

## Q1 2015 Earnings Call

### Company Participants

- Clovis Poggetti, CFO & Director-Investor Relations
- Rômulo de Mello Dias, Chief Executive Officer

### Other Participants

- Alexandre Spada, Analyst
- Jorge Kuri, Analyst
- Mario Pierry, Analyst

## MANAGEMENT DISCUSSION SECTION

### Operator

Good morning, everyone and thank you for waiting. Welcome to Cielo's First Quarter 2015 Results Conference Call. This event is being recorded and all participants will be in a listen-only mode during the company's presentation. After Cielo's remarks, there will be a question-and-answer session. At that time, further instructions will be given.

This event is also being broadcast live via webcast and may be accessed through Cielo's website at [www.cielo.com.br/ir](http://www.cielo.com.br/ir) where the presentation is also available. Participants may view the slides in any order they wish. The replay will be available shortly after the event is concluded. Those following the presentation via the webcast may post their questions on our website.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of Cielo's management and on information currently available to the company. They involve risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur. Investors and analysts should understand that macroeconomic conditions, industry conditions and other factors could also cause results to differ materially from those expressed in such forward-looking statements.

Now I'll turn the conference over to Mr. Rômulo de Mello Dias. Mr. Rômulo, you may begin your presentation.

### Rômulo de Mello Dias

Good morning. I would like to thank you all for joining us as we present our results for the first quarter 2015.

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Joining me today are Clovis Poggetti, CFO and Investor Relations Officer, as well as members of the management team, finance, and IR teams. Let's start on page three by presenting the quarter's highlights. On February 27, we finalized the association with Banco do Brasil to manage payments accounts of their Ourocard arrangement.

On the same day, we issued private debentures in the amount of BRL 3.5 billion at 111% of CDI interest rates and maturity in December 2023. We have put and call on the fifth year. On April 13, we also issued the public debentures in the amount of BRL 4.6 billion at 105.8% of CDI interest rates. It was a very successful cooperation with demand of BRL 12.7 billion or 2.7 times book. It was the second largest operation in the Brazilian market and the cost was 105.8% of earnings of CDI, the lowest one for a Brazilian company for a three-year term, according to the investment banks that advises us.

These debentures were the takeout of the promissory notes issued on December 2014 (03:16) to contribute to the association with Banco do Brasil. Today, we published our 2014 sustainability report. This year we are presenting the report in a novel way. The report was produced based on GRI G4 guidelines score, which is the most up-to-date GRI portion and reports the performance of Cielo regarding the most really advanced stakeholders matters based on the materiality metrics. This is an important step for the company relative to its maturity on corporate governance principles, social and environmental practice and transparency.

On page four, we present the evolution of our transaction financial volume with credit and debit cards. When compared with the first quarter of the previous year, the financial volume growth was 5.8% reaching almost BRL 127 billion. It's worth highlighting that the growth rates of financial volume within the first quarter were lower due to two factors. The more aggressive competition and second the more challenging macroeconomic environment. They slowed down and spread across all sectors, and electronic payments was no exception.

In the same period, the credit volume growth was 3.2% reaching BRL 75.5 billion while the debit volume growth was 9.9% reaching BRL 51 billion. And if you do not take agro into consideration, debit would have grown at 12.3% year-over-year and 10.8% reduction quarter-over-quarter.

In the case of debit transaction, the performance of the agro card products also had a negative impact. As you can observe in the year-over-year comparison, there was a 36.1% reduction in volumes, reaching BRL 1.5 billion.

Regarding the previous quarter, the total volume was 12.1% lower with credit volumes decreasing 11.1% while the debit volumes were down 13.4%. With respect to our growth expectation for the industry, it's in a range of between 11% and 13% in this year. We believe that it is still valid but would be most likely be closer to the lower limit.

Some other financial indicators that I would like to highlight. Number one, the net operating revenue grew 29.4% in the year-on-year comparison. Number two, EBITDA growth was 18.5%. Number three, the consolidated net profits growing at 13.6%. And

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without considering Token, the association with Banco do Brasil and its corresponding extraordinary expenses, the growth would be 19%. And last but not the least, the prepayment of receivables that reached 19.6% of the total credit volume in the quarter, approximately BRL 15 billion.

Advancing to page five, here we present the number of captured transactions. Growth of 8.1% is noted for first quarter in relation to the same period of 2014, recording 1.4 billion transactions. Quarter-on-quarter, the number of transactions decreased by 9.1%.

On page six, we present our operating indicators as well as the number of active points of sales which have record one transaction in the last 30 days and the number of installed POS. In comparison with the first quarter of 2014, the base of consolidated POS grew 8.3%, reaching 2 million devices. And in comparison to the previous quarter, decreased by 0.2%. Wireless terminals reached almost 64% in Q1. The increase of the active points of sales reached 14% compared to the same period last year. In comparison with Q4, there was growth of 1.1%.

Now I'd like to hand the call to Clovis Poggetti who will continue with our presentation.

### **Clovis Poggetti** {BIO 16529642 <GO>}

Thank you, Rômulo, and good morning everyone.

First of all, I would like to start by saying that given the higher complexity in the assessment of our figures, we have decided from this quarter on, namely after the association with Banco do Brasil in the creation of Token, to present the information in a way that may be possible to follow up the composition of Cielo's results separately.

On page seven, we present the managerial information for following up. Firstly, we present Cielo's consolidated numbers excluding the net income attributed to other shareholders as can be observed on table number one.

Our net operating revenue totaled BRL 2.4 billion in the quarter, 29.4% higher than in the first quarter last year. The growth is substantially related to the beginning of Token's operating activities as of February 27, 2015 and to the ongoing expansion of Cielo's and subsidiaries Merchant e-Solutions and M4U businesses.

In comparison with the fourth quarter last year, the revenue presented 10.5% growth which explained mainly by the beginning of Token's operating activities. Our total expenses was BRL 1.3 billion in the first quarter this year, 43.8% higher in relation to the same quarter of 2014.

The increase is justified by the consolidation of Token, by the impact of the dollar appreciation in the total expenses of our subsidiary Merchant e-Solutions, and by the growth in the general and administrative expenses with professional services related to projects.

In relation to the fourth quarter last year, total expenses remained in line, impacted negatively by the beginning of consolidation of Token's activities but positively by the reduction of sales and marketing expenses and expenses with professional services.

Cielo's net income totaled BRL 912 million, 13.6% higher than first quarter last year. When compared to the fourth quarter last year, the net income presented the same increase of 13.6%.

Following on table two, we present the Cielo's information excluding Token and extraordinary cost and expenses, such as financial expenses, expenses with lawyers, auditing firms, investment banks and et cetera that were generated by the set-up of the association.

In this view, net operating revenue was BRL 2.1 billion in the first quarter of 2015, 18% higher than first quarter last year and 0.7% higher than fourth quarter last year. Total expenses were BRL 1.2 billion in the first quarter this year, 27% higher in relation to the same quarter of 2014 and 8.8% lower than the fourth quarter last year.

Cielo's net income totaled BRL 955 million in the first quarter this year, 19% higher than first quarter last year. When compared to the fourth quarter, the net income increased 15.4%.

Finally, we separate Cielo Brazil and the other subsidiaries so that it's possible to follow up our soft guidance for the total expense per transaction in Cielo Brazil and also to isolate the impact from exogenous variables to the business such as the foreign exchange variation in the subsidiary Merchant e-Solutions.

In Cielo Brazil presented on table three, the net revenue totaled BRL 1.7 billion in the first quarter 2015, 11.6% higher than in the first quarter last year and 3.3% lower than fourth quarter last year. The variation in the revenue is substantially higher than the one seen in the volume that was 5.8% year-over-year and is related to a relevant reduction in the agro volume as mentioned previously, and to the loss of clients with below average pricing to other competitors.

The total expenses were BRL 741 million in the first quarter 2015, 16.6% higher in relation to the same quarter of 2014 and 20% lower than fourth quarter last year. The total expenses per transaction totaled BRL 0.52 in the first quarter this year, 8% higher than the same period of 2014 and 12% lower than fourth quarter last year.

At this point, I would like to highlight that we are confident in delivering the soft guidance given to the market stating that total expenses for Cielo Brazil in 2015 will remain between BRL 0.49 and BRL 0.51.

Cielo Brazil's net income was BRL 946 million in the first quarter 2015, 18.3% higher than first quarter last year and 16% higher than the fourth quarter last year. For the other subsidiaries that may be observed on table four, including Merchant e-Solutions, Mobile4U

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and Braspag, we had net revenue of BRL 447 million in the first quarter, which was 50.5% higher than first quarter last year and 20% higher in relation to the fourth quarter.

The main justifications for the increase are related with the dollar appreciation and to the change in the strategy of our subsidiary, M4U. The total expenses were BRL 428 million in the first quarter 2015, 50.5% higher in comparison with the same quarter of 2014 and 21% higher than fourth quarter. And the reasons are the same as to the variation of revenue.

Cielo's net income from the other subsidiaries totaled BRL 9 million in the first quarter this year, 200% higher than first quarter last year. When compared to the fourth quarter, net income presented a decrease of 29.6%.

On page eight, we present Token's numbers. We would like to remind you that the beginning of operating activities took place on February 27 and therefore we have around one month of respective results. The numbers are completely consolidated in our statement.

On the left side of the table in the first column, we present the accounting number not considering the amortization. We can name this column as business results. With this approach, we will have net operating revenue of BRL 207 million, total expenses of BRL 114 million and net income of BRL 62 million. The accounting number in the second column takes the intangible asset amortization during a 30 year term into account, resulting in an impact of BRL 32 million. In this view, net income was BRL 41 million.

Analyzing the contribution of Token to Cielo after the impact of the financial expenses related to the creation of the new company, we reached a negative result of BRL 33 million in the month as shown in this same column slightly below. This number comes from a contribution of BRL 28.6 million that corresponds to 70% of the net income, net of the financial expenses taken by Cielo, plus taxes in the amount of BRL 61.6 million.

It's important to observe, however, that this result is impacted by the intangible assets amortization effects. When we perform the same analysis excluding these effects that is somehow in the cash based direction, we come to the figures presented on the table on the right.

In this analysis, the net income would be BRL 72.5 million. Making the same analysis of the contribution of Token to Cielo that is after the financial expenses impact, we reached a negative result of only BRL 11 million in the month (sic) [quarter].

The message we want to leave with this analysis is that the association with Banco do Brasil is accretive as of the second half of next year in the cash based concept, which means ex-amortization. Now by the traditional earnings concept, the accretion will begin from the second half 2017 on.

On page nine, we have indicators and results of the prepayment of receivables operation. On the table, we can see that the prepaid volume shows an increase of 8.6% compared

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to the first quarter last year and decrease of 1.5% when compared to the fourth quarter last year. The amount in the quarter total around BRL 15 billion or 19.6% over the total credit volume, with credit installments accounting for 66.2% and regular credit for 33.8%.

The result of prepayment of receivables in the first quarter 2015 was BRL 463 million, 40.6% higher than the result in the first quarter last year and 9.4% higher quarter on quarter. As usual, I would like to present the result of the managerial analysis net of funding costs.

In the analysis shown in the table, we assume that 100% of the volume prepaid in the quarter is applied to 100% of the CDI which is a cost similar to the ones we have when we anticipate our receivables flow with the issuing banks. According to such analysis, managerial net revenue was BRL 265.1 million for the quarter, an increase of 38.8% and reduction of 1.6% compared to the first quarter and fourth quarter last year, respectively.

On slide 10, we present our financial performance with EBITDA in both absolute amount and margin. EBITDA total BRL 1.2 billion in the first quarter this year, up 18.5% year-on-year. EBITDA margin was at 50.5% in the first quarter this year. It was down by 4.6 percentage points over first quarter last year. Compared to the fourth quarter, EBITDA increased by 28.3% and margin increased by 7.1 percentage points.

On the next page number 11, we show that our net income totaled BRL 912 million; up 13.6% year-on-year, with a net income margin of 38.8%. Finally, when compared to the fourth quarter of last year, net income presented an increase of 13.6% and the margin rose 1.1 percentage points.

On the next page 12, we present the indebtedness and evolution of net debt. The total debt of the company at the end of first quarter this year was BRL 11.4 billion. When considering the prepayment of receivables with issuing banks as an adjustment, it will be BRL 15 billion.

Of this total amount, BRL 4.7 billion corresponds to promissory notes which take out to public debentures in April 13 as Rômulo mentioned and with maturity in 2018 with annual amortization.

BRL 3.4 billion corresponds to private debentures with maturity in December 2023 and a put/call in the fifth year. BRL 2.8 billion corresponds to the bonds with maturity in 2022. BRL 456 million to Finame with shorter maturity, and BRL 3.6 billion corresponds to the prepayment of our receivables with issuing banks.

The net debt at the end of the first quarter this year was BRL 10.3 billion. Considering the prepayment with issuing bank's adjustments, net debt would be BRL 14 billion. The leverage ratio of net debt over adjusted EBITDA was 1.8 times. If prepayment with issuing banks is considered, the ratio would be 2.5 times.

Now I would like to pass back to Rômulo.

## Rômulo de Mello Dias

Finally, on the last page number 14, we present the new company's capital structure. As approved in the shareholders' meeting that took place on April 10, there will be a stock bonus of one share for every five shares resulting in the new number of almost 1.9 billion shares. In the same meeting, a change in our bylaws was approved regarding the minimum payout that's now 30% of the net income after legal constitution.

I am glad to have shared our presentation with you. Thank you for your attention. Now we are ready to take your questions. Operator, please?

## Q&A

### Operator

Our first question comes from Jorge Kuri with Morgan Stanley.

### Q - Jorge Kuri {BIO 3937764 <GO>}

Hi. Good morning, everyone and congratulations on the results. I have two questions. First, on industry volumes particularly on credit cards, volumes at the industry level grow from three things, consumption, inflation and the substitution effect. I think we can see what consumption and inflation are. What I'm trying to understand is how has the substitution effect changed, if anything, given what's happening on the economy, if you can give us some color on that, and whether or not you think this is just cyclical and will recover to stronger levels, or does it have to do with penetration? Your overall view on that will be appreciated.

And the second question is particularly on your volumes. And if you can give us a little bit of color on competition. Are there any market share moves, anything relevant from Redecard, GetNet, Elavon or other in terms of picking up market share? Thank you.

### A - Rômulo de Mello Dias

Thank you, Jorge, for your questions. About the first one, the industry volumes, we believe that there were two factors impacting the low credit growth: the macroeconomic scenario and competition as I mentioned during my speech.

In the first case, we think that the (24:51) affects mainly our credit installments per product because people feeling uncertainty about the future and to avoid expenses on the mid-to long term. With respect to the competitive scenario, we have observed that in some negotiations, our competitors are offering more relevant discounts for the credit products and therefore we are losing a higher credit volume.

This time it is important to remind you that Elo brand current owned and captured by Cielo has the higher volume in debit. And on the other hand that is not captured by Cielo (25:27) credits, I am talking about cheaper cards. Such difference also causes some kind of distortions.

About the second questions, the competition is coming not only for the incumbents but as well from the new players. So Redecard, Santander, First Data, Elavon, Stone and others are let's say competing and this is becoming worse.

**Q - Jorge Kuri** {BIO 3937764 <GO>}

All right. Thank you, Rômulo.

## Operator

Our next question comes from Mario Pierry with Bank of America Merrill Lynch.

**Q - Mario Pierry** {BIO 1505554 <GO>}

Good morning, everybody. Let me ask you two questions, Rômulo. First one is related to the prepayment business. You continue to show very strong growth, but I wanted to know across the (26:21) of the business this quarter specifically was in anyway benefited from the fact that you had issued some notes late last year and then the transaction, the JV only closed in February. So meaning you had a period here where you had excess liquidity and that could have helped you in the profitability of the prepayment business?

And the second question is more related to the level of debt of the company right now whereas you've shown on your slides, and also this has led you to reduce your dividend payout ratio. I was wondering how do you look at some of the investments that you have made especially in Merchant e-Solutions. It wouldn't be easier for you to divest some of these assets because just analyzing here, Merchant e-Solutions, which roughly gives you a net margin of only 2% to 3% while the Brazil operations will give you a net margin of 55%. So I'm just wondering, if that wouldn't be a better strategy for you? How should we think about your Merchant e-Solutions over the long-term? That's it. Thank you.

**A - Rômulo de Mello Dias**

Thank you, Mario, for your questions. About the first one related to prepayments, to some extent you're right regarding the notes, the promissory notes that we issued. It, to some extent, helps the performance of the prepayment even though that was not the main reason. The main reason was the fact that we continue to grow in all the segments, the big ones, the medium and also the small ones, and this is helping us how to work with this product.

On the other hand, we should say at this stage that we shouldn't expect to have the same kind of penetration, 19.6%. We stick to our previous soft guidance, medium to high teens, about the prepayment even though as we also said during the last conference calls that we are much more focused on revenues than percentage-wise.

So about the second question, the indebtedness, I think we are very comfortable with the situation that we have and this was one of the questions that was always coming to us, why we were so unleveraged. And right now, if you consider the anticipation that we do with the issuers, it goes to 2.5%. It was the main reason why the shareholders' meeting took the decision to reduce the level of payout from 50% to 30%.



And about Merchant e-Solutions, we are very happy with the performance of the company. We have no intention to divest the company there. It's growing this year much better than last year. And in terms of MGR (29:22), it's important to remember that Merchant e considers not the net MGR (29:31) but the gross MGR (29:31). So in this situation, it does not help on a percentage-wise if you talk about the percentage of EBITDA or even the net earnings related to revenues because we are compared to a big number or to a bigger number and not compared to the net MGR.

So this is the reason why it's not helping in terms of the percentage EBITDA, the percentage of or net earnings but there is no problem in terms of fiscal things, so on and so forth. And this is the way that the U.S. market usually provides the information with the exception as far as I know of Ventis. Ventis (30:14) also provides the information, let's say, in the Brazilian standards and the EBITDA margin in the case of Ventis (30:24) is around 50%.

### **Q - Mario Pierry {BIO 1505554 <GO>}**

Okay. The connection is a little bit bad, but my main point of Merchant e-Solutions is you have such strong growth in Brazil, right? The Brazil operations continue to do well, you have the JV now with Banco do Brasil whereas - and I think it still provides plenty of growth opportunities.

Just wondering why is the need to have a U.S. business especially as the bulk of the technology (30:57) I think that way you want to do is to transfer some of the know-how out of the U.S. into Brazil. The project is well underway. So I was just wondering is it really necessary for you to be operating the U.S. even it's just an extra distraction, or is this something that you really want to pursue more in the long term because it has growth opportunity in the long term?

### **A - Rômulo de Mello Dias**

No, it's not a distraction because you have a team there that is fully responsible to take care of the operations. Second, I would answer your question (31:29) understand that why First Data is here, why Elavon is here, why some other companies are here. So why we are in U.S., we didn't begin the business from the scratch. We also have a lot of partnerships with banks. So the EBITDA continues to grow. So there are many answers that I could, let's say, balance my point in order to address your questions and I hate repeating myself.

We are very happy with the investment that we did. The company can grow and we also can do other things with Merchant e-Solutions. And about the same - and let's not forget that the U.S. market is a very good market even though that's a challenged one compared to the others that you have on Europe, for instance.

So U.S. continues to grow around 7%, 8% even though the penetration, the PCE penetration is around 45%. So there are many answers - just to emphasize the point that we are happy with the investment that we did. We are, let's say, capitalizing (32:37) the platform in order to provide the best solution for our customers. And last but not the

least, we want more EBITDA and \$60 million EBITDA is a size of EBITDA compared to even to Brazilian companies, that's not bad. And so, this is my answer about that.

**Q - Mario Pierry** {BIO 1505554 <GO>}

Okay. Thank you very much.

## Operator

Our next question comes from Alexandre Spada with Itaú BBA.

**Q - Alexandre Spada** {BIO 16687974 <GO>}

Hi, gentlemen. Good afternoon. My question is on the payout ratio. I understand that the ratio to be adopted by Cielo going forward depends on the Board of Directors. Still I would like to understand what level of payout ratio would be recommended by management to the board assuming you already have a clear recommendation to make, and I'm asking this question following the reduction in the minimum payout to 30% from the previous 50%.

**A - Rômulo de Mello Dias**

Thank you for your question, Alexandre. As we show in the presentation page six, the net debt to EBITDA today is around 2.5% (sic) [2.5 times]. As you know, the company is conservative about the leverage and we have also some controlling shareholders that are also conservative about that.

Having said that, we do think that we are trying to deliver other line of revenues – other line of avenues in order to diversify our revenues and our opportunities. And this is important to have, let's say, a strong balance sheet to address this main target.

So today – and when I say today and for the coming years until we reduce the net debt to EBITDA to a certain level that we consider is reasonable for the standard of the company considering the behavior, considering the style of the company that's more conservative compared to the others.

I would say that we would continue to pay 30% until we reduce the debt. After reducing the debt, we can pay more and because if there is no usage of the money that we generate we should pay more dividends to the shareholders.

**Q - Alexandre Spada** {BIO 16687974 <GO>}

Okay. So 30% until you reach the certain more comfortable leverage level, right?

**A - Rômulo de Mello Dias**

That's right.

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### **Q - Alexandre Spada** {BIO 16687974 <GO>}

Okay. And a second question, it's kind of a follow-up. When you did the math for the timing that Token will become accretive both on an earnings per share and a cash flow generation basis, how did you treat the cost of debt in the future? Did you use only Token's own cash flow generation to pay for the debt or are you assuming the calculation a reduction in the debt level funded by cash flow generation at Cielo?

### **A - Rômulo de Mello Dias**

You are right when you say that we are considering the cash flow generation of Token. We decided to provide this managerial information to allow the investors to have a better understanding about Cielo standalone compared to Token. But of course, when we put the two companies together, we consider the net debt to EBITDA as a whole.

So this is how we stand today. And of course, what's in our numbers, we take into consideration what's the future, how is the consensus about the cost of CDI in the coming years. This is what we are considering when we take into consideration the cost of the debt that we raise.

As you know, we raised two debentures. The first one is a public debenture BRL 4.6 billion, the second largest issuance in the history of Brazil and the cost was 105.8% per year. And the second was a private debenture that will expire in eight years from now...

### **A - Clovis Poggetti** {BIO 16529642 <GO>}

2023.

### **A - Rômulo de Mello Dias**

Yeah. Eight years from now and we have put and call in the five year. So there is no liquidity in these debentures; the reason why the cost of the second debenture is higher, no liquidity and also eight years with a put and call in five years. So compared to the public debentures, this is a longer one.

### **Q - Alexandre Spada** {BIO 16687974 <GO>}

Okay. Let me just make sure I understood it correctly. Let's say if your payout ratio didn't change from the previous 70%, would this calculation be exactly the same? I'm assuming it would, right?

### **A - Rômulo de Mello Dias**

What do you mean by calculation?

### **Q - Alexandre Spada** {BIO 16687974 <GO>}

Because when you calculate the accretion or dilution, you are taking into account the cost of debt, right?

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## A - Rômulo de Mello Dias

Yes.

## Q - Alexandre Spada {BIO 16687974 <GO>}

Now my question is, if you are using a lower payout ratio at Cielo as a whole to, how do I say, pay the debt, the accretion will come quicker, you know what I mean?

## A - Rômulo de Mello Dias

You are right.

## Q - Alexandre Spada {BIO 16687974 <GO>}

So if the payout ratio would be kept at 70%, would it be fair to assume that the accretion wouldn't happen in the second half of 2017. It would be later in the future because you would sustain a higher level of debt for a longer period?

## A - Rômulo de Mello Dias

It's a hypothesis that should be confirmed. As I said, we are conservative in terms of the net debt that we are comfortable to keep inside the company. So if we decided to keep 70%, we wouldn't be able to pay the debentures in three years, okay?

## Q - Alexandre Spada {BIO 16687974 <GO>}

Okay.

## A - Rômulo de Mello Dias

Let's remember that there is amortization in each year 33%, 33% and 33%. So the duration is 1.5 year. So together with - what we did, there is no refinancing risk in Cielo. If you take a look at the information that we provide to the debt holders. And also we can provide you with more colors; you are going to see that you are going to pay BRL 1.4 billion - and I don't have this information in front of me -- per year until in three years from now. And after that, we have the public debenture that we expect to pay.

So after three years, okay, we are going to have two years more to have cash, to pay the - our intention is to pay the debenture in the fifth year. So we are going to exercise our call. And after that we have also the other remaining portion that is related to the bonds that is supposed to be paid in 2022. It's another BRL 2.4 billion.

So to some extent, there is no refinance risk even though that we know that we must work with in a capital structure that's more efficient when compared to a one to if we don't have debt in our balance sheet.

## Q - Alexandre Spada {BIO 16687974 <GO>}

Okay, thank you.

## Operator

This concludes today's question-and-answer session. I'd like to invite Mr. Rômulo de Mello Dias to proceed with his closing statement. Please go ahead, sir.

## A - Rômulo de Mello Dias

Thank you guys for the opportunity to share our numbers and our results of the first quarter and as usual we continue to be open to consider other questions that you may have. Have a nice day. Thank you.

## Operator

This concludes Cielo's audio conference for today. Thank you very much for your participation. Have a good day. And thank you for using Chorus Call.

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