

Q2 2015 Earnings Call

Company Participants

- Nora Lanari
- Roberto Antônio Mendes

Other Participants

- Alexandre P. Falcao
- Bruno Amorim
- Carlos Louro
- Gustavo H. Gregori
- Lucas Marquiori
- Murilo Freiburger
- Mário Bernardes Junior
- Renato Salomone
- Rogério Araújo
- Stephen Trent
- Victor Mizusaki

MANAGEMENT DISCUSSION SECTION

Operator

Good afternoon, and welcome to the Second Quarter 2015 Conference Call of Localiza Rent A Car. Hosting the event today, we have Roberto Mendes, CFO; and Nora Lanari, Investor Relations Director.

We would like to inform that the numbers in this presentation are stated in million reals based on U.S. GAAP until 2010 and based on IFRS from 2011 on. The presentation will be recorded, and all participants will be in a listen-only mode during the conference presentation. Immediately afterwards, we will start a Q&A session for analysts and investors and further instructions will be provided.

The conference call's audio and the accompanying slides presentation are being broadcast simultaneously over the Internet at www.localiza.com/ir. The slide presentation can be downloaded at the same address by clicking the banner 2Q15 Webcast.

Before proceeding, we would like to clarify that any statements made during the conference call concerning the business outlook of the company, forecasts, as well as operating and financial targets, represents the opinions and assumptions of the

company's management, which may or may not occur. Investors must understand that economic conditions and other operating factors may affect the company's future leading to materially different results from those stated in this call.

I would like to invite the company's CFO, Mr. Roberto Mendes, to start the teleconference of the second quarter of 2015.

Roberto Antônio Mendes {BIO 7289124 <GO>}

Good afternoon, everyone, and thank you for attending our conference call. Localiza keeps its focus in the long-term, but we did adjust the wheel in the short-term to be prepared for this fabulous period and a more aggressive competitive environment. Our cash position is conservative. It is comfortable when analyzed together with our debt profile.

We are increasing our investments in business intelligence, processes, and people development in order to mitigate the effect of macroeconomic and competitive scenarios, and to capture market opportunity. Localiza has a clear long-term vision and is ready to adopt strategies (0:02:49) its strategic positioning.

To present the results for 2Q 2015, Nora Lanari, our Investors Relations Director.

Nora Lanari {BIO 18838335 <GO>}

Good afternoon, thank you for attending our conference call.

Slide number two, we present the growth evolution of the Car Rental Division. In Q 2015 – 2Q 2015 rental revenues of this division decreased when compared to 2Q 2014. Volumes were 2.2% lower than the average rental rates (0:03:22) 4.9%.

Business volume decreased due to a lower demand of business trips as a result of lower economic activities and lower (0:03:32). We invested in commercial intelligence and the use of promotional tariffs in order to encourage the demand in other segments, thereby reducing the volume of corporate business. On the other hand, promotional tariffs that stimulate demand resulted in lower average rental rates. And in fact the results have been mitigated by the reduction in depreciation expense.

Slide number three. We present the evolution of car rental network. In the first six months, six new rental locations were added to Localiza's corporate network, totaling 310. Franchised network also increased during the period. Three new branches were opened in Brazil and three abroad. Thus, on June 30, 2015, our Localiza system has 552 locations in Brazil and seven other countries in Latin America.

Slide number four. We present the Car Rental Division utilization rate. In the second quarter 2015, the utilization rate in the Car Rental Division was 69%, 2.7 percentage points above that of the first quarter 2015. During the first quarter, utilization was impacted by

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car sporting events, 7,600 cars at the end of 2014. And this advanced purchase was to avoid the increase of IPI tax.

Slide number five shows the volumes and revenues of the Fleet Rental Division. Net revenue of Fleet Rental Division grew 7.1% as compared to the previous year. This shows an 8.3% growth in the volume and a 1.6% reduction in the average daily rate due to the extension of contract terms. The longer contract terms allows Localiza to price at more competitive levels without compromising the expected profitability. The growth reflects constant efforts of the company in improving its commercial intelligence and exploring market conditions and the synergies of our business platform.

Slide number six shows the fleet's net investment evolution. In the second quarter of 2015, 16,211 cars were bought and 16,071 were sold, totaling an investment of BRL53.1 million. A 12.3% growth in the car sales revenues in the first half of 2015 is primarily a result of the increase in the average price of cars sold. The increase of new cars' prices impacts the prices of Seminovos (0:06:37) used cars. OEMs have opted to adjust new car supplies by cutting production and increasing new car prices to compensate both the economies of scale and cost increases.

Slide number seven presents the fleet evolution at the end of the period. Corporate fleet in the Car Rental Division declined 2.4% vis-à-vis the first half of 2014. This reduction reflects the company's capital allocation discipline by adjusting the fleet to car rental demand. In the second quarter of last year, the fleet was increased to meet the expected demand for the World Cup event. By the end of June, total fleet amounted to 117,676 cars. In that 104,742 belonged to the company and 12,934 belonged to the franchisees.

Slide number eight, consolidated net revenues evolution. In the second quarter of 2015, the company's net revenues increased 5% when compared to 2Q 2014 due to an increase of 7.1% increase in rental revenues and 12.5% in car sales, partially offset by a 6.4% decrease in Car Rental revenues as previously mentioned.

Slide number nine presents EBITDA evolution. In the second quarter of 2015, consolidated EBITDA totaled BRL223 million, 7.7% below the same period last year. In the Car Rental Division, EBITDA margin was 30.3%, a drop of 7.8 percentage points as compared to the second quarter of 2014. EBITDA of this division was especially (0:06:37) affected by the reduction of revenue, 6.4%. A large amount of this decrease was offset by reductions in depreciation expense. In Fleet Rental Division, EBITDA margin was at 62.8% in the second quarter of 2015, up 1.3 percentage points as compared to the second quarter 2014.

Seminovos EBITDA margin for the second quarter of 2015 was 7.5%. When buying a car, the company estimates sales prices and sales expenses in order to calculate the amount to depreciate. As mentioned before, OEMs have been increasing the price of new cars. Those increase affects (0:09:24) the price of used cars, contributing to a higher Seminovos EBITDA margin.

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On slide number 10, we present average annualized depreciation per car in Car Rental Division. Average annualized depreciation per car in the Car Rental Division was BRL598. Lower depreciation expenses derived from the expected increase of cars' residual value by the end of their lifecycle. This price increase is a result of inflation, the end of IPI exemption and higher industry costs, which consequently reflects the use of car prices. From 2009 to 2013, new car prices remained flattish, contributing to a higher depreciation than in the previous period, 2005 to 2008. While the new car prices keep on rising at the dealers, depreciation per car may still be lower than the one observed.

On slide number 11. We present the average depreciation per car in the Fleet Rental Divisions. Average annualized depreciation per car in this division was BRL4,118.2 in the first half of 2015. In the division, we see an impact similar to cars' higher residual value and consequently lower depreciation. Other factors also impacted depreciation of cars at this division, higher value of car mix and longer contract terms.

On slide 12, we see the EBIT margin evolution. Even in the adverse scenario of 2015, Localiza presented a stable EBIT margin as compared to the previous years. Operating cycles only ends with the car sale. Therefore, in our industry, EBIT margin is the best indicator to reflect operating results.

On slide number 13, we present the net income evolution. In the second quarter of 2015, net income totaled BRL93.4 million, 7.2% lower than in the second quarter 2014. This decrease is mainly due to a higher basic interest rate, which brought an effect of BRL8.9 million in financial expenses.

On slide 14, we see that the BRL18.6 million decrease in EBITDA was largely offset by the reduction of BRL13.6 million in car depreciation expenses in the second quarter of 2015.

Slide number 15 presents cash flow for the first half of 2015. In the first half of the year, the company presented free cash flow of BRL91.5 million before interest and impacted by BRL268.2 million, which is a consequence of cars being purchased before at the end of 2014 to avoid higher new car prices, which would follow at the end of IPI taxes extension. During the semester, BRL46.3 million were also disbursed to build (0:13:03) headquarters.

On slide number 16, we present changes in our debt. A reduction in the balance payable to automakers is largely due to the payment of advanced purchases in the fourth quarter of 2014.

On slide number 17, we present debt ratios as a result of the company's financial discipline. The company keeps on showing comfortable debt ratios. 60% of the fleet is enough to pay all the net debt plus balance of the OEM's account. Localiza is prepared for the turbulent period Brazilian economy is going through.

On slide number 18, we present cash position and the debt amortization profile. A strong cash position and a comfortable debt profile allow investment continuation and place us in a very comfortable position vis-à-vis our competitors.

Let me give the floor to Mr. Roberto Mendes.

Roberto Antônio Mendes {BIO 7289124 <GO>}

On slide number 19, we see that in spite of the adoption of new commercial policies that are more aggressive, in an average economic scenario, our company still adds value to its shareholders. ROIC was 16.2%.

Before we open for Q&A, let me summarize the results for the second quarter of 2015. The reduction in tariff to encourage demand and the effect of inflation in net cost were partly offset by the reduction in depreciation. However, this decrease did not offset the increase in financial expenses, which were impacted by the increase in the basic interest rate named SELIC.

Let us now open to questions.

Q&A

Operator

Ladies and gentlemen, we'll now start our Q&A session. Our first question, Gustavo Gregori, HSBC.

Q - Gustavo H. Gregori {BIO 16209398 <GO>}

Good morning, Nora and Roberto. I want to know about the used cars market. We see this market slowing down in the last year. Do you see any risk in terms of revenues for the Seminovos or an increase in depreciation along the year?

A - Operator

Well, (0:15:57) used car prices usually follows new car prices. So, if new car prices keep on rising, we expect that used cars will also keep on rising according to age, model and so on. So, this curve, new and used cars, will follow in parallel. This is the trend. On the other hand, we need to see that this market is also changing. Buyers are ever more conservative and concerned about higher debt. But so far we haven't seen any lower demand. The used cars market is very large. Used versus new cars market is three to four times bigger. A few years ago, it was 2.5, so we would still sell 2.5 times more, now we're selling four times more. It's a large market. But it may be impacted by the current economic scenario.

Q - Gustavo H. Gregori {BIO 16209398 <GO>}

I get it. But should this happen and should the used car prices drop, do you think this might lead to higher depreciation for Localiza?

A - Operator

Well, yeah, for used cars, but for Seminovos, due to our channel strategy, I think we're able to mitigate this risk in case this happens. But it is a much more difficult situation than

what we had before. Even in crisis periods in the past, we've only seen a gap and a relation between used cars and new cars. (0:18:18) was this research showing that there might be (0:18:25) a situation with more impact. So, for the Seminovos, the impact should be lower.

Q - Gustavo H. Gregori {BIO 16209398 <GO>}

Okay, I get it. Thank you very much.

Operator

Next question, Renato Salomone from Itaú BBA.

Q - Renato Salomone {BIO 17292431 <GO>}

Roberto, Nora, could you please tell me how you see demand and competitive environment by individual's monthly rental and replacement from the qualitative perspective?

A - Operator

Thank you, Renato. We don't make such a breakdown, but we have seen some articles on the topic. The automakers are talking about the scenario and political issue and Lava Jato. There is an article on the topic. So, they are offsetting this drop in this segment, promoting sales and attracting clients who are travelling. With that they are able to maintain a stable volume with some loss in revenues because air companies are - this is lower because individuals are attracted by promotions.

If corporations are travelling less on vehicles, this does impact our business car rental, because if people don't travel, they won't need cars in other towns. The investment pipeline is also lower due to the political scenario, Lava Jato and all that. So, let's say, there is indeed a drop in demand in the car rental for companies.

But we have been able to offset this with promotions for those industries that are not suffering a slowdown. And we're also attracting some new clients, keeping our volume practically stable. However, the breakdown that you asked for, unfortunately, we're not in a position to give you. But we can tell you that we've been using our commercial intelligence to encourage demand and to make the most of the opportunities that come up in this specific moment.

Thank you very much.

Next question, Bruno Amorim from Santander.

Q - Bruno Amorim {BIO 17243832 <GO>}

Good morning, Roberto and Nora. Would you please tell us about fleet rental capacity demand? I have seen a strong recovery. In your perspective, how's the competition and how's the growth in this business unit of yours (0:21:40) couple of years. Do you see lower

competition because of capital cost or SELIC's increase, or do you have any other explanation for this movement?

A - Operator

Thank for the question, Bruno. Fleet management has a lower barrier and our competition is very aggressive as far as prices go. So, we're using our business intelligence to try and grow in this very aggressive environment, making the most of the platform synergy. If the macro environment helps or if hinders, well, it reduces the demand. On the other hand, some companies choose to outsource in order to release cash flow, so we have two opposite forces working.

Q - Bruno Amorim {BIO 17243832 <GO>}

Regarding competitive demand. Do you think competitors are less aggressive this year vis-à-vis previous years or not necessarily so?

A - Operator

Competitors are always aggressive. But some do have leveraging restrictions so they are not so active. However, as I said, this market has low entry barriers, so you have different competitors, many competitors (0:23:06).

Next question is from Mário Bernardes Junior from Banco do Brasil. You have the floor.

Q - Mário Bernardes Junior {BIO 18104578 <GO>}

Good afternoon. I'd like to ask about your aggressive commercial policy. We've seen a (0:23:34). How long shall we see this for? Do you think we're going to see the same thing that we saw in 2011, 2012 when there was a price war? So, how far will you go in this war in this competitive scenario?

A - Operator

Fleet Rental situation, I mean the way we operate is very different. Fleet Rental has very low fixed costs. So, scale costs are very reduced. In Car Rental, however, where we have a dilution of fixed costs, there we can offer competitive prices right now when depreciation has lowered a lot. And in spite of that, we won't have any impact on EBITDA margin, because fixed cost helps us to maintain volume and our strategic position. That's why I said that we've been using our business intelligence to make the most of this demand and the demand of some segments which respond to these actions.

So, through specific actions from our sales and marketing areas, with a more promotional trend, we have these situations where we can offset the drop in corporate segment by increasing volume in other sectors. So, sectors which are impacted by the economic activity. So, in the long term - we want to generate value in the long term, and our leadership requires practical actions so that we reach our growth objectives. So, right now, we have an impact because interest rates are very high. But I think the scenario for next year would be 2 to 3 percentage points below, because inflation will also drop from 10% to 5% probably.

Q - Mário Bernardes Junior {BIO 18104578 <GO>}

My second question has a little to do with something you said in your first answer. Should we expect that during the next half of the year, this lower depreciation effect will help you maintain your policy?

A - Roberto Antônio Mendes {BIO 7289124 <GO>}

As far as we see, and we have already said that, Nora mentioned when she talked about this depreciation, should OEM prices and also other prices keep on rising - and this seems to be the case because OEMs are choosing to increase prices so they won't have an excessive supply. They are lowering production and increasing prices. So, in this situation, our Seminovos and used cars will probably follow the same trend of prices. So, depreciation will be at a new level we think. So, that's why we showed a scenario before and after (0:27:13). Therefore, going back to slide number 10, you see that between 2005 and 2008, we had higher prices, and depreciation was between BRL500 and BRL1,000 per year.

Then between 2009 and 2012, the increased scale and OEMs' competition was a little bit fiercer, prices were stable, so they offset the stable revenue with scale gains. At that point the scenario changed completely. We had excess installed capacity. So, now we are reducing production and increasing prices. This leads to a drop in depreciation. So, the scenario that we see now, and we think this is going to continue, is something that we have already seen between 2005 and 2008.

So, there are strong indications that depreciation will keep on being low and that we can keep on making our promotional cars available, and more competitive cars will be offset by lower depreciation anyhow. Thank you.

Operator

Next question, Rogério Araújo, UBS.

Q - Rogério Araújo

I have two questions, the first one relating to Seminovos. In some cases, you have 180 cars per month being sold. And then this quarter, it dropped to 70. Is this something that happens in the market as a whole, or what do you think and how do you expect this ratio to occur in the next quarter?

The second question, regarding your competition, can you give us a breakdown? If the market is not working well, how much is this owed to the macro situation and how much is it owed to competition? And what we saw in the second year in terms of spread, how much can this be at this level or lower, lower than the 7.8% threshold?

A - Operator

Thank you for your questions. First thing is this volume of 70 cars per (0:30:15), I think this will be the case from now on. We don't provide you guidance as you know. But in this

scenario, we will always have a trade-off between prices and volumes. We are not going to waive our price to have volume at any price, right? I mean, we could resort to this if we need it, but that's not the case.

Regarding competition, our competitors I think won't have a great impact because the impact is very large. We're talking about almost 10 million cars per year. So, the volume sold by the competition and by ourselves won't have a significant impact.

But selling cars in the relevant item is part of the cycle of our operation. So, we start with buying and then we rent cars for a year and then we have to sell it. The cycle, therefore, only finishes with sales. You asked about ROIC and spread. Well, spread dropped because ROIC dropped 1 percentage point. And interest rates also increased one percentage point. So, the drop of two percentage points regarding last month or last year rather is due to these two factors.

Would you believe that in 2016, as interest rates dropped - and this is what we believe is going to happen, it's going to drop to 300 basis points. Because we believe that inflation will be under control. Therefore, I think this will keep spread at a level that we are practicing today. And we are always monitoring ROIC. Our company is always concerned having an ROIC that adds value to our shareholders. So, this is one of the main indicators and we'll keep on tracking it.

Q - Rogério Araújo

Okay. Thank you very much.

Operator

Next question, Lucas Marquiori from Banco Safra.

Q - Lucas Marquiori {BIO 17907247 <GO>}

Roberto and Nora, good morning. My question regards fleet adjustment. You're buying fewer (0:33:08). So, what is your idea - what do you think is going to be the variation in terms of cars bought? And do you have any idea if the used will remain at 69%, 70% by the end of the year?

A - Operator

Thank you very much for your question, Lucas. Last year, we bought 7,000 cars in advance. So, when you look at the balance this year, you must always keep that in mind. 7,000 cars were bought in advance at the end of last year in order to make the most of lower IPI taxes. So, we don't project to make any reductions. We'll keep on renewing our fleet always to sustain whatever comes in terms of Car Rental and Fleet Rental. So, we don't expect to cut our purchases. Let me remind you that in the first quarter, there was a reduction of our fleet. So, in the first quarter, there was a reduction. We don't have any plans of reduction for the future.

Q - Lucas Marquiori {BIO 17907247 <GO>}

And the used freight, usage freight is at the same level?

A - Operator

Yes, 70% is our target. It might be lower, but there is always a trade-off embedded. Should there be a need or an interest to buy something in advance, of course, there will be a trade-off embedded. And if this is the case, we'll talk about it when time comes.

Next question, Murilo Freiburger from Bank of America.

Q - Murilo Freiburger {BIO 17385357 <GO>}

Actually, most of my questions has already been answered. But I would like to know about cost. What do you think is possible to do, because we have to look at the EBITDA margin and we saw a (0:35:45). Maybe this is the lowest margin that we have seen. I know that you don't give any official guidance, but could you say what we should expect for the rest of the year? Should we see better EBITDA?

A - Operator

Thank you for your question, Murilo. We do have some initiatives to improve productivity and better efficiency at cost and expenditures. But we do have a project ongoing, but we still don't have anything to report. Thank you.

Next question, Alexandre Falcao from HSBC.

Q - Alexandre P. Falcao {BIO 5515455 <GO>}

Actually, I'd like to understand what you see for the second half of the year in terms of what's happening in employment and activity. So, I think it's going to be a worse quarter or a worse period than the previous six months. How can you get ready for a weaker market, and how will you - what will you do in order not to lose market share because your competitors are more aggressive at this moment when market is very worse? So, should this worse scenario confirm itself, what are you going to do? Are you going to do anything not to lose market share, or are you going to do something to minimize utilization?

A - Operator

Thank you, Falcao. I'd like to remind you that our utilization is like the story of the caps. You have this water where you're putting the water to the car or - so, we open or close this cap as need be. Of course, the scenario for the second half of the year looks worse than what we had in the first half. So, hiring and employment, and this is what we have. You're going to manage our fleet, buying fuel or more cars as the case may be but let me remind you that we believe that we are better prepared than our competitors for this scenario. Our cash position is very comfortable. Our tax profile is long. We've posted good results. Our strategy in this scenario that you just described is quite interesting. So, in spite of the

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fact that the scenario does not look very good I think it will be worse for our competitors if they are not as prepared as we are to face the situation.

Q - Alexandre P. Falcao {BIO 5515455 <GO>}

Just one last thing. Have you see any difficulties - are people coming to talk to you? Do you expect any higher acquisition for the second half of the year?

A - Operator

Well, actually, the scenario is the same for Brazil as a whole, not only for the big cities. But you don't have a special crisis forcing people to rethink their businesses. I think everybody is happy with what they have, and they are getting ready for the scenario ahead. We are always talking to them, and they are prepared to whatever is coming. Questions?

Victor Mizusaki, Bradesco BBI.

Q - Victor Mizusaki {BIO 4087162 <GO>}

I have two questions. First one about the competition. Could you talk a little bit more about products to tackle tourism, for example, the segment of tourism? I would like to know a little bit more about ancillary revenues. And the second aspect, to better meet the needs of the market, do you expect any changes in your shops' structure?

A - Operator

No changes are expected in terms of shops' structure. We're changing our attitude of our sales team, encouraging demand, and we see some results. We see some increases. It's the same as the airlines, the air companies. But we don't see any (0:41:37). We've been opening new stores actually. We opened six new ones in the first six months. But the macro scenario is a difficult one, and we're going to capture any opportunity for growth that we see.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Regarding ancillary revenues.

A - Operator

Sorry, Victor. Of course, there's always an opportunity to capture results there. So, we are focusing on that. We have already seen some initiatives, and we're going to try and capture ancillary revenues, but we don't tell where this will come from. This is strategic information to us, so we do not disclose.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Okay. Thank you.

Operator

Stephen Trent from Citibank, ask the next question.

Q - Stephen Trent {BIO 5581382 <GO>}

Good morning - excuse me - good afternoon, Roberto and Nora, and thanks for taking my questions. Two, if I may. The first question pertains to, once again, the macro environment and whether or not the current environment has led you to rethink how you're going to manage risk, if that's going to come from maybe derivative strategies or maybe having a more aggressive treasury operation where you (0:43:26) stuff as opposed to just keeping your cash balance (0:43:33). That's my first question. Let me start with the first one.

A - Operator

Thank you for your question. Yes, the risk is different in the current environment. The tax surplus was revised now. So, we see a downgrade of the risk. So, the company is very careful regarding the situation. Our cash position is very robust. Our debt profile is very well balanced. So, I think this conservative position of ours will make a difference in a very difficult second half of the year.

Q - Stephen Trent {BIO 5581382 <GO>}

Okay. Great. I appreciate that. And my question is somewhat related to the first. But I was just curious as to whether you are having any second thoughts with respect to your long-term thinking on developing discount brand within Localiza?

A - Operator

We believe that the market today wouldn't be able to absorb a second market. So, our commercial strategy is more flexible. We think this will be enough to encourage demand in those segments which are price-sensitive.

Q - Stephen Trent {BIO 5581382 <GO>}

Okay. That's helpful color. Well, let me leave it there and thanks for taking the time.

Operator

Our next question comes from Carlos Louro, J.P. Morgan.

Q - Carlos Louro {BIO 17325073 <GO>}

Good afternoon. I've got two questions. First one regards demand - car rental demand for July. We're almost at the end of the year. So, can you give us some color as to how the demand is going? Second question regarding buyback program. This is not done at once. So, your cash position, will it remain strong and robust during this program? So, if it does, can we have extraordinary dividends besides buyback, or it will be only buybacks?

A - Operator

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Our (0:46:33) for July is within our expectations. Regarding the buyback program, we always have an ongoing progress. So, we are renewing the program that closed in July. 2 million shares - up to 2 million shares to be bought. But the macro environment is very complicated. So, there is this risk of a downgrading for Brazil. Therefore our position is always going to be conservative regarding cash. Our board has not defined a deadline for decision making, and it hasn't said if dividends are not excluded.

So, our decisions will occur according to what happens during the second half of the year, and we expect a worse half of the year.

I have a question from web, from Natalia Welfort from Capital Investments (0:47:45). She asks us to talk about the increase (0:47:50). What segments were most impacted?

Thank you for your question. We had an increase in our risk provision, especially for the first quarter. Again, we are very conservative in this respect. So, we conducted a detailed analysis of our exposures. We don't have any direct relevance - direct exposure. But we analyzed the entire chain. Therefore, we adopted a preventive provision for any risks that might come up, and we decided to act on any possible breakup. So, we don't expect any surprises for the future.

We now bring the Q&A session to an end. Let me give the floor to Nora Lanari for her final remarks. You have the floor, Ms. Lanari.

A - Nora Lanari {BIO 18838335 <GO>}

I would like to thank you all for attending our conference call. And I'd like to say that our department is solely available in case you have any other questions. Thank you very much.

Operator

Localiza Rent A Car conference call now comes to an end. We thank everybody for attending. Have a very good afternoon.

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