Q1 2018 Earnings Call

Company Participants

- Daniel Sonder, Chief Financial, Corporate & Investor Relations Officer
- Rogério de Araújo Santana, Investor Relations Managing Director

Other Participants

- Eduardo Nishio, Analyst
- Frederic de Mariz, Analyst
- Gabriel da Nóbrega, Equity Research Analyst
- Luis Fernando Azevedo, Analyst
- Pedro Gonzaga, Analyst
- Rubens S. Oliveira, Analyst

MANAGEMENT DISCUSSION SECTION

Operator

Good morning, ladies and gentlemen, and welcome to the audio conference call about the Earnings Results of B3 for the First Quarter of 2018. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions to participate will be given at that time. As a reminder, this conference is being recorded and broadcasted live via webcast. The replay will be available after the event is concluded.

I would now like to turn the conference over to Mr. Daniel Sonder, Chief Financial Officer of B3.

Daniel Sonder {BIO 18250247 <GO>}

Good morning. I would like to welcome you all to B3's first quarter 2018 earnings conference call. I am here with Rogério Santana, Head of the Investor Relations team, as well as the Finance and Investor Relations teams. And I'd like to start by thanking them for preparing the documents you have in front of you. And additionally, on behalf of the entire executive team of B3, I'd like to thank all of you for your continued trust and support.

Let me take a moment to highlight that, in order to preserve comparability, the year-over-year analysis is based on a non-audited combined income statement for first quarter 2017, which includes BM&FBOVESPA and Cetip's figures for that quarter.

I'll start the presentation in slide 3, where we show the operational and financial highlights for the quarter. As we will delve into further details throughout the presentation, we had a very strong performance this quarter with four out of five of our major revenue groups growing at a double-digit pace. Average volumes grew around 40% from both BM&F and Bovespa segments and reached all-time highs, while the numbers of vehicles financed increased in the high single-digits, positively impacting our Liens and Loans segment. Our systems were fully prepared to deal with this unprecedented volumes witnessed in some of our markets. This was only possible because, over the past years, we have made significant investments in our IT infrastructure, raising the bar in terms of performance, risk management and systems availability.

On the right side of the slide, we see that our revenues grew by 18% year-over-year reflecting the very strong operating performance in the first quarter of 2018. It is important to mention that first quarter 2018 had two working days less than in the previous year, which offsets part of the volumes growth previously mentioned.

Adjusted expenses reached BRL 225 million, 2.9% lower than in the first quarter of 2017 since the positive impact from synergy gains more than offset inflationary adjustments that apply on wages and contracts, which represents a significant portion of our expenses.

EBITDA adjusted for non-recurring items was BRL 760 million, more than 18% increase versus the previous year. Despite such increase, EBITDA margins were stable around 68% since they were impacted by the increase in provisions for legal disputes in which part of the amount under discussion is updated according to the market prices of our shares B3SA3.

Additionally, the increase in revenue-linked expenses also led to stability of EBITDA margins and we will go into more details about that later on. Recurring net income reached BRL 448 million, a 15% decrease, mainly explained by a lower financial result as we currently hold a smaller cash balance versus last year first quarter as a result of the transaction with Cetip, which was paid for at the end of the quarter in 2017.

Now, Rogério will give more details about our operational performance.

Rogério de Araújo Santana

Thank you, Daniel. Good morning, everyone. I would like to ask you to move forward to slide 4 where you see the revenue performance and breakdown for the first quarter of 2018. In the bar chart on the left side, we see that revenues from all five segments grew year-over-year leading to 18% growth in total revenue.

The highlights were the BM&F and Bovespa segments as well the Cetip Liens and Loans segment. This last one was impacted by change in the business model of some services, and we will go into more details in the coming slides. In the pie chart on the right side, we see the breakdown of revenues for the quarter, which shows once again how highly-diversified and well-balanced our business is.

Moving to slide 5, you will find details of the financial and commodity derivatives market performance where we had a 24% revenue increase year-over-year. As you can see, we experienced significant volume growth in all groups of contracts. The two most significant groups of contracts, the interest rate in BRL and FX rate contracts grew around 30% year-over-year, while stock index contracts more than doubled in the period.

On the other hand, the average RPC fell 4.7%, reflects higher share of day traders and High Frequency Traders that are eligible to discount. These two groups of investors are becoming more relevant in the mean FX contract and mean stock index contracts, and putting more pressure on the average RPC of those two groups, as you can see in the table on the bottom-right of the slide.

In the slide 6, we have the performance of the equities market in the Bovespa segment, where we also saw revenue growing more than 30% year-over-year, driven by a 40% increase in the ADTV, which went from BRL 80 billion (sic) [BRL 8 billion] (00:06:28) in the first quarter of 2017 to BRL 11.3 billion in the first quarter of 2018, all time high for this segment.

This performance reflects the continuous recovery of the Brazilian equities market, which is helped then by the 29.4% increase in the market capitalization of Brazilian listed companies (00:06:53).

Turnover velocity also shown solid growth from 71.1% (sic) [71.7%] (00:06:59) in the first quarter of 2017 to 77.7% in the first quarter of 2018. Both performance are shown in the bottom-right chart.

Trading and post-trading margins fell 3.6% year-over-year due to lower participation of equity derivatives and discounts triggered by higher volumes traded. In the first quarter 2018, the ADTV was above BRL 9 billion (00:07:27) in every month of the quarter and as you know this is the first threshold that triggers volumes discount to the market.

Next in the slide 7, we present the performance of the Cetip Securities segment. The value registered of fixed income instruments was up 12%, driven mainly by increasing issuance of bank deposit certificates or CDBs. This increase in turn propelled the outstanding value of fixed income securities on which maintenance fees apply, which reached BRL 4.5 trillion in the first quarter of 2018 and raised 13% year-over-year. Revenue generated by monthly utilization fees paid by our clients grew more than 20%, mainly reflects the new pricing policy implemented in January 2018.

Finally, it's worth to note that, the first quarter of 2018 revenue in this segment reflected the full impact of the sharing of expense synergies that arose from the business combination with Cetip, which was translated in price discounts amounting to BRL 7.8 million and applied on different revenues in this segment.

In the slide 8, we show revenue for the Cetip Liens and Loans segment, which grew 16.1% over the first quarter of 2017, propelled by 8.5% growth in the number of vehicles financed in the period. The company's market share in the Contracts System contracted to 66.7% in the first quarter of 2018 versus 74.4% in the previous year first quarter. This reduction is explained by the fact that B3 has not offered the Contract System services in the state of Minas Gerais since September 2017. The most relevant issue in this segment has to do with the new business model for the Contract System adopted in the state of São Paulo, which positively impacted the revenue from this segment. I will go in more details on that in the next slide.

As you can see in the slide 9, the Contracts System services was impacted by the adoption of a new business model in the state of São Paulo, which introduced a new player in the channel used to raise their loan in the local DMV (00:10:13). Under this new model, B3 transmits, on behalf of its clients, detailed information about loan to an accredited registering company, which in turn registers the contracts with the local DMV. In the previous model, B3 transmitted this information directly to the local DMV, which executed the registration of the loan.

Under this new model, we now bundle in the price charged by B3 from financial institutions both the fees related to our own services and the fees related to the services provided by the registering company. This has a positive impact on the revenues reported under the Contracts system as discussed in the previous slide.

On the other hand, the amount related to the services rendered by the registering companies booked as an expense by B3 under the expense line third-party services and that's why revenues went up, so did expense. B3 worked with its clients and other partners to adjust several aspects of the economics of this business and yet there was a negative impact for B3.

In summary, under this new model, the total fee per contract transmitted will increase from BRL 55 per contract to BRL 90 per contract, while revenue-linked expenses will increase from BRL 14.9 per contract to BRL 57.6 per contract, growing proportionally more than revenues.

This explained why the earn from each contact transmitted will decrease to BRL 26.34 per loan transmitted after paying the costs of the services provided by the registering company, the sharing of revenues with other partners, and the taxes on revenues. It means 30% reduction in our gain.

In the previous model, B3 used to earn BRL 37.5 per contract. These changes are fully reflected in the first quarter of 2018 results. Additionally, B3 has worked on initiatives to offset most of the negative impact from this new business model, and the roll out of those initiatives is expected for the coming quarters. Finally, if other states migrate to the same model adopted in São Paulo over the next quarters, B3 revenues and expenses will be impacted again.

Now, I will hand over the presentation back to Daniel, who will detail our expenses and other financial highlights.

Daniel Sonder {BIO 18250247 <GO>}

Thank you, Rogério. On slide 10, we have updated information on expense guidance for 2018 and the actual expenses for the first quarter of 2018. B3 reviewed its guidance for 2018 full year adjusted expenses and started to disclose also the range for revenue-linked expenses. We believe that, given the changes in the Contract System described previously by Rogério and the relevance of such expenses in the total expense of the company, it will be helpful for investors to have an additional breakdown of our expense guidelines. This will allow investors to track the adjusted expenses of B3 over time, making the systems comparison of those expenses which are not linked to revenues, while also having visibility of the expenses that are tied to the performance of our revenues particularly of the Contract System. The 2018 guidance for depreciation and amortization and expenses related to the business combination with Cetip are reaffirmed and have not changed.

I will skip the explanation on adjusted expenses because I will cover this in the next slide. So starting at the depreciation and amortization line, the main highlight is the fact that, in the first quarter of 2018, the numbers include BRL 187 million in amortization of intangibles recognized in the context of the combination with Cetip. The amortization of these assets started in April 2017, so were not there in the first Q 2017 (00:14:28).

In the case of expenses related to the combination with Cetip, we see a significant drop in that line, reflecting the fact that we have moved forward in the integration process. When we look at revenue-linked expenses, as Rogério explained a minute ago, we note that this group of expenses was impacted by the new business model adopted in the state of São Paulo for the Contract System.

From now on, these expenses will be more exposed to market activity in Cetip Liens and Loans segment. Also, if other states adopt the same business model, the guidance of BRL 200 million to BRL 220 million is likely to be revised. As will be the case, if the performance of the segments differ significantly from our forecast.

The only two groups of expenses for which there is no guidance provided are stock grant expenses and provisions. In both cases, a significant portion of these expenses is directly linked to changes in the market price of our share B3SA3.

The significant year-over-year reduction in these two groups of expenses is mainly explained by non-recurring provisions booked in first quarter 2017 in the context of the combination with Cetip.

In slide 11, the next one, we show the behavior of the company's adjusted expenses. Adjusted expenses reached BRL 225 million, a 2.9% decrease year-over-year. Personnel expenses were close to flat, despite the 3% annual salary adjustments and lower amount of personnel expenses capitalized in projects. The synergy gains from the combination with Cetip is offsetting this growth pressure. As we disclosed in December 2017, all the decisions and measures that were necessary to entirely capture the expense synergies of the merger were made and executed by the end of 2018. As a consequence, the first quarter of this year is the first quarter when we see the full impact of the synergy gains from the combination with Cetip. Between the years 2018 and 2020, the expense synergies will amount to BRL 100 million per year. In 2021, after the conclusion of the data center integration process, total synergies will increase to BRL 110 million yearly.

Moving to slide 12, we show our financial robustness with a solid cash position, which is an important part of the business of being a credible counterparty in the financial markets. Our total cash amounted to BRL 7.5 billion at the end of the last quarter, composed by B3's own cash and third-party cash, mainly related to collateral pledged in cash by our clients.

In the light-blue bars, you will find B3's own cash, composed of restricted and unrestricted cash, amounting to BRL 5 billion in the first quarter 2018. B3's own cash includes the necessary cash to run the day to day activities of the company that totals between BRL 2.5 billion and BRL 3.0 billion. This amount includes approximately BRL 1.1 billion in clearinghouses' required safeguards. The remaining adds to liquidity that supports our activity as central counterparty and general corporate needs.

The cash balance at the end of the first quarter of 2018 includes BRL 200 million in interest on capital that were already paid in early May 2018. The bars on the left side of the chart show third-party cash, which amounted to BRL 2.5 billion, mainly composed by market participants cash collateral of BRL 2 billion. It is important to highlight that the company earns interest income on most of this cash balance.

In slide 13, you see the company's debt profile and amortization schedule. Currently, our leverage is temporarily higher with a gross debt to adjusted EBITDA ratio of 2 times in first quarter of 2018. Our target is to reduce this ratio to 1 time by the end of 2019, following the debt amortization schedule you see in the bar graph on the upper-left side. As you see in the chart, we have a BRL 1.5 billion debt amortization scheduled for December 2018.

Considering the company's cash position and the cash generation we forecast for the year, we believe we will be able to amortize this debt at the same time that we keep a payout ratio between 70% and 80% of the IFRS net income.

With that, I'd like to conclude this part of this part of the presentation and open up our question-and-answer section. Thank you.

Q&A

Operator

Ladies and gentlemen, we'll now begin the question-and-answer session from investors and analysts. Our first question comes from Rubens Oliveira from Banco Plural.

Q - Rubens S. Oliveira {BIO 20500659 <GO>}

Hi. Good morning. I have two questions that are related to Cetip Liens and Loans segment. First, you mentioned that you're working on a series of initiatives, which will be rolling out in the forthcoming quarters. Could you give me a little bit more clarity on what exactly these initiatives are that you'll be implementing, and if there will be any new initiatives?

Also my second question, I see on your site here that you have two states that are transitioning to the new business model and you are in negotiations with the other states that you currently operate. Do you have any probability that you will transfer it to this new business model or not? Thank you very much.

A - Rogério de Araújo Santana

Hi, Rubens. Thanks for the questions. Part of the answer for the first question has to do with your second question because some of the initiatives that we are implementing is trying to resuming our services or implementing or expecting to offer our services in the states where today we are not offering that. So, by doing that, using this new model, we could increase our market share and partially offset the negative impact of this new model.

The other initiative has to do with the fact that we are revisiting some of the services, some of the discount schemes that we have and so on and so forth, and this is something that is under discussion currently with our clients. And we expect that in the coming quarters we'll be able to give more visibility on that and then have more clarity on what is going to be the final net impact for us.

Q - Rubens S. Oliveira {BIO 20500659 <GO>}

Thank you.

Operator

The next question comes from Eduardo Nishio, Banco Plural.

Q - Eduardo Nishio {BIO 15333200 <GO>}

Hi. Thank you for taking my question. Just a follow-up on that. Is the regulatory, I guess regulatory changes have been driving this new model, so would be that inevitable to see the new model running out to all states going forward, given this new regulatory frame? And if there is any kind of spillover effect for the Gravames, the liens kind of business, as well in the future, given that this regulation has changed and how DMVs are wanting to have a bit more share of the revenue pie.

And my second question relates to the dollar exposure. We see in the second quarter the dollar appreciation. If you can remind us about your net exposure to the dollar and if everything is hedged or not? And if you can open that on the revenue and expense side as well? Thank you.

A - Rogério de Araújo Santana

Hello, Nishio. This is Rogério. Thanks for the questions. Regarding your first question, we expect that some other states will in the coming quarters migrate to this new model. But, as you know, we do not control this process, because it has to do with specific regulations that must be released by the local traffic department. In our view or based on our expectations, probably we're going to see more states moving in this direction in the coming months.

Regarding the liens business that you mentioned, there is a new regulation that is the Resolution 689 that is going to be implemented in September this year. These new regulations currently under discussion with the National DMV as well as with ourselves and the banks and other third-parties, probably it's going to – we're going to see some change in the regulation. And specifically regarding what could be the impact for our business, we are optimistic that we're going to preserve materially all the liens business that we have today.

A - Daniel Sonder {BIO 18250247 <GO>}

Yeah. Now, thank you for the question on the FX exposure. We have about 10% to 15% of our revenues exposed to FX, which have to do with the contracts in the futures division in the BM&F division that are basically the dollar-linked futures and that's about 10% to 15% of our revenue as well as a little bit of market data and also dollar-denominated swaps in the OTC segment. We do not have any longer any hedges for that in the revenue side, so we are fully exposed to the FX changes on the revenue side.

On the expense side, we have about 3% of our total expenses are dollar denominated, but we do hedge, I would say, probably two-thirds of that for the full year early on every year, so for that you know to make our handling of our budget process and also the guidance is more, let's say, robust. So, we are fully hedged on the – not fully, but we are almost fully hedged on the expense side. We also have some liabilities in U.S. dollar, the 2020 bonds are fully hedged both for principal and coupon payments, and we have a direct loan that is also, let's say, structurally hedged through the loan structure that we did through a foreign subsidiary. So, on the liability side, we also have no exposure.

Q - Eduardo Nishio {BIO 15333200 <GO>}

Great. Thank you so much.

Operator

The next question comes from Gabriel da Nóbrega, UBS.

Q - Gabriel da Nóbrega

Hi, everyone, and thank you for the opportunity. I just wanted to have maybe an update of the competitive environment within ATS (00:26:39). Do you think maybe (00:26:41) could begin operating this year or maybe even in 2019 and how could that impact your own business? Thank you.

A - Daniel Sonder {BIO 18250247 <GO>}

Thank you for the question, Gabriel. We are following that situation. As you know, we have done some preliminary tests with the potential new entrants as was our commitment with our regulators and with the anti-trust regulators. And so, we are following that, but we have no way to give you a precise timetable. I think that the timetable for their entering into operation will depend on their ability to obtain the approvals from the federal regulators, as well as complete the tests with us. There is, as you know, an ongoing arbitration discussion regarding one of the parts of our infrastructure, which might be required, which is the depository services for them to enter into operation. But I think that, again, the schedule will depend on them obtaining the approvals from the regulators as well as dealing with certain legal and reputational issues, which you might have become familiar with through the news.

Q - Gabriel da Nóbrega

All right. Thank you. And if you allow me to, I'll make a second question. It's regarding your pricing committee. We have seen fees and our margins coming down this year. Could you maybe give us an update of how this committee is ongoing and until what point do you expect some pressure to continue on compressing? Thank you.

A - Daniel Sonder {BIO 18250247 <GO>}

Yeah, I want to be very emphatic in separating the fact that our fees have come down from any discussions in the pricing committee. The fact that our fees have come down has to do with our pricing structures, which have existed for several years and which have not changed at all due to discussions in the pricing committee. And, as Rogério went through, they have to do with volume discounts, special categories of investors, day traders, High Frequency as well as sort of the mix between longer term contracts and shorter term contracts or mini contracts versus full contracts. These are the drivers of changes in our average fees and this has been in our pricing structure for several years.

Next point is, the discussions with the pricing committee have been very, very fruitful. I think that we have established good working dynamics with a very senior group of market participants. This, I think, was the intention from the very outset of this forum, was to be able to transparently discuss with them some potential adjustments in our fees that can go both ways. Sometimes we can propose upwards adjustments, when that's justified with respect to international benchmark and so forth, sometimes we may propose reductions that could come from our very sensitivity to what clients are telling us, where potential additional volumes could come from, if we change prices. So, as these take place, we will incorporate them in our discussions with the market and with investors.

But, at this point, I can say that, we haven't felt any concern or pressure from market players, including those that are represented in the pricing committee for us to have any sort of deeper or across the board reduction or changes in our pricing structure.

Q - Gabriel da Nóbrega

Right. That's very clear. Thank you.

Operator

The next question comes from Luis Fernando Azevedo, Banco Safra.

Q - Luis Fernando Azevedo {BIO 6695858 <GO>}

Hi. Good morning. I have two questions in the Lien and Loans segments regarding this new registry model. So the first is, regarding the new guidance of revenue-linked expenses, are you assuming that this model is implemented on in São Paulo or it moves to what proportion of your base? That's the first question.

And the second is, what prevents the client of this service to bypass B3 and contract directly your partner in the service, is it a matter of credibility compliance or B3 is still offering any essential service in the process?

A - Rogério de Araújo Santana

Hi, Luis. This is Rogério. Thanks for the questions. So, the budget that we disclosed yesterday regarding revenue-linked expenses considers a scenario where not only São Paulo, but also a second state migrates to this new model. So, as a consequence, if over the year other states decide to shift to this new business model, there is a chance that we will be obliged to revisit this guidance in the coming quarters.

Of course, to have additional revenue-linked expenses, we will also have at the same time additional revenues that today are not considered in our forecast. So, this is going to be the dynamic here. This 2018 is a kind of transition year that we need to track month by month how it's going, how it's evolving. Okay. Regarding – can you repeat your second question?

Q - Luis Fernando Azevedo {BIO 6695858 <GO>}

The second question is regarding the risk of client that hires B3 for this service of bypassing B3 and hiring directly the B3 partner to reduce fees?

A - Rogério de Araújo Santana

Thanks, Luis. To be very frank, it can happen, and there is no restriction that prevents the banks or any other financial institutions to connect directly to the register but why they have not done that it's because we have a very strong relationship, not only with the banks, but also with the bank's duration (00:33:37) and other groups of players. And we are sure that the value added by our services is the main reason why the banks choose to keep using B3 as a hub that will concentrate all the information on the loan, and these hubs managed by B3 will connect to registering companies in different states. So, making a long story short, why the banks will keep using B3 service is because of the value-add it provides.

Q - Luis Fernando Azevedo {BIO 6695858 <GO>}

And also credibility maybe right, so...

A - Rogério de Araújo Santana

It has to do with our long-term relationship with the banks. Of course, when you have this kind of relationship you build credibility with them, they trust on our services, on the quality of it, our SLAs and so on and so forth.

Q - Luis Fernando Azevedo {BIO 6695858 <GO>}

And a follow-up, if I may. Do you think if this new model you could access back Minas Gerais states?

A - Rogério de Araújo Santana

It is a possibility. It is a possibility. It's a possibility for Minas Gerais as it is a possibility for other states that we have not offered our services in the past. In the slide 9 of the presentation, you see these states in the gray color.

Q - Luis Fernando Azevedo {BIO 6695858 <GO>}

Yeah. Okay. Thank you.

A - Rogério de Araújo Santana

You're welcome.

Operator

Our next question comes from Frederic de Mariz, UBS.

Q - Frederic de Mariz {BIO 15383052 <GO>}

Good morning, everyone, Sonder, Rogério. Thank you for the opportunity. Just a follow-up on the ATS question. Can you just give us a bit of color how is it working on the testing side on the pure data side, are you connecting the CSD with ATS, how are the tests, how much, and in OpEx in spend time or should we expect on your side.

And then on this topic as well, obviously you won't be able to comment on the arbitration and details, but is it correct to say that they have six months to get to a final decision and that the decision will be binding. In other words, does it take us to the third, fourth quarter, if you could just provide a bit of color on the timing? Thank you.

A - Daniel Sonder {BIO 18250247 <GO>}

Sure, Frederic. Thank you. On the testing side, we did some again preliminary tests earlier this year in the first quarter. They did not take a lot of our time and effort, but obviously operations teams were engaged in doing that plus connectivity tests only not fully operational tests end-to-end. And, we will continue to do so as we are asked to do and we are keeping obviously our regulators aware of the fact that we are doing is kind of the effort that we are engaged, but it's not something that we are doing every week for several hours, at least not at this point.

With regards to your second point on the arbitration, there is no specific, let's say, timetable that we can share with you. The timing, let's say, to kick-start the arbitration was something that we were committed to. If we hadn't, let's say, reached an agreement up to a certain point, you know, the arbitration procedures could have been started, and they have. But, there is no timetable for them to end necessarily. This will be up to the arbitration court to decide at what pace they want to move forward with that discussion.

And, yes, the results will be binding with respect to the price for the depository services, which is what's under discussion. And yet, the regulators – CBM will have to, let's say, confirm that they are also comfortable with such prices because the final word on this is always on the CBM side and they chose the arbitration procedure as, let's say, a way for the parties to try to come to an agreement and then for them to give the final validation and sign off on whatever price comes out of the arbitration procedure.

Q - Frederic de Mariz {BIO 15383052 <GO>}

That's very clear. Thank you.

Operator

Excuse me, we have a question of Pedro Gonzaga with Pacifico Gestão de Recursos through the webcast.

Q - Pedro Gonzaga

Was there any retroactive payment related to the change of the Contract System model in São Paulo?

A - Rogério de Araújo Santana

Thanks for the question. This new business model was fully implemented since the beginning of January. So it applies from January 2 until the end of March. So this is the impact that we see for the entire quarter. There is no other retroactive payment or expense related to that.

Operator

The next question comes from (00:39:33).

Are the revenues-linked expenses 100% linked to the systems and contracts or is there other revenues considered in the guidance?

A - Rogério de Araújo Santana

It is roughly 95% of the revenue-linked expense is related to the Contract Systems, that is, there are others very small expense line that putting altogether does not sum up 5%.

Operator

This concludes today's question-and-answer session. I would like to invite Mr. Daniel Sonder to proceed with his closing statements.

A - Daniel Sonder {BIO 18250247 <GO>}

I would like to thank everyone for participating, and once again, please feel free to reach out to our Investor Relations team if you have additional questions that we may be helpful with, and thanks to all the team here next to me for putting all this together. Have a good day.

Operator

That does conclude the B3 audio conference for today. Thank you very much for your participation. Have a good afternoon, and thank you for using Chorus Call Brasil.