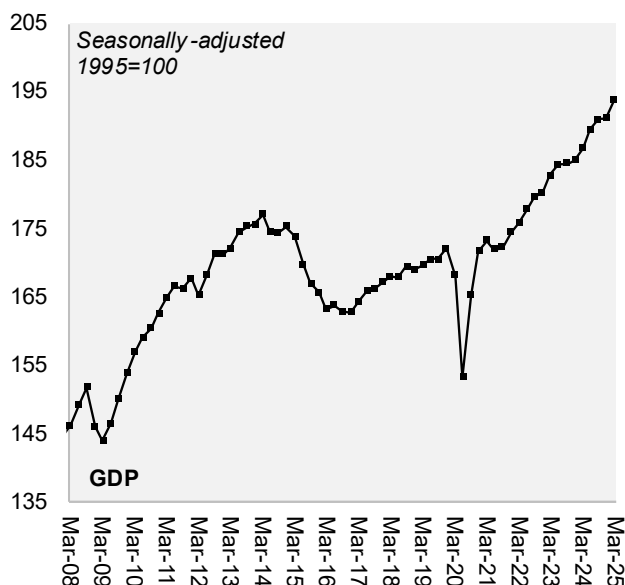


May 30, 2025

GDP accelerated in 1Q25, growing 1.4%qoq

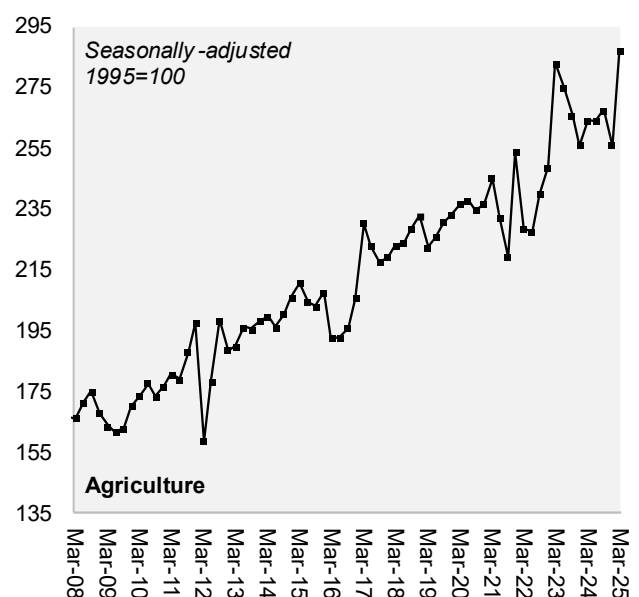
- ▶ GDP expanded by 1.4% in 1Q25 (2.9% yoy), slightly below our estimate (1.7% qoq/sa and 3.2% yoy) and the median of market expectations (1.5% qoq/sa and 3.1% yoy).
- ▶ The main negative surprises vs. our numbers came from the services sector (see table), while agriculture and industry were broadly in line with expectations.
- ▶ On the supply side, agriculture grew 12.2%qoq/sa, supported by strong crop, while services expanded by 0.3% at the margin. The industrial GDP declined 0.1%, reflecting drops of 1.0% in the manufacturing sector and 0.8% in construction, partially offset by growth of 1.5% in utilities and 2.1% in mining/extractive industries.
- ▶ On the demand side, household consumption came in slightly below expectations but showed a strong recovery compared to the previous quarter (+1.0% qoq/sa in 1Q25, coming from -0.9% qoq/sa in 4Q24). Gross fixed capital formation (GFCF) also rose (+3.1% qoq/sa), driven by the import of an oil platform. Additionally, exports increased 2.9% qoq/sa while imports grew 5.9% qoq/sa. According to our estimates, inventories contributed positively to growth (see table).
- ▶ **Our view:** today's result came in below our expectations, with the services sector being the main highlight due to slightly weaker-than-expected growth, particularly in the “other services” and retail components. As a result, household consumption also posted a smaller increase than projected, however, it reversed the decline observed at the end of last year. We maintain our GDP growth forecast of 2.2% for the year, with a gradual deceleration expected over the coming quarters.

GDP expanded 1.4% at the margin



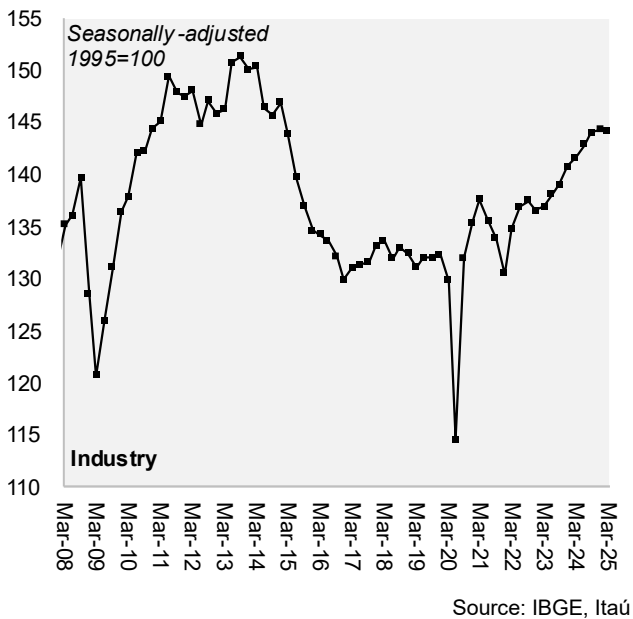
Source: IBGE, Itaú

Agriculture was the positive highlight

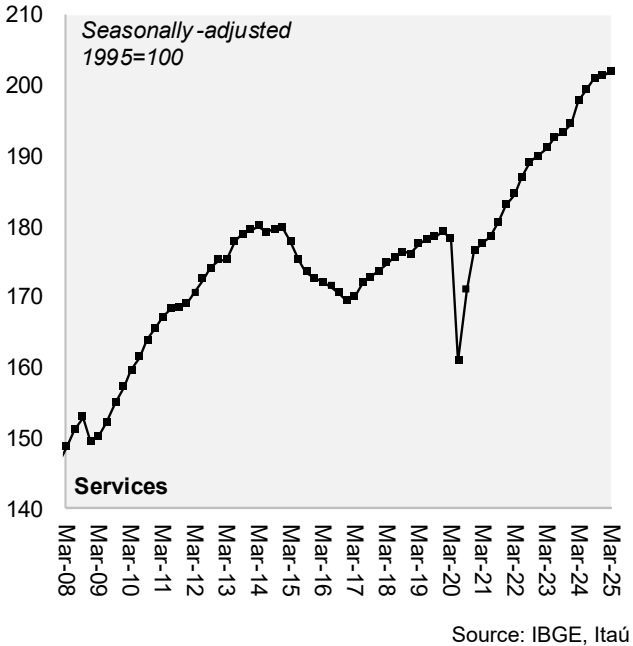


Source: IBGE, Itaú

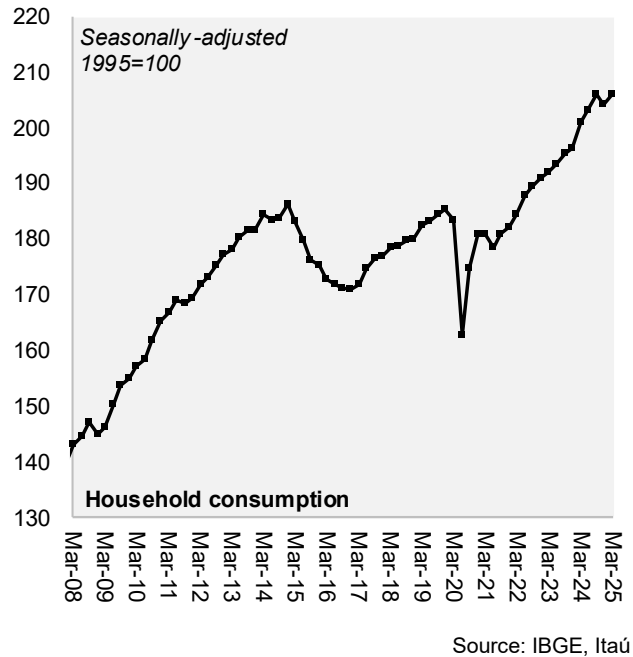
The industry remains flat...



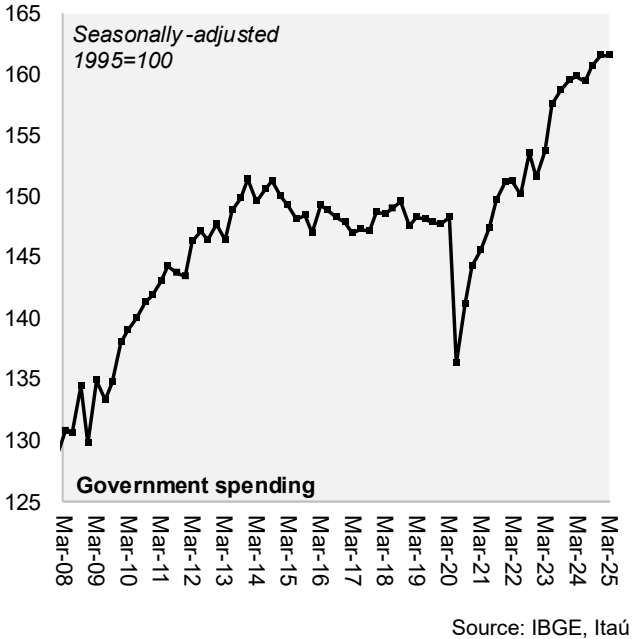
...and the service sector posted a slight increase



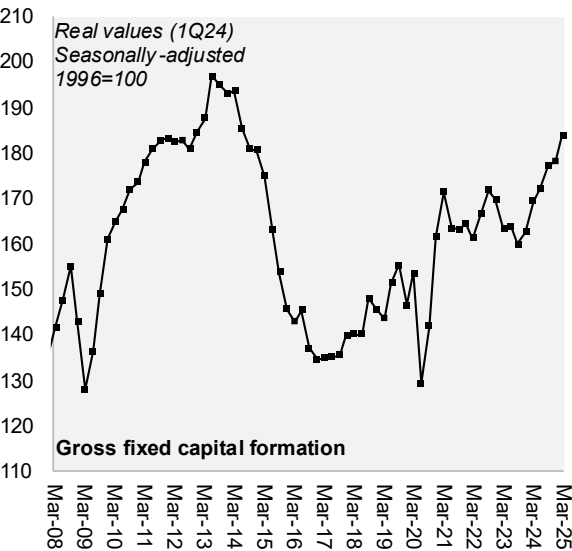
Household consumption resumed growth (1.0% qoq/sa in 1Q25, from -0.9% qoq/sa in 4Q24)



Government spending grew 0.1% qoq/sa in 1Q25

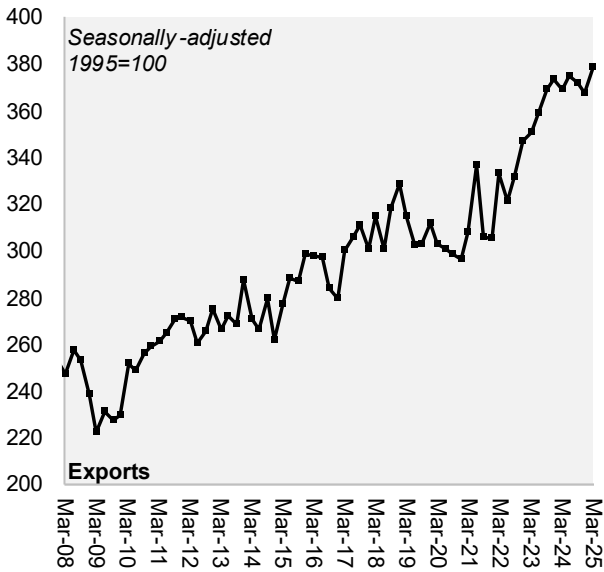


GFCF increased 3.1% qoq/sa



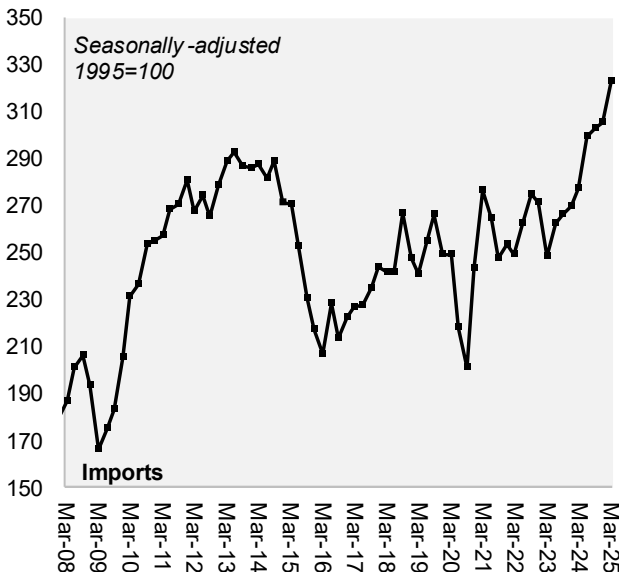
Source: IBGE, Itaú

Exports increased by 2.9% qoq/sa...



Source: IBGE, Itaú

... and imports grew by 5.9%qoq/sa



Source: IBGE, Itaú

| 1Q25 | Weight | Forecast (YoY) | Actual (YoY) | Error contribution | 1Q25 | Weight | QoQ/SA |
|------------------------|-------------|----------------|--------------|--------------------|------------------------|-------------|--------------|
| GDP | 100% | 3.2% | 2.9% | -0.4% | GDP | 100% | 1.4% |
| Supply | | | | | | | |
| AGRICULTURE | 6% | 10.9% | 10.2% | 0.0% | SERVICES | 59% | 0.3% |
| INDUSTRY | 22% | 2.5% | 2.4% | 0.0% | Other Services | 15% | 0.8% |
| Manufacturing | 13% | 2.7% | 2.8% | 0.0% | Transportation | 3% | -0.6% |
| Construction | 3% | 5.9% | 3.4% | -0.1% | Information Technology | 3% | 3.0% |
| Utilities | 2% | 2.5% | 1.6% | 0.0% | Retail | 10% | 0.3% |
| Mining/Extractive | 4% | -1.6% | 0.2% | 0.1% | Public Administration | 14% | 0.6% |
| SERVICES | 59% | 2.5% | 2.1% | -0.2% | Financial | 7% | 0.1% |
| Public Administration | 14% | 0.1% | 0.5% | 0.1% | Housing | 8% | 0.8% |
| Other Services* | 15% | 3.2% | 2.5% | -0.1% | INDUSTRY | 22% | -0.1% |
| Retail | 10% | 2.7% | 2.1% | -0.1% | Mining/Extractive | 4% | 2.1% |
| Housing | 8% | 3.3% | 2.8% | 0.0% | Construction | 3% | -0.8% |
| Financial services | 7% | 3.7% | 2.1% | -0.1% | Manufacturing | 13% | -1.0% |
| Transportation | 3% | 0.4% | 1.1% | 0.0% | Utilities | 2% | 1.5% |
| Information Technology | 3% | 7.3% | 6.9% | 0.0% | | | |
| TAXES | 13% | 3.3% | 2.9% | -0.1% | AGRICULTURE | 6% | 12.2% |

*Includes services offered to households (bars, restaurants, hotels, beauty parlors, etc.)

Source: IBGE, Itaú

| Quarter over quarter seasonally adjusted | | | | | YoY | | | |
|--|------------|------------|------------|-------------|------------|------------|------------|-------------|
| | 2Q-24 | 3Q-24 | 4Q-24 | 1Q-25 | 2Q-24 | 3Q-24 | 4Q-24 | 1Q-25 |
| GDP | 1.5 | 0.8 | 0.1 | 1.4 | 3.3 | 4.0 | 3.6 | 2.9 |
| Demand | | | | | | | | |
| Consumption | 1.0 | 1.4 | -0.9 | 1.0 | 5.1 | 5.5 | 3.7 | 2.6 |
| Government Expenditure | -0.3 | 0.8 | 0.5 | 0.1 | 1.2 | 1.3 | 1.2 | 1.1 |
| Investment (GFCF) | 1.7 | 2.9 | 0.7 | 3.1 | 5.7 | 10.8 | 9.4 | 9.1 |
| Exports | 1.5 | -0.6 | -1.2 | 2.9 | 4.3 | 2.1 | -0.7 | 1.2 |
| Imports | 8.0 | 1.3 | 0.7 | 5.9 | 14.7 | 17.7 | 16.0 | 14.0 |
| Inventories contribution* | -0.6 | 1.6 | -0.4 | 0.7 | - | - | - | - |
| Supply | | | | | | | | |
| TAXES | - | - | - | - | 1.0 | 1.0 | 1.0 | 1.0 |
| Agriculture | 0.0 | 1.4 | -4.4 | 12.2 | -3.3 | -0.8 | -1.5 | 10.2 |
| Industry | 0.9 | 0.9 | 0.2 | -0.1 | 4.0 | 3.6 | 2.5 | 2.4 |
| Services | 0.8 | 0.8 | 0.2 | 0.3 | 3.6 | 4.1 | 3.4 | 2.1 |

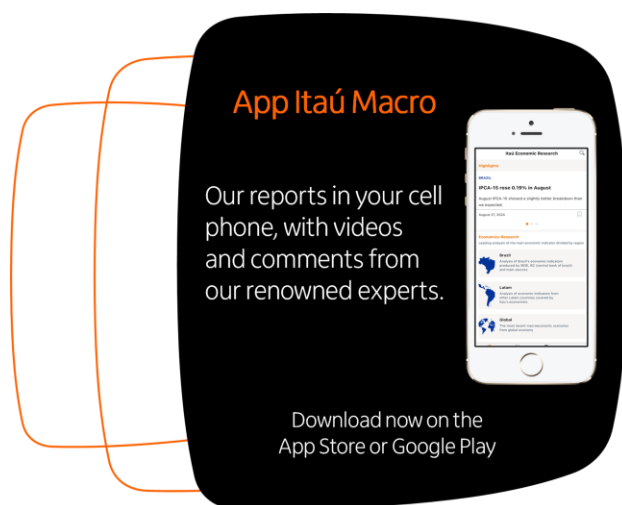
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