



Webcast Presentation

March 2, 2023

4Q22



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.pagseguro.com>) and on the SEC’s website (<https://www.sec.gov>).

All the information included in this presentation is updated as of **December 31, 2022**. 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.

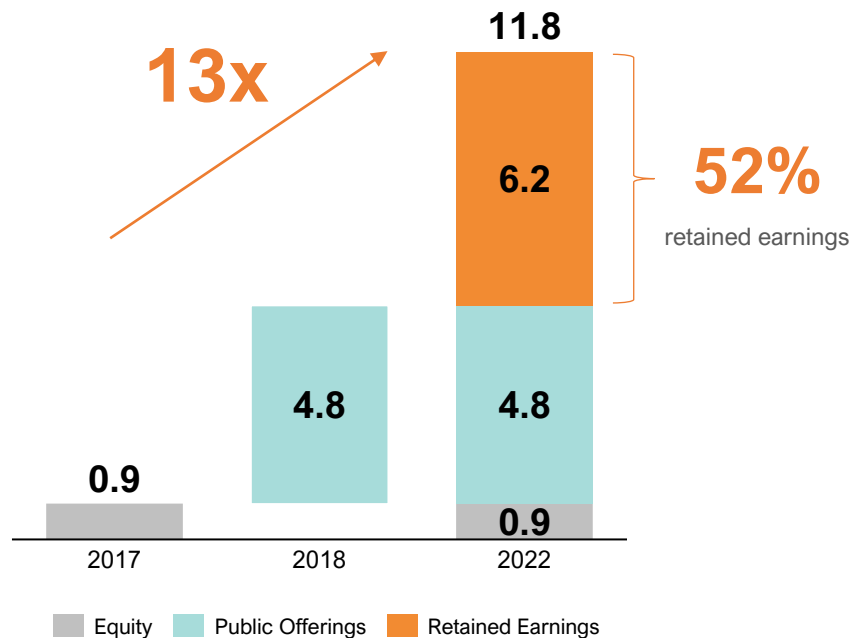
For an explanation of the foregoing non-GAAP measures, please see “Appendix” included in this presentation. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this non-GAAP financial information, which is not prepared under any comprehensive 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.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see “Appendix”.

5 years from IPO: solid results and disciplined capital allocation

PagSeguro R\$ Billion	2017	2022	5Y growth
PagSeguro TPV	38.5	353.9	9x
Active Merchants (# Million)	2.8	7.1	3x
PagBank R\$ Billion	2019	2022	3Y growth
PagBank TPV	20.2	377.6	19x
Total Deposits	2.1	21.1	10x
Credit Portfolio	0.4	2.7	7x
PAGS R\$ Billion	2017	2022	5Y growth
Net Income GAAP	0.5	1.5	3x
Equity	0.9	11.8	13x

Equity¹
R\$ Billion



1. PTAX (Sell): R\$ 3.22 on 01/23/2018 and R\$ 3.79 on 06/21/2018.



2022 Achievements

- **Successful repricing:** offset higher financial expenses
- **Strong deposits growth:** lower cost of funding and diversifying working capital sources
- **Business diversification:** consolidation of HUBs and PagBank (28M clients | 2nd largest digital bank in Brazil)
- **Balanced Credit Portfolio:** shift to secured products driving PagBank gross profit evolution
- **Disciplined capital allocation:** cash flow generation improvement while promoting sustainable growth

Strong evolution on ESG initiatives in 2022



1. Considering the current Board of Directors composition, we have 50% women and 50% independent directors;
2. Source: 2021 Sustainability Report.



4Q22 Highlights

Balancing growth and profitability with disciplined capital allocation

- **Record EPS of R\$1.24**, +36% vs. 4Q21
- **Total Revenue and Income of R\$3.96B**, +22% vs. 4Q21
- **Adj. EBITDA (-) CapEx of R\$410M**, +359% higher vs. 4Q21
- **Net Cash Balance of R\$9.8B**, +R\$0.9B vs. 4Q21

Profitable and efficient growth in Payments

- **PagSeguro TPV of R\$94.3B**, +19% vs. 4Q21 (33% from HUBs)
- **Gross Profit of R\$1.3B**, +14% vs. 4Q21 (diversified merchants' base and cost of funding management)

Revenue streams diversification through PagBank

- **Gross Profit of R\$131M**, +71% vs. 4Q21
- **28M PagBank Clients**, accounting for **R\$21B in Total Deposits**
- **40% of Credit Portfolio** composed by **secured products**

Boosting the two-sided ecosystem (Payments + Financial Services)

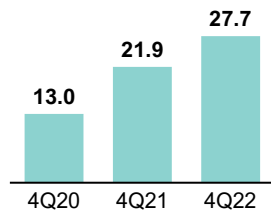
- **PAGS TPV¹ of R\$209B**, driven by **PagSeguro TPV** and **PagBank ~10% market share** in PIX transactions
- **New features:** SMB Payroll Platform and Automatic Savings for account balance

28M PagBank clients with R\$38B growth in cash-in vs. 4Q21

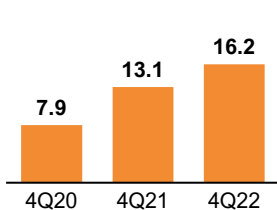
PagBank Clients

Million

Clients



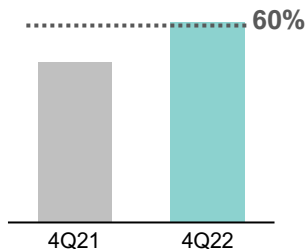
Active Clients



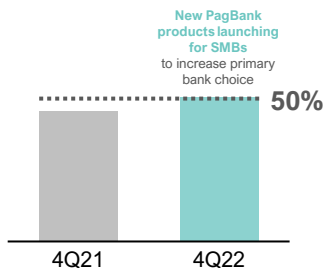
Clients using as Primary Bank¹

PagBank Active Clients

Consumers

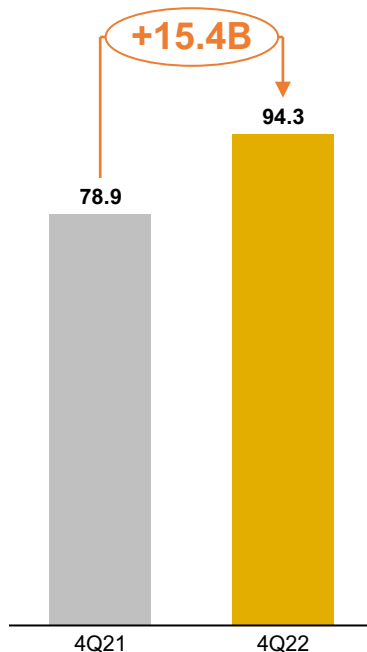


Merchants



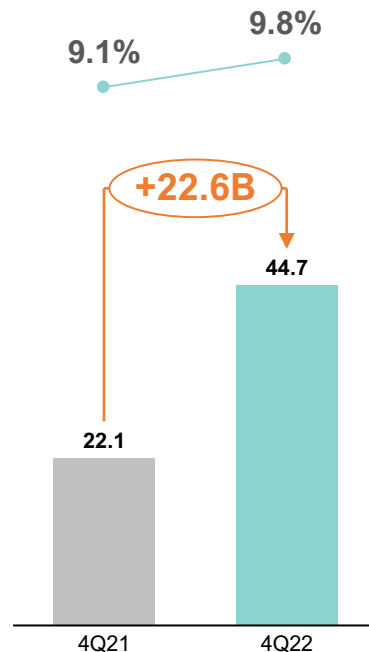
PagSeguro TPV

R\$ Billion



PagBank Cash-in

R\$ Billion

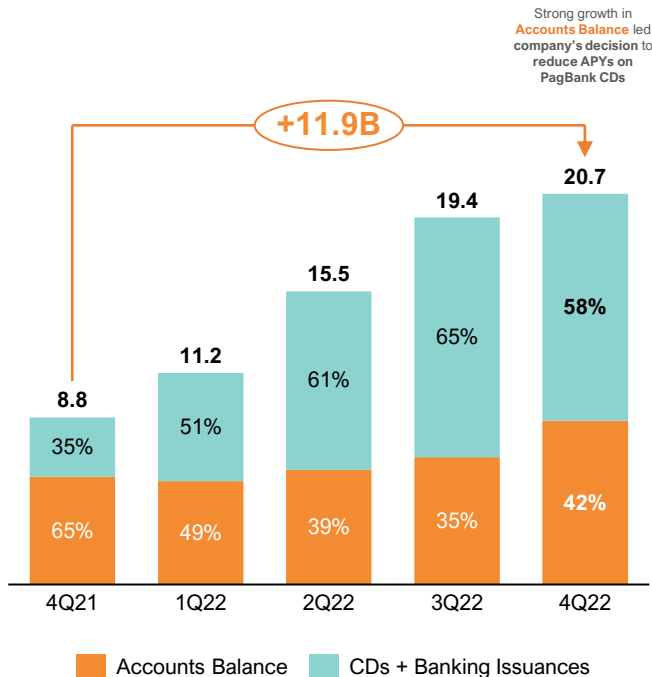


1. Source: Proprietary research where active clients responds if considers PagBank as the primary bank.

R\$ 21B in Deposits: funding diversification at lower cost

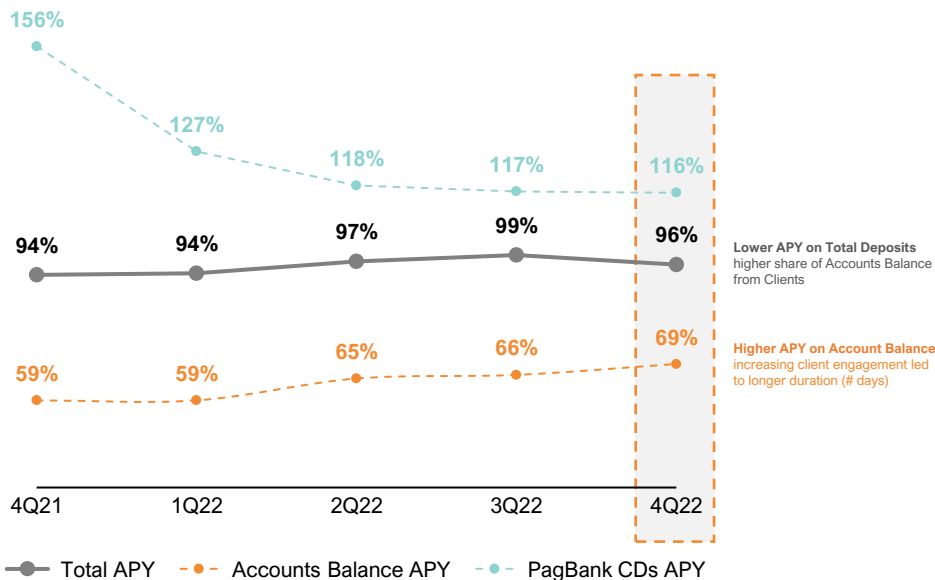
PagBank Total Deposits

R\$ Billion



Annual Percentage Yield (APY)

Total Deposits | as % of CDI



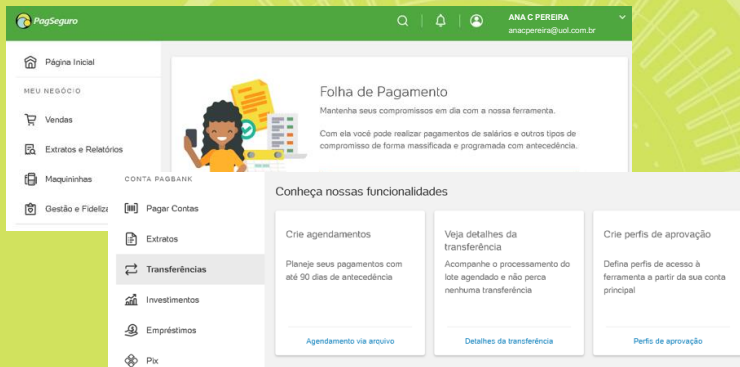
New PagBank features: SMB Payroll and Automatic Savings

SMB Payroll Platform

for merchants



- up to **2,000 transfers** in one click
- **Free** of charges
- **24/7** service
- Available on **PagBank app** and **iBanking platform**



Automatic Savings

for Account Balance

for merchants and consumers



- **% of account balance** automatically invested in **PagBank CDs**
- **Recurrence** accordingly to the client's decision
- **Safe investment, low risk** and **daily liquidity**
- Unlocking **secured credit card** with limit **tied to investments**

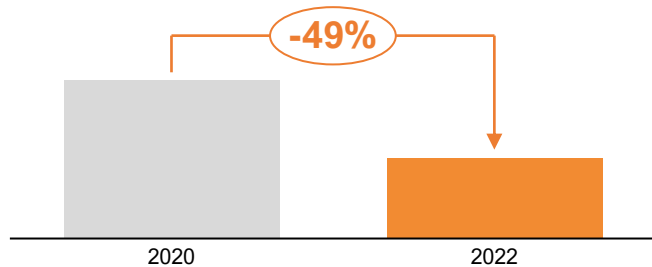


Service Levels: Ongoing improvement in the last 2 years

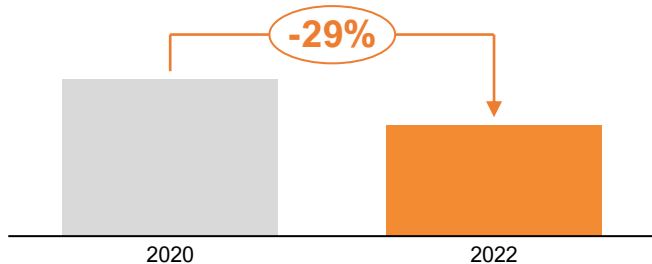
Customer Care

PagBank PagSeguro

Contact Rate



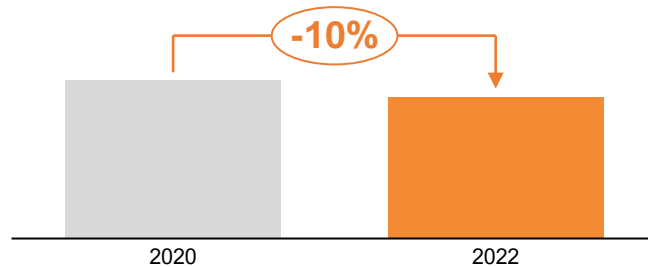
Avg. Service Time



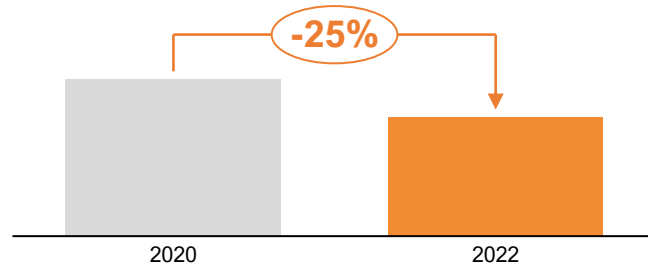
Logistics Operation

PagSeguro

Avg. time for POS delivery



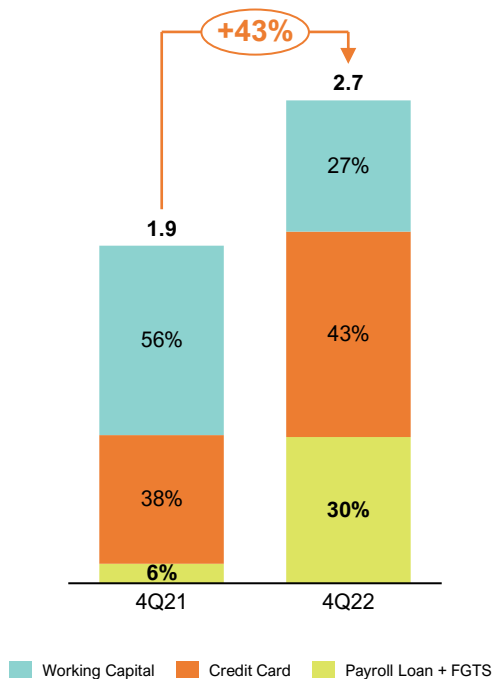
Avg. time for POS replacement



Credit Portfolio: 40% secured products in 4Q22

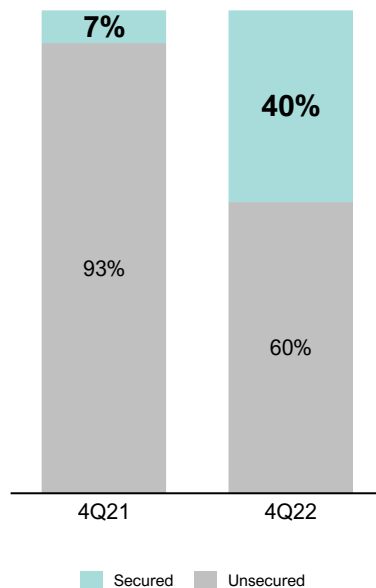
Credit Portfolio

R\$ Billion



Secured Credit Products

% of Credit Portfolio



Healthy and sustainable portfolio growth: #1 priority

- NPLs¹ moving **down** since Jul-22
- Improving collections
- Lowering exposure to high-risk clients

Credit underwriting 100% secured since 3Q22

- **Credit cards** backed by PagBank CDs and Accounts Balance
- **Payroll Loan** for public sector employees and retirees
- **FGTS** early prepayment

1. Excluding NPL >360 days.

All time high EPS for 4Qs / FYs with strong cash earnings growth

Income Statement

R\$ Million

PAGS	4Q22	4Q21	Var. y/y	3Q22	Var. q/q	2022	2021	Var. y/y
Total Revenues and Income¹	3,962	3,236	22%	4,035	-2%	15,335	10,449	47%
PagSeguro	3,654	2,916	25%	3,712	-2%	14,097	9,453	49%
PagBank ²	329	309	7%	339	-3%	1,287	917	40%
(-) Other Financial Income	(43)	(44)	-1%	(46)	-6%	(176)	(159)	11%
(-) Transactions Costs	(1,478)	(1,398)	6%	(1,424)	4%	(5,620)	(4,321)	30%
Net Take Rate	2,440	1,795	36%	2,565	-5%	9,540	5,969	60%
(-) Financial Expenses	(855)	(403)	112%	(921)	-7%	(3,152)	(791)	299%
(-) Total Losses CBK (+) ECL ³	(192)	(214)	-11%	(273)	-30%	(984)	(664)	48%
(+) FX Expenses	15	17	-15%	12	18%	49	82	-40%
Gross Profit	1,409	1,195	18%	1,384	2%	5,453	4,595	19%
PagSeguro	1,278	1,119	14%	1,308	-2%	5,185	4,397	18%
PagBank	131	76	71%	76	72%	268	198	35%
(-) Operating Expenses	(621)	(583)	7%	(615)	1%	(2,400)	(2,040)	18%
Adjusted EBITDA⁴	788	612	29%	770	2%	3,053	2,555	19%
PagSeguro	809	682	19%	868	-7%	3,373	2,881	17%
PagBank	(21)	(70)	-70%	(99)	-78%	(320)	(325)	-2%
(-) POS Write-off	(66)	0	n.a.	(41)	59%	(200)	0	n.a.
(-) D&A	(270)	(220)	23%	(290)	-7%	(1,080)	(752)	44%
(+/-) Other Income (Expense), Net	29	26	10%	34	-15%	127	77	64%
EBT	480	418	15%	472	2%	1,899	1,880	1%
(-) Income Tax and Social Contribution	(69)	(84)	-18%	(61)	13%	(302)	(455)	-34%
Net Income Non-GAAP	411	334	23%	411	0%	1,597	1,425	12%
(-) Non-GAAP Effects	(4)	(33)	-89%	(31)	-88%	(92)	(259)	-64%
Net Income GAAP	408	301	35%	380	7%	1,505	1,166	29%
Cash Earnings Adj. EBITDA (-) CapEx	410	89	359%	267	53%	917	803	14%
Earnings per Share (EPS)	R\$ 1.24	R\$ 0.91	36%	R\$ 1.16	7%	R\$ 4.57	R\$ 3.51	30%

Quarterly Highlights

4Q22 vs. 3Q22

-7% Financial Expenses

-30% Total Losses

Chargebacks (+) Expected Credit Losses

+72% PagBank Gross Profit

+53% Cash Earnings

Adj. EBITDA (-) CapEx

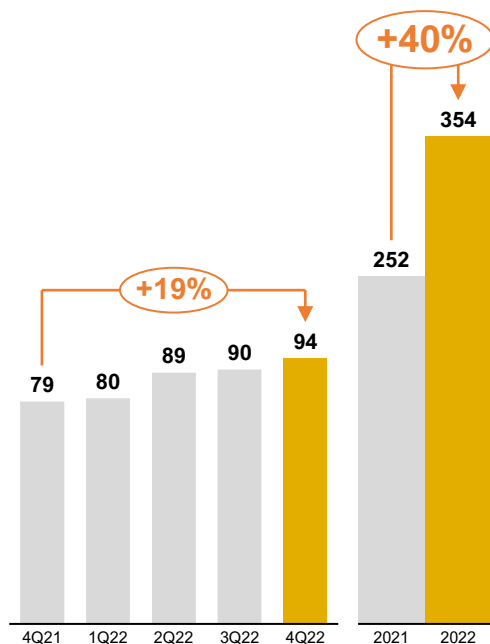
+7% EPS growth

1. Including Other Financial Income;
 2. Including Float Revenue;
 3. Total Losses: Chargebacks and Expected Credit Losses;
 4. Adjusted EBITDA: EBITDA net of Financial Expenses.

PagSeguro: Total Revenue and Income +49% y/y; TPV +40% y/y

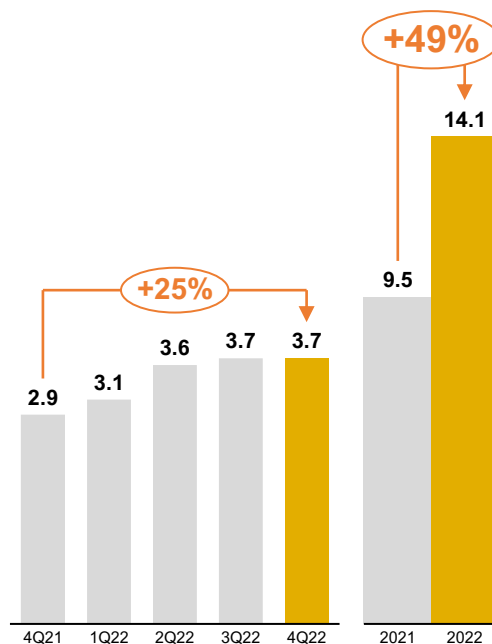
PagSeguro TPV

R\$ Billion



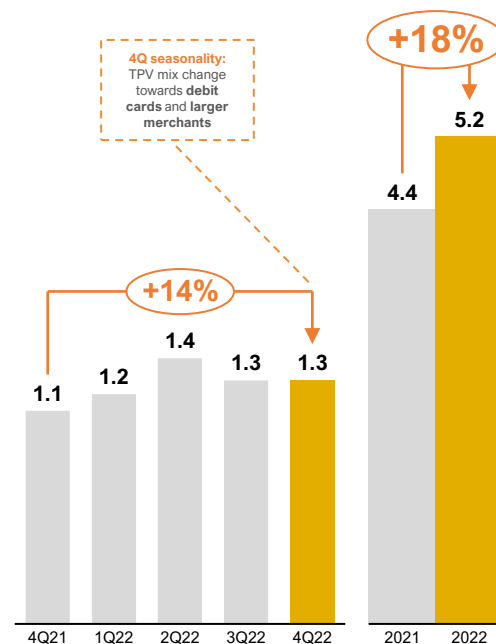
Total Revenue and Income

R\$ Billion



Gross Profit

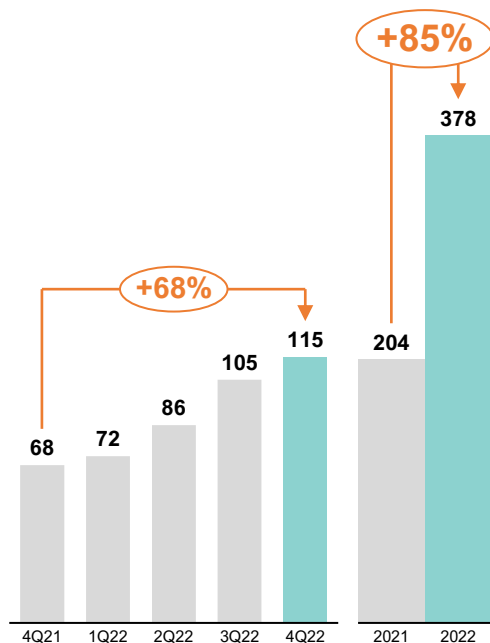
R\$ Billion



PagBank: Total Revenue and Income +40% y/y; TPV +85% y/y

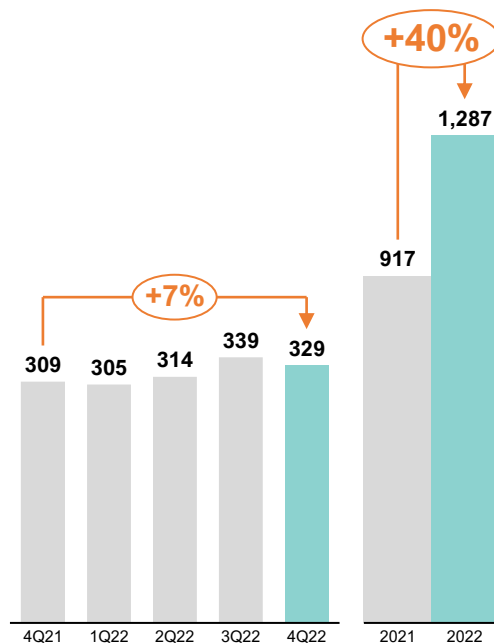
PagBank TPV

R\$ Billion



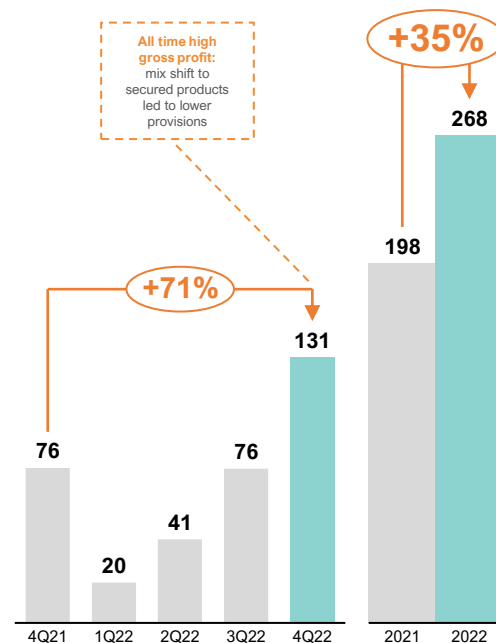
Total Revenue and Income

R\$ Million



Gross Profit

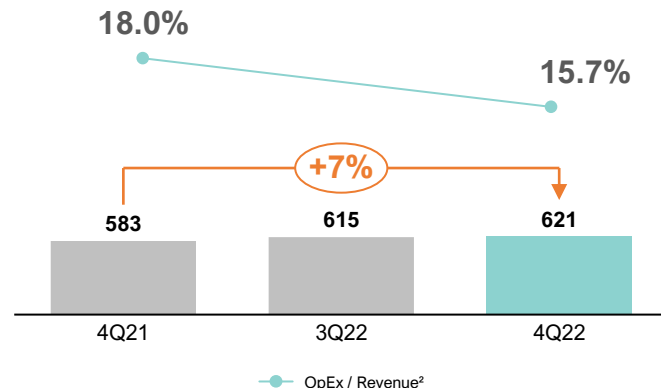
R\$ Million



Efficiencies led to OpEx / Revenue from 18% to 15.7%

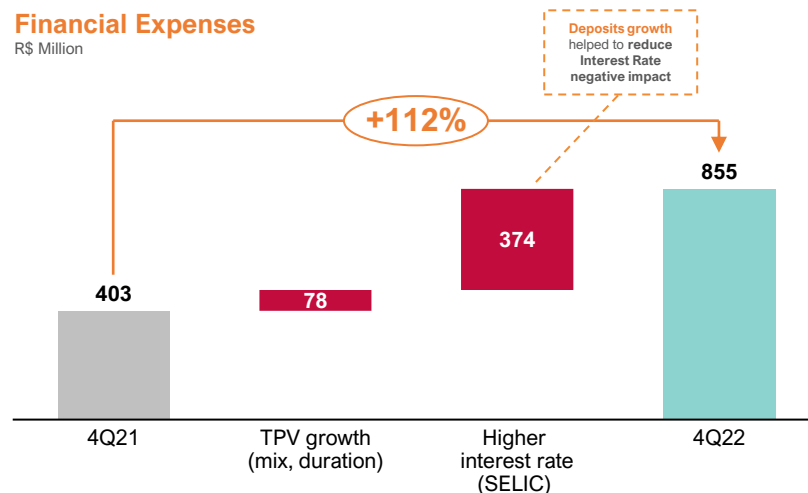
Operating Expenses¹

Non-GAAP | R\$ Million



Financial Expenses

R\$ Million



- Further commitment to **OpEx leverage**

- PagBank** and **HUBs** revenue growth **diluting OpEx**

- Marketing Expenses** optimization

- Brz Central Bank has been keeping interest rate stable since Aug-22**

- Annual avg. rate expected for 2023: **13.75%** vs. 12.55% in 2022

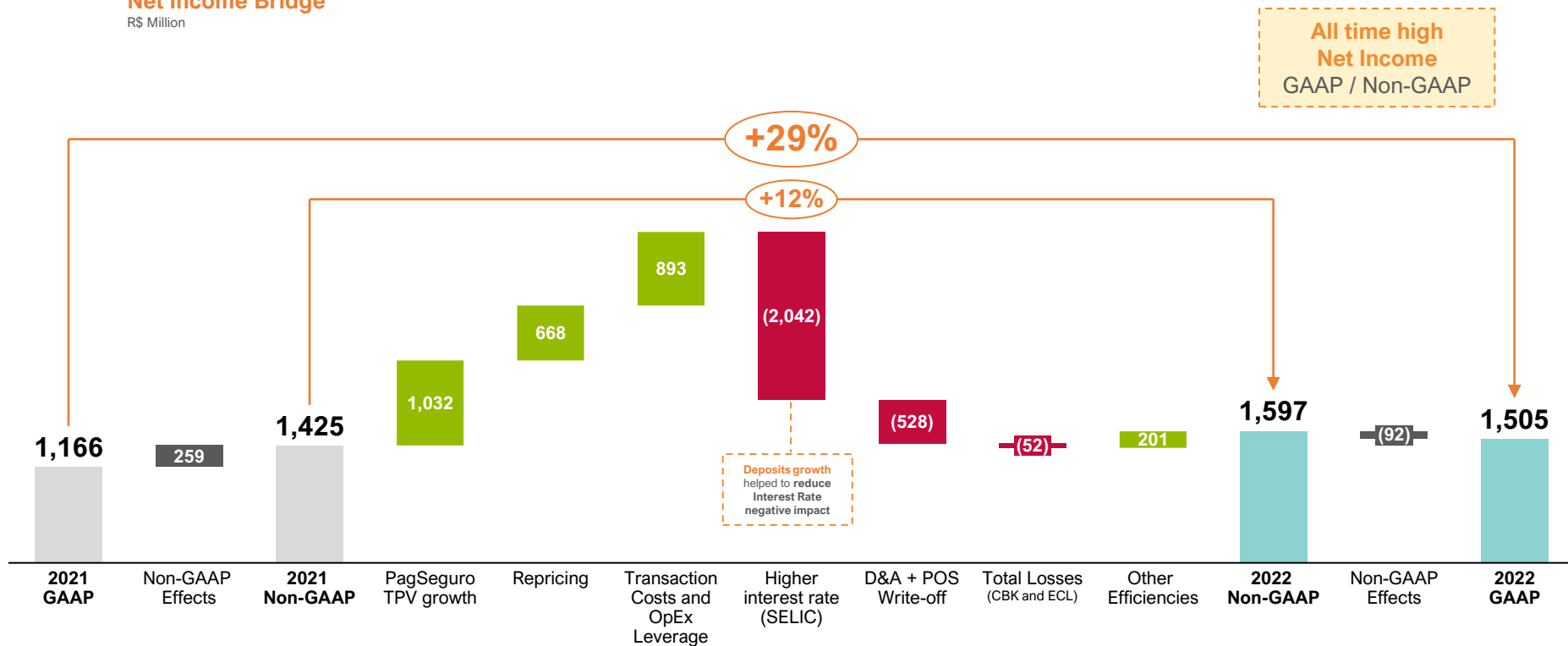
- 4Q22 Financial Expenses growth partially offset by:**

- Larger volume of deposits
- Lower number of working days
- 4Q seasonality on PagSeguro TPV mix (more debit cards)

Net Income +29% y/y, despite additional R\$2B Financial Expenses

Net Income Bridge

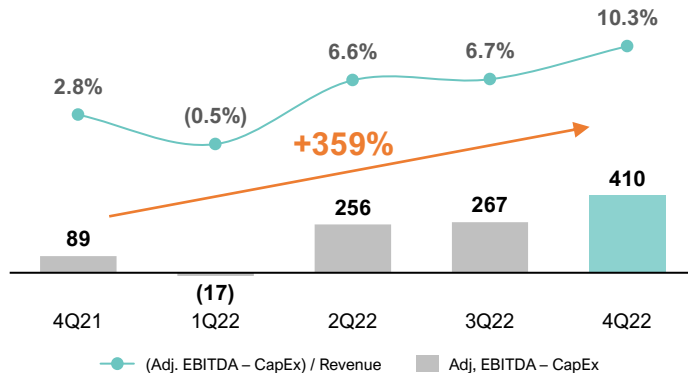
R\$ Million



4Q22 Cash Earnings: +359% y/y, reaching 10% of revenue

Cash Earnings: Adj. EBITDA (-) CapEx

R\$ Million

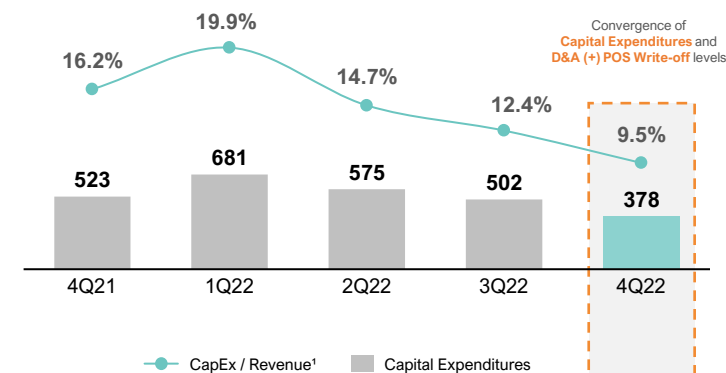


Long-term tailwinds to lead cash earnings growth

- **Selective approach** in merchant's acquisition
- **HUBs, VAS and PagBank** revenue growth and diversification
- **OpEx leverage:** Personnel and Marketing Expenses dilution
- Convergence of **CapEx** and **D&A + POS Write-off** levels

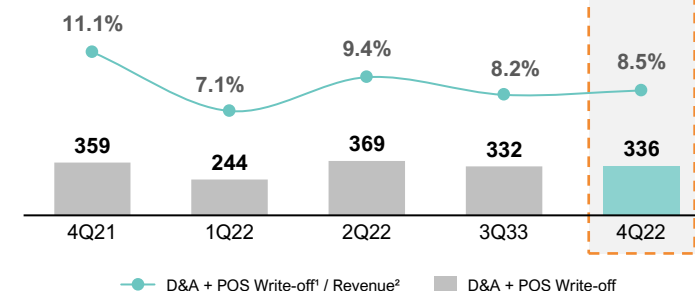
Capital Expenditures

R\$ Million



D&A (+) POS Write-off¹

Non-GAAP | R\$ Million



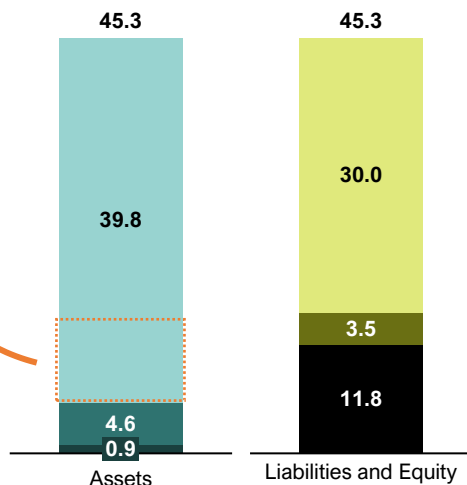
1. **Write-off:** expenses related to POS devices write-off booked in Other Expenses;
2. **Revenue:** Total Revenue and Income.

Robust financials with net cash balance of R\$ 9.8B

4Q22 Balance Sheet

R\$ Billion

R\$ **9.8**_B
Net Cash Balance¹



Cash + Accounts Receivable

PP&E & Intangible Assets

Others

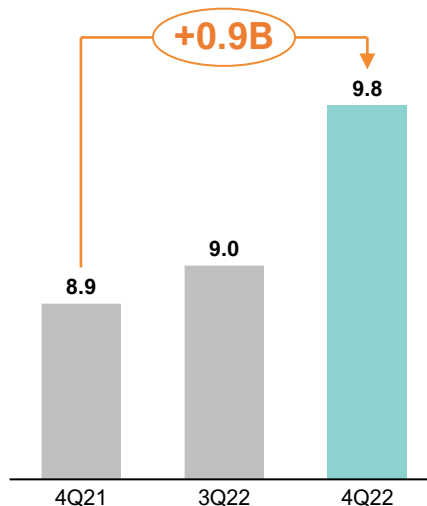
Funding Sources³

Others

Equity

Net Cash Balance¹

R\$ Billion



Improving Capital Structure

74% funded by 3rd party², mostly deposits and receivables refactoring

Lowering cost of funding through deposits

leveraging banking license

67% of 3rd party funding sources from deposits

diversification and risk-return balance

Robust Balance Sheet and Cash Position

diligent cash/cost management

1. Net Cash Balance: (Cash/Cash Equivalents + Financial Investments + A/R from Card Issuers, net + Credit Portfolio, net) – Funding Sources;

2. 3rd party funding sources: Liabilities / (Liabilities + Equity).



4Q/FY Results

	4Q22		2022	
	Results y/y growth	Guidance y/y growth	Results y/y growth	Guidance y/y growth
Total Revenue and Income	+22%	between 23% and 26%	+47%	between 47% and 48%
Net Income Non-GAAP	+23%	between 25% and 24%	+12%	between 10% and 12%
Net Income GAAP	+35%	between 17% and 27%	+29%	between 24% and 27%



Management Priorities

- **Profitable growth in Payments** with **sustainable market share increase** in key segments
- **Fostering engagement in PagBank** to diversify revenues sources and **increase our revenue per customer**
- Development of our **payments and banking ecosystem** to provide superior and **unique value proposition**
- **Ongoing improvement** in models and processes to **further decrease losses** and **promote operational efficiencies**
- **Disciplined cost management** and **capital allocation** to **improve EPS** and **cash earnings generation**



Appendix

4Q22



Active Merchants: At least one transaction in the last twelve months.

Adj. EBITDA: GAAP Net Income + Income Tax and Social Contribution – Other Financial Income + POS Write-off + Depreciation and Amortization + FX Expenses + M&A Expenses + LTIP Expenses. Please see the Supplemental Information for a reconciliation of this adjusted financial measure.

ARPAC: Sum of LTM revenues / Average of active clients over the last 5 quarters.

Cash-in: Wire transfers + Pix transfers

Gross Profit

- **PagSeguro:** (MDR Revenue + Prepayment Revenue) – (Transaction Costs + Card Scheme Fee + Financial Expenses + Total Losses).
- **PagBank:** (Net Interest Income + Revenue from Services) – Provision for Losses.

Monthly TPV per Merchant: (PagSeguro TPV / Average Active Merchants of last two quarters)/3.

Net Margin: Net Income / Total Revenue and Income

Net Take Rate

- **PagSeguro:** (Net Revenue from Transaction Activities and Other Services + Financial Income - Transaction Costs) / PagSeguro TPV. Excluding revenues and costs originated by membership fees.
- **PagBank:** (Net Interest Income + Revenue from Services - Transaction Costs) / PagBank Monetizable TPV.

PagBank Clients: Number of bank accounts registered at Brazilian Central Bank.

PagBank Active Clients: Active clients using one additional digital account feature/service beyond acquiring and consumers with a balance in their digital account on the last day of the month.

PagBank Revenues: composed by Interest Income, Interchange from PagBank cards, transaction fees from day-to-day banking (bill payments, mobile-top ups, among others). It includes Float Revenue, intercompany revenue from PagSeguro's funding.

Total Payment Volume (TPV): PagSeguro TPV + PagBank TPV.

- **PagSeguro:** Includes PagSeguro's TPV, which is the value of payments successfully processed through our payments ecosystem for new clients that are under zero MDR promotion and volumes that generates any type of revenues (MDR, fees, prepayment) and, net of payment reversals, not including PagBank TPV;
- **PagBank:** Includes prepaid card top-ups, cash cards spending, credit cards, mobile top-ups, wire transfers to third-party, cash-in through *boletos*, bill payments, tax collections, P2P transactions, QR Code transactions, credit underwriting, Super App and GMV.

Total ECL: PAGS total ECL does not exclude provision over 360 days.

EBITDA | GAAP and Non-GAAP financial measures

R\$ Million	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Net Income GAAP	271	272	322	301	350	367	380	408
(+) Income Tax and Social Contribution	89	66	100	67	67	76	45	67
(+) LTIP Expenses ³	80	106	141	44	28	51	43	(42)
(+) POS Write-off	0	0	0	0	0	93	41	66
(+) Depreciation and Amortization	158	182	203	226	249	281	294	307
(-) Other Financial Income	(35)	(35)	(46)	(44)	(42)	(45)	(46)	(43)
(+) M&A Expenses ⁴	0	2	4	0	0	0	0	0
(+) FX Expenses	9	36	19	17	13	9	12	15
(+) PagPhone realizable value reversal ¹	0	0	0	0	0	0	(53)	0
(-) Software's disposals ³	0	0	0	0	0	0	29	11
(-) Boleto Flex impairment ³	0	0	0	0	0	0	13	0
(-) Agreement with POS supplier ³	0	0	0	0	0	0	10	0
Adjusted EBITDA	573	629	742	612	665	831	770	788
(+) Tax Provision Reversal ³	(29)	0	0	0	0	0	0	0
(+) Digital Losses ²	73	0	0	0	0	0	0	0
(+) PagPhone write-off ³	0	0	0	139	0	0	0	0
Adjusted EBITDA Recurring	617	629	742	751	665	831	770	788

Total Costs and Expenses | Non-GAAP are booked in:

1. Transaction Costs;
2. Total Losses;
3. Operating Expenses;
4. Depreciation and Amortization.

Net Income | GAAP and Non-GAAP financial measures

R\$ Million	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Net Income GAAP	271	272	322	301	350	367	380	408
(+) LTIP Expenses ³	80	106	141	44	28	51	43	(42)
(+) M&A Expenses ⁴	5	5	6	6	5	5	5	5
(+) Income Tax and Social Contribution	(29)	(38)	(50)	(17)	(11)	(19)	(16)	(2)
(+) PagPhone realizable value reversal ¹	0	0	0	0	0	0	(35)	0
(-) Software's disposals ³	0	0	0	0	0	0	19	11
(-) Boleto Flex impairment ³	0	0	0	0	0	0	8	0
(-) Agreement with POS supplier ³	0	0	0	0	0	0	7	0
(+) Capitalized Expenses of platforms development	0	0	0	0	0	0	0	32
Net Income Non-GAAP	327	345	419	334	371	403	411	411
(+) Tax Provision Reversal ³	(19)	0	0	0	0	0	0	0
(+) Digital Losses ²	48	0	0	0	0	0	0	0
(+) PagPhone write-off ³	0	0	0	92	0	0	0	0
Net Income Recurring	356	345	419	426	371	403	411	411

Non-GAAP Total Costs and Expenses are booked in:

1. Transaction Costs;
2. Total Losses;
3. Operating Expenses;
4. Depreciation and Amortization.



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