

**CREDIT OPINION**

28 February 2025

Update

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**RATINGS**

**Simpar S.A.**

Domicile	Sao Paulo, Brazil
Long Term Rating	Ba3
Type	LT Corporate Family Ratings
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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**Simpar S.A.**

Update to credit analysis

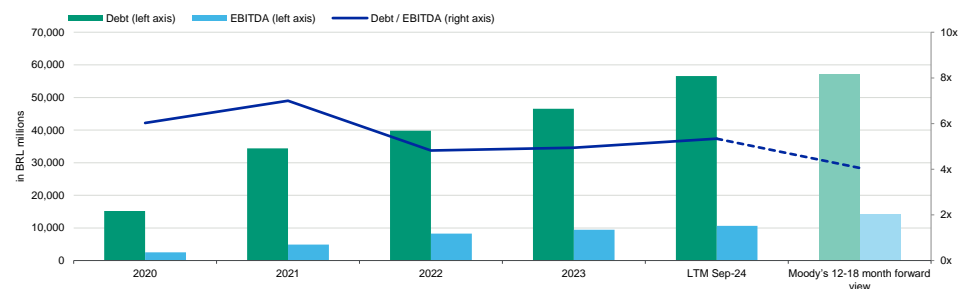
**Summary**

[Simpar S.A.](#)'s Ba3 rating primarily reflects its status as the holding company of one of the largest logistics, and vehicle and equipment rental groups in Brazil, with a significant size, scale and market position in the country as the largest provider of supply-chain management services and truck logistics; the largest truck and equipment leasing company; and the second-largest rent-a-car and fleet rental company. The group's solid business model encompasses long-term service agreements, a wide service portfolio, a diversified client base and cross-selling opportunities, providing resiliency to operations during downturns, an additional credit positive. Simpar's subsidiaries have flexible business models and a track record of managing the return on invested capital (ROIC) throughout the life cycle of its vehicles and equipment, ensuring adequate profitability and cash generation through economic cycles. The group's good liquidity, profitability and controlled leverage also support the rating.

Simpar's rating is primarily constrained by the group's high consolidated Moody's-adjusted leverage of 5.3x as of the 12 months that ended September 2024, which resulted from its fast growth strategy from both organic and inorganic opportunities and the capital-intensive nature of its businesses. During growth periods the group's consolidated free cash flow (FCF) should remain negative posing an additional risk, although the important subsidiaries have the financial flexibility to reduce expansion capital spending and sell its unencumbered light and heavy vehicle fleet in case of need, helping the group generate cash and reduce debt. Finally, Simpar's capital allocation strategy could lead to notching considerations of debt issued at the parent level in case of structural subordination in the future.

Exhibit 1

**Despite a sustained debt balance, gross leverage should decrease with higher EBITDA generation**



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: *Moody's Financial Metrics™ and Moody's Ratings forecasts*

## Credit strengths

- » Size, scale and leading market position in the main segments it operates, with wide product offering, synergies and cross-selling opportunities
- » Solid business model, which provides stability to operations and good profitability
- » Diversified client base, although geographically concentrated in Brazil
- » Good liquidity at the holding level

## Credit challenges

- » High leverage as a result of a fast and acquisitive growth strategy
- » Negative interest coverage at the holding level, taking into account dividend upstream from subsidiaries
- » Capital-intensive nature of the industry, which leads to negative Free Cash Flow in times of expansion
- » Capital allocation strategy, which could lead to notching considerations in case of structural subordination

## Rating outlook

The stable rating outlook reflects our expectations that Simpar will continue to grow both organically and inorganically, and improve its profitability and cash generation to gradually reduce leverage over time. The outlook also reflects our expectation that the group will maintain a conservative approach toward liquidity, balancing capital spending and shareholders' and creditors' interest.

## Factors that could lead to an upgrade

We could upgrade Simpar's rating if the company is able to substantially reduce leverage, either through organic EBITDA growth or gross debt reduction. Quantitatively, a rating upgrade would require its total Moody's-adjusted gross debt/EBITDA to remain below 4.0x and EBIT/interest to stay above 2.5x (1.1x as of the 12 months that ended September 2024) on a sustained basis. A rating upgrade would also require the maintenance of adequate liquidity.

## Factors that could lead to a downgrade

We could downgrade Simpar's rating if the company's operating performance deteriorates, with its operating margin declining below 8% (16.7% as of the 12 months that ended September 2024) without prospects of an improvement. Negative rating pressure would emerge if EBITDA growth does not materialize, such that the company's Moody's-adjusted gross leverage does not remain at around 5.0x on a sustained basis. A deterioration in the company's liquidity and evidence of an aggressive growth strategy in times of weak market fundamentals could also lead to a downgrade.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Simpar S.A.

(in \$ billions)	2020	2021	2022	2023	LTM Sep-24	12-18 months
Revenue	1.9	2.6	4.7	6.4	7.5	7.3 - 7.7
Operating Margin	10.5%	22.6%	21.2%	17.8%	16.7%	16% - 19%
EBITA / Average Assets	6.2%	11.0%	11.8%	10.6%	10.5%	10 - 12%
Debt / EBITDA	6.0x	7.0x	4.8x	4.9x	5.3x	4.0 - 4.5x
FFO / Debt	14.5%	11.6%	12.0%	10.6%	11.2%	9 - 12%
EBIT / Interest Expense	1.2x	1.8x	1.5x	1.2x	1.1x	0.9 - 1.3x

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

## Profile

Headquartered in Sao Paulo, Brazil, Simpar S.A. is the holding company of one of the largest groups in logistics, rental of vehicles and equipment in Brazil in operation since 1956. Simpar has a 71.9% stake in JSL, the largest logistics service company in Brazil that provides dedicated logistics services and truck cargo transportation; a 65.0% stake in Movida Participacoes S.A., Brazil's second-largest rent-a-car, fleet management and used car sales company; and a 61.3% stake in Vamos, a truck, machinery and equipment rental, and new and used heavy vehicles sales company. The company also owns 71.8% of a light and heavy vehicle dealership (Automob), and has full ownership of BBC, a multiple bank; CS Infra, a port and toll road concession company (incorporated in December 2021); Ciclus Ambiental; and CS Brasil, a public and mixed capital transportation services provider. As of the 12 months that ended September 2024, the company reported consolidated net revenue of BRL38.8 billion (\$7.5 billion), with a Moody's-adjusted EBITDA margin of 27%.

## Detailed credit considerations

### High leverage and negative Free Cash Flow because of a fast and acquisitive growth strategy and the capital-intensive nature of the industries

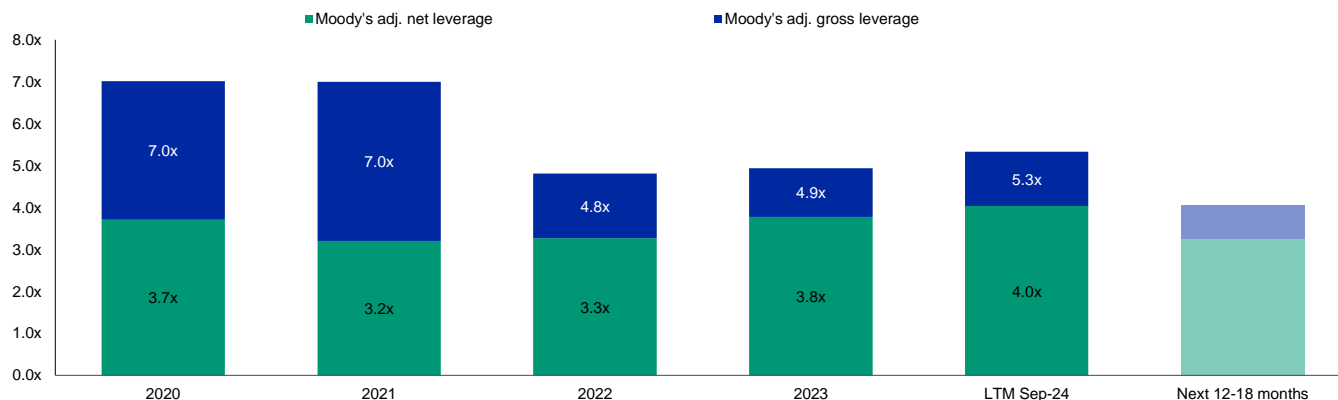
We expect Simpar to generate more than BRL43.8 billion in revenue and BRL13.3 billion in EBITDA in 2025. We expect its adjusted gross leverage to be 4.0x - 4.5x over the next few years, assuming no gross debt reduction and with the full contribution of recent acquisitions/concessions; this is lower than the historical level of 5.0x. Net leverage, used as a covenant measure, is likely to remain around 3.0x-3.5x.

During 2025 we expect a slower pace of investments of its subsidiaries which will help the group to reduce leverage from 5.3x as of September 2024 towards 4.0x in the next 12 to 18 months, and improve cash flow generation. Simpar main subsidiaries, Movida, JSL and Vamos, have been able to show a consistent growth in revenues in 2024 and continued to increase tariffs and reprice contracts which supports revenue levels in 2025. This will mitigate some of the higher interest costs relating to an increase in the Brazilian interest rate (Selic) which was observed more strongly since the last quarter of 2024.

Over time, we expect Simpar to continue to reduce leverage on the back of organic EBITDA growth, driven by an increase in profitability and greater scale at JSL, Movida, Automob and Vamos; the maturity of CS Infra; the high growth prospects of the vehicle outsourcing industry in Brazil; and higher ROIC from new contracts. However, leverage reduction will be gradual because the group will continue to require additional debt to fund its expansion plans at Movida and Vamos. A more sustained and faster reduction in leverage will only occur if the group raises proceeds from additional asset sales or minority interest sales.

Exhibit 3

Moody's-adjusted gross and net leverage

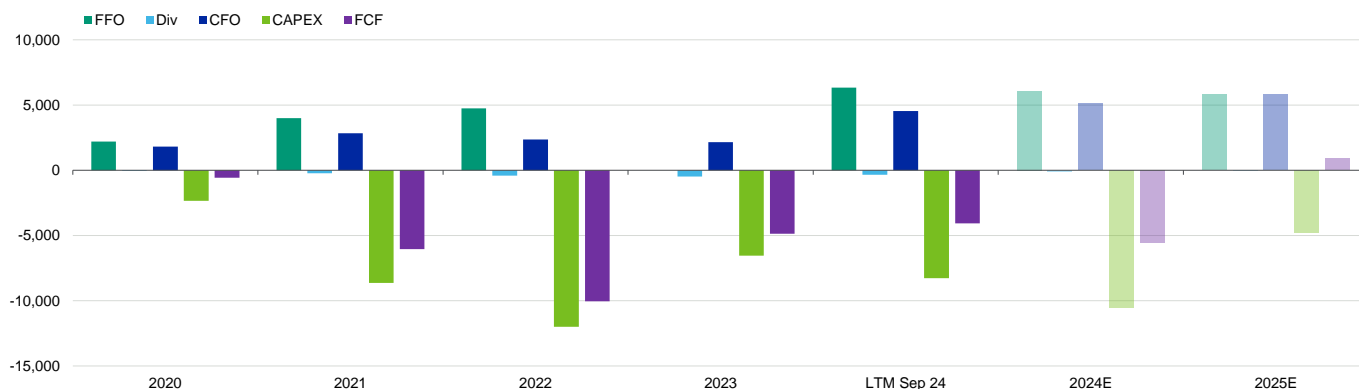


Source: Simpar S.A. and Moody's Ratings

The capital-intensive nature of Simpar's subsidiaries and their intensive growth over the past year led to a negative Free Cash Flow. As of the 12 months that ended September 2024, the company's Free Cash Flow was negative BRL5.0 billion, driven mainly by the fleet expansion of Movida and Vamos, which led to a gross capital spending of BRL16.5 billion. We expect Simpar to focus less on growth in 2025 and more on improving cash flow generation as Movida decreases capital spending substantially.

Exhibit 4

cash flow generation improves with lower capital spending



Sources: Company's filings and Moody's Ratings estimates

Size, scale and leading market position in all segments it operates

Simpar controls, manages and, if necessary, provides support to eight independent subsidiaries (JSL, Vamos, Movida, CS Infra, CS Brasil, Ciclus, Automob and BBC) aiming at maximizing the ROIC. Simpar has strong incentives to influence financial policies and support its subsidiaries in case of need. There are no limitations on access to dividend upstreams from subsidiaries, including Movida, JSL and Vamos, despite the minority carve-outs in all these subsidiaries. All the subsidiaries of the group benefit from the scale and diversity of the combined entities.

Despite the strategic and operational links, there are no formal debt links between Simpar and Movida, with no guarantees between the holding company and the operating company. Movida is the main subsidiary from a cash generation perspective. Simpar intends to remove any formal debt links with its publicly listed subsidiaries, giving it the flexibility to restructure its portfolio in case its stake in any of the subsidiaries is no longer accretive to the group. Simpar offers its subsidiaries a degree of operating independence. Subsidiaries operate independently, with exclusive executive and administrative teams, and maintain a brand identity distinct from the group.

Simpar's market position and scale, with a unique service portfolio, long-term relationships with clients and third-party service providers; commercial synergies; and cross-selling opportunities within its subsidiaries give it an edge over competitors on asset purchases and industry know-how. The group's integrated business model allows its subsidiaries to maximize returns by managing fleet capacity utilization and age, optimizing the profitability of service agreements, and minimizing losses stemming from the regular disposal of used vehicles and equipment, ensuring a structured market for large fleet divestitures, especially in times of economic deceleration. The group has diverse outlets including 258 rent-a-car stores, 192 automob dealerships, and 106 used light and heavy vehicle stores. This network gives the group significant commercial advantages over smaller competitors, a unique footprint in Brazil and a higher level of service offering.

Movida operates a car rental, fleet rental and used car sales business. Simpar holds a 65% stake in the company. As of September 2024, it had a total fleet of 247,587 vehicles in Brazil and Portugal. It is the second-largest rent-a-car and fleet rental provider in Brazil by revenue and fleet size. After the incorporation and consolidation of part of CS Brasil's business by Movida in 2021, the company also offers management and rental of light vehicles for public customers. As of the 12 months that ended September 2024, Movida accounted for 33% and 46% of the group's total revenue and EBITDA, respectively. In 2025, we expect Movida to slow down fleet growth, which will reduce its capital spending needs and allow the company to improve cash flow generation. Additionally, the company will benefit from higher tariffs in the Rent-a-Car and Fleet Management segments (see [Movida Participacoes S.A.](#) -)

JSL is the largest logistics player in the fragmented Brazilian logistics service and truck transportation markets. The company offers dedicated supply-chain services, including integrated logistics projects, information management of the logistics chain, input flow management (inbound), internal logistics (product movement and inventory management), reverse logistics, warehousing and urban distribution, bus chartering for the transportation of customers' employees, and general cargo transportation. This business represented 22% of Simpar's total revenue and 19% of its total EBITDA as of the 12 months that ended September 2024.

Vamos offers rental of machinery and equipment along with other personalized services. Vamos is the largest equipment and truck rental company in the fragmented truck rental industry in Brazil, accounting for roughly 1% of the country's total truck fleet. As of the 12 months that ended September 2024, Vamos accounted for 18% and 33% of Simpar's consolidated revenue and EBITDA, respectively.

Automob is a light and heavy vehicle dealership. Automob has become more relevant to the group after the acquisitions of UAB, Sagamar, Autostar, Grupo Green, Quality Motors, Grupo LAta, and Best Points over 2021-23, with the subsidiary generating net revenue of BRL9.0 billion as of the 12 months that ended September 2024. This is the fastest growing subsidiary of Simpar; its growth is mainly inorganic through the consolidation of smaller dealerships. In October 2024, Simpar announced a strategic reorganization of Vamos and Automob. The reorganization involved the spin-off of the heavy-vehicle dealerships from Vamos and subsequent merger with Automob to form a NewCo, which is now listed as Automob.

Finally, Simpar owns 100% of Ciclus Ambiental (a waste management company), CS Infra (port and toll road concession company), BBC (a multiple bank) and CS Brasil (transportation services provider for public and hybrid capital companies), which collectively generated around 5% of revenue and 5% of EBITDA as of the 12 months that ended September 2024.

### **Solid business model and diversified client base provide stability to operations and good profitability through economic cycles**

Simpar's subsidiaries have solid business models with long-term contracts with its clients that offer minimum volume guarantees, penalties for early termination and price adjustments; control over the entire business cycle, from the purchase of the asset until its sale; and a combination of asset-light and heavy business models, which provides more flexibility to operations.

For dedicated logistics services, JSL has contracts of around five years with annual price revisions, and most of them contain clauses that guarantee the company a minimum volume and penalties in case of cancellations. At Vamos, almost 100% of revenue is ensured by long-term and tailor-made contracts that have an average tenor of five years with an annual pass-through of inflation and penalties of 50% of the residual value of the contract in case of early termination. Furthermore, in the logistics and rental businesses, Simpar's subsidiaries JSL, Movida, CS Brasil and Vamos resell the assets used in the services at the end of the contract and include the estimated residual value in the contract's pricing and expected return. Therefore, the group's long track record and expertise in used light and heavy vehicle sales, and its unique used vehicle store network in Brazil play a crucial role in the company's overall profitability.

Simpar's subsidiaries operate with both an asset-light and asset-heavy business models, which provide the benefits of operational flexibility to reduce costs during downturns, as well as ownership and full control of operating assets. The asset-light model accounts for about 40% of the group's revenue, mostly related to the logistics segment, and the asset-heavy model for 60% of revenue, mostly related to the heavy and light vehicle, and equipment rental and fleet rental businesses.

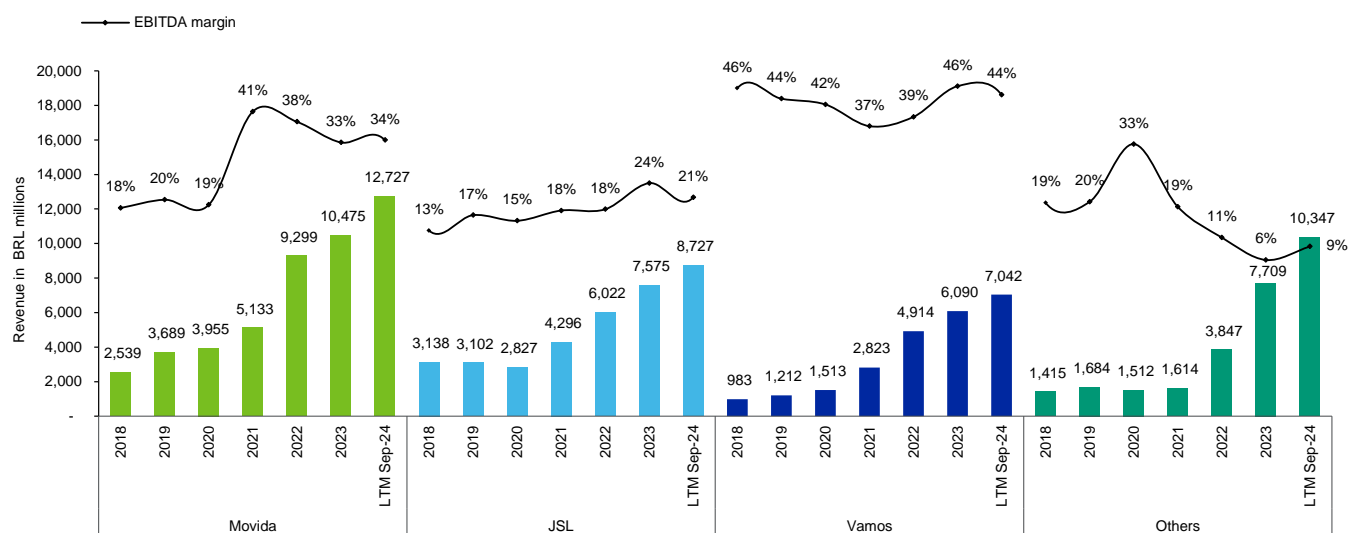
The group has operations in Argentina, Bolivia, Mexico, Portugal, Chile, Uruguay, Paraguay, Peru, South Africa and Ghana, but almost 100% of its revenue is generated in Brazil, which leaves it exposed to economic cycles in the country. However, because Simpar's businesses have a diversified institutional client base comprising most of the essential and countercyclical sectors of the domestic economy (such as food and beverage, agriculture, retail, metals and mining, chemicals, pulp and paper, automotive and capital goods) and operate with long-term contracts, the group's operating performance is resilient through economic cycles. Furthermore, its subsidiaries have good, long-term relationships with its clients, reflected in its track record of high client retention, and it has been able to increase its profitability and ROIC even in times of expansion.

### Operating performance remained adequate even during downturns

Over the last three years, the operating performance of Simpar's subsidiaries has recovered, with consolidated Moody's-adjusted EBITDA growing to BRL10.6 billion for the 12 months that ended September 2024 from BRL2.5 billion in 2020, and EBITDA margin expanding to 27.3% from 25.7% over the same period, because of the capture of synergies of all acquisitions and diversified and resilient cash generation, mostly from long-term contracts, with adequate profitability and protected by price adjustment clauses. Simpar's diversification toward the rental business will provide stability to existing operations and the group's overall performance.

Exhibit 5

#### Profitability remained relatively stable across subsidiaries even during downturns Historical reported revenue and EBITDA margin per subsidiary



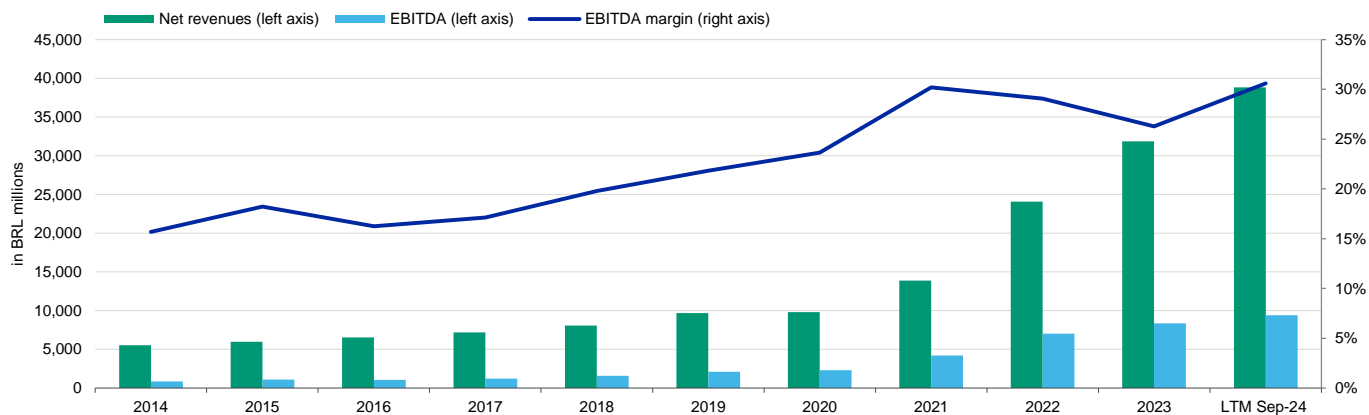
Source: Company filings

We expect Simpar to continue to post robust growth rates through economic cycles. This growth will be supported by recent and future acquisitions, the organic growth of the industries in which the group operates, and market share expansion, given the fragmented nature of the logistics and equipment rental industries in Brazil.

Simpar's business model is highly susceptible to interest rate volatility. The group's leverage is high and its debt is mostly exposed to floating CDI (Brazilian interbank deposit rate). Therefore, a higher Selic rate (Brazil's central bank benchmark rate) leads to higher interest burden. Additionally, the combination of interest rates, credit availability and disposable income influences the activity in the

new and used car markets. Although we expect interest coverage to remain strained because of the recent hike in interest rates, we do not expect significant deteriorations as Simpar's main subsidiaries are able to pass through finance costs into its tariffs.

Exhibit 6  
**Revenue increased, supported by acquisitions and organic growth**  
**Consolidated revenue and reported EBITDA**



2023 numbers exclude the effect of impairments of around BRL404 million.  
 Source: Company filings

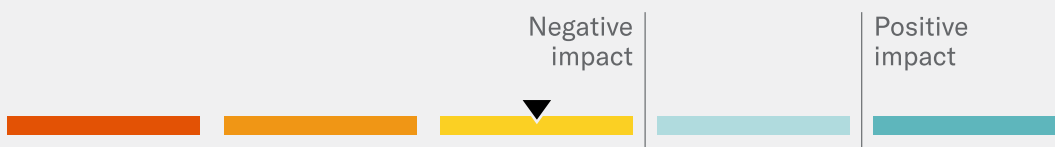
## ESG considerations

### Simpar S.A.'s ESG credit impact score is CIS-3

Exhibit 7  
**ESG credit impact score**

# CIS-3

Score



ESG considerations have a limited impact on the current rating, with potential for greater negative impact over time.

Source: Moody's Ratings

Simpar's Credit Impact Score reflects its environmental risk exposure on carbon transition on the trucking logistics segment and the need to invest in fleet renewal to meet customers' preferences, as well as waste and pollution generated by the business activity. Social risks incorporate managing customer relations, including sensitive customer data mainly in the car rental segment, responsible production, health and safety, and demographics and societal trends that may challenge mainly the car rental business model through new mobility alternatives. Governance aspects are incorporated in the rating and include the company's acquisitive growth history, concentrated ownership and board structure and somewhat complex organizational structure.

Exhibit 8

## ESG issuer profile scores



Source: Moody's Ratings

### Environmental

Simpar's environmental risks relate directly to carbon transition risk associated with the trucking logistics business and the need to invest in fleet renewal to meet customers' preferences, as well as the waste and pollution generated by the business activity.

### Social

Social risks incorporate managing customer relations, including sensitive customer data mainly in the car rental segment, responsible production, health and safety in handling heavy equipment in the equipment and truck rental business, and demographics and societal trends that may challenge mainly the car rental business model through new mobility alternatives.

### Governance

Governance aspects are incorporated in the rating and include the company's acquisitive growth history, concentrated ownership and board structure and somewhat complex organizational structure. The Simpar group is publicly listed in Brazil since 2010 (initially through JSL and currently through Simpar), with shares listed on the Novo Mercado segment of B3 (São Paulo's Stock Exchange), the segment with the highest level of corporate governance. Fernando Simões' family is the controlling shareholder of Simpar, holding directly and indirectly (through the JSP holding) 59.04% of the group's total shares. Other members of the family hold around 13.1% of total shares, with management, board and treasury shares accounting for 2.36% and free float representing 25.05% of the total. Simpar's board of directors is composed of five members, of which two are independent. The group's management is composed of professionals with many years of experience in the logistics and equipment rental industries. Two family members — Fernando Simões (board member and CEO of Simpar) and his daughter Juliana Simões (People and Culture Director) — are part of management. The company has a conduct code in place, and has formal market risk, risk management and sustainability policies and committees, but lacks formal financial policies regarding leverage and liquidity targets. On relevant transactions involving related parties the controlling shareholders have historically deferred the decision to minority shareholders with a compromise to follow the majority decision by the minority group. This was observed in decisions to date: in 2024 in the proposed reorganization of Vamos and Automob; in 2021, in two instances, when Simpar proposed to integrate CS Brasil Frotas assets into Movida Participações and to incorporate CS Infra assets into Simpar; in the corporate restructure of 2020, when Simpar became the holding company of the group replacing JSL; and, in 2011 when the holding company at the time, JSL, proposed the acquisition of Simpar Concessionárias Ltda. Simpar controls its listed subsidiaries JSL, Movida and Vamos, appointing three out of five board members for each. Currently, we see strong links between the holding company and its subsidiaries, illustrated by their ownership, significant commercial synergies, cross-guarantees among the debt of Simpar, JSL and Vamos, and financial covenants on existing debt instruments measured on a consolidated basis. Furthermore, a majority vote of the board of JSL, Movida and Vamos can lift any upstream dividend or intercompany loan restrictions, effectively providing Simpar full control over its subsidiaries' cash flow. The current corporate organization is a result of a restructuring that started in 2015 and aimed at providing more independence to each line of business. At that moment, the group separated its business into four reporting segments and increased the level of autonomy of each business, with a dedicated management and business strategies. In April 2020, the group separated all operating subsidiaries into independent companies owned by a pure holding company, Simpar, which replaced JSL as the listed parent company of the group. The corporate restructure facilitates M&A, IPOs and other transactions at the subsidiaries' level, but also increases notching considerations for debt sitting at the parent level because the ultimate parent of the group is now a pure holding company.

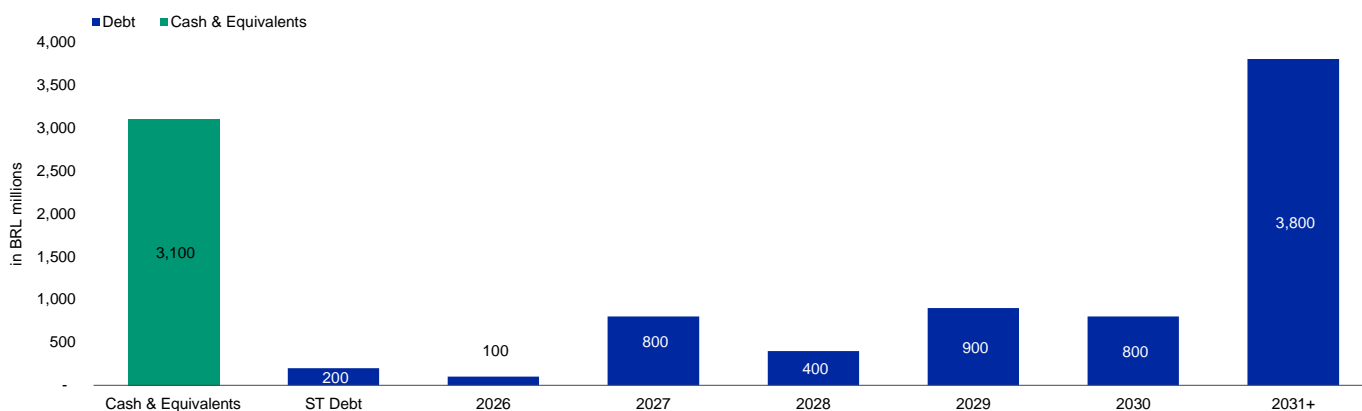
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.



### Liquidity analysis

Simpar has good liquidity. At the holding company level, as of September 2024, it had a cash position of BRL3.1 billion, which is sufficient to cover all debt amortizations until 2030. The holding company received about BRL280 million in dividends as of the 12 months that ended September 2024. The dividends received from its subsidiaries did not cover the holding company's corporate expenses, interest payments and dividend payment cash outflow of about BRL770 million. In 2025, the interest coverage of dividends/ interest is likely to remain negative, but we expect Simpar to maintain active liability management, use its cash, and monetize assets and participations to increasing its refinancing risk.

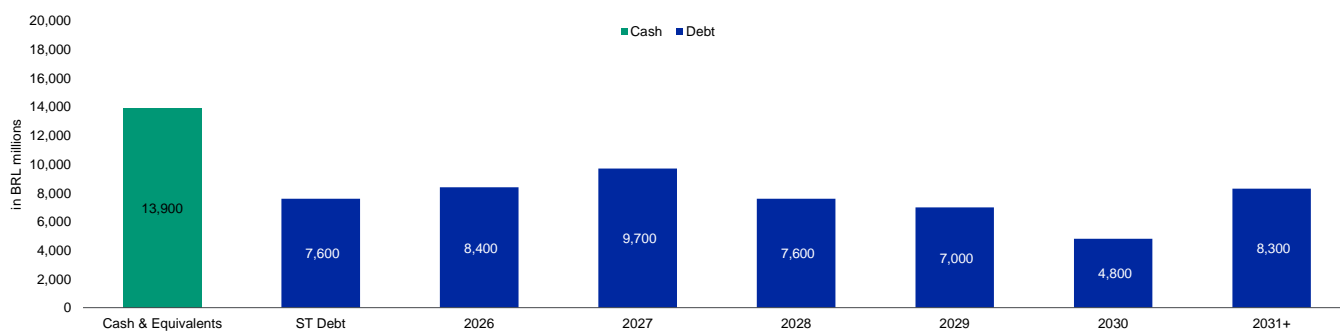
Exhibit 9  
**Holding company cash position to cover debt amortizations, interest and corporate expenses**  
 Reported debt schedule as of September 2024



Source: Company filings

Consolidated cash was more than BRL13.9 billion as of the end of September 2024, sufficient to cover short-term debt by more than 2.0x and almost 75% of all debt amortizations until 2025. Simpar's subsidiaries have BRL2.1 billion in approved credit lines available for capital spending, which are an additional source of funding for expansion despite being subject to certain conditions for disbursement.

Exhibit 10  
**Consolidated cash covers debt up to 2026**  
 Reported debt schedule as of September 2024



Source: Company filings

The Simpar group has historically maintained its consolidated cash coverage of short-term debt above 1.0x and has proactively pursued liability management initiatives to lengthen its debt tenor. Furthermore, Simpar has BRL39.8 billion in unencumbered assets at book value, mainly consisting of its light and heavy vehicles, which can be sold and cover 75% of the group's total reported debt (including leases). The group's track record in selling assets and reducing capital spending associated with new vehicle and equipment purchases to prevent a cash burn during downturns is a key credit consideration for Simpar, because it provides a liquidity backdoor in periods of stress. Simpar's listed stock holdings in its subsidiaries have a market value of around BRL5.3 billion, and although the shares are

subject to value leakage, they still provide an additional liquidity buffer for the company. Non-listed companies CS Infra, CS Brasil and Ciclus Ambiental are likely worth around BRL1.8 billion to BRL2.0 billion.

The group's current high cash position and proven ability to sell cars in a timely manner to raise cash mitigate the risks associated with high leverage and covenant breaches, because it can quickly adjust its cash position to offset the lower EBITDA stream during economic downturns.

Simpar's dividend payout will remain at the minimum level of 25% of net income required by Brazilian law, because the group is prioritizing leverage reduction. Dividend payment should be between 25% and 50% of net income at Movida, JSL and Vamos. Finally, covenant compliance is adequate, with the most restrictive financial covenants within the group setting a maximum reported net leverage of 4.0x and minimum interest coverage of 2.0x. The reported consolidated measures, which are the weakest among all because of the existing debt instruments at the parent holding company, were 3.7x and 3.4x as of the end of September 2024, respectively.

### Structural considerations

Simpar's capital allocation strategy could lead to notching considerations of debt instruments at the holding company level in case of structural subordination in the future. Simpar funded some of the growth of its subsidiaries with debt issued at the holding company level, and currently, about 12% of the group's total debt sits at the holding company level (about BRL6.5 billion as of the end of September 2024). Within its subsidiaries, leverage ratios are fairly similar at 2.5x-3.5x reported net debt/EBITDA, with no major disparities. About 14% of the group's debt is at the JSL level, 28% at Vamos, 34% at Movida, 3% at Automob, 2% at CS Brasil and 2% at CS Infra.

In terms of effective subordination, around 5% of Simpar's total debt is secured by assets (mainly related to FINAME lines<sup>1</sup>), while the rest is largely unsecured.

## Methodology and scorecard

Simpar's scorecard-indicated outcome under our Surface Transportation and Logistics rating methodology maps to a Ba2 rating based on the financials for the 12 months that ended September 2024 and on our 12-18-month forward view, one notch above the assigned rating. The scorecard-indicated outcome reflects Simpar's good business profile, scale and profitability, tempered by a highly leveraged capital structure and weak interest coverage. The current negative interest coverage at the holding level is a rating constraint and it is supported by a strong liquidity profile with cash comfortably covering at least 24 months of maturities.

Exhibit 11

### Rating factors

Simpar S.A.

Surface Transportation and Logistics Industry Grid	Current LTM Sep-24		Moody's 12-18 Month Forward View	
Factor 1 : Scale (15%)	Measure	Score	Measure	Score
a) Revenue (\$ billions)	7.5	Baa	7.3 - 7.7	Baa
<b>Factor 2 : Business Profile (20%)</b>				
a) Business Profile	Baa	Baa	Baa	Baa
<b>Factor 3 : Profitability &amp; Efficiency (10%)</b>				
a) Operating Margin %	16.7%	Baa	16 - 19%	Baa
b) EBITA / Average Assets	10.5%	Baa	10-12%	Baa
<b>Factor 4 : Leverage &amp; Coverage (40%)</b>				
a) Debt / EBITDA	5.3x	B	4.0 - 4.5x	Ba
b) FFO / Debt	11.2%	B	9% - 12%	B
c) EBIT / Interest Expense	1.1x	B	0.9 - 1.3x	B
<b>Factor 5 : Financial Policy (15%)</b>				
a) Financial Policy	Ba	Ba	Ba	Ba
<b>Rating:</b>				
a) Scorecard-Indicated Outcome		Ba2		Ba2
b) Actual Rating Assigned				Ba3

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

## Appendix

Exhibit 12

### Peer comparison Simpar S.A.

(in \$ millions)	Simpar S.A. Ba3 Stable			Votorantim S.A. Baa3 Stable			Cosan S.A. Ba2 Negative		
	FY	FY	LTM	FY	FY	LTM	FY	FY	LTM
	Dec-22	Dec-23	Sep-24	Dec-22	Dec-23	Sep-24	Dec-22	Dec-23	Sep-24
Revenue	4,672	6,380	7,537	10,263	9,723	9,536	7,629	7,908	8,089
EBITDA	1,605	1,887	2,058	2,639	2,197	2,558	2,393	2,532	2,167
Total Debt	7,543	9,581	10,388	4,659	5,519	5,824	11,449	13,662	13,306
Cash & Cash Equivalents	2,413	2,253	2,522	2,555	3,263	2,974	2,982	3,719	3,545
Operating Margin	21.2%	17.8%	16.7%	13.2%	8.3%	11.9%	17.4%	22.2%	20.2%
EBIT / Interest Expense	1.5x	1.2x	1.1x	3.8x	2.5x	2.9x	1.5x	1.5x	1.1x
FFO / Debt	12.0%	10.6%	11.2%	33.3%	21.1%	25.5%	11.1%	14.7%	16.5%
(FFO + Interest Expense) / Interest Expense	2.1x	1.9x	2.0x	4.2x	3.0x	3.6x	2.1x	2.5x	2.7x
Debt / EBITDA	4.8x	4.9x	5.3x	1.8x	2.4x	2.4x	4.9x	5.3x	6.5x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Financial Metrics™

Exhibit 13

### Moody's-adjusted debt reconciliation Simpar S.A.

(in \$ millions)	2020	2021	2022	2023	LTM Sep-24
<b>As reported debt</b>	<b>3,407</b>	<b>6,172</b>	<b>7,543</b>	<b>9,326</b>	<b>10,153</b>
Contingent Consideration	-	-	-	255	235
Non-Standard Adjustments	(478)	-	-	-	-
<b>Moody's-adjusted debt</b>	<b>2,929</b>	<b>6,172</b>	<b>7,543</b>	<b>9,581</b>	<b>10,388</b>

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Financial Metrics™

Exhibit 14

### Moody's-adjusted EBITDA reconciliation Simpar S.A.

(in \$ millions)	2020	2021	2022	2023	LTM Sep-24
<b>As reported EBITDA</b>	<b>569</b>	<b>958</b>	<b>1,381</b>	<b>1,522</b>	<b>1,929</b>
Unusual Items	(75)	(45)	224	365	128
<b>Moody's-adjusted EBITDA</b>	<b>495</b>	<b>912</b>	<b>1,605</b>	<b>1,887</b>	<b>2,058</b>

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Financial Metrics™

## Ratings

Exhibit 15

Category	Moody's Rating
<b>SIMPAR S.A.</b>	
Outlook	Stable
Corporate Family Rating	Ba3

Source: Moody's Ratings

## Endnotes

- 1 FINAME is a modality of financing provided by the Brazilian development bank for the acquisition of heavy vehicles, equipment and machinery that is usually secured by the asset being financed.

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