



INSTITUTIONAL PRESENTATION

/ Investor Relations



February / **2021**



The information contained in this presentation and any forward-looking statements that may be made, related to business outlook, operational and financial projections of TOTVS are based on beliefs and assumptions of the Company's management, as well as information currently available. Forward-looking statements are not guarantee of future performance. They involve risks, uncertainties and assumptions as they refer to future events and, hence, depend on circumstances that may or may not occur.

Investors must understand that general economic conditions, industry conditions and other operational factors could affect future performance of TOTVS and could lead to results that differ materially from those mentioned in these forward-looking statements.



Simplifying the business world



#1 Software
Company in Brazil³



+50% Market share
(ERP leader in Brazil)³



R\$1.6 Trillion produced
by our clients
(represented by TOTVS' +30k clients)^{1 2}



13.0%
Technology Recurring
Revenue Growth (2020)¹



79.2%
of Technology Revenue are
Recurring Revenue
(2020)¹



63.0% of New Sales
are SaaS
(2020)¹



98.5%
Client Renewal Rate
(2020)¹

BUSINESS MODEL

- Recurring Revenue base
- Cloud base

DISTRIBUTION

- Local and digital presence, based on a highly capillary distribution model

BUSINESS PORTFOLIO

- Ecosystem of solutions covering 3 dimensions: Management, Techfin and Business Performance

M&A

- +25 M&A
- Main consolidator of Brazilian Tech Market

GOVERNANCE

- Highest Level of Corporate Governance (B3 – Novo Mercado)
- Social Investment aligned with business strategy

Source:

(1) Company Filings, 4Q20.

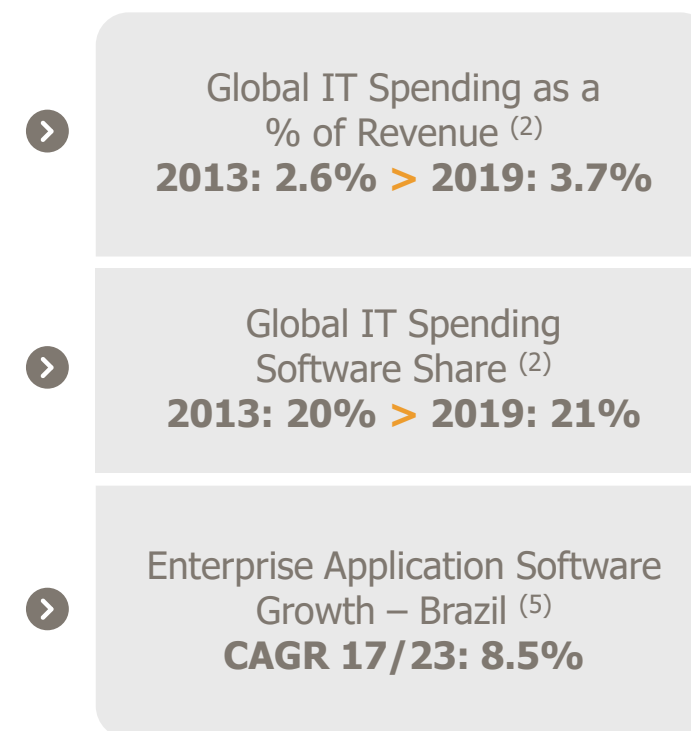
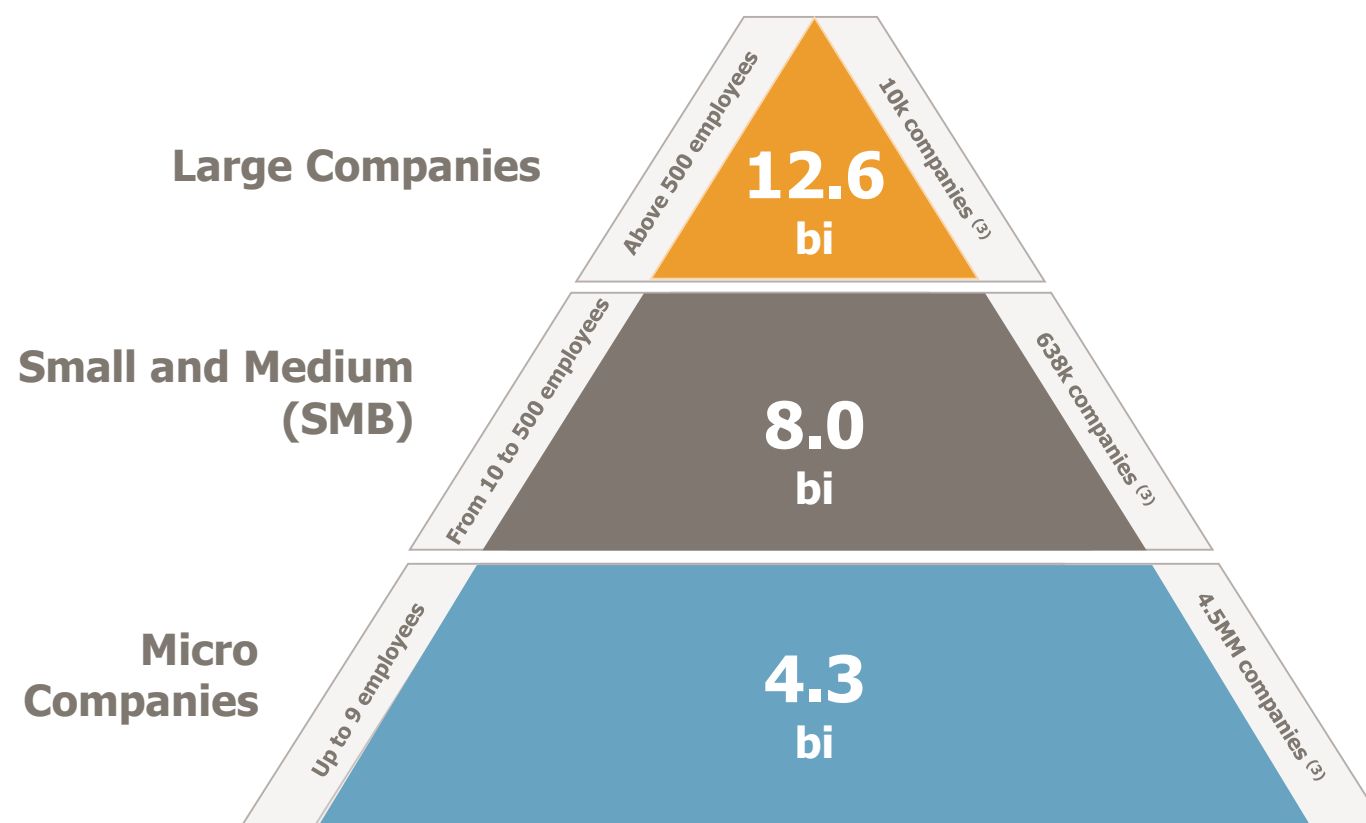
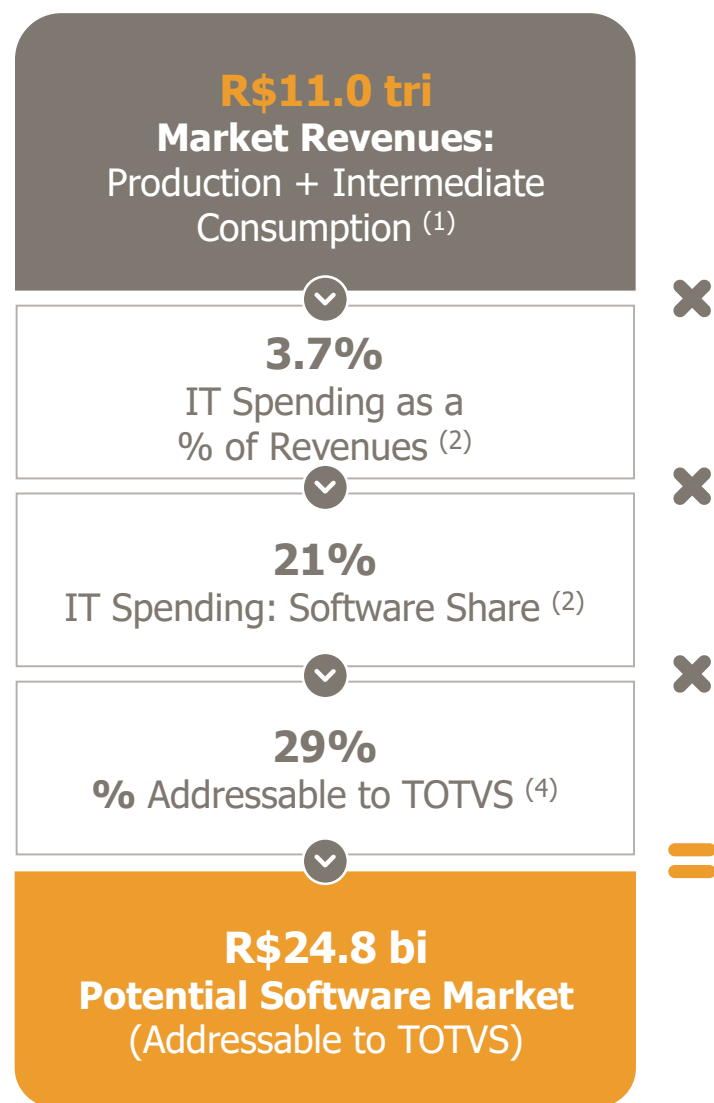
(2) Company internal estimates.

(3) Software Market Share Enterprise Application 2020 by Gartner.



BUSINESS MODEL

ADDRESSABLE MARKET BY COMPANY SIZES (R\$)





BUSINESS MODEL

Presence and partnership in all stages of the Customer Journey Cycle



Complete horizontal offering

Business solutions for companies of all sizes in 12 business segments

Flexibly deployed



Cloud



On-premise

Distribution Model



Franchisees & Branches



Own sales force



Partnership

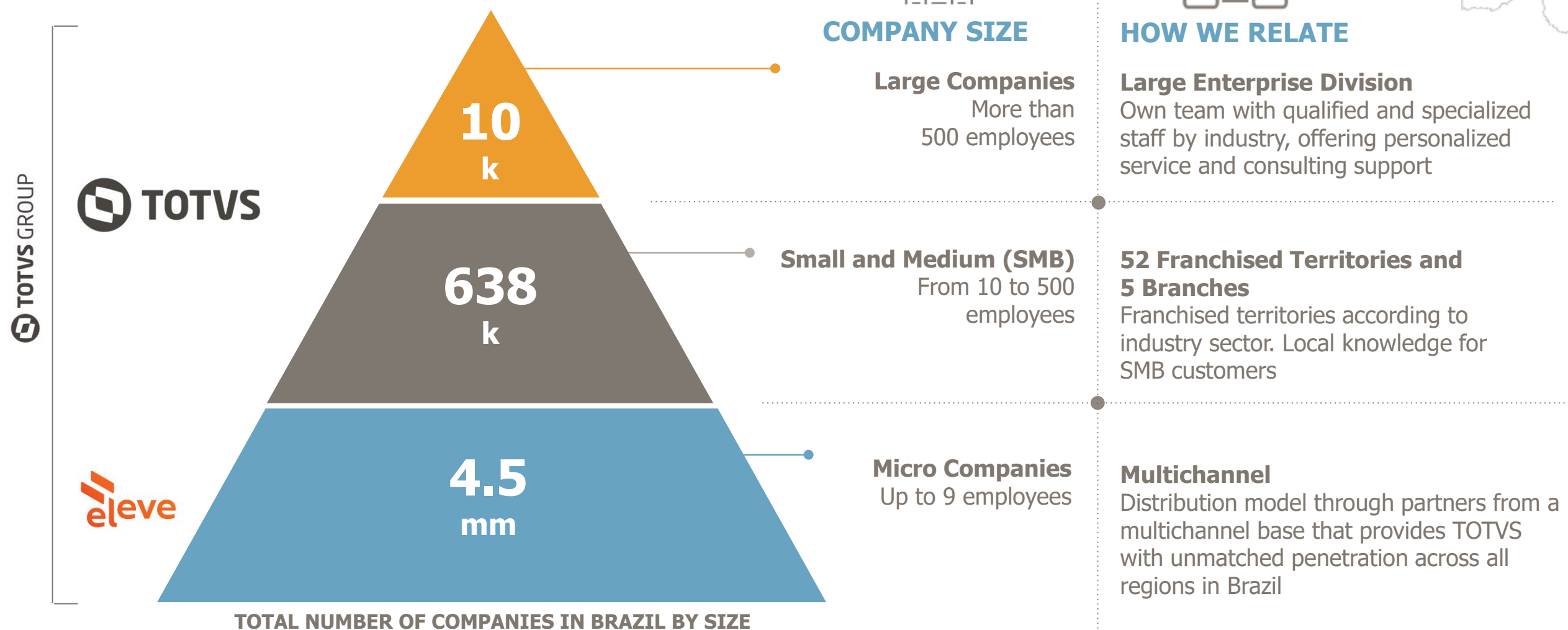
Across media





DISTRIBUTION

PHYSICAL CHANNELS



DIGITAL CHANNEL - TOTVS STORE

TOTVS Store is the digital medium for interacting with customers, especially for cloud applications



BUSINESS PORTFOLIO

OUR ECOSYSTEM GOES WAY BEYOND THE ERP...

Diversity, deepness and flexibility are the characteristics of our portfolio based on ecosystem that cover three dimensions



MANAGEMENT

Robust ERP and technologies that automate key processes and **integrate all areas of the business.**



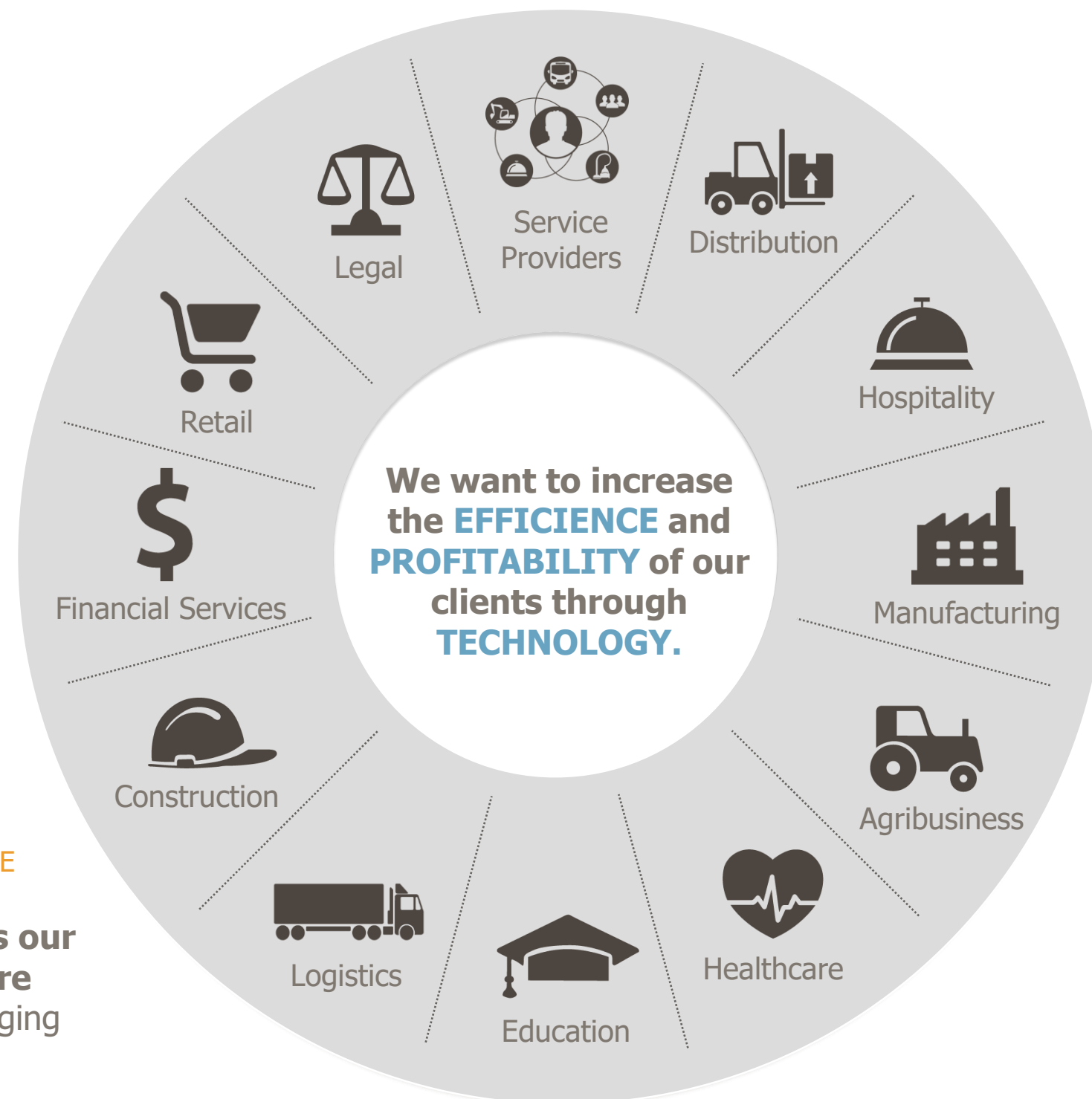
TECHFIN

Credit and payments solutions to **simplify, expand and cheapen the access of its clientes to financial services** through technology and data.



BUSINESS PERFORMANCE

Products that **helps our clients to sell more and better**, leveraging their results and performance.





M&A & PARTNERSHIPS

UNIQUE PLAYBOOK BASED ON FOUR KEY PILLARS

1st PILLAR

Reinforcing/
Defending the Core

2nd PILLAR

Deepening into
Segments

3rd PILLAR

Cross-Sell Solutions

4th PILLAR

New Markets



MANAGEMENT



TECHFIN



BUSINESS
PERFORMANCE

OPPORTUNITIES IN MANAGEMENT

1 ERP / HR

2 Verticals



OPPORTUNITIES IN TECHFIN

1 B2B Credit



2 Payroll
Credit



3 Payments

Retail



Education

OPPORTUNITIES IN BUSINESS PERFORMANCE

1 E-Commerce



2 OMS



3 CRM



4 Other
initiatives



CORPORATE GOVERNANCE



GOVERNANCE

BOARD OF DIRECTORS COMPOSITION



Highest level of Corporate Governance

(B3 – Novo Mercado)

Laércio Cosentino

Chairman
Co-Founder of TOTVS and
board member of Brasc

6 out of 7 board members are independent

Maria Letícia Costa

**Vice-Chairman
Independent Member**
Partner of Prada Assessoria
Empresarial and board
member of Localiza

Eduardo Vassimon

Independent Member
Chairman of the Board of
Directors of Votorantim S.A
and Board Member of B3*

Gilberto Mifano

Independent Member
Ex-presidente da B3*
Board member of Natura
and Cielo

Guilherme Stocco Filho

Independent Member
Member of B3* Technology
Committee

Mauro Cunha

Independent Member
Board Member of BRMalls
and Klabin

Sylvia Leão

Independent Member
Board Member of Sodimac
Brasil and Mendelics

ADVISORY COMMITTEES

Audit

monitors the procedures for compliance with legal provisions, evaluates risk management policies and recommends improvements to internal policies

Governance and Nomination

promotes the development of the Company's corporate governance and ESG strategy, evaluates the adoption of good practices and selects members to the Board of Directors and the Executive Board

Personnel and Compensation

responsible for advising the Board of Directors in establishing the terms of compensation and other benefits

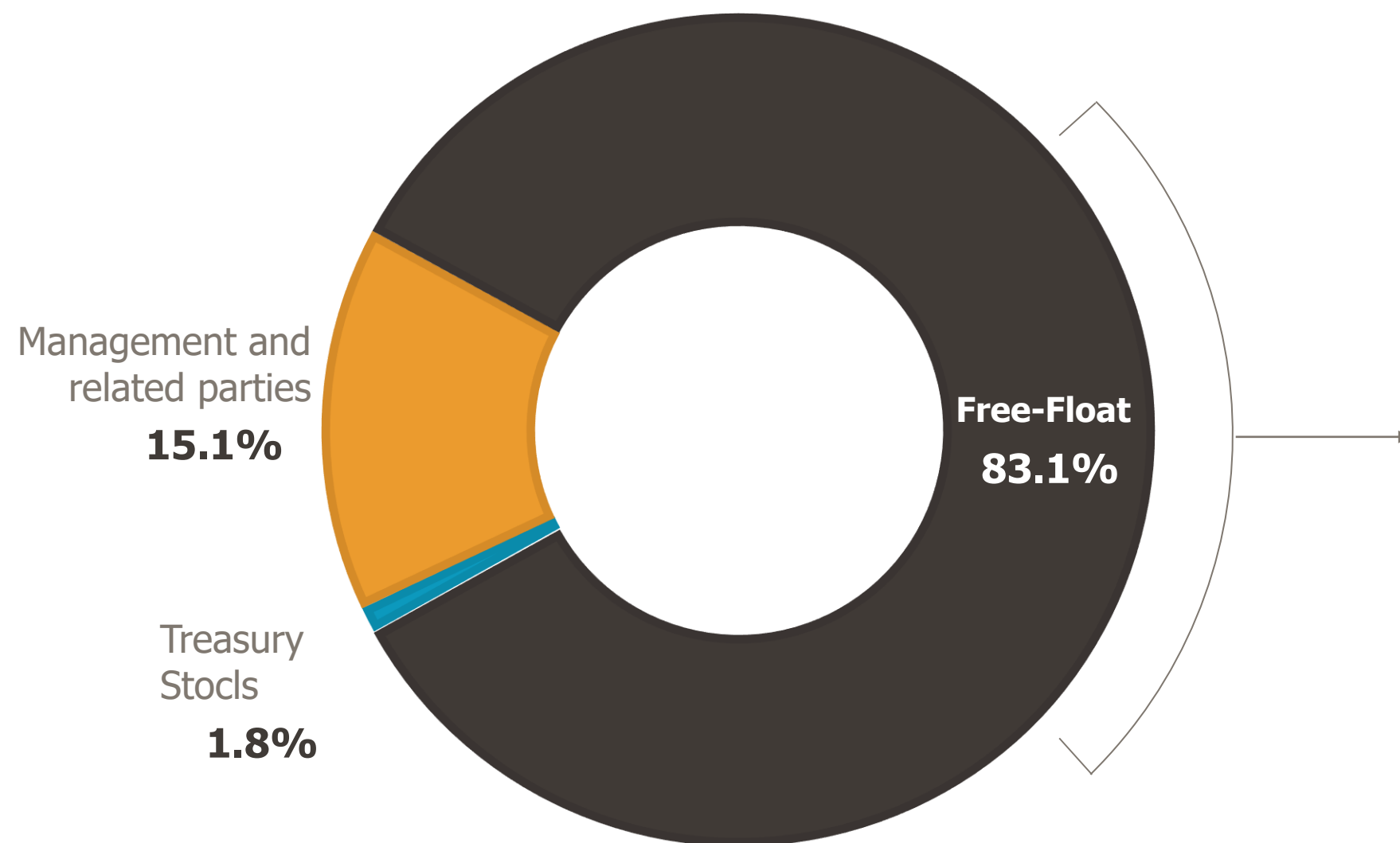
Strategy

studies, debates, evaluates, proposes and monitors the main guidelines of the corporate and technological strategy



GOVERNANCE

SHAREHOLDERS' STRUCTURE*



Free-Float **83.1%**

Management **16.9%**

Foreign Investors **68.6%**

Local Investors **31.4%**

83.1%

free-float

68.6%

of free-float held by
foreign investors



OUR ENVIRONMENT AND OUR PEOPLE

- We attract professionals **with a sense of ownership**;
- We are **passionate for challenges and focused on results**;
- We establish the market rhythm providing **technology that transforms**;
- We promote a **serene, collaborative, inclusive and respectful** culture;
- We reward **meritocracy, efficiency and productivity**;
- We have a **transparent and balanced environment**;
- Our focus is on clients, **ensuring their success**;
- We recognize the importance of all stakeholders in TOTVS ecosystem.



CULTURE #WEARETOTVERS

defines our essence



TECHNOLOGY + KNOWLEDGE ARE OUR DNA

We have built a legacy for an ever-changing-world. We are always thinking about how to combine technology and knowledge to keep boosting innovation now and forever. We are creative and not afraid of making mistakes.



THE SUCCESS OF OUR CLIENT IS OUR SUCCESS

We anticipate the needs of our customers. We deliver quality in solutions that are more essential, simpler and more agile for businesses. Always there and nearby.



WE VALUE COMPETENT PEOPLE WHO ARE NICE PEOPLE

Curious, collaborative, digital and driven by results. We are driven by our own style, and we are restless. We are TOTVERS.

By geographic location

6.716 in Brasil



255 abroad



ARG



MEX



USA



RUS



COL



CHL



PORT

By gender



66%



34%

By leadership position



68%



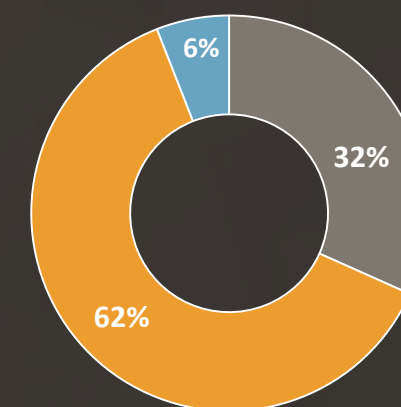
32%

By age

Up to 30

From 30 to 50

Older than 50



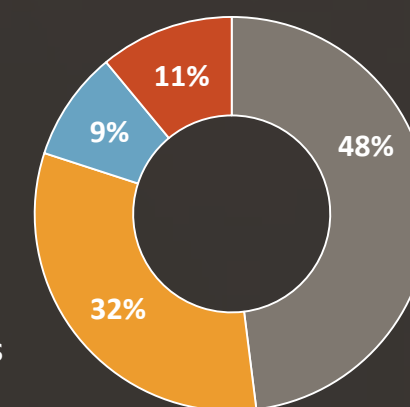
By activity

Services

R&D

Sales

Adm / Others





SOCIAL INVESTMENT

**TOTVS MAINTAINS IOS AND BELIEVES THAT
SOCIAL INVESTMENT DRIVES TRANSFORMATION**



Free professional training for youth and disabled people, in the areas of Administration and Information Technology focused on employing skilled professionals in the economy of the future.

Indication of preselected graduating students to partner companies, and assistance in complying with the Law on Learning and the Law on Quotas for Disabled People.

38,000+ students graduated under a 22 years track record

2,000+ students have completed IOS courses

46% increase in household income of students

1,400 students employed with IOS assistance

100+ partners



FINANCIAL PERFORMANCE

4Q20





A
TOTVS
ACREDITA NO
BRASIL
QUE

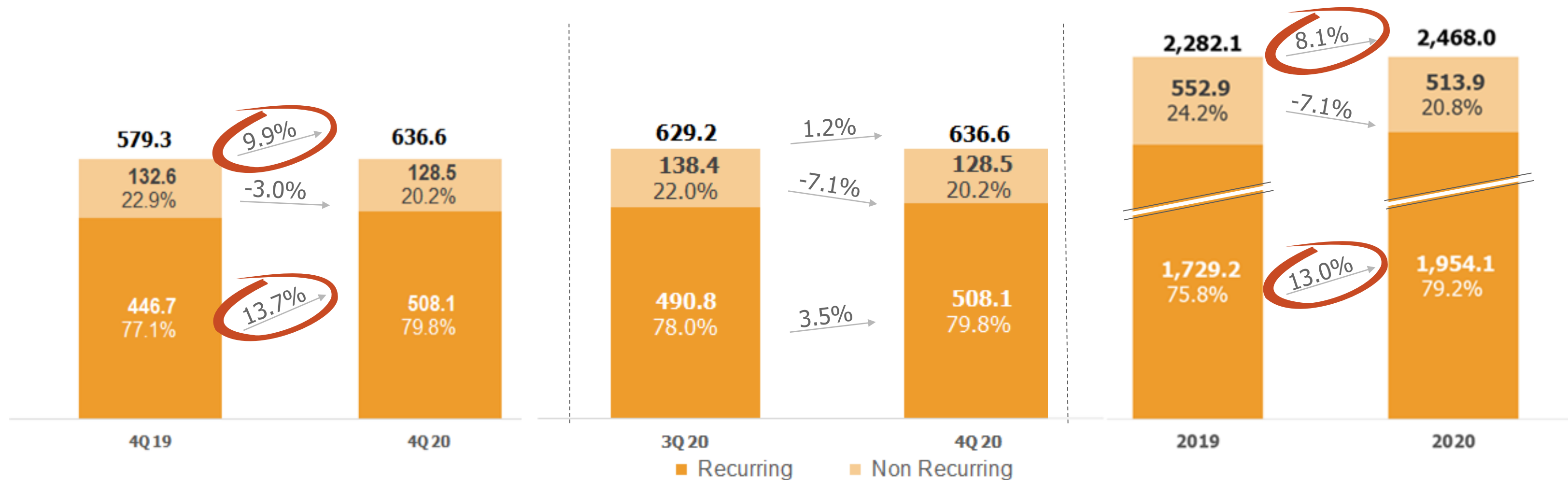
FAZ

THE BRAZIL THAT MAKES IT HAPPEN, MAKES IT HAPPEN WITH TOTVS

The strengths that brought TOTVS to its position of undisputed leadership in technology and software for companies, reflected on its campaign "TOTVS believes in a Brazil that makes it happen!", proved more real and stronger than ever in 2020.



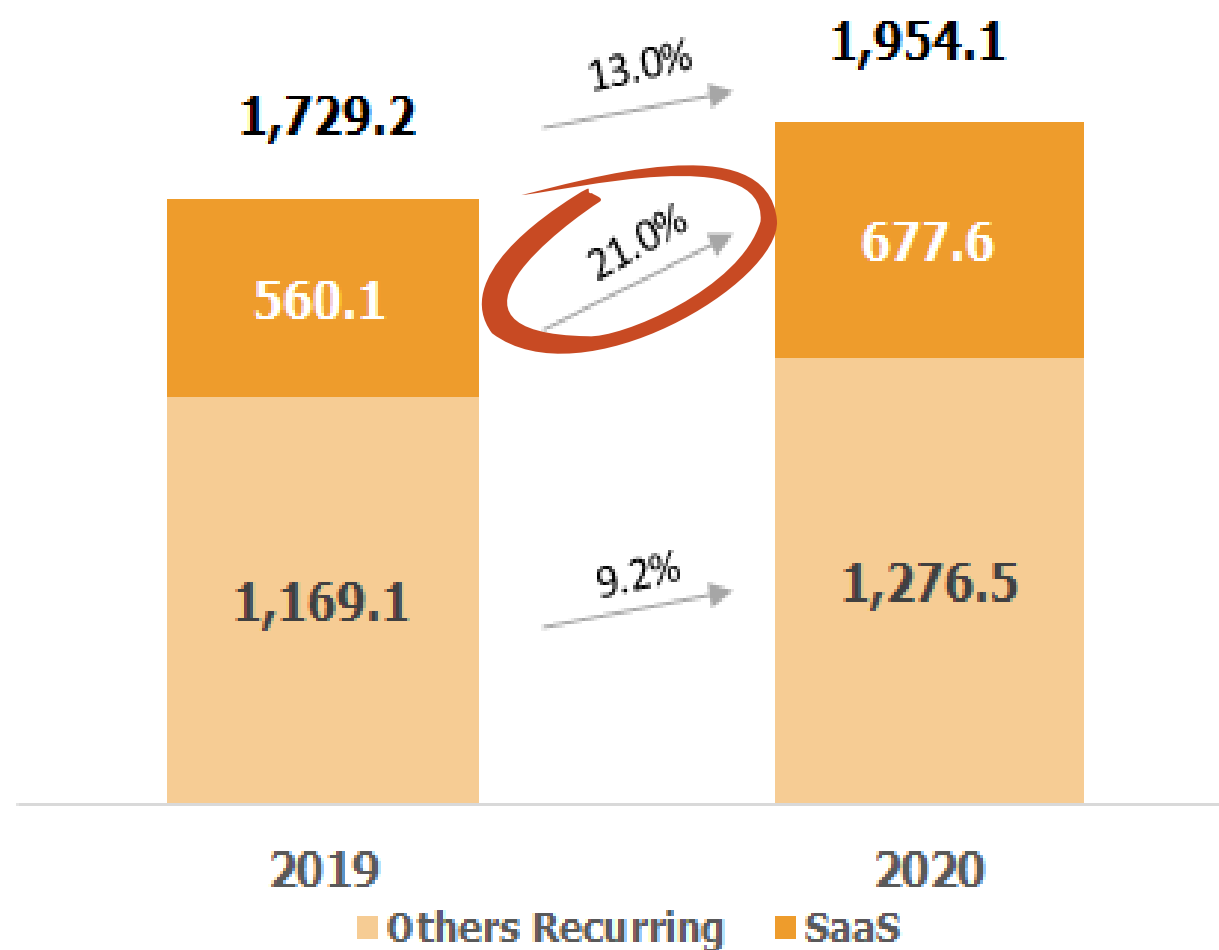
CONSISTENT 2-DIGIT GROWTH OF RECURRING REVENUE IN ALL QUARTERS
REACHING R\$2 BILLION IN THE YEAR AND 79% OF REVENUE FROM TECHNOLOGY



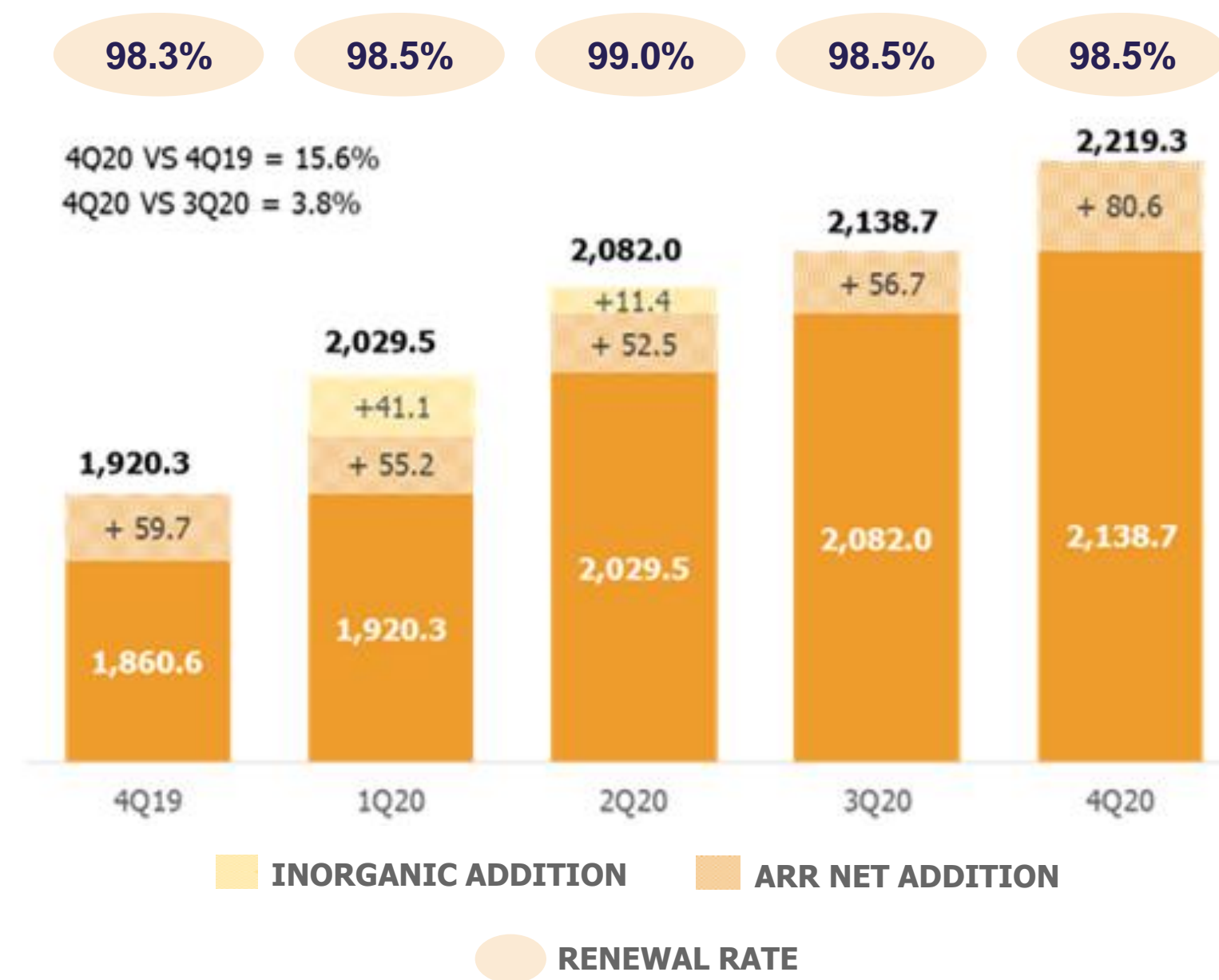


SAAS RECURRING REVENUE GREW 21% IN THE YEAR (27% GROWTH IN CLOUD)
AND QUARTERLY HISTORICAL RECORD OF ARR NET ADDITION IN 4Q20

RECURRING REVENUE PER BUS. MODEL



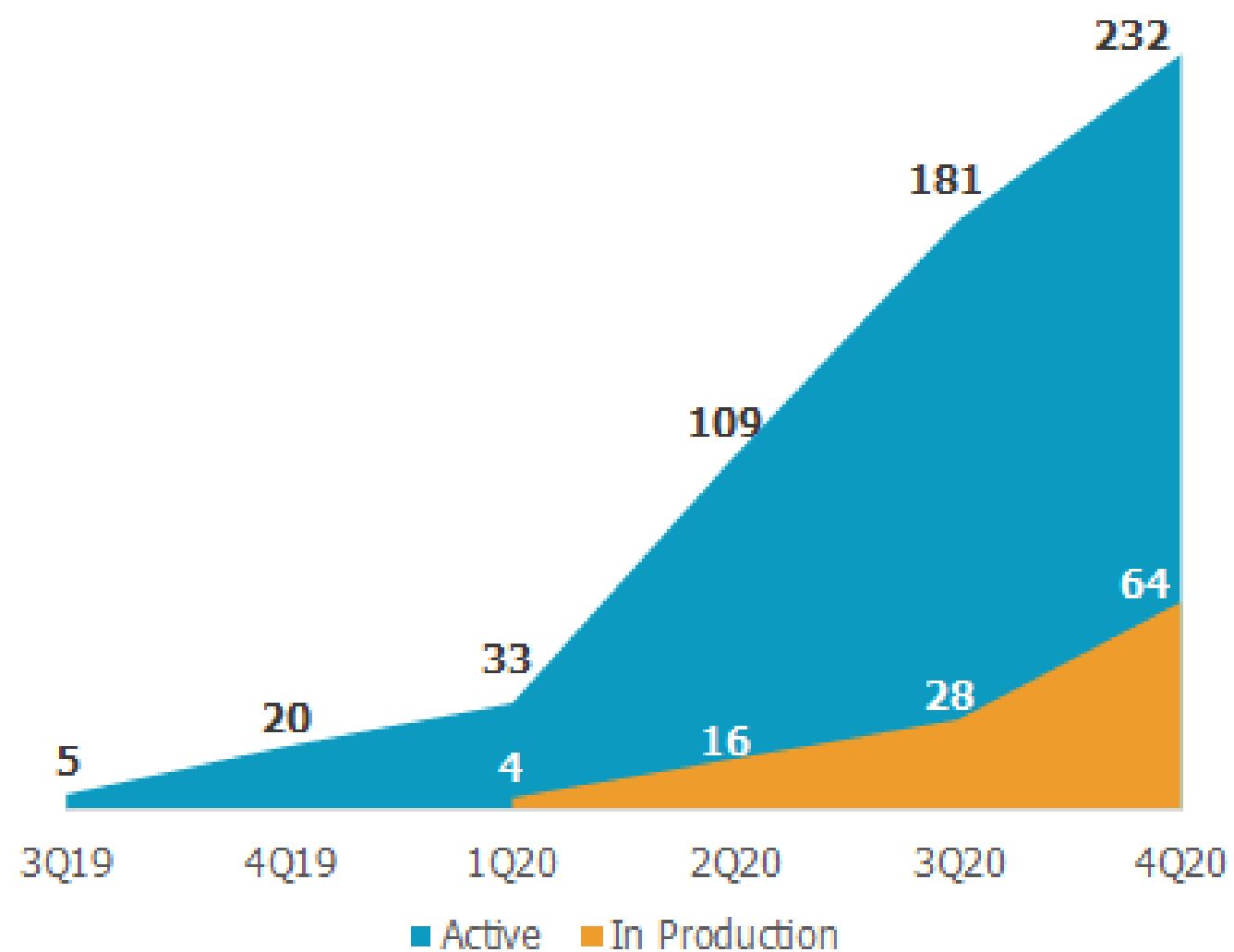
ANNUALIZED RECURRING REVENUE (ARR)



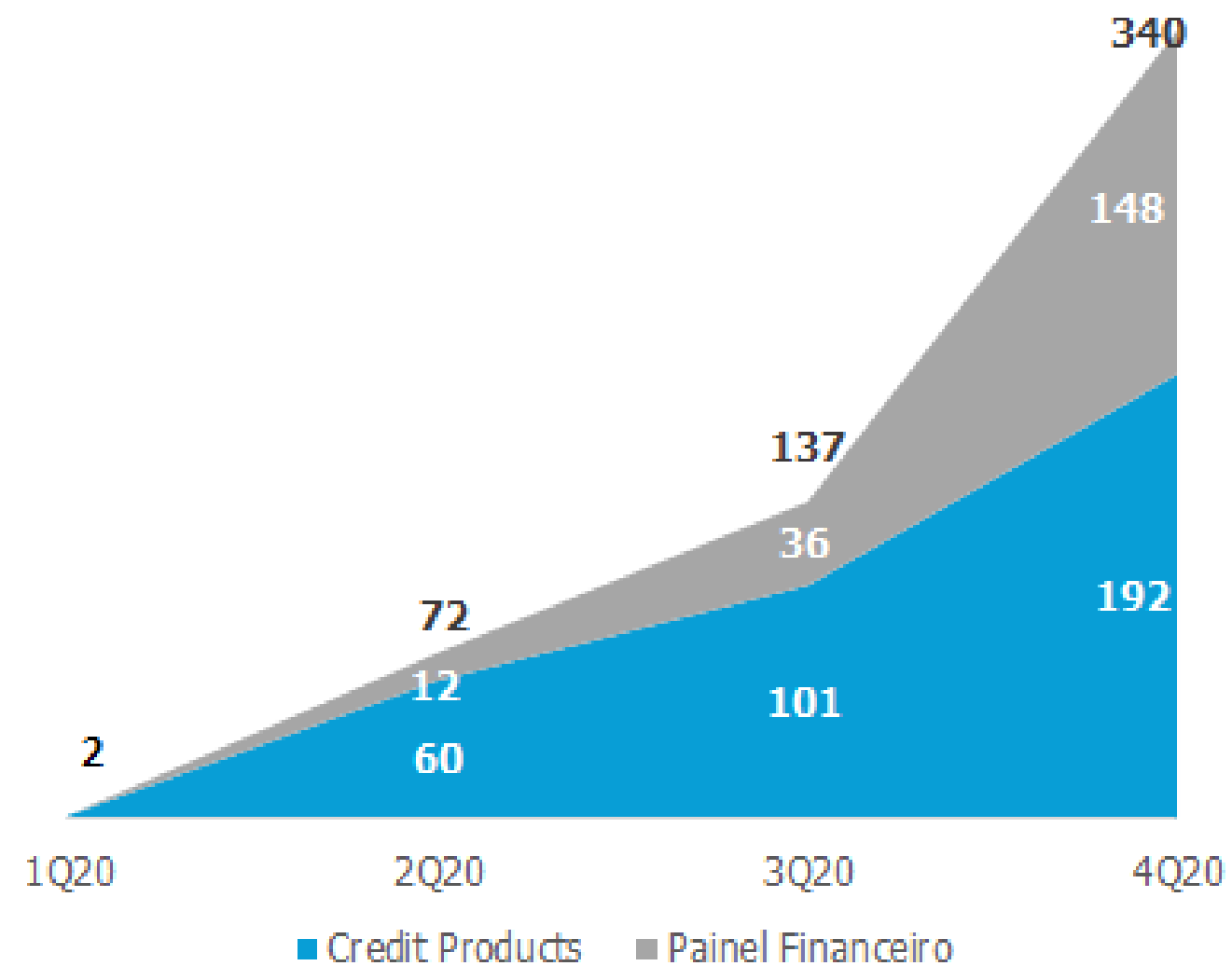


GROWTH OF MORE THAN **11x IN CLIENTS OF DIGITAL COMMERCE** (WITH 27.6% ALREADY IN PRODUCTION)
AND ACCELERATION IN CLIENTS OF **TECHFIN PRODUCTS**

DIGITAL COMMERCE CLIENTS (TOTVS & VTEX)



NUMBER OF TECHFIN CLIENTS

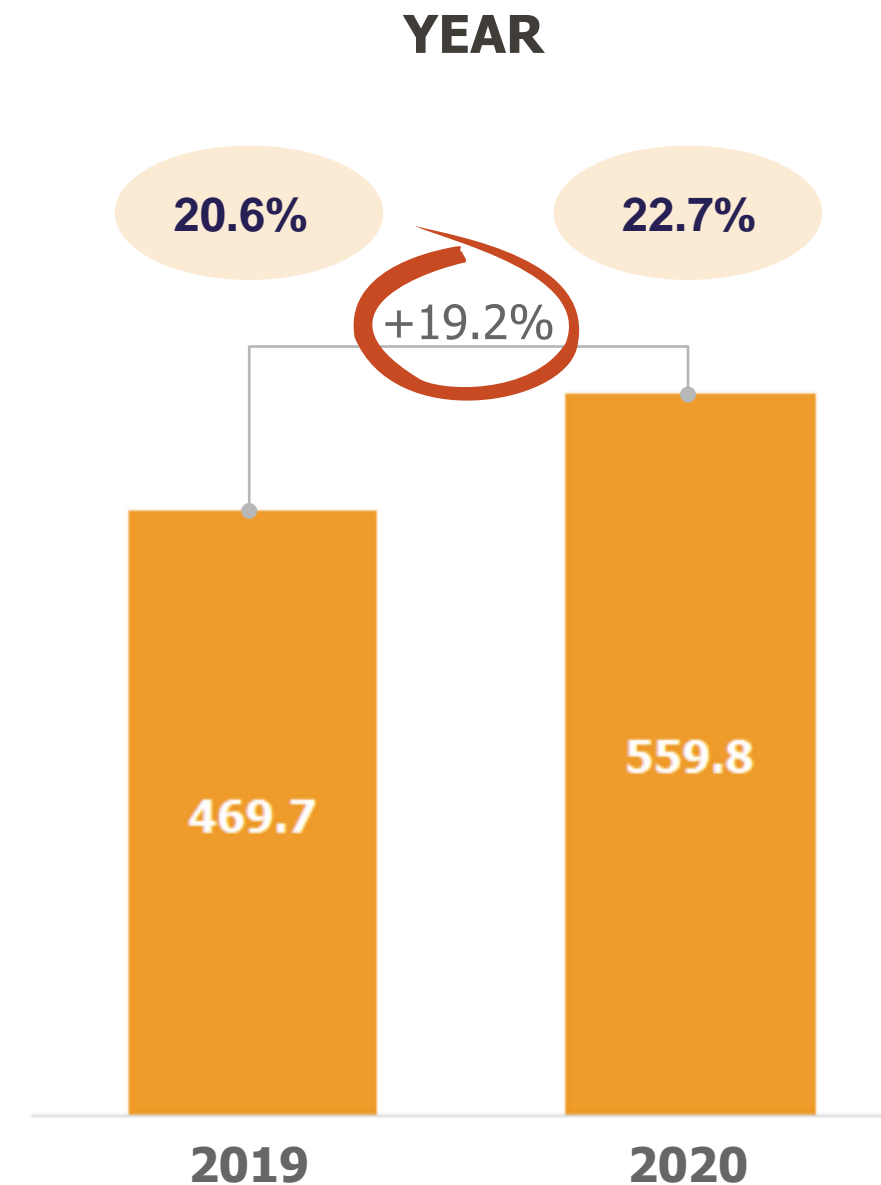
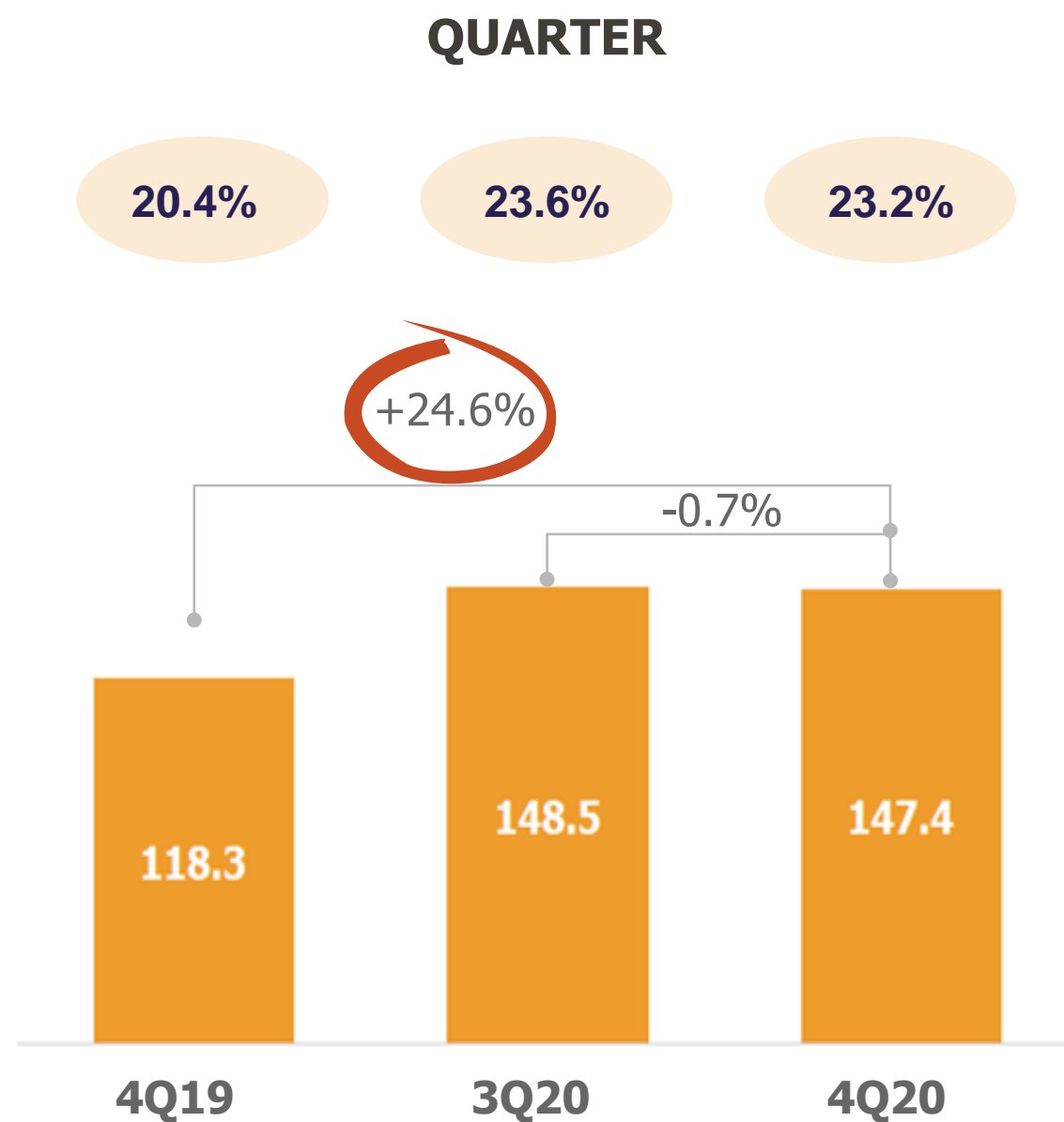




ADJUSTED EBITDA | TECHNOLOGY (R\$ MM)

20

IN A CHALLENGING YEAR, OUR OPERATIONAL LEVERAGE CAPACITY
ENABLED A **19.2% GROWTH IN ADJUSTED EBITDA**



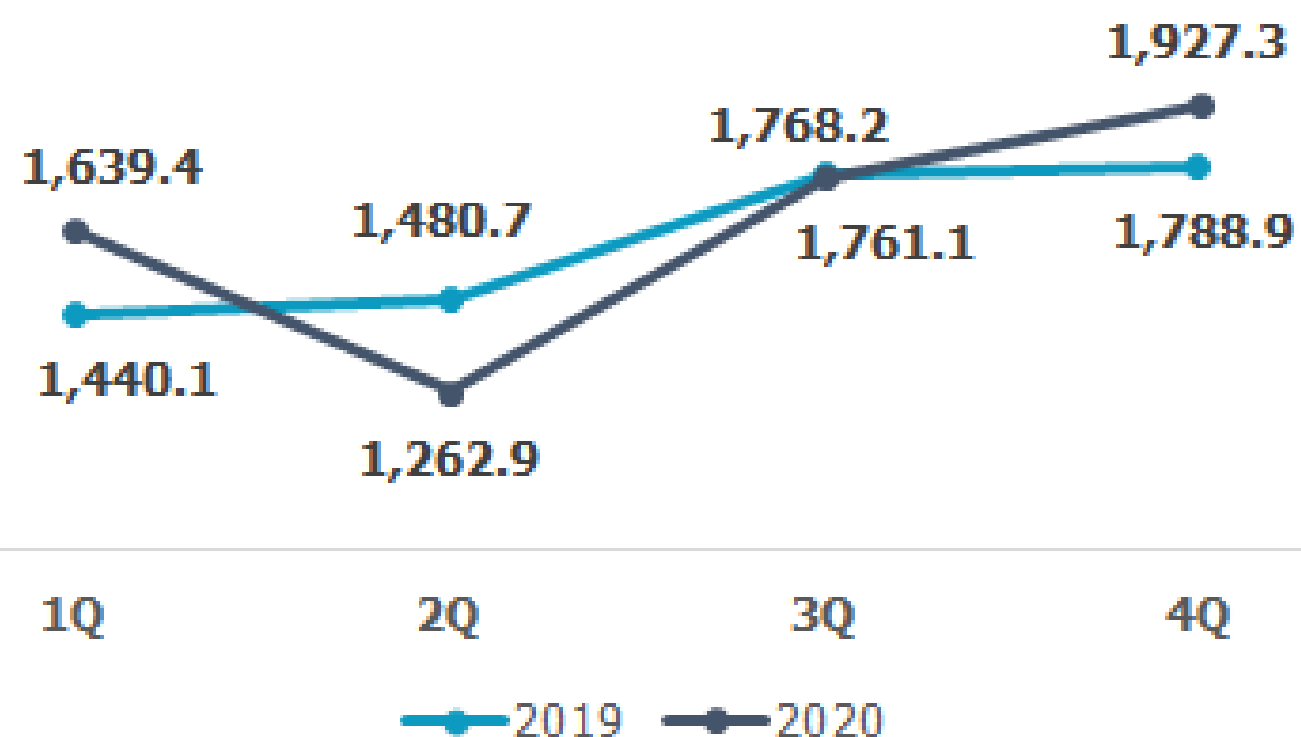
EBITDA

ADJUSTED EBITDA MARGIN

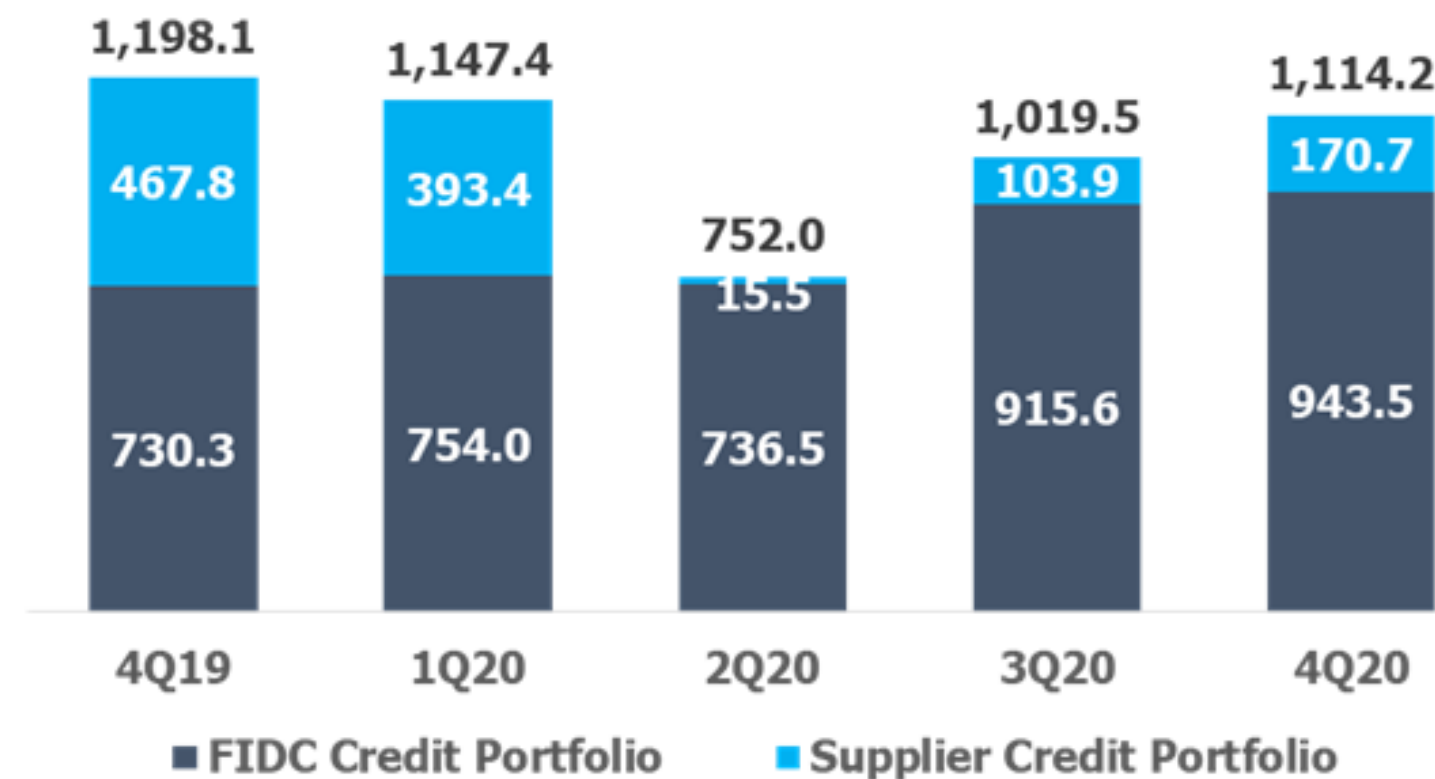


NEW PRODUCTION ACCELERATION IN THE QUARTER CONFIRMED THE GROWTH PATH
REACHING THE HIGHEST HISTORICAL LEVEL, CLOSE TO R\$2 BILLION...

PRODUCTION



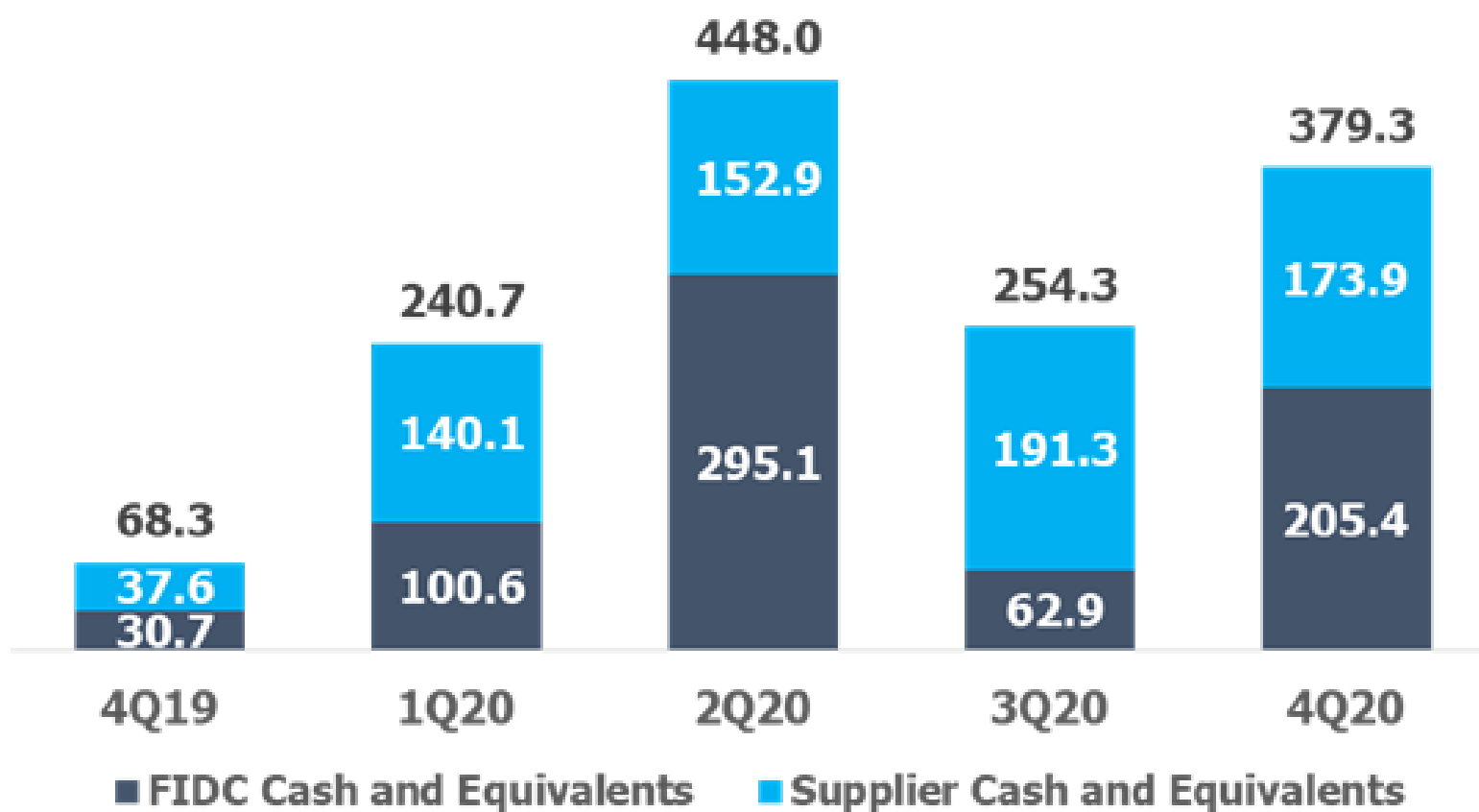
PORTFOLIO



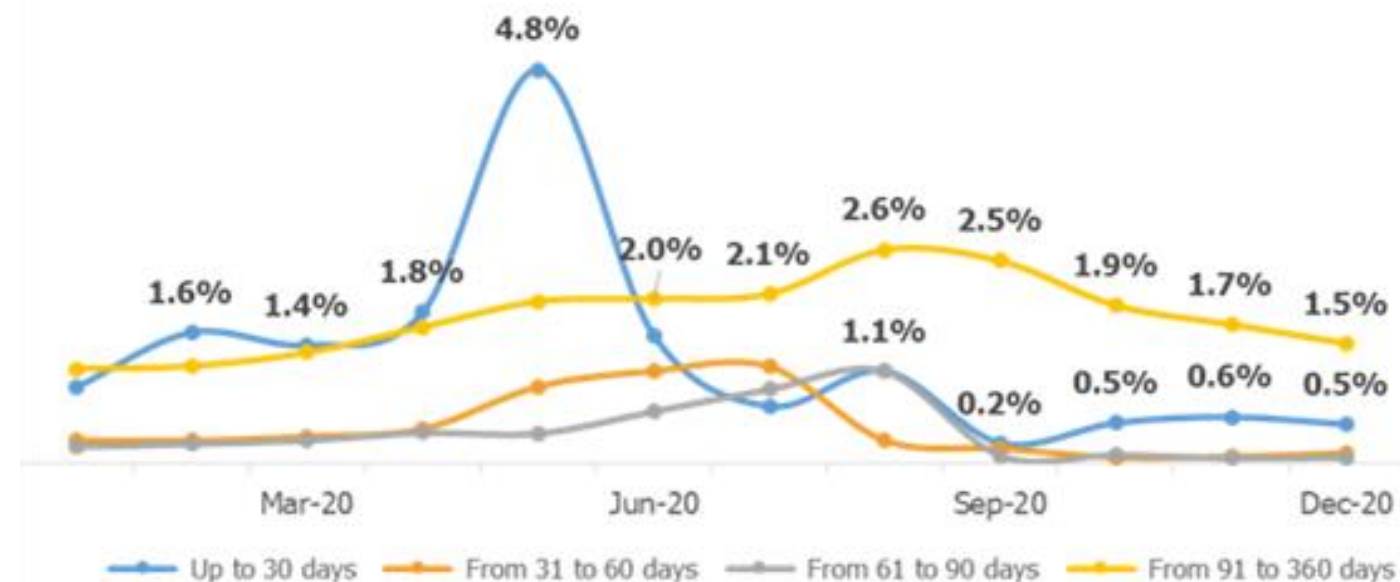


... COMBINED WITH THE **MAINTENANCE OF DELINQUENCY LEVELS** LOWER THAN PRE COVID-19...

CASH POSITION



DELINQUENCY



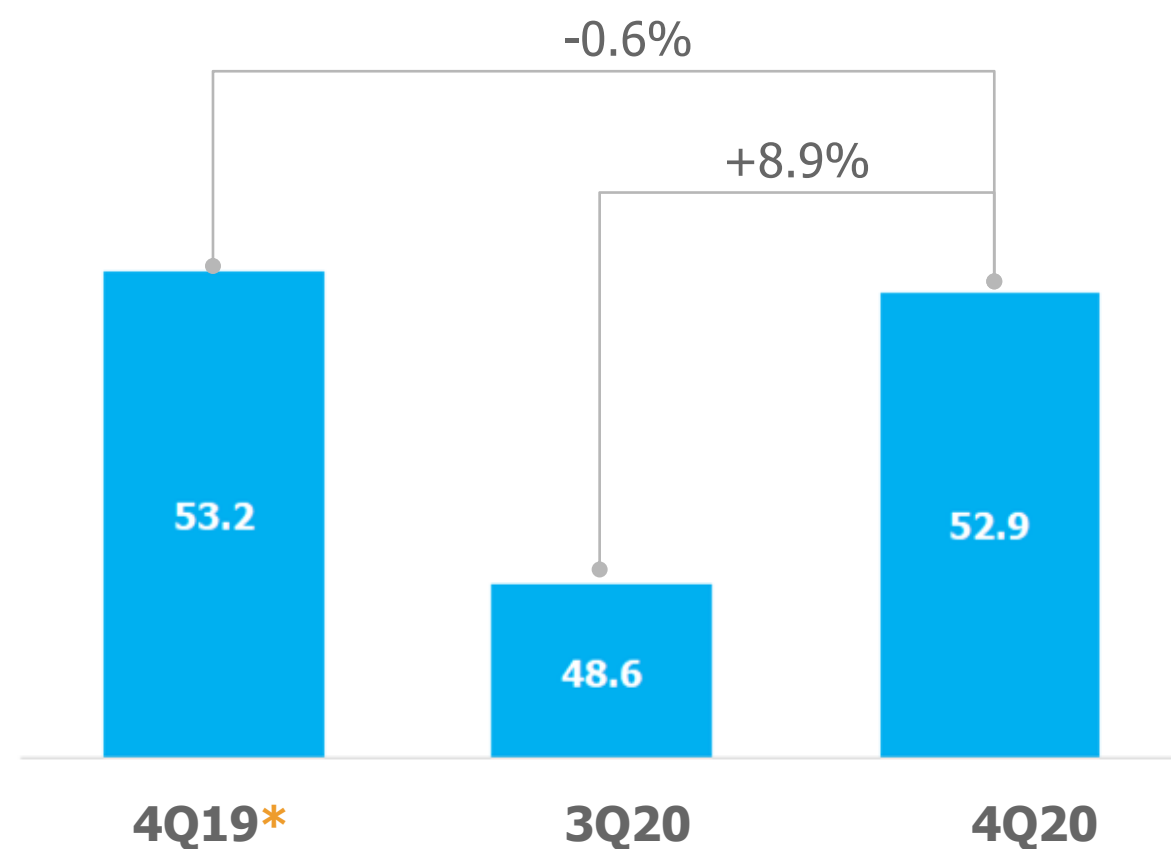
ACTUAL LOSS



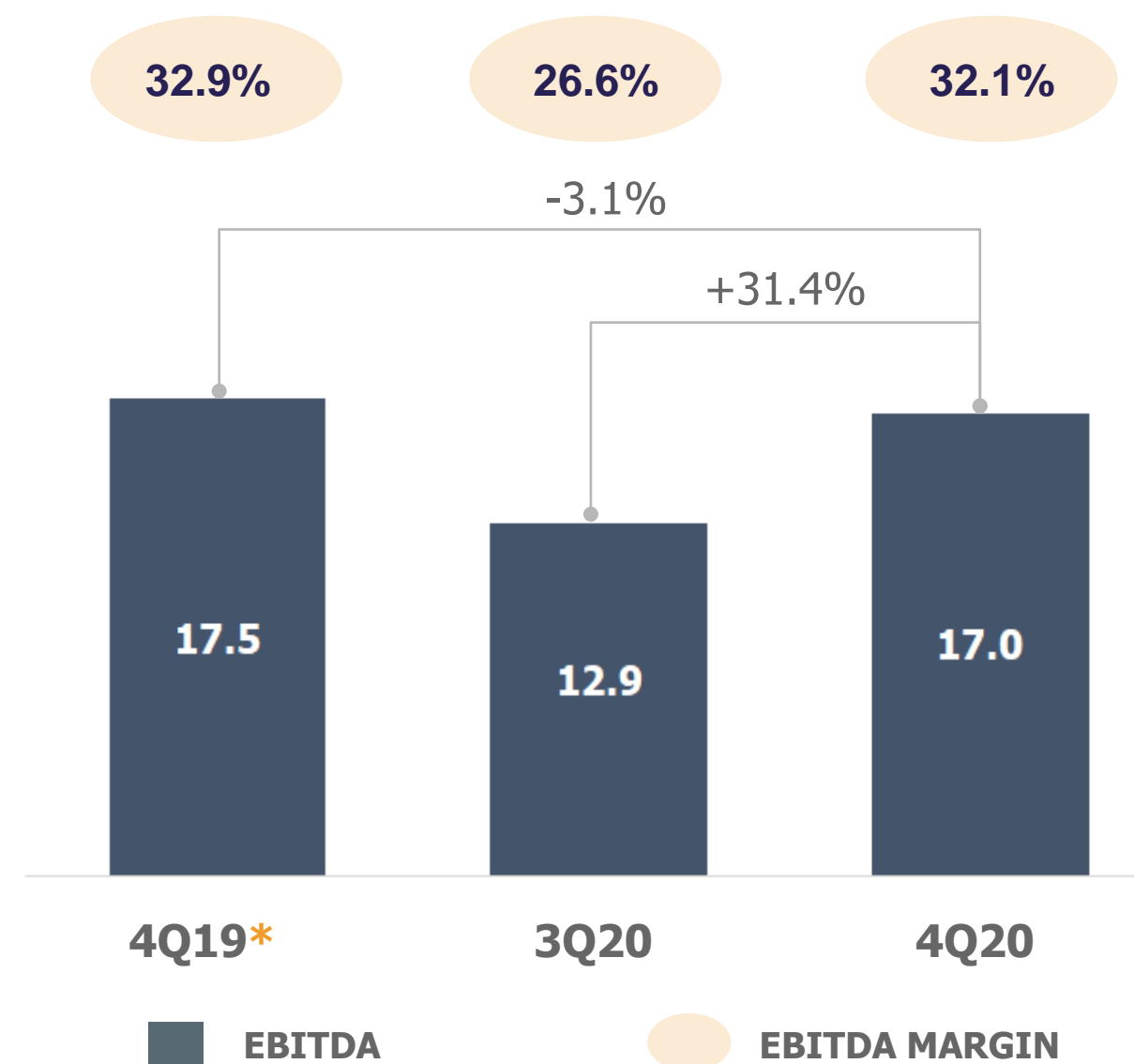


...ENABLED **ONCE MORE REVENUE AND EBITDA TO GROW**, WITH A **37% ROE**
IN A YEAR IN WHICH **THE BUSINESS MODEL WAS PUT TO THE TEST**

NET REVENUE



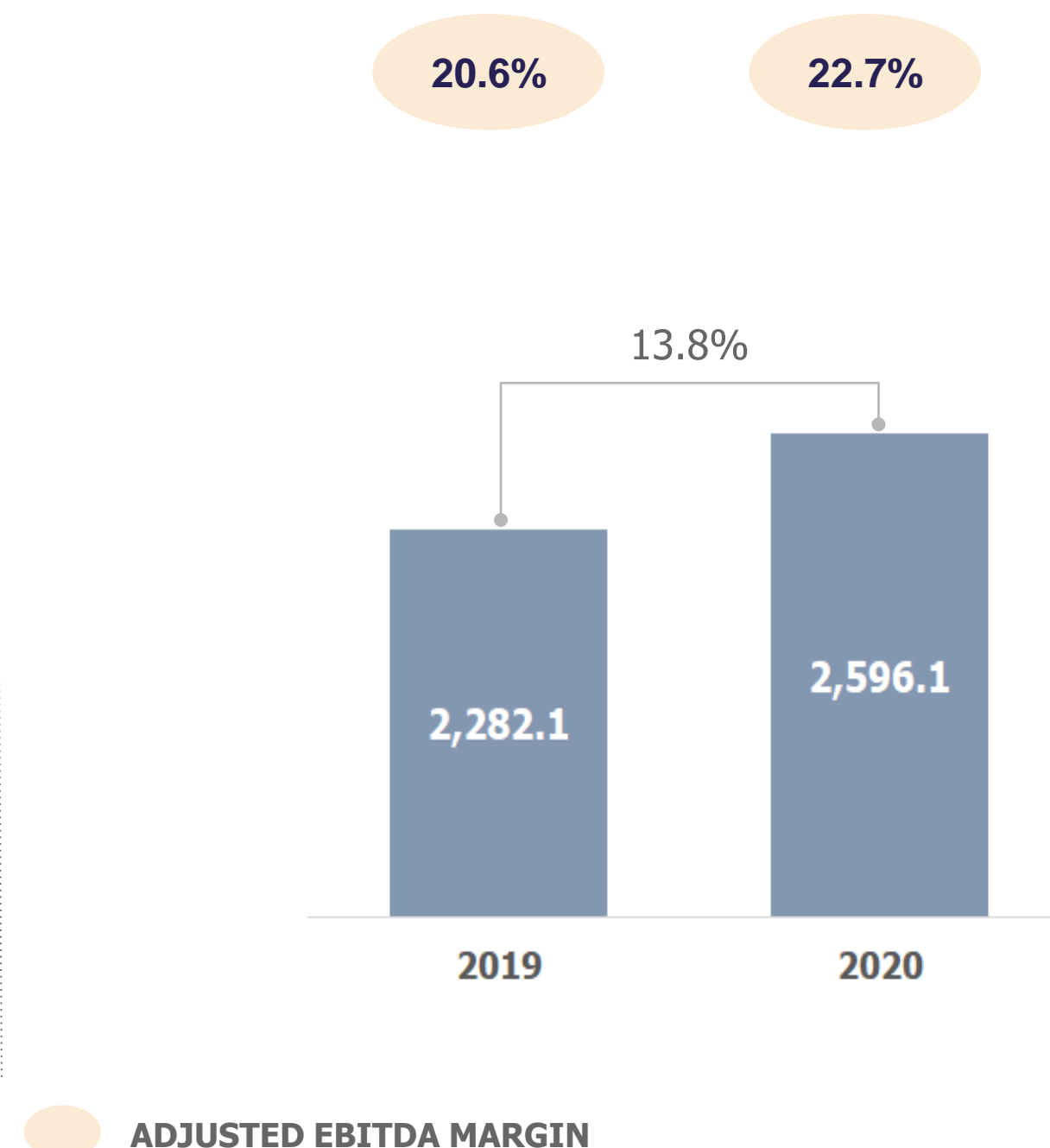
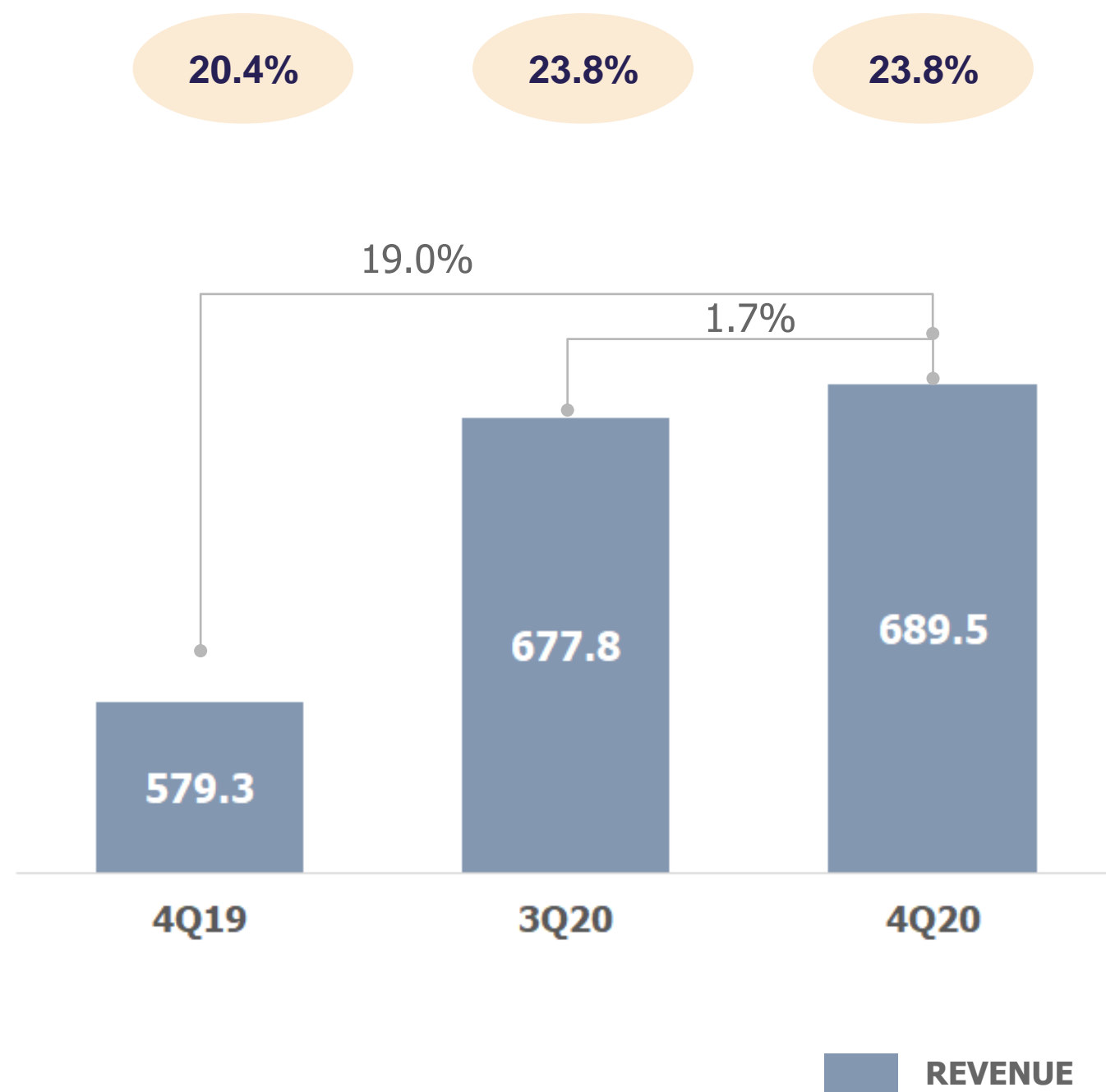
EBITDA



* Result shown strictly for the sake of comparison.

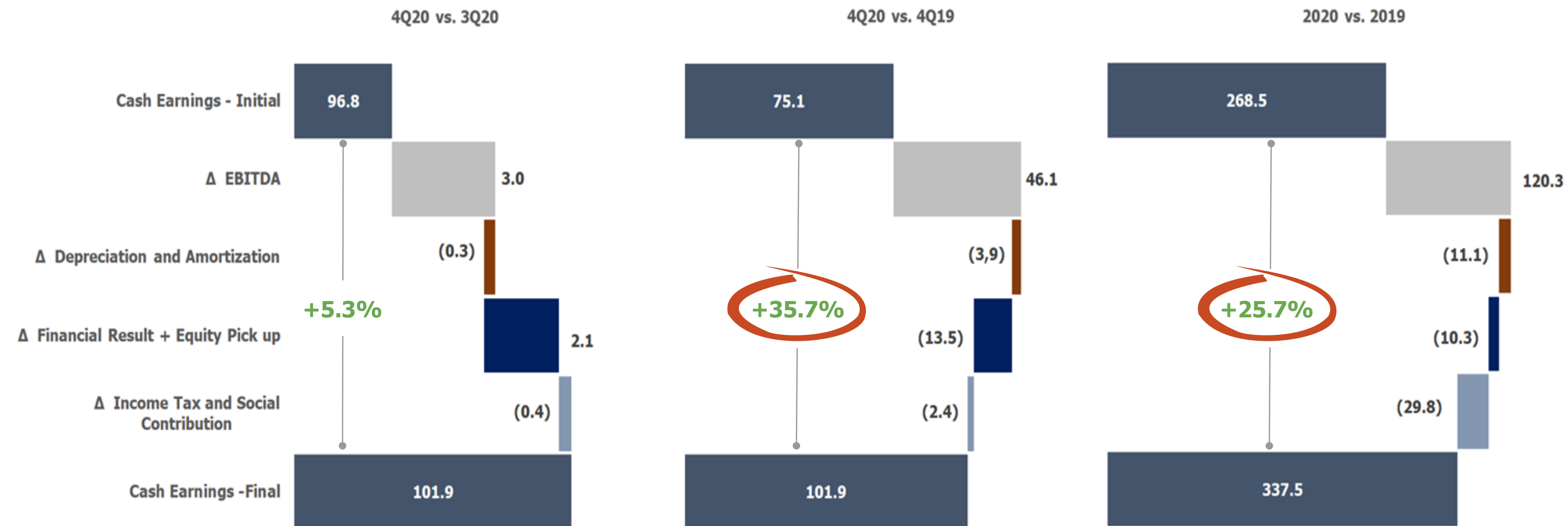


CONSOLIDATED REVENUE GREW 19% IN 4Q20 AND
ADJUSTED EBITDA MARGIN INCREASED 340 BASE POINTS OVER 4Q19





THE EXPANSION OF ADJUSTED EBITDA BOOSTED THE
25.7% GROWTH IN CASH EARNING IN THE YEAR



(i) Net Income without the effects of expenses with amortization of intangibles arising from acquisitions.

#SPEEDNESS

#exponentialize

#digitalize

#cloudify

Thanks to our 40k+ clients who counted on TOTVS in 2020!!

Supplier's "V" recovery:
Credit Production of
R\$2 billion in 4Q20

R\$300 million addition in
ARR, reaching **R\$2,2 billion**

37.4%
Supplier ROE

Growth: **21%** in SaaS
and **25.5%** in EBITDA

IBrX 50 & MSCI

Business Performance
strengthening with the acquisitions of
 **tail** +  **wealthsystems®**

90% of remote implementation

30 points increase
in **eNPS**

ESG agenda

100% Homeoffice
in our branches

96% of TOTVERs believe in the
Potential and **Future**
of TOTVS

Revenue Growth +
EBITDA Margin
>40% (4Q20)

THANK YOU



INVESTOR RELATIONS

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- Technology + Knowledge are our DNA
- The success of our client is our success
- We value competent people who are nice people



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totvs.store



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