

# Webcast

# 1Q23

L & CO 50 years



In this quarter, we will highlight the business combination related effects (one-offs), as it follows:

Description	EBIT Impact	Net Income Impact
Fleet write-up amortization	(136.7)	(90.2)
Revision effect of the customer relationship write-up	11.0	7.3
Total	(125.7)	(82.9)

We highlight the assets recognized in the context of the merger that will impact the result through their amortization:

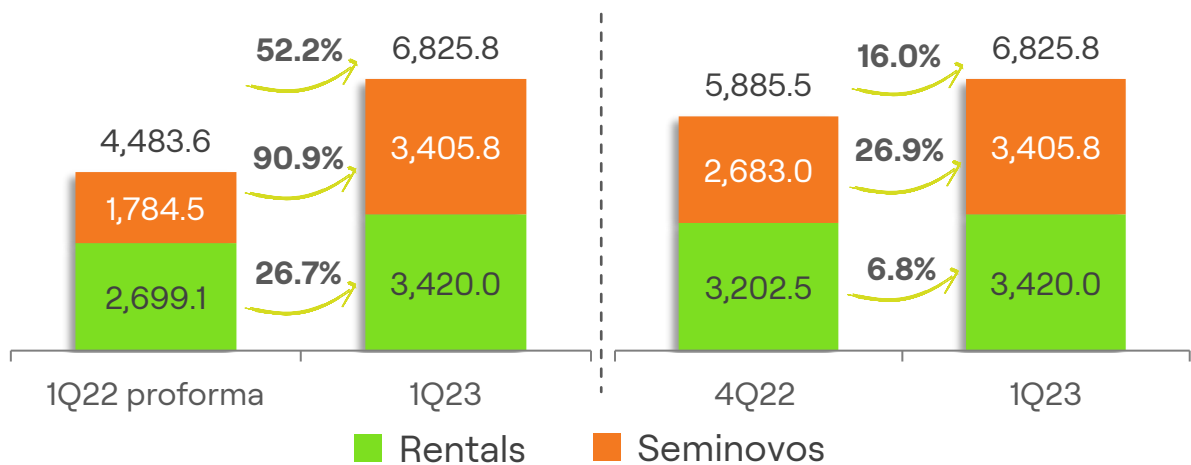
- **Fleet write-up** (accounting for the differential between the fair value net cost of sales and the book value of the acquired fleet): amortization similar to the criteria used for fleet vehicles depreciation or in the case of car write-off
- **Customer relationship write-up** (accounting for the fair value of customer relationship)



# OPERATIONAL HIGHLIGHTS

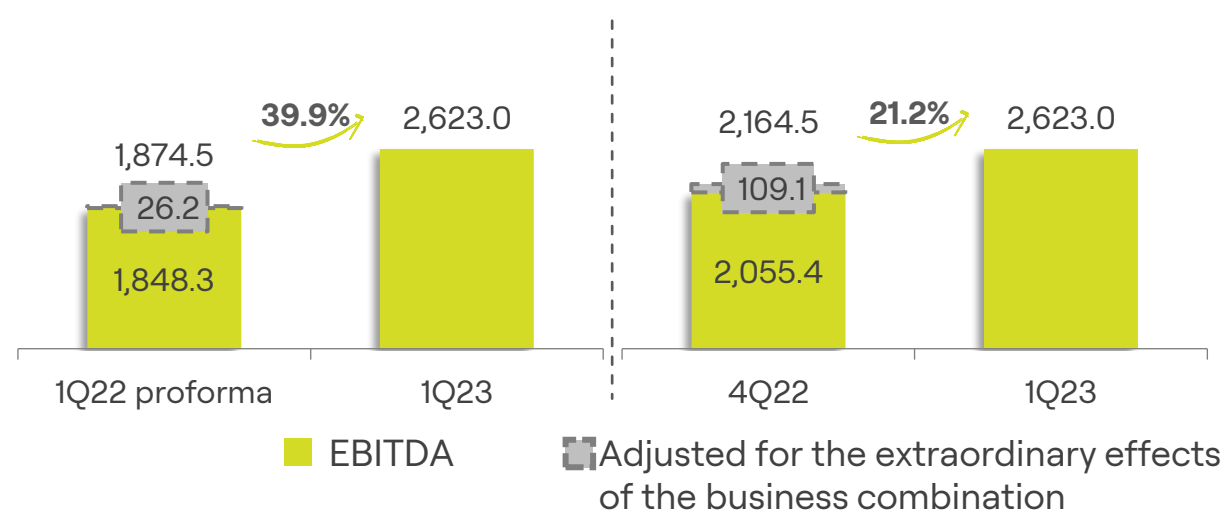
## Consolidated Net Revenue

R\$ million



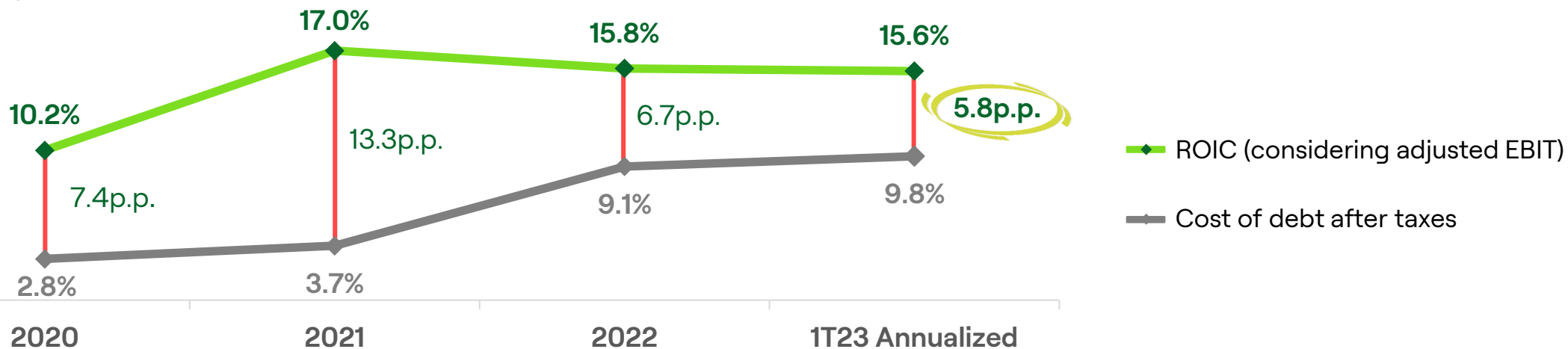
## Consolidated EBITDA

R\$ million



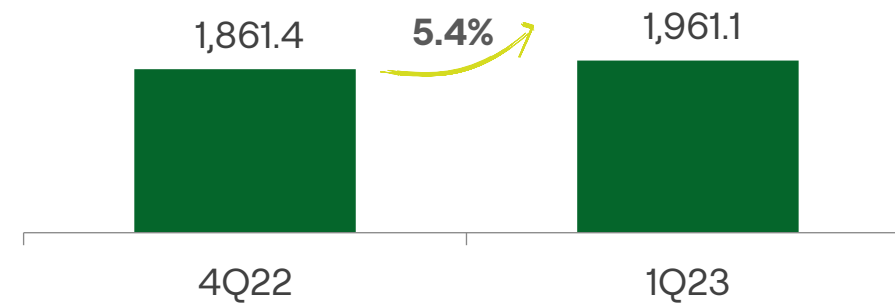
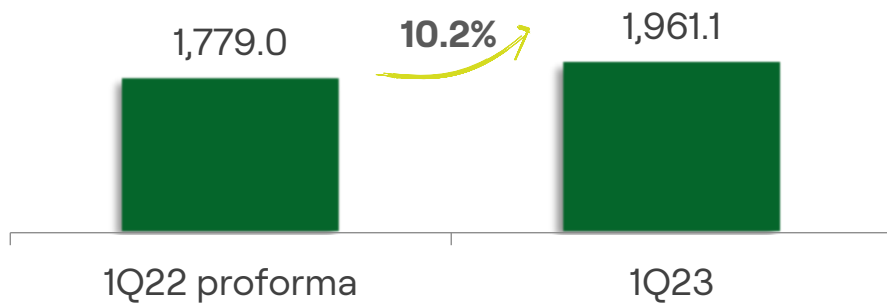
## ROIC Versus Cost of Debt After Taxes

R\$ million



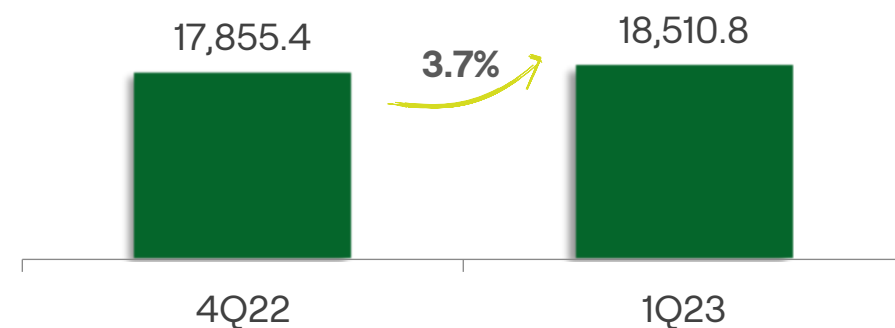
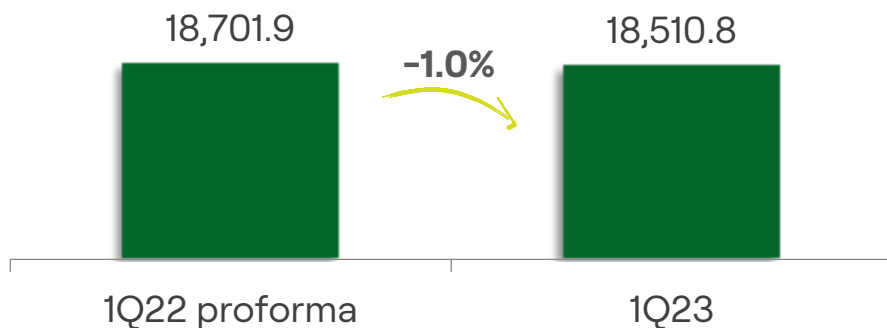
## Net Revenue

R\$ million including royalties



## Rental days

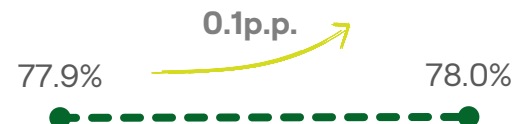
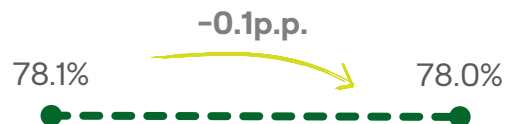
R\$ million



NET REVENUE GROWTH IN THE ANNUAL AND SEQUENTIAL COMPARISON, REFLECTING THE EFFICIENT MANAGEMENT OF MIX AND PRICES

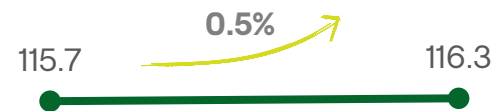
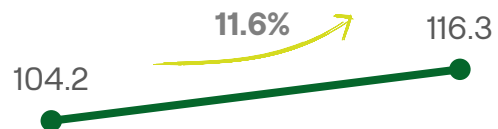
## Utilization Rate

%



## Rental Rate

R\$



1Q22 proforma

1Q23

4Q22

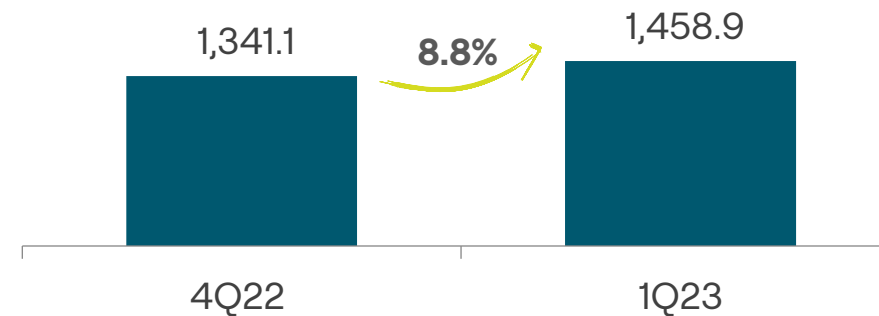
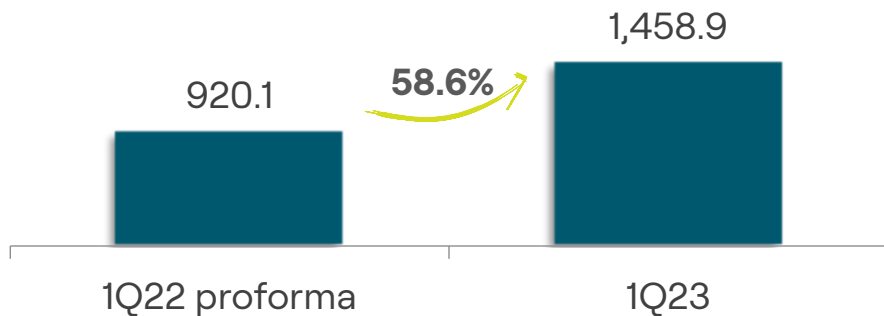
1Q23

—●— Rental Rate- R\$    - - -●- - Utilization

THE UTILIZATION RATE REMAINED PRACTICALLY STABLE EVEN WITH THE INCREASE IN THE AVERAGE RENTAL RATE

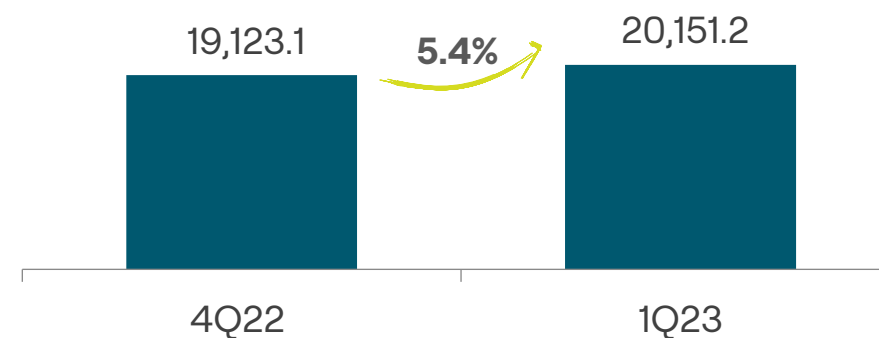
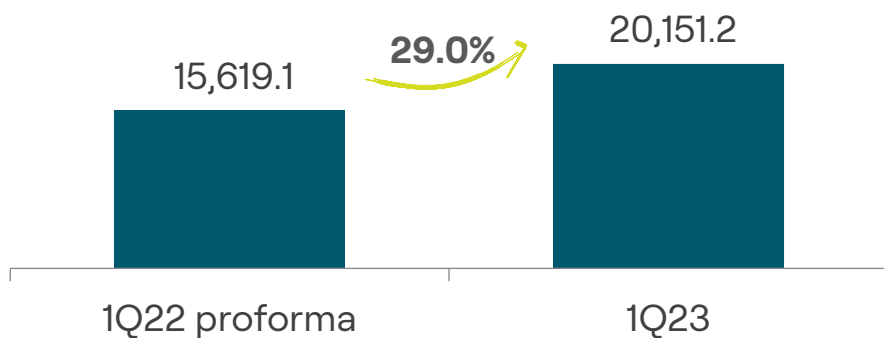
## Net Revenue

R\$ million including telemetry and Localiza+ revenues



## Rental Days

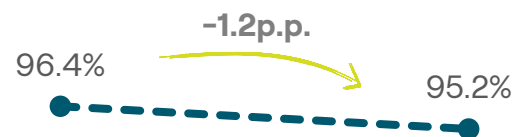
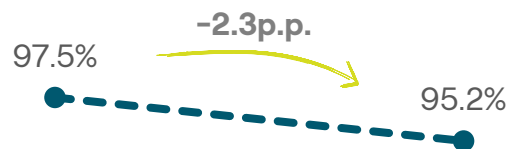
In thousands



IN 1Q23, REVENUE KEEP ADVANCING AT A STRONG PACE, DUE TO THE COMBINED EFFECT OF CONSISTENT VOLUME GROWTH AND CAPTURING HIGHER PRICES IN NEW CONTRACTS

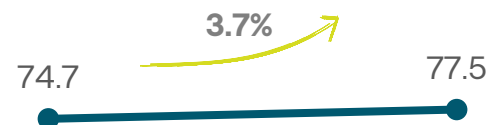
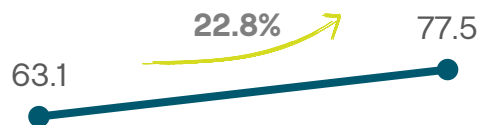
### Utilization Rate

%



### Rental Rate

R\$

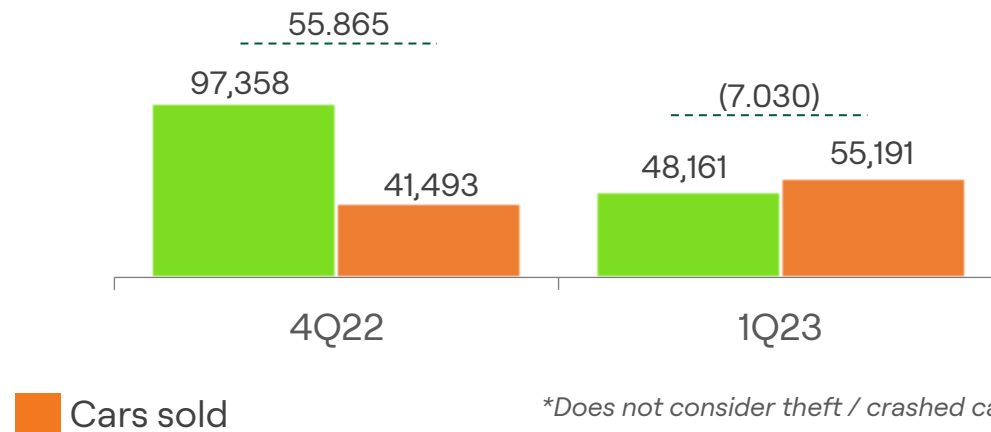
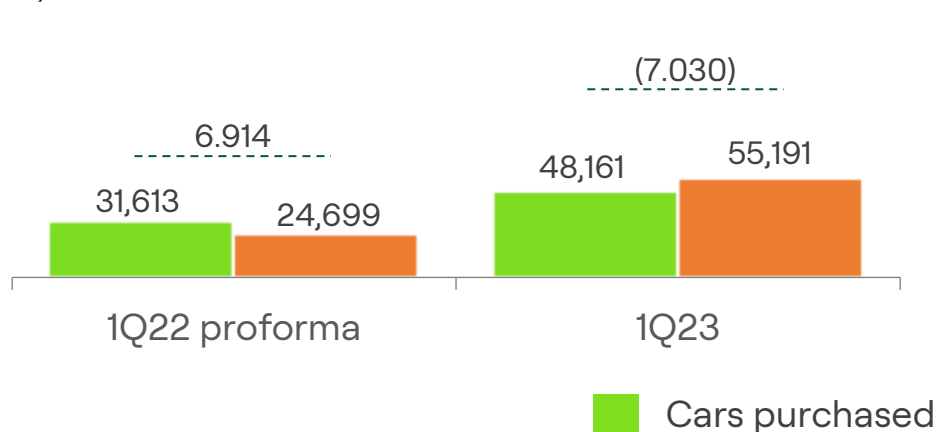


—●— Rental Rate - R\$    - -●- Utilization

HIGHER AVERAGE RENTAL RATE, REFLECTING NEW CONTRACTS PRICED IN A CONTEXT OF MORE EXPENSIVE CARS AND HIGHER INTEREST RATES

## Car purchase and sales

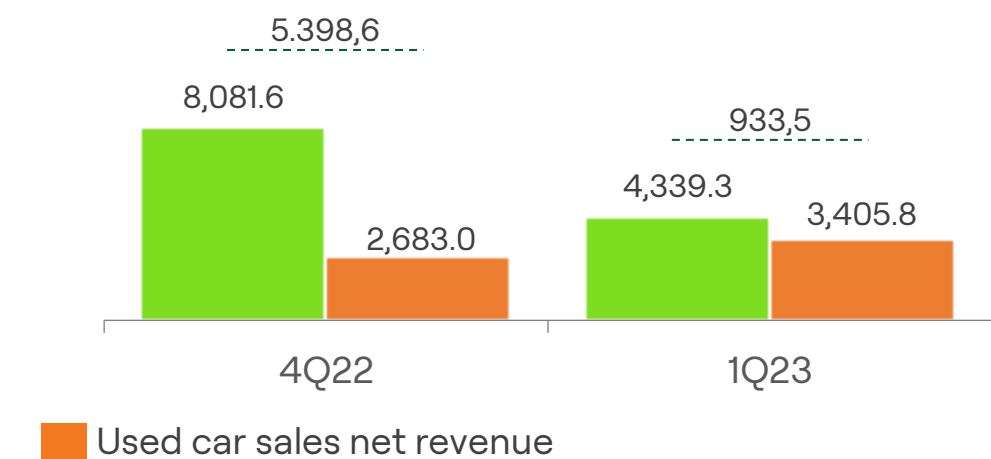
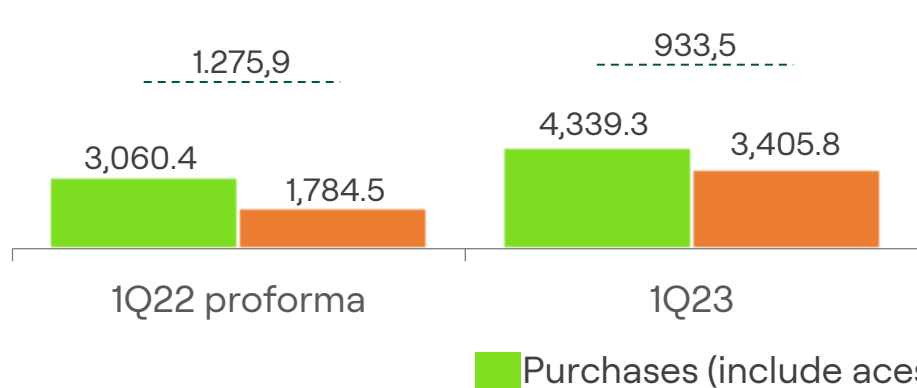
Quantity\*



\*Does not consider theft / crashed cars written off

## Net investment in fleet

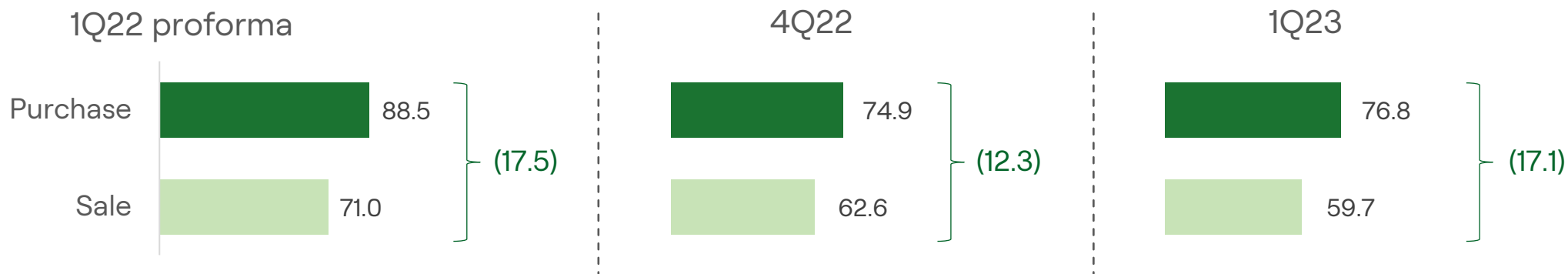
R\$ million



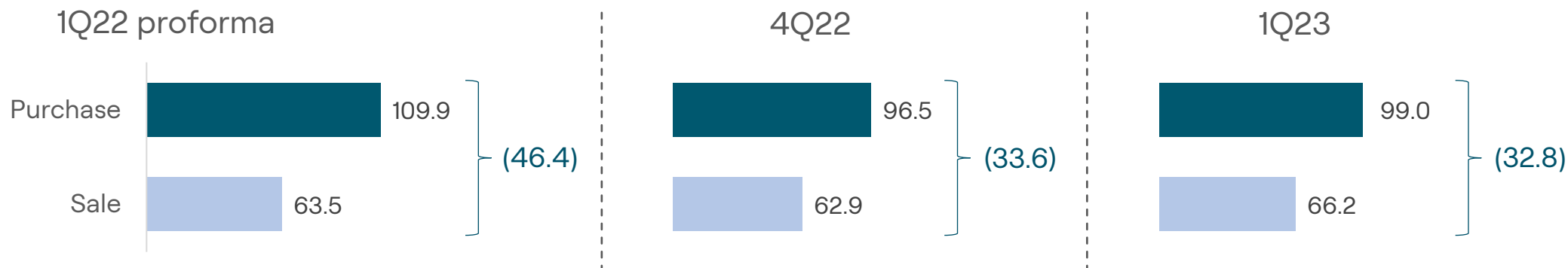
AFTER ANTICIPATING PART OF THE PURCHASE VOLUME IN 4Q22, THE COMPANY REDUCED THE PACE OF CAR PURCHASES IN 1Q23 AND ACCELERATED THE VOLUME OF CAR SALES IN BOTH THE ANNUAL AND SEQUENTIAL COMPARISON



## Average price of purchase and sale - Car Rental

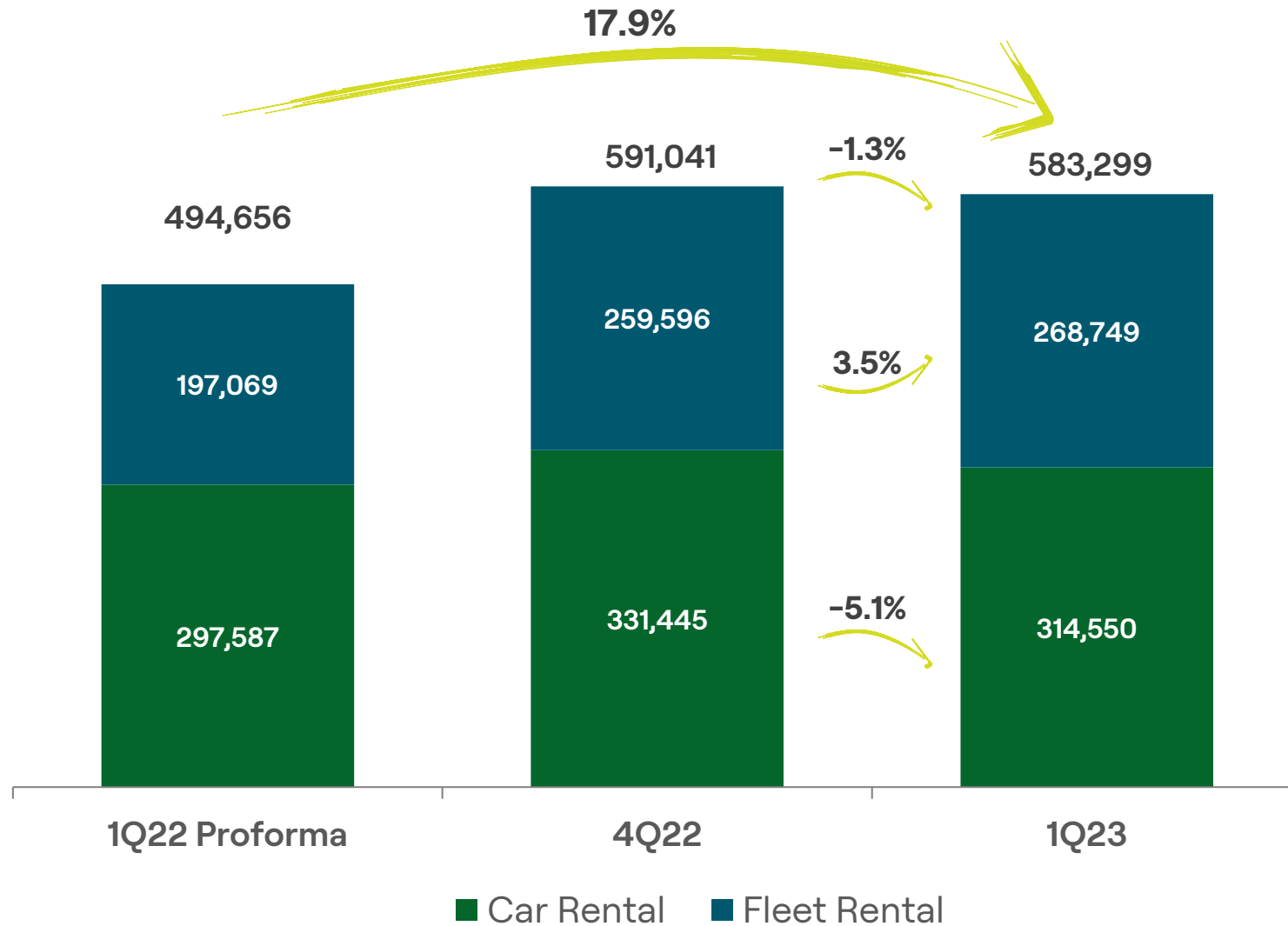


## Average price of purchase and sale - Fleet Rental



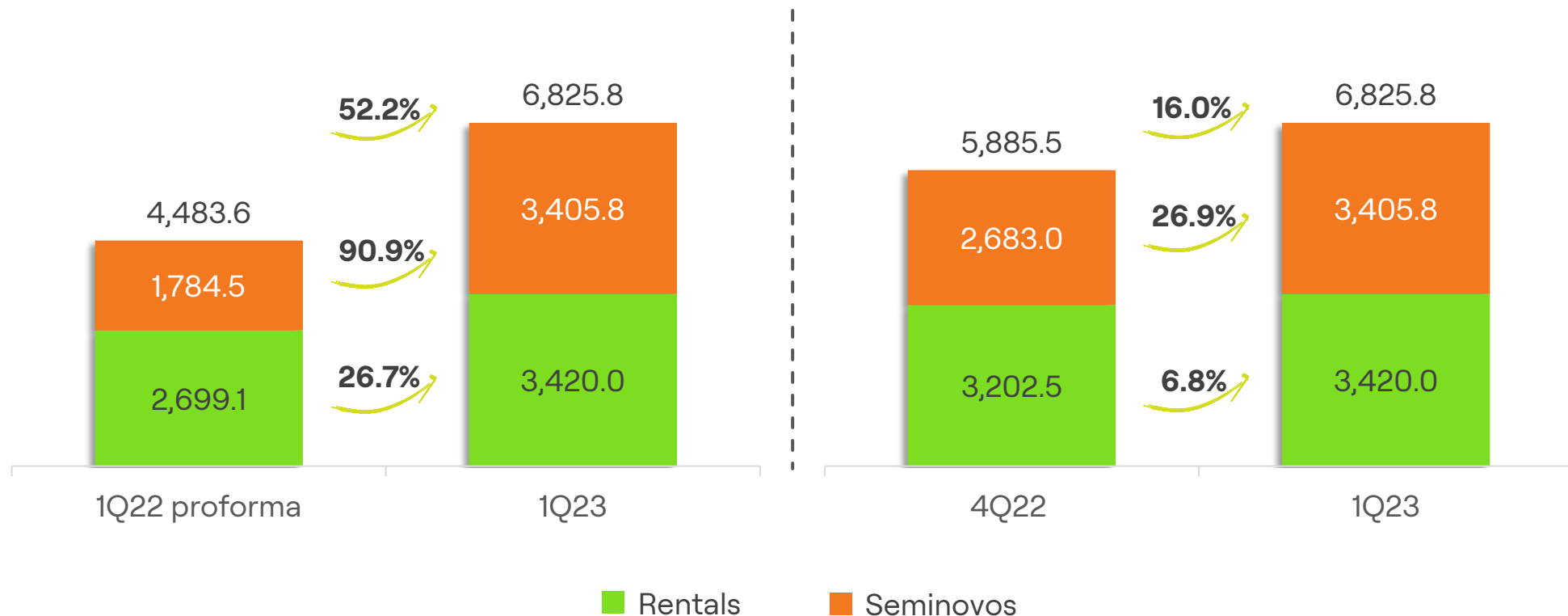
IN THE CAR RENTAL, BETTER COMMERCIAL AND MIX CONDITIONS RESULTED IN AN AVERAGE PURCHASED PRICE 13.2% LOWER THAN THE PREVIOUS YEAR. IN GTF, THE PURCHASE PRICE REFLECTS THE MIX ALSO COMPRISED OF SPECIAL AND HEAVY VEHICLES, WHICH RESULTS IN A GREATER DIFFERENCE BETWEEN THE PURCHASE AND SALE PRICES

Quantity



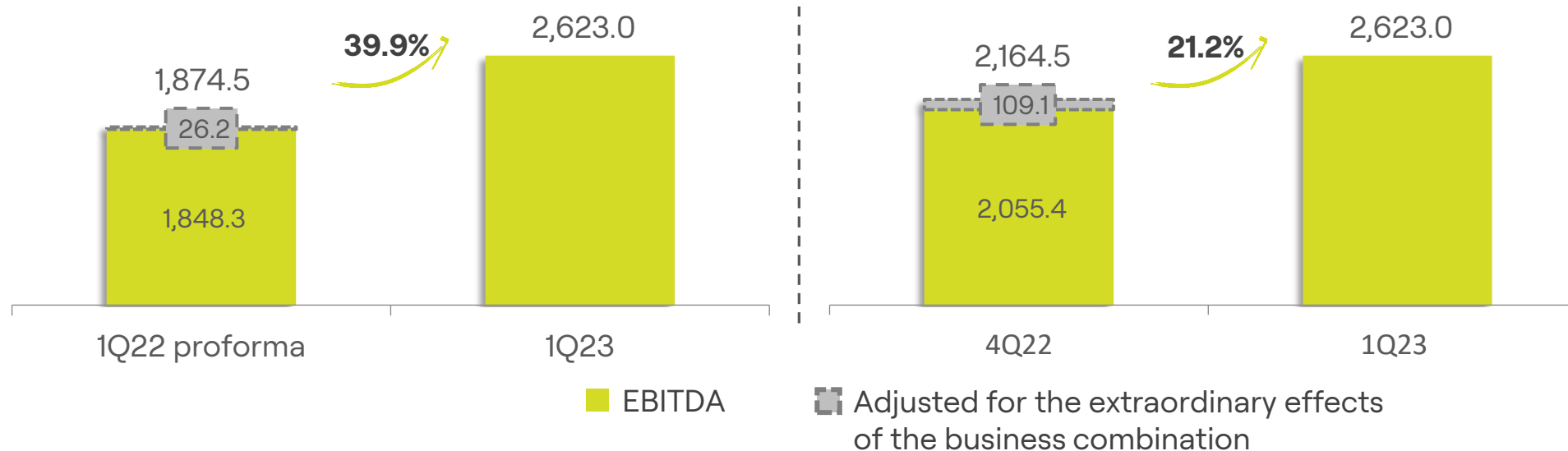
17.9% INCREASE IN THE END OF PERIOD FLEET, COMPARED WITH 1Q22

R\$ milhões



STRONG GROWTH IN CONSOLIDATED NET REVENUE ADVANCING 52.2% ANNUALLY AND 16.0% SEQUENTIALLY

R\$ million



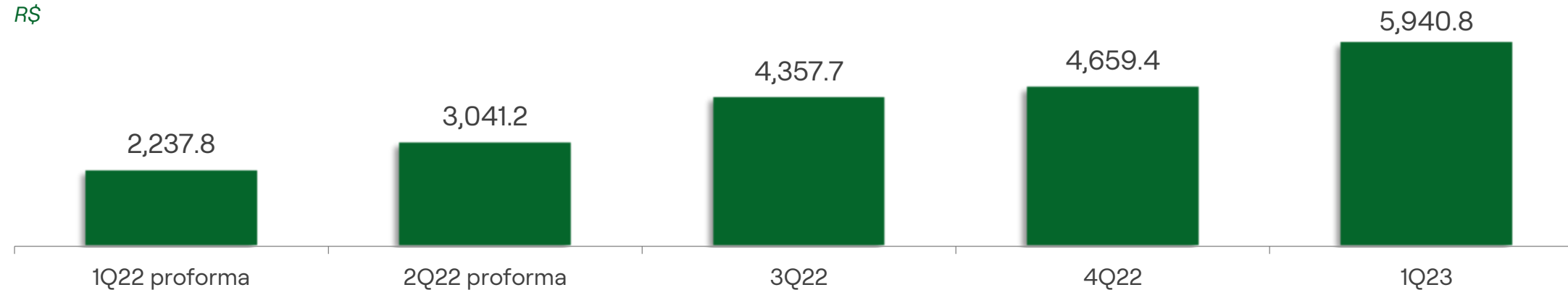
EBITDA Margin:	1Q22 proforma ajusted*	1Q23	4Q22 adjusted*	1Q23
Car Rental and Franchising	55.0%	66.1%	61.0%	66.1%
Fleet Rental	66.0%	76.2%	66.5%	76.2%
Rental Consolidated	58.8%	70.4%	63.3%	70.4%
Seminovos	16.1%	6.4%	5.2%	6.4%
Consolidated (over rental revenues)	69.4%	76.7%	67.6%	76.7%

\*Adjusted for One-offs related to the integration expenses and the discontinuity of operations

THIS QUARTER CONSOLIDATED ADJUSTED EBITDA ROSE 21.2% SEQUENTIALLY AND 39.9% ANNUALLY, REACHING R\$2.6 BILLION

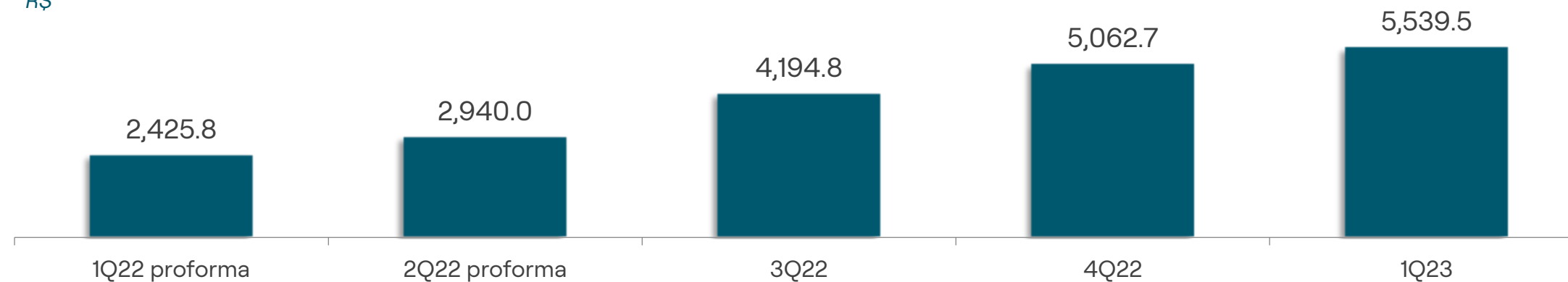
## Car Rental

R\$



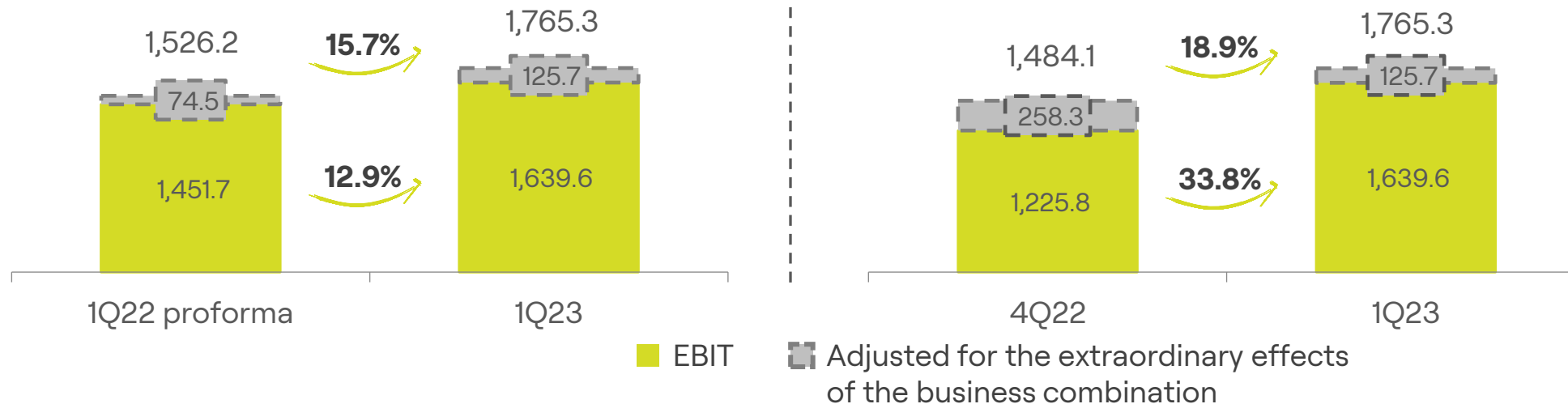
## Fleet Rental

R\$



DEPRECIATION MAINTAINS AN UPWARD TREND, GIVEN THE HIGHER NUMBER OF CARS DEPRECIATING IN THE FLEET

R\$ million



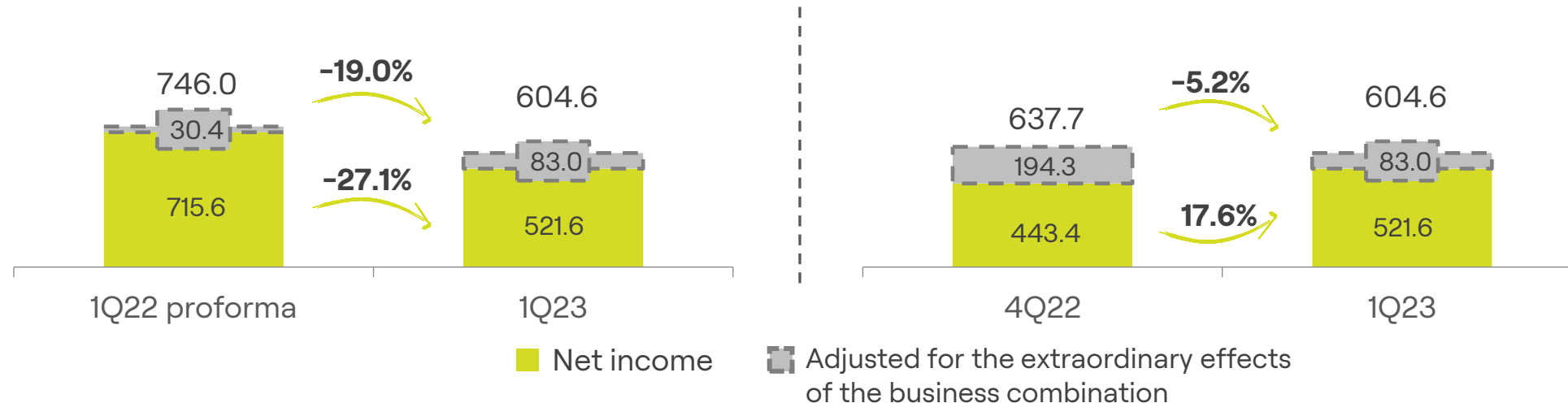
EBIT margins include **Seminovos** and is calculated over the rental revenues

EBIT Margin:	1Q22 proforma adjusted*	1Q23 adjusted	4Q22 adjusted*	1Q23 adjusted
Car Rental and Franchising	51.8%	45.5%	45.1%	45.5%
Fleet Rental	65.7%	59.9%	48.0%	59.9%
Consolidated (over rental revenues)	56.5%	51.6%	46.3%	51.6%

\*Adjusted for One-offs related to the integration expenses, discontinuity of operations, and fleet and customer relationship write-up amortization

ADJUSTED EBIT OF R\$1,8 BILLION IN THE QUARTER, WITH A SEQUENTIAL GROWTH OF 18.9% AND 15.7% ANNUALLY

R\$ million



EBITDA x Net income reconciliation	1Q22 proforma	1Q23	Var. R\$	Var. %	4Q22	1Q23	Var. R\$	Var. %
Consolidated EBITDA	1,874.5	2,623.0	748.5	39.9%	2,164.5	2,623.0	458.5	21.2%
Cars depreciation	(264.2)	(763.5)	(499.3)	189.0%	(609.1)	(763.5)	(154.4)	25.3%
Other PP&E depreciation and amortization	(84.1)	(94.2)	(10.1)	12.0%	(71.3)	(94.2)	(22.9)	32.1%
Equity equivalence result	0.1	-	(0.1)	0.0%	-	-	-	-
EBIT	1,526.2	1,765.3	239.1	15.7%	1,484.1	1,765.3	281.2	18.9%
Financial expenses, net	(490.7)	(1,069.9)	(579.2)	118.0%	(748.0)	(1,069.9)	(321.9)	43.0%
Income tax and social contribution	(289.6)	(90.8)	198.8	-68.6%	(98.4)	(90.8)	7.6	-7.7%
<b>Adjusted net income of the period</b>	<b>746.0</b>	<b>604.6</b>	<b>(141.4)</b>	<b>-19.0%</b>	<b>637.7</b>	<b>604.6</b>	<b>(33.1)</b>	<b>-5.2%</b>

NET INCOME CARRIED A STRONG GROWTH IN OPERATING RESULTS  
WHICH WAS MORE THAN OFFSET BY GREATER DEPRECIATION AND FINANCIAL EXPENSES

Free cash flow (R\$ million)		2020 actual	2021 actual	2022 actual	1Q23
Operations	EBITDA	2.468,1	3.697,5	6.589,2	2.623,0
	Used car sale revenue, net of taxes	(6.109,1)	(5.308,0)	(7.833,6)	(3.376,5)
	Net book value of vehicles written-off	5.599,9	4.346,0	6.085,3	2.845,5
	(-) Income tax and social contribution	(250,1)	(307,1)	(83,4)	(4,3)
	Change in working capital	91,6	(568,3)	(1.284,3)	(210,3)
<b>Cash generated by rental operations</b>		<b>1.800,4</b>	<b>1.860,1</b>	<b>3.473,2</b>	<b>1.877,4</b>
Capex renewal	Used car sale revenue, net from taxes – fleet renewal	4.886,9	5.308,0	7.833,6	3.017,0
	Fleet renewal investment	(5.524,1)	(6.366,9)	(9.902,5)	(4.339,3)
	Change in accounts payable to car suppliers for fleet renewal	(466,6)	(282,6)	1.619,6	(2.029,0)
	<b>Net investment for fleet renewal</b>	<b>(1.103,8)</b>	<b>(1.341,5)</b>	<b>(449,3)</b>	<b>(3.351,3)</b>
Fleet renewal – quantity		109.379	92.845	118.538	55.191
Investment, property and intangible		(108,0)	(143,4)	(352,8)	(70,0)
<b>Free cash flow from operations, before fleet increase or reduction</b>		<b>588,6</b>	<b>375,2</b>	<b>2.671,1</b>	<b>(1.543,9)</b>
Capex Growth	(Investment) / Divestment in cars for fleet growth	1.222,2	(1.289,0)	(12.636,4)	359,5
	Change in accounts payable to car suppliers for fleet growth	(522,5)	571,6	2.298,3	-
	<b>Net investment for fleet growth</b>	<b>699,7</b>	<b>(717,4)</b>	<b>(10.338,1)</b>	<b>359,5</b>
Fleet increase / (reduction) – quantity		(26.111)	18.665	136.391	(7.030)
<b>Free cash flow after growth</b>		<b>1.288,3</b>	<b>(342,2)</b>	<b>(7.667,0)</b>	<b>(1.184,4)</b>
Other invest.	Acquisitions - except fleet value	(7,9)	(3,6)	(11,5)	(4,3)
<b>Free cash generated (applied) before interest and others</b>		<b>1.280,4</b>	<b>(345,8)</b>	<b>(7.678,5)</b>	<b>(1.188,7)</b>

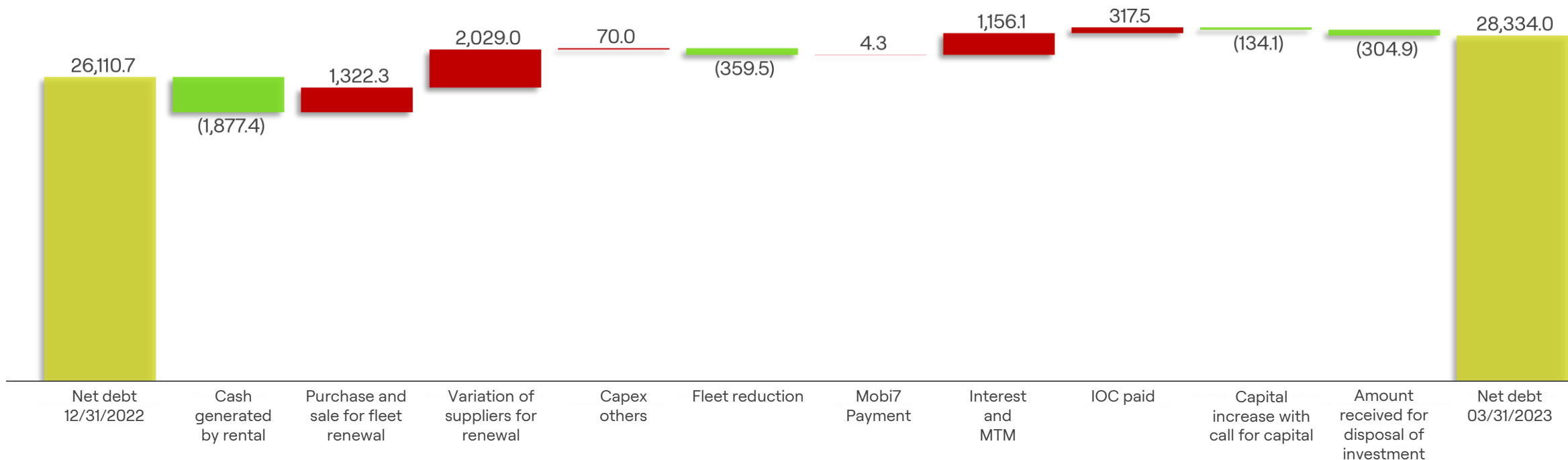
For the FCF, short term financial investments were considered cash

**STRONG CASH GENERATED IN THE OPERATIONS USED TO RENEW THE FLEET AND REDUCE THE ACCOUNTS PAYABLE TO OEMS**



As of 03/31/2023

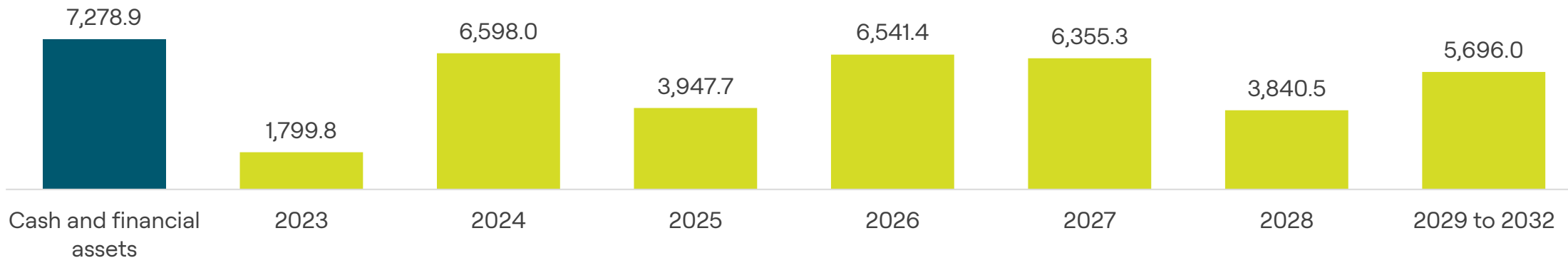
R\$ milhões



**R\$2.2 BILLION INCREASE IN NET DEBT DUE TO FLEET INVESTMENTS AND REDUCTION OF ACCOUNTS PAYABLE TO OEMS**

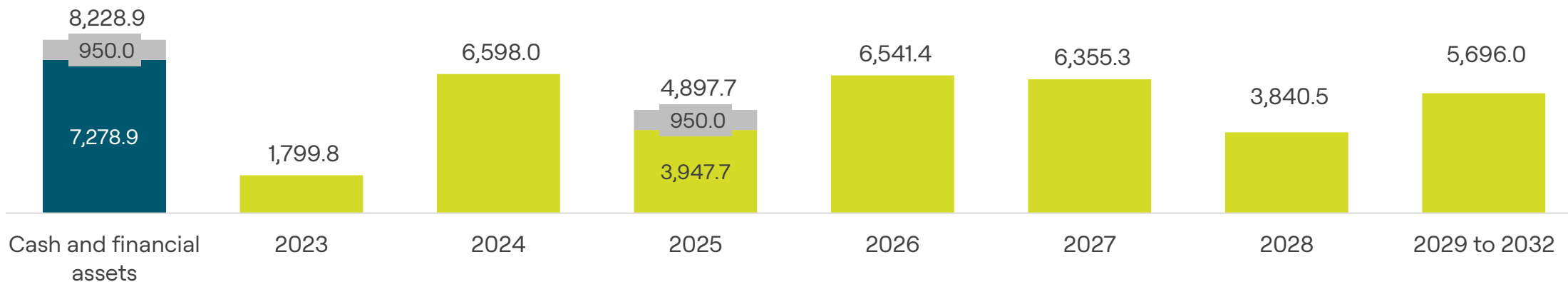
## As of 03/31/2023

R\$ million



## Proforma after Apr/23 issuances

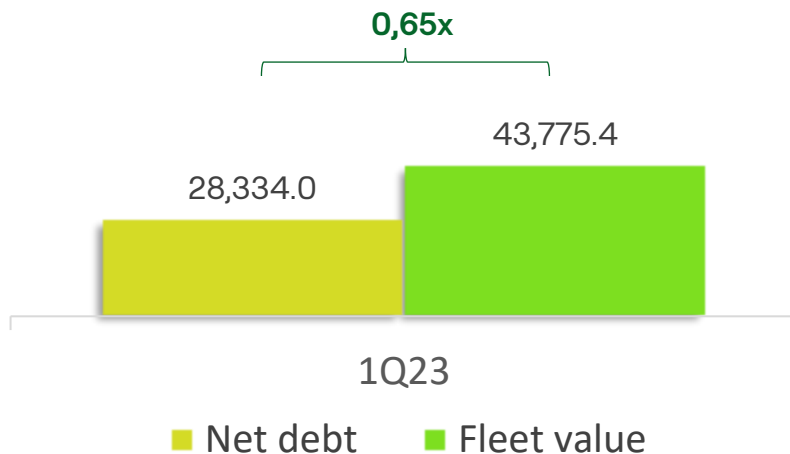
R\$ million



**R\$8.2 BILLION IN CASH BALANCE AND ACTIVE DEBT PROFILE MANAGEMENT**

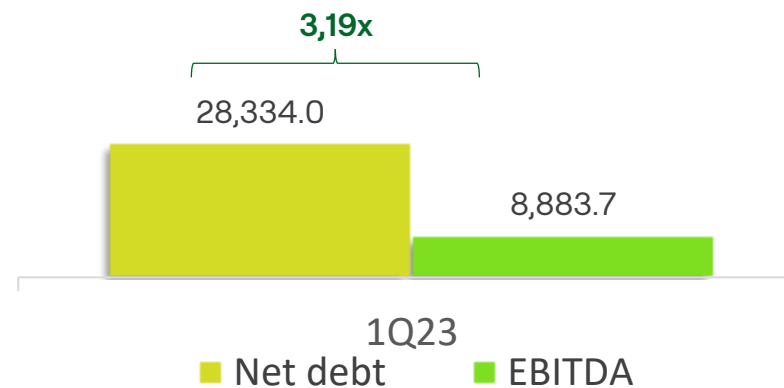
## Net debt vs. Book value

R\$ million



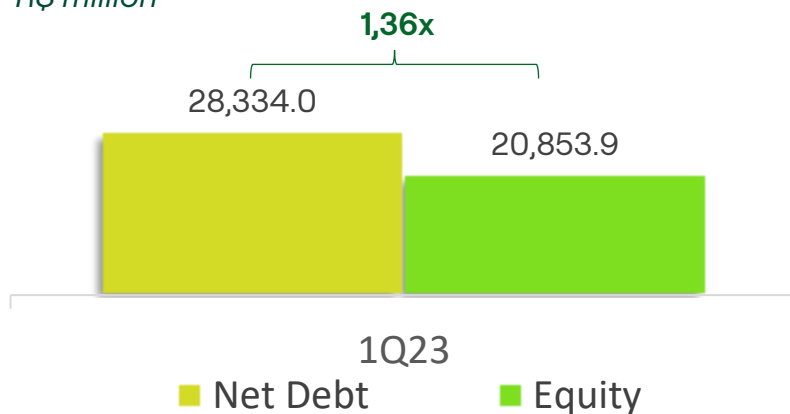
## Net debt vs. EBITDA LTM

R\$ million



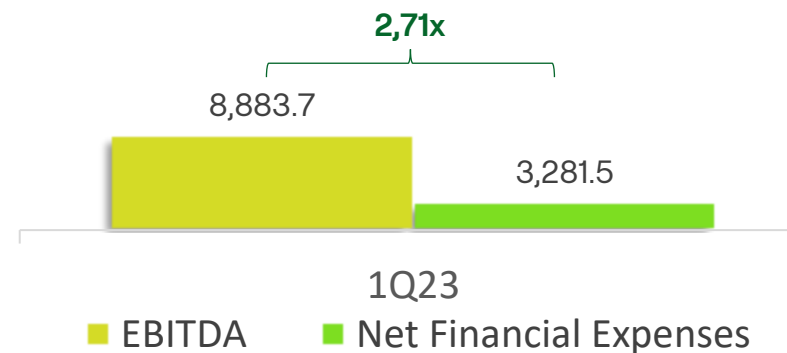
## Net debt vs. Equity

R\$ million

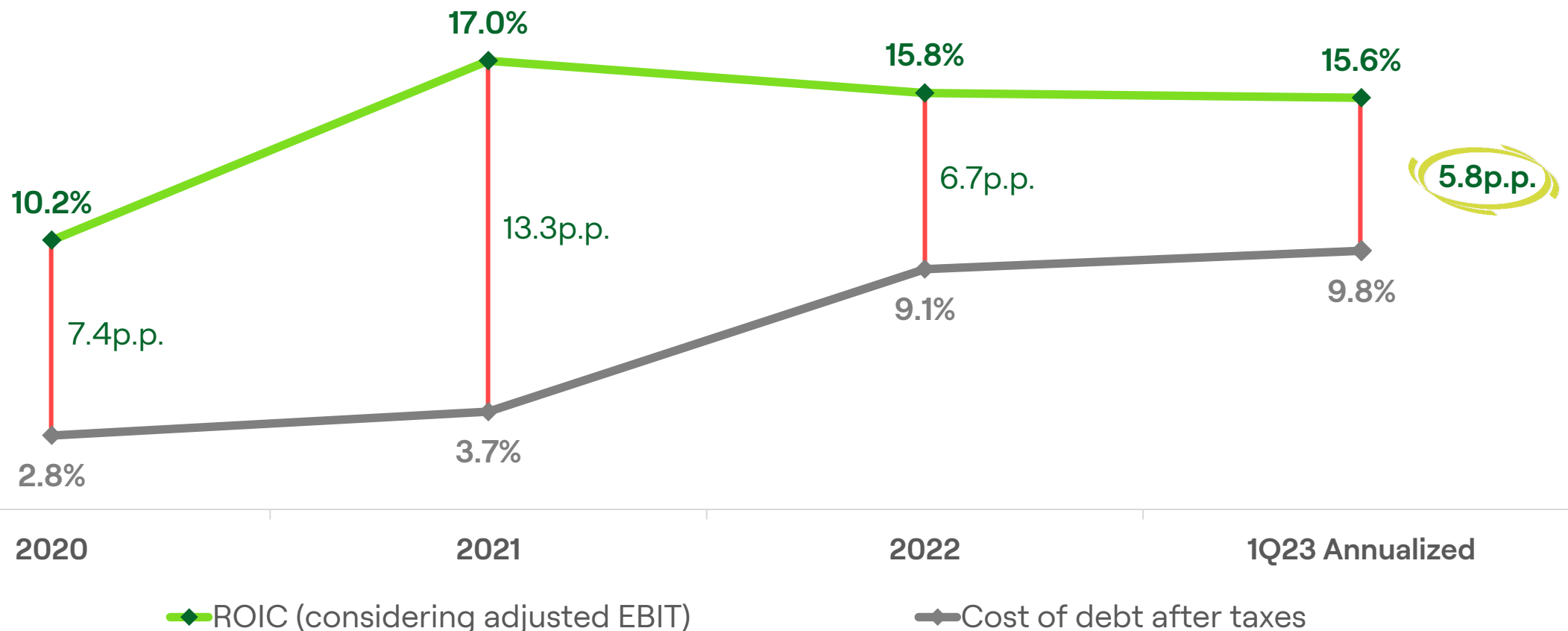


## EBITDA vs. Net financial expenses LTM

R\$ million



NET DEBT/LTM EBITDA RATIO AT 3.19X, REVERSING THE UPWARD TREND OF THE LAST QUARTERS



1Q23 annualized ROIC calculated from:

Nopat = EBIT x (1 - Effective Tax Rate); Invested Capital = Total fleet + working capital

**ROIC INDICATES STRONG VALUE GENERATION, WITH THE SPREAD OF 5.8P.P. OVER THE ANNUALIZED COST OF DEBT**

## Disclaimer

The material presented is a presentation of general background information about LOCALIZA as of the date of the presentation It is information in summary form and does not purport to be complete It is not intended to be relied upon as advice to potential investors

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

***This presentation does not constitute an offer, invitation or solicitation of an offer to subscribe to or purchase any securities Neither this presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever***

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

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

Telephone: 55 31 3247-7024

