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JBS

1Q25 Preview: Silver bullet in a cooling scenario

LatAm Meatpackers

Main takeaways:

(i) Beef North America: EBITDA of **R$50mn** Genial Est. (-92.3% q/q; -141.2% y/y), with a projected margin of **0.1%** Genial Est. (-1.6 p.p. q/q; -2.2 p.p. y/y), highlighting the strong impact of cattle costs (~US$4.6/kg) in the US; **(ii) USA Pork:** EBITDA of **R$1.6bn** Genial Est. (**+2.4% q/q; +4.4% y/y**), with a margin of **13.7%** Genial Est. (**+0.2p.p. q/q; -2.7p. p. y/y**). The division should continue to be sustained by the substitution of beef for more affordable proteins, with a greater presence of soy in feed, at a still depreciated level; **(iii) PPC:** results **already released** on May 1. EBITDA was **US$533mn** (+1.4% q/q; +44.5% y/y), with a margin of **11.9%** (-0.1p.p. q/q; +3.5p.p. y/y), surprising positively, even with corn advancing +7.0% q/q. We estimate a contribution of **US$432mn** Genial Est. to JBS's consolidated EBITDA (USGAAP); **(iv) JBS Australia:** EBITDA of **R$1.0b** Genial Est. (+24.9% q/q; +66.6% y/y), with a margin of **10.2%** Genial Est. (**+2.3p.p. q/q; +1.7p.p. y/y**), recovering after weather shocks and the normalization of salmon operations; **(v) Seara:** EBITDA of **R$2.0bn** Genial Est. (-25.0% q/q; +65.3% y/y), with a margin of **17.2%** Genial Est. (**-2.6p.p. q/q; +5.6p.p. y/y**), reflecting natural accommodation after the peak in 4Q24. Although corn rose +9.1% q/q, fundamentals remain healthy, with consistent pass-throughs and resilient domestic demand; **(vi) JBS Brazil:** EBITDA of **R$556mn** Genial Est. (-58.9% q/q; -13.6% y/y), with a projected margin of **3.7%** Genial Est. (**-2.9p.p. q/q; -0.8p.p. y/y**), pressured by the **spike in the cost of cattle** (+R$319/arroba in 1Q25), which rose almost twice as much as the cut out price—in line with the reversal of the cattle cycle; **(vii)** Amid **the expected margin compression in 2025** combined with the **negative bias** stemming from the context of a **possible agreement between the US and China** in the Trade War, we believe that the **listing on the NYSE** (scheduled for June 12) remains the **main silver bullet** for **unlocking value**. We maintain our **BUY** rating, with a **12M Target Price** of **R$54.50** and **upside of +30.8%**.

Analysts

Igor Guedes
+55 (11) 3206-8286
igor.guedes@genial.com.vc

Luca Vello
+55 (11) 3206-1457
luca.vello@genial.com.vc

Company

JBSS3 BZ Equity
Buy

Price: R$ 41.89 (12-May-2025)
Target Price 12M: R$ 54.50

Table 1. Income Statement JBS (1Q25 Genial Est.)

(R$ millions)	1Q25E Genial Est.	4Q24 Reported	% R/E	1Q24 Reported	% y/y
Net Revenue	**106.800**	**116.701**	**-8,5%**	**89.147**	**19,8%**
COGS	(91.962)	(99.309)	-7,4%	(77.466)	18,7%
Adjusted EBITDA	**9.045**	**10.789**	**-16,2%**	**6.429**	**40,7%**
EBITDA Margin (%)	8,5%	9,2%	-0,8p.p	7,2%	1,3p.p
EBIT	**6.108**	**5.646**	**8,2%**	**3.581**	**70,6%**
EBIT Margin (%)	5,7%	4,8%	0,9p.p	4,0%	1,7p.p
D&A	(2.937)	(3.248)	-9,6%	(2.697)	8,9%
Financial Result	(2.003)	(2.105)	-4,9%	(1.727)	15,9%
Net Income	**2.751**	**2.412**	**14,0%**	**1.646**	**67,1%**
Net Margin (%)	2,6%	2,1%	0,5p.p	1,8%	0,7p.p

Source: JBS, Genial Investimentos

JBS will release its 1**Q25results** on **May 13**, after the market closes. We expect a quarter marked by **sequential normalization in results**, with **significant growth year-on-year**. The company is expected to report consolidated **Net Revenue** of **R$106.8bn Genial Est.** (-8.5% q/q; +19.8% y/y), reflecting a stronger comparison base in 4Q24 (difficult to beat), but still supported by healthy volumes and favorable FX rate effects on the conversion of revenues into BRL. **Adjusted EBITDA** should total **R$9.0bn Genial Est.** (-16.2% q/q; +40.7% y/y), with a **margin of 8.5% Genial Est.** (-0.8 p.p. q/q; +1.3 p.p. y/y), indicating **slight sequential compression**, but still at a robust level compared vs. historical average. In the result, we project **Net Income** of **R$2.8bn Genial Est.** (+14.0% q/q; +67.1% y/y), with an increase in the net margin to 2.6% Genial Est. (+0.5 p.p. q/q; +0.7 p.p. y/y).

In addition, we expect the company's consolidated performance to reflect **very different dynamics between divisions**. The **negative cattle cycle in the US** should continue to pressure the **Beef North America unit**, whose margin should remain **close to break even**, at only 0.1% Genial Est. (-1.6p.p. q/q), even after the positive one-off observed in the previous quarter. At **JBS Brazil**, the **cycle turnaround** — with the arroba prices reaching R$319 — should generate **significant margin compression**, projected at 3.7% Genial Est. (-2.9p.p. q/q), aggravated by weaker seasonality at the beginning of the year. The **USA Pork** unit, in turn, tends to show a **slight margin gain**, estimated at 13.7% Genial Est. (+0.2 p.p. q/q), sustained by resilient volumes and the combination of favorable demand and lower relative cost pressure, given the greater weight of soybeans — with falling prices — in the feed mix.

PPC has already released its results, with **figures above our estimates**, presenting **EBITDA** of **US$533mn** (+1.4% q/q; +44.5% y/y) and a **resilient margin** of 11.9%, even in the face of a +7.0% q/q increase in corn prices. At **JBS Australia**, after a 2H24 marked by extreme weather events, we project a **gradual recovery in margins**, with EBITDA reaching R$1.0bn Genial Est. (+24.9% q/q) and a margin of 10.2% Genial Est. (+2.3 p.p. q/q), favored by the **return to normal operations in salmon** and greater penetration of Australian meat in premium markets. Finally, the **Seara** division should continue to deliver **solid performance**, with a **still robust margin** of 17.2% Genial Est. (–2.6p.p. q/q), although in a **natural adjustment process after the peaks observed in 2H24** (especially 3Q24). The recomposition of input costs — especially corn (+9.1% q/q) — and the end of positive seasonality explain part of the compression, but fundamentals remain healthy, with firm spreads and strong commercial execution.

1Q25 Preview: In detail!

Beef North America: In line with break-even, with last quarter being one-off. We estimate that the unit will report Net Revenue of R$34.0bn Genial Est. (-9.2% q/q; +22.8% y/y). Despite annual expansion, performance should be limited by the continuation of the negative cycle in the US market, which continues to raise cattle acquisition costs — the main component of the operation's COGS — to a level of ~US$4.6/kg. Given this, we project EBITDA of R$50mn Genial Est. (-92.3% q/q), with a margin of 0.1% (-1.6 p.p. q/q), basically at break-even, highlighting the difficulty of pass-thoughts in an environment of cut-out prices that are already high for consumer budgets, but still below the robust cost of cattle acquisition.

It seems to us that a margin that exceeded our and the consensus estimates in 4Q24, reaching 1.7%, is unlikely to be repeated now in 1Q25. We believe that, even considering the possibility that the company will continue to implement operational initiatives to mitigate the impact — such as greater carcass efficiency and portfolio review — these gains will remain limited in view of the structural pressure on the cycle current phase, whose reversal is still projected only for 27E. The comment made by management during the last earnings conference call about a +1-1.5p.p. increase for the business unit in 2025E was correlated with the company's performance vs. its peers operating in the region. In fact, Tyson Foods' margins in 1Q25 were not encouraging and returned to negative territory. Therefore, we believe it is reasonable to expect Beef North America to be in line with break-even and emphasize that this remains the most realistic estimate.

USA Pork: Slight sequential margin gain. Our model points to Net Revenue of R$11.8bn Genial Est. (+0.9% q/q; +24.6% y/y). We believe that, as we quoted out above, high beef prices in US food retail continue to favor trade down by consumers, driving consumption of more affordable alternative proteins, such as pork. The division's EBITDA should reach R$1.6bn Genial Est. (+2.4% q/q; +4.4% y/y), with a margin of 13.7% (+0.2 p.p. q/q; -2.7 p.p. y/y). As we have already described in other recently published reports, we are more bullish about this particular business unit, as it seems to us to be the only one that could see an average y/y margin increase throughout 2025 (not necessarily in this quarter).

This is because it will benefit not only from trade down, as we have already mentioned, but unlike PPC — which focuses on chicken — the US Pork division is less impacted by corn prices appreciation vs. 4Q24 (+9.3% q/q on a bushel basis) — since pig feed has a higher percentage of soybeans in its composition, which is still at a low price level (in fact, it fell -6.2% q/q). As we expect elastic harvests in Brazil and Argentina, we are still looking at a scenario of depreciated soybean prices throughout 2025, which supports stronger margins for the business unit.

PPC: Margins remain flat q/q, in a result that surprised positively. The 1Q25 results for Pilgrim's Pride Corporation (PPC), a subsidiary focused on chicken sales in the US, were released on May 1. The performance exceeded our expectations. PPC reported Net revenue of US$4.5bn (+2.1% q/q; +2.3% y/y), reflecting continued strong commercial momentum in the US and Mexico, with sustained volumes and portfolio expansion in higher value-added products. Adjusted EBITDA totaled US$533mn (+1.4% q/q; +44.5% y/y), with a margin of 11.9% (-0.1 p.p. q/q; +3.5 p. p. y/y), remaining at a high level, even in the face of pressure from input costs in the period, since corn — the main component of poultry feed — rose +7.0% q/q in the US (on a bushel basis), while soybean prices declined marginally (-0.6% q/q), which led to a slight deterioration in the cost structure.

Even so, the company maintained good operational efficiency and commercial discipline, sustaining profitability levels above the historical average. According to JBS's share in PPC's operating results, the dynamics we mentioned should translate into an addition of US$432mn to Genial Est. EBITDA in the consolidated results (under USGAAP).

JBS Australia: Margin should rise, returning to historical point. We project Net Revenue of R$10.0bnGenial Est. (-3.2% q/q; +39.4% y/y), reflecting significant year-on-year growth, driven by Australia's greater share of international markets, especially in the US, Japan, South Korea, and China — regions where the US presence remains limited by internal and commercial factors, mainly in the context of higher tariffs imposed by the Trump administration during the quarter. We estimate EBITDA of R$1.0bn Genial Est. (+24.9% q/q; +66.6% y/y), with a margin of 10.2% Genial Est. (+2.3 p.p. q/q; +1.7 p.p. y/y), representing a significant reversal vs. 4Q24.

The expectation of operational improvement comes after a 2H24 impacted by adverse weather events, such as heavy rains and sporadic droughts that affected logistics and the availability of cattle in slaughter phase. In addition, the negative effects on the aquaculture segment, which had been hurt by waves and storms that compromised offshore nets in 2H24—especially in salmon farming (which has higher margins vs. beef)—should have lost steam at the beginning of this year, with the production environment gradually stabilizing. Therefore, we believe that the combination of better export prices and the normalization of salmon operations may allow the Australian division to deliver a quarter of rising margins, more in line with historical levels.

Seara: Margins are currently adjusting but will remain healthy. We expect Net Revenue to clock in at R$11.5bn Genial Est. (-13.8% q/q; +11.0% y/y), impacted by a high basis of comparison that we observed in the last quarter — the division's seasonal peak period — but still benefiting from a combination of positive factors such as **(i)** resilient domestic demand; **(ii)** trade down in favor of more affordable proteins; and **(iii)** continued expansion of the value-added portfolio. In the external market, we see that spreads remain strong, with price adjustments, especially for fresh products. The EBITDA forecast is R$2.0bn Genial Est. (-25.0% q/q; +65.3% y/y), with a margin of 17.2% Genial Est. (-2.6 p. p. q/q; +5.6p.p. y/y), reflecting an expected adjustment after the exceptional levels of 2H24, which ultimately sets the margin plateau for this cycle as actually 3Q24.

Even so, we highlight that profitability levels remain very healthy. It seems to us that several investors have excessively penalized chicken-related stocks (in addition to the impact on Seara, there is PPC, as well as BRF, for example), after being fully aware that the last quarter showed a cyclical inflection. The movement towards more reasonable and cooler stages, in our view, is largely explained by the recomposition of input costs — especially corn, which rose +9.1% q/q, already considering the significant drop we saw on the Chicago Commodities Exchange after the Trump administration announced tariffs (Liberation Day). Even so, the combination of still tight supply, positive spreads, and consistent commercial execution should ensure stronger profitability in 1H25, with possible greater pressure only in 2H25, depending on the elasticity in the ability to pass on prices, both by Seara and its peers.

JBS Brazil: Margins pressured by the cycle reversal, in addition to weaker seasonality. Net revenue should reach R$15.0bn Genial Est. (-26.1% q/q; +5.5% y/y), with pass-through further increasing the cutout, but still at point insufficient to fully offset the significant increase in cattle prices. As we have already mentioned in other reports, the price of the red meat basket that makes up the IPCA rose +16% between Oct-Dec (up +2% in 1Q25), and even though this led to a significant recovery for meatpackers — including putting pressure on food inflation in Brazil — in the same period, the price of arroba cattle rose even more sharply (almost 2x as much), consolidating the cycle reversal. We therefore believe that it will be impossible for the company to escape a scenario of margin compression. EBITDA should total R$556mn Genial Est. (-58.9% q/q; -13.6% y/y), with a margin of 3.7% Genial Est. (-2.9pp q/q; -0.8pp y/y).

It is important to note that the 1Hs historically shows more compact seasonal profitability, with margins ranging from 3-4.5%, partly due to lower consumption dynamics and the impact of seasonal expenses on consumer purchasing power. There are impacts from the reduction in household disposable income at the beginning of the year due to the payment of taxes in Brazil, such as property tax (IPTU) and vehicle tax (IPVA), for example, in addition to the purchase of school supplies for children. Thus, there is a budget constraint that periodically reduces beef consumption, which in turn tends to have a higher average ticket price vs. other sources of protein (such as chicken and pork). In addition, we believe that this temporary weakness should be added to the still high cattle acquisition costs– which reached an average of R$319/arroba in 1Q25 – in line with traditional seasonal effects, whereby supply decreases after the end of the summer harvest, contributing to price increases in 1Q.

Our take on JBS

NYSE listing: Re-pricing via multiples would lead to a rise of almost +30% in shares prices. JBS is currently trading at **5.8× EV/EBITDA 25E**, already reflecting the recent appreciation of its shares, which has increased its market value. Even so, the multiple remains below the levels of peers such as **Tyson Foods** (8.4×) and **Pilgrim's Pride-PPC** (6.6×). In Europe, food and beverage companies listed in Frankfurt and London trade at an average of 7.2×, while Asian peers trade at 6.8×. JBS' convergence to the **global average** of **7.5×** would imply a potential **appreciation of +29.3%** vs. the current multiple, even if the convergence is not perfect and maintains a **gap of +0.5x vs. peers** — which we model as **our base scenario**. As outlined in our report – Voting power vs. liquidity **–**, **we consider this rerating plausible** as the company advances in its **eligibility for relevant indices**, such as the **Russell 1000** and, in the future, the **S&P 500** (likely, window available to apply only in 2H26).

Once the **first day of trading on the NYSE** as a primary listed stock (scheduled for June 12) has passed, we believe that **growing demand for the company's shares** from **passive funds** could open space for this **reduction in the gap vs. peers** to occur **via targeted blocks**.

Another important point we highlight is that the **possible entry into the S&P 500** (which would help bring even more long-posted investors to the stock) still depends on an **increase in the free float** to the minimum requirement of **50%** — currently ~30%. In this sense, we see a **high probability** that **BNDESPar**, which holds ~21% of the total capital, will **begin a gradual reduction of its stake** in the coming months. In addition, looking at the timeline, we await the **next steps**: **(i)** final approval of the BDR Program by the CVM and B3 by June 2025; **(ii)** completion of Form F-4 and listing on the NYSE (likely by June); **(iii)** exercise of Class A→B conversion throughout 2026; and **(iv)** quarterly disclosure of results under new reporting standards.

Year ahead: 2025

Beef North America: An even more difficult year...

We believe that **Beef North America** is likely to experience a **tighter margin cycle vs. cattle cycle** in 2025 — commonly known as "**white bone"**, which refers to the fourth year of a downturn — with **margins close to break even**. However, yield optimization projects and process improvements promise to generate an incremental benefit of **+100–150bps vs. the average of peers** (as mentioned above), mitigating part of the cyclical pressure and paving the way for the **recovery expected only in 2027** due to the confirmation of the **female retention process in the spring** — extending the downturn cycle in the US. In addition, we see that beef consumption remains strong even in an inflationary environment, easing the prospect of the company's inability to pass on costs to the end consumer (cut-out).

USA Pork: Trend to slow down less than other units.

We believe that the **USA Pork** unit will likely be one of the divisions that should **slow down the least in terms of margin** throughout 2025 and may even register year-on-year growth, depending on **(i)** the ability to **pass on prices** (via increased demand). Unlike poultry farming, pig farming comparatively **(ii)** has a **lower penetration of corn** in the feed mix and **greater exposure to soybeans** as a feed component, whose price remains relatively low — including a **-6.2% q/q** drop in 1Q25 — in contrast to corn, which has faced price increases since August last year.

In this context, we estimate that the business division should continue to operate with **healthy margins**, supported by **robust domestic demand** in the US, **(iii)** favored by the **trade down movement** driven by high prices for beef cuts in food retail. If there is a narrowing in domestic spreads (the difference between the price of beef vs. cheaper proteins), the operation still has the option of **redirecting part of its production to the foreign market**, taking advantage of JBS's global reach to preserve profitability.

PPC: Margins should decline slightly but will remain high vs. historical levels.

As for **Pilgrim's Pride (PPC)**, we believe that the fundamentals are indeed cooling off a bit, given **greater cost pressures**, especially with corn. On the other hand, the business unit should capture **some level of resilience** due to **(i)** the still very tight chicken supply, sustained by genetic limitations coupled with new outbreaks of avian flu, which together should contain production expansion capacity.

At the same time, **(ii)** the cost of corn in the US — although it has risen in relation to recent years — remains at historically low levels (-15% vs. the average for the last 5Y), reinforcing the **cost gap** in favor of the company compared to other proteins, allowing it to maintain **still resilient margins**, especially by focusing on higher value-added products, while **(iii)** occasional capacity adjustments between plants should still offer flexibility to respond quickly to fluctuations in demand or health events.

JBS Australia: Cattle costs will continue to offer a competitive advantage for exports.

For **JBS Australia**, they should benefit from its ample supply of local cattle and recent tariff structure, which give it a significant cost advantage over the US. We believe that Australia will continue to **export beef to the US in large quantities**, even with the announcement of a **10% tariff** on the country (if there is no specific bilateral agreement). This combination of abundant supply and substantially lower production costs — about **60% of the US cost** — allows JBS Australia to not feel the cost increase as much. Therefore, we believe that during the year, the business division should experience a **slight compression in margins**, given the rise in cattle and lamb prices in the region, which were more prominent. In addition, the group's geographic diversification offers flexibility to **reallocate volumes between units**, cushioning the impact of any tariff changes in other regions.

Seara: Trade down should bring more volume and help ease cost pressure.

In our view, **Seara** should **(i)** benefit from the **migration of Brazilian consumers towards cheaper proteins** (such as chicken, pork, and processed meats), in a movement known as **trade down,** in the face of **sharp increases in red meat prices**, which rose by double digits at the end of last year in food retail, as a way to try to ease the pressure that meatpackers were facing with the acceleration of cattle costs in Brazil. In other words, consumers, pressured by inflation in beef prices, tend to turn to poultry, pork, and processed foods, spawning a general **volume gain** across Seara's entire product line.

Even in the face of **(ii)** a **scenario of higher costs** (+3.3% vs. the average for the last 5Y) – which should intensify their effects on the unit's profitability in 2H25 – we found that the company managed to pass on price increases in 1Q25, taking advantage of **unusually strong demand** for the seasonal "hangover" period – demand is shorter in 1Q vs. 4Q, which benefits from the Christmas festivities – and **(iii)** the **robust acceptance of prices** applied **for chicken** by supermarkets. Therefore, the expectation for 2025 is for a **slight decline in margins y/y** in **1H25**, with a tendency for **greater deepening in 2H25**.

JBS Brazil: Margin expected to decline by 1p.p. in 25E.

As for **JBS Brazil**, we believe that the operation will inevitably feel the **sharp increase in cattle acquisition costs**. However, even though the **USD/BRL FX rate** has cooled to **-8.4% YTD**, currently standing at R$5.7, there is still an interesting export option to sustain margins at **mid-single-digit** levels (6.5% average for 25E, compression of -1p.p. y/y).

We believe that, as there will be a drop in the supply of cattle available for slaughter due to the retention of females by producers, this tends to support **higher price levels for the arroba of cattle** (R$330/arroba in 3Q25E vs. R$315/arroba currently), while encouraging the adjustment of replacement tactics. With ~85% of COGS linked to **cattle costs**, maintaining the cattle prices above R$300/arroba should **allow for gradual increases for consumers**.

On the other hand, vis-vis the **sharp rise in the cut-out price at the end of last year**, we believe that **prices increase this year will be more contained** and will not cover even half of the rise in cattle costs. On the positive side, we believe that **FX rate flexibility** creates a natural hedge, since if profitability in the domestic market narrows, part of production can be redirected to the export market, taking advantage of strong foreign demand for Brazilian beef.

Temporary tariff reduction for 90 days and loss of export advantage to China.

The recent **trade truce** between the **US and China**, announced today (May 12), which provides for a **temporary reduction in tariffs for 90 days**, may significantly **alter the outlook for Brazilian beef exports**. During the peak of the **trade war**, Brazil occupied a strategic position by supplying greater part of Chinese demand, especially after the **suspension of export licenses** for more than **390 US meatpacking plants**. This vacuum allowed Brazilian exporters, especially large players such as JBS, Marfrig, and Minerva, to **consolidate their presence in the Chinese market**. However, with the possible **normalization of trade relations** and the **resumption of US shipments to China**, Brazil is likely to face **more intense competition**, which could reduce some of the **competitive advantage gained** during the period of tension. Although the country remains the global leader in beef exports, the return of the US to the Asian market could put pressure on prices, margins, and export volumes. The news of an **agreement between the US and China**, even if temporary, **is not positive for Brazilian meatpackers**.

Silver bullet in a cooling scenario.

We believe that, despite the **loss of a fundamental upside trigger** due to the **margin compression** expected for **2025E vs. 2024 in almost all business units,** the effect of the **completion of the dual listing** (NYSE with primary shares and B3 with BDRs) would more than offset this expected downturn. As already pointed out, our understanding is that the primary listing of the shares on the NYSE (which should have its first trading day on June 12) continues to represent the **peak of value unlocking** via the company's internationalization. By combining **(i)** a dual-class share structure (A and B shares, as mentioned above); **(ii)** access to global capital (passive funds and listing on indices such as the Russell 1000 and S&P 500); **(iii)** and an immediate extraordinary dividend (R$1.00/share), the company is positioned for a **valuation rerating**, which would reduce the **gap in trading vs. peers**. This is the only **silver bullet** amid a cooling scenario, both on the side of the cycles in the main business units (Brazil, North America, PPC, and Seara), which are expected to show **margin compression** with **higher costs**, as well as in the trigger that the market had anticipated regarding **increases in Friboi's exports to China**, given the **context of the trade war** promoted by the Trump administration, but which seems to be **moving towards an agreement between** the US and China, considering today's news, which presents a **negative bias for shares**.

Therefore, we maintain our **BUY rating**, with a **12M Target Price of R$54.50,** implying an **upside** of **+30.2%**. We emphasize that our **valuation is attributed** both to **(a)** our DCF model and to **(b)** the value gain we see from repricing via multiples. Going forward, we suggest that investors monitor the approval of BDRs by the CVM/B3, listing on the NYSE, evolution of the free float, and macro scenarios that may impact the company's cost of capital – such as the announcement of a temporary **reduction in tariffs for 90 days.**

Appendix: JBS

Figure 1. JBS – Income Statement in R$ Millions (Genial Est. 25-28)

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**462.176**	**480.512**	**489.647**	**496.992**
(-) COGS	(397.695)	(417.643)	(421.665)	(427.990)
Gross Profit	**64.480**	**62.869**	**67.982**	**69.002**
(-) Expenses	(27.830)	(28.392)	(29.035)	(29.470)
Adjusted EBITDA	**36.650**	**34.477**	**38.948**	**39.532**
(-) D&A	(12.710)	(13.214)	(13.465)	(13.667)
EBIT	**24.016**	**21.339**	**25.558**	**25.942**
(+/-) Financial Result	(8.282)	(7.513)	(2.429)	(2.465)
(-) Taxes	(3.934)	(3.457)	(5.782)	(5.869)
Net income	**11.801**	**10.370**	**17.347**	**17.781**
Profitability				
Net margin (%)	2,6%	2,2%	3,5%	3,6%

Figure 2. JBS– Cash Flow in R$ Millions (Genial Est. 25-28)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**462.176**	**480.512**	**489.647**	**496.992**
(-) COGS	(397.695)	(417.643)	(421.665)	(427.990)
Adjusted EBITDA	**36.650**	**34.477**	**38.948**	**39.532**
EBIT	**24.016**	**21.339**	**25.558**	**25.942**
(-) Taxes	(3.934)	(3.457)	(5.782)	(5.869)
(+) D&A	12.710	13.214	13.465	13.667
(+/-) Δ WK	(1.323)	(499)	(346)	(501)
(-) Capex	(9.244)	(9.610)	(9.793)	(9.940)
FCFF	**22.226**	**20.988**	**23.102**	**23.299**

Disclosure Section

1. GENERAL DISCLAIMER

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Genial Rating

	Definition	Coverage
Buy	Expected return above +10% in relation to the Company's sector average	**49%**
Neutral	Expected return between +10% and -10% relative to the Company's industry average	**41%**
Sell	Expected return below -10% in relation to the Company's sector average	**5%**
under Review	Under review	**5%**

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