Operator:

Good morning, ladies and gentlemen. Welcome to Minerva's 4Q25 earnings Release Video Conference Call. Joining us today are Mr. Fernando Galletti de Queiroz, CEO; and Mr. Edison Ticle, CFO and IRO.

This presentation is being recorded and simultaneous translation is available by clicking on the 'interpretation' button. If you are listening to the videoconference in English, you have the option to mute the original audio in Portuguese by clicking on 'mute original audio'.

The presentation is available for download at ri.minervafoods.com in the 'Presentations' tab.

During the Company's presentation, all participants will be in a listen-only mode. The question-and-answer session will begin once the presentation is concluded. If you do wish to pose your question by audio, please click on the Q&A icon, type in your name and affiliation, and, when your name is announced, a prompt to unmute your microphone will appear on the screen. Please unmute your mic and proceed with your question.

If you wish to ask a question in English, please do so in writing by clicking on the Q&A button and typing in your question.

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To begin the earnings release video conference for the 4Q25, I will now turn it over to Mr. Fernando de Queiroz, CEO, for his presentation. Please go ahead, Mr. de Queiroz.

Fernando Galletti de Queiroz:

Good morning, everyone, and thank you for joining us on Minerva Foods' earnings conference call for the 4Q and full year of 2025.

Minerva has concluded 2025, delivering robust operating and financial results, thereby reaffirming a consistent and disciplined execution of our business strategy. Once again, the Company has demonstrated that geographic diversification is a key pillar of the operational and commercial execution of our business model, reducing risks, maximizing our arbitration capacity, and strengthening our corporate strategy as the largest beef exporters in South America.

In 4Q25, our gross revenue totaled R$15.1 billion, with our EBITDA reaching R$1.2 billion and an EBITDA margin of 8.2%. We posted record gross revenue for the year at R$58 billion and EBITDA added up to R$4.8 billion, the highest ever recorded over a 12-month period.

One of the key highlights of 2025 was the completion of the integration of our new assets well ahead of the original schedule. This further strengthened our diversification and enhanced our ability to capture arbitration opportunities across markets, both of which are critical in a highly volatile market environment.

Let's turn back to our 4Q25 performance on slide 2. As I mentioned previously, gross revenue reached R$15.1 billion in 4Q and R$58 billion in the year, a new record for a 12-month period. Exports accounted for 60% of consolidated gross revenue both in the quarter and for the full year ending in December.

These results once again highlight the importance of exports as one of the Minerva Foods' key operating drivers and attest to our ability to capture arbitrage opportunities across markets, supported by efficient access to a broad destination base through our South American production platform.

Beyond international markets, it is also worth noting that our domestic operations benefit from our ability to arbitrage across sourcing regions, enabling us to optimize margins and enhance profitability.

Minerva's geographic diversification with facilities across multiple South American countries significantly increases our operational flexibility. These dynamics underscores the strength of our business model and the Company's ability to capture value in both the international and domestic markets. Net revenue in the 4Q25 was R$14.2 billion, while full year revenue reached approximately R$55 billion, marking yet another record for a 12-month period.

Turning now to our operating profitability. 4Q EBITDA totaled R$1.2 billion with an EBITDA margin of 8.2%. For the full year of 2025, Minerva Foods EBITDA was R$4.8 billion, an all-time high for the Company, which corresponds to an 8.8% margin. As a result of this robust operational and financial performance, net income for 4Q25 was R$85 million, bringing the full year net income to approximately R$848 million. Another record performance achieved in 2025.

Moving to cash performance, which remains a key priority for the Company. Free cash flow reached a significant R$1.5 billion for the year, reflecting Minerva Foods' operational and financial excellence throughout the year. As for our capital structure, we ended the quarter with net leverage of 2.6x net debt over EBITDA. This result is in line with our ongoing commitment to strengthen the Company's capital structure and reiterates the financial discipline that guides our management.

Still on the balance sheet, we concluded the 4Q with a solid cash position at R$15 billion, providing us with both security and flexibility to navigate market challenges. Edison will be providing further details on our financial performance in a minute.

Let's now move on to slide 3 with further highlights from this quarter. Throughout the year, we made significant progress in managing our financial liabilities, including the repurchase and cancellation of approximately USD 587 million or R$3.2 billion of our 2028 and 2031 bonds since the beginning of 2025. This initiative reiterates our commitment to a more balanced and efficient capital structure, reducing financial costs and strengthening balance sheet flexibility.

I would also like to highlight the resumption of dividend distributions in 2025. As a result of the successful integration of new assets and our strong operational and financial performance, the Company continued to optimize its capital structure, reducing leverage over the course of the year and creating room for a balanced return of capital to shareholders, while maintaining a healthy capital structure.

In December 2025, we paid out R$162 million in interim dividends. Following the closing of the fiscal year, we are now proposing to the Annual Shareholders' Meeting, which will be held in April, an additional R$30.8 million in complementary dividends, bringing total shareholder distributions related to fiscal year 2025 to approximately R$193 million.

Turning now to sustainability highlights, we achieved major milestones in 2025. As a result of the robustness and technical rigor applied to our traceability and social environmental monitoring processes, Minerva Foods achieved 100% compliance in the unified audit conducted by the Federal Public Prosecutor's Office on cattle supply in the Amazon Biome. We also achieved 100%

compliance in the social environmental audit of cattle purchases in our Paraguay operations for the sixth consecutive year.

We also made progress in improving the energy sustainability of our operations. By the end of 2025, we completed the acquisition of 98% of Irapuru II Energia shares, a self-generation project based on clean and renewable photovoltaic energy, which can supply electricity to 9 industrial facilities in Brazil. This initiative makes a direct contribution to Minerva Foods decarbonization efforts while also providing greater predictability to electricity costs.

For the fifth consecutive year, Minerva Foods was included in the ISE and ICO2 indices, the 2 leading sustainability benchmarks in the Brazilian market. This is an important recognition of Minerva Foods initiatives and commitment to corporate sustainability and reflect our adherence to best ESG practices, with sustainability being a core pillar of our management model.

Let's now move to slide 4 and take a closer look at our export performance. At the top of the slide, we present a breakdown of gross revenue by destination for 4Q25. The Americas led with a 35% share of gross revenue, with Brazil and Chile contributing 20% and 6%, respectively. Asia followed, accounting for 23% of the period's revenue with China as the main destination at 14%. Next, the Middle East accounted for 14% of gross revenue, followed by NAFTA at 12%, with the United States accounting for 9%.

I would also like to highlight the importance of domestic market, particularly in Brazil, which increased its share from 17% in 3Q25 to 20% in our current revenue mix. The continued strengthening of our brand and the expansion of our footprint in the domestic market have secured our presence with consumers, supporting sustainable growth in local operations.

The charts on the bottom left show export performance of our beef operations in 4Q25. Asia was the main destination, accounting for 38% of export revenue in the quarter, the highlight being China was 30%. NAFTA ranked second with an 18% share driven almost entirely by the United States at 14%. This was followed by the EU and the Middle East, each with 11% and the Americas with a 10% share of exports.

Looking at the full year figures, Asia remains the leading destination accounting for 35% of exports, with China representing 27%. NAFTA comes next with 24% led by United States at 19%, this is followed by the Americas with 11%, the Middle East with 10% and the EU with 9%. Eastern Europe with 7%. And finally, Africa, accounting for 4% of our export revenue.

On the right-hand side of the slide, we present the export profile of our lamb operations in Australia and Chile. In 4Q, 2025 NAFTA remained a main destination accounting for 40% of exports with the United States of the largest market at 38%. Asia followed with 33%, Europe with 13% and the Middle East with 6% of exports in the quarter. Looking at the last 12 months, ending in 4Q25, the picture remains largely unchanged. NAFTA leads with 43% of export revenue, followed by Asia with 27%, Europe with 17% and the Middle East with 6%.

Let's now move to slide 5 to take a closer look at revenue performance. International markets continue to play a leading role in our performance. Exports accounted for 67% of gross revenue in the 4Q and 66% last 12 months excluding the others division. Looking at this operation, Brazil exported 70% of its production in the quarter and 64% on an LTM 4Q25 basis.

In our LatAm operations, excluding Brazil, exports represented 61% in the quarter and 68% over the last 12 months. A similar trend was observed in our lamb operations in Australia and Chile where exports accounted for 67% of gross revenue in the quarter and 71% on a last 12-month basis.

On the right-hand side of the slide, we show the breakdown of revenue by origin. Brazil remains the main operational driver accounting for 57% of gross revenue, both in the quarter and on an LTM basis. Paraguay, Uruguay and Argentina, each contributed with 10% of revenue in 4Q25. On a last 12-month basis, Paraguay stands out with 11%, followed by Uruguay at 10% and Argentina at 8%. Australia accounted for 5% of revenue both in the quarter and the year, while Colombia contributed with 3% in both periods. Finally, the others line related to the trading division represented 5% of revenue in the quarter and 6% for the full year 2025.

Before moving on to the financial highlights, I would like to emphasize our optimism as we enter 2026 and the opportunities we see in the global animal protein market. The imbalance between supply and demand continues to create a favorable environment for South American beef exporters as we have highlighted in recent quarters. This dynamic is primarily driven by cattle cycle constraints in key producing regions.

While South America continues to expand production and increase export volumes, several major markets are facing supply limitations amidst still resilient domestic demand. This has supported elevated price levels and driven imports higher, particularly coming from our continent.

As discussed in previous quarters, supply constraints persist in the U.S. market, where herd levels remain under pressure, significantly impacting domestic beef production, a scenario that is expected to continue over the next coming years.

More recently, Europe has also begun to feel the effects of the global beef supply imbalance. Key producers such as France, Germany, Ireland and Poland are facing challenges related to herd size and domestic production, which is already being reflected in export trends.

In Asia, China remains the leading market with strong demand and firm pricing. And I would also like to highlight our strong position in the Chinese market supported by access through approximately 19 approved plants across Brazil, Argentina, Colombia and Uruguay, a direct result of the benefits of our geographic diversification strategy.

Overall, the global demand backdrop for beef remains favorable, even amid geopolitical uncertainties, supporting positive prospects for exporters in our region. In this context, Minerva Foods stands out for its ability to capture arbitrage opportunities across markets, reinforcing our competitive position in a highly volatile environment.

And before I hand it over to Edison, I would like to reiterate our geographic diversification strategy as one of Minerva's key competitive advantages. This approach allows us to mitigate risks, react quickly to market changes and volatility and preserve our competitiveness even in a challenging global environment.

The solid strategy underpins the consistency of our results and supports our long-term vision in which large-scale production can be successfully combined with environmental stewardship, technological innovation, and value creation for society.

With that, I will now turn it over to Edison, who will walk you through the financial highlights for the quarter.

Edison Ticle:

Thank you, Fernando. Let's go to slide number 6. Starting with net revenue, which reached R$14.2 billion in the 4Q25. This amount represents a 33% year-over-year increase. On the last 12 months basis, ended in December, net revenue totaled R$54.8 billion, a 61% increase compared to the previous year and the highest level ever recorded in the Company's history.

Speaking about our profitability, EBITDA was R$1.2 billion, representing a 24% increase compared to the same period last year with an EBITDA margin of 8.2%. I would like to highlight the excellence in operational and financial execution that Minerva has delivered over the past quarters, even in the face of a highly complex and volatile global environment. On the last 12 months basis, consolidated EBITDA totaled R$4.8 billion, a new record for the annual period, reaching a margin of 8.8% in 2025.

I would like to highlight that once again that we delivered a positive operational performance aligned with our historical profitability levels. This result reflects the consistency of our business model, especially the gains provided by our geographic diversification strategy, a key element for the resilience of our operational and financial performance particularly in a recent environment of high volatility.

Additionally, the effective completion of the integration of our assets meant that we did face challenges, but it also led to a step-up in revenue and EBITDA levels over the past year, which allowed the Company to achieve records in these metrics. With the extremely successful integration, we were able to capture synergies, especially in our operations, which led to efficiency in cost dilutions, too.

Moving to slide 7, let's talk about financial leverage. We ended the quarter with a net leverage of 2.6x net debt to EBITDA. This result mainly reflects 2 key factors. The first is consistent operational performance with EBITDA continuing to reach historical levels every quarter with record performance for the full year. This result reflects not only the positive environment in the global beef market, but also the integration and effective contribution of the new assets.

And then as a consequence, we have the second element that contributed to the strong compression of the net leverage on a yearly basis which was the significant free cash flow generation in 2025, R$1.5 billion, which contributed materially to the reduction of the net debt on a yearly basis confirming the efficiency of our financial management and the continued focus on converting results into cash.

Together, these factors demonstrate the Company's commitment to operational efficiency, financial discipline and especially long-term value creation. The deleveraging journey reinforces the strength of our balance sheet and the consistency of our capital structure, which is increasingly balanced and sustainable.

Let's discuss net income and operating cash flow. Net income was positive at R$85 million in the quarter. And on a full year basis, net income reached a record level of R$848 million reflecting more efficient operational and financial execution as well as the contribution from the operation of the new assets. Now we can see the operating cash flow for the quarter, which was positive at R$954 million with the last 12 months, totaling approximately R$4.7 billion in operating cash flow.

On slide 9, we discuss free cash flow generation. Looking at the buildup of cash flow for the 4Q, we start from an EBITDA of R$1.2 billion. Next, we have a working capital consumption of R$598 million in the period, mainly driven by inventory buildup dedicated to the North American market, in line with the strategy of capturing stronger prices throughout 2026 and also due to the variation in the other accounts payable line in the last quarter of the year.

There was a significant reduction in customer advance payments. Continuing with the cash flow buildup, we recorded CAPEX of approximately R$391 million, mainly focused on maintenance investments in organic expansion projects. Our cash financial result was R$591 million, and therefore, we ended the quarter with a cash burn of R$408 million.

Moving to the analysis of the last 12 months. Full year 2025, free cash flow was positive at R$1.5 billion. We start from a record EBITDA of R$4.8 billion, a cash financial result of R$3 billion, CAPEX of R$1.2 billion and a working capital release of approximately R$895 million throughout the year. As a result, on a consolidated basis, we achieved free cash flow generation of R$1.5 billion for the year.

Again, these results demonstrate the excellence of the Company's operational and financial performance, which since 2020 has accumulated approximately R$9 billion in free cash flow generation.

Let's understand the bridge of our net debt. At the end of the previous quarter, net debt totaled R$11.8 billion. In the debt bridge, we had a cash burn of R$408 million in the quarter, which contributed to increasing debt levels. We also had the negative effect of foreign exchange variations, which increased debt by R$356 million as well as approximately R$34 million related to noncash impacts.

In addition, we had the impact of the payout of R$162 million in dividends at the end of December. And finally, the effect of R$2 million related to the use of subscription warrants during the 4Q, naturally reducing our net debt. Therefore, we reached net debt of R$12.8 billion at the end of this period, just shy of R$3 billion lower than the R$15.6 billion level at the end of 2024.

As we have seen throughout the year, Minerva's management has been working toward a more balanced balance sheet with a lower risk profile in face of the huge market volatility. This is aligned with our commitment to improving the Company's capital structure.

On slide number 11, we discuss our capital structure. As mentioned earlier, net leverage measured by net debt to EBITDA ended the quarter stable at 2.6x even after the payout of R$162 million in dividends at the end of 2025.

Following our conservative cash management approach, we ended the 4Q with a comfortable cash position of R$15 billion and a debt duration of approximately 4 years with about 81% of our debt in the long term, as you can see in the amortization schedule at the bottom of the slide.

Speaking about our debt profile, approximately 68% of our debt is exposed to foreign exchange variations. And I would like to remind you that we strictly follow a hedging policy that requires the Company to maintain at least 50% of long-term foreign exchange exposure hedged.

Speaking about some recent liability management initiatives, in November of last year, we performed a buyback of almost R$76 million of the 2031 bonds. In 2026, more precisely in January 19, we exercised the call option of the 2028 bonds for everything that was outstanding in the amount of US$166 million and more recently, in March, we carried out another buyback of the 2031 bonds in the amount of US$36 million. Considering 2025 in the beginning of 2026, we already bought back and canceled approximately US$586 million in bonds, or about R$3.2 billion, which reduces our debt in line with our liability management strategy.

This should continue throughout 2026, in line with our goal of continuing to deleverage the Company, improving the capital structure, reducing our risk profile and strengthening our balance sheet.

Let's go to slide 12, where we will discuss our results. We will also discuss market expectations at the beginning of 2025. You may recall that at the beginning of 2025, we established a net revenue guidance in the range of R$50 billion to R$58 billion for the full year.

As you can see, the Company reached the upper half of that range, delivering approximately R$55 billion in net revenue for the year, the highest level ever recorded in our history and representing a strong growth of 55% compared to the previous year.

This strong performance reflects not only the positive environment in the global beef market with strong demand and attractive prices but especially the success of Minerva Foods in completing the integration of the new assets, accelerating utilization levels, expanding volumes, and especially expanding profitability through commercial and operational synergies as well as expense dilutions. The speed and accuracy in the integration of the new assets were key to achieving the revenue guidance proposed at the beginning of the year.

On the next slide, we will be able to see what we achieved compared to the average market expectations at the beginning of the year. On slide 13, I would like to recall what market expectations and perceptions were in the first months of 2025. As we can see here, market consensus was for net revenue of around R$46 billion, EBITDA of approximately R$4.1 billion with an 8.7% margin and net income of R$286 million.

When we look at cash flow and leveraging metrics, expectations were for a cash burn of R$787 million, ending the year with a net debt of R$15.8 billion and leveraged at 3.9x.

I believe that everything we have discussed throughout this presentation and in the last quarters shows that the Company's actual performance was quite different. Just to recap, in 2025, Minerva Foods delivered net revenue of R$55 billion, 19% above consensus and in line with the guidance announced at the beginning of the year. EBITDA reached R$4.8 billion, 20% above estimates, and we reported net income of R$843 million for the year, almost 4x higher than the first market expectations.

Looking at leveraging and cash flow metrics, we see the main differences, while consensus expected a cash burn of R$787 million for the year, the Company delivered a free cash flow generation of approximately R$1.5 billion. In terms of debt, we reduced our level to R$12.8 billion, nearly R$3 billion below initial market expectations, even after the recent payout of R$162 million in dividends in 2025.

As a result of this combination, our net debt was reduced as well as our leverage. We started the year at 3.7x and market expectations were that this leverage would increase to 3.9x. However, we ended 2025 with leverage at 2.6x at a much healthier and more balanced level, which should continue to improve downwards in the coming quarters.

Also, if we see more flexible monetary policies in Brazil, this will help us even further to achieve a bigger cash flow generation in 2026 to end the year at a much lower debt level compared to the beginning of the year.

This performance confirms the success of our strategy during the period with the integration process completed well ahead of schedule even relative to the most optimistic expectations even compared to what we expected in-house, which allowed us to accelerate volumes and revenue capture synergies more quickly, especially at scale and have a more efficient dilution of our expenses, maximizing our cash generation capacity and profitability during the year.

With the completion of the integration process in the 2H of 2025, the Company achieved a better level of performance with normalization of operations. Looking at the assets that we bought, we can see that the annualized revenue of these assets are around R$16 billion with an annualized EBITDA in the range of R$1.4 billion to R$1.6 billion, significantly exceeding initial expectations at the time of the acquisitions.

Mainly relative to what 99.9% of market analysts believed if not 100% of them. I even believe that these numbers prove that we knew exactly what we were doing and what the potential of appreciation was for these assets. We had long conversations about the value of these acquisitions and whether we were paying too much. Maybe it was expensive or maybe it was too expensive. But we can see that we paid an amount that we thought was fair and that still gave us space to extract value from it and for it to add to our Company, considering our valuation when we had the opportunity to make these acquisitions.

It is worth noting that there are still opportunities for efficiency gains and improved profitability going forward. With the capture of additional synergies and the clear benefits arising from the integration of the operational footprint, which naturally expand the Company's arbitrage opportunities, which are even more important in such a volatile environment. Just to remind you of our key strategic drivers, we have our geographic diversification.

Now with the assets integrated, we are talking about 43 plants distributed across 7 different countries of our productive origins, which gives us an exceptional ability to mitigate risks and again, arbitrage markets, a unique and extremely valuable element in a highly volatile environment such as the one we are experiencing today.

I would like to highlight that despite the consistency in our operational execution and naturally the reported performance, we have observed with some surprise that the market is pricing the Company regarding its share value at levels that are very similar to those at the end of 2024 and beginning of 2025. Again, even considering all the success in operational and financial execution in the last year as described in the earnings report and the financial statements.

I do not want to be repetitive, but summarizing the last 2 slides, we published a guidance, we were in the upper revenue ranges, met market expectations for every item reported. But when we look at the performance of our shares, our share prices are exactly the same or very similar, varying maybe 1%, 2% or 3% compared to the price of shares at the end of 2024 and beginning of 2025.

I just wanted to mention this. I believe that with all the conversations that we had regarding the strategic changes that we made, we should report this to the market and to everyone around us.

Finally, I would like to add that Minerva Foods management remains fully committed to executing its strategic plan, always focusing on operational and financial excellence on reducing the Company's risk profile and on maximizing value generation for all of our stakeholders.

I would like to take this opportunity to thank the Minerva Foods team for all their effort and dedication throughout 2025, with the early completion of the integration and the alignment of the new assets with our management model. We will continue to focus on the continuous improvement of our processes and on identifying opportunities in the global beef protein market, maintaining our confidence in our strategy and business plan.

Thank you very much. We will now begin the Q&A session.

Gustavo Troyano, Itaú BBA:

Good morning. Thanks for taking my questions. In fact, based on your last comment, Edison, actual versus projections for 2025, I would like to try and do the same thing in terms of prospects for 2026 along the same line. So I would like to hear from you a bit more about cost inflation, which can happen in Brazil due to a cycle inflection, and your ability to pass on prices in the international market.

So the first part of the question is, what do you expect for the cycle? And trying to reconcile the retention pace, what do you expect in terms of retention pace? And how does that affects the price of the arroba, combined with the pace to sell cattle to China? Because maybe the quotas might affect the cattle pace in Brazil. So I would like to hear about the arroba curve from you thinking about China and cycle, and how that's going to affect Brazil.

The second part of the question is about the transfer of the cost to your top line. So how do you think your ability to pass on prices in the international market is compared to 2025? There are some moving parts like China and the U.S., but I would like to hear from you how the cost dynamics will talk to the pricing pass-through and your expectation for your 2026 top line. Thank you.

Edison Ticle:

Good morning, Gustavo. It's no news to anyone that we are going through a negative cycle in Brazil for cattle, and that means increasing the price of the arroba above inflation rates. So yes, we are expecting pressure on cost this year.

There is an opportunity to pass on prices in exports, especially by rebalancing supply and demand. Also, production should drop in the U.S., China, Australia and Brazil, which should take away 1 million tonnes of beef from the international market. So there will be room to pass that through.

Now how that will work out in terms of balance? We are being cautious in terms of cattle pressure, if there's going to be freight pressure. Also cost increases coming from diesel and energy because of the war. All of that will probably make our margin in 2026 worse than in 2025. There's been a margin reduction year-to-date in 2026 compared to 2025.

And in terms of EBITDA, first, we decided not to announce the guidance because based on my last 2 slides, there's no point in sharing our guidance with you because you do not believe the figures we shared with you. So we decided not to disclose the guidance for this year.

If you look at the price increase dynamics, volume increase, margin and the capacity utilization, our top line should increase by 6% to 10% for the full year. So even if there is a reduction in margin and EBITDA, we are confident that 2025's EBITDA will be roughly the floor for 2026's EBITDA.

Do you want to jump in, Fernando?

Fernando Galletti de Queiroz:

Gustavo, you mentioned the Brazil cycle, but let's not forget that Minerva has a unique geographic diversification in South America. So an impact that could mean a restriction in terms of safeguards imposed by China actually becomes an advantage to our operations in other countries.

So let me just reiterate because often you ask questions about Brazil, but Brazil only accounts for roughly half of what Minerva does. The other half is spread across South America. Let me give you another example. In the U.S., Brazil did have restrictions in 2025, there may be still restrictions. Conversations are ongoing, Brazil may have other restrictions. But on the other hand, other countries such as Argentina have a wide open door. So considering these assessments, you should always bear in mind that we have margin resilience, geographic diversification and ability to arbitrage different opportunities.

In terms of pricing pass-through and transferring cost to end prices, protein, especially beef, has never been on such a high in terms of consumption recommendations in the food pyramid. So even with prices going up, there's considerable stability in consumption, especially in developed countries where the weight of food is quite small in family budgets.

In developing countries, things are going the other way. China, with the restrictions, there's a possibility, or even a prospect to pass on prices. So when you conduct your assessments, remember to look at Minerva's arbitrage capacity.

Ricardo Alves, Morgan Stanley:

Good morning. My question is about China and the quotas. What is the current shipping dynamics? Do you see any major differences among major players and smaller players? You are speeding up shipments. Do you have any predictability in terms of the quota being exhausted in the 3Q?

And I would also like to hear a bit about Argentina and Uruguay clear offset. If the quota ends in Brazil very soon, what would be the difficulty or the level of complexity in being able to redirect new contracts? Logistics is probably slightly different. So how does that work in practice?

And my second question is about the Brazilian domestic market. There has been a slowdown at the end of the year, and looking at the domestic spread at the beginning of the year, it seems to be slightly worse for the industry quarter-on-quarter, not too much, but there has not been an improvement in the spread. So is that how you are seeing the Brazilian domestic market? Is there still pressure on it, or is it beginning to improve? Those are my questions. Thank you.

Fernando Galletti de Queiroz:

I will take your second question, Ricardo. Yes, there is a concern on the part of Brazilian consumers because of cost inflation rate. So we do expect to see consumers being more cautious in the domestic market. So going from stable to a slight retraction or even a trade down from premium products to cheaper products, even within beef products. So that's the trend we are seeing. Obviously, depending on what happens this year, there will be volatility in Brazil with the elections. But yes, consumers are more cautious in Brazil.

As for China, logistics are practically the same between Argentina, Uruguay and Brazil. The same vessels that go to Santos, go to Buenos Aires and Montevideo. So logistics are practically the same. What happens to Brazil, considering the quota system imposed by China was an average of the last 3 years of what countries exported before June 2024. So they took 2022, 2023 and 2024 and came up with an average of countries' exports. And the same applied to Australia, Brazil, the U.S., Argentina and Uruguay.

The main difference is that Brazil in 2025 was speeding things up. So that average before 2024, the safeguard is not a quota. It's a safeguard. The safeguard that was imposed was lower. There's still one criteria that's not official yet concerning the quotas. So we are still waiting to see what the actual criteria to be applied to Brazil will be in terms of China's quotas. Meanwhile, the shipping is still business as usual.

Matheus Enfeldt:

Good morning. I would like to zoom out of the 2 last questions to ask you about your trading strategy. For many reasons last year, you had inventory changes, and I would love to pick your brain on whether you expect something more linear for this year, with changes in destinations or with the acceleration of exports into the U.S. in the 2H26. How are you preparing for these potential changes that could be dramatic changes in exports?

My second question has to do with capital allocation throughout the year. I know that there has been a change in leveraging between 0.3 and 0.4 throughout the year. My question is, what's your priority? Is it reducing leveraging? Is it reducing your balance? Is it working with marginal investments? Or are you looking for resilience to protect yourselves?

Fernando Galletti de Queiroz:

Let me start with the last question. Yes, our focus is on deleveraging within the investments within our regular CAPEX. Regarding inventory, it is based on a formula. It all depends on the existing quota system in destination countries compared to potential carry, and they carry estimates of how much it costs us to carry this inventory. If we have a positive result, and we have savings in quotas, then we may hold inventory in some countries. As I said, it all depends on the results of this equation, it is quota and tax savings versus the cost of carrying it.

Edison Ticle:

Let me add something. Regarding capital allocation, we have a policy of dividends payout, always under 2.5x, we pay at least 50% of the net income. In 2026, if we have the same performance we had in 2025 for cash flow generation, we are going to have R$1.5 billion. With a similar net income, we are going to pay R$500 million in dividends. So we are going to have R$1 billion that we could use to reduce our debt by the end of 2026. This leads to a leveraging that is closer to 2x and not 2.5x. So our total priority is to generate free cash flow to continue our deleveraging.

Regarding inventory, what we saw in the 4Q is exactly the same thing that happened in the 4Q of last year. To face, especially the United States quota in the 1Q, we spent the year with inventory and then over time, over the quarters, we sell this bigger inventory. And we are probably going to make use of a steep curve in prices.

Henrique Brustolin, Bradesco:

Good morning. Thanks for answering my questions. First, let's go back to the conversation about margin. Specifically in this quarter, the margin was below what we had for the historical averages. I would like to understand what the biggest issue was. Is it the domestic market as we were saying? I would like to understand the impact of that in this quarter moving forward.

Secondly, we have shipping costs, and we have conflict and everything that is happening. For exports, how are you tackling vessel shipping costs? I remember that in the past since you have longer contracts, it took you a while to feel the impact of that. So I would love to understand your take on this and what the impact of that should be throughout the year.

Edison Ticle:

Overall, we can compare the 4Q25 and 4Q24, this justifies the drop of 60 bps in the EBITDA margin. Regarding shipping costs, there's no impact on the short term because we have long-term contracts, but it all depends on how long this war lasts and how things are going to unfold in the next 90 to 120 days. In the 1Q, there is no significant impact, but we have to wait and see what's going to happen.

Thiago Duarte, BTG Pactual:

Good morning. Actually, if I could go back to the issue of the Chinese quotas. Because when we look at the circumstances, it reminds us of what happens in the U.S. last year. Historically, the Company has done really well navigating issues to do with arbitrage, and Fernando talked a lot about that during the presentation. So what kind of opportunities are you seeing in these quotas in the disorderly fashion that has been taking place to Minerva?

And as a segue to what Edison talked about in terms of margins, saying that 2026 margins will be lower than 2025, I do not know if there are other components, but the 8.8% EBITDA margin in 2025 was the lowest. It’s not high as it is. So if we could tie those 2 things together in terms of opportunities posed by Chinese quotas to companies such as Minerva and the margin for the year.

And the second point, as a follow-up question, Edison, I do not want you to share a guidance, but in terms of expectations to increase the revenue by 6%, if you could just give us a bit more color on what kind of volume growth you are expecting for this year. I am asking based on last year's volume base, which were higher because of the inventories in the U.S. and the drop in cattle availability in Brazil.

Edison Ticle:

I will take the second question. I said from 6% to 10%. It was a range, not a specific number. 1/3 of that is going to be volume and 2/3 is going to be the average price over the year.

Fernando Galletti de Queiroz:

As for the Chinese quotas, there's no question that companies that have the volume and the ability to carry over that inventory, that have the right sales channels, more solid sales channels, once the quota system in China becomes clearer, we will have the plan.

So the plan might be to have goods at the destination or at the origin, or maybe delaying some volume during the year or bringing it forward. It will all depend on what happens with the quotas. But it's worthwhile mentioning that out of our 7 main markets, 6 of them changed their quota system in the last 6 months.

So there's no question that we have ever faced a situation where beef has been so international. Each country is still finding its own import system. And obviously, those who have the volume, the knowledge and the distribution channel as well as the financial ability to do so will benefit from that. So relevant players that have the right structure will benefit from it. The main thing is to have clarity and stability.

Edison Ticle:

In terms of the margin dynamics, it's easy. If you have a more appreciated FX at the beginning of the year compared to the last quarter last year, the price of cattle is roughly at the same level, slightly above, sales prices are higher. So over the year, there should be some cost pressure coming from other lines, mainly to do with cost inflation coming from energy and fuel prices.

So it's only natural that we need to be a bit more cautious concerning the year and expect a lower EBITDA margin than that of 2025. But as I said, we expect our revenue to go up by 6% to 10%. So it's very likely that EBITDA in monetary units will be very similar for the floor of 2025.

Fernando Galletti de Queiroz:

Just one more point. As I said to Gustavo at the start, the quota systems and safeguard systems, import duties are no longer one size fits all. They are much more specific to what each country is doing, what kind of relation that country has with that importing country, which relationship an exporting country has with an importing country.

So to Minerva, as was the case in China, like I said, Brazil does have restrictions coming from China, which is not the case in other countries, and the same applies to the U.S. The Mercosur-EU agreement is being discussed, that's another opportunity, and yet a different quota system that's being put in place. So increasingly, we see that being able to have geographic diversification is a unique hedging that Minerva has and puts us in a very unique position.

Leonardo Alencar, XP:

Good morning. If I could ask a couple of follow-up questions, could you give us an update on the U.S. and the quota dynamics? Last year, they had a significant strategy in terms of sales positioning.

And how is that going now at the beginning of the year? Are you still building that up, given the opportunities of cattle prices to start selling that inventory looking forward?

And another point, if you could provide a bit more clarity, because there's a lot of noise about the Middle East, news talking about a much bigger relevance than we see in the actual data. So we do not really believe that, but what kind of an impact could that have for you on your results? Will you be seeing anything in results in the 1Q? Should we expect anything in the 1Q?

And in the cattle dynamics in Brazil, we know that there will be less availability, higher prices. Last year, it was practically 1/3 of slaughter coming from the feedlot agreement. Do you think that contracted basis for 2026 will increase? Does it still make sense to expect that? Has there been any progress on that? So those are my 3 questions. Thank you.

Fernando Galletti de Queiroz:

In terms of the U.S. dynamics, obviously, last year due to the changes, there was a considerable learning curve. So this year, we are doing the same thing. It's a first in first served quota system, and we are doing our best to extract value from that. And we learn on the go. We learned by executing and we will do our best this year. Definitely, this year will be better than last year.

The Middle East is a relatively relevant destination for us. There have been some price increases due to a lack of supply. So logistics, channels, clients, the location of the clients and how not to depend only on sea transportation, but also being able to use road and air transportation to countries that have stricter restrictions, especially in the Gulf area.

Cattle purchase strategy in Brazil is always to do with arbitrating between origins and the price curve, there's no difference to our usual acquisition strategy.

Operator:

We have reached the end of the Q&A session. I will now hand it over to Mr. Fernando for his final remarks.

Fernando Galletti de Queiroz:

I would also like to address the questions that we had in writing, but they were covered during our explanation.

Right now, the world is increasingly more volatile. In this sense, speed is one of the main things we are focusing on. In addition to speed, we need to have geographic diversification. This allows for different things to have different impact on different locations. Minerva has always focused on risk mitigation and risk management. So these tools are increasingly more important.

The second closing remark I would like to share is that we were quick and effective in the integration of the new assets. We were able to change this Company. In the last years, we had 20 acquisitions, and we always had a more efficient benchmark. We always had more efficient processes, always in search of productivity.

Finally, my third and most important point, is a huge thank you to the whole Minerva team. Our team has shown to be resilient and able to execute. We have seen how much our people makes a difference. This is a really special group. It is a group that is focused, a group of experts on what they do, and a group that has a very robust global vision.

We are always available to you. Should you have any questions about this company, please reach out. Talk to us or to the IR team. Thank you.

Operator:

This is the end of Minerva's earnings release presentation. Should you have any questions, please send us your questions to the Investor Relations team ri@minervafoods.com. Thank you so much, and have a good day.