



Operator

Good morning, ladies and gentlemen and welcome to Automob's conference call to discuss the results for the third quarter 2025. This conference call is being recorded and the replay will be available on the company's website at ri.automob.com.br. The presentation will also be available for download. Please note that all participants will be in listen-only mode during the company's presentation.

Afterwards we'll begin the Q&A session at which point further instructions will be provided. Before we begin, I'd like to remind you that any forward-looking statements made during this conference call are based on the beliefs and assumptions of Automob's management and information currently available to the company. These statements involve risks and uncertainties as they relate to future events and therefore depend on circumstances that may or may not occur.

Investors, analysts, and members of the press should be aware that microeconomic conditions, industry trends, and other factors may cause actual results to differ materially from those in the forward-looking statements. Joining us today in this conference call are Sebastian Los, the company CEO, and Paulo Prado, investor relations officer. Now I will hand the call over to Mr. Los that will start the presentation. Please go ahead, sir.

Sebastián Dario Los (CEO)

Good morning. I'd like to start by thanking all the investors who follow us, the OEMs and suppliers who walk alongside us, the clients who trust our work and visit our stores every day.

(1:51 - 2:27)

The executive officers for their leadership and consistent execution of our strategy, the board of directors for their ongoing support and confidence in our management, and above all, our more than 5,500 employees who, through their effort and dedication, make everything possible. On slide three, I'd like to reinforce that Automob is the largest dealership group in

Brazil. We have built a solid business foundation to sustain this ongoing cycle of value creation.

(2:28 - 3:47)

Everything we need to reach a new level has already been done. We have a broad and diversified portfolio representing 37 brands of light vehicles, trucks, machinery, and equipment across Brazil. We are a benchmark in a highly fragmented industry with a strategy focused on building relevant positions in specific brands within the regions where we operate, forming clusters that allow us to achieve higher efficiency and profitability.

In addition, we see strong expansion potential, both organically through same-store sales and inorganically by seizing new market opportunities. The strategy defined by the board of directors is still in its early stages. We are confident that executing this strategy will drive higher profitability by combining stronger same-store sales, growth in higher margin services, and focus on the integration of systems, companies, and processes, capturing more value from everything we have built over the past years.

(3:47 - 6:32)

The first results are already visible with major advances this quarter. On slide four, we showed the evolution of our main strategic fronts in 3Q25. We reduced consolidated paid inventory by about 200 million, representing a 17 percent improvement compared to 2Q25 and 28 percent in the first nine months of the year.

This reduction in paid inventory contributed significantly to fresh cash flow generation, which totaled 170 million BRLs in 3Q25, one of the company's key financial priorities. As a result, we reduced net debt by 84 million BRLs and also reduced leverage, which closed the quarter at 3.6 times. It's important to highlight that we achieved this cash cycle improvement without compromising growth, which outperformed the market in the main segments where we operate.

This demonstrates that we are only at the beginning of capturing higher sales per store. New vehicle retail sales reached a record of 14,200 units in 3Q25, up 13.6 percent year-on-year, or more than nine percentage points above the market. We also set a record in used car sales, totally 9,300 units, up 25 percent over the same period and four percentage points above the market.

This is one of the company's key strategic pillars and has shown consistent growth quarter after quarter. We now have the foundation ready to capture greater value. Store renovations are almost complete, marking an important transition in our strategy.

As you can see, over the past two years, between openings, relocations, renovations and retrofits, we have built the infrastructure needed to boost sales per store as early as next year. On slide five, we show the company's key consolidated financial highlights for the quarter. Net revenue reached a record 3.5 billion BRLs, up 12.2 percent versus 2Q25 and 11.4 percent year-on-year.

(6:35 - 16:36)

Over the last 12 months, annualized net revenue totaled 12.6 billion BRLs. Gross profit was also a highlight, reaching 500 million in the quarter, up 10.9 percent versus the previous quarter and 13.7 percent growth year-on-year, with stable gross margin of 14.4 percent. Adjusted EBITDA totaled 144 million BRLs, a significant 30.5 percent increase compared to 2Q25, with a 4.2 percent margin, an improvement of 0.6 percentage points versus the previous quarter.

Adjusted net loss was 65.7 million BRLs. This quarter, we decided to provide more transparency in our bottom line composition since there were relevant accounting impacts, which we will explain later in this presentation. On this point, the key message is that the segments accounting for more than 90 percent of our company's gross revenue, that is, light vehicles, trucks, and buses, recorded a combined net income of 41 million in the quarter, demonstrating the positive results of these segments and reinforcing Automob's value creation potential.

On slide seven, consolidated net revenue totaled 3.5 billion BRLs, up 11.4 percent year-on-year and 12.2 percent quarter-on-quarter, mainly driven by the light vehicle segment. As you can see, we accelerated this quarter with light vehicle sales up 13.6 percent compared to 2Q25. Gross profit reached 500 millions, up 13.7 percent year-on-year and 10.8 versus the previous quarter.

I'd also like to highlight the gross margin expansion from 14.1 percent to 14.4 percent year-on-year. Adjusted EBITDA totaled 144 million, up 30.5 percent quarter-on-quarter, with EBITDA margin expanding from 3.6 percent to 4.2 percent. This reflects higher sales and service volumes, along with the first positive impacts from cost and expense optimization initiatives.

Finally, adjusted net loss was 65.7 million in the quarter, which I'll explain in more details on the next slide. On slide eight, we take a closer look at the company's net income. We reported an accounting net loss of 167 million in the quarters, of which 95 million resulted from an impairment recognized in 3Q25, following a reevaluation of inventories, receivables, and taxes in the heavy vehicle segment, aligned with the challenging environment, particularly in the agricultural sector.

It's important to highlight that after the new commercial conditions we implemented, accelerating machinery and equipment sales in the agricultural segment. We also recorded 5.7 million in purchase price amortization related to past acquisition. As a result, adjusted net loss totaled 65.7 million BRLs for the quarter.

The chart below shows the composition of that 67, the breakdown of that 65.7 million. The light vehicle segment, which represents 79 percent of gross revenue, posted the net income of 19.1 million BRLs this quarter. The truck and buses segment, which represents 12 percent of gross revenue, also posted net income of 22.2 million BRLs in the quarter.

Therefore, and reinforcing one of this quarter's key messages, 91 percent of our business generated net income of 41 million, maintaining a healthy level and clearly demonstrating our long-term value creation capacity. Continuing with the analysis, in the gray column to your right, we show the negative impacts. We recorded a 60.4 million net loss in the agricultural and machinery segment this quarter and another 46.7 million BRLs net loss from the financial expenses of the holding company linked to the 1 billion BRLs in net debt from the corporate reorganization of 24.

It's important to stress that the loss in the agricultural and machinery segment is not structural. We believe it's cyclical. Brazil is going through a challenging period for agribusiness, which in the past generated very strong margins and will certainly recover its profitability.

Regarding our capital structure, we are taking all the necessary steps to reduce inventory levels and gradually improve net debt, as we already demonstrated this quarter. On slide nine, I'd like to highlight progress in our work in capital management, a key management focus. As I mentioned last quarter, you will remember, this was our top priority and we delivered.

Consolidated paid inventory decreased 16.7% quarter on quarter, a 201 million BRLs reduction in the quarter. Year to date, the reduction already totals 400 million BRL. We also saw a nine-day improvement in our cash conversion cycle versus 2Q25, with progress across all segments, both light and heavy vehicles.

I'd like to emphasize that this will remain a focus area for the next quarters. On slide 10, we show our capital structure. The slide highlights an 85 million reduction in net debt, which totaled 1.9 billion BRLs this quarter.

Leverage measured by standard metrics stood at 3.6 times, a slight decrease compared to the previous quarter. It's worth noting that Automob has no debt covenants tied to this

metric. The company's cash balance totaled 628 million BRLs this quarter, enough to cover gross debt maturing through mid-27.

Now, I will invite Paulo Prado, our investor relations officer, to go over each business line in more detail. Thank you.

Paulo Prado (Investor Relations Officer)

Thank you, Sebastian.

Now, let's review each business segment, starting on slide 12. This slide shows the results for the new light vehicle retail segment, which accounts for approximately 31% of gross profit. The sustainable car program launched in July 25, with a tax reduction of IPI for certain models, helped to drive higher showroom traffic.

But it's worth noting that Automob's sales volume grew substantially above the market. The company's sales volume rose 13.6% year-on-year, nine percentage points above the market, showing the beginning of our same-store sales capture. As shown on the top right corner of the slide, gross revenue grew 15% year-on-year.

And here the highlight is the direct sales model, where we only record commissions, highlighted in orange, instead of the full vehicle revenue. Considering total transacted revenue, that is the right-hand chart, shows we would have a 26% increase. Gross profit grew 10.9% year-on-year, and 15.2% quarter-on-quarter, maintaining stable margins compared to 2Q25.

On slide 13, we present the used light vehicle segment. This segment accounts for 13% of consolidated gross profit, and the company sold a record 9,300 cars this quarter. Sales volume grew 25.5% year-on-year, and 13% quarter-on-quarter.

That is four percentage points above the market average. It's worth noting that new car sales also accelerated. So, as a result, the ratio of used to new sales remained at 0.7 times quarter-on-quarter, still below our target of at least one-to-one per store.

(16:37 - 23:10)

And with higher volume, gross revenue expanded 35% year-on-year, and 12% quarter-on-quarter. Gross profit rose 25.6% year-on-year, reaching \$66 million in 3Q25. In line with our strategy of reducing paid inventory and increasing vehicles sourcing through tradings, the

company recorded a 0.8 percentage point decline in gross margin year-on-year, reflecting a higher share of wholesale channel sales, which carry lower margins.

It's worth highlighting that Automob operates one of the largest wholesale desks in Brazil, ensuring access to multiple sales channels. The used cars market represents major growth opportunity, both through our showrooms, which are in the final stage of renovation and expansion, and through the wholesale channel, given that our market share in this segment is only 0.3%. On slide 14, we present the results for F&I. Although the segment accounts for only 1.4% of gross revenue, it plays a key role in profitability, contributing 9.6% of consolidated gross profit.

The company grew 25% with consistent advances across all areas, financing, insurance, armored vehicles, consortium, pooling sales, and title services. Despite steady progress, we still have room to grow. For reference, we list U.S. peers which have a 28% contribution to gross profit, while Automob stands at 9.6%. We also operate the largest financing desk in Brazil, with strategic alliance with more than 20 financial institutions, ensuring a strong competitive edge.

In addition, we already have best practices in place within the group, with certain brands showing total revenue per car of about R\$4,000, while the company's consolidated average is around R\$2,600. BRLs highlighting additional revenue capture potential across all offered products. On slide 15, we highlight the performance of after sales, which remains an important profitability pillar for the company, accounting for 22% of gross profit.

Growth in gross profit from this service was 19%, directly reflecting our strategy to strengthen profitability when compared to global peers, whose average stands at 45%. It's clear we still have significant potential to capture additional value in this area. There's plenty of opportunity to leverage existing investments, such as our automotive repair center in Guarulhos, and to explore new products and services in the medium and long term.

A strong focus remains expanding margins, either through more efficient price management or cost optimization. On slide 17, we have the truck and bus segment, which accounts for 14% of gross profit. Sales volume was stable year-on-year, but fell 9% compared to 2Q25.

It's worth noting that in 3Q25, we had a significant increase in bus sales, which have a lower average price. Gross revenue fell 11% year-on-year, reflecting a higher share of buses and direct sales. Compared to the second quarter 25, we saw a 5% increase driven by truck sales, which have higher average prices.

Finally, gross profit declined 9% year-on-year, in line with revenue. And here, the highlight is that compared to 2Q25, the decline was 7%, with a 1.9 percentage point drop in the gross

margin. And remember that 2Q25 included a performance bonus payment from an OEM, which positively impacted the quarter.

Finally, on slide 19, we have agricultural machinery segment. After implementing new commercial conditions and the impairment mentioned by Sebastian, we saw accelerated sales and higher gross margins. The number of machines sold in 3Q25 rose 37% versus 2Q25.

Gross revenue increased 17%, driven by more attractive commercial terms, promotional events, and early sales of harvesters and planters. Gross profit reached 30 million BRLs versus 9 million in the previous quarter, with a 6.8 percentage points gross margin expansion. The performance reflects two main factors.

First, updated commercial terms for older products with OEMs. And second, a higher share of current products not previously held in our inventory. Finally, we also reduced paid inventory in the agricultural segment by 94 million BRLs in 3Q25, down 19% versus 2Q25, reinforcing our commitment to efficiency and cash generation.

Here, the highlight is that sales volumes in the segment remain in line with our plan for 2Q25. That concludes the business line analysis, and back to you, Sebastian.

Sebastian Dario Los (CEO)

Thank you, Paulo.

On slide 21, as a closing message, I'd like to emphasize that we are only at the beginning of a new development cycle. We have solid foundations to get there, structured stores, talented people, a well-defined strategy, and experienced leadership. That's why this quarter, we're already seeing tangible results with performance well above the market.

(23:11 - 27:05)

Looking ahead, I'd like to share some short-term priorities. In the light vehicle segment, our focus is to continue growing above the market. This is our focus, expanding used car sales in existing stores, reinforcing our people pillar through a robust training plan that is already underway.

We'll also continue increasing the contribution from F&I and after-sales services as a key focus, while further reducing inventory and maintaining efficient working capital management. In trucks and buses, we are advancing along three key fronts to strengthen our

value proposition. First, accelerating our sales through digital channels, prioritizing turnover and efficiency.

Secondly, enhancing our control center through a telemetry-based monitoring hub that allows active maintenance scheduling, ensuring greater predictability and service quality. And finally, redesigning physical spaces to expand after-sales capacity in stores, reinforcing our commitment to customer experience and recurring revenue generation. We will also focus on increasing additional used assets.

In agriculture and machinery segment, the focus remains reducing ventures, particularly in agribusiness, freeing up tight capital. We'll strengthen the sales force and promote synergies between business lines, as well as optimize our branches through the strategic integration of Valtra and Fendt brands within shared spaces, ensuring customer convenience and lower costs and expenses without losing our regional relevance. We'll also increase trading volume and on cross-cutting topics, we'll continue maintaining cost and expense discipline.

This remains a key focus now and in the future. Regarding these initiatives, we expect full integration by the end of 1Q26, a major milestone to accelerate process improvements, and above all, enhance the customer journey through automation and digitalization. All of this has a clear purpose to improve customer experience and build sustainable profitability for the future.

We are just beginning a new phase and we are confident that with disciplined execution of our strategic plan, a strengthened organizational structure, and absolute focus on continuously evolving client preference, we will achieve the expected results. After all, we already have what matters the most, people aligned with the company's culture and values. Back to you, Paulo.

Paulo Prado (Investor Relations Officer)

Thank you. Thank you, Sebastian. Finally, on slide 22, I'd like to take this opportunity to invite all of you to our Investor Day, the first event of this kind in the company's history.

It will be on November 27th at 3 p.m. at one of our stores here in Sao Paulo, the largest BMW dealership in Latin America. It will be an important occasion for us to share our long-term vision and the main strategic pillars that will drive Automob's profitability and growth in the coming years. The event will feature our executive board and will follow a hybrid format, in-person and live-streamed, so that everyone can participate remotely as well.

(27:05 - 27:18)

To attend, simply register on our Investor Relations website as shown on the screen, and with that, we conclude our presentation. We're now open for the Q&A session. Thank you all.

Operator

(27:21 - 27:59)

We'll now start the Q&A session for investors and analysts. If you wish to ask a question, please click the raise hand button. If your question is answered, you can leave the queue by clicking on the lower hand.

If you want to ask a question in writing, just use the Q&A button following writing down your name and company. Our first question comes from João Ramiro from XP. Mr. Ramiro, your mic is clear.

João Ramiro (XP)

(28:03 - 28:07)

Hi, Sebastian, Paulo. Good morning. Thanks for taking my question.

(28:08 - 29:59)

On my side, I have two questions, really. The first is with regards to the light vehicle segment, which has been a positive site for the company in recent quarters, reflecting the dynamics to improve your store base with renovations and retrofits. I would like to hear from you a bit about 26.

What is the sales volume that you expect for the year? Will the store base be a bit flat to 200 stores? Do you want to expand more? And the second, about the impairment, could you give us a bit more color on the amount of \$70 million regarding the reassessment of your heavy vehicles inventory, which accounts for 6% of your inventory level in 2Q. What is the type of asset that was reassessed? Is it just agricultural and machinery? Is there anything in trucks and buses? And what is the normal margin level that we should expect from now on? Thank you very much.

Paulo Prado (Investor Relations Officer)

Good morning. This is Paulo speaking. Your first question. It's important to reinforce that the foundations built in recent years are almost fully completed.

That is, in the last two years, we opened 33 stores, we changed some locations, we renovated most of the stores. Today, most stores are already according to OEM's request, and we are also working to expand our new vehicle showroom, which is very important in our structure.

(0:00 - 0:22)

We're meters better, which enables us to just start this change of level in terms of cars sold per store. So we are already delivering better numbers this quarter, as you can see. So not only for new vehicles, but also used vehicles, which is a major lever and we grew 35% this quarter.

(0:23 - 0:52)

So we are starting 26 with the foundations built to capture more value in the segment. As for the number of stores, we have 200 altogether and do not see growth in number for now. Obviously, our business grows organically, new entrants come to talk to us for a sales channel.

(0:52 - 1:09)

We do have something in our pipeline, but structurally, the number of stores will be close to the 200. I'm going to turn to Sebastian to add to this first question and answer your second question.

Sebastian Dario Los (CEO)

(1:09 - 1:23)

Good morning, everyone.

Thanks for your question. With regards to impairments, the first message is that it does not affect light vehicles. This is a very important point to make clear.

(1:23 - 1:52)

The focus and the major magnitude of the impact is on agricultural machinery. And we revisited specifically the machineries from two to three years. And the company has an expectation close to the market about the performance of the sector.

(1:52 - 2:27)

And we understood that it was the time to revisit the values of these assets and therefore the impairment. The expectation for the future in terms of margins, we're not giving guidance on margins right now. But what we can consider for the future is that there are some reflexes already in the third quarter.

(2:28 - 3:00)

You see the gross margin of the machinery sector and the agricultural business improving compared to previous quarters. And that is the expectation to continue with the trend. As for products that have a longer range in inventory, the idea is to accelerate turnover, reinforce cash to buy new products at more competitive prices.

(3:00 - 3:40)

So the answer is the expectation is to grow our profit and margins in the sector. And the other point before I close, we believe that the impairment amount is compatible to what we have today in the market.

João Ramiro (XP)

Thank you, Paulo. Thanks, Sebastian. And have a very nice end of week.

Operator

(3:40 - 3:58)

Our next question comes from Leandro Neto from Bradesco BBI. Mr. Neto, your mic is clear.

Leandro Neto (Bradesco BBI)

Hello, everyone. Good morning.

Can you hear me well? Yes. Okay, great. A follow-up on João's questions about light vehicles.

(3:58 - 4:18)

We don't see an acceleration sales quarter on quarter. So I would like to hear more from you about that, if there is any impact resulting from the IPI reduction. And also I'd like to hear from you in terms of store flow in the fourth quarter.

(4:24 - 4:38)

Paulo Prado (Investor Relations Officer)

Hi, Leandro. Well, IPI tax in June, we were a bit affected by that. Remember that the news was at the end of the quarter.

(4:39 - 5:11)

From July to September, we did see a positive impact with a higher flow in stores, more customers looking for these options. Automob, as we saw, performs above market average. And that reinforces our strategy of having a diversification of products and also reacting very fast to any events that we might have.

(5:11 - 5:40)

And I would say that along time, we are going to be more and more stronger with regards to future impacts. In the fourth quarter so far, the prospect is very positive. Thank you.

(5:44 - 6:10)

Our next question comes in writing by Enzo Campos from Galapagos capital. I'm going to read the questions. And while I do so, the operator can collect new questions.

(6:10 - 6:41)

The first comes from Enzo, and he wants to know what explains the share in gross profits in F&I and after sales of Automob in comparison to American peers. And within the American market, is Automob within the average of similar peers in this regard? So I'm going to start talking about F&I. We do have a difference from the American market.

(6:41 - 7:04)

I think it's a bit of a cultural difference in terms of product acceptance and the fact that that is a more involved market in the sense. In Automob, we have some references in Brazil, and we do stand out, but we still have a lot to do. And we are developing our competitive advantages before the market.

(7:04 - 7:27)

And I think that we are going to continue increasing the share. We have the largest F&I desk in Brazil. We have the support of OEM banks and also financial institutions in the market that ensure the strength of the business being very competitive, both for new and used vehicles.

(7:27 - 8:17)

And we also have been training our employees with building capacity, working with different KPIs that reinforce our operations, trying to increase revenue per car that today is at 2,600 BRLs to 4,000 BRLs, which is our internal benchmark from some brands. So we do have an internal benchmark, not only an external benchmark, to evolve in all business lines and considering the integration of systems and everything that should enable us to reach even better numbers. To reinforce, to grow in this segment, you do not need additional investments.

(8:17 - 8:40)

We can address those points and build a future revenue flow that is resilient and profitable without the need for new investments. So this is a journey that we really like, and we are following with a lot of focus. I'm going to read the next question.

(8:40 - 8:57)

The second comes from Lucas Souza. He says, I'd like to know if there are expansion opportunities through acquisitions in other states and if it's part of our plan. I'm going to answer that.

(8:58 - 9:13)

Well, M&A is something that is driven by SIMPAR. It is the holding that looks into opportunities and makes decisions. The company's executives are fully focused on day-to-day operations.

(9:13 - 9:47)

That is, we are focused on selling cars, growing products, addressing what we have in-house, extracting the most from our asset base. We might have future plans, but now the most important focus is expanding sales per store. I have a question now from Alessio.

(9:47 - 10:12)

He is from Rio Verde, and he would like to know if there is any expectation of investments in the region because it is a major agricultural center. I'm going to leave the question to Sebastian, but I think it has to do with organic growth.

Sebastian Dario Los (CEO)

(10:12 - 10:56)

We have no prospects to go to this specific city. However, we do have agricultural dealerships in the region, and we know that Rio Verde is in a geographic region that can be served by one of our dealerships. Well, we have addressed all the questions in writing, so I turn the call back to the operator.

Operator

(10:56 - 11:16)

If there are any more questions, just let us know. Just as a reminder, if you have a question, just click on Raise Hand or use the Q&A button. Please wait while we collect the questions.

(11:25 - 11:40)

The Q&A session is now closed. We would like to turn the floor back to Mr. Los for his closing remarks. Well, thank you very much for attending.

Sebastian Dario Los (CEO)

(11:42 - 12:07)

As a final message, I would like to thank you for your attention. I would like to reinforce that the company is still under construction. We are advancing in the integration of our systems and with the group companies with the objective, as we mentioned, to complete in the first quarter of 2026.

(12:07 - 12:41)

In parallel, we continue strengthening our operations with intensive training of salespeople and with the maturation of renovated stores. Remember that in the highlights of the

presentation, we bring as a relevant point the infrastructure of our stores. In the last two years, in between renovations, retrofits, and showroom enhancements, we completed 200 stores to capture higher sales per location.

(12:42 - 13:18)

And to add to the question about organic and inorganic growth, I would just like to reinforce that we have a huge opportunity to sell more per point of sale. We are preparing for that. It's also important at this point of transformation to reinforce what we already mentioned and achieved in the third quarter, positive net profit in light vehicles, buses, and trucks.

(13:18 - 13:52)

That result confirms the strength of our strategy. It reinforces the confidence on the path we are building for the future. I would like to thank all our employees that show dedication and commitment every day, our shareholders for their support and trust, and our clients who are the reason for us to be.

(13:55 - 14:10)

Myself and Automob teams are absolutely right. We are on the right path with a company that is stronger and more prepared for the future. Thank you very much and see you next quarter.

Operator

(14:14 - 14:21)

Automob's conference call is now closed. We thank you very much for joining us today and wish you a great afternoon.