



singia

1Q19 Results

16 May 2019

Recent Events

ADSPrev acquisition

Rationale:
update of portfolio and
expansion of customer
base

Gross Revenues:
R\$ 7.3 MM

EV:
R\$ 14.0 MM
(+earnout up to R\$ 4,0MM)

Payment of dividends

Period:
2018

Gross amount:
R\$ 648 thousand, or
R\$ 0.056 per share

Base:
29 Apr. 2019

Payment:
from 21 May 2019

Change of auditor firm

New:
Deloitte

Beginning:
1Q19

Previous:
PwC

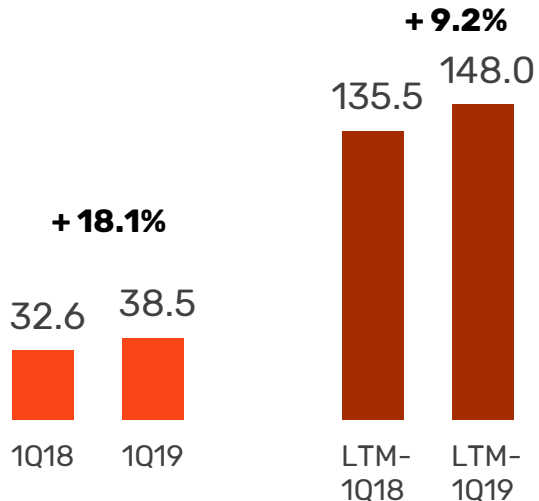
Objective:
rotation and
commercial conditions



Records both in net revenues and recurring revenues

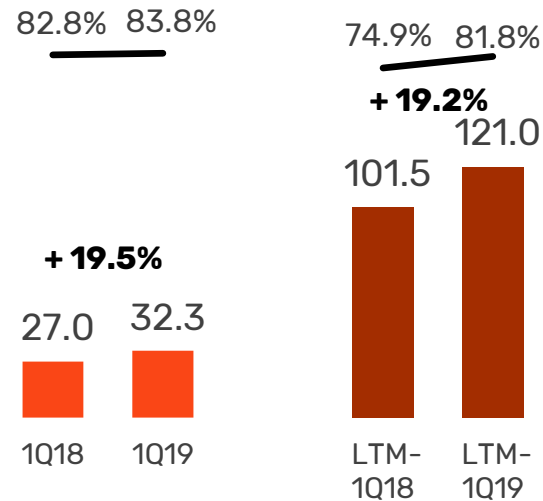
Net Revenues (R\$ MM)

1Q19: Highest value in a 1st quarter, with organic addition of R\$ 3.0 MM and by M&A of R\$ 2.9 MM



Recurring Revenues (R\$ MM | %NR)

1Q19: Records in recurring revenues and % of recurrence



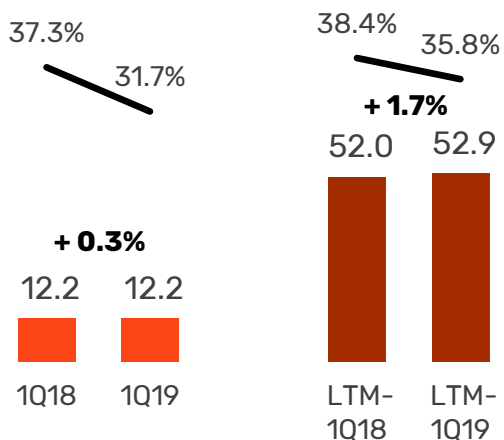


Performance impacted by items that impairs comparability

Gross profit

(R\$ MM | Gross Mg. %)

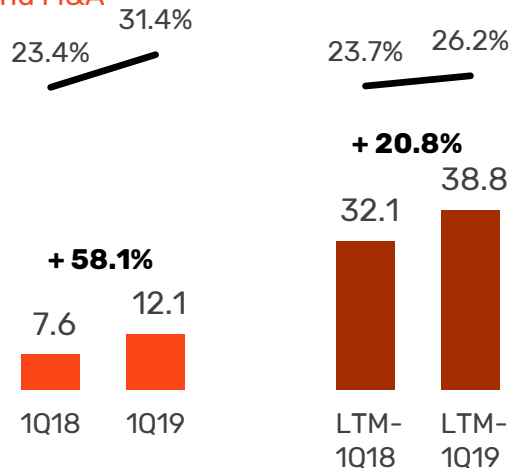
1Q19: Highest of a 1st quarter, despite increase in RD&I, adjustment in the commercial model and extraordinary costs



SG&A¹

(R\$ MM | % NR)

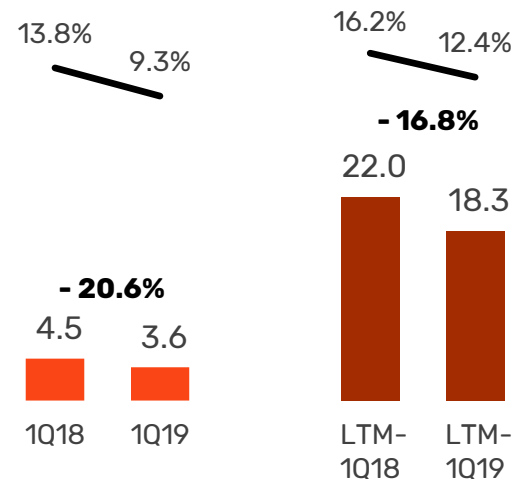
1Q19: increase due to extraordinary items (integration and new brand), consolidation of the last 3 acquisitions and M&A



Adjusted EBITDA

(R\$ MM | EBITDA Mg. %)

1Q19: reduction of R\$ 0.9MM vs. 1Q18, explained by the items already discussed, that impairs comparability



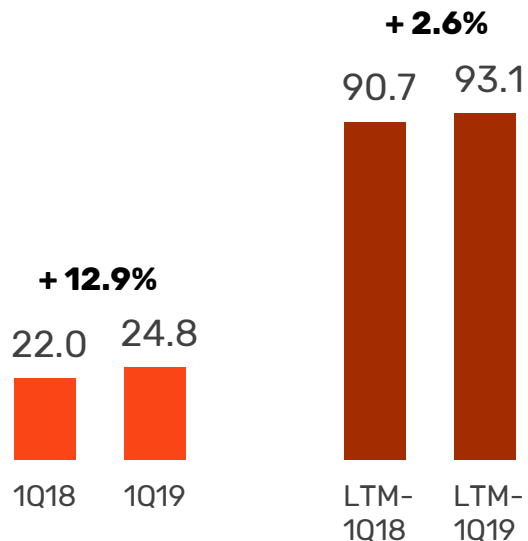


Software Unit

Impact of higher RD&I and integration costs

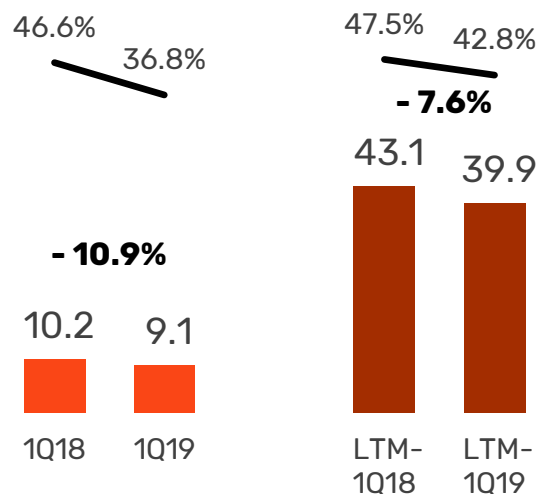
Software Net revenues (R\$ MM)

1Q19: Record, with inorganic addition of R\$ 2.9 MM



Software Gross profit (R\$ MM | Gross Mg. %)

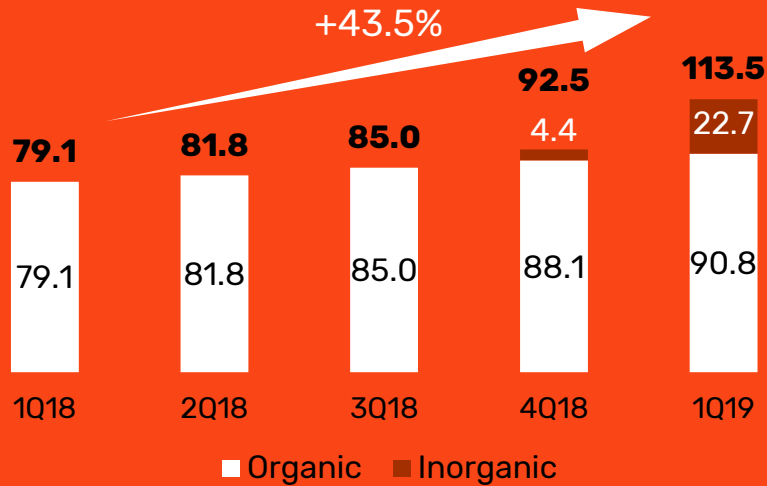
1Q19: Impact of higher RD&I investments and extraordinary costs with integration



Software Unit

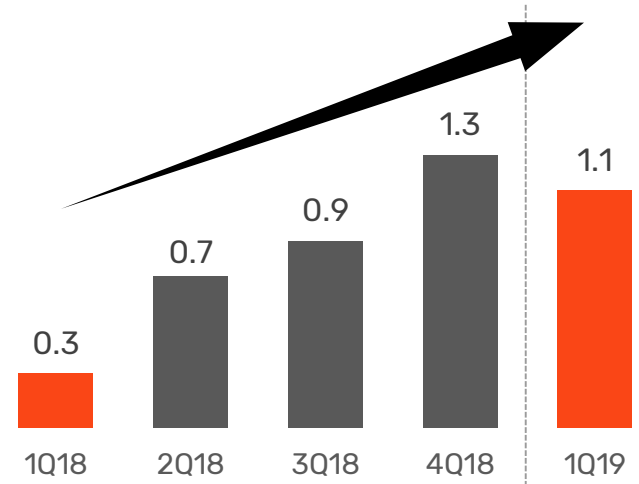
Portfolio of Recurring Contracts (R\$ MM)

Addition of R\$ 34.4 MM (+43.5% vs. 1Q18), of which R\$ 11.7 MM organic (+14.8% vs. 1Q18) and R\$ 22.7 MM inorganic (R\$ 4.6 MM ConsultBrasil, R\$ 9.9 MM Atena and R\$ 8.2 MM ADSPrev), proving that we entered a new path of growth in revenues after the conclusion of the implementations.



Conscious RD&I Costs(R\$ MM)

Expansion of the RD&I investments for a technology update of the softwares **sacrifices short-term profitability seeking higher growth in the future**



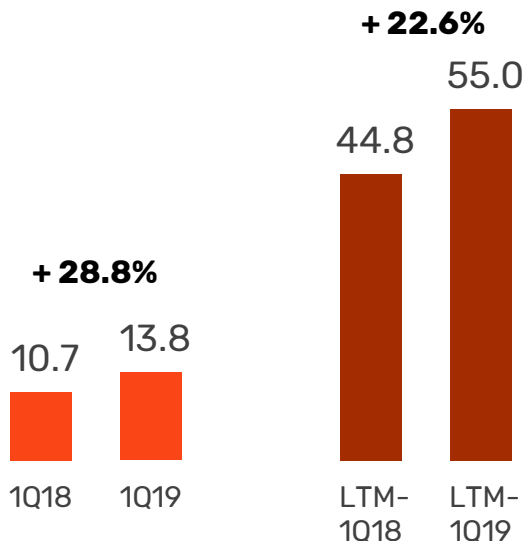


Services Unit

Records in revenues and profit with strong demand for Outsourcing

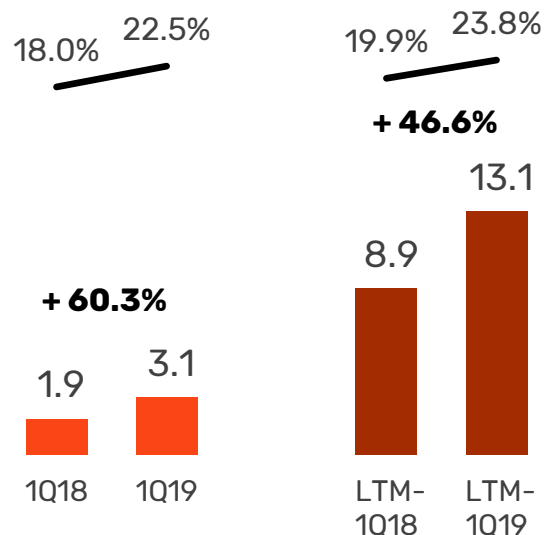
Services Net Revenues (R\$ MM)

1Q19: Growth of 2.2 MM in Outsourcing and R\$ 0.9 MM in Projects



Services Gross profit (R\$ MM | Gross Mg. %)

1Q19: Growth mainly due to Outsourcing



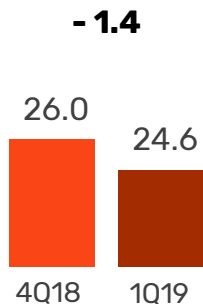


Financial position

Increase of net debt after the acquisition of Atena and ADSPrev

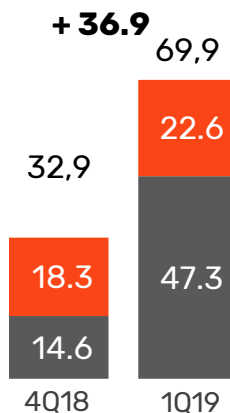
Gross Cash (R\$ MM)

Decrease mainly related to the payment of acquisitions, increase in the accounts receivable balance and acquisition of property and intangible



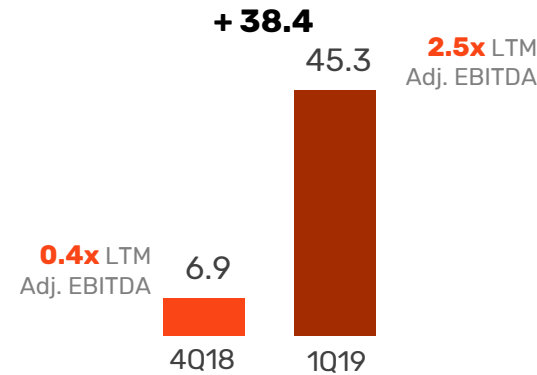
Gross Debt (R\$ MM)

Increase of R\$ 4.2 MM from the purchase of Atena and ADSPrev and R\$ 32.7 MM with the settlement of part of the debentures



Net Debt (R\$ MM)

Temporary increase due to the recent acquisitions, the level of 2.5x Net Debt/Adj. EBITDA LTM, considered adequate



Final message

Continuity of the strategy to accelerate growth

1) Accelerate acquisitions

3 in only 5 months (vs. 9 in 13 years)

2) Expansion of the portfolio of contracts

Should guarantee 2 digit growth after the implementations of subsidized software

3) Synergies from acquisition

Profitability follows a “J-Curve”, with synergies being captured in the next quarters





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Anexos

Reconciliation of EBITDA and Adjusted EBITDA

(R\$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Net Income	(2,341)	(1,799)	30.1%	1,097	-	2,184	5,048	-56.7%
(+) Income tax/social contribution	(1,658)	(588)	182.0%	817	-	1,240	1,347	7.9%
(+) Financial result	1,285	1,937	-33.7%	359	257.9%	2,381	3,511	32.2%
(+) Depreciation/amort.	2,837	1,718	65.1%	1,899	49.4%	8,318	6,776	-22.8%
EBITDA	123	1,268	-90.3%	4,172	-97.1%	14,123	16,682	-15.3%
(+) Extraordinary expenses - earnout	-	3,247	-	-	-	-	3,247	-
(+) Extraordinary expenses - integration	2,619	-	-	8	-	2,627	445	490.3%
(+) Extraordinary expenses - new brand	244	-	-	627	-61.1%	871	-	-
(+) Extraordinary costs - integration	601	-	-	76	-	677	1,619	-58.2%
Adjusted EBITDA	3,587	4,515	-20.6%	4,883	-26.5%	18,298	21,993	-16.8%
<i>Adj. EBITDA Margin</i>	<i>9.3%</i>	<i>13.8%</i>	<i>-4.5 p.p.</i>	<i>12.3%</i>	<i>-3.0 p.p.</i>	<i>12.4%</i>	<i>16.2%</i>	<i>-3.9 p.p.</i>

Reconciliation of Adjusted cash earnings

(R\$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Net income	(2,341)	(1,799)	30.1%	1,097	-	2,184	5,048	-56.7%
(+) Extraordinary effects	3,464	4,609	-24.8%	711	387.2%	4,175	6,673	-37.4%
Adjusted net income	1,123	2,810	-60.0%	1,808	-37.9%	6,359	11,721	-45.7%
(+) Acquisitions amortization	1,497	1,470	1.8%	1,424	5.1%	5,891	5,879	0.2%
(+) Def. income tax/Social Contr.	(1,874)	(794)	136.0%	(1,399)	34.0%	(2,719)	126	-
Adjusted Cash Earnings	746	3,486	-78.6%	1,833	-59.3%	9,531	17,726	-46.2%
<i>Adj. CE Margin</i>	<i>1.9%</i>	<i>10.7%</i>	<i>-8.7 p.p.</i>	<i>4.6%</i>	<i>-2.7 p.p.</i>	<i>6.4%</i>	<i>13.1%</i>	<i>-6.6 p.p.</i>

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