

MINERVA

3Q25 Review: Game changer by deleveraging sprint

LatAm Meatpackers

Main takeaways:

(i) Net Revenue of R\$15.5bn (+4.1% vs. Genial Est.; +38.5% q/q; +1x y/y), driven by higher-than-expected volumes and prices; shipments of **557Kt** (+2.8% vs. Genial Est.; +9.8% q/q; +57.6% y/y) reflected the ramp-up and early integration of MSA (Marfrig) assets, allowing the company to operate the rest of the year at an average utilization rate of 75–80% of consolidated capacity; the realized price was **R\$27.9/kg** (+1.2% vs. Est.; +1.5% q/q), sustained by firm transfers to consumers, even with the devaluation of the USD vs. BRL (-4% q/q). **(ii) COGS/kg of R\$23.3/kg** (+2.0% vs. Est.; +2.9% q/q; +22.2% y/y), slightly above expectations, reflecting the increase in cattle prices in operations outside Brazil — especially Uruguay (+9% q/q), Paraguay (+9% q/q), and Colombia (+8% q/q) — which more than offset the decline observed in Brazil (-3% q/q); even so, the dilution of fixed costs and reduction in SG&A to 9.3% of net revenue (-0.8p.p. q/q; -1.8p.p. y/y) mitigated part of the pressure on margins; **(iii) EBITDA of R\$1.4bn** (+3.5% vs. Genial Est.; +6.6% q/q; +70.8% y/y), setting a historic nominal record, albeit with a margin of **8.9%** (-0.1p.p. vs. Genial Est.; -0.4p.p. q/q; -0.6p.p. y/y), slightly compressed by the increase in COGS; **(iv) Net income of R\$120mn** (-65.5% vs. Genial Est.; -73.8% q/q; +27.6% y/y), with a margin of **0.8%** (-1.6p.p. vs. Genial Est.), impacted by negative financial results of -R\$1.1bn (+80.2% vs. Genial Est.; +82.5% q/q; +92.8% y/y), pressured by losses on hedge derivatives and indexes; **(v)** Whether due to the financial spectrum or the future macroeconomic outlook, we reinforce our view that the thesis remains compelling. With an integrated production structure, diversified footprint, rapid and evident deleveraging trajectory, and abundant FCF generation, reversing the accumulated loss of ~R\$540mn in 1H25, we have decided to **upgrade to BUY rating** (vs. Neutral previously), with a **12M Target Price of R\$8.75** (vs. R\$7.50 previously), implying an **upside of 17.9%**.

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Company

BEEF3 BZ Equity

Buy

Price: R\$ 7.42 (05-Nov-2025)

Target Price 12M: R\$ 8.75

Table 1. Income Statement Minerva (3Q25 vs. Genial Est.)

(R\$ millions)	3Q25	3Q25E	% R/E	2Q25	% q/q	3Q24	% y/y
	Reported	Genial Est.		Reported		Reported	
Net Revenue	15.512	14.906	4,1%	13.918	11,5%	8.501	82,5%
COGS	(12.956)	(12.354)	4,9%	(11.473)	12,9%	(6.727)	92,6%
Adjusted EBITDA	1.388	1.342	3,5%	1.302	6,6%	813	70,8%
EBITDA Margin (%)	8,9%	9,0%	-0,1p.p	9,4%	-0,4p.p	9,6%	-0,6p.p
EBIT	1.146	1.101	4,1%	1.059	8,3%	648	76,9%
EBIT Margin (%)	7,4%	7,4%	0p.p	7,6%	-0,2p.p	7,6%	-0,2p.p
D&A	(242)	(240)	0,7%	(244)	-0,7%	(165)	46,5%
Financial Result	(1.090)	(605)	80,2%	(597)	82,5%	(565)	92,8%
Net Income	120	347	-65,5%	458	-73,8%	94	27,6%
Net Margin (%)	0,8%	2,3%	-1,6p.p	3,3%	-2,5p.p	1,1%	-0,3p.p

Source: Minerva, Genial Investimentos

Minerva released its **3Q25 results** yesterday, **Nov. 5**, after the market closed. We believe the company delivered a **robust operating performance**, with **EBITDA** of **R\$1.4bn** (+3.5% vs. Genial Est.), reaching another nominal record, up +6.6% q/q and +70.8% y/y, even though the **margin** was **slightly below expectations**, clocked in at **8.9%** (-0.1p. p. vs. Est.), contracting **-0.4p.p. q/q** and **-0.6p.p. y/y**. Nevertheless, the company was able to report **strong generation** of **FCF** at **R\$2.5bn** (vs. R\$1.2bn Est.), above projections, reversing the **accumulated burn** of **1H25** of **-R\$540mn**, reflecting the sharp release of working capital (**WC**) of **+R\$2.5bn** (more on this throughout the report). We have decided to **upgrade to BUY rating** (vs. Neutral previously), with a **12M Target Price** of **R\$8.75** (vs. R\$7.50 previously). The reasons will be discussed further down.

Net Revenue totaled **R\$15.5bn** (+4.1% vs. Genial Est.), exceeding our forecast and advancing **+38.5% q/q** and **+1x y/y**, sustained by higher-than-expected volumes and prices. Shipments reached **557Kt** (+2.8% vs. Est.), growing **+9.8% q/q** and **+57.6% y/y**, driven by the ramp-up of the newly integrated assets from the MSA package (Marfrig's deal), whose integration has already achieved 100% of the expected synergies (originally estimated further ahead for 4Q25), allowing the company to operate the rest of the year with an average utilization of between 75–80% of consolidated capacity. The realized price was **R\$27.9/kg** (+1.2% vs. Est.), accelerating **+1.5% q/q** and **+15.8% y/y**, reinforcing the resilience of pass-throughs to the end consumer, even with the USD/BRL FX rate softening (-4% q/q).

The **COGS/kg** was recorded at **R\$23.3/kg** (+2% vs. Est.), rising **+2.9% q/q** and **+22.2% y/y**, reflecting the increase in cattle prices in operations outside Brazil, mainly Uruguay (+9% q/q), Paraguay (+9% q/q), and Colombia (+8% q/q), which more than offset the decline in Brazil (-3% q/q). Despite this, the dilution of fixed costs and the relative decline in SG&A — which reached 9.3% of net revenue (-0.8p.p. q/q; -1.8p.p. y/y) — tempered the margin overall impact. As a result, **Adjusted EBITDA** clocked in at **R\$1.4bn** (+3.5% vs. Genial Est.), an upshift of **+6.6% q/q** and **+70.8% y/y**, with a margin of **8.9%** (-0.1p.p. vs. Est.), setting a nominal historical record, albeit with a slight sequential compression of **-0.4p.p. q/q**.

3Q25 Review: In detail!

Net revenue: Volume and price above expectations sustain new record. The company reported total Net revenue of R\$15.5bn (+4.1% vs. Genial Est.), exceeding our projections, growing +38.5% q/q and +1x y/y, reflecting consistent operating performance, sustained by volumes and prices above expectations. Shipments reached 557Kt (+2.8% vs. Genial Est.), with strong acceleration of +9.8% q/q and +57.6% y/y, reflecting the ramp-up of newly integrated assets that came from the package acquired from Marfrig (MSA assets). As a result of good execution, the integration of MSA assets accounted for 100% of the synergies expected for this quarter vs. planning only for 4Q25, allowing the company to operate the rest of the year at a utilization rate of between 75–80% of consolidated capacity (normal standard vs. the company's other plants).

We note that the slaughter level stood at 1.6 million head (+5% q/q; +42% y/y), with MSA assets contributing 427 thousand heads (+17% vs. 2Q25). The realized price was set at R\$27.9/kg (+1.2% vs. Genial Est.), up +1.5% q/q and +15.8% y/y, reinforcing the resilience of pass-throughs to the end consumer to a higher cut out, even in the face of USD/BRL FX rate softening (-4% q/q).

By origin, Brazil was the main growth driver, accounting for gross revenue of R\$10bn (+21.8% q/q; +1.3x y/y), or 61% of the total pool, followed by Uruguay, which reached R\$1.6bn (+77.1% y/y).

Exports: The US continues to stand out, even amid tariffs. Regarding export flows, we emphasize the persistence of the US as the main destination, reaching 21% (+2p.p. q/q) of gross revenue, followed by China, with 17% (flat q/q). We believe that the US's increased share can be justified by the company's strategy of destocking the beef inventory it had previously accumulated. Inventory levels had been rising during 1H25, with the aim of circumventing any risks arising from the Trump administration's additional tariffs on Brazilian products (we will comment more on this throughout the report).

Therefore, exports as a whole remained robust, totaling R\$9bn (+33.1% q/q; +76.3% y/y) and representing ~60% of gross revenue, with emphasis on NAFTA (25%) and Asia (28%), regions that maintained steady demand and absorbed the increase in production after the integration of new assets. We note that Europe (7%; +1p.p. q/q) and the Middle East (8%; +2p.p. q/q) also recorded significant advances, reflecting **(i)** the strengthening of the geographic mix and **(ii)** the price arbitrage process with attractive spreads between different markets. We believe that, even with the USD/BRL FX rate softening (-4% q/q), international spreads remain healthy. While the Brazilian domestic market accounted for 17% of revenue (flat q/q and y/y), it was responsible for 63% (+3.4p.p. q/q; +5.6p.p. y/y) of export volume origination.

EBITDA: Nominal record, but margin slightly below estimates. COGS/kg clocked in at R\$23.3/kg (+2.0% vs. Genial Est.), slightly above expectations, with an increase of +2.9% q/q and +22.2% y/y. Although cattle acquisition costs cooled in Brazil, with the average price at R\$305/arroba (-3% q/q), the steady rise in other regions — which are in more negative stages of the cattle cycle — offset the cost-reducing effect to a greater extent than we had estimated. We note that operations in Uruguay (+9% q/q), Paraguay (+9% q/q), and Colombia (+8% q/q) drove this trend. This movement also more than offset the fixed cost dilution effect from larger-than-expected shipments. Thus, despite the relative preponderance of SG&A revenue falling to 9.3% (-0.8p.p. q/q; -1.8p.p. y/y), the lowest level since 1Q21, as a result of the accelerated dilution of fixed expenses and the progressive materialization of operational synergies from the integration of MSA assets, the net effect (COGS + SG&A) was more detrimental to the margin. As a result of this situation, the company reported Adjusted EBITDA of R\$1.4bn (+3.5% vs. Genial Est.), with a vigorous increase of +6.6% q/q and +70.8% y/y, setting a historic nominal record. However, as previously noted, the margin was 8.9% (-0.1p.p. vs. Genial Est.), squeezing -0.4p.p. q/q and -0.6p.p. y/y.

Net income: Financial impact drove bottom line down. On the bottom line, the company's Net income was R\$120mn (-65% vs. Est.), down -73.8% q/q and +27.6% y/y, with a margin of 0.8% (-1.6p.p. vs. Est.), contracting -2.5p.p. q/q and -0.3p.p. y/y. We believe that the most severe impact that caused distortions compared to what we expected was the negative financial result, which totaled -R\$1.1bn (+80.2% vs. Genial Est.), with a detracting increase of +82.5% q/q and +92.8% y/y, mainly pressured by the negative effects of currency hedging derivatives, in line with the devaluation of the USD vs. BRL (-4% q/q) and with the risk management policy, which continues to protect at least 50% of its long-term debt in USD.

Our Take on Minerva

FCF: strong generation; higher-than-expected WC release. With figures that we believe to be in line with good operational performance, **FCF generation** stood at **R\$2.5bn** (vs. R\$1.2bn Genial Est.), well above expectations, reversing the accumulated burn of -R\$540mn in 1H25. We highlight that among the main catalysts were (i) strong **EBITDA** of **R\$1.4bn** (+3.5% vs. Genial Est.), up +6.6% q/q and +70.8% y/y, in addition to (ii) a significant working capital (**WC**) release of **+R\$2.5bn**, well above what we had considered in our model — solidified by the **reversal** of **R\$1.6bn** (+R\$500mn vs. Est.) in the **inventory account**, which in turn was constituted in 1H25 as a reflection of the **strategic decompression of storage aimed at the US market**, in response to the current tariff reconfiguration, as we commented throughout the report. In addition, the release of WC resources was also linked to the increase in the suppliers, which contributed +R\$621mn.

On the other hand, we highlight the expansion of **CAPEX**, which totaled **R\$340mn** (+R\$100mn vs. Est.), rising **+42% q/q**, reflecting investments directed to organic expansion, especially in Brazil. With the asset's maturation, we expect this line to smooth out going forward. In addition, cash financial expenses stood at -R\$1.1bn, above normal levels and our expectations (-R\$200mn vs. Est.).

WC: Regularization of inventory levels in the US increasing FCF. Last quarter (2Q25), the company reported an FCF burn of -R\$26mn, mainly due to the tightening of working capital (**WC**) conditions after the decision to **stockpile meat in the US** in anticipation of the tariff effects of the Trump administration, which imposed a +50% duty on all Brazilian goods (+26% of the existing quota system for meat exports). In other words, to anticipate the tariffs, the company built up beef inventories in cold storage in the US without executing sales at the time, and this was the main driver of the R\$1.1bn consumption in WC throughout 1S25. However, as stated in previous publications, we believed that the regularization of these inventories to normal levels would be the main lever of FCF generation in 2H25E, in addition to the increase in nominal EBITDA due to the ramp-up of MSA assets.

We estimated that the partial reduction – inventories to 40 days (-6 days vs. 1H25) – would free up >R\$1bn, while a full return to normal – to 36 days (-10 days vs. 1H25) – could free up >R\$2bn in WC. However, in 3Q25 alone, we found that the company was able to release an impressive **+R\$1.6bn through inventory**, reaching the **level of 36 days** (vs. 58 days in 2Q25), confirming the full return to normalcy described above. Therefore, we believe that there may even be some remaining **WC release** in **4Q25E**, but it should be of **lesser intensity** looking ahead.

Deleveraging path gains more substance. The company closed 3Q25 with **Net debt** of **R\$11.8bn**, representing a significant decrease of **-16.7% q/q**, driven by one main factor: the inflow of **+R\$2.5bn** via **FCF**. This movement, added to robust operating EBITDA generation (+71% y/y) within the LTM base, resulted in a **decline in leverage** measured by the **Net Debt/EBITDA** ratio to **2.6x** (-1x q/q) — the lowest level since the conclusion of Marfrig's deal. This does not incorporate the additional value of the remaining EBITDA from Oct/24, a 1M period in which these assets were still under Marfrig's operating regime, even though, at this point, the change in LTM EBITDA would be only R\$114mn. Even so, we note that the company reported its **Net Debt/EBITDA** ratio at **2.5x** (-0.7x q/q), returning to the leverage level prior to the acquisition of the new MSA assets.

We note, however, that even though the deleveraging trajectory was faster than our initial assumption, the inflow of **+R\$2bn** derived from the **follow-on** in **2Q25** served as **leverage for this trajectory**. If not for this, ceteris paribus, we estimate that Net debt would be ~R\$13.8bn and, consequently, the index would be at a level of **~3x** (+0.4x vs. 3Q25). But there's no point in dwelling on the past. The fact is that the company is now in a **position of leverage comparable to its peers** (MBRF NewCo ~3x; JBS 2.2x in 2Q25), thus making the approach of greater specific risk assumption linked to the company unavailable, in our opinion.

Game changer by deleveraging sprint. From a financial perspective, although the integration of MSA assets required more working capital (**WC**) in 1H25 vs. initially expected to be plug & play, in **3Q25** alone, the company reported the release of **+R\$2.5bn** from the supplier and inventory line, which reached the **level of 36 days** (vs. 58 days in 2Q25) and achieved a full return to normalcy above the expected period (4Q25E). In addition, we highlight that the company closed 3Q25 with **Net debt of R\$11.8bn**, representing a significant decrease of **-16.7% q/q**, driven by the inflow of **+R\$2.5bn** via **FCF**, which, added to the robust operating EBITDA generation (+71% y/y) within the LTM base, resulted in a **decline in leverage** measured by the **Net Debt/EBITDA** ratio to **2.6x** (-1x q/q) — or 2.5x using the remaining Proforma EBITDA — **returning to a level similar to peers** (MBRF NewCo ~3x; JBS 2.2x in 2Q25), and getting close to the **trigger** to resume **paying dividends** with a **50% payout**.

On the macro side, our understanding remains that the company is at an **inflection point** in the global protein sector, positioned to **capture the beef deficit** in markets such as the US, Europe, and China, amid tight supply and slow herd recovery. With a footprint in seven countries and more than 20 plants certified for premium markets, the company has consolidated its position as an efficient multi-origin platform, with MSA asset synergies virtually fully realized and the ability to arbitrage between origins and destinations, capturing historically high spreads. It seems to us that this strategy has become clearer with the consolidation of the 3Q25 figures, and we reiterate that **the company should reach the top of its Net revenue guidance** (R\$50-58bn), requiring ~R\$17bn in 4Q25 (+12% q/q) — a pace that we believe is feasible with the current performance.

Thus, whether from a financial perspective or in terms of the future macroeconomic environment, we reinforce our view that the thesis remains compelling. With **(i)** an integrated production structure, **(ii)** a diversified footprint, **(iii)** a rapid and evident deleveraging trajectory, and **(iv)** abundant FCF generation, reversing the accumulated loss of ~R\$540mn in 1H25, we have decided to **upgrade to BUY rating** (vs. Neutral previously), with a **12M Target Price** of **R\$8.75** (vs. R\$7.50 previously), implying an **upside of 17.9%**.

In our view, progress in the deleveraging process is significant and positive, but the current level still imposes restrictions on capital allocation in the short term. The continuation of the downward trend depends, above all, on an improvement in FCF generation after additional working capital (WC) pressures and the maintenance of resilient operating performance in the coming quarters (EBITDA increase expected in 26E).

Two phases of synergy capture from new assets. We believe that the company has made visible progress in integrating the **assets acquired from Marfrig** (MSA), with simultaneous gains in utilization rates and scale, and mix improvement through the incremental release of export licenses to more regions, which strengthened the foundation for revenue growth and structure dilution. In Brazil, the **catch-up of the company's international** exposure was already reflected in 2Q25, with **60% of revenue coming from exports** (+5p.p. q/q), demonstrating slightly more concrete progress in the positioning strategy with price arbitrage in different regions and in capturing premiums vs. the rest of the international market. Quarterly market data show that beef exports totaled **701Kt** (+20% q/q; +14% y/y). This combination of consistent external demand, even with a downward trend in the USD/BRL FX rate, and greater operational efficiency created the basis for record revenues and margins.

We can divide the **integration of assets** into **two phases**: Phase **(i)**, which is more operational, with the company focused on getting the assets up and running, but still operating at a basic level, as it continues with the ramp-up and expects to reach normal operating levels between Q3 and Q4. Phase **(ii)**, on the other hand, is more strategic but also longer in duration, aiming to capture synergies with gains in slaughter scale, commercial predictability, and bargaining power. We believe this will begin to become feasible as the operation stabilizes and delivers predictability in terms of production, market, and logistics. This differentiation reinforces that efficiency gains are not yet fully captured, which opens room for **y/y margin expansion** only **starting in 26E** in our proprietary model.

A step forward toward a new operating reality. Last quarter, Minerva justified the increase in its **2025E net revenue** guidance to **R\$50-58bn** — which was well above what the consensus was pricing — based on three pillars: **(i)** higher prices across all geographies and destinations, even with the softening of the USD/BRL FX rate, which had not been fully reflected in market models. External prices averaged **US\$5.2/kg** (+6% q/q; +16% y/y); **(ii)** growing volumes from newly acquired assets; and **(iii)** persistent strong slaughter volumes, despite the theoretically unfavorable cycle. In 2Q25, the number of cattle slaughtered in Brazil totaled 7.4 million (+4% q/q; +2% y/y). According to management, there was an asymmetry between what sell-side firms (including us) projected based on 4Q24 data (in terms of supply and prices) and what materialized last quarter. This misalignment allowed the company to revise its own estimates upward with greater conviction.

The company achieved record net revenue and EBITDA. We believe that the prominent acceleration in volumes (+22% q/q; +55% y/y) enabled further dilution of fixed costs, converting any losses in gross margin into operational efficiency gains, reflected in a **higher EBITDA margin**, which reached **9.4%** (+0.2p.p. vs. Genial Est.; +0.8p.p. q/q; flat y/y), sustained by prices that evolved despite the milder USD/BRL FX rate, in addition to slight sectoral pressure.

It is important to note that 2Q25 already represented a significant advance in the **asset utilization rate**, which, according to our understanding, stood between **60–65%** (vs. ~40% on average in 1Q25). In **3Q25E**, we expect a **reading closer** to the **“new operating reality”**, with the MSA asset utilization rate coming in line with the average of the company's other assets (~75%) by the end of the year, depending on market dynamics. This phasing creates a point of attention for the growth model, as the full capture of capacity and the reflection in results are still ongoing.

A more subdued cycle turnaround than anticipated, but prices will rise in 2H25.

We have anticipated the **turnaround in the cattle cycle** in Brazil **since 3Q24**, with the price per arroba of cattle rising +50% in 5M (Jul-Nov), which led us to downgrade the company to Neutral. However, due to events that we were unable to map at the time, the cycle transition is occurring gradually and in a more balanced manner than previously anticipated. Despite the forecast reduction in total market slaughter volume of -5% y/y in 25E, we believe that availability is still sufficient to sustain the ramp-up of the new MSA plants. The price of cattle for slaughter should move to the range of **R\$340–350/arroba** in **2H25** – currently trading at **~R\$300/arroba** due to the one-off effects of the **50% tariff imposed by the US** on Brazilian products.

At this point, we expected a curve closer to R\$320/arroba, showing that the catalyst for the reduction in cattle prices – after peaking at R\$352/arroba in November – was in fact the imposition of tariffs by the Trump administration, which created uncertainty about future shipments and abruptly slowed exports to the US market. We emphasize that the US is a major destination for Brazilian meat shipments, being the second most important (12% of total exports). The uncertainty generated by the tariffs, in turn, slowed down the slaughter sequence and ended up expanding the supply of cattle, **causing price drops**. This move led large meat packers to suspend purchases, reallocate destinations and, in some cases, place plants on collective vacation. In the domestic market, the combination of **higher supply of feedlot animals** and **longer slaughter schedules** (which now exceed nine business days on average) has allowed meatpackers to renegotiate lower prices paid to producers. At this point, we are still seeing a considerable level of slaughter of **reproductive females**, which in turn have lower carcass yields. However, the tide should turn.

In 1Q25, female slaughter reached a record high, accounting for 47% of the total herd. However, we believe that this trend will reverse in 2H25, with the **percentage of females slaughtered** cooling to **43% Genial Est.** (vs. 45% in 2H24), and then falling more sharply from 26E onwards, given the withdrawal for breeding to ensure the replacement of calves. With fewer females on the slaughter scale in the coming months, the supply available to meatpackers will shrink and the price per arroba will tend to rise again. So, although the cycle turnaround is indeed slower, it is still structural and part of the nature of the business. Tariffs may have slowed the pace of the increase, but the turnaround in the Brazilian cattle cycle is evident given the combination of structural factors that limit the supply of animals for slaughter and **put pressure on costs** throughout the chain.

A long way to the top. Despite the robust figures reported in 2Q25—with record net revenue and EBITDA, as well as significant progress in the deleveraging process — we **remain cautious about the equity story**. In our view, the current valuation already captures much of the benign short-term operating scenario, while the risk drivers remain substantial and still insufficiently addressed to support a rating upgrade. In our assessment, the company has indeed demonstrated greater competence in executing its **price arbitrage strategy**, mitigating the impacts of the new tariff policy imposed (first 10% and now 50%) by accumulating inventories in cold storage in the US for later sales. However, we believe that the **effective impact of the new tariff**, although limited in financial terms (~5% of net revenue), **raises the level of noise** and perception of regulatory risk on the investment thesis.

In addition, the strong volume performance observed in the quarter — sustained by high inventories and anticipated shipments — tends to be temporary, with less capacity to perpetuate the same intensity throughout 2H25. A more bullish repricing would require structurally higher operating margins, a **scenario that we do not consider likely** given the resumption of the process of **raising the price of cattle** (R\$340–350/arroba in 2H25 –vs. ~R\$300/arroba currently) and the possible **cooling of beef export dynamics**, especially considering global tariff realignment. Although 2Q25 does represent a milestone in terms of greater operational visibility for the newly integrated assets — which should be operating at ~75% of their potential capacity in 3Q25 — we believe that pricing a bolder thesis **requires a more consistent track record of delivery** (too early to tell). In our view, the credibility of the case remains conditional on an uninterrupted trajectory of quarter-on-quarter execution, with greater predictability in the conversion of operating results into **FCF generation**, which **remains very low** due to pressure on WC, in addition to continued progress in the capital structure. We also believe that, although the company has shown a trajectory of deleveraging, there is still a long way to go. Until then, we prefer to adopt a more conservative stance. Therefore, we have decided to maintain our **NEUTRAL rating**, with a **12M Target Price of R\$6.00**, implying an **upside of +14.3%**.

Appendix: Minerva

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	57.710	58.050	58.850	59.021
(-) COGS	(46.341)	(46.973)	(47.886)	(48.434)
Gross Profit	11.369	11.077	10.964	10.587
(-) Expenses	(6.348)	(5.805)	(5.297)	(4.722)
Adjusted EBITDA	5.021	5.272	5.667	5.866
(-) D&A	(983)	(997)	(1.032)	(1.068)
EBIT	4.038	4.274	4.635	4.797
(+/-) Financial Result	(2.665)	(2.799)	(3.008)	(3.114)
(-) Taxes	(467)	(502)	(553)	(572)
Net income	906	974	1.074	1.111
Profitability				
Net margin (%)	1,6%	1,7%	1,8%	1,9%

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

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	57.710	58.050	58.850	59.021
(-) COGS	(46.341)	(46.973)	(47.886)	(48.434)
Adjusted EBITDA	5.021	5.272	5.667	5.866
EBIT	4.038	4.274	4.635	4.797
(-) Taxes	(467)	(502)	(553)	(572)
(+) D&A	983	997	1.032	1.068
(+/-) Δ WK	1.492	1.417	1.347	1.279
(-) Capex	(961)	(1.048)	(1.043)	(1.038)
FCFF	5.085	5.139	5.418	5.535

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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