Tear Sheet:

Movida Participacoes S.A.

November 4, 2026

This report does not constitute a rating action.

S&P Global Ratings thinks strong operational execution supports Movida Participacoes S.A.'s profitability. Movida's focus on efficiency, pricing, and asset productivity has underpinned improving operating performance through the first nine months of 2026. In the rent-a-car (RaC) segment, volume expansion, steady utilization (above 77% in the third quarter of 2026), and price increases slightly above inflation drove revenue growth. Profitability improved despite modest fleet growth, reflecting disciplined capital allocation and the scaling of verticalization initiatives. The expansion of the "Pitstop" maintenance network is driving cost efficiencies, with recent results showing improved cost control and asset utilization.

Used car operations remain stable despite a more selective disposal strategy. Movida's used car sales volumes in the first nine months of 2026 remained below historical levels, averaging 20,000 vehicles per quarter compared with our previous estimate of 25,000 vehicles. We view this as a trade-off between near-term volume and operating profitability.

The company's consolidated EBIT margin surpassed 28% in the first nine months of 2026 compared with 24.3% in full-year 2025, while the average fleet age temporarily increased to approximately 12 months from its target of 10.5-11.0 months. The stability of depreciation rates and used car margins suggests that the temporary increase in average fleet age has not materially affected the company's residual value performance to date. Additionally, the expansion of retail sales channels, including the Autoshops platform, provides greater flexibility to manage fleet rotation while supporting unit profitability.

Operating momentum supports credit metrics amid high interest rates. Stronger funds from operations (FFO) generation in the first nine months of 2026 partially offset slightly higher adjusted debt. We forecast FFO to debt of 20%-21% in full-year 2026, supported by improved operating performance. Similarly, we expect EBIT interest coverage of 1.5x-1.6x, with increased interest expenses partially offsetting higher EBIT.

Liability management, including Brazilian real (R$) 2.5 billion in new debentures to extend maturities and a R$750 million capital increase during the third quarter of 2026, continues to support sufficient liquidity and reduce refinancing risks. While absolute adjusted debt remains elevated at approximately R$20.0 billion and should remain broadly stable, we expect a gradual improvement in credit metrics through 2027-2028, supported by earnings growth and expectedly easing interest rates. Continued fleet investments, however, will likely limit debt reduction and temper the pace of improvement.

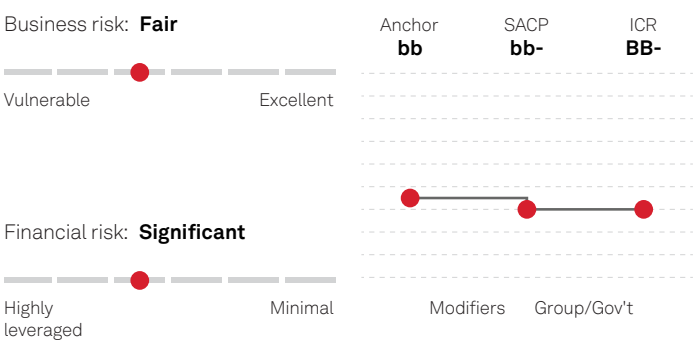
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Ratings Score Snapshot



Issuer credit rating
BB-/Stable/--

ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Recent Research

- Movida Participacoes S.A., April 16, 2026

Company Description

Movida is the second-largest car rental company in Brazil, providing car rental and fleet management services. As of September 2026, the company operated a fleet of approximately 294,000 vehicles, with 47% allocated to the RaC segment and 53% to fleet management services. The company reported net revenue of approximately R$15 billion for the rolling 12 months ended Sept. 30, 2026. Movida is controlled by Brazilian transportation group Simpar S.A. (BB-/Stable/--), which holds a 58.9% stake, followed by BNDESPAR with 8.3%, while 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 and persistently high interest rates. We expect EBIT interest coverage of 1.5x-1.8x and FFO to debt of 20%-25% 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 help offset the high interest burden. In this scenario, its credit metrics would 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 expect FFO to debt well above 20% and EBIT interest coverage of about 2.0x consistently. Still, an upgrade would also depend on an upgrade of Movida's parent company, Simpar, which is unlikely in the next 12-18 months because high interest rates strain its credit metrics.

Key Metrics

Movida Participacoes S.A.--Forecast summary

Period ending	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028	Dec-31-2029
(Mil. BRL)	2022a	2023a	2024a	2025a	2026e	2027f	2028f	2029f
Revenue	9,600	10,342	13,481	14,672	15,461	17,126	18,164	19,211
EBITDA	3,617	3,638	4,701	5,686	6,677	7,342	7,879	8,536
Less: Cash interest paid	(1,416)	(1,712)	(2,058)	(2,579)	(2,824)	(2,744)	(2,630)	(2,547)
Less: Cash taxes paid	(89)	(160)	(2)	--	(57)	(183)	(396)	(642)
Plus/(less): Other	486	235	312	305	288	235	212	201
Funds from operations (FFO)	2,598	2,002	2,952	3,412	4,084	4,650	5,065	5,576
EBIT	2,981	1,974	2,932	3,561	4,314	4,658	5,033	5,462
Interest expense	1,686	1,338	2,060	2,329	2,822	2,742	2,628	2,545
Cash flow from operations (CFO)	2,105	4,088	2,990	2,811	3,229	3,691	3,981	4,803
Capital expenditure (capex)	5,464	4,544	4,984	4,072	5,886	3,833	4,092	4,421
Free operating cash flow (FOCF)	(3,359)	(455)	(1,994)	(1,261)	(2,657)	(142)	(111)	383
Dividends	448	138	--	55	80	269	259	297
Share repurchases (reported)	2	36	0	103	--	--	--	--
Discretionary cash flow (DCF)	(3,808)	(630)	(1,994)	(1,419)	(2,736)	(412)	(370)	57
Debt (reported)	17,231	14,756	19,842	21,151	23,032	23,255	23,735	23,735
Plus: Lease liabilities debt	493	544	649	759	794	827	857	886
Less: Accessible cash and liquid Investments	(6,828)	(2,999)	(4,291)	(2,529)	(2,011)	(1,686)	(1,651)	(1,515)
Plus/(less): Other	2,195	1,165	695	(1,882)	(1,430)	(2,347)	(2,347)	(2,347)
Debt	13,091	13,465	16,896	17,499	20,385	20,050	20,595	20,759
Equity	2,769	2,522	2,492	2,968	4,715	5,481	6,409	8,040
Adjusted ratios								
Debt/EBITDA (x)	3.6	3.7	3.6	3.1	3.1	2.7	2.6	2.4
FFO/debt (%)	19.8	14.9	17.5	19.5	20.0	23.2	24.6	26.9
CFO/debt (%)	16.1	30.4	17.7	16.1	15.8	18.4	19.3	23.2
FOCF/debt (%)	(25.7)	(3.4)	(11.8)	(7.2)	(13.0)	(0.7)	(0.5)	1.8
DCF/debt (%)	(29.1)	(4.7)	(11.8)	(8.1)	(13.4)	(2.1)	(1.8)	0.4
Annual revenue growth (%)	80.0	7.7	30.4	8.8	5.4	10.8	6.1	5.8
EBIT margin (%)	31.0	19.1	21.7	24.3	27.9	27.2	27.7	28.4

Movida Participacoes S.A.--Forecast summary								
EBIT interest coverage (x)	1.8	1.5	1.4	1.5	1.5	1.7	1.9	2.1
Debt/debt and equity (%)	82.5	84.2	87.1	85.5	81.2	78.5	76.3	72.1

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: Recovery Rating Criteria For Corporate Issuers, March 31, 2026
- 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
- 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

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