



1Q22 RESULTS CONFERENCE CALL

Operator:

Good afternoon and welcome to the conference call of Movida that to discuss the earnings regarding the 1Q22. Today with us we have Mr. Renato Franklin, CEO, and Edmar Neto, CFO and Investors Relations Officer.

Right now, all participants are connected in listen-only mode. Later on, we are going to start the Q&A session, when further instructions will be provided. Should any of you need assistance during the conference call, please reach the operator by pressing star zero.

Before going on, we would like to let you know that any statements made during this conference call, relative to the Company's business outlooks, projections, operating and financial goals, are based on Movida's management beliefs and assumptions and rely on information currently available to the Company. Forward-looking statements are not a guarantee of performance. They involve risks, uncertainties and assumptions since they refer to future events and therefore will depend on circumstances that may or may not occur. General economic conditions, industry conditions and other operating factors may affect the Company's future results and lead to results that will materially differ from those said in such forward-looking statements.

We will now turn the floor to Mr. Franklin. Mr. Franklin, you may go on.

Renato Franklin:

Thanks, Camila. Good afternoon, everyone, and welcome to the conference call to disclose our earnings for the 1Q22.

I would like to highlight that the results we are showing are indeed a consequence of effective execution of our strategic plan. Everything we have talked about since the IPO, and we reinforced three years ago when we started the cycle, is being delivered.

The numbers show these delivers, and our actual transformation of the Company. We are going to show you that the end of the cycle that we started three years ago gives us the foundations to start a new cycle of development with growth, generating value, and a Company at a completely different level.

Highlights. First, net revenue of R\$2 billion. For the first time, we hit the record of R\$2 billion. What I would like to show that really makes us very encouraged is that, for the first time in the history of Movida, even when we were growing a lot, we are seeing March larger than January. January was a very strong month, February, a bit weaker with omicron, but March went past January, both in occupancy and total revenue, and revenue by car.

And better than yet, we are seeing April even stronger than March. April is generally the worst month of the year, and this year it is being the best month this year so far.

So again, we are reaping the fruits of our strategy. Our store is set with customer loyalty, getting new clients, which are the strengths for us to continue following our plans with



confidence, investing in new cars and generating value at a fair price of new cars, which are the cars that customers want to rent.

EBITDA, R\$863 million, 180% gross, margin of 44%. This is an expansion of 6 p.p. Here, I want to reinforce, we do not have any nonrecurring effect in the results of this quarter. This is all recurrent.

When we take a look at the operating results, Movida is a reference in the efficiency and operating results by car and any business unit. And you take a look at our operating cash, and Edmar is going to talk about that, we are generating value in operation.

Finally, we are investing. When we talk about fleet renewal, we have very strong purchases in the 4Q21 that we paid in the 1Q22. In 2022, we invested a little less, but we are still the largest buyer of Brazil. This is part of our investment, and we are generating value with a fair price for contracts and daily rates. So EBITDA is a very important highlight.

And net income, R\$258 million, annualized about R\$1 billion, even with increase interest rates and financial expenses. This is our commitment.

We are generating more and better operating results. We are selling more cars, and we add results to offset the increase of interest and ensure the generation of value in the short, medium and long term. This is our priority.

And the fourth highlight was the subsequent records that we are having in return on invested capital and return on equity. Invested capital of 16.8%, and the ROE, 34.6% LTM. Again, we are evolving a lot quarter on quarter, quite confident for future results, with very good cost of capital and generating value to our shareholders.

Total fleet, again, the growth of Movida is to highlight. We see 191,942, 57% year on year. But if you take a look at our CAPEX, we even have a higher growth because, when I get to a car of 50 and I replace it with a car of 80, I am expanding. That is 80% growth in asset base that will generate revenue with the same yield on CAPEX. As interest rates go up, yield goes up. So we are generating scale gains that are quite material for the Company.

Again, we are very comfortable with our strategy, with consistent execution and delivering company transformation.

On the right of this slide, I drive your attention to four points: first, given the investments that we made and the renewal of CAPEX, we renewed 80% of our rental car fleet, and we are growing in all our businesses. Today, we have the newest fleets the market, and that attracts new customers with loyalty.

Customers from the competition that rented cars with Movida have a completely different car. Ages of below nine months. Our NPS is record, and that starts to be seen in the corporate segment. We are gaining share.

When ABRACORP releases their numbers by rental company, you are going to see the difference in share. So the number is still not public, but you are going to see that Movida



is gaining share in the corporate segment, with fair prices and delivering a completely different experience.

Second point, demand continuous resilient. We evolved the average daily rate, R\$128 by car, 56% year on year. And remember, if you have a new fleet like us, you can charge a fair price. If you do not have a lot of new cars, you cannot charge the right price, because you have lots of old cards. So the ROIC of a new card is much better at Movida, which gives us the foundation to continue to grow fleet as we have demand. Our commitment is to generate value. Growth is a consequence; it depends on the market. Generation of value depends on us to grow with discipline.

Third, the transformation we had in the Company. We reinforce the strategic alliances that we have with OEMs. We bought 21,000 cars. That is 94% over the same quarter last year. That shows the relevance of Movida amongst automakers. In the last 12 months, it is also more than 1,000 cars passed, 102,000 in a new ticket and generating value. Edmar is going to talk about that. The cars we bought appreciated, so we had the right strategy, and then Movida closes a scale gap with OEMs as well.

Finally, sales of 15,000 cars in 1Q22. Remember, we can choose to sell more or less, depends on the supply, depends on the market. If you have a new fleet, you can do that; if you do not have a new fleet, you do not have as much flexibility. And we are opening new stores. 81 used car stores with a structure for higher volume and a new mix, with an average ticket that is higher and higher, providing services to our customers online and in-person.

So we have the foundations built, and we are leader in growth in the sector with the generation of value and profitability.

Let us go to the next page now, and we are going to talk about our growth strategy with value generation in fleet. 69,000 cars, the largest growth in the market, 57% year on year. Most of the growth is organic; some inorganic with CS Frotas and Vox already consolidated, and Marbor further on in the 2H22. But most of the growth in Rent-A-Car and in fleet outsourcing and management.

In fleet management, the strategy is to extend contracts. We have five-year contracts, and we are extending contracts with private companies, having longer and longer contracts, with a very good average ticket, we are going to talk about that, with more than 2,400, with growth of 82% of our fleet.

And average rates here is not a problem. If clients are comfortable with the time, it is okay. With that, we decrease depreciation risks and the contract is very profitable, long term is stable for the Company's cash flow.

In the Rent-A-Car, from 70,000 to 93,000 cars. Again, if we get the average ticket, growth even higher than 82%, and average age of nine months, the newest fleet in the market. It is even lower, lots of brand new cars, really bringing our customers to come with us with a record of new customers month after month.

Let us go to slide number five now, and here, just a reminder of the slides that we show, the important topics for us, and to give you an update. First, pillar price transformation.



We continue leading efficiency in pricing and pass through of prices. And obviously, the newest fleet has enabled us to get to corporate clients, and average ticket of R\$128.

We want to continue with growth, respecting the year seasonality, but thinking of high season always at higher prices that are suitable to the cars we have, much more modern, newer and well-equipped, and a very good car mix revenue by car, which is even more important, because occupancy and prices can vary. In January, for instance, we have more ticket and less occupancy, and in low season, you have more monthly rentals. So we are evolving in the mix, and we are for 14 consecutive quarters with the highest revenue per car.

In the fleet management, we continue to expand fleet, an expansion of 26%. And here is what is most important: new contracts coming in with higher ticket, with an average of R\$2,400 per contract. So the average ticket continues to transform, growing quarter on quarter, and at the end of the year, it is going to be even higher. And the volume of implementation is accelerated, and also accelerates more or less average tickets.

Second pillar, strategic alliance with OEMs. We have the best relationship with all OEMs. I already talked about the 21,000 cars, the 102,000 purchased and 6.5% share. What is most important? We are renewing our fleet with a better position. But in the beginning, at our IPO, we said the following: let us have a new benchmark in operational efficiency. And we are setting new benchmarks. Second, close the gap of margin for used cars; and third, scale and purchase of cars. We already have a scale, so the scale gap is closed. And the next step now is cost of capital. And because we have the lowest cost per car and the highest revenue, we are the most competitive company in the market.

Third pillar, demand trends. A new mix, SUV, electric cars, new products like Movida, Cargo, which is doing well, the digital journey has been very good for clients, and the new fleet obviously helps us to have a company for the long run, with new clients in the market. We have new taxpayer numbers all the time, because we have a new fleet, and we are really growing our customer base, which gives us the certainty that the market will continue to grow in the mid to long term.

We are going to have three very positive years for the industry, and then you have to see who is growing with more generation of value, discipline, and at fair prices for the assets that are being purchased.

We are opening stores that enable us to go to new markets, 21 new points of sale, and more will come in this year in markets where users are still not present. That gives us demand and enable us to have better prices at some stores.

Used cars, our fourth pillar. Our younger fleet also helps us. We are always asked the question, "so the used car market is going down". But we do not have used cars. We have almost brand new cars, completely different. We have 15,000 20,000 km cars. So the liquidity is very different. We are much more similar to brand new cars. We offer a one-year guarantee. So they are going to buy a car that is slightly used, but cheaper than brand new cars. So customers come to us. 15,000 cars sold, with an average ticket of R\$64,000, EBITDA of 21%.

EBITDA margin is going to go down, the average ticket will go up with the mix. In the 1Q22 vis-à-vis the 4Q, we sold retail, and we can choose that. Now with so a bit more



wholesale. Compared to the 3Q21, we have R\$100,000 higher, so an expansion of ticket quarter on quarter. Based on our strategy, sometimes I go to one channel or to the other. This quarter, we were able to have a ticket that was very good.

11 new used car stores. We continue to open stores, you are going to see more in the 2Q, preparing the Company for the future. And low mileage cars that really set us apart. So our pillars bring us comfort that the Company is very well-structured.

On page six, we are going to talk about consolidated results before I turn to Edmar to give you a color on numbers. Here, it shows the gains of profitability and how that enables us to grow with sustainability and generating value.

Remember, consolidated results are looking at the rear mirror, LTM or in the quarter. If you look at the 1Q22, R\$1.9 billion, more than R\$2 billion gross revenue, the average operating fleet is smaller than the end of the period, which was 20% higher. So you saw the Rent-A-Car expansion, you saw the expansion of the GTF fleet. We are growing.

And if you analyze our members, our net revenue is almost R\$8 billion, and in March even higher than that, and so in April. So the Company is showing growth for revenues for the future.

The same applies for EBITDA, the best marketing. We still do not have the comparison of the 1Q, with very strong growth, R\$863 million, annualized R\$3.5 billion, which is completely different from the R\$2.08 billion LTM, because our current leverage, if you analyze EBITDA, is 2.4x. That is not a small drop, and EBITDA is growing. The Company is growing. What I invested in the past ensures growth. If I stopped the investment, I would have even better EBITDA. So our commitment is not to generate growth, but rather to generate value.

EBIT, the same, a record R\$652.6 million annualized, and net income R\$1,032 billion annualized, R\$258 million in the quarter. So, transformational results that give us the comfort to carry on and continue executing our strategy, because what we have to do is a lot more than what we did so far.

Edmar, up to you now for the numbers.

Edmar Lopes:

Good afternoon, everyone. Thanks, Renato. I would like to invite you all to take a look on slide number seven, where we bring to you the Company's results at a glance with net revenue and EBITDA.

Rent-A-Car, a very strong quarter, 73% growth in revenue compared to the previous quarter, and EBITDA, we went to R\$169 million to R\$373million, 121% growth in EBITDA, so more than double. And we have reached a margin of 63%, very strong, and again, larger than the margin we delivered in the previous quarter, and much larger than the margin of last year consolidated.

Fleet management in yellow, in the middle of the page. We see a growth of revenue even higher than in the Rent-A-Car business. As Renato mentioned, we get to R\$397 million,



almost R\$400 million in a single quarter. Annualized number, we see already R\$1.6 billion in fleet management.

EBITDA, in the bottom part of slide, 72% margin, EBITDA of R\$285 million, 187% higher than the same period last year.

Finally, you take a look at the used car sales. We reached almost R\$1 billion in revenue for the quarter, growth of 255%, which is a consequence of the increase in price and the amount of prices sold. Annualized numbers, we are talking about R\$3.9 billion in the sale of used cars. And EBITDA on the bottom, the margin reached 21%, an important evolution compared to the same period last year, and year on year, growth of 463%. That is a 5x increase, a huge advance. Looking into 2021, again, a consistent higher margin given the volume.

In the footnote, we have an important point. We were asked questions this morning about PIS/COFINS credits. So we recognized throughout the quarter PIS/COFINS credits coming from the accelerated depreciation that we adopted as of December last year. And, roughly speaking, 75% goes to the Rent-A-Car business and 25% to fleet management. So to us, that is recurring and no longer considered an extraordinary effect.

Let us go to page eight now, and we have brought this slide in previous quarters, about the Rent-A-Car margin. We recognized that there is a benefit on the margin of used cars. We are capturing that to grow the Company, but at the end of the day, what happens and what is important is what is going on with the Rent-A-Car margin. And I have good news.

In the 1Q21, the margin was 51%. Now it is 66%. Here, we are putting together Rent-A-Car and fleet management. EBITDA by ca is also a record, with R\$1,369 for the monthly rental in the quarter.

And another thing that really has reinforced our position is the dynamics of cost plus car expenses. One year ago, the total of costs and expenses by car was close to R\$800, and now we are close to 700%, and important improvement, almost 50% year on year.

With that, the Rent-A-Car EBITDA alone, without considering used cars, reached almost R\$2 billion looking back in the rear mirror, which is last 12 months, and annualized to more than R\$2.5 billion, to be precise, R\$2.6 billion in rental. So we are preserving the Company car and further advancing in profitability.

To your right, we show the backlog in fleet management with all product lines, which is a new level, more than R\$2 billion. And here, talking about fleet management and private rentals, which is the hub Movida started.

On the next page, we talk about our asset base. Year on year, our asset base increased to more than R\$6 billion if you think of book value. And that, again, is a result of fleet expansion and renewal. We increased our best efforts to have a renewed fleet in the 1Q22. As Renato mentioned, we are 80% of the Rent-A-Car fleet, but after 2021, that is, the average age is very low.



The dotted line is a year on year comparison for asset appreciation. It shows that our assets have a cushion of 21%, and in the footnote, we say something that is very important: the efforts we made to keep a young fleet because it helps the Company twofold, in customer experience and also in efficiency, because it helps the Company to be very competitive in terms of costs and expenses.

On the next page, ten, we bring to you a session that is always part of our presentations. It is always in our press release, and we are bringing it to you to show what we did in the last 18 months, and more specifically in the last year.

In terms of return, the Company this quarter is delivering an all-time high in return on equity, 34.6%, and return on invested capital, 16.4%, keeping the ROIC cost of debt to of about 10 p.p. And on the right, we show our earnings per share.

What happened in the period in our earnings per share? It almost doubled on an annual basis. We went from R\$0.37 per share to R\$0.71. Annualized numbers, it is R\$2.85, with an appreciation that is even lower than the 95% growth.

Let us talk a bit about our cash position, and here, I will try to address some questions we got to during the day. We closed the quarter with R\$3.6 billion and we settled the debenture on the second. So, proforma, our position is R\$4.6 billion, and we have a coverage of approximately four years.

It is important to remind you all the efforts that we had for issuing the bonds, and that has a benefit of substantially extending our average standard. Today, we have been always talking about seven years plus of average term, which gives us that comfort for execution.

We had the approval of R\$800 million in IDB credit lines, which shows access to different sources of capital, and also the Company maturity in governance and ESG, because this credit line also has a green component.

And on the right, we bring two important pieces of information. One, EBITDA for covenant, we are at R\$2.8 billion, and we reconcile that on page 19 of our press release, because our accounting number is R\$2.6 billion, but all our debts bring in the possibility of including the EBITDA of acquired or merged companies, as the case of CS. So the difference of R\$200 million is shown on the press release and it has to do with the six months of addition.

In addition, net debt, R\$8.5 billion, a growth of R\$5.2 billion, has to do, again, with the increase of assets, because all our important assets are cars. The car base, the asset base increased by almost R\$6 billion, and therefore, it continues to be positive.

And finally, in terms are for the average, we posted 3x, following our covenants, and Renato already mentioned 2.4s if we were to stop to grow with the level that we have been delivering in a very consistent manner overall.

In terms of cash dynamics, two more observations. The first, the suppliers' line, that despite of our working capital, reduced by R\$600 million, and this is fruit of the purchase dynamics, that is, we grew CAPEX in the fleet more in the 4Q, and now a bit less, and that shows a difference of R\$600 million. And at the same time, because we increased



the fleet, new cars were implemented, there is an increase by R\$700 million. So here alone we have a R\$1.3 billion variation. And additionally, because the exchange rate is very relevant to us, we have R\$900 million of exchange rate variation.

So, cash wise, we continue with a very conservative policy, considering that we are always going to be observing these covenants of 3x, as we have been doing in recent times. And generally, in the 1Q, it goes up a bit because we grow in the 4Q.

With that, I am going to turn back to Renato to close the presentation. Renato?

Renato Franklin:

Thanks, Edmar. Let us go to slide number 12 to talk about something that has been very dear to us, sustainability and ESG. Once again, the first company to report an integrated report. Lots of information on our IR website.

And about this infographic, that represents our ESG agenda. From inside out, you see our pillars, better company, better mobility, better planet, and the actions that we have. So you see these numbers, these are the numbers of actions that we are addressing here. And then we have our targets, that is our objective to each of those areas, and finally, the projects that are ongoing, and how they are and what we are doing.

So this is a summary mapping of our ESG strategy. Of course, there is a lot more than you see here, but our main initiatives are very clear with this nice infographic. So go and take a look at our integrated report.

Now I am going to ask you to go to page 13 for us to close and open for your questions. On slide 13, we tried to bring to you a summary of our consistency in our execution. The first topic is growth. Movida has really stood out as the best-in-class in terms of expansion and fleet renewal, with very strong investments that are generating value.

In the 2Q20, when we decided to keep a new fleet, people challenged our strategy, but the numbers show it was a great strategy. The cars we bought were appreciated, and clients prefer Movida. We are the fastest growing Rent-A-Car company.

And also sequential increases in all average tickets, better alliances with OEMs and the focus on individuals, those that choose to work with us. And we already see the difference in the level of service, and people are coming to Movida. So we see more and more customer loyalty. We are gaining share and we have a lot of room to grow.

Second pillar, profitability, higher EBITDA margin, efficient management of costs, and here we already have more opportunities, but we are the lowest in the market. We still have investments in automation, efficiency and technology, and the newest fleet in the sector, as Edmar mentioned, which is a benefit to us.

We continue to focus on profitable segments at low cost. We are not going to have yields just for the sake of it. We have low mileage by car to ensure good resale amounts. Capital structure, Edmar said it well, leverage is stable, extension of the amortization schedule. Today, the average time really stands out when we talk about balance sheet, and more and more new funding sources that give us access to capital. And EBITDA gains enable us to expand with a stable leverage.



And returns, our main commitment, for the long term, record ROIC and ROE, growing profit per share, and today we have the best margin of return with selective growth. So our returns are better because we have a lot less cost by car than the competition.

In summary, we transformed the Company. We are the Company that most grows in the industry, which evolved in profitability, R\$8 billion in revenues, R\$1 billion net income. And we still have a lot more to do. We are starting the new cycle with the same energy that we had eight years ago, and we have been here since the beginning. We are at 2% ROIC.

We are going to open for your questions, but we thank you very much for joining us today.

Gabriel Rezende, Itaú:

Good morning. Congratulations on your results. Thanks for taking my question. I have two questions. First, about the Rent-A-Car prices. Renato mentioned that sometimes the surface mix enables us to have higher tickets with a lower occupancy. Given the positive surprise we had this quarter, was it due to the service mix? And further on, should we expect the daily ticket and a marginal increase in occupancy?

Second question, about fleet management crisis, if you can talk about that dynamic. It is clear that new contracts have a different price, and I think that has to do with Movida's brand new cars. But on the other hand, we would like to know what is going on quarter on quarter, and why we do not see an increase even with the good numbers of the 1Q22. Thank you very much.

Renato Franklin:

Gabriel, thanks for your question. First, the Rent-A-Car business. As you mentioned, the tickets is going up, and will continue. The main impact of occupancy is this. In January, it is more daily rate. There was a bit of the omicron variant that impaired a bit of rentals, the demand was slightly lower, and. It was back in March.

Even without the Carnival in March, we went back to more normal levels of occupancy, with a good ticket. In April, we are improving tickets and occupancy. So what we expect is what you said, high occupancy, close to 80%, so marginal gains of occupancy, and higher gradual tickets.

Remember, we have seasonality, June is high season. April was good, May was a long month, with corporate supporting us. June and July should be very strong. We have high hopes for July.

So Rent-A-Car is controlled with a growth in fleet. We held it for the Carnival in April, and we are preparing for the high season. April generally is a bad month and you decrease the fleet, but because this year it was a good month, we have the fleet.

Fleet management, our strategy was to focus on Rent-A-Car, and there were clients that were discussing their budget, we were renegotiation contracts with clients, and there is still some to be captured. So you are going to see that ticket per car in fleet management



growing gradually due to the implementation of new contracts, and also by adjusting prices at existing contracts, things that we have already agreed with clients but we were a bit careful to keep a good experience, renegotiated renewals for the future.

So we gain flexibility in implementation and in prices, which was a win-win. With this, I could keep costs in the Rent-A-Car business that was doing well, and ensuring the growth of fleet management for the future.

Fernanda Recchia, BTG Pactual:

Good afternoon. Thanks for taking my question. I have two questions. First, used car prices. For the first time, we see a small deceleration quarter on quarter on prices and margins. I would like to know if there is a mix effect, or if you see prices going down, and what do you think is going to happen for the coming quarters?

And profitability, I would like to explore the Rent-A-Car margin. There was this effect of PIS/COFINS, but just for a month. So in my math, we should have an effect of R\$6 million, R\$7 million. Other than this effect, the margin would go down quarter on quarter. I would like to understand if my analysis is correct and why. Of course, you opened more stores, but is there anything else that motivated the drop?

Renato Franklin:

Fernanda, thanks for your questions. Prices in used cars do not go down. Here, you have an issue of mix and sales channel. We only sold 12,000, and a bit more wholesale compared to the 3Q, 6,000. You are going to see prices continue to go up. The trend is for the prices to go up based on the mix that we have to sell. We can have variations, but according to what we have to sell, that is it.

Margins do go down. So the trend of margins is for them to go back to normal. So they are going to go down gradually, slower than what we had thought before because we are still having problems with the supply of new cars. So the margins are kept, but they are going down. As you start to sell more volume, you continue to generate value contributing to the results, but with lower margins and prices going up.

Rent-A-Car profitability is seasonal. The 4Q is higher than the 1Q. In the 4Q, you have December, a very strong month, and in the 1Q you have holidays and vacations, and that affects the 1Q. If you remove the stability, you have gains of margins in addition to PIS/COFINS credits.

I do not know if Edmar would like to add.

Edmar Lopes:

Yes. Seasonality explains that. And number two, we grew a lot in the 4Q, especially at the end of the quarter, and the cars were implemented in the 1Q. And that also has an impact on margins. So you see the Rent-A-Car fleet increased substantially from the 4Q to the 1Q.

And for the next quarter, as Renato mentioned, we are seeing it even stronger than the 1Q.



Fernanda Recchia:

Thank you.

Victor Mizusaki, Bradesco BBI:

I have two questions. The first on slide nine, a bit of a follow-up in the sale of assets. When we take a look at this table and the potential market value, does it make sense for us to consider that this could be a gross margin at the end of the asset, and this way you would have a gross margin slightly above 20%? So my first question is if the rationale makes sense.

And second, the Integrated report. You said that your target for 2030 is that about 20% for electric cars. I would like to know if that would be more in the Rent-A-Car business, more in fleet management. Where do you think that that this would make more sense?

Renato Franklin:

Thanks. Victor. The first point, it is close to that, the gross margin, if we sold our assets today. As a reminder, remember that when we talk about inventory, if we decreased growth, we would have a completely different generation of value. We can deleverage the Company very fast. But we depreciate assets considering when we are going to sell the car, how much they are going to be appreciated at the time of sale, for us to deliver a good gross margin.

The idea is not to keep the margin that we have now because it is not normal of the business. The point is, everything that we bought in 2021, and people thought we were paying a lot, is worth more than the price we paid for it. So it was the right decision, other than investing our money elsewhere. And we believe that we still can buy and rent at fair prices and continue having a new fleet. That is the first point.

The second point, it is not really a target. We have a target to reduce emissions, 30%. This is what we have in the issued bond. With this, we have to have clean energy in the stores, the use of ethanol, and consider up to 20% between hybrid and electric cars.

Hybrid and electric cars for 2030, we should have even more than that in the regular fleet. It is like SUVs that went up, and the turbo 1.0 engines. The new wave is of hybrid engines.

And you see that we are going to grow. You see Corolla, several cars that are launching hybrid cars. So these are cars that will have more demand than gas-only driven cars.

And then there is a question that people always ask me back at the time when we bought Hyundai. People said, "oh, you are buying at a higher price", but we can buy because there are clients that are interested, and we generate value.

So we see a natural growth with some investment in structure to help clients to have a solution, and that will happen naturally. I think it is going to be an even higher number than this one. This was a target we set way back in the past.



Victor Mizusaki:

Okay. Thank you very much.

Lucas Barbosa, Santander:

Good afternoon. Congratulations on your results. Thanks for taking my questions. My question is about financial profits and losses. You talked about a negative result of R\$368 million in subsidiaries. Could you give us a bit more color? It has to do with hedge accounting and it is not the financial profit and loss, it is only going to be entered in book value when you have the end of the swap. Is that correct?

Edmar Lopes:

Yes, that is absolutely correct. The Company adopted the practice of having a hedge for our cash flow, and that survives while the debt is in place. In the case of the bond, it goes up to 2031. And because you have the mark to market, remember that the exchange rate went down in the 1Q, and then you have to have the whole portfolio according to the market value.

Because you are going to recognize the results a long time for this line of encompassing results, it is included and it is connected to the existence of the debt. So that is a correct understanding.

Renato Franklin:

But remember, this goes until the end of the debt.

Edmar Lopes:

Yes, you have to think of the concept, Lucas. The Company does not have exposure to exchange variation. Full stop. So you have the bond, and then you hedge it, so that you have protection.

Right now, the BRL was appreciated, and we recognized that in the line that you mentioned.

Lucas Barbosa:

Thank you. Very clear. If you allow me a second question about your plans for the receiving of cars from OEMs, is there a time that you are going to have more deliveries this year, or is it more or less equally distributed a long time? Just for me to understand your negotiations with the OEMs.

Renato Franklin:

What we agreed with OEMs is a growing volume. So the 2H is stronger than the 1H22. Today, when we talk to OEMs, there is a bit of Unpredictability. Some OEMs are having problems in April, others in May, others in June. That is it. Problems are present all the time. Sometimes you have problems with the import of parts, sometimes you have problems with inventory.



But we are well positioned. We are attracting more customers, and if we do not have cars to buy, our cars are the newest. So we are going to be okay. So we are quite well prepared.

Are we going to meet the objective with each OEM? We do not know. Some may deliver a bit less, others more. Sometimes we can have better discounts. I think the advantage is that we are working with more OEMs. That gives us diversity and reduces the risk. But the volume grows month after month.

Lucas Barbosa:

Thank you, Renato. Very clear. Thank you, Edmar, for your answers.

Filipe Nielsen, Citibank

Good afternoon. Thanks for taking my question. I have two questions on my side. I would like to understand the Uber share in your Rent-A-Car results. I know Uber has lost share in recent time, so I would like to know what you see from here on, and how important it is for your bottom line in the future.

And second question, I would like to understand the following. You said that results showed lots of organic growth, and the merger of some acquisitions, although most of the growth was organic. For the future, what are your plans? Continue with organic growth, or do you intend to merge more companies, having other acquisitions? How much do you intend to grow inorganically for the future?

Renato Franklin:

Filipe, thanks for your questions. Uber continues with a small share. It has never been our focus, less than 5%. This is a small business generating profitability, but controlled. Movida Cargo, that is delivery for e-commerce. So in terms of labor, those drivers that work for Uber are working for the Movida that. But we have exclusivity with vans, they are diesel driven. So that has helped us a lot as a competitive advantage.

As for growth, most of it organic. Generally, we look into acquisitions, every day comes new offers. Things like Marbor, they are niche operations that help us in sales channels, in footprint in the different places, and that enables us to focus on our margins and do not focus on clients that have a low ticket.

So the small acquisitions that really focus on niche markets with good costs, we always look into them, and if it makes sense, we will buy. But our growth is organically amongst individuals, used cars and Rent-A-Car.

And remember, we have a digital footprint, new assets and motivation of our people. Customers are happy, the cars are new. So we are very much prepared to continue to grow among individuals.



Filipe Nielsen:

Thank you.

Isabella Lamas, UBS:

Good afternoon, everyone. Thanks for taking my questions. I have two questions. One is more specific for the price of new cars in fleet management. We saw a substantial increase. Is it because of electric cars? Is it because of SUVs? And also, I would like to know if we should expect the same level for the future.

And the second, also in fleet management, but in organic growth, you talked about the Movid brand new cars. So that is your focus, it is a highlight in growth. So what can you share with us in terms of percentage of your fleet, and how are you evolving for the future? What kind of demands are you having? Just a bit more color for us to understand the segment. Thank you very much.

Renato Franklin:

Isabella, thanks for your question. The two things are very much connected. The price of fleet management cars, the volume was lower. We bought more cars in the 4Q, and this quarter we implemented them.

So what we bought now, higher tickets and smaller amounts. And why is that? You have a bit of CS, and then you have brand new cars, which are presently respecting the retail mix.

If you go to retail mix, you see SUV in the first line. These are the cars that we are selling. These are the cars that our customers want, and these are the ones that we are going to sell in the retail.

It is good to sell in the retail those cars that are sold in retail, that are wanted in retail. And when you ask the size of our fleet to sell, we do not disclose numbers, but we have ready to deliver cars. Go online and you are going to see there are lots of people that are closing deals online, and there are things for us to deliver today, tomorrow.

So the level of service that we deliver is completely different from the whole of the market. And we can price that, and it helps us with our ticket.

Edmar Lopes:

We do not give colors on size, but we say that this product has delivered better margins than the traditional fleet management number. So it is one of the levers that explain the growth of margin from 59% in the 1Q21 to 67%, 70% if you consider the credits in fleet management.

So under all perspectives, we have an evolution of 10% in margins, and fleet management and brand new cars are very important for this increase.



Isabella Lamas:

Okay. Thank you very much. Very clear answers. Thank you.

Regis Cardoso, Credit Suisse:

Thank you. Good afternoon. Thanks for the question. I have three topics. One is on your fleet distribution among the different segments. You had substantial growth of number of cars in the quarter. So I would like to know the breakdown between the segments, fleet management with a drop and a higher exposure in the Rent-A-Car. So I would like to understand this dynamic, because we thought that between the backlog of corporate clients and the brand new cars, you would have a very strong demand in fleet management, particularly if you think that brand new cars should be at a pace of more than 1,000 cars in the months, but you had just an addition of 300 cars.

So, one thing related to that is the evolution of the average age of your fleet for the Rent-A-Car below nine months. So it seems that you are back to normal. And I would like you to tell us if there is still any advance to be made.

And in fleet management, what called my attention was an increase in the average fleet age of more than three months. So I would like to understand what is behind that. Is it because new cars are not coming? Is it the contracts? I do not know exactly why this is happening.

And finally, a final question, sales prices going down, consolidated numbers, R\$1,000 per car. I would like to know why, if this has to do with the higher discounts, demand, depreciation rates going back to normal?

Renato Franklin:

Regis, on the first question, the breakdown between Rent-A-Car and fleet management is something that we have flexibility. At the beginning of November, I put everything in the Rent-A-Car for December. In the end of December, you go to fleet management.

So for this quarter, because we had a holiday in March and Carnival, and there was a demand in the Rent-A-Car, we decided to have the new cars in the Rent-A-Car. So the cars that were bought in December, we increased fleet management, and we grew 6,000 cars.

But, as I mentioned before, we postponed some corporate clients, we negotiated things and so we decided to have implementation in the 2Q because of Carnival, which was April. April was very strong to us. And now, I am going back to this possibility.

In fleet management too, we want to have longer contracts, and we are trying to have, even with individuals, contracts of for years. So the idea is to increase the average age. But remember that I can always replace cars. If I have something that makes sense for me to renew the cars and I can do that and generate value for the Company, I will.

And that will have an impact of used car prices because, remember, you have a car, I can sell it on wholesale for R\$60,000. If I can buy the same car for R\$60,000, it is a no-brainer. I replace the car and I make money.



So, the supply of OEMs, together with my capacity to sell cars in retail or wholesale, makes me choose to renew one way or another. This has been something that we have been doing since the beginning of Movida, and therefore, you have this variation in average price. It went down R\$1,000, but it is a variation for the quarter.

But, you know, every month you have ups and downs, but overall you are increasing prices. We do not see car prices going down. It is just a natural fluctuation of the business.

Regis Cardoso:

Okay. And if you allow me, depreciation, do you think it is back to normal or do you think it will continue to grow?

Edmar Lopes:

Regis, let us split the things. In Rent-A-Car, annualized numbers, we are going to more than R\$4,000, and we believe that this is going to be the minimum level from now on, because prices are close to R\$90,000 for new cars.

As Renato mentioned, there is still a part of the fleet to be renewed, so there are some increases to come, but at a lower speed.

Now, when you take a look at fleet management, then you have three business units, as we treat them internally: individuals, fleet management and brand new cars. For brand new cars, the depreciation is different from the fleet management. So it is going to continue to go up, but now at a slower pace than the Rent-A-Car, which is very close to the levels it should be.

So if you take a look and analyze the figures, it is already past the R\$4,000, but it should go up still, particularly because of what Renato mentioned, which is the mix. If you take a look at the mix of fleet management and the fleet of brand new cars, you see that it is slightly more premium.

So we should have also a consistent decrease, but at a lower speed. In the Rent-A-Car, and you take a look on page seven of the press release, it went down fast and now it is coming up because of renewal. In fleet management, because the renewal takes more time, it went down less, and it will be kept up for a longer time.

Regis Cardoso:

Okay. Thank you very much, Edmar and Renato.

Operator:

Since there are no further questions, we are going to turn the call to the Company's management for their final considerations. Gentlemen?

Renato Franklin:



Once again, we would like to thank you very much, especially Movida's team, which has really made the difference. Our suppliers, creditors, investors, those that are supporting us.

Lots of people doubted our strategy in the past. It has proved to be the brightest. We are delivering a transformation for the Company, and we are always certain that the best is yet to come.

Transformation is huge, and very few people are really seeing it. So we believe that there is still a lot to be collected from the transformation that we had.

Thanks again. Have a wonderful afternoon, and we keep on going.

Operator:

Movida's conference call is now closed. We thank you very much for attending, and wish you a good afternoon.

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