CREDIT OPINION
1 December 2025

Update

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RATINGS

Iochpe-Maxion S.A.

Domicile	Cruzeiro, Brazil
Long Term Rating	Ba3
Type	LT Corporate Family Ratings
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Iochpe-Maxion S.A.

Update to credit analysis

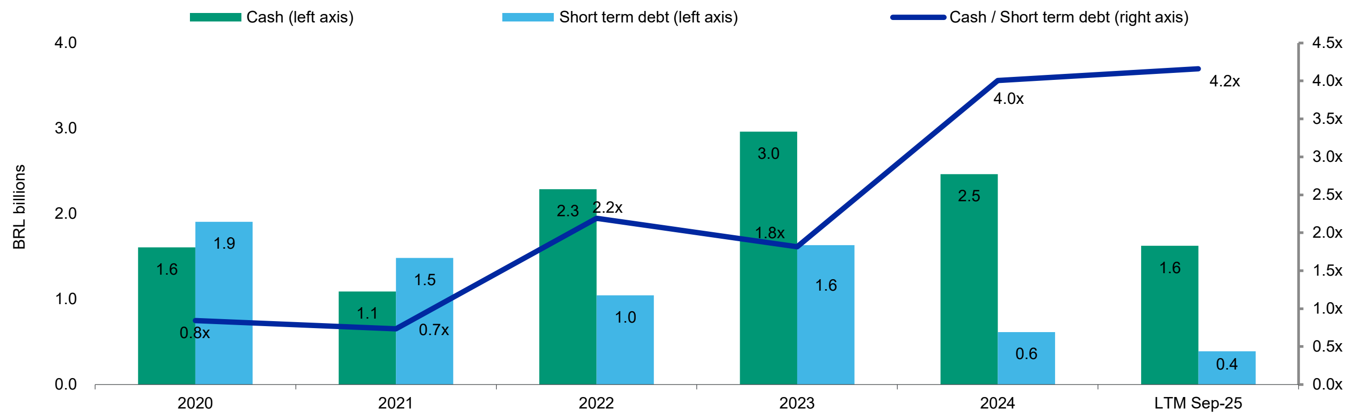
Summary

Iochpe-Maxion S.A.'s (Iochpe-Maxion) Ba3 ratings reflect the company's size, scale and position as a leading global supplier of steel and aluminum wheels for light and commercial vehicles, and as a major provider of structural components for both segments in the Americas; its good geographic diversification and its long-standing relationships with automakers. The ratings also factor in Iochpe-Maxion's adequate corporate governance standards, experienced management team and strengthened financial policies, which, since 2023, have improved liquidity through opportunistic liability management initiatives that reduced the preponderance of short-term debt in the company's balance sheet.

Iochpe-Maxion's ability to expand its market share and its track record of robust revenue growth despite a difficult operating environment for the global automotive industry — coupled with its adequate credit metrics, with Moody's-adjusted leverage of 3.0x-4.0x, through economic cycles — are also key drivers for the company's ratings.

The company's ratings are constrained by its limited free cash flow (FCF) generation as a result of the industry's thin margins and capital intensity. Additional rating constraints include the company's history of growth through leveraged acquisitions, although it is likely to focus on organic growth over the next few years; and its exposure to the cyclicality of the automotive industry and the volatility in the prices of raw materials (steel and aluminum). The company's exposure to a commoditized product offering and the bargaining power of large original equipment manufacturers (OEMs) are also credit negative because they increase pricing pressure and limit margin expansion.

Exhibit 1
Liability management initiatives improved liquidity



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

» Size and scale as a leading global supplier of wheels and structural components

» Good geographic diversification and long-standing relationships with OEMs

» Adequate corporate governance and strengthened financial policies

» Adequate liquidity following liability management initiatives since the beginning of 2021

» Adequate credit metrics

Credit challenges

» Exposure to the cyclicality of the automotive industry

» Commoditized product offering and volatility in the prices of raw materials

» Acquisitive growth history

Rating outlook

The stable rating outlook reflects our expectations that Iochpe-Maxion's profitability and leverage will remain adequate in the next 12-18 months despite potential market volatility; and that the company will prudently manage debt refinancing, capital spending and dividend distributions to preserve its liquidity.

Factors that could lead to an upgrade

We could upgrade Iochpe-Maxion's ratings if its profitability improves, with Moody's-adjusted leverage below 3.0x, and interest coverage ratio (EBITDA/interest expense) approaches 3.5x on a sustained basis. For an upgrade, Iochpe-Maxion would have to maintain adequate liquidity, with cash coverage of short-term debt above 1.0x on a sustained basis; and positive FCF generation, which would help the company withstand the volatility in its end markets.

Factors that could lead to a downgrade

We could downgrade Iochpe-Maxion's ratings if its profitability deteriorates, with an EBIT margin below 8%, while its adjusted leverage remains above 4.0x and FCF generation stays negative without any prospect of improvement. A deterioration in the company's liquidity could also lead to a rating downgrade. Weaker financial policies — reflected in funding concentrated in short-term facilities, a sizable debt-funded acquisition or a large shareholder distribution — would also strain the ratings. Finally, an increase in the proportion of secured debt compared with unsecured debt would also lead to a downgrade of the rating of the unsecured notes.

Key indicators

Exhibit 2
Iochpe-Maxion S.A.

(in $ billions)	2020	2021	2022	2023	2024	LTM Sep-25	Moody's 12-18 month forward view
Revenue	1.7	2.5	3.3	3.0	2.9	2.8	2.9
EBIT Margin	0.1%	7.9%	7.5%	6.3%	7.9%	6.9%	7.6%
Debt / EBITDA	10.3x	3.7x	3.9x	5.0x	3.9x	3.7x	3.5x
EBITDA / Interest Expense	2.1x	4.2x	2.4x	2.0x	2.8x	2.5x	2.7x
RCF / Net Debt	1.1%	16.1%	12.4%	6.2%	21.5%	16.4%	15.2%

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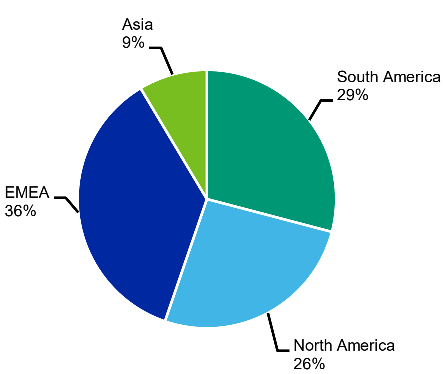
Profile

Headquartered in Cruzeiro, Brazil, Iochpe-Maxion S.A. (Iochpe-Maxion) is the largest global producer of steel wheels for light and commercial vehicles. It is among the top 10 global producers of aluminum wheels for light vehicles, and is a leading producer of side rails and chassis in the Americas. The company has 34 plants located in 14 countries in Europe, South America, North America, Asia and Africa, with around 50 million wheels produced per year.

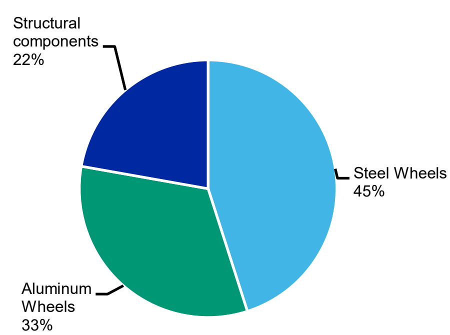
Iochpe-Maxion also has a 19.5% interest in an associated company (AmstedMaxion) that produces freight cars, railway wheels and castings, and industrial castings in Brazil. In the 12 months that ended September 2025, the company generated BRL14.8 billion (around $2.8 billion) in net revenue and BRL1.6 billion (around $286 million) in Moody's-adjusted EBITDA.

Exhibit 3
Net revenue by geography (LTM September 2025)



LTM = Last 12 months.
Source: Company filings

Exhibit 4
Net revenue by product (LTM September 2025)



LTM = Last 12 months.
Source: Company filings

Detailed credit considerations

Size and scale as a leading supplier of wheels globally and of structural components in the Americas

Iochpe-Maxion is the largest global supplier of steel wheels for light and commercial vehicles, is among the top 10 global suppliers of aluminum wheels for light vehicles and is a major provider of structural components in the Americas. The company holds a significant share in the structural components market in North America. In addition, Iochpe-Maxion holds a significant market share in the wheels market across all continents.

Scale and market position are important determinants of business strength in the auto supplier industry because they usually reflect a company's ability to withstand the effects of changes in product demand, and its bargaining strength with customers and suppliers. In this context, the company is better positioned than its smaller competitors to withstand pricing pressure from OEMs, raw material price increases and technological changes. However, the company is not fully insulated from any of those risks.

Good geographic diversification and long-standing relationships with OEMs

Iochpe-Maxion's wide geographic footprint with 33 production sites in 14 different countries, located close to OEMs' facilities, helps reduce client transportation costs and delivery lead time, which is a key competitive factor in this industry. The company also has a geographically diversified revenue base, which reduces risks related to regional downturns in the automotive industry.

The company's long-standing relationships with OEMs, and its proven track record of timely and high-quality deliveries are credit positive. OEMs' wheel purchase orders take into consideration the auto supplier's engineering capability, quality, price and performance, making proven operational capabilities a differentiator during the customer's decision-making process. Engineering and performance tests for wheel programs increase switching costs for OEMs, mitigating business disruption risks. Finally, pass-through clauses for raw material price increases exist for both aluminum and steel wheels. In this context, Iochpe-Maxion's global relationships with OEMs facilitate negotiations and give the company an edge over smaller, regional competitors.

Commoditized product offering and volatility in the prices of raw materials

Around 78% of Iochpe-Maxion's revenue comes from sales of wheels for light and commercial vehicles, with a particularly large exposure to steel wheels for light and commercial vehicles (45% of total revenue year-to-date as of September 2025). Aluminum wheels accounted for 33% of total revenue, with the remaining 22% coming from the sale of structural components, such as chassis and side rails. The fierce competition and bargaining strength of OEMs increase pricing pressure in all of these segments and limit margin expansion for Iochpe-Maxion on a sustained basis. Furthermore, the company is exposed to the volatility in the prices of steel and aluminum, the two key raw materials in the production of wheels and structural components, and to potential changes in existing import tariffs in its key markets.

Steel wheels are facing competition from other technologies because OEMs are prioritizing vehicles' performance, lower carbon emission and better design. In mature markets, such as the US (Aa1 stable), only around 20% of light vehicles and light-duty trucks have steel wheels, compared with 50% in developing economies such as Brazil (Ba1 stable). However, steel wheels still represent a cheap solution for entry-level cars and spare wheels, and continue to offer greater resistance than aluminum wheels for commercial vehicles. Furthermore, the introduction of new technologies that reduce steel wheels' weight and new products that mix steel and aluminum will benefit the segment, potentially slowing the migration of steel wheels to aluminum wheels. The penetration rate of steel wheels in mature markets will remain close to the current levels in the next few years, providing some stability to Iochpe-Maxion's business model despite the pricing pressure.

China's (A1 negative) large production capacity for aluminum wheels exerts pricing pressure on this segment. In addition, China has been increasing its production of electric vehicles. Currently, Europe has anti-dumping measures in place to prevent increased imports from China. In Brazil, the conclusion of the Inovar-Auto incentive program as of year-end 2017 eliminated tax benefits for OEMs using locally produced auto parts. However, given the combination of the depreciation of the local currency and the subsequent programs instituted as part of industrial policy towards the automotive manufacturing sector (Rota 2030 and currently the MOVER program) which also provided stimulus for the utilization of locally manufactures parts. While we recognize that any change in the current regulation could strain Iochpe-Maxion's profitability, the company has competitive production costs that ensure the viability of its operations globally, even with fiercer competition from imports.

The volatility in the prices of Iochpe-Maxion's main raw materials, steel and aluminum, is an additional credit negative. However, this volatility is an inherent risk for this industry. Raw materials account for about 60% of the company's total operating costs. Aluminum and steel prices have been highly volatile. This volatility can lead to a temporary deterioration in Iochpe-Maxion's profitability, in case the company is not able to pass through price increases to OEMs in a timely manner, although we recognize its track record of margin stability coming from the existence of pass-through clauses with a maximum time lag of 90 days in contracts with OEMs.

Exposure to the cyclicality of the automotive industry

Iochpe-Maxion is exposed to the cyclicality of the automotive industry in its key markets such as Europe, the US and Brazil. In addition, Iochpe-Maxion has a concentrated client base, with its five largest clients accounting for nearly 50% of revenue, which exposes the company to business disruption risks. We estimate that global light vehicle production will grow by around 2% in 2025 and stagnate in 2026.

Through economic cycles, we expect Iochpe-Maxion to continue to outgrow the market by expanding its market share. Although the company is likely to remain exposed to regional downturns in the automotive industry — such as the current challenges in North America's commercial vehicles business, particularly the Class 7 trucks and above — its geographic diversification ensures that better performing markets (such as South America and Europe) compensate for this slowdown. The company's main operation in Europe is located in Turkiye (Ba3 stable), where it produces light vehicle wheels to export to other European markets and is currently building a new plant for aluminum wheels. In addition, Iochpe-Maxion has heavy vehicle wheel operations in Germany.

Credit metrics have remained stable and adequate since the slump caused by the pandemic

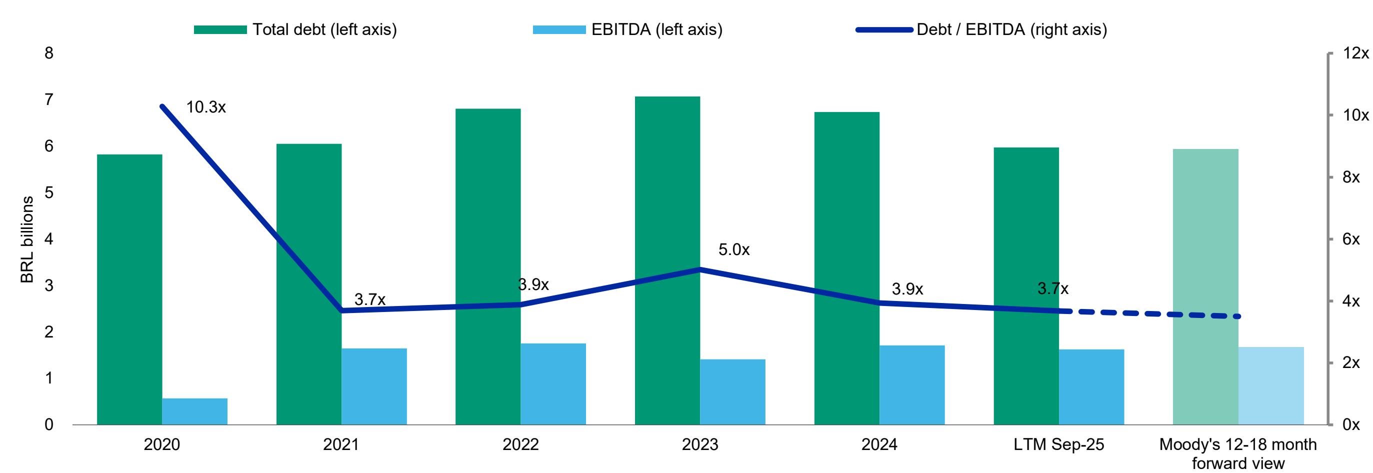
In the 12 months that ended September 2025, Iochpe-Maxion's revenue increased to BRL15.8 billion from BRL15.3 billion in 2024, reflecting not only a stronger market in South America, but also improvements in operational efficiency and productivity gains. Over the same period, the company's profitability declined, with its Moody's-adjusted EBITDA margin decreasing to 10.3% from 11.2%. This partially reflects a slowdown in the commercial segment in the US, which reduced sales from the highly profitable structural components segment. Leverage decreased to 3.7x over the same period, compared with 3.9x in 2024; we expect it to gradually decrease in the next 12-18 months as Iochpe-Maxion's operating performance recovers following a pickup in commercial vehicle production in the US. Additionally, we expect Iochpe-Maxion's EBITDA margin to recover to 10.7%-11.0% during the same period.

Despite the volatility in the operating environment, we expect the company to maintain its conservative approach to leverage and liquidity during future crises, proactively adjusting costs, cash outflows and capital structure to reduce cash burn and liquidity risks. A longer-than-expected period of weak sales or a significant increase in liquidity risks would also constrain the rating.

Exhibit 5

Improved profitability will support leverage reduction

Moody's-adjusted metrics



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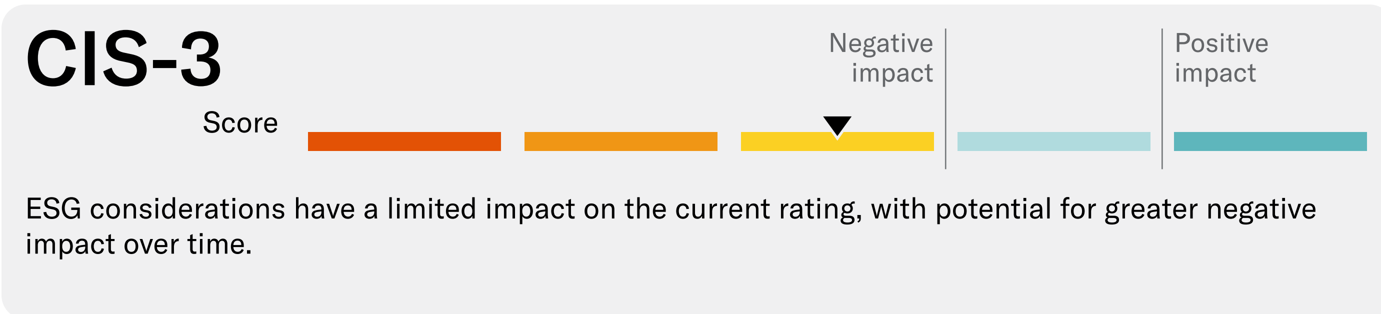
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

ESG considerations

Iochpe-Maxion S.A.'s ESG credit impact score is CIS-3

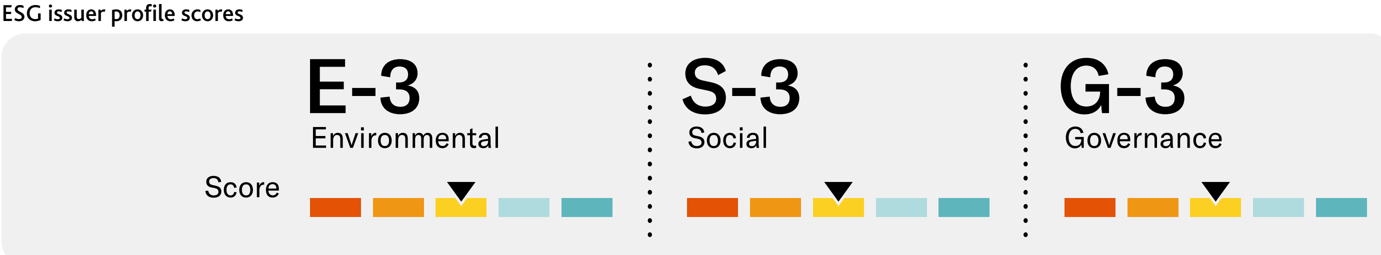
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

Iochpe-Maxion's **CIS-3** indicates that ESG considerations have a limited impact on the current credit rating with potential for greater negative impact over time. Environmental risks relate directly to the customers' ability to reduce vehicle weight and increase efficiency to meet increasing emissions regulations. However, lack of product substitution for wheels limits Iochpe-Maxion's exposure to the automotive electrification trends. Social risks incorporate managing customer relations, responsible production, and health and safety requirements. Governance aspects are incorporated in the rating, and include strengthened financial policies and our expectations of more conservative financial and liquidity management.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Iochpe-Maxion's environmental risks relate directly to customers' ability to reduce vehicle weight and increase efficiency to meet increasing emissions regulations. The company has pledged that it will reduce its greenhouse gas emissions by 30% until December 2025, by 70% by December 2030 and by 100% by 2040.

Social

Iochpe-Maxion is exposed to risks related to customer relations, health and safety and responsible production given the nature of the manufacturing operations.

Governance

Iochpe-Maxion is a publicly traded company, with shares listed on the B3 stock exchange since 1984, currently as part of Novo Mercado, the level with the highest standards of corporate governance in Brazil. Its largest shareholder is the Ioschpe family with 14.2% of total shares, followed by Alaska Investimentos Ltda (9%), Charles River Administradora de Recursos Financeiros Ltda. (5.2%) and Vokin-VKN Administração de Recursos Ltda. (5.03%); 2.5% are treasury shares. The remaining shares are freely traded in the market by domestic and international investors. The company's board of directors comprises nine members, of which three are members of the Ioschpe family. The company has audit, finance and compensation committees in place. The finance and compensation committees are composed of independent board members, while the audit committee has two members appointed by the company's board of directors and one independent member. The members of the Ioschpe family vote together based on a shareholders' agreement valid through October 2028, extendable for another 5 years. There are no family members in the company's management team, which is composed of experienced professionals with many years of experience in the Brazilian and international markets. Currently, the company has formal financial policies regarding target leverage, dividend distribution and cash management, and is in the process of implementing policies related to minimum cash and cash coverage of short-term debt. The company's leverage target accommodates eventual M&A activity, but existing financial covenants limit the risk of any sizable debt-funded acquisition in the medium term. The company's bylaws have a poison pill, establishing that any shareholder acquiring or becoming a holder of 15% or more of Iochpe-Maxion's total shares has to make a public offering for the acquisition of all shares issued by the company, which limits risks related to change in control. Iochpe-Maxion's corporate governance standards are in line with those of other public companies in Brazil listed under B3's Novo Mercado, but could improve with the continued implementation of more conservative liquidity policies. The balanced risks and improvements in corporate governance, including the significant improvement in the company's financial policies and liquidity since the beginning of 2021, are incorporated into the rating.

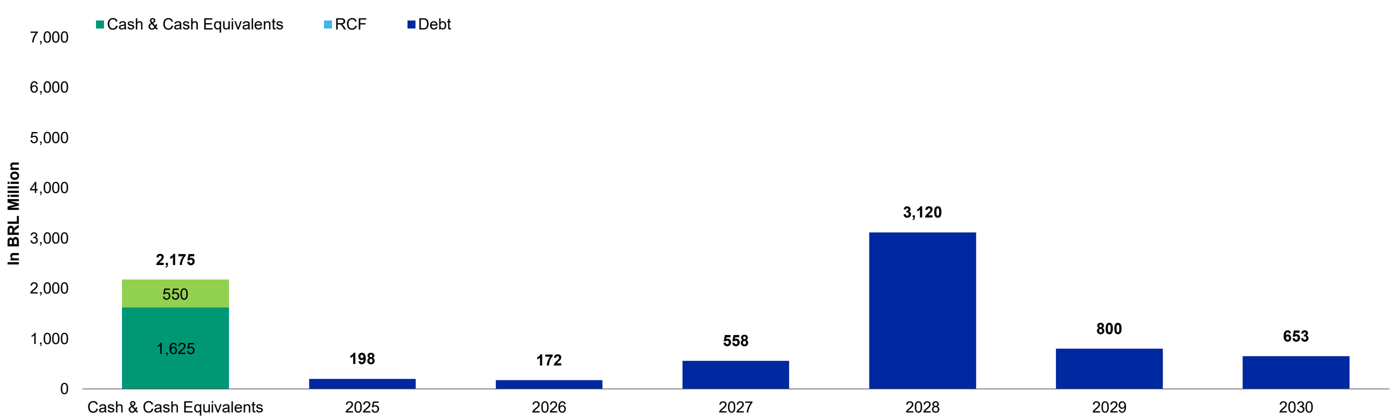
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Iochpe-Maxion has adequate liquidity. The company's cash position of around BRL1.6 billion as of the 12 months that ended September 2025 is sufficient to cover all short-term debt maturities by 4.3x. Additionally, the company still has a BRL550 million undrawn revolving credit facility maturing within three years and an equally undrawn loan agreement of BRL210 million with Agência Especial de Financiamento Industrial S.A. – FINAME maturing in seven years, with a two-year grace period. Iochpe-Maxion continues to work on additional refinancing initiatives to lengthen its debt amortization schedule.

The company's liquidity has improved since the beginning of 2020, reflecting several initiatives implemented by the company to improve its debt amortization schedule. We expect Iochpe-Maxion to generate BRL203 million in positive FCF in the next 12-18 months, despite the industry's thin margins and capital intensity, and the company's bylaws that establish a dividend payout of 37% of net income, above the 25% payout required by Brazilian corporate law. Its debt profile has also improved, with short-term debt comprising a smaller portion of the company's total debt stock since the second quarter of 2023.

Exhibit 8
Debt amortization schedule as of September 2025



Source: Company filings

Methodology and scorecard

Iochpe-Maxion's scorecard-indicated outcome using our Automotive Supplier Industry rating methodology maps to a Ba3 rating for both the 12 months that ended September 2025 and our forward-looking view over the next 12-18 months. The net effect of any adjustments applied to the rating factor scores or scorecard outputs under the primary methodologies, if any, was not significant to the ratings.

Exhibit 9
Rating factors
Iochpe-Maxion

Automotive Suppliers Scorecard	Current LTM September 30 2025		12-18 Month Forward View LTM September 30 2025	
	Measure	**Score**	**Measure**	**Score**
Factor 1: Scale (10%)				
a) Revenue (USD Billion)	2.8	B	2.9	B
Factor 2: Business Profile (15%)				
a) Business Profile	Ba	Ba	Ba	Ba
Factor 3: Profitability (25%)				
a) EBIT Margin	6.9%	Ba	7.6%	Baa
b) Free Cash Flow Stability	Ba	Ba	Ba	Ba
Factor 4: Leverage And Coverage (30%)				
a) Debt / EBITDA	3.7x	Ba	3.5x	Ba
b) EBITDA / Interest Expense	2.5x	B	2.7x	B
c) RCF / Net Debt	16.4%	Ba	15.2%	Ba
Factor 5: Financial Policy (20%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Ba3		Ba3
b) Actual Rating Assigned				Ba3

[1] All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Appendix

Exhibit 10
Peer comparison
Iochpe-Maxion S.A.

(in US millions)	Iochpe-Maxion S.A. Ba3 Stable			Nemak, S.A.B. de C.V. Ba2 Stable			Visteon Corporation Ba2 Stable			Gestamp Automocion, S.A. Ba2 Stable			Dana Incorporated Ba3 Stable		
	FYE Dec-23	FYE Dec-24	LTM Sep-25	FYE Dec-23	FYE Dec-24	LTM Sep-25	FYE Dec-23	FYE Dec-24	LTM Sep-25	FYE Dec-23	FYE Dec-24	LTM Jun-25	FYE Dec-23	FYE Dec-24	LTM Sep-25
Revenue	$2,996	$2,857	$2,767	$4,993	$4,907	$4,917	$3,954	$3,866	$3,759	$13,273	$12,985	$12,740	$10,555	$10,284	$9,809
EBITDA	$283	$319	$286	$474	$650	$542	$405	$440	$508	$1,371	$1,323	$1,262	$818	$785	$854
Total Debt	$1,456	$1,090	$1,122	$1,956	$1,954	$1,992	$590	$535	$551	$4,714	$4,520	$5,148	$3,370	$3,175	$3,794
Cash & Cash Equiv.	$610	$399	$305	$323	$342	$328	$515	$623	$762	$1,300	$1,198	$1,430	$529	$494	$414
EBITA Margin	6.5%	8.1%	7.1%	3.5%	6.8%	4.3%	7.3%	8.4%	10.2%	5.5%	5.1%	4.7%	3.6%	3.3%	4.3%
EBITA / Int. Exp.	1.3x	2.0x	1.7x	1.8x	2.7x	2.0x	9.9x	11.3x	14.9x	2.9x	2.7x	2.5x	2.0x	1.7x	2.0x
Debt / EBITDA	5.0x	3.9x	3.7x	4.1x	3.0x	3.7x	1.5x	1.2x	1.1x	3.4x	3.6x	3.8x	4.1x	4.0x	4.4x
Net Debt / Net Cap	50.2%	45.3%	47.9%	49.9%	48.5%	46.9%	6.1%	-7.0%	-14.9%	50.8%	50.9%	51.7%	59.4%	60.9%	71.6%
RCF / Net Debt	6.2%	21.5%	16.4%	20.4%	27.6%	27.3%	456.6%	-464.5%	-194.8%	24.2%	22.6%	23.7%	13.2%	13.5%	10.5%

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Source: Moody's Financial Metrics™

Ratings

Exhibit 11

Category	Moody's Rating
IOCHPE-MAXION S.A.	
Outlook	Stable
Corporate Family Rating	Ba3
IOCHPE-MAXION AUSTRIA GMBH	
Outlook	Stable
Bkd Senior Unsecured	Ba3

Source: Moody's Ratings

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