



Transcription Videoconference of 1Q26 Results

Mônica Rech

Good morning everyone, welcome to Frasle Mobility's video conference for the presentation of the results for the first quarter of 2026. Thank you for joining us for another results videoconference. Before we begin, we would like to pass on some important warnings.

This videoconference is being recorded and upon completion will be made available on our website, ri.fraslemobility.com.

We have simultaneous translation into English. To access it, just click on the "Interpretation" button, represented by the globe icon at the bottom of the screen. At the end of the presentation, there will be a question and answer session. Questions can be asked in two ways, via audio, showing interest through the "Raise Your Hand" icon, or in writing, through the Q&A button.

In addition, we reinforce that the information addressed in this videoconference is not a guarantee of performance and involves risks and uncertainties, as it refers to future events and, therefore, depends on circumstances that may or may not occur.

Going quickly through today's agenda, Anderson brings the overview of the quarter and the CEO's message, and then Hemerson de Souza details the operational performance and financial management. Later on, Anderson resumes to comment on the outlook.

And at the end, we went to the Q&A session with the participation of Jessica as mediator, Davi Bacichette, IR and finance manager at Randoncorp, and executives Anderson and Hemerson.

Now I give the floor to Anderson, who will start the presentation.

Anderson Pontalti

Thank you very much, Monica. Once again, good morning to everyone who is here, thank you for being part of our video conference. We then start 2026, a year that begins with the company preparing even more for the future.

We had very important deliveries planned within the quarter, We had two very challenging projects, one was the incorporation of Nakata into our S4HANA base, becoming a subsidiary, which allows us to seek the goodwill from the Nakata acquisition operation, consolidating the milestone, the last stage of the synergy process of this acquisition, which was in 2020.

In the same unit, in the city of Extrema, we made the company's main investment, which was executed over 25 years and completed in 2026, which is our 4Mobility, the warehouse, with 36

thousand positions, 100% automated, with 24 robots, totally changing the concept of logistics, the first automotive company with this warehouse profile, where the part comes to the separator and the separator does not go the part, this is preparing the company for the future, since we have a greater fractionation of our customers in their consumption profile and a greater frequency of delivery, this is greatly driven by the increasingly demanding level of service in the Brazilian aftermarket, but also the high cost of capital in which the entire chain seeks optimization as much as possible so as not to suffer the effects of the appreciation of the interest rate on its inventories.

Looking at the screen, we see the guidance, we started with revenue at 1.2 billion, a little retracted compared to last year, but there are three very fundamental points, the dollar 10% smaller, the average dollar in the period.

The comparative basis was pre-Trump tariffs, which means that the volumes for the first quarter of 2025 bring a very high base, because we did not have the tariffs that made a very significant economic retraction in that market, and we had a planned, much more timid start at Nakata because of the two projects I mentioned here.

When we look at the foreign market, very favorable, we have 140 million in revenue in the quarter, very much driven by Dacomsa, which had a wonderful quarter.

Investments that are a little timid, usually start the year a little more timid, but it is very comfortable to see close to the Guidance and EBITDA we knew that the first quarter would be a little below the minimum of the Guidance for the projects already mentioned, but there is favorably recoverable and we are convinced that it will overcome and stay within the band in the four drivers that are here.

Please, Monica, next.

Here just to emphasize, then, here the inauguration day of our 4Mobility, We will certainly this year arrange our Frasle Universe meeting so that this visitation, this fully automated warehouse can also be seen by you.

Very gratifying, a work that lasted more than a year with our team, with the partnership of suppliers and very happy with two and a half months, approximately three months of operation there.

A aceleração e a adoção e o aprendizado e a performance estão bastante aderentes àquilo que a gente imaginava para o business case até o momento.

Showing our commitment to the environment, we made a technological update of three treatment substations and 3 ETEs in our plants, the main one in Caxias do Sul, which we have built-in reverse osmosis.

This allows us to qualify the treated water to the point that it can return in its entirety for the use of our plants.

This means that we will need less treated water or water extracted from nature, we will have the circuit increasingly closed depending less on new water, but treating everything we have inside the house.

This process is a process of the pharmaceutical industry, of very high complexity and technology, but it allows, guarantees and shows our commitment to the environment of increasingly seeking fewer natural resources and being more ecologically efficient as well.

Next slide, here I have to move on to Hemerson, and I'll come back to the end with you.

Hemerson de Souza, good morning.

Hemerson de Souza

Thank you, Pontalti. Good morning everyone.

It is, then, a pleasure to be able to talk a little bit about Frasle's results in this first quarter, and I start by talking a little bit about revenue.

I need to say that we are not clearly proud here that after, I remember since 2020, we never had a quarter in which we presented a falling revenue.

And, obviously, we have all the arguments here to be able to exemplify and talk in general about what impacted and Pontalti has already endorsed and has already brought some of these elements, I will delve a little deeper into them here.

Obviously, if we understand this graph here, it is quite explanatory, we have very good things that happened in this period that are structuring so that we can have an even better company in the future.

What I also want to bring and share is that we have some important things within what we define as the company's strategy.

One of them, obviously, is to maintain a double-digit growth track, and this has not changed, and we absolutely have not lost any market position in this period in which we have had these adjustments.

The second is that we, yes, are increasingly a more global company, and this means that we will have more revenues in dollars or the conversion of local currencies into dollars.

And as much as it may seem paradoxical, we cannot count on the dollar exchange rate or the dollar to real as a benefit or a favor or a detractor of our revenue.

On the contrary, a global company needs to manage this in the best possible way and we do it very well when we compare the results achieved, mitigating risks in relation to import and export levels, financial instruments when they are necessary or trying to seek a balanced trade and currency balance.

But it is a fact that we have guided in our planning, a dollar of 5.60 and we operate a first quarter average of 5.26. I don't need to endorse to you the levels that we have today of currency conversion. Does this change the company's strategy? It definitely doesn't change, because we will continue to grow revenue abroad and look for the best way to be able to equalize this. But yes, we are a company that consolidates results in Brazil and, therefore, we have these currency effects.

The dollar for us, in this quarter, compared to last year, took away from us, in terms of revenue conversion, 80 million reais, a little more, at the same time that the Nakata effects removed 92.5

million reais from revenue, this I will show a little later, this is a one-off situation that resumes, And, on the other hand, on the positive side, we have an operation in Mexico that has been growing.

Obviously, there are a series of initiatives, which I will also talk a little more about here, which will allow us to enjoy the benefits of the integration of this unit, such as the Frasle Mobility companies.

Here it shows a general overview, but let's be more specific. I'm going to take three basic elements that explain a little.

Here is the performance of our Nakata, from the Extrema Site, Frasle Mobility Extrema, where Nakata's operation is concentrated. You see, in 2025 we had an average of 100 base sales, and we operated in January of this year at 40% of this base, in February at 55% and in March at 93%. I can tell you that in April we have not yet reached 100% of what we already operated last year, but we are already much closer and we are above what we operated in March.

Obviously, taking 92 million from an operation that is extremely profitable, consolidated, it ends up impacting the distribution of revenue in several things. For example, we notice that the automaker area has grown or almost doubled its position compared to last year.

It absolutely has no relationship with direct growth, although we have sold

More to that end, yes, but it has to do with this revenue gap that we created here because of having this operation at a time of stabilization. In the same way, Mexico, which will represent between 25% and 27%, is not the 30%, 31% that we showed in this first quarter.

So, in general, the recomposition and revenue losses were impacted by this effect. But I want to say that Nakata is approximately 20% of all Frasle revenue, and obviously this unit is already returning to normal levels.

There are 10 million in additional revenue or tax benefit just because of this integration that we made, as Pontalti said, it is the last step of the energies that we will capture from an acquisition that we made in October 2020. So, it is extremely necessary to make these movements and prepare it for a much better time in the future, as you already know, because of all this adequacy in the way of distributing and collecting Nakata's products. That alone pays for the project we did here in approximately 3 and a half to 4 years. So, there is a lot of financial return here also in this investment.

Going to the next chart, we talk about another vector that has somewhat hindered the reading of Frasle's recurring revenue.

We started the year 2025 with very large volumes in the commercial area, in the performance of the commercial line, which is partly assisted for trade in Brazil, but an important part is also exported, I would even say larger than the portion we sell locally.

However, we already see very good movements to resume production, especially here in the United States, And then, the OEs, as a whole, have already revised their guidance, and you can access this as a market in the releases they present to the general wave market. Today it is very easy to search for this information.

But if we evaluate this first quarter and look at it as a whole, we have class 8 falling 8%, sorry, 25% in production, year over year, and in relation to the last quarter, falling 8% here in the United States.

In Brazil, we are talking about 13% in the first quarter in a drop in production, but already a growth compared to the fourth quarter of last year. So, the signs, in general, are positive, and this line definitely did not lose position, we did not lose market share, we simply had to accommodate our productions in order to balance the moment of OI and replacement.

In the next chart, we also talk a little bit about the integration of Dacomsa, and here I bring you an updated data. We have already mapped 23.7 million dollars, here it is dollars, of what was the projected business case for 2029 of 14.6. Therefore, the synergies mapped for Dacomsa are at the top level, much higher than what we predicted when we made the acquisition.

And will they appear when in the P&L? They will appear in the DRE in the next, twelve, eighteen, twenty months, because some of them materialize throughout this year.

And I'll cite an example, we are bringing a consolidation of purchases via our co-manufactures combined with Nakata and especially Nakata, Frasle Mobility as a whole, but concentrated in Nakata and Dacomsa, of some items that we have already placed orders and arrive in August.

Arriving in August, we consume the stocks, which are two, three months, fully begin to appear in our DRE in October.

But are there things that have already arrived in February? The two, three months of spending the stock are already passing and this is already showing in the results. The fact is that we have had good results at Dacomsa, the month of March was a magnificent month, the month of April, which is not part of the disclosure of this quarter, is also a wonderful month, and Dacomsa grew in this first quarter, 23.3% compared to last year's quarter. Obviously, this does not appear in the reflection of what we have as consolidated because of what I have already mentioned, but it is in fact a very good moment.

In addition, we grew quickly in lines that we would take more time to do. Remember that we are introducing a line of heavy vehicles in Mexico and the exit of a competitor, and I can say the name here because it is no problem, The exit of First Brands from the market opened up for us the possibility of reaching the leadership in Mexico in blocks already in this first quarter, but with a big dream of maintaining and seeking the same levels that we have of market position in the Brazil, which are approximately, or rather, above 50% when we talk about these lines.

Obviously, the expansion and the offer of products will also take place more cadenced over the next few years, it is not easy to implement a product line and then we can talk a little more about Dacomsa as a whole.

I remind you that this does not appear only in Dacomsa's P&L, about 85% is in Dacomsa, but the rest is distributed by the synergies that we combine in the other units. For example, if we save on the material for the production of friction, it impacts all Frasle Mobility units in the world.

Going to the next chart, we have here just one piece of information, we in this quarter bring or evolve our model of presenting revenue breaks and openings to the market, consolidating in three major blocks, braking, steering and comfort and powertrain. Obviously this is due to the update we have in the product lines and the importance they take.

We will talk a lot in this way, because we want to cadence and change the dynamics of presenting

and the possibilities of growth of the markets where we are with these three product lines, and this includes launching these product lines in all the relevant geographies that we are in today.

In the next chart we talk a little bit about the performance of these three units in general, and here we see, for example, Breaking, which is braking, with a drop of 1.8, and this drop in the domestic market, although it may seem expressive, is not the result of the sales we made, because there were revenue recognitions here that were left out at the end of the last quarter, Once the market is heated, obviously there are different levels of competition in each of these lines, but the market remains heated and we continue to occupy and grow, or at least maintain our market positions.

In Ride comfort, Nakata's explanation is very obvious, but this is obviously evidenced here, and in the foreign market the biggest destination of this line, which adds up to 23% of revenue, goes to Argentina, which also had occasional impacts there in sales.

In the Powertrain area, we have grown, little of this has Dacomsa items here and Nakata items as a whole, we have grown or you can say that we have remained stable here, the biggest growth is outside the country, connected with the performance in Mexico.

Going to the chart that talks a little bit about EBITDA, we had a margin of 18.8 in this quarter, approximately 210 million, obviously a reflection of all the loss of revenue, we would certainly have here we did the math, but these 80 million reais here is a good margin that Nakata brings to us, here it gives us at least one percentage point more, but obviously other sectors such as heavy sectors, such as Argentina's performance, could also contribute to us having a level more within what is the center of what we expose as guidance. This is not a promise, but it is where we direct the company and it is where we want, obviously, to perform.

Here is an explanation regarding the last year, the drop in revenue, COGS, it is counting positive here, it is very positive, we have resumed good levels in our gross margin.

Selling expenses were also lower, general administrative expenses were also lower, even though we had other revenues here and expenses at the different level here because we did not have non-recurring effects this year, only last year, so that's why this difference.

In the next chart, we will also talk a little about the performance of cash and working capital generation. It is important to say that we managed to have a reduction here, despite the reduction in EBITDA, we had an important evolution in cash this quarter, with operating cash flow in the order of almost 100 million positive and a free cash flow of 27.5 million, with emphasis here on the reduction of working capital, We pay a good level of dividends as well, anyway, here you show a little of these items in detail, and it is also very open in our earnings release and in the explanatory notes.

In the next chart, we talk a little bit about debt, which remains very stable, although there is a proportional debt reduction, it remains very stable in relation to net debt versus EBITDA, 1.6 times balanced and you can also see that the amortization of this debt is quite well distributed in the coming years, so no tightening, nothing that can harm the company's performance here, including the company's growth agenda for the coming quarters.

The debt-to-cash ratio is also very balanced in terms of foreign currency and national currency. I remind you that we have a very solid state in this and are very balanced with debts both in Brazil

and in Mexico for the purchase of Dacomsa last year.

I return to Pontalti and then join you here for the question and answer session. Thank you very much.

Anderson Pontalti

Thank you very much, Hemerson de Souza.

Nothing changes, what can I say about our Outlook. Our planning already showed what our priorities should be for 2026. As everyone knows and constantly dialogues with us, Dacomsa remains a priority because it is a relevant acquisition, with a lot of opportunity to capture.

Hemerson has already declined in very favorable numbers above our business case, which as time goes by, and we incorporate, this will appear in the results.

We had a very good quarter at Dacomsa, we have a strong year ahead, the appreciation of the Mexican peso also helps us at this first moment to bring more reais or more dollars, as we want, into the corporation.

Replacement Brazil remains resilient, despite the delinquency that happens more at the end of our business, Despite postponement when the ticket is higher, we understand and monitor the sell-out of our products with our customers and we are very happy with the performance of the first quarter, this is a guarantee of future sales, since demand is happening.

The commercial line, despite having had a very favorable 2025 quarter, it deteriorated a lot from the second quarter onwards. It is starting to show signs of recovery, and then you will ask, market dynamics? It is also not dynamic, only market dynamics. The postponement, the repair backlog, it reaches a limit that you can no longer postpone. And then the volumes start to appear gradually better than we imagined and there may be a slightly positive surprise here compared to what we planned.

The growth strategy remains strong in the organic issue, but it is obvious that as we take market positions in terms of market share, which is the moment we are in, we need to open new fronts to unlock organic growth as well.

So our M&A agenda remains active, we are evaluating opportunities as we always have, We have never hidden that we have an area dedicated to this, exclusive, we are prospecting. So, as Frasle does not look for assets for sale, we will look for assets that interest us in the long-term strategic plan.

Our agenda is always under maintenance and we, obviously, as the result of Dacomsa, and the synergy of Dacomsa, is consolidated, our appetite will naturally increase in this direction as well.

We are still very happy with what we did at Nakata, despite the result, we needed to go through this, we already planned it, we were aware of delivering the result we delivered, because this, without a doubt, is courage to make this decision and prepare the company for the future.

As Hemerson said, we didn't lose client appointments, we didn't lose position on the shelf, everything was very well planned, it affects the quarter punctually, but it's already in the past, we won't talk about it anymore in the next quarters.

Now I think I'll give it back to Monica, right, Monica? With you.

Jéssica C. Cantele

Good morning everyone, thank you for being with us more in the results videoconference. So let's start the Q&A session now.

The first question comes from analyst Gabriel Tinem, from Banco Santander. Gabriel, let's open up your microphone, you can proceed.

Gabriel Tinem (Santander)

Good morning, everyone. Thanks for the space.

The first is more to understand here a little more about the transition movements, this change of SAP, 4Mobility, to understand if it has already been fully addressed or if there is something remaining here for the rest of the year.

And also to understand a little more about whether in addition to this lower operating leverage that we saw in the TRI, which also affected in some way the recurring level here of the SG&A, that we saw that it became a little higher. Understand a little more the progression of the margin throughout the year.

And a second point, if you can share a little more of the main vectors

Opportunities that you are still seeing within the guidance, with the visibility that you have so far, if you can give a little more detail on the evolution of the North American market and if by chance you have also increased the level of co-manuninvoice a little given this slightly lower dollar.

That's it, folks. Thank you.

Jéssica C. Cantele

Thank you, Gabriel, for your questions.

I'm going to talk here very briefly about SG&A and then I'll move on to Hemerson de Souza and Anderson. The difference in comparison, Gabriel, is mainly due to the reduction in operating revenues.

Within our release, we even highlight the effects, if you take these effects from the first quarter of 2025, our SG&A would be well in line, so here are one-off operating effects that happened in the first quarter of the previous year, we have nothing structural here of increase in our SG&A, On the contrary, in absolute value they were even lower than the quarter of the previous year, which in the proportion of revenue ends up being similar, given the reduction in revenue, but the impacts were on the lines of others and these were largely due to these non-recurring factors.

I'm going to pass on Hemerson to comment a little bit about SAP, Nakata, the stabilization of this within the year, and then to Anderson to talk about our vetores relacionados a guidance e dólar.

Hemerson de Souza Our Guidance and Dollar Related Vectors

Thank you for the questions, for participating in our call here.

In fact, we have already finished the entire SAP transition process at Nakata, the entire process of the new automated distribution center is already in full operation, there are some small adjustments that are happening, but as I mentioned, April we are not yet at 100% and we are not yet growing the sales that we have planned within Nakata, Precisely because of these adjustments, but we are already very close to that, we are almost close to 100% and I reiterate, we prepared for this, so at the end of last year we reinforced some stocks for some distributors, we brought this so as not to lose space on the shelf, we know how painful it is to lose space.

The fact is that Nakata, in particular, left market shares that were much less expressive back in 2020, when we made the acquisition. I will cite the example of shock absorbers, which is an iconic item for us, from 16.17% to approximately 32/33% now at the end of 2025. And a little more here, we have been working, so soon we have our indicator above that and potentially being the market leader in this product.

So, nothing changes, we are preparing this company so that it can expand, evolve, grow, and, obviously, it has gone through this transition, but there are no more major impacts here that can bring any disturbance here in the relationship of perception of revenue as a whole.

In addition, Nakata is now our benchmark for us to be able to implement this in other units as well. We have clearly evaluated, at some point 4Mobility will go to other places as well to make us increasingly competitive, more efficient and more connected with the level of service that the market demands today and the readiness and speed to make deliveries.

Anderson Pontalti

Thanks for the questions.

Talking a little about growth vectors, we believe that the heavy line can improve its performance a little throughout the year. I was in the United States, there is an expectation that in the second half of the year sales of trucks and trailers may, in fact, accelerate.

There is a small pre-buy that can happen due to the legislation, not an imaginary pre-buy, idealized, two, three years ago, but a pre-buy, which can help us pull volumes a little.

I think that the domestic market, because it is resilient, and we are taking advantage of the exchange rate in what is dollarized in our cost structure, we can improve margins when we look at the domestic market, either by importing more with manufactured goods or by importing more raw materials for those production bases, but I also dare to say that where there is inflation, And we know that there will be mainly in oil products and freight, this can also bring an up-side of revenue driving inflation imposed by a global factor that we cannot measure, but it has to be a pass-through.

Luckily, we operate aftermarket and it is a little easier for the market to understand when these things happen than in the original market.

Dacomsa has been a very important vector of growth, it is above the plan. Hemerson has already talked a little about the weakness of some market players, the economy, has a slightly stronger

relationship with the United States, the currency has also strengthened, so these are the vectors that are certainly already being addressed.

Remembering that we have greater capacity at Fremax throughout the year, last year it was partial, we made an important investment in the substation, this is a growth vector for this year.

But of course, we don't know where the dollar will end up, all of us here can each have their own opinion, but the certainty is that we will all make mistakes. It depends on macro factors, micro factors, but the dollar I've always dreamed of is the stable dollar, which is easy to plan, easy to play with

Frasle is much more armored in relation to conversion, but obviously when you consolidate in Brazil, the international currency exposure brings lower revenue.

I don't see any risk in the conversion, Revenue may not bring the growth we would like due to a weaker dollar, but the company will remain very defensive, very solid, the company's market is on the street, it is running, people have to switch from one side to the other, the goods have to switch from one side to the other, And we remain very calm about the resilience of the business and the potential growth it brings, not only for this year, for the years ahead.

Hemerson de Soza:

And it allows, Pontalti, just to add, we have, obviously, businesses here that we have discussed over the years here with AIS, which have a much more emerging impact throughout the second half of this year as well, which collaborate for a better dynamic. In addition, obviously, as you have already mentioned, Pontalti, I have already mentioned, we have the effects of seeking market positions with the competitiveness that we have now in products and the combination of products and co-manufacturing at Dacomsa.

There we have a lot of room to advance, to grow and we have focused a lot on looking for these spaces, I mentioned here the case of brake linings, this will certainly be, it is not something that is relevant as a whole, but it is important for the operation to gain the space we wanted

I don't know, in two, three years, already within the year 2026.

Gabriel Tinem (Santander):

Perfect, guys. Super clear. Thank you and good morning.

Jéssica C. Cantele

Obrigada, Gabriel. Bom dia.

A nossa próxima pergunta vem do analista Gabriel Frazão, ele é Sell-side do Bank of America. Gabriel, vamos abrir o seu áudio e você pode fazer a sua pergunta.

Gabriel Frazão (Bank of America)

Thank you, Gabriel. Good morning.

Our next question comes from analyst Gabriel Frazão, he is a Sell-side at Bank of America. Gabriel, let's open up your audio and you can ask your question.

Jéssica C. Cantele

Thank you, Gabriel, for your questions. I'm going to pass it on to Hemerson, because he already talked a little about it on the call, but Anderson is comfortable if he wants to complement it too

Hemerson de Souza

Thank you, Gabriel, for your questions. I'm going to pass it on to Hemerson, because he already talked a little about it on the call, but Anderson is comfortable if he wants to complement it too

We are moving in this direction, this is a strength, this is a working principle that we have here, which we not only explore in Brazil, but in all geographies.

Pontalti, do you want to complement a little bit about the competitive environment, perhaps? You had with clients recently, you can comment.

Anderson Pontalti

I think it's a little bit of that, the environment is certainly more competitive, with this dollar there is a greater appetite for imports, with this dollar there is a lower objective for price retraction, but we remain with the sell-out, which is the main very positive indicator, growth over the last quarter, the passage of workshops it remains stable, it does not grow but it remains stable, stable post-pandemic is very positive, And then we have a matter of working days too, we had a lower revenue recognition, because we also installed Auto transport, we have a greater precision of what arrives at the customer, what is moving from south to north, There is a transit time that we are not recognizing in the Revenue, we are being a little more conservative in the accounting issue, but this was an effect of the quarter as well. But in fact there is no relevant fact of non-nomination or loss of nomination of clients, much less, on the contrary, we have gained positions.

We are used to competition, that's why we have 40% of our business with manufactured goods to benefit from imports, this also benefits our costs in a certain way and we are able to fight on an equal footing with those who try to enter the land that we are already installed on.

Gabriel Frazão (Bank of America)

Okay, yes, Hemerson and Pontalti, it was super clear. Thank you very much.

Jéssica C. Cantele

Fernanda (XP)

Good morning, everyone, thank you for the space here. I would rather follow up on these previous questions.

I think it was clear that the company was ambitious to return in the medium term to double-digit growth, but I wanted to understand a little about the timing of this trajectory.

Understand to what extent this will depend a little more on capturing Dacomsa's synergy

which, from what I understand, are already in this intense mapping process, but should translate into the P&L between 12 and 28 months, and what other factors could help in these trajectories, if it would be a clearer recovery of foreign markets.

And then also to follow up on this issue of foreign markets, when we look at the data there in the United States, we already see some better signs, mainly looking at the data of new orders for class 8 trucks, but I understand that there is a delay until this actually translates into sales, whether on the OEM side, or in the aftermarket.

I would like to understand the timing of this trajectory, the film for the year and when you expect a more significant acceleration, if you are thinking about something like the second half or more next year. Thank you.

Jéssica C. Cantele

Thank you, Fernanda, for your questions.

Hemerson, I'll pass it on to you to start answering and Anderson, you can feel free to complement as well.

Hemerson de Souza

Fernanda, thank you for the question, for your participation.

We can see, we disclose the monthly revenue, so you can get a good idea of how the curve behaved in the first months, I can tell you, yes, that this curve continues to behave like this.

So to see the timing of when the company returns to a growth sprint, we have three major blocks of revenue here that are relevant.

First is to be able to maintain the space that we already have and that we already occupy with current customers. Absolutely this has not changed, this is structural, this is a Frasle business and, on the contrary, we have gained market position in some lines. Even in the most competitive ones, as is the case of the heavyweights, we have gained the market position, so this is very armored today, there is nothing to worry us that this may not happen.

Second we have Dacomsa. Dacomsa, just to bring, we are already capturing some synergies and how they take, how we show an annualized data there, if I start, for example, to enjoy a synergy that will start to appear in October, from today until October next year it is 18 months, okay?!

So, you can say it like this, until the end of 2027, it won't be that many months, we will have this very materialized already in those amounts, this means that Dacomsa's EBITDA or Frasle Mobility's EBITDA has this possibility of growing as a whole. A part, obviously, comes from revenue growth, and revenue growth, it's a little bit more

modulated because it has, in some lines, to advance, despite new sales, so gain attraction from these new sales, we have planned, for example, for next year, in all new product lines, such as suspension, steering, shock absorbers, we were able to anticipate this year very quickly here, we even accelerated the growth in the line of heavy canvases, This is 2.3 million dollars additional to revenues, it is not such a large amount, but it is important, we will have an extra million dollars with the sale of hydraulic product vehicles there also during the year.

So, they are little things that add up. This Dacomsa block, it is very relevant and it is on the route, so there is no team, it is already on the route and it is happening. As we also give competitiveness to new products, combined products, I have already mentioned some examples here, we expected

10, 15% gain in the combination of co-manufacturing and we are having 30, 35% in some cases, 100%. Wow, it doesn't make sense to put all this in my pocket, I need to throw the price a little to raise the market share where there is space. So that's the second block.

And the third block is new business and market share. We have consolidated market share in the brakes part, so it is much more complex to gain a position here, there is nothing to do, but powertrain, shock absorber, suspension, steering, there are still zones where we seek to have more relevant market shares, in addition to the possibilities we have for new business, especially with OE, in the braking area.

We won relevant business in Europe, I start to score this year, to add this year, we have relevant business for the automaker in Brazil, which is already growing throughout this year in terms of ramp, we also have new business with automakers in the part of brake discs that start this year.

So, there are a number of things that already make up revenue this year and that are materialized within our guidance. What is not materialized in our guidance? It is not materialized in our guidance, we have a dollar of 4.90. It is not.

But this, obviously, has the reflection of Translate, of how much we bring in dollars and convert them into reais, it does, but this absolutely does not change the dynamics of our business, the way we do business and our market positions, nor the strategy that we have defined for the future, because we want to continue, We have designed to continue to be a more global company, with a larger space outside, growing revenues outside the country and we have to live with that, obviously.

Which will not hurt the dynamics of margins here, we are very fast, very adequate in always seeking to equalize, although we always say like this, it is more difficult for you to raise or equalize your costs when the dollar rises than when it falls, it takes a little while to resume.

And there is still a new element here, which is the issue of the price of oil, which also measures our raw materials a little bit and that we have been able to equalize with the price very quickly over these first months here, observing how this can impact from now on.

So, the timing, Fernanda, is very fast, it happens throughout the year, it happens. The only exception that we have no control over, we don't know how this will be identified, is the issue of translating dollars, and we observe this to give the directions here in the company in the short term, but in the long term the company will continue to be a global company.

And it will continue to grow and, obviously, Pontalti mentioned, we have acquisition projects that grow our addressable market, we can see things that can bring us the dimension of growing much more, as is the case, for example, of engines that we only operate in Mexico, but that have the possibility of operating in other geographies with more emphasis.

Anyway, there are a lot of good things for us to position and we are doing this as we implement new projects. But many are already on the way, obviously, the dollar, we don't control that.

Pontalti, do you want to talk a little bit about the foreign market, just to reference...

Anderson Pontalti

I think... Fernanda, thank you for the question, but your statement is true. We believe that some of the pre-buy will go to the second half, but this affects the volume of the original. The economy needs to move forward, for goods to start circulating and transportation, which is predominant on the road, also to start moving in the United States.

The tariffs have fallen, the flow of imports into the country has improved a little, nothing yet relevant pre-tariffs, this already moves the ports a little more, they already have to flow the goods a little more.

But the truth is that there is unemployment in the United States, there is a lower perception of consumption power, and this can postpone a little bit the resumption of American consumption, which is mainly the main factor of traction of the economy, which is very towed by trucks, and this is quite irrelevant to us.

But we also see the aftermarket dynamics for the second half of the year with better eyes, so volumes should start to happen from the second to the third quarter, and there may be a hangover in the first quarter of next year in relation to the original vehicles. So if there will be a pre-buy there will also be a hangover in the first quarter of 27, for the original vehicles. This will have to be confirmed in the releases, in the volumes that we have exported.

Fernanda (XP)

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Jéssica C Cantele

Thank you Fernanda.

Our next question is from Sell-side analyst Luiza Mussi, from Banco Safra. Luiza, let's open your microphone. You can proceed.

Luiza Mussi (Banco Safra)

Good morning. I have two questions here.

The first about work capital, trying to understand if there is still tall weeds here, how we can think of this line for the year. And a second is the follow-up. You have commented here that the passage through workshops remains quite stable, but how are you seeing the average ticket that is being spent by customers?

And just taking advantage of it, if you can give a reading about the new tariff frame, this drop in Brazilian product tariffs, but the new Section 232, how are you thinking?

Thank you.

Jéssica C. Cantele

Luiza, thank you for your question.

I'm going to pass it on to Anderson, it could be Anderson, comment a little bit on working capital and the United States market, Session 232, tariffs.

Anderson Pontalti

Perfect, yes I can.

So, Working Capital, we have done, we have actually done a beautiful job in 2025, there are still remnants that we can improve this even more throughout this year, the quarter already shows that. Very diligent, extension of the payment term with suppliers, with the combination of sourcing, improvement through intelligence, the qualification of our inventories, so the level of adherence to demand is also more glued, we went through a difficult time year pasado, estoque do lado, tarifa on the other, open market in Argentina, so all this will bring benefits, I believe that there is still more room for us to be financed by the supply chain, using important financial tools in Mexico,

Structuring projects were left last year, but there are still things that will certainly come and we have targets for improvement by the end of the year in the need for working capital.

United States, session 2.3.2, it remains active for our product lines, it does not impact our business so directly, because what is subjected to this is a small part, Remembering that the reciprocity tariff was at 10% harmonized for all countries, which for us is not bad, it is quite good, because it puts everyone within this same regulation and China already had 25% and now has 35%. So, our export to the United States is not threatened.

But the beauty of all this is that we have a plant that is neighboring, which is Mexico, which still does not have enough capacity to explore quickly, we are still shy of the installed capacity, but we have very ambitious plans that Hemerson is leading, which is to navigate that market in a very different way in the coming years, We are starting with engines, with good prospects, with excellent market acceptance, but we have to qualify.

We have to work on information, we have to work on the catalog, we have to work on availability, we have to work on the feature of the piece, so there is a medium-term journey, but I see her with excellent eyes up front, Luiza. Thank you very much for the question, I don't know if I missed any point, but I don't think so.

Luiza Mussi (Banco Safra)

I had only asked about the issue of the average ticket there, right?

Anderson Pontalti

Ah, without a doubt, Luiza, well remembered.

Yes, tire people, if you have contact with tire people, they have suffered a lot. Those who have high value-added items have a postponement of maintenance, yes. So, instead of changing, you can drive another thousand kilometers, two thousand kilometers more, some items, this is possible, but our intentions are not elective.

We always say that the shock absorber can be postponed, but when the shock absorber is postponed, you will have, I don't know, 2 thousand kilometers, 3 thousand, 5 thousand kilometers ahead, and you will be able to make this replacement, but then the ticket will be higher, and you

may have to change a bushing, you may have to change a pivot, You may have to change a tray, because it damaged the use due to the poor condition of the component's damping.

So we realize that the tire people are already doing this, they have postponed it, but at the same time it generates a backlog up ahead. This behavior has been going on since the end of last year. What is most important for us, Luiza, is to measure the sell-out. The sell-out of our items with our customers is positive in the quarter and this is very good, very favorable.

That our brands are desired, and remembering that the one who opens the wallet is not the applicator, but the one who is bothered, if he puts on an unqualified piece, it is the applicator, so he does not go, due to his behavior, his history, he hardly suggests pieces of suspicious quality or of less reputation, because it is his service, which also has an important value that is in check.

Hemerson de Souza

And we talk about a small difference, Luiza, here between an item that is the quality of our brands versus a lower quality, right?

So sometimes this in a general amount does not have such a large sum and obviously the reinforcement of the brand, the brand position, the brand presence, this is day by day, this is we spend the soles of our shoes visiting the workshop, explaining this, spending on media, promoting brands, they are brands with decades of high reputation, So these are important legacies in our strategy as a whole.

Luiza Mussi (Banco Safra)

It's great, guys.

Obrigada.

Jéssica C. Cantele

Thank you.

Marcelo Motta (JP Morgan)

Thank you, Jessica. Good morning, everyone.

Two points. The first here is a clarification on the domestic OEM part, it turned out to be, in the end, a very strong number. You comment here in the release that there is a part of the OEMs restocking, just understand if that's all there is to it or if we can expect, suddenly, a level of revenue, either for some new contracts, maybe something that helps to maintain, perhaps, this level closer to 100 million than the average that we had been running there, I don't know, almost around 50 million, so this number drew little attention, just understand exactly if there is something else behind it.

And in the margin part, well, obviously, there are a lot of moving parts, but understanding a little how this exchange rate there, finally, affects your margin, what you can do to mitigate, right, understand when you made the guidance, if I'm not mistaken, you were talking about an exchange rate of 5.60, right, and given the appreciation there that we saw, Although I don't know if it stays at this level down there

of 5 or not, understand how this could impact a little bit what you were thinking about the margin and how to mitigate it. Thank you.

Jéssica C. Cantele

Thank you, Motta, for your questions. I'm going to pass Hemerson to talk a little bit about the OE market and also the impact of the exchange rate on our margin.

Hemerson de Souza:

Motta, thank you for your participation, for your presence here, for the question. I'll start with the margins, okay?

One of the most... different when we design strategy, when we are defining the day-to-day here, how we manage the balls here, or come rotating the plates so that nothing falls, and in fact, the exchange rate is always one of them.

We have had great success in having a great balance between what we import and export, obviously exports are even greater, that's why the dollar sometimes catches us and trips us when it has this appreciation as fast as it happened now, but on the other hand we balance it by costs.

So I would say, we would have nothing today to say that we would change the dynamics of images because of the exchange rate, because we are going to negotiate, we are going to discuss, the contracts that we have that may be influenced, they have a dynamic of meeting them again every six months, there could be something, but, on the other hand, We can also buy raw materials, we are a company that buys a lot of things globally, so we can, in two, three months, equalize the margin level there to a level that is more adequate.

Which increases, like, as Pontalti has already mentioned, sometimes you have an adventurer who will bring more imports, who will bring but this is kind of irregular in the market, right?

You have several things, the exchange rate is one of the factors, but you have to have distribution, you have to have market presence, reputation, brand, in short, these are things that we have very armored in terms of service level, recognized brands, market presence, financial capacity, in short. Ability to make promotions, to leverage sales not only in price, but also seeking promotion, creating other elements that can drive the sale more.

So, really margin, our level that we designed as guidance is very strong, revenue resumption can lead, it should take margins to the level more within the range that we place, revenue is more complicated to predict, because we can also grow position by being more competitive and buying at a lower exchange rate, accelerate what we have been doing, as we mentioned here, especially in suspension lines, steering, shock absorbers, which we can still pull a little more with the competitiveness that the gearbox eventually brings.

So, it's a little bit of that when we talk about the exchange rate as a whole, but I reiterate, the company's position is to grow outside the country, this is one of the elements that we have, it's one of the plates that we have to keep turning there and do our best to be able to stay competitive, and this is really not one of the areas that kept us up at night, that Pontalti can greet, but it is not.

Regarding the OE, we had a slightly higher sale, yes, in this quarter, punctuated by some lines and we have been adding new businesses, as I have already mentioned, there are new businesses here with Stellantis, there are new businesses with important customers in Europe, there are new businesses with customers in our merit in the United States, there are new things happening that are, that make up our idea of having vectors here that can allow us to grow at a double-digit level, as we always mention here to the market.

So, there is a slightly more favorable dynamic, but the general composition that today gave 13% of sales to OE, this was basically due to us having 90 million less sales at Nakata. When you put those 90 back, you will go back to the State Budget 7.8% of what is the company's level. So there is no dynamic that changes much what the company is, on the contrary, our strategy is leveraged to grow gradually and stronger, faster in replacement.

Pontalti, if you want to complement any point here regarding the exchange rate, what you see from competition, feel free.

Anderson Pontalti

Perfect, I think you've covered the conversation. Thank you, Motta, for the question.

Marcelo Motta (JP Morgan)

Thank you, Pontalti. Thank you, guys.

Hemerson de Souza:

Thank you, Motta.

Jéssica C. Cantele

Thank you, Motta.

Well, I will now close the question and answer session and I will give the floor to Anderson to close.

Anderson Pontalti

Many thanks to our investors, good to see you here. Thanks for the questions, thank you to the Frasle team for another quarter. The IR people have always prepared this material with

you. Our channels are extremely available for any questions that may still remain, we are still active.

Mariana there almost coming back now, right? Mariana is also back on the team after maternity leave.

Frasle is still going strong, people, we made very structuring, important projects. We have the courage to face these moments. We understood that it was the right time to do this project. We did it, we executed it. Strong quarters will come ahead, we have no doubt. The thesis, the resilience, the growth, the fundamentals have not changed. We are very convinced that in the planned for 2026 we will deliver. Once again, thank you all and a great rest of the day.