

# Movida Europe S.A.'s Proposed Senior Unsecured Notes Rated 'BB-' (Recovery Rating: '3')

May 11, 2026

SAO PAULO (S&P Global Ratings) May 11, 2026--S&P Global Ratings today assigned its 'BB-' issue rating to Movida Europe S.A.'s proposed senior unsecured notes. We also assigned a '3' recovery rating to the proposed notes, indicating our expectation of a meaningful recovery (50%-70%) for the company's unsecured debt in the event of default.

Movida Europe is a wholly owned finance subsidiary of Brazilian car rental and fleet management services provider [Movida Participacoes S.A.](#) (Movida; BB-/Stable/--), which will unconditionally and irrevocably guarantee the notes.

The company intends to use the proceeds from the proposed notes for liability management, including the announced tender offer for its outstanding 2029 notes, extending company's debt maturity profile.

## Issue Ratings--Recovery Analysis

### Key analytical factors

We assess recovery prospects using a simulated default scenario, with a discrete asset valuation approach. We value the company on a going-concern scenario because we believe Movida would be restructured, given the medium-term nature of its fleet management contracts, thereby generating greater value for its creditors.

In our default scenario, we incorporate a combination of factors, such as high delinquency rates in Movida's contracts, a drop in vehicle prices and demand for used cars in Brazil, and very high interest rates. These factors would severely reduce the company's cash flow and limit its access to debt refinancing.

### Simulated default assumptions

- Country of insolvency: Brazil (Jurisdiction B), resulting in a '3' jurisdictional cap for unsecured debt
- Simulated year of default: 2030
- We apply a 15% haircut to the fleet value because the company would need to apply a discount to liquidate those assets in a stress scenario

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- Dilution rate of 20% and then a haircut of 30% in receivables, simulating a potential drop in contract renewal rates and an increase in delinquency rates
- We assume Movida would use excess cash to purchase vehicles, and we apply a 100% haircut to the company's remaining cash position because it would be consumed up to the default point
- The above assumptions lead to a general haircut of about 32% to Movida's total asset base value, resulting in an estimated gross enterprise value at emergence of approximately Brazilian real (R\$) 18.0 billion

### Simplified waterfall

- Net enterprise value after 5% administrative costs: R\$17.1 billion
- Priority secured debt: R\$18.3 million (Finep)
- Senior unsecured debt: R\$21.5 billion
- Recovery expectations: 65%

Note: All debt amounts include six months of prepetition interest.

## Related Criteria

- [ARCHIVE | Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), April 4, 2024
- [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: 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
- [ARCHIVE | Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers](#), Dec. 7, 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

## Related Research

- [Movida Participações S.A.](#), April 16, 2026

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

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