

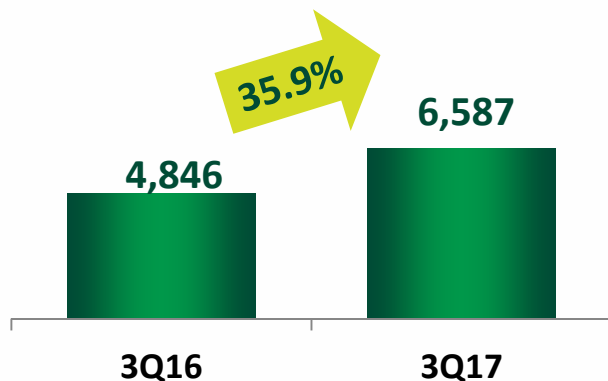
3Q17 and 9M17 Results

November 7, 2017

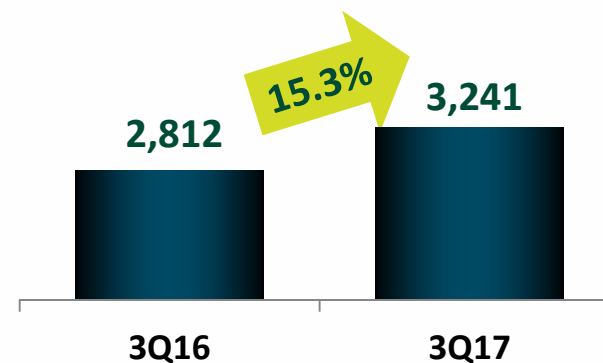


3Q17 Operational Highlights

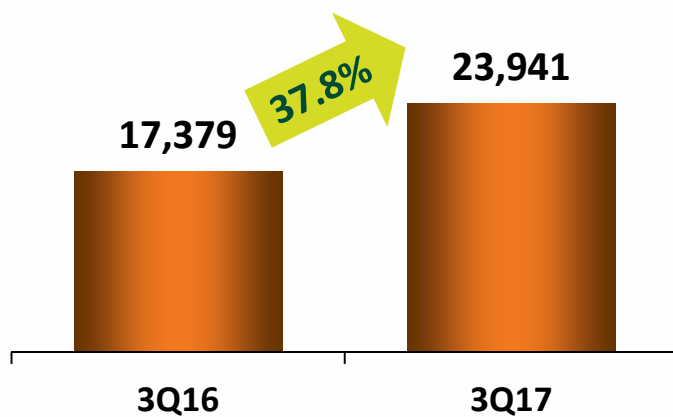
Rental days evolution (thousand)– Car Rental



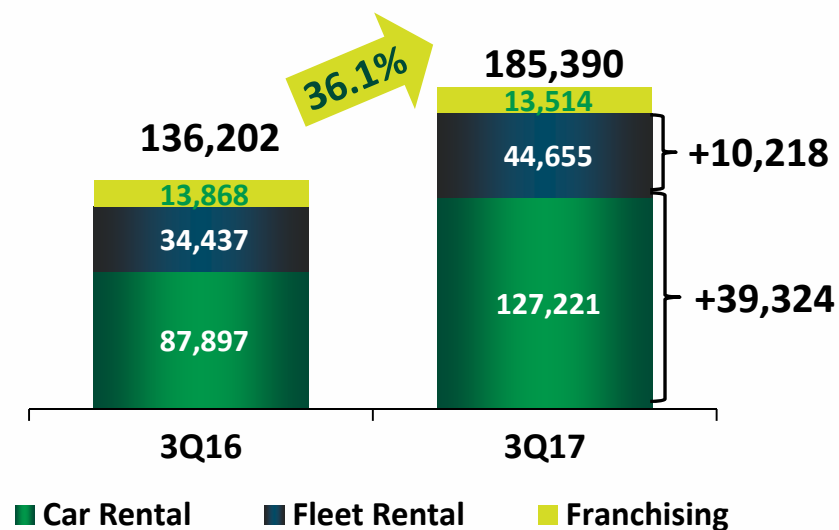
Rental days evolution (thousand)– Fleet Rental



of Cars sold

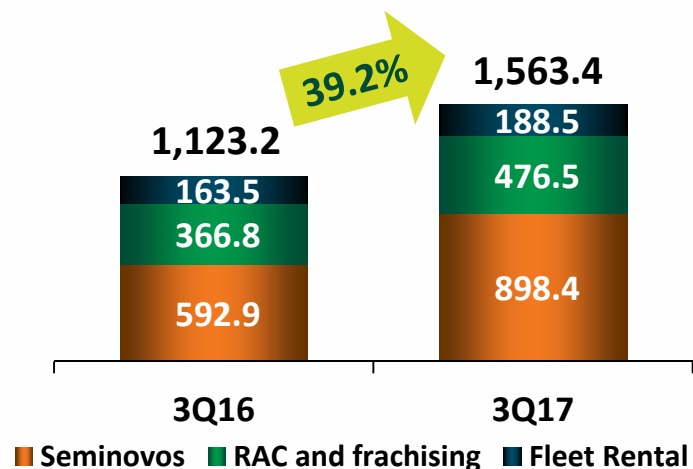


Fleet at end of the period

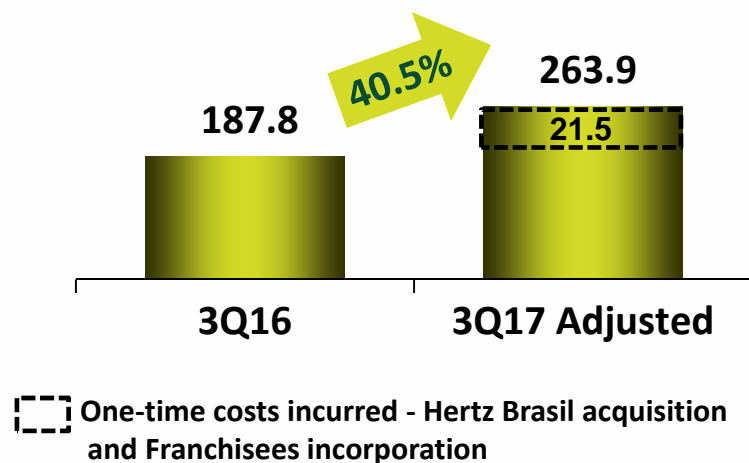


3Q17 Financial Highlights

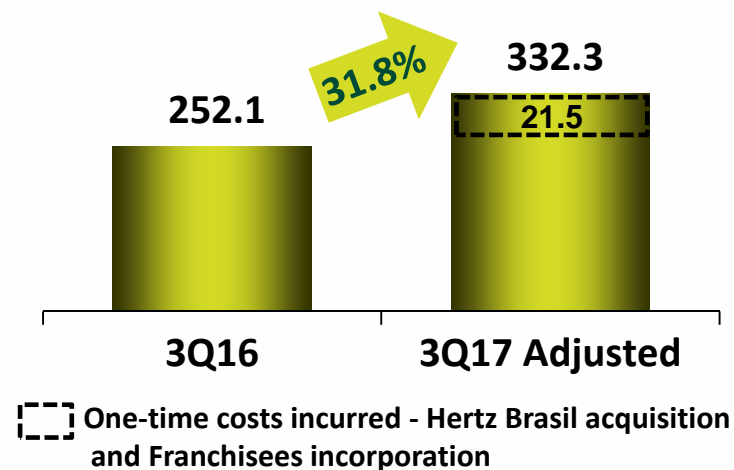
Net Revenues - (R\$ million)



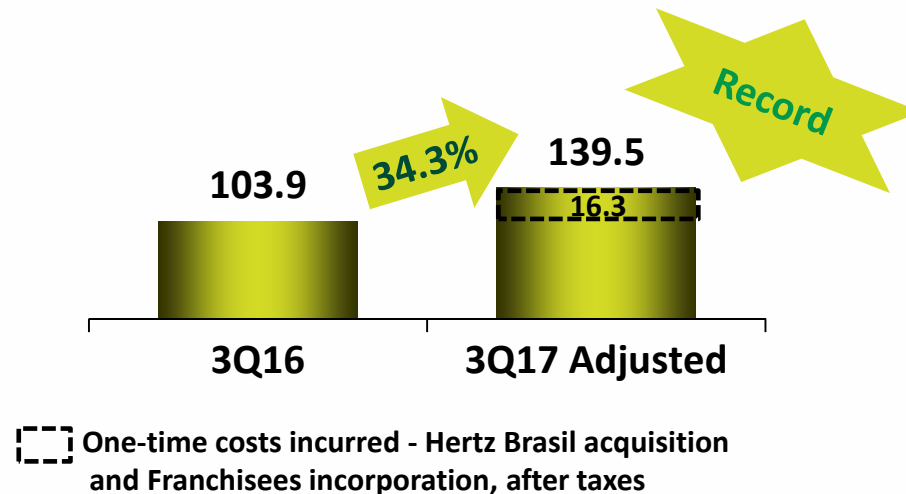
EBIT (R\$ milhões)



EBITDA - (R\$ million)



Net Income (R\$ million)



Hertz Brasil – Success of the integration



- ✓ Closing on **09/01/2017**
- ✓ **Integration** of Hertz Brasil's and Localiza's locations
- ✓ **Rebranding** with the new brand Localiza Hertz
- ✓ **8.386 cars integrated to the Localiza's fleet**
- ✓ **Fleet contracts** transferred to Localiza Fleet
- ✓ **Inbound/outbound** reservation system already integrated
- ✓ Localiza's clients have access to over **10,000** Hertz locations around the globe
- ✓ **Data and client base** consolidation

Next steps: Increase of the commercial opportunities, inbound / outbound and know-how exchange

One-time costs 3Q17

3Q17 financial results were adjusted to exclude the impact of one-time costs resulting from the acquisition of Hertz's operations in Brazil (R\$8.8 million) and the integration of 17 franchised locations (R\$12.7 million) :

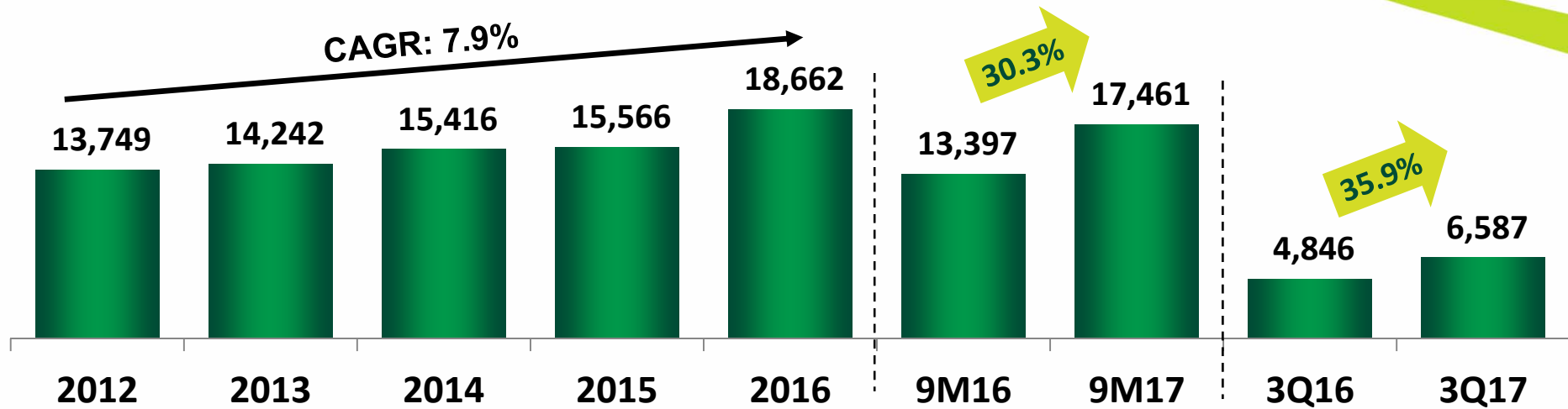
ONE-TIME COSTS	3Q17 Incurred	4Q17 Estimated	Total Estimated
RAC Costs:			
Hertz: rebrand, structure and networking reduction	(2.1)	(40.0)	(42.1)
Franchise integration	(12.7)		(12.7)
RAC - Total costs	(14.8)	(40.0)	(54.8)
SG&A			
Hertz: structure and networking reduction	(6.7)	(20.0)	(26.7)
Total SG&A	(6.7)	(20.0)	(26.7)
Total One-time Costs	(21.5)	(60.0)	(81.5)

CONSOLIDATED RESULTS	3Q17 actual	One-off	3Q17 Adjusted
Net revenues	1,563.4		1,563.4
Total costs and expenses	(1,252.6)	21.5	(1,231.1)
EBITDA	310.8	21.5	332.3
Depreciation	(68.4)		(68.4)
EBIT	242.4	21.5	263.9
Financial expenses, net	(79.4)		(79.4)
Income tax and social contribution	(39.8)	(5.2)	(45.0)
Net income	123.2	16.3	139.5

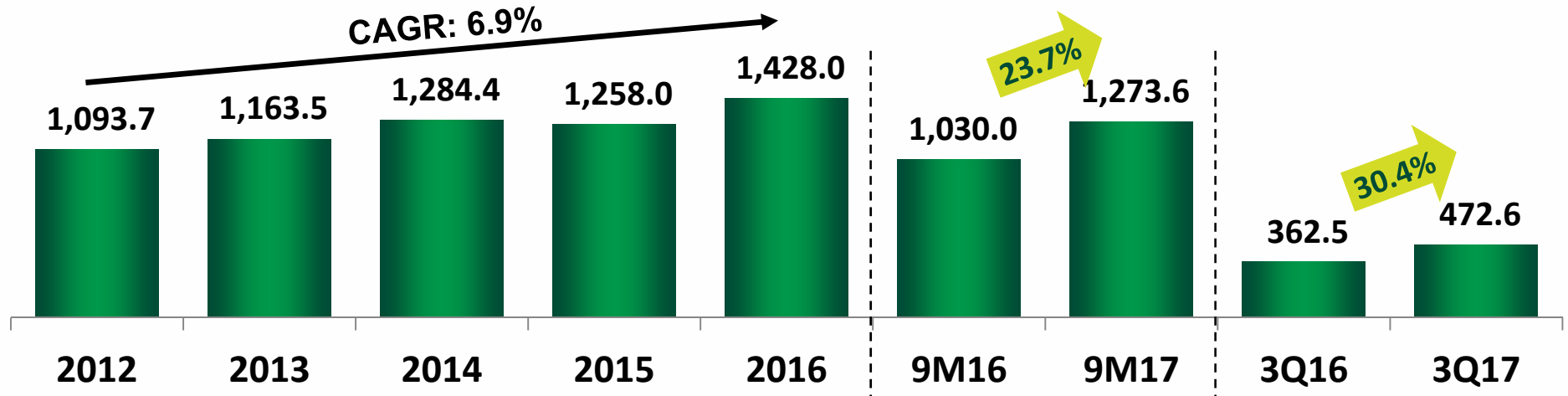
Note: non-incurred one-time costs were not provisioned in 3Q17 because, on 09/30/2017, such expenses were not bound to be regarded as provision according to the rules imposed by Technical Pronouncement CPC # 25 – Provisions, Contingent Liabilities and Contingent Assets.

Car Rental

Number of Daily Rentals (thousand)



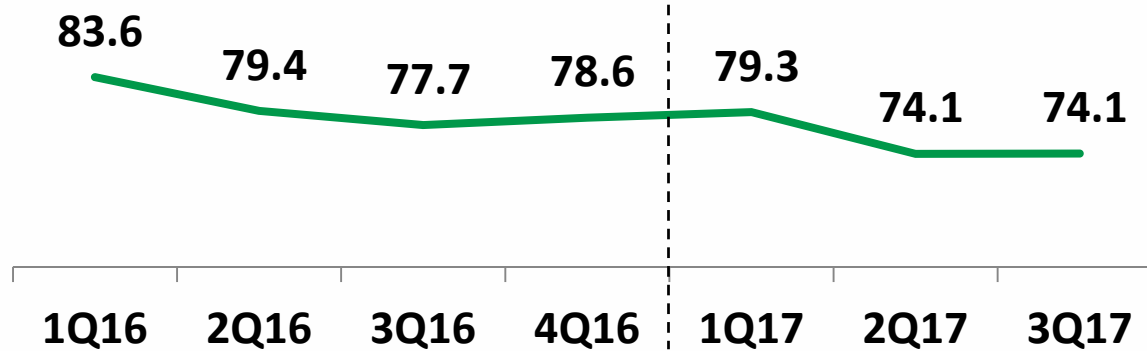
Net Revenues (R\$ million)



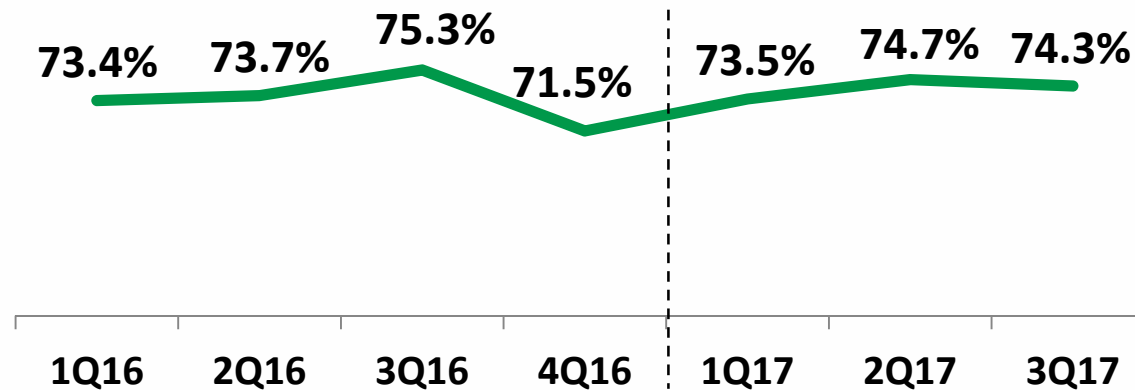
35.9% RAC daily rentals growth and 30.4% growth in net revenues in 3Q17

Car Rental

Average daily rental rate – In R\$



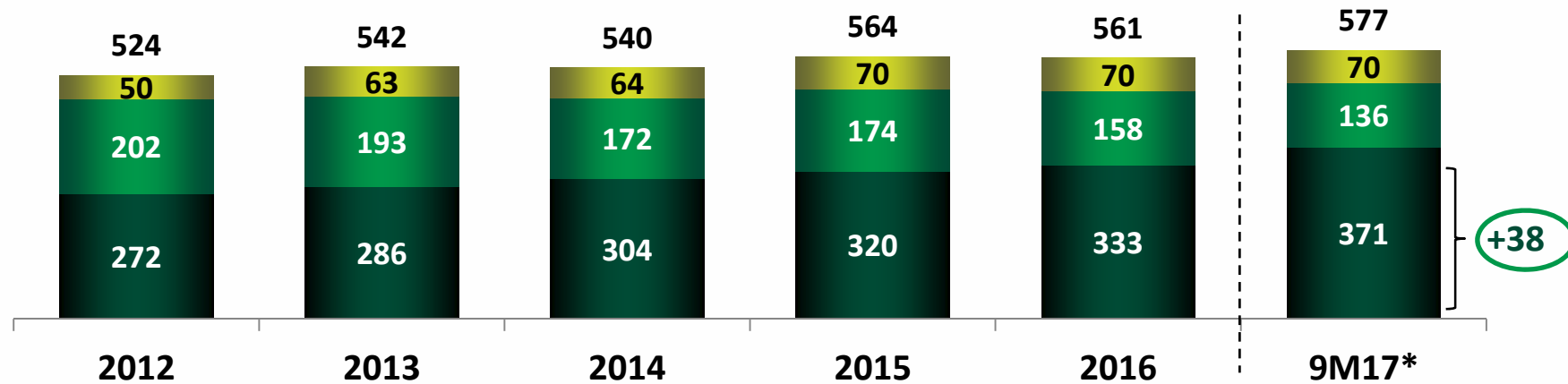
Utilization Rate – Car Rental



The average daily rental rate and utilization rate remained flattish in 3Q17 when compared with 2Q17

Car Rental network evolution

Number of car rental locations Brazil and abroad (does not include Hertz Brazil)



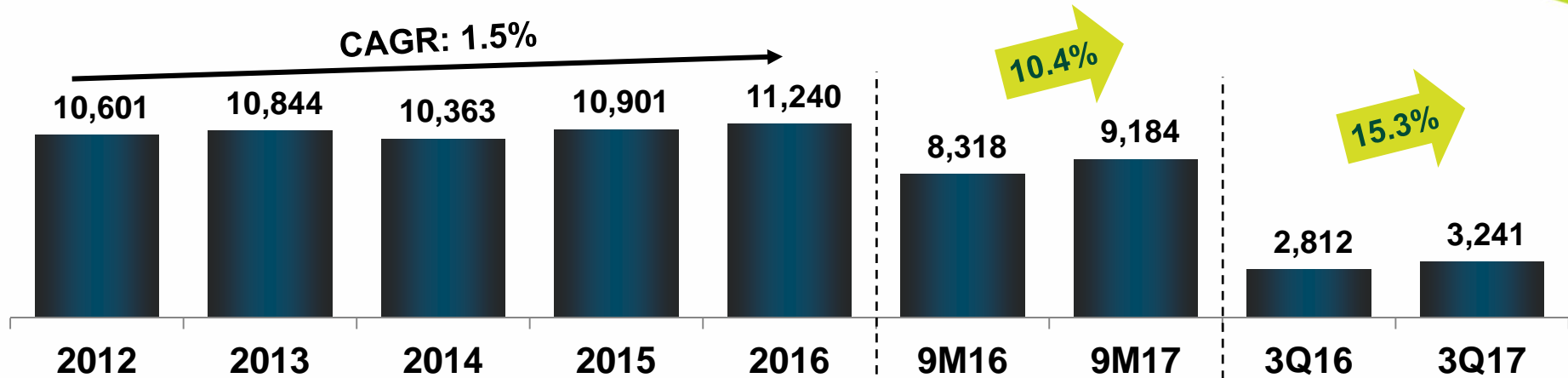
Localiza's branches - Brazil Franchisees' branches - Brazil Franchisees' branches - abroad

*Does not include Hertz Brasil branches

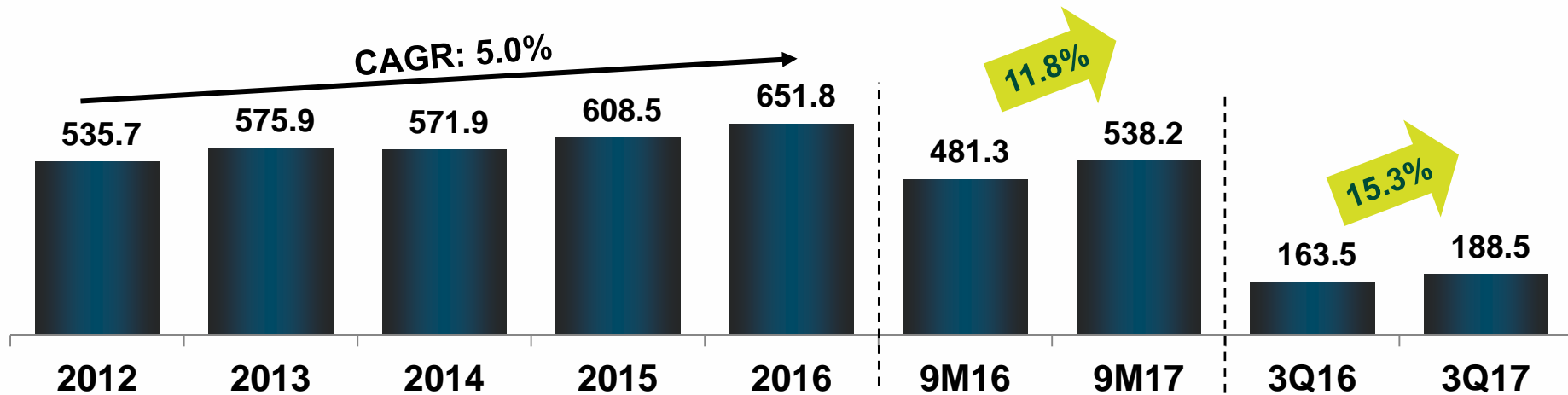
38 corporate branches were added to the network in 9M17

Fleet Rental

Number of Daily Rentals (thousand)



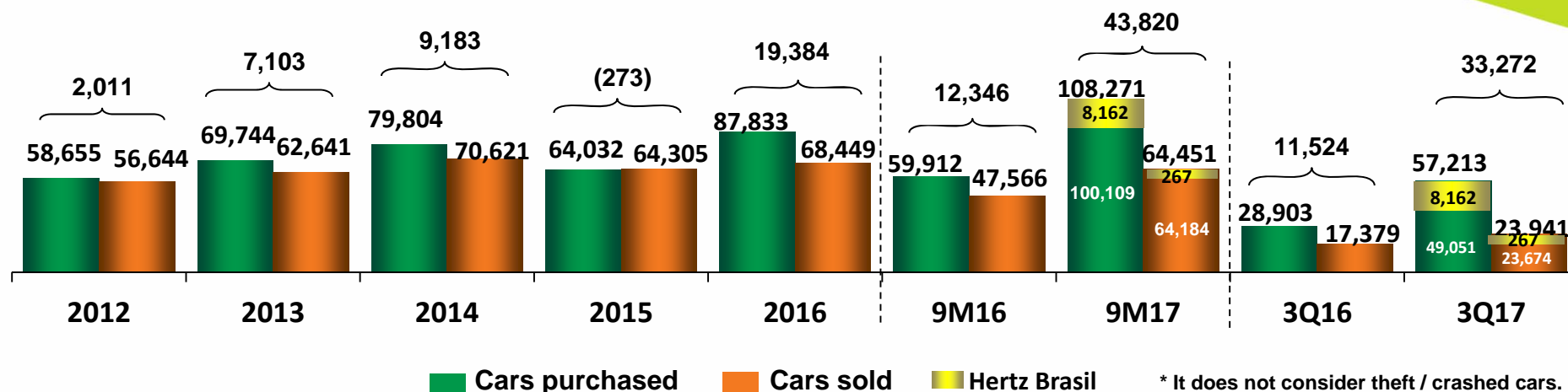
Net Revenues (R\$ million)



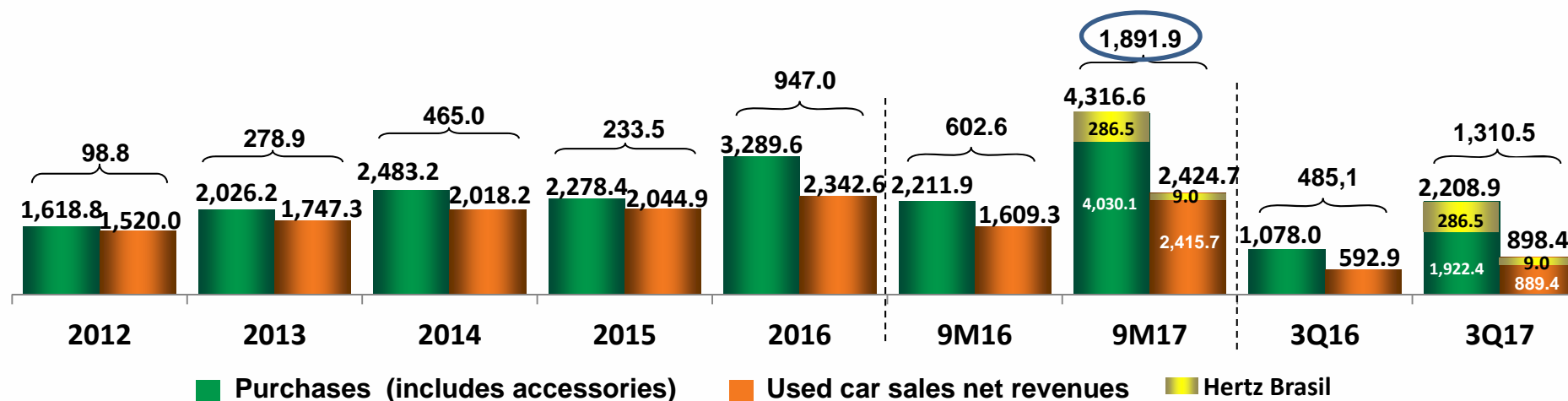
15.3% growth in daily rentals and net revenues in 3Q17

Net investment

Fleet Expansion (reduction)* (quantity)

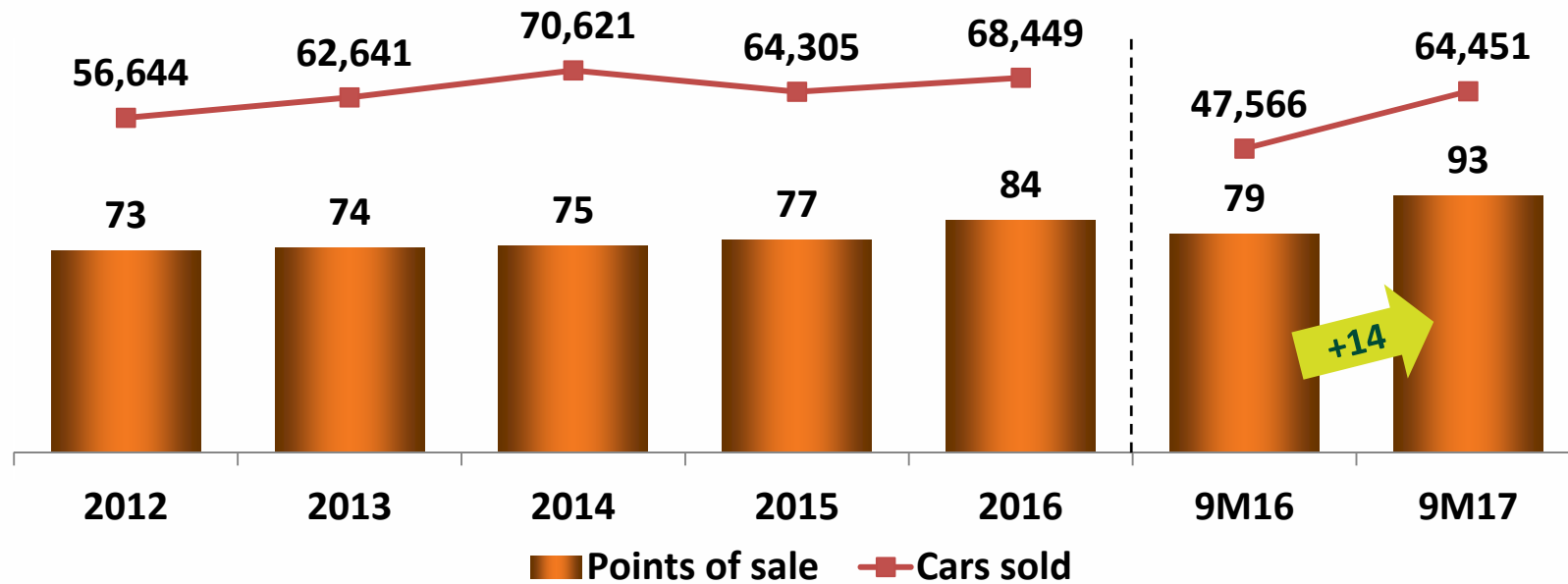


Net Investment in Fleet (R\$ million)



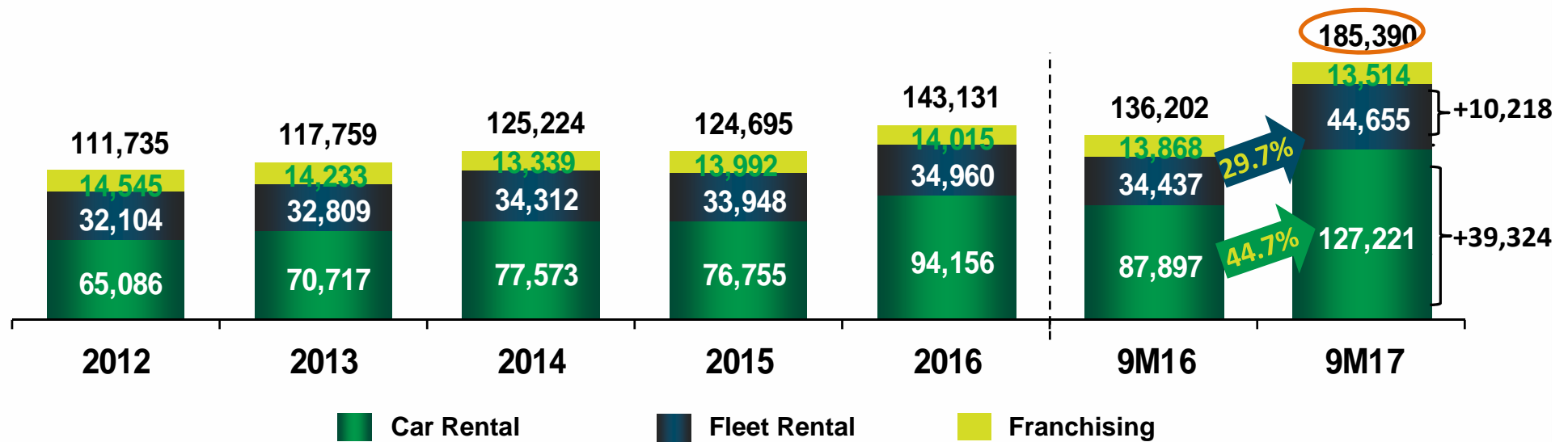
108,271 cars purchased in 9M17, 57,213 of which were purchased in 3Q17, including Hertz Brasil

Number of points of sale



New points of sale will be added to support the fleet renewal

End of period fleet Quantity

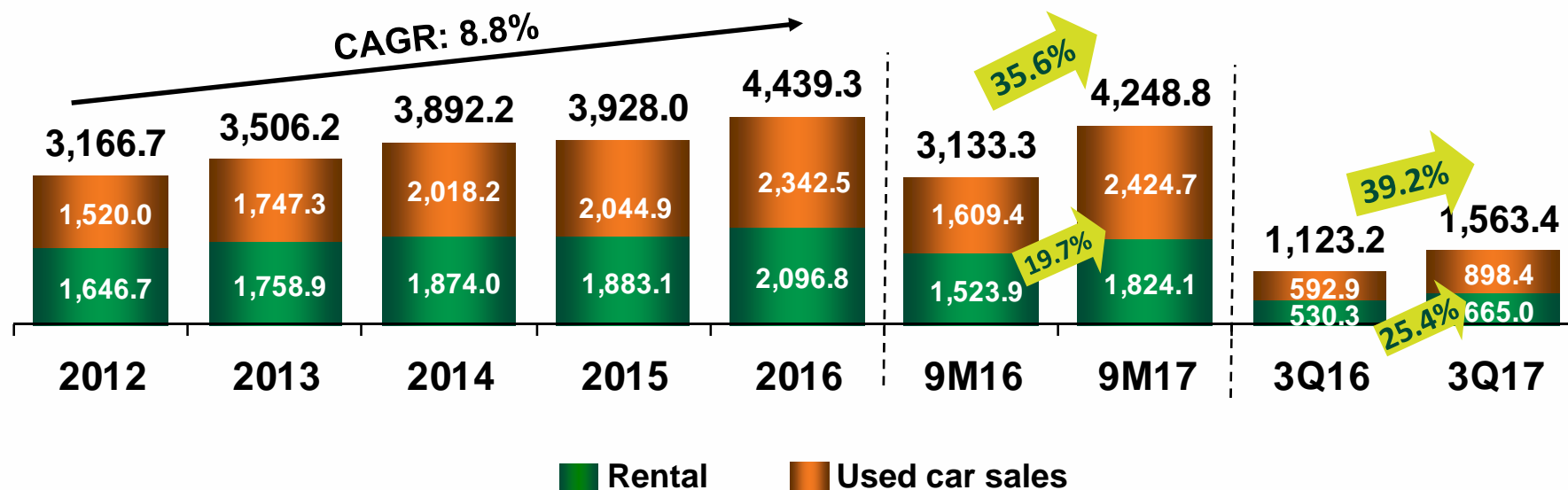


Increase of 39,324 cars in the Rent a Car Division without impacting utilization rates

185,390 cars as of 09/30/2017

Consolidated net revenues

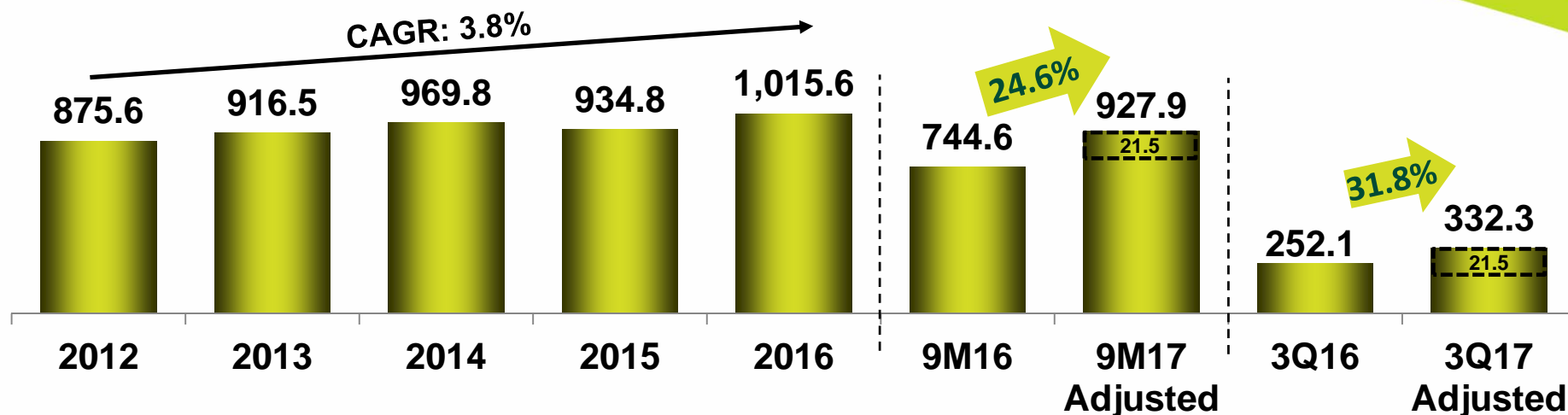
R\$ million



39.2% increase in consolidated revenues in 3Q17

Consolidated EBITDA

R\$ million



EBITDA margin:

Incurred One-time costs acquisition Hertz Brasil and Franchisees

Divisions	2012	2013	2014*	2015	2016	9M16	9M17	3Q16	3Q17
Car Rental	40.9%	36.8%	38.7%	31.8%	32.3%	32.7%	34.2%**	31.9%	32.2%**
Fleet Rental	66.4%	65.5%	60.0%	62.2%	64.5%	64.7%	62.7%	64.5%	63.4%
Rental Consolidated	49.3%	46.5%	45.3%	41.7%	42.3%	42.9%	42.6%**	42.1%	41.0%**
Used Car Sales	4.2%	5.7%	6.0%	7.3%	5.5%	5.6%	6.2%	4.9%	6.6%

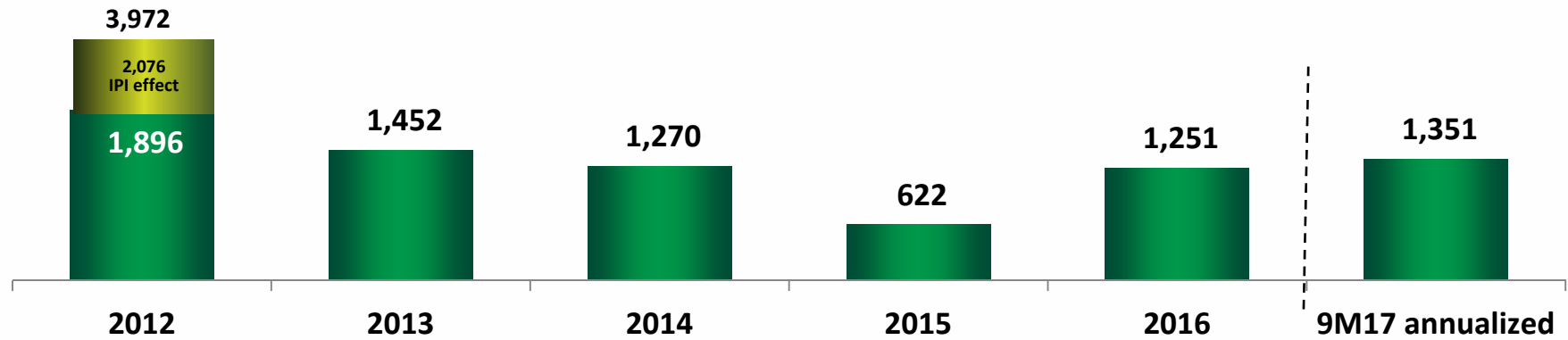
(*) It considers the new appropriation criteria of the overhead, which is also appropriated to Seminovos.

(**)3Q17 and 9M17 adjusted financials

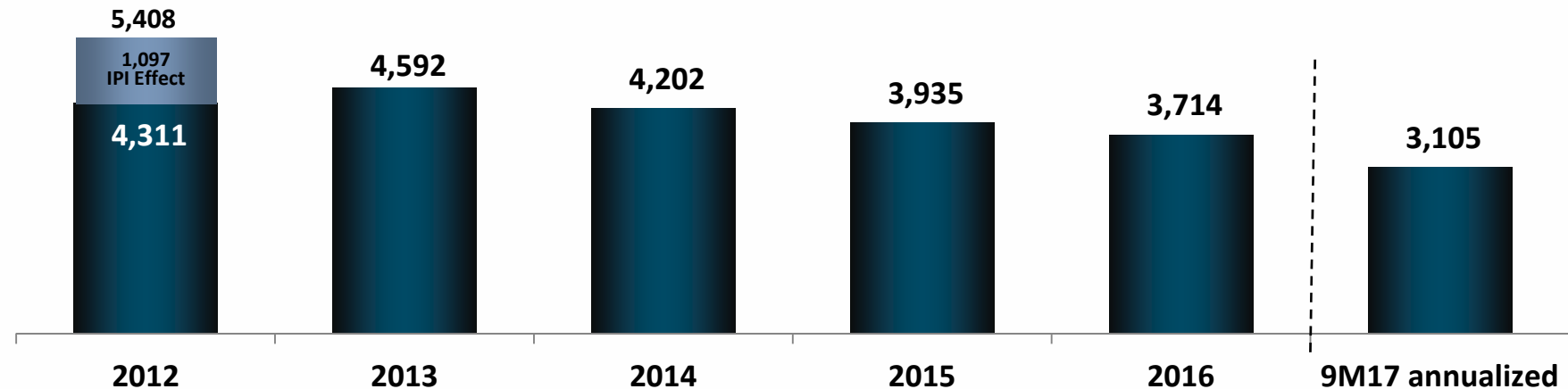
31.8% EBITDA increase in 3Q17

Average annual depreciation per car (in R\$)

Car Rental



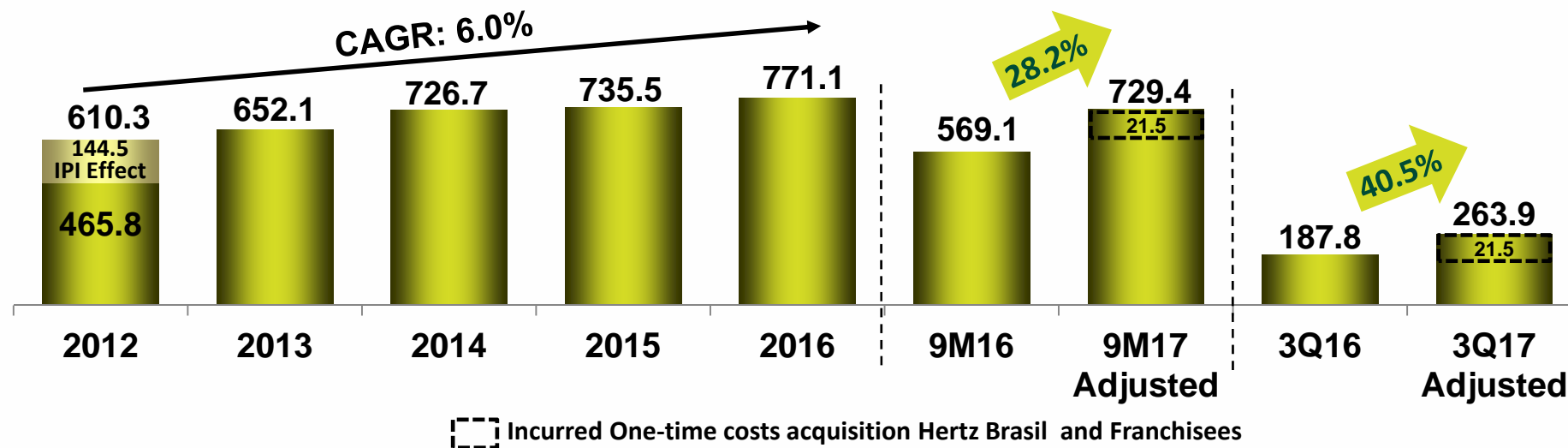
Fleet Rental



Depreciation is impacted by the new and used car market, as well as by the cost to sell

Consolidated EBIT

R\$ million



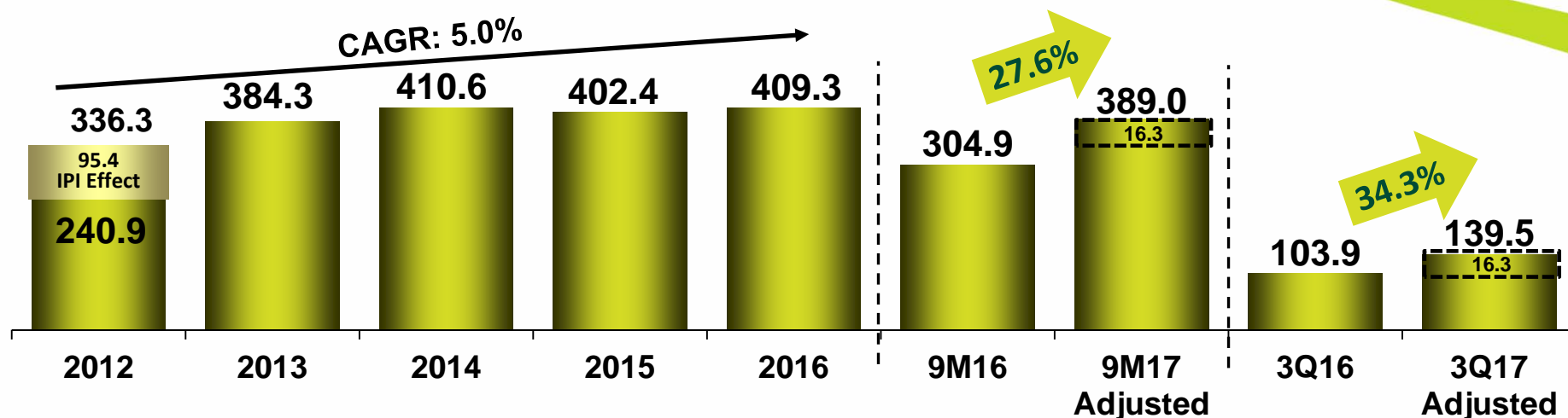
Divisions	2012	2013	2014	2015	2016	9M16	9M17	3Q16	3Q17
Car Rental	23.7%	32.8%	36.2%	34.3%	30.2%	31.0%	34.8%*	28.1%	34.4%*
Fleet Rental	36.9%	45.1%	44.3%	48.9%	51.2%	50.8%	52.7%	51.4%	53.1%
Consolidated	28.3%	37.1%	38.8%	39.1%	36.8%	37.3%	40.0%*	35.4%	39.7%*

(*)3Q17 and 9M17 adjusted financials

40.5% EBIT growth, with increasing margins on RAC and Fleet Rental

Consolidated net income

R\$ million



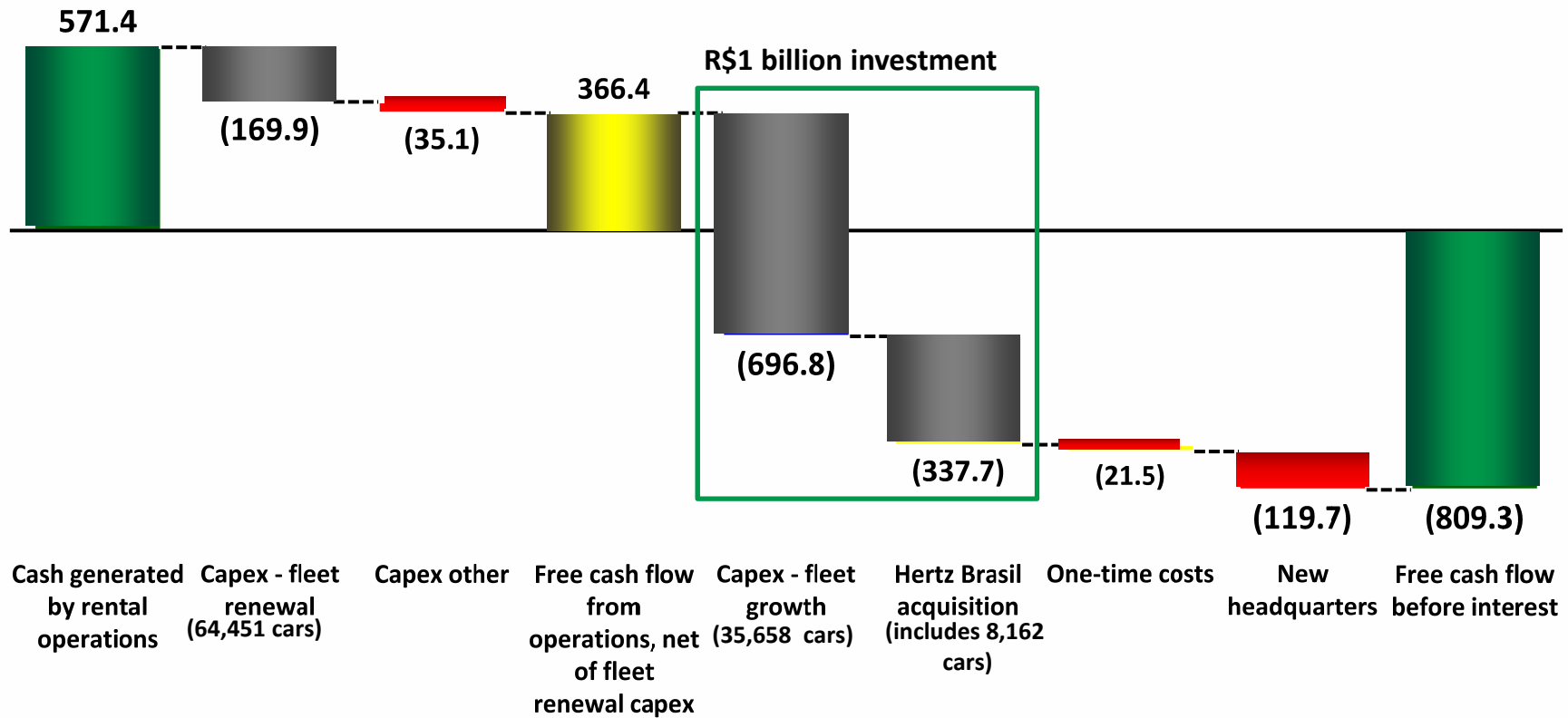
[---] Incurred one-time costs acquisition Hertz Brasil and Franchisees, after taxes

Reconciliation EBITDA x Net income	2012	2013	2014	2015	2016	9M16	9M17*	Var. R\$	Var. %	3Q16	3Q17*	Var. R\$	Var. %
Consolidated EBITDA	875.6	916.5	969.8	934.8	1,015.6	744.6	927.9	183.3	24.6%	252.1	332.3	80.2	31.8%
Cars depreciation	(232.4)	(229.0)	(207.4)	(163.6)	(206.3)	(146.8)	(170.2)	(23.4)	15.9%	(54.7)	(58.2)	(3.5)	6.4%
Cars additional depreciation – IPI effect	(144.5)	-	-	-	-	-	-	-	-	-	-	-	-
Other property depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	(28.7)	(28.3)	0.4	-1.4%	(9.6)	(10.2)	(0.6)	6.3%
EBIT	465.8	652.1	726.7	735.5	771.1	569.1	729.4	160.3	28.2%	187.8	263.9	76.1	40.5%
Financial expenses, net	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	(170.8)	(221.3)	(50.5)	29.6%	(53.7)	(79.4)	(25.7)	47.9%
Income tax and social contribution	(135.3)	(157.2)	(165.0)	(130.4)	(118.3)	(93.4)	(119.1)	(25.7)	27.5%	(30.2)	(45.0)	(14.8)	49.0%
Income tax and social contribution – IPI effect	49.1	-	-	-	-	-	-	-	-	-	-	-	-
Net income of the period	240.9	384.3	410.6	402.4	409.3	304.9	389.0	84.1	27.6%	103.9	139.5	35.6	34.3%

(*)3Q17 and 9M17 adjusted financials

34.3% net income increase in 3Q17

Free cash flow



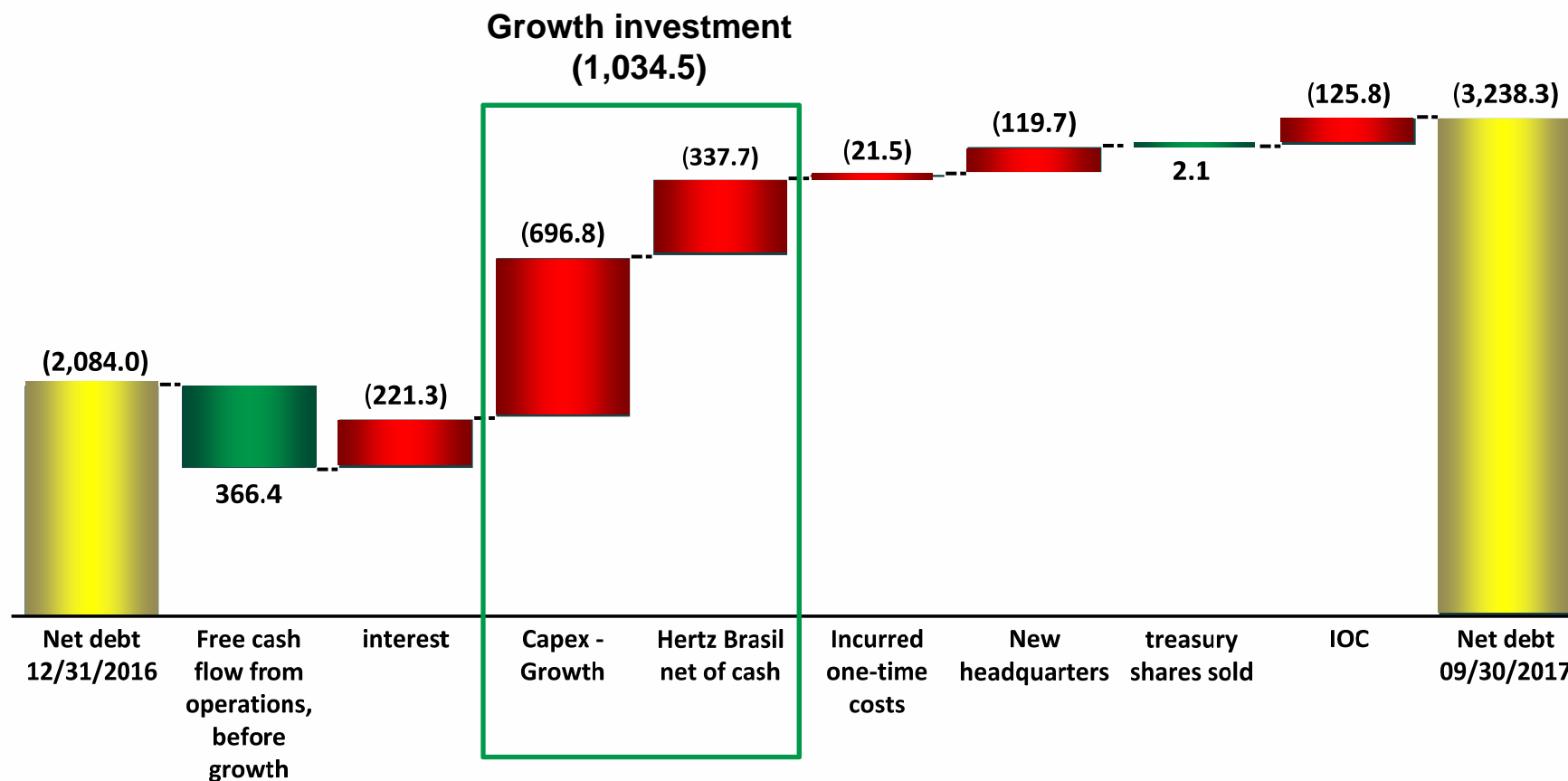
R\$1 billion invested in growth

Free cash flow

Free cash flow - R\$ million		2012	2013	2014	2015	2016	9M17 Adjusted
Operations	EBITDA	875.6	916.5	969.8	934.8	1,015.6	927.9
	Used car sale revenue, net from taxes	(1,520.0)	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(2,424.7)
	Depreciated cost of cars sold	1,360.2	1,543.8	1,777.0	1,769.1	2,102.5	2,178.8
	(-) Income tax and social contribution	(100.9)	(108.5)	(113.1)	(110.7)	(93.3)	(81.7)
	Change in working capital	37.1	2.9	(27.1)	(30.0)	113.2	(28.9)
Cash generated by rental operations		652.0	607.4	588.4	518.3	795.5	571.4
Capex - renewal	Used car sale revenue, net from taxes	1,520.0	1,747.3	2,018.2	2,036.3	2,342.5	2,424.7
	Fleet renewal investment	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(2,594.6)
	Net investment for fleet renewal	(43.3)	(72.4)	(179.5)	(242.1)	(221.1)	(169.9)
Fleet renewal – quantity		56,644	62,641	70,621	64,032	68,449	64,451
Investment, other property and intangible investments		(77.8)	(47.5)	(46.3)	(29.7)	(42.2)	(35.1)
Free cash flow from operations, before growth		530.9	487.5	362.6	246.5	532.2	366.4
Capex - Growth	Fleet growth (investment)	(55.5)	(209.4)	(286.8)	8.6	(726.0)	(1,435.5)
	Change in accounts payable to car suppliers	(116.9)	89.7	334.4	(121.2)	190.7	738.7
	Fleet growth capex	(172.4)	(119.7)	47.6	(112.6)	(535.3)	(696.8)
	Fleet increase / (reduction) – quantity	2,011	7,103	9,183	(273)	19,384	35,658
Free cash flow after growth, and before interest and new HQ		358.5	367.8	410.2	133.9	(3.1)	(330.4)
Capex - non-recurring	Hertz acquisition net of the acquired cash (R\$360.1 million - R\$22.4 cash)	-	-	-	-	-	(337.7)
	Incurred one-time costs effect	-	-	-	-	-	(21.5)
	New headquarters construction and furniture	(2.4)	(6.5)	(148.3)	(30.7)	(84.4)	(119.7)
Free cash flow before interest		356.1	361.3	261.9	103.2	(87.5)	(809.3)

Changes in net debt

R\$ million



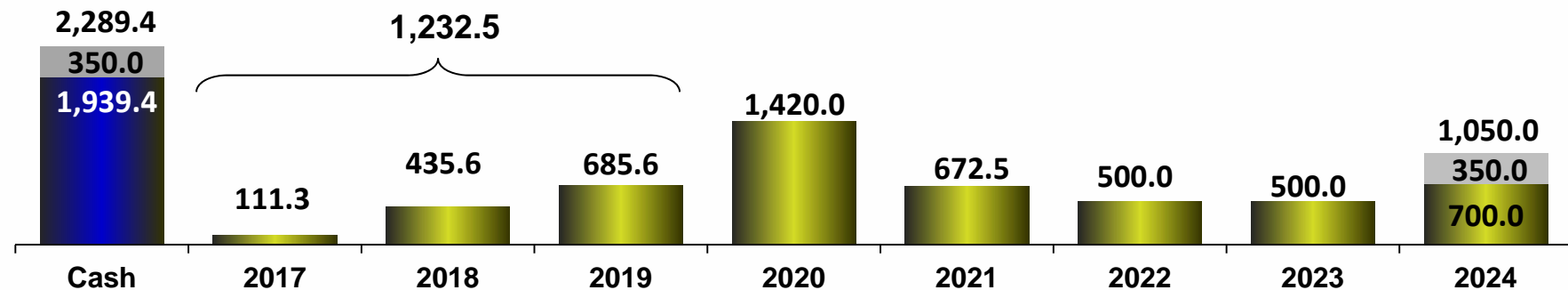
R\$1.1 billion net debt increase due to fleet expansion and Hertz Brasil acquisition

Debt maturity profile (principal)

R\$ million

As of September 30, 2017

Includes 4th issuance of Localiza Fleet completed in October 2017

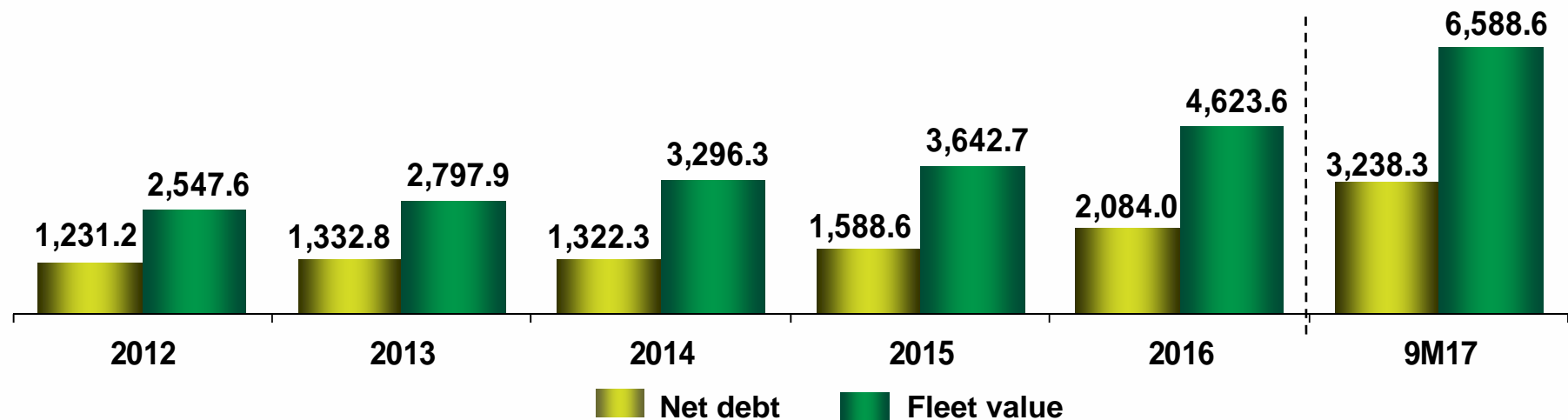


■ Pro-Forma with 4th debentures issuance of Localiza Fleet, completed in October. 2017

Strong cash position and comfortable debt profile

Debt - ratios

Net debt vs. Fleet value

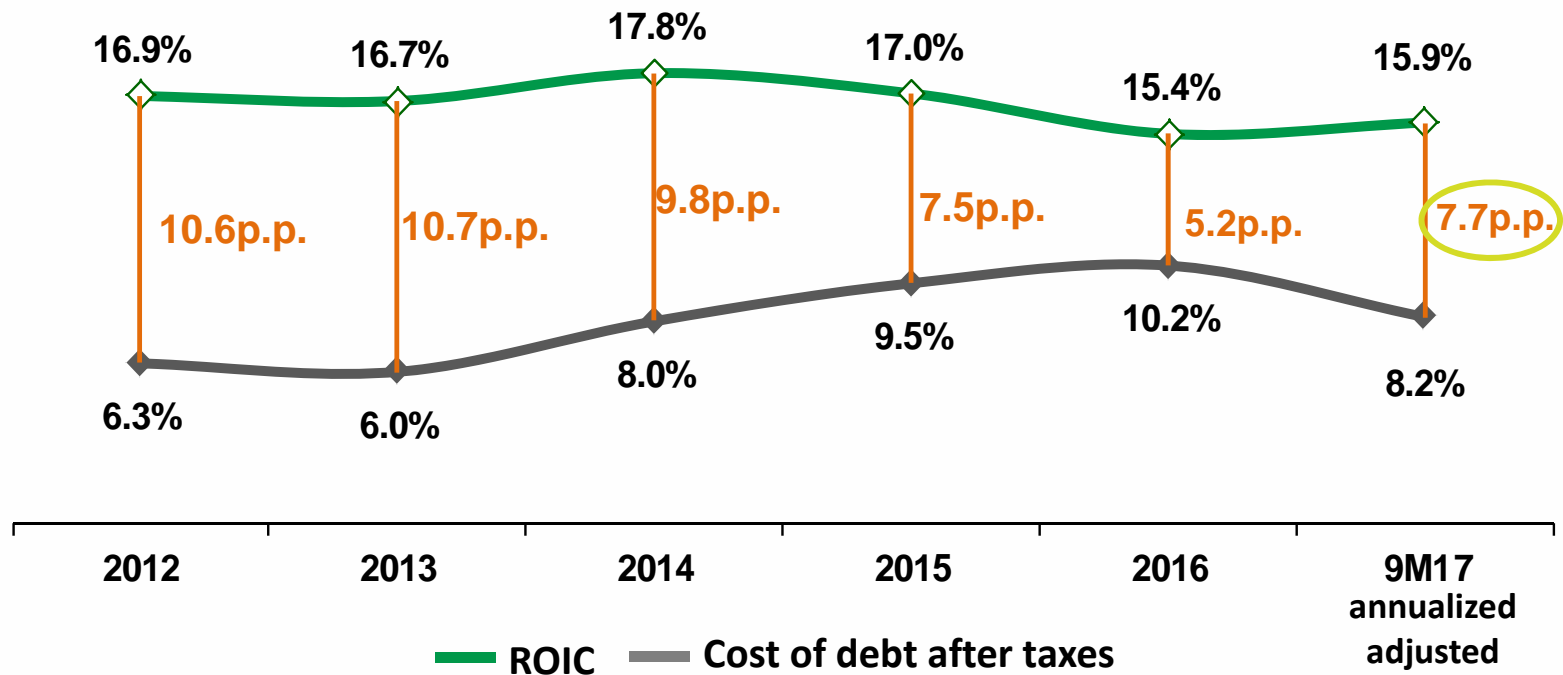


BALANCE AT THE END OF PERIOD	2012	2013	2014	2015	2016	9M17
Net debt / Fleet value	48%	48%	40%	44%	45%	49%
Net debt / EBITDA(*)	1.4x	1.5x	1.4x	1.7x	2.1x	2.6x
Net debt / Equity	0.9x	1.0x	0.8x	0.8x	0.9x	1.3x
EBITDA / Net financial expenses	6.3x	8.3x	6.4x	4.6x	4.2x	4.2x

(*)Annualized

The Company continues to present solid debt ratios

ROIC *versus* cost of debt after taxes



ROIC considered each year's effective income tax rate

ROIC improvement and lower interest rates have increased the spread



Thank You!

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www.localiza.com/ri
Email: ri@localiza.com
Tel: 55 31 3247-7024

