

Y 2019 Earnings Call

Company Participants

- Carlos Horacio Sarquis, Rent a Car, RAC Head Officer
- Luis Fernando Memoria Porto, Chief Executive Officer
- Marco Tulio de Carvalho Oliveira, Chief Financial Officer and Investor Relation Officer

Other Participants

- Lucas Laghi from
- Rogerio Araujo
- Victor Mizusaki

Presentation

Operator

Good morning. Welcome to Unidas' conference call, where we will present the Results of the Fourth Quarter of 2019. All participants are in a listen-only mode during the company's presentation and later we will open the Q&A session when further instructions will be provided. Unidas also allow press members to ask questions, right after analyst.
(Operator Instructions)

This event is being simultaneously interpreted into English and asks -- and participants broad can ask questions too. You can also send questions through the internet. This teleconference is being recorded and audio will be available in the top of 24 hours. If you do not have a copy of the report, you can have a copy at ri.unidas.com.br. This is being simultaneously transmitted through the internet via the webcast and can be accessed through the Investor Relations website of the company, where the presentation is also going to be available.

Before proceeding, let me mention that the forward statements are based on the beliefs and assumptions of the company based on information currently available and potential of growth. It's based on the management expectations regarding the company's future. It depends on the overall economic performance of the country, international and national conditions and are therefore subject to change.

We have today with us Luis Fernando Porto, the CEO; Marco Tilo de Oliveira, CFO and IRO; and Carlos Sarquis, the Head of the Rent a Car Division.

I would like to turn over to Luis Fernando Porto. Go ahead sir.

Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Good morning, everyone. Welcome to the results conference call of the fourth quarter of 2019 and the year of 2019 for Unidas. I am here with Carlos Sarquis, our Rent a Car, Head; and Marco Tlio de Oliveira, our CFO and IRO.

Let's start our presentation on Slide 3. The year of 2019 is a huge year in terms of achievements and deliveries for the company which I highlight. We consider advances in technology, which bring Unidas more aligned with the best practices for customer experience and makes it more digitized with integrated fleet management systems both for customers and for our suppliers in which we offer the integration of 100% of the entire rental chain from the purchase of vehicles to their demobilization.

In RAC, the multi-channel approach to our customers to start to rely with the app with QR Code for 100% of the stores, which the customer can use to make reservations and prepayment of the rental and that helps the company to reduce the service time in the stores. For Uber drivers, we have implemented the Unidas driver app in a better version for a specific cluster in -- where testing has already been conducted. This complete app allows Uber drivers to make reservation, payment, pickup and renewal of rentals directly using their smartphones bringing them agility and convenience. In a few -- in a short time in a few months, we'll have Unidas driver app available in all cities where Uber operates. Still in technology, the company has successfully completed unification of its ERPs given more robustness quality and agility in the generation of management information.

Three, regarding innovation we have diversified our business with the creation of Unidas Agro and we have advanced with Unidas Livre, the first car subscription product offered by a car rental company in Brazil. We also continue to strengthen our strategic alliances. In addition to begin the master franchise of the world's largest car rental company enterprise, we have been selected by Alphabet, the BMW Group to cross-offer mobility services that include fleet leasing and TCO solutions for its global customers. These two partnerships make it possible for Unidas' customer if they need to, to be served worldwide.

Fourth, in used car business, we've put into practice a very bold national expansion plan that resulted in the net addition of 27 stores in just one year. About our capital structure, we issued for the first time a certificate of Agribusiness receivables in the amount of BRL125 million and successfully realized for the second time in a short period of 20-month a primary and secondary public offering which totaled BRL1.8 billion justified by a demand for leases which was above what we were expecting. As relevant as accomplishing all these achievements in this period was the fact that we accomplished them with Unidas becoming an even more sustainable company by neutralizing 100% of the carbon emissions of our operations, encouraging diversity and inclusion in our staff and the implementation of various volunteering programs that have improved the reality of dozens of institutions that take care of children and elderly around Brazil.

Finally, Unidas was also recognized for its excellent work on several lines throughout 2019. Among the awards, I would like to highlight that we were featured in the 2019 Humanized Companies of Brazil award with a group of 22 other companies, among, an evaluation

that took into account 1,115 Brazilian companies. We climbed five positions and reached 11th place in GPTW Latin American ranking in the Large Companies category. Best car rental company in Brazil in the MESC ranking. Winners of the 100 plus innovative in use of IT in the Miscellaneous Services category. And once again, we achieved RA1000 certificate due to our excellent service rates on the website Reclame Aqui.

On Slide 5, we briefly comment on the scenario of new and used vehicle cars. As you can see in the chart zero kilometer vehicle sales in the fourth quarter increased by 4.8% vis-a-vis the same period of last year reaching 720,000 units sold. In the sales market of used cars, there was a growth of 3.7% with a total of 2.94 million vehicles sold in the fourth quarter of '19. In the bottom left chart, we opened the used vehicles by age sales information. It's important to note that this chart also includes the sale of heavy commercial vehicles and motorcycles. That is the only vehicle open resource by age available in the market.

The chart shows that the market of vehicles up to three years of use, show an annual growth of 0.4% in the fourth quarter of 2019, which was already expected by our management within this scenario. Unidas performed the sales of approximately 65,000 vehicles in 2019 and 17,000 vehicles in the fourth quarter of 2019. It's strictly in line with the company's expectations.

Starting the operational highlights on Page 7. On Page 7, we show the evolution of our fleet. At the end of 2019, the company's consolidated fleet total final balance of 164,588 cars and a growth of 25.5% of the total fleet of 2018 explained by the expansion of both rental business. The Demobilization fleet totaled 14,000 vehicles in the fourth quarter of 2019, corresponding to 8.6% of the total fleet, the lowest level in the last three quarters in line with the company's goal which is having a stock of 7.5% to 8.5% stock level. This result reflects the company's greater efficiency in demobilizing its vehicles.

On Slide 8, the net investment in fleet 2019 had a record amount of BRL2 billion, an increase of 33.5% compared to 2018. Included in this account are the BRL90 million related to acquisition of NTC in early 2019. In the fourth quarter, this amount was also positive totaled BRL746.7 million, 28.9% higher than in the fourth quarter of 2018. In the number of vehicles, also a record addition of 33,384 cars in 2019, of which 10,899 cars were added in the fourth quarter alone.

Now I'll turn it over to Carlos Sarquis, the Head of the Rent a Car division, so that he can present you more results of the company in this segment.

Carlos Horacio Sarquis {BIO 20060508 <GO>}

Thank you, Luis and good morning everyone. We now proceed to Slide 9. In 2019, we continued as the fastest-growing car rental company in the car rental segment. Our operation continues to benefit from the strong demand of -- for rental of all kinds of customers. There's no -- there is currently no customer category that does not grow double-digits in the Unidas Rent a Car, and this is due to some structural points, which I highlight.

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First, the great potential for commercial synergy that RAC absorbed from Unidas' leading position, in Fleet Management; the great competitive advantages over small players, three, our high level of services that allows our customers to Rent a Car anywhere in Brazil with access to an extremely diverse and new fleet, four, company's ability to manage a robust yield management, which allows us to capture numerous opportunities for price and demand elasticity; and five, the still low penetration of this segment in the country.

Speaking of operating volume, we closed the year with an impressive growth of 66%, reaching an important record of 14.2 million daily rentals in 2019. The occupancy rate in the lower left chart showed annual growth of 2.8 percentage points, reaching 79.4% in the fourth quarter of 2019, the second highest level in that year, even with the company's strong investments to add 22,959 vehicles in just 12 months. These results show that there is a still large demand that is not met in this segment in the country. Finally the average daily rate of BRL70.5 million in the fourth quarter of 2019, which reflects the mix of daily rates with greater exposure to long-term contracts and replacement and transfer of Selic's rates drop to final consumers.

Moving to Slide 10. The first chart shows the strong operational deliveries mentioned in the previous slide with the net revenue of RAC excluding franchises totaling a record amount of BRL913 million in 2019, 57.8% higher than the previous year. In the lower chart, we have the evolution of our RAC stores between our own and franchises, which 11 franchise stores are passively absorbed by the company in strategic regions. At the end of 2019, our car rental service network totaled 208 stores, 132 owned stores and 76 franchises present in all 26 Brazilian states and in the federal district.

Now I turn over to Luis.

Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Thank you, Sarquis. Moving on to the next slide. We'll talk about the performance of Fleet Management in the top chart. The net revenue from Fleet Management grew by 19.4% annually in 2019, totaling a record net revenue of BRL1.2 billion. Unidas continuous to strengthen and its leadership position in this segment maintaining double-digit growth levels on the largest fleet management operation in the country and reaching record levels also in daily volume. At the same time we have experienced an increase in the average ticket even with the recurring falls of the Selic rate in recent years.

These results were possible through the company's ability to, one, win customers who outsource their fleets for the first time; two, be able to offer any type of vehicle to all sizes of customers of any type of industry, including Agribusiness. Three, perform a high rate of contract renewal, supported by the high satisfaction rate of our customers; and four, maintain its leadership position in a segment that we believe we'll still have strong growth rates due to low penetration.

Now going to Slide 12 and finishing the Fleet Management segment. On the top chart we observe that the overall value of our new lease agreements signed in the fourth quarter of 2019, showed an annual increase of 146.9%, reaching the amount of BRL238 million. In

2019, we had a growth of 23.3%, reaching the amount of BRL709 million. These performances are explained by contracts with longer average duration and a higher number of vehicles.

In the bottom-left chart, we see that the commercial pipeline totaled 45,200 cars with 16.8% against the same quarter of the previous year. The average utilization rate of the operation -- of operational fleet ended at the level of 97.1%.

Slide 13 used cars division. In 2019, we had a record revenue of BRL2.5 billion with a growth of 55.3% over 2018. The results are evidenced by the lower chart where we show that the strong double-digit growth in the number of vehicles sold was accompanied by an expansion of the average sales price reflecting the arrangement of vehicles for sales mix both with diversification of models and brands as well as by greater exposure of higher value-added vehicles. I also highlighted the sale of approximately 65,000 vehicles in 2019. This is strictly in line with the company's internal guidelines.

Moving on to Slide 14. We continue to open new stores as a result of the implementation of the national expansion plan of used cars sales operation. In the fourth quarter, seven new stores were opened, of which six in the retail channel, one in the wholesale channel. Considering 2019, 27 stores were added to our used car sales store portfolio, an annual growth of 31.8% with a number of retail stores increasing by 27.8% and wholesale stores increased by 83.3% totaling 112 stores.

Now I turn over to Marco, our CFO and IRO, to comment on the financial results.

Marco Tulio de Carvalho Oliveira {BIO 20074241 <GO>}

Good morning. Before I proceed with the presentation, I would like to reiterate that all data and information regarding the fourth quarter of 2018 and the year of the 2018 are compliant with the accounting rules of IFRS 16.

Moving to Slide 16, we present the evolutions of the EBITDA and margins. The consolidated recurring EBITDA in the fourth quarter of 2019 reached a record level of BRL331.6 million reporting an annual growth of 20.5%, explained by the strong expansion of EBITDA by 37.2% in car rentals and 17.3% in Fleet Management. In the fourth quarter of 2019, the EBITDA margin of fleet outsourcing was stable at 64.3% to the company's ability to sign contracts with higher average price and constantly improve the customer mix enabling the mitigation of Selic's reduction in this segment.

In Rent a Car, the margin continues to remain above 47% even with the long-term investments in OpEx and with the lowest average rate resulting from the transfer of the base rate drop to clients without impacting on the spread of this business division, proving the company's ability to perform a robust growth in a profitable manner. As to the used cars segment, the EBITDA margin for the year is 1.3%, strictly in line with our goal of staying in the range of 1% to 3%. Remembering that this margin occurred without the increase in depreciation rates throughout the year of 2019.

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On Slide 17, the recurring consolidated EBIT, totaled records of BRL212.4 million in the fourth quarter of 2019 and BRL797 million in 2019, the latter with the annual growth of 23.7%. On the other hand the recurrent EBIT margin reached 36.9% in 2019.

On Slide 18, the recurring net financial expenses totaled BRL84 million in the fourth quarter of 2019, reducing its representativeness in relation to the net revenue from 19.7% in the fourth quarter of 2018 to 14.5% in the fourth quarter of 2019. This is the result of the company's diligent work in reducing the weighted average cost of its debt by refinancing and prepayments of the more expensive debts by new ones at cheaper cost justified by our AAA rating.

Additionally, financial expenses were also benefited by Selic's fall by 200 basis points in 12 months. In the chart below, we show the evolution of consolidated recurring net income, which in the fourth quarter of 2019 reached a record amount of BRL96 million, while in the year reached the level of \$350 million and a growth of 49.3% in 12 months. Given that this increase was above the expansion performed by the net rental revenue that resulted in an annual net margin growth of 1.9 percentage points, demonstrating the company's ability to grow profitably.

On Slide 19, the right spread in relation to the average of debt cost in 2019 increased by 0.1 percentage point compared to 2018, even with the increasing exposure to the car rental segment and totaled 6.3 percentage points or 126% of our debt cost.

Now moving to the last Slide, we show the consolidated gross debt of the company that is BRL4.7 billion of which 97% mature in the long-term, reflecting the conservative policy of the company in lengthening and improving the profile of the debt post AAA. I would like to point out that of the 3% of the total debt that is in the short-term half of it refers to net interest rate incurred and the swap results.

On December 18 2019, the company issued for the first time a certificate of Agribusiness receivables in the amount of BRL125 million at a cost of 108% of CDI and maturing in 2026. Based on consolidated indebtedness and the annualized indicators at the end of the fourth quarter of 2019, the net debt recurring EBITDA reached 2.02 times, 0.14 times higher than the same period of the previous year.

Finally, as a result of the company's effort to lengthen its debt profile and strength in its cash flow level, at the end of December cash was equivalent to 104.2 percent of the debt due for the next three years.

I turn over back to Luis.

Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Thank you Marco. Now I would like to open our Q&A session.

Questions And Answers

Operator

Question And Answer

Ladies and gentlemen, we will now begin the question-and-answer session. (Operator Instructions) The first question is from Rogrio Arajo from UBS.

Q - Rogerio Araujo {BIO 17308156 <GO>}

Good morning. Thank you for the opportunity. I have two questions. The first one relates to the growth of the RAC segments that accelerated in this last quarter. Can you please share with us what are the divisions of Rent a Car that justified its growth, whether it's Unidas leveraging, whether this has increased in a more expedited way? And how is the growth of this segment? Should we expect this segment to accelerate its growth in 2020 and 2021? I would also like to know about how and what franchises represent in terms of growth of the RAC business?

A - Carlos Horacio Sarquis {BIO 20060508 <GO>}

Hello Rogrio, and thank you for asking this question. First, I'd just like to clarify one point. The Livre product is not included here in the Rent a Car business. The Rent a Car business and its channels are growing very strongly. We have observed a very homogeneous growth. Some segments indeed grow more than others. But in the fourth quarter, we have observed a very robust growth in all channels of the Rent a Car business. As to franchises those we have absorbed did not represent a significant amount of that growth. Those operations were relatively small. Throughout the year, we have had a very good growth in an index that the industry does not use, but we are showing to the market that this market has grown and we have more demands in each one of our segments.

Q - Rogerio Araujo {BIO 17308156 <GO>}

That was very clear. Thank you. My second question relates to the depreciation margin of used cars. In our calculations 0.7% of the EBITDA margin for used cars, it's a mix of 2.6% positive for fleet and minus 1.5% in Rent a Car. If this is true, the depreciation was about BRL2,000 per vehicle, which shows an expectation of improvement for the used cars. How do you see the demand of this segment? And what are the perspectives for 2020?

A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Thank you Rogrio, for your question. The used cars business has run very well in the first two-months of the year and it was also running very well in the first quarter of 2019. At the end of the year, we had already said that we needed to increase our depreciation levels in the Rent a Car business. And you will see this happening as of the first quarter of 2020. The fact that the fleet amounts are positive makes it okay for us not to make any changes in depreciation, but as to Rent a Car, it is slightly negative and we will correct that by increasing depreciation in the Rent a Car business. This is our position on this topic.

And about the mechanism we'll use, well everything is doing well in the used car segment with good volumes and margins as expected for this point and as we have observed also in the first two-months of the year.

Q - Rogerio Araujo {BIO 17308156 <GO>}

Thank you very much and have a good day.

Operator

(Operator Instructions) Thank you. Our next question is from Victor Mizusaki with Bradesco BBI.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Good morning. Congratulations on your results. I have two questions. The first one, I would like you to comment on the coronavirus situation and whether you expect this to impact on the number of reservations or cancellations in the first quarter? My second question is related to the performance of the Agribusiness segment.

A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Good morning, Victor, and thank you for your questions. Regarding the coronavirus situation, I think we have peculiar situation, because we have monitored the coronavirus effect when panic started, 10 to 15 days ago. We have been doing this on a daily basis, not only for the rent a car segment but for all our business units. So far, we are going untouched. We did not have any cancellations, no plans in the short-term needed to be changed. But obviously we understand that there may be impact -- impacts on the future.

We have identified two possible impacts, one is the lack of cars, shortage of course. We are okay with that because now that everything is back to normal in China, because that could have been an impact on the Brazilian production. But in the next 90 days, we have enough cars, because Unidas has annual agreements with OEMs and those OEMs are partners in times of crisis. This virus impact is mitigated at least for the next 90 days.

The second possible impact could be harder on the business which will be quarantine in positions. In our case, the only quarantine impositions will be internal, because we have very little exposure to the international markets in any of our segments, and also a stronger impact on Rent a Car and used cars, because for Fleet Management we have long-term agreements. Our exposure is not so much.

So as for the coronavirus situation, we are ready to preserve the two main pillars of our business, our employees, and our customers. We have a plan ready. So if we have our internal quarantines, we can mitigate the risk of having the coronavirus situation to impact too much in our business. So that's the perspective on this topic. We are staying tuned. But for the past 15 or 18 days -- we are 18 days away from finishing the first quarter and that's aligned with what we expected last year.

We understand how severe the situation maybe and we are prepared to tackle it. We believe that anything that is an external factor, whether it is macroeconomic or a global situation or a global economic issue, it will impact on all segments. Companies that can respond quicker to this crisis are in advantage, and we have been through many crisis, and I'm sure that we will go through this and end the situation stronger.

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Of course, we hope that we will not have such a higher impact in Brazil and that things will go on smoothly. The Agribusiness was a major surprise to us. Indeed, we were very innovative. Here at Unidas, we respect the features of our business and we did not have enough technical capacity in the company to manage such a difficult business in terms of operation and sales. We were aware of this limitation. So we established a partnership with a group of business people who have been doing this their whole life. So we were able to grow in this segment significant. And that's a very important segment in the Brazilian economy. We are very happy with our investment. And we have witnessed a very significant growth in this segment with this new business unit.

Q - Victor Mizusaki {BIO 4087162 <GO>}

Thank you.

Operator

Our next question is from Lucas Laghi from Santander.

Q - Lucas Laghi from {BIO 19113643 <GO>}

Good morning. We have a question related to Rent a Car. We see that you had a significant growth in volume. But we see the physical structure of stores there wasn't growth in terms of number of stores there were franchises, but the physical structure was not expanded. What are your expectations for opening new stores in 2020?

A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Thank you for your call, Lucas. Indeed our growth is very strong without opening new stores last year. Most of the growth was related to the same-store sales. During those two years of the merger, we focused a lot on improving the processes, improving our controls, increasing our service levels. We saw a great demand, but we didn't feel the need of opening new stores because our growth was observed in the stores we already had.

We also focused a lot on improving customer service, digitizing processes and we know we have a lot to do regarding this. Our major goal this year is to complete the digital evolution for customer service. We believe that by focusing on this evolution, by focusing on the use of technology to expedite customer service, we will also be able to be more efficient in our physical expansion plan. This year, we plan to open new stores. We don't share exactly how many at this point, but it will be a higher number than last year. We believe that there are huge opportunities of growing also by opening new stores.

Q - Lucas Laghi from {BIO 19113643 <GO>}

Just a follow-up question on that. Do you expect to open new stores? Do you believe there is some pressure in margin for it in the Rent a Car business? Do you think that if the operation becomes more efficient, you can expand without putting pressure on the margin?

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A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Smaller stores have lower margins indeed. If you think about CapEx per cars and the cost of opening new stores, for each new car you have in a store once it is stable, yes, smaller stores are more expensive in that sense. And the same is true for productivity. How many services for employees? Smaller stores are usually less productive.

Through the use of technology, we believe we can solve the first issue too. Through the use of technology, your operation can have fewer employees and you can also use partners to expand with a lower CapEx. We believe that yes, it is possible to expand our business while maintaining a growth margin. There are also fixed costs in the margin. So the margin of new stores would have an impact on the global margin of Rent a Car. You have a lower margin than an already established store, but higher than the total margin of Rent a Car.

Q - Lucas Laghi from {BIO 19113643 <GO>}

Thank you, and have a good day.

Operator

(Operator Instructions) We have a question that was sent to us by (inaudible) fund. He says, I would like to know if you have seen any impact on Rent a Car due to the restrictions in travel established by many companies.

A - Marco Tulio de Carvalho Oliveira {BIO 20074241 <GO>}

As Luis said in the past, we've been monitoring this issue for some time. We monitor future reservations, no-shows and so far we have not seen any significant impact on our operations. We check that globally. And in airports, we believe to be the ones that will be more impacted like Guarulhos or Galeao, the ones that operate more international flights.

One advantage of Unidas is that our penetration in the corporate segment of one-off rentals is low. So in this specific case which is a reduction in one-off rentals for corporate customers is not so impacted because of the fact that this does not account for most of our business at this point. When we see the indicators of future reservations or no-shows per store, we have not seen so far a significant impact on the business. But of course as Luis said, we are getting ready for various types of scenarios and establishing our contingency plans if we need to make changes and if we feel a more significant impact on our operations.

Operator

We have another question from Mariana Planner [ph]. She is asking is it necessary to release any material fact on coronavirus?

A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

Bloomberg Transcript

We have published together with the financial information whether there is an impact or not. Everything that has been said is there in the financial statements in a summary. There are recommendations of publishing a material fact if there is any potential impact on the market. But this is the current position of the company. If there is any change in the scenario, we might publish a release, a press release.

Operator

(Operator Instructions) This is the last call for questions asked by phone. (Operator Instructions) If there are no further questions, the Q&A session for finance analysts is concluded. Before we move to the Q&A session for the press, I would like to turn over to Luis Fernando for his last remarks.

A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

I would like to thank our 3,314 employees for delivering results aligned with the companies that were set by the -- with the goals that were set by the company, and also for the reliability on our services and products. For our shareholders, I'd like to thank you for generating value and in alignment with our goals and also very good transparent relationship with the market and investors in general.

We also need to thank everyone for the excellent year that Unidas had in 2019. At this point, we should also say that we are paying attention to the coronavirus situation and how it could impact on our business, but we are steady in our pursuit of growth with profitability. And in adverse times, we can see the true values of a company. I am sure that Unidas has already proven its values in times of difficulty, and it will not be different this year. We are confident that we'll move forward in our products and services available to our customers, while preserving the health and the lives of our employees. Let's move on and count on this.

Operator

We will now move to the question-and-answer session for the press. (Operator Instructions) Good afternoon. We have one question from (inaudible) from Valor Economico. He asks us to share the expectations of investments for 2020 and whether the COVID-19 pandemic can change our plans?

A - Marco Tulio de Carvalho Oliveira {BIO 20074241 <GO>}

Our investments are expected to be over BRL6 billion this year. Very robust level of investment with the expansion of stores and purchase of vehicles and several investments in technology and marketing. But obviously with this new pandemic, we might review our plans. At this point, everything is maintained. As we mentioned a while ago the impact on investments and on our figures can only take place if we see some quarantine measure or internal lock downs in Brazil, which has not happened yet. If we have quarantine measures then definitely those investments will be reduced.

Operator

There is another question by Alisha Ali [ph]. He asks what is the impact do you expect on the segment for corona -- because of the coronavirus concern, because of fewer international flights to the country?

A - Luis Fernando Memoria Porto {BIO 17590082 <GO>}

The impacts in the segment are the ones related to quarantine. If there is a quarantine people need to stay at home. There are internal travels, that are canceled. And with that there is impact on the business. As to international flight and travel, Brazil -- not Unidas, but Brazil has a very low exposure in terms of international tourism. What we have which is stronger is internal tourism. So international travel does not have such a huge impact in the segment -- on the segment or on our business. Thank you for your questions.

Operator

(Operator Instructions) This is the last call from questions from the press. (Operator Instructions) If there are no further questions, the -- this audio conference of Unidas is concluded. Thank you for your participation. Have a good day, and thank you.

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