Earnings Presentation

2Q24

stoneco

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Our Strategic Priorities 2Q24 Highlights

1 Win in the MSMB Market

GROWTH

MSMB CTPV[1]
R$98bn
+17.4% y/y Card TPV
+24.6% y/y TPV[1]

Client Deposits
R$6.5bn
+65.2% y/y
6.6% of MSMB CTPV

MSMB Client Base
3.9mn
+30.3% y/y
184,000 Net Adds

2 Drive Engagement

MONETIZATION

MSMB Take Rate
2.54%
+7bps y/y

Working Capital Portfolio
R$682mn
+28.2% q/q
2.6% 90+ NPL

3 Scale Through Platforms

EFFICIENCY

Adj. Admin Expenses
R$235mn
-12.6% y/y

Adj. EBT
R$652mn
+45.9% y/y

Adj. Net Income
R$497mn
+54.4% y/y

Increase Shareholder Return

EPS
R$1.61 Adj. Basic
+57.2% y/y

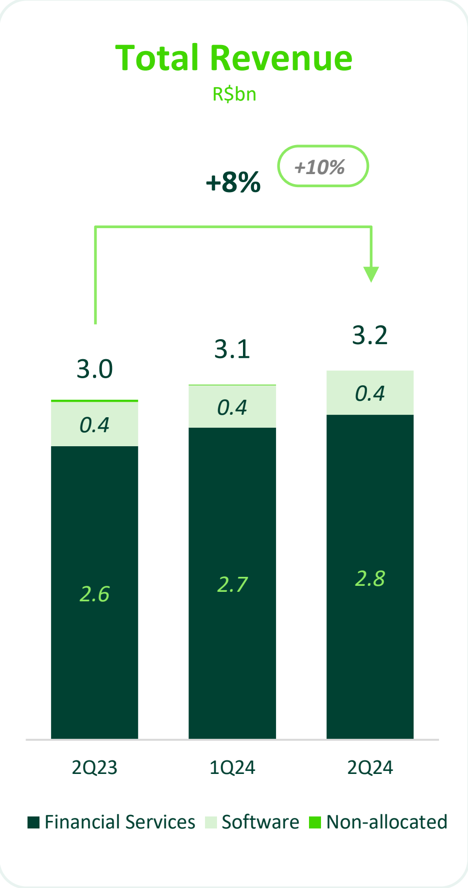
Tender offer of senior notes completed in Jul24 | USD295mn
Share buyback[2] program almost fully executed by Aug24 | 12.9mn shares

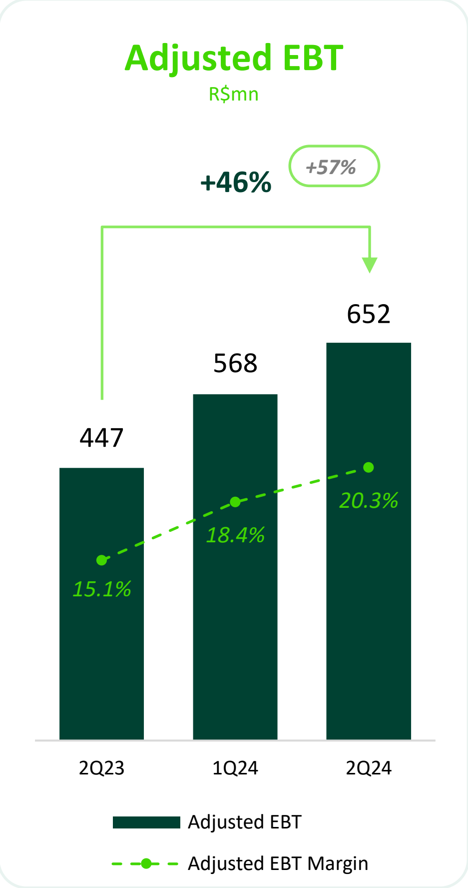
Note 1. MSMB CTPV (Card TPV) consists solely of Card Total Payment Volume and does not include MSMB PIX QR Code volumes. In contrast, MSMB TPV also includes MSMB PIX QR Code volumes from dynamic POS QR Code and static QR Code.
Note 2. Share buyback program of R$1bn announced in November 2023 with R$237mn executed in 2Q24.

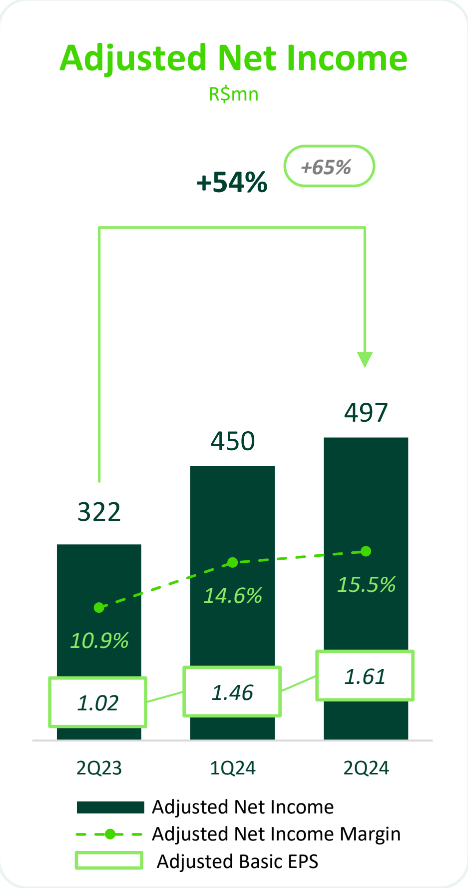
Consolidated Results

Growth with efficiency

y/y in the previous membership fee policy[1]







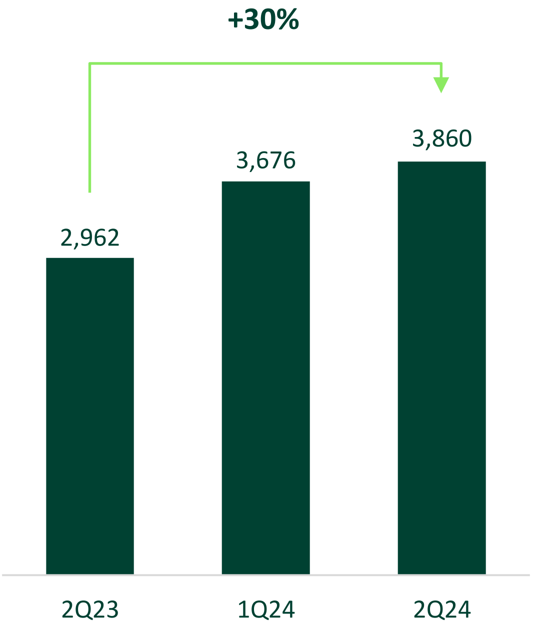
Note 1. A new internal policy was announced for the recognition of membership fee revenues in 1Q24. Please refer to the Press Release announced on April 16th, 2024 for more details. As a result, in 2Q24, Total Revenue and Adjusted EBT were impacted in R$50.6mn (R$68.7mn in 1Q24) and Adjusted Net Income in R$33.4mn (R$45.3mn in 1Q24).

Payments

Steady growth in the MSMB client base

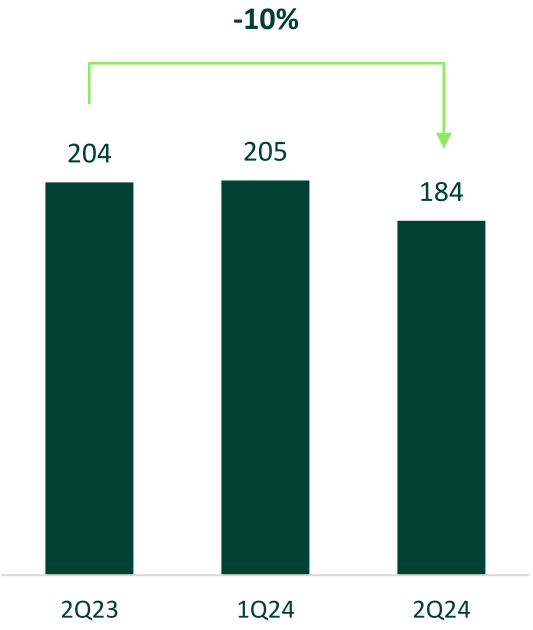
MSMB Payments Client Base

MSMB Active Payments Clients[2] ('000)



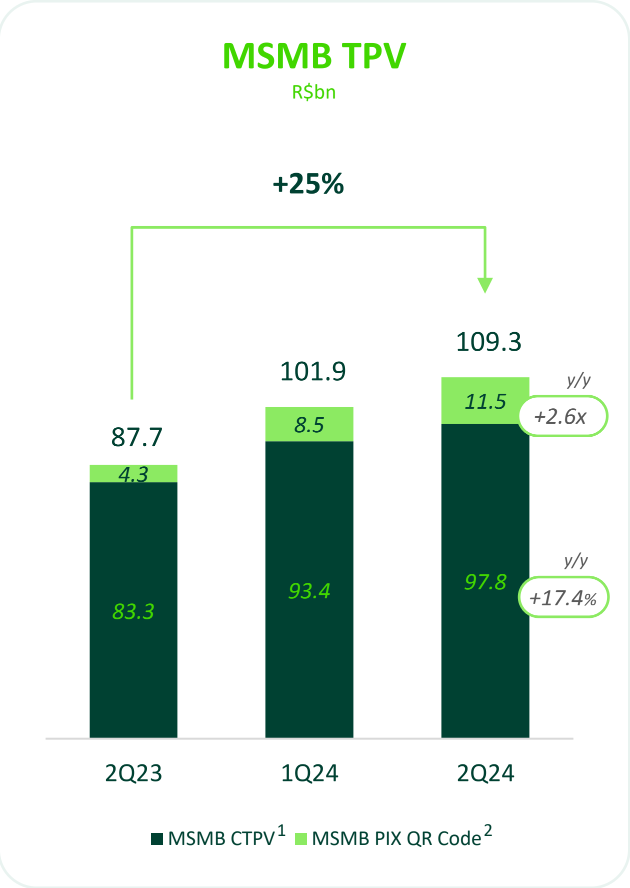
MSMB Payments Net Adds

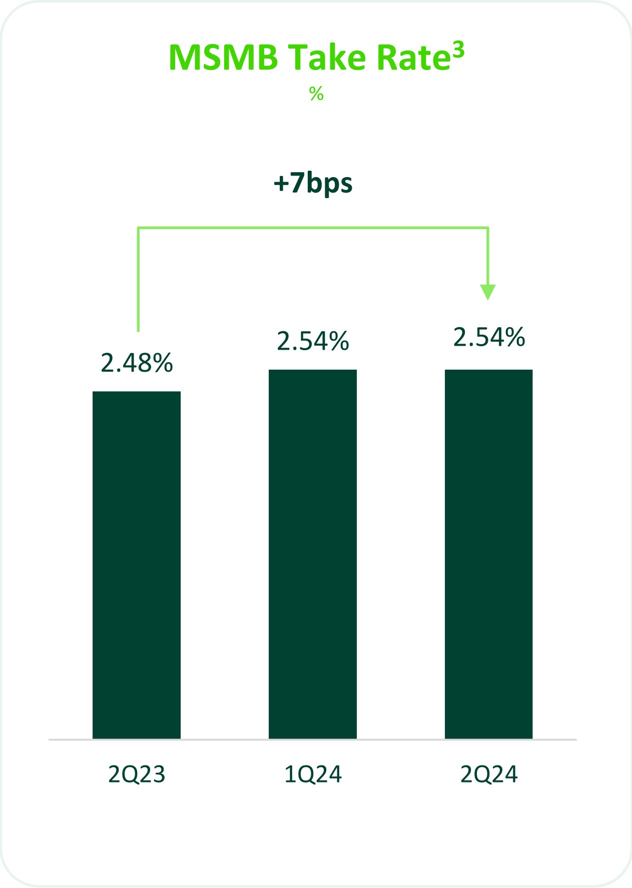
Quarterly MSMB Payments Net Adds ('000)



Payments

Strong TPV growth and higher monetization from MSMB clients

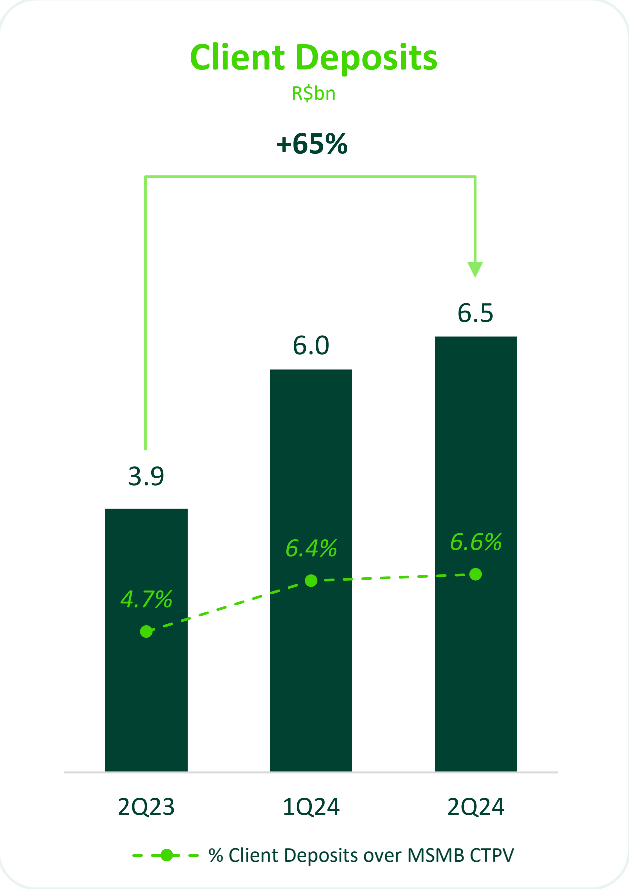


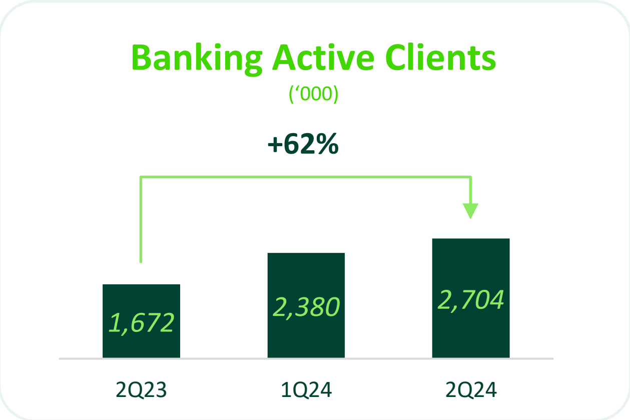


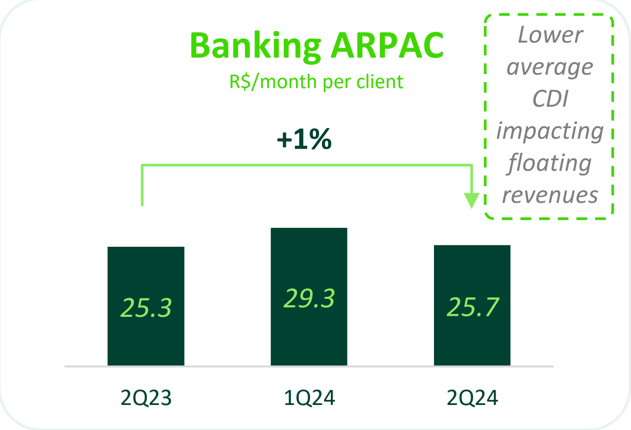
Note 1. MSMB CTPV (Card TPV) consists solely of Card Total Payment Volume and does not include MSMB PIX QR Code volumes.
Note 2. Includes the volume of MSMB PIX QR Code, transactions from dynamic POS QR Code and static QR Code.
Note 3. MSMB Take Rate does not include MSMB PIX QR Code volumes.

Banking

Continued execution of cross-selling integrated solutions



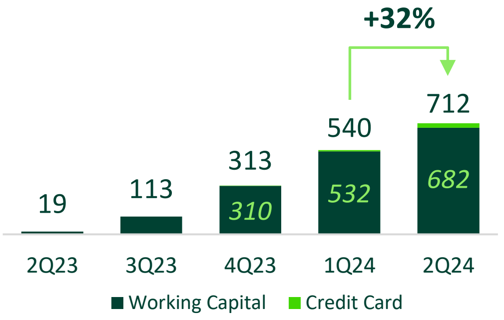




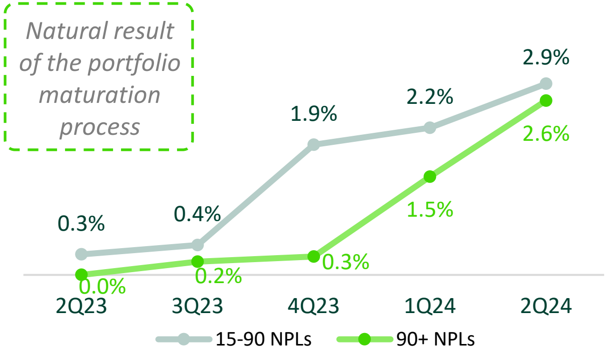
Credit
(Working Capital and Credit Card)

Encouraging results with a healthy portfolio

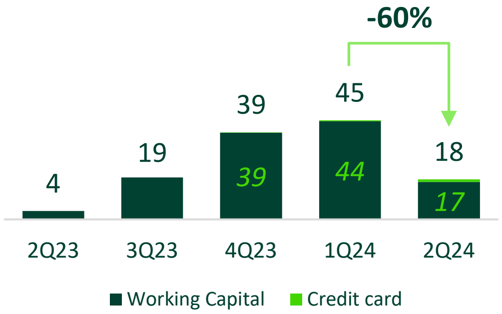
Portfolio
R$mn



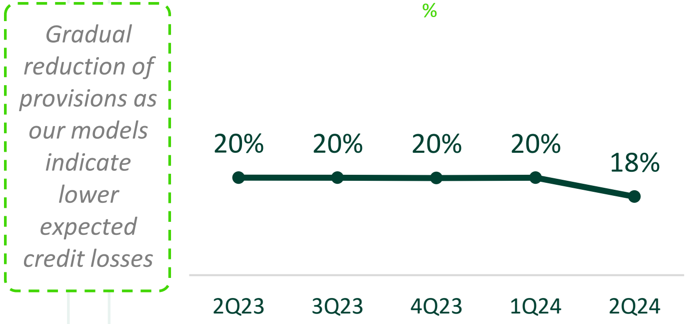
Working Capital NPLs[1]
%



Provision Expenses for Expected Losses
R$mn



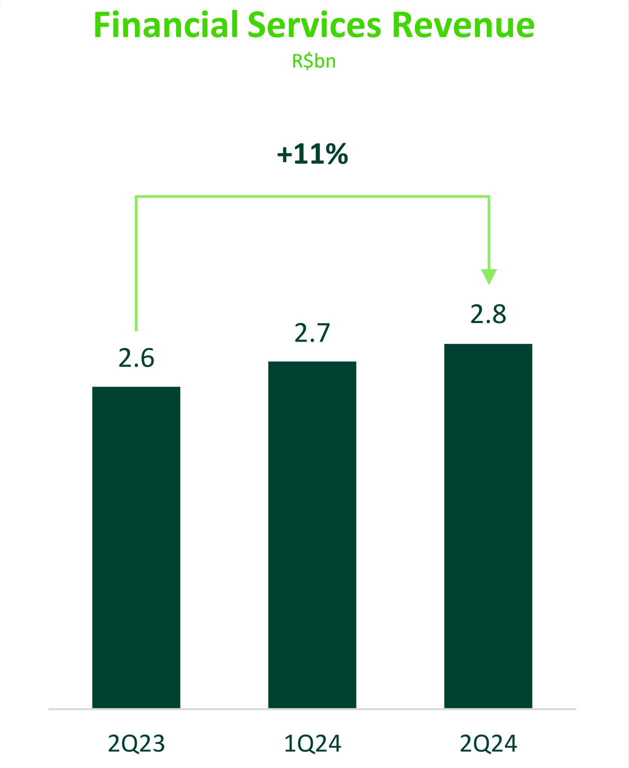
Working Capital Provision Ratio[2]
%

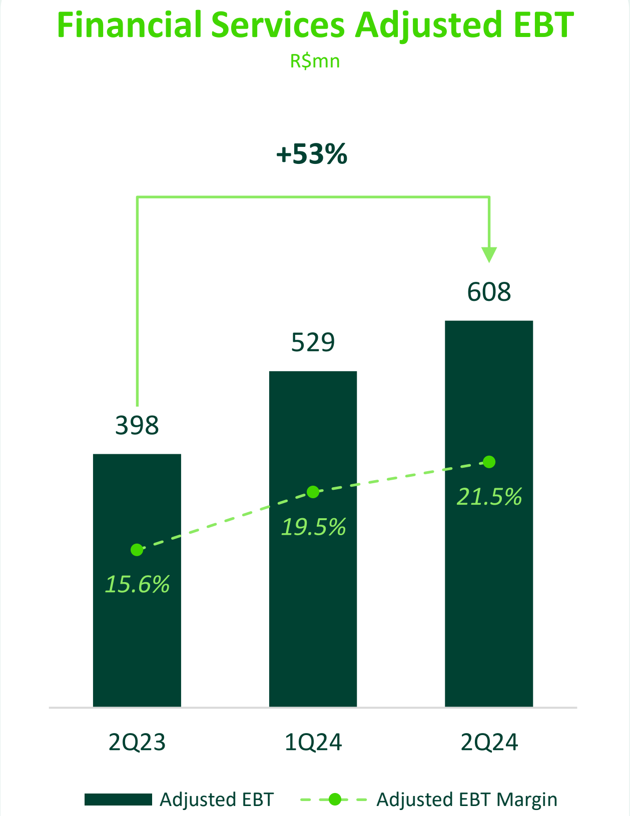


Note 1. Non-Performing Loans (NPL) is the total outstanding of the working capital contract whenever the client default on at least an installment. More information can be found in Note 5.4.1 of the Financial Statements.
Note 2. Accumulated working capital loan loss provision expenses over the working capital portfolio at the end of the period.

Financial Services

Revenue growth with margin expansion



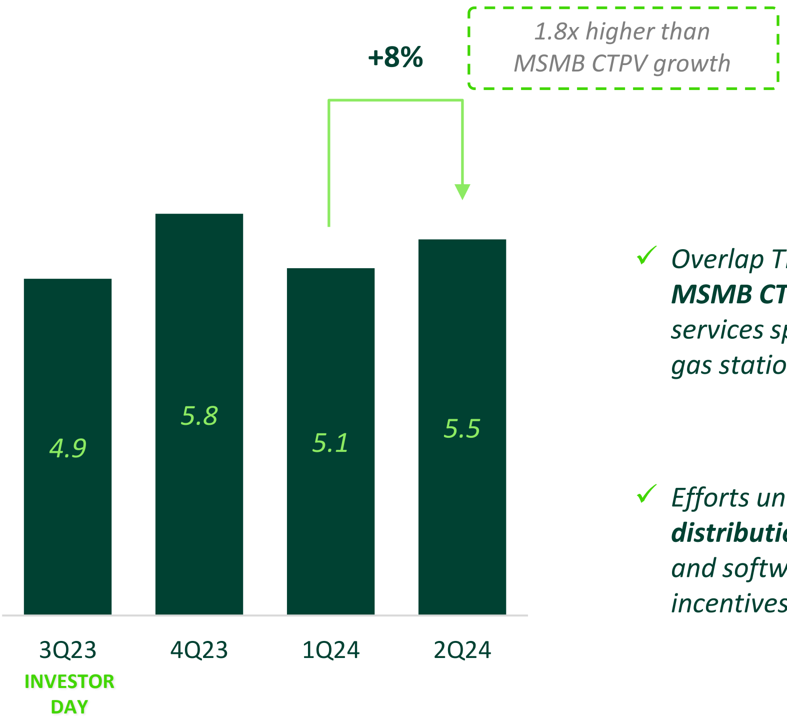


Software

Unlock value through the creation of bundles

MSMB CTPV Overlap within priority verticals

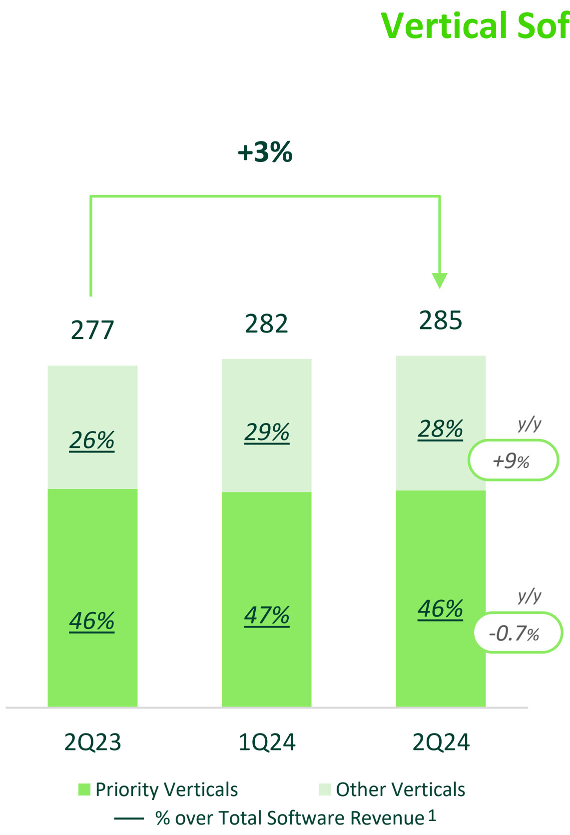
R$bn



- ✓ *Overlap TPV growth outpacing overall **MSMB CTPV growth**, driven by financial services specialists distribution, specially in gas stations and retail*
- ✓ *Efforts under way to enable software **distribution channel** to sell financial services and software bundles via commercial incentives and systems integration*

Software

Improving quality of growth from recurring revenues

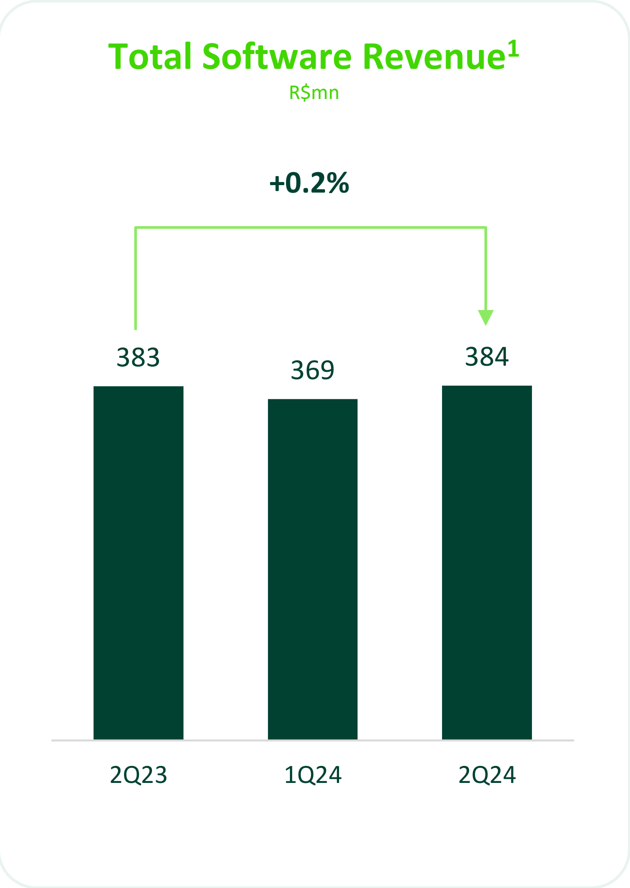


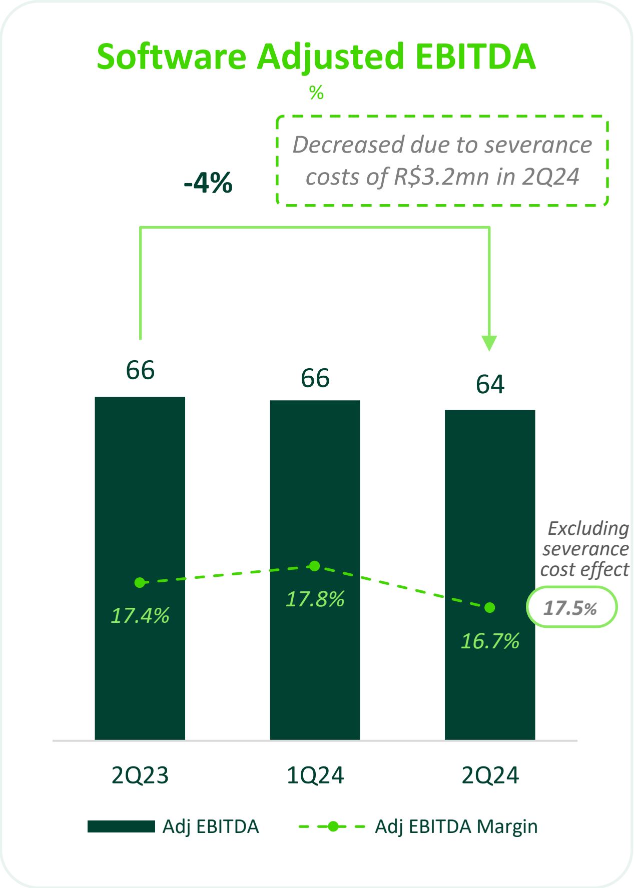
- *Within priority verticals the mix of recurring revenues is improving. However,* ***non-recurring revenues*** *were a drag on growth*
- ***Recurring revenues in priority verticals*** *increased +450bps as a percentage of revenue y/y improving revenue quality*
- *Looking ahead, we continue to see* ***improving quality*** *of the priority verticals revenue base and healthy growth of recurring revenue in all verticals*

Note 1. Vertical Software Revenue does not include Enterprise, Financial Income and Other Financial Income. The representativeness of revenues coming from other verticals and priority verticals is calculated considering total software revenues in the corresponding period.

Software

Software profitability remains stable on a recurring basis





Note 1. Consolidated Software Revenue, the sum of Financial Income, Other Financial Income, Enterprise, Other Verticals and Priority Verticals.

Costs & Expenses

q/q highlights as a % of revenues

1. Relatively flat as % of revenues with lower provisions for loan losses (R$18mn) being offset by higher provisions for losses associated with our payments and banking solutions in the quarter
2. Decreased 20bps mostly due to lower administrative expenses in the software segment with efficiency gains in personnel expenses aligned with our integration plans, and the divestment of PinPag in 1Q24
3. Decreased 80 bps with lower marketing expenses from sponsoring a reality TV show, partially offset by higher investments in sales teams
4. Decreased 230bps mainly due to (i) lower average CDI in the quarter, (ii) a reduction in our funding spreads, and (iii) our decision to reinvest part of our cash towards the funding of our operation
5. Increased 140bps primarily due to a one-time positive effect in 1Q24 (R$40.5mn), which did not recur this quarter. Without this effect, the net percentage of revenues would have remained relatively flat

	Adjusted Costs & Expenses – Consolidated						
R$mn	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**Δ% y/y**	**Δ% q/q**
Total Revenue	2,954.8	3,139.9	3,248.7	3,084.9	3,205.9	8.5%	3.9%
1 **Cost of services**	**(685.3)**	**(773.5)**	**(802.7)**	**(809.9)**	**(841.4)**	**22.8%**	**3.9%**
% of revenue	(23.2%)	(24.6%)	(24.7%)	(26.3%)	(26.2%)	(300) bps	10 bps
2 **Administrative expenses**	**(269.1)**	**(243.5)**	**(277.3)**	**(232.0)**	**(235.2)**	**(12.6%)**	**1.4%**
% of revenue	(9.1%)	(7.8%)	(8.5%)	(7.5%)	(7.3%)	180 bps	20 bps
3 **Selling expenses**	**(411.9)**	**(442.4)**	**(454.0)**	**(529.7)**	**(524.9)**	**27.4%**	**(0.9%)**
% of revenue	(13.9%)	(14.1%)	(14.0%)	(17.2%)	(16.4%)	(250) bps	80 bps
4 **Financial expenses, net**	**(1,059.7)**	**(1,044.5)**	**(941.1)**	**(889.2)**	**(849.5)**	**(19.8%)**	**(4.5%)**
% of revenue	(35.9%)	(33.3%)	(29.0%)	(28.8%)	(26.5%)	940 bps	230 bps
5 **Other income (expenses), net**	**(81.0)**	**(90.6)**	**(133.7)**	**(56.7)**	**(102.3)**	**26.3%**	**80.2%**
% of revenue	(2.7%)	(2.9%)	(4.1%)	(1.8%)	(3.2%)	(50) bps	(140) bps

Cash Generation

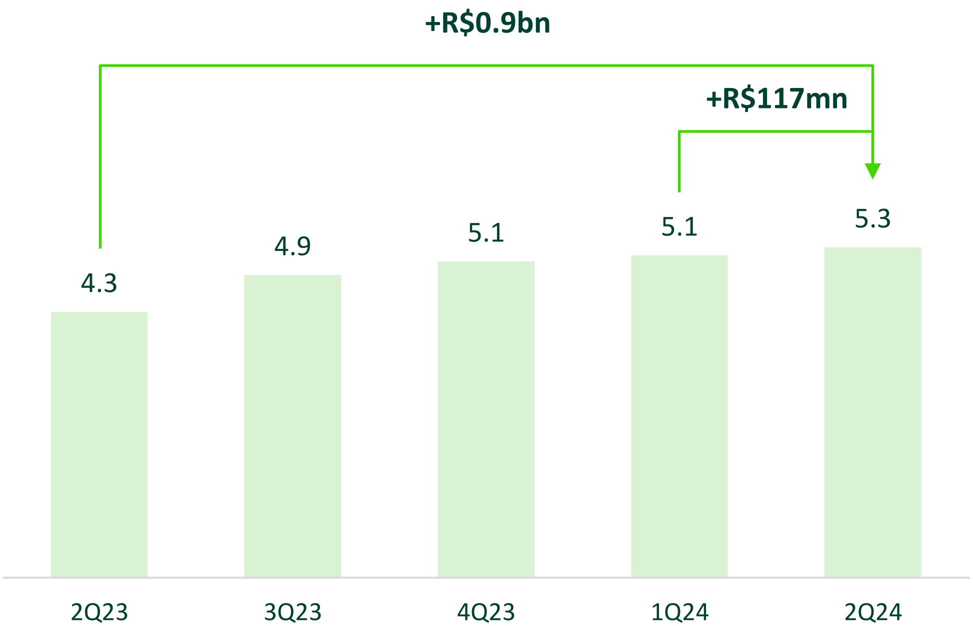
q/q highlights

Adjusted net cash position increased by R$0.9bn (+21% y/y), with a positive evolution of +R$117mn (+2% q/q). The q/q evolution is mostly explained by:

- +R$732mn of cash net income[1]
- +R$85mn from labor and social security liabilities
- R$(345)mn of Capex
- R$(237)mn from shares buyback
- R$(121)mn from loans operations portfolio (net of provision expenses and interest)

Adjusted Net Cash Position

R$bn



Share buyback program almost fully executed, with R$237mn completed in 2Q24 and R$724mn by August 2024, totaling R$960mn (12.9mn shares)

Note 1. Cash Net Income is our IFRS net income plus non-cash income and expenses, as reported in our statement of cash flows.

On track to Deliver our 2024 Guidance

2024 Guidance

		2024 Guidance	Δ% y/y	1H24 Results	Δ% vs 1H23	Comments
GROWTH	MSMB CTPV[1] (R$bn)	> 412	> +18%	191	+18%	MSMB Card TPV
	Client Deposits (R$bn)	> 7.0	> +14%	6.5	+65%	Demand deposits
MONETIZATION	Credit Portfolio (R$bn)	> 0.8	> +2.6x	0.7	+38x	Working capital loans and Credit Card
	MSMB Take Rate (%)	> 2.49%	> +4bps	2.54%	+11bps	MSMB Financial Services Revenues[2] over Card TPV
EFFICIENCY	Adj Adm Expenses (R$bn)	< 1.125	< +7%	0.467	-12%	Strong results despite (i) the execution of the share buyback program, (ii) changes in the recognition of membership fee revenues and (iii) the new future yield curve
	Adj Net Income (R$bn)	> 1.9	> +22%	0.948	+70%	

Note 1. MSMB CTPV (Card TPV) consists solely of Card Total Payment Volume and does not include MSMB PIX QR Code volumes.
Note 2. Please refer to our results spreadsheet to get the explanation on how to reconcile the Financial Services calculated based on take rate and TPV disclosed information.

APPENDIX

Summary **Statement of Consolidated Profit and Loss**

R$mn	Statement of Profit and Loss 2Q24	% Rev	2Q23	% Rev	Δ% y/y	Adjusted Statement of Profit and Loss 2Q24	% Rev	2Q23	% Rev	Δ% y/y
Net revenue from transaction activities and other services	807.5	25.2%	840.1	28.4%	(3.9%)	807.5	25.2%	840.1	28.4%	(3.9%)
Net revenue from subscription services and equipment rental	453.3	14.1%	457.3	15.5%	(0.9%)	453.3	14.1%	457.3	15.5%	(0.9%)
Financial income	1,826.7	57.0%	1,462.6	49.5%	24.9%	1,826.7	57.0%	1,462.6	49.5%	24.9%
Other financial income	118.4	3.7%	194.8	6.6%	(39.2%)	118.4	3.7%	194.8	6.6%	(39.2%)
Total revenue and income	**3,205.9**	100.0%	**2,954.8**	100.0%	**8.5%**	**3,205.9**	100.0%	**2,954.8**	100.0%	**8.5%**
Cost of services	(841.4)	(26.2%)	(685.3)	(23.2%)	22.8%	(841.4)	(26.2%)	(685.3)	(23.2%)	22.8%
Cost of services ex. Provision for expected credit losses	*(823.3)*	*(25.7%)*	*(685.3)*	*(23.2%)*	*20.1%*	*(823.3)*	*(25.7%)*	*(685.3)*	*(23.2%)*	*20.1%*
Provision for expected credit losses	*(18.1)*	*(0.6%)*	*0.0*	*0.0%*	*n.a.*	*(18.1)*	*(0.6%)*	*0.0*	*0.0%*	*n.a.*
Administrative expenses	(255.5)	(8.0%)	(303.9)	(10.3%)	(15.9%)	(235.2)	(7.3%)	(269.1)	(9.1%)	(12.6%)
Selling expenses	(524.9)	(16.4%)	(411.9)	(13.9%)	27.4%	(524.9)	(16.4%)	(411.9)	(13.9%)	27.4%
Financial expenses. net	(851.1)	(26.5%)	(1,073.8)	(36.3%)	(20.7%)	(849.5)	(26.5%)	(1,059.7)	(35.9%)	(19.8%)
Other operating income (expense), net	(80.9)	(2.5%)	(56.7)	(1.9%)	42.6%	(102.3)	(3.2%)	(81.0)	(2.7%)	26.3%
Gain (loss) on investment in associates	0.4	0.0%	(0.8)	0.0%	(48.7%)	(0.4)	0.0%	(0.8)	0.0%	(48.7%)
Profit before income taxes (EBT)	**651.7**	20.3%	**422.3**	14.3%	**54.3%**	**652.2**	20.3%	**447.0**	15.1%	**45.9%**
Income tax and social contribution	(153.4)	(4.8%)	(115.1)	(3.9%)	33.3%	(155.0)	(4.8%)	(125.0)	(4.2%)	24.0%
Net income for the period	**498.3**	15.5%	**307.2**	10.4%	**62.2%**	**497.1**	15.5%	**322.0**	10.9%	**54.4%**

APPENDIX

Adjusted Net Income Reconciliation and EPS (Non-IFRS)

Net Income Bridge (R$mn)	2Q23	1Q24	2Q24	Δ% y/y	Δ% q/q
Net income (loss) for the period	**307.2**	**373.6**	**498.3**	**62.2%**	**33.4%**
Amortization of fair value adjustment [1]	35.7	12.3	13.4	(62.5%)	9.1%
Other expenses [2]	(11.0)	71.3	(12.9)	17.8%	n.m.
Tax effect on adjustments	(10.0)	(6.8)	(1.6)	(83.7%)	(76.0%)
Adjusted net income	**322.0**	**450.4**	**497.1**	**54.4%**	**10.4%**
Basic Number of Shares (mn of shares)	313.1	309.1	307.8	(1.7%)	(0.4%)
Weighted Average Number of Shares (diluted) (mn of shares)	318.7	316.1	314.8	(1.2%)	(0.4%)
Adjusted Basic EPS (R$) [3]	1.02	1.46	1.61	57.2%	10.5%

Note 1. Related to acquisitions. Consists of expenses resulting from the changes of the fair value adjustments as a result of the application of the acquisition method.
Note 2. Consists of the fair value adjustment related to associates call option, earn-out and earn-out interests related to acquisitions, loss of control of subsidiary, and divestment of assets.
Note 3. Calculated as Adjusted Net income attributable to owners of the parent (Adjusted Net Income reduced by Adjusted Net Income attributable to Non-Controlling interest) divided by basic number of shares.

APPENDIX

Historical **Accounting P&L**

Statement of Profit or Loss (R$mn)	2Q23	3Q23	4Q23	1Q24	2Q24	Δ% y/y	Δ% q/q
Net revenue from transaction activities and other services	840.1	868.5	868.1	749.8	807.5	(3.9%)	7.7%
Net revenue from subscription services and equipment rental	457.3	463.4	459.1	456.7	453.3	(0.9%)	(0.8%)
Financial income	1,462.6	1,620.9	1,770.8	1,741.1	1,826.7	24.9%	4.9%
Other financial income	194.8	187.0	150.7	137.3	118.4	(39.2%)	(13.7%)
Total revenue and income	**2,954.8**	**3,139.9**	**3,248.7**	**3,084.9**	**3,205.9**	8.5%	**3.9%**
Cost of services	(685.3)	(773.5)	(802.7)	(809.9)	(841.4)	22.8%	3.9%
Cost of services ex. Provision for expected credit losses[1]	*(685.3)*	*(750.8)*	*(763.3)*	*(765.1)*	*(823.3)*	*20.1%*	*7.6%*
Provision for expected credit losses	*0.0*	*(22.7)*	*(39.4)*	*(44.4)*	*(18.1)*	*n.a.*	*(59.7%)*
Administrative expenses	(303.9)	(278.3)	(308.6)	(257.0)	(255.0)	(15.9%)	(0.6%)
Selling expenses	(411.9)	(442.4)	(454.0)	(529.7)	(524.9)	27.4%	(0.9%)
Financial expenses. net	(1,073.8)	(1,058.9)	(943.1)	(896.5)	(851.1)	(20.7%)	(5.1%)
Other operating income (expense), net	(56.7)	(82.6)	(0.3)	(108.1)	(80.9)	42.6%	(25.1%)
Gain (loss) on investment in associates	(0.8)	(0.6)	(1.7)	0.3	(0.4)	(48.7%)	n.m.
Profit before income taxes	**422.3**	**503.5**	**738.2**	**484.0**	**651.7**	**54.3%**	**34.6%**
Income tax and social contribution	(115.1)	(92.2)	(82.0)	(110.4)	(153.4)	33.3%	38.9%
Net income for the period	**307.2**	**411.3**	**656.2**	**373.6**	**498.3**	**62.2%**	**33.4%**
Adjusted Net Income[2]	**322.0**	**435.1**	**563.8**	**450.4**	**497.1**	**54.4%**	**10.4%**

Note 1. In 2Q23, credit revenues were recognized net of provision for expected credit losses in Financial Income. From 3Q23 onwards, provision for expected losses is allocated in Cost of services.
Note 2. Please refer to our earnings release for adjustments to net income per profit and loss line.

APPENDIX

Glossary of Terms

- "ARPAC" (Average Revenue Per Active Client)": Banking ARPAC considers banking revenues, such as floating from demand deposits, card interchange fees, insurance and transactional fees, as well as PIX QR Code revenues.
- Banking Active Clients: clients who have transacted at least R$1 in the past 30 days.
- Banking Deposits: demand deposits from banking customers, including MSMB and Key Account clients.
- "Consolidated Credit Metrics": refer to our working capital loan and credit card portfolios.
- "Credit Clients": consider merchants who have an active working capital loan contract with Stone at the end of the period.
- "Credit Revenues": In 2Q23, credit revenues were recognized net of provision for expected credit losses in Financial Income. From 3Q23 onwards, credit revenues are recognized gross of provision for expected losses, which are allocated in Cost of Services.
- "CTPV": Means Card Total Payment Volume and refers only to transactions settled through cards. Does not include PIX QR Code volumes.
- "Active Payments Client Base": refers to MSMBs and Key Accounts. Considers clients that have transacted at least once over the preceding 90 days, except for Ton active clients which consider clients that have transacted once in the preceding 12 months. As from 3Q22, does not consider clients that use only TapTon.
- "Adjusted Net Cash": is a non-IFRS financial metric and consists of the following items: (i) Adjusted Cash: Cash and cash equivalents, Short-term investments, Accounts receivable from card issuers, Financial assets from banking solution and Derivative financial instrument; minus (ii) Adjusted Debt: Retail deposits, Accounts payable to clients, Institutional deposits and marketable debt securities, Other debt instruments and Derivative financial instrument.
- "Banking": refers to our digital banking solution and includes insurance products.
- "Financial Services" segment: this segment is comprised of our financial services solutions serving both MSMBs and Key Accounts. Includes mainly our payments, digital banking and credit solutions.
- "Key Accounts": refers to operations in which Pagar.me acts as a fintech infrastructure provider for different types of clients, especially larger ones, such as mature e-commerce and digital platforms, commonly delivering financial services via APIs. It also includes clients that are onboarded through our integrated partners program, regardless of client size.
- "Membership fees": refer to the upfront fee paid by merchants for all Ton offerings and specific ones for Stone when they join our client base. Until December 31, 2023, membership fees revenues were recognized fully at the time of acquisition. From January 1, 2024 onwards, the Group recognizes revenues from membership fees deferred through the expected lifetime of the client.

APPENDIX

Glossary of Terms

- "MSMB segment": refer to SMBs – small and medium business (online and offline) and micro-merchants, from our Stone, Pagar.me and Ton products. Considers clients that have transacted at least once over the preceding 90 days, except for Ton active clients which consider clients that have transacted once in the preceding 12 months. As from 3Q22, does not consider clients that use only TapTon.
- "MSMB CTPV Overlap": refers to the MSMB CTPV in Software installed base within the priority verticals - Gas Station, Retail, Drugstores, Food and horizontal software.
- "Non-allocated": comprises other smaller businesses which are not allocated in our Financial Services or Software segments. From 2Q24 onwards, revenues in the non-allocated business segment are inexistent, since we divested assets within the segment.
- "NPL (Non-Performing Loans)": is the total outstanding of the contract whenever the clients default on an installment. More information on the total overdue by aging considering only the individual installments can be found in Note 5.4.1 of the Financial Statements.
- "PIX QR Code": includes the volume of PIX QR Code transactions from dynamic POS QR Code and static QR Code from MSMB and Key Accounts merchants, unless otherwise noted.
- "Provisions ratio": calculated as accumulated provisions for expected credit losses divided by the total portfolio amount in the period.
- "Revenue": refers to Total Revenue and Income net of taxes, interchange fees retained by card issuers and assessment fees paid to payment schemes.
- "Software" segment: composed of our Strategic Verticals (Retail, Gas Stations, Food, Drugstores and horizontal software), Enterprise and Other Verticals. The Software segment includes the following solutions: POS/ERP, TEF and QR Code gateways, reconciliation, CRM, OMS, e-commerce platform, engagement tool, ads solution, and marketplace hub.
- "Take Rate (Key Accounts)": managerial metric that considers the sum of revenues from financial services solutions offered to Key Account clients, excluding non-allocated revenues, divided by Key Accounts CTPV.
- "Take Rate (MSMB)": managerial metric that considers the sum of revenues from financial services solutions offered to MSMBs, excluding Ton's membership fee, TAG revenues and other non-allocated revenues, divided by MSMB CTPV.
- "TPV": Total Payment Volume. Reported TPV figures consider all card volumes settled by StoneCo, including PIX QR Code transactions from dynamic POS QR Code and static QR Code from MSMB and Key Accounts merchants, unless otherwise noted.
- "Working Capital Portfolio": is gross of provisions for losses, but net of amortizations.

Thank you

Investor Relations
investors@stone.co