FitchRatings

Corporates
Transportation
Brazil

Movida Participacoes S.A.

Ratings

Long-Term IDR	BB
Long-Term Local-Currency IDR	BB
National Long-Term Rating	AA+(bra)
Outlooks	
Long-Term Foreign-Currency IDR	Negative
Long-Term Local-Currency IDR	Negative
National Long-Term Rating	Negative

Click here for the full list of ratings

2035 Climate Vulnerability Signal: 27

Fitch Ratings equalizes the ratings of Movida Participacoes S.A.'s (Movida) and its holding Simpar S.A. to reflect the medium legal and strong operational and strategic incentives that the holding has to support Movida, if needed. Simpar has Foreign- and Local-Currency Issuer Default Ratings (IDRs) of 'BB' with Negative Outlook. Movida and Movida Locacao de Veiculos S.A.'s (Movida Locacao) ratings are also equalized due to Movida's strong incentives to support its subsidiary.

The Negative Outlook reflects that Simpar's consolidated financial leverage has been consistently above Fitch's expectations and not consistent with the current ratings. The higher-for-longer leverage, a result of greater capex and lower return on invested capital, has also hurt the company's ability to convert EBITDA to cash flow.

The National Scale Rating downgrade reflects Simpar's credit profile deterioration within the 'BB' rating category. Simpar's 'BB' IDRs reflect its large scale, robust business profile and strong competitive position within the Brazilian rental and logistics industry. Simpar's group continues to benefit from a diversified service portfolio and long-term contracts for a significant part of its revenues, resulting in higher cash flow predictability.

On a standalone basis, Movida has a solid position in the competitive Brazilian car and fleet rental business, with relevant scale and positive operating performance. Movida's consolidated financial leverage should remain moderate despite expected negative FCF. The company has consistent access to funding and significant liquidity, allowing it to properly manage its debt amortization schedule.

Key Rating Drivers

Parent and Subsidiary Linkage: Movida's ratings reflect Simpar's medium legal and strong operational and strategic incentives to support its subsidiary, which equalizes the ratings of both companies. In addition to the cross-default clauses on Simpar's debt and the relevant shareholding control, Movida has strong growth potential and important commercial synergies, which contributes to the group's greater bargaining power with customers, suppliers and in vehicle purchases. Simpar's controlling shareholders and its managers form the majority of Movida's board of directors.

Solid Business Position: As the second largest player in the car and fleet rental industry in Brazil, Movida has a strong business position, supported by its relevant scale, positive operating performance, national footprint and an adequate used car sale operation. As of June 2024, Movida's total fleet of 247 thousand vehicles, consisting of 109 thousand in rent-a-car (RaC) and 138 thousand in fleet management (GTF), secured meaningful market shares both in RaC and GTF.

As a result, the company has proven bargaining power with automobile manufacturers and is able to capture economies of scale. Fitch forecasts Movida's own total fleet will be around 256,000 and 267,000 vehicles, respectively, at YE 2024 and 2025.

Resilient Operating Performance: Movida's rental EBITDA should grow gradually based on organic growth and resilient margins, as the company scale increases. Balanced demand and supply dynamics, combined with declining interest rates and adequate rental rates, should enable a gradual return on invested capital spread recovery, closer to historic levels.

The rating scenario considers Movida's net rental revenues around BRL6.2 billion in 2024 and BRL6.7 billion in 2025, compared to BRL5.1 billion in 2023. Rental EBITDA margin should be adequate at the 61%-63% range.

Applicable Criteria

Parent and Subsidiary Linkage Rating Criteria (June 2023)

Corporate Rating Criteria (November 2023)

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2024)

Related Research

Global Corporates Macro and Sector Forecasts

Latin American Transportation Infrastructure Outlook 2024 (December 2023)

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Pressured FCFs: The rating scenario considers that Movida's cash flow from operations (CFFO) should evolve along with rental EBITDA and benefit from the expected interest rates decline in Brazil. Fitch forecasts EBITDA of BRL3.8 billion and CFFO reaching BRL1.6 billion in 2024, with BRL4.2 billion and BRL2.0 billion, respectively, in 2025. Movida operates in a capital-intensive industry, with FCF expected to remain around negative BRL7.4 billion, after average annual capex of BRL9 billion in 2024 and 2025, and dividend payout ratio of 30%. Movida's used car sale proceeds, forecasted by Fitch at BRL6 billion on average over the two-year period, will fund part of its expected capex.

Deleverage May Take Longer: Net leverage (IFRS-16 adjusted), measured by adjusted net debt/rental EBITDA, should remain around 4.0x on average over the rating horizon, compared to an average of 4.2x in the last four years. The expected negative FCFs and weak used car sale prices pose a challenge for Movida's intended financial deleverage. Movida's recent liability management contributed to reduce total adjusted debt to BRL16 billion at YE 2023 from BRL19.5 billion in 2022, which is positive as the company may benefit from lower cost of capital.

Financial Summary

(BRL Mil.)	2021	2022	2023	2024F	2025F	2026F
Rental revenue	2,731	4,575	5,111	6,233	6,747	7,173
Rental EBITDA margin (%)	55.1	61.6	59.4	62.1	62.7	62.9
Rental EBITDA leverage (x)	8.2	6.9	5.3	4.9	4.9	4.8
Rental EBITDA net leverage (x)	4.6	4.5	4.3	4.0	4.0	4.0
Rental EBITDA interest coverage (x)	3.1	2.0	1.8	1.8	2.0	2.0

F = Forecast.
Source: Fitch Ratings, Fitch Solutions.

Rating Derivation Relative to Peers

Simpar's business profile is superior to that of Localiza Rent a Car S.A. (Localiza; Foreign- and Local Currency IDRs of 'BB+' and National Long-Term Rating of 'AAA(bra)', all with a Stable Outlook). Simpar has a scale similar to that of Localiza and a more diversified service portfolio. However, Simpar's financial profile is weaker, with higher leverage and more pressured FCF, which affects the rating.

Compared with Unidas Locações e Serviços S.A. (Unidas; Foreign- and Local-Currency IDRs of 'BB-' and National Long-Term Rating of 'AA(bra)', all with a Stable Outlook), Simpar has a much stronger business profile, greater liquidity and better access to the credit market. These advantages are partially offset by slightly higher leverage compared to Unidas.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- An upgrade of Simpar's ratings.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- A downgrade of Simpar's ratings;
- Deterioration of Simpar's legal, strategic and operational incentives to provide support.

Liquidity and Debt Structure

Robust Liquidity: Movida has a robust liquidity profile and proven access to capital markets. The issuer's cash to short-term debt ratio has been strong, higher than 2.0x on average during the last four years. As of June 2024, Movida had BRL3.7 billion of cash and equivalents and BRL19 billion of total adjusted debt (95%+ unsecured). BRL2.8 billion is due in the short term, BRL803 million in the second half of 2025, BRL2.8 billion in 2026 and BRL3.6 billion in 2027.

Movida's debt profile mainly comprises local debentures (55%), followed by bank loans (25%) and the fully hedged U.S. dollar denominated bonds due 2031 (20%). The company's ability to postpone growth capex to adjust to the economic cycle, combined with the considerable number of the group's unencumbered assets, with a book value of fleet over net debt at around 1.3x, adds to its financial flexibility.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Climate Vulnerability Considerations

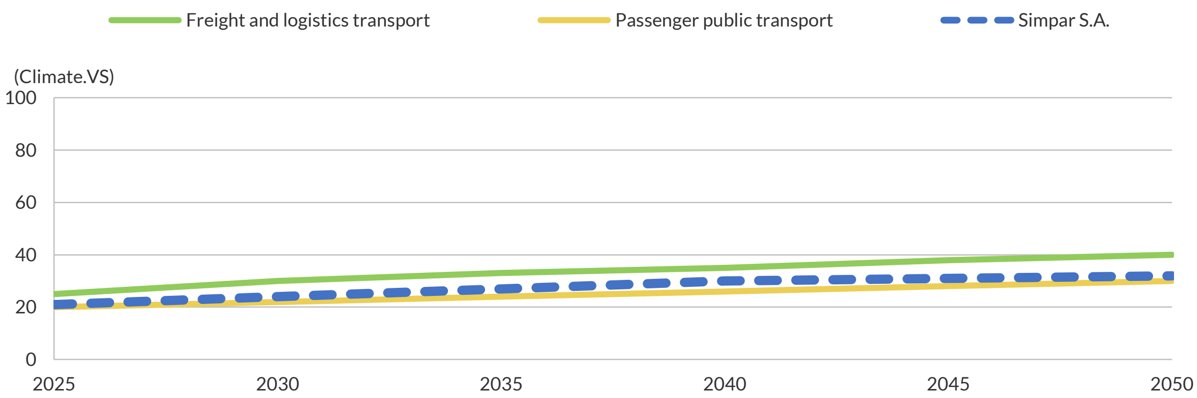
Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

Movida has a 2023 revenue-weighted Climate.VS of 27 in 2035, which is average for the Passenger public transport and Freight and logistics transport sector. Key transition risks arise from potential reductions in demand driven by policies designed to reduce the use of oil-based fuels in the global economy, and, in the shorter term, from policies designed to limit greenhouse gas emissions from the production of oil and refined products.

These risks do not have a material influence on the rating, given the very long-term timescale over which the transition may take place, uncertainty regarding the extent and nature of changes and markets 'and companies 'reaction to them.

Climate.VS Evolution

As of Dec. 31, 2023



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(BRL Mil.)	2024F	2025F	2026F	2027F
Available liquidity				
Beginning cash balance	2,999	-1,315	-6,379	-11,051
Rating case FCF after acquisitions and divestitures	-2,220	-1,515	-1,028	-941
Total available liquidity (A)	**779**	**-2,831**	**-7,407**	**-11,992**
Liquidity uses				
Debt maturities	-2,094	-3,549	-3,644	-2,036
Total liquidity uses (B)	**-2,094**	**-3,549**	**-3,644**	**-2,036**
Liquidity calculation				
Ending cash balance (A+B)	-1,315	-6,379	-11,051	-14,028
Revolver availability	—	—	—	—
Ending liquidity	**-1,315**	**-6,379**	**-11,051**	**-14,028**
Liquidity score (x)	0.4	-0.8	-2.0	-5.9

F – Forecast
Source: Fitch Ratings, Fitch Solutions, Movida Participacoes S.A.

Scheduled debt maturities

(BRL Mil.)	December 30, 2023
2024	2,094
2025	3,549
2026	3,644
2027	2,036
2028	1,164
Thereafter	3,605
Total	**16,092**

Source: Fitch Ratings, Fitch Solutions, Movida Participacoes S.A.

Key Assumptions

- Total fleet increasing 5% in 2024 and 3% on average over the next three years;
- Average ticket for RaC increasing 4% in 2024 and 2.5% on average over the next three years;
- Average ticket for GTF increasing 9% in 2024 and 3% on average over the next three years;
- Capex of BRL9 billion in 2024, BRL8.8 billion in 2025 and BRL8.6 billion in 2026;
- Dividend payout around 30% throughout the rating horizon.

Financial Data

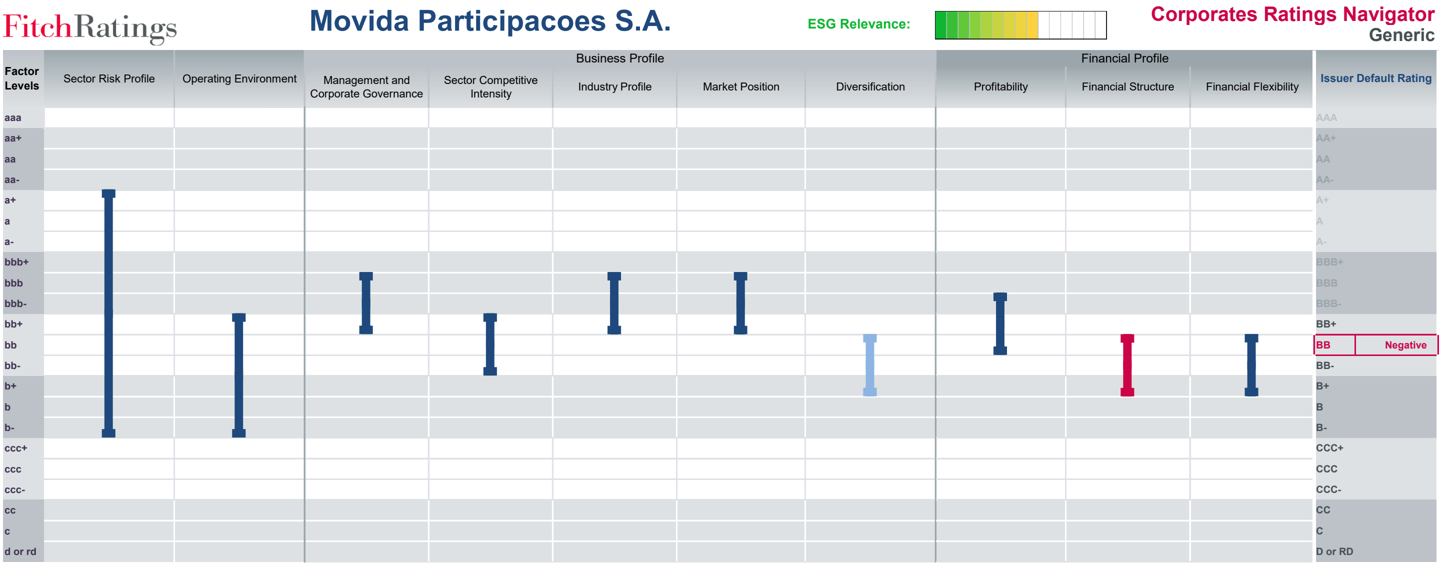
(BRL millions)	2021	2022	2023	2024F	2025F	2026F
Summary income statement						
Gross revenue	2,731	4,575	5,111	6,233	6,747	7,173
Revenue growth (%)	66.0	67.5	11.7	22.0	8.2	6.3
EBITDA before income from associates	1,505	2,817	3,034	3,869	4,227	4,512
EBITDA margin (%)	55.1	61.6	59.4	62.1	62.7	62.9
EBITDA after associates and minorities	1,505	2,817	3,034	3,869	4,227	4,512
EBIT	1,185	1,806	944	2,369	2,427	2,562
EBIT margin (%)	43.4	39.5	18.5	38.0	36.0	35.7
Gross interest expense	-718	-1,632	-1,285	-2,204	-2,135	-2,213
Pretax income including associate income/loss	1,182	715	-837	567	730	786
Summary balance sheet						
Readily available cash and equivalents	5,415	6,828	2,999	3,631	3,628	3,649
Debt	12,330	19,487	16,092	19,143	20,656	21,705
Net debt	6,915	12,659	13,093	15,513	17,028	18,055
Summary cash flow statement						
EBITDA	1,505	2,817	3,034	3,869	4,227	4,512
Cash interest paid	-488	-1,416	-1,709	-2,204	-2,135	-2,213
Cash tax	-81	-89	-160	-91	-117	-126
Dividends received less dividends paid to minorities (inflow/outflow)	—	—	—	—	—	—
Other items before FFO	863	437	302	—	—	—
FFO	2,058	2,248	1,713	1,821	2,203	2,395
FFO margin (%)	75.3	49.1	33.5	29.2	32.7	33.4
Change in working capital	-600	-267	-210	-209	-103	-86
CFO (Fitch-defined)	1,458	1,982	1,503	1,612	2,100	2,310
Total non-operating/nonrecurring cash flow	1,093	-121	2,377	—	—	—
Capex	-7,270	-9,479	-9,190	—	—	—
Capital intensity (capex/revenue) (%)	266.2	207.2	179.8	—	—	—
Common dividends	-107	-448	-138	—	—	—
FCF	-4,826	-8,066	-5,447	—	—	—
FCF margin (%)	-176.7	-176.3	-106.6	—	—	—
Net acquisitions and divestitures	1,918	3,799	4,644	—	—	—
Other investing and financing cash flow items	-5,578	-1,243	2,745	—	—	—
Net debt proceeds	8,568	5,917	-1,788	3,052	1,512	1,049
Net equity proceeds	-4	-2	-572	—	—	—
Total change in cash	77	406	-418	632	-3	21
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-4,366	-6,249	-2,307	-3,832	-3,615	-3,337
FCF after acquisitions and divestitures	-2,908	-4,267	-803	-2,220	-1,515	-1,028
FCF margin after net acquisitions (%)	-106.5	-93.3	-15.7	-35.6	-22.5	-14.3
Gross Leverage ratios (x)						
EBITDA leverage	8.2	6.9	5.3	4.9	4.9	4.8
CFO-capex/debt	-47.1	-38.5	-47.8	-41.1	-32.8	-29.4
Net Leverage ratios (x)						
EBITDA net leverage	4.6	4.5	4.3	4.0	4.0	4.0
CFO-capex/net debt	-84.1	-59.2	-58.7	-50.8	-39.8	-35.4
Coverage ratios (x)						
EBITDA interest coverage	3.1	2.0	1.8	1.8	2.0	2.0

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:			
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook	
Bar Colors = Relative Importance		⇧	Positive
■	Higher Importance	⇩	Negative
■	Average Importance	⇳	Evolving
■	Lower Importance	□	Stable

FitchRatings

Movida Participacoes S.A.

Corporates Ratings Navigator
Generic

Operating Environment

bbb-	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.
bb+	Financial Access	bbb	Average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	b	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'b'.
b-			
ccc+			

Management and Corporate Governance

bbb+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bb+	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb	Financial Sponsor Attitude (LBO only)		

Sector Competitive Intensity

bbb-	Industry Structure	bb	Highly competitive industry with multiple players of comparable size.
bb+	Barriers to Entry/Exit	bb	Some barriers to entry but incumbents do not benefit from particularly strong positions that new entrants cannot replicate.
bb	Relative Power in Value Chain	bbb	Balanced relative bargaining power with suppliers and customers.
bb-			
b+			

Industry Profile

bbb+	Long-Term Growth Potential	a	Strong long term potential with more volatile growth or very stable industry with moderate but predictable growth over the rating horizon.
bbb	Volatility of Demand	bbb	Demand volatility in line with economic cycles.
bbb-	Threat of Substitutes	bb	Facing substitutes of comparable quality with modest switching costs.
bb+			
bb			

Market Position

bbb+	Market Share	a	Top-three player in most markets or leader in a well defined and protected niche.
bbb	Competitive Advantage	bbb	Some competitive advantages with reasonably good sustainability.
bbb-	Operating Efficiency	bbb	Return on invested capital in line with industry average.
bb+			
bb			

Diversification

bb+	Geographic Diversification	b	Concentrated in one region.
bb	Product/End-Market	bb	Focus on a couple of business lines/end markets.
bb-			
b+			
b			

Profitability

bbb	EBITDA Margin or EBITDAR Margin	aa	25% or 25%
bbb-	EBIT Margin	aa	17%
bb+	FFO Margin	aa	17%
bb	FCF Margin	b	Neutral to negative FCF margin.
bb-	Volatility of Profitability	bbb	Volatility of profits in line with industry average.

Financial Structure

bb+	EBITDA Leverage or EBITDAR Leverage	b	5.5x or 5.5x
bb	EBITDA Net Leverage or EBITDAR Net Leverage	bb	3.0x or 3.0x
bb-	FFO Leverage or FFO Adjusted Leverage	bb	4.0x or 4.0x
b+	(CFO-Capex)/Debt	ccc	Flat to Negative
b	Funding Structure (LBO only)		n.a.

Financial Flexibility

bb+	Financial Discipline	bb	Financial policies in place but flexibility in applying them could lead to temporarily exceeding downgrade guidelines.
bb	Liquidity	bbb	One-year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bb-	EBITDA Interest Coverage or EBITDAR Fixed Charge Coverage	b	2x or 2x
b+	FFO Interest Coverage or FFO Fixed Charge Cover	b	2x or 2x
b	FX Exposure	aa	No material FX mismatch.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Movida Participacoes S.A. has 14 ESG potential rating drivers

- GHG emissions; air quality
- Energy management
- Water and wastewater management
- Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product
- Impact of climate change and extreme weather events on assets and operations
- Human rights; relationships with communities and/or land right holders; access and affordability

Showing top 6 issues

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	14	issues	3
not a rating driver	0	issues	2
	0	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Movida Participacoes S.A.

Corporates Ratings Navigator
Generic

Credit-Relevant ESG Derivation

Movida Participacoes S.A. has 14 ESG potential rating drivers

- Movida Participacoes S.A. has exposure to emissions regulatory risk but this has very low impact on the rating.
- Movida Participacoes S.A. has exposure to energy productivity risk but this has very low impact on the rating.
- Movida Participacoes S.A. has exposure to water management risk but this has very low impact on the rating.
- Movida Participacoes S.A. has exposure to waste & impact management risk and supply chain management but this has very low impact on the rating.
- Movida Participacoes S.A. has exposure to extreme weather events but this has very low impact on the rating.
- Movida Participacoes S.A. has exposure to land rights/conflicts risk, access/affordability risk or human rights violations risk but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	14	issues	3
not a rating driver	0	issues	2
	0	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	3	GHG emissions; air quality	Diversification; Profitability; Financial Structure; Financial Flexibility	5
Energy Management	3	Energy management	Diversification; Profitability; Financial Structure; Financial Flexibility	4
Water & Wastewater Management	3	Water and wastewater management	Diversification; Profitability; Financial Structure; Financial Flexibility	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product	Diversification; Profitability; Financial Structure; Financial Flexibility	2
Exposure to Environmental Impacts	3	Impact of climate change and extreme weather events on assets and operations	Diversification; Sector Trend; Profitability; Financial Structure; Financial Flexibility	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	3	Human rights; relationships with communities and/or land right holders; access and affordability	Management and Corporate Governance; Company's Market Position; Diversification; Profitability; Financial Flexibility	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Customer privacy; data security; product quality and safety; customer welfare; selling practices and product labeling	Management and Corporate Governance; Sector Competitive Intensity; Company's Market Position; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; supply chain management - labor; employee diversity and inclusion	Operating Environment; Diversification; Profitability; Financial Structure; Financial Flexibility	3
Employee Wellbeing	3	Employee health and safety	Diversification; Profitability; Financial Flexibility	2
Exposure to Social Impacts	3	Shifting social preferences; social resistance to major projects or operations that leads to delays or cost increases	Operating Environment; Sector Trend; Company's Market Position; Diversification; Profitability	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

CREDIT-RELEVANT ESG SCALE

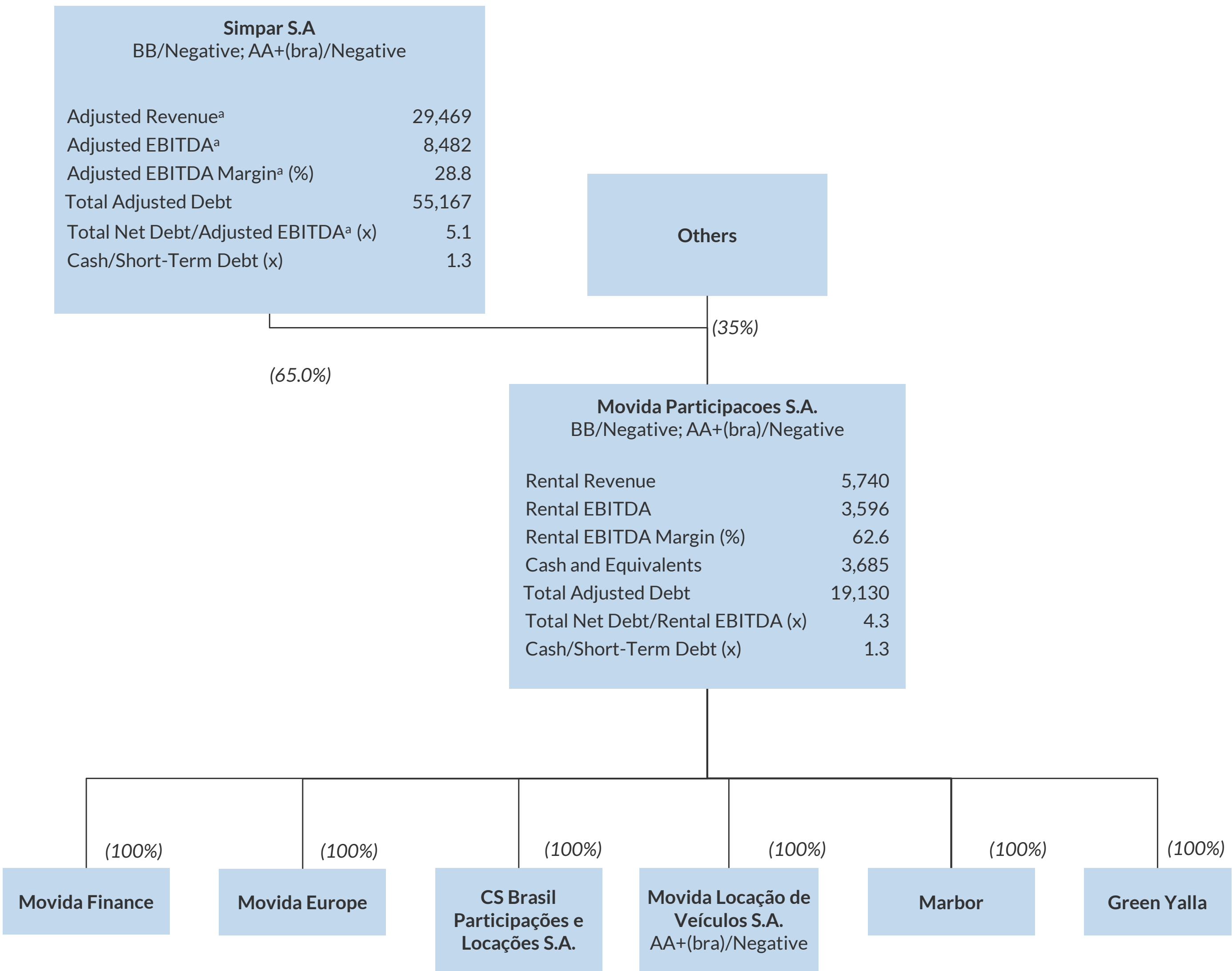
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram

Organizational Structure— Movida Participacoes S.A.

(BRL Millions, as of LTM as of Jun. 30, 2024)



[a]Adjusted by the exclusion of revenue and costs of rental assets sales.
Source: Fitch Ratings, Fitch Solutions, Movida

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (BRL Mil.)	EBITDA margin (%)	EBITDA leverage (x)	EBITDA net leverage (x)	EBITDA interest coverage (x)
Movida Participacoes S.A.	BB						
	BB	2023	5,111	59.4	5.3	4.3	1.8
	BB	2022	4,575	61.6	6.9	4.5	2.0
	BB-	2021	2,731	55.1	8.2	4.6	3.1
Localiza Rent a Car S.A.	BB+						
	BB+	2023	15,027	61.7	4.4	3.3	1.9
	BB	2022	9,950	55.7	6.0	5.0	2.4
	BB	2021	5,593	49.4	4.4	2.5	7.4
Unidas Locacoes E Servicos S/A	BB-						
	BB-	2023	2,277	60.1	7.1	5.4	2.3
	BB-	2022	963	63.9	5.5	4.6	3.4
	BB-	2021	647	54.3	6.2	5.6	2.8

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(BRL million as of 31 Dec 2023)	Standardised values	Lease treatment	Other adjustments	Adjusted values
Income statement summary				
Revenue	10,342	—	-5,231	5,111
EBITDA	3,499	-201	-265	3,034
Depreciation and amortization	-2,238	148	—	-2,090
EBIT	1,262	-53	-265	944
Balance sheet summary				
Debt	14,807	—	1,284	16,092
Of which other off-balance-sheet debt	—	—	—	—
Lease-equivalent debt	—	—	—	—
Lease-adjusted debt	14,807	—	1,284	16,092
Readily available cash and equivalents	2,999	—	—	2,999
Not readily available cash and equivalents	—	—	—	—
Cash flow summary				
EBITDA	3,499	-201	-265	3,034
Dividends received from associates less dividends paid to minorities	—	—	—	—
Interest paid	-1,709	—	—	-1,709
Interest received	247	—	—	247
Preferred dividends paid	—	—	—	—
Cash tax paid	-160	—	—	-160
Other items before FFO	-877	53	1,126	302
FFO	1,000	-148	861	1,713
Change in working capital	2,228	—	-2,438	-210
CFO	3,227	-148	-1,576	1,503
Non-operating/nonrecurring cash flow	—	—	2,377	2,377
Capex	-272	—	-8,918	-9,190
Common dividends paid	-138	—	—	-138
FCF	2,817	-148	-8,117	-5,447
Gross leverage (x)				
EBITDA leverage	4.2	—	—	5.3
(CFO-capex)/debt (%)	20.0	—	—	-47.8
Net leverage (x)				
EBITDA net leverage	3.4	—	—	4.3
(CFO-capex)/net debt (%)	25.0	—	—	-58.7
Coverage (x)				
EBITDA interest coverage	2.0	—	—	1.8

CFO – Cash flow from operations.
Note: The standardized items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Source: Fitch Ratings, Fitch Solutions, Movida Participacoes S.A.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.