genial Equity Research

Cury

(CURY3) | 2Q26 Preview: The Operating Preview Undersold the Quarter

Real Estate

Our Take:

The market read the operating preview as weak and the shares fell around 7% the following day. While we understand the reaction, breaking the numbers down reveals positives. Sales of launched units were flat at R$ 1,258mn (+1.1% y/y), against launched PSV of R$ 2,256.9mn, also essentially flat, **with the entire decline sitting in inventory, which fell 22.6%**. Demand for new product held up; what slowed was the absorption of what was already on the shelf. The quarter also caught the transition to the new MCMV terms, which Caixa began operating in April. We do not see price as the explanation for the slowdown, given that the average selling price rose 6.9% y/y against a 12-month INCC-M of 6.71%.

The company produced 5,737 units in the quarter, a record and up 41.8% y/y, and it is construction progress that drives revenue. We forecast **net revenue of R$ 1,674mn (+24.3% y/y)** and **net income of R$ 319mn (+34.8% y/y)**, both new records. Earnings grow well ahead of revenue because operating expenses rise only 11.6% y/y, against 24.3% for revenue. We believe the quarter should come in materially better than the preview suggested.

We reiterate our **Buy** rating, with a target price of **R$ 48.00**.

Analysts

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Company

CURY3 BZ Equity
Buy

Price: R$ 31.69 (Aug-10-2026)
Target Price 12M: R$ 48.00

Table 1. 2Q26 Preview: Genial Estimates

R$ Millions	2Q26E	2Q25A	1Q26A	% Y/Y	% Q/Q
Net Revenue	**1,674**	**1,347**	**1,613**	**24.3%**	**3.8%**
Adjusted Gross Profit	**658**	**534**	**631**	**23.2%**	**4.3%**
Adjusted Gross Margin	*39.3%*	*39.8%*	*39.3%*	*-0.5 p.p.*	*0.0 p.p.*
Adjusted EBITDA	**427**	**326**	**416**	**30.9%**	**2.8%**
EBITDA Margin	*25.5%*	*24.2%*	*25.8%*	*1.3 p.p.*	*-0.3 p.p.*
Adjusted EBIT	**419**	**318**	**407**	**31.8%**	**2.8%**
EBIT Margin	*25.0%*	*23.6%*	*25.3%*	*1.4 p.p.*	*-0.3 p.p.*
Net Income	**319**	**237**	**303**	**34.9%**	**5.4%**
Net Income Margin	*19.1%*	*17.6%*	*18.8%*	*1.5 p.p.*	*0.3 p.p.*
EPS	**1.04**	**0.81**	**0.98**	**27.9%**	**5.4%**

Source: Cury, Genial Investimentos

Adjusted Gross Margin:

39.3% (flat q/q; -0.5 p.p. y/y). The 1.3 p.p. decline seen in 1Q26 came from a more conservative provision for construction cost inflation, and INCC-M has been decelerating consistently, from 6.82% in May to 6.71% in June and 6.40% in July. The backlog margin, at 42.9%, supports the recognized level.

Adjusted EBITDA:

R$ 427mn, a 25.5% margin (-0.3 p.p. q/q; +1.3 p.p. y/y). We forecast selling expenses of R$ 117mn, equivalent to 5.3% of gross sales, above the 5.0% of 2Q25. General and administrative expenses total R$ 82mn.

Financial Result:

R$ 10mn negative, stable against the R$ 11mn of 1Q26, with the company maintaining a net cash position.

Net Income:

R$ 319mn, a 19.1% net margin (+1.5 p.p. y/y). The 34.8% y/y advance outpaces the 24.3% revenue growth. Worth noting is the minority interest line, which we forecast at 11.6% of pre-attribution earnings. 1Q26 came in at 13.8% and Cury's share of net sales fell to 83.7% in 6M26, from 89.9% in 6M25, so we see risk of this line coming in above our forecast.

Looking Ahead 2Q26:

The relevant question for the second half is whether the company rebuilds sales velocity in inventory, now that the new MCMV terms apply for a full quarter. Meanwhile, execution remains solid: **cash generation of R$ 144.9mn, the twenty-ninth consecutive quarter in positive territory**, achieved alongside a landbank that grew 23.6% y/y and reached a record R$ 26.1bn.

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under Review	Under review	**5%**

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