Cury

(CURY3) | 2Q26 Review: Margin Delivers, Expenses Take It Away

Real Estate

Our Take:

We see the **quarter as a challenging one for Cury**, with net VSO (net sales over supply) at **40.5%** (-4.6 p.p. QoQ; -7.0 p.p. YoY). The slowdown was not news, since the operating preview had already been released and the stock fell around 7% in the following session. **What the release added was the financial line, and it delivered above the gross line rather than below it.**

Net revenue came in essentially on top of our estimate at R$ 1,690.6mn (+1.0% vs. Genial; +25.5% YoY; +4.8% QoQ), an all-time high, and the **adjusted gross margin did not give way, stable at 39.8% even with the slowdown in sales**. From gross profit down, nothing delivered: **adjusted EBITDA came in at R$ 392.3mn** (-8.1% vs. Genial; +20.2% YoY; -5.6% QoQ) **and net income %Cury at R$ 270.5mn** (-15.2% vs. Genial; +14.3% YoY; -10.7% QoQ).

Two lines explain virtually the entire deviation. **Selling expenses overshot our projection by close to R$ 50mn, and we erred in the opposite direction to the quarter, because we projected the line down expecting weaker sales when it in fact tracked repasse** (the transfer of the mortgage to the bank); the financial result came in at more than twice our projection. Management highlighted repasse as central to the strong cash generation in the quarter.

Early reads on 3Q26 are constructive, with **Saudosa Praça Onze more than 80% sold in a little over a month and Cidade Parque Guarapiranga with 40% of units sold, which supports the reading that demand for new product held up**.

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$ 31.50 (Aug-11-2026)
Target Price 12M: R$ 48.00

What Explained the Difference:

Adjusted EBITDA:

Margin of **23.2%** (-1.0 p.p. YoY; -2.6 p.p. QoQ) against the 25.5% we projected, and the **R$ 34.7mn deviation is essentially selling expenses**. The line came in at R$ 166.8mn against the R$ 117.0mn we projected, comfortably consuming the R$ 15.7mn by which gross profit beat. **We projected the expense down precisely because we expected weaker sales, and the opposite happened: net sales fell 11.2% QoQ while selling expenses rose 40.1%,** with expense per unit sold moving from R$ 15.3k to R$ 24.9k. What the line tracked was repasse, up **50.4% QoQ**, which supported cash generation in the quarter.

Table 1. Our Estimates vs. Cury

R$ Millions	2Q26E	2Q26A	2Q25A	1Q26A	vs. Est	YoY	QoQ
Net Revenue	**1,674**	**1,691**	**1,347**	**1,613**	**1.0%**	**25.5%**	**4.8%**
Adjusted Gross Profit	**658**	**674**	**536**	**634**	**2.4%**	**25.6%**	**6.3%**
Adjusted Gross Margin	*39.3%*	*39.8%*	*39.8%*	*39.3%*	*0.5 p.p.*	*0.0 p.p.*	*0.5 p.p.*
Adjusted EBITDA	**427**	**392**	**326**	**416**	**-8.1%**	**20.2%**	**-5.6%**
Adjusted EBITDA Margin	*25.5%*	*23.2%*	*24.2%*	*25.8%*	*-2.3 p.p.*	*-1.0 p.p.*	*-2.6 p.p.*
Adjusted EBIT	**419**	**384**	**318**	**407**	**-8.4%**	**20.8%**	**-5.8%**
Adjusted EBIT Margin	*25.0%*	*22.7%*	*23.6%*	*25.3%*	*-2.3 p.p.*	*-0.9 p.p.*	*-2.6 p.p.*
Net Income %Cury	**319**	**271**	**237**	**303**	**-15.2%**	**14.3%**	**-10.7%**
Net Income Margin	*19.1%*	*16.0%*	*17.6%*	*18.8%*	*-3.1 p.p.*	*-1.6 p.p.*	*-2.8 p.p.*
EPS	**1.04**	**0.88**	**0.81**	**0.98**	**-15.2%**	**8.2%**	**-10.7%**

Source: Cury, Genial Investimentos

In 1H26, however, **total operating expenses ran at 15.6% of revenue against 16.2% in 1H25** and the **adjusted EBITDA margin expanded 0.5 p.p., to 24.5%**. 1Q26, with selling expenses at 7.4% of revenue, was the outlier quarter in the series, and it was the one we anchored on. On G&A we were right, with **R$ 78.4mn against R$ 82.0mn projected and 0.2 p.p. of dilution YoY**.

Net Income:

Two smaller lines complete the deviation. The **effective tax rate rose to 11.8% against 10.5% in 2Q25**. On minorities, we were monitoring the right variable: we flagged in the preview the risk of the line coming in above the 11.6% we projected, and the share came in at 13.1%, costing R$ 4.6mn. Together with selling expenses and the financial result, this is what takes the **R$ 319.0mn we projected to the R$ 270.5mn reported**.

Operating Highlights:

Revenue grew 25.5% with sales down 9.5%, and **production reached 5,737 units** (+41.8% YoY). What underpins the coming quarters is the backlog (resultado a apropriar) of R$ 3,842.9mn.

On sales, it was volume that gave way. **Net sales totalled R$ 2,045.5mn** (-9.5% YoY) with **gross units down 17.0%**, while price rose 6.9% YoY and distratos (cancellations) fell 27.6% YoY. Cury enters 2H26 with R$ 3,008.3mn of inventory, of which only 2.1% in completed units.

On cash, **R$ 144.9mn** (+55.1% QoQ) and a **29th consecutive quarter of positive cash generation**.

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under Review	Under review	**5%**

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