International Conference Call
JBS S/A (JBSS3)
4Q25 Earnings Results Transcription
March 27th, 2026

Operator: Good morning and welcome to JBS's 4Q in the year of 2025 results conference call.

At this time, all participants are in listen-only mode. Later, we will conduct a Questions-and-Answer session, and instructions will be given at that time. As a reminder, this conference is being recorded.

Any statements eventually made during this conference call in connection with the Company business outlook projections, operating and financial targets, and potential growth should be understood as merely forecasts based on the Company's management expectations in relation to the future of JBS. Such expectations are highly dependent on the industry and market conditions and therefore are subject to change.

Are present with us today, Gilberto Tomazoni, Global CEO of JBS; Guilherme Cavalcanti, Global CFO of JBS; Wesley Batista Filho, CEO of JBS USA; and Christiane Assis, Investor Relations Director.

Now, I'll turn the conference over to Gilberto Tomazoni, Global CEO of JBS.

Mr. Tomazoni, you may begin your presentation.

Gilberto Tomazoni:

Good morning, everyone. Thank you for joining us today.

We closed 2025 with a consistent performance and a continued progress in building a stronger, more efficient Company. In the 4Q, we recorded a revenue of US$ 23 billion, with an EBITDA margin of 17.4%. For the full year, revenue reached US$ 86 billion, a Company record, with a consolidated EBITDA margin of 7.9%.

The scale and diversity of our multi-protein and multi-geography platform remain our greatest strength, allowing JBS to navigate industry cycles or any disruption while capturing structural growth in protein demand. In both the 4Q and the full year, JBS delivered record sales with positive consolidated results, reflecting the resilience of our global platform.

Net income totaled US$ 415 million in the quarter and US$ 2 billion for the year, representing year-over-year growth of 15%, earnings per share of US$ 1.89 for the year. Free cash flow was US$ 990 million in the quarter and US$ 400 million for the year. Return on equity reached 25% and return on investment capital was 17%.

Our leverage ratio at the end of the 4Q was 2.39x, in line with our long-term target. We also maintain a very strong debit profile with an average debt maturity of approximately 15 years and average cost of the debt of around 5.7%. No significant maturity in the short-term. This strong result reflect our consistent performance in a year market by a challenging environment in some global protein markets.

In the United States, the cattle cycle remains under pressure with a limited supply and high cost. This is expected to continue in the coming quarters. Despite this environment in the US Beef sector, our global results remain positive, reflecting the resilience of our diversified platforms.

Australia was one of the highlights of the year, with a strong EBITDA growth and margin expansion, as well as a top-line growth of 30% year-over-year in the 4Q.

Our Australian business benefit from the current imbalance between global supply and demand of beef, combined with the strong execution and solid profitability and reinforce the role of regional imbalance our global results.

In Brazil, the beef business operate with a historical margin range, supported by strong export and steady domestic demand. The 4Q was particularly strong, with the top-line sales growing 26% year-over-year. At the same time, livestock productivity continued to improve. The country recorded the highest beef processing volume in its history, at around 42 million heads. This reflected its total gain in production and reinforced Brazil's growing role in the global supply.

In this context, Friboi delivered solid results with growth in both export and domestic sales, volume increase in key international markets (including Mexico, Europe, and United States), while the business also strengthened its presence in Brazil. Programs such as a Friboi+ continues to deepen clients' relationship and support growth in the domestic market.

At Seara, we continue to advance our strategy and strengthen brands and expand in high value-added products. In recent years, Seara has expanded its portfolio, entered in new categories, and strengthened in connection with the end-consumers. The business is now in one of its strong moments in brand perception, supported by innovation, execution, and a more differentiated product mix.

In the United States, our chicken business continues to benefit from strong demand in both retail and food services. Pilgrim’s deliver a volume growth above the industry average in segments such as case-ready and small birds. The big birds segment also improved performance through better yields, mix, and cost efficiency. Brand diversification continues to progress, and Just Bare surpassed US$ 1 billion in retail sales, reflecting the strength of our brand strategy and the significant opportunity we see to capture further growth across our modern high-value prepared food portfolio.

In the US pork business, performance remained stable, and the business closed the year with solid margins, supported by disciplined operations and balanced supply and demand. Also, in 2025, we completed the dual-listing process, a milestone in the Company's history, and became a NYSE listed Company, strengthening our capital market position.

Since then, we have seen a continuous growth improvement in how the markets value the Company. Our trading multiplied and expanded, reflecting greater visibility and investor confidence, although we still trade at a discount to our global peers.

Liquidity also has increased significantly, with average trading volume up approximately 3x compared to the pre-listing levels. At the same time, our shareholder base has become more global and diversified. US-based investors now represent nearly 70% of the Company free float. Overall, this change reinforced our position in global capital market and supported the next phase of growth.

Global protein consumption continues to grow, supported by demographic health awareness, and demand for balanced diets. JBS is well-positioned to meet this demand across markets and channels. Our structure remains clear: we will continue to strengthen our brand, expand our value-added product portfolio, and develop solutions that make protein more accessible and more convenient in everyday life.

Thank you again for joining us today. And now I will turn the call over to Guilherme, who will walk you through our financial results in more detail.

Guilherme Cavalcanti:

Thank you, Tomazoni. I'll walk through our operational and financial highlights of the 4Q and fiscal year of 2025.

Net sales reached a record of US$ 23 billion in the quarter and US$ 86 billion in 2025. Adjusted EBITDA in IFRS totaled US$ 1.7 billion, which represents a margin of 7.4% in the quarter, and US$ 6.8 billion in 2025, with a margin of 7.9%. Adjusted EBITDA in US-GAAP totaled US$ 1.5 billion, which represents a margin of 6.5% in the quarter, and US$ 5.8 billion in 2025, with a margin of 6.7%.

Adjusted operating income was US$ 1.1 billion with a margin of 4.7% in IFRS and 4.8% in US GAAP in the 4Q. In 2025, adjusted operating income was US$ 4.5 billion in IFRS with a margin of 5.2% and US$ 4.4 billion in US-GAAP with a margin of 5.1%. Net income was US$ 415 million in the quarter and earnings per share of 39 cents. For the year, net income was US$ 2 billion and earnings per share of US$ 1.89.

Excluding the non-recurring items, adjusted net income would be US$ 500 million and earnings per share of 47 cents in the quarter. And for 2025, US$ 2.2 billion with an earnings per share of US$ 2.1.

Finally, return on equity was 25% and return on invested capital was 17%. Free cash flow in 4Q25 reached US$ 990 million, compared to US$ 906 million in the 4Q24. The main positive drivers were related to the deferred livestock, particularly in Europe and inventories, reflecting strong revenue growth during the period.

Despite an US$ 850 million in working capital consumption in 2025, the cash conversion cycle remained resilient and in line with prior year's levels. For the full year, free cash flow totaled US$ 400 million. When we visited free cash flow breakeven IFRS EBITDA exercise for 2025, the initial estimate EBITDA to a breakeven level was around US$ 6 billion. However, considering the actual results, the EBITDA breakeven would be approximately US$ 300 million lower.

The main difference came from working capital, as mentioned earlier, mainly reflecting the deferred livestock effect and the decrease in inventories. On the other hand, CAPEX came in about US$ 100 million above estimates, as we executed US$ 1.1 billion in expansion CAPEX during the period. We also saw a higher number of biological assets, largely driven by the increase in livestock volumes and prices, while the remaining items came broadly in line with our estimates.

Finally, the higher cash tax paid in 2025 were mainly related to the tax payments associated with the results of 2024. For 2026, and for the purpose of the EBITDA cash flow breakeven exercise, we can assume a capital expenditures of US$ 2.4 billion, of which US$ 1.3 billion is for expansion and US$ 1.1 billion is for maintenance, interest expenses of US$ 1.15 billion, and leasing expenses of US$ 500 million, and a consolidated effective tax rate of 25%.

Just to highlight, it is still too early to estimate the variation in working capital and biological assets, as there are many factors beyond our control, such as grain and livestock prices. However, if you consider the same amount of working capital consumption in biological assets of 2025, EBITDA cash flow breakeven would be US$ 5.7 billion, in line with 2025 numbers mentioned above.

On page 24, we present a historical free cash flow breakdown to help analysts' forecasts. Our leverage ended the year at 2.39x, in line with our long-term target of keeping net debt to EBITDA between 2 and 3x. In 2025, we also strengthen our balance sheet by extending our debt maturity profile, reaching an average debt term of approximately 15 years and an average cost of 5.7%.

We have no significant debt maturities until 2031. The coupons of our debt are below Treasury until and including 2032 maturities, with 32% of our gross debt maturing beyond 2052 and approximately 90% of the total debt is at fixed rates. It's worth mentioning that despite the 8% increase in net debt in the last 3 years, net financial expenses remained at US$ 1.1 billion per year.

Our US$ 3.5 billion in revolving credit lines and US$ 4.8 billion in available cash provides us the flexibility to continue executing our expansion CAPEX, value creation products, and shareholder returns while maintaining a healthy and robust balance sheet.

For this reason, and given our strong cash position and leverage, we announced last night the payment of US$ 1 per share in dividends, to be paid in June 17th.

With that in mind, I would like to turn the operation for the question-and-answer session.

Question-and-Answer Session

Operator: Thank you, ladies and gentlemen. If there are any questions, please use the Raise Hand button. Thank you.

We have our first question from Lucas Ferreira, with JP Morgan. Mr. Ferreira, you may go ahead.

Lucas Ferreira, JP Morgan: Hi, guys. Hope you listen to me well. So, thanks for your time to ask the questions. I have two. The first one, if you can give us an update on the business environment for PPC, especially in the US.

There were some renovation work at the Russellville plants. I'm wondering if those are completed, if operations are running fine, if this could be an issue at all for the quarter, as well as any update you see in the market regarding prices? It seems that we are in an environment of a bit more supply than the 1Q of last year. So if you see how robust the market is and how balanced the market is today.

And the second question is on the US Beef operations. We saw a pretty steep recovery in beef spreads over the last few weeks. So to what do you attribute this? Obviously, demand remains strong, but there have been some capacity rationalizations in the industry. Any updates on the Greeley situation will also be welcome with regards to how that impacts your business and how you see the market for US Beef right now. Thank you very much.

Gilberto Tomazoni: Hi Lucas. Thank you for your question. And I will start here to talk about the update in terms of Pilgrim's, and after that, Wesley will give us the perspective of beef in US.

As you mentioned before, we completed the transformation of 3 plants of Pilgrim's. One, we transformed from a big bird to case-ready because we have a strong demand in the retails, and this strategy will support the retail growth of the demand of chicken. And the other 2 plans, in reality, is not a transformation, it's adequate to produce the raw material for our prepared business.

Before, we sell the breast to the market, because we are not able to deliver the appropriate cuts that our prepared food needs. Now we invest in machines, and we don't need to sell and buy, and rebuy the raw material. Now we deliver directly to our prepared business. This, of course, we catch the margin of the third party. I think in the end, we keep best quality and we're able to react quickly in case of increase in demand.

And I understood there is a second point that you mentioned about supply demand. I can say to you, the demand for chicken meat in the US is not just in the US; it's a global demand, it's very high across all the chains. And if you take into consideration in US, the chicken placement in the beginning of the year grew around 3%, and the price of chicken breasts increased in the market.

But this shows a balanced supply and demand, because we increased 3% the placement of chicken and the price of the breast increased. And the USDA forecast for this year is that it will be 2% growth in chicken supply. If we grow 3% and the price market increase, we can anticipate, if the forecast is 2%, it will be a very good year for Pilgrim's in the US.

I think this is two components; the verticalization of our raw material production, we get more margins in prepared, and the growth of our prepared business in Pilgrim's, Just Bare has a strong demand and you are investing in new factories, we see that this year will be a good year for Pilgrim's.

Wesley Batista: Lucas, good morning. So, 4Q was, for us, was a pretty good quarter given the market conditions on the beef side. You know, it's common knowledge that, given the market data, that the beginning here of the 1Q has been really tough, really difficult, very challenging, probably the most challenging we've seen in this industry in a very long time. I don't know if there is any other time that we had such a negative spread for January and February ever.

And it seems now that current data shows that March is showing that it's going to become better, sharply better than where we were from January, February. But let's see what comes out of that. One of the things that has happened in this scenario that we have very low cattle availability and very low processing volumes is that the market has become more volatile than we were used to in this market.

You see big fluctuations in cutout, big fluctuations in cattle, more so than what we're used to. So that's just a fact of having such a small volume. If the volume is a little bit higher, it has big impact and it becomes a little bit more volatile.

When it comes to the strike, really, you know, it's very difficult to forecast how a strike would go on. We have a very good deal in front of that local, we actually just did a national deal with 14 other unions in red meat, 14 other locals from the same union in red meat, and it's a historic union Company deal. We have a variable pension plan, that's the first time in forever that the industry has brought back a pension, something like that, for people when they retire for our team members. So, you know, we have a very good deal, actually. Even, I think, I would say it's probably one of the most innovative deals that we've had in a long time in this industry.

So, well, let's see. We hope this gets resolved as soon as possible.

Lucas Ferreira: Thank you, guys. Thank you very much.

Operator: Ladies and gentlemen, we have Mr. Gustavo Troiano, from Itaú, who would like to ask a question. Please go ahead, Mr. Troiano.

Gustavo Troiano, Itaú: Hello, everyone. Thanks for taking my question. My first question is on Seara and related to chicken supply here in Brazil. We acknowledge that discussions on the supply side should always be on a relative basis to demand, which seems quite strong at this point. But just wanted to get your updated thoughts on the balance between chicken supply in Brazil, what to expect going forward as we move into the 2Q26. If you guys are expecting the chicken supply increase to outpace demand in a way that we could see some profitability compression going forward. So that that would be the first question.

And the second one, still on US Beef and a follow-up in the first question is: would you say that the current balance between slaughtering capacity in the US and demand and cattle availability will imply some capacity adjustments going forward from other players or even from you guys? So what could you say on further capacity adjustments going forward? Because cattle availability is restricted right now. So I just wanted to get your updated thoughts on that as well. Thank you very much.

Gilberto Tomazoni: Thank you, Gustavo. Talking about chicken in Brazil and in Seara – and after that Wesley will be complimenting the answer about beef in the US –, when you go to chicken in Brazil, the balance between supply and demand for chicken is still not very clear to us. In one hand, we have a strong and growing international demand and new cases of Bird Flu in several countries, in countries that produce and are competitors of Brazil, and this could boost demand even further.

On the other hand, we have 2-3% to increase the chicken placement up to February. This is a reasonable limit for growth in Brazil. There is some news that chicken breeders' stock has increased. In this scenario, it's difficult to predict the unfolding events if production exceeds market capacity. But in this case, the industry, the sector, the industry has many tools to manage this. For example, we can export more fertile eggs, we can reduce the average age of the breeding stock, we can reduce the weight of the birds, among others.

It means that, so far, the market is very balanced, and we see a strong demand in the international market. If – because if you look for the breeders – can increase more the volume of domestic market, each industry needs to take its own decisions. But they have a lot of ways to manage of this supply, because chicken is not still in the farm, still placed; it is in the genetic.

I can say to you about our side, what we are doing. We are focused on the strengthening our export leadership and enriching our value-added mix in domestic markets. I think it's the boldest strategy we have. We are well-positioned in international market and well-positioned in domestic market, and we are adding value and being more innovative in terms of the way that you present the product to the consumers.

Wesley Batista: Hey, good morning, Gustavo. On the US Beef, this question about capacity adjustments is very difficult for me to answer, especially when it's something that's not related to our business directly, right? So it's very difficult for me to respond on that. It's clear that there is more capacity in the US than there is cattle available. The US, not too many years ago, 4 years ago, processed 33 million heads and now we're around 27. So, that in itself shows that, yes, there is excess capacity.

Having said that it's very difficult for me to respond about something that's regarding other companies.

Gustavo Troiano: Thank you, guys. Very clear.

Operator: Our next question comes from Lucas Mussi, with Morgan Stanley. Mr. Mussi, you may go ahead.

Lucas Mussi, Morgan Stanley: Hi, everyone. Thanks for thanking my question. My first one is related to Brazil beef and Australia. If you could talk to us a bit about how you're thinking about the export environment in the context of Brazil and also Australia eventually reaching the limit of the export quota to China? How are you thinking about how volumes are going to behave perhaps in the 2H of this year? What are you thinking about your options here and potential impact to the business divisions?

And the second one, for Guilherme, if you could share more details on derivative lines on your P&L that went a bit lower this quarter, that would be helpful. And also, I know that we’re still a bit early to talk about concrete working capital expectations for this year, but if you had to evaluate looking at where commodity future is today for grains, for livestock, you know, what would be your assessment on working capital potential as things stand today for the year? Maybe a little bit below 2025, in line with 2025? If you have any thoughts on working capital. Thank you very much, guys.

Gilberto Tomazoni: Thank you, Lucas, for your question. Let me separate. I think Australia and Brazil is a different scenario. Australia, we are not seeing any challenge in terms of after the quote of Australia to China, because Australia has a strong market demand, has a very strong presence in Japan, in Korea, in all of the Asian markets, in the US as well, and Europe. Then, Australia is easy to manage the volume for each one of this market that we are not really worried about this situation.

In Brazil, may be more complicated. I will talk related to that, but our Friboi team is very confident that they will be able to deliver this year, 2026, results in line with last year. And why are we confident on that? Global demand for protein is high, especially for beef. China's quota, if you talk about, we are expecting to end by the mid-year. And in reality, we don't know how China will manage this volume restriction. I believe that some countries will likely not be able to complete their quotas. But we cannot speculate, but this is a fact.

Regardless of this situation, Friboi has developed a new international market, a new sale chain, and invested heavily in value-added, combined with customer service. An example of this strategy is the program of Friboi+ (Friboi plus). Now, I think last week, at the Supermarket Convention, in Rio de Janeiro, Nielsen (you know Nielsen, right) gave a presentation comparing a store with a regular butcher shop to one with Friboi Plus, and the results showed that the store with the problem has a higher revenue in 40%, 40% higher overall sales, not just the butcher area. It's a strong problem to support the growth of our customers.

And at the same time, the retailers now face a challenge because they need to improve the quality of the sales in the stores. Because this shift for more protein, this program, what GLP-1 and so on, that is booming, the consumption of protein, they need to enhance the portfolio in the retail. And our program I think fits perfect with this trend in the necessity of the supermarkets.

The other point, I believe in the second half of the year, when the supply of feedlot cattle increase, this is coinciding with the end of quota of China – and we know that China is the largest for sale channel –, the price of cattle will likely be affected. I think there will be correlation. Because of that we are so confident that we are able to deliver this year’s results in line with last year.

Guilherme Cavalcanti: Lucas, so on the derivatives line, what you saw there is any sort of derivatives that's not related to the operations. And the recent volatility in currencies and other commodity prices made this number higher, despite we have a very limited VAR for those types of derivatives.

Now, on the working capital side, well, so far, what I can say is only about what we've seen in the 1Q. So 1Q25, we have a slightly lower working capital consumption than the 1Q24, despite the 200 million higher impact of the deferred livestock.

So again, it's too early to say for the whole year, but if we're considering just the 1Q, we had a little lower consumption of working capital. It doesn't mean a lower cash consumption given that the operational side is likely worse.

Lucas Mussi: Very clear, gentlemen. Thank you very much.

Operator: Thank you. Our next question comes from Thiago Duarte, at BTG. Mr. Duarte, you may go ahead.

Thiago Duarte, BTG: Hi. Hello, everybody. Good morning. Yeah, two follow-up questions going back into US Beef and then Seara.

Wesley mentioned the strong quarter considering the circumstances that you had, but I'm still wondering what you believe justifies that performance. I mean, a Q-over-Q margin rebound is not something that typically happens considering the seasonality in Q4, and even looking at the industry cutout spread. So my question is: you mentioned the volatility has been something that that's even higher than usual and maybe that that has something to do with a particularly good quarter in Q4, but if you could elaborate a little bit more on what you think justifies that in this quarter in particular.

And the follow-up question on Seara, I think Tomazoni talked a lot about chicken demand and protein demand in general. So my sense is that what really drove this very good margin at the Seara division in the quarter was really related to chicken, fresh chicken, and in-natura chicken exports as opposed to the domestic prepared food portfolio. So my question is really if that understanding is accurate in terms of, again, in-natura margin versus prepared food margins for Seara in the quarter. Thank you.

Wesley Batista: Thiago, good morning. So, you know, especially when the market has such volatility in cattle prices and cutout values, it's very possible, especially when you look at just a quarter, right, that you have a quarter that you position yourself really well, another one that you position yourself a little bit worse. And, you know, between quarters, just from a positioning perspective, you could either look really good or look a lot worse than you expect. And, you know, just given this such intense volatility, more than where we're expecting, I saw some reports that maybe question a little bit about if there was any hedging or derivatives there. There was nothing significant from that perspective.

I think that just when markets are more volatile and you made positions selling product up front and all of that, sometimes you get good positions, sometimes you could get worse. I think the best way to look at performances is to look at overall, longer-term than just one quarter. One quarter could kind of be misleading positive or negative, either way, in this sort of business, especially with the sort of volatility that we've been having on cutout and cattle prices.

Gilberto Tomazoni: Thiago, let me make some assessment and position about what you said. If I understood well, you asked for the margin of prepared foods in domestic market versus export commodity chicken to international market.

If you take just into consideration the margin, yes, the margin of international chicken was higher than the margin of prepared in domestic market. But say that, we improved the margin of the prepared food in domestic market.

If you remember some quarters ago, I mentioned that we are advancing a process to improve our price management in order to get the real value of the brand in domestic market. And this is a continuous process. We are now focused on taking the advantage of the perception of the brand we have, the penetration of the brand Seara in the market, the penetration of the brand and the rebuy of the brand from the consumers. And we are strengthening our process in order to get this value. And because of that, we are continuously improving the margin in domestic market.

But, yes, you are right. If you compare this quarter, the margin of international market for chicken was higher than the margin of prepared in domestic market.

Wesley Batista: Thiago, just to complement something on beef that I meant to say and I forgot. For sure, this comparison quarter by quarter could create a little bit of that when it comes to positioning of how you sell forward and how you buy and all of that. But having said that, we're very satisfied with the way we are operating.

There are still opportunities, for sure, there are things that we're working on. But when we compare our operations, just the things and how we are running our plants and how we are running our sales strategy, our procurement strategy, compared to a few years ago, we think we've made a lot of progress, and I think we're doing a lot better than we've been doing in the past.

Thiago Duarte: That's all very clear. Thank you.

Operator: Next, Mrs. Isabella Simonato, from Bank of America, would like to ask you a question. Please go ahead, Mrs. Simonato.

Isabella Simonato, Bank of America: Hi. Good morning, everyone. Thank you for taking the questions. First, on the working capital for the quarter, you mentioned the deferred payment of livestock as well as inventories. Can you just give a little bit more details on the inventory performance versus where you were expecting, right, when you mentioned in Q3 for the remainder of the year, what changed and if there is any impact to be postponed or translated into 2026 performance?

And second, on Seara, you were mentioning, right, Tomazoni, about the margins in Brazil. Can you comment how you're seeing Brazilian consumers behaving the beginning of the year, if there is room to increase a little bit prices and if volumes have picked up?

We noticed that retailers were running with lower inventories in the end of 2025 and there was any significant change in behavior in the beginning of the year.

And finally, if you could give us a brief overview, how are your grain inventories and how you're seeing feed costs for the remainder of the year? Thank you.

Guilherme Cavalcanti: So on the working capital cycle, Isabella, so every 4Q is a quarter that we decrease inventories and we rebuild them in the 1Q. And the same happens to the livestock, which we postponed payments from one year to the other.

Between 2025 and 2026, we postponed this year US$ 600 million in livestock. Last year, we had postponed US$ 400 million. So we had a 200 million better impact on the 4Q, that will be a 200 million worse impact in the 1Q that I mentioned in the previous question. And in the inventory side, the same thing. We are seeing the same level of inventory rebuilt that we saw in the last years.

Gilberto Tomazoni: Isabella, thank you for your question. You have two separate questions. One is, if I understood well, related to the behavior of the consumer in domestic market with Seara. We see that the market started a little bit weak in the beginning of the year, in January, but came back. Now, when we look at our sales, we are growing the sales compared to the last year, but with different mix, with a value-add mix growing much faster than the traditional and low value-added.

It's difficult to say what is value-added or not value-added. It's prepared. But say, look, I call the “traditional”, they are selling less than the innovation. We have a huge growth in the innovation line with a high-protein product, air fryer products, products designed for air frying products, clean-label products. This kind of innovation, they grow much faster than the other ones.

But in average, when you compare this year with the last year, we are growing. Even with some challenge in some different chains, but it's growing. But in Beef, just to be clear, it started very tough, it is tough in the beginning and recovered. Now, our sale is higher than the last year for prepared.

And when you talk about the cost, I think you talk about grains, right, because there is a lot of consideration. We have different view in terms of corn and soybean meal with these two key elements for our feed. In the corn market, we see an upward trend, we should expect higher cost in 2026. And if you look at reduced global stock and solid demand, increased crude oil price, that is boosting ethanol margin, as well as the costs and availability of fertilizers. US acreage at risk given the soybean ratio. And the second, crop in Brazil in face of some climate risk. That, I think, we expect higher cost for corn.

In the soybean meal, we see price stability. And if you look at the crush margin, they are positive. And as the crush margins are positive, they result in an abundant supply. And the other part, weak Chinese demand due to the tight pork margin in the market. But I think it's for soybean meal, we need to monitor US acreage issue and the biofuel policy. But anyway, our outlook remains bearish.

Isabella Simonato: Super clear. Thank you very much.

Operator: Thank you. Our next question comes from Henrique Brustolin with Bradesco. You may go ahead, Mr. Brustolin.

Henrique Brustolin, Bradesco: Hello, everyone. Thanks for taking my questions. I have two. The first, on US Beef, Wesley, if you could comment about the Mexico cattle imports, right? They have been shut for a while now. Maybe the reopening could be a discussion amid the higher prices in the US. So it would be great to hear your thoughts in how relevant that could be in shaping the outlook for 2026. If we saw a reopening of the animal imports from Mexico to the US. That would be the first one.

The second is a quick follow-up on Seara. Seara has been through a very big investment cycle over the past few years. It would be great just to hear how those investments have already ramped up and what would you expect for volume growth into 2026, as probably you will complete the ramp of some of those plants. Thank you very much.

Wesley Batista: Thank you. Good morning. So on Mexico, It's difficult to tell when that's going to reopen. I mean, it's very meaningful. it's 1.2 to 1.5 million heads per year, so it's more than the size of a double-shift plant, right? So it's a big volume, and it's very important, especially to the South of the US.

I mean, the USDA is doing a good job and doing all it can to keep the disease outside of the US. They're working on the sterile flies and all of that. And Mexico obviously is also trying to get this resolved as soon as possible. But for me to be able to tell you, I hope that this will get resolved within the year, but I have no way to forecast and to even have an indicator of if that's going to really happen anytime soon.

But it's really important. It's probably the most important short-term change that could happen to this whole beef supply and demand equation. The most relevant and, in the short-term, for sure, this whole Mexico thing is very important, especially for the South of the US. But again, it's very difficult for me to tell you a forecast. I hope it opens this year or as soon as possible. But it is very difficult to forecast.

Gilberto Tomazoni: Henrique, and about the investment of Seara, all of them will be completed this year. And when they're completed, the additional capacity will be around 10-13%. I would say 10-13% because it depends on the mix. Some mix that is less volume, high value, but it depends on that. But you can consider 10-13% in terms of volume capacity growth.

Henrique Brustolin: Very clear. Thank you very much.

Operator: Our next question comes from Benjamin Theurer, with Barclays. You may go ahead, Mr. Theurer.

Benjamin Theurer, Barclays: Yeah, good morning. Thanks for the question. Just following up really quickly on the CAPEX side, I think you said about 1.4 billion for expansion. I mean, I know there is a lot that Pilgrim’s Pride has as part of that and share of it with their outlook in terms of CAPEX. But could you remind us a little bit about some of the other projects you're currently talking and working around as it relates to capacity expansion, aside from what Tomazoni just mentioned on Seara? That would be my first question. I have a quick follow up as well.

Guilherme Cavalcanti: Hi, Ben. So basically is the Pilgrim's Pride expansion on the prepared food parts, on the rendering facilities, the pork sausage plant in Iowa. The ones that we announced. There's also the Oman project, we also announced a plant in Paraguay, Cactus Texas, also on the beef side.

So everything that we've been announcing, and of course, all these capital expenditures are phased out throughout the years, and that's the portion for 2026.

Benjamin Theurer: Okay, perfect. And then as you kind of like look from just general capital allocation, I mean, obviously you announced the US$ 1 dividend per share and the very large CAPEX program. We're seeing a bit more activity right now as it relates to M&A activity within food companies in general, but particularly between European and North American companies.

So I just wanted to get your latest as to your willingness or the opportunities you might be seeing on growth through M&A, which obviously has always been part of JBS's DNA to grow. Thank you.

Guilherme Cavalcanti: We're always looking at the opportunities everywhere in the world, but there's nothing that we are looking very keen at the moment. And that's one of the reasons that we increased our organic growth, because we are not seeing many opportunities on the acquisition front.

I think that there's nothing that we could say that we expect to announce or anything in terms of M&A. So that's why we increased the expansion CAPEX, and that's why we are returning capital to the shareholders. And given that our net interest expenses continues to be at the US$ 1.1 billion level, we are very comfortable with this capital allocation.

Benjamin Theurer: Perfect, thank you.

Operator: Thank you. Our next question comes from Thiago Bortoluci, with Goldman Sachs. Please go ahead, Mr. Bortoluci.

Thiago Bortoluci, Goldman Sachs: Hey, guys. Good morning, everyone. Thank you very much for the questions and congrats on the results. I have two follow-ups. The first one – this is on volumes, right, Tomazoni –, you have been very vocal on the solid momentum for global protein markets, and to be honest, when I look over the last few quarters, obviously a lot of debate on the margin cycles, but volumes and top-line have been consistently surprising everyone to the upside, and I think it might be a continuous source of upside going forward.

It's difficult to break out for us your sales component between volume and pricing, but internally, from a volume perspective, could you please share with us what business units, segments and destinations are the ones that are contributing the most with your growth? And which regions make you more excited with the opportunities for 2026?

Particularly, if you could also comment on the opportunities in Africa. I know you announced a few things last year, just an update here, and then I can follow up with my second question. Thank you.

Gilberto Tomazoni: Thiago, thank you for your question. If I understood well, you talk about Seara or you talk overall…?

Thiago Bortoluci: Volume overall.

Gilberto Tomazoni: Ok, overall. Overall, we see that the demand… when you say all of the market, it's not just because we try to simplify, but it's the reality. We have a strong demand in Europe, Friboi increased a lot of the sales of red meat in Europe, as Seara increased volumes in Europe, and the demand in chicken in Europe maybe is driven by some influence in some countries. And the demand for beef is because the beef production in Europe decreased.

And I think it's not just Brazil sell more in Europe and Australia sell more in Europe. Australia and the UK now they have a new agreement, and the demand we are expecting to grow the demand from beef in Europe.

The other part, we see demand in all of the Asia – take China out of this component of Asia, but – all of the Asia, the demand is growing for chicken and for beef as well. We see the demand in the markets that is not new market. We open a lot of new markets, but the traditional markets like in Japan, like in Korea, we increased the volume from the market. And I believe this is the trend. It's not the trend because of the price; it's the trend because the demand increased and the local production decreased. Decrease because of the cycles there or because of some disease in the market.

We see Middle East. Now we are facing a war there, but the flow of the products to the market didn't change. So far, they changed the logistics of vessels there. The internal logistics, we need to change ports, and when we change ports, we need to use trucks to deliver the products to the customer. But the flow is still there, the demand is there. Because of this, we are investing in the Middle East. A new factory opened some months ago in Jeddah, and the investment we announced in Oman, because the demand is strong.

Then the US, there is a strong demand for beef as well. Australia, Brazil sell a lot the trimmers from US, I would say a lot, more than before, I would not say compared to the production in the domestic, sell compared to what previous forecast.

And so, look, we are not seeing that one market is restricted, we see the demand for all of the markets. Even in Brazil, the demand in Brazil for protein is high. Look at how Brazil has grown in terms of the number of fed processed in Brazil, it is amazing. And what is this? This is because the global demand for protein.

There is a reason we haven't talked before about that. There is a trend… It's not a trend; it's a structural change in the demand of the market. Because of regulatory guidelines in the US, they change the guidelines, they need to add more protein, they need to go to 1.1 grams per kilo per 1.6-2 grams per kilo. You can imagine how much we need to produce to fulfill this market.

There is a lot of the health habits for young generation, for old generation. There is a new medicine technology, this GLP-1. And combining all of this, the demand is very high, very high. I don't know if I answered your question, Thiago.

Thiago Bortoluci: Perfectly, Tomazoni, this is very helpful. Thank you very much for this.

On the second one, still talking about the conflict in the Middle East, obviously this is an ongoing situation, but could you help us framing the impact so far in our freight expenses – and by freight, I'm mentioning seaborne freight, but also truck freights in Brazil –, and maybe a sensitivity of how this could impact your profitability (if sustained) going forward, or how you plan to pass this along?

Gilberto Tomazoni: Thiago, I think as I just mentioned before, the flow, the product, the go-to-the-market didn't change. Didn't change from Brazil, didn't change from Australia, any of the other markets, didn't change. We keep supplying the market.

What we saw, the growth, the cost… We have a contract with the marine agents, and they put extra cost because of the risk to navigate in these regions. This is one of the costs. The second cost is the cost that we need to change the port. The destination of the product, some destinations will change from one port to the other port. And when we change the destination for the different port, we need to have the truck transportation because there is no closer to the customers than we need to have this cost of transportation.

But so far, all of this cost was born by the market. We didn't see impact in our results.

Thiago Bortoluci: This is also true in Brazil, Tomazoni, with diesel prices?

Gilberto Tomazoni: No. In Brazil, we see the increase of price of diesel, and we see that increase in terms of the cost of freights. I talk about the Middle East, but when you look at Brazil, yes, you are right. Increased the cost of the freight.

And I think if the crude oil keeps this price, and depending on the development of this war, I believe that other costs will be increased. The cost of packaging and everything that depends on the oil will be increased, as raw material. I think fertilizers will be impacted, then I mentioned before when we talked about the cost of the corn, because the fertilizer will be higher, the availability of fertilizer, maybe the use of fertilizer will be reduced, and then the productivity of the crop will be low.

But I believe it's too early to predict. Too early, because you don't know how the end of this war will be. I saw this impact in the short-term. But if they end the war, I think will be open back. I think this is a situation that how we are looking and acting in this situation.

Thiago Bortoluci: Makes sense, Tomazoni. Thank you very much and congrats on the year.

Operator: Thank you, Mr. Benjamin Mayhew, from Bank of Montreal, would like to ask a question. Please go ahead, Mr. Mayhew.

Benjamin Mayhew, Bank of Montreal: Hi, can you hear me, OK?

Wesley Batista: Yeah, good morning.

Benjamin Mayhew: Hi, good morning, guys. So a lot has been covered already, but, you know, I'd like to ask a high-level question to begin. So in looking at 2026 versus 2025, just across your global segments, where do you see pockets of improved market fundamentals? And where do you see pockets of maybe, you know, not so strong fundamentals throughout the year? So we'll start there.

Gilberto Tomazoni: Ben, thank you for your question. Ben, I think rule of improvement we see in all of our business units, because we have a methodology that mapping the gaps is one of the models that we work with. All business units need to understand, need to know very well where the opportunity is to improve. Then we call mapping the gaps. And when you have the budget, we go there and see the gaps, and we forecast in our budget some gap in each one of the operations.

And it's not just for the business, but we got the business because we deployed each one of the processes and subdivisions of the business. That means if you look at it, it's a huge opportunity we have yet because that is new technology, new way to do the things, we close the gap, we open a bigger gap. And this is the way that we see or get the operational excellence.

I think this is the mentality and the mindset for all of the business. But if you go to structure, we see that Brazil is one of that has a huge opportunity for growth in terms of meat. Beef in Brazil, I think is, if you compare Brazil and US, Brazil has more than double of the herds than US, more than double, and we produce just this year or last year, Brazil produced a little bit more meat than US. It means that if we are able to get the same productivity as the US, we can double the production in Brazil of meat.

Then we see Brazil in terms of red meat, huge opportunity in the future for growth. Oh, but all of the proteins produced in Brazil is very competitive because we are grain competitive in terms of the cost of the grain. We are very competitive weapon, good quality management, and I think Brazil is one.

When we see US, good opportunity, chicken in US performs so well and we see that demand US for chickens' grown. Before, US exported a lot of red meat and leg quarters. Now, I think it's a huge chunk of the volume for red meat is staying in the market, because they start to appreciate the product made by red meats, by red meats from chicken, say, leg meats.

This, I think, in the US is an opportunity for growth, for chicken, for pork demand. In the US, if you look at the results of our pork business, they have very consistent results for a long period of time, a well-managed business, and we see that we can grow in pork business because US is very competitive to produce chicken and pork.

So look, it's difficult for me because I'm booming in all of the markets that we are present. Australia, we see, we are very excited with the pork business there, we are delivering a great result there. Australia now imports pork meat, but Australia exports grain. When you export grain, the price of grain is international price. That does not make sense that we export grain and import meat. You can produce meat there. And we are investing in our pork business, building farms and improving the operation, the productivity of the operation.

Then we are so excited with the opportunity for Australia. And our salmon business, we have announced an investment to improve more than 50% our capacity of salmon in Tasmania. So we see Europe. Europe, I think is an opportunity for growing chicken, and maybe in chicken and value-added.

So look, we are excited because we are in a sector that is growing. It's protein. And we have a global platform that we can easily meet this demand. I think we are in a good situation and have the advantage to take this opportunity and transform this opportunity in results to the Company.

And I think that's it. I don't know if I answered your question, Ben.

Benjamin Mayhew: Yeah, you did. And I really appreciate all the detail. That's very helpful context.

So my second and last question would just be around the beef cycles. And, you know, just wondering if you're seeing a little bit more progress on US heifer retention. So, wondering about that.

Also, curious about, you know, your thoughts on the durability of the Brazil cycle and then, of course, the Australian cycle. So, if you could just kind of summarize that quickly, that would be amazing. Thank you.

Wesley Batista: Thank you, Ben. So, yeah, we are seeing the herd rebuild more actively in Canada, we're seeing that in the dairy business as well in the US, which also obviously impacts the overall supply.

When we look at the USDA data, it shows that I think we are retaining heifers, but it's relatively slower than we expected. But I think all the economics are there, everything should be there for us to be doing that. Actually, I have information that's pretty interesting: the beef cow slaughter in 2025, a full year, we processed 2.3 million heads. In 2022, it was 3.9 million heads. So we're almost half of what the beef cow slaughter was in 2022.

I think that information is important and it shows that, you know, if it wasn't to keep more females for breeding, we wouldn't see such a sharp decrease, it's almost half of what it was in 2022, not too long ago. So I think that there is some information that kind of makes us more optimistic, but obviously it's lower than we would wish.

Gilberto Tomazoni: Ben, related to Australia, we see you are in the middle of the cycle in Australia. And back to Brazil, Brazil we see that the reduction of production in terms of the number of cows, but the other side, you have a different force. If you look at Brazil and compared to US or compare to Brazilian – you cannot only compare to US –, you can compare to the high-level productivity in Brazil producers and the average of Brazil, the average of Brazil, they bring to harvest the beef at four-year age. But the good producers or the modern farmers, they live two years to get the products finished, to get the cattle finished.

It means that, at the same time, we have a reduction in the age of the cattle, and this increased a lot of feedlots in Brazil. Before, feedlots in Brazil were not well developed, now you can see a lot of feedlots in Brazil.

And in the other part, we have an improvement in genetics, improvement in nutrition. The Brazilian ethanol, corn ethanol industry now they deliver a good by-products from the ethanol, that is DDG, and it supports a lot the growth of improvements in feed.

I think Brazil will be able to manage this situation and postpone the cycle, the cattle cycle, that is normal cattle cycle.

Benjamin Mayhew: Got it. Thanks so much, guys.

Operator: Our next question comes from Leonardo Alencar, from XP Investimentos. You may go ahead, Mr. Alencar.

Leonardo Alencar, XP Invetimentos: Hi Tomazoni, Cavalcanti and Wesley. Thank you for taking my question. I wanted to go back to the US Beef discussion. And as you mentioned many points on the supply side, I wanted to focus probably more on the demand side. So if we can get first a view on the resilience of beef prices. We've been seeing some amazing beef prices in the beginning or even before the spring season. So just to understand if you think this is feasible or even if it's possible for us to expect higher price throughout the next few months.

There was an interesting change in choice and select spread. I don't know if there's any signal on that point, if you could provide us with some more information. And this discussion on the product of USA label, I understand it's really new, but if you have any early views on that would be interesting as well.

And then, on the second point, maybe more like an exercise here, I understand that we've been discussing value-added products and processed goods, and that US is the main focus for that. But you already have a lot of revenue on that channel.

If we split that from the commodity business in the US, would you say the performance for the end of 2025, and even for 2026, may be better than the commodity business? Is this possible to do that exercise? That's it.

Wesley Batista: Sorry, I was on mute. Good morning, Leonardo. So demand remains pretty strong for beef. You know, obviously supply is pretty short, but it seems like beef continues to be very resilient. Seems like ground beef, especially ground beef, we've always measured ground beef versus chicken breast versus pork loins, and it seems like the demand for beef in general just, you know, obviously there is a little bit of a substitution with other proteins, but the demand for beef still remains, and remains pretty strong. So we see that going forward.

And all this labor requirements and all of that, it's something that, you know, whenever something changes, we discuss with our retailers and customers and see what the impacts and costs on that. But it's not something that I'm super concerned right now.

Leonardo Alencar: Okay. And the value-added products?

Wesley Tomazoni: Oh, sorry. That value-added question was about which business units, sorry, I missed that?

Leonardo Alencar: Exactly not related to a business unit. If you could split or remove or suggest a value-added product and remove from the commodity business, would you say 2026 is expected to be better or not for that part of the business?

Gilberto Tomazoni: Look, our focus is to increase value-added in brand. The focus is, if you look at investments we have done in the past, we prioritize the value-added products, because we take the advantage of verticalization of the product. And the second one is higher margin in more stable markets. That value-add is one of our priorities.

Leonardo Alencar: Okay, and just one more follow-up here. On this split-up bill that was being discussed in the US government, I understand it's more noise than anything, but any comments here?

Wesley Batista: It seems like it doesn't have a lot of support. So, right now, it's not something that we're concerned about, Leonardo.

Leonardo Alencar: Okay, thank you all.

Operator: Thank you, and we have Mrs. Heather Jones back online, if you would like to go ahead with your question, Mrs. Jones.

Heather Jones, Heather Jones Research: Are you able to hear me now?

Wesley Batista: Now yes. Good morning.

Heather Jones: Hello?

Guilherme Cavalcanti: Yes, we can hear you.

Operator: Seems we have some connection issues on Mrs. Jones' side. So we'll continue for now with the next question from Guilherme Palhares, with Santander. You may go ahead, Mr. Palhares.

Guilherme Palhares, Santander: Good morning, everyone. Thank you for taking my questions. Over the last couple of years, one of the main points here of the investment thesis of JBS has been a bit of the geographic diversification, right? And you do report each of the businesses individually in terms of Australia, Brazil, the US.

I just wonder if you could share a bit what is – I think US is a good indication there –, in terms of the supply to the market, how much of beef meat in the US is being sold through JBS?

Do you know how much of your selling today that it's coming from Brazil and Australia? Just to… the point here is a bit of food security, right, so having this geographic diversification, how much you can maintain supply, even when the cycle conditions are not there? So if you could give us some color there, I think it would be appreciated.

And the second question here, Tomazoni, over the last two years, you guys entered in a new protein, which is table eggs. Of course, you still have a minority stake on the investment there, but I just want to hear a bit of your thoughts going forward with this year behind you. What is your impression there and how big is the opportunity there? Thank you.

Wesley Batista: Guilherme, sure it's very relevant to have access to import meat from Australia, from Brazil, especially in periods of time when there is a shortage of beef in the US. So that does help, and obviously the volumes that Brazil and Australia produce are significant, so there isn't a supply problem when it comes to that.

Having said that, the US is a very, very, very, very competitive place in the world, probably one of the most competitive places in the world. The American ranchers are among the most capable in the world to produce beef and high-quality beef. So, obviously, the shortage is a situational thing right now, but the US is a country that doesn't need to import. In the long run, it doesn't need to depend on import, it doesn't need to have imports to be able to supply its own demand. It should be able to, in the long run, have its domestic production, supply its domestic market and actually be an important exporter of beef, like it's always been.

Obviously, in the short-term, we have the situation that we're importing a little bit more beef than usual, and it's useful to have that when there is a shortage because the demand is still there. But the US is a very, very productive place for beef and, in the long run, shouldn't depend on imports.

Gilberto Tomazoni: And Guilherme, related to eggs, we entered in the segment because we see that affordability of the protein is one of the more affordable protein in the market. And before we entered, we studied this category and we are excited. The first movement we have done is to buy a company in the US and we are building farms in Brazil.

We are excited with the business. This is one of the businesses we want to grow.

Guilherme Palhares: Okay, Tomozoni, and just one follow-up there. You guys are also entering in the US, right? So what is also out there that you want to do on table eggs that you think is a relevant market that you can play and make a difference?

Gilberto Tomazoni: Look, we just bought these farms in the US, and I would say that the population of the chicken, now we are populating our farms, and we are excited with this. The strategy to buy the Mantiqueira is because Mantiqueira has the know-how and this accelerates all of our learnings in the market.

Guilherme Palhares: Thank you.

Operator: Our next question comes from Puneet Sharma, with Siemens. You may go ahead, Mr. Sharma.

Puneet Sharma, Siemens: Thanks. Can you hear me, OK?

Wesley Batista: Yeah, good morning.

Puneet Sharma: Good morning. I appreciate the question here and a lot of good content covered. So maybe I could just focus on the first question, maybe just on your US pork business. We've been hearing from US hog producers that they expect disease impacts to be the same, if not worse, than last year.

I was just wondering if you can kind of share what you've been hearing regarding hog disease pressure in the US and if you would expect that to weigh in on margins in FY26.

Wesley Batista: Yeah, the margin impact depends on how and when it does impact. It doesn't necessarily mean that it's actually a negative impact. It could actually have a short-term. Obviously, we're not expecting disease, and we don't want disease, and we do everything we can not to have it. But in the short-term, you actually could have given a shorter supply, a better margin if that happens.

Puneet Sharma: Okay. I appreciate the color there. And my follow-up, maybe just wanted to further on some of the comments you made about the listing on NYSE. You mentioned stock has seen some liquidity and valuation benefits, but that you're still expecting to get more. And in the past, you all have talked about, I think, index inclusions and the potential to get into some of those and the timing to get into some of those.

So I think as we're looking in FY26, I was just wondering if you could maybe give us an update on what's out there in terms of inclusion on some of these passive indices.

Guilherme Cavalcanti: OK, so on a multiple side, if you look at our enterprise value EBITDA, forward-looking, we are trading higher than we used to trade before the listing. So there was a multiple expansion already, but we still traded at a discount to our peers. One of the reasons is also the index inclusion.

There was a research that was sent yesterday from Stephens saying that according to what we released on our financial statements in terms of information of revenues and assets breakdown, we should be included in the Russell, which is next June, and it could bring around 14 million shares demand from passive funds. But it's out of our control. We cannot guarantee that, but that's what is in the short-term.

On the longer term, at some point, most likely beginning next year, we will start to make files of 10Ks and 10Qs instead of 6K in order to be eligible to the S&P family. So then I think 2027… so I think this year, Russell is the plan, next year the plan is beyond the S&P family, first on the S&P 400, and once we reached US$ 22.7 billion-market-cap, that's the threshold for the S&P 500. Although, again, it's not on our control, it's their committee's decision for shares inclusion.

Also worth to mention that our average daily trading volume is 3x higher what it used to be before the listing, and the Brazilian investors fell to 10% of our free float and the US investors today is already 70% of our free float.

Puneet Sharma: Great, thank you for the color.

Operator: And our next question comes from Ricardo Boiati, from Safra. You may go ahead, Mr. Boiati.

Ricardo Boiati, Safra: Hi, good morning, everyone. Thanks for the opportunity here. My first question goes to Wesley. I wanted to circle back to the US Beef business. You, in fact, already answered part of my question here, which related to the competitiveness of the US ranchers, right.

We are seeing very favorable conditions, right, for a faster herd rebuilding in the US with the beef prices, the cattle prices. My question here would be exactly when you look from the ranchers' perspectives, we see some concerns that labor, even succession plans, could be an issue for the ranchers longer term. You expressed a very strong, positive outlook for the US Beef industry, which is very good.

So I would ask you to elaborate a little further on the drivers for the industry, especially from the ranchers' perspective, right? Is there anything that could prevent a more robust business expansion for the ranchers? Anything that could be a risk in the horizon? So that would be the first question.

And the second one, just more broadly, looking at the current market environment, the risk environment globally, could this situation here of increased volatility imply an even more conservative approach when it comes to the balance sheet of the Company? It's quite clear that the balance sheet is very strong, I mean in terms of leverage, in terms of debt maturity, you already showed this in details, but in the very short-term, the current environment, does it imply an even greater conservativeness from your side or nothing relevant so far? Thank you, guys.

Wesley Batista: So, yeah, obviously, there are issues that are all very relevant, succession is always very relevant, and labor, and all that. But at the end of the day, I have a pretty simple view of this – and obviously, like interest rates are relevant as well when it comes to herd rebuild, right? Because you have to carry more working capital, livestock and all of that –, but at the end of the day, I think it's pretty simple: the US has the nature, has the culture, I mean, nature I mean like just the environment, right? Just the natural resources to do it, to have a thriving beef production. It has the culture to do it. It has the infrastructure like no other country. So at the end of the day, we remain very optimistic about it in the medium and long run.

Guilherme Cavalcanti: In terms of balance sheet, I think it's worth mentioning that sometimes you should not look at the net debt absolute value itself, but not even on the net debt to EBITDA. I think it's worth…I mentioned that in the last three years we increased our net debt in 8%. However, financial expenses stayed the same. So through liability management exercises, we've been able to, despite increases in debt, keep the same level of interest expenses.

So our capacity of that repayment didn't change. So as long as we have this affordable debt capacity repayment, we have not needed any restrictions in terms of our return to shareholders or our growth given that we have this comfort.

And also, as I mentioned before, we don't have significant maturities in the next 5 years, which gives a lot of comfort that we don't need to go to the market at any interest rates. Our cash position, we ended the quarter with US$ 4.8 billion, which is around US$ 1 to US$ 1.5 billion higher than what is our minimum cash given our cash conversion cycle.

So again, we have a lot of cushions that currently we don't need to be restricted in any of our initiatives.

Ricardo Boiati: Okay, super clear, Guilherme and Wesley, thank you very much.

Operator: Our next question comes from Igor Guedes, with Genial. You may go ahead, Mr. Guedes.

Igor Guedes, Genial: Yeah, good morning. Okay, thank you. Good morning, everyone. Thank you for the opportunity.

I would like to talk a little about Seara. Regarding the first part of the question, this quarter we saw a resumption of shipments to China after several months of suspension due to avian flu last year. I'd like to understand how the resumption went for you guys. The resumption happened around November, so it didn't cover the entire quarter.

For Q1-26, should we expect an even stronger quarter in terms of volume? Is this recovery gradual or do you believe the full effect has already been captured in 4Q?

And the second part of the question, I'd like to understand, from the perspective of breaking down the positive impacts, we have volume growth as well as price improvements realized through premiums-based on certain chicken cuts designed for China, such as chicken feed.

Given the increase in volume, there is also an effect of improved fixed cost dilution. So my question is, if you could break down a bit what we saw in terms of margin improvements, what influenced it the most. Was it the increase in volume, the price improvement, or the fixed cost dilution? Thank you very much.

Gilberto Tomazoni: Igor, it's not a simple answer for you. If you talk about the volume to China, when open, this helps a lot in terms of profitability because we have the best market for chicken wings and for chicken feet in China, then we increase in terms of… feet we don't produce, we not market to deliver all of the production, but then when we open the markets, they improve volume and price. And about wings, they improved the price because the value of the wings in China is higher than the other markets.

It means that they we got part of the benefit because it was in November (I think it was October/November), and now we have got the benefit in this 1Q, all of the benefits.

When you talk about what is important, the cost of dilutions of price, of course, the impact of the feet, it's a huge impact in terms of profitability, because this represents 60%, 60% of our cost of chicken goes to feet, around 50. And this is huge, is more than to get increased the volume to compensate this. Of course volume compensates, but not able to compensate all of this cost.

Igor Guedes: Okay, thank you very much.

Operator: Our next question comes from Priya Origupta, with Barclays. You may go ahead Mrs. Origupta.

Priya Origupta, Barclays: Great, thank you for taking the question. I hope you can hear me. I know a lot of questions have been asked at this point. I would just like to ask two. First, around just the capital allocation. You've already announced the US$ 1 dividend per share that's going to be paid in June. That works out roughly to what you've been indicating for some time now around the ability to consistently pay about US$ 1 billion to shareholders.

Is that sort of how we should think about the dividend for the entirety of the year, or is there room to potentially increase that with a second payment later in the year?

And then relatedly, how should we think about share repurchases, just given that you guys did do about 600 million in 25? And then I'll ask my follow-up.

Guilherme Cavalcanti: Hi, Priya. So, at this moment, we are sticking to what we will try to do as long as our leverage ratio allows us to have the US$ 1 billion per year in dividends. So I think this US$ 1 billion is what we plan to pay this year.

And then, it depends on how much excess cash or cash flow generations, then we can reevaluate a share repurchase again or not. But that will depend on the cash generation in the next quarters.

Priya Origupta: OK, great, thank you. And then you were pretty clear just now about not having any maturities in the next 5 years or so, so you don't have any real need to come to market. But some of your bonds do become callable later this year and into early next year. Is there a scope for you to think about addressing those or consider other liability management? Or is this the great backdrop that… Or would this rate backdrop not necessarily lead to that? Thanks.

Guilherme Cavalcanti: The callable bonds have a very low interest rates, so it's not worth it. The coupons are below treasury. But there's opportunities to decrease interest rates and extend maturities on the 34 and 33 maturities. So maybe I think liability management could be targeted on those two bonds, 33s and 34s, which has high coupons and are higher than what we could issue today at 30-year, for example.

Priya Origupta: Thank you.

Operator: And next we have Mr. John Baumgartner, with Mizuho, who would like to ask a question. Go ahead, Mr. Baumgartner.

John Baumgartner, Mizuho: Good morning. Thanks for the question. Two for me on North America. First on the value-add side, traditionally, there's been a focus on value-add through M&A. More recently, you've gotten involved in

CAPEX to build the Italian meats business. But I am curious, alternatively, I know you have a relationship with Wendy's, you had done some test marketing of Wendy's burgers last summer. I'm curious what you sort of learned from that test market and how do you think about maybe licensing third-party brands to get those value-added brands in-house in lieu of making expensive acquisitions or even investing to build brands from scratch?

Wesley Batista: Good morning. So, look, we're always looking at every option. For us, greenfield has made more sense recently just because of valuations and the price of using some of these things. And actually, some of these businesses we did greenfields, it's better to have a new plant instead of buying old assets. So that was very specific to those greenfield projects.

The product we [103:42 – unintelligible] was very interesting, it worked out well and it's great partners, but it's an option as well, but it's not… you know, we'll look at that too.

But we've seen that it's not necessarily, as you mentioned, you know, expensive as in kind of prohibitive to build brands. Look at what we've done with Just Bare, right? We never had an earnings call or Pilgram’s hasn't had an earnings call that they said that they had invested… the results weren't good or for one reason had a negative impact because we were building brands, right? We build brands as we as we build the business and it was sustainable in itself.

And nowadays, it's a one-billion-dollar brand in revenue. So I think it's possible to do those two things at the same time.

John Baumgartner: Okay. Thanks for that. And a follow-up also in North America. Guilherme, I think you mentioned there's really no imminent M&A on the horizon here, but I am curious on the egg industry. You've seen where prices are for eggs and I'd imagine there's a fair amount of distressed profitability in the industry.

I'm curious, looking at producer capitalization, that business specifically relative to beef, pork, other species where you've made acquisitions at the downtrend, the down point in the cycle. How do you think about this profitability issue in eggs right now, maybe accelerating your ability to build out and maybe be opportunistic and acquire some assets in eggs? Thank you.

Guilherme Cavalcanti: Hi, John. So basically, it all depends on having the opportunity at the asset price. So sometimes it's not related to the current egg price and you're always looking at opportunities. So it's difficult to say. And that’s our approach. It has to be an accretive acquisition. So…

John Baumgartner: Thanks for your time.

Operator: Ladies and gentlemen, with there being no further questions, I would like to pass the floor to Mr. Gilberto Tomazoni.

Gilberto Tomazoni: I would like to thank everyone for joining us today and all JBS team members for their dedication and commitment to deliver the results.

Let me close with 3 key points: first, we deliver record revenue, US$ 86 billion, a 13% growth over the prior years, reflecting the strength and consistency of our global platform; second, return. We continue to operate with a strong capital discipline, with return on equity at 25% and return on investment capital at 17%; third, earnings per share. EPS reached US$ 1.89, up 15% year-over-year, growing faster than net income and reinforced our focus on shareholder value.

As we look ahead, we haven't changed our focus: execution, efficiency, and discipline in capital allocation. That is what allowed us to deliver consistent results and build long-term value. Thank you.

Operator: This is the end of the conference call held by JBS. Thank you very much for your participation and have a nice day.