

Research Update:

Ambipar 'BB-' Ratings Placed On CreditWatch Negative On Rising Governance Risks

September 18, 2025

Rating Action Overview

- Rising uncertainty around governance practices and weaker market confidence may increase refinancing and execution risks for Ambipar Participações e Empreendimentos S.A. (Ambipar), which could weigh on the company's credit quality and hinder deleveraging if left unaddressed.
- The Brazilian environmental services company continues to post increasing cash flow and maintains a comfortable liquidity position, supporting its near-term financial resilience.
- As a result, on Sept. 18, 2025, S&P Global Ratings placed its 'BB-' issuer credit rating on Ambipar on CreditWatch with negative implications. At the same time, we placed the issue-level ratings on Ambipar Lux S.a.r.l.'s notes due in 2031 and 2033 on CreditWatch negative.
- The negative CreditWatch placement reflects the possibility of a downgrade in the next 90 days if further regulatory claims or continued management turnover materially erode Ambipar's financial flexibility. This could increase refinancing risks or compromise the predictability of the business profile, weakening the company's liquidity position.

Rating Action Rationale

The CreditWatch placement with negative implications reflects heightened governance risks.

The CreditWatch listing reflects the uncertainties and negative developments around recent investigations and the potential effects on Ambipar's capital structure and liquidity, reducing its financial flexibility. These include investigations by Brazil's security exchange commission (CVM) of Ambipar's purchase of its own shares within its share buyback program, potentially above the authorized limit of 10% of outstanding shares, and the potential need to carry out a public tender offer in the former investigation conducted by CVM of the controller's share increase.

We also think there are risks regarding the near-term liquidity of the company's securities, given that a portion of its cash position is invested in instruments that lack immediate liquidity. These issues, along with management and board member turnover, potentially indicate a lack of

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oversight of the company's capital and governance practices. As a result, and considering the ongoing investigations, we revised our management and governance score to moderately negative from neutral.

These negative developments might increase refinancing risks, weighing on Ambipar's creditworthiness, and increase execution risks for the company's growth strategy. If these weaknesses persist or intensify, Ambipar's ability to maintain credit metrics commensurate with the current rating will be compromised, in our view.

We don't see any immediate deterioration in operating cash flow or liquidity. The company has smooth debt maturities, with short-term debt of R\$616 million representing only about 5% of its consolidated gross debt, coupled with a sizable cash position of R\$4.7 billion. The company is focused on optimizing its capital structure, as evidenced by the recent lengthening of its debt maturity profile. For instance, with the issuance of the 10.875% US\$493 million notes due February 2033, the company conducted a partial tender offer of US\$200 million of its existing 9.875% seven-year US\$750 million notes due February 2031, extending medium-term debt maturities. In addition, in the local market, the company amortized over R\$2 billion in debentures since 2023.

From an operational standpoint, Ambipar's core operations in environmental services and emergency response continue to show resilient demand and adequate cash generation. After a period of intense acquisitions until 2022, Ambipar has been focusing on its existing assets by enhancing its operating efficiency through the unification of service centers, revising existing contracts, reducing costs, optimizing tax payments, and streamlining its corporate structure.

CreditWatch

The CreditWatch negative placement reflects the possibility of a downgrade in the next 90 days if additional regulatory claims or ongoing management turnover significantly undermine Ambipar's financial flexibility. This could increase refinancing risks and compromise the predictability of its business profile, ultimately jeopardizing the company's liquidity position. In addition, we could also lower the rating if we envision cash burn while refinancing pressures escalate.

We could affirm the ratings with a stable outlook on clear evidence of strengthened governance standards, enhanced disclosure, and consistent adherence to practices that support predictable and transparent credit quality, while the company maintains its consistent operational performance and solid liquidity position.

Company Description

Ambipar was founded in 1995 and is a leading Brazilian environmental services company with an increasing presence in international markets. Ambipar operates in Brazil (about 60% of consolidated EBITDA in 2025) and the rest of Latin America, the U.S., Canada, and the U.K. The company operates two businesses: Ambipar Emergency Response and Environmental ESG Participacoes S.A. Along with its subsidiary Ambipar Response, Ambipar is listed on the Brazilian Stock Exchange (B3) and the New York Stock Exchange. The company is 73% controlled by Mr. Tercio Borlenghi Jr., Ambipar's founder and sole controlling shareholder.

Environmental, Social, And Governance

We now assess governance as a negative consideration in our credit analysis of Ambipar. Recent developments point to a weak communication strategy with stakeholders and poor oversight, as evidenced by management and board member turnover, delays in regulatory filings, and increased scrutiny from market participants and authorities. These weaknesses heighten reputational and refinancing risks and could undermine the company's ability to sustain investor confidence during periods of market stress. While Ambipar's environmental and social aspects remain aligned with peers in the environmental services sector, its governance practices remain an area where progress is needed to support long-term credit quality.

Rating Component Scores

Rating Component Scores

Component	
Foreign currency issuer credit rating	BB-/Watch Neg/--
Local currency issuer credit rating	BB-/Watch Neg/--
Business risk	Fair
Country risk	Intermediate risk
Industry risk	Intermediate risk
Competitive position	Fair
Financial risk	Aggressive
Cash flow/leverage	Aggressive
Anchor	bb-
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Moderately negative
Comparable rating analysis	Neutral
Stand-alone credit profile	bb-

Environmental, social, and governance (ESG) credit factors for this change in credit rating/outlook and/or CreditWatch status:

- Other governance factors

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021

Ambipar 'BB-' Ratings Placed On CreditWatch Negative On Rising Governance Risks

- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers](#), Dec. 7, 2016
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Ratings List

Ratings List

Ratings Affirmed; CreditWatch Action

	To	From
Ambipar Participacoes e Empreendimentos S.A.		
Issuer Credit Rating	BB-/Watch Neg/--	BB-/Positive/--
Foreign Currency	BB-/Watch Neg/--	BB-/Positive/--

Ratings Affirmed; CreditWatch Action

Recovery Ratings Unchanged

Ambipar Lux S.a.r.l.

Senior Unsecured		
Senior Unsecured	BB-/Watch Neg	BB-
Recovery Rating	3(60%)	

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