**Operator:**

Good morning, ladies and gentlemen, and welcome to Cyrela Brazil Realty S.A. 2Q26 earnings call. Today with us are Mr. Miguel Mickelberg, CFO and IRO, and Mr. Iuri Campos, Head of Investor Relations.

This call is being recorded and simultaneously translated. You can hear the translation by clicking the 'interpretation button'. To those hearing the English translation, you can mute the original audio by clicking 'Mute Original Audio'. Also, you can find the slide presentation in English on the Company's investor relations website at www.ri.cyrela.com.br.

During the Company's presentation, all participants will be in a listen-only mode. After that, we will open the call for questions. To ask a question, please click the Q&A button and enter your name and organization. When your name is called, a request will pop up on your screen to unmute your microphone before asking your question.

We would like to inform you that any statements that may be made during the call related to Cyrela's business perspectives, operating and financial targets are projections made by the Company's management that may or may not occur. Investors should understand that political, macroeconomic, and other operating factors may affect the future of the Company and lead to results that differ materially from those expressed in such forward-looking statements.

To open Cyrela's 2Q26 earnings call, I would like to turn it over to Mr. Miguel Mickelberg, CFO and IRO. Mr. Mickelberg, you may proceed.

**Miguel Mickelberg:**

In the 2Q26, Cyrela maintained its consistent execution track record, delivering continued progress across its operating and financial indicators, despite a still challenging macroeconomic environment.

The period was marked by increased foreign uncertainty, particularly due to geopolitical tensions and volatility in the domestic markets impacting financial assets. In this context, the Company continued to advance its strategy with discipline in decision-making, selectivity in launches, and rigorous capital allocation.

From an operating standpoint, our 2Q performance was consistent. Launches came to R$3.8 billion, a 120% rise quarter-on-quarter, reflecting our strategy of developing different products. Pre-sales totaled R$2.6 billion in the period, 18% more quarter-on-quarter, demonstrating consistent demand for our products.

Financial results reinforce Cyrela's ability to combine growth, profitability, and discipline. We posted net revenue of R$2.5 billion, a 23% increase quarter-on-quarter, and gross margin of 34.4%, reflecting the quality of our portfolio and discipline in execution.

Net income came to R$452 million, and the adjusted ROE in the last 12 months remained at a healthy 20.9%, reflecting our ability to create shareholder value. The cash generation of R$272 million was a highlight, contributing to the reduction of the net debt to adjusted equity ratio to 16.5% and further strengthening the Company's capital structure.

We remain attentive to the evolving environment and opportunities arising throughout the cycle, while maintaining rigorous criteria in the selection of new projects. We will continue to focus on excellent journey for the customers and generating sustainable long-term results.

We thank our employees, customers, shareholders, and other stakeholders for their continued trust.

Now I will turn it over to Iuri to comment on our results.

**Iuri Campos:**

Thank you, Miguel. Let's talk about Cyrela's launches on slide four. We had a robust launch volume of almost R$4 billion, growing year-on-year and quarter-on-quarter as well. The contribution was very significant in each segment. In the year, we exceeded the mark of R$5.5 billion in launches.

On slide five, let's talk about our sales performance. The numbers, as we consider them, are strong and solid, exceeding R$2.5 billion in sales in the quarter. It's important to highlight that we are mentioning the figures here, always excluding swaps and in the Company's share. Starting next quarter, we are going to remove those terms from our disclosure material. We are going to assume that when we mention any figures, they exclude swaps and they only considered the Cyrela share of the projects.

You can see here that this quarter was higher in numbers than 2Q25 and 1Q26, and also year-to-date, we grew by 10% year-on-year. You can see that every segment, once again, contributed significantly to our results, including Vivaz and high income.

On slide six, let's take a look at our SOS. Our launch and sales performance took us to a quarterly SOS, actually a year-to-date SOS of 42.8%. It is in line with the previous quarters. Our launch SOS this quarter, 2Q, was 32%. We sold more than 30% of the R$4 billion that we launched in one quarter, less than three months, and we consider that performance to be satisfactory.

Oon slide seven, let's take a look at our inventory. Our inventory went up by 13%, reaching R$12.8 billion, almost R$13 billion. This growth is the result of a quarter that had, again, a high level of new launches, and that's part of the game. That's expected. When we look at the breakdown of our inventory, 73% is in the city of São Paulo, and this inventory is new. It's recent. That shows, once again, the strategy that we have been following.

Let's take a look at the finished units on slide eight. Our sales of finished units were very strong with a drop of 2% in the finished units inventory. Everything that we have been doing on this front is paying off, and you can also see the breakdown of our finished units per location. The biggest concentration is in São Paulo, as you can see.

On slide nine, let's talk about the delivered units. They surpassed R$1.5 billion in the quarter. This is important because it supports our cash generation, as you are going to see in the coming slides. The growth in our deliveries has supported and sustained our cash generation.

Let's talk about the financial results on slide 11, starting with revenue and gross margin. Considering that there was a higher volume of launches and sales, the revenue grew accordingly. Those indicators are closely linked, as you know. Net revenue came to R$2.4 million in the quarter and R$4.5 million in the year. Year-to-date, the revenue came to R$4.5 billion, and the gross margin in the quarter came to 34.4% and 33.7% year-to-date.

On the right-hand side, you can see that the gross margin this quarter was stronger, as a consequence, the margins for the first six months of the year was stronger as well, with a very strong contribution of the low-income Vivaz products.

Let's take a look at slide 12 to talk about our net income and ROE. Our net income exceeded R$450 million, growing year-on-year and quarter-on-quarter. In the 1H26, the net income came to R$748 million compared to R$715 million year-on-year, and that is the result of the growth in our margin.

And our ROE can be seen on the right-hand side of the slide. We adjust the denominator. We used the net income of the last 12 months, and we exclude AVJORA from CashMe to get to a more realistic indicator, which came to 20.9%, in line with the previous quarters, as you can see on the chart. It is a satisfactory level, but as you know, the Company will always pursue higher numbers.

Let's talk about our debt on slide 13. The cash generation, as you are going to see on the next slide, was positive, that reduced our relative indebtedness. We are adjusting the net debt and our equity according to AVJORA from CashMe, you can see that the net debt went down, the indicator stood at 16.5%, the net debt to equity ratio.

On the right-hand side, you can see the qualitative indicators showing how comfortable we are in terms of our debt. It comes at a cheap cost, most of it is long-term, as you are going to see.

Now, let's talk about the last part, last financial bit of the presentation, cash generation. We sold our finished units. We delivered new units, as we said earlier, that took us to a cash generation of R$272 million in the quarter, R$406 million in the first six months of the year. Last year in the same period, we had a -R$320 million in the 1H25, but again, the quarter was very positive.

**Miguel Mickelberg:**

Thank you, Iuri. Now we are going to take your questions. But before that, I would like to announce something. We just published a Material Fact last Wednesday, saying that we signed a non-binding agreement for the sale of some of our assets.

I am sure the investors are interested in knowing more about the deal, but we have a confidentiality clause in this non-binding agreement, so there's not much that we can disclose here. We cannot talk about anything that's not mentioned in the material fact.

Thank you for your understanding, with that, I am glad to take your questions.

**Gustavo Cambaúva, BTG:**

Good morning. I have two questions. First, I would like to understand more about the precedent conditions related to the material fact that you disclosed, if there is any risk of not delivering on any of those conditions and maybe having a cancellation of the deal. And I would also like to know what the proceeds will be used for. Your leverage was low at the end of the quarter, the Company generated operating cash. With this large volume of funds, I would like to know more about your rationale. Maybe you are disposing of the asset to distribute dividends, or maybe to buy shares back. Are you going to invest in buying land bank, maybe? I would like to understand what the proceeds will be used for.

The second question is related to the high income market. It has been very resilient over the past years. Although interest rates have been consistently high, still your results are very strong in the high income segment. But more recently, we have seen a slowdown in this market. The inventory is higher for you and competitors alike. So I would like to know if you see that slowdown in the market. Is that concerning to you at all? Are you going to slow down launches in the segment? If you can give us more color about that that would be great. Thank you.

**Miguel Mickelberg:**

Good morning, Cambauva. Thank you for your questions. First, about the TRX deal, we have 105 days to close the deal. For now, it is tough to say if it is going to be more or less than that. As soon as we have more information, we are going to disclose to the market, but the deadline is 105 days.

About risks in this deal, as we said, it is a non-binding MOU. So yes, there are risks as always, but we are confident that the deal will be closed, and that is why we signed the non-binding agreement, because we are confident in it.

About the use of proceeds, you said it very well yourself. We generated operating cash, very strong one, and it even exceeded our expectations for this year. The 1H26 was better than we thought in terms of cash generation, and we always pay close attention to discipline in generation and allocation of capital. Since we are generating a lot of cash, if we see any inflow of cash on a non-recurring basis, we will be more comfortable to optimize return for the shareholders, following the options that we always have, dividend payouts or a buyback or even redeeming preferred shares.

We are still going to assess the possibilities. Nothing is defined yet. But yes, cash generation is good, so that puts us in a more comfortable position to make some or one of those movements in the future.

About the high-income market, I agree with you. In our earnings calls, we have been saying that the market is indeed more challenging, probably has been so since early 2025. I do not think it deteriorated recently. But we do know that there are many projects from the competitors that do not perform that well, and that can always add more challenges.

But the demand in the market is still strong and solid. We see a volume of transactions in the high-income segment that is rampant. And if we can set ourselves aside from the competition with differentiated products, and if we can really attract the customers with a beautiful point of sales, we are going to continue with our strategy and with our success.

**Iuri Campos:**

We always try to talk about that in our meetings with you. We understand that the stock market right now is complicated. Families are in debt. But when we look at our numbers and when we compare it against our own numbers for the past four or five years, we are actually exceeding our track record, and it's pretty in line with the budget that we have forecasted.

In the 4Q24, we sold almost everything in one month. Right after the pandemic, we launched a project in Vila Mariana in São Paulo, and we sold everything in a month. So we knew that that moment would not last forever, as we said, but things are going back to normal, and the Company is happy.

**Tainan Costa, UBS:**

Good morning. I would like to follow up on the last question. I think Miguel has already said that your strategy is the same, although things are more challenging. But from a sales standpoint, I would like to know more about your strategy. Faced with this scenario, did anything change at all? Are you being more aggressive, maybe to sell finished units? Are you spending more to attract customers or to offer differentiated products that stand out in the competition?

And that's linked to my second question. Your sell-in is higher than expected. Was there any one-off event? Is that linked to your strategy? Is that related to a higher volume of launches? Should we expect this line to grow? Should we expect your selling efforts to spend more money than in the past, or should those costs dilute over the course of 2026? Thank you.

**Miguel Mickelberg:**

Thank you for your question, Tainan. Addressing the first question, nothing changed in our sales strategy this quarter, and we did not start spending more to sell our inventory or adjusting prices. We adjust prices when we deem necessary. We did it in late 2025, early 2026. But this quarter, that did not happen. Thank goodness we are performing well in terms of selling our inventory, especially finished units. That allowed us to reach the good results that we posted.

When it comes to the selling expenses, the effects that we saw in the 2Q are not related to selling inventory or changing our strategy or anything like that. There are two main factors involved here. The first one is an increase in the media line, which is linked to the growth in launches. We grew by 120% quarter-on-quarter. So there's an initial expenditure to capture leads as well to accelerate the sales of the products in the beginning of the launch period.

Another line that I would highlight is the point of sales line. Indeed, the amount is high, and if you look at our explanatory note number eight about fixed assets, you are going to see the reason why that happened. In 2024 and 2025, our financial expenses with stands and points of sale was higher.

And now we are in the phase of demobilizing many of those points of sale. Now it is clear to us that the financial expenditure is going to be lower than the accounted numbers. So the fixed assets will go down by R$52 million approximately. So the accounting effect that we see is higher than the financial expenses. In the year, the point of sale expenses will be lower than last year, and that's the main factor for us.

We need to be very disciplined. We have a marketing budget for each product. We need to meet it, and we are indeed. Sometimes there are booking effects. For example, in 2024, that line went down year-on-year. But we actually spent 40% more, if I am not mistaken. That happened because in 2024, 50% of the launches took place in the 4Q. So the expenditures occurred financially, but not in accounting terms, because those expenditures were amortized in 2025.

So those effects do happen. In the 1Q, we were asked about our SG&A expectations as a function of the revenue, and I said it would be 15% for the year. Now with 2Q results, my expectations have changed. It could be more than 15%, but it does not mean that we are spending more in marketing or points of sale or any other line in our selling expenses.

We grew a lot over the past years, and that effect is natural. However, we keep strict budgets for each product to sell in the volume that we need to sell with the budget that we decide to have for each project.

**Fanny Oreng, Santander:**

Good morning. I have two questions. I know that you do not give any guidance, but the trend in your gross margin really caught my eye. The Vivaz margin year-on-year continues to improve and Living as well with better margins. But what can we consider in terms of consolidated margins for the rest of the year? Should we expect that same level to continue? That's the first question.

The second one, Miguel, can you give us an update about your CashMe operation? That also caught my attention. The CashMe result has improved a lot, so if you can give us any update on the trend going forward, if you think that the portfolio will grow, and also if you can give us an overview of the interest rate effect, that would be great.

**Miguel Mickelberg:**

About the gross margin, our margins were close to 34%, as we said in previous calls, so we thought it would be feasible to reach 34%, and we always highlight how volatile this line is. Launches affect the sales of finished units, inflation can impact it as well. So we know that this line can be very volatile.

The level that we are at right now is very similar to what it has been in the previous launch periods. I do not think there is a lot of room for the gross margin to grow. However, if we exclude the volatility issue, we can envision a gross margin that is close to that level.

And one of the factors that underpins that expectation is precisely what you said. Vivaz has a good margin, but in 2025, for example, Vivaz accounted for over 14% of the Company's net revenue, but it accounted for 31% of the Company's sales. In the 1H26, net revenue from Vivaz accounted for 20% of the total net revenue, but sales of Vivaz products accounted for 40% of the Company's sales. So that net revenue share of 20% is lower than the share of Vivaz products in our sales volume.

So if we can keep that margin for Vivaz products, that is going to allow us to be at a level close to what it was this quarter in terms of gross margin. Of course, it all depends on the performance of selling finished units, and we are going to see indeed some volatility in this slide.

About CashMe, we are very excited about it. It is performing well. We finished the 2Q with a portfolio of about R$4 billion. This quarter, specifically, CashMe was benefited in its result by the three-month period of high IPCA inflation rates, and CashMe is a creditor based on IPCA rates in its entire portfolio. The liabilities are also adjusted by inflation, but since the portfolio is also adjusted by IPCA, it offsets that effect, and sometimes the results can suffer if the rate goes down, and this quarter it was the opposite. It benefited from the three months of high IPCA rates.

When we look at the 3Q, July had a lower IPCA rate, so that will affect the 3Q numbers. Probably it is not going to perform as well as it did in the past quarter. So let us see how it goes, but we are indeed very happy about all the hard work put in this project by the team.

**Fanny Oreng:**

What is the average rate that CashMe is charging? Do you disclose that number?

**Miguel Mickelberg:**

No, we do not. We do not disclose that number.

**Iuri Campos:**

But if you go on the website, I am sure you can simulate and model the numbers and calculate how much it is.

**Raphael Rehder, Safra:**

I have two questions, too. I believe that you are already working on your pipeline for 2027. What should the mix be between the three verticals?

And the second question is about the sales of finished units. It was surprising. Do you think that is related to a specific product, or do you think there is any non-recurring effect that we should consider? And what do you expect for this line going forward?

**Miguel Mickelberg:**

About the mix, we are usually more bottom-up than top-down. We do not have the defined pipeline for 2027, and we look at each branch separately, trying to find the best opportunities in each of them. Our partners pay close attention to the land bank in each of those segments.

For Vivaz, growth is more natural because of its past performance, so I believe that the share of Vivaz products will grow. But about the other verticals, we cannot tell you anything about it yet. We are still taking a look at land bank and all that.

About the sales of finished units, we always have aggressive targets for finished units. We believe that finished units have to sell fast. Last year, we fell behind our target for finished units. This year, we are right on target or even slightly above our target.

So for the 2H26, we need to do things similar as we did in the 1H, and we are still working hard to keep that strong pace of finished unit sales. This quarter, I do not think there was any specific product that stood out. The finished units are pretty scattered across different products, and of course, some will have more weight on the numbers, but I do not think any specific product stands out this quarter.

**Elvis Credendio, Itaú BBA:**

Good morning. The first question is about cash generation. I would like to know more about what is behind that strong performance. Is it finished unit sales? Was that any one-off impact this quarter? And what can we expect for cash generation going forward? Do you think it is sustainable to generate as much cash as you have over the next quarters? What do you have to do to pull that off?

And the equity method line was weaker than previous quarters. I would like to know why that happened and what can we expect going forward from this line. Thank you.

**Miguel Mickelberg:**

Thank you, Elvis, for your questions. About cash generation, the number for the 1H of the year was very strong, especially in the 2Q. There were two effects that are non-recurring that took place in 2Q. The first one is the disposal of a plot of land, and we received the payment in one single quarter. The other one was the receipt of an installment of a payment for an asset that we sold.

We sold it a long time ago, and we received the payment this quarter. That number was already accounted for in our cash since the beginning of the year. It does not change the expectation for the whole year, but it impacted the 2Q. I believe that R$90 million to R$100 million was the recurring part of this result. The main driver is sales of finished units, a little bit related to land bank as well. Those are the main factors.

Going forward, I would say that cash generation for the 2Q should be close to neutral or slightly positive. What is going to determine that is expenditures with land bank and keeping up with the good performance in the sales of finished units.

About the equity method line. This quarter specifically, there was a negative non-recurring event. A partner of ours sold his operation. He sold his stake, and that gave us a loss of R$36 million, and that impacted our P&L in R$18 million. That is non-recurring. Apart from that, there is nothing really to highlight about this line. It is going to be volatile because it is influenced by projects and JVs. So it is going to be volatile.

**Iuri Campos:**

Elvis, just following up on your question about cash generation. 2Q and 4Q are the quarters in which we concentrate the payment of interest of real estate bonds. The volume of interest that we pay is high, and that always drives cash generation down. But this quarter, we generated a lot of cash despite the payment of interest. Even if we exclude the sale that Miguel commented on, still cash generation was very robust.

**Pedro Lobato, Bradesco BBI:**

Good morning. Thank you for taking my question. The first question is about the Minha Casa, Minha Vida housing program. What is the competition like in this market? You have a very long track record. I would like to know if there has been any different movement in the competition as of late.

I would also like to know more about the competition dynamic for the customers, and also about the funding for customers. Do you think that they are facing more difficulties to get funding from banks?

**Miguel Mickelberg:**

Thank you, Pedro, for your questions. About the Minha Casa, Minha Vida housing program and the competition, we should break it down in two parts, the competition for land bank and competition for customers.

The real estate market is usually very competitive. There are many players, and the low-income segment has performed very well. When we look at the numbers from the three main companies, we can see that their performance has been great, and that, of course, attracts more competitors.

So we see that movement. We can see incumbent players trying to grow and new players trying to enter this segment. And so far, we have been able to work well in this segment. We know from experience that there is a learning curve, and it takes a while for you to reach good efficiency and performance in this segment. I would say that oftentimes we have a competitive edge over the other players because we are very consolidated in our performance with Vivaz.

About the customers, I would say that demand in the segment is very strong, and competition will always exist. However, I do not think it has impacted the main companies because they all have good margins and good SOS as a rule. But what I would say that although there is fierce competition, we have been able to navigate it, get good results, and buy good plots of land to keep up with that performance. Now about cancellations. We have not seen many changes.

Of course, interest rates are high, that can impact the results, but we have been able to keep the same level as always. It should be highlighted that we sell the units at a very good price with good payment conditions. The products that we delivered in 2026, they had been 80% sold and over 50% paid. The products to be delivered in 2027 are 90% sold and 38% paid, excluding Vivaz, because the dynamic is different and we do not have many concerns about cancellations. But our products have been selling well and the customers are paying upon delivery on time, and we do not see many issues related to that.

**Piero Trotta, Citi:**

Thank you for taking my questions. If you can give us more color about the pace of sales this quarter, in the 3Q, and if there is any volatility coming from the period of the World Cup. If you can give us more color on that would be great. And is there any movement related to the elections that you are planning?

And I have another question about the tax reform. What is going to be your strategy? Do you intend to transfer some of your SPEs to the new system? Have you run any simulation about the different methodologies and product ticket or anything like that? Is there anything new that you can tell us about this topic? Thank you.

**Miguel Mickelberg:**

Piero, thank you for your questions. About sales, indeed, July was tougher because July is usually a slower month because of vacations and also because of the World Cup this year. I saw news articles about how the impact on many sectors was higher than expected. We are in mid-August now and our sales team's perception is that things have improved. I believe that sales are going to perform better, but it's still too early to tell.

About the elections, no, we do not have any strategy, anything that's different from what we have been doing. We are going to continue with the model that we usually work with.

About the tax reform. Yes, we have been running simulations. What we can tell is that there's not anything new because there are many things, many regulations to be defined. Even the issuance of invoices, the deadline for us to transfer the system changed up.

Due to the nature of the taxes that we pay, we might see some situations in which low income projects and Minha Casa, Minha Vida projects have a decrease in the total tax burden, and higher income segments might see an increase in the tax burden. We believe that is going to happen. So depending on how the regulations are developed, we are going to study the impact of the changes. But so far, we do not have any definition.

**Ygor Altero, XP:**

I would like to go back to the TRX deal. What are the benefits that this can bring to you in terms of recognizing profit? Is there anything related to any fund in this transaction? What are the conditions that you have to respect, to observe, if you are to sell the shares to the secondary market?

And the second question is about the low income segment. We can see other players complaining about transfers in June and July involving Caixa. Did you have the same effect with Vivaz, or are things going back to normal?

**Miguel Mickelberg:**

About the TRX deal, I mentioned this at the beginning of the call. Unfortunately, I cannot give you more information about that because the non-binding MOU is protected by a confidentiality clause, so I cannot answer your questions about it.

Indeed, about the transfer with Caixa, there were some difficulties with credit approval, but it was solved very quickly. The Caixa team was very proactive, and the situation is back to normal. We do not see any more impacts from this.

**Marcelo Motta, JPMorgan:**

Thank you. I have two questions. First, can you give us more color about the construction pace? Some companies are complaining about delays, especially here in São Paulo. I would like to know if you have been struggling with that as well.

The second question is about the fact that you left the board of some of the invested companies. I would like to understand the pros and cons. You are the reference shareholders in some of those companies. You helped them go public. I would like to know what drove you to take that step back and stepping out of those companies.

**Miguel Mickelberg:**

Thank you, Motta, for your questions. About the pace of construction, we are struggling as well with one-off problems, but we do not see any delays that affect the works, the construction works.

I would say that the main reason behind those delays is workforce scarcity, and everybody faces that problem. I think that we are better structured than other companies, so I do not think it is going to cause further impact, although we do everything that we can to keep our customers happy. In order for us to do that, of course, we need to do whatever we can to meet the deadlines and avoid any impacts on our customers' lives. So we are trying to do everything that we can to normalize the situation without any delays.

About the fact that we stepped out of some of the boards of our JVs, in March, we left the board of Cury, and those movements were discussed with our JVs. We understand that all of them are going to celebrate their sixth anniversary as publicly listed companies. We are still very proud of the results and their performance, and I believe that we can make contributions there as a shareholder and not necessarily being in the board. And indeed, last month, we stepped out of the boards of the two JVs where we still had seats.

**Jorel Guilloty, Goldman Sachs:**

I have two questions about your backlog margin. It has been flat, although your gross margin is growing. So I would like to know more about your backlog margin risk, considering your pipeline going forward.

And the second question is about the TRX deal. I would like to understand one point about it. Do you have any other assets in your balance sheet that are not core, that are not residential? Do you have any assets like that on your balance sheet, and would you be interested in monetizing those assets too?

**Miguel Mickelberg:**

Thank you for your questions, Jorel. About the backlog margin, I would say that the main reason why it is flat is that our average gross margin, our average margin for launches has been flat for 2023, 2024, and 2025. They have been very similar to our gross margin. That is why it has been flat. Of course, there was an increase in Vivaz's gross margin over the years and the backlog margin did not drop. I would say that that is why it is more or less constant.

We do not see any structural changes in our margins happening in the future, so it should stand at the same level with some volatility. The backlog margin is going to be less volatile than the net revenue of any given quarter because the backlog margin accumulates sales that have not been delivered upon yet. It is R$12.2 billion, our backlog. So the movements that cause more impact on the quarter's margin are not going to cause the same impact on the backlog margin because of how big it is and how it is composed.

About the second question, the assets that are part of this deal are managed by cy.capital, and they have two strategies, actually, and we sold some assets to a fund in the beginning, and Cyrela may or may not be a shareholder of these vehicles. We are indeed a shareholder of most of the assets that were sold with minority stakes as a rule, so the impacts are lower.

But cy.capital is still trying to find opportunities to develop those locations. So over time, we might see the same deals involving other assets. But we should remember that our stake in those assets tends to be minority stake.

**Pedro Peroni, Bank of America:**

Good morning. Thank you for taking my question. I would like to go back to gross margin. We can see a bigger share of Vivaz in your mix, and Living also had a positive contribution in the margin growth and sales. I would like to know more about the segment dynamic, about the projects in the segment as well, and I would like to know more about the competition in the medium income segment. If you can give us more color about that market, that would be great.

**Miguel Mickelberg:**

Thank you, Pedro. I think that you identify things very well. Indeed, the margin for Living went up this quarter, and it is almost entirely, or entirely related to the margins that were very good this quarter, and the sales were very good as well. The margin for the next quarter will not necessarily be as high.

About the dynamic in the segment, yes, the segment has a lot of competition, but the Living brand has units of 60 m², and there are some smaller units as well, and the ticket is at about R$700,000, but there are other units that go as high as R$2 million. But it is not concentrated in the medium income segment. It also caters to the high income segment.

So I believe that the margin really varies according to the project, and the rationale is pretty similar to the high income market. In this segment, customers rely more on financing, and in the high income segment, less than 40% of customers go for a financing option. In Living, that number is actually 60% or more than 60%, depending on the mix.

Since customers rely more on bank financing and since interest rates went up, affordability is an issue here more than it is in high income. But the demand is high still, and it is all about offering the right product at the right price in a good location, and having the workforce to be there to enchant the customers. The demand is good as long as you get things right in the product.

**Iuri Campos:**

And I like to highlight Vivaz's contribution in our gross margin. And as Miguel said, the three segments are performing well, and they have all contributed to the increase in our gross margin.

**Alejandra Obregón, Morgan Stanley:**

Good morning. Thank you for taking my question. I have two, actually. The first one is on your internal inflation. If you can provide an update on what you are seeing across your key raw material and labor cost buckets across the different verticals, and to what extent does this trend provide support for your margin preservation?

The second one is perhaps a follow-up to a few of the questions that we have heard before. You have mentioned that we are moving to this new stage of the demand cycle, so to speak. I was just wondering if you can talk about how you are thinking and how you are dealing with the trade-off between maintaining your sales velocity on one side and then preserving your SG&A discipline on the other. Perhaps I would like to understand where is your strategy anchored today? Perhaps a function of top line, perhaps in the short term, and then leaning toward a leaner operation later. Is this the SG&A level that you feel comfortable under this environment? Thank you.

**Miguel Mickelberg:**

Good morning, Alejandra. Thank you for your questions. First, talking about the internal inflation, for a long time, from 2020 until probably late 2024, the construction inflation index, the official index, was always below our real internal inflation, and I think many other companies felt the same. And I would say since early 2025, probably, we have been either in line with the construction cost inflation index or slightly below.

Right now, if you look at the last 12 months, we're slightly below, so this is supporting us a little bit in terms of having a bit of construction savings. his year, this far, we had construction savings, but they do not really move the needle in terms of average margins or the bottom line, but of course, they help. It's always better than having cost overruns, for sure. So we hope it stays like this, but this far, the index has been moving, probably, together with the real cost inflation, which is good enough for us.

And talking about the strategy SG&A and sales velocity, I think, as Iuri mentioned before, the sales speed we are experiencing today is, as I would say, reasonable. Not as good as it was in 2023-2024, but we can be profitable with this level of sales velocity.

Of course, if it gets worse, it's going to be an issue, so we need to maintain this velocity. And as I probably mentioned in one of those questions before, we have not changed our commercial strategy, so we have not been spending more to sell the same. We keep our budget, so our marketing budgets and our showroom. Budgets are the same, they have not been changed recently.

So we have not changed anything there, and I do not think we will. I do not think we will spend more in marketing or commercial expenses to sell more. We always like to value our products. The main thing we can do is to choose the right land plots and to develop attractive projects at reasonable prices. And if we keep making the right decisions, we will be able to sell at a reasonable speed with the current expenses budget we have for those projects.

**Operator:**

This concludes the Q&A session. I would like to turn it over now to Mr. Miguel Mickelberg for his closing remarks.

**Miguel Mickelberg:**

Thank you to all analysts for your participation, for your questions. Thank you to all the investors who participated, our employees too. And thank you to our employees for your hard work over the past years. Thanks to that, we can post such a solid performance. 2Q performance was solid. Despite the challenges, we delivered on our promises, and we need your focus and your hard work to continue with such great success.

On behalf of Raphael, who could not be here today, thank you very much, and enjoy the weekend.

**Operator:**

This concludes Cyrela's conference call for today. If you have any questions, please send your question to the investor relations team at ri@cyrela.com.br. Thank you. Have a good day.