

WEBCAST

3Q20

[B]³
BRASIL
BOLSA
BALCÃO


NOVO
MERCADO
BM&FBOVESPA

Índice
Brasil 50

IBRX 50

Índice
Carbono
Eficiente

IC02

Índice de
Ações com Tag Along
Diferenciado

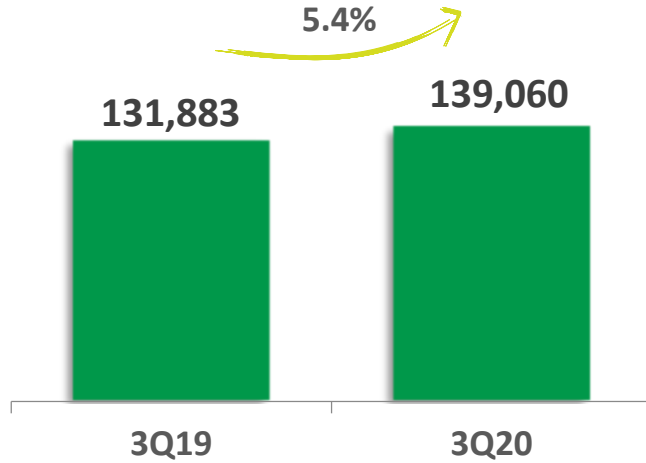
ITAG

OTCQX

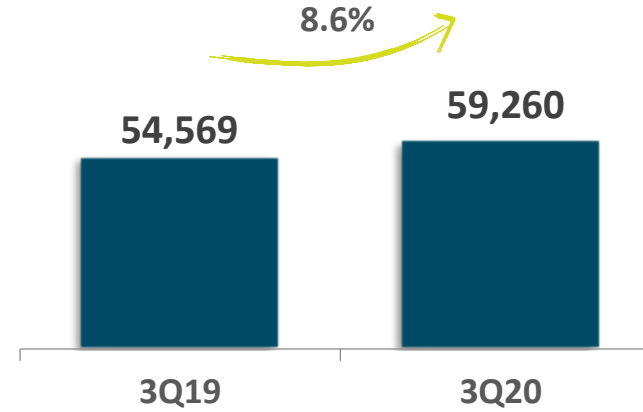
 **Localiza**

3Q20 OPERATING HIGHLIGHTS

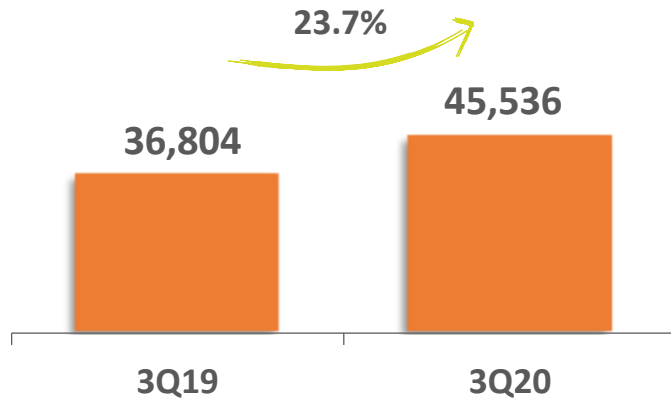
Average rented fleet – Car Rental



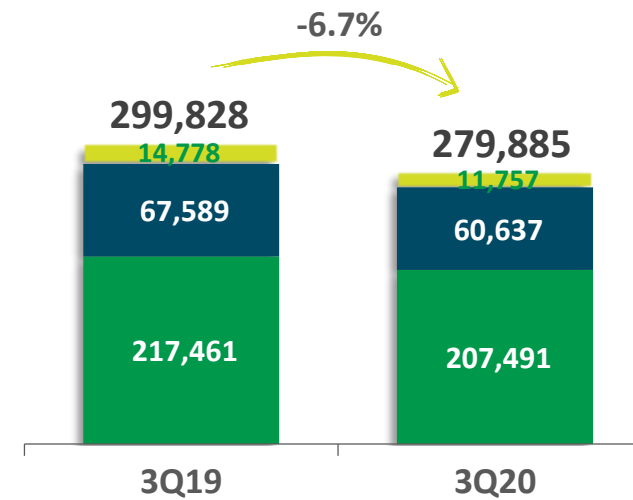
Average rented fleet – Fleet Rental



of cars sold



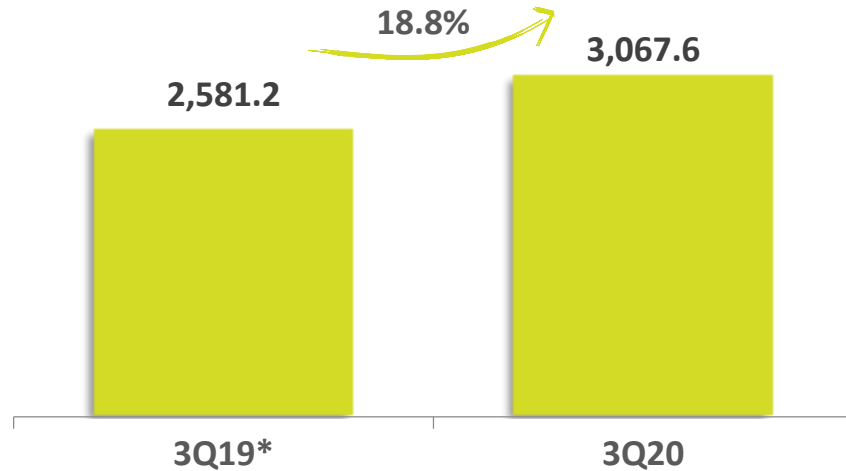
End of the period fleet



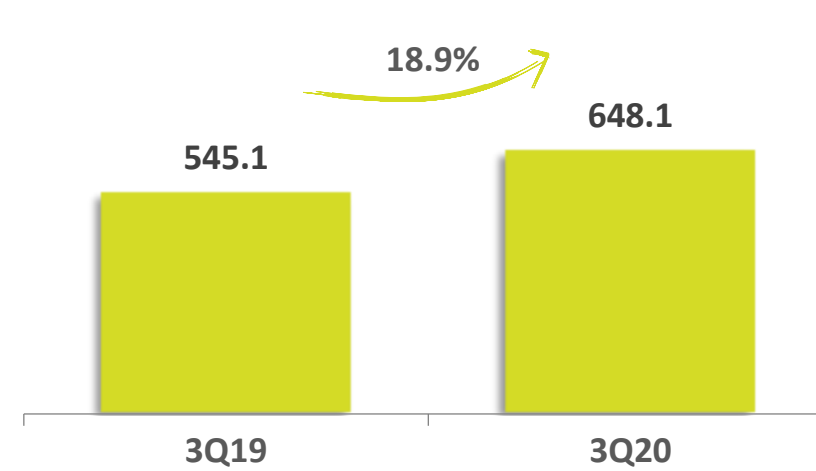
■ Car Rental ■ Fleet Rental ■ Franchising

3Q20 FINANCIAL HIGHLIGHTS

Net revenues (R\$ million)

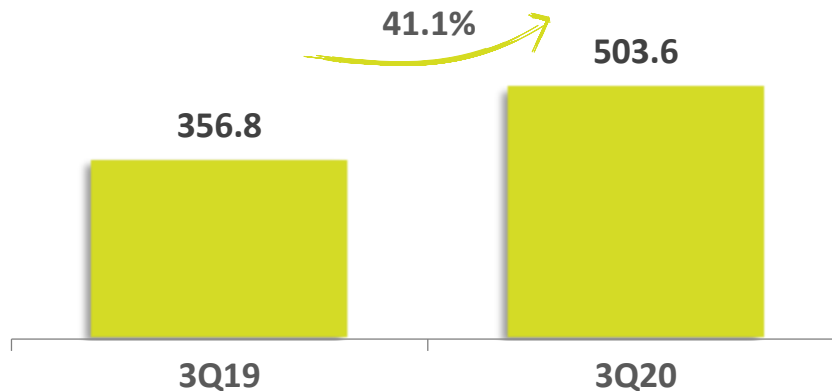


EBITDA (R\$ million)

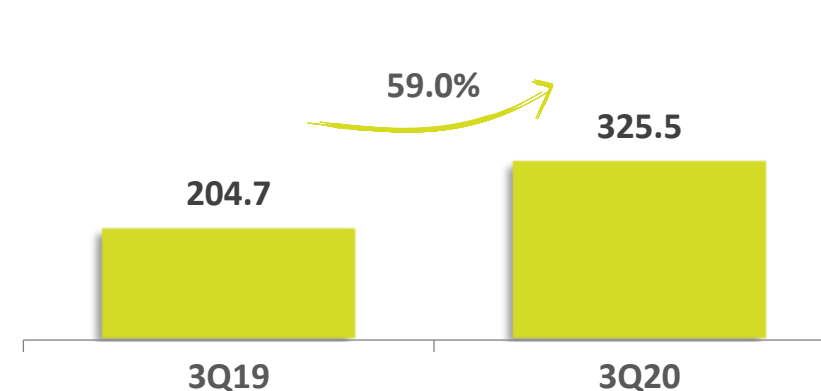


(*) GAAP number including the effects of the reclassification of PIS and COFINS credits for the period

EBIT (R\$ million)



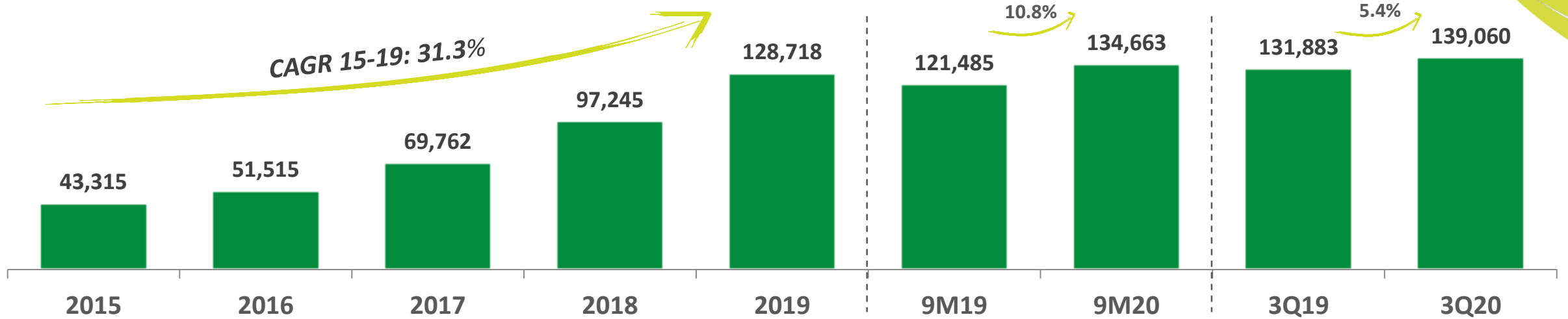
Net income (R\$ million)



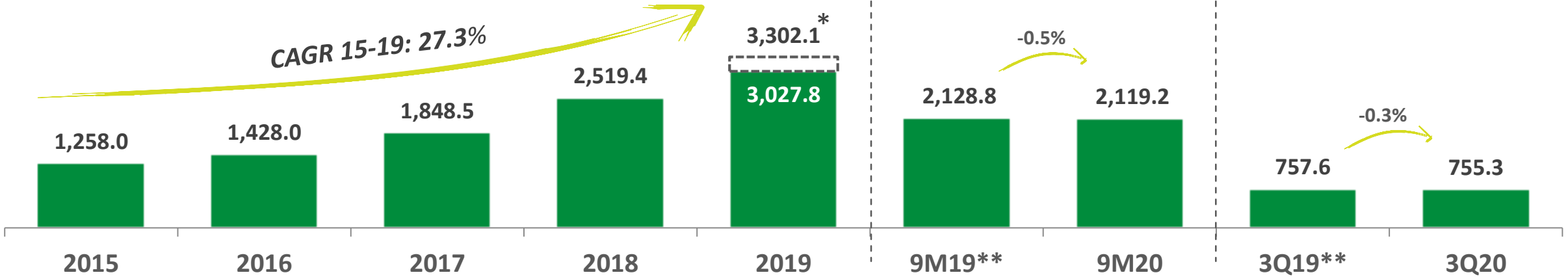
WITH AGILE DECISION-MAKING, THE COMPANY WAS ABLE TO OVERCOME THE PANDEMIC CHALLENGES AND PRESENTED QUARTELY RECORD RESULTS IN NET REVENUES, EBITDA, EBIT AND NET INCOME

CAR RENTAL

Average rented fleet



Net revenues (R\$ million)



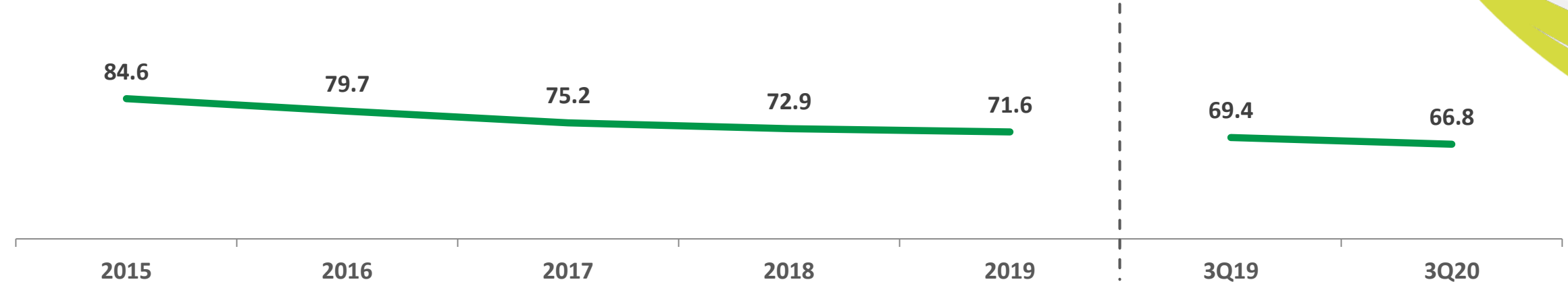
(*) Excluding the effects of the reclassification of PIS and COFINS credits

(**) GAAP number including the reclassification of PIS and COFINS credits for the period

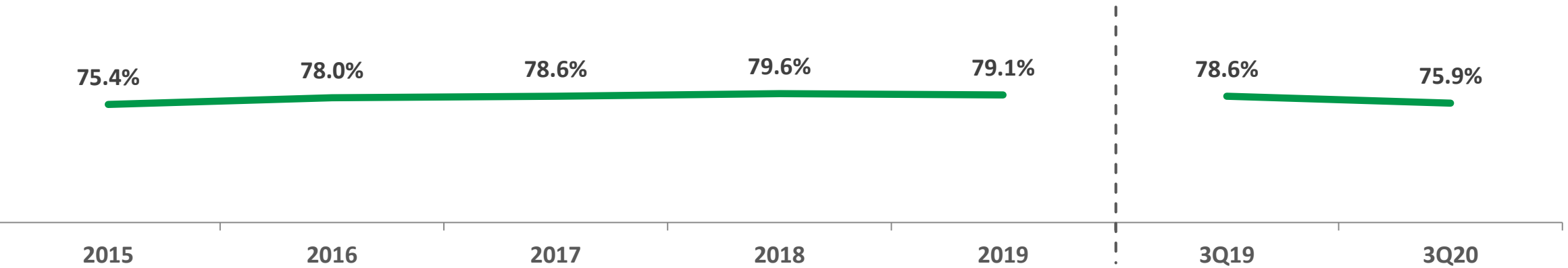
SEGMENT DIVERSIFICATION HELPS REGAINING VOLUMES AND CONTRIBUTES TO A FAST AND CONSISTENT RECOVERY

CAR RENTAL

— Average rental rate (in R\$) —



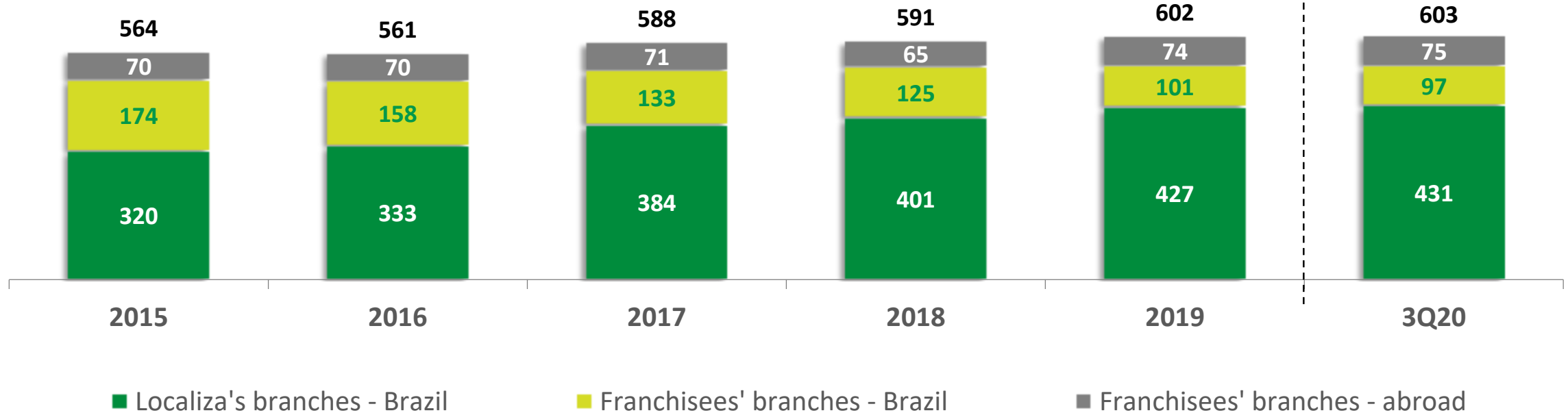
— Utilization rate (%) —



RENTAL RATES OF EACH SEGMENT ALREADY AT PRE-PANDEMIC LEVELS, BUT MIX AFFECTED THE AVERAGE RENTAL RATE OF THE QUARTER

CAR RENTAL NETWORK EVOLUTION

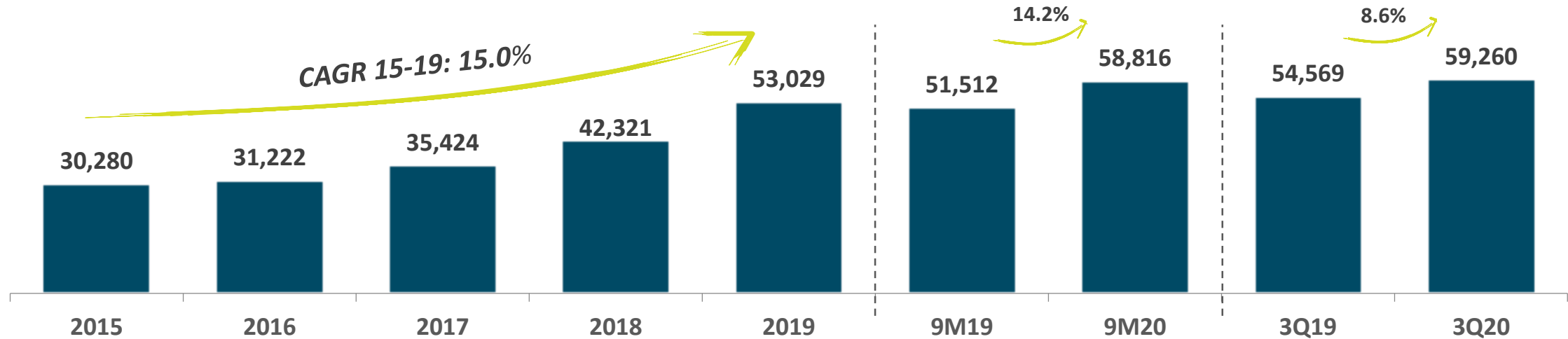
Number of car rental locations - Brazil and abroad



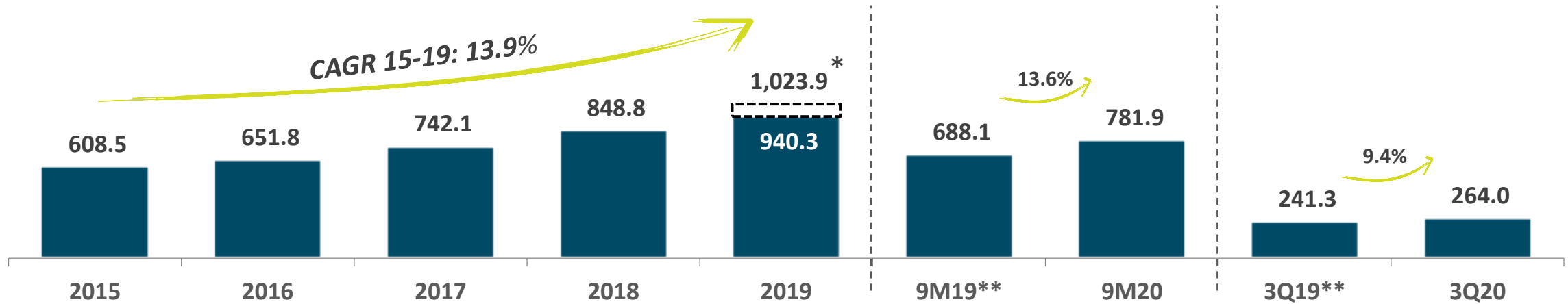
ADDITION OF FOUR LOCALIZA'S CORPORATE BRANCHES SINCE THE END OF 2019

FLEET RENTAL

Average rented fleet



Net revenues (R\$ million)



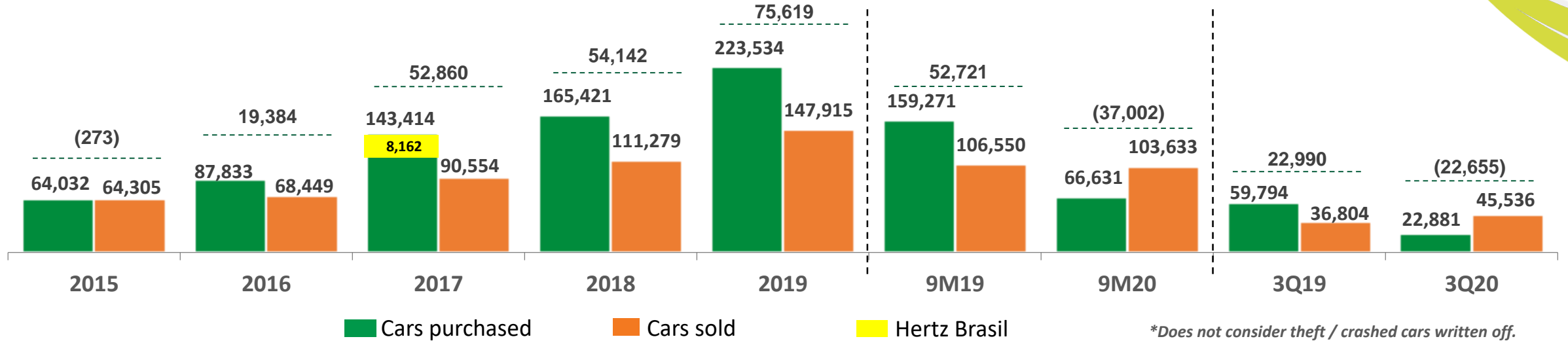
(*) Excluding the effects of the reclassification of PIS and COFINS credits

(**) GAAP number including the reclassification of PIS and COFINS credits for the period

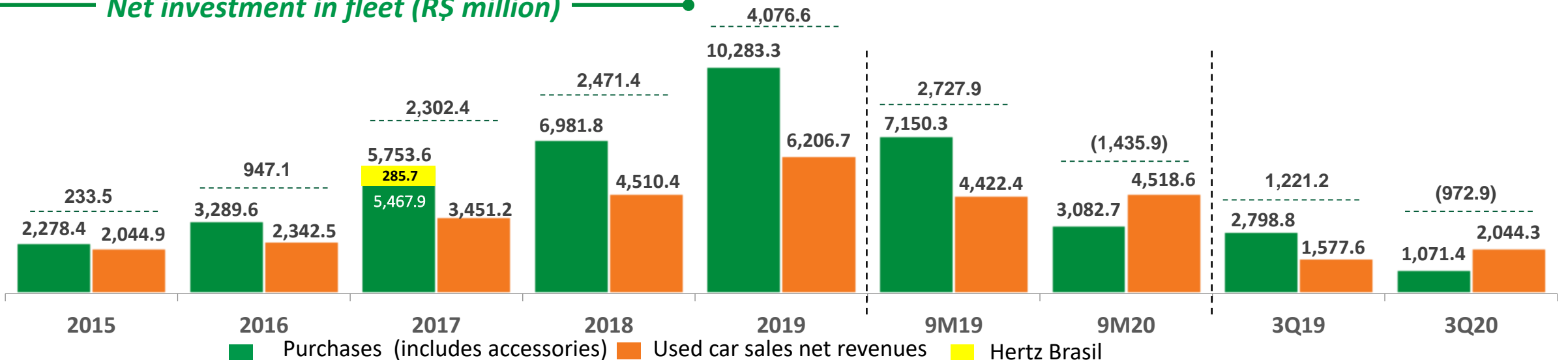
IN 3Q20, FLEET RENTAL DIVISION REGISTERED A 9.4% INCREASE IN NET REVENUES

NET INVESTMENT

Car purchase and sales (quantity*)



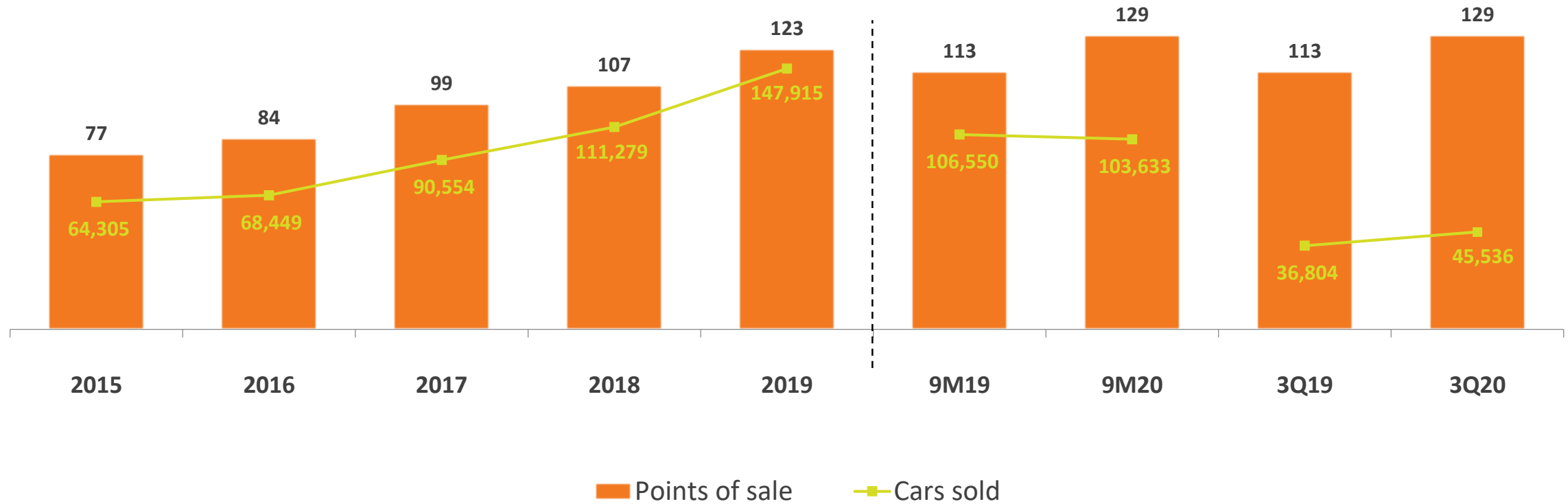
Net investment in fleet (R\$ million)



WITH THE RECOVERY OF VOLUMES AND FLEET REDUCTION, THE COMPANY HAS ACHIEVED AN ADEQUATE LEVEL OF UTILIZATION RATE AND, THEREFORE, SHOULD RESUME GRADUAL FLEET GROWTH IN THE NEXT QUARTERS

SEMINOVOS

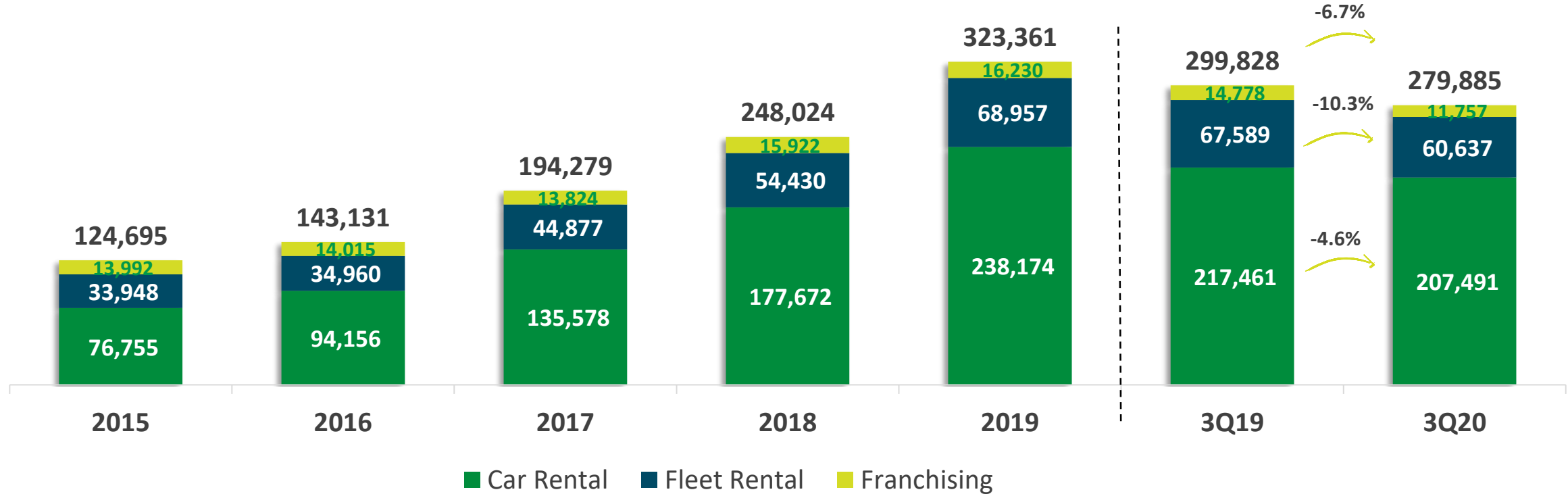
— Number of points of sale and used cars —



STRONG RECOVERY IN CAR DEMAND WITH INCREASE IN CAR PRICES

END OF PERIOD FLEET

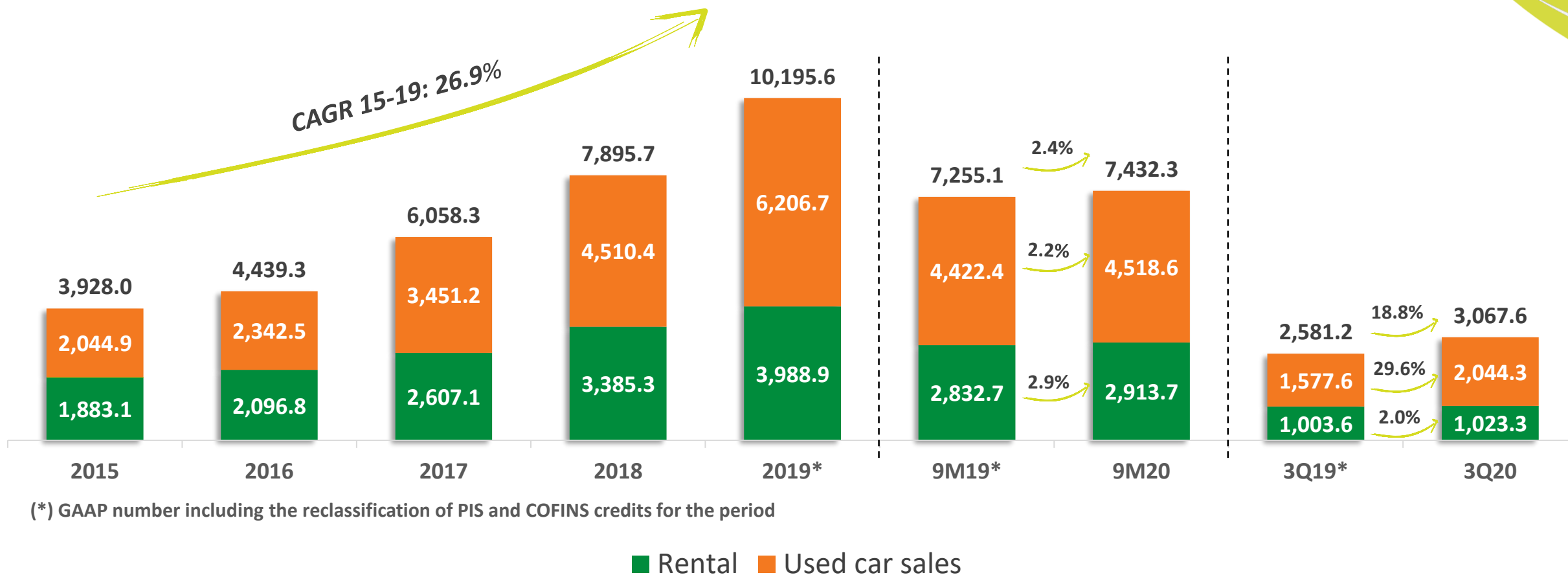
(Quantity)



CONSOLIDATED END OF PERIOD FLEET WITH A 6.7% REDUCTION IN THE ANNUAL COMPARISON

CONSOLIDATED NET REVENUES

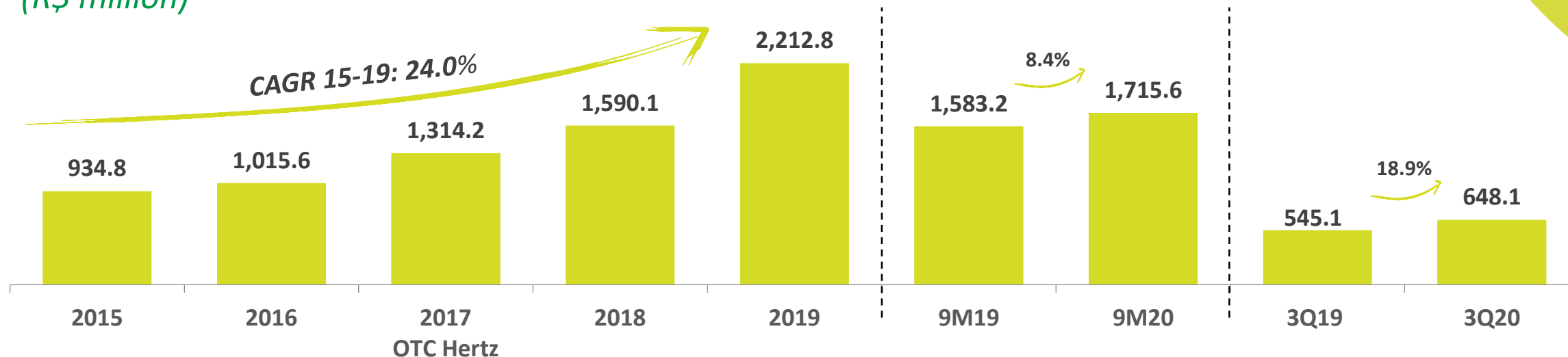
(R\$ million)



CONSOLIDATED NET REVENUE INCREASING 18.8% IN 3Q20 WITH THE RESUME OF VOLUMES IN RAC AND SEMINOVOS

CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:

	2015	2016	2017*	2018	2019**	9M19**	9M20	3Q19**	3Q20
Car Rental	31.8%	32.3%	34.9%	35.9%	45.5%	45.2%	47.3%	43.0%	42.9%
Fleet Rental	62.2%	64.5%	61.9%	64.0%	67.7%	67.9%	75.1%	66.2%	73.4%
Rental Consolidated	41.7%	42.3%	42.6%	43.0%	50.9%	50.8%	54.7%	48.7%	50.8%
Used Car Sales	7.3%	5.5%	5.9%	3.0%	3.0%	3.2%	2.7%	3.6%	6.3%

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

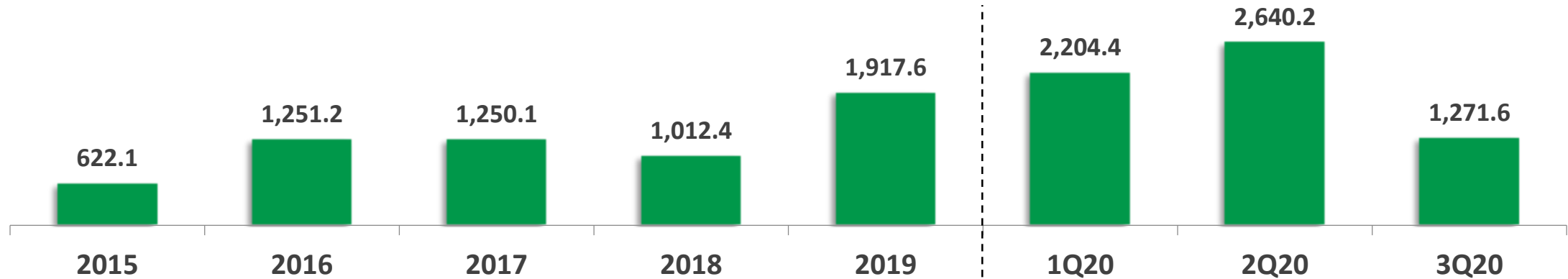
(**) EBITDA margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period, in the Car Rental and Fleet Rental divisions

VOLUMES GROWTH RESUMPTION COMBINED WITH COST AND EXPENSES CONTROL RESULTED IN RECOVERY OF RENTAL EBITDA MARGINS, WHILE USED CAR SALES REPORTS INCREASED MARGIN DUE TO HIGHER PRICES AND VOLUMES

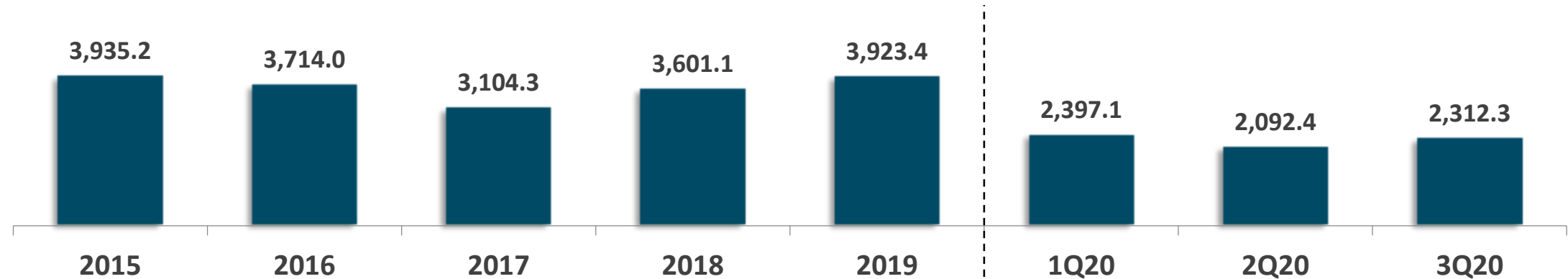
AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

Car Rental



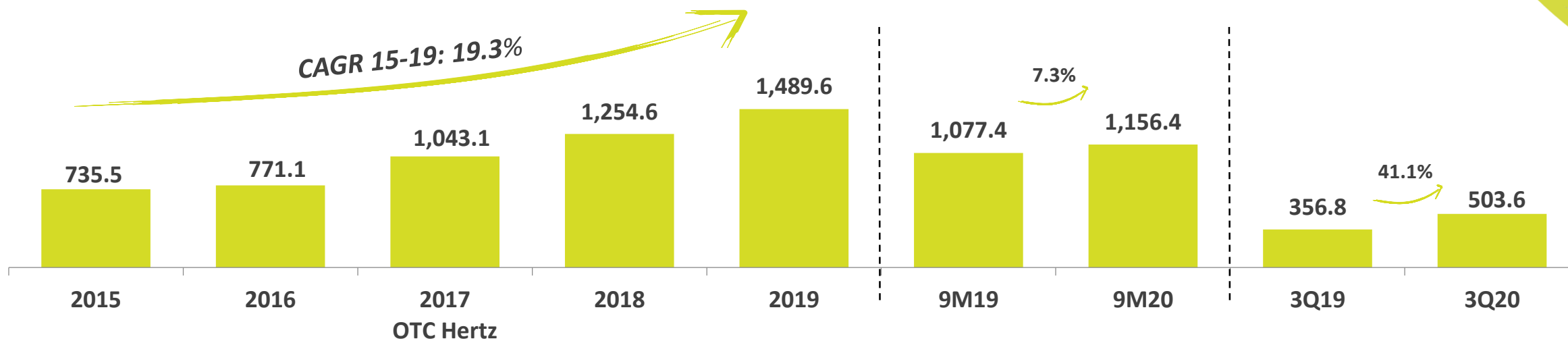
Fleet Rental



THE RECOVERY OF USED CAR SALES VOLUMES, WHICH RESULTS IN A LOWER COST PER CAR SOLD, COMBINED WITH INCREASE IN THE PRICES OF CARS SOLD RESULTED IN A LOWER DEPRECIATION IN THE CAR RENTAL DIVISION

CONSOLIDATED EBIT

(R\$ million)



EBIT margins include used car sales results, but is calculated over the rental revenues:

	2015	2016	2017*	2018	2019**	9M19**	9M20	3Q19 **	3Q20
Car Rental	34.3%	30.2%	35.5%	33.2%	33.6%	34.2%	29.5%	30.8%	40.8%
Fleet Rental	48.9%	51.2%	51.4%	48.6%	49.1%	49.4%	67.4%	50.1%	73.4%
Consolidated	39.1%	36.8%	40.0%	37.1%	37.3%	38.0%	39.7%	35.6%	49.2%

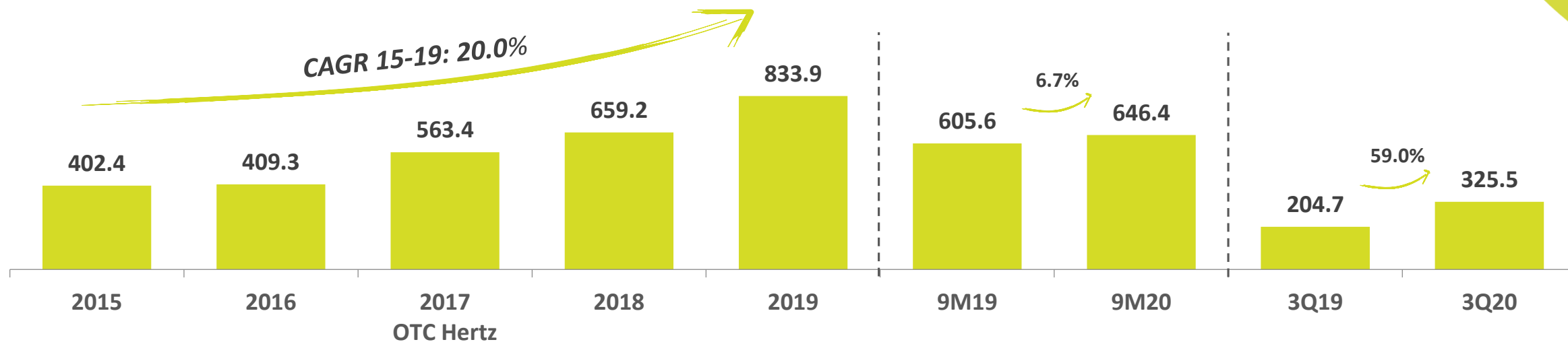
(*) 2017 adjusted by the one-time costs (OTC) incurred - Hertz Brasil acquisition and Franchisees incorporation

(**) EBIT margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period

RECORD EBIT OF R\$503.6 MILLION IN THE QUARTER, 41.1% HIGHER THAN 3Q19

CONSOLIDATED NET INCOME

(R\$ million)



Reconciliation EBITDA x Net income	2015	2016	2017*	2018	2019	9M19	9M20	Var. R\$	Var. %	3Q19	3Q20	Var. R\$	Var. %
Consolidated EBITDA	934.8	1,015.6	1,314.2	1,590.1	2,212.8	1,583.2	1,715.6	132.4	8.4%	545.1	648.1	103.0	18.9%
Cars depreciation	(163.6)	(206.3)	(232.0)	(291.6)	(551.5)	(380.2)	(415.7)	(35.5)	9.3%	(145.2)	(95.0)	50.2	-34.6%
Other property depreciation and amortization	(35.7)	(38.2)	(39.1)	(43.9)	(171.7)	(125.6)	(143.5)	(17.9)	14.3%	(43.1)	(49.5)	(6.4)	14.8%
EBIT	735.5	771.1	1,043.1	1,254.6	1,489.6	1,077.4	1,156.4	79.0	7.3%	356.8	503.6	146.8	41.1%
Financial expenses, net	(202.7)	(243.5)	(315.0)	(368.9)	(409.8)	(297.2)	(309.4)	(12.2)	4.1%	(94.2)	(54.5)	39.7	-42.1%
Income tax and social contribution	(130.4)	(118.3)	(164.7)	(226.5)	(245.9)	(174.6)	(200.6)	(26.0)	14.9%	(57.9)	(123.6)	(65.7)	113.5%
Net income of the period	402.4	409.3	563.4	659.2	833.9	605.6	646.4	40.8	6.7%	204.7	325.5	120.8	59.0%

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

CORRECT STRATEGY IN DEALING WITH THE CRISIS ALLOWED A SOLID RECOVERY AND RESULTED IN RECORD NET INCOME, 59% HIGHER THAN 3Q19

FREE CASH FLOW

Free cash flow - R\$ million		2015	2016	2017	2018	2019	9M20
Operations	EBITDA	934.8	1,015.7	1,314.*	1,590.1	2,212.8	1,715.6
	Used car sale revenue, net from taxes	(2,044.9)	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(4,518.6)
	Depreciated cost of cars sold	1,769.1	2,102.5	3,106.6	4,198.5	5,863.6	4,240.5
	(-) Income tax and social contribution	(110.7)	(93.3)	(108.3)	(131.2)	(146.1)	(142.9)
	Change in working capital	(30.0)	(40.8)	(47.9)	(117.4)	(268.9)	(114.1)
Cash generated by rental operations		518.3	641.5	813.4	1,029.6	1,454.7	1,180.5
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2,036.3	2,342.6	3,451.2	4,510.4	6,206.7	2,905.6
	Fleet renewal investment	(2,278.4)	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(3,082.7)
	Change in accounts payable to car suppliers for fleet renewal	(25.4)	219.8	227.6	250.1	468.7	(529.3)
	Net investment for fleet renewal	(267.5)	(1.2)	17.9	63.8	(129.2)	(706.4)
Fleet renewal – quantity		64,032	68,449	90,554	111,279	147,915	66,631
Investment, property and intangible		(29.7)	(40.9)	(28.8)	(42.8)	(70.0)	(56.2)
Free cash flow from operations, before growth		221.1	599.4	802.5	1,050.6	1,255.5	417.9
Capex - Growth	(Investment) / Divestment in cars for fleet growth	8.6	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	1,613.0
	Change in accounts payable to car suppliers for fleet growth	(23.9)	26.8	168.7	509.4	23.6	(943.4)
	Acquisition of Hertz and franchisees (fleet value)	-	-	(285.7)	-	(105.5)	-
	Net investment for fleet growth	(15.3)	(699.2)	(1,924.0)	(1,775.7)	(3,560.6)	669.6
Fleet increase / (reduction) – quantity		(273)	19,384	52,860	54,142	75,619	(37,002)
Free cash flow after growth		205.8	(99.8)	(1,121.5)	(725.1)	(2,305.0)	1,087.5
Capex - non-recurring	Acquisitions and franchisees acquisition- except fleet value	-	-	(121.5)	-	(18.2)	(7.9)
	New headquarters construction and furniture	(30.7)	(85.7)	(146.2)	-	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		175.1	(185.5)	(1,389.2)	(725.1)	(2,323.2)	1,079.6
Cash effects of receivables and anticipation of payables to suppliers (**)		(71.9)	98.0	88.3	(113.2)	(131.8)	(41.6)
Free cash flow before interest		103.2	(87.5)	(1,300.9)	(838.3)	(2,455.0)	1,038.0

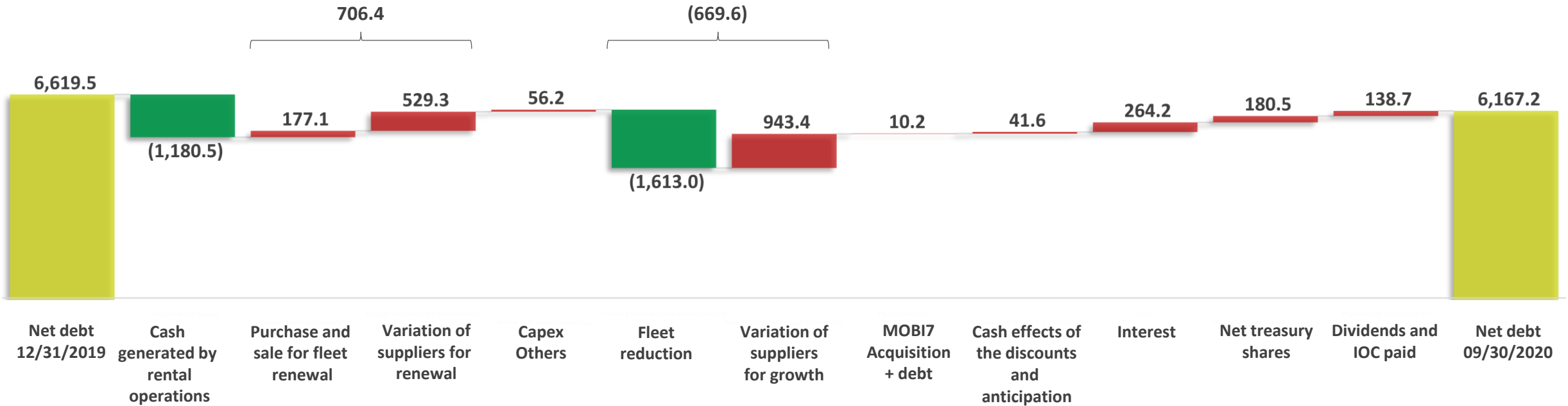
In the free cash flow, short-term financial assets were considered as cash

(*) 2017 adjusted by the one-time costs (OTC) - 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)

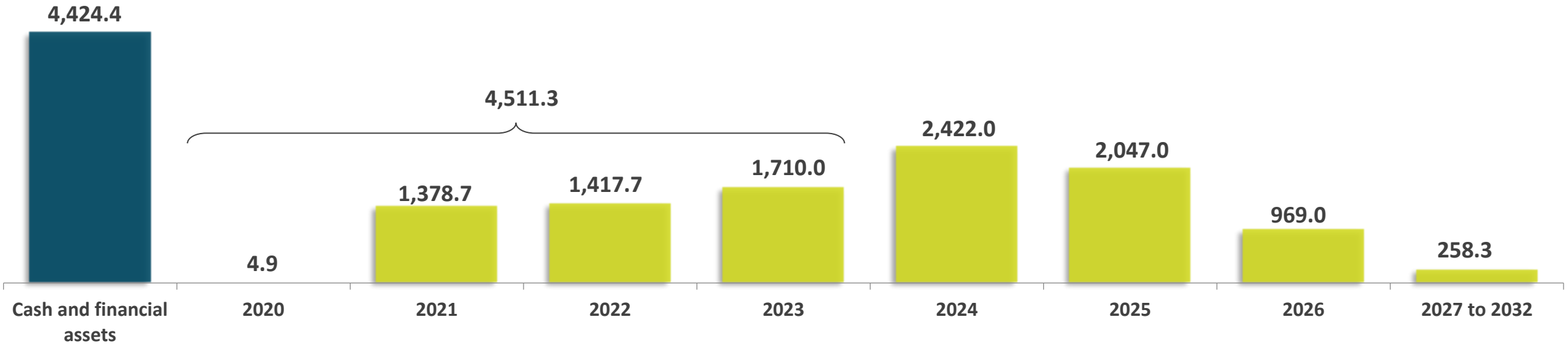


REDUCTION OF ABOUT R\$450 MILLION IN NET DEBT AS A RESULT OF RENTAL CASH GENERATION AND FLEET REDUCTION, PARTLY COMPENSATED BY THE REDUCTION OF THE ACCOUNTS PAYABLE TO OEMS

DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of September 30, 2020

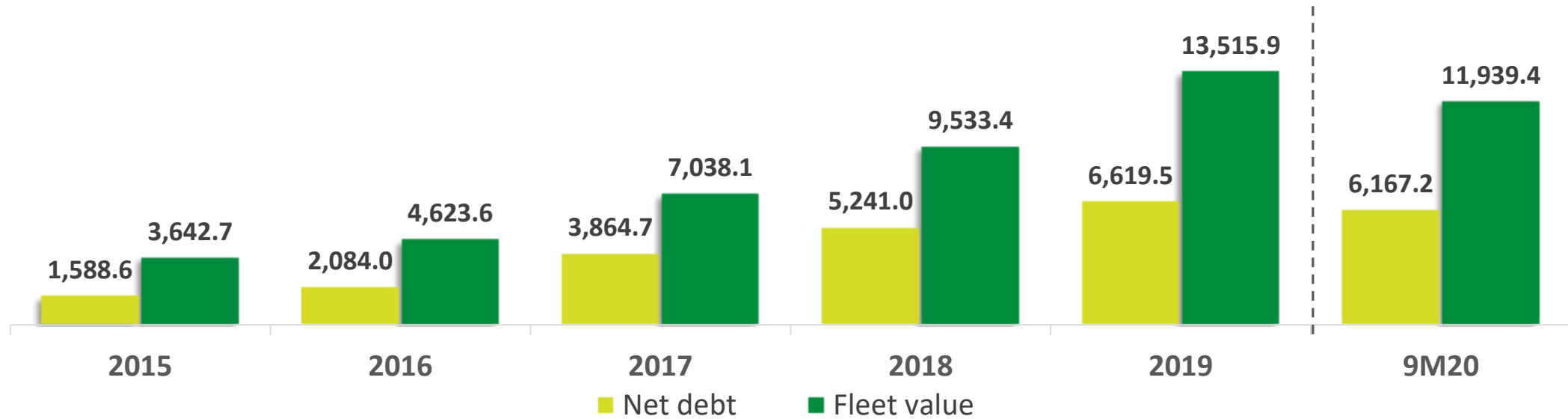


STRONG LIQUIDITY POSITION AND EXTENDED DEBT PROFILE

DEBT RATIOS

(R\$ million)

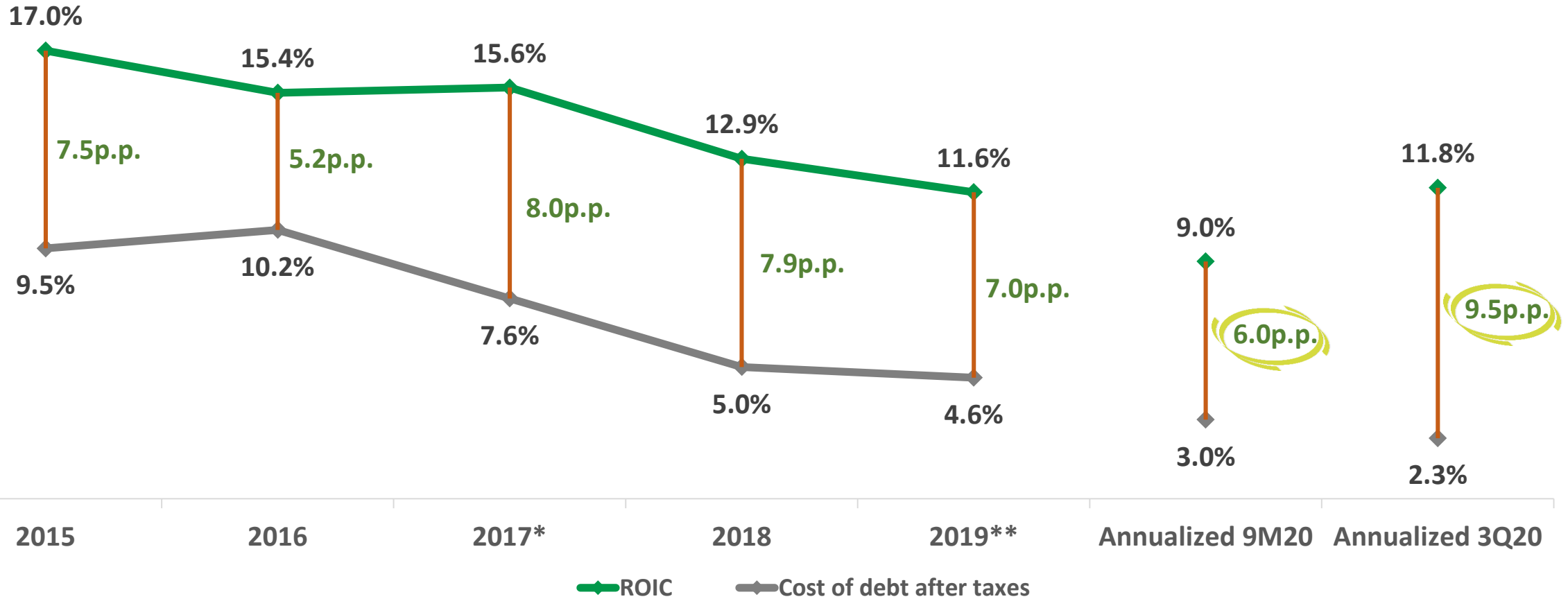
Net debt versus fleet value



BALANCE AT THE END OF PERIOD	2015	2016	2017	2018	2019	9M20
Net debt/Fleet value	44%	45%	55%	55%	49%	52%
Net debt/annualized EBITDA	1.7x	2.1x	2.9x	3.3x	3.0x	2.7x
Net debt/Equity	0.8x	0.9x	1.5x	1.7x	1.2x	1.1x
EBITDA/Net financial expenses	4.6x	4.2x	4.2x	4.3x	5.4x	5.5x

WE ENDED THE QUARTER WITH A NET DEBT / LTM EBITDA RATIO OF 2.6x

ROIC VERSUS COST OF DEBT AFTER TAXES



ROIC considered each year's effective income tax and social contribution rate

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

** ROIC including the reclassification of PIS and COFINS credits for the period

STRONG VALUE GENERATION, EVEN IN AN EXTREMELY ADVERSE SCENARIO

Extraordinary General Meeting

November 12, 2020 at 3pm BRT, 1pm EST

Localiza Rent a Car S.A. is pleased to invite you to participate in the Extraordinary General Meeting, to discuss the following points:

- (i) Approval of acts related to the merger of shares of Companhia de Locação das Américas (“Unidas”)*
- (ii) Reduction in the number of members of the Company’s Board of Directors*
- (iii) Election of member of the Company’s Board of Directors*

The Manual containing the Management Proposal, as well as all documents pertinent to the matters to be resolved at the EGM, are available to shareholders, on Localiza's investor relations website (<https://ri.localiza.com/en/>), as well as on websites of the Brazilian Securities and Exchange Commission (www.cvm.gov.br) and B3 SA - Brasil, Bolsa, Balcão (www.b3.com.br).

Thank You!

Disclaimer

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This presentation contains statements that are not guarantees of future performance. Investors are cautioned that any such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of LOCALIZA and its subsidiaries that may cause the actual results of the companies to be materially different from any future results expressed or implied in such forward-looking statements.

Although LOCALIZA believes that the expectations and assumptions reflected in the forward-looking statements are reasonable based on information currently available to LOCALIZA's management, LOCALIZA cannot guarantee future results or events. LOCALIZA expressly disclaims a duty to update any of the forward-looking statement.

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