

## CREDIT OPINION

30 November 2023

### Update



Send Your Feedback

### RATINGS

#### Hidrovias do Brasil S.A.

Domicile	Sao Paulo, Brazil
Long Term Rating	B1
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.

### Contacts

Erick Rodrigues +55.11.3043.7345  
VP-Senior Analyst  
erick.rodrigues@moody's.com

Marcos Schmidt +55.11.3043.7310  
Associate Managing Director  
marcos.schmidt@moody's.com

### CLIENT SERVICES

Americas 1-212-553-1653  
Asia Pacific 852-3551-3077  
Japan 81-3-5408-4100  
EMEA 44-20-7772-5454

## Hidrovias do Brasil S.A.

### Update to credit analysis

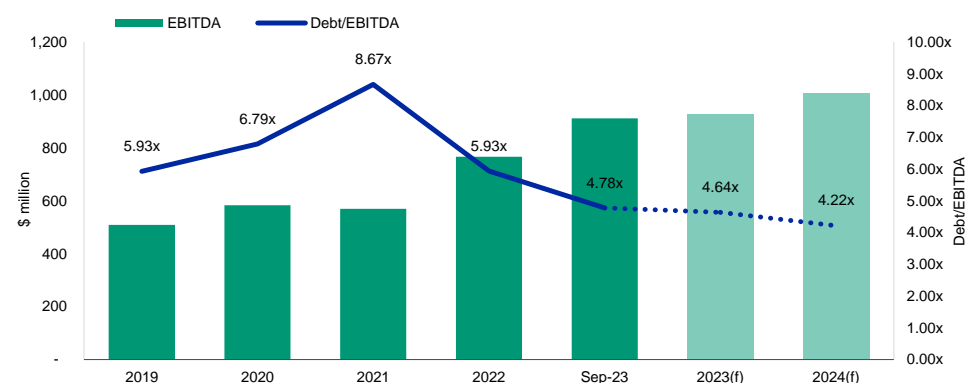
### Summary

[Hidrovias do Brasil S.A.](#)'s (HBSA, B1 stable) ratings primarily reflect the company's solid business model, with about 80% of its revenue coming from long-term take-or-pay agreements with strong off-takers. The agreements contain minimum volume guarantees and cost pass-through clauses, which translate into predictable cash flow, high capacity utilization rates and high operating margins for the company. The positive outlook for agricultural production and waterborne transportation in Brazil and Paraguay, and the strategic location of HBSA's operations also support its ratings.

The ratings are constrained by the company's high gross leverage, delays in leverage reduction over the past few years, short operating track record and small size compared with that of its peers we rate. The high degree of product and geographic concentration also constrains HBSA's ratings because it exposes the company to adverse weather conditions that could limit agricultural production and river navigability. HBSA also has a high degree of client concentration, although the clients' good credit quality and history of contract compliance mitigate related risks. Finally, despite recent efforts to reduce its currency mismatch, most of HBSA's debt is indexed to the US dollar, leaving the company's gross leverage ratios exposed to currency volatility risk.

Exhibit 1

#### HBSA's leverage evolution



Source: Moody's Investors Service

## Credit strengths

- » Strong business model, which translates into predictable cash flow
- » Positive outlook for agricultural production and waterborne transportation in Brazil and Paraguay
- » Good liquidity

## Credit challenges

- » Small size and short operating track record
- » High degree of client, product and geographic concentration
- » Gross leverage ratios exposed to foreign-currency volatility
- » High gross leverage and delay in leverage reduction over the last few years

## Rating outlook

The stable rating outlook incorporates our expectation that HBSA's credit metrics will continue to improve with operations performing in line with the terms and conditions established by the existing take-or-pay agreements, and that the company will prudently manage its dividend distribution and future investments to preserve its good liquidity.

## Factors that could lead to an upgrade

- » An upgrade of HBSA's ratings could occur if the company is able to reduce its 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 maintenance of Moody's-adjusted leverage (measured as debt/EBITDA) sustainably below 4x and interest coverage (measured as adjusted funds from operations [FFO] + interest / interest) above 3.5x.
- » A rating upgrade would also require the company to maintain strong liquidity.

## Factors that could lead to a downgrade

- » The ratings could be downgraded if HBSA's 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 further debt-financed expansions into the spot market would also exert negative pressure on the ratings.
- » Quantitatively, a downgrade could occur if leverage (debt/EBITDA) remains sustainably above 5x and interest coverage ([FFO + Interest Expense]/Interest Expense) below 2x.
- » A deterioration in the company's liquidity, stemming from a large shareholder distribution or more aggressive financial policies, could also result in a rating downgrade.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Key Indicators for Hidrovias do Brasil S.A.[1][2][3]

in USD millions	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Dec-2022 LTM	Sep-2023	Moody's 12-18 Month Forward View
Size of fleet (number of ships)	26	26	26	29	33	33	33
EBIT Margin %	47.9%	33.7%	22.4%	18.6%	21.4%	26.1%	26%- 28%
Debt / EBITDA	3.9x	5.9x	6.8x	8.7x	5.9x	4.8x	4.1x - 4.6x
RCF / Net Debt	15.3%	8.0%	11.4%	1.3%	12.4%	16.1%	12%- 16%
%(FFO + Interest Expense) / Interest Expense	2.1x	2.5x	2.4x	1.2x	2.3x	2.6x	2.3x - 2.7x

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments.

[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.

[3] Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.

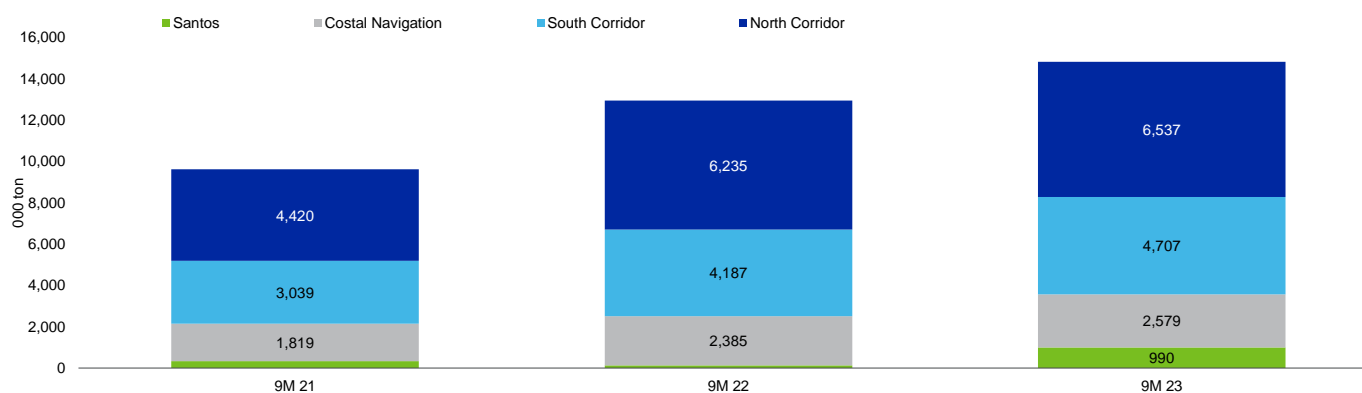
Source: Moody's Investors Service

## Profile

Headquartered in Sao Paulo, Hidrovias do Brasil S.A. (HBSA) 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, bauxite, fertilizers and pulp in the Paraná-Paraguay waterway and the Amazon river systems. In the 12 months that ended September 2023, the company generated BRL2.0 billion (\$398 million) in revenue, with an adjusted EBITDA margin of 45.1%, mainly from shipping activities (80% of total) and other logistics services (20%). HBSA northern corridor, which accounted for around 50% of the company's total EBITDA, focuses on the transport of grains from Mato Grosso (MT) to Brazil's northern ports; the southern corridor (41% of EBITDA) services Brazil, Paraguay, Uruguay and Argentina with the transport of grains, fertilizers, iron ore, and pulp, with port operations in Uruguay and Paraguay. The operation at the port of Santos (5% of EBITDA) focuses on mineral bulk (fertilizers and salt), and the coastal navigation segment (4% of EBITDA) operates in rivers Trombetas, Tapajós and Amazonas moving bauxite.

Exhibit 3

### Evolution of the volume transported by HBSA 000 ton



Source: HBSA and Moody's Investors Service

## Detailed credit considerations

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

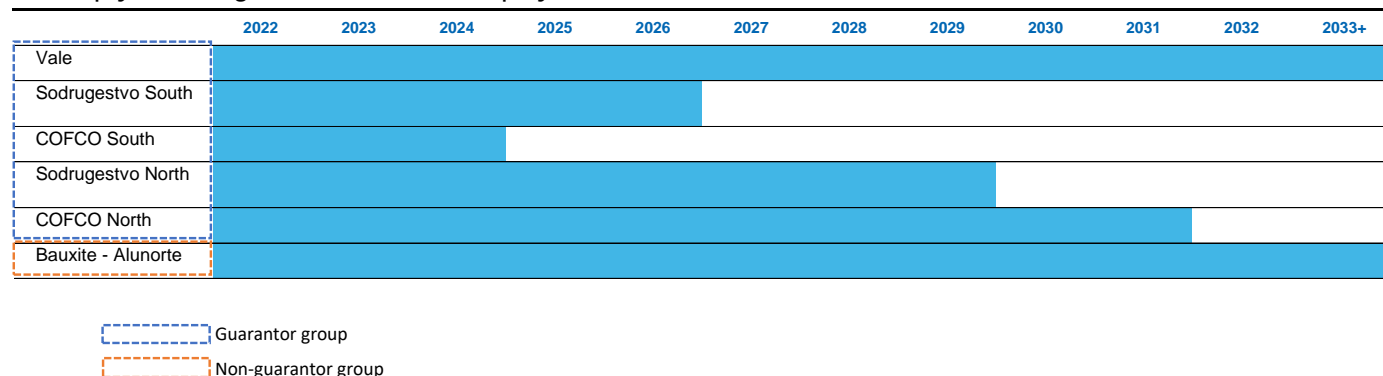
HBSA is an integrated build-to-suit logistics provider and has a stronger business model than that of its peers we rate because of the existence of take-or-pay agreements. The existence of such agreements results in predictable cash flow, high capacity utilization rates and high operating margins for the company. These agreements also provide a high degree of visibility into HBSA's future performance, making the company less susceptible to the intrinsic volatility in the shipping industry related to supply-demand imbalances and the consequent volatile freight rates.

In addition, the strong legal structure of the existing contracts, illustrated in the compliance of 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 HBSA's counterparties — [Vale S.A.](#) (Baa3 stable), COFCO Corporation, Sodrugestvo and [Norsk Hydro ASA](#) (Baa3 stable) — reduce the risks associated with the potential termination or renegotiation of these contracts.

The existing agreements have an average term of eight years, and include minimum volume guarantees and pass-through clauses for fuel, labor and inflation expenses, which translate into stable revenue, EBITDA and cash flow streams. Five out of the six existing contracts — all except HBSA's take-or-pay agreements with COFCO — will remain valid during most of the tenor of the rated notes, maturing after 2029. The contract with Sodrugestvo was extended to 2026.

Exhibit 4

#### Take-or-pay contracts guarantee 80% of the company's revenue and mature after the rated notes



Sources: HBSA and Moody's Investors Service

The company's operations also benefit from an efficient, customized and modernized asset base, which would be difficult to replicate and require hefty capital spending, imposing high barriers for new entrants. HBSA provides personalized services to its clients, adapting its fleet according to their needs, which results in a greater ability to retain customers, higher capacity utilization rates and better margins.

### Leverage should continue to reduce with higher EBITDA generation

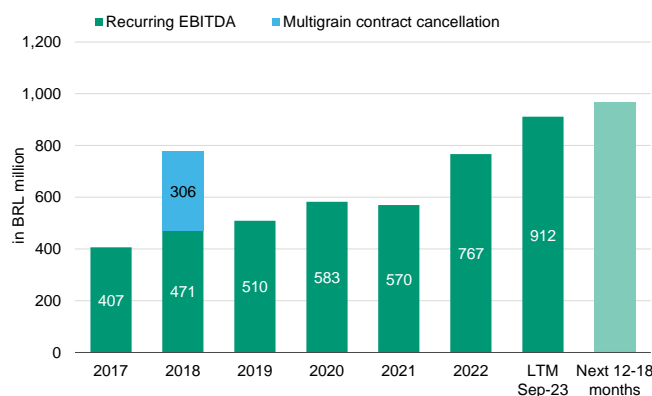
HBSA's credit metrics have improved between 2021 and 2023, leverage reduced to 4.8x from 8.7x. Leverage deteriorated with a series of headwinds including the renegotiation of short-term take-or-pay volumes with COFCO in 2019-20; cancelation of a contract with Mitsui in 2018; and a severe drought in 2021, which impaired river navigability in the company's southern operations and reduced spot volumes because of lower crop output in the northern operations (as detailed in Credit Opinion: [Hidrovias do Brasil S.A., Update to Credit Analysis](#), published October 17, 2022). HBSA revenues will continue to benefit with the ramp-up of recent projects at the port of Santos and coastal navigation, existing take-or-pay contracts, EBITDA from Imperial Logistics International B.V. & Co. KG's (Imperial) assets and additional spot volumes from the solid medium-term prospects of the northern operations. We estimate that HBSA's gross leverage will decline further to 4.6x as of year-end 2023 and to 4.1x in 2024 as the company reduces its investments and focuses on improving its operations. We expect HBSA capital spending in 2023 of around BRL350 million, comparable to BRL353 million in 2022,

and down from BRL1.1 billion in 2021. The lower capital spending helps HBSA generate positive free cash flow (FCF) and restore its cash position.

About 50% of HBSA EBITDA is dollar-denominated. To mitigate currency mismatch relating to its debt profile, the company contracted two full-cross-currency swaps that totaled \$50 million in June 2022 and issued BRL500 million debenture in July 2022. As a result, the company's exposure to foreign-currency debt declined to around 76% as of September 2023. Further liability management should help the company to continue reducing its foreign-currency exposure. Before July 2022 90% of HBSA's debt was denominated in US dollars.

Exhibit 5

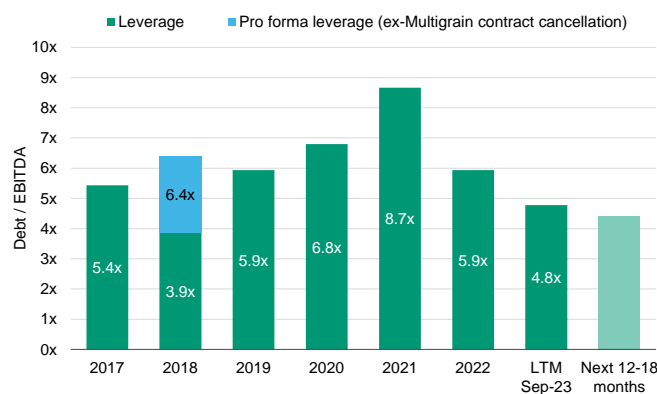
#### EBITDA generation will continue to improve in 2023 and 2024 ... Moody's-adjusted EBITDA



Sources: HBSA and Moody's Investors Service estimates

Exhibit 6

#### ... and will contribute to leverage reduction



Sources: HBSA and Moody's Investors Service estimates

### Profitability favored by operational efficiency and growth

HBSA's scale increased significantly over the last few years, with EBITDA in the 12 months that ended Q3 2023 124% higher than that in 2017; we expect this positive trend to continue with additional spot volumes and new contracts. HBSA's profitability will remain strong, with an EBITDA margin of more than 40% over time, reflecting a high degree of operational efficiency and the ramp-up of volumes. The minimum volumes will ensure a capacity utilization rate of more than 75% in the long term, and HBSA's tailor-made fleet will support increased navigability and faster unloading processes, all of which support higher fixed-cost dilution. While the existing pass-through clauses for fuel expenses could lead to margin compression when oil prices are high (even as absolute EBITDA remains unchanged), a potential upside to revenue and margins arises from the company's current strategy to expand its fertilizer backhaul operations, additional volumes from spot contracts on existing routes and potential maneuver revenue.

The company's credit metrics, which are adequate and have been improving since 2022, will provide a significant buffer to withstand the upcoming contract termination. HBSA's take-or-pay agreement with the COFCO will mature in 2024 and the one with Sodrugestvo in the south has been extended until 2026, leading to an estimated annual EBITDA loss of BRL50 million if the company is unable to renew the contracts or replace the volumes.

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

The demand for the waterborne transportation of dry bulk cargo will remain robust in the medium to long term in the regions in which HBSA operates because of lower costs 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 because of technological improvements, increased agricultural yields and increased planted area. The United States Department of Agriculture expects soybean exports from Brazil to reach 130 million tons by 2032-33, up 40% from the 2022-23 harvest, and corn exports to reach 69 million tons by 2032, up 41% from the current levels. Paraguay is the sixth-largest producer and third-largest exporter of soybeans globally, and should also benefit from strong outputs in the long term, given the favorable soil and climate conditions.

In this context, the strategic location of HBSA's operations; its competitive position as the only independent water transportation provider in its route in the north of Brazil and the largest independent provider in the Hidrovias river system by average capacity; and the industry's high entry barriers related to high setup costs and the complex regulatory framework will allow the company to benefit from future demand growth.

#### **Despite solid business growth, HBSA's short operating track record still constrains the ratings**

HBSA was created in 2010 and has been ramping up its operations since. The company invested \$1.2 billion in its asset base and now operates four strategically located port terminals, with a combined loading capacity of 20.5 million tons, and has waterway transportation capacity of around 17 million tons within the southern and the northern corridors.

Although HBSA's management comprises professionals with many years of experience in the logistics industry, risks arise from its short operating track record because the company incurs all operational risks under the existing take-or-pay agreements. The company's inability to comply with the agreements' terms and conditions because of operational issues or the loss of operational licenses could result in significant deterioration in its operational and financial profiles.

Furthermore, there is lack of information about management's track record of adherence to its commitments in terms of capital structure or the maintenance of a targeted credit profile, its appetite for M&A activity, and its ability to balance shareholders' and debtholders' interests. Still, recent actions such as capital spending reduction and restrictive clauses under the notes' indentures offset the risks related to aggressive financial policies.

#### **A high degree of client, product and geographic concentration is mitigated by long-term take-or-pay agreements**

About 76% of HBSA's volume in the northern corridor comes from the transportation of grains (mainly soy and corn), with particularly high reliance on the Miritituba-Vila do Conde route, which exposes the company to adverse weather conditions such as a drought or floods, which limit agricultural production and river navigability.

HBSA is also exposed to risks related to changing regulations and the inability to renew existing operational and environmental licenses. The existence of take-or-pay agreements covering potential tariff increases and force majeure events with minimum volumes only mitigates these risks because HBSA remains liable for operational issues.

Although HBSA has a high degree of client concentration, with its top three consumers accounting for about 70% of its total net revenue, the good credit quality of these companies supports the future compliance of the take-or-pay agreements. Still, a sharp deterioration in the credit quality of any of HBSA's clients or the loss of any existing contracts could significantly reduce its cash flow and weaken its credit profile. On 6 April 2022, Vale announced the sale of its mines in Corumbá (MCR - Mineração Corumbense Reunida S.A) to J&F Mineração Ltda., controlled by J&F Investimentos S.A. Vale International remains the guarantor of HBSA's contracts to transport iron ore from Corumbá and the sale of MCR has not caused changes to the contract.

Finally, HBSA's small scale of operations compared with that of its peers in the global shipping industry that we rate, 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 Highly Negative CIS-4

Exhibit 7

#### ESG Credit Impact Score

# CIS-4

## Highly Negative

For an issuer scored CIS-4 (Highly Negative), its ESG attributes are overall considered as having a discernible negative impact on the current rating. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-3.



Source: Moody's Investors Service

Credit Impact Score for HBSA's 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 reflects the company's high risk tolerance in times of growth, as evidenced by the recent track record of debt-funded expansion and appetite for M&A.

Exhibit 8

#### ESG Issuer Profile Scores

ENVIRONMENTAL

# E-4

## Highly Negative



SOCIAL

# S-3

## Moderately Negative



GOVERNANCE

# G-4

## Highly Negative



Source: Moody's Investors Service

### Environmental

HBSA 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

HBSA 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

HBSA's governance score reflects the company's high risk tolerance in times of growth, as evidenced by the recent track record of debt-funded expansion and appetite for M&A, which resulted in a high leverage over the last few years. HBSA is a public company listed in the São Paulo stock exchange and complies with corporate governance requirements applicable to listed companies in Brazil. Patria is HBSA's main shareholder with a 32% stake in the company, while Temasek Holdings (Private) Limited (Aaa stable) has the second

largest stake, with 8% of HBSA's shares. The remaining shares are freely traded in the market. HBSA's board of directors is composed of nine members, of which five are appointed by Patria and four are independent.

On 24 September 2020, HBSA completed its IPO through a secondary equity offer of 399 million shares that raised BRL3 billion in proceeds based on the share price of BRL7.56. The transaction diluted the controlling shareholdings of the company. Patria's partial divestiture in HBSA is part of a 10-year private equity investment cycle, but it remains the biggest shareholder of the company. Despite the more pulverized capital structure, the share of institutional investors in the company's ownership structure is still significant, which is credit positive. Additionally, the company's corporate governance practices improved with the transaction, with a higher number of independent board members and an enhanced disclosure of financials.

The strong credit profile of HBSA's main shareholders reduces the risks associated with large dividend payments or aggressive financial policies that could hurt HBSA's creditworthiness. Accordingly, the assigned ratings incorporate some level of financial discipline coming from HBSA's shareholders, and any change that harms such financial discipline would be credit negative.

In terms of corporate governance, HBSA has already been complying with the Brazilian regulations applicable to public companies even before the IPO, such as the requirements for general shareholders' meetings, the release of audited quarterly financial statements, and the publication of material facts and announcements for the market, which are formulated by CVM (the Securities and Exchange Commission of Brazil). We expect a few gradual improvements in the company's disclosures after the IPO, with the public availability of formal policies and enhanced disclosure of financial information.

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

HBSA has good liquidity based on its sizable cash position of BRL797 million as of the end of September 2023 (above the minimum level of BRL300 million) and only around BRL80 million in principal debt maturities a year until 2024. The company's liquidity provides it with financial flexibility and helps mitigate its small size and concentrated operations. We expect HBSA to continue engaging in liability management anticipating its 2025 bond maturity. The outstanding amount of the 2025 bond is \$150 million (BRL745.6 million).

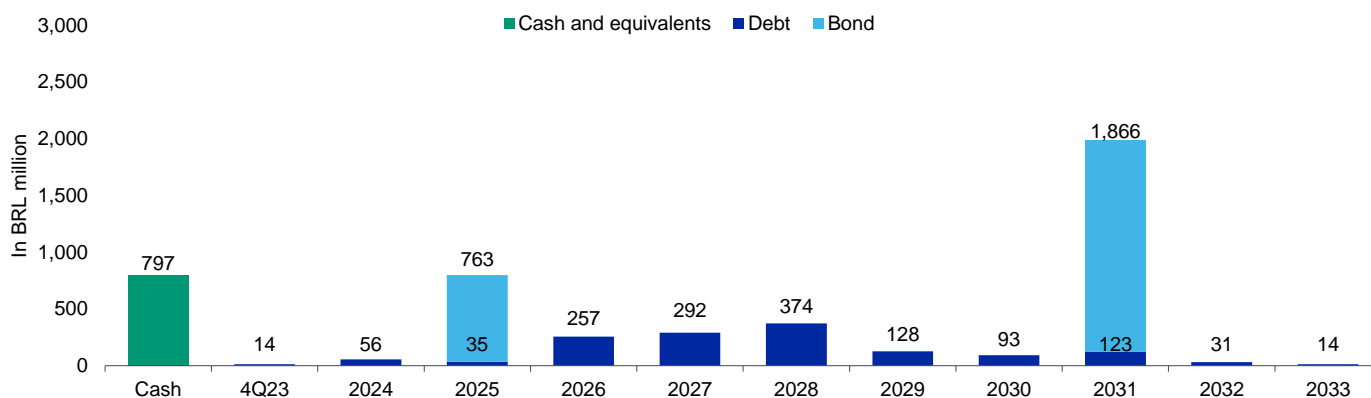
In February 2021, HBSA issued \$500 million in new notes due 2031 and used the proceeds to fund a tender offer for part of the notes due 2025 and for investments in 2021-22. The guarantor group of the notes, which does not incorporate the company's bauxite operations, generates around 80% of HBSA's total EBITDA and holds nearly 85% of the company's total debt. The tender offer included a consent solicitation, which amended the terms of the notes due 2025 to eliminate most of the restrictive covenants and other events of default and related provisions. In October 2021, HBSA announced a new issuance of BRL380 million in incentivized infrastructure debentures to fund investments at the STS20 terminal at the Santos port. The new issuance increased HBSA's leverage but reduced liquidity risks related to the company's expansion capital spending. Finally, in July 2022, HBSA issued BRL500 million in new local debentures for liability management purposes, with BRL395 million maturing in 2027 and BRL105 million maturing in 2029, and was able to reduce its exposure to foreign-currency debt by repurchasing part of its outstanding notes due 2025 and 2031.

HBSA's 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 notes' indentures (50% of net income). The notes' indentures contain incurrence covenants setting consolidated net debt/EBITDA below 4.5x until 2022 (excluding the impact of hedge accounting), before it gradually declines to 3.5x from 2024. We positively view the existing incurrence covenants, which set maximum reported net leverage, because it limits the risks related to sizable debt-funded expansion plans and large dividend payments because of basket restrictions.

Exhibit 9

### Liquidity remains comfortable

As of September 2023



Sources: HBSA and Moody's Investors Service

## Methodology and scorecard

HBSA's scorecard-indicated outcome under our [Shipping](#) rating methodology maps to Ba3, one notch above the assigned B1 rating for the 12 months that ended 30 September 2023. Our 12-18-month forward view maps to a Ba3 rating. Although we incorporate a lower gross leverage in our projections, as compared to 30 September 2020 financial statements, there are other ratings constraints for HBSA: short operating track record; small size compared with rated peers we rate; high degree of product and geographic concentration, which exposes the company to adverse weather conditions that could limit agricultural production and river navigability; high degree of client concentration.

Exhibit 10

### Rating factors

Hidroviás do Brasil S.A.

Shipping Industry Scorecard [1][2]		Current LTM 9/30/2023	Moody's 12-18 Month Forward View As of November 2023 [3]
Factor 1: Scale (10%)	Measure	Score	Measure Score
a) Size of fleet (number of ships)	33	Caa	33 Caa
Factor 2: Business Profile (20%)			
a) Business Profile	Ba	Ba	Ba Ba
Factor 3: Profitability and Efficiency (5%)			
a) EBIT Margin	26.1%	A	26.0% - 28.0% A
Factor 4: Leverage and Coverage (45%)			
a) Debt / EBITDA	4.8x	B	4.1x - 4.6x Ba
b) RCF / Net Debt	13.2%	B	12.0% - 15.5% B
c) (FFO + Interest Expense) / Interest Expense	2.6x	B	2.3x - 3.0x B
d) Unencumbered Assets	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		B1	

[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.

[2] As of 9/30/2023(L).

[3] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics™

## Ratings

Exhibit 11

Category	Moody's Rating
<b>HIDROVIAS DO BRASIL S.A.</b>	
Outlook	Stable
Corporate Family Rating	B1
<b>HIDROVIAS INTERNATIONAL FINANCE S.A.R.L</b>	
Outlook	Stable
Bkd Senior Unsecured	B1

Source: Moody's Investors Service

## Appendix

Exhibit 12

### Peer comparison

(in US millions)	Hidrovias do Brasil S.A.			Navios South American Logi			Kirby Corporation		
	B1 Stable			B2 Stable			Baa3 Stable		
	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE Dec-21	FYE Dec-22	LTM Jun-23	FYE Dec-21	FYE Dec-22	LTM Sep-23
Revenue	\$232	\$349	\$399	\$223	\$254	\$273	\$2,247	\$2,785	\$3,023
EBITDA	\$106	\$149	\$180	\$79	\$95	\$99	\$339	\$440	\$557
Total Debt	\$886	\$862	\$870	\$566	\$569	\$556	\$1,422	\$1,276	\$1,260
Size of fleet (# ships)	29	33	33	367	367	308	289	309	311
EBIT Margin	18.6%	21.4%	26.1%	19.3%	23.1%	21.9%	4.1%	7.3%	10.4%
ROA(NPATBUI)/Avg Assets	-3.7%	-0.7%	1.2%	-2.7%	-0.2%	-0.2%	1.2%	2.0%	3.5%
FFO + Int Exp / Int Exp	1.2x	2.3x	2.6x	1.3x	1.6x	1.6x	6.8x	8.4x	9.6x
Debt / EBITDA	8.7x	5.9x	4.8x	7.2x	6.0x	5.6x	4.2x	2.9x	2.3x
RCF / Net Debt	1.3%	12.4%	16.1%	-0.6%	5.7%	4.5%	22.0%	33.7%	41.5%

All figures and ratios are calculated using our estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 13

### Moody's-adjusted debt breakdown

#### Hidrovias do Brasil S.A.

(in US Millions)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Ending Sep-23
As Reported Debt	758.9	751.6	762.7	886.4	861.8	870.4
Operating Leases	19.0	0.0	0.0	0.0	0.0	0.0
Moody's-Adjusted Debt	777.8	751.6	762.7	886.4	861.8	870.4

All figures are calculated using our estimates and standard adjustments.

Source: Moody's Financial Metrics™

Exhibit 14

### Moody's-adjusted EBITDA breakdown

#### Hidrovias do Brasil S.A.

(in US Millions)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Ending Sep-23
As Reported EBITDA	166.4	121.2	76.9	74.2	159.9	172.6
Operating Leases	6.8	0.0	0.0	0.0	0.0	0.0
Unusual	41.0	8.2	37.4	31.5	-11.2	7.3
Moody's-Adjusted EBITDA	214.1	129.4	114.3	105.8	148.7	180.0

All figures are calculated using our estimates and standard adjustments.

Source: Moody's Financial Metrics™

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER

1383039

## Contacts

Clara Tobar  
Associate Analyst  
clara.tobar@moodys.com

+55.11.3956.8777

Marcos Schmidt  
Associate Managing  
Director  
marcos.schmidt@moodys.com

+55.11.3043.7310

Erick Rodrigues  
VP-Senior Analyst  
erick.rodrigues@moodys.com

+55.11.3043.7345

## CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454