MOODY'S
RATINGS

Rating Action: Moody's Ratings affirms Simpar's Ba3 rating; stable outlook

09 Feb 2026

New York, February 09, 2026 -- Moody's Ratings (Moody's) has today affirmed Simpar S.A. ("Simpar")'s Ba3 corporate family rating. The outlook is stable.

RATINGS RATIONALE

Simpar S.A.'s Ba3 rating primarily reflects its status as the holding company of one of the largest logistics, vehicle and equipment rental groups in Brazil, with a significant scale in the country. Simpar's solid business model encompasses long-term service agreements, a wide service portfolio, a diversified client base and cross-selling opportunities, a large unencumbered fleet of vehicles in key subsidiaries providing resiliency to operations during downturns. Simpar S.A.'s subsidiaries have flexible business models and a proven ability to manage the return on invested capital throughout the life cycle of its vehicles and equipment, ensuring adequate profitability and cash generation through economic cycles. The company's good liquidity and profitability also support the rating. Businesses include (i) the largest supply-chain management service provider and truck logistics transportation company in Brazil through JSL S.A. (JSL); (ii) largest truck and equipment leasing company in Brazil through Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. (Vamos); (iii) largest automotive dealership network in Brazil through Automob Participações S.A., (iv) the second-largest rent-a-car and fleet rental company through Movida Participações S.A. (Movida), in addition to a portfolio of companies in logistics, infrastructure and banking.

In 2025, Simpar's subsidiaries reduced fleet investments leading to a reduction in capex. At the same time, the group implemented significant tariff increases and repriced contracts, driving revenue up 6.8% in the twelve months ended September 2025. These measures substantially reduced capital spending, cash consumption and supported deleveraging, with Moody's Adjusted Gross Debt/EBITDA improving to 4.2x in September 2025 from 4.9x in December 2024. The leverage metric does not consider the potential debt reduction with proceeds from Ciclus Ambiental S.A.

The rating is still constrained by the group's high consolidated Moody's-adjusted leverage and from the capital-intensive nature of Simpar's business. Leverage has declined during 2025 given reduced investments. We believe that, if Simpar group companies were to resume the accelerated growth, that gross leverage could remain around 4.5x-5.0x. During expansion periods the group's consolidated free cash flow should remain negative, but the group has the flexibility to reduce capital spending and sell its unencumbered light and heavy vehicle fleet in case of need, helping the group generate cash and reduce debt. But, as long as interest rates in Brazil remain high, we believe Simpar would maintain a more constrained growth strategy. Finally, Simpar S.A.'s capital allocation strategy could lead to notching considerations of debt issued at the parent level due to structural subordination.

Liquidity at the holding company level is adequate with BRL2.9 billion in cash covering debt amortizations until 2030. At the subsidiaries the amortization schedule is less spread out, therefore the group's consolidated liquidity is a concern and assumes that all subsidiaries would maintain active liability management to avoid a build-up of short-term maturities and increasing refinancing risk.

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 OR DOWNGRADE OF THE RATING

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 RCF/Net Debt above 17.5% on a sustained basis. A rating upgrade would also require Simpar to improve free cash flow and its liquidity profile by extending debt maturities.

We could downgrade Simpar's rating if the company's operating performance deteriorates, with its EBIT margin declining below 10% 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 remains above 5.0x on a sustained basis. A deterioration in the company's liquidity at the holding level or on a consolidated basis and evidence of an aggressive growth strategy in times of weak market fundamentals could also lead to a downgrade.

The principal methodology used in this rating was Surface Transportation and Logistics published in December 2025 and available at https://ratings.moodys.com/rmc-documents/455789. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

Simpar's Ba3 rating is two notches below the Ba1 scorecard-indicated outcome. This differential reflects Simpar's position as a holding company of a group with a consolidated high gross leverage and weak interest coverage. The current negative interest coverage at the holding level is also a rating constraint.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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