

Dasa - 2Q24 Earnings Conference Call

Operator:

Good afternoon, ladies and gentlemen, and welcome to Dasa's teleconference to discuss the 2Q24 results.

This conference is being recorded, and you can access replay at the Company's website at www.dasa3.com.br. The presentation will also be available for download.

We would like to inform that all participants will be only watching during the presentation, and then after that, we are going to start the Q&A session, when further instructions will be given.

We would like to highlight that the information in this presentation and eventual statements made during this conference regarding business prospects, projections, operational and financial goals of Dasa, and constitute beliefs and assumptions of the Company's management, as well as information currently available to Dasa. Future considerations are not a guarantee of performance and involve risks, uncertainties and assumptions, and they refer to future events and therefore depend on circumstances that may or not occur. Investors and analysts should understand that general conditions, industry conditions and other operating factors may affect the future results and may lead to results that differ materially from those expressed in future conditions.

I would now like to pass over to our CEO.

Licio Tavares Cintra:

Good afternoon. I would like to thank those who are participating in this conference. I am here with our Board of Directors.

But before getting into the details on the numbers and results, I would like to especially thank all the leaders who since last year have helped us putting into practice the operational excellence I have described to you in the last two result calls.

This plan consisted in staying less at the office and more at the operation end. This is how I learned how to work, and I am more and more convinced that when the leaders work closer to the operations, we can see their processes, what enables us to have better quality for decision-making, better identifying opportunities, improvements, processes. And this helps us to have a more flexible company. Also, we have better access to capital, and this shapes how we want to be in the future.

All of this work has been materialized over the months, and we had a 1Q, as we introduced to you, with the stabilization of the operation and improvement of results. In the 2Q, we have better margins, and I am sure that this is all the result of our dedication and also, the over 50,000 employees of the Company.

So before turning over to André and talking a little bit more about our results, I would like to draw your attention to some relevant aspects. This 1Q was a little bit agitated in terms of

organization. Around May, we announced the capital contribution of R\$1.5 billion from the Bueno family. And this had a favorable impact to decrease the cost of the debt.

We also had, in June, the announcement of the creation of a new hospital association agreement. And I would like to remind you that this is going to be the largest independent hospital network in Brazil. We do not have a direct link to any operator and we will serve all operators the same way. We will talk a little bit more about this throughout our presentation today.

This announcement of the transaction with the hospital starts with the deadline that determines that, on September 6, we will have the announcement of the amount for the increase of capital, so that minority shareholders could bring more resources to our cash. We worked hard this half of the year, and this is something that we have been discussing in our latest meetings.

Talking a little bit more about this qualitative aspect, I would like to talk to you about ESG and governance. This half of the year, we welcome Leticia, and you have probably already met her. She has a lot of experience and will definitely help us to have better discipline with our internal controls, and also because of her experience in the organization of the companies that happens before we close the transactions. We also had adjustments made in this statutory committee. Leticia is in audit committee.

And we would also like to reaffirm the Company's commitment to maintain the best practices in ESG. I am not going to read you this slide, but I will call your attention to the main highlights. We had a very positive result in terms of progress of our plans that were determined at the end of 2023, early 2024.

So first of all, as it was to be expected, with the R\$1.5 billion income in cash, we had a significant decrease of our net debt. The net debt will be stable quarter-over-quarter, and this is something that has not happened since the IPO we had back in 2021.

And the revenue, if you remember, at the end of last year, was formalized and we changed our strategy towards growth. We would be more disciplined, prioritizing expenses, and even so, we still grew 10%. And this only reinforces how our assets are strong. This is an item that has surprised us very positively. Despite the discipline, we have had improved quality results.

The most important news now is the EBITDA, which grew 24% compared to what we had before. And this represents a 2.4 p.p. increase. We are aware of how much below we are than what we could be doing when compared to our competitors. But this only motivates us to continue growing in the different areas of operational excellence.

I am happy to see the early signs. This is a plan that started late last year, and it's very nice to see things coming true. But we remain very cautious with our feet on the ground, looking ahead. We have a marathon to run, it's not a sprint. We have to focus on discipline. Over the months, we will show you the implementation of the different actions we are having, showing better efficiency and quality.

Still about quality. There's something that we are very proud of. We all know that improving results in the short term, sacrificing quality is something relatively simple. But we are going in the opposite direction. We have cut waste significantly, we have optimized processes, and

we are doing more with less. With that, we have had our best NPS rates of the year, and there is a trend towards improvement for the coming months. This makes us very happy.

So with all of this progress in the quarter, I would like to turn over to André, and he's going to talk a little bit more about the results and the leverages. And then in the end, I will be back here so that we can give you a little bit more details about Amil's transactions and give you some clarity on some aspects, including deleveraging.

André Covre:

Good afternoon, everyone, in slide 5 with the performance of the business, performance of hospitals and oncology segment. We had an 11% growth in gross revenue compared to the same period last year, resulting in gross revenue of R\$2.2 billion. The increase in revenue compared to last year is due to the 4% growth in the volume of the patients and 7% in the average ticket.

Four factors have contributed for this growth. First, the 22% expansion of the oncology segment. Second, the occupancy rate which was 1.9 p.p. higher, reaching 81.7%, and this was driven by the attraction of medical teams, reflecting the profitability of the existing assets. And then number three, a better mix of procedures. And four, the annual contract adjustments. This revenue growth allowed for an 8% growth in adjusted gross profit with an adjusted gross margin of 26.2%.

However, this gross profit and adjusted gross margin that we reported in the 2Q23 are not directly comparable to the current level due to the revision of the statistical model of this allowance provisioning that occurred in the 4Q23.

Excluding this effect, as we did last quarter, we present now an expansion when we compare quarter-over-quarter, an expansion of 17% in adjusted gross profit and 1.2 p.p. in the adjusted gross margin. These positive results are linked to the evolution of the operational excellence program with the first results from the greater standardization in the medical teams, as well as the renegotiation of service rendering contracts.

These gains are based on three factors. Number one, a greater volume of visits, especially in the area of oncology that has greater use of mat/med. And then number two, the effects of the nursing revenue, and then the inflation for the period.

Overall, adjusted operating costs grew 10%, which is lower than the 11% growth in gross revenue, thus leading to a 1.2% growth increase in the adjusted gross margin I mentioned earlier. And this excludes the effect of the change in this allowance provisioning model.

On slide 6, we can see that the gross revenue was above R\$2 billion, an increase of 9% when compared to the 2Q23. The increase in revenue in diagnostics occurred mainly due to the increase in the volume of exams, having occurred in all segments of operations, even with the reduction of 47 service units when compared to the 2Q23. These units that were closed had a small contribution to revenue and were indebted. Almost all of them were located outside the priority areas of operation of our private segment. Furthermore, unlike the 2Q23, we had a positive calendar effect in 2 days, and this helped us with volumes.

In the lower part of the slide, we had a 14% higher adjusted gross profit when compared to the 2Q23. This positive evolution only reflects revenue growth and efficiency actions under development.

I would like to highlight three of them. First, the aforementioned decrease of 47 service units, which once again had low revenue but operated based on costs like any other unit. Number two, the increasing level of check-in digitalization at service units. And number three, the reduction of seven operational tech and call centers where we process exams.

The reduction of NTOs is part of our operations master plan. It seeks to reduce costs without having to reduce the ability to process exams through relocations and consolidation. This work will continue. We anticipate to reduce three other NTOs in the next 2 or 3 quarters.

In brief, with the growth in volume and efficiency gain, we were able to counteract inflation for the period and achieved a growth of 14% in adjusted gross profit and a 1.7 p.p. in adjusted gross margin.

And now moving on to slide 7, where we present the evolution of our adjusted expenses and the EBITDA for the quarter. In the first graph, we can see a nominal decrease of the adjusted expense when compared to the same quarter last year despite the increase in the number of operations and the inflation rates for the period. This represents a dilution of 1.7 p.p. of adjusted expenses as a proportion of net revenue, and is as it happens with costs, a result of the operational excellence program initiatives.

I would like to highlight three of them here. In terms of reorganization of the personnel structure, we tried to have a more horizontal organization. And with that, we can make decisions faster, which is in turn more efficient. This meant a significant reduction in the leadership roles that we had.

In terms of occupation of administrative buildings. When compared to the end of last year, we have reduced 1/3 the number of occupied square meters, and we will close the year with a reduction greater than 40%.

The strengthening of processes and controls in general. This aspect was manifested this quarter in the evolution of other revenues and operating expenses. At the end of last year, the Company had a specific expense. But this quarter, we had a positive effect which is mainly related to the recovery of tax credits to which the Company is entitled and started to be credited due to improvements in processes and internal controls.

Moving on to the graph on the right side of the slide, we can see an EBITDA growth of 27% when compared to the same quarter last year with a margin expansion of 2.4 p.p. Excluding the effects of other operating revenues and expenses, we had a growth of 70% of EBITDA with a margin expansion of 1.1 p.p. due to higher volume of services and the different fronts of the operational excellence program. I am going to mention a few here. They are ongoing.

We had a reduction of diagnostic and NTO units, greater standardization of mat/med in medical teams, better mix of procedures, renegotiation of service contracts, reorganization of personal structure, alignment of human resource policies, relocation and reduction of occupied buildings, improvements in processes and internal controls, among others.

Moving on to the financial result, it was stable year-over-year. We had lower expenses to net debt, given the lower average cost of debt in 2024, offset by increase in interest on leases. The financial results for the quarter naturally did not capture any interest deduction benefit arising from the AFAC of R\$1.5 billion, as this was received almost at the end of the quarter. Finally, we had a net result with a significant improvement, approaching zero, resulting mainly due to the EBITDA growth.

Slide 8 now, detailing the investments made. As already announced, the reduction of the investment limit authorized by the Board is only possible given the quality of Dasa's assets and the investments made in recent past. We are responsibly directing investments to projects with higher short-term returns for the maintenance of existing assets and technology services that play an important role in our operations.

Based on this, investment this quarter were R\$85 million, totaling R\$138 million in the 1H of 2024, indicating a 47% reduction compared to the same quarter last year and 22% when we compare the 1H24. In the year-to-date of 2024, the investments made represent 24% of the maximum amount for the year.

We remain focused on sustaining the service unit and exam processing, aiming at operational improvements to maintain the level of service to patients and compliance with legal demand. We continue to prioritize new projects with better financial results, which are essential now in both business units.

Finally, in technology, we had a reduction of 45% compared to the same period last year. We prioritized investments aimed at structuring products. Highlights in this quarter for the maintenance of the operation systems and digitalization for efficiency gains. This latter has contributed to productivity in the diagnostic units, such as the increase in the use of electronic check-in. It's also important to inform that projects that make up the budget of R\$565 million for the year are substantially approved and will follow their execution course throughout the 2H24.

And now moving on to slide 9, my last slide, I will talk a little bit about the capital structure. In the upper part of the slide, you can see that we have a different format to demonstrate the variation of net debt so that it is possible to include two important elements in this situation: The variation of the installments of acquisitions payable and the anticipation of receivables. This is a common practice among companies to maintain a short-term balance in cash.

We can then observe that the sum of the variations in net financial debt with acquisitions payable and anticipation of receivables was basically equivalent to the AFAC contribution of R\$1.5 billion.

I reinforce what has already been said. This is the first time we see this behavior in this indicator since the 2Q21, when we had the reopening of Dasa's capital. The initial years were of strong investments and acquisitions, leading the Company to a change of level in terms of scale. The more recent period has been a period where we analyzed the Company internally to be able to reap the fruits of these investments made until 2023.

The evolution of net debt from the first to the 2Q being practically stable, in this concept that includes acquisitions payable and anticipation of receivables, is also a relevant change when

compared to the recent trends, since between the 4Q23 and the 1Q24, there was an increase of R\$644 million.

In addition to the significant improvement in results and lower level of investments, the reduction of 2 days in accounts receivables and accounts to pay from March to June was fundamental for this change, and this had not occurred for many quarters.

We attribute this evolution two aspects: number one, this start of process improvements in medical bills and accounts receivable; number two, to the AFAC received and the announcement of the agreement with Amil which has facilitated a rebalancing in the commercial relationship with some of the large operators.

With the contribution and results of the 2Q, leverage for covenant purposes went from 4.2 to 3.47, a reduction of 0.73 when compared to the first part of this year. The improvement was of course already expected due to the contribution, but it was expanded by the growth in EBITDA.

We ended the 2Q of the year with R\$3 billion in cash, which represents more than the total debt maturing in 2024 and 2025, putting the Company in a more solid financial position.

And I now turn the floor back to Licio.

Licio Tavares Cintra:

Thank you, André. As some you have seen, as an engineer, I usually like to conclude, but I will talk about the transaction with Amil. I would like to reinforce that the discipline in our strategy has been maintained. We have been discussing it with our Board, and we will be very disciplined to deliver what we had planned.

And we are observing these trends more specifically in the transaction with the Americas. We initially analyzed the transaction, and we hope that CADE will approve it. But in the meantime, we will continue operating as normal without any interference among the parties.

But obviously, we are already working on planning for the closing of the transaction. To this end, we have defined a clean team that can receive and work with information. And the teams are also working on planning the segregation of operations that will make up the new company and on a project to determine new organizational structure and synergies. Businesses within Americas also has some reorganization to take care of. We also had an important advance in the operational and financial performance of the hospitals that are in the perimeter of this transaction.

In our announcement in terms of visibility, we wanted to show the results of the hospitals in 2023. And if you remember, the results for the transaction in the order of R\$600 million. For Americas, it was R\$378 million. And when we concluded this process, we had the impression that the Company had a lot of debt.

But we have a different analysis. In 2023, had a scenario where Dasa has higher debt and less discipline than we have today, and Amil was managed by other people, not those who are there now. So the focus for us is very important, and we are sharing good and relevant news.

In this 1Q, we are delivering EBITDA of 12.4%. When we analyze the 1Q, we went from R\$600 million, and we moved to R\$756 million, a margin gain of 1.1 p.p. But when we look at the 2Q, and this is what we are discussing here today, the margin was 13.5%. And therefore, we went from 10.6% to 13.5%. This shows that the results for 2024 are going to be significantly superior to the results delivered for 2023.

Another additional point I would like to indicate here, this results from efficiency gains in our processes, our operational excellence projects, better quality of revenues for these hospitals and better occupation of hospitals. But even so, we do not have any gains resulting from other activities.

Just to give you a reference. Year-over-year, we had an increase in the volume on volume of only 3%, and we are very optimistic for next year because we would in fact have an opportunity to have gains in performance, but also to use the natural synergisms of this transaction.

And then finally, I will talk a little bit about our deleveraging process and the assets that will stay. We have been very disciplined. Regarding the sales of a hospital, Hospital São Domingos in Maranhão, the discussions are advanced. And in the near future, we will have over R\$400 million in cash. Regarding the assets, we have different players participating for us to advance with transactions, and we are very optimistic with the possibility of new resources coming in, in the near future.

This brings us to an end of our presentation, and we now move on to the Q&A session. Thank you all very much.

Question and Answer Session

Felipe Amancio, Itaú BBA:

Good morning. Thank you for taking my questions. I have two questions. The first one is about profitability. In this quarter, we saw a significant improvement in margins, both in diagnostics and in hospitals, if we adjust for the new disallowance model. But I wanted to understand if the Company has a profitability goal for each one of the business segments, or at least how big is the opportunity you see here.

The second question has to do with the readjustment. You commented here that the readjustment with the operators had a very significant impact. Could you tell us a little bit better about that? How are the operators responding to that? Because we are beginning to see a more benign scenario here.

Licio Tavares Cintra:

Felipe, thank you very much for your question. Let's try to address them both. The first question is very clear. Internally. When we look at the quality of our assets for both the business units in the hospitals and in terms of diagnosis, there's no reason for us to work with lower margins. So we are trying to deliver what these assets can deliver, and we are working hard towards this objective.

In terms of the readjustment of the operators, I think it's becoming very clear to everyone. After a very difficult period for the paying sources, they have been applying two digits for clients and a low digit for the network of service providers. We have done this in a very disciplined manner, and we expect for them to actually maintain quality. And even so, we have had increased revenue. When we look at the numbers over the months, this will be shared with the network of service providers.

Leandro Bastos, Citi:

Good afternoon. I have two questions as well. The first, you mentioned the improvement in receivables by improving processes. And also, after the AFAC and the operation with Amil, there was a change in the business relationship with the operators. I wanted to know what has changed, and how the operators see this. I know you have different initiatives, but it would be nice to hear what you have to say from a business point of view. This is question number one.

Number two, could you update us on the negotiation for migrations to the new company and the operations with Amil?

Licio Tavares Cintra:

Leandro, thank you for your question. I will try to answer the first one. And the second one, I will turn over to André. First one, and this is not being new, and we discussed this in the 1Q call. We have opportunities to improve our process in terms of valuation and discipline in all of the different steps, authorization, billing. And this is a large internal project.

For you to have an idea how big it is, every week, we have a meeting where I participate along with four other members of the Executive Board of Directors. This has to do with the variable payment of a large part of the Executive Board of Directors. This is our priority because we believe that there's a lot of homework that we can do.

But there's something additional here. I think it's easy to understand that with all of the economic conditions and realities we had last year, Dasa was at a very fragile position with the paying sources. And the paying sources, in a normal business environment, my impression is that they made good use of their position.

In this new journey, where we are trying to pursue excellence, and we continue demonstrating to the market how much the controlling family believes in this in the short term, it's a clear demonstration that we will be able to lead Dasa to a totally different financial health status. With that, we have a balance to say the least with fair decisions. The paying sources that try to abuse of our fragile economic situation will lose their position in the Company.

Thank you very much, and André will talk about the debt.

André Covre:

Regarding the net debt where we have ongoing activities, the definitions will be based on three pillars: the cost of the debt, the deadline and the execution. The final format will depend on these three criteria. We have been discussing with all of the stakeholders, actually, and we can see a high capacity to pay debt and the effort to generate cash.

The data mentioned by Licio and the evolution we had in the first and 2Q23 are only a small demonstration of the potential to leverage the results of the Company. I say 'small' because until now, we are working individually with productivity gains for us here and the Amil team. After we close this, we will be able to work with gains and synergies.

And it's already very clear to us that the gains are very significant, because basically, we have central structures that have increased twofold. We do not need to have two accounting departments, two business areas.

Number two, this is something that is documented in books, the synergism of accounts. Finally, with 25 hospitals and operations, the potential to clusterize them and understand what works well in one and transfer to the other is very high.

In addition to that, we can increase volume, and as Licio mentioned, this is something that has not happened at all. And so, our conversation with the stakeholders right now are based on these elements to demonstrate the high capacity of cash generation of the Company and therefore payments.

Leandro Bastos:

Do you have any expectation to close this business?

André Covre:

Our expectation depends on the regulatory approvals, and we cannot really tell you exactly when.

Mauricio Cepeda, Morgan Stanley:

Thank you for the opportunity. We have two questions here. The first one has to do with RN585, and it will make it difficult to get away from the hospital network, and we are afraid that this will lead to chain reactions. And therefore, the question is, if you see any risks for you, since you are now highlighting these negotiations again with all of the payers who abused their power in the past, do you see any risks of having this process? And what have we done to protect ourselves?

And then the second question has to do with the receivables. I have understood that you have discounted receivables from operators and credit cards. I would like to know if those who bought these portfolios have also bought the risks. Because when you talk about that, you talked about receivables. So I would like to know if you see any opportunity to use this funding and working capital. Thank you very much.

Licio Tavares Cintra:

Mauricio, thank you for your questions. I will try to answer the first and we will ask André to answer the second one. RN585 that establishes this will punish providers who end up delivering super-assistance. We have been working hard. We disseminate actual facts, delivering medical care that is sustainable in the mid and long term, in face of all of this wave of possible loss of payments, and it will help us increase our revenue significantly.

But I will ask André to talk a little bit about the receivables.

André Covre:

As mentioned before in our financial statements regarding the receivables with the operators, we have decided to create a new indicator so that we can have better comparisons. It's not a debt, but we have been adding the financial debt with acquisitions payable and then the anticipation of receivables.

So we are trying to give you an idea of these indicators. The anticipation of receivables is cash that comes into the Company, and it wouldn't exist if we had not done this. This helps us understand what happened with the debt flow and the cash flow of the Company.

Yan Cesquim, BTG Pactual:

Good afternoon. The first question is about the strategy regarding diagnosis. This quarter, you reduced 47 units, and you talked about the closure of other two NTOs in the upcoming quarter. So I wanted to understand a little bit more about this downsizing and optimization in the diagnostic segment.

Also, I wanted a follow up with Amil. Could you give us an update on the assets that are not part of the transactions, Hospital São Domingos, Bahia? Will they be maintained? Thank you very much.

Rafael Lucchesi:

Thank you for your question. Regarding the units and NTOs, the reduction of these units, they were basically units with a negative margin, most of them with a poor position. We had plans of recovery in optimization of networks. And then, after some time, we concluded that our unit portfolio would have better results without them because they would be okay in most of those locations, and the vast majority of them were located in non-priority areas. And we have a very clear pipeline of where we want to expand our market share.

Talking about growth and the future, our current units still have significant opportunities for growth. We have room to grow considerably in the upcoming quarters. In addition to that, in terms of the digital, we see some possibilities of having more clients for the same number of square meters, and then we can optimize logistics without any penalty to the level of service for the client.

Another important aspect in terms of service expansion in existing units, we have room for that. So even where we do not have an installed part, we can move quickly. We have done that. So, we grow in existing units, and some of them are larger, and our mobile service also grows more than the growth of the units and there are many regions where we can cover with mobile service.

So in response to your question, we are optimizing the network optimizing fixed costs with healthier units in well-located areas providing good service to our clients. But always looking ahead with the capacity to grow and what we need to expand in the units and strategic brands. And we will continue expanding and growing.

About NTOs, likewise, we are optimizing the network without decreasing capacity, we are growing 8% in volume. Our NTOs are prepared to do that. We project that we will grow in the future with an optimal occupation of our NTOs, considering level of service and cost.

And we have a perspective to grow our capacity. We understand that we are moving with a more efficient network and keeping a good level of service. We are optimizing and we are ready to continue growing.

And I now turn over for the other question.

Licio Tavares Cintra:

Thank you for your question. And when we informed you of the transaction, here, we have a double gain. We want to make it very clear what the focus area of the new digital platforms are. We have a lot of gains in synergism in Rio, San Paulo and Brasilia, and we have identified three assets with a lot of quality. And last year, they delivered over R\$300 million in EBITDA, which will help us have significant deleveraging. In the end of my presentation, I talked about this.

We are very enthusiastic with the number of participants that are interested in somehow working with this asset, partially or totally. And we continue dedicated, and we are confident that in the upcoming quarters, we will have cash inflow in Dasa Diagnostics which will help us deleverage.

Gustavo Miele, Goldman Sachs:

Thank you for your presentation. I have two questions. I wanted to ask you to talk a little bit more about the premium area and how you are considering growth and margin. I think it would be interesting, because we have seen some trade-down of beneficiaries in the industry, indicating a decrease in this premium segment. Have you observed that? And how do you see the competitive environment in this area? Thank you for commenting about that.

Another question. In the beginning of the presentation, you mentioned that you are working closer to the paying sources. Are you discussing alternative payment models? And how can that help the Company to rationalize the premiums? Thank you very much.

Rafael Lucchesi:

Gustavo, thank you for your question. Talking about the premium segment in São Paulo and Rio, but more significantly in São Paulo, we continue growing. It's an important market share growth according to our figures. We continue very strong, and we still have a lot of opportunity at our units to occupy in the last 3 years.

We can see that even though we decreased investments this year, we still have room to grow. The loyalty of consumers is very high in this area, and it's hard to find this in other sectors.

So the NPS is very high, it's been an important success case. And even though the premium brands work with a more limited portfolio, we still have a market share which is lower in

premium and a lot of opportunities to grow looking ahead. And this continues to be one of the areas we want to invest on.

Licio Tavares Cintra:

Gustavo, thank you for your question. You mentioned something essential for the sector. Because I was very close to the paying source for 20 years, I am more and more convinced that, if we do not have an optimization model where we can get rid of this attitude where everybody wants to gain some; we have really tried to look closely at important indicators, protocols, risks. And we believe in a balanced relationship with the paying sources.

And one of the main challenges is to leave polarization, which leads to under-service or over-service. We have to be more balanced. Rogério, who is here with us, is our Vice President and is working with this project, and we have been able to move on fast. We have different fronts with paying sources where we make clear our commitment to have fair services with balanced indicators.

Operator: The Q&A session is now over, and we would like to turn over to Mr. Licio for his final considerations.

Licio Tavares Cintra:

Thank you all for your participation. I would like to reinforce that our commitment with the team, with the leadership, remains. We are very confident that we must have a culture change in the Company where people own the processes, and we are beginning to collect the results of what I insist on saying: this is not a sprint, this is a marathon.

We are very confident about all of the different fronts that we have opened. We are very confident about the transaction that we are about because we understand that we can impact, deliver a solution to hospitals with a management policy based on the indicators.

And the factors and actions that have enabled us to have this result and the stabilization of the net debt, which is very relevant for us here, I would like to reinforce that we have a good trend for this quarter. Thank you all very much.

Operator: Dasa's teleconference is now over. We thank you all for your participation and wish you a good afternoon.

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