

# Webcast 1Q22



**[B]**<sup>3</sup>  
BRASIL  
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BALÇAO

  
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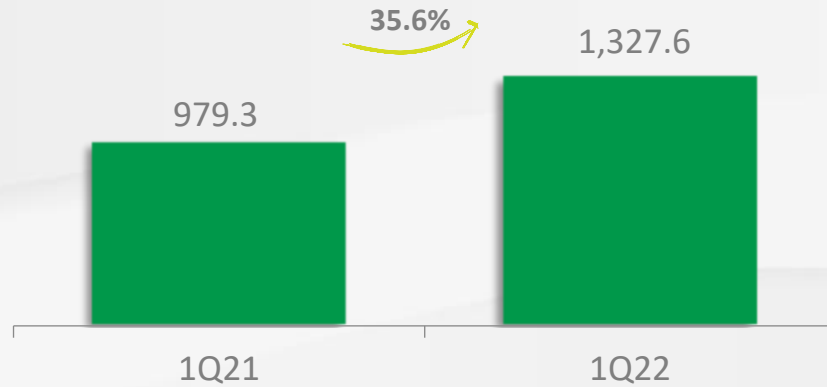
**IGPTW B3**

 **Localiza**

# QUARTER HIGHLIGHTS

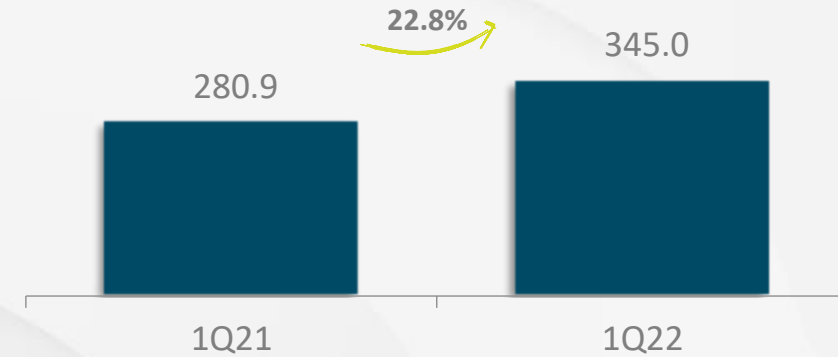
## Revenue – Car Rental

R\$ million, including royalties



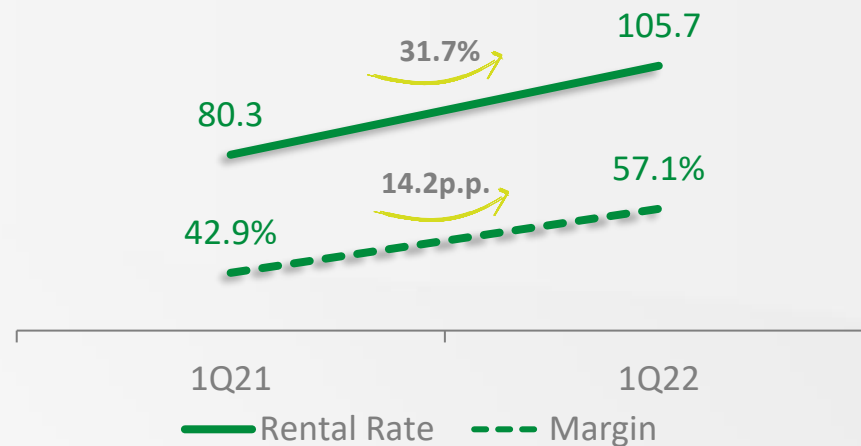
## Revenue – Fleet Rental

R\$ million



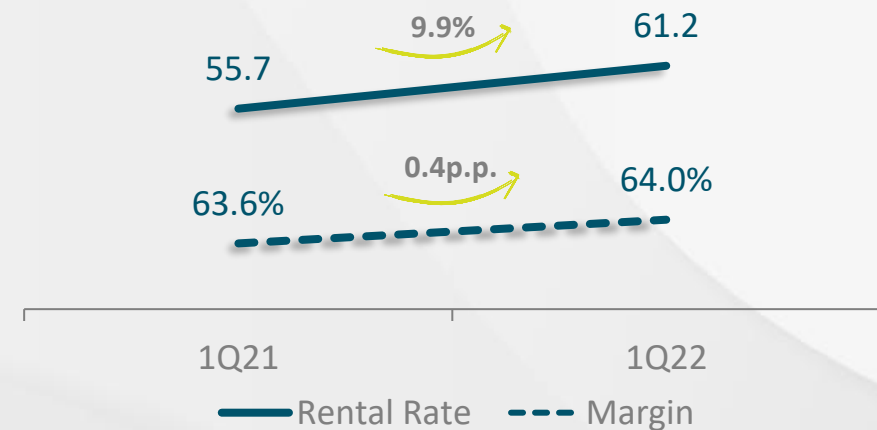
## Average rental rate (in R\$) and EBITDA margin (%)

Car Rental



## Average rental rate (in R\$) and EBITDA margin (%)

Fleet Rental

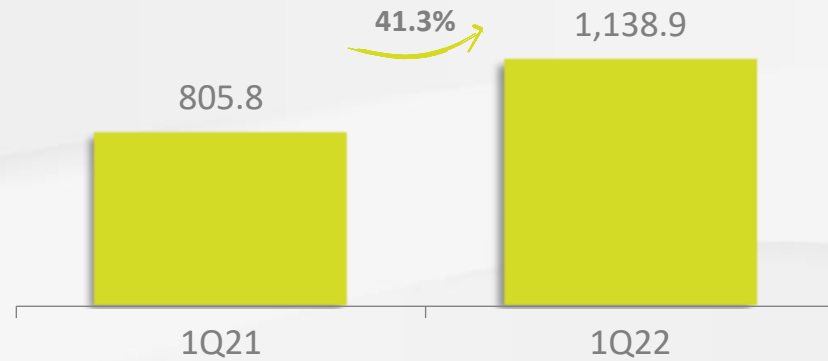


INCREASE IN AVERAGE RENTAL RATE AND MARGIN EXPANSION DUE TO COST REDUCTION ARE THE HIGHLIGHTS OF THE QUARTER

# QUARTER HIGHLIGHTS

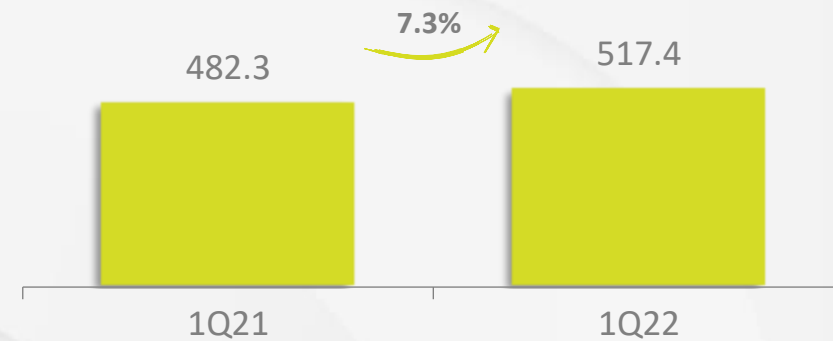
## EBITDA

R\$ million



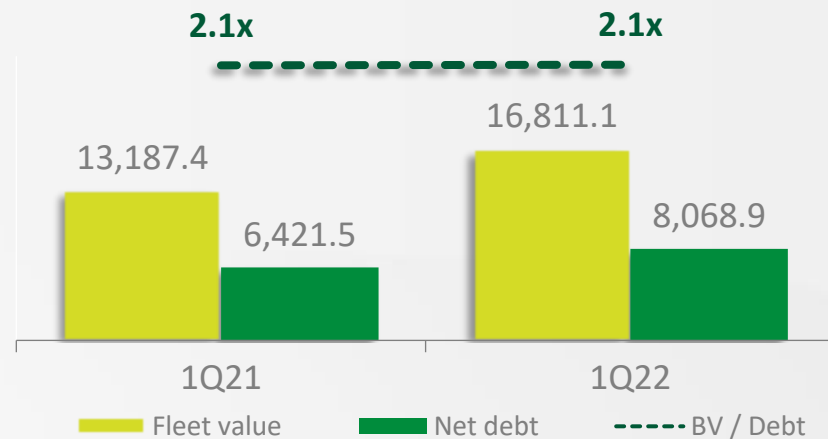
## Net income

R\$ million



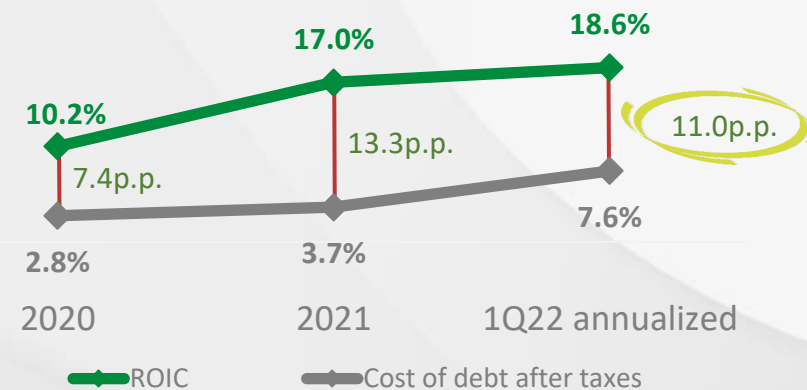
## Net debt versus fleet value

R\$ million



## ROIC spread

%

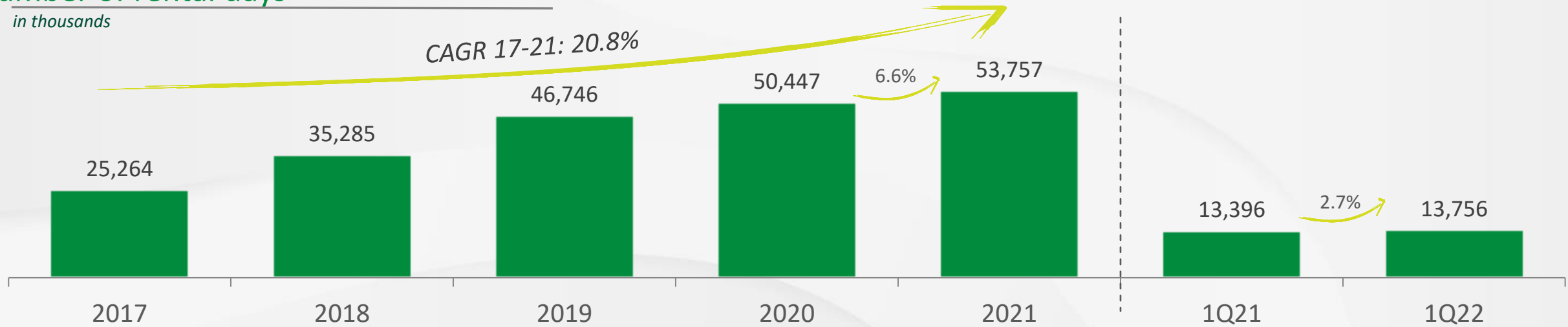


STRONG OPERATING RESULTS REFLECTING IN PROFIT GROWTH, EVEN IN A CONTEXT OF HIGHER DEPRECIATION AND INTEREST

# CAR RENTAL

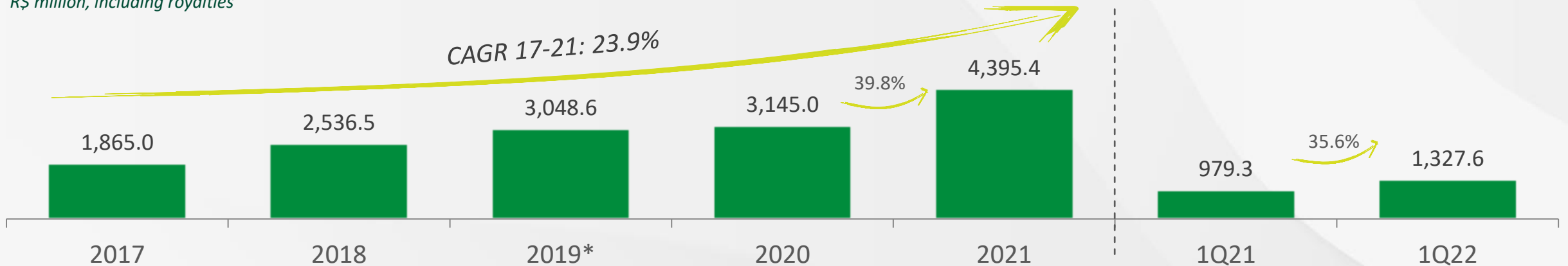
## Number of rental days

in thousands



## Net revenues

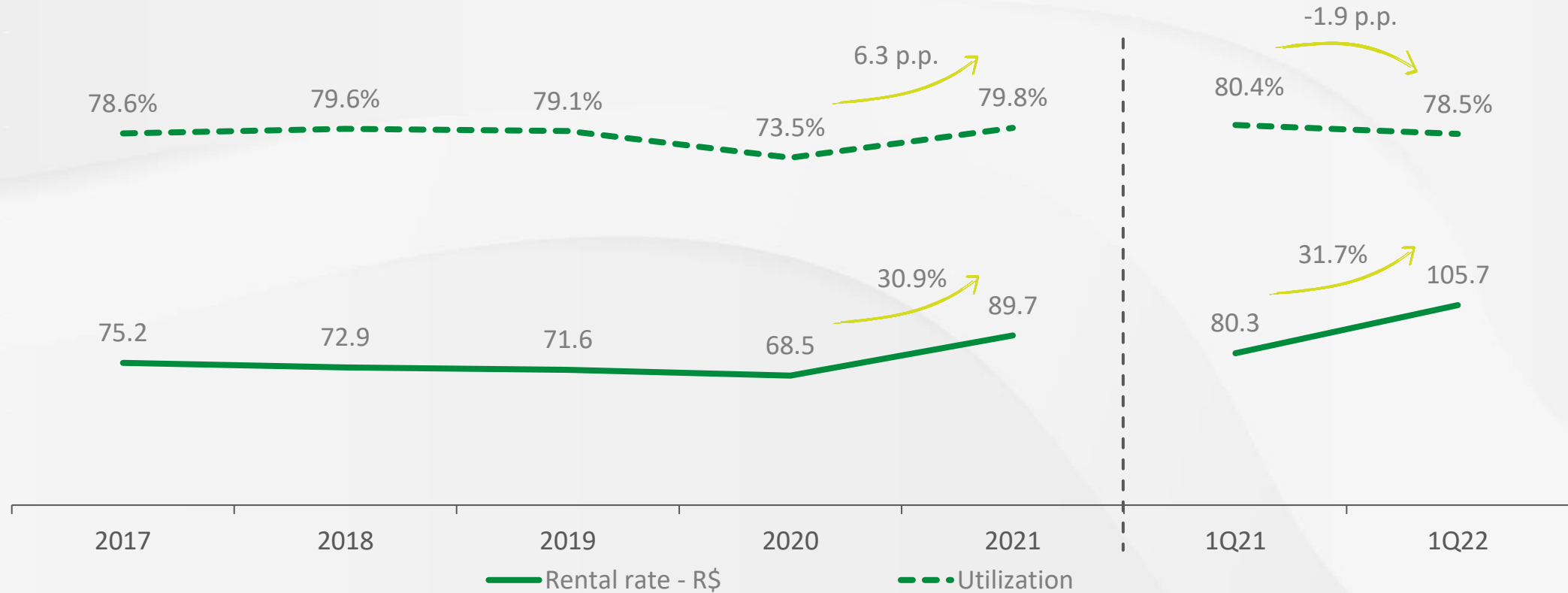
R\$ million, including royalties



(\*) 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.

35.6% GROWTH IN NET REVENUE IN THE QUARTER COMPARED WITH THE SAME PERIOD LAST YEAR

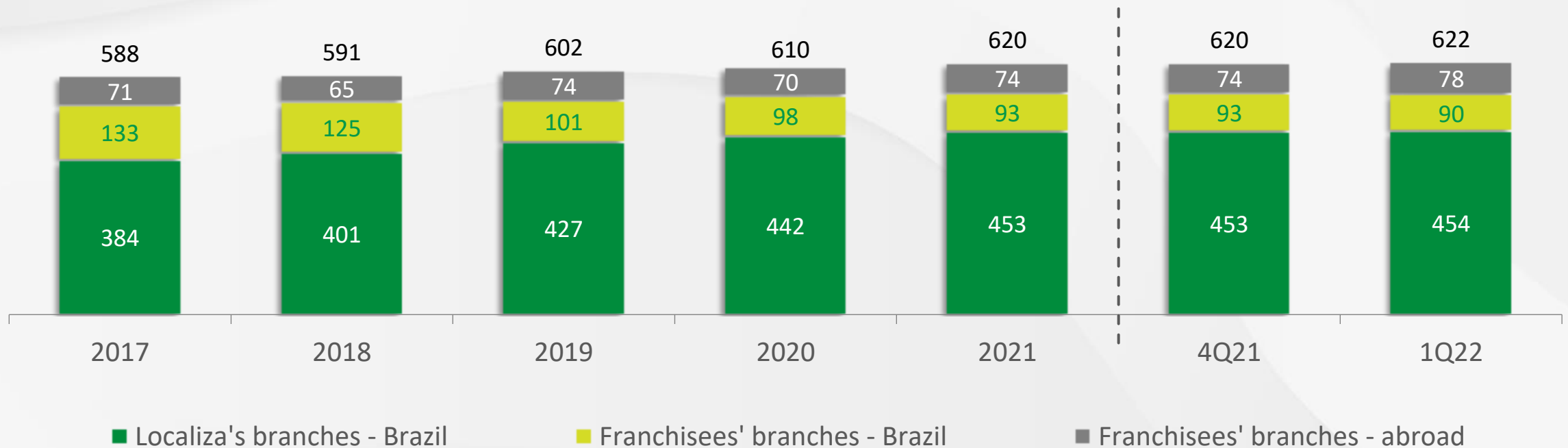
# CAR RENTAL



CONTINUITY IN THE EVOLUTION OF THE RENTAL RATE, MAINTAINING THE HIGH LEVELS OF UTILIZATION, TO REFLECT THE INCREASE IN THE NEW CARS PRICE AND BASIC INTEREST RATE

# CAR RENTAL NETWORK EVOLUTION – CAR RENTAL

Number of car rental locations - Brazil and abroad

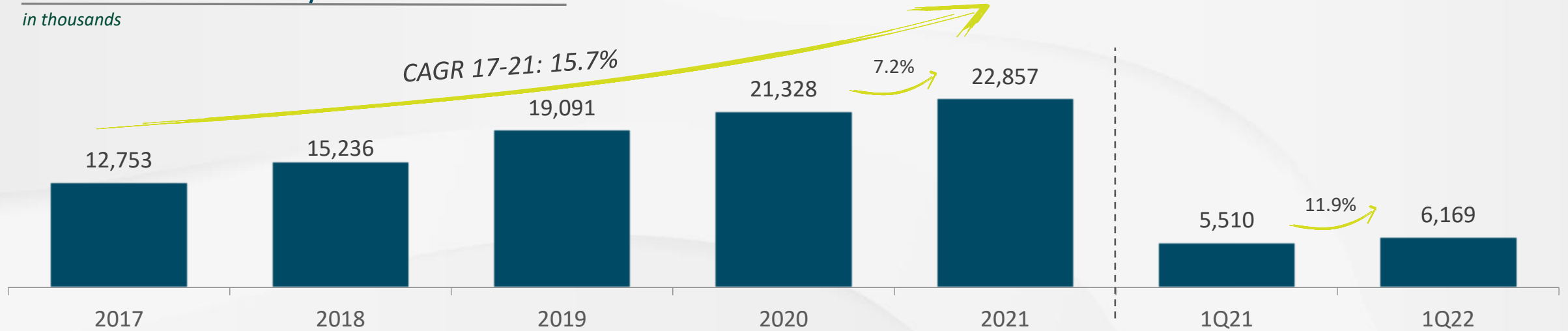


NETWORK EXPANDED IN 2 BRANCHES IN THE QUARTER, WHEN COMPARED WITH LAST QUARTER

# Fleet Rental

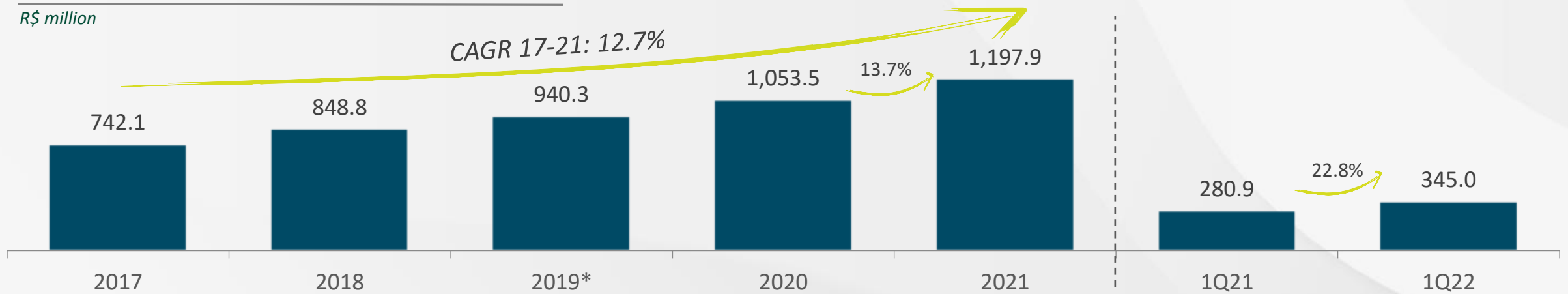
## Number of rental days

in thousands



## Net revenues

R\$ million



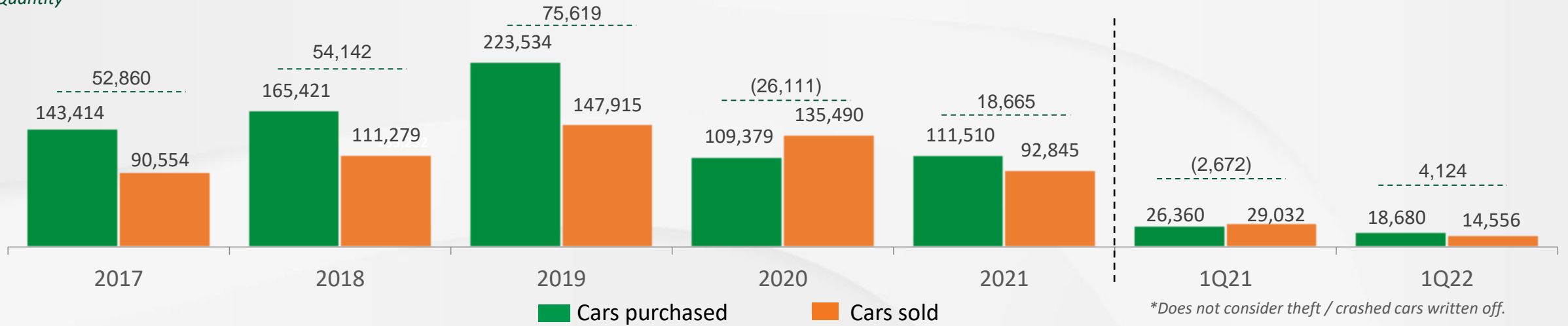
(\*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

**11.9% VOLUME GROWTH AND 22.8% REVENUE INCREASE IN THE QUARTER,  
WITH BACKLOG OF GROWTH AND RENEWAL STILL ABOVE 18,000 CARS**

# NET INVESTMENT

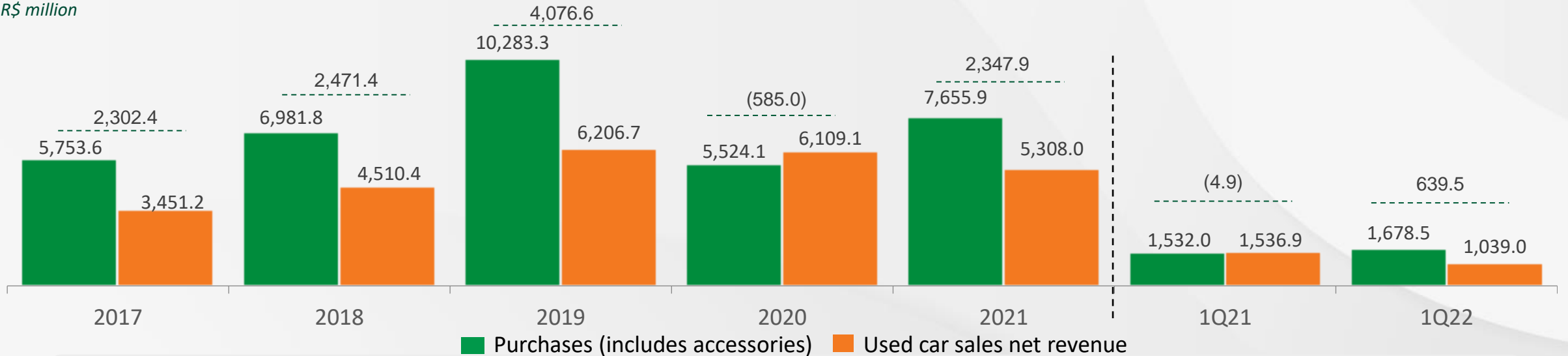
## Car purchase and sales

Quantity\*



## Net investment in fleet

R\$ million

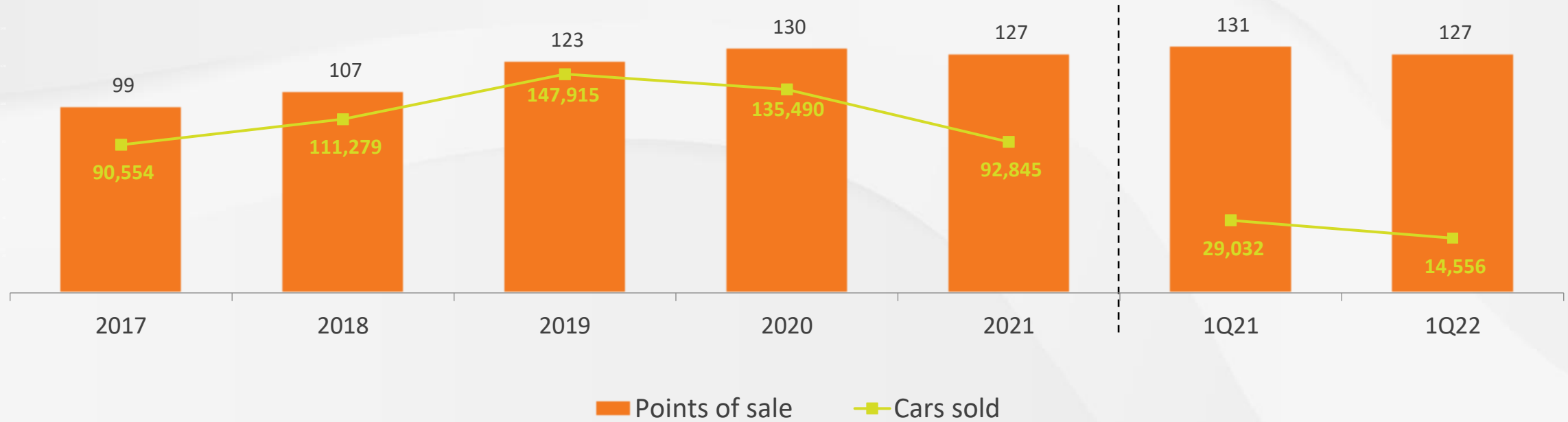


4,100 CARS ADDED IN A LOW PRODUCTION QUARTER.  
A GRADUAL IMPROVEMENT IN VOLUMES IS EXPECTED FROM 2Q22



# SEMINOVOS

## Number of points of sale and used cars

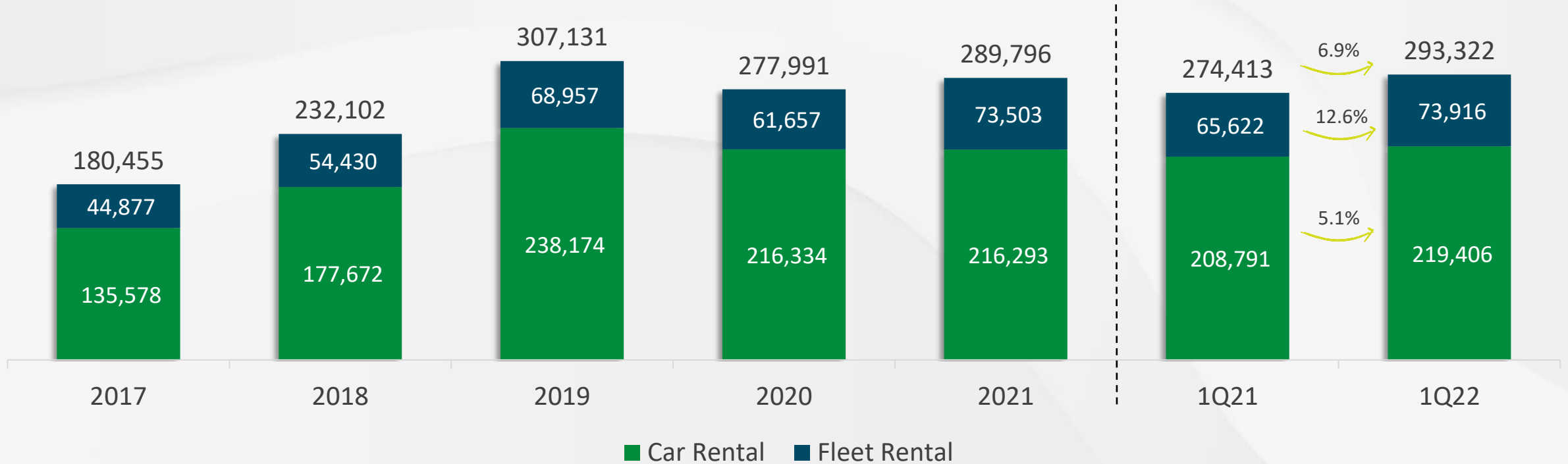


	2017	2018	2019	2020	2021	Var. %	1Q21	1Q22	Var. %
Average price of cars sold (R\$ thousand)	38.2	40.6	42.1	45.2	57.2	26.5%	53.0	71.5	34.9%

THE AVERAGE SALES PRICE CONTINUE TO ADVANCE,  
OFFSETTING LOWER SALES VOLUME AS A REFLECTION OF LOWER CAR DECOMMISSIONING

# END OF PERIOD FLEET

Quantity

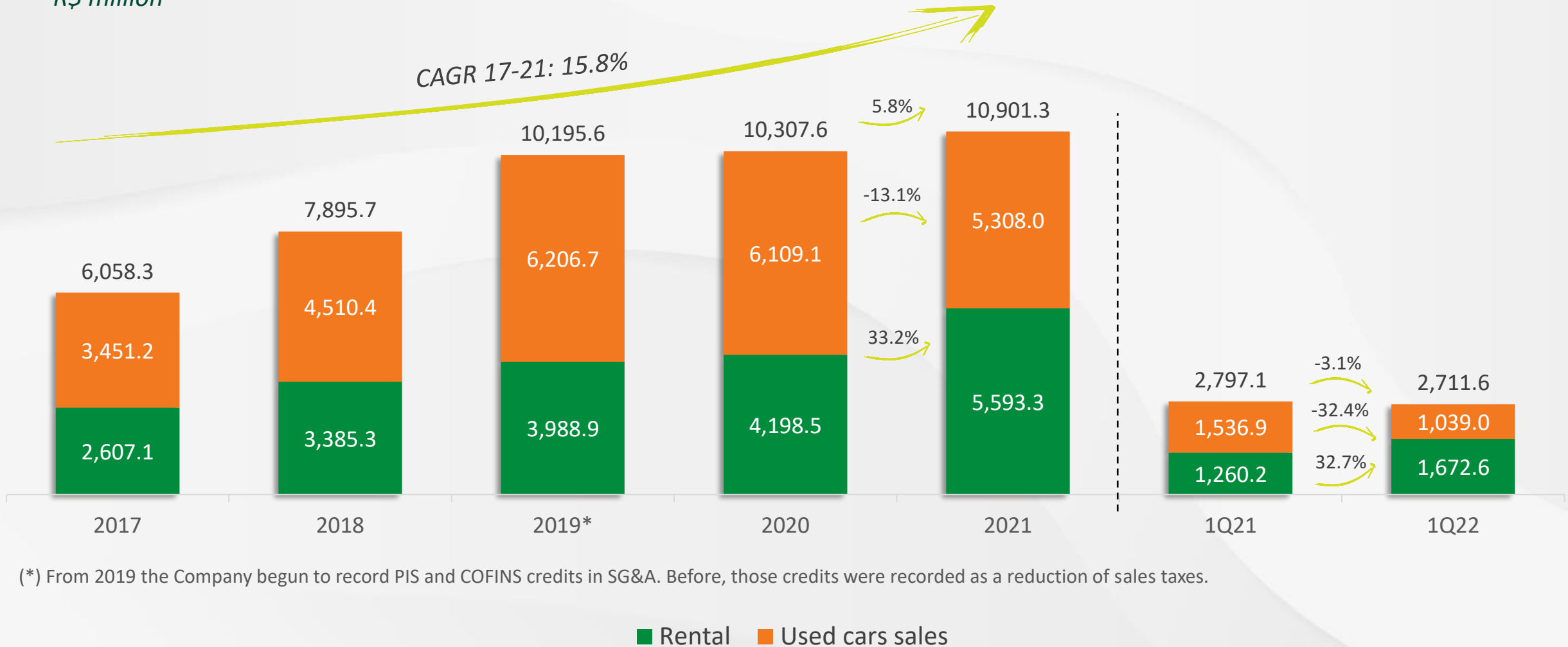


FLEET EXPANSION IN CAR AND FLEET RENTAL, EVEN WITH ADVERSE SCENARIO IN THE PRODUCTION CHAIN

# CONSOLIDATED NET REVENUES

R\$ million

CAGR 17-21: 15.8%

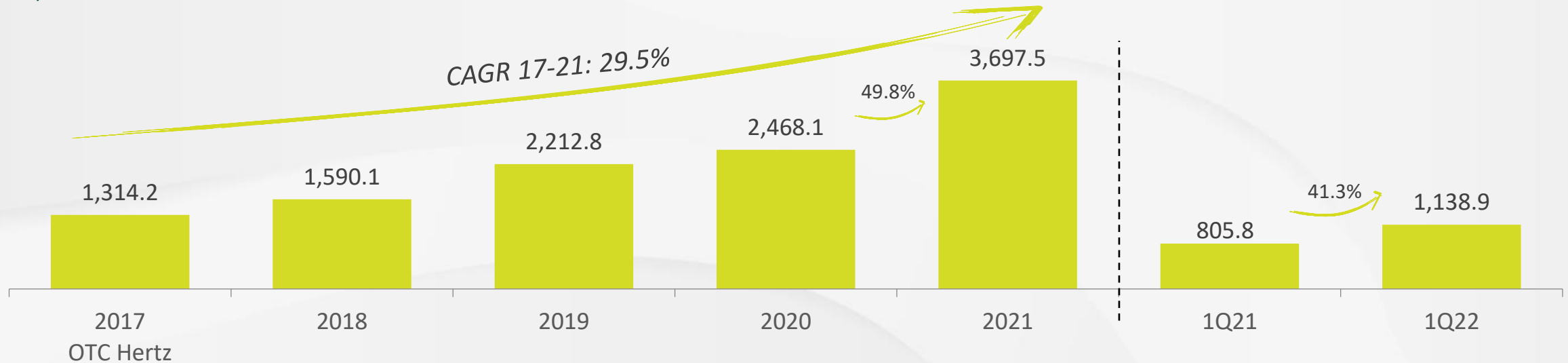


(\*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

NET RENTAL REVENUE GROWS 32.7%, WHILE USED CARS SALES REVENUES WAS REDUCED, REFLECTING LOWER CAR DECOMMISSIONING

# CONSOLIDATED EBITDA

R\$ million



EBITDA margin:

	2017*	2018	2019**	2020	2021	1Q21	1Q22
Car Rental and Franchising	34.9%	35.9%	45.7%	45.3%	49.0%	42.9%	57.1%
Fleet Rental	61.9%	64.0%	67.7%	72.4%	61.9%	63.6%	64.0%
Rental Consolidated	42.6%	43.0%	50.9%	52.1%	51.8%	47.5%	58.5%
Used Car Sales	5.9%	3.0%	3.0%	4.6%	15.1%	13.5%	15.5%
Consolidated (over rental revenue)	50.4%	47.0%	55.5%	58.8%	66.1%	63.9%	68.1%

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

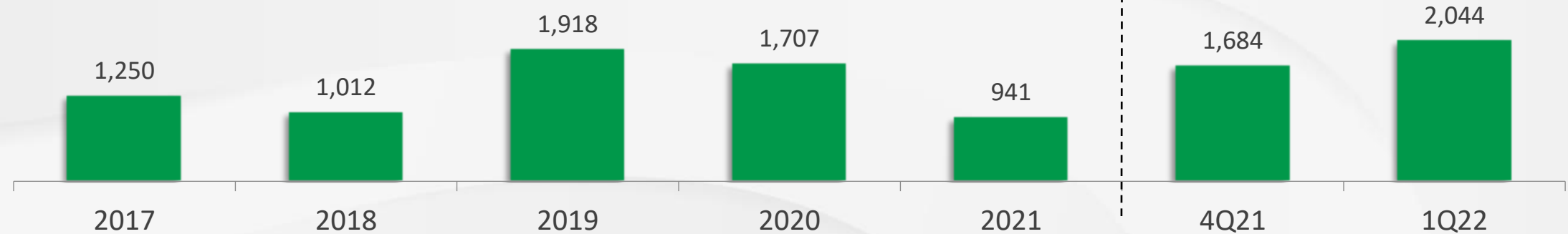
(\*\*) From 2019, EBITDA margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period, in the Car Rental and Fleet Rental divisions

WITH MARGINS ADVANCING IN ALL DIVISIONS, CONSOLIDATED EBITDA GROWS 41.3%, SURPASSING R\$1.1 BILLION

# AVERAGE ANNUALIZED DEPRECIATION PER CAR

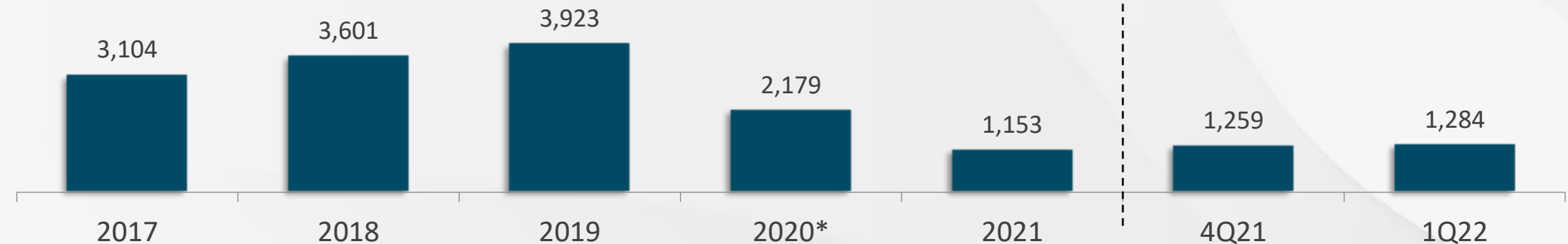
## Car Rental

R\$



## Fleet Rental

R\$

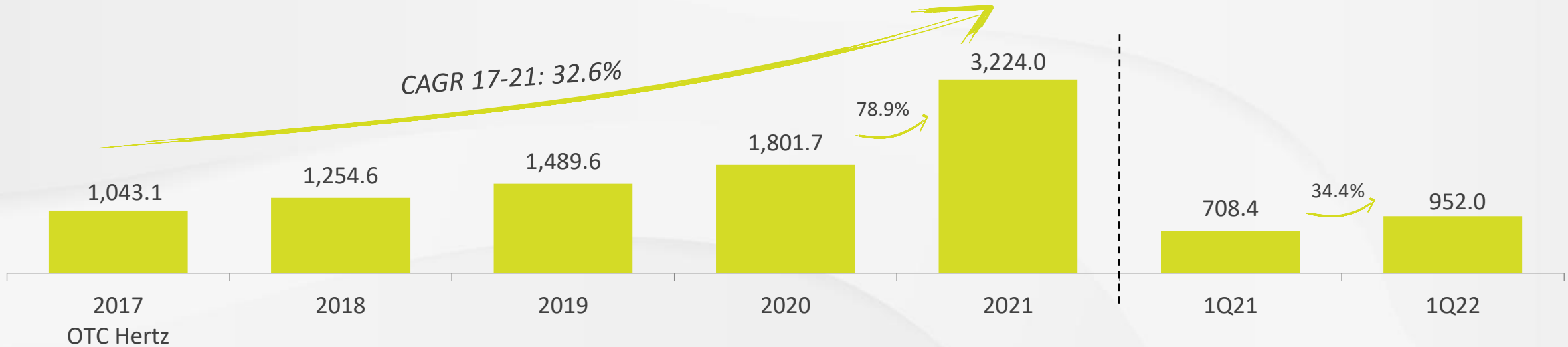


(\* ) Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

CAR RENTAL DEPRECIATION RISES DUE TO FLEET RENEWAL, INCREASE IN THE CAR PURCHASED PRICE AND REVIEW OF ESTIMATED COST FOR SALE DUE TO LOWER CAR DECOMMISSIONING

# CONSOLIDATED EBIT

R\$ million



EBIT margins include **Seminovos** and is calculated over the rental revenues:

	2017*	2018	2019**	2020	2021	1Q21	1Q22
Car Rental and Franchising	35.2%	33.2%	33.7%	35.1%	54.7%	53.3%	53.1%
Fleet Rental	51.4%	48.6%	49.1%	66.4%	68.4%	66.5%	71.5%
Consolidated	40.0%	37.1%	37.3%	42.9%	57.6%	56.2%	56.9%

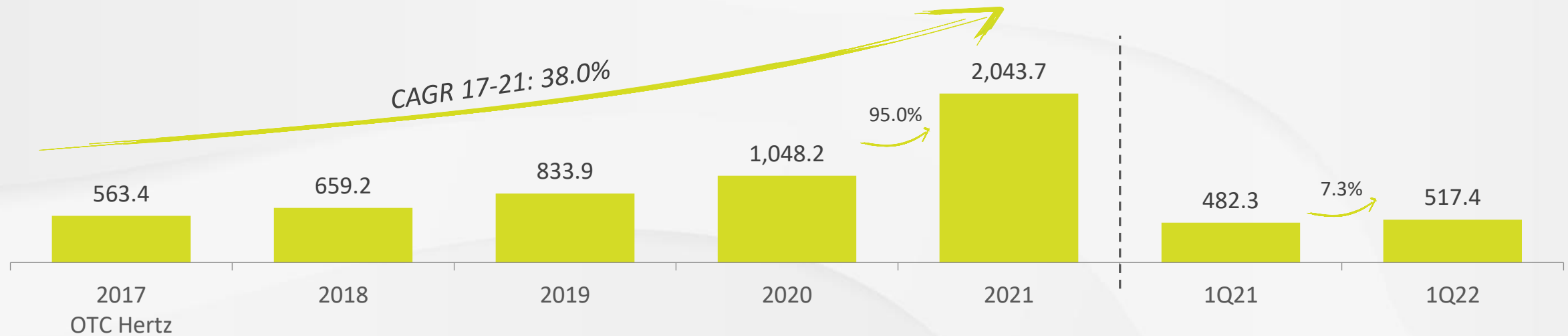
(\*) 2017 adjusted by the one-time costs incurred (OTC) - Hertz Brasil acquisition and franchisees incorporation

(\*\*) From 2019, 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

EBIT OVER R\$950 MILLION, WITH GROWTH OF 34.4% YEAR-OVER-YEAR

# CONSOLIDATED NET INCOME

R\$ million



EBITDA x Net income reconciliation	2017*	2018	2019	2020	2021	Var. R\$	Var. %	1Q21	1Q22	Var. R\$	Var. %
Consolidated EBITDA	1,314.2	1,590.1	2,212.8	2,468.1	3,697.5	1,229.4	49.8%	805.8	1,138.9	333.1	41.3%
Cars depreciation	(232.0)	(291.6)	(551.5)	(473.0)	(255.1)	217.9	-46.1%	(46.6)	(126.8)	(80.2)	172.1%
Other property depreciation and amortization	(39.1)	(43.9)	(171.7)	(193.4)	(218.4)	(25.0)	12.9%	(50.8)	(60.1)	(9.3)	18.3%
EBIT	1,043.1	1,254.6	1,489.6	1,801.7	3,224.0	1,422.3	78.9%	708.4	952.0	243.6	34.4%
Financial expenses, net	(315.0)	(368.9)	(409.8)	(374.4)	(320.9)	53.5	-14.3%	(22.3)	(227.0)	(204.7)	917.9%
Income tax and social contribution	(164.7)	(226.5)	(245.9)	(379.1)	(859.4)	(480.3)	126.7%	(203.8)	(207.6)	(3.8)	1.9%
<b>Net income of the period</b>	<b>563.4</b>	<b>659.2</b>	<b>833.9</b>	<b>1,048.2</b>	<b>2,043.7</b>	<b>995.5</b>	<b>95.0%</b>	<b>482.3</b>	<b>517.4</b>	<b>35.1</b>	<b>7.3%</b>

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

**R\$517 MILLION NET INCOME, 7.3% HIGHER IN ANNUAL COMPARISON**

# FREE CASH FLOW

Free cash flow (R\$ million)		2017	2018	2019	2020	2021	1Q22
Operations	<b>EBITDA</b>	1.314,2*	1.590,1	2.212,8	2.468,1	3.697,5	1.138,9
	Used car sale revenue, net of taxes	(3.451,2)	(4.510,4)	(6.206,7)	(6.109,1)	(5.308,0)	(1.039,0)
	Net book value of vehicles written-off	3.106,6	4.198,5	5.863,6	5.599,9	4.346,0	763,8
	(-) Income tax and social contribution	(108,3)	(131,2)	(146,1)	(250,1)	(307,1)	(9,5)
	Change in working capital	21,1	(339,1)	(250,3)	91,6	(568,3)	(291,3)
<b>Cash generated by rental operations</b>		<b>882,4</b>	<b>807,9</b>	<b>1.473,3</b>	<b>1.800,4</b>	<b>1.860,1</b>	<b>562,9</b>
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	3.451,2	4.510,4	6.206,7	4.886,9	5.308,0	1.039,0
	Fleet renewal investment	(3.660,9)	(4.696,7)	(6.804,6)	(5.524,1)	(6.366,9)	(1.307,9)
	Change in accounts payable to car suppliers for fleet renewal	247,7	313,2	373,7	(466,6)	(282,6)	77,6
	<b>Net investment for fleet renewal</b>	<b>38,0</b>	<b>126,9</b>	<b>(224,2)</b>	<b>(1.103,8)</b>	<b>(1.341,5)</b>	<b>(191,3)</b>
Fleet renewal – quantity		90.554	111.279	147.915	109.379	92.845	14.556
Investment, property and intangible		(28,8)	(42,8)	(70,0)	(108,0)	(143,4)	(36,9)
<b>Free cash flow from operations, before fleet increase or reduction</b>		<b>891,6</b>	<b>892,0</b>	<b>1.179,1</b>	<b>588,6</b>	<b>375,2</b>	<b>334,7</b>
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(1.807,0)	(2.285,1)	(3.478,7)	1.222,2	(1.289,0)	(370,6)
	Change in accounts payable to car suppliers for fleet growth	167,7	554,9	(31,9)	(522,5)	571,6	(695,4)
	Acquisition of Hertz and franchisees (fleet value)	(285,7)	-	(105,5)	0,0	-	-
	<b>Net investment for fleet growth</b>	<b>(1.925,0)</b>	<b>(1.730,2)</b>	<b>(3.616,1)</b>	<b>699,7</b>	<b>(717,4)</b>	<b>(1.066,0)</b>
Fleet increase / (reduction) – quantity		52.860	54.142	75.619	(26.111)	18.665	4.124
<b>Free cash flow after growth</b>		<b>(1.033,4)</b>	<b>(838,2)</b>	<b>(2.437,0)</b>	<b>1.288,3</b>	<b>(342,2)</b>	<b>(731,3)</b>
Other invest.	Acquisitions - except fleet value	(121,5)	-	(18,2)	(7,9)	(3,6)	(3,8)
	New headquarters construction and furniture	(146,2)	-	-	-	-	-
<b>Free cash generated (applied) before interest and others</b>		<b>(1.301,1)</b>	<b>(838,2)</b>	<b>(2.455,2)</b>	<b>1.280,4</b>	<b>(345,8)</b>	<b>(735,1)</b>

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

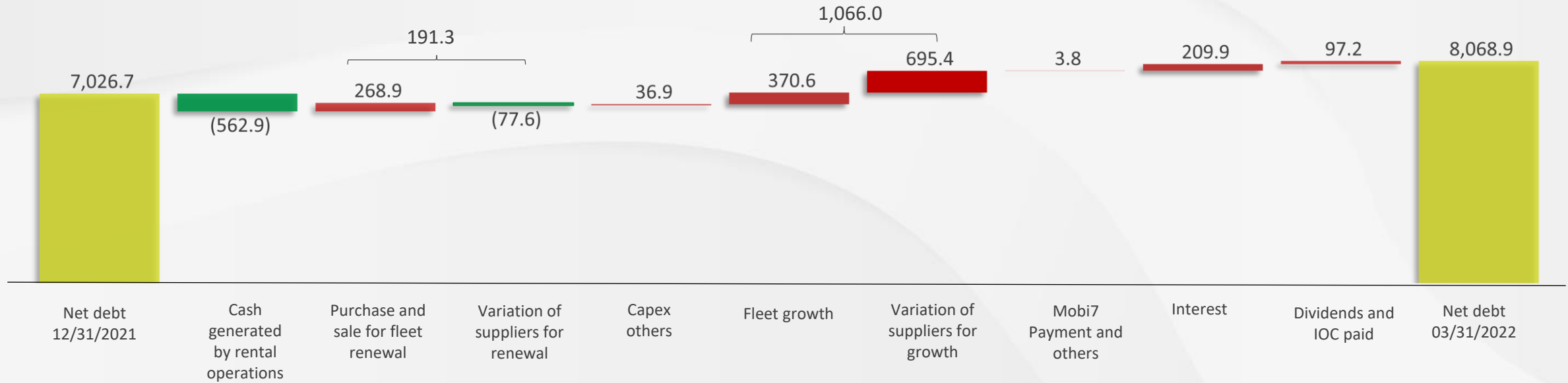
(\*) 2017 adjusted by the one-time costs (OTC) - incurred Hertz Brasil acquisition and franchisees incorporation

**CONSUMPTION OF R\$735.1 MILLION AFTER FLEET RENEWAL AND GROWTH, AND REDUCTION IN THE ACCOUNTS PAYABLE TO OEMS**



# CHANGE IN NET DEBT

R\$ million

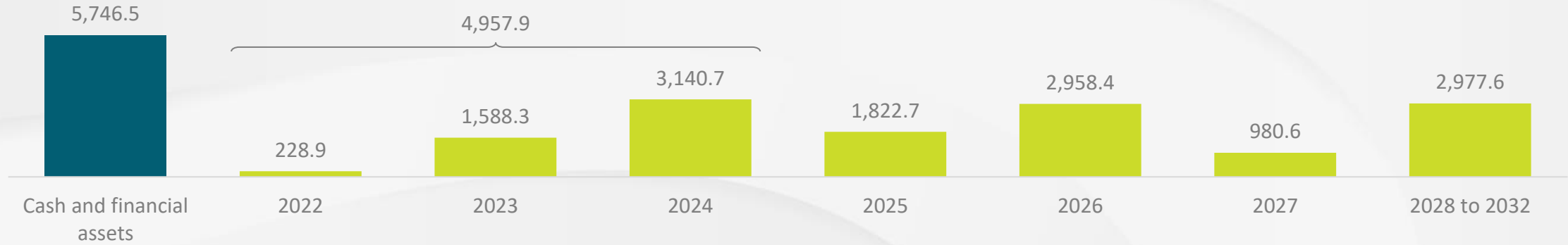


**R\$1.0 BILLION INCREASE IN NET DEBT DUE TO INVESTMENTS IN FLEET AND REDUCTION IN THE ACCOUNTS PAYABLE TO OEMS**

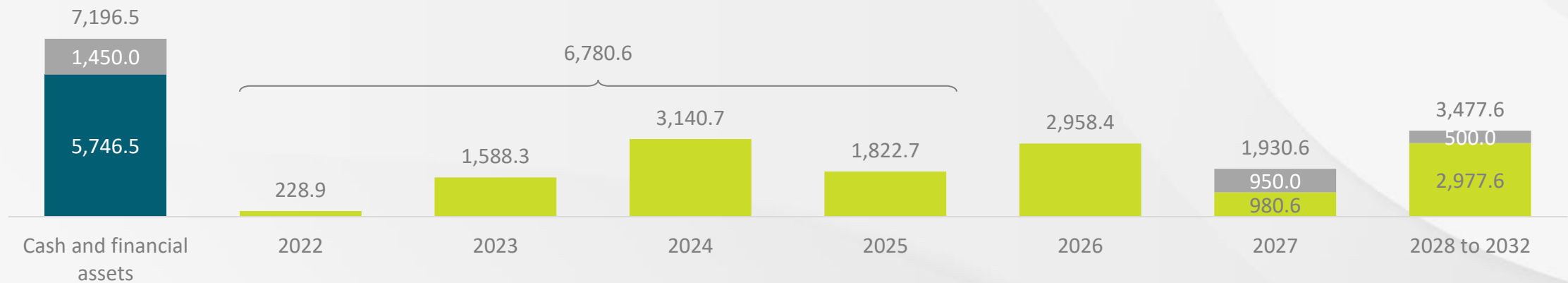
# DEBT MATURITY PROFILE (PRINCIPAL)

R\$ million

## As of 03/31/2022



## Proforma after Apr/22 issuances

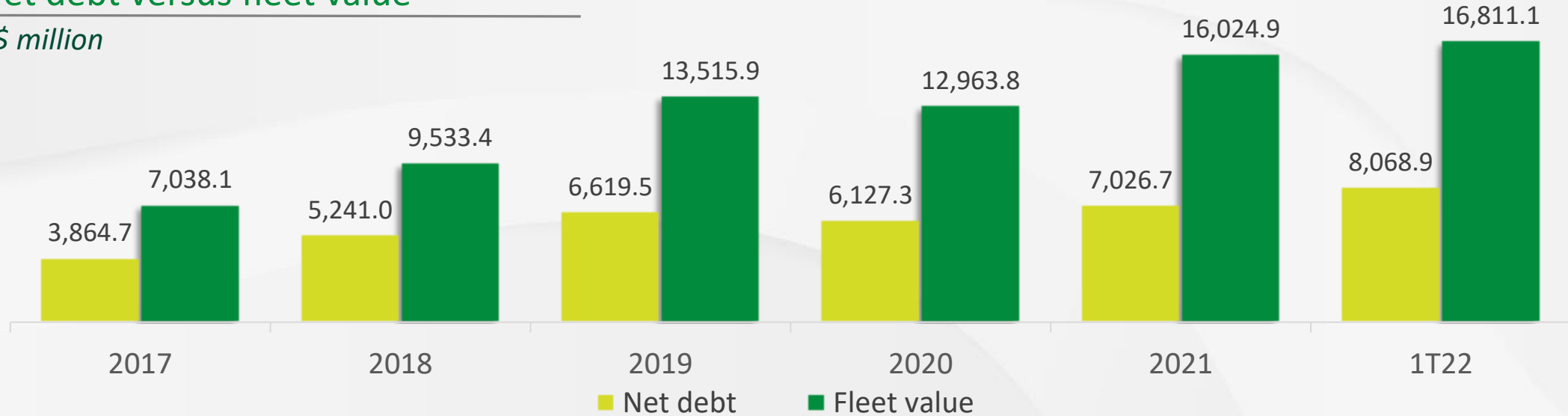


STRONG LIQUIDITY POSITION AND ACTIVE DEBT PROFILE MANAGEMENT

# DEBT RATIOS

## Net debt versus fleet value

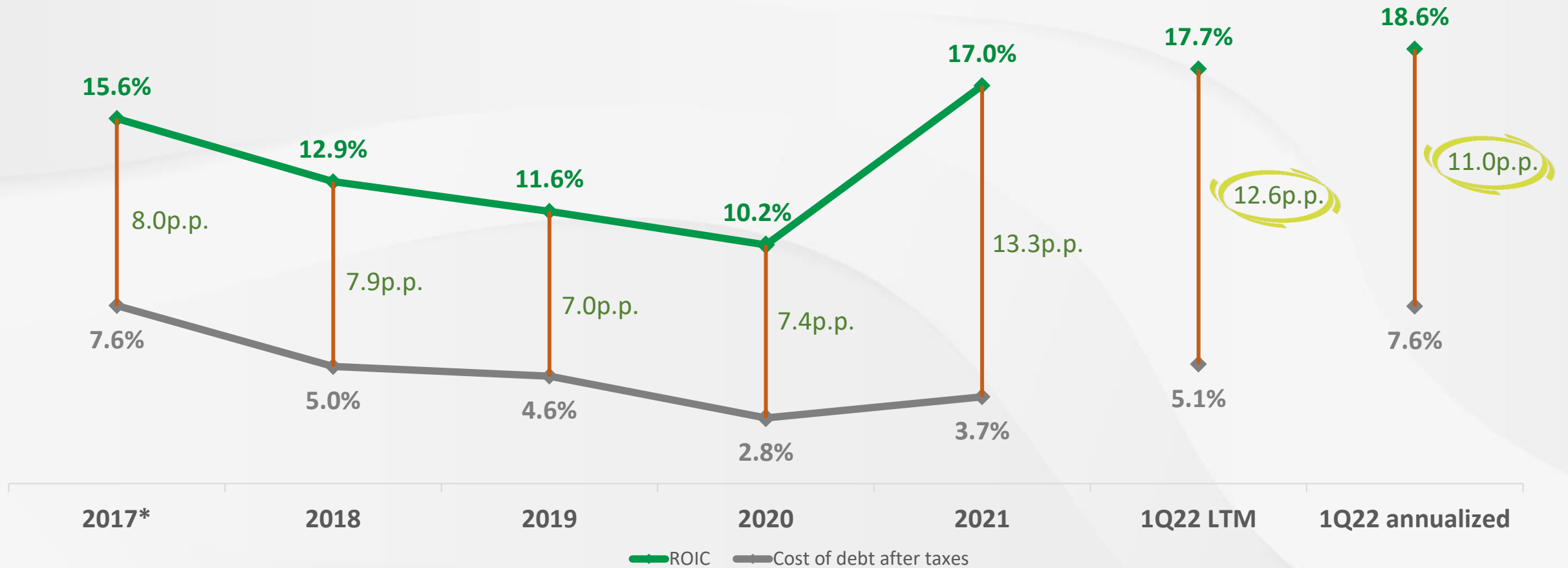
R\$ million



BALANCE AT THE END OF PERIOD	2017	2018	2019	2020	2021	1Q22 LTM
Net debt/Fleet value (book value)	55%	55%	49%	47%	44%	48%
Net debt/EBITDA	2.9x	3.3x	3.0x	2.5x	1.9x	2.0x
Net debt/Equity	1.5x	1.7x	1.2x	1.0x	0.9x	1.0x
EBITDA/Net financial expenses	4.2x	4.3x	5.4x	6.6x	11.5x	7.7x

WE ENDED THE QUARTER WITH NET DEBT/EBITDA RATIO OF 2.0X

# ROIC VERSUS COST OF DEBT AFTER TAXES



ROE considered LTM net income divided by the average Equity of the period

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

**STRONG VALUE GENERATION**

Q&A

# THANK YOU!

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[ri.localiza.com](http://ri.localiza.com)

Email: [ri@localiza.com](mailto:ri@localiza.com)

Telephone: 55 31 3247-7024

