research

August 2026

Brazil CEO Conference 2026

Feedback

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August 19, 2026

Brazil CEO Conference Feedback

Sentiment hits rock bottom, time to Buy or stay defensive?

Both corporates and investors appear concerned with the outlook ahead

We've just finished our 3rd CEO Conference in Rio de Janeiro, hosting 106 companies and nearly 500 investors over 2 days. We observed a downbeat sentiment in general, not only among investors, but management teams as well. The key concerns involve: 1) the state of the Brazilian economy, which appears to be decelerating at a faster pace than expected, 2) the risks for the credit market amidst rising delinquencies, as both corporates and individuals appear to be in a tight financial position as rates remain high, and 3) elections and the fiscal policy ahead. Given the depressed sentiment and prices in Brazil, we believe that the asymmetry seems to be tilted to the upside, although we acknowledge the risks on earnings downgrades and election volatility ahead.

The 3rd edition of our Brazil CEO Conference

XP concluded the 3rd edition of our Brazil CEO Conference, in Rio de Janeiro. While the conference was a great success, hosting over 700 meetings with 106 companies and more than 500 investors, we can't say the same for the general sentiment among participants.

The soft 2Q26 earnings season was a point of debate, as it showed signs of a Macro deceleration, increased delinquencies and the impact of a prolonged high interest rate scenario. Our proprietary sentiment Indicator has returned to Extreme Bearish levels, which historically has been a great contrarian indicator. However, there are still risks of earnings downgrades and the election volatility ahead.

Consumer: the good, the bad and the ugly. On the consumer front, we saw companies discussing the recent sales slowdown due to several reasons: 1) the slower foot traffic during the World Cup, which impacted both Q2 (June) and Q3 (July), 2) the tight financial conditions for consumers, given the high debt levels, 3) the growing competition of online bets on the consumers' budgets, and 4) signs of a decelerating economy and lower inflation. Having said that, some sub-sectors are still reporting solid numbers (**pharmacies** as RADL, **online platforms** like Meli and **shopping malls**) while other areas appear a lot more challenging (**apparel** and discretionary items).

In addition, we observed lots of scrutiny and discussion around the state of the credit market and rising delinquencies for **banks** and other sectors, like **energy DisCos**. We still saw a lot of disparities on earnings for banks in Q2, and still not a systemic problem, but this potential deterioration ahead is clearly top of mind for investors.

The bright spot – Oil & Gas and fuel distributors. The higher oil price environment should sustain solid free cash flow generation for E&P names. Fuel distribution momentum is also very positive, and favors VBBR and UGPA, as domestic refinery-gate prices remain discounted vs. import parity. Companies also expect a structurally better market ahead, supported by a reduction in unfair competition.

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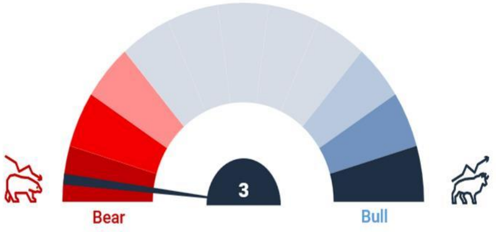
Chart 1: XP Sentiment Indicator



Source: XP Research.

xp research

COMPANIES

Agri, Food & Beverage
3Tentos
Ambev
Boa Safra
Brasil Agro
Camil
Jalles
JBS
M. Dias Branco
MBRF
Minerva
SLC

Capital Goods
WEG

Education
Ânima
Cogna Educação
Cruzeiro do Sul Educacional
Salta
Vitru Educação
Yduqs

Financials
Agibank
B3
Banco do Brasil
BB Seguridade
BR Partners
Bradesco
Caixa Seguridade
IRB(Re)
Itaú
Mercantil
Pine
Stone
XP Inc.

Healthcare
BradSaúde
Dasa
Fleury
Hapvida
Hypera
Mater Dei
Rede D'Or
União Química

Metals & Mining
CSN
Vale

Oil & Gas
Brava
Origem
Petrobras
PetroRecôncavo
PRIO
Ultra
Vibra

Pulp & Paper
Klabin
Suzano

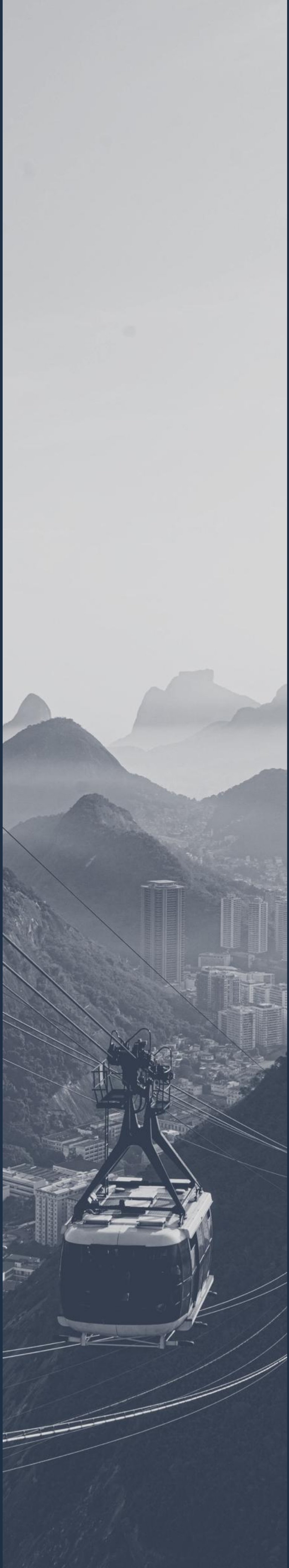
Real Estate
Allos
Cury
Cyrela
Direcional
Even
Iguatemi
JHSF
Lavvi
Moura Dubeux
MRV
Multiplan
Plano&Plano

Retail
Alpargatas
Assaí
Azzas 2154
C&A
Grupo SBF
Live!
Magalu
Mercado Libre
Pague Menos
Panvel
Petlove
Petz Cobasi
Profarma
RD Saúde
Renner
Riachuelo
Smartfit
Vivara
Vulcabras

TMT
Bemobi
Intelbras
Livemode
LWSA
Senior Sistemas
Telefônica Vivo
TIM
TOTVS

Transportation
Armac
Automob
Ecorodovias
GPS
Motiva
Movida
Priner
Rumo
Simpar
Vamos

Utilities
Aegea
Auren
Axia Energia
Cemig
Compass
Copasa
Copel
Energisa
Engie
Equatorial
Light
Orizon
Taesa



Summary

XP CEO Conference 2026

ESG Research

by Marcella Ungaretti, Luiza Aguiar

WEG (WEGE3): Data center demand and battery storage emerging as structural growth drivers.

WEG highlighted strong commercial momentum in data centers, which management views as an attractive market still in its early stages. Overall, management highlighted growing exposure through three main avenues: (i) T&D, with data centers now accounting for ~20% of transformer order intake (vs. virtually zero two years ago), partially offsetting softer demand from renewables and solar; (ii) alternators, supported by robust OEM demand linked to data center investments; and (iii) complementary products, including a new smaller motor used in data center ventilation systems. While demand remains relatively transactional, growing discussions around longer-term contracts point to further acceleration ahead. On BESS, management views the upcoming auction and local-content requirements as positive for domestic manufacturers, while acknowledging that competition is likely to intensify as Chinese players establish local operations. WEG believes it is well positioned to capture the opportunity and is investing in a new plant to expand capacity, emphasizing that differentiation will increasingly depend on customer relationships, reliability, and after-sales support rather than price alone.

Ambev (ABEV3): Climate volatility becoming a more relevant operating variable.

Climate volatility was a recurring topic, seeking to better understand the potential implications of the upcoming El Niño event. While the magnitude of the impact remains uncertain, Ambev acknowledged that increasingly unpredictable weather patterns could drive greater volatility in volumes and operating performance, making climate an increasingly important external variable for the business. On governance, management framed Carlos Lisboa, appointed as CEO in 2025, as a continuity story, building on the foundations established by his predecessor. Overall, the company attributed recent market share gains to its long track record of execution and reiterated its commitment to the long-term "*Lead and Grow*" strategy.

Movida (MOVI3): Investors remain concerned about rising Chinese competition.

Investors continue to monitor the impact of Chinese OEMs' growing penetration in Brazil's auto market, given the potential implications for residual values and fleet replacement dynamics. While acknowledging the rapid advance of Chinese brands, Movida reiterated that its current fleet mix remains relatively insulated from this trend. According to the company, ~84% of its fleet is composed of entry-level vehicles (up to R$80k), a segment where Chinese automakers are not yet prioritizing their expansion efforts in Brazil. Instead, Chinese OEMs have concentrated their growth in the mid-to-premium segment (around R$200k), where profitability is higher. As a result, Movida expects the impact from Chinese competition on its fleet composition and vehicle resale dynamics to be gradual, with no meaningful penetration into the entry-level segment anticipated in the near term.

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ESG Research

Engie (EGIE3), SLC Agrícola (SLCE3) and BrasilAgro (AGRO3): El Niño takes center stage.

El Niño was a recurring topic across meetings, although management teams highlighted varying levels of exposure and uncertainty regarding its intensity (mainly considering the recent weather dynamic). In Engie’s case, management noted that the impact on power prices depends largely on where rainfall occurs in Brazil. Rainfall outside the Southeast would likely have a limited effect, while wetter conditions in the region could pressure prices. For Engie, the overall impact is expected to be neutral given its high contracted position - a wetter scenario could boost generation volumes, partially offsetting the pressure on realized prices. In agribusiness, companies are taking a more cautious approach. SLC Agrícola has adopted a more defensive planting strategy ahead of the season, while emphasizing its geographic diversification across 26 farms and growing irrigation footprint in Bahia as important buffers against weather-related volatility. BrasilAgro, meanwhile, offered a more benign assessment of potential El Niño impacts. Management noted that earlier concerns about delayed rainfall in Mato Grosso have eased, with precipitation already occurring and additional rainfall expected in September and October. In the company’s view, the key uncertainty is where its effects will be concentrated, given the increasingly uneven distribution of rainfall across regions.

Petrobras (PETR4): BioQAV core part of renewables strategy.

In discussing its broader renewables strategy, Petrobras highlighted sustainable aviation fuel (BioQAV) as a key growth avenue in renewable fuels, supported by a planned US$1bn investment. Management identified regulation as the key demand catalyst, particularly the Fuel of the Future law, which establishes minimum emissions-reduction requirements for domestic aviation starting at 1% in 2027. However, Petrobras noted that even with this framework providing an important demand anchor for market development, economics remain a key challenge, as BioQAV currently costs ~3-4x more than conventional jet fuel. On the export opportunity, Petrobras acknowledged its long-term potential but emphasized that the project's economics are currently underpinned by expected domestic demand.

Vibra (VBBR3): Strong fuel distribution outlook offsets continued challenges at Comerc.

In the fuel distribution segment, Vibra conveyed encouraging messages, highlighting margin conditions that should remain supportive in the near term, underpinned by competitive dynamics that continue to favor structural suppliers (with a higher share of Petrobras-sourced volumes in the supply mix). In the long run, the company argued that recurring margins should settle structurally above pre-conflict levels, underpinned by a more level playing field as illicit competition diminishes. Discussion also focused on Comerc, which remains exposed to a challenging power market, particularly given curtailment levels of ~20-30%, which continue to weigh on project returns. That said, management emphasized Vibra's strong balance sheet and highlighted that Comerc's leverage remains under control, with no signs of asset deterioration, despite becoming a less material contributor to the group over time. On the positive side, management sees battery storage as a potential mitigant to curtailment, helping improve project economics, although it acknowledged that BESS alone is unlikely to fully address the issue. Finally, Vibra reiterated its openness to strategic alternatives for Comerc, including the potential introduction of a partner, while stressing that there is no urgency or financial pressure to pursue a transaction.

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ESG Research

Orizon (ORVR3): Biomethane gaining traction as demand drivers expand.

Orizon highlighted biomethane as one of its key growth pillars, supported by a broadening demand base. Management pointed to two main growth drivers: (i) urban mobility, where the substitution of diesel in bus fleets represents a significant opportunity, with São Paulo serving as an early adoption case that could be replicated across other cities; and (ii) the Fuel of the Future law, which is expected to provide an additional source of structural demand as decarbonization mandates take effect and CGOB issuance begins. On the supply side, Orizon expects biomethane production capacity to reach ~275k m³/day by year-end, supported by the ramp-up of the Jaboatão and Paulínia plants, currently producing 90k m³/day and 110k m³/day, respectively. Finally, Orizon reported its fifth consecutive quarter of carbon credit sales, achieving prices of ~US$6-7/t, with a portfolio comprising 12 registered carbon projects.

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Agri, Food and Beverages

by Leonardo Alencar, Leonardo Paiva

AmBev (ABEV3): Cash to Shareholders

In Brazil, management highlighted a more rational competitive environment, with players placing greater emphasis on profitability, reducing pressure on volumes. The company also expects the sell-in versus sell-out distortions observed last year to become less relevant going forward;

On costs, higher aluminum prices are being partially offset by a stronger BRL, and management indicated that, so far, commodity cost inflation has not changed its pricing strategy;

The company remains comfortable with its net cash position, which provides strategic flexibility while allowing it to capture additional benefits through tax credits and IoC;

Regarding shareholder remuneration, management expects the base payout to grow broadly in line with earnings, with potential upside over time. Excess cash should continue to be allocated primarily to share buybacks, depending on the gap between the stock price and the Company’s intrinsic value.

M. Dias Branco (MDIA3): Execution Improving

Management reiterated its medium-term goal of restoring EBITDA margins closer to 15%, supported by commercial execution, premiumization initiatives, plant modernization, and greater exposure to higher-growth categories such as healthy foods, snacks, and granola;

Management remains focused on capturing productivity gains through plant modernization and automation. Beyond the longer-term capex program, simply returning capacity utilization from the current ~60% to historical levels could unlock roughly 200bps of margin upside over time;

On costs, wheat prices have moved higher, but the company expects to pass through part of the increase while protecting volumes. Its hedge strategy, comprising approximately four months of wheat inventories and FX hedges, should help mitigate cost pressure through most of the year;

The company does not expect extraordinary dividends or buybacks, given the elevated capex requirements planned for 2027-28 and its ongoing modernization agenda;

Overall, despite the welcomed improvement in management's outlook and operating trends, the challenging consumer backdrop continues to limit near-term visibility.

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Agri, Food and Beverages

Camil (CAML3): Rice Recovery Supporting Deleveraging

Management adopted a more constructive tone, driven by improving prospects in rice and most other product categories, although sugar remains the company's main area of concern;

In rice, prices have already started to recover, supported by farmers' reluctance to sell and weather-related risks that could delay planting and constrain supply. While this backdrop should support margin recovery, the benefits from higher prices are expected to become more visible from Q3 onward;

Sugar remains under competitive pressure, although management believes the environment is less challenging than previously. Meanwhile, coffee, seafood, and international operations continue to perform well, while biscuits still require higher volumes to improve cost dilution and profitability;

Following a period of weaker profitability, management expects a clearer deleveraging cycle ahead, supported by lower capex, declining financial expenses, and EBITDA growth.

JBS (JBSS32): US Beef Recovery Becoming More Visible

The discussion remained centered on U.S. Beef. Management believes the worst is behind, with the reopening of Mexican cattle imports, signs of herd rebuilding, and ongoing industry capacity rationalization supporting a more constructive outlook for 2027-29;

Importantly, JBS reiterated that the ~300bps margin improvement target for U.S. Beef in 2027 is based solely on internal initiatives, including commercial and operational improvements. The reopening of Mexico and further industry capacity closures represent additional upside to this target;

At Seara, management remains constructive on demand and execution, supported by innovation, customer expansion, and strong domestic consumption. However, a stronger BRL, weaker pork dynamics, and elevated inventories in Europe should act as headwinds in the coming quarters;

In JBS Brazil, management expects a weak Q3 due to the temporary pause in Chinese purchases but remains constructive on Q4. Global beef demand continues to exceed supply, supporting prices across alternative export markets and the domestic market;

Capital allocation remains focused on deleveraging. Management expects EBITDA LTM to improve moving forward as 1Q26 was atypically weak, so dividend discussion should gain strength by 2027, while the company continues to benefit from a long-dated debt profile with limited near-term refinancing needs.

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Agri, Food and Beverages

MBRF (MBRF3): US Recovery Story Intact

The main discussion remained centered on NB. While Q2 and Q3 have shown atypical seasonality due to weaker retail demand and promotional activity, management believes the worst of the cattle cycle is behind us, with a more favorable setup for 2027-28 supported by the reopening of Mexican cattle imports and ongoing industry capacity closures;

Management expects further capacity rationalization in the US., particularly among smaller and less efficient processors. Combined with a gradual recovery in cattle supply, this should help NB margins move back toward historical normalized levels over the medium term (c. 6.5%);

In South America, China-related disruptions should mainly affect 3Q26, but strong demand and pricing continue to support profitability. The company expects production for China to resume from September onward, while cattle prices should ease as feedlot animals return to the market;

At BRF, management highlighted resilient consumer demand and a stronger 2H outlook, supported by improving processed food volumes, robust poultry demand, and a constructive long-term protein market. The ongoing reduction in China's sow herd is viewed as a key factor tightening the global protein balance over the coming years;

The main risk remains weather-related pressure on grain prices, although the company has increased grain coverage and remains comfortable with its balance sheet.

Minerva (BEEF3): Deleveraging Remains the Key Focus

Investors remain cautious, mainly due to leverage, despite the company’s comfortable cash position and expectations for WK release in 2H26;

Operationally, management expects EBITDA of ~BRL 5bn under conservative assumptions, despite margins being approximately 70bps lower YoY as a result of higher cattle prices;

Regarding China, the company sees room to redirect part of its Brazilian volumes to the US, while Argentina and Uruguay should continue exporting to China, benefiting from unfulfilled quotas and more attractive pricing;

On cash flow, 3Q26 should benefit from the release of WK. However, potential early purchases tied to China's 2027 import quota could once again pressure it in 4Q26;

Management reiterated that deleveraging remains the top capital allocation priority, with any resumption of its 50% payout policy contingent on further progress in reducing leverage.

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Agri, Food and Beverages

Jalles (JALL3): Operational Improvements

Management highlighted strong operational execution, with crushing running ahead of schedule and initiatives focused on cost reduction, governance improvements, and operational efficiency gains;

he sharp decline in sugar prices continues to pressure reported results, but the impact has been largely offset by the company's hedge strategy. Jalles has already fixed 100% of current-crop sugar volumes and ~50% of next year's crop at attractive prices. Management also noted that the recent recovery in sugar prices could support further hedging activity for the upcoming crop.

"On ethanol, the company expects to benefit from PLP 114, which could generate BRL 0.30/liter to BRL 0.40/liter on eligible hydrated ethanol volumes. Management noted that payments must be made in cash by the government and accrue Selic if delayed, representing a potentially meaningful cash flow benefit."

Commercial strategy remains differentiated across regions, with Minas Gerais maximizing sugar production while Goiás continues to prioritize ethanol production, although organic sugar remains an attractive niche in the state;

Management expects leverage to end the year at around 1.4x. The recent increase mainly reflects lower revenue and accounting treatment that does not fully capture hedge gains, while a new BRL 300mn BNDES WK facility and lower funding costs should further support the balance sheet going forward.

SLC (SLCE3): Constructive Markets

The key topic was the more constructive commodity price outlook, which is already being reflected in the P&L through a larger hedge position compared with last year, providing greater earnings visibility and supporting profitability.

Discussions were also largely focused on leverage and land monetization. The company sees room for sale-leaseback transactions as a way to monetize land assets and reduce leverage while continuing to operate the underlying farmland;

Regarding El Niño risk, management highlighted that a hypothetical 10% decline in yields would translate into only about a 7% EBITDA impact, given the company's ability to adjust certain costs as adverse weather conditions materialize, partially mitigating the impact on profitability;

The company also emphasized that its operations are now more resilient to adverse weather conditions, supported by the greater maturity of its farms, increased irrigation coverage, and a more geographically diversified portfolio.

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Agri, Food and Beverages

BrasilAgro (AGRO3): Preparing for Volatility

The company has optimized its planted area by removing 7k ha of lower-productivity soybean land from the system, prioritizing profitability over volume growth and improving return potential;

Most inputs have already been purchased ahead of the season to mitigate cost inflation, while recent fertilizer purchases for sugarcane were opportunistically executed after favorable price movements, with no expected agronomic impact from the delayed application;

Commercially, management has recently resumed hedging activity following the improvement in commodity prices, with around 50% of soybean production hedged at attractive levels and FX exposure partially protected, helping lock in margins for the upcoming crop;

Capital allocation remains focused on maximizing returns from the existing land portfolio. Management continues to prioritize land transformation, operational improvements, and selective asset sales, while also managing transaction timing to optimize tax efficiency.

3Tentos (TTEN3): Setup Improving into Q4

The delay of the B16 mandate led distributors to cut purchases after building inventories ahead of the expected increase, pressuring biodiesel premiums and margins. While B16 remains a possibility, management views a direct move to B17 in early 2027 as the most likely outcome.

Margin recovery should be supported by two key initiatives: canola processing, which begins in September and offers significantly higher oil yields than soybeans, and the new corn ethanol plant, which should reach full commercial maturity by Q4

Management has become more constructive on ethanol fundamentals, citing weather-related supply disruptions, improving sugar prices, and early signs of stronger demand, while highlighting the long-term growth opportunity for corn ethanol in regions with still-low ethanol penetration.

On cash flow, management expects leverage to decline in 2H as inventories are monetized, profitability improves, and ~BRL 300mn of tax credits are recovered, while capex should be largely limited to maintenance spending.

Management does not plan new major investment cycles in 2027, preferring to focus on ramping existing assets, extracting productivity gains and reducing leverage before committing to another large project.

Boa Safra (SOJA3): Harvesting Scale Gains

Management highlighted that crop diversification is reducing the seasonality of the business, with revenues from other crops becoming increasingly relevant and supporting first-half performance;

The company has observed farmers delaying soybean seed purchases and reducing technology adoption, which could limit yield potential for the next crop and provide additional support for commodity prices;

Following the strong expansion seen in 2025, the current focus has shifted toward capturing scale gains and improving operational efficiency, rather than pursuing another cycle of accelerated growth;

On WK, the recent improvement reflects a more disciplined procurement strategy, helping preserve cash.

XP CEO Conference 2026

Banks & Non-Bank Financials

by Bernardo Guttmann, Matheus Guimarães, Guilherme Meneghetti

Incumbent Banks

Itaú (ITUB4)

We left the meeting with the view that management remains comfortable with Itaú's ability to absorb a more challenging credit cycle. The bank acknowledged growing evidence that prolonged high interest rates are finally pressuring borrowers across segments, but still views the increasingly challenging backdrop as consistent with a soft-landing scenario rather than a sharp deterioration in asset quality. Management noted that its more conservative provisioning stance dates back to 2025, when the bank first identified early signs of increased credit risk within parts of the corporate portfolio. Since then, it has maintained this approach amid a more cautious assessment of the corporate credit environment. Retail underwriting, in turn, has required substantially greater collection and monitoring efforts to maintain comparable performance. Despite the more challenging backdrop, Itaú continues to position itself defensively, emphasizing portfolio mix and capital discipline over aggressive growth. On the commercial front, the bank remains focused on deepening customer relationships, with Uniclass emerging as a key battleground as incumbents and digital players increasingly converge in product offerings. Management also sounded optimistic about its AI initiatives, not only as a tool to improve efficiency but also to enhance credit models. Beyond credit, insurance and service revenues remain important structural growth vectors, supported by higher penetration of credit-life products and ongoing efforts to build a more comprehensive digital insurance marketplace. Overall, the message was one of disciplined execution: the environment may be becoming more difficult, but Itaú appears better positioned than most peers to navigate a more demanding credit cycle.

Bradesco (BBDC4)

Capital should remain comfortable, with the announced capital increase supporting the bank's self-funded WK position while facilitating the gradual consumption of DTAs over time. The remaining benefit to its CET1 ratio from Bradsaúde could be settled in 3Q26, although timing ultimately depends on regulatory approvals. On margins, management expects NIM to remain broadly stable around current levels in 3Q26. Funding trends have been stronger than anticipated: the bank's ability to fund below CDI in a higher-for-longer rate environment should continue to provide a structural tailwind, with further benefits still to come. Credit growth trends remain constructive, prioritizing secured lending such as payroll loans, mortgages, WK to SMEs with federal government guarantees, and wholesale agri, while mass-market agri continues to contract in nominal terms. In wholesale banking, management sees provision expenses normalized, with the revenue mix shifting toward fee generation and market-related spreads from credit. Delinquency indicators remain under control. In 2Q, some pressure came from the SME WK portfolio backed by federal government guarantees, as grace periods expired and a meaningful volume was originated over the last 18 months, leaving Bradesco as the number 1 bank in this product. However, we would highlight that these structures provide meaningful principal protection and attractive economics. Management expects the CoR to end 26E around current levels, fee income to grow at the upper band of the guidance range, insurance earnings to finish at the upper end, and operating expenses to track the lower end. Looking ahead to 2027, management signaled a moderation in client NII growth as credit expansion slows. Nevertheless, we continue to expect Market NII to deliver solid growth.

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Banks & Non-Bank Financials

Incumbent Banks (cont.)

Banco do Brasil (BBAS3)

We expect asset quality to remain the dominant theme through 2H26, following the deterioration in the individuals book. Credit card delinquency has been impacted by the redesign of the installment product, which made the rollover journey more fluid. We would also flag that a meaningful share of the increase in individual delinquency traces back to rural producers, while other lines are also showing signs of stress. Structurally, the card book should converge toward system-level metrics rather than returning to previously benign levels. On agri, moral hazard remains the core issue: producers appear to be deferring payment in anticipation of successive relief packages. As a result, provisioning flow in 3Q26 is likely to remain high, with disbursements under the new program yet to begin. However, management sees the pricing and structure of this package as materially more favorable than the previous vintage, which supports the argument that renegotiation can generate relevant provision relief. In this sense, delivering the guidance is not trivial, but we would not see it as unfeasible: it hinges both on the improvement in agri payment performance from August onward and on the bank's ability to operationalize the addressable renegotiation pipeline with the right client profiles.

XP CEO Conference 2026

Banks & Non-Bank Financials

Mid-Sized Banks

Agibank (AGBK)

We expect a visible recovery in operating results from 3Q26 onward, with the bulk of the improvement concentrated in 4Q26 as the compounding effect of recently originated portfolios begins to show. The weaker 2Q print appears largely driven by upfront costs, with expected loss provisioning and the cost to serve a rapidly expanding client base, booked ahead of monetization, rather than a deterioration in underlying dynamics. Client acquisition has accelerated meaningfully following the lifting of last year's restrictions, with most new clients arriving through portability. The temporary contraction in the personal loan book reflects the seasonal amortization of thirteenth-salary advances and should reverse over 2H26. According to the company, origination was halted early on private payroll lending, the credit model was rebuilt, and vintages originated since the reset are performing within pricing assumptions. Fee revenue should be an increasingly relevant driver, supported by insurance brokerage and the new membership program (Agi+), all capital-light and additive to engagement. On funding, the company sees a well-diversified and increasingly cheaper liability structure, with securitizations providing predictability and marginal issuance costs trending down as ratings improve, while the newly launched investment platform represents a longer-term source of funding efficiency. The main sensitivity remains the interest-rate environment, though management notes that spreads are locked at origination and the balance sheet is largely hedged.

Pine (PINE4)

We expect the bank to extend the earnings momentum built over the past quarters, with capital comfortably above regulatory minimums following the March follow-on, supporting further expansion of the credit portfolio. The payroll-linked lending franchise remains the standout: recurring monthly origination has sustained through repricing within the regulatory framework, evidencing pricing power, with demand robust and selectivity improving as the underwriting laboratory refines cluster, employer and occupation-level criteria. Management highlighted the refinancing book, already a meaningful and growing share of monthly production, reflecting a seasoned payer base with a demonstrated payment track record, while maintaining attractive spreads. The unemployment-linked insurance structure stands out as a structural differentiator, functioning as a bridge through job transitions and materially dampening stage migration, which helps explain a 90+ NPL ratio well below the market average. The company expects continued expansion in risk-adjusted NIM over the coming quarters, driven by portfolio mix benefits and further gross NIM improvement, with provisioning tracking portfolio growth. We would also flag optionality from upcoming data-clearing enhancements, which should automate "reaverbação" routines the bank already executes end-to-end.

XP CEO Conference 2026

Banks & Non-Bank Financials

Capital Markets

B3 (B3SA3)

We left the meeting with a constructive view on B3's positioning and its ability to defend the strength of its franchise despite a still challenging backdrop for Brazilian capital markets. Management emphasized that competition extends beyond the local landscape, with Brazil competing both domestically and internationally, particularly against the U.S., for listings and capital flows. The company continues to focus on enhancing the attractiveness of local listings while strengthening relationships with issuers and investors. On the tax front, B3 appears proactive in addressing potential tax changes, including evaluating corporate restructuring alternatives that could mitigate part of the future tax burden. Management also conveyed a positive outlook regarding initiatives aimed at increasing market liquidity, particularly through potential improvements in securities lending regulations. Competition was naturally a key topic. While management acknowledged the quality of potential new entrants and sees a higher probability of traction in retail-focused products, it remains confident that the liquidity advantages, network effects and scale of B3's ecosystem continue to represent meaningful barriers to disruption, particularly in institutional markets. Overall, the meeting reinforced our view that B3 remains focused on protecting its competitive moat while pursuing initiatives that could support market activity and diversification over time. Although the company remains exposed to broader capital markets conditions, management appears confident that its franchise strength and strategic positioning leave it well equipped to navigate an evolving competitive landscape.

BR Partners (BRBI11)

The meeting reinforced our view that BR Partners is positioning itself to navigate the current market backdrop while laying the groundwork to capture a meaningful acceleration in activity when capital markets recover. Management remains highly cautious on credit, arguing that the extended period of elevated interest rates has significantly deteriorated both corporate and consumer fundamentals, with distressed situations likely to increase over the next 12 to 18 months. Against this backdrop, the bank sees restructuring advisory as one of the most attractive opportunities in the market and noted that it is already involved in most major situations currently under discussion. Encouragingly, management highlighted a growing willingness among companies to engage in preventive liability management and debt reprofiling discussions, which has strengthened pipeline generation. At the same time, M&A activity is gradually recovering, with an increasing number of mandates combining strategic transactions and restructuring solutions. The bank continues to avoid taking significant balance-sheet risk, preferring to invest in people rather than expanding credit exposure at what it views as an unfavorable point in the cycle. Wealth management remains another area of investment and has delivered meaningful commercial synergies, although acquisition opportunities have become less attractive given valuation expectations. Overall, management remains focused on strengthening the franchise while balancing growth and profitability.

XP CEO Conference 2026

Banks & Non-Bank Financials

Payments

Stone (STNE).

Management indicated TPV growth to close 2026 in the mid-single digits, implying a meaningful sequential acceleration through 2H26. Churn pressure appears largely linked to the complexity of prior bundled commercial offers: on the micromerchant side (TON), management seems to have addressed the issue with a simplified, NPV-driven pricing proposition supported by customer feedback; for the Stone-branded base, however, stabilization is likely to be more gradual, given the client-by-client pricing approach, different distribution channels and the recent realignment of sales incentives toward lifecycle rather than client acquisition alone. On credit, portfolio performance should continue benefiting from the recalibration of the automated desk model, with newer vintages showing healthier risk dynamics. The specialized desk, on the other hand, remains under pressure and is undergoing a deliberate de-risking process through tighter governance standards and an increasing allocation toward government-guaranteed lending programs such as PEAC. Looking ahead, CoR should remain in the high-teens range by year-end. Finally, Cost of Services should reflect normalized risk-management costs, while SG&A is likely to balance controlled administrative expenses with higher selling expenses as commercial activity ramps up alongside the expected TPV acceleration.

XP CEO Conference 2026

Banks & Non-Bank Financials

Insurance

Caixa Seguridade (CXSE3)

We expect earnings to remain predictable and well supported through the remainder of the year, with the consensus profit range looking comfortably achievable and the payout policy sustainable on a quarterly basis. Credit life remains the main challenge, as the origination has been pressured by a prolonged period of high rates, which compresses borrower appetite for ancillary products and leaves only the more necessity-driven credit demand, while regulatory caps on total cost have squeezed the room available to price the insurance component. The company sees the ongoing product redesign as a meaningful step, allowing coverage to track the outstanding balance and enabling partial-term contracts, which should make the offer materially easier to place through the digital journey where most origination now occurs. The addition of income-loss coverage for the private payroll product also looks well calibrated to a younger client base and showed encouraging early penetration. Beyond credit life, the shift toward monthly-payment products continues to build a more resilient revenue base: the transition is largely complete in capitalization, where the stacking effect should still support solid growth, while life and home insurance remain in the crossover phase. Pension has been running ahead of expectations, benefiting from strong net inflows and a funding mix at the bank that has opened more room for the product, while housing-related insurance continues to grow rapidly on the back of higher base penetration.

BB Seguridade (BBSE3, not covered)

The company expects 2026 to close broadly in line with, or slightly above, the initial framing, as loss ratios have run below expectations through the first half of the year rather than deteriorating as originally assumed, and pension reserves and inflows have outperformed, helped by a funding mix at the bank that has favored the product and by reduced portability pressure. The greater concern lies with the top line: written premiums are coming off two consecutive years of decline, and the cushion of unearned premium built through prior vintages is being consumed, which makes earned premium growth difficult and pressures brokerage commissions through the same deferral mechanics. Credit life remains structurally dependent on a genuine reacceleration in loan origination, and management notes that even if rates fall, the bank prices credit off the curve rather than spot, so the product is expected to ramp only gradually, with a meaningful earnings contribution unlikely before 2028. Rural insurance is the key swing factor, with sensitivity running more through commodity prices, FX and weather conditions than through interest rates, and with limited room left for the pricing and coverage adjustments that have offset pressure in recent years. Life insurance continues to face a structural demand challenge, with the base heavily dependent on renewals and limited appeal to younger customers in the absence of a savings or accumulation component. Taken together, 2027 earnings stabilization seems dependent on how the credit cycle and loss ratios evolve.

XP CEO Conference 2026

Banks & Non-Bank Financials

Insurance (cont.)

IRB Re (IRBR3, not covered). Management's key message was that the next phase of the Company is to fix the underperforming international operation. The company views the decision to establish a Swiss platform and dedicate senior leadership to international business as a strategic step aimed at improving risk selection, attracting underwriting talent, reducing perceived country risk, and ultimately bringing overseas profitability closer to industry standards. While Brazilian operations continue to generate attractive returns above the cost of capital, international business remains below earnings expectations. Management believes corrective actions should translate into results relatively quickly given the short-tail nature of most portfolios. Another important pillar of the story is cost efficiency. Administrative expenses remain above global peers, and management sees significant room to dilute fixed costs over the next three years through shared infrastructure and operating leverage, added to cost cutting and cleaning the legacy G&A expenses. We were also encouraged by the company's growing confidence in retaining more risk internally. Following years of portfolio clean-up, IRB has increased retention levels and reduced retrocession spending, a move that should gradually translate into higher earnings as reserves are normalized. Ultimately, management's message was that the domestic operation is already delivering adequate profitability which may be leveraged by the insurance companies' initiatives, while much of the upside from here depends on executing the international turnaround, extracting efficiencies from a more scalable platform, increasing financial results through better reinvestment rates, and taking advantage of a zero percent CBS/IBS tax expense from 2027 on.

XP CEO Conference 2026

Capital Goods

by Lucas Laghi, Fernanda Urbano

WEG (WEGE3)

Capacity additions remain a gradual story. While Betim has started production, we expect a full ramp up to last up to ~12-18 months, implying a more meaningful revenue contribution in 2027E onwards. On margins, despite several moving parts, we continue to see pricing actions and operational improvements offsetting part of the tariff headwinds, leaving the overall message largely unchanged, in our view and suggesting short-term profitability closer to 2Q26's levels.

Increasing direct and indirect data center exposure. In external markets, we see WEG's data-center exposure as a key talking point. While alternators remain the most visible link, management highlighted growing exposure across multiple product lines, including transformers and motors used in cooling and ventilation systems. We note that ~20% of current U.S. transformer order intake is already linked to DCs, while a significant portion of Marathon's demand is tied to backup-power applications. We continue to see room for alternators to gain relevance within Marathon's portfolio, supporting profitability through operating leverage, synergies and, especially, the adoption of WEG's verticalized operating model.

What stood out to us regarding domestic market. (i) In T&D, we see WEG's competitive position strengthening as global peers remain focused on export opportunities and U.S. demand, creating room for market-share gains in Brazil. Management suggested the company now holds leading positions across most major transmission transformer categories. (ii) We also note increasing concerns around Brazil's macro backdrop heading into 2027E - while shorter-cycle businesses would react first, long-cycle operations remain supported by healthy backlogs. We agree with WEG's view that the current setup differs from 2015-16, when Brazil's recession coincided with a global commodity downturn, while a weaker BRL could partly offset a softer domestic environment given WEG's export profile.

A word on BESS. We continue to see management's stance as constructive ahead of the planned commissioning of the new 2GWh Itajaí facility in 2028E. While increasing competition from Chinese players remains a key concern, WEG's strategy appears more focused on execution, quality and long-standing utility relationships than on competing solely on price. Importantly, the project was designed with operational flexibility, allowing capacity adjustments (e.g., through shifts and equipment additions) should market conditions become more competitive than expected. Management also highlighted demand already emerging outside large-scale auctions, including C&I, agribusiness and isolated-grid applications.

XP CEO Conference 2026

Education

by Gustavo Tiseo

Cogna (COGN3)

Overview. Discussions focused on the current Higher Education intake cycle, competitive dynamics in distance learning, and the growth outlook for Nursing programs. Investors also sought greater visibility on cost optimization initiatives, synergy capture within K-12, EducBank's strategic role, and the company's capital allocation priorities.

Higher Education Intake and Pricing Environment. Management acknowledged that the Higher Education intake cycle remains challenging, reflecting a more competitive environment and increasing pricing pressure, particularly in distance learning. The company expects enrollment trends to remain soft in 2H26 as competitors continue to pursue aggressive pricing strategies. To mitigate volume pressures, Cogna has been focusing on higher tuition tickets and expects annual price adjustments to provide an offset the intake trends.

Nursing Expansion. Despite the more challenging enrollment backdrop, management remains constructive on the Nursing vertical following the approval of 113 new learning centers. The company has already started offering the program in part of these locations and expects a gradual contribution to revenue as student intake ramps up over the coming years. Management highlighted that Cogna currently benefits from a meaningful first-mover advantage, while most competitors remain restricted to a significantly smaller number of approved centers. Looking ahead, the company expects higher re-enrollment pricing and the continued ramp-up of Nursing programs to support stronger revenue growth in the coming years.

Cost Structure Optimization. On profitability, management emphasized that cost optimization remains a key strategic priority. The company plans to revise its academic model to improve classroom utilization and capture additional operating leverage.

K-12 Outlook and Vasta Integration. Within Basic Education, management highlighted ongoing opportunities to unlock synergies following the integration of Vasta. While the full benefits in costs and SG&A have yet to materialize, initial initiatives have already been implemented. Management also remains optimistic about the longer-term potential of AI-powered tools to enhance student engagement, improve retention rates, and support learning outcomes.

Educbank. Management discussed Educbank as a strategic response to competitors offering receivables financing solutions to schools. The platform allows partner schools to anticipate receivables while generating fee-based revenues for Cogna. Pricing incorporates risk-adjusted mechanisms designed to reflect credit quality and delinquency trends, helping preserve profitability as the business scales.

Capital Allocation. Finally, management reiterated that balance sheet deleveraging remains a priority. Supply-chain financing exposure is expected to decline gradually as existing contracts mature, while net leverage should remain around 1.5x Net Debt/EBITDA. As leverage continues to improve, management sees scope for a more shareholder-friendly dividend policy over time, potentially through a higher payout ratio.

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Education

Ânima (ANIM3)

Overview. Discussions were heavily focused on the recently announced FMU acquisition, with investors seeking greater clarity on the strategic rationale, integration timeline, and value creation opportunities. Additional topics included Ânima's competitive positioning in São Paulo, prospects for medical education, and the company's ability to navigate a potentially more challenging macroeconomic environment.

FMU Acquisition Rationale. Management views FMU as a highly strategic and complementary asset, despite investor concerns regarding the acquisition price. According to the company, the transaction strengthens Ânima's positioning in São Paulo by expanding its exposure to lower-ticket programs while also reinforcing its distance learning portfolio. Management noted that FMU addresses an important gap within Ânima's brand portfolio, complementing existing institutions such as Anhembi Morumbi and São Judas.

Competitive Positioning in São Paulo. Management highlighted that FMU operates at a lower price point than Ânima's premium brands, allowing the company to compete more directly across a broader range of student segments. In its view, FMU's market share decline, from approximately 9% to 6% between 2021 and 2024, was largely the result of execution challenges and the lack of scale following its spin-off. Ânima believes its operating platform, commercial capabilities, and scale advantages should support a gradual recovery in market share over time.

Integration and Synergy Potential. Regarding integration of FMU, management expects 2027 to be largely dedicated to the consolidation of operations, with synergies and operational improvements beginning to emerge in 2028 and becoming more visible by 2029. The company sees meaningful opportunities to enhance FMU's performance through stronger management practices, improved commercial execution, and greater operational scale.

Medical Education Outlook. Finally, management reiterated that Ânima remains well positioned to navigate a potentially softer macroeconomic environment given its significant exposure to medical education through Inspirali. The company continues to view the segment as highly resilient, supported by strong demand fundamentals and limited sensitivity to economic cycles. Management also expressed limited concern regarding recent increases in medical school capacity, arguing that the pace of new seat approvals has moderated and is unlikely to create meaningful pressure on tuition pricing going forward.

XP CEO Conference 2026

Education

Yduqs (YDUQ3)

Overview. Discussions focused on the outlook for 2H26 and the implications of the new distance-learning regulation, particularly for Estácio and Wyden. Management also discussed the maturation and expansion opportunities at IDOMED and Ibmec, which remain relatively less exposed to the broader economic environment. The company also reiterated its 2026 guidance.

2H26 Outlook and Student Base. Management expects revenue and EBITDA growth to accelerate in 2H26 compared with 1H26, particularly as there is no longer a negative comparison effect from DIS. Post-World Cup intake trends have also improved YoY, offsetting a softer start to the intake cycle and supporting a better YoY intake performance than in 1H26.

Hybrid. Yduqs started offering hybrid programs in 2H24, later than peers, which helps explain the stronger growth currently seen in this modality as students migrate from digital programs, while peers still capture significantly more hybrid students. Management noted that the ticket increase of courses migrating from distance learning to hybrid has so far been below initial expectations, with further ticket increases expected in 1H27 as the sector becomes fully adapted to the new regulatory framework.

Regulatory Adaptations. As part of the regulatory adaptation, investments are made by hub partners rather than recognized as Yduqs capex, with the company providing additional transfers to support them. Additional costs associated with the new regulation could represent around 70bps of margin pressure in 2027, assuming no offset from potential ticket increases.

Hub Footprint. Management does not currently expect the new regulation to materially change the number of learning centers. The focus is on adapting existing infrastructure and developing hybrid hubs, which can support smaller satellite centers and allow the network to offer the different learning modalities.

IDOMED. Management highlighted the strong academic and retention profile of FIES students, with a broadly comparable NPV to those of regular-paying students despite a lower ticket. IDOMED still has meaningful maturation potential from Mais Médicos units and recent acquisitions, with operations still in the early years of their ramp-up. Management also sees postgraduate medical education and specialization programs as a potential additional growth avenue.

Ibmec. Management indicated that Ibmec continues to grow even at more mature units, supported by expansion beyond its core programs. Intake has been growing around 12–15% YoY, while the new Fortaleza unit is expected to have a profile broadly comparable to Belo Horizonte. Management also sees further opportunities in B2B, B2G and short-duration programs.

XP CEO Conference 2026

Education

Vitru (VTRU3)

Overview. Discussions focused on Vitru's recent operating performance and preparation for the new distance-learning regulation. Management increasingly views the business as one focused on recurring revenues, profitability and cash generation rather than intake growth, with student engagement and retention becoming more relevant operating metrics. Looking ahead, the main topics were the potential topline and margin implications of the new regulation, required investments, and capital allocation.

Business Positioning and Topline. Management indicated that recent results have exceeded internal expectations, supported by a meaningful improvement in student engagement. While commercial intake remains challenging, engagement among enrolled students is running around 10p.p. higher, helping offset weaker volumes through retention and ticket levels.

New Regulatory Framework. Starting in January 2027, new students will enroll under academic programs adapted to the new regulatory requirements. Management is adjusting course structures and its hub network, including greater infrastructure and in-person components. The company expects the bulk of the transition to occur through 2H26 and 2027, with 2027 and 2028 expected to carry greater cost pressure.

Hub Footprint. Following the closure of nearly 200 hubs, management sees future network expansion as more marginal. The focus should increasingly shift toward adapting the existing network, concentrating more infrastructure-intensive courses in larger centers while maintaining leaner formats in locations where appropriate.

Capital Allocation. Management continues to prioritize deleveraging and is discussing a more structured dividend policy linked to leverage.

XP CEO Conference 2026

Education

Cruzeiro do Sul (CSED3)

Overview. Discussions focused on the company's recent medical school expansion, including the approval of 200 new seats, and on its accelerating technology and digital transformation agenda, which continues to drive operational efficiency and student engagement. Investors also sought greater visibility on enrollment trends, pricing strategy, the growing relevance of Healthcare programs, opportunities for further margin expansion, and the company's capital allocation priorities amid ongoing changes to the distance-learning regulatory framework.

Medical School Expansion. The company added 206 new medical school seats, including 60 in Caraguatatuba and 146 in Pinhais (Paraná). Following these additions, the company will hold 41% of all medical school seats in Paraná, the same state where it achieved the highest Enamed score (5). In total, the portfolio now comprises 1,275 medical school seats, representing a 16% increase from the newly approved capacity.

Technology and Digital Transformation. Management highlighted technology as a key efficiency driver. Recent initiatives improved enrollment conversion (+6.1pp), reduced distance-learning attrition by 3% through predictive analytics, expanded AI-powered student support via the Duda platform, and streamlined administrative processes, including reducing admissions processing time from 43 to 10 minutes and diploma issuance to D+1 (vs 13 days). The company views digitalization as an important lever for scalability and operational efficiency.

Intake and Pricing. Management indicated that the on-campus intake cycle is progressing broadly in line with expectations, while distance learning faces a tougher comparison base. After focusing more heavily on student volumes in recent years, the company is now seeking to strengthen its value proposition and support higher tuition levels.

Course Mix and Medical Education. Healthcare remains the company's fastest-growing vertical, representing 55% of the on-campus student base and 73% of on-campus revenue. In Medicine, management noted that some newer locations still face intake challenges as local brands develop. The company also highlighted its performance in the Enamed and expects academic quality to support student intake and pricing over time.

Margins and Efficiency. Management attributed the gross-margin improvement in 1H26 mainly to operating leverage and continues to see room for efficiency gains from technology investments.

Capital Allocation. Dividend decisions consider the broader environment, potential M&A, and uncertainties related to the new distance-learning regulation. The company continues to view M&A as an avenue for growth and seeks to preserve balance-sheet flexibility for potential opportunities.

XP CEO Conference 2026

Education

Grupo Salta

Overview. Discussions focused mainly on Salta's expansion strategy and integration capabilities, which management sees as a key differentiator in K-12 education.

Expansion Strategy. Salta follows two main avenues for expansion. M&A is primarily used to enter new regions through locally established brands, which are maintained after the acquisition given the regional nature of K-12 brands. Once established in a region, the group can expand organically through greenfields or acquire existing schools through brownfield transactions, typically converting them into one of Salta's existing brands. Management highlighted that its established integration process allows acquired schools to be incorporated relatively quickly into the group's operating model.

Integration Strategy. Management highlighted its integration capabilities as one of Salta's main competitive advantages. Acquired schools are brought into a standardized operating model across back-office processes, commercial practices, training and academic management, regardless of brand, price point or region. Management pointed to four main integration levers: back-office integration, culture and customer experience, pedagogical efficiency, and pricing.

Pedagogical Efficiency. Unlike a more decentralized model in which individual schools retain significant academic autonomy, Salta standardizes several aspects of curriculum and academic management across its network. Management highlighted classroom utilization as a key operating metric, with centralized academic processes allowing the group to adjust class structures and teaching hours while monitoring student and teacher performance.

Pricing and Retention. Salta uses dynamic pricing at the individual student level, with tuition and discounts varying according to factors such as enrollment timing and available classroom capacity. Management also highlighted the use of centralized data to identify students with higher dropout risk, allowing school coordinators to engage families more proactively.

XP CEO Conference 2026

Healthcare

by Gustavo Tiseo

Rede D'Or (RDOR3)

Overview. Discussions focused primarily on post-2Q26 trends, with investors seeking greater clarity on hospital margin dynamics, particularly following the better-than-expected Mat/Med performance in 2Q26. Other recurring topics included the pace of operational bed expansion and the recent impact of health insurer contract terminations on hospital volumes.

Impact of Contract Terminations. Management noted that hospital volumes remain healthy, with the impact from previous self-managed plan contract terminations largely behind the company. Rede D'Or reiterated that its commercial strategy is centered on partnering with financially sound health insurers, while continuing to benefit from the complementarities between its hospital and insurance operations.

Investment Plan. On capital allocation, management highlighted that investment plans are reviewed periodically, although the current expansion pipeline remains largely concentrated in brownfield projects, providing greater visibility and execution predictability. As such, the company does not foresee any meaningful change to its long-term expansion strategy.

Mat/Med Perspectives. Regarding hospital margins, management cautioned against drawing conclusions from a single quarter's performance, noting that fluctuations in volumes of high-cost medical devices, implants, and special materials (OPME), as well as the growing relevance of oncology, can create temporary distortions. Importantly, price adjustments within the existing Mat/Med basket continue to trend below inflation, with product mix remaining the main driver of cost pressures.

Oncology Revenue Expansion. Management remains constructive on the oncology segment, highlighting continued physician migration toward the Rede D'Or network. At SulAmerica, the company expects the positive MLR trend to continue, supported by a disciplined underwriting approach that prioritizes profitability over membership growth.

Individual and affinity products. Finally, management highlighted ongoing operational improvements in the Individual Health portfolio.

XP CEO Conference 2026

Healthcare

BradSaúde (SAUD3)

Overview. Discussions focused on BradSaúde's growth strategy within the SME segment, beneficiary expansion prospects, and the company's disciplined approach to profitability. Investors also sought greater visibility on Atlantica's growth trajectory, capital allocation priorities, and the strategic benefits derived from its relationship with Banco Bradesco.

Growth Strategy. Management indicated that beneficiary additions should remain strong, with the SME segment continuing to serve as the primary growth driver. The company highlighted that the beneficiary base contracted between 2023 and 2024 as part of its efforts to restore profitability and normalize MLR levels, creating room for a more sustainable growth cycle going forward.

SME Economics and Competitive Positioning. While economics are typically tighter during the first year of a SME contract due to introductory discounts, profitability improves meaningfully in subsequent years as pricing matures. BradSaúde believes it holds a competitive advantage in the segment due to its nationwide presence and privileged access to Banco Bradesco's distribution network and broader product ecosystem.

Partnerships with Providers. Management highlighted that one of the strategic changes implemented in recent years has been a closer alignment with healthcare providers and hospital groups. According to the company, strengthening these relationships improves visibility into operational trends and helps foster greater coordination across the healthcare ecosystem.

Profitability Remains the Key Priority. Management reiterated that net income remains the company's primary performance metric, followed by MLR and beneficiary growth. While financial income continues to be an important contributor to earnings, the company emphasized that investment returns are not incorporated into health plan pricing decisions, which remain focused on underwriting discipline and long-term sustainability.

Hospital Expansion Opportunities. Looking ahead, management sees substantial room for further hospital investments, supported by the company's debt-free balance sheet and strong capital generation capacity. BradSaúde highlighted opportunities to expand in underserved regions with attractive income profiles, where demand for high-quality healthcare infrastructure continues to grow.

Capital Allocation and Shareholder Returns. Finally, management noted that SG&A optimization should become a more relevant discussion topic in 2027 as growth initiatives mature. On shareholder remuneration, the company reaffirmed its commitment to regular interest-on-equity (IoC) distributions.

XP CEO Conference 2026

Healthcare

Hypera (HYPE3)

Overview. Discussions focused primarily on the upcoming launch of Semavy and the broader GLP-1 opportunity, alongside the outlook for Hypera's portfolio. Management remains constructive on the underlying sell-out trajectory, with faster-growing therapeutic areas supporting growth while more mature categories continue to provide a solid cash generation base.

Semavy and GLP-1 Opportunity. Semavy is expected to reach the market in September, following the completion of the final production and quality-control steps. Management remains constructive on the opportunity, supported by continued market expansion, greater patient access, the potential for semaglutide treatments to increasingly become long-term therapies, and the scale of Sun Pharma and its ability to rapidly adjust production to demand.

Commercial Strategy. Management highlighted physician visits as a key differentiator for Hypera, leveraging Mantecorp's established brand and existing relationships with physicians to support Semavy's launch. The initial strategy should focus on physician engagement and driving product adoption, including special conditions under the patient program. Management also sees an opportunity to leverage Hypera's broader portfolio to build patient loyalty around complementary treatments. Semavy should have limited EBITDA relevance in 2026, becoming more meaningful from 2027 onwards.

Core Portfolio. Management sees current sell-out trends as broadly consistent with the portfolio's underlying growth profile. Mature categories such as flu, respiratory and pain remain important cash generators but grow more slowly, while cardiology, women's health, gastroenterology and central nervous system should remain the main growth drivers. Skincare and fiber products have also been performing strongly, while new launches should provide additional support.

Cash Generation and Deleveraging. Capex should decline after a somewhat more concentrated 2H26 investment cycle. This should support continued deleveraging, with management viewing ~1.5x net debt/EBITDA as a comfortable level and achievable by the end of 2027.

XP CEO Conference 2026

Healthcare

Hapvida (HAPV3)

Overview. Discussions centered on Hapvida's progress in addressing judicialization, ongoing initiatives to improve medical cost management, and opportunities for SG&A optimization. Investors also sought greater visibility on contingency provisions, profitability-focused commercial strategies, and the outlook for the hospital division.

Judicialization and Contingencies. Management acknowledged that judicialization remains one of the company's main challenges, although internal processes have improved significantly over the past year. Judicialization remains concentrated in certain regions.

Operating Initiatives and Medical Cost Management. Management highlighted several initiatives aimed at improving profitability and reducing medical costs, including network optimization and adjustments to care protocols. The company cited pilot programs extending consultation times from 15 to 20 minutes in selected hospitals, which helped increase efficiency without hurting care or customer perception. Management also reiterated that the company's strategic focus has shifted from membership growth toward profitability and cash generation.

SG&A Efficiency. SG&A optimization remains an important pillar of the earnings recovery story. While 3Q26 may still reflect restructuring-related impacts, including brokerage commission amortization and judicialization expenses, management expects more meaningful efficiency gains to become visible by 4Q26. The company also highlighted significant opportunities for workforce optimization across several functions as part of its ongoing organizational restructuring.

Commercial Strategy. Management reinforced its profitability-first approach, prioritizing margin expansion and cash generation over accelerated membership growth. The company continues to focus on underwriting discipline and operational execution.

Hospital Operations. Finally, management noted that the hospital division could gradually become a more relevant earnings contributor. The company is reassessing pricing tables across several regions, particularly in the North and Northeast, with the objective of improving profitability and enhancing returns from its hospital assets.

XP CEO Conference 2026

Healthcare

Mater Dei (MATD3)

Overview. Discussions focused on Mater Dei's margin expansion trajectory, the ramp-up of recently opened hospitals, and growth opportunities in oncology. Investors also sought greater visibility on operational trends across key units, bed occupancy management, and the company's long-term capital allocation priorities.

Margin Expansion and Hospital Ramp-Up. Management remains confident in the company's margin expansion trajectory, supported by the continued maturation of recently opened hospitals, particularly Salvador and Nova Lima, as well as acquired assets. The company highlighted its established track record of successfully ramping up hospitals, with demand at recent greenfield projects broadly evolving in line with expectations. Looking ahead, management sees both strategic partnerships, such as the company's ongoing project in São Paulo, and independently developed projects as potential avenues for growth.

Oncology Growth. Oncology continues to represent a key growth avenue for the company. Management highlighted that the integration of new oncology physicians in Salvador began in May 2026 following the expiration of non-compete agreements. Since then, the company has continued to see strong momentum in the segment and remains constructive on its medium-term growth prospects.

Strong Performance Across Hospital Units. Operational trends remain favorable, with all hospital units reporting revenue growth in 2026. Salvador, Nova Lima, and Uberlândia have been the main highlights, with management emphasizing that Salvador continues to outperform expectations and is likely to remain one of the company's fastest-growing assets over the coming years.

Operational Efficiency and Occupancy Management. The company also sees additional growth opportunities through new accreditation agreements across its regions of operation. Management discussed ongoing initiatives focused on improving hospital bed management and operational efficiency, with occupancy optimization remaining a key priority. Patient satisfaction metrics, particularly NPS (net promoter score), continue to play an important role in monitoring execution and ensuring efficiency gains are achieved without compromising quality of care.

Capital Allocation. Finally, management reiterated its disciplined capital allocation approach. While the near-term focus remains on extracting value from recent investments, the company retains long-term flexibility to pursue M&A opportunities or enhance shareholder returns through higher dividend distributions.

XP CEO Conference 2026

Healthcare

Fleury (FLRY3)

Overview. Discussions focused on Fleury's competitive positioning in São Paulo, growth drivers within its premium brands, and the company's ongoing efforts to improve asset utilization. Investors also sought greater visibility on AI initiatives, future capex requirements, and pricing.

Competitive Landscape. Management highlighted that Fleury's main competitor in São Paulo remains Hospital Israelita Albert Einstein.

Growth of the Fleury Brand. Management attributed the strong performance of the Fleury brand to several factors, including the expansion of mobile services and initiatives aimed at improving asset utilization. The company has added new capacity in recent quarters, including Marco 100 and Campinas units, while also extending operating hours and increasing the occupancy of previously underutilized time slots, particularly for exams that do not require fasting. The company believes such measures can continue supporting volume growth with limited incremental investment. In parallel, Fleury has sought to further differentiate its positioning through specialized integrated centers, bringing together multidisciplinary medical teams and multiple diagnostic capabilities to address more complex cases. Beyond improving the patient experience, management sees these centers as an important tool to strengthen the brand’s positioning and perception among prescribing physicians.

Capex Outlook. Regarding capital allocation, management noted that the company has already completed a heavier investment cycle in technology and systems, particularly following the acquisition of Pardini. As a result, IT-related investments should become less intensive going forward. Management expects capex to return to historical levels, supported by the increasing contribution of Lab-to-lab, which is structurally less capital-intensive.

Artificial Intelligence Initiatives. Management highlighted that AI is being deployed across multiple areas of the business, including patient check-in processes and diagnostic procedures. In magnetic resonance imaging (MRI), Fleury has implemented AI-assisted tools in selected units, depending on equipment compatibility and local demand, which improve image capture and can reduce the time patients spend in the machine by ~40%, improving operational efficiency and workflow management. The company believes AI will continue to enhance productivity while increasing the need for more specialized healthcare professionals.

Diagnostic Equipment and Technology. Management also noted growing interest in high-quality diagnostic equipment sourced from China. According to the company, certain machines can offer comparable quality standards at competitive prices. Beyond lower acquisition costs, management pointed to cases in which these technologies can also deliver meaningful reductions in operating costs, potentially improving the overall economics of diagnostic equipment.

Pricing Dynamics. Finally, management noted that pricing negotiations in the B2C business typically take place during the second half of the year, with agreed price adjustments generally becoming effective at the beginning of the following year.

XP CEO Conference 2026
Healthcare

Dasa (DASA3)

Overview. Management sees 2Q26 results as further evidence of the progress achieved over the past 18 months, following a period of significant organizational simplification, sharper execution and increased focus on the company's core businesses. With much of this groundwork now in place, management sees Dasa as increasingly well-positioned to combine profitable growth with continued efficiency gains and financial discipline.

Premium Diagnostics. Management continues to see premium diagnostics as an important growth avenue for Dasa. The premium segment has been growing above the broader diagnostics market, supported by favorable demand dynamics and increasing access to premium healthcare networks. Alta has performed particularly well in this environment, with strong organic growth and opportunities for further expansion, particularly in São Paulo. Management sees attractive opportunities to continue investing behind the premium platform, while maintaining a disciplined approach to capital allocation and returns.

B2B. Following improvements in logistics, technology and systems integration, Dasa sees an opportunity to increasingly leverage its existing scale and infrastructure in B2B. Management views B2B as a complementary business to B2C, providing additional scale, better utilization of existing capacity, fixed-cost dilution and incremental profitability, while preserving a disciplined approach to capital deployment.

Financial Discipline. Financial discipline and deleveraging remain central to Dasa's strategy. Management emphasized that growth decisions will continue to be made within a disciplined capital allocation framework, without compromising the company's balance-sheet objectives. The direction of leverage remains downward, supported by improved operating performance, cash generation and disciplined capital allocation. Management also retains strategic flexibility regarding its portfolio of assets, which could provide additional opportunities to accelerate deleveraging over time.

Rede Americas. Management described Rede Americas as progressing broadly in line with its financial and strategic plan. Importantly, Dasa has no obligation related to Rede Americas' debt. Management continues to see significant value creation potential in the platform. The current priority remains improving scalability, processes, operational performance and organizational readiness, creating the foundations for the business to pursue its longer-term strategic alternatives.

Payer Relationships. Management highlighted the diversified nature of Dasa's payer mix and the company's longstanding relationships with the major health insurance operators. The company continues to focus on maintaining balanced commercial relationships with payers while managing revenue quality, complexity and profitability across its different channels. Private-pay also remains an important component of the mix, particularly within Dasa's premium offering.

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Healthcare

Profarma

Overview. Discussions focused on Profarma’s growth strategy following the acquisition of 4BIO, opportunities to expand profitability within the specialty pharmaceutical segment, and the outlook for D1000. Investors also sought greater visibility on logistics synergies, working capital trends, organic growth opportunities, and long-term returns on invested capital.

Business Evolution and Market Positioning. Management highlighted Profarma’s long operating history, through organic growth and acquisitions. Following its IPO, the company gradually broadened its strategic focus, pursuing diversification initiatives that culminated in the IPO of D1000 (retail pharma) in 2020. Today, management believes the company remains well positioned for growth, supported by an attractive return profile and a market share of approximately 23% in pharmaceutical distribution.

4Bio Acquisition and Synergy Potential. Management views the acquisition of 4Bio as a significant value creation opportunity. One of the most immediate benefits stems from the optimization of 4BIO’s tax structure through integration into Profarma’s existing logistics and distribution network, which could unlock an important margin improvement.

Expansion in Specialty Pharmaceuticals. Prior to the acquisition, 4BIO was primarily focused on specialty retail and health insurers. Under Profarma’s platform, however, the company now has access to additional growth avenues, particularly through hospitals and oncology clinics. Management highlighted that 4BIO already holds a leading position in injectable aesthetics, representing approximately 20% of the business unit´s revenue, while also maintaining a relevant position in the vaccine market with an estimated 13% market share.

Logistics and Margin Expansion. Logistics synergies represent another important lever for value creation. Management noted that expansion of 4BIO’s distribution capacity is being carried out through Profarma’s existing infrastructure, including the expansion of current distribution centers rather than greenfield investments. In addition, 4BIO’s expertise in air transportation provides logistical advantages for handling specialty products. Looking ahead, management sees potential for a relevant margin expansion from operational improvements, with a further contribution from a more favorable product mix, with management aiming the levels once achieved by Profarma Specialty (PFS) at around 4%, compared to the current 2% at 4BIO.

Organic Growth and Working Capital. Despite the recent acquisition, management indicated that the primary focus remains on strengthening the distribution platform and driving organic growth. The company’s strategy emphasizes profitability over breadth of assortment, operating with roughly 700 SKUs compared to over 10,000 at larger peers. Working capital levels have also improved, and management expects these gains to support revenue growth going forward.

D1000 Expansion Strategy. Management highlighted that D1000 represents a strategic growth lever for Grupo Profarma, supported by a continuous expansion plan and the maturation of a significant portion of its stores. The Company has been strengthening its value proposition through omnichannel initiatives and customer loyalty programs, enhancing client relationships and commercial efficiency. Strong demand for GLP 1 products, particularly in Rio de Janeiro and the Midwest, further reinforces the growth potential. In addition, the Company expects incremental efficiency gains driven by the gradual dilution of operating expenses and the accelerated maturation of its store base.

XP CEO Conference 2026

Metals & Mining

by Lucas Laghi, Guilherme Nippes

Vale (VALE3)

We left the meeting slightly more constructive on iron ore fundamentals, following indications of a relatively balanced market, with global demand still expected to grow by ~0.5-1.0% p.a. and only limited net supply additions, which we believe should help support iron ore prices (~US$100/t seems fair in this context, particularly considering recent inflationary pressures on costs). Operationally, we view production around the midpoint of guidance (~340 Mt) as reasonable, while productivity initiatives should help keep costs broadly stable despite inflationary pressures (all-in costs around ~US$60/t also seem achievable and a good reference for 2027E as we speak). Finally, we believe a potential new cavities' licensing decree is more relevant from a flexibility and de-risking perspective than as a near-term volume catalyst, allowing the company to optimize its production footprint as market conditions evolve.

CSN (CSNA3) and CSN Mineração (CMIN3).

Management's focus remained on deleveraging, with near-term attention on the cement sale process (potential signing by late Sep'26). In Steel, the tone was more constructive, with margins expected to continue recovering in 2H26E supported by prior price increases and stable raw material costs, although import competition remains a key factor to monitor. For Mining, management reiterated its long-term growth focus, highlighting the P15 expansion project and opportunities to enhance product quality, with hedging instruments mitigating lower iron ore prices in the short-term (we estimate ~50-60% of 3Q26E's sales as hedged at a ~US$105/t level). Finally, infrastructure monetization remains on track, with proposals expected in the coming weeks and signing targeted before year-end.

XP CEO Conference 2026

Oil, Gas & Petrochemicals

by Regis Cardoso, Enzo Sozzi

Who we met. Over the two days of event, we had the pleasure of meeting with (i) PRIO's CEO, Roberto Monteiro, (ii) PetroReconcavo's CEO, José Firmo, (iii) Brava's CFO, Luiz Carvalho, (iv) Vibra's CFO, Maurício Teixeira, (v) Ultrapar's CFO, Alexandre Palhares, (vi) Petrobras's IR managers, and (vii) Origem Energia's CEO, Luiz Felipe Coutinho, and CFO, Daniel Pache. Below, we discuss the main highlights of the event.

E&P: FCF generation and production growth. Most investors we met at the conference expressed positive sentiment following their meetings with PRIO. We also came away optimistic, comfortable with the company's strong FCFE generation and organic growth projects. PRIO is set to increase shareholder distribution through both buybacks and dividends as it advances on deleveraging. Petrobras highlighted the current level of its oil production, underscoring efficiency gains in offshore platforms, including several new units operating above nameplate capacity, and the anticipation of projects. Brava also shared positive messages, including (i) the continuation of its liability management and deleveraging process, and (ii) expectations for continued production growth. Management also shared the next steps in Ecopetrol's arrival as controlling shareholder, although the extent of any potential changes to the company's go-forward strategy is still pending discussion with the market. Our conversations with PetroReconcavo focused on the company's alternatives to contain production declines across its asset base, along with ongoing efforts to unlock new reserves and increase resilience. Finally, Origem Energia (not listed) discussed the architecture and opportunities of its diversified, integrated energy platform spanning oil, gas, power generation, and gas storage.

Fuel distribution: Strong earnings momentum and FCF. In the fuel distribution segment, both Vibra and Ultrapar conveyed encouraging messages. In the short term, 3Q26 margins should remain strong, reflecting competitive dynamics that continue to favor structural suppliers (with a higher share of Petrobras-sourced volumes in the supply mix). In the long run, both companies argued that recurring margins should settle structurally above pre-conflict levels, underpinned by a more level playing field as illicit competition diminishes. Vibra and Ultrapar noted a more favorable environment for station branding, as its value proposition strengthens. Both companies also highlighted the opportunity to leverage the strong momentum in cash flow generation to reduce debt and increase shareholder remuneration. On M&A, UGPA's management signaled a flexible approach to pursue value-accretive opportunities. Vibra also shared there is strong earnings momentum in the lubricants business.

XP CEO Conference 2026

Pulp & Paper

by Lucas Laghi, Guilherme Nippes

Suzano (SUZB3)

We note a marginally better tone regarding pulp market fundamentals, with indications that current hardwood pulp prices (~US$550-560/t) should be closer to a bottom, supported by normalized inventories in China and recent announcements of paper prices increases in Asia, with integrated Chinese producers returning to the market as buyers and supporting an improving order intake. On capital allocation, management reiterated its focus on deleveraging, targeting leverage of 2.5x over the next ~18 months, while indicating that a new pulp project does not meet return requirements given rising forestry costs + elevated cost of capital. Finally, operational efficiency was a recurring theme, with ongoing initiatives across logistics, forestry, procurement and organizational structure expected to support cost improvements in 2H26E - pulp cash cost of ~R$800/t for 2026FY reiterated by management, with room for improvements in 2027E as wood costs continue to be optimized.

Klabin (KLBN11)

We came away with a more positive view on both pulp and packaging markets. On (i) pulp, aside from bottoming signs in China, North America paper demand remains relatively solid (especially in tissue), with recent capacity closures in the softwood/fluff-side limiting downside risks for hardwood as fiber-spreads recovers. In (ii) packaging, demand remains resilient, while kraftliner prices continuing to move upwards (+US$100/t announced) and gradually flowing through results. We also note that the PM28 ramp-up is evolving well, supported by a favorable mix skewed toward higher-margin products. Finally, on capital allocation, lower capex requirements, declining leverage and increasing contributions from forestry-related structures should support stronger FCF generation and financial flexibility over the coming years.

XP CEO Conference 2026

Real Estate

by Ygor Altero, João Rodrigues

ALLOS (ALOS3): Sales Improving and Efficiencies Advancing.

Sales recovered from a softer start to July, accelerating in the second half of the month. The improvement was supported by cinemas, which also boosted food court traffic, and by continued growth in media revenues. Meanwhile, automation and AI initiatives should help nominal G&A decline in 2026 despite the 3Q collective bargaining adjustment. ALLOS also continues to recycle mature assets into higher-return projects, combining operating efficiency with disciplined capital allocation.

Iguatemi (IGTI11): Deleveraging to Support Higher Distributions.

Sales returned to positive single-digit growth, supported by solid cinema and jewelry performance in July. Meanwhile, capital allocation remains focused on improving recently acquired assets and advancing the expansions of Iguatemi Faria Lima and Brasília, alongside the Campinas tower. Although these investments should pressure cash flow through 2026 and 2027, deleveraging, lower taxes following the VAT reform and lower financial expenses could gradually support higher dividends.

Multiplan (MULT3): Premium Portfolio Should Continue Outperforming.

Multiplan expects to continue outperforming broader retail, supported by its dominant assets and well-invested portfolio. After several years of stronger demand from food and beverage operators, apparel and international brands are gradually returning to expansion. Against a more challenging macro scenario, capital allocation remains focused on strengthening assets serving high-income consumers through selective expansions, while shareholder returns should continue through IoE and share buybacks.

JHSF (JHSF3): Entering a Lower-Capex Phase.

JHSF is approaching the end of its current investment cycle, with Shops Faria Lima representing the main remaining capex commitment. As annual capex declines, cash generation should improve alongside the continued expansion of recurring-income EBITDA. Meanwhile, management intends to keep leverage within its target range, while international growth remains focused on Fasano hotel operations and management fees.

Plano & Plano (PLPL3): More Moderate Growth, but Faixa 1 Remains Attractive.

MCMV continues to perform well, with healthy transfers and controlled delinquency, although tougher competition and sales conversion in São Paulo could lead to nominal launch growth below initial plans. In response, Plano & Plano is strengthening its sales platform, while focusing its launch mix on Faixa 2, which should account for most of this year’s activity. Meanwhile, its scale and standardized construction remain key advantages in Faixa 1, where project feasibility is challenging but competition remains limited, while Goiânia represents the company’s next geographic growth avenue.

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Real Estate

Cury (CURY3): Preserving Flexibility Amid Greater Uncertainty.

Cury is maintaining a flexible launch strategy, remaining prepared to increase, stabilize or reduce activity depending on macroeconomic developments, while continuing to prioritize cash generation and avoid inventory buildup. Although Caixa's underwriting process has started to normalize, lower-income customers continue to face greater approval constraints, and faster growth should depend on lower volatility from the war scenario and easing cost pressures. Meanwhile, Cury's expanded engineering team and access to large land plots with limited competition preserve its ability to accelerate once conditions improve.

Direcional (DIRR3): Maintaining Launch Plans Amid Credit Normalization.

Sales softened temporarily as Caixa tightened credit conditions, with restrictions more pronounced in Rio de Janeiro, but recent trends have improved. Management is maintaining its launch plan and would only adjust activity if demand showed a meaningful deterioration, avoiding the formation of inventory. Meanwhile, Direcional remains comfortable with construction costs and margins, with no need for additional provisions. Over the medium term, household indebtedness and funding constraints for smaller developers may limit broader market growth, but could also create an opportunity for Direcional to gain market share.

MRV (MRVE3): Margin Recovery and Cash Generation in Focus.

Caixa's temporary tightening of credit conditions has been more pronounced in Rio de Janeiro, although discussions around lower mortgage rates and adjustments to the financing structure could support affordability over time. Despite this scenario, MRV expects its gradual margin recovery to continue, supported by the better-performing project cohorts launched in recent periods. Meanwhile, the company is focused on increasing gross sales and closing the gap between transfers and production to support cash generation, alongside the divestment of Resia and continued deleveraging.

Moura Dubeux (MDNE3): Resilient Demand Supports Solid Execution.

Moura Dubeux continues to see resilient demand in the Northeast despite the challenging macro scenario, supporting healthy sales velocity and returns that remain among the strongest in the sector. This performance reinforces the strength of the company's regional positioning and its ability to sustain solid execution even under less favorable market conditions. Labor availability remains the main operating challenge, but management's comments continue to support a constructive outlook for the business.

Lavvi (LAVV3): Healthy Demand Supports the Launch Pipeline.

The Saffire by Elie Saab high-end residential project is approaching delivery with a solid sales level, while Galeria is fully sold, although Saffire's completion should temporarily increase inventory. Supported by healthy demand, Lavvi plans to launch three MCMV and three high-income projects in 2H26, as construction schedules continue to improve and potential delays remain within contractual grace periods. Meanwhile, the company is preparing for the tax reform through project-level tests and training across land acquisition, procurement and other operating areas.

XP CEO Conference 2026

Retail

by Danniela Eiger, Pedro Caravina, Laryssa Sumer

Assessing investors' demand. Companies that attended our conference were well demanded by investors, with ~60 client requests per company on average. Among the most demanded, SMFT stood as #1 for the third year in a row, followed by MELI and ASAI. We continue to see investors more cautious about the space as most Q2 results showed a consumption deceleration. Looking ahead, Q3 should be a milder quarter while companies are focused on Q4 execution given its strong seasonality.

Macro: recession watch mode. Concerns over a potential 2027 recession dominated conversations, with investors focused on data points to read 2H26 dynamics amid signs of consumption deceleration. Companies broadly acknowledged the tougher backdrop, defensiveness and resilience of each business model became a central part of the stories presented.

Tax Reform: from threat to opportunity. Companies are actively preparing for the changes taking effect next year, and the tone was more constructive than defensive: the reform is expected to level the playing field among players, curbing tax-driven distortions and informality. Beyond equalization, companies highlighted benefits from credit monetization and see the new framework as a potential catalyst for sector consolidation, favoring larger, more structured players over weakened independents. Still, there will be challenges, with split payment's cash flow impact and the adjustment's complexity being mentioned by several of them.

6x1: mitigation already underway. Rather than waiting for a definition, companies are already taking measures to mitigate potential impacts from the end of the 6x1 work schedule, including adjustments to store operating hours and changes to store staffing structures, with price hikes as an available lever if the change materializes.

Marketplaces' pharma threat. Another topic highly discussed in meetings with pharma companies, MELI and ASAI was Anvisa's recent regulatory change approving marketplaces to deliver pharma. We still see a lot of uncertainty around this topic but expect it to remain on investors' radar as a potential threat to pharmacies and opportunity for MELI.

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Retail

Alpargatas (ALPA4)

Sell-out remains healthy on disciplined sell-in. The sell-out at the ~13% levels seen in 1H26 is a tough comps for 2H26, as the World Cup provided a tailwind. Still, the company expects to continue gaining share across both retail and specialized channels, supported by more disciplined inventory management.

A lot of potential on International ops. Mgmt. sees room for both growth and profitability across all three channels. Meanwhile, 2026 should remain a transition year for the new US model, with benefits expected to materialize more meaningfully from 2027 onwards.

Keeping an eye on the long term. ALPA also noted it currently operates under a 5-year budget plan for both Brazil and international operations, with results tracking in line so far. Notably, 1H26 volumes came in even stronger than initially expected.

Assaí (ASAI3)

Pharma: incremental growth on top of a fixed-cost base. The company just opened its 4th unit, with attractive economics: capex is low since store infrastructure already exists, ~40% of expenses are already in-house, and the ~100-120m² area came from simple repositioning rather than assortment cuts. The core advantage lies in existing store traffic, with solid prospects for 4-wall EBITDA margins ahead. The plan is to open 250 pharmacies, roughly costing 1/3 of a year's maintenance capex.

Expenses: structurally lower, with more to come. Expense control has been strong for a while now, and the pipeline of efficiency projects remains rich, enabling further headcount reallocation. Cash generation should continue to be the lever for deleveraging, with leverage expected to end the year below 2x.

Layering growth against a pressured consumer. Against a backdrop of persistent macro pressure, new initiatives such as in&out, pharma, financial services, and private label, are expected to drive incremental growth. For 2H, El Niño-driven in&out should be sizable (100k air conditioners, 750k fans to be sold), while EV chargers are coming: low revenue on their own, but a traffic driver and low-price brand-awareness play, powered by surplus energy cheaper than residential rates. The company is also launching a cashback program usable across food retail, pharma, and energy. On financial services, the private label card is seen as the better-suited alternative for Assaí's client base, expected to drive the sales uplift already proven by Passaí even under Itaú-era restrictions. Finally, private label brands still need traction, though bargaining power is already being deployed.

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Retail

Azzas 2154 (AZZA3)

No material updates on governance: There were no material updates on governance matters. Management does not believe brand desirability has been affected, although executives acknowledged that a significant portion of the top mgmt.'s agenda has been consumed by the issue.

A more cautious stance on Farm: Mgmt. entered 2026 already planning for softer growth, reflecting a more cautious approach to inventory levels. Meanwhile, no material updates were provided regarding a potential sale of Farm.

Hering's turnaround on the spotlight. While Q3 should remain a challenging quarter, the team expects growth to recover from Q4 onwards, supported by encouraging early signs from the new "made-to-order" model with franchisees. Efforts to bring B/C income consumers back to stores and drive volumes are also underway.

C&A (CEAB3)

A tougher consumer backdrop. Unlike prior editions, traffic was pressured throughout the entire World Cup period rather than only on match days, with a gradual recovery afterwards though still below pre-event levels. Mgmt. also sees consumers as more price sensitive than in May, with lower traffic no longer being offset by better conversion. Mgmt. also noted a heavier promotional environment on winter inventories from C&A and other players.

Margin over inventory. Inventory has been running ~15 days above last year since Q4, with normalization expected by Q4 and a milder improvement in Q3. Still, mgmt. reinforced gross margin remains the priority, noting the 60bps of extra investment in Q2 may not be repeated with more surgical promotions as possibility.

A busy productivity agenda. Key levers for 2H include self-checkout expanding from 1/3 to 2/3 of stores, a collection bot already replacing manual labor, with recovery rates in line or better, and a granular review of third-party contracts. Capex should also be more disciplined, at ~7% of sales (vs. 8.5%), prioritizing refurbishments over expansion, with ~20 large stores (~10% of sales) to be completed by October.

XP CEO Conference 2026

Retail

Grupo Petz Cobasi (AUAU3)

Reaffirming the R$200-260mn synergy range. Mgmt. noted it remains on track to capture the planned M&A synergies, with plans to consolidate the headquarters into Cobasi's current office by November. Governance was also highlighted as a positive contributor, with strong alignment between the Board and the executive team supporting synergy capture.

Competition remains fierce. Marketplace competition remains a challenge, but the company remains confident in its ability to offer a stronger value proposition through competitive yet profitable pricing, private label products, cross-selling opportunities between the two brands, and services.

Pet plans as a topic. Another frequently discussed topic was the opportunity in the pet plans market, which management believes remains significantly underpenetrated in Brazil compared to more developed markets.

Grupo SBF (SBFG3)

2Q26 was not only about the World Cup. Mgmt. (and investors) acknowledged a strong 2Q26 on the World Cup, but noted that running and other football categories also performed well on the many initiatives implemented in the past 2 years (e.g., Destrava). As such, we expect a deceleration going forward, though initial 3Q26 sales remain healthy.

Inventory mgmt. and FX as tailwinds. From 3Q26, FX begins to contribute positively to gross mg, while the Conecta initiatives and DC services should support better inventory mgmt. for both Centauro and Fisia on the mid-term. Nonetheless, we expect an operational deleverage against World Cup sales.

Limited space for deleveraging for now. Despite stronger 2026 sales, leverage should not come down in the near term, while we expect on lower WK needs amid a softer growth looking ahead.

Live! (Non-listed)

From activewear to a wellness ecosystem. Four pillars: activewear (core), footwear (launched last November), sports care/beauty (Pink Cheeks M&A) and nutrition (Welz). Mgmt. plans to be globally present across all four, addressing a R$38bn market in Brazil.

Franchisee-led expansion with an international leg. Network should surpass 400 stores this year (~55 additions in 2026), with large amount franchised. Present in 5 countries, with a Southeast Asia agreement signed with a listed partner running 200+ stores.

Vertical industry as the moat. 90% of apparel production is internal, anchored on an 85k sqm site in SC and a robotized DC. The company highlighted it controls from designs to POS in its core apparel business.

XP CEO Conference 2026

Retail

Lojas Renner (LREN3)

A conservative approach towards 2026. The main topic discussed was the rationale behind the recent guidance cut. Mgmt. reaffirmed that the World Cup was the main negative driver, with performance tracking budget until early June, while late June and July became a drag. As results failed to materialize, the company opted for a more conservative outlook amid a challenging macro backdrop.

A likely flat gross mg. in 2H. We believe better inventory coverage and FX trends should support gross margin in 2H26, although higher promotional activity on older inventory, following weaker June sales, could offset part of these gains. Still, mgmt. emphasized confidence in its gross margin trajectory, supported by an adequate pricing position. On SG&A, despite softer-than-expected operating leverage, management still sees room for further dilution

Profit distribution guidance sustained. The company highlighted that despite top-line deceleration, FCFE remains robust, supporting distributions through IOC and share buybacks, potentially even above the 50-80% payout guidance. On expansion, the company remains on track, with the 2024 store cohorts outperforming the portfolio average and maturing faster than initially expected.

Magazine Luiza (MGLU3)

Share gains as the main growth driver. B&M sales 10% growth in Q2 benefited from World cup and white line and furniture as highlights, with positive trends in July and August. Looking ahead, El Niño should be a tailwind for white line in 2H, while its logistics edge in bulky items remains a key differentiator.

A relevant opportunity from BHIA's closures. Mgmt. sees opportunities in capturing the GMV from the 298 stores closed by Bahia, with 95% overlapping with an existing Magalu store. In this sense, it may reflect in a boost to physical sales, with no incremental inventory, capex or fixed costs required. They also see a different dynamic than Americanas' case, given the offline nature of the sales, the local consumer profile and a distinct category mix.

Building stronger grounds for 1P and financial services. Amazon’s Prime badge starts in October, with Magalu handling logistics, while additional partnerships could support 1P returning to growth in Q4. On credit, despite the restrictive scenario, the portfolio expanded to R$2bn from R$1.5bn in 12 months, with NPL ratios down, while new credit models should allow further CDC penetration on limited risk.

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Retail

Mercado Libre (MELI)

Pharma opportunity. The company reiterated that it prefers to operate in the pharma category through 3P, though regulation remains a challenge. 1P is currently being tested and may be scaled depending on how this plays out.

Shipping costs and quick commerce. Shipping cost as a % of revenue rose on fewer items per shipment and fuel pressure and lower productivity in the fulfilment network, partially offset by a larger-than-usual mid-year fee increase in Brazil. On quick commerce, MELI currently operates a pilot in Argentina and did not confirm plans to replicate it in Brazil, as some news mentioned recently.

Credit remains with opportunity. The company reiterated the opportunities in credit both on consumer loans and credit cards across all geographies. The under-analysis banking license in Argentina and strong economics for credit cards in Mexico were key topics.

Pague Menos (PGMN3)

GLP-1: still a growing force. GLP-1 remained the key topic of our conversations, with significant potential still ahead as new launches and cross-sell opportunities emerge. Semaglutide already accounts for ~3% of sales (~R$540mn), while similar drugs still carry low margins, meaning new entrants should soon drive competition on cost. Incorporating 5p.p. of margin could add ~15bps to gross profit, with shelf space naturally limiting with how many brands they can operate.

Expansion: assertive and already mapped. Openings remain a relevant, with management noting that the expansion model is robust and should continue to be rolled out, with ample room mapped, especially in the NO/NE regions. Next vintages should follow the recent pattern (~70% NE, slightly more Center-West) in a favorable market as weakened independents open room for consolidation. Meanwhile, logistics is keeping pace, with a major DC opened this year and another coming in 2027.

Customer experience: the overall priority. Capital allocation is being redirected toward experience, with digital and CRM as key areas of focus. Improvement points have been mapped, and the same discipline is being extended to store operations, with unproductive inventory targeted to fall and drive better WK dynamics. On marketplace risks, customer experience is set to be a key advantage, as capillarity remains a moat that is hard to beat.

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Retail

Panvel (PNVL3)

Still solid momentum. The company flagged a still-solid near-term outlook, with GLP-1 remaining strong and an overall well-behaved mix, translating into improving profitability as expenses continue to dilute. On a longer term, higher avg. sales per store should drive more dilution, especially on selling expenses, while G&A efficiency should also be sought via AI. PL is another margin lever, with gross mgs 4-6p.p. above average, rising to nearly 10p.p. for Lifar-sourced SKUs, with room to reach 10% of ex-GLP sales.

A lot more to come on GLP. Semaglutide is gaining share within the category, up ~10p.p. since Ozivy's arrival. Ahead, new entrants should also drive margins up for the category, while generics are expected to arrive in 2027, introducing a new phase of price declines and broader access. Importantly, the GLP-1 customer buys more items per ticket, runs a largely digital journey (PBM-driven) and drives strong cross-sell with other categories such as vitamins and supplements.

Marketplaces: capillarity and PBM as the moat. The company operates on Shopee with HPC and on iFood, both with markups and through their own logistics. In this sense, capillarity and PBM remain strong moats against such players.

RD Saúde (RADL3)

Marketplace risk in the spotlight. This was a heavily discussed topic, with RD noting that the currently approved regulatory model is no different from iFood's. RD is already present in this channel, where margins are broadly similar to those of its digital operation, although relevance remains low (a mid-single-digit share of digital sales). In this context, a partnership with another player under a model similar to iFood's is not ruled out.

A new normal in HPC. The company estimates gross mg declined by up to ~100bps but with higher bonifications offsetting most of the impact. They see a new market dynamic in place as the industry understands and values the importance of physical retail to its brand building.

GLP-1 margin build. Profitability is improving gradually, though a more robust margin expansion should take place in 1-1.5 years; informality remains a major market issue, with Eli Lilly actively supporting Anvisa's efforts against informal channels alongside RD.

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Retail

Riachuelo (RIAA3)

Solid outlook ahead. Traffic has normalized following the World Cup, and mgmt. sees no need for aggressive markdowns into 2H26. SSS trends remain solid, with improving momentum expected in the coming quarters.

Competitive landscape as a topic. Mgmt. remains confident in its competitive positioning, with product innovation and an enhanced in-store experience standing out as key levers to continue outperforming peers.

Tax Reform as a potential tailwind. Mgmt. highlighted constructive discussions aimed at preserving its benefits in RN, while the split payment mechanism should ensure a smooth pass-through to the retail operation.

Smart Fit (SMFT3)

A higher bar for capital allocation. Mgmt. reinforced its disciplined approach to capital allocation, with greater selectivity toward projects at the upper end of its 35–40% cash-on-cash return range amid a more uncertain macro backdrop. Near-term expansion should not change given ~134 units under construction and 200+ contracts already signed, while Brazil remains the easiest market to adjust given more flexible leases. Abroad, Colombia is the main LatAm priority, with Argentina and Morocco gradually ramping up. Buybacks remain an option, though constrained by program limits.

Brazil margin reflects temporary and expansion-related effects. Mgmt. explained that ~1/3 of Brazil's 350bps y/y margin compression in Q2 stems from a one-off (higher credit usage inflating last year's base), with the remaining ~2/3 driven by competitive environment, recent vintages' ramp-up and cannibalization, as 1H26's vintage is younger and follows record openings in 2025.

TotalPass now structural to unit economics. TP has become an input to gyms' viability analysis, similar to balconys pricing tiers, with the migration from TP1+ (R$89.90) to TP2 (R$119.90) underway. A TP member remains less profitable than balcony one, while economics per visit remain below those of traditional memberships, the gap is expected to narrow as revenue per access evolves.

Vivara (VIVA3)

Life’s acceleration. Mgmt. made a conscious decision to reduce promotions, which sacrificed short-term momentum. However, they have been working on a more intense launches pipeline that should drive SSS acceleration towards YE26/2027 while they reinforced that they did not see Pandora’s repositioning impacting the brand’s performance.

Vivara to focus on volume growth now. Mgmt. is targeting volume-led growth as they see less price hike opportunities across categories. In this sense, Duo line emerges as a lever, with room to keep gaining penetration on sales.

XP CEO Conference 2026

TMT

by Bernardo Guttmann, Luís Chagas

Vivo (VIVT3)

Mobile competition: healthier than the recent narrative suggests. The main message was a pushback against the recent deterioration in sentiment around Brazilian mobile competition. Management acknowledged some noisier competitive moves but said Vivo itself has not seen a meaningful slowdown in operating trends. Recent portability data remained broadly stable, while the company continues to migrate customers from prepaid to control plans with churn remaining well behaved.

The R$ 20 offer was tactical, not a new pricing strategy. Management spent considerable time explaining the Vivo Lite R$ 20 offer that attracted market attention. The product was originally targeted at very specific clusters of lower-ARPU prepaid customers and was intended as an upselling tool rather than a broad-based aggressive offer. It has since been withdrawn. Overall, management stressed that there has been no strategic shift toward a structurally cheaper portfolio.

Pricing: prepaid is the more relevant next lever. Vivo has already implemented back-book adjustments of roughly 7-8% across almost the entire relevant base without seeing a meaningful deterioration in net additions. Management argued that simply raising the entry-level control price would do little while the gap versus prepaid remains large. A prepaid price increase would be a much more relevant driver for mobile service revenues.

Some early signs of prepaid monetization are emerging. Vivo has been removing unlimited WhatsApp from prepaid propositions, while management also sees signs that competitors are reducing the visibility of similar benefits. Although this is not equivalent to a headline price increase, it can be interpreted as another step toward greater monetization of prepaid.

Macro: B2C still resilient; B2B deserves more attention. Management said it has not yet seen meaningful pressure on the consumer business despite the softer macro environment. B2B is more exposed, as corporate clients face higher interest rates and tighter financial conditions.

Growth increasingly goes beyond pure connectivity pricing. Vivo reiterated that its strategy has gradually shifted toward extracting more value from customers through convergence and additional services, including fiber/mobile bundles, video, music and digital/AI services, reducing dependence on annual telecom price increases alone.

Fiber M&A remains optional, not a priority. Vivo continues to evaluate fiber assets and other inorganic opportunities but stressed that M&A is not required for its strategy. Organic fiber deployment continues to accelerate and potential transactions will depend mainly on asset quality and valuation.

Direct-to-device/Starlink seen mostly as complementary. Management continues to see satellite direct-to-device technology primarily as a potential partnership opportunity rather than the emergence of a fourth nationwide mobile operator. Satellite can materially expand geographic coverage but still faces significant capacity constraints relative to terrestrial mobile networks.

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TMT

Vivo (VIVT3, cont.)

Our take. Overall, the meeting was supportive for Vivo. Management's current operating datapoints do not corroborate, at least for now, the sharper deterioration embedded in the recent competitive narrative. That said, we would not completely dismiss the concern: recent promotional moves show that the competitive equilibrium has become noisier, and prepaid pricing remains an important datapoint to watch. For now, however, churn, portability and migration trends appear consistent with a still-healthy operating environment.

TIM (TIMS3)

Competition remains challenging, although there are some early signs of a more constructive setup. TIM acknowledged that recent promotional activity has created a less rational competitive environment. Management nevertheless pointed to some encouraging industry moves around control pricing and prepaid monetization. We see these as early indications that operators may be trying to improve monetization, although it is still too early to conclude that competitive intensity is easing meaningfully.

Prepaid is moving toward a more constructive monetization framework. TIM is pursuing a more-for-more strategy, offering larger data allowances at higher price points rather than relying exclusively on blunt price increases. The company has also removed zero-rated WhatsApp from prepaid offers. We see these initiatives as potentially more sustainable ways to improve prepaid monetization while preserving alternatives for more price-sensitive customers.

Convergence continues to gain strategic relevance. TIM's broadband sales continue to improve, while the company is increasingly focused on integrating fixed and mobile propositions. Importantly, management is monitoring not only broadband additions but also whether convergent customers generate higher combined contracted revenues across fixed and mobile.

This reinforces the strategic rationale for TIM's move into fixed broadband. At the same time, the development of a stronger organic platform reduces the urgency for transformational M&A, while preserving inorganic optionality over time.

Margin expansion becomes more demanding as topline normalizes. TIM continues to expect a gradual deceleration in revenue growth over the medium term, making efficiency increasingly important to sustain EBITDA growth above revenue growth. Management reiterated its commitment to continued margin expansion, with efficiency gains expected to be sufficient to support this target while still allowing for selective reinvestment in areas with additional growth potential. Cost discipline therefore remains a key pillar of the medium-term outlook.

Our take. TIM's message was relatively balanced. Competition remains a meaningful pressure point, and we would not assume a rapid normalization from current levels. At the same time, recent industry actions around prepaid and control suggest operators have incentives to protect monetization rather than sustain an increasingly aggressive promotional environment. This is incrementally constructive, but TIM's greater exposure to competitive moves and its still-developing convergence strategy keep us somewhat more cautious than on Vivo.

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TMT

Intelbras (INTB3)

Constructive outlook for 2H26. Management expects the second half to remain healthy across the company's core businesses. Security should maintain a similar growth trajectory and potentially grow slightly faster than in 2025, while Energy should continue to benefit from double-digit growth in UPS and other core categories. ICT should also remain healthy despite the expected decline in GPON revenues.

Margins should gradually normalize in 2H26. Management expects a trend toward margin normalization during the second half. In ICT, however, this improvement may be less visible in the short term. GPON carried a structurally lower margin, so its phase-out is positive for mix, but higher component and input costs should continue flowing through the P&L and largely offset that benefit initially.

Security: growth increasingly driven by newer categories. CCTV still represents close to half of Security revenues, with access control accounting for roughly 30% and alarms for the remaining ~20%. Within CCTV, Wi-Fi and IP cameras continue gaining relevance, helped by increasing AI functionality both at the edge and in the cloud. Access-control solutions, including facial recognition, turnstiles and solutions for companies and condominiums, are also growing quickly and still have room to increase penetration.

Software is becoming a larger part of the security proposition. As Intelbras expands beyond hardware into software-based security management, it can offer a broader service proposition to customers and deepen integration across its portfolio. More mature categories such as intrusion alarms, analog cameras and DVRs should continue to grow mainly through replacement cycles.

ICT: underlying business remains healthy despite the GPON exit. GPON represented a low-20s percentage of ICT revenues around 3Q25 and still contributed during 1H26. Management expects the business to be essentially phased out by year-end or early 2027. Consequently, 2H26 ICT revenues should be below 1H26, although the underlying portfolio continues to perform well. Our read from the discussion is that ICT could still finish the year with stronger underlying growth than Security once the GPON distortion is considered.

Energy has meaningful overlap with the Security customer base. UPS continues to grow above double digits and management expects this trajectory to continue. Lower-power UPS products are naturally adjacent to Security, with significant exposure to residential and condominium customers, while medium-and high-power products address corporate and utility applications.

Macro sensitivity remains relatively limited in the core portfolio. Management does not see the current macro environment as a major headwind for most of the business. Intelbras has been able to pass FX-driven cost increases to the market with limited demand impact, while Security demand remains structurally supported. The main area of greater sensitivity is large projects, where customers can postpone investments. The core SMB business has historically been considerably more resilient.

Source: XP Research.

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TMT

Intelbras (INTB3, cont.)

Input-cost pressure is broader than memory. The issue is not only higher memory prices, but also availability. Printed circuit boards, gold, copper and freight costs have also risen. Intelbras is therefore managing inventory not only to protect costs but, importantly, to guarantee product availability.

Distribution remains an important competitive moat. Intelbras works with roughly 120 distributors, with no single distributor accounting for more than ~4% of revenues. Management believes distributors could theoretically carry Chinese competitors but highlights Intelbras' after-sales service, technical support, warranty and broad integrated portfolio as important differentiators. Share of wallet within its distributors is already high, reinforcing the strength of the channel.

Hikvision: price gap has normalized materially. Hikvision periodically becomes more aggressive on pricing and did so during 2023-24 even while the BRL was depreciating, leading the gap versus Intelbras to reach around 25-30% in some products. In 2025, however, Hikvision raised prices despite the stronger BRL, allowing Intelbras to recover part of the gap and rebuild margins. Today, the price difference varies by product, generally around 5-15%, and management believes a sustainable gap should not be materially above ~10%.

International expansion remains gradual. Brazil remains by far the core market. Intelbras currently exports to around 18 countries and international revenues still represent only approximately 3% of consolidated net revenues. Colombia is the main priority, where Intelbras owns 55% of a distributor, with Uruguay and Argentina also among the focus markets.

Underlying growth remains stronger than headline numbers suggest. Excluding GPON and solar, management indicated that Intelbras would have grown around double digits in 1H26. This reinforces the view that the company continues to have meaningful growth avenues across Security, ICT and Energy even as some legacy or lower-return businesses are reduced.

ROIC remains a key priority. Management sees ROIC operating around or above the 20% level, although the longer-term ambition remains higher: with ~25%+ viewed as a more desirable level.

Logistics and climate remain manageable. El Niño is already affecting river levels, but management does not currently expect an impact as severe as in previous episodes. Manaus logistics may again require barge transportation similar to 2024, while no material freight disruption has yet emerged in the South.

Capital allocation could become another catalyst. Discussions around both dividends and potential share buybacks are becoming more mature, suggesting increased attention to capital returns as operating cash generation and ROIC improve.

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TMT

Intelbras (INTB3, cont.)

Our take. We see Intelbras' message as constructive. The key point is that the underlying business appears healthier than headline growth may suggest, particularly once the GPON and solar headwinds are stripped out. Security continues to benefit from attractive structural categories such as connected cameras and access control, while Energy is maintaining double-digit growth and ICT still has good underlying momentum. The main short-term caveat is margins: the favorable mix effect from the GPON exit should initially be offset by higher component and input costs, making the expected 2H26 margin normalization more gradual. Overall, however, the meeting reinforces our view of continued operational improvement into the second half, with potential additional upside over time from higher ROIC and capital returns.

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TMT

TOTVS (TOTS3)

Core demand remains healthy, with Brazil still structurally underpenetrated. Management reinforced that the Brazilian enterprise-software market remains significantly less mature than developed markets, leaving substantial room for growth even in relatively basic digitalization. Demand for core ERP remains healthy, while companies continue migrating processes from spreadsheets and legacy systems toward more complete software platforms.

Cross-sell is becoming increasingly important. Backoffice solutions remains the core anchor of the portfolio, but growth opportunities increasingly extend into Cloud, HR and vertical solutions. This reinforces the idea that TOTVS' addressable market is becoming much broader than traditional ERP alone, as the company expands across back-office, front-office, infrastructure and financial solutions.

Vertical solutions continue to add another layer of growth. Products such as Winthor and Consinco continue to perform well despite a softer retail backdrop, reinforcing the value of industry-specific solutions alongside the core ERP portfolio. More broadly, management continues to see modest share gains in a market that itself remains structurally expanding.

AI is already supporting growth rather than disrupting the core business. AI-enabled solutions represented 28% of net ARR additions in 2Q26, up from 22% in 4Q25, while Management recurring revenues continued to deliver double-digit organic growth. We see this as an important early indication that AI is so far helping expand demand within TOTVS' ecosystem rather than cannibalizing the core ERP business.

LYNN moves the discussion from copilots toward business-process automation. TOTVS is developing a portfolio of agents integrated into its enterprise systems, with the broader objective of automating

increasingly complex corporate workflows. Rather than simply adding a generic assistant on top of the ERP, the strategy is to embed AI directly into business processes.

The monetization framework should focus on tasks and outcomes, not tokens. The rationale is to provide customers with greater predictability while allowing TOTVS to optimize which underlying AI models are used for each task. Model agnosticism can therefore become economically relevant, as TOTVS can select different engines according to performance and cost without changing the customer experience.

Adoption should be more gradual than the disruption narrative implies. Management sees relatively rapid adoption of peripheral AI tools such as copilots but believes the much larger productivity opportunity requires customers to redesign processes and workflows. That is a considerably more complex decision, normally requiring clear ROI, changes in organizational processes and confidence around governance.

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TMT

TOTVS (TOTS3, cont.)

ERP positioning can become even more valuable in an agentic world. As AI moves deeper into business processes, structured corporate data, workflows, permissions and governance become increasingly relevant. In our view, TOTVS' position inside customers' mission-critical systems may therefore become an advantage in orchestrating enterprise agents rather than a source of disintermediation.

Our take. The meeting reinforced our view that AI currently looks more like an accelerator of TOTVS' competitive advantages than a threat to the ERP model. The core business continues to benefit from an underpenetrated Brazilian software market and substantial cross-sell opportunities, while LYNN creates an additional potential monetization layer on top of the installed base. The key uncertainty is not whether AI can generate value, but how quickly corporate customers will redesign processes and move from experimentation toward scaled adoption. A more gradual adoption curve should reduce near-term disruption risk while giving TOTVS time to build the product ecosystem around its existing customer relationships.

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TMT

Senior Sistemas

Strong growth remains the central message. Senior continues to target a combination of organic and inorganic growth while preserving high profitability. Management highlighted organic growth currently running closer to 18%, with revenues growing around 23% in the latest quarter and EBITDA margins remaining within the company's historical high-20s range.

Installed-base monetization remains a major growth engine. Around 65-75% of new MRR currently comes from the existing customer base, versus roughly 30-35% from new customers. Within the installed base, upselling remains substantially more relevant than cross-selling, as customers progressively add modules, users and more sophisticated functionality.

Churn remains low and NRR strong. Annual revenue churn runs at roughly 5-6%, while dollar retention was cited at approximately 117%, providing significant room to expand revenues within the installed base.

There is still considerable room for share gains. Management believes the ERP/HCM market remains considerably more fragmented than headline market-share data suggests. Historically, most of Senior's new-logo wins have come from smaller/local solutions rather than directly from the largest competitors.

AI is viewed primarily as an opportunity to expand the market. Senior's thesis is that AI changes how customers interact with ERP systems but does not eliminate the need for the underlying software, data structure, permissions and business logic. The company believes its earlier investments in microservices and data infrastructure place it in a relatively favorable position.

Monetization is moving beyond simple copilots. Initial AI features and agents have generated relatively limited incremental revenues, but Senior sees greater monetization potential in AI products that automate entire workflows. One such product already generates close to R$ 17 million of ARR.

AI productivity is currently being reinvested into growth. Management believes internal AI efficiencies could already support meaningful margin expansion but is choosing to reinvest these gains to accelerate the product roadmap rather than maximize near-term profitability.

Our take. Senior's message was strong and provides an interesting read-through for Brazilian software. The combination of high organic growth, low churn and substantial installed-base monetization reinforces that ERP growth does not depend exclusively on new-logo wins. More importantly, the AI discussion was constructive for the broader sector: rather than disintermediating the ERP, Senior sees AI creating a new interface and additional products on top of the core system. The key caveat is that monetization is still relatively early and architectural readiness varies across the portfolio.

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TMT

Bemobi (BMOB3)

The growth runway within existing accounts looks substantial. One of the strongest messages from the meeting was that Bemobi's upside does not depend primarily on adding new customers. Even within existing large accounts, current payment penetration remains relatively low, creating meaningful room for additional monetization.

Utilities remain the clearest example: the TPV pools connected to Bemobi's customers are very large, while the company still monetizes only a fraction of the payment flows that could potentially migrate to its solutions.

Sanitation is becoming another relevant growth vertical. Bemobi is replicating its Utilities playbook into sanitation, where the characteristics of recurring billing, collection and payment flows are highly similar. Management appears particularly encouraged by the potential of the vertical and is increasingly positioned alongside sector consolidators.

Higher education is moving relatively quickly. Education appears to be developing faster than some of Bemobi's other newer verticals, supported by consolidation among larger operators and the ability to replicate standardized payment solutions across multiple institutions. Recently added large accounts reinforce this momentum, while monetization within existing education customers still has significant room to increase.

Healthcare may represent an even more attractive opportunity. High recurrence, meaningful installment penetration and large addressable payment volumes can support attractive monetization relative to TPV. Experience with existing healthcare clients has also reinforced management's confidence in the vertical's unit economics.

The addressable healthcare market may be broader than initially expected. Bemobi initially viewed parts of the corporate health-insurance market as difficult to address, but early experience suggests smaller corporate groups may also fit the platform. If confirmed over time, this could significantly expand the opportunity beyond individual health plans.

Paytime broadens the opportunity into large payment ecosystems. Following the acquisition, Bemobi is increasingly trying to bring its broader suite of payment solutions into larger ecosystems and marketplaces. The strategy is consistent with the company's transformation from a legacy digital-services business into a payments and SaaS platform.

Enterprise sales are slower, but the economics can be attractive. The main growth constraint is not capital, but execution. Large enterprise sales involve long cycles and coordination across treasury, revenue/commercial teams and IT, frequently requiring senior-management sponsorship.

The trade-off is scalability: servicing a substantially larger customer does not require a proportional increase in resources. Bemobi has therefore strengthened its commercial organization with more specialized hunters and farmers to address more sophisticated enterprise accounts.

Payments remain the main organic growth engine. Bemobi increasingly combines a mature legacy business growing at a low-single-digit pace with Payments growing at a much faster rate. The continued mix shift should support both stronger consolidated growth and improving earnings quality over time.

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TMT

Bemobi (BMOB3, cont.)

Capex remains primarily focused on platform development. Most capex reflects capitalized development expenses directed toward maintaining product competitiveness, allowing the platform to scale with larger clients and investing in future growth opportunities. Importantly, EBITDA less capex has continued to accelerate, supporting the quality of cash generation.

A relatively defensive value proposition. Management sees the business as relatively resilient to a softer macro environment and potentially even more relevant during periods of stress. Solutions that improve collection efficiency, increase conversion and reduce delinquency tend to become more valuable when customers and consumers face tighter financial conditions.

Our take. The meeting reinforced one of the most attractive aspects of the Bemobi story: the potential TAM within the existing client and vertical base appears substantially larger than current revenues imply. The main bottleneck seems to be the pace of enterprise sales and implementation rather than capital or addressable market. As Bemobi replicates the Utilities playbook across Sanitation, Education and Healthcare, while Paytime expands the opportunity into larger payment ecosystems, we see significant room for sustained growth without relying on aggressive new-logo acquisition.

Bottom Line

Overall, the meetings left us with a mixed-to-constructive view across TMT. In Telecom, competition remains intense and should stay at the center of the debate, although recent moves around prepaid monetization provide some encouraging signals that industry behavior could become more rational over time. Vivo appears relatively better positioned, while TIM remains more exposed to the evolution of competitive dynamics.

For Intelbras, the tone was constructive, with the underlying business presenting healthier trends than the headline growth may suggest. In software, Senior and TOTVS reinforced a more constructive message, with AI increasingly looking like an additional automation and monetization layer rather than an immediate threat to core ERP systems. Bemobi also remains structurally interesting given the monetization runway within existing clients and newer verticals.

XP CEO Conference 2026

Utilities

by Raul Cavendish, Bruno Vidal, Ana Clara Ribeiro

Equatorial (EQTL3): Copasa takes center stage on efficiency focus, while DisCos turnaround continues

Equatorial reiterated that consolidated PMSO is growing below inflation per consumer on a consolidated basis, although the trajectory remains company-specific and largely driven by the timing of tariff reviews. On quality, CEEE remains the key challenge given weather exposure and its potential implications in meeting DEC/FEC standards. The capex pace continues to be elevated (~4x QRR) despite a slight QoQ decline on a consolidated level, driven by turnarounds, network redundancy, quality and volume growth. Quality-related investments now account for ~15-20% of total capex, with returns captured through lower compensation payments and future tariff recognition. Importantly, the company remains active on the regulatory agenda: management flagged potential upside from delinquency methodology (~R$340mn potential incremental recognition), the advance of the X Factor public hearing, while EQTL and other DisCos are pushing for a broader revision of the regulatory WACC methodology in 2027. On sanitation, Equatorial is now focused on Copasa's operations and its potential low hanging fruits to unlock additional value going forward. The initial measures include a review of the leadership structure and the addition of new executives with expertise needed to support the upcoming universalization and operational efficiency agenda. EQTL believes that capex execution at Copasa should be less complex than at Sabesp, given the longer timeframe to deliver its universalization targets. Meanwhile, with Copasa's historical payout ratio in the 50-60% range, EQTL sees room for higher dividend distributions from 2027 onward, which could also support EQTL's holding deleveraging trajectory.

Energisa (ENGI11): Distribution returns in the LT should remain well-defended and ST leverage is no longer a concern

Energisa highlighted its continued progress on the quality front (~80% of distribution subsets meeting DEC/FEC by 2026, and potentially 85% by 2027), while remote and low-density areas (EMT, EMS, ERO, ETO) remain structurally harder under the current ANEEL methodology. The regulatory agenda remains an important potential catalyst. Energisa is pushing for an updated price bank ahead of the 2028 reviews, although the bulk of the EMT/EMS investment cycle remains exposed to the current outdated database. On X Factor, management sees room for further improvements, with one of the points that could potentially change being the replacement of the median towards a weighted average benchmark (including GD1/GD2 discontinuity), while pushing to include the regulatory WACC discussion into the regulatory agenda in 2027. Still in the X Factor public hearing, ANEEL could eventually consider the annual capex declaration made by DisCos and making ex-post adjustments once the RAB is validated at the review. ENGI still believes this to be less likely but the topic should be one of the many contributions made by DisCos. Gas distribution keeps scaling, as the company benefits from synergies using its DisCos' regulatory know-how, with no asset disposals planned.

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Utilities

Copel (CPLE3): A steady path ahead, with good yields and growth

Copel reinforced that its recently revised capital structure (leverage band to 2.6x-3.2x from 2.1x-3.1x) comes in a context of LRCAP auction's higher upfront CAPEX requirements and a more challenging macro backdrop. The fact that the convergence period was also extended to up to 48 months from 24 months provided greater flexibility to balance dividends and growth. On capital allocation, Copel remains selective: in generation, it sees ~4GW of potential flexibility capacity, including reversible hydro and additional turbines that could be auctioned in future capacity auctions, but stressed that reversible projects still require a clearer regulatory framework for remuneration. In transmission, the focus is on M&A rather than low-return auctions, while distribution opportunities could arise. Trading remains a key lever, with ~80% of 2026 contracted and the remaining 20% kept as a GSF buffer, with 2027 long position being progressively reduced at a premium as liquidity improves, though El Niño risk isn't yet fully priced in. The company continues to use a combination of deterministic and stochastic models to set contracting strategies, incorporating variables such as LRCAP and future battery auctions. Copel also highlighted the potential strategic value of Elejor, where it currently owns 70%, with the possibility of acquiring the remaining 30% if economically attractive. On DisCos, regulatory impact from the new X Factor methodology is expected to be neutral for the company, while other agendas might be an upside.

TAESA (TAEE11): Concession uncertainty remains the key overhang, while M&A broadens the growth runway

Taesa continues to favor concession renewals, although management currently sees re-auction as the more likely outcome based on regulatory signals to date. With ~R$3.6bn of non-depreciated assets at concession expiry, the main uncertainty remains the timing and form of compensation. At the same time, re-auction could create opportunities for bilateral asset exchanges across the industry, allowing operators to reshape their portfolios. Beyond greenfield auctions, Taesa is expanding its growth strategy through secondary-market M&A and reinforcements. The five Energisa assets acquired in May are already being integrated and should generate operational synergies, although the transaction raised leverage to ~4.2x, limiting further M&A until it falls below 4x, expected by year-end 2027. Reinforcements should contribute ~R$200mn of annual CAPEX, while BESS remains under evaluation pending greater clarity on the business model. Operationally, Juruá remains on track for Jan'28, while recent project deliveries reinforce Taesa's execution capabilities. The company is also investing in climate resilience and sees potential efficiencies from tax reform and corporate simplification. Overall, concession outcomes and the timing of indemnification remain the main valuation swing factors, while M&A and reinforcements broaden the company's growth runway.

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Utilities

Cemig (CMIG4): 2028 marks the earnings inflection point, with stronger margins and cash generation ahead

Cemig expects a meaningful improvement in earnings from 2028 onward, with management estimating to grow EBITDA ~50% above current levels, driven by the distribution tariff review, that should bring substantial increase in CMIG's net RAB and, at the G&T the expiration of expensive legacy power purchase contracts will also be a booster to results. Trading margins should remain under pressure through 2026-27 as the company works through its existing portfolio, but management sees 2028 as a clear step-up in profitability. The DisCo delivered stronger-than-expected gross margins in the quarter, and the management sees the current level as recurring going forward, although there was little clarity as to why they believe that. Opex growth should remain moderate through the calendar year with Opex pressures decelerating in the 2nd half of the year.

Cemig continues to work through a number of balance-sheet and regulatory items. The company has ~R$1bn of indemnifiable assets already recognized on its balance sheet, while its ~R$2bn GSF-related credit remains an important potential source of value, although the resolution is now more of a 2027+ agenda item.

Leverage is expected to peak at ~2.8-2.9x net debt/EBITDA in 2027, reflecting higher interest rates and the need to preserve financial flexibility for potential capital commitments, before falling below 2.5x from 2028 onward. This should reopen meaningful M&A capacity from 2028, while a 50% payout will remain until at least the end of the contractual covenant that finishes in 2029. Any corporate changes in Cemig relies heavily on the outcomes of this year's election, although the privatization of Gasmig should advance regardless of such outcomes. Meanwhile, Belo Monte's operational turnaround is progressing, with the asset expected to generate its first profit in 2027.

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Utilities

Light (LIGT3): Regulatory events will determine the outcome of Light's equity story

Light is nearing the end of its restructuring process, with the capital increase completed, paving the way for an exit from judicial recovery. The company should emerge with ~R$5bn of net debt on longer-dated, lower-cost terms and leverage falling below 2x EBITDA once the conversion is completed. The key near-term catalysts are the public hearing that will discuss non-technical losses and delinquency (hearing is expected to open in September) and the Mar'27 distribution tariff review, where management sees a significant opportunity to rebuild regulatory earnings.

The potential earnings uplift is substantial: the current ~R$1.2-1.3bn EBITDA could reach ~R$2.0-2.5bn after the tariff review, driven by multiple regulatory levers. Applying the current loss methodology alone could halve the ~R$1bn losses, implying roughly R$500mn of incremental EBITDA, while updated delinquency data could add ~R$100-250mn, with a further R$200-250mn potentially emerging if 100% of the high-risk areas are passed-through to tariffs. The company believes the methodology should dynamically capture changes in risk areas rather than rely on a static snapshot; management believes its long-standing monitoring infrastructure puts it in a strong position.

GenCo represents an additional strategic catalyst. Its HPPs will expire in 2028, with management expecting renewal without an auction through a ministerial decree currently under development. Even under a conservative no-renewal scenario, Light estimates ~R$1.3bn of indemnifiable value, while a successful renewal would create significant optionality given the asset's strategic importance and potential for repowering. Management is also evaluating ways to optimize its ~R$1.0-1.25bn of dollar-denominated debt, including swaps, prepayment or a tender financed with new debt, particularly given the debt currently trading below par. Finally, judicial contingencies continue to decline, with several major cases already resolved favorably. Overall, the meeting reinforced Light as restructuring and regulatory turnaround story, with balance-sheet normalization providing the foundation for a potentially material EBITDA step-up in 2027.

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Utilities

Aegea (Not Covered): Deleveraging and simplification remains the priority

Aegea has been actively preparing its balance sheet for a potential IPO, with the restatement of 2024 financial statements leading to a rating downgrade and triggering a more aggressive deleveraging plan. The company received two equity injections this year (R$2bn approved in Dec'25 and another R$2.1bn following the financial restatement) bringing current leverage to ~3.6x. Management sees no risk of covenant breach and believes the holding company has sufficient liquidity to execute the deleveraging plan without additional fundraising. The main source of deleveraging should come from the subsidiaries, particularly Corsan as sewage coverage ramps up, while OPEX optimization and selective CAPEX deferrals should provide additional support. Headcount reductions are still underway, potentially resulting in one-off severance costs in 3Q26. Despite these initiatives, Aegea remains in a cash-burning phase and expects to reach cash-flow breakeven only around 2029.

Corsan is the main capital allocation priority, although execution is constrained by the number of simultaneous works that can be carried out without materially disrupting the population. Aegea expects roughly R$700mn of additional equity injections across Rio de Janeiro and newer concessions in the South and Northeast, including Pará, Piauí, Ceará and Palhoça. The company is also pursuing verticalization of key inputs, particularly pipes and hydrochloride, including technology brought from China, as a way to secure supply and improve CAPEX execution. In energy, the company has largely migrated consumption to self-generation, while personnel remains the largest OPEX line; Aegea is increasingly deploying AI to reduce field headcount and optimize meter-reading routes.

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Utilities

Orizon (ORVR3): Capital allocation as the focus point: growth and dividends could walk hand in hand

Orizon emphasized a disciplined approach to capital allocation, with dividends ultimately dependent on leverage and minimum cash requirements. While the debate around a formal dividend policy has been a hot topic, management is still studying the best way to proceed, but has emphasized that running in a suboptimal capital structure won't happen and therefore we should see robust dividends/buybacks if relevant allocation opportunities don't emerge. On M&A, the pipeline remains active, with 3-4mn tons of landfills with active M&A discussions. Assuming recent transaction multiples this should imply to a potential R$1bn in potential opportunities. Additionally, there are also discussions with minorities in certain Vital assets that could also develop in the coming months. On the Biomethane front, the company is observing urban mobility as a potentially new relevant demand vector that could allow for new projects to be announced in the Southeast and Northeast. Lastly, the regulated CBIO market could provide an additional demand catalyst as the mandatory blending requirement begins to take effect.

Operationally, Paulínia continues to ramp up, and management expects year-end production of ~150k m^3/d. Lessons from the first plants have led to changes in licensing, contractual grace periods and operating procedures, including the intention to reduce ANP delivery grace periods from six to roughly three months for new projects. Macaúbas is the next plant, expected to be ready in November. Carbon credits represent another increasingly relevant source of optionality. Orizon currently has ~4mn registered credits, potentially rising to 6-7mn across the full portfolio, with voluntary-market prices stabilizing around US$6-7/t. Additional upside could come from qualifying credits in regulated international markets, while the Vital asset could add another 2-3mn credits to the portfolio. Overall, the meeting reinforced Orizon's positioning as a high marginal return growth story that could combines yields to the thesis in the medium term.

Axia (AXIA3): Transmission increasingly underpins the long-term thesis, while power pricing remains positively skewed in the LT but weather-driven in the ST

Axia highlighted improving liquidity in the forward power market, with 2027 prices already moving as participants increasingly incorporate different hydrological scenarios. Management sees a broad range of prices, while stressing that the SE rainfall regime under El Niño remains the key uncertainty. More broadly, Axia sees increasing

system instability as intermittent capacity expands without a corresponding modernization of the grid, raising the risk of curtailment events.

Transmission remains a key source of potential re-rating, as the market currently appears to value only part of Axia's long-duration, lower-risk transmission earnings. Management targets ~R$10bn of reinforcement CAPEX by

the end of the decade, with execution capacity currently the main constraint. De-bottlenecking the supply chain for transmission will be a relevant driver for the capex pace to increase, combined with organizational improvements in sourcing and internal processes.

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Utilities

Auren (AURE3): Deleveraging expected to accelerate throughout 2027, with curtailment and trading as key swing factors

Auren expects 2027 to mark a clear inflection point in earnings and deleveraging, with leverage currently at ~5.3x

and expected to end 2026 close to 5x. From 2027 onward, EBITDA growth from contracted capacity, the ramp-up of Cajuína 3 and a sharp reduction in CAPEX should drive cash generation above R$1bn and accelerate deleveraging. The company remains focused on execution despite the challenging regulatory and macro backdrop, with limited room for material M&A over the next 12-24 months. The balance-sheet improvement should progressively increase Auren's capacity to take risk and pursue opportunities from 2028-29 onward.

Curtailment remains the most relevant regulatory swing factor. Auren currently carries ~R$1.9bn of liabilities related due to lower generation in regulated contracts that should be offset by ~R$300mn expected to be reimbursed by past curtailment events. The delay of the payment of this receivable tends to favor AURE as this

liability is only adjusted by inflation (the company expects the R$1.6bn net liability to start the payments by Aug'27 and 70-80% being amortized in the twelve months following). The treatment of post-Nov'25 restrictions remains pending, particularly regarding whether restrictions will qualify for reimbursement. On CP45, management prefers the approach that maintains allocation by generation source and supports a deeper analysis through a shadow

period, while viewing the removal of the proposed change that would classify all surplus-hour curtailment as energy-related as particularly important. This would prevent future curtailment from becoming predominantly classified as an energy constraint, which would be materially less favorable for the company.

Auren is also evaluating participation in the upcoming BESS auction, although returns and the final competitive

landscape will determine whether it proceeds. Management sees potential advantages from existing infrastructure, grid location, scale and available transformers, while the key uncertainty remains who ultimately bears the system costs, with a potential charge of R$13-18/MWh potentially weighing on renewable generators.

On trading, Auren remains broadly neutral for 2027, with prices close to R$300/MWh, but with a wide range

between dry and wet scenarios, while maintaining a long position for 2028. The company expects modulation gains to remain meaningful, although increasing BESS penetration should gradually compress intraday price spreads over the longer term. Overall, the meeting reinforced a 2027-led deleveraging story, with cash-flow normalization and curtailment reimbursements providing the main potential catalysts.

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Utilities

Engie (EGIE3): Hydro renewals, BESS and transmission remain the key capital allocation priorities

Engie remains supportive of extending hydro concessions, but stressed that the methodology for calculating the renewal economics remains the key issue. For Salto Santiago, management sees a strong case for renewal, while for other plants it is trying to avoid re-auction given the operational distortions it can create. In particular, the risk of underinvestment in maintenance ahead of concession expiry can compromise asset availability, followed by a post-expiry “dead-period” during which energy generation is effectively lost until a new operator takes over. With almost 13GW of hydro capacity expiring through 2032, EGIE sees this relevant capacity “coming to the market” as a relevant allocation opportunity.

On TAG, management remains strongly opposed to the proposed methodology, arguing that the approach has only been used once internationally and in a much smaller Australian pipeline. Engie believes the transporters have strong arguments in the regulatory debate. On BESS, management sees storage increasingly taking on characteristics similar to transmission assets, with reduced operational risk. Engie therefore questions the proposal to charge generators for BESS-related costs, as this could reduce the economic benefit of modulation and create misaligned incentives. The company believes BESS should potentially be incorporated into the transmission asset base and, given the fixed-revenue/low-implementation-risk characteristics, sees a lower required return than for conventional generation investments. Engie reinforced that is already one of the few global BESS operators with an established presence in Brazil and is prioritizing partnerships with local players ahead of the first auction, particularly given its local-content requirements. Management is not concerned by the headline ~300GW of registered projects, arguing that the number should fall sharply once financial guarantees are required; it estimates that only ~10GW could ultimately compete for 2-3GW of contracted capacity. Capital allocation remains focused on hydro, BESS and transmission, with selective interest in distressed wind brownfields. In trading, Engie remains disciplined, selling only P90 volumes and avoiding speculative positions.

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Utilities

Compass (PASS3): Gas distribution remains the cash engine, while EDGE comes as the growth lever

Compass reiterated its IPO targets, with the distribution business remaining the core cash-generation engine and significant room for organic growth as penetration is still low in its concessions. Operational efficiency remains a key differentiator, with shared engineering, procurement and market intelligence across the portfolio allowing Compass to reduce capex per connection while maintaining the same investment targets. EDGE remains the main growth vector, albeit with structurally lower returns than distribution. TRSP is currently delivering ~5.1mn m³/day, almost doubling volumes from 2024, while the number of free-market contracts has increased sharply. Management sees a potential ~R$500mn EBITDA contribution from LNG/LRCAP supply contracts. Compass believes the market will remain undersupplied in flexible-dispatch gas, potentially requiring additional LNG terminals. The longer-term optionality lies in LNG off-grid applications, particularly long-distance truck fleets. Compass estimates LNG can generate ~30% of savings versus diesel, making economics increasingly compelling, with truck availability now the key bottleneck rather than demand. The company has already signed its first contract covering 160 trucks by 2027, with a potential ramp-up to 2,000 trucks over 10 years, which would imply ~300mn m³/year of gas demand. Potentially lower gas prices due to new regulations to reduce market concentration and the increase in supply of low-cost molecules should stimulate demand and expand EDGE's commercialization opportunities without directly affecting distribution tariffs.

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