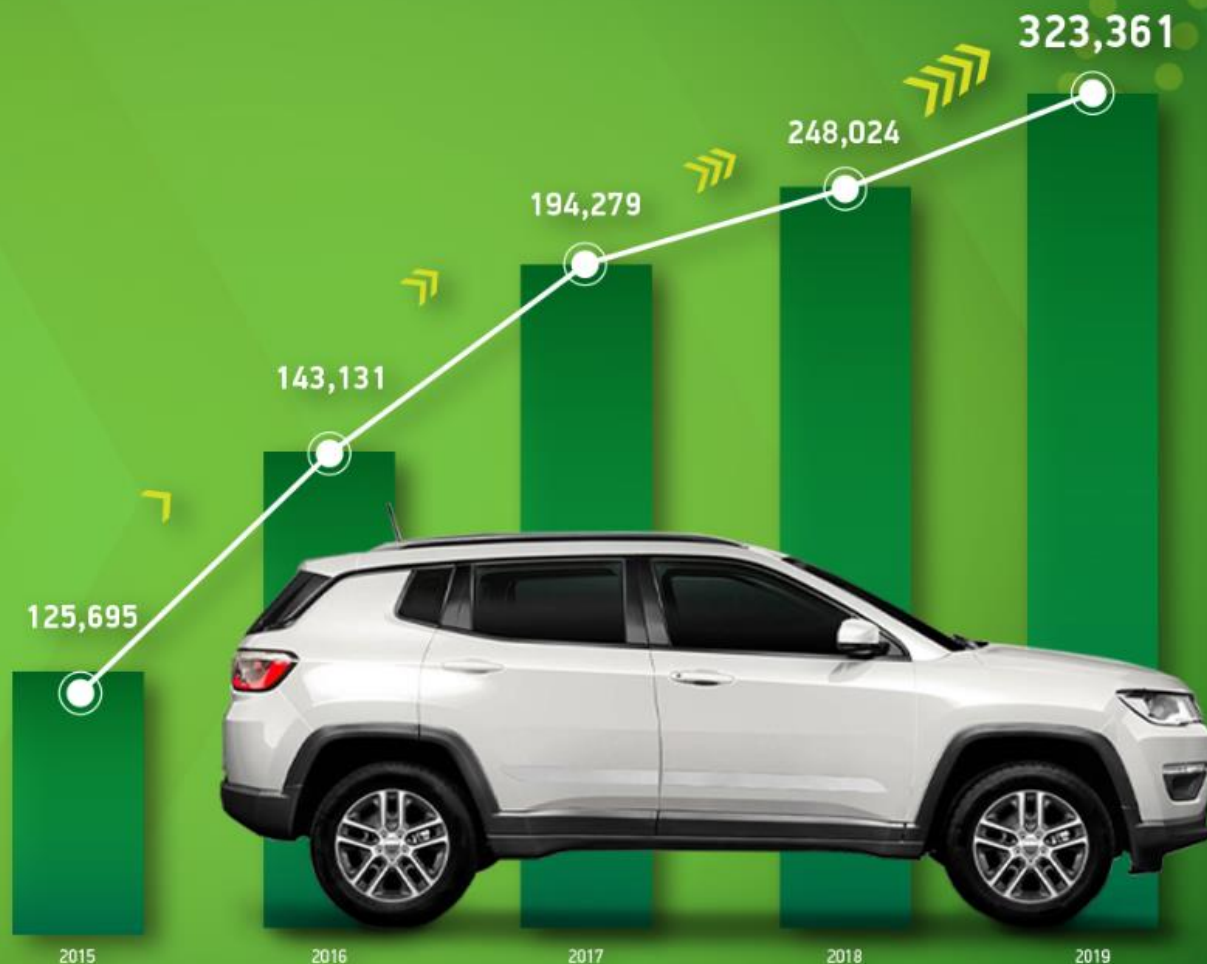


Investor Relations Presentation

April, 2020.



AGENDA

- 1) COMPANY OVERVIEW
- 2) COMPETITIVE ADVANTAGES
- 3) MAIN BUSINESS DIVISIONS
 1. CAR RENTAL
 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



COMPANY HISTORY:

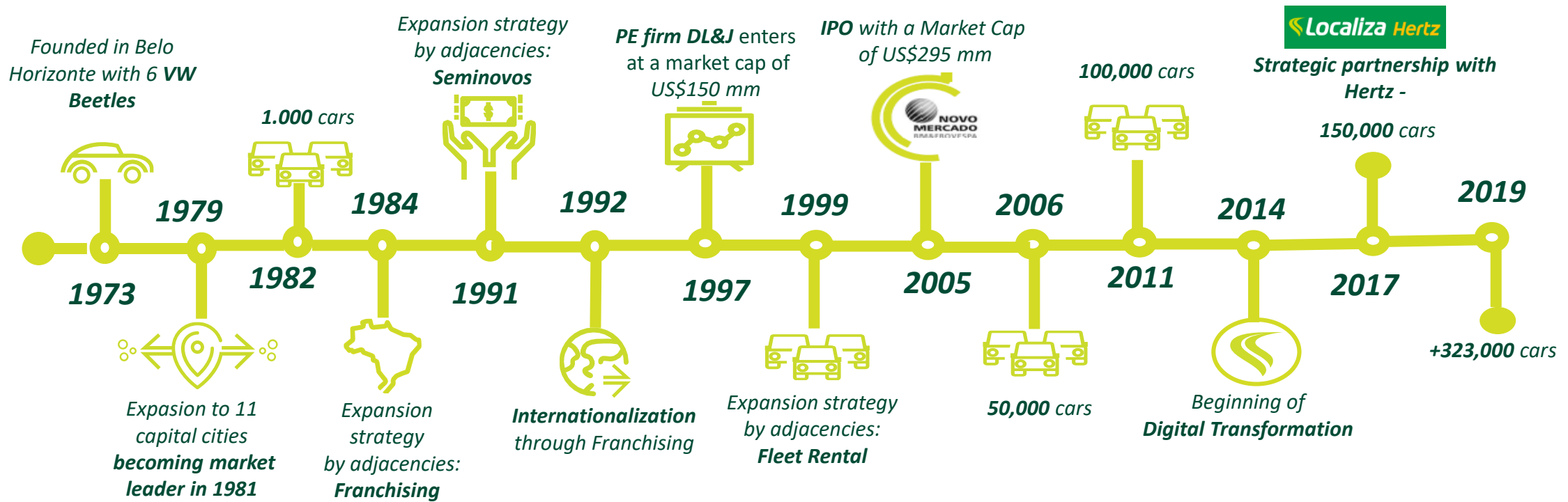
MILESTONES

Phase I: Rise to #1

Phase II: Expansion

Phase III: Reaching Scale

Phase IV: Digital Transformation



INTEGRATED BUSINESS PLATFORM

4Q19



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

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

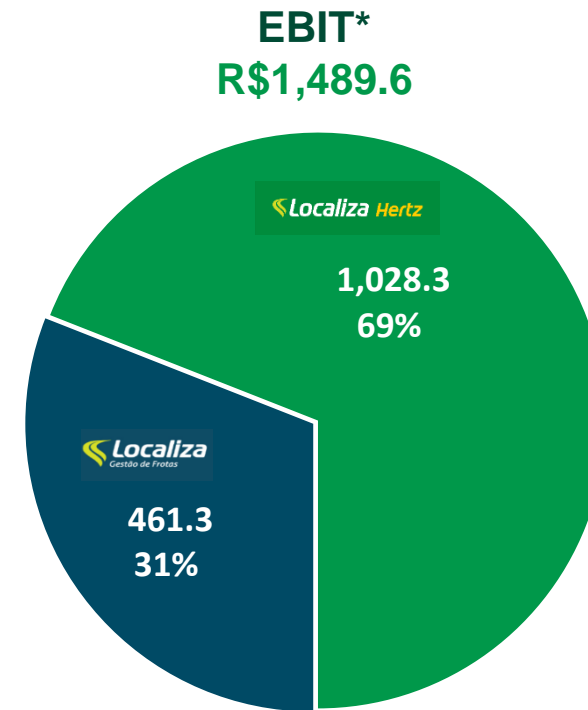
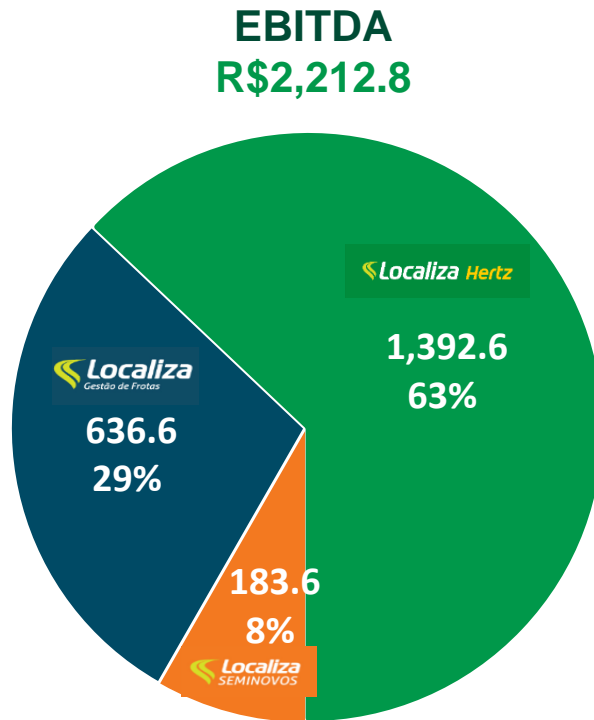


SELLS THE USED CARS AFTER THE END OF CARS' SERVICES AS RENTAL CARS AND ESTIMATES THE RESIDUAL VALUES

- 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 – 2019

R\$ million



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

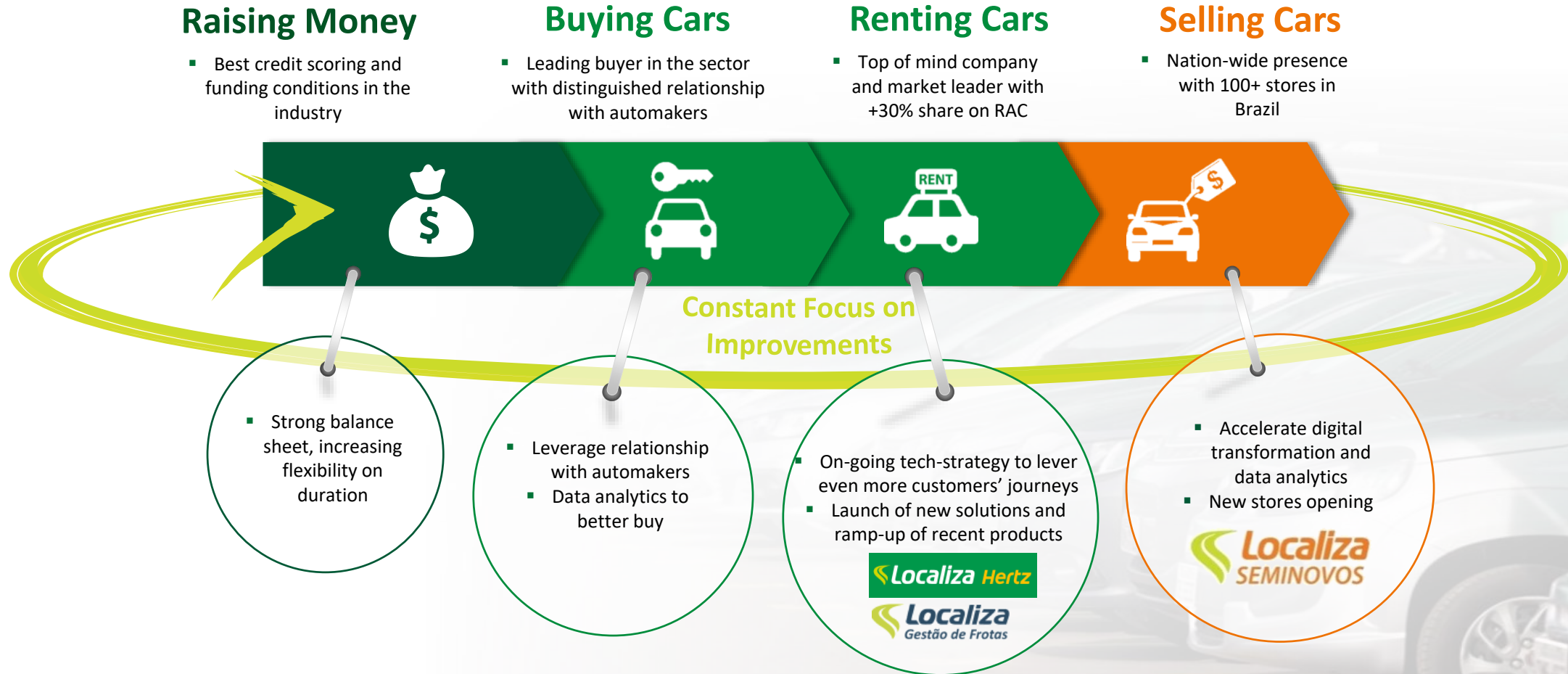
COMPANY'S PROFITABILITY COMES FROM CAR RENTAL AND FLEET RENTAL DIVISIONS

AGENDA

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



OUR KEY PILLARS AND COMPETITIVE ADVANTAGES FOR CONTINUED GROWTH




COMPETITIVE ADVANTAGES

RAISING MONEY CHEAPER THAN EVERYBODY ELSE

Ratings: National and Global



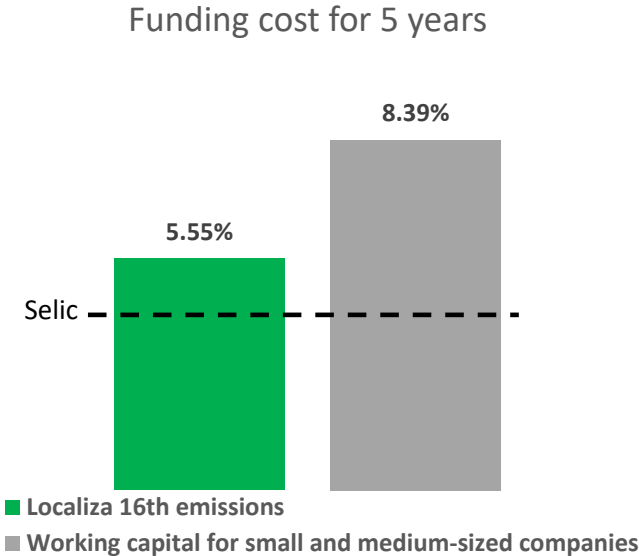
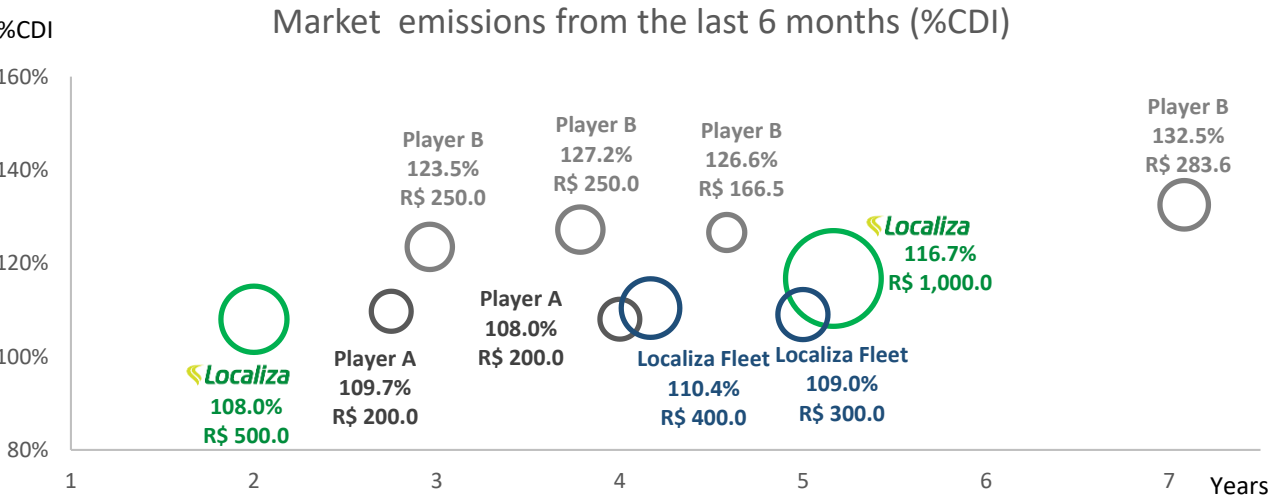
	Localiza	Player A	Player B
STANDARD & POOR'S	AAA	AAA	AA
Moody's	Aa1	-	-
FitchRatings	AAA	AAA	AA-



	Localiza	Hertz	avis budget	Europcar
STANDARD & POOR'S	BB+	B+	BB	BB-
Moody's	Ba2	-	-	B1
FitchRatings	BB	-	-	-

Market Emissions

R\$mm and % of CDI



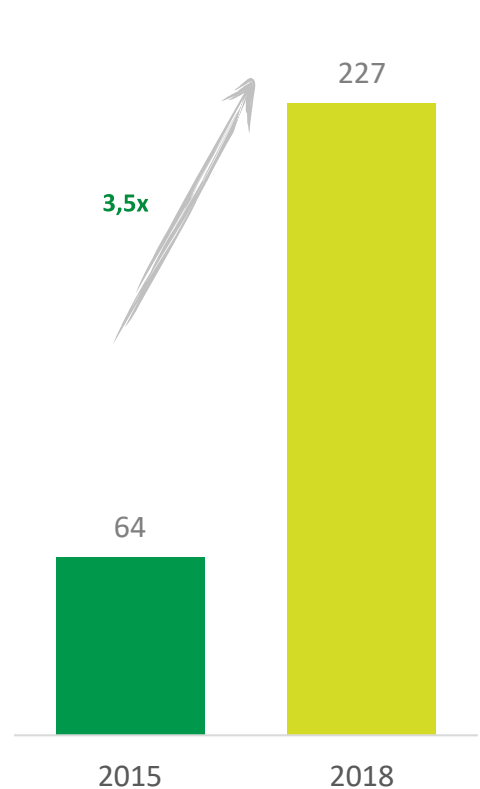
Source: Bloomberg January, 2020 and Companies' public information.

COMPETITIVE ADVANTAGES

BUYING CARS

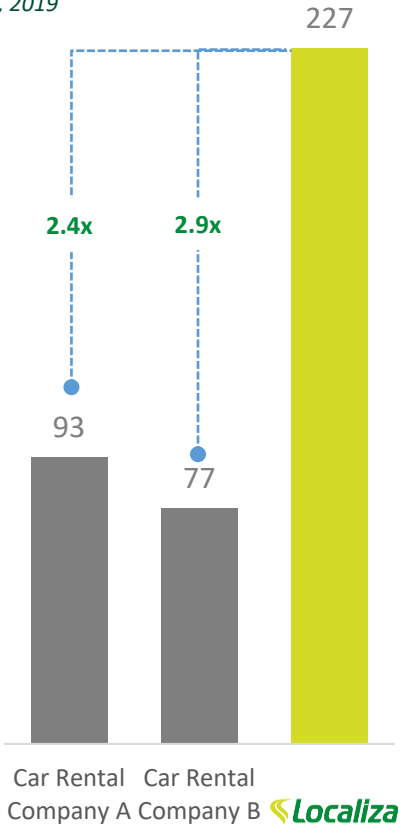
Total Purchased Vehicles

Thousand



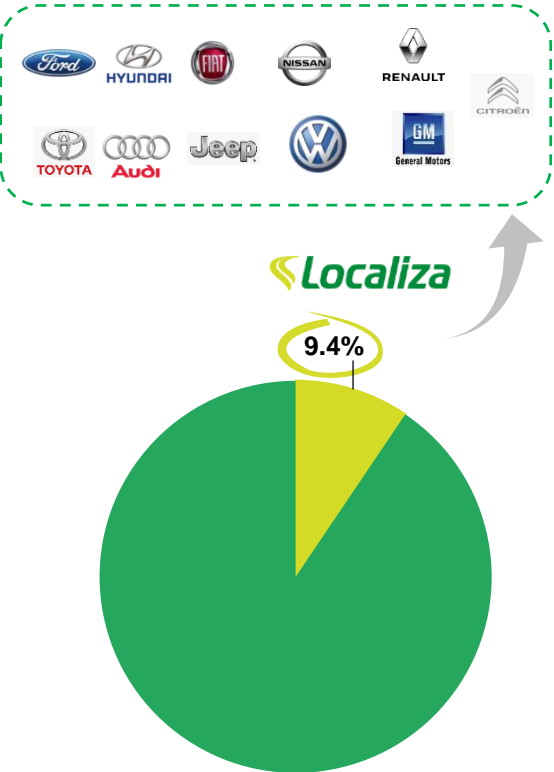
Purchased Vehicles: Competitive Landscape

Thousand, 2019



Share in Brazilian Automakers' Sales

% of total sales, 2019



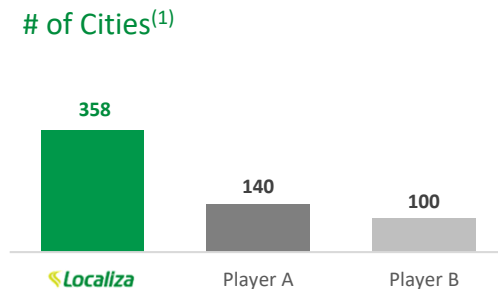
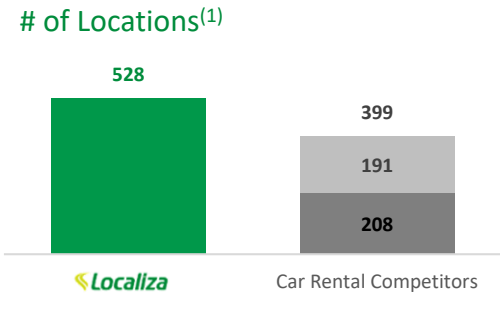
LOCALIZA BUYS CARS WITH BETTER CONDITIONS DUE TO THE VOLUME OF PURCHASES.

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...



10.0 million clients (4Q19)

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 4Q19 for Localiza and according to each competitors' website as of January, 2020

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



123 points of sale (4Q19)

Selling cars

Distribution

84 cities in Brazil
Digital sale

Sales final consumer

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

Big data

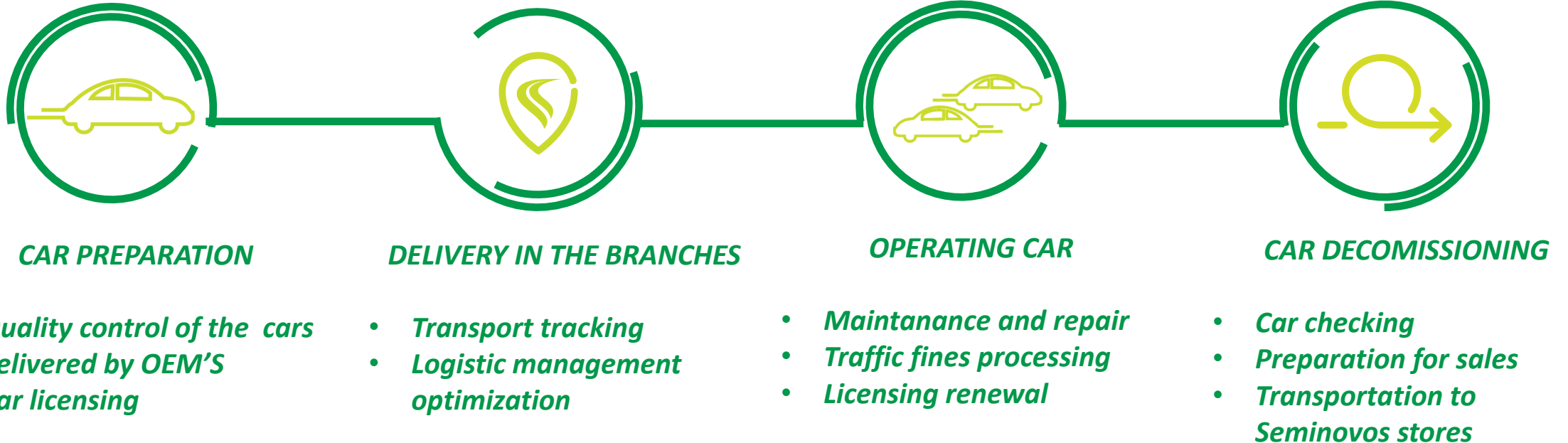
Best understanding of
costumer preference
Pricing estimate
- Depreciation /+ Residual Value
Input for car purchase

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



- ✓ 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

SUSTAINABILITY

main initiatives



Environmental

- Car dry cleaning
- Solar energy
- Management and transparency in Greenhouse Gas Emissions (GHG)
- Supplying the fleet with etanol (less polluting)
- Responsible disposal of vehicle maintenance waste



SOCIAL

- Community Development Program Surrounding Localiza Headquarters
- Immigrant Inclusion and Hiring Program
- Pregnant Women Support Program (for employees)
- Localiza University: digital education platform (for employees)
- Green Seed (internal volunteering)
- Traffic safety campaigns and actions



GOVERNANCE

- Commitment to the Business Pact for Integrity and Against Corruption (Instituto Ethos)
- Annual communication and training on the Code of Ethics and Conduct
- Compliance and Ethics Week. Confidential Channel
- Due diligence for intermediary third parties

***We are signatories to
The ONU Global Compact***

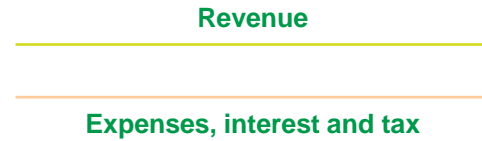


Network Brazil
WE SUPPORT

CAR RENTAL: FINANCIAL CYCLE 2018

Per car
1 year cycle

Car sale revenue
net of SG&A
R\$40.3

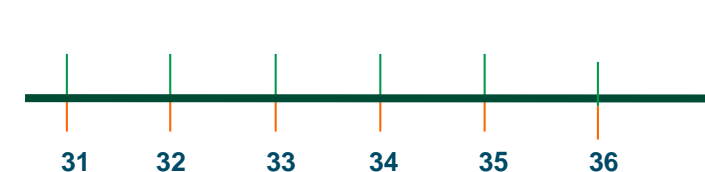
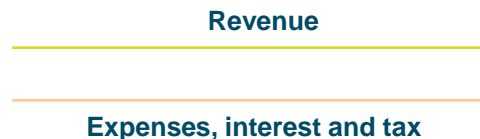


	Car Rental		Seminovos		Total
	Per operating car		Per car sold		1 year
	R\$	%	R\$	%	R\$
Net revenues	17.4	100.0%	42.5	100.0%	59.9
Costs - fixed and variable	(6.4)	-36.5%			(6.4)
SG&A	(3.1)	-18.0%	(2.3)	-5.5%	(5.5)
Net revenues of car sold			40.1	94.5%	40.1
Book value of car sold			(39.2)	-92.2%	(39.2)
EBITDA	7.9	45.5%	1.0	2.3%	8.9
Cars Depreciation			(1.9)	-4.5%	(1.9)
Others depreciation	(0.6)	-3.5%	(0.3)	-0.7%	(0.9)
Financial expenses			(1.5)	-3.6%	(1.5)
Taxes	(1.7)	-9.7%	0.6	1.5%	(1.1)
Net Income (Loss)	5.6	32.3%	(2.1)	-5.0%	3.5
NOPAT					4.7
ROIC (it considers only cars in capital invested)					10.8%
Cost of debt after taxes					4.6%

FLEET RENTAL: FINANCIAL CYCLE 2018

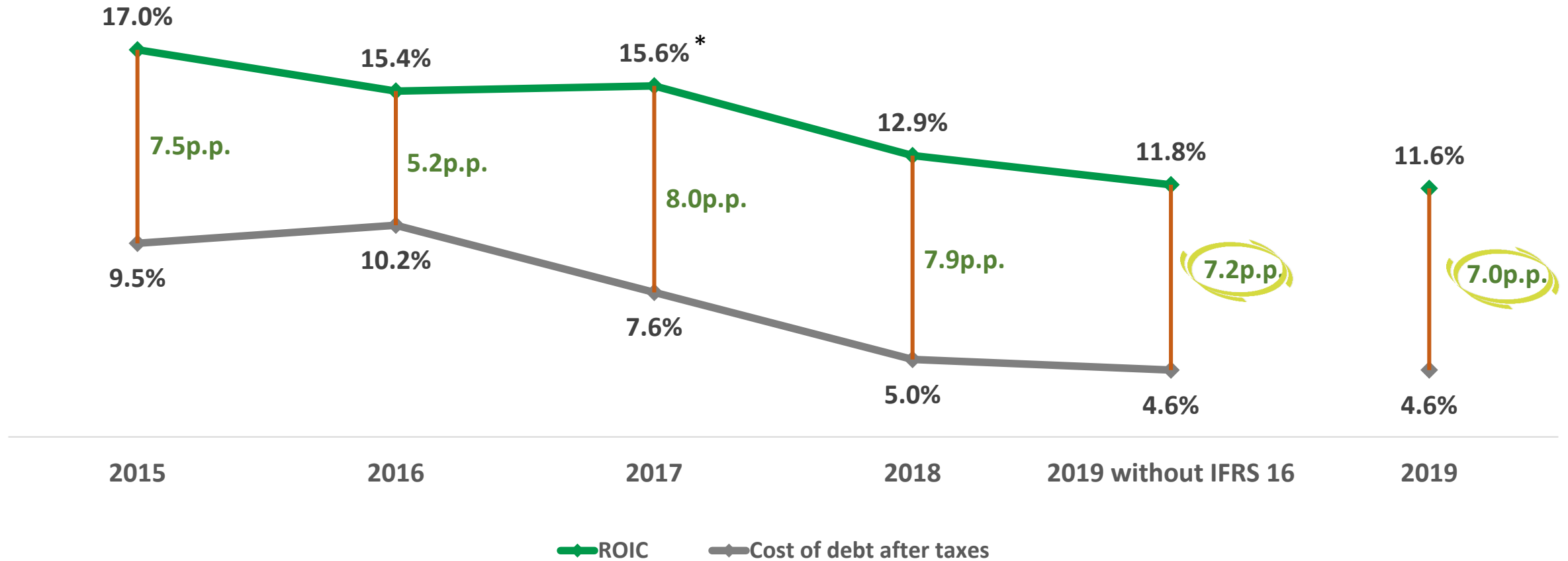
Per car
3 year cycle

Car sale revenue
net of SG&A
R\$36.8



	Fleet Rental		Seminovos		Total
	Per operating car		Per car sold		3 years
	R\$	%	Seminovos	%	R\$
Net revenues	50.6	100.0%	38.5	100.0%	89.1
Costs - fixed and variable	(11.9)	-23.4%			(11.9)
SG&A	(4.5)	-8.8%	(1.8)	-4.7%	(6.3)
Net revenues of car sold			36.7	95.3%	36.7
Book value of car sold			(33.8)	-87.7%	(33.8)
EBITDA	34.3	67.7%	2.9	7.5%	37.2
Cars Depreciation			(11.8)	-30.6%	(11.8)
Others depreciation	(0.3)	-0.6%	(0.4)	-0.9%	(0.7)
Financial expenses			(5.5)	-14.3%	(5.5)
Taxes	(7.6)	-14.9%	3.3	8.5%	(4.3)
Net Income (Loss)	26.4	52.2%	(11.5)	-29.8%	14.9
Net Income (Loss) - per year	8.8	52.2%	(3.8)	-29.8%	5.0
NOPAT					6.4
ROIC (it considers only cars in capital invested)					14.1%
Cost of debt after taxes					4.6%

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

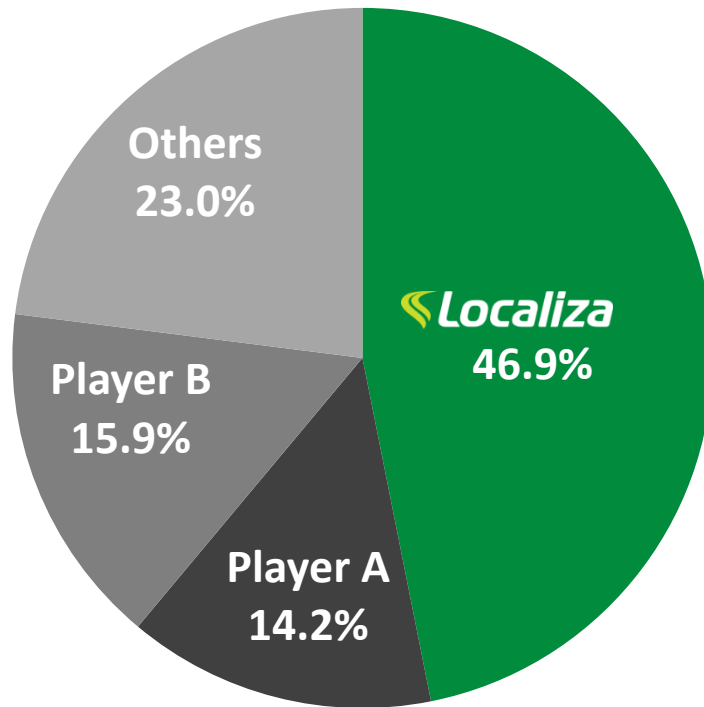
- 1) COMPANY OVERVIEW
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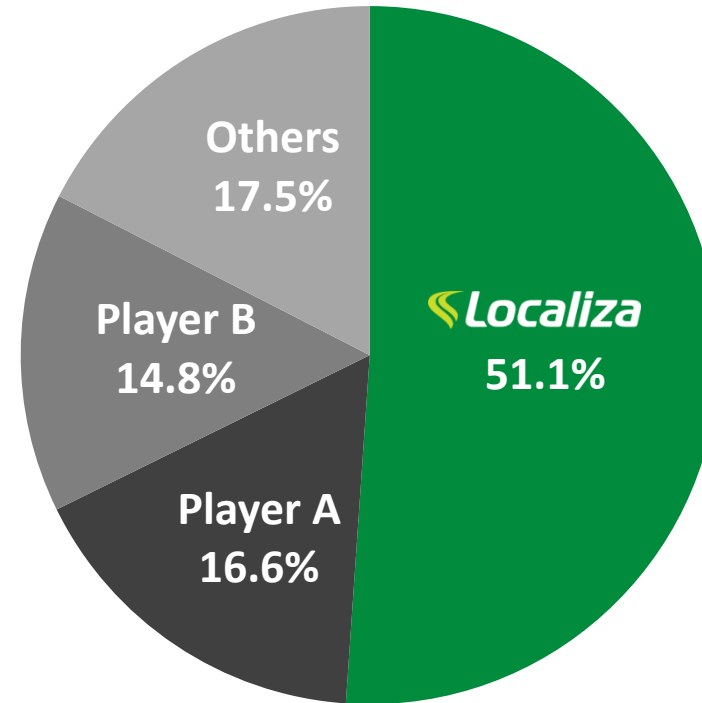
CAR RENTAL: MARKET SHARE

FLEET

MARKET SIZE
2018: 396,639 CARS



MARKET SIZE
2019: 478,760 CARS



*Localiza's market share includes fleet from franchisees in Brazil

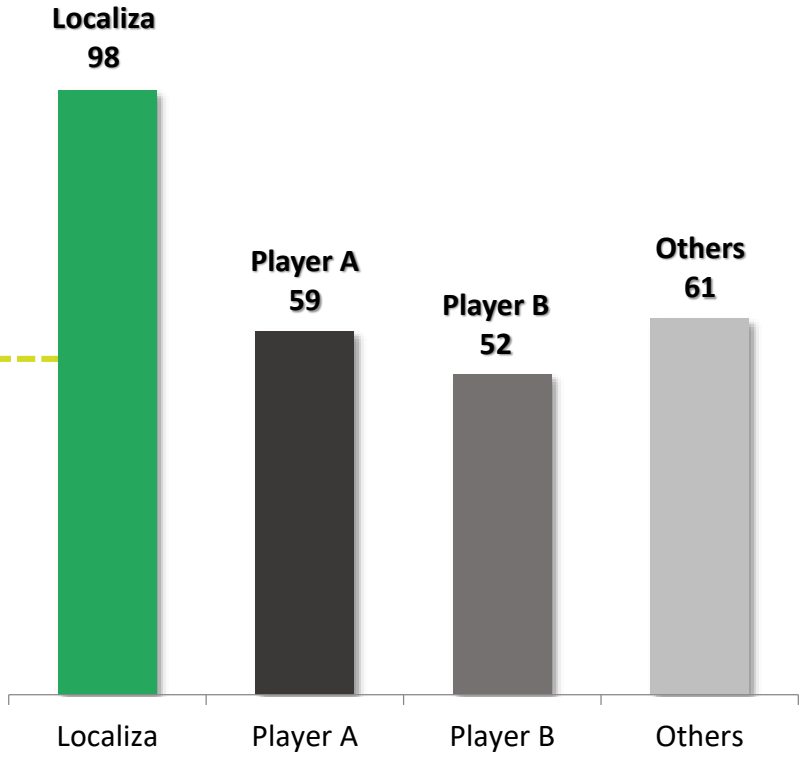
Source: ABLA, considering the breakdown reported applied on the fleet

CAR RENTAL LOCATIONS IN BRAZIL

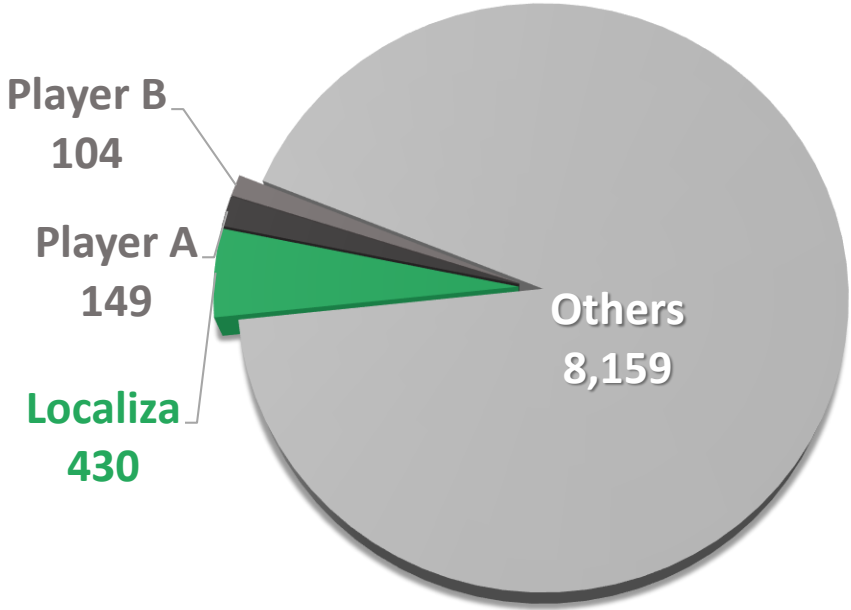
1/3 OF CAR RENTAL'S REVENUES COMES FROM AIRPORT LOCATIONS



AIRPORT LOCATIONS



OFF – AIRPORT LOCATIONS



OFF – AIRPORT MARKET IS STILL FRAGMENTED

Source: ABLA, each company's website on January, 2020 and Localiza's 4Q19 Earnings Release.

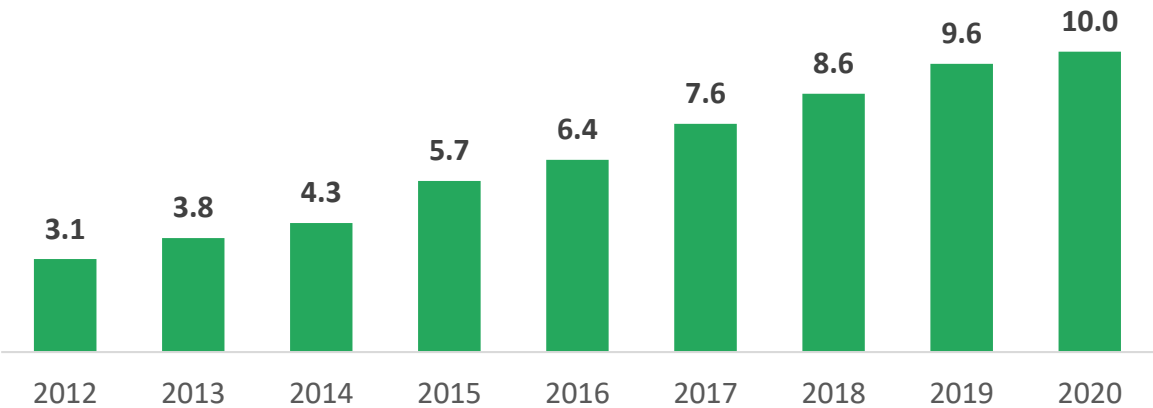
CAR RENTAL: DRIVERS



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

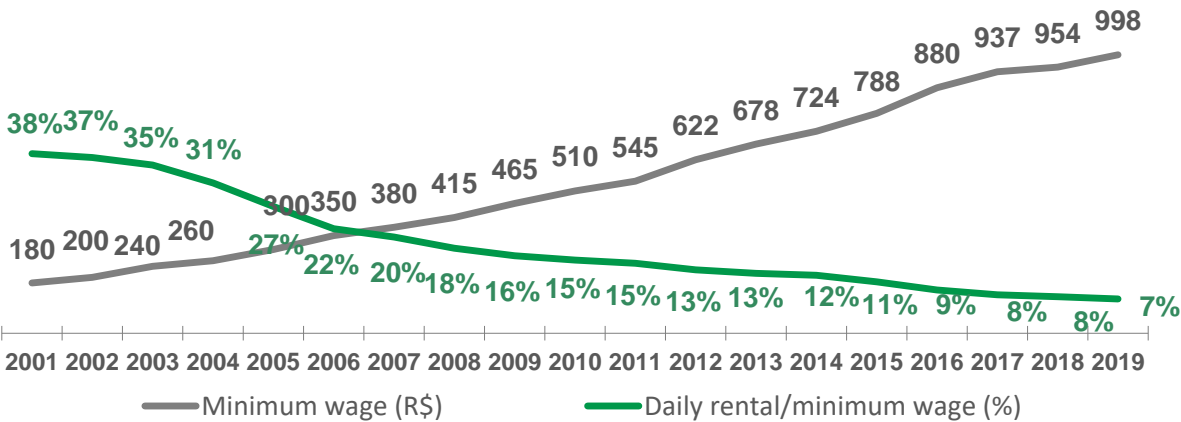
*Considering that each credit card owner owns 1,3 credit cards, BCB estimated that were 84 million active credit cards in Brazil in 2016.

LOCALIZA RAC USERS (MILLION)*



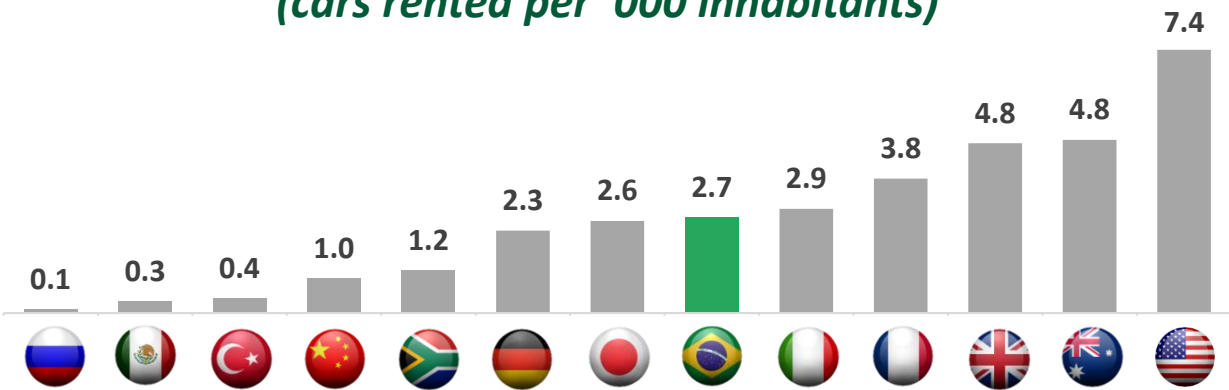
*considering only the individual segment.

CAR RENTAL AFFORDABILITY



Source: BCB and Localiza rates

CAR RENTAL PENETRATION (cars rented per '000 inhabitants)



Source: Euromonitor

INCREASING AFFORDABILITY AND LOW PENETRATION BRINGS GROWTH OPPORTUNITIES.

AGENDA

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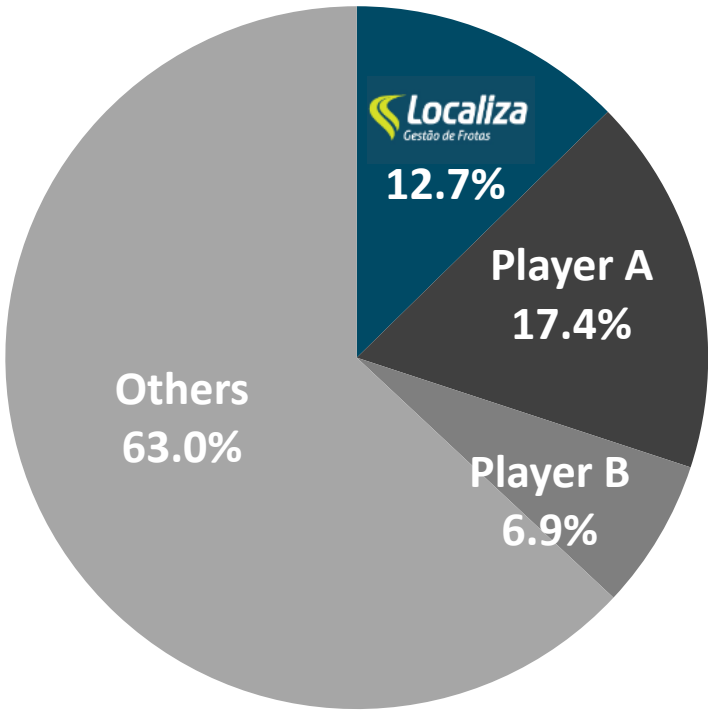
Localiza



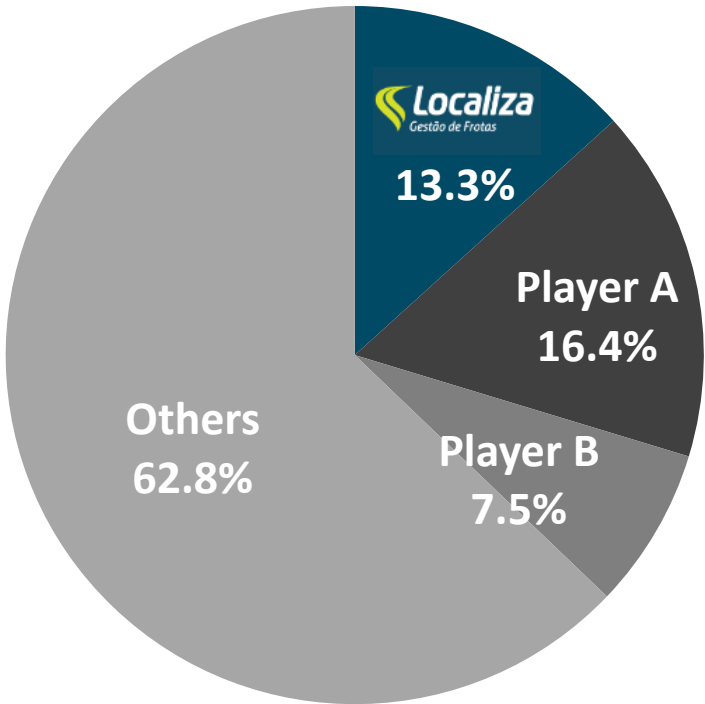
FLEET RENTAL: MARKET SHARE

FLEET

MARKET SIZE
2018: 429,692 CARS



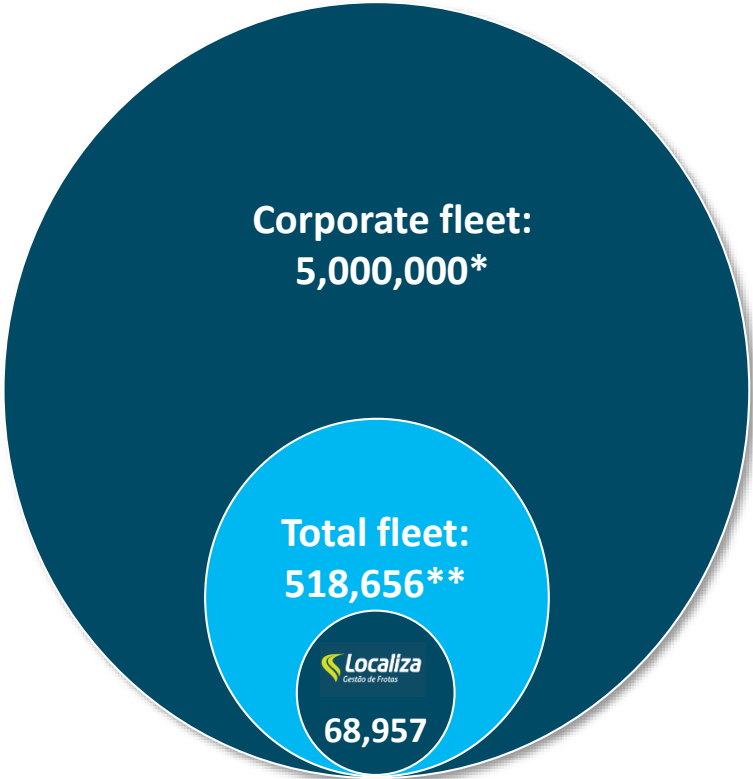
MARKET SIZE
2019: 518,656 CARS



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

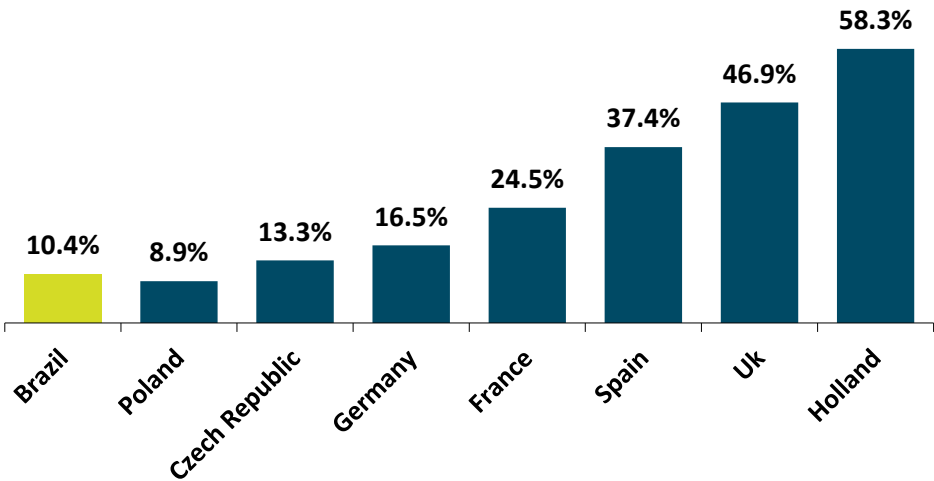
FLEET RENTAL: DRIVERS

BRAZILIAN MARKET



*Frost&Sullivan research
**ABLA 2020

WORLD



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

LOW PENETRATION OF RENTED FLEET IN BRAZIL

AGENDA

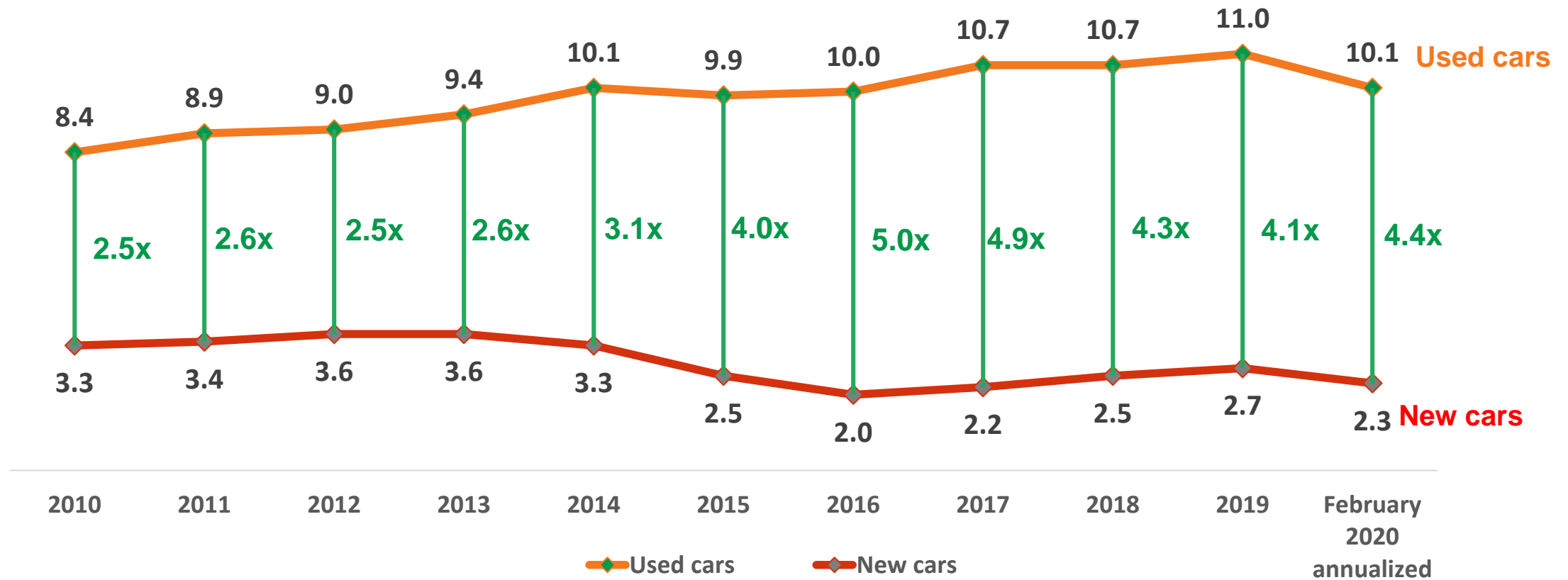
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Localiza



SEMINOVOS: NEW vs USED CAR MARKET (BRAZIL)

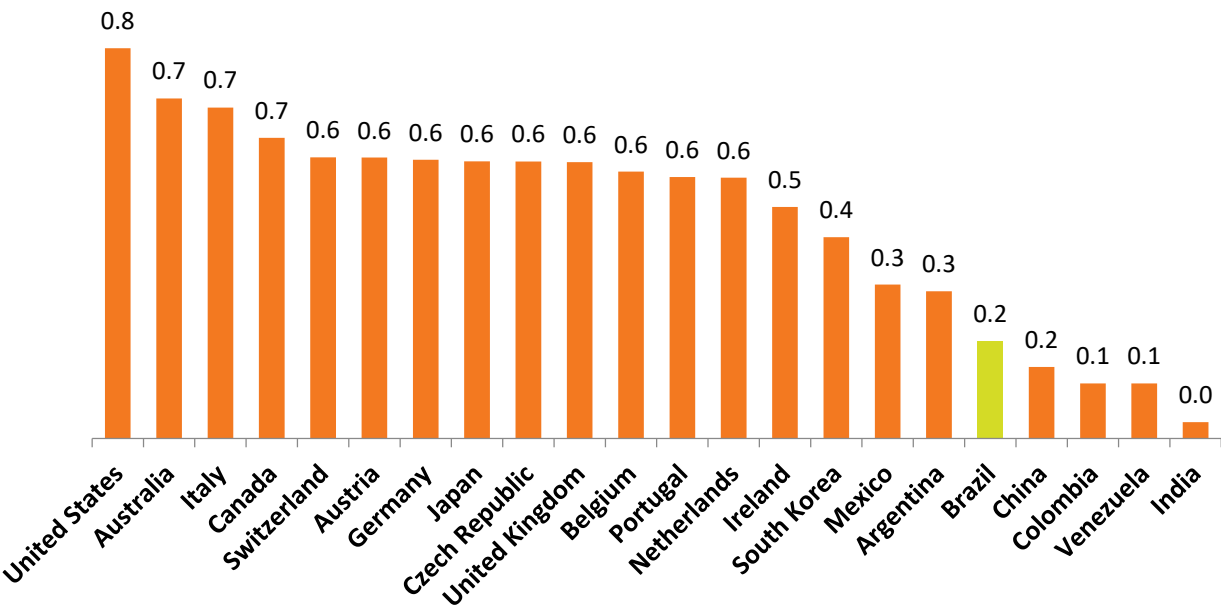


TOTAL MARKET OF 12.4 MILLION CARS

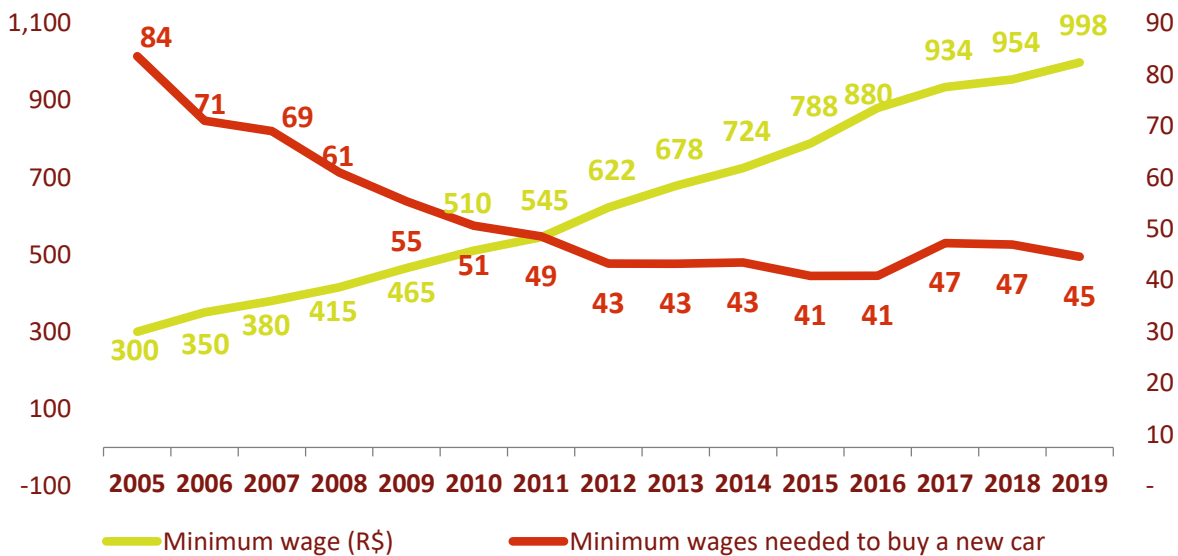
SEMINOVOS: DRIVERS

AFFORDABILITY AND PENETRATION

VEHICLE DENSITY BY NATION



AFFORDABILITY TO BUY CARS – AVERAGE PUBLIC PRICE OF ECONOMIC CARS



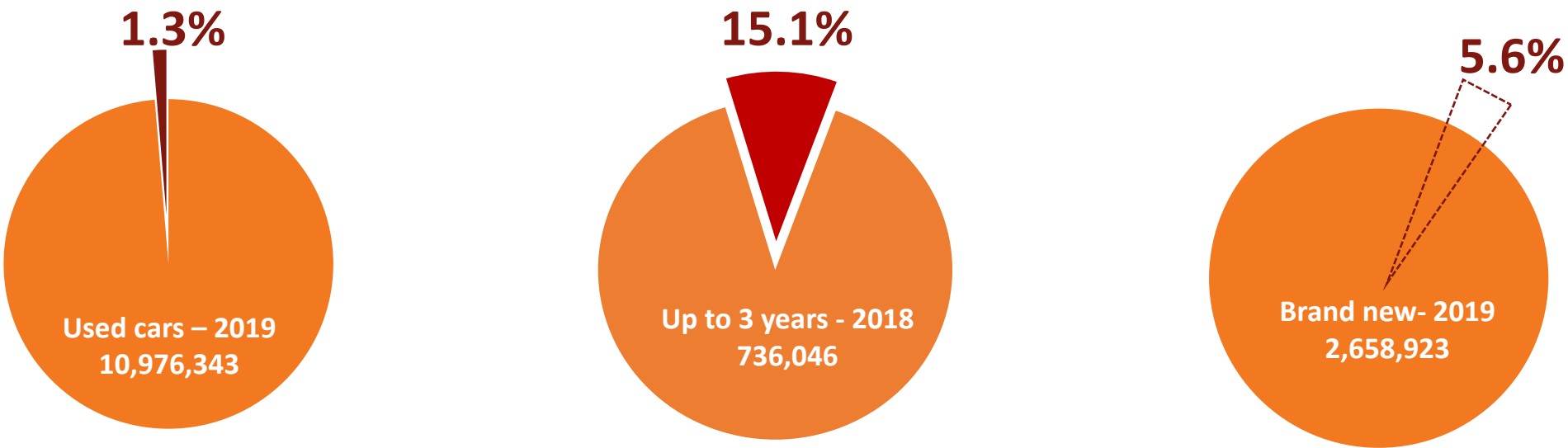
Source: Ward's Automotive; CIA World Factbook; JP Morgan Analysis

Source: BCB and Localiza








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

SEMINOVOS: CARS SALES

OPERATING DATA



Main players

	<div>  <div>     </div> <div>    </div> </div>		
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"> 5,249 (Anfavea) 	<ul style="list-style-type: none"> 179 (Unidas and Movida)

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

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Localiza



IFRS 16 and reclassification of PIS/COFINS credits

IFRS 16

As of January 1, 2019, the new accounting rules of IFRS 16 were implemented, and the major impact we had was on the real estate lease agreements of our locations and stores.

The present value of the leasing payments for existing contracts were accounted as Assets and Liabilities. Instead of registering as leasing expenses (before EBITDA), now we account the depreciation of the right-of-use of the asset that was created and the interest expense on the new lease liability created.

In the beginning of any leasing contracts, the impact of financial expenses and interest is higher than at the end, so the impact of IFRS 16 is negative on net income when the contracts are newer (and now, at the beginning of its adoption) and this reverts as the contracts age. Throughout the life of the contract, the impacts on P&L is neutral.

Reclassification of comparative balances - PIS / COFINS credits

In order to better reflect the nature of its operating costs, Localiza reclassified PIS and COFINS credits on the acquisition of inputs for the year ended December 31, 2019. The credits were reclassified in the income statement, from sales tax line to the cost line. The reclassification of credits for the year 2019 totaled R\$ 357.9 million and was recorded fully in the 4th quarter, with R\$ 113.0 million referring to 4Q19.

IFRS 16 and reclassification of PIS/COFINS credits

The reclassification does not affect EBITDA, EBIT and net income, but positively impacts margins on net revenue, as shown in the table below:

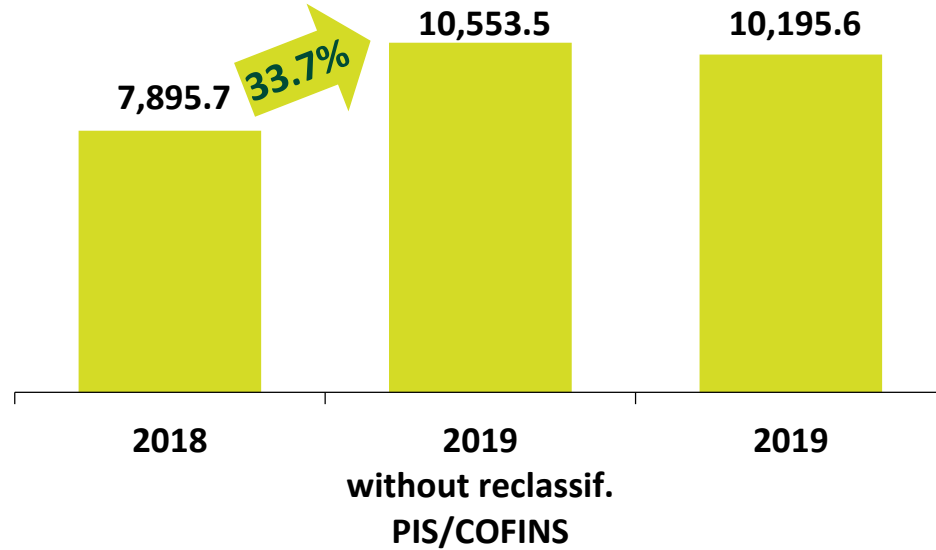
Before reclassification of PIS/COFINS credits	Effect of the adjustment	After reclassification of PIS/COFINS credits
Gross Revenues	=	Gross Revenues remains unchanged
Tax on Revenues	↑	Tax by the full aliquot
Net Revenues	↓	Net Revenues decreases
Costs and SG&A	↓	PIS/COFINS credits reduce costs
EBITDA	=	EBITDA remains unchanged
EBIT	=	EBIT remains unchanged
Net Income	=	Net Income remains unchanged
EBITDA Margin	↑	EBITDA Margin increases

The following table shows the impacts related to the IFRS16 and reclassification of the PIS and COFINS credits:

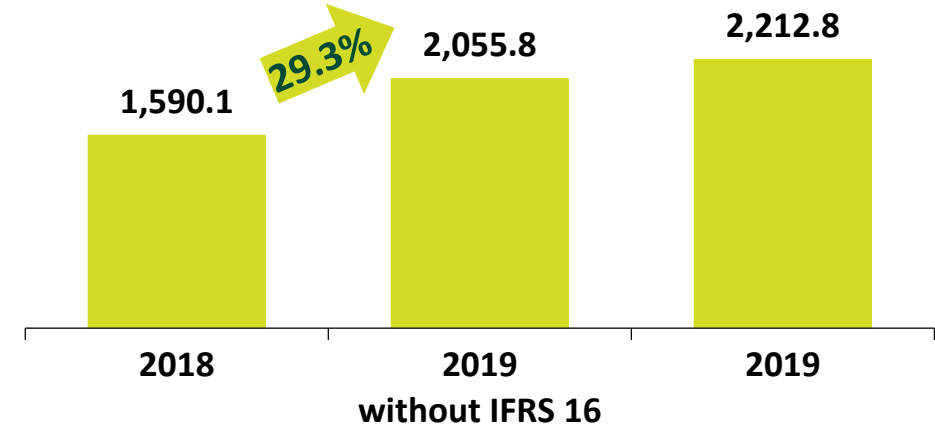
Consolidated results	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Adjustment IFRS 16	2019 with IFRS 16	Adjustment PIS/COFINS	2019	4T19 without IFRS 16 and without reclassification of PIS/COFINS credits	Adjustment IFRS 16	4Q19 com IFRS 16	Adjustment PIS/COFINS	4Q19
Gross revenues	10,628.5	-	10,628.5	-	10,628.5	3,066.7	-	3,066.7	-	3,066.7
Taxes on revenues	(432.9)	-	(432.9)	-	(432.9)	(371.3)	-	(371.3)	-	(371.3)
PIS and COFINS credits	357.9	-	357.9	(357.9)	-	357.9	-	357.9	(357.9)	-
Net revenues	10,553.5	-	10,553.5	(357.9)	10,195.6	3,053.3	-	3,053.3	(357.9)	2,695.4
Costs	(7,479.3)	101.0	(7,378.3)	-	(7,378.3)	(2,155.6)	26.2	(2,129.4)	-	(2,129.4)
PIS and COFINS credits	-	-	-	357.9	357.9	-	-	-	357.9	357.9
SG&A	(1,018.4)	56.0	(962.4)	-	(962.4)	(309.2)	14.9	(294.3)	-	(294.3)
EBITDA	2,055.8	157.0	2,212.8	-	2,212.8	588.5	41.1	629.6	-	629.6
<i>EBITDA Margin</i>	<i>19.5%</i>	<i>1.5 p.p.</i>	<i>21.0%</i>	<i>0.7 p.p.</i>	<i>21.7%</i>	<i>19.3%</i>	<i>1.3 p.p.</i>	<i>20.6%</i>	<i>2.7 p.p.</i>	<i>23.4%</i>
Depreciation	(597.8)	(125.4)	(723.2)	-	(723.2)	(183.2)	(34.2)	(217.4)	-	(217.4)
EBIT	1,458.0	31.60	1,489.6	-	1,489.6	405.3	6.9	412.2	-	412.2
<i>EBIT Margin</i>	<i>13.8%</i>	<i>0.3 p.p.</i>	<i>14.1%</i>	<i>0.5 p.p.</i>	<i>14.6%</i>	<i>13.3%</i>	<i>0.2 p.p.</i>	<i>13.5%</i>	<i>1.8 p.p.</i>	<i>15.3%</i>
Financial expenses, net	(360.6)	(49.2)	(409.8)	-	(409.8)	(98.2)	(14.3)	(112.5)	-	(112.5)
Income tax and social contribution	(249.9)	4.0	(245.9)	-	(245.9)	(73.1)	1.8	(71.3)	-	(71.3)
Net income	847.5	(13.6)	833.9	-	833.9	234.0	(5.6)	228.4	-	228.4

2019 FINANCIAL HIGHLIGHTS

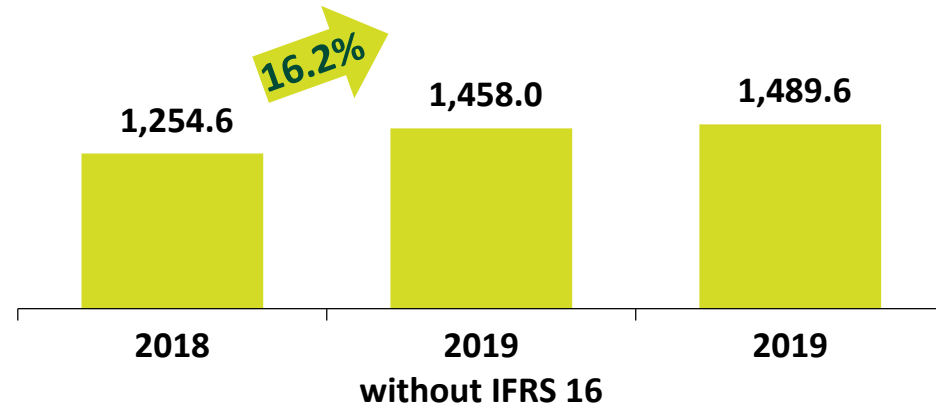
Net revenues (R\$ million)



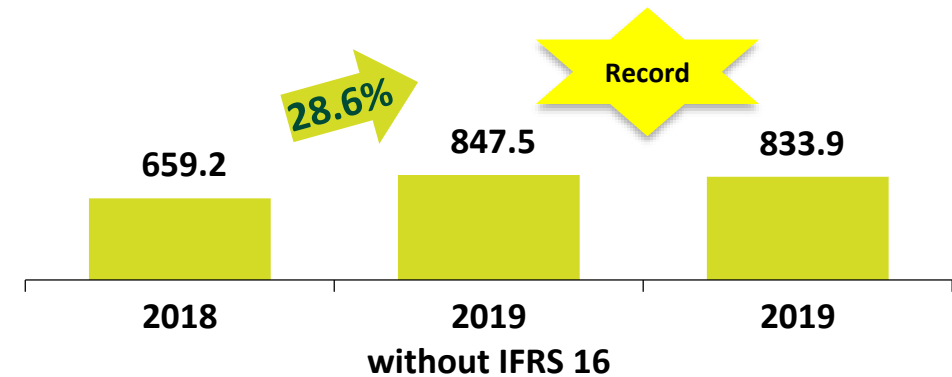
EBITDA (R\$ million)



EBIT (R\$ million)

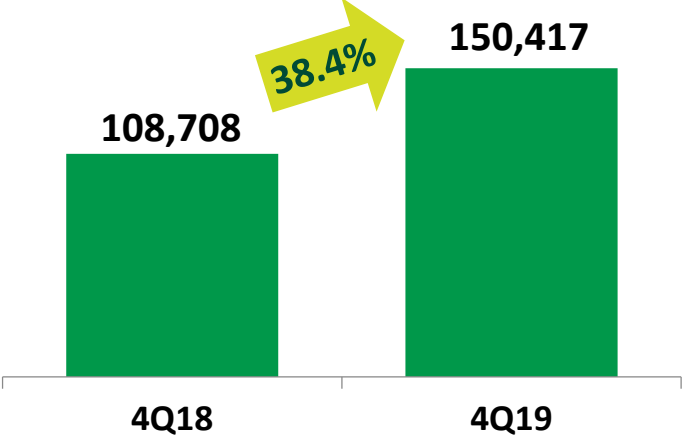


Net income (R\$ million)

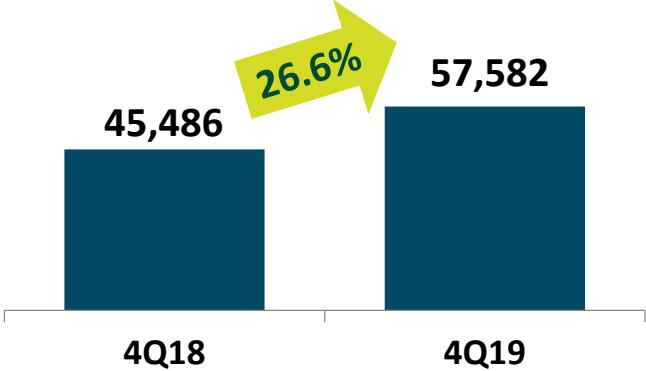


4Q19 OPERATING HIGHLIGHTS

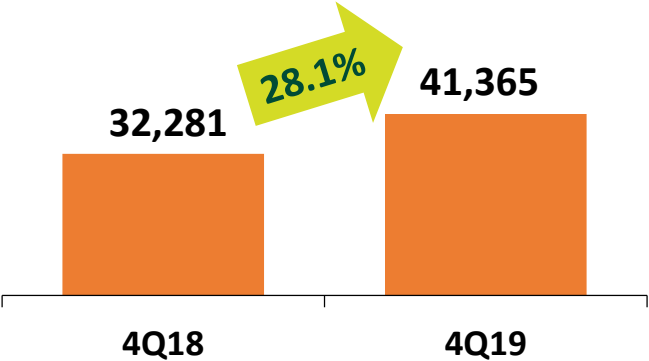
Average rented fleet – Car Rental



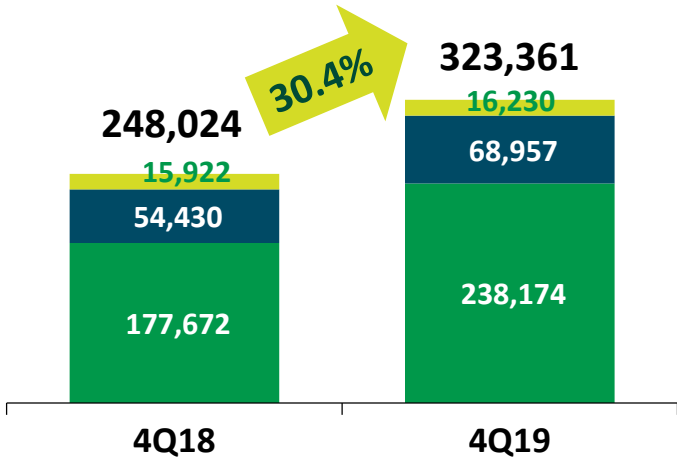
Average rented fleet – Fleet Rental



of cars sold



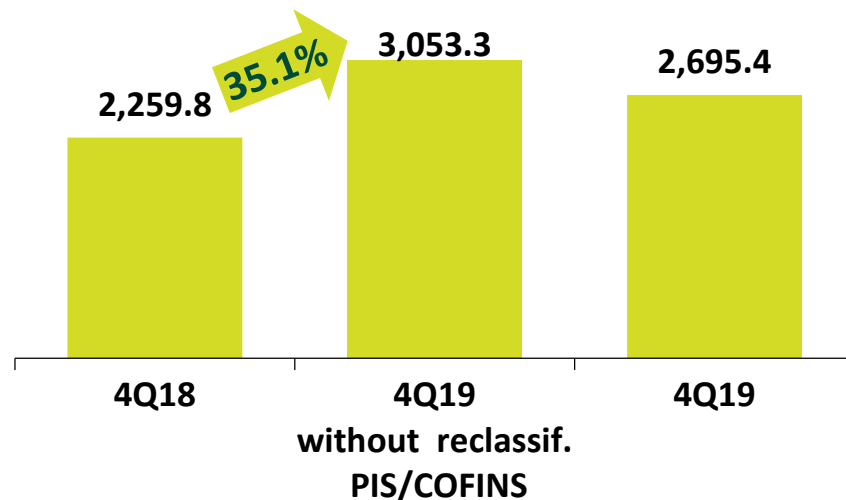
End of the period fleet



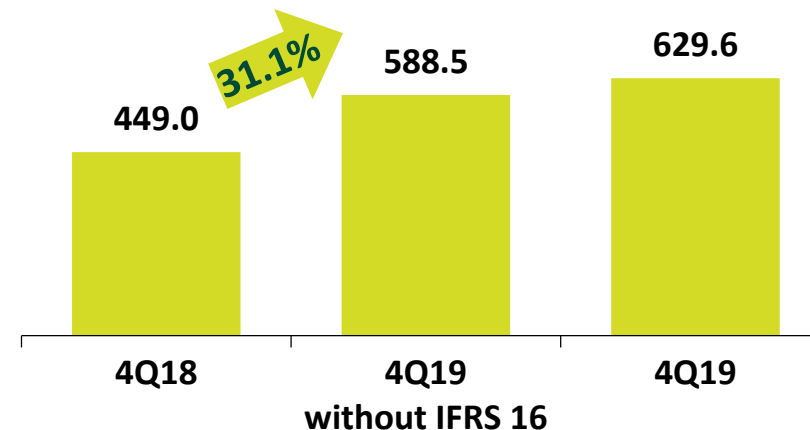
■ Car Rental ■ Fleet Rental ■ Franchising

4Q19 FINANCIAL HIGHLIGHTS

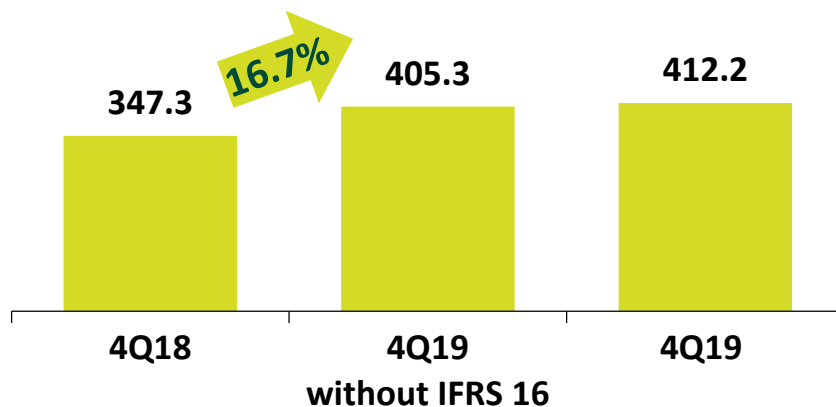
Net revenues (R\$ million)



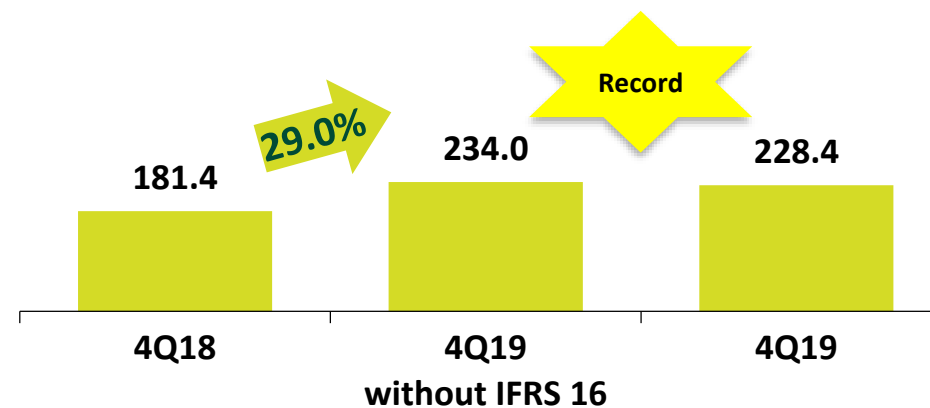
EBITDA (R\$ million)



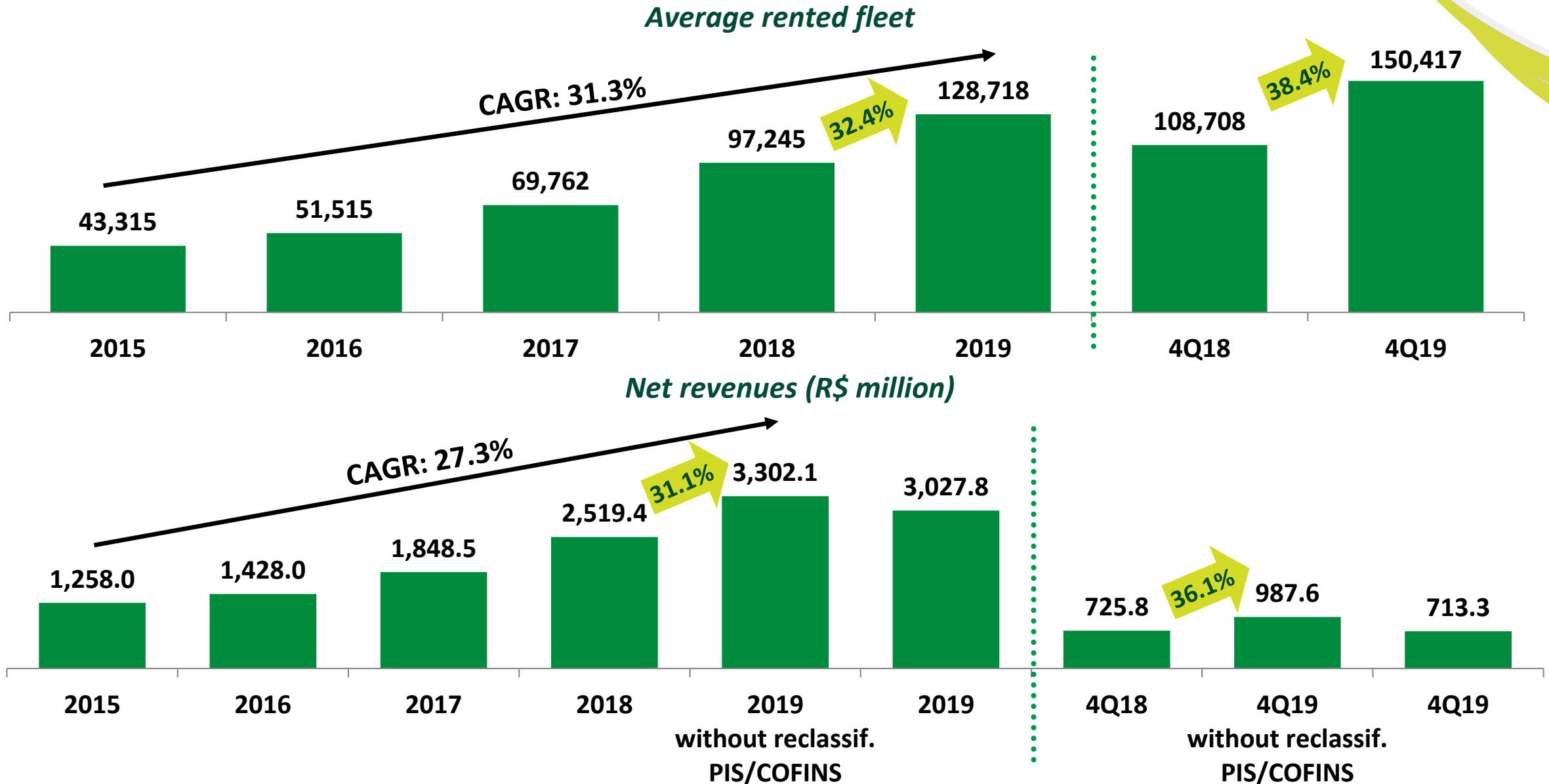
EBIT (R\$ million)



Net income (R\$ million)



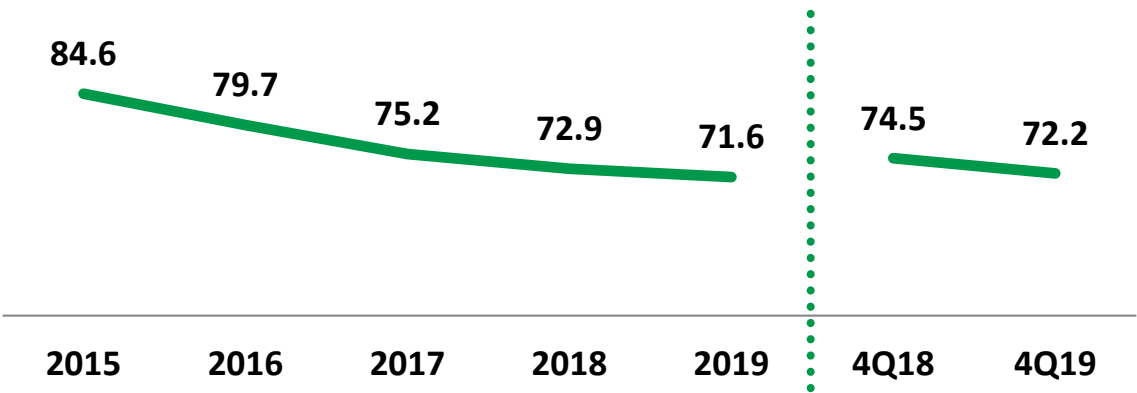
CAR RENTAL



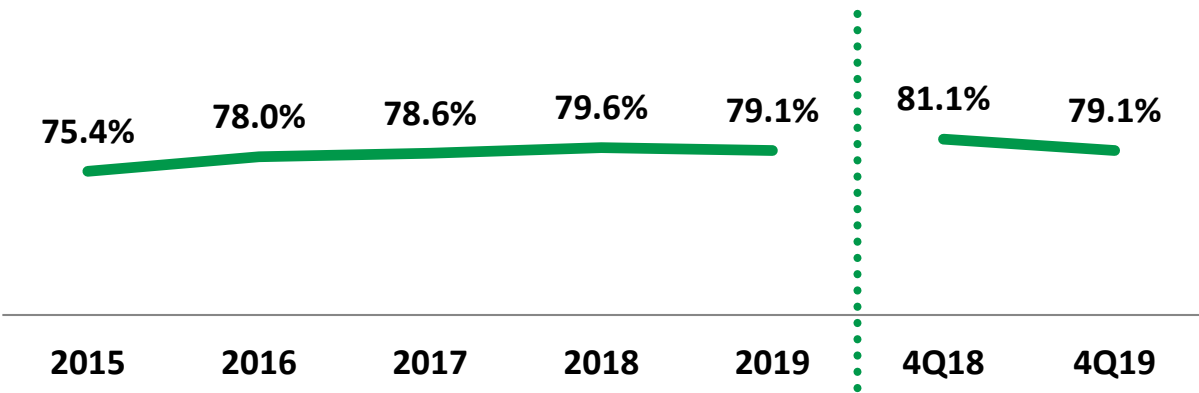
IN 4Q19 THERE WAS AN ACCELERATION OF GROWTH PACE TO 38.4% AND
ADDING APROXIMATELY 42 THOUSAND CARS TO THE AVERAGE RENTED FLEET COMPARED TO 4Q18

CAR RENTAL

Average rental rate (in R\$)



Utilization rate (%)

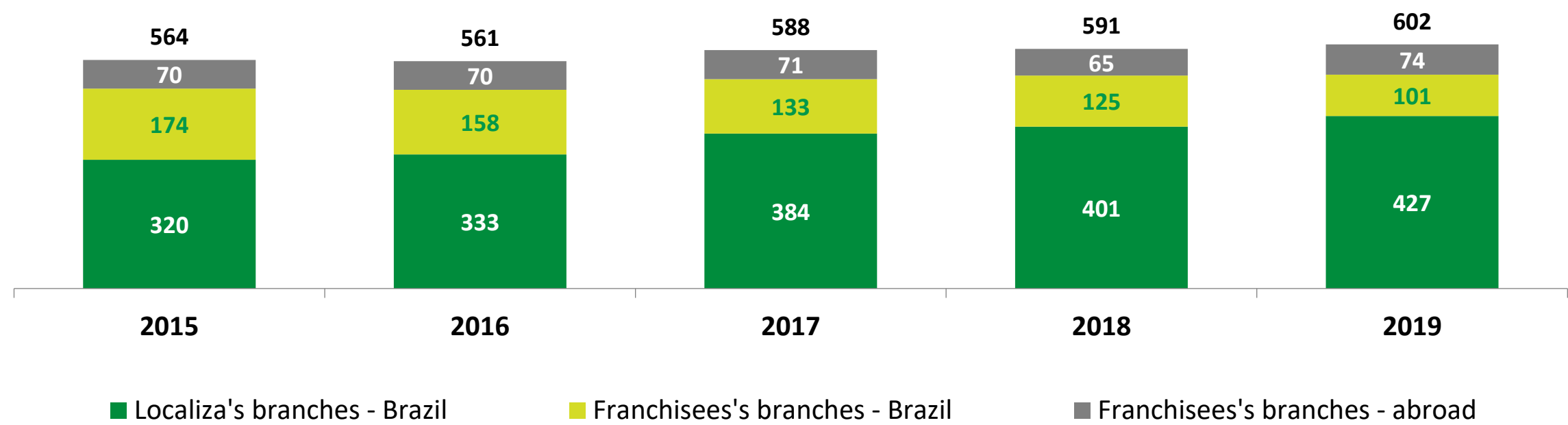


AVERAGE RENTAL RATE REFLECTING THE MIX OF SEGMENTS, COMPETITIVE ENVIRONMENT AND LOWER INTEREST RATE

UTILIZATION STABLE IN THE YEAR AND WITHIN THE LIMITS EXPECTED IN 4Q19, REFLECTING THE FLEET GROWTH

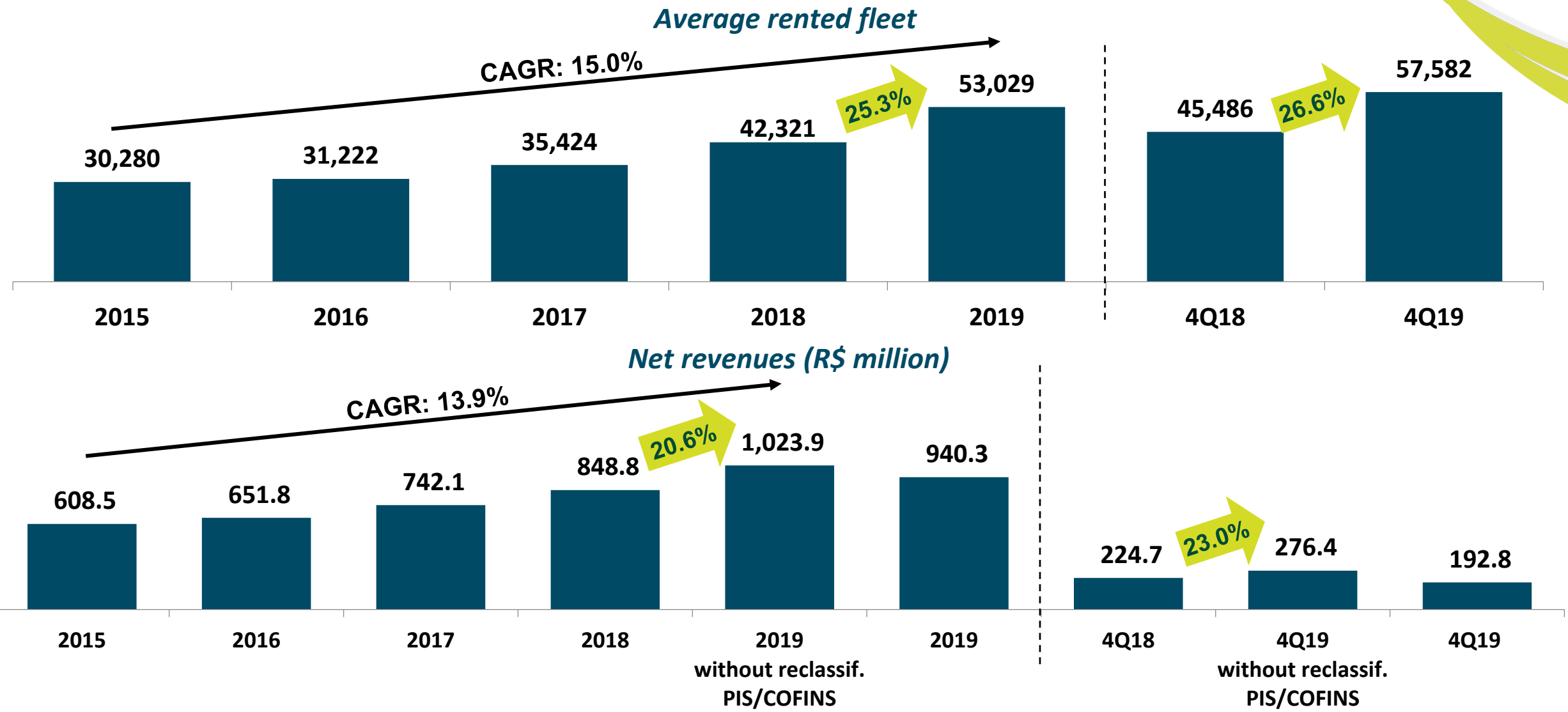
CAR RENTAL NETWORK EVOLUTION

Number of car rental locations - Brazil and abroad



ADDITION OF 26 OWNED LOCATIONS IN BRAZIL

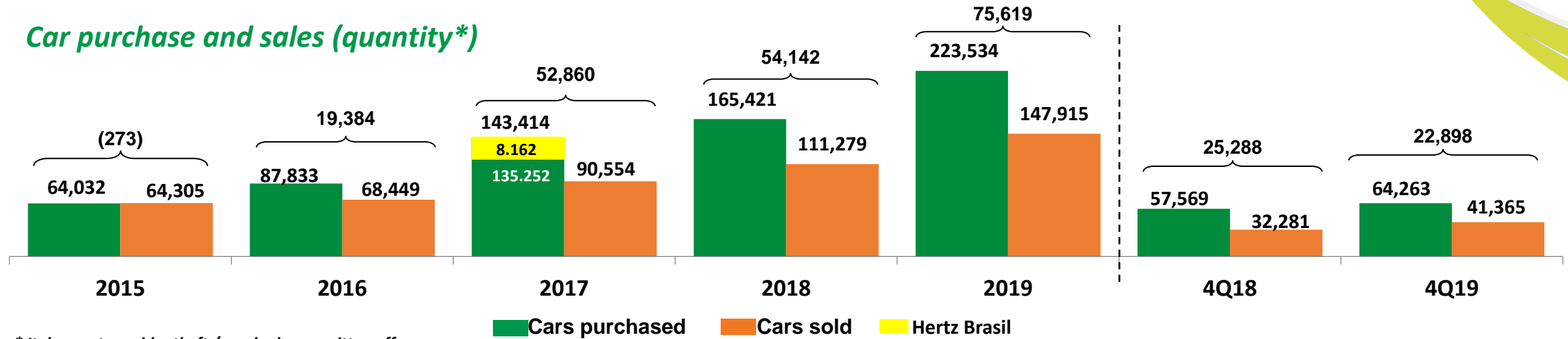
FLEET RENTAL



ACCELERATED GROWTH EVEN IN A HIGHLY COMPETITIVE SCENARIO

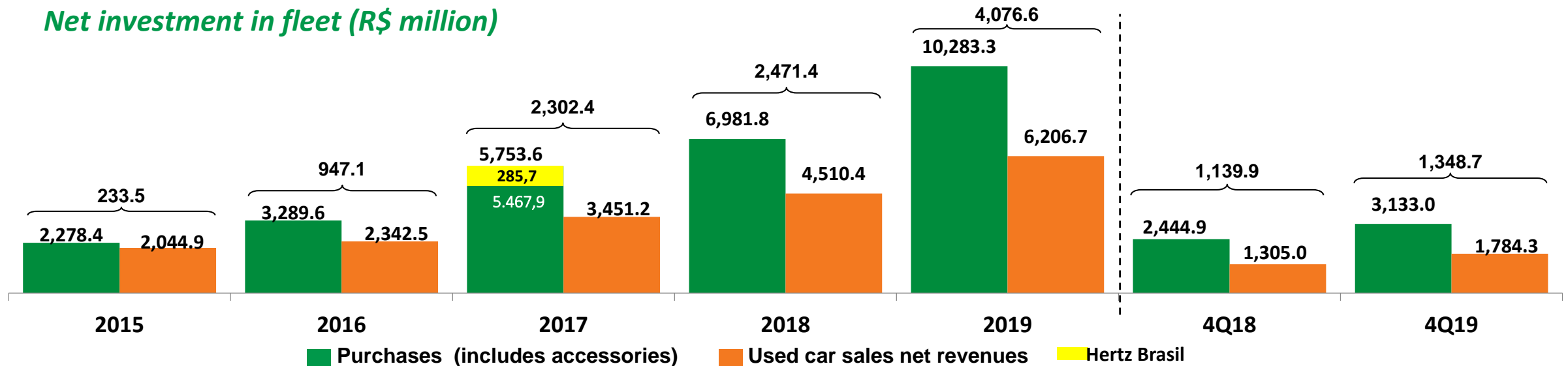
NET INVESTMENT

Car purchase and sales (quantity*)



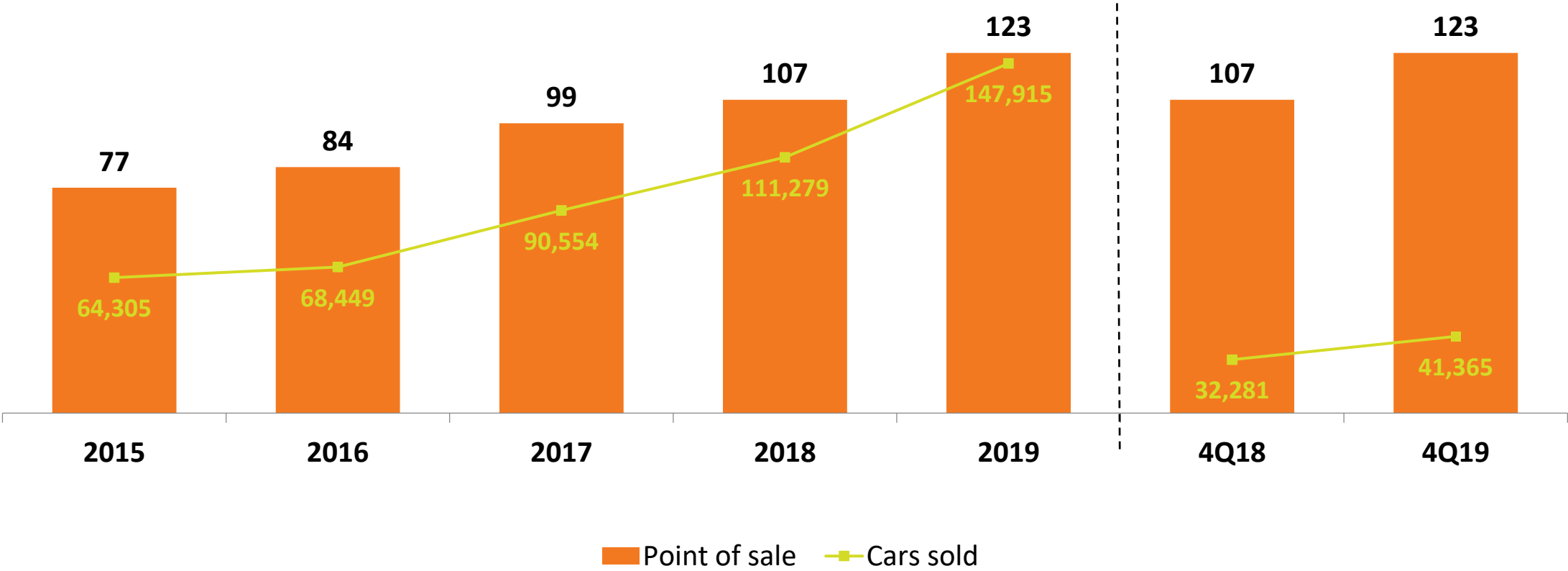
* It does not consider theft / crashed cars written off.

Net investment in fleet (R\$ million)



MORE THAN 75 THOUSAND CARS ADDED TO THE FLEET IN 2019 WITH A NET INVESTMENT OF R\$4.1 BILLION

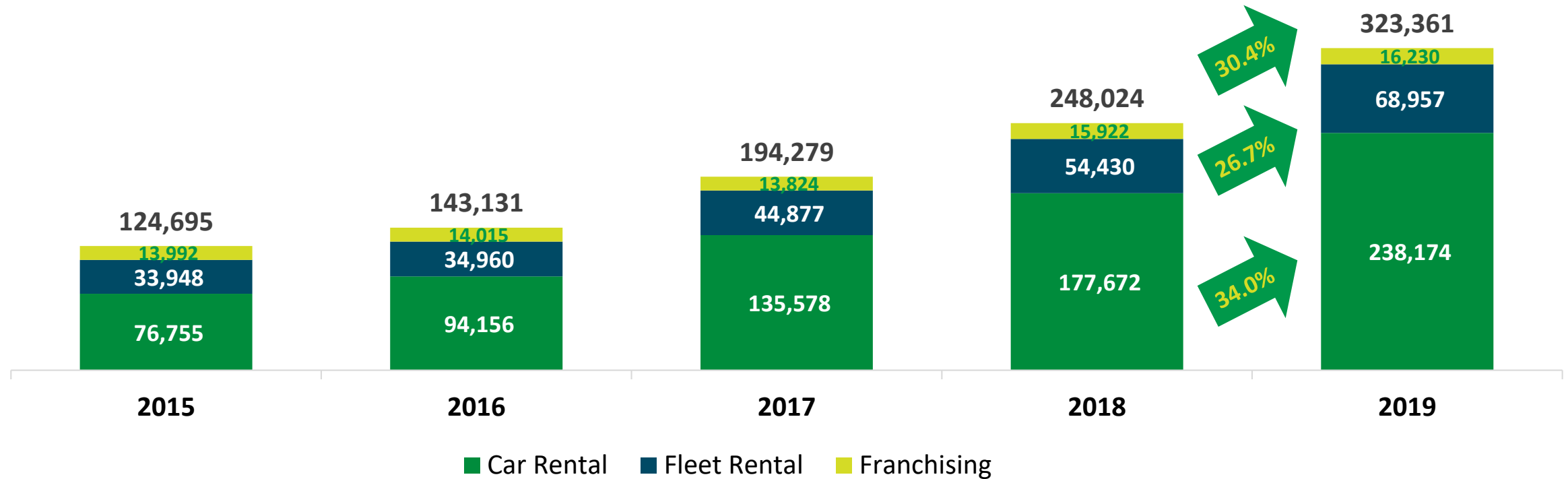
NUMBER OF USED CARS POINTS OF SALE



147,915 CARS SOLD IN 2019, 32,9% INCREASE COMPARED TO 2018

END OF PERIOD FLEET

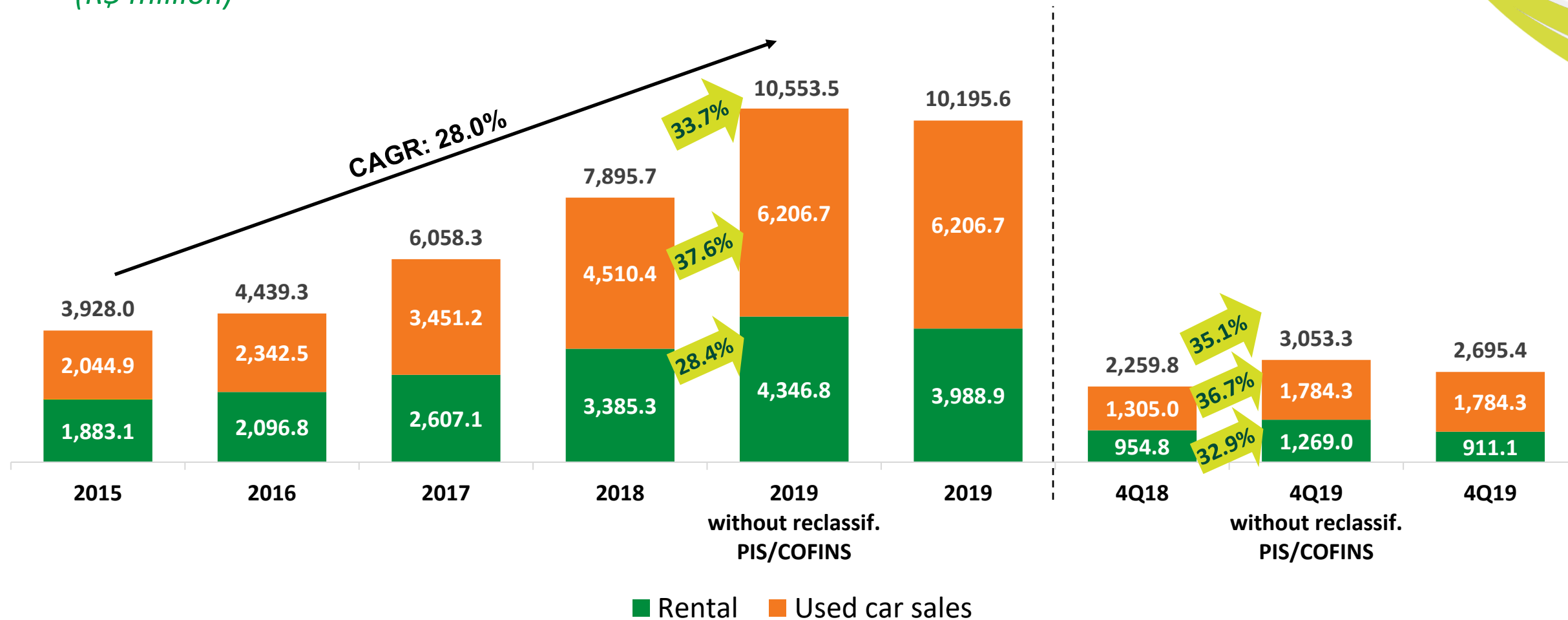
(Quantity)



STRONG FLEET GROWTH IN ALL BUSINESS DIVISIONS

CONSOLIDATED NET REVENUES

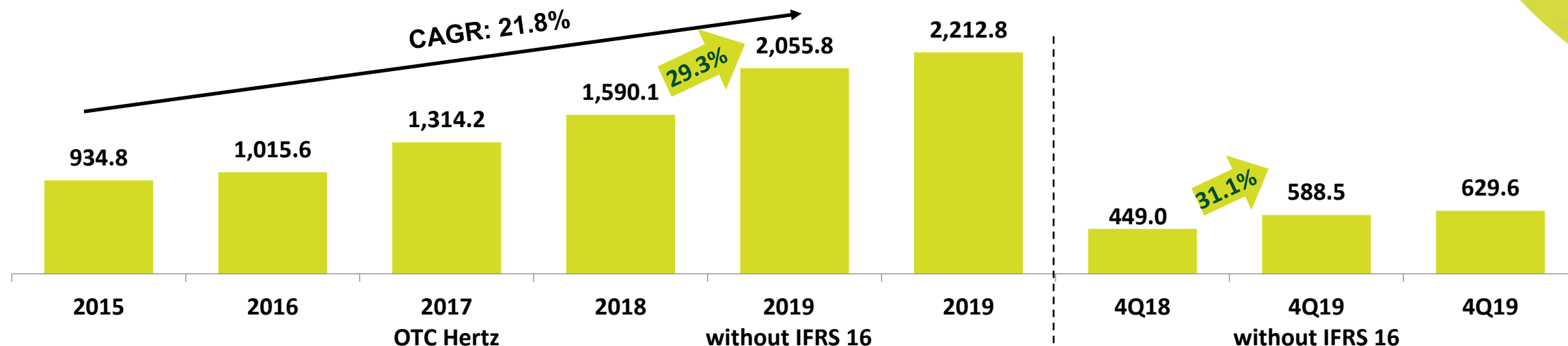
(R\$ million)



35.1% GROWTH IN 4Q19 NET REVENUES

CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:

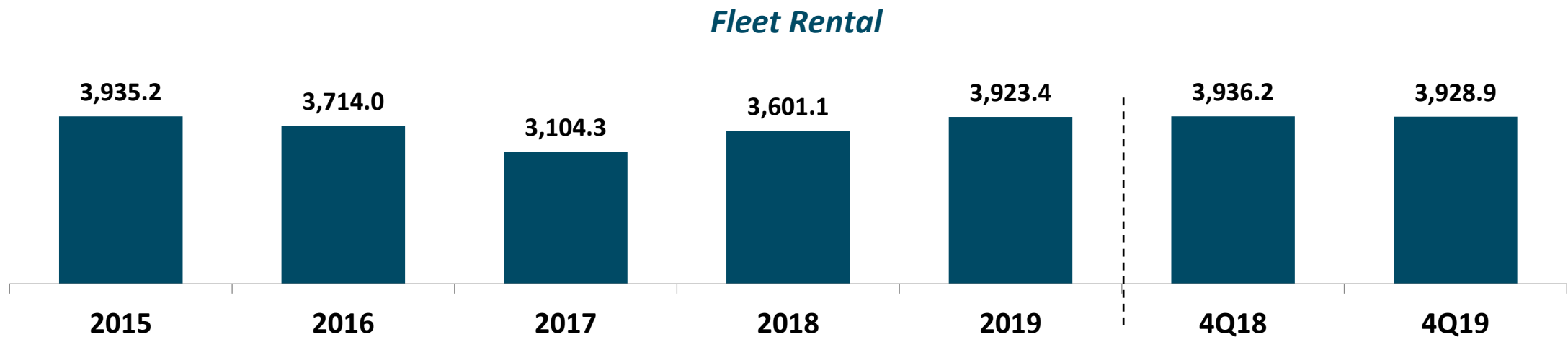
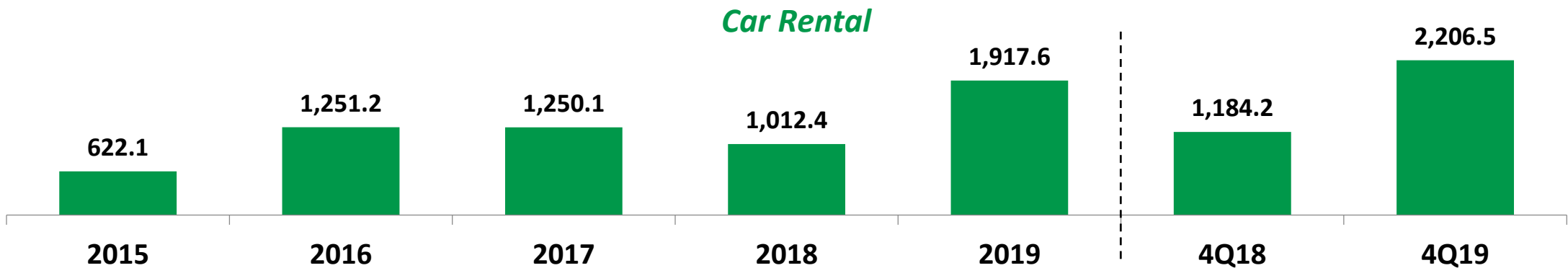
Activities	2015	2016	2017*	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	4Q18	4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits	4Q19
Car Rental	31.8%	32.3%	34.9%	35.9%	38.8%	45.5%	39.7%	39.6%	58.4%
Fleet Rental	62.2%	64.5%	61.9%	64.0%	62.1%	67.7%	63.3%	61.1%	87.8%
Rental Consolidated	41.7%	42.3%	42.6%	43.0%	44.4%	50.9%	45.2%	44.4%	64.7%
Used Car Sales	7.3%	5.5%	5.9%	3.0%	2.0%	3.0%	1.3%	1.4%	2.3%

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

MARGIN GAIN IN CAR RENTAL, EVEN WITH STRONG INVESTMENTS IN INNOVATION AND EXPANSION IN THE YEAR

AVERAGE ANNUALIZED DEPRECIATION PER CAR

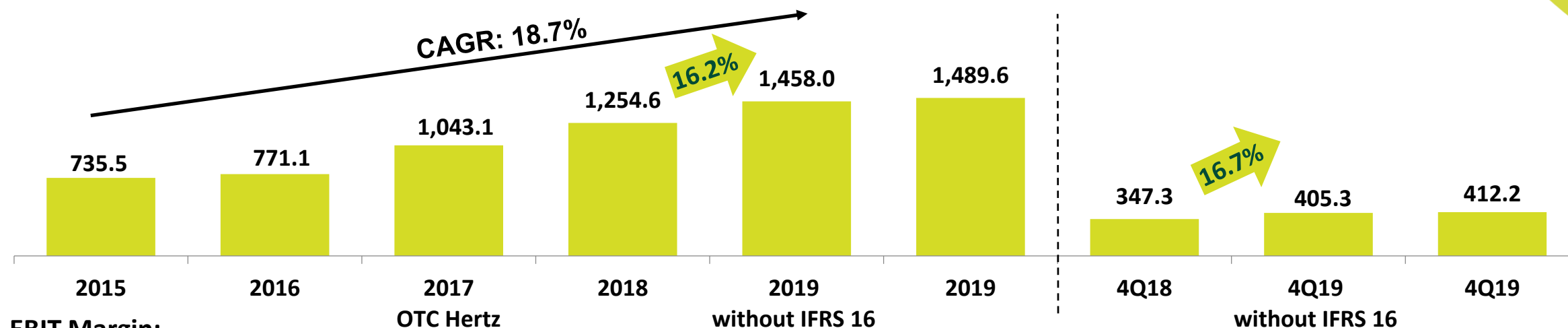
(In R\$)



INCREASED DEPRECIATION DUE TO CAR SALES MARKET IN 2019

CONSOLIDATED EBIT

(R\$ million)



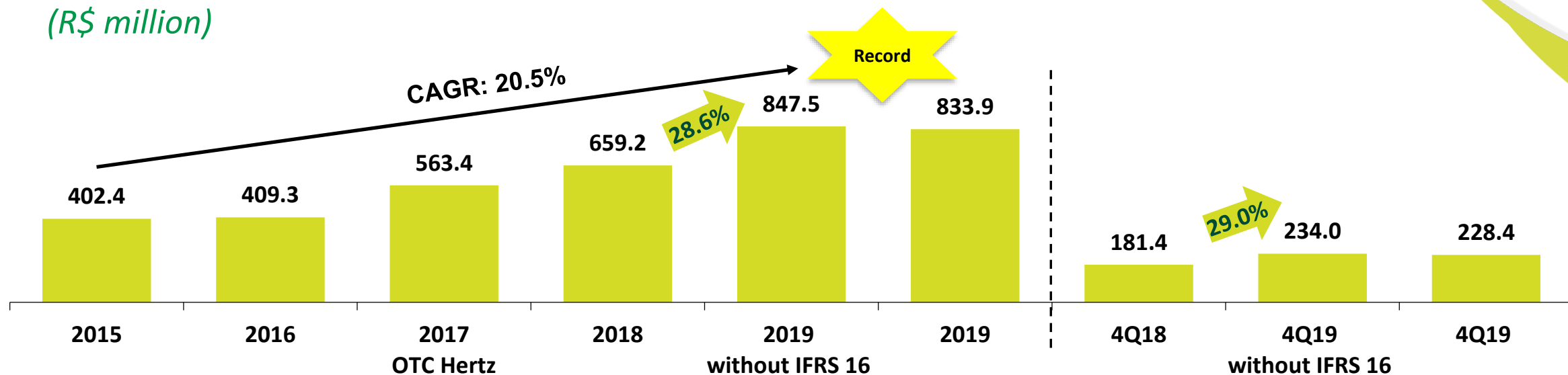
Activities	2015	2016	2017*	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	4Q18	4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits	4Q19
Car Rental	34.3%	30.2%	35.5%	33.2%	29.9%	33.6%	33.9%	28.5%	40.3%
Fleet Rental	48.9%	51.2%	51.4%	48.6%	44.9%	49.1%	44.8%	43.8%	63.1%
Consolidated	39.1%	36.8%	40.0%	37.1%	33.5%	37.3%	36.4%	31.9%	45.2%

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

EBIT OF R\$405.3 MILLION IN THE QUARTER, 16,7% HIGHER THAN 4Q18

CONSOLIDATED NET INCOME

(R\$ million)



Reconciliation EBITDA x Net income	2015	2016	2017*	2018	2019 without IFRS 16	Var. R\$	Var. %	2019	4Q18	4Q19 without IFRS 16	Var. R\$	Var. %	4Q19
Consolidated EBITDA	934.8	1,015.6	1,314.2	1,590.1	2,055.8	465.7	29.3%	2,212.8	449.0	588.5	139.5	31.1%	629.6
Cars depreciation	(163.6)	(206.3)	(232.0)	(291.6)	(551.5)	(259.9)	89.1%	(551.5)	(90.3)	(171.2)	(80.9)	89.6%	(171.2)
Other property depreciation and amortization	(35.7)	(38.2)	(39.1)	(43.9)	(46.3)	(2.4)	5.5%	(171.7)	(11.4)	(12.0)	(0.6)	5.3%	(46.2)
EBIT	735.5	771.1	1,043.1	1,254.6	1,458.0	203.4	16.2%	1,489.6	347.3	405.3	58.0	16.7%	412.2
Financial expenses, net	(202.7)	(243.5)	(315.0)	(368.9)	(360.6)	8.3	-2.2%	(409.8)	(107.5)	(98.2)	9.3	-8.7%	(112.5)
Income tax and social contribution	(130.4)	(118.3)	(164.7)	(226.5)	(249.9)	(23.4)	10.3%	(245.9)	(58.4)	(73.1)	(14.7)	25.2%	(71.3)
Net income of the period	402.4	409.3	563.4	659.2	847.5	188.3	28.6%	833.9	181.4	234.0	52.6	29.0%	228.4

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

NET INCOME GROWTH OF 29.0% IN 4Q19

FREE CASH FLOW

Free cash flow - R\$ million		2014	2015	2016	2017	2018	2019
Operations	EBITDA	969.8	934.8	1,015.7	1,314.2 *	1590.1	2,212.8
	Used car sale revenue, net from taxes	(2,018.2)	(2,044.9)	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)
	Depreciated cost of cars sold	1,777.0	1,769.1	2,102.5	3,106.6	4,198.5	5,863.6
	(-) Income tax and social contribution	(113.1)	(110.7)	(93.3)	(108.3)	(131.2)	(146.1)
	Change in working capital	(27.1)	(30.0)	(40.8)	(47.9)	(117.4)	(268.9)
Cash generated by rental operations		588.4	518.3	641.5	813.4	1,029.6	1,454.7
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	6,206.7
	Fleet renewal investment	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)
	Change in accounts payable to car suppliers for fleet renewal	120.0	(25.4)	219.8	227.6	250.1	468.7
	Net investment for fleet renewal	(59.5)	(267.5)	(1.2)	17.9	63.8	(129.2)
Fleet renewal – quantity		70,621	64,032	68,449	90,554	111,279	147,915
Investment, property and intangible		(46.3)	(29.7)	(40.9)	(28.8)	(42.8)	(70.0)
Free cash flow from operations, before growth		482.6	221.1	599.4	802.5	1,050.6	1,255.5
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(286.8)	8.6	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)
	Change in accounts payable to car suppliers for fleet growth	214.4	(23.9)	26.8	168.7	509.4	23.6
	Acquisition of Hertz and franchisees (fleet value)	-	-	-	(285.7)	-	(105.5)
	Net investment for fleet growth	(72.4)	(15.3)	(699.2)	(1,924.0)	(1,775.7)	(3,560.6)
Fleet increase / (reduction) – quantity		9,183	(273)	19,384	52,860	54,142	75,619
Free cash flow after growth		410.2	205.8	(99.8)	(1,121.5)	(725.1)	(2,305.0)
Capex - non-recurring	Acquisition of Hertz and franchisees (except fleet value)	-	-	-	(121.5)	-	(18.2)
	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)	(2,323.2)
Cash effects of receivables and anticipation of payables to suppliers (**)		-	(71.9)	98.0	88.3	(113.2)	(131.8)
Free cash flow before interest		261.9	103.2	(87.5)	(1,300.9)	(838.3)	(2,455.0)

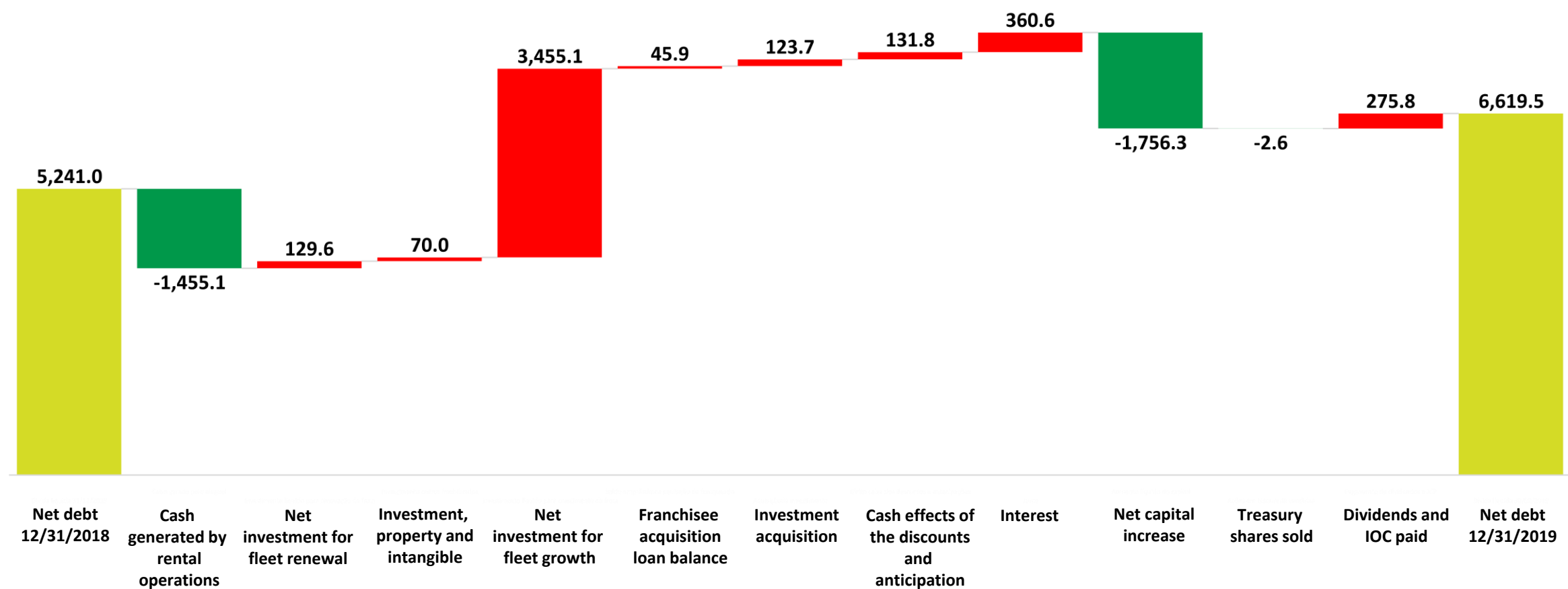
In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediately liquidity

(*) 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)

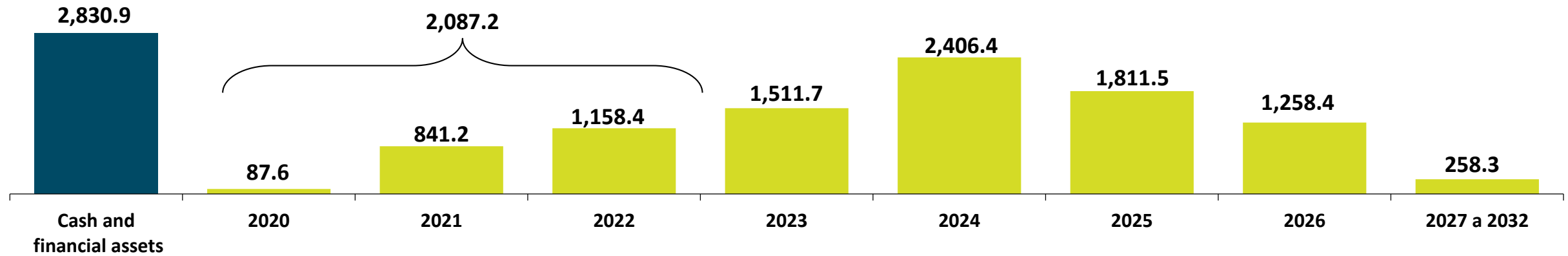


R\$1.4 BILLION INCREASE IN NET DEBT AS A RESULT OF THE STRONG EXPANSION PACE

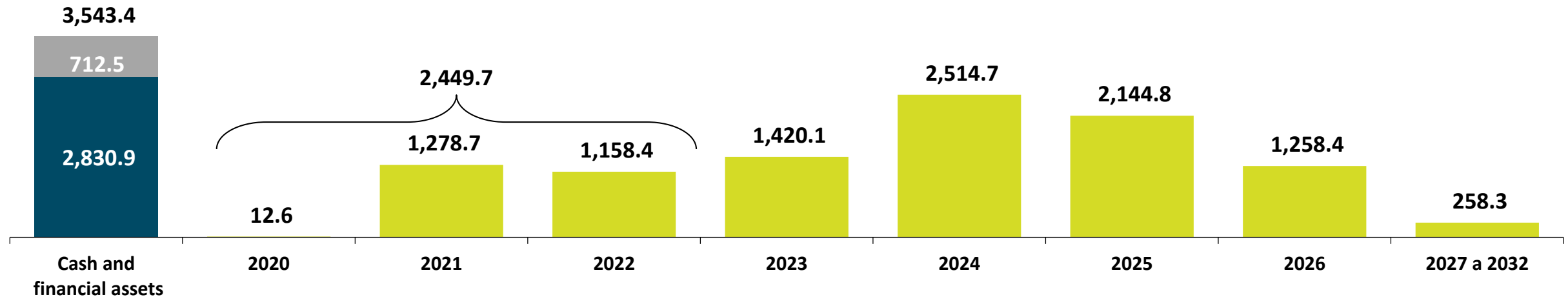
DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of December 31, 2019



Proforma with new issuances and redemptions after 12/31/2019

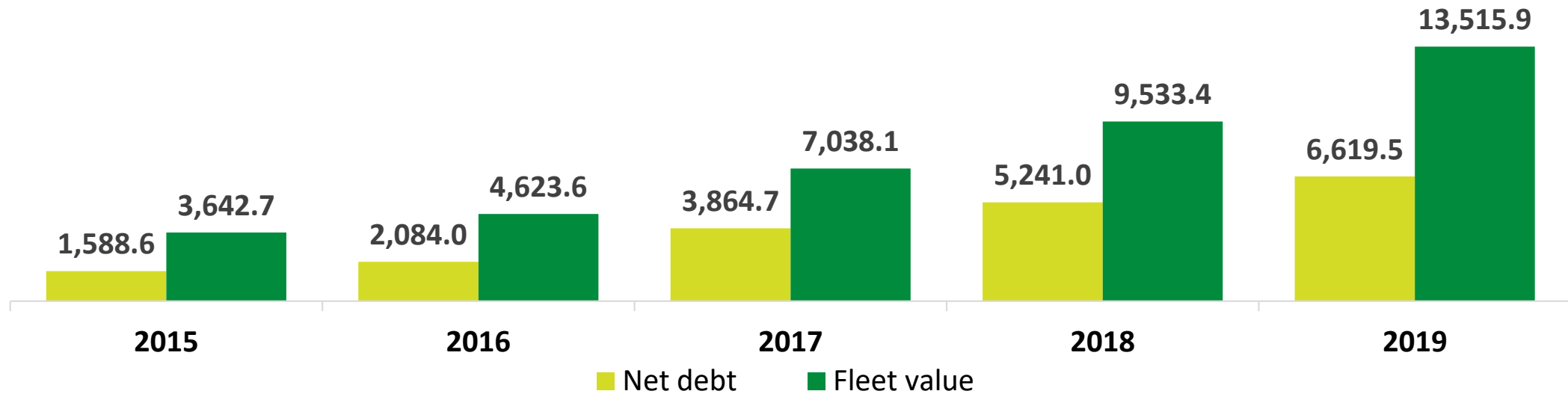


COMFORTABLE DEBT PROFILE AFTER THE NEW ISSUANCES

DEBT RATIOS

(R\$ million)

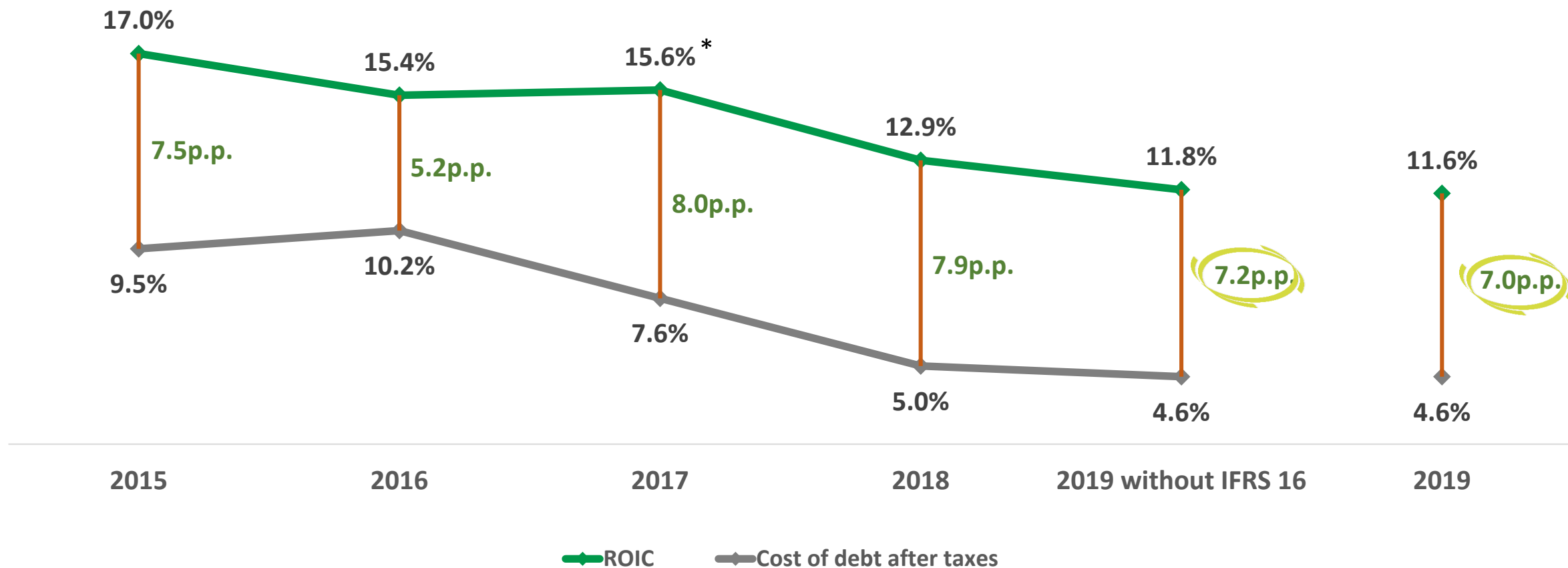
Net debt versus fleet value



BALANCE AT THE END OF PERIOD	2015	2016	2017	2018	2019 without IFRS 16	2019 with IFRS 16
Net debt / Fleet value	44%	45%	55%	55%	49%	49%
Net debt / annualized EBITDA	1.7x	2.1x	2.9x	3.3x	3.2x	3.0x
Net debt / Equity	0.8x	0.9x	1.5x	1.7x	1.2x	1.2x
EBITDA / Net financial expenses	4.6x	4.2x	4.2x	4.3x	5.7x	5.4x

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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