

Results Check

Thursday, August 12 In Portuguese and English: 10:00 a.m. (BRT) 9:00 a.m. (NYT)

Presenters

Luis Martinez - Chairman Gustavo Otto - **Executive Director**

Anderson Nunes - Controllership Officer Marcelo Hampshire Vice-Chairman Guilherme Robortella – Financial Officer Marita Bernhoeft - Investor Relations Officer

São Paulo, August 11, 2021 - GPS Participações e Empreendimentos S.A. ("Company"), together with its subsidiaries ("GPS Group"), announce their results for the Second Quarter of 2021 (2Q21).

About GPS Group

GPS Group is a leader in the outsourced services sector – facilities, security, indoor logistics, utility engineering, industrial services, catering, and infrastructure services.

We operate throughout Brazil with a comprehensive portfolio of solutions, serving more than 2,800 Clients and having more than 100,000 direct employees.

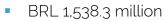
Having nearly 60 years of experience, we follow a constant and robust growth process, supported by an agile business model and solid principles of business management.

Our growth strategy combines the organic vertical, focused on developing new Clients and expanding services and solutions to the current Client base, with the inorganic vertical, through the acquisition and integration of companies that favor gains in scale and greater penetration in regions or services converging with our business management model.

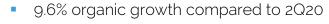
In April 2021, the Company became the first in its sector to be listed on B3, the Brazilian stock exchange, in the Novo Mercado segment.

1. 2Q21 Highlights











- BRL 165.3 million
- 23% higher than 2Q20
- 10.7% adjusted EBITDA margin



- BRL 90.1 million
- 20% higher than 2Q20;
- 5.9% adjusted net margin

In this second quarter of 2021, our operations were still affected by the challenges arising from the COVID-19 pandemic, which influenced the speed of the organic net revenue growth.

As of June, we have already seen a moderate recovery in the pace of winning new contracts. Our sales team and contract managers are focused on strengthening the business relationship with our Clients, continually seeking to generate new opportunities for organic growth.

During said quarter, we also completed the integration of the companies acquired in 4Q20 (ISS Brasil, Conbras, Sunset, and Luandre Operations), seeking to optimize margins and advancing in "cross-selling" opportunities with the Client base.

M&A activities remained heated, resulting, so far, in the acquisition of five companies that, on a consolidated basis, generated BRL 1.303 billion in gross revenue in the 12 months prior to the signature of the purchase and sale agreements.

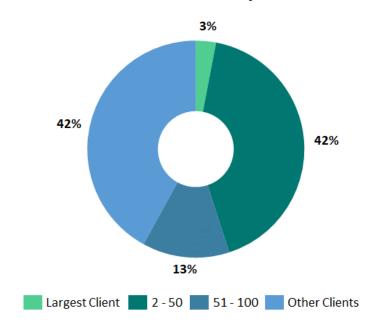
2. Operational capacity, service portfolio, and Clients

We have 102.6 thousand direct employees, serving 2,814 Clients nationwide. Our 320 contract managers are focused on delivering services and improving the relationship with our Clients to ensure a high level of satisfaction, reflected in our 78% NPS rate, calculated up to June 30, 2021.



Our Client base remains highly diversified and with a low level of revenue concentration.

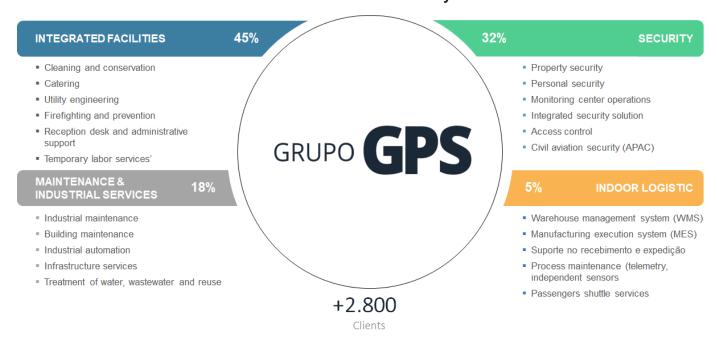
Concentration of net revenue by # of Client - BRL/mi



We have increasingly evolved towards a "one-stop shop" concept in services, in line with our strategy of building lasting and consistent relationships with our Clients.

By offering the Client several solutions, we deepen our commercial and operational relationship and create several opportunities for growth within our own Client base.

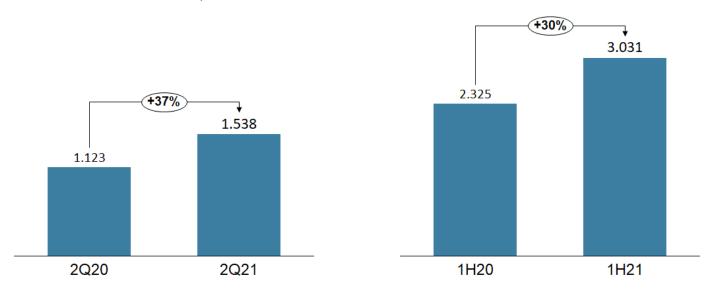
2Q21 net revenue distribution by solution line



3. Net revenue

- 2Q21 Net Revenue of BRL 1,538 million, 37% higher than 2Q20 revenue;
- 2H21 Net Revenue of BRL 3,031 million, 30% higher than 2H20 revenue;

The graphs below show the evolution of the quarterly and half-yearly total net revenue. Values are represented in millions of reais.



As of May, as a result of the improvement in the market environment, we increased the pace of implementation of new contracts, which reflected in a 9.6% growth in organic net revenue, when comparing 2Q21 to 2Q20, and 4.3%, when comparing 1H21 to 1H20.

The table below shows the evolution of quarterly net revenue by organic and inorganic revenue. Values are represented in millions of reais. It should be noted that, of the five companies acquired in 2020, only BC2 had revenue in the first half of 2020.

Net revenue R\$ mi	Companies	2Q21 (a)	2Q20 (b)	△ (a) / (b)
Organic	Grupo GPS	1.171	1.068	9,6%
M&A	BC2/Conbras/ISS/Luandre/Sunset	367	55	572,4%
Total net revenue		1.538	1.123	37,0%

The table below shows the evolution of the half-yearly net revenue.

Net revenue R\$ mi	Companies	1H21 (a)	1H20 (b)	△ (a) / (b)
Organic	Grupo GPS	2.311	2.217	4,3%
M&A	BC2/Conbras/ISS/Luandre/Sunset	720	108	568,5%
Total net revenue		3.031	2.325	30,4%

4. Acquisitions Program

We announced two acquisitions (Loghis and Grupo Global) during the 2Q21 and, in a subsequent event, we announced three acquisitions (Grupo Vivante, Comau, and Allis) and the completion of the acquisition of Loghis and Grupo Global.

The consolidated gross revenue from the five acquisitions was of BRL 1.303 billion in the 12 months prior to signature of purchase and sale agreements. Such revenue will be incorporated as the processes are approved by the competent authorities (CADE and, specifically for security companies, the Department of Federal Police).

Company	Date	Gross revenue LTM (R\$ millions)	Status	Details
LOGHIS	Signing 05/13/21 and Closing 07/08/21	108	System's integration	First acquisition in Indoor Logistics solution. With this investment, we incorporated a robust Client portfolio and a well-known brand, especially in the Vale do Rio Paraíba region.
GRUPO GLOBAL	Signing 05/20/21 and Closing 08/06/2021	281	System's integration	With a strong presence in the Federal District, the Global Group will add new contracts in Security and Facilities services. The Client base is highly diversified and will bring greater scale to the region, optimizing GPS's regional unit that already exists in the DF.
GRUPO VIVANTE	Signing 07/12/21	337	Under CADE's ¹ approval	We will increase our position in utilities maintenance services. The Client base is highly diversified and deconcentrated, with a presence in 19 states, with great room for consolidation of regional bases and cross-selling.
COMAU	Siginig 07/23/21	339	Under CADE's approval	We will expand our market share in industrial maintenance srevices, while reinforcing our presence in large industrial Clients. Gross revenue is distributed throughout the country and, therefore, we will have the opportunity to capture synergies through the consolidation of regional bases.
ALLIS	Signing 07/23/21	240	Under CADE's approval	We will start our operations in the field marketing sector, a complementary service with Luandre's business and with cross-selling opportunities in the Client base.

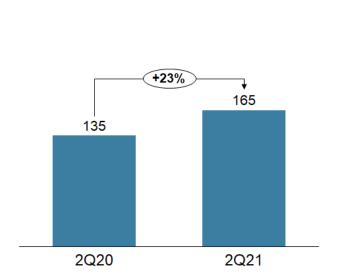
5. EBITDA and Adjusted EBITDA

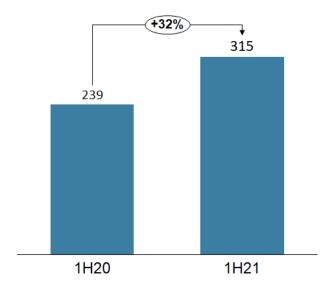
The table below shows the composition of the EBITDA calculation, as per CVM Instruction 527/2012 and the adjusted EBITDA.

EBITDA R\$ mi	2Q21 (a)	2Q20 (b)	△ (a) / (b)	1H21 (c)	1H20 (d)	△ (a) / (c)
Net profit	81	70	15%	157	110	43%
Income tax and social contribution	36	33	10%	52	55	-5%
Net financial income (expenses)	16	17	-3%	36	33	9%
Depreciation	13	11	27%	27	21	27%
Amortization of intangible assets	14	7	94%	30	21	44%
EBITDA (cf. iCVM 527)	161	137	17%	302	240	26%
Advantageous purchase	0	0	-	0	0	-
Provision (reversal) for non-labor contingencies	(0)	3	-102%	(2)	3	-170%
Provision for tax risks	0	0	-	9	0	-
Reversal of tax sub judice	(0)	(0)	-91%	(0)	0	-
Expenses with the acquisition of subsidiaries	8	(3)	-323%	14	0	-
Update of indemnity assets and contingent liabilities	(1)	1	-209%	(3)	0	-
Graphic account related to acquisition debt	(2)	0	-	(5)	0	0
Other revenues and expenses	0	(4)	-100%	0	(4)	-100%
Adjusted EBITDA	165	135	23%	315	239	32%
% Adjusted EBITDA	10,7%	12,0%	-1,3pp	10,4%	10,3%	0,0pp

- Adjusted EBITDA of BRL 165.3 million in 2Q21, 23% higher than in 2Q20;
- Adjusted EBITDA of BRL 315 million in 1H21, 32% higher than the result of 1H20;
- Adjusted EBITDA margin in 2Q21 of 10.7% with a decrease of 1.3 p.p compared to 2Q20:
- Adjusted EBITDA margin of 10.4% in 1H21, in line with the 10.3% margin in 1H20;
- It should be noted that in 2Q20, due to government measures and internal adjustments resulting from the first wave of the COVID-19 pandemic, we found momentary reductions in costs and expenses (salaries, operating expenses, INSS, system "S", and cost with suppliers), which positively impacted the profitability of the period.

The graphs below show the evolution of the quarterly and half-yearly adjusted EBITDA. Values are represented in millions of reais.





Adjusted EBITDA considers only three types of events:

- Events with non-operating characteristics, such as the reversal of civil and tax contingencies from previous periods and provisions for tax risks;
- Events related to the acquisition of subsidiaries, including amounts spent on legal and financial procedures and losses incurred that are subject to indemnification by the sellers of the acquired companies;
- Other revenues or expenses not related to the operation.

6. Net income and Adjusted net income¹

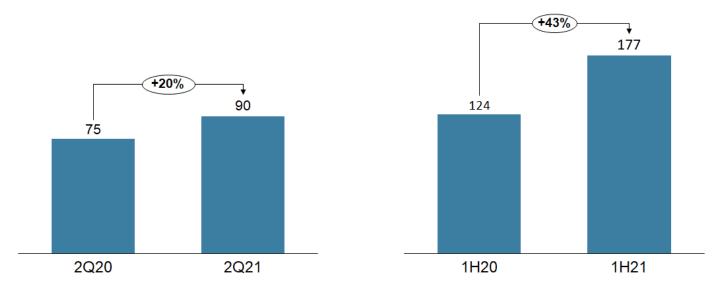
Adjusted net income R\$ mi	2Q21 (a)	2Q20 (b)	△ (a) / (b)	1H21 (c)	1H20 (d)	△ (a) / (c)
Net profit	81	70	15%	157	110	43%
Amortization of intangible assets	14	7	94%	30	21	44%
Tax effect on amortization	(5)	(2)	94%	(10)	(7)	44%
Adjusted net profit	90	75	20%	177	124	43%
%Adjusted net profit / Net revenue	5,9%	6,7%	-0,8pp	5,8%	5,3%	0,5pp

Note 1: Adjusted net income is not basis for distribution of dividends

- Adjusted net income in 2Q21 of BRL 90.1 million, 20% higher than the adjusted net income in 2Q20:
- Adjusted net margin in 2Q21 of 5.9%, 0.8 p.p. lower than the 2Q20 margin;
- Adjusted net income for the 1H21 of BRL 177 million, 43% higher than the adjusted net income for the 1H20;

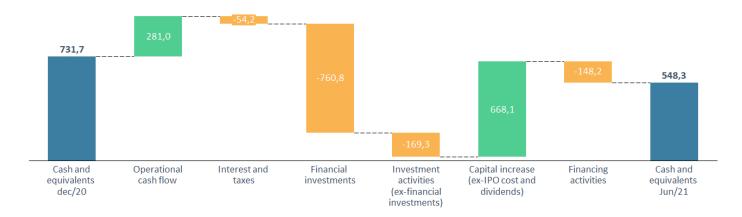
 Adjusted net margin for the 1H21 of 5.8%, 0.5 p.p. above the adjusted net margin for the 1H20.

The graphs below show the evolution of the quarterly and half-yearly adjusted net income. Values are represented in millions of reais.



7. Cash flow

The graph below shows the accounting cash flow statement. Values are represented in millions of reais.



- Cash generation from operating activities in the 1H21 of BRL 281 million, representing 89% of the adjusted EBITDA for the period, in line with the company's historical percentage of 90%;
- Financial investments in the total amount of BRL 760.8 million, reflecting the payment of share capital from the funds obtained in the primary offering, net of costs and dividends, in the total amount of BRL 668 million:

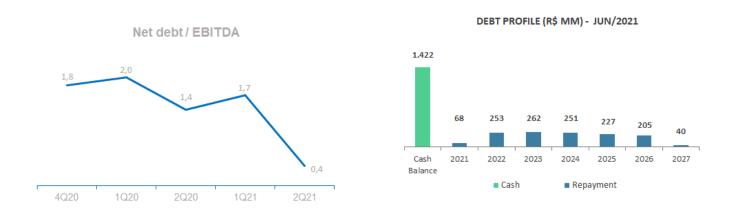
- Flow from investment activities of BRL 169.26 million, affected by the acquisition of fixed assets, in the amount of BRL 38.4 million and by the exercise of call options of the remaining portions of the capital of eight subsidiaries in the amount of BRL 122.6 million;
- Net cash generated from financing activities of BRL 148.2 million, essentially resulting from the net amortization of loans in the amount of BRL 143 million.

10. Leverage

Leverage R\$ mi	2Q21 (a)	4Q20 (b)	△ (a) / (b)
Cash	1.422	992	43%
Cash and cash equivalents	548	727	-25%
Financial investments and derivative	874	265	229%
Gross Debt	1.659	1.655	0%
Loans	827	854	-3%
Debentures	505	504	0%
Acquisition of subsidiaries	294	275	7%
Tax payable through installments	34	22	53%
Net debt	(237)	(663)	-64%
Adjusted EBITDA LTM	649	475	37%
Net debt / EBITDA	0,4	1,4	-74%

- Net debt of BRL 237 million at the end of 2Q21, 78% lower than the net debt of 4Q20, due to the payment of share capital from the primary offering of shares at the IPO, which resulted in a net cash inflow of BRL 668 million, excluding the costs of the offering and payment of dividends;
- Net debt considers the commitments to the acquisition of subsidiaries, calculated based on the remaining call options, and was reduced due to the exercise of call options for the remaining portions of the capital of eight subsidiaries:
- The Company's leverage rate closed the 1H21 at 0.4xEBITDA, with a reduction compared to previous quarters;
- Increase of the debt profile, with "duration" of the loan portfolio of 34 months.

We show below the Company's leverage rate and debt profile.



12. GGPS3 Performance

The Company's share (GGPS3) ended June 2021 quoted at BRL 17.21, recording an appreciation of 43.4% since the IPO (04/26/2021), compared to the 5.2% appreciation of the IBOV index in the same period. The daily average volume traded in this period was of BRL 17.7 million and the daily average trades was of 2,636. As of June 30, 2021, the free-float was composed of 57.7% of the shares.



GGPS3 on B3	2Q21
Existing shares - end of period	667.490.790
Closing price (BRL) - end of period	17,21
Average closing price (BRL)	15,4
Average daily traded volume (R\$ million)	17,7
Daily average of the number of trades	2.636
Market Value (R\$ million) - end of period	13.149

GGPSA3 x IBOV from the IPO to 06/30/21



13. Final considerations

The results achieved in 2Q21 reinforce our conviction that the Company's management model, based on decentralization, planned delegation, focus on generating results, and the exercise of meritocracy, is the most relevant factor for the success of our growth strategy. It is through our ability to maintain and engage people with an entrepreneurial spirit that we will expand our capacity to build long-term relationships with Customers and the sustainability of our results.

We work to improve our short, medium, and long-term motivation and retention tools and provide our team with an increasingly efficient and productive business environment.

We believe that 2H21 will still be challenging and, therefore, we are prepared to move towards growth, combining the efforts of the sales teams with new opportunities to acquire companies, ensuring a balanced management of the risks that our business environment involve.

14. Attachments

Statements of profit or loss - R\$ mi	Note	From 01/01/2021 to 06/30/2021	From 01/01/2020 to 06/31/2020
Net revenue from services rendered and goods sold Cost of services rendered and goods sold	28 29	3.031 (2.520)	2.325 (1.939)
Gross profit		511	385
General and administrative expenses Expected credit losses on trade receivables Other operating revenue Other operating expenses	29 29 29 29	(227) (21) 2 (20)	(36) 6
Operating profit		245	198
Financial income Financial expenses	30 30	120 (156)	
Net financial income (expenses)		(36)	(33)
Share of profit of equity-accounted investees	14 (a)	-	-
Profit before income tax and social contribution		209	165
Current income tax and social contribution Deferred income tax and social contribution	22 (b) 22 (b)		(69) 14
Net profit for the period		157	110
Attributable to: Controlling interests		157	110
Basic and diluted earnings per share	31	0,30	0,19

Consolidated

Balance Sheet	Consolidated		
Assets - (BRL) mi	Note	From 01/01/2021 to 06/30/2021	From 01/01/2020 to 06/31/2020
Current			
Cash and cash equivalents	7	548	732
Financial investments	8	863	102
Derivative financial instruments	9	9	21
Trade receivables	10	1.109	976
Dividends receivable	13.4	-	-
Inventories		7	7
Recoverable income tax and social contribution	11	109	120
Recoverable taxes	12	162	152
Advances to suppliers		7	10
Prepaid expenses		21	21
Other receivables		2	3
Total current assets	-	2.838	2.144
Non-current			
Long-term receivables			
Financial investments	8	0	0
Derivative financial instruments	9	2	23
Trade receivables	10	66	65
Loans receivable	13.3	24	14
Other receivables	13.2	-	-
Judicial deposits	24 (c)	123	116
Recoverable taxes	12	0	0
Indemnification asset	24 (d)	95	104
Deferred income tax and social contribution	22	322	308
Total long-term assets		632	629
Investments	14	5	=
Property and equipment	15	230	213
Right-of-use assets	16	39	45
Intangible assets	17	1.424	1.451
Total non-current assets	-	2.329	2.339
Total assets		5.167	4.482

	_	Consolidated				
Liabilities - (BRL) mi	Note	From 01/01/2021 to 06/30/2021	From 01/01/2020 to 06/31/2020			
Current						
Trade payables		72	78			
Loans	18	176	328			
Debentures	19	50	3			
Lease liabilities	20	16	17			
Payroll and social charges	21	692	598			
Income tax and social contribution payable		29	21			
Other tax obligations		57	73			
Tax payable through installments agreement	23	10	5			
Acquisition of subsidiaries	25	59	206			
Dividends payable	13.5	-	400			
Other liabilities	_	20	27			
Total current liabilities	_	1.181	1.755			
Non-current						
oans	18	650	617			
Debentures	19	454	500			
Lease liabilities	20	25	30			
Tax payable through installments agreement	23	24	17			
Acquisition of subsidiaries	25	235	261			
Sub judice taxes and provision for contingencies	24	591	558			
Other provisions	<u>-</u>	_	5			
Total non-current liabilities	_	1.979	1.989			
Equity						
Share capital	26 (a)	1.616	540			
Earnings reserve	26 (e)	420	270			
Other comprehensive income		9	-			
Equity valuation adjustments	26 (g)	(38)	(71)			
Equity attributable to the controlling shareholders	_	2.007	739			
Non-controlling interests	_	0	(0)			
Total equity		2.007	739			
Total liabilities and equity		5.167	4.482			
Comments on the Performance 2021	-					

Consolidated

		Consol	idated
Cash Flows - (BRL) mi	Note	From 01/01/2021 to 06/30/2021	From 01/01/2020 to 06/31/2020
Cash flows from operating activities			
Net profit for the period		157	110
Adjustments for:			
Gain from disposal of property and equipment		(0)	(1)
Constitution of provision for expected loss of billed services	29	2	12
Constitution of provision for expected loss of billing services	29	19	23
Depreciation of property and equipment	15 (c)	18	13
Amortization of intangible assets	17 (c)	0	0
Right-of-use in leases amortization	16 (a)	9	7
Capital gain amortization - portfolio of customers and brands	17 (c)	27	24
Capital gain amortization - property and equipment	15 (c)	3	2
Reversal of goodwill Constitution of provision for sub judice taxes	24 (b)	10	2
Income tax and social contribution	22 (b)	52	55
Constitution of provision for tax, civil and labor risks	24 (a)	1	8
Interest of indemnity assets and contingent liabilities	29	(3)	(5)
Interest of contingent portion - acquisition debt	25	1	2
Offsetting acquisition debt	25	(4)	-
Gain or losses on derivatives financial instruments		36	(61
Adjustment of assets for inflation		(3)	(0)
Financial charges and exchange variation	_	66	97
		391	291
Changes in:			
Inventories		(0)	(0)
Trade receivables		(156)	(26
Recoverable income tax and social contribution		(35)	(44
Recoverable taxes		(12)	(89
Judicial deposits		(5)	8
Other receivables		(9)	(19
Trade payables		(6)	34
Payroll and social charges		141	188
Other tax obligations		(23)	8
Other liabilities	_	(5)	(18)
Cash (used in) generated by operating activities		281	333
Interest paid on loans	18 (b)	(25)	(32)
Interest paid on debentures		(9)	(12)
Income tax and social contribution paid	_	(21)	(22)
Net cash (used in) / from operating activities	_	227	267
Cash flows from investment activities			
Financial investments		(761)	(200)
Receipt from loans - (related parties)	13.3	2	1
Granting of loans - (related parties)	13.3	(12)	(4)
Proceeds from the sale of property and equipment		1	2
Acquisition of property and equipment	15 (b)	(38)	(35
Acquisition of subsidiaries, net of cash obtained in the acquisition		-	(56
Purchase option exercised and additional acquisition installment		(123)	(12
Acquisition of intangible assets	17 (b)_	-	0
Net cash from / (used in) investment activities	_	(930)	(305)
Cash flows from financing activities			
Capital increase through the issuance of shares	26 (b)	1.133	9
Expenses with share issues	26 (b)	(58)	-
Payments of lease	20 (c)	(10)	(7)
Dividends paid (controlling and non-controlling)	13.5 e 26 (f)	(407)	(23)
Derivative financial instruments		6	14
Fund raising from loans	18 (b)	154	153
Payment of loans	18 (b)_	(298)	(124)
Net cash from / (used in) financing activities	_	520	22
Net increase (decrease) in cash and cash equivalents		(183)	(15)
Cash and cash equivalents as of January 1	_	732	742
Cash and cash equivalents on June 30		548	727
		0.0	

