

VTEX

Third Quarter 2025

Conference Call Transcript

Introduction and Disclaimer

Investor Relations

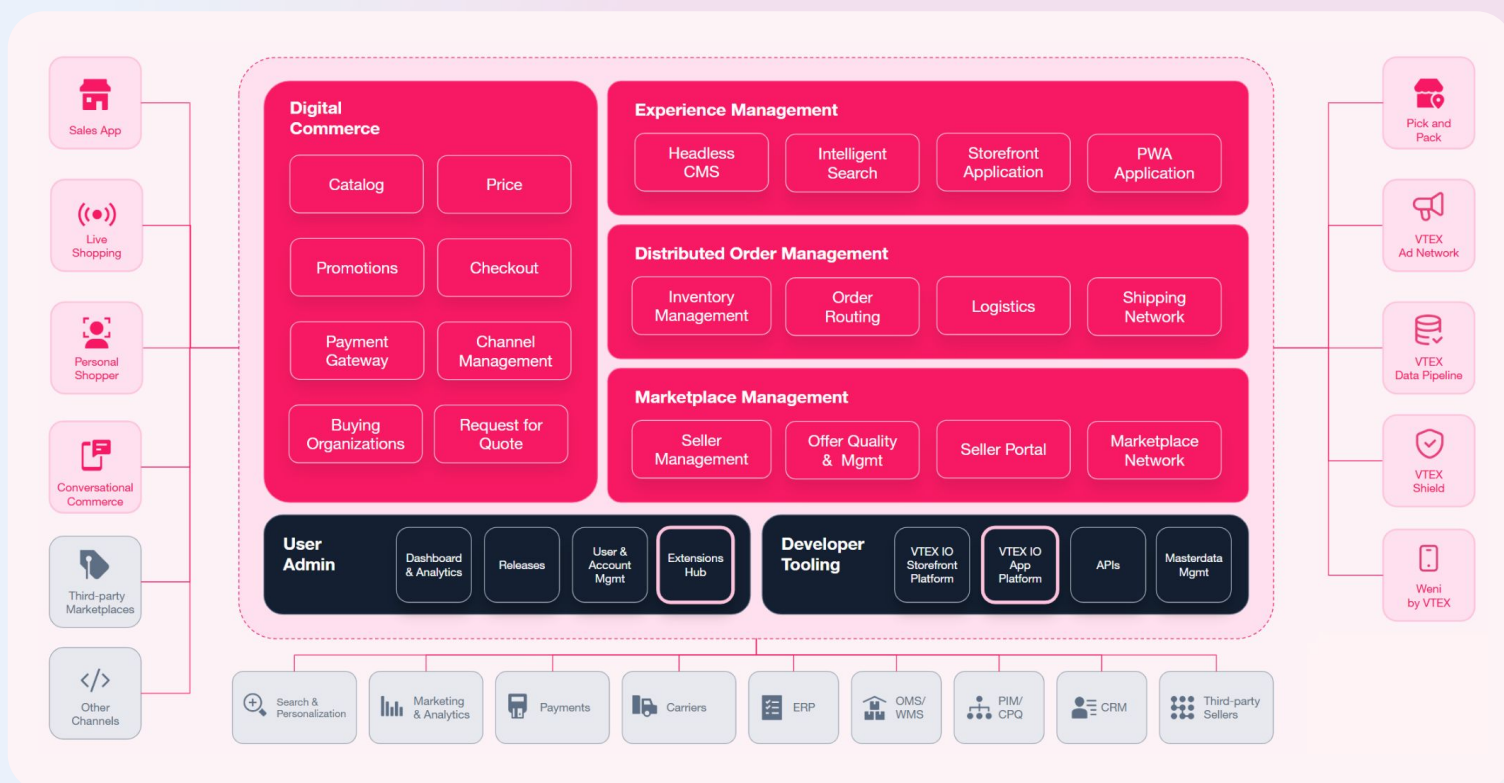
Hello everyone, and welcome to VTEX's earnings conference call for the third quarter of 2025. I'm Julia Vater Fernández, VP of Investor Relations.

Joining me are Geraldo Thomaz Jr., Founder and Co-CEO; Ricardo Camatta Sodre, CFO; and for the Q&A, Founder and Co-CEO Mariano Gomide de Faria and Chief Strategy Officer André Spolidoro.

Before we begin, please note that today's remarks may include forward-looking statements. Actual results may differ due to risks and uncertainties described in our Form 20-F for the year ended December 31, 2024, and other SEC filings available on our IR website.

We will also reference certain non-GAAP measures. Reconciliations to GAAP are included in our Q3 2025 earnings press release on our IR site.

With that, I'll turn the call over to Geraldo. Geraldo, the floor is yours.



Overview

Geraldo Thomaz Jr.

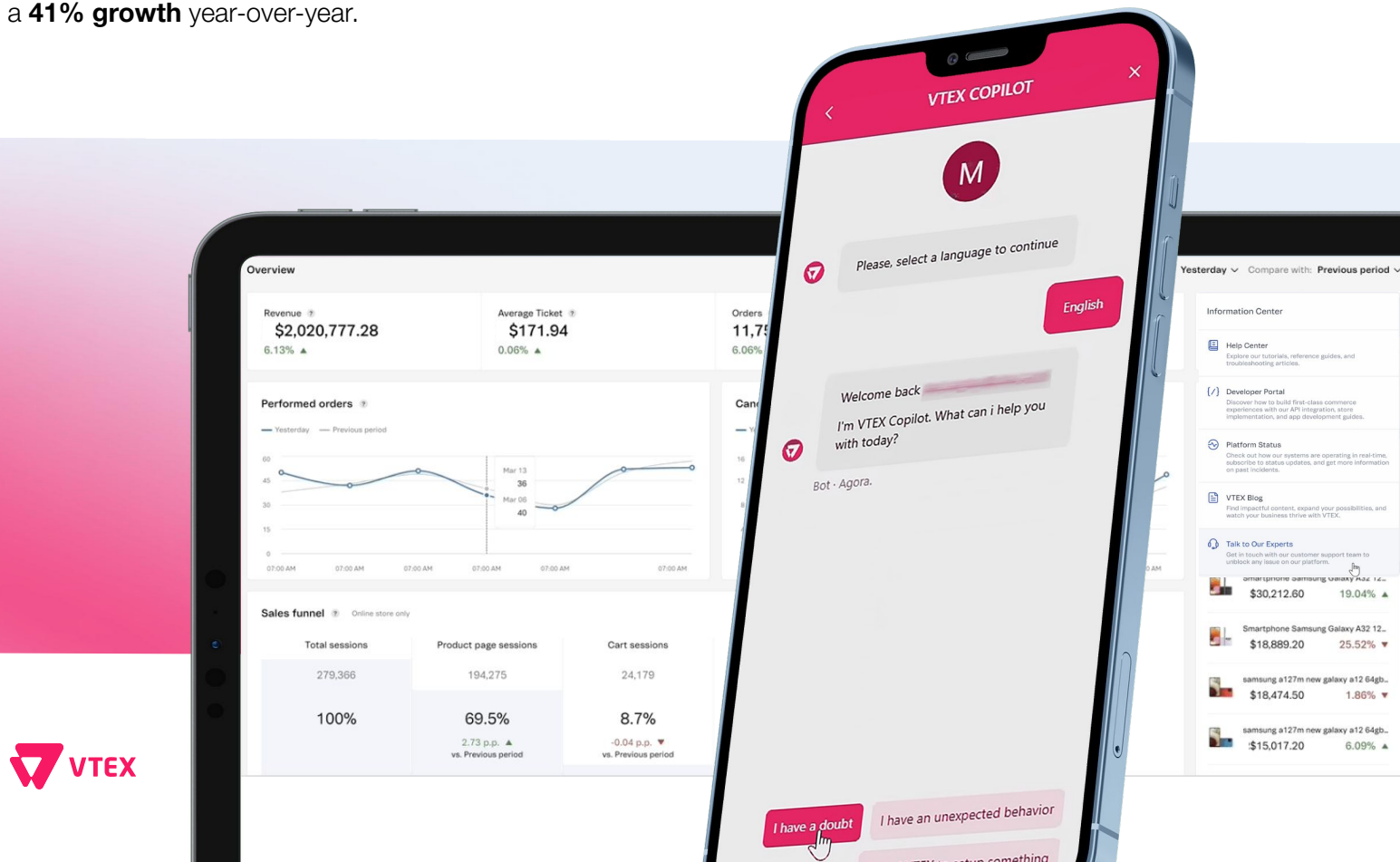
Thank you Julia.

Good afternoon, and thanks for joining our third quarter 2025 earnings conference call.

This quarter played out in line with the expectations we shared after Q2. Our business continues to show the hallmarks of a durable, profitable growth model: **consistent execution, expanding margins, and the gradual ramp-up of high-potential revenue streams.**

Focusing on our consistent execution and expanding margins, profitability improved meaningfully this quarter. AI-powered support automation continues to deliver sustainable efficiency gains, driving our **non-GAAP subscription gross margin above 80%** for the first time. We also achieved a **16% non-GAAP operating margin**. And, in a seasonally-neutral quarter, our **non-GAAP net income** reached **US\$10.6 million**, a **41% growth** year-over-year.

Our margin expansion reflects a deeper AI-driven transformation in how we operate. The most tangible outcome so far is in customer support, where automation has structurally reduced costs while enhancing service quality. The vast majority of the recent headcount optimization stems from these AI productivity gains in support, while the remainder reflects normal commercial adjustments to market demand levels. At the same time, we are partially reinvesting these savings into R&D, fueling innovation and future growth.



Overview

Geraldo Thomaz Jr.

Now, expanding on our gradual ramp-up of high-potential revenue streams, **we are doubling down on four growth pillars:** global expansion; B2B use-case customers; Retail Media; and Agentic Commerce.

Our **global expansion** continues to make solid progress. We're seeing rising demand for enterprise-grade, composable commerce solutions, especially in B2B, as global brands modernize complex operations and migrate from legacy systems. A highlight this quarter is continued progress with a multi-billion-dollar US enterprise implementation, a strong validation of our ability to serve large, sophisticated customers globally. In Brazil we expanded our enterprise footprint with wins such as H&M, Itaú, and PicPay, reinforcing our competitive strength even in more penetrated markets. Across Latin America, the environment remains cautious, with longer decision cycles and slower top-of-funnel activity, but our win rates remain stable, demonstrating the resilience of our value proposition and our readiness to reaccelerate as macro conditions improve.

On the product front, **B2B commerce** is emerging as a major growth driver. Developed with an AI-driven design focused on automation, scalability, and deep integration into enterprise workflows, we're leveraging our existing customer base to expand into B2B. For instance, Electrolux, a long-time B2C customer, now uses VTEX to sell spare parts directly to its service network. We're also pursuing flagship projects globally, including the migration of a large US enterprise from legacy mainframes to VTEX. Success here would further validate our enterprise capabilities and open doors to new opportunities in the US and Europe. While B2B today represents a mid-single-digit percentage of our revenue, new US deals are already roughly split between B2C and B2B, signaling a clear long-term opportunity.

**Global
Expansion**

**B2B
Commerce**

**Retail
Media**

**Agentic
Commerce**

Overview

Geraldo Thomaz Jr.

Retail Media continues to stand out as a key growth avenue, unlocking new monetization layers for our customers. Following our strategic partnership with Globo, Brazil's largest media network, this quarter we achieved another milestone with Electrolux, **launching the first integrated campaign connecting Globo's digital reach with retail media placements across VTEX-powered stores**. The campaign exceeded expectations, validating both the scale of the opportunity and VTEX's role as the orchestrator of Brazil's first retail media ecosystem at scale.

Finally, our **AI transformation** is redefining how we build and deliver software. VTEX sits at the center of first-party, brand-owned commerce as the platform orchestrating pricing, promotions, payments, fulfillment, service, and loyalty. **As AI accelerates fragmentation across customer touchpoints, this**

orchestration becomes increasingly critical. New "thin aggregators," such as the Agentic Commerce Protocol, are routing demand to brand-owned channels, reinforcing the need for a unifying platform like VTEX. And our outcome-based pricing already aligns incentives so that we win as we help our customers win in these new AI-channels. Additionally, through **our multi-tenant, cloud-native architecture, VTEX represents the collective intelligence of billions of clickstream and transaction signals across hundreds of enterprises**. This unified, aggregated dataset, combined with our enterprise customer base, enables models that predict behavior, increase conversion, and personalize experiences at scale. **Unlike on-premise or single-tenant systems, VTEX is structurally advantaged to harness these network effects**.

Retail Media

how digital advertising is being redefined



Overview

Geraldo Thomaz Jr.

And to make it tangible, **AI** is already delivering real business outcomes today.

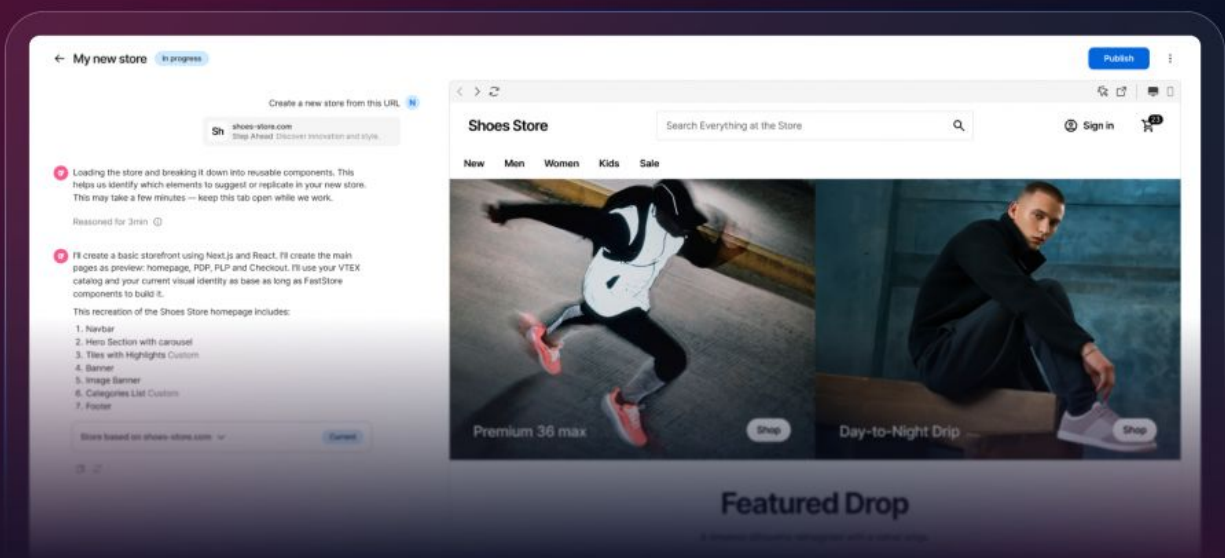
First, through **data monetization with Retail Media**. AI now enables our clients to turn their commerce data into a profit center, building their own retail media networks and generating high-margin revenue that can potentially double their margins over time. Our AI-driven recommendation and intelligent search features are already in beta with leading customers, and results have been excellent.

Second, through **automation that cuts costs at scale**. Weni by VTEX, our AI-powered customer support platform, helps retailers reduce after-sales service costs by up to ten times, in some cases saving millions by automating over 80% of call center interactions.

AI is also transforming how we operate, making us **faster, leaner, and more efficient** across support, implementation, and product development. And we're investing decisively behind it, not as a feature, but as a full-company transformation. An early demonstration is our **subscription gross margin gains** over the last year, resulting from our AI-powered support. At the heart of our roadmap **we are seeking to power new AI agents for connected commerce, advancing conversational experiences, and simplifying complex workflows** through automation and semantic understanding. We're **reshaping our R&D and our mindset** to be fully **AI-native**, because companies that don't embrace this shift risk being left behind, just like those that missed the cloud revolution.

That's **the foundation of the next chapter for VTEX**, one built on innovation, execution, and profitable growth.

Not just AI-powered, **AI-native**.



Overview

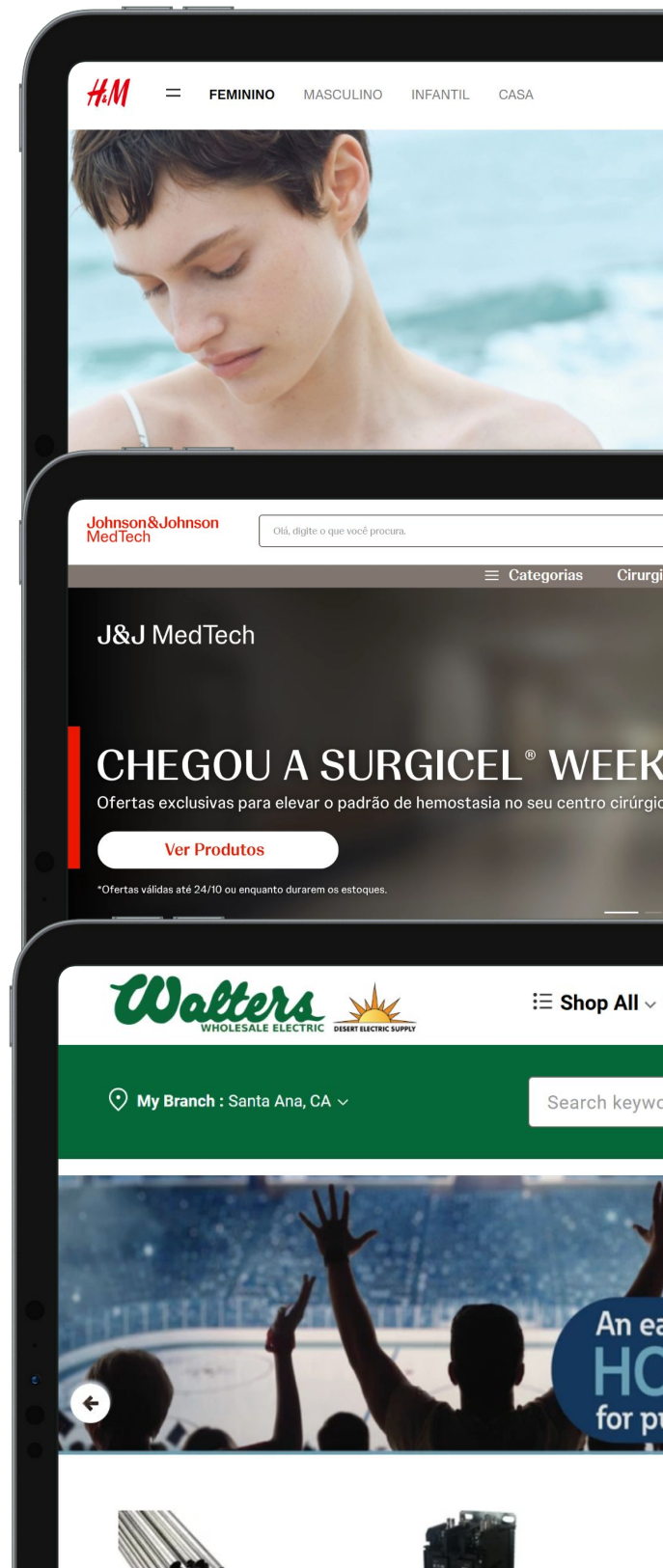
Geraldo Thomaz Jr.

Shifting gears, our focus on driving solid and consistent commercial progress remains unchanged. This quarter, we celebrated several important go-lives from new customers, including:

- ❑ **H&M, Itaú Shop, and PicPay** in Brazil;
- ❑ **Cromantic** in Colombia;
- ❑ **Kep Italia** in Italy;
- ❑ **STIHL** in Mexico; and
- ❑ **Etihad Arena** in the UAE.

We also deepened relationships with existing customers, showcasing the scalability of our platform across models and markets:

- ❑ **Belliz Company** launched a **B2B store in Brazil**, expanding beyond the VTEX-powered B2C operations it already runs for its Ricca, Kess, and Vertex brands;
- ❑ **Casa Pinheiro** has launched a new operation, **Prosam**, and now runs two B2C stores in Portugal;
- ❑ **Johnson & Johnson** launched the **J&J Medtech store in Brazil**, expanding its B2B operations in the region;
- ❑ **A leading German home-improvement retailer** expanded into **Austria**, now operating in both in Germany and Austria; and
- ❑ **US Electrical Services** launched **two new stores in the US**, Walters Wholesale Electric and Lade Electric Supply, now running three VTEX-powered stores.



Overview

Geraldo Thomaz Jr.

Expanding our customer base, through both new wins and deeper relationships, is central to our growth strategy. Each successful customer success case serves as a proof point that attracts future customers. Consistent delivery builds trust, which we amplify through visibility initiatives like VTEX Connect, our global flagship event series inspired by VTEX Day.

This quarter, **VTEX Connect LATAM** in Mexico City solidified its position as the leading digital commerce event for Spanish-speaking Latin America, with record scale, over 20,000 registrations, 60 sponsors, and more than 40 speakers, including Netflix co-founder Marc Randolph. The event reinforced our brand leadership in the region and created new opportunities to deepen relationships and drive customer acquisition.



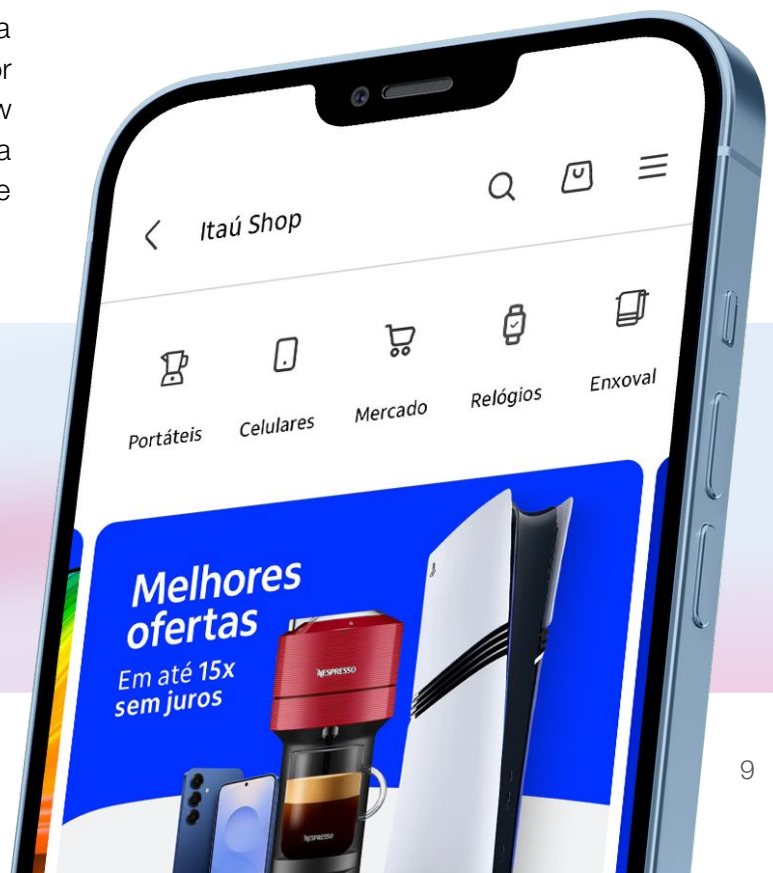
Overview

Geraldo Thomaz Jr.

Now, to illustrate the progress we are making on multiple fronts, let's highlight a few customer success stories from this quarter, featuring innovative brands that chose VTEX to accelerate their digital transformation, expand into new business models, and deliver superior experiences to their consumers.

Etihad Arena, the Middle East's largest state-of-the-art indoor entertainment venue on Abu Dhabi's Yas Bay waterfront, partnered with VTEX to launch a fully headless mobile commerce solution that powers food and beverage ordering during high-profile events such as NBA games, UFC fights, and world-class concerts. Designed to eliminate the long queues typical of large venues, the app delivers real-time ordering and payment capabilities with zero tolerance for downtime. The app supports bilingual Arabic and English experiences and dynamically handles event-specific menus tied to each guest's seating area so orders are routed directly to the appropriate kitchen. By orchestrating every transaction end-to-end, VTEX enables Etihad Arena to offer a seamless, high-performance digital experience for thousands of simultaneous users, setting a new standard for venue-based commerce and marking a strategic milestone in VTEX's expansion into the Middle East.

Itaú Shop, the marketplace integrated into the super app of Itaú, Latin America's largest private bank, migrated to VTEX in order to power the next stage of its digital commerce growth. The initiative rebuilt the platform end-to-end to support faster expansion, greater reliability, and an even better shopping experience for millions of customers. With a stronger and more flexible foundation, Itaú Shop can now onboard new sellers more quickly, expand its product assortment with ease, and handle seasonal peaks and large campaigns with confidence and efficiency. Early results already show significant growth in the number of sellers, along with higher click-through and conversion rates and noticeable gains in overall performance. More than a technology refresh, this new chapter gives Itaú the agility to introduce new services, loyalty programs, and shopping benefits at speed, all while keeping the customer experience at the center and strengthening engagement and long-term loyalty.

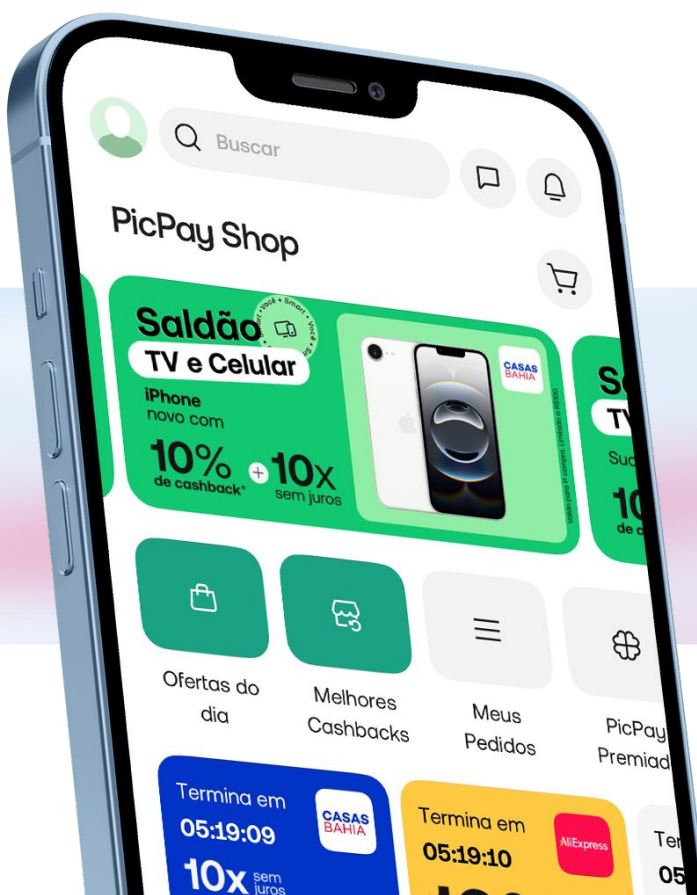


Overview

Geraldo Thomaz Jr.

A leading German home-improvement retailer selected VTEX as the backbone of its global commerce strategy to unify channels and accelerate international rollout, operating in Germany and now adding Austria. After consolidating its home market on VTEX's composable platform, the customer activated marketplace capabilities, integrated 350+ store accounts under a single control plane, and delivered a truly omnichannel journey with rapid options like two-hour pickup. The result is faster time-to-market, greater developer autonomy, and the agility to tailor features by country without disrupting core operations. This streamlined infrastructure and automated business logic equip them to scale efficiently across Europe, enhance customer convenience, and innovate continuously, as highlighted by their leadership, turning Austria into a blueprint for resilient, high-velocity expansion.

PicPay, one of Brazil's largest digital banks, has entered a new phase in its commerce strategy by integrating PicPay Shop, its marketplace, into the app through the VTEX platform, marking a major milestone in the company's evolution from an affiliate model to a fully integrated commerce ecosystem. Previously limited to product showcases that redirected users to external sites, PicPay now allows customers to browse, purchase, and complete their transactions entirely within the app, seamlessly positioning the platform as a unique hub where commerce and digital banking converge. In parallel, PicPay Ads, powered by VTEX Ads, enables brands and retailers to promote products directly within PicPay Shop, reaching a highly engaged audience at the moment of purchase. Acting as both technology and commercial partner, VTEX Ads integrates product catalogs, ad inventory, and performance data while leveraging its network to onboard new advertisers and expand PicPay's monetization ecosystem. This partnership combines PicPay's scale, financial intelligence, and consumer reach with VTEX's commerce and retail media leadership, creating a powerful new benchmark for convergence between media, payments, and commerce in Brazil.



Overview

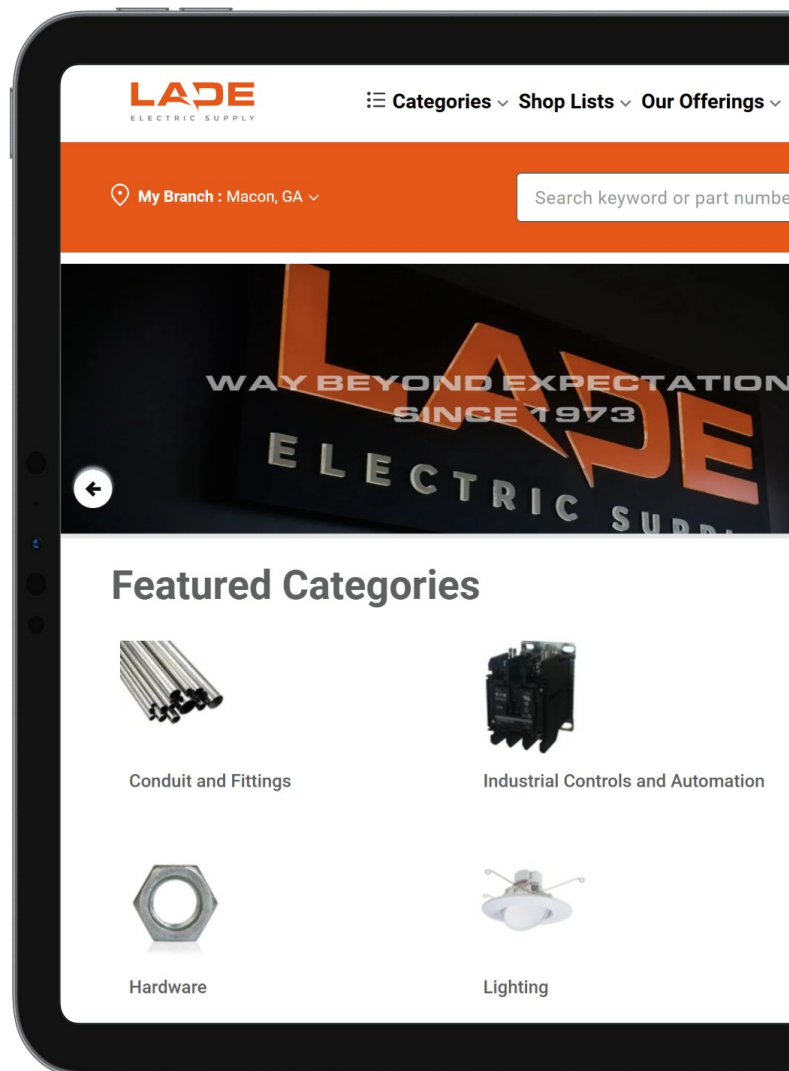
Geraldo Thomaz Jr.

Sephora, a global beauty retailer with a strong and loyal customer base, expanded its retail media strategy by becoming a publisher in the VTEX Ads network, creating new opportunities for brands to reach a highly qualified audience. Building on its previous retail media experience, Sephora transitioned seamlessly from its former setup to VTEX Ads, enabling makeup, skincare, fragrance, and dermocosmetic brands to advertise directly within its digital experience, ensuring visibility across high-impact touchpoints. With this move, Sephora offers its partners a premium media environment powered by VTEX technology, turning its digital storefront into a performance-driven channel for brand growth and measurable results.

US Electrical Services, one of the largest electrical distributors in the US, is transforming its digital experience with VTEX to better serve customers and meet evolving expectations. With an extensive branch network and a highly diverse product catalog, the company needed a scalable platform capable of delivering seamless, consistent, and personalized interactions across online, mobile, and in-branch channels. By adopting VTEX, US Electrical Services is unifying its customer experience into a single connected environment, enabling real-time access to accurate product data, faster support, and flexible fulfillment option, from in-store pickup to delivery. This integrated approach creates a smoother, more intuitive buying journey that builds trust, strengthens loyalty, and drives repeat business, while VTEX's flexibility allows the company to continuously introduce new services and stay agile in a rapidly changing market. As the business continues to grow, VTEX will support them in delivering higher-quality engagements and value-added solutions, ensuring the company remains customer-centric, competitive, and future-ready.

Before handing it over to Ricardo, I want to extend my appreciation to the **1,234 VTEXers** across our global offices, whose work is essential in shaping the future of commerce. I also want to thank our customers, partners, and investors, whose trust and partnership continue to inspire us and propel our journey forward.

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 financial results.

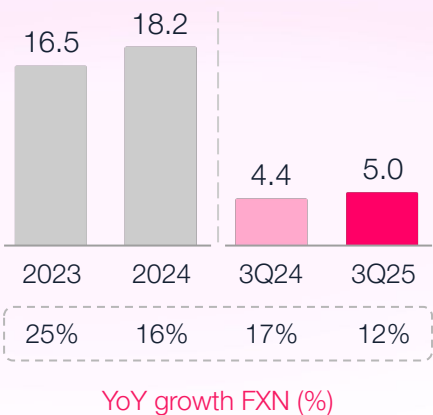
In Q3 2025, **GMV** reached **US\$5.0 billion**, up **13% in USD** and **12% FX-neutral**. **Subscription revenue** was **US\$58.4 million** versus **US\$53.9 million** in Q3 2024, an increase of **8% in USD** and **7% FX-neutral**.

Given our Q2 performance, we had already adjusted expectations for **Argentina**. The country faced **additional challenges in Q3**, so performance was worse than expected with no signs of a short-term recovery amid weak consumer sentiment. Moving north, **Brazil** performed **in line with expectations**, showing a modest deceleration of a couple percentage points quarter over quarter.

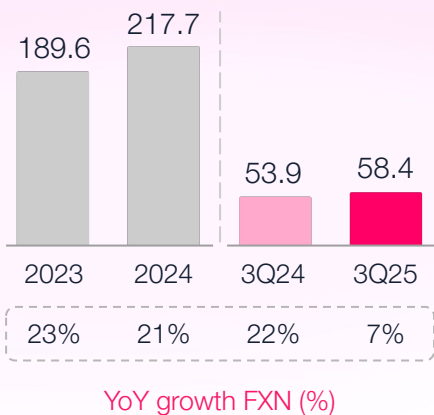
Within this context, in Q3 our **non-GAAP subscription gross margin** reached **80%**, underscoring the success of the efficiency initiatives we've been highlighting over the past several quarters, particularly the continued deployment of AI-powered automation in customer support. These initiatives are consistently delivering structural gains in customer support productivity and cost reduction, reinforcing the lasting durability of our margin improvement and the scalability of our business model.

Our **total gross margin**, including services, reached **77.5%**, an expansion of **270 basis points** year over year. This continued improvement reflects not only the steady gains in subscription gross margin, but also the ongoing shift of services in our revenue mix as our global ecosystem of partners increasingly takes the lead in complex implementation projects.

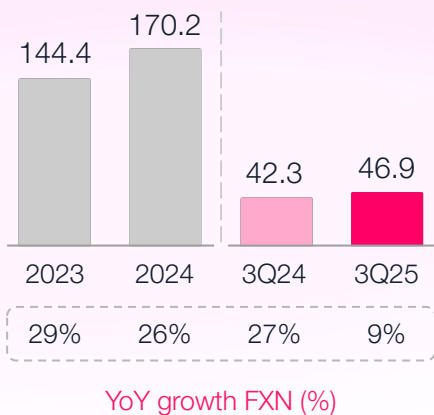
GMV
US\$ billions



Subscription Revenue
US\$ millions



Subscription Gross Profit
Non-GAAP, US\$ millions



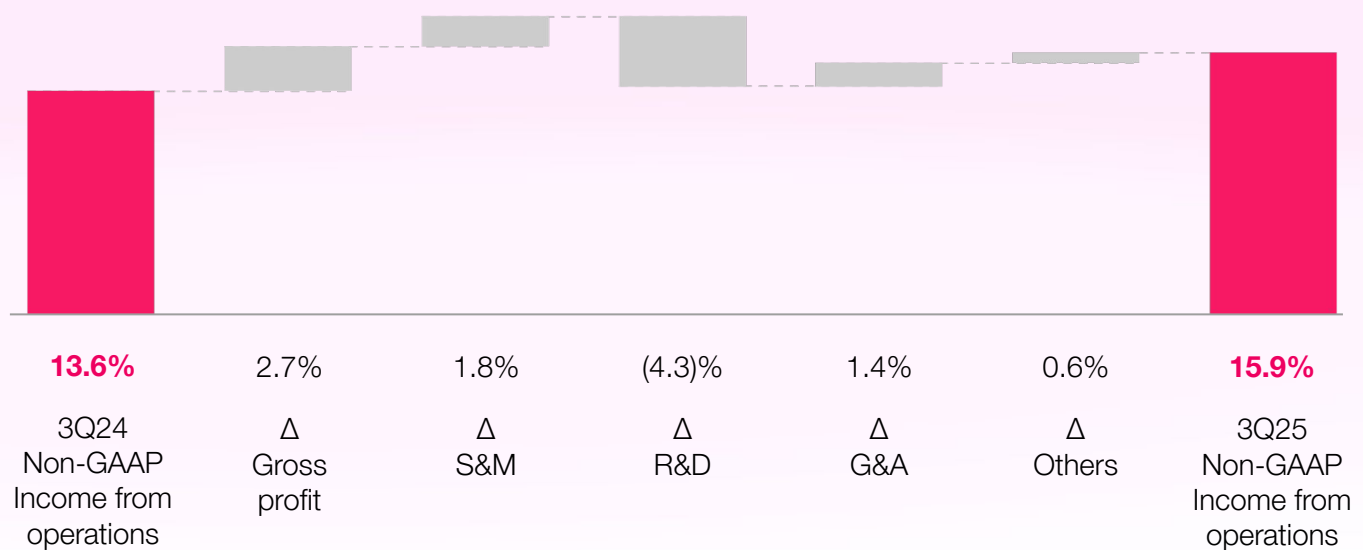
Financial Update

Ricardo Camatta Sodre

Our expense management continues to reflect our discipline and alignment with long-term growth priorities. Total **non-GAAP operating expenses** in the third quarter were **\$36.7 million, up 7% year over year, down 1% quarter over quarter** even though Latam currencies appreciation drove most of our expenses up in USD-terms. We delivered **savings in S&M and G&A**, and we chose to **reinvest through R&D** in innovation, product development, and AI capabilities that strengthen our competitive position. In other words, while optimizing margins, we're building a more efficient engine for sustainable, profitable growth.

As a result, our **non-GAAP income from operations** reached **\$9.5 million**, up from **\$7.6 million** in Q3 2024, a **25% growth in USD**. This also represented a **non-GAAP operating margin** of **16%**, an improvement of **230 basis points YoY**. In short, our operational discipline continues to translate into stronger margins and a more profitable growth trajectory.

Non-GAAP net income was **US\$10.6 million** in Q3 2025, **up 41% YoY**. This earnings step-up reflects structural profitability, **driven by operating leverage and efficiency gains**, and reinforces the sustainability of our model.



Financial Update

Ricardo Camatta Sodre

These continued profitability gains keep showing up in our cash generation, which remained strong once again this quarter. **Free cash flow** for the quarter was **US\$7.5 million**, reaching a free cash flow margin of **13%**.

Our capital allocation strategy remains grounded in discipline, long-term value creation, and efficient use of our strong financial position. We ended the quarter with approximately **\$200 million** in cash, representing about **25%** of our market capitalization. With a business that consistently generates positive free cash flow, we have the flexibility to fund innovation, pursue strategic growth initiatives, and return capital to shareholders.

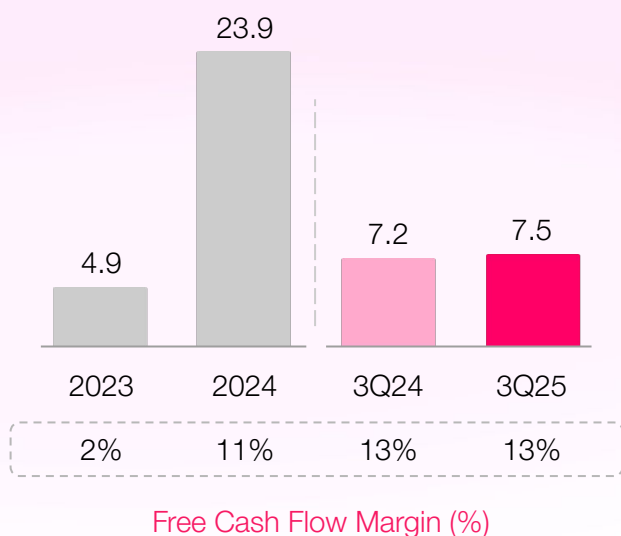
Our priority remains **organic growth**, particularly through continued investment in becoming a

multi-product, AI-driven platform, as Geraldo highlighted earlier. This may be complemented by selective **M&A**, focused on accelerating capabilities that can scale across our customer base, such as the Newtail acquisition in Retail Media and Weni in AI-powered after-sales support. **We continue to allocate capital with the same rigor that defines our operating model**, investing where returns are measurable, risk-adjusted, and **accretive to shareholder value**.

We also maintain a disciplined and opportunistic approach to **share repurchases**. As of September 30, we've repurchased almost **US\$100 million** of shares across four programs. Under the US\$40 million authorization approved in July 2025, we repurchased **4.5 million shares** in Q3 at an average price of **US\$4.14** per share for a total of **US\$18.8 million**.

Free Cash Flow

US\$ millions



Share Repurchase Activity

Details

3Q25 Activity

4.5M shares repurchased
US\$ **4.14** average price
US\$ **18.8M** total cost

Since IPO Activity

20.5M shares repurchased
US\$ **4.70** average price
US\$ **96.6M** total cost

Financial Update

Ricardo Camatta Sodre

As we look ahead to the fourth quarter, **our focus remains on disciplined execution amid a persistently complex macro environment.** In Latin America, we expect the headwinds seen in prior quarters to continue. In Argentina, consumption may remain weak and highly volatile, while in Brazil, elevated interest rates are likely to keep pressuring demand and extending enterprise decision cycles.

While top-of-funnel activity is softer than last year, **our win rates remain stable, and the quality of late-stage opportunities continues to reinforce our confidence in the long-term relevance of our platform.** In this environment, we are using the current cycle to deepen our focus on four core strategic priorities: scaling in the US and Europe, expanding B2B and our Retail Media products, and accelerating the AI transformation of our products and processes. Supported by strong cash generation and expanding margins, **these priorities position us to create sustainable, long-term value, even amid short-term volatility.**

With that in mind, for the fourth quarter of 2025, we are **targeting FX-neutral year-over-year subscription revenue** growth of **5.0% to 10.0%**, implying **US\$65.8 million to US\$68.8 million.** Additionally, we are **targeting** for the quarter a **non-GAAP income from operations margin** in the **mid-twenties** and **free cash flow margin** in the **high-teens** range.

For the full year 2025, we are **targeting FX-neutral year-over-year subscription revenue** growth of **9.3% to 10.7%**, implying a range of **US\$234 million to US\$237 million**, based on October's average FX rates.

We remain confident in our ability to re-accelerate our growth over the coming quarters and years through our commercial expansion into the US and Europe, and our product innovation in B2B, retail media and AI-powered solutions.

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

Thank you.



Closing Remarks

Geraldo Thomaz Jr.

Thank you all for the great questions.

As we look ahead, **our conviction remains strong**. VTEX is operating from a position of strength: **a differentiated, scalable product architecture, a focused and experienced team, and a strong balance sheet**. We are confident in our ability to navigate short-term uncertainty while delivering long-term value through innovation, execution, and disciplined growth.

We remain focused on what we can control, united by a clear vision. **VTEX has proven its resilience**, not only by delivering consistent margin expansion and strong cash generation, but also by staying deeply committed to the long-term levers that will **shape the next era of enterprise commerce**.

We're making tangible progress on those levers: from our expanding international footprint, where the US and Europe represent an enormous opportunity, to the ramp-up of new revenue streams like Retail Media and B2B, and ongoing transformative shifts such as our transition to an AI-driven company.

We believe that AI and Agentic Commerce are rewriting the rules of enterprise software. And at VTEX, we're not watching it happen; **we're actively designing our platform, our organization, and our future in the light of this paradigm**. With a multi-tenant architecture, outcome-based model, and massive aggregated data set, we are uniquely positioned to lead in this next chapter.

We're building **a platform that not only powers commerce, but increasingly executes it**. And we're doing it in a way that drives measurable outcomes for our customers and enduring value for our shareholders.

We have the strategy, we have the technology, and we have the team. **The opportunity ahead is exciting, and we're here to seize it.**

Thank you for your continued trust and partnership. We look forward to sharing the next milestones of our journey in the quarter to come. Have a great rest of the day, you might now disconnect.

Thank you!



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