

Operator:

Good morning, ladies and gentlemen. Welcome to Cyrela's 4Q25 earnings conference call. Joining us today are Raphael Horn, CEO; and Miguel Mickelberg, CFO and IRO.

This conference call is being recorded and simultaneously translated into English. Should you wish to listen to the translation, please click 'interpretation' button. For those listening in English, you may mute the original audio in Portuguese.

The slide deck is also available on the Company's IR website, ri.cyrela.com.br.

During the presentation, all participants will be in listen-only mode. We will then open the floor for the questions and answer session. To ask a question, please click on the Q&A icon and type in your name and company. When your name is announced, please unmute your microphone to ask your question.

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To begin the conference call for the 4Q25, I would like to turn the call over to Mr. Raphael Horn, our CEO. Please go ahead, sir. You may begin.

Raphael Horn:

Good morning, everyone. The year 2025 was very challenging, and it continued impacting the capital cost and the sector as a whole. This was compounded by a demanding basis for comparison as 2024 had been marked by a company's exceptional performance. Nevertheless, Cyrela ends the year confident in its ability to navigate this environment with consistency.

In 2025, we had very healthy operations, with sales at R\$9 billion and with launches totaling R\$13 billion. We ended the year with a R\$9.4 billion net revenue, a gross margin of 32.6% and the net income at R\$2 billion, an ROE of 22.3%.

The year of 2025 shows how we can consistently navigate this market. We had R\$105 million in cash generation and the payment of R\$1.4 billion in dividends. That's a record for the Company.

It's impossible to have a R\$2 billion result without the efforts of our team. So I would like to congratulate our team. That would not have been possible without you. We have a very competent team, and this number was only reached, thanks to this whole group of people. We will continue committed to operating efficiency, and we will always be attentive to any challenges in the cycle. We thank all of the stakeholders, clients, partners and employees for their commitment throughout the year.

Thank you very much to our team. We will now move on to the operating results.

Miguel Mickelberg:

Thank you, Raphael. We are going to go to slide 4. We talk about launches. To the left, we see our launches PSV. We had R\$3.3 billion in the 4Q24. That was 33% less than the previous year and in line with the 3Q25. In the year, we had a 35% growth, R\$13 billion in total, compared to R\$9 billion year-on-year. We would like to highlight the Capri Lifestyle that was a project launched in November in the 4Q that was a very successful one.

As for launches, let's look at the chart to the right. The PSV was 33% lower year-on-year and 10% lower quarter-on-quarter. sales were very stable year-on-year with just 1% reduction. Now let's talk about our SOS. Our SOS for 12 months was 45%. And to the right, we see the sales by period, by launch vintage. We see that the 1Q, 2Q and 3Q25 were beyond 50% and the 4Q was at 38%.

In the year, we had a 48% figure, which is a very satisfying number. Now looking at the inventory, we had an 8% rise going from R\$11 billion to R\$12 billion that is in Cyrela shares. And to the right, we see the inventory breakdown, 72% in São Paulo and then Rio de Janeiro and the South.

Finished inventory. We had an 8% rise. We were at R\$1.9 billion at the end of the year. And you can see the breakdown to the right as well with a 40% share in São Paulo, 24% in Rio and 20% in the South.

The delivered units, we had a 49% rise. We went from 5 to 7.8 and the volumes we had in the 4Q was also very substantial, R\$2.9 billion. That is a 25% rise year-on-year and a 29% rise quarter-on-quarter.

Now let's look at our financial results. We had R\$3.2 billion net revenue. That is a 29% rise year-on-year and a 52% rise quarter-on-quarter. We had an 18% rise in the year. To the right, we see the gross profit and the gross margin in the year. And in the quarter, we have a very stable margin. So 32.3% in the year, so very close to the previous quarter and the previous year. And the rise was 19% in the gross margin.

When we look at the net income and the ROE, we had a record income surpassing R\$2 billion, it's a 22% rise, and we had R\$682 million in the 4Q with a 37% rise year-on-year and a 12% rise quarter-on-quarter. Our ROE in the last 12 months was at 22%, also surpassing the previous quarters.

Now, liquidity and debt. The net debt over total equity was at 21% at the end of the year. And now let's look at the breakdown of the debt and the debt costs. They are very good. Credits are low. We have had good leverage. And with this debt standard, we see that over 80% of it is long-term debt.

Cash generation. We had a R\$38 million cash burn in the quarter. that compares to R\$61 million plus in the 4Q24 and R\$123 million in the 3Q25. We had nonrecurring sales and JV. When we look to the right, we see a R\$65 million cash generation in the year, comparing to R\$259 million in 2024. When you look at only the recurring number, we had R\$190 million burn against a generation of R\$53 million recurring that in 2024.

This is the end of the presentation. We will now start the Q&A session.

Gustavo Cambauva, BTG Pactual:

Good morning. I have got 2 questions. How do you see the real estate market? And if you could talk a little bit about the inventory as well. At the start of 2026, we see that the inventory is much higher than at the start of 2025. And we see there is a slowdown in the sector, and the inventory levels in the city of São Paulo are much higher than in the past 2 years. So I

would like to understand what your thoughts are. Is there any concern about the inventory levels? Is there any initiative to accelerate sales? Or are you going to reduce launches to focus on inventory sales? So what are your thoughts on inventory? That's my first question.

And my second question has to do with Cury. You were at 15% share in the Company. That's very close to the minimum for you to keep up with the shareholders' agreement. And when we look at the Company's proposal to be voted in the Cury's shareholders' meeting, we see that Cyrela is no longer joining, or no longer being a part of the Board of Directors. So I would like to hear about why you no longer take part in the Board of Directors? Is it a specific decision? Is it something to do with the election of the Board members? These are my 2 questions. Thank you.

Raphael Horn:

Good morning. In 2021, 2022, 2023, the SoS was very high. It is less good than it used to be. That's true. If that will reduce our launches, you asked, the answer is no. We understand that the market is good as it is if you know how to operate.

SoS has been better in the past, but it's still satisfactory. It's all right at the moment. There is an expectation that interest rates should go down. It's an election year. But I agree with you that the inventory levels are higher in the city, that SoS has gone down, but we are navigating the scenario satisfactorily.

And you are right, SoS was high, was Switzerland level. But we are doing fine. We are not going to review launches at this point. If the conditions should worsen, we may review it, but it does not seem like it's going to be the case.

As for Cury, let me be 100% transparent. Fabio is a great partner, is a good friend. He called me 3, 4 days ago. We have always sold a little bit in the past years with Cury, but we do not intend to divest. And this has got to do with no longer being a Board member. The Company is well managed. They do not need us. And whether we want it or not, we have low-income properties. We wanted Fabio to feel comfortable talking about whatever he wants to talk about in his strategies on the Board because I am a friend, but I also buy land bank.

So we wanted to make him feel comfortable. And the Company is doing well. It does not need us. So let's leave him comfortable to talk about everything he wants to say to the Board members and not only 60% of the strategy because we always insisted on not knowing what the strategy was. But there are secrets that need to be kept. So we said, "Fabio, we prefer you feel comfortable, and you can talk about everything you want in the Board meetings". That's it.

Gustavo Cambauva:

That's clear. So should we see something similar in Plano&Plano and Lavvi? Or is it just Cury at this point?

Raphael Horn:

I am a Board member for Cury. So I can only speak for Cury.

Miguel Mickelberg:

I am a Board member of the 3 companies. We have no decision at this point, but this subject could be discussed, yes.

Fanny Oreng, Santander:

I have got 2 questions. My first question has to do with the 4Q. We know there is always some pent-up demand, and we see an increase in the 4Q and the recognition of revenue from some projects as well. There have been changes in the criteria looking forward. So I know you do not give guidance, but what level of revenue could we expect thinking about the 1Q? Would it be closer to the 3Q? We have been asked this question a number of times. So I would like to hear what your position is.

And as for the master plan in the city of São Paulo, we see the restrictions and approvals and all. How could this affect your launches pipeline if this situation should continue for more months? Thank you.

Miguel Mickelberg:

Thank you, Fanny. There are no changes in the recognition of revenue. The accounting criteria say that when a developer can no longer give up that development, they recognize the revenue. You could consider up to 6 months according to the law and a percentage of sales that will give the right of the developer to give up on the project.

What Cyrela has been doing is at the end of every quarter, we are assessing what projects are starting in the 4Q, what projects we are not going to give up on. And then we have a meeting, we have the minutes for it, and then we let go of our right to give up on the project. So this had an impact on the 4Q on the revenue. And we know the volatility for the future. I can give you some data. In 2025, we sold R\$10.5 billion in the 100% consolidated view. That is what is going to transform into revenue at some point. And our accounting revenue was R\$9.4 billion.

So we had about R\$1 billion extra that is going to be revenue than actual revenue in the year. And in 2024, we sold almost R\$10 billion in this view, and we had R\$7.4 billion in revenue. So in 2024, we had a gap of R\$2 billion in future revenue to be recognized, so almost R\$3 billion when you add up both years. So if you look at our revenue to recognize, it was R\$6.7 billion.

And now in the 4Q25, it's almost R\$11.5 billion. There is almost R\$4.5 billion extra. So this shows our journey in revenue growth. In 2024, I mean we have 3 perspectives. We have the PoC revenue, which is what comes from construction works.

We have from sales and the initial recognition of sales. It's difficult to predict what's going to come from sales and from the initial recognition because there is a bigger commercial risk. But what comes from the PoC, it was R\$4 billion in 2024, it was R\$5 billion in 2025 and 2026, we expect it to be R\$5.5 billion or R\$6 billion. So we should have this additional revenue coming from the PoC. And in the future, revenues will depend on the level of launches, but we do see an expectation to increase it.

Our revenue to be recognized was higher in 2025. This is a factor that really shows that we have a good expectation for revenue in the coming years, but this really depends on commercial aspects that we really do not discuss here because of the lack of certainty.

And as for São Paulo, we know that the city municipality and the city house want to impugn it based on good ground because we understand that the current scenario leads to a lot of instability in the real estate market in São Paulo, which is by far the largest one in Brazil.

We cannot predict anything about the future because we do not work with scenarios where there are no approvals for projects, licenses, master plans. So this scenario is certainly going to be impacting everyone, but we will not be naming percentages here that would have an

impact. And we could say that up to now, it has not impacted our operations, and we hope that it will be addressed soon.

Pedro Lobato, Bradesco:

Good morning. Thank you for taking my questions. When we look at the margin breakdown, we see that Vivaz had a substantial growth in the 4Q25 as well as the whole of 2025. Is this what you expect to see going forward? Or should there be any other increase, thanks to efficiencies that we would be able to see looking forward? Also, when we look at the margins, Cyrela, Living?

And my second question has to do with the deliveries in 2026. What level of delivery of PSV do you expect? And what is the LTV also for sales for the year?

Miguel Mickelberg:

Thank you for your question, Pedro. Good morning. As for the gross margin, we had been saying that we saw an expected rise in the Minha Casa, Minha Vida and Vivaz. In the quarter, it was 36% and in the year, it was 34%.

When we look at our launch period is in Vivaz, the launch vintages, we see a gross margin that is close to this figure, 36% or even higher. But this does not mean we will be able to keep it, but we see room for an increase in margin in Vivaz.

And speaking of the whole picture, when we look at the launches of all projects in 2025, with the adjustment of Vista Milano that we even mentioned in the release around the studio, it's a minor adjustment. So there's a 34% gross margin that is very close to what we had in 2024 and 2023. So we should have a gross margin that should slowly but surely increase, increase in rise from 32.6%. What was your second question, sorry?

Pedro Lobato:

It was about the deliveries, PSV and the percentage sold.

Miguel Mickelberg:

As for the deliveries, we see a rise, I would say, of about 15% and deliveries in 2026 are 85% sold, and that was at 31st of December and 49% delivered or received. For 2027, deliveries are similar and they are 86% sold. Also the reference is 31st of December of 2025. And we have 2 periods, 2026 and 2027 that are quite healthy from LTV and PSV sold.

Olavo Fleming, Safra:

Good morning. I have got 2 questions. My first question has to do with the inventory in São Paulo. The increase in inventory levels, is it more concentrated in specific regions? Has that impacted pricing because customers are negotiating more? That's my first question.

And my second question has to do with the changes in the Minha Casa, Minha Vida that are to be seen at the end of the month, with the gap in the property value and the impact this could have on Vivaz.

Raphael Horn:

Again, our SoS has been better in the past, but the rest remains quite normal. SoS in 2023 and 2024 was absurdly high, and it's just more moderate today, but the market is fine if you

know how to operate it well. I am not going to talk about different regions or neighborhoods. I do not think this is the purpose of this call.

Miguel Mickelberg:

Olavo, when we look at the income range, the cap for the property, we are monitoring the subject through the institutions. We understand that there is a high chance it will be approved, and we see that as quite positive because this increases customer affordability. It increases the possibility of operating certain price ranges.

We have a plan when it comes to land bank and projects based on future rules that could improve. We prefer to be more conservative, so this has not changed our approach. But some of these points can be positive to future projects, yes.

Elvis Credendio, Itaú BBA:

I have got 3 questions. We had a number of land bank that came in, in the high and low end. Do you aim to continue with these high volumes in the future? Or were you considering reducing it? Low income was R\$5 billion at the end of the year. And this project of R\$1.5 billion was announced as well. So do you see any opportunity there? Do you want to grow the land bank in low income? And what sizing would you understand is ideal?

And what about your launches for the year? This is my next question. The Cyrela breakdown, do you have any iconic project as you have had in the past years? Or is it anything that's going to be more challenging? And what about your appetite for launches on the Vivaz side?

Raphael Horn:

We are very selective when it comes to land bank. We have always been. We are not a real estate ETF. We need to pick and choose one by one. So we will look at the pricing, we will look at the return rates, we will look at the market. And we do not like saying, "we are going to buy R\$1 billion or R\$500 million this year". We have got the capital. We have got sanity checks, and we are not driven by size.

Our Board is tough, and they will pay us according to our ROE. So if there is a good ROE, we will do it. If there is no good ROE, we will not do it. Sorry, it's a bit of a bland answer.

But Vivaz is growing well. It will continue to grow. We are a mid-sized player in São Paulo, and we are operating well, so you could expect some growth. We have got competitors or partners that are much bigger than we are and they will continue to be not competitors, but partners.

But we are doing well in the low income, and we are looking at our own potential. We are always focused on us. We are not looking to the side to see if there's anyone launching more than us. If we are doing our best, then it's fine.

André Mazini, Citi:

I have got 2 questions. Do you see any increase in materials costs, also considering the increase on fuel? The oil prices are going up, and we understand that maybe cement and concrete producers might also be passing on the costs down to you.

And my second question has to do with cost inflation and an interest rate that is going down slowly and the licenses. What is our main strategy in Cyrela for 2026? Is it generating cash? Is it increasing revenue considering this more challenging backdrop than we expected for 2026? Thank you.

Raphael Horn:

I think it's a bit early to talk about pricing. There is a relevant war in the Middle East, but we are not from the textile or oil plastic sector to be directly impacted by the oil prices. If there is a price increase. I mean, then we negotiate. But other than textile and plastic, I do not think there will not be much impact to get to us.

Challenges. In 2015, 2016, we had R\$1 billion in launches and there were so many challenges we would not get enough sleep. And launching R\$10 billion, we have the same problems and no one sleeps anyway. So I do not know what the challenges are going to be. Every year is a different year, but every year is also the same. We have had 20 years with different challenges, different years, but it's all the same every year anyway.

And what we want to do is continue to have a good ROE with the team that we have. This is a challenging ROE to get to. I did not expect it, to be honest. But thanks to the team, we were able to do it. And the challenge is to keep it when you get to an ROE of this level, you want to sustain it, and it's hard. We are not a bank to have an ROE of 20 easily. So this is a challenge to sustain this ROE, and we will do our best to sustain it.

Tainan Costa, UBS:

Good morning. I would like to talk about expenses, commercial expenses, selling expenses and others. Starting with selling expenses, it's slightly higher than we expected with a PSV that's slightly higher. Is there any additional sales effort that you took on this quarter? Would this be expected for the 1Q and 2Q this year? Or is it a spot on that should not be expected to be seen again?

And the line item others, when you look at them, when you adjust by the Cury accounting effect, this line was also higher than expected. a bit higher than we have on the historical average as well. So from the many items you have within this others line item, is this something that we are failing to see? Thank you.

Miguel Mickelberg:

Thank you for your question, Tainan. As for selling expenses, when you look at the whole year, they have gone up in relation to the launches volume, which was 35%. We see that some lines have a higher number. We have the booth line, which grew 53%. And there is an effect here that comes from the 4Q24. We had launched a lot, and there were many booths that were still activated. So we had a reduction of many of these booths, and that was one of the impacts.

When you look at another line item, it was CashMe with a 59% rise year-on-year. This is very much associated with the CashMe growth. They grew a lot this year. So this is also natural.

There are other situations as well. When you look at Vivaz sales growth, that has a bigger volume in ITBI and they are seen at the moment they are incurred. So the expense comes, it happens with the revenue, comes when you have the PoC. So you may have an increase in expenses seen other than the increase in revenue.

And there's also third-party services based on commissions and premiums. Part of that will come through the PoC and the premiums will be in the expenses, but this is also related to our revenue growth and most of these impacts are explained by these factors.

We had some one-off impacts. We had the amortization of the Eden project. There was a purchase of quota, and there is a variable share there from one partner. So this project is also doing very well. So this is actually an impact from the project.

There are some minor effects. We had impairment in an old company that we had, a partnership we had in São Paulo with some projects that we still had. We did the impairment test, and we had this allowance due to our expectation of a higher chance of the values not materializing.

An old partnership also in São Paulo had a situation, and we had a legal discussion around this case. We had already set apart an allowance for that, but we understood that we needed to increase that allowance. So we increased the loss there. And each one of these impacts will be about R\$10 million to R\$12 million. So this explains the fluctuation.

And Cyrela is a very large company with many operations. So you always have positive or negative impacts in many other contexts, and that's why they sit in others. But these are the main points that would justify the difference.

Ygor Altero, XP:

Good morning. I have got 2 questions. The labor cost and the 6:1 roster, 6 days working and 1 day off and its impact. In Vivaz, we had profitability go up. I would like to understand what your cash generation dynamics are going to be. Has Vivaz been growing and generating cash at the same time?

Miguel Mickelberg:

Thank you, Ygor, for your questions. With the 6:1 roster ending, we do not have anything concrete about it. If it does end, we will need to see what the terms are going to be, what the terms for the effects to materialize. And there will be an impact, but we do not know exactly what it's going to be.

But the competition and some friends have shown some of their estimates, and we understand that what they expect makes sense. As for the cash dynamic in Vivaz. Vivaz has been growing and generating cash. We have got a well-oiled operation with very good sales volumes at the start of projects.

So we generate cash quite quickly, and this contributes to cash generation of the Company as a whole. And we also grew a lot in high end and medium end, and that also calls for some cash investment. That's why we do not have necessarily constant generation of cash, but we have a contribution from Vivaz.

Igor Machado, Goldman Sachs:

Thank you for taking my questions. Good morning. What is your impression on sales performance so far this year? Low end, high end, how have they been performing? And the new tax, the IVA new tax, what do you understand the impact is going to be?

Miguel Mickelberg:

As for sales, it's a bit early. What we can say is we had less launches in January and February in 2026 year-on-year and the inventory sales, they grew slightly. They were high single digits. So we see that the market is really behaving similarly to last year.

And as for IVA, that is actually VAT, the value-added tax, we have several simulations, nothing different to what we discussed in previous calls. We see a negative impact on medium and high end and a positive impact on the low end. Of course, it depends on the property prices. It's hard to quantify it at this point. But this model is mandatory as of 2029. So we will study and start following in 2029 or earlier if the studies show that it would make sense.

Alejandra Obregon, Morgan Stanley:

Good morning. Thank you for the call and for taking my question. Mine is on the low income exposure. If I look ahead, I would like to perhaps better gauge how your exposure will look like in the next few years for the low income. So any color that you can provide here will be incredibly helpful. How much do you expect it to be there in terms of contribution in the next couple of years? How much of your land bank is today earmarked for low income housing? And how quickly do you envision that to translate into launches? So that's the first question.

And then the second one is sort of a follow up to an earlier question. I just want to understand how much at the expense level was driven by a pull forward from the recognition, and how much is really just because you are seeing some increases on that front. If you can help us separate the impact, that will be very helpful.

Miguel Mickelberg:

Good morning, Alejandra. Thank you for your questions. Regarding our exposure to low income, in 2025, our organic exposure to low income was close to 30%, but when we account for the stakes we hold in JVs, it was a bit over 40%.

Looking forward, we think that we can grow in low income, but it's hard to forecast how our mid and high income businesses will look like in two or three years because, of course, these business lines might be more vulnerable to economic conditions, to interest rates et cetera, as opposed to low income, which tends to be more resilient to those macro impacts. So what we can tell you is that we do intend to grow in our low income organic operations, and that might mean that this 30% number of organic exposure might go up with time.

Regarding your second question, on commercial expenses, selling expenses, there was no meaningful impact because of pulling forward revenue recognition because most of those expenses, some of them do indeed get recognized together with the launches; for example, sales brokers' fees, those are recognized through the percentage of completion method. So there might be some increase because of that, but I do not think it's meaningful. It's not that relevant.

Operator:

This is the end of our Q&A session. I would like to turn the floor over to Mr. Miguel Mickelberg for his final remarks.

Miguel Mickelberg:

Thank you very much, everyone. I would like to once again underscore our big thanks that we have to our executives, our partners and all the employees. We are very proud to see the results we had in 2025 in spite of all the challenges.

We know that in our business, we always start from scratch. Every year, we are starting from scratch. We launch a project, sell it well, and we are happy and then we start over. And we can only have good performance, thanks to the amount of talent we have in this company and the efforts of all of them. And we hope to continue to deliver good results.

Thank you very much for joining the call. Thank you to our shareholders, and have a great weekend.

Operator:

This is the end of Cyrela's conference call. Should you have any queries, please send your questions to our investor team, ri@cyrela.com.br. Thank you very much, and have a good day.

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