



Transcript of the BAFAR Group 4Q25 conference

Ana, Moderator: Good morning everyone. My name is Ana and I will be the one to coordinate this call. I warmly welcome you to Grupo Bafar's quarterly conference for the fourth quarter of 2025.

I want to inform you that all participants are muted to avoid any background interference. After the speaker's presentations, we will have a Q&A session and at that time we will provide you with instructions to participate. I am pleased to inform you that on Monday, February 16, Grupo Bafar published its results.

If any of you have not received the report, I encourage you to contact the investor relations team, who will be happy to send you the information. I want to emphasize that this call is intended exclusively for investors and analysts, so no press questions will be taken and the call should not be reported in the media. It is important to note that any forward-looking statements made during this quarterly call are based on information available at this time.

We suggest you review the statement in the quarterly report for more details on this issue. At this time, we have the presence of Luis Eduardo Ramírez, director of finance and administration of Grupo Bafar, who will share the company's results. Without further ado, I give the floor to Luis Eduardo.

Luis Eduardo Ramírez, Director of Finance and Administration: Go ahead. Thank you, Ana. Good morning to everyone and thank you for joining us.

It is a pleasure to share with you the achievements and results that Grupo Bafar has achieved during the last quarter of 2025. In the fourth quarter of 2025, we closed the year consolidating the progress we built throughout the year. We operate in a challenging environment, but with clear room to continue growing and strengthening our position in the market.

During the quarter, we prioritized improving operational efficiency, strengthening our competitive position, and expanding profitable growth. Likewise, we continue to advance in the digitization of key processes aimed at increasing productivity and control of the operation. This focus was reflected in the company's record results, derived from consistent execution, financial discipline and management aligned with our strategic priorities.

Our food segment closed with an annual sales increase of 13%. Fibra Nova achieved a growth of 22%, while the financial division registered an advance of 14%. In digital



matters, we completed the first phase of our Data Lake, enabling more structured information management and preparation for future artificial intelligence integrations.

In addition, we completed initial artificial intelligence training for key employees, strengthening internal talent and preparing the organization to scale advanced solutions at the group level. In manufacturing, we also made significant progress in the digitization of at least 10 production lines, improving operational efficiency and traceability. With the foundation built in 2025, we enter next year with a stronger operating platform, greater digital capabilities, and a clear focus on margin expansion and sustainable value generation.

In 2025, Bafar Alimentos managed to record historic sales of \$30,895 million pesos, a growth of 13% annually, driven by our accelerated expansion strategy in our retail channel, mainly also in the CarneMart model, as well as an increase in sales volume of 5%. EBITDA stood at \$3,765 million pesos, with a growth of 14% and a margin of 12%, evidencing the strength of our operations and the efficiency of our value chain. As for our investments, this year we allocated \$2,314 million pesos in CAPEX, focused on the expansion of the retail channel, logistics projects, construction and expansion of our distribution centers in El Paso, La Paz and Chihuahua.

These centers have been built and designed to be 100% automated and further strengthen our ability to serve our entire supply chain, increasing our solid accelerated growth for our network of points of sale. In the real estate division, Fibra Nova closed the year with a portfolio composed of 125 properties and a total of 722,168 square meters of ABR, in addition to 2,118 hectares in our agro-industrial portfolio. Total revenues advanced strongly after recording revenues of \$1,568 million, a growth of 22%, driven by the addition of our new leases.

EBITDA closed at \$1,579 million, with a margin of 100% and an annual growth of 31%, demonstrating operational efficiency and the quality of its long-term contracts and tenants. Throughout the year we made investments that amounted to \$2,300 million. These were mainly destined to the development of the Juárez I industrial parks, Juárez II Industrial Park and the Bafar Norte Industrial Park in Chihuahua Capital.

Juárez I Park is already 100% occupied, while Juárez II Park has 37 hectares under development, which will have complete infrastructure and comprehensive services, including electricity supply. Meanwhile, Parque Norte continues to advance according to the established pipeline, reinforcing our presence in the region. We also maintain a healthy loan-to-value leverage of 27.4%, which is below the industry average, reflecting our solid and balanced capital structure.



In the financial direction, 2025 closed as an outstanding year because we maintained a trend aligned with a stable portfolio operation and outstanding revenues, with delinquency levels below the industry average. At the end of the year, our placement stood at 4,955 million pesos, mainly driven by the placement of business loans. As a result, annual revenues grew 13.5% compared to the previous year, totaling 1,008 million pesos.

The NPL ratio remained at 2.6%, well below the industry average, demonstrating the quality of our portfolio and the effectiveness of our analysis, origination and monitoring processes. In addition, Producto Bcash continues to expand its presence, due to the fact that at the end of the year 800 active cards were registered in our strategic regions, strengthening our goal of financial inclusion and digitalization. At Grupo BAFAR we closed the year with sales of 32,699 million pesos, a growth of 15% compared to 2024, driven, as we have mentioned, by the expansion of our own stores and a greater participation in the self-consumption market in Mexico and also in the United States.

FibraNova and the Financial Division recorded growth higher than their respective markets. On the other hand, our gross profit reached 9,968 million pesos with an increase of 12% and a gross margin of 31%. Meanwhile, EBITDA presented an outstanding performance, reaching 6,110 million pesos with a margin of 19% on sales.

Finally, accumulated net income closed at 5,113 million pesos and a net margin of 16%. In summary, 2025 was marked by the expansion and sustained growth of all our business units and, in turn, preserving profitability margins. Regarding financial situation, working capital, accounts receivable amounted to 2,082 million which, despite the increase, averaged 19 days, all this as a result of the operation.

Inventories increased by 33%, reaching 3,161 million with an average of 49 days of rotation. This increase is due to some strategic purchases of raw materials that we carry out in response to the rise in some prices. Accounts payable to suppliers were 1,881 million with an average of 28 days, improving by six days compared to last year.

Consequently, the cash conversion cycle closed in 47 days. We allocated a total of 5,672 million euros in investments, mainly, as I mentioned earlier, in the food division with the expansion of stores, remodeling of distribution centers, modernization of stores, plants, processes and implementation of improvements in digitalization, while in fiber we continue with the development of industrial properties. Our total bank debt amounts to 20,086 million pesos, of which 80% is denominated in dollars.

However, we maintain a natural hedge derived from our exports, real estate rents and walnut marketing, which mitigates exchange rate exposure. Finally, how are our



expectations for 2026? Our guidance is that we have sales growth of 21%, EBITDA growth of 22%, an EBITDA margin of 19% and an estimated CAPEX of 6,556 million pesos. These results confirm the consistency of our strategy and the company's ability to sustain profitable and responsible growth in the long term.

We know the work and dedication of the entire BAFAR Group team, whose focus and operational discipline have been decisive in achieving the objectives for the quarter. Looking ahead, we will continue to execute rigorously, prioritizing strategic expansion, always supported by innovation, strengthening talent and a permanent orientation to our clients. That concludes my remarks.

Thank you all for listening. Now I'm going to call our operator back for the Q&A session. Thank you.

Q&A Session

Moderator: We will begin with the Q&A session. If you would like to ask a question, please click on the raise your hand button, located at the bottom of the screen. If you are connected by phone, please dial asterisk 9. I remind you that all lines are muted.

When it's your turn to ask, your microphone will be enabled and you can unmute yourself to ask your question. We will pause for questions. Our first question comes from Martín Lara's line.

Please give your full name and company name before asking.

Martín Lara, Miranda Global Research: How are you? Good morning, Martín Lara from Miranda Global Research. I have several questions. What are the main drivers of the guide you provided, that is, what are you seeing in each of the businesses? And the second, in the real estate companies registered revenues of 364 million pesos in the quarter? Is it recurring income from the sale of land or is it an extraordinary profit from the contribution of the 400 hectares to the trust? And what can we expect in the future in this business?

Luis Eduardo Ramírez: Martín, it's a pleasure to greet you. Let's see, nothing else, if you want, the first question I don't want to answer as best I can. What are the drivers? Of what? From the guide, from the guide. In other words, how are you seeing the performance of each business this year? Look, we are in practically all business divisions thinking that we are going to have the growth that I mentioned in the consolidated group, right? This is in the double digits high around 18 to 22 percent across all business divisions. Each one, as



you know, and we have been talking to you quarter by quarter, and well, and you have also been analyzing our results, because we have been implementing the strategies with the business model of each of them already approved with the market and the practically unlimited expansion capacities, right? To be able to continue growing at this rate. And I would say that in all divisions we have set that goal of growing between 18 and 22 percent.

Yes, the second question. We had that income. I could tell you that with the Valle de los Encinos project, which is a project that has some edges, but that the main one, without a doubt, is real estate development and the sale of land, we see that this year, 2026, we are going to have sales of about 500 million pesos and a profit close to 400, 420 million.

The number of lots that will be in this development and will be able to be sold in the following phases is enough for another two or three additional phases by 2026, so it will be recurring. I could tell you that at least three or four more years of this one that is starting to run.

Martín Lara, Miranda Global Research: But, in other words, the sales for the year would be 500 million pesos in this business.

Luis Eduardo Ramírez: In this business, correct.

Martín Lara, Miranda Global Research: Well, what kind of real estate are they going to be building and how big and how big do they expect this new business to be in about, let's say, five years?

Luis Eduardo Ramírez: Look, it's land of around 2,500 square meters. It is a real estate project that is accompanied by a series of amenities around this real estate development, where there will be a vineyard, a walnut reserve, of about 300,000 walnut trees, there will be a magical town, there will be a golf course and well, all this will be about a thousand lots.

And this particular project is going to be one of those that this new real estate division, which is not Fibra, is being carried out over time. We see that this business can have revenues of about 2,500 to 3,500 million pesos in five years. And well, since much of this we already have the land and it would be basically the cost of infrastructure and development, but they are attractive margins. We see more or less these next five years in this new real estate division. Ok, thank you very much.

Martín Lara, Miranda Global Research: No, you Martín.



Moderator: Thank you. Our next question comes from Carlos Alcaraz. Please say the name of your company before asking.

Carlos Alcaraz, Apalache Research: Hi, how are you? Good day. Carlos Alcaraz of Apalache Research. Thank you very much for the space for questions and congratulations on the results. A couple of them, one a little in follow-up to the previous one that was commented on. By 2025 we see this double-digit growth. I don't know if you could give us more color about how much comes from the expansion of Carnemart stores, how much comes from the growth in organic volume and how much comes from a better mix of products. That would be the first question and the second related to this issue of the CEDIS in El Paso and La Paz. If you could tell us what stage they are in and when they estimate they are operating.

Luis Eduardo Ramírez: How are you, Carlos? What a pleasure to greet you. Look, I'm going to start, if you like, with your last question. The CEDIS of El Paso became operational the third week of October last year. Today I could tell you that the entire operation is already stabilized and we moved from where the operations were in the previous buildings and it was consolidated into a large distribution center and is fully functioning, I could tell you that today it is 100%.

La Paz was inaugurated around mid-November and we had, as you know, within the food division, which is a cyclical division where November and December there is a lot of product movement, especially because of the Christmas season. It was filled around December 10-15 and today it is working at 100%. The one in Chihuahua, which is the largest, we are talking about about 24,000 positions, 48,000 tons of storage, refrigerated.

It is already finished and delivered to the distribution center. Due to the size and magnitude of the CEDIS, it takes about 30 days to cool down and be at the right temperature. So, by March 15 we estimate that we will be able to start using it efficiently. This is how the status is today, I can tell you that general terms or conclusion, they are all finished, two of them operating at 100% and one about to start.

In your first question we want to grow by double digits, close to 20%. Of that 20% comes about 7% due to an increase in volume in practically all channels and in all the segments and formats that we have for food distribution. 7% comes from new stores, due to the growth of new stores. About 4% comes due to an improvement in the product mix and between 2% and 3% in new products that we are launching, which we launched at the end of the third quarter, but which finally did not have a full year of life in the market. So, that's pretty much how our estimated growth for this year is composed.



Carlos Alcaraz: Ok, perfect. Thank you very much and congratulations again for the results.

Luis Eduardo Ramírez: Thank you Carlos, it's a pleasure to greet you.

Carlos Alcaraz: Equally. Thank you.

Moderator: We will pause once again to wait for additional questions. We haven't received any additional questions, so that concludes our Q&A session. Thank you very much. I would like to give the floor to Luis Eduardo Ramírez for his concluding remarks.

Luis Eduardo Ramírez: Well, look, just thank you for your time and for joining us today. You can write to us if you have any additional questions and we greatly appreciate your interest in BAFAR Group. We look forward to speaking with you soon. Have a very good day and thank you very much.

Moderator: That concludes the quarterly call. They can disconnect now.