

## Q3 2019 Earnings Call

### Company Participants

- Eduardo Fischer Teixeira de Souza, Chief Executive Officer & Director
- Rafael Nazareth Menin Teixeira de Souza, Chief Executive Officer
- Ricardo Paixao, Finance and Investor Relations Officer Officer
- Unidentified Speaker

### Other Participants

- Andre Mazini, Analyst
- Gabriel Simoes, Analyst
- Jorel Guilloty, Analyst
- Luis Stacchini, Analyst
- Marcelo Motta, Analyst
- Nicole Inui, Analyst
- Unidentified Participant

### Presentation

#### Operator

Ladies and gentlemen, good morning. Thank you for holding, and welcome to MRV's Third Quarter of 2019 Results Conference Call. Today we have with us Mr. Rafael Menin and Eduardo Fisher, CEOs of the company and the Chief Financial and IR Officer, Ricardo Paixao. We would like to inform you that all participants will be on listen-only mode during the company's presentation. After the company's remarks are completed there will be a question-and-answer session when further instructions will be given (Operator Instruction)

Now I would like to give the floor to Mr. Rafael Menin, CEO of MRV. Sir, you have the floor.

#### **Rafael Nazareth Menin Teixeira de Souza** {BIO 16905756 <GO>}

Good morning, everyone. Thank you again for taking part in our call. Well, I would like to highlight certain important points, which make us very optimistic in relation to the future of the company and the market. I would like to say that we have a unique geographical position in the market. We are at a 160 cities in most of the states in Brazil, and this is where we have a potential market of over 300,000 households per year. It is an immense high and therefore our product has a share of 20% of this market.

For us to have this 20% market share we need to broaden the scope of the income brackets of the population that we aim at. So we decided to act on the base of the

pyramid and also in the segment 2 and SBPE [ph]. So we have around people with an income of BRL10,000 to BRL20,000 a month.

Our market also adheres to this new interest rate scenario, a reduction of instalments and to Minha Casa Minha Vida. All of these will enable us to grow in the future. We have made very big investments BRL600 million and this year we expect to invest BRL700 million. But this kind of an investment positions us in a unique position to serve this new real estate market in Brazil.

Another point, which is worth noting is that MRV has been monetizing the economic products, if you know our projects and work, you see we have a differential because we sell at a fair price. Our average price is a BRL160,000. It's a very high quality product. The perception of design technology, leisure, activities and spaces really position us at a differential within the market. This will therefore enable us to take on a bracket with a higher income with no major effort.

So two years ago we started thinking of product land bank to broaden our scope in this market. This investment has already been done. But now we are going to start reaping the fruits of the efforts that were started two or three years ago, and that's a very important point, is that this new moment that the Selic rates may be at 4%, 4.5% will change broadly the interest rates in the real estate market.

We have already seen this. Interest rates were at 11.5% two or three years ago. It has been dropping every quarter and there are banks offering SBPE interest rate at 9% or 6.9% which is very competitive and very similar to the interest rate offered at Minha Casa Minha Vida. Especially the segment two, the interest rates are very similar and the subsidies are small.

Another aspect is that LTV has been above the market of Minha Casa Minha Vida. It's capped [ph] to 85% in LTV. Minha Casa Minha Vida LTV is 71%, 72%. So at the top of segment two and segment three, SPBE in certain conditions are better than the entire market of Minha Casa Minha Vida. And the IPCA is also another important movement, Caixa Economica versus First Bank to open this line.

We believe that in the short-term cash will increase the commitment of income to 25% and this financing line and credit line will be more competitive with our dual fuel cost [ph]. We will say there are many clients in our portfolio that could choose SBPETR, SBPE IPCA and also Minha Casa Minha Vida. This is very positive. The client has the option of three different kinds of credits and funding. And if we think that SPBE ATR and interest rates can get at 7% under our bank practicing 9%, in special conditions that may be 7% will be the new normal and IPCA at 25% of the income commitment this will be even better.

This strategy that we planted two or three years ago has now proved to be a winning strategy and I believe that looking to the future, we will serve this new Brazil very well. We hope we have a country with interest rates, which are lower, inflation rates are lower in the long term, so we are very optimistic. Leandro [ph], this is not only a photo of the moment, but we think of the film that's coming.

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We have an addressed market, which will be much higher and our plan is highly doable and we are very confident that all these preparation, the land bank dispersion, investments in types of experience, digital technology everything that -- lots of good things were done, and from now on we will be serving the market well.

Another important highlight is the gross margin. Our gross margin dropped. We have operational excellence. This has been going on for a couple of years. We have a very low variation in performance quarter-to-quarter and I would say that in the last four quarters, we have lost gross margin, arriving at 30% something, and now 29.5%. We have given the main reason.

Some of them are outside our control. Minha Casa Minha Vida, the financing bank reduced LPV. It's tougher to obtain credit. There has been a change in the SOCIAL FATOR. So that has an impact in the lives of clients. This will not change. It's the rule of the program of the policy and part of the gross margin can be explained by the efforts that we are having in increasing the quality of products like solar panels, larger facilities, landscape, WiFi networks, safety networks, we have done a lot of things in LPV in order to demonetize our product compared to the Minha Casa Minha Vida

In the first moments this obviously pressurizes the margin, because Caixa Economica when they assess the real estate -- the property they take a photo of the past and to the extent that we have been able to prove to Caixa that it cannot compare our products. So they can compare our products to Minha Casa Minha Vida, the standard property Caixa. It will be improving and has been improving, more comparable assessment evaluations of our products. And therefore with our bigger apartments, we have increased the sales price and the dynamics are likely to improve and the GDP next year will likely be better. The confidence index also is likely to improve. So we believe that next year, as of next year, it will be better than what we had in the last 12 months.

And lastly we see two movements in the last 24 months. The first one was that we increased the (inaudible) sheet with up to 90%. And we also have changes in our manpower in a very short period of time, we have made many important learnings. This curve has already happened and what we see is that these new projects that are coming. They are performing better and in the medium run, we will be able to reduce costs and build efficiency in production.

Therefore, having said this, gross margin will move sideways for the next quarters in the short term, but at some point it will start picking up and we will have a gross margin back to 30%, 31% maybe even 33%, which we think is a good level for operational efficiency taking into account the size of the operation.

Another important thing is that our product is being accepted very well at a very high rate. we have included Chibber [ph] has been -- leasing rates, which is higher than we expected and we expect to end the cycle of Luggo which is to sell these four projects, two in Curitiba and Campinas and Belo Horizonte. We will be selling at SI as announced. SI is being marketed and we are closing the cycle, which we think is very important. And we

have a number of project working. Luggo is going through exponential growth period. We have seven to eight projects in 2021.

We have 20 projects and it's a product that we think is unique. So we'll be able to offer an extremely modern high quality products with the leasing value at BRL1,500 which is a product we see -- we do not see in the market.

We believe that this will work our application platform, which is Minha Casa Minha Vida, SBPE [ph] and now Luggo. So we are very optimistic. This has proved that two or three years ago, we did what was right and we will be the company that will be the best surfer in this new market, where we see unemployment rates, getting better and interest rates getting lower.

And I will now give the floor for the other CEO to give the indicator.

## **Eduardo Fischer Teixeira de Souza** {BIO 17580321 <GO>}

Thank you, Rafael. Good morning. I would like to give you some financial margin information, 15% in ROA. The net sales was 19% in these products. We also achieved the lowest volume in the last few years compared to 2018 and 51% differently from the years -- these nine months. In terms of expenses in innovation and technology, which is a high volume of revenues has increased our net operational in this quarter, is 2.2% lower than last year.

As a result, our return I over E has in the 12 months compared in the 3Q of '19 of 3 percentage points for the same period of 2017. To finalize, I would like to highlight the payout of extraordinary dividends as per announced in GOE at the general shareholders meeting, we paid out BRL328 million, which is BRL0.74 per share. And extraordinary will be paid in two different days in 2019. The first payouts is BRL0.37 per share, 14 of November. And then for the second part will be paid this year timely.

So if we take extraordinary dividends and mandatory dividends, this will mean BRL1.11 per shareholder. If we divide this according to the price of the share within the last period this corresponds to a strong payout. I would also like to say, I'll give the floor to -- back to Eduardo [ph] and then will have questions-and-answer session.

## **Questions And Answers**

### **Operator**

Thank you. We will now begin the question-and-answer session. (Operator Instructions) Gabriel Simoes from Itau BBA would like to make a question.

### **Q - Gabriel Simoes**

Thank you for the presentation. I have two questions. The first one has to do with the primarization of manpower. To what extent this can be achieved because we maybe have

not looked at this very clearly. How can this be responsible for reducing the company's margin, which is something I do not understand very well.

The second question is the land bank, which represents over 20% of the company, which is above the Minha Casa Minha Vida rate. And looking at the land bank information that you gave us throughout the quarter, the 11% of the land are for units above BRL200,000. So how much time do we have before we see this new scenario of a company which is launching units higher than Minha Casa Minha Vida.

## **A - Eduardo Fischer Teixeira de Souza** {BIO 17580321 <GO>}

Gabriel, this is Fischer. First of all concerning primarization let me give you more context. Within our consulting concrete factories we understood that you have this primary manpower within MRV. In the medium term it brings increased quality and lower costs in the medium run and as Rafael said we have a learning curve to achieve. It takes one entire cycle to be able to meet the standards. This is natural. This yes, it's happens. We started in the major urban centers.

We went through this cycle and now in the second cycle we achieved the efficiency we were expecting. Rafael highlighted is that we grew very quickly in terms of the implementation of the concrete walls in other cities, especially interstate. This translated in the growth of primarization and because labor now costs 50% of our total cost, this inefficiency or lack of full efficiency in this first cycle, which is natural dilutes this number and translates in this inefficiency rates that we still have to overcome. To the extent we move towards the second cycle, we have seen and this you can see our productivity index in the ramp-up it has been a little bit worse, but now it's better. We are able to see this efficiency being attained moving forward to its standard.

So that's concerning the number of people, you will see headcount it's no different. What we have from now on is efficiency gains and as this takes place there will be an improvement in our cost line, as an improvement of the margin.

Concerning the land bank, this BRL200,000 more Minha Casa Minha Vida is different according to the city. What I can say is that our land bank today is very much attached to as Rafael said, which is this new mechanism of cost and interest that we have in Brazil now. What we see now for the future and that what we gave disclosure of is a company that will have a less exposure to the workers' compensation fund and more exposure to the market.

And within this land bank, I would see that most of it already complies with this -- in this new scenario. Part of this land bank gets the clients that is depended on subsidized and also we take a client that is able to operate in other market offerings. So looking at the future, all this around the workers compensation funds keep give this a privilege way of working. We have never lived through this. History has not happened, especially for our segment. We are very optimistic and around 50% of our land bank is already able of working in this new dynamics.

## Operator

Our next question comes from Luis Stacchini, Credit Suisse.

### Q - Luis Stacchini {BIO 18717891 <GO>}

Good morning, everyone. Thank you for the conference call. I have two questions. The first thing is concerning MRV. We have seen that the company has been acknowledging the income level higher than the sales level. We see that the backlog has dropped and strong production. I would like to know what is your strategy in order to re-adapt the speed of production to a sales period or timeframe that is more compatible, or is this strategy to speed up sales? And what is your strategy to defend?

The second question is that for the sales, can you -- do you have any more flavor on this in terms of the gross margin, what is the ceiling for the acquisition of the fund? Are you expecting a higher volume of operations until your company has a better idea what the margin will be with more guidance from the market. Could you give me an idea of when this might happen.

### A - Eduardo Fischer Teixeira de Souza {BIO 17580321 <GO>}

This is Eduardo. Okay. Concerning income, what happens (technical difficulty) and we will be increasing it in this sense, in order to wait for sales to pickup. In terms of the liquidation, as we offer to keeping the fund the liquidation within the month of November, but I would prefer to show you the gross margin and net margin, and then the liquidation of the fund. But it's a margin -- a net margin which is similar or higher than what we have sold. We have already disclosed.

### Q - Luis Stacchini {BIO 18717891 <GO>}

Okay, Eduardo, do you think in terms of income from what -- if the idea is to keep the cost of production, is it -- okay, does it make sense that you will be burden [ph] of cash, which would be higher because of the part of the project which will not be as well sold as the rest or do you see -- or don't you see any risk in terms of revenue?

### A - Eduardo Fischer Teixeira de Souza {BIO 17580321 <GO>}

Let's see, in terms of risk this has not been on our radar yet, our analysis, we do not see this. And cash has been impacted by a production, which is higher than our net sales and transfer. So we don't think this will get any serious, more serious in terms of cash -- in terms of affecting the cash.

## Operator

Next question comes from (inaudible) BBVA.

### Q - Unidentified Participant

Good morning, everyone. Concerning the SBPE in your sales, it has been gaining market share across all of your sales. Could you give some more color on this. How have the

trends taken place in the PCA credit line launched by Caixa Economica bank.

And the second question concerning the average income bracket, which will probably gain more share at MRV. You say that more or less that the demand is focused in the Northeast and the Southeast where you have 40% of the land bank which is prepared to be used. Is there any concentration of the land bank in this region concerning, that the largest demand is in the Northeast and Southeast and what is your strategy for attacking the receipts [ph].

Are going to start by a specific region or are you going to measure all regions? How are you thinking about this, in terms of this new segmentation of the market.

### **A - Rafael Nazareth Menin Teixeira de Souza {BIO 16905756 <GO>}**

This is Rafael. Concerning SBPE, what have we noted? Income above BRL3,000 is higher than IPR and if this rate goes to 25% we expect a gain which is significant. Therefore this financing line will be here to stay.

For the meanwhile, it's only Caixa that's doing this but the private banks are likely to do it, for a number of reasons, because it's very competitive. It's becoming increasingly more relevant in our sales. But before there was a rupture. You had a market near Casa Minha Vida and you had a very high step to the next level. Now this step is no longer there. We have a zone which is intermediary, which is even eligible to qualify for this three possibilities of financing.

So this increased options. In an interview for (inaudible) economical newspaper, it's like a dual fuel, a bi-fuel vehicle. You can reduce -- if the interest rate reduces other side you can change. It's like changing fuels within a hybrid car. So we have the possibility of financing with three lines, which is wonderful. And we believe it will grow even more if interest rates drop, this IPCA goes from 20 to 25. These gray lines will grow very, very much.

And we read reports that analysts have said and they will be impacted by this new cycle of return on interest. So we see here again RV because of our size, the land bank where our geographical presence, we will be the company that is the most one to be impacted in this new scenario.

Concerning the land bank, I can say that it's strategy is responsible but the regions, all of them, all the metropolitan region, we have this two years ago, which is -- was when they started, we have increased our land bank to be able to meet income brackets which are higher and because we have a very large land bank from Minha Casa Minha Vida naturally the efforts for purchasing land bank is more focused for clients. With clients with an income with BRL4,000 to BRL10,000 per month. In the medium run, we expect that in NCGV [ph] the SBPE products will be responsible for 30% of our portfolio and the Minha Casa Minha Vida 30% of the portfolio, and this gray area, 40%.

MRV taking to account SBPE and this gray line which can be met by SBPE and Minha Casa Minha Vida will be exposed to 60% as a market solution, which is very important, if you think of a long life for a company that will go to 60,000 units for the year, which is very healthy for the company.

### **Q - Unidentified Participant**

Okay, thank you so much.

### **Operator**

Our next question comes from Paulo Teixado [ph].

### **A - Unidentified Speaker**

The translator cannot hear the discussion. We can't hear you, Paulo, could you repeat your question please.

### **Q - Unidentified Participant**

Good morning. I would like to know if there is any chance for more operations such as incorporation in the US assets, such as luxury. Thank you.

### **A - Rafael Nazareth Menin Teixeira de Souza {BIO 16905756 <GO>}**

I'm not sure I understood your question. I will speak of HS. HS is -- we're still in the process of building the model. We have accepted most of the suggestions made by investors. And I believe that you have a unique model for the capital market. And we think this is a winning proposal for the BMV and then we took a step back and we also had very good suggestions that were incorporated at the moment of disclosure and this will be -- what we will do is to disclose the new governance aspects and I believe that all of this flexibility, to give voice to minority shareholders I believe that minority shareholders have had an important way. They almost designed the proposal that will be discussed with the shareholders. So very confident that we will be successful in approving this transaction and the relation with Agais HF [ph] will be very advantageous for the company in the long run.

### **A - Unidentified Speaker**

The audio is not coming through for the translation. Our next question comes from Jorel Guilloty from Morgan Stanley.

### **Q - Jorel Guilloty {BIO 18291521 <GO>}**

Good morning, everyone. I have two questions. Have you identified several factors that impacted the gross margin. You have material cost, social factors. I would like to understand better what -- which one of this factor has the largest impact. Which is the specific one? And my second question is what do you see in terms of cash generation? You see that the first -- the third quarter was weak. I would want to know what do you think if this will go back to another level in general. What do we need or should expect to move forward?



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## A - Eduardo Fischer Teixeira de Souza {BIO 17580321 <GO>}

This is Fischer, okay. Your first question, gross margin, yes. This has been affected by all the factors that we have seen. If I were going to give a weight to one is that what we have is it is in our hand to go back to the margin that we had outside the external factors. This is what pressured the margin. Concerning cash generation our cash generation our -- it occurs automatically because in September, we had a very high impact of these transfers that took part and this effect, our cash generation. However, we will see if this will happen.

I believe that in 2020 there may be a rupture that was generated in the company.

So I don't see an important thing that may happen. We generate cash. According to our nature, we can use this, we can go back to our normal operation in 2020 as well. Thank you.

## Operator

Our next question comes from Nicole Inui from Bank of America.

## Q - Nicole Inui {BIO 17757166 <GO>}

Good morning. Thank you for your conference call and for taking my question. My first question is concerning the competition environment. How do you see the purchase of land? Are there regions where -- are becoming more competitive. Can you say anything on this. And how about the impact of cash transfer. How can this impact the fourth quarter. Can you see this. These are my questions. Thank you.

## A - Ricardo Paixao {BIO 19698260 <GO>}

Nicole. This is Ricardo. Thank you for the question. Let's ask about the cancellations determinations because we took away the insured sales in September and then we go -- went back to the past because the time of the transfer and the sales is a short-term, we don't believe this will be very negative on the termination rates.

In terms of the land we see some competition, especially in Sao Paulo in the city and I would like to highlight, because of the distribution of MRV geographically leads MRV to have a concentrated competition in a very small number of cities. And in the number of the cities, we see the competition for land bank is very small.

The second point is because we already have a land bank that was formed two or three years ago and we have over 50 billion in -- many thousand units. We are prepared -- we are not buying the land bank now to launch the product. We already have the land.

## Q - Nicole Inui {BIO 17757166 <GO>}

This is just a follow-up, in terms of land bank do you think the rate for purchasing will go down or would it be at the same rate,

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**A - Ricardo Paixao** {BIO 19698260 <GO>}

Nicole this has increased compared to what we have already seen especially in SBPE and Luggo.

**Q - Nicole Inui** {BIO 17757166 <GO>}

Okay, great. Thank you.

**Operator**

Our next question comes from Marcelo Motta, JPMorgan.

**Q - Marcelo Motta** {BIO 16438725 <GO>}

Hi, I have two questions, if you could go back on the types of products that you have commented just to see if I understood it correctly. The ones which are high-quality, higher technology, are you changing them in terms of land, are you incorporating to new lands or what is your idea.

Is there a change in terms of the construction of layout that may be done and then when you see -- when you speak of picking up purchases for land bank do you expect BRL800 million BRL900 millions per year as in 2018? You mentioned BRL600 million, you expect BRL700 million for this year. Is this pickup that will indicate a disbursement of cash or not necessarily.

**A - Rafael Nazareth Menin Teixeira de Souza** {BIO 16905756 <GO>}

Good morning. What we said is that we have two products specific to the market segment. Segment two had an income of BRL2,500 and is a group that grows through Minha Casa Minha Vida and the Group which is exclusively under SBPE, which our unit up to 300,000 and as we always say the building technology is the same.

We do this, it's different in SBPE. We can use cash and the private banks as we have done, okay. But the building model is exactly the same. The apartment has three and luxury facilities more parking space on some occasions, but the products that the future technology is the same and the product line you can see it's more expensive the metal work. Our supplier used for this case a level which is higher than the Minha Casa Minha Vida.

But we have a product that has a better featured an SVP and today we have about, around 12%. We are going to go to 30% are products that can be sold by the Casa Minha Vida. This project is the top of segment 2 and top in segment 3, but also through LBP because of the reduction of the interest rates we will have an increased to 25% in terms of the capacity of clients financing because of his or her income. We will be able to sell the same product for the top tier of Minha Casa Minha Vida or SBPE.

I have used an analogy several times which is the hybrid car. You can either fill the tank with ethanol or gasoline. So we can already change. People can go from one to other and so

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can we. And therefore, this will give us more flexibility.

To have this flexibility in such an important segment, which is 30% of our portfolio is very significant. And why is this possible because our product, Minha Casa Minha Vida is different than the traditional Minha Casa Minha Vida. The investments that we did in terms of product solar energy everything has been putting the MRV product in a unique class, the competitive market for Minha Casa Minha Vida.

Concerning the expenses of land bank, what we see is that we have a lot of loans that we paid, that we bought last year expensive units BRL150 million in land and next year we're going to buy a little bit more than we bought this year. But looking at the annual disbursements, it's probably going to be around BRL720 million.

It's more than we have spent, which is BRL600 million per year. There will be a growth, but inline with 2017. It's important to see that the company is growing. So we want to arrive at 6,000 units per year therefore naturally we have to invest in this area. But this will be in due proportion with the income of the company. I understand that you want to project our cash burn, but I don't see there will be a percent modification. I don't know if I made myself clear.

**Q - Jorel Guilloty** {BIO 18291521 <GO>}

Yes, you are very clear, thank you very much.

**Operator**

The next question comes from (inaudible), BTG Pactual.

**Q - Unidentified Participant**

Good morning, everyone. I'd like to give, if you could, which is -- what is the expectations to pick up launches and with a follow-up because Minha Casa Minha Vida has been normalized and concentrated in Caixa, what is your expectation with this amount that has been retained in the previous quarter would it be reallocated.

**A - Rafael Nazareth Menin Teixeira de Souza** {BIO 16905756 <GO>}

Hi. I don't understand your question very well. The first one you asked about the launches. We have a forecast for launch, which is very strong for the fourth quarter. Traditionally, this is where the market launches more businesses and transactions. So certainly we believe that this will be our strongest the method just as in the previous years and when we launch more we sell more and this obviously strengthens the following quarters.

The client see a transfer which has been done, made a effort towards this, the liabilities that we had in the quarters. We are transferring it to something that is commercialized now. We hope to go back to the standard level. I hope I understood your question.

**Q - Unidentified Participant**

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Yes. That was it. Thank you.

## Operator

Our next question Andre Mazini from Citibank.

### Q - Andre Mazini {BIO 20377100 <GO>}

Good morning, everyone. Thank you. You had somewhere, which says that you can see that how is the volume of sales work for this quarter. And in HVS could you give us more flavor in terms of the feedback process that you gathered from the shareholders to incorporate? Thank you.

### A - Rafael Nazareth Menin Teixeira de Souza {BIO 16905756 <GO>}

The sales -- conventional sales, because we don't have the insured sales for September, I can't give you precise information what would have happened if we went back to the scenario. How much there is there. I can give you a projection for the future.

As I explained in the previous question, with Nicole, I believe because we have a time span between the sale and the transfer, and that is very short we expect a termination rate, which is much lower in comparison to the traditional sales. So you can estimate that what we are saying is sales reported in this quarter will be fully transferred and then being the same volume of insured sales.

In terms of HS processes we have as Rafael said, our minority shareholders made fabulous contributions. I can't give you more details on this. At this point this will be made public at the shareholders' assembly which will be carried out probably at the end of the beginning of December.

## Operator

Okay, thank you. We are now closing the question-and-answer session, for the final remarks Mr. Eduardo Fischer. Please you have the floor sir.

### A - Eduardo Fischer Teixeira de Souza {BIO 17580321 <GO>}

Thank you. Again, thank you for your participation. I would like to reinforce what we said. And we have been experiencing a very special moment for the visit in market. We see this with a lot of optimism and in our strategy, we are very well positioned to capture all of the gain, that will be coming from this and therefore we think that there will be an explosion of a higher demand in our segments of our core business today.

With the segments that goes from 2,500 to 7,000 rise and a major number of these families will be serviced by a market solution which mitigate our risk of being attached to a federal government program. So we are very optimistic and we believe that the year to come will enable us to capture these opportunities. As said before, our land bank and our product portfolio is very well prepared to capture this entire population and advances an

opportunity. We have started a new line of products, which are houses that we have informed in the release. We have launched two products with a very high sales rates. We are reinforcing our land bank in interstate because they are expensive in the interstate cities .

And we want to achieve this product because it is, has a higher average price than the average price package by MRV. And this is something for you to follow up on it because it will be a complementary flag for us.

So, thank you so much for attending this call and I hope to see you all next quarter.

## Operator

The conference call of MRV Engenharia is now closed. Thank you for taking part. And have a good day.

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