

**UNIVERSO  
TOTVS**

**BUSINESS  
PERFORMANCE**



**TECHFIN**



**MANAGEMENT**

**INVESTOR DAY  
2024**





OUR VALUE  
PROPOSITION IS  
**TO ENHANCE  
THE COMPANIES**  
RESULTS



**EXPAND OUR  
RELEVANCE**  
WITHIN THE  
CLIENT BASE

**INCREASE  
THE SHARE  
OF WALLET**



**TRUSTED  
ADVISOR**





**BUSINESS  
PERFORMANCE**



**TECHFIN**



**MANAGEMENT**







**MANAGEMENT**  
DIMENSION

**MASTER KEY**  
OF RELATIONSHIP WITH  
THE CLIENT





# MANAGEMENT DIMENSION

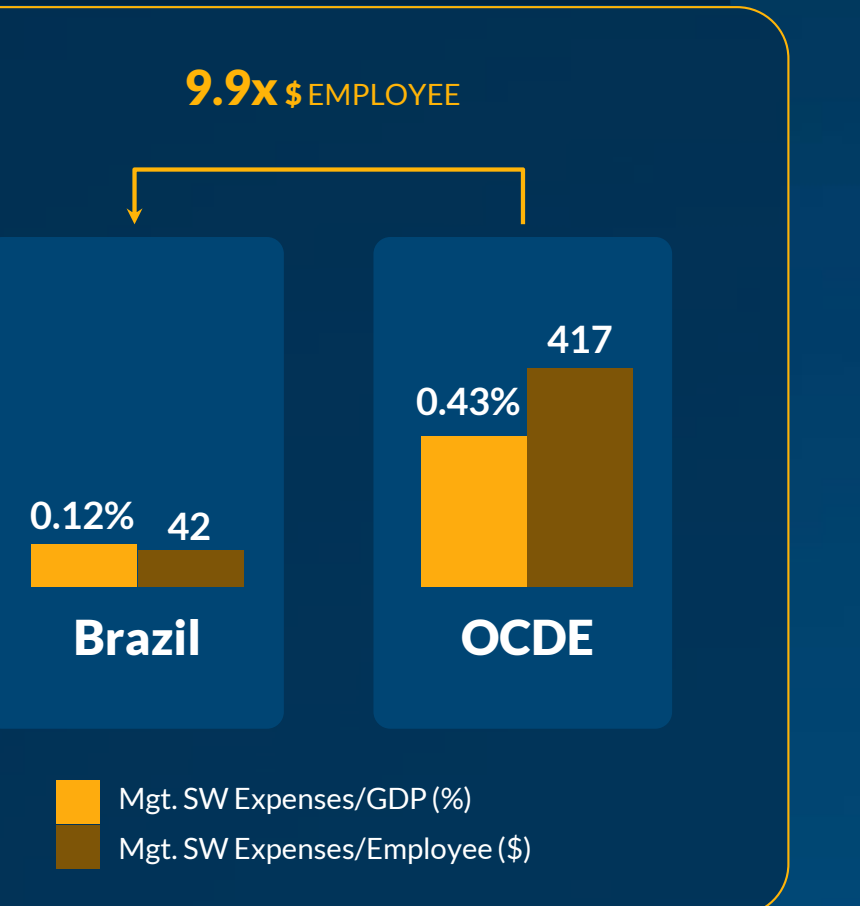
## MANAGEMENT MARKET

CAGR	2013-23	2019-23
Brazilian GDP (Nominal) <sup>1</sup>	6.4%	8.0%
Management Market <sup>2</sup>	13.2%	16.2%
TOTVS Management <sup>3</sup>	14.9%	19.1%

2X (Management Market vs GDP), 2X (TOTVS vs Management Market)  
 1.7 p.p. (TOTVS vs Management Market), 2.9 p.p. (TOTVS vs GDP)

<sup>1</sup> BACEN; <sup>2</sup> Gartner; <sup>3</sup> TOTVS - Recurring Revenue

### SW EXPENSES - MANAGEMENT



### MANAGEMENT

TOTVS Market Share<sup>1</sup>: **15.3%**  
(+120 bp vs. 2020)

<sup>1</sup> IDC

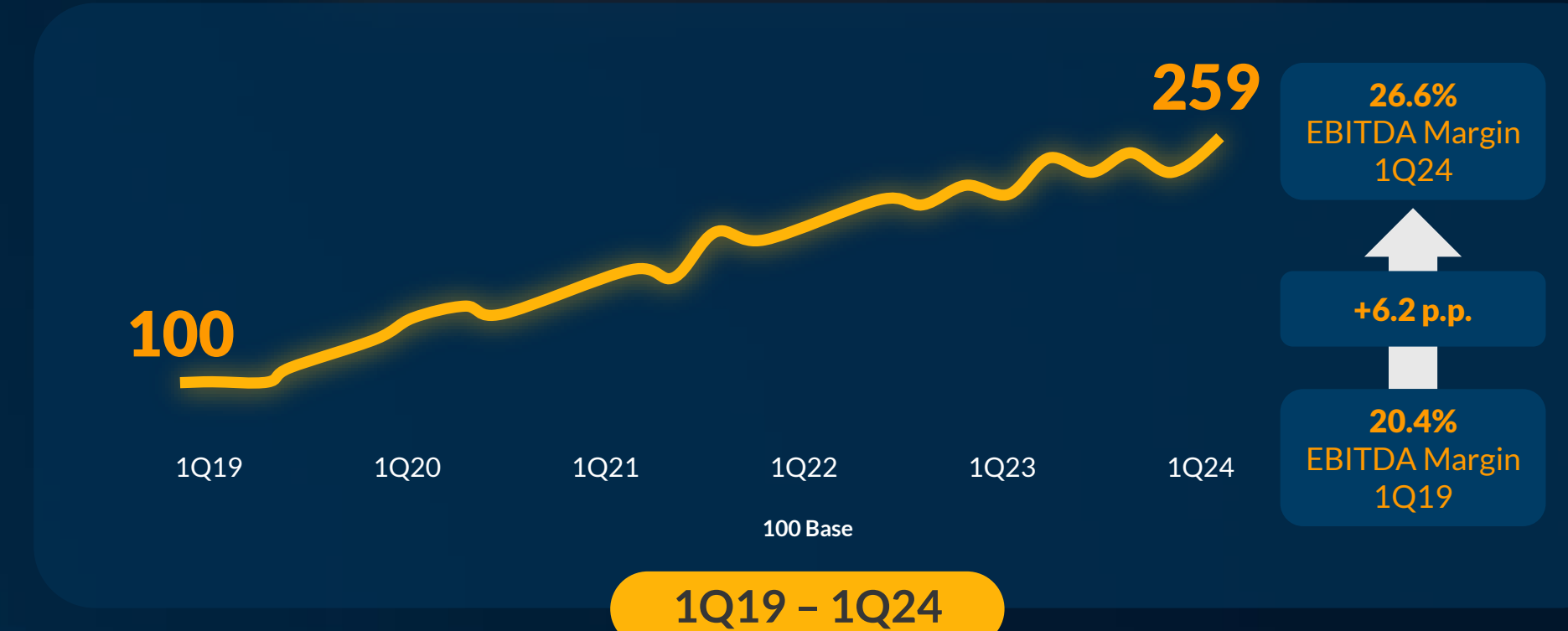
## DIMENSION THAT GROWS WITH PROFITABILITY

### RECURRING REVENUE

**R\$ 3.5 bi**

We more than doubled the Recurring Revenue from 2019 to 2023 with 20 consecutive quarters of growth above 2 digits

### MANAGEMENT EBITDA



1Q19 - 1Q24



# BUSINESS PERFORMANCE DIMENSION

## BIZ PERFORMANCE MARKET

CAGR	2013-23	2019-23
Brazilian GDP (Nominal) <sup>1</sup>	6.4%	8.0%
Biz Performance Market <sup>2</sup>	26.0% <span>4X</span>	25.9% <span>3X</span>
TOTVS Biz Performance <sup>3</sup>	89.8% <span>64 p.p.</span>	32.9% <span>7 p.p.</span>

<sup>1</sup>BACEN; <sup>2</sup>Gartner; <sup>3</sup>TOTVS - RD Station Revenue in 2013



### BIZ PERFORMANCE

TOTVS Market Share<sup>1</sup>:  
**5.7%**  
(+480 bp vs. 2020)

<sup>1</sup>IDC

## SINGLE TO MULTI PRODUCT

WE DID WITH MANAGEMENT AND WE ARE DOING WITH BIZ PERFORMANCE



CROSS SELL



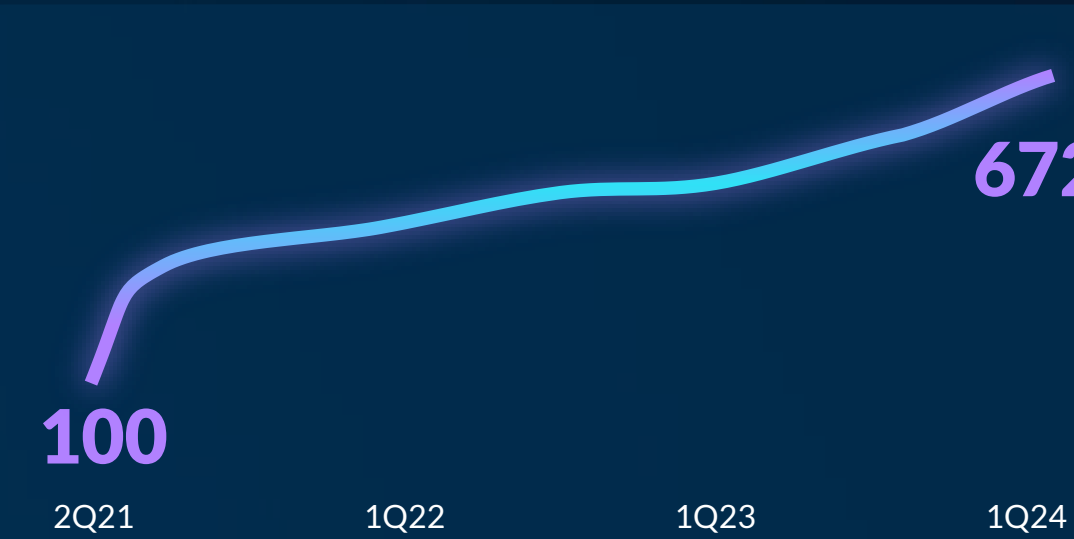
UP SELL



NEW NAMES

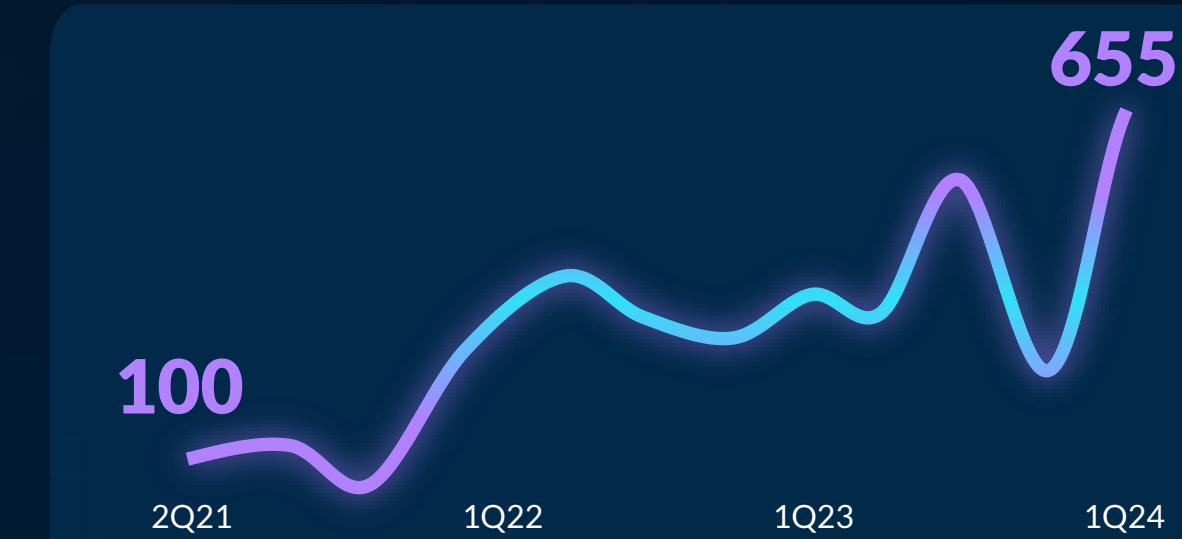
## CONSTANT PROFITABILITY EXPANSION

### NET REVENUE



2Q21 - 1Q24

### EBITDA



2Q21 - 1Q24





# TECHFIN

DIMENSION

## TECHFIN MARKET



<sup>1</sup>The size of the Techfin Market was proportionally adjusted from the gross revenue metric to the revenue net of funding, which better reflects the spread

DISRUPTIVE  
VALUE PROPOSITION

# ERP BANKING

**LOW RISK**  
BUSINESS MODEL

**LOWER**  
REGULATION

**SELF-SUSTAINABLE**  
BUSINESS UNIT





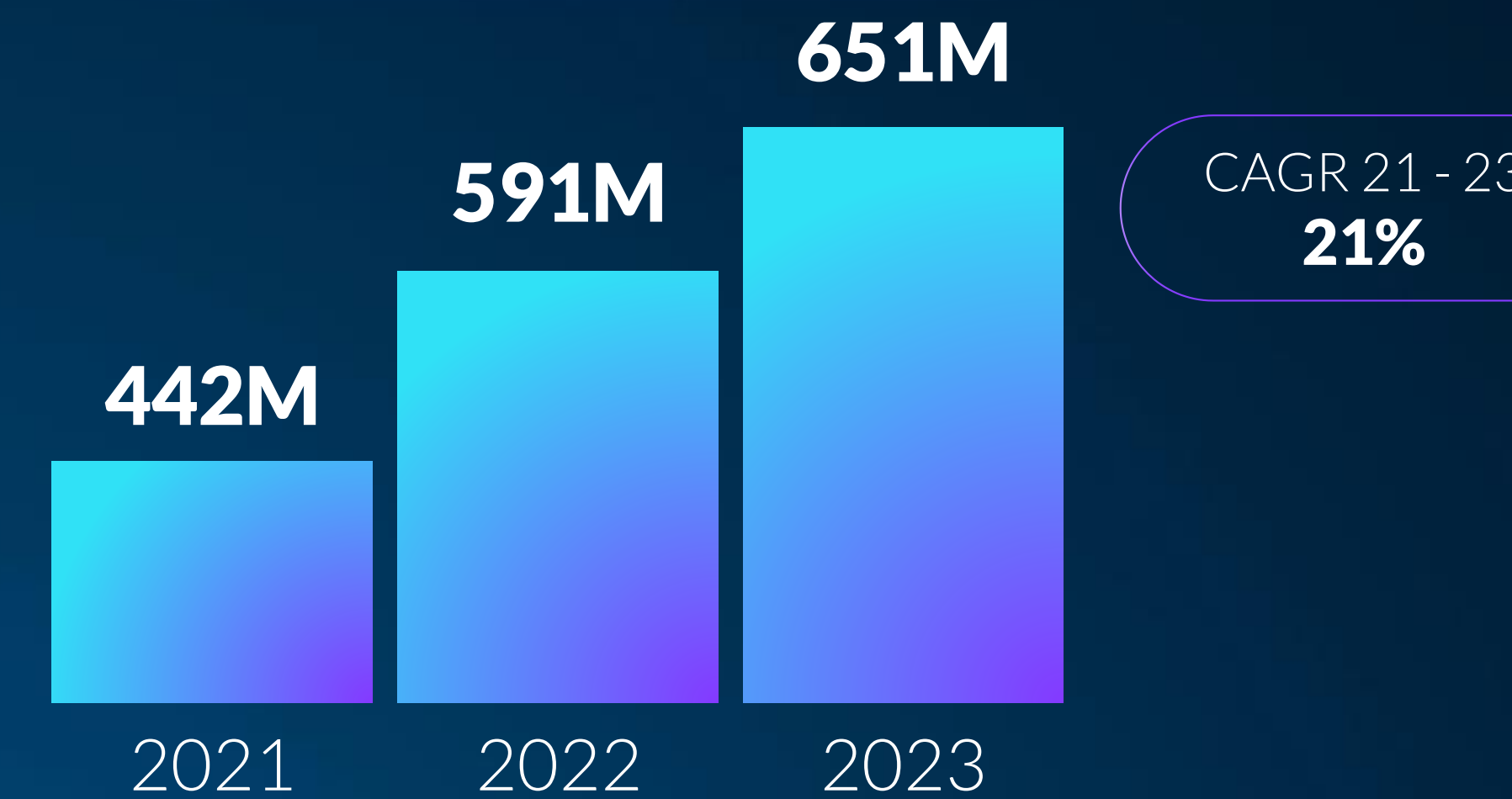


WE CONTINUE TO  
CONSISTENTLY  
GENERATE CASH

## OPERATING CASH GENERATION



## CASH EARNINGS



## SHAREHOLDER VALUE MAXIMIZATION

M&A

SHARE BUYBACK

DIVIDENDS







**MANAGEMENT**

DIMENSION





# MANAGEMENT DIMENSION OVERVIEW

## ESPECIALIZED SOLUTIONS FOR EACH INDUSTRY SECTOR

- Agribusiness
- Construction
- Distribution
- Education
- Hospitality
- Legal
- Logistic
- Manufacturing
- Service Providers
- Health
- Retail

## SOLUTIONS FOR ALL INDUSTRY SECTORS

- ERPs
- HR Suite
- Fluig
- Gesplan
- Analytics

## TECHNOLOGY, DATAS AND AI

- Own Technology
- ID and AI Platforms
- TOTVS Apps

## T - CLOUD

- SaaS
- PaaS
- IaaS

PURPOSE-BUILT CLOUD



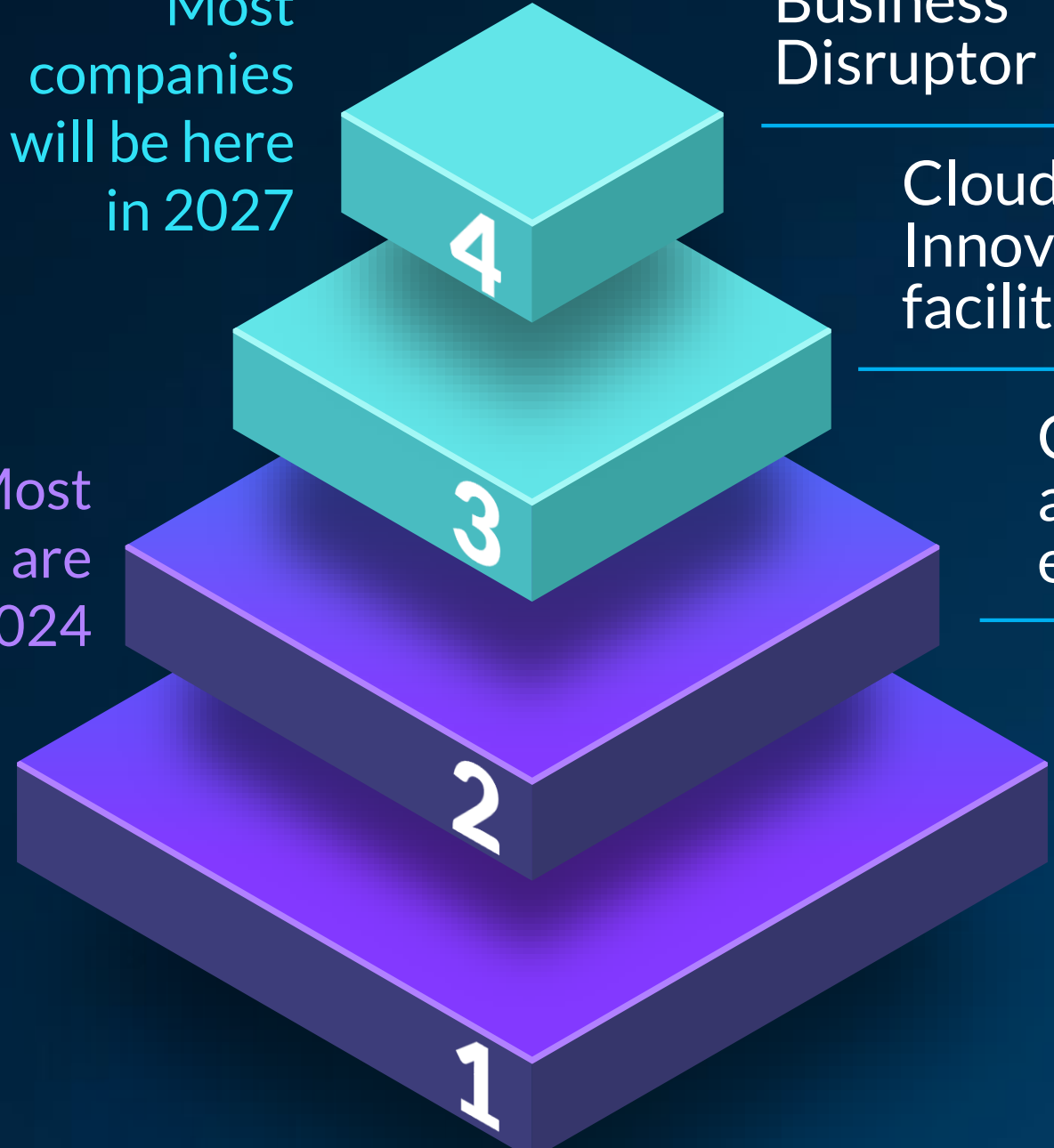
# T-CLOUD AND THE CLOUD STRATEGY

## CLOUD COMPUTING SCENARIO IN 2027

From technological disruptor to business disruptor

Most companies are here in 2024

Most companies will be here in 2027



Cloud as a Business Disruptor

Cloud as an Innovation facilitator

Cloud as a feature enabler

Cloud as a Technological Disruptor

## TOTVS CLOUD, A PURPOSE-BUILT CLOUD

SaaS

PaaS

IaaS

Use of data (telemetry + AI)

Security and privacy

Broad Access

Digitalization

TOTVS + Public Clouds

CAGR 21-23 of **41%** from Cloud Revenue

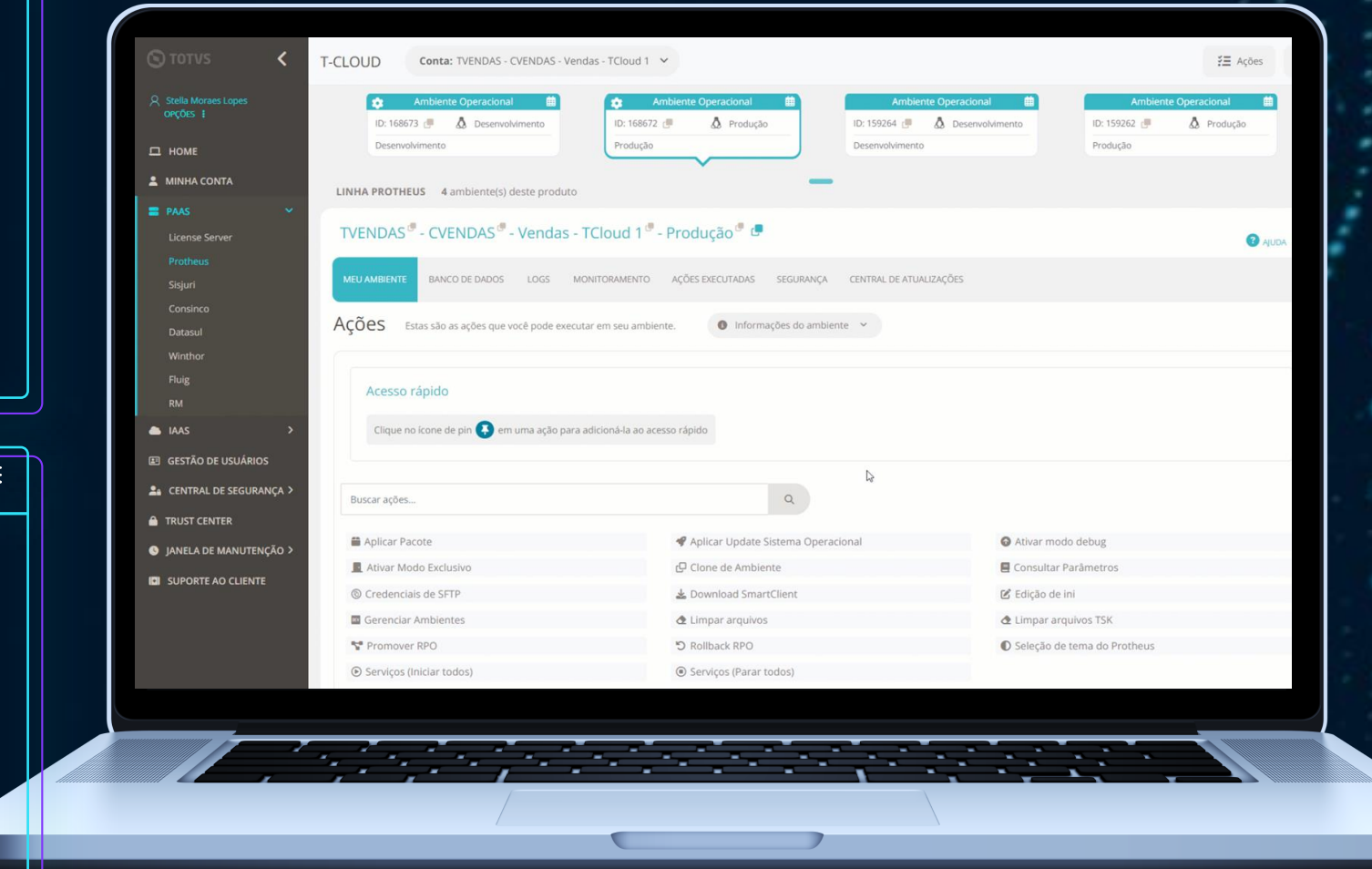
**10** Availability Zones

Product Availability of **99.8%** in TOTVSCloud

**+40%** of Clients are in TOTVS Cloud

Reduction of cost of up to **42%** when migrating to TOTVS Cloud

Simplifying the customer scenario with **IaaS** in T-Cloud



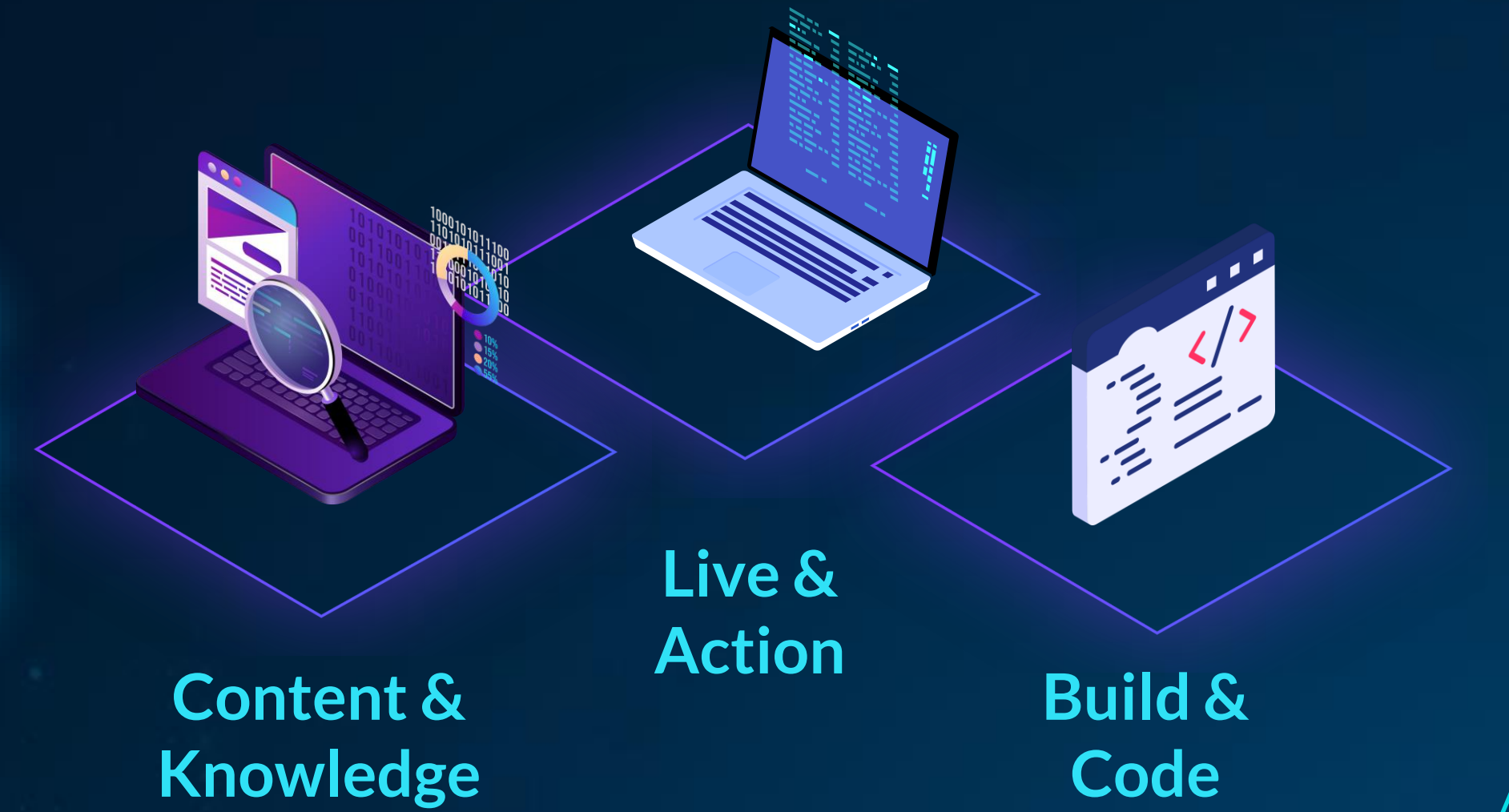




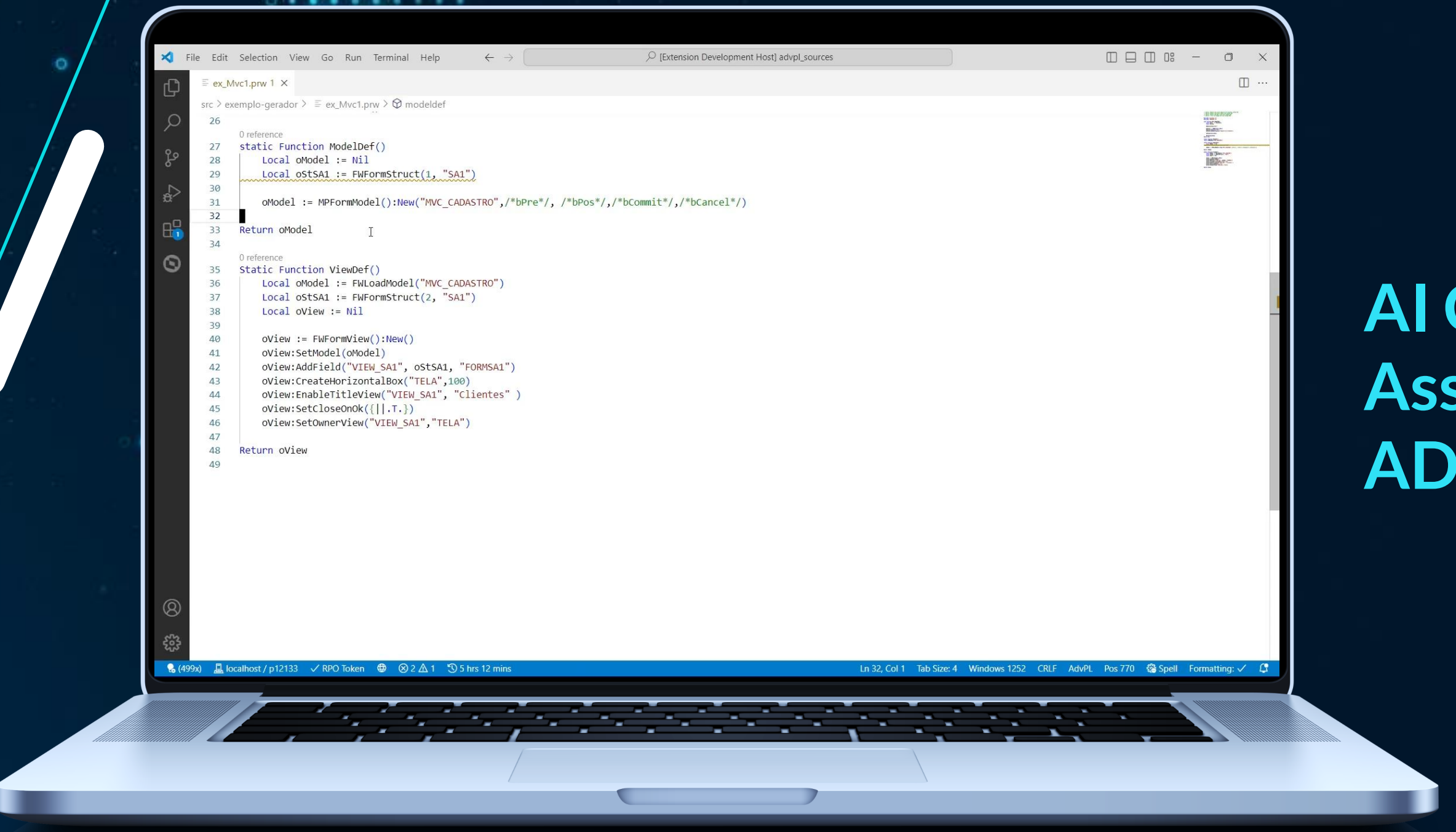
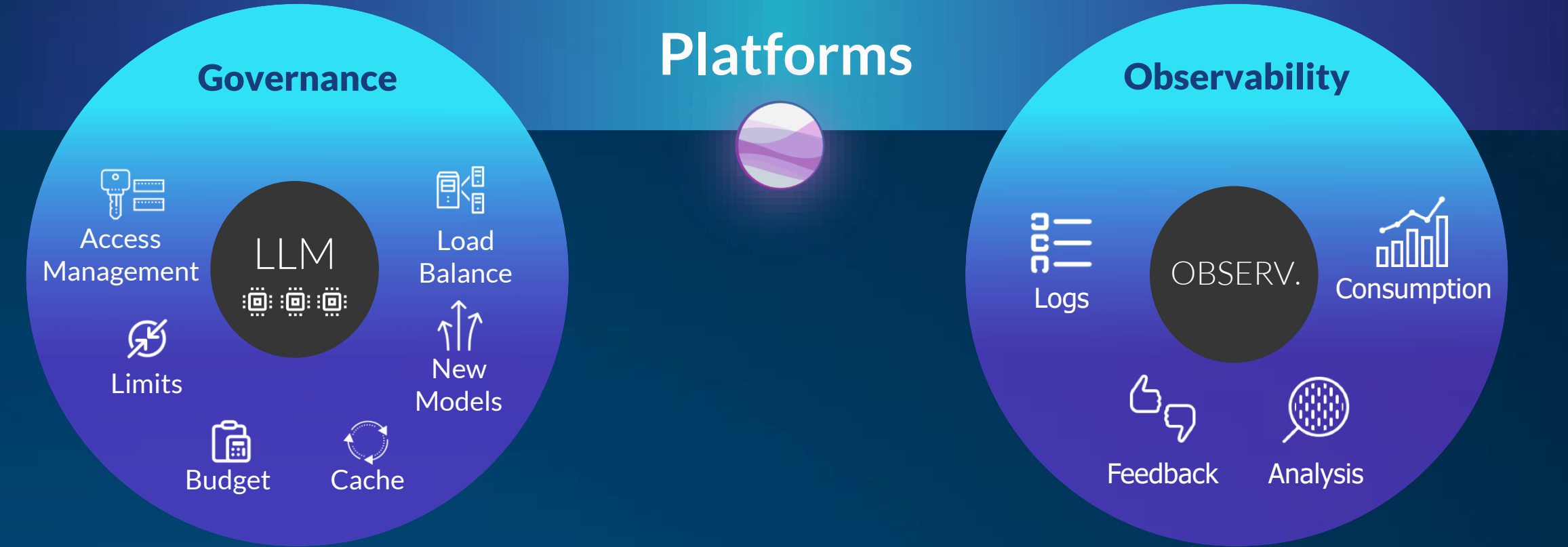
# IDeIA

## DATA INTELLIGENCE

- Cases (Apps)
- Processes
- Services



- PROJECTS
- DTA CAROLINA (C&K)
  - DTA DATASUL (C&K)
  - DTA CRM (L&A)
  - DTA AVPL/TL++ (B&C)
  - DTA LOGÍSTICA (L&A)
  - ...



AI Code Assistant  
ADVPL / TL++



# SOLUTIONS TO ALL INDUSTRY SECTORS



**ERPs TOTVS**



**GESPLAN**



**GoodData**



**Industry  
Sectors**

**TOTVS** FLUIG

**TOTVS  
Identity**

**IPaaS**

**TOTVS** RH

**Feedz**  
by TOTVS

**ahgora**  
by TOTVS

**HR Suite**



**Evolution of UI e UX  
full review**





# ESPECIALIZED

SOLUTIONS TO  
EACH INDUSTRY  
SECTOR

 **TOTVS** AGRIBUSINESS

 **TOTVS** CONSTRUCTION

 **TOTVS** DISTRIBUTION

 **TOTVS** EDUCATIONAL

 **TOTVS** HOSPITALITY

 **TOTVS** LEGAL

 **TOTVS** LOGISTIC

 **TOTVS** MANUFACTURING

 **TOTVS** SERVICES PROVIDERS

 **TOTVS** HEALTH

 **TOTVS** RETAIL

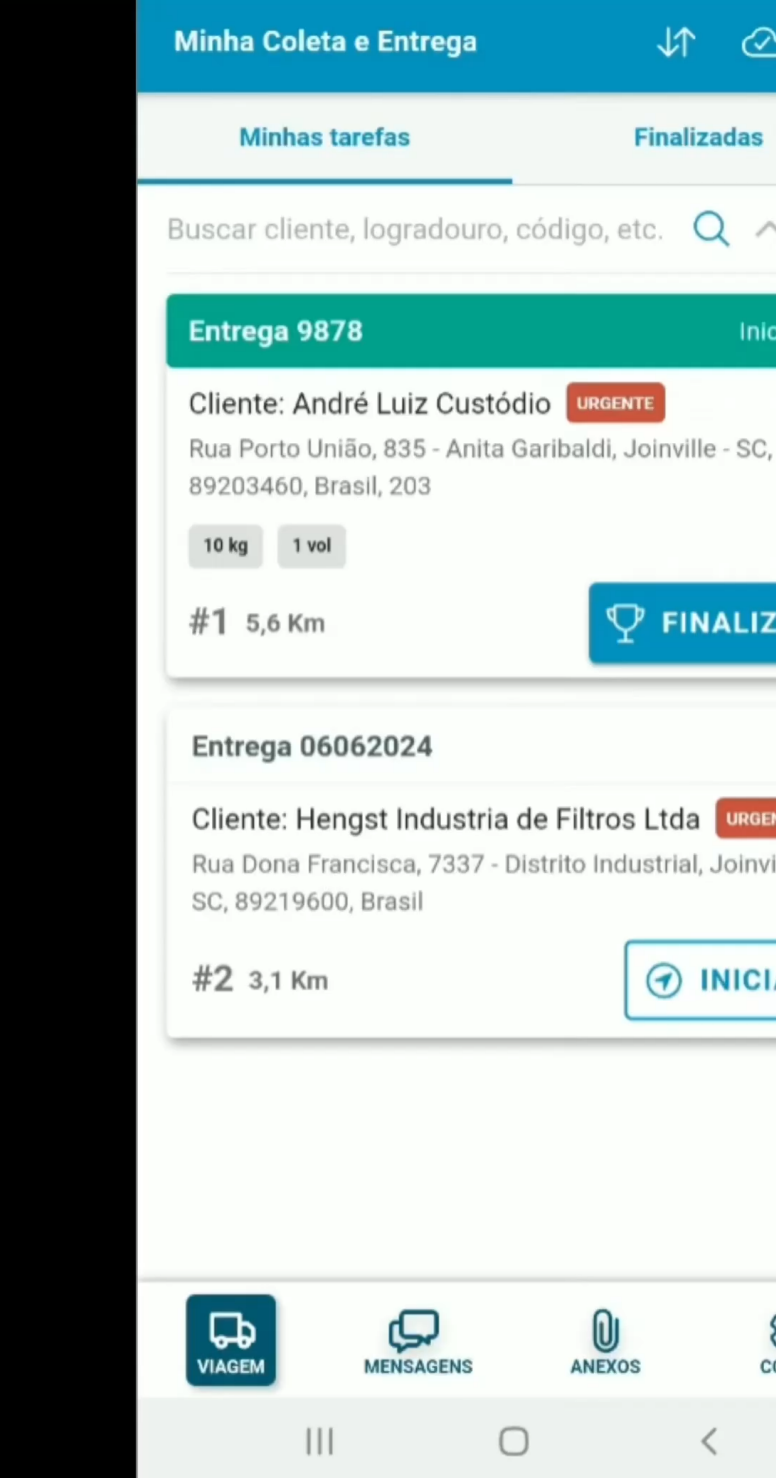
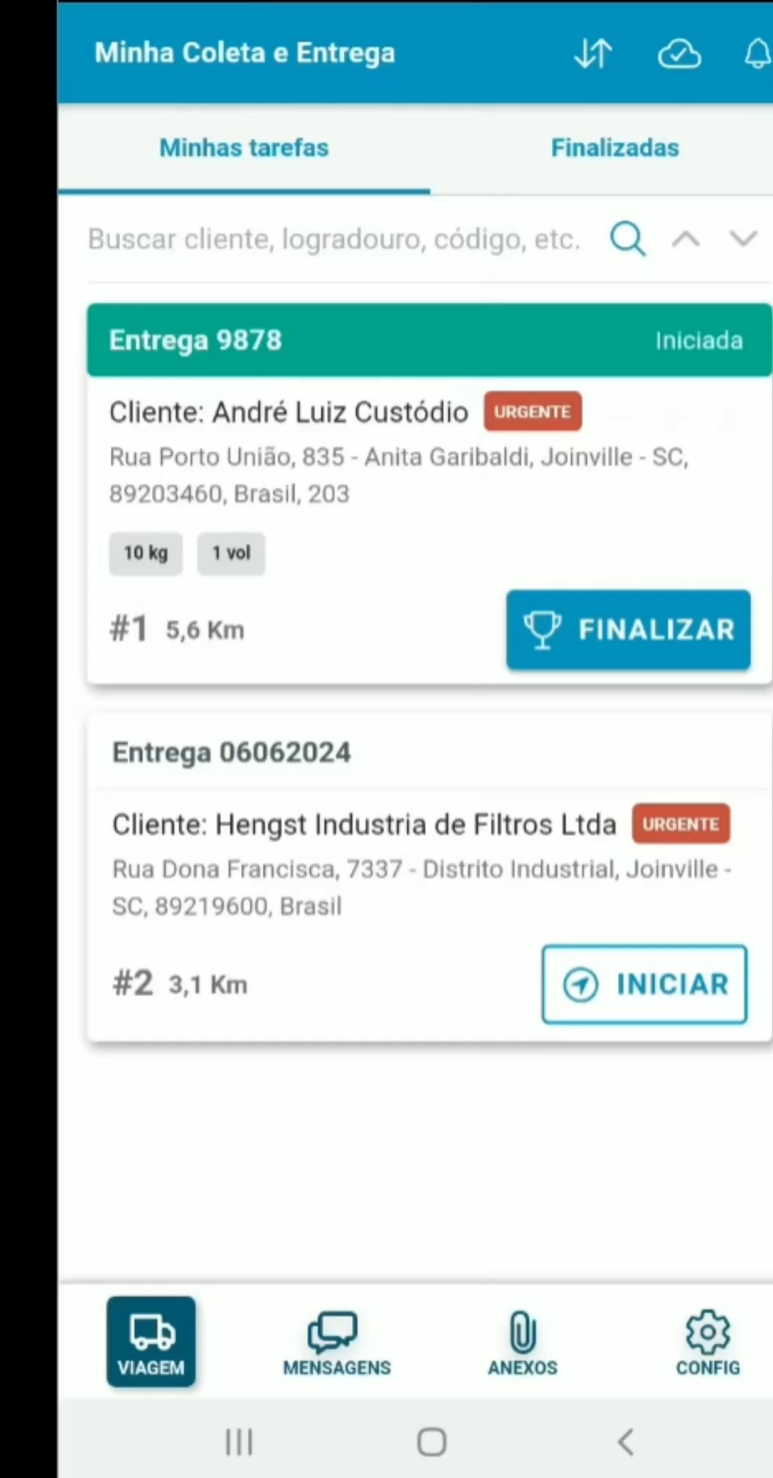
OPORTUNITIES **WITH THE**  
**TAX REFORM**



AT TOTVS,

# ARTIFICIAL INTELLIGENCE

IS ALREADY A REALITY



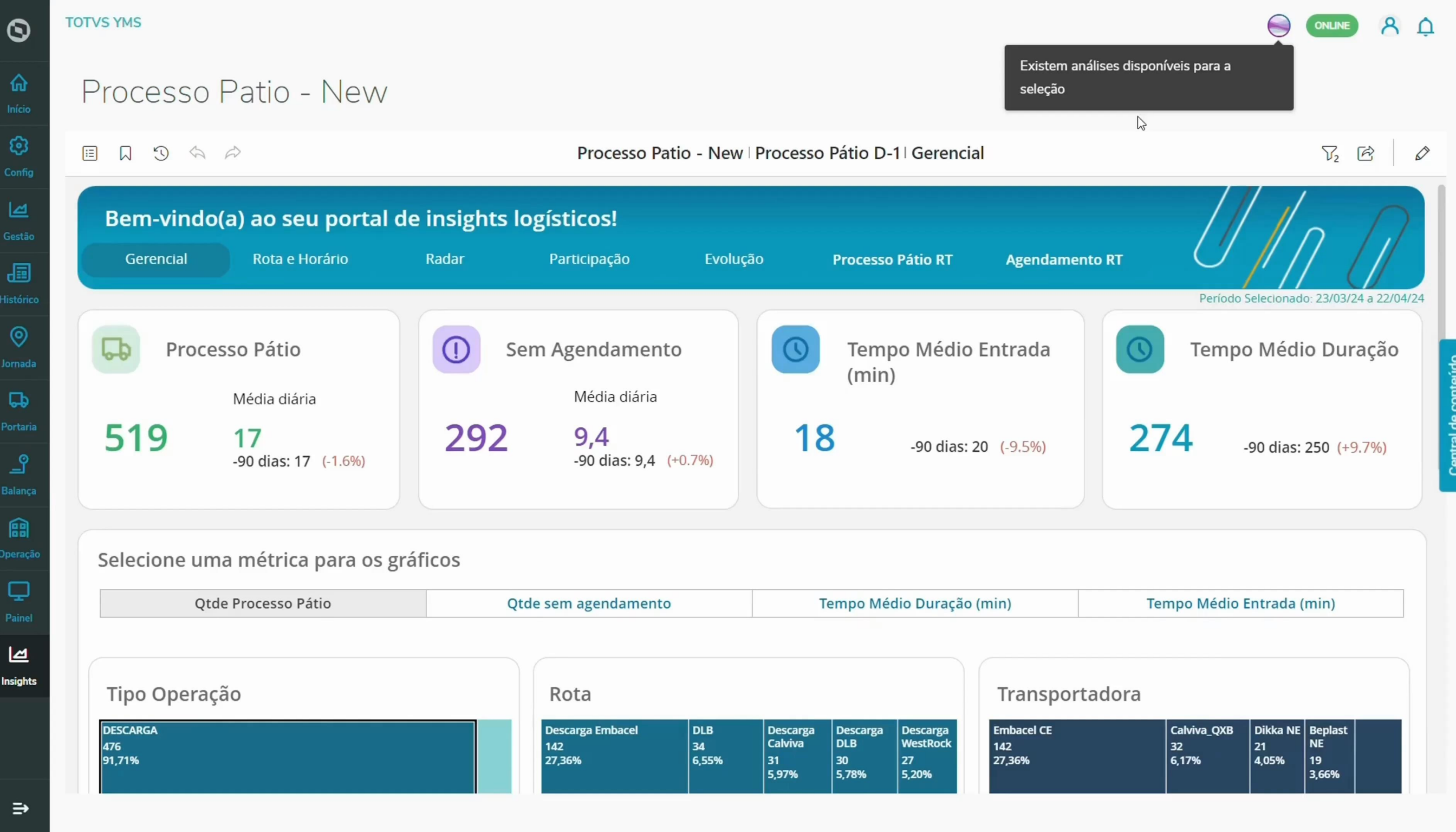
## LOGISTIC SUITE

Use of OCR to validate payment receipts instantly.





AT TOTVS,  
**ARTIFICIAL  
 INTELLIGENCE**  
 IS ALREADY A  
 REALITY



## LOGISTIC SUITE

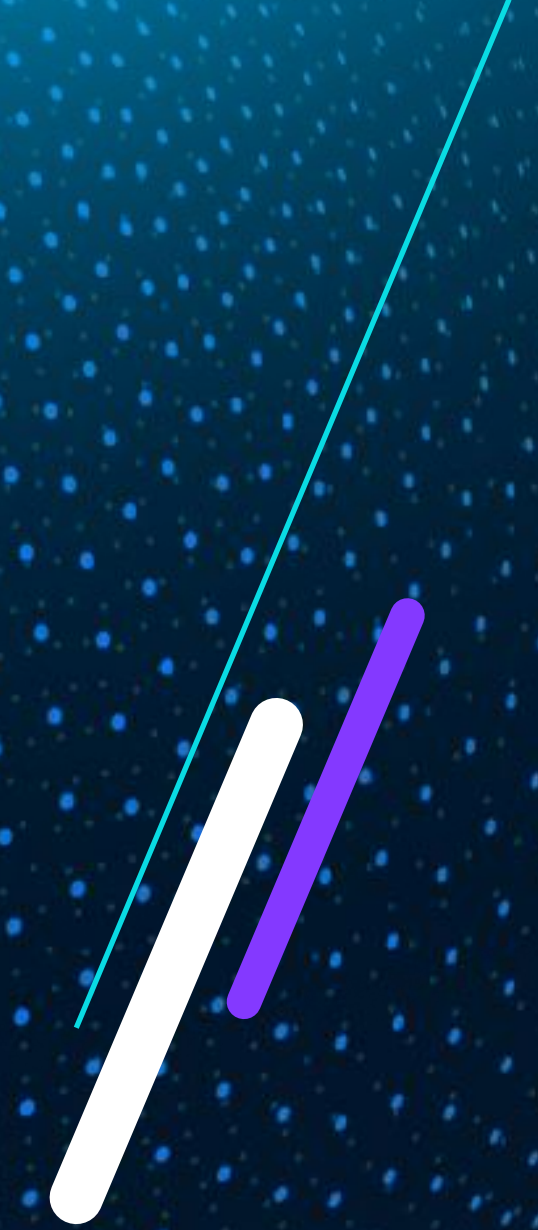
Powered by Generative AI, we generate insights to transportation management, loading and unloading scheduling, and how your warehouse can be more efficient.





## CONSTRUCTION

An intelligent chatbot to help in the project management, use of construction materials and techniques to improve construction management.



AT TOTVS,

# ARTIFICIAL INTELLIGENCE

IS ALREADY A REALITY





MANAGEMENT  
DIMENSION  
**OVERVIEW**

**Mgmt. Revenue LTM**

**+4.2bn**

CAGR (18-23)  
+38%

**Mgmt. SaaS Revenue LTM**

**1.6bn**

CAGR (18-23)  
+66%

**Mgmt. EBITDA LTM**

**1.1bn**

CAGR (18-23)  
+61%





**USE TECHNOLOGY TO  
BRING THE FUTURE**  
OF MARKETING, SALES AND  
E-COMMERCE TO OUR CLIENTS



## **3 TURBINES**

### **Stand-alone Business**

Growing Market

### **Intradimension Integration**

Portfolio Expansion, Multi-product,  
Efficiency, Profitability and Retention

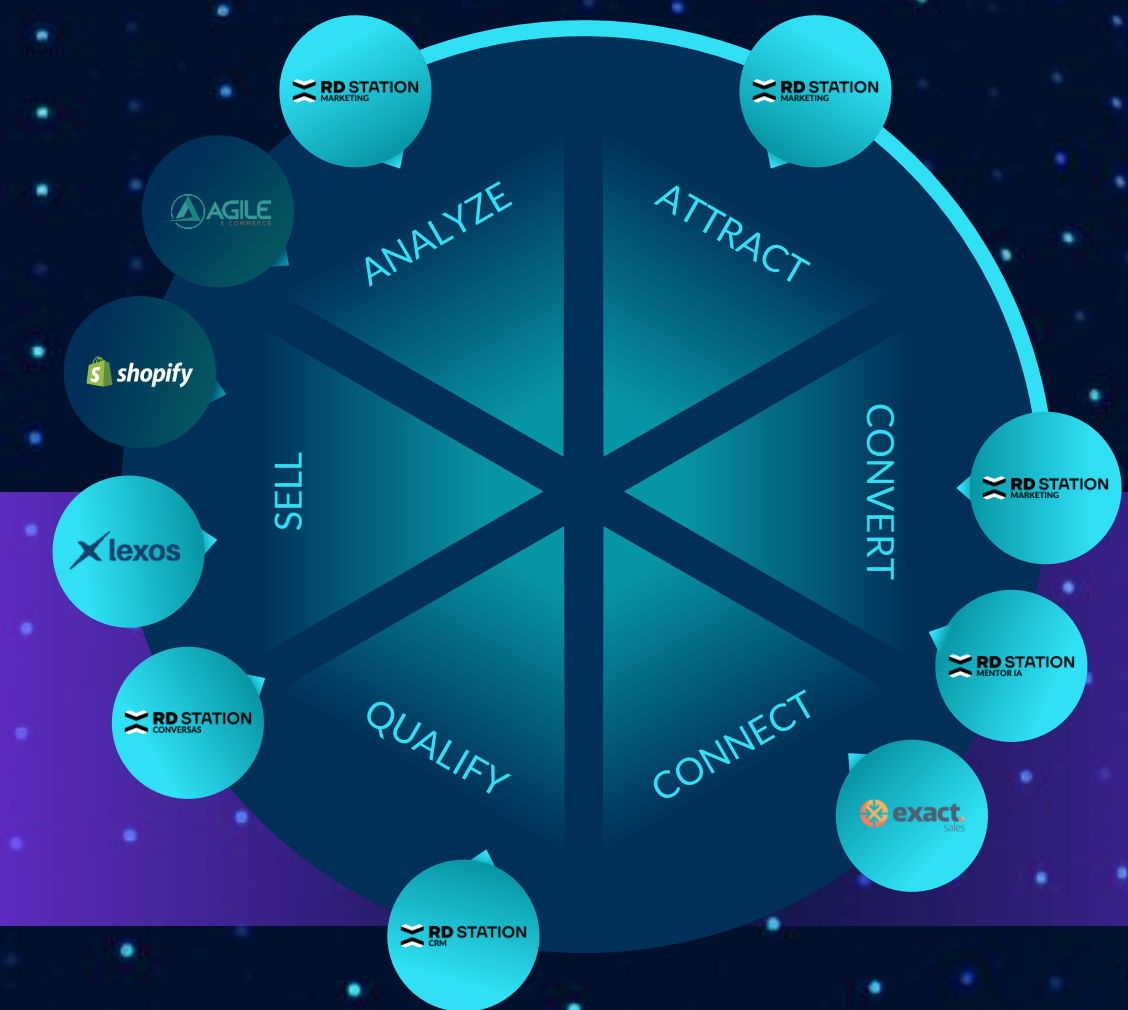
### **Interdimension Integration**

New Segments  
New Growth Avenues



To boost the journey in Marketing and Sales

**we offer a robust portfolio of solutions**



Where each category within the Business Performance dimension

**helps us grow our recurring revenue, market share and expand the ecosystem**

**#50K**

RD Station Clients

## PORTFOLIO EXPANSION



RD Station Portfolio of product solutions offered by us



Automate and manage your Digital Marketing



Automate your customer relationship and sell more



Let your best version rise and communicate better



Complete platform to start, manage and grow your online store



Control process and increase your sales



Increase your sales through sales efficiency



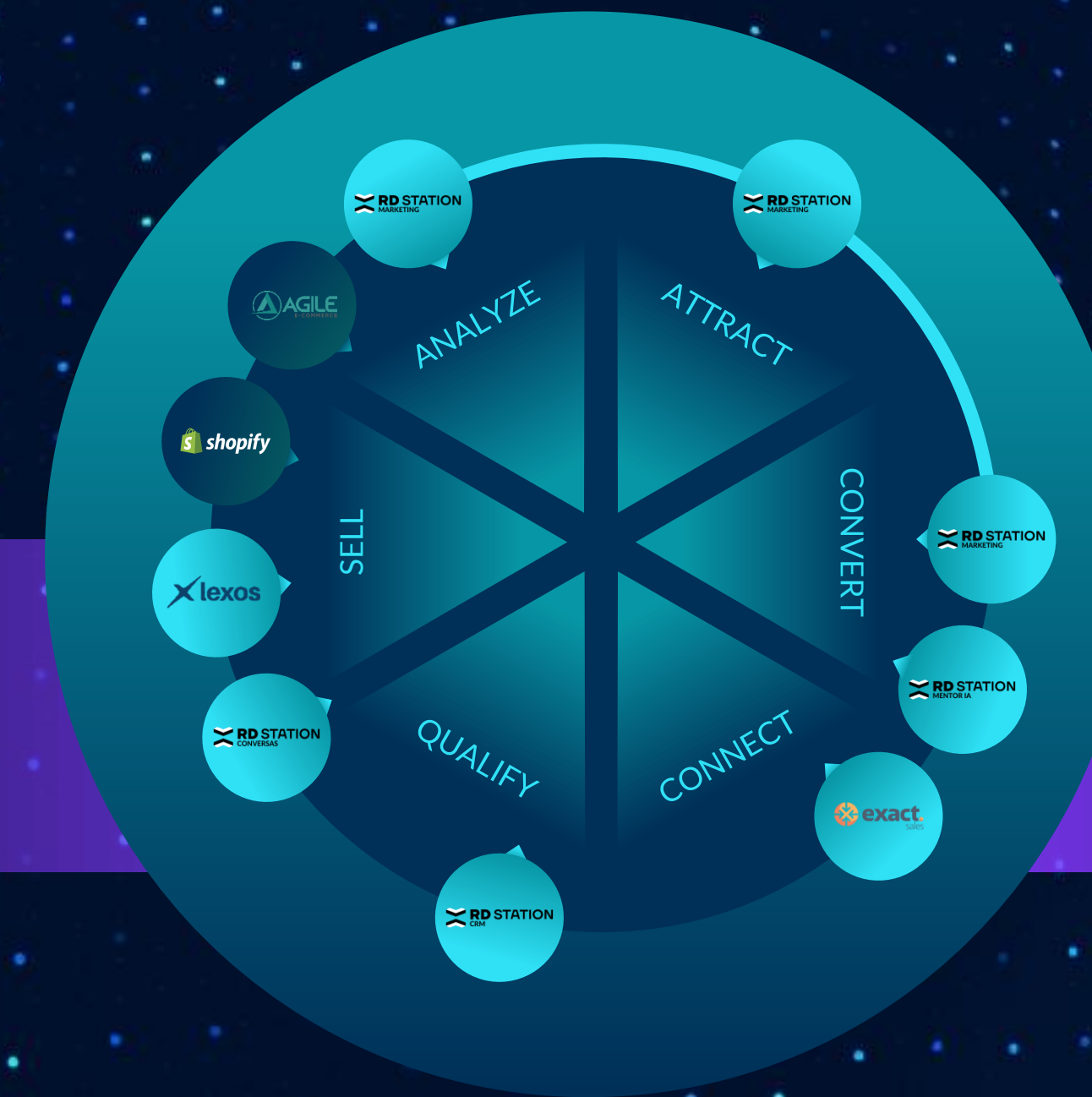
Manage and scale your sales via online store and marketplace



B2B e-commerce platform for distribution and agribusiness companies



Our growth is and will continue to be leveraged in the RD Station transformation into a Platform

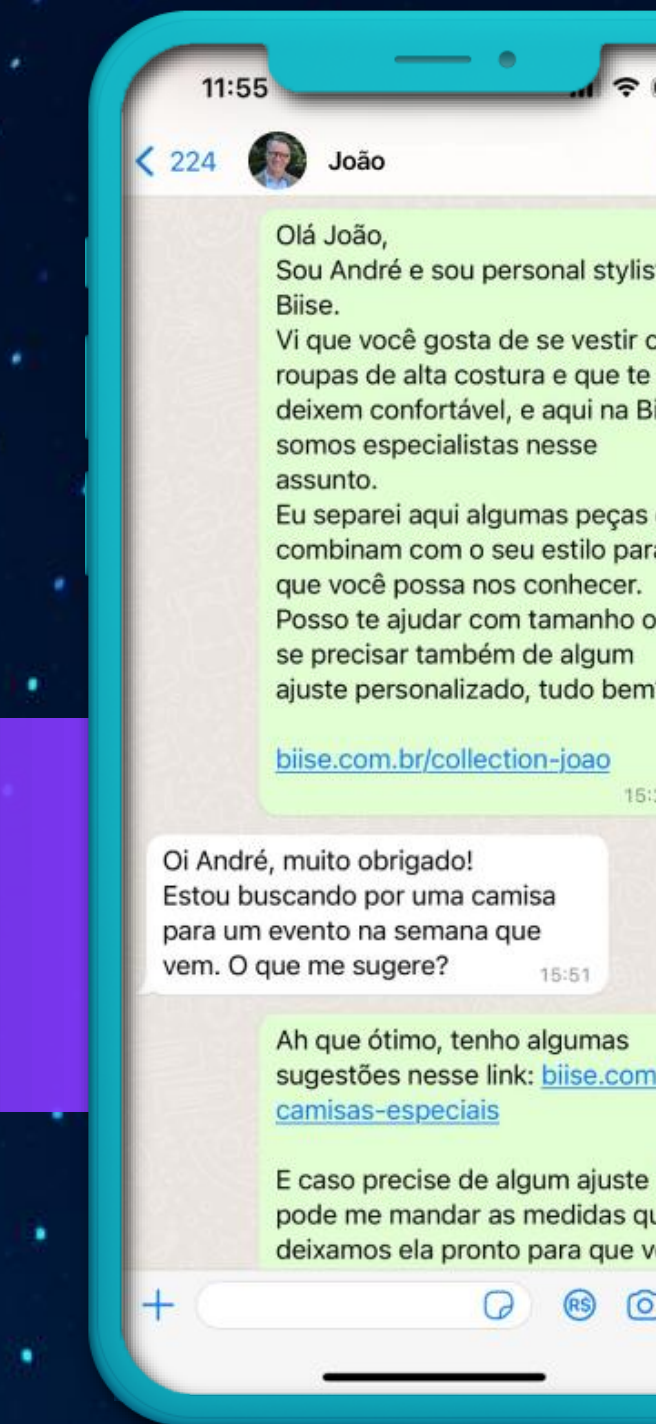


with multiple products, multiple interlocutors, partners and business models

# 40%

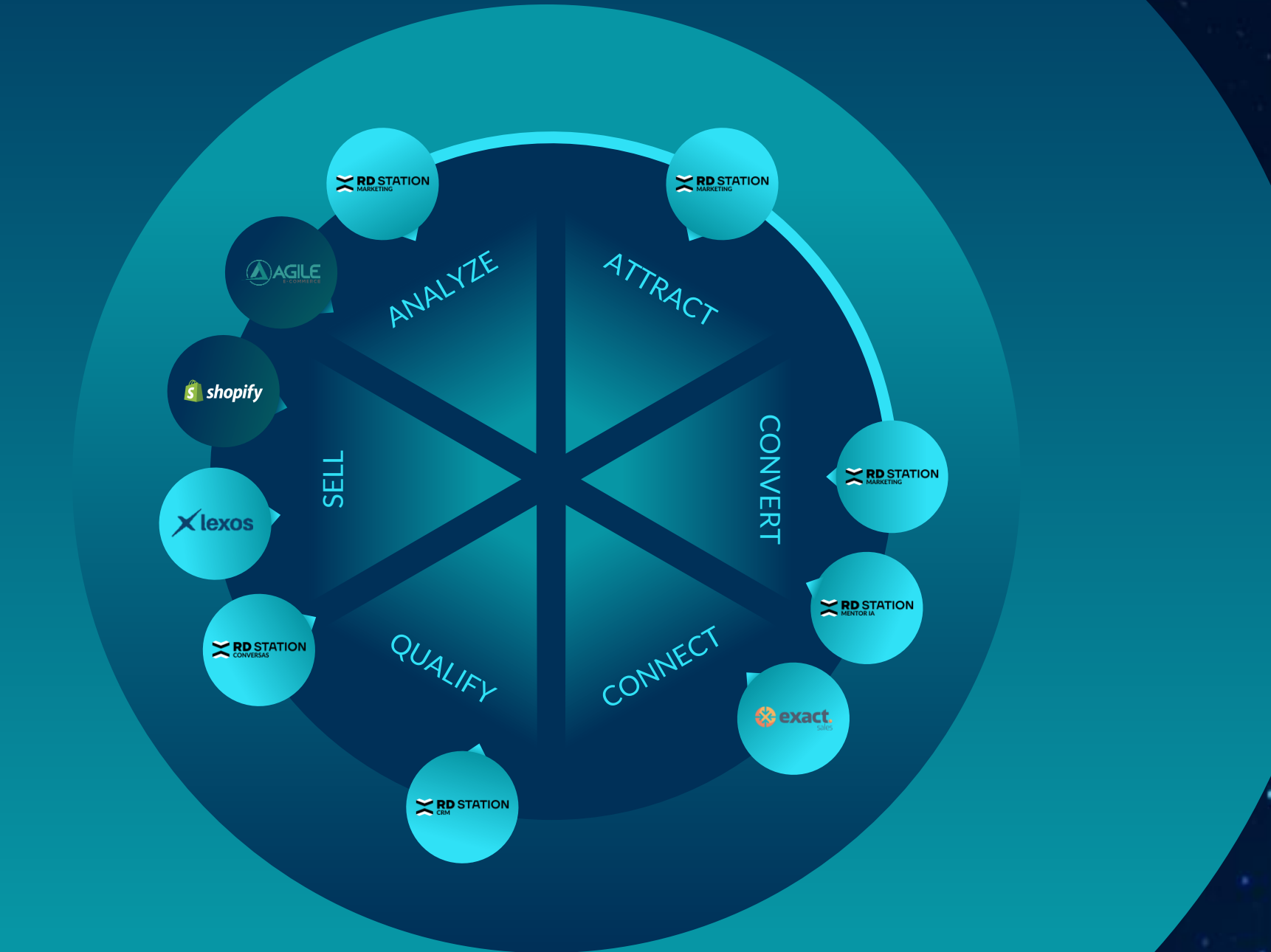
of Business Performance Revenue comes from **multi-product** clients

## Business Performance B2C Journey





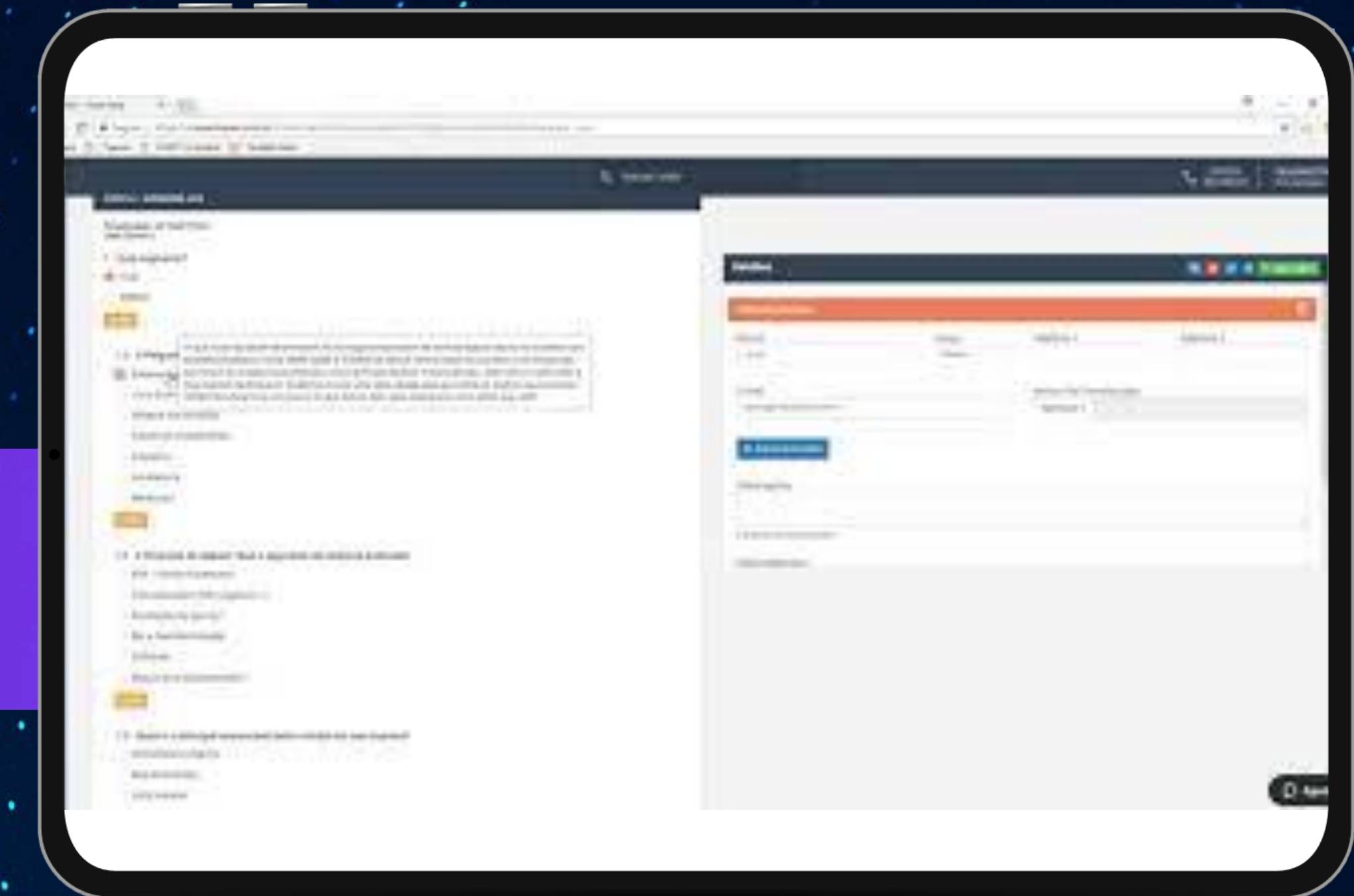
Our competitive advantage and expansion into new segments and market



will continue to be driven by integration between dimensions...

**~20%** ARR Addition came from new ICPs

**RD + ERP DEMO (FLUIG OR HEALTH)**





# ACCELERATED MARKETING EXPANDING

Conversational ahead

**O GLOBO**

**Chatbots têm projeção de crescimento de 23% até 2028**

Diretor executivo comenta sobre projeções sobre o uso de chatbots e elucida principais dúvidas sobre o funcionamento e aplicações da ferramenta que está em expansão em diversos setores

**OLHAR DIGITAL**

**INTERNET E REDES SOCIAIS**

**WhatsApp é utilizado por 95% das empresas brasileiras, mostra pesquisa**

Um estudo realizado pela Yalo com dados da IDC revela que o WhatsApp é a plataforma de comunicação preferida de empresas e clientes

**itforum**

**Brasil é prioridade da Meta para ampliar uso comercial do WhatsApp no mundo**

Meta reuniu parceiros tecnológicos e clientes nessa quarta (23) em São Paulo durante o WhatsApp Business Summit Brasil

**W MAGAZINE**

**Varejo é o campeão no uso do WhatsApp como ferramenta de vendas**

74% dos varejistas do país utilizam o aplicativo para abordar etapas do processo de vendas; uso é maior entre pequenas empresas

Por Ian Cândido - 11/09/2023

## Performance of the main PEERs

Main PEERs	YoY Revenue <sup>1</sup>	EBITDA Margin <sup>1</sup>
	1Q24	1Q24
Locaweb	5.9%	+10.0% YoY
VTEX	24.5%	negative
Salesforce	10.8%	+18.1% YoY
Hubspot	23.1%	~zero

<sup>1</sup>Source: Bloomberg

## How about us? We grow based on this priority:

**Biz Performance Revenue Growth in 1Q24**  
**+46% YoY**

**Biz Performance EBITDA Growth in 1Q24**  
**+158% YoY**

RD STATION MARKETING    RD STATION CONVERSAS    RD STATION MENTOR IA

shopify    exact. sales    lexos

RD STATION CRM    AGILE E-COMMERCE





# Well positioned

to defend leadership and win share in new markets

Sales

OUR MANDATE

Consolidated + Win share

75% + MRR in the year

from **6k** to **16k clients** in the last 2 years

Marketing

OUR MANDATE

Defended leadership

36.000 Clients

33% of Share<sup>1</sup>

Conversational

OUR MANDATE

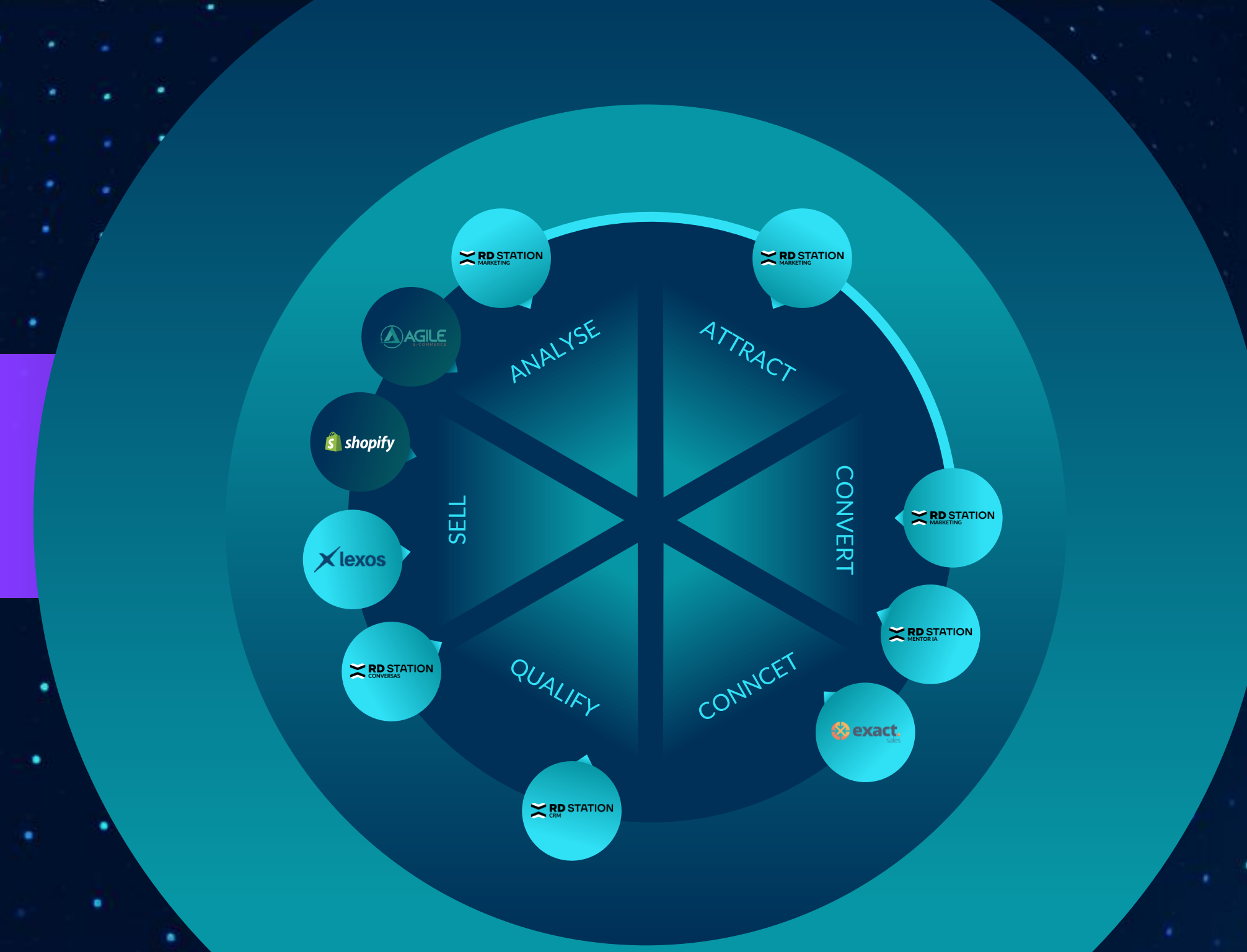
Accelerate win share

400% + MRR in the year

from **350** to **2500 clients** since the acquisition

<sup>1</sup>Source: BuiltWith + TOTVS Market Intelligence





**RD STATION**



**3 TURBINES**

**Stand-alone Business**

Growing market

**Intradimension Integration**

Portfolio expansion, Multi-product, Efficiency, Profitability and Retention

**Interdimension Integration**

New Segments  
New Growth Avenues





# ERP BANKING



+  
Supplier

YOUR SUPPLIERS



**PAYMENT TERM**  
Extend your payment deadline

**CREDIT**  
Quick and simple credit for your company

**BENEFITS**  
Simplify the HR management with payroll loans

YOUR EMPLOYEES

YOUR BUSINESS



**SALES**  
Sell more by offering credit solutions to your customer



**RECEIVABLES**  
Anticipate the deadline for your receivables and count on the ease of receiving via Pix with unified management

YOUR CLIENTS

**Automate**  
**Optimize time**  
**Generate efficiency**



Customer Experience

Portfolio

Distribution

Prices

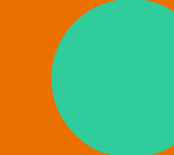
Data

INCUMBENTS

MIDDLE BANKS

FINTECHS

FIDCS



Surpass

Similar

To evolve





**DATA  
FROM ERP**

## RELEVANCE FOR THE CLIENT

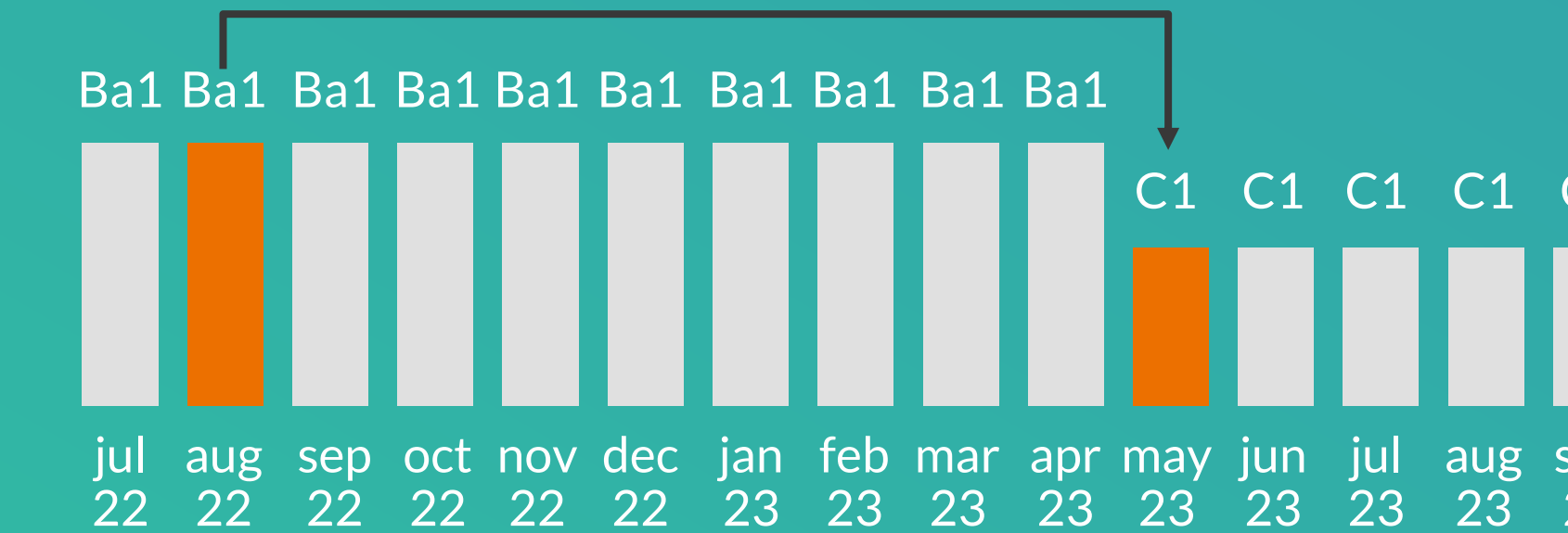
Cash flow Insight

Offering credit when the  
customer needs it



## ASSERTIVE DECISION

Preventive AI model for credit granting  
and monitoring





# PRIORITIES



Data Extraction  
and Usage



Portfolio  
Expansion

## Shelf

Credit to sell more  
Anticipations of receivables  
Extending payment term

## Pilot

Working Capital  
Payroll Loan  
Long Term

## In Development

Digital Account  
Invoice + PIX (instant payment)



Contextualized offers in  
ERP touch points



# LEVERS



 Supplier

  
New Channels

  
New Offers

  
New Industry Sectors





# UNLOCKING THE POTENTIAL WITH THE 3D STRATEGY

A 6 years history of AR (Services and Relationship)

2019

**The start of 3D strategy**  
Establishment of Business Performance and Techfin dimensions

**Empodera**  
Dada science, tooling and artificial intelligence

**Portfolio enhancement**  
Techfin offers (mais negócios, consignado, etc)  
BP offers (RD Marketing, RD Conversas, etc.)  
Management offers (HXM, Logistics Suite, etc.)

**Franchises Consolidation and Acquisitions**  
From 52 to 11: more sophistication and capacity to work all 3 dimensions

**Implementation of Customer Success teams**  
Reduction of churn, increase in the NPS and retention are important

**Management Maturity Index IMG (TOTVS + INPE)**  
Benchmark data between customers to increase the use of solutions

**Consolidation of services and creation of hubs**  
+ Standardization,  
+ Management,  
+ Scalable offers,  
+ Virtual implementation

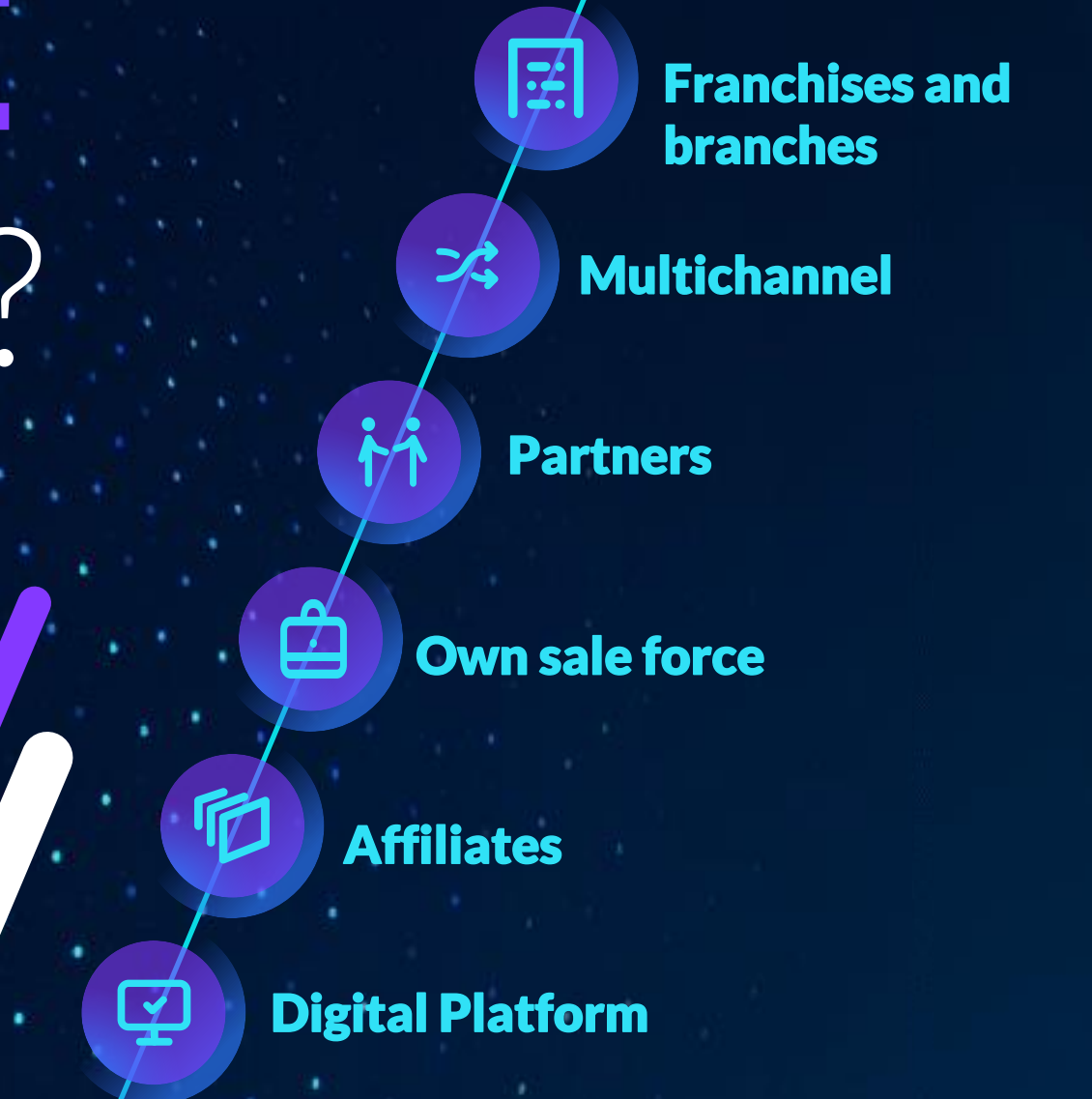
2024

**Business Performance in AR**  
Expand the sales process





# WHAT IS THE ESSENCE OF THIS TEAM?



# BEING TRUST ADVISOR IS BEING CLOSE TO THE SME CLIENT

+75 cities with physical TOTVS offices spread across Brazil. Planned opening of +10 offices in 2025

Sales executives with expertise in 12 industry sectors

Flexible implementation: combination of own structure and partnerships

All operations working with 3 dimensions





# WHERE WE ARRIVED IN OUR JOURNEY



**20 consecutive quarters**  
with 2 digit growth in  
Recurring Revenue



**Historical NPS levels**  
Historic high



**ARR Addition** plus ARR  
addition by volume

# TOTVS SALES MACHINE

**2.8X**

Management ARR  
almost tripled comparing  
1Q24 versus 1Q18

**+359%**

Growth in Management  
Organic ARR Net addition  
comparing  
2023 versus 2018

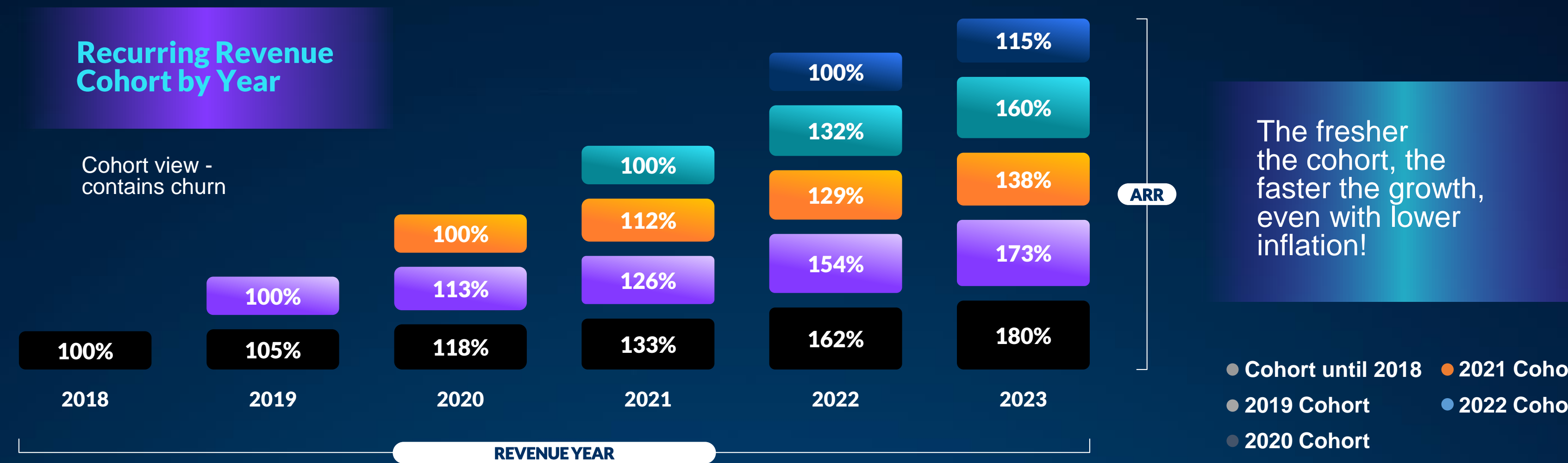
**+30%**

CAGR 18-23 of Volume in the  
Organic ARR Net addition



# WHAT ABOUT THE FUTURE OF THE 3D STRATEGY?

Boost take rate and be present in all SME deals



The fresher the cohort, the faster the growth, even with lower inflation!

## IMAGINE THIS COHORT VIEW APPLIED IN ALL 3 DIMENSIONS

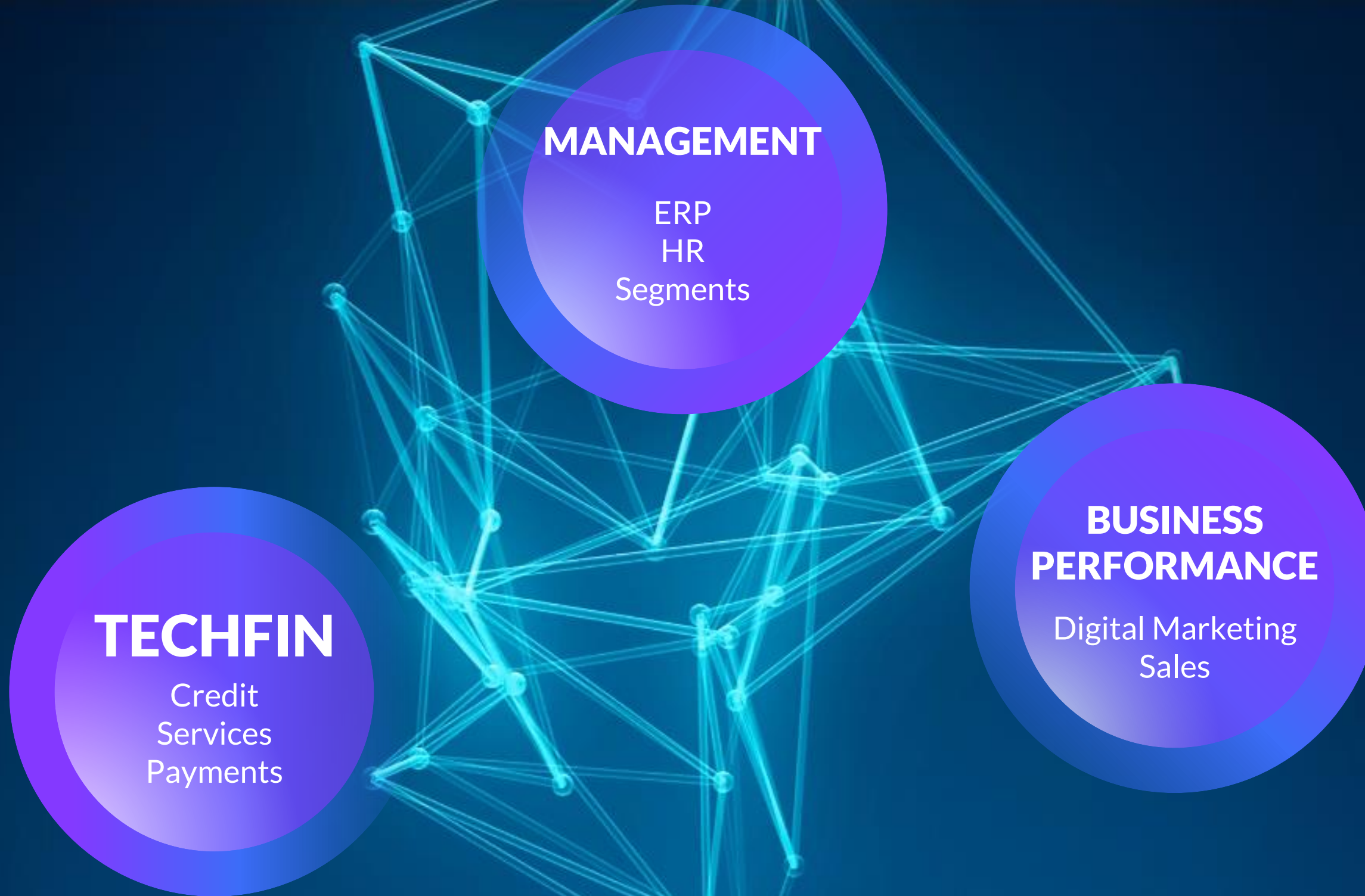
### Our Drivers

- Continue increasing relevance
- Accelerate cross-sell inter dimension
- 3D present in the maximum number of customers
- Accelerate take rate and attach rate (whitespace)
- New names (to be in all deals)



# 3 DIMENSION

ONE DESTINATION



**Trusted  
advisor**  
FOR OUR CLIENTS





# DRAWING

## THE TOTVS CLIENT JOURNEY





# TRUSTED ADVISOR STRATEGY

100

## Client History MRR Evolution, 100 base

**MANAGEMENT**  
Protheus  
Fluig

2015

**MANAGEMENT**  
Protheus

2018

**MANAGEMENT**  
Protheus

2019

**MANAGEMENT**  
Protheus  
Feedz

2020

**MANAGEMENT**  
Protheus  
Feedz  
Prophix

2021

**MANAGEMENT**  
Protheus  
Feedz  
Prophix  
Gesplan  
GoodData  
Stuo

2022

**MANAGEMENT**  
Protheus  
Feedz  
Prophix  
Gesplan  
Fluig  
AMS  
GoodData  
Stuo

2023

**MANAGEMENT**  
Fluig (Expansão)  
Gesplan (Expansão)  
Novas Oportunidades

2024

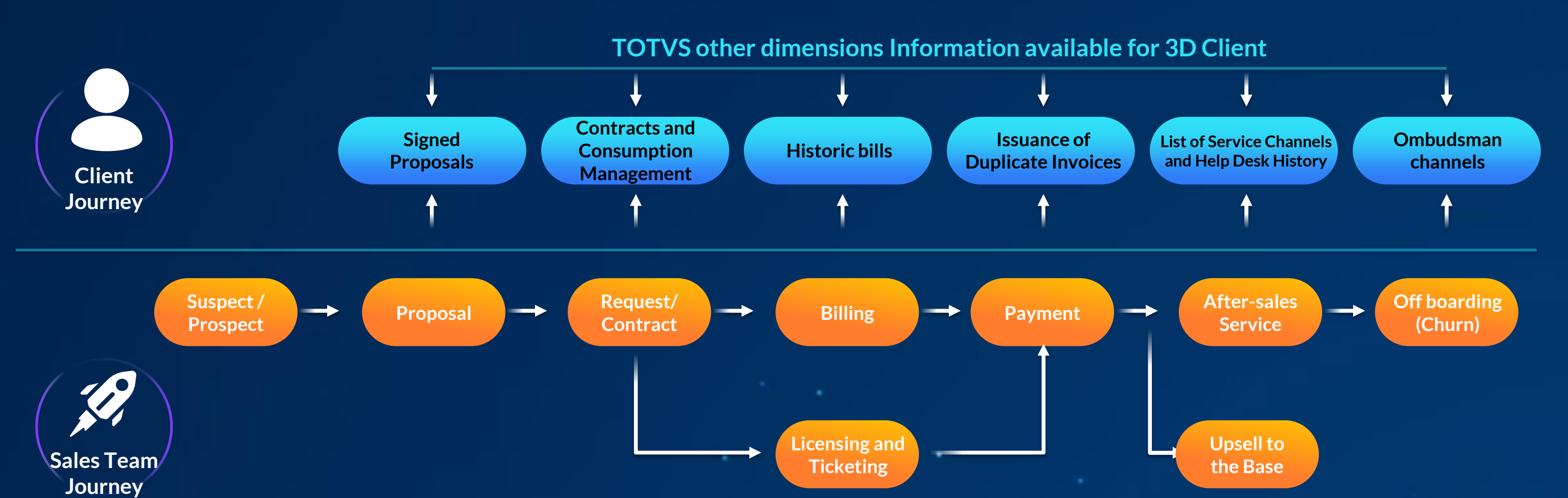
**BUSINESS PERFORMANCE**  
Shopify Plus  
Jitterbit

**TECHFIN**  
PagBrasil

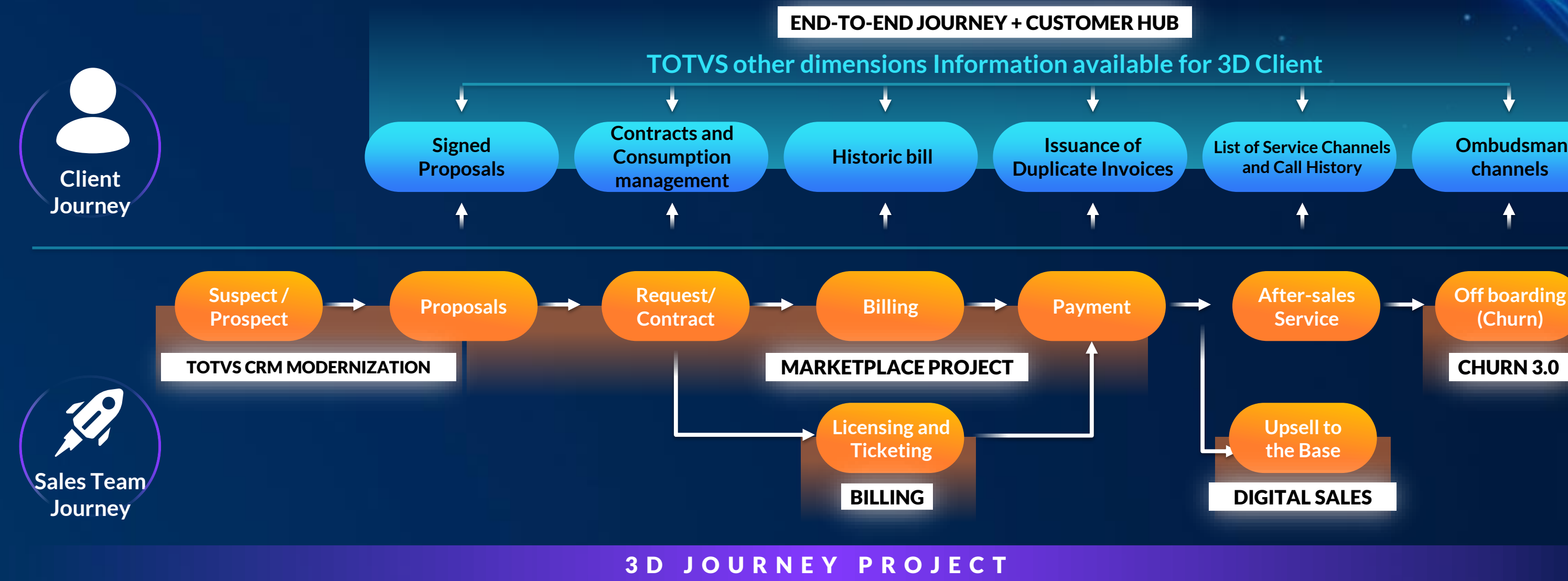
2,199



# TOTVS CLIENT COMERCIAL JOURNEY

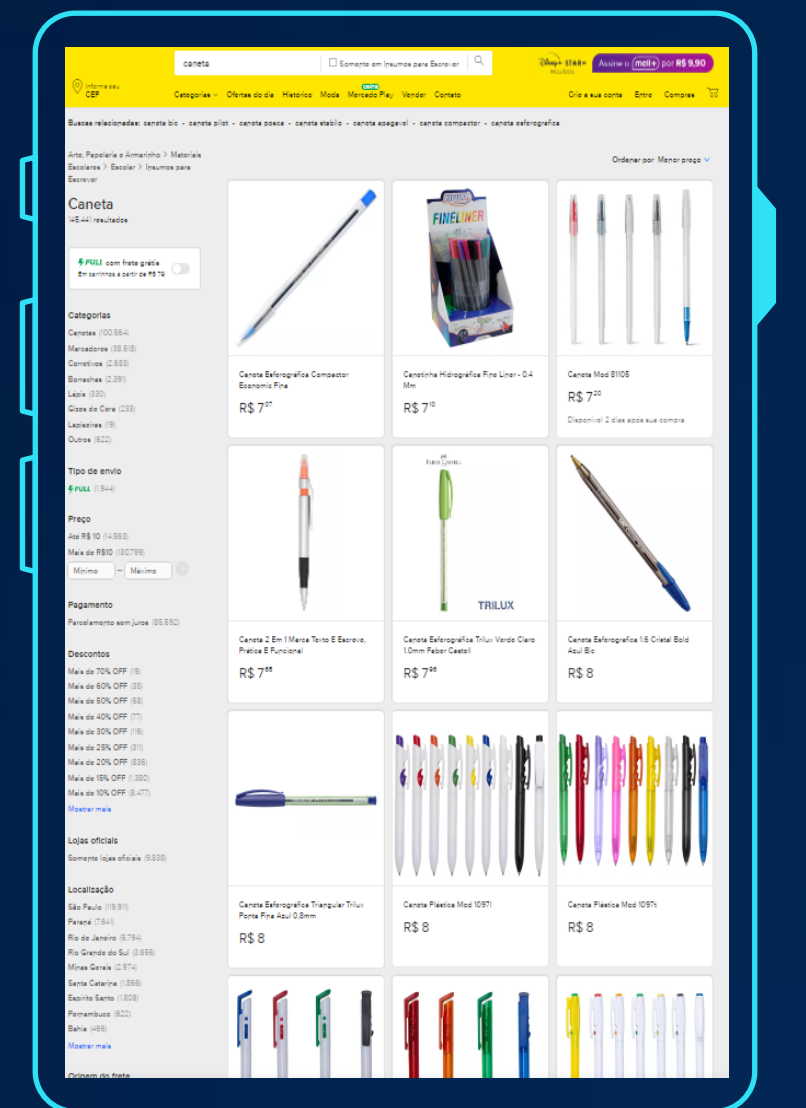


# CONSTANT EVOLUTION OF TOTVS CLIENT COMERCIAL JOURNEY





# HOW IS THE CUSTOMER JOURNEY ON MERCADO LIVRE?



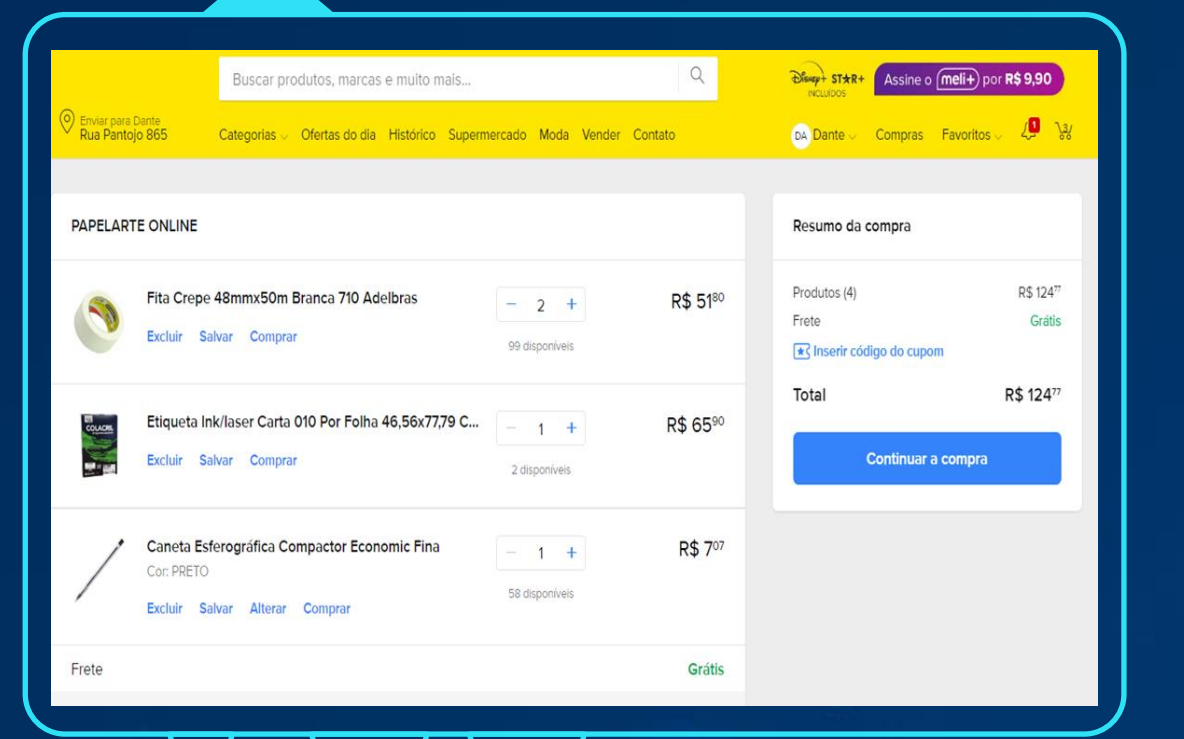
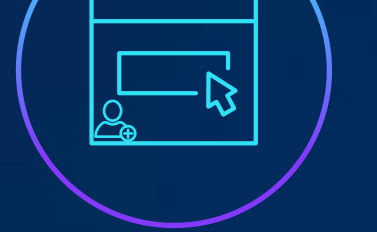
## UNIFIED PRODUCTS CATALOG

MeLi has its portfolio consolidated in a transparent way for customers, regardless of the different sellers, (Marketplace of offers).



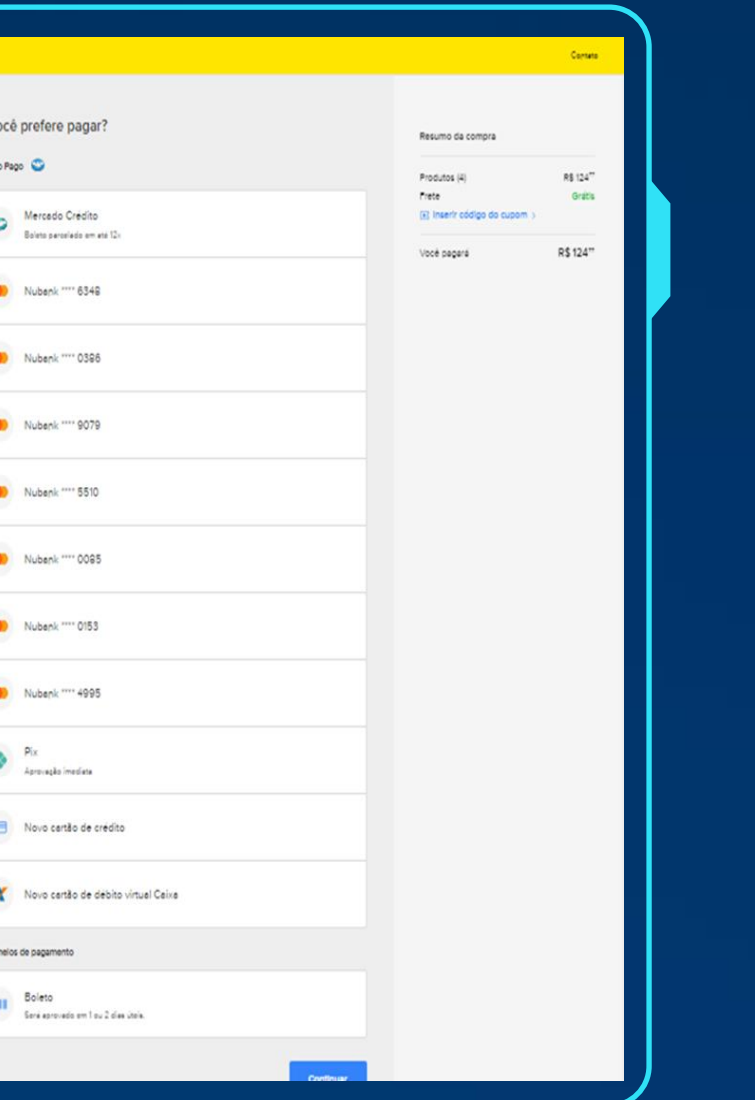
## SINGLE CHECKOUT AND SHOPPING CART

Customers can add products from different sellers to the same cart, but at checkout is shown a single basket of products.

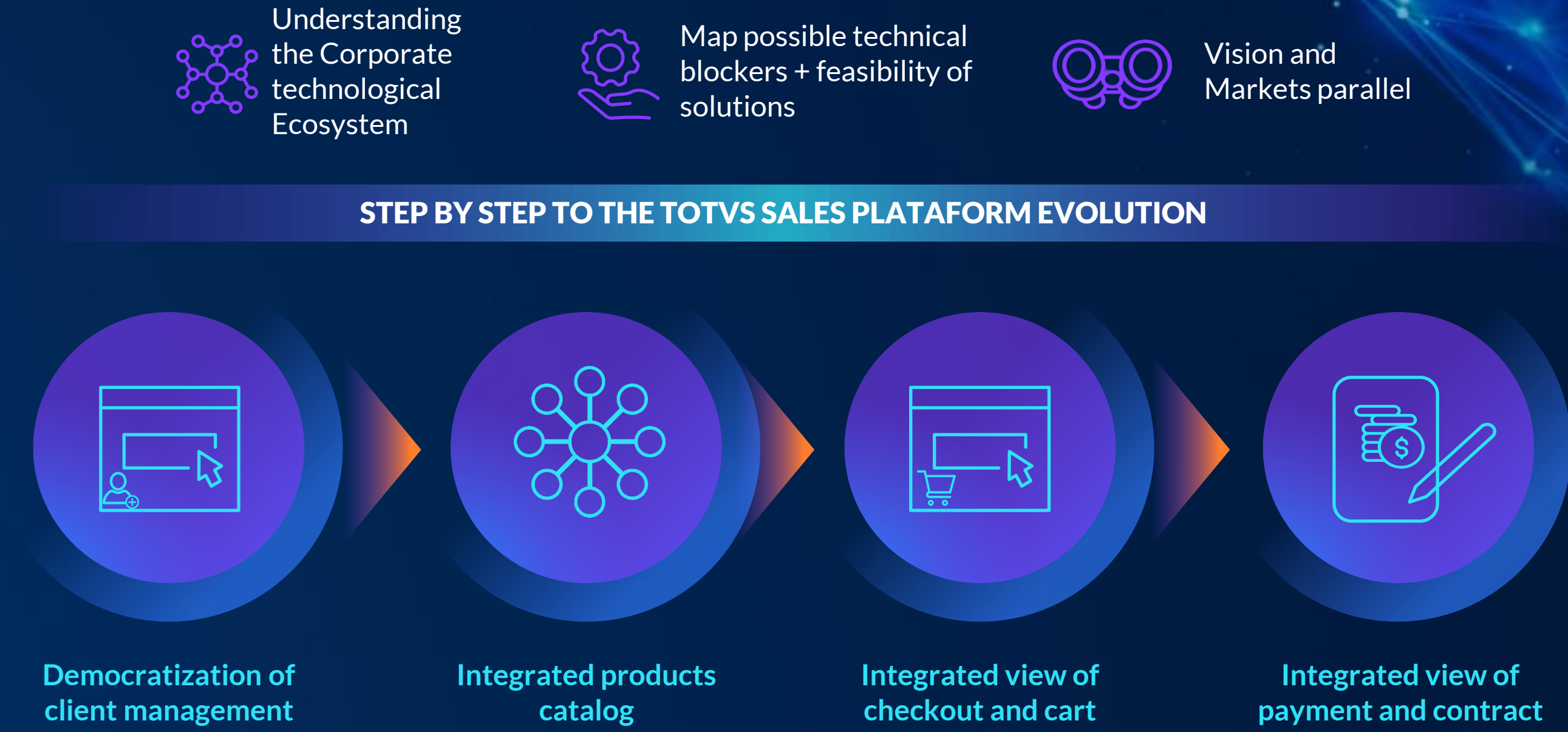


## SINGLE PAYMENT AND CONTRACT VIEW

Mercado Pago centralizes the payment of the amount due (already retaining the commission) to the salespeople, but for the customer the vision is also unified.



# EVOLUTION VIEW OF TOTVS SALES PLATFORM





WE BELIEVE THAT  
**EVERYONE CAN GROW** AND WE  
WORK TOGETHER TO  
MAKE IT HAPPEN

DRIVERS



WE VALUE GOOD PROFESSIONALS WHO ARE GOOD PEOPLE



WE ARE DRIVEN BY RESULTS



WE INVEST IN TECHNOLOGY THAT MAKES IT POSSIBLE



WE BUILD LONG-TERM RELATIONSHIPS WITH OUR CLIENTS



WHEN WE COLLABORATE, WE BECOME STRONGER





WE HAVE **ESG AS A**  
**PREMISE** OF OUR  
BUSINESS



# TOTVS MATERIALITY MATRIX

**THEMES**



## Environmental

Management of environmental impacts and climate changes



## Governance

Information Security, Data Protection and Privacy  
Sustainable Growth  
Transformation and Innovation in Business Model  
Ethical and Responsible Governance



## Social

Attraction, retention, and development of people  
Diversity, inclusion and anti-discrimination  
People's health and wellbeing

Read our  
Integrated Report





# IOS

## INSTITUTO DA OPORTUNIDADE SOCIAL

(Social Opportunity Institute)



### INDICATORS

**+45k students trained** since the IOS foundation

**+3k students enrolled** in a year – last 3 years average

**+2.2k students trained** in a year – last 3 years average

**1,316 students employed** annually – last 3 years average

**63%** positive impact on the income of students employed in 2023

**114 TOTVERS volunteers** who dedicated **436 hours** to actions with young people.



### AWARDS

**IOS ranks 12<sup>th</sup> in the international ranking** among brazilian ONGs in The Dot Good international ranking

**Human Rights and Diversity Seal** from the São Paulo Municipal Secretariat for Human Rights and Citizenship– Youth Category for social investment in the IOS





# MARKETING CAMPAIGN



TOTVS HAS SUCH A CLOSE RELATIONSHIP WITH ITS CUSTOMERS,

THAT IT IS ONLY RIGHT THAT THE CAMPAIGN'S PHOTOGRAPHY SHOULD SHOWCASE THIS INTIMACY.

THEREFORE, IT IS **AN EYE TO EYE CAMPAIGN**, COMPOSED OF PORTRAITS.

*Edilson Ventureli,*  
CEO do Instituto Baccarelli,  
faz com TOTVS.



*Leandro Pinto da Silva,*  
Fundador da Mantiqueira Brasil,  
faz com TOTVS.



*Silvia Maria Eyng,* Diretora Geral  
do Lefosse Advogados,  
faz com TOTVS.



*Riad Nassib Kadri,* Diretor  
Administrativo da Consigaz,  
faz com TOTVS.



*Luis Gennari,*  
CEO da Quatá Alimentos,  
faz com TOTVS.

