

Tear Sheet:

Movida Participacoes S.A.

December 4, 2025

This report does not constitute a rating action.

We anticipate Movida Movida Participacoes S.A.'s (Movida) revenue to continue growing for the next few years, accompanied by improving operational profitability. We expect revenue to rise to about R\$16.0 billion in 2026 from approximately R\$14.7 billion in 2025. The company's EBIT margin has been increasing over the past few quarters, reaching 23.9% in the 12 months ended September 2025, versus 21.7% in 2024. This was due to operational efficiency measures, including price adjustments exceeding inflation, improved customer service, and higher fleet utilization resulting from fleet optimization efforts. Although we expect more modest tariff increases in 2026, continued efficiency improvements should enable EBIT margin rise above 25%.

Free operating cash flow remains negative. Despite a stable fleet size of approximately 260,000 vehicles and sustained used-car sales, thanks to a well-managed vehicle mix and a balanced retail and wholesale channel strategy, we now expect net capital expenditure of around R\$2.5 billion in 2025. This amount is a substantial increase from our previous projection of R\$1.2 billion, driven in part by higher vehicle prices affecting the cost of fleet renewal. This will keep free operating cash flow (FOCF) negative for the next couple of years. We expect funds from operations (FFO) to debt to remain slightly above 17% in 2025 and 2026, reaching 20% by 2027.

Brazil's persistently high interest rates will continue to pressure Movida's main credit metrics. As of September 2025, the company's gross debt totaled approximately R\$18 billion. In the fourth quarter of 2025, Movida issued around R\$1.8 billion in debentures. Even with ongoing efforts to reduce the spread of its debt, which currently averages 1.9% over the CDI, we still expect interest expense to remain high, roughly R\$3 billion in 2026. Therefore, we expect EBIT interest coverage will remain constrained at 1.4x-1.5x for the next two years.

Primary Contact

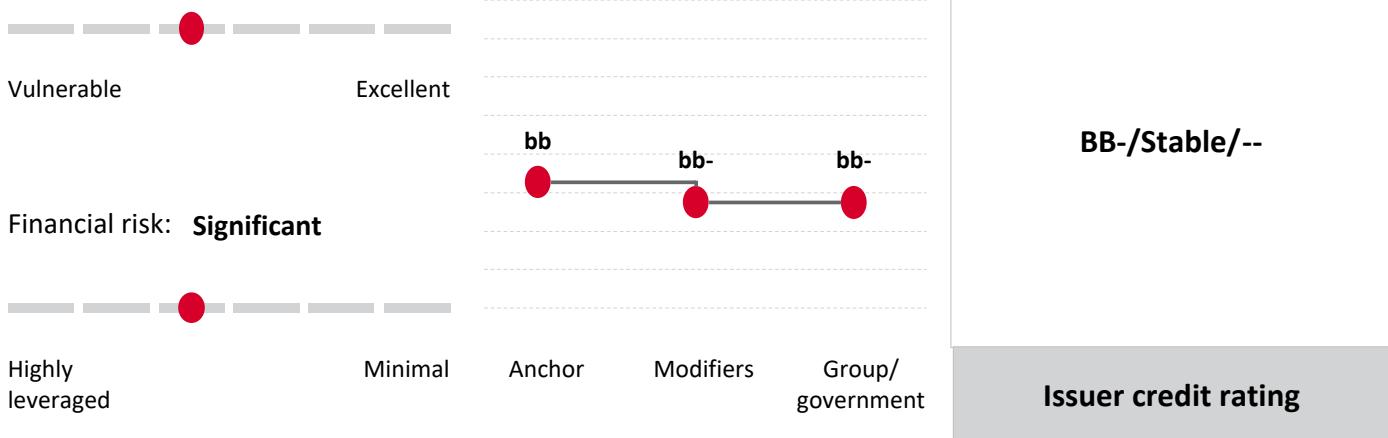
Henrique Koch
Sao Paulo
55-11-3039-9723
h.koch
@spglobal.com

Additional Contact

Luisa Vilhena
Sao Paulo
55-11-3039-9727
luisa.vilhena
@spglobal.com

Ratings Score Snapshot

Business risk: **Fair**



Company Description

Movida is the second-largest car rental company in Brazil, providing car rental and fleet management services. As of Sept. 30, 2025, the company operated a fleet of approximately 259,000 vehicles, 44% of which were for the rental car segment and the remainder for fleet management services. We forecast Movida will generate net revenue of approximately R\$14.7 billion and EBITDA of R\$5.7 billion in 2025. Movida is controlled Brazilian transportation group Simpar S.A. (BB-/Stable--), which holds a 67.7% stake. The remaining shares are free-floating.

Outlook

The stable outlook reflects our expectation that Movida will maintain its focus on operational efficiency to compensate for its consistently high interest burden, given our expectation of no debt reduction in the short term. The elevated interest burden will continue to weigh on the company's credit metrics for the next two years. We expect EBIT interest coverage of 1.4x-1.5x and FFO to debt of 17%-20% in 2026 and 2027.

Downside scenario

We could lower the ratings if the company fails to deliver the expected operating cash flow in the next 12-18 months to partly offset the high interest burden. In this scenario, its credit metrics will depart from our base-case forecast, with EBIT interest coverage below 1.3x and FFO to debt below 20% on a sustained basis.

Upside scenario

Although unlikely in the next 12-18 months, we could upgrade Movida in the long term if it continues to increase the fleet management segment's share of cash flow, without incurring substantial additional debt. In this scenario, we would see FFO to debt comfortably above 20% and EBIT interest coverage of about 2.0x on a consistent basis. Still, an upgrade would also

Movida Participacoes S.A.

depend on an upgrade of Movida's parent company, Simpar, which we believe is unlikely in the short to medium term with high interest rates pressuring the latter's credit metrics.

Key Metrics

Movida Participacoes S.A.--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. BRL)	2021a	2022a	2023a	2024a	2025e	2026f	2027f	2028f
Revenue	5,333	9,600	10,342	13,481	14,721	15,915	16,671	17,199
EBITDA	2,113	3,617	3,638	4,701	5,670	6,088	6,491	6,857
Less: Cash interest paid	(488)	(1,416)	(1,712)	(2,058)	(2,626)	(2,851)	(2,554)	(2,225)
Less: Cash taxes paid	(81)	(89)	(160)	(2)	(167)	(208)	(291)	(578)
Plus/(less): Other	--	486	235	312	368	346	331	355
Funds from operations (FFO)	1,545	2,598	2,002	2,952	3,245	3,374	3,977	4,409
EBIT	1,960	2,981	1,974	2,932	3,671	4,053	4,305	4,700
Interest expense	750	1,686	1,338	2,060	2,563	2,932	2,826	2,463
Cash flow from operations (CFO)	1,554	2,105	4,088	2,990	2,077	2,167	2,921	3,361
Capital expenditure (capex)	4,259	5,464	4,544	4,984	2,347	3,088	3,003	3,277
Free operating cash flow (FOCF)	(2,705)	(3,359)	(455)	(1,994)	(270)	(921)	(82)	84
Dividends	107	448	138	--	58	81	101	141
Share repurchases (reported)	4	2	36	0	--	--	--	--
Discretionary cash flow (DCF)	(2,816)	(3,808)	(630)	(1,994)	(328)	(1,002)	(183)	(57)
Debt (reported)	14,313	17,231	14,756	19,842	20,827	20,528	21,798	21,798
Plus: Lease liabilities debt	453	493	544	649	770	804	834	860
Less: Accessible cash and liquid Investments	(7,786)	(6,828)	(2,999)	(4,291)	(5,016)	(3,745)	(4,645)	(4,341)
Plus/(less): Other	344	2,195	1,165	695	1,900	1,900	1,900	1,900
Debt	7,323	13,091	13,465	16,896	18,481	19,487	19,887	20,217
Equity	3,284	2,769	2,522	2,492	2,759	3,082	3,545	4,526
Adjusted ratios								
Debt/EBITDA (x)	3.5	3.6	3.7	3.6	3.3	3.2	3.1	2.9
FFO/debt (%)	21.1	19.8	14.9	17.5	17.6	17.3	20.0	21.8
CFO/debt (%)	21.2	16.1	30.4	17.7	11.2	11.1	14.7	16.6
FOCF/debt (%)	(36.9)	(25.7)	(3.4)	(11.8)	(1.5)	(4.7)	(0.4)	0.4
DCF/debt (%)	(38.5)	(29.1)	(4.7)	(11.8)	(1.8)	(5.1)	(0.9)	(0.3)

Movida Participacoes S.A.

Movida Participacoes S.A.--Forecast summary

Annual revenue growth (%)	30.5	80.0	7.7	30.4	9.2	8.1	4.8	3.2
EBIT interest coverage (x)	2.6	1.8	1.5	1.4	1.4	1.4	1.5	1.9
Debt/debt and equity (%)	69.0	82.5	84.2	87.1	87.0	86.3	84.9	81.7

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. R\$--Brazilian real.

Rating Component Scores

Foreign currency issuer credit rating	BB-/Stable/--
Local currency issuer credit rating	BB-/Stable/--
Business risk	Fair
Country risk	Moderately High
Industry risk	Intermediate
Competitive position	Fair
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bb
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Negative (-1 notch)
Stand-alone credit profile	bb-

Related Criteria

- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7 2024
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [General Criteria: Group Rating Methodology](#), July 1 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1 2019
- [Criteria | Corporates | Industrials: Key Credit Factors For The Operating Leasing Industry](#), Dec. 14 2016
- [Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers](#), Dec. 6 2016
- [Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments](#), Jan. 20 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

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingfees.

STANDARD & POOR'S, S&P and RATINGS DIRECT are registered trademarks of Standard & Poor's Financial Services LLC.