

INVESTOR RELATIONS PRESENTATION

4 Q 2 3

L&CO **50** anos



Localiza&co

- 1. COMPANY OVERVIEW
- 2. MAIN BUSINESS DIVISIONS
- 3. COMPETITIVE ADVANTAGES
- 4. FINANCIALS

PHASE I: PATH TO LEADERSHIP

PHASE II: EXPANSION

PHASE III: BUILDING UP SCALE

PHASE IV: DIGITAL TRANSFORMATION

1973

Founded in Belo Horizonte with 6 VW beetles

1983

Franchising Strategy

1992

Internationalization through Franchising

1999

Expansion strategy by agencies: Fleet Rental

2019

Follow-on of R\$1,8B

2021

Launch of Localiza Zarp

2023

Follow-on of R\$4,5B and Mexico expansion

1979

Expansion to 11 capital cities



Market leader in 1981

1991

Seminovos' creation

1997

DL&J Private Equity firm purchases 1/3 of the Company
Market Cap US\$150mm

2005

IPO with a Market Cap of US\$295mm

2020

Locamerica merger announcement
Subscription car launch – Meoo

2022

Merger closing with Locamerica – jul/22
Launch of new corporate brand

Market Cap of US\$13.8 bi in Dec/23

6
(1973)



1,970
(1983)



5,080
(1993)



24,700
(2003)



118,000
(2013)



657.612
(4Q23)



+657K

End of period fleet



+ 107K

Cars Purchased



56K

Cars sold



712

Locations in Brazil and Latin America



215

Seminovos' Stores



+20K

Employees in Latin America

RENT3

+ R\$67Bn

Market Cap. (December/2023)



+ R\$7.9Bn

Net Revenues



7.7 p.p.

ROIC – KD after tax (5-year average)

OUR COMPANY IS IN
CONTINUOUS AND
CONSISTENT EVOLUTION
MOVEMENT BECAUSE WE
NEVER STOP LOOKING AT
THE ESSENTIAL: OUR
**CUSTOMERS, OUR
EMPLOYEES, OUR RESULTS**

**AND THESE ARE THE PILLARS
OF OUR CORPORATE CULTURE**



Localiza&co

To simplify, to amaze. **To get there.**



People that inspire

We foster and treasure our team, encouraging high performance

We genuinely watch for each other, and enjoy the journey together

We ramp up as one, in trust and open exchange, owning up to the final call



Customer that we love

We prioritize our clients and cultivate long-term bonds

We amaze by prioritizing the uncomplicated and unforeseen

We put forth from our customer's needs, and evolve from experimentation



Results that are remarkable

We breed remarkable value, through long-term vision

We do more with less, increasing productivity

We make our mark, contributing towards a more sustainable, diverse and inclusive world



Ownership mentality

We act boldly, fiercely and within a mindset of humility

We make agile decisions and act responsibly upon our autonomy

We search restlessly for excellence in simplicity

Ethics and trust

We do the right thing and care for our reputation

Localiza&co

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- 2. MAIN BUSINESS DIVISIONS
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- 4. FINANCIALS



BUSINESS PLATFORM



- 348,553 (347,287 Brazil and 1.266 Mexico) cars
- 712 Locations in Brazil and Latin America



- 309,059 cars in the fleet, including light vehicles, subscription cars, heavy vehicles, agro and special.



Customer Centricity Platform Synergies:

Bargaining Power
Cost reduction
Cross Selling



- 37.2% sold to final consumers (accumulated 2023)
- 215 stores in 101 cities in Brazil



- Over 10 thousand automotive workshops as partners and 15 thousand Localiza+ active clients;
- Telemetry solutions to optimize fleet management;
- Corporate travel platform with VOLL;
- Mexico expansion.



BUSINESS PLATFORM – CAR RENTAL



Individuals

Short- and long-term rental for individuals, in and out of airports



Zarp

Mobility solutions for app drivers



Companies

Short- and long-term rentals for individuals associated with corporations



Replacement

Replacement rental car for several insurance companies in Brazil



BUSINESS PLATFORM – FLEET RENTAL



Fleet Rental

Fleet rental and outsourcing solution for SMEs, as well as large corporations.



Localiza Meoo

Subscription car, democratizing new car access without purchase costs



Agro

Pickups and Off-Roads, bringing solutions for agribusiness



Heavy vehicles

Rental of heavy vehicles with a duration of 12 to 84 months, bringing productivity and operational solutions.



Special Vehicles

Best-in-class for adaptation and customization of special vehicles.



BUSINESS PLATFORM – SEMINOVOS



Support area

Support area to optimize asset turnover,
reducing dependence for intermediaries



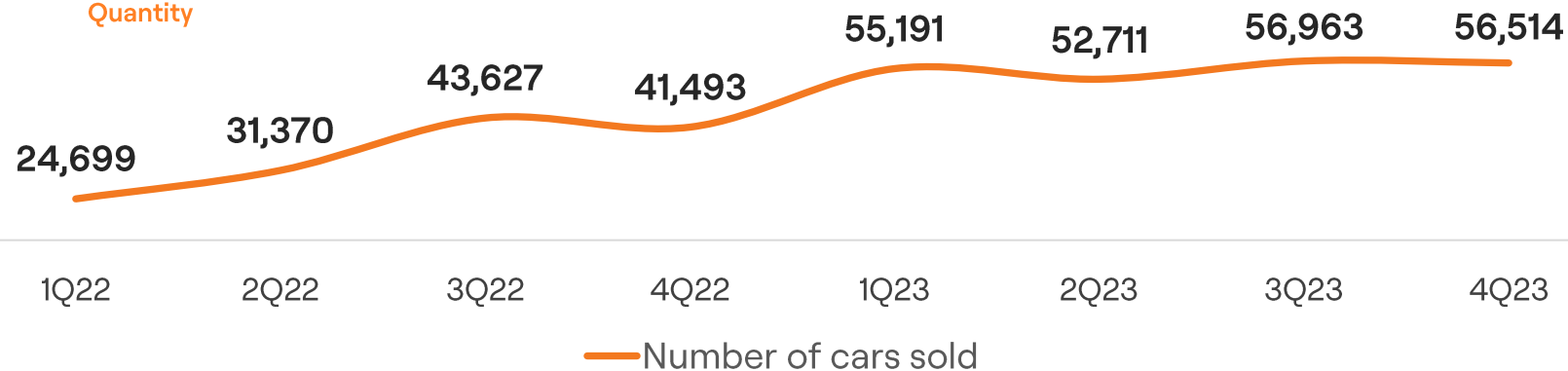
Sales channels

Retail sales, reaching the end consumer,
and through a number of wholesale
partners



Evolution of sales

Quantity



- 1. COMPANY OVERVIEW
- 2. MAIN BUSINESS DIVISIONS
- 3. COMPETITIVE ADVANTAGES
- 4. FINANCIALS

Raising money

Better credit rating and financing conditions

Selling cars

Great capillarity and sales with better conditions



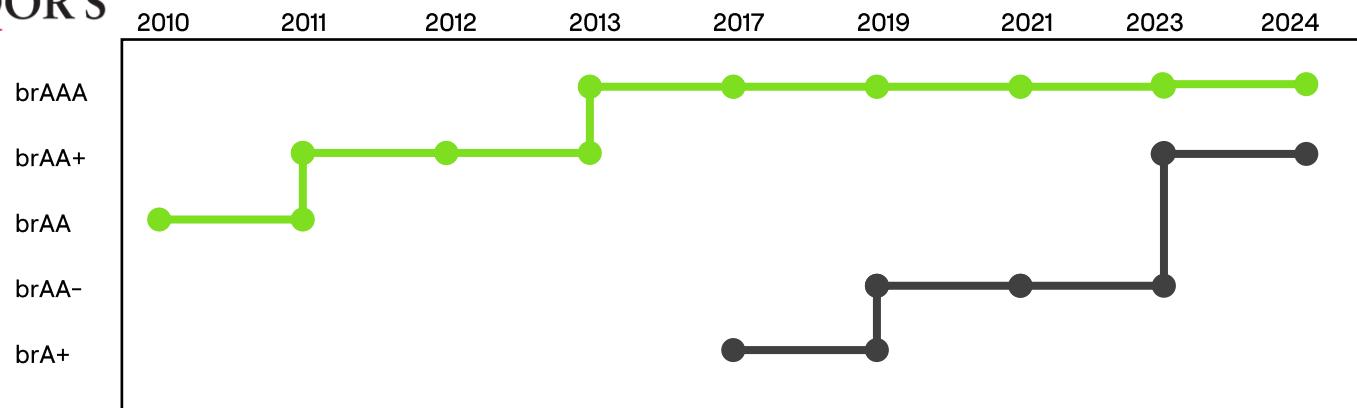
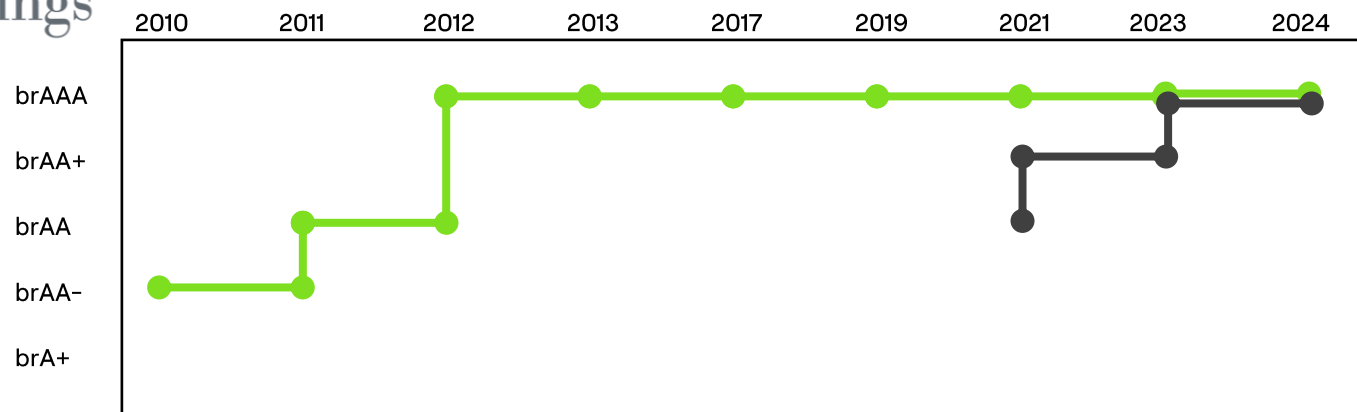
Buying cars

Main buyer in the sector and differentiated relationship with automakers

Renting cars

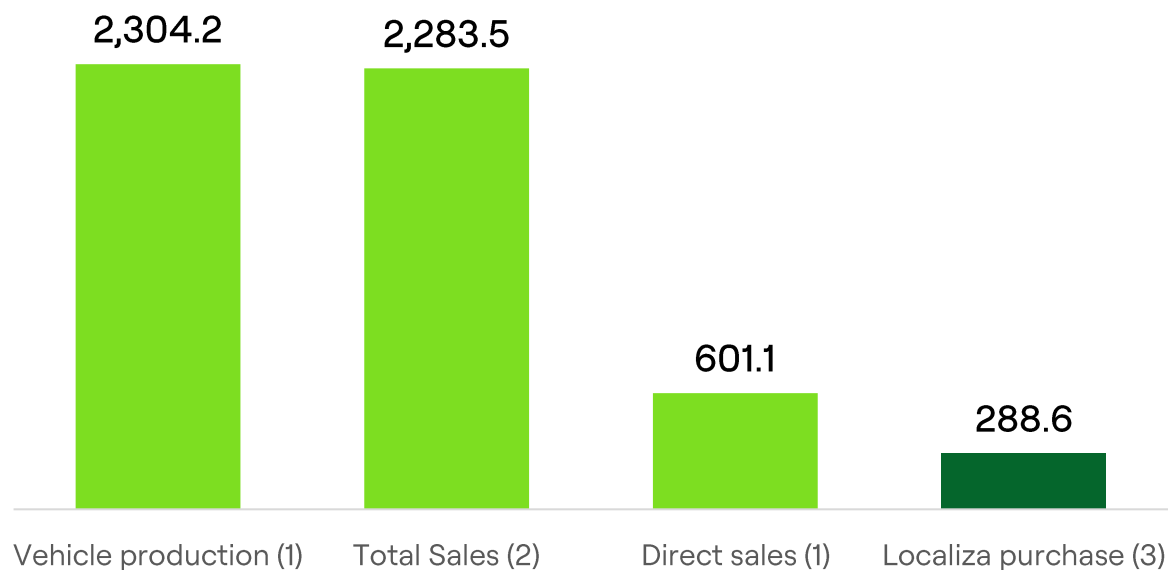
Top of Mind Company technology and market leader

Best credit rating in the industry

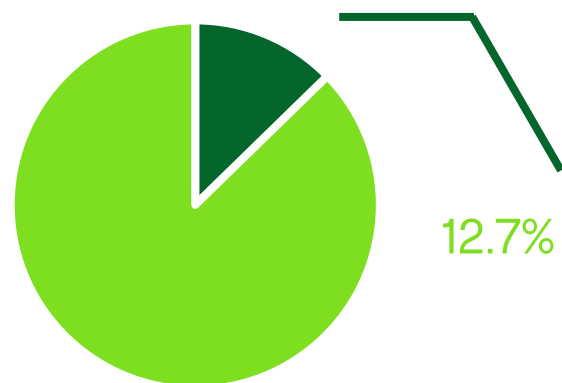
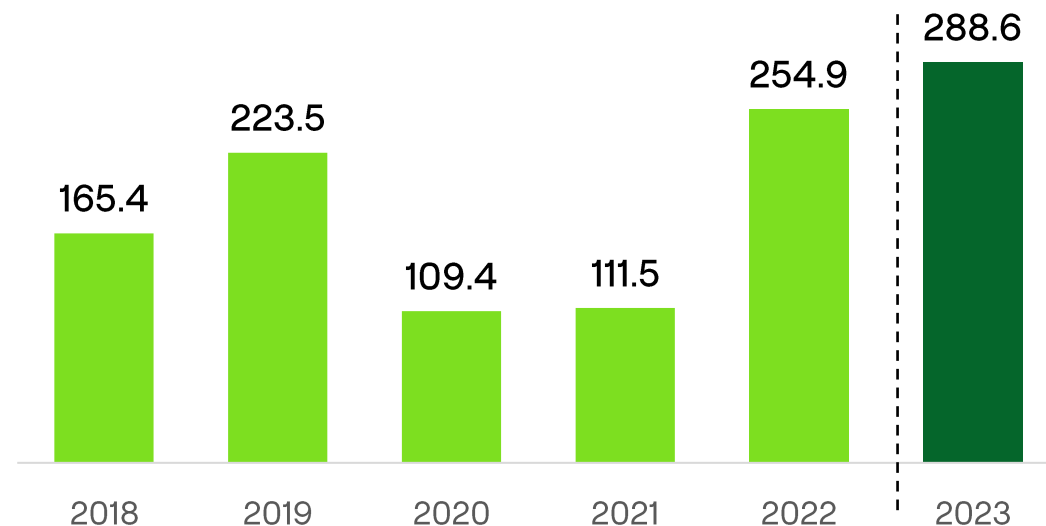
STANDARD
& POOR'SFitch
Ratings

Localiza&Co Player A

Distinguished relationship with automakers ⁽²⁰²³⁾



Largest car buyer



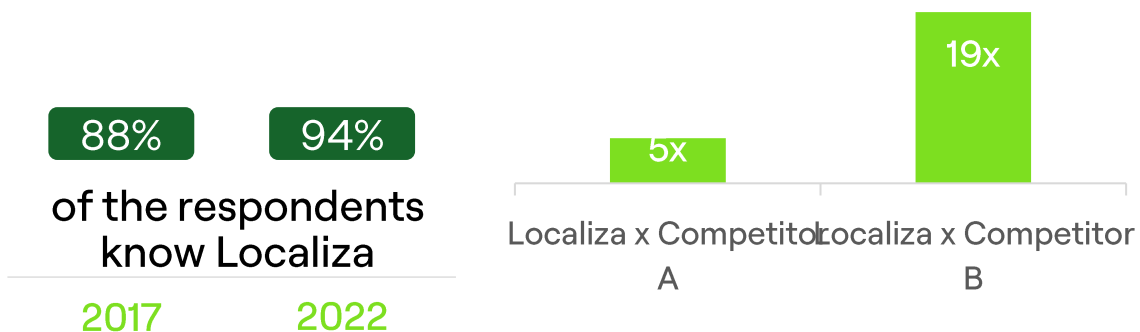
Operational Excellence in Purchasing

- Quality control of delivered cars
- Car licensing
- Shipping tracking
- Logistics management optimization



Brand Knowledge

Most Known Brand⁽¹⁾

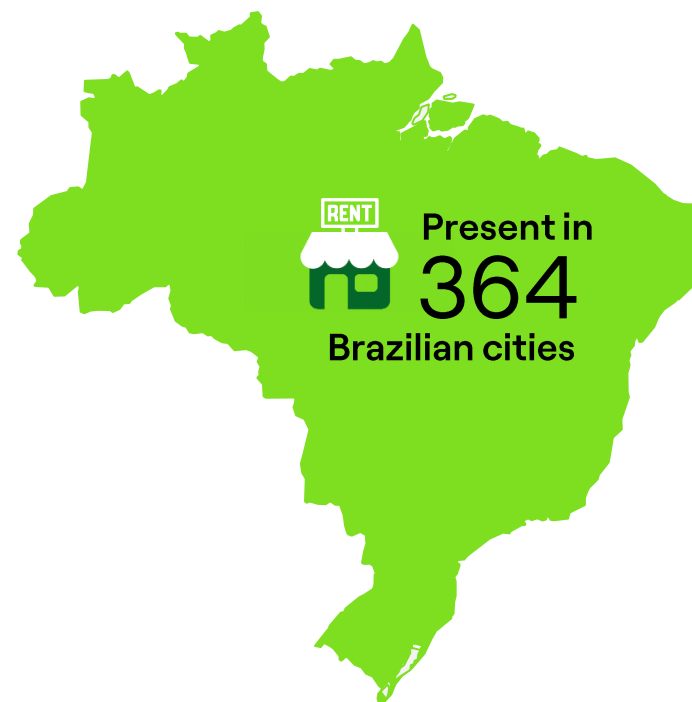


Leadership in all segments

Convenience with:



Proximity and capillarity (agências Brazil)



with **616** branches
532 operated by Localiza

vs **253** branches
Competitor A ⁽²⁾
187 branches
Competitor B ⁽²⁾

Closer to our clients

Source: (1) Quantitative research N=1600 respondents, EM 2.4% and CI 95;

(2) Publicly available information at the competitor's website

Customer Experience

Digital Journey

NPS in zone of excellence



Connected fleet

Mobile Solutions

Driver's area

Risk Management

- Excellence in credit and default through IoT
- Driver behavior with incentives for good use
- Default rate well below the national retail



The best subscription car according to Estadão.



... a Benefits Club full of advantages to enjoy every day...

re-invente
seu jeito
de ter carro

Car Purchase

Purchase price: BRL138 thousand

Sale price: BRL94 thousand*
*32% Depreciation (2 years)

Taxes + License.: BRL19 thousand

Insurance + Maint.: BRL12 thousand

Total in cash:
R\$63 thousand

Car Subscription

R\$138 thousand invested with 11.5% yield R\$33 thousand

Total in 2 years: BRL 171 thousand

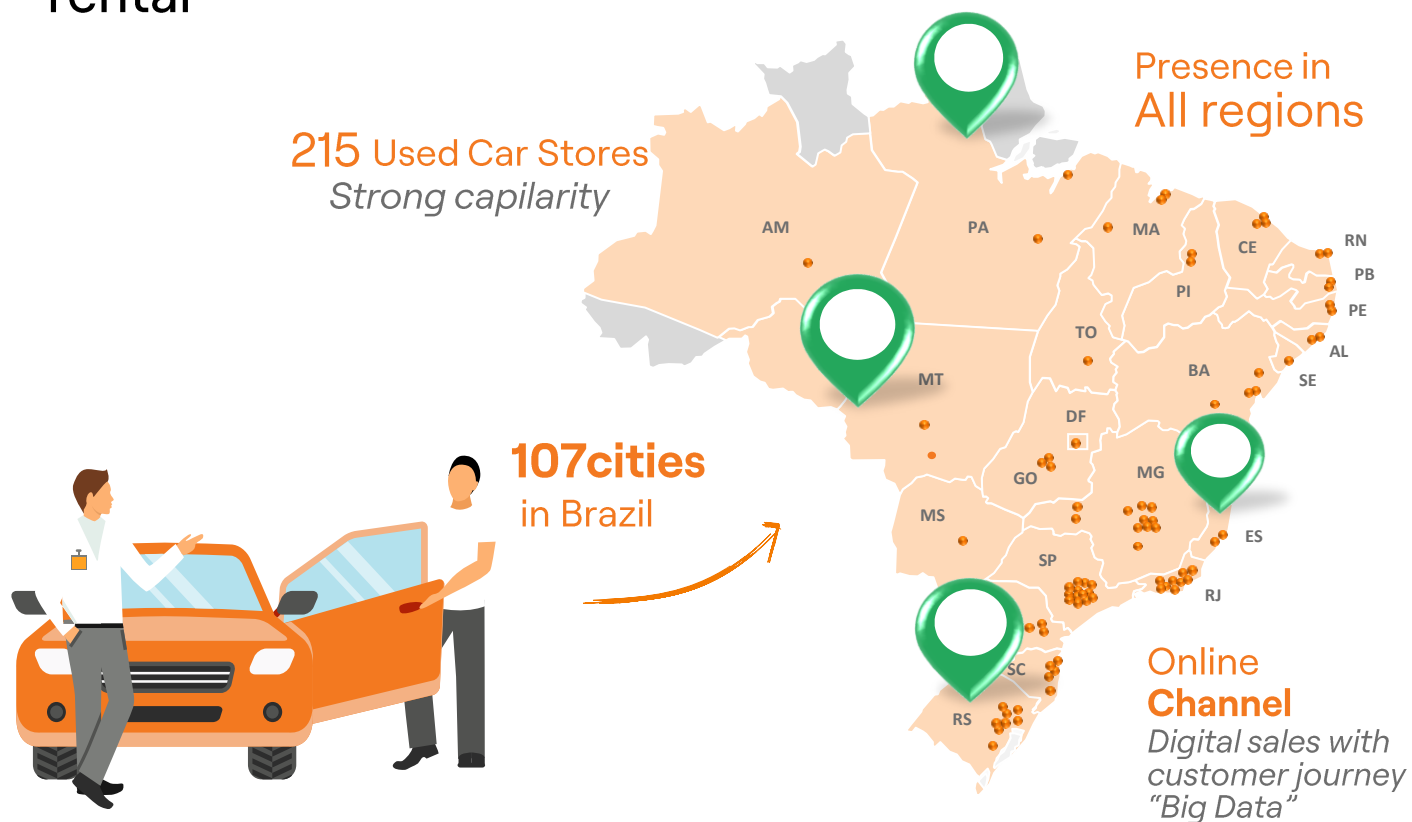
24 monthly payments: BRL 74 thousand

Total in cash:
R\$97 thousand

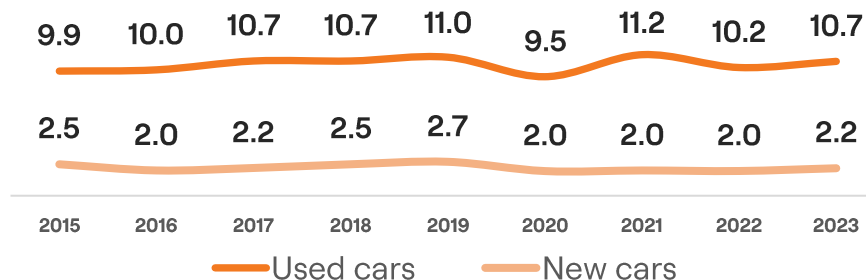


SELLING CARS

More productivity and market know-how to estimate the asset residual value and to price the rental



Huge market to be explored⁽¹⁾



Big data

Best understanding of customer preference
Pricing estimate
- Depreciation /+ Residual Value
Input for car purchase

Sales final consumer

Lower depreciation
Loyalty of customers, generating recurrency and recommendation



Value creation



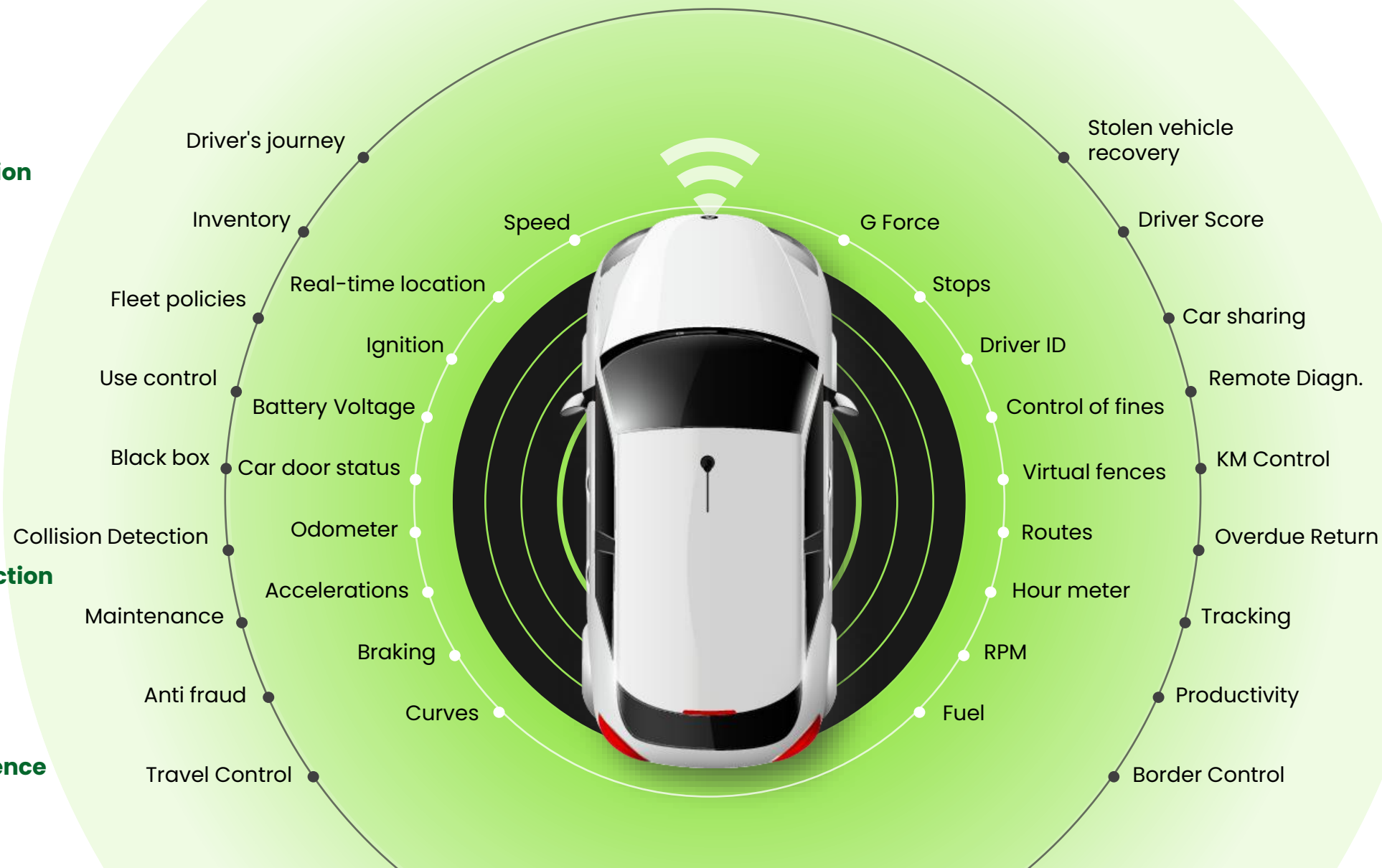
Fleet Rental



Asset protection



User experience



Emergency services



Logistics



Automation



Self service rental



Digital in the way of operating the business

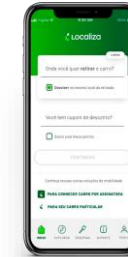


Technology and Data Science



Digital to delight our customers and employees

Digital journey



Localiza
Car Rental



Localiza
Meoo

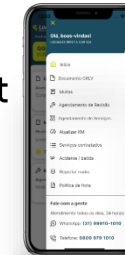


Localiza
Fast

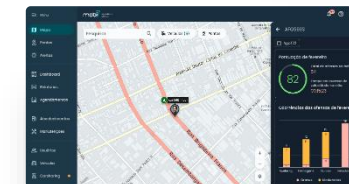
Localiza
Seminovos



Localiza Fleet
Rental



ZARP



Mobi7



Localiza +

ENVIRONMENTAL



- **95%** of Localiza's fleet is **bi-fuel (flex)**
- **100% internally fueled with ethanol**
- **Recommendation of refueling with ethanol**
- Possibility of reimbursement only for refueling with this fuel
- **5 million kWh of clean energy** generated
- **56% renewable energy** consumption
- Compensation of **scopes 1 and 2¹**
- **Gold seal** for the 3rd year of the GHG protocol
- Maintenance on **B3's ICO2**
- Launch of **Neutraliza** and Extension for Fleet Rental. **In RAC, +67 thousand tCO2 were compensated (scope 3)**
- Advances in **waste management** with a focus on **reverse logistics and valuation**
- 67% of RAC **interior washes performed dry**
 - **95% water savings** when compared to conventional washing technique

Awards and ratings

MSCI: A
Sustainalytics: Low Risk
 – Ranked 3rd out of 384 companies in Transportation
Best ESG – Exame



SOCIAL

- **Best Companies for Women to Work For** 
- **Women in Leadership Award** 
- **Join B3's IDIVERSA**, the first index focused on diversity in Latin America that brings together companies that stand out in terms of diversity in Brazil.
- **94% favorability** in terms of **diversity and inclusion²**
- Consolidated **diversity and inclusion program**
- Maintenance in the **TEVA Index⁴** (ticker **ELAS11**)
- **Best places for LGBTI+ people to work +** (Human Rights Campaign Foundation –HRC–)

GOVERNANCE

- New role of **leading independent director on the Board of Directors**, reinforcing independence
- **CEO and Board engagement agenda with our investors for ESG topics**
- Updating the **Sustainability Policy**
- Continuous improvement of performance indicators using **UN and SASB references**

Notes:

1 Referring to 2020

3 Which brings together companies that invest in the work environment with the best practices in human resources

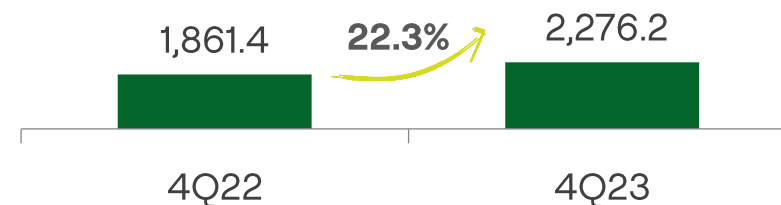
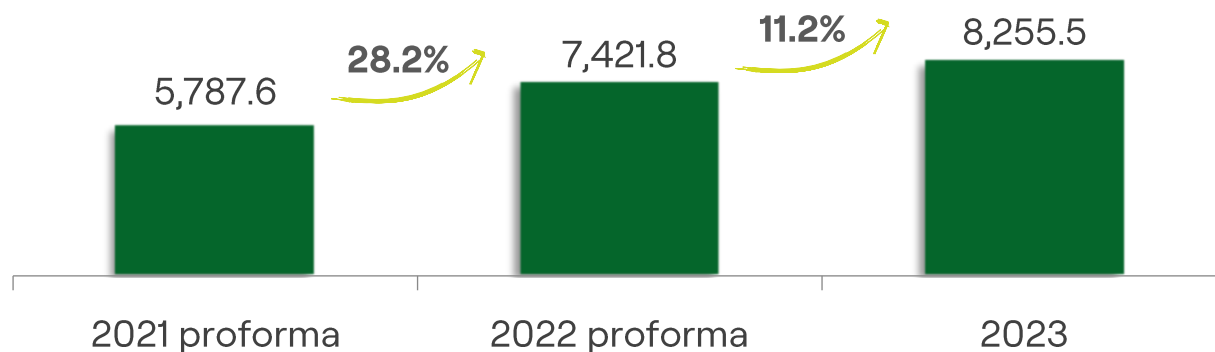
2 In the climate survey

4 Which brings together companies with more women in leadership positions

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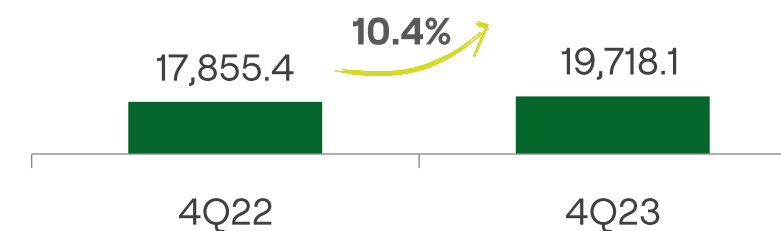
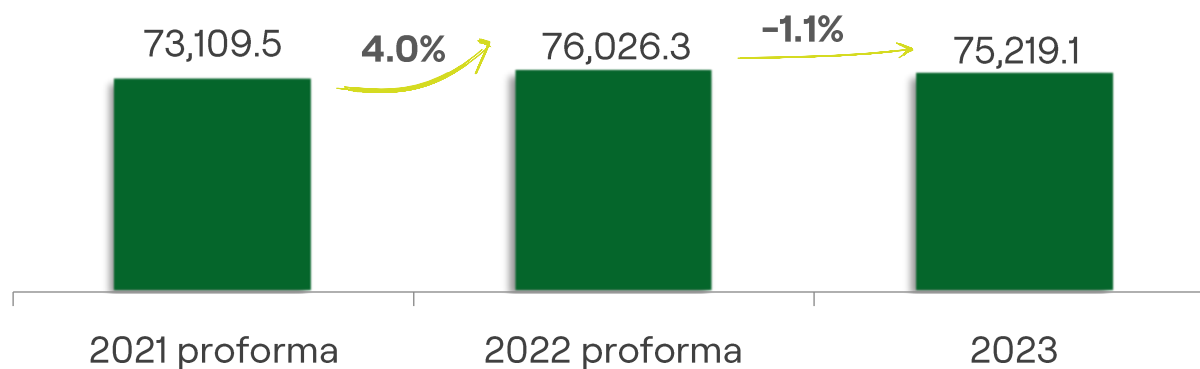
Net Revenue – Brazil

R\$ million, including royalties



Rental days – Brazil

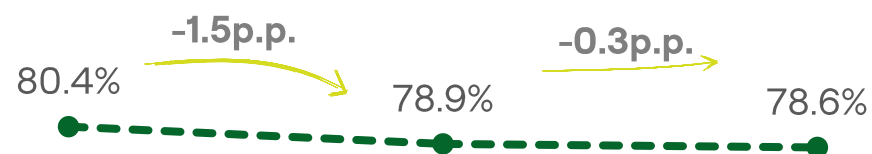
In thousands



GROWTH OF 22.3% IN NET REVENUE FOR THE QUARTER AND 11.2% IN THE ANNUAL COMPARISON, WITH THE RECOMPOSITION OF THE EFFECTS OF THE CARVE-OUT, BOTH IN VOLUME AND REVENUE

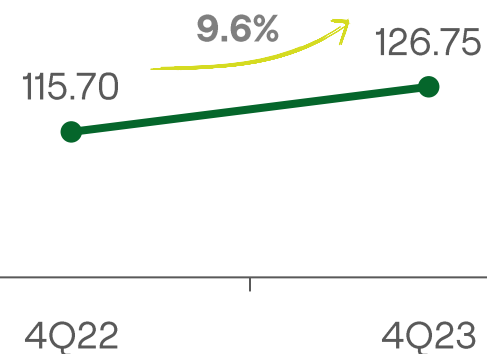
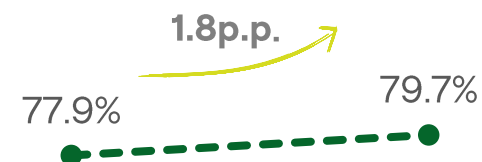
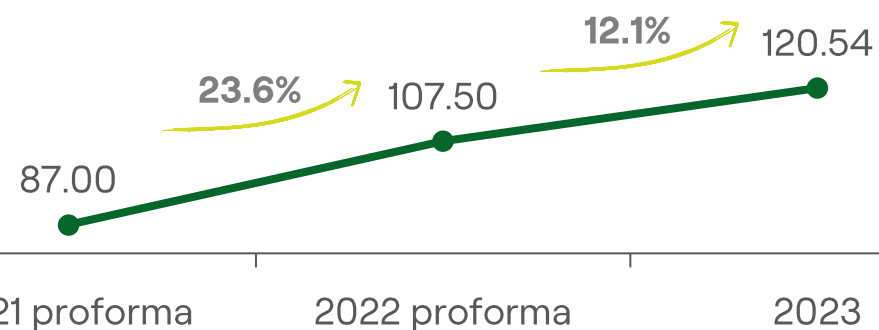
Utilization Rate - Brazil

%



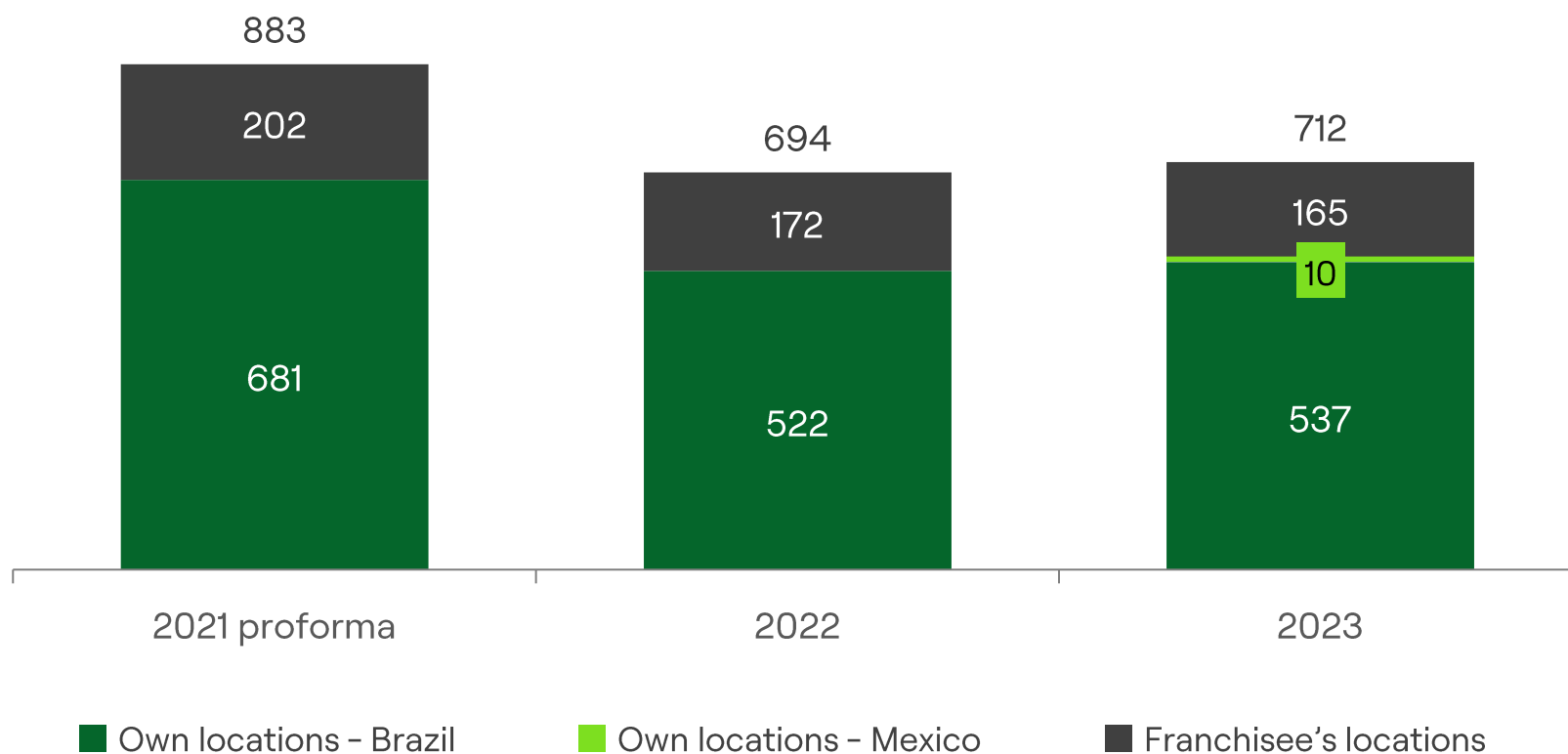
Rental Rate - Brazil

R\$



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

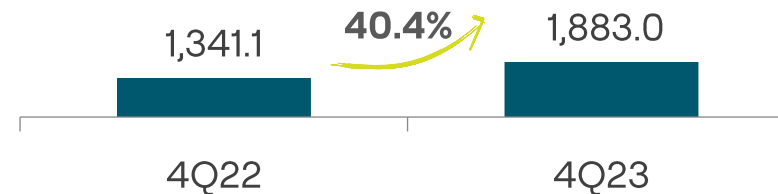
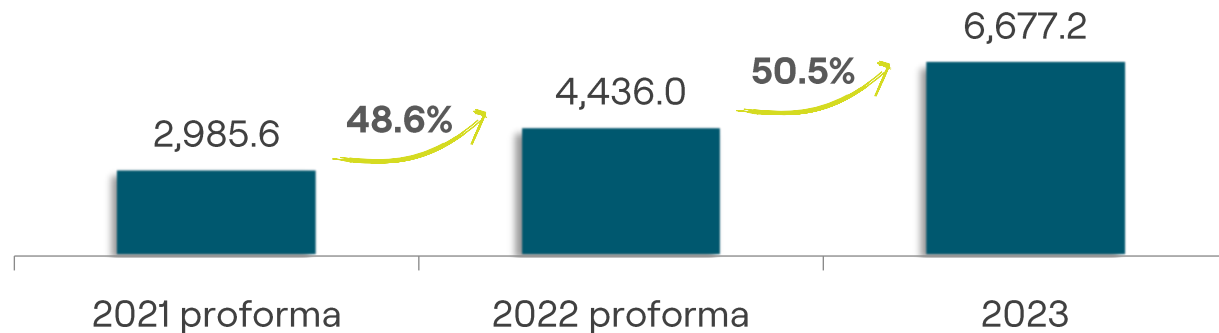
INCREASE IN AVERAGE RENTAL RATE WITH GAIN ON THE UTILIZATION RATE, EVEN IN A QUARTER WITH LARGE FLEET ADITION, REINFORCE THE COMPANY'S COMMERCIAL EXCELLENCE AND DEMAND RESILIENCE

Quantity

FROM 2021 TO 2023 THE COMPANY SHOWED ADVANCE IN THE RENTED FLEET, EVEN WITH A LOWER NUMBER OF LOCATIONS (DUE TO THE DISINVESTMENT REQUIRED BY CADE), RESULTED OF THE INCREASED PRODUCTIVITY PER LOCATION

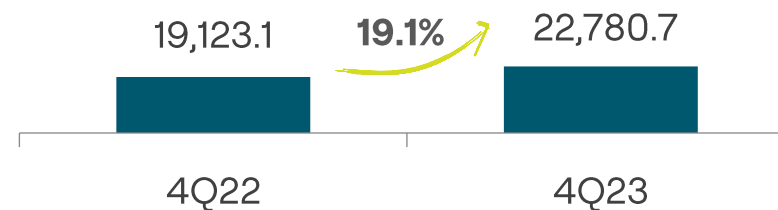
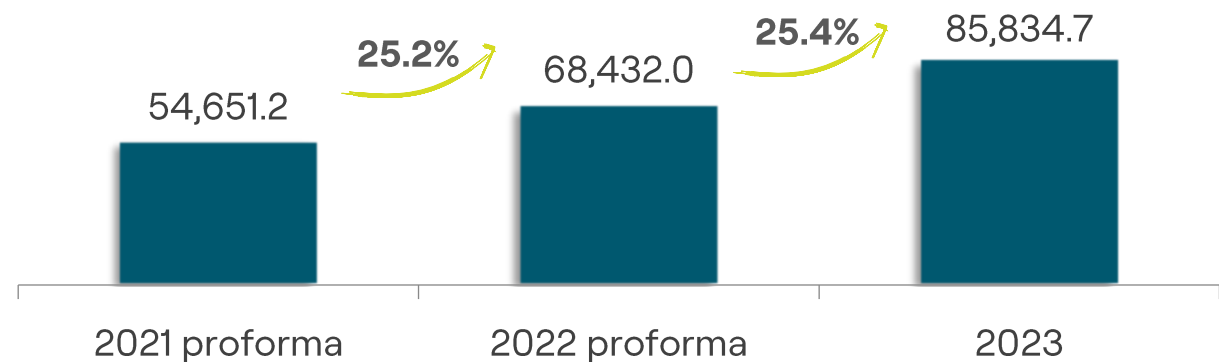
Net Revenue

R\$ million, including new initiatives' revenues



Rental Days

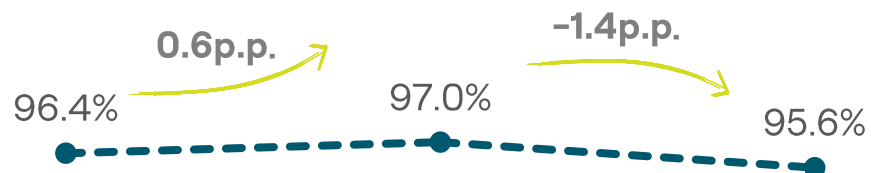
In thousands



ROBUST DEMAND IN FLEET RENTAL AND CAR'S SUBSCRIPTION, CONTRIBUTING TO THE 40.4% ADVANCE IN REVENUE IN 4Q23, COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR

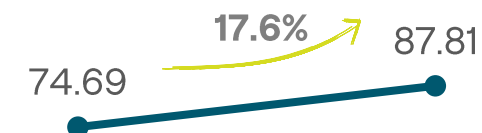
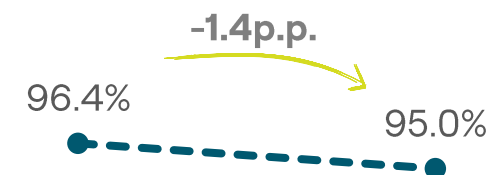
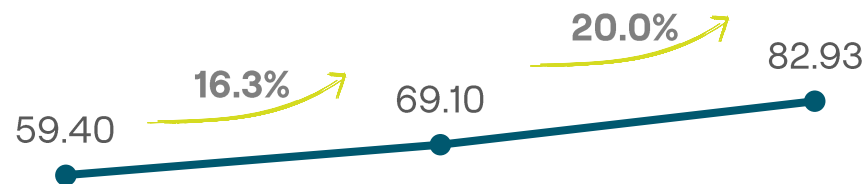
Utilization Rate

%



Rental Rate

R\$

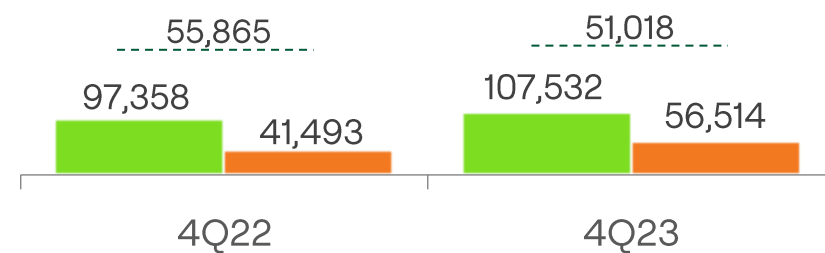
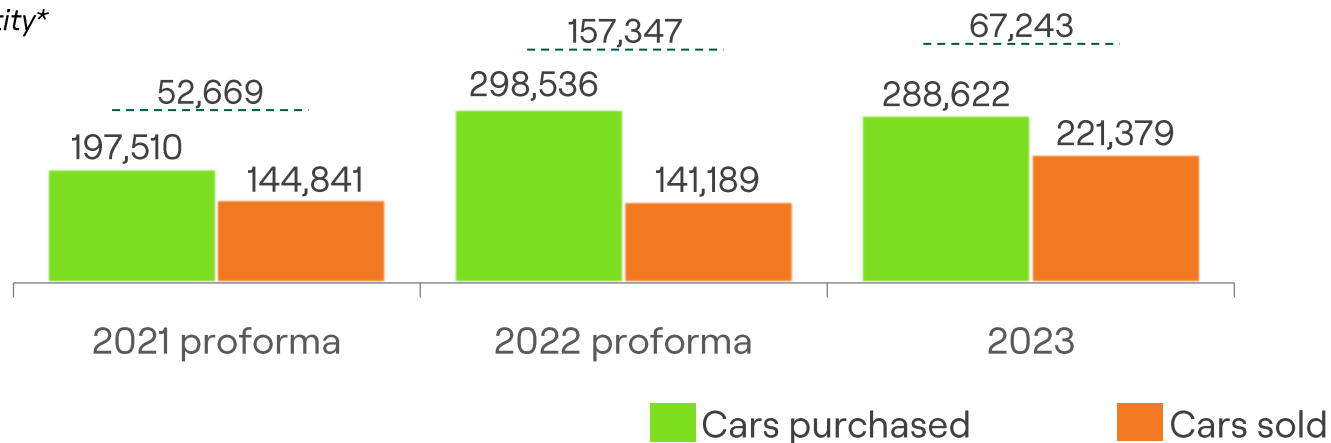


—●— Rental Rate – R\$ —●— Utilization

THE HIGHER AVERAGE DAILY RATE REFLECTS NEW CONTRACTS AND RENEWALS,
PRICED IN CONTEXT OF HIGHER CAR PRICES AND HIGH INTEREST RATE

Car purchase and sales - Brazil

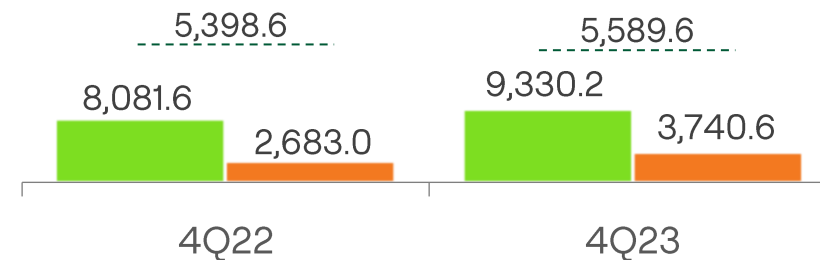
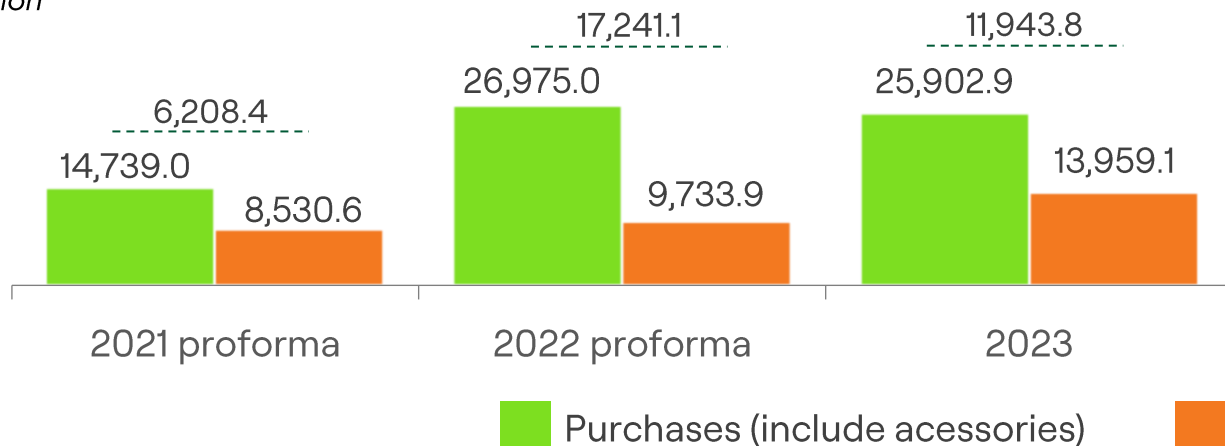
Quantity*



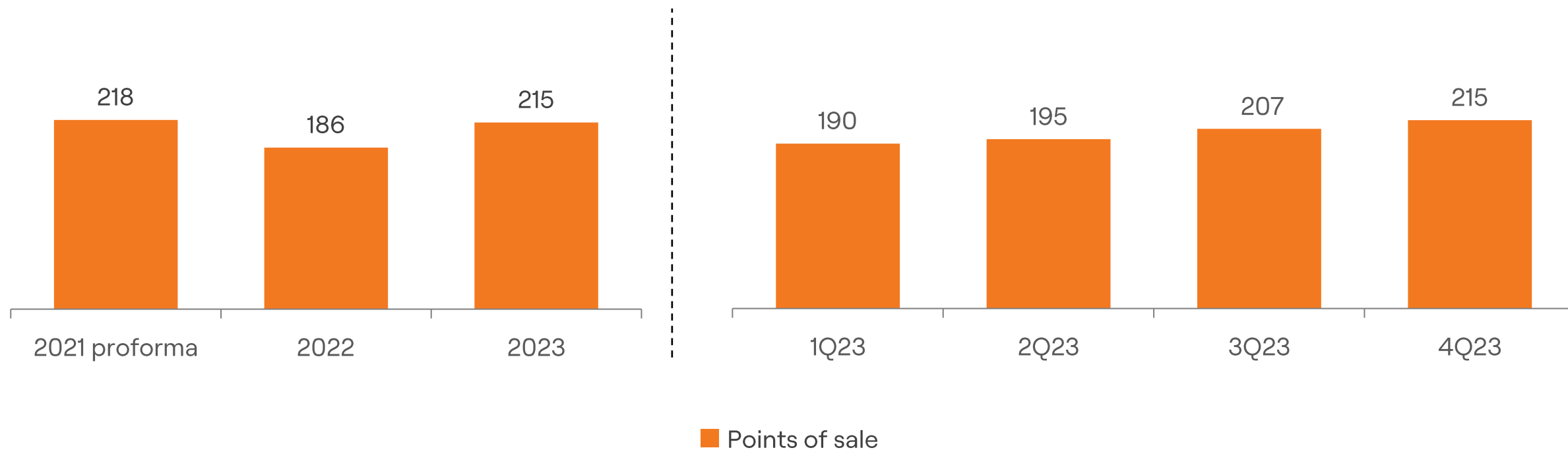
*Does not consider theft / crashed cars written of

Net investment in fleet - Brazil

R\$ million



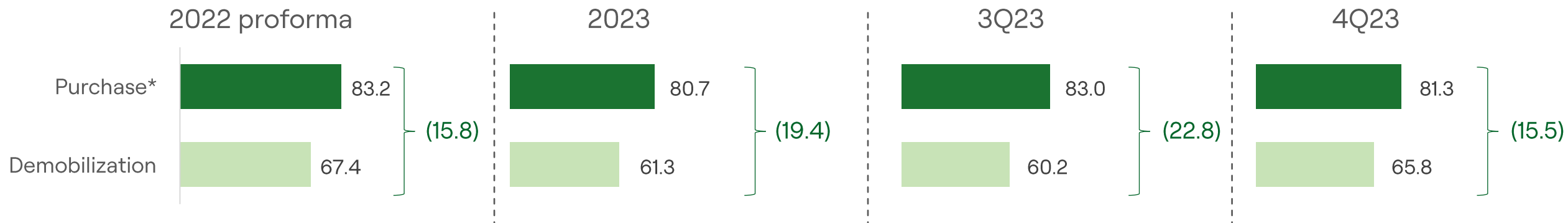
ADDITION OF 67.2 THOUSAND CARS IN THE YEAR, WITH 51.0 THOUSAND CARS IN 4Q23 TO SUPPORT THE HIGH SEASON

Quantity

8 SEMINOVOS STORES OPENED IN THE QUARTER TOTALLING 29 STORES OPENED DURING THE YEAR, TO REBUILD THE SALES NETWORK

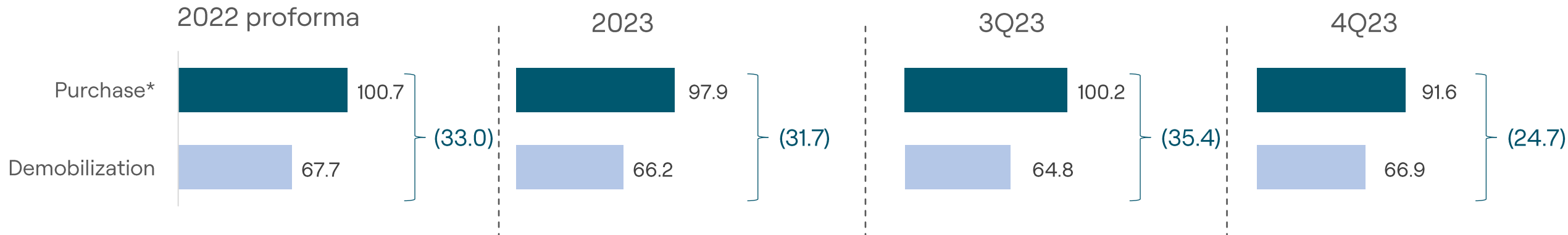
Average price of purchase and demobilization – Car Rental

R\$ thousand



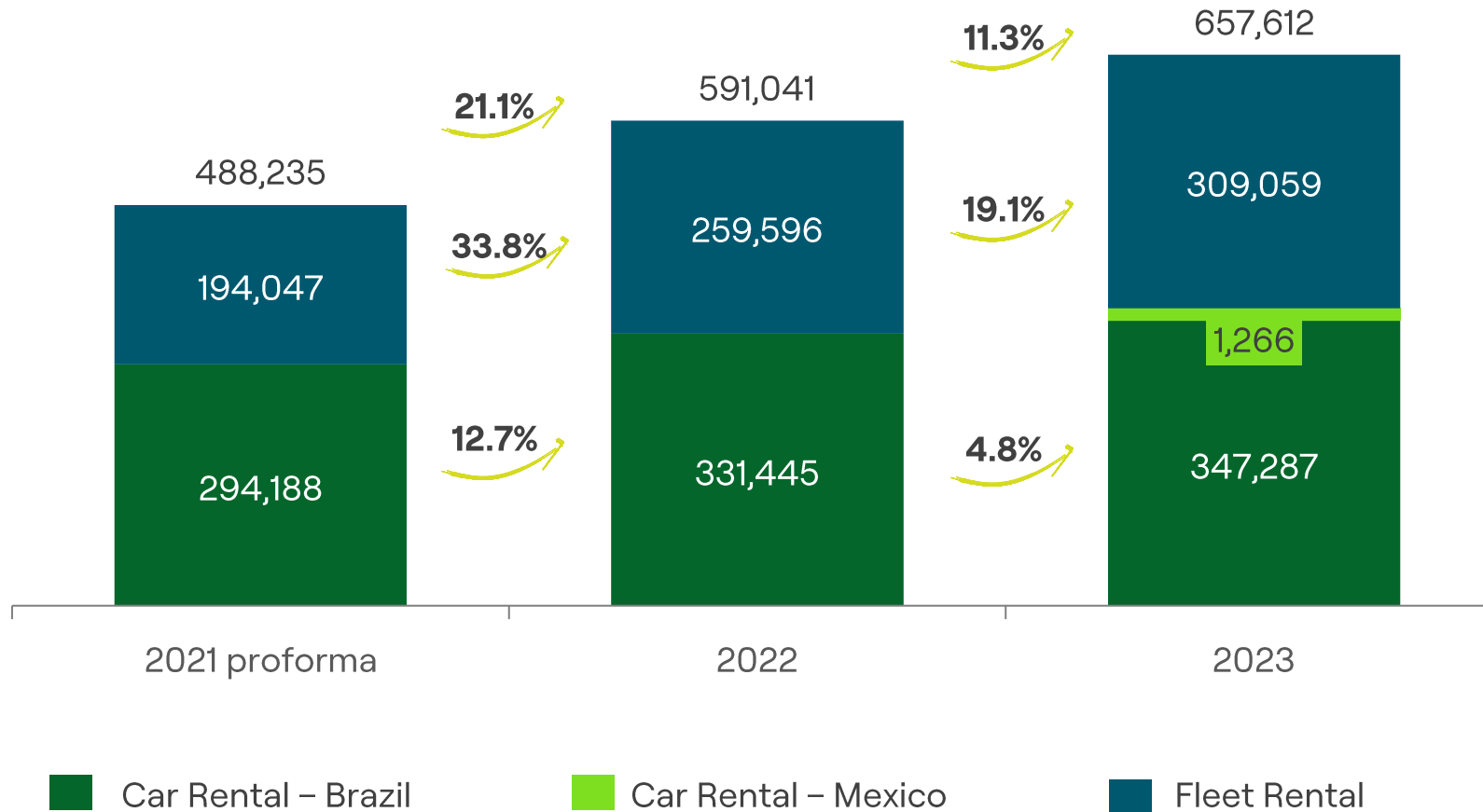
Average price of purchase and demobilization – Fleet Rental

R\$ thousand

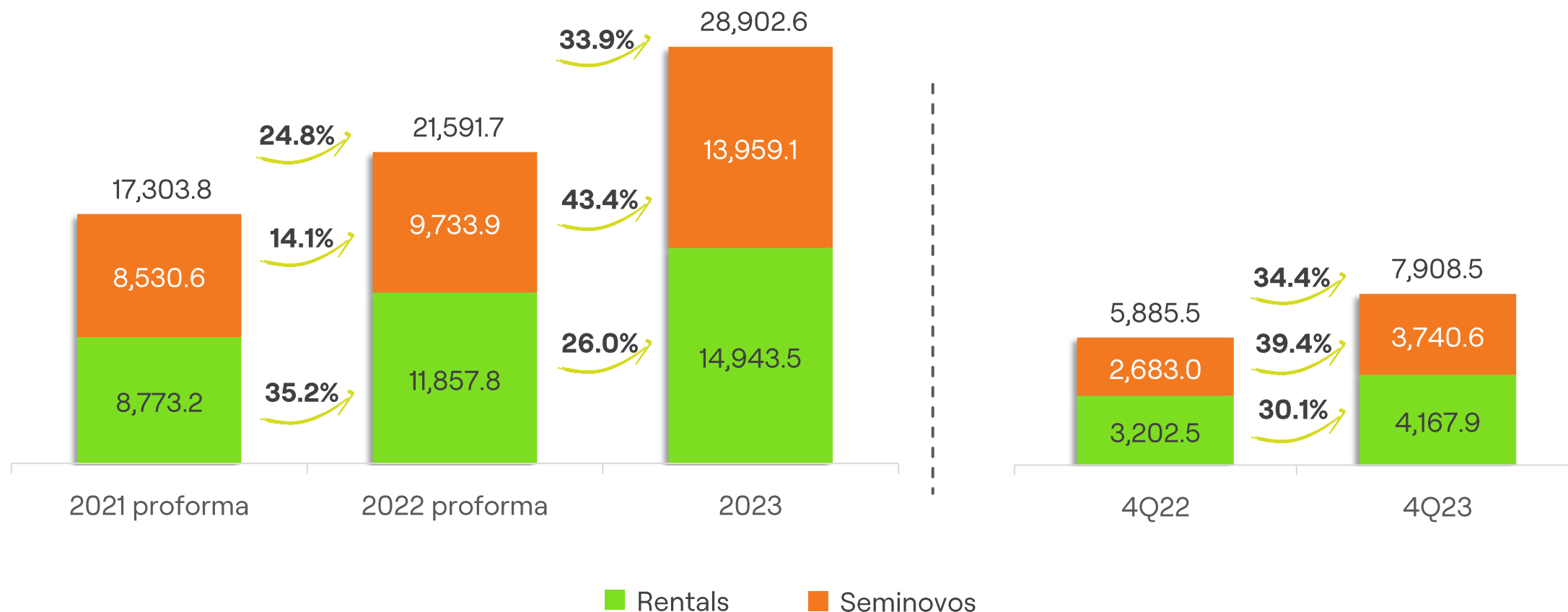


*Purchase price does not include accessories

REDUCTION IN RENEWAL CAPEX IN BOTH DIVISIONS WHEN COMPARED WITH 3Q23,
REFLECTING THE MIX AND BETTER PURCHASING CONDITIONS IN THE QUARTER

Quantity

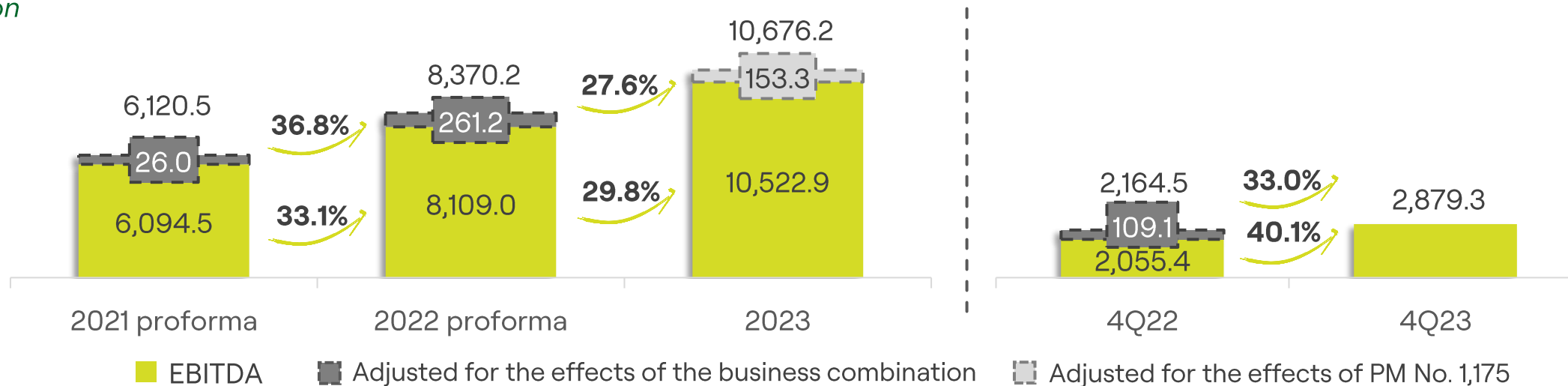
CONSOLIDATED FLEET REACHED 658 THOUSAND CARS, SUPPORTED BY STRONG GROWTH IN BOTH RENTAL DIVISIONS, WITH HIGHLIGHT FOR FLEET RENTAL

R\$ million

STRONG GROWTH IN CONSOLIDATED NET REVENUE, ADVANCING 33.9% IN THE YEAR AND 34.4% IN THE QUARTER

L&CO — CONSOLIDATED ADJUSTED EBITDA

R\$ million



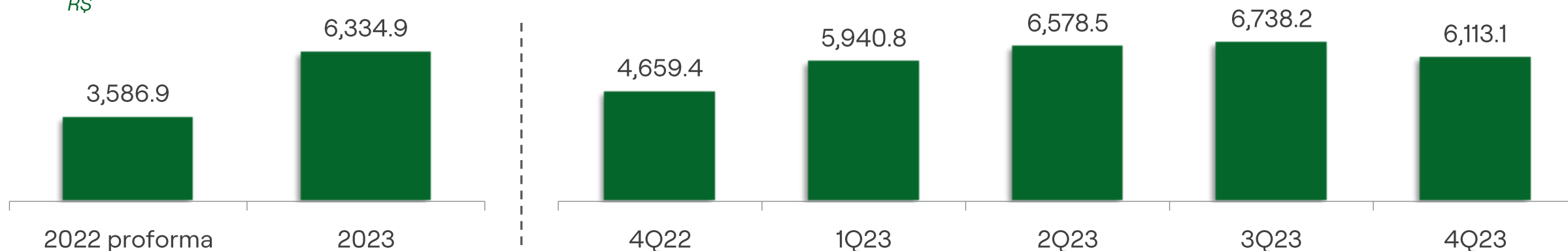
EBITDA Margin:	2021 proforma adjusted*	2022 proforma adjusted*	2023 adjusted*	4Q22 adjusted*	4Q23
Car Rental Brazil and Franchising	49.6%	57.6%	64.4%	61.0%	62.7%
Fleet Rental	65.7%	67.9%	72.6%	66.5%	71.5%
Rental Consolidated	55.1%	61.5%	68.1%	63.3%	66.7%
Rental Consolidated with México	55.1%	61.5%	67.8%	63.3%	66.0%
Seminovos	15.1%	11.2%	4.0%	5.2%	3.5%
Consolidate (over rental revenues)	69.8%	70.6%	71.4%	67.6%	69.1%

* Adjusted for One-offs related to integration expenses and effects of MP n° 1,175.

CONSOLIDATED EBITDA REACHED R\$2.9 BILLION, A GROWTH OF 27.6% IN 2023 AND 33.0% IN 4Q23

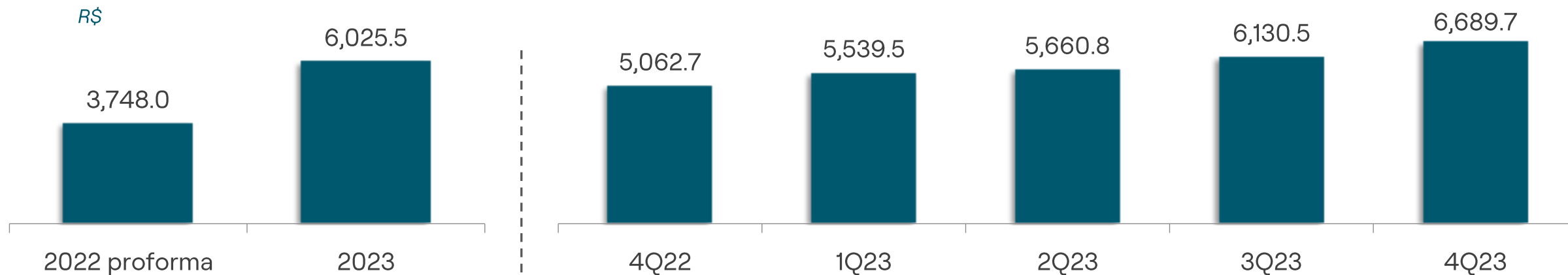
Car Rental

R\$



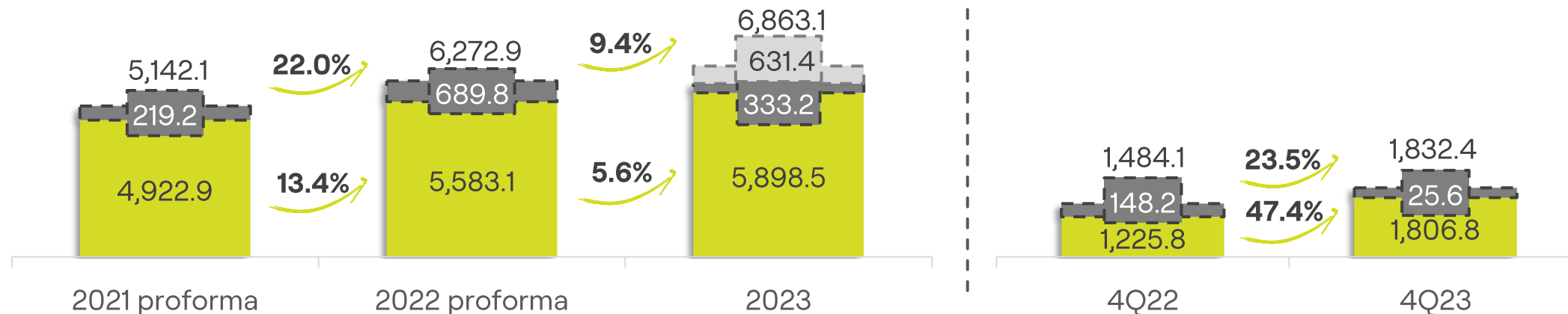
Fleet Rental

R\$



IN RAC, THE REDUCTION IN DEPRECIATION REFLECTS THE LOWER RELATIVE SHARE OF CARS WITH HIGHER DEPRECIATION IN THE FLEET MIX AND THE EFFECTS OF THE EXCLUSION OF PREPARATION COSTS OF THE DEPRECIATION ASSUMPTIONS

R\$ million



■ EBIT ■ Adjusted for the effects of the business combination ■ Adjusted for the effects of PM No. 1,175

The EBIT Margin includes the result of **Seminovos** and is calculated on rental revenues:

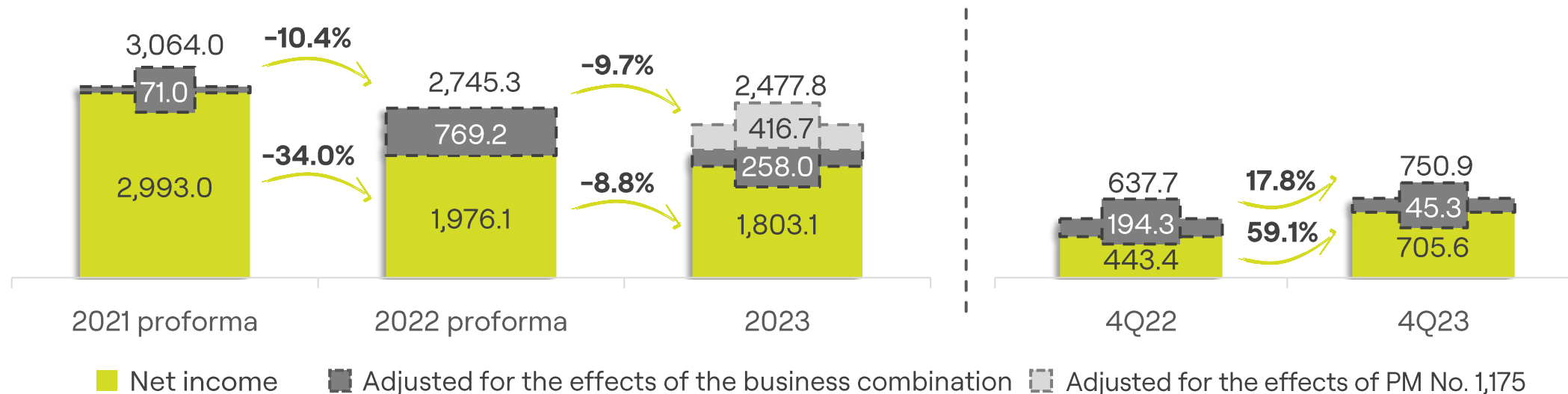
EBIT Margin:	2021 proforma adjusted*	2022 proforma adjusted*	2023 adjusted**	4Q22 adjusted*	4Q23 adjusted*
Car Rental and Franchising	55.2%	49.2%	40.7%	45.1%	41.0%
Fleet Rental	65.3%	59.0%	53.4%	48.0%	49.6%
Consolidated Brazil (over rental revenues)	58.6%	52.9%	46.4%	46.3%	44.9%
Consolidated with México (over rental revenues)	58.6%	52.9%	45.9%	46.3%	44.0%

*Adjusted for One-offs related to integration expenses, in addition to the amortization of write-up from cars and customers.

** Adjusted for the amortization of the write-up from cars and customers and the effect of MP n° 1,175.

CONSOLIDATED ADJUSTED EBIT REACHED R\$1.8 BILLION, A GROWTH OF 23.5% IN THE QUARTER

R\$ million



EBITDA x Net income reconciliation	2021 proforma	2022 proforma	2023	Var. R\$	Var. %	4Q22	4Q23	Var. R\$	Var. %
Consolidated EBITDA	6.120,5	8.370,2	10.676,2	2.306,0	27,6%	2.164,5	2.879,3	714,8	33,0%
Cars depreciation	(672,6)	(1.762,0)	(3.366,6)	(1.604,6)	91,1%	(609,1)	(922,9)	(313,8)	51,5%
Other PP&E depreciation and amortization	(305,8)	(335,3)	(446,5)	(111,2)	33,2%	(71,3)	(124,0)	(52,7)	73,9%
Equity equivalence result		0,2	-			-	-	-	0,0%
EBIT	5.142,1	6.272,9	6.863,1	590,2	9,4%	1.484,1	1.832,4	348,3	23,5%
Financial expenses, net	(785,0)	(2.726,0)	(4.024,3)	(1.298,3)	47,6%	(748,0)	(974,3)	(226,3)	30,3%
Income tax and social contribution	(1.293,1)	(801,8)	(361,0)	440,8	-55,0%	(98,4)	(107,2)	(8,8)	8,9%
Adjusted net income of the period	3.064,0	2.745,3	2.477,8	(267,5)	-9,7%	637,7	750,9	113,2	17,8%

R\$750.9 MILLION OF NET INCOME IN 4Q23, ADJUSTED FOR THE EFFECTS OF THE FLEET WRITE-UP AND THE TAX LOSS.
ACCOUNTING PROFIT GREW 59.1% IN THE THE QUARTER

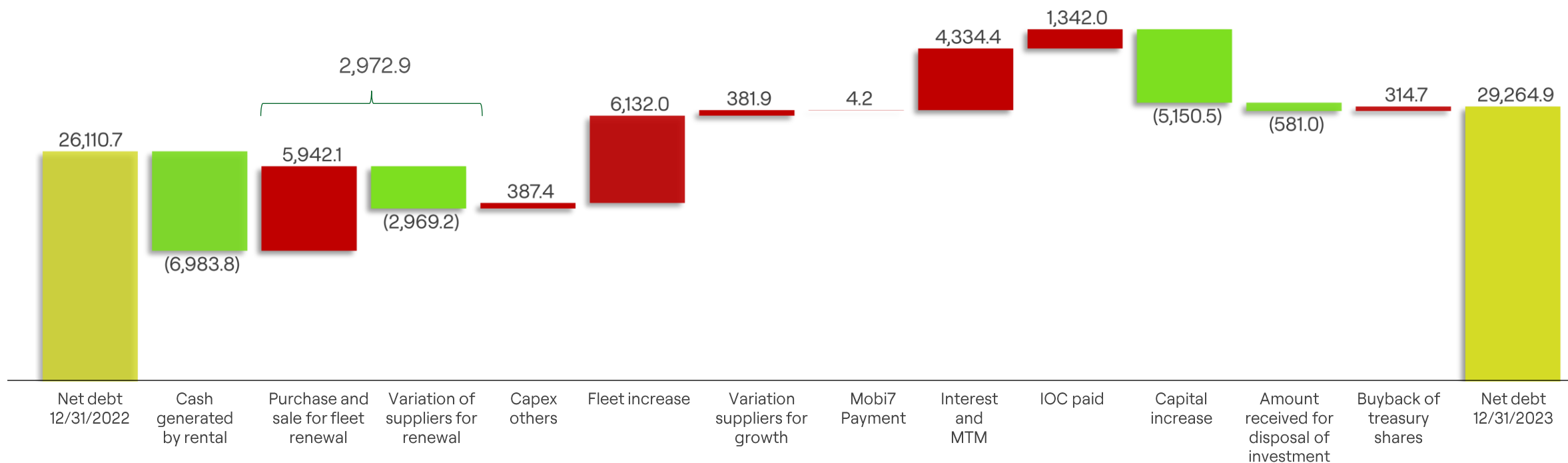
	Free cash flow (R\$ million)	2020 actual	2021 actual	2022 actual	2023
Operations	EBITDA	2,468.1	3,697.5	6,589.2	10,522.9
	Used car sale revenue, net of taxes	(6,109.1)	(5,308.0)	(7,833.6)	(13,875.6)
	Net book value of vehicles written-off	5,599.9	4,346.0	6,085.3	12,250.1
	(-) Income tax and social contribution	(250.1)	(307.1)	(83.4)	(130.2)
	Change in working capital	91.6	(568.3)	(1,284.3)	(1,783.4)
	Cash generated by rental operations	1,800.4	1,860.1	3,473.2	6,983.8
Capex renewal	Used car sale revenue, net from taxes – fleet renewal	4,886.9	5,308.0	7,833.6	13,875.6
	Fleet renewal investment	(5,524.1)	(6,366.9)	(9,902.5)	(19,817.7)
	Change in accounts payable to car suppliers for fleet renewal	(466.6)	(282.6)	1,619.6	2,969.2
	Net investment for fleet renewal	(1,103.8)	(1,341.5)	(449.3)	(2,972.9)
	Fleet renewal – quantity	109,379	92,845	118,538	221,379
	Investment, property and intangible	(108.0)	(143.4)	(352.8)	(387.4)
	Free cash flow from operations, before fleet increase or reduction	588.6	375.2	2,671.1	3,623.5
Capex Growth	(Investment) / Divestment in cars for fleet growth	1,222.2	(1,289.0)	(12,636.4)	(6,132.0)
	Change in accounts payable to car suppliers	(522.5)	571.6	2,298.3	(381.9)
	Net investment for fleet growth	699.7	(717.4)	(10,338.1)	(6,513.9)
	Fleet increase / (reduction) – quantity	(26,111)	18,665	136,391	68,505
	Free cash flow after growth	1,288.3	(342.2)	(7,667.0)	(2,890.4)
Other invest.	Acquisitions - except fleet value	(7.9)	(3.6)	(11.5)	(4.2)
	Free cash generated (applied) before interest and others	1,280.4	(345.8)	(7,678.5)	(2,894.6)

For the FCF, short term financial investments were considered as cash

STRONG OPERATIONAL CASH, CONSUMED BY GREATER RENEWAL AND GROWTH CAPEX

As of 12/31/2023

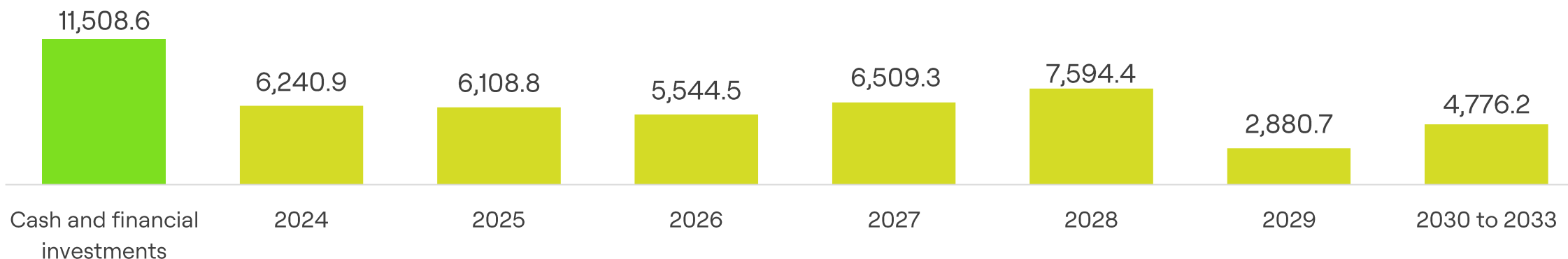
R\$ million



THE COMPANY ENDED THE PERIOD WITH NET DEBT OF R\$29.3 BILLION

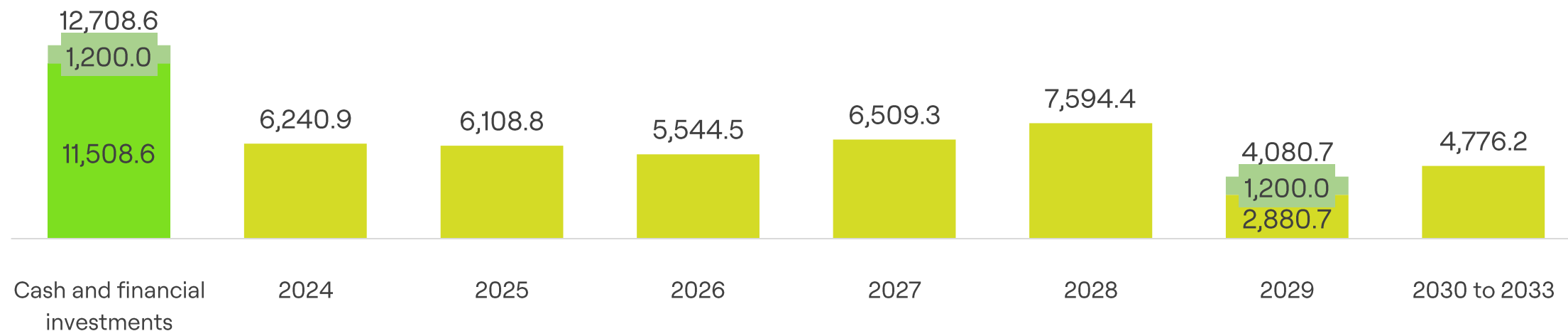
As of 12/31/2023

R\$ million



Proforma after issuances and amortizations in Jan/24

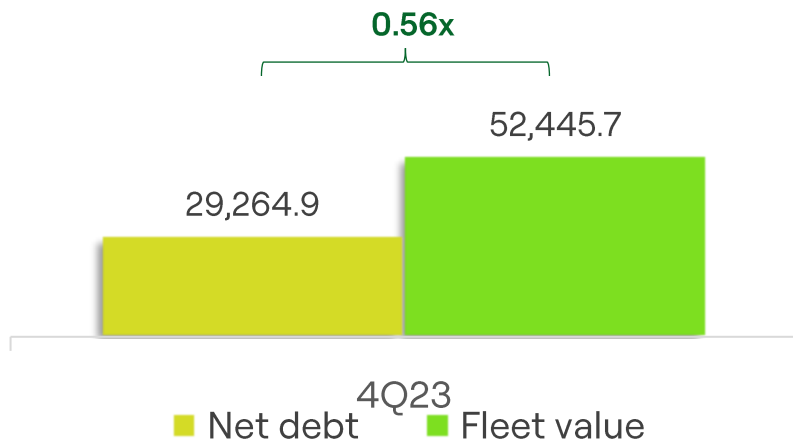
R\$ million



R\$11.5 BILLION IN CASH AND ACTIVE DEBT MANAGEMENT

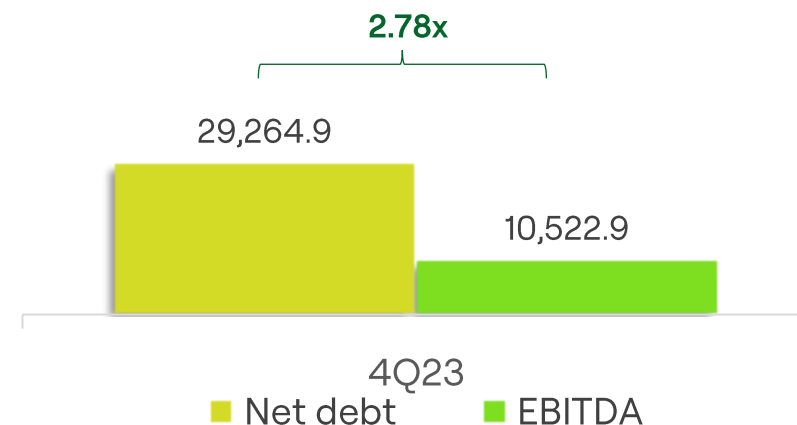
Net debt vs. Book value

R\$ million



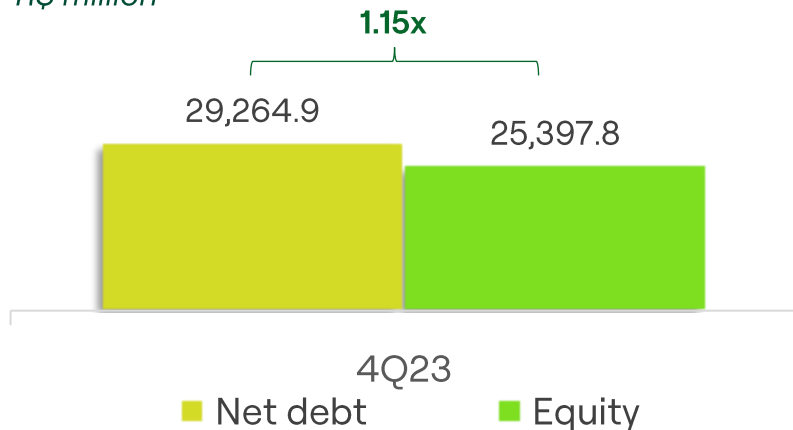
Net debt vs. EBITDA LTM

R\$ milhões



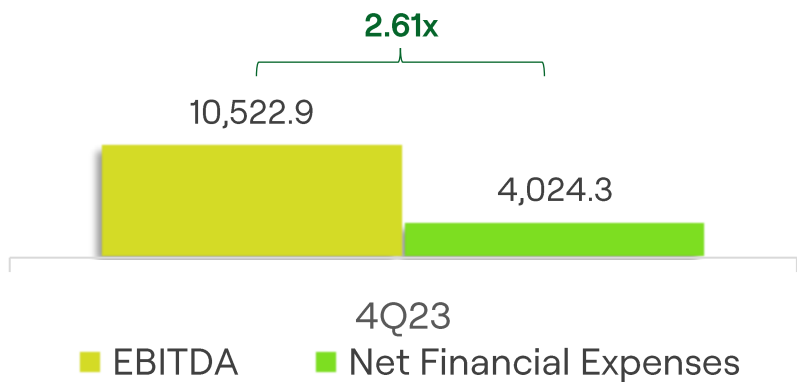
Net debt vs. Equity

R\$ million

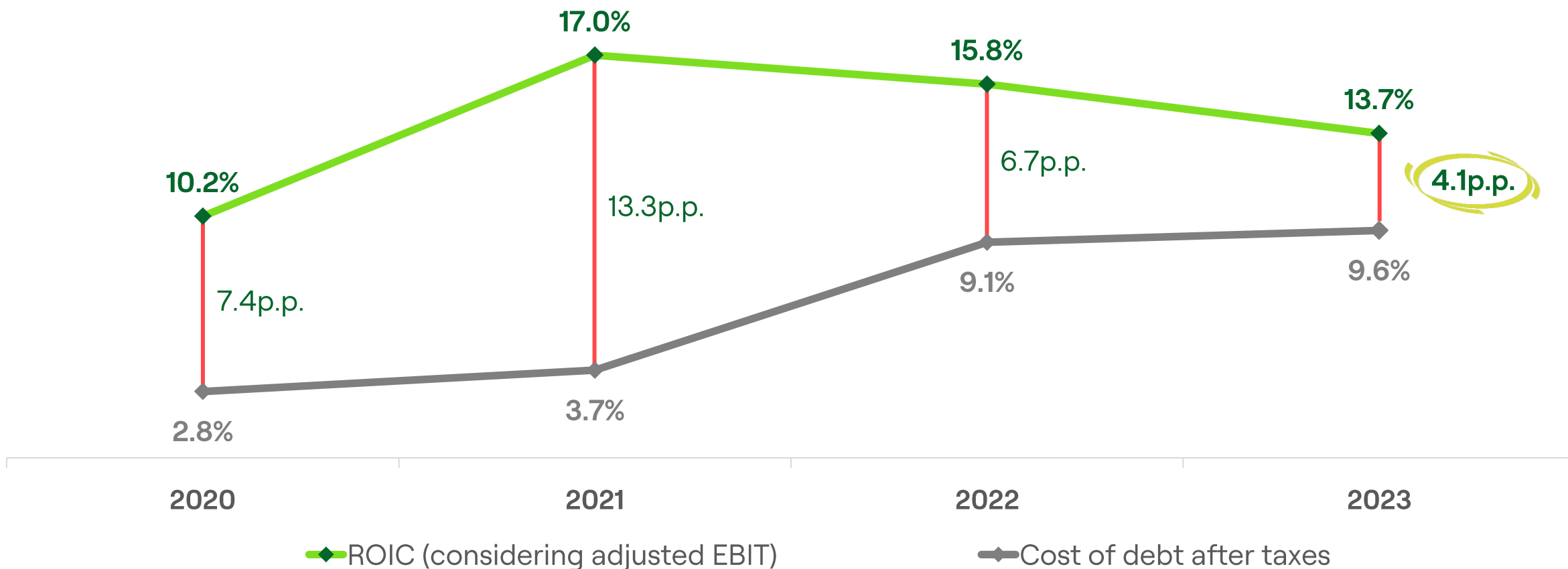


EBITDA vs. Net financial expenses LTM

R\$ million



COMFORTABLE DEBT RATIOS, MAINLY EVIDENCED BY THE NET DEBT TO THE FLEET VALUE



ROIC calculated:

$\text{NOPAT} = \text{EBIT} \times (1 - \text{effective income tax rate})$; $\text{Invested Capital} = \text{Net Debt} + \text{Shareholders' Equity} - \text{Goodwill}$

ANNUALIZED ROIC OF 13.7%, WITH A SPREAD OF 4.1P.P., REFLECTION OF THE ADVERSE MARKET FOR CAR SALES, IN ADDITION TO THE CAPITAL BASE BROUGHT BY THE BUSINESS COMBINATION, PRICED AT LOWER SPREADS

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Thank you!

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