

# sinqia

## Q3-2020 Earnings

Webcast Nov. 11 • 12 noon (NYC) • 5 pm (London) [click here](#)



SMLL B3 IBRA B3 ITAG B3  
IGC-NM B3 IGCT B3 IGC B3

# Once again we report outstanding results full of new records and great news!

## Financial performance

Record net revenues of R\$ 52.8 MN (+13.8% vs. 3Q19)

Record recurring revenues of R\$ 46.9 MN (+23.1% vs. 3Q19)

G&A expenses of R\$ 8.6 MN (-12.5% vs. 3Q19), or 16.1% of net revenues

Record adjust. EBITDA of R\$ 8.8 MN (+46.3% vs. 3Q19)



We've moved forward on our sales following our new commercial model



We've expanded our portfolio of recurring contracts of software (+R\$ 12,1 MM vs. 3T19)



We've improved our offers of digital transformation within our services vertical



We've gained traction with new commercial opportunities generated through Pix



We've kept our investments regarding open innovation



We've acquired **Tree Solution** that allowed us to start selling exchange softwares



# We keep standing out!



Once again we've received the Great Place to Work certification



Once again we're part of the IDC Fintech Rankings as the only brazilian software provider



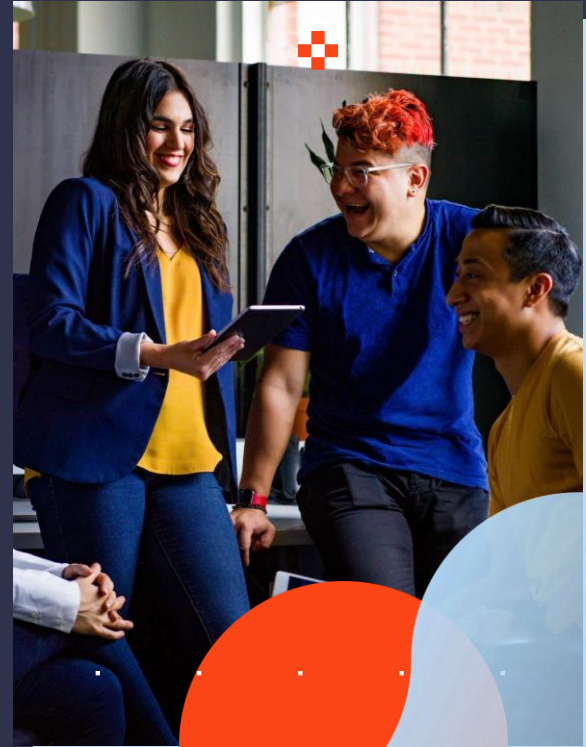
For the first time we are part of the *ISG Providers Lens\**, being selected in 3 quadrants of the research



\* ISG Provider Lens™ is a leading global technology research and consulting company.

## Innovation

A quarter to highlight  
traction gained with Pix  
and *open innovation*



sinqia



# Our **Pix** solution gained traction regarding our go-to-market strategy...

Pix main values for Singia comes from our **SaaS** approach (volume based) and great **cross sell** potential for complimentary solutions.



We connect **direct** participants with Brazil Central Bank through **SQ SPI**



We are going to connect **indirect** participants to **direct** participants through **PSTI**



We believe Pix will leverage **opportunities** to our software and services business



exame.

CNN  
BRASIL

G1

Valor  
ECONOMICO

Forbes

# ...and we have reached **great results** during the first months of operation



Strategic partnership celebrated with Microsoft aiming to build the best solution in Brazil

- Technical evolution
- Scalability and safeness
- Clients prospection
- Marketing efforts

*SQ / Pix powered by Azure*



We've made sales for new customers and also within our client base (cross sell and up sell), highlighting **one of the 3 biggest acquires** in Brazil

- **+700 thousand** active clients
- **1,4 million** credit card machines
- **2,5 billion** transactions per year

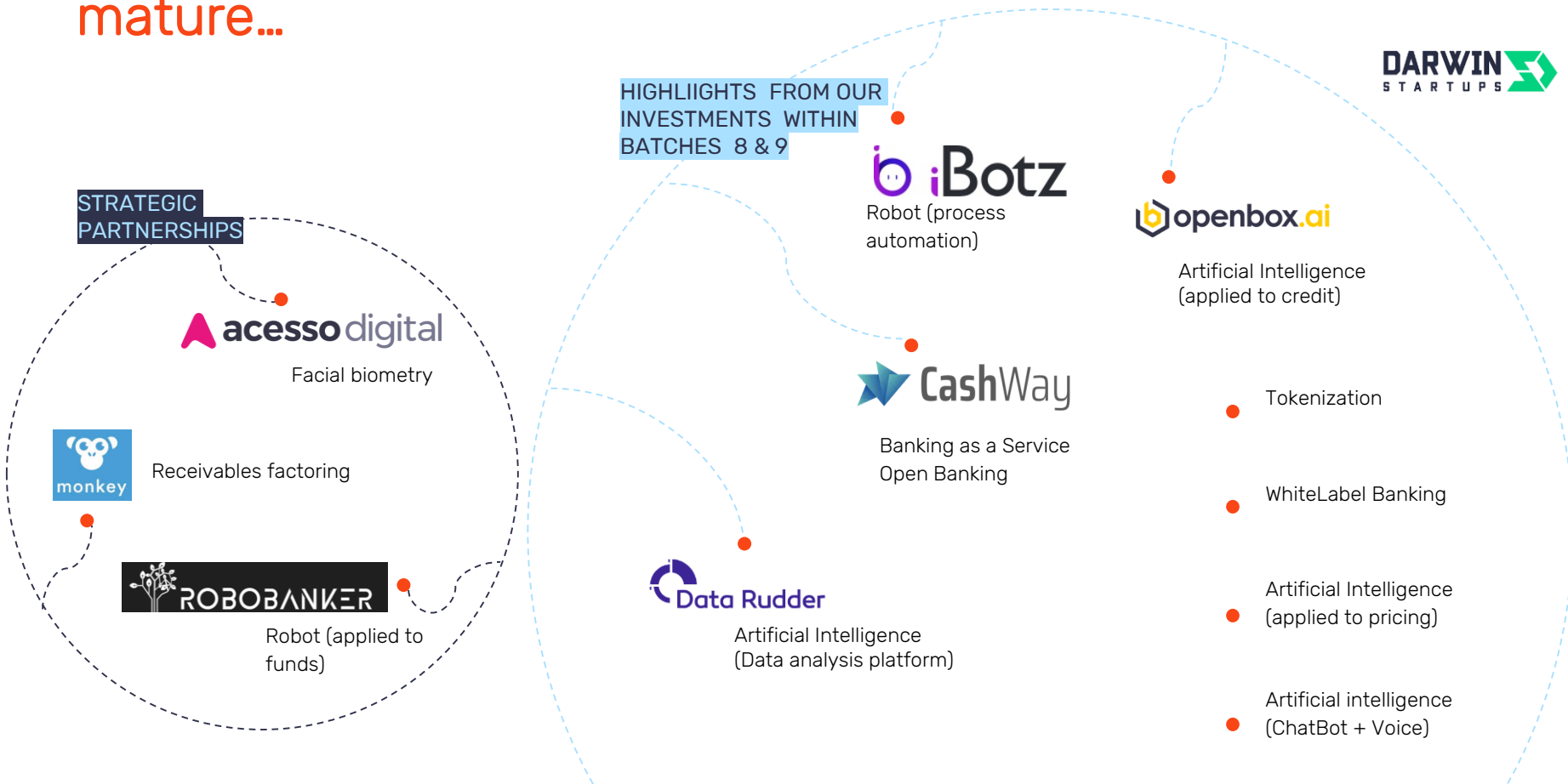
*SQ Pix + Sinqia Banks*

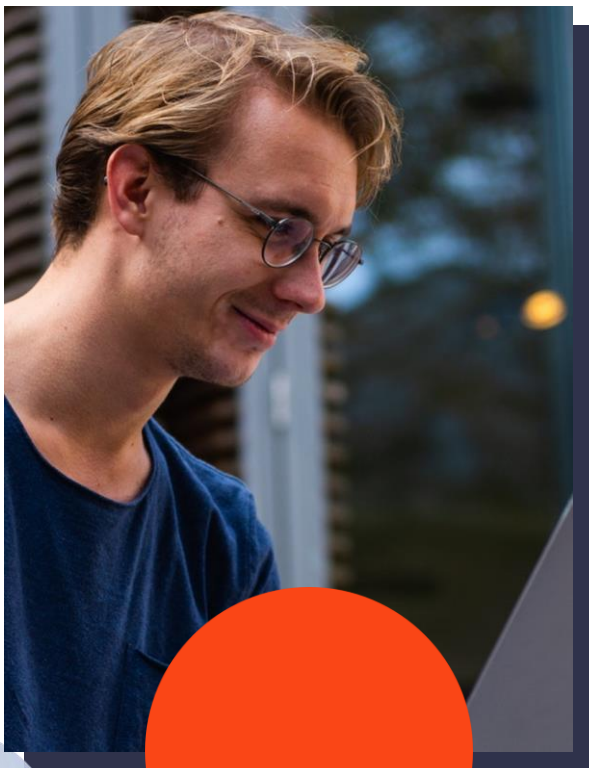
## +70

*Prospects*  
Microsoft and Sinqia

Banks  
Pension funds  
Financial institutions  
Payments institutions  
SCDs (Direct credit to consumers)  
Insurance companies

# Our **open innovation** movement is becoming more mature...





## ...joining forces to promote **innovation within the financial industry.**

- Expanded our portfolio of solutions bringing new recurring revenues model
- We have strengthened innovation culture by being pioneers in emerging technologies
- We have accelerated our growth strategy with new M&A targets



## M&A

A new acquisition for this quarter, this time within the Exchange segment



sinqia



# We have continued our goals deliverance...

Acquisition of  tree SOLUTION

## Investment thesis

### Expand our products portfolio

for Banks: Complete (end to end solution) and up to date software for exchange

**Enlarge our Banks portfolio of clients**, adding several global financial institutions

## Impact

**Gross revenues of** R\$ 8,1 MN (3Q20-LTM) will start consolidating in the 4Q20 (proportionally)

**Expected EBITDA** of 25%-30% within 12 months after closing, ex- additional R&D

## Transaction

**Fixed price** of R\$ 13,3 MN, representing an EV/sales of 1,6x, in line with our historic transactions

**Final price** may be increased by R\$ 4,2 MN, upon achievement of specific goals

## SQ | Exchange

Controlling onshore operations

Controlling offshore operations

Foreign trade

## EV/sales post-IPO multiple

**11 acquisitions**



...we have entered in a **new promising segment...**

***“Central bank is proposing to Congress a Project designed to update the Exchange market***

*...BC foresees a more updated and simplified business environment, increasing competition and a more efficient service offering”\**

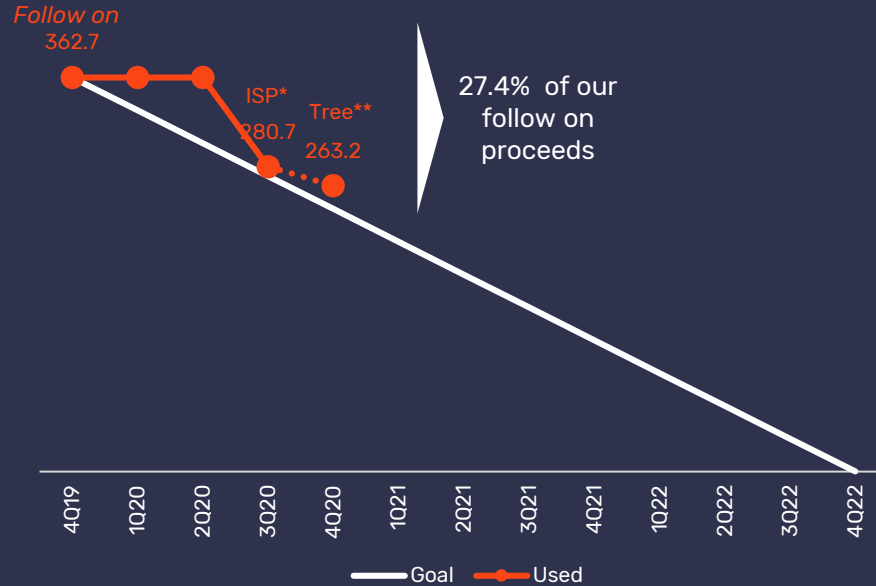
**InfoMoney**

\* Source: Infomoney, 10/07/2019



...and we continue to use our proceeds with **consistency**!

Use of Proceeds (R\$ MN)



Gross Revenues Impact (R\$ MN)



\* Total price of R\$ 82.0 MN | \*\* Total price of R\$ 17.5 MN (earnout of R\$ 4.2 MN)

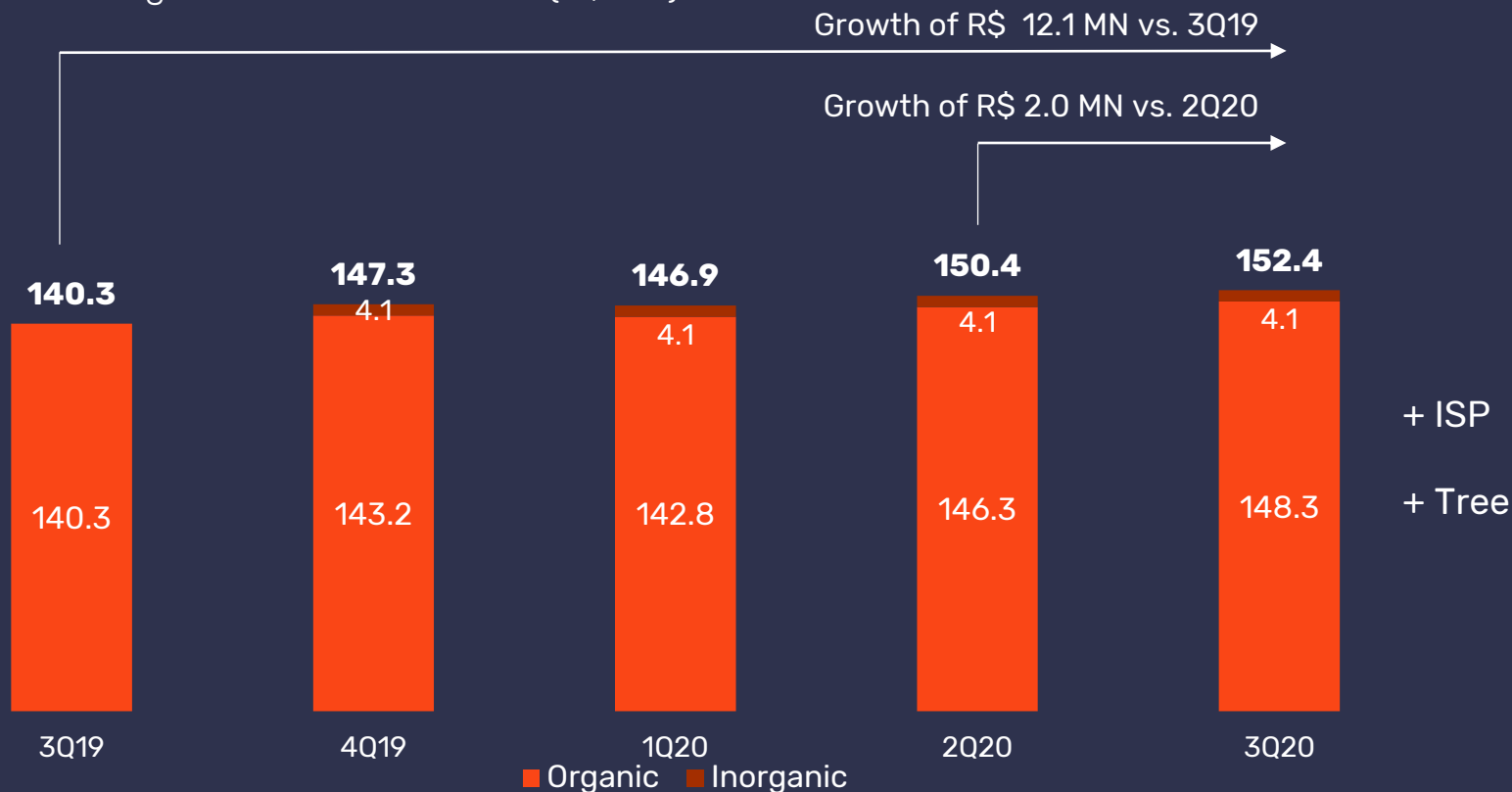
# Financial Results

## New revenues records and profitability improvement



# We have kept **growing** our client base...

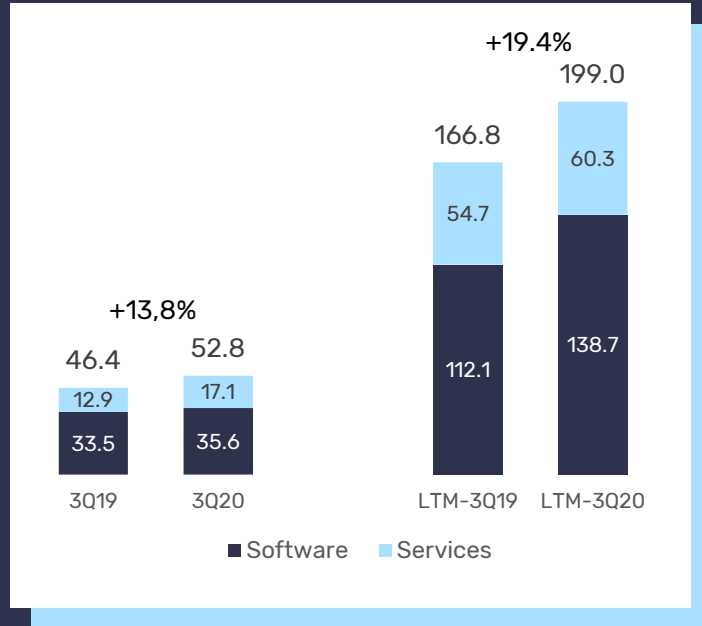
Portfolio of Recurring Contracts of Software (R\$ MN)



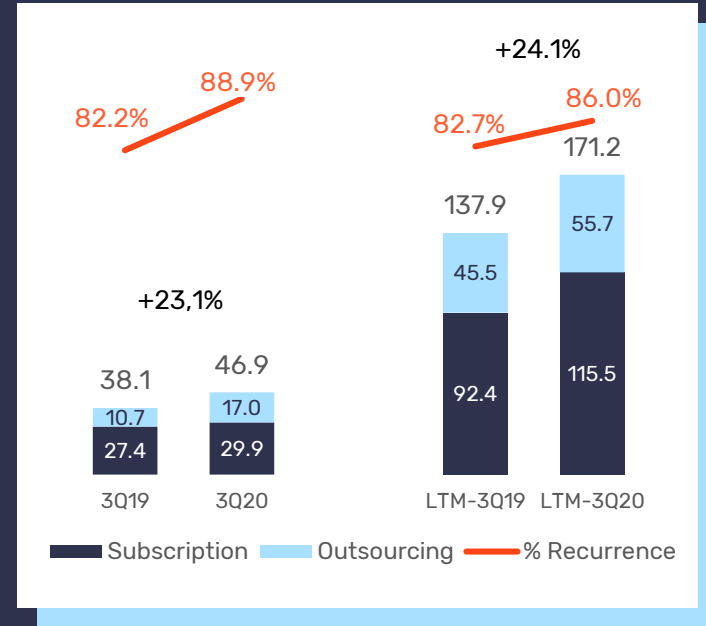
\* Inorganic = Stock & Info, acquired in 4T19

# ...renewed our revenues records...

## Net Total

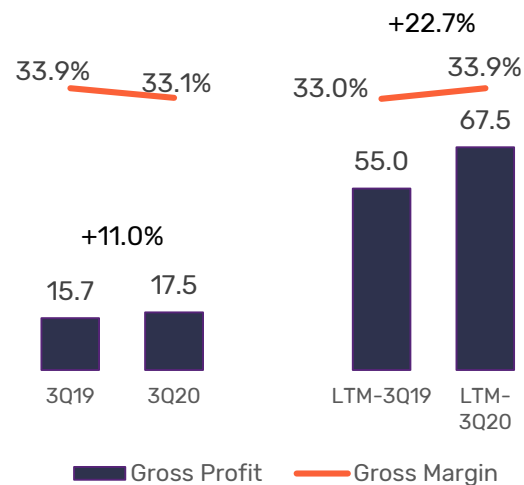


## Recurring and % Recurrence

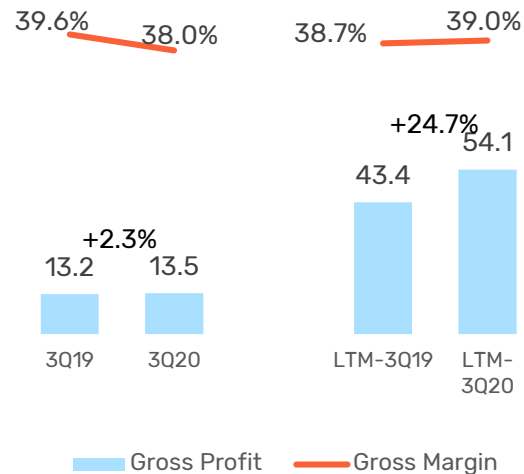


...we have continued to expand our **gross profit**...

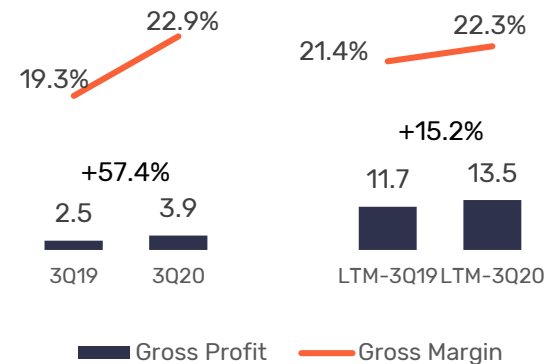
### Total



### Software Unit



### Services Unit





...we have diluted our **expenses\*** ...

### Total

21.3%  
16.4%

9.9

-12.5%

8.6

3Q19

3Q20

■ Total Expenses    — % Net Revenue

### Commercial and marketing

5.2%

5.3%

2.4

+16.1%

2.8

3Q19

3Q20

■ Commercial and MKT    — % Net Revenue

### Other general & admin.

16.1%

11.0%

7.5

-22.7%

5.8

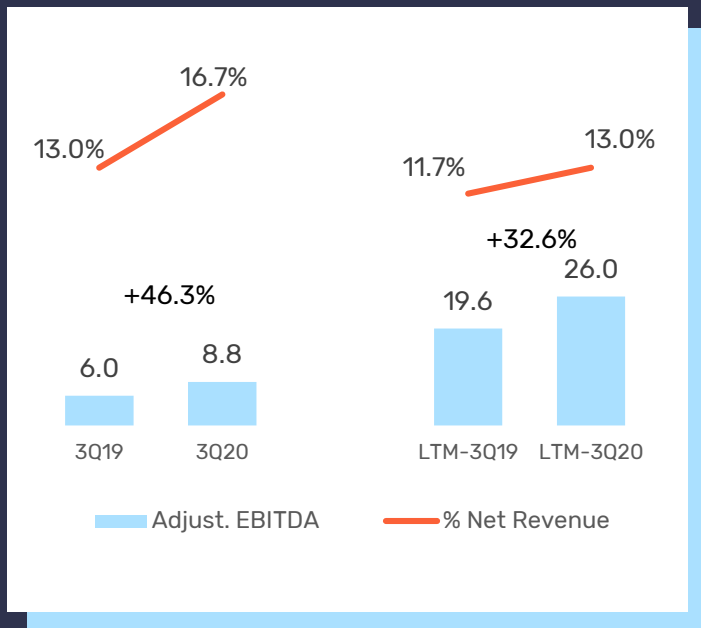
3Q19

3Q20

■ Other exp.    — % Net Revenue

...and once again we have delivered a new **EBITDA record!**

### Adjust. EBITDA

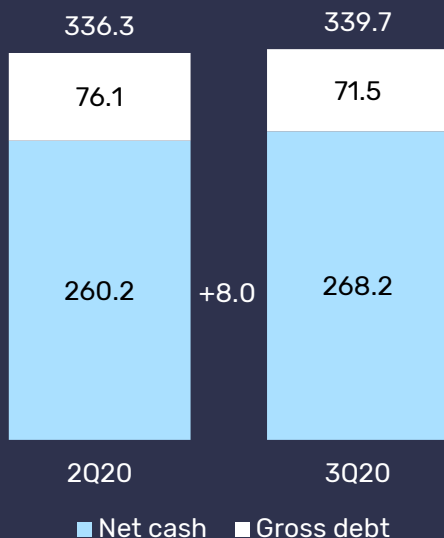


### Adjust. Cash Earning



# We have increased our cash position and reduced our debt...

## Gross cash breakdown



## Gross Cash

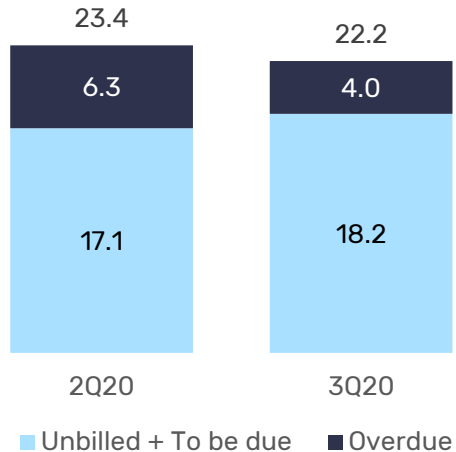
Maintenance at a high level of R\$ 339.7 MM **(+R\$ 3.4 MN)**, sufficient to finance potential acquisitions

## Gross Debt

Reduction to R\$ 71.5 MN **(-R\$ 4.6 MN)** due to the payment of borrowings and amortization of acquisitions

...we remain with no impact for default.

### Account receivables breakdown



Reduction to R\$ 22.2 MN  
**(-R\$ 1.2 MN)** of Accounts  
Receivable, showing that  
default is not a relevant  
issue for Singia

# **We have overcome our challenges** and continue to stay strong on our successful trajectory!



## **Software**

Added products and clients, also expanded our portfolio of recurring contracts



## **Services**

Reinforced our position as digital transformation agents



## **Innovation**

We have created new business opportunities with Pix and our open innovation movement



## **M&A**

We have accelerated the rhythm of our ongoing transactions and also expanded our range of deal opportunities

# Legal Notice

This material was prepared by **Singia S.A. ("Company") (SQIA3:B3)** and may contain certain statements expressing management's expectations, beliefs and/or forecasts regarding future events or results. These statements involve risks and uncertainties that could cause results materially different from those projections. Such statements are based on information currently available, from Singia and the industry in which Singia operates, and is not intended to be complete or serve as advice to potential investors, so readers should not rely exclusively on the contained. Investment in securities issued by Singia involves certain risks. Before making any investment decision, prospective investors should carefully consider all the information contained in the Reference Form, in the financial statements with the notes and, if applicable, in the offer documents, among others. Business, financial condition, results of operations, cash flow, liquidity or future business could be materially adversely affected by risk factors currently known or unknown. This presentation does not constitute an offer to sell or a solicitation to buy any securities of Singia.





## Sinqia S.A. (B3: SQIA3)

### Investor Relations



[ri@sinqia.com.br](mailto:ri@sinqia.com.br)



+55 (11) 3478-4788  
+55 (11) 4450-4433



[ir.sinqia.com.br](http://ir.sinqia.com.br)

sinqia