

# Brazil Transportation

## Europe Non-Deal Roadshow Feedback

Conversations Notably Stock-Focused; RENT, RAIL and MOTV as Highlights

We held an in-person non-deal roadshow in Europe. Investor engagement was largely concentrated in the most liquid names, with noticeably less focus on macro/political factors than typically expected for our sector given its large cyclical exposure. **Across our coverage, we highlight:** (i) Localiza's generally favorable competitive perception, though concerns around the expansion of Chinese OEMs remained the dominant topic; (ii) Rumo's material improvement in foreign investor interest versus last year, while the potential entry of Ultrapar as a relevant shareholder appeared largely absent from investor discussions; and (iii) Motiva with investors continuing to search for reasons to maintain a constructive stance, although a perception of rich valuation emerged as a possible constraint for incremental buying.

**Foreign investors' focus shifted further toward stock-specifics.** Conversations were notably stock-focused, with limited interest in macro/political topics. This is a notable deviation from what is typical for the Transportation/Infra sector, which usually attracts macro-heavy discussions given our sector's cyclical orientation, especially ahead of elections and amid a strong auction pipeline. While some investors flagged potential fiscal risks, the broader view was that equities could remain supported into the electoral cycle, eventually creating room for selective shorts in names trading at premium valuations further into the year. Liquidity also remained a dominant consideration across meetings, favoring large caps such as Localiza, Rumo and Motiva (in this order).

**Among the names in our coverage, the key discussions were centered on:** (i) Localiza, Despite Chinese OEM expansion being the dominant concern, investors generally saw it as supportive for the sector's bargaining power, while Localiza's scale and disciplined execution came up as key advantages to gain share from smaller competitors amid tighter financial conditions; (ii) Rumo, where despite some pushbacks, foreign investor interest was high and contrasted with low interest one year ago (see [here](#) our report at the time). The potential Ultrapar entry remained largely off investors' radar (albeit widely discussed locally) and appears still unpriced; and (iii) Motiva, with investors seeking additional reasons to remain positioned, highlighting (a) constructive management transition, and (b) contract-amendment optionality, though valuation still limits marginal additions; and (iv) Priner, which saw targeted positive investor interest despite its low liquidity, with discussions focused on top-line growth following positive inorganic additions and headwinds in its legacy operations.

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We provide a detailed feedback for the most discussed names on the next page ...

Company	Ticker	Current Price	Target Price	Upside	Rec.	EBITDA (R\$ mn)		P/E		EV/EBITDA		Mkt. Cap (R\$ mn)	IRR (%)
						2026E	2027E	2026E	2027E	2026E	2027E		
Rumo	RAIL3	R\$ 17.05	R\$ 24.00	41%	Buy	R\$ 8,394	R\$ 9,110	14.1x	9.7x	6.2x	5.6x	R\$ 31,626	14.2%
Hidrovias do Brasil	HBSA3	R\$ 4.11	R\$ 4.20	2%	Buy	R\$ 1,224	R\$ 1,403	15.9x	10.3x	6.7x	5.4x	R\$ 5,590	11.7%
Motiva	MOTV3	R\$ 16.02	R\$ 18.00	12%	Buy	R\$ 11,443	R\$ 12,396	12.7x	10.4x	6.1x	6.0x	R\$ 32,355	11.6%
Ecorodovias	ECOR3	R\$ 9.76	R\$ 13.90	42%	Buy	R\$ 5,713	R\$ 6,171	11.8x	10.7x	5.4x	5.5x	R\$ 6,795	14.8%
Vamos	VAMO3	R\$ 3.98	R\$ 5.60	41%	Buy	R\$ 3,881	R\$ 4,099	10.2x	5.9x	4.4x	4.3x	R\$ 4,242	
Mills	MILS3	R\$ 14.98	R\$ 20.00	34%	Buy	R\$ 1,055	R\$ 1,141	9.6x	8.1x	4.7x	4.2x	R\$ 3,507	
Armac	ARML3	R\$ 5.19	R\$ 7.50	45%	Buy	R\$ 841	R\$ 915	13.1x	8.1x	4.6x	4.2x	R\$ 1,798	
Localiza	RENT3	R\$ 47.24	R\$ 62.00	31%	Buy	R\$ 14,894	R\$ 16,263	12.5x	9.9x	5.5x	5.1x	R\$ 53,038	
Movida	MOVI3	R\$ 13.06	R\$ 15.30	17%	Buy	R\$ 6,097	R\$ 6,528	10.4x	5.0x	3.7x	3.7x	R\$ 4,416	
Simpar	SIMH3	R\$ 12.02	R\$ 16.00	33%	Buy	R\$ 13,663	R\$ 14,869	57.2x	4.2x	4.1x	3.9x	R\$ 5,129	
JSL	JSLG3	R\$ 7.88	R\$ 10.30	31%	Buy	R\$ 2,232	R\$ 2,442	8.8x	4.1x	4.0x	3.7x	R\$ 2,241	
Automob	AMOB3	R\$ 12.51	R\$ 17.10	37%	Buy	R\$ 744	R\$ 943	n.m.	3.5x	4.5x	3.8x	R\$ 474	
Priner	PRNR3	R\$ 20.96	R\$ 22.10	5%	Buy	R\$ 305	R\$ 361	11.4x	8.0x	4.8x	4.1x	R\$ 1,189	



**Car Rental: Localiza favored amid healthier competition; Chinese auto supply remains a question.** The structural impact of Chinese OEMs was the dominant theme in discussions about Localiza and the sector. Investors focused on how China's accelerated global expansion could influence vehicle pricing, fleet-renewal economics, and residual values over time. More constructive investors (typically Localiza holders) viewed the trend through a "glass-half-full" perspective, arguing that stronger Chinese OEM penetration in Brazil should enhance rental companies' bargaining power with automakers. The sector's structurally high leverage (driven by high capital intensity and a still restrictive macro backdrop, particularly high interest rates) was another recurring topic. Interestingly, several investors saw Localiza's scale as a relative advantage, as tighter financial conditions could reinforce pricing discipline and/or constrain volume growth among smaller competitors, potentially positioning Localiza to capture accretive growth opportunities. Finally, we noted increased investor confidence that the worst could be behind in the challenging asset cycles post pandemic period.

**Toll roads: Motiva remains favored despite some valuation concerns.** Investor discussions centered primarily on Motiva, with many looking for reasons to support a continued positioning in the name. Contract-amendment optionality stood out as the most compelling source of potential upside (viewed as more attractive than new auctions, which were frequently viewed as increasingly competitive). While investors acknowledged a constructive management transition over the past few years, current valuation remains a barrier for marginal additions. Capex-overrun risk also emerged as a recurring concern, particularly in the context of recent geopolitical tensions in the Middle East and the possibility of oil-driven increases in asphalt prices, a key input in the companies' capex structures. Meanwhile, Ecorodovias' equity story met some reservations. Despite a perceived appealing relative valuation, investors hesitated to express preference based solely on price, mainly citing concerns around (i) high (and still increasing) financial leverage amid a tough macro, and (ii) pressured bottom line dynamics in the foreseeable future, with falling net profit consensus estimates.

**Rumo: clearly increased investor interest, although Ultrapar not yet priced in.** Investor interest was notably higher, a sharp contrast to the feedback from this time last year (see our report: [U.S. Non Deal Roadshow Feedback](#)), when the case faced skepticism due to (i) perceived agri-related cyclicality, and (ii) limited visibility without take-or-pay (ToP) contracts. This time, sentiment was far more constructive, with some investors even grouping Rumo alongside the usual high-quality names in Brazil. Some also viewed the stock's relative underperformance as an opportunity, describing it as a "forgotten" name with asymmetric long-term potential. Interestingly, the possibility of Ultrapar entering the shareholder base (widely discussed locally) was mostly off the radar abroad, despite an improving FCF profile was often cited as a key medium-term driver, stemming from a prospect of a more disciplined capex cycle. Among holders, the recent stock's underperformance prompted a thesis reassessment, yet most appeared inclined to maintain or add exposure, supported by expectations of better strategic alignment after the recent change in the controller shareholder structure, although the potential impacts from a possible Ultrapar entry remain largely unpriced. Although pushbacks were milder, some were mentioned: (i) some investors reiterated that the investment case extends complexity beyond a simple agricultural-demand story; while (ii) others pointed to the rapid growth of corn-ethanol plants, which are increasingly absorbing domestic corn and reducing exportable volumes.

**Priner: proactive investor interest caught our attention.** Despite the broader investor bias toward liquidity, Priner attracted targeted interest, particularly from LatAm-dedicated investors. This was particularly notable given the company's relatively new public profile (a roll-up story still in development) and relatively low trading liquidity, in a backdrop where investors have clearly favored more highly traded names. That said, key diligence points centered on understanding top-line dynamics and prospects for (i) the legacy operations, and (ii) the new industrial assembly unit stemming from the acquisition of *Real Estruturas*. We believe this investor focus reflects the fact that these fronts faced material revenue headwinds throughout 2025, mainly due to persistent delays in the implementation of new contracts, which partially offset Priner's otherwise successful inorganic expansion and resulted in weaker-than-expected top-line growth.

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