

# INVESTOR RELATIONS PRESENTATION

2Q24



Índice Brasil 50 **IBRX 50**

Índice Carbono Eficiente **ICO2**

Índice de Ações com Tag Along Diferenciado **ITAG**

**CTC QX**

**IGPTW B3**

**Localiza&co**

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



# BECOMING THE BIGGEST CAR RENTAL COMPANY IN LATAM

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**

Brand creation for the Fleet Rental

**2019**

Follow-on of R\$1,8B

**2021**

Launch of Localiza Zarp

**2023**

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



Market leader in 1981

**1979**

Expansion to 11 capital cities

**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\$8.0 bi in Jun/24

**6**  
**(1973)**



**1,970**  
**(1983)**



**5,080**  
**(1993)**



**24,700**  
**(2003)**



**118,000**  
**(2013)**



**631,639**  
**(2Q24)**

# 2Q24

## BIG NUMBERS

**631K**

End of period  
fleet

**+74K**

Cars Purchased

**69K**

Cars sold

**R\$9.1 bn**

Net Revenues

**706**

Locations in  
Brazil, Latin  
America and  
Mexico

**216**

Seminovos'  
Stores

**+21K**

Employees in Latin  
America

**7.7p.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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- 324,100 cars (322,354 Brazil and 1,746 Mexico), including daily rentals, monthly rentals, replacement and app drivers;
- 706 Locations in Brazil, Latin America and Mexico



- 307,539 cars in the fleet, including light vehicles, subscription cars and heavy vehicles.



Customer Centricity  
Platform Synergies:

- Bargaining Power
- Cost reduction
- Cross Selling



- 39.3% sold to final consumers (accumulated 2024)
- 216 stores in 115 cities in Brazil



- Mexico expansion.
- Telemetry solutions to optimize fleet management;
- Corporate travel platform with VOLL;





# 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



## Heavy vehicles

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



# BUSINESS PLATFORM – SEMINOVOS



## Support area

Support area to optimize asset turnover, reducing dependence for intermediaries



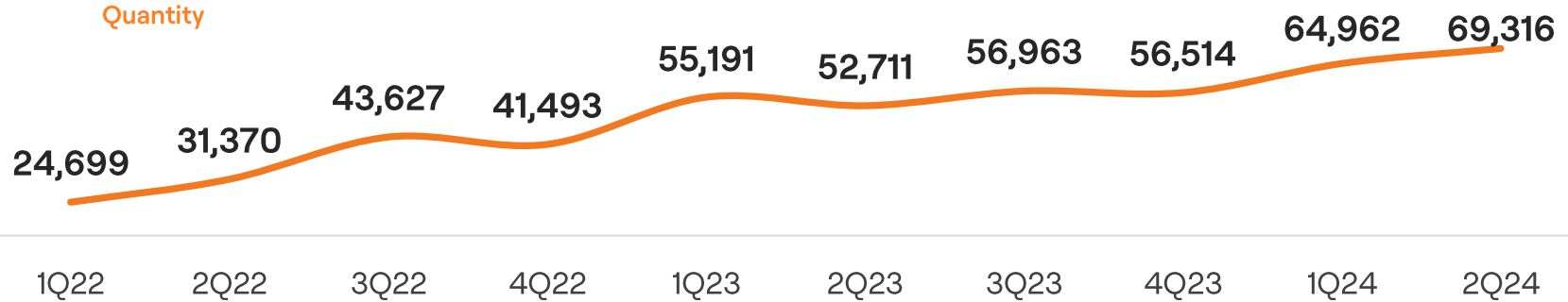
## Sales channels

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



## Evolution of sales

Quantity



- 1. COMPANY OVERVIEW
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## Raising money

Better credit rating and financing conditions

## Selling cars

Great capillarity and sales with better conditions



## Buying cars

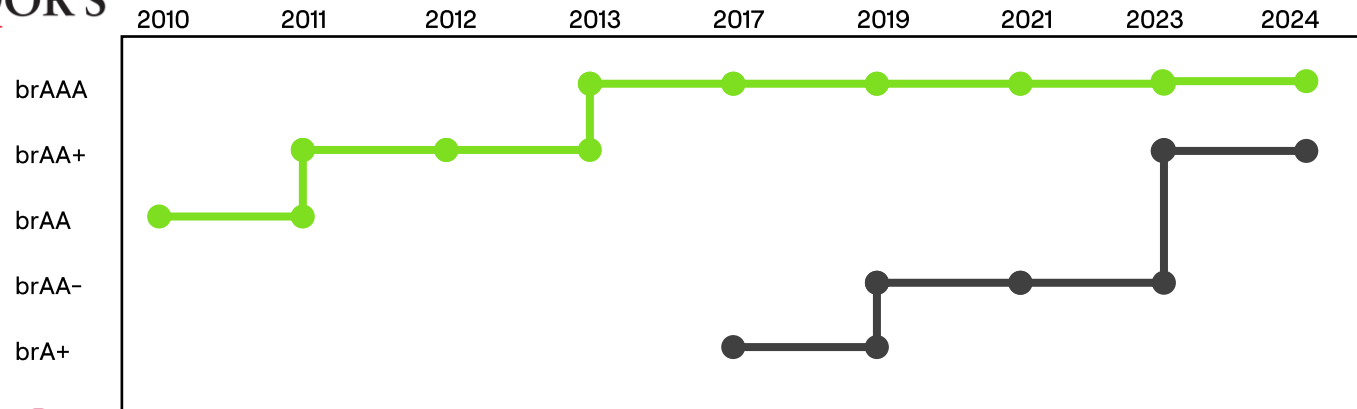
Main buyer in the sector and differentiated relationship with automakers

## Renting cars

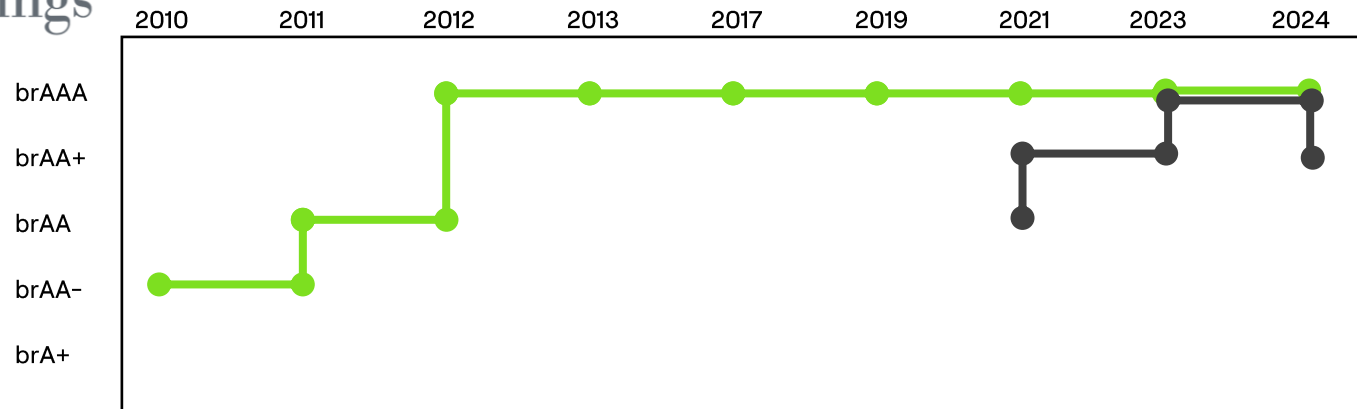
Top of Mind Company technology and market leader

Best credit rating in the industry

STANDARD  
& POOR'S

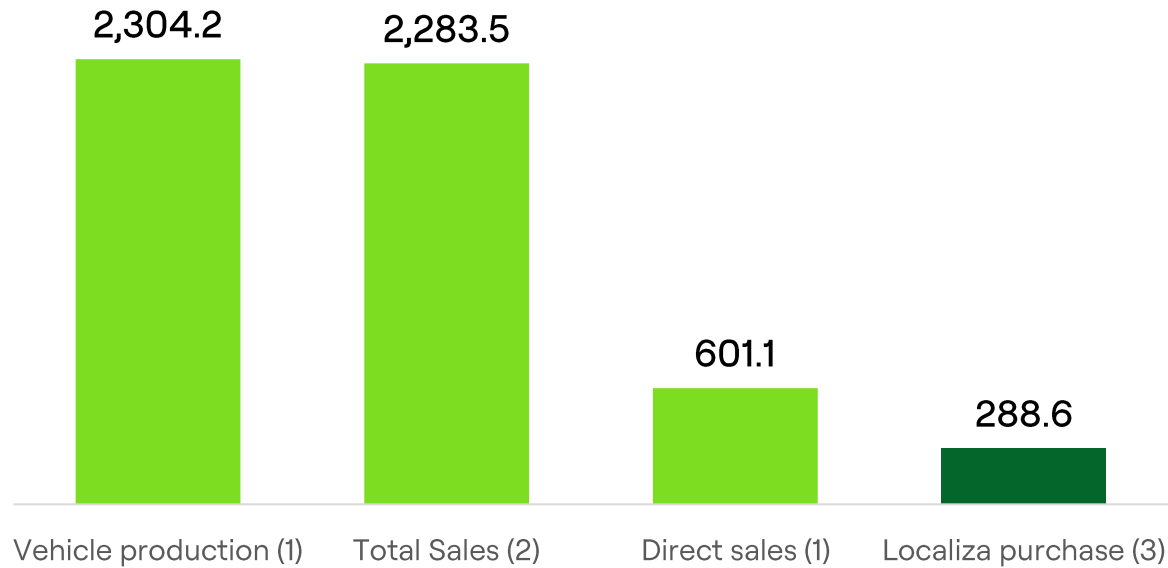


Fitch  
Ratings

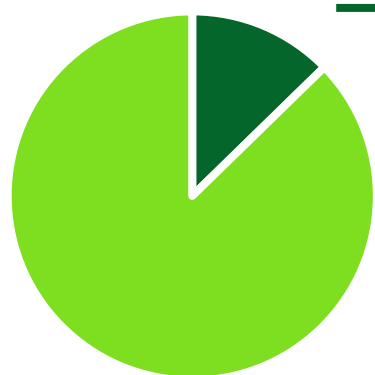
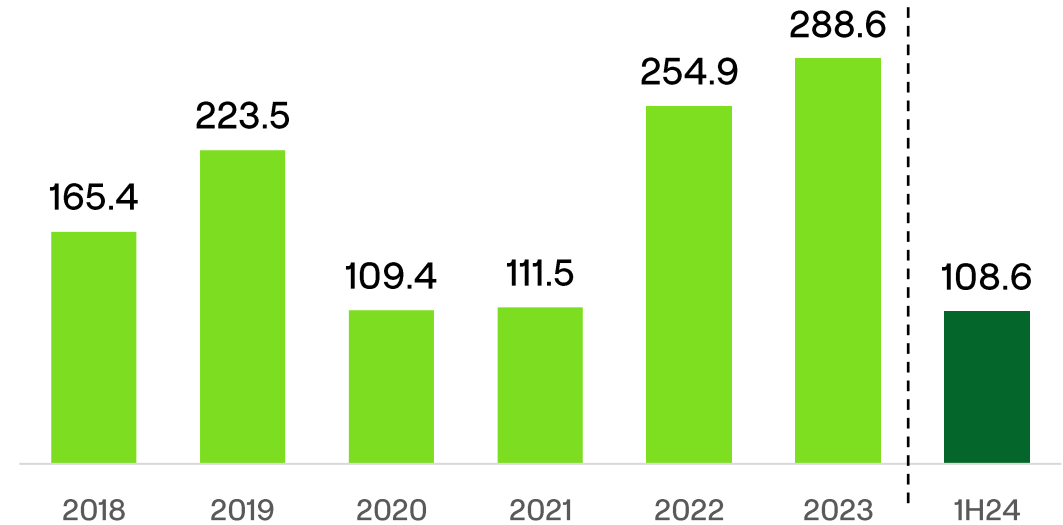


Localiza&Co Player A

## Distinguished relationship with automakers (2023)



## Largest car buyer



12.7% Share in OEMs' sales (4)

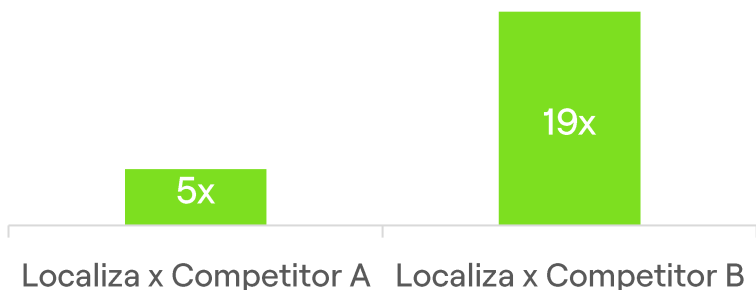
## Operational Excellence in Purchasing

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



## Brand Knowledge

Most Known Brand<sup>(1)</sup>

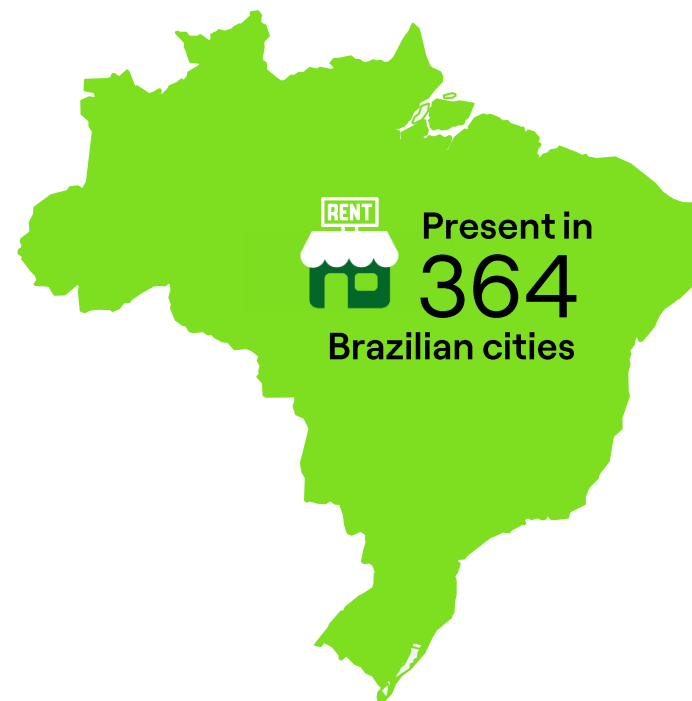


Leadership in all segments

Convenience with:



## Proximity and capilarity (agências Brazil)



with **609** branches  
531 operated by Localiza

vs **258** branches  
Competitor A <sup>(2)</sup>

**179** branches  
Competitor B <sup>(2)</sup>

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 usage
- Delinquency rate well below the national retail average



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

- ✓ Car - owned
- ✗ Auto finance
- ✗ License
- ✗ Insurance
- ✗ Maintenance
- ✗ Depreciation



Car Subscription

- ✓ Car - rented
- ✓ License
- ✓ Insurance
- ✓ Maintenance
- ✓ Depreciation

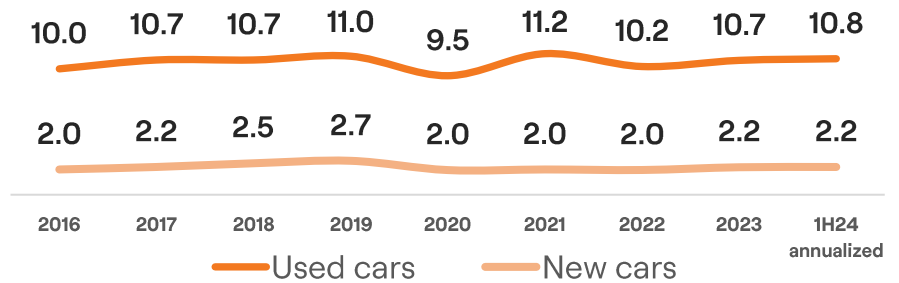


# SELLING CARS

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



## Huge market to be explored<sup>(1)</sup>



## Big data

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

## Sales final consumer

- Lower depreciation
- Loyalty of costumers, generating recurrency and recommendation

# Telemetry





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

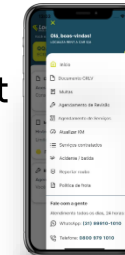


Localiza Fast

Localiza Seminovos



Localiza Fleet Rental



ZARP



Mobi7

**ENVIRONMENTAL**

- **95%** of Localiza's fleet is flex-fuel, **100%** fueled internally with **ethanol**
  - 25 million liters of ethanol fueled in 2023, avoiding the emission of around 35 thousand tons of CO<sub>2</sub>e
- **100% renewable energy consumed in 2023**
  - **5.2 million kWh** of clean energy injected in 1H24 (+37% x 1H23)
- GHG offsetting of **scopes 1 and 2** since 2019
- **Gold seal** in the GHG inventory by the GHG protocol for the third consecutive year
- Conclusion of the **Climate Risk Study**
- Extension of **Neutraliza** for Fleet Rental. In RAC, +67 thousand tCO<sub>2</sub> (scope 3) were offset
- Maintained in **the B3 Carbon Efficient Index ICO<sub>2</sub>** for the fourth consecutive year
- Advances in waste management with a focus on **reverse logistics and valuation**
- 47% of RAC's internal washes were done dry
  - **95% water savings** when compared to the conventional technique

**Awards and ratings**



- **Women in Leadership Award** (Women in Leadership in Latin America)
- **Best Companies for LGBTQIA+ People to Work for**, by the Human Rights Campaign Foundation (HRC)
- **Best in ESG by Exame** (Transportation, Logistics and Logistics Services sector)
- ESG Top-Rated Companies **by Sustainalytics**
- **Companies with the best corporate reputation** according to Merco's general ranking
- **Best in ESG Award by Exame** in the transportation and logistics sector
- **3rd place in Brazil in the Best ESG Program ranking** by Institutional Investor and **1st place** in the ESG sector in Latin America

**B3 Indexes**

- **IGPTW** – companies with best practices in people management
- **ICO<sub>2</sub>** – Carbon Efficient Index.
- **IDIVERSA** – index focused on diversity in Latin America
- **ELAS11** – Presence in the Safra Women in Leadership ETF



**SOCIAL**

- Actions to increase **the participation of women and black people** in strategic leadership positions
- **93 projects to promote education** and youth entrepreneurship supported by Instituto Localiza that benefited approximately 20 thousand people (+60% x 2022)
- Launch of the **Corporate Volunteering Program**
- **95% favorable in terms of diversity and inclusion**<sup>1</sup>
- **Diversity and Inclusion Program** consolidated

**GOVERNANCE**

- New role of **leading independent director on the Board of Directors**, reinforcing independence
- **ISO 37.001 recertification** – combating bribery and corruption
- **CEO and Board engagement agenda with our investors for ESG topics**
- **Publication of the Environmental Policy**
- **ESG Targets in C-Level Management Contracts**

Notes:  
1 In the organizational climate survey

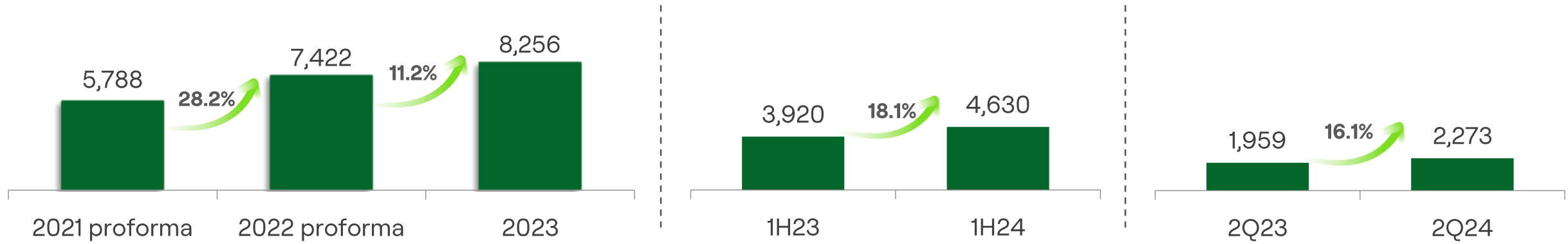
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# CAR RENTAL: growth of 16.1% in net revenue in 2Q24

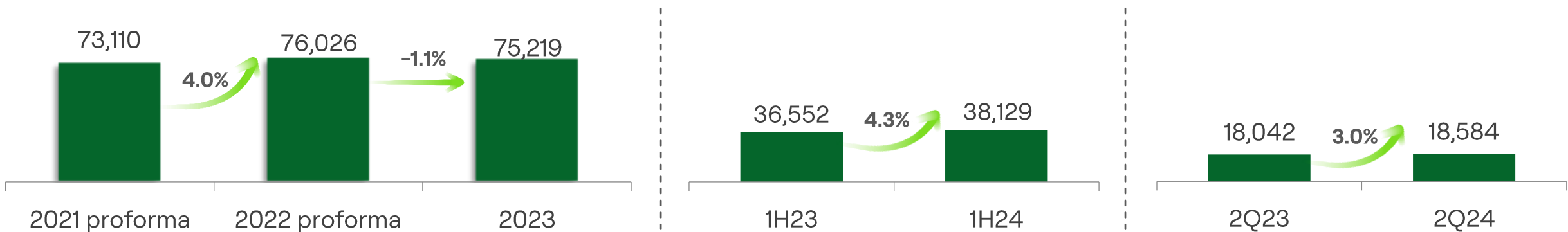
## Net Revenue - Brazil

R\$ million, including royalties



## Rental days - Brazil

In thousands

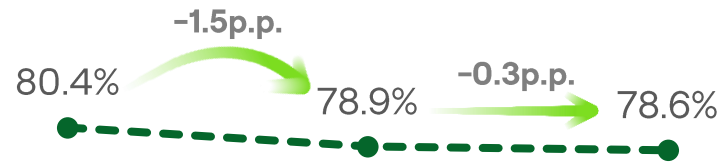




# CAR RENTAL : growth of 12.9% in the average daily rate, with an increase in the utilization rate

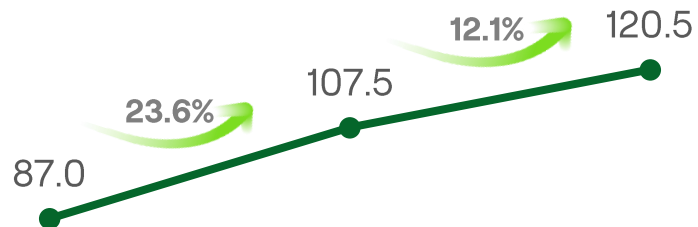
## Utilization Rate - Brazil

%



## Rental Rate - Brazil

R\$



2021 proforma    2022 proforma    2023



1H23    1H24



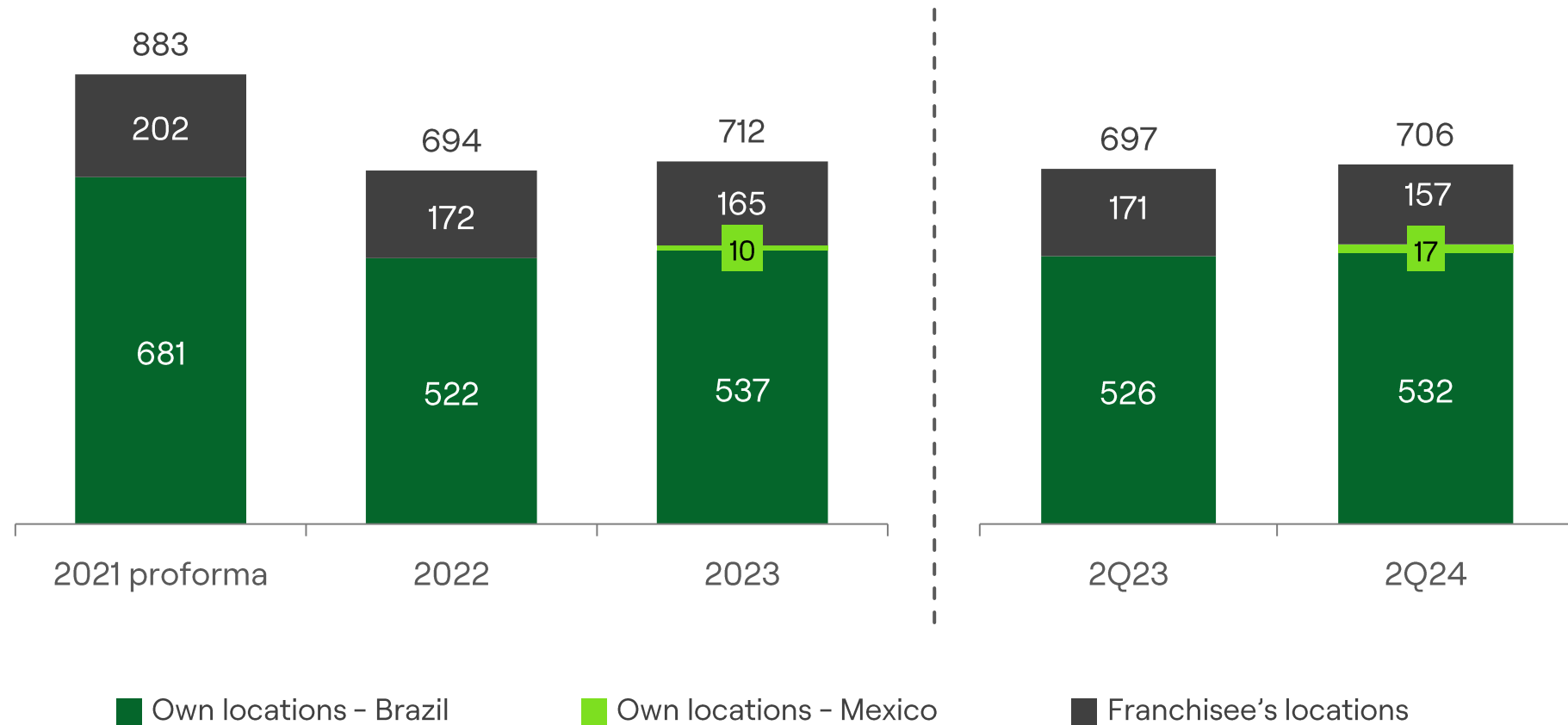
2Q23    2Q24

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

# CAR RENTAL : 706 branches in Brazil and Latin America

## Rental branches

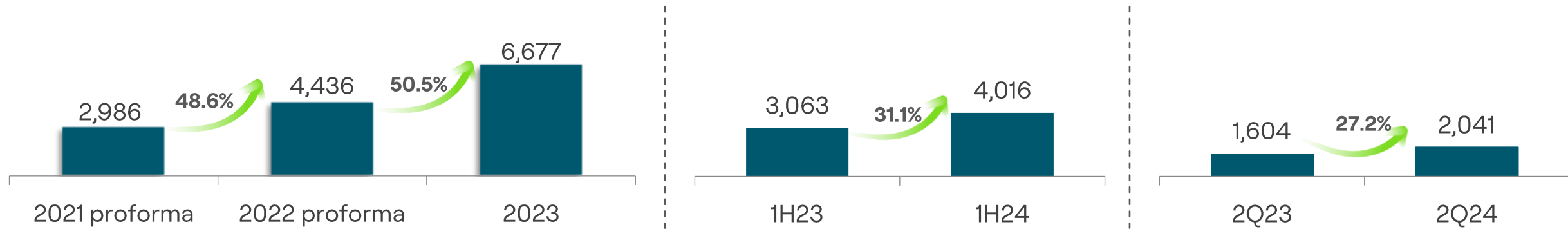
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# FLEET RENTAL: 27.2% growth in net revenue, even with the rationalization of the contracts' portfolio

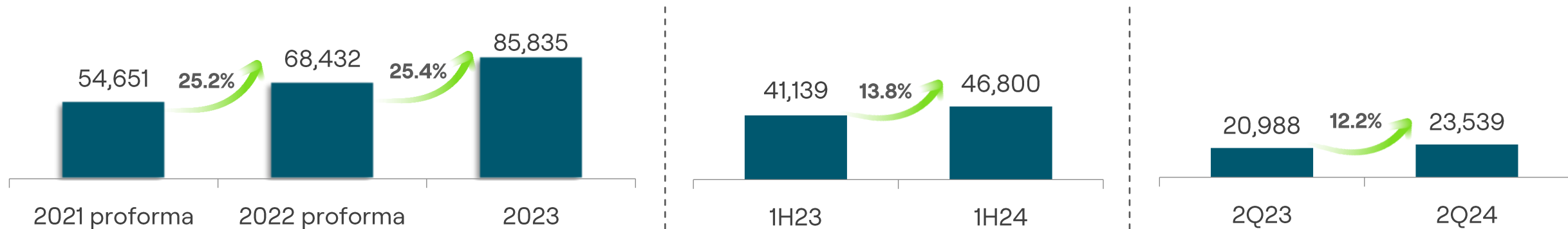
## Net Revenue

R\$ million, including telematics and corporate travel management



## Rental Days

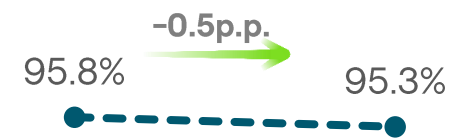
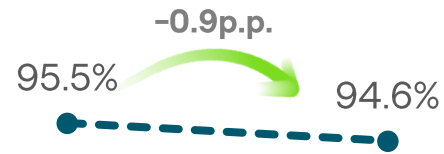
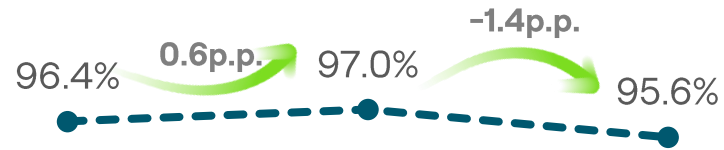
In thousands



# FLEET RENTAL: increase of 13.4% in the average daily rate for the quarter

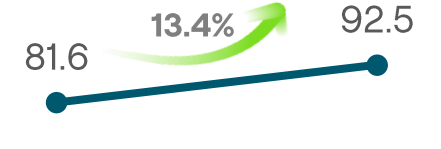
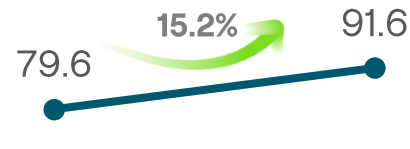
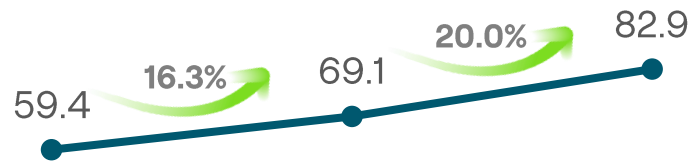
## Utilization Rate

%



## Rental Rate

R\$

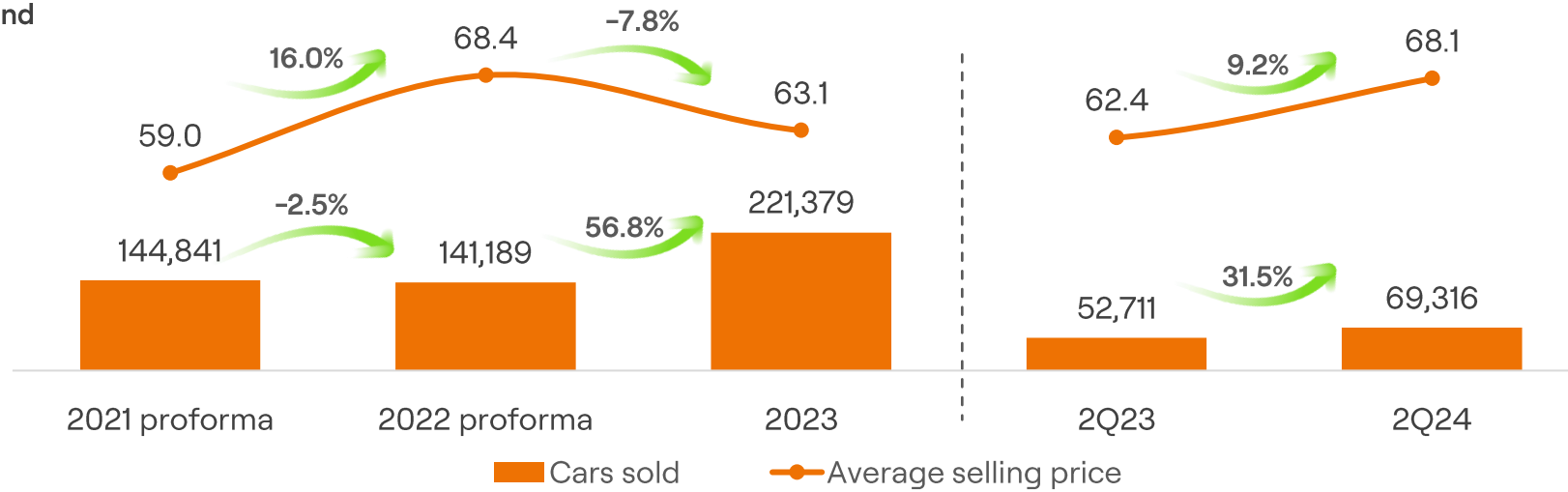


—●— Rental Rate – R\$    - - -●- - Utilization – %

# SEMINOVOS: optimization of the Seminovos network; increase in the average selling price

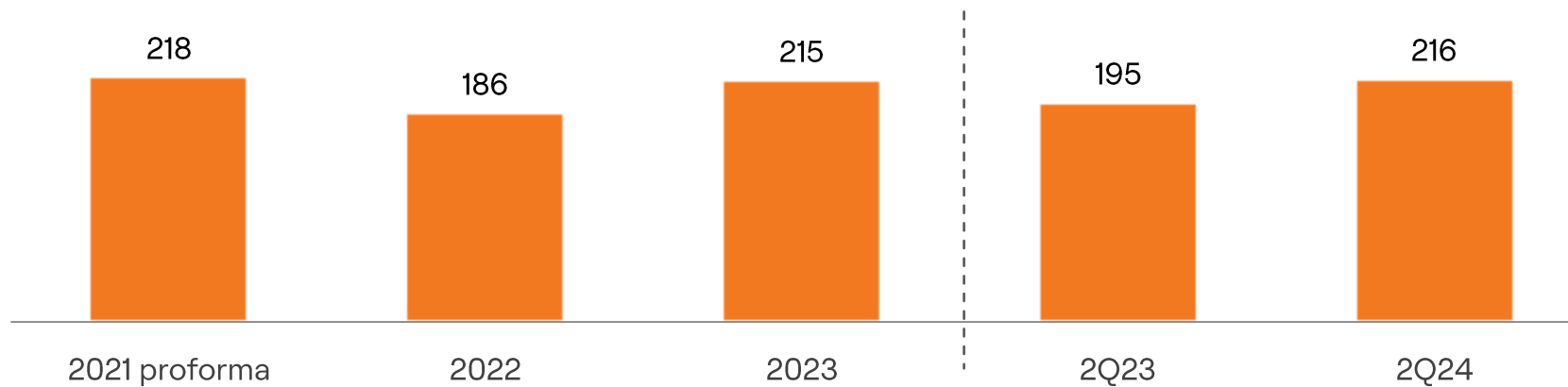
## Average price and volume of cars sold

Quantity and R\$ thousand



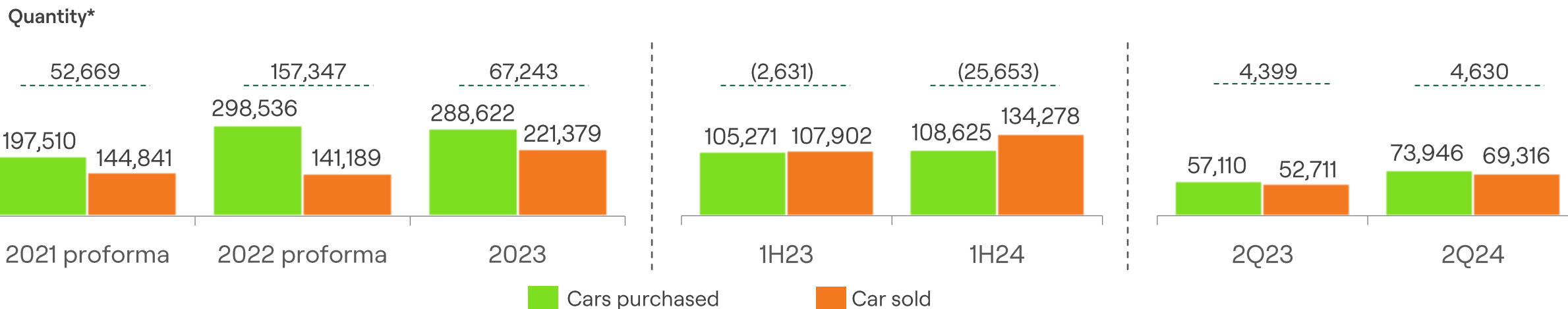
## Stores

#

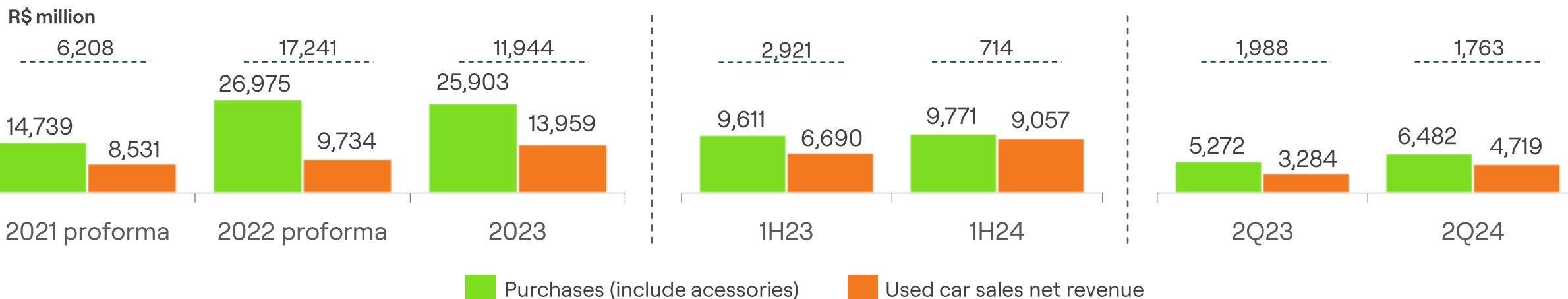


# NET INVESTMENT: 73,946 cars were purchased and 69,316 sold, totaling a net investment of R\$1.763 billion

## Car purchase and sales - Brazil



## Net investment in fleet - Brazil

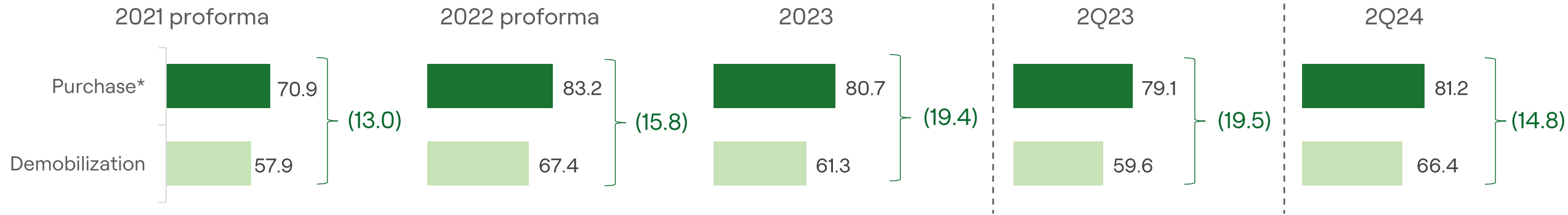


\* Does not consider theft / crashed cars written off

# REPLENISHMENT CAPEX: reduction in capex in both business divisions

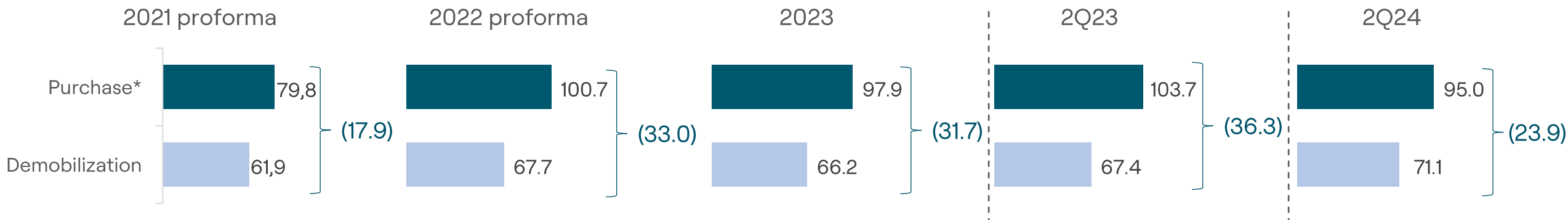
## Average price of purchase and demobilization - Car Rental

R\$ thousand



## Average price of purchase and demobilization - Fleet Rental

R\$ thousand



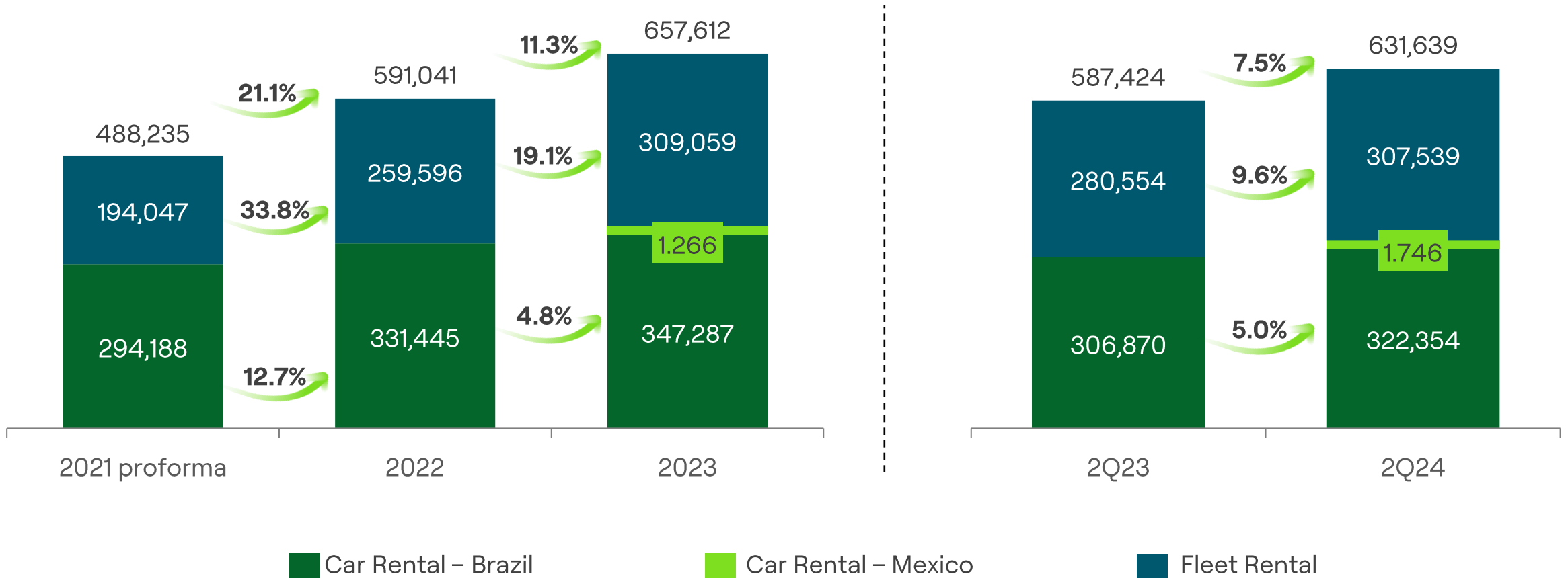
\*Does not include accessories



# END OF PERIOD FLEET: 631 thousand cars in the fleet, an increase of 7.5% in the annual comparison

## End of period fleet

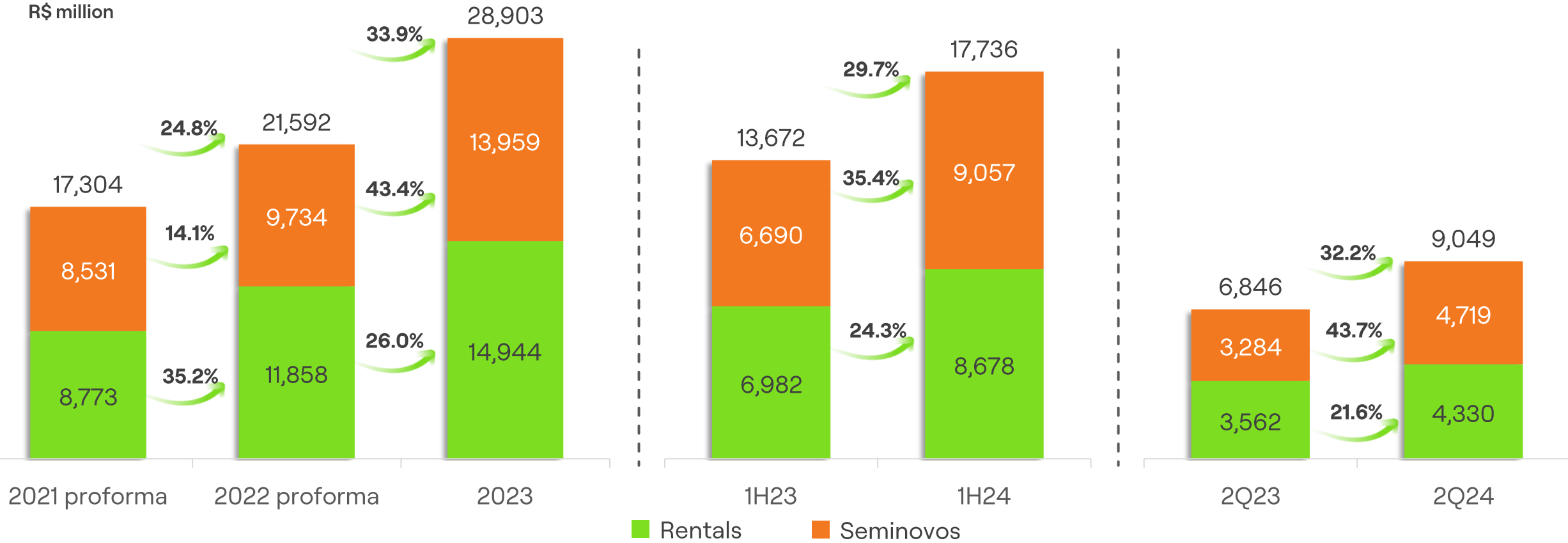
Quantity



**CONSOLIDATED NET REVENUE: surpassed R\$9.0 billion, increasing 32.2% in the annual comparison, being 21.6% in rentals and 43.7% in Seminovos**

**Net revenue**

R\$ million



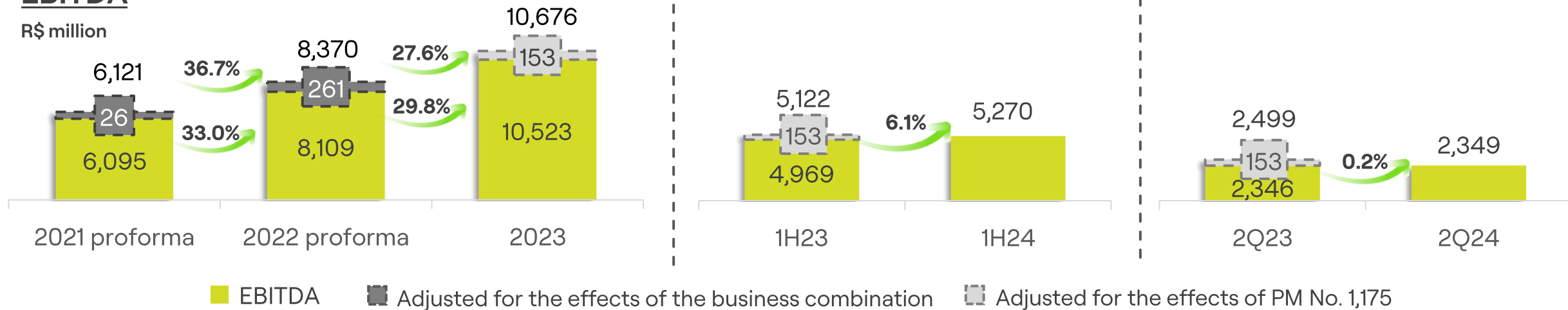
## IMPACTS ON 2Q24 RESULTS

<b>Impacts on the result (R\$ million)</b>	<b>2T24</b>
Provision for adjustment to recoverable value of assets and impairment – fleet, heavy-use and crashed cars	112
Provision for adjustment to recoverable value of assets – SN	171
Additional depreciation (compared to 1Q24)	1,386
<b>Total provision for adjustment to recoverable value, impairment and additional depreciation</b>	<b>1,669</b>
<b>Rio Grande do Sul impact</b>	<b>103</b>
<b>Total impact</b>	<b>1,772</b>

# EBITDA: stable in the annual comparison, impacted by the effects of the floods in Rio Grande do Sul and adjustment to the recoverable value of the fleet

## EBITDA

R\$ million



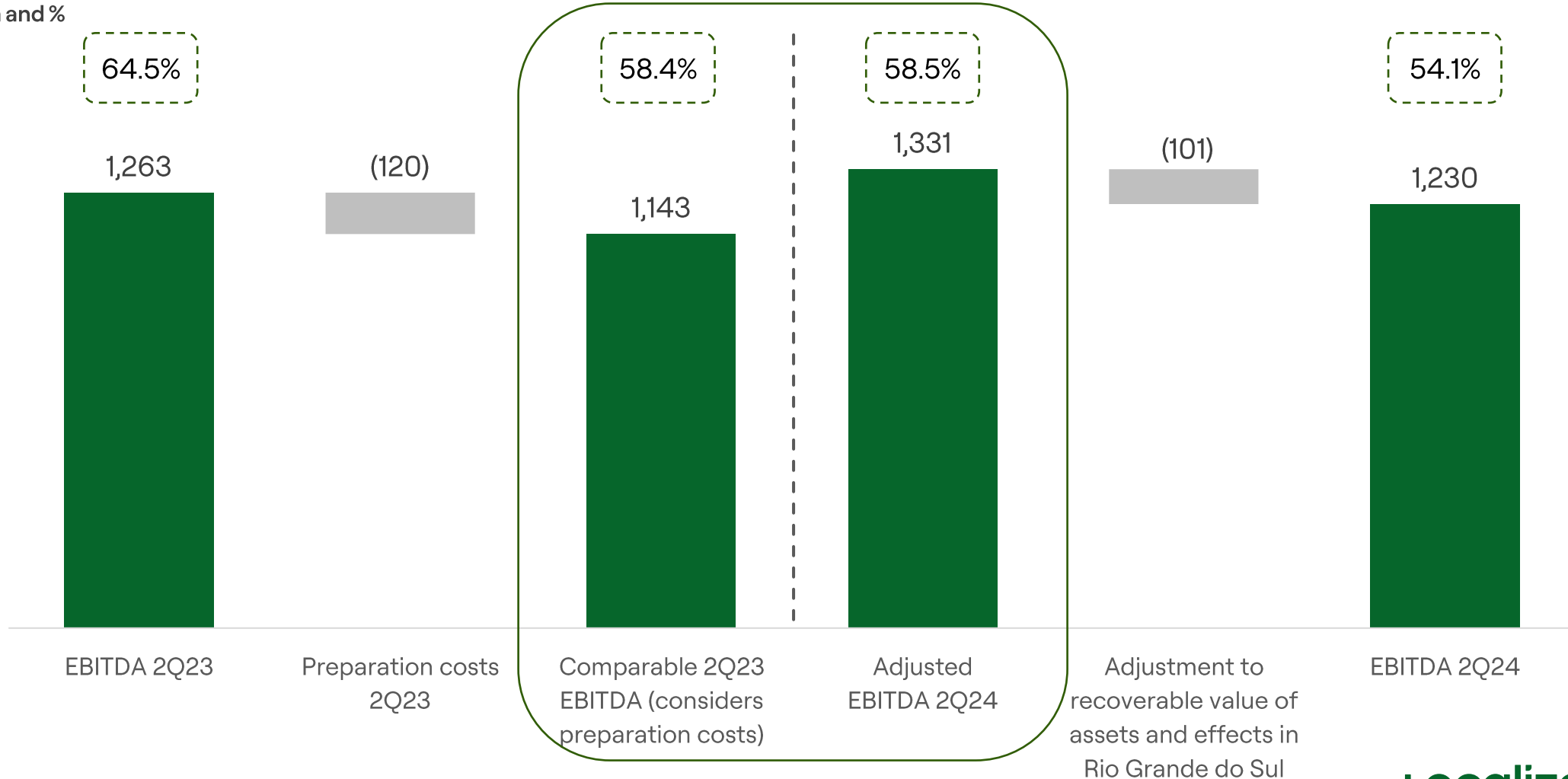
Margem EBITDA:	2021 proforma*	2022 proforma*	2023*	1H23*	1H24	2Q23*	2Q24
Car Rental Brazil and Franchising	49.6%	57.6%	64.4%	65.3%	58.8%	64.5%	54.1%
Fleet Rental	65.7%	67.9%	72.6%	72.7%	63.6%	69.5%	58.2%
Rental Consolidated	55.1%	61.5%	68.1%	68.5%	61.0%	66.8%	56.0%
Rental Consolidated + Mexico	55.1%	61.5%	67.8%	68.5%	60.2%	66.8%	55.2%
Seminovos	15.1%	11.2%	4.0%	5.0%	0.5%	3.7%	-0.8%
Consolidated (on rental income)	69.8%	70.6%	71.4%	73.4%	60.7%	70.1%	54.3%

\* Adjusted for One-offs related to integration expenses and the effect of PM n° 1,175/23.

**CAR RENTAL: EBITDA margin excluding the effects of the adjustment to the recoverable value of the fleet and Rio Grande do Sul would be 58.5%, stable in relation to the comparable margin in 2Q23**

**EBITDA and EBITDA margin – Car rental Brazil**

R\$ million and %

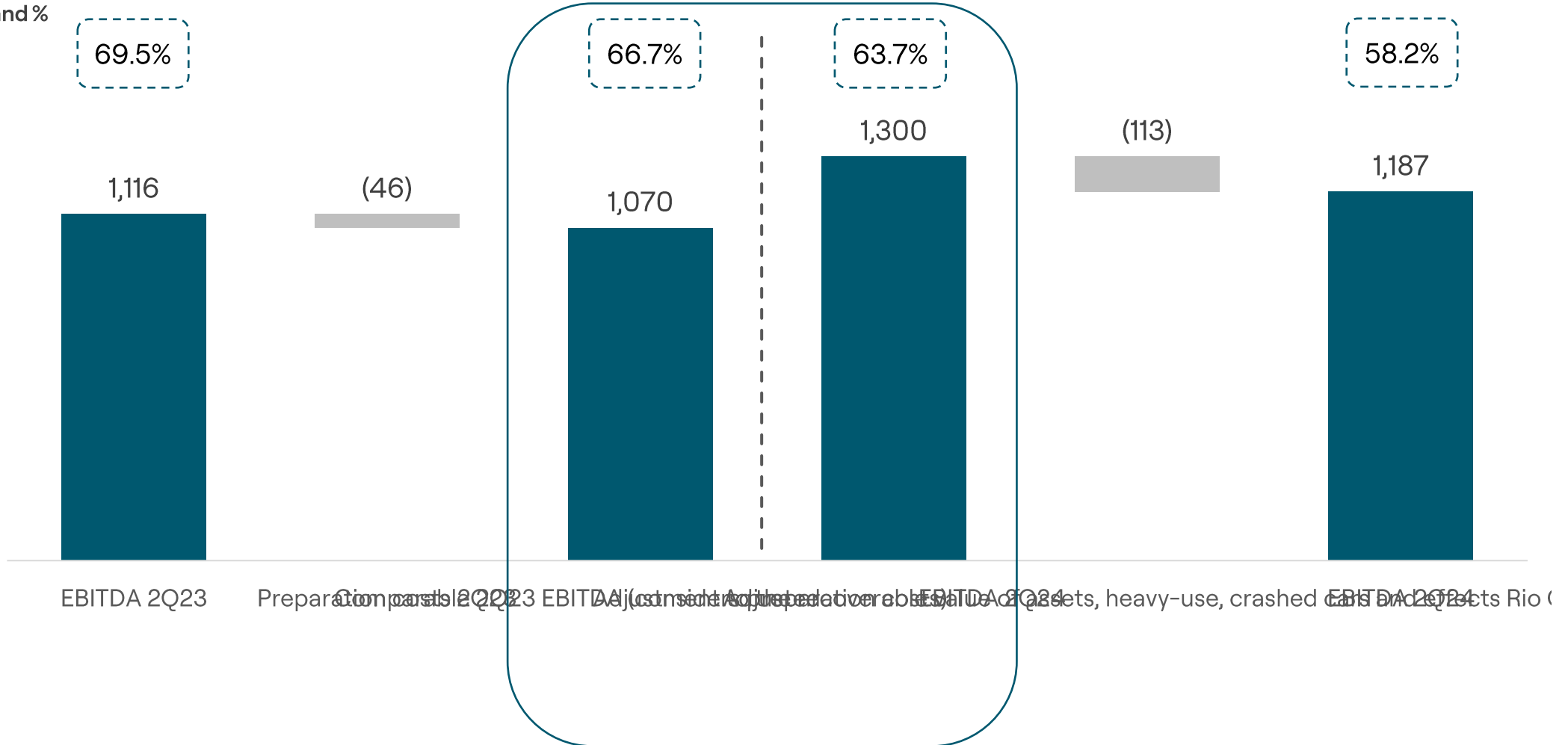


Car preparation costs affected Seminovos until 3Q23, after that they started to be accounted for in the business

**FLEET RENTAL: EBITDA margin excluding the effects of the adjustment to the recoverable value of the fleet and Rio Grande do Sul was 63.7%, -3.0p.p. in relation to the comparable margin in 2Q23**

**EBITDA and EBITDA margin – Fleet Rental**

R\$ million and %

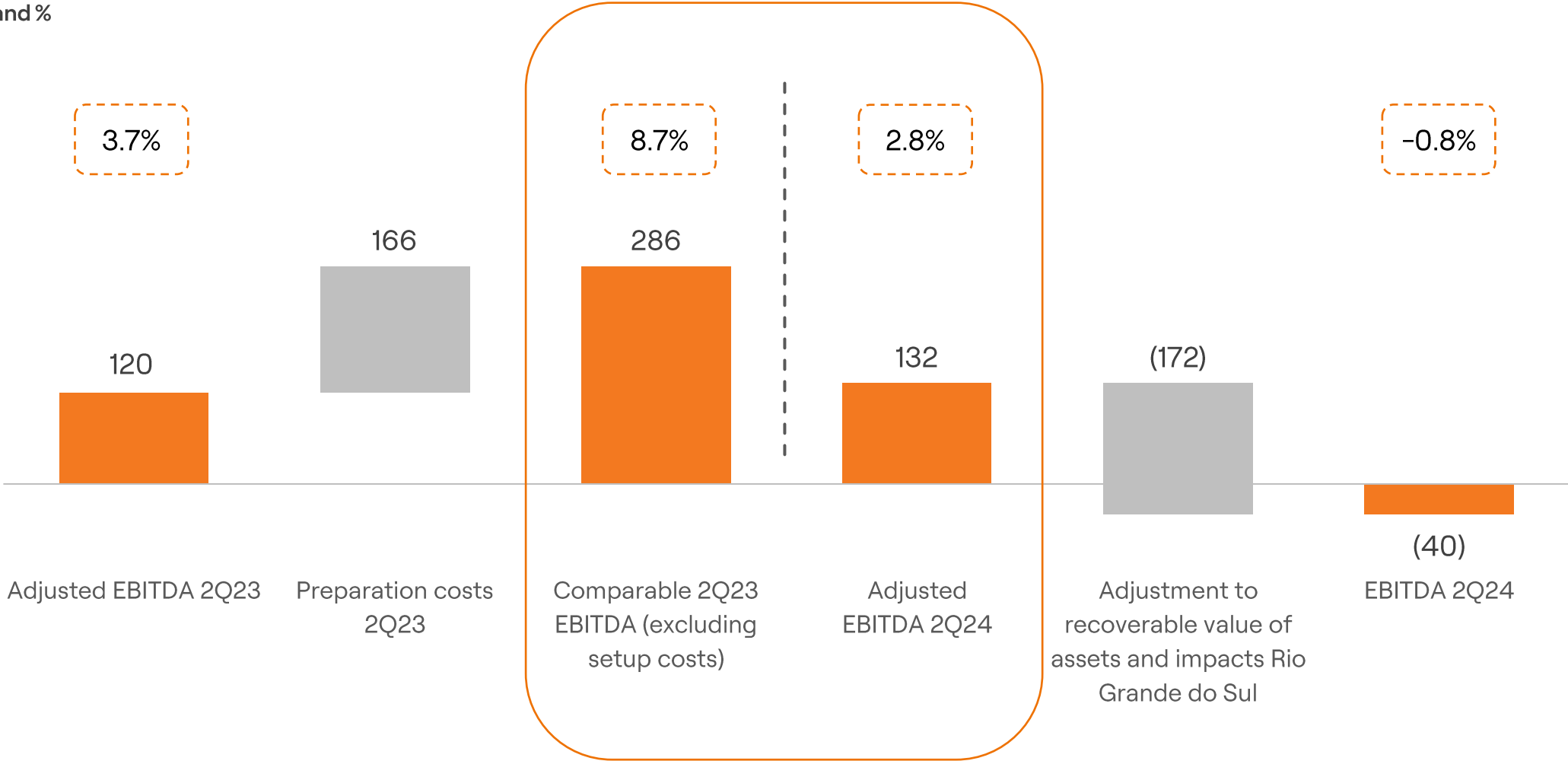


Car preparation costs affected Seminovos until 3Q23, after that they started to be accounted for in the business

**SEMINOVOS: EBITDA margin excluding the effects of the adjustment to the recoverable value of the fleet and the floods in Rio Grande do Sul was 2.8%**

**EBITDA and EBITDA margin – Seminovos**

R\$ million and %



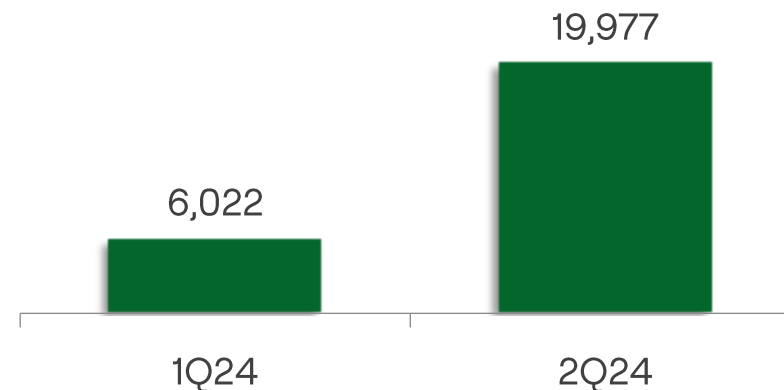
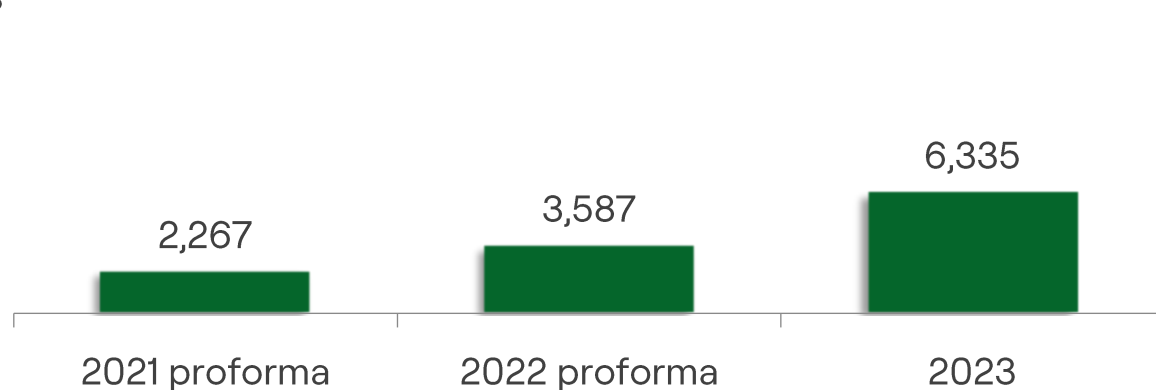
Car preparation costs affected Seminovos until 3Q23, after that they started to be accounted for in the business



# DEPRECIATION: the review of net sales price assumptions and reduction of the depreciable life cycle impacted depreciation in 2Q24

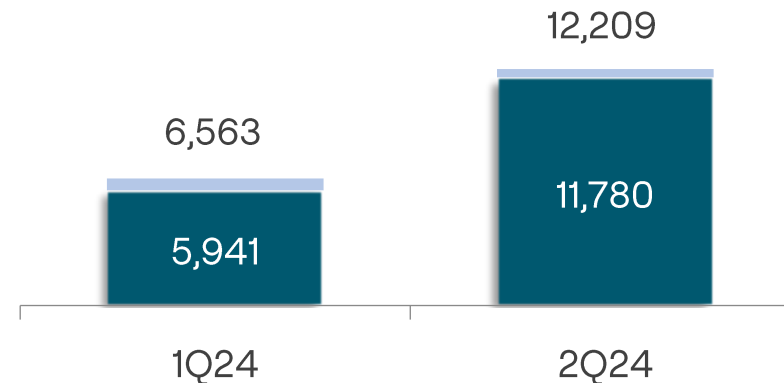
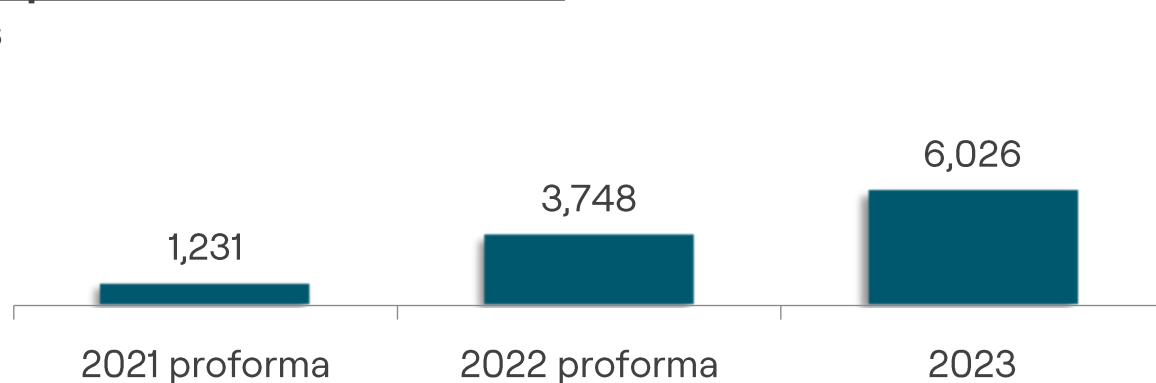
## Depreciation – Car rental

R\$



## Depreciation – Fleet Rental

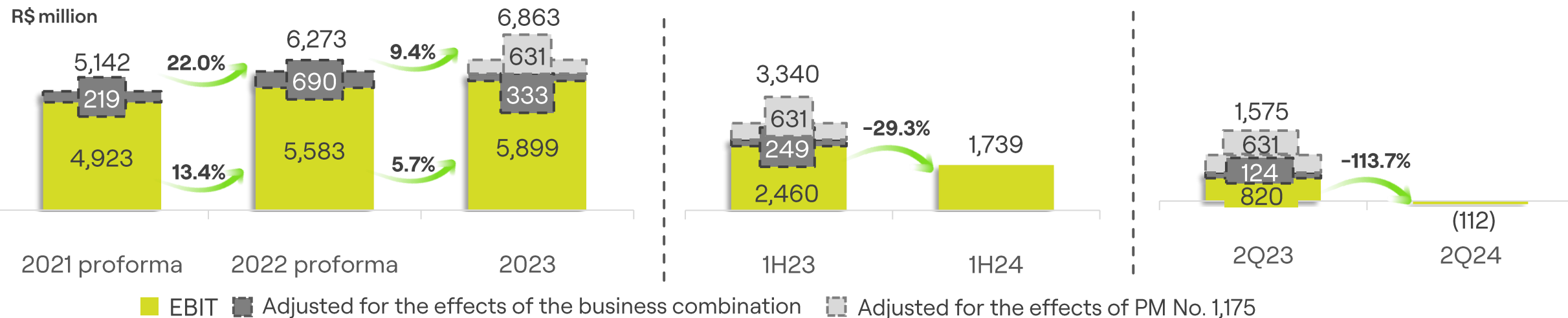
R\$



■ Light vehicles ■ Heavy-vehicle effect

# EBIT: in the quarter, the operating result reflects the revised expectation of the net sales value of cars, as well as the impacts of the floods in Rio Grande do Sul

## EBIT



The EBIT Margin includes the result from the **Seminovos**, but is calculated based on rental revenue:

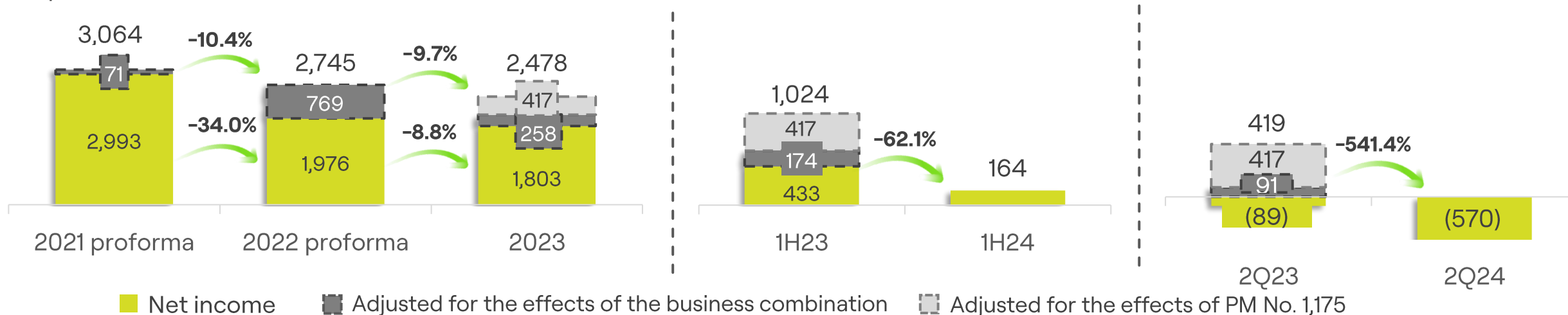
EBIT Margin:	2021 proforma*	2022 proforma*	2023 *	1H23*	1H24	2Q23*	2Q24
Car Rental and Franchising	55.2%	49.2%	40.7%	42.0%	13.4%	38.6%	-15.0%
Fleet Rental	65.3%	59.0%	53.4%	55.3%	30.1%	51.1%	13.9%
Consolidated Brazil (over rental revenue)	58.6%	52.9%	46.4%	47.8%	21.1%	44.2%	-1.4%
Consolidated + Mexico	58.6%	52.9%	45.9%	47.8%	20.0%	44.2%	-2.6%

\*Adjusted for One-offs related to integration expenses, in addition to the amortization of write-up and effects of PM n° 1,175/23.

# NET PROFIT: with the effects mentioned before, the result for the quarter was negative at R\$569.6 million

## Net profit

R\$ million



EBITDA x Net income reconciliation	2021 proforma*	2022 proforma*	2023*	1H23	1H24	Var. R\$	Var. %	2Q23	2Q24	Var. R\$	Var. %
Consolidated EBITDA	6,121	8,370	10,676	4,969	5,270	301	6.1%	2,346	2,349	4	0.2%
Cars depreciation	(673)	(1,762)	(3,367)	(2,055)	(3,274)	(1,219)	59.3%	(1,292)	(2,330)	(1,038)	80.4%
Other PP&E depreciation and amortization	(306)	(335)	(447)	(454)	(256)	197	-43.5%	(234)	(131)	102	-43.8%
Equity equivalence result	-	-	-	-	-	-	-	(1)	-	1	-100.0%
EBIT	5,142	6,273	6,863	2,460	1,739	(721)	-29.3%	820	(112)	(932)	-113.7%
Financial expenses, net	(785)	(2,726)	(4,024)	(2,167)	(1,927)	240	-11.1%	(1,097)	(943)	155	-14.1%
Income tax and social contribution	(1,293)	(802)	(361)	140	352	212	151.5%	188	485	297	157.8%
<b>Net income of the period</b>	<b>3,064</b>	<b>2,745</b>	<b>2,478</b>	<b>433</b>	<b>164</b>	<b>(269)</b>	<b>-62.1%</b>	<b>(89)</b>	<b>(570)</b>	<b>(481)</b>	<b>541.4%</b>

\*Adjusted for One-offs related to integration expenses, in addition to the amortization of write-up and effects of PM n° 1,175/23.

## FREE CASH FLOW: the Company has been increasing its operating cash generation

### FCF

R\$ million

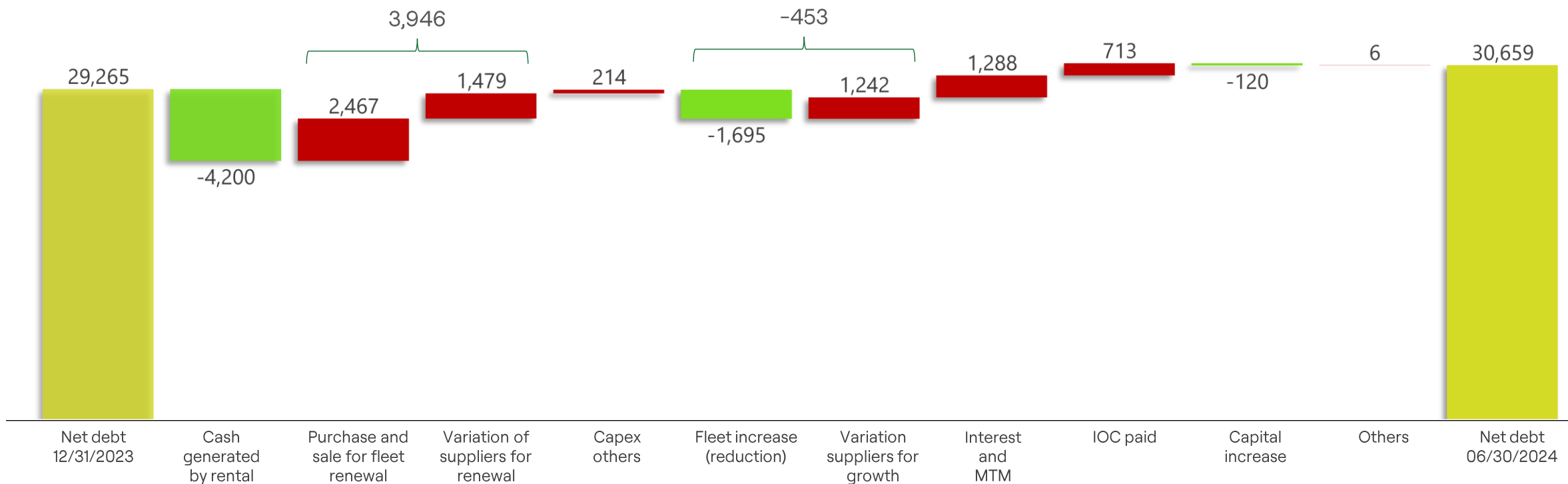
		Free cash flow (R\$ million)	2021	2022	2023	1H24
Operations	<b>EBITDA</b>		<b>3,698</b>	<b>6,589</b>	<b>10,523</b>	<b>5,270</b>
	Used car sale revenue, net of taxes		(5,308)	(7,834)	(13,876)	(9,054)
	Net book value of vehicles written-off		4,346	6,085	12,250	8,462
	(-) Income tax and social contribution		(307)	(83)	(130)	(173)
	Change in working capital		(568)	(1,284)	(1,783)	(305)
	<b>Cash generated by rental operations</b>		<b>1,860</b>	<b>3,473</b>	<b>6,984</b>	<b>4,200</b>
Capex renewal	Used car sale revenue, net from taxes – fleet renewal		5,308	7,834	13,876	7,359
	Fleet renewal investment		(6,367)	(9,903)	(19,818)	(9,826)
	Change in accounts payable to car suppliers for fleet renewal		(283)	1,620	2,969	(1,479)
	<b>Net investment for fleet renewal</b>		<b>(1,341)</b>	<b>(449)</b>	<b>(2,973)</b>	<b>(3,946)</b>
	<b>Fleet renewal – quantity</b>		<b>92,845</b>	<b>118,538</b>	<b>221,379</b>	<b>134,404</b>
	Investment, property and intangible		(143)	(353)	(387)	(214)
	<b>Free cash flow from operations, before fleet increase or reduction</b>		<b>375</b>	<b>2,671</b>	<b>3,624</b>	<b>40</b>
Capex Growth	(Investment) / Divestment in cars for fleet growth		(1,289)	(12,636)	(6,132)	1,695
	Change in accounts payable to car suppliers		572	2,298	(382)	(1,242)
	<b>Net investment for fleet growth</b>		<b>(717)</b>	<b>(10,338)</b>	<b>(6,514)</b>	<b>452</b>
	<b>Fleet increase / (reduction) – quantity</b>		<b>18,665</b>	<b>136,391</b>	<b>68,505</b>	<b>(25,158)</b>
	<b>Free cash flow after growth</b>		<b>(342)</b>	<b>(7,667)</b>	<b>(2,890)</b>	<b>493</b>
Other invest.	Acquisitions - except fleet value		(4)	(12)	(4)	(6)
	<b>Free cash generated (applied) before interest and others</b>		<b>(346)</b>	<b>(7,679)</b>	<b>(2,895)</b>	<b>486</b>

When calculating the FCL, short-term financial investments were considered cash

# NET DEBT RECONCILIATION: ended the quarter with a net debt of R\$30,7 billion

**As of 06/30/2024**

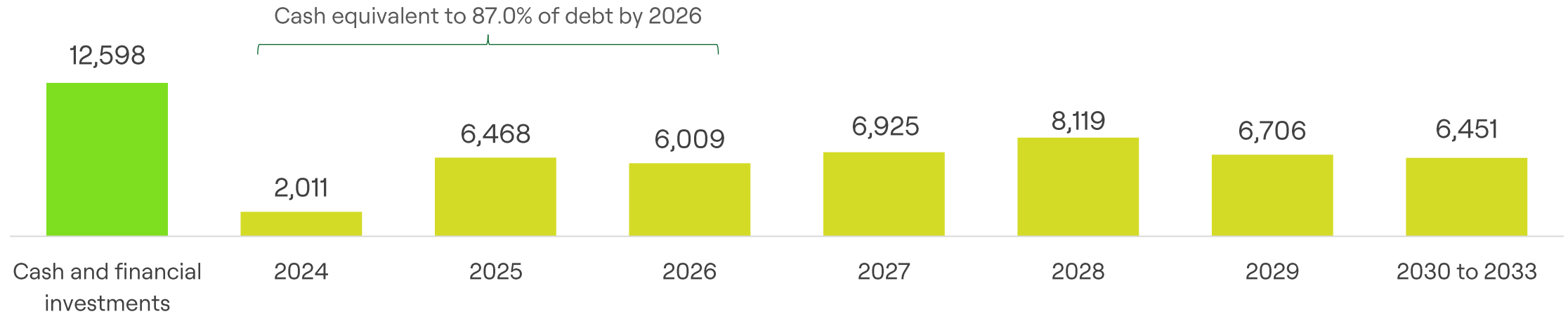
R\$ million



# DEBT PROFILE: strong cash position and comfortable debt profile

As of 06/30/2024

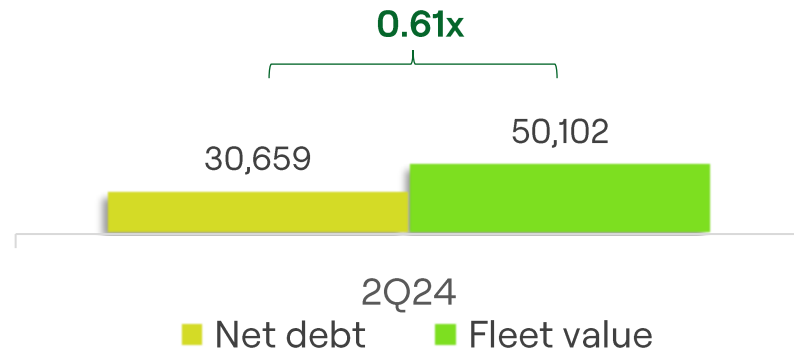
R\$ million



# DEBT RATIOS: debt ratios remain solid

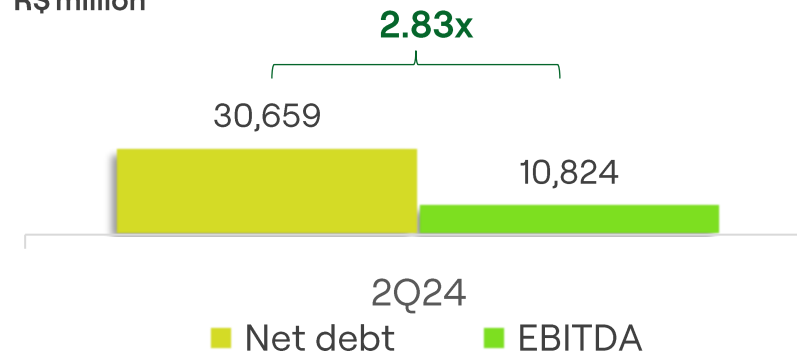
## Net debt/Fleet value

R\$ million



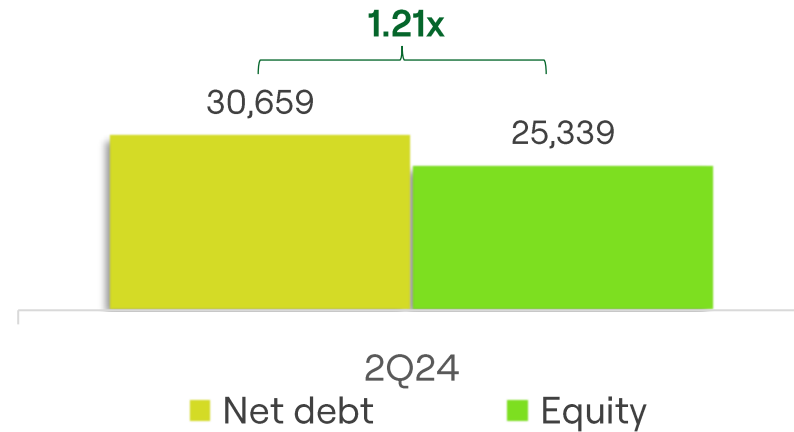
## Net debt/ EBITDA LTM

R\$ million



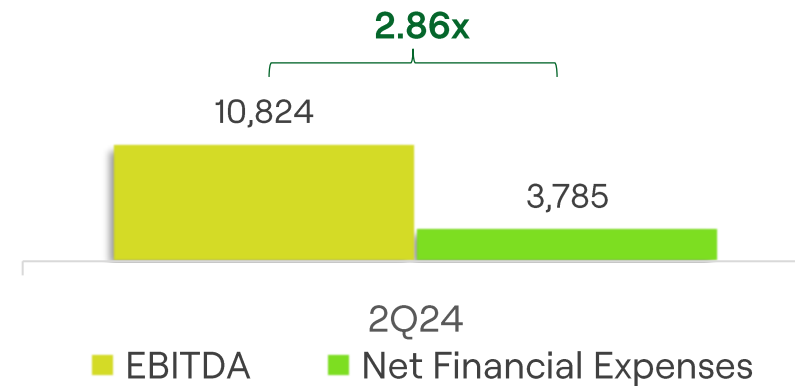
## Net debt/Equity

R\$ million



## EBITDA LTM / Net financial expenses LTM

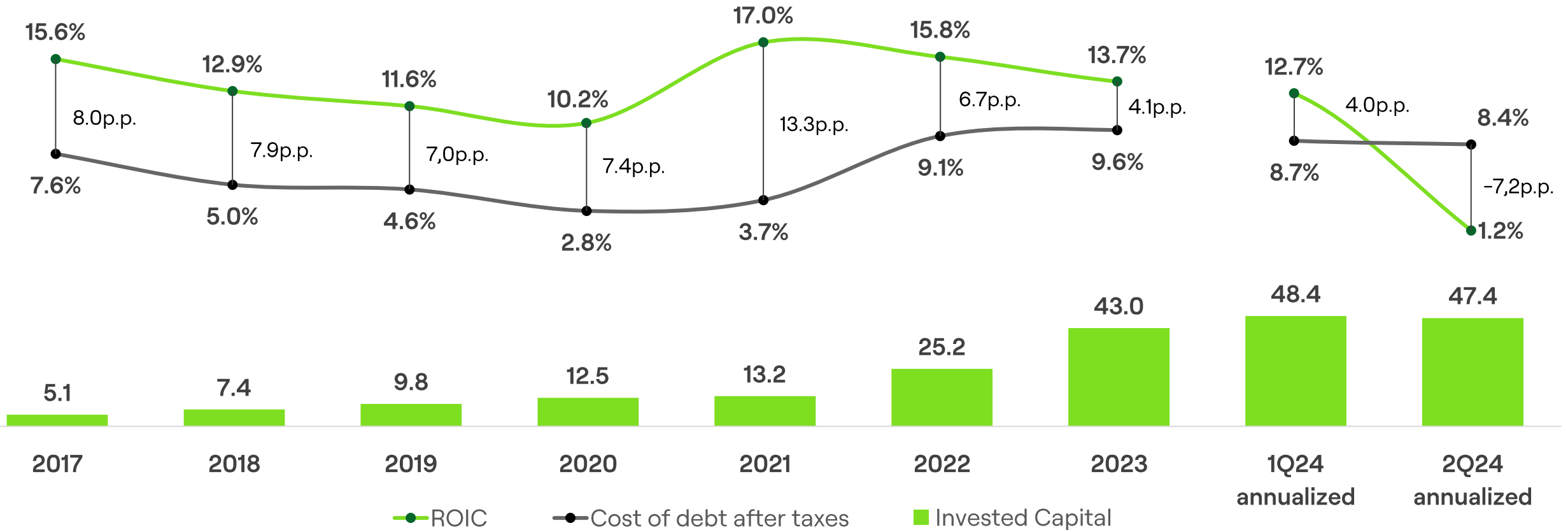
R\$ million



# ROIC SPREAD AND INVESTED CAPITAL

## Evolution of ROIC Spread and capital base

% and R\$ billion



NOPAT = EBIT X (1 - effective tax rate for the period); Capital base = Net debt + Equity - Goodwill;  
 Invested capital of Localiza stand-alone until June 30th, 2022



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Thank you!

**Localiza&co**