

# VTEX

## Second Quarter 2025 Conference Call Transcript

# Introduction and Disclaimer

## Investor Relations

Hello everyone, and welcome to VTEX's earnings conference call for the second quarter of 2025. I'm Julia Vater Fernández, VP of Investor Relations.

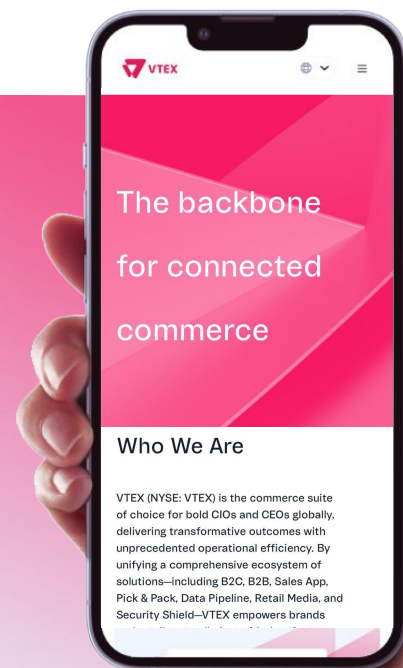
Joining me today are Geraldo Thomaz Jr., our Founder and Co-CEO, and Ricardo Camatta Sodre, our Chief Financial Officer. Also joining us for the Q&A session are Mariano Gomide de Faria, Founder and Co-CEO, and André Spolidoro, Chief Strategy Officer.

Before we begin, please note that today's remarks may include forward-looking statements. These statements are based on our current assumptions and projections, and actual results may differ. Additional

information regarding risks and uncertainties is detailed in our Form 20-F for the year ended December 31, 2024, and other filings with the SEC, all of which are available on our Investor Relations website.

During this call, we may also reference certain non-GAAP financial measures. Reconciliations to the most comparable GAAP figures can be found in our Q2 2025 earnings press release, also available on our Investor Relations site.

With that, let me turn the call over to Geraldo.



# Overview

## Geraldo Thomaz Jr.

Thank you Julia.

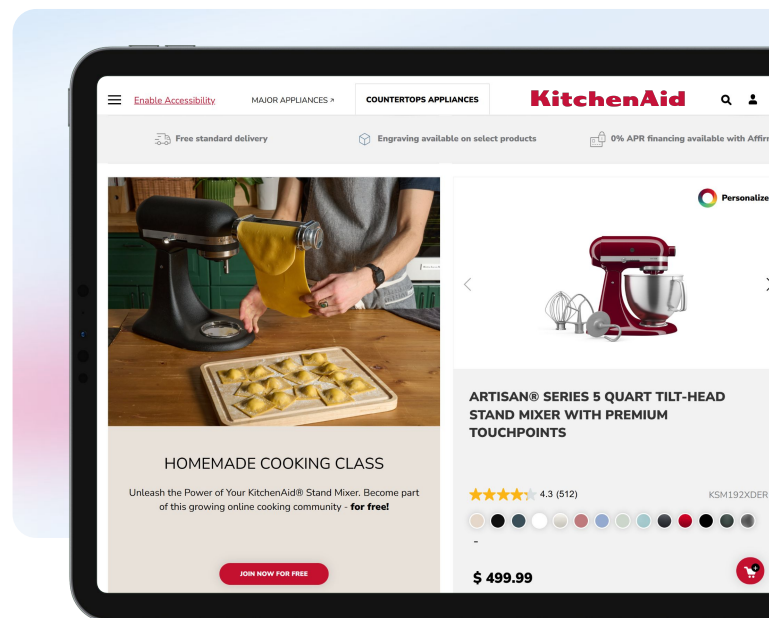
Welcome everyone, and thanks for joining our second quarter 2025 earnings conference call.

**VTEX continued to deliver resilient performance, driven by disciplined execution and relevant progress on our global expansion.** Despite a challenging market for our retailer base in Brazil and Argentina and more gradual overall market demand from new customer migrations, *our AI initiatives on support-cost efficiency combined with our disciplined execution delivered a quarter of resilient operational profitability.* As a result, we have **raised our non-GAAP income from operations and free cash flow guidance by over 10%.** On the global expansion front, we're excited to highlight key developments this quarter, including the *expansion of our partnership with Whirlpool in the US through the launch of the KitchenAid website, and the addition of new enterprise customers across both the US and Europe.* It is encouraging to see the US and Europe, large and attractive markets, growing twice as fast as the overall company.

Turning to **Subscription Revenue**, we recorded **\$57.2 million**, representing **11% YoY increase in FX-neutral**. That's within our guidance in US Dollars, but below on an FX-neutral basis. From a GMV perspective, this performance was primarily impacted by Argentina, where the early signs of recovery seen in the first quarter did not continue, with the second quarter reflecting a reversal on that trend. Additionally, we observed a mix shift in Brazil. New and large customers, that have a lower implied take-rate, demonstrated greater resilience amid the high interest rate environment. While this shift had an overweight impact on GMV growth, it translated into a more modest contribution to revenue.

Despite a challenging market, the **continued resilience and scalability of our business model enabled us to maintain strong financial discipline and operational leverage.** Our **gross profit** reached **\$45.3 million**, up **15.2% in FX-neutral**, representing a 3.5 percentage points margin increase YoY. Our **non-GAAP income from operations** increased by **46% in FX-neutral to \$8.5 million**, representing a **14.4%** margin and a **3.3 percentage points** margin increase versus the same quarter of last year.

This resilient **operational profitability, and stable churn levels, gives us the confidence and capacity to double down on strategic initiatives** that will fuel our next phase of growth. We are actively investing in **B2B commerce** and **Retail Media**, two high-potential, underpenetrated areas that are already unlocking new revenue streams and reinforcing our position as a key partner to enterprise brands. Combined with the progress on our **global expansion**, these initiatives form a powerful engine for scalable value creation. Together, they reflect a disciplined growth strategy that positions VTEX to capture significant upside in the years ahead.



# Overview

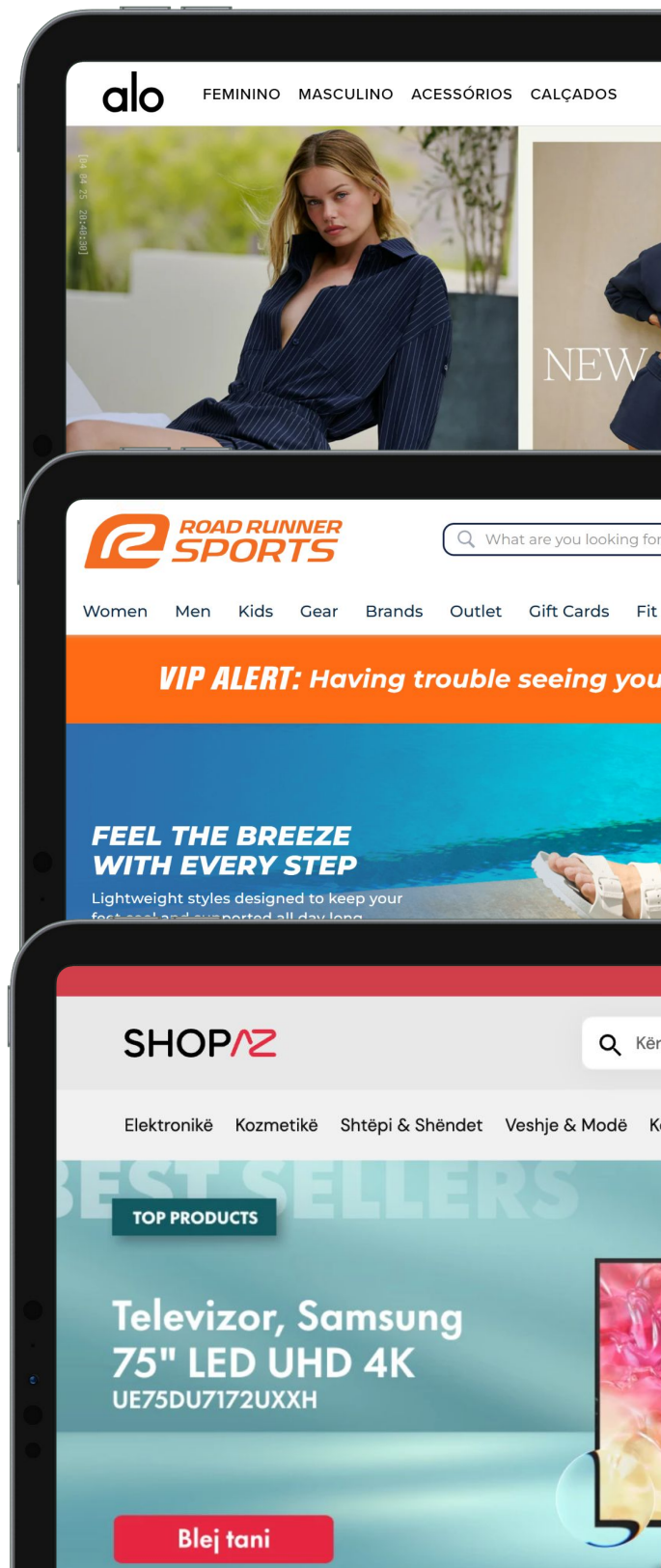
## Geraldo Thomaz Jr.

Moving to our commercial and product update for the quarter, in Q2 we successfully brought several new customers live, including:

- ❑ **Alo Yoga, Amigão Supermercados, Drogaleste, and Lindt** in Brazil;
- ❑ **ShopAZ** in Kosovo;
- ❑ **Fraiche** in Mexico;
- ❑ **Cash Piscines** in France;
- ❑ **The Delta House** in Portugal;
- ❑ **Road Runner Sports** and **American Water Resources** in the US.

We also strengthened relationships with key existing customers:

- ❑ **Hinode Group** added a **B2B store in Colombia**, now running B2B and B2C models across four countries in Latin America;
- ❑ **Keune** continues to expand its **B2B presence across Europe**, adding Sweden and Norway to its Germany, Belgium, France, Netherlands, and UK operations;
- ❑ **LG** launched a **new store in Ecuador**, expanding its presence across Latin America;
- ❑ **Veste** launched **Estoque in Brazil**, their multi-brand outlet that offers discounted items from across the group's premium fashion labels, expanding its portfolio of VTEX stores that already include Le Lis, Bo.bô, John John, Dudalina, and Individual;
- ❑ **Whirlpool** launched **KitchenAid in the US**, marking its first US store launch with VTEX while continuing our global relationship in over 20 countries.



# Overview

## Geraldo Thomaz Jr.

These recent go-lives highlight the global competitiveness of our platform as we deepen adoption with existing customers, attract new ones, and expand our network of partners. This was clearly on display at **VTEX Day 2025**, where over 25,000 participants experienced how our ecosystem is coming together to power real-world commerce across B2B, B2C, and hybrid models. Building on that energy, we're now set to launch the latest edition of **VTEX Vision**, our digital initiative designed to provide visibility into our product roadmap and demonstrate how our innovation priorities are directly aligned with customer needs. Together, these two initiatives reflect meaningful progress across our four **strategic pillars: B2B commerce, retail media, omnichannel, and agentic commerce**.

First, **B2B commerce** remains one of our top strategic priorities. We are introducing a newly re-architected B2B Buyer Portal, designed to solve for the complexity of corporate purchase. It includes embedded tools for governance, such as multi-level organizational management, budgeting controls, and approval-based workflows, alongside native punchout integration to connect seamlessly with external procurement systems. **These innovations allow large organizations to scale purchasing through efficient, self-service experiences while maintaining compliance and operational oversight.**



# Overview

## Geraldo Thomaz Jr.

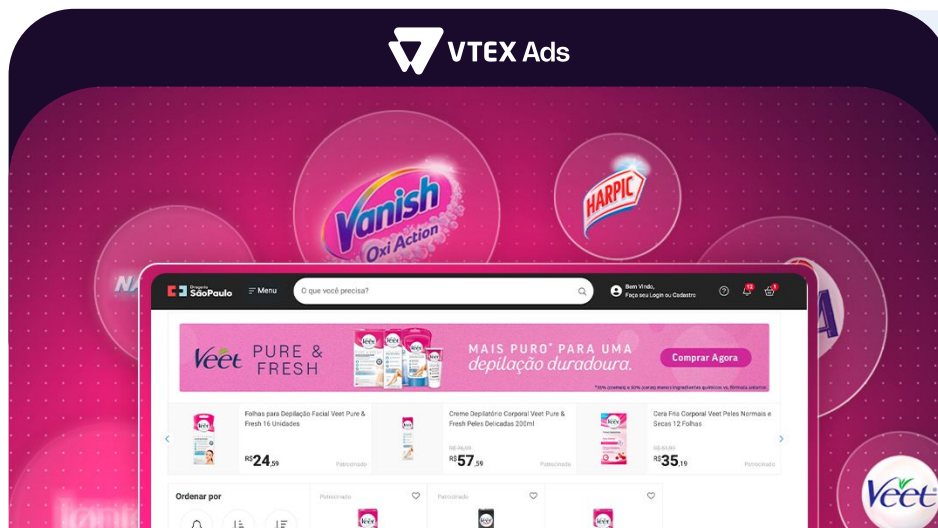
Second, **Retail Media** is emerging as a transformative force in digital commerce, and we are positioning VTEX Ads as a fully integrated monetization engine. As retailers seek new profit levers and advertisers demand measurable outcomes, our platform is introducing features such as video ad formats, off-site traffic integrations, and in-store media activations. We are also entering a strategic partnership with Globo, integrating VTEX Ads with Brazil's largest media network to enable high-impact campaigns. **These advancements elevate VTEX beyond commerce infrastructure to become the operating system for retail media monetization.**

Third, **omnichannel commerce**, which remains a cornerstone of our product strategy, as enterprises need to unify digital and physical experiences. We are introducing AI-powered semantic search and product recommendations, designed to increase conversion through contextual, intent-based discovery. New in-store innovations, such as Tap on Phone, transform mobile devices into secure payment terminals for assisted selling. Additionally, the Delivery Promise feature enables shoppers to view fulfillment options filtered by speed, location, and method, directly from the search or product detail page. **These capabilities reinforce our commitment to delivering seamless, personalized commerce experiences at scale.**

Last but not least, **agentic commerce** is redefining operational agility for our customers. We are introducing AI agents that automate core workflows, reduce complexity, and accelerate time-to-value. These include a Customer Service Agent, powered by Weni, capable of resolving inquiries across channels like WhatsApp, Instagram, and email; a Visual Editor Agent that empowers non-technical teams to modify storefronts in real time without code; and a Data Insights Agent that surfaces real-time business intelligence through natural language queries. **With these capabilities embedded into the VTEX platform, we are enabling enterprise customers to scale with precision and unlock new efficiencies through intelligent automation.**

These highlights are just a glimpse of the powerful innovations we're bringing to market. To discover the full breadth of product releases and strategic advancements, we invite you to stay tuned for the upcoming edition of VTEX Vision.

But innovation, for us, is never an end in itself. Every product we build, every capability we introduce, is guided by a single objective: delivering extraordinary outcomes for our customers. Now, let's take a look at how this vision translates into measurable impact on the ground, through customer success stories that reflect the real-world value of our platform.

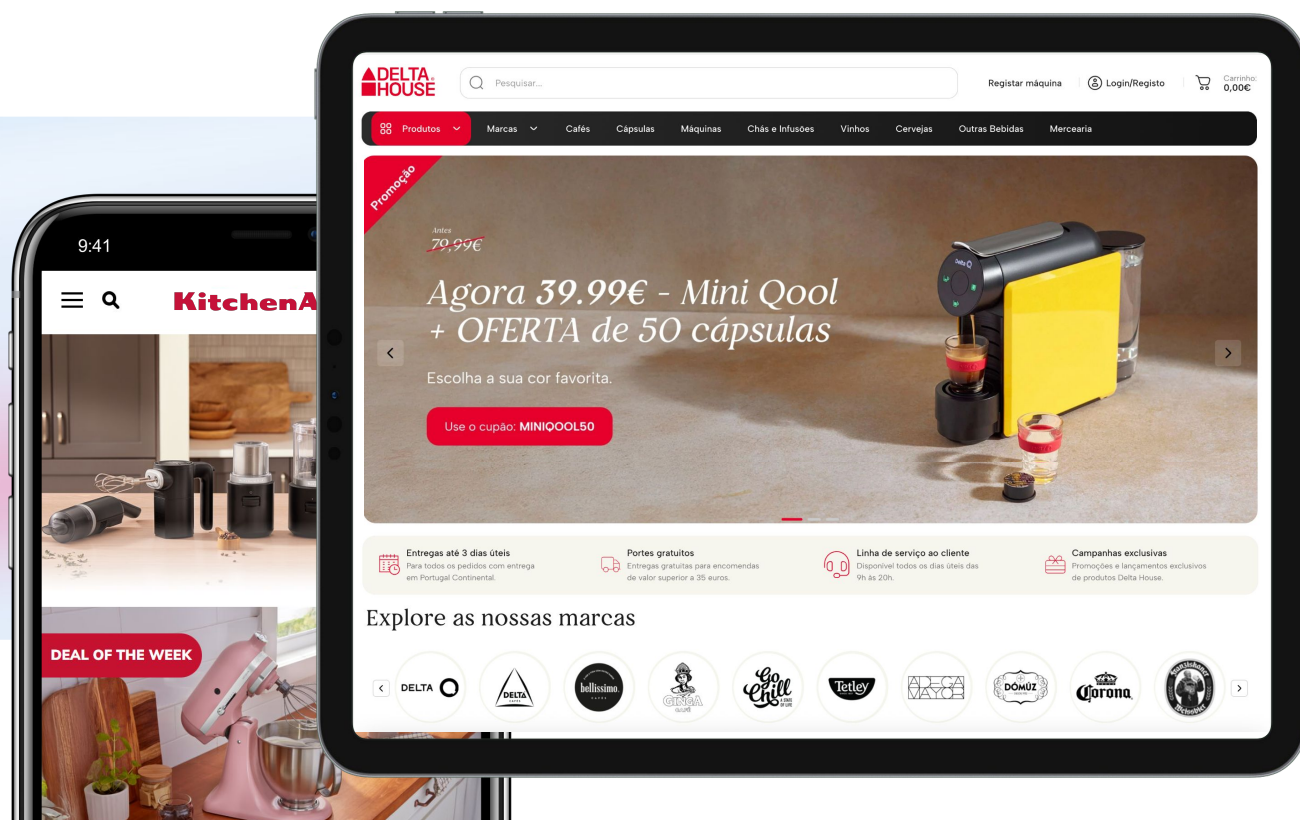


# Overview

## Geraldo Thomaz Jr.

**Whirlpool** launched KitchenAid's ecommerce site in the US, marking the customer's first VTEX implementation in that market. More than a platform migration, Whirlpool's launch of KitchenAid in the U.S. marked a strategic shift to a modular, scalable commerce architecture. The headless site integrates with four distribution centers for nationwide fulfillment and connects seamlessly to ERP, PIM, CRM, and pricing systems via a robust middleware layer. The checkout experience is also fully headless, supporting multiple payment methods including credit cards, PayPal, and buy-now-pay-later solutions. The platform also enables enhanced customer experiences such as headless login, product personalization through engraving, gift wrapping options, and a range of warranty plans, all natively supported within VTEX. With this rollout, Kitchenaid's improved its site performance and reduced development overhead while establishing a standardized architecture that is already accelerating future deployments in other markets.

**The Delta House**, Portugal's most iconic coffee brand, marks the brand's first venture into ecommerce with a greenfield project powered by VTEX. More than just an online coffee store, The Delta House offers a curated selection of products across categories like wines, beers, waters, soft drinks, and snacks, delivering an experience that captures the quality, warmth, and heritage of the Delta brand. VTEX was selected for its flexibility in designing personalized user journeys, its support for multiple payment methods, and its native features such as pickup points, allowing the brand to engage customers in new, interactive ways. One of the key differentiators was VTEX's unified admin, which enables Delta's team to manage logistics, payments, marketing, and customer service from a single, integrated environment. With a future-ready architecture and a seamless shopping experience, The Delta House brings the Delta Cafés spirit online, connecting tradition and innovation while laying a solid foundation for digital growth.

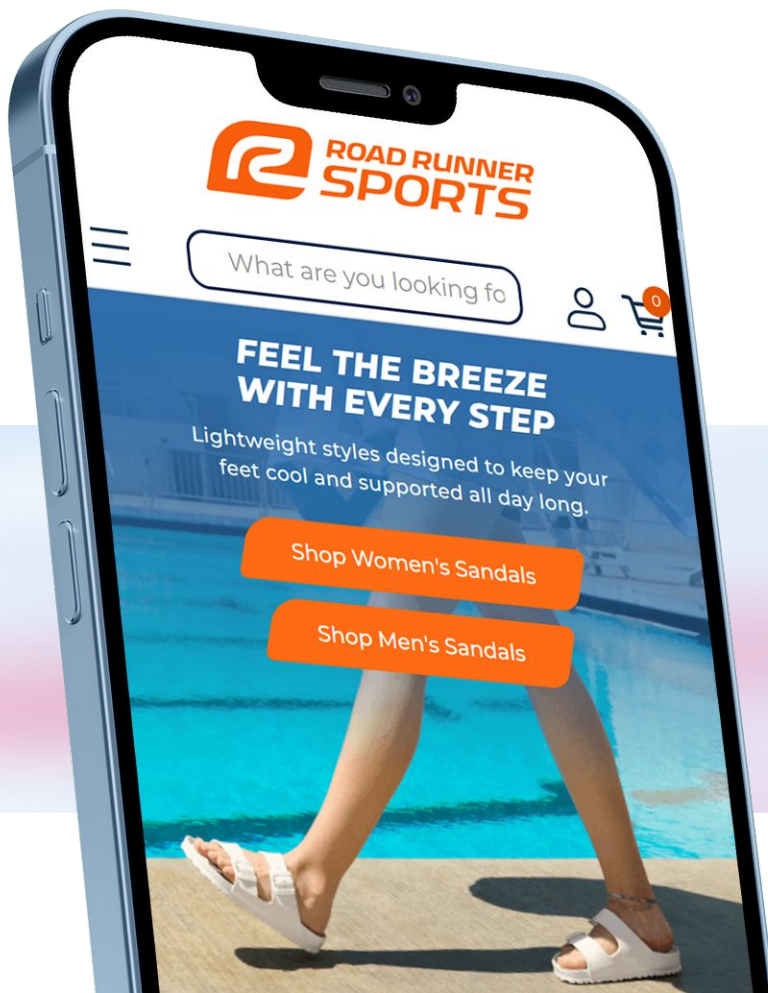


# Overview

## Geraldo Thomaz Jr.

**Road Runner Sports**, a leading US running specialty retailer operating since 1983, modernized its ecommerce operations by migrating from a legacy platform to VTEX, adopting a headless, API-first architecture built to unify digital and physical channels. Rather than replatforming all at once, the company opted for a phased migration strategy: first moving its ecommerce engine to VTEX, and now progressively adopting native capabilities. The new architecture features a fully decoupled front end integrated with third-party services, while VTEX manages core commerce functions like catalog, pricing, and promotions. This implementation unlocked faster innovation and efficiency for Road Runner Sports, turning a complex tech stack into a scalable, streamlined, and future-proof operation.

**Espaço Smart**, a leading provider of industrialized construction systems in Brazil, expanded its digital capabilities with the launch of a B2B ecommerce channel powered by VTEX. After identifying that a large share of enterprise customers were using its B2C site, the company built a tailored experience for professional buyers such as contractors, installers, and distributors. Leveraging the VTEX B2B Suite, the new channel offers features like customer segmentation, personalized pricing, quick reordering, and digital quotation requests, all designed to reduce negotiation time and increase purchase frequency. By assigning custom commercial terms during the client onboarding, Espaço Smart eliminated repetitive negotiations, also enabling recurring orders with greater speed and confidence. The operation is fully integrated with the company's ERP, ensuring control over pricing, taxes, and inventory, while also supporting omnichannel coordination with its 43 physical stores. With 60% of its product portfolio manufactured in-house, the company delivers both efficiency and reliability to its B2B clients. This new channel not only improves operational agility and customer insight but also advances Espaço Smart's mission to make modern, sustainable construction more accessible and scalable.



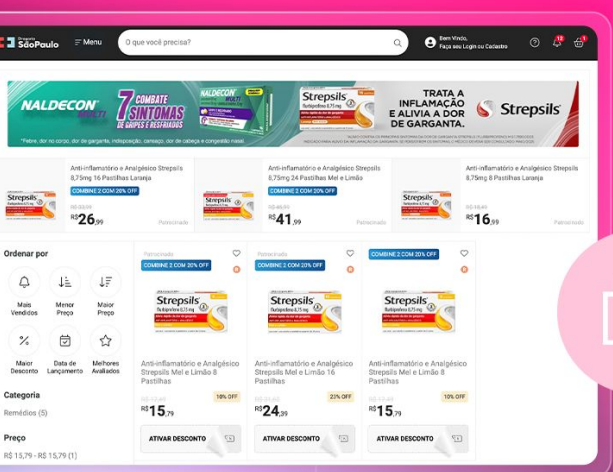
# Overview

## Geraldo Thomaz Jr.

**Retail Media is another area where we're seeing meaningful evolution. VTEX Ads delivers value across the full ecosystem**, both for publishers and advertisers. Two standout examples: Bemol, a leading Brazilian retailer leveraging VTEX Ads to monetize its digital storefront, and Reckitt, a global consumer goods company driving performance through targeted retail media activations.

**Bemol Ads** is transforming Bemol's ecommerce operation into a powerful monetization engine. In its largest campaign, they activated sponsored products, dynamic banners, and more advertising formats, generating over 1 million Brazilian reais in incremental sales and achieving an outstanding ROAS above 40x. Success came from precise targeting, dynamic CPC management, and strong collaboration, fueled by regional demand insights and real-time optimization.

**Reckitt** chose the VTEX Ads network to scale its retail media strategy, achieving a breakthrough in performance and media efficiency, particularly within the complex pharmaceutical channel. By moving from fragmented media buys to a fully integrated, data-driven approach, Reckitt activated campaigns across 19 retail partners, resulting in a sevenfold increase in retail media-driven sales and a fivefold boost in campaign activity, both while tripling its ROAS. With structured inventory, flexible formats, and real-time optimization, VTEX Ads enabled Reckitt to align media, data, and operations, establishing a scalable, high-impact retail media engine across the region.



# Overview

## Geraldo Thomaz Jr.

Now, to wrap up before passing the floor to Ricardo, I would like to take a moment to recognize the dedication of our **1,283 VTEXers**, whose talent and commitment are instrumental in bringing our vision to life. I also want to extend my sincere gratitude to our customers, partners, and investors for their continued trust and collaboration.

With that, I will hand the call over to Ricardo.



# Financial Update

## Ricardo Camatta Sodre

Thank you, Geraldo. Hi everyone, I am pleased to share with you VTEX's Q2 2025 financial results.

In the second quarter of 2025, **GMV** reached **\$4.8 billion**, growing **9% YoY in US dollars**, and **14% on an FX-neutral basis**. This led to **subscription revenue** reaching **\$57.2 million**, compared to **\$54.0 million** in Q2 of last year, a **6% increase in USD**, and **11% on an FX-neutral basis**.

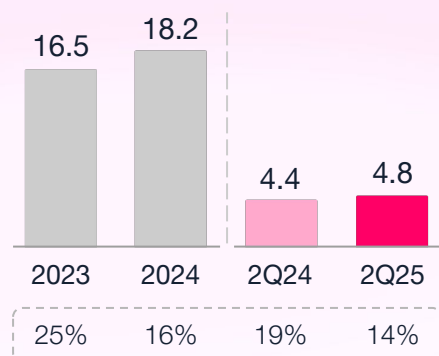
As mentioned by Geraldo, **subscription revenue** for the quarter came in within guidance in USD, but below on FX-neutral basis. From a **GMV** perspective, that's driven primarily by a reversal in Q2 of the recovery trend we started to see in Q1 in Argentina. From a **subscription revenue** perspective, we also saw a mix shift in Brazil with new and larger customers gaining representation.

Although these customers have lower implied take-rates that represented a more limited contribution to our revenue growth in Q2, our scalable model results in similar margins, which is clearly demonstrated by our **gross margin** improvements.

While this challenging market environment introduced short-term headwinds, it also underscored the strength and resilience of our business model. **Designed for scalability and efficiency, our model allows us to navigate volatility while protecting operational profitability**. We have maintained a disciplined execution, while continuing to invest strategically in our platform and global expansion. This balanced approach drove **meaningful margin expansion and further validated the operating leverage embedded in our model**.

### GMV

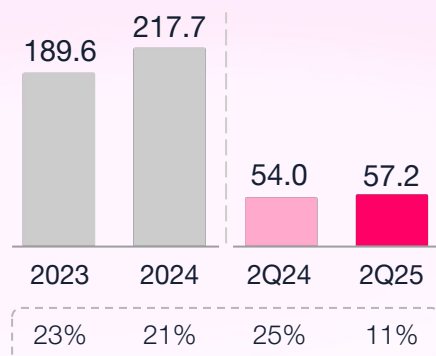
US\$ billions



YoY growth FXN (%)

### Subscription Revenue

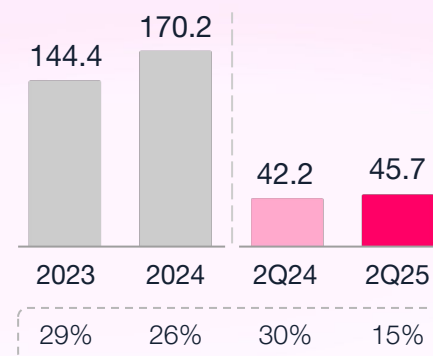
US\$ millions



YoY growth FXN (%)

### Subscription Gross Profit

Non-GAAP, US\$ millions



YoY growth FXN (%)

# Financial Update

## Ricardo Camatta Sodre

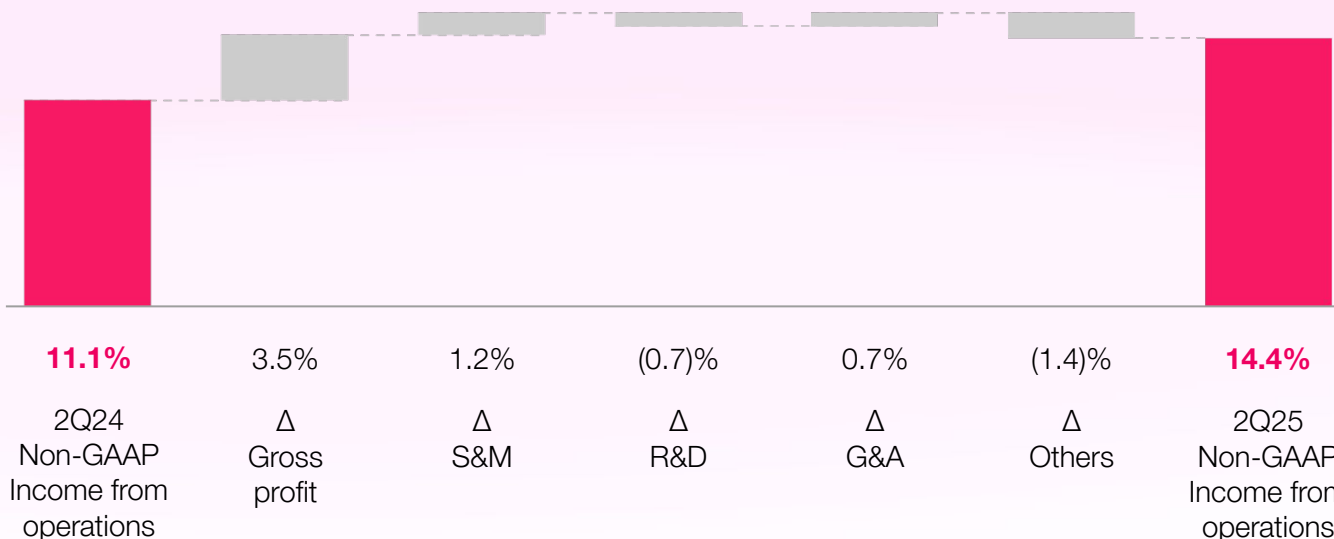
Reflecting these dynamics, our **non-GAAP subscription gross margin** reached **80%** in Q2 2025, up **180 basis points YoY** from **78%** in Q2 2024. This expansion continues to be driven primarily by gains in customer support efficiency, where we are further scaling AI-powered automation to improve service quality while reducing support costs. This trend reinforces our commitment to operational excellence and positions us to sustain strong margin performance over the long term.

Our total **gross margin**, which includes services, rose to **77%**, up **350 basis points YoY** compared to **74%** in Q2 2024. Aside from the **subscription gross margin** gains, which I just described, our overall gross margin also keeps benefiting from a declining mix of services revenue as we increasingly leverage our ecosystem partners to support implementation projects.

Turning to **expenses**, as I mentioned before, we remain firmly committed to disciplined management while

allocating capital strategically to support long-term growth and innovation. In Q2, **non-GAAP operating expenses** totaled **\$37.0 million**, representing a **4% increase YoY**. This quarter, we had **flattish G&A** and **S&M expenses**, contributing to a **2 percentage point YoY** reduction in their combined weight as a percentage of total revenue. This efficiency created additional room to support our continued investments in **R&D**, focused on expanding and enhancing our platform capabilities.

This balance between discipline and strategic investment continues to deliver results. **Non-GAAP income from operations** reached **\$8.5 million**, up from **\$6.3 million** in Q2 2024, representing an increase of **35% in US dollars**. This drove a **3 percentage point YoY** margin expansion, resulting in a **14% non-GAAP operating margin** for the quarter. VTEX results underscore our commitment to profitable growth and reflect the positive trajectory of our financial model, even in a more complex and volatile business environment.



# Financial Update

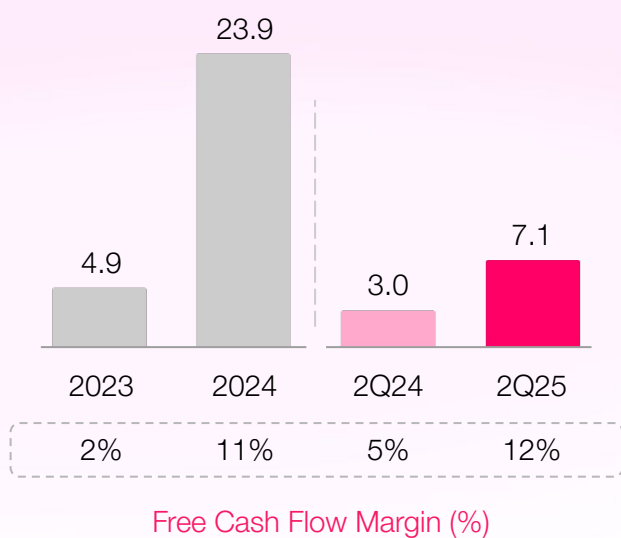
## Ricardo Camatta Sodre

Our financial discipline also translated into strong cash generation, reinforcing the efficiency and resilience of our cash conversion profile. **Free cash flow** for the quarter was **US\$7.1 million**, up from **US\$3.0 million** in the same quarter of last year, resulting in a **free cash flow margin** of **12%**, an improvement of **7 percentage points YoY**. On a year-to-date basis, **free cash flow** was **US\$13.8 million**, remaining very aligned with our year-to-date **non-GAAP income from operations**.

In this light, **disciplined capital allocation** remains a key priority as we focus on delivering long-term value to our shareholders. This quarter we concluded the **share repurchase program** authorized by our Board of Directors in December 2024, executed as part of our broader capital allocation strategy to maximize shareholder returns. In Q2, we repurchased **0.8 million** shares at an average price of **US\$4.82** per share. Considering the current and the previous years' share repurchase activities, **total shares repurchased** reached **16.0 million**, with an average price of **US\$4.86** per share and a total cost of **US\$78.2 million**. On July 31st, 2025, our board of directors authorized an additional **share repurchase program** for an aggregate consideration of up to **US\$40 million**.

### Free Cash Flow

US\$ millions



### Share Repurchase Activity

Details

**2Q25**  
Activity

**0.8M** shares repurchased  
US\$ **4.82** average price  
US\$ **3.9M** total cost

**Since**  
**IPO**  
Activity

**16.0M** shares repurchased  
US\$ **4.86** average price  
US\$ **78.2M** total cost

# Financial Update

## Ricardo Camatta Sodre

As we look ahead, we continue to navigate a challenging market environment. The volatility observed in Q2, particularly the reversal of recovery in Argentina and mix-shift in Brazil, alongside isolated contract cancellations and slower decision-making cycles among retailers and brands, has introduced additional impact into near-term revenue forecasts. Nevertheless, **we remain confident in our competitive positioning, our global expansion strategy, and the resilience of our business model.** With a focus on innovation, efficiency, and scalability, **VTEX is well-positioned to capture the long-term trends shaping global commerce.**

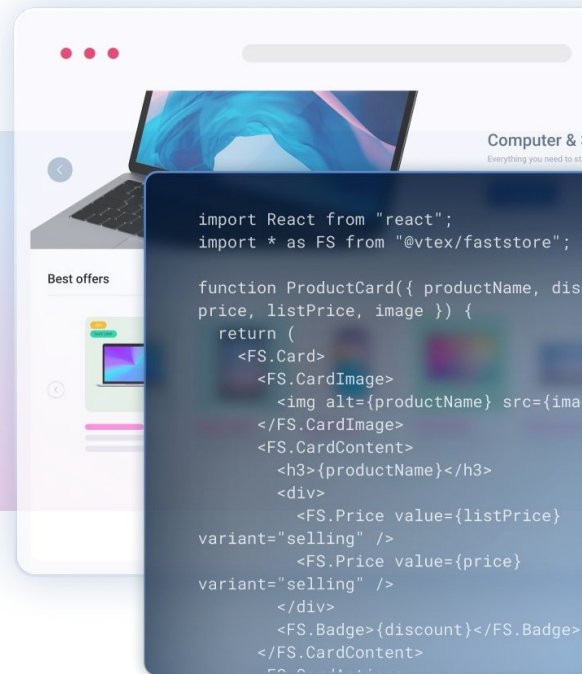
With that in mind, for the third quarter of 2025, we are **targeting FX-neutral YoY subscription revenue** growth in the range of **6.0% to 9.0%**, implying a range of **US\$57.5 million to US\$59.0 million.**

For the full year 2025, we are now **targeting FX neutral YoY subscription revenue** growth of **9.0% to 12.0%**, implying a range of **US\$233 million to US\$239 million** based on July's average FX rate.

Turning to our margin outlook, backed by disciplined cost and expense management and ongoing operational efficiencies, we are **raising our full-year 2025 outlook** for **non-GAAP income from operations** and **free cash flow margins** to the **high-teens**, reflecting the strength of our execution and the scalability of our platform. With that, although we are reviewing our **subscription revenue** forecast by **2% in USD**, we are increasing our **non-GAAP income from operations** and **free cash flow**, in dollar-amount, by more than **10%**.

To conclude, our Q2 performance reinforces the resilience of our business model, disciplined execution, and long-term growth foundation. **We're particularly encouraged by the relevant progress in the US and Europe and the attractive long-term opportunity in B2B and Retail Media.** Despite a challenging market, VTEX remains well-positioned with a globally competitive platform, a clear strategy, and increasing relevance among global enterprise brands.

With that, let's open it up for questions now. Thank you.



# Closing Remarks

## Geraldo Thomaz Jr.

Thank you for the great questions. Before we close, I want to leave you with the **confidence** we have in VTEX's direction and long-term vision.

Our bold product bets, like **B2B** and **Retail Media**, are redefining how enterprises operate and monetize, while **agentic commerce** is bringing AI-powered autonomy into the present. These innovations aren't incremental; they're **foundational shifts designed to meet the real-world needs of global brands**.

We're also seeing that vision translate into results. We are making relevant progress in the **US and Europe**, and we're just scratching the surface of the opportunity. **With a growing base of high-quality customers and a platform built to scale, our long-term outlook is strong.**

We're more committed than ever to delivering **enduring value** for our customers, partners, and shareholders. Thank you for your continued trust, we look forward to the road ahead. **The best of VTEX is still to come.**

Thank you for your continued support and partnership. We look forward to sharing more progress with you in the coming quarters.

Thank you for joining us today, have a great day.

# Thank you!



### Contact

Julia Vater Fernández  
VP of Investor Relations  
[investors@vtex.com](mailto:investors@vtex.com)

