

Q1 2015 Earnings Call

Company Participants

- Nora Lanari
- Roberto Antônio Mendes

Other Participants

- Bruno Amorim
- Gustavo H. Gregori
- Leandro Fontanesi
- Lucas Barbosa
- Murilo Freiburger
- Márcio Prado
- Renato Salomone
- Ricardo Alves
- Stephen Trent
- Victor Mizusaki

MANAGEMENT DISCUSSION SECTION

Operator

Good afternoon, and welcome to the First Quarter 2015 Conference Call of Localiza Rent A Car. Hosting the event today, we have Roberto Mendes, CFO; Ms. Nora Lanari, Investor Relations Director. We would like to inform that the numbers in this presentation are stated in million of Brazilian reais and based on U.S. GAAP until 2010 and based on IFRS from 2011 on.

Presentation will be recorded, and all participants will only be able to listen to the conference call during the company's presentation. Immediately afterwards, we will start the Q&A session for analysts and investors, when further instructions will be provided.

The conference call audio and the accompanying slides are being broadcast simultaneously over the Internet at the address www.localiza.com/ir. The slide presentation can be downloaded at this time at the same address by clicking on the banner 1Q15 Webcast.

Before proceeding, we would like to clarify that any statements made in the conference call concerning business outlook for the company, forecasts, as well as operating and financial targets, represent 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 and may lead 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 first quarter of 2015.

Roberto Antônio Mendes {BIO 7289124 <GO>}

Good afternoon, everyone, and thank you for attending our conference call. GDP's poor performance in 2014 with strong inflation levels together with the outcome of the corruption investigations involving relevant companies in Brazil created a scenario of uncertainty in the country, reducing the levels of confidence, and consequently, economic activity. But market already expected GDP contraction of 1% this year with inflation well above the target ceiling at 8.23% and the average interest rates at 13.14% per annum versus 10.86% in 2014 according to Focus Bulletin.

Associated with a challenging macroeconomic scenario, there is also a more competitive environment in terms of prices in a still very fragmented market. Against this backdrop, the company has sought to become more competitive by investing to improve its conversion intelligence, training its employees, promoting leadership, development and investing in information technology.

The company also maintains its cash position in that profile at comfortable levels. We are fully prepared to face the risks and opportunities that may arise from this scenario. We count on a highly experienced, qualified and motivated team to sustain a superior performance.

During the first quarter of 2015, the company's consolidated net revenues increased by 6.5% to BRL 1 billion. Net income was BRL 100 million and ROIC was at 16.8%. Five corporate rental locations were opened. To present the first quarter of 2015 results, I would like now to turn the floor to our Investor Director, Nora Lanari.

Nora Lanari {BIO 18838335 <GO>}

Good afternoon, everyone. Thank you for attending our conference. On slide number 2, we present the growth evolution of the Car Rental Division. In the first quarter of 2015, rental revenues in this division remained practically stable when compared to the first quarter of 2014, with volumes growing 1% combined with a 2.1% decrease in the average rental rate. Lower average rental rates results from the more competitive pricing environment.

Localiza is financially and strategically prepared to operate in a more competitive environment while maintaining profitability of its shareholders' investments. The volume presented at this quarter reflects the level of economic activity in the country. In recent years, the company has been prepared to expand its customer base, optimize the

commercial strategy, widen its penetration in different sectors of the economy in order to reduce potential business impact of a possible economic slowdown.

On the next slide, slide number 3, we present the evolution of car rental network. This quarter, five new car rental locations were added to Localiza's corporate network totaling 309. We also had four new locations added to the franchise network abroad. So, on March 31, 2015, the system had 549 locations in Brazil and in other eight countries in South America.

Slide number 4, you see the evolution of car rental location, Car Rental Division's utilization rate. The decrease in the utilization rate in this quarter reflects the car purchase anticipation of 4Q 2014 or the fourth quarter of 2014 and lower-than-expected demand due to a more competitive environment at the macroeconomic level. The purchase of around 7,600 cars was anticipated at the end of 4Q 2014, the fourth quarter of 2014 in order to avoid the effect of restatement of IPI tax and consequence increase in car prices.

In the next slide, slide number 5, represents the volumes and revenues of the Fleet Rental Division. After decreasing revenues and volumes in the Fleet Rental business in 2014, both indicators presented a growth in the first quarter of 2015. The net revenues increased plus 4%, reflecting a growth of 4.7% in the daily rate rental volumes and a 1.5% decrease in average daily rental rate due to stretching the contract's terms compared with the first quarter of 2014. The growth reflects the company's constant efforts to develop its commercial intelligence and explore market opportunities.

The extension of contracts' terms led to more competitive rental - or more competitive rate levels without compromising the expected profitability. This reinforces the company's position that discipline in the fleet business is essential for sustainable growth, even in a market with low entry barriers and low fixed costs.

In slide number 6, we present the fleet in net investment evolution. As it happens in the first quarter of every year, fleet is reduced after the summer vacation peak. In the first quarter of 2015, 10,640 cars were bought and 17,449 cars were sold, a total divestment of BRL 194.9 million. Despite the number of cars sold in the first quarter of 2015 being the same as the first quarter of 2014, net revenues were 12% higher due to the increase in the average price of cars sold.

Slide number 7 shows the evolution of the end-of-period fleet. At the end of summer vacations, Car Rental Division's corporate fleet was reduced by 6,230 cars in relation to the fleet at the end of 2014. At the end of March 2015, the corporate fleet totaled 118,115 cars, the 104,843, the company's; and 13,272 of its franchisees.

Slide number 8 presents consolidated net revenues evolution. In the first quarter of 2015, company's net revenues grew 6.5% in comparison with the first quarter of 2014. Due to the increase of 4% in Fleet Rental's Division revenues and 12% in cost sales revenues, which were partially compensated by the 0.4% reduction in Car Rental Division's revenues.

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Slide number 9 presents EBITDA evolution. In the first quarter of 2015, EBITDA totaled BRL 245 million, 1.6% below the same period last year. In the Car Rental Division, the quarter's EBITDA margin was at 34.4%, a 5.8 percentage points lower than the first quarter of 2014. This quarter, the division's EBITDA was affected by BRL 3.4 million in strategic consulting expenses, and BRL 3.6 million increase in preventive provision for doubtful accounts or bad debt, reinforcing the company's conservative approach.

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The increase in costs and expenses was offset by lower depreciation, keeping ROIC at a healthy level. In Fleet Rental Division, EBITDA margin was 59.3% in the first quarter of 2015, down 2.7 percentage points compared with the first quarter of 2014. The decrease was affected by the impact of BRL 1.4 million in strategic consulting expenses, but mainly due to the extension of the term of the contract, which tend to have lower rates, resulting in lower EBITDA margins.

The lower margins should be offset by a reduction in depreciation per year without affecting the expected return. EBITDA margin of Seminovos in the first quarter of 2015 was 8.8%. Such high margin is due to the higher selling price of cars above the company's expectations while these cars were purchased due to the current new car price increase by automakers, which reflects in the price of used and Seminovos cars.

Let us now move on to slide number 10, where we show the average annualized depreciation per car in both car and fleet rental divisions. Annualized depreciation per car in the Car Rental Division in the first quarter of 2015 was BRL 778.4 million (sic) [BRL 778.4] (12:14). Lower depreciation in this division is due to the increase in the residual value of the car at the end of its useful life as it reflects of the current scenario of increasing new car prices, then consequently, in used car prices.

In the Fleet Rental Division, depreciation per car of BRL 4,642, the increase in this division's depreciation is the result of an increase in the average value of purchased cars, as well as the use of SOYD method, which provides higher depreciation quotas in the beginning of the car's life, and lower ones at the end of its useful life. The best performance indicator for this industry is EBIT (sic) [EBITDA] (13:06), as it reflects depreciation and on-cash cost that becomes cash when renewing the fleet. In this quarter, EBIT (sic) [EBITDA] (13:15) margin was 18.5% in line with the one of [ph] 2015 (13:19).

On slide number 11, we present net income evolution. In the first quarter of 2015, the company presented a net income of BRL 100.3 million in the first quarter of 2015, a decrease of 5.2% when compared with the first quarter of 2014. Such decrease was mainly a result of the increased financial expenses due to the increase in the basic interest rate of the swap mark-to-market effect.

Slide number 12 presents free cash flow in the first quarter of 2015. In the first quarter of 2015, the company presented a free cash flow before interest and the investment in new headquarters of BRL 26.9 million, impacted by the payment of OEMs totaling BRL 226.3 million. This quarter, BRL 24.6 million were disbursed for the construction of the new headquarters.

On slide number 13, we present the changes in debt. Even with the strong disbursements for payment of automakers in new headquarters, net debt was not significantly impacted.

On slide number 14, we show debt ratios, which reflects financial discipline of the company. The company has comfortable leverage ratios. Localiza is prepared for growth and consolidation opportunities in the car rental market as well as the more challenging macro scenario.

On slide number 15, we present cash and debt amortization profile. The company still presents strong cash position and possible (25:13) debt profile. Management monitors the financial of capital market on a regular basis, adjusting its debt portfolio, aiming at better debt profile and financing cost. New financial transactions carried out at the beginning of the second quarter of 2015 will provide even more comfort to the company's debt profile.

I would now turn the floor to our CFO, Mr. Roberto Mendes

Roberto Antônio Mendes {BIO 7289124 <GO>}

Thank you, Nora, for the presentation. Localiza is prepared for the adverse scenario expected for 2015, as well as for opportunities that may arise from it, and adopt new commercial policies.

The result of our discipline can be seen on slide number 16, where despite adverse macro scenarios in a more competitive environment, the company presented a 16.8% ROIC and in the first quarter of 2015, a healthy spread despite the strong increase in the basic interest rate.

Let's now move to the Q&A session.

Q&A

Operator

Ladies and gentlemen, we will now begin the Q&A session. First question comes from Victor Mizusaki, Bradesco BBI.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Good afternoon. I have two questions. The first one, looking at the used aspect of the first quarter, we saw a drop in the average daily rate. On the other hand, we didn't see any increase of the used rate because of the profits of 2014. So, my question is what would be the normalized rate for used during the year? And what would be the ROIC for this utilization rate?

I also have a question regarding the utilization rate. Looking at 2015 as a whole, when can we expect a recovery from these utilization rates? Can we have something in the second quarter or only the second half? And if the response is not as expected, when do you think Localiza could reduce its fleet?

A - Operator

Thank you for your question, Victor. Regarding the used rate, you're totally right. It has been impacted by the purchase, which was made before what we expected due to the opportunity. And we still didn't see it in this quarter because we bought 7,600 cars in the fourth quarter of 2014. A normalized rate, if we did not consider this purchase which was made beforehand, would be 70% what we'll see during the year. So, around 70% utilization rate and the ROIC would be around 70%.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Thank you. The utilization rate along the year, in case the demand doesn't grow more strongly, do you think Localiza could start selling cars as of the first quarter?

A - Operator

Victor, if demand is lower than expected, the utilization rate will be adjusted, reducing the level of purchases.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Thank you.

Operator

Next question, Bruno Amorim from Santander.

Q - Bruno Amorim {BIO 17243832 <GO>}

Good morning. I have two questions. My first question, about depreciation, I would like to know to what extent the depreciation of BRL 780 per car per year is sustainable with the (19:40) fleet with the new prices of new cars, which has also increased the price of used cars. We have this impact, but thinking about next year in a more normalized situation, you think we could expect a more - a higher depreciation, I mean? And what do you see in terms of competition in the margin (20:00)? You wrote in your release that competition is becoming more difficult, and this has had an impact on the rates for this year. What about the second half of the year, do you see an improvement regarding this?

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

Bruno, this is Roberto. Thank you very much for your question. Remember that the depreciation depends on the used cars market. Up to now, the market has been reacting very well in terms of demand and also in terms of prices. Prices will be in line with the new cars. Our Seminovos have a certain gap vis-à-vis the new cars.

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And the automakers have increased the prices of new cars due to low costs because for a while, they were able to absorb the costs. But apparently, now, they have no more space to absorb the cost increases. And automakers have been reducing the level of production, maintaining the price of cars in line with inflation.

You asked about next year. Well, next year seems at first to be a scenario where automakers will keep on adopting the same policy. So, if they follow the same policy, used cars will also follow in terms of price.

Regarding competition, that thing we mentioned in our release, let me remind you of EBIT (sic) [EBITDA] (21:51). Our EBIT (sic) [EBITDA] (21:53) margin at 18.5% is exactly at the same level last year. So regarding a small drop in EBITDA, where we had to break down the prices, this did not impact the EBIT (sic) [EBITDA] (22:12) margin. This is the scenario we're working with. We're getting ready to a more competitive scenario, of course.

Q - Bruno Amorim {BIO 17243832 <GO>}

Okay. Thank you. But can you tell us whether we should expect an improvement or a deterioration for the second half in terms of margin?

A - Operator

Bruno, unfortunately, we cannot provide you any guidance. This is our policy. But I can tell you that the environment will keep on being very competitive.

Q - Bruno Amorim {BIO 17243832 <GO>}

Thank you.

Operator

Next question, Gustavo Gregori from HSBC.

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

Good morning, Nora, Roberto. My first question is regarding the Seminovos sales. The first quarter was very good, but I would like to understand whether on a month-by-month basis, do you see - from March to April, do you see a strong demand? Or do you see, with the slowdown of the economy, an impact on the Seminovos? Could that lead to a price reduction for 2015?

A - Operator

Thank you for your question, Gustavo. In March and April, Seminovos are a little slower, but it's still within what we expected - the range that we expected. So, this has not impacted prices. Price in the first quarter grew 12% vis-à-vis the first quarter of last year.

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

I see. So, you believe the level should be the same along the year?

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A - Operator

Well, Gustavo, let me remind you that the used car market in Brazil is very large. It's three times the size of new cars. Consumers buying cars, they know that if they buy a Seminovo from Localiza, they have a considerable discount vis-à-vis new cars. So, I think this macro environment, this rationale on the part of consumers, has not changed and should be the same along the whole year.

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

Thank you.

Operator

Next question Murilo Freiburger, Bank of America Merrill Lynch.

Q - Murilo Freiburger {BIO 17385357 <GO>}

Good morning. On my side, I would like to ask about the two expenses that we saw that squeezed the margin of the company, the (25:04) expenses with consultants. Could you give us some color? Are we to see these expenditures for the future and why this expenditure with BDD (25:15)? And in terms of consulting expenditures, what should we expect? Is this all (25:23)? Or do you expect these expenditures to recur in the next months?

The second question, talking about competition, how do you see Movida's increase, which - well, they should be the second player in the industry? And do you feel anything regarding their tariffs or is it still not significant due to the size of your company?

A - Operator

Thank you for your question. In terms of consulting expenditures, we do seek the support of these consultants to help us think that (26:07) to help us think new things. So, in the first quarter, we - or the second quarter, we still should have some expenditures. In terms of the provision for bad debt, what we call PTT (26:22) in Portuguese, we have built an additional protection in view of a more difficult scenario with less credit, higher interest rates. So, we thought it would be wise to have this provision for bad debt reinforced to provide for any problems with our clients, especially the small clients.

Regarding the rent (26:57) competition, and especially Movida, Movida is very aggressive price-wise. This is probably impacting other players who tend to be more aggressive price-wise. We don't see a relevant loss in share from this competition and we are going to use our commercial intelligence.

Q - Murilo Freiburger {BIO 17385357 <GO>}

Thank you, both of you.

Operator

Next question, Stephen Trent from Citibank.

Q - Stephen Trent {BIO 5581382 <GO>}

Hi. Good day, everybody, and thank you for taking my questions. Just one or two for me. The first one is with respect to competition. You mentioned Movida, which I appreciate. To what extent are you also seeing any incremental pressure from the international players like Enterprise, or Hertz?

A - Operator

For your question. Steve asked about the competition pressures, especially coming from international players. Some of them are not present in Brazil. They have an agreement with Unidas. They don't operate directly in the Brazilian market. So, we don't see anything in this sense. Hertz operates in this market. Partly, it's franchise; partly, it's corporate. But we haven't seen any relevant movement from Hertz nor from Avis in Brazil.

Q - Stephen Trent {BIO 5581382 <GO>}

Okay. Very helpful. And as you look at the competitive and economic landscape over the past few months, are you thinking any differently with respect to whether you might launch a discount brand or maybe take advantage of consolidation opportunities?

A - Operator

Thank you, Steve, for your question. Regarding the economic landscape and competitive scenario, we keep a conservative cash position. We have almost BRL 1.5 billion in cash. We're using our intelligence and our commercial, but intelligence to be more aggressive price-wise in the Rent-A-Car area. But I think - and I - we think this is going to be more effective than a second brand.

Q - Stephen Trent {BIO 5581382 <GO>}

Okay. Appreciate that. I'll let someone else ask a question. Thank you.

Operator

Next question, Renato Salomone from Itaú BBA.

Q - Renato Salomone {BIO 17292431 <GO>}

Good afternoon, Roberto and Nora. Regarding the fleet, the increase in volumes or in daily rates of almost 5% year-to-year, is this a reversal of the trend? Can we expect this level of growth for the rest of the year? What about the competitive environment? How is the competitive environment in this segment?

A - Operator

So, I'll start with the last question. The environment is as competitive as before. The contracts in Fleet Rental are long term, three-year contract, three-year agreement. So, they have been calibrated (31:14) now. They have been signed now. They should go on

along the year. So, I think a good chunk of what we're going to have in the next quarters has already been hired, is already under agreement. Of course, there may be some evolution in the middle of the year. So, I think the scenario is positive for Fleet Rental, where we have less of an impact of a weaker GDP. This is more felt in the Car Rental area.

We have a question via webcast from Matthias (31:54).

Thank you. Matthias from Solido (31:56). When you say that you intend to keep a solid financial position for consolidation, does this include acquisitions? You think there could be a purchase of Unidas?

Thank you for your question. Localiza is always on the lookout for business opportunity. As I said before, we have been using our commercial intelligence to operate in this market, which is aggressive from the price perspective. We're always looking for opportunity, but this is not part of our day-to-day nowadays (32:41).

Matthias (32:44), the environment is highly fragmented. ABRA (32L49) has just announced that we have 5,500 companies in Brazil. There's a certain pipeline investment that should happen. People are travelling. But we see a lot of opportunities for growth without acquisition because all acquisitions do have risks.

You have not only the revenues and businesses that you add, but there are overlaps. You have coinciding clients. So, not always do you have the sum of the income of the two companies when you acquire another company.

All right. Another question by Christian from Peninsula (33:38). The company has BRL 1.4 billion in cash. Do you intend to keep on having this level of cash? And when do you expect to pay dividend or use the cash for other purposes?

Thank for your question. In more adverse scenario, we are recommended to have a robust cash. Our main objective is to invest organically in the business at healthy levels. So, if we don't see any opportunities in the short term, we could propose extraordinary dividends or repurchasing of shares. We could also consider new - or a new settlement of debt. But due to the fact that 2015 is a very uncertain scenario, we are in no hurry to act. We want to see what the competition will do in this adverse scenario.

Next question, Lucas Barbosa, Brasil Plural.

Q - Lucas Barbosa {BIO 21933904 <GO>}

Good afternoon. My question follows up on the question about commercial intelligence. In what Car Rental segment have you been using it; in retail, monthly replacement?

A - Operator

Actually, intelligence is used for all segments, not for one segment specifically. We are using all the intelligence - we are trying to be creative. We're trying to look for new ideas

in order to seek growth in all segments.

Q - Lucas Barbosa {BIO 21933904 <GO>}

Okay. How about the price dynamics in these segments, in monthly replacement and variation (35:35)? Are you more aggressive in one specific segment?

A - Operator

We're trying to be more competitive in all segments. We're having some cost reductions like depreciation. And this could be passed on to prices without impacts to our ROIC. I mean, especially EBIT. So, EBIT, which is EBITDA minus depreciation, is at 18%. So, the same margin that we had last year for the same period. So, we are indeed trying to be more competitive in all segments.

Our next question. Leandro Fontanesi, Bradesco.

Q - Leandro Fontanesi {BIO 20270610 <GO>}

I would like to know about the purchased vehicle prices. There was an increase of 12%. I imagine this has to do with a change in the mix of higher value vehicles. Do you intend to keep the same mix with higher value vehicles in the mix? Or can we see any benefits in the average rate?

A - Operator

Well, one quarter is not enough to say that there has been a permanent increase. But as I said, the automakers are trying to increase their prices to offset the costs and the idle capacity in the plant and the pressures from the foreign exchange rate. Up to the year before last, they would absorb these increases and they managed not to increase car prices. So, for five years, car prices were stable.

As of last year, however, 2014 and now in 2015, we see that the carmakers are increasing car prices more or less in line with inflation. When we had at the end of the year an increase in IPI, we went back to the regular rates of 7%. So, the carmakers had to do this in order not to have their margins impacted by the price increase.

Q - Leandro Fontanesi {BIO 20270610 <GO>}

Okay. I understand. What about the investment at the headquarters, BRL 25 million? What do you still have to invest? Are you going to use cash for that? And what are the benefit cost-wise?

A - Operator

The schedule is up to May next year. This is when we're going to start seeing the benefits of the new headquarters, not only because we're going to save on lease, rentals, but also in terms of the administration. We have funded at interesting rates - we have the funded the building at very interesting rate. Of course, we would need to because we do have cash, but the funding was very inexpensive vis-à-vis CDI. So for us, it made sense to get

this funding. It wasn't due to the fact that we didn't have any cash, but it was because we could do it.

In terms of the new headquarters, we have already invested BRL 80 million. And the total is BRL 200 million for total investment.

Q - Leandro Fontanesi {BIO 20270610 <GO>}

Thank you.

Operator

Next question, Márcio Prado from Goldman Sachs.

Q - Márcio Prado

Afternoon. Thanks for the call. A follow-up on the cash position, the cash was indeed very strong in the fourth quarter of last year. And if I'm not mistaken, you had another issuance of debt recently. Let me understand, you have very strong cash position and it was already strong last year. So, the debt that was issued to make it even stronger, or is that it?

A - Operator

Márcio, yes. We had two fundings and at the end of the first quarter beginning of second quarter to pay for the fifth issuance of debentures. So, we are going to - we are actually thinking about bringing forward some amortizations that we have projected for the next years to bring them forward.

Ricardo Alves from Morgan Stanley has the next question.

Q - Ricardo Alves {BIO 16840901 <GO>}

Good afternoon. I have a quick question about variation in the car companies. Well, you are a little bit above that variation. What do you see forward for the next quarters?

A - Operator

Thank you, Ricardo, for your question. We have bought 7,600 cars. We have bought it in the fourth quarter of 2014; so, before what we had expected. This is equivalent to BRL 230 million, more or less. So, we ended up reducing the amounts of accounts payable to the car companies due to the fact that we brought these purchases forward.

We want to bring the utilization rate back to levels of last year. This is recurring in the first quarter. So, at the beginning of the year, we always have more cars for the summer peak. Then, in the first quarter, we suspend these quotas. And usually, the first quarter, we have an amortization of the debt with the carmakers as the year - in the turn of the year. This is a unusual situation. This is what is usual in this area.

Next question, Bruno Amorim from Santander.

Q - Bruno Amorim {BIO 17243832 <GO>}

I would like to piggyback on the question of utilization rate. What would be the Car Rental margin if utilization were around 70% that you project for the year?

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

Bruno, this is Roberto. Let me remind you that the EBITDA margin is not impacted by lower utilization. It brings about depreciation because the cars will be depreciated, and also, financial costs on capital investment, if this is not offset by the terms and the maturities due to the car companies. But there is no other impact, right?

Operator

We have another question via webcast.

Is there any long-term risk to ROIC if your lower prices based on lower depreciation? A low depreciation can or cannot be sustained in the long term?

Thank you for your question, Danilo (44:13). As we see it, depreciation depends on the new car market. So, if the new car market increases its prices, used cars will follow the same trend. So, depreciation will be a little bit slow - a little bit lower. The competition's aggressive pricing, as we see it, is not sustainable in the long run. And what we have is value distraction (44:48).

So, this concludes today's question-and-answer session. I would like to invite Ms. Nora Lanari to proceed with her closing statements. Please go ahead, madam.

A - Nora Lanari {BIO 18838335 <GO>}

We would like to thank you all for participating in our conference call and say that our IR team is available for any further questions. Thank you.

Operator

That does conclude Localiza Rent A Car audio conference for today. Thank you very much for your participation and have a good day.

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