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6 July 2026

Update

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RATINGS

Hidrovias do Brasil S.A.

Domicile	Sao Paulo, Brazil
Long Term Rating	Ba3
Type	LT Corporate Family Ratings
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Hidrovias do Brasil S.A.

Update to credit analysis

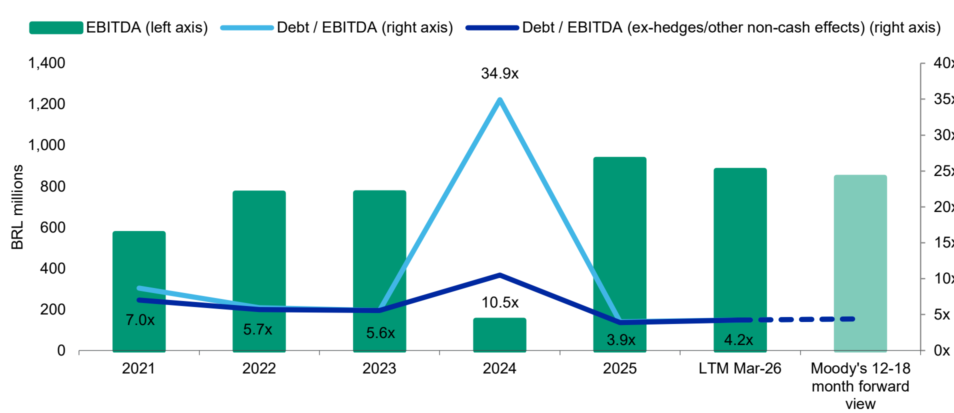
Summary

Hidrovias do Brasil S.A.'s Ba3 rating reflects limited support from Ultrapar Participações S.A. (Ba1 positive) following liability management actions that resulted in 40% of Hidrovias' capital structure being guaranteed by Ultrapar. The rating also reflects Hidrovias' solid business model, with a significant portion of its revenue coming from long-term take-or-pay agreements with strong off-takers. However, the company remains vulnerable to reduced revenue because of low river drafts affecting navigability. The positive outlook for agricultural production and waterborne transportation in Brazil (Ba1 stable) and Paraguay (Baa3 stable), and the strategic location of Hidrovias' operations further support its ratings.

The rating is constrained by the company's high gross leverage, low business diversification and small size compared with those of rated peers. The high degree of product and geographic concentration exposes the company to adverse weather conditions that periodically limit agricultural production and river navigability. As an inland operator, Hidrovias is exposed to climate-related risks, such as low rainfall and river water levels, which hurt volumes and may increase costs. Hidrovias also has a high degree of client concentration, although the clients' good credit quality and history of contract compliance mitigate related risks.

Exhibit 1

Hidrovias' gross leverage has substantially decreased due to higher EBITDA and lower debt levels



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Ratings, Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- Ultrapar's control, providing both explicit and implicit support to Hidrovias
- Positive outlook for agricultural production and waterborne transportation in Brazil and Paraguay
- Strong business model, with long-term contracts and take-or-pay agreements

Credit challenges

- Significant volatility in results due to substantial dependence on river draft conditions
- High degree of client, product and geographic concentration
- Small size compared with that of global peers
- High gross leverage and delay in leverage reduction over the last few years

Rating outlook

The stable rating outlook incorporates our expectation that Ultrapar will continue to strengthen its influence over and support for Hidrovias. We expect Hidrovias' credit metrics to remain adequate, with its operations performing in line with the terms and conditions established by the existing take-or-pay agreements, and the company to prudently manage its dividend distribution and future investments to preserve its solid liquidity.

Factors that could lead to an upgrade

- An upgrade of Hidrovias' rating could occur if the company is able to reduce leverage sustainably, while maintaining its current business model and profitability levels and generating stable cash flow on a sustained basis.
- Quantitatively, a rating upgrade would require the company to sustain adjusted leverage (measured as debt/EBITDA) below 4.0x and retained cash flow (RCF)/net debt above 25%.
- The rating could be upgraded by one or more notches to align more closely with Ultrapar's ratings if formal guarantees were to constitute a larger portion of Hidrovias' capital structure.
- A rating upgrade would also require the company to maintain its strong liquidity.

Factors that could lead to a downgrade

- The rating could be downgraded if Hidrovias' operating performance remains weak, such that its leverage remains high and liquidity deteriorates without prospects for improvement. A deterioration in the company's business profile because of the loss of any existing take-or-pay agreement without a financial compensation or a further debt-financed expansion into the spot market, would also lead to a rating downgrade.
- Quantitatively, a downgrade could occur if leverage remains above 5.0x and RCF/net debt below 15%, both on a sustained basis.
- A rating downgrade could also result from lower guarantees from Ultrapar.
- A deterioration in the company's liquidity, stemming from large shareholder distributions or more aggressive financial policies, would also result in a rating downgrade.

Key indicators

Exhibit 2

Hidrovias do Brasil S.A.

(in $ millions)	2021	2022	2023	2024	2025	LTM Mar-26	Moody's 12-18 month forward view
Revenue	231.9	349.2	385.6	267.0	401.3	405.2	400 - 425
EBIT Margin	18.6%	21.4%	21.9%	-9.5%	25.0%	23.2%	22 - 24%
Debt / EBITDA	8.7x	5.9x	5.6x	34.9x	4.0x	4.2x	4.0 - 4.6x
RCF / Net Debt	1.3%	6.8%	13.6%	0.1%	26.2%	25.2%	18 - 22%
EBIT / Interest Expense	0.6x	0.9x	1.4x	-0.4x	1.5x	1.3x	1.2 - 1.4x

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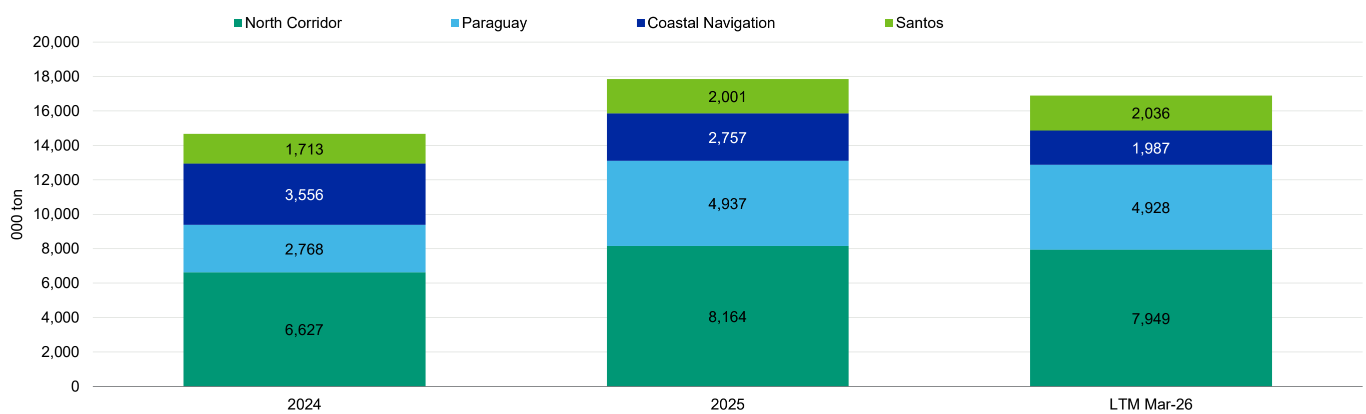
Profile

Headquartered in Sao Paulo, Hidrovias do Brasil S.A. is South America's largest independent provider of integrated logistics focused on waterway transportation. The company's operations include shipping, transshipment, storage and port services for dry bulk cargo, including grains, iron ore, fertilizers and pulp in the Paraná-Paraguay waterway and the Amazon river systems. As of March 2026, the company generated BRL2.2 billion (or around $400 million) in revenue, with a Moody's-adjusted EBITDA margin of 39.8%, mainly from shipping activities and other logistics services.

The main cargoes in the North Corridor are soybean, corn and fertilizers. Hidrovias operates in the Trombetas-Tapajós-Amazonas river system between the Miritituba solid bulk cargo transshipment station and a port terminal of Vila do Conde. The main cargoes in the South Corridor are iron ore, soybean, corn, fertilizers and cellulose. Hidrovias is part of three joint ventures: TGM (grain port operations in Montevideo, Uruguay), Limday (cellulose transportation from Fray Bentos to Nueva Palmira, Uruguay) and Baden (solid bulk port operations in Paraguay). Hidrovias offers inland navigation services, and loading and unloading in ports, terminals, transshipment stations, and waterways in Brazil, Paraguay, Uruguay and Argentina. Its Santos operation consists of a port area intended for the movement and storage of mainly fertilizers and salts in Santos, Sao Paulo.

Exhibit 3

Evolution of the volumes transported by Hidrovias



LTM = Last 12 months.
The Coastal Navigation business was sold in November 2025. Volumes shown for the LTM period relate to operations prior to the divestment.
Source: Company filings

Detailed credit considerations

Hidrovias' rating incorporates Ultrapar's ownership and support

On February 28, 2025, Hidrovias launched a capital increase of up to BRL1.2 billion. The capital increase was fully subscribed and approved by Hidrovias' board of directors on May 8. Following the transaction, Ultrapar announced that its subsidiary, Ultrapar Logística Ltda, had subscribed to more than 682 million shares, thereby acquiring a 60% stake and gaining control of Hidrovias.

Along with the acquisition of control by Ultrapar, Hidrovias proposed an issuance of debentures guaranteed by Ultrapar. The proceeds of this issuance targeted the tender of Hidrovias' 2031 notes. At the conclusion of the tender, Hidrovias had received valid offers totaling $178.6 million, representing 64.2% of the outstanding notes, and issued debentures of BRL1.38 billion. After the transaction, around 40% of Hidrovias' capital structure is guaranteed by Ultrapar.

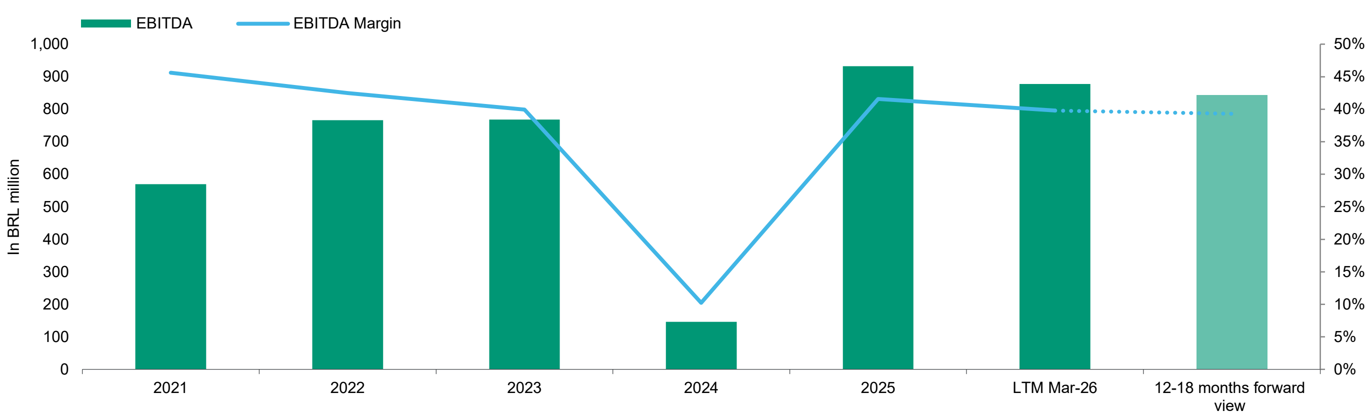
With the proceeds from the capital increase, Hidrovias eliminated a BRL500 million liability relating to Advance for Future Capital Increase provided by Ultrapar Logística, amortized BRL400 million in debentures raised in January 2025 and reinforced its cash balance. Additionally, Hidrovias sold its Coastal Navigation business to Companhia de Navegação Norsul for BRL715 million (comprising BRL195 million in equity value and a BRL521 million debt balance). This business involves the transportation of bauxite from Trombetas to the Alunorte aluminum plant.

Extremely low river draft led to lower volumes, increased costs and reduced EBITDA in 2024, pushing gross leverage up

Hidrovias' Moody's-adjusted gross leverage reached 4.0x in 2025 and 4.2x in the 12 months that ended March 2026, compared with 34.9x in 2024 (or 10.5x excluding non-cash effects of hedges and foreign-exchange variation). The company's EBITDA increased to BRL932 million in 2025, compared with BRL202 million in 2024, and we expect EBITDA of around BRL850 million in the next 12-18 months despite volatile weather conditions related to El Niño. This improvement represents a gradual return to a normalized level of operations following severe navigability restrictions in the rivers covering both the South and North corridors. The sharp reduction in EBITDA in 2024 was caused by a 55% reduction in iron ore volumes in the South Corridor and a 13% drop in grain volumes in the North Corridor.

Exhibit 4

EBITDA will remain robust despite tough weather conditions



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Sources: Moody's Ratings, Moody's Financial Metrics™ and Moody's Ratings forecasts

The river draft in the South Corridor remained below the normal level throughout 2024, causing a 55% decline in iron ore shipments and an 80% drop in the segment's EBITDA in that year. In Q2 2025, iron ore volumes reached 1,020,000 tons from 620,000 tons in Q2 2024, with the EBITDA margin for the South Corridor rising to 49% from 36% over the same period. In Q2 2025, volumes in the North Corridor were up 7% year over year despite lower shipments of fertilizers and flattish volume of grain shipments.

In 2025, river levels improved in both the South and North corridors. In the Paraguay River, following the Ladario rule, levels exceeded 100 centimeters (cm), returning to normal after reaching a historic low of minus 69 cm in October 2024, the lowest in over 115 years.

Similarly, in the North system, governed by the Itaituba rule, river levels normalized in November 2024 following a significant negative anomaly.

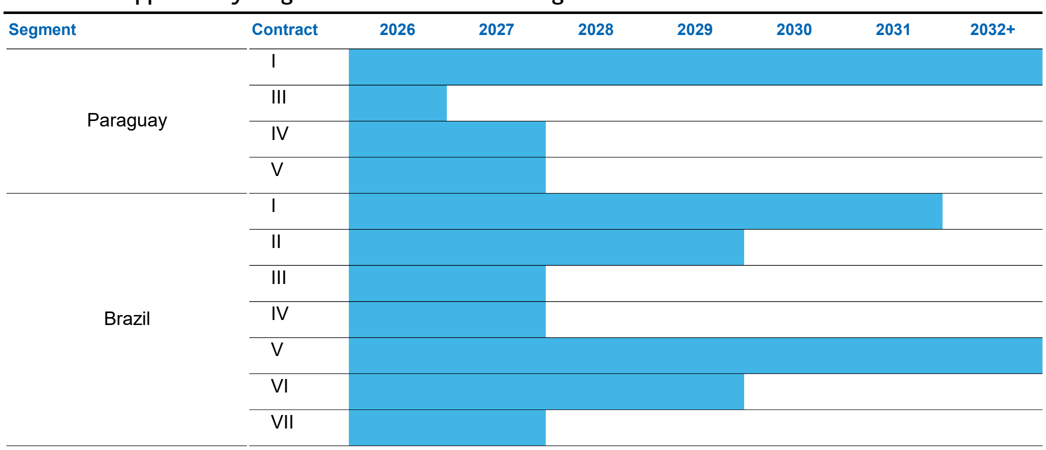
Since 2024, the local government of Paraguay has been implementing measures to remove bottleneck points on the Paraguay River and the northern rivers to improve navigability. The Brazilian government has expressed its intention to focus on developing managed riverway concessions, considering five potential concessions in the Tiete-Paraná (Southeast and Mid-west), Madeira (Amazon), Tapajós (Amazon), São Francisco (Northeast), and Paraguai River (Mid-west) systems. In February 2025, the National Waterway Transportation Agency (ANTAQ) held a public hearing in Mato Grosso do Sul to discuss the documentation and model for the Paraguai Riverway. The proposal outlines that, in the first five years of the concession, services will include dredging, rock removal, marking and signaling, construction of an industrial warehouse, acquisition of a dredger, hydrological monitoring, hydrographic surveys, improvements in crossings and convoy separation points, and the implementation of waterway traffic management systems, such as vessel traffic service and river information service, along with river intelligence services.

Solid business model, supported by long-term take-or-pay agreements and a high-quality asset base

Hidrovias is an integrated build-to-suit logistics provider and has a stronger business model than that of its peers we rate because of the existence of take-or-pay agreements. Such agreements result in predictable cash flow, high capacity utilization rates and high operating margins for the company. These agreements also offer some visibility into Hidrovias' future performance (see Exhibit 5). However, as observed in the past two years, low river drafts can still hurt results by limiting navigability and the ability to transport cargo.

Exhibit 5

Revenue is supported by long-term contracts in both segments



Sources: Hidrovias and Moody's Ratings

In addition, the strong legal structure of the existing contracts, illustrated by their compliance with terms and conditions even under adverse market conditions; the company's adequate pricing structure, comprising competitive flat rates that provide an adequate return on invested capital, and variable rates adjusted for fuel, labor and inflation expenses; and the current strong credit profiles of some of Hidrovias' counterparties — LHG Mining Corumba, which is guaranteed by Vale S.A. (Baa2 stable); COFCO Corporation; and Sodrugestvo — reduce the risks associated with a potential termination or renegotiation of these contracts.

The positive outlook for agricultural production and waterborne transportation in Brazil and Paraguay supports operations in the long term

The demand for waterborne transportation of dry bulk cargo will remain robust in the regions in which Hidrovias operates because of the lower costs of this transportation mode than truck and rail transportation, the lack of infrastructure alternatives and increasing agricultural production. Brazil is the largest exporter of coarse grains in the world, and we expect the country's crop output to continue to grow, mainly in the state of Mato Grosso, driven by technological improvements, higher agricultural yields and increased planted area. Furthermore, Paraguay is the sixth-largest producer and third-largest exporter of soybeans globally, and should also benefit from strong outputs in the long term because of the favorable soil and climate conditions.

In this context, Hidrovias' strategic location, combined with its competitive position as the sole independent water transportation provider on its northern Brazil route and the largest independent provider in the Hidrovias river system by average capacity, positions the company well to capitalize on demand growth. The industry's high entry barriers, including substantial setup costs and a complex regulatory framework, further strengthen its advantage.

High degree of client, product and geographic concentration is mitigated by long-term take-or-pay agreements

About 93% of Hidrovias' volume in the North Corridor comes from the transportation of grains (mainly soy and corn), with particularly high reliance on the Miritituba-Vila do Conde route. This exposes the company to adverse weather conditions such as droughts or floods, which limit agricultural production and river navigability.

Hidrovias is also exposed to risks related to changing regulations, and the inability to renew existing operational and environmental licenses. Take-or-pay agreements that cover potential tariff increases and force majeure events with minimum volumes only mitigate these risks, as Hidrovias remains liable for operational issues.

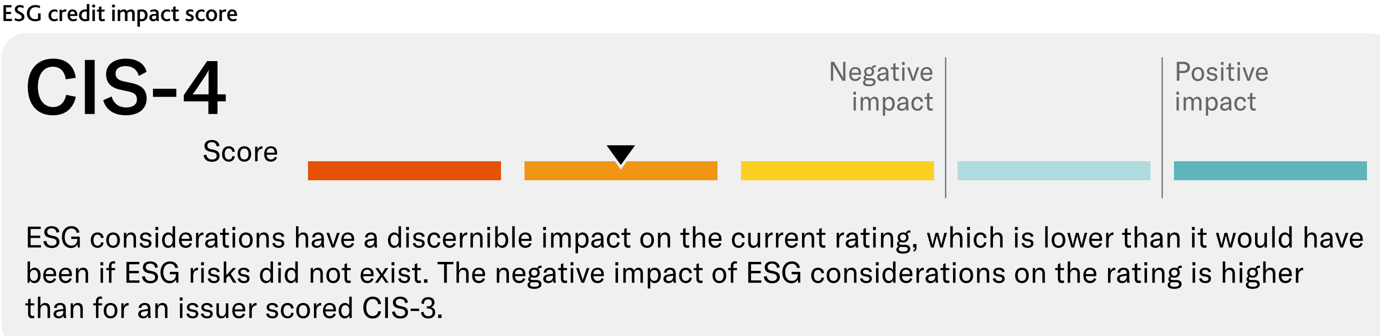
Although Hidrovias has a high degree of client concentration, with its top two consumers accounting for about 46% of its total net revenue, the good credit quality of these companies supports future compliance with the take-or-pay agreements. Still, a sharp deterioration in the credit quality of any of Hidrovias' clients or the loss of any existing contracts could significantly reduce its cash flow and weaken its credit quality. On April 6, 2022, Vale announced the sale of its mines in Corumbá (Mineração Corumbense Reunida S.A. [MCR]) to J&F Mineração Ltda., controlled by J&F Investimentos S.A. Vale International remains the guarantor of Hidrovias' contracts to transport iron ore from Corumbá, and the sale of MCR has not led to any changes to the contract.

Finally, Hidrovias' small scale of operations compared with that of its rated peers in the global shipping industry, in terms of fleet size and revenue, makes it more susceptible to regional macroeconomic conditions and the event risks typical in shipping.

ESG considerations

Hidrovias do Brasil S.A.'s ESG credit impact score is CIS-4

Exhibit 6
ESG credit impact score

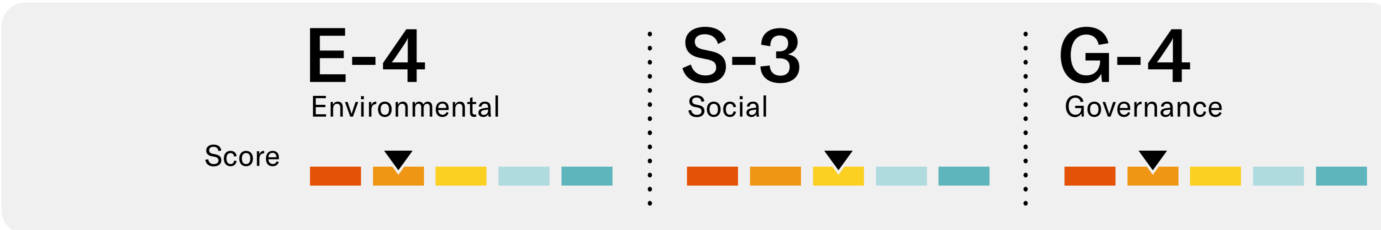


Source: Moody's Ratings

Credit Impact Score for Hidrovias reflects its environmental risk exposure, including the carbon transition risk facing the shipping sector and the company's climate-related risks related to its inland operations. Social risks include health & safety concerns and societal & demographic trends. Governance issues reflect the company's high-risk tolerance in times of growth and persistently high leverage because volatile EBITDA generation caused by lower river drafts.

Exhibit 7

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Hidrovias environmental risks exposure is primarily driven by sector-wide and regulatory efforts to reduce emissions, a process that is at an early stage. Waste & pollution related risks, with exhaust regulations being the biggest drivers of regulatory tightening for the sector, as well as water management such as marine ecology protection add to environmental risks. As an inland operator the company is also exposed to climate-related risks such as low rainfall and river water levels causing reduced volumes or higher cost.

Social

Hidrovias exposure to social risks is primarily driven by health & safety as well as demographic & societal trends. Health & safety reflects risks associated with the handling of heavy equipment, transportation of flammable or toxic materials, but also piracy or criminal activities. Societal & demographic trends include societal pressure to reduce emissions, but the long-time horizon currently limits the risks. The industry transports a wide variety of goods and materials and some companies may have to adapt.

Governance

Hidrovias' governance score reflects the company's high-risk tolerance in times of growth and persistently high leverage over the last few years. Hidrovias is a public company listed in the São Paulo stock exchange and complies with corporate governance requirements applicable to listed companies in Brazil. Since 2024 Ultrapar has overtaken Pátria as Hidrovias largest shareholder. After the capital increase executed in May 2025, Ultrapar became the controlling shareholder of Hidrovias.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

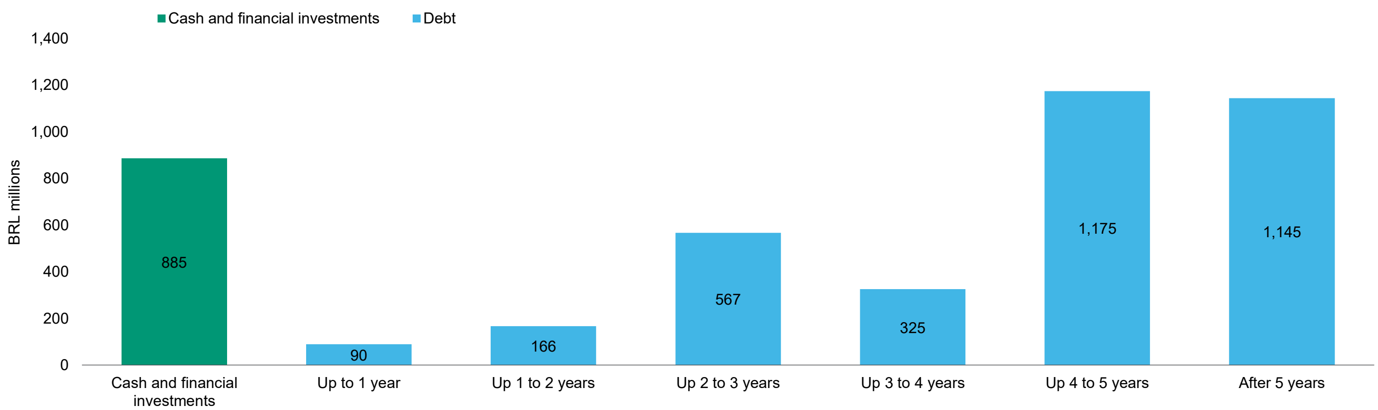
Hidrovias has adequate liquidity. As of March 2026, the company had a cash balance of BRL885 million and BRL291 million in long-term investments, lacking immediate liquidity. The debt maturing at the end of 2027 totals about BRL256 million.

Hidrovias' liquidity risk decreased substantially with the execution of its BRL1.2 billion capital increase. The proceeds were used to eliminate the Advance for Future Capital Increase provided by Ultrapar Logística, to amortize BRL400 million in debentures raised in January 2025 and to reinforce the company's cash balance. Additionally, in November 2025 Hidrovias completed the sale of its Coastal Navigation business for BRL715 million, considering BRL195 million in equity value and BRL521 million in debt, which has been carved out along with the sale of the assets.

Hidrovias' bylaws establish a mandatory dividend payout of 1% of the company's net income, but dividend payments could increase up to the limit allowed by the 2031 notes' indentures (50% of net income). The notes' indentures include incurrence covenants that require consolidated net debt/EBITDA to remain below 3.5x. We view these covenants positively because they cap reported net leverage, thereby limiting risks associated with significant debt-funded expansion plans and large dividend payments due to basket restrictions.

Exhibit 8

Debt amortization schedule as of March 2026



Source: Company filings

Rating methodology and scorecard factors

Hidrovias' scorecard-indicated outcome under our Shipping rating methodology maps to Ba3, in line with the current assigned rating, for both the 12 months that ended March 2026 and the 12-18-month forward view. Hidrovias' rating benefits from Ultrapar's control, including its explicit guarantee and implicit support.

Exhibit 9
Rating factors
Hidrovias do Brasil S.A.

Shipping Scorecard	Current LTM March 31 2026		12-18 Month Forward View LTM March 31 2026	
	Measure	**Score**	**Measure**	**Score**
Factor 1: Scale (10%)				
a) Revenue (USD Billion)	0.4	Caa	0.4 - 0.4	Caa
Factor 2: Business Profile (20%)				
a) Business Profile	Ba	Ba	Ba	Ba
Factor 3: Profitability And Efficiency (10%)				
a) EBIT Margin	23.2%	Baa	22.0% - 24.0%	Baa
Factor 4: Leverage And Coverage (40%)				
a) Debt / EBITDA	4.2x	Ba	4.0x - 4.6x	Ba
b) RCF / Net Debt	25.2%	Baa	18.0% - 22.0%	Ba
c) EBIT / Interest Expense	1.3x	B	1.2x - 1.4x	B
d) Asset Encumbrance	A	A	A	A
Factor 5: Financial Policy (20%)				
a) Financial Policy	B	B	B	B
Rating:				
a) Scorecard-Indicated Outcome		Ba3		Ba3
b) Actual Rating Assigned				Ba3

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 10

Peer comparison

Hidrovias do Brasil S.A.

	Hidrovias do Brasil S.A. Ba3 Stable			Kirby Corporation Baa2 Stable			Global Ship Lease, Inc. Ba2 Stable		
(in $ millions)	FY Dec-24	FY Dec-25	LTM Mar-26	FY Dec-24	FY Dec-25	LTM Mar-26	FY Dec-24	FY Dec-25	LTM Mar-26
Revenue	267	401	405	3,266	3,364	3,422	711	766	774
EBITDA	27	167	161	744	815	823	452	473	475
Total Debt	829	680	712	1,062	1,136	1,186	684	689	653
EBIT Margin	-9.5%	25.0%	23.2%	14.3%	15.2%	15.0%	52.9%	49.7%	49.0%
ROA (NPATBUI / Avg Assets)	-7.2%	0.9%	0.3%	5.6%	5.7%	5.7%	15.4%	14.3%	12.5%
EBIT / Interest Expense	-0.4x	1.5x	1.3x	8.0x	8.9x	8.9x	9.2x	9.8x	9.9x
Debt / EBITDA	34.9x	4.0x	4.2x	1.4x	1.4x	1.4x	1.5x	1.5x	1.4x
RCF / Net Debt	0.1%	26.2%	25.2%	67.6%	71.6%	68.8%	67.7%	91.9%	161.4%
Net Debt / EBITDA	28.2x	2.8x	3.2x	1.3x	1.3x	1.4x	1.2x	0.8x	0.5x

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Source: Moody's Financial Metrics™

Exhibit 11

Moody's-adjusted debt reconciliation

Hidrovias do Brasil S.A.

(in $ millions)	2021	2022	2023	2024	2025	Mar-26
As reported debt	**886.4**	**861.8**	**884.5**	**828.7**	**680.3**	**711.8**
No Adjustments	-	-	-	-	-	-
Moody's-adjusted debt	**886.4**	**861.8**	**884.5**	**828.7**	**680.3**	**711.8**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Source: Moody's Financial Metrics™

Exhibit 12

Moody's-adjusted EBITDA reconciliation

Hidrovias do Brasil S.A.

(in $ millions)	2021	2022	2023	2024	2025	LTM Mar-26
As reported EBITDA	**74.2**	**173.3**	**144.0**	**27.3**	**166.9**	**161.3**
Unusual Items	31.5	(24.5)	9.9	-	-	-
Moody's-adjusted EBITDA	**105.8**	**148.7**	**153.9**	**27.3**	**166.9**	**161.3**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months
Source: Moody's Financial Metrics™

Ratings

Exhibit 13

Category	Moody's Rating
HIDROVIAS DO BRASIL S.A.	
Outlook	Stable
Corporate Family Rating	Ba3
HIDROVIAS INTERNATIONAL FINANCE S.A.R.L	
Outlook	Stable
Bkd Senior Unsecured	Ba3

Source: Moody's Ratings

REPORT NUMBER 1487417

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