

Transcript – 1Q24 Results Conference Call

Operator:

Good afternoon and welcome to the GetNinjas conference call to discuss the results for 1Q24. Present today, Fabiana Franco, CFO and Thiago Gramari, Director of Investor Relations.

At this time, all participants are logged in as listeners only and we will later begin the Q&A session when further instructions will be provided. Please be advised that this conference call is being recorded and translated simultaneously.

Before proceeding, we would like to clarify that any statements that may be made during this conference call, regarding the company's business prospects, projections and operational and financial goals constitute beliefs and assumptions of GetNinjas' management, as well as information currently available to the company.

Future considerations are not guarantees of performance, they involve risks, uncertainties and assumptions, as they refer to future events and, therefore, depend on circumstances that may or may not occur. General economic conditions, industry conditions and other operating factors may affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements.

I would now like to give the floor to GetNinjas. Please, Thiago Gramari, you can continue.

Thiago Gramari:

Good afternoon everyone, thank you very much for being here. We are gathered today to present GetNinjas' 1Q24 results. Going through the executive summary, as we mentioned in previous quarters, the new management implemented a new vision of the future for the company, which involves three fundamental pillars, people, rationalization of expenses and new avenues of growth. The results have already been reflected in this quarter and will be reflected in future ones as well.

As highlights, we will talk about gross revenue, which in 1Q24 showed a growth of 15% compared to the previous quarter. Compared to 1Q23, we had an increase of 7%. The company recorded a net profit this quarter and the result was positive at 2.9 million, compared to a loss of 2.1 million in 1Q23. This positive result was the result of a combination of operational improvements, increased revenue, reduced costs and expenses combined with a positive financial result.

We are GetNinjas, the largest service marketplace in Brazil, which is present in more than 4 thousand cities, we have more than 5 million registered professionals and more than 4 million

requests per year. We are the connection between those who need it and those who know how to do it.

Moving on to the highlights of the first quarter, customer requests increased by 13% compared to the previous quarter, reaching 1.2 million. The professional base reached 5.4 million professionals and active professionals reached 156 thousand.

Our rating on Reclame Aqui is 9, in the Google Play apps, PRO 4.1 and CLI 4.7 and Play Store PRO 4.2, CLI 4.8. Moving on to the financial data, net revenue reached 16.7 million, an increase of 16% compared to the previous quarter and 5% more compared to 1Q23.

Gross profit reached 14.2 million, a significant increase of 23% compared to 4Q23 and as already mentioned, net profit was positive at 2.9 million, when compared to a net profit of 28 thousand in the previous quarter and a loss of 2.1 million in 1Q23. Our cash position reached 278 million, slightly above that recorded in 4Q23.

On the customer side, the number of requests increased by 9% compared to 1Q23 and 13% compared to 4Q23. It is worth noting that there was a great improvement in the efficiency of these investments, which significantly increased the relationship between marketing expenses and revenues. The categories that continue to be those with the highest concentration are renovations and repairs, technical assistance and domestic services. Still talking about customers, the recurrence of these CLIs reached 58.7%, that is, these same customers had already made a service request on the platform previously.

Moving on to the PROs part, we increased investments in marketing, which impacted both the PRO base and the active PRO base. In 1Q24 we reached the mark of 5.4 million registered PROs and the number of active PROs reached 56 thousand.

Moving on to the financial part, gross revenue increased by 7% compared to 1Q23 and reached 19.2 million reais, when compared to the same quarter of 2023, it increased by 15%.

Regarding net revenue, we significantly reduced cloud server costs and better managed chargeback, which had a positive impact on our gross margin. Net revenue numbers grew 5% compared to 1Q23 and 16% compared to the previous quarter.

Gross profit, despite having recorded a drop of 3% compared to 1Q23, our shares were reflected in this first quarter, compared to the previous quarter, with an increase of 23%, going from 11.5 million to 14.2 million.

Commercial and marketing expenses increased by 5% compared to 2023, from 6.8 million to 7.2 million and compared to the previous quarter, an increase of 8%, from 6.6 to 7.2. We continue to refine our marketing investment strategy with greater focus on the best category combinations by region and as a result, as previously mentioned, we increased gross revenue by 15% and 7% when compared to 4Q23 and 1Q23, respectively.

In general and administrative expenses, we observed a drop of 13% compared to 1Q23, going from 15.3 million to 13.2 million, compared to the previous quarter, 95% more, but this is an accounting adjustment that we made, which distorts the number a little.

In terms of people, we ended the quarter with 139 people, -55 employees compared to 1Q23. It is important to mention that there are Tech and Product employees, the percentage in relation to the total number of employees remained the same, in line with the previous semesters of 37%. It is worth remembering that we remain rigorous with hiring, vacancy replacements and vacancies that may need to be covered, will be replaced in the next three months.

Moving on to the operating result, it was negative by 4 million reais, 1.2 million reais, better than what happened in 1Q23 and 11.3 better than what was reported in 4Q23, going from minus 15.4 million to a negative operating result of 4 million.

Therefore, we reported a net profit for the period of 2.9 million, compared to a loss of 2.1 million in 1Q23 and when compared to 4Q23, where we had a positive result of 28 thousand, we increased this positive result even further.

This result is the result of the actions that the new board implemented over these six months and strict control, expense control and also a net financial result much higher than that which occurred in 1Q23, where we reported 5.5 million reais, in this quarter with better management of cash flow and efficiency in financial investments, we achieved a result 76% higher than last year.

Here we show a little of the evolution of the loss of approximately 2 million in 1Q23, until we reach a profit of 2.9 in this quarter. This slide shows our cash position, we increased 6 million reais compared to 1Q23 and we do not have any debt or any other liability that could compromise our cash. Thank you very much, we are GetNinjas.

Operator:

Thanks. We will now begin the question and answer session for investors and analysts. If you would like to ask a question, please send a message through Q&A, indicating your name, company and your question. Please wait while we collect the questions.

Gustavo Novais (via webcast):

What are the main factors that led to the drop in GetNinjas' rating on Reclame Aqui, are the problems related to the client or professionals?

Thiago Gramari:

Good afternoon, Gustavo. Thanks for the question! It was a combination of factors, but the drop was very small. The combination of factors was in both PROs and CLIs and we are already making adjustments so that both the usability and user experience of both the PRO and the CLI are improved.

GetNinjas

Operator:

The question and answer session is now closed. We would like to give the floor to Thiago, so he can make the Company's final considerations.

Thiago Gramari:

Thank you very much to everyone who participated, and we will see you at the next quarter's presentation, which promises to be much more positive than this one. Thank you very much!
Good afternoon everybody

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Operator:

The GetNinjas conference call is now over. We appreciate everyone's participation and have a good day.