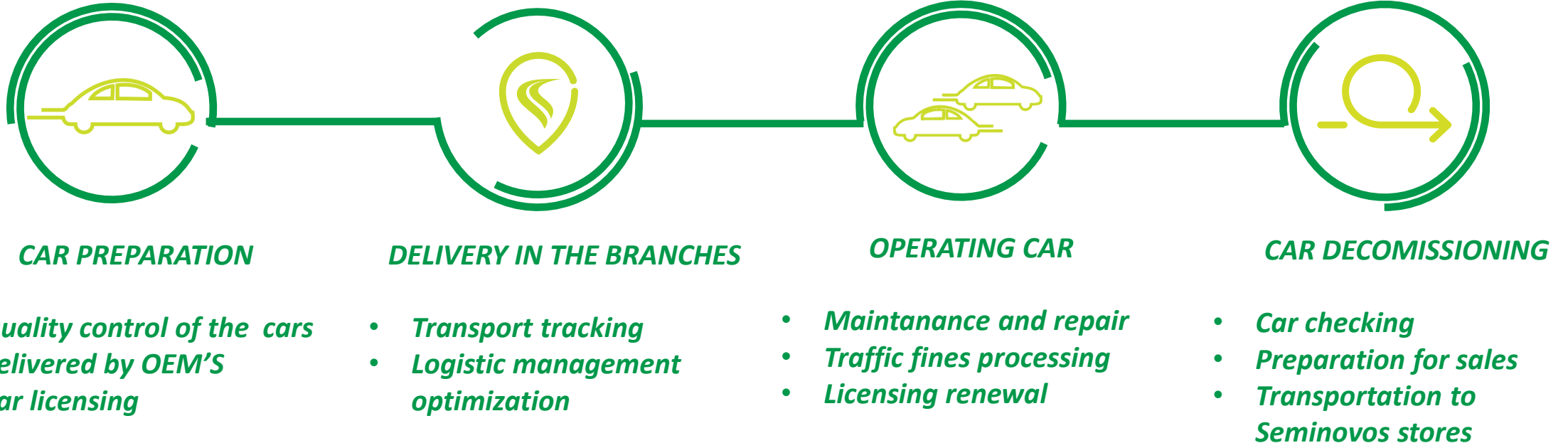
Best understanding of
costumer preference
Pricing estimate
- Depreciation /+ Residual Value
Input for car purchase

Buffer

Additional fleet during
peaks of demand

EFFICIENCY AREA TO REDUCE DEPRECIATION

COMPETITIVE ADVANTAGES WITH OPERATIONAL EXCELLENCE



INNOVATION

Localiza is focused on improving clients' experience in line with recent trends in the car rental market towards tech

Yield Management

- ✓ Dynamic pricing system for rental, maximizing profitability



Anti fraud

- ✓ Tailor-made solution for fraud prevention in car rentals



Enterprise WhatsApp

- ✓ Booking and customer assistance channels via Whatsapp



Chatbot®

- ✓ Facebook / messenger
- ✓ booking assistant



Back Office Technology

- ✓ Automated back office system to streamline operations and improve efficiency



Localiza Driver

NEW

- ✓ Digital solution for ride-hailing drivers



Localiza FAST

- ✓ Mobile-based counter bypass. Customers can pickup car bypassing our counter



Digital and Self Check-in



Automatic capture of the driver's license for new customers and expedited check-in



Connected Fleet

- ✓ Integrated technology solution that increases competitive intelligence and leverages productivity gains



Mobile Solution

- ✓ Integrated mobile solution to fleet rental services for driver and contract manager



Online Fleet Rental

- ✓ Fast diagnosis and friendly dashboard for fleet manager



Data Analytics

- ✓ Usage of Big Data to customize and optimize fleet mix, pricing and operations of each used car store



Localiza is in the forefront of innovation in its industry, bringing several pioneer digital solutions

... AND SUSTAINABILITY

SUSTAINABILITY DEVELOPMENTS

2017

- ✓ Sustainability becomes a strategic intention
- ✓ We become signatories of the Global Compact

2018

- ✓ Sustainability Committee Creation
- ✓ Sustainability Policy Development
- ✓ Materiality Matrix Development
- ✓ Development of the 1st Greenhouse Gas Inventory
- ✓ Disclosure of the 1st Sustainability Report

2019

- ✓ Goal setting for issues defined as priority
- ✓ GHG Protocol Greenhouse Gas Inventory Reporting
- ✓ Disclosure of the 2nd Greenhouse Gas Inventory, with disclosure in the GHG Protocol Public Registry of Emissions
- ✓ Disclosure of the 2nd Sustainability Report

INITIATIVES

- ✓ Solar Energy Plants
- ✓ Car Dry Cleaning
- ✓ Traffic Safety campaigns
- ✓ Diversity and Inclusion Program
- ✓ Community Development Program Surrounding Localiza Headquarters
- ✓ Integrity Program
- ✓ Garbage selective collection – HQ



RECENT RECOGNITIONS

- ✓ Best Company in ESG – Institutional Investor
- ✓ Top 10 Companies in Financial Performance and Corporate Governance - Economática Award
- ✓ Inclusive company award - Secretariat of Social Development of the Government of Minas Gerais
- ✓ Transpharency Trophy - ANEFAC
- ✓ Gold Seal Ecovadis Localiza Fleet

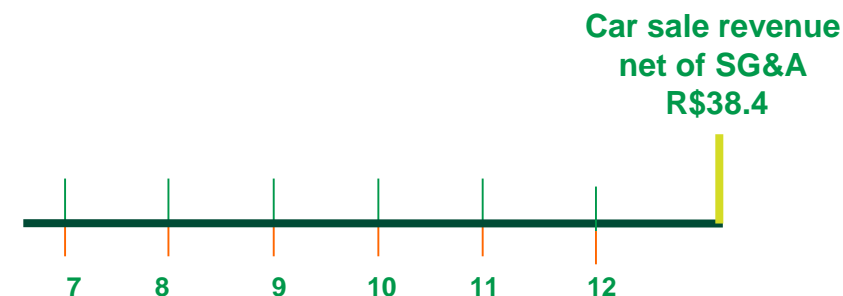
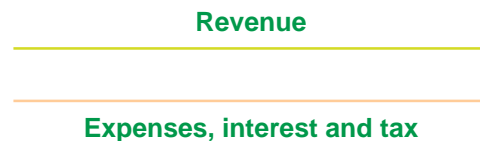
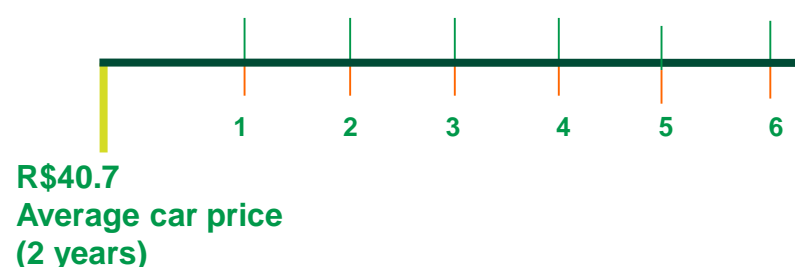
Institutional Investor

eco✓**adis**
SUPPLIER SUSTAINABILITY RATINGS



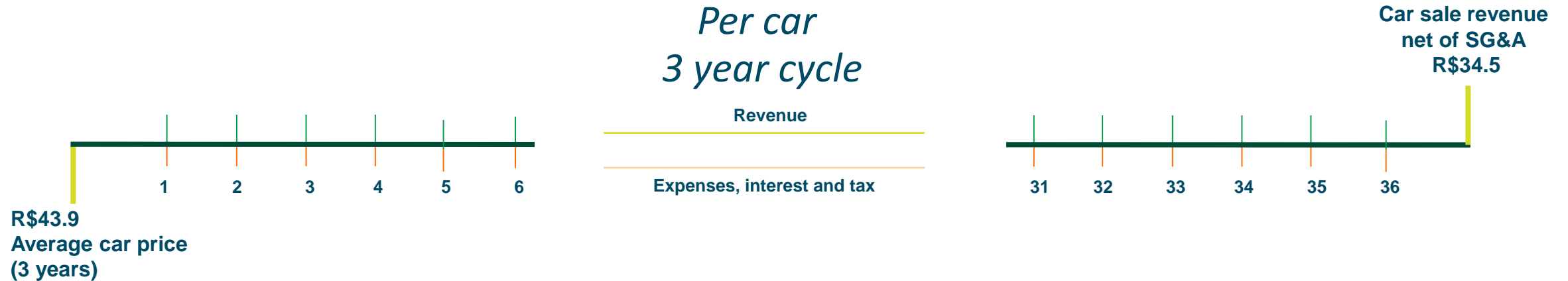
CAR RENTAL: FINANCIAL CYCLE 2018

Per car
1 year cycle



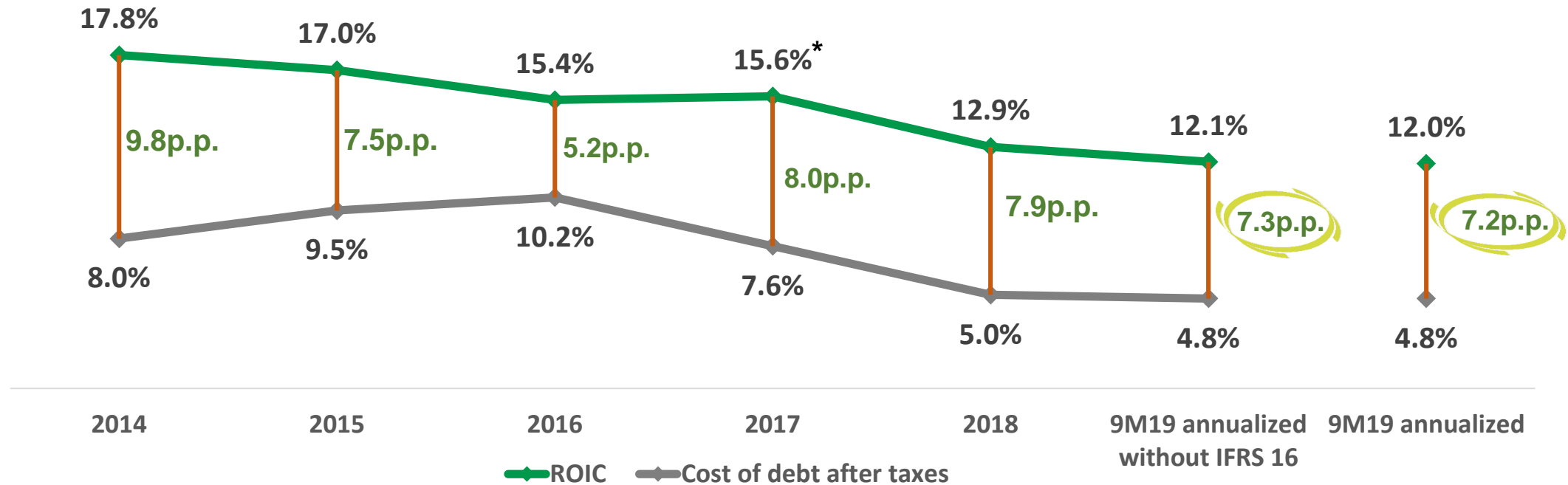
	Car Rental		Seminovos		Total
	Per operating car		Per car sold		1 year
	R\$	%	R\$	%	R\$
Net revenues	19.4	100.0%	41.2	100.0%	60.6
Costs - fixed and variable	(9.1)	-46.8%			(9.1)
SG&A	(3.4)	-17.4%	(2.8)	-6.9%	(6.2)
Net revenues of car sold			38.4	93.1%	38.4
Book value of car sold			(37.3)	-90.6%	(37.3)
EBITDA	7.0	35.9%	1.1	2.5%	8.0
Cars Depreciation			(1.0)	-2.5%	(1.0)
Others depreciation	(0.2)	-1.1%	(0.1)	-0.2%	(0.3)
Financial expenses			(2.0)	-5.0%	(2.0)
Taxes	(1.7)	-9.0%	0.5	1.3%	(1.2)
Net Income (Loss)	5.0	25.8%	(1.6)	-3.8%	3.5
NOPAT					5.0
ROIC (it consideres only cars in capital invested)					12.2%
Cost of debt after taxes					5.0%

FLEET RENTAL: FINANCIAL CYCLE 2018



	Fleet Rental		Seminovos		Total
	Per operating car		Per car sold		3 years
	R\$	%	Seminovos	%	R\$
Net revenues	57.3	100.0%	36.6	100.0%	94.0
Costs - fixed and variable	(16.6)	-29.0%			(16.6)
SG&A	(4.0)	-7.0%	(2.2)	-6.1%	(6.3)
Net revenues of car sold			34.4	93.9%	34.4
Book value of car sold			(32.2)	-87.9%	(32.2)
EBITDA	36.7	64.0%	2.2	6.0%	38.9
Cars Depreciation			(10.8)	-29.5%	(10.8)
Others depreciation	(0.3)	-0.6%	(0.1)	-0.3%	(0.4)
Financial expenses			(5.4)	-14.7%	(5.4)
Taxes	(9.2)	-16.1%	3.6	9.8%	(5.7)
Net Income (Loss)	27.1	47.3%	(10.5)	-28.7%	16.6
Net Income (Loss) - per year	9.0	47.3%	(3.5)	-28.7%	5.5
NOPAT					6.9
ROIC (it considers only cars in capital invested)					15.7%
Cost of debt after taxes					5.0%

ROIC *VERSUS* COST OF DEBT AFTER TAXES



(*) 2017 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

HIGHER SPREAD IN AN ACCELERATED GROWTH ENVIRONMENT

AGENDA

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 2. FLEET RENTAL
 3. SEMINOVOS
- 4) FINANCIALS

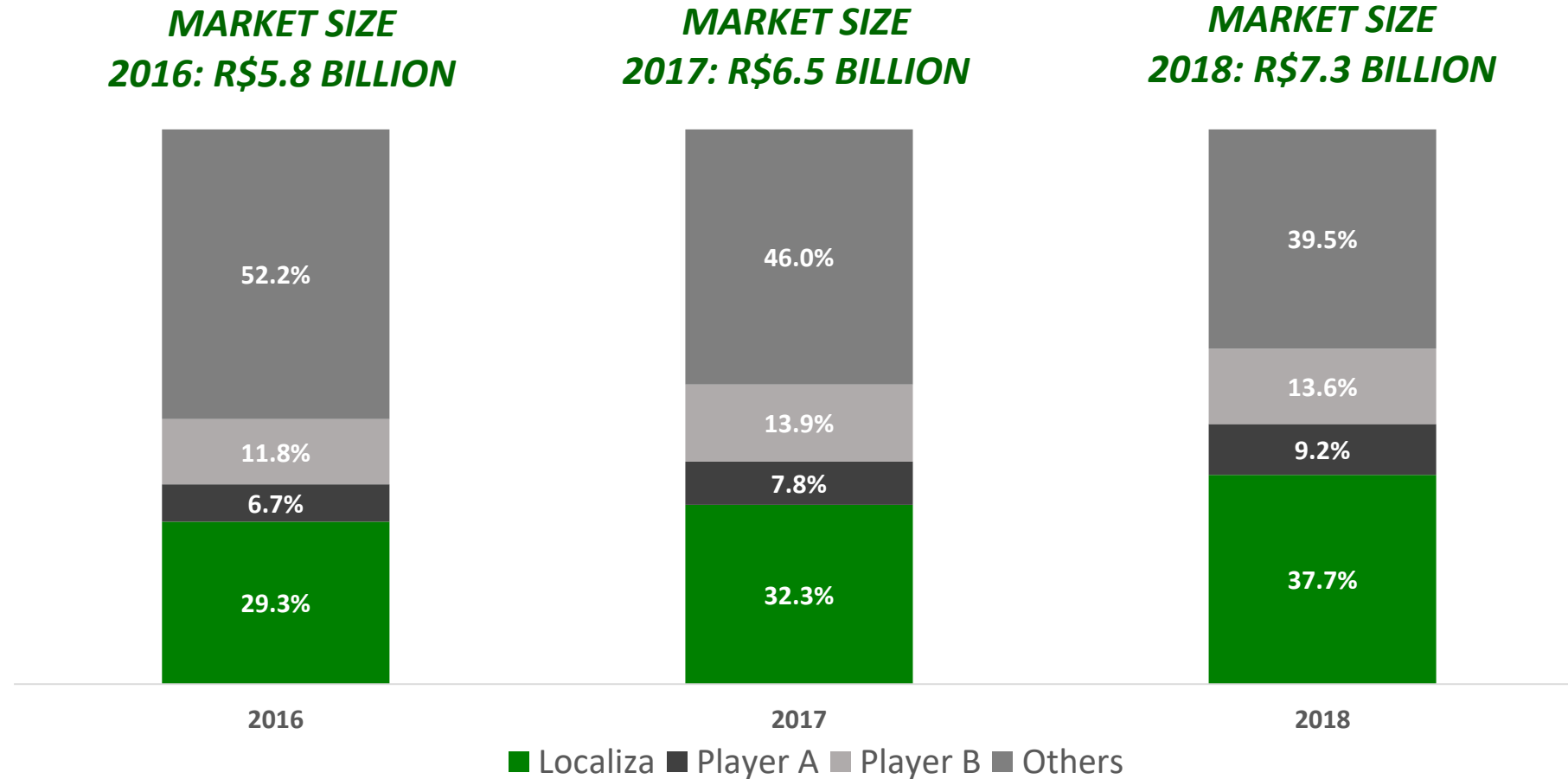
The Localiza logo features a stylized yellow and green swoosh icon to the left of the word "Localiza" in a bold, white, italicized sans-serif font.

Localiza



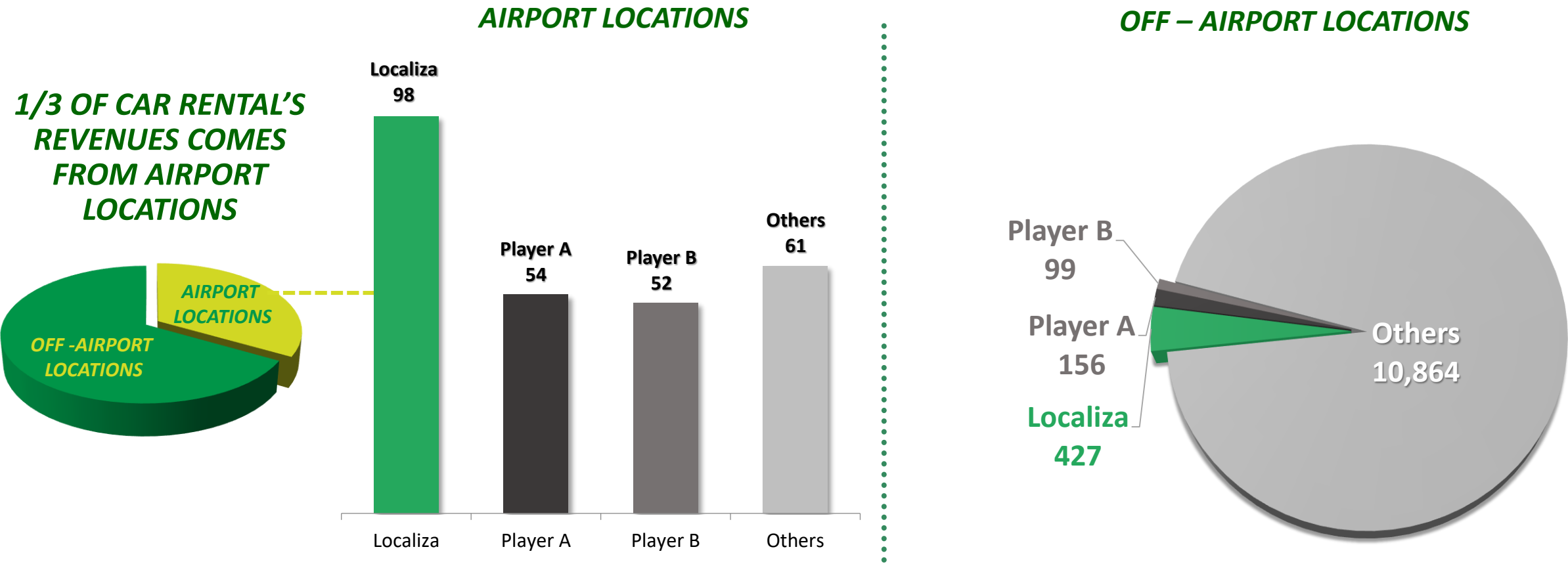
CAR RENTAL: MARKET SHARE

GROSS REVENUE



*Localiza's market share includes revenues from franchisees in Brazil. There are no public data on the revenue of other players' franchisees.

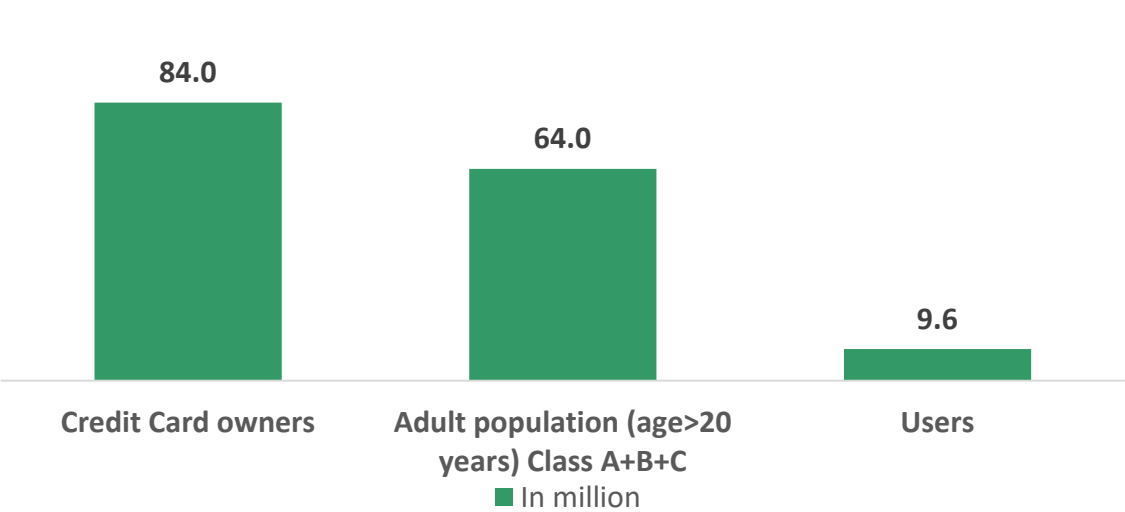
CAR RENTAL LOCATIONS IN BRAZIL



OFF – AIRPORT MARKET IS STILL FRAGMENTED

Source: ABLA, each company's website on October, 2019 and Localiza's 3Q19 Earnings Release.

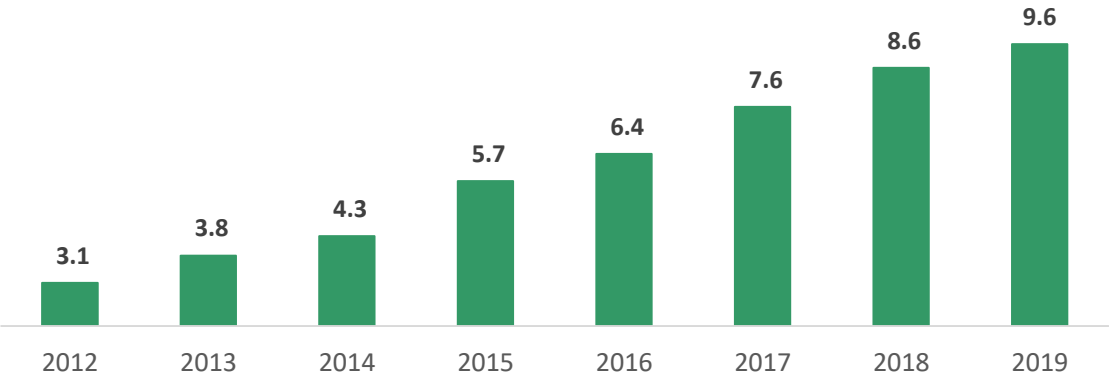
CAR RENTAL: DRIVERS



Sources: IPEADATA, Localiza's loyalty program and BCB as of 2016

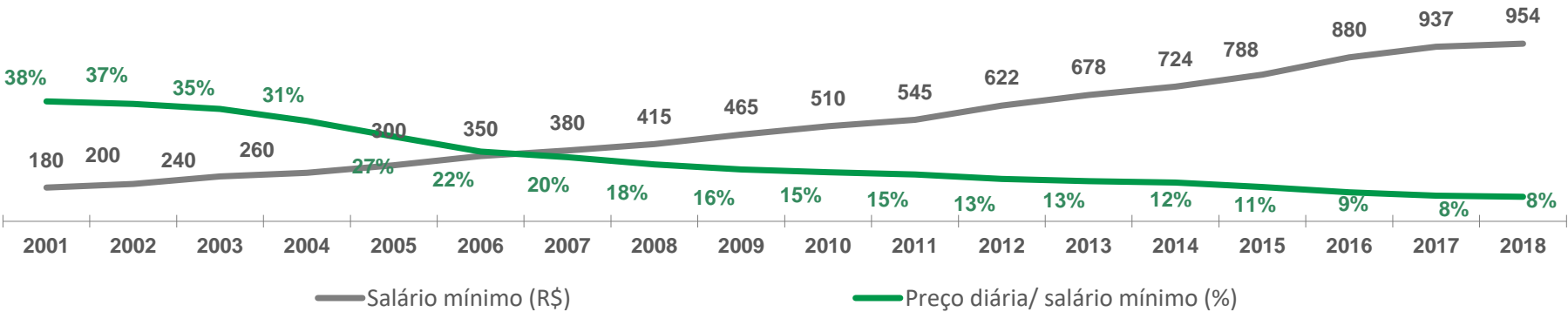
*Considering that each credit card owner owns 1,3 credit cards, BCB estimated that were 84 million active credit cards in Brazil in 2016.

LOCALIZA RAC USERS (MILLION)*



*considering only the individual segment.

CAR RENTAL AFFORDABILITY



Source: BCB and Localiza rates

INCREASING AFFORDABILITY AND LOW PENETRATION BRINGS GROWTH OPPORTUNITIES.

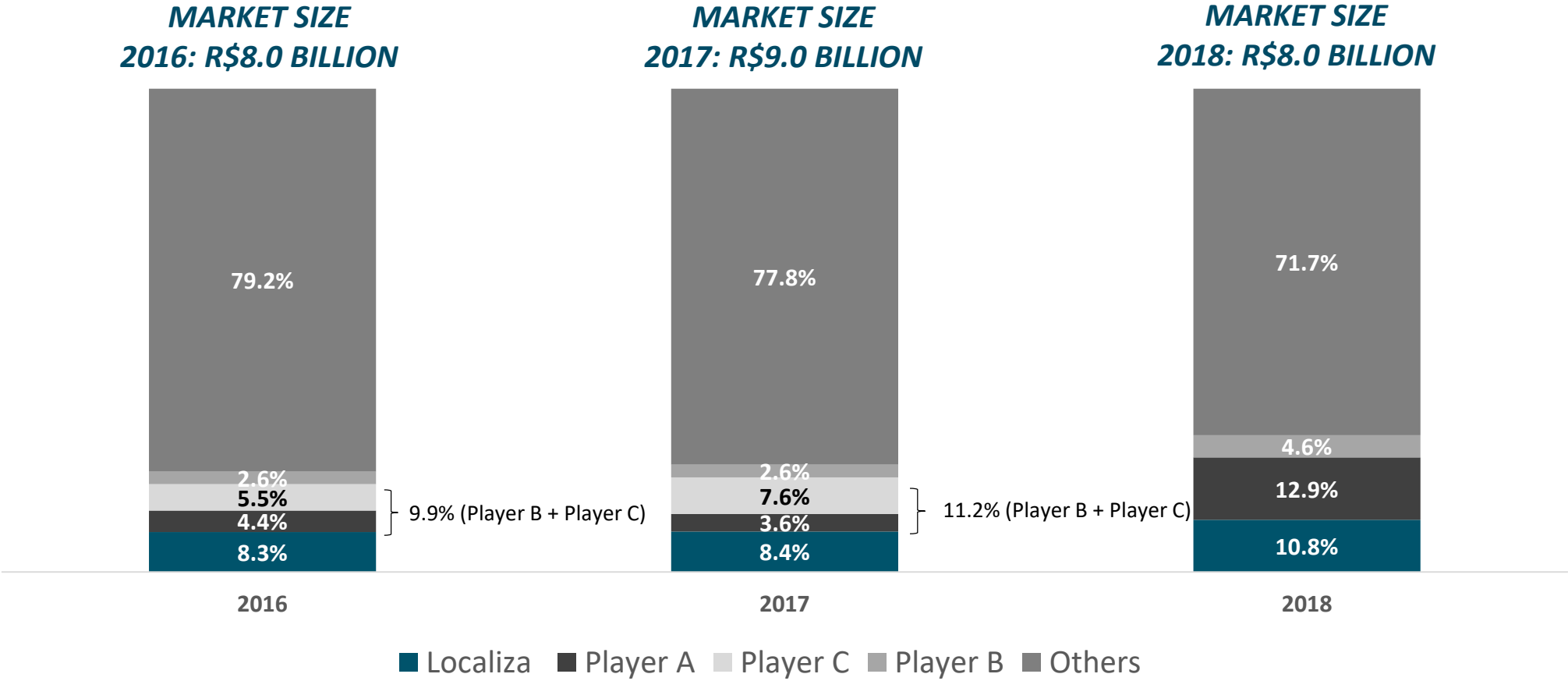
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FLEET RENTAL: MARKET SHARE

GROSS REVENUE - FLEET RENTAL



Source: ABLA, considering the breakdown reported applied on the revenues

FLEET RENTAL: DRIVERS

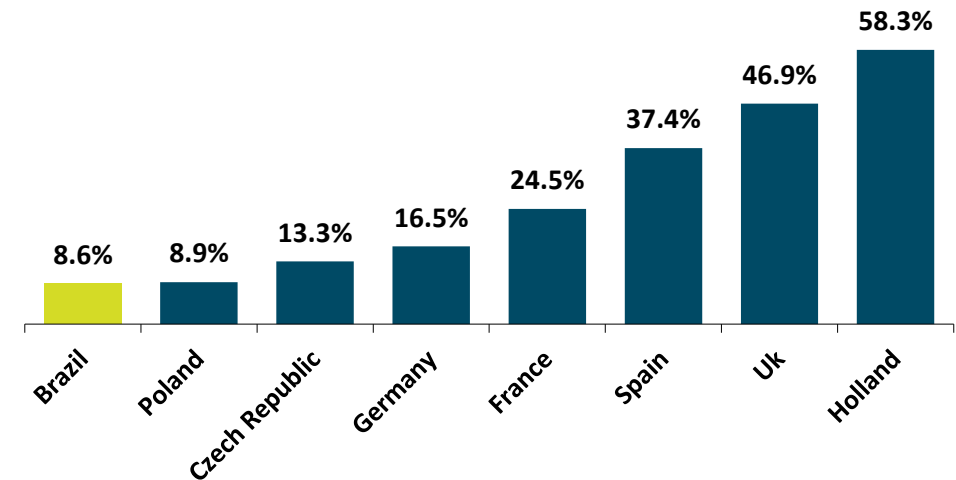
BRAZILIAN MARKET



*Frost&Sullivan research

**ABLA 2019

WORLD



Source: Datamonitor for European countries and Localiza's estimate for Brazil

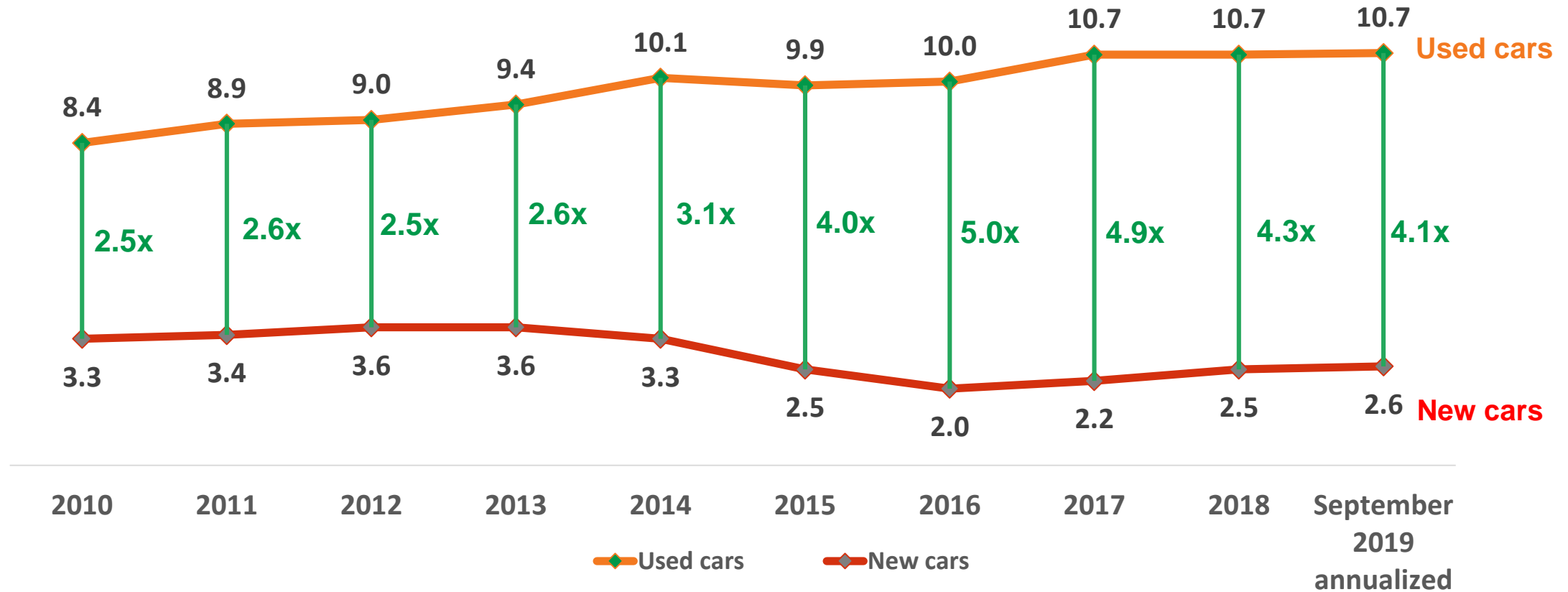
LOW PENETRATION OF RENTED FLEET IN BRAZIL

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SEMINOVOS: NEW vs USED CAR MARKET (BRAZIL)

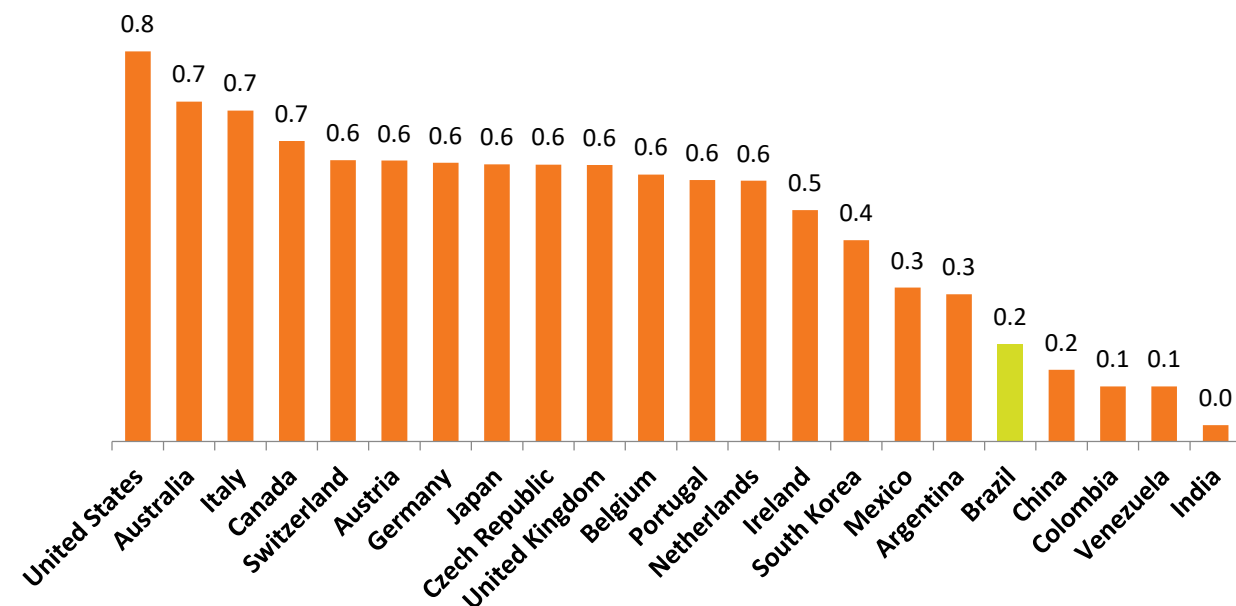


TOTAL MARKET OF 13.3 MILLION CARS

SEMINOVOS: DRIVERS

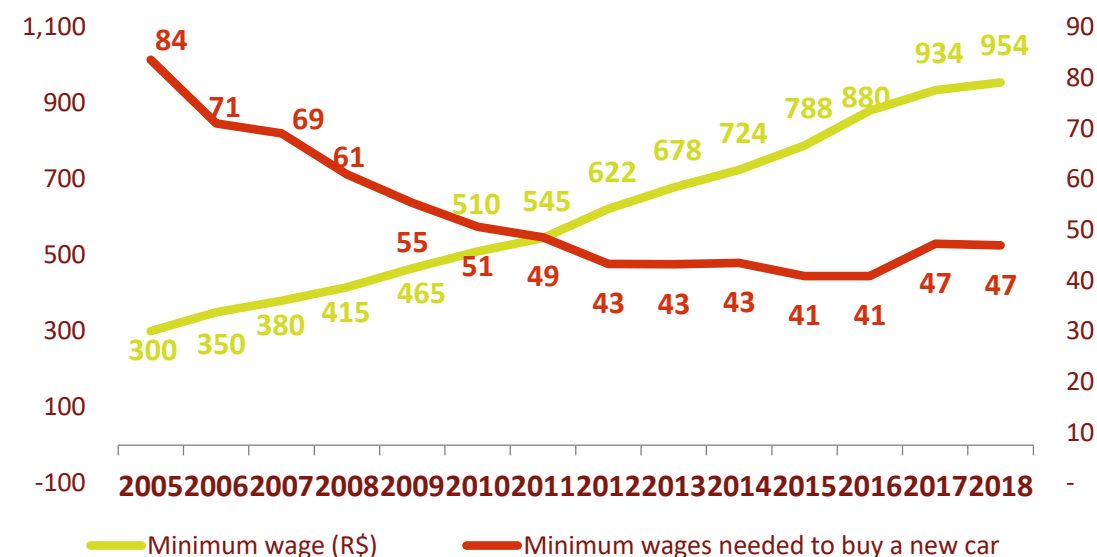
AFFORDABILITY AND PENETRATION

VEHICLE DENSITY BY NATION



Source: Ward's Automotive; CIA World Factbook; JP Morgan Analysis

AFFORDABILITY TO BUY CARS – AVERAGE PUBLIC PRICE OF ECONOMIC CARS

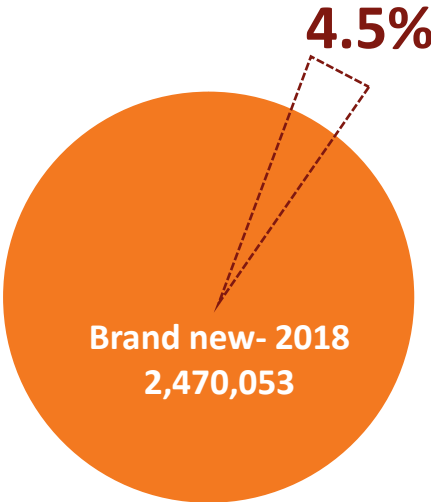
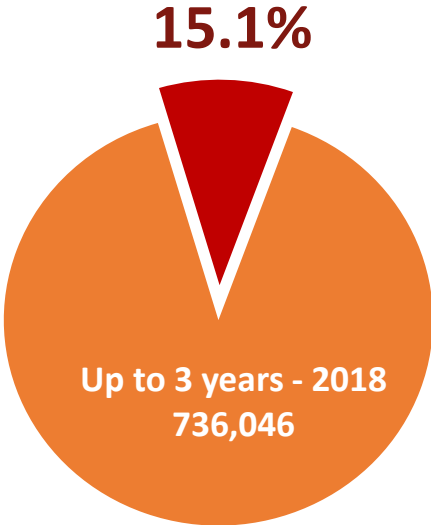
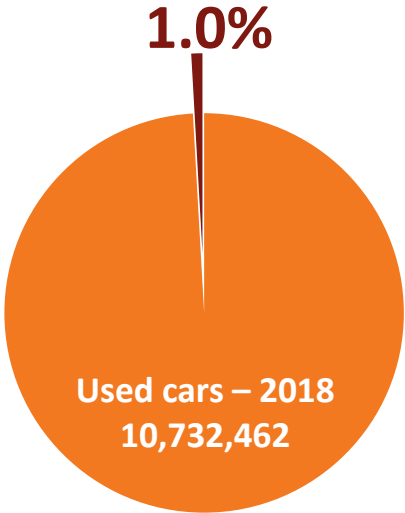


Source: BCB and Localiza

Reference: for calculation was considered the cheapest car in our fleet

SEMINOVOS: CARS SALES

OPERATING DATA



Main players



Examples	<ul style="list-style-type: none">• Retailers	<ul style="list-style-type: none">• Dealers	<ul style="list-style-type: none">• Rental Operators
Points of sale	<ul style="list-style-type: none">• 48,545 (Fenauto)	<ul style="list-style-type: none">• 5,226 (Anfavea)	<ul style="list-style-type: none">• 164 (Unidas and Movida)

Source: Anfavea 2018 and Fenabrave 2018 / Companies website / Fenauto.

AGENDA

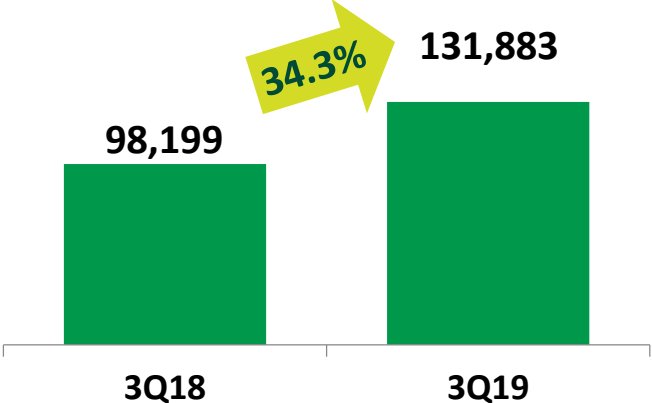
- 1) COMPANY OVERVIEW
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 **Localiza**

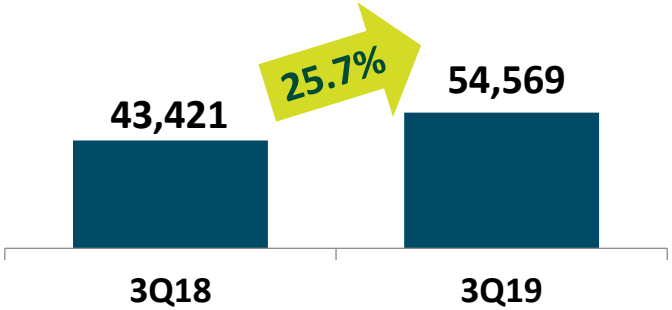


3Q19 OPERATING HIGHLIGHTS

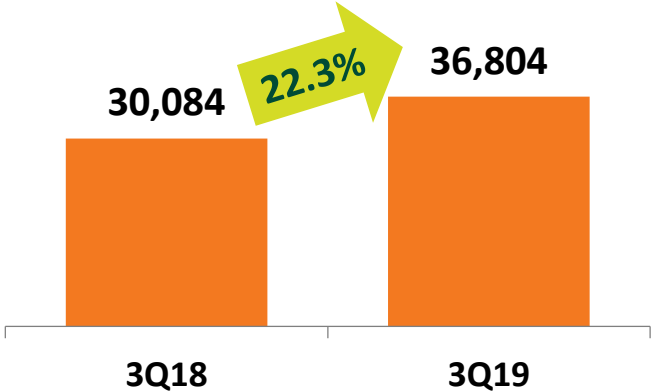
Average rented fleet – Car Rental



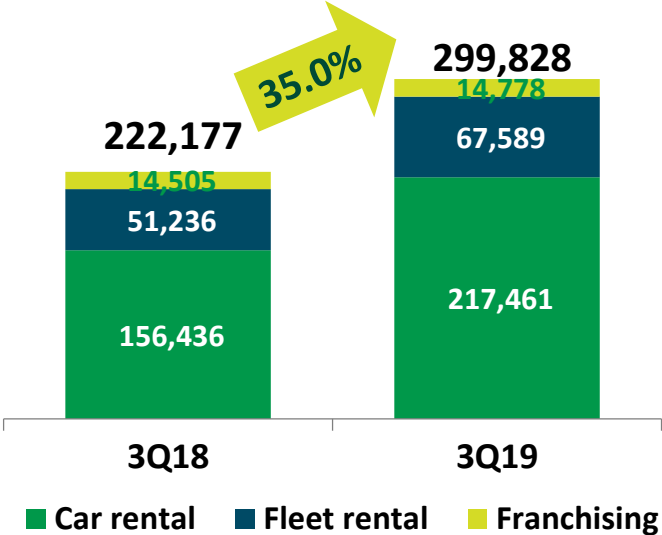
Average rented fleet – Fleet Rental



of cars sold

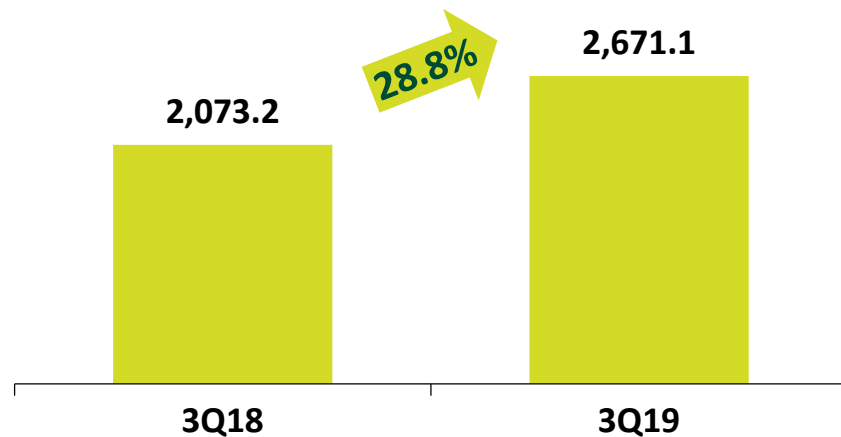


End of the period fleet

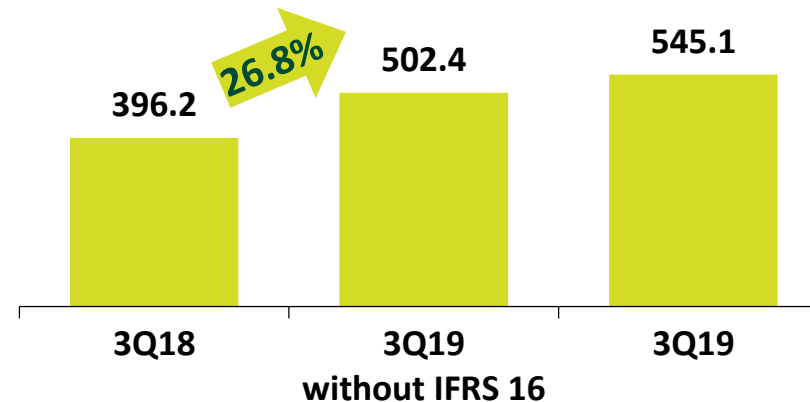


3Q19 FINANCIAL HIGHLIGHTS

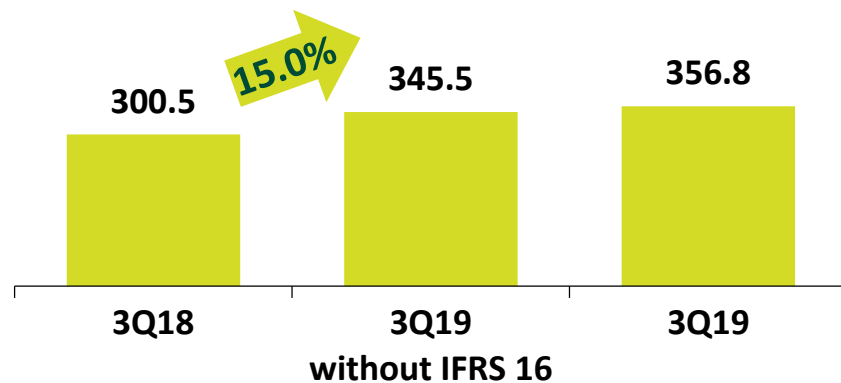
Net revenues (R\$ million)



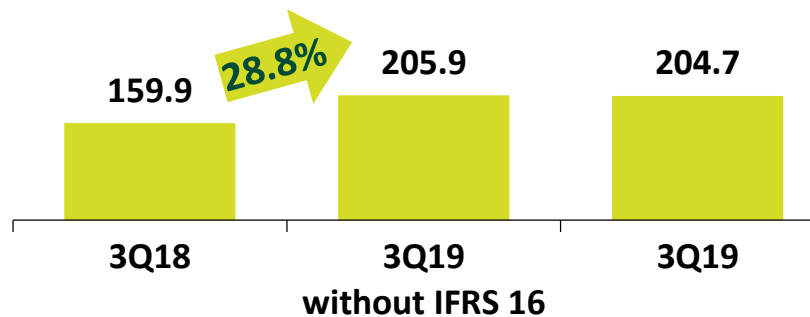
EBITDA (R\$ million)



EBIT (R\$ million)

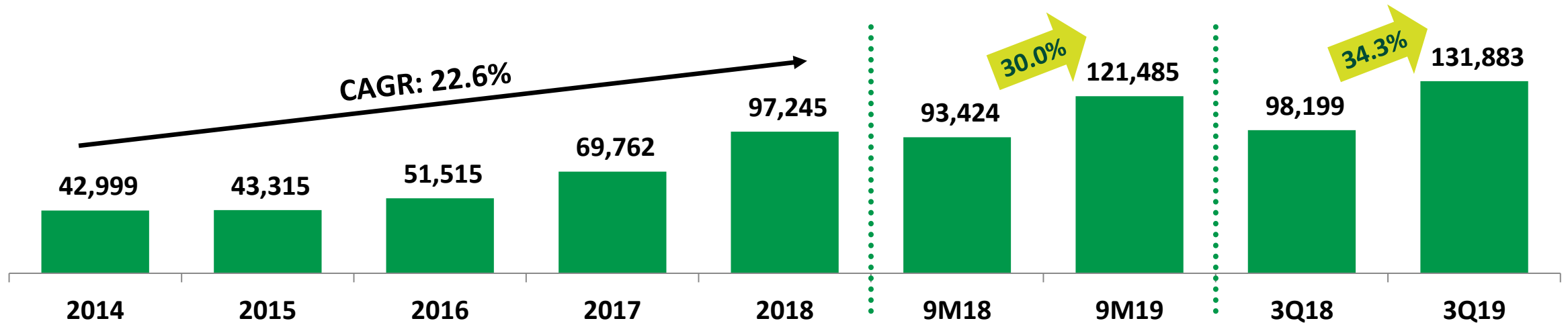


Net income (R\$ million)

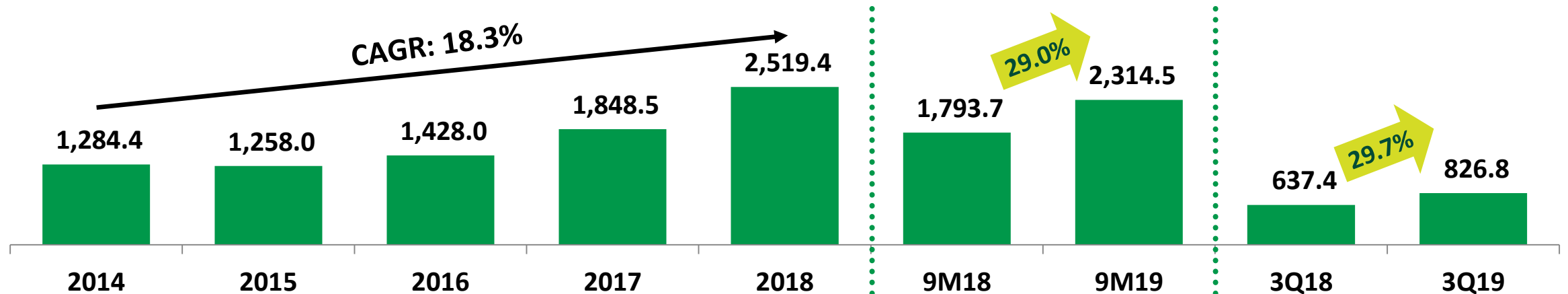


CAR RENTAL

Average rented fleet



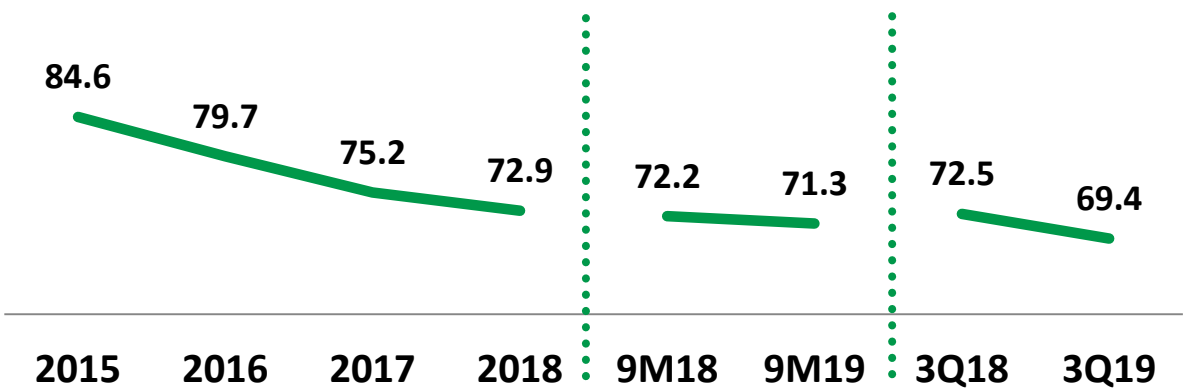
Net revenues (R\$ million)



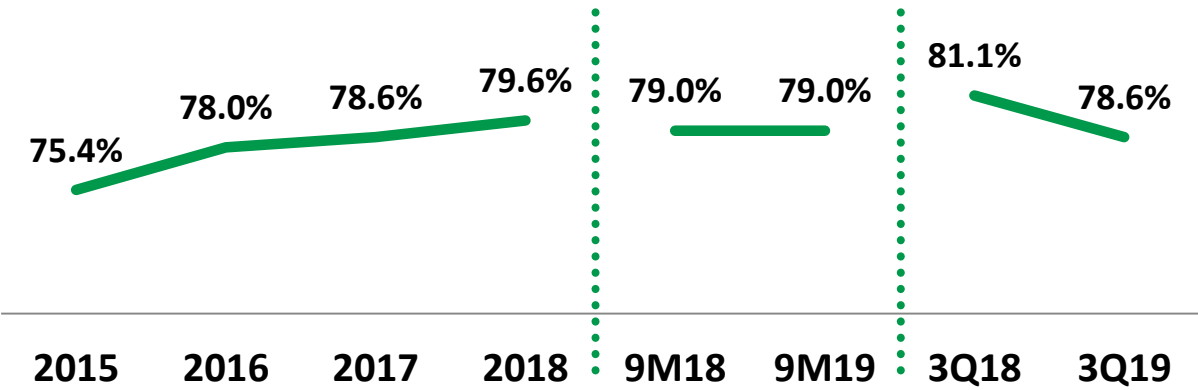
ADDITION OF 32,229 CARS IN 3Q19'S AVERAGE RENTED FLEET IN COMPARISON WITH 3Q18

CAR RENTAL

Average rental rate (in R\$)



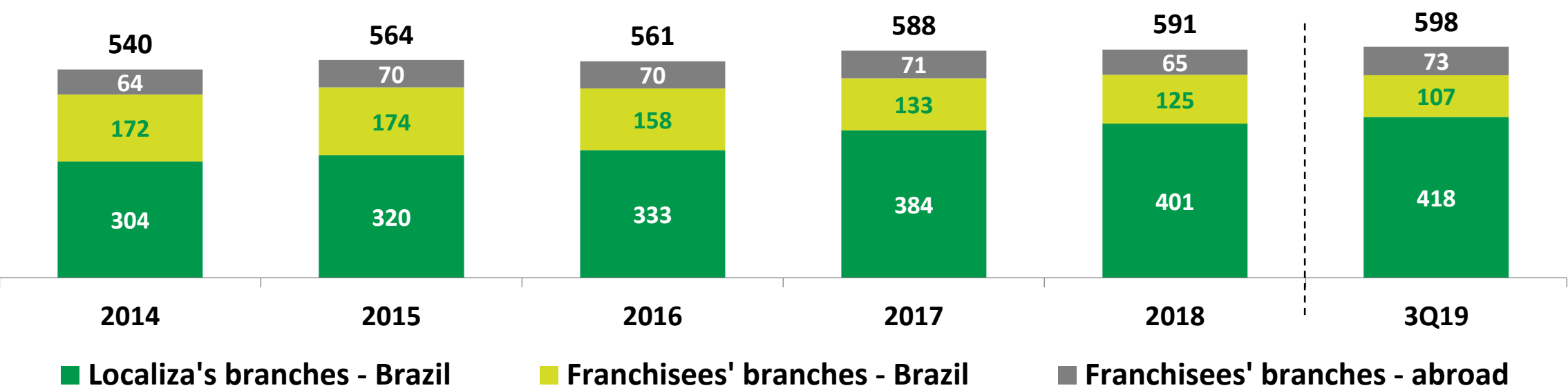
Utilization rate (%)



AVERAGE RENTAL RATE REFLECTING MIX OF SEGMENTS, COMPETITIVE ENVIRONMENT AND INTEREST RATE

CAR RENTAL NETWORK EVOLUTION

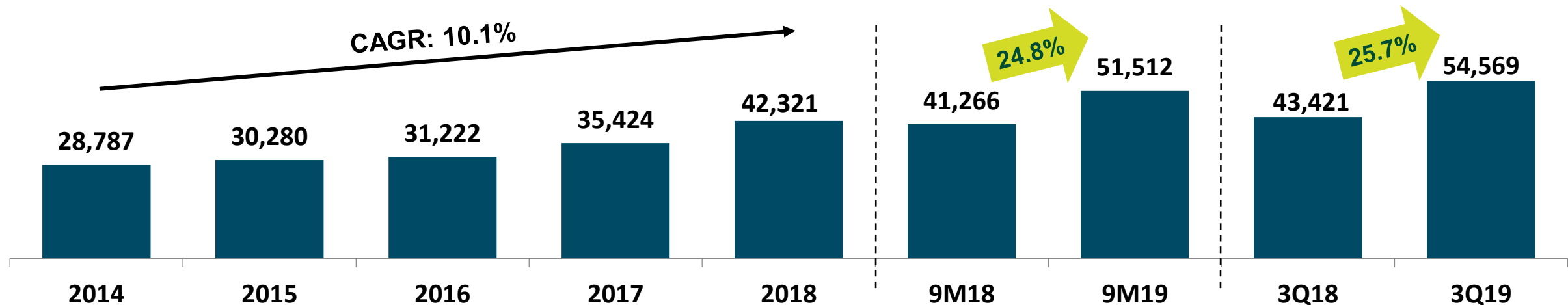
Number of car rental locations - Brazil and abroad



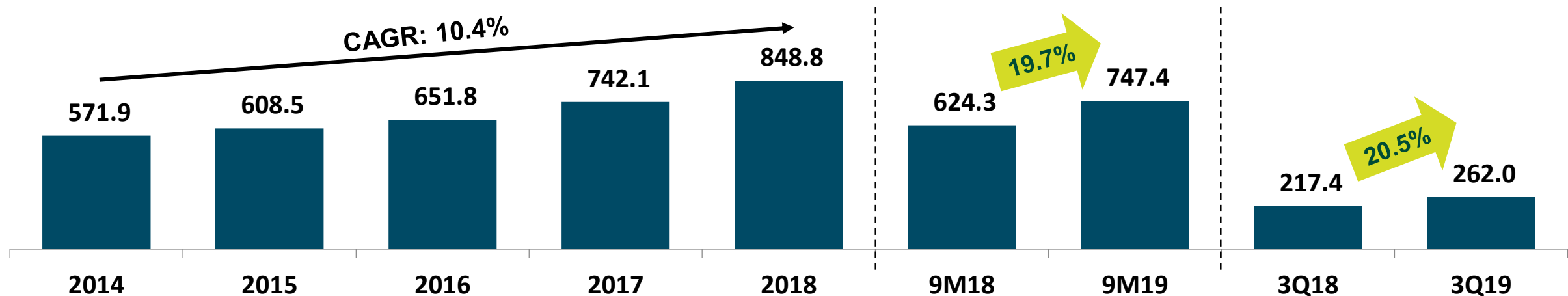
ADDITION OF 17 OWNED LOCATIONS IN BRAZIL

FLEET RENTAL

Average rented fleet



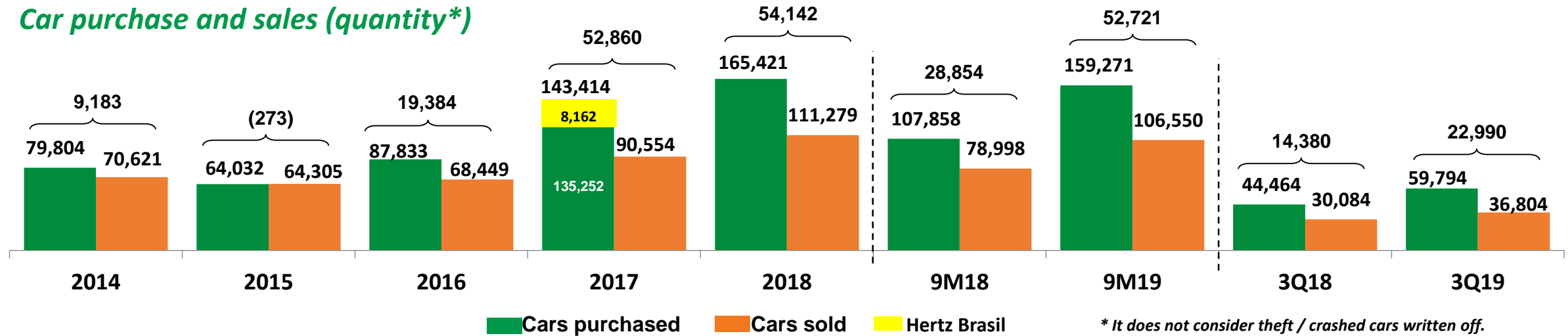
Net revenues (R\$ million)



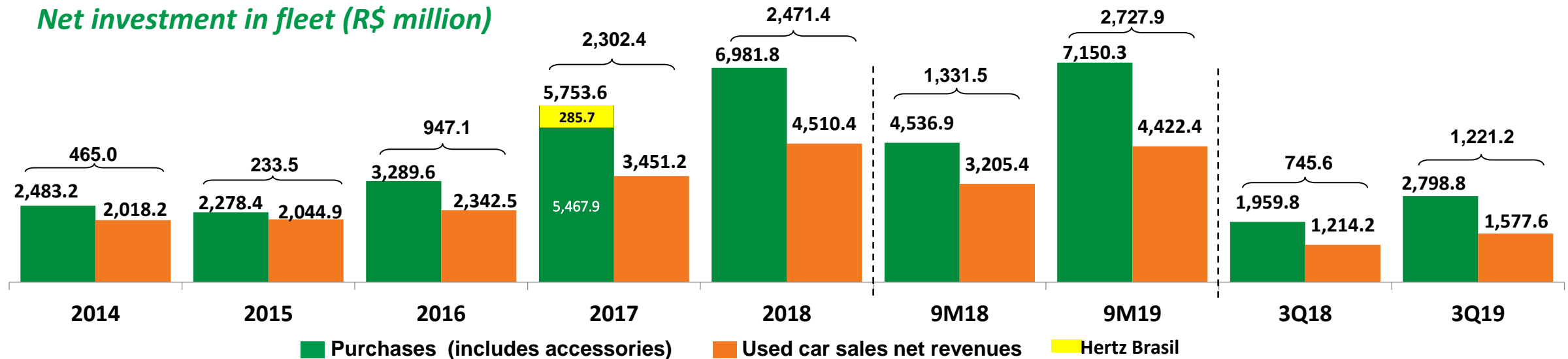
COMERCIAL AND OPERATIONAL EXCELENCE
ACCELERATING THE GROWTH OF THIS DIVISION IN A HIGHLY COMPETITIVE SCENARIO

NET INVESTMENT

Car purchase and sales (quantity*)

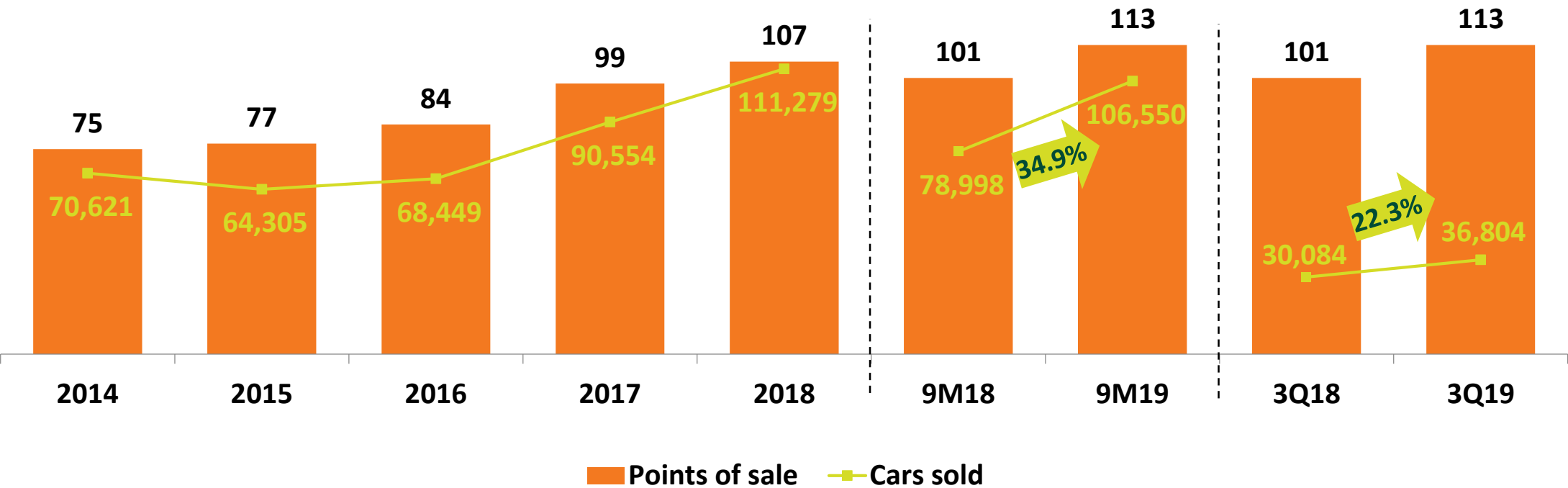


Net investment in fleet (R\$ million)



52,721 CARS ADDED IN 9M19 WITH NET INVESTMENT OF R\$2.7 BILLION

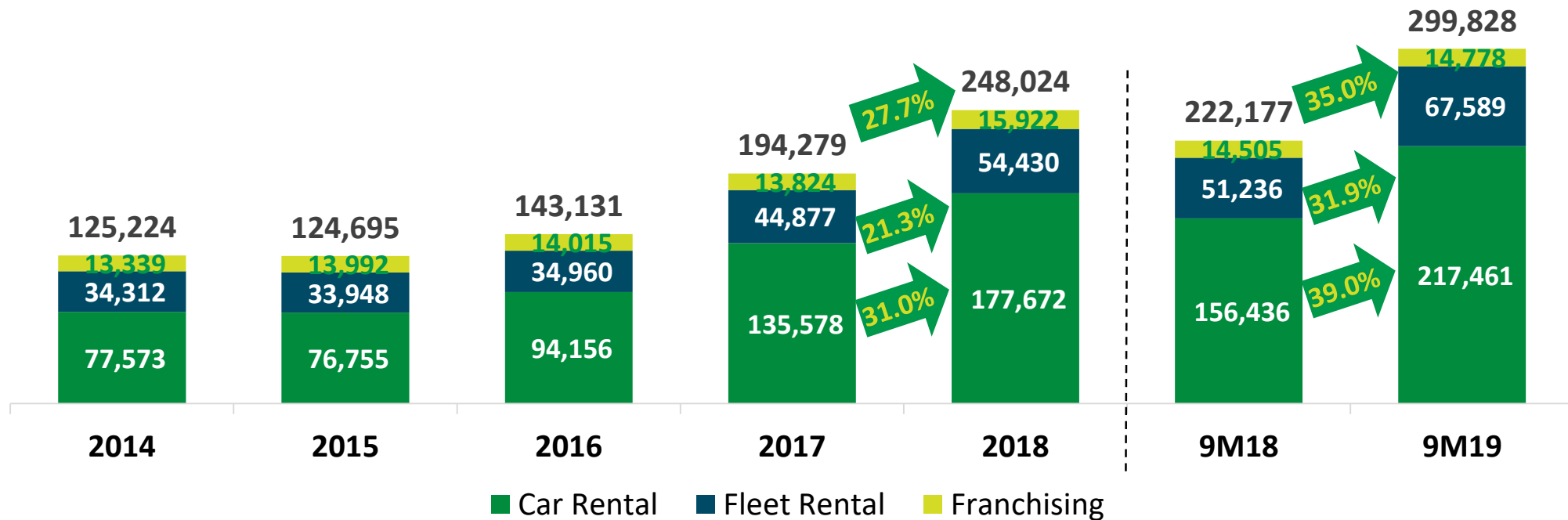
NUMBER OF USED CARS POINTS OF SALE



106,550 CARS SOLD IN 9M19, 34.9% INCREASE COMPARED TO THE SAME PERIOD LAST YEAR

END OF PERIOD FLEET

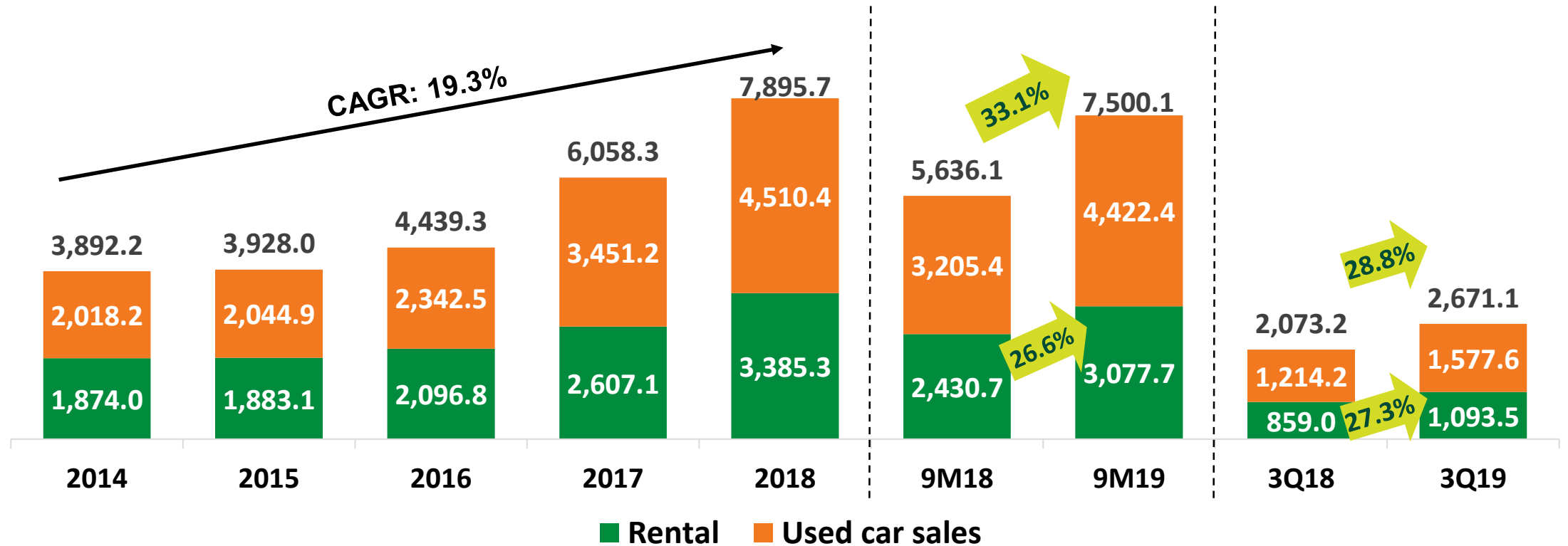
(Quantity)



FLEET GROWTH WITH CONSISTENT UTILIZATION RATE

CONSOLIDATED NET REVENUES

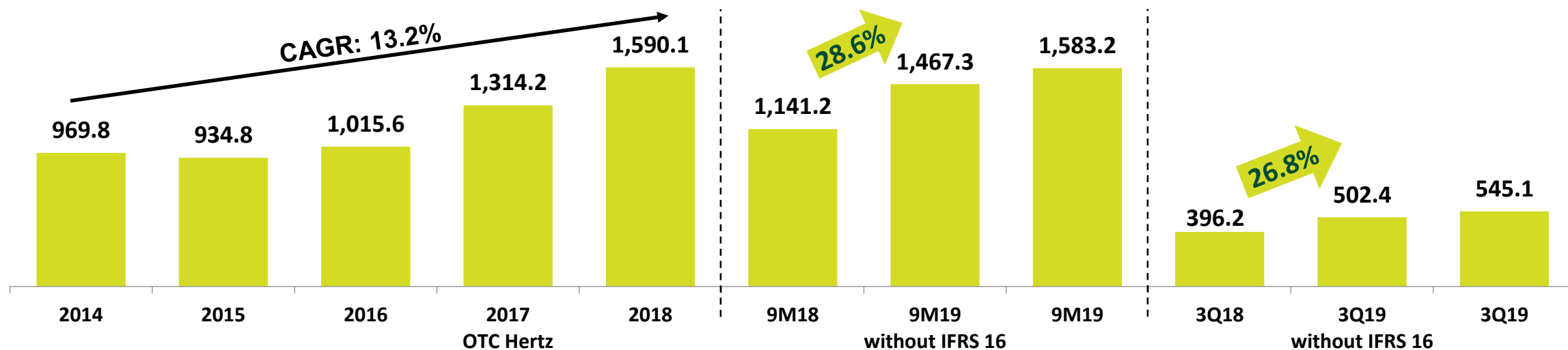
(R\$ million)



28.8% GROWTH IN 3Q19 NET REVENUES

CONSOLIDATED EBITDA

(R\$ million)



Activities	2014	2015	2016	2017*	2018	9M18	9M19 without IFRS 16	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	3Q19 with IFRS 16
Car Rental	38.7%	31.8%	32.3%	34.9%	35.9%	34.3%	38.5%	41.6%	35.1%	36.2%	39.4%
Fleet Rental	60.0%	62.2%	64.5%	61.9%	64.0%	64.2%	62.5%	62.5%	66.7%	61.0%	61.0%
Rental Consolidated	45.3%	41.7%	42.3%	42.6%	43.0%	42.1%	44.4%	46.8%	43.1%	42.2%	44.7%
Used Car Sales	6.0%	7.3%	5.5%	5.9%	3.0%	3.7%	2.3%	3.2%	2.1%	2.6%	3.6%

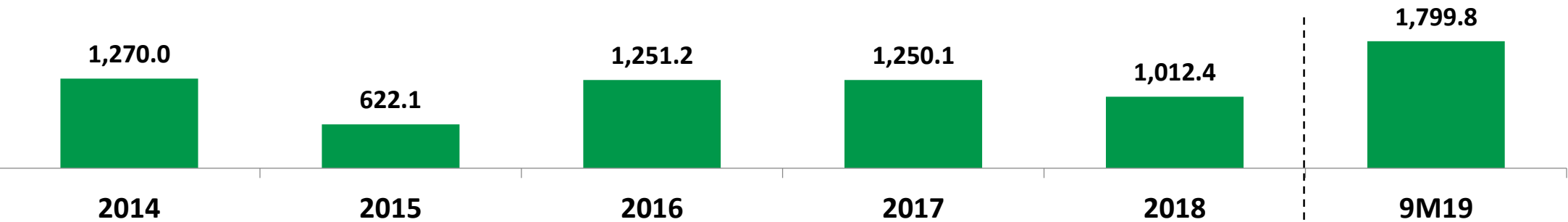
(*) 2017 adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation(**)

OPERATING LEVERAGE IN THE CAR RENTAL BUSINESS

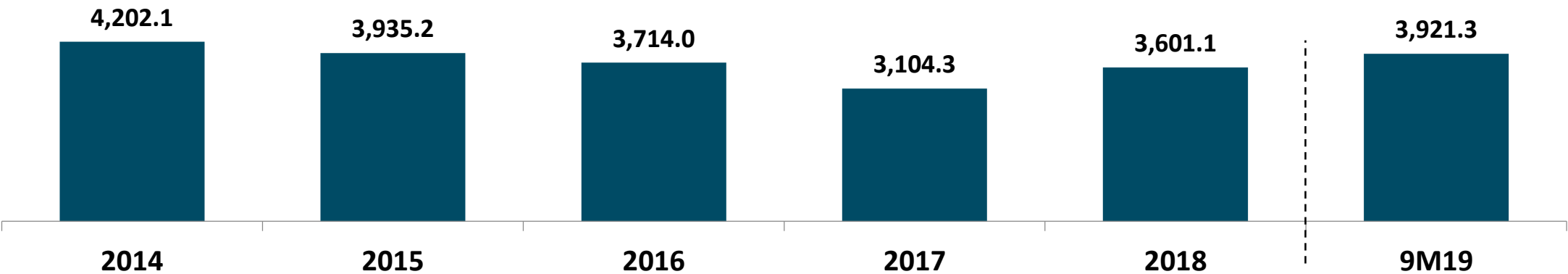
AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

Car Rental



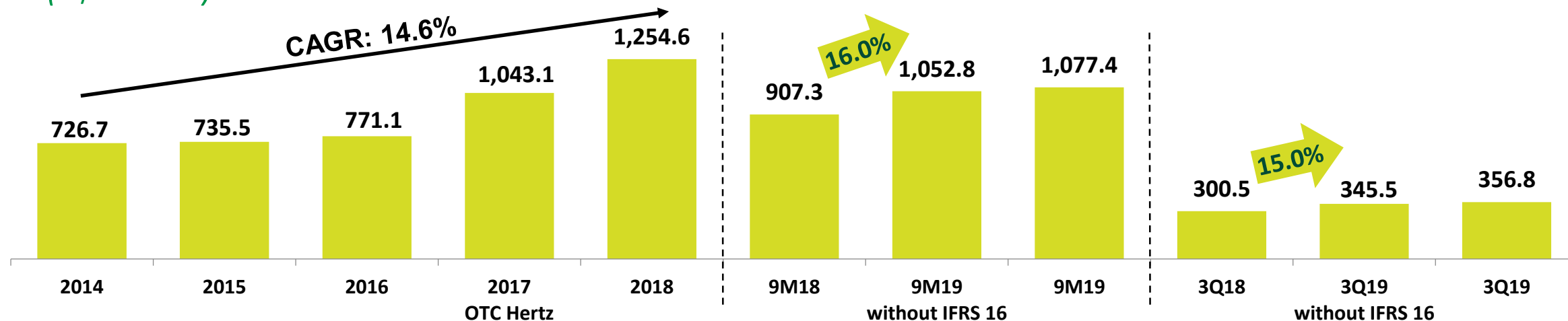
Fleet Rental



DEPRECIATION INCREASE REFLECTS CAR SELLING PRICES

CONSOLIDATED EBIT

(R\$ million)



EBIT Margin:

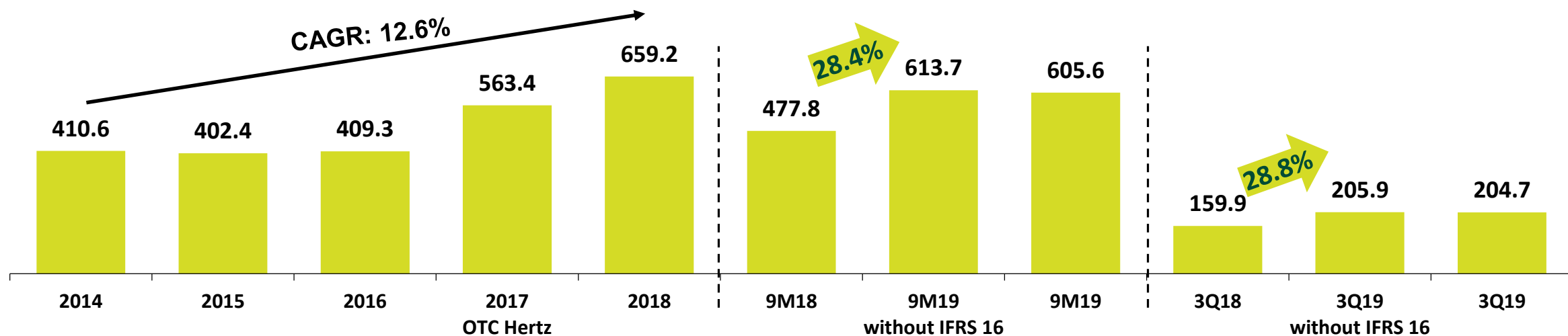
Activities	2014	2015	2016	2017*	2018	9M18	9M19 without IFRS 16	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	3Q19 with IFRS 16
Car Rental	36.2%	34.3%	30.2%	35.5%	33.2%	32.9%	30.5%	31.5%	29.8%	26.9%	28.2%
Fleet Rental	44.3%	48.9%	51.2%	51.4%	48.6%	50.0%	45.3%	45.4%	50.4%	46.0%	46.1%
Consolidated	38.8%	39.1%	36.8%	40.0%	37.1%	37.3%	34.2%	35.0%	35.0%	31.6%	32.6%

(*) 2017 adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

EBIT OF R\$345.5 MILLION IN THE QUARTER, 15% HIGHER THAN 3Q18

CONSOLIDATED NET INCOME

(R\$ million)



Reconciliation EBITDA x Net income	2014	2015	2016	2017*	2018	Var. R\$	Var. %	9M18	9M19 without IFRS 16	Var. R\$	Var. %	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	Var. R\$	Var. %	3Q19 with IFRS 16
Consolidated EBITDA	969.8	934.8	1,015.6	1,314.2	1,590.1	275.9	21.0%	1,141.2	1,467.3	326.1	28.6%	1,583.2	396.2	502.4	106.2	26.8%	545.1
Cars depreciation	(207.4)	(163.6)	(206.3)	(232.0)	(291.6)	(59.6)	25.7%	(201.3)	(380.2)	(178.9)	88.9%	(380.2)	(84.5)	(145.2)	(60.7)	71.8%	(145.2)
Other property depreciation and amortization	(35.7)	(35.7)	(38.2)	(39.1)	(43.9)	(4.8)	12.3%	(32.6)	(34.3)	(1.7)	5.2%	(125.6)	(11.2)	(11.7)	(0.5)	4.5%	(43.1)
EBIT	726.7	735.5	771.1	1,043.1	1,254.6	211.5	20.3%	907.3	1,052.8	145.5	16.0%	1,077.4	300.5	345.5	45.0	15.0%	356.8
Financial expenses, net	(151.1)	(202.7)	(243.5)	(315.0)	(368.9)	(53.9)	17.1%	(261.4)	(262.3)	(0.9)	0.3%	(297.2)	(83.8)	(81.3)	2.5	3.0%	(94.2)
Income tax and social contribution	(165.0)	(130.4)	(118.3)	(164.7)	(226.5)	(61.8)	37.5%	(168.1)	(176.8)	(8.7)	5.2%	(174.6)	(56.8)	(58.3)	(1.5)	2.6%	(57.9)
Net income of the period	410.6	402.4	409.3	563.4	659.2	95.8	17.0%	477.8	613.7	135.9	28.4%	605.6	159.9	205.9	46.0	28.8%	204.7

(*) 2017 adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

28.8% NET INCOME GROWTH IN 3Q19

FREE CASH FLOW

Free cash flow - R\$ million		2014	2015	2016	2017	2018	9M19
Operations	EBITDA	969.8	934.8	1,015.7	1,314.2 [*]	1590.1	1,583.2
	Used car sale revenue, net from taxes	(2,018.2)	(2,044.9)	(2,342.6)	(3,451.2)	(4,510.4)	(4,422.4)
	Depreciated cost of cars sold	1,777.0	1,769.1	2,102.5	3,106.6	4,198.5	4,180.4
	(-) Income tax and social contribution	(113.1)	(110.7)	(93.3)	(108.3)	(131.2)	(111.2)
	Change in working capital	(27.1)	(30.0)	(40.8)	(47.9)	(117.4)	(249.5)
Cash generated by rental operations		588.4	518.3	641.5	813.4	1,029.6	980.5
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2,018.2	2,036.3	2,342.6	3,451.2	4,510.4	4,422.4
	Fleet renewal investment	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(4,696.7)	(4,783.4)
	Change in accounts payable to car suppliers for fleet renewal	120.0	(25.4)	219.8	227.6	250.1	312.1
	Net investment for fleet renewal	(59.5)	(267.5)	(1.2)	17.9	63.8	(48.9)
Fleet renewal – quantity		70,621	64,032	68,449	90,554	111,279	106,550
Investment, property and intangible		(46.3)	(29.7)	(40.9)	(28.8)	(42.8)	(33.2)
Free cash flow from operations, before growth		482.6	221.1	599.4	802.5	1,050.6	898.4
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(286.8)	8.6	(726.0)	(1,807.0)	(2,285.1)	(2,366.9)
	Change in accounts payable to car suppliers for fleet growth	214.4	(23.9)	26.8	168.7	509.4	3.4
	Hertz Brasil acquisition and franchisees incorporation - fleet	-	-	-	(285.7)	-	- 26.40
	Net investment for fleet growth	(72.4)	(15.3)	(699.2)	(1,924.0)	(1,775.7)	(2,389.9)
Fleet increase / (reduction) – quantity		9,183	(273)	19,384	52,860	54,142	52,721
Free cash flow after growth		410.2	205.8	(99.8)	(1,121.5)	(725.1)	(1,491.5)
Capex - non-recurring	Hertz Brasil acquisition and franchisees incorporation - except fleet	-	-	-	(121.5)	-	- 18.50
	New headquarters construction and furniture	(148.3)	(30.7)	(85.7)	(146.2)	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		261.9	175.1	(185.5)	(1,389.2)	(725.1)	(1,510.0)
Cash effects of receivables and anticipation of payables to suppliers (**)		-	(71.9)	98.0	88.3	(113.2)	(119.1)
Free cash flow before interest		261.9	103.2	(87.5)	(1,300.9)	(838.3)	(1,629.1)

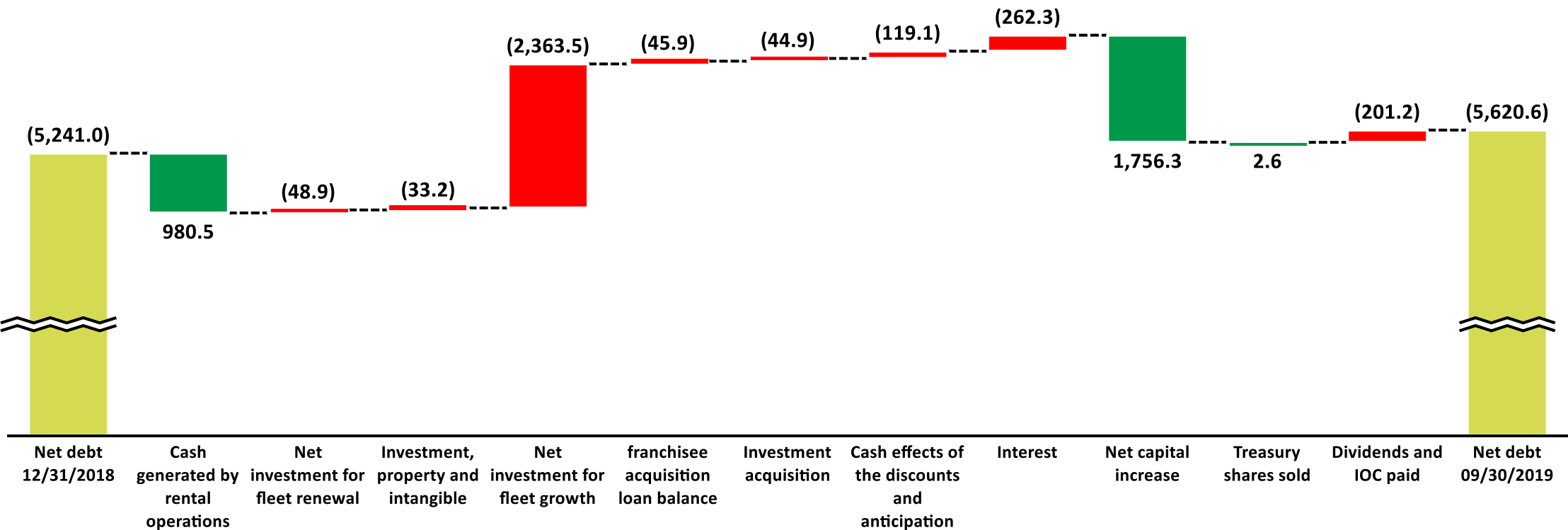
In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediately liquidity

(*) 2017 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 considered only the contractual terms, reflecting the Company's operation

CHANGE IN NET DEBT

(R\$ million)

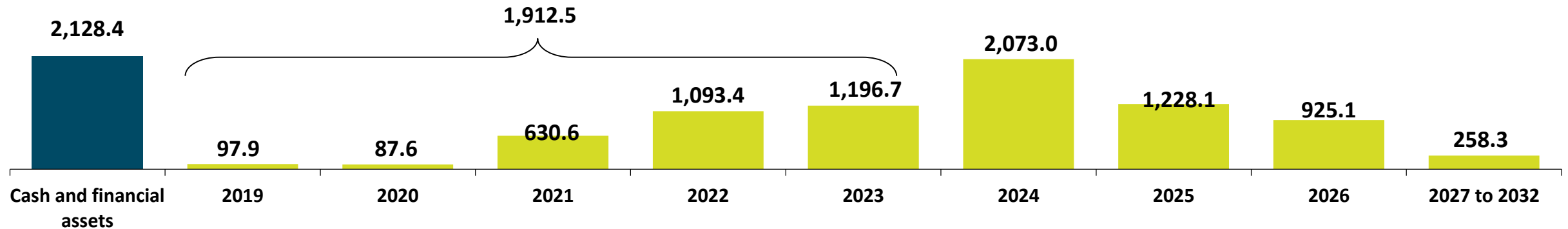


R\$379.6 MILLION INCREASE IN NET DEBT IN THE 9M19

DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of September 30, 2019

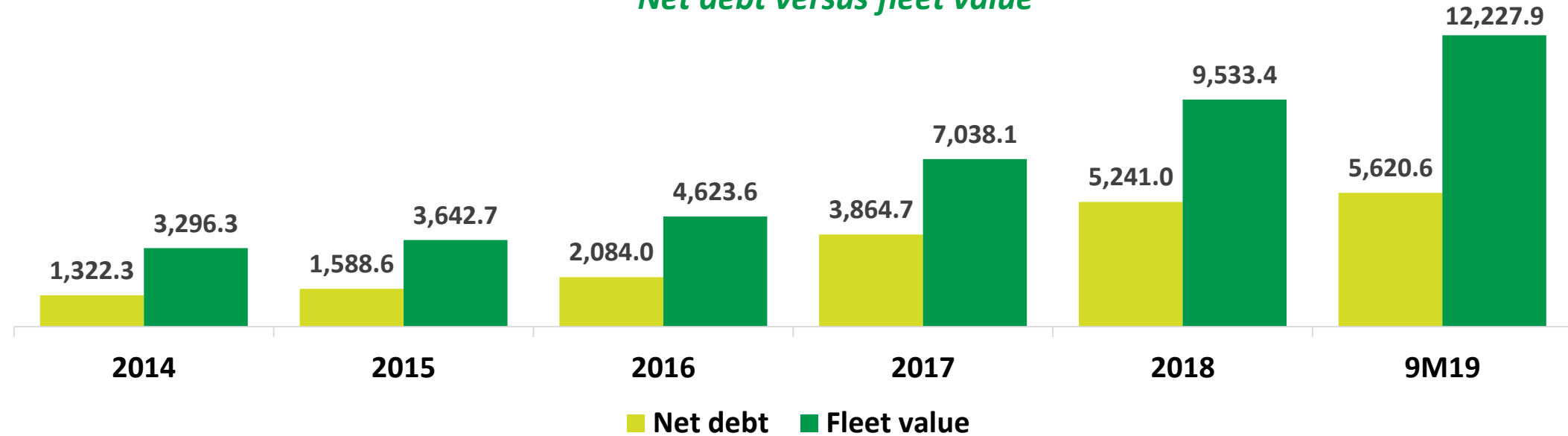


COMFORTABLE DEBT PROFILE AFTER THE ISSUANCES OF PROMISSORY NOTES AND DEBENTURES

DEBT RATIOS

(R\$ million)

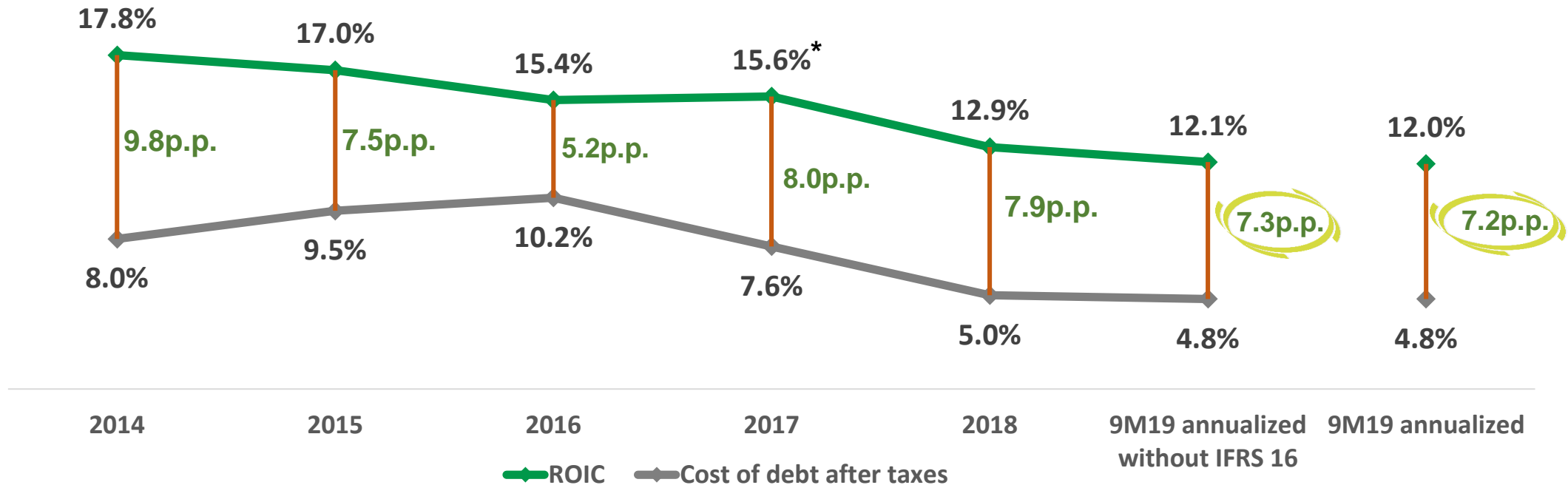
Net debt versus fleet value



BALANCE AT THE END OF PERIOD	2014	2015	2016	2017	2018	9M19 without IRFS 16	9M19 with IRFS 16
Net debt / Fleet value	40%	44%	45%	55%	55%	46%	46%
Net debt / annualized EBITDA	1.4x	1.7x	2.1x	2.9x	3.3x	2.9x	2.7x
Net debt / Equity	0.8x	0.8x	0.9x	1.5x	1.7x	1.1x	1.1x
EBITDA / Net financial expenses	6.4x	4.6x	4.2x	4.2x	4.3x	5.6x	5.3x

DEBT RATIOS REFLECT STRONG GROWTH AND LOWER INTEREST RATES

ROIC *VERSUS* COST OF DEBT AFTER TAXES



(*) 2017 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 GROWTH AND VALUE GENERATION IN A HIGHLY COMPETITIVE ENVIRONMENT

DISCLAIMER

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