genial Equity Research

ALLOS

ALLOS (ALOS3) | 2Q26 Preview: Solid Fundamentals

Real Estate

Our Take:

We expect another operationally solid quarter from **ALLOS**, although net income comparisons should be distorted by non-recurring items in the comparison base. We forecast **net income of R$174.8 million** (-29.6% q/q; -13.2% y/y), largely reflecting the absence of the **R$88.6 million deferred tax credit booked** in 1Q26A. Adjusting for this effect, 1Q26A net income would fall to approximately R$159.6 million, implying ~9.5% q/q growth. On a yearly basis, the decline is also driven by a higher effective tax rate and a weaker financial result, without the positive swap effect recorded in 2Q25A.

Operationally, the quarter remains solid, with **Net Revenue of R$720.0 million** (+4.0% q/q; +7.3% y/y**), Adjusted EBITDA of R$515.4 million** (+2.6% q/q; +5.1% y/y) and **NOI of R$606.8 million** (+3.4% q/q; +2.1% y/y). FFO grows on both comparison bases, reinforcing that the distortion is tax-related rather than operational. Adjusted EBITDA margin should decline by 1.5 p.p. y/y, reflecting the continued expansion of Helloo, which operates at lower margins than the mall business. We continue to highlight the key pillars of our investment thesis: portfolio recycling, the **Kinea ALLOS Malls FII** initiative, and the ongoing simplification.

We reiterate our **BUY** rating and **R$ 38.00** target price.

Analysts

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Company

ALOS3 BZ Equity
Buy

Price: R$ 27.10 (21-Jul-2026)
Target Price 12M: R$ 38.00

Table 1. 2Q26 Preview: Genial Estimates

R$ Millions	2Q26E	2Q25A	1Q26A	% Y/Y	% Q/Q
Net Revenue	**720**	**671**	**692**	**7.3%**	**4.0%**
Adjusted EBITDA	**515**	**490**	**502**	**5.1%**	**2.6%**
EBITDA Margin	*71.6%*	*73.1%*	*72.5%*	*-1.5 p.p.*	*-1.0 p.p.*
Adjusted EBIT	**356**	**341**	**349**	**4.4%**	**1.9%**
EBIT Margin	*49.4%*	*50.8%*	*50.4%*	*-1.4 p.p.*	*-1.0 p.p.*
Net Income	**175**	**201**	**248**	**-13.2%**	**-29.6%**
Net Income Margin	*24.3%*	*30.0%*	*35.9%*	*-5.7 p.p.*	*-11.6 p.p.*
EPS	**0.35**	**0.40**	**0.49**	**-13.2%**	**-29.6%**
FFO	**318**	**305**	**299**	**4.4%**	**6.5%**
FFO Margin	*44.2%*	*45.4%*	*43.2%*	*-1.2 p.p.*	*1.0 p.p.*
FFOPS	**0.63**	**0.60**	**0.59**	**4.4%**	**6.5%**
NOI	**607**	**594**	**587**	**2.1%**	**3.4%**
NOI Margin	*91.3%*	*93.4%*	*91.2%*	*-2.1 p.p.*	*0.1 p.p.*

Source: ALLOS, Genial Investimentos

Key Assumptions Behind Our Estimates:

Rental Revenue:

We forecast **R$ 510.3 million** (+8.9% q/q; +5.0% y/y), reflecting solid leasing activity and the seasonally weaker first quarter.

Net Revenue:

We forecast **R$ 720.0 million** (+4.0% q/q; +7.3% y/y). Services revenue should continue to outperform the average (+7.5% q/q; +30.0% y/y), supported by the increasing contribution from Helloo and resilient demand across shopping malls. Parking revenue is expected to increase **10.8% q/q and 6.7% y/y**.

Costs and Gross Margin:

We project mall property costs of **R$ 42.2 million**, up 52.0% y/y, making it the fastest-growing expense line in our model. We also estimate bad debt provisions (PDD) of **R$ 15.6 million**, an increase of 10.8% y/y.

Combined, these items should represent 8.7% of gross shopping mall revenue (excluding Services), versus 6.6% in 2Q25A and broadly stable compared to 8.8% in 1Q26A. We estimate a **gross margin of 88.1%**, up 0.6 p.p. q/q but down 2.5 p.p. y/y.

SG&A and Other Operating Expenses:

We estimate SG&A expenses of **R$ 100.2 million** (+8.9% q/q; -2.9% y/y), consistent with ALLOS' ongoing simplification efforts, which had already reduced SG&A by 14.0% y/y in 1Q26A.

We expect **other operating income/expenses** to total **R$ 6.3 million**, significantly below the **R$ 46.7 million** reported in 1Q26A.

EBITDA:

On an adjusted basis, we forecast **EBITDA of R$ 515.4 million** (+2.6% q/q; +5.1% y/y), corresponding to a **71.6% margin**.

The unadjusted figures **(EBITDA of R$ 531.6 million)** remain exposed to volatility from the other operating income/expense line, and we therefore recommend using the adjusted EBITDA figure as the primary reference.

NOI:

We estimate **NOI of R$ 606.8 million** (+3.4% q/q; +2.1% y/y), with a **91.3% margin** (+0.1 p.p. q/q; -2.1 p.p. y/y).

This compares with 93.4% in 2Q25A and reflects higher property costs. We expect gradual margin normalization as Shopping Tijuca continues to recover.

Financial Result:

We project a **net financial expense of R$143.2 million**, representing an improvement of 21.8% q/q but a deterioration of 47.5% y/y, entirely due to swap effects.

Excluding swaps, the quarterly comparison would be broadly stable, while the annual comparison would still deteriorate due to the absence of gains recorded in 2Q25A.

We also highlight the **9th debenture issuance completed in March**, which is expected to increase financial expenses going forward, with only a limited offset from higher financial income.

Income Taxes:

We estimate **an effective tax rate of 23.6% in 2Q26E**, compared with 14.7% in 1Q26A and 10.5% in 2Q25A.

The key reason is the R$88.6 million deferred tax credit recorded in 1Q26A, which exceeded current income tax expenses (R$56.8 million) and will not recur in 2Q26E. We forecast current income tax expenses of approximately R$54.0 million in the quarter.

Net Income:

We forecast net income of **R$ 174.8 million** (-29.6% q/q; -13.2% y/y).

In our view, the headline comparison unfairly penalizes the company for an effect concentrated in the comparison base, not in the current quarter's performance.

FFO:

We estimate **FFO of R$318.1 million** (+6.5% q/q; +4.4% y/y), with a **44.2%** margin (+1.0 p.p. q/q; -1.2 p.p. y/y, compared with a -5.7 p.p. decline in net margin).

In our view, FFO best captures the quarter's performance: it grows on both comparison bases while net income declines, reinforcing that the distortion is accounting and tax-related rather than indicative of weaker cash generation.

Non-Recurring vs. Recurring Effects:

The **R$ 88.6 million deferred tax credit** recorded in 1Q26A was a one-off event and is therefore not included in our 2Q26E estimates.

Meanwhile, swap-related gains and losses have been volatile over the past three quarters due to changes in interest rates, and we assume a neutral impact in 2Q26E.

Operating Indicators:

We expect continued operational recovery following the Shopping Tijuca incident.

We also highlight the MOU signed with **Kinea** regarding the **Kinea ALLOS Malls Real Estate Fund**, a transaction estimated between **R$ 790.0 million and R$1.97 billion**, comprising up to seven assets, with ALLOS remaining an investor in the vehicle.

Both initiatives unlock capital without diluting shareholders, reinforcing the disciplined capital allocation framework that underpins our **Buy thesis**.

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under Review	Under review	**5%**

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