

Webcast 3Q21



[B]³
BRASIL
BOLSA
BALCÃO

 **NOVO
MERCADO**
BM&FBOVESPA

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Brasil 50 **IBRX 50**

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Carbono
Eficiente **IC02**

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Ações com Tag Along
Diferenciado **ITAG**

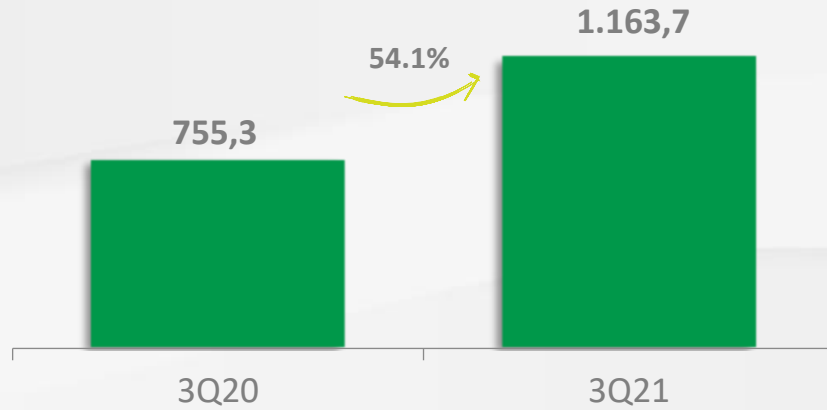
OTCQX

 **Localiza**

RENTAL HIGHLIGHTS

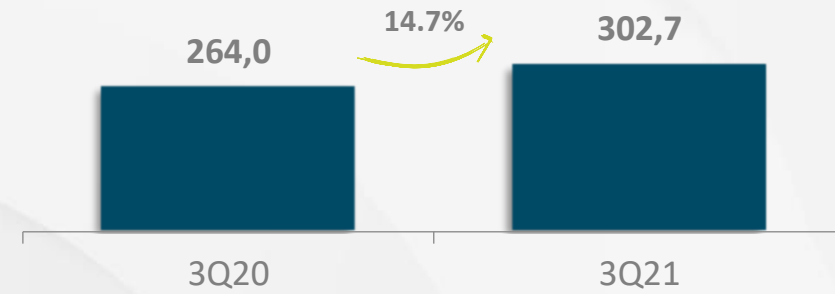
Revenue – Car Rental

R\$ million, including royalties



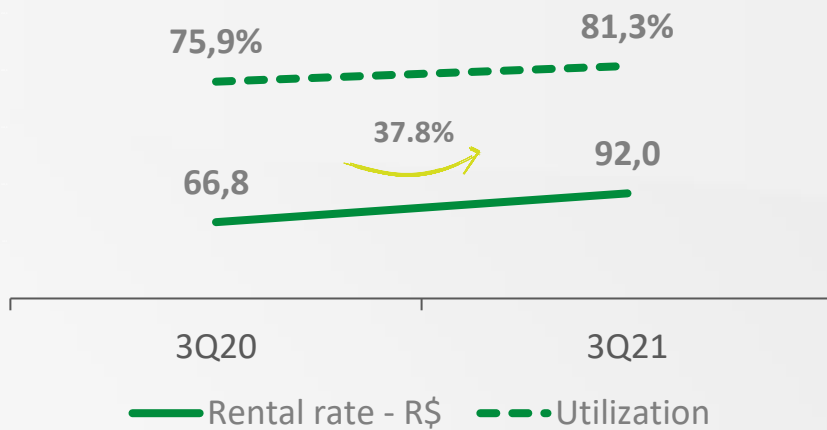
Revenue – Fleet Rental

R\$ million



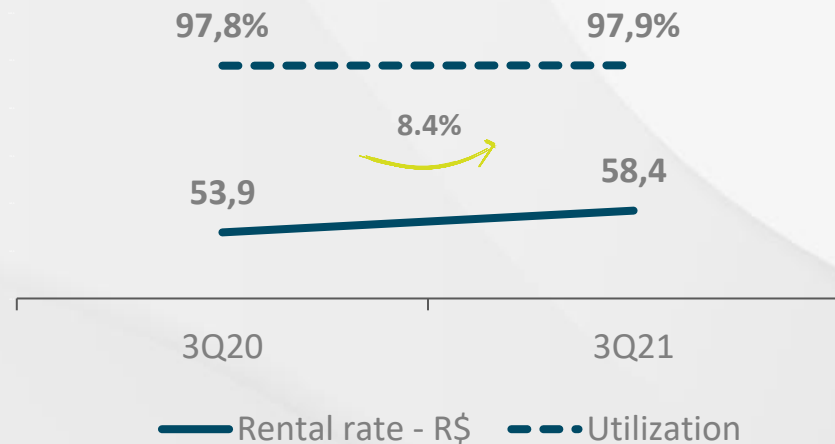
Average rental rate (in R\$) and utilization rate (%)

Car Rental



Average rental rate (in R\$) and utilization rate (%)

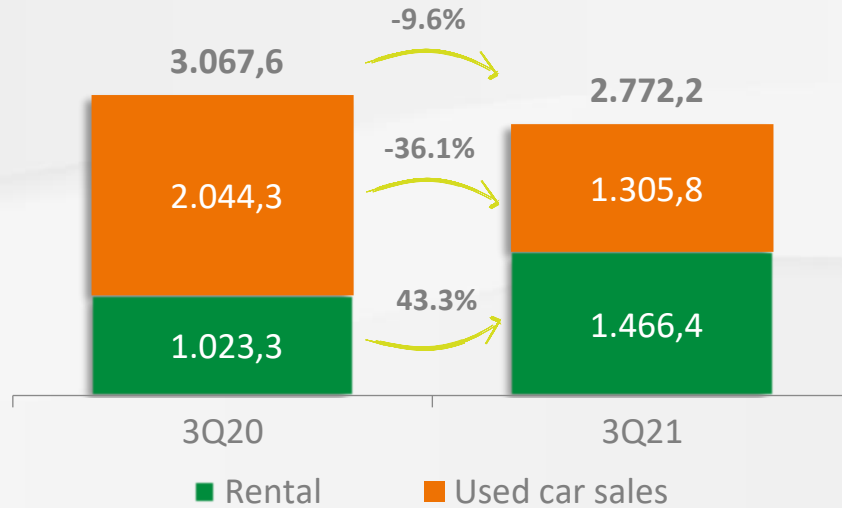
Fleet Rental



FINANCIAL HIGHLIGHTS

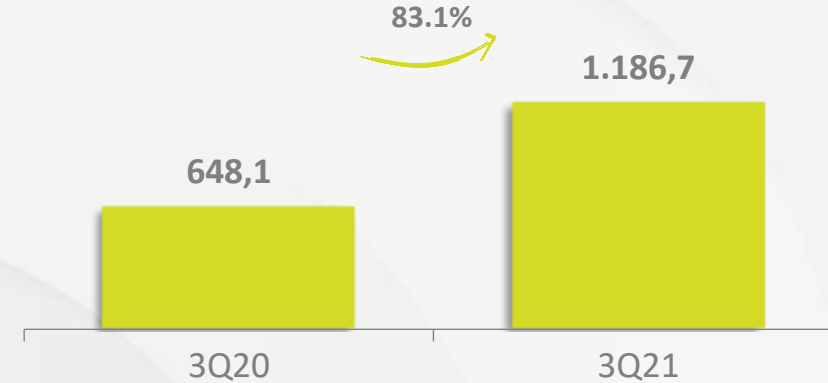
Net revenues

R\$ million



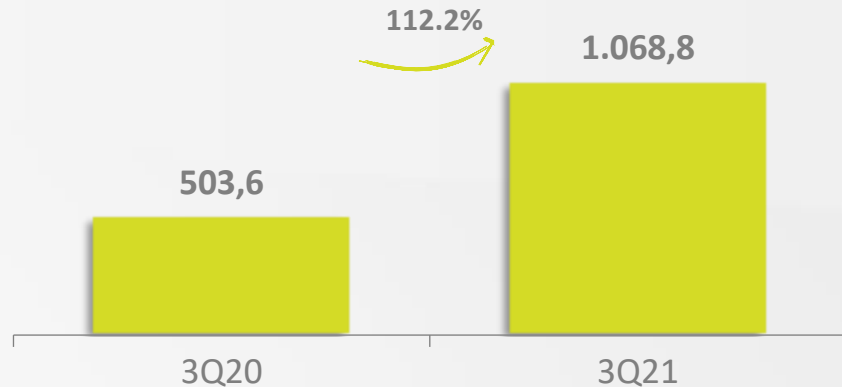
EBITDA

R\$ million



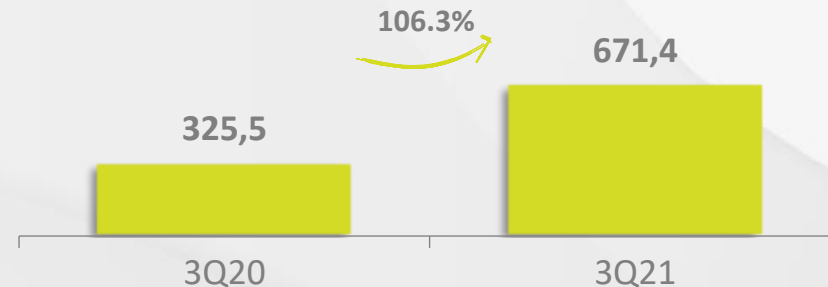
EBIT

R\$ million



Net income

R\$ million

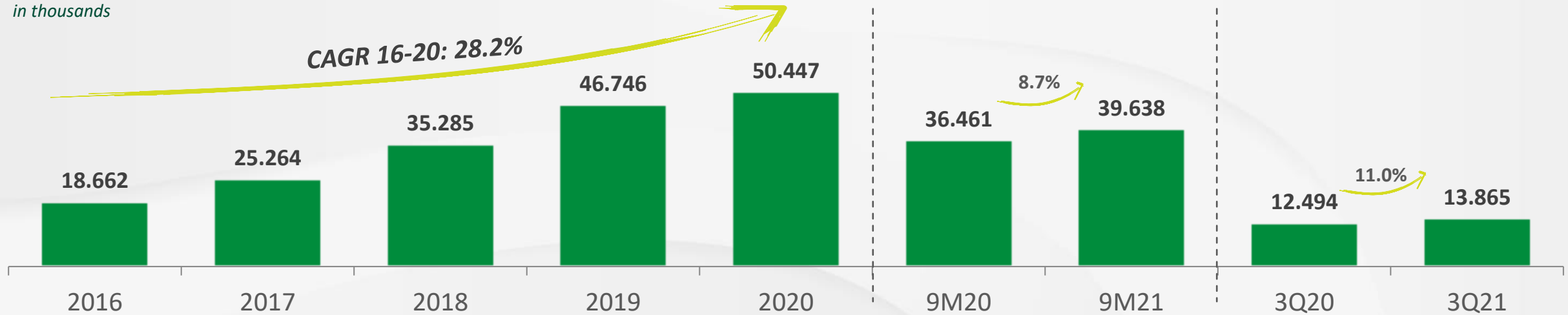


STRONG LEVELS OF PROFITABILITY WHILE THE FOCUS IS ON ADEQUATE ASSET MANAGEMENT AND CAPITAL ALLOCATION

CAR RENTAL

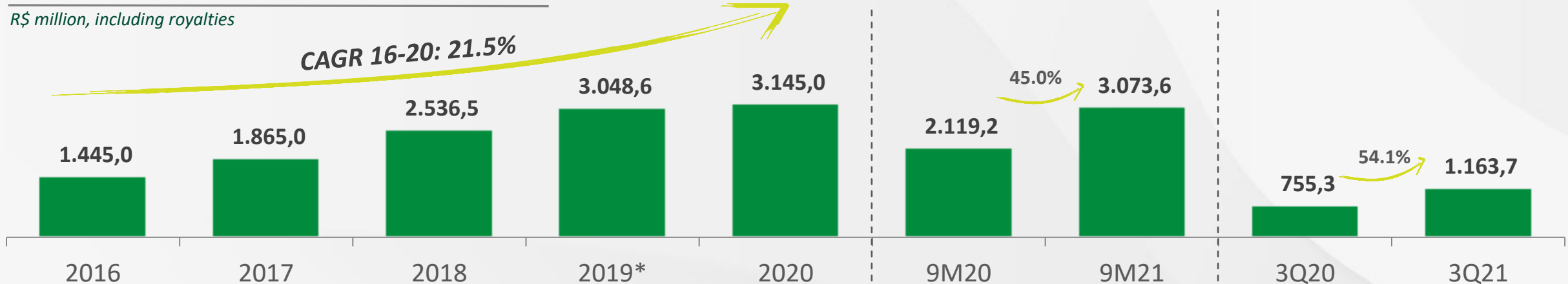
Number of rental days

in thousands



Net revenues

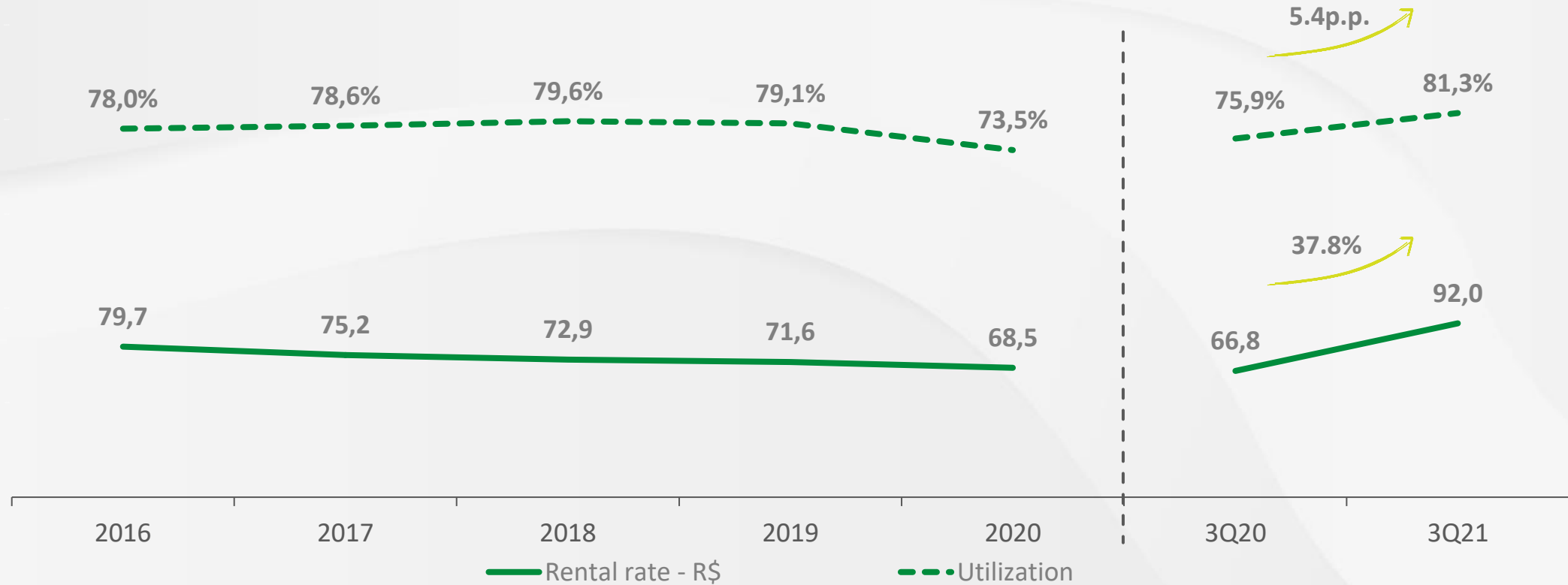
R\$ million, including royalties



(*) 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.

GROWTH RESUMPTION, EVEN IN A CONTEXT OF LIMITED CAR SUPPLY

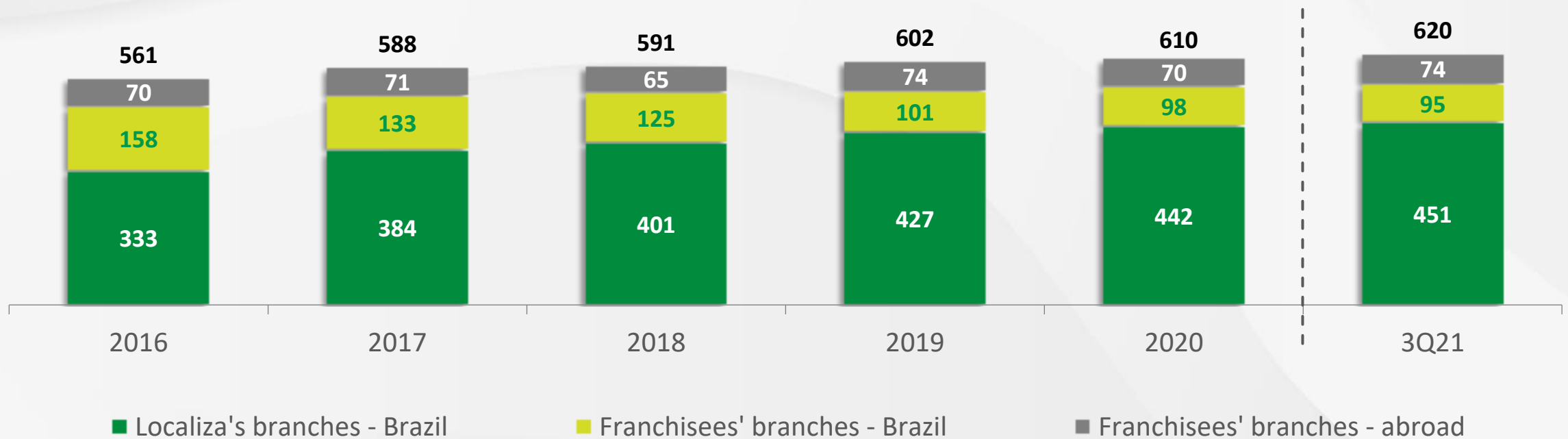
CAR RENTAL



UTILIZATION RATE ABOVE 81%, WHILE PRICE MANAGEMENT AND SEGMENT MIX CONTRIBUTE TO INCREASING AVERAGE DAILY RATE. AS A RESULT, RAC'S NET REVENUE PRESENTS STRONG GROWTH.

CAR RENTAL NETWORK EVOLUTION

Number of car rental locations - Brazil and abroad

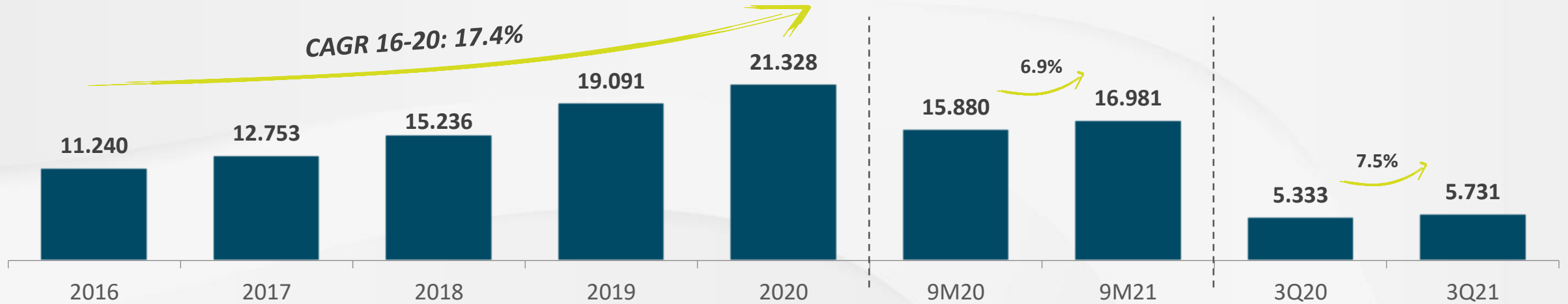


LOCALIZA'S OWN NETWORK EXPANDED BY 9 BRANCHES THIS YEAR

FLEET RENTAL

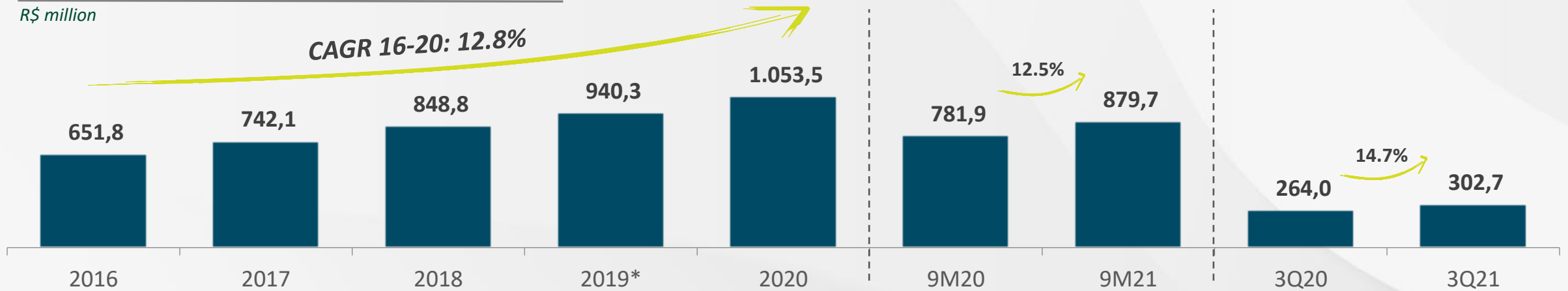
Number of rental days

in thousands



Net revenues

R\$ million



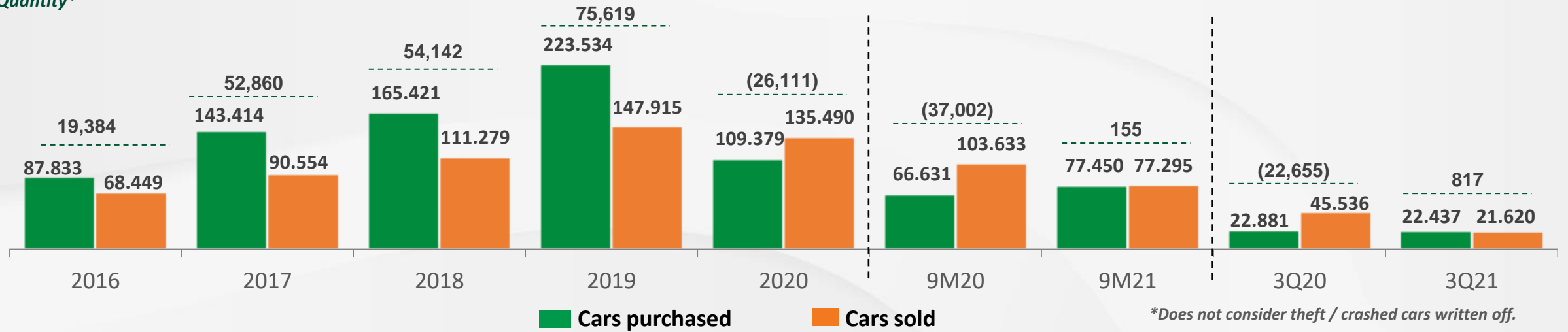
(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

7.5% INCREASE IN VOLUMES AND 8.4% IN AVERAGE RATES, RESULTING IN 14.7% INCREASE IN 3Q21 NET REVENUE.
ORDER'S BACKLOG CONTINUES TO GROW AND VOLUMES SHOULD INCREASE AS CAR PRODUCTION ACCELERATES

NET INVESTMENT

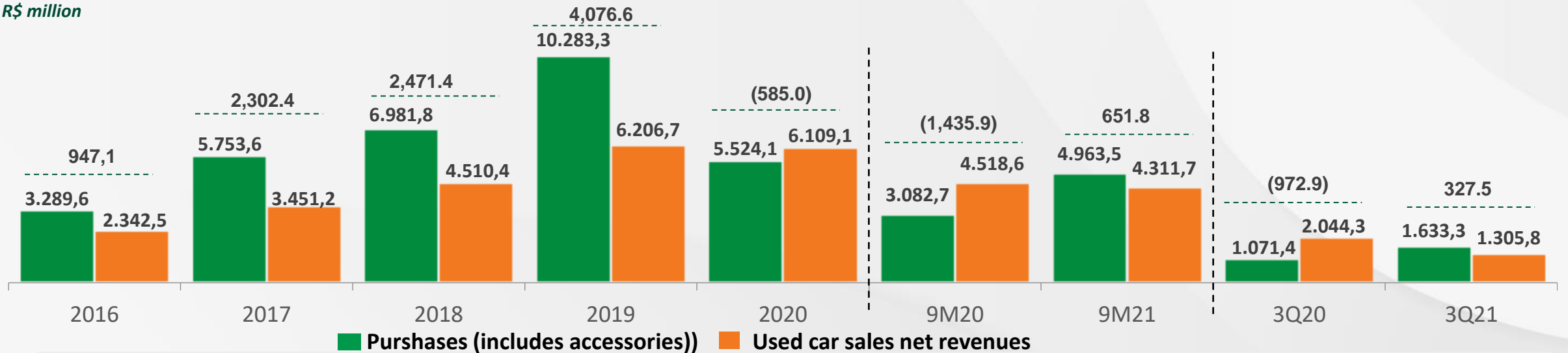
Car purchase and sales

Quantity*



Net investment in fleet

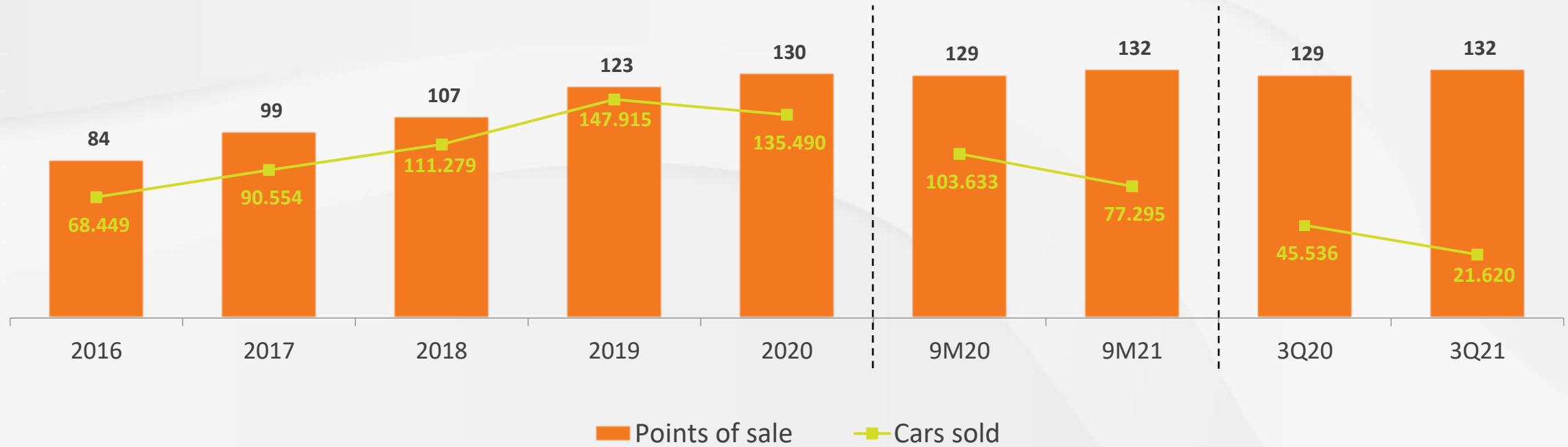
R\$ million



WITH THE RESTRICTED CAR SUPPLY, THE COMPANY PURCHASED 22,437 CARS AND MAINTAINED A REDUCED CAR DECOMMISSIONING, REACHING A NET PURCHASE OF 817 CARS IN 3Q21

SEMINOVOS

Number of points of sale and used cars

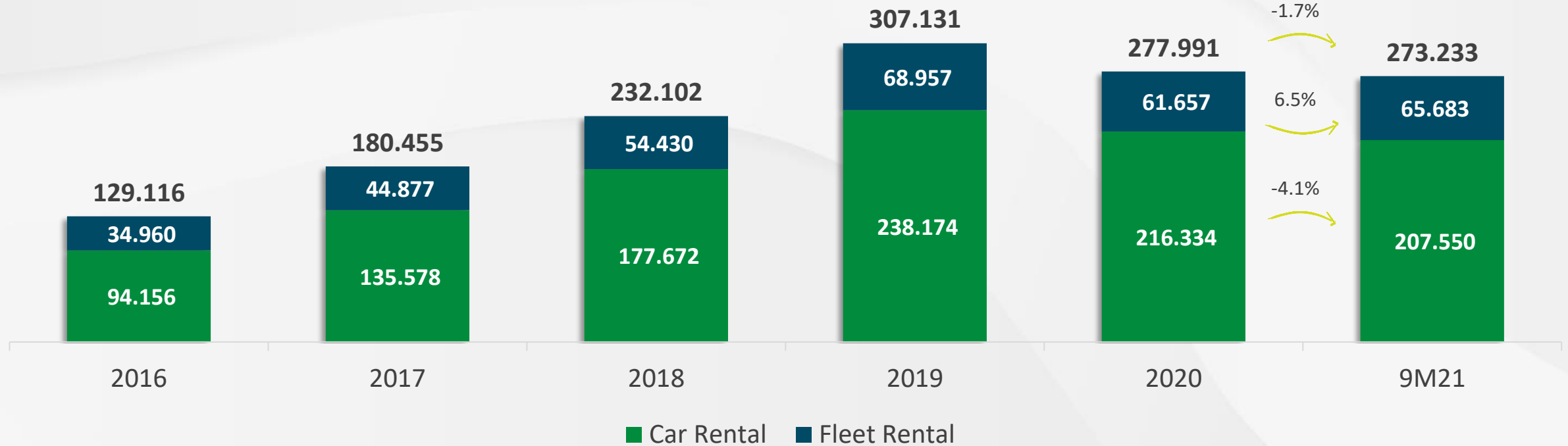


	2016	2017	2018	2019	2020	9M20	9M21	Var. %	3Q20	3Q21	Var. %
Average price of cars sold (R\$ thousand)	34.3	38.2	40.6	42.1	45.2	43.7	55.8	27.9%	45.0	60.5	34.5%

HIGHER SALES PRICES ARE OFFSETTING THE LOWER VOLUMES OF DECOMMISSIONED CARS

END OF PERIOD FLEET

Quantity

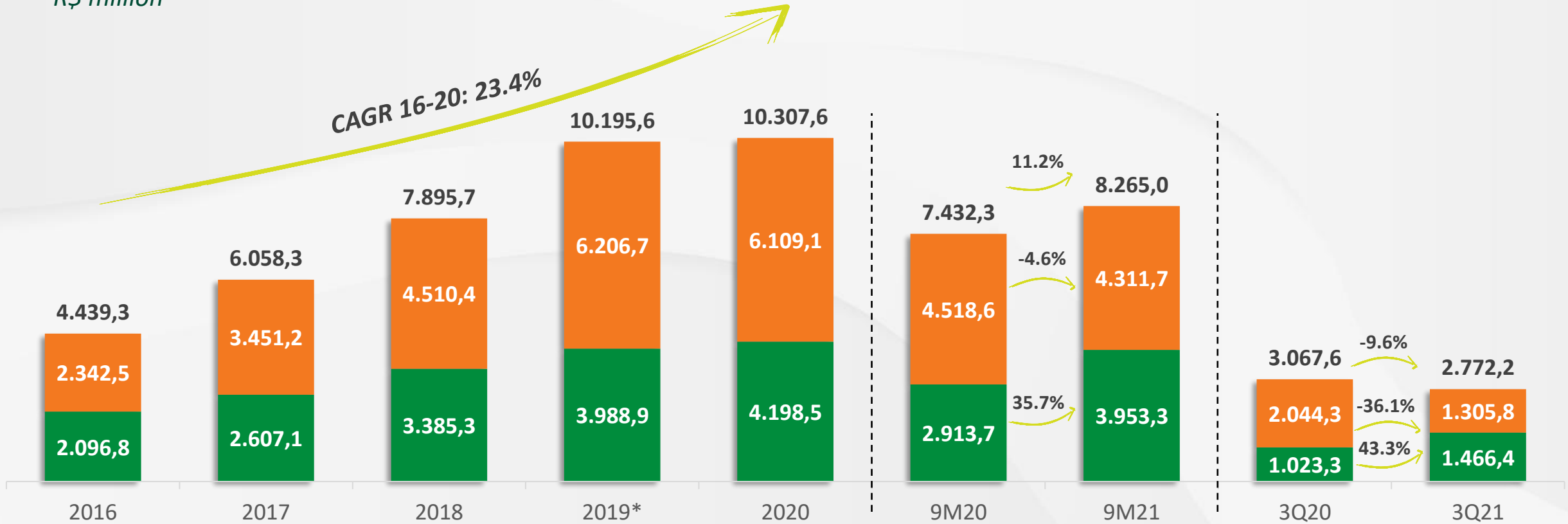


CAR RESTRICTION SCENARIO REMAINS AND THE COMPANY REMAINS AUSTERE IN THE CAPITAL ALLOCATION ,
REDUCING THE DECOMMISSIONING PACE, AIMING TO MINIMIZE THE IMPACTS ON THE FLEET SIZE

CONSOLIDATED NET REVENUES

R\$ million

CAGR 16-20: 23.4%



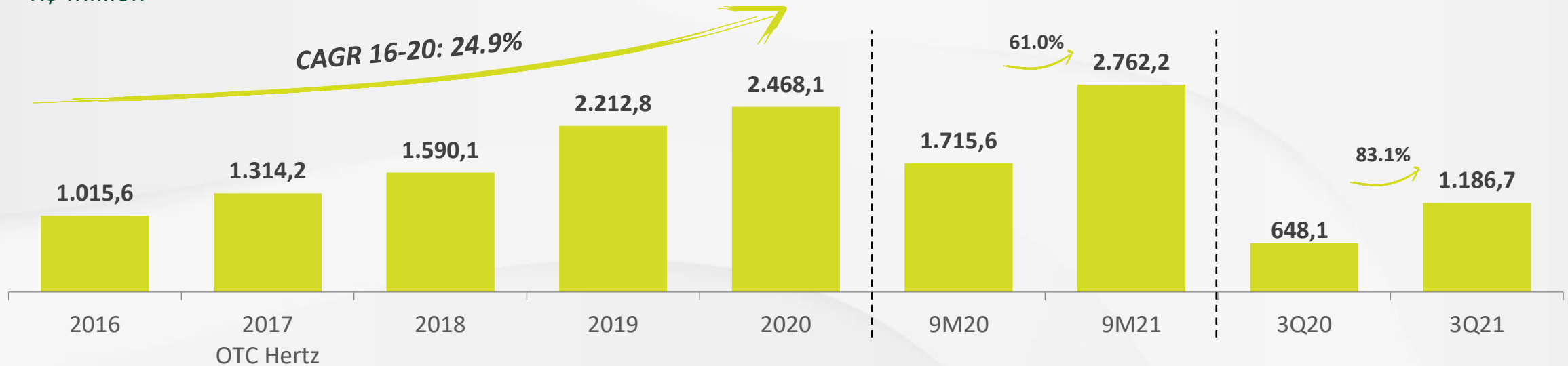
(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

■ Rental ■ Used car sales

RENTAL REVENUE INCREASES 43.3%, WHILE THE REVENUE OF USED CAR SALES DECREASES DUE TO THE LOWER CARS DECOMMISSIONING

CONSOLIDATED EBITDA

R\$ million



EBITDA margin:

	2016	2017*	2018	2019**	2020	9M20	9M21	3Q20	3Q21
Car Rental and Franchising	32.4%	34.9%	35.9%	45.7%	45.3%	47.3%	50.1%	42.9%	65.3%
Fleet Rental	64.5%	61.9%	64.0%	67.7%	72.4%	75.1%	63.4%	73.4%	60.8%
Rental Consolidated	42.3%	42.6%	43.0%	50.9%	52.1%	54.7%	53.1%	50.8%	64.4%
Used Car Sales	5.5%	5.9%	3.0%	3.0%	4.6%	2.7%	15.4%	6.3%	18.6%
Consolidated (on rental revenue)	48.4%	50.4%	47.0%	55.5%	58.8%	58.9%	69.9%	63.3%	80.9%

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

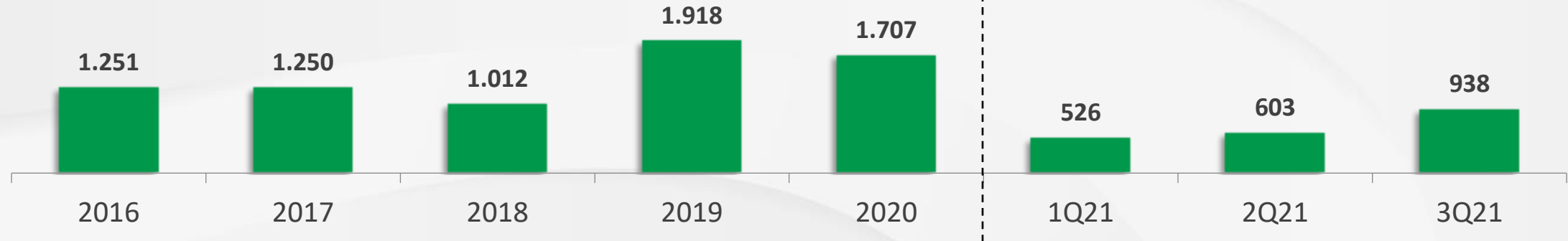
(**) From 2019, EBITDA margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period, in the Car Rental and Fleet Rental divisions

CONSOLIDATED EBITDA GROWS 83.1% YoY

AVERAGE ANNUALIZED DEPRECIATION PER CAR

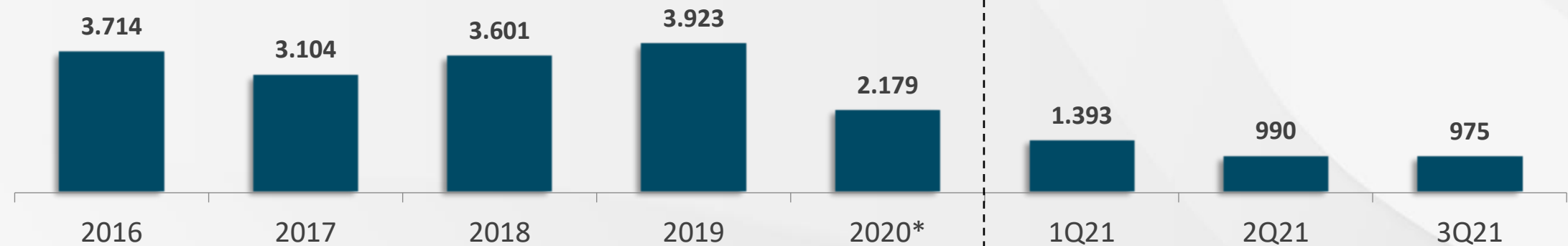
Car Rental

R\$



Fleet Rental

R\$

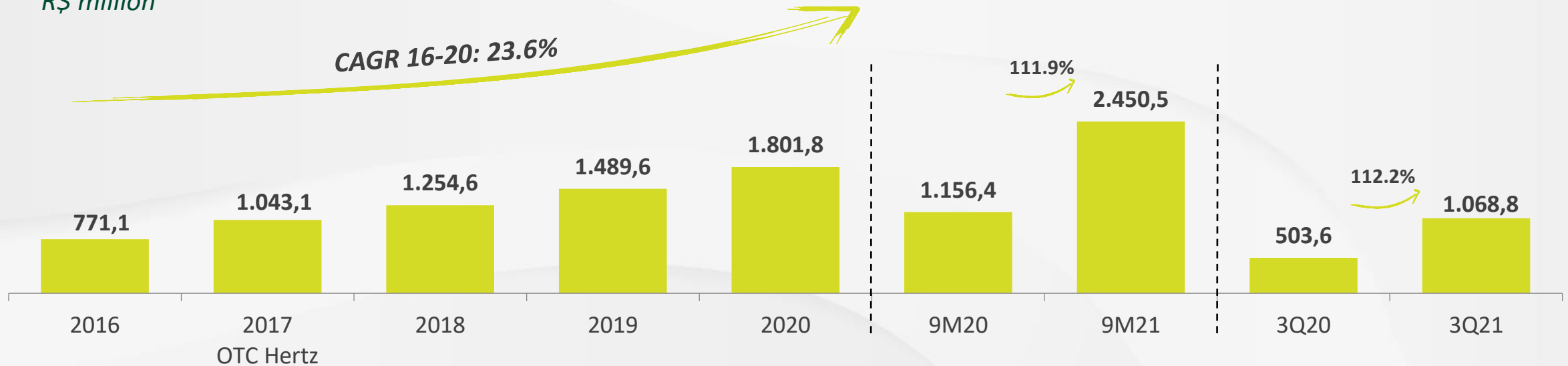


(*): Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

DESPITE THE LOWER PURCHASE PACE, THE FLEET RENEWAL RESULTS IN AN INCREASE IN CAR RENTAL DEPRECIATION
IN FLEET RENTAL DEPRECIATION STILL DECLINES SLIGHTLY

CONSOLIDATED EBIT

R\$ million



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

	2016	2017*	2018	2019**	2020	9M20	9M21	3Q20	3Q21
Car Rental and Franchising	30.2%	35.2%	33.2%	33.7%	35.1%	29.5%	59.3%	40.8%	72.7%
Fleet Rental	51.2%	51.4%	48.6%	49.1%	66.4%	67.4%	71.2%	73.4%	73.6%
Consolidated	36.8%	40.0%	37.1%	37.3%	42.9%	39.7%	62.0%	49.2%	72.9%

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

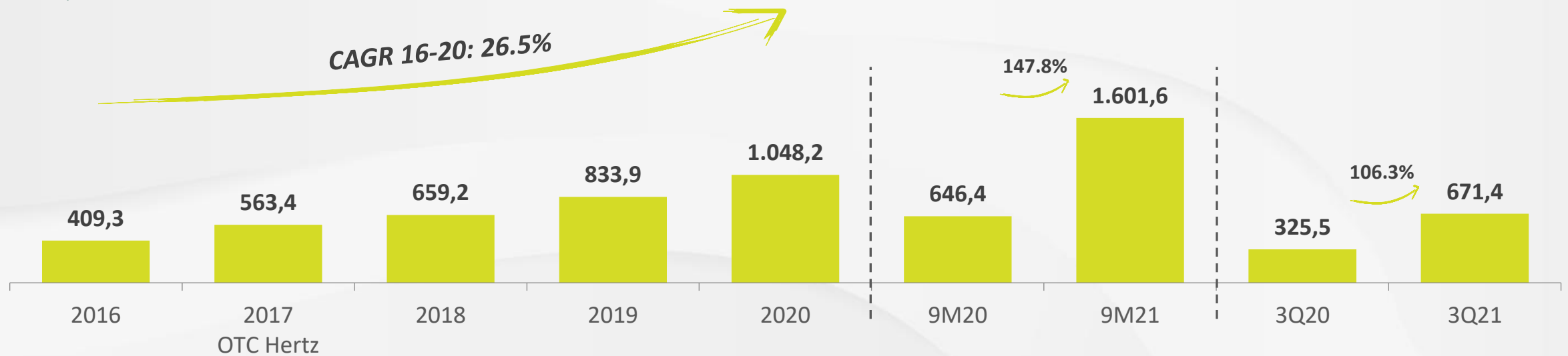
(**) From 2019, EBIT margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period

EBIT GROWS 112.2% IN THE ANNUAL COMPARISON

CONSOLIDATED NET INCOME

R\$ million

CAGR 16-20: 26.5%



EBITDA x Net income reconciliation	2016	2017*	2018	2019	2020	9M20	9M21	Var. R\$	Var. %	3Q20	3Q21	Var. R\$	Var. %
Consolidated EBITDA	1,015.6	1,314.2	1,590.1	2,212.8	2,468.1	1,715.6	2,762.2	1,046.6	61.0%	648.1	1,186.7	538.6	83.1%
Cars depreciation	(206.3)	(232.0)	(291.6)	(551.5)	(473.0)	(415.7)	(151.8)	263.9	-63.5%	(95.0)	(61.1)	33.9	-35.7%
Other property depreciation and amortization	(38.2)	(39.1)	(43.9)	(171.7)	(193.4)	(143.5)	(159.9)	(16.4)	11.4%	(49.5)	(56.8)	(7.3)	14.7%
EBIT	771.1	1,043.1	1,254.6	1,489.6	1,801.7	1,156.4	2,450.5	1,294.1	111.9%	503.6	1,068.8	565.2	112.2%
Financial expenses, net	(243.5)	(315.0)	(368.9)	(409.8)	(374.4)	(309.4)	(165.0)	144.4	-46.7%	(54.5)	(96.8)	(42.3)	77.6%
Income tax and social contribution	(118.3)	(164.7)	(226.5)	(245.9)	(379.1)	(200.6)	(683.9)	(483.3)	240.9%	(123.6)	(300.6)	(177.0)	143.2%
Net income of the period	409.3	563.4	659.2	833.9	1,048.2	646.4	1,601.6	955.2	147.8%	325.5	671.4	345.9	106.3%

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

NET INCOME GROWS 106.3% YOY, REACHING R\$671.4M IN THE QUARTER AND R\$1,601.6M YEAR-TO-DATE

FREE CASH FLOW

Free cash flow (R\$ million)		2016	2017	2018	2019	2020	9M21
Operations	EBITDA	1,015.7	1,314.2*	1,590.1	2,212.8	2,468.1	2,762.2
	Used car sale revenue, net of taxes	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(6,109.1)	(4,311.7)
	Net book value of vehicles written-off	2,102.5	3,106.6	4,198.5	5,863.6	5,599.9	3,530.3
	(-) Income tax and social contribution	(93.3)	(108.3)	(131.2)	(146.1)	(250.1)	(268.6)
	Change in working capital	(40.8)	(47.9)	(117.4)	(268.9)	103.5	(561.7)
Cash generated by rental operations		641.5	813.4	1,029.6	1,454.7	1,812.3	1,150.5
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	4,311.7
	Fleet renewal investment	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(5,524.1)	(4,953.6)
	Change in accounts payable to car suppliers for fleet renewal	219.8	227.6	250.1	468.7	235.1	(899.3)
	Net investment for fleet renewal	(1.2)	17.9	63.8	(129.2)	(402.1)	(1,541.2)
Fleet renewal – quantity		68,449	90,554	111,279	147,915	109,379	77,295
Investment, property and intangible		(40.9)	(28.8)	(42.8)	(70.0)	(108.0)	(109.0)
Free cash flow from operations, before fleet increase or reduction		599.4	802.5	1,050.6	1,255.5	1,302.2	(499.7)
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	1,222.2	(9.9)
	Change in accounts payable to car suppliers for fleet growth	26.8	168.7	509.4	23.6	(943.4)	48.0
	Acquisition of Hertz and franchisees (fleet value)	-	(285.7)	-	(105.5)	0.0	-
	Net investment for fleet growth	(699.2)	(1,924.0)	(1,775.7)	(3,560.6)	278.8	38.1
Fleet increase / (reduction) – quantity		19,384	52,860	54,142	75,619	(26,111)	155
Free cash flow after growth		(99.8)	(1,121.5)	(725.1)	(2,305.0)	1,581.0	(461.6)
Capex - non-recurring	Acquisitions and franchisees acquisition- except fleet value	-	(121.5)	-	(18.2)	(7.9)	(3.6)
	New headquarters construction and furniture	(85.7)	(146.2)	-	-	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		(185.5)	(1,389.2)	(725.1)	(2,323.2)	1,573.1	(465.2)
Cash effects of receivables and anticipation of payables to suppliers (**)		98.0	88.3	(113.2)	(131.8)	(293.1)	256.4
Free cash flow before interest		(87.5)	(1,300.9)	(838.3)	(2,455.0)	1,280.0	(208.8)

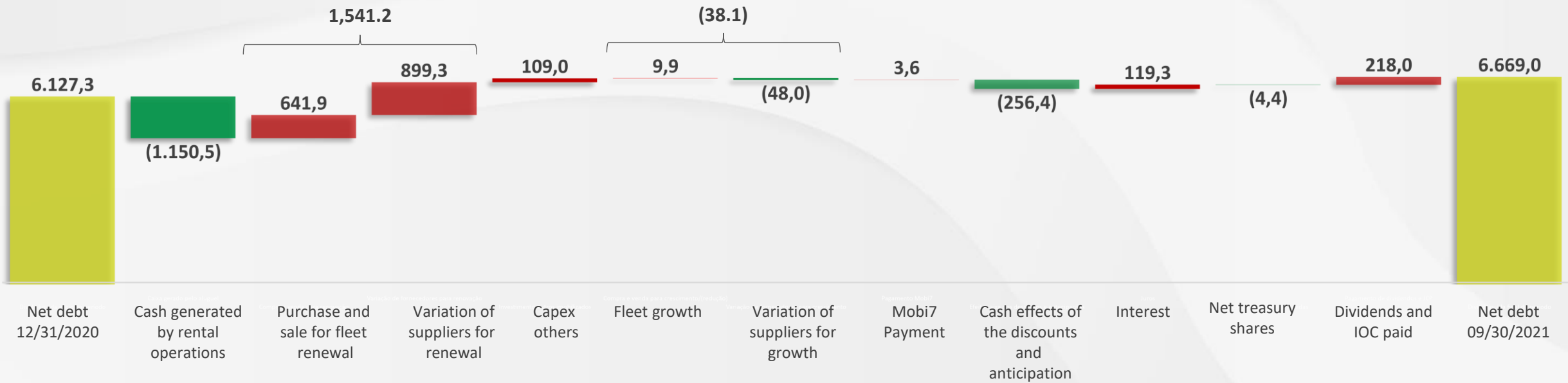
In the free cash flow, short-term financial assets were considered as cash

(*) 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

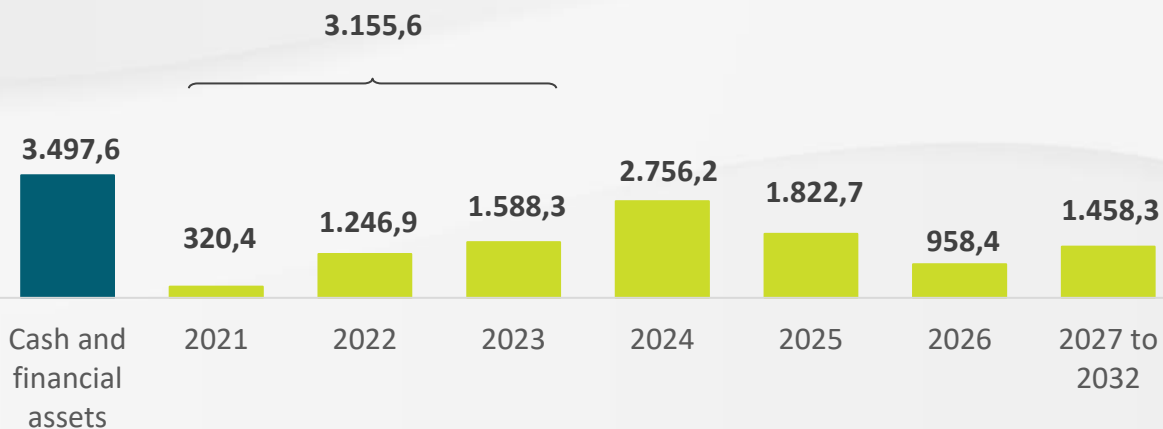


INCREASE OF ABOUT R\$484.1 MILLION IN NET DEBT AS A RESULT OF REDUCTION OF THE ACCOUNTS PAYABLE TO OEMS

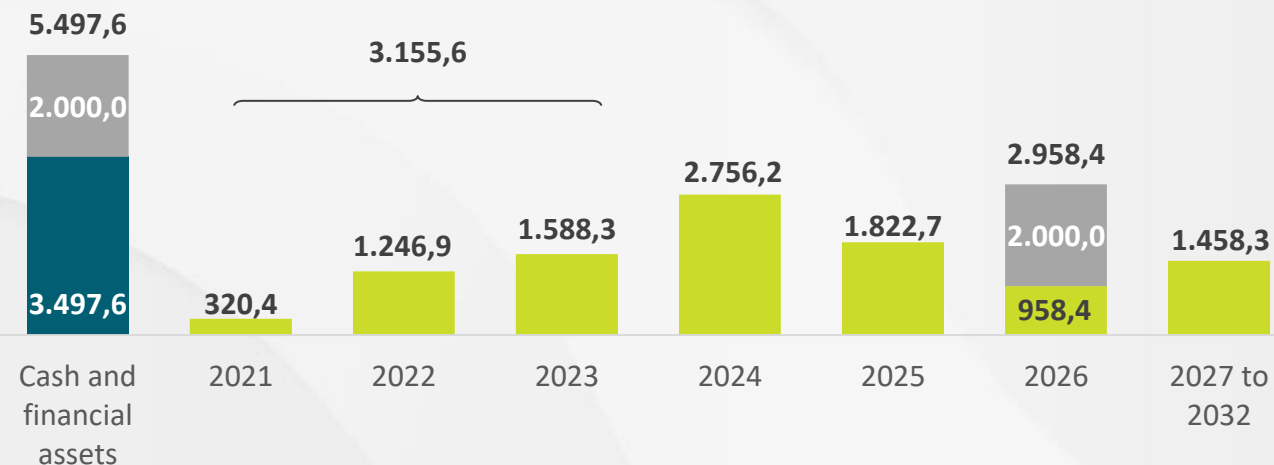
DEBT MATURITY PROFILE (PRINCIPAL)

R\$ million

As of September 30, 2021



Proforma after Oct/21 issuances



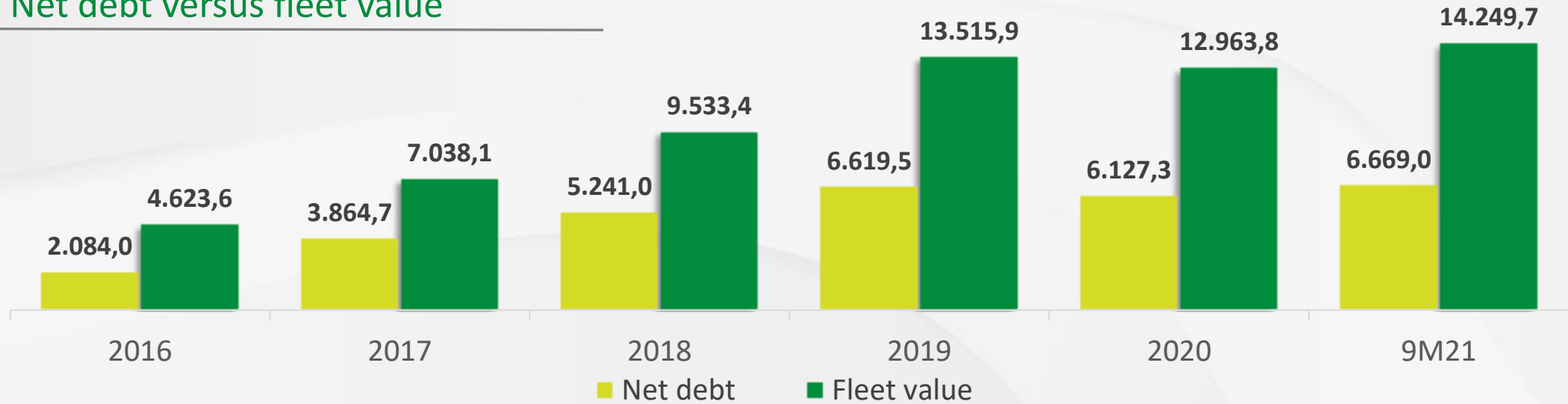
Type	As of 09/30/2021			As of 09/30/2021 – proforma after Oct/21 issuances		
	Pre	%CDI	CDI+	Pre	%CDI	CDI+
Balance R\$ million	2,006.5	3,407.6	4,932.7	2,006.5	3,407.6	6,932.7
Percentage by type	19.4%	27.6%	40.0%	16.3%	27.6%	56.2%
All in average cost	6.54%	109.42% CDI	CDI+1.82%	6.54%	109.42% CDI	CDI+1.68%

STRONG LIQUIDITY POSITION AND ACTIVE DEBT PROFILE MANAGEMENT

DEBT RATIOS

R\$ million

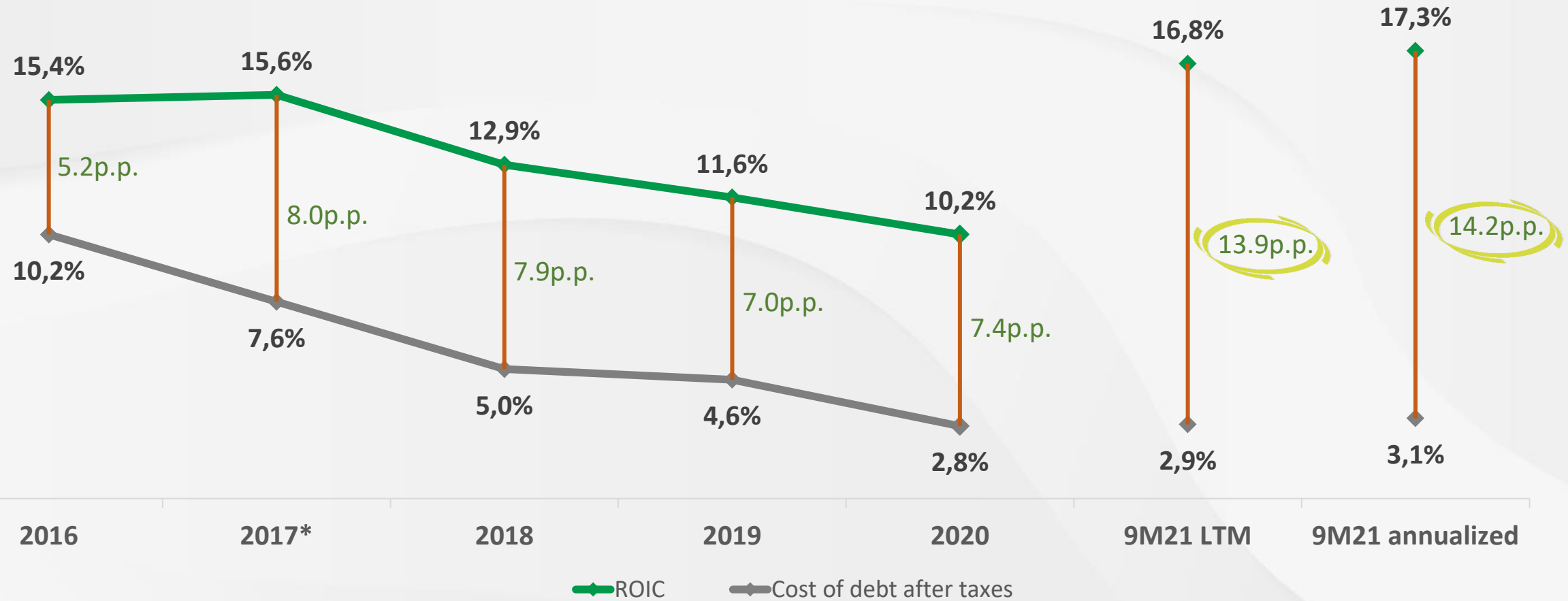
Net debt versus fleet value



BALANCE AT THE END OF PERIOD	2016	2017	2018	2019	2020	9M21 LTM
Net debt/Fleet value (book value)	45%	55%	55%	49%	47%	47%
Net debt/EBITDA	2.1x	2.9x	3.3x	3.0x	2.5x	1.9x
Net debt/Equity	0.9x	1.5x	1.7x	1.2x	1.0x	0.9x
EBITDA/Net financial expenses	4.2x	4.2x	4.3x	5.4x	6.6x	15.3x

9M21 ENDED WITH A NET DEBT / LTM EBITDA RATIO OF 1.9X

ROIC VERSUS COST OF DEBT AFTER TAXES



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

ROE considered quarterly 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, EVEN THOUGH IN AN EXTREMELY ADVERSE SCENARIO
LTM ROE OF 30.7%

Thank You!

Disclaimer

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