VTEX
Fourth Quarter 2025
Conference Call Transcript

VTEX

Introduction and Disclaimer
Investor Relations

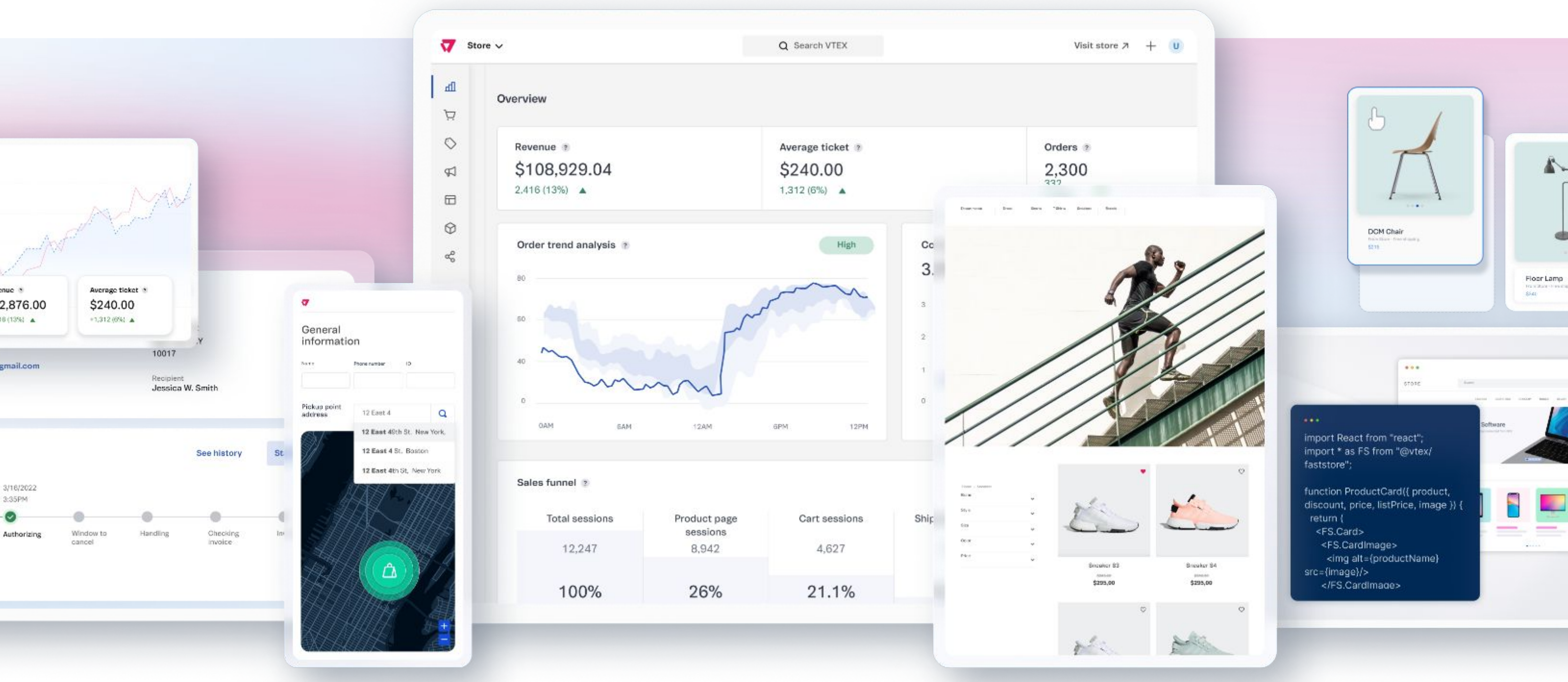
Hello everyone, and welcome to the VTEX earnings conference call for the quarter ended December 31st, 2025. I am Julia Vater Fernández, VP of Investor Relations for VTEX.

Our senior executives presenting today are Geraldo Thomaz Jr., founder and co-CEO, and Ricardo Camatta Sodre, Chief Financial Officer. Additionally, Mariano Gomide de Faria, founder and co-CEO, and Andre Spolidoro, Chief Strategy Officer, will be available during today's Q&A session.

I would like to remind you that management may make forward-looking statements relating to such matters as continued growth prospects for the company, industry trends and product and technology initiatives. These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of the currently available information, you are cautioned not to place undue reliance on these forward-looking statements.

Certain risks and uncertainties are described under "Risk Factors" and "Forward-Looking Statements" sections of VTEX's Form 20-F for the year ended December 31st, 2025 and other VTEX's filings with the U.S. Securities and Exchange Commission, which are available on our investor relations website.

Finally, I would like to remind you that during the course of this conference call we may discuss some Non-GAAP measures. A reconciliation of those measures to the nearest comparable GAAP measures can be found in our fourth quarter 2025 earnings press release available on our investor relations website.



Overview
Geraldo Thomaz Jr.

Thank you, Julia, and good afternoon everyone. Thank you for joining us today.

Today's call is primarily about **giving shareholders transparency into how we're positioning VTEX** to strengthen growth over time.

Let me start by acknowledging that our recent growth has been below our long-term ambition. We believe this is largely **cyclical, not structural**, driven primarily by three external factors: a more challenging macro environment in Brazil and Argentina; a more promotional marketplace environment in Brazil; and longer decision cycles as enterprises reassess priorities in a rapidly evolving AI landscape.

More broadly, we recognize the market debate around AI and what it means for software. Although the combination of rapid AI innovation with limited tangible commerce application so far may elongate sales cycles, the consistent view from our conversations with enterprise CIOs is that **AI will change how software is built and operated, but it won't eliminate the need for deeply integrated, enterprise-grade platforms that run mission-critical processes**. And while AI lowers the cost of writing code, it raises the bar for security, complex integration, and reliability. Precisely the attributes enterprises rely on VTEX to provide, and consistent with the broadly stable dollar churn we delivered in 2025. As value shifts from seat-based to outcome-based, VTEX is structurally aligned with this shift. We are not just building AI features; we are building the **mission-critical backbone for connected commerce** that global brands can rely on to deploy AI safely and effectively.

We could dive deeper into each of the three external factors mentioned, but as we cannot control the environment, let's focus on what we can control: our execution and product roadmap.

Starting on that, we see a clear opportunity to improve growth with a plan anchored in four levers: **global expansion**, **B2B**, **Retail Media**, and **AI**.

While we execute this growth plan, our enterprise focus remains front and center. In 2025, customers generating over US$250k in ARR reached **158**, with revenue from this cohort **up 13%** year over year. And to illustrate the relevance of our plan, in Q4 our four growth levers represented roughly **15%** of subscription revenue, delivering approximately **20%** FX-neutral growth, and contributing to nearly **half of subscription revenue growth**. **The addressable market for these levers is materially larger than our core Latin America opportunity**, and we believe we are well-positioned competitively, so our focus now is disciplined execution.

1 Global Expansion

2 B2B Commerce

3 Retail Media

4 AI

Overview
Geraldo Thomaz Jr.

With that, let me bring our four growth levers to life:

First, **Global Expansion**. We are winning and scaling in markets where complexity is highest. In 2025, Global Markets delivered **22%** subscription revenue growth. For instance, in Europe, our partnership with Manchester City reached its first milestone with the Stadium Tour store, offering personalized fan experiences in a single, high-performance flow.

Second, **B2B**. We are modernizing large enterprises by delivering complex capabilities that are AI-ready and composable by design, such as contract pricing, curated catalogs, PunchOut, and omnichannel fulfillment. Mondelez launched B2B in Brazil on VTEX, extending a multi-region footprint. While still early in the mix, B2B demand in the U.S. and Europe signals a durable shift, one we're now driving to digitalize across Latin America as well.

Third, **Retail Media**. 2025 was a turning point: we moved from pilots to a core growth engine with clear, margin-accretive outcomes. With VTEX Ads, customers now run on-site, off-site, and in-store campaigns and measure them end-to-end through closed-loop attribution anchored in first-party data. The retail media market evolution plays directly to our integrated model: enterprise retailers monetize traffic they already own, brands gain performance media tied to transactions, and both parties see results in a single source of truth. For example, Essity achieved a 39% increase in average conversion rate, an average ROAS above 17x, and consistent month-over-month acceleration in sales driven by retail media performance, demonstrating the power of data-driven campaigns to elevate brand performance in digital retail environments.

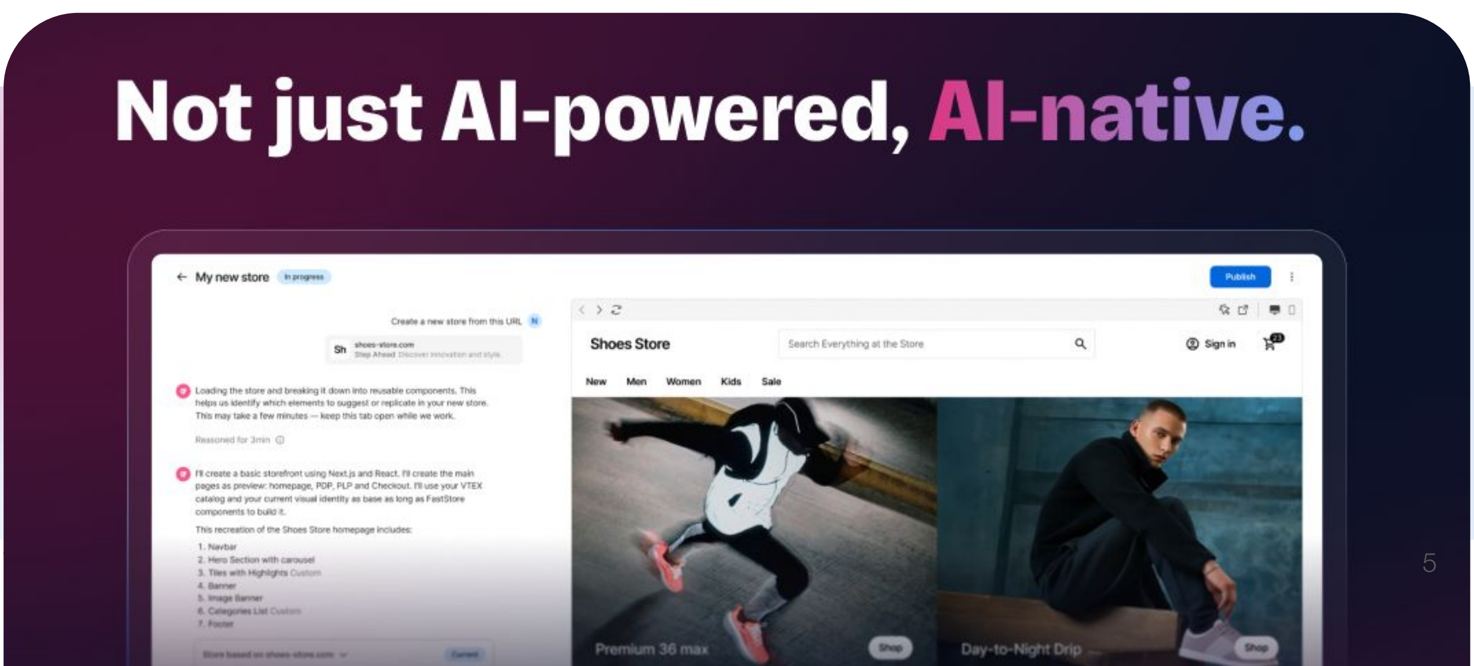
Overview
Geraldo Thomaz Jr.

Finally, **AI**. Our work here spans two dimensions.

First, our product: we're redesigning VTEX with an AI-first approach. For example, leading Brazilian retailers like Americanas and C&A are using Weni by VTEX to automate high-volume support journeys with deep enterprise integrations, such as order, invoice, and CRM, reducing manual ticketing, speeding resolution, and improving customer satisfaction. Beyond Weni by VTEX, we see AI reshaping how commerce is built, operated, and optimized. We're embedding intelligence across the platform while simultaneously rethinking how we build software and run the company. Our multi-tenant architecture and role as a mission-critical commerce data aggregator give us advantages that point solutions and legacy platforms can't easily replicate.

Second, our own operations. AI is already showing up in results. Automation in support has expanded gross margins by approximately 3 percentage points. And in December, we implemented a reorganization in Sales & Marketing that impacted almost 100 headcounts. This move simplified management layers and centralized our global teams for greater agility and efficiency. As we embrace an AI-first operating model, we are aligning our organization to operate with increased speed, consistency, and technical depth.

In summary, **we chose structural transformation over incremental steps**. Despite the challenging environment, disciplined execution and already identified productivity gains support continued improvement in profitability and enable increased R&D investments that drive our AI transformation and deepen our value with top-tier customers. We are evolving VTEX from a platform that powers commerce to a multi-product, AI-first platform that increasingly automates and orchestrates it. We'll keep executing behind this plan, expanding with existing customers as they scale on VTEX and adding more global enterprises to the mix, **so these four growth levers translate into sustained, compounding growth**.



Overview
Geraldo Thomaz Jr.

With that, and moving to the fourth quarter 2025, we added new enterprise customers, including:

- **Atacado Vila Nova, Lofty Style, Luz da Lua,** and **TCL** in Brazil;
- **Mercacentro** in Colombia;
- **Pharmacy's and Cruz Azul** in Ecuador; and
- **Llantas Avante and T-fal** in Mexico;

We also saw solid expansion activity within our existing customer base such as:

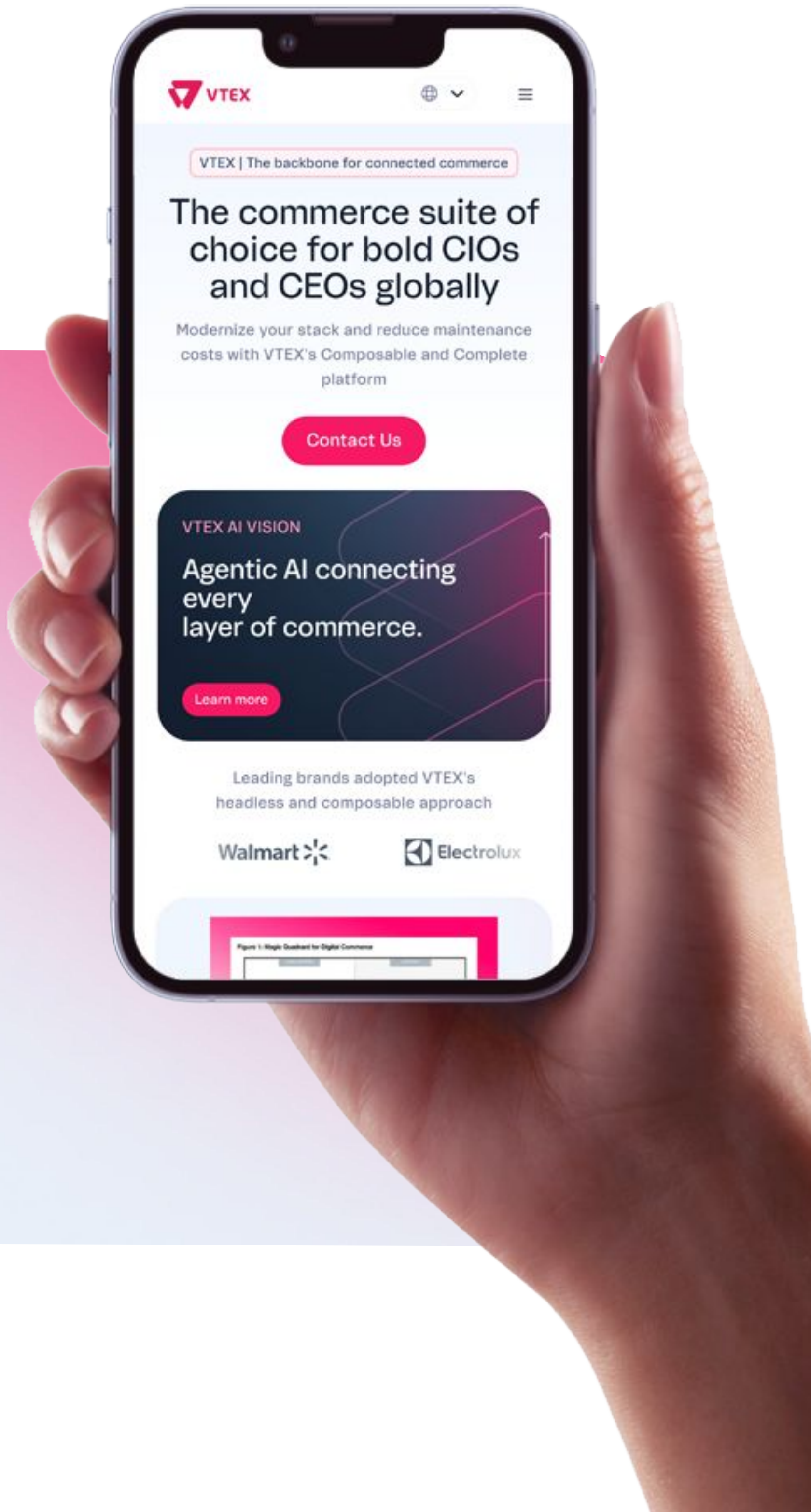
- **EssilorLuxottica** launched **two new brands** in Brazil, eÓtica and E-Lens, adding to its existing portfolio of stores;
- **Impresistem** launched their **B2B website in Colombia**, adding to its B2C operation running on VTEX;
- **Mondelez** launched a **B2B operation in Brazil**, expanding its VTEX footprint ranging from Latin America to Europe;
- **OBI** who expanded into **Italy**, adding to its operations in Germany and Austria; and
- **Whirlpool** launched KitchenAid in **Canada**, building on its successful store launch in the US, while continuing our global relationship in over 20 countries**.**

Even in a softer macro environment, customers continued to choose VTEX to support strategic initiatives involving new channels, new geographies, and more complex operating models.

Overview
Geraldo Thomaz Jr.

Now, before I hand the call over to Ricardo, I would like to express my sincere gratitude to our **1,139** VTEX employees, whose dedication and adaptability were critical. I would also like to thank our customers, partners, and investors for their continued trust and support.

Ricardo, over to you.



Financial Update
Ricardo Camatta Sodre

Thank you, Geraldo, and hello everyone.

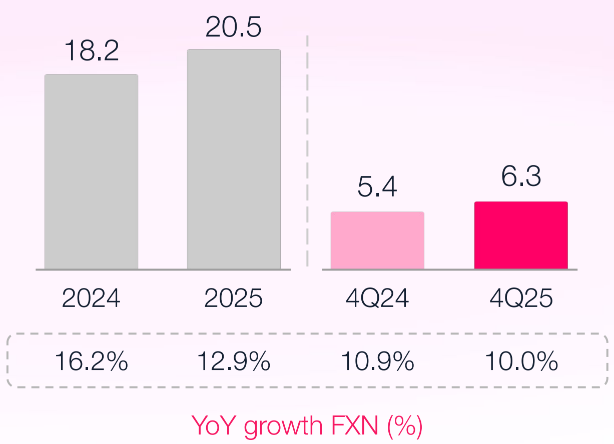
I will now walk you through our financial performance for the fourth quarter and the full year of 2025. Before going into the details, I would like to frame the year in context. As mentioned by Geraldo, while the external environment pressured our customers' GMV growth and lengthened enterprise decision cycles, 2025 demonstrated the resilience of our business model and the strength of our unit economics. As evidence, we continued to drive efficiency gains and delivered record profitability even in a slower growth environment.

In the fourth quarter of 2025, our GMV reached **US$6.3 billion**, representing a year-over-year growth of **17.2% in U.S. dollars** and **10.0% in FX-neutral**. For the full year, GMV reached **US$20.5 billion**, up **12.1% in U.S. dollars** and **12.9% in FX-neutral**.

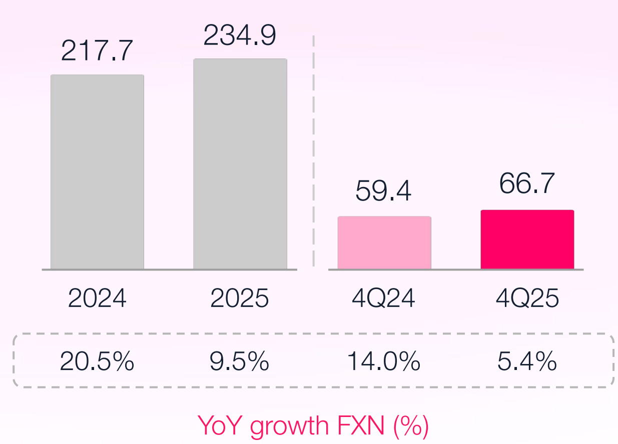
Subscription revenue reached **US$66.7 million** in the fourth quarter, representing a growth of **12.2% year-over-year in U.S. dollars** and **5.4% in FX-neutral**. For the full year, subscription revenue reached US$234.9 million, growing 7.9% in U.S. dollars and 9.5% in FX-neutral.

Turning to revenue retention, in 2025 subscription revenue from existing stores reached **US$194 million**, and our net revenue retention was **99.5% in FX-neutral**. Annual dollar churn remained broadly stable year-over-year. However, given that roughly 60% of our revenue comes from a take-rate on our customers' GMV, the decline in NRR compared to 2024 was primarily driven by lower Same Store Sales (SSS) growth of **6.8%** in FX-neutral in 2025. This lower SSS growth reflected continued softness in Argentina and more muted consumer spending in Brazil, which weakened over the course of the year.

GMV
US$ billions



Subscription Revenue
US$ millions



Financial Update
Ricardo Camatta Sodre

A key highlight for the year was the continued improvement in the profitability of our existing stores. Existing store gross margin increased **from 80% in 2024 to 82% in 2025**, while operating margin reached **44%**, representing a **1p.p. increase** year-over-year. This marks the second consecutive year in which this P&L exceeded the Rule of 40, reinforcing our confidence in sustaining a Rule of 40 performance as the business scales.

Moving on to subscription revenue addition, in 2025 new stores added **US$25 million** to our base, representing approximately **13%** of our 2024 VTEX platform revenue. As discussed in prior quarters, elongated sales cycles throughout the year impacted revenue added from new stores and will carry over some impact into 2026.

On the new stores P&L, our focus remains on maintaining a healthy return on the capital allocated to Sales & Marketing. On that front, LTV over CAC reached approximately **4x** in 2025. The year-over-year decline in this metric was primarily driven by longer sales cycles and timing, rather than changes in win-rates or the underlying attractiveness of the cohort. In fact, our continued enterprise focus drove our number of customers generating over US$250k in ARR to reach **158** customers in 2025. While this represents only 1.9% increase in customer count, it resulted in **14.5%** FX-neutral revenue increase from this cohort. Looking forward, as mentioned by Geraldo, we adjusted our Sales & Marketing investments and we are reallocating capital toward R&D investments to enhance key product offerings such as B2B, Retail Media, and AI-powered after-sales support.

From a geographic perspective, Brazil subscription revenue grew **12.2%** in FX-neutral, supported by the go-live and ramp-up of new stores despite softer SSS. Latin America excluding Brazil grew **2.1%** in FX-neutral, and excluding Argentina, the region grew just slightly below Brazil's pace. Subscription revenue from the Global Markets, formerly reported as Rest of the World, grew **19.2%** in FX-neutral, demonstrating continued compounding even as the base expands. Additionally, Global Markets represented **11.1%** of our total revenue. Its contribution margin, defined as gross profit minus directly allocated S&M expenses, improved significantly and approached breakeven.

% of 2025 Revenue, *non-GAAP*	**Existing Stores** *(~87% of VTEX rev., excl. SMB)*	**New stores** *(~13% of VTEX rev., excl. SMB)*
Gross margin[1]	**~82%**	**~61%**
Sales & Marketing	~(4)%	~(173)%
Research & Development	~(24)%	~(24)%
General & Administrative	~(10)%	~(10)%
Operating margin	**~44%**	**~(153)%**
Main KPI	*Rule of 40* **44**	*LTV / CAC* **~4x**

(1) Services revenue and services cost are included only in the "New Stores" P&L, as our services are mostly related to white glove PMO service to guide new stores implementations by 3rd party SIs

Financial Update
Ricardo Camatta Sodre

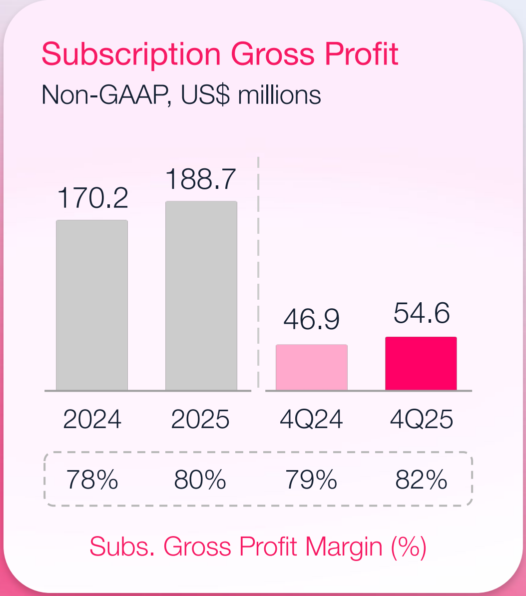
Moving down the P&L, we maintained strong cost and expense discipline while continuing to prioritize investments **aimed at supporting revenue reacceleration**.

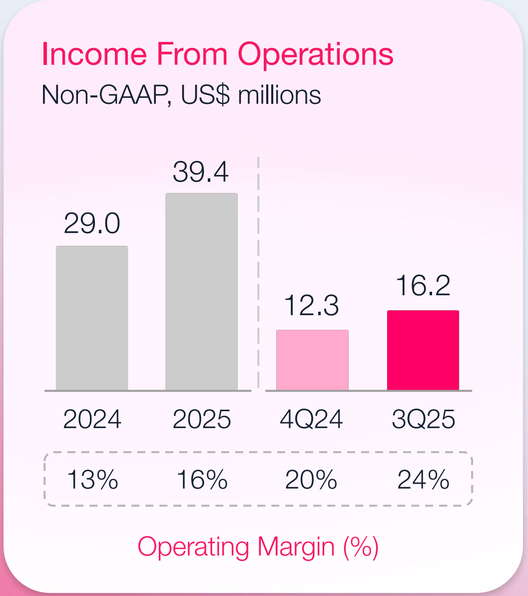
All figures I will now reference are non-GAAP unless otherwise stated. You can find all GAAP to non-GAAP reconciliations on our investor relations website.

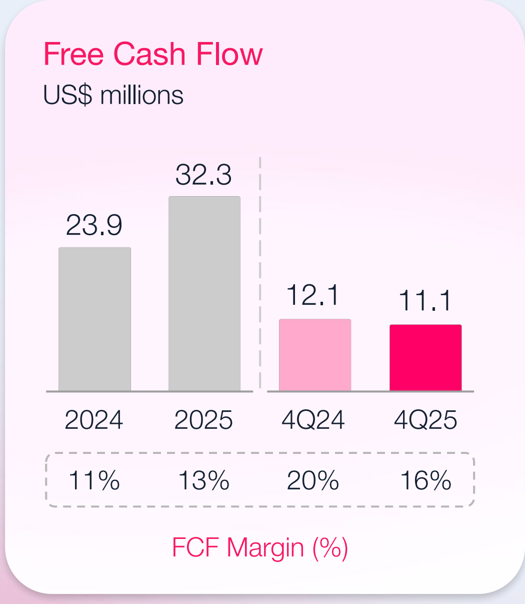
Subscription gross profit reached **US$54.6 million** in the fourth quarter, resulting in **81.8%** subscription gross margin, up from **78.8%** in the same period of the prior year. Total gross margin increased to **79.6%**, compared to **75.0%** in the fourth quarter of 2024, driven largely by AI-powered customer support automation and, to a smaller extent, a higher mix of subscription revenue.

Operating expenses totaled **US$38 million** in the fourth quarter, resulting in income from operations of **US$16.2 million** and an operating margin of **23.8%**, up from **19.9%** in the same period last year. During the quarter, we executed a reorganization in Sales & Marketing to simplify layers and centralize global teams to better leverage AI as well as align investment with expected demand. These actions resulted in approximately US$2 million severance expense above normalized level. Excluding that one-off impact, operating margin would have been **just under 27%**.

Free cash flow reached **US$11.1 million** in the quarter, representing a **16.3%** margin. Adjusting for one-off severance payments above normalized levels, FCF margin would have been just over **19%**.





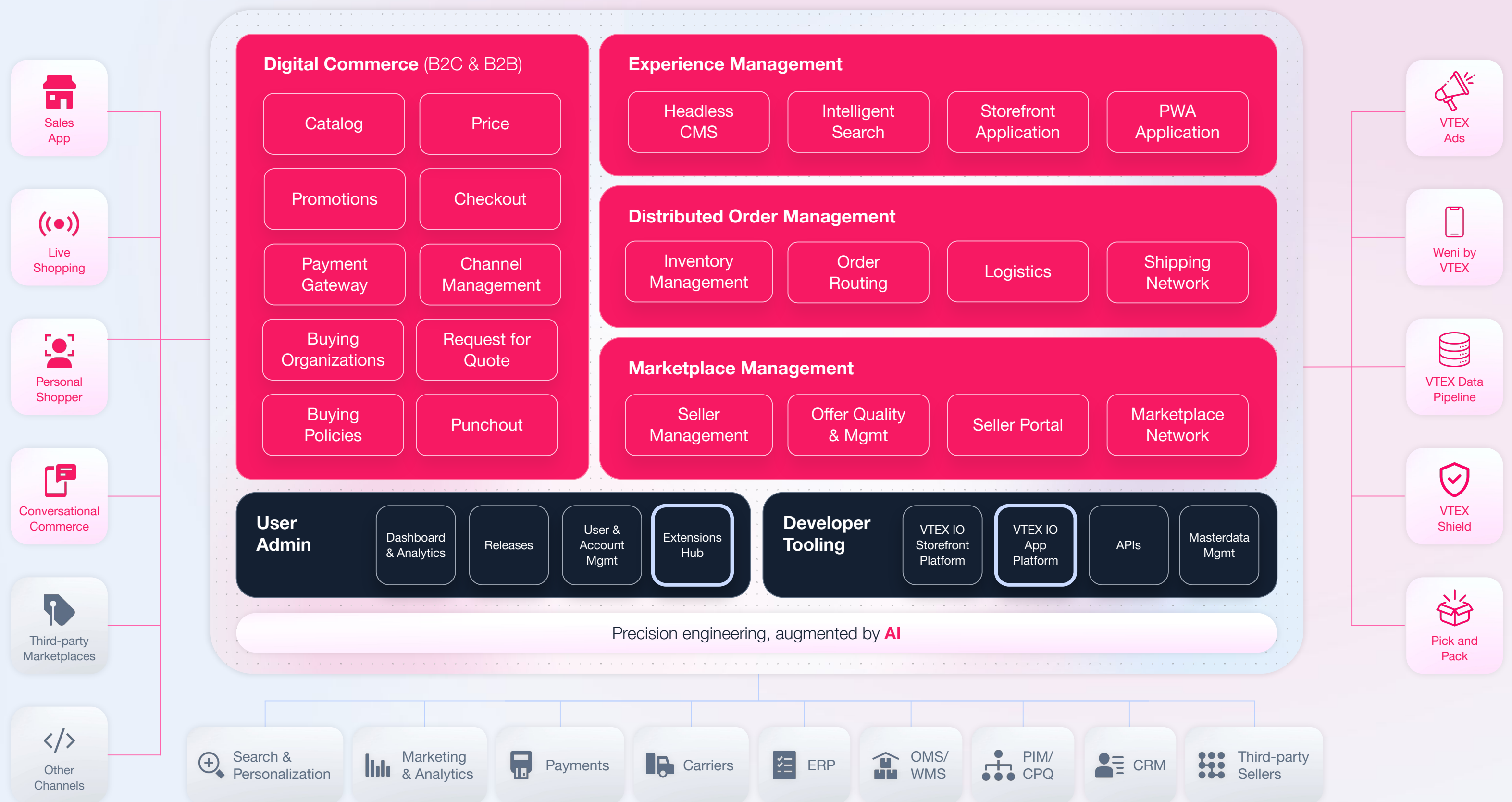


Financial Update
Ricardo Camatta Sodre

Considering this level of cash generation and our current cash position as percentage of our market cap, we are announcing **a new US$50 million, 12-month share repurchase program** for Class A shares.

Looking ahead into 2026, as Geraldo highlighted at the beginning of the call, we remain focused on our four growth levers: **global expansion**, **B2B**, **Retail Media**, and **AI**.

We are executing with discipline. The productivity gains we have unlocked across Cost of Revenue, S&M, and G&A are expanding profitability while funding higher R&D to accelerate our AI transformation and deepen our value with top-tier customers. While macro headwinds persist, **we remain encouraged** by the quality of new customer additions, our competitive positioning among global enterprise customers, and the compelling market opportunity across our four key long-term growth initiatives.



Financial Update
Ricardo Camatta Sodre

With that, and recognizing that Q1 is seasonally our lowest GMV quarter and faces the toughest year-over-year comparison, for **Q1 2026** we expect:

- **Subscription revenue** to grow at a mid-single digit percentage rate on an FX-neutral year-over-year basis;
- **Gross profit** to grow at a high-single digit percentage rate on an FX-neutral year-over-year basis;
- **Non-GAAP income from operations** to be in the mid-teens percentage margin; and
- **Free cash flow** to be in the high-teens percentage margin.

For the **full year 2026**, we are targeting:

- **Subscription revenue** to grow at a mid-to-high single digit percentage rate on an FX-neutral year-over-year basis;
- **Gross profit** to grow at a high-single digit to low-teens percentage rate on an FX-neutral year-over-year basis;
- **Non-GAAP income from operations** to be in the low-twenties percentage margin; and
- **Free cash flow** to be in the low-twenties percentage margin.

Assuming FX rates remain broadly consistent with January 2026 averages, the FX-neutral growth guidance outlined above would translate into higher **reported USD subscription revenue growth**, adding approximately **8.4** percentage points in the first quarter and **4.5** percentage points for the full year 2026.

Before we open to Q&A, I would reiterate: **we are executing with discipline, investing behind our four growth levers to drive durable growth and shareholder value, and expanding profitability while maintaining a strong balance sheet**.

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

Closing Remarks
Geraldo Thomaz Jr.

Before we conclude, I want to step back once more and reflect on where VTEX stands today. **2025 tested the market, our customers, and our industry, but it also reaffirmed the strength of our foundation**.

We navigated a challenging environment to **deliver record profitability while deepening our relevance with enterprise customers**. Crucially, we did this while increasing our investment in R&D to accelerate our AI transformation.

As we look ahead, **our focus is on execution**. As discussed, we remain focused on four growth levers: global expansion, B2B, Retail Media, and AI. We believe VTEX is structurally aligned with where enterprise commerce is going, and that alignment positions us to improve growth over time as these initiatives scale.

Finally, I want to thank our employees, customers, partners, and investors for their continued trust. VTEX has been built over decades by navigating moments of transition just like this one. Our history shows that our willingness to adapt early and invest with discipline creates durable value over time. We enter the next chapter with **clarity, resilience, and confidence** in our ability to deliver long-term growth and profitability.

Thank you for joining us today, and we look forward to updating you on our progress in the quarters ahead.

Thank you!

VTEX

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