

# Corporate Presentation

## Q3 2024

PagSeguro Digital Ltd. (NYSE: PAGS)



# Forward-looking statements; Non-GAAP financial measures

## Forward-looking statements

---

This presentation, prepared by PagSeguro Digital Ltd (“we” or the “Company”), is solely for informational purposes. The information in this presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any subsidiary or affiliate of the Company, nor should it or any part of it form the basis of, or be relied on in connection with any contract to purchase or subscribe for any securities of the Company or any of its subsidiaries or affiliates nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation may contain forward-looking statements relating to matters such as continued growth prospects for the Company, industry trends and product and technology initiatives.

These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements.

Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our most recent Annual Report on Form 20-F (File No. 001-38353) and other filings with the Securities and Exchange Commission (the “SEC”), which are available on our investor relations website (<http://investors.pagbank.com>) and on the SEC’s website (<https://www.sec.gov>).

All the information included in this presentation is updated as of **September 30, 2024**. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

## Non-GAAP financial measures

---

This presentation includes the following financial measures defined as “non-GAAP financial measures” by the SEC: non-GAAP Net Income, non-GAAP Total Costs and Expenses, non-GAAP Administrative Expenses, non-GAAP Net Margin and Adjusted EBITDA. 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 our 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.

For an explanation of the foregoing non-GAAP measures, please see “Appendix” included in this presentation. 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 in isolation of, or as a substitute for, the financial information prepared and presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Non-GAAP measures have limitations in that they do not reflect all of 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.

# Summary

---

1

Business  
Overview

2

Payment

3

Banking

4

Financial  
Results

# Business Overview



# PagSeguro Digital Ltd.

## ABOUT US

---

PagSeguro Digital Ltd. (“PagBank”) is a **technology company** that offers **payment solutions and Banking**.

Our **ecosystem** is **digital** and **integrated**, and our purpose is to **make the financial life of individuals and businesses easier**.

## OUR STRATEGIC PRIORITIES

---

- **Profitable** and **sustainable** growth in Payments
- **Revenue diversification** with the consolidation of Banking
- **Ecosystem integration** under the PagBank brand
- **360° Risk Management**
- Focus on **human capital**

## OUR REACH

---

- **32.1 million** clients in sep-24
- Presence in **100% of Brazilian cities**
- **More than 7,000 direct employees**
- **HUBs covering 90%** of the geographical distribution of GDP

## OUR BUSINESS MODEL

---

### PAYMENTS

---

- **Acquirer:** in-store, online and cross-border options
- **Instant settlement into PagBank:** for any payment mean
- **Digital account:** complete and integrated for merchants
- **Collection platform:** cards, PIX and boletos
- **PagVendas:** our free ERP for MSMB
- **PagBank Partnership Program:** +350 SaaS partners

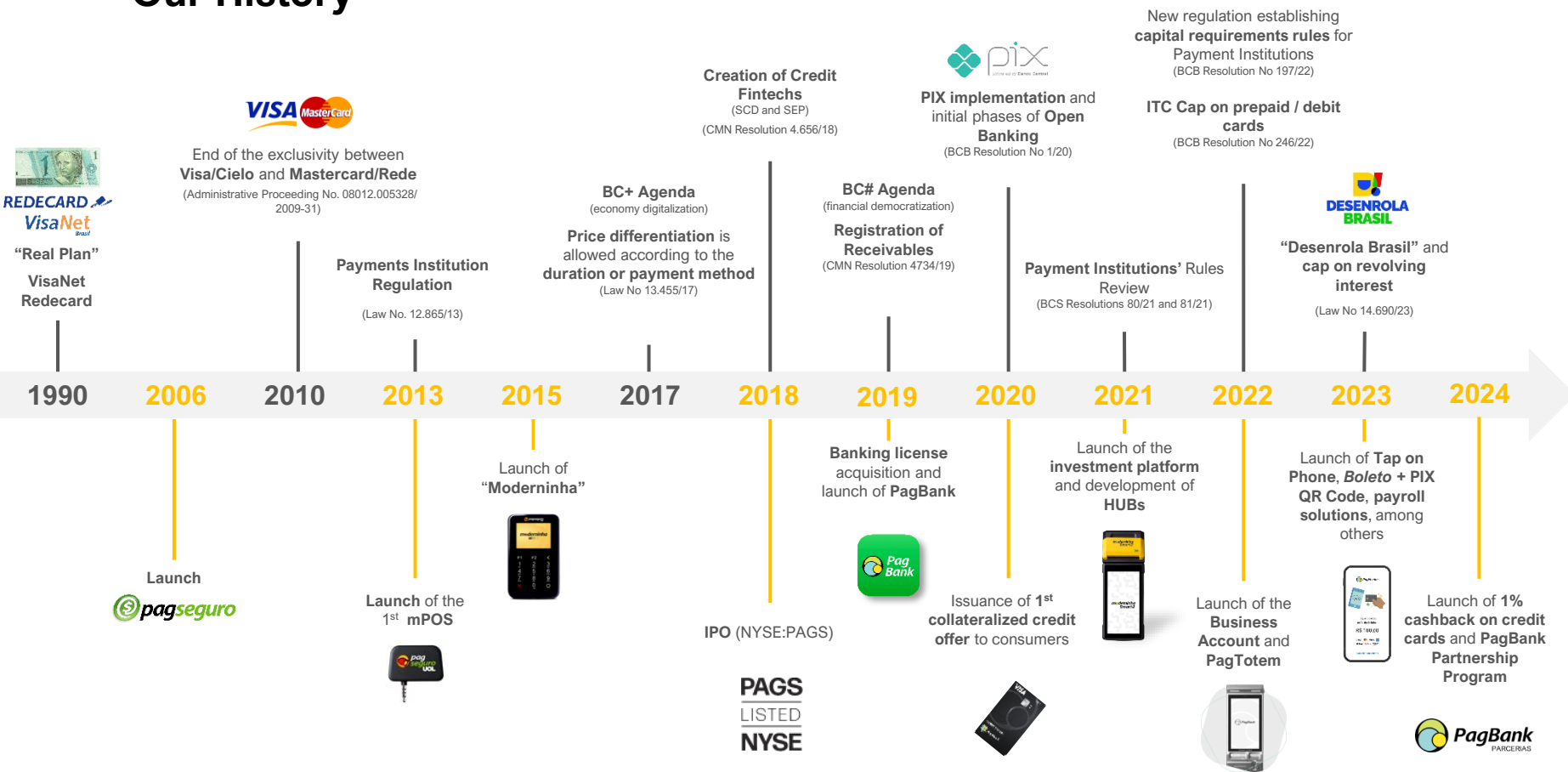
### BANKING

---

- **Complete bank account** for individuals and businesses
- **Credit Products:** Payroll, Working Capital, Overdraft
- **Card Issuer:** Debit, credit and prepaid cards
- **Investment Platform:** CDs, Funds, Treasury Bonds and Stocks/REITs
- **Insurance Distribution:** PIX, card, business, health, home and life

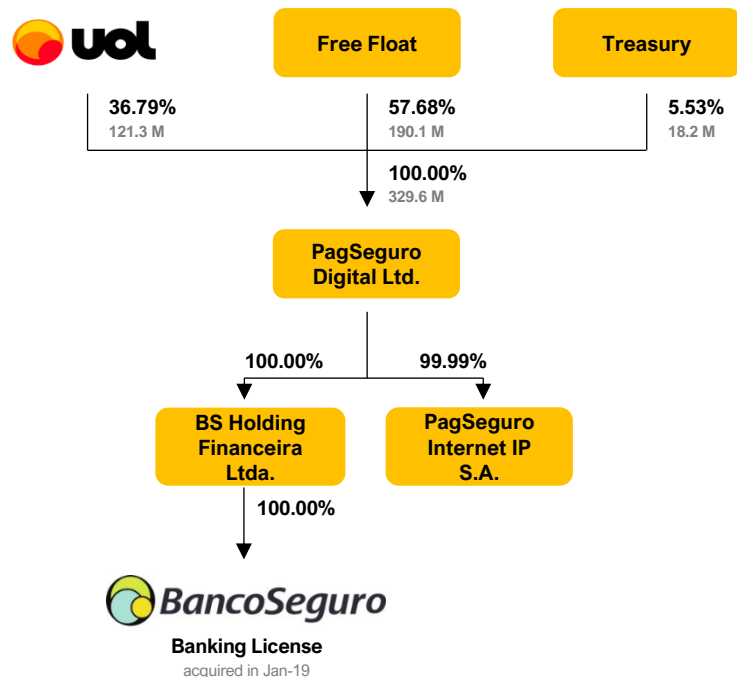


# Our History



# Corporate Governance

## SHAREHOLDERS STRUCTURE<sup>1</sup>



## EXECUTIVE OFFICERS (PagSeguro Digital Ltd.)

Name	Office
Ricardo Dutra	Principal Executive Officer (PEO)
Alexandre Magnani	Chief Executive Officer (CEO)
Artur Schunck	Chief Financial Officer (CFO)

## BOARD OF DIRECTORS (PagSeguro Digital Ltd.)

Name	Office
Luis Frias	Chairman
Eduardo Alcaro	Vice-Chairman
Maria Judith de Brito	Director
Maria Carolina Ferreira Lacerda	Independent Director
Marcia Nogueira de Mello	Independent Director
Cleveland Prates Teixeira	Independent Director
<b>Board Independency</b>	<b>50% of Independent Directors</b>
<b>Board Diversity (WOB<sup>2</sup>)</b>	<b>50% of Women Directors</b>

## COMMITTEES (PagSeguro Digital Ltd.)

- Audit
- Credit, Risk and Liquidity
- Information Security and Data
- Governance Committee
- Risk
- ESG
- Finance

1. In Sep-24. Source: PagSeguro Digital Ltd Investor Relations website;

2. Women on Board: PagBank received the Women on Board seal, a recognition for companies with 2 or more women on the Board of Directors

# Experienced Management Team



**Ricardo Dutra**  
Principal Executive Officer (PEO)

Ricardo is the **PEO of PagSeguro Digital Ltd.** and **CEO of Grupo UOL**, the controlling group of the operations of PagSeguro Digital Ltd., UOL CS, Compass/Edge UOL and UOL EdTech.

Previously, he was **CEO** (2016-2022) and member of the **Board of Directors** (2017-2022) of PagSeguro Digital Ltd. and worked at Grupo UOL (1997-2005) in management positions in Operations, Marketing and Sales.



**Alexandre Magnani**  
Chief Executive Officer (CEO)

Alexandre has been the **CEO of PagSeguro Digital Ltd.** since the end of 2022.

Previously, he was Chief Operating Officer (COO) of PagSeguro Digital Ltd. (2021-2022) and Director of the Acquiring Business Unit of PagSeguro Digital Ltd. (2015-2021). Prior to joining the company, he worked for almost 15 years at **Mastercard** and for more than 6 years at **Redecard** and **Credicard**.



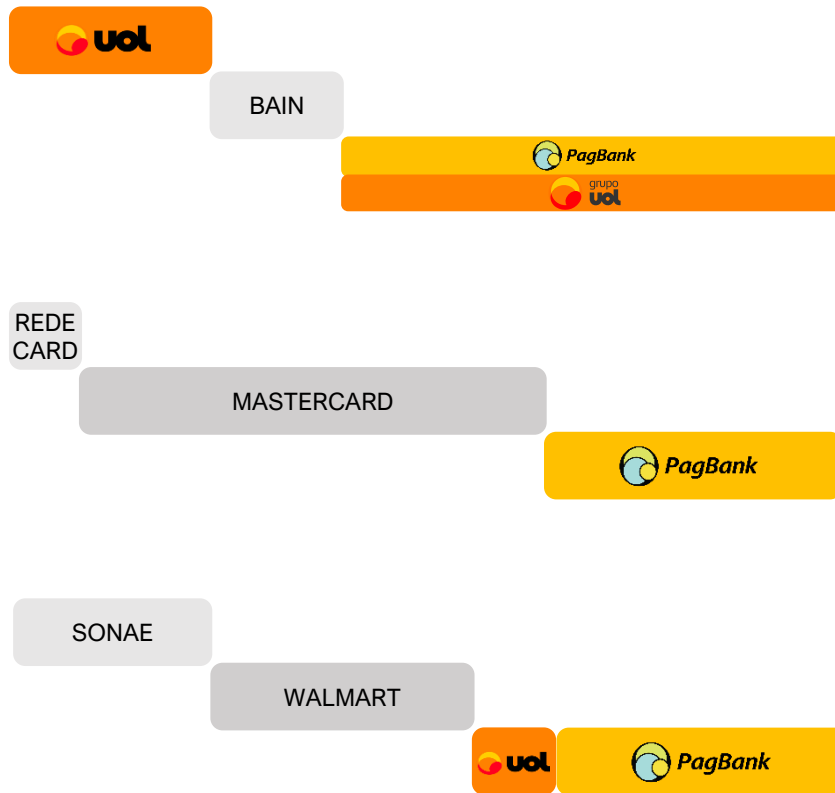
**Artur Schunck**  
Chief Financial Officer (CFO)

Artur has been the **CFO/IRO** of PagSeguro Digital Ltd. since the end of 2020.

Previously, he led the Finance, Treasury, Controlling, Market Intelligence, Financial Planning, among other teams (2015-2020) and was Director of Financial Planning and Treasury at Grupo UOL (2014-2015). Before joining the UOL group, he worked at **Walmart** (2006-2013).

## Executives Experience (years)

00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24



# All time high net income, combining TPV expansion and profitability

## Operational Highlights

### Total Clients

Million

**32.1**  
(+1.9mn YoY)

### TPV

R\$

**136B**  
(+37% YoY)

### Credit Portfolio (Expanded)<sup>1</sup> R\$

**44B**  
(+52% YoY)

### Total Funding<sup>2</sup>

R\$

**38B**  
(+72% YoY)

## Financial Highlights

### Net Revenues

R\$

**4.8B**  
(+20% YoY)

### Gross Profit Margin

% of Total Revenue

**39.3%**  
(+119bps YoY)

### Net Income

R\$ | non-GAAP

**572M**  
(+30% YoY)

### ROAE

% | GAAP

**14.8%**  
(+182bps YoY)

## Value Creation for Shareholders

### EPS<sup>3</sup>

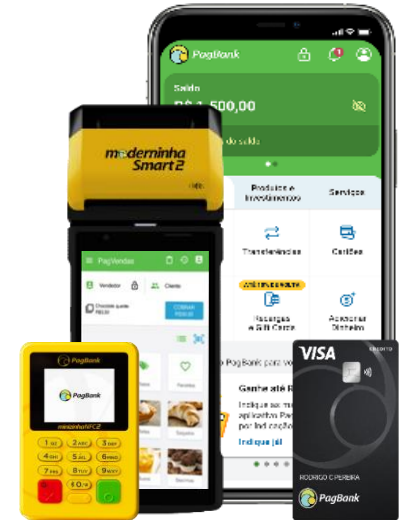
R\$/share

**1.66**  
(+31% YoY)

### Buyback

R\$

**428M**  
repurchased YTD



# Win on MSMB, grow on on-line and diversify revenues beyond payments

## Our DNA

- **Disruption:** Continuous exploration of new growth verticals
- **Ownership:** High Performance execution culture
- **Financial Discipline** and a conservative risk approach
- Focus on **Security 360°** and **Human Capital**

## Our Purpose

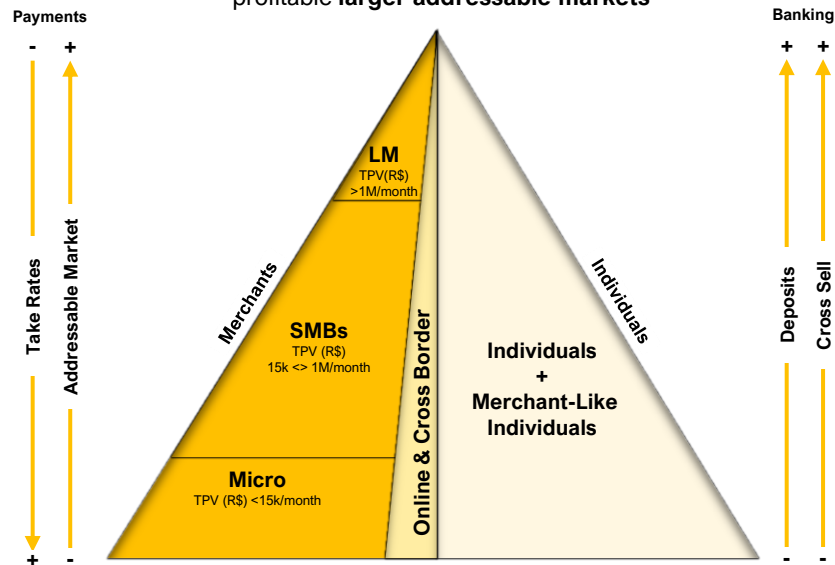
- **To facilitate the financial lives of businesses and individuals**

## Strategic Goals

- **Win on MSMB** with payments and banking offering
- **Expansion of payments** beyond POS
- **Diversification of Banking** revenue streams beyond merchants
- **Cross-selling Credit Products** across the customer base

## Clients Segmentation

Moving up in the Pyramid, accessing profitable larger addressable markets



$$17.7M \text{ Active Clients} = 0.4M \text{ Payments Only} + 6.0M \text{ Banking + Payments} + 11.3M \text{ Banking Only}$$

# Payments

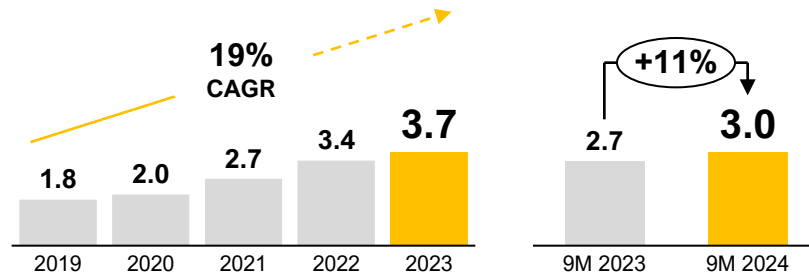
---



# Brazilian Payments Industry

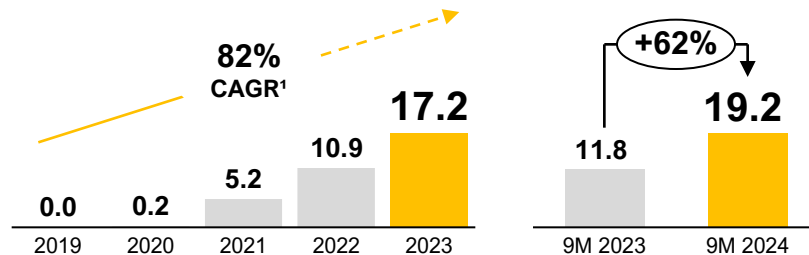
## Brz Cards Industry (TPV ABECS)

R\$ Trillion



## Pix Financial Volume (BACEN)

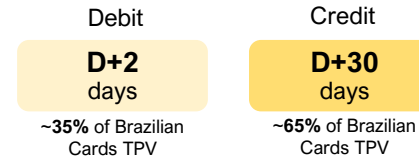
R\$ Trillion



1. Considering 2021 as the initial point.

## Brazil has a unique card consumption structure...

### Settlement Date



### Parcelados (interest-free instalments)

- ~50% of Credit Card Payments are made as “Parcelados”
- Merchants receive *Parcelados* sales *pari-passu* to installments

## ... MSMBs are still underserved, demanding financial products

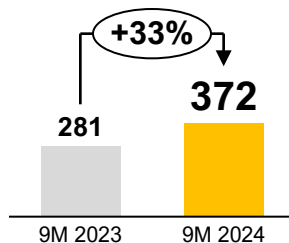
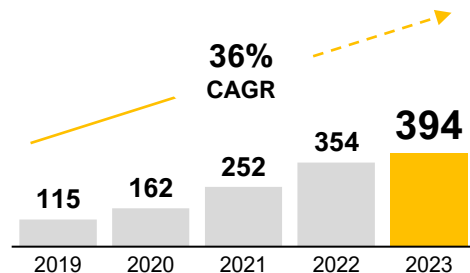
### Advance Settlement is a massive credit solution

- Smaller merchants don't have access to competitive credit facilities
- Advancing settlement is one of the **cheapest funding sources** for MSMBs merchants
- Advance penetration in SMB merchants is as high Micro merchants

# PagBank's value creation strategy for Payments

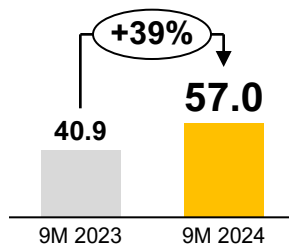
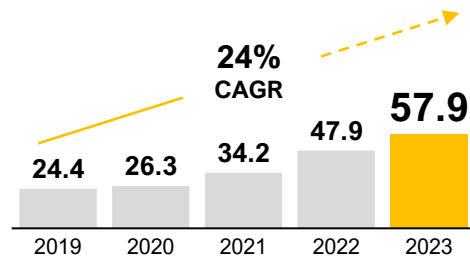
## Total Payment Volume

R\$ Billion



## TPV per Active Merchant 12M<sup>1</sup>

R\$ Thousand



## The Power of PagBank's Advance Settlement

- The **only Company to settle instantly, 24/7** (even during weekends, holidays and overnight)
- Only possible into a **PagBank account**
- **>40% of Total Revenue** in Q3 2024

## The importance of Deposits for Settlement products

### Competitive Settlement Product demands..

- ... Robust and Efficient Risk Assessment Process; Reliable and Fast Data Processing Technology and **Cheap Cost of Funding**

### Deposits as Value Creation

- Deposits provide **funding at a lower cost** than the base interest rate (SELIC), increasing the Company's margins

**Higher Deposits Lead to Higher Returns,**  
allowing the Company to serve **Larger Merchants** while  
**Preserving Profitability**

1. TPV per Active Merchant 12M: TPV / average quarterly Active Merchants 12M;

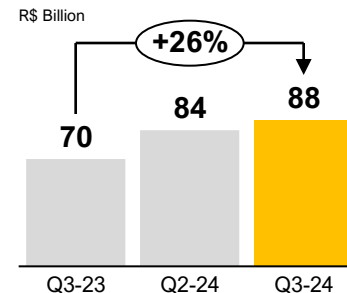
# PagBank Ecosystem for Merchants



## MICRO, SMALL AND MID-SIZED BUSINESSES (MSMB)

- Instant Settlement
- Top-notch SLAs
- Banking integrated
- Broad reach of sales channel
- Pix, Tap On and Payment Link
- PagVendas: our free ERP

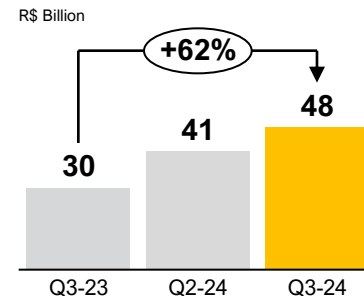
### MSMB TPV



## LARGE MERCHANTS, E-COMMERCE AND CROSS-BORDER (LMEC)

- Increasing share of wallet
- Omnichannel solutions
- Online payments solution
- LatAm cross-border
- Facial online authentication
- PagBank Partnership Program

### LMEC TPV



# Banking

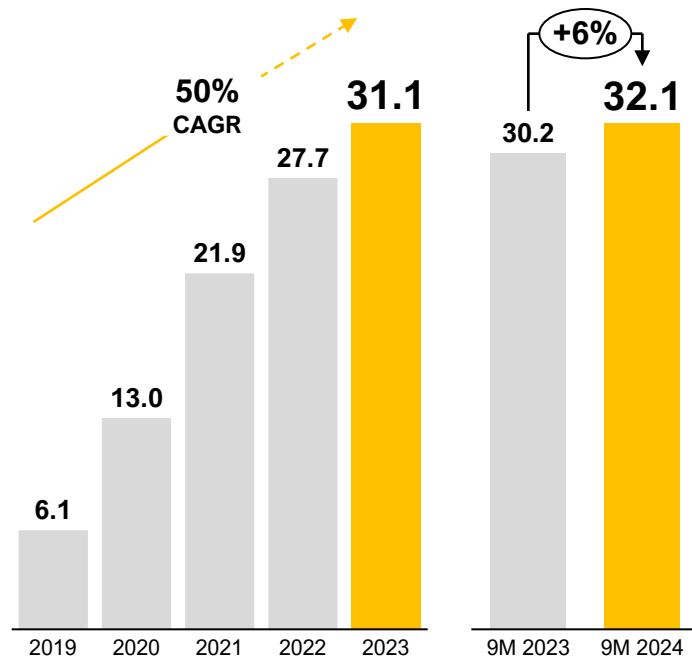
---



# Comprehensive banking platform with robust client base

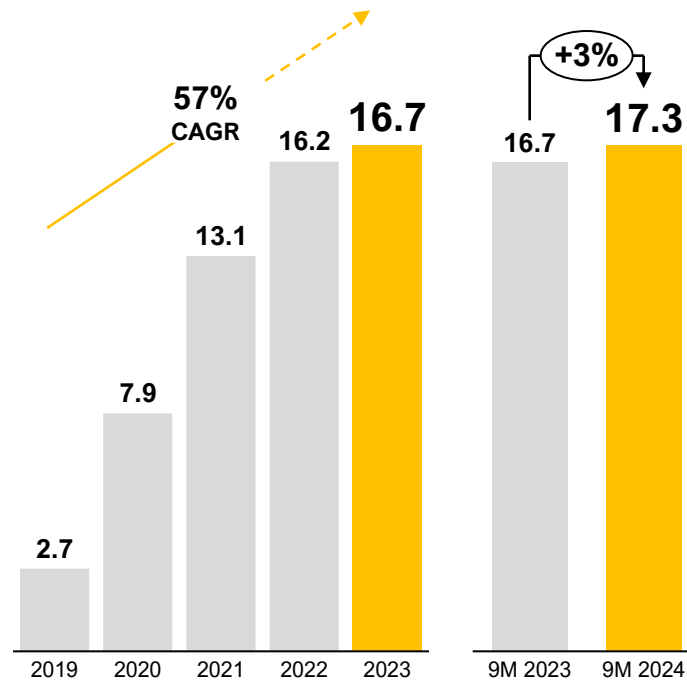
## Total Clients

# Million



## Active Banking Clients<sup>1</sup>

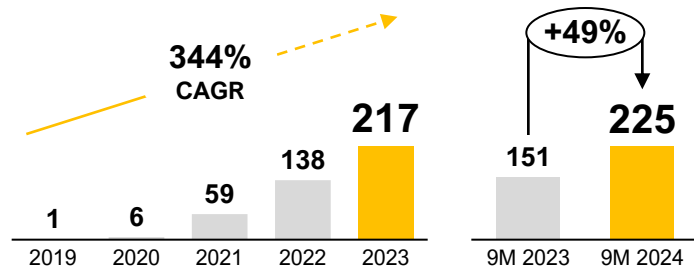
# Million



# Strong growth leveraged by our unique value proposition

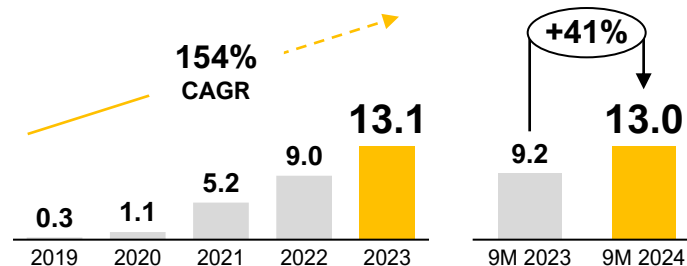
## Cash-In<sup>1</sup>

R\$ Billion



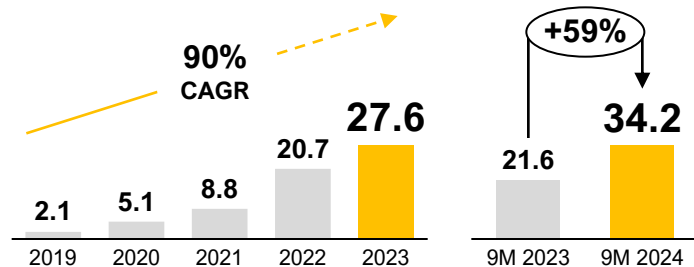
## Cash-in per Active Banking Clients<sup>2</sup>

R\$ thousand



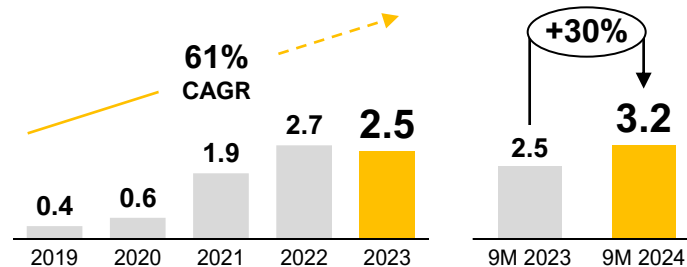
## Total Deposits

R\$ Billion



## Credit Portfolio

R\$ Billion



85%  
secured products

1. Cash-in: PIX P2P and wire transfers inflows into PagBank accounts from other financial institutions;  
2. Cash-in per Active Client: Cash-in / average quarterly Active Banking Clients.

# Increasing client engagement through a seamless experience

4.9 ★ Download on the App Store

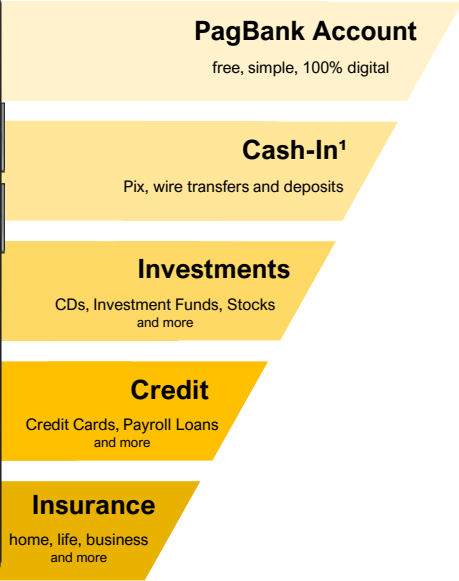
4.8 ★ GET IT ON Google Play



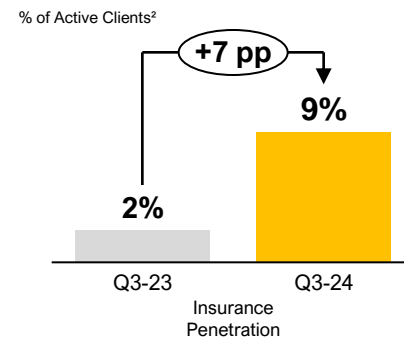
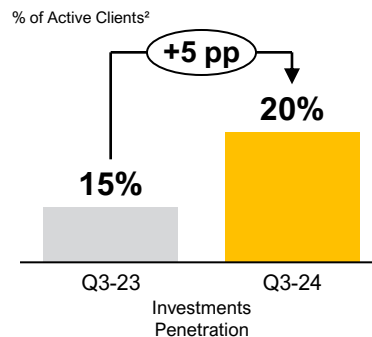
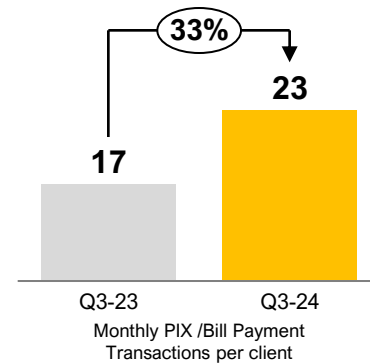
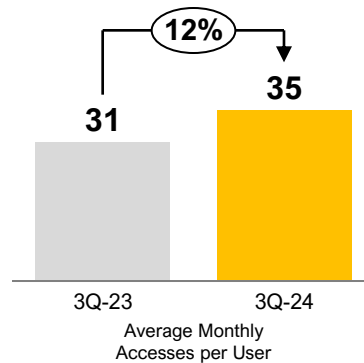
**1st Best SMB Account**  
by iDinheiro



**2nd World's Best Banks in Brazil**  
by Forbes



## Engagement Metrics

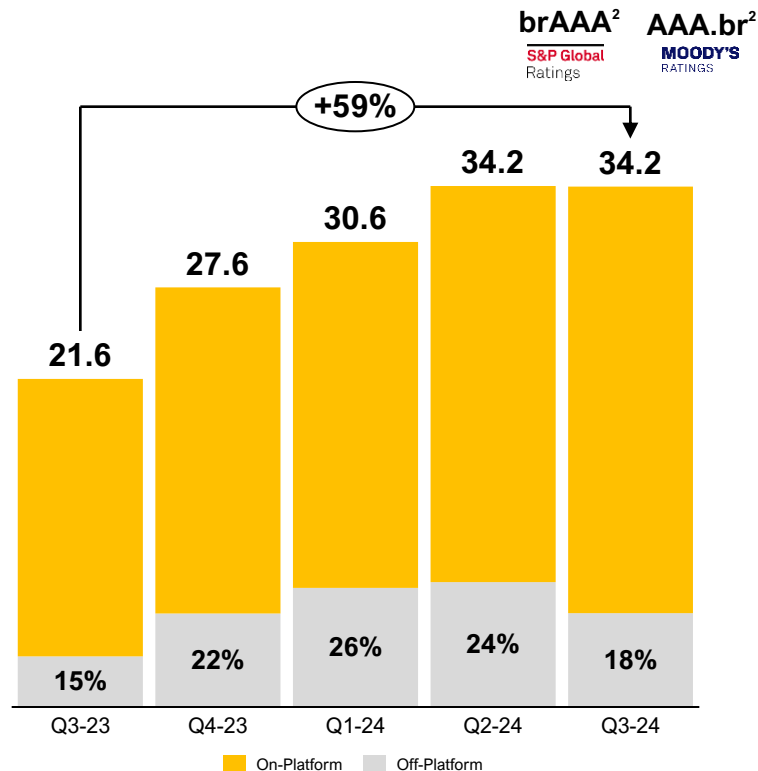


1. **Cash-in**: PIX P2P and wire transfers inflows into PagBank accounts from other financial institutions;  
2. **Active Clients**: at least 1 transaction in the last 12 months.

# Powerful Deposits franchise as a key competitive advantage

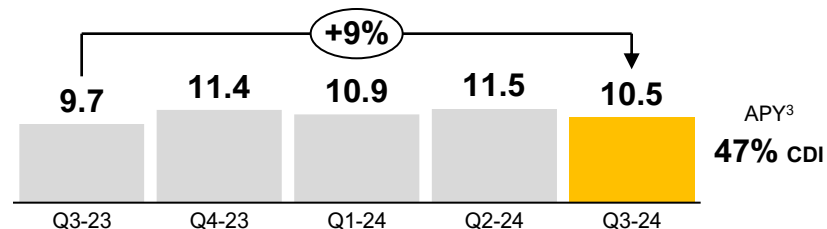
## Total Deposits<sup>1</sup>

R\$ Billion



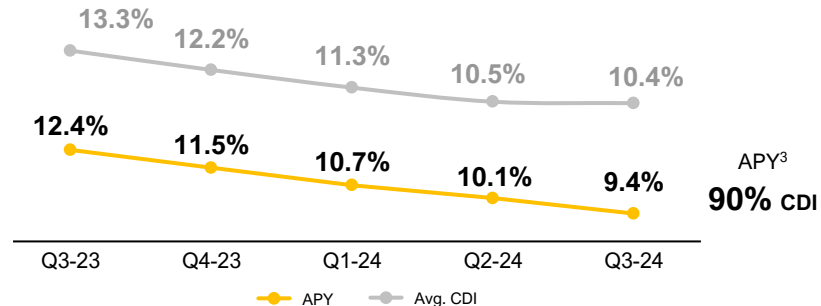
## Checking Accounts

R\$ Billion



## APY<sup>3</sup> on Total Deposits

%



1. Total Deposits: Checking Accounts + Banking Issuances;

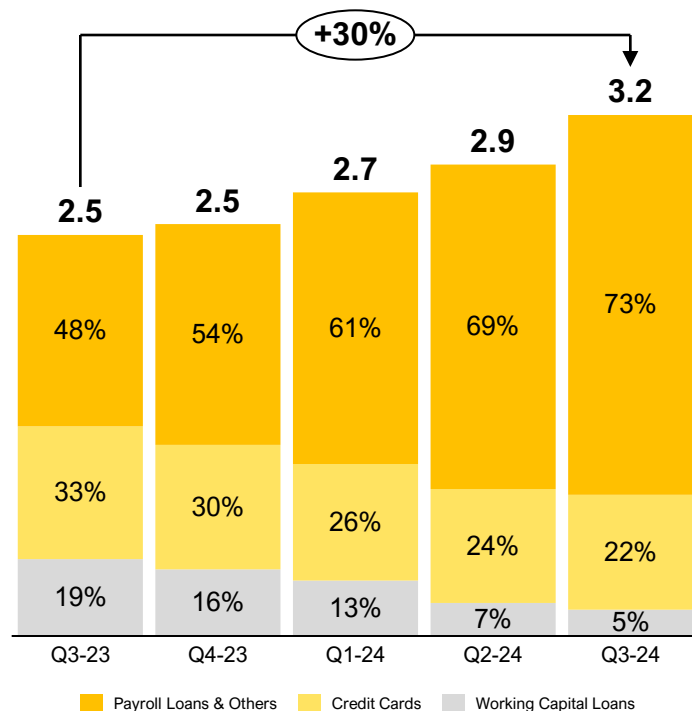
2. Ratings attributed to BancoSeguro S.A. by S&P Global (Aug-23) and Moody's (Aug-24), respectively, both based on the consolidated financial position of the parent company PagSeguro Digital Ltd;

3. APY: Annual Percentage Yield.

# Credit Portfolio with a balanced product/risk profile

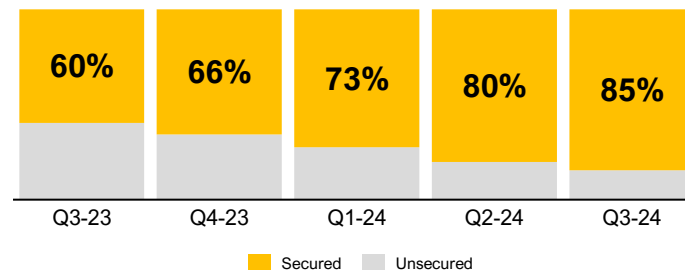
## Credit Portfolio

R\$ Billion



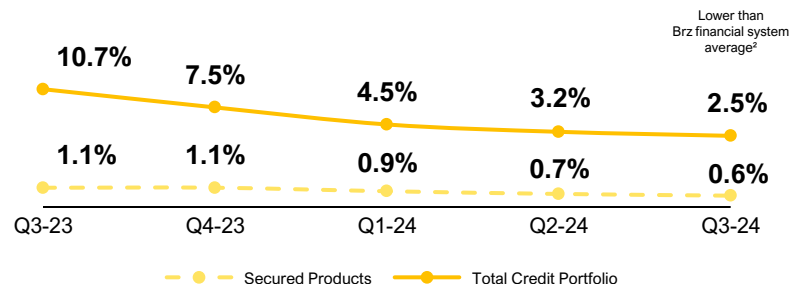
## Credit Portfolio mix

% Credit Portfolio



## NPL90<sup>1</sup>

% over Credit Portfolio up to 360 days



1. NPL90: based on Credit Portfolio up to 360 days.

2. Source: Brazilian Central Bank. NPL90 for non-earmarked resources operations at 4.45% on Aug 2024

# Complete Investment Platform

Investment platform available in **PagBank app**, with a complete set of products and services, fully-integrated to our ecosystem (payments, card issuance and credit products)



**PagBank CDs**



**Treasury Bonds**



**+140 Investment Funds**



**Stock and REITs Trading**



**Financial Advisory**



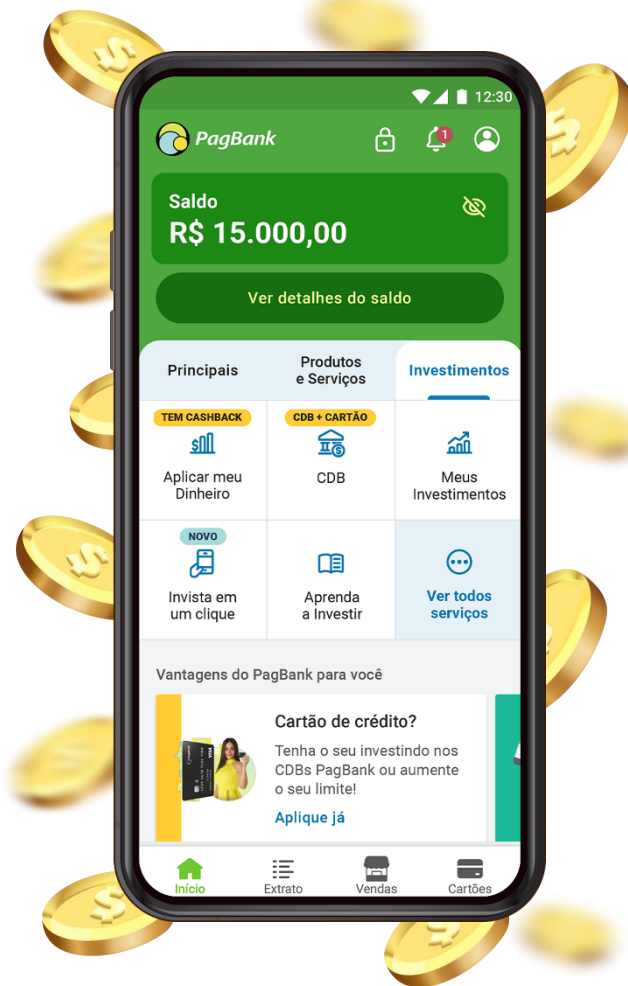
**Equity Research**



**Financial Education**



**Automatic Savings**



# Insurances for all customer's needs

**Comprehensive set of products available in PagBank app**, addressing our customers needs, backed by third-party insurance companies with no warranty risk for PAGS



Health Assistance



PIX



Life



Cards



Home



Business



# Consolidated Financial Results

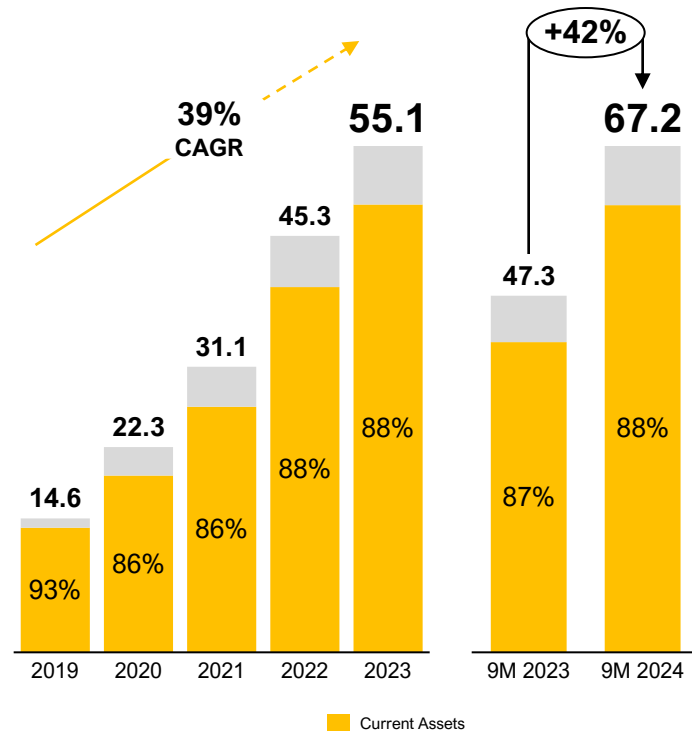
---



# Robust Balance Sheet

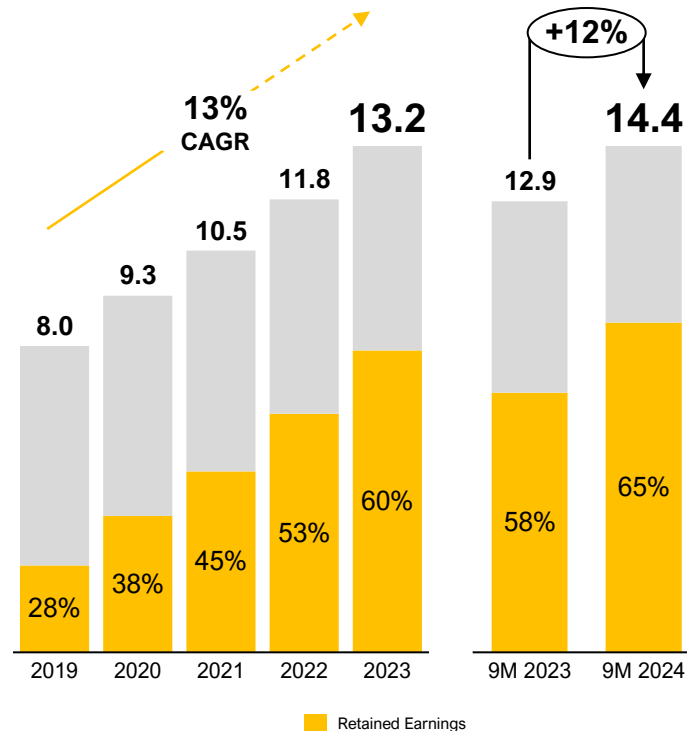
## Total Assets

R\$ Billion



## Equity

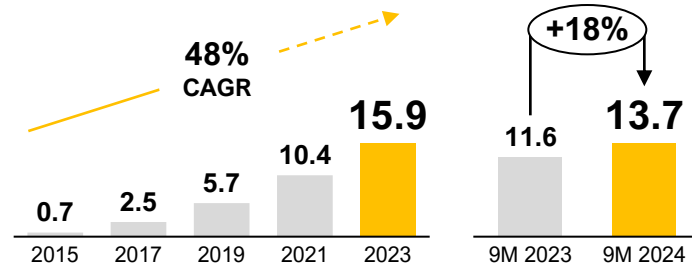
R\$ Billion



# Consistence throughout the years

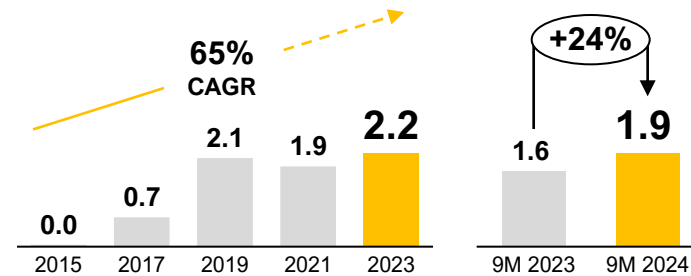
## Total Revenue and Income

R\$ Billion



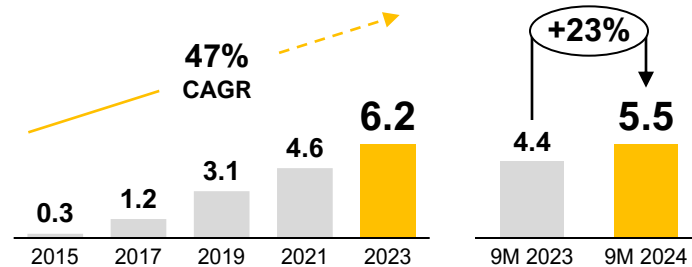
## EBT (Non-GAAP)

R\$ Million



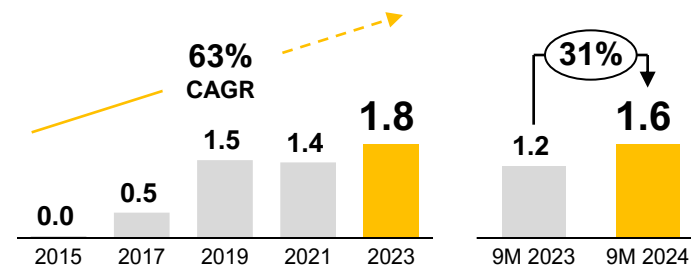
## Gross Profit

R\$ Billion



## Net Income (Non-GAAP)

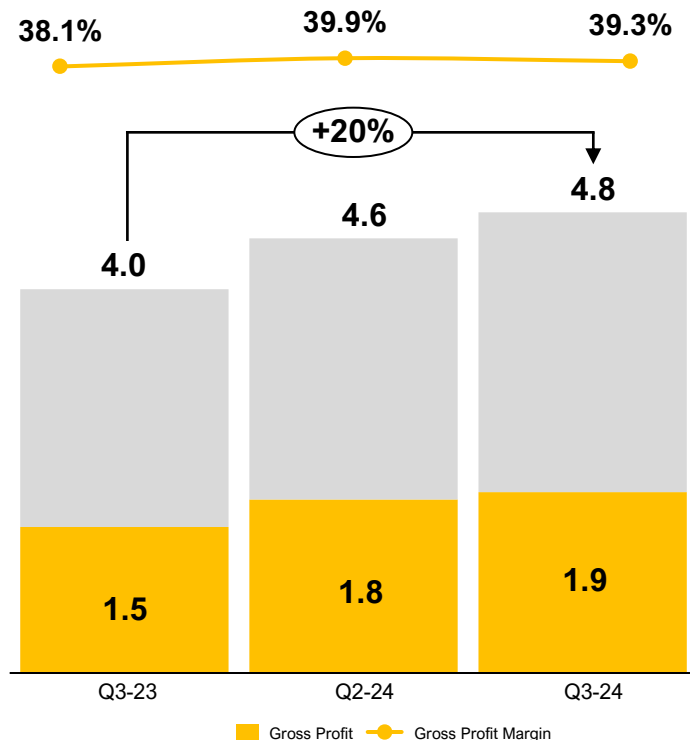
R\$ Million



# Total revenue and income +20% YoY, Banking segment +52% YoY

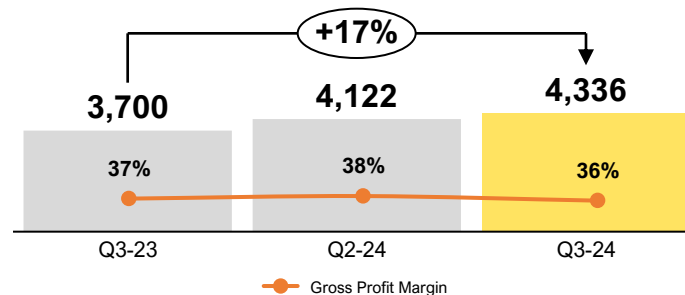
## Total Revenue and Income

R\$ Billion



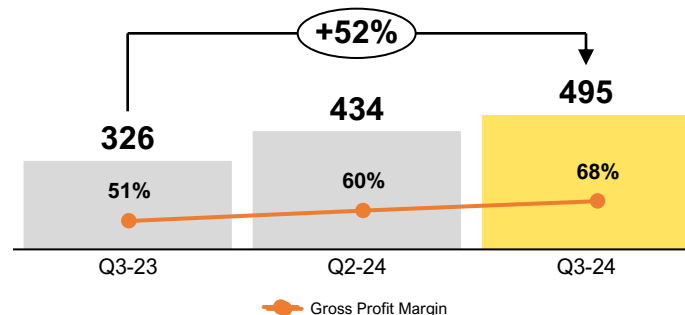
## Payments: Total Revenue and Income

R\$ Million



## Banking: Total Revenue and Income

R\$ Million



# Operational expenses' leverage of 20bps QoQ

## Total Expenses

R\$ Million

	Q3-24	Q3-23	YoY %	Q2-24	QoQ%
<b>Total Revenue and Income</b>	<b>4,832</b>	<b>4,026</b>	<b>20%</b>	<b>4,557</b>	<b>6%</b>
<b>Transaction Costs</b>	<b>(1,851)</b>	<b>(1,508)</b>	<b>23%</b>	<b>(1,761)</b>	<b>5%</b>
% TPV	1.4%	1.5%		1.4%	
<b>1 Financial Costs</b>	<b>(964)</b>	<b>(820)</b>	<b>18%</b>	<b>(863)</b>	<b>12%</b>
% TPV	0.7%	0.8%		0.7%	
<b>2 Total Losses</b>	<b>(120)</b>	<b>(165)</b>	<b>-28%</b>	<b>(113)</b>	<b>6%</b>
% TPV	0.1%	0.2%		0.1%	
<b>Gross Profit</b>	<b>1,897</b>	<b>1,532</b>	<b>24%</b>	<b>1,819</b>	<b>4%</b>
% Total Revenue and Income	39.3%	38.1%		39.9%	
<b>3 Operational Expenses (Non-GAAP)</b>	<b>(812)</b>	<b>(583)</b>	<b>39%</b>	<b>(773)</b>	<b>5%</b>
% Total Revenue and Income	16.8%	14.5%		17.0%	
<b>4 D&amp;A + POS Write-Off (Non-GAAP)</b>	<b>(429)</b>	<b>(393)</b>	<b>9%</b>	<b>(411)</b>	<b>4%</b>
% Total Revenue and Income	8.9%	9.8%		9.0%	
<b>EBT (Non-GAAP)</b>	<b>656</b>	<b>557</b>	<b>18%</b>	<b>636</b>	<b>3%</b>
% EBT Margin	13.6%	13.8%		14.0%	
<b>5 Income Tax (Non-GAAP)</b>	<b>(84)</b>	<b>(117)</b>	<b>-28%</b>	<b>(94)</b>	<b>-11%</b>
Effective Tax Rate	12.8%	20.9%		14.8%	
<b>Net Income (Non-GAAP)</b>	<b>572</b>	<b>440</b>	<b>30%</b>	<b>542</b>	<b>6%</b>
% Net Margin	11.8%	10.9%		11.9%	

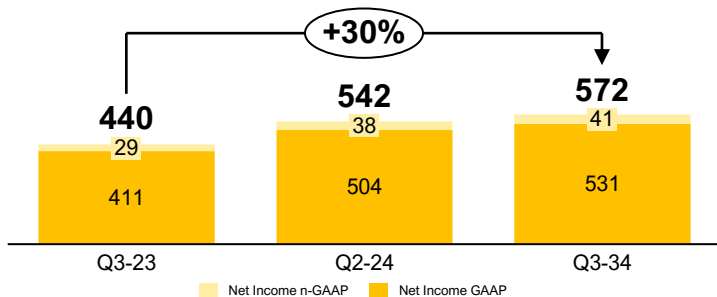
## Highlights

- 1 Financial Costs** discipline and larger volumes of Checking Accounts and CDs even reducing yields' level paid to mitigate higher cost from 3 additional working days vs. Q224 and a 25bps Brazilian interest rate hike
- 2 Total Losses** reduced ~30% YoY due to better risk management approach
- 3 Operating Expenses** leverage of 20bps even on the back of investments to boost growth, specially on marketing and sales
- 4 D&A + POS Write-Off** lower as a percentage of Total Revenue versus Q224 on the strength of better POS management
- 5 Effective Tax Rate** reduced in comparison to past quarters due to positive tax optimization

# EPS +31%YoY, growing ROAE<sup>1</sup> with Solid capital structure

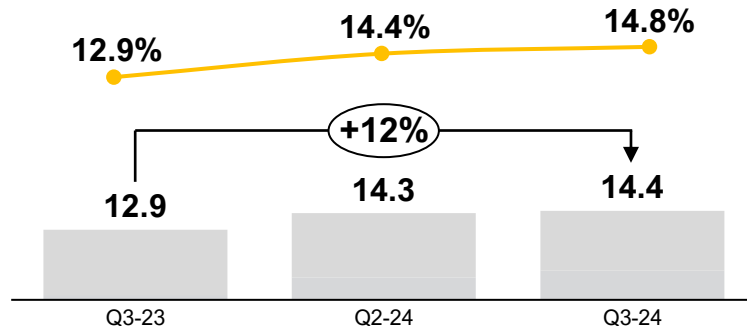
## Net Income (GAAP, Non-GAAP)

R\$ Million



## Equity and ROAE<sup>1</sup>

R\$ Billion — ROAE



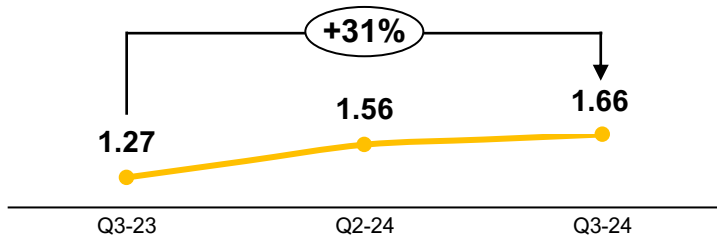
31%  
BIS Ratio<sup>2</sup>

AAA.br<sup>2</sup>  
MOODY'S  
RATINGS

brAAA<sup>2</sup>  
S&P Global  
Ratings

## EPS diluted (GAAP)

R\$ Million — EPS



## Buyback Update

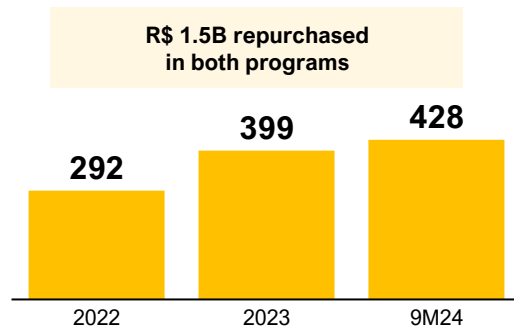
(R\$ million)

### 1<sup>st</sup> Program

Concluded on Aug 29<sup>th</sup>  
USD 250M fully executed

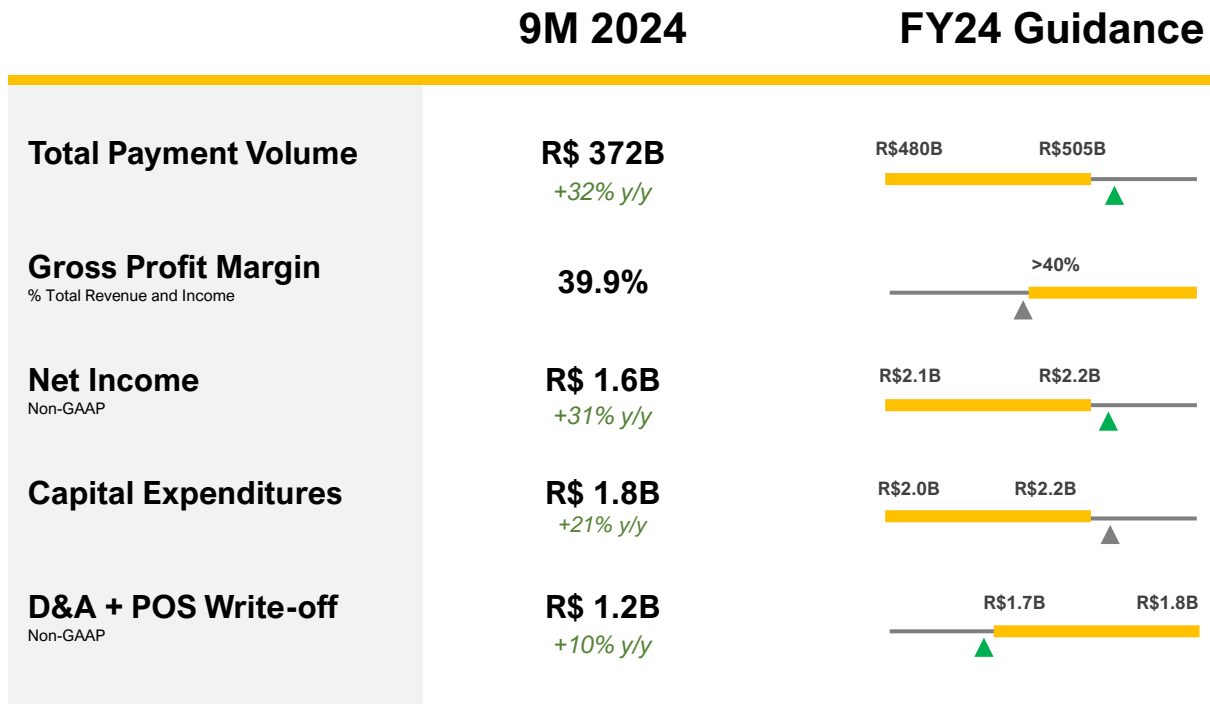
### 2<sup>nd</sup> Program

Launched on Aug 29<sup>th</sup> (USD 200M)  
USD ~40 M executed until October



1. ROAE (Return on Average Equity): annualized quarterly Net income / average shareholder equity. 2. as of Aug, 2024

# On track to deliver expected 2024 results





## Investor Relations

Website: <https://investors.pagbank.com/>

E-mail: [ir@pagbank.com](mailto:ir@pagbank.com)

Address: Av. Brigadeiro Faria Lima, 1384, 10<sup>th</sup> floor | São Paulo

Zip Code (CEP): 01451-001

## Media Press

Website: <https://xcom.net.br/>

E-mail: [pagbank@xcom.net.br](mailto:pagbank@xcom.net.br)

