



**International Conference Call  
Burger King Brazil S/A (BKBR3)  
3Q21 Earnings Results  
November 5<sup>th</sup>, 2021**

**Operator:** Good morning and thank you for waiting. Welcome to the BK Brazil teleconference to discuss the earnings regarding the third quarter of 2021.

We have with us Mr. Iuri Miranda, Gabriel Guimarães, and the investor relations teams. We inform you that this event is being recorded and that all participants will only be hearing the call during BK Brazil's presentation. Afterwards, we will start a Q&A session when more instructions will be provided.

In case any of you require any assistance during this call, please request the help of an operator typing star zero. (\*0). This event is also being simultaneously transmitted via webcast, accessible at: [www.burgerking.com.br/ri](http://www.burgerking.com.br/ri) where you will find the presentation. The slides will be controlled by us. The replay of this event will be available right after its closing.

We would like to inform that this teleconference is being simultaneously translated to English in order to help our foreign investors. Prior to proceeding, we would like to clarify that any eventual declaration statements that may be made during this call related to the business perspectives BK Brazil, forecasts, targets, and financial goals institute assumptions of the company, as well as information currently available to BK Brazil. Future considerations are not performance guarantees, they involve risks, uncertainties, and assumptions because they refer to future events and therefore depend on circumstances which may or may not happen.

Investors and analysts must understand that general economic conditions, sector conditions and other operating factors may affect the future performance of BK Brazil and might lead to results which differ substantially from those expressed in our future considerations.

I now would like to pass the word to Iuri Miranda, President of BK Brazil, who will start the presentation. Iuri, please.

**Iuri Miranda:** Thank you for the introduction, operator. Good morning, everyone, I hope you and your families are doing well. Thank you for the interest in our company and for your participation in these earnings call for BK Brazil for the third quarter of 2021.

It's very gratifying to be able to share with you the results of the company at a moment when we finally seem to have better clarity in terms of how this pandemic, which affected our society during so long, is being controlled. I am also proud to say that with the work of our team we have been able to protect our collaborators and we have not lost any life to COVID in our operations



during these two past years. That way, we continued to be encouraged by the trends observed in this quarter and we are in the position to capture the opportunities ahead.

The third quarter starts to be a turning point very important for our company because, once again, it showed the strength of its brands still in a tough scenario. We saw in the last few months a consistent recovery of our on-premise consumption, which allied to the continuous growth of digital channels allowed the company to get to levels close to 2019 in terms of total revenue.

The digital indicators follow allied with our expectations in all fronts and now in this order we got to the milestone of 2.4 million users in our recently launched Loyalty Program, our recovery pace was significant month after month in a way that we closed September very close to the 2019 performance in terms of same-store-sales. This trend has remained throughout October and after a certain period in this month of October, our restaurant started to grow in the same rate of 2019.

It's important to say that we got to the 2019 levels even with on-premise sales still recovering, especially in a few geographic regions of the country. This could indicate an incremental sales potential through the other channels once the malls sales return to pre-COVID levels. For BK, this growth was ahead of our best expectations, and for Popeyes we got to almost 20%.

During this quarter, as part of our development strategy, we opened 8 net restaurants, being all of them freestanding restaurants. We're still channeling our actions to deliver the best experience to our consumers in the best manner, this harmonious balance between on and off-premise took us to have the best NPS indicators in the QSR market in Brazil according to important data sources, like *Reclame Aqui*, a complaint site.

Connected to this excellent experience, we can through technology keep our expenses controlled in ways which we can generate good operating leverage which is fundamental in our business. With that, we had a quarter with operating cash flow generation which puts us back closer to our results performance capability.

In the closing of the quarter in October, after many initiatives in the last few years, we formally launched our commitments, ASG commitments until 2030. Our plan is focused on three fundamental pillars: our people; our food; and our vision, and it's through these fronts that we believe that with the best governance and sustainability practices we will give an important contribution to the society, to the environment, and people, making it so that our business is long-lasting and prosperous in a better world.

Finally, I would like to talk about the association with Domino's, which we shared with the market last Sunday. As we mentioned in our declaration, the cancellation happened between a common agreement between the parties



without penalties. They saw that the market conditions changed drastically since the deal was announced. We understand that this would not be the best time for us to go ahead. We continue believing that the pizza market may represent a great opportunity to diversify our company and that Domino's has some of the important characteristics that we seek in big brands. At the right time, we will go back to assessing an eventual walk in that direction.

I would like to say that we have two very strong brands and still in expansion, and these macroeconomic uncertainties we are sure confident that we have a focused team and the right tools to accelerate our development, our digital transformation, and our profitability capturing the opportunities which are ahead of us as far as Burger King as well as Popeyes.

Now I would like to talk about our results in the third quarter of 2021, please go to slide number three. Our net operating revenue reached R\$710 million, a growth of 35.9% when compared to the same period last year. Comparing to the second quarter of 2021, the net revenue showed a growth of 25%, this growth, as I said, comes from an overlap of the digital channels which have reached a performance record with the recovery of the on-premise consumption in our businesses. The same-store-sales reached in the quarter 17.2% for Burger King and 15.7% for Popeyes. The trajectory has been quicker than expected and we go to our last important quarter ready to receive our customers on site.

As I mentioned in October, BK Brazil delivery with same-store-sales and Popeyes is in the high teens. As far as operating results, the adjusted EBITDA reached R\$85.4 million, an increase of R\$96.8 million when compared to the third quarter of 2020 and of R\$74.8 million compared to the second quarter of 2021. This result is recurring coming from the recovery in sales, the discipline in cost control, and how word digitalization strategy.

As a consequence of the improvement of the performance, in this quarter we had the generation of operating cash flow, which shows the potential of cash generation in a moment where we see better operating leverage.

With this, I pass the word to my partner and CFO, Gabriel Magalhães, to provide you with further details on the performance of the company.

**Gabriel Magalhães:** Thank you, Iuri, and good morning, everyone.

Going to slide four of the presentation, we see that throughout the third quarter of 2021 the company opened 8 restaurants, 6 our own BKs and 2 BK franchises. With this, we closed the third quarter with a total of 927 restaurants, of which 723 own of the brands Burger King and Popeyes, and 204 from franchisees of the Burger King brand.

Going to slide five, and as said by Iuri, our net operating revenue reached 710 million, a growth of 35.9% when compared to the same period of the previous



year. During the quarter with the loosening of the restrictions made available by the advance of the vaccination and the improvement of urban mobility, the company sales saw a strong recovery and progressed gradually month after month so that at the end of September the sales per restaurant were very close to the 2019 levels in terms of same-store-sales.

Now in October, according to the right chart, our Burger King restaurants had a performance above the year of 2019. At Popeyes, we continue building a brand that has been surprising us positively in terms of awareness and operating consistency. The result of this combination even with restrictions for a business which is still 100% concentrated in malls, we saw positive same-store-sales plus 3.1% in the quarter and in October getting to a high double digit of growth.

As we see our transaction flow recovering inside the restaurants, the interchange between the channels in terms of ticket and frequency have shown a positive trend.

Going to slide six, we see the performance of the digital channels, which show a solid and consistent growth. These channels represented by delivery, totem and app presented a record in the quarter, totaling 231.4 million, a high of 70% when compared to the third quarter of 2020, which represented 33% of total company sales. Still so, if we compare to the second quarter of 2021, the digital sales represented a high of 24%.

Going to the next slide, we see more details about these channels and what we're building in our ecosystem. Delivery represented in this quarter 16% of total company sales, showing its resilience while the on-premise sales were recovering. Our last mile continues to be scaled up and has been able to deliver consistent experience levels, which encourages us to provide this hybrid delivery solution. Until the end of the year, through this model we will cover around 50% of our restaurants and over 50 additional cities.

Additionally, we have worked continuously to deliver the best experience in the restaurants and in all digital channels. As a consequence, we have reached the best assessment from the consumers in our delivery apps, and according to what the complaint website, we have the best consumer experience between the QSR operators in Brazil.

The self-service totems saw a gain of 665% in revenue compared to the third quarter of 2020, a gain of 13 percentage points over total digital sales, reaching R\$180 million. This growth shows that with the digitization of the business we can improve the user experience being more efficient during their consumption journey. In our CRM, the identified sales represent almost one fourth of all company transactions. Later on, it continues to be an important pillar to be more assertive in our interactions with the consumers, which has helped us to advance in our cluster pricing strategy and to improve our margins per ticket.



Our sales via app saw strong growth, showing a growth of 400% versus the third quarter of 2020. The BK Club, our Loyalty Program, closed the quarter with 2.4 million users, a growth 143% compared to the second quarter of 2021. As we had studied in other global references, the sales generated through the program have made a double-digit increase in this channel brought about by the combination of higher frequency and spending. The speed with which the program has grown and become relevant to our consumers starts to show the first results of all the investment we have made throughout the last few years.

Throughout this quarter, also allied with the main retail trends, we started to see more expressive sales share going through digital payment means, like E-Wallet and Pix (the Brazilian cell).

Going to slide nine, we show the evolution of our costs, expenses with store sales, and G&A. The cost of goods sold reached 36.4 of revenues in the quarter, a reduction of 240 basis points versus the second quarter of 2020. When we compare to the second quarter of 2021, the drop was of 340 basis points.

As we have followed, the pressure in the commodity scenario continues to be challenging our costs, but has been mitigated by the continuous revenue management, by the development of the CRM which allows us to reduce our massive discounting through important negotiations with our suppliers throughout the first quarter. It is important to highlight that in this quarter we acknowledge credits of 8.3 million in the results in terms of a reversal of a provision due to loss of credits of federal VAT, which showed a benefit of 130 basis points in the gross margin of the period.

Now same-store-sales excluding depreciation and amortization reached 334 million in the third quarter of 2021, this growth of 6.6% compared to the advance in sales of almost 36% shows the operating leverage of our business. This leverage comes from our discipline in containing discretionary costs, our incapacity to renegotiate with vendors and mainly through the efficiency gains that technology has brought to our business.

As you can see in the main chart, after two years with 53 restaurants more in our base and with delivery representing 16% of company revenues, we have held our expenses below 4%. In terms of administrative and general expenses, excluding depreciation and amortization, we reached 7.2% of net revenues in the quarter, a high of 110 basis points when compared to the third quarter of 2022 due to the effects of the bill 939 that year. Besides those impacts with more visibility of the result this year, the company decided to provision part of its employees' annual bonus. As we have said, we are preparing our team, especially in technology, for stronger sales, which will bring operating leverage.

In the quarter, there were one-off expenses related to the M&A process, which totaled around R\$4 million and the labor contingencies for the last quarters.



On slide 10, as already said, the adjusted EBITDA reached 85.4 million, an increase of 96.8 million when compared to the third quarter of 2020 and 74.8 million versus the second quarter of 2021. This result comes from the sales recovery, the cost control discipline, and our digitization strategy. With that, although impacted with lower transaction volumes, the company is still reaching adjusted EBITDA historical levels.

We see that our results were still impacted by the pandemic, but the measures adopted by the company helped so that we had a net loss of 68 million better than the second quarter of 2020. On the right-hand corner, we see that the total gross debt of the company reached the amount in the chart, which combined with the total available cash of 485.8 million gives us a net debt of 346.9 million in the third quarter of 2021. Our capital structure, which after an adverse period, improves a little and prepares us to accelerate our growth.

Going into slide 11, we can see Capex and the operating cash flow. The total company investments reached 63 million in the third quarter of 2021, a slight drop when compared to the third quarter of 20 due to the deacceleration in growth brought about by the pandemic throughout the last two years. The company kept part of the amount of investments in technology reinforcing its strategy of digitization.

On the right-hand corner, we see that the operating cash flow was 84.7 million in the quarter versus a total cash consumption of 18.3 million in the second quarter of 2020. This performance is a reflection of the operating recovery that the company showed during the quarter with the reopening of most of its restaurants aligned to our operating efficiencies.

With that, we close our presentation and would like to now open up for Q&A.

Operator let's go to Q&A, please.

### **Question and Answer Session**

**Operator:** Ladies and gentlemen, we will now start our Q&A session. To ask a question, please type star 1, and to remove your question from the list, please type star 2.

Our first question comes from Marcela Regia, Credit Suisse.

**Marcela Regia:** Good morning, everyone, Iuri, Gabriel. I have two questions here. The first one is that you talked about in your release that the same stores recovery has been very depending on the regions but showing a positive trend. I think it would be nice if you could elaborate a little bit on how you see that and how you see that geographically, how this recovery is being different geographically. And if you could speak quickly about the positive same-store-sales for Popeyes that you talked about in the third quarter if that is for all the brand stores or if you had stores which were closed for over seven days which



would be outside of that calculation. That's my first question, I'll ask my second one later.

**Iuri Miranda:** OK, Marcela. Thank you for your question, I hope that you and the Credit Suisse team are OK. Just a comment as far as the geographic issue and the difference between the northeast and the southeast, the northeast is ahead in same-store-sales, the restaurants in malls are showing positive same-store-sales, as an incremental what we see in terms of delivery and drive-thru is very interesting to see, and our theory for the difference in performance, especially in the state of South Paulo, Sao Paulo capital and Rio, is that the flow during the week, especially in the lunch time, in a few more central regions of these capitals they still have not come back to work completely. This might be associated to a full non-return or a not 100% return to the offices, people are still working remotely, which makes the lunchtime for traffic less.

As far as your Popeyes question, yes, Popeyes is showing an expressive increase in growth and we see the same-store-sales the same as Burger King, the Popeyes stores were more affected than the Burger King when you think about the total chain because 100% of our Popeyes restaurants are in malls, and so now with the return, they're better leveraged. And what is interesting and what we had noticed in other markets is that this chicken market worked out very well with delivery as well, we got a very pleasant surprise with the delivery sales and the return of the mall has returned the deliveries sales and has added the on-premise sales. So, we're very excited about the Popeyes sales results.

**Marcela Regia:** Thank you, Iuri. Thank you very much. My second question, you know, you also talked about that you plan to accelerate expansion next year for BK and Popeyes. I don't know if you can talk a little about what we can imagine in terms of opening pace for each brand next year.

**Iuri Miranda:** Great question. We're planning to go back to historical levels of growth in terms of store openings going back to 2018-2019 levels. We have a very clear vision that the Burger King openings most will be based on free standings, we're going to put the gears back on the machine, we're already signing contracts to open up the 2022 stores and so we should imagine a level of opening a free standings close to the free standing openings in 2019.

And for Popeyes, our strategy we just opened up a new state, we went into a new state, Rio de Janeiro, and until the end of the year we will open up a few more Popeyes in Rio de Janeiro and our plan for next year is to go back to accelerate the pace of openings, something close to 20-30 Popeyes stores perhaps for the year and looking to expand into new markets, of course, and taking advantage of any opportunities of a few vacancies that we see to enter the markets as well.

**Marcela Regia:** OK, thank you for your answers.

**Operator:** Our next question comes from Tiago Bortolucci, Goldman Sachs.



**Tiago Bortolucci:** Hello, Iuri, Gabriel. Congrats on the performance and thanks for taking my question. I'd like to talk about your gross margin next year. You guys have done great work in terms of revenue management and which until now has been enough to compensate the pressure of commodities. Now from here forward, what we see is that this cost inflation is not moderating as we expected and the macro environment continues to be challenging, which could pressure the demand for QSR and will reduce the industry's capacity to be able to pass on prices.

Looking at this, how are you going to offset the top line growth and profitability?

**Tiago Bortolucci:** Thank you, Tiago, for the acknowledgement of our performance, it's great to hear that from you. That is an excellent question, and we look at two components: let's look at the component of the elasticity of us continuing to being able to do revenue management doing a few actions which are absolutely essential and then using technology that we have built during these few years, we start to be able to extract the benefits from that technology investment, and you are able to then be able to manage your price where you were able to identify the elasticity in the demand.

And we do see some one-time price increases in a few platforms, we have played the role of a price setter when you look at our platform, our entry platform, and our price was 9,90 and we passed on the price to 10,90 and basically the cost pressure is constantly evolving here, and all the players are aware of it, but we really do believe, like Gabriel said during his presentation, tools like our CRM where we are able to increase frequency, where we're able to increase spending in customers in a very focused manner will help us to offset, will help us to offset these price pressures.

When we think about costs, you are absolutely right, the environment continues to be quite challenging, but then we have to look at scalability, we have to look at our partnerships with our vendors and we have tried, we tried to work and mitigate together with our vendors with communication with our vendors, we tried to offset costs as much as possible to be able to have some bargaining power with them. Gabriel is also responsible for this piece, and he can give you more information on this specific piece.

But you know, just to finish answering your question more specifically, we imagine that we should run at a margin level at levels of 2019 despite all the pressure we have felt in the last two years.

Gabriel, I don't know if you want to add anything.

**Gabriel Guimarães:** Just to add to what you said, thank you Tiago, we have seen high inflation, but a bit more stable than we saw at the beginning of this pandemic at the beginning of the year, therefore, in a certain way, we are much better prepared to face this challenging time with all the initiatives Iuri talked about. There is a very significant thing to know, we have seen the market which



is much more rational given that this challenge is being faced by everyone in QSR. At a time like this, our QSR industry continues to be very attractive to consumers, we continue to have an average price point which is significantly below other foodservice segments. If you take some foodservice ticket, our tickets are two to three times bigger, they are tickets that are two to three times bigger than QSR. When we look at moments of crisis, let's look at Brazil in 2016 where we had a challenging scenario, we see a gain of QSR share inside food service which was expressive back then, and we have seen the same thing happened now in Brazil recently and the recovery seems to be recovering and exceeding historical levels.

Me and Iuri have been saying that the first two quarters still had a lot of initiatives being implemented and now in the third quarter we start to actually show off that balance a little bit better and we should be able to be able to maintain our margins closer to the scenario that we delivered in this quarter and that we used to run until 2019.

**Tiago Bortolucci:** Thank you, guys, it's very clear. If I can just ask a follow-up question, I don't know if you actually talked about this during the call, I might have missed it.

In terms of Domino's, I understand the timing and the reason for the statement of the cancellation of the contract, but I just wanted to understand the fundamentals of it. Does it change anything? I mean, is it something more structural in the industry or is it just the timing of the operation? Do you see any bigger weakness in the industry?

**Iuri Miranda:** No, it doesn't have anything to do with the fundamentals of the pizza business industry. OK. It's a very interesting market and we are confident in the Domino's brand and the Domino's brand's ability to expand.

**Tiago Bortolucci:** Thanks guys.

**Operator:** our next question comes from Robert Ford, Bank of America Merrill Lynch.

**Robert Ford:** Good morning, everyone and thank you for taking my question. Congratulations on the performance Iuri and Gabriel.

As you increase the digitization, how should we think about these promotion impacts on gross margin?

**Iuri Miranda:** Well, I hope you are well. That's a very interesting question. I'm going to start to answer, we have investments in this business, and we have been investing in the platforms for three years and we've always focused on improving our technology, and at a certain moment, it starts to help you exponentially. I'm going to show you a few of the things that we're seeing already and what we can expect. When we look at the top line, revenue



management and what has helped us to mitigate a few impacts was, you know, the revenue management was a good example of how technology helped us, for example, the BK Club, the BK Club which has 2.4 million downloads, there you start to see higher frequency and higher spending, and Gabriel mentioned that the combination of these two things brings us same-store-sales in this channel of double-digits actually, and we see an increase in frequency and spending and we have 2.4 million users in very few months and our growth trend is very positive in this channel.

You say “hey, was it something specific?”, no, we had already seen this when we did our benchmarks and decided to take on the Loyalty Program, we’ve had already seen success stories with different operators in other countries and we had seen similar numbers. When you look at the self-serving kiosks, if you look at our labor line, you start to have better labor productivity numbers, and this has to do with the increase in productivity that we're able to extract due to adding the additional kiosks in our restaurants.

Well, “but will the kiosk itself by itself increase productivity?”, no, these kiosks in its second or third version, the marketing people, technology people doing excellent work in order to reduce the number of clicks during the kiosk journey, and what I see, Bob, and this might be related to the NPS, the kiosk NPS levels are above the actual counter NPS. So, we think the kiosks can indeed improve the experience.

And the third issue, I think that technology starts to show evident facts and you can start to see them. Another point that Gabriel mentioned is that with growth of the E-Wallets – and reminding you that we've said other times that we do this integrated, in an integrated manner into the chain – all of this is integrated into our transparency system to improve the consumer experience, and we have seen growth with Brazilians’ and other payment methods, and this improves the consumer experience, and much better than if you were to put it on your credit card payment interest rate.

And finally, delivery maintains itself with incremental growth, and we were talking about 50% above that, this is bringing great results in other fronts that we work with this delivery, and Gabriel talked about the question of the delivery and the last mile, which allows us to have a hybrid model for full service as well as marketplace, or a marketplace of our own delivery perhaps, and this helps us in reducing costs as well.

**Robert Ford:** Iuri, in terms of digital ads, digital marketing per app, it's per download, how much are you saving?

**Iuri Miranda:** That's an excellent question. If you think about total spend, in terms of total spend, our total spend is still very similar that we have in the traditional months, but I think the best in the digital investment still that in total numbers is still the same, the biggest difference that we're seeing is how to focus that expenditure. You know, that is a huge difference because before you



used to spend a few million reals in marketing campaign on a Public TV channel, and now with all of the information that we have from our CRM and all of our identified sales, even if you still spend the same amount in absolute terms, the efficiency of your targeting is much higher, so the ROI for each campaign is much higher than if you were to invest on public television.

I'm not saying that we don't do public television, we still do it, we're going to continue doing and it continues to be part of our marketing strategy, but I really do believe that now people are more tech heavy and we can use trade marketing with the use of AI, with the use of algorithms to direct precisely where that ad will be targeted, to which new consumers that ad will be targeted.

It's not for nothing that we made the decision that Ariel, the vice president of marketing, sales, and technology, and he's helping us with our sales strategy significantly.

**Robert Ford:** Thank you, Iuri. Congratulations once again.

**Operator:** Next question comes from João Paulo Andrade, Bradesco.

**João Paulo Andrade:** Morning, Iuri, good morning, Gabriel. Thank you for taking my question. Congratulations on the performance.

I have a question in terms of the CRM. In terms of frequency volume, assertiveness, or precision of marketing, do you see any increases in margin in the premium products?

And the second question regarding SG&A, congratulations on the efficiency, I would like to understand if we can expect that to be consistent or if you are going to see any additional benefits from any future negotiations?

**Iuri Miranda:** In terms of CRM, I'm going to let Gabriel give you more details, Gabriel is the CFO and Gabriel is also accountable, he worked at price, and he helped with the CRA, and he will help me with the answer, but, yes, the CRM has helped us, especially in understanding where to offer, where to send our offers. If you have a consumer profile which is a premium profile let's say, they like to buy premium products, then you're not going to push discounts or discounted products on them, and then you can manage the ticket, a higher ticket for that kind of consumer. So, the CRM allows you to identify and target and to extract incremental sales from those consumers who are more susceptible to buying french fries and a soda together with discounted sandwiches. And we've seen this a lot, we've seen the number of people who just go in to buy a sandwich actually adding fries and coke.

I don't know Gabriel if you'd like to say anything else.

**Gabriel Guimarães:** João, thank you for your question. I think that in essence the CRM has to do with getting to know your consumer better, and discount



coupons are an important tool for the retailer, especially in our business, and we up to a few months ago we had this important tool for the business which used to be uniform for the entire national regions, for the entire country, and as we can construct a data lake with lakes and we can interact with the consumers in the most significant manner for them, perhaps a discount that I might give which used to be in the 15-20% today I can convert that same consumer with a 5% discount or a 10% discount. So, at the end of the day, the CRM has to do getting the interaction with the consumer right and making it significant enough for them to convert inside or on-premise, that's why we talked about the importance of having one fourth of company transactions already mapped out, already having their on-premise consumption mapped out. So, I'm not only issuing a push on-premise, but when they actually use that coupon in the restaurant, we can track that use and we can retro feed our data lakes, therefore, interacting with him better each time.

So, normally, when you do that, you are able to get the leverage, your tickets, your higher tickets, and volume, but in terms of gross margin, you also see some significant gains.

When we think about restaurant expenses, a good piece of what we have talked about here is structural gains that we have been able to achieve through technology. Iuri talked about the same frequency in ticket to generate operating leverage, so therefore, you have a drop of these lines in the P&L, but you also have initiatives like labor that we have worked on and have been able to have good control, good MDR rates and other expenses with restaurants which have left us more efficient as time goes by, and I think a good proof of this is that we can show that after two years with a basis of almost 50 restaurants we were able to hold off these expenses at a very stable rate.

**Iuri Miranda:** We believe that, you know, our most interesting sales are the digital sales, one fourth of our transactions are digital. When you think about digital sales in this price, we don't calculate digital coupons, we are considering totems and apps, if we were to consider the digital coupons, our sales, our digital sales would overcome 50% if we were to add coupons.

Just to let you know what we have been building in the last five years to capture data and to capture relationship data, personal data, and like I said to Bob, what we expect now is to start to go into an exponential growth cycle with everything that we have built in the last few years with the CRM, the BK Club, Loyalty Program, and the E-Wallets where we still have a lot of work to do.

**João Paulo Andrade:** Great, thank you and congratulations on the performance, Iuri.

**Operator:** Once again, to ask your question, please type star 1.

We now close the Q&A session. I'd like to now pass the word to Iuri for his final statements. Iuri.



**Iuri Miranda:** Thank you, operator.

Let's go to the last slide, slide twelve of our presentation, we have clear priorities at this moment, and we would like to share them with you:

First, we will be focusing on the sales recovery and the search for increase in sales through our channels; second, we are engaging in our expansion plan with our focus in free standing formats for Burger King and Popeyes and also following ghost kitchen format with our second store until the second quarter of 2022; third, we've already started and we should scale technology to personalize the consumer experience, reduce the friction in the touchpoints of the journey, improve revenue management and increase profitability. I think we spoke a lot about this on this call today; fourth, but not least important, we launched our plan and ASG commitment until 2030.

I thank you everyone for your questions, your participation, your interest, and we leave our investor relations teams at your disposal for any additional clarifications. Have a wonderful day.

**Operator:** The BK Brazil teleconference is now closed. We thank you everyone for your participation, have a great afternoon and thank you for using Chorus Call.