

WEBCAST

4Q20 AND 2020



[B]³
BRASIL
BOLSA
BALCÃO

 **NOVO
MERCADO**
BM&FBOVESPA

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Brasil 50 **IBRX 50**

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Eficiente **ICO2**

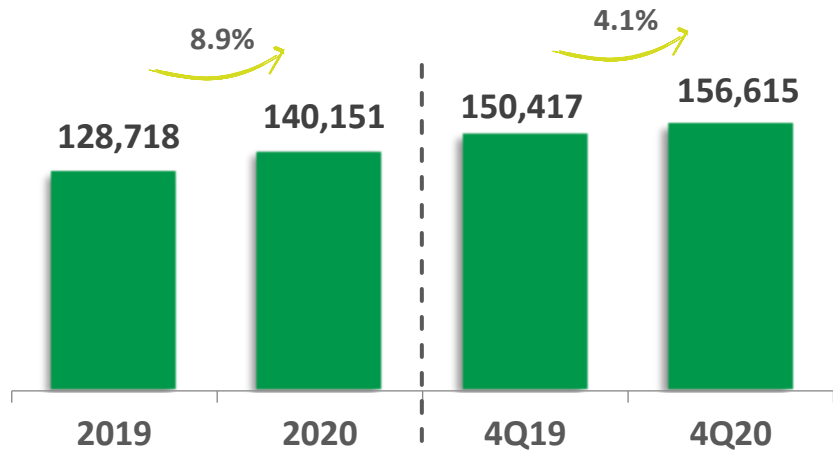
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Ações com Tag Along
Diferenciado **ITAG**

OTCQX

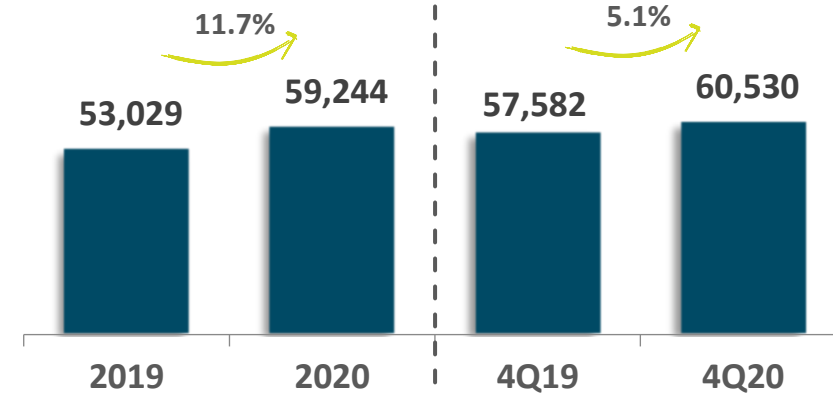
 **Localiza**

OPERATING HIGHLIGHTS

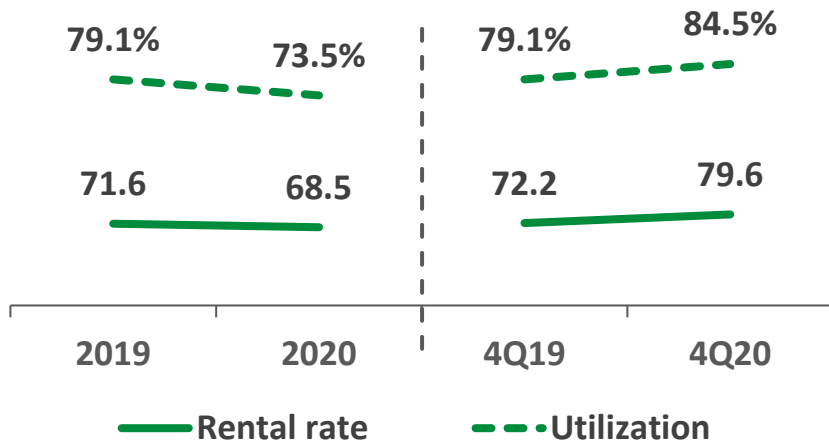
Average rented fleet – Car Rental



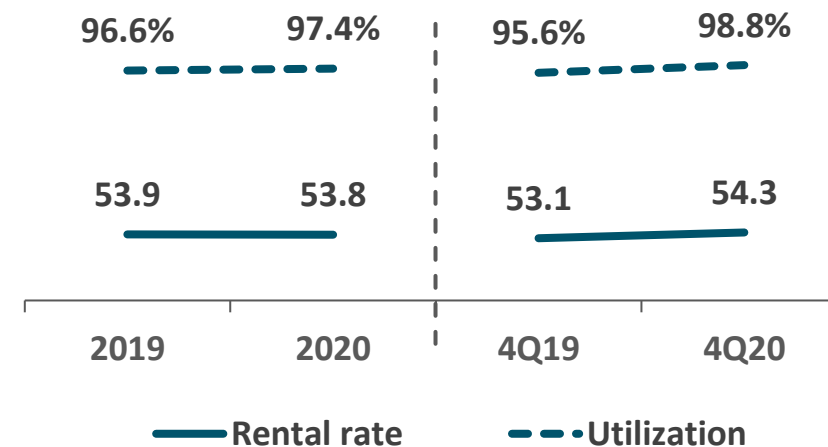
Average rented fleet – Fleet Rental



Average rental rate (in R\$) and Utilization rate (%)
Car Rental

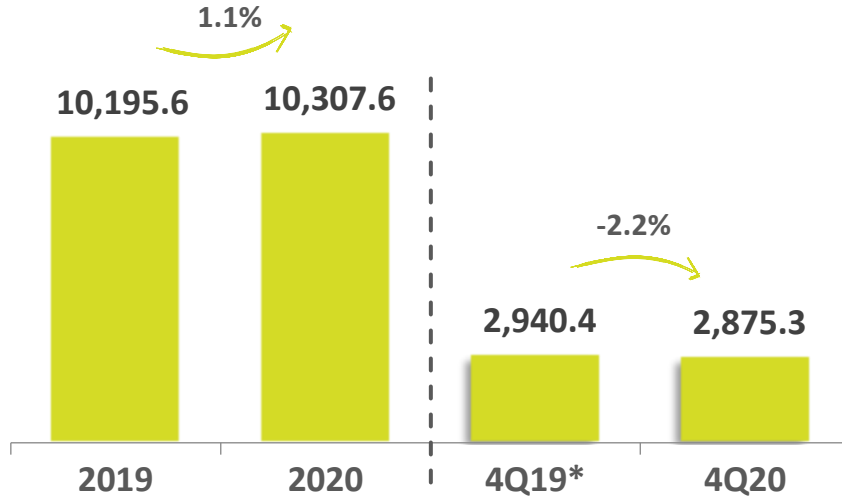


Average rental rate (in R\$) and Utilization rate (%)
Fleet Rental

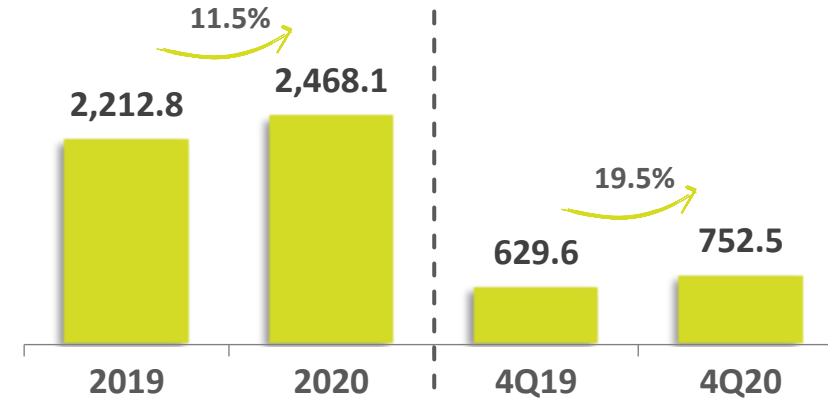


FINANCIAL HIGHLIGHTS

Net revenues (R\$ million)

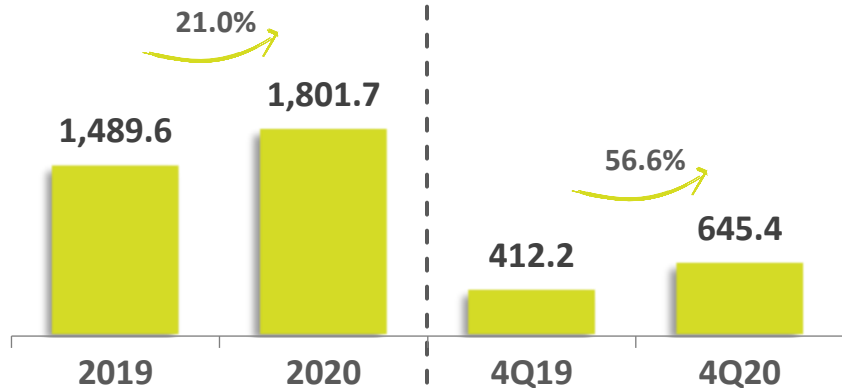


EBITDA (R\$ million)

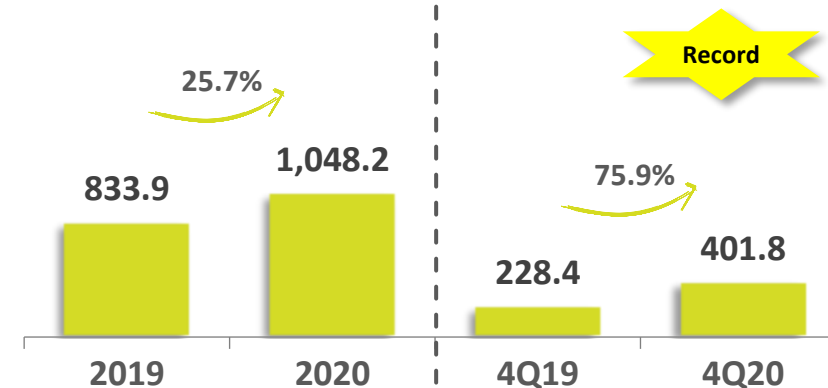


(*) GAAP number including the effects of the reclassification of PIS and COFINS credits for the period

EBIT (R\$ million)



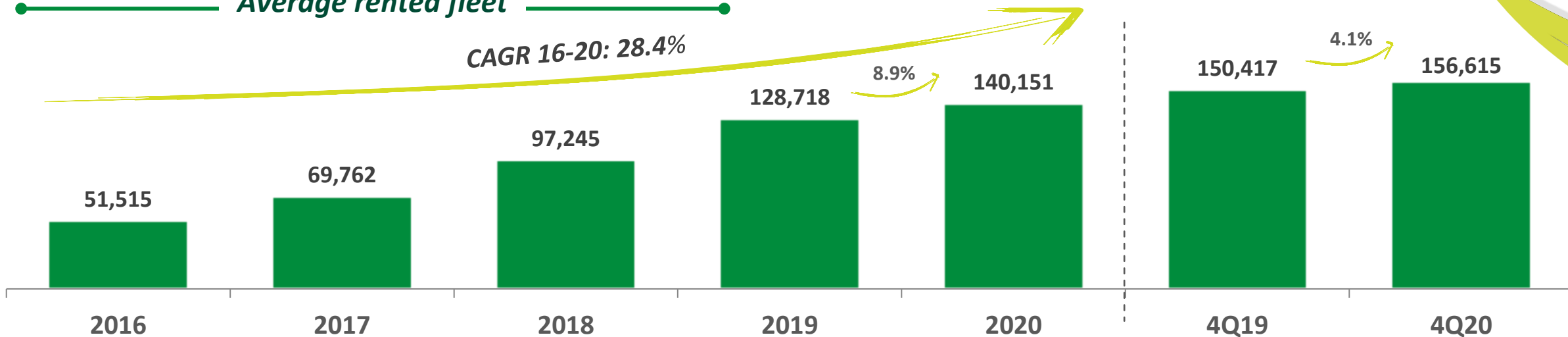
Net income (R\$ million)



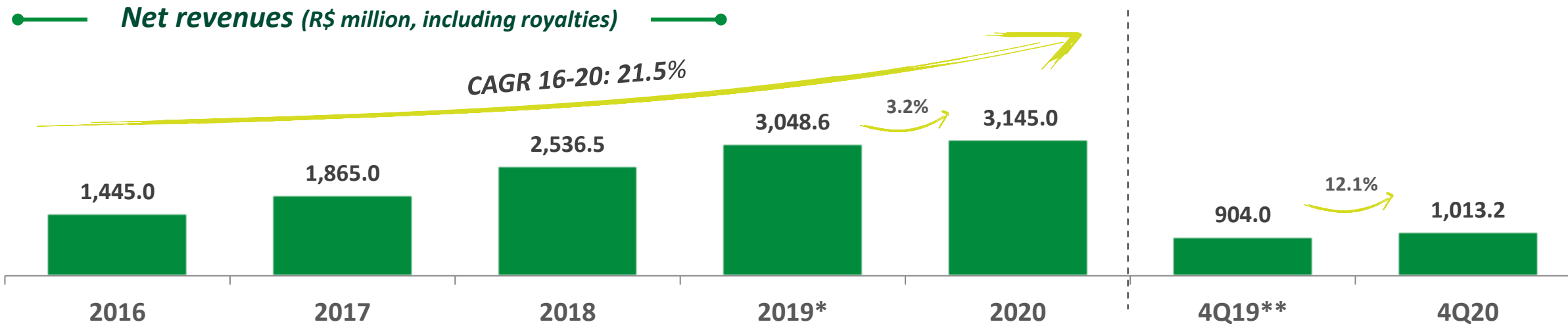
QUARTELY RECORD RESULTS IN EBITDA, EBIT AND NET INCOME

CAR RENTAL

Average rented fleet



Net revenues (R\$ million, including royalties)



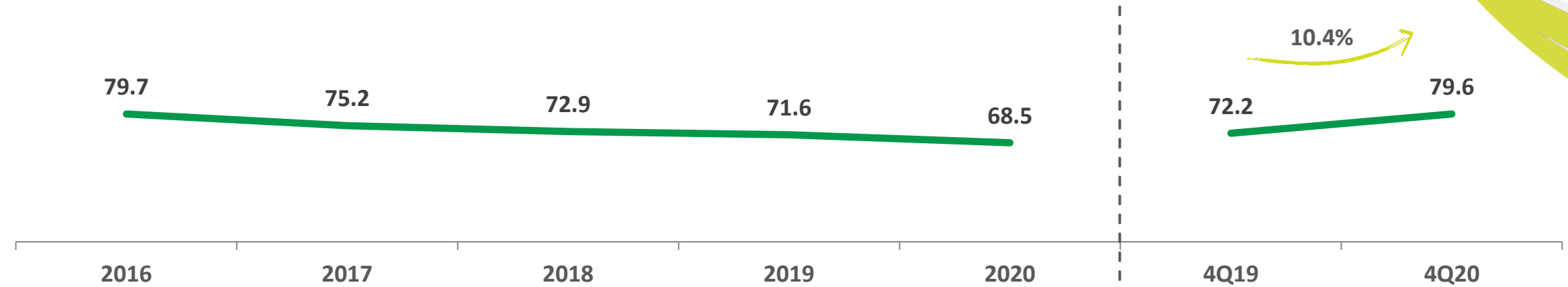
(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

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

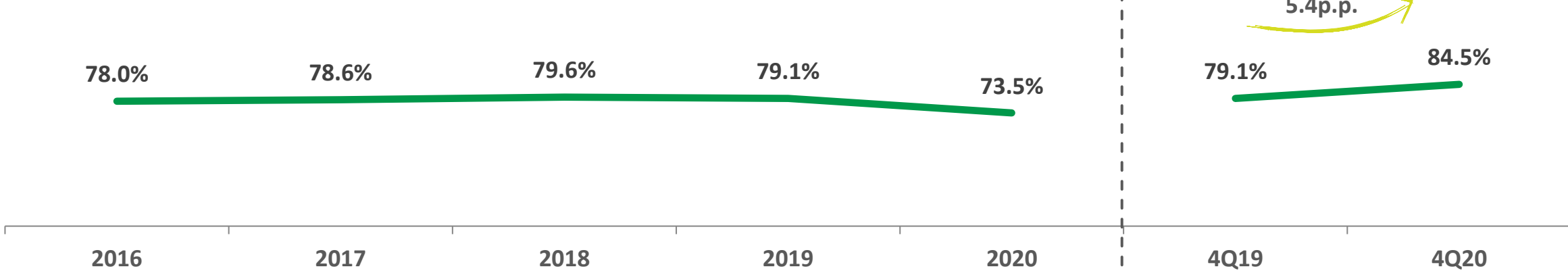
INCREASE IN VOLUMES AND EFFICIENT PRICE MANAGEMENT RESULTED IN 12.1% REVENUE GROWTH AS COMPARED TO 4Q19

CAR RENTAL

— Average rental rate (in R\$) —



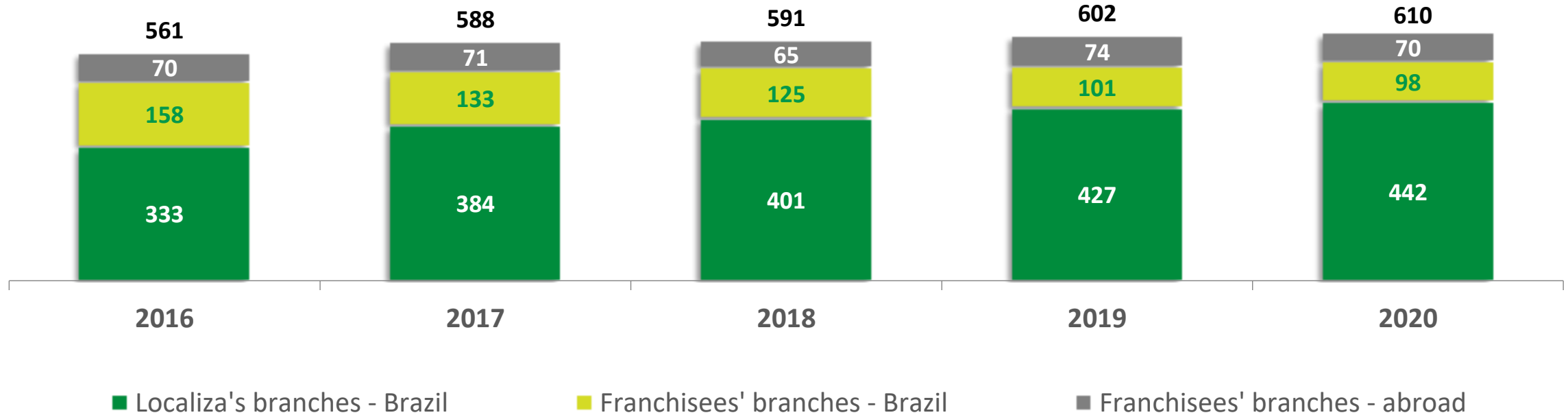
— Utilization rate (%) —



THE CONSISTENT RECOVERY IN DEMAND AND HIGH UTILIZATION RATES ALLOWED EFFICIENT MIX AND PRICES MANAGEMENT, RESULTING IN 10.4% GROWTH IN THE AVERAGE RENTAL RATE WHEN COMPARED TO 4Q19

CAR RENTAL NETWORK EVOLUTION

Number of car rental locations - Brazil and abroad

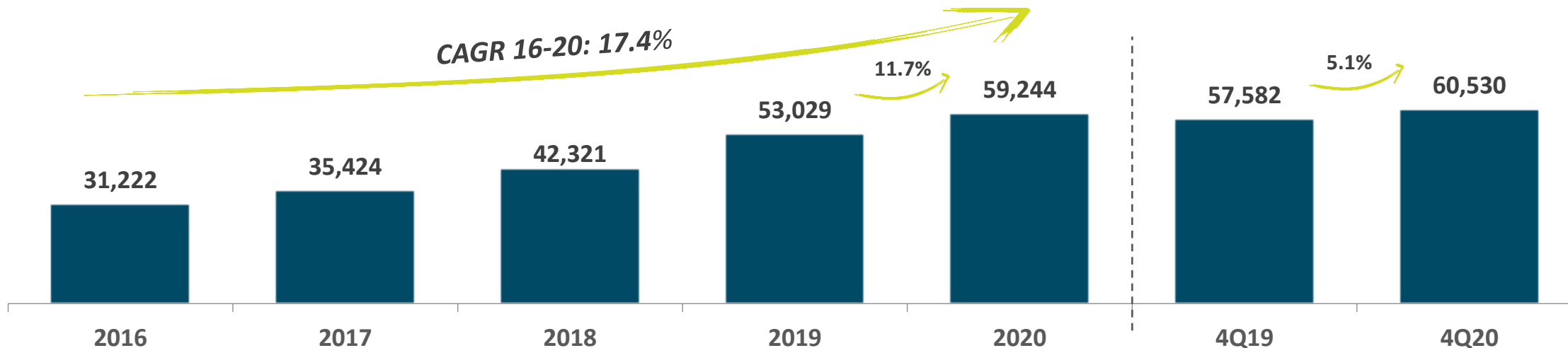


ADDITION OF 15 CORPORATE BRANCHES IN 2020

FLEET RENTAL

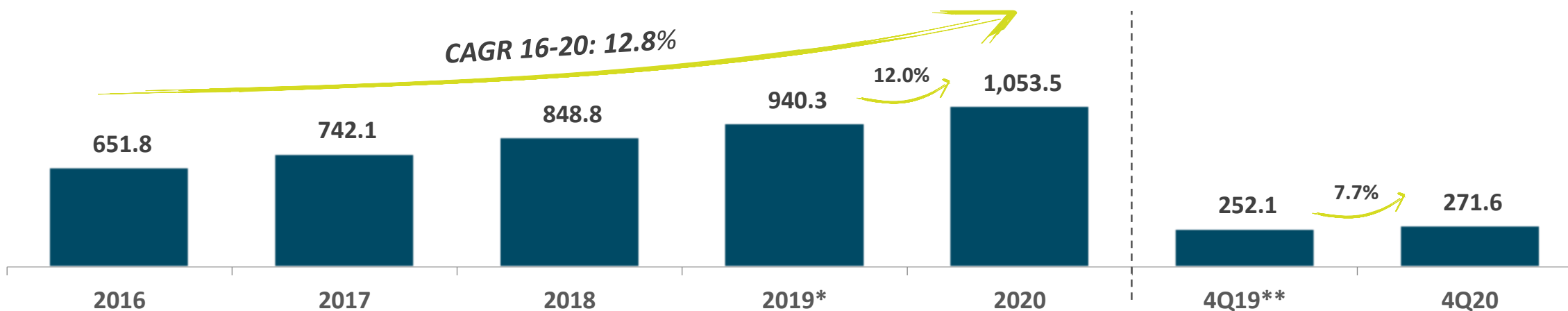
Average rented fleet

CAGR 16-20: 17.4%



Net revenues (R\$ million)

CAGR 16-20: 12.8%



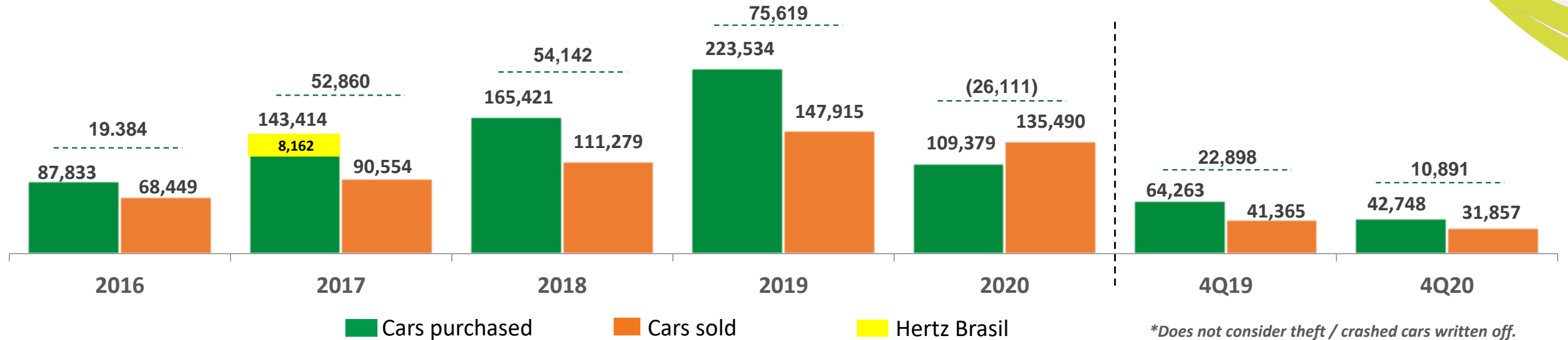
(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

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

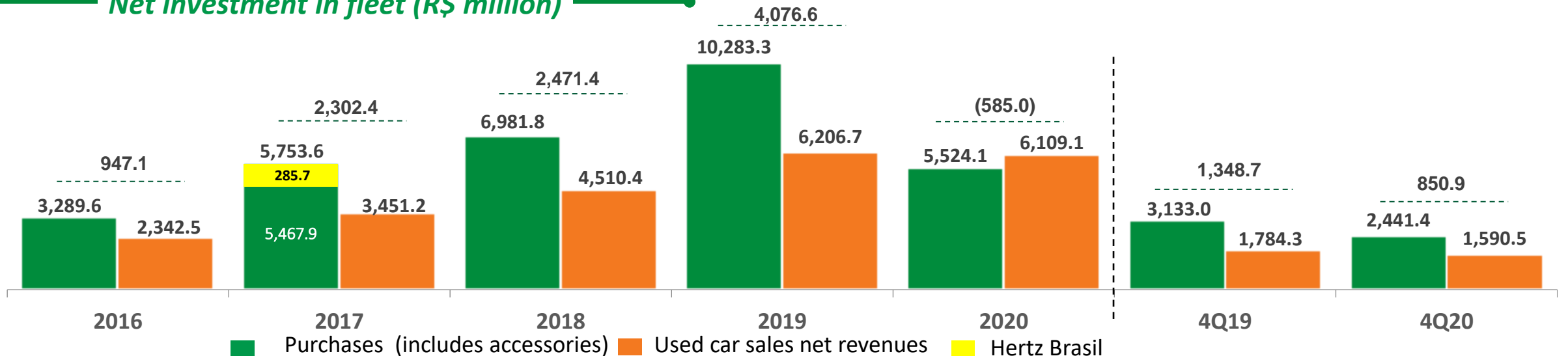
5.1% INCREASE IN VOLUMES AND 2.3% IN AVERAGE RENTED FLEET IN 4Q20, RESULTING IN 7.7% INCREASE IN NET REVENUE

NET INVESTMENT

Car purchase and sales (quantity*)



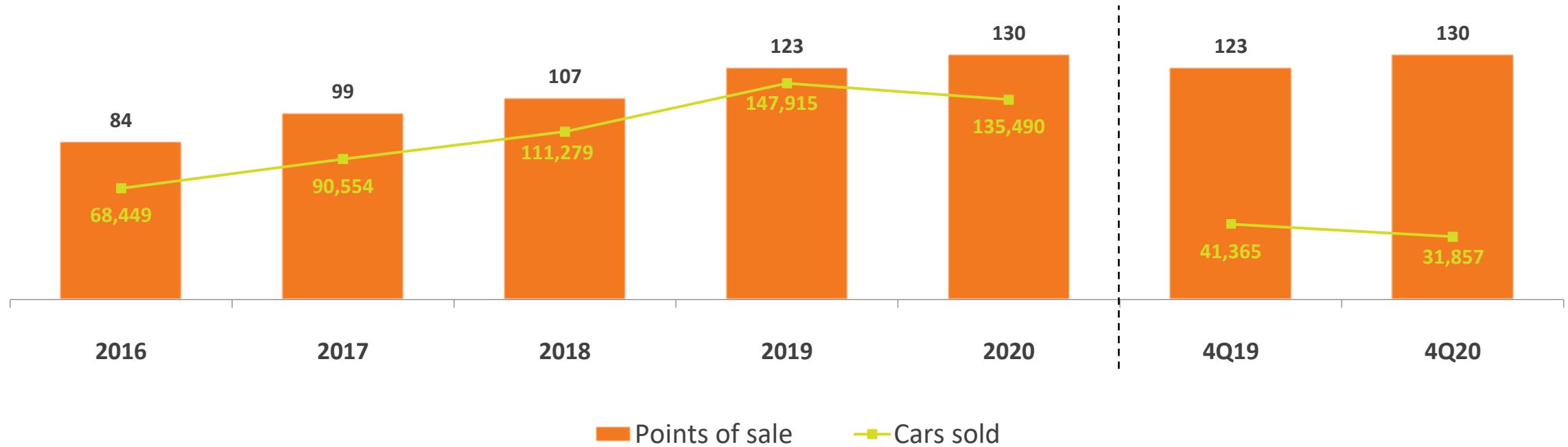
Net investment in fleet (R\$ million)



IN A CONTEXT CAR SUPPLY RESTRICTION, THE COMPANY PURCHASED 42,748 CARS AND REDUCED THE VOLUME OF DECOMMISSIONING, RESULTING IN AN ADDITION OF ALMOST 11,000 CARS IN THE FLEET IN THE QUARTER.

SEMINOVOS

Number of points of sale and used cars

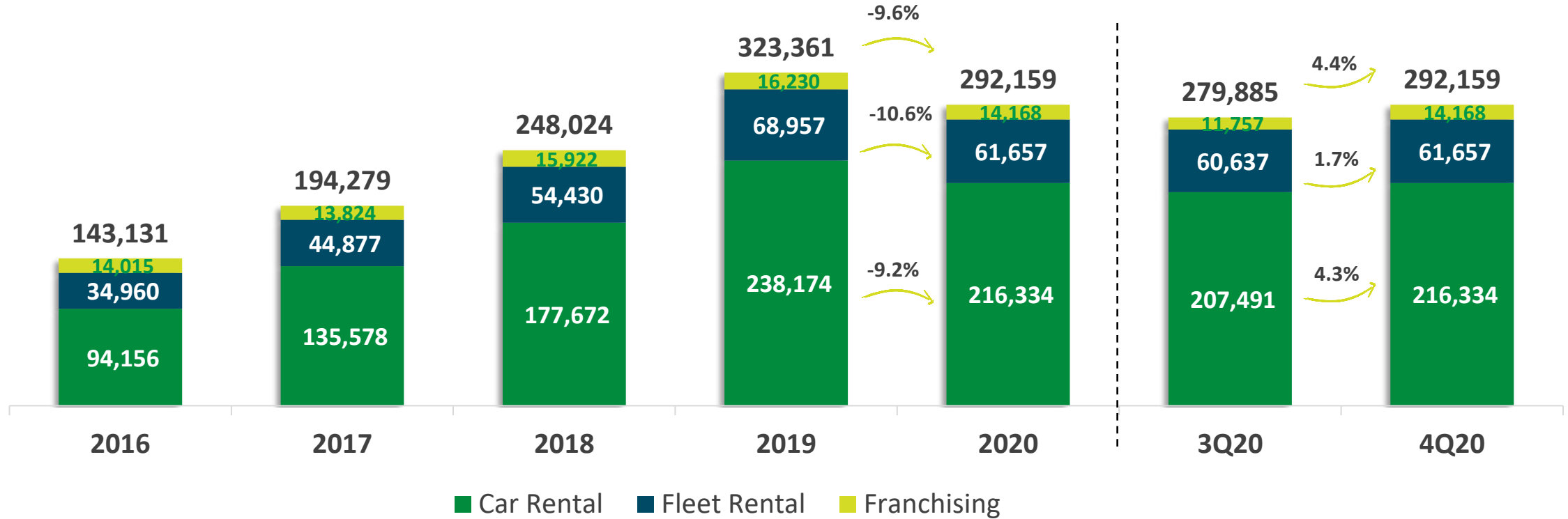


	2016	2017	2018	2019	2020	Var. % YoY	4Q19	4Q20	Var.% QoQ
Average price of cars sold (R\$ thousand)	34.3	38.2	40.6	42.1	45.2	7.4%	43.3	50.0	15.7%

**CAR DECOMMISSIONING PACE WAS REDUCED TO ATTEND THE SUMMER SEASON DEMAND IN CAR RENTAL.
THE VOLUME DECREASE WAS COMPENSATED BY HIGHER PRICES, RESULTED FROM STRONG DEMAND AND HIGHER PRICES OF NEW CARS**

END OF PERIOD FLEET

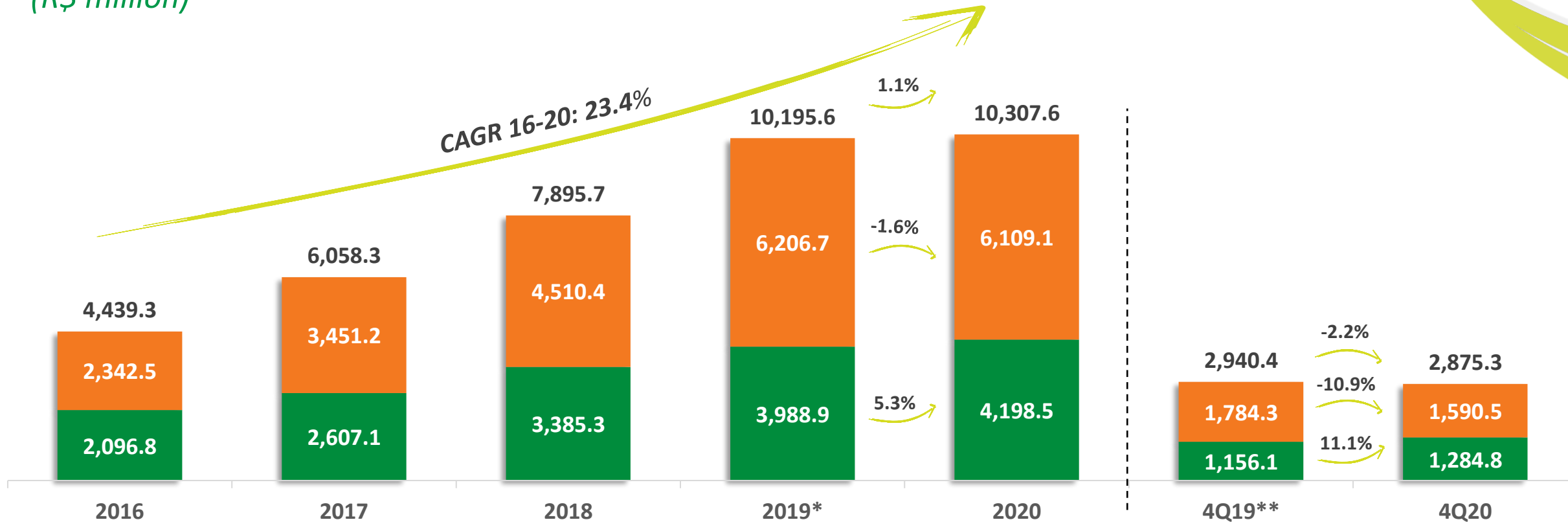
(Quantity)



IN THE QUARTER THE FLEET WAS REDUCED BY 9.6% DUE TO THE REDUCTION IN CAR PURCHASES AND THE NUMBER OF CARS AVAILABLE FOR SALE. NEVERTHELESS, THE AVERAGE RENTED FLEET INCREASED IN THE CAR RENTAL AND FLEET RENTAL DIVISIONS

CONSOLIDATED NET REVENUES

(R\$ million)



(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

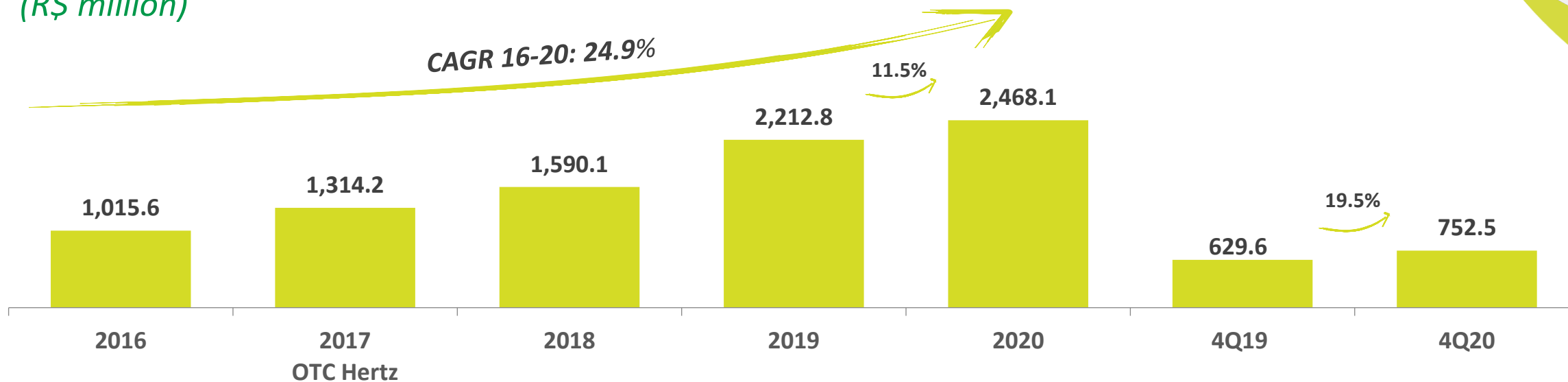
(**) GAAP number including the reclassification of PIS and COFINS credits for the period

■ Rental ■ Used car sales

RENTAL REVENUE INCREASES 11.1% WHILE THE REVENUE OF USED CAR SALES DECREASES DUE TO THE REDUCTION OF THE CAR DECOMMISSIONING PACE

CONSOLIDATED EBITDA

(R\$ million)



EBITDA margin:	2016	2017*	2018	2019**	2020	4Q19**	4Q20
Car Rental and Franchising	32.4%	34.9%	35.9%	45.7%	45.3%	46.5%	41.2%
Fleet Rental	64.5%	61.9%	64.0%	67.7%	72.4%	67.1%	64.5%
Rental Consolidated	42.3%	42.6%	43.0%	50.9%	52.1%	51.0%	46.1%
Used Car Sales	5.5%	5.9%	3.0%	3.0%	4.6%	2.3%	10.1%
Consolidated (on rental revenue)	48.4%	50.4%	47.0%	55.5%	58.8%	54.5%	58.6%

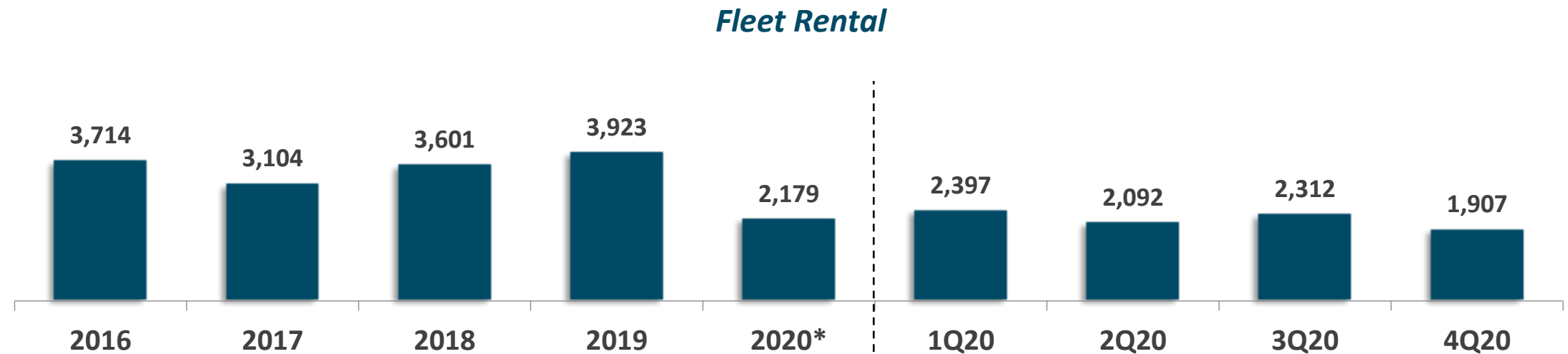
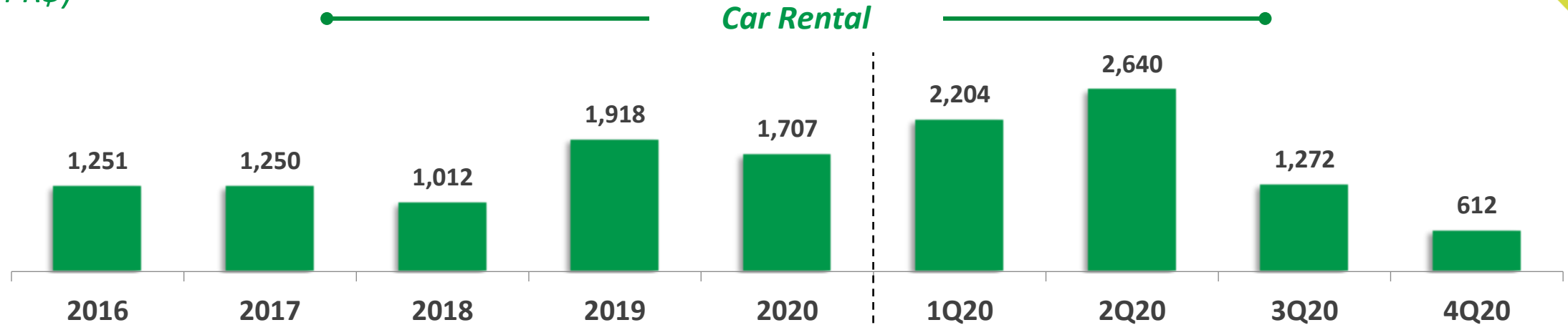
(*) 2017 adjusted by the one-time costs incurred (OTC) - Hertz Brasil acquisition and franchisees incorporation

(**) 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

CONSOLIDATED EBITDA GROWS 19.5% IN 4Q20 WITH HIGHER REVENUE IN THE RENTAL DIVISIONS AND HIGHER MARGIN IN USED CAR SALES

AVERAGE ANNUALIZED DEPRECIATION PER CAR

(In R\$)

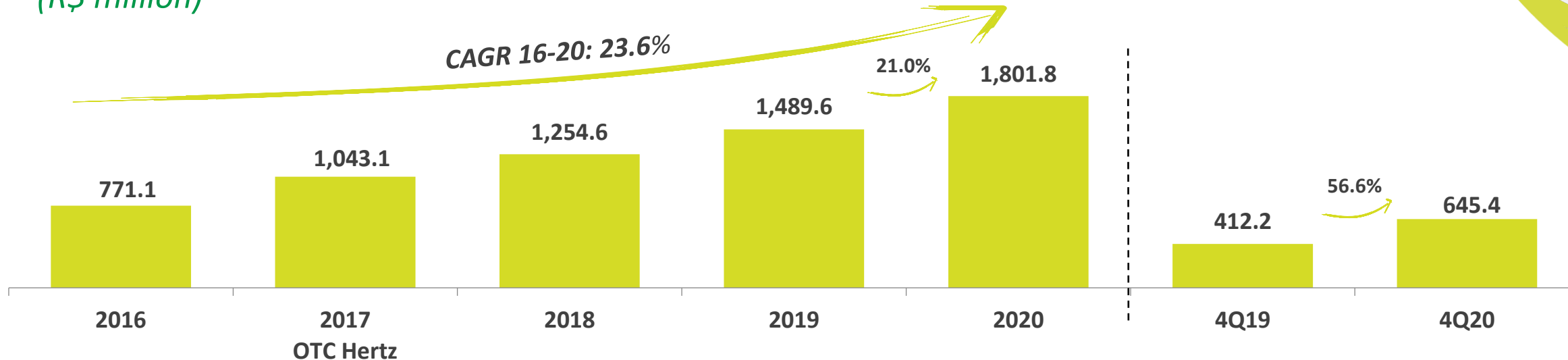


(*) Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

THE INCREASE IN THE PRICES OF CARS RESULTED IN A LOWER DEPRECIATION IN THE QUARTER AND YEAR

CONSOLIDATED EBIT

(R\$ million)



EBIT margins include **Seminovos** sales results, but is calculated over the rental revenues:

	2016	2017*	2018	2019**	2020	4Q19 **	4Q20
Car Rental and Franchising	30.2%	35.2%	33.2%	33.7%	35.1%	32.1%	46.7%
Fleet Rental	51.2%	51.4%	48.6%	49.1%	66.4%	48.3%	63.4%
Consolidated	36.8%	40.0%	37.1%	37.3%	42.9%	35.7%	50.2%

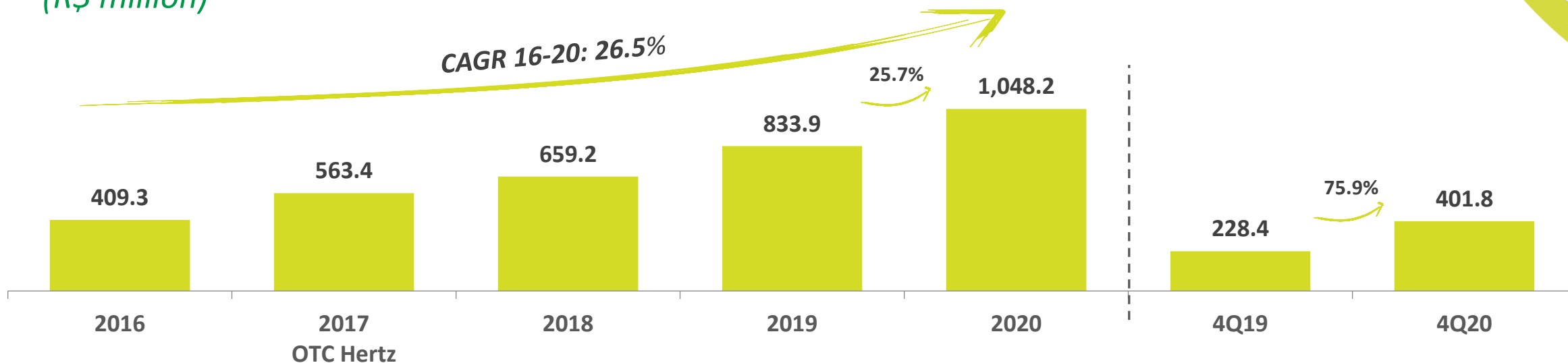
(*) 2017 adjusted by the one-time costs (OTC) incurred - Hertz Brasil acquisition and franchisees incorporation

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

RECORD EBIT OF R\$645.4 MILLION IN THE QUARTER, 56.6% HIGHER THAN 4Q19

CONSOLIDATED NET INCOME

(R\$ million)



EBITDA x Net income reconciliation	2016	2017*	2018	2019	2020	Var. R\$	Var. %	4Q19	4Q20	Var. R\$	Var. %
Consolidated EBITDA	1,015.6	1,314.2	1,590.1	2,212.8	2,468.1	255.3	11.5%	629.6	752.5	122.9	19.5%
Cars depreciation	(206.3)	(232.0)	(291.6)	(551.5)	(473.0)	78.5	-14.2%	(171.2)	(57.3)	113.9	-66.5%
Other property depreciation and amortization	(38.2)	(39.1)	(43.9)	(171.7)	(193.4)	(21.7)	12.6%	(46.2)	(49.8)	(3.6)	7.8%
EBIT	771.1	1,043.1	1,254.6	1,489.6	1,801.7	312.1	21.0%	412.2	645.4	233.2	56.6%
Financial expenses, net	(243.5)	(315.0)	(368.9)	(409.8)	(374.4)	35.4	-8.6%	(112.5)	(65.0)	47.5	-42.2%
Income tax and social contribution	(118.3)	(164.7)	(226.5)	(245.9)	(379.1)	(133.2)	54.2%	(71.3)	(178.6)	(107.3)	150.5%
Net income of the period	409.3	563.4	659.2	833.9	1,048.2	214.3	25.7%	228.4	401.8	173.4	75.9%

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

ADEQUATE STRATEGY IN DEALING WITH THE CRISIS ALLOWED A SOLID RECOVERY AND RESULTED IN RECORD NET INCOME, 75.9% HIGHER THAN 4Q19

FREE CASH FLOW

Free cash flow (R\$ million)		2016	2017	2018	2019	2020
Operations	EBITDA	1,015.7	1,314.2 *	1,590.1	2,212.8	2,468.1
	Used car sale revenue, net of taxes	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(6,109.1)
	Net book value of vehicles written-off	2,102.5	3,106.6	4,198.5	5,863.6	5,599.9
	(-) Income tax and social contribution	(93.3)	(108.3)	(131.2)	(146.1)	(250.1)
	Change in working capital	(40.8)	(47.9)	(117.4)	(268.9)	103.5
Cash generated by rental operations		641.5	813.4	1,029.6	1,454.7	1,812.3
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2,342.6	3,451.2	4,510.4	6,206.7	4,886.9
	Fleet renewal investment	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(5,524.1)
	Change in accounts payable to car suppliers for fleet renewal	219.8	227.6	250.1	468.7	235.1
	Net investment for fleet renewal	(1.2)	17.9	63.8	(129.2)	(402.1)
Fleet renewal – quantity		68,449	90,554	111,279	147,915	109,379
Investment, property and intangible		(40.9)	(28.8)	(42.8)	(70.0)	(108.0)
Free cash flow from operations, before fleet increase or reduction		599.4	802.5	1,050.6	1,255.5	1,302.2
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	1,222.2
	Change in accounts payable to car suppliers for fleet growth	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	(699.2)	(1,924.0)	(1,775.7)	(3,560.6)	278.8
Fleet increase / (reduction) – quantity		19,384	52,860	54,142	75,619	(26,111)
Free cash flow after growth		(99.8)	(1,121.5)	(725.1)	(2,305.0)	1,581.0
Capex - non-recurring	Acquisitions and franchisees acquisition- except fleet value	-	(121.5)	-	(18.2)	(7.9)
	New headquarters construction and furniture	(85.7)	(146.2)	-	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to		(185.5)	(1,389.2)	(725.1)	(2,323.2)	1,573.1
Cash effects of receivables and anticipation of payables to suppliers (**)		98.0	88.3	(113.2)	(131.8)	(293.1)
Free cash flow before interest		(87.5)	(1,300.9)	(838.3)	(2,455.0)	1,280.0

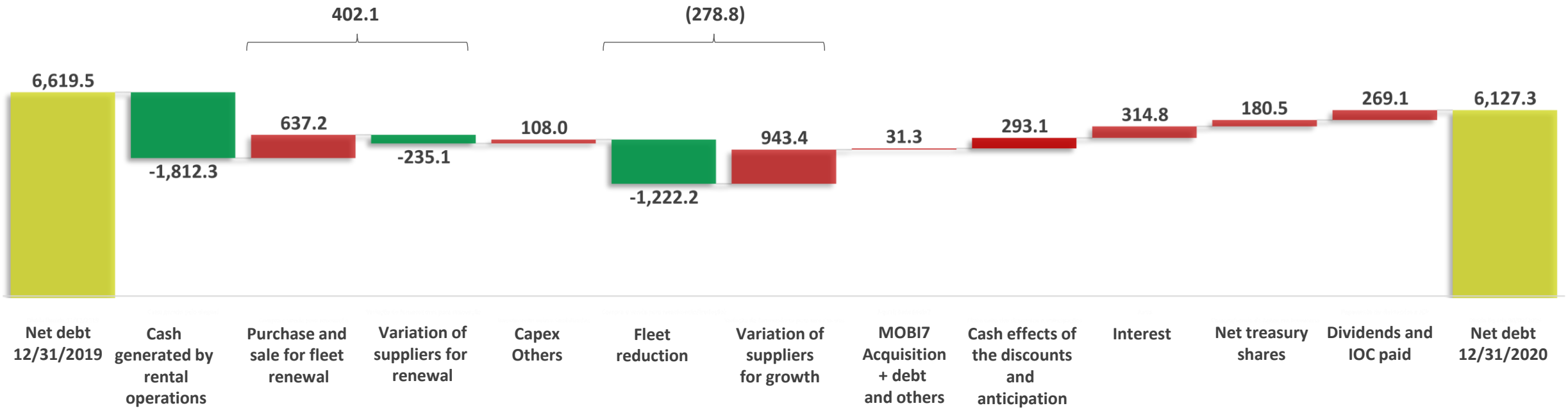
In the free cash flow, short-term financial assets were considered as cash

(*) 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)

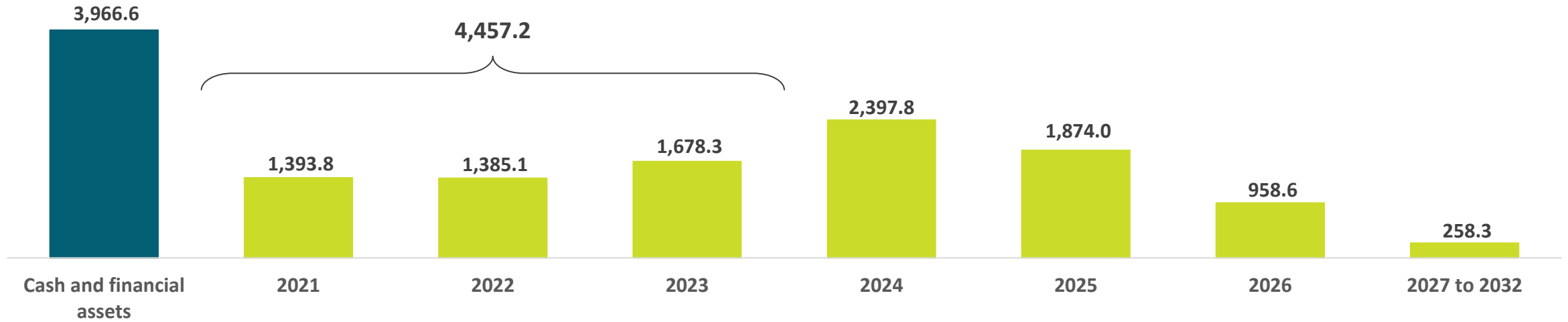


REDUCTION OF ABOUT R\$492 MILLION IN NET DEBT AS A RESULT OF RENTAL CASH GENERATION AND FLEET REDUCTION, PARTLY COMPENSATED BY THE REDUCTION OF THE ACCOUNTS PAYABLE TO OEMS

DEBT MATURITY PROFILE (PRINCIPAL)

(R\$ million)

As of December 31, 2020

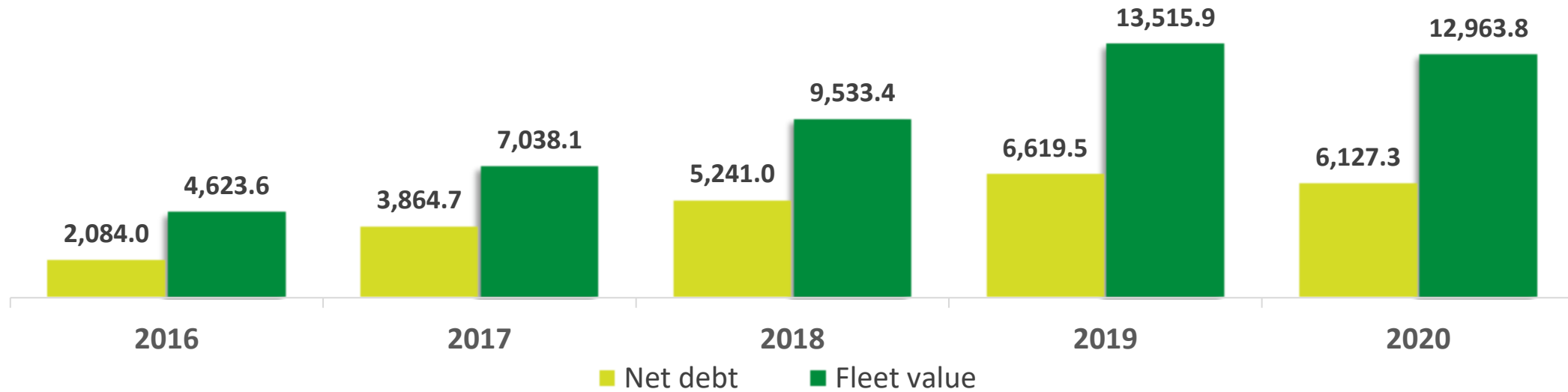


STRONG LIQUIDITY POSITION AND EXTENDED DEBT PROFILE

DEBT RATIOS

(R\$ million)

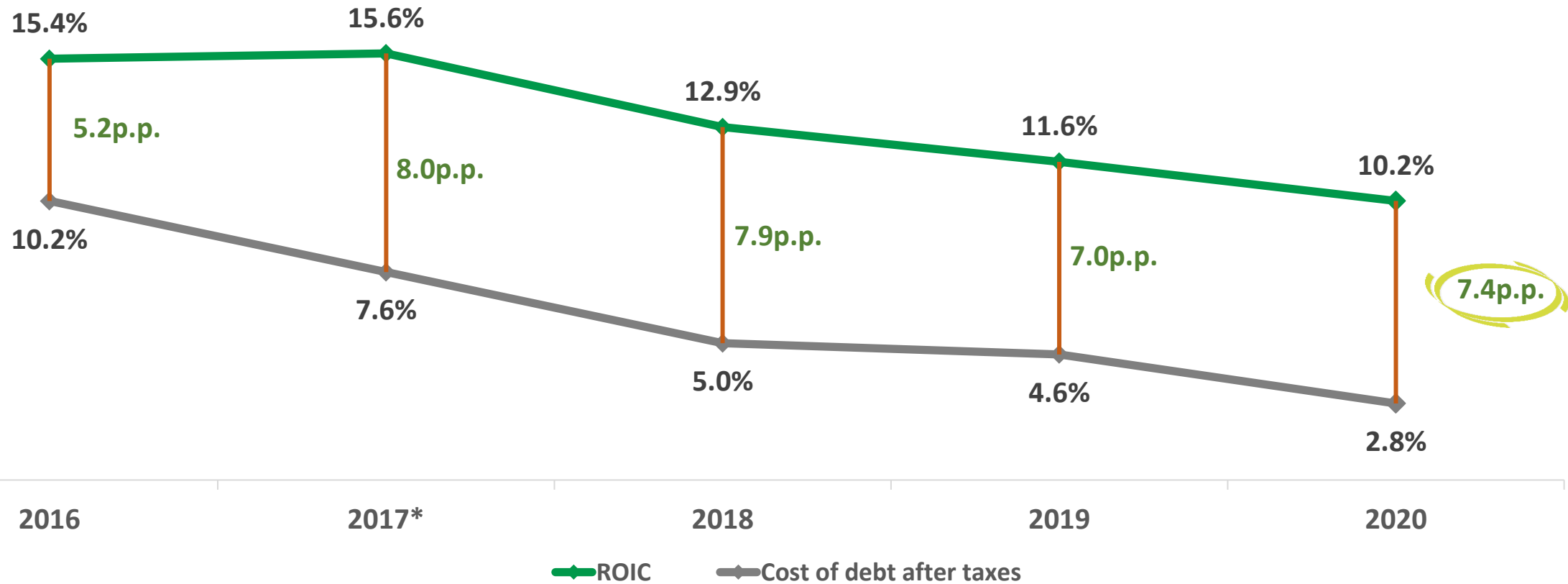
Net debt versus fleet value



BALANCE AT THE END OF PERIOD	2016	2017	2018	2019	2020
Net debt/Fleet value (book value)	45%	55%	55%	49%	47%
Net debt/annualized EBITDA	2.1x	2.9x	3.3x	3.0x	2.5x
Net debt/Equity	0.9x	1.5x	1.7x	1.2x	1.0x
EBITDA/Net financial expenses	4.2x	4.2x	4.3x	5.4x	6.6x

QUARTER ENDED WITH A NET DEBT / LTM EBITDA RATIO OF 2.5x

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

STRONG VALUE GENERATION, EVEN THOUGH IN AN EXTREMELY ADVERSE SCENARIO

ESG Initiatives

Recent Developments



Environmental



- ✓ Partnership and support for the Climate Commitment Program
- ✓ 2019 emissions from operations (scopes 1 and 2) neutralized
- ✓ Promoting the fueling of cars with etanol
- ✓ Cars dry-cleaning advanced
- ✓ New KPIs, including Coverage Index of renewable energy in the network

Social



- ✓ Signatories of LGBTI+ Business and Rights Forum
- ✓ Great Place to Work Seal
- ✓ Launching of Localiza's Diversity and Inclusion Program
- ✓ Approximately R\$ 16 million allocated to actions related to the Covid-19 pandemic, leaving Localiza among the 60 Largest Donors in the country by Forbes Brasil

Governance



- ✓ 95% of the employees trained in the Code of Ethics and Conduct
- ✓ ISO 37001 Certification
- ✓ Board of Directors even more diverse and independent

Source: Company filings

Note: (1) Carbon Efficient Index; (2) Brazilian national development bank; (3) Economica Award, (4) Associação Nacional dos Executivos de Finanças, Administração e Contabilidade

Thank You!

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