

**PAGS  
DAY  
2021**

**ALEXANDRE  
MAGNANI**  
CHIEF OPERATING OFFICER





# Alexandre Magnani

## Chief Operating Officer

### Education

- **Master's Degree:** Business Administration from FGV
- **Bachelor's Degree:** Business Administration from FGV

### Professional Background



## The challenge

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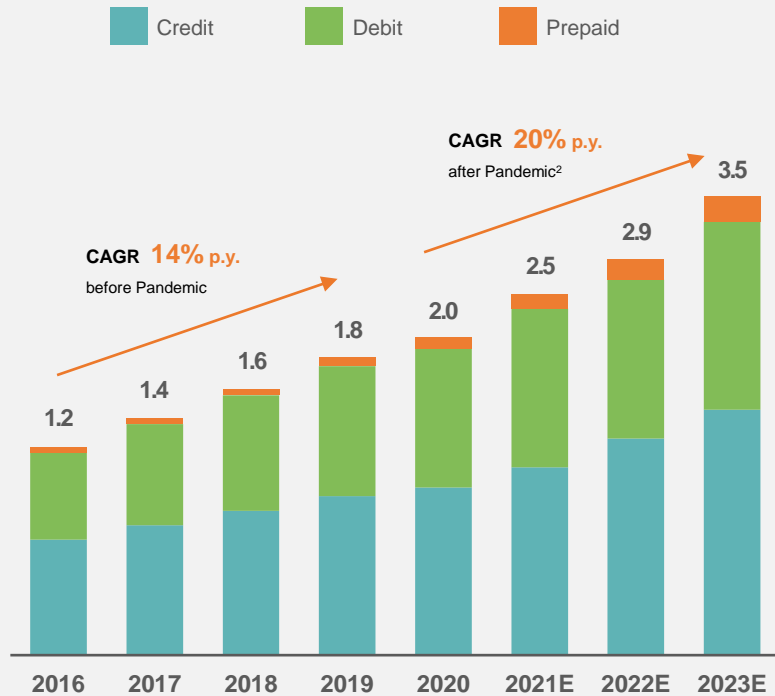
How can we keep  
**growing profitably** in  
a more competitive  
market?



# Addressable market continues to expand...

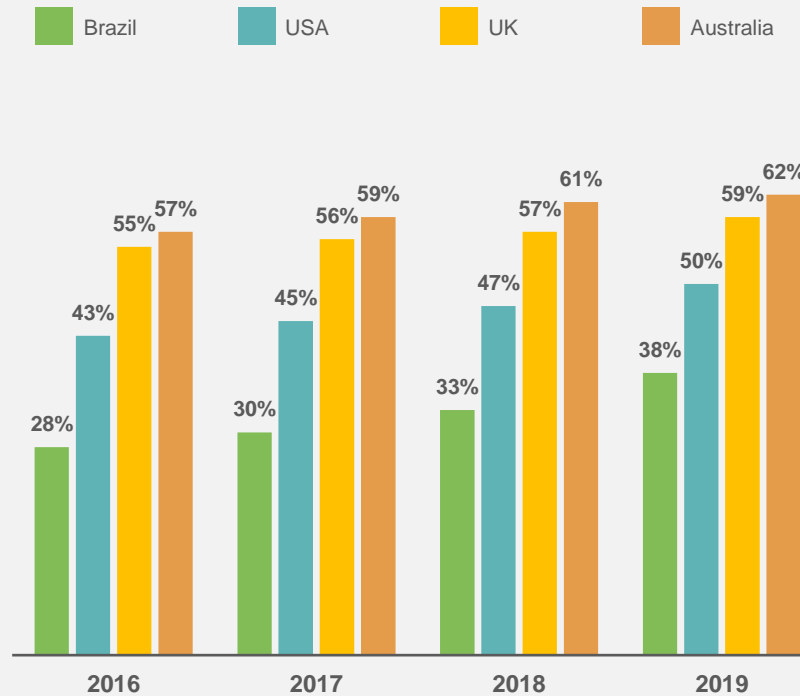
Consistent growth in the next 2 years supported by economy recovery

## Acquiring TPV<sup>1</sup>

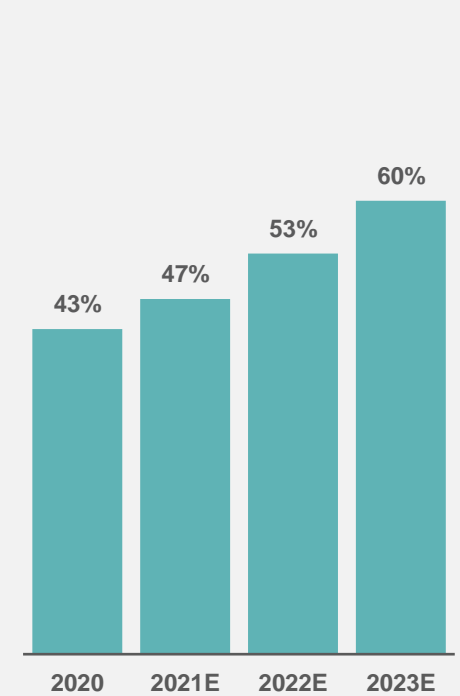


Electronic payment still have space to grow when compared with mature and digital economies

## Acquiring TPV / PCE<sup>3</sup>



## Expected PCE for Brazil 2021-2023



1. Source: Brazilian Cards Association (ABECS). Data considers Brazilian Government Financial Aid, usually known as "Coronavoucher";

2. Source: Brazilian Cards Association (ABECS) estimates for 2022 and 2023 and internal estimates;

3. Source: World Bank and BIS | 2016 to 2019, Brazilian Cards Association (ABECS) and IBGE 2020 and 2021.

# ...and we have the right strengths to win the best share of it

## DISTRIBUTION CHANNELS

Unmatched virtual  
and physical reach



## PAYMENT METHODS AND SOLUTIONS



## VALUE ADDED SERVICES



## COMPLETE ECOSYSTEM



Cash In



Diverse Revenue  
Sources



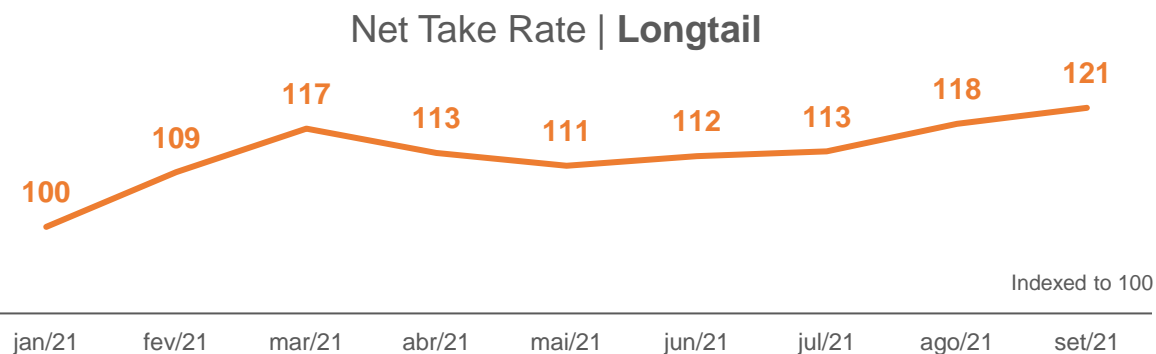
Cash Out

# The best channels to target with efficiency the most profitable segments in the payments space from our core longtail...

High traffic, simple, self-service and efficient digital channel

## YTD SET-21 HIGHLIGHTS

- **>20 million** visits in our online store (boosted from UOL traffic)
- **7.7 million** active merchants
- **+80% M0 activation** due to fast delivery
- **>70% of new merchants** never accepted cards before
- **Combo package distribution:** PagSeguro POS Device + PagBank Cash Card



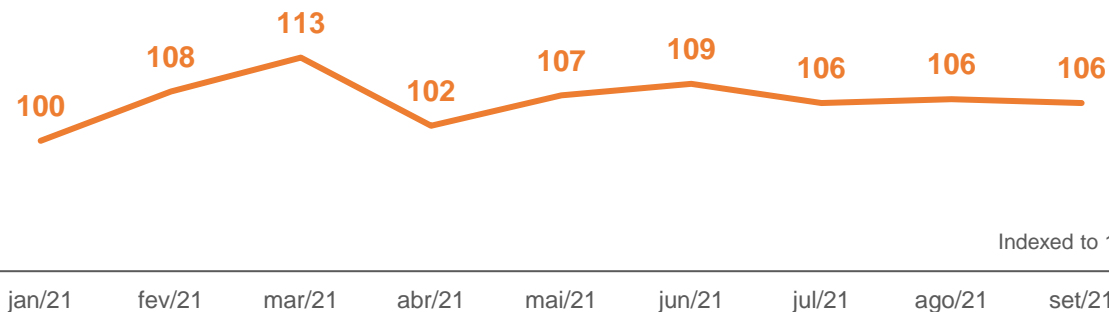
# ...with strong execution also focused on SMBs segment...

Wide, vibrating, intelligent and efficient sales Hubs force

## OUR COMPETITIVE ADVANTAGES

- **+300 Hubs** strategic placed across the country
- **Highly-skilled** and **motivated** salesforce
- Sales with **instant delivery** and **activation** of POS device
- **Intelligent/automated sales routes** through app on PagPhone  
*(Business phone, receive payments from POS sales, automated routes app)*

Net Take Rate | HUBs

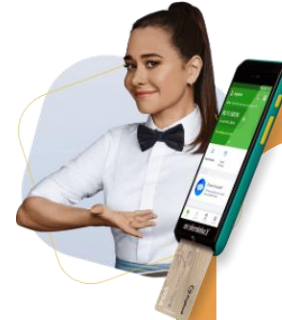


# ...and expert sales/integration teams to address enterprise business and tech integrated partners

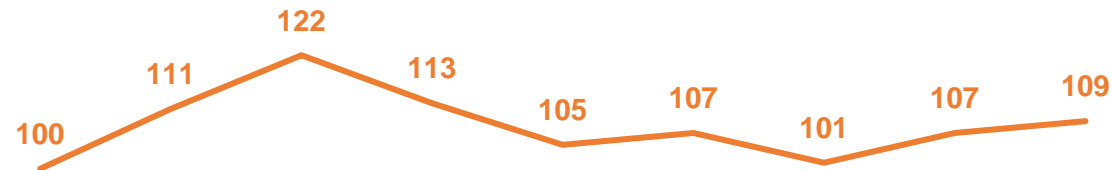
Specialized sales force developing new business models

## TECH PARTNERS HIGHLIGHTS

- **118%** Acquiring TPV growth (9M21 vs 9M20)
- **+200** tech partners apps integrated through our smart devices and APIs
- **Payments + ERPs + Loyalty:** Joint offer of combined solutions
- **Different business models** to support aggregators and tech partners
- **Complete set of value-added services** to support Omnichannel payment solutions for larger and sophisticated merchants



Net Take Rate | Enterprises



Indexed to 100

jan/21 fev/21 mar/21 abr/21 mai/21 jun/21 jul/21 ago/21 set/21



# Complete set of solutions and payments methods

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Largest product portfolio with 4 POS device suppliers

 PagSeguro TEF



Minizinha NFC



moderninha  
Wifi



moderninhaPro



moderninha  
smart



 PagPhone



# Digital payments developments focused on extracting value from payments chain by enabling any merchant to sell online

## Online Merchants' Solutions



## OUR COMPETITIVE ADVANTAGES

- **83% y/y** growth in Online TPV
- Average online ticket is **35%** higher than offline
- Average TPV of On+ Offline merchants is **2.5x** higher than TPV for Offline merchants<sup>1</sup>
- **85% y/y** growth in Cross-border TPV

1. Considering Longtail + SMB merchants.

# Beyond payments, helping businesses growth through value-added services



- **+1M** merchants using Pagvendas to manage their businesses

- **ClubePag**: Fully integrated Loyalty Program
- Discounts, Cash Back, Push notification
- **+200 Tech partners** apps integrated in our smart devices



- **In-app reconciliation**
- Dashboards
- Business Insights
- **~20%** TPV using our reconciliation solutions

# PagBank enrich our ecosystem, offering financial services to increase revenues and merchants' loyalty

**>75%** of Longtail merchants use PagBank

	Merchants without PagBank	Merchants with PagBank
ARPU <sup>1</sup>	100	475
CHURN	100	78
NPS	100	136

# Non-GAAP Financial Measures; Forward-Looking Statements

This presentation includes certain non-GAAP measures. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. These non-GAAP measures are provided to enhance investors' overall understanding of our current financial performance and its prospects for the future. Specifically, we believe the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses, as the case may be, that may not be indicative of our core operating results and business outlook. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this non-GAAP financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered separately from, or as a substitute for, our financial information prepared and presented in accordance with IFRS as issued by the IASB. Non-GAAP measures have limitations in that they do not reflect all the amounts associated with our results of operations as determined in accordance with IFRS. These measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. You can find the reconciliation of these non-GAAP measures to the most directly comparable GAAP measures for historical periods in our earnings release of November 11, 2021 available on our website: <https://investors.pageseguro.com>.

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