



Operator:

Good morning, ladies, and gentlemen. Welcome to AUTOMOB's Conference Call to discuss the results for the second quarter of 2025. This video conference is being recorded, and a replay will be available on the Company's IR website at ri.automob.com.br. The presentation will also be available for download. We inform that all participants will be in listen-only mode during the presentation, and then we will begin the Q&A session, when further instructions will be provided. Before proceeding, I would like to reinforce that forward-looking statements are based on the beliefs and assumptions of AUTOMOB's management and on information currently available to the Company. These statements may involve risks and uncertainties as they refer to future events and, therefore, depend on circumstances that may or may not occur.

Investors, analysts, and journalists should bear in mind that events related to the macroeconomic environment, the industry, and other factors may cause results to differ materially from those expressed in the respective forward-looking statements. Present at this conference are Mr. Sebastian Dario Los, the Company's CEO, and Mr. Paulo Prado, Head of Investor Relations. I would now like to turn the floor over to Mr. Sebastian, who will begin the presentation. Please proceed, Sebastian.

Sebastian Dario Los:

Good morning, everyone! I would like to start by thanking all the investors who follow us, the automakers and suppliers, the customers who trust us and visit our stores every day, and especially our more than 5,700 employees who, with great dedication, make everything happen. I also thank AUTOMOB's Board of Directors for the trust they have placed in me and for the opportunity to join this Company, whose culture, values, and vision of the future I share.

I am certainly committed—with humility and a great deal of dedication—to executing the strategic plan defined so that AUTOMOB continues to lead and improve its results. On slide 3, I want to start with a very clear message: AUTOMOB is the largest dealership group in Brazil, and we have the business foundations in place for a new cycle of value creation.

Everything we needed to move to the next level has already been done. Among our main strengths, I would like to highlight the following: we have a diversified portfolio, representing 37 brands of light vehicles, trucks, machines, and equipment in Brazil.

We are leaders in a highly fragmented sector in the country, with a strategy of establishing relevant positions in specific brands and geographies, building clusters where we can be more efficient and profitable. We have strong growth potential, both organically in same-store sales and inorganically. In these roughly two months since I joined the Company, I have already observed the significant potential to capture synergies—still only at the beginning—that can lift our profitability to a new level.

We are combining higher sales volumes in the same stores, the growth of higher-margin services, and a focus on integrating systems, subsidiaries, and everything built over the past years—extracting more value from our existing assets. Throughout the presentation we will share more details.

On slide 4, we show the progress of the main strategic topics in the second quarter of 2025. First, sales of used light vehicles grew at twice the market rate—up 32% year over year versus 14% for the market. We highlight the store space reviews and expansion of used-car showrooms, which already brought positive results this quarter.

Sales of new light vehicles also grew above the market—5% versus 4%—when considering retail sales. In F&I, we grew 45% year over year with improvements across all business lines: financing, insurance, armored-vehicle services, title/registration services, among others. I highlight the increase in contribution to gross profit, which rose from 6.5% to 9.2% this quarter.

This is extremely important in our strategic plan to sustainably deliver a new level of profitability. I also highlight the reduction of our Agro inventory by BRL 67 million in the quarter and BRL 122 million in the semester, even in a seasonally unfavorable period, freeing up capital for the Company since that inventory is already paid. Lastly, we inaugurated four stores: one Lexus store in Alphaville—which further strengthens our credibility in the luxury segment—and three GAC stores in the State of São Paulo.

We are a reference in the sector in Brazil, and it is an honor to be the natural choice of several brands that want to establish themselves in the country. Adding the stores opened in the last 12 months, there were 11 new units. In addition, we are upgrading 14 stores—about 10% of our light-vehicle dealerships—which temporarily affects sales but expands our future capacity to generate revenue.

On page 5, we have the quarter's main financial highlights. We sold 23 thousand light and heavy vehicles at retail, a 14% increase year over year. Net revenue totaled BRL 3.1 billion, up 1% versus 2Q24.

EBIT totaled BRL 63 million, an expressive 52% increase year over year, and EBITDA reached BRL 116 million, up 43%, with a 3.8% margin. Net loss was BRL 39 million in the quarter, mainly impacted by financial expenses, which reached BRL 140 million in the period. On page 7, we see a deeper view of consolidated numbers.

Revenue, as I mentioned, reached BRL 3.1 billion, up 1% year over year and 6% versus the prior quarter. Gross profit grew 5% versus the prior quarter and 11% year over year. As for EBITDA, we had a 43% increase year over year and a 20% decline versus the prior quarter, mainly affected by expenses.

Regarding net income, you can see the actions we are taking to reverse this situation: higher sales per point of sale, maturation of remodeled and newly opened stores, an increase in after-sales services, synergies we already executed in the third quarter, and inventory optimization. On page 8, we present some examples of operational improvements underway.

In April 2025, we inaugurated a Preparation, Body, and Paint Center in Guarulhos to serve 21 stores in the region. Centralizing these services allows us to return rented yards and expand store showrooms by eliminating in-store prep and repair areas. The benefits were not yet captured in 2Q25 due to the transition of both processes.

We are also remodeling 14 stores—around 10% of our light-vehicle dealerships—focusing on expanding showrooms, creating customer spaces, and improving infrastructure for employees. Over the past 12 months, we improved layouts and expanded showrooms at 46 stores; although the renovations generated temporary impacts on sales, they expand our future capacity to generate revenue. On page 9, we present our capital structure.

The Company's cash balance totaled BRL 471 million in the quarter, enough to cover gross debt through mid-2027. It is important to note that we still have BRL 666 million available in floorplan balances—that is, undrawn credit lines made available by automakers. Leverage measured by traditional metrics totaled 3.7x; remember that AUTOMOB has no covenants tied to this metric.

We also highlight that we have BRL 1.2 billion in paid inventory—that is, light and heavy vehicles already paid to the automakers that will be converted into cash. When adding this amount to our cash, leverage would be 1.5x. On page 10, we provide more details about the paid inventory mentioned on the previous page.

We are highly focused on reducing paid inventory, which, as you can see, fell 8% compared to the previous quarter, a reduction of BRL 103 million. In the first half, the reduction totaled almost BRL 200 million. This reduction reflects both the paid inventory of heavy vehicles, which fell 6% quarter over quarter, and light vehicles, which fell 9%.

We will continue to pursue even more relevant reductions, especially by continuing to reduce Agro inventories, so that our cash conversion cycle—which is currently 47 days—can be reduced. I would tell you that this is a top priority for management in order to reduce our leverage. I will now turn it over to Paulo Prado, our Head of Investor Relations at AUTOMOB.

He will comment in detail on each of our business lines. Paulo.

Paulo Prado:

Thank you, Sebastian. Now that we have concluded the overview of the consolidated business, let's talk about the performance of the light-vehicle segment, starting on page 12. This page shows the results for retail sales of new light vehicles, which account for about 30% of gross profit and do not include wholesale transactions.

Volume grew 5% year over year and 10% quarter over quarter, outperforming the market by 1 percentage point. In the upper right corner, as you can see, gross revenue fell 8% year over year. Here it is worth highlighting the impact of the "direct sales" model, under which only the commissions (highlighted in orange) are recognized as revenue, not the vehicle's full price.

Thus, when considering the transacted revenue—i.e., total revenue in the chart on the right—we would have a 9% increase. Gross profit, which is the indicator that best explains the segment, grew 3% year over year due to higher volumes and a 1 pp expansion in gross margin. Moving to slide 13, we discuss used light vehicles, which account for about 15% of

gross profit. They grew at twice the market rate and are essential to our strategy to increase the Company's profitability.

Volume grew 32% year over year and 10% versus the previous quarter. The used-to-new ratio reached 0.7x, up from 0.5x in the prior year, but still below our 1.5x reference. There is significant potential to be captured, given that Original, a Group company, historically reached that ratio on average in the pre-pandemic period (2018–2019). With the increase in volume, gross revenue rose 40% year over year and gross profit 11%, due to the higher number of cars sold via consignment/wholesale pass-through.

It is worth noting that the used-car market offers a major expansion opportunity, and our market share in that segment is only 0.3%. On slide 14, we present F&I and ancillary services. Note that they account for only 1.4% of revenue—because they are booked as commissions—but 9.2% of gross profit, and are therefore very relevant for the Company's profitability.

We grew 45% with improvements across all lines—financing, insurance, armored-vehicle services, consortia, and title/registration. We still have a lot to deliver, given that listed peers in the United States, which we use as a benchmark on the slide, represent 26% of gross profit in F&I—showing substantial potential for future growth. Also, by way of comparison, our internal best practices achieved in some brands point to roughly BRL 4,000 per vehicle sold, versus about BRL 2,600 for AUTOMOB consolidated in the second quarter. On slide 15, we present after-sales for light vehicles, which contributes 23% of gross profit. We increased profitability, as seen in the gross margin in the lower left corner, which has been expanding and totaled 39.6%. The contribution to gross profit rose to 23.3% in 2Q25, but there is still much potential to be explored when compared to global peers, which average 45%.

We will continue striving to expand margins, whether by better price management or cost control. A strong example is the recently inaugurated Body, Paint, and Vehicle Preparation Center in Guarulhos, which should help expand margins by freeing space in stores for larger showrooms and by improving service efficiency. Now we move to slide 17, which shows the Trucks and Buses segment, contributing about 17% of gross profit.

We had a significant increase in volume—up 29% year over year—while gross revenue grew 5%. This is because there was higher growth in buses, which have lower ticket prices, as well as greater representation of direct sales (under which only commissions are booked as revenue), a similar effect to what we observed in light vehicles.

Gross profit rose 22%, better reflecting the segment's performance, which showed an expansion in gross margin from 17.5% to 20% in the quarter year over year—driven by performance bonuses received from the automaker for hitting targets and by improved margins on parts sales in the period. Finally, on page 19, we have the Agro and Machinery segment, which shows relative stability compared to the prior quarter in terms of volume and gross revenue, but with slightly lower revenue and margins year over year. In the machinery segment, revenue decreased due to a change in our commercial strategy: whereas in the past we financed customers directly, that operation is now carried out through financial institutions.

In Agro, we still see a gradual recovery for the sector; therefore, we are heavily focused on reducing paid inventory, which decreased by BRL 67 million in the quarter and is poised to accelerate with seasonally stronger months in the second half of the year. With that, I conclude the analysis of our business lines and hand it back to Sebastian. Please go ahead, Sebastian.

Sebastian Dario Los:

Thank you, Paulo. On page 21 we move to the final messages. First, I would like to share how I see the Company at the outset of this new cycle as I take charge of the business. We want to be the largest, most admired, and most innovative light- and heavy-vehicle dealership company in Brazil. That is our goal. To get there, we already have all the foundations in place.

We have the stores and the people; we have a well-defined strategy and the expertise of leaders who are references in their fields of operation. The used-car strategy is already underway and has begun to gain traction; we also expect greater penetration of services, as mentioned, and that should continue. We also began the systems-integration effort, which is expected to be completed by mid-next year.

This will give the business a different speed and will strengthen our strategic levers, focusing on a better customer journey through automation and digitalization. Short-term adjustments are underway. We have already taken cost-reduction measures totaling approximately 0.5% of net revenue in July 2025.

We will also release working capital by reducing inventories. All of this should improve the customer experience—our focus—and lead us to sustainable profitability. On page 22, I would like to show some examples of opportunities already mapped that we could capture.

In the first column, we have the current scenario. In the second, examples of the best current performances that already occur within the Company in some benchmark stores. In the third column, we present a theoretical calculation showing that, by reaching 75% of today's best performances, we would already shift our profitability to a materially higher and sustainable level.

Lastly, let me leave you with—and reaffirm upon my arrival—our strategic pillars for value creation. I believe in this business, and the best is yet to come. Thank you very much, everyone.

We will now open the floor for questions and answers.

Operator:

Our first question comes from Lucas Esteves at Santander. Mr. Lucas, your microphone is open.

Lucas Esteves – Santander:

Good morning, can you hear me? Now you can. Sorry, I thought you could hear me before. Good morning, Sebastian, Paulo. I'll start with a few questions.

First, regarding the IPI (industrialized products tax) reduction—we noticed it didn't affect your results in the second quarter. I would like to understand whether, going forward, this can help the volume of new vehicles and how you see this ahead. On the other hand, thinking about financing—auto credit—some industry data already point to a somewhat tighter market.

Is this in any way impacting your business, especially used cars? Could it end up affecting volumes in the second half? Lastly, a third question: we see the Company's operating margins were affected this quarter by one-off costs for store expansion and refurbishment. You've been preparing the group and stores for this new cycle.

Have those costs already ended? Can we expect margin increases as of the third quarter, or are there still expenses related to expansion and renovation to come in the second half?

Sebastian Dario Los:

Thank you, Lucas, for the questions.

First, regarding the IPI, in June our hypothesis is that it hurt a bit, as news about a potential program began to circulate at the end of the month. In July we had a good month, indicating very favorable trends compared with what we published for 2Q25. This type of program helps a lot with store traffic, with more customers looking for alternatives, which boosts sales of both the incentivized cars and other options and models. In August it is still early to provide an indication, but so far, we have a good outlook, just as we did in July.

As for credit, I would say we also felt some tightening, but given our fully diversified portfolio—with the luxury segment, Agro, and Machinery entering a seasonally stronger period—I would say managing a diversified portfolio is a strength in handling this credit tightening. Thus, we do not see a significant short-term impact on our overall portfolio. Regarding expenses, as I mentioned in the presentation, we already made a structural adjustment in July. In the third quarter there will be a mix of two months of savings and some structuring expenses. I would tell you that as of the fourth quarter we expect a somewhat cleaner quarter with respect to these effects. But the decision to reduce expenses has already been made.

Lucas Esteves – Santander:

Perfect, Sebastian. Thank you very much.

Operator:

Our next question comes from Mr. André Ferreira at Bradesco BBI. André, your microphone is open.

André Ferreira – Bradesco BBI:

Hi, good morning, Sebastian, and Paulo. My question is about one of your goals—the expansion of after-sales—which, when compared with global peers, still has a big gap to be explored. Beyond the new structures you mentioned—for example, the new prep center and the other points discussed—what other levers do you see that AUTOMOB can develop that are not yet mapped or at least have not yet been shared with us?

Thank you.

Sebastian Dario Los:

Thank you, André. The main point relates to the new structures the Company has been building, such as the CRA in Guarulhos, as mentioned. We also have a project in Ptolomeu (São Paulo—body shop, paint, and armoring for the luxury segment) to relocate a repair center.]

So, I would say the maturity of all these investments is just beginning, and that explains a large portion of future improvement. That is one point. Second, we still have many opportunities to explore new products and services—in some more developed markets—and some automakers are even sharing and encouraging us to run pilots to incorporate more add-ons and additional services.

So, it is mapped; we have a long runway, but in the short term the focus will be to explore and capitalize on the investments already made.

André Ferreira – Bradesco BBI:

Of course. Thank you, good morning.

Operator:

A reminder: if you would like to ask a question, please click the “raise hand” button. If your question is answered, you may leave the queue by clicking “lower hand.”

As there are no more questions via audio, we will proceed with questions submitted via the web.

I turn the floor over to Mr. Paulo Prado.

Paulo Prado:

I'll start by reading and answering the web questions. The first one comes from Julio, an investor. He asks what net debt/EBITDA ratio is considered ideal for the business and when it should be reached.

Today, the traditional metric stands at 3.7x. We always emphasize that there is the “paid inventory” of BRL 1.2 billion that will be converted into cash as we sell the vehicles; therefore, it is very important to analyze the ratio also adjusted for this factor, which would be 1.5x. Our objective is to deleverage the Company this year. We cannot provide a specific target number, but we expect both the optimization of this paid inventory and the increase in EBITDA—with the levers Sebastian discussed during the call—to contribute.

In particular, higher same-store sales, cost and expense dilution, and the cost-reduction program. Looking sustainably to the long term, as a retail business we believe leverage of 2.0x to 2.5x is a reasonable reference that we can pursue going forward.

Moving to the next question from Daniel: he says the Company reported a margin for a quarter that is seasonally a bit weaker that tends to be better, and far from what was in the

Fairness Opinion. Where should we expect the EBITDA margin for the year, and when should we expect to reach that more sustainable margin level? I'll hand this to Sebastian.

Sebastian Dario Los:

Thank you, Daniel. First, as you know, we cannot provide profitability guidance. What we would like to share with everyone is that, in the exercise we are running—detailing all these levers and quantifying the timing to reach the full potential of each—we estimate a sustainable EBITDA margin in the fourth quarter of 2026. That is our expectation, which does not mean we will not gradually deliver improvements from now until then—that is our goal—but we understand that by the end of next year we will have captured the full potential.

Paulo Prado:

On to the next question from Júlio: he asks whether there is any acquisition being negotiated. I can start by saying that M&A is handled by SIMPAR, so it is not part of AUTOMOB's day-to-day responsibilities. Therefore, our focus is very much on what is already inside the Company—on the levers we have to improve efficiency, on the foundations already built, the stores and resources we have in hand to drive better results. Thus, while M&A is part of the investment thesis, we are looking inward at this time, and the subject is handled by SIMPAR.

The next question comes from Rafael, asking about the Company's CAPEX expectations for the second half of the year.

Sebastian Dario Los:

Thank you, Rafael. We will not provide guidance. What I can clearly say is that there will be a sustainable reduction in the second half. We have no store openings or any major projects in the pipeline, which is consistent with our deleveraging objective, and this should have a positive impact on year-end cash.

Operator:

A reminder: if you would like to ask a question, please click the "raise hand" button.

The Q&A session is now closed. I would like to turn it back to Mr. Sebastian for the Company's closing remarks.

Sebastian Dario Los:

First, I would like to thank all investors and note that we had a record number of connections. This is very important for all of us—both for the relevance and importance that management gives to market investors and for the work I am responsible for leading with more than 5,700 employees. Thank you very much for your participation.

To conclude, I would like to thank the entire AUTOMOB team for the warm welcome at the start of this new cycle, in which I am very happy and confident. The foundations are built; the scenario is clear; we have a management team with deep expertise and strong internal talent, which gives us a clear view of where we need to go. The strategy is well defined and does not change materially. What I can tell you is that we will spend the second half looking inward and capturing the synergies described so that we enter 2026 on a much stronger footing. I am confident and pleased with this role, and I thank everyone for their participation.

Good morning.

Operator:

AUTOMOB's video conference is now closed. We thank you all for your participation and wish you a good day.