

Q2 2017 Earnings Call

Company Participants

- Fabio da Silva Abrate, Investor Relations Officer
- Unidentified Speaker

Other Participants

- Fabio Monteiro, Analyst
- Franco Abelardo, Analyst
- Joao Mamede, Analyst
- Joseph Giordano, Analyst
- Maria Paula Cantusio, Analyst
- Robert Ford, Analyst
- Ruben Couto, Analyst

Presentation

Operator

Good afternoon, and thank you for standing by. Welcome to B2W teleconference to discuss the results of the Second Quarter of 2017. With us today are Mr. Fabio Abrate, CFO and Investor Relations Officer of B2W; and Mr. Luiz Saraiva, [ph] CFO and IRO of Lojas Americanas. For this conference call, you can use the supporting presentation available at www.b2wdigital.com. This conference is being recorded. All participants will be in a listen-only mode during the conference presentation. Later, we will conduct a question-and-answer session and instructions to participants will be given at that time. (Operator Instructions). This replay is available for a week after the end of this conference call.

Before proceeding, let me clarify that any forward-looking statements made during the teleconference regarding B2W's business perspective, its forecast and operational and financial targets are based on the beliefs and assumptions of B2W's management and on the information currently available to the company. These forward-looking statements are no guarantees of performance. They involve risks, uncertainties and assumptions vis-a-vis relating to future events and therefore, depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could affect the future results of B2W Digital and could cause results to differ materially from those expressed in such forward-looking statements.

I would now like to turn the conference over to Mr. Fabio Abrate, who will start the presentation. You please go ahead, sir.

Fabio da Silva Abrate {BIO 17940993 <GO>}

Good afternoon, ladies and gentlemen. I would like to thank you all for attending our teleconference. During this presentation, we will comment on the results of the second quarter of 2017, the commercial, operational highlights and the investments made on the platform. After the presentation, we will conduct the Q&A session. Before starting, I would like to take this opportunity to congratulate all the fathers for Father's Day. This is going to be celebrated next Sunday in Brazil.

The first half of the year reflects the B2W Digital's decision to accelerate its change in its business model of e-commerce to a hybrid model of digital platform, a combination of direct sales, 1P, Marketplace, 3P and services. This movement allows us to leverage the investments made in the past year to provide the best shopping experience to our customers and also for the new trajectory of free cash generation in the short-term.

This fast growth in the marketplace has allowed the company to intensify the migration of items in line from 1P to 3P along 2017. The focus and the investments of the company will be targeted at an exponential growth of the Marketplace that should represent over 30% of the total GMV in the year and over 50% of the total GMV in 2018. The result of the ongoing activities in B2W have already reflected in a significant reduction in cash consumption in the second quarter of 2017, a reduction of approximately BRL330 million, when compared to the second quarter of 2016.

For the full year of 2017, the cash consumption should be significantly reduced when compared to 2016, which is very important so that the company can be self-sustainable.

Now, we will start the presentation on slide three, where we will comment the main highlights of the period. The total GMV has reached BRL2.8 billion in a 10% growth. This result is being leveraged by Marketplace, which recorded BRL816 million of GMV, a 105% growth, reaching 29.6% share in the total GMV. Reflecting this transition of traffic to mobile devices, in the second quarter of 2017, 62.5% of access to the website were made using smart phones. Finally, as a reward of the effort of the whole company to provide the best experience with Brazilian Internet, we have acquired 1,254,000 new clients in the past 12 months.

On slide four, we can observe the evolution of this migration of sales from 1P to 3P. The gross revenue that reflects the change of the merchandises from 1P has shown a reduction of 304 million in the first half of the year. And the sales in the Marketplace, on the other hand, have been accelerated, reaching 1,588,000,000, which adds 842 million in the same period in sales. That was the increase we had in this period. The combining facts of this acceleration of 3P and deceleration of 1P have allowed the company to grow by 9.3% in the total GMV above the 7.5% growth in the market according to e-Bit.

Now moving to slide five. We'd like to highlight the significant reduction in cash consumption. In the second quarter of 2017, the company has reduced cash consumption by approximately 330 million compared to the second quarter of 2016, and it has been the lowest cash consumption in the second quarter in the past four years. This result

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showed the positive trend of the company to consume less cash and consequently, to reach free cash generation in the short-term.

Now moving to slide six. We like to highlight that the process of migration of sales from 1P to 3P with the deceleration of direct sales did not impact on the evolution of our market share. In this quarter, it was 26.3%, which accounts for a 0.8% evolution. This result has been leveraged by the three-digits growth of Marketplace, which has more than doubled in size in the second quarter of 2017. With that, we are moving fast and leaving the second player behind, and this difference today is at 12.7%.

Slide seven shows the fast development of the Marketplace. In just three years, Marketplace has reached BRL3 billion of GMV in the past 12 months, a 120% growth. In the second quarter of 2017, Marketplace has reached a 29.6% share in the total GMV, a 13.7% growth, vis-a-vis, the second quarter of 2016.

Slide eight, highlights some of the new partnerships of Marketplace. Along this quarter, we have connected 1,000 new sellers in the platform, totaling over 6,000 sellers at the end of June and over 3.3 million items that can be supplied to our customers, which was twice the assortment of the previous year.

Aligned with the strategy of integrating shop owners of different sizes and different businesses, we have established new partnerships such as: HP and ASUS for computers; Wine, bringing a wide assortment of wine products, World Team Tennis for shoe products, and Intelbras for telephone products. The B2W of Marketplace provides the best value proposition for sellers, who can access brands with the best reputation of the Internet and highly qualified traffic to leverage their sales. Sellers can also count on the support of the platform technology, logistics and distribution services of B2W to be able to deliver the best shopping experience to customers.

Now on slide nine, we'd like to highlight the Seller Day conducted by B2W. It was conducted in July with the purpose of preparing all sellers for the biggest sales event of the second half of the year, such as the anniversary of brands, Black Friday and Christmas. These events were attended by over 1,000 participants among sellers, suppliers and strategic partners.

In Slide 10, we would to highlight the launch of Seller Premium. It has the purpose of recognizing and encouraging the best sellers. They can be classified as bronze, silver, gold or platinum based on their performance in the search back [ph] stage. The criteria to be assessed are quality of products, service level, rating given by the customers and sales volumes.

Now moving to slide 11. We'd like to highlight the launch of Promoseller. It's one of the digital tools developed by B2W, so that marketplace sellers can sell more. In this solution, B2W launched a sales campaign, and sellers can automatically join this campaign by choosing the promotional conditions they want to have, including free freight, discounts and higher number of installments.

Slide 12 shows the launch of Marketplace in Shoptime TV, where sellers can show and sell their products. Shoptime TV is the largest TV channel of product display and it's present in over 39 million households with over 1 million spectators every day.

Slide 13 highlights the launch of Marketplace in B2W companies or corporates, allowing sellers to have a new sales channel on B2W, reaching a corporate audience, whose average ticket is seven times higher than the one for individual customers. B2W corporate has also reached, in March 2007 [ph] , the first site of e-commerce to accept the BNDES Card that has BRL58 billion in pre-approved credit.

Slide 14 highlights the reduction of expenses of the company. The optimization of processes and rationalization of expenses have generated a gain of BRL57 million in the second quarter of '17. Overall, general and administrative sales expenses account for 8.9% of the total GMV, which is a 3.2% evolution vis-a-vis the second quarter of '16. The reduction of the expenses did not damage the service levels to customers, which have improved consistently both in 1P and 3P.

The next slide shows this evolution. Slide 15 highlights that B2W remains as the company recognized as the best customer service company. Along the second quarter of 2017, B2W Digital brand have capped the highest level of reputation at Reclame Aqui consumer complaint site, while competitors presented a deterioration in their service levels. In 1P, B2W has an average rating of 7.7, while competitor's rating is 5.2.

In the indicator solution index, B2W has reached 93%, while the competitor site reached 76%. And in the indicator, where the customer determines whether he or she would purchase a brand again, B2W site reached 79%, while competitor site reached 52%. The market growth of B2W has a gap in service level regarding the ratings in direct sales. We believe that this is a great opportunity for improvement, and also service supply to sellers, so that they can improve their operations and can also reach good levels of customer service.

It's also important to mention that our indicators of the market, also Marketplace, are superior to the competitors, both in the Marketplace platforms as well as in via direct sales. While our 3P is rated 5.6; solution rate is 78%; and willingness to do business again 57%; the marketplace of the competitor is ranging at 4.2, 69% and 43%, respectively. With that, B2W Digital confirms its position, number 1 position in service to customers in direct sales and Marketplace.

Now we will go to slide 16, where we highlight the drop of the CapEx and the evolution of the coverage index of EBITDA in certain metrics to measure cash generation of the company. During the first semester of 2017, CapEx presented a nominal drop of 31.1% going from BRL234 million, during the first semester of 2016, to BRL161 million during the first semester of 2017. The CapEx as a percentage of the total GMV dropped 5% in the first semester of 2016 to 3% during the first semester of 2017. Thus, the coverage index of CapEx and EBITDA evolved from 122% to 152%.

And at last, we would like to thank the dedication to all our associates that are part of the best digital team of Latin America. We would also like to thank our suppliers for their partnership, the marketplace sellers for choosing our platforms, our shareholders for the trust and, mainly, the customers for their preferences. These were the main comments regarding our performance during the second quarter of 2017.

Now, I would like to entertain Q&A in order to clarify any questions that you may have. (inaudible) everybody participate, please be brief in your comments or your questions. Ladies and gentlemen, now we will initiate our Q&A session.

Questions And Answers

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Our first question from Joao Mamede, Santander.

Q - Joao Mamede {BIO 15265292 <GO>}

Hi, Fabio da Silva. Good Afternoon, thank you very much. Two points that I would like to discuss. The first one would be cash generation, where one of the main facts of your presentation. You have highlighted this and there was a great evolution regarding the third quarter.

And there, we had -- the first quarter, you have had expenses during the first quarter and this cost has been diluted. When we see the future, there was a significant improvement during this quarter but your margin has been pressured by working capital. There's a lot of things that are going to happen. What is your take on the second semester in terms of generation?

Do you believe that you will generate a lot of cash flow? So could you give us your take also on 2018 because I believe that you will grow much more. This is a company that is totally different from what it was in the past, so I want to know the evolution of the generation. And when you go from 1P to 3P, something that we've observed in the last two quarters is the financial discount. So I would like to know is, if there's a direct relation, it increased when you started to accelerate your transactions toward the Marketplace is the -- is this a transition period because of the acceleration of the Marketplace? Or is there is a discount to eliminate your stock? And do you believe that this will start dropping now? Or if there was another thing that I didn't understand in your presentation or that I missed in your presentation to explain this?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Good afternoon, Joao, thank you very much for your question. As a matter of fact, the main element of the second quarter was the cash consumption drop, as we mentioned, for second quarter of the year. I believe that this was or has been the least cash consumption when we compare it to the past four years. This is a significant drop of vis-a-vis last year, almost 50% lower than last year and a very significant drop when we compare it to the first quarter of 2017.

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Now the first semester of the year, when we see it point-to-point, we had side effects from a migration process of sales from 1P to 3P, mainly in cash consumption. Nevertheless, the second quarter has given us a better trend. So when we see to the future. For example, we have insisted on the 2017 as a whole, the complete year of 2017 will represent a drop, a significant drop of cash consumption when you compare it to the last year.

Therefore, the main sales events are coming. The company today has a hybrid model different from the model that we had in the beginning of the year and this will strongly contribute to have cash generation from here till the end of the year, so that we end 2017 with lower consumption than what we had in 2016. This is our target, and I believe that, and hopefully, we will be able to achieve it.

Now the growth margin, as you said, was pressured by the phase-out of a number of categories. So we saw this during the first quarter and then again during the second quarter. This is the margin compression or a downturn in margin that is seasonal. And when we analyzed the discounts that you mentioned to pay in cash, this is totally aligned with the process of trying to sell as quick as possible the merchandises that we decided to migrate from 1P to 3P.

Q - Joao Mamede {BIO 15265292 <GO>}

So very clear. Just to follow-up. So there, the Marketplace of 60% last year, so when this goes back to normal situation, we should see the future and to see the revenue will be lower than the history of the company because the Marketplace is different. Is this what you mean with this?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Yes, you are correct.

Q - Joao Mamede {BIO 15265292 <GO>}

Okay. Thank you very much.

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Thank you.

Operator

Our next question from Ruben Couto, Itau Corretora.

Q - Ruben Couto {BIO 19172367 <GO>}

Good morning, everyone. Do you have a return of market shares, there's an improvement year-on-year, but there was a drop in revenue during this quarter. Even in the semester, you could -- what market are you including? Do you include Marketplace? And what is the share of the market players of B2W? Could you give us figures regarding this? What's your take on this?

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A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Okay. Thank you very much for your participation. Good afternoon. Well, we were considering the market that is measured by the e-Bit. Therefore, this market contemplates the GMV and it is very important to say that the e-Bit released an write-off regarding the growth of the market. So we spoke about a growth of 12, and then the growth was 6.9%. Therefore, B2W in GMV grew 10.1%, above the 6.9%, and as a consequence there we gained market share when we compare to the second quarter of last year. Therefore, our share during the quarter was 6.3% and this is in a evolution of 0.89 percentage points, when we compare it to the 25.5% that we presented during the former year.

Q - Ruben Couto {BIO 19172367 <GO>}

Now, the figure is the market as a whole, could you break out what is 1P and 3P to be able to better analyze how much of the 3P -- how much share you have in the third quarter?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

No, I do not have this breakout information. This is the growth of the market by and large.

Operator

Our next question from Joseph Giordano, JPMorgan.

Q - Joseph Giordano {BIO 17751061 <GO>}

Good morning, Fabio. Everyone, good morning. Fabio, I'm going to post my question. I would like to talk about expenses here. I believe that you are doing a very interesting effort regarding expenses here. You mentioned a number of initiatives. I would like to know what we can expect in terms of expenses when we see the upcoming three quarters. And how much gains can we expect in the future?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Hi, Joseph. Good afternoon. Thank you for your participation. As a matter of fact, another important highlight that contributed to drop cash consumption was the drop-in expenses. We had presented a shy drop during the first quarter of 2 million, and during the second quarter, we already presented a higher drop of expenses of BRL57 billion. Now, this drop is basically a result of the optimization of the logistic structure and distribution structure of the company, and this reflects the migration of the model, it was a more expense -- intensive model to a model less expense intense. So it's asset light. So from here on, we had said to continue presenting a very significant drop in this item that is expenses that, of course, we will contribute to be able to deliver cash generation during the second semester of the year.

Q - Joseph Giordano {BIO 17751061 <GO>}

Thank you very much.

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Thank you.

Operator

Our next question from Franco Abelardo, Morgan Stanley.

Q - Franco Abelardo {BIO 17416219 <GO>}

Good afternoon, Fabio, everyone and thank you very much for answering my questions. Now going to cash to burning cash. I believe you were excellent, when it came to eliminating inventory or cash. When we see the first semester, I believe that this elimination of cash was BRL1.5 million when we compare it to the end of 2016.

Could you please quantify what expectation do you have during the second semester? You said that this dropped significantly vis-a-vis 2016. But for this, I understand that we should have net cash generation during the second semester. Is this the expectation? Of course seasonality can help us, but do you really -- what are we going to do with eliminating -- burn half of the cash? Could you give me figures to understand how this is going to work?

And my second question here would be regarding the growth of your GMV in the market. Piggybacking on my colleague's question, so your EBIT includes all the players of the market, so when we see the growth of GMV of B2W and the main competitors, the growth of B2W has its growth slightly below the competitor's.

So I would like to know is the expectation of reducing this gap between your main peers or what is this migration between 1P and 3P? Because I believe that your level is slightly below your competitor's. And until when will this happen, until you go back to normal conditions?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Okay, Franco. Thank you very much for your question, your participation and good afternoon. As a matter of fact, when we analyze the first semester of the year, we presented cash consumption something slightly higher. The first semester of 2016, strongly impacted by the first quarter of 2017, where we suffered -- we were hit by the cost of transition of the different categories from 1P to 3P. But when we see the future, the cash consumption of last year was 1.6 billion, and our prospects here are to deliver a cash consumption in 2017 significantly lower than last year.

And I believe that your statement is reasonable.

Now, regarding the second question, now the growth of the GMV, as a matter of fact, the e-Bit, well, it doesn't consider the number of players. But this is our target for market growth today. And we believe that although we are, before sales migratory movement, we have been able to reach -- we have grown 10.1% in total GMV, and the market grew 6.9%. So we have been able to gain market share during the second quarter of the year. And when we see the Marketplace operation, and I believe that this is where we have to

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focus because it has been growing exponentially, we have more than doubled when we compare it to the past year. So this is a business that has three years of life. It is a very recent operation, and during the past 12 months, the performance has been of approximately BRL3 billion. Only our Marketplace operation is larger than the operation of online competitors. So this is what we have to focus on right now.

And as a matter of fact, we do believe that our performance has been very positive. The sellers have decided to make their products available in our platform because of the characteristics that our platform presents. The best brands of the Internet with great reputation, the extremely qualified traffic and all the digital services and logistics services that we offer to the sellers. So that they can grow sustainably. So therefore, this is just -- now just zooming on Marketplace because this is the growth that we have to follow-up closely.

Q - Franco Abelardo {BIO 17416219 <GO>}

Thank you. So maybe you could just take this opportunity of the Marketplace in addition to the platform?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

B2W has also invested in the Marketplace to attract bigger sellers. We cannot calculate the ratio but a simple calculation we made is moving from 12% last year to 10.6% in the first quarter. But it's not a perfect calculation. There has been some reduction in the pay to ratio.

Q - Franco Abelardo {BIO 17416219 <GO>}

Has there been such a reduction?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

The main goal is to add value to sellers. When we look, the evolution of paid rate is stable year-after-year. The difference that we observed is simply the mix. And we add sellers to our base, we have added over a 1,000 in the first quarter. There are all types of sellers there. Different sizes, different categories and also different characteristics. So all these elements make this obsolete, so, if you analyze one quarter against the other or if you analyze a year against another year.

Q - Franco Abelardo {BIO 17416219 <GO>}

Thank you.

A - Unidentified Speaker

Next question is from Robert Ford, Bank of America.

Q - Robert Ford {BIO 1499021 <GO>}

Hello and thank you for answering my questions. Fabio, I would like to comment on related parties. You said BRL71 million in Lojas Americanas. I know that you're making a

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deal with logistics, but it should not be 10% of the revenue. Can you explain, what is behind this transaction?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Thank you for your questions and your participation. Indeed, there are some synergies with Lojas Americanas, given the logistics and distribution platform that we have developed over time, this is one of the services that we provide to the parent company and this have an index on the variables that you have just mentioned.

Q - Robert Ford {BIO 1499021 <GO>}

But out of BRL71 million, how much of that accounts for logistics? Is it 10% of the net revenue? Because that's a significant figure.

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Well, not only logistics. There are other elements included, technology and systems for example. A scenario of been working together with Lojas Americanas, we are having a joint development of some technologies to leverage the expansion plan of Lojas Americanas. So when we add up those two elements, logistics and technology, those will be the main factors that contribute to this evolution you have just mentioned.

Q - Robert Ford {BIO 1499021 <GO>}

According to the territory [ph] notes, there are this BRL18 million. But we can discuss that later. Thank you.

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Thank you.

A - Unidentified Speaker

Next question from Fabio Monteiro, BTG Pactual.

Q - Fabio Monteiro {BIO 3711690 <GO>}

Good afternoon everyone. I would like to learn more about the phase-out. What is missing there? What kind of, impact in terms of working capital could we have in the second half of the year? If so, because of the migration from 1P to 3P? And do you expect, any impact on the gross margin, too?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Hello, Fabio. Good afternoon and thank you for your question. Regarding phase-out, the main impact we had was already observed in the first half of the year, both in the balance sheet and the P&L. So when we look forward, we are now talking about the recovery of cash consumption and also the profitability of the company. So we do not have any expectation of having any strong impact related to that process from now on until the end of the year, quite the opposite.

Q - Fabio Monteiro {BIO 3711690 <GO>}

Okay. Another question. In terms of logistics, how many sellers are using your logistics service? What is your focus today to improve processes in the distribution units?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Thank you for your second question, Fabio. When we look into the solution, which would have in logistics and distribution, whether it's for small, medium or large size sellers, we have about a 1,400 sellers, who use some solutions of -- in distribution logistics. This accounts for 25% of our base of sellers.

And we have experienced a fast growth there. We have about 50 new sellers a week, consuming this -- sorry, so new sellers, we have a 1,400 -- and 50 new sellers adding this platform -- using the services every week.

So it's important to determine that they have realized that it's important to have our support for their growth, and we are working together with the sellers by also monitoring all the operational indicators. And we are providing them help at this time, when they need the most. I think this accounts for significant growth of the marketplace. And looking forward, I think this is a crucial pillar to make Marketplace growing in a sustainable way.

Q - Fabio Monteiro {BIO 3711690 <GO>}

Okay. Thank you Fabio.

Operator

Next question is from Maria Paula Cantusio, BB Investment.

Q - Maria Paula Cantusio {BIO 18652439 <GO>}

Good morning. Thank you for taking my question. Now that you have more visibility of the end customers, the end consumer, because of the number of sellers in the Marketplace. What have you observed in terms of the average purchase ticket use of payment methods?

Have you seen any evolution, any improvement in the macroeconomic environment based on that information? And I would also like to know what were your impression related to the B2W Sellers Day regarding their preparation for the end of the years and do you think that smaller sized sellers are prepared for this event? Do you believe that you may have a higher number of complaints at the end of the year because of items purchased during Black Friday or Christmas sales?

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Hello, Maria Paula. Thank you for your questions. You were right. Marketplace has allowed us to get more and new clients. In the past two months, we have increased our active base, so 1.2 million new customers. This is an acknowledgment of everything we have done in our platform. The average ticket has remained stable.

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Although the Marketplace has contributed with an assortment of low -- at lower tickets, we have been able to keep our average ticket, overall average ticket stable. So it has been an interesting experience because when we look at assortment, we realize that we can offer 3.3 million items to our customers. When we compare that against last year, this means we have doubled the number of items we supply. It's huge increase. So customers have tried to find items that we didn't sell in the past. That has been a very interesting discovery for both sides.

Regarding demand, the second quarter, we were able to grow above the growth rate we've had in the first quarter. We have grown 10.3% in the second quarter, against 8.4% in the first quarter. So yes, we have seen some reaction in demand. A little shy, but we believe that from now until the end of the year, things will get better.

Regarding your second question, Sellers Day was amazing. That's the second year, we hold this type of event. It has counted on a participation of over 1,000 people between sellers, suppliers and strategic partners. We conducted this event earlier this year in July. Our goal was to engage everyone. We wanted them to sell more in the second half of the year. We are now getting close to some point in time, when we sell more.

Of course, those sellers need to gain fees. And this event was to provide support to them to exchange ideas, to help sellers scheduling their stocks and preparing their prices, determining how they're going to operate and what tools they're going to use to sell more.

During this event, we launched Promoseller. It is a digital tool, an automatic digital tool through, which sellers can be part of the sales campaigns brought [ph] by B2W. Also these two sales channels we have opened, our TV channel, so that sellers can sell their products through Shoptime TV, where they could display their products at this TV channel that can reach 39 million households with over 1 million viewers every day. And we also launched a fifth brand, which is a different website. That's a website for corporate customers, not individuals. So that's another place from where sellers can sell their products.

And the average ticket of B2W corporate seven times higher than the average ticket for brands sold to individuals. It was a wonderful event. Everyone likes it very much. Everyone was engaged. And it was good for everyone, so that everyone will be on the same page to face a huge weighing of sales, we expect to have at the end of the year. It was a very positive experience.

Q - Maria Paula Cantusio {BIO 18652439 <GO>}

Thank you, Fabio.

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

Thank you.

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Operator

Our Q&A session has come to an end. I would like to give the floor to Mr. Fabio Abrate for his final remarks. You may proceed, Fabio.

A - Fabio da Silva Abrate {BIO 17940993 <GO>}

I thank all of you for your participation during our conference call and webcast. I would like to take advantage to -- I would like you to invite you to see the great sales of the great brands of Brazilian market, Shoptime. If you have any doubts, our in -- our Investor Relations team is at your disposal. Thank you very much.

Operator

The B2W conference call has come to an end. We thank all of you for your participation. Have a very good afternoon, and thank you for using Chorus Call.

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