

Q4 2017 Earnings Call

Company Participants

- Jose Antonio de Souza Azevedo, New Business Director & Investor Relations Officer
- Luis Fernando Memória Porto, Vice Chairman & Chief Executive Officer

Other Participants

- Bruno Amorim, Analyst
- Leandro Fontanesi, Analyst
- Pedro Bruno, Analyst
- Álvaro Frasson, Analyst

MANAGEMENT DISCUSSION SECTION

Operator

Good morning. Welcome to Locamerica's Conference Call to show the Earnings Results of the Fourth Quarter of 2017. At this point, all the participants are connected on only-listen mode. After the presentation, we will open to a Q&A session, when instructions will be provided to all participants.

This quarter, Locamerica is giving the press a time slot to ask questions right after the market analysts. This conference call has simultaneous translation into English and questions can be post by participants connected abroad. Questions can also be made through the Internet through the webcast platform. We would like to remind you that this conference call is being recorded and that the audio will be available on the company's website within 24 hours. Should you not have a copy of the Locamerica release, you can obtain it from the company's website www.locamerica.com.br/ir. This conference call is accompanied by a slide show and is being transmitted simultaneously through the Internet which you can access through the company's website.

Before proceeding, I would like to inform that forward-looking statements made during this conference call regarding the company's business prospects as well as projections, operational and financial goals related to its growth potential are based on expectations regarding the future of Locamerica. Such expectations depend on the performance of the sector and the country's overall economic performance, and on the domestic and international market condition, therefore they are subject to change.

With us today is Mr. Luis Fernando Porto, Chief Executive Officer; and Mr. Jose Azevedo, Investor Relations Officer and New Business.

Now, I would like to hand it over to Mr. Luis Fernando Porto. Please, Mr. Luis, you may proceed.

Luis Fernando Memória Porto {BIO 17175861 <GO>}

Good morning to everyone. It is with great pleasure that we announce another Locamerica earnings result conference call. The year 2017 was transformational for the company following the successful acquisition and integration of Auto Ricci S.A. We have another important step in our business expansion strategy by announcing in December 28, 2018, the merger with Unidas S.A. This action consolidates our position as an important player in the process of consolidating the vehicle leasing market, enabling combined robustness of more than 100,000 vehicles, 76 new stores present in all Brazilian states and incorporation of a new segment, Rent a Car with more than 210 stores. We believe that the merger of the two companies will enable us to capture significant operational and financial synergies, which in the first instance will be obtained from greater scale and power of bargaining as well as a complete review of processes and routines aiming at becoming a more agile, dynamic, and efficient company.

In addition, we see an incredible potential for profitability expansion from the integration of the car rental operations and the Unidas store network which turns Locamerica in turn absolutely a complete platform offering all the services of the vehicle rental universe to its more than 1,900 customers in fleet outsourcing and 333,000 active customers in Rent a Car.

Regarding the results of 2017, we are highly satisfied with the performance achieved by the company, in line with the target set by management. Throughout the release and this presentation, we would like to emphasize that the numbers addressed for the accumulated year include the amounts referring to Auto Ricci from May 2017.

Before addressing the company's main operational and financial indicators, I would like to briefly mention that the company's record results reflect the maturing value creation initiatives outlined in the past, which have been improving through operational efficiency, cost control, general and administrative expenses, the improvement in the results of semi-new and the gains of financial synergy attained with the incorporation of Auto Ricci.

Starting on slide 4, we show here four operational indicators consolidating Locamerica and Unidas and highlighting significant gain of scale that the new company will have. In combination, the company has ended 2017 with more than 59,000 cars purchased totaling an investment capacity above BRL 2.5 billion in the period in addition to a total of 43,000 cars sold accountable for revenue of BRL 1.4 billion. It should be noted that 2017 has also benefited by the consolidation of Auto Ricci numbers as of May last year.

Going to slide 5, we show the pieces that we put together in this transaction and that make up the Locamerica-Unidas platform. We believe that this merger according to the terms that we are proposing will succeed in promoting the alignment of all the relevant shareholders with a long-term value creation project and a combination of two teams

which DNA is characterized - be will - be the will to do more for the company, always striving for excellency and meritocracy.

Last but not least, we would like to highlight the participation of principal and enterprise holdings in Locamerica's control group from the merger of Unidas action (00:06:22). We have no doubt that the presence of these two important partners and their long-term vision will bring significant benefits to the company from the continuous exchange of experiences and best management practices. Specifically with regard to enterprise, we will increasingly explore this international connection and the best practices of the world's largest car rental company.

On slide 6, we show the four main value pillars of creation for the combined company from hereon. We believe that the merger will provide us better access to the capital markets while increasing our scale will allow us to obtain better purchasing conditions, further increasing our competitiveness. In addition, we mentioned that we see high potential for operational synergies with the possibility of eliminating a few redundancies, optimizing our store network and improving all our logistic in the delivery and collection of cars. From now on, our energies will be geared toward the growth and the profitability of the Rent a Car segment as well as cross-selling opportunities along our portfolio of clients in the fleet outsourcing segment, all of this being supported by a truly differentiated structure of semi-new cars.

As a result of its good management and the company's growth factor, the merger on February 7, 2018 Standard & Poor's global rating raised Locamerica's from bra plus to bra AA minus. The agency also attributed a positive outlook for the new combined company, reflecting a possible further upgrade in the next 12 to 18 months.

Finally, on March 23, 2018, Fitch Rating (sic) [Fitch Ratings] (00:08:25) upgraded both Locamerica and Unidas credit risk from AA minus to AA plus. In parallel, the agency removed positive observation and assigned stable outlook to corporate ratings. The increase is a reflection of the creation of the second largest leasing company and the largest outsourced fleet in the country in an industry in which scale is fundamental, strengthening the profile of the business and maintaining robust credit indicators.

Now, going to the next page slide 7, we show the main financial indicators of the new company. In combination, the results of the Locamerica and Unidas total net revenues of BRL 2.8 billion and EBITDA of BRL 825 million and EBIT of BRL 503 million and the net income of BRL 142 million. It should be noted that the annual growth of 2017 compared to 2016 are also positively impacted by the consolidation of Auto Ricci from May last year. As a result, in order to better demonstrate Locamerica's current levels after the merger with Auto Ricci, we reported the results of fourth quarter 2017, reaching a significant BRL 3 billion in net revenue, BRL 903 million in EBITDA and BRL 573 million in EBIT and BRL 235 million in net income. We emphasize that these values are not our company's projection and are not guidance information for the market.

On the next page slide 8, we present the progress of the merger schedule process. As previously reported, it was signed on December 27, then later had an unrestricted

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approval from the Brazilian anti-trust authorities before the estimated time of 45 days. We plan to continue strongly focused on the company, which we expect to conclude until May of this year with its respective execution completed by the end of 2018 so that in 2019, we have a new company consolidated with the best of the two companies.

Regarding the potential synergies, in just three months after signing the merger process, we're already operating with the scale acquired in the vehicle purchase process, and with the company's defined organization chart. We have in progress the negotiations for the debt refinancing. It is with satisfaction that we see the good reception of the consolidation movement by our stakeholders such as our shareholders, the capital market as a whole, automakers, suppliers, customers, and above all our employees, vital for this transformational process to be successful.

Going to slide 10, we'll talk about the highlights of the quarter. In the upper left hand, there was a positive evolution in the results of the semi-new and in the fourth quarter reached BRL 20.3 million in gross profit, more than double the results obtained at the fourth quarter of 2016. In turn, the gross margin was 12.7%, 2.2 percentage points higher than that of the fourth quarter of 2016. In margins in the chart, we show Locamerica's EBITDA growth which in the quarter amounted to BRL 106.7 million with an EBITDA margin of 66.1%, reporting annual growth of 71% and 2.4 percentage point, respectively, in order to better show the current levels of Locamerica after the merger without which we have annualized the recurring results in the fourth quarter of 2017, resulting in an EBIT (sic) [EBITDA] (00:12:42) of BRL 426.9 million, a 71.6% increase compared to 2016. In the lower left hand side, recurring EBIT totaled BRL 67.3 million, representing an annual growth of 75.5% year-on-year.

In addition, the EBITDA (sic) [EBIT] (00:13:03) margin of 41.7% during the fourth quarter of 2017 is the highest value ever recorded in a quarter, exceeding the 40% mark for the fourth consecutive quarter and solidifying the new level of results for the [ph] company (00:13:23). If we annualize the fourth quarter, the EBIT totaled BRL 269.3 million with an annual expansion of 79.1%.

In the chart to the right, we show the relevant growth of the net income which is a greater proportion than the perceived growth in the net revenue, EBITDA and EBIT. As a result, the recurring net income of the fourth quarter of 2017 totaled BRL 22.6 million, representing an annual expansion of 189.3%. For the fourth consecutive quarter, Locamerica recorded a net margin above 12%, reaching 14% during the fourth quarter of 2017.

In order to better show the current levels of Locamerica after the merger with Auto Ricci, by annualizing the recurring results of the fourth quarter, the net income totaled BRL 90.2 million, 212.1% higher than what was reported in 2016, proving the diligent work of the management in capturing synergies with Auto Ricci and the focus on generating value to its shareholders.

To conclude this slide, I would like to point out that the achieved results of BRL 20.3 million in gross profit of semi-new and BRL 67.3 million in EBIT and (00:14:50) net income of BRL

22.6 million with a net margin of 14% are historical records of Locamerica.

Turning to slide 12, we briefly will comment on the scenario of the auto industry. As can be seen in the left slide, vehicle sales increased 9.4% in 2017, showing a partial recovery from the perceived market slowdown in 2016. On other hand, the used vehicle market presented growth of 7.2% vis-à-vis the past year, also benefited by the expansion of semi-new vehicle sales by 1.7% in the same period. We highlight the strong performance of Locamerica vehicle sale, reaching a record volume of 18,600 cars sold in 2017.

On slide 14, we have company's commercial and operational indicators. In the first slide to the left, we see that the pipeline of opportunities remained active with demand higher than 22,000 cars to be allocated. In the chart beside, we present relevant increase of more than 50% in the number of new cars in 2017 totaling a volume of 7,000 vehicles and 1,500 were contracted during the fourth quarter of 2017.

On the below chart, we show the improvement of two important indicators, the reduction in the average age of our fleet, which in the fourth quarter reached the lowest of the year and the lowest since the third quarter of 2016, benefiting from the company's initiatives in its renewal. Finally, we show the consolidation of the company's utilization rate that is 97.2%, the highest in our history in which we consider an excellent level for our activity.

Now closing the operational highlights on page 15, we show the evolution of our fleet. The company closed the fourth quarter with a fleet of 46,600 cars. It is worth mentioning that the operational fleet would generate revenue grew 3.2% vis-à-vis the past quarter. Regarding the fourth quarter of 2016, the growth was 67.9% and this reflects the organic growth and the increase of the fleet with Auto Ricci during the second quarter of 2017.

On the right chart, we show the evolution of the cars in stock which represented the total fleet by 1.3 percentage points in relation to the fourth quarter of 2016 and by 1.5 percentage points when we compare to the previous quarter, reaching the level of 4.2%. It is worth mentioning that this indicator level is considered low for the company, both in terms of product portfolio in our store network as well as in agility throughout the collection, preparation and transportation of the mobilized cars.

To comment on the financial results, I would like to give the floor to Jose Azevedo, our Investor Relations Director of Locamerica.

Jose Antonio de Souza Azevedo {BIO 20187090 <GO>}

Thank you, Luis. Good morning, everyone. It is great pleasure to announce the results to the market at such a special time for the company.

Going to slide 17, we show the evolution of net rental revenue. It increased by 64.7% during the fourth quarter of 2017 when compared to the same period of last year, driven mainly by the 75.9% increase in the number of daily rents, offset by a 6.5% reduction in the average tariff. This annual reduction in the tariff is due to the incorporation of the Auto Ricci fleet, whose tariff mix is lower when compared to Locamerica.

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On slide 18, where we comment on the performance of the semi-new sales. We continue to perform very strongly in sales with a revenue growth of 76.2% and 49.1% during the fourth quarter of 2017 annual comparison, respectively. It is worth noting the importance of the 102.6% growth in the retail sales in this comparative period, which now represents 62.6% of the revenues of semi-new, increasing its relevance in the segment and profitably impacting the segment's gross margin as we can see in the chart to the right.

In a consecutive fashion, since the first quarter of 2016, we have performed very strongly in our pace of sales, renewing once again the gross profit record in the segment, totaling BRL 20.3 million during the fourth quarter 2017, and more than doubling the reported results in the same period last year.

On slide 19, we show the evolution of the EBIT margin. In this quarter, we presented a gain of 4.1 percentage points, both in cash and SG&A compared to net rental revenue compared to the same quarter of the previous year as a result of the post-merger gains from Auto Ricci.

In addition, I would like to reinforce as Luis Fernando commented beforehand that the average age of the fleet fell to 18.1 month, which is why we expect a reduction in maintenance expenses over the coming quarters.

Now slide 20, we analyze in the upper left hand table the evolution of the company's financial result, which in the fourth quarter 2017 used 22.3% of the rental revenue, down 5 percentage points compared to the same period of the previous year.

The chart below shows the evolution of the recurring net income showing a significant growth of 189.3% during the quarter compared to the same period last year. Now, we show the evolution of the ROE, the main metric of return for us regarding the administration. As we can see in the chart, the last five quarters were marked by a positive evolution quarter-on-quarter ending the fourth quarter of 2017 at 19%. In year terms, representing an annual growth of 8.8 percentage points and the highest ROE presented in the historic series (00:21:42) the company at the level of profitability in the creation of value for shareholder.

ROIC, which also recorded a record level, totaled 13.1% in the second half of 2017.

On slide 21, we show the company's consolidated net debt that was BRL 1.0321 billion at the end of December 2017 and growth in relation to the same quarter of the previous year due to the consolidation of the net debt of Auto Ricci S.A. I would like to highlight the extension of the debt profile achieved through 14th issuance of debentures in which a total of BRL 100 million was recorded at a cost of CDI plus 1.2% a year additionally during December, an issuance of promissory note in a single series of BRL 118 million remunerated at a 100% of DI (00:22:39) plus 1.4% spread.

These funds were raised to use in the normal course of our business and for cash reinforcement with the 15th issuance of BRL 500 million, of which BRL 398 million were used for the payment related to the merger with Unidas; and with the 16th issuance of

BRL 320 million, the company had a pro forma cash balance of BRL 852 million, an amount 11% higher than the accumulated debt for the next 36-month in line with the company's liquidity management policy and shown in the chart below.

Locamerica plus Auto America (00:23:25) attachment slide has an attachment in line with the best corporate governance practices and in order to further increase transparency vis-à-vis the market, the company shows in these slides the following compared locally and Auto Ricci DRE for the year 2017 on an unaudited basis.

Now, we can entertain a Q&A session.

Q&A

Operator

First question from Leandro Fontanesi, Bradesco BBI.

Q - Leandro Fontanesi {BIO 20270610 <GO>}

Good morning. I have three questions, starting with semi-new cars, you increased the amount of stores in 27 (00:24:27), what is your strategy in terms of number of stores in the upcoming quarter because now you merge with Unidas and also I would like to understand what is depreciation gap for the leader of the sector and as soon as you have more scale when it comes to purchasing cars together with Unidas? And finally, what is the percentage of cars that you expect to sell in your own stores and what will be the price of vehicles sold, what would be the results of this?

A - Operator

Thank you very much, Leandro, for your question. Number one, in semi-new cars during this first moment, we will focus on seeing the number of cars sold per store because in the stores of Locamerica, we have a sale per store higher than that of Unidas. Therefore, we will see an expansion slightly higher during the first semester in the Unidas stores that were in the process expansion.

In Locamerica, we will no longer open new stores and we will concentrate all our efforts, because the number - we want the number of cars sold to be the highest level. When we see the average that we have between new companies, expansion in Locamerica, none a bit (00:26:13) of expansion in Unidas and a strong productive work in the existing stores.

Now, regarding the depreciation gap, as we announced in the report, we have already ended our negotiation of cars for this year. What I can say is that we were able to attain more than what we expected in our initial project. This was while we were assessing Unidas and we were also re-attain three times more success when we compare what we obtain through Auto Ricci. And this shows you that the new company has reached a new level of scale and of purchase in the sector. There's still a gap between the leader of the sector, it has diminished but we believe that the scale throughout the upcoming years will continue. So we'll shorten this difference.

And at last, the percentage of cars that we are going to sell in our stores. As a matter of fact, we sell 100% of our cars in own stores. In Locamerica, we have 66% of our sales in retail stores and in Unidas, approximately 55%. Our idea is to have a 66% combined level. Therefore, we will continue to focus both Locamerica (sic) [Locamerica] (00:28:09) and Unidas had a clear project to focus on the retail stores and we will continue with this strategy. And we would like to achieve this in the upcoming quarters that would be 65% in the retail market.

Q - Leandro Fontanesi {BIO 20270610 <GO>}

Okay. Your answer was very clear.

A - Operator

Thank you very much, Leandro.

Our next question from Pedro Bruno of Santander.

Q - Pedro Bruno {BIO 19082978 <GO>}

Good morning, Luis Fernando. I have two questions. One would be the income tax rate when we see the combined company or the effective interest rate in Unidas has dropped and this impacted your revenue in a positive fashion. I would like to know if this is a recurring effect and how we will see this rate for the upcoming years.

And the second question would be the evolution trend of the average rate of the lease of your fleet as Azevedo said that the drop of 60% is explained by the mix of Auto Ricci, the inclusion of this acquisition. I would like to understand what would the drop be without the effect of the mix and what will the evolution be like from here on?

A - Operator

Thank you, Pedro. Number one, the income tax rate, let's say that we will have a rate of around 24%, 25% based on Unidas past quarter. We had a very low rate because Unidas concentrates the JCP (00:30:10-00:30:15) during the fourth quarter, so we cannot consider this a recurring tax rate. This is why we will have around 24%, 25% when combined, and not such a low rate as what we saw during the fourth quarter of Unidas. It's very different than Locamerica that pays it on a quarterly basis. This is why you have a flat rate during the year and Unidas does everything during the fourth quarter. Now from here on, I believe that we will - our JCP (00:30:57) will be paid on a quarterly basis. Therefore, we won't have no major variations of income tax rate.

Now the trend of tariff evolution, the effect of last year, what most impacted the reduction of the rate was Auto Ricci's mix, but we can expect that as of this year we will observe a drop in the tariff of our rates of our fleet, because today we have a very low SELIC rate, much lower than what we had in the past years and fleet cycle is of around 30 months. Therefore, it takes some time until you feel the drop of the tariff.

Last year, it dropped, the SELIC dropped slightly especially now during the end of the year and the beginning of the year, it dropped even more, and as a consequence when we renew our entire portfolio, I believe that this rate will be lower. This does not mean that we believe that this will take profitability from us. Now we feel very reassured and we know that although the rate will drop, we will be able to support the profitability of the company according to the current levels.

Q - Pedro Bruno {BIO 19082978 <GO>}

Thank you very much.

A - Operator

Thank you, Pedro.

Next question Bruno Amorim, Goldman Sachs.

Q - Bruno Amorim {BIO 17243832 <GO>}

Good morning. I have three questions. One would be the follow up of the last question. Your scenario with the drop of the SELIC rates are dropping, could you give us an idea what is the ROE and the assets that you have bought?

My second question, I would like to know if you could provide us the combined ROE. Let's say that in 2017, so what is the company's ROE and if there is value that you see for the future? And two, your growth plan. So you said the first point would be the integration of both companies, I would like to know that if in 2018, we could observe a relevant growth during the second semester, if we will see growth actually as of 2019?

A - Operator

Thank you for your question. Your first question, the company uses as its main target ROE, we have already introduced this month the announcements of the ROIC. And throughout the upcoming quarter, we will announce both. Nevertheless, internally we use the ROE parameter. What I can say is that in the renewals and the new hires that we had this year, we were able to maintain ROE at 19%. And as I said in my past answer, despite a drop of interest rate costs and other types of costs, which will impact the drop in our rates, we believe that we - in the case of our fleet, we will not have to transfer 100% of this cost reduction and we will be able to support this return and it will be around 19%.

Now, (00:35:05) combined ROIC, it is too early to talk about it because we are in our planning process. And only after we end our planning process, we will as a matter of fact be able to provide you with more details regarding the total synergies that will be captured during the next cycle until the end of the year, but what I can tell you that this will be 12.5% and we will observe this in the beginning will be between 12% and 12.5% when combined.

Now regarding the future, the company prefers not to provide a guidance and give future financial figures. Now regarding our growth this year, we understand that the greatest

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value here is to capture synergies that we - the synergies that we mentioned throughout the project. What I can state is that in less than three months of this project, two of the three main synergies have been concluded that would be to be car purchased and refinancing our debt. These two movements by the way to place much quicker than what we expected and the project is according to what we have projected in terms of times, as I said, a number of times.

The Unidas project is bigger than that of Auto Ricci. Nevertheless, on the other side, the Unidas team is bigger than that of Auto Ricci. They have the experience of the Locamerica team that has undergone this path once and the adding of these efforts shows us that we are within or even better than what we expected.

Now this is regarding the integration pipeline and during the next two months, I believe that we will conclude and we will start executing the upcoming synergies that would be in semi-new cars, the operational parts that will be the management part. Everything will be concluded by the end of the year and if everything goes as planned, I believe that we will have a second semester with the return of growth. But during this first moment, our focus will be 100% on capturing synergies from this project and to prepare the company to recover its growth cycle that is something that we can perhaps see during the second semester or at maximum during the beginning of next year.

Next question Álvaro, Eleven Financial.

Q - Álvaro Frasson

Good morning. My first question would be (00:38:58) - what are you going to do in terms of franchises and how are you going to consolidate yourselves? Are you going to work as you used to do in Locamerica? Now what about M&A, is there a space for the company to see any other opportunities like you saw in 2016? Now we've seen a block trade in the beginning of the year, do you believe that is there space for a new free flow movement? Thank you very much.

A - Operator

Number one, when you - in franchises, I believe that we have already decided that we will maintain our franchise model. What we are studying currently is the company's expansion will follow the franchise model or hybrid, between both. We still have not decided this. We are studying this. But what I can tell you is that the current franchises will be maintained.

Now regarding M&As, currently we are not analyzing any type of possibilities of M&A because we believe that while the new - until the new company doesn't capture 100% of its synergies, it really doesn't make sense to look for new opportunities. So, I believe that in the short-term, we have no intension to analyze new businesses.

Now regarding our free flow, after the merger with Unidas, our turnover of shares multiplied five times six (00:41:08), but yes, we want this turnover to be much better than the current levels. There are a number of funds that are part of our shareholders, they are outside of the control block - or it can be sold through the market and from the company

side, according to the growth needs, we can go to the market, but this will depend on the number of factors that currently are not a priority for the company. And we have no information of funds that have greater positions to create a block. But there is no doubt that the management agenda is to have more liquidity - to give more liquidity to our shares.

Q - Bruno Amorim {BIO 17243832 <GO>}

Bruno Amorim, Goldman Sachs. I have a follow-up question in the RaC 2010, we saw the growth of the main player of the industry after the crisis due to the difficulties that the small players faced and once again, we've seen a strong growth not only from the main player, but the biggest players in the industry in the past two years. Perhaps because of the main reason, I would like to know that if in Europe Union, there will be a strong slowdown in 2018, 2019, like what we saw in 2011, 2012, 2013 or not, or do you believe that the trend now is for major players to continue growing strongly?

A - Operator

Thank you, Bruno, for your question. Our expectation is that the RaC will continue growing at least for one or two more years. What we have observed during the beginning of the year is a strong movement of demand. What we have always seen in the market is that the RaC strongly depended on the economy to have more vacation flights, more people flying with corporate demands would help RaC in what we have seen during the past three years as although, there was a bad economy and a dropping GDP and people indebted, the RaC grow. I believe that the dynamism of the RaC with the new players and with the drop of prices of services, I believe that this attracted more people toward the business. In addition to this, my vision is that the culture that we have in the world not to have a car as something that is yours, but you have to use, people are more attracted to our product. So I believe that the movement of more people seeing a car like something that you use and not something that you have. And I believe now that the GDP will grow, no, it won't grow strongly. But any type of growth above a negative base is something important, so we expect the RaC to be strongly demanded at least for one or two years.

Q - Bruno Amorim {BIO 17243832 <GO>}

Okay. Thank you very much.

Operator

As we have no further questions, our Q&A session with analysts comes to an end. After proceeding with the Q&A session for the press, I would like to give you the floor to Mr. Luis for his final remarks.

A - Luis Fernando Memória Porto {BIO 17175861 <GO>}

At this time, I would like to thank your participation in this conference call that is so important for Locamerica. We understand that 2017 represents a new profitability level looking for operational efficiency for gains and scale. In the pursuit of lease contracts and strengthening the new platform, mainly through investments in the retail channel, in the coming quarters, the administration's agenda will be focused predominantly on

integrating with Unidas as well as on capturing the synergies mentioned in this disclosure. We hereby affirm our commitment to creating values for our shareholders and share our enthusiasm with this new stage of the company that will become more profitable and competitive, ready to take advantage of the excellent prospects for industry in the upcoming years. We thank and congratulate the commitment of all our stakeholders and the work of all the team involved, which currently is more than 2,277 employees.

Finally, we enforce that our Investor Relations team is always available to all analysts and investors and we'll like to wish everyone a good morning.

Operator

And now we will hold the Q&A session with the press. The first question from (00:49:13), Valor Econômico.

Good morning, Luis Fernando. What about brands, have you defined something regarding brands if you are going to maintain the both, you're going to maintain both brands, are you going to perhaps separate brands? What are you going to do regarding this point?

Thank you very much, (00:49:35). The brands, we are waiting for a survey result. We hired a specialized company that will basically give us two biases. One would be of the brands, the knowledge of brand in each one of its areas of performance, Rent a Car, semi-new and outsourcing and then, if there is any type of resistance towards any of these brands. For the time being, we haven't defined anything.

The survey will be given to us by the end of April. So, I believe that during the next semester, when we announce our results, we will have a name or the names defined. For the time, we are waiting for our consultant's advice and the results of the survey.

As we have no further question, the Locamerica conference call has come to an end. We thank you all for your participation and have a very good day.

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