



Operator:

Good afternoon, ladies and gentlemen, and thank you for waiting. Welcome to the teleconference of CCR S.A. to discuss the results regarding the 3Q22.

We would like to inform you that all participants will be only listening to the teleconference during the Company's presentation, and afterwards we will start the Q&A session, when further instructions shall be provided. If any of you need any assistance during the conference, please, ask for help of one our operators dialing or clicking on *0.

Before I proceed, we would like to clarify that some of the declarations, the statements during this teleconference related to the business perspectives of the Company, operational and financial projections and goals, they are the beliefs and the assumptions of the CCR Board and the information available to the Company right now.

Further considerations cannot be taken as a guarantee of performance. They involve risks, uncertainties and assumptions related to future events. Therefore, it all depends on circumstances that may occur or not. Investors should understand that the general economic conditions, industry conditions and other operational factors may affect future results of the Company and may lead to results that are different from those expressed in the future considerations.

I would like to give the floor to Mr. Waldo Perez, Deputy CEO, CFO and Investor Relations Director of the Company. Please, Mr. Waldo, you may proceed.

Waldo Perez Leskovar:

Thank you. Good afternoon to everyone. I thank you all for participating in this conference to present the results of the 3Q22. I would like to tell you that I have here with me Flavia Godoy, our IR Superintendent; Douglas Ribeiro, Cauê Esteves and Caique Moraes, who are also part of our team.

Before we start properly, I would like to mention the recent announcement that we had in October we in CCR, the same date I was elected as the Deputy CEO. The selection process will continue regularly, and we will let you know at the end.

I would like to let you know that it is a great pleasure to lead this Company that I know so well, and most of all, this group of people that are so committed, and that try to do their best to their customers and the society.

I would like to tell you a little bit more about the main highlights in this quarter. It was very important for our strategies and value generation for our shareholders. At the end of July, we have announced an addition to our contract, and we had two extensions in September. So we have four extensions in this concession this year that led to this extension to October.

Still in July, we have completed all the participation, the disposal of our stock, and we had a gain of net taxes that we were able to collect. This transaction shows that CCR is leaving United States.



In September, we had the conclusion of this process with Votorantim, and due to that, we had changes in our Board and a new composition of our shareholders available in our website.

Our strategy remains the same. As you know, we have had several strategies from 2021, concluding the process. And we have had many advances with the assets regarding Rio and Sao Paulo intend to generate more than 220,000 jobs contributing to the social economic development of the region.

And we are talking about 33 cities with the generation of more jobs. BR-101, one of the stretches of Rio-São Paulo, we are installing more than 2,000 vertical plates, and we are also recovering the road, and we will implement more than 10 operational basis.

And we have completed the implementation of the SOS user system for traffic inspection, hospital service and toll-free call, and also some provisional bases throughout the roadway.

In Lines 8 and 9, we are working intensively to install relevant improvement, and we have invested R\$591 million, and we had taken 8 months ago. And we have invested in the improvement of the road, and we have reviewed 14 trains and preventive maintenance in more than 800 air conditioning equipment and cleaning of the whole fleet.

And we have also installed trains produced by Alstom in Brazil, and we now have 282 cars that we will be receiving as of the 1Q23. We had some correction actions in 248 kilometers of railway. And also, we have the two lines, 972 kilometers. And we have 100% of corrections in the train operating machine, circulation have improved, the circulation of trains compared to the previous period in the beginning of the operation. And also, we have implemented internal external painting of 18 stations and also renovation of the bathrooms in the stations.

Also we have seen a decrease in the complaints from 76% in Line 8 and 79% in Line 9, which shows clearly the positive reaction for the investments and the improvement of the service provided. And we keep on with our works of capacity building, modernizing and adjusting the infrastructure.

In the South Central and Pampulha blocks, I would like to highlight that we have had a series of interventions in the terminals, renovation works and horizontal and vertical signaling, and also recovery of facades and installation of equipment for the terminal. Comfort and sustainability equipment as well since the beginning of the operation.

CCR Airport made available more than 50 new airline routes delivered seasonally with the main airline companies in the country. Also, we have a new food court with large partnerships, and we have more than 60 contracts, new contracts for food and retail. And we have increased 10x the free WiFi speed in the terminals, and we have signed contracts of 3 VIP room, and we have to build five more. And we have also hired a specialized company to operate the parking spaces, and a series of other initiatives.

Still talking about the impact of new concessions only in the 3Q22, we can see the contribution of the ex-construction net revenue. We have an EBITDA of R\$341 million, and we are only in the beginning of the investment, we should remind you that will bring amazing improvement and will increase even further the potential to generate results for these concessions.



I also would like to highlight the recovery of the demand in our business. This trajectory is consistent and constant as has been shown in our results release. When we compare data on the same basis.

In the road segment, we had 5.3% growth. The airport road and Urban Mobility, we had an increase in passengers of 41.9% and 38.5%, respectively, in the 3Q comparing to the same period previous year. In November 10, we have reported our monthly performance for October that when compared to the same period in the previous year, it has presented a growth in the same basis of 5.7% for light vehicles and 2.7% to the commercial.

And in consolidated results, we had a positive result of 4.2%. To the other mode, the data still show a strong recovery related to 2021. We have a growth of 32% and 31.3% to urban mobility for airports, respectively, which supports the operational recovery trajectory, and also a resilience of our portfolio.

Another highlight in our quarter is the strong financial position that allows us to continue the implementation of our growth strategy and value generation. We have finished another quarter with a very comfortable cash flow, a condition that represents the leveraging as well of EBITDA of 1.6x, with a slight drop at the end of the 2H.

Aiming at optimizing our debt service and improving our position, CCR has already started the restructuring of long-term credit financing throughout 2023 and 2024, especially those that come from the projects that we have achieved in 2022.

And as we have recently announced CCR will, as of November 30, make the payment of dividends of around R\$0.29 per common share in a total of R\$591.6 million, a level that we consider coherent according to the current context. And also it shows the long pipeline that we have ahead of new projects.

And also talking about opportunities, I would like to highlight that the Company is very optimistic regarding the perspective of new projects in our pipeline that is we will continue to analyze the project that we are also studying following our rigorous capital discipline and capital allocation. We now have the bidding processes in federal roads until 2023. We have six lots of highways that make up the Parana package, BR, federal highways.

And in the state roadways, we are bidding eight projects. The auction for the North Rodoanel in Sao Paulo, that is scheduled for January 12, 2023; and also, we have a project with Minas Gerais, Pernambuco and Rio Grande do Sul governments.

In the airport sector, we expect the last round of federal auctions, Galeão and Santos Dumont. Also, ANAC will have the auction for Viracopos as well.

And for urban mobility, in São Paulo, we are at the final stage and the bidding documents for the concession of Line 7, together with North access between Sao Paulo and Campinas for the train, and the concession in Minas Gerais. The call for bid has already been published and the auctions should occur at the end of December. And also, we have the metro for the Federal District and the VLT, also in the Federal district.

Before I conclude, I would like to report and reinforce that ESG is one of the main axis in our strategic ambition of 2025. We are extremely committed and motivated in the social aspect. Only for this quarter, we have 17,506 services for the Caminhos para a



Saúde, 'pathways to health', which has been expanded to ViaMobilidade Lines 8 and 9, and also to the subway Bahia.

We have also served more than 3,000 professors, features in more than 1,600 municipal schools through the program Caminhos para a Cidadania, 'pathways to citizenship', showing our concern with the social responsibility and the positive impact generated by CCR in the communities.

Another aspect that I would like to mention to you that is very important is our public commitment to reduce greenhouse gases emissions once we submit our decarbonization goals to the Science-based Target Initiative is still be approved.

I would like to highlight a CCR was a pioneer in the sector in Brazil to submit the goals to SBTi, and we are very proud and it supports our commitment and consistency to manage this climate change topic. Finally, we are working hard and intensively to manage the risks and opportunities following the recommendations of the task force on climate-related financial disclosures, aiming at this whole management and integrated to the climate strategy.

Finally, the CCR has adopted the net zero ambition movement of the global pact, and it's an initiative and wants to accelerate the companies and want to support them so that they can establish this commitment. I would like to pass the floor to Flavia Godoy, and she will present the results of the 3Q22.

Flávia Godoy:

Thank you, Waldo. Good afternoon to everyone. I would like to highlight the main figures, IFRS for the 3Q22. I would like to remind you that for the numbers in the same base, we have excluded new projects and nonrecurring effects, as we have detailed in the results release.

Let us start with highlights for the quarter. We would like to highlight that the vehicle traffic in the same base has increased 5.3% in relation to the 3Q21. This traffic performance in the same basis was a result of 7.3% growth in the light vehicles and 3.9% in the traffic of heavy vehicles in relation to the 3Q21.

In airports, we exclude the South and Central block, the growth was 41.9% for the period. For Urban Mobility, Lines 8 and 9 Via Mobilidade the growth was 31.5% for the period. With that, our net income the same basis has reached R\$2.4 billion in the 3Q22, which means an increase of 19.9% in relation to the same period of the previous year. Adjusted EBITDA in the same base has increased 13% and has reached R\$1.5 billion.

Talking about costs. The total cost represented an increase of 6.5% in the 3Q22 if compared to the 3Q21, reaching R\$2.1 billion. In the same comparison, the cash flow costs totalized R\$913.1 million, an increase of 33.6%. The EBITDA margin adjusted to the same base has reached 62.7%, and this is a reduction of 3.8 points in relation to the 3Q21.

Regarding the drop that we have seen in our EBITDA margin adjusted to the same base, I would like to highlight that this variation was a result mainly of this nonrecurring event of MSVia in the amount of R\$44.5 million in the 3Q21.



As a function of that, this rebidding process of the asset, and also a reversal of the provision in the legal contingency in AutoBAn, which was around R\$18 million, in the 3Q22, there was an additional provision on AutoBAn of R\$2.5 million related to the legal contingency. And still, due to, this Barcas contract had an additional provision of around R\$10 million to be paid to damages. Excluding this nonrecurring effect, the EBITDA margin for the same basis in the 3Q22 had an increase of 0.2 points.

The net profit has reached R\$606.5 million compared to R\$183.9 million in the 3Q21. The same base we have, this profit, R\$128.3 million in the 3Q22, and an increase of 26.8% compared to the same period in the previous year. In the 3Q20, we have invested a little bit more than R\$1 billion to the concessionaires that invested the most was Via Mobilidade, Lines 8 and 9 and ViaSul and ViaOeste.

In Via Mobilidade, Lines 8, 9, we have imbursements mainly with the acquisition of these road material new trains. We have in ViaSul, some disbursements as well with application of some stretches BR-386, recovery of pavement and implementation of safety devices.

Also in the ViaOeste, we have investments focused on the duplication of several stretches of the Raposo highway, and we have also the implementation of new access to Osasco.

We have to highlight that the Company has been able to deliver solid results, as you can see in the full analysis of the results.

Now we open to questions and answer. Please, operator, you may proceed.

Julia Orsi, JPMorgan:

Thank you. I have two doubts here. Thinking about this pipeline that you have shown us and the results of the elections, what about any regulation change? And what about the capital allocation? Does it make sense to think about this now? Thank you.

Waldo Perez Leskovar:

Julia, thank you for your question. Regarding the regulation changes, our vision is that this program is very well structured in federal and state government regarding the pipeline for new investments.

And in our view, we do not expect any changes. We are analyzing all the opportunities that will be more relevant and more interesting to us, and we will continue to follow on this way.

Regarding your second question, we are consistently analyzing all the possible alternatives for the use of our capital. New investments, as well as how much we should reduce leverage to have the optimal capital structure, also dividends and stock purchase. This is being analyzed, a continuous analysis, and whenever we feel like, it is an important, there's a possibility.

Julia Orsi:

Thank you.



Regis Cardoso, Credit Suisse:

Thank you, Waldo and Flávio. Congratulations on the results. I have a question, and it is a follow up on this topic - when this electoral uncertainty has passed, what do you believe will be the Company's growth agenda? Will you take advantage of an auction pipeline for road concessions and do you believe this is a firm pipeline?

What are your thoughts on airports? I believe the Company focused more on this area in recent years, but we were surprised the Congonhas auction was not so good, you didn't even participate. I think the same discussion goes for urban mobility. I want to understand where the growth avenue will come from when the we get a little more visibility of the election scenario.

Another topic I wanted to discuss is, what is the expected timeline for hiring of Company's CEO and do you think this will also result in a new strategic direction, with the combination of new shareholders in the controlling block and a change in the Company's management? Thank you.

Waldo Perez Leskovar:

Regis, may you ask the question again because your audio was breaking?

Regis Cardoso:

The first question is, will we see a growth in airports and urban mobility once you have more visibility of the election process? And the second question is about this CEO transition process, and if we should expect any change in the strategic positioning as a result of this change.

Operator:

Excuse me, Regis. We will kindly ask you to reconnect to the conference to see if we can have a better quality of your audio. We will follow on with the Q&A session. Thank you.

Victor Mizusaki, Bradesco BBI:

Good afternoon. I have two questions. The first one, we have seen some news, heard some news from the government, that they might publish a decree that rollout private airports, and this would change the commercial relation. In your view, how this could accelerate the process of investments in NASP? And the second question is related to how the process is. Thank you.

Waldo Perez Leskovar:

Thank you, Victor. Regarding your first question, I think you all know that we have a very interesting process in the airport sector. The NASP was the new Sao Paulo Airport. We are expecting that any change in the regulation we might have a private operator, and we are still waiting. As soon as it becomes reality, probably, we will accelerate the



development of this project. But we have to look at demand issues and deleveraging of the group as a whole.

Regarding the MSVia project. We have evolved a lot regarding our work. Our part is completed to develop the rebidding model. The surplus group is providing their internal analysis. So we are still working with a goal to have this rebidding in 2022.

Victor Mizusaki:

Okay, thank you.

Operator:

The speakers will answer to part of Regis' question. Please proceed.

Waldo Perez Leskovar:

It was really difficult to understand Regis' question because the audio was really cutting, but I believe that I understood the concept. The first question is related to the current market scenario and our growth agenda.

As you have seen in our strategic plan, we see and we look for opportunities focused on Brazil and in the three modes that we operate. So in airports, mainly, we will have the 8th round that is expected next year at a certain point in time. And also, we have the TIC Line 7. The train is very synergic with our operations in Sao Paulo.

And for the roads, we have this expectation of six new highways in the state of Paraná to be rebidded by the federal government, and BR-381 and the North Rodoanel. So several relevant opportunities that are in our radar. In addition to that, we are always looking at acquisition opportunities always in the 3 modes in Brazil.

So for our growth agenda, it remains the same, the same that we have been implementing. Regarding the succession CEO process, the Company has been working to define who is going to be the new CCR CEO. And in terms of schedule, we expect to complete this process as soon as possible.

Filipe Nielsen, Citibank:

Good afternoon. A quick follow-up on the new project growth agenda. I would like to understand how do you see the competitive scenario? How do you see the Company being able to contribute to this long portfolio that we see from the government? And I would also like to know how you see the operation of foreigners in this structure.

CCR:

Thank you, Filipe. I think the competitive scenario will depend, will change from one mode to the other, and also from one project to the other, depending on the size and the capacity that the participants have according to the price of the project.

What is evident in the last stations in the highways that we know the competition is well known, no major surprises here in Urban Mobility. The competitors that participated in Line 8 and 9 will be the same that will continue to participate in new projects.



And for the airport mode, we have a series of participants here in Brazil that were present in several rounds for airports, and we believe that they will continue to aim at this opportunities in new rounds.

So we do not see many changes in the competitive scenario. At this point, we do not see either new entrants in this market. But it depends, as I said, it might change from one project to the other, depending what project is being bid.

Filipe Nielsen:

Okay. Thank you.

Operator:

If there are no questions, I would like to now close the Q&A session. Now I would like to leave the floor to Mr. Waldo Perez, Deputy CEO, for his final remarks. Please, you may proceed.

Waldo Perez Leskovar:

Thank you. I would like to close thanking you all for your presence in this teleconference and for the interest you show in the Company. I would like to emphasize that our Investor Relations team is always available to serve you.

I hope to see you soon, and thank you very much.

Operator:

The teleconference is over. Thank you very much. Have a great afternoon, and thank you for using Chorus Call.



**Conference Call Transcript
3Q22 Results
CCR S.A. (CCRO3 BZ)
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