



EARNINGS VIDEO CONFERENCE 1Q24

» Investor Relations

Dennis Herszkowicz - CEO
Gilsomar Maia - CFO
Sérgio Sérgio - IR Head

2024/ May



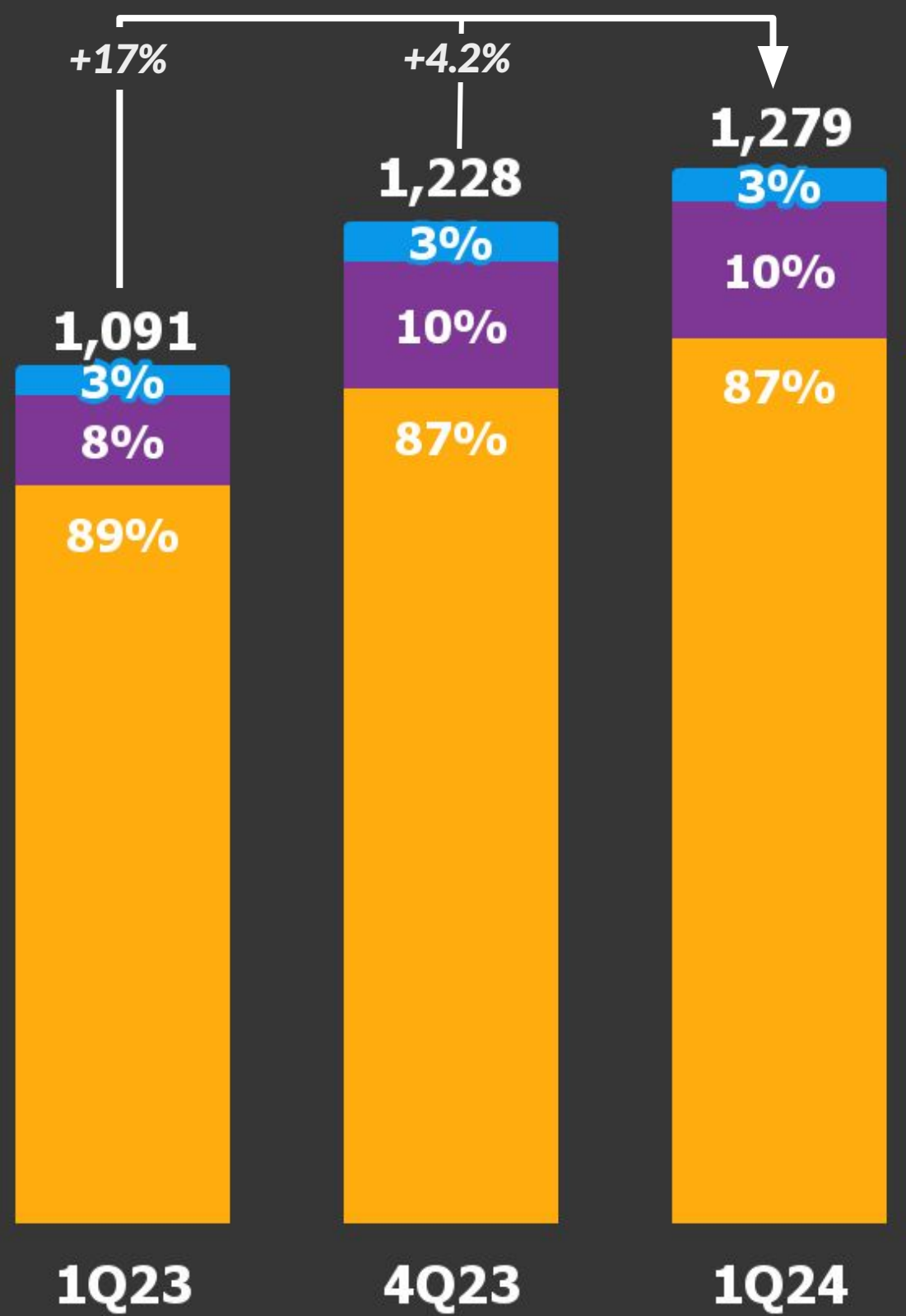
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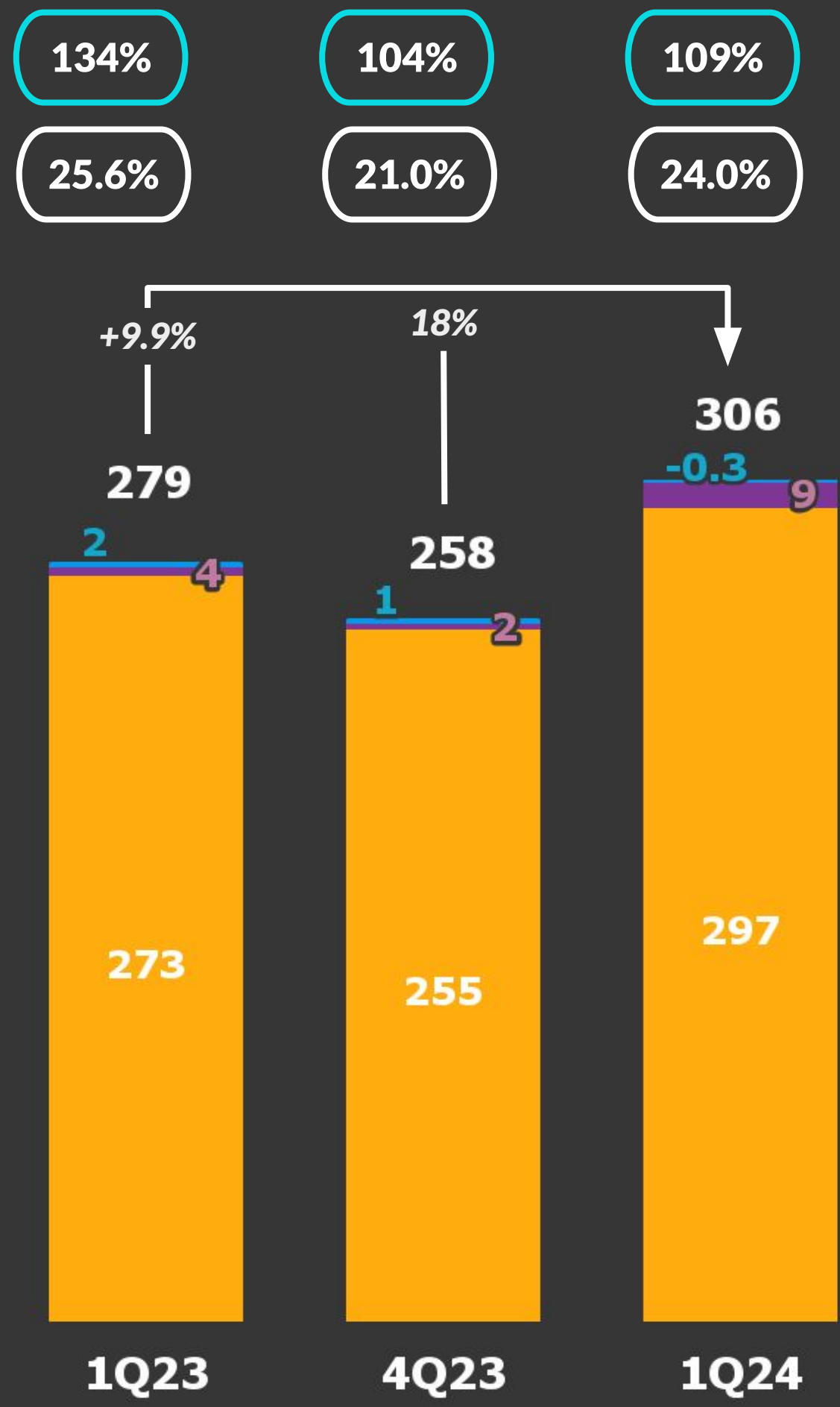
CONSOLIDATED RESULTS (R\$ million)

NET REVENUE



● Management ● Biz Performance ● Techfin⁽¹⁾

ADJUSTED EBITDA⁽²⁾

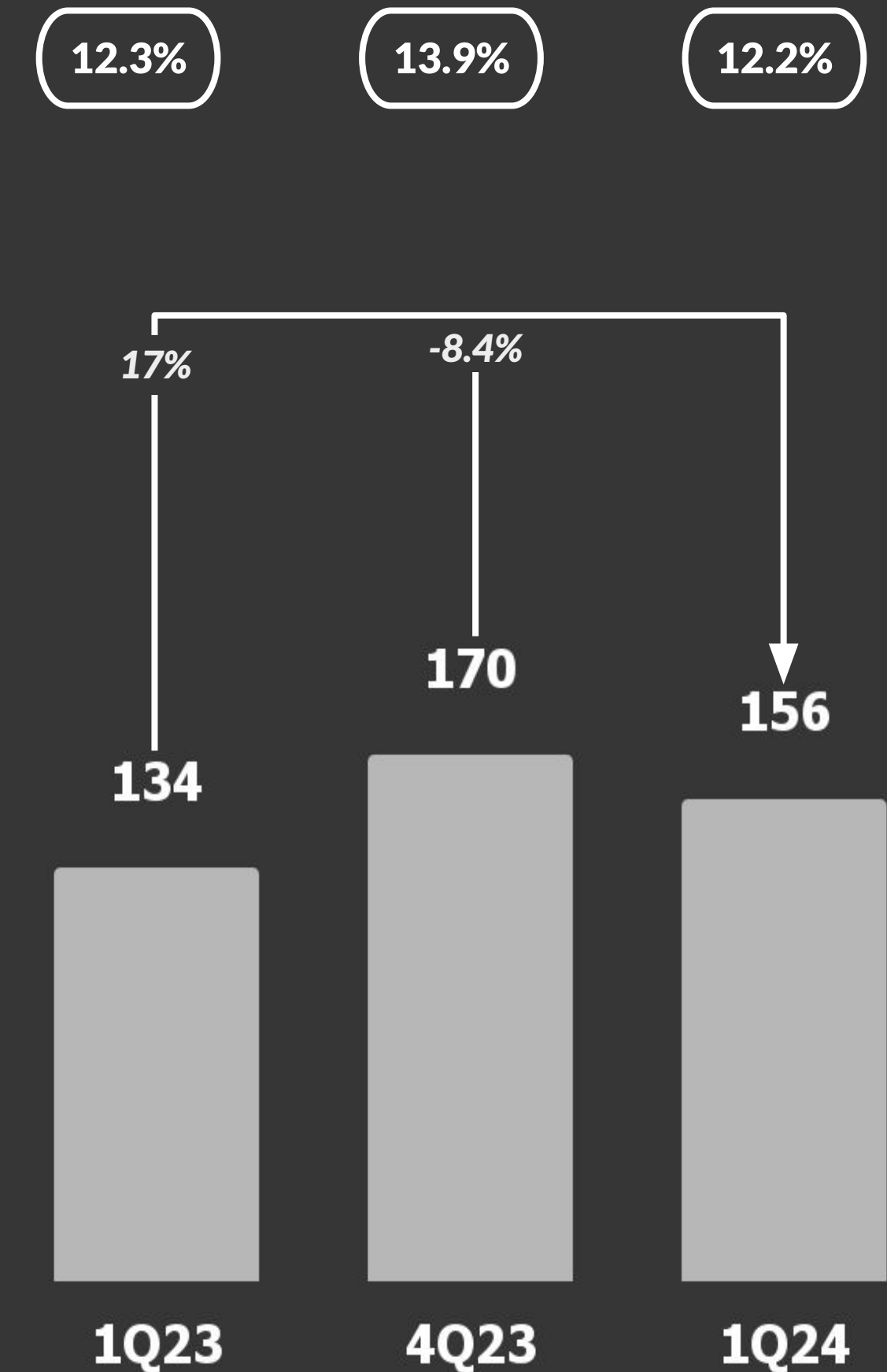


● Management ● Biz Performance ● Techfin⁽¹⁾

○ Op. Cash Generation / Adjusted EBITDA (Management + BP)

○ Adjusted EBITDA Margin

CASH EARNINGS



○ Cash Earnings Margin

(1) Considers Techfin Revenue at 50%, net of funding cost
 (2) Adjusted EBITDA, excluding extraordinary items, plus 50% of Techfin Adjusted EBITDA

17% growth in Recurring Revenue vs 1Q23,
with emphasis on the **Organic Net Addition of ARR of R\$142 million** in 1Q24 (+10% vs 1Q23)

RECURRING REVENUE

R\$956million (+17% vs 1Q23)

% Recurring Revenue: **86%**

Cloud Revenue: **+30%** vs. 1Q23

SaaS Signings: **+32%** vs. 1Q23

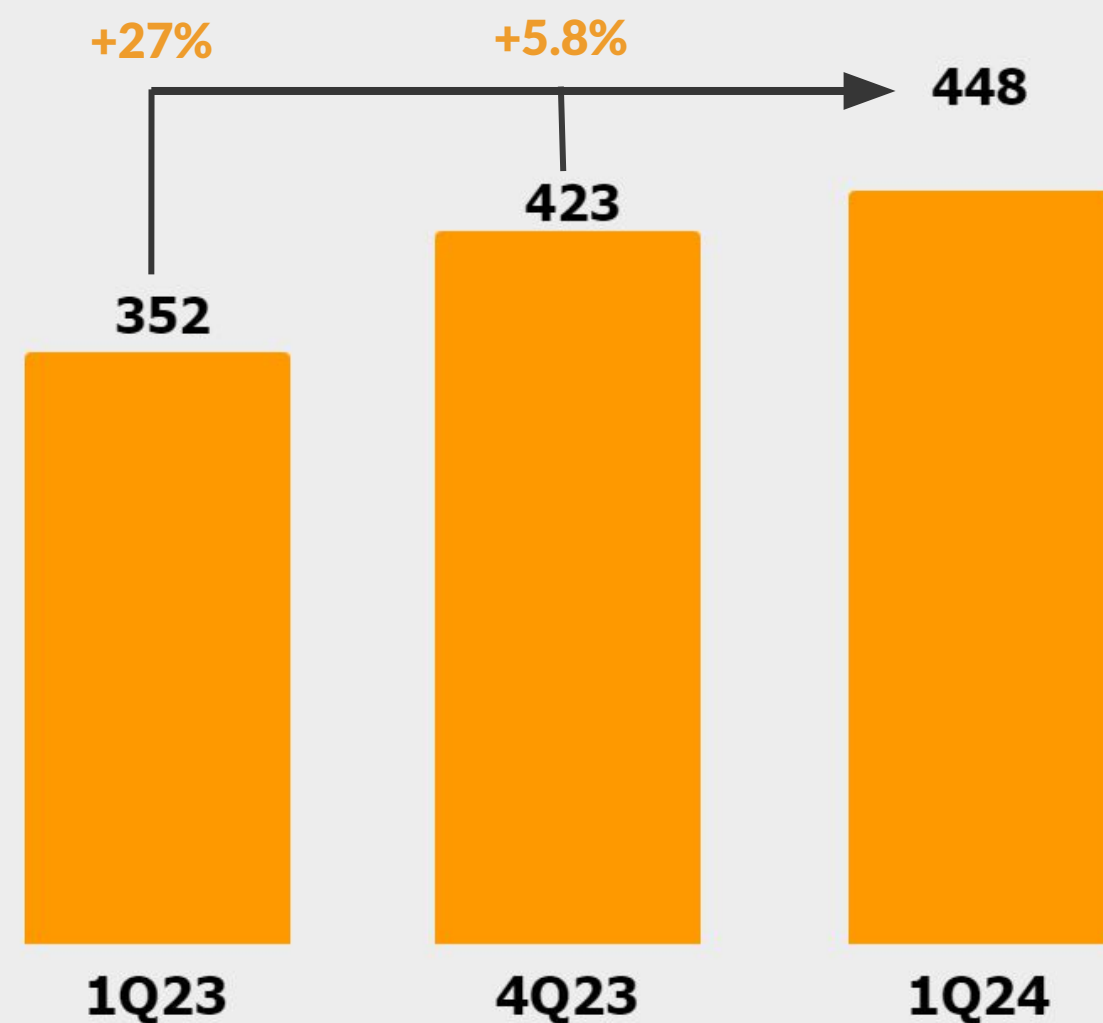
ARR NET ADDITION

R\$142million (+10% vs 1Q23)

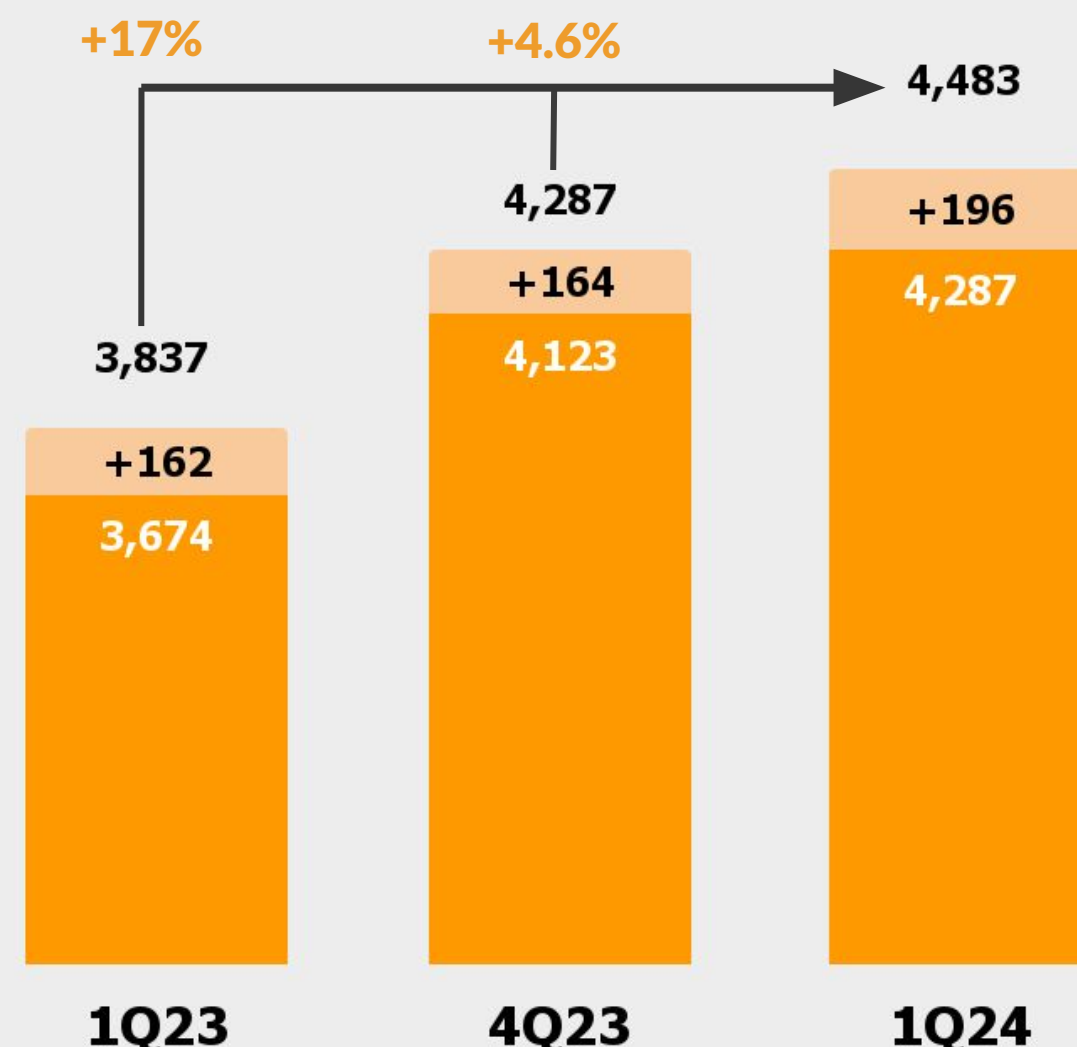
RENEWAL RATE

1Q23	4Q23	1Q24
98.0%	97.5%	98.7%

SaaS - MANAGEMENT (R\$million)



ARR (R\$million)



Baseline ARR Addition

Highlights

Net ARR Addition (R\$million)

Quarter	ARR Net Addition	Inorganic Addition	Total	% Volume excl. Corporate Model LTM
1Q23	+128	+34	+162	82%
2Q23	+147	0	+147	85%
3Q23	+139	0	+139	88%
4Q23	+164	0	+164	86%
1Q24	+142	+20	+162	85%

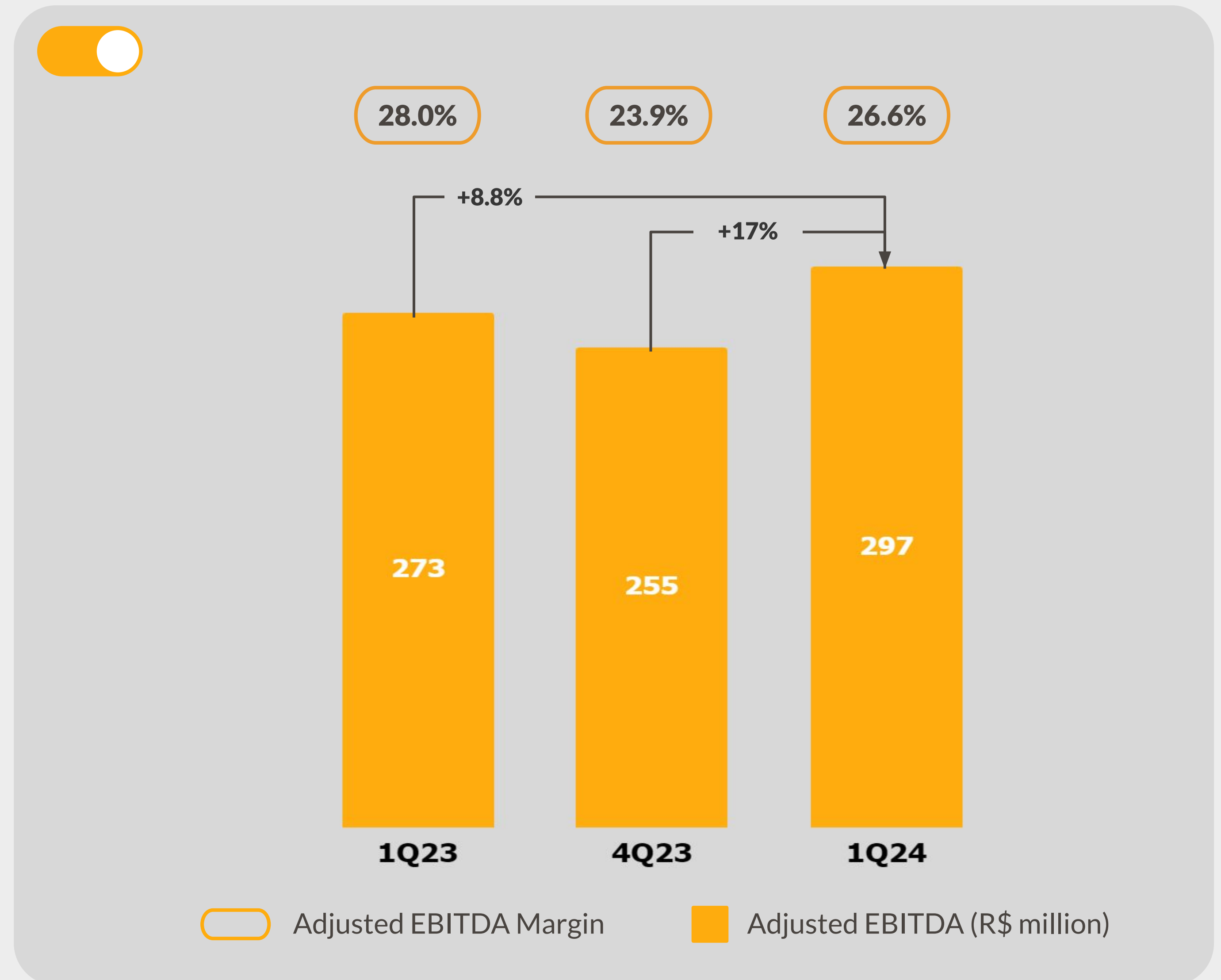
■ % Volume excl. Corporate Model LTM
 ■ Inorganic Addition
 ■ Corporate Model Addition
 ■ ARR Net Addition

- Maintenance of strong sales pace associated with low inflation rates made the LTM Volume component reached 85% in the quarter

EBITDA

Adjusted EBITDA from Management ended the quarter at R\$297 million, growth of 8.8% year over year, with Margin of 26.6%, 140 basis points lower in the same period of previous year, given the strong contribution of the corporate model in 1Q23.

In comparison with 4Q23, the EBITDA Margin increased 270 basis points due to the positive seasonal impact of the corporate model and the profitability gain in the dimension.

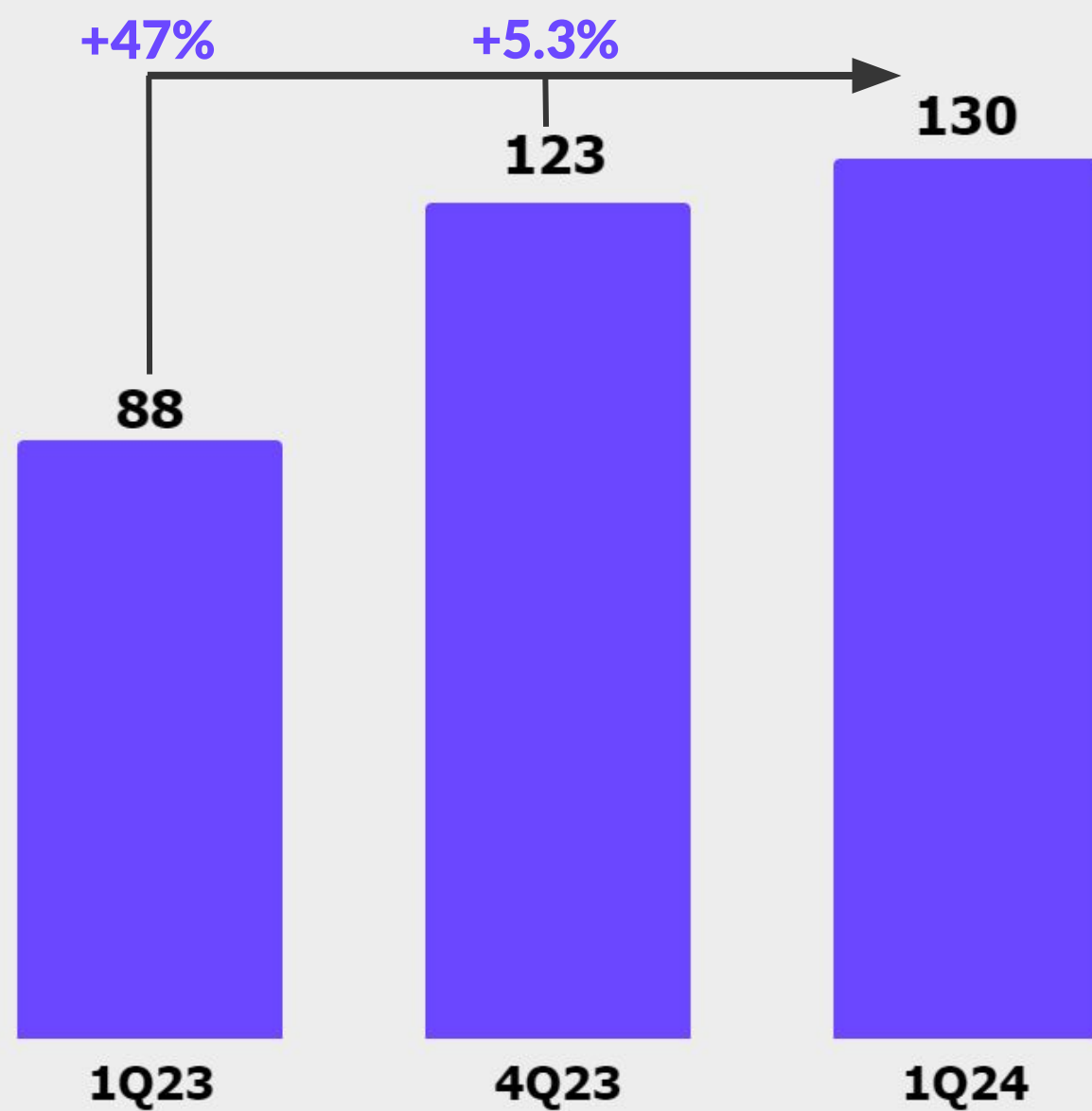


1Q24 - BUSINESS PERFORMANCE

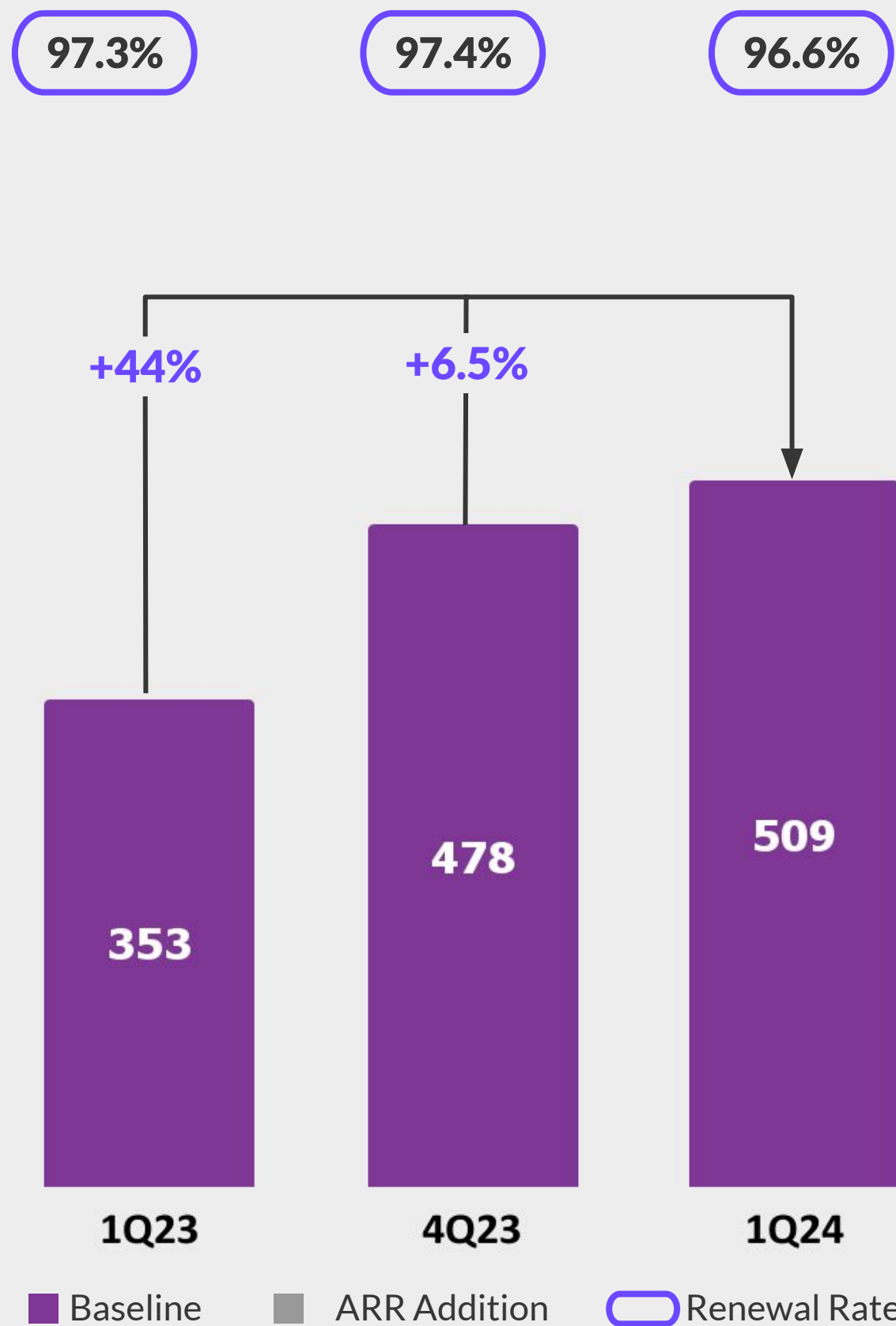


Business Performance Revenue increased 47% year over year and the ARR of the dimension grew 44% over 1Q23

NET REVENUE (R\$ million)



ARR (R\$ million) and RENEWAL RATE



Highlights

ARR Addition (R\$million)

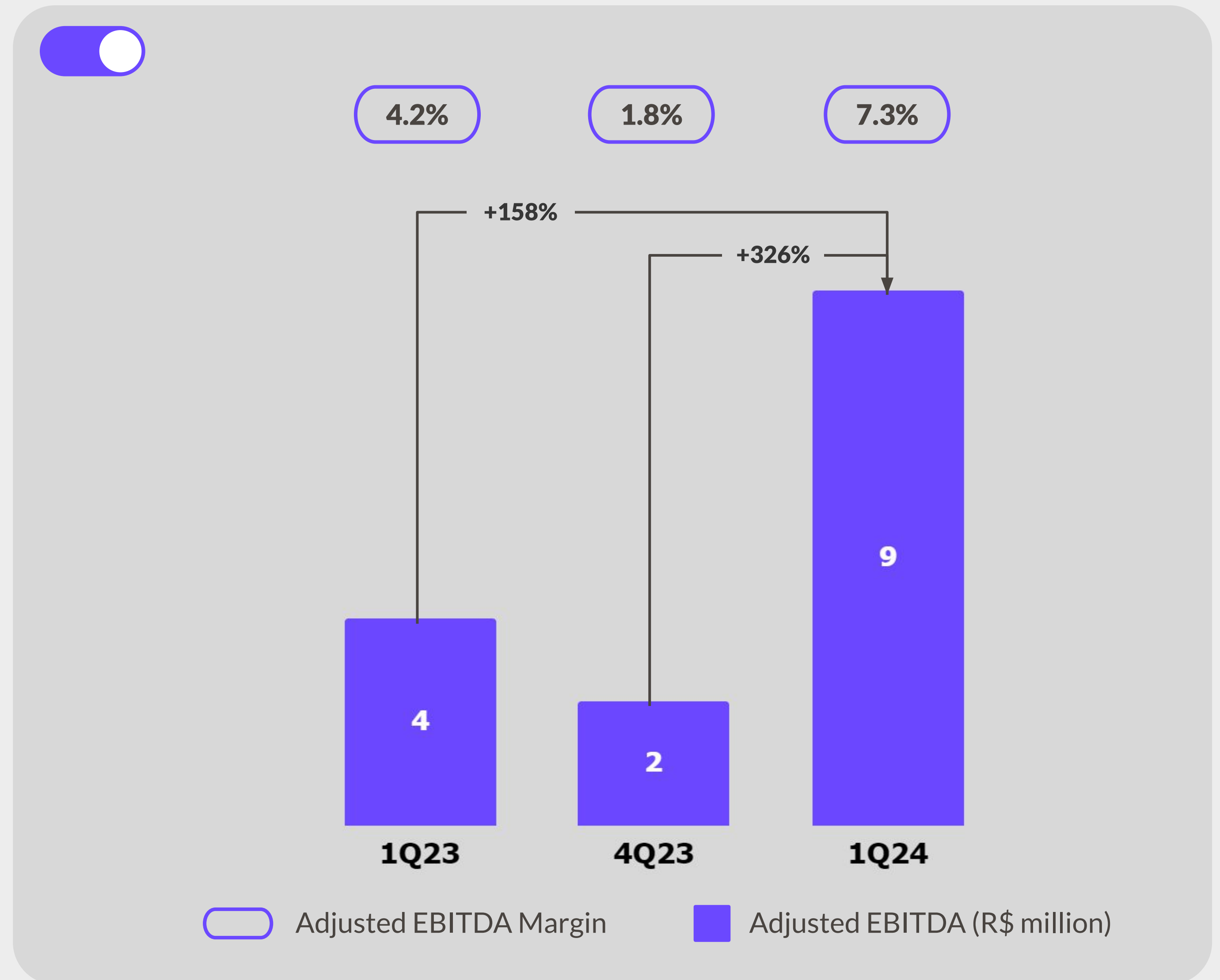
Quarter	ARR Net Addition (R\$million)	Inorganic Addition (R\$million)
1Q23	+23	0
2Q23	+31	+31
3Q23	+34	0
4Q23	+29	0
1Q24	+31	0

- The evolution of the multi-product strategy continues to drive the addition of ARR. Clients who use more than one product represent approximately 40% of the dimension's Revenue and have a renewal rate similar to that of the Management dimension.

EBITDA

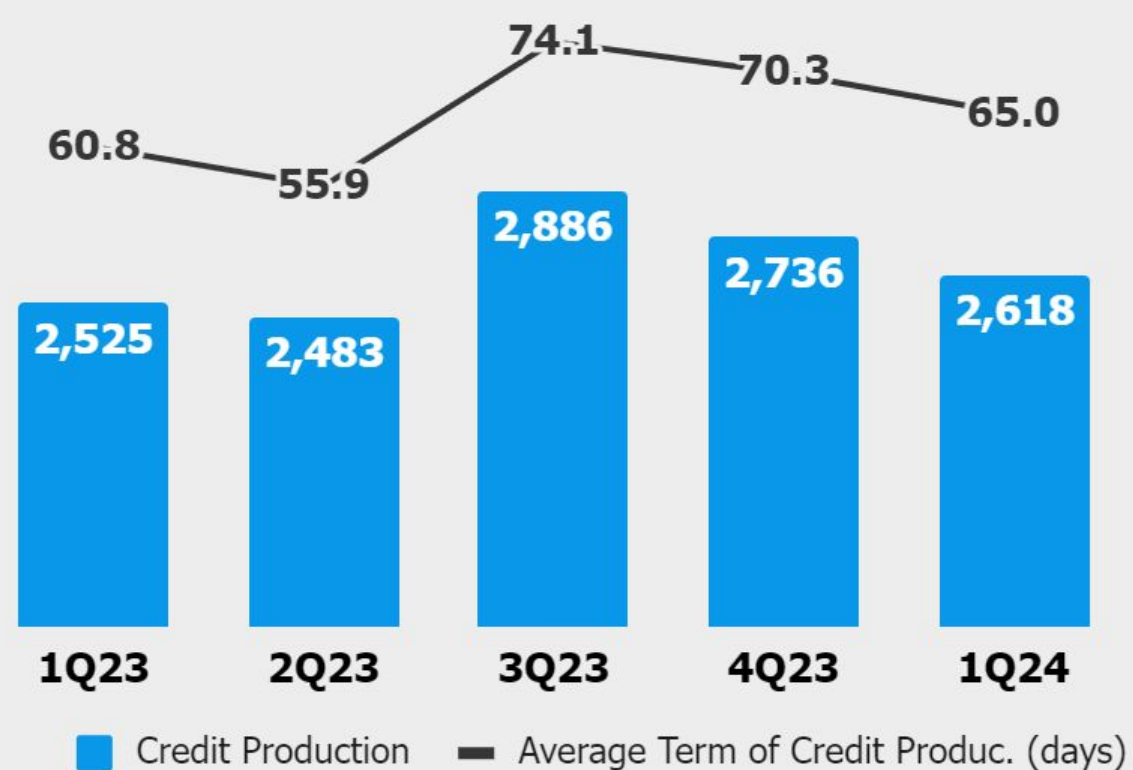
Business Performance Adjusted **EBITDA** reached **R\$9.5 million** in the quarter, **growth of more than 150%** compared to the same period of the previous year, **with an Adjusted EBITDA Margin of 7.3%**.

The 310 basis point expansion in Adjusted EBITDA Margin compared to 1Q23 was mainly attributed to economies of scale resulting from the acceleration in Revenue in the same period.

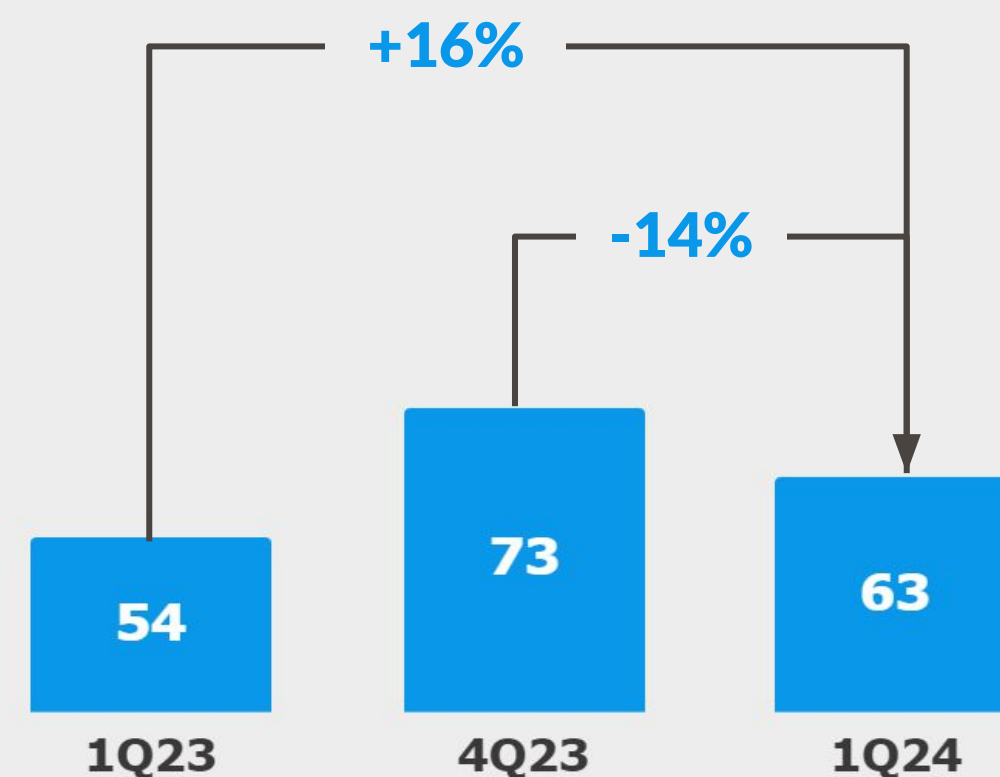


Net Funding Revenue **grew 16%** compared to 1Q23, and the **reduction in funding costs was 19%** in the same period

Credit Production (R\$ million)



Techfin Revenue Net of Funding (R\$ million)



Highlights

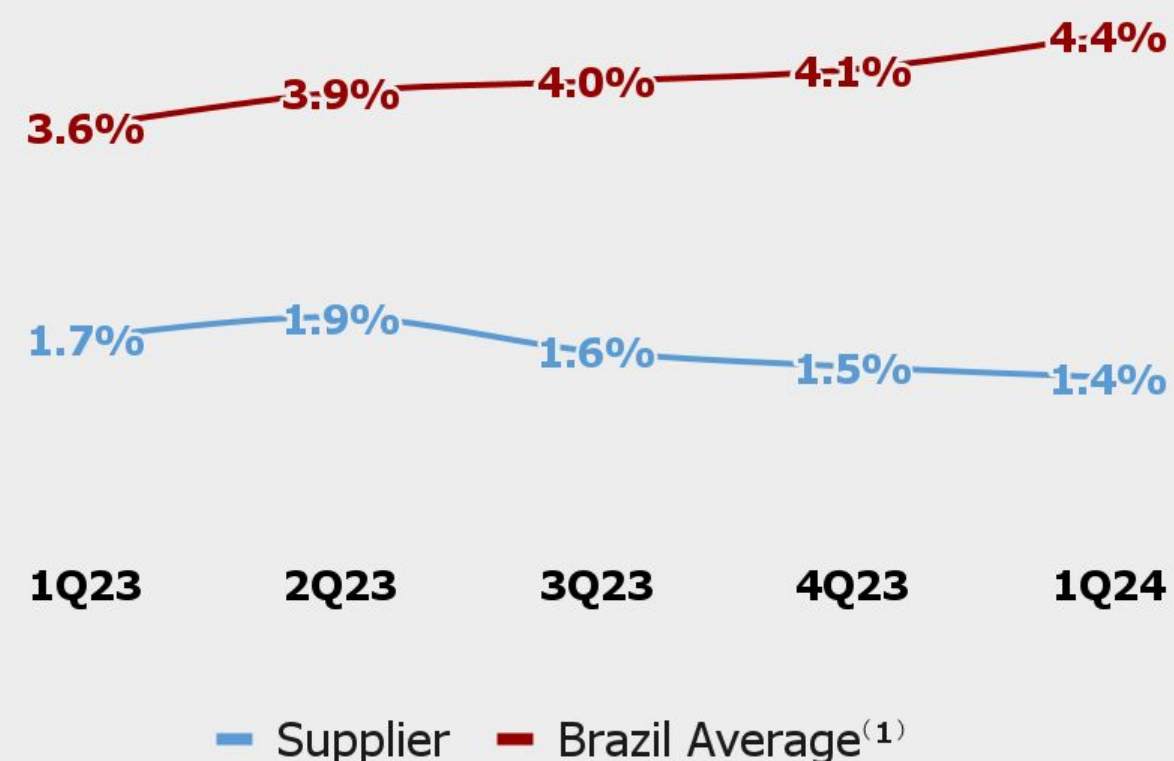
Funding Cost Optimization

- Change in the funding mix implemented in the last quarter
- Optimized Cash Position
- Reduction of the Selic rate in the period

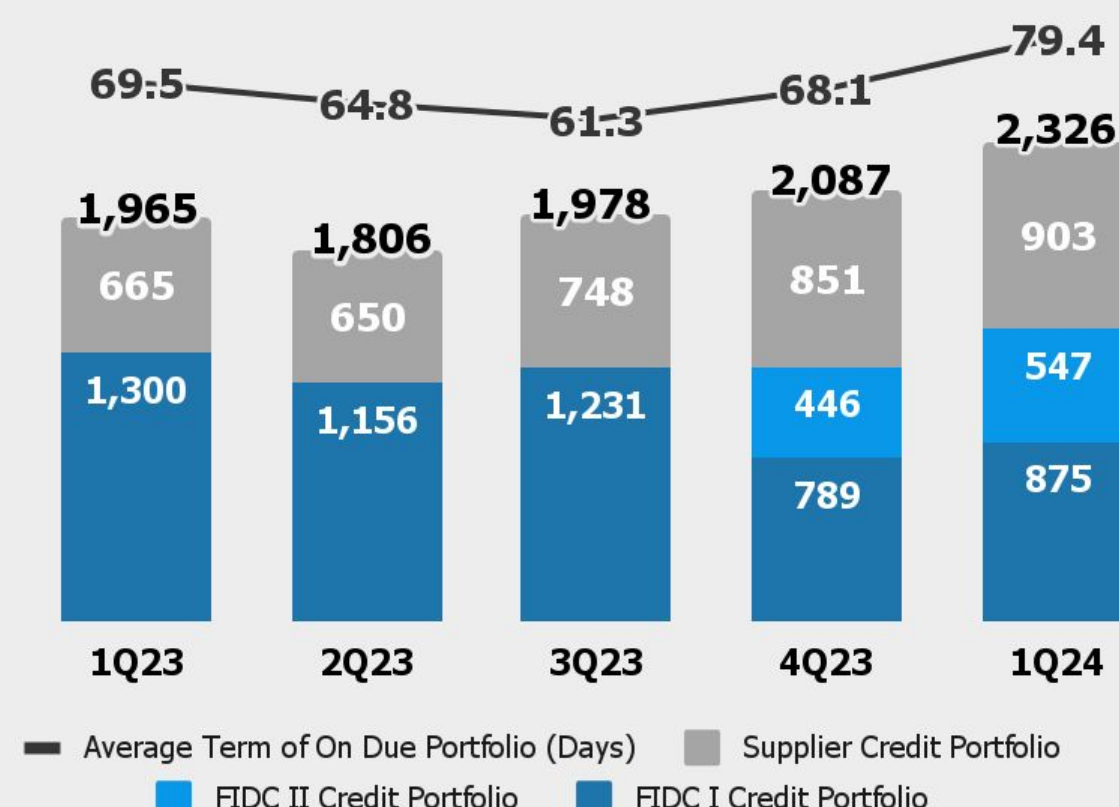
Supplier's Cash Position (R\$ million)

Quarter	Supplier Cash Position	FIDC II Cash Position	FIDC I Cash Position
1Q23	124	187	311
4Q23	69	130	136
1Q24	43	65	82

Delinquency above 90 days



Credit Portfolio (R\$ million)

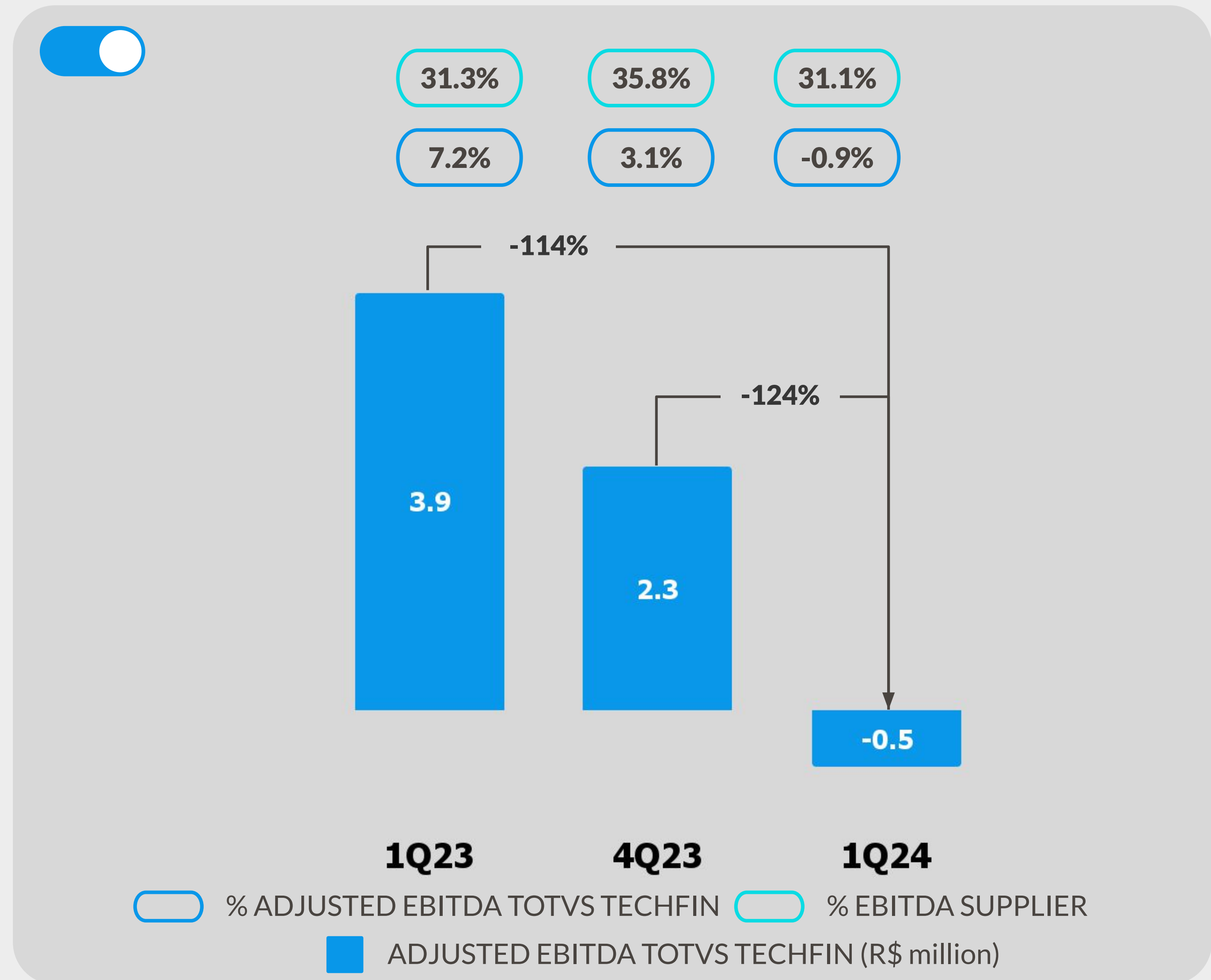


Notes: (1) Source: Banco Central do Brasil (www.bcb.gov.br/estatisticas/estatisticasmonetariascredito) > tabelas.xls > Tabela 23 > MPMe

EBITDA

Techfin's Adjusted EBITDA ended the quarter close to break-even, due to Supplier's positive margin, which practically offset the investments made in the development of the portfolio of what we call "Organic Techfin"

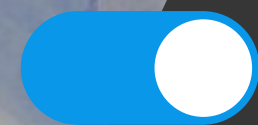
Supplier continues with a solid operation demonstrated in the **EBITDA Margin in 1Q24, which stood at 31.1%**





ANNUAL GENERAL MEETING

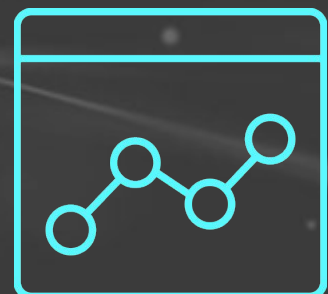
Participation of **+70% of voting capital** with **all proposed matters approved**, including the election of the Board of Directors.



Affirmation of the 'AA+(Bra)' Rating and review of outlook for Positive by Fitch

According to Fitch, **the positive outlook indicates the expectation of strengthening TOTVS' business profile**, due to the maturing of the revenue **diversification strategy**, with the growth of the Business Performance dimension, together with the **establishment of the Joint Venture** in Techfin with Itaú, and **the constant cash flow generation**, which will continue to support the growth strategy through acquisitions, without putting pressure on the capital structure.

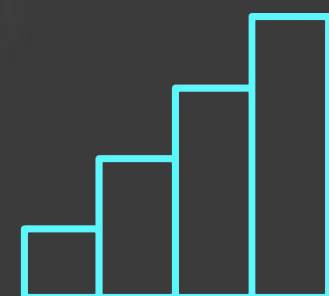
What TOTVS is building is based on the concept of Trusted Advisor for its SMB clients, therefore, the motto of our strategic kick-off:
"3 DIMENSIONS, ONE SINGLE DESTINATION"



20 consecutive quarters with double-digit growth in Recurring Revenue



Historical levels of NPS, eNPS, addition of ARR, among other financial and operational indicators



TOTVS' Market Cap multiplied by approximately 3,5X

THANKS



Investors Relations

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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

#SOMOSTOTVERS

