

208,552
CARS

Moving towards even
greater challenges

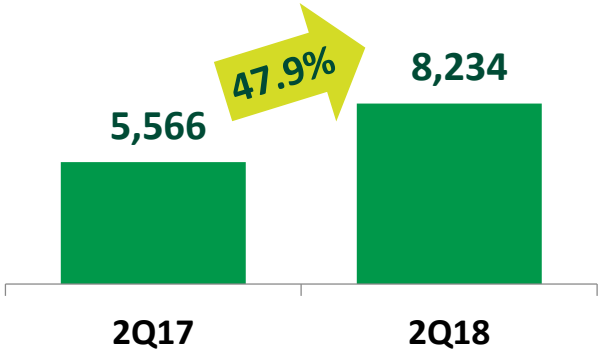
Webcast
2018

OPERATING CONTEXT – 2Q18

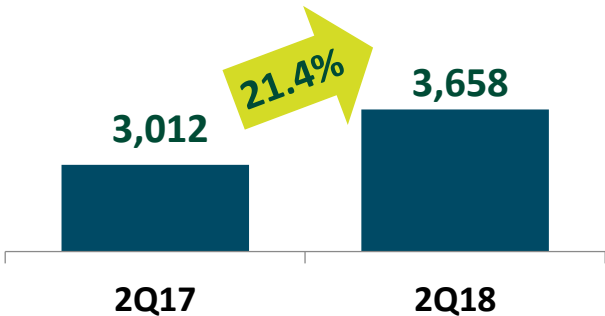
- Company overcame the mark of 200 k cars, ending 2Q18 with 208,552 cars in its fleet
- 47.9% growth in **RAC** and 21.4% in **Fleet Rental** volumes
- Short term cash management for reduction of its carrying cost
- Spread (ROIC – Kd after income tax) of 8.1 p.p.
- Truck drivers' strike and payroll estimated impact in EBITDA by roughly R\$39 million and net income by around R\$29 million
- Excluding those effects EBITDA would have grown roughly 30% and net income 32%

2Q18 OPERATING HIGHLIGHTS

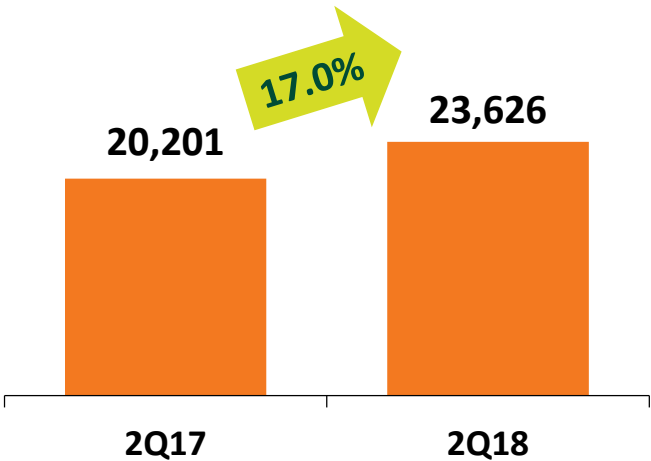
of rental days (thousand)– Car Rental



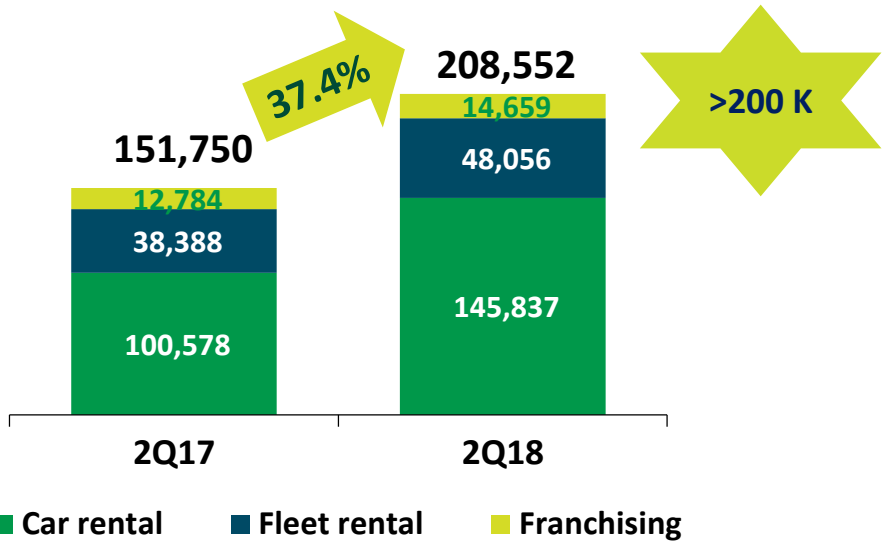
of rental days (thousand) – Fleet Rental



of cars sold

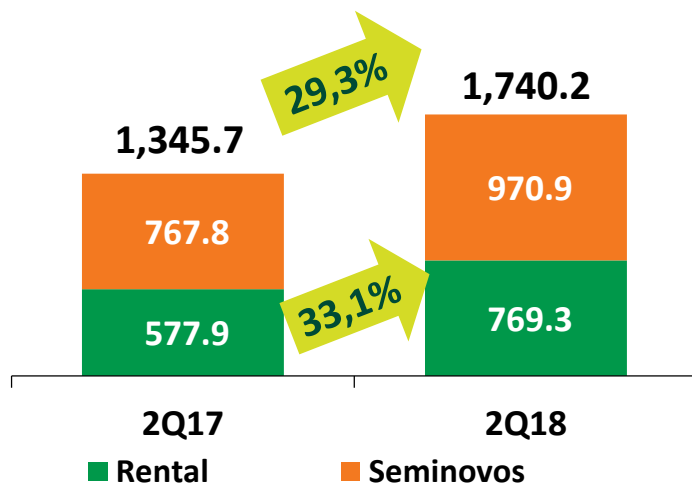


Fleet at end of the period

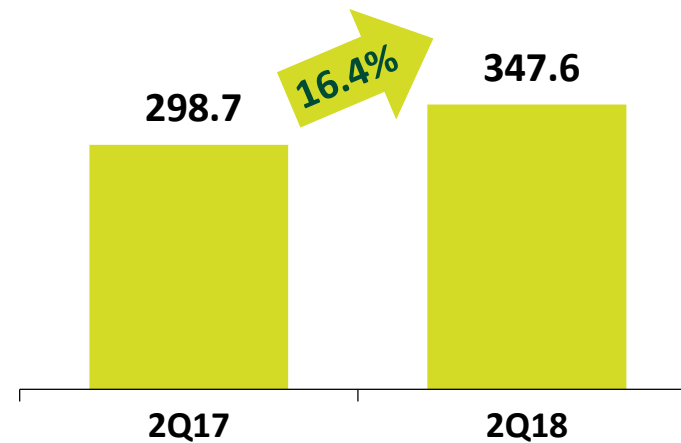


2Q18 FINANCIAL HIGHLIGHTS

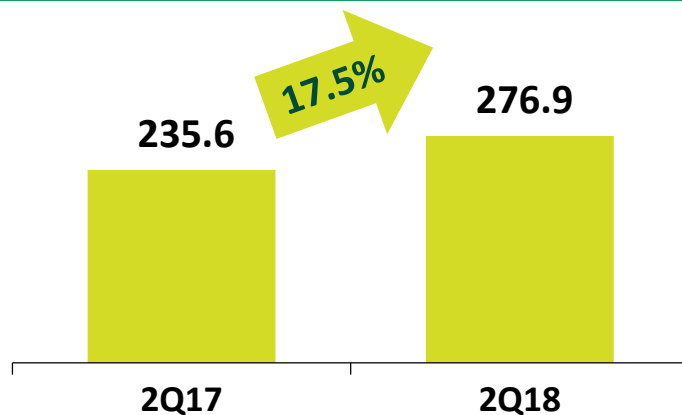
Net revenues (R\$ million)



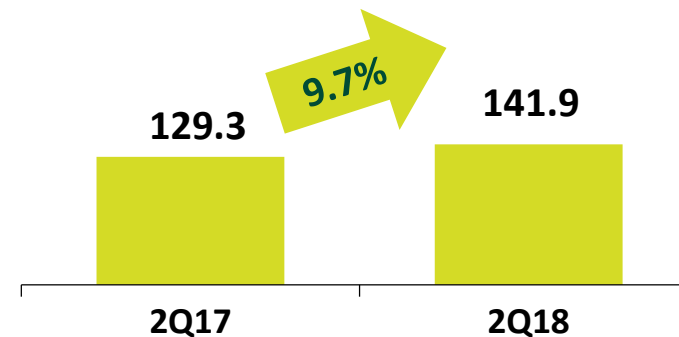
EBITDA (R\$ million)



EBIT (R\$ million)

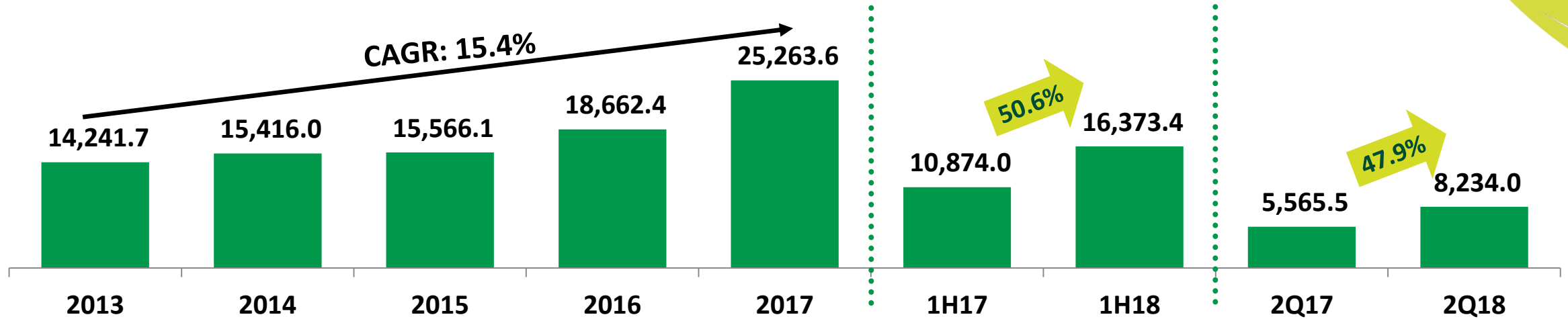


Net income (R\$ million)

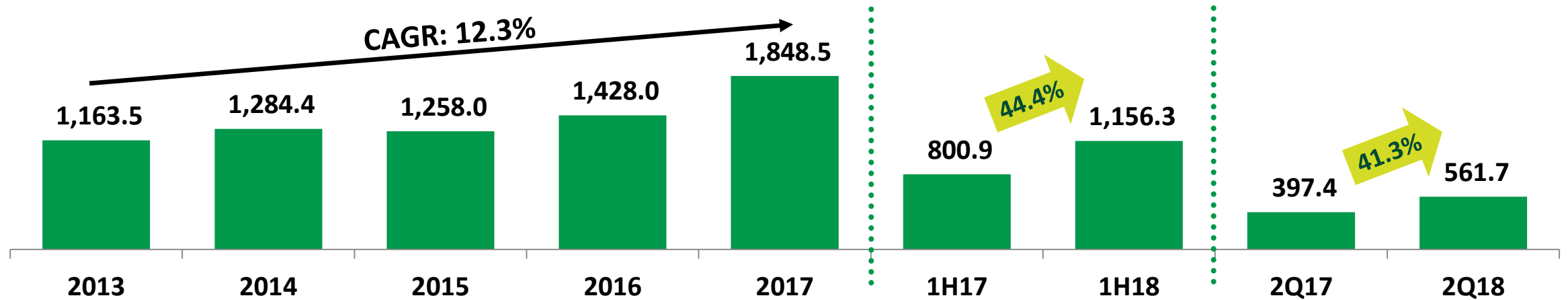


CAR RENTAL

Number of rental days (thousand)



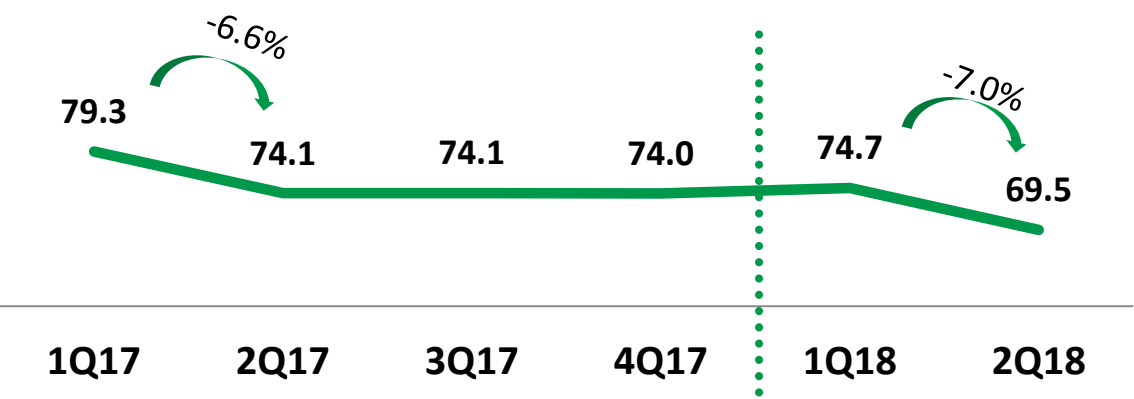
Net revenues (R\$ million)



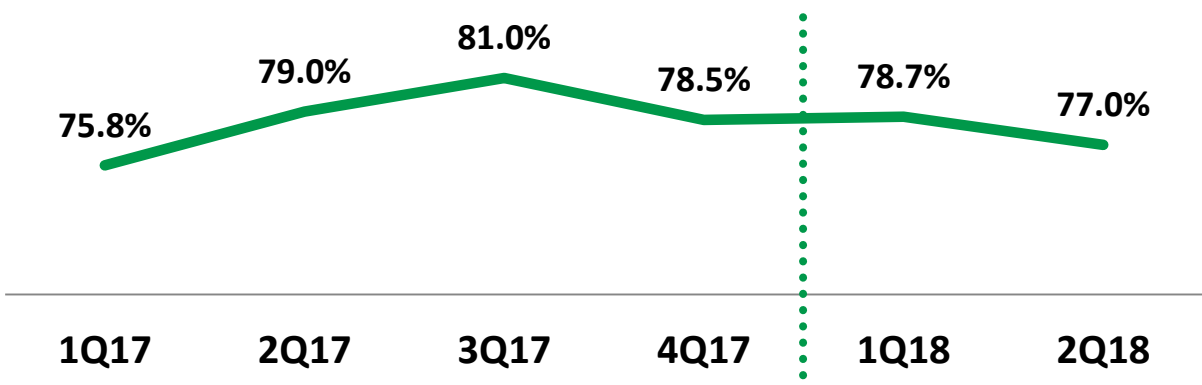
STRONG VOLUME AND REVENUE GROWTH IN 2Q18

CAR RENTAL

Average daily rental rate (in R\$)



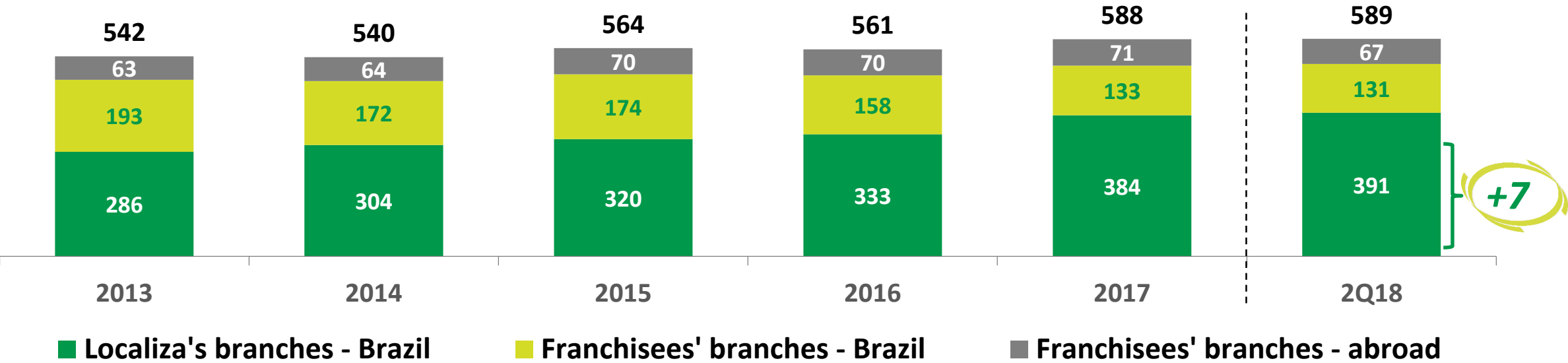
Utilization rate (%)



VOLUME, DAILY RATES AND UTILIZATION WERE IMPACTED BY THE TRUCK DRIVERS' STRIKE

CAR RENTAL NETWORK EVOLUTION

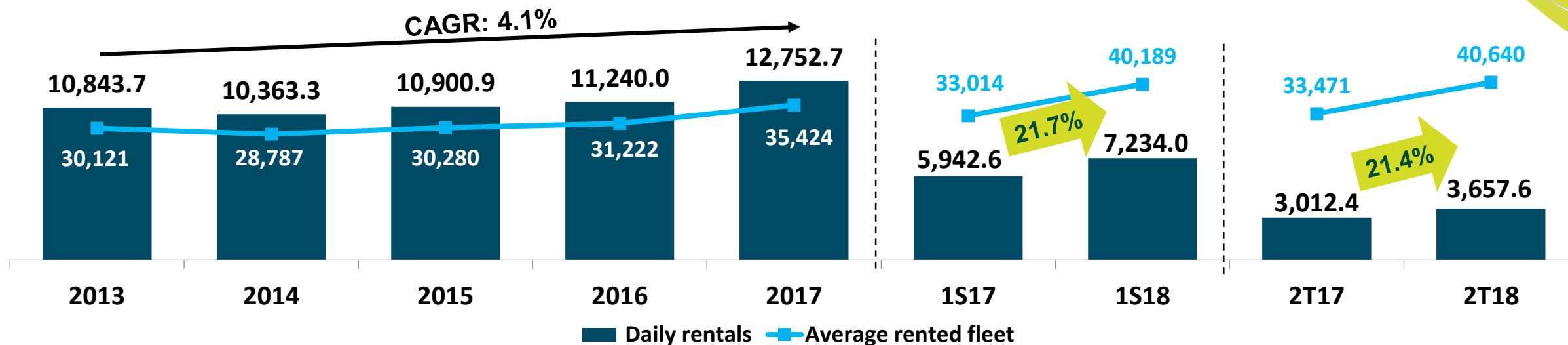
Number of car rental locations Brazil and abroad



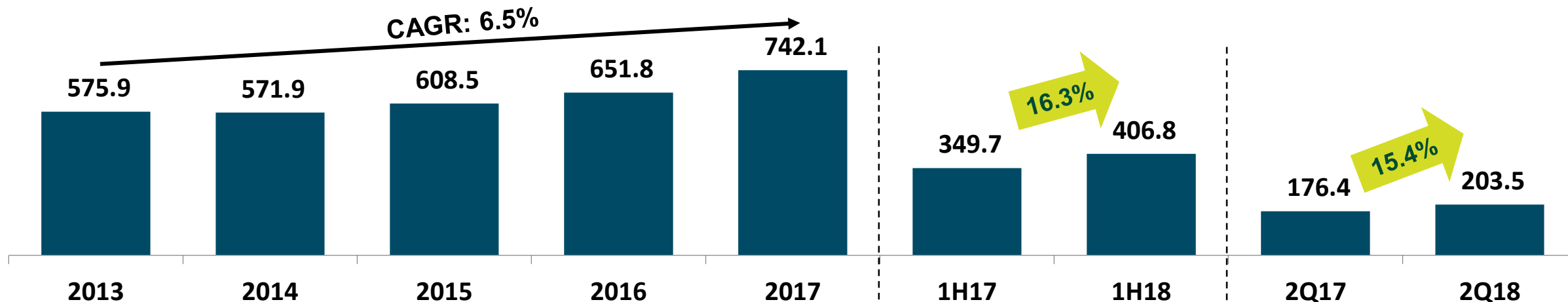
7 CORPORATE LOCATIONS WERE ADDED TO THE NETWORK

FLEET RENTAL

Number of daily rentals and average rented fleet



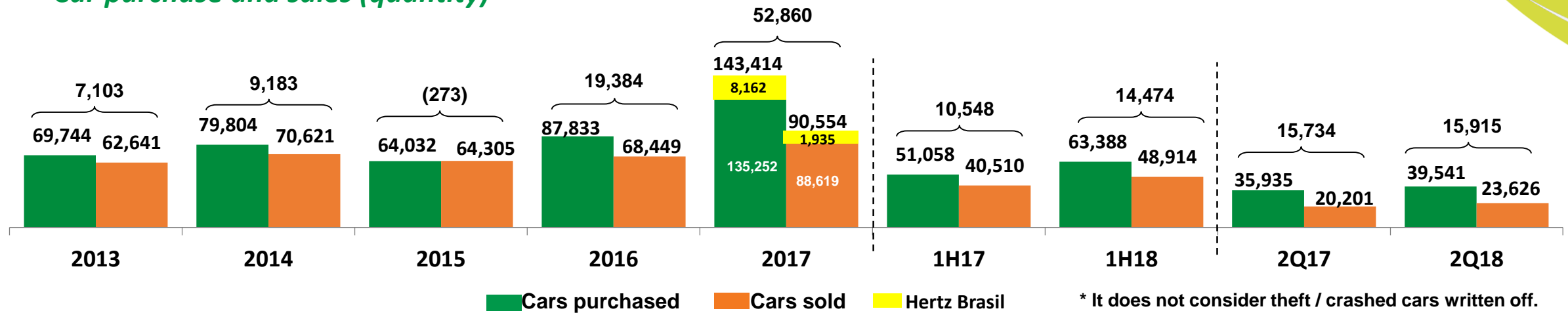
Net revenues (R\$ million)



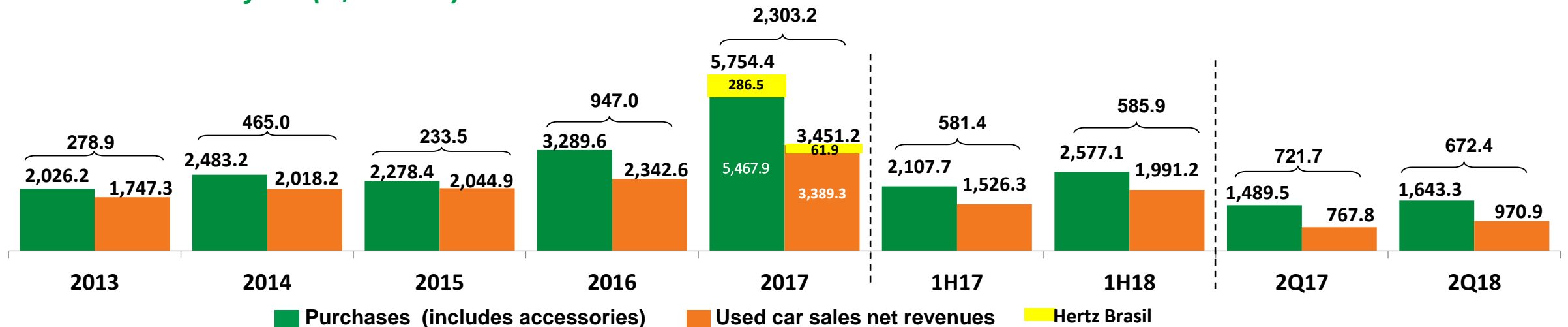
21.4% VOLUME GROWTH IN 2Q18

NET INVESTMENT

Car purchase and sales (quantity)

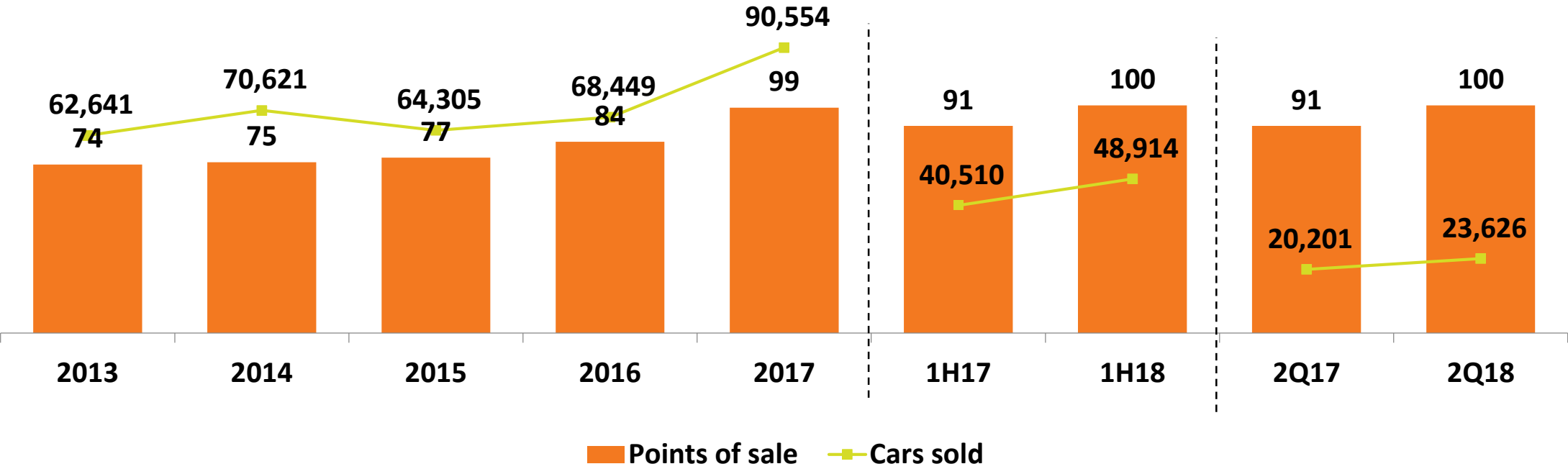


Net investment in fleet (R\$ million)



STRONG GROWTH IN RENTAL VOLUMES REQUIRED FLEET GROWTH

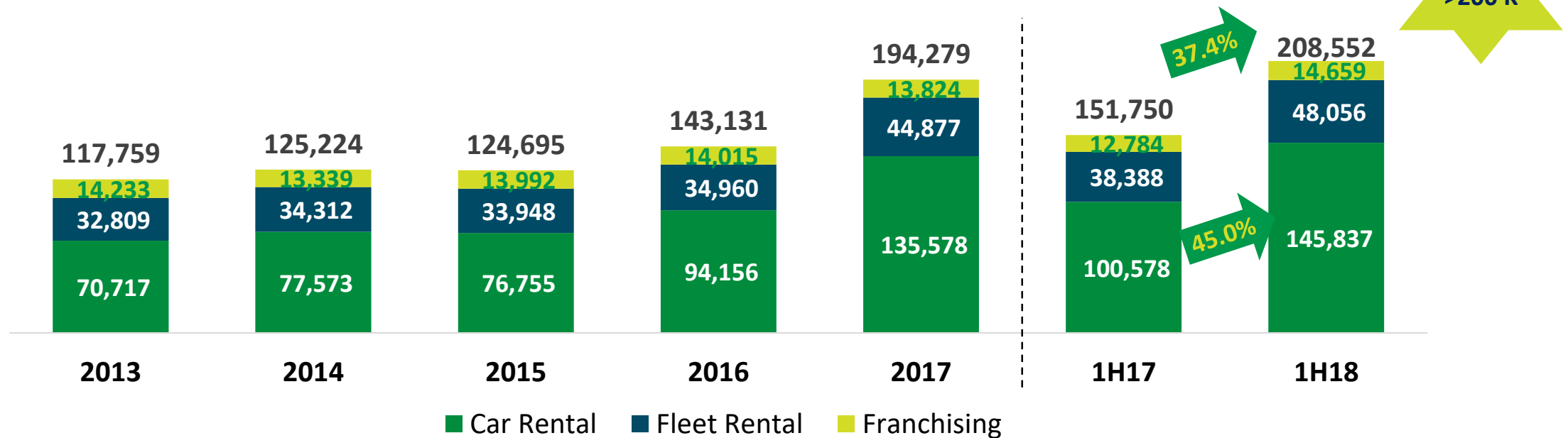
NUMBER OF POINTS OF SALE



STORES WILL BE OPENED THROUGHOUT THE 2ND HALF TO SUPPORT FUTURE FLEET RENEWAL

END OF PERIOD FLEET

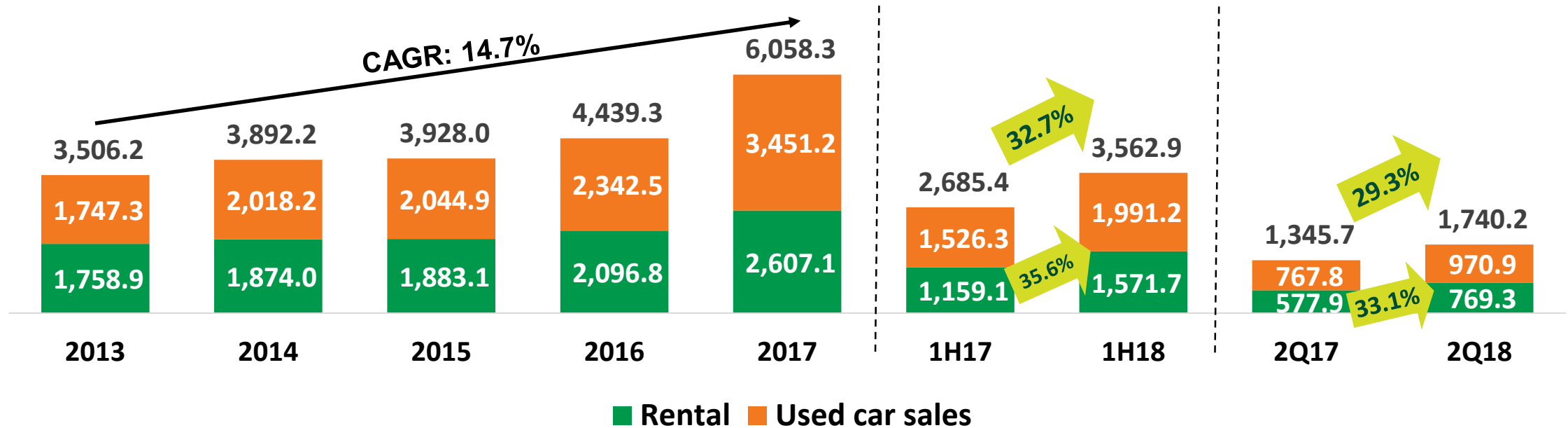
(Quantity)



45.0% GROWTH OF THE RAC FLEET

CONSOLIDATED NET REVENUES

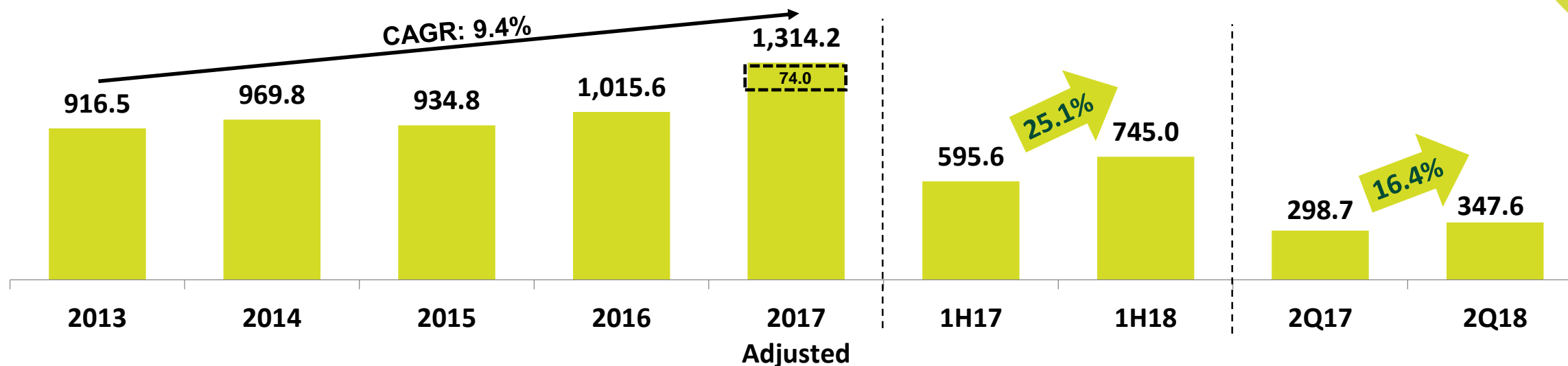
(R\$ million)



29.3% INCREASE IN CONSOLIDATED NET REVENUES IN 2Q18

CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:

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

Divisions	2013	2014*	2015	2016	2017	1H17	1H18	2Q17	2Q18
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%**	35.3%	33.9%	34.0%	32.0%
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%**	62.4%	62.9%	61.8%	64.6%
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%**	43.4%	41.5%	42.4%	40.7%
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	6.0%	4.7%	7.0%	3.5%

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

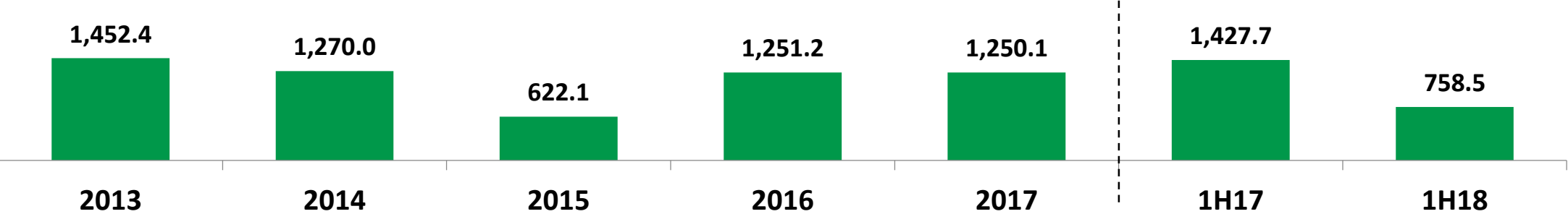
(**) Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

EXCLUDING THE STRIKE AND PAYROLL IMPACTS, ESTIMATED EBITDA WOULD HAVE BEEN APPROXIMATELY R\$387 MILLION

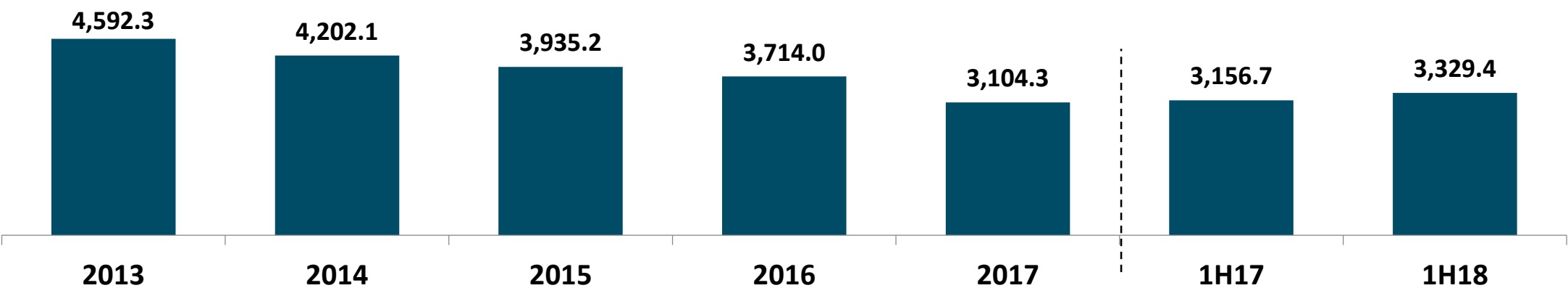
AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

Car Rental



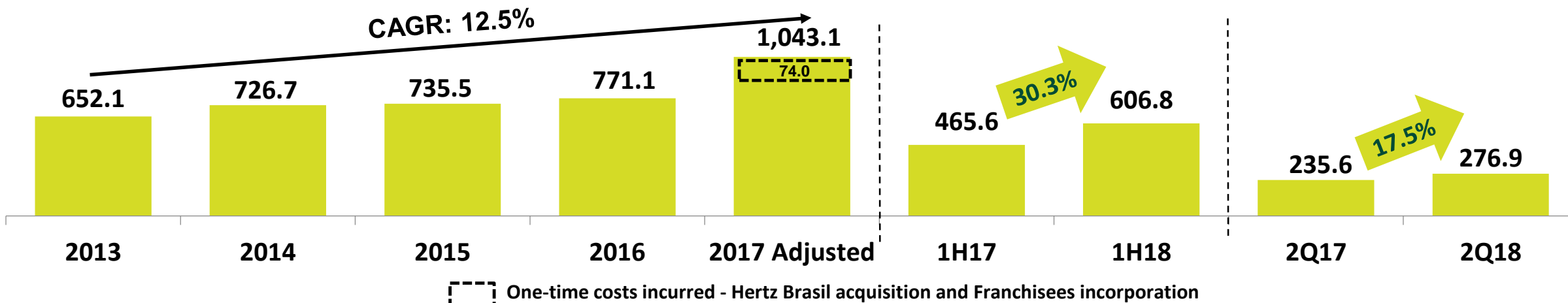
Fleet Rental



EFFICIENCY ON SELLING COUPLED WITH CAR PRICE INCREASE CONTRIBUTED FOR LOWER DEPRECIATION IN RAC

CONSOLIDATED EBIT

(R\$ million)



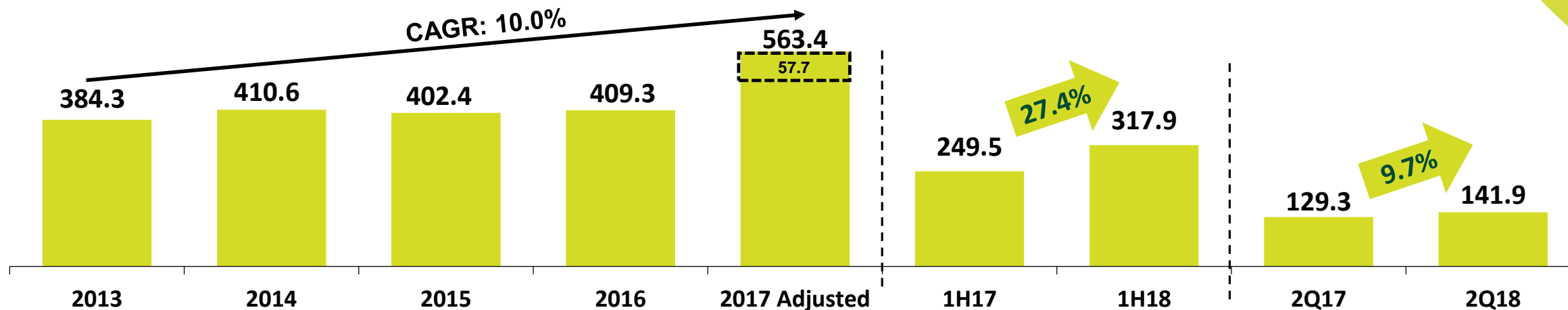
Divisions	2013	2014	2015	2016	2017	1H17	1H18	2Q17	2Q18
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%*	34.9%	34.6%	35.1%	30.2%
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%*	52.4%	49.9%	54.0%	51.8%
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%*	40.2%	38.6%	40.8%	36.0%

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

17.5% INCREASE IN EBIT IN THE 2Q18

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*	Var. R\$	Var. %	1H17	1H18	Var. R\$	Var. %	2Q17	2Q18	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	298.6	29.4%	595.6	745.0	149.4	25.1%	298.7	347.6	48.9	16.4%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(25.7)	12.5%	(112.0)	(116.7)	(4.7)	4.2%	(54.1)	(59.8)	(5.7)	10.5%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(0.9)	2.4%	(18.0)	(21.5)	(3.5)	19.4%	(9.0)	(10.9)	(1.9)	21.1%
EBIT	652.1	726.7	735.5	771.1	1,043.1	272.0	35.3%	465.6	606.8	141.2	30.3%	235.6	276.9	41.3	17.5%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(71.5)	29.4%	(142.0)	(177.6)	(35.6)	25.1%	(67.2)	(88.7)	(21.5)	32.0%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(46.4)	39.2%	(74.1)	(111.3)	(37.2)	50.2%	(39.1)	(46.3)	(7.2)	18.4%
Net income of the period	384.3	410.6	402.4	409.3	563.4	154.1	37.6%	249.5	317.9	68.4	27.4%	129.3	141.9	12.6	9.7%

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

9.7% INCREASE IN THE QUARTER'S NET INCOME, IMPACTED BY AROUND R\$ 29 MILLION

FREE CASH FLOW

Free cash flow - R\$ million		2013	2014	2015	2016	2017	1H18
Operations	EBITDA	916.5	969.8	934.8	1,015.60	1314.2	745.0
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(3,451.2)	(1,991.2)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	1,820.0
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(79.3)
	Change in working capital	2.9	(27.1)	(30.0)	(40.8)	(47.9)	(63.7)
	Cash generated by rental operations	607.4	588.4	518.3	641.5	813.4	430.8
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	1,991.2
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(1,988.6)
	Change in accounts payable to car suppliers – renewal	144.3	120.0	(25.4)	219.9	227.6	(167.4)
	Net investment for fleet renewal	71.9	(59.5)	(267.5)	(1.2)	17.9	(164.8)
	Fleet renewal – quantity	62,641	70,621	64,032	68,449	90,554	48,914
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(42.2)	(48.8)	(20.5)
Free cash flow from operations, before growth		631.8	482.6	221.1	598.1	782.5	245.5
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)	(588.5)
	Change in accounts payable to car suppliers – growth	(54.6)	214.4	(23.9)	26.8	168.7	101.0
	Hertz Brazil acquisition - fleet	-	-	-	-	(286.5)	-
	Fleet growth capex	(264.0)	(72.4)	(15.3)	(699.2)	(1,924.8)	(487.5)
	Fleet increase / (reduction) – quantity	7,103	9,183	(273)	19,384	52,860	14,474
Free cash flow after growth, interest and new HQ		367.8	410.2	205.8	(101.1)	(1,142.3)	(242.0)
Capex - non-recurring	Hertz Acquisition (Except fleet) / Incurred one-time costs effect	-	-	-	-	(120.7)	-
	New headquarters construction and furniture	(6.5)	(148.3)	(30.7)	(84.4)	(126.2)	-
Free cash generated before the financial effects of discounts and prepayments		361.3	261.9	175.1	(185.5)	(1,389.2)	(242.0)
Cash effects of anticipation of credit card receivables and suppliers (**)		-	-	(71.9)	98.0	88.3	(260.2)
Free cash flow before interest		361.3	261.9	103.2	(87.5)	(1,300.9)	(502.2)

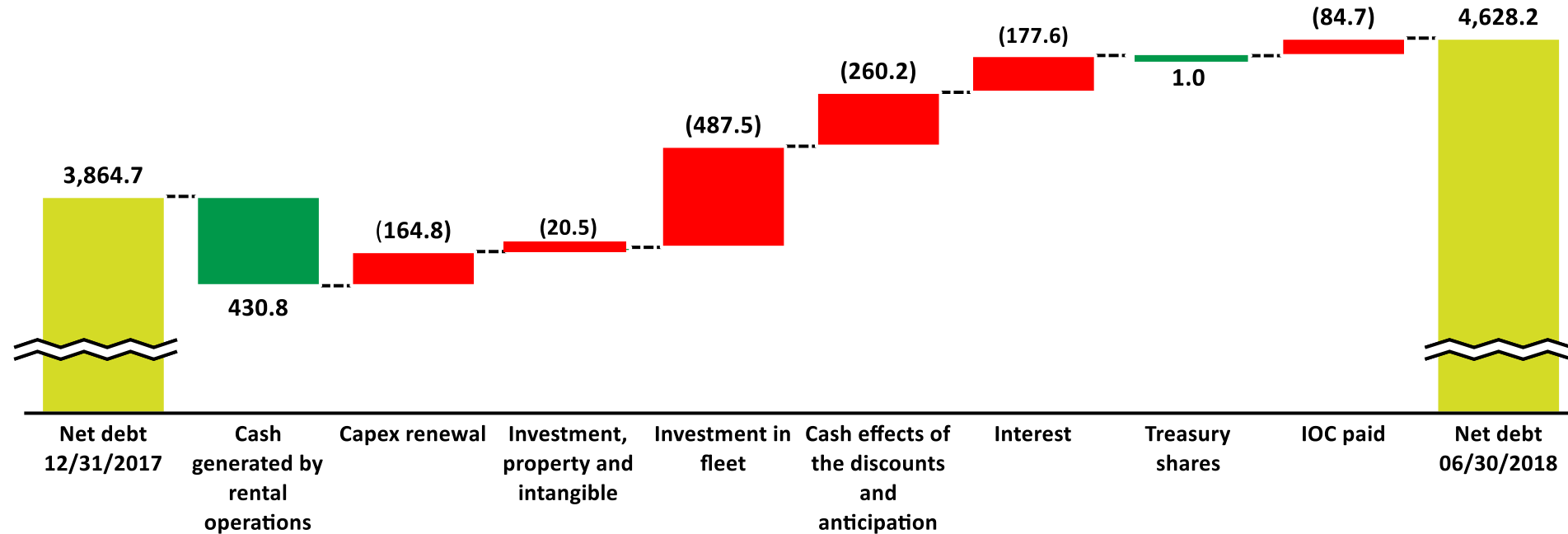
In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediately liquidity

(*) 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)

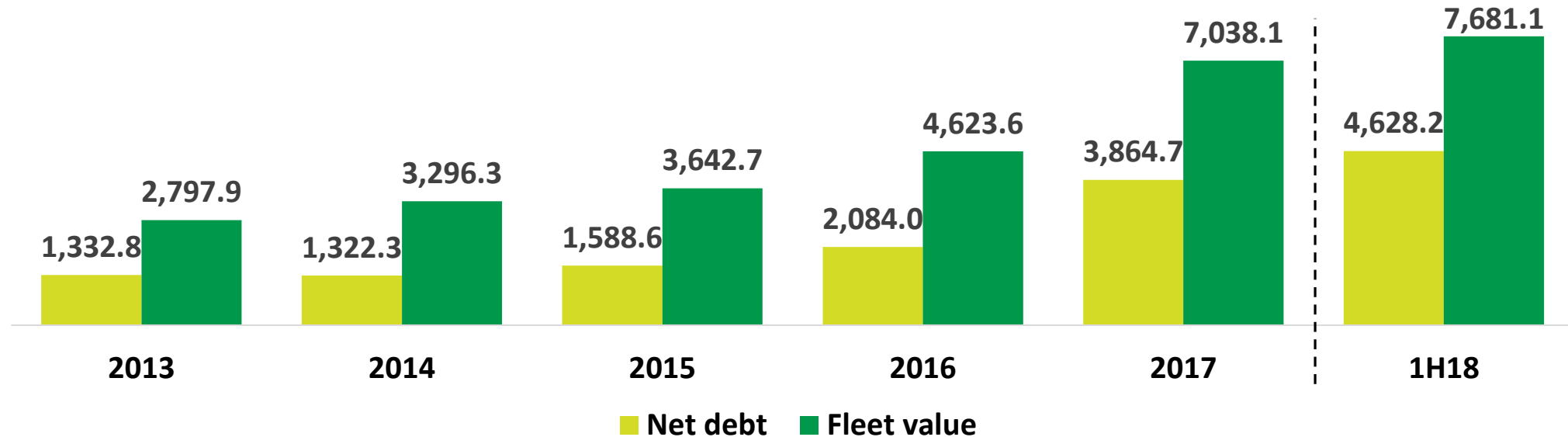


**THE FLEET GROWTH INVESTMENT, TOGETHER WITH SHORT TERM CASH MANAGEMENT
RESULTED IN THE INCREASE OF THE NET DEBT**

DEBT RATIOS

(R\$ million)

NET DEBT VERSUS FLEET VALUE



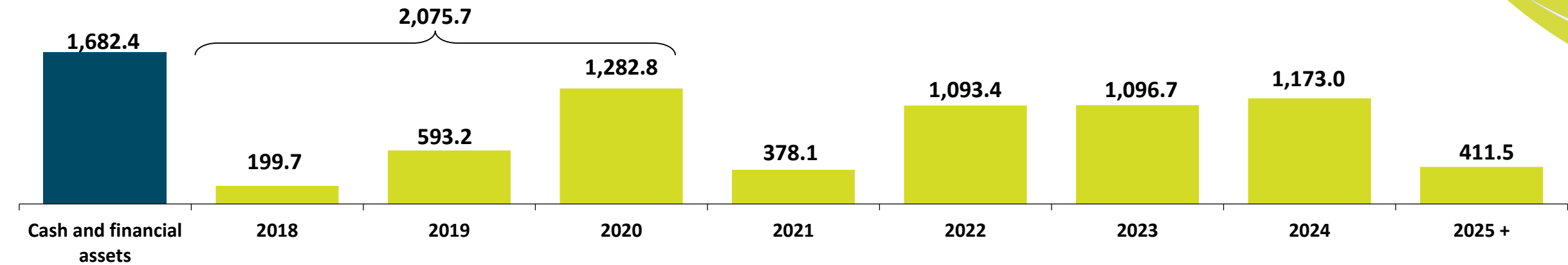
BALANCE AT THE END OF PERIOD	2013	2014	2015	2016	2017	1H18
Net debt / Fleet value	48%	40%	44%	45%	55%	60%
Net debt / annualized EBITDA	1.5x	1.4x	1.7x	2.1x	2.9x	3.1x
Net debt / Equity	1.0x	0.8x	0.8x	0.9x	1.5x	1.6x
EBITDA / Net financial expenses	8.3x	6.4x	4.6x	4.2x	4.2x	4.2x

EXCLUDING THE EFFECT OF THE ANTICIPATION, NET DEBT/EBITDA RATIO WOULD BE 2.9X

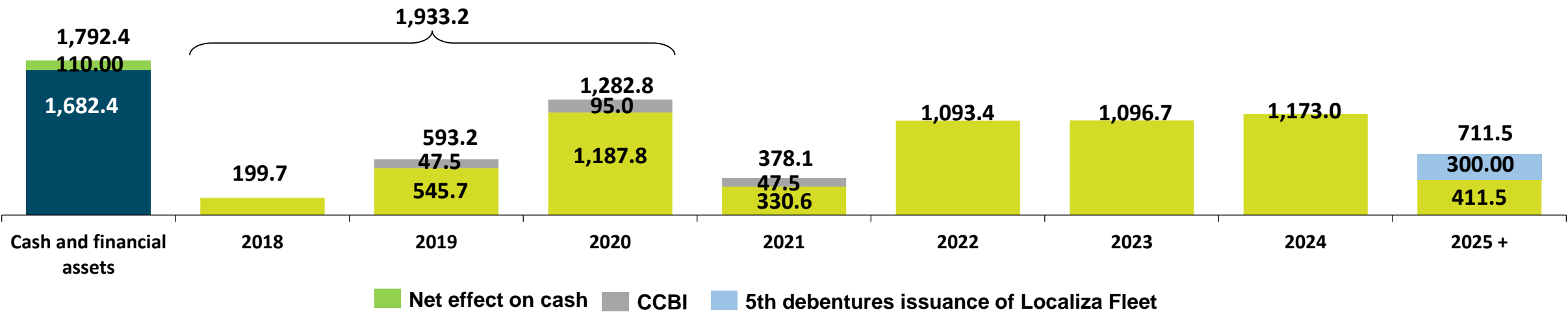
DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of June 30, 2018

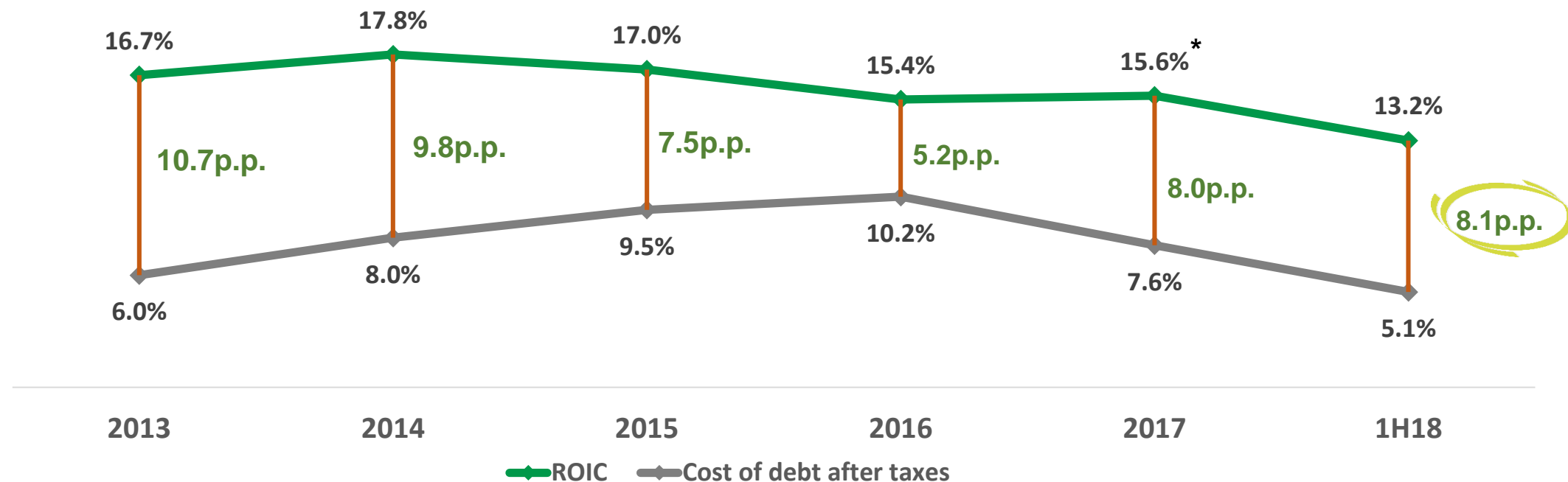


Proforma considering the Fleet's 5th issuance and CCBI prepayment



THE STRONG CASH BALANCE GUARANTEES FLEXIBILITY TO REDUCE THE AVERAGE COST AND INCREASE THE DURATION OF THE COMPANY'S DEBT

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 STRONG PACE OF GROWTH

Thank You!

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