



2017 and 4Q17 Results

March 8, 2018

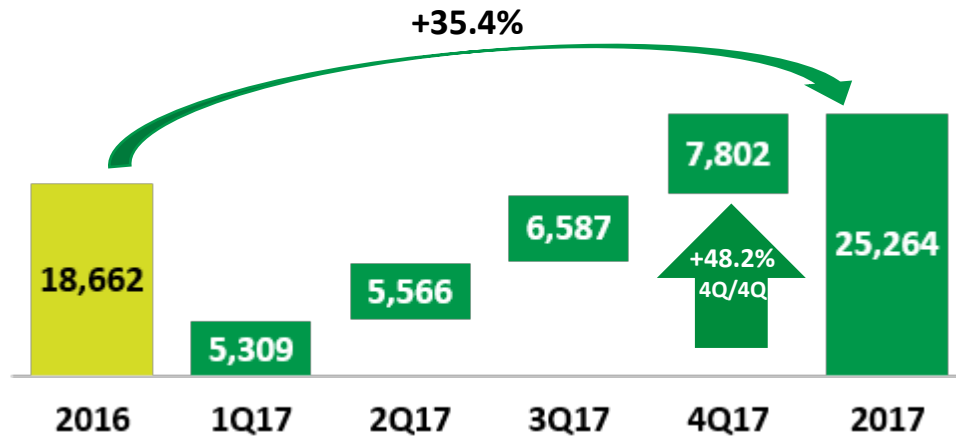


HIGHLIGHTS

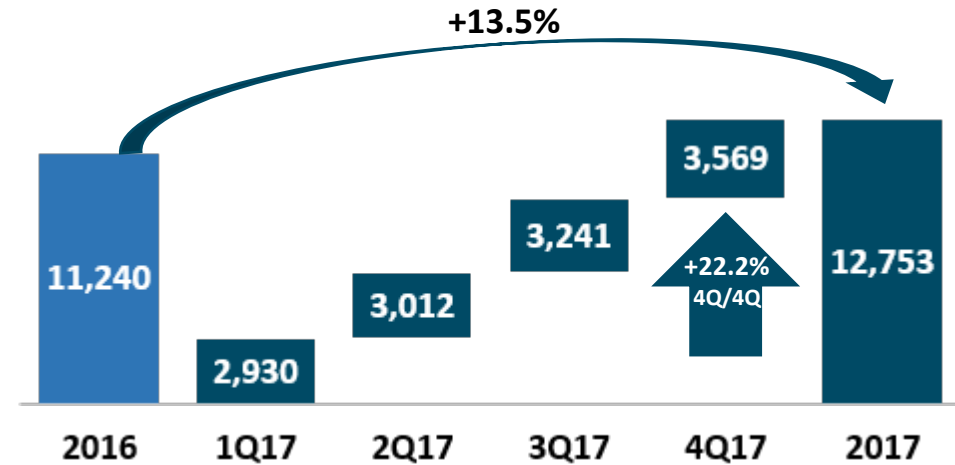
- ✓ *36.5% growth in net revenue, reaching R\$6.1 billion;*
- ✓ *Fleet of 194,279 cars at the end of the period;*
- ✓ *Net income of R\$563.4 million, representing an increase of 37.6%;*
- ✓ *Acquisition and integration of Hertz operations in Brazil.*

4Q17 OPERATING HIGHLIGHTS

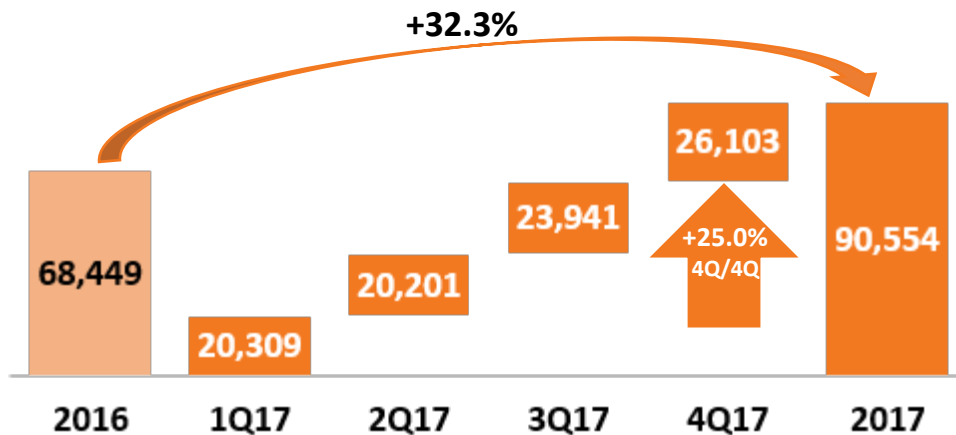
of rental days (thousand) – Car Rental



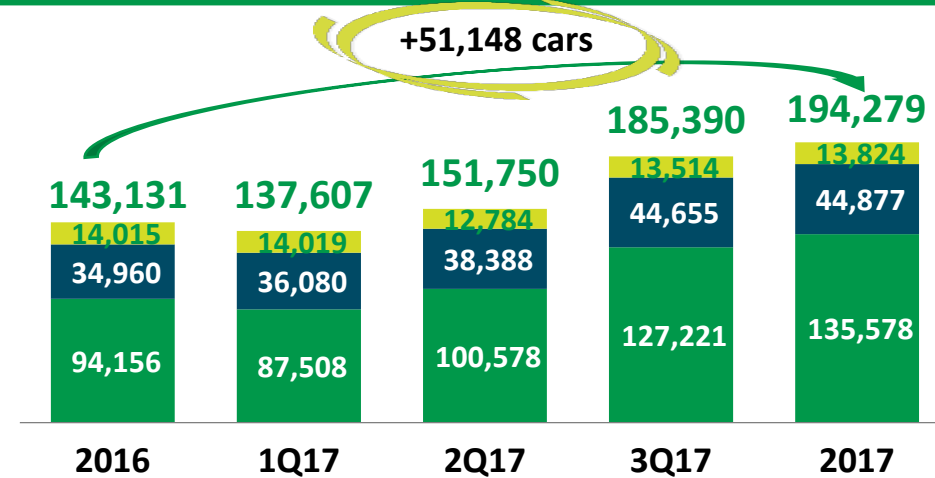
of rental days (thousand) – Fleet Rental



of cars sold



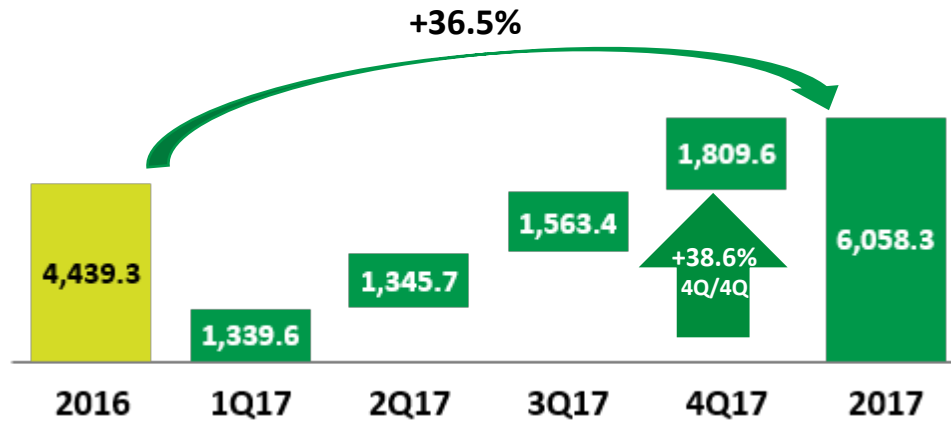
Fleet at end of the period



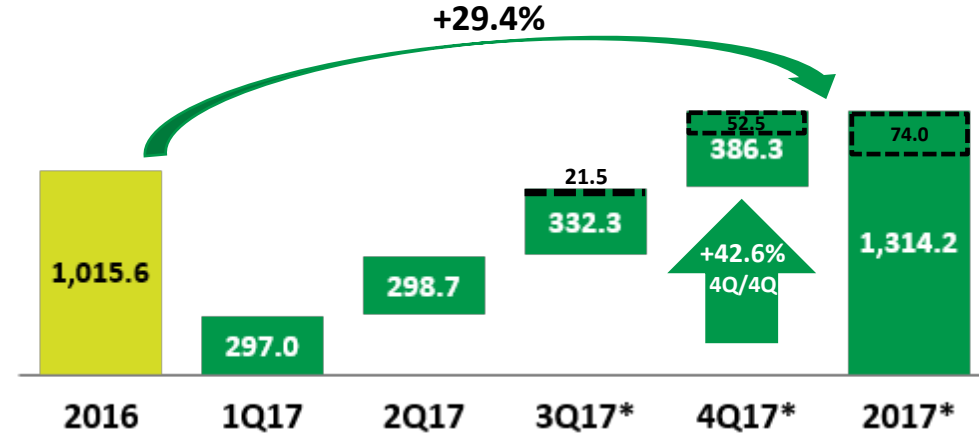
■ Franchising ■ Fleet Rental ■ Car Rental

4Q17 FINANCIAL HIGHLIGHTS

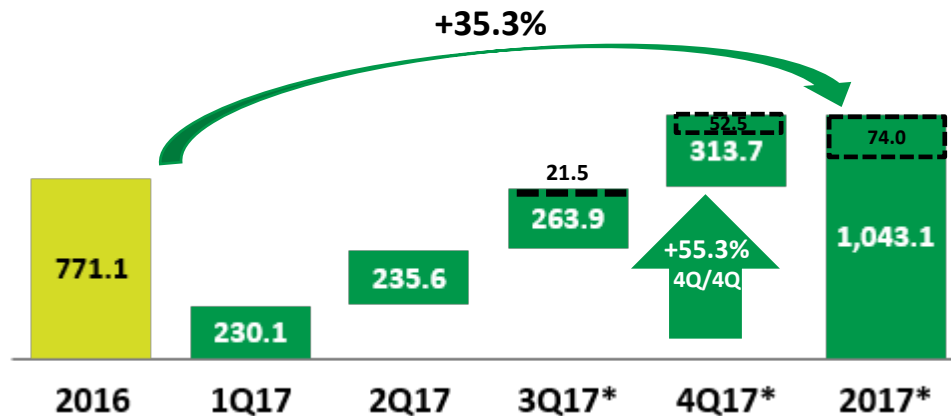
Net revenues (R\$ million)



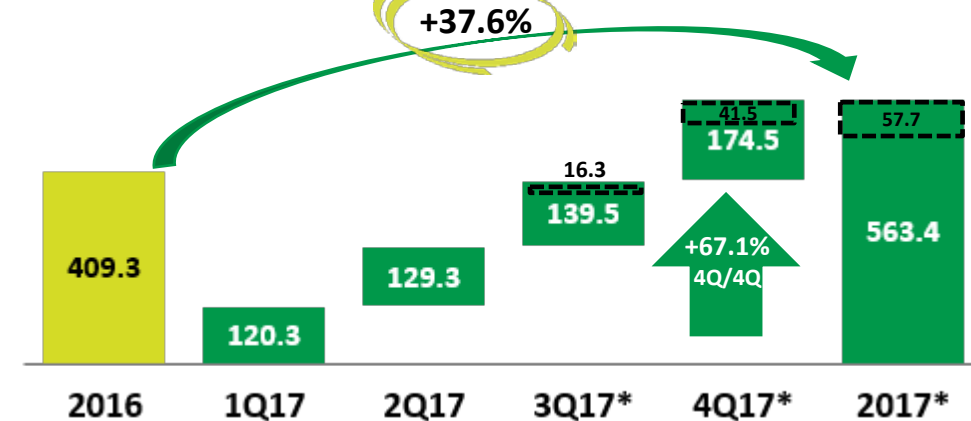
EBITDA (R\$ million)



EBIT (R\$ million)



Net income (R\$ million)

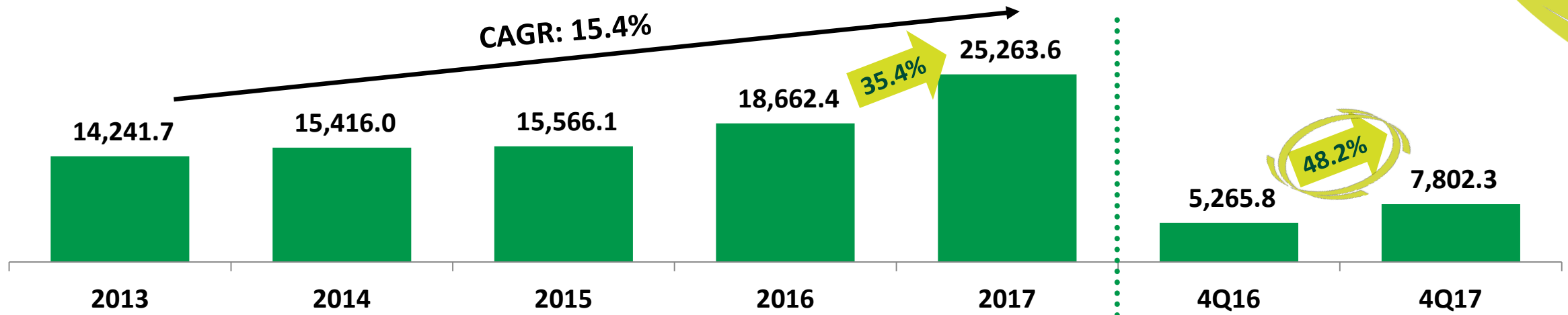


*Adjusted by the one-time cost incurred - Hertz Brasil acquisition and Franchisees incorporation

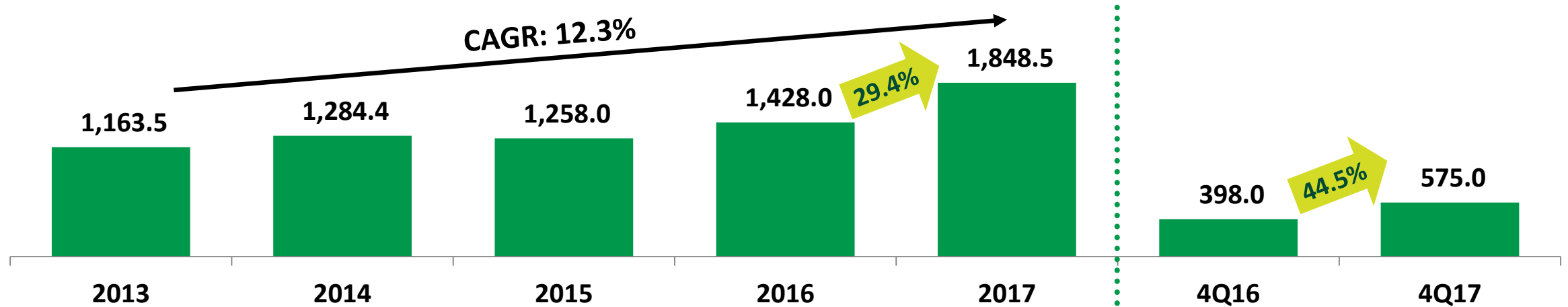
☐ One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

CAR RENTAL

Number of daily rentals (thousand)



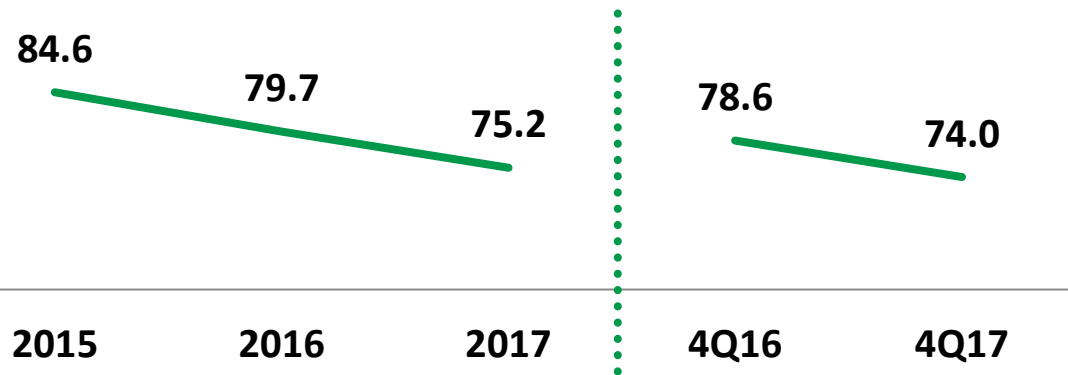
Net revenues (R\$ million)



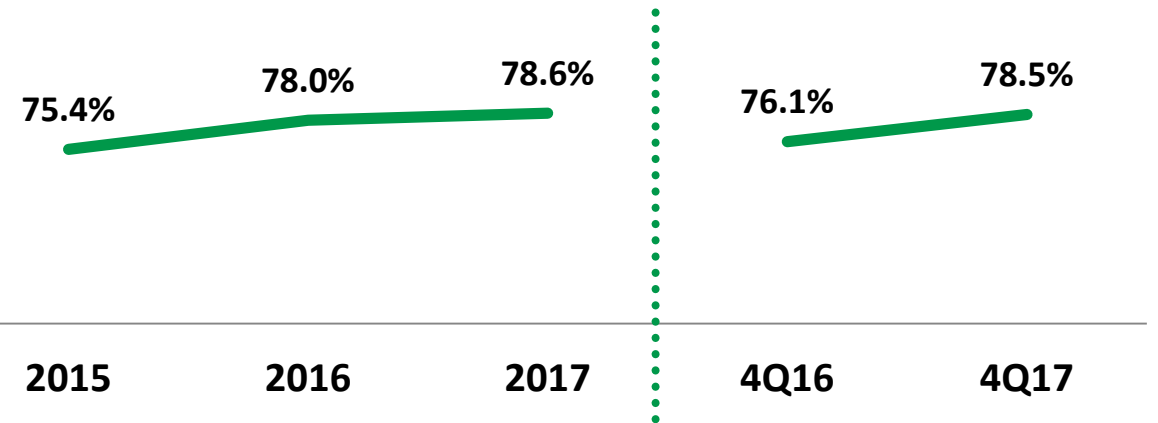
48.2% GROWTH IN 4Q17 VOLUME

CAR RENTAL

Average daily rental rate – in R\$



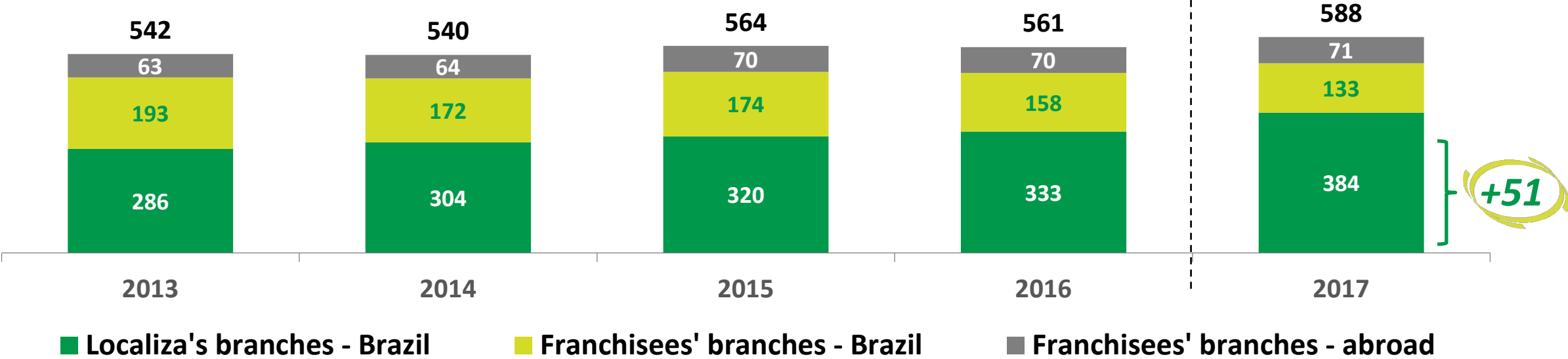
Utilization rate



DYNAMIC PRICING MANAGEMENT STIMULATED DEMAND

CAR RENTAL NETWORK EVOLUTION

Number of car rental locations Brazil and abroad

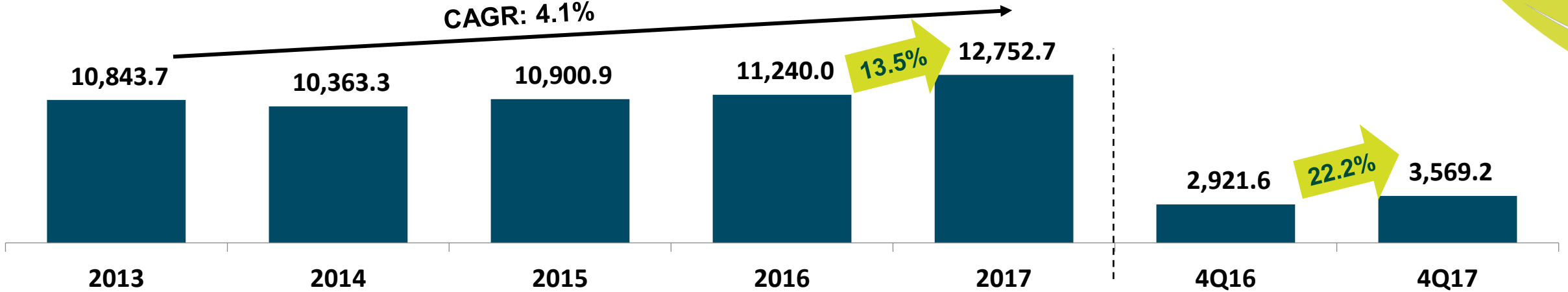


51 CORPORATE LOCATIONS WERE ADDED TO THE NETWORK IN 2017

FLEET RENTAL

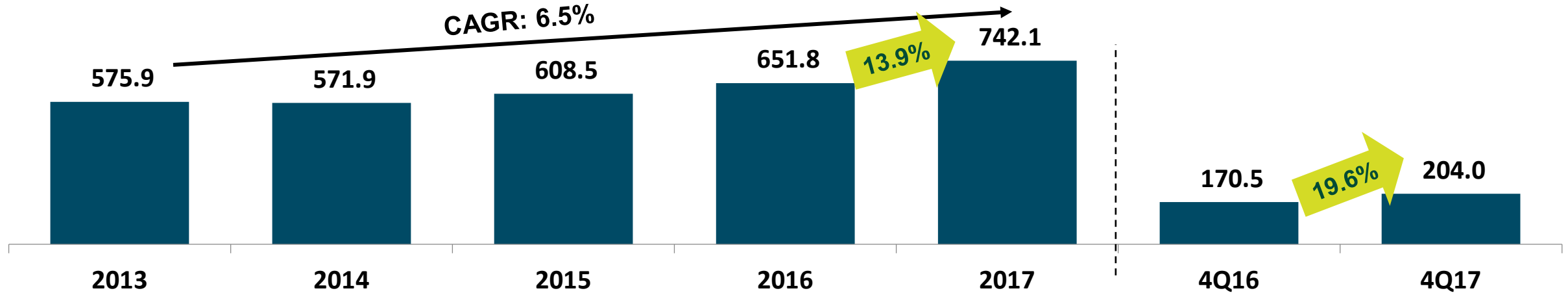
Number of daily rentals (thousand)

CAGR: 4.1%



Net revenues (R\$ million)

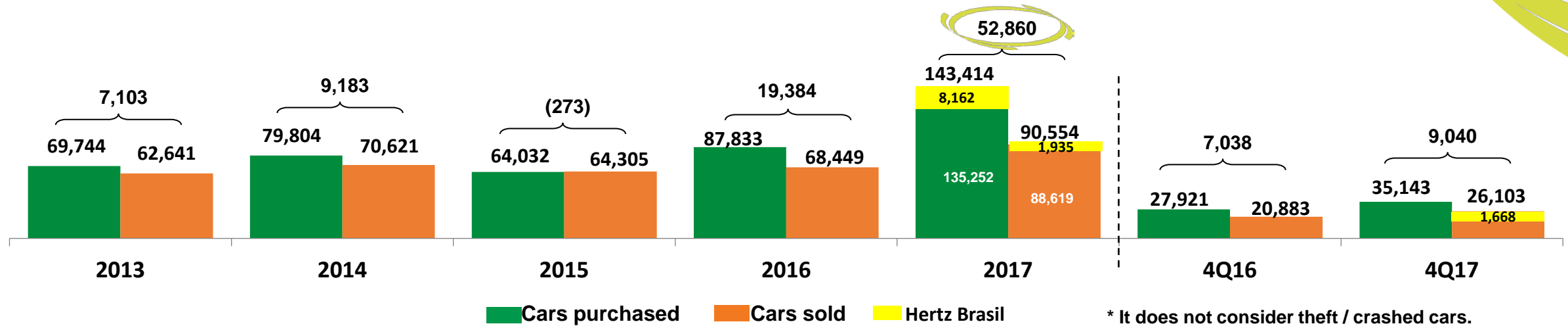
CAGR: 6.5%



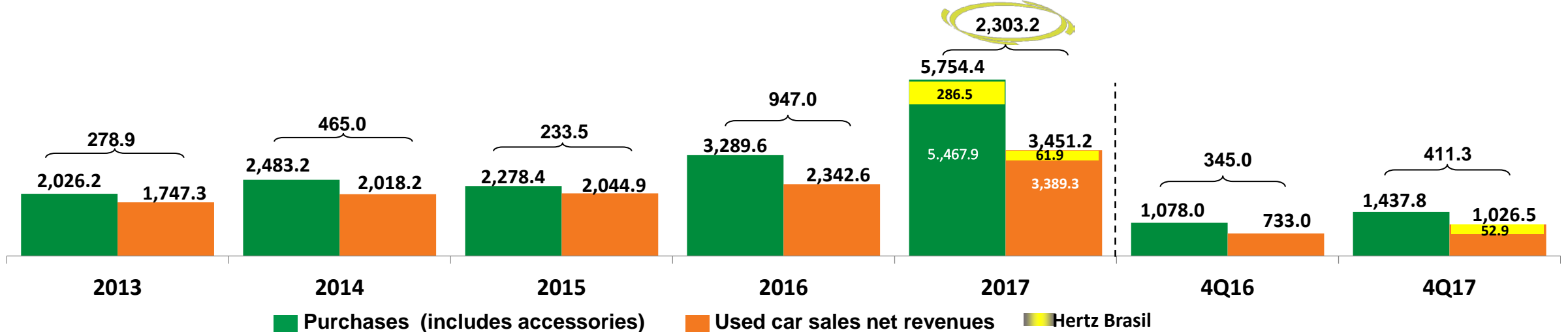
22.2% GROWTH IN 4Q17 VOLUMES

NET INVESTMENT

Fleet expansion (reduction)* (quantity)

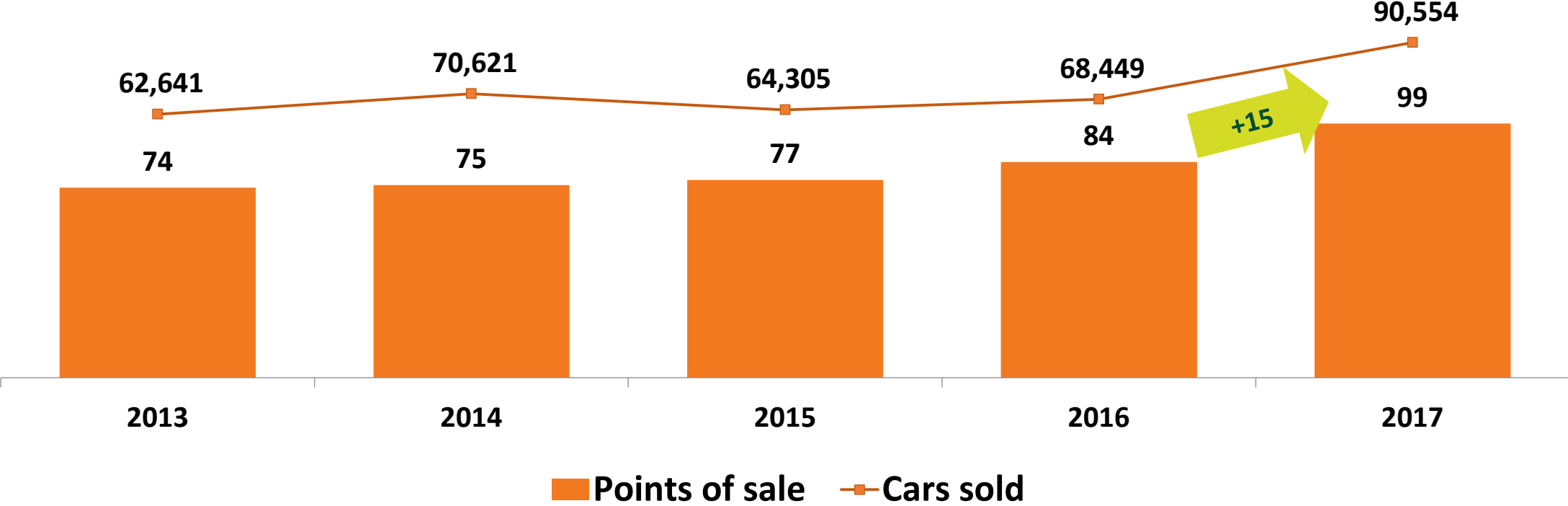


Net investment in fleet (R\$ million)



GROWTH OF 52,860 CARS IN 2017'S FLEET

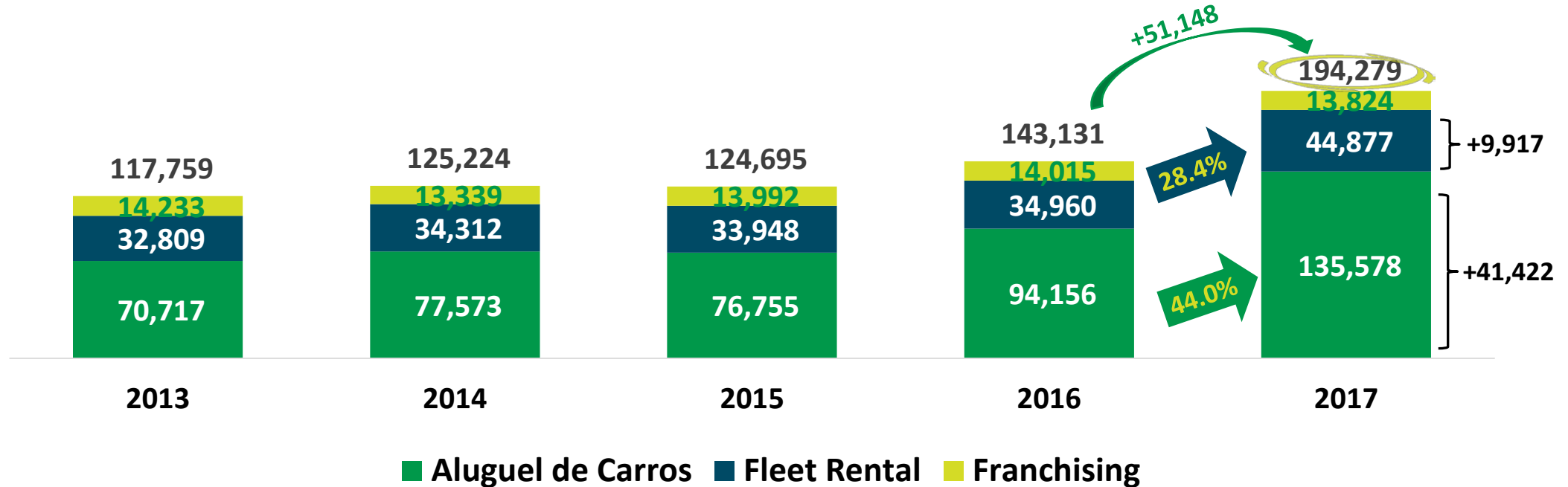
NUMBER OF POINTS OF SALE



15 NEW STORES TO MEET THE INCREASE IN CAR SALES FOR FLEET RENEWAL

END OF PERIOD FLEET

(Quantity)

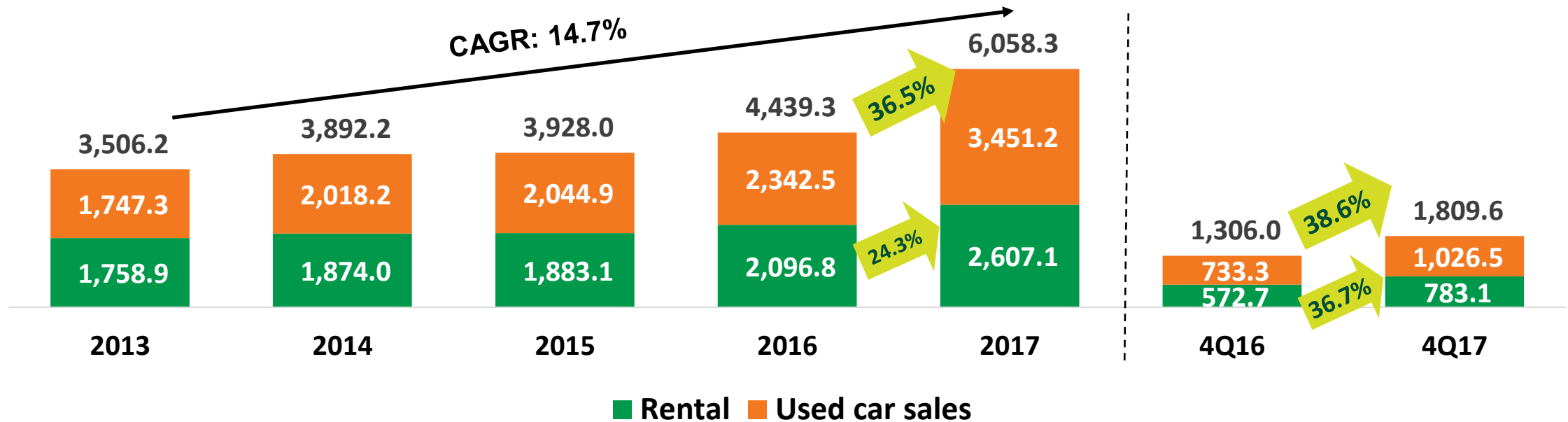


INCREASE OF 41,422 CARS IN THE RENT A CAR DIVISION WITH INCREASING UTILIZATION RATE

194,279 CARS AS OF 12/31/2017

CONSOLIDATED NET REVENUES

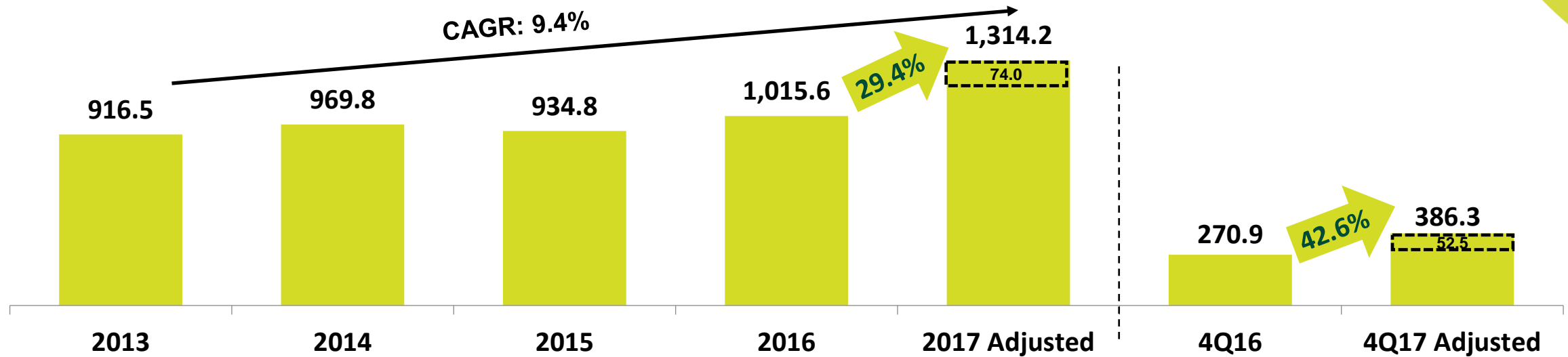
(R\$ million)



38.6% INCREASE IN CONSOLIDATED REVENUES IN 4Q17

CONSOLIDATED EBITDA

(R\$ million)



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

EBITDA margin:

Divisions	2013	2014*	2015	2016	2017	4Q16	4Q17
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%**	31.5%	36.6%**
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%**	63.8%	59.8%**
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%**	40.8%	42.7%**
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	5.0%	5.1%

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

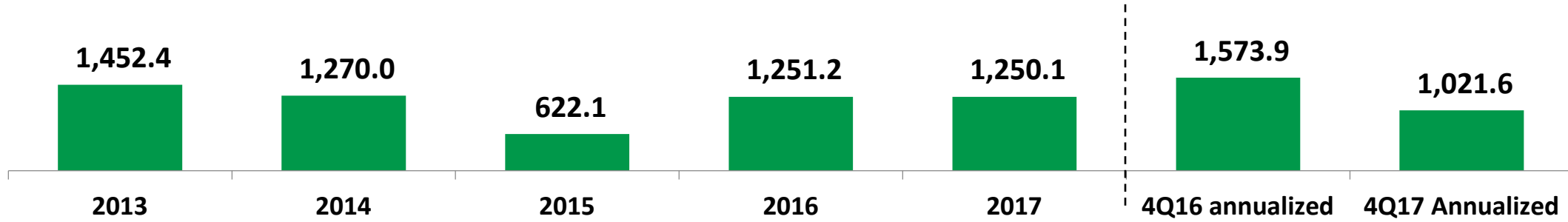
(**) Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

GAINS OF SCALE PUSHED THE RECURRING RAC MARGIN

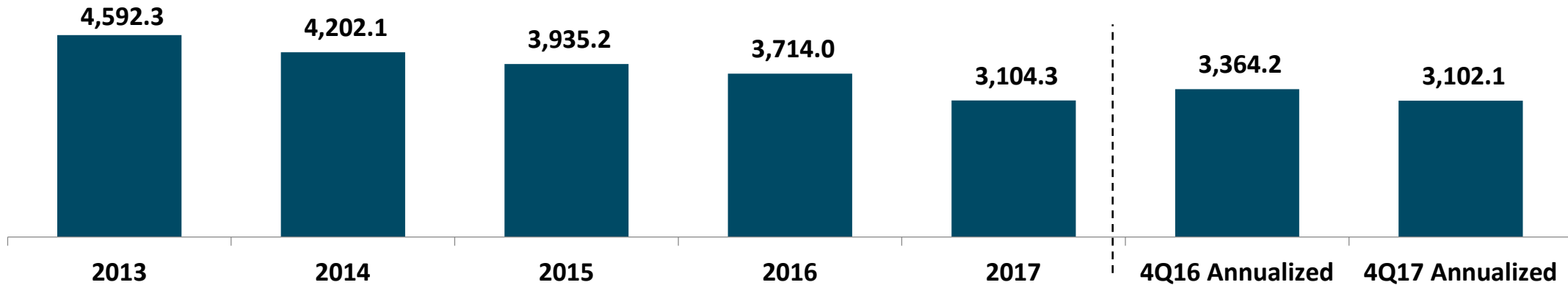
AVERAGE ANNUAL DEPRECIATION PER CAR

(In R\$)

Car Rental



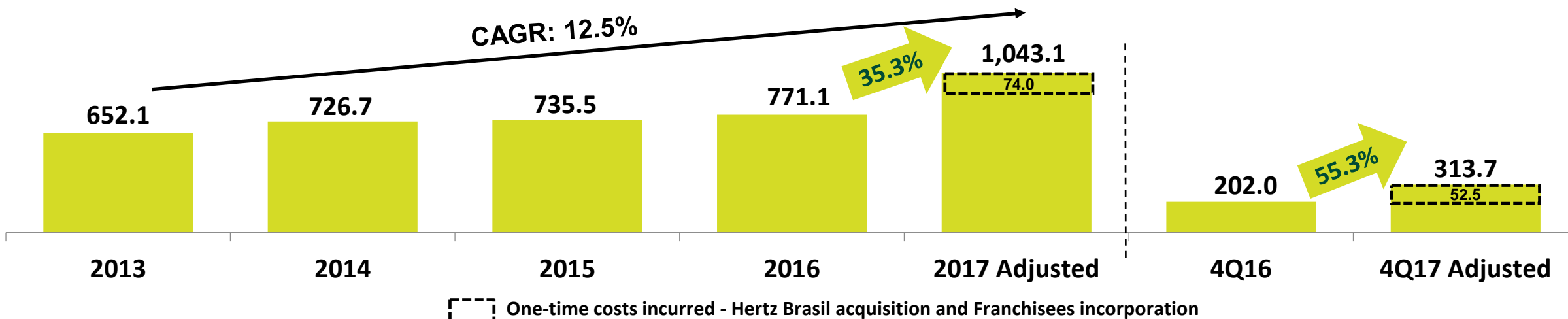
Fleet Rental



SALES EFFICIENCY AND CAR PRICE INCREASES CONTRIBUTED FOR LOWER DEPRECIATION

CONSOLIDATED EBIT

(R\$ million)



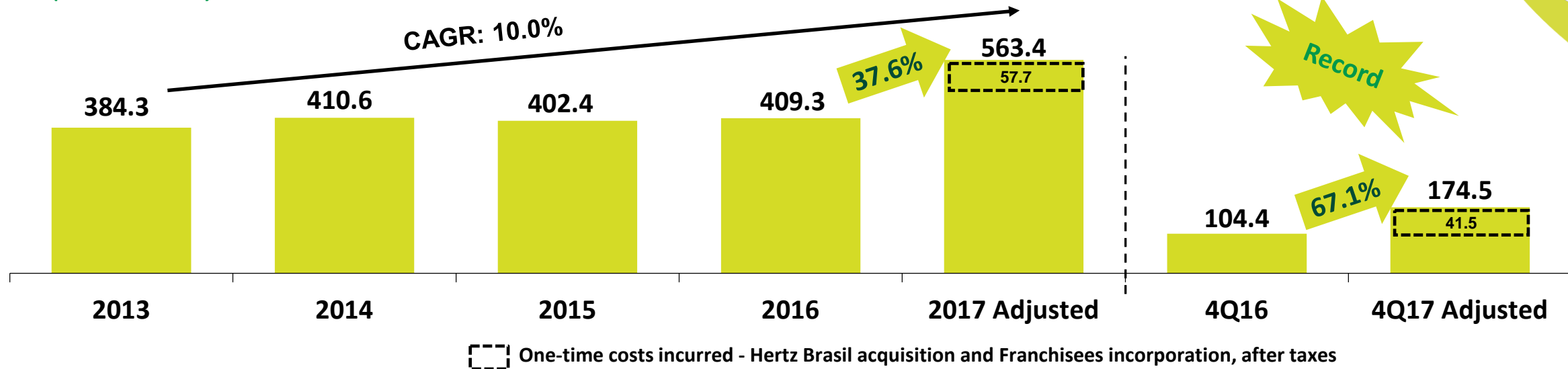
Divisions	2013	2014	2015	2016	2017	4Q16	4Q17
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%*	28.4%	37.2%*
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%*	52.4%	48.1%*
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%*	35.3%	40.1%*

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

R\$1 BILLION OF RECURRING EBIT IN 2017

CONSOLIDATED NET INCOME

(R\$ million)

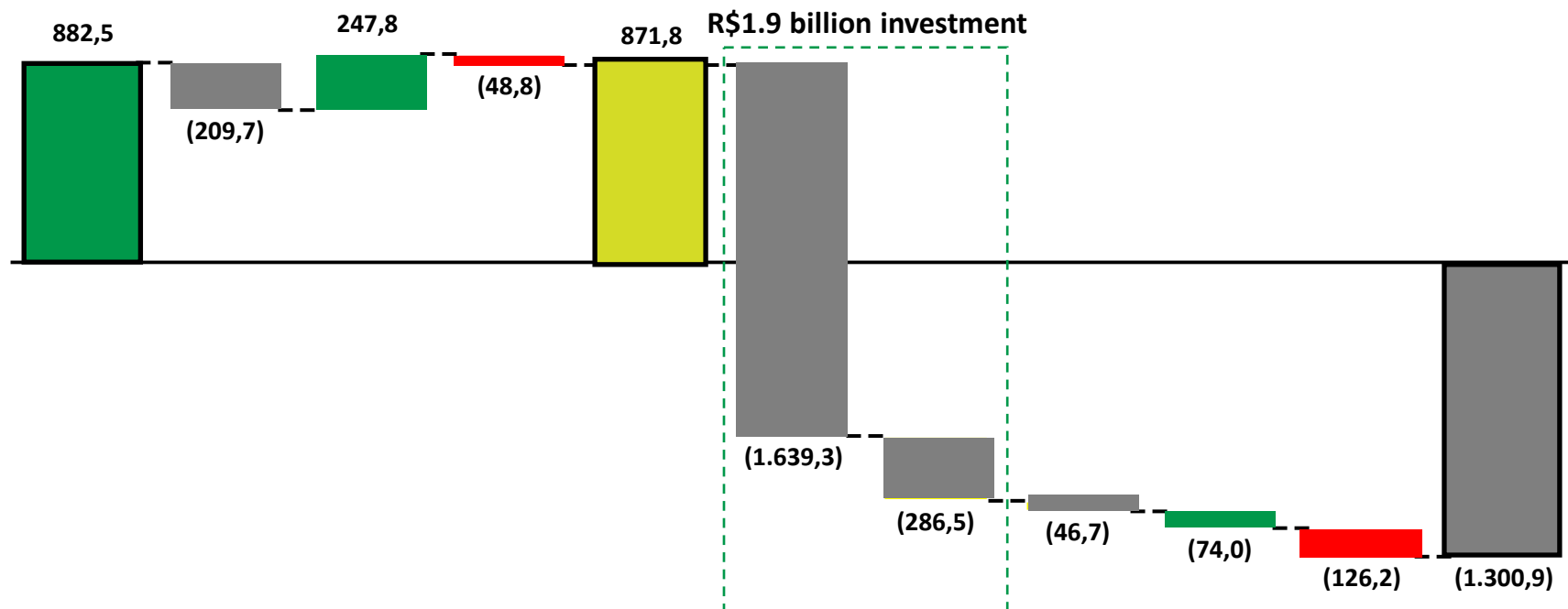


Reconciliation EBITDA x Net income	2013	2014	2015	2016	2017*	Var. R\$	Var. %	4Q16	4Q17*	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	298.6	29.4%	270.9	386.3	115.4	42.6%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(25.7)	12.5%	(59.5)	(61.8)	(2.3)	3.9%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(0.9)	2.4%	(9.4)	(10.8)	(1.4)	14.9%
EBIT	652.1	726.7	735.5	771.1	1,043.1	272.0	35.3%	202.0	313.7	111.7	55.3%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(71.5)	29.4%	(72.7)	(93.6)	(20.9)	28.7%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(46.4)	39.2%	(24.9)	(45.6)	(20.7)	83.1%
Net income of the period	384.3	410.6	402.4	409.3	563.4	154.1	37.6%	104.4	174.5	70.1	67.1%

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

RECOR NET INCOME FOR THE 4 CONSECUTIVE QUARTERS

FREE CASH FLOW



Cash generated by rental operations	Capex - fleet renewal (90,554 cars)	Increase in accounts payable to car suppliers	Capex other	Free cash flow, net of fleet renewal capex	Capex - fleet growth (44,698 cars)	Hertz Brasil acquisition - fleet (8,162 cars)	Hertz Brasil acquisition (Except Fleet)	One-time costs	New headquarters	Free cash flow before interest
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R\$871.8 MILLION OF CASH GENERATION BEFORE GROWTH

FREE CASH FLOW

Free cash flow - R\$ million		2013	2014	2015	2016	2017
Operations	EBITDA	916.5	969.8	934.8	1,015.6	1,314.2*
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(3,451.2)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)
	Change in working capital	2.9	(27.1)	(30.0)	113.2	21.2
Cash generated by rental operations		607.4	588.4	518.3	795.5	882.5
Capex - renewal	Used car sale revenue, net from taxes	1,747.3	2,018.2	2,036.3	2,342.5	3,451.2
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)
	Change in accounts payable to car suppliers – renewal (**)	144.3	120.0	(75.4)	174.1	247.8
	Net investment for fleet renewal	71.9	(59.5)	(317.5)	(47.0)	38.1
Fleet renewal – quantity		62,641	70,621	64,032	68,449	90,554
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(42.2)	(48.8)
Free cash flow from operations, before growth		631.8	482.6	171.1	706.3	871.8
Capex - Growth	Fleet growth investment	(209.4)	(286.8)	8.6	(726.0)	(1,807.0)
	Change in accounts payable to car suppliers – growth (**)	(54.6)	214.4	(45.8)	16.6	167.7
	Hertz Brazil acquisition - fleet					(286.5)
	Fleet growth capex	(264.0)	(72.4)	(37.2)	(709.4)	(1,925.8)
Fleet increase / (reduction) – quantity		7,103	9,183	(273)	19,384	52,860
Free cash flow after growth, and before interest and new HQ		367.8	410.2	133.9	(3.1)	(1,054.0)
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)

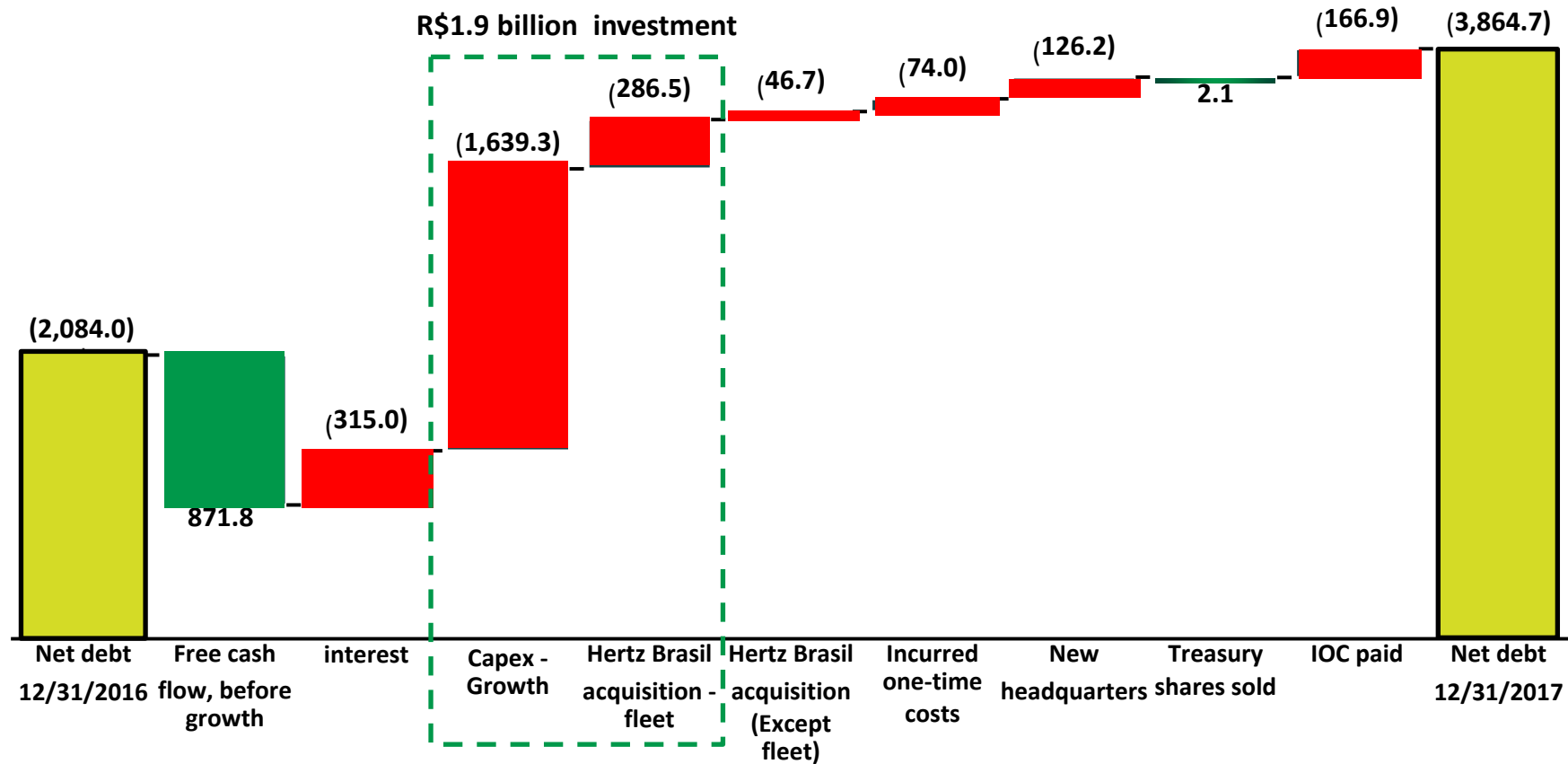
(*) Adjusted by one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

(**) This quarter, we adjusted the cash flow to distribute the change in accounts payable to car suppliers account between renewal capex and fleet growth.

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)

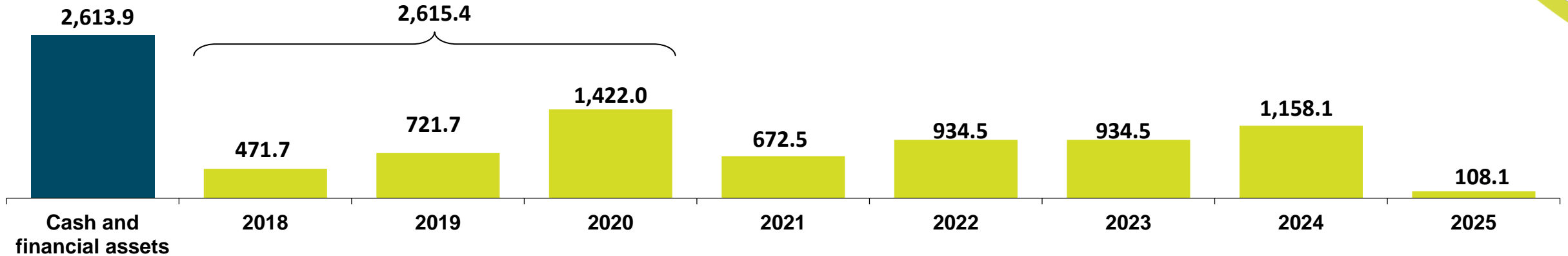


NET DEBT INCREASE DUE TO R\$1.9 BILLION INVESTMENT IN FLEET

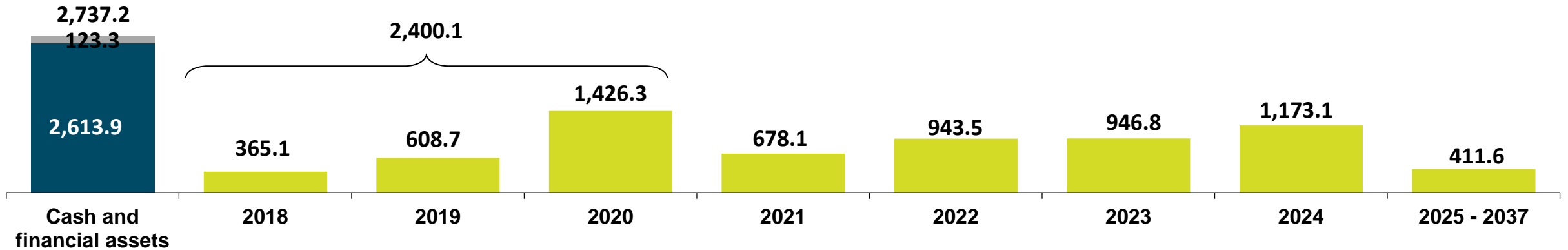
DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of December 31, 2017



Proforma after Real Estate Receivables Certificate issuance and early redemption of the 6th issuance in February, 2018



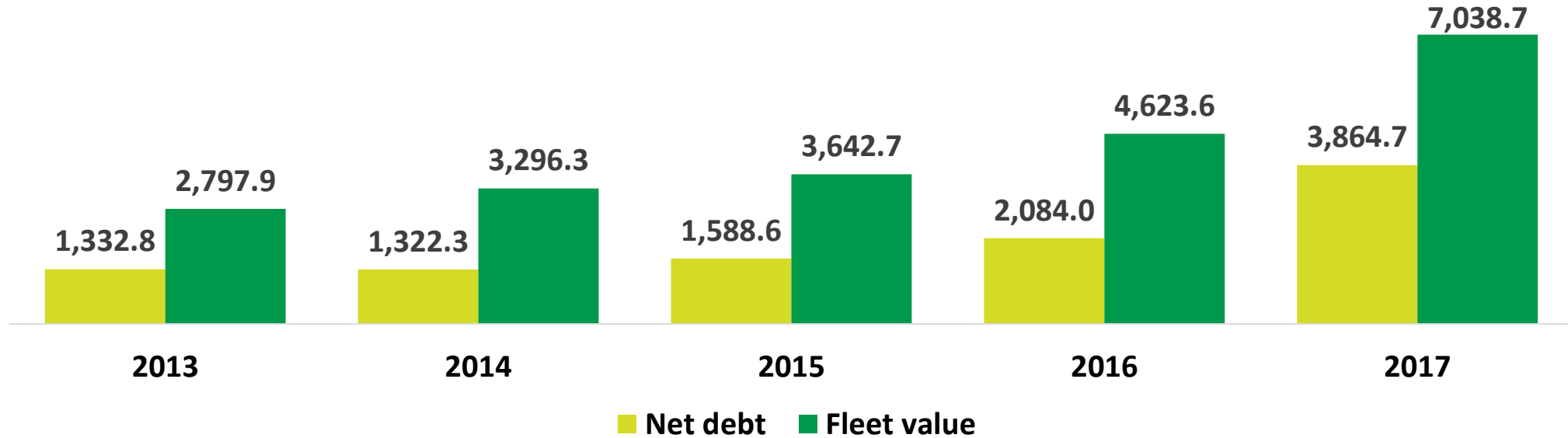
Real estate receivables certificate and early redemption of the 6th issuance

COMFORTABLE DEBT PROFILE AND CASH TO SUPPORT GROWTH

DEBT RATIOS

(R\$ million)

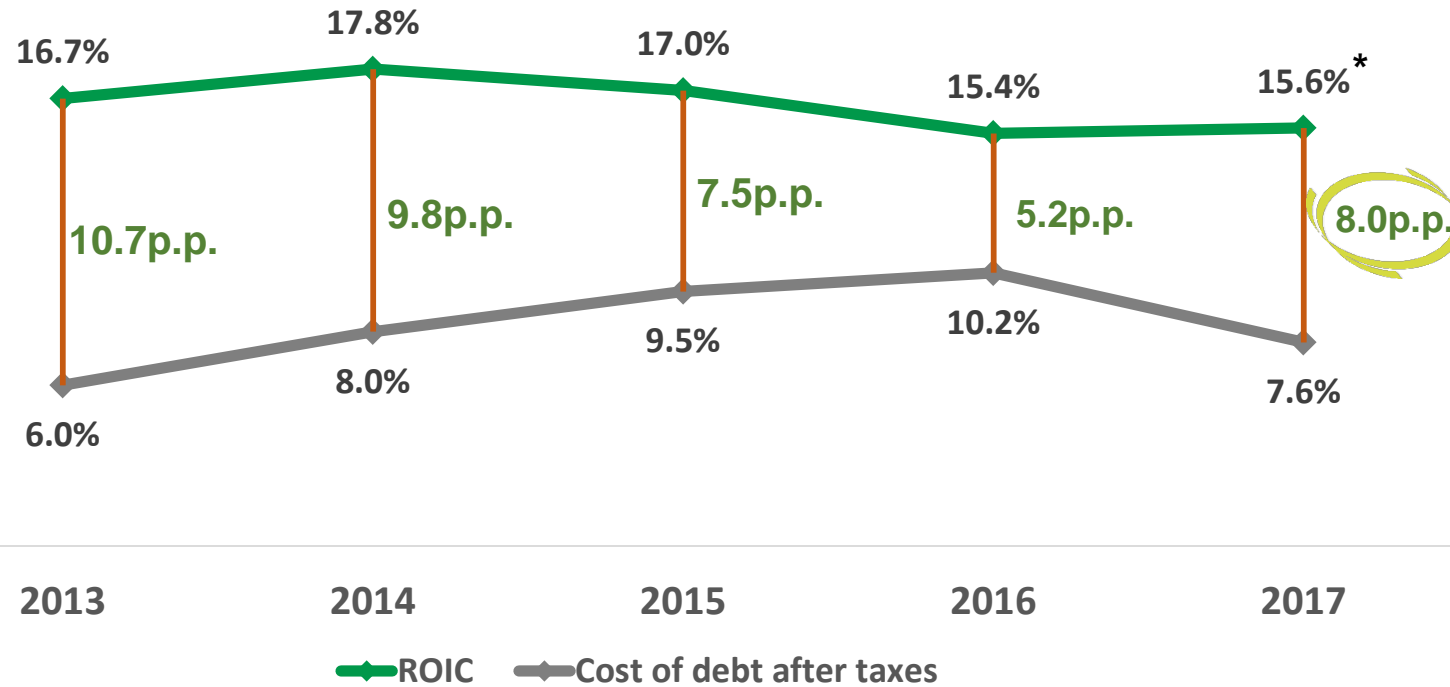
NET DEBT VERSUS FLEET VALUE



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

COMFORTABLE DEBT PROFILE DESPITE THE STRONG 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

FOCUS ON VALUE CREATION TO SHAREHOLDERS

Thank You!

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ONE TIME COSTS 4Q17

4Q17 financial results were adjusted to exclude the impact of one-time costs resulting from the acquisition of Hertz's operations in Brazil (R\$48.0 million) and the integration of 3 franchised locations (R\$4.5 million):

In 2017, the total adjustments for the extraordinary expenses related to the acquisition of the Hertz's operations in Brazil was R\$56.8 million (R\$53.4 million in the Car Rental division and R\$3.4 million in Fleet Rental), and R\$ 17.2 million referring to Localiza franchisees.

	R\$ million		
ONE-TIME COSTS	3Q17 Incurred	4Q17 Incurred	2017 Total
RAC costs:			
Hertz: rebrand, structure and networking reduction	(2.1)	(36.4)	(38.5)
Franchise integration	(12.7)	(4.5)	(17.2)
RAC - Total Costs	(14.8)	(40.9)	(55.7)
Fleet Rental costs:			
Hertz: structure and networking reduction	-	(0.3)	(0.3)
Fleet Rental total costs	0.0	(0.3)	(0.3)
SG&A:			
Hertz: rebrand, structure and RAC networking reduction	(6.7)	(8.2)	(14.9)
Hertz: rebrand, structure and Fleet Rental networking reduction	-	(3.1)	(3.1)
Total SG&A	(6.7)	(11.3)	(18.0)
Total One-time Costs	(21.5)	(52.5)	(74.0)

	R\$ million		
RESULTADO CONSOLIDADO	4Q17 consolidated	One-off	4Q17 Ajusted
Total net revenues	1,809.6	-	1,809.6
Total costs and SG&A	(1,475.8)	52.5	(1,423.3)
EBITDA	333.8	52.5	386.3
Depreciation	(72.6)	-	(72.6)
EBIT	261.2	52.5	313.7
Financial expenses, net	(93.6)	-	(93.6)
Income tax and social contribution	(34.6)	(11.0)	(45.6)
Net income	133.0	41.5	174.5