

POSITIVO

A photograph of two women walking from left to right in a modern office or public space. The woman on the left has long dark hair and is wearing a dark blue coat, holding a smartphone. The woman on the right has curly hair and is wearing a grey coat with a white bag, also holding a smartphone. The background is blurred, showing office shelves and equipment. A thin black line with three circular nodes connects the top of the 'POSITIVO' text to the women's heads.

Positivo Tecnologia
3Q19 Results

3Q19 Highlights

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- Net Income of R\$ 9.1 millions in the 3Q19. In the 9M19, the net income posted R\$ 15.5 millions (+607% vs. 9M18)
- Increase of 0.3 p.p. in cellphones market share, registering 3.5%
- Growth of 3.8 p.p. in sales margin in 3Q19
- Adjusted EBITDA R\$ 40.7 millions, and margin of de 8.6% (+1.2 p.p.)
- Positivo As a Service: revenues increased by 94.3% in the 9M19
- Positivo Casa Inteligente: launching with great acceptance in the IoT market
- Servers: Accept's net revenue grew by 182% in the 3Q19

* The comparisons, except otherwise indicated, are related to the 3Q18

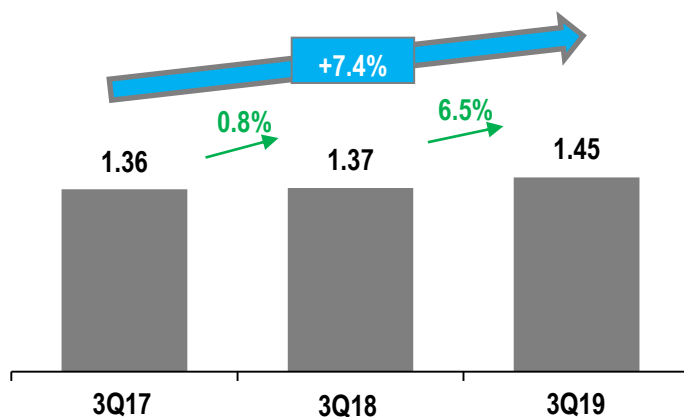
PCs market growth in the 3Q19

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PC Market - Brazil

- 1.45 million units in the 3Q19, growth of 6.5%¹
- **Retail:** +10.4%, segment follow a growth trend, in line with the expected demand recovery
- **Public Biddings:** +12.1%, market registered growth in the 3Q19, presenting signals of new public investments on IT infrastructure
- **Corporate:** -3.6%, performance slightly lower than the 3Q18, but remains with good sales volume

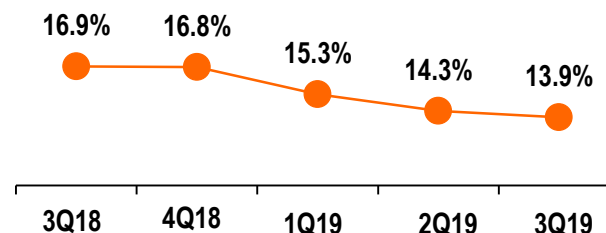
Total PC market– Brazil¹
(in millions of units)



Positivo's Performance

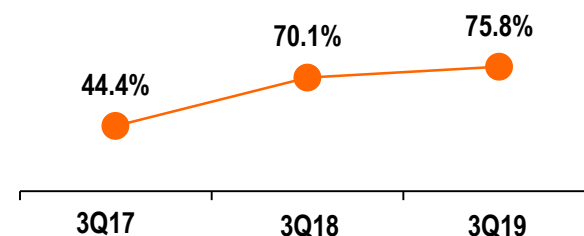
- Decrease in market share due to strong financial discipline, with the policy of minimum margins and conservative inventory planning. Moreover, a major worldwide supplier had specific supply limitations

Annual Market Share Positivo
Total PC Market – Brazil¹



- Positivo is the market leader for entry-level devices, posting a 75.8% market share in Notebooks priced until R\$1,200¹

Annual Market Share
Notebooks < R\$ 1,200¹



¹ Source: IDC

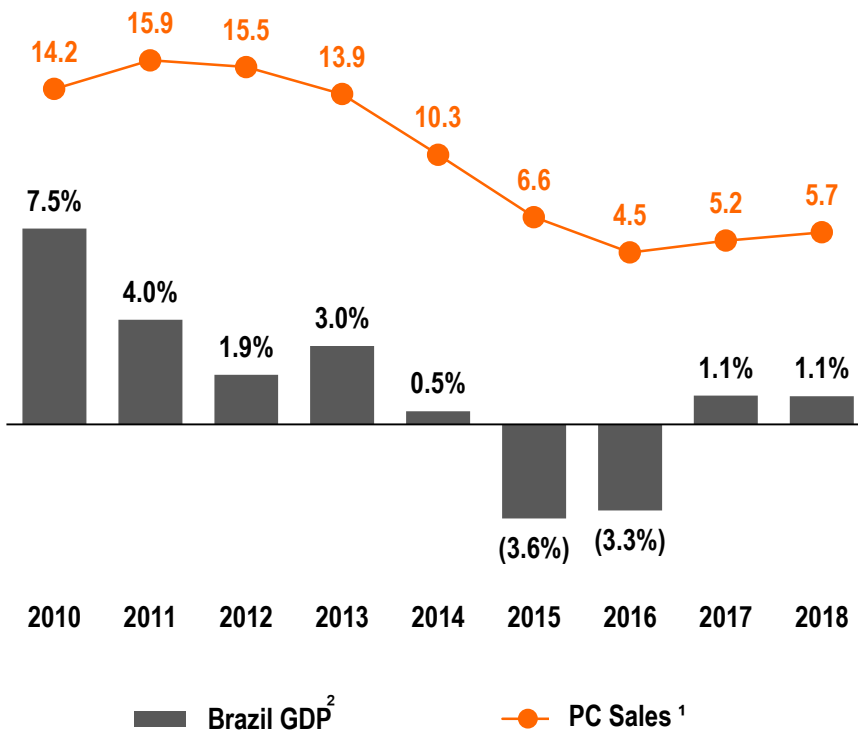
PC Market scenario – nation and worldwide

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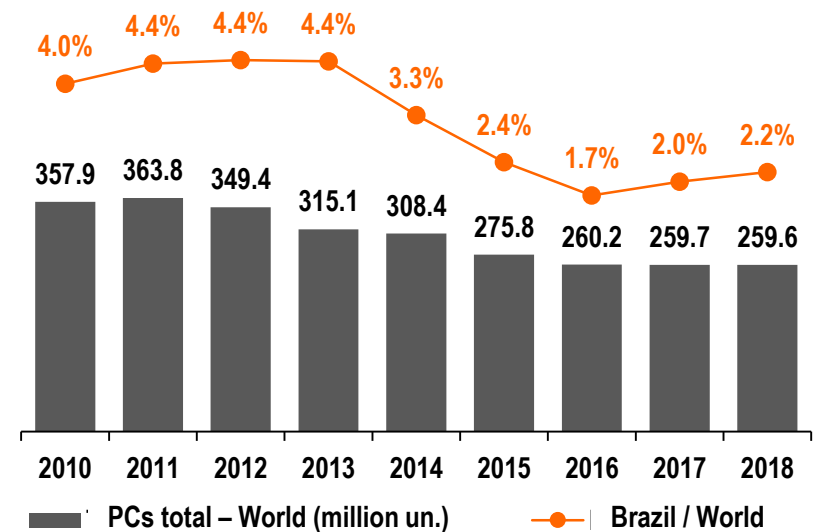
Market performance indicates for a potential demand recovery

Scenario – Historical analysis

➤ Demand recovery in Brazil, after a severe recession period from 2014 to 2016, the market performance is highly related to the Brazilian GDP:



➤ Globally, the PC market presented a lighter fall, around 30% between 2011 and 2016, while the Brazilian market decreased 71%, indicating that the effects of the replacement for mobile devices are already finished



Cellphone market share increased 0.3 p.p.

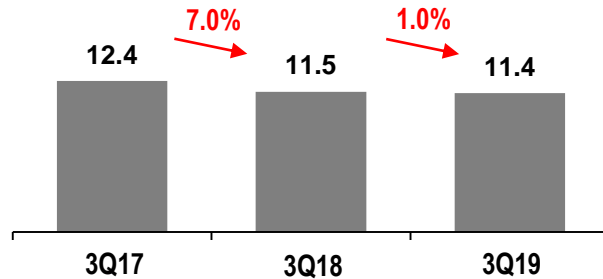


Company successfully set the cellphone portfolio to minimize the competition effects

Brazilian cellphone market

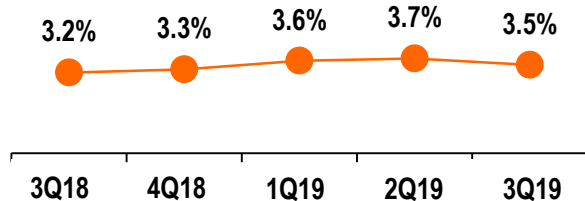
- Decrease of 1% in the 3Q19, market was affected mainly to a high inventory in the retail due to the strong sell-in in the 2Q19

Cellphone market- Brazil¹
(millions of units)



- Positivo registered a 3.5% market share in the 3Q19, increase of 0.3 p.p.

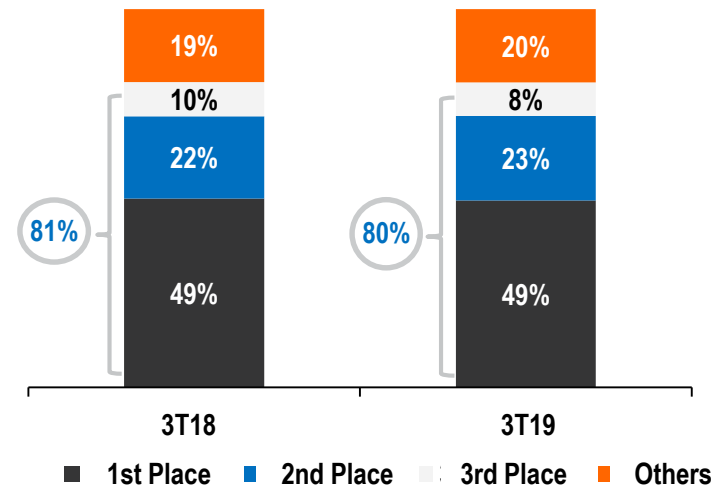
Market Share Positivo
Mobile phones market (Brazil)¹



Market Share Positivo

- Competitive environment between the leading brands results in a 80% market share concentration, but the entry-level products are less affected by the competition

Mobile Phones - Brazil
Market Share – Leaders vs. Others Manufacturers¹
(Smart + Feature)



Growth avenues with positive outlook

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A Positivo as-a-Service

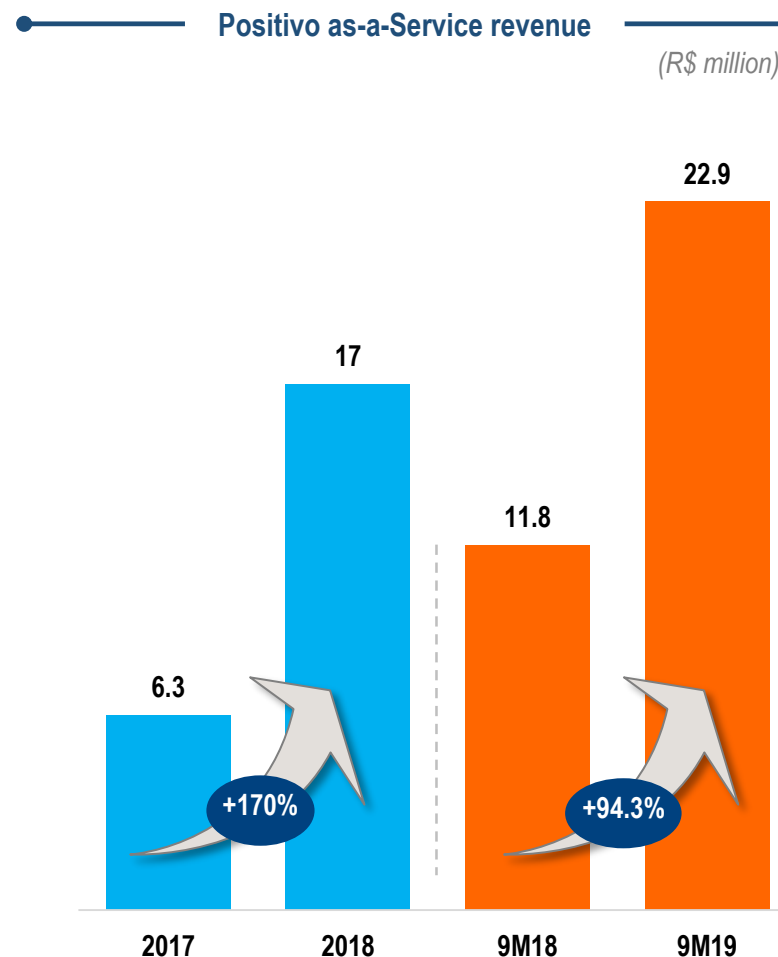
The company offers equipment leasing for each customer profile, with a broad IT portfolio that includes notebooks, desktops, cellphone and servers

Competitive advantages

- ✓ Higher margins
- ✓ Recurring revenue and cash flow
- ✓ Customer loyalty
- ✓ Possibility of higher income by renewing the lease by the end of the contract
- ✓ Additional revenues with services and software

Company's strategy

- ✓ Synergy with Positivo's corporate sales channel
- ✓ The company is mapping clientes and increasing its commercial effort
- ✓ Business unit dedicated to the HaaS market, along with the same sales structure

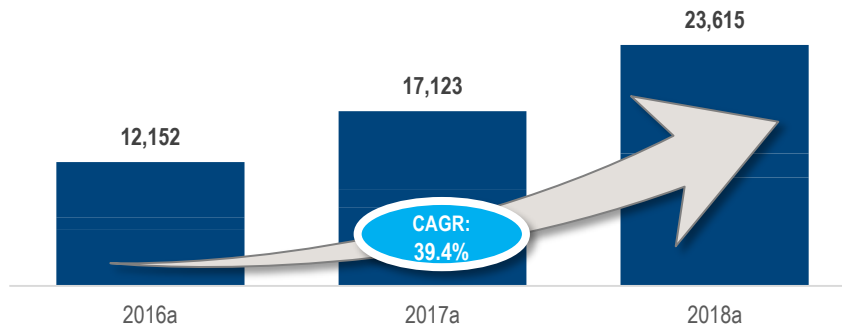


First step in the IoT market with the “Positivo Casa Inteligente” brand

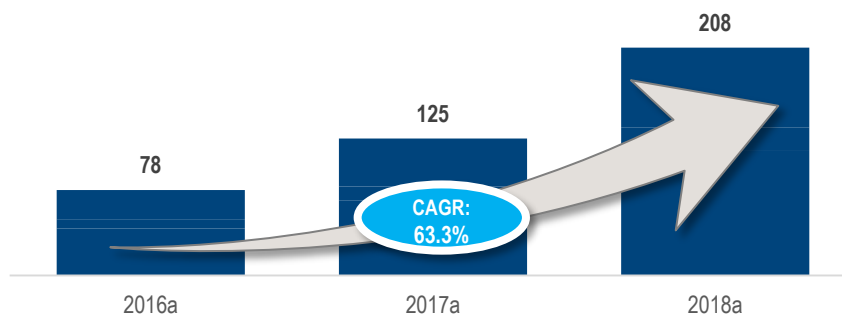
Portoflio offers IoT based solutions in order to make the brazilian houses more inteligente, connected and safe

Performance –Smart Home market

(Global “Smart Home”, market US\$ mi)



(Mercado brasileiro de “Smart Home”, US\$ mi)



Positivo Casa Inteligente



Launch: 25 de Julho de 2019



Available in 17 retailers stores network



200 + points of sale



Portfolio developed to meet the brazilian consumer needs

Main customers



vivo

Kalunga

viavarejo

MIXTEL

Fujioka

LEROY MERLIN

CASA & VIDEO

Ferreira Costa

Lojas Colombo
O melhor bom por vídeo

info store

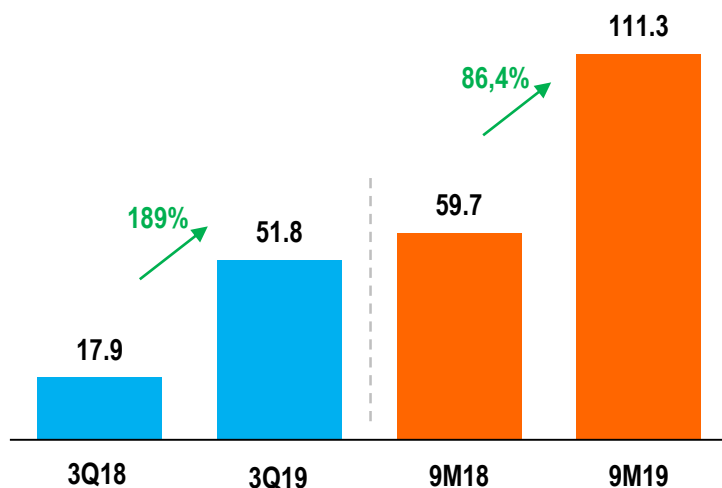


Accept Acquisition: Servers market

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Positivo holds a 80% stake in Accept, a company focused on servers, storages, PCs and other devices

Accept revenue



Main partners and costumers



Competitive advantages

Product Complementarity: Accept products incorporated into Positivo Tecnologia's portfolio

Better positioning in the corporate and public sector, supported by the recovery of infrastructure investments

Scale gains in the acquisition of relevant inputs and synergies are already beginning to be captured by the company

Strategic acquisition for portfolio diversification and consolidation for the most diverse clients

Financial Highlights

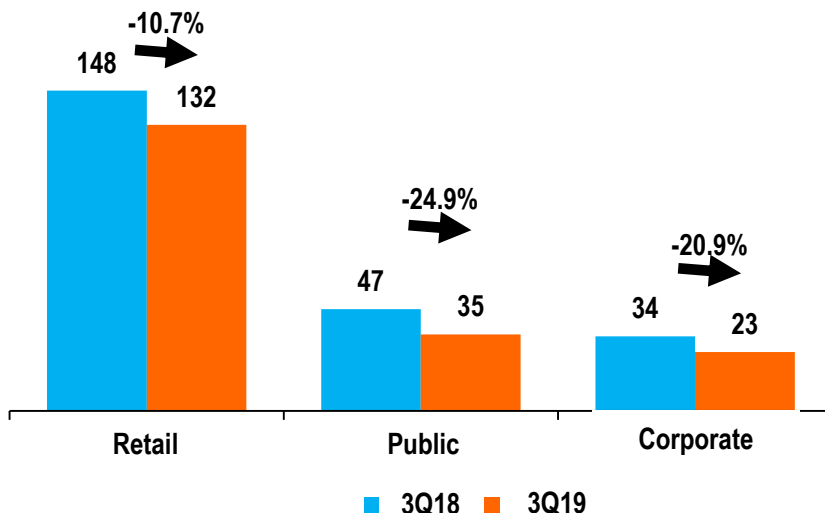


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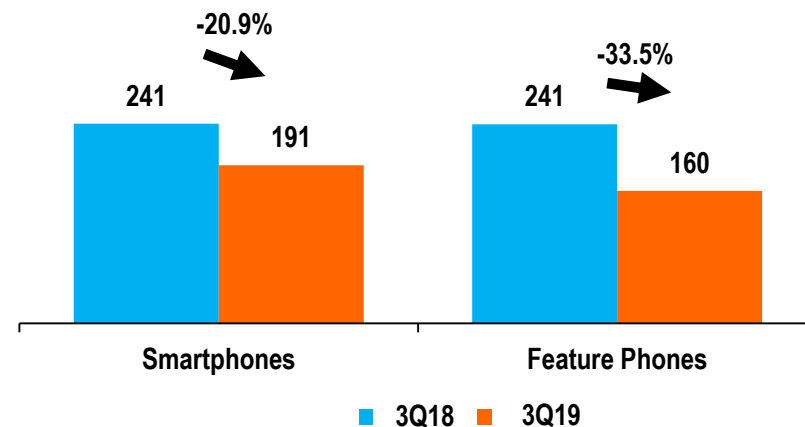
3Q19 sales volume and margin

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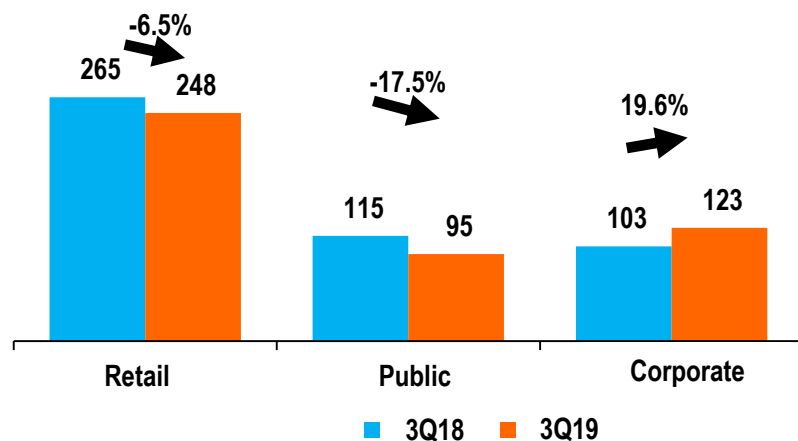
PCs sales – channel breakdown (thousands of units)



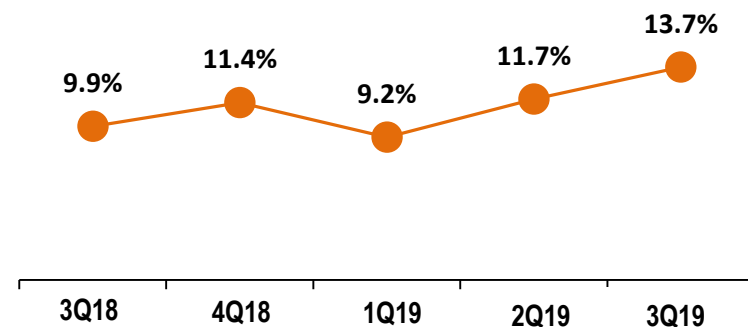
Cellphone sales – product breakdown (thousandsun.)



Net revenue (R\$ millions)



Sales margin (% of net revenue)

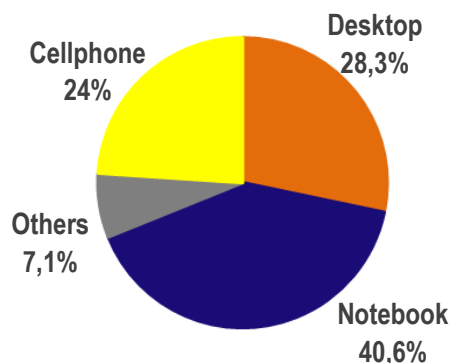


Corporate segment revenue increase in the 3Q19

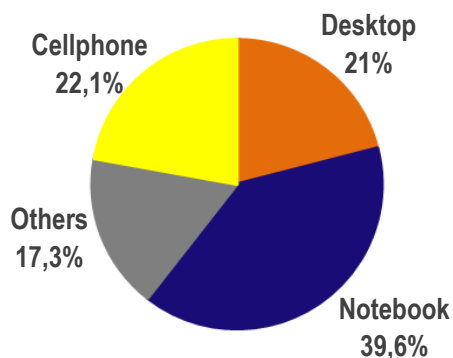
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Net revenue – by product

- Net revenue in 3Q19 registered a higher share of other businesses in product composition, as well as a reduction in desktops, which was driven by a lower volume of deliveries in response to the public market in the period
- The performance of Accept servers sales contributed to the share of other devices in the 3Q19 net revenue breakdown.

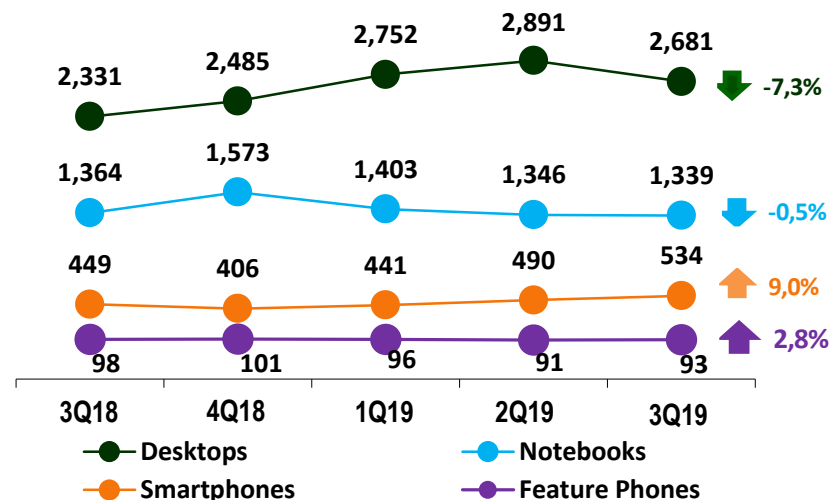


3T18



3T19

Average price¹ (R\$)



Desktops: -7.3% vs. 2Q19:

- Lower proportion of sales to public biddings in the period, which usually considers Desktop + Screen

Notebooks: -0.5% vs. 2Q19:

- Prices kept in line, once the product mix remained practically the same

Cellphones: -2.3% vs. 2Q19:

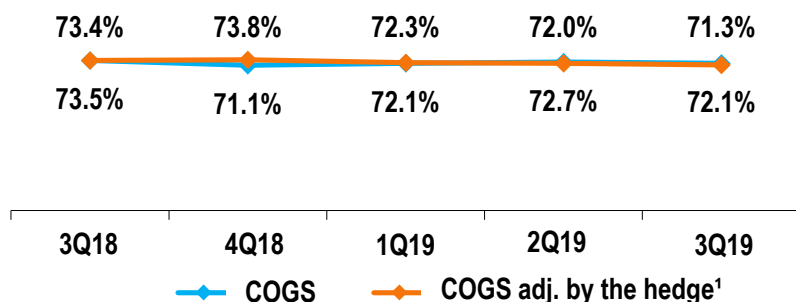
- Due to a higher proportion of Feature phones in the period

(1) Considers only devices sold in Brazil

Adjusted gross margin of 28.7% in 3Q19 (+2.1 p.p.)

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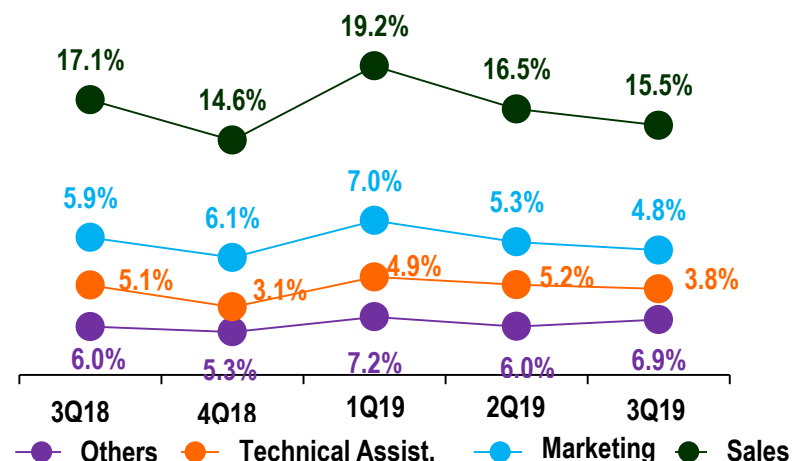
COGS¹



G&A

R\$ million	3Q18	2Q19	3Q19	Var% 3Q19 x 3Q18	Var% 3Q19 x 3Q19
Personnal	(9,9)	(9,9)	(10,5)	-5,6%	6,1%
Others	(1,2)	(0,9)	(1,5)	24,7%	65,6%
Subtotal	(11,1)	(10,8)	(12,0)	7,7%	11%
(+) Non-recurring items/R&D	(10,2)	(7,2)	(10,5)	3,4%	8,6%
(+) Deprec. And Amortization	(6,1)	(6,7)	(7,3)	18,7%	46,5%
Total Geral	(27,5)	(24,7)	(29,8)	8,6%	20,7%

Sales expenses²



COGS: Increase of gross margin due to the minimum margin policy

Sales: Lower proportion of retail sales in the quarter, segment that usually generates more selling expenses

G&A: Similar to 3Q18, the quarter that the company provided no administrative restructuring

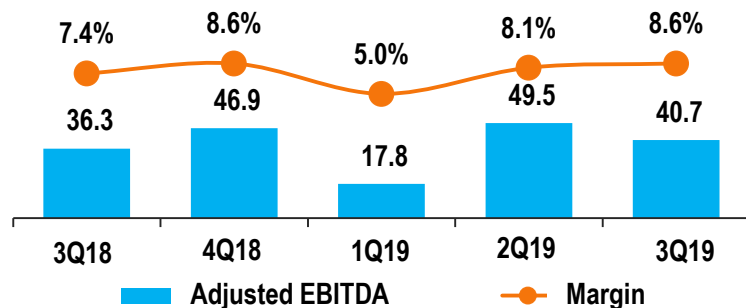
¹Represents the amounts received (or paid) by the company in instruments of exchange hedge contracted to cover dollarized inputs. Such amounts are net of the exchange variation observed on billings in dollar

² in % of net revenue

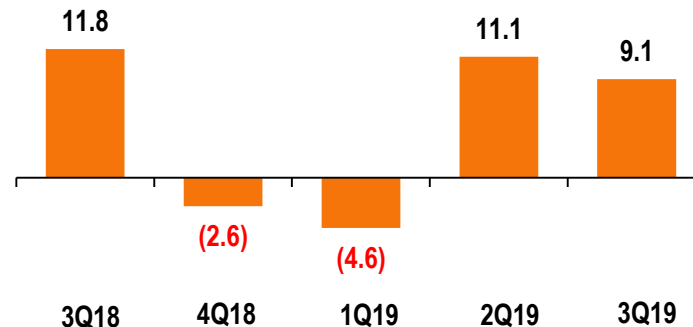
Net Income of R\$ 9.1 millions in 3Q19, and Net Debt/EBITDA multiple of 1.7x

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Adjusted EBITDA ¹ (R\$ million)



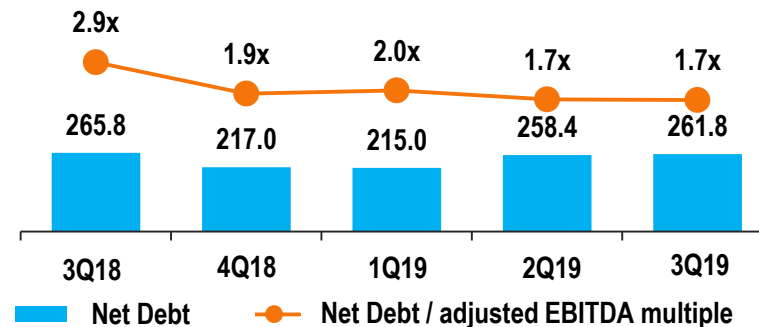
Net Income (loss) (R\$ millions)



Financial Result (R\$ million)

Financial Result	3T18	3T19
Cash effect of raw material hedging	6	4
Mark to market and other non-cash items	5	6
Subtotal – Exchange rate Variation (a)	11	9
CPC 48 – Lease (b)	-	(1)
Financial Revenues	9	8
Financial Expenses	(27)	(26)
Subtotal – Cost of debt and others (c)	(18)	(18)
Total	(7)	(10)

Net Debt (R\$ millions) and multiple



(1) EBITDA adjusted by the cash effect of the exchange hedge of inputs, by the addition of 50% of EBITDA of the *joint venture* IFSA and by extraordinary items.

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