



Conference Call Transcript  
Simpar S.A. (SIMH3)  
1Q25 Results  
May 9, 2025

**Operator:**

Good morning, ladies and gentlemen. Welcome to Simpar's conference call to discuss the results for the 1Q25.

The session is being recorded and a replay will be available on the Company's website, [ri.simpar.com.br](http://ri.simpar.com.br). The presentation is also available for download.

Please note that all participants will be in listen-only mode during the presentation. We will then begin the Q&A session, at which point further instructions will be provided.

Before we proceed, I would like to remind everyone that forward-looking statements are based on the beliefs and assumptions of Simpar's management and on information currently available to the Company. These statements are subject to risks and uncertainties as they relate to future events and therefore depend on circumstances that may or may not occur. Investors, analysts, and journalists should be aware that macroeconomic conditions, industry trends, and other factors may cause actual results to differ from those in the forward-looking statements.

Joining us today in this conference call are Mr. Fernando Simões, Chief Executive Officer, and Denys Ferrez, Executive VP of Corporate Finance and IR Officer.

Now I will turn the call to Mr. Simões, who will begin the presentation. You may go ahead.

**Fernando Simões:**

Good morning, everyone. We are starting the results of Simpar for the 1Q25. On behalf of our more than 57,000 employees, I would like to thank you all for your time and attention. Thank you so much.

Before we get into the main highlights and performance indicators for the quarter, I would like to remind you that over the last three or four years, that is from 2021 to 2024, in alignment and defined with the Board of Directors, a strategic plan with a cycle of major investments aimed at building scale, reach across companies and services, always thinking of resilient markets where our services are essential.

At the end of 2024, after completing this investment cycle, also guided by our Board, we started a new cycle of development that is focused on extracting value from everything that has been built.

This is what we are now executing, and this is what you are going to see. It's still at early stages, it's still incipient, but already showing in the 1Q25, benefiting from everything that was built.



It's important to stress that this is fully aligned with our strategic plan defined by the Board of Directors. Less CAPEX does not mean that we are losing ground in business or operations. On the contrary, investments were made to expand our reach and market share in each sector where we operate, and that's exactly what we are doing.

We do not need higher CAPEX because that has already been built. The scale, reach of our companies is already given. Execution, value extraction, this is what we have to do now.

So we are starting with slide three, with the main highlights for the 1Q25. We posted net revenue from services, a growth of more than 16%. Total net revenue, that also includes asset sales, more than 15% growth over the same period last year.

EBITDA reached R\$2.9 billion, up 20% from the same period last year, which shows that our EBITDA margin is increasing. It increased by 1% and is now 27.5%. And that execution, that is, we had CAPEX 75% lower in the same period, but with growth in revenue and EBITDA that was significant. If we think of the net CAPEX for the 1Q, EBITDA was 4x greater than our net CAPEX. And again, we are enjoying everything that was invested in previous years.

Our developments, our deliveries, together with our ability to manage finance well, we raised R\$3.3 billion in the 1Q25. And the results of these actions, operational efficiency, improved performance, led to a reduction in our leverage ratio from 3.8x to 3.6x times. So these are some of the main highlights on slide three.

Now on slide four, here I am going to be very briefly with our listed subsidiaries that have already published their earnings recently.

So on page four, when you start with JSL, this is a company that has double-digit organic growth around 12%, 13%, 14%, even 15% in recent quarters. It also improved its EBITDA margin with EBITDA growing faster than revenue in most quarters, which clearly shows margin gains.

And JSL has a unique positioning because it offers the most comprehensive logistics service portfolio, the broadest industrial diversification, serving virtually every industry segment, raw material supply, intralogistics, or final delivery to consumers.

So this diversification supports strong cross-selling. So the Company starts with a client through one service, then expands to others, and it has made very strategic complementary acquisitions, maintaining the structure and independence of each unit, which dedicated focused objectives and resulted in strong performance with a unique management model.

And even with all that, JSL still has less than 2.5% market share, which means enormous room for organic growth without creating expectations. The idea is to generate value with less CAPEX and deliver services that have sometimes complex solutions in regions that are often underserved, but the Company is recognized by its clients for high-quality delivery and operational efficiency. That's why opportunities keep growing, as you may have seen in the latest earnings release.

Now, ON page 5, let's talk about Movida. The company has been executing its strategic plan with excellence. We can see an increase in net revenue of more than 18%. used vehicle



sales operation thanks to its strong retail-oriented store network, that stands out when compared to competitors. So Movida has grown sales volume with vehicles that carry lower average prices, aligned with customer purchase power in the regions where it operates.

And also, average daily rental rates supported by pricing intelligence. They are growing. Remember that we come from an origin of asking for the right and fair price, but also providing value and a differentiated experience to customers. And this experience is crucial for you to think about Movida's market share gains.

I would say that Movida is probably having a very important growth in market share because of what it offers to customers in their experience. Proof of that is that it's being able to adjust prices in a way that's fair to both customer and company, and this price intelligence is just touching. We can have room for even further adjustments and, again, having to do with occupancy rates and management.

And this is also happening in GTF. We see improvements in yield, that is, in line with strategic plans, doing more with less through operational efficiency. And we believe these improvements at Movida still have room for new growth cycles and will bring more efficiency gains and attract more customers to the rental business, and increasing market share, not through pricing, but through service quality, customer focus, and deliveries that stand out over truly delighted customers.

On slide six, we have Vamos. Vamos is already the market leader in scale, volume, and size, but we believe this market is still in its early stages and offers enormous growth opportunities. And Vamos has a unique positioning for that.

Revenue, significant growth, unique positioning. And here at Vamos, I would invite you to think about the deployments and CAPEX over recent quarters. Sale of used assets, buildup of backlog. If we analyze this and project forward, we talked about that, remember the possibility, after the five-year contract is completed, the Company can extend the contract for another two or three years. And we are seeing this in numbers.

If I am not mistaken, more than 70% of maturity contracts have been renewed for one, two, three years with the same assets and, in some cases, with price adjustments. Extremely important.

And the ability to sell used assets. Why? Because people have strong demand for five-year-old trucks. More than supply. So there is significant potential for used asset sales. And Vamos broke records here. More than 80% growth in used vehicle sales year over year.

That's it. We are very pleased with everything Vamos has accomplished, but there is still significant upside: lower inventory, less working capital, improvement in utilization, asset deployment, efficiency, sales of assets, and, again, in a market that is very underpenetrated. Everybody talks about the lease of trucks, machines, but Vamos may be very well the largest forklift leasing company in Brazil, with contracts exceeding five years. So many avenues of growth with resilience, high-quality assets that clients really need.

Now, page seven, we have Automob. This is the Company where we have consolidated all our dealerships, car, trucks, machinery, and equipment. All over the country, it's nationwide presence, and we are very pleased with the consolidation.



But it's important to note that we are still starting executing the Company's strategic plan for the consolidations. Even though it's just the beginning, we are already seeing improvements in productivity. Higher used vehicle sales per store, a strong ratio of used to new vehicle sales volume.

So we are growing faster than the market on new and used vehicles, and performance indicators are improving, but synergies are being captured gradually. And this is not going to be caused by layoffs or closing stores. Quite the opposite, it's selling more, so that SG&A and costs will be lower.

And offering differentiated services. That is part of the strategic plan, offering differentiated services. So better F&I performance, higher margins on parts, aftersales service, just beginning with huge future potential, and I believe that you can follow that together with us.

So when I think of Automob up in terms of maturity, and I am talking about size, about what is already consolidated, I think we are going to have that in the end of 2026. Again, enjoying the base that we have today fully until the end of 2026. So, huge opportunities.

On slide eight, we talk about CS Infra, a company focused on infrastructure concessions with low CAPEX required, and a strong service-oriented DNA. That's a big differentiator for the coming years, I believe. Governments will be more focused on delivering services to the population, to industries, or public safety, social infrastructure, environmental education.

This is what we are focusing on, projects with low CAPEX and a high concentration of service, and that margins can contribute, services can contribute, and create value to you. So we have the ports, the highways, and we have lots of things, both in CS Infra, but also in the presentation of our results. This is a company that is also just beginning, but huge opportunities in social infrastructure service concessions.

Page nine, Ciclus Ambiental, a company that holds and operates the largest waste treatment center in Brazil, one of the largest in the world, in the city of Rio de Janeiro. In addition, it won and implemented a concession to manage final waste disposal and collection in the city of Belém, which is now fully operational, more than 80% revenue growth, sustainable development, and built in infrastructure and incremental concession.

What really sets our company apart is that we are heavily focused on cost, not price. That is, we are extremely competitive on price, but our results come from cost efficiency, execution, our people, and that gives us a strong competitive advantage in the sector, because part of the sector comes from logistics, in where we have huge experience and knowledge. So many opportunities to improve results and grow inorganically through new PPPs and concession contracts.

Page 10, we have CS Brasil, a company that provides fleet outsourcing and mobility service with vehicles, drivers, and operational support. We have huge opportunity of growth, although on page 10 you can see that growth has been more modest than the other companies.



Page 11, the bank, BBC, the credit portfolio has been increasing significantly, very cautiously in terms of management, in terms of granting credit. You see that we have very low delinquency rates, well within market standards, and even better.

And we are very happy with what we did, but we believe in the potential of growth of BBC, with return now with scale and size within our ecosystem. The financing of new used cars and trucks, and also relationship with truckers. So huge potential to grow in the bank as a whole within our ecosystem.

Now I am going to turn to Denys, who will walk you through the main financial highlights for the Group. Denys?

**Denys Ferrez:**

Thanks, Fernando. Good morning, everyone. I am starting with slide 12, talking about consolidated financial results. On the 1Q25, the Group posted net revenue of R\$10.531, 15% increase over the same period last year. Of that total, R\$8.4 billion came from net revenue from services, which also grew 16% year over year.

Looking at the right chart at the center of the page, we reported EBITDA in 1Q25 of R\$2.865 billion, margin of 27.5%. That EBITDA increases by 20% the same quarter last year, and the margin of 27.5% is 1% higher.

As for the margin of 27.5%, it basically talks about services, asset sales, and dealerships that have a different business model. But see, the service margin in 1Q25 was 48.5%, as you can see on the right side, that's 1.4 p.p. better than last year. And even the dealership margin improved, reaching 4.5% up from 4% in 1Q24. Remember, in our execution plan, we still have room for further improvements on both fronts.

Talking about operating income, in the bottom left part of the page, EBIT totaled R\$1.792 billion in the quarter, up 14% from the 1Q24. As for net income, which was impacted by higher interest rates in the economy, we posted R\$26 million reais in the quarter, compared to R\$122 million in 1Q24.

All that said, I am going to turn to the next slide, where we bring our CAPEX. In 1Q25, total CAPEX was R\$700 million, a significantly lower level than the previous periods, and fully in line with the planning we devised at the end of last year.

As expected, the largest portion of CAPEX came from Vamos, and then all other companies posted significantly lower volumes. Movida had a fleet dynamics vis-à-vis its seasonality with a negative net CAPEX.

With that, we are going to move on to slide 14, where we show the impact of this net investment. On the right-hand side, again, we bring back the historical comparison between EBITDA and net CAPEX going back to 2020.

Most of the time as we were building our financials, net CAPEX exceeded EBITDA, sometimes by as much as 2x. And now, when we analyze 1Q25 EBITDA and do the same for net CAPEX, we got a completely different ratio.



That is EBITDA, instead of lower, is larger than net CAPEX, up to 4x higher. So, this is completely in line with our plan to extract more value from the foundations built. And these are the points that we bring to the left.

So, our focus is extracting value from these foundations by improving asset efficiency, keeping contract discipline, and obviously, we have a plan that was before the turn of the year, focusing not only on reducing expenses, but also improving revenue, so that we can have our transition towards a macroeconomic environment of interest rates as we have today, very much similar to what happened in 2016.

Next slide, page 15. We talk about the Group consolidated numbers, showing our debt payment schedule, net debt, and cash position. Average maturity, consolidated debt is 4.1 years, cash and cash available is R\$16.2 billion, and total net debt R\$42.8 billion.

Our cash and liquidity position is equivalent to 2.6x the short-term debt, or in other words, we have coverage for amortizations through approximately early 2027. Also important to highlight is that as part of our ongoing liability management, the Group raised in 1Q25 R\$3.3 billion approximately at an average cost of CDI plus 0.8% a year, an average term of three years.

Continuing on the same topic, but now focusing on Simpar as a holding, Simpar closed the quarter with net debt of R\$2.8 billion, cash and other liquidity instruments of R\$3.6 billion, average maturity of Simpar's debt is 6.1 years, and the cash position is equivalent to 19x its short-term debt, or amortizations until 2030. Specifically for Simpar, the Company raised almost R\$0.5 billion this quarter, with a five-year term at an average cost of CDI plus 2.8% a year.

Now I am moving to the next slide where we show our leverage numbers. Our consolidated leverage, based on what we had in terms of issuances abroad, we are reporting 3.6x net debt EBITDA, in line with the 4Q24, and down 0.2x compared to the same period last year.

Using the criteria applicable to local debenture issuance, net debt to adjusted EBITDA, ratio came to 2.3x, in line with year-end 2024 and the 1Q24. Business leverage, which is the criteria we show on the left-hand side, was 2.4x and changed from the end of last year.

Remember, in this criteria we include not only consolidated net debt, but also supplier payments related to vehicles, machinery, and equipment and their floor plan, acquisitions payable, and receivables backed financing. From that total, we deduct the present value of expected residual asset sales at the end of their respective contracts. This is what we call business leverage ratio, which ended at 2.4x.

Now I am going to slide 18, where we bring return on invested capital, again, thinking of productive capital approach, that is, what actually contributed to returns, which was 14.2%, or a 3.8 p.p. spread above the average after-tax cost of gross debt.

Now I am turning back to Fernando for his final remarks.

**Fernando Simões:**



Thank you, Denys. On slide 19, I talk about the beginning of value creation and some clear signs that show this new cycle we are taking shape.

With lower levels of investments, we are generating more cash and extracting the full value of the foundations built. Operational efficiency has been improving. We are continuing to reduce costs, there is more to do, less operational administrative expenses and renegotiating our contracts. That is, we have the expertise to price correctly and, just as importantly, to monitor and manage contracts effectively.

It's not a matter of passing on costs. It is responsibility. It's long-term sustainability, whether in Movida, Vamos or JSL. This is part of what we do. And contract management is very strong, and that makes our Group remain strong for nearly 70 years. It's about operational efficiency, ownership, maximizing asset utilization. This is our focus, and you will see in the coming quarters better numbers.

Capital management is evolving as well, getting more efficiency in how we use capital, extract more value, favoring organic growth over inorganic growth. This is part of our strategy, our plan.

As it was part of the last cycle, this is the new cycle, focusing on decreasing leverage. And you are going to see, and some individual quarters may vary, but at the end of the year, you are going to see the deleveraging, and we believe it's a continuous process.

And as I always say, regardless of our beliefs, we have God, we have our clients, and then what makes the difference in our life, which is our people. Again, thank you for all your hard work, execution. This is what really motivates us more and more to build commercial alliances with our clients in retail, in industry, in execution areas as well. This is our greatest asset, our people, because regardless of systems, technology, it's our people who connect our businesses to our clients, driving loyalty and enabling us to have sustainable development.

We remain committed to executing our strategic plan, always focusing on sectors with high resilience and where our services can really improve the lives of our customers and the operations of our clients.

Once again, thank you very much for attending, and we are going to open your questions, whatever questions you have through the presentation. Thank you very much.

**André Ferreira, Bradesco BBI:**

Good morning. Thanks for taking my question. Congratulations on your results. I have two questions, one about net CAPEX that dropped substantially, 80% quarter on quarter, 75% year over year, and about the ratio, EBITDA on next net CAPEX that was 4x. Given the drop in Vamos' net CAPEX, possible drop in JSL and other expectations that you may have, what level should we expect for 2025?

And the second question is about the net debt at the holding level. My question is, where do you think the reduction is coming from? Is it the assets of CS Infra and Ciclus that are growing, maturing, and very good expectations for CS Portos? So how do you see a possible divestment or sales of shares to deleverage? Thank you.



**Fernando Simões:**

Good morning, everyone. Thanks for attending. Andre, thanks for your questions. Within your question of CAPEX, I am going just to deviate a bit, just to talk about something. In the last four years, in line with the strategic plans of our boards, we invested CAPEX, we built coverage, we have investments of more than R\$65 billion, net, more than R\$30 billion in the last three years. And at the end of 2024, we announced to the market that we would start a new cycle. A new cycle to maximize value of everything that had been built with efficiency.

And this 1Q is the first demonstration of that, of this beginning of a new cycle. That is, indeed, much lower CAPEX, 65% lower, and now already answering you. So EBITDA growing 20% year over year, and net revenue growing 16%.

So it's not that we are not investing and losing share. No, we are gaining share, enjoying everything that was built. This is the new cycle of extracting value of what was built. And this is significant when you see the growth of organic revenue and what we have been doing.

So this is in line with our plan, developing based on our foundations, gaining market share. So now our CAPEX is more for renewal, and this is going to be a trend, I think, for the coming quarters, very much similar to what you saw in the 1Q.

And I would like to enjoy this moment to welcome Victor. He had joined us about a month and some. And what's the objective here? We are very grateful to everything that we built, but part of our strategy is to oxygenate the Company, to have a senior person like Victor to further improve our communication with the market so that people can understand our business better, each of our companies, their vocation within the ecosystem, and how we are going to extract more value of that.

The coming of Victor will help us to relate to the market, to investors, as we relate to our clients. Very transparent, high level of governance, contributing to our communication. So Victor starts in the cycle, again, with CAPEX, much more oriented to renewal than transformation in size. This is a trend.

And now I am going to turn to Denys to add to the question and talk about the holding debt.

**Denys Ferrez:**

Again, trying to give you some reference, André, since we cannot give you guidance, when you see the breakdown in the quarter of investments, you have Vamos, R\$700 million, and then in the market you have a guidance. CS Infra is going to have deceleration because the investments made are being delivered, and Movida had a movement aligned with the seasonality of its market. So all that to say that it may not necessarily be 4x higher, but it's going to be very strong. I think close to this number, not precisely this number, considering that JSL has always had opportunities to grow with a lighter asset profile.

So just to give you a bit of color within each one of the business for you to think about the future, because we cannot give you guidance, but we believe this is going to be a very strong number.



As for debt, and you are talking about any divestment to consider, I would like to use your question to say the following. Assets are clearly getting better each day in all aspects. If you have a reference to the assets you did mention, we have, for instance, our waste business that is much more mature. Now it's not one asset, it's two.

In 2022, if I am not mistaken, it went through a huge time of discussions, price adjustments. That has been completed, and it was quite good for us. And now we are extracting the operational benefits, and there were many things that we were conservative, and we can even improve that, and the results are expanding.

So return on invested capital of this waste business now is one of the highest in the Group today, and we believe there's still more to deliver, because we know we had the balance of receivables at a level that was out of the normal because of the time that adjustments took, but now the asset is already converging to the level of leverage. Very different, what was 6.3x in 2023, and now it is 2.8x, and that shows the capacity of cash creation in this business.

So undoubtedly, it's a business with extended contracts, adjusted with fair formulas to the costs of the business, so that brings an improvement to the business and for future perception.

And the other business is infrastructure, as you mentioned. Maturity. In the past, we had a good project in hand, but it was a project. CAPEX was undefined, work to do. Now, CAPEX has been completed within budget. Ports, 12 already operating, 18 as of the end of this half year. And we have a lot more in our portfolio. We have a portfolio today that has huge options.

So the strategy, I am going to leave it to Fernando to comment.

**Fernando Simões:**

André, when we talk about holding debt, what do I say, again? We do not need to increase net CAPEX to grow and transform the Company in size. Our mission, our focus is reducing debt through the efficiency of our operations, contract management. We have lots of opportunities in the efficiency of managing our assets, of having low inventories levels in all companies, which improves liquidity, improves leverage ratios.

And then you say, but can you reduce that by some corporate movement? We are not working with this possibility, but whatever possibility that can create value to shareholders and develop our business is and should be considered. This is our obligation in this new cycle we are going in, but we do not have the need and we do not work with this option. This is a consequence of our development.

And people say, "oh, are you going to go public? Are you going to divest"? It's always a consequence of sustainable development of our business. So it may happen if it creates value, it's good for the Company, it's good for everyone. But our focus is to extract efficiency and improve returns and indicators.

André, sorry for the long answer, but I think it was a very important question and it deserved a good answer.



**Matheus Sant'Anna, XP:**

Good morning. I also have two questions on my site. First, about CS Infra. We now saw that you have the ports. Basically, construction is completed, 18 is going to finish now. You have the highways, and that's going to develop fast during this year. How do you see these assets bringing more results, creating more cash? What's your appetite in balance sheet to invest in new assets?

And the second question is that today we have a scenario with several Chinese OEMs come to Brazil, BYG, TWM, some new entrants. What do you see in terms of opportunities, especially for Movida, JSL, and Automob to enjoy the scenario? Thank you.

**Fernando Simões:**

Matheus, thanks for your question. As Denys mentioned, indeed, at CS Infra, we have assets that are maturing, not only Ciclus that we had the renegotiation that took a long time, and now you can see the transformation of its results, one of the largest waste centers in the world, the largest in Brazil by far, and the ports. I think that we caught it right.

But the demand for cargo is incredible. So there is huge demand, and it saves 600 kilometers of highways for our clients using our ports. So clients that are in the region can save 600 kilometers in driving. So a fantastic opportunity. You are going to see it this year, but also next year.

And it's not mature. But the CAPEX has been made. Now, we had an amendment to the contract, a huge extension. So these are assets that are fantastic. And when they are mature, and they are starting to show some maturity, you are going to see fantastic returns.

And the companies that are under Simpar, sometimes under CS Infra, sometimes we do not see that. But all that said, we do not have any focus on assets that require high CAPEX. But we are always looking to opportunities.

We just won two concessions this month. One, the terminals of the east side of Sao Paulo, bus terminals. We are going to manage the terminal services. And another concession in lot five in Mato Grosso. Again, in line with our plans. Low CAPEX, focus on services, contributing to the life of people, and with guaranteed payments; that is, clear take-or-pay contract. This is what we are looking into. Zero risk, and we have no difficulties in continuing doing this kind of thing. Again, movements that generate value to our shareholders. This is what we look into. So here talking about CS Infra.

In terms of Chinese OEMs, there are so many people that want to come to Brazil. Automob has been very selective, but it has been having opportunities to be appointed. We have Great Wall, BYT, now it was GAC that just appointed Automob. So we have the objective of selling, and these brands do bring opportunities for Movida, for JSL.

JSL has had large alliances in the provision of services with these companies in logistics. Automob has been receiving appointments. And it's important to say, when you are appointed, you have lower CAPEX, and you are not only selling new cars, but also used cars and other services for clients. A new concept of dealership under the Automob brand. So that brings us new opportunities in cost management.



And it's not only the Chinese. Automob has just been appointed to represent Lexus, which is Toyota's premium brand. And we all know the level of demand of a brand like Toyota. So this is great recognition for Automob, its management, being chosen to represent Lexus in the region of Alphaville.

So it's not only new entrants. Management and efficiency also contributes to organic growth in this segment. And Automob has been delivering excellent work, and it's just starting enjoying its synergies.

So that's the color I wanted to share with you, Matheus.

**Gabriel Rezende, Itaú BBA:**

Good morning. Congratulations to Victor on your new mission. I have two questions on my side as well. First, I would like to explore a point, perhaps related to net CAPEX, of what we are seeing in Vamos. The Company for some quarters has been more vocal about used vehicles. That is a second life for trucks already used in some contracts. I would like to understand, in the Group as a whole, you could have other opportunities in this line, given the inflation of cars, trucks, that was really high. So affordability for customers is well impacted. So would it make sense to see what Vamos is doing in JSL or Movida, with clients accepting a second life of assets, giving the Company a better IRR? That's the first point.

And second, what do you feel in terms of opportunities? I believe that several of your competitors are facing difficulties because of high interest rates in JSL, at Movida, at Vamos, or even in disputes of new concession contracts. So don't you think you could have a window opportunity given the macroeconomic scenario? Of course, continuing to be cautious because the context of high interest also affects Simpar. But what is the competitive environment today? Thank you.

**Fernando Simões:**

Hi, Gabriel. Vamos first. So Vamos has an opportunity of working with a much lower CAPEX. You have the used vehicles. These are trucks either that were repossessed or the contract closed. So these are trucks that are two and a half years, three years old, and they are put back into operation.

But I would like to draw your attention because this is something that we have always said since the beginning of Vamos. The market does not believe that much. Extension of current contracts. And I am not wanting to create expectations, but we have at Vamos in the last 12 months, contracts that matured in five years and more than 70% were renewed with the same assets.

So that means that you have less CAPEX and you still adjust prices. And this is not because of inflation. Truck prices increase normally 5% to 6% a year. And then, after five years, you have good trucks, even in first world countries, the age of the fleet is eight to nine years. So you can go with a truck for seven, eight, nine years. And this is something that Vamos is starting to enjoy now. Extending contracts that are maturing, that completed the five years. This is one thing.



Used trucks. We started with trucks of two, three years. I truly believe that the trucks that are being extended to seven years can be further extended for another two years. These trucks that have low mileage, they can go to a million kilometers, that is being extended until 10 years.

So this is happening in Vamos. This is a trend. This is a company that five years ago had a much lower asset volume and it is extending now, but we have huge potential.

When you talk about bringing this to other companies in the Group, this is what we do, and we do it all the time. If you consider, we have cars in Movida that are very young at the rent-a-car. GTF contracts of two, three, four years. Some with severe use, as in CS Frotas, but inside Movida, you have cars that are used with Uber, for instance. And so they are doing that, and that has improved their use. So managing assets based on the operation.

And in Movida, you also have customer experience. You have to consider the cost of maintenance vis-à-vis the cost of buying a new asset. In JSL logistics, a truck that drives 10,000 kilometers a month is going to be replaced at one point. In forestry, it's very severe use. You probably have to replace it faster.

So this is what we have to take into consideration, and this is our expertise. But what is important to say is that we have high liquid assets because our average fleet is low. And fortunately, in Brazil, the average fleet is 20, 21 years old. So we have a lot more demand, people that want to purchase our assets than supply.

So, very liquid assets that enable us to find the right time to sell. And I think this is our management expertise. This is our DNA of really concentrating on the right time to sell.

When you talk about the Group as a whole, interest rates and et cetera, indeed, this is a time when all of us suffer, and those that are less prepared suffer more. We have a team that works with our financial management. Denys heads this team, a fantastic work. You saw the funds raised this quarter.

So that shows a fantastic capacity to raise funds. And unfortunately, especially in the logistics market, many people do not manage contracts where they do not follow prices. And if you do that, you go bankrupt.

And we managed our business to price businesses right and to monitor contracts. Competition does not do that. At Movida, that's interesting. You have smaller rent-a-car companies and even large companies that do not do the math. They do not adjust prices. That's incredible.

We really took the right measures to charge customers the fair price. And Vamos as well has had many opportunities. Again, interest rates, tighter credit, need for assets, need for new assets, always bringing opportunities for our businesses overall.

And concessions, the same. It is what I told you, Gabriel. We are not here to take part in any concession that demands high CAPEX. But, you know, our capacity to provide services is our focus. And you do not have many competition there. And I am sure that will give and has given opportunities for CS Infra to grow, with loads of responsibility, acting judicially,



considering our leverage indicators, because we want guarantees, we want returns, and we want sustainable development. This is our commitment before you all.

**Denys Ferrez:**

And just to add, Fernando, what we always say is to do that in partnerships, for instance. We know that when we take a new undertaking, sometimes these are projects with specific credit lines that sometimes support themselves, but we follow the beginning to end of these projects.

And this is what we were discussing here today. And we have had many conversations, and we always consider doing this kind of concessions in a partnership with someone.

**Lucas Barbosa:**

Good morning. My question is about asset prices in the secondary market. What's your expectation in terms of heavy and light vehicles along the year? If you could just share your expectation, given that interest rates are going to be higher until year end, perhaps at year end going down. So, just to understand the dynamics of the secondary market. Thank you very much.

**Fernando Simões:**

Lucas, thanks for your question. High interest rates and volatility, I would say that everybody is doing the math. We do that with individuals, with corporations. Individuals are doing their math as well. So, I do not see an impact in volume.

And the volumes in Brazil are low, considering the number of inhabitants per capita income, et cetera. So, I do not see any difficulty or volatility in the price of assets. I think they are going to continue as they are.

The thing is that people are doing the math and sometimes they delay their decision a bit more. But what happens in our business, is that people who are going to buy new assets compare to used assets prices. And a truck that is five years old is considered almost new. It's considered like a car that is one year old.

With that, I think that we can improve sales. I do not think they are going to be impaired by interest rates whatsoever. And if this happens, perhaps we are going to have even more opportunities. We respect alliances with OEMs, but when people are giving a second thought in buying a new vehicle, it can be an opportunity for us to sell used assets.

We are very quick. We have good governance. And sometimes, we have an opportunity to consolidate even our relationship with OEMs when they are having difficulties to sell new vehicles.

But undoubtedly, people are doing their math. And remember, Movida has the lowest average ticket in the market, talking about retail market. It's 70,000, I think, in stores, and the others have 90,000, which helps us selling Movida's cars.



The other day, there was an article saying that affordable cars are no longer new cars. They are those cars that have been used for a year, two years, and it is the rent-a-car companies that have this asset to sell. So, the affordable car is a used car now.

So, Lucas, we are very confident with the quality of our assets, unless something happens abruptly in the market, but we have lived moments like that and we believe there is always an opportunity for us.

**Eduardo (via webcast):**

Can you talk about CS Infra and Ciclus, and expanding portfolio?

**Stefano (via webcast):**

Could you talk about CS Infra and concessions? And what about divestment?

**Denys Ferrez:**

We did mention that when Matheus and Gabriel asked that. So, I am not going to talk about that.

Stefano, you asked about divestments, and I think Fernando already mentioned that. So, we are going to move on. I am just reporting that we did get your questions.

**Till (via webcast):**

We did not see a quarter on quarter reduction in net leverage despite the CAPEX drop. Can you walk through the different factors that were responsible for keeping net leverage just flat?

**Denys Ferrez:**

That's a good question because it will help us answer the other questions. One thing is to refer to CAPEX when you are talking about accounting CAPEX. The other is cash, and when it impacts our cash.

We did say that in the case of Movida. Because we advanced purchases in the 4Q, we are now selling the assets. So, one thing that I would like to draw your attention to in terms of net debt is this flow of selling contracted CAPEX.

What I am saying to people is that this year, when we consider what we want to do until the end of the year, and considering the EBITDA to net CAPEX ratio already described, this is something that you are going to see more towards the end of the year or the 2H of the year.

Just for you not to have surprises because, see, you have contracted CAPEX that is going to be for the future, and we are selling what was invested in the past. So, this has to do with Till's questions, but also Daniel Chavez's question. He wanted to know more about working capital in the cash flow. And there was another question, Jose Bandeira, who talks about working capital.



And working capital, it is what I mentioned. First, we have the side of liabilities, that is the seasonal movements, and then you have a reduction in supplier's payable, we said R\$1.8 billion to R\$2 billion, and then we have what we call transient because we are already in May, but it is the increase in accounts receivable. Again, every beginning of quarter, customers, suppliers have a dispute whether they want to pay later or get paid earlier. But this is business as usual.

So, I think the main message is that we do not expect any hiccups for the 2H25 talking about accounts receivable. So, I think what's important to tell you is that in May, we are already seeing a very normalized situation.

**Till:**

Could you talk about dividends subsidiary by subsidiary?

**Denys Ferrez:**

I am going to say what the companies announced. About R\$500 million, R\$120 million to JSL, almost R\$300 million at Vamos. At the total, the amount is about R\$226 million. Just for you to have some color. And if you have any questions more specific, just contact us, either you, Till, but also everyone who wants to contact investor relations.

**Rafael (via webcast):**

Can we expect a Simpar day in 2025?

**Denys Ferrez:**

Yes.

**Rafael:**

In the 1H or 2H of the year?

**Denys Ferrez:**

Victor is going to help us out. Now he is leading the IR and communication team, and he's going to structure that.

**Rafael:**

Wouldn't the best investment be buyback shares from the holding and subsidiaries?

**Denys Ferrez:**

I think that the amount, the value, the price of the share is not aligned. And we have been very vocal in deleveraging. So, the two things compete against one another. Sometimes you want to just remove some distortions, but not in the big picture.

**Rafael:**



Fernando, do you see at any point an increase in dividend payout? What's the ideal payout for the compensation of shareholders once you reach maturity?

**Denys Ferrez:**

I will say something. Fernando did mention a relevant phase of investments from 2024. Now, it's a new phase, without giving you any projections, but once we conduct our strategic plan, I think the income available in the Group to reinvest or paying out dividend is going to increase.

So, what I mean is that we are at the phase of our plans that will certainly lead us for the future to have a higher available volume, even if we are talking about the minimum dividend.

**Fernando Simões:**

We had so many questions. I am going to try and be as objective as possible. First, working capital. There is the working capital you see, the working capital that we see our people executing.

What's that? I do not want to be repetitive. But, you know, we went through an adjustment of inventory at Vamos, at Automob. Our administrative process of Automob will bring better inventory turnover, more sales per store. We are going to deliver cars faster to clients. We have the inventory of JSL. So, inventory adjustments will certainly contribute to working capital and, therefore, our leverage indicators.

Victor, now as the IR director of Simpar, is going to contribute to subsidiaries in communication, not only on Simpar. Simpar Day, but also field visits to try and understand. Sometimes we do not do that because, in a way, it can disturb the operations, but he will try to do that to have recurrent visits. So, in that sense, we want to be very close to you so that you understand our ecosystem and our businesses better.

When we talk about leverage, you may be sure that the effects of the work of our team, some that we share with the market, others that are strategic and we do not, is really towards deleveraging. But deleveraging is going to be gradual, step-by-step. It's not something a firefighter just puts out in a second. It is a consequence of hard work, step-by-step.

And when you talk about dividends, what I would like to draw your attention is the following. See the transformation in value that our companies had in recent years. There are many ways of creating value.

You have dividends in mature companies, and you have a transformation in value for companies that are growing. And all the companies are still not mature, operationally, financially speaking. You are going to see that in the future.

So, try and design a model based on what happened in recent quarters, this quarter, and see the transformation of value. Dividends are a consequence due to the extraction and maximization of value. I think this is what I would like you to consider to understand the size of the business.



Vamos, if it does deploy quarter after quarter what it is deploying, extending its contractors, reducing inventory levels, Movida with better indicators, with higher average rentals, capacity of sales for used assets, JSL, a unique positioning, growth of R\$1.5 billion revenues, organic growth. I think that, in my opinion, with time, it will reflect on dividends and will happen in the transformation of companies. But step by step, gradually.

**Denys Ferrez:**

Thanks, Fernando. So, there are no more questions. Fernando, if you want to just give your final remarks.

**Fernando Simões:**

On behalf of our team, more than 57,000 direct employees, our people, people that prepared our call, we are just the bearer of their news. So, I thank you very much for attending.

And just to close, once again, I would like to reinforce that we are just starting a new cycle. We are starting extracting values and efficiencies of everything that was built before. Operational efficiency, pass-through of prices, adjustments of costs, we always have opportunities. And also new opportunities for new businesses.

I started saying that and I want to say it again. Our people is our greatest asset to execute, to do things. And we are reducing costs, we are improving our management. And I consider it almost a war operation, in a good sense, to really enjoy this moment in full and really become a different Group for the future.

This is part of our history. We have been through high interest. We have been through crisis, Covid, and with you, our people, and us, this is not going to be different. I think that this can be a real new cycle that we are starting.

Once again, thank you very much for attending. I wish you a wonderful weekend. Happy Mother's Day. Thanks for attending, and I wish you all the best.

**Operator:**

Simpar's conference call is now closed. We thank you very much for attending, and wish you a very good day.

"This document is a transcript produced by MZ. MZ uses its best efforts to guarantee the quality (current, accurate and complete) of the transcript. However, it is not responsible for possible flaws, as outputs depend on the quality of the audio and on the clarity of speech of participants. Therefore, MZ is not responsible or liable, contingent or otherwise, for any injury or damages, arising in connection with the use, access, security, maintenance, distribution or transmission of this transcript. This document is a simple transcript and does not reflect any investment opinion of MZ. The entire content of this document is sole and total responsibility of the Company hosting this event, which was transcribed by MZ. Please, refer to the Company's Investor Relations (and/or institutional) website for further specific and important terms and conditions related to the usage of this transcript"