

## Conference Call Transcript

### Grupo Multilaser

#### 2Q25 Results

**Operator:**

Good morning, and thank you for holding. Welcome to Grupo Multilaser's conference call today, discussing the earnings of the second quarter of 2025. If you need simultaneous translation, this tool is available on the platform.

Simply click the interpretation button on the globe icon at the bottom of the screen and select the language you prefer —Portuguese or English. For those listening to the conference in English, there is also the option to mute the audio in Portuguese by clicking on Mute Original Audio.

We inform that this conference is being recorded and will be available on the company's IR website, where you will find the complete set of materials for our earnings release. You can also download the presentation on the chat icon, also available in English.

During the company's presentation, all participants will have their microphones disabled. After that, we will begin the Q&A session. To ask a question, click on the Q&A icon at the bottom of your screen and write your question to join the queue inform if you would like to open your audio and video. When your name is announced, a request to enable your microphone will appear on your screen. Please ask all your questions at that time.

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For the full disclaimer, please refer to the second to last slide of this presentation. Today, we have the presence of the company's executives: André Poroger, CEO, and Richard Ku, CFO and investor relations officer. I would like to turn the floor to André who will begin the presentation.

**André Poroger:**



Hello, good morning, everyone. It's a pleasure to be here with you. Thank you all for your attendance. So, let's begin the earnings presentation for the second quarter of 25. Of course, I'd like to bring some highlights — I'll summarize some of the quarter's highlights.

We had an increase in revenue of 21.7% compared to the first quarter of 2025. We've also been able to recover gross margin significantly with 1.2 percentage points compared to the first quarter. We also had an increase in EBITDA of 25,000,000. That's a significant increase in EBITDA. It could have been better. It's important to note that it could have been close to 26,000,000. We had a adjustment of structure, so we had some additional costs and expenses in the second quarter. Otherwise, this number could have been 6,000,000. BR LS better, getting to, close to 4% of EBITDA. And, net income has made good progress, a lot due to FX variation, especially in the first quarter, where we had six points something and 57.7. So, we had some advance also helped by the FX recovery. And a very important indicator that we've been monitoring very closely is operating cash. Operational cash flow had a cash generation of 64.9 million BRLS in this quarter, with a reduction of net debt as well of 52,000,000 — from 216 to 164,000,000 BRLS. So, we consider that there has been great progress compared to the first quarter, and the indicators show that. That makes us confident that continuing with the work that we've been doing, with the measures that we have been adopting. And we also know — we are aware — that this is not the ideal number. It's still not good. It's the beginning of an important recovery path that gives us confidence and makes us very excited with the to see this progress in the second quarter here.

Just briefly talking about the initiatives: over the last conference call, we talked a little bit about our focus for the quarter, and one of the things I mentioned was operational efficiency. So, it's important to note that we had been able to readjust the structure to the size of the company, and we understand that this has already been concluded and the first days of the quarter. And as I said, there has been a one-off increase of expenses in the quarter due to this adjustment, but this change will allow us to get significant expense reductions in the future. We estimate between 40 and 50 million BRLS here. So, that has been the first stage has been concluded successfully.

The second point is the working capital optimization indicators have also been showing important improvement here in inventory days and inventory reduction. There's a strong work we've been doing to optimize purchases, to better plan with our we're main partners, working with products with a lower inventory. Each inventory day for us represent about 3 million BR hours of capital. So, we're very focused on this reduction of optimizing inventories, and this will bring a lot of gains to the company.

And the Third Point: we have just concluded our new distribution center in the Manaus Industrial hub. I don't know if everyone's aware, but this is a place with more than 16,000 square meters. It's ready, it's operating now, and this is basically going to be our new television set factory. So, this new center allows us to double the Current TV set production that we've been doing with both the Multi brand, Toshiba, and Hyacinth. So, this will allow us



to double production. And, as you can see in the picture, there's also an expansion. You can see that we are capable of expanding this center in the same plot of land, which is very good.

So, as we get new projects to manufacturing Manaus, as we are always studying the expansion and optimization of the lines, we can do that because of its layout. It allows us to have a more efficient production line for TV sets. We're very excited with this new project. It's already been delivered. In June, the TV factory will start operating as a logistics warehouse, and the TV plant will migrate next year due to seasonality.

I'll turn over to Richard, and he'll talk a little bit about the financial highlights.

**Richard Ku:**

Good morning. Thank you, André. Thank you, everyone. So, let's talk a little bit more on the detail of the financial results, starting with net revenue. As André pointed, our revenue in the second quarter had significant progress compared to the previous quarter of 21.7%. This is driven, as you see mainly by two important segments, corporate, our specialized retail segment. And when we compare it with last year, there was a 5% growth also driven by these two segments. It's important to note, comparing to last year, we're still struggling with the product discontinuation that we concluded only at the end of last year. So, in a base of continued products, this 5% would have been 8% growth in the continued products.

When we look at gross profit, there's good progress in our gross margin would be 24.9, 1.2 percentage points better than the first quarter of 25, almost three points — 2.9 points percentage points — better than last year. Again, when we look at the detail driven compared to the market, this is also driven by our corporate and specialized retail segments and we're thinking of maintaining margin in the retail tech segment. When we compare it with last year, the significant progress of three percentage points, it's also a reflection of these segments. We've been working very strongly on efficiency, operational efficiency — both in our commercial chain and the operations chain our plants — bringing this improvement in the first half of 25 compared to last year.

On the next slide, we'll talk about EBITA. Our EBITDA closed the quarter with 3.3% margin. As André said, in this quarter we had the one-off effect of the readjustment costs that we concluded in this quarter. This effect of this one-off cost was 6.6 million BRLS. Excluding this effect, our EBITDA — the running rate EBITDA — would be 37.4 million BRLS with a margin of 4%. That's a little bit of what we look at going forward. In the comparison with the first quarter of this year, there was good progress with all of the efficiency that we propose to implement and when compared to last year, it's important to note that when we look at last year's EBITDA, this 29.8 we had here the extemporaneous credit of 30.2 million BR house. So, it's a protection provision that goes that we'd had in June of last year. These are ICMS credits



of years before 2024. So, when we look at the 2024 results in the comparison year on year in EBITDA, it would be a comparison of 30.8 million with this 30.2 million last year.

When we exclude that effect, our EBITDA of 3.3 in the second quarter of 25 comes from 2 points here. First, the advance in the gross margin that increased 1.2 percentage points and also our expense efficiency, we reduced our expenses and that reduced 1.8. So, these 3.3 percentage points, when we compare it to the first quarter of this year with the progression of our gross margin and the reduction of expenses compared to last year, our progression of EBITDA margin comes from the 2.9 percentage points of progress in gross margin as well as in our expense reduction of expenses. When we exclude this effect of the credit extemporaneous credit reversion from last year, the expenses go down this year by 0.7 percentage points.

So, this indicates that our results in the beginning of this journey. When we look at our net income — 19.8 million BRLS — net income compared to 64 in the first quarter, of loss 52,000,000 last year, this net income of this second quarter has the effect of our EBITDA of 30.8 million. And there's also like expenses and financial expenses, and there's also an important point of FX variation this second quarter of 73.5 million BRL. So, we also have to look at these results with the positive FX variation reflects on our cost of derivatives. So, our NDFS and this quarter were negative and expenses of 47 million. So, the effect we had the favorable effect of FX variation, it's true, but we also were hedged on the NDF and swaps and that had a cost to do this change and the positive effect of exchange rate, but there's a negative effect of 47. Our net effect of FX variation and derivatives is 26.5. We still have a net income excluding this effect. It's still negative, but a lot less negative than it was last year. So, this is also important for the turn of our results. We closed the half year with income of 84,000,000, compared to the loss of 121 million last year.

Going on to next slide, talking about our inventories, our inventory, as André mentioned, this is our turnover. We ended the first quarter at 218, now we're at 201. There's an indicator of turnover and we're improving the absolute indicator as well. So, 86 million BRLS of our inventory in the second quarter compared to the first quarter.

So, it's important to note here, there's a topic in our sales performance as well. We sold more, but we also had adjustments and calibration in the coverage of our purchases — our inventory coverage — making smaller purchases and being more assertive in our purchasing process. To give you an idea, in the first quarter of 25 we purchased approximately 580 million BRLs. For the second quarter we bought 600 million BRLs. So, we reduced our purchases in more than 170 to 180 million BRLs. This adjustment that we made in the purchases was important to get our inventory to have this reduction. Of course, the sales helped — our sales performance in the second quarter was better than the first — but we also reduced our purchases, and that allowed us to reduce our absolute inventory and improve our performance in terms of inventory as well.

On the next slide, cash flow. As André mentioned, it highlights we've been able to generate almost 65 million in operational cash — operating cash flow generation. That's very important. This performance of operating cash comes from our positive EBITDA, our



management of working capital and inventory. We've also been able to consume tax credits in this quarter. So, these are three major components that allowed us to have this operational cash flow. At the same time that we generated this cash flow, we were able to reduce our indebtedness by 25 million BRLs. So, we paid off part of our principal that we had from the past, and we ended with gross cash at 26 million BRLs in the quarter. Those are important points to highlight in our performance of the good management of our cash, reducing indebtedness.

On the next slide, we see our amortization schedule. We have here 498 of cash, more than sufficient to cover our obligations in the short term — 440 million in 12 months — and we've been able to reduce our indebtedness. As André mentioned, we're seeking. When we look at the cash here, we understand, looking forward, that we continue to work, seek alternatives in the profile of our debt — a total debt of 656 million BRLs — and the idea is to reduce the debt in the 1st, as we mentioned in the first quarter, and specific funding that we can get to improve our capital. But we're very comfortable with our cash position.

I'll turn back to André for the next slides here.

## **André Poroger:**

We had a change, as you've noticed, in the company's operational segment of Motor Laser. This change comes in line with how we manage the business in the company's day-to-day activities. We understand that this was going to simplify and improve the understanding of the company. So, basically, we're talking about 3 operational segments.

The first is corporate. Basically, our corporate pillar is comprised of a few businesses that are an important part of the production of telecom devices for operators and Internet providers. We also have an important side of providing products to the government and private companies.

We have Wellness, that is our brand and some market brands in the markets for fitness equipment for gyms. There's a division that's Brazil component — we have national memory and chargers to provide to local industries here in Brazil.

We also have the industrial pool dedicated to electric motorcycles and bicycles. As you know, today we're producing a lot, and the plant is being optimized to make Royal Enfield brand motorcycles. It's a very important brand in this segment, one of the largest companies in the global market, in addition to the manufacturing partnerships that we have today with Opal in smartphones and Hisense in the part of television sets.

So, all of these businesses are part of our corporate segment.

The other segments that we have here are all of our businesses that we called tech retail — our thousands of technology products — and more distributed in more than 40,000 points of sales in Brazil. In this segment, we have the television products, audio, notebooks, drones, computer accessories, home appliances, self-care. So, there's a thousand products dedicated



to this type of retail. It sells via the large retailers, where we distribute to more than 44,000 points of sales, as well as our direct-to-consumer sales, our direct channels, and the marketplace platforms.

So, this is our tech retail segment. And specialized retail includes our toy lines, baby products, the specialized segment for stores that specialize in toys and baby products. This is also our blue brand that's very important for the hygiene mats for pets — we have the plant in Extrema distributing to pet stores across the country — and our healthcare line that is distributed to pharmacy chains, all of them here. All of these segments have their dedicated teams for products, markets, and commercial teams, sales teams that act in a very specialized way, as well as the direct channels and direct sales channels.

Now, talking a little bit about each one of the segments in the new format to help you understand: the corporate segment, that includes those products that I just mentioned, already corresponds to about 50% of Multi's revenue. So today maybe some of you had that impression that Multi is retail consumption. Yes, we are, but we also have important businesses in the corporate line — corporate segments that have been growing — that allow us to have higher stability in terms of profitability and contract management. There are long-term contracts, and we have fixed fees: even though they're lower, they're fixed. So, here we have a recovery of margin, gross margin that is very important, driven this quarter by sales to government. We had a resumption of sales to government in this first half year. We had the beginning of production of motorcycles for Royal Enfield, and revenue here has significant growth — 75% to 55% increase in revenue — also driven by these two businesses, as well as the local production partnerships that have been growing and contributing to revenue and to the reduction of expenses.

On tech retail, we see that it has a share of 37.8% of the company's revenue with all of those thousands of products that I mentioned for retail and direct sales. And here we have a lot of priority, as I mentioned in the last call, to optimize turnover. So, we had a gross margin very good on one side. That seems to be good news, since inventory turnover was the priority. So, there was maintenance of margin — we didn't need to sacrifice margin — and that was good. The slight decrease in revenue here was mostly due to the adjustment of retailers themselves with the increase in interest rates. They are working all of the retail; the entire market is seeking to reduce inventory days. So, there was this adjustment of purchases from the retailers that impacted this quarter a little bit with a slight drop. But the good news is that the most important indicator for us here is the sales from retail and sales to consumers. So, this indicator increased. Replenishment of retailers should be readjusted in coming quarters. This channel has a very important seasonality in the second half of the year. There are important dates there for sales and technology and home products. So, we understand that this channel may have an improvement in the third quarter, both in the optimization of portfolio to gain depth, but also the progress of the online digital markets that also contribute to more margin.

On specialized retail — the specialized channels, healthcare, toys, baby and pet — today it corresponds to 11.7% of the share of the company's revenue. We had good news here as well in terms of margin: there's a gain of 3.3 percentage points. This is strongly driven by the good performance of the healthcare and toy lines that have been contributing to this increase in revenues. So, this is a line that's been contributing to the company's results as well.





Now, another new announcement — a lot of news in this call — but this is very great: we brought back, as you know, the group's name. We had changed our group's name to Grupo Multi, and we understood that over these two years since the change, the Multilaser name stayed with us. It's always mentioned in meetings, by the partners, consumers, everyone who follows us closely. So, what we decided was basically to reintegrate the name that carries a legacy and a very important strength of many years in the market. It now represents our corporate side: all of the businesses, the corporate segment, tech retail, specialized retail. It's basically like an umbrella of brands. The product brand — technology product brand — is our Multi brand. That was the nickname for Multilaser and it remains. It's a shorter name, it's already present in the market. So basically, that brand remains as Multi, but now as part of Grupo Multilaser and no longer Grupo Multi. That's a change that we announced yesterday to everyone.

And I'd like to share with you two important initiatives. There's a series of initiatives, of course, but these would be the two main ones for this quarter. We're already starting to work on them. The first is operational efficiency. It's important to say that although our expenses are under control — we had gains in terms of expense reduction — we are looking at the fact that it didn't grow in line with last year. There was a growth of one percentage point compared to the same for last year, but compared to net revenue there was a drop. And noting that these expenses suffer the impact of inflation and price adjustments, I consider that we are being quite successful in posturing this growth and reduction compared to net revenue. But we still have a very important project to revisit all of the cost centers and bring significant reductions to expenses, just as we had at the beginning with the company's structure and the adjustment of the structure. So, that would be our focus here.

The second focus, as we mentioned — Richard said it as well — would be the optimization of working capital. We've been reducing inventories, reducing inventory days. We have work to do as well in accounts receivables, and there's a possible structuring of the receivables investment fund that may help us. Also, this optimization of purchases and better planning, plus the reduction of some lots of purchases in the reduction of inventory turnover, tends to release capital that's very important. Every inventory day is approximately 3,000,000 BRLs in cash. So, that's an important factor in terms of the optimization of working capital.

And that's it. I thank you for your presence, and now we'll open for questions, right?

## **Operator:**

We will now begin the questions and answers session. Please note that to ask a question, you should click on the Q&A icon at the bottom of your screen and write down your question to join the queue.

When announced, you will see a request to enable your microphone. Then you should enable your microphone and ask your questions. We kindly ask you to ask all of your questions at that time.



Our first question Maria Clara Sell side Analysts at Itaú. We'll enable your audio. Please, you may go ahead. Good morning.

**Maria Clara – Itaú:**

Thank you for the opportunity. I have two questions. First, I'd like to ask you to bring us more details on how you see the profitability evolution. You start to show signs of improvements in the expenses side. And my question is more to understand where you still see opportunities to maintain this trend going forward.

And the second point is about the perspectives for the outlook for the second half. Internally, we hear a lot about a risk of a slowdown of consumption, especially in the coming months. I'd like to understand how Grupo Multilaser has been seeing this trend internally. So, if you can give us an overview of the growth perspectives for the second half it would be interesting. Thank you.

**Richard Ku:**

Hello, Maria Clara, this is Richard. Thank you for your question. Let's break it down in two parts. I'll answer the first part about the evolution of profitability and then I'll turn to André for the second.

We'll look at our year, the second half in a positive way. We see that we conclude our second quarter with good margin evolution, getting close to 24.9%. For the second half, we still see opportunities of an evolution in gross margin. We continue seeing an evolution compared to the second quarter. We should continue to see that with the good management of expenses with the lines on the gross margin, we see our EBITDA margin also progressing. As I mentioned, the EBITDA margin of the second quarter when we exclude expenses and the readjustment, it would be at around 4%. The reduction we had and this readjustment of the structures bring close to 9 to 10 million BRLS and revenue in the quarter and that flows to our EBITDA. So, our we see our EBITDA margin for the second half also above the 4%. Getting close to the level of close to 5% EBITDA margin over the second half of the year. Of course, there's still a lot to do. There are things we need to do to materialize that, but we are at a good base and our results here of month 7, we're on the right path in this profitability progression.

I'll turn to André to talk about the perspectives of the second half.





**André Poroger:**

Thank you, Maria Clara for the question. You, you read it well. I mean we have a challenging scenario for retail with interest and the slowdown, but still, I could say we are excited. We understand that we have some segments that have been growing significantly, the corporate segments that says suffering less with this specific side of retail. The segment as you saw showing significant growth and this tends to hold for the second half.

And the second point is in terms of retail, there is that aspect. But it's important to note that our group works with products that have a good cost-benefit ratio. And at this time, that we see retailer charging interest of 9,10% more than doubling the cost of product in the payments in installments. When they divide 1000 BRLS in installments, it becomes more than 2000 in the installment pavement. So, that increases a lot of the cost of consumer, but the consumer seeks today products where they can pay for the installments that they can afford, installments and the group will Multilaser products should they have a better cost to benefit ratio. And it depends on the market, but we usually have a good fit with these moments of the market. So that gives us confidence, and of course, the online segment as well — the online direct to consumer sales — has been growing a lot of the company and platforms, growing at averages that exceeds traditional retail. And we're looking at this very closely. We have a very strong presence here, and we will also make the most of this, always, of course, in an organized way with the policies in place to minimize and conflict of channels. But I would say that even in this scenario, these indicators make us more comfortable and confident in the second half of the year.

**Maria Clara – Itaú:**

Excellent. Thank you for the answers.

**Operator:**

Our next section, next question is by Marcelo Afonso by side analyst of Clube Belvedere.

In writing, he says good morning. I would like to know what are the perspectives for the next 12 months in terms of the evolution of taxes to recover? What has the company been doing to reduce this amount? More specifically, how should the financial credits evolution goals of Bill 13969 and ICMS to recover for coming quarters?

**Richard Ku:**



Marcelo, thank you for your question. I think that's an important point here. With the resumption of the company and margin generating positive EBITDA, we should start to see consumption of these credits between 50,60 million a year. So, we start the second quarter with a timid consumption of our tax credits and starting now for the second half with the resumption of the company's performance, there will be consumption of 50 to 70 million. That's an important indicator for us both in terms of cash and the reduction of these credits.

**Operator:**

Our next question also in writing, Gabriel Ettore, Investor.

**Gabriel Ettore:**

And he says good morning. Expenses of selling expenses represent 21% of net revenue, a decrease compared to the previous quarter, but still far from the peers that are listed with this ratio between around 20 percentage. Looking forward, if we reach, is it possible to reach the percentage of the listed peers?

**Richard Ku:**

Gabriel, thank you for your question. I think here there's an important point. We will seek reduction of our expenses. That's continuous work. But when we compare with our peers, Grupo Multilaser has a more relevant share of the retail segment than they do. As we mentioned, tech retail and special specialized retail represent almost half of our portfolio. So, retail has a slightly higher cost to serve than the home appliances compared to our peers. So, this comparison, we imagine that expenses will be reduced a little bit, but to get to the same level as our peers will not be possible due to the dynamics of our business when compared to theirs. Thank you.

**Operator:**

Next question in writing, Rafael Xavier, Sell Side analyst at UBS

**Rafael Xavier:**

About the growth seen in the corporate segment. Could you comment more about the perspective of growth in partnerships and government revenues? What should we expect for inventory levels in the second half? If you can open a little bit more details about the



initiatives to bring greater operational efficiency and if that tends to perpetuate for the second half of the year? Thank you.

**André Poroger:**

Excellent. Thank you for your question. So, in the corporate segments, we have some perspectives in the government segment. That's already been a resumption, and we understand that we should see progress in the second half in terms of sales to government as well. That's an important pipeline of bids that we already won, and we should start delivering, if it all goes well, in the second half of the year.

There's also growth in partnerships, as I mentioned, with Royal Enfield and motorcycles that started now this first half and tends to have a good outlook for the second half of the year. And providers and operators as well, we have projects there that are contracted for the second half, as well as partnerships that we are with Opal and Hisense, that have a more significant seasonality in the second half.

So, within that segment, we have — I talked about the positive outlooks in terms of revenue, and these operations have tighter margins, lower margins, but they have a fixed fee that we charge. But once that revenue grows, that also helps us reduce costs and expenses. So, the operational expense work as Richard said is a priority for us. We understand this 21% when we talk about expenses, that's total expenses, not only commercial expenses and that tends — or we want to — or we're working hard to reduce this and this possibility to reduce in some percentage points that remain a very important focus for us in the second half of the year to be able to increase profitability.

**Operator:**

Our next question, Sani Miranda, what is the target of annual net income for the company to start to resume having a positive PNL?

**Richard Ku:**

Well, thank you for your question. I think here, when we look at our results, I don't want to give you a precise target for net income, but we're expecting to end the year, obviously with a positive EBITDA generation and that trend from previous years. As you'll see, the results of the first half year to date, we had 36 million of positive EBITDA compared to the whole year, 24 EBITDA 41 million. So, in six months we've been able to achieve almost everything we made last year.



So, the perspective is to conclude the second half in a stronger note, even due to the seasonality of our business and what we've been achieving in terms of margin, and closing the year with a more robust EBITDA and having an impact on our net income.

**Operator:**

The questions and answer session are concluded. We'd like to inform you that the remaining questions in Q&A will be answered via e-mail by the IR department. I'll turn the floor to André for his closing remarks.

**André Poroger:**

Well, thank you, all very much for your presence. And we are still cautious, obviously, with the macro market situation, but the indicators give us confidence. And when we look at the perspective and the outlook, we are excited and looking forward to it. We're not satisfied. We still have a lot to achieve and improve, but I understand that the company overall is united, working towards those improvements. So, thank you all for attending.

**Operator:**

Grupo Multilaser's earnings conference call for the second quarter of 2025 is concluded. The Investor Relations department remains available to answer any questions you may have. Thank you. Have a great day!

