

Have you
ever imagined
having enough
energy to give
back to the planet?

> We had
this idea.



30%

of Localiza's energy
consumption is already
supplied by solar energy.

WEBCAST
1Q18

 **Localiza**

[B]³
BRASIL
BOLSA
BALCÃO

 **NOVO
MERCADO**
BM&FBOVESPA

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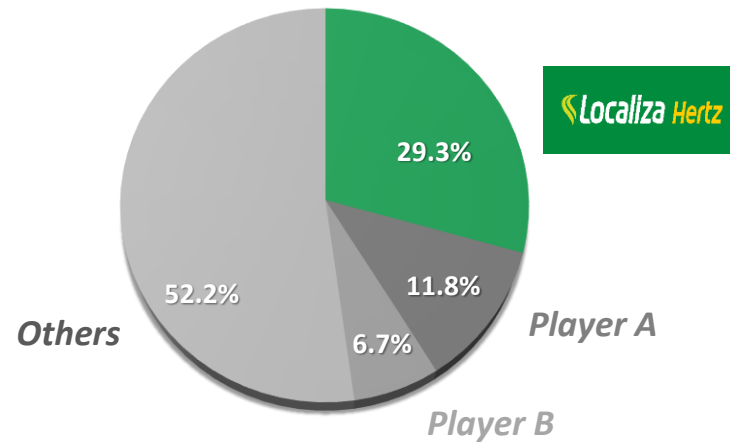
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Ações com Tag Along
Diferenciado **ITAG**

OTCQX

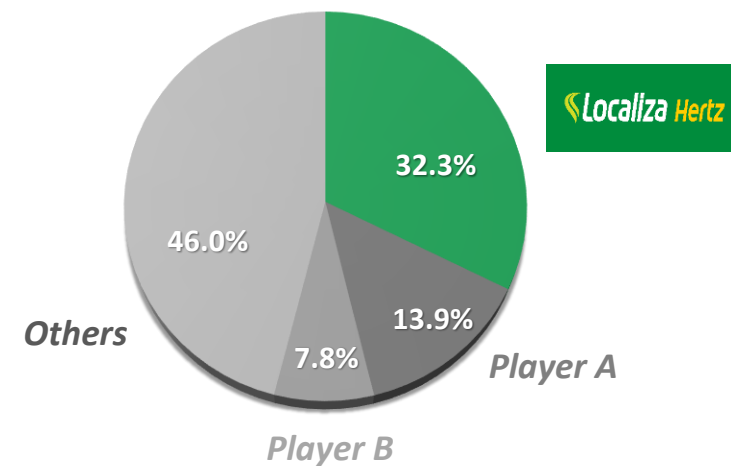
MARKET SHARE: ABLA 2018

- ✓ Growth of 12.3% of the Car and Fleet Rental market in 2017
- ✓ RAC market reaches R\$6.5 billion and Localiza increases market share in Car Rental market by 3.0 p.p.
- ✓ Fleet Rental market reached R\$ 9 billion in 2017 with Localiza maintaining stable market share

**MARKET SIZE 2016:
R\$5.8 BILLION**

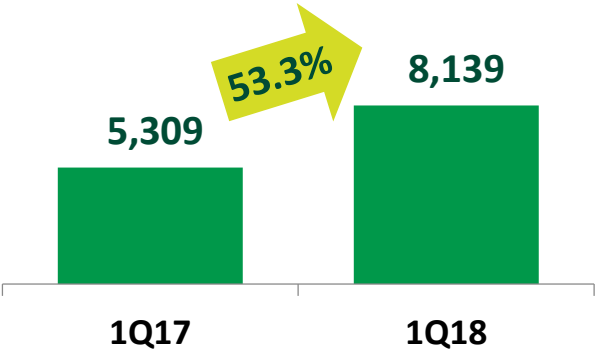


**MARKET SIZE 2017:
R\$6.5 BILLION**

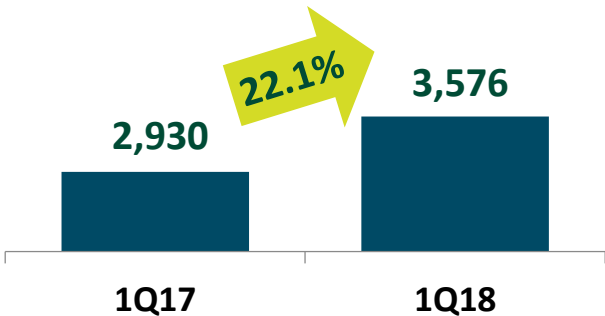


1Q18 OPERATING HIGHLIGHTS

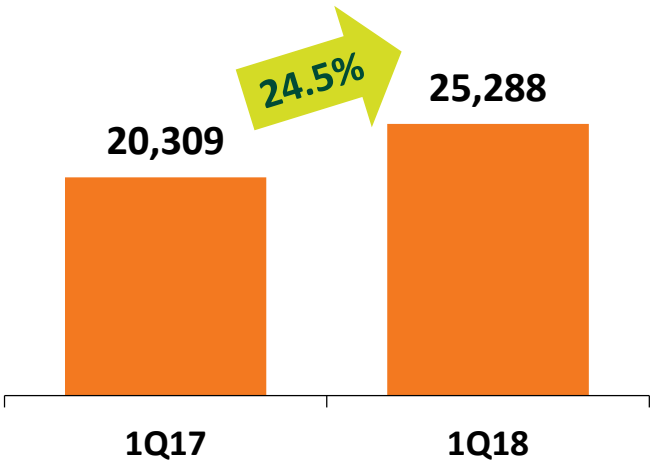
of rental days (thousand)– Car Rental



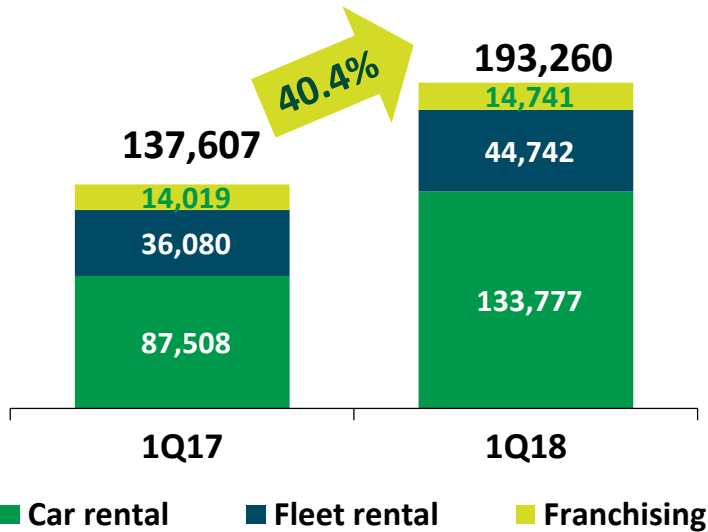
of rental days (thousand) – Fleet Rental



of cars sold



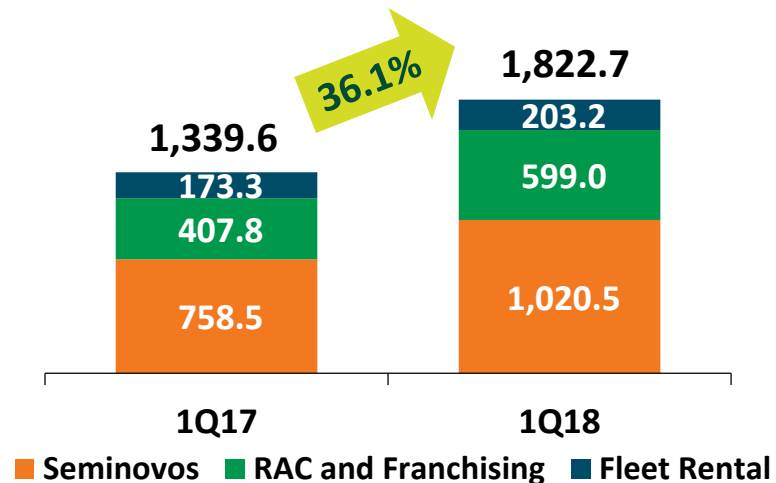
Fleet at end of the period



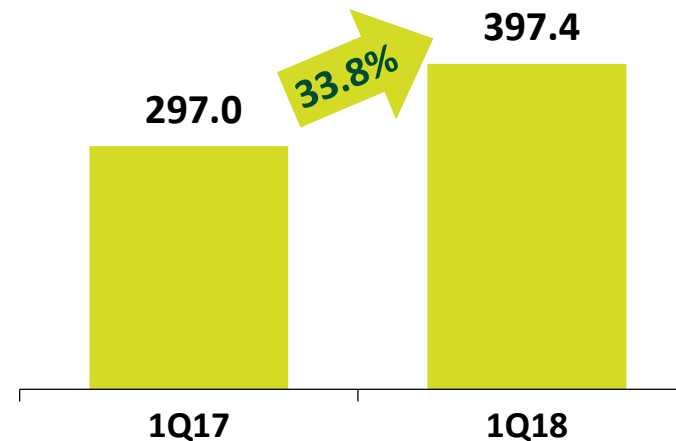
■ Car rental ■ Fleet rental ■ Franchising

1Q18 FINANCIAL HIGHLIGHTS

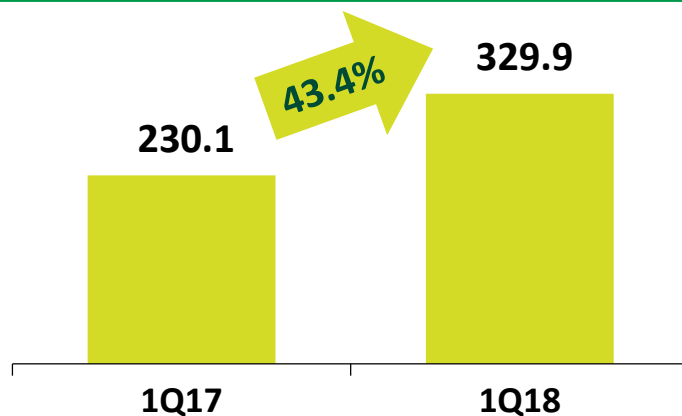
Net revenues (R\$ million)



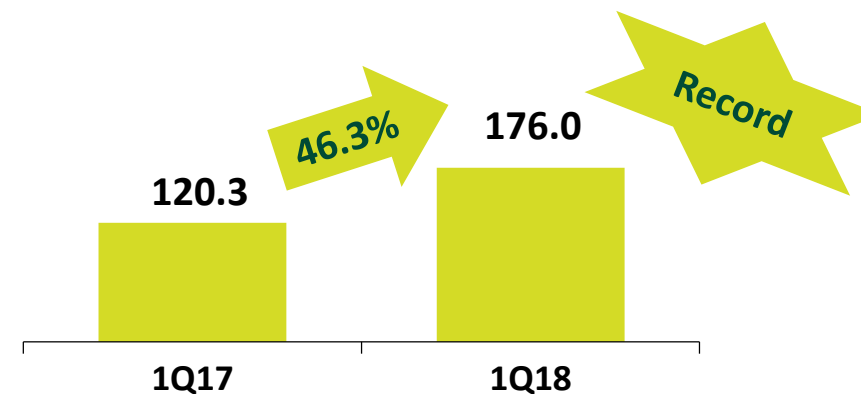
EBITDA (R\$ million)



EBIT (R\$ million)

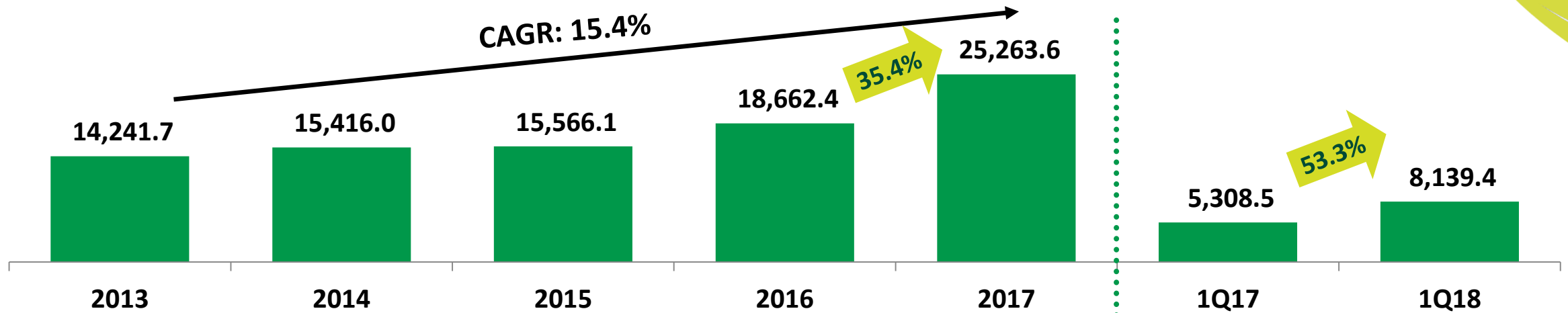


Net income (R\$ million)

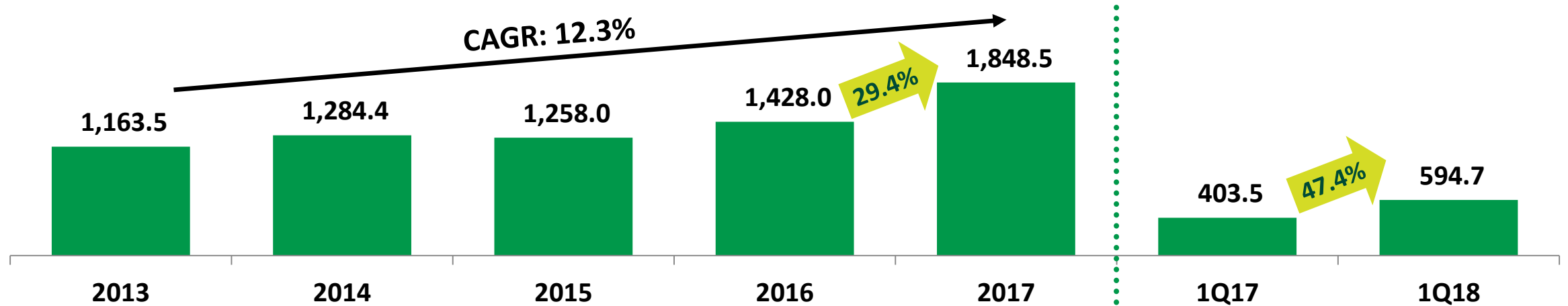


CAR RENTAL

Number of daily rentals (thousand)



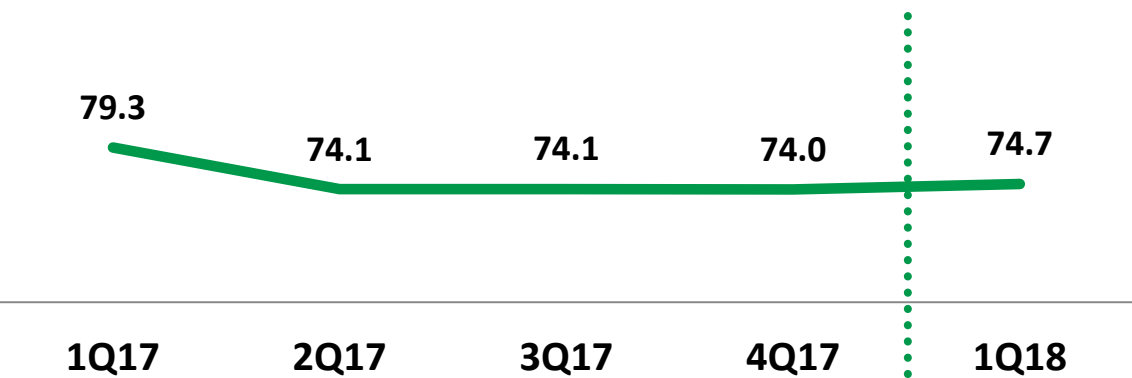
Net revenues (R\$ million)



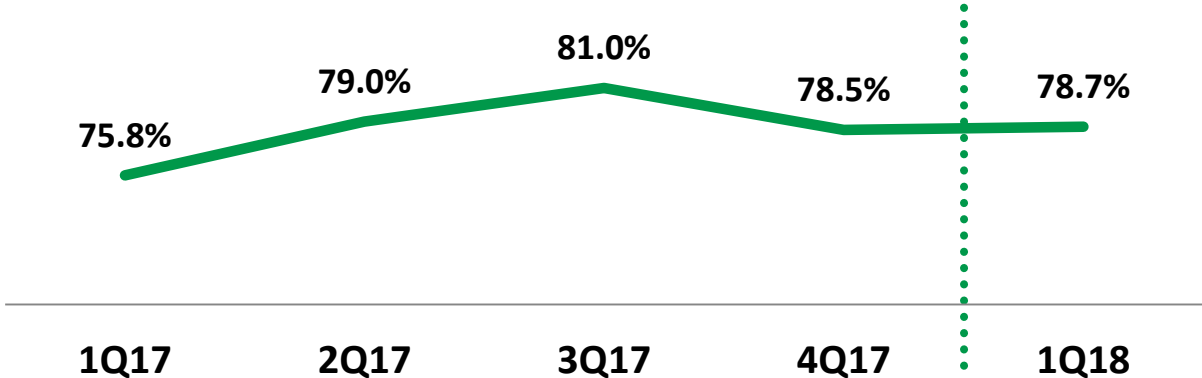
STRONG VOLUME AND REVENUE GROWTH IN 1Q18

CAR RENTAL

Average daily rental rate – in R\$



Utilization rate

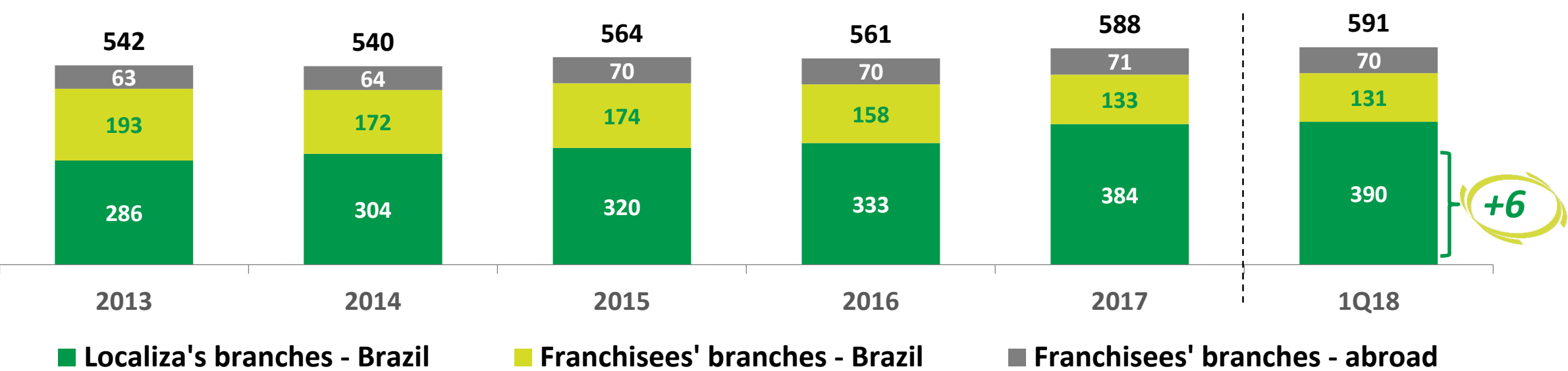


OPERATIONAL EFFICIENCY AND PRICING MANAGEMENT STIMULATED DEMAND AND UTILIZATION

New utilization rate presentation: considers only the period in which cars are available for rental at the locations

CAR RENTAL NETWORK EVOLUTION

Number of car rental locations Brazil and abroad

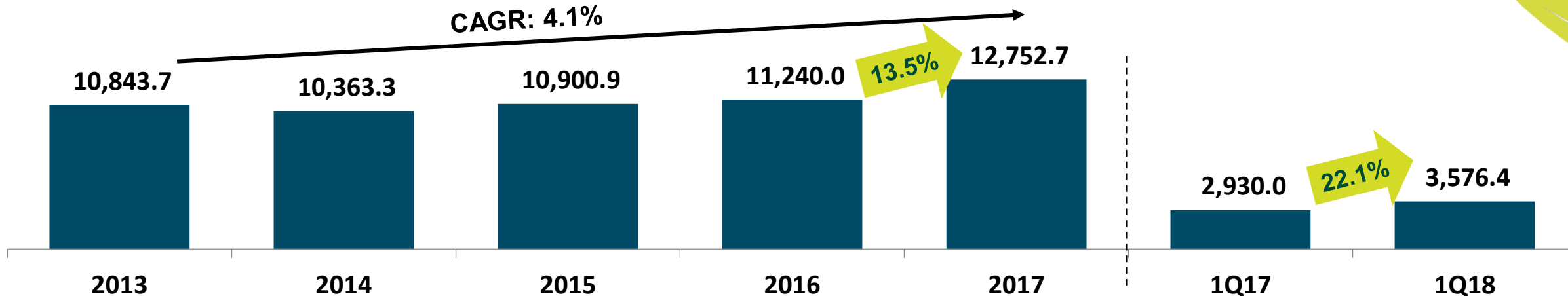


6 CORPORATE LOCATIONS WERE ADDED TO THE NETWORK IN 1Q18

FLEET RENTAL

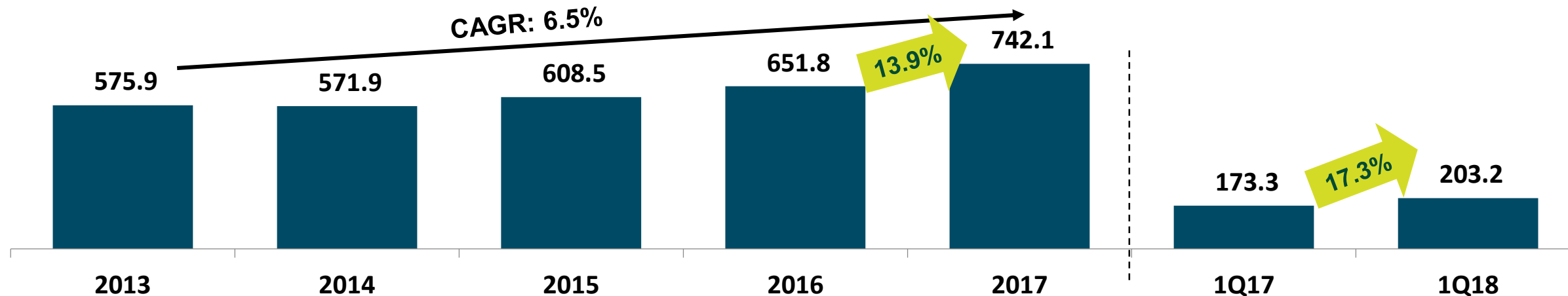
Number of daily rentals (thousand)

CAGR: 4.1%



Net revenues (R\$ million)

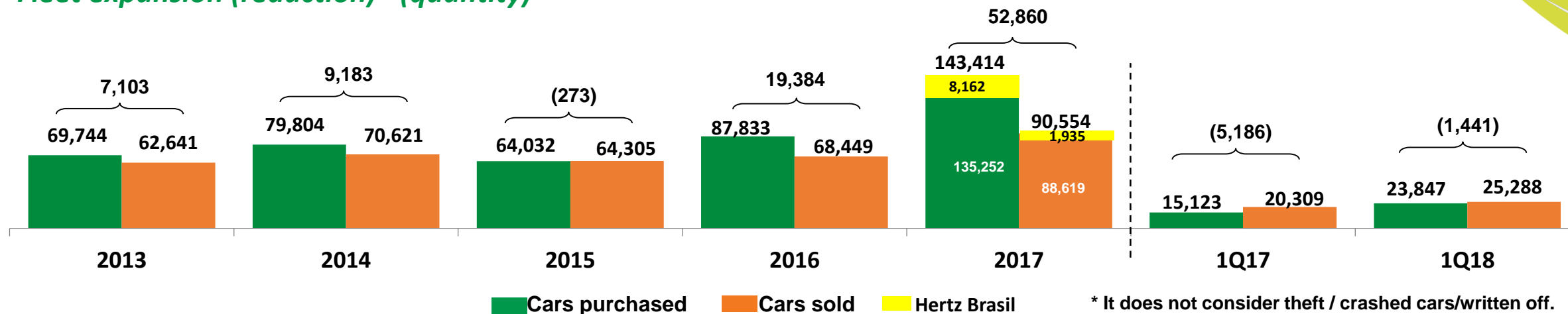
CAGR: 6.5%



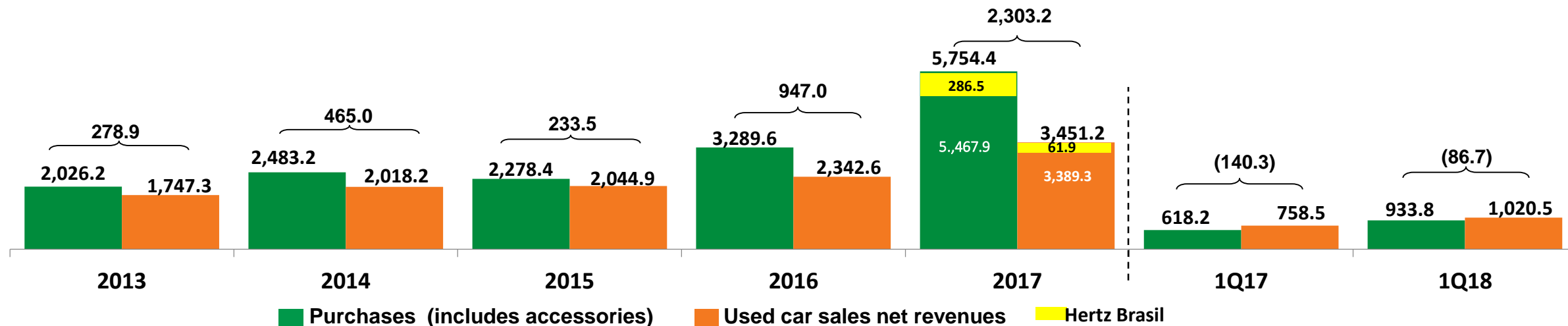
22.1% GROWTH IN 1Q18 VOLUMES

NET INVESTMENT

Fleet expansion (reduction)* (quantity)

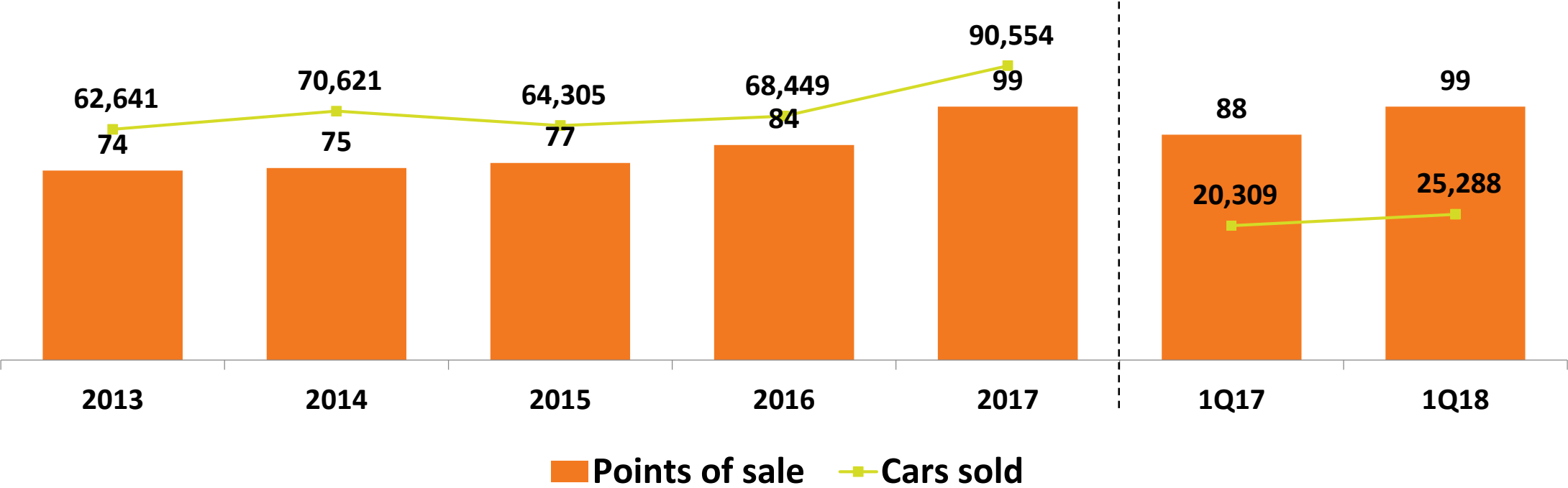


Net investment in fleet (R\$ million)



STRONG GROWTH IN RAC MITIGATED THE NEED TO REDUCE FLEET AFTER SEASONAL DEMAND PEAK

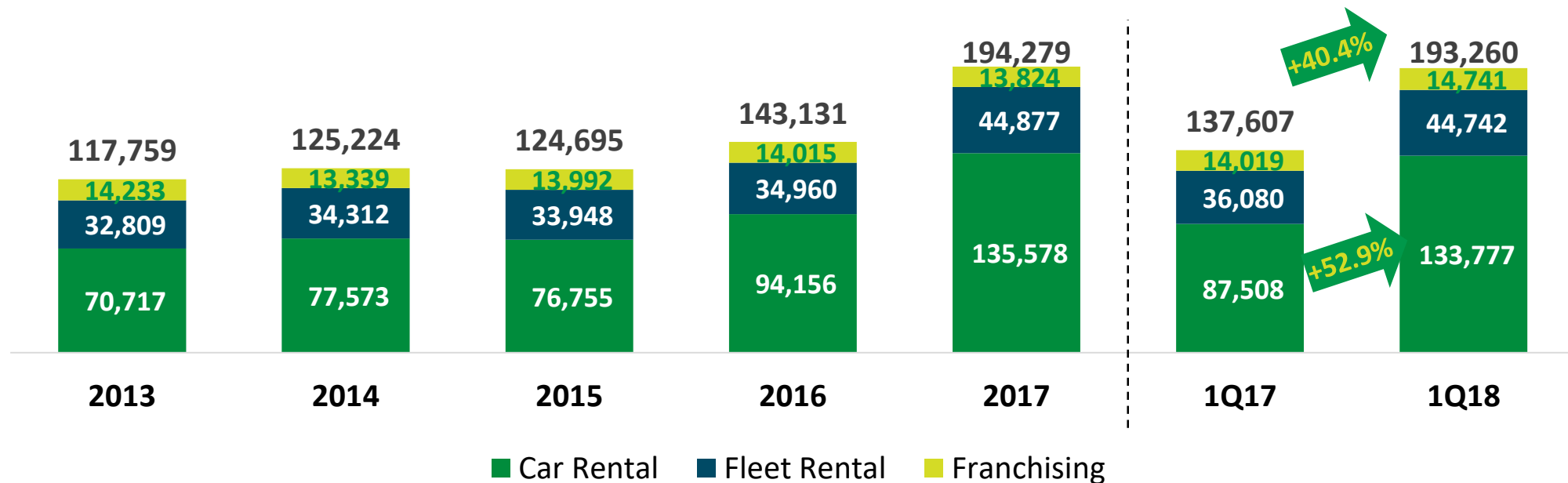
NUMBER OF POINTS OF SALE



STORES WILL BE OPENED THROUGHOUT THE YEAR TO SUPPORT FUTURE RENEWAL OF FLEET

END OF PERIOD FLEET

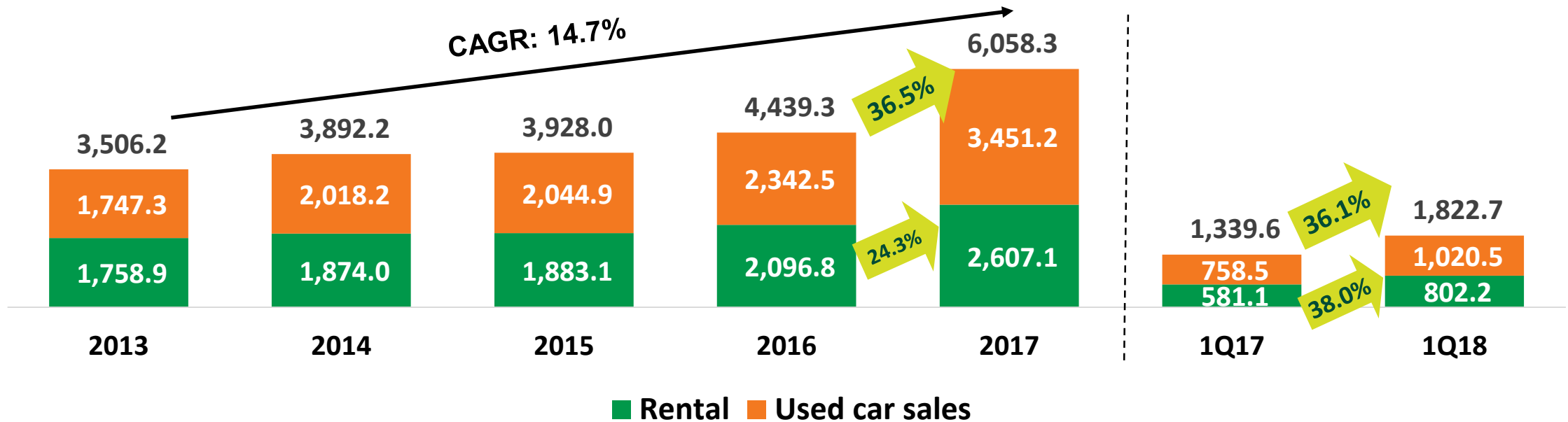
(Quantity)



52.9% GROWTH OF THE RAC FLEET, COMPARED WITH 1Q17

CONSOLIDATED NET REVENUES

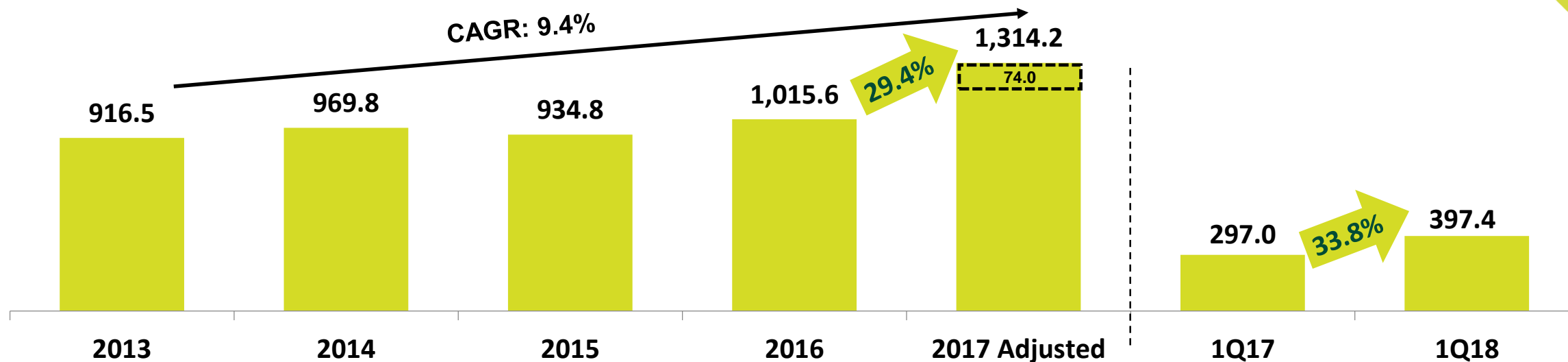
(R\$ million)



36.1% INCREASE IN CONSOLIDATED REVENUES IN 1Q18

CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:

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

Divisions	2013	2014*	2015	2016	2017	1Q17	1Q18
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%**	36.6%	35.7%
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%**	63.0%	61.3%
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%**	44.5%	42.2%
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	5.0%	5.7%

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

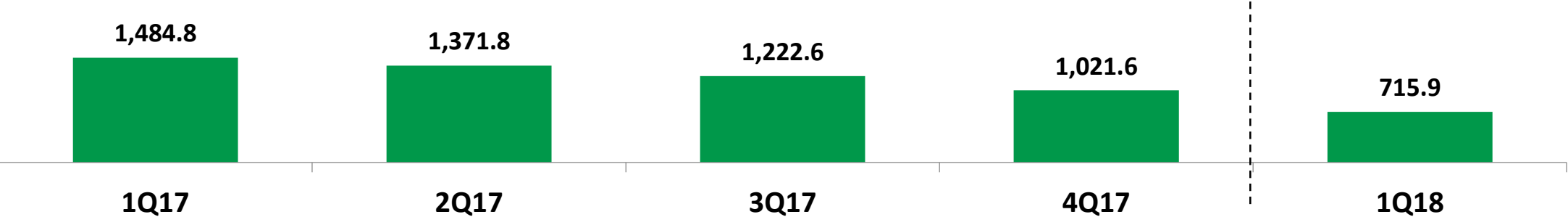
(**) Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

33.8% GROWTH IN CONSOLIDATED EBITDA

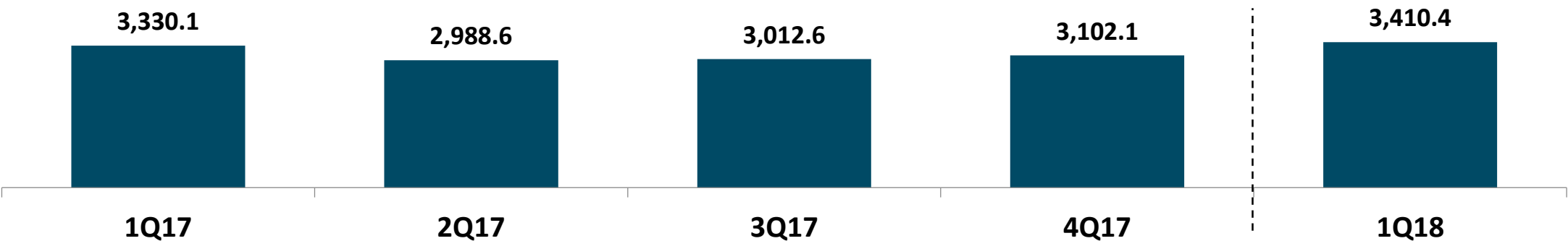
AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

Car Rental



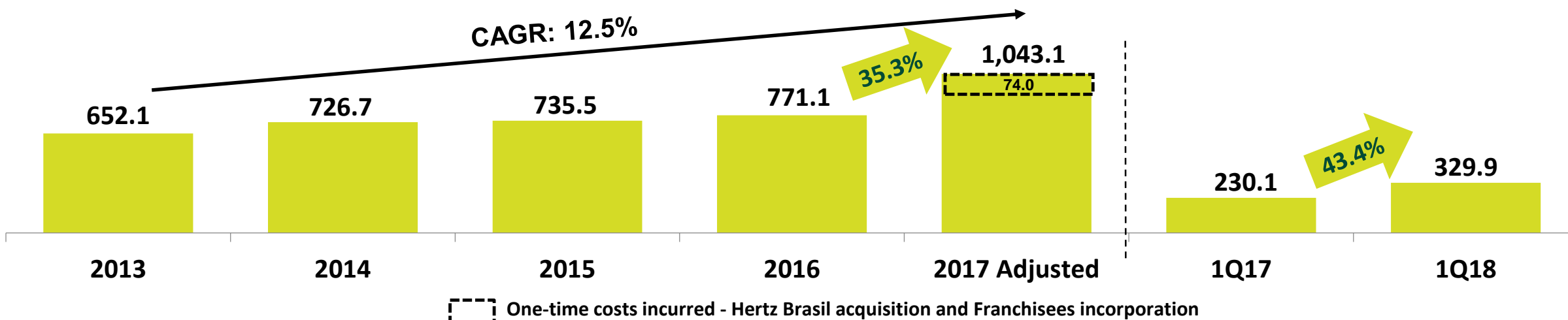
Fleet Rental



CAR PRICE INCREASES AND SALES EFFICIENCY CONTRIBUTED FOR LOWER DEPRECIATION ON RAC

CONSOLIDATED EBIT

(R\$ million)



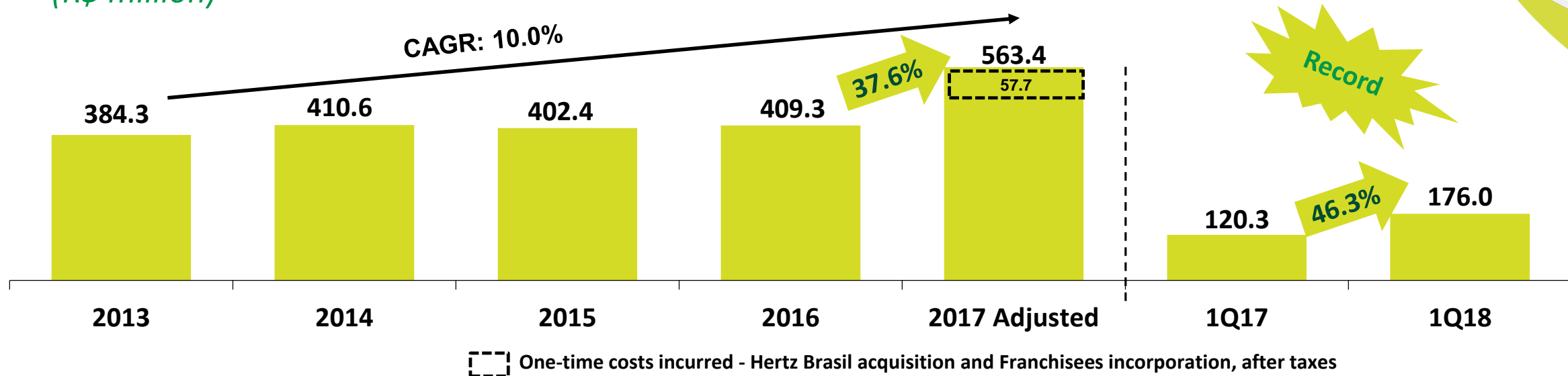
Divisions	2013	2014	2015	2016	2017	1Q17	1Q18
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%*	34.8%	38.8%
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%*	50.9%	48.0%
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%*	39.6%	41.1%

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

LOWER DEPRECIATION PER CAR ON RAC SEGMENT CONTRIBUTED TO 4 P.P. GAIN IN EBIT MARGIN

CONSOLIDATED NET INCOME

(R\$ million)



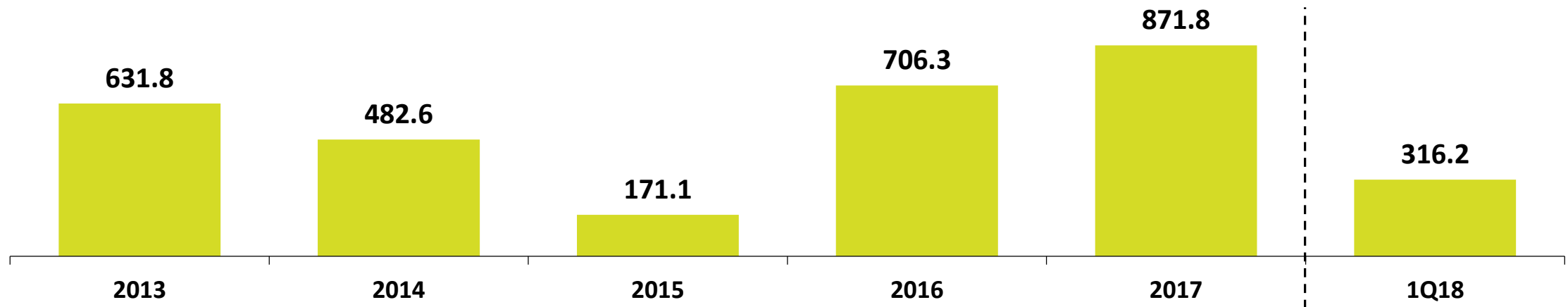
Reconciliation EBITDA x Net income	2013	2014	2015	2016	2017*	Var. R\$	Var. %	1Q17	1Q18	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	298.6	29.4%	297.0	397.4	100.4	33.8%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(25.7)	12.5%	(57.9)	(56.9)	1.0	-1.7%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(0.9)	2.4%	(9.0)	(10.6)	(1.6)	17.8%
EBIT	652.1	726.7	735.5	771.1	1,043.1	272.0	35.3%	230.1	329.9	99.8	43.4%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(71.5)	29.4%	(74.8)	(88.9)	(14.1)	18.9%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(46.4)	39.2%	(35.0)	(65.0)	(30.0)	85.7%
Net income of the period	384.3	410.6	402.4	409.3	563.4	154.1	37.6%	120.3	176.0	55.7	46.3%

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

NEW RECORD NET INCOME: 46,3% GROWTH

FREE CASH FLOW

(R\$ million)



R\$316.2 MILLION OF CASH GENERATION BEFORE GROWTH

FREE CASH FLOW

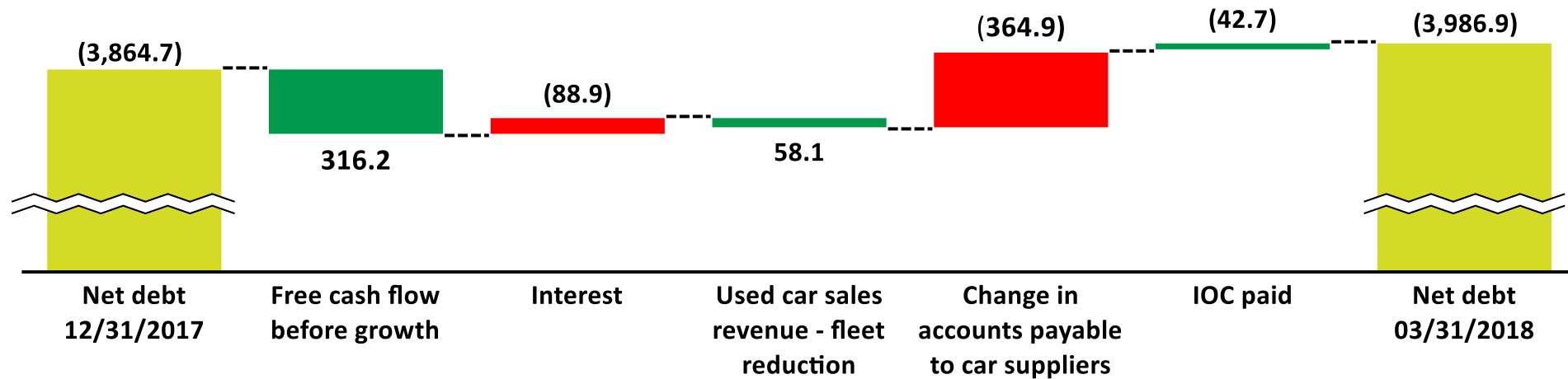
Free cash flow - R\$ million		2013	2014	2015	2016	2017	1Q18
Operations	EBITDA	916.5	969.8	934.8	1,015.6	1,314.2*	397.4
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(3,451.2)	(1,020.5)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	928.1
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(33.3)
	Change in working capital	2.9	(27.1)	(30.0)	113.2	21.2	(49.0)
	Cash generated by rental operations	607.4	588.4	518.3	795.5	882.5	222.7
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	1,747.3	2,018.2	2,036.3	2,342.5	3,451.2	962.4
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(933.8)
	Change in accounts payable to car suppliers – renewal	144.3	120.0	(75.4)	174.1	247.8	71.0
	Net investment for fleet renewal	71.9	(59.5)	(317.5)	(47.0)	38.1	99.6
	Fleet renewal – quantity	62,641	70,621	64,032	68,449	90,554	23,847
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(42.2)	(48.8)	(6.1)
Free cash flow from operations, before growth		631.8	482.6	171.1	706.3	871.8	316.2
Capex - Growth	Fleet growth investment	(209.4)	(286.8)	-	(726.0)	(1,807.0)	-
	Used car sale revenue, net from taxes – fleet reduction			8.6			58.1
	Change in accounts payable to car suppliers – growth	(54.6)	214.4	(45.8)	16.6	167.7	(364.9)
	Hertz Brazil acquisition - fleet					(286.5)	-
	Fleet growth capex	(264.0)	(72.4)	(37.2)	(709.4)	(1,925.8)	(306.8)
	Fleet increase / (reduction) – quantity	7,103	9,183	(273)	19,384	52,860	(1,441)
Free cash flow after growth, and before interest and new HQ		367.8	410.2	133.9	(3.1)	(1,054.0)	9.4
Capex - non-recurring	Hertz Acquisition (Except fleet)	-	-	-	-	(46.7)	-
	Incurred one-time costs effect	-	-	-	-	(74.0)	-
	New headquarters construction and furniture	(6.5)	(148.3)	(30.7)	(84.4)	(126.2)	-
Free cash flow before interest		361.3	261.9	103.2	(87.5)	(1,300.9)	9.4

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

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

CHANGE IN NET DEBT

(R\$ million)

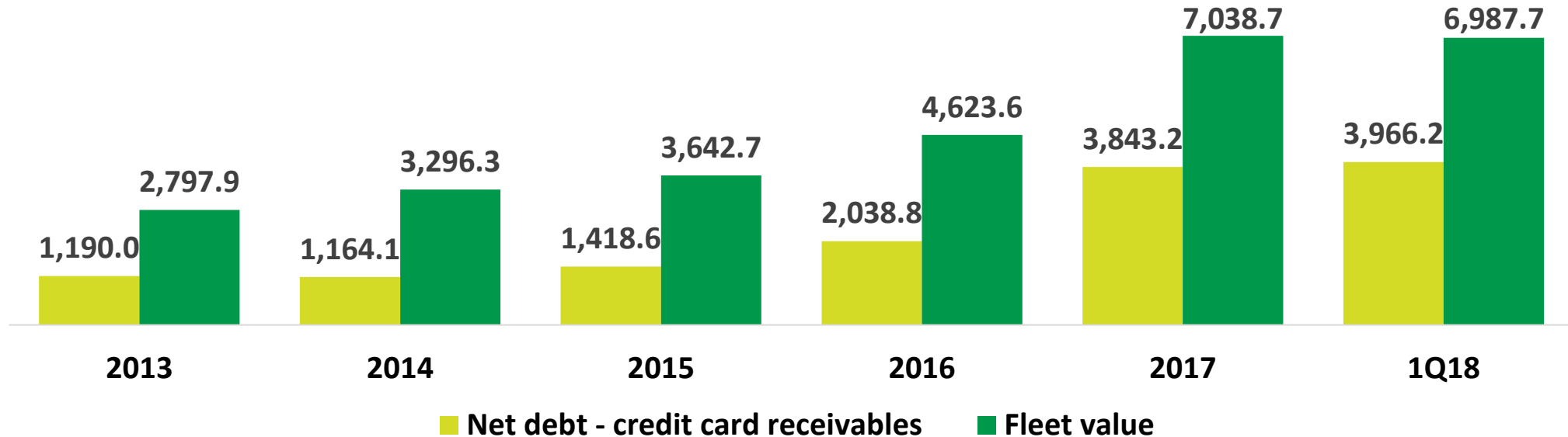


NET DEBT INCREASE OF R\$122 MILLION MAINLY DUE TO REDUCTION OF ACCOUNTS PAYABLE

DEBT RATIOS

(R\$ million)

NET DEBT DISCOUNTING CREDIT CARD RECEIVABLES VERSUS FLEET VALUE



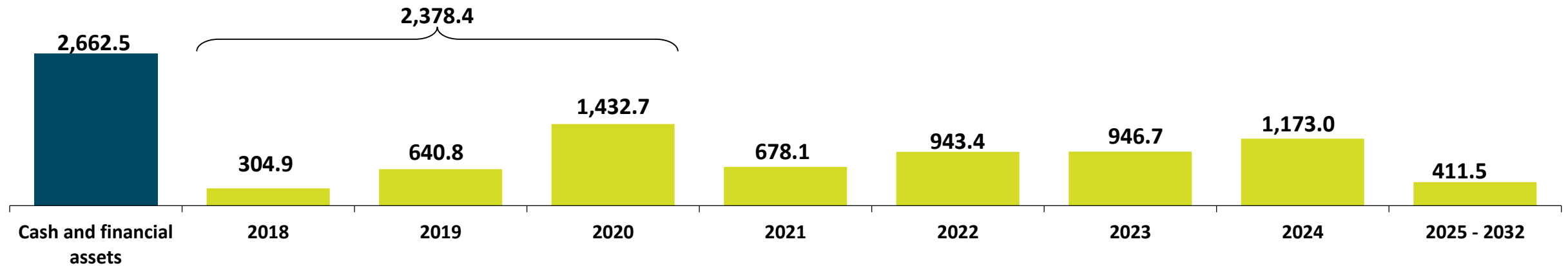
BALANCE AT THE END OF PERIOD	2013	2014	2015	2016	2017	1Q18
Net debt - credit card receivables / Fleet value	43%	35%	39%	44%	55%	57%
Net debt - credit card receivables / annualized EBITDA	1.3x	1.2x	1.5x	2.0x	2.9x	2.5x
Net debt - credit card receivables / Equity	0.9x	0.7x	0.7x	0.9x	1.5x	1.5x
EBITDA / Net financial expenses	8.3x	6.4x	4.6x	4.2x	4.2x	4.5x

COMFORTABLE CAPITAL STRUCTURE

DEBT MATURITY PROFILE (PRINCIPAL)

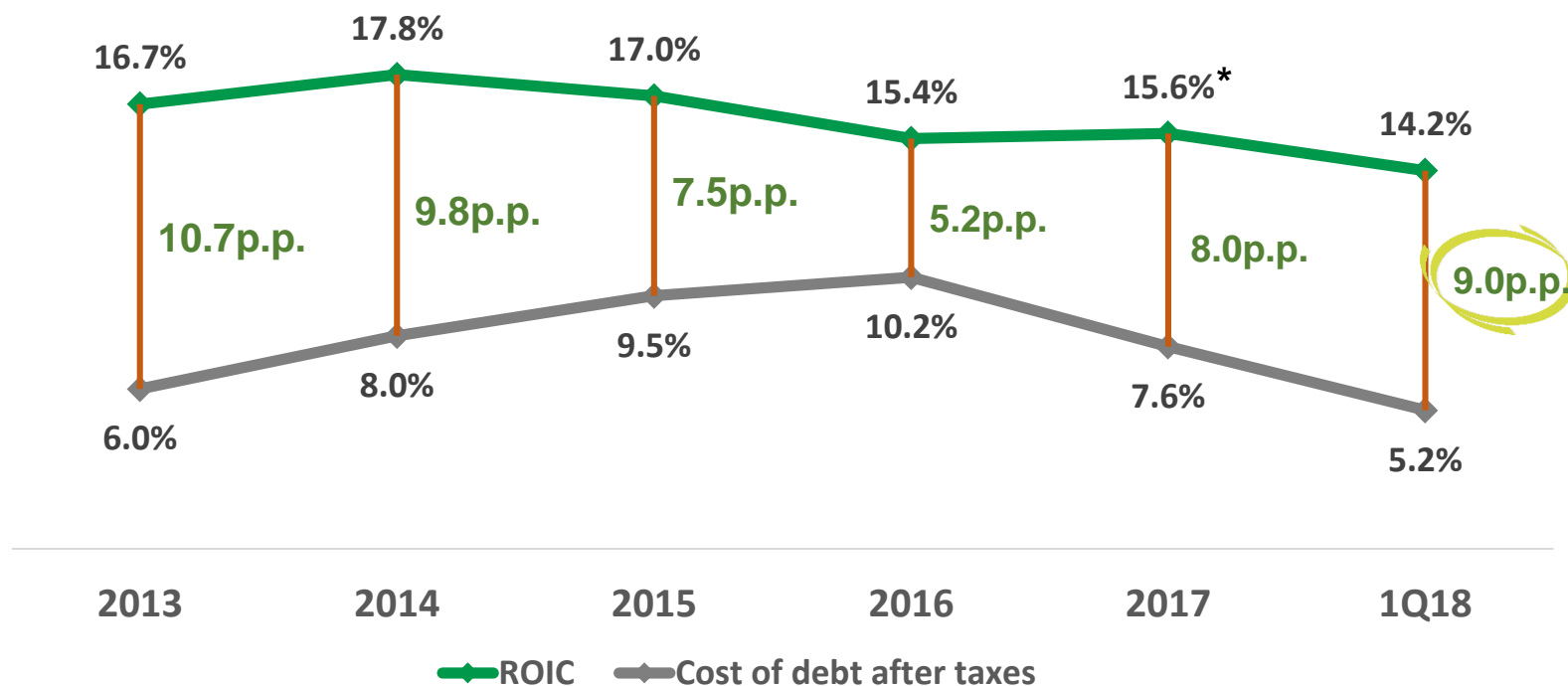
(R\$ million)

As of Mach 31, 2018



COMFORTABLE DEBT AND CASH PROFILE TO SUPPORT GROWTH

ROIC *VERSUS* COST OF DEBT AFTER TAXES



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

HIGHER SPREAD MEANS VALUE GENERATION FOR SHAREHOLDERS

Thank You!

Disclaimer

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