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Bloomberg Transcript

Q1 2022 Earnings Call

Company Participants

- Andre Calabro, CEO
- Helisson Brigido Andrade Lemos, VP of Innovation & Marketplace Officer and Member of Board of Executive Officers
- Roberto Fulcherberguer, CEO & Member of Board of Executive Officers
- Sergio Leme, Administrative VP & Member of Board of Executive Officers

Other Participants

- Bob Ford, MD in Equity Research & Research Analyst
- Irma Sgarz, Equity Analyst
- Joao Pedro Ribeiro Soares, Assistant VP & Associate
- Joseph Giordano, Senior LatAm Healthcare Analyst
- Richard Cathcart, LatAm Retailers Senior Analyst
- Ruben Couto, Research Analyst
- Unidentified Participant

Presentation

Operator

(Speaking In Foreign Language)

Roberto Fulcherberguer {BIO 17276995 <GO>}

(spoken in foreign language)

Questions And Answers

Operator

Coming up ahead. Let's start off with our Q&A session.

I'd like to invite Joseph from JPMorgan for his first question.

Q - Joseph Giordano {BIO 17751061 <GO>}

We have 2 questions actually on our side. The first one maybe is more related to Aliso. If you could talk about the new strategy for the monetization of the marketplace, maybe coming around a little before than what we imagined. And I'd like to explore 2 points. How should we consider the journey of take rates? And the second point is, if you're expecting some acceleration in the growth considering the take rate that may be a little higher.

The second question, I think, is the over 90 rates going up. Helisson, I want to know if you've noticed any improvements as we get into the first quarter, considering as Roberto mentioned we have a low with a greater demand throughout the quarter.

A - Helisson Brigido Andrade Lemos {BIO 21184188 <GO>}

About the market rate, Joey, yes. We did have a adjustment in commission of the New Year. All company has it and as with all, we want to continue to grow marketplace with profitability. We want sustainable growth. The good news is that the impact was immediate. We accompany this in the results in the first quarter. We did not have a negative impact in regards to the process with our sellers. They continued to be very strong working with us. We have to be there. We strive to stick with for sustainable growth. We plan to take on more and more overall, with changes in ecosystem to activate and reactivate. The recurrence of our customers to the marketplace is not seen in an isolated way. It's very complementary in the strategies for 1P, logistics and also the buy-now, pay-later.

So helping to generate maybe this lower customer acquisition cost, which is already a lot lower than the customers coming from transactions in 1P. And once again, we're really in line with the 3As, helping with the activation of the first purchases that these companies perform and reactivating all the customers that were not buying with us for about 12 months. And numbers are not public, but we can already state that all of these indicators are already indicating an improvement and efficiency in our operations.

I think that was the first question about the marketplace, correct? And now I'll leave the other questions to our team.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Calabro, can you answer the second part?

A - Andre Calabro {BIO 20489093 <GO>}

Yes. I'll start off answering about banQi. banQi is a super important lever for us when it comes to customer acquisitions. Not only with the acquisition of customers, but also as mentioned, we've already performed the integration of banQi in the retail journey, as I mentioned, banQi currency and also all of the online journey that where banQi has important benefits. Thank you all for help with Pontofrio with GMV issues.

And finally, banQi is an important lever in 1P with personal loans. We've already got passed a BRL 150 million, and we start prioritizing this. And as mentioned as well, third-party credit, that will be available through banQi. And we believe that certainly, this will be an important step to provide our buy-now, pay-later system as a service to all partners, which will leverage our growth of the base and also the profitability of our portfolio.

In regards to defaults and non-payment, one of the first points that we always discuss is that we're always focused on profitability. This is an important point. Our profitability is very positive and continues to be very positive. Our losses will be stable throughout the entire year. And in the fourth quarter, we also had a slight increase, but this is not continuous. We have monitored and we've see a good rate of recovery of this default in the first quarter. And we believe that all were indicators with provisions for default payments and it will be stable during 2022 as well.

Operator

Now we'll take the second question from Bob Ford.

Q - Bob Ford {BIO 1499021 <GO>}

How big were the agreements in the client facing areas? And how are you thinking about the service levels online and at the stores as well?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

I'm sorry. I missed part of your question, Bob.

Q - Bob Ford {BIO 1499021 <GO>}

The question is about the personnel cuts, the layoffs, and the level of services at the stores and online.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

I will give you an overview of our SG&A, if that's fine?

Q - Bob Ford {BIO 1499021 <GO>}

Yes.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

All right. So I just want to give you some context about the same period. Throughout this year of 2021, we invested BRL 1 billion in CapEx, with 30% approximately in new stores and 60% in technology. We closed 100 stores between the fourth quarter of 2019 and first quarter of -- sorry, of 2020 and the first quarter of 2021, and we opened 101 new stores throughout 2021. We closed stores that were not productive and we opened stores that are extremely productive and are performing very well.

So another important point is we have a natural turnover process throughout the year from our sales teams. What we did is approximately 1,200 sellers that left due to normal turnovers, we did not replace. And about 1,500 people that we hire temporarily in the end of the year, we didn't not hire. Why do we do this?

Well, because the sellers normally regrew in productivity with the theme of sales, which is part of our investment also in our platforms for customer service that are really supported by that intelligence now to the team, which increased conversion rates for these sales reps as well if we compare quarter-over-quarter. And even the performance we're having throughout the year, we have over 30% increase in the conversion per seller.

And another important point is very considerable is the online seller continue to perform extremely well, and they help us to have more better performance and productivity. So we don't have the situation with the seller not having a customer visiting the store.

First of all, when he does not have customers, he's activating more customers through the online channels or being contacted by some customers online. We also evolved a lot with our online platform. We got supported and it's helping us a lot with conversion. We've demonstrated the numbers of productivity. And about 1,500 people in the back office that we do not hire at the end of the year as temporary employees, they are mostly used in the store logistics, so it's like the logistical back office is restored to the relevance of the first half, in logistics.

We also had a major evolution in the logistical platforms, as the stores are improving the findability of products and intelligence of having the right product in the right stores, which provides a lot more speed in the pickup from store and also in the last mile. Product is delivered from the store. And this also generated a lot of productivity in the team we already had.

We had important gains, Bob, in productivity in our entire store teams, in the sales team and also in the store back office teams, which is really based on removing stores that were not productive and opening stores that are a lot more productive and also all of the intelligence with data that we were able to add on to our processes and all of the technological evolution of the platform as well.

Operator

Our next question comes from Danny Ager [ph] from XP [ph].

Q - Unidentified Participant

I have 2 questions. One is follow-up about the SG&A and personnel costs. We saw some news on media. You also reduced the employee. And I imagine that this probably a one-off impact of some labor expenses, but it's also due to additional savings. So how should we consider this cost line of hedges that we grow to reduce this even more, to performing even more or maybe you had some important impacts in the fourth quarter as well that were maybe not -- never more related to provisions for bonuses. In the fourth quarter, you normally have some kind of -- it's a bit diluted because of this. So I wanted to understand the dynamics up ahead for this line. Do you still have room to cut down on this?

And about cash generation, I think you really called our attention that a big part of this came from the supplier line. And I wanted to hear and understand what process improvement. Was this up for negotiation with the suppliers? Or is this a moment where you think suppliers are more willing, should be a lot more complacent due to a more challenging dynamic in the market. I just wanted to understand a bit more of the motivation behind that -- those gains, and I want to understand is it sustainable in the future?

And then a final point here about fulfillment. So as you already have many sellers that are already ready to use the service, I wanted to understand what's the use of the service is. And if you could give us an update also about the open notion of fulfillment as well that you launched at the beginning of the year, that would be really interesting as well. If you can give us some more visibility on that?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

I'm going to cover the 2 first points, and then Sergio and Helisson can take turns with fulfillment. About productivity, what happened at Bartira is we took out one shift at Bartira with the sale of furniture and the other, which is the strongest and really led us to take this decision. It was a strong productivity gain that we had Bartira. So we removed one shift, and we continued to have a production volume and capacity for production that's really near what we had before.

So about opportunities and expenses, in Bob's prior question, we narrated many of the evolutions we had in our platform that brought in major expenses reductions and improvement of the level of services for consumers. And this is available to the entire company. And the BRL 600 million that we invested in technology, plus investments in 2020, we've been reaping some of the flows and all the evolution, and we have recurring focuses on controlling expenses.

We still have more to reap in a big way through reductions of expenses, all of the productivity in the evolution of our platform. So the answer about expenses, yes, we see even more fruits to be reaped. I can't give you any guidance, and I can't give you guidance about this yet, in regards to where we'll be landing in regard -- towards the improvements in the expense structure. But this evolution is helping us also have a reduction through acquisition cost, which we haven't had. It's leading us to have many different fronts or customer acquisitions are marketplace for the assortment, banQi with buy-now, pay-later system. The stores have the cheapest customer acquisition cost of the new stores, for example. We have a customer acquisition cost between BRL 15 and BRL 18, extremely low. And these are new customers that come in to the platform with all of the Via vertical.

So about cash generation, you were talking about the supplier. What's happening now is we've been talking about this during the third and fourth quarter that we would start a reduction in our stock. So we had a big increase in our stocks in the beginning of the pandemic due to a bigger problem with supply. And the market share gain and others, we sailed through this. We understood that we're at a moment where we can reduce our inventories because of many different segments that are already normalized or starting to be normalized in their supply system.

And as I mentioned in the fourth quarter, our inventories are really healthy. There's no need for some provision for inventory because -- actually, we're talking about selling more and buying a little less. The inventory here at home is really good, actually. And at the same time, we directed their lines with suppliers. We're at a situation that is quite comfortable in regards to it, because we continue to produce our inventories, in the first quarter. We're also following that. And we were able to expand our terms as well with the industry. So I believe we are at a very comfortable pathway when it comes to this.

I'll pass it on to Sergio and Helisson, so that they can complement this in regards to the fulfillment.

A - Sergio Leme {BIO 17658761 <GO>}

Okay. Thank you very much, Roberto. Thank you Danny for your question. Thank you, everyone, for your interest in Via.

Let me start off talking about the operational aspects of our logistics. Let me try to answer this and then Helisson will talk about the commercial expansion aspect.

Just think about in the past when we entered the company, the first phase of the logistic, we focused on operational improvement, having better use per square meters and the deposits in stores and their occupancy in the vehicles that are used. We positioned our inventories in the network of these, around the country for efficiency. This brought in operational efficiency gains and capacity to deliver quicker.

In mid-2020 to mid-2021, we had a lot more intensity in technology, so working with technology and logistics to really be able to delay and upgrade many different systems that we need to work on to make the delivery as well as having all this contribute to reduction in costs. So we started the second phase of the intensive use of technology. This combination compared to the third phase that we're in now, which is really, besides the operational improvement, level of services and logistics internally, we prepared the investor for what we call this as a service option to be able to offer this to sellers and marketplace and also to the fulfillment that was accelerated with the acquisition that we announced in January with sales team, and which is a key phase of the service. And we started this quarter with all more intensity, intensifying this service under this umbrella of the 3 step.

Now I'll pass on the word to Helisson. And he will be able to add a little more provision on how are you going to add sellers.

A - Helisson Brigido Andrade Lemos {BIO 21184188 <GO>}

A month ago (technical difficulty) and structure with logistical part as well. We have 2 important movements. We have some cases of more than 9 customers from TMC moving on to the Via marketplace. And almost 30 customers in this new contract migrating to our structure of fulfillment and inaugurating the process, revenue contracts and then you start all of the integration, connection, onboarding of the customers and their products.

Let me take advantage of this opportunity, and I want to reinforce one point about the potential that the business has. When it comes to NPS, we have some information from competitors, actually, that the operation that once it gains more strength from it, becomes a lot better. So we have actually some clear evolution with NPS, some of this transaction in the marketplace. It's already closed to what the average is for 1P and also in store, but we want more than this. And we have some brands to really protect the year by Via. The relationship is different. It needs to be looked at differently and fulfillment has an important role and generating value to our partners and especially really in changing our customers.

And finally, as we consider a quick summary of all we've heard, as we talk to some sellers that were not CMP, and that still wouldn't sell in our marketplace, that's Via. This is a recurring question for every community. They say, do you also work with heavy-duty items? Do you operate with heavy-duty items? Can I work on this? So we've been very patient to offer this logistic operation, as well as when the order drop in this environment.

Operator

Now we're going to continue with Irma from Goldman.

Q - Irma Sgarz {BIO 15190838 <GO>}

I want to ask you about the future and I wanted to talk about the future. I think we're almost headed towards the end of the pandemic, and you're probably noticing a recovery in customer traffic at the stores. I know you opened many stores. You talked about the acquisition cost of the stores, which is an important vertical, the reason why Via is opening stores. But how have you seen the future of the store? Maybe you'll have some more closings in the future, more adjustments in the portfolio of stores, maybe the store format in the future will be a little different. And maybe if you could talk about how you've seen the recovery in some markets and traffic inside the stores.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Thank you for that question. We've already resignified our own stores here at Via. Those stores are not the traditional store that performs sales. It's essential for customer relationships, whether they involve products or financial services or even to be able to have cash out for deposits and bank. So the stores that are logistical hubs for us, and it supports the delivery of the last mile. Half of them we got online is leveraged through the store, and this generates an important cost reduction and adjust for processes. And we've been reaping this and demonstrating this and also for customers to go for the pick-up from store option, which is very relevant when it comes to the online sales.

Inside this, our online sales number are based at the start, and they are online and they interact with all of Brazil. And it's really an important factor for new customer acquisition. And the online seller also has a big potential to recover customers that are inactive. Via has a base of over 90 million customers. And now we are more -- we have more and more intelligence in our base. And the online sales reps are empowered with that to be able to interact with this space. And we've been scaling up in sales over time. Much to the contrary, we don't believe stores will lose strength. We believe that more and more omnichannel approaches will gain strength.

So customers, they will strength mode for purchases at every moment it's going to be done. So we're going to be ready for all of customer journeys, with our major differentiating factor, which is having the store supporting logistics. So this is something that in Brazil, really makes a huge difference considering the difficulty in logistical costs in operating it.

We've been adding a lot of intelligence and many algorithms in Via distribution of product and the advances in the inventory. So it's becoming more precise when customers perform or purchased items are very close to the last mile. We've been advancing a lot in this offering. And now we start doing this as well for 3P. 3P will also have this level of intelligence through fulfillment, and third parties will also be able to. And so whoever comes in without being present in our marketplace, and they enter our logistics to provide logistical services, they also have all of our 1,100 stores as a distribution point in Brazil. So we think that the store is fundamental.

When it comes to the reduction of team, actually, what we want here is not a reduction, considering the reduction of expenses. Of course, we also always plan to reduce expenses. We wanted to adjust our team, considering the size of the product set that we took on. So once again, we are starting to reap in a very accelerated manner the benefits of these 2 years with investments in technology and infrastructure that Via has been working on.

So we also have more productivity to reap in the stores. And we've seen a level of productivity in this quarter that's still a little bit better than what we've experienced in the fourth quarter, and we have a lot more technological evolution to happen this year, which is going to unleash the company's value even more.

Q - Irma Sgarz {BIO 15190838 <GO>}

Maybe a second question about some of the cost pressure that I believe is still being relevant in your supply chain and will continue with everything that's going on in the world. How have you talked to suppliers about future increases in prices, especially for durable goods? And how have you seen the capacity to absorb these increases?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Well, as you know, we've been operating with a bigger term than conventional term. And part of our call in this semester is already planned together with industry. We had some pressure about what's happening around the world. And on the other hand, we also have dollar value going down, which reflects the impact that's relevant in our programs.

And we haven't seen any critical signs when it comes to supply and prices in the negotiation. But here, we also have some important mechanisms that generate heavy return. For example, Barateiro. So many of the items had increased from 2020 all the way here due to everything that happened. We were able to keep consumption and demonstrate our sales and marketing, that are really connected to the capacity that we have on these items and soften this increase through the options of payments in installment each point with selic increases of reals and the installment of the consumers.

So we can maybe increase 1 more installment of the average funding in the customers. We haven't done this yet. So far 100% of selic and 100% of the increase in products are embedded in average term that we already have. So we still have this resource. So I think we have some important mechanism here to continue to grow our market share and gain the market at Via throughout this year and next year as well.

Operator

Let's move on by Richard from Bradesco.

Q - Richard Cathcart {BIO 16457807 <GO>}

I would like to ask you about logistics, Roberto. You mentioned on Page 10 of your presentation, a lot of legal information. And one of the data is -- if I understood correctly is 92% of the GDP is in a radius about 24-hour delivery at Via. But now the 24-hour delivery, only represents 25% of your orders, if I'm not mistaken, and it was 21% 2 years ago. So I wanted to understand how you'll start reducing the gap between the capability you have and the actual penetration with 24 hours shipping.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Thank you, Richard for the question. I'll start, and then I'll pass it on to Sergio. I want to add an important point. Actually, along with the slide, 97% of everything we deliver is in the term that will be agreed upon with customers, not necessary do customers want to receive 24-hours. This is important. We have same-day delivery. It's very strong already. But customers not necessarily -- customers have to be scheduling to be home to receive those products. So we're valuing the possibility of being able to deliver in the period and day when customers want to receive this.

This is more important even than in certain amount of hours, because customers don't necessarily need to receive in a specific amount of hours, or they're not always available to receive products at home in that period. But I'll pass this on to Sergio and he'll add on to this as well.

A - Sergio Leme {BIO 17658761 <GO>}

Thank you for the questions. Yes, a quick correction. Maybe the material wasn't as clear as possible. 24-hour deliveries is the biggest bar -- to set really the biggest bar. And so we are more than 40% in 24 hours, and you add this to 25% to reach 48. So maybe the graph is not very clear when it's interpreted.

We really have a focus on the speed, also a precision, deliver what customers ask for. Once again, here, I want to highlight that -- I'll be here a little bit repetitive, we're talking about all of the municipalities in Brazil, the light and heavy-duty items. So to be really 100% of everything we work and operate, we know that there is some element of heavy items that are quite significant.

So the initiatives that logistics together with technology have been providing, have the final objective of permitting control, visibility in the supply chain and the available capacity and the delivery terms and visibility for customers as well.

So I think we've already mentioned the work with demand planning. Now we've been providing to be able to have the correct positioning of the inventory with no big cost for the working capital of the company using our network of stores. So you can imagine that store is really part of logistic network where we have inventory throughout the stores and it's not necessarily belonging to the stores format. But it's there to be delivered and service customers online. This mix of volume, right, are defined to be at the store are all based on a lot of data units. This is an important leverage we've been working a lot on to be able to search for greater levels of quick responses and quick deliveries to our customers, once again all over Brazil.

You've seen that over time in the past 2 years, relatively when you consider the growth or rhythm or pace of our online sales, we were able to use our infrastructure a lot better. So compared to other peers, it means that we had to invest a lot less because we had better used our 1.1 million square meters that we have, plus the 1.5 million square meter in stores. So that's -- we have most of the levers to increase speed.

Then you also have another point that's important to highlight, which is -- we've been transforming our network of providers to a network that goes by our infrastructure of DCs in stores and should not affect the cross-stocking of the transportation companies, which gives us more visibility, speed and control, which is what we call our own network. And I just wanted to reinforce this here with you.

I think this is the speed in our control, and it will continue to grow in the next quarter. This has contributed a lot to our speed of delivery and the relationships with our partners with more transformation have been centralizing this performance a lot better and less penalties for bad services. So that's where we (technical difficulty) services, speed and delivery and precise delivery with the NPS recurrences and customer satisfaction.

Q - Richard Cathcart {BIO 16457807 <GO>}

If I could just give you a quick follow-up, Roberto. Roberto, you've already spoken about the SG&A a lot. But I just wanted to follow-up on the G&A. You talked a lot about personnel in stores, but I wanted to know about the G&A. If you could maybe give us a little more color on how you've been cutting down on these G&A expense?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Richard, thank you for that question. G&A is easier to explain. Obviously, the comparable, we have to eliminate the effect that we had last year. Last year, we had some special compensation related to some conditions. And this year, we do not have this special compensation. Sorry, we basically -- that basically led to this effect.

Q - Richard Cathcart {BIO 16457807 <GO>}

I think you cut off part of the audio. Yes, you cut off a bit right at the end of your message, maybe repeat.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Yes, let me repeat this. In 2020, in the fourth quarter, we had a concentration due to the expenses related to variable compensation in the company. We had over BRL 1 billion in results that year. In this quarter, the results really were negative. The company surely would look negative. So we didn't have the same level of variable compensation here. So that's where you see the combined effects that leads to this reduction.

Operator

I'll now invite Ruben from Santander for his next question.

Q - Ruben Couto {BIO 22261078 <GO>}

Two questions. Could you talk about how your performance pertains here, especially in the physical stores and also in the online channel. And a second question about CapEx. Looking at the entire context that we've seen, what should we expect this year? Should we consider maintenance of these levels in 2021, a reduction? Can you talk about this topic a bit if you've already defined it, please?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Thank you, Ruben. Thanks for that question. About sales, we had in the month of January lower competition in the physical stores. We still had a major absence in customer flows. And after the 10th of February, they start getting better, significantly better. And in March, we continue to have improvement. So we've seen many improvements in the flows of physical stores after the 10th of February, and this is being kept.

Online, we've seen good performance ever since the beginning of the year. We've been performing -- we have banQi, that is a little more complex and then a very good performance. So about your question related to CapEx, Ruben, we will continue. We have the store launch plan, about 80 and 100 stores. And we also move on with our evolution of the platform, take on the platform of the company, so we should probably see some numbers that are similar in the CapEx to what we've been doing in the past years, and we still have a lot of value to make that happen based on this evolution of the platforms that we have to be working on this year.

Operator

And our last question is from Joao from Citibank.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Before you finish with your questions. I wanted to mention we're going to be circulating a quick survey after the call. I'm requesting some feedback on the format of the call and the video we posted yesterday as well. So just so you can answer that as well. You may proceed Joao.

Q - Joao Pedro Ribeiro Soares {BIO 19817396 <GO>}

First one is a follow-up, if you could maybe talk about the behavior with customer and what are the improvements you've been noticing when it comes to customer flows in February and March. And these improvements, you mentioned, the behavior of these consumers. Which categories are reacting better? Can you give us a little more granularity on this?

And the second question is a little bit more related to summarize what mentioned so far, and it's little bit broader Roberto. You discussed many efficiency gains, improvements in productivity and you've been chipping your customer acquisition costs, and there's other points that really help the profitability of your business. So I think I want to understand a bit about growth. When you look at 2022, what are you going to do with all of this productivity improvement? You said that there's other opportunities still to obtain in regards to efficiency and expense reductions. So how can we translate this into growth in the company, maybe reinvesting this through OpEx once again to be able to really leverage growth again? I think that's the main point.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Thank you, Joao, for that question. Well, about the flow in the store of customer traffic, it is not like the category segment that's currently standing out. We are performing very similarly with different segments and categories. At the store, the performance of the marketplace is also doing really well, who are online sellers. So I can't give you information about each category. But what I can say is the buy-now, pay-later, continues to be a major differentiator. And in complex year competition, this advantage we have with credit brands being in our own propitiatory system and the credit intelligence that we've acquired in the past 6 decades really gives us the major difference at the moment, where you have a bit more complexity in the overall scenario market. So that's what I can mention about consumers. So there's no like specific category that is a drop.

And then when it comes to growth, Joao, what I'd say is that the company continues to be really dedicated to gain market share. Ever since the day we started, we made it very clear that we would perform the entire Via transformation. It was stopping -- they would stop selling home appliances and electronics, and they would really be transformed into a major ecosystem, bringing customers from many different verticals.

At the moment we've reached now is that these verticals are really connected to our ecosystem. And banQi starts bringing in a lot more customers, the buy-now, pay-later system also brings in major customers. And now here I have 2 important increase of new customers with very low customer acquisition costs. And the marketplace, we will -- we look at the marketplace, not a huge GMV increase. But the biggest GMV in the marketplace is really in the category where we're a destination at 1P. We're going to strengthen 1P even more. We're going to push for even more market share. And in the marketplace, we're going to look for long tail and its better assortment.

We can see the trend and over time, major search from the customers directly without the need to spend more money and bring in these customers. So a lot of customer acquisition cost protections and an increase in the lifetime value.

The results allow it for everything we're doing in logistics, so we're working on all of this growth and market share gains last year without losing the return, which actually went up 10 points. And as Helisson mentioned, we're pushing for even more NPS. So with essential fulfillment, we're really coming into make money. We're just here to improve the level of service in the marketplace. We have a clear awareness and consciousness that we can monetize even more logistic assets we have with very low levels of investment. And we think that there are other opportunities that can be captured with logistics service as well. And then it's really about holding it first well and then making ourselves available to everyone that's not in our ecosystem.

So we have a lot of revenue and profitability to be captured in every improvement. Well, we've been working on all this growth without giving up on margins. So, so far, we have not needed to draw money away to be able to grow. But when the company becomes even more profitable and you're faced with very different protocols and customers and different verticals, we have the big chances of gaining market share without needing to give up on profitability.

So we will grow more and more profitability in the company. And maybe if we need to use a drop in margins, we'll have the necessary lines to do this because we'll have profitability levels that the company have not before month, due to margin techniques we're working on now with our logistics and also with buy-now, pay-later as a service, that will be available in the second quarter on, we have profitability potentials that are really important.

And if we need to do anything to be more aggressive, we'll have even more ammunition than what we have now. So, so far, we have not needed to. We've been able to grow at 9 quarters consecutively gaining market share, going above market levels without having to give up on profitability.

Q - Joao Pedro Ribeiro Soares {BIO 19817396 <GO>}

Roberto, do you consider any range you could share with us in the market about what you're considering when it comes to EBITDA margins for this year, more of a long-term margin?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Joao, I think we have been experiencing levels that are pretty constant for EBITDA. This should be something close to what we can expect for the future. And once again, we are just starting to popularize the other verticals. So I can't give you direct guidance yet, because we really are starting off with the profitability of the verticals with credit as a service and with other service. So there's I think you'll see it come from these verticals.

Operator

We have another follow-up here with a question.

Q - Unidentified Participant

Just about the curtail on the IPI, the importation tax. And Roberto, do you know how much this represents and do you think that retailers are going to be able to -- are they going to transit this to price? Or do you think they're going to use this to recompose their margin?

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

Well, generally, whenever this happens with the price change for retail is searching for more sales and in this case, we are searching for this. There is an opportunity if you look at the average IPI in the category. It's about 10% to 15%. So this is going to represent a reduction of about maybe 2% to 4% depending on the category. And so it is not something that is extremely relevant. But yes, we will use this to be more competitive and bringing even more sales to the ecosystem as a whole.

Operator

Thank you, everyone.

I just want to remind you, we're going to be sending you a quick survey to understand what you thought about in this format.

We'll ask Roberto to perform his final comment.

A - Roberto Fulcherberguer {BIO 17276995 <GO>}

I think I already mentioned it. But I hope you're liking this new method where we upload the presentation before. You have time to review and watch everything. It's little more productive also for your time I believe.

I want to thank everyone for the time.

My final comments, I want to thank you just for being here in the call and really being interested in the evolution of Via. Thank you, everyone.

Have a great day.

Good-bye.