



# EARNINGS VIDEO CONFERENCE 4Q23

» Investor Relations

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

2024/ February





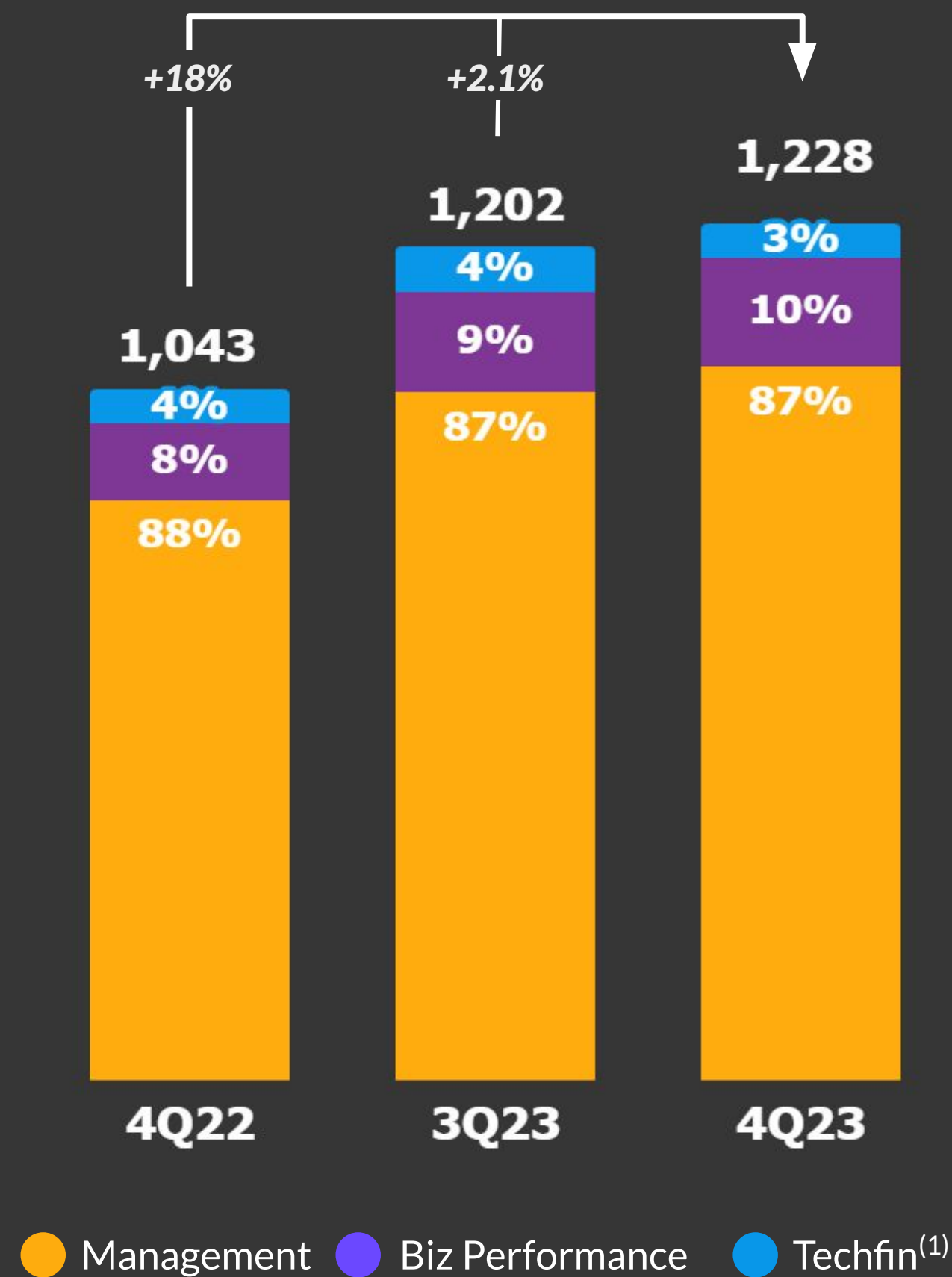
## LEGAL NOTICE

*All information contained in this presentation and any statements that may be made during this videoconference connected to TOTVS' business prospects, projections, and operating and financial goals are based on beliefs and assumptions of the Company's Management, as well as information currently available. Forward-looking statements are not any guarantee of 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 should understand that general economic conditions, industry conditions, and other operating factors may also affect the future results of TOTVS and may lead those results to differ materially from those mentioned in such forward-looking statements.*



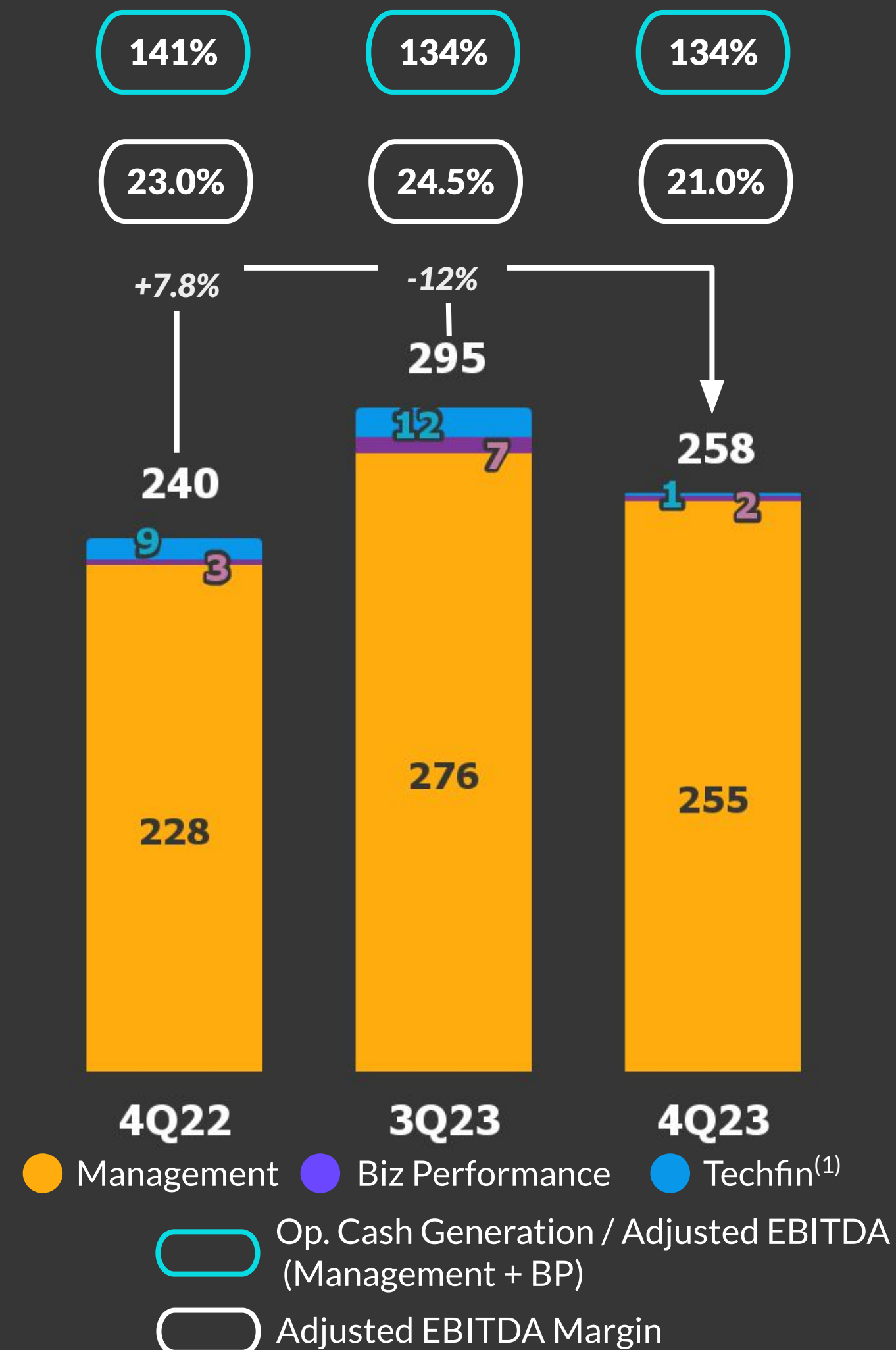
## CONSOLIDATED RESULTS (R\$ million)

### NET REVENUE

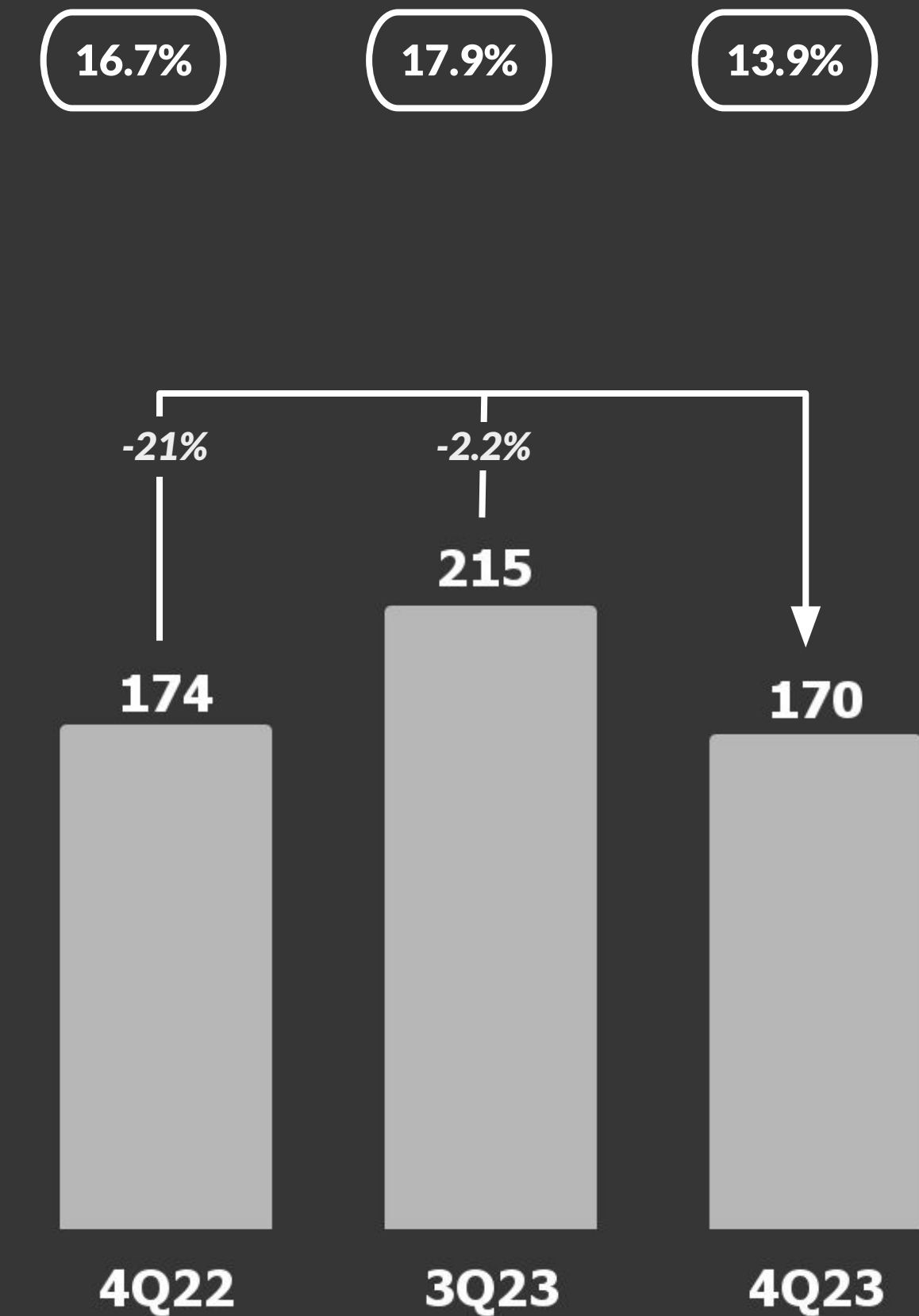


<sup>(1)</sup> Considers Techfin Revenue at 50%, net of funding cost  
<sup>(2)</sup> Adjusted EBITDA, excluding extraordinary items, plus 50% of Techfin's EBITDA

### ADJUSTED EBITDA<sup>(2)</sup>



### CASH EARNINGS



**16% Net Revenue growth** vs. 4Q22,  
with emphasis on the **Net addition of ARR of R\$164 million** in 4Q23

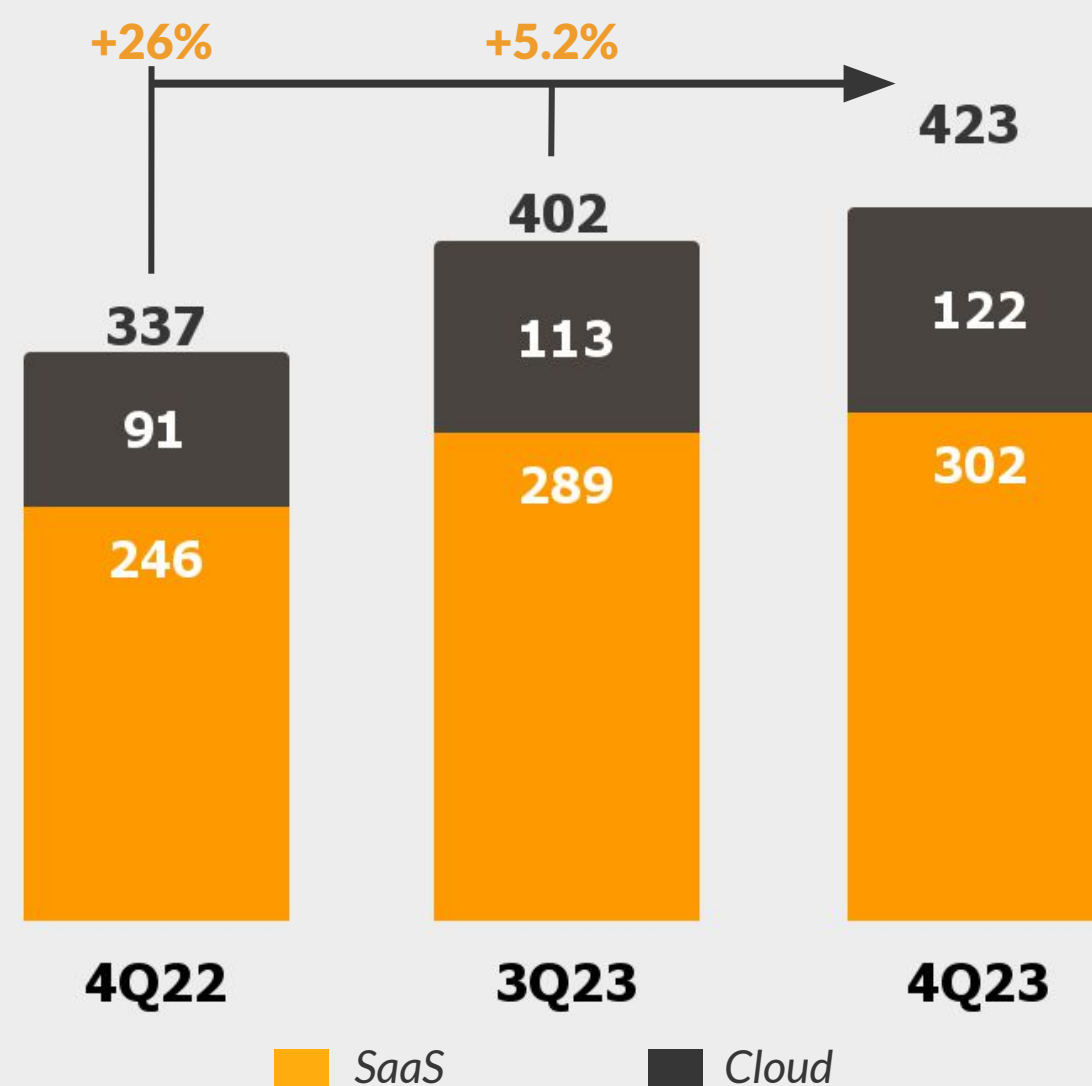
## RECURRING REVENUE R\$920 million (+16% vs 4Q22)

% Recurring Revenue: **86%**  
Cloud Revenue: **+34%** vs. 4Q22  
Signings SaaS: **+34%** vs. 4Q22

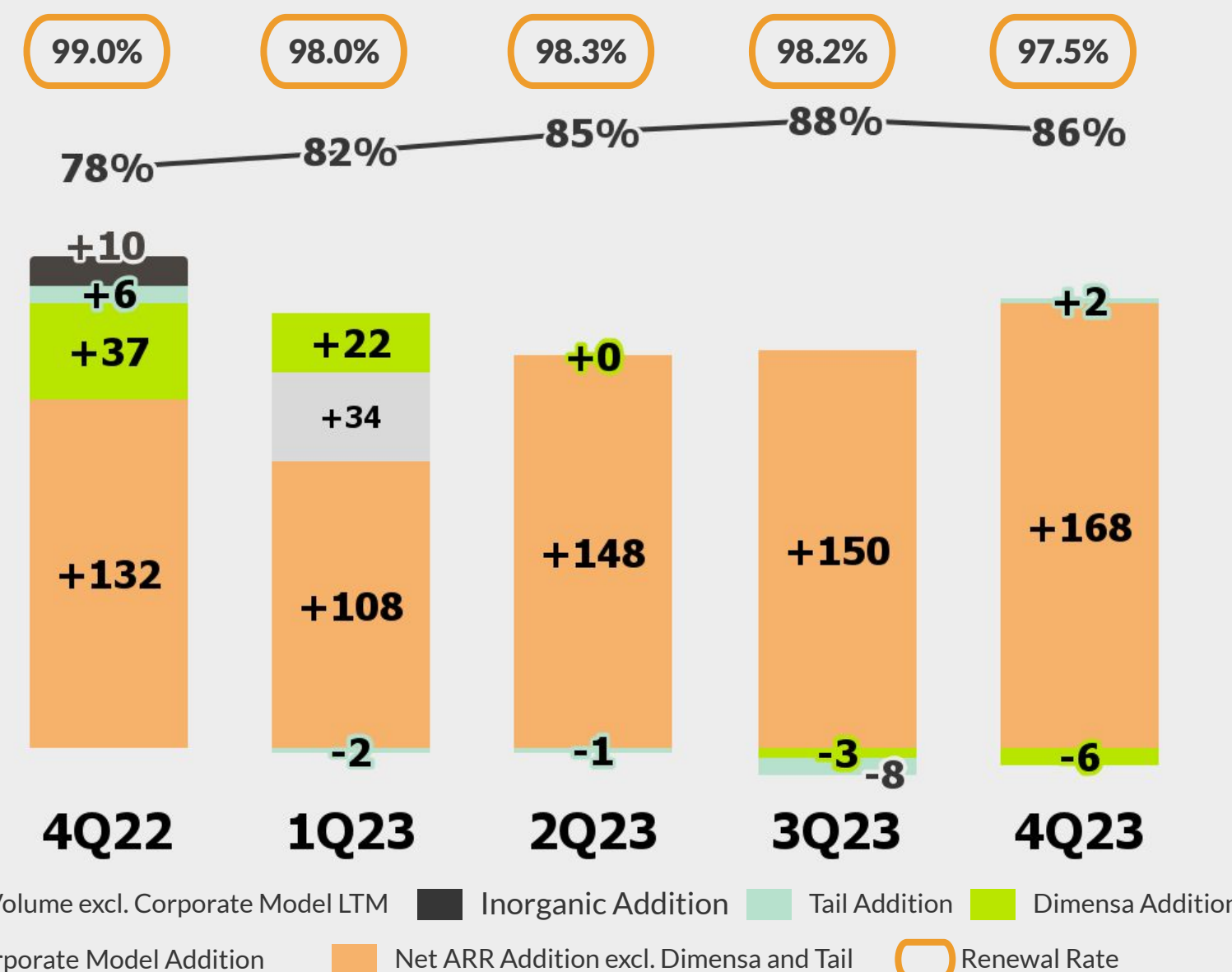
## ARR NET ADDITION R\$164 million

Recurring Revenue vs. ARR:  
**88,0%** - 3Q23  
**87,5%** - 4Q23

### SaaS - MANAGEMENT (R\$ million)

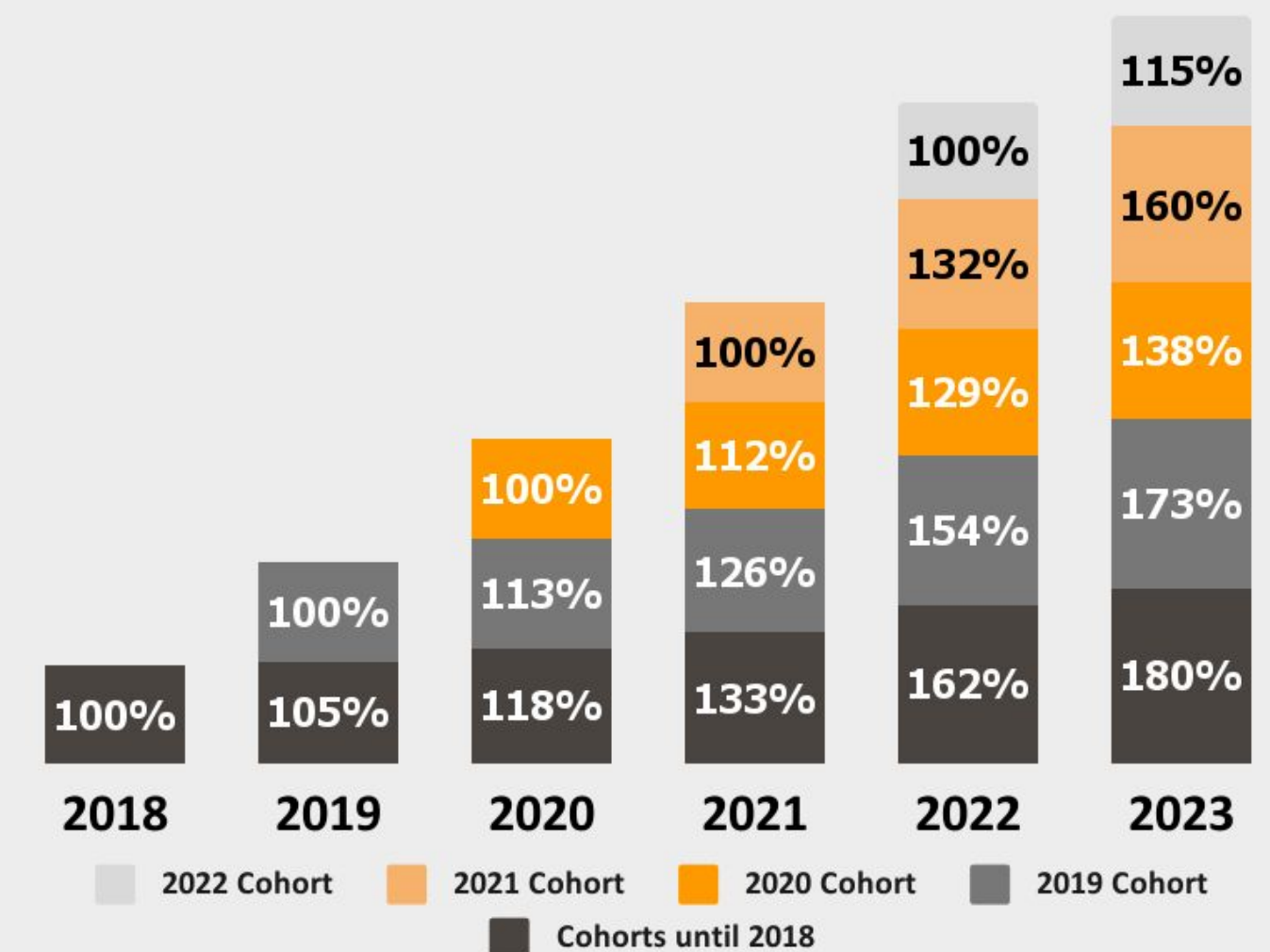


### ARR Addition (R\$ million) Volume LTM (excl. Corporate Model)



## Highlights

### Management Cohort



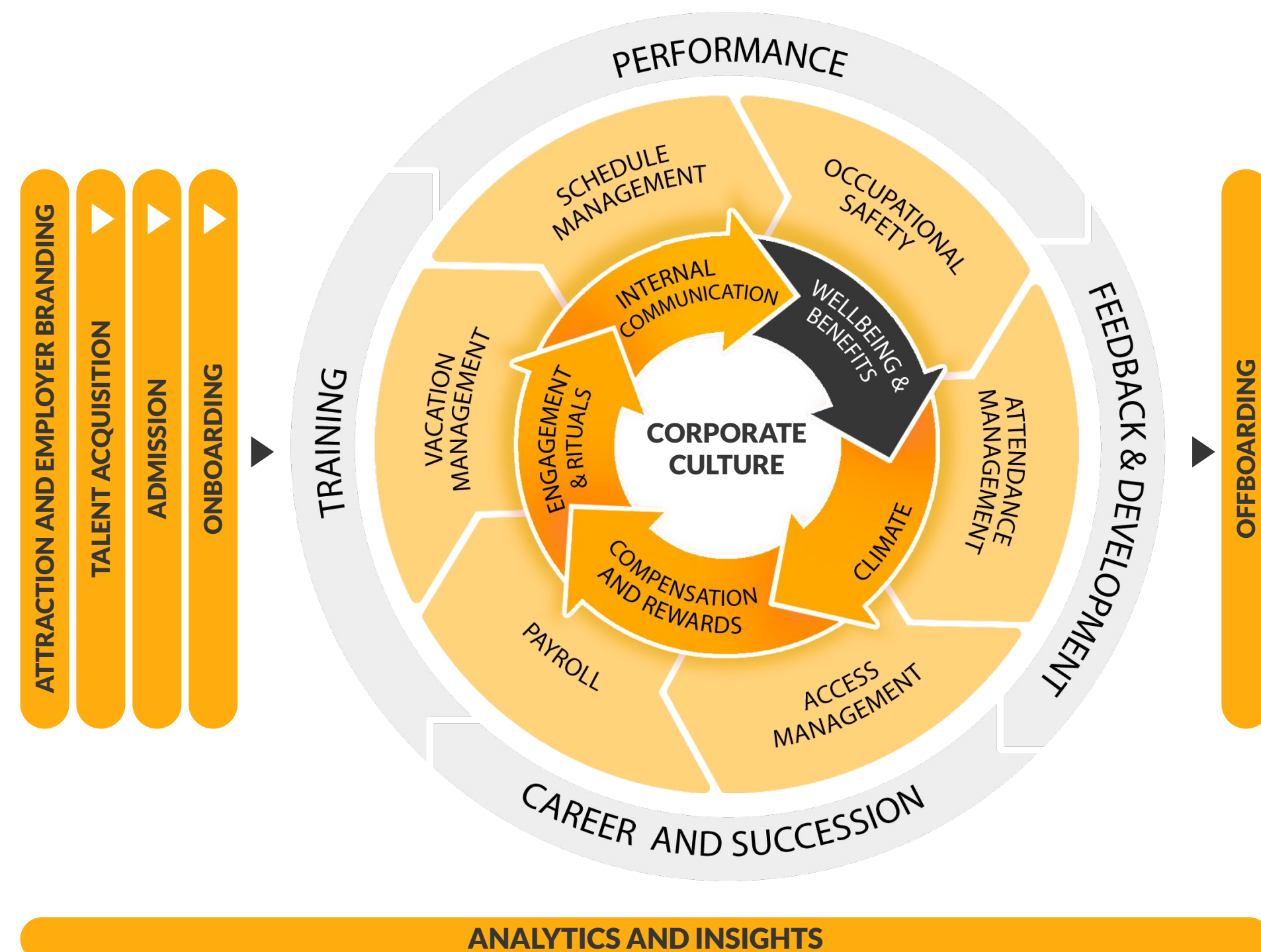
- The growth of Cohorts over the years makes the lifetime value of our client base incalculable.



## TOTVS' HR portfolio combines our expertise in software development and business rules with strategic partnerships and selected acquisitions.

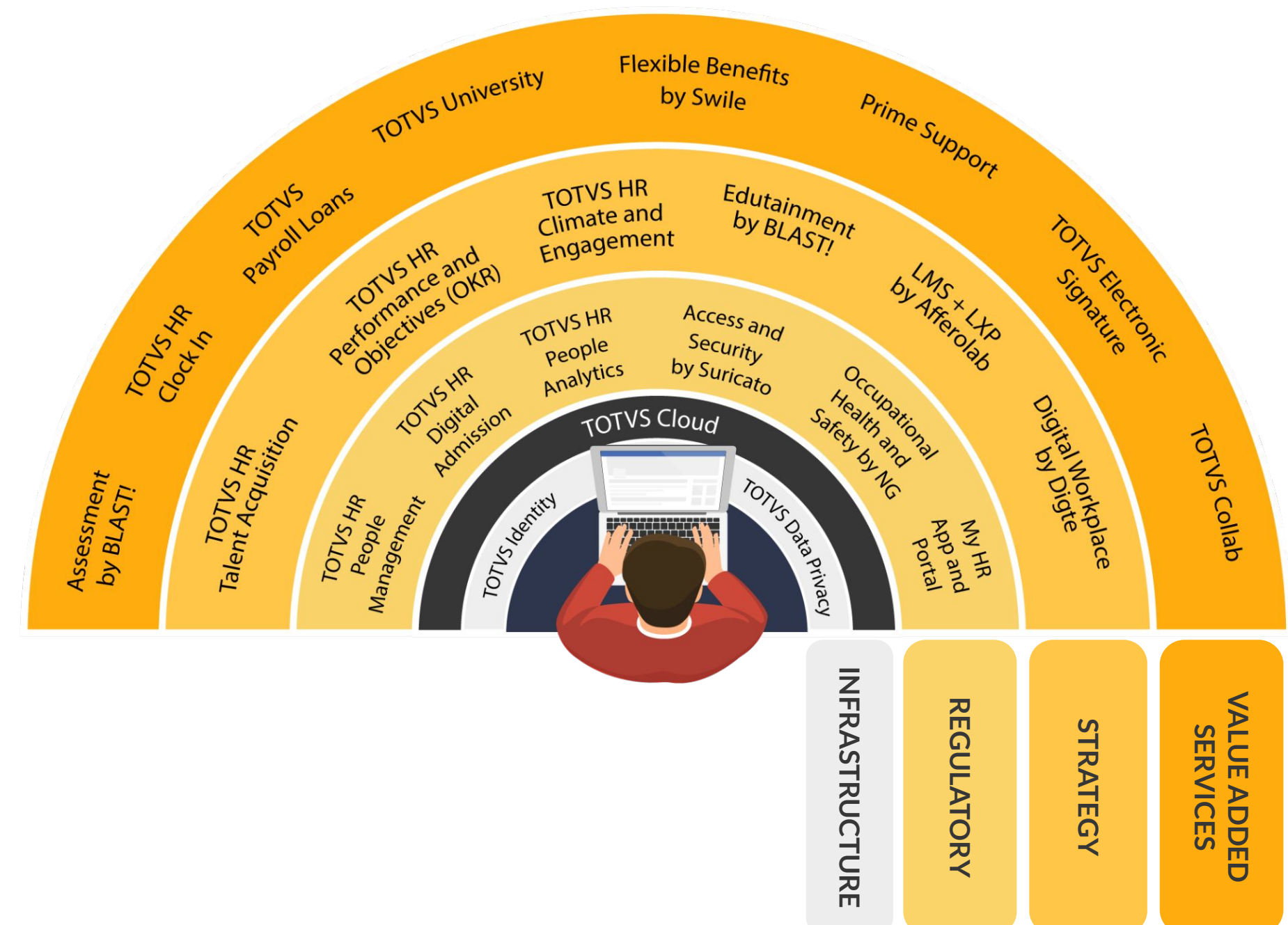
### We started with a clear and innovative vision

Development, in 2021, of our own conceptual framework with our vision for the reference in human experience management (HXM):



### We deliver our HXM vision with the most comprehensive portfolio in the Brazilian market

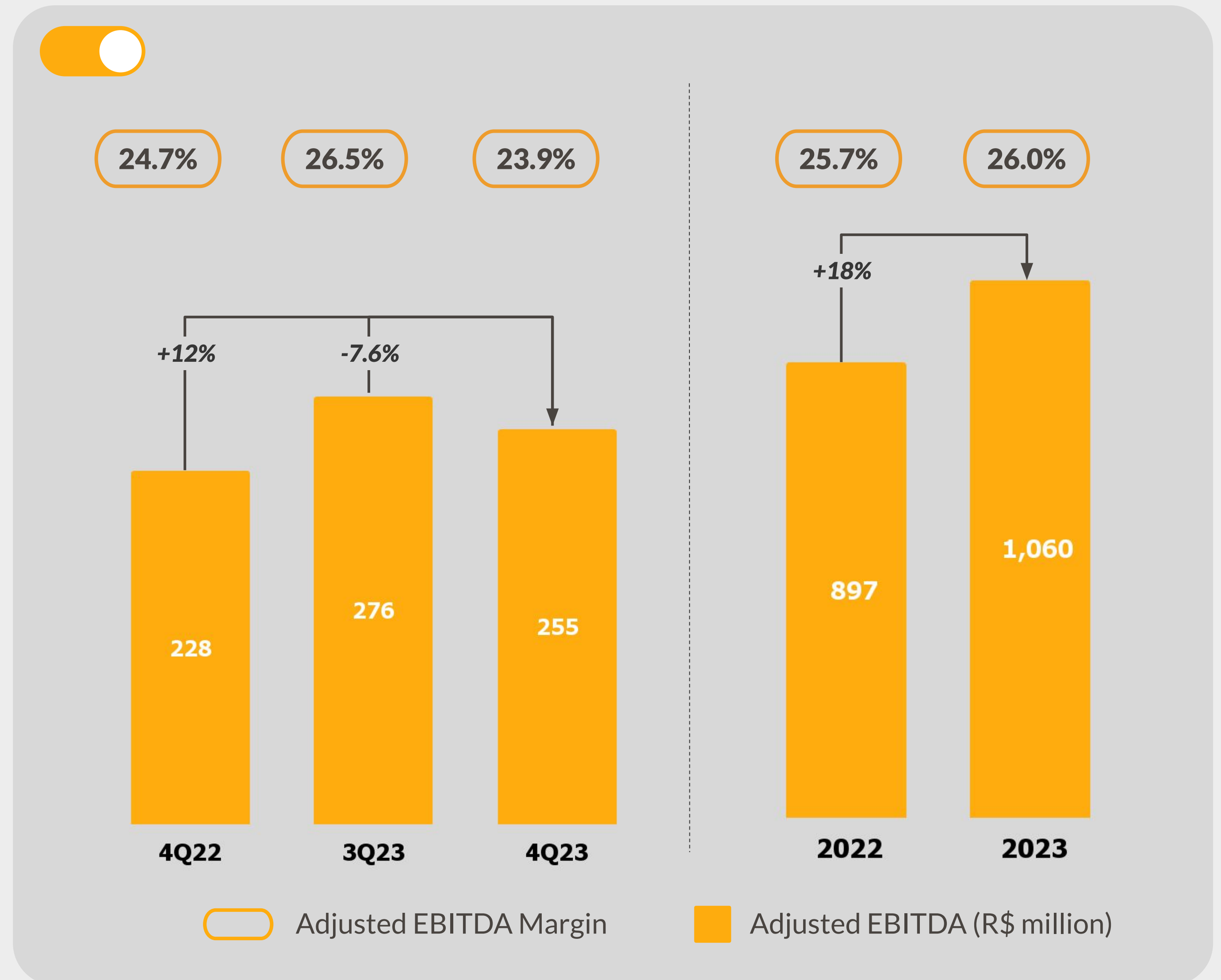
In 2024, with the acquisition of Ahgora Sistemas, we will complete our new product portfolio that fully meets the HXM structure:



# ADJUSTED EBITDA

**Management Adjusted EBITDA ended 3Q23 at R\$255 million, growth of 12% year over year, and with an Adjusted EBITDA Margin of 23.9%, 80 basis points lower than 4Q22, mostly related to seasonal factors and the one-offs from Dimensa, Contingencies and ILP (Long-Term Incentives).**

**In the year to date, Management Adjusted EBITDA exceeded R\$1 billion, and Adjusted EBITDA Margin of 26%, 30 basis points above 2022, which reflects the scalability of the dimension recurrence model.**

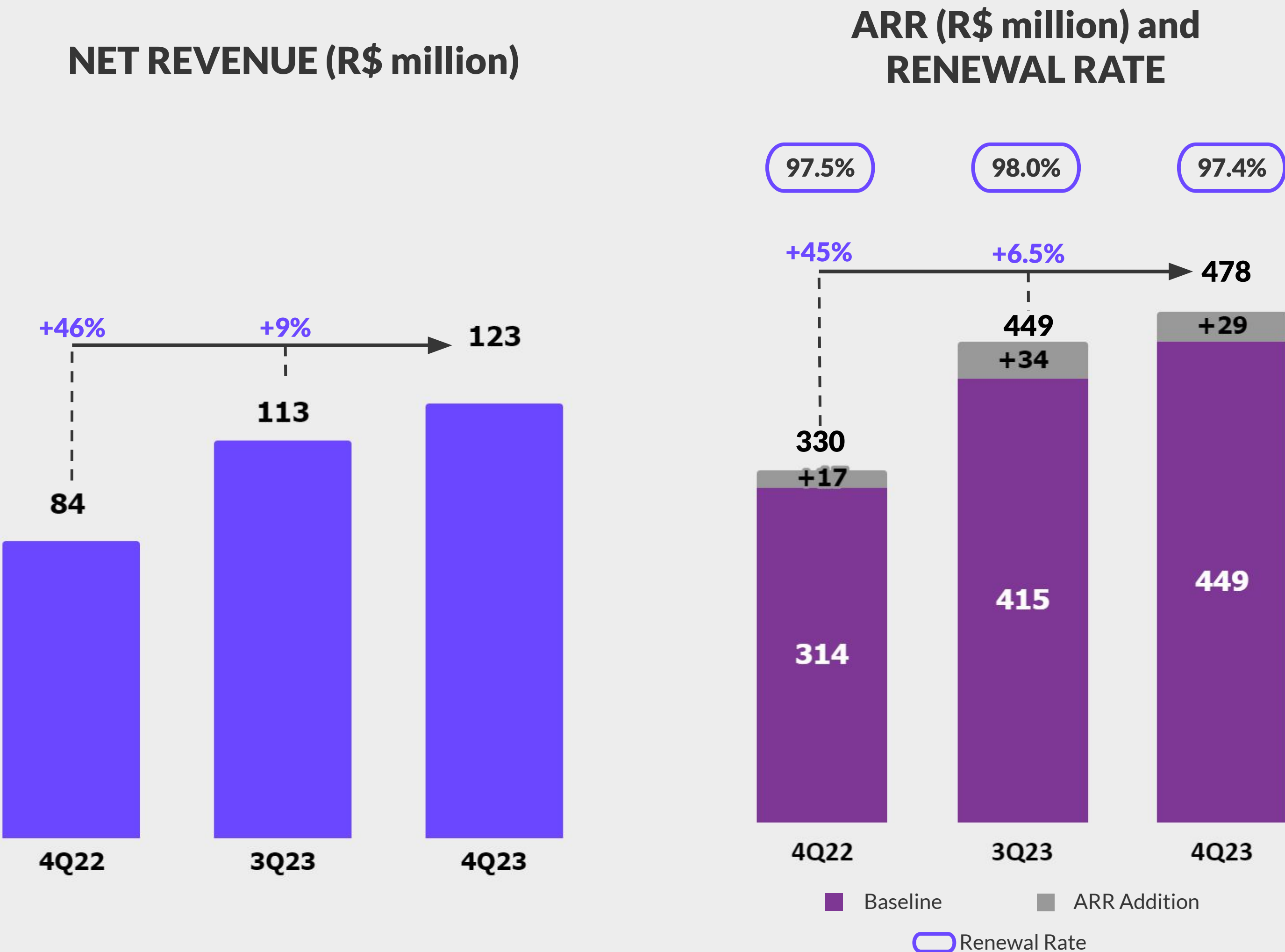




# 4Q23 - BUSINESS PERFORMANCE



Business Performance **Revenue increased 46% year over year**  
and the ARR of the dimension grew 45% over 4Q22



- PARTICIPANTS**  
~20 thousand (+2x vs. 2022)
- CLIENTS AND PARTNER AGENCIES**  
+9 thousand (+85% vs. 2022)
- SPONSORS**  
+160 (+2x vs. 2022)



# /// 4Q23 - SOLUTIONS SUITE FROM SINGLE TO MULTIPRODUCT



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## RD Station Solutions Product Portfolio



Digital Marketing  
Automation and  
Management



Automation of  
customer service to  
sell more



Virtual assistant  
trained with  
personalized data to  
qualify leads via  
integrated chat



Process control to  
boost sales



Increase in  
commercial efficiency



Control of sales made  
by online stores and  
marketplaces



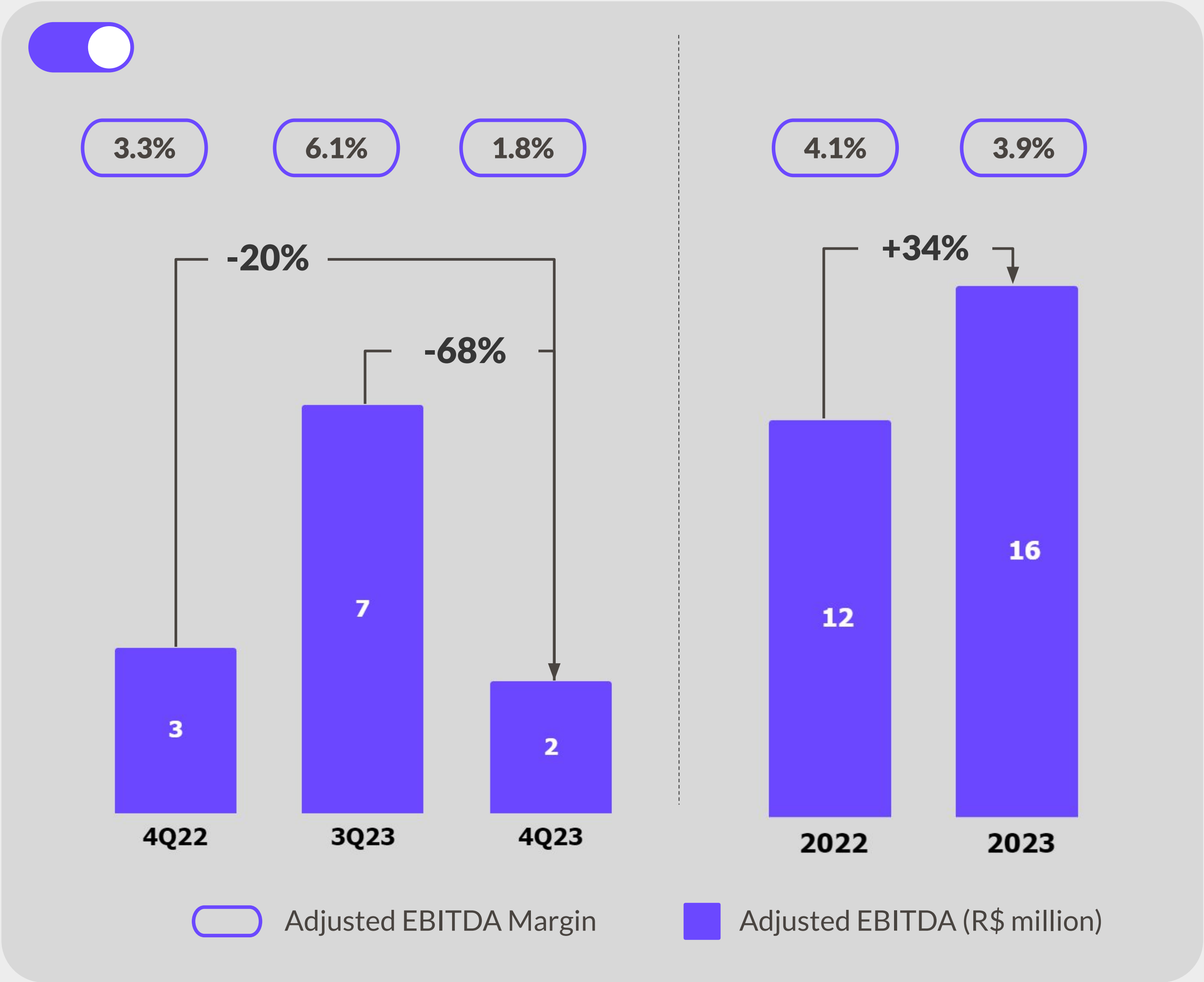
Complete platform to  
manage and expand  
customer online store



# ADJUSTED EBITDA

**Adjusted EBITDA ended the quarter at R\$2.2 million, with an EBITDA Margin of 1.8%.** The year over year and quarter over quarter reductions are mostly associated with the RD Summit. Disregarding the effect of the increase in RD Summit's investment, BP's EBITDA would be R\$9.8 million in 4Q23, with an EBITDA Margin of 8%.

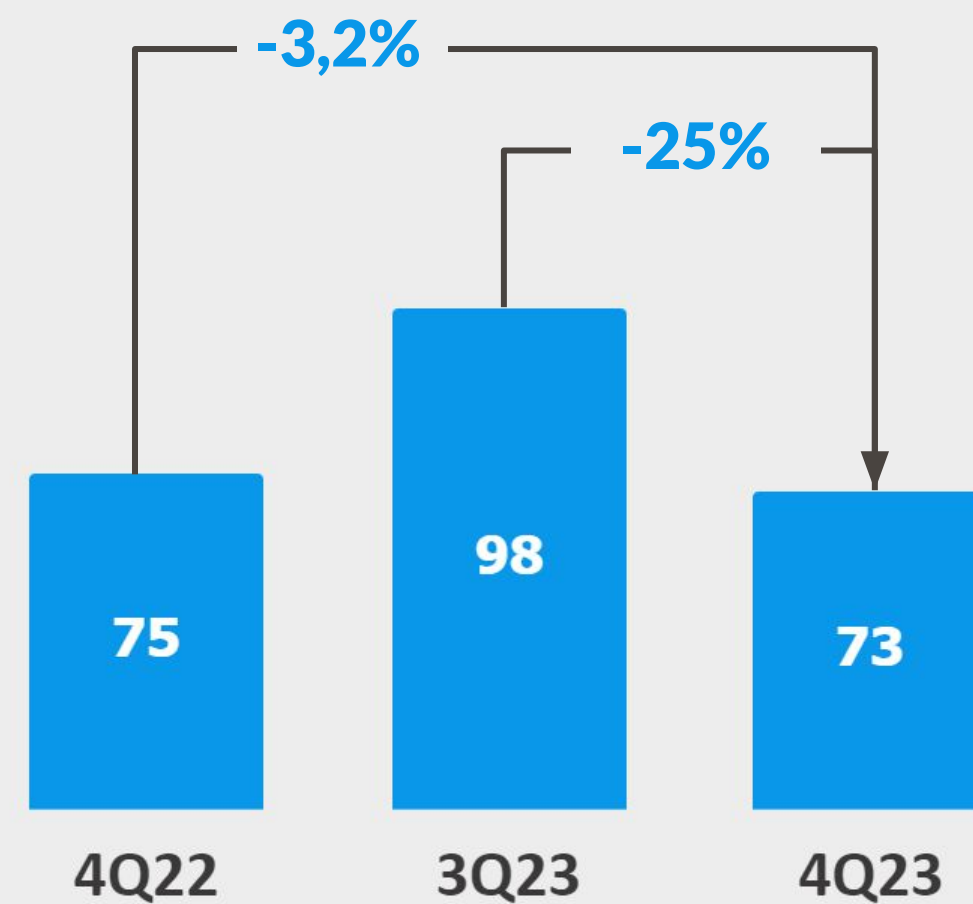
**In the 12-month period, the Adjusted EBITDA Margin was 3.9%, 20 basis points lower than 2022,** mainly due to the increase in investment in RD Summit and the acquisitions of Lexos and Exact Sales.



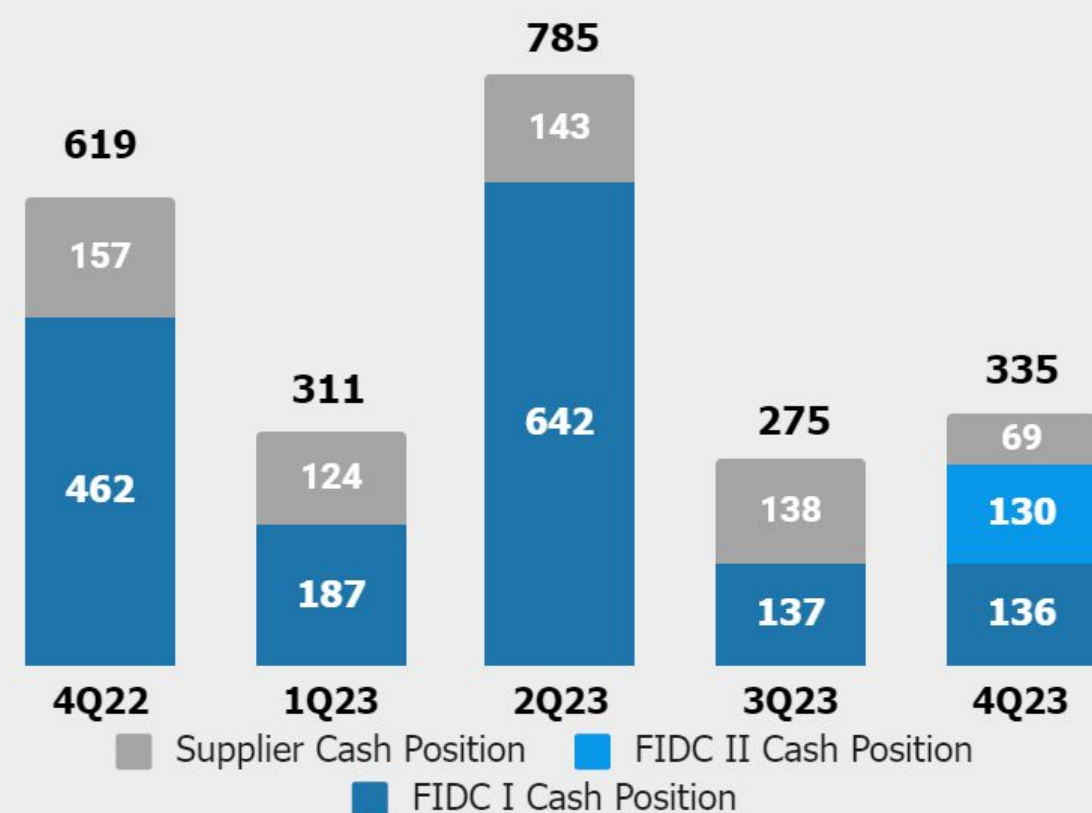


The 4Q23 credit portfolio already includes the participation of **Itaú's FIDC**, which has greater efficiency in funding, and **Delinquency above 90 days at Techfin continued to fall and lower than the Brazilian Average**

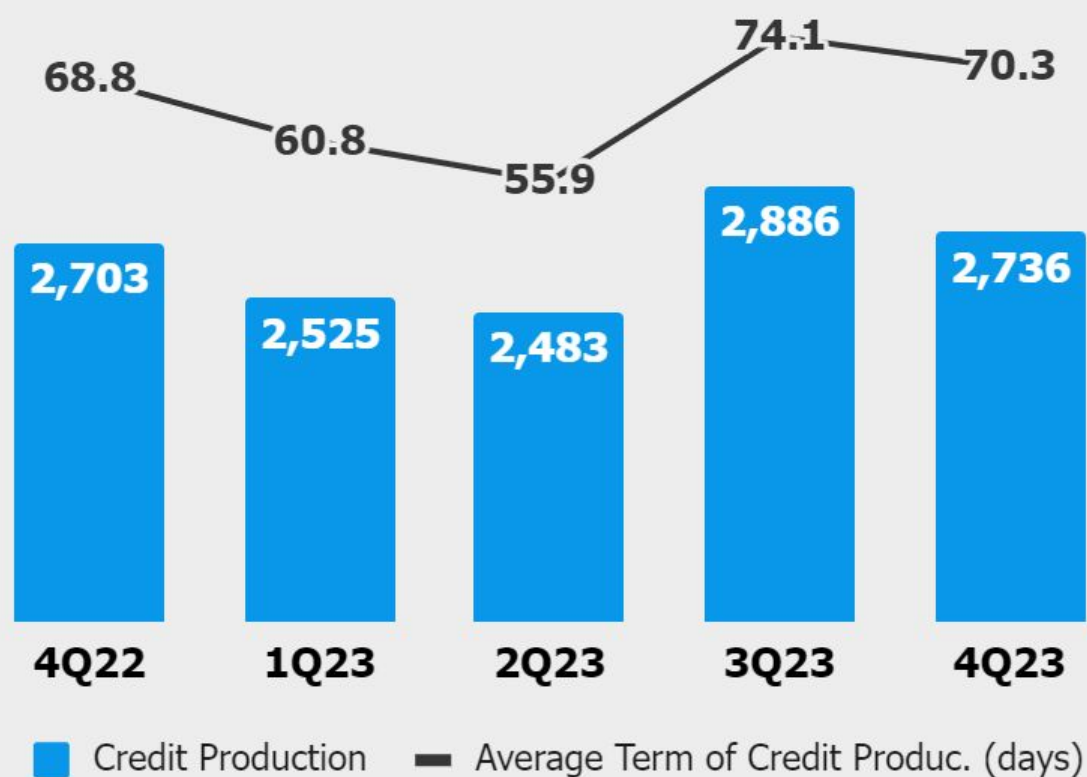
## Techfin Revenue Net of Funding (R\$ million)



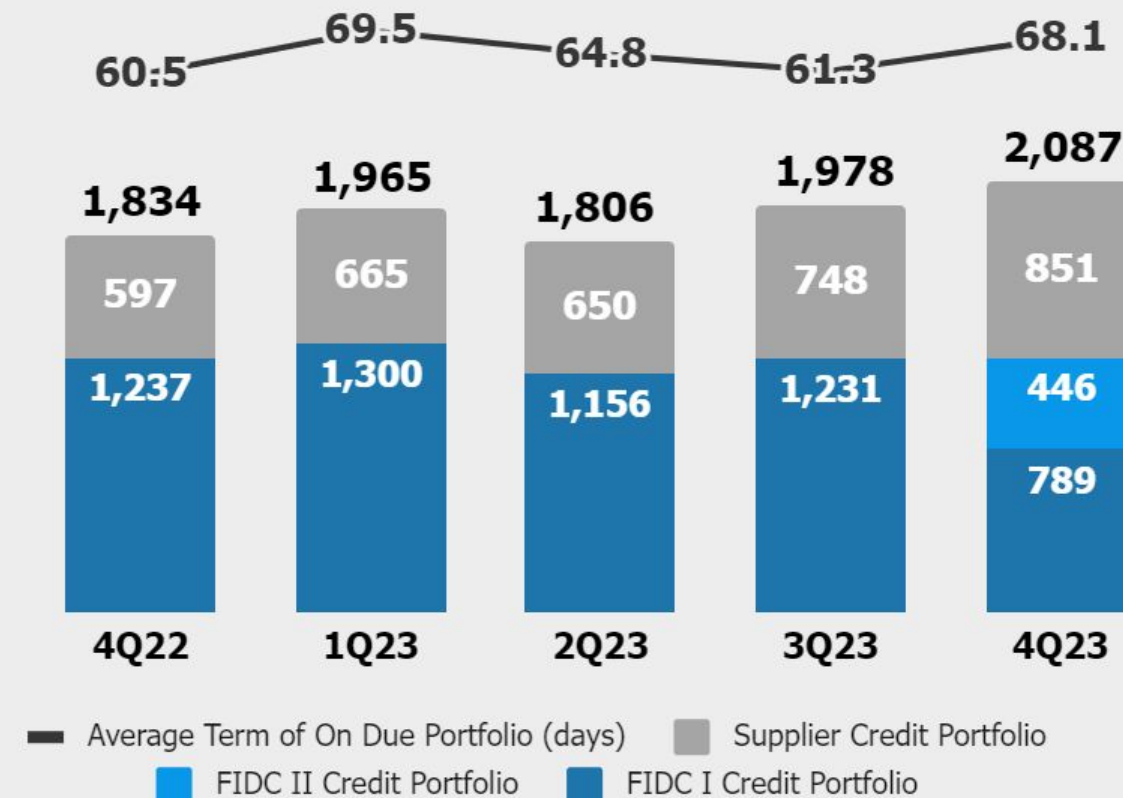
## Supplier Cash Position (R\$ million)



## Credit Production (R\$ million)

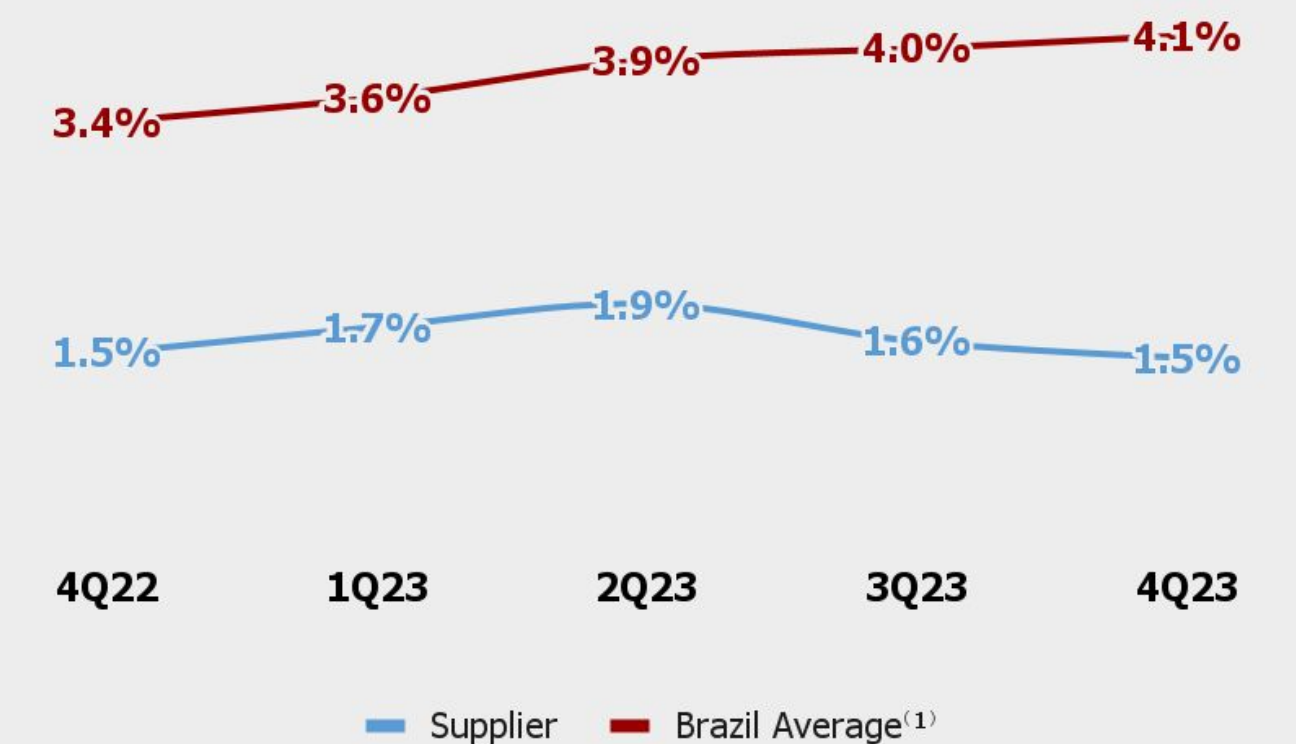


## Credit Portfolio (R\$ million)



### Highlights

#### Delinquency above 90 days



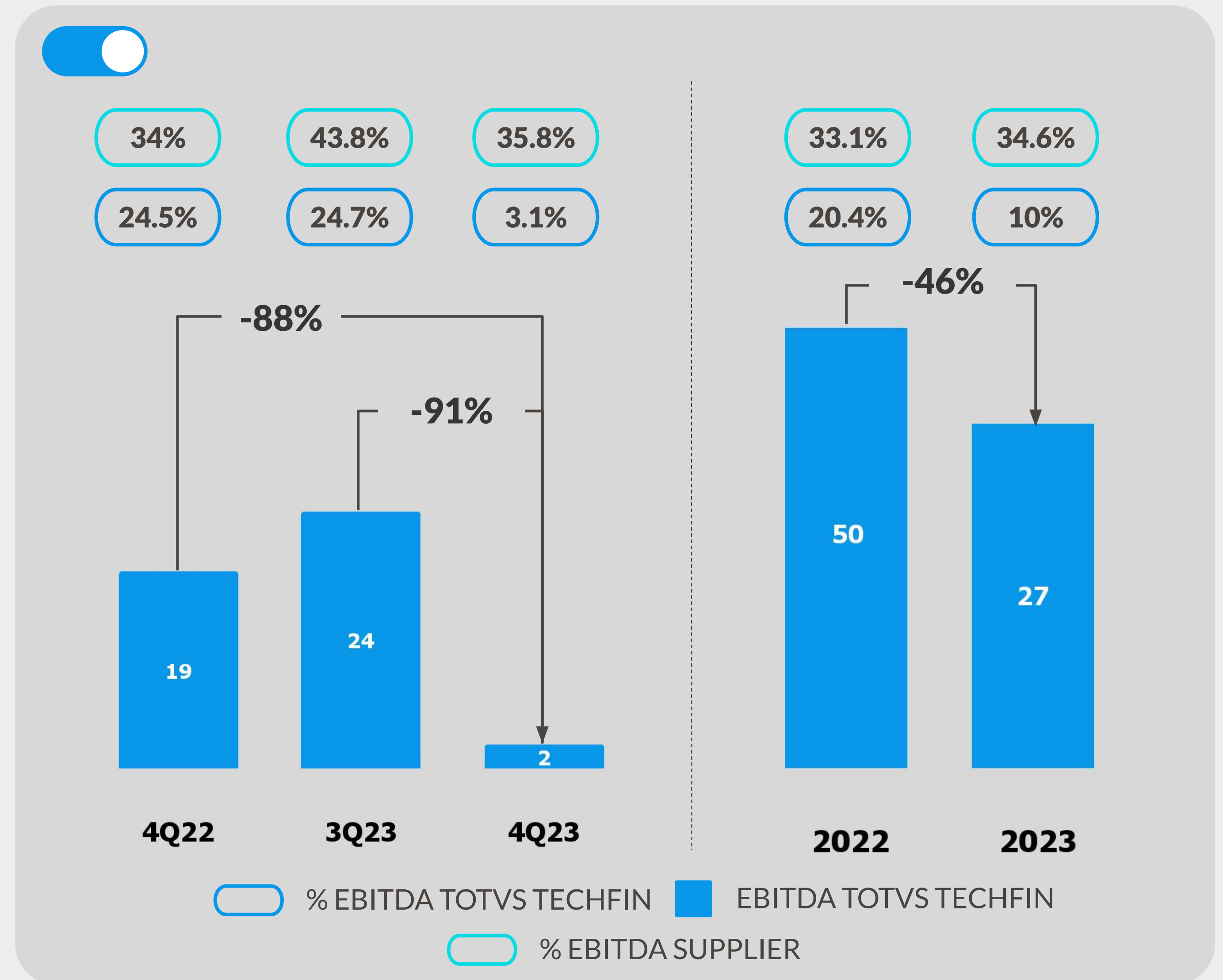
- The reduction in delinquency in 4Q23 compared to 3Q23 is mainly due to the reduction in Supplier's delinquency levels from 1 to 90 days in previous quarters.



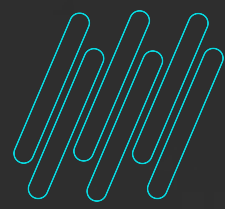
# EBITDA

**Techfin's EBITDA ended the quarter at R\$2.3 million and with an EBITDA Margin of 3.1%, a reduction compared to 3Q23 mainly due to the lower Revenue Net of Funding for the dimension in the quarter.**

*In the year view, the 46% reduction in the dimension's EBITDA is directly associated with **increased investments in the development of Techfin's portfolio.***







# 2023 HIGHLIGHTS IN ESG & HUMAN CAPITAL

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**PRÓ-ÉTICA  
STAMP**

**DIVERSITY &  
INCLUSION  
POLICY**



**ANNUAL GENERAL MEETING**

PARTICIPATION OF +80% OF VOTING  
CAPITAL AND HAD ALL  
RESOLUTIONS APPROVED

**TOTVS + RD STATION  
IN GPTW RANKING**

TOTVS AND RD STATION ARE ON THE LIST OF THE  
150 BEST COMPANIES TO WORK FOR IN BRAZIL



LATIN AMERICA  
EXECUTIVE TEAM 2023

**RECOGNIZED IN  
9 CATEGORIES**

INSTITUTIONAL  
INVESTOR

**Speed to  
Hero**

Program

**IOS**

+2 THOUSAND  
YOUNG  
GRADUATES



6<sup>TH</sup> PLACE IN THE

**MERCO**

RANKING

**ESG RESPONSIBILITY**



**1º PLACE  
ANEFAC**

FOR THE THIRD  
CONSECUTIVE YEAR

MAINTENANCE  
OF  
**TOTVS AA+  
RATING BY  
FITCH**

**Start  
Tech**

Program



EXPANSION OF  
CARBON  
FOOTPRINT  
COVERAGE AND  
INCORPORATION OF  
DATA RELATED TO  
SCOPE 3

**MSCI**

Score

▲ **AA**

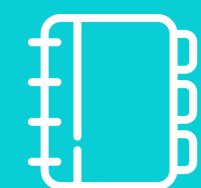
vs. A (2022)

**iDIVERSA | B3**

TOTVS IS ON  
**TOP 10**  
AMONG 75 COMPANIES IN B3'S  
DIVERSITY INDEX

BEST COMPANY TO  
INTERN IN BRAZIL

**BEST  
INTERNSHIP  
EXPERIENCES**



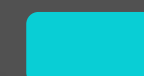
SUSTAINABILITY AND ESG  
AGENDA  
**2024-2026**



ENVIRONMENTAL



SOCIAL



GOVERNANCE



AWARDS/RECOGNITION

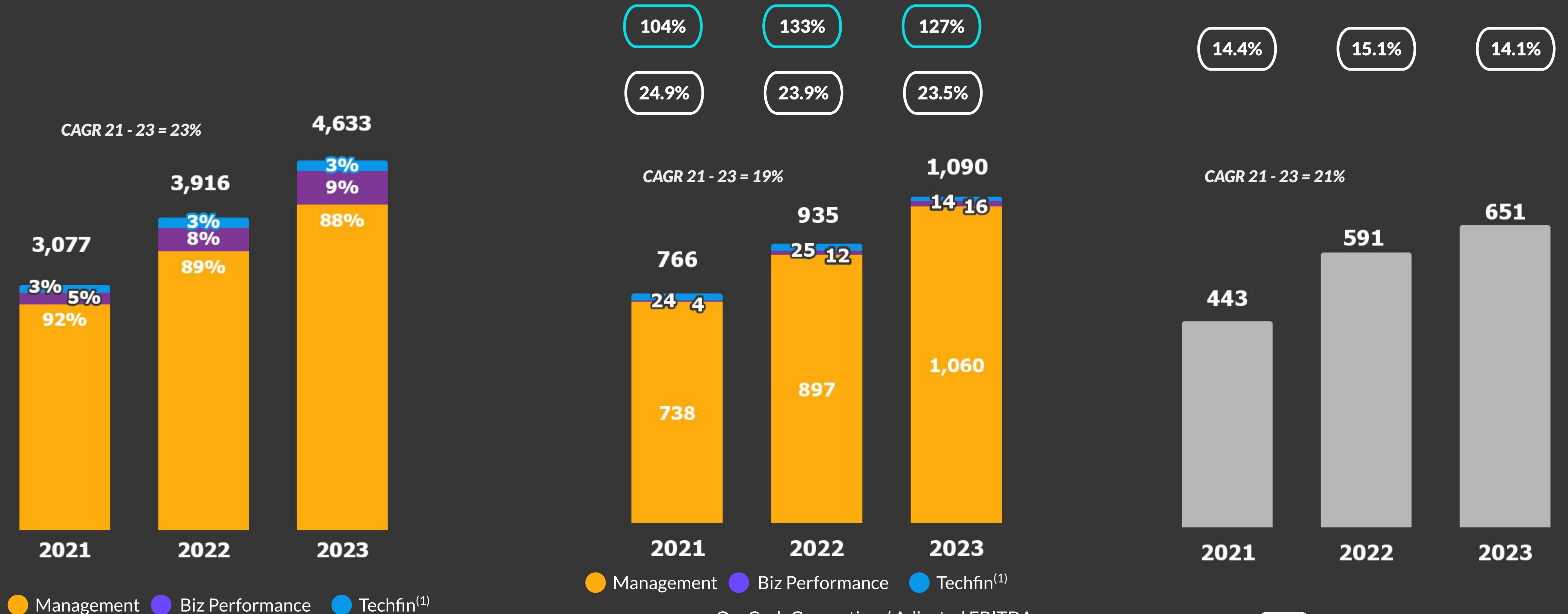


## CONSOLIDATED RESULTS 2023 (R\$ million)

### NET REVENUE

### ADJUSTED EBITDA <sup>(2)</sup>

### CASH EARNINGS



(1) Considers Techfin Revenue at 50%, net of funding cost

(2) Adjusted EBITDA, excluding extraordinary items, plus 50% of Techfin's EBITDA



# THANKS



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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

