



**POSITIVO**

TECNOLOGIA

EARNINGS RELEASE

**1Q 2023**

MAY 2023

# 1Q23 HIGHLIGHTS

**Comparable Gross Revenue<sup>1</sup> grows 12% against 1Q22**

**Resilient EBITDA Margin, with operational cash flow generation of R\$ 241 million**

- ❖ **Gross revenue of R\$ 855 million in 1Q23; comparable gross revenue<sup>1</sup>** higher by 12% against 1Q22, driven by sales growth in Consumer, even in a challenging scenario, and by Public Institutions.
- ❖ **EBITDA of R\$ 85 million in 1Q23**, with an **EBITDA margin of 12.1%**, -0,1 p.p. vs. a strong comparable basis in 1Q22, driven by higher gross margin and Commercial segment sales, offsetting the lower margin in Consumer segment.
- ❖ **Net Profit of R\$ 9 million**, demonstrating that the business surpassed its break-even point, even with the low seasonality of the quarter.
- ❖ **Positive operational cash flow generation of R\$ 241 million** accounted in the quarter due to the strong sales made at the end of 2022.
- ❖ Reduction of **leverage ratio to 1.5x** (-0.1x against 1Q22 and 4Q22).
- ❖ **Increase in ROIC to 29.2%**, 4.4 p.p. higher than 1Q22.
- ❖ Our **payment solutions** unit closed new POS supply contracts and today we are at almost all the main buyers in the country.

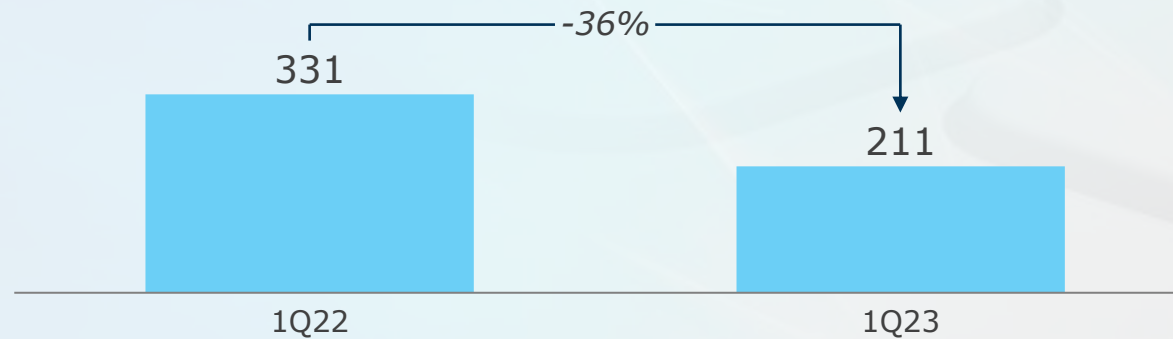
<sup>1</sup> Excludes gross revenue from special projects (electronic ballot boxes) reported in 1Q22 of R\$ 430 million.

# OUR BUSINESS MODEL

Greater representation of sales to companies and public institutions (**Commercial**), with greater recurrence of customers and better margins



**Corporate Sales - Gross Revenue**  
(R\$ million)



## Large Accounts

- **40% more customers** vs. 1Q22
- Greater penetration of **HaaS Zero Carbon e HaaS for Edu**

## Tech Services

- **Winning of new clients**, contributing to revenue in the future
- We just entered into a **contract with a large private bank**, for technology migration and update, across many states across the country

## Servers & Solutions

- Implementation of the **PSS Connect Channel Program**, to develop and retain partner resellers

## new Digital Transformation Unit

- **Closing of important contracts**
- Offering complete solutions, combining hardware, software, and value-added services, available through Capex or Opex

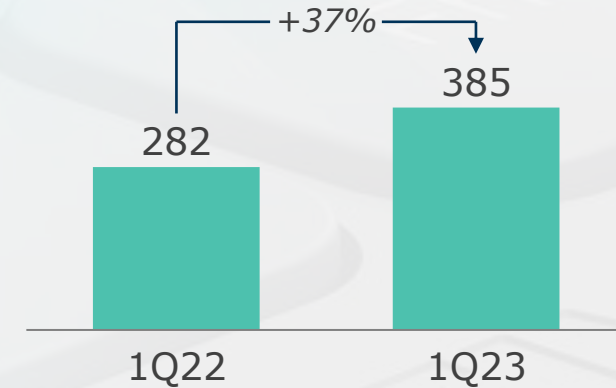
## Payment Solutions

- **3 more new acquirers**, in addition to the top 3 acquired in 2022. We are already present in almost all of the major acquirers in the country
- The contracted value for 2023 already corresponds to the **entire billing of 2022**.

- **Important deliveries** in the quarter to the Education Departments of São Paulo and Paraná, and various bodies in Brazil through the notice of the Ministry of Economy.
- **+R\$ 1.2 billion in revenue** already secured for the year
- **The sector remains heated**
  - Pipeline of purchases by public institutions is **R\$ 4.8 billion** (as of April 2023), still impacted by uncertainties in key positions throughout the country's public administration (resulting in delays in publishing bidding notices and contracting of goods already tendered).
  - The **federal government's** budget for investments in technology **increased by 55%** in 2023
  - **Fundeb has a budget of R\$ 40 bi** for education in 2023

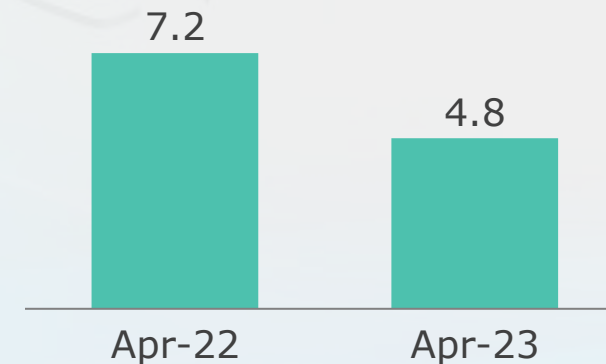
## Gross Revenue from Public Institutions

(R\$ million)



## Pipeline of purchases by Public Institutions in the country\*

(R\$ billion)



\*Source: Company's internal data

- Growth in **high-value PCs**, with a gain in market share
- Growth in **smartphone** sales driven by the **Infinix line**
- Expectation that margins should **start to recover throughout 2Q23**, as we return to buy inputs at more normalized prices.



## INFINIX

- Continued growing in activations and gaining market share
- 6 high-performance models, present in **+250** retailers and **+7 thousand** points of sale
- Novos modelos serão lançados nos próximos meses, incluindo 5G, com maior *price point* e produzidos no Brasil

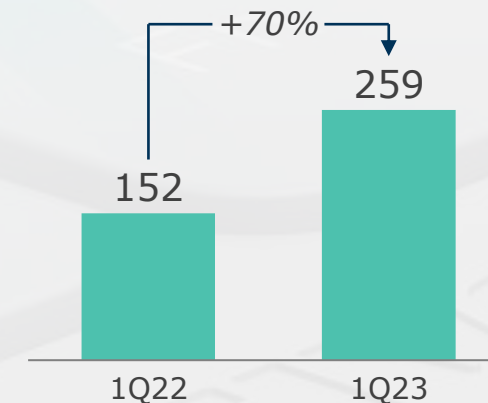
## New VAIO Tablet

- Launch of **Tablet VL 10**, brand's world premiere in the segment
- Developed in Brazil **together** with Positivo Tecnologia
- Accompanied by a smart connection keyboard, to **improve the user's productivity.**



## Consumer Gross Revenue

(R\$ million)





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FINANCIAL  
**HIGHLIGHTS**

# FINANCIAL HIGHLIGHTS

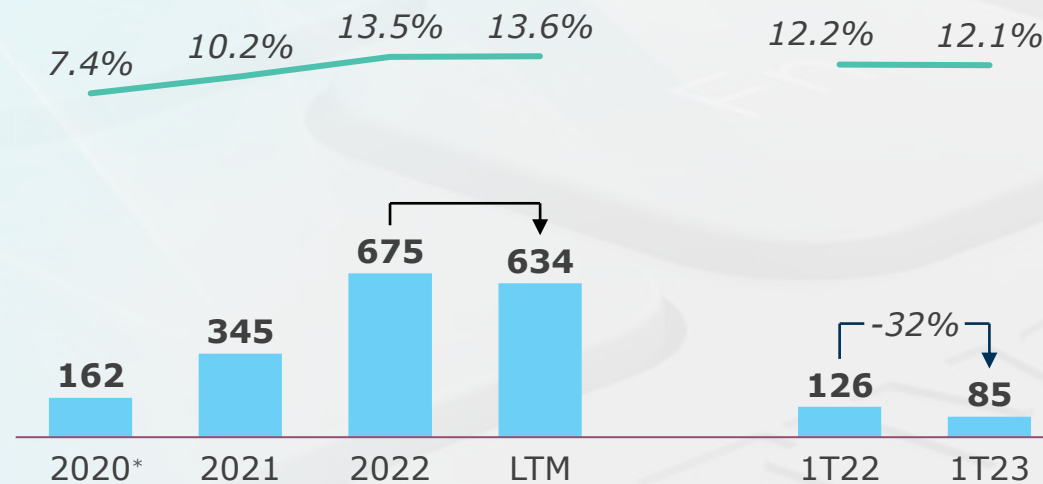
## Gross Revenue (R\$ million)

**CAGR: +51%**  
(2020-2022)



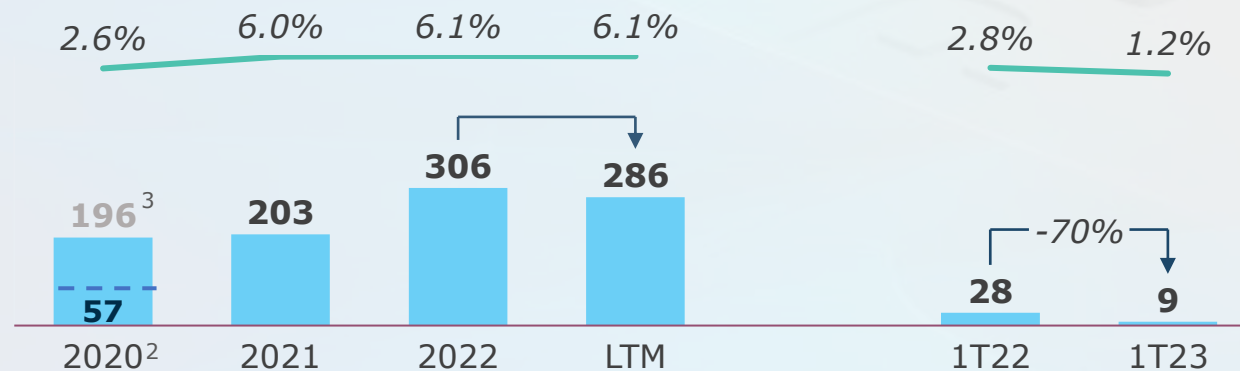
## Adjusted EBITDA and Adjusted Margin (R\$ million)

**CAGR: +104%**  
(2020-2022)



## Net Income (R\$ million)

**CAGR +25%**  
(2020-2022)



<sup>1</sup>LTM = last 12 months

<sup>2</sup>Net income after excluding tax gains.

<sup>3</sup>Net income as reported

\*Ebitda ajustado

— Recurring Net Margin ■ Recurring Net Profit

# FINANCIAL HIGHLIGHTS

## ROIC – Return On Invested Capital

R\$ million

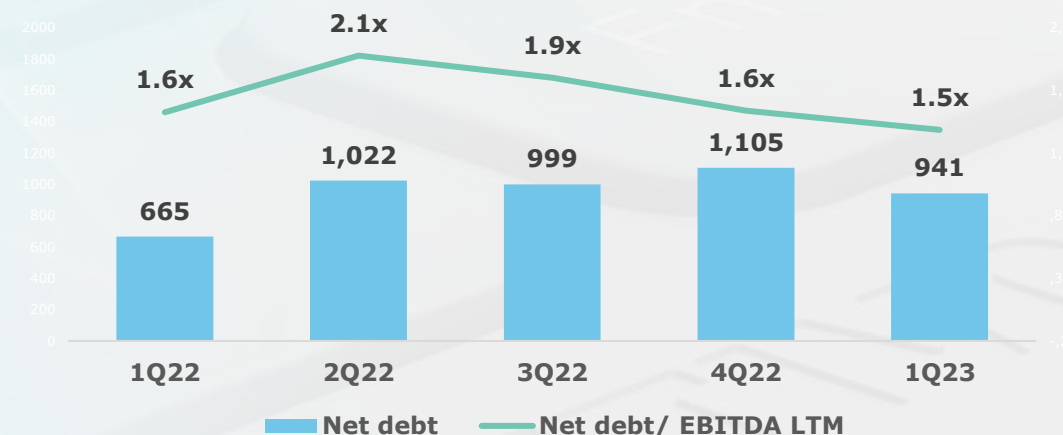
| ROIC                            | 1Q23           | 1Q22           | Var.            | 4Q22           | Var.             |
|---------------------------------|----------------|----------------|-----------------|----------------|------------------|
| EBIT (LTM)                      | 584.9          | 376.1          | 55.5%           | 625.1          | (6.4%)           |
| IR/CSLL (LTM)                   | (1.3)          | (4.3)          | (69.8%)         | (0.6)          | 116.7%           |
| <b>NOPAT (LTM)</b>              | <b>583.5</b>   | <b>371.8</b>   | <b>56.9%</b>    | <b>624.5</b>   | <b>(6.6%)</b>    |
| <b>Invested Capital</b>         | <b>2,186.0</b> | <b>1,812.5</b> | <b>20.6%</b>    | <b>2,412.4</b> | <b>(9.4%)</b>    |
| <b>Average Invested Capital</b> | <b>1,999.3</b> | <b>1,498.8</b> | <b>33.4%</b>    | <b>2,025.7</b> | <b>(1.3%)</b>    |
| <b>ROIC</b>                     | <b>29.2%</b>   | <b>24.8%</b>   | <b>4.4 p.p.</b> | <b>30.8%</b>   | <b>-1.6 p.p.</b> |

Annualized **ROIC** reached **29.2%**, showing a slight reduction **vs. 4Q22** due to the lower operating result in the last twelve months, caused by the unfavorable seasonality in this quarter. At the same time, **there is a significant reduction in the amount of capital employed compared to 4Q22**, mainly due to the receipt in the period of more than R\$ 350 million from the balance of accounts receivable as of December 31, 2022.

**Compared to 1Q22, the increase in ROIC was a significant 4.4 p.p., due to the higher operating result in the last twelve months.**

## Net Indebtedness

R\$ million



The leverage ratio decreased by 0.1x to 1.5x (Net Debt / EBITDA LTM), in line with the expected reduction of indebtedness between 4Q22 and 1Q23

- Operating cash generation of **R\$ 241 million** in 1Q23
- 53% of the debt is long-term
- We continue with our **liability management** strategy, seeking opportunities in the market that allow us to extend our existing debt with more attractive costs.

# GUIDANCE 2023

We reiterate the Gross Revenue guidance for 2023,  
**between BRL 5.5 billion and BRL 6.5 billion**

## Corporate Sales Expansion

- ❖ gain of **market share**
- ❖ higher demand for rental (**HaaS**)
- ❖ Growth in the offering of **Services (Positivo Tech Services)**
- ❖ Continuity of the expansion of **Payment Solutions**
- ❖ Relevant projects in **Servers on 2S23**

## Consumer

- ❖ Growth in the penetration of **premium Infinix smartphones**

## Public Institutions

- ❖ R\$ 1.2 billion in revenue already secured in 2023, in sales already contracted plus contracting forecast
- ❖ **pipeline of future purchases** by public institutions continues heated, reaching **R\$ 4.8 billion** in April 2023

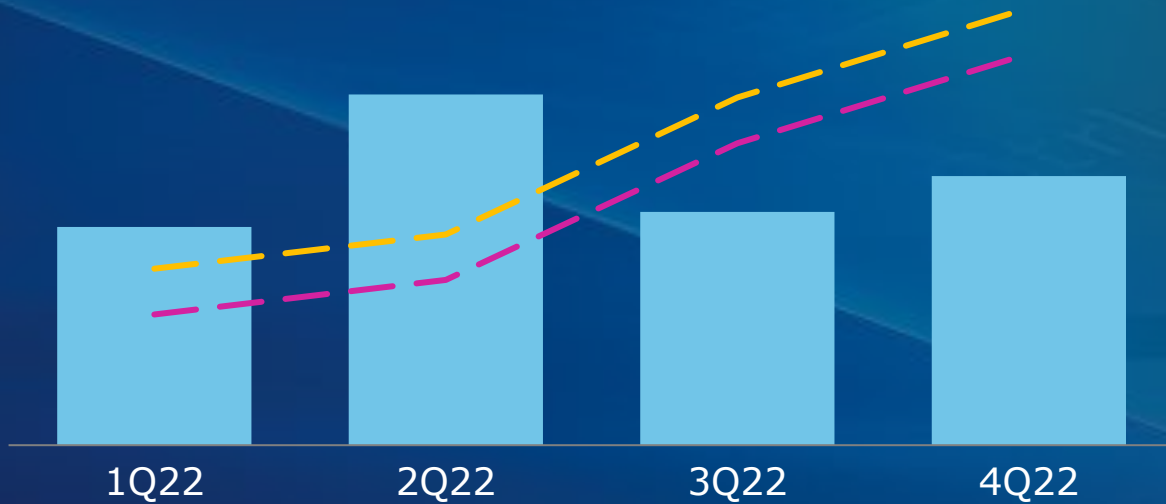
## Special Projects

- ❖ Electronic ballot boxes for 2024 elections in the amount of **R\$ 1.4 billion** (220 Thousand ballot box), which will be **partially billed in 2023**, in the second half

# GUIDANCE 2023

We reiterate the Gross Revenue guidance for 2023, **between BRL 5.5 billion and BRL 6.5 billion**

**Gross Revenue Guidance 2023 x Gross Revenue 2022**



■ Gross Revenue 2022    - - - Guidance 2023: High-end    - - - Guidance 2023: Low-end

## In 2022

- Concentration of ballot box sales in 1Q and 2Q of R\$430 MM and R\$406 MM, respectively
- Server revenues of R\$ 239 MM in 2Q for the largest Supercomputer in Latam

## In 2023

- Partial billing ballot box (2024 elections) concentrated in 3Q and 4Q
- Large server contracts in 3Q and 4Q, acceleration of Payment Solutions and the Infinix line.

# QUESTIONS AND ANSWERS

## Q&A Instructions

- To ask questions, we advise you to send them via the #Q&A# icon, on the bottom button of your screen.
- By default of the dynamic, your name will be announced for you to ask your question live.
- At this point, a prompt to activate your microphone will appear on the screen.

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# Thank you!

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