

**EARNINGS CONFERENCE CALL  
2Q25  
August 12, 2025****Gustavo Furtado:**

Good morning, everyone. Thank you for participating in our earnings call for 2Q25. With me, I have Salazar, our CFO, and Victoria, our IRO.

So the agenda for today, I am going to start off with the highlights for 2Q, and then I will explain some information about our new strategic plan for the Company. Next, I will hand over to Salazar, who will talk about the financial results for 2Q, and then we will open up for Q&A.

So the earnings of 2Q were very much in line with what we have expected. Once again, Centauro presented consistent growth in both channels, which enabled us to end 2Q with record revenue for the period, and a highlight to gross margin, which was greater year-over-year. Fisia is once again growing in all channels, and here, I would like to highlight the wholesale channel, which grew approximately 4%.

We were already informing that we expected the recovery of the channel in the 2H25, but the results of 2Q really gives us the trust that all the initiatives that we are using are working and shows that we are on the right.

After having presented an increase of 40% in net income in 1Q, once again, we have an increase of 19% even though there's pressure to the EBITDA, as a result of the USD at the beginning of the strategic planning. We continue with healthy leverage very much driven by the decrease by 33.1% of net debt. And the decrease of the cost of debt and financial results, as a result of that, this month we issued new debentures at a very appealing cost of the CDI+0.85%.

This quarter also marked the beginning of the implementation of the new strategic planning for the group. All of you have followed the deleveraging plan that the Company executed across 2023 and 2024. It was a very successful plan and enabled us to end last year at a very comfortable level of leverage of 0.38x.

And now that everything is organized and we have a very comfortable cash position, we believe that it's time for the Company to once again go into a cycle of growth. And across the 1Q, we developed a strategic plan to unlock the growth of our 2 main business units, Centauro and Fisia.

For Centauro, the strategic plan and the investments will be fundamentally directed to improve our consumers' purchasing experience in brick-and-mortar stores and in the digital channel. In brick-and-mortar stores, we want to improve our service to become more technical and customized. We want to offer a more comprehensive and assertive assortment. We will evolve how we showcase our products and brands in the stores, and we will invest a lot in improvements in refits overall in the older stores.

And in digital, after migrating the technological stack last year, we will continue to evolve the technology platform. We have a robust road map of new functionalities. So we will go deeper into our multichannel strategy.

Last year, we launched a very significant aspect to change everything. Any product, 1P or 3P bought on the website can be returned at the store. So that's the idea, any and all products

that we offer on the website can be picked up or returned at our stores. And finally, we want to improve how we showcase our products on the digital channel as well.

And the truth is that we have already had significant advances in these fronts. To offer a more comprehensive and assertive assortment with more efficient distribution, we have highly reinforced the commercial structure at Centauro. It was focused on one single management division, and now we have directors that are focused on the main categories, such as shoe wear, apparel and soccer, and martial arts, basketball. And now we have a director focused on our own brands and licensed brands.

And we also reinforced the stores in terms of employees. So we have hired on average 4 new employees per store. And to support that expansion, recruitment selection and the technical qualifications of these people, we created a regional area that's under a new Director of Human Resources.

And for these refits and improvements, we have reinforced engineering and architecture. So we brought in a senior director from the market and have increased the number of employees in that department as well.

So to present the new strategic plan and engage leadership, last month we held the biggest sales convention in Centauro history. We brought together approximately 600 employees, including the 227 managers of the stores across the entire country.

At Fisia, which is also under new leadership, we have developed a strategic plan that's very much in line with the global Nike strategy that they have been communicating since the beginning of the year. The main pillars are: recovery in the wholesale channel, increase our presence in soccer, implement the new running strategy, maintain the leadership in lifestyle, now in adjusted demand of the classic silhouette that we call "*Big 3*", and we continue to focus on improving the efficiency of inventory in expanding the presence of our NDIS stores. Those are full price stores where we have the new brand collection.

For the recovery in wholesale, actually, we started last year. We started many initiatives to improve the service level of the channels, meaning how we service our customers. So last year, we reinforced the commercial team. We strongly evolved the portal, which is the platform where the customers place their orders. We resumed the events where we present brand strategy and collections. We have made important changes to product segmentation, so that it's more in line with our customer needs. And I believe that the most important initiative is that we lowered the markdowns a lot that we were using in own channels.

And for 2025, we want to make that program even stronger. So we strengthened the merchandising team, so that the collections will be more in line with customer needs. We have increased the commercial team. So we brought in a manager that's focused in serving our soccer customers, very much in line with the soccer strategy. I will talk about that later. We dedicated a technology team to expedite the evolution of that portal, and we are working to present an exclusive showroom at the end of the year to present the collections to our customers.

In the beginning of the year, Nike reset the running strategy. So from now on, Nike is organizing their portfolio, all their products under 3 franchises that have very well-defined attributes depending on the use occasion.

So there's Pegasus, it's responsive cushioning; we have Structure, cushioning with support and stability; and Vomero for maximum cushioning for comfort and long distances. So we are very much in line with the success of this new strategy given the launch of the new Vomero style that presented 46% growth year-over-year.

To increase our presence in soccer, we have also reinforced the sports marketing department. They are responsible for prospecting new clubs, new athletes and also to maintain the relationship with these clubs.

We have recently renewed our sponsorship contract with Corinthians for 10 years, and we are very confident that next year we will have new partnership contracts with relevant clubs in Série A. We presented the new uniforms for the women's national team, and for 2026, Nike will still be the official sponsor of the Brazilian National team for the World Cup.

Now I would like to hand over to José Salazar, who will give us the details about the financial results for 2Q.

**José Salazar:**

Thank you, Gustavo. Thank you, Victoria. Now I will go over the main points for the financial results for this quarter. I may be a bit repetitive with what Gustavo has already mentioned because deep down, everything that's happening is already a result of the planning that has been put into place since the 2Q25.

So in Centauro, I would like to highlight brick-and-mortar stores. You can see solid growth of 9.4%. And most importantly, which shows us that we are on the right path is the 8% growth in units sold. That's part of the diagnosis that we did last year. So we can see that the actions that were taken, as Gustavo mentioned, of a more senior leadership, more care in sales and customer service, we can see these results as a result of that.

Another important point is that e-commerce also mentioned by Gustavo, and the focus that was given in customer experience with the IT teams looking at that platform and the people that came in to improve allocation that also improved and gave us expressive results of 22.3% in the growth of 1P.

And also, a result of the technological evolution of the platforms is that we have almost 60% of sales via app. So that goes to show that we have a good evolution in the quality of services provided in the improvement of conversion, which leads to the positive results in Digital. And it's also important to mention that we are increasing margin in both channels. So with everything that's being done, we have been able to bring on this growth and a margin increase.

Now moving on to Fisia, I believe that the main point here is growth. We are coming from a base of comparison especially when we consider the brick-and-mortar channels, direct channels, a moment where we have been recovering price, reducing discounts. And yet, we are still able to grow in these 2 channels, 5.1% in digital and present in brick-and-mortar, considering the aspect of the discounts.

And the positive side of not giving discounts is that we make it better for our wholesale customers to buy. They can feel more secure. And what came even before we expected is a recovery of the wholesale channel because we are balancing out the prices amongst the different channels.

So that's a very important aspect, in addition to all the other actions that Gustavo mentioned, to improve the relationship with our customers. I am not going to repeat all of that, but all of that plus better adjusted prices leads to better expectation from the wholesale channel for the future.

Obviously, at Fisia, we have an FX impact at this time, especially in the wholesale channel. However, in a way, we were able to offset the effect on EBITDA improving the net margin of

the Company. So we have more tax incentives in brick-and-mortar stores, and that tax incentive does not pay income tax. So that makes up the net income, even though we have that impact on expenses and gross margin.

So in terms of the execution of the plan to mitigate the impacts of FX in the short period, the tax incentives are moving well. And I would like to remind you that for 3Q and 4Q, we have already migrated wholesale to distribute, and tax incentive will start in August, or we will actually see that in the results in August as well. It goes through Extrema.

So we are moving through that scenario that we have been talking about which is to mitigate almost all the impacts of FX in gross margin and expenses with more tax incentives, one of them has a smaller rate. So that was a very positive aspect at Fisia as well, in addition to the results of wholesale that we are seeing before we expected. We expected that recovery in 3Q and 4Q.

Now moving on to revenues, you can see the Company growing 6% in the quarter. You can see the 2 business units growing. We can see Centauro as mentioned before, increasing the number of items sold at this point, especially in shoe wear and apparel. And even though winter impacts less than other retail for us, we also had a positive impact, and we consolidate the recovery of wholesale. We are consolidating our expectation that we would recover wholesale with growth results in 2Q.

In gross profit,, in addition to offsetting the FX impact with the tax incentives that I mentioned before, we also have a positive effect of the Centauro gross margin helping to offset the drop in the Fisia's gross margin resulting from FX.

So at Centauro, it's up year-over-year, and that also helps to decrease the effect on the consolidated figures of the Company when we have a worse gross margin at Fisia. So the path that we are on seems to be very much in line with what we had planned. So it seems like we are on the right path as well.

In SG&A, we in fact have an impact at this time of the investments that we are making to improve customer experience at Centauro and improve. We have more salespeople at Centauro and more people and products to have a better allocation so on and so forth. But in a way, we can offset these investments that were made having more action on corporate SG&A. So that increase is 0.9 p.p., and we are working on that to subsidize these investments with more efficiency in corporate expenses, so we can reduce that temporary impact as much as we can.

Because in the future, especially as of next year, when we see that all the initiatives that we have had been more consolidated, we will reap the benefit in the revenues of these initiatives. And therefore, we will have operational leverage. But while we are implementing strategy, we have been trying to offset that increase in investments in these initiatives with higher efficiency in corporate expenses.

Now on the next slide, deep down everything that we are talking about and what Gustavo has also explained, we have a positive result to net income. In fact, we do have an impact, especially resulting from the exchange rate to the EBITDA. And this impact is partially offset by the higher tax incentives that we have been generating, and also by the lower effective rate.

So even though EBITDA is lower, when we look at the net margin of the Company, it increased 0.5 p.p., and net income is up 19%. So temporarily as well, because if we think of the long term, obviously, we will have a possibility of being able to adjust the prices of collections, and the result of the tax incentives would be for the Company, so to speak.

But in the short term, we have been able to manage that trade-off well between gross margin, EBITDA and net margin. I lose a little from the net margin and EBITDA, but especially in this quarter, we were able to have some growth year-over-year with all of the initiatives that we have been implementing.

So once again, up to the time being, we have been satisfactorily executing the operational and strategic plan, as well as the financial plan to mitigate some of the impacts, especially of the exchange rate.

Now on the next slide, the cash flow, which I believe we have very positive news, in my opinion, and the fact that we had operating cash flow for 2Q during a moment where we were planning more aggressive purchases, given everything that's being done at Centauro to grow, the number of units sold to grow, we have had a cash flow during that seasonality, getting ready for the 2H25, and a 2H25 where we want to see some initiatives in 4Q that are more consolidated, the fact that we had negative cash flow of R\$54 million is a result of the strong work that we have in working capital.

In terms of debt, as Gustavo mentioned, we paid R\$504 million in debt, and all of this were completely refinanced in July, as we have already disclosed. And for dividends, with everything that we have been doing, we were able to pay more dividends year-over-year. Doing all of that and maintaining net debt absolutely in control. So we go from 0.61x in 2Q24 to 0.68x in 2Q25. The change quarter-over-quarter is practically nothing, 0.61x to 0.68x.

So we have been able to do all of these plans and investments, and maintaining indebtedness absolutely under control, a capital structure that's absolutely under control. And all of this is a result of the work that we have been doing in working capital in the financial cycle.

Obviously, at this time, we have been investing more in products, especially at Centauro. And now that we are investing more in products, inventory will increase. However, accounts payable also increases to offset that. And when accounts payable has to be paid, we will imagine that everything will be matched, which is usually 4Q, 1H26. So we imagine that we would have been financed by higher sales than what we already had, so our cash situation will remain absolutely stable.

I believe that's what I had to say in terms of earnings. Now we will move over to Q&A. Gustavo and I are available to answer your questions. Thank you for attending.

**Rodrigo Gastim, Itaú:**

Good morning. I have 2 questions. First of all, top line. Top line stood out in yesterday's figures, a bit better than what we had. But more importantly, thinking about moving forward, in 3Q, you have same-store comparison that's negative, Centauro as well. So even in a macro scenario that's harder, we have seen other companies reporting that, should we expect top line speeding up, not just because of the basics, but also the macro aspect? And that's top line moving forward.

And the second, you had a negative impact on gross margin because of FX and G&A because of investments. So for stores, you were talking about that, that's happening. So at the end of the day, we see an adjusted EBITDA dropping year-over-year because of the investments. So when should EBITDA recover? When you look at the investment plan that you have, to hire or the expectation of your results in stores, when do you see an inflection of the dynamic of growing EBITDA/profit? Those are my two questions. Thanks.

**Gustavo Furtado:**

Thank you for your question, Gastim. I am going to answer both at once, and then I will hand over to Salazar, if he wants to add anything to that. As for any strategic plan that's focusing on investment. First of all, you have the investment per se. And then after a while, we start to capture an increment in sales.

So since the start, we imagined that 2Q and 3Q would be quarters of transition. And then that's when we really start to capture the results based on the last quarter of this year, and especially next year, as it has a very relevant sports calendar. We want to get there with an adjusted operation, well dimensioned with all the activities that are well dimensioned to capture this next year.

That said, we are very satisfied with the results and measures that we have taken so far. Wholesale presented growth even before that we signaled. So we remain confident that we will expedite the recovery in the 2H. So we maintain the expectation of 2 quarters of transition, but we are also confident that the initiatives are working as we imagine.

**Felipe Rached, Goldman Sachs:**

Thank you for taking my question. I would like to explore the gross margin dynamic in Fisia. We know well about FX. I would like to hear about higher competition in the wholesale category. Is there any specific category where you see stronger competition? And any details that you can give us about the categories that are outperforming in Fisia, that would be great. Thank you.

**Gustavo Furtado:**

Felipe, thank you for your question. Let me see if I understood correctly. The adjust in specific competition in a given category. And what's the second?

**Felipe Rached:**

Just to understand, Gustavo, if there are any categories in Fisia that performed better or worse in terms of sales, but also gross margin, especially in the wholesale channel.

**Gustavo Furtado:**

Okay. We are highly focused right now on the running categories and soccer, and what we have seen is that the new lines are showing an encouraging appeal moving forward. In lifestyle, we are still the leaders. So I do not think that there are any categories that we could specifically say that we have tighter competition.

As we mentioned before, we guaranteed that at this time, the tax incentives would subsidize the prices, so we can be more competitive and maintain the sales in the direct channels at full price, and we have been very successful in that.

So we should see the recovery of the wholesale channel in this quarter, and we are very confident that that will continue in upcoming quarters, especially in the 2H25. But going back to your question, we do not see a specific category that I could highlight where the competition is tougher.

**José Salazar:**

Just to add to that, Felipe, when we talked about tougher competition, what we were imagining is that when you have an FX effect, not everyone is able to respond as we did in terms of

being relatively sophisticated maybe, I would not say that, but like to quickly implement these types of incentives. And we believed that it would help us that the FX would impact the competition, and we could have a higher price resulting from that.

That still has not happened, and that's why we talked about more competitiveness because we might see the competition moving around and having to adjust prices, but that did not really happen in the 2Q.

And another thing that I would like to add to as a result of Gustavo's response, as of May, if I am not mistaken, we have a product that's solely for wholesale. That could boost the orders, which is a running device at a more competitive cost, and we call that P1. So up to the 1Q, half of the 2Q, we still did not have that product available, and now we do, and I think that is going to help. That will help wholesale in 3Q and 4Q.

And as the competition, the FX rates affect everyone. We were able to mitigate the FX effect with more efficient tax planning. However, we expect or believe or are rooting for price increases because of the FX from the competition, and then we can do that as well, and then the tax incentive would be for the Company. Just to add to Gustavo's answer.

**Daniela Eiger, XP:**

Good morning. Thank you for taking my questions. I have a question about the investments that you have made, especially at Centauro. We saw a lot of hires. I know that it has to do with getting ready for next year. But first of all, about reinforcing headcount in stores, just to understand the context, is it because you want to separate the salespeople into categories as a result of their specialties? is that it? Because some stores had few employees and you wanted more? If you can you give us some flavor of the context of that investment, that would be great.

And the second one is if you believe that there are still any investments to be made in Centauro and Fisia that we have not seen in this quarter yet. Thank you.

**Gustavo Furtado:**

Thank you for your question. Let me take a step back first. Our store is almost as if it were 2 stores in one. So on the right side, you see a full wall of footwear and you have commissioned salespeople to sell those products. On the right is self-service.

So this is how we have divided our investments. We significantly reinforced salespeople in this quarter, but the investment is basically in the variable cost. So we follow the average sales per salesperson to guarantee that the marginal ROI is positive. We particularly invested more in the stores that we call low power and we found good results. So we are adjusting our headcount by looking at the sales per area, and we believe that the low power stores were undersized.

It was very important to be conservative during the deleverage period. But we decided to conduct a diagnosis and pretty much look at the individual performance of each store to see if there was an opportunity to increase the number of employees at the high power stores or if there are any opportunities even in the low power stores. So increasing the number of employees in sales is very important, and we analyze cost over revenue to make sure that we get things right.

So on the left side of the store, or the right side, in self-service, the way we size that is looking at the time and movement of the employees to see the percentage of time that these employees were dedicated to customers.

Because we want to make the service more technical and customized. It's not going to be exactly a one-on-one thing, but we want the employees from self-service to dedicate more time to servicing customers. So the target is a certain percentage of time dedicated to customers, and we reinforced the number of employees there as well.

And here, we are following the increase in conversion. So many variables influence the results at the same time. So that's how we decided to distribute the investments in store.

And it's also worth noting that these investments are highly reversible. We can invest and follow the metrics to see if we exaggerate it or not. But what I can say right now is that we are very satisfied with the assertiveness of the investments that we have made so far.

And about the second part of your question, whether you should expect higher investments in the 2H in Fisia or Centauro, to answer your question, one of the pillars that we started and we have not seen an impact in the result are the improvements and refits. We spent the second part of the quarter equipping that and we will see some improvements in that in the 2H. But as of next year, that's when we will see a significant number of refits that we have seen this year.

**José Salazar:**

To add, Danni, about refits, renovations and improvements, that's pretty much CAPEX. So we see an increase. We will see an increase in the 2H of the year. That's an investment that goes into CAPEX, different than the investments in stores and employees that goes into OPEX.

And OPEX investment was made. It's maintaining that. And obviously, there's always some fine-tuning with small changes to make in a couple of stores, regional ones, but I think the big part was already done, for most part.

And as Gustavo mentioned, we have reequipped the engineering architecture department, and we can start to implement these improvements and renovations in a faster way.

**Vitor Fuziharo, Santander:**

Good morning. Thank you for taking my question. First of all, about the new strategic planning, I would like to understand how you see a potential impact in the incentives in sales. Do you have any targets for store productivity or sales per square meter?

And the second one is about Fisia, especially in brick-and-mortar stores, with the price adjustment, is that something we should see in the 2H, or is that a one-off because of seasonality or any other factors? Thank you.

**Gustavo Furtado:**

Thank you, Vitor, for your questions. I would just like to confirm that I understood correctly. The second one is on the potential price increase that we have in the direct Fisia channels, if that represented any seasonal realities, and the second part is if we expect any growth in the top line of Centauro of sales per square meter. Is that correct?

**Vitor Fuziharo:**

Yes, exactly.

**Gustavo Furtado:**

Starting off with Centauro, knowing that these investments will have a significant impact in the top line, but going back, I would like to reiterate we believe that 2Q and 3Q are transition quarters, and you will see us capturing that more in the last quarter.

Centauro has been capturing consistently already. So 1H, we grew double digit in both channels in a consolidated manner, and we are very confident that these investments will be duly captured, especially as of 4Q25.

At Fisia, the price increases that existed were one-offs. It wasn't really about transferring the price as we did previously. And we are not seeing that we would change the strategy. Recovering the wholesale channel is important.

So there are many aspects there. If you adjust prices in your direct channel, you are going to have an impact in wholesale. If you mark down in the direct channel, you are affecting wholesale. So in terms of pricing, we do not expect any changes to the strategic plan.

**Isabella Lamas, UBS:**

Good morning. Thank you for taking my questions. I have 2. About nonrecurring events, you had R\$31 million in organizational restructuring. I would like to understand, could you give us more flavor about what is considered in that? And if we should expect something in that line for the upcoming quarters.

And the second one, is about what you answered in the previous question about refits and improvements in Centauro, that we should still expect investments of that in the 2H. So what about the planning of that? How many stores do you see a need for refitting this year? How many for next year? And also, about openings and planning of openings, not just Centauro, but especially for Fisia, about expanding the number of stores. That's it. Thank you.

**José Salazar:**

Thank you for your question I will start answering the admin reforms. Six executives have left the Company. We changed the CEO, the General Manager at Fisia left the Company, the HR Director left, Logistics as well. So that was the second level of the Company.

In addition, we had other changes, smaller, so to speak, in the Company, basically based on past results and the work we carried out. So the Board decided to offer a layoff package for these people that participated in building the Company up to the time being.

In addition to that, specifically, we do not believe that we will have any other kinds of impacts for the future. And actually, we were very careful because even though the payments of all these contracts, of these people as they had contracts that varied from 1 to 3 years, and the cash will be paid out in 1 to 3 years, depending on the situation, we decided to provision these amounts in advance to reflect that in the results all at once, so we did not have to explain in upcoming 3 years, every single month, the same thing.

So that's the idea. Approximately 10 to 12 people left the Company. Obviously, the math is not that it's going to be divided by 10 or 12. It's a 3-year period; or actually 1 to 3 years, depending on how long these people were with us. That's why we created these layoff packages.

I am not sure if that was clear, but I will hand over for Gustavo to talk about the second part.

**Gustavo Furtado:**

The second part is about the refits and improvements and the plan to open new stores. As I mentioned, to explain that better, when we talk about improvements, that's about lighting, signage, traffic area. So you do not really have to interrupt the operations of that store.

Refit is a bit more invasive. So the first thing that's very important to mention is that the refits will not follow what we have been doing so far, which is to take in an older generation store and turned it into what we call G5, close the store for 90 days and we were spending R\$4,000 per m<sup>2</sup>.

These refits will be more about a one-off thing and customized according to individual characteristics of these stores. So we will have a cost per refit that is going to be much lower than what we have seen so far. And once again, these refits will be mainly focused on the older generation stores.

So this year, we started off with a little over 100 stores that have not been turned into the G5 model, and we developed a plan so that we could have an intervention in all the older stores. But obviously, this plan will be conducted in about 2.5 years. Right now, we are focusing much more in offering engineering and architecture what they need to prepare the track to define what we are going to do during the year.

The improvements are pretty much business as usual. So in the deleveraging plan, we reduced the number of investments and improvements, but it's business as usual. So as of this year, we will invest more than what we invested in the previous 2 years in improvement.

About store openings for this year, as we did in the previous years, we wanted to be more conservative in opening new stores. And as of 2026, we see a very big opportunity to increase our share in NDIS stores, as I mentioned. We do not have a figure yet, but we do have a big ambition to increase the share of NDIS as the ROIC is very good. Regardless of the reality of interest rates next year, it will always make sense to increase the share of NDIS stores.

**Operator:**

The Q&A session is now over. We would like to hand over to Gustavo for his final remarks.

**Gustavo Furtado:**

I would like to thank everyone for their presence once again, the interest in our Company. I would like to say that we are very excited with the start of this new growth cycle, and I will love to see you again during our next earnings call. Thank you.

**Operator:**

The SBF Group earnings call is now over. Thank you for your participation. Have a great day.

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