Gabi:

Good morning everyone. Welcome to the results call of Sinqia referring to the third quarter 2021. At this moment, all the participants are logged in as listeners and in a moment, we are going to start our Q&A session.

We inform you that the participants that wish to ask questions, should use the Q&A button or raise their hand as we are going to refer to you in our screen.

During the webinar, we are going to share the Portuguese presentation and should you be following along in English, we suggest you to download the presentation in the link that we made available on the chat. We remind you that all the materials with the results of this quarter are going to be available on the link.

With us, we have Bernardo Gomes, Director and CEO; Leo Monte, Marketing and Innovation Director; and Thiago Rocha, our Financial Director and Investor Relationship manager. So, now, Bernardo, take it away.

Bernardo Gomes:

Thank you, Gabi. Good morning, everyone. Thank you so much for being here. Thanks for participating in this webinar. I am going to start on slide four.

We are excitedly announcing the very promising results that we saw on this quarter. Let's begin on the left hand side, on this square here with the financial highlights. We had a record recurring revenue to the tune of almost R$290 million, 88% above than the previous period in the previous year.

Our net revenues surpassed R$88 million, a growth to the tune of 74% compared to the third quarter of 2020. Our recurrent revenue has reached R$81.4 million, a growth to the tune of 74% as well, and the level of recurrence, which is nearing 90%.

So, that is really important when it comes to the forecast, the predictability, and making sure we have future revenue to the tune of 90%.

We have reached an adjusted EBITDA of R$16.6 million, a very substantial growth as well, this is an increase of 8% compared to the previous year. And we reached an adjusted EBITDA margin of 18%, which accounts for a growth of 1.3 p.p.

So, our cash flow position at the end of the quarter was roughly R$620 million a very, very substantial growth. Now, bringing your attention to the right hand side, we integrated R$150 million in the second issuance of debentures, which may reach R$200 million or R$250 million rather. We are going to have an additional R$100 million.

In early September, we raised an additional R$400 million, which help us to comprise this cash flow position that is very strong with which we are starting this new acquisition cycle.

So, I point out to you that in this quarter, we also concluded the twenty first M&A transaction of the history of our company. We acquired a major shareholder share at QuiteJá, which is a company that does credit negotiations. It's a completely automated the process. We are going to explain that a little more later on.

Canary is also another partner of ours now on a venture capital. We already had partnerships with Stella and others, and now Canary is yet another partner in this cycle of ours. We are going to expand our investments on corporate venture capital.

Additionally, in this quarter, we announced our second investment on CashWay. CashWay is a company that specializes on co-ops and SCDs transactions. And finally, we started a partnership with Tech Rules, which is a solution to manage assets, which is now adding on to our portfolio.

So, I can point out that this was an excellent quarter, both from a financial perspective as well as an accomplishment perspective in our company. So, now I will hand it over to Leo. He is going to tell us a little bit more about the highlights in innovation. Leo, you have the floor.

Leo Monte:

Thank you, Bernardo. Good morning, everyone. It is my pleasure to be here once again to tell you a little bit about the main highlights on the innovation front and the advancements that we have had in this quarter.

I would like to start out by telling you about the advancements we have had on the open finance strategy, as well as in the open innovation strategies.

The third quarter was marked by the launch of Phase three in our open banking on our end, we became more relevant and we were able to strengthen our strategy, especially from an infrastructure perspective, to cater to the needs of this moment.

As we begin our third stage, we are now seeing new opportunities when it comes to using technology to create new products and services for payment, thus supporting the markets with an innovation agenda in the central bank.

So, we follow with this strategy of products and partnerships. We are able to attain fantastic numbers, very relevant numbers, as you can see on your right hand side. Over 13 clients global and we can point out a major global bank among debt missed and also an additional 100 prospects between fintechs, banks and tech companies.

We have new opportunities of having new clients in our portfolio and new revenue streams. All of that is supported by strategic partnerships with Sensedia, Microsoft and also sell Celcoin. Furthermore, we became authorities in this subject with some very relevant presence on printed media, online media and also television.

Moving on to slide seven, this is where I point out the advancements that we have had in our open innovation strategy. In the maturity of our program, we are reaping some important results with some strategic partnerships. And with that, we are transforming the way in which we develop and launch new products.

On your left hand side, in the first item here, you can see that we are integrating innovation via new technologies and as well as new business models. For example, a new predictive analysis product which uses A.I. for credit alongside Data Rutter, a startup.

Still on the first item, I would also like to point out the investment we have done in CashWay. We already had an investment in the startup, and through a partnership, we were taking the new functionalities for the credit co-ops.

Now, with this new investment, we are going to further expand our commitment to accelerate the company and make it the main technology supplier for the co-ops. We are also going to take this opportunity to reinforce our bank as a service strategy.

Now moving on to this second item, when it comes to the acceleration of our go to market, I want to stress some partnerships that we have with an Sensedia and TechRules for asset management.

Moving on to the third item when it comes to Sinqia Digital, we are going to distribute the main functionalities of all the companies that we are aggregating here on Sinqia Digital for the CellCoin clients.

So, we have opportunities not only on the investment front, but also the M&A front, thus complementing the solutions we already have.

And last but not least, item four, the Sandbox Sinqia launch. This is a Sandbox launched that is focused on funds in a partnership with RTM, as well with the Ok by AMBIMA.

So, this is yet another tool to foster this segment of funds, integrating the entire ecosystem in creating new products and services. So, this is just a just a snippet of the synergy that we are capturing with our investment and with our partner companies.

So, moving on to slide eight, we can say that in just one year into our program, we became one of the references on open innovation for the financial sector. We count on over 40 investments on startups, strategic partnerships, so co-investment strategies. We are present on events, publications and this is a very positive development.

Furthermore, we just signed a partnership with another venture capital fund, which is Canary, which is now integrating our partner list. With is the new focus on Canary we are going to invest on the second wave of the early stage fintechs, and that gives us new opportunities for business investment and also co-investment.

Additionally, we have a partnership WeImpact that is a venture builder that is focused on business. This is a business technology company driven by women. The objective here is to bring a little more diversity in our portfolio, and foster female entrepreneurs to the financial market.

And we are not stopping here by any measure. There is a whole lot to discuss. There is a lot of work to do. The market is steaming hot and we are laser focused on new investments as well as the integration with the portfolio of the company.

So now I will hand it over to Thiago Rocha that are going to talk about M&A in our new cycle of growth. Thank you.

Thiago Rocha:

Good morning, everyone. I hope everyone that everyone is well and healthy. I am going to start on slide nine. I am going to emphasize a message that said, which is we are starting a new moment, we are starting a new consolidation cycle in the third quarter of 2021, perhaps this is one of the most important quarters in our history.

Before I begin this new cycle, I just want to do a brief recap in this cycle. So, also in the third quarter, we concluded a consolidation movement that was started at the end of 2019.

We did a significant expansion in our Sinqia Ecosystems as well as our results. So, it is a very intensive cycle, which started in late 2019, that was a marked by a pandemic that ensued along the way, of course presented us with some additional challenges as well as the entire market.

And even if facing those challenges, we were able to deliver 90% of the resources of the follow on in 2019. We did some very strategic acquisitions, more precise. Also, we were able to get a very nice expansion of our results.

In last than two years, Sinqia went from a net revenue of R$175 million to R$351 million, steady with the second quarter. In other words, we doubled in size in last than two years. We also show a very significant evolution in our profitability. So our EBITDA margin went from 12% to 22%, which represents 10 p.p. So we came here to close a chapter in this 3Q21.

Moving on to slide eleven, we are able to start a new chapter in our history. So, in this 3Q, we are starting a new consolidation cycle, and in this cycle the goal here is to conclude the journey with our clients.

Sinqia was already present in some of the steps in this journey, and now we are going to reinforce the solutions we already have and also going to look for new solutions to complement the steps where we are not present yet. So, this is a pathway that we have been treading.

Also in 2021, we started working on the onboarding of our clients. We work on the sell side acquiring FEPWEB. And one of the main facts that we had in this third quarter was also the monetization of our client list with the recently announced acquisition of QuiteJá.

For those who are not acquainted with QuiteJá, this a company works with recovery debts. So, in a nutshell, this company finds agreements with financial institutions and these institutions provide a certain database of debtors. QuiteJá process this database and they select the debtors that has a higher probability of making due with their overdue debts.

They work with this database and they are able to recovery a great deal of the debt. QuiteJá is a nice fit for us, it is really in line with the client monetization strategy. But how does it fit? In two ways. Well, first of all, it helps financial institution to recover the credit that was granted.

So, in order their credit operation to be profitable, obviously this institution has to get back the amount that was given, but not only that. QuiteJá also helps the financial institution to gain back the client or the costumer that are some billing processes that meets the first goal with is to get money.

But it when it comes to the relationship with the customer, QuiteJá has a different approach. They are able to recover the amounts of money owed, but they also focus on making sure the relationship with the customer is preserved.
It is important to mention that in this credit recovery market, we were able to assess different companies and we share picked QuiteJá for two reasons that I think it is important to mention.

This company has a 100% digital approach. In other words, all the recovery process, all the debt recovery and assistance is done via digital channels and does not have absolutely no human interference. There are no call centers, there are no phone calls, what you have is technology working to do a debt recovery in a very efficient way because in large volumes at a very low cost.

Besides that, QuiteJá also has a very humane approach, which is very much like with Sinqia values. In other words, they do a debt recovery process and they empower the debtor, because the debtor is best person to know the conditions under which he can pay off the debt.

And that is why the Company is the best evaluated in terms of all the companies in the credit recovery companies in the website.

Moving on to the next slide, we acquired the control of QuiteJá, and these are some highlights that are very important in this acquisition. The first one is we expanded our TAM.

Until we acquired QuiteJá, we were restricted to the software market and the tech services market, and now our business is also expanded into the debt recovery market. And this is why this important because this is a huge expansion of the Total Addressable Market, Brazil has over 60 million people who are in debt.

These people total R$245 billion in debts, and the financial sector, which is precisely the sector served by Sinqia, leads the list of creditors, and represents 29% of the total debts. In other words, the problem of debt recovery is a relevant business problem for our clients, financial institutions, and thus it makes perfect sense for Sinqia to participate in this debt recovery market.

Moreover, the second highlight, we have expanded Sinqia Digital's product portfolio, i.e., besides the digital onboarding of customers, besides the digital signature of contracts, Sinqia now also offers digital credit recovery.

And third, also very important, we have increased the relevance of the SaaS model. But not just any SaaS, it is a much cooler SaaS, because it is based on financial volume. QuiteJá has a volume-based billing model, it receives a commission on the volume it is able to recover. So, it is a SaaS model with very high growth potential, and also very high profitability.

And talking a little bit about the company's numbers, QuiteJá presented in the last 12 months, ended in June, a net revenue of R$20 million, growing 111%, growing three digits against the same period of the previous year.

And it also presented an EBITDA of R$5.4 million, that is, a 27% margin, a margin higher than Sinqia's, therefore a profitability that adds up. On the right, we talked a little bit about the control purchase transaction. That is, 51% of QuiteJá for R$38 million, half of which we are paying in cash, half in shares. That is, QuiteJá's two entrepreneurs become Sinqia's shareholders.

And our Company has an option to buy the remaining 49% of QuiteJá within a few years, and following some EBITDA revenue metrics, which we jointly defined. Moving to the next slide, we now talk a little bit about results, and I wanted to go straight to ARR. This is a very special quarter, we had a very good financial result, I think it was totally in line with our expectation.

ARR totaled R$287 million, an 88% growth versus the same period last year, and a 5% growth versus the previous quarter. But I think the total ARR obviously has a very big growth, but I wanted this time to draw attention to the organic ARR. Our organic ARR was R$183 million, growing 20% versus the same period last year. So, it is a growth that is in line with our expectation for Sinqia.

And, with respect to 2Q21, it is 8% growth, the highest growth in the series since we started reporting ARR. Why did this happen? First, because we had a very good sales volume, of more than R$8 million in this quarter. Second, because we had a very low churn rate of cancellations, almost zero.

And, third, because we had a volume of contractual readjustments, also quite expressive, R$6 million, mainly due to the inflationary readjustment. And here I would like to make a quick parenthesis.

I know that inflation has become a topic of quite a bit of concern for our investors, and I want to take this point to say that Sinqia is a 100% inflation-protected Company. All of our contracts are adjusted for inflation, so much so that inflation was an important component of ARR growth in this 3Q21.

Moving on to the next slide, in 3Q21 we had total net revenues of R$92 million, growing 74% over the same period last year, and reaching yet another quarterly record.

Software revenue was R$71.8 million, a growth of more than 100%, and service revenue was R$20 million, a growth of 18%. Service is also at an excellent moment, because of the entry of new customers that we have not yet been able to feel in this Q3 revenue.

And on the right, we can see the recurring revenue of R$81.4 million, growing 74% on the same period last year, and representing 88% of the total, so a very high percentage of recurrence. Moving to the next page, on the left, our total gross profit was R$35 million, practically doubling, against the same period of the previous year, and the gross margin was 38.2%, a gain of 5%.

We had an excellent performance here in both the software business and the services business. In the graph in the center, we can see a little more about software, with gross profit of R$30.7 million, growing 127%, and a gross margin of 42.8%, a gain of 5%.

Why did this gain happen? Because new businesses with higher margins came in, especially the businesses that came from recent acquisitions and the acquisitions of Sinqia Digital, Simply, and Fepweb.

On the other hand, in the previously existing businesses, we are having cost increases, with the expansion of the R&D team, which is a very important expansion for the Company. It is an expansion that aims to update, to better integrate our product portfolio, and certainly will bring many gains in the medium and long term.

On the right, we can see the gross profit from services of R$4.5 million, a growth of 14.4%, with a gross margin of 22.1%, a small loss of 1%. But here, I would like to remind you that we had accounting reclassifications.

The depreciation and amortization line, which used to be accounted for only in expenses, was partially reclassified to costs and also to service costs. That is, without this accounting reclassification, the service business actually showed a 2% margin gain.

Moving to page 17, we observe, in this quarter, an increase in expenses, which is due, mainly, to the consolidation of acquisitions. There were six acquisitions in the last quarters, and, consequently, the expenses are absorbed in several lines of our financial statements.

So, on the left we see total expenses of R$20 million, an increase of 132%, representing 21.7% of the total, an increase of 5%. This increase is practically all in G&A, since the commercial and marketing expenses had a reduction. In the central chart, we can see a little more about this.

The general and administrative expenses were R$16 million, an increase of 177%. And, as I said, this happened due to the consolidation of the latest acquisitions, which are distributed in several lines.

But, also, by the accounting of R&D and innovation expenses, these expenses were in cost, now they are in expenses, and, also, by the accounting of provisions, especially the bonus provisions. The Company has had an excellent year and has been meeting its internal targets, so the level of bonus accruals is higher than the previous year.

And on the right, we can see the commercial and marketing expenses, which actually had a very stable behavior, growing less than the revenue growth, and going on to represent just over 4% of total revenue.

Moving to the next slide, we, as a consequence of these movements, report a substantial evolution in EBITDA, and a very high margin as well. On the left we see that our adjusted EBITDA was R$16.6 million, an 88% growth versus the same period last year, with an 18% margin, a 1% gain.

And here I wanted to note, folks, that this is Sinqia's best EBITDA margin for a 3Q since we IPO'd the Company back in 2013. So, it is an excellent result for a 3Q. On the right, we can see the net income, which was R$3 million, growth of over 200%.

And, a brief explanation here about the net income, we had this advance in EBITDA, which I have already commented on, we also had a growth in depreciation and amortization expenses, which were R$12.8 million, growing mainly because of the amortization of intangible assets from acquisitions, which is an expense with no cash effect, it is important to say.

We had a negative financial result of R$0.3 million, practically steady compared to the same period of the previous year. And it is interesting to say that the financial result had, on the one hand, higher interest expenses, both the interest from the acquisitions, and the interest from the new debenture transaction.
But on the other hand, these higher expenses were offset by the mark-to-market of the Torq Venture investments. It is very nice to say that. We are already reaping, not only the strategic result, which Leo has just commented on, but also the financial result of our investments.

One of the funds invested, in Parallax, had a spectacular performance in 3Q21, due to a specific investment that was rescheduled and, consequently, we have been bringing this result to our profit.

And finally, the income tax and social contribution line had a credit of R$0.3 million, also contributing to the net income. And, to finish my session, moving on to the next slide, we have replenished our cash, precisely to support this new consolidation cycle.

Our gross cash is R$620 million, remembering that this amount does not include the R$100 million from the debenture operation, which has not been paid in, we can call this R$100 million at any time. So, it is an increase of R$465 million, against 2Q21, because of the debenture offer and also the share offer.

Our gross debt increased to R$273 million, an increase of R$143 million, also because of the debenture operation, the R150 million we have already paid in. And, with all this, we have a net cash, which we can see in the graph on the right, of R$347 million.

And, here we bring an additional information, that although the net cash, calculated in a more traditional way, is R$347 million, we have a Securities line in our balance sheet that includes both the investments of Torq Ventures, as well as the amount we gave in guarantee for the term payment of the acquisitions, and all this together adds up to R$54 million.

So, I think the correct view on our net cash is just over R$400 million. And now, I would like to give the floor back to Bernardo, so that he can make the conclusion of the presentation. Bernardo, please.

Bernardo Gomes:

Thank you, Thiago. Let's move now here on slide 20, where, again I emphasize, we have delivered increasing results and accelerated our expansion plan. In other words, we are consistently delivering what we have promised.

I usually say that we have been a publicly traded company for eight years, and in these eight years we have already had more than 30 quarters, and in all of them we have used the word record.

The revenue record, the recurrence record, the profitability record, or the record of everything, so this proves that the Company has consistently delivered what it promises. And here it was no different, in this quarter, we capitalized the Company, we started another growth cycle.

We are very confident and prepared for the new market opportunities that are emerging.

We also expanded our product portfolio, expanded our acquisition pipeline, bringing new companies that will compose our pipeline, in addition to the traditional ones, acting in the verticals where we are already present.

And we have also increased our addressable market, as Thiago had the opportunity to explain to you. We also brought a lot of innovation, investments in R&D, important partnerships, advances, also, in our corporate venture capital program, which are starting to draw a new path of growth for the company.

And, I think that all this is reinforced by the results. When we look at the numbers Thiago showed here, in the last cycle, we doubled in size in two years, we more than tripled the EBITDA, in this same period.

And, because of this, we are very confident in this cycle that we have started, now, capitalized and with countless market opportunities that are emerging. I will now move on to the Q&A part, so you can ask your questions. Thank you for now.

Victor, UBS:

Perfect. First of all, congratulations on the result, and thanks for the opportunity to ask questions. I have two regarding the performance of the digital segment. You have been investing a lot in building the digital segment, both organically and inorganically, but the quarterly growth was only 2% below the total ARR growth of 5%.

How can we see this growth in digital going forward? And, still on digital, can you give some color on how it is breaking down between recurring and non-recurring revenue within the segment? Thanks.

Thiago Rocha:

Thank you, Vitor. Pleasure talking to you. These are two very interesting questions. Let's start with quarterly growth. Before talking about numbers, I wanted to talk more about the concept of how we see the growth of the Sinqia Digital business.

The revenue model of both companies, Simply and Fepweb, is a SaaS model. A SaaS model that has a minimum monthly fee, and a consumption charge.

So, as consumption varies a lot from quarter to quarter, from month to month, we try to see the growth of this business, generally, comparing it more with the same period of the previous year, and not exactly with the previous quarter, given that these fluctuations in consumption can distort the short-term growth account a lot.

So why am I saying this? We had an especially good quarter in these two companies. In the case of Simply., a good quarter because the consumption of the onboarding tool was very high by clients who do consigned credit, remembering that in April and May the consigned credit had the limits of the government relaxed, and then consumption exploded.

And, in the case of Fepweb, the company closed many new contracts in 2Q, and started to implement new clients, so the implementation revenue was very strong in 2Q. So, having said all that, I think our growth expectation for the Sinqia Digital business is maintained.

These companies were growing at about 50% year over year before the acquisition. And, I believe they will continue to grow at the same level for a long time to come, given that cross sell opportunities are starting to be worked.

So, I do not see this 3Q growth as something abnormal, on the contrary, I think that when we compare it to the same period last year, the expectation is maintained and strengthened.

Alexandre Massuda, SFA:

Good morning. So, first of all, thank you Thiago, Leo, Bernardo. Congratulations on the results, very good result for the quarter. I would like you to give more details about the organic growth, which you ended up recovering well this quarter, a little more color really.

How was that? Was it new contracts? Was it via cross sell? Which verticals did you grow? I would like a little more detail. Thank you.

Thiago Rocha:

Thanks for the participation and the question. The organic growth was very good in this 3Q21. I will talk about, first in terms of ARR and as I said throughout the presentation, we had a 20% organic growth versus the same period last year.

And this growth happened because of all the factors that I mentioned, the very good sales volume, a very low churn, and inflation adjustments, which contributed more given that inflation is higher.

When we look at this by business, we have had a very good commercial performance, especially in the banking vertical and also in the funds vertical in this 3Q21. So this is relatively well distributed in the base, there are several contracts, several different products.

It is very difficult for me to tell you one single reason why. We have so many new clients, as well as clients that come from acquisitions and are benefiting from our cross sell.

So, I think it is a growth like this, when I look at the profile, it is a very healthy growth, sustainable, well distributed, not very dependent on one initiative or another, which makes me even happier.

Besides the number being good, 20% year on year, I see that it was good for several reasons, not for one single reason.

Alexandre Massuda:

It's fine. Thanks guys. Congratulations again.

Christian Faria, Itaú BBA (Webcast):

Good morning. My question is regarding the level of expenses, mainly, related to personnel. How many employees did the company manage to hire, and how much does this represent of the expectation for the year?

Should we still expect pressures, due to team expansion, looking ahead? The second doubt would be in terms of severance pay and provision for bonuses linked to targets. How have these expenses been behaving and what can we expect? Thank you.

Thiago Rocha:

Cool. Thanks, Cristian. Very interesting questions. First, regarding the growth of the team, I just wanted to go back a few quarters. Late 2020, when we were preparing our budget for 2021, we already anticipated an expansion of the team, especially the R&D team.

I am talking here about software developers, because we believed, and still believe, that it is important for the Company to evolve faster in R&D. This is important for us to be able to develop faster in R&D.

This is important so that we can update the systems that came from the last acquisitions and integrate them better. And what we want with that, in the medium to long term, is to have better organic growth, and to have a higher margin level.

These R&D initiatives are important for us to achieve these gains in the medium to long term. So, we were already anticipating this expansion of the R&D team, but at the beginning of 2021, when the pandemic started to show signs that it was going to recede, our turnover increased.

And the additions of professionals we had been making were not enough for us to increase the staff at the speed we wanted, so the staff grew less than we would have liked in 1Q21, less than we would have liked in 2Q21, and we managed to get it on track in 3Q21.

And so you see the cost increase. Looking forward do we expect further increases? No. We believe that what had to be done has already been done. The team expansion in 3Q21 was very large, now there is a moment of accommodation, of fitting in, of gaining productivity of the team that came in.

Therefore, we do not believe that this should generate other pressures, looking ahead. R&D should follow revenue growth in the coming quarters.

And answering your next question about bonus pay, first, regarding bonus pay, we have several base dates, depending on the state. Most of our staff is in São Paulo, and the base date is January.

We still have no visibility on how the collective bargaining will behave, but, given the very high inflation level, I think it is unlikely that we will have a bonus above the inflation indicators. But, anyway, this is just an opinion for now. We have to wait for the collective bargaining to have a more concrete visibility.

No matter how high the salary is, considering that inflation is high, no matter how high the expected salary is, I have to remember that this same turnover that made it difficult for us to expand the staff, will help us and protect us from the salary, because it will not take 100% of the base of employees, it will not take 12 months of all employees.

Carlos Herrera, Condor Insider (via webcast):
Given the existence of so many well-capitalized tax companies, have you seen a pressure in multiples or for future acquisitions? Also, have you entered different segments? How would you define the focus or core of the Company? Which new segments would be interesting for you, and which ones would not be core?

Thiago Rocha:

Bernardo, I will answer the first one, about the issue of acquisitions and pressure on the multiple, and I will pass you on to talk about the Company's core and strategy. Carlos, thanks for the question.

And on the issue of multiples, we have seen, in fact, that the market has had a very large flow of money in the last two years. A lot of taxis coming in, but the impact of this on our business is very small, and on our acquisition strategy is zero.

We have not been competing for acquisitions. I think the best evidence, which I can give you of this, is that we have bought excellent companies in the last few quarters, very good companies, all of them.

And, if I can give you a highlight, I want to talk about Sinqia Digtal, Simply, Fepweb, and QuiteJá, excellent companies growing super-fast, with a very rich margin, and we paid price levels, which I consider fair. Do you understand? So we have no fear of being pressured by multiple.

Sinqia is not a company that has the characteristic of buying at any price, I may go one or two quarters without making an acquisition, but I will never come here explaining to you that I made an acquisition paying more than I should, this is not going to happen. So we are very calm.

Regarding the impact on the rate of return of the acquisitions, no, we have not seen an impact because of the multiple level. But obviously, the cost of capital for all companies, and the same goes for Sinqia, has increased with interest rates, and that makes us a little more disciplined in our choice of investments.

But, I think the level of value generation from our acquisitions is so great, it is so great, that it doesn't really add up. Bernardo, I wanted to pass to you now to talk a little bit about how we see our core.

Bernardo Gomes:

Thank you for the question, Carlos. I think that Sinqia is a company that operates basically in the financial market, and when you look at the financial market, you have to look at it in a very broad way.

All financial institutions present are targets for the Company, in the sense of delivering solutions for them to process their products. This has always been our main focus, to enable a financial institution to process and operate its product in the best possible way.

And, more recently, with the acquisitions we have made in Sinqia Digital, besides collaborating in the processing of financial products and operations, we have expanded our operations to other points in our client's journey.

I think, as Thiago can explain on the slide he talked about the journey, we have been trying to expand our operations by helping our clients capture clients, formalize their business, and monetize their business.

So, I would say that, trying to answer your question objectively, our focus is the financial market. So, it is the financial market in a very broad way, in all segments, and trying to follow the whole customer journey, focusing mainly on products, on processing products and operations, but also on maximizing the customer journey, in the sense of capturing and monetizing customers.

Thiago Rocha:

Well, I would like to invite you all to participate in our Sinqia Day, which will be held on December 14th, and soon the IR team will release the official invitation. I am here more as a reminder, and to ask you to reserve your agendas, in case you are interested in participating.

We will have a very nice event, bringing not only Bernardo and Luciano, but several other Sinqia executives, and I count on your presence, especially those who follow our Company more closely. And now, Bernardo, I would like to pass the word to you to make the closing remarks, please.

Bernardo Gomes:

Thank you, Thiago. Well, once again I would like to thank everyone for being here at this conference.

To reinforce the message that Sinqia is a Company that delivers what it promises, it has been doing so for more than eight years as a publicly traded Company, and more specifically in the last cycle, which we began in 2019, and have now concluded to begin another cycle, we delivered even better results than we had promised.

We doubled revenue, tripled EBITDA, and this is what we want to continue doing in this new cycle, which we are starting now, with this new capitalization.

So, thank you all very much for participating in our results call. And the IR team is available for any additional questions. Thank you very much.

Gabi:

Thank you. Sinqia's 3Q21 results webinar is now ended.