

**Operator:**

Good morning, Ladies and Gentlemen, welcome to the Vamos conference call to discuss the 3Q24 results. Present on this call are Mr. Gustavo Couto, CEO of Vamos, and Mr. José Cezário, Finance and Investor Relations Director of Vamos.

This conference call will be recorded, and the replay will be available on the Company's website: [ri.grupovamos.com.br](http://ri.grupovamos.com.br). The presentation is now available for download in Portuguese and English.

Please note that all participants will be in listen-only mode during the presentation, after which we will begin the question-and-answer session when further instructions will be provided.

Before we proceed, we would like to emphasize that any statements that may be made during this conference call regarding the Company's business prospects, projections, and operational and financial goals represent the beliefs and assumptions of Vamos' Management and the information currently available to the Company.

Forward-looking statements are not guarantees of performance and involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. General economic conditions, industry conditions and other operating factors may affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements.

I would now like to hand over to Mr. Gustavo Couto, who will begin the presentation. Please, Mr. Couto, you may proceed.

**Gustavo Couto**

Good morning, everyone. Thank you for joining us for our 3Q24 results conference call. I'll start with slide three to highlight the key points of the period and then hand over to Cezário for the usual details.

The company's consolidated revenues grew 33% in the third quarter compared to the same quarter last year. We reached almost 2 billion in net revenues in the period and 5.6 billion in the nine months to date, which is 20.5% more than in the same period last year.

I would like to highlight the 35% growth in the rental segment and the record sales of used assets with 46% growth, also on a quarterly comparison. Dealership sales grew by 31% in the same period, showing the good performance of truck dealerships. Cezário will go into the details of the business units later.

The company's EBITDA grew by just over 27% on a quarterly and year-to-date basis, reaching R\$ 871 million in Q3 and R\$ 2.567 billion in the first nine months of the year.

Operating income, as measured by EBIT, also continued to grow steadily, up another 23% for the quarter and year-to-date, to nearly 2 billion at the end of September. Our net income grew 51% in 3Q24 to R\$175 million compared to R\$116 million in 3Q23. The growth of the company's net income for the year was almost 44%, reaching R\$ 564 million at the end of the first nine months of 2024.

Cezário will now continue the presentation, and I'll come back after.

**José Cezário:**

Thank you, Couto, and good morning, everyone. Moving on to slide four, I'd like to comment on the ROIC performance in the quarter. As you can see, the consolidated ROIC was 13.9%, which is a decrease compared to previous periods.

This decrease is mainly explained by the still weak performance of the Agribusiness dealerships, as can be seen in the chart on the bottom right, and by the slight decrease in rental operating profit due to the repossession of assets and related costs, which I will comment on later in the next slides.

There was also a negative impact from the higher effective tax rate in this quarter compared to previous quarters. This slide also shows what the ROIC would have been without the effect of the ICMS subsidy benefit that we had in the dealership segment in 2022 and 2023, which had a positive impact of approximately 2p.p. on the consolidated ROIC for those periods.

The ROIC spread excluding the subsidy in relation to the cost of debt after tax remains at a healthy level, above 5 percentage points. On the top right, we present the ROIC by segment, measured at the end of 3Q24, where we have a rental ROIC, including the industrial segment, of 15.3% and a negative Dealership ROIC of 2.3%, impacted by the agribusiness scenario since 2023.

Let's move on to the next slide to comment on the performance of the rental segment. I would like to show you the main financial indicators of the rental business, the results of which confirm the resilience of our business model and the predictability of our growth.

Revenue, EBIT and EBITDA all grew by around 30% on an annualized basis, with the 67% growth in revenue from asset sales standing out, following a consistent trend of revenue growth quarter after quarter.

There were two impacts on rental results this quarter. Due to the peak in asset repossessions in the second quarter of this year, net revenues grew very modestly compared to the previous quarter, reaching 1.1 billion this quarter.

This figure comprises 923 million from rental services and 207 million from asset sales and represents a strong growth of 35% compared to the total net revenues of the same quarter last year.

EBIT for the quarter was 655 million, an increase of 21% compared to the same quarter last year. And EBITDA amounted to 843 million, an increase of 25% compared to the third quarter of last year.

This quarter the EBIT margin was impacted by the loss of revenues from repossessed and to be repossessed assets, which amounted to approximately 20 million compared to the second quarter of this year, and also, related costs such as freight, legal and preparation costs for the second cycle. As a result, the EBIT margin was 66.8% and the EBITDA margin was 87.2%.

As highlighted in the lower right-hand corner of this slide, the company has already suspended the recognition of rental revenues from repossessed assets and assets in the process of being repossessed until the end of the year, thus minimizing the impact on asset returns planned for 4Q24.

On the next slide, I'll give you a little more color on asset deployment, backlog, and average fleet utilization. We have maintained a steady pace of deployment in line with the company's execution plan, with just over 1 billion of CAPEX deployed in the third quarter of this year.

In the nine months to September, we invested almost 4 billion, 12% more than in the nine months of last year, which included a significant sale and leaseback transaction in the first quarter of this year.

Of the CAPEX invested in the quarter, more than 795 million was for new assets. Approximately 155 million was related to contract renewals and extensions and another 87 million related to the redeployment of Sempre Novo assets, which is gaining momentum, and about which Couto will discuss in more detail later.

The chart on the bottom left shows the evolution of the deployed backlog. At the end of September 2024, we had 13.9 billion in future revenues, 11% more than at the end of December 2023.

This quarter we also recorded a reduction in the backlog of R\$358 million related to cancellations due to the repossession of assets in the quarter, which amounted to R\$270 million of assets reposessed at the original CAPEX value.

In the quarter, we also recorded the write-off of the backlog of R\$263 million, which relates to assets that were in the process of being reposessed as of 30 September and are expected to be completed by the end of the year.

Now, to finish this slide, I'd like to point out that we ended the quarter with approximately 51,000 assets in the fleet, representing approximately 89% of the allocated fleet. A slight reduction compared to the previous quarter, reflecting the impact of the assets we have reposessed, as well as an improvement in the utilization of new assets.

I'll now hand you over to Couto, who will comment in more detail on the development of Sempre Novo.

### **Gustavo Couto**

Thank you Cezário. On this slide, I'd like to share with you our first results following the launch of Sempre Novo, our product designed to guarantee a second rental cycle for our assets. Although it has only just been launched, we have already seen how attractive Sempre Novo is for our customers, who have the opportunity to rent assets in excellent condition and on very favorable terms compared to the price of new assets, which are much more expensive.

For Vamos, it means the opportunity to create value with new contracts, attractive profitability and a new rental cycle for liquid assets that have appreciated significantly in recent years. I would like to remind you that Vamos' new equipment is always analyzed by our technicians and, if necessary, refurbished and made available for rental.

We have also noticed that many customers are already asking us to extend their current contracts, which can be done perfectly for customers with different applications, including a positive price adjustment in many of these contracts, given the appreciation of these new assets.

With the scale we have achieved, the unique acquisition prices and the quality of our contracts, renting assets for a second cycle is an opportunity that only Vamos has. This quarter, we jumped from R\$38 million in contracted CAPEX from Sempre Novo to R\$148 million in 3Q24.

These contracts had an average IRR of just over 20%. In Q3, we have already deployed R\$87 million, which has started to generate rental revenues. The Sempre Novo is starting to take off and is proving to be an excellent opportunity to sustain part of our growth in 2025.

Considering the cancellations accumulated over the last few months, we have around R\$700 million of assets in our fixed assets and another R\$327 available for sale, in other words we have around R\$ 1 billion of very new assets with a profile suitable for a second rental cycle.

Theoretically, with an average yield of 2.5%, there is an opportunity to return to a monthly revenue of R\$25 million when and as soon as the assets are contracted again.

Last week, the largest logistics and transportation trade show in Latin America was held here in São Paulo, and Sempre Novo was the highlight of our booth and digital marketing campaigns. Another equally important opportunity comes from contracts due to expire in 2025, for a total of R\$1.1 billion, taking into account the acquisition value at the time and the original CAPEX invested.

Our positive track record of contract renewals of over 80% can and should be achieved on at least 50% of the assets for another two or three years with the same asset, and will be combined with price adjustments, given that the alternative of renting a new asset has become much more expensive.

We'll talk about this later, but I would like to emphasize that we have a unique scale and positioning that will allow us to maintain a steady pace of growth with the lowest volume of new investments, thereby starting a strong cycle of value creation.

I will now hand over to Cezário.

**José Cezário:**

Thank you, Couto. Let's move on to slide nine. Here we show on the top left the volume of CAPEX we contracted in the quarter, which continues to have attractive returns in line with our track record, while maintaining the average profitability of our contracts.

Of the R\$693 million of CAPEX contracted in the quarter, almost R\$150 million related to the Sempre Novo assets, as Couto mentioned on the previous slide. The contracts signed in the quarter have a profile of customers in various sectors, such as environment, services, agriculture, energy, food, beverages, industry, transport, among others.

The table below shows the gross fixed assets that generated revenue in the quarter, to better understand the contribution of our asset base to the results of the period. Non-revenue generating assets represent new and used assets that are available for rental, as well as assets that have already been negotiated to start a rental cycle but are in preparation and therefore in the deployment phase.

In the third quarter of this year, revenue generating gross fixed assets from rental represented 86.4% of gross fixed assets from vehicles and machinery. This is a slight improvement compared to 85.5% at the end of the previous quarter.

To conclude this slide, I'd like to mention that in this quarter we maintained the average IRR of new contracts at over 20%, which means that we're looking at healthy returns, even in the more challenging interest rate scenario that we're facing in Brazil.

With that, let's move on to the last slide of the rental session. In this slide, we have presented what would be our best estimate of CAPEX execution for the year 2025 and its implications and strategy. Given that this is a forward-looking estimate, we have disclosed a material fact on this subject at the same time as this quarter's disclosure, as required by the CVM rules.

Firstly, it should be noted that the CAPEX deployed that we are forecasting for 2025 is essentially the same level as the one we presented in 2023 and projected for the current year, 2024.

For the year 2025, of this total of 5 billion CAPEX to be implemented, we assume that we will have approximately 700 million in contract renewals with the same assets and 1 billion in the redeployment of Sempre Novo, which brings us to a projection for the purchase of new assets estimated at 3.3 billion.

Taking into account our estimate for the sale of 1.2 billion of used assets, we arrive at a net CAPEX of 2.1 billion. We believe this strategy is in line with our vocation to continue to grow and capture business opportunities, but also to optimize our capital structure, which will lead us to deleverage more quickly.

We're focused on optimizing our fleet and making the most of the assets we already have. Our strategy for 2025 is to pursue the four pillars I mentioned on this slide.

First, increasing utilization rate, followed by the development of Sempre Novo, which will allow us to grow revenue without new CAPEX. To reduce our leverage and therefore improve the profitability of the business. That's our mindset for next year.

Moving on to the next slide, I'd like to talk about used asset sales. This quarter we saw a 46% increase in net sales compared to the same quarter last year, reaching 207 million, with a gross margin of 18%, affected by the effect of the mix of assets sold, but still in line with market conditions. I believe we are continuing to demonstrate the potential for increasing the value of our fleet and the consequent profitability of our assets.

In the year to date, revenue growth was even more significant, up 49% on the same period last year and totaling 540 million. This figure does not include one-off sales in the first quarter of last year, which have been excluded for comparison purposes.

At the end of September, our inventory of machines and vehicles available for sale amounted to 681 million, reflecting the higher volume of assets acquired in recent months, but mainly the Sempre Novo assets, which are both available for sale and for a second rental cycle, which we have highlighted in grey on this chart, and which totaled 327 million at the end of this quarter.

The chart on the right-hand side of the slide shows the percentage of used asset sales through the Vamos dealership channel. As previously reported, we are opening new sales channels with the aim of increasing our commercial reach in the sale of used assets.

On the other hand, we will continue to sell used assets through the Vamos dealerships on a consignment basis and pay commissions on sales, as we do today, and we do not expect this

to change if the proposal to spin off the dealerships, which is currently in the approval process, comes to fruition. On the contrary, we believe that the completion of this spin-off could facilitate commercial agreements with other brands' dealerships networks.

Following our presentation, we moved on to the dealerships segment. On this slide, we can see a gradual improvement in sales and a recovery in net revenues, which grew by 30% this quarter compared to the same quarter last year. Our truck and heavy equipment dealerships are operating and delivering results in line with our expectations.

However, the agribusiness dealerships continue to perform poorly and are impacting the profitability of this segment. Nevertheless, we may see improvement, albeit modest, in EBIT and EBITDA during the year. We continue to focus on sales and the search for a normalization of agricultural inventories and the consequent improvement in dealer working capital.

On the next slide, I'd like to comment on some key financial highlights. On the left-hand side of this slide, we show the development of our net debt and leverage for covenant purposes. We ended the quarter with net debt of 10.7 billion, in line with Q2 this year and 23% higher than Q3 last year, and leverage for covenant purposes of 3.21x, 0.2x lower than Q2 and in line with Q3 last year.

Turning to our debt profile, we ended Q3 with 4.2 billion in cash and investments. However, together with the standby lines we have contracted, we had around 5.3 billion in available funds, which is equivalent to bank debt maturing by August 2027. Our average debt maturity at the end of the quarter was 4.8 years.

Here is some additional information on working capital. We have continued to reduce our working capital metrics, as shown in this chart.

At the end of the third quarter, the company's working capital was 1.4 billion, a reduction of approximately 1 billion compared to the third quarter of last year and an increase of 109 million compared to the second quarter of this year, which is mainly explained by the increase in inventory lines from the dealerships segment and assets held for sale, as well as a reduction in the supplier line, reflecting the reduction in purchases.

We continue to focus on greater efficiency in the allocation of resources, particularly in the case of inventories related to agribusiness dealerships and repossessed assets available for rental or sale. We still have the opportunity to further optimize the allocation of our capital in an efficient manner, as I have commented throughout this presentation.

That concludes my comments on the third quarter results. I will now hand back to Couto for his closing remarks. I'll be with him for the Q&A session. Thank you all very much.

**Gustavo Couto**

Thank you! Let's move on to the takeaway message slide. First, let's talk about rental. The company has definitely entered a period of renting assets that are in our new and used assets inventory. With this, it is possible to expect a CAPEX rate of R\$ 5 billion to be deployed by 2025, of which R\$ 1.7 billion is related to used assets, thus reducing the need for new purchases.

Sempre Novo is starting to gain momentum and is proving to be a great opportunity for customers and Vamos alike. Our focus will be on increasing utilization rate, efficiency, and turnover in the sale of used assets.

The company has expanded its used car inventory and increased its commercial reach with new sales channels through the consignment of inventory and the payment of commission on sales.

If the spin-off of Vamos is approved, we will be able to accelerate commercial agreements with truck dealers of different brands, as we have already done with the Transrio and Tietê networks, which are currently Vamos dealerships.

As far as the dealerships business is concerned, the dynamics remain favorable for trucks, with stable results, a stable scenario, and a positive bias. The machinery scenario has already improved compared to 2H23, but it is still far below the potential of agribusiness and also far below the normalized scenario.

Finally, I would like to reiterate our commitment to deleveraging the company, a path we have already embarked on, as Cezário has shown. Note that our net debt has changed its trajectory, remaining stable at R\$10.7 billion over the last two quarters. The opportunity for 2025 is to continue this path, with reduced leverage, increased efficiency, and healthy capital structure.

The possible spin-off of Vamos Locação and Vamos Concessionárias will create two companies with great opportunities. The development of these businesses in recent years has opened up the possibility for them to become even more independent, reflecting the wishes of most of our shareholders.

Vamos Locação will be lighter, more focused on deleveraging, value creation and growth. Our rentals continue to have a healthy spread over the marginal cost of our debt, despite recent market volatility. We have a clear opportunity to create value.

At Vamos Concessionárias, a unit that, despite its challenging times, has great opportunities as it merges with Automob, potentially creating the largest dealer network in the country, with enormous potential for efficiency gains, increased revenues from services to customers and better working capital management.

Finally, I would like to thank our employees, our family members, our customers, our investors, and our suppliers for their trust in our leadership and for supporting us in our aim to provide tailored services to different business segments and unique benefits to our customers.

I'll now close the presentation, and we'll move on to the question-and-answer session. Thank you very much.

**Guilherme Mendes, JP Morgan:**

Hello. Good morning, Couto and Cezário. Thank you for taking my questions. The first question is on CAPEX guidance and leverage. How do you see the balance between leverage and growth in the medium and long term?

In other words, you've talked a lot about deleveraging, but what level of leverage would you like to operate more structurally? And in that scenario, how much should the business grow?

And the second point is the expectation of truck prices and a possible normalization of the used truck margins. Thank you.

**José Cezário:**

Hi, Guilherme. Good morning. Cezário here. Thank you for your questions. I'll take the first one and Couto will comment on the second one. On CAPEX guidance and leverage. The guidance that we have given, the CAPEX guidance for next year, already includes some deleveraging. And it should remain in line with those results, something below 3x by the end of next year, given the assumptions that have been made public.

And we think that deleveraging around 3x is something that is reasonable and that we think is good for us to continue to grow the business as we have been doing. Of course, this is with the current capital structure, without taking into account the spin-off transaction that is under discussion.

As you all know, this transaction will slightly increase the leverage of the new Vamos, let's put it that way, but it will continue along the same path of deleveraging. It's just the starting point that will change following the separation of assets and liabilities that has been reported.

**Gustavo Couto**

Guilherme, this is Gustavo Couto. Thank you for your questions and your participation. Truck prices remain stable. We have noticed that after the increase in the last cycle from 2022 to 2023, truck prices remain stable. We think it's time for stability. This applies to both new and used trucks.

If you analyze the FIPE table, we come to the conclusion that prices are stable. So, if we forecast used asset sales, what do we see? A natural decline in margin over the asset cycle, which was already expected.

Let's remember that at the time of the price increase, we had margins of over 30%. And we've always said that over the five-year cycle, that would come back to more normal parameters, which is for us to be close to zero margin on used asset sales.

So that will happen over the next few years. This gradual reduction continues as expected and as planned, given the current price stability. This stability, Guilherme, it's important to say that it's going to go on for one, maybe two years, at least that's what we believe.

But, as we know, there is a tendency for capital goods, trucks, to go up every year in line with inflation. So, if you make slightly longer projections, it's natural that prices will go up again in line with the inflationary scenario that we see on a recurring basis in Brazil.

I hope we've answered your questions. Thank you very much for your participation.

**Pedro Tineo, Itaú BBA:**

Good morning, everyone. Thank you for taking my question. I have a question on the agribusiness. We've had some input here from a recent improvement, both in terms of rainfall and planting levels. I wanted to see if you could see any improvement in that segment going forward. And to see if you could see those levels of impact already. Thank you.

**Gustavo Couto**

Pedro, thank you for your question. This is Gustavo Couto. Well, in terms of agribusiness, let's break it down into two parts. The first one, yes, the rains have returned. We've been looking over the last three or four weeks, despite some delay in the rain, the rain has come. And they have come with a positive outlook, giving some encouragement to farmers who had delayed planting.

Let's be clear, there was a delay, but they have already caught up with that planting. And now planting is continuing as normal and at a very fast pace. This has not yet led to an increase in sales of agricultural machinery.

Why is that? It's important to remember that the farmer, the agricultural producer, one of the incentives they have when they buy the machine is that when they pay income tax, if they have a little bit more profitability, that means they can deduct the value of the investment they have made in buying the machine from their income tax liability.

However, the price of soya this year is still low for them, costs are still relatively high, and also there has been a crop failure this year, 2024. So, it hasn't been a good year for farmers.

Therefore, we still don't see sales picking up. It's only natural that next year's production will be higher, and it's already estimated that in 2025 we'll see another record soybean harvest. It's only natural that this will encourage producers to buy next year.

But there is still a lot of uncertainty around commodity prices. There is still some unpredictability given that you also had a good harvest in the United States and China is still apparently not buying very much compared to what it has bought in the past, which is putting pressure on commodity prices. So as far as the dealers are concerned, it's too early to say that we're going to see an upturn in sales.

As far as the transportation scenario is concerned, which is already affecting the rental side, it's natural that with more production there will be more freight available for transportation next year. This suggests that by 2025 we could see an improvement in the volume of transportation and therefore a greater demand for trucks in the agricultural sector.

What we are doing, as I have warned and commented on in various forums that I have attended, is a change in commercial strategy, where we are going to be much closer to the shippers, the cargo owners, who are the agents in this chain, who ultimately better absorb the volatility that happens in the sector.

And that's going to be our change of strategy, so that in the future we don't see new fluctuations in the fleet allocated to the Midwest or to agribusiness, as has happened in the recent past of the company and which is the subject of the repossessions that have taken place.

So those are the two effects we're hoping for. So here we go. Rain is always good. High production is always good. This will encourage farmers, which could be good for machinery sales in the medium to long term.

And on the other hand, in terms of rental, we believe that, yes, a higher volume of cargo for next year should also mean a higher demand for trucks in this region. This could favor rental, yes, in 2025. Thank you, Pedro.

**Alberto Valério, UBS:**

Good morning, Cezário and Couto. Thanks for taking my question. I wanted to see if you could add a bit more color to the 2025 guidance for Sempre Novo. If you're expecting a few more upturns, what do you expect year-on-year? I think 1.2 billion repossessions are expected this year. How many do you expect next year?

Also, how do you see pricing with this increase in interest at the margin? Are you in demand? Are you raising the price a little bit more to compensate for the yield curve that has gone up in the last few months? Thank you.

**Gustavo Couto**

Alberto, thank you very much for your questions. It was nice talking to you. Sempre Novo's volume is 1 billion, to make it very clear to everyone listening. In other words, we currently have an inventory of assets, of which 700 million are in our fixed assets and another 300 million are available for sale.

This amounts to R\$ 1 billion that we believe we will be able to rent over the next year. We think there will be new upswings next year. I'll try to give you some indication.

Combining the volume of asset sales that we will have, the rental of used assets that we will also have, and the renewal of contracts with the same assets that will end next year, which is also an opportunity, we see an opportunity to reduce our total inventory, both new and used.

This is an opportunity that we are pursuing for 2025. It will take us from the current 86% of fixed assets not generating revenue to just over 90%.

And the average utilization that we're talking about, which is 89% today, considering what generates revenue, plus the CAPEX that is being deployed, which we also showed in one of our slides, is 89%. We think it may go up to close to 95%. That will improve the return. It will improve our margins. This will give us important benefits that will contribute to our deleveraging.

If you ask me about the level of recovery for next year, I'm imagining here that we could do the math in a normalized scenario, with something up to 5% of our fixed assets eventually being repossessed.

Where does this 5% come from, as a reference for everyone here? The company has reached a unique level and size. We have around 16 billion in fixed assets today. So, we see that the agricultural situation has already been addressed, the upturns there are already starting to point to a reduction, as I've told you here.

And for next year, we're looking at some sectors, we're looking at some customer situations, and we think that this level of 5% of our fixed assets is an interesting proxy, because as the company has grown, there will be some recovery.

So, we're doing the math and considering the possibility of up to 5% in asset turnover. Given this assumption, we have reduced the company's inventories, mainly because we are expanding our sales channels, as I said, R\$1.2 billion should be sold next year in 2025, according to the guidance we have already published.

We will probably have a significant contract extension of R\$ 700 million. And with that, we have been able to optimize and increase the utilization of our average fleet, reducing our total inventory.

In terms of pricing. Alberto, as you know, when we price new contracts, we always look at the five-year curve. And every time we look at that curve, we follow the fluctuations and of course we incorporate that into our pricing tools.

The recent increases that you've seen in the five-year curve have already been passed on. And today we have been able to get the average IRR of our contracts above 20%, which gives us a very healthy spread in relation to what we think is the future scenario of these interest rate curves, including the Selic curve, which has a greater impact on short-term interest rates.

So, we believe that we are in a very healthy position to continue to create a lot of value for our shareholders, for our customers, through prices that are competitive and guarantee this healthy spread in relation to the future interest rate curve, as well as the Selic rate, which is more short-term oriented.

I hope I've answered your questions, Alberto.

**Kiepher Kennedy, Citibank:**

Hi, guys. Good morning. Thanks for the call and the opportunity. Just a quick follow up on the asset recovery question. You commented that, as I understand it, around 800 million would be taken back in 2025, given the percentage there of 5%. That number, it's like this, think of it all as a run rate forward, 5%. What do you see as a normal cycle here in this discussion?

In this last quarter, the recovery was 270 compared to 448 in the previous quarter. I don't know if you can read that as an improvement or just a normalization, because one quarter can be different from the other. I'd like to understand how we think about this trajectory going forward, if this 800 million is a run rate that the company is looking at.

And still in this scenario discussion at the end with customers, what do you see? You've already touched on some other issues here. You were at FENATRAN last week. What did you see there? Customer appetite, potential, new contracts? A bit of color on how the event was for you would help us understand here. Thank you.

**Gustavo Couto**

Hi Kennedy. Thank you for your participation and your questions. I was commenting here on the figure of up to 5%, which would be around R\$800 million, given R\$16 billion in fixed assets. That's not a forecast. This is just an estimate, perhaps a little conservative, of what we think the normalized scenario would be.

Now, we don't have a recent history of repossessions. In repossessions, as everyone knows, more than 80% of the repossessions were concentrated in a very specific sector that had a lot of volatility, a lot of volatility.

And yes, it's already starting to reduce because we have taken the contracts there that had some kind of fragility, and as you know, we're dealing with them, we've dealt with them in a very timely manner throughout this year.

So, you're already seeing a reduction in Q3. We expect that to continue because, again, the volume of agribusiness contracts focused on agricultural commodities in the Midwest, which were the subject of the repossessions, are starting to be reduced more and more.

The volume of assets allocated there is getting smaller and smaller. And we have been much more restrictive in terms of credit risk on new contracts. So that's what we're seeing.

As we look out to 2025, we're doing the math here and looking at a level of repossessions of up to 5%. We're working towards less than that. And this new normal could be less than that.

But for now, I'm talking about 5% as perhaps a conservative estimate. Remember, this is not a forecast, it's just an estimate that I'm sharing with you here as I do our internal calculations.

In terms of peak demand. That was an important question, Kennedy. We have come out of a very hectic FENATRAN. I would also like to thank the investors and analysts who visited our booth. They saw a very busy booth. And we generated a lot of commercial leads at the show, proposals that we believe will be converted into new contracts later this year.

So, we're very pleased with the results of FENATRAN. And we feel that customers need to renew their fleets and are increasingly interested in the rental model.

Anyone who was there could see that. We've already seen stronger closing volumes recently, in October and November, with new leads coming in. I'm sensing that the market is still very interested, very heated.

And we're going to continue our growth path in line with our plans. You see this because we have already published the guidance for 2024, confirming that we should do something like R\$ 4.9 billion of CAPEX this year, adding another 1 billion to what has already been done until September. So, realistically, we're looking at the end of the year and 2025.

**André Souza, Investor (via webcast):**

Good morning. What is the customer profile of Sempre Novo? And who is responsible for the maintenance of the asset?

**Gustavo Couto**

Hi, André. Thank you for your question. The customer profile is one that is looking for good value for money. Remember that the Sempre Novo trucks are really low mileage, high quality trucks, most of which have been returned a little earlier than planned.

These are really very new trucks, and they are suitable for customers in, for example, long-haulage, the chemical fuel sector, the agricultural sector itself. You have a wide variety of sectors. And it is always fleet customers who are looking for good value for money and don't want to contract a brand-new truck.

It's the same profile of customer that we have in the company today, but they have an alternative, a rental option at a slightly lower cost. So that's the profile of the investor and in most cases, André, the customer is responsible for maintenance.

And we can, because these are new assets, in some cases offer a guarantee to the customer. As I said, the assets are in excellent condition and have not been driven very much. In some cases, if the customer negotiates with us, we take over the maintenance.

But as our investors already know, most contracts, both new and used, end up being maintenance-free contracts, which is of course the profile of the customer who rents the Sempre Novo. André, thank you very much for your question.

**Tony Iota, Investor (via webcast):**

Good morning, everybody. Congratulations on the results. The creation of this Sempre Novo operation to reduce the need for CAPEX is sensational. Could you please compare the contribution margins of this operation to the deployment of a new asset? Thank you.

**Gustavo Couto**

Tony, thank you for your question. I'll comment here and if Cezário wants to add to it later, he's welcome to do so. Well, basically today, as we've shown you, we're operating with an average IRR for both new and used contracts, an average IRR of over 20%. This is the main profitability indicator that we look at when we approve contracts.

Remembering that Sempre Novo has the characteristic of being a contract, when it comes to rental, it is a slightly shorter-term contract, so we are talking about an average term of three to four years, whereas new assets are contracts that end up being five years. And that ends up giving a slightly higher yield in the short term on the Sempre Novo asset, but an approximate IRR of just over 20% because it's a slightly shorter contract.

If it's a slightly longer contract, we can end up with a slightly lower yield and still get an IRR of over 20%. So that's what we're seeing today.

Now, I believe that Sempre Novo, Tony, will become an opportunity to improve the profitability of new assets. I particularly believe that, but it's too early to say. Why is that? Because Sempre Novo is competing with the new trucks.

For the customer, it's a cheaper option and for us it's a cheaper asset to buy. So, in that combination I think there is a particular opportunity for these Sempre Novo assets to have a better return than the return on a new asset.

But again, I think it's too early to tell you that because the product was launched three months ago. But we are, as you have seen, driving that sales volume.

I'm pleased with what we achieved in the last quarter. I think there's more to come. I think we're going to continue to push this product given what I've seen and the leads that have come in, for example, on FENATRAN last week. Tony, thank you for your questions.

**Kleber Costa, Caixa Econômica Federal:**

Hello, everyone. Good morning. Thank you for the opportunity. I'm just joining the call now and I have two questions. The first is: what is the impact on the book value of the company with the approval of the spin-off of Vamos Concessionárias?

And secondly, what is the purpose of the increase in cash flow that has now been achieved through the increase in debt in the last quarter? And how is this objective being implemented? Thank you.

**José Cezário:**

Hi, Kleber. Good morning. This is Cezário. Regarding your first question, the impact of the proposed spin-off on the book value. As already reported by Simpar itself in the document that has been published, the plan is to separate all the assets of the dealerships that are already part of a separate CNPJ. This means that the dealership will be effectively separated and merged with Automob.

This company currently has two debts with Vamos Locação. It's actually a credit note and an intercompany debt, totaling 750 million, which will be cancelled because this debt, this asset that is currently in the rental business, will also be spun-off. It will then be merged with the accounts payable and basically offset.

And this split business will have a debt to third parties and an amount of cash that is already in that business will not be separated for that. In fact, it is already part of the cash flow of this business that will be the subject of this spin-off.

So, this split business will end up with positive net debt, net cash instead of net debt, just as it was reported on the 30 June reference, and which is not very different for the September position. So, I've answered your first point on the impact of the split.

Your second question relates to the increase in gross debt and the increase in cash and cash equivalents. Net debt itself was up this quarter compared to the previous quarter, if I'm not mistaken, by just under 3%. It wasn't a significant increase. And this increase in net debt is basically due to the investments that were made during the execution.

The fact that we have more gross debt and more gross cash in these two periods, if you compare this quarter with the previous quarter, is basically due to the strategy of some debt management. We are always looking for better ways to extend our debt profile at the lowest possible cost.

So sometimes that leads us to take on certain debt until we can do that and bring that to a cash position within our minimum cash policy parameters. In other words, there is no change of strategy. It's more a question of how our debt and cash flow ended the quarter.

**Rogério Araujo, Bank of America:**

Hi, gentlemen. Good morning. Thank you for the opportunity. I have two questions. The first one is in terms of these contracts that you are hoping to renew once they expire in 2025. It seems to be a change in the expected vehicle cycle, the cycle that we thought was five years.

I wanted to understand what the price is expected to be in that renewal, whether it will increase from what you were charging or not. And whether it's maybe more of a one-off, based on the increase in the price of trucks, and that once that cycle normalizes, you'll go back to that five-year cycle and not extend it any further. Anything you can say about that strategy would be great. Then I'll ask the second question. Thank you.

**Gustavo Couto**

Rogério, thank you for your question and your participation. The renewal of contracts with the same asset has always been a reality for the company on a smaller scale and therefore not very significant when we look at what has been done through new CAPEX, especially when we look at the accelerated growth curve we have had in recent years.

So, it was much less representative, but it has always happened. It always happened because there was always an opportunity for assets that were in a very good state of use to be extended for a year or two. And of course that has happened.

But in the past, it was even done at a discount, because it was good for us if the customer kept the asset for another year or two, and on the other hand we ended up giving them a discount because the asset was already depreciated. And to compensate for the increase in maintenance costs the customer had, they agreed to keep the asset for another year or two at a discount.

Today, the scenario has changed somewhat. With the strong appreciation that you know about, and that you quickly commented on in your question, the scenario has reversed. Why is that? The alternative today is for someone to rent a new asset that has gone up a lot.

If we compare the possibility of extending a customer's asset for two years, for example, even with a higher maintenance cost, it's still much cheaper than renting a brand new one.

So yes, it's an opportunity across our asset base. So, we've already managed to do a detailed analysis, customer by customer, of those R\$ 1.1 billion of assets, I'm referring to the acquisition value, the original value, that were rented there four or five years ago.

When we look at these assets, and we know our customers' operations and we know exactly the condition of this equipment, these trucks, we see the opportunity to renew more than 50%, we estimate at least 700 million of the 1.1 billion, and yes, with a price increase, because the alternative the customer has is to rent a more expensive new truck.

So, they prefer to pay a bit more for maintenance, work with a bit less availability, but on the other hand have attractive value for money. The alternative that we would have if the customer doesn't accept this price adjustment is, for example, to sell this asset at a very good margin.

Remember this asset, these assets that we have depreciated even more in the past, appreciated a lot, which means that we have very good margin opportunities. So, if you compare the alternative, we compare the possibility of selling it with a very good margin or renting it to the customer with a price increase.

So, the answer is that this is an alternative for us, but more importantly for our customers. I think it's a win-win option for both the customer and Vamos.

**Rogério Araujo:**

Perfect, that's very clear. Thank you. My second question concerns the level of depreciation of trucks. You talked a little bit about the normalization of the used car margin over the next few years. I wanted to understand whether we can also expect an increase in this depreciation rate at the same time.

In trucks, we see approximately 2.5% of the weighted value of the purchased assets. To what level do you think this depreciation will go? And maybe if you could share the timing of this increase. When will we see this number start to increase and by how much? Thank you.

**Gustavo Couto**

Rogério, it's Gustavo again. Thank you for your question. Depreciation, and we've already mentioned that, you're right to imagine that this depreciation rate tends to go up for these new assets that are acquired. And they already come with a projected depreciation rate, for example for trucks, of 7% on average. Sometimes up to 8% for a heavier use, but 7% on average.

So, of course, you'll see that we use a 7% rate for new trucks. For the tractors that were bought back then and have appreciated a lot, we will continue to use lower depreciation rates.

And that will make the movement, you've almost answered your own question, you're right. In other words, you'll see that the average depreciation rate will go up. It's no longer 2.5 for trucks, it's gone up a bit. And it will continue to go up until it's closer to 7% when we have, let's say, a normalized scenario for all new assets.

When we have completed a full cycle on the assets that are already fully depreciated. We're talking about a four-to-five-year scenario. Then you convert it to an average depreciation of 7%, which gives us an IRR of 20%, which is the contract we are signing now, for example, for a new asset.

On the other hand, the margin on the sale of used cars will continue to decrease gradually, as it is now. And at the end of four, five years, also approaching the historical levels of 2, 3%, which is what the company has always done historically. So, this is part of our normal asset cycle planning, as you already know.

And remember, all new contract forecasts are made on the assumption that we will depreciate the asset, for example the truck, which was the example you gave, at 7% per annum over five years. And at the end of the process, we're going to sell at zero margin. I'm talking about a five-year contract. That's what we've designed.

Of course, as has been shown, there is likely to be an appreciation of these assets, so there is always the possibility that we will end up with slightly lower depreciation rates but that's not the base case. It's not the base case that we use here when we project and start to depreciate assets.

I hope I've answered your question, Rogério.

**Cláudio Bernardo, Mackenzie (via webcast):**

Good morning, everyone, and congratulations on the results. One question on Sempre Novo. How long do the trucks last and how do you decide whether to sell or move the truck in this new cycle?

**Gustavo Couto**

Cláudio, this is Gustavo Couto. Thank you for your question. Well, historically, our asset cycle has been an average of five years. But as we have seen in some parts of the world, we often

see some extension cycles for less severe applications. So that's probably what we're going to see within the cost-benefit ratio that I just talked about, that there has been a revaluation of assets.

So, as a consequence, some of these assets may be extended a little bit, as I'm projecting here now for example for this group of contracts that expire this year. We typically resell these assets after five years. I think we're going to go into a cycle of 24-month extensions, probably up to seven years.

How do we make that decision, Claudio? Basically, we look at the rental opportunity, at what price and what IRR we have, looking at the market price of that asset and not its residual value. When we calculate the IRR, the 20% that we show in the calculation of the IRR of Sempre Novo contracts, of used assets, we don't calculate it based on the residual value of the asset that is in our book, which is lower than the market value.

We calculate it against our sales opportunity. We calculate that IRR based on the sale price of that asset. So that 20%, if I recalculate that IRR with my book value, that IRR is actually higher than the 20%.

We're always looking at what alternative I have, selling that asset, what margin I'm going to make on that asset, what the financial result of that sale is if I make it in the short term versus the alternative of renting it out for a second cycle. And then, of course, we end up putting more commercial effort into one or the other.

At the moment we are realizing that there is a great opportunity for us to rent these Sempre Novo trucks. That's why we are prioritizing this R\$ 1 billion for rental.

I hope I've answered your question, Claudio.

**Operator:**

The question-and-answer session is now closed. We would like to give the floor to Mr. Gustavo Couto for the company's final comments.

**Gustavo Couto**

Well, I'd like to finish by thanking the entire Vamos team, all our teams here, for the work they've done. I think we are now entering a very important cycle, which is the possible spin-off of the company. In some ways this is in line with the wishes of many of the investors that we have been dealing with over the last few periods.

I think it will create opportunities for both Vamos Concessionárias, which will operate as a full-blooded dealership business, with opportunities to add value to customers through point-of-sale services. And a business with much more of a retail profile.

On the other hand, it will leave Vamos Locação with its core competency, which is to manage the asset cycle and create value for customers and our shareholders.

The company is entering an important deleveraging cycle, as Cezário said, and will probably operate at very healthy levels next year, with a pace of perhaps three times net debt to EBITDA. This allows us to maintain a consistent pace of growth, as we have done over the last few years.

If you think of it, we have made about 5 billion CAPEX, 5 billion of CAPEX on a recurring basis over the last few years. And if you think about a 3x multiple and you project out over the next few years, imagine where this company is going.

Look, we're going to continue to grow at a significant rate, creating a competitive advantage in the marketplace given the unique scale that we have, creating value in the relationship with the OEMs because we're the largest buyer of trucks and assets in Brazil.

We believe this cycle has only just begun. So, I invite all investors to calculate what this company would look like if we maintained the pace of growth that you see going forward and maintained a healthy leverage ratio of 3x net debt to EBITDA.

That's my invitation to everybody. The main message I want to leave you with is that we believe there is a lot of value creation ahead. We're happy with what we've done so far, but we're even happier and more excited about what we can do.

Thank you all very much for your participation. This concludes the Vamos 3Q24 results conference call.

**Operator:**

The Vamos conference call is now closed. Thank you for your participation and have a good afternoon.

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