

1Q26 RESULTS CONFERENCE CALL

Operator:

Good morning and welcome to Movidá's 1Q26 earnings call. Joining us today are Gustavo Moscatelli, CEO, Daniela Sabbag, CFO and IRO, and Camila Francischelli, Investor Relations Director. This event has been streamed on Zoom and is also available on the company's website at ri.movida.com.br. Please note that all participants will be in listen-only mode during the presentation.

After that, participants may submit questions through the platform, which will be addressed by management during this call or later by Movidá's Investor Relations team following the completion of the session. We would like to remind everyone that today's presentation will be conducted in Portuguese with simultaneous translation into English. If you want to listen to the presentation in English, you can click on the interpretation button on the bottom right corner of the screen or on the three dots for more that is not visible and select English as your preferred language.

For a better experience, click on mute the original audio. As of now, participants are welcome to start submitting questions through the Zoom platform. To do so, just click on the Q&A button located on the bottom bar of your screen and type in your question.

Before we begin, we would like to clarify that any forward-looking statements made during this call regarding the company's business outlook, operational and financial projections and targets are based on Movidá's management beliefs and assumptions as well on information currently available to the company. Forward-looking statements are not guarantees of performance. They involve risk uncertainties and assumptions as they relate to future events and therefore depend on circumstances that may or may not occur.

General economic conditions, industry conditions and other operating factors may affect the future performance of the company and lead to results that differ materially from those in the forward-looking statements. The results to be discussed in this call are presented in the earnings release and the financial highlights spreadsheet available on the company's RI website. Now, I'll turn the floor over to Mr. Moscatelli.

Gustavo Moscatelli:

Good morning, everyone, and welcome to Movidá's first quarter 2026 earnings call. I would like to begin by thanking our people, more than 6,000 employees, for their dedication and the quality of execution of our results.

Starting on slide three, we present the key indicators that show the continued progress that we have made at the beginning of the year, consistently driven by gains in operational efficiency and customer experience. Beginning with the rental car, average daily rate reached 168 reals in the first quarter, up 7% year over year, supporting a consistent price recovery. This growth was accompanied by an utilization rate of 75%, an increase of 5.6 percentage points, highlighting improved efficiency in capital allocation.

As a result, rental days total 7.1 million, up 18% versus the first quarter 25, an addition of 1 million rental days. A key pillar supporting this performance is customer experience. During the quarter, 87% of customers were served within 10 minutes, reflecting our commitment to delivering a superior service level for those who choose Movida.

This operational improvement has a direct impact on perceived value and supports sustainable pricing, as demonstrated by Movida's ability to simultaneously grow rental days, utilization, and pricing. In DTF, we continue to advance with a focus on profitability and predictability. The monthly yield of the total portfolio of long-term contracts increased from 3% to 3.2% per month in the first quarter 26.

New contracts signed during the quarter posted a yield of 3.7% per month, supporting an upward trend as existing contracts gradually converge to higher levels. As a result, revenue per car reached 3,962 reais, an increase of 11% compared to the same quarter last year. Revenue backlog reached 8.5 billion reais, up 25% year over year, reinforcing visibility for future results.

Turning to used cars, we maintain stability and consistency. EBITDA margin remained at 1.1%, reflecting healthy asset turnover and continued optimization of fleet's average age. We continue to advance our strategy of focusing sales on retail, expanding our store network to 122 locations, including 20 new autoshopping stores, increasing both reach and operational efficiency.

Even within this expansion, SG&A represented 5.6% of revenue, down 0.3 percentage points, reflecting discipline, cost management, and efficiency gains from the higher share of retail sales.

Slide four, as briefly disclosed through a material fact, we presented the delivery of our net income guidance from our last earnings release. Net income for the first quarter total 125 million reais, 83% above market expectations, and 59% higher than the first quarter of last year.

The performance is even more meaningful in the context of interest rates that were two percentage points higher in the same comparison. This shows the discipline in which we are executing our strategic plan and further strengthens confidence in the delivery of results in the coming quarters.

Slide five, we report another quarter of sequential record highs in net revenue EBIT, which had already been anticipated to the market through our earnings preview.

Operational improvements throughout the year have led to a consistent transformation in our key profitability metrics. In the first quarter, we reached net revenue of 3.8 billion reais, EBIT of 1.6 billion, EBIT of 918 million, and net income of 125 million reais, the highest quarterly profit in the past four years. As also a result of disciplined capital allocation, ROIC reached 16.4%, an increase of four percentage points compared to the first quarter of last year.

Looking more closely at those indicators and focusing solely on rental operations, we even see stronger performance. Boveda's operational fleet grew 4% year over year, while net

revenue from rental increased 17%, setting another record. In the same period, rental EBIT and EBIT increased 18% and 20% respectively, both also record highs for the company.

These new levels of operational efficiency support the consistency of our delivery and the continued expansion of value creation through our operations.

Slide six, we bring further details on the evolution of consolidated financial results. Net revenue totaled 3.8 billion reals in the first quarter, up 6% compared to the same period last year.

It's worth noting again that our fleet grew only 4.2% year over year, demonstrating significant productivity gains. EBITDA reached 1.6 billion in the quarter, up 17.2% versus the first quarter of 25, with EBITDA margins surpassing 70%. EBIT totaled in the first quarter 918 million reals, up 20% year over year.

With these advances, we raised the company's performance level, closing the quarter with net income of 125 million reals, a 59% increase as previously highlighted.

Slide seven, we bring the outcome of our continuous efforts and operational improvements, reflected in our return on invested capital. ROIC reached 16.4% in the first quarter, an increase of 4 percentage points compared to the first quarter 25, exceeding our cost of debt by 5.3 percentage points.

This metric highlights continued value creation for shareholders, and we still see multiple levers to sustain an upward trend in our ROIC spread.

Finally, on slide eight, we present our net income guidance for the second quarter of 26. The projection once again reflects the consistency of improvements in our operational indicators and the quality of our service level, which continues to drive increasingly strong results.

For the second quarter, we estimate net income between 110 and 130 million reals, the same range provided for the first quarter 26, which was a seasonally strong period. This reinforced the confidence in our operation and represents growth of 78% at the midpoint of the range compared to the second quarter of 25. Looking at the expected results for the first half of 26, we project net income of 245 million reals, representing growth of 67% compared to the same period last year, even with a select rate, nearly 1 percentage point higher.

In addition, we highlight that first half net income will already represent 77% of the total net income generated in full year 25. I will now turn the call over to our Investor Relations Director, Camila.

Camila Francischelli:

Thanks, Moscatelli.

Good morning, everyone. In the next slides, we provide further details on our business lines. Slide 10, starting with GTF, with a rental car, we highlight the continued improvement in yield, which reached a record level of 4.4% per month in 1Q26.

We have delivered consistent performance over the past three years, closely aligned with our strategic plans. We adjusted the fleet profile, particularly in 23, and have remained disciplined in price recovery and in the efficient allocation of the fleet between monthly and occasional rentals.

Slide 11, as previously mentioned, rental car average daily rate reached 168 reals in the first quarter 26, a 7% increase year over year.

Rental days grew even faster, up 18%, with the addition of more than 1 million rental days compared to the first quarter 25. Utilization rates reached 77.3% in 1Q26, up 5.6 percentage points versus the same period last year. This performance reinforces Movida's ability to gain market share through more efficient use of invested capital.

Slide 12, we present additional rental car highlights. The first chart shows an average operating fleet of 130,000 cars in the first quarter 26, up only 8% year over year, reinforcing the efficiency gains highlighted on the previous slide. Net revenue total 1.1 billion reals in the quarter, a 25% increase year over year.

We once again recorded the highest revenue per car in the company's history, reaching 3,872 reals per month, up 16% compared to 1Q25. EBITDA reached 715 million in the quarter, a 27% increase year over year, with EBITDA margin remaining at strong levels, 66.4%, up 1.1 percentage points versus the first quarter of 2020. Accordingly, EBITDA per car followed the same positive trend reaching an average of 2,319 reals per month in the quarter, up 18% year over year.

Slide 14, we present the May operational highlights for fleet management and outsourcing. We closed the first quarter with a total fleet of more than 131,000 cars, up 2% compared to the first quarter of 25. The revenue backlog, which reflects the value of operational contracts, total 8.5 billion reals in the first quarter of 26, a 25% increase year over year, reinforcing visibility and predictability.

We continue to improve the quality of the portfolio with new contracts signed at higher pricing levels. Average yield in the quarter was 3.2% per month and continues to show a clear upward trend as the fleet is renewed. Yield on new contracts signed during the quarter reached 3.7% per month.

On slide 15, we move to GTF financial results. Net revenue reached 1.1 billion reals in the quarter, up 10.9% year over year, while the operational fleet increased only 1.8% in the same period. We therefore recorded a new high in monthly revenue per car, which reached 3,962 reals per month in the first quarter, up 10.7% year over year.

EBITDA in the first quarter of 26 grew 10% year over year, reaching 834 million reals, with a margin of 75.7%. This represents 53% of consolidated rental EBITDA for the period, providing stability to cashflow. Accordingly, EBITDA per car increased also to an average of 2,120 reals per month, up 8.2% year over year.

Slide 17, we bring the used cars indicators.

We maintained stable performance, with net revenue of 1.6 billion and sales of 20,600 cars in the first quarter 26. Current sales volume remains adequate to keep the average fleet age at optimal levels for our operations. The current turnover allows us to further prioritize retail sales with meaningful gains in share versus wholesale.

We also highlight the expansion of our new sales channel through autoshopping stores, reinforcing our strategy to capture new potential customers and expand margins. EBITDA margin was 1.1% in the first quarter 26 and has remained stable over the past seven quarters. We continue to optimize expenses and improve efficiency.

SG&A represented an improvement of 0.3 percentage points compared to revenue, with a total of 5.6% in the first quarter 26, even with the expansion of our store network during the period. The used car market remains stable, with the FIP index for our fleet showing an average monthly depreciation of 0.3% in the first quarter 26, in line with the same period last year, supporting predictability in residual values, as we are going to explore next. Turning to slide 18, we show the stabilization of depreciation rates.

In rental car, depreciation remained at approximately 7,000 reais per car per year, and in GTF, 11,000 per car per year, maintaining the same percentage range relative to acquisition costs. On the right-hand side, we bring the fleet turnover over the past nine quarters. As of the end of the first quarter 26, we already sold 91% of the total fleet held in December 23, in a very healthy manner, with EBITDA margin at an optimal level of 1.3%, confirming the accuracy of our residual value management.

Now, I'll turn the call over to our CFO, Daniela.

Daniela Sabbag:

Thanks, Camila. Good morning, everyone.

I will start now on slide 20. The financial management initiatives we have implemented over the past quarters are reflected in the debt maturity profile showing this first chart. Pro Farma cash in 1Q26 totaled 4.7 billion reais, as presented here, following the inflow of 750 million from the private capital increase announced on March 5th, which will be completed in the coming days.

Providing additional detail on the transaction, the initial expected amounts ranged between 500 million and 750 million, and we are pleased to have reached the upper end of this range, even before the close of the subscription period and the allocation of remaining shares. Also, the main highlight is that BN Despar will become a relevant shareholder following the ratification of all subscriptions, and we are honored and excited to begin a long-term partnership with an institution that is a benchmark for development in Brazil. In addition to the equity raise, we secured 4.3 billion reais in funding in 1Q26, including proceeds from IFC, for example, as previously disclosed in a material fact in early February.

Access to this and other funding sources during the quarter demonstrates both diversification and expansion of our relationships with financial institutions. With these resources, we have completed our funding needs for 26 and now hold a very comfortable

liquidity position. Total debts reached 16.3 billion in 1Q26, average cost of CDI plus 1.7% per year, and average maturity of 3.7 years.

Both spreads and maturities benefited from recent issuances, reflecting the quality of our operations and the growing market recognition of our improved credit profile. This has been key to the favor of negotiations we have already begun to address also 2027 maturities, which are more concentrated in the second half of the year.

Slide 21, we present our leverage, coverage ratio, and supplier payment dynamics. On the left-hand side, we highlight leverage of 2.5 times, measured as net debt to pro forma EBITDA, following the private capital increase. This is the lowest level we have reached in the past five years. Even before the capital increase, leverage stood at the end of March at 2.6 times, stable compared to December, and continuing a downward consistent trend versus 1Q25.

That is a reduction of 0.5 times EBITDA over the last 12 months. On the right-hand side, we show the coverage of our net fleet assets relative to net debt, which increased to 1.4 times in 1Q26, with more than 6.4 billion in excess vehicle value relative to debt. In the chart below, we show that payables to OEMs decreased by nearly 1 billion reais during the quarter, reaching 4.5 billion reais.

Supported by strong cash generation during the period, leverage continued its downward trend. Now I'll turn the call back to Gustavo.

Gustavo Moscatelli:

Thank you, Daniela.

To wrap up the presentation, we highlight the discipline execution of our strategic plan, with meaningful progress across all priorities outlined for the year. First, the continued price recovery across all segments. We see opportunities across multiple markets and continue to expand revenue per car in the first quarter.

Just as a recap, up 16% in rent-a-car, 11% in GTF compared to 1Q25. Second, an ongoing cost reduction process, advancing structurally through service verticalization with the opening of five new Movida pit stop locations and scale gains at our preparation centers. These initiatives will also support higher utilization levels, driven by greater fleet availability and faster services turnaround.

On third pillar, we highlight the stability of margins and volumes in used cars, supported by healthy fleet turnover and a high level of operational confidence. In addition, we see further opportunities to expand our retail mix, supported by the 20 new autoshopping stores opened this quarter. The fourth priority is continued cash generation, driven by the delivery of operational efficiencies combined with disciplined financial management.

In addition to continuing our de-leveraging trend, reaching 2.5 times the lowest level in the past five years, we also completed a 750 million capital increase, which was strongly supported by investors, reaching the upper end of the range ahead of the conclusion of the subscription process. Finally, we believe that our results continue to be driven by a strong,

consistent focus on customer experience, which has been increasingly recognized. As a result, we delivered strong growth in our loyalty program, reaching 2.5 million members, a 25% increase year over year.

This clearly reflects the effectiveness of our strategy and the superior service levels we are delivering. To conclude, while we are very pleased with our performance so far, what really excites us is the range of opportunities still ahead to further drive value creation. Once again, I would like to thank our team for their commitment and their constant drive to improve and enhance operational efficiency every day, ensuring the continued progress of our company.

To our customers, shareholders, and suppliers, thanks for your trust. Now we are going to open the call for questions. Thank you very much.

Operator:

Thank you. Now the Q&A session is open, initially for questions from analysts and investors. If any analyst or investor would like to ask a question, please click on the raise hand button located at the bottom bar of your screen, either now or at any time following this announcement.

If your question is answered before your turn, please press the lower hand button to exit the queue. When you ask your question, please make sure to speak close to your mic so that everybody can hear you clearly. Participants may also submit questions in writing.

Just click on the Q&A button at the bottom bar of your screen and type your question. Please hold while we collect questions from analysts and investors.

André Ferreira - Bradesco BBI:

Good morning, Moscatelli, Dani, Camila. Congratulations on your results. Thanks for taking my questions.

I have two. First, if you can go over the assumptions of the guidance for the second quarter, what approximate level of expansion year over year in terms of daily rental rates, and also if you are also assuming the capital increase. And the second question is if you could explain the strategy you had in Rent-a-Car to increase utilization since the yield was a stable quarter over quarter with high growth compared to last year.

And if you expect to work with utilization rates higher than last year, adjusted to seasonality, of course.

Gustavo Moscatelli:

Hi, André. Good morning. Muscateli speaking. Thanks for your questions. Thanks for attending.

I'm going to start with the guidance for the second quarter. Obviously, we haven't disclosed all the assumptions in detail, but you could assume starting from backwards to forwards, a tax rate similar to what you saw in the quarter, it should be stable during the year between

20 to 25%, and operational assumptions. We do not see a cooling in the number of rental days.

So the same growth quarter on quarter that you saw in the first quarter should be expected for the second quarter, and prices at least the same that we had in the first quarter in terms of growth. So these are the main drivers that we have as assumptions for the guidance of the second quarter with this range of 110 to 130. If you need any more information, just ask.

The second question. We are looking into detail and more and more the best assumptions for utilization rates and prices to have growing yields. So this is always the question we are looking into every day to try to get to the best value per car, and consequently the best yield for the company.

And you see yields growing every quarter. In the first quarter, we hit 4.4 against 4.2 in first quarter 25. So an important growth over a large asset base.

And our expectation is for this to continue in an upward trend. We have been very vocal. I have been talking a lot about the opportunity that we have to improve prices with new tools that are being implemented, a more structured team that was hired.

So our expectations and what we have been seeing as we did see in the first quarter is a higher volume, a lot higher, about 15% in the first quarter and prices following. Now, what supports are that? The pillar of all this is service levels that have been perceived by customers as standing up in the industry. So this is the central piece of the company to try and offer really premium services compared to the competition.

And that has been perceived by customers. And therefore we are increasing the number of customers we have more customer loyalty. We brought that in the last slide.

We grew our base in the loyalty program 25% year over year, which supports obviously higher utilization rates and higher prices as we reported in the first quarter. And that's the expectation for the coming quarters. Thank you very much and have a good day.

Felipe Nielsen - Citi:

Good morning. Thanks for taking my call. Congratulations on your results.

I have two questions regarding used cars. First, I would like to try and understand sales at the front end. You did talk a lot about retail sales.

I would like to understand what kind of mix you're having and if credit has impacted somehow your margin. That is, if you see a cooling down in credit, if you could give us some color. And the second question is about volume.

You mentioned that the operational aging, I'm sorry, the average fleet aging is good, but perhaps it's a bit above your history level. So I would like to understand the strategy. Do you wish to keep a slightly older fleet compared to your history or do you want to go back to historical levels with time? Thank you very much.

Gustavo Moscatelli:

Good morning, Philippe. This is Moscatelli speaking. Thanks for your questions.

I will start with the used cars. One of the focus this year is to increase retail sales substantially in the company's sales mix. We have always operated close to 45% in retail sales.

And this year internally, we have committed to have a mix above 50%. Obviously, the number is not a guidance. We have not committed to the market, but the direction is to improve at least five percentage points in the mix that we are used to operating in recent years.

Going from wholesale to retail, and that will obviously improve operational efficiency of the whole asset cycle and bring improvements in terms of depreciation rates for the future. But for now, we haven't touched any of that, but the first quarter proved to be much better. We were above 50%, but there's still room.

We are still maturing some new channels for retail sales as the autoshowing stores that we mentioned. As for credit, we do not see it cooling down. It's equal or better, I would say, than the end of last year.

But nothing that substantially changes the outlook in terms of volumes and the used car scenarios. We do think there is an improvement to come given better interest rates, but that's still an assumption. There is nothing concrete about that.

Your second question about the average fleet age, which is 11.6 months. We are looking into the whole asset cycle and trying to find the optimal point for the turnover for each model, each segment to improve profitability in all cycle lines. And this year we decided to buy less cars in the first quarter.

That was the plan. Consequently, we sold less cars because there were lots of holidays and we thought that perhaps retail wouldn't be as hot for purchases as wholesale. So we decided to buy less cars.

We increased the fleet age by one month on average, but the strategy is of the second quarter because first and second quarters are very strong in sales. So in April, going back to an average age between 10, 10.5. So that was a strategy that was planned that I think worked out very well. Indeed, the retail market did not buy as much.

It did not deteriorate, but it did not improve. So I think it was the best strategy. For April, we see a different scenario as expected.

The retail is buying more. So everything within expected, but again, we should go back to 10 to 10.5 as we operated before. Very clear.

Gabriel Rezende – IBBA:

Hi, Moscatelli, Dani, Camila. Thanks for taking my questions. Just going back to rental car, that really drew our attention, the performance of the segment when you compare year over year, the combination of prices, volumes, utilization really have positively surprised us.

So if you could, Moscatelli, give us a bit more color in the rental car behavior segment by segment. Anything specific that you think that helped utilization and then perhaps it makes sense for us to expect utilization kind of cooling down. So to try and explain such a good momentum for the first quarter.

And going back to used cars, how do you see the recent dynamics of prices? You told the results compared to the FIP index. You said that retail is buying more in the second quarter, but I would like to understand the assumptions of the company for used cars, purchases in used cars. And also if you could talk about the second quarter, what's depreciation and prices all about. Thank you very much.

Gustavo Moscatelli:

Good morning, Gabriel, Moscatelli speaking. Thanks for your two questions and for joining us today.

I'm going to start with rental car. I think one of the factors that have brought continuous improvements to the profitability of the segment is indeed the more granular management in all senses. Fleet meets distribution throughout stores, car purchases at the right time, decommissioning of cars for you to have the right fleet for the right seasonality.

So the name of the game I believe so far is to increase granularity in management. And that has brought to us benefits not only in terms of prices, but as you mentioned, utilization and a higher volume in all segments. So if I were to highlight one, I would say that gross was almost the same for all segments which shows the accuracy of our strategy with a more granular management that's really paying off.

So what I would like to say is that we are going to continue with the mindset of extracting the best and most value from each car. And that has to do with prices, utilization, but also what car to buy without being influenced by fat. So to have the right car to offer a fair price to customers and for Movida to continue sustainable.

And as of then have a whole cycle with stability that we consider optimal. And that is what has made the difference I believe. As for your second question in used cars, the dynamics for the second quarter in terms of price and depreciation should be the same of the first quarter.

We do not see a change. We have closed April. As I mentioned in April, retail was buying more than the average of the first quarter which is a positive sign, but nothing out of the ordinary.

So just signs that we naturally have in the second and third quarters that generally have higher volume. So prices, depreciations, no change in the second or third quarter. Although

the signs of increasing retail mix have a better share of SG&A in used cars could bring a reduction of depreciation for the future.

But for now, we are not considering that. We prefer to have a conservative approach. And if that's the case, reinforce even better levels for used cars.

Until at least we have everything in the asset cycle stabilized so that we can think of changing depreciation. Very clear. Thank you very much.

Guilherme Mendes - JPMorgan:

Thanks for taking my question, Moscatelli, Dani, Camila. I have two questions. Your strategy in mid-long term.

First, ROIC spread. We see consistent improvements quarter after quarter. Can you tell me how you see ROIC spread when normalized and sustainable in the long place? What's the level you're aiming at? And in this context, thinking about this mindset, given that 2026 is already clear, when are we going to discuss a growth in your fleet and capital base? Are you discussing that for next year or not yet? Thank you.

Gustavo Moscatelli:

Good morning, Guilherme. This is Moscatelli talking. Thanks for your questions.

Okay, starting with the ROIC spread. I think we have in the last two, three years gone through a process of learning by doing. We do have our targets.

We pursue them with discipline, but each quarter, and you have been seeing that from close, we have found new levers to improve the business profitability as a whole, and that has brought positive surprises to that. All that said, our ROIC spread, the target has always been four to six percentage points, but I have to admit that after two, three years, and with the levers that are still being developed in the last slide of the presentation I did, you show some which are very relevant for business profitability. We are starting to considering five to seven.

We are at 5.3 percentage points, so perhaps the bottom of what we believe we can do. So again, this is a continuous process towards profitability and obviously of changes of internal expectations. So we are going from four to six spreads to five to seven, and we are already there in the year.

As for fleet growth for next year, that's a question that we have been asked a lot because we are gaining market share. We are growing double digits in the last two, three quarters, growing prices as well, and naturally the question is whether we should grow our fleet by now. My question is quite objective.

Given that we have clear levers to grow profitability without investing additional capital, this is the priority of the company for this year. We should not grow the fleet this year. The company's target is to have a stable fleet, but with higher profitability, which is what you saw in the first quarter.

So the consequence of that can be we revisiting a possible growth for next year or even the one after that, but that's not the focal now. Now the focus is to improve profitability on the asset base we have today. Very clear.

Rogério Araújo - Bank of America:

Good morning, Moscatelli, Camila, Dani. Congratulations on your deliveries. I have two questions.

The first is about financial results. Have you had any one-off in expenses? We estimated an implied cost of CDI plus 50 bits. You talked about a spread of 1.7. Does it make sense? What explains those numbers? And second, the follow-up, when you asked about accelerating used car sales, I would like to understand to what sales volume you're talking about.

Could we expect something of 16 months? That is a level of, say, of 30,000 cars per quarter. Is that what you have in mind? And when do you think this is going to come true? It should be in the second, third quarter already. Thank you very much.

Gustavo Moscatelli:

Good morning, Rogério. Thanks for your questions. Okay, first question about any one-off in financial expenses.

No, nothing. What we have been doing is liability management actions to improve the company's average cost of debt. You have been following that.

And this is part of the complete management of our P&L. I talked to the team of the time and we look from revenue from customers, income tax. So this is our obligation to look into opportunities and absorb that for our shareholders consistently.

But there was no one-off, at least nothing representative. Later on, we can look into that if you want to. As for your second question, we do not see a volume of used car sales at 30,000.

We are working from 20 to 25,000, which is what we believe the necessary to keep the ideal asset cycle. So you should see 20 to 25,000 as you saw in the last 10 quarters. So no pressure of sales whatsoever, quite the opposite.

That has been the strengths of our model, very controlled, predictable cycles with volumes already expected by store, very granular management, as I mentioned. That has made the difference for us to be more and more efficient every quarter. Thank you, very clear.

Alberto Valério - UBS:

Thanks for taking my question. My question is also about used cars, Moscatelli, Dani, and Camilla. A very strong sales, both in rental car and FIT.

And you also mentioned that retail stores have still not reached the ideal movement. Do you think that in April, as of then, you would have more room to decrease depreciation? We see that the spread has reduced by 10%, has improved 10% in rental car and 6% in GTF. And I'm

not talking about new cars, about the cars that you bought in the rental car 20 months ago and in GTF, more than that.

So what should we expect in terms of used cars?

Gustavo Moscatelli:

Hi, Alberto. Thanks for your questions. And a very good question that you asked about spread.

What I think is the following. We have a new channel for retail sales in the last 90 days, which is what we call the autoshopping stores. We opened 20 stores in 90 days.

So it's not that the performance is not good. The thing is the stores are not mature yet. Recent teams being hired.

So it takes time for the business to pick up. So we do believe that this channel that has been giving us positive signs will be a lever for us to improve the mix in the total sales for retail. So this is one point.

And together with that, as you did mention, there is an improvement in spread. And this combo can really bring a reduction in depreciation. And that is your conclusion and you're right on that.

Now, when is that going to happen? This is something that is not going to be in the short terms as I can show you, as I mentioned in a previous answer, we are going to keep a very conservative approach in depreciation as we have been doing in the last three years for us not to have any negative surprise in the end of the cycle as it happened to some companies, because then you spoiled the whole results that you showed throughout the asset cycle. So we are not going to do that. We said that in the fleet of 23, we sold everything with no impairment whatsoever, which means that our depreciation rate is correct.

And so we are going to continue to do that. Now, if this assumption becomes true, there is a high likelihood. And then we are going to share that with transparency because the signs are positive.

Your rationale is correct. If we improve retail mix and better spreads, you could reduce depreciation. And if you allow me one more question, you are going to have the 750 million of the capital increase led by BNDSPAR in the second quarter.

You did mention that you do not want to grow in the short term. So the yields of procedure will be to pay that? Alberto, yes. And not only the capital increase, but all the company's cash generation this year will be used for us to reduce company's indebtedness as we did last year.

We brought a comparison table of cash generation of the first quarter last year and this year. We had an improvement of more than 1 billion reals and all that was done for us to reduce company's leverage. And this is what's going to be done until the end of the year.

Thank you very much for all the explanations and have a good day. Thank you.

Operator:

We are now closing Movida's Q&A session. I'm going to invite Mr. Moscatelli for his final remarks.

Gustavo Moscatelli:

Well, I'd like to thank you all for joining us today.

And I would like to reinforce that the company started here on the right foot, very much focused on executing our plans for the year with a lot of discipline. The team has been working tirelessly to deliver better results, better service levels to our customers, which is our core strategy. And that has brought significant improvements in company's profitability, which is very important for us to continue our long-term strategic plans.

So once again, I would like to reinforce the commitment with the guidance of the second quarter, which is surprising and unique to report profit in the second quarter at the same level of the first quarter given the lower seasonality. And that comes from operational improvement in all lines of our P&L. So a huge effort that is paying off.

And again, I'd like to thank our people, those that work every day to make it happen. Thank you very much and see you next call. Movita's conference call is now closed.

Thank you very much for attending and have a good day.