

SIMPAR 2Q25 Conference Call Transcript

Operator:

Good morning, ladies and gentlemen. Welcome to SIMPAR's video conference to discuss its second-quarter 2025 results. This video conference is being recorded, and a replay can be accessed on the company's website, ri.SIMPAR.com.br. The presentation will also be available for download. Please note that all participants will be watching the video conference only during the presentation, and we will then begin the question-and-answer session when further instructions will be provided. Before proceeding, I would like to emphasize that forward-looking statements are based on the beliefs and assumptions of SIMPAR's management and current information available to the company. These statements may involve risks and uncertainties because they relate to future events and, therefore, depend on circumstances that may or may not occur.

Investors, analysts, and journalists should consider that events related to the macroeconomic environment, the industry, and other factors may cause results to differ materially from those expressed in the respective forward-looking statements. Present at this videoconference are Mr. Fernando Simões, Chief Executive Officer, and Mr. Denys Ferrez, Executive Vice President of Corporate Finance and Investor Relations Officer. I would now like to turn the call over to Mr. Fernando Simões, who will begin the presentation. Mr. Fernando Simões, you may proceed.

Fernando Simões:

Good morning everyone. We're pleased to begin presenting SIMPAR's results for the second quarter of 2025. On behalf of our team—more than 57,000 employees—I'd like to thank you all for joining us.

Before we dive in, I'd like to draw your attention to page 3, where we highlight our key achievements. As a reminder, since the end of last year, we've entered a new strategic cycle. After several years of significant investments that expanded our infrastructure and transformed the scale of our companies, our current focus is on extracting synergies and driving operational efficiency—with significantly lower capex. We're now prioritizing organic growth and margin improvement across all our businesses.

On page 3, you'll begin to see the early impact of this shift. In Q2 2025, we recorded revenue of R\$10.5 billion, a 5% increase year-over-year. EBITDA reached a record R\$3 billion, up 13% compared to the same period last year. Our net result was a loss of R\$36 million, and ROIC stood 1 percentage point above our cost of capital.

Although we began this efficiency-focused cycle at the end of last year, we're still in the early stages of execution, and the full results are yet to materialize. Nevertheless, thanks to our strategic positioning, high-quality service, strong client relationships, and diversified operations, we've been able to renegotiate contracts and price new services more effectively. This has led to increased revenue and a trend toward margin improvement.

We remain committed to offering fair pricing to our customers. Our diversified portfolio of services continues to support consistent organic growth. In fact, revenue grew 6% when comparing Q2 2025 to Q2 2024.

When we look at service revenue, it grew by 6%. Net service revenue—excluding retail—grew by over 10%, driven entirely by organic growth.

Our focus on operational efficiency, which began at the end of last year, is already yielding results. We increased our EBITDA margin by two percentage points, and EBITDA per employee rose by 25%. We've been actively optimizing our investment strategy to enhance cash generation.

Thanks to our strong relationships with the financial market and our investors, we maintain broad access to capital, which continues to support our development. At the same time, we remain committed to reducing leverage and improving our capital structure. Leverage decreased from 3.8x in Q2 2024 to 3.6x in Q2 2025.

It's important to note that we're still in the early stages of implementing these operational improvements. Our plan remains focused on reducing leverage and strengthening our capital structure. As mentioned, we've already moved from 3.8x to 3.6x over the past year.

Let me give you an example of how we're capitalizing on efficiency: by proactively managing our assets and anticipating customer needs and operational shifts, we've improved asset turnover and accelerated returns. This helps us avoid major financial risks. Currently, we have approximately R\$3 billion in assets—either available for sale or lease—that represent some of the best opportunities in sectors like agribusiness and others. These assets can generate up to R\$3 billion in liquidity for the company.

In short, we've been working diligently to unlock value. Even as we reduce leverage, we continue to identify new opportunities through operational efficiency, asset management, repricing, and better utilization of our resources.

Now, moving on to page 4, we'll share some examples of how these efficiency initiatives are already translating into higher revenue and lower costs, which in turn are driving margin improvements.

As shown on page 4, we've successfully renegotiated the pricing of several contracts. We acted swiftly to ensure that all agreements continue to deliver viable and sustainable returns.

This rebalancing of prices reflects updated financial conditions and new CAPEX requirements. We've also taken an aggressive approach to cost reduction—cutting supplier costs, renegotiating prices, adjusting scopes, and reducing administrative, operational, and personnel expenses. Additionally, we've optimized synergies across the group, which has led to significant cost savings.

On the right-hand side of page 4, you can see the impact of these efforts. Operational efficiency improvements are evident in our margins: EBITDA margin increased by nearly one percentage point, and EBITDA per employee rose by 25% from Q2 2024 to Q2 2025. These results demonstrate the effectiveness of our strategy to do more with less—boosting revenue while reducing costs, ultimately improving margins.

Moving on to page 5, let's take a brief look at JSL. The company has already released its results, and it stands out as having the most comprehensive logistics service portfolio, with strong diversification both in services and sectors.

All of our companies share a common strategic focus: delivering highly resilient services. I often say that our emphasis on services is intentional. The market may be able to operate without our companies, but it cannot function without the type of services we provide.

They have to buy from someone—and that's why we have a service-driven DNA. Our goal is to ensure they choose us, allowing us to grow organically alongside them. JSL is a prime example of this strategy.

JSL has delivered double-digit organic growth quarter-over-quarter, securing significant new contracts and building a robust backlog of medium- and long-term opportunities. The company has renegotiated contracts when necessary to maintain sustainability and profitability.

Its success is driven by a strong contract management approach and operational efficiency powered by its people. JSL's management model plays a key role in its sustainable development—whether through operational efficiency, capital optimization, or cash generation. These efforts contribute to a stronger capital structure, improved returns, and better overall results, all within a highly resilient and sustainable business environment.

Turning to page 6, let's talk about Movida, which has also released its results. Over the past ten years, Movida has undergone a major transformation, focused on scaling its operations and redefining its market positioning. Its DNA goes beyond simply serving customers—it's about being truly at their service.

This mindset is part of our broader strategy to build long-term relationships with our clients. Movida has consistently demonstrated the ability to anticipate customer needs, which has led to continuous improvements in the quality of our rental services.

This modernization—whether through system upgrades or better monitoring of our service mix—has not only strengthened customer loyalty but also attracted new clients. In the first half of the year alone, Movida welcomed 322,000 new customers, a testament to its unique DNA and customer-centric approach.

This differentiation allows us to offer the best value for money and competitive rates. Movida has also been actively adjusting its pricing strategy as part of a responsible and ongoing agenda—ensuring fair pricing for customers while supporting the company's sustainable growth. These efforts have contributed to margin improvements.

We've repositioned ourselves in the market and earned recognition as the top company in the sector for customer service, as reflected in our NPS scores. Operational productivity has increased, and our pre-owned vehicle management is now fully integrated with our infrastructure, including store-level turnover.

Our positioning in the pre-owned vehicle segment is distinct—not only because of our mix and store profiles but, most importantly, because of our people, who have done exceptional work. This has led to revenue growth and sustainable margin improvements, driven by service quality, operational efficiency, smart asset management, and the robust systems and infrastructure we've built for both pre-owned and RAC (Rent-a-Car) operations.

I'd describe it as a well-functioning ecosystem with plenty of room for further improvement. The most challenging part is behind us, and we're now increasingly doing more with less—delivering better service to our customers, which will continue to drive organic growth and margin expansion.

Now turning to page 7, let's look at VAMOS. VAMOS is the market leader in truck and forklift rentals, with a portfolio that also includes general machinery.

In Q2 2025, VAMOS reported revenue of R\$1.4 billion, representing approximately 17% growth compared to the same period last year. Its EBITDA margin reached 82%, and adjusted net income was R\$83 million, corresponding to a net margin of 5.9%.

One of the key highlights for VAMOS in the second quarter was asset sales revenue of R\$324 million—an increase of 71.9% compared to the same period last year. This reflects the high liquidity of its assets. In recent quarters, we've seen a recovery following credit-related challenges, which led to a significant volume of early asset returns. We expect this figure to continue declining.

At the same time, VAMOS has been actively managing delinquency, anticipating recoveries, and negotiating early returns. Currently, we have a stock of R\$1.7 billion in pre-owned vehicles. The VAMOS team has been working with great commitment to significantly reduce this inventory in the coming quarters—whether through reallocation, sales, or leasing—thus generating cash flow and strengthening the company's capital structure.

I invite you to reflect—without creating any expectations—on the potential impact: even with less than R\$1.5 billion in pre-owned vehicles being rented or sold, the resulting cash generation would meaningfully improve our capital structure.

What does VAMOS emphasize? Its strong growth potential, driven by market demand. Whether in urban cleaning, environmental services, e-commerce, industry, or direct rentals, we firmly believe VAMOS is entering a new development cycle. In this cycle, you'll see better capital allocation, improved asset utilization, reduced inventory, lower leverage, and ultimately, sustainable and profitable growth. The market opportunity is enormous.

Now turning to page 8, let's look at AUTOMOB. As part of its strategic planning, AUTOMOB has built the largest dealership network in Brazil, offering the widest mix of cars, trucks, agricultural machinery, and commercial appliances.

Following the execution of this strategy, AUTOMOB now operates 196 dealerships across 68 cities in 12 states, representing 37 brands. In Q2 2025, the company reported net revenue of over R\$3 billion, EBITDA of R\$110 million, and an adjusted net loss of R\$37 million.

These figures do not yet reflect the new cycle that AUTOMOB is entering. This new phase focuses on operational efficiency, synergy across companies, increased asset sales per location, and administrative integration. We expect this management cycle to be fully implemented by the end of 2026.

What do we anticipate from this transformation? A significant increase in pre-owned vehicle sales per location, improved pricing in our after-sales services—both labor and parts—higher S&I (Services and Insurance) returns per vehicle, and the adoption of best practices already being implemented in several of our stores. The potential impact on results is substantial.

We are now entering a phase where the AUTOMOB team is fully focused on capturing these synergies and expanding sales with much greater efficiency. We believe that executing this plan will lead to organic growth, cost dilution, improved returns, and a new level of performance starting in Q4 2026.

Turning to page 9, let's look at CS INFRA. At CS INFRA, we are building a portfolio of long-term concessions with lower capex and a strong emphasis on service delivery and revenue resilience.

Within this strategy, we highlight CS Portos, which includes two ports in ATU that have already been introduced to you. Their modernization is now complete. The construction of our port involved nearly R\$1 billion in capex.

We expect the port to begin full operations with its infrastructure fully ready by September this year, with commercial activities starting in January 2026. Both ATU 12 and ATU 18 ports are experiencing strong demand. While we're not setting expectations, the 2026 guidance shown below reflects our belief, based on the demand we've already seen for port services.

Regarding CS Rodovias, in addition to Transcerrados in Piauí, which we've previously mentioned, we've also secured a new concession in Mato Grosso and the East Block Terminals in São Paulo.

Many of these concessions are still in the pre-operational phase, but as with the port, they are maturing during construction and are expected to begin operations next year. This is the trend moving forward—projects like the Ponte concession, where capex is relatively low over time, but revenue begins immediately, and service delivery is the core focus.

We believe Brazil offers many opportunities for concessions with this profile: service-oriented, resilient revenue streams, and long-term contracts.

We have a highly capable and continuously developing team, which we consider the strongest validation of our progress. The completion of the port is a testament to the quality of our team's execution. It's important to note that nearly the entire portfolio is still in the pre-operational phase.

Now turning to page 10, let's look at Ciclus Ambiental. Ciclus has shown organic growth, as reflected in its revenue performance. It has also undergone a transformation in its leverage profile—from 2023 to Q2 2025—and presents strong opportunities for further development, both through additional revenue streams and new concession projects.

In Brazil, as many of you know, over 40% of solid waste is still untreated. Turning to page 11, we present CS Brasil—a company specialized in mobility and fleet outsourcing. When it comes to fleet outsourcing, including drivers and operational execution for public and mixed-capital entities, CS Brasil plays a central role.

As the public sector evolves, there has been a growing trend toward outsourcing fleets—and, in some cases, drivers—to enhance service delivery. This is precisely CS Brasil's mission. The opportunity is clear when we look at its growth: from 2021 to Q2 2025, CS Brasil generated R\$379 million in revenue.

Moving to page 12, we have Banco BBC. Banco BBC maintains a high-quality credit portfolio, backed by strong guarantees and a default rate below market average. The portfolio has grown consistently quarter after quarter.

Its core focus is to maintain a differentiated relationship with truck drivers through its digital account, while also financing pre-owned trucks and used cars within the SIMPAR ecosystem. Although it has some operations outside the ecosystem, its primary focus remains on pre-owned vehicles and machinery—with robust guarantees, typically involving 30–40% down payments and financing the remaining 60–70%.

Banco BBC has grown its portfolio in a safe and consistent manner, with strong potential for further expansion.

Finally, on page 13, we present some of our key consolidated financial highlights. I'll now hand it over to Denys, who will walk you through the financials in more detail.

Please, Denys.

Denys Ferrez:

Thank you, Fernando. Good morning everyone.

Speaking now to page 13, which presents our consolidated financial highlights:

Starting at the top left, the Group's net revenue for Q2 2025 totaled R\$10.5 billion. Of this, R\$2 billion came from asset sales and R\$8.5 billion from net service revenue. This represents a 6% year-over-year increase.

On the top right, we have EBITDA, which reached nearly R\$3 billion in the quarter—13% higher than the same period last year and outpacing revenue growth. This resulted in an EBITDA margin of 28.4%, up two percentage points compared to Q2 2024.

At the bottom left, operating profit (EBIT) totaled R\$1.9 billion, with a margin of 17.6%, also reflecting a 6% increase year-over-year.

On the bottom right, we present adjusted net income. In Q2 2025, we recorded a net loss of R\$36 million, contrasting with the profit posted in the same period last year. This result reflects the impact of higher interest rates—approximately a 40% increase in the base rate between the two periods.

Moving on to page 14, we discuss investments. On the left, we show net CAPEX in a quarterly comparison. In Q2 2025, investment volume was 8% lower year-over-year. However, when looking at the first half of the year, the reduction is even more significant—around 50% compared to H1 2024.

Breaking it down by company, Movida was the main contributor to net CAPEX, which is expected due to seasonal dynamics. July is typically one of the strongest months for the car rental industry, prompting increased vehicle purchases and potential fleet adjustments.

Continuing with the investment theme on page 15, we present a chart that illustrates how our investment volume has declined in recent years. This reflects a strategic shift toward efficiency gains, with a much lower capex profile compared to previous cycles.

So, here's a chart in the center of the page that shows that, in past years, we were investing twice as much as the year's EBITDA. And that's starting to reverse. Looking at last year, we invested one-for-one, where net investment was equivalent to the year's EBITDA.

Now, we present the six months on an annualized basis. This actual figure shows a reversal, with EBITDA being twice as high as realized CAPEX. So, I believe this trend will continue through the end of the year, reinforcing our focus on achieving greater efficiency from existing investments and less on growth.

I'd now like to move on to the next slide, where we discuss the debt profile and liquidity on a consolidated basis. Here, we present the Group's consolidated net debt of R\$42 billion. It's worth noting that we have companies with governance and status in the new market, each individually.

This is the consolidated figure for reporting purposes. The Group holds R\$13.4 billion in cash, which covers 2.3 times our short-term debt maturities. In other words, we have coverage for amortizations through early 2027. The average maturity of our net debt is 4.1 years.

We continue to actively manage our liabilities. In Q2 2025, we raised approximately R\$2.6 billion, maintaining the strong liquidity profile that has historically characterized the Group.

Moving to page 17, we now look at SIMPAR as a holding company, separate from the consolidated view. SIMPAR reports net debt of R\$3 billion and cash of R\$3.6 billion. The average maturity of its net debt is 5.9 years, and short-term debt coverage exceeds 10x—meaning amortizations are covered through approximately 2030. This provides us with the financial flexibility and peace of mind needed to execute our strategic plan.

On page 18, we discuss leverage ratios. Based on international market criteria, SIMPAR's net debt-to-EBITDA ratio at the end of Q2 2025 was 3.6x, a level that has remained stable since Q4 2024. Under local market criteria, the ratio stands at 2.3x, also stable since Q2 2024.

We've also introduced a normalized figure. Based on results already released by several of our listed companies, we've identified assets available for sale or in the process of occupancy normalization. These assets—primarily from AUTOMOB, VAMOS, and JSL—total approximately R\$2.9 billion.

These are not assets that will cease generating income; rather, they have strong secondary market value and are currently being monetized. If we deduct these R\$3 billion from the balance, our net debt-to-EBITDA ratio would be 3.4x under international criteria and 2.1x under local criteria.

It's important to highlight that all capital raised in the market has historically been—and continues to be—allocated to assets with strong residual value and high liquidity in the secondary market. This is a key point to emphasize.

On the right-hand side, we present what we consider the business leverage metric. This calculation includes all liabilities and obligations linked to our assets, and deducts the expected residual value, discounted to present value. The resulting leverage ratio is 2.5x, which closely aligns with the local debt criterion.

Moving to page 19, we discuss return on invested capital (ROIC), based on a productive concept that adjusts for capital not currently generating cash.

In Q2 2025, we saw a significant improvement in productive ROIC, reaching 13.8%, compared to 10.8% in the same period last year. This 3 percentage point increase was primarily driven by a roughly 20% rise in operating profit over the past 12 months, comparing Q2 2025 to Q2 2024.

With that, I'd like to thank everyone for joining us today and turn the call back over to Fernando.

Fernando, please.

Fernando Simões:

Thank you, Denys.

Now on page 20, we present key fronts of our strategic planning execution, aligned with the mission defined by our Board. The goal is to maximize the value of everything we've built in recent years.

We've established solid development pillars and achieved growth and scale across all SIMPAR-controlled companies. This positions us, in this new cycle, to extract greater value from our businesses with significantly lower capex, while continuing our path of sustainable development.

We are intensifying our focus on controlling operating and administrative costs, and renegotiating supplier contracts—achieving meaningful gains not only through price reductions but also by redefining the scope of services provided.

One of our top priorities is asset management—whether through improving occupancy rates, accelerating implementation, optimizing decommissioning, or increasing inventory turnover. While we're not setting expectations, we see an opportunity to reduce our asset base by R\$3 billion. This would result in lower investment needs and increased liquidity through asset sales, contributing to leverage reduction. This is a key focus for the coming quarters.

Our pricing discipline—both in reviewing current prices and setting new ones—must align with economic conditions. Efficiency, combined with service quality, drives customer loyalty. Our competitive edge must be based not just on price, but on the value and quality of the services we provide.

As a result of these initiatives, we strongly believe in our ability to generate cash, reduce investment requirements, and create long-term value through sustainable development.

That concludes my presentation. Once again, thank you all for your time and attention. I now open the floor for questions.

Operator:

We will now begin the Q&A session for investors and analysts. If you would like to ask a question, please click raise hand. If your question is answered, you can leave the queue by clicking lower hand.

Our first question comes from Mr. Matheus Santana of XP. Please proceed.

Matheus Sant'Anna:

Hey, Fernando, Denys, good morning.

I have two questions here.

First, I wanted to touch a little on how you're seeing the current situation in the automobile market, in light vehicles, which I think has seen a lot of changes recently with the IPI.

We saw a slightly weaker June in sales, but we bounced back a bit in July. I'd like to see what you're seeing, especially in July going forward, in terms of sales, and I think the impact on AUTOMOB and Movida as well, and BBC as well.

And I think the second question here is, thinking about Ciclus, we saw the growth of the additive you made in the biogas area. Is there any more room for revenue growth, especially ancillary, additional revenue here? Just those two.

Fernando Simões:

Thank you. Good morning everyone. Good morning, Matheus.

Good morning to all the participants. On behalf of our entire team, thank you. We have over 300 participants.

Thank you very much for your attention and time.

Speaking now, Matheus, about the auto market in July—without providing guidance or setting expectations—July was a strong month for us at AUTOMOB. In fact, one of the best. We're beginning to extract synergies, even from early-stage initiatives, and the results are promising.

Looking at Movida, they've already released their pre-owned vehicle performance for July, and we haven't seen any signs of a reversal in the previous trend. If anything, there's been a slight improvement. It's worth noting that the second half of the year is typically stronger than the first, even for car sales.

Regarding the IPI, what we saw was more of a reduction in the retail discount rather than a structural price change. So, there's nothing unusual happening—on the contrary, the market remains solid.

As for Banco BBC—and the credit market more broadly—just yesterday, during the opening of one of our stores, we heard from customers that credit availability remains stable. Despite current interest rates, individuals are still able to access financing without major issues. That's been our experience at BBC as well, particularly through our F&I desks at AUTOMOB and Movida.

Credit is flowing, development is ongoing, and individuals are not being left behind by the banks. What we are starting to observe, however, is some pressure on small and medium-sized businesses, which are beginning to face challenges.

Overall, we don't see IPI changes, interest rates, or credit conditions as obstacles to the development and sales of the automotive sector.

And let's not forget: Brazil has been stuck at around 2.5 million new cars sold annually for several years. The market fluctuates slightly, but life goes on. In fact, the "popular car" in Brazil today isn't a brand-new vehicle—it's a two-year-old pre-owned car. And the biggest resellers of those vehicles are the rental companies.

So, this is what we consider the "popular car" in Brazil today—vehicles priced around R\$75,000 to R\$80,000. Movida has a very well-aligned vehicle mix for this customer profile.

Movida's stores also reflect this positioning. Thanks to infrastructure and system investments, they resemble boutique dealerships more than traditional parking lots. While some locations still operate as lots, most are designed as storefronts—showcases that offer a differentiated customer experience.

This channel strategy is a key part of how Movida positions itself in the market.

Thanks, Matheus—I hope that answers both of your questions.

Regarding Ciclus, as Denys rightly pointed out, it's a good moment to revisit its progress. For the past three years, we've been highlighting the opportunity for improvement at Ciclus, and we're now seeing signs of maturity.

The results you're seeing include ancillary revenue from gas additives, but more importantly, they reflect operational improvements. These include better corporate volume management, more efficient land use that reduces leachate generation and treatment costs, gas capture, and logistics optimization.

These efficiencies are already contributing to results, and we believe there's still room for further improvement—particularly in Ciclus' operating margin.

We often talk about the potential of our assets, and we have several across the Group. At CS INFRA, for example, many assets are still in the pre-operational phase.

Ciclus is entering a new stage, and while we don't expect any major impact from gas at this point, we do see meaningful opportunities to enhance its performance through operational efficiency.

Denys Ferrez:

If I may just add a point here, Fernando and Matheus—regarding Ciclus—as part of its process of reestablishing economic conditions following a period of renegotiation, we're now seeing a significant evolution in its EBITDA.

The annualized EBITDA already reflects the strength of this asset. It's important to remember that Ciclus Ambiental consists of two operations, which together are generating approximately R\$300 million in annualized EBITDA. I'm not sure if everyone has fully grasped the scale of this development, but it's a clear sign of the company's progress.

But that was all, Fernando. Thank you, Matheus.

Matheus Sant'Anna:

Thank you. It's clear here.

Operator:

Our next question comes from Mr. André Ferreira, from Bradesco BBI.

Please proceed.

André Ferreira:

Hi, good morning, Fernando, Denys, Victor, how are you? I have two topics here.

First, regarding net CAPEX, we observed an 8% year-over-year decline. Last year, the reduction was close to 80%, primarily driven by Movida during the first TRE. As a result, the EBITDA-to-net CAPEX ratio, which was around 4x in the last TRE, has now dropped to approximately 1.5x.

Based on our expectations for the Group's companies, our internal calculations suggest that we could reach a ratio close to 2x—or potentially even slightly better—by the end of this year.

I just wanted to confirm whether this estimate aligns with your projections.

Second, I'd like to ask for an update on the port's progress. Is it currently more advanced than the 2026 guidance presented during the 2023 Investor Day?

Denys Ferrez:

Thank you, André. Denys here.

Looking at this index, I'd like to draw your attention to the annualized basis. We're aware that the quarterly figure was lower—around 8% to 9% year-over-year, as you mentioned—but when we look at the half-year comparison, the reduction is still close to 50%.

The challenge here is providing forward guidance, but based on our internal planning, I strongly believe this index—when viewed on an annualized half-year basis—still shows potential for improvement. This is just a reference point, not formal guidance.

There's a seasonal aspect to Movida's performance, especially in July, which is typically a very active month. When we break down net CAPEX, Movida was the main contributor to the figure. Given its dynamic fleet management—adjusting size and optimizing to meet both peak and slower seasonal periods—I believe this index could improve beyond its current level on an annualized basis.

Fernando Simões:

André, just to add to that—what we're discussing here is the opportunity we have across several of our companies. For example, at VAMOS, we have inventory classified as "always new," which includes assets returned early or repossessed. These represent a strong opportunity for asset sales, which directly contribute to reducing net CAPEX.

Just as a reminder, there's also the opportunity to extend existing contracts, which we've been discussing for years and which VAMOS has been executing successfully. Whether through contract extensions—which reduce capex—or asset sales—which generate cash flow—both strategies contribute to lowering net CAPEX.

This is a clear opportunity, and VAMOS has done exemplary work in this area.

If you look at JSL, there's a similar opportunity. And Movida has also done an excellent job, with potential to further optimize asset quality and improve occupancy rates.

We've been working hard on these operational efficiency initiatives, and they're beginning to show results.

Denys Ferrez:

And the other question, André, can you repeat it, please, just to be sure, I think it's about the ports.

André Ferreira:

That's it, that's it.

If you are further ahead in relation to those EBITDA expectations for port access for 2026.

Fernando Simões:

What I can guarantee you, André, is that we have the port ready. This August, we'll finish the port.

We've had firsthand experience with this, and I'll keep it brief. We often joke that while luck helps, we've been working hard from day one. So yes, we got it right in terms of planning and business modeling—but the demand has far exceeded our expectations. Much greater than anticipated.

One interesting insight we've gained is that many clients—before committing to work with us—wanted to see the port fully completed. And we delivered on that. We stayed on schedule, both physically and financially, executing the port modernization works, which were essentially a full reconstruction.

Even the pier was renovated, expanded, and restructured—it wasn't just built from scratch.

In short, the port is ready. And now, client demand is locked in. What I can confidently say is that the numbers we shared with you for next year are unfolding smoothly.

We're seeing projected revenue of over R\$400 million for next year, which aligns closely with the guidance we previously discussed. That's the demand we're seeing.

For example, companies using our port—especially those operating out of São Luís do Maranhão—are saving around 600 kilometers of highway travel. What used to be 1,200 kilometers is now just 600. That's why demand has been so strong, André.

So yes, we're on track with our plans, and with Porto Carimbado now ready, we'll begin operational activities next month.

Denys Ferrez:

Yes. And just to reiterate, André, our guidance for 2028 is net revenue between R\$590 million and R\$620 million and EBITDA expected between R\$325 million and R\$400 million. This is what we disclosed and is part of the financial statement.

Andre Ferreira:

It's great. Thank you.

Operator:

Our next question comes from Mr. Pedro Tineo of Itaú BBA. Please proceed.

Pedro Tineo:

Good morning, everyone. Thank you for taking my question.

I have two questions.

First, we've seen several initiatives across the Group's companies—such as VAMOS increasing due diligence from a credit perspective, JSL advancing its digital capabilities, and Movida discussing fare adjustments. Looking ahead, I'd like to understand how the Group, as a whole, is thinking about additional initiatives that could be implemented across subsidiaries to further enhance efficiency.

Second, I'd like to explore Ciclus a bit more. We've seen listed players entering the segment as well. Could you share more about the ongoing opportunities you see for Ciclus and how focused SIMPAR is today, as a holding company, on expanding this business?

Thank you.

Fernando Simões:

Pedro, Fernando, good morning.

Pedro, let me share something with you. Our business—and our origins—come from a highly competitive segment: transportation and logistics. It's a sector marked by constant volatility. Sometimes it's demand, other times it's interest rates, or rising costs—fuel, tires, labor, unions, and so on.

We've never competed on price in logistics. We take great pride in our logistics expertise, but it's a volatile space. Many companies have struggled, and while some gained visibility, others fell behind.

We've always competed based on service quality, a fair cost-benefit for our customers, and our ability to add value. That's what we believe in.

In Brazil, volatility is part of the landscape—financial costs, depreciation, asset pricing. During COVID, we saw a transformation in asset values. Even now, new assets have increased in price—cars, trucks—by 6% to 8% this year alone. You might get a discount, but the price lists keep rising.

We have a contractual management system, and we always say this in the case of OTCL: when there's a deviation from the agreed terms, we have the agility to adjust pricing to reflect current financial and operational costs. That's what OTCL has always done.

This applies to JSL, Movida, and others—pricing new contracts in line with cost realities.

VAMOS, for example, has taken concrete steps. While it serves large clients, it also works with medium and small businesses. It's become more selective, focusing on portfolio quality and earnings certainty. But it's also been passing on price increases, because asset prices have changed..

So, for example, in the case of VAMOS, some contracts were renegotiated this year to extend the use of the same asset. If I'm explaining this correctly, around 50% of those renegotiated contracts were extended with the same asset—but with a price adjustment.

Why the price adjustment? Because for the customer, renting a new asset would be significantly more expensive than continuing with the current one. So, it makes more sense to accept a price increase that's still lower than the cost of a new asset.

That's the logic behind the pricing adjustments VAMOS has been implementing.

Movida, on the other hand, had rental prices that remained stagnant for quite some time. It has now started adjusting prices and still has room to do more.

If you look at other transportation modes—Uber, buses, planes—the daily fare in Brazil is still relatively low compared to the investment and financial costs involved. So yes, Movida is working on price adjustments, and we believe there's still room across all companies to continue this process.

From our perspective, this is essential for maintaining viability and ensuring sustainable growth. It's part of our DNA: delivering service that anticipates customer needs, while also ensuring fair returns and pricing that reflects the quality of service and investment required.

With high-quality service, we move beyond price-based competition. We build customer loyalty.

Movida has undergone a transformation, and VAMOS now offers the Sempre Novo model, which is more affordable for customers. This entire offering allows us to move beyond price discussions and charge a fair price for the value we deliver—demonstrating to customers that we're meeting their real needs.

In retail, especially in Movida's case, you can't always prove things with spreadsheets—because it's not about numbers, it's about service. What matters is delivering fast, high-quality service that truly meets the customer's needs. And customers recognize that. Today, Movida has built strong capillarity, done the groundwork, and offers a differentiated experience. There's a ticketing system, and a central office that monitors in real time how long it takes for each customer to be served.

Anyway, the team has done a fantastic job and successfully recovered pricing. Sorry for the long explanation, but I think it's important to share a bit of our DNA and the sense of responsibility we carry. We work with our own capital and with third-party funds. So, we have a duty to charge prices that reflect all the investments we've made and our associated costs—whether financial or asset-related.

And just to illustrate this, take AUTOMOB as an example. What we're seeing isn't a price increase—it's a boost in sales productivity per store, whether for new or used vehicles. That's a gain in profitability, achieved without creating any artificial expectations. Let me give you a concrete example: AUTOMOB just announced a new phase.

A new cycle is beginning at AUTOMOB, focused on maximizing productivity per location. The team has done an incredible job building the AUTOMOB ecosystem, and now we're entering the phase of value extraction. Just to give you an idea—Movida sells around 38 to 40 cars per store. That's a ballpark figure. AUTOMOB, on the other hand, was selling about 20.

So, look at the opportunity ahead. But to get there, you need a system in place—you need supply, logistics to stock the stores, inventory management, and so on.

Movida still has tremendous room to grow. And then there's Ciclus. Today, Ciclus operates the largest waste treatment center in Brazil.

That's around 270,000 to 280,000 tons of waste processed every month. On top of that, roughly 450 truckloads of waste arrive at the site every single day. Impressive, right?

This volume makes it one of the largest waste treatment centers in the world. Today, if I'm not mistaken, this facility is responsible for generating about 60% of Brazil's biomethane derived from waste. But when we look at the broader picture, over 40% of Brazil's waste still goes untreated.

So, just imagine the opportunities ahead—new concessions, new contracts, even in smaller regional consortiums. CS Infra and Ciclus Ambiental are well-positioned to continue driving this movement forward. The team has a huge opportunity to keep developing and expanding.

And I always say: a waste treatment center isn't just an engineering operation—it's also a logistics operation. It involves complex coordination, not just technical expertise.

Anyway, those are the key points. Sorry for the long explanation, Pedro, but I hope that answered your question.

Pedro Tineo:

It was super clear. Thank you.

Operator:

Remember, to ask questions, just click "raise your hand." If you'd like to ask a question in writing, please type your question in the Q&A field, followed by your name and company. Please wait.

Our next question comes from Mr. André Ferreira of Bradesco BBI. Please proceed.

André Ferreira:

Hi everyone, thanks for the follow-up. I just wanted to ask about the excess asset inventory—specifically the R\$2.5 to R\$3 billion figure. How long do you estimate it will take to resolve this, and what kind of impact could it have on profitability?

And while I'm at it, a second question: you recently won the binational bridge concession through CS Infra. Do you see an opportunity for JSL to explore logistics services there, perhaps in the automotive or general cargo sectors, or even warehousing? Thank you, André.

Denys Ferrez:

Thanks for the question, André. Speaking specifically about the financial impact, we were actually running some numbers earlier. From a financial expense standpoint alone, this excess inventory could represent somewhere between R\$460 million and R\$500 million over the year. For this quarter, that's a little over R\$120 million.

But that's not the whole picture. There are other elements to consider, like depreciation—which Fernando was just pointing out. I don't have an exact figure for depreciation, but it could easily add another R\$200 million or so. So yes, it's a material impact. In fact, even without factoring in depreciation, the financial expense alone would be enough to reverse the results we presented.

As for the timeline to resolve this, I know you had a second question as well, but we didn't manage to capture it here. So I'll leave that estimate to Fernando.

Fernando Simões:

Thanks, André. We've been actively working on new strategies to address this. Just to give you a sense of the scale: today, we're talking about R\$1.7 to R\$1.8 billion in assets, all new. Under normal conditions, this figure would be closer to R\$3 billion. So, we're looking at a surplus of around R\$1.5 billion in assets.

Now, if you take that R\$1.5 billion, there's the financial cost, as Paulo Denys mentioned. But even if you add just 0.6% in depreciation, that alone gives you a sense of the quarterly cost impact of holding these assets. And if you look at the automotive segment, it also includes surplus agricultural assets worth around R\$400 million—so that could be reduced as well.

Just between these two areas, you're already looking at a surplus of roughly R\$200 million at JSL. And these surpluses arise for different reasons—sometimes due to repossession, sometimes early returns. In JSL's case, we have a very strong program called PRC, which is focused on cost reduction. We

reduce costs by removing fleet, replacing it with third-party providers, negotiating with clients, improving margins, and ensuring safety. But even after all that, the asset remains and needs to be sold. That's the execution challenge.

The agricultural impact stems from specific events in that sector. So, each case has its own context. When we talk about the R\$2.5 to R\$3 billion in surplus assets, a large portion—around R\$2.3 billion—is tied to depreciation and financial costs of assets that should have either been extended or sold.

So, in addition to that R\$2.3 billion, I'd also add at least another R\$15 million per month in depreciation. When will this be resolved? We've been working intensely to address this within two to three quarters, and we believe it will be resolved naturally—without the need for any forced price reductions.

Looking ahead, I'd say that within the next 12 months, we should see normalization. Not in a way that creates pressure or problems, but through proactive efforts to accelerate the process. And I do believe it's possible to anticipate this timeline. That doesn't mean everything will be resolved by then, but it does mean we have a real opportunity to gradually dilute the impact over that period.

We're working hard to make that happen. And part of this R\$2.5 to R\$3 billion also includes working capital. As asset utilization improves, productivity increases, and we're able to anticipate payments—especially given the higher financial costs—we can negotiate better terms with clients and shorten payment cycles.

So, when we look at the full picture, this R\$3 billion isn't just a challenge—it's also an opportunity.

Denys Ferrez:

And regarding the second question—thanks to Victor for the support here—just to clarify: is the revenue opportunity from the binational bridge concession currently limiting or blocking new contract opportunities for JSL at a national level?

André Ferreira:

That's it.

Fernando Simões:

Now... We treat each business completely separately. So, JSL, through Marvel, my group entrepreneur, is the main user of the bridge.

But there's no dependence on JSL, nor was it ever seen that way. We do believe the bridge has its own return, as you, the CS Infra team, have already announced. It's already operating today, and it's generating significant returns without the need for anything more than what's currently being done. But we do see the opportunity for additional revenue, as you see with Ciclus, by bringing in industry—and JSL can be a commentator on this—by having a distribution center on the bridge. It has the space for this, for an integrated customer operations center, so that the customer can distribute the goods to the destination from there, instead of you having to transport them from there.

Often, you go from there to Rio, and then have to bring the cargo to São Paulo because you can't be there at the bridge. Then you decide whether to go to Rio or São Paulo, just to give you an example. So, we do see an opportunity to generate significant ancillary revenue for the bridge, but we, at the company, view each asset as a completely independent asset, so there's no connection to JSL. Just

as we see the body as a great opportunity to generate transportation for JSL, which is an integrated service, but it hasn't yielded that much or demonstrated that to the market, because that could be a natural consequence of the business.

Thank you, André.

Operator:

The Q&A session is now closed. We would like to turn the floor over to Mr. Fernando Simões for his final remarks on behalf of the company.

Fernando Simões:

Once again, I want to thank you all for your participation. I'm not here to create expectations—just to share a few reflections that I hope will encourage deeper thought.

When we look at most of our operational indicators across the group—some companies more than others—we see a clear trend of what's possible with significantly less capex, which has always been a core part of our strategy. I want to reaffirm our commitment to operational efficiency, fair pricing, and differentiation not through market pricing, but through the quality of our service and the value we bring to our customers.

There's still plenty of room to improve our returns and operational metrics. Our team has been working hard on PRC, our cost reduction program, and we expect it to have a noticeable impact in the coming quarters—or at the very least, help offset other cost pressures. We've been through years of similar volatility before.

Now, I invite you to reflect on this—not as guidance, but as a perspective. That's where the improvement comes from, as you've asked about pricing in Vamos, Movida, and JSL. And we also have Ciclus.

We've been saying for some time that Ciclus could become a highly differentiated company in terms of margins and results—and that's now becoming a reality. Take CESMIC, for example: a road that's expected to generate around R\$100 million in revenue this year, with potential to exceed R\$500 million next year. That's a significant margin expansion at a much lower cost.

The port we mentioned earlier is also ready to generate revenue in 2026, with no remaining construction risk. And when we talk about the R\$2.5 to R\$3 billion in assets, a large portion of that can be monetized—either through sales or rentals—to avoid further investments.

We truly believe there's room to continue passing through fair prices. We don't sell price—we sell service. And we charge what's fair for the value we deliver, which is essential.

Let me leave you with a thought about AUTOMOB. It's just getting started. We haven't yet tapped into the full potential of synergies or optimized the infrastructure we've built. If you compare AUTOMOB to other dealership groups—whether in Brazil or abroad—or look at the scale of some of our stores, you'll see the opportunity.

We spent years talking about Movida and what it could become. Now you can see it in the operational indicators, in its positioning, and in the transformation of the leasing market in Brazil. I'd say the automotive sector has a similar opportunity—but with a much shorter runway, because the foundations

are already in place. It's a retail business, not a manufacturing one. Our mission is to sell—and the potential for transformation in this segment is enormous. The returns are still ahead.

These are just a few examples I invite you to reflect on—CIFAR's adjusted results and what lies ahead for our group. On behalf of all our people and managers, I want to reaffirm our commitment to continue working with focus and discipline, anticipating the actions we've discussed to further improve margins and results, with less capex.

This will allow us to accelerate—and, God willing, anticipate—the reduction of our leverage and the improvement of our returns and operating margins, further strengthening our long-term partnerships with customers, both in retail and industry.

On behalf of all of us here, thank you very much for your time. God bless you, and have a great day at work. Thank you!

Operator:

The SIMPAR video conference has concluded. We thank everyone for their participation, and have a good day.