Conference Call Transcript
1Q22 Results
Qualicorp (QUAL3 BZ)
May 11, 2022

Operator:

Good afternoon, ladies and gentlemen, and thank you for holding. Welcome to the Quali webcast to discuss the results of the 1Q22. Present with us today are Mr. Bruno Blatt, the CEO, Mr. Fred Oldani, Chief Financial and Investor Relations Officer. Mr. Elton Carluci, Vice-President for Commercial, Innovation and Business.

Some statements in this webcast may be projections or statements about future expectations. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause them not to materialize or to differ materially from what was expected.

This event is being broadcast simultaneously over the Internet at ri.qualicorp.com.br, where the respective presentation is available.

We would like to inform you that this event will be recorded and that the participants will listen to the webcast during the Company presentation. Ensuing this, there will be a question and answer session when further instructions will be given.

I would like to give the floor to Mr. Bruno Blatt, who will begin the presentation.

Bruno Blatt:

A good morning to everyone. It has been a little more than 40 days since I was here presenting the results for the year 2021. We are here again together to share our results, our achievements and our evolution.

I am coming from a big event in Bahia with more than a thousand brokers and partners from all over Brazil. This event, after two years of pandemic, served to celebrate our commercial achievements.

We have changed levels. We are now able to sell half million lives a year. It was great to see the sales champions of *Tamo Junto* Corretor program celebrating the highest number of sales in the Company's history. Yes, these were days to celebrate, as we said, but there were also days of hard work to ensure that 2022 will be as remarkable as 2021.

We have finally returned to the office after two years of remote work during the pandemic. The Qualis have now gone back to live their day to day life. Our headquarters in Sao Paulo moved to Av. Paulista, a symbol of city. We also have a new delivery, a new office in the historic center baptized Qualicity, on the street 15 de Novembro, a symbolic landmark of the birthplace of the activities of both the Company and the health insurance brokers.

The building, which was completely renovated and restored, serves as a co-working space for Quali employees, and as a relationship point with the broker channel. We can speak about products, campaigns, market and events to boost our sales, of course.

In Rio de Janeiro, we inaugurated Qualistage, the former Metropolitan, a venue for major cultural celebrations in the capital city of Rio de Janeiro. This will strengthen our brand and bring us closer to the consumer market.

We have also launched Qualiclass, yet another proof of our spirit of innovation and our vocation to take care of lives. Qualiclass is much more than a health concern service, it is a quality health management that is integrated and multidisciplinary, and we have the possibility of offering more chances of cure and better quality of life.

Now, Qualicity, Qualistage, Qualiclass, Qualiviva, Qualistore, Qualiseguros, Qualivendas, they are not just acronyms. They are deliverables. They are concepts transformed into reality. That is why I speak about a company that is ever more solid, that works with a vision for the future. Each delivery requires planning. An integrated, cohesive team led in the direction of doing the right thing for our shareholders, our employees, and our clients. To think in the short term is to disregard the importance of our business and its huge potential.

It is never too much to remember that one of the biggest dreams of every Brazilian is to have a health plan. And we are here for that. The crisis we are living in the world and in Brazil is not news for any of you. It is a hindrance to the Company, including ours. The return of inflation, the increase of unemployment, default and interest rates are problems for everybody.

The pandemic is not over yet. We cannot stop for one minute to look and try to understand the world we are living in. This scenario still impacts us with a significant number of cancelations.

With all the deliveries made, plus the case by case follow up, we are starting to show results. In the 1Q22, we had a reduction of cancelations of 12.7% over the previous year and 16.9% over the 4Q21. This brings the churn to the lowest level in the last five quarters. We are still not satisfied. We look at this daily to be convinced that we are on the right track.

In sales, we had gross add-ons of 115,200 lives, respecting the typical seasonality of the quarter and reflecting the omicron challenges at the beginning of the year. Despite this, we had a growth of 15% over the 1Q21. Thus, we continue to converge towards our goal of presenting organic growth in our subscription portfolio.

With our growth pillar in mind, we continue expanding our portfolio of HMO. We have added 67 new HMO, we have signed new partnerships in several cities around the country. We have Unimed Guarulhos, Sulmed in Porto Alegre, and São Cristovão in São Paulo, besides expanding the offer of new products of the current operators in our portfolio.

When I see a company capable of making these deliveries that is lighter, more open to diversity, more ethical and happier, I thank the team we were able to form and the image we were able to build in a country so lacking in correct examples. A team that transformed the Company, which today is multi-product, multi-channel. A platform ready to ensure a bigger and better company. Congratulations, Quali.

We have 200 Qualis listening to us, and this simply reinforces the passion for our Company. We have problems in common, we have problems in that country, and they are able to lead us to better times. We are ready for these new times so that we can grow in a sustainable way in any scenario. This is and has always been the focus of this management.

I would like to thank you for your trust, and I leave other details for our Vice-President, Elton Carluci.

Elton Carluci:

A good morning to all of you. And thank you, Bruno. It is always a pleasure to be with all of you in the earnings release call. I would like to refer to the figures of the 1Q22.

We go straight to the figures, and I would like all of you to go to slide 15, where I will begin speaking about an important point which has had a positive impact on our cost of acquisition. It is our partnership with Escale.

You will all be able to observe that we have had a reduction in the costs this year vis-à-vis the 1Q21, and this is due to a gain in synergies, a reduction of costs, marketing expenses. We did have an important increase in quantity and quality of lives, of course, to service our commercial area, and cost reductions obtained because of this gain and operational efficiency, a consolidation of contracts. We had several contracts that have come about through Escale, and a management that is more focused on leads, always looking at conversion. Our remuneration model is based on conversion through acquisition and not based on the cost of generation of leads.

What I would like to highlight here, and most of you may have noticed, is that there was a reduction in the values of CAC that have been activated. They represent approximately 30%. But I would like to highlight that this level will still stabilize, so this reduction will stabilize at a level perhaps somewhat higher due to the deferment. This should take another two quarters, and around the 3Q, this figure will be normalized and we will have a cost of acquisition at the level that we have planned for the year.

Already taking away that issue of payment deferment, we go on to the next slide to speak about gross sales and the affinity sector. We have already mentioned the figure of 15% growth year on year. We attained this level, even despite the impact of omicron in January and February, which did have an impact on our sales team as a whole. It spread throughout Brazil. We did suffer somewhat from this, but we were able to deliver figures within what we had imagined.

And to give you more color, we already have an impact of Elo. We have been speeding up the sales potential of the HMOs that have come with this management company, and we have confidence that we will reach the levels that we reached last year. The figures of April and may show you that we are within what had been planned, once again, despite the review of the incentives that we undertook.

We now go on to the next topic, which is churn. We have already mentioned this. We are now on slide 17. We have reached the lowest churn in the last five quarters. In the last call, which was very recent, It was mentioned that there was a normalization of the cancelations under request and that delinquency was somewhat higher than the historical levels.

This continues on in this quarter. We have not observed any change in cancelations based on request. They continue to follow the parameters of percentage on the base and readjustments. This has been maintained compared to our historical level, but delinquency continues to be somewhat high, and this is what we also observe with the credit, the bad debts, once again due to the delinquency that continues to have a significant weight in our figures.

We are carrying out a great deal of survey in terms of those who cancel because of delinquency. Of course, the entire Company is focused on addressing this point, and the problems are loss of income, inflation. They are difficult problems and they are causing pressure on delinquency.

We are also using some strategies to try to mitigate this impact, reviewing our terms to be able to pay your bad debts on installments. Those who have canceled can return to quality. We have become more flexible in this, but this continues to have a significant weight.

Another important point, and this will probably be a question in the Q&A, refers to the readjustment of prices. We mentioned this in the last quarter call, negotiations where between 12% and 15%. Some contracts have already been adjusted during that period.

Now, for most of our portfolio that undergoes a readjustment in July, the levels have gone up to 19%, 20%, very close to the readjustments of our partners of SMEs. One of our affinity partners once again is practicing this level.

And before I give the floor to Fred, I would like to quickly refer to our performance in SME. Nothing has changed. We have an expressive growth of 17% vis-à-vis last year. This is a channel with good performance. Of course, they were somewhat impacted by omicron like the affinity group, but in the 2Q, we see that this is very much in line with what we have planned for the year.

Very well. I would like to thank all of you for your attention. And without a doubt, I will be back with you during the Q&A. I will now give the floor to Fred.

Fred Oldani:

Thank you, Elton. A good day to all of you. We begin on slide 20. Speaking about the quarter highlights, when it comes to our affinity portfolio, I think that Elton has already referred to this thoroughly. The figures of the 1Q show you that we are converging towards our goal of coming to a positive result in our operation.

We see this with a reduction of cancelation, which is ongoing. It is sequential at levels that are higher than we believe. But we do see a trend pointing to normalization of cancelations as we attain a different sales level, and in the coming quarters this should enable us to meet our target to have more organic growth in the Company.

In terms of net revenue, we had a minor drop in the year on year comparison and in the quarter on quarter comparison. This effect is associated to the portfolio performance and the trade-out movement that we observed in the portfolio. And all of this, of course, has an impact generating this drop in revenue for the quarter.

Our EBITDA reached R$53.2 million. And despite the drop in revenue, the work that we have done in expenses and costs in the past has enabled us to have a slight expansion in margin. Our EBITDA margin reached 50.3% compared to 30% in the 4Q21, and it shows you how important these efforts have been in terms of managing costs and expenses, considering the inflationary scenario and the increase in costs.

We have done very good work holding back our costs. In terms of net income, R$74.1 million. And here we have a significant growth compared to the 4Q21, when we had several nonrecurring effects hampering that quarter.

It is also worthwhile mentioning the negative impact and the increase of financial costs because of the interest rate scenario. When we look at the past, we had very little interest rates. We are now at more than two digits, and of course this will continue exerting pressure on the coming quarters.

Our net debt stands at R$1.4 million, a drop of 7.7% when compared to the previous quarter, a level rage of somewhat less than 1.4x net debt to EBITDA. Our cash flow reaching 66.4 million, a minor retraction when compared to the 4Q21, and we are going to mention this in the coming slides.

In the next slide here, we have our consolidated results. We had that minor drop in revenues with a slight expansion of EBITDA margin, with a very good performance and costs and expenses.

And here you can observe the drop in COGS and SG&A compared to last year and compared to the 4Q21 where the difference is significant, associated to savings in several line items.

The management of leads that has gone down to a Escale with an important impact. Another line item such as third party services and the work carried out with the personnel, the work carried out by the management at the end of last year to adjust the structure to the new reality of our macroeconomic scenario.

Here, we would like to highlight the bad debts that stands at R$24.3 million. What we see here is an excess compared to what was expected. The figure should be R$21 million, but we still have a surplus due to the delinquency. And of course this continues to generate pressure in that line item.

I have already mentioned all the other line items in the first slide, and I would like to continue on to the next slide to speak about our cash flow. The cash generation for the quarter was impacted. We have two events that we would like to mention. The first, a reduction of the cash operations, something we have been anticipating for several semesters.

Since mid-last year, we mentioned that we were making adjustments in this model in the volume and in the way of paying. And we implemented this in the 4Q21 and we had mentioned that beginning in the 1Q, it would become clear the change of policy that we had. We had a drop of 36% vis-à-vis the 4Q in terms of commissions, as you can see, and this shows you how far we were able to implement this new strategy without having a relevant impact on sales.

We carried out surgical changes, and in the cash flow, we would have a total value on average. But these are activities, of course, that ended up leading us to this scenario, and without having a significant impact on our sales performance.

The second line item is working capital. Here we have one-time impacts, temporary differences in accounts receivable, accounts payable with our HMOs. Of course, they should not lead to any sort of concern. We tend to have positive and negative values throughout the quarters, but they do end up leveling out.

Another important point that I would like to mention here refers to the approval we had yesterday at the Board of Management. We are going to work with R$1.7 billion of funding. This is something that will happen during the 2Q to roll the debts that have a maturity at the end of this quarter, as well as at the end of the 3Q.

Nowadays, we cannot offer you additional details on this operation, but throughout the 2Q, when the operation has been fully materialized, of course, we will come up with a new communication, informing you on the volume and the different accounts of this operation.

This is what we wanted to remark on our performance in the 1Q. We would now like to go on to the question and answer session.

Q&A

Leandro Bastos, Citibank:

Good morning, and thank you. We have two points here. The first referring to the adjustment in your incentive model. We have already seen a drop in the cash and commissions model for the quarter. As you are already working with this new strategy for some months, perhaps you could share with us the feedback you had had from the channel and from your main partners, the brokers. You said that there is still the effect of deferment. As this becomes stabilized in the coming quarters, which will be the normal level for that line item?

Secondly, when it comes to the readjustment, simply to confirm the comment of an average readjustment between 19 and 20 for mid-year. And in this case, which is the competitiveness of the product compared to SMEs that recently announced their readjustment? Thank you very much.

Elton Carluci:

Leandro, good morning, and thank you for your three questions. I will begin speaking about the incentives. We are coming from a very important event where we awarded our sales champions in the program *Tamo Junto*. This is a loyalty program where we work jointly.

I believe that based on the feedback that we received, our main partners who understand the importance of gaining customer loyalty and the importance of generating a portfolio, I can say that this topic for us is one that has been surpassed. We do not hear any noise in that direction because we have a broader portfolio. No health company has what we have in terms of products.

So this is an issue that has been overcome because of the products and the sales levels that we observe after that seasonal effect/omicron that we had in December and January impacting the figures of those two months. But based on the figures of April and May, and based on the initial figures of May, once again, this is an issue that has been fully overcome.

In terms of the deferment and the payment in installments, we will move towards stabilization. This may vary based on sales volume and average ticket. It could be more or less 5%, but it will reach 80%, 90%. That should be the normalized figure, and it can vary according to that range based on the behavior of the average ticket because of the mix.

And in the last point in terms of adjustment, yes, 19% to 20%, and the price differences will remain the same. Despite the readjustment, the portfolio dynamic helps operators make readjustments. You could launch a new product every week, and from the operational viewpoint, this might be complex, but the portfolios have already been adjusted to take in that difference, and this will not change the dynamic considerably.

We know which is the percentage of the population that has a company. This is a more stable business, and the price dynamic and the commercial dynamic will be maintained. We do not foresee any change in that scenario, and the list prices after the readjustment will reflect the price differences we have now.

Leandro Bastos:

Thank you, Elton. Thank you for the answers.

Pedro Lima, BTG Pactual:

A good morning. Here on our side, our question refers to organic growth, especially the churn variation. We would like to gain an understanding of the strategies you are putting in place to be able to lower the level of churn. And as we will have a high readjustment of prices, which will be the final impact on the Company's churn? If you could share with us what it is that you are thinking for the rest of the year. Thank you very much.

Elton Carluci:

Pedro. Good morning. Once again I will begin, and perhaps Fred would like to add to the answer. First of all, the readjustment. Let us address that point. We are looking at the 2H with a readjustment of 19% to 20%. That is, last year we had an average of 37%, and the differences are significant.

We have run our planning with figures that are somewhat lower than this, but in fact, we do believe that it will be possible given the level of sales and some sales activities that we will still implement. We are working with a base scenario that will end up being positive. This has not changed so far.

This in terms of gross adds. When it comes to churn, and of course, this is important, the delinquency rate is still not at the level it should have reached. We have a rather slow conversion. It should stabilize.

The good news is that it is high and it still has not stabilized. It has marginal enhancements must after month. And this is good news. If it had already stabilized, of course, we would have greater difficulties. And there are some factors that help us. We already observe a better relationship of LTV CAC for the last harvests.

So in general, I would say that, yes, those 20% will exert more pressure in cancelation compared to a 15% readjustment. Of course, it will increase pressure, but we are putting aside the gross adds, we are using our gross adds to offset this and using very flexible policies in clients who default.

We have greater discounts for clients who decide to come back. If the product is of lower cost, we can offer payments in installments. Several strategies to decrease the impact. And we believe with this it will be possible to mitigate that difference in the readjustment. And we are not changing our base scenario, as Fred has mentioned.

Pedro Lima:

Thank you very much.

Vinicius Ribeiro, UBS:

Good morning, and thank you for taking our questions. We have two. The first question is a follow up of the first question, referring to commissions. We are trying to understand the issue of the deferment of payment. When we see what you have in the balance, we end up with the same figures you had in 2021, R$72 million. Simply to understand that difference of cash commissioning and the commissioning in the balance, should it be that amount? And if we compare these two amounts and what was paid in terms of commissions last year, should we expect an enhancement or a level of stability, when we think about the comment of Elton about the R$90 million?

The second question refers to the bad debts. We have seen a better recovery than we saw in some semesters last year. Was there something specific there or is this simply a one-time event?

Fred Oldani:

This is Fred. When it comes to the cash and commissioning, yes, there can always be a difference between these two values. It is an issue of timing between the measurement and the payment. And you could calculate this in one semester and pay it in the next one if an invoice comes in delayed or something.

These are one-off events. We do not have an expectation regarding this. If there is any difference or if there is a specific invoice that has not arrived, for example, we will have to readjust this in the monthly accounts.

Regarding stabilization, nobody has sufficient information to be able to look at our cost of acquisition this quarter. This payment does not refer to 100% of commissions. We have three or four different models of incentives. And of course, without the payment per se, we will not be able to know if it is higher or lower vis-à-vis any quarter last year.

We have to base ourselves on the right details to break down this figure. What we can say is that, beginning in the 3Q, this will become very clear, the run rate that we will be working with based on CAC on average.

Before that, I do not think it will become clear. And yes, we do have an issue in terms of the installments. The run rate tends to be higher, and we do not know if it will be R$65 million or R$70 million. It should stabilize at a higher figure. But because of the guidance that we have given, it is a reduction of CAC per life compared to what we had in the 2Q21.

This is a strategy that remains and we continue to use the same perspective. It is not easy to observe this in the results. It will take some time, at least two more quarters to have a clearer vision, because the possibility of making a mistake is 100%.

I am sorry, on the second question referring to recovery, what happens is that we still have a recovery this year associated to the collection activities we carried out last year. We carried out several recovery collections last year that still have an impact. And in the 2Q, perhaps we will have more information on recovery.

What we do expect is that, with the normalization of default rates, we will have a lower level of R$22 million per quarter, I believe, once the delinquency rates have been normalized.

Vinicius Ribeiro:

Thank you, Fred. Thank you for the answers.

Mauricio Cepeda, Credit Suisse:

Hello Bruno, Elton and Fred, thank you for taking my questions. I do have some questions that complement the previous ones. We go back to the SMEs. We have a tactical difference in operators between the prices for SMEs and affinity groups. If you could perhaps illustrate the magnitude of this difference, what is it that they are seeking?

The second question refers to working capital. You had a certain cash consumption in working capital in the more operational accounts receivables or price transfers. If this relates to your work with the people that are in default, the possibility of paying in installments, what lies behind this consumption of working capital?

Elton Carluci:

I will begin, and then Fred will speak about the consumption of our cash flow. The difference that we observe on the streets and that will be maintained, it is a policy. It is not a general rule. We always observe differences between 20% and 30% between affinity and SME.

Depending on the month, it could vary a bit. The exchange of portfolios is not simultaneous. Sometimes the affinity group has differences that are below 10%, but we have a change of portfolio of SME, a readjustment, and we have to activate each different contract to be able to release our price, and this could take 30 days. And in 30 days, the prices will drop.

Now, when you look at the differences, these price differences tend not to be real. The real differences are between 20% and 30%, with most of our partners. We have several analyses here, and the changes that we implemented in our own strategy to generate and capture leads. Of every 10 that I receive, 2 to 2.5 have a company, the rest is eligible for affinity, as part of the rules of the game. Of course, we work with the companies, and if they become inactive, they should not be eligible.

But what we tend to observe in our base, we have a number of studies on this, and what comes in at the top of the funnel are differences in terms of the generation of leads, and then we work with the necessary enrichment and statistics to see what is eligible for SME and what is not. And this continues to be stable at the top of the funnel, basically. It is a difference in price and a difference in addressable market for the products.

I would like to give the floor to Fred for additional clarifications.

Fred Oldani:

Regarding the working capital, yes, the delinquency, or default, did had an increase. We received something very close to R$13 million. Of course, it had an impact. Now, the greater impact was R$35 million referring to the account arrangements with some of the HMOs, some of the operators. There is always some type of difference that is offset during two or three quarters. In the 1Q, this represented R$35 million. This is the main factor associated to your question. These are one-off events that tend to normalize throughout some quarters.

Mauricio Cepeda:

Very clear. Thank you, Elton. Thank you, Fred.

Estela Strano, JPMorgan:

Good morning to all of you. Thank you for taking my question. I have two questions. The first, what is happening with your retention effect if you consider the new company initiatives? And which is the churn that you expect? Thank you.

Elton Carluci:

Good morning, Estela. When it comes to retention, we have implemented quite a number of things. We have an enormous squad here that is working with the issue of loyalty, and we have hundreds of things that were tested that made a great deal of sense, which were implemented. And when that test did not prove to be effective, we did not proceed with the initiative.

Our effectiveness increased as part of the score that we have in terms of clustering. We prioritize an important part. We work with our commercial team as well at that time. We have a list of criteria to guarantee that they will only act when we are demanded, to avoid having self-generated down trade. This does not happen.

In fact, when the client looks for us, we have an indicator that has been through one of the channels, or a digital channel carried out a simulation, and there is a reason to think that they are going to cancel.

All of these actions have been very successful, and that is why we have brought the cancelation per request to almost historical levels. This shows that our activities therefore were quite successful.

We continue to seek out alternatives. When a new HMO or operator comes in, when we begin to offer a series of offers, we do this again. Recently in Quali, we have a more operational detail that includes artificial intelligence that works since the call center. Any person with minimum training can already work on retention. It is something that is highly intuitive. There are questions, they offer the client score and see what they should offer and should not offer, not only from the viewpoint of process, but also technology.

We have made significant strides and our squads are working on AB tests, on hypothesis, testing different possibilities, and carrying out what we call surgical work. For Operator A, we test one type of activity, for Operator B, another type to see what is truly operating, and if it can be measured through indicators.

Of course, it continues to be a challenge, and I would love to have several operational problems impacting cancelation because that is much easier to resolve. We have technology and people with deep knowledge of the Company and the sector to quickly implement processes. We do have a significant macro weight based on the percentage of cancelation, on default.

On the survey that we carried out, it has a very high degree of reliability. And when those who say they are going to the SUS health system, we check this. And normally, this indicator does not change. So the macro situation does have an impact.

And we have down trade, we have the entire range of portfolios. We can work with the retention in-house, but there comes a point where we can no longer act. This is the main challenge, and this is where the squads are working to attempt to reduce the default levels so that we can normalize this.

We would like to go into the 3Q where we have readjustments with this indicator already normalized, with a level, of course, where it will be possible to deliver organic growth in the Company.

This is our target today. We are speeding up everything. We are not putting aside any efforts until we get to the 3Q, where of course, we will suffer pressure and additional basis points of readjustment. We will see the percentage that I have mentioned of 19% to 20% of readjustment. This is what I had from my side.

Ricardo Boiati, Safra (via webcast):

On the impact of the present day inflation on future plans and affordability of plans, is the trade down movement accelerating? Which are your expectations for average ticket?

Elton Carluci:

The trade down movement has remained stable vis-à-vis our performance last year, and basically it is the result of our retention actions. If somebody wanted to cancel and purchase another product, it means that we have been able to maintain that person in the Company, and we have not had great variations in the number of lives that carry out a downgrade, and the percentage of ticket reduction also continues to be stable.

We do not have a change in terms of the number of downgrades vis-à-vis the previous quarter, nor in the percentage of ticket reduction for those changing products.

Gustavo Tiseo, Bank of America:

Good morning. Thank you for taking our questions. We have two. We would like to understand the agreement with Unimed Insurance, if this agreement were closed some time ago, and if you had a payment during this quarter. If you could give us details, does this agreement include exclusivity? And is the contract scalable? Does it follow what we saw with Hapvida?

And the second question refers to the competition. Which has been their reaction at present? Any change in behavior? Are they increasing their brokerage to be able to compete with you?

Elton Carluci:

Very good questions. We acquired this operator last year, I believe, and the payment was made. The details will have to remain confidential. We are convinced of the potential of this product. We have the list of prices and everything else, and very soon we will be able to sell this. You will be able to see the price positioning. I would not like to anticipate this information. Very soon you will be able to observe the figures. This product has significant potential for the markets where it will be launched. This is what I can remark on this agreement.

Regarding your second point, the environment of competition, I will refer to the scenario. Basically, we do not observe any significant changes in this scenario, in the product positioning and competition incentives. What we see is something quite constant. Perhaps, as you can see in the number of our gross adds, we monitor everything that is happening and we do not foresee a change of scenario.

And when I speak about scenario, I am not speaking only of affinity groups, but also SME or other product launches, or individual plans. We look at everything. Our commercial intelligence core has observed all of this and there are no significant changes.

Gustavo Tiseo:

Thank you very much.

Operator:
The question and answer session ends here. We would like to thank all of you for your participation. The presentation of results for the 1Q22 ends here. Have a good day.