



INSTITUTIONAL PRESENTATION

» Investor Relations

2024/ December



LEGAL NOTICE

All information contained in this presentation, relating 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.





01

TOTVS



OUR STORY



Unique and consistent trajectory



1980

STARTUP
Microsiga
is born



1990

WARM UP
Franchise
System



2000

NUMBER 1 BRAZIL
TOTVS
is born



2010

**SIMPLIFYING THE
BUSINESS WORLD**
+ Cloud
+ SaaS



2020

**TRUSTED
ADVISOR**
Ecosystem in
3 Dimensions

1983

Laércio Cosentino and Ernesto Haberkorn found Microsiga Software S.A.

1990

Start of the pioneering exclusive franchise system for distributing TOTVS management solutions

1997

Start of international operations with the opening of a branch in Argentina

1999

Launch of ADVPL, its own programming language

2005

The corporate name is changed to TOTVS S.A. (a word that comes from Latin and means everything, everyone, totality)

2006

IPO and subsequent acquisition of RM Sistemas S.A. is carried out.

2008

Acquisition of Datasul and consolidation of the Brazilian management systems market

2011

Specialization strategy with the creation of software offerings by industry segment of customer operations

2014

Start of TOTVS Cloud operations

2015

Launch of the TOTVS Intera subscription commercial model for small, medium and large companies

2019

Launch of the new 3-dimensional Ecosystem strategic plan to expand the TAM and continue growing rapidly

Acquisition of Supplier and establishment of the Techfin Dimension

Carrying out 2 Follow-ons (2019 and 2021) that raised R\$2.5 billion

2021

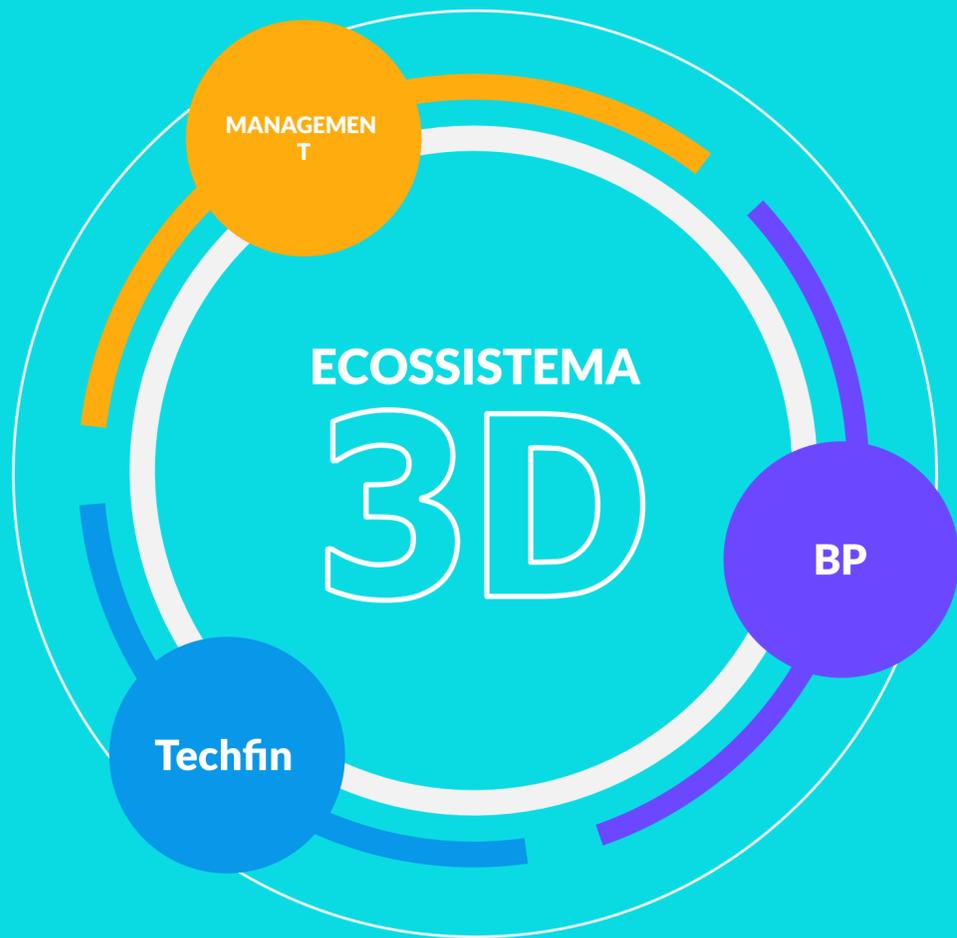
Acquisition of RD Station and establishment of the Business Performance dimension

2022

JV with Itaú to accelerate Techfin

2024...

WHY DID WE CREATE THE 3D ECOSYSTEM?



1

We lead in **Management** , a large market with room for growth

2

To continue growing rapidly for many years, **we need to seek new markets by creating new businesses** (Biz Performance and Techfin)

3

Our new businesses must take advantage of our **main strengths**:

- 1. **Focus on SME**
- 2. **Proximity and intensity of relationships with customers**
- 3. **We are the biggest on the market**

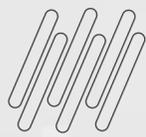
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We identified space to expand our value proposition (**improve company results**) and take on a new positioning (**trusted advisor**)

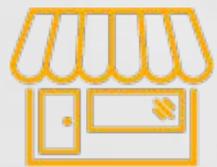
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Techfin and **Business Performance** are these new markets

Our Numbers



+70 thousand customers
of all sizes in more than 40 countries



11 Consolidating Franchises
spread throughout Brazil to serve our customers in the 38 franchised territories



#1 ERP Company in Brazil ⁽²⁾
one of the largest technology companies, with absolute dominance in the ERP journey



14 customer relationship units
SP, RJ, BH, RS, Recife, Interior of São Paulo, Large Enterprise, Public Sector, Health, Argentina, Chile, Colombia, Mexico and USA



~R\$2.7 trillion ⁽¹⁾
of the economy are produced by our customers



11 development centers
SP, BH, Joinville, POA, Florianópolis, Cascavel, Assis, Ribeirão Preto, Goiânia, USA, MEX



~1/3 of Companies ⁽³⁾
listed on B3 are TOTVS customers and 62% of these companies have been with us for more than 10 years





02

ADDRESSABLE MARKET

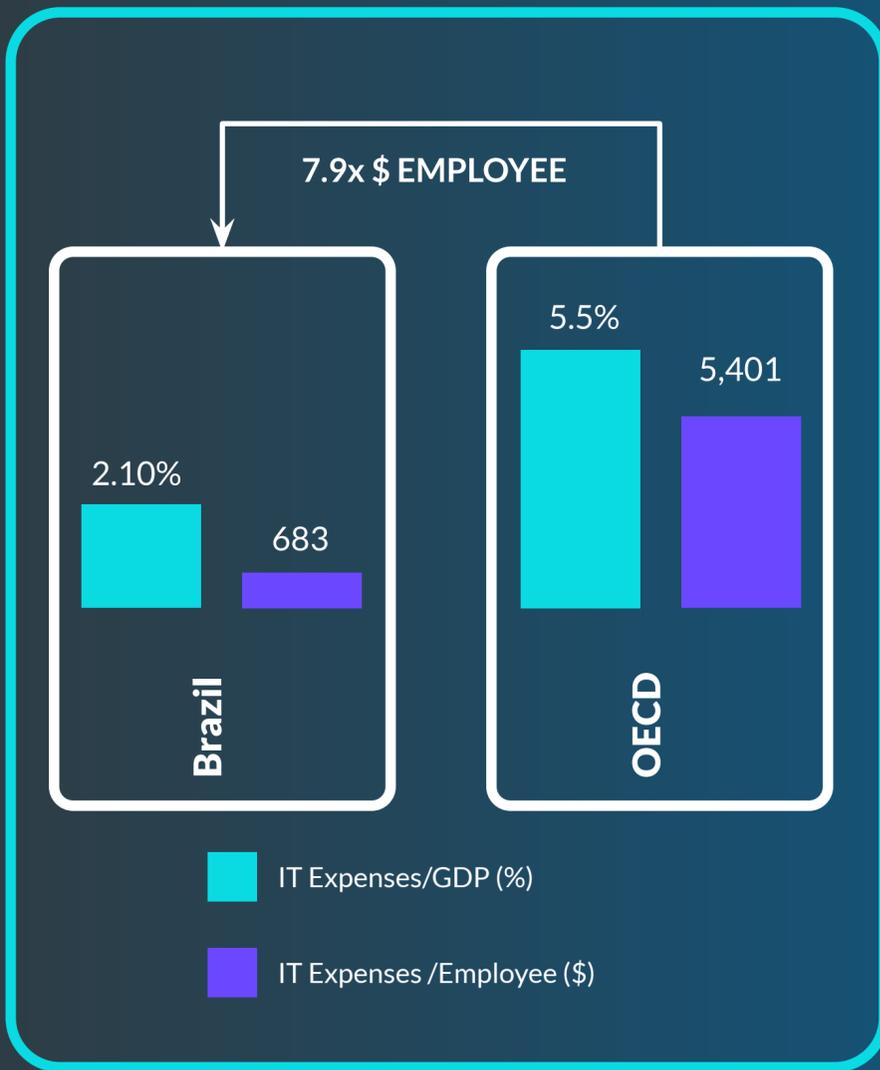


INVESTMENT IN SOFTWARE 2023

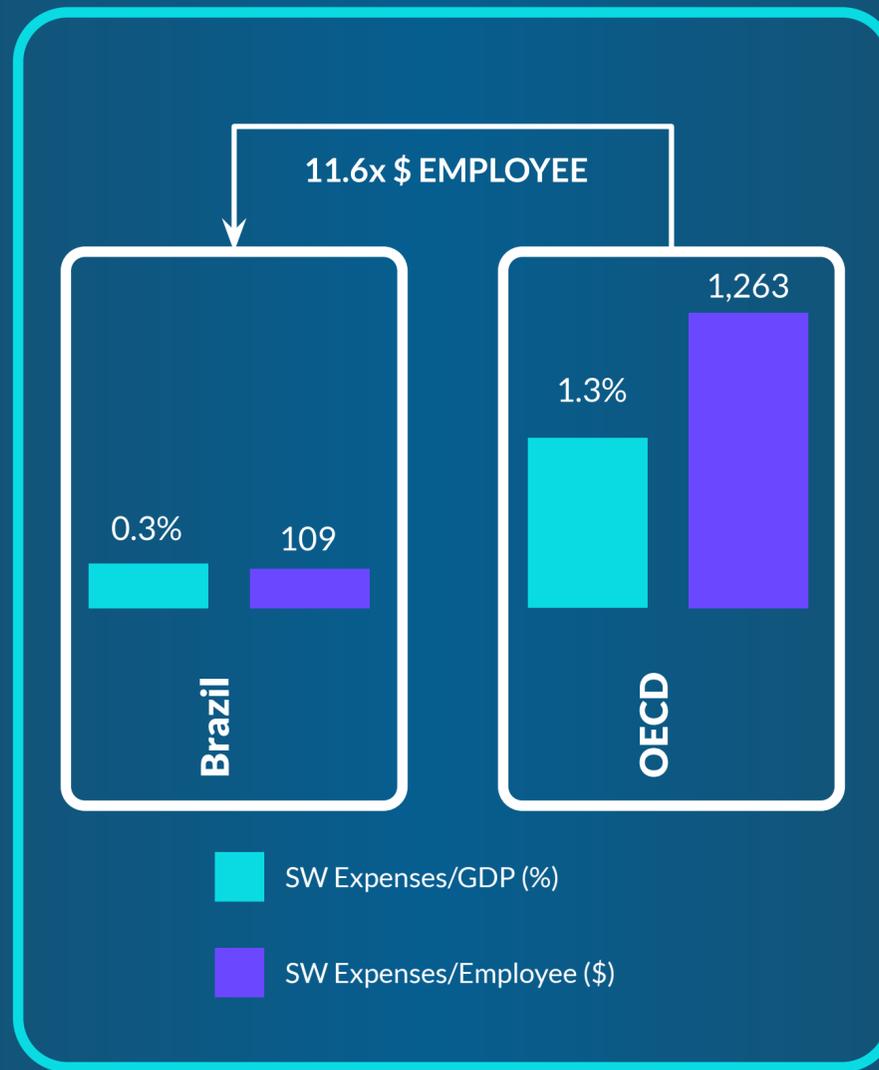


IT AND SOFTWARE SPENDING, BY ANY METRIC, IS STILL LOW

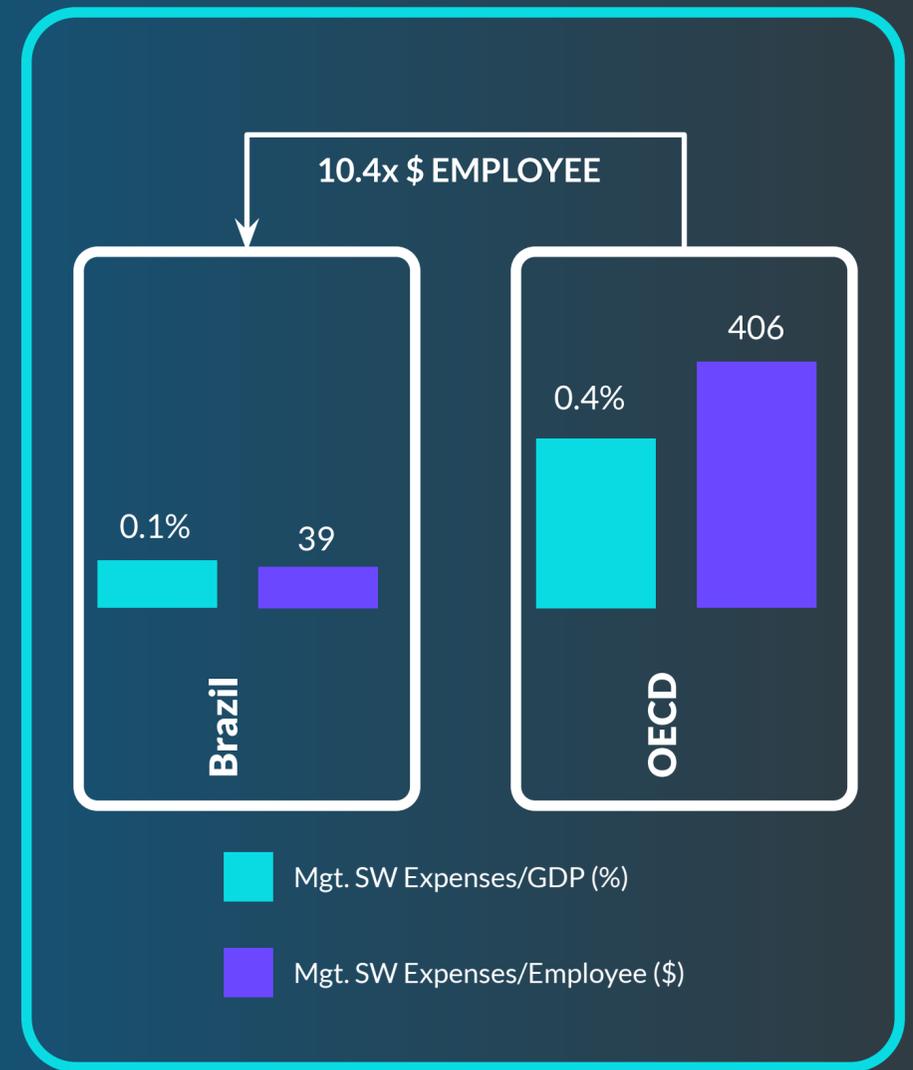
IT EXPENSES



SOFTWARE EXPENSES



MANAGEMENT SW EXPENSES



Source: World Bank, OECD, TOTVS

TOTVS has grown above the EAS (Enterprise Application Software) market, which has consistently grown above Brazilian GDP and accelerated its pace in recent years

CAGR	2013-23	2019-23
Brazilian GDP (Nominal) ⁽¹⁾	6.4%	8.0%
Management Market ⁽²⁾	13.2%	16.2%
TOTVS Management ⁽³⁾	14.9%	19.1%
Performance Market ⁽²⁾	26.0%	25.9%
TOTVS Biz Performance ⁽⁴⁾	89.8%	32.9%

2X
Brazilian GDP (Nominal)⁽¹⁾

2X
Brazilian GDP (Nominal)⁽¹⁾

+1,7 p.p.
Management Market⁽²⁾

+2,9 p.p.
Management Market⁽²⁾

4X
Brazilian GDP (Nominal)⁽¹⁾

3X
Brazilian GDP (Nominal)⁽¹⁾

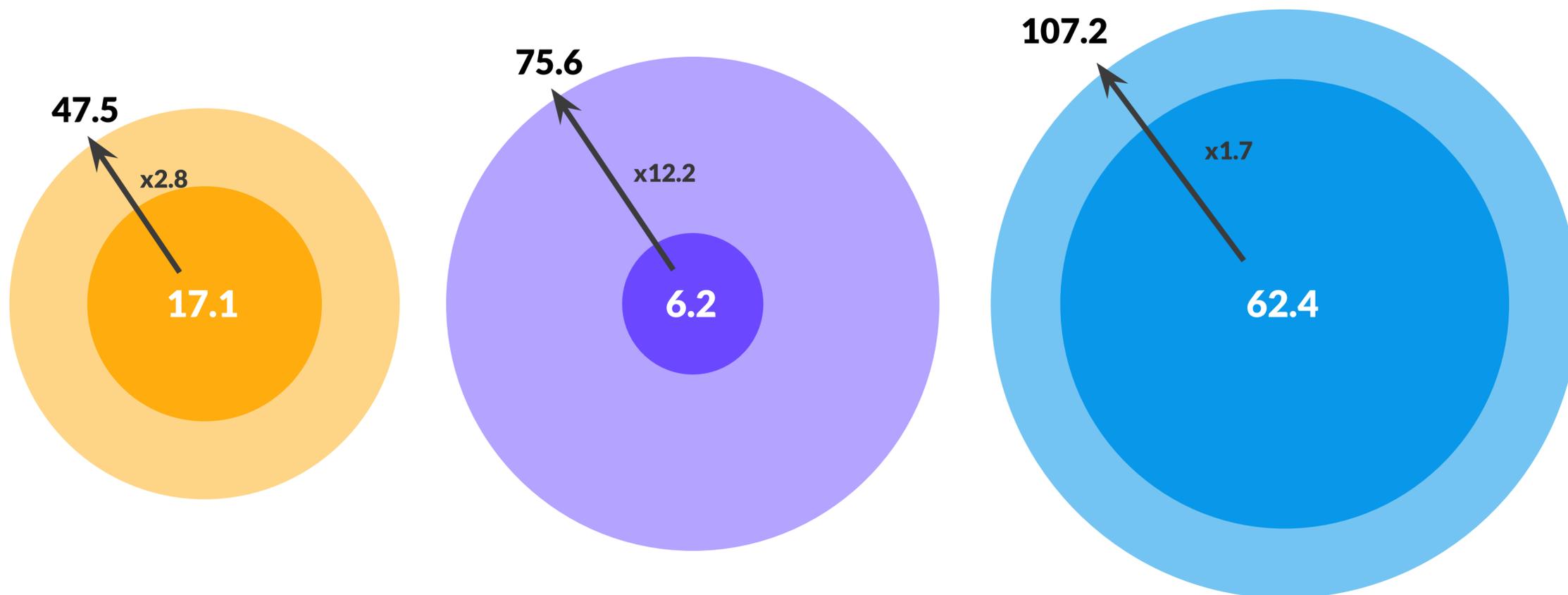
+64 p.p.
Performance Market⁽²⁾

+7 p.p.
Performance Market⁽²⁾

Sources: (1) BACEN; (2) Gartner; (3) TOTVS - Management Recurring Revenue; and (4) TOTVS - Revenue from RD Station in 2013.

TOTVS ADDRESSABLE MARKET (R\$ billion)

3D Ecosystem expanded our potential market by ~5x



MANAGEMENT

TOTVS Market Share⁽¹⁾:
15.3%
 (+120 bp vs 2020)⁽²⁾

BIZ PERFORMANCE

TOTVS Market Share:
5.7%
 (+480 bp vs 2020)⁽²⁾

TECHFIN⁽³⁾

TOTVS Market Share:
0.4%
 (+10 bp vs 2020)



Growth drivers for the potential market ...

- 
1. Software Market - increasing the IT maturity of Brazilian companies to a level similar to the OECD average
- 
2. B2B credit market - access of SMB companies to credit similar to the average of those companies that already take on debt currently in Brazil
- 
3. New markets (Techfin and Biz Performance) - the current size and potential of these new markets indicate that TOTVS does not need to be dominant in them for its growth to be relevant

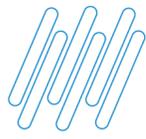
Sources: IDC, Central Bank and TOTVS Market Intelligence, respectively. | Notes: (1) TOTVS' market share considers, in addition to Back-office and HR ERP solutions, Verticals and other solutions; (2) **Considers the review of market size**, including from previous periods, **carried out by IDC, which changed the 2020 market share from 19.4% to 14.1% in Management and from 4.5% to 0.9% in Business Performance**; (3) The size of the Techfin market was proportionally adjusted from the gross revenue metric to the net funding revenue, which better reflects the spread.



03

COMPETITIVE DIFFERENTIALS





1

BUSINESS MODEL

Combination of broad addressable market, high level of loyalty, profitability and sustainability of recurring revenue (SaaS) combined with potential growth in transactional revenues

2

DISTRIBUTION PLATFORM

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

3

SOLUTIONS PORTFOLIO

Beyond the ERP: B2B technologies ecosystem in 3 business dimensions: Management, Techfin and Business Performance

4

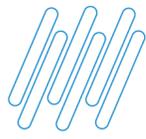
M&A & PARTNERSHIP STRATEGY

Main consolidator of Brazilian Tech Market: We believe acquisitions are a powerful tool to leverage our strategy of strengthening our core business and expanding into new market

5

ESG AGENDA

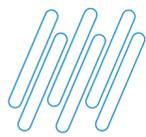
Executive Team engaged and experienced in the technology sector. Culture of operational excellence, transparency, efficiency, and high standards of excellence in governance, ethics and integrity and ESG



BUSINESS MODEL

Resilience and predictability of the recurrence model combined with the faster capture of market growth and take rate of the transactional model

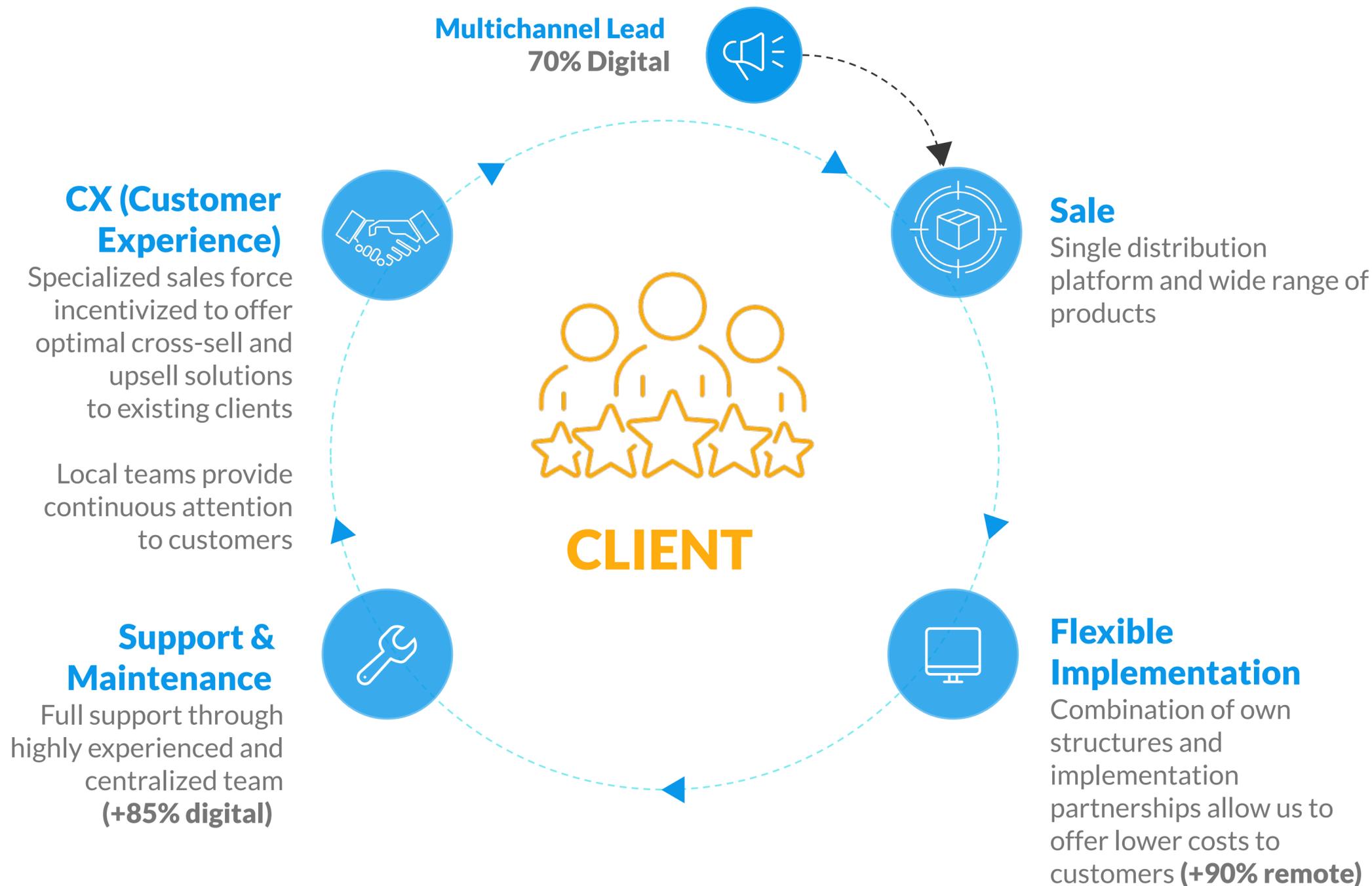
	Predictability	Earlier capture of market growth	Where we are in Client P&L
MANAGEMENT Recurring Model			G&A
BIZ PERFORMANCE Recurring + Transactional Model			Sales & Marketing
TECHFIN Transactional Model			Financial Results (Working Capital)
TOTVS			G&A, Sales, Marketing, Working Capital e Financial



BUSINESS MODEL



Presence and partnership in all stages of the Customer Journey strengthen loyalty



Far Beyond ERP: 3D ecosystem



Management



Techfin



Biz Performance

In 12 strategic segments of the economy and for customers of all sizes



Agribusiness



Construction



Distribution



Education



Financial Services



Health



Hospitality



Legal



Logistics



Manufacturing



Retail



Service Providers

Flexibly deployed



Cloud



On-premise



Across media

Distribution Platforms



Franchises & Branches



Multichannel



Partnership



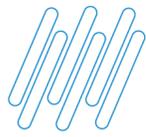
Own sales force



Affiliates



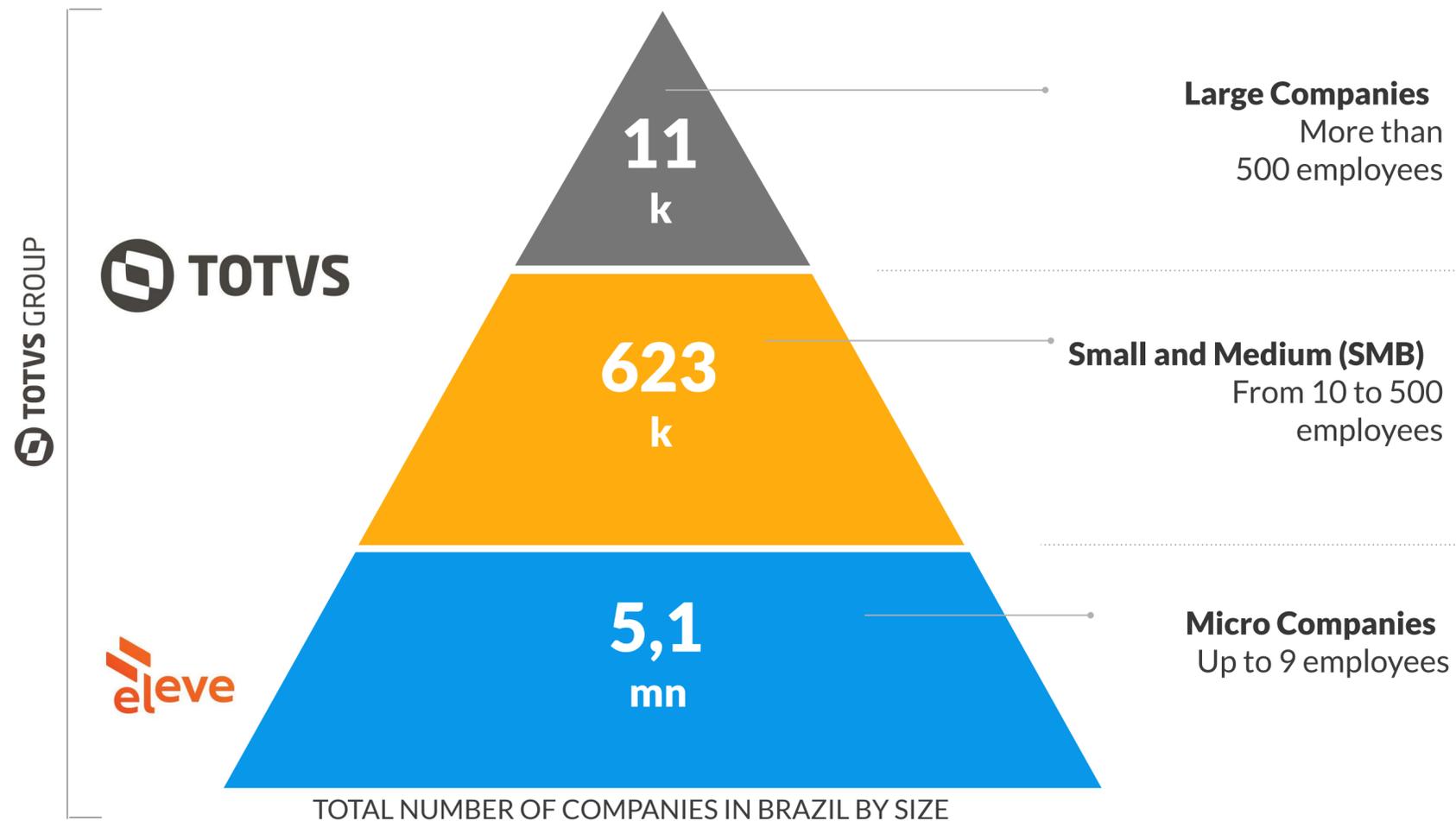
Digital Platform



DISTRIBUTION PLATFORM

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

COMPANY SIZE



DISTRIBUTION CHANNELS LOCAL AND DIGITAL

HOW WE RELATE WITH OUR CUSTOMERS



Management



Techfin



Biz Performance

Large Enterprise Division

- Own team with qualified and specialized staff by industry, offering personalized service and consulting support

Affiliates

- Credit distribution through our suppliers' affiliates

Partners

- Vibrant partner ecosystem in marketing automation

38 Franchised Territories and 6 Branches

- Franchised territories according to industry sector. Local knowledge for SMB customers

Franchises and Branches

- Sales specialists fully-integrated in franchises and branches, still at the beginning of our journey and with large room to grow

Digital Commerce

- Fully-integrated Digital Commerce and Omnichannel sales specialists present in franchises and branches

Multichannel

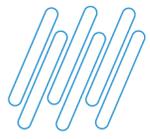
- Distribution model through partners from a multichannel base that provides TOTVS with unmatched penetration across all regions in Brazil

Cross-selling

- Cross-selling solutions through Management Dimension clients

PLG (Product-Led Growth)

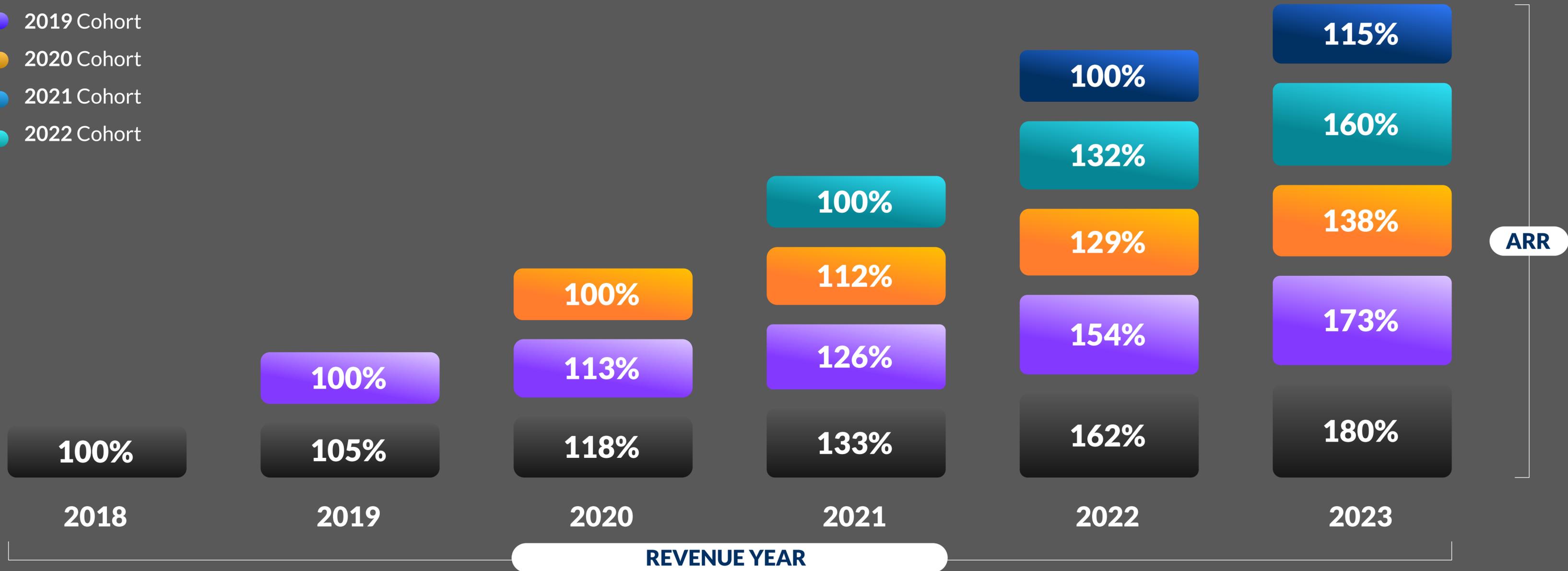
- Up-sell driven by PLG (Product Led Growth)

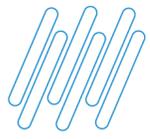


MANAGEMENT COHORT ANALYSIS

The capacity for additional sales, combined with the inflation pass-through and low churn, means that the value of each cohort increases over the years.

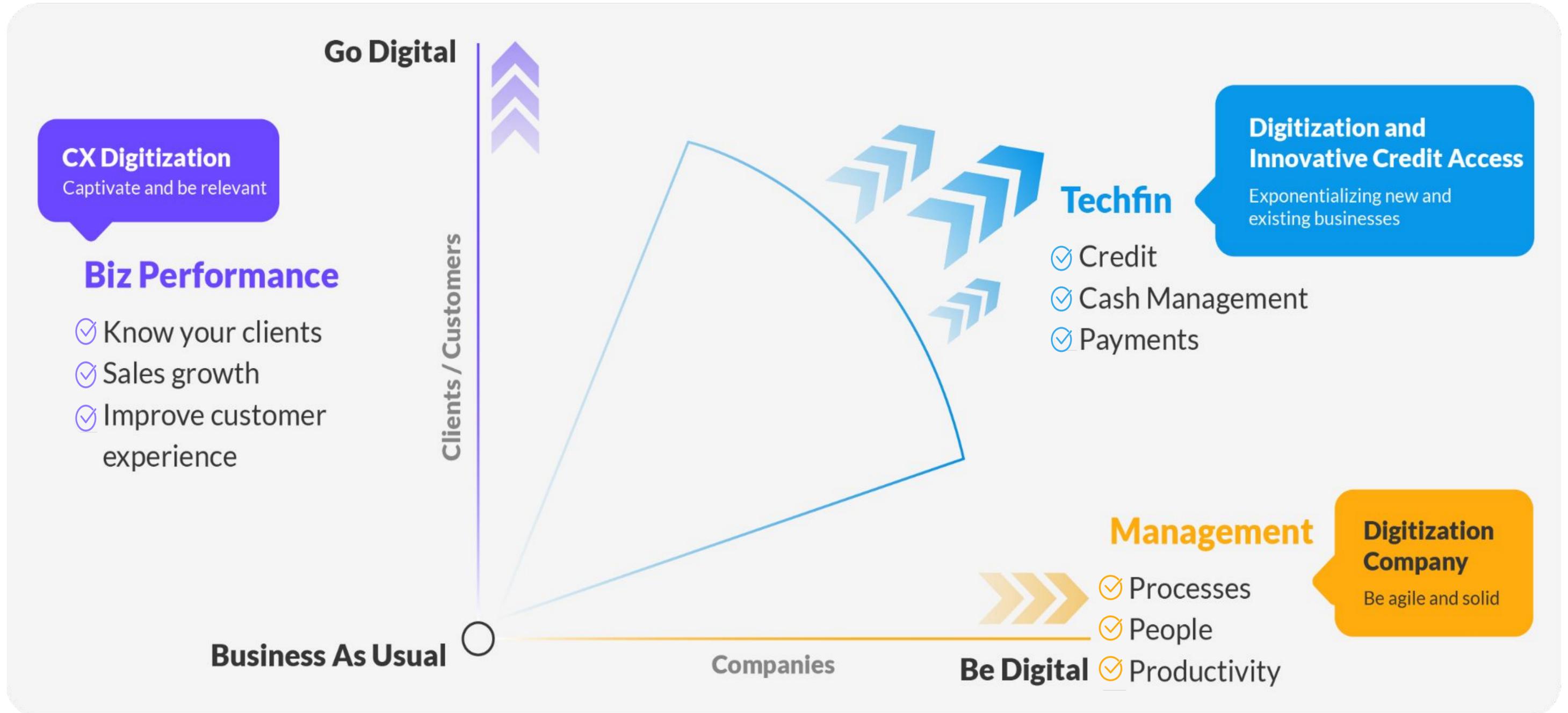
- 2018 Cohort
- 2019 Cohort
- 2020 Cohort
- 2021 Cohort
- 2022 Cohort

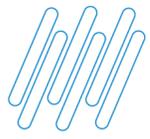




BUSINESS PORTFOLIO

Accelerating our clients' digital Journey through the 3D Ecosystem





BUSINESS PORTFOLIO



MANAGEMENT DIMENSION

ERP, HR solutions (from payroll to human capital management), and **vertical solutions** for 12 market segments

- ✓ A market not yet mature, with **~30% of SaaS signings from New Names** and potential TAM to become 3.3x larger
- ✓ **The digitization Journey** demands growing levels of corporate IT investments, boosting our core dimension
- ✓ More than simple personnel department solutions, **SMB companies** are updating to the **ultimate platform** for human capital management

×
PORTFOLIO AND DISTRIBUTION

ERP & HR Suite



ERP Backoffice



HR (HXM)

Vertical Solutions

Agribusiness	Construction	Distribution
Education	Financial Services	Health
Hospitality	Legal	Logistics
Manufacturing	Retail	Service Providers

Platforms



Business Intelligence (Analytics)



Carol Platform (AI e Data)



Fluig (Productivity & Collaboration)

Services



Consulting



Cloud

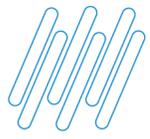


Trainings

Micro Companies



Solutions for Micro Companies



BUSINESS PORTFOLIO



BIZ PERFORMANCE DIMENSION

PORTFOLIO OF SOLUTIONS to support our clients from diverse market segments to increase sales, competitiveness and performance

- ✓ **Digital marketing platform** that drives demand and lead generation for SMB
- ✓ **Exponentializing digital commerce** with an asset light model that drives **GMV + take rate growth** trough full commerce



Digital Marketing Automation and Management



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



Automation of customer service to sell more



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



PORTFOLIO AND DISTRIBUTION

DIGITAL MARKETING

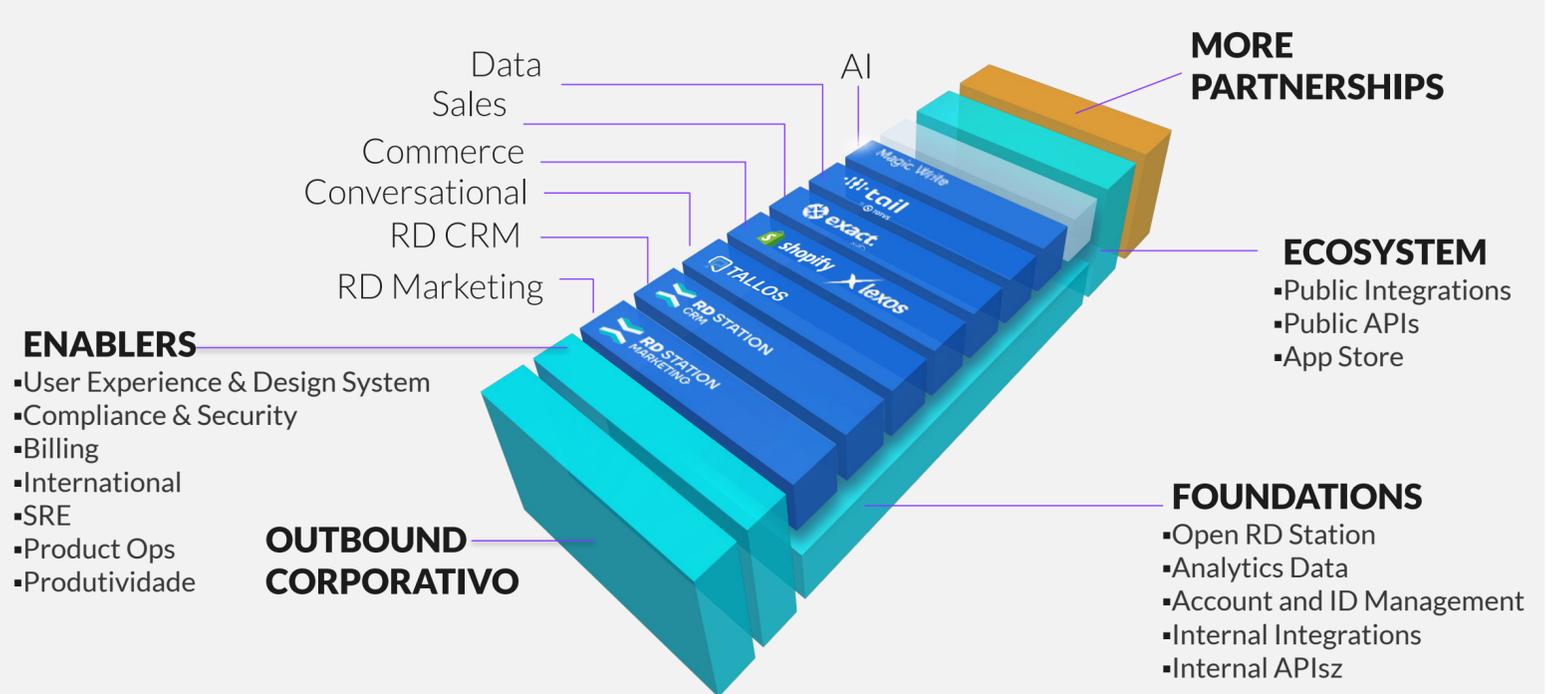


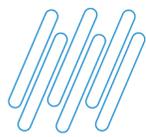
SALES / DIGITAL COMMERCE



CUSTOMER EXPERIENCE

BIZ PERFORMANCE PLATFORM





PORTFOLIO OF SOLUTIONS



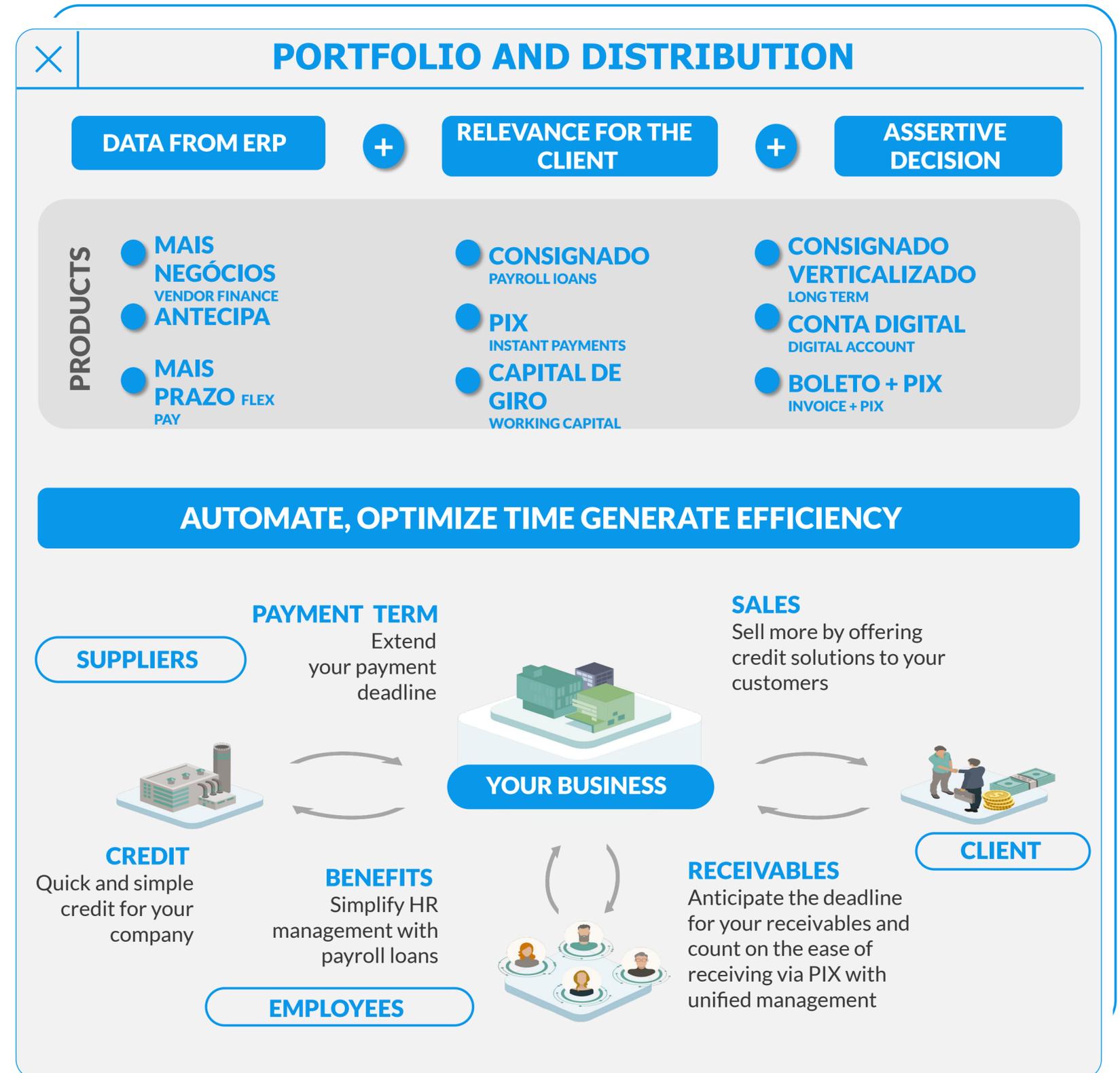
TECHFIN DIMENSION

SINGLE JOURNEY | ERP BANKING

We combine technology and data intelligence to simplify, expand and democratize companies' access to financial services with a disruptive value proposition that considers the **ERP BANKING** thesis, integrating Management software with financial solutions offerings

- Low Risk** business model
- Lower** regulation
- Self-Sustainable** business unit

Source: Company



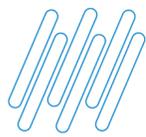


M&A & PARTNERSHIP

Successful growth strategy based on three main levers



Growth coupled with higher efficiency



M&As Enterprise Value: ~R\$3 billion (since 2019 Follow-On)

MANAGEMENT

Plan. and management financial

Rational

Increase in the Management business portfolio + access and data intelligence

Mar/2022

Human experience management

Rational

Expand HXM solutions, strengthening the portfolio for the Human Resources area

Sep/2022

Human capital management

Rational

Expand the position as a platform for HR, strengthening the solutions from personnel department to employee experience management

Nov/2023

Retail Suite

Rational

Expand the development of a complete Retail Suite, focusing on transforming retailers' management.

Nov/2023

TECHFIN

B2B Credit

Rational

Best finance offer to the entire supply chain

Oct/2019

Digital Platform of Financial services

Rational

Expand, simplify, and democratize the access to a wide range of financial products in the B2B market

Apr/2022

BIZ PERFORMANCE

Digital Marketing

Rational

The leader in the digital marketing transformation of SMBs

Mar/2021

Conversational commerce

Rational

One of the major developers of solutions for conversational commerce in the country

Aug/2022

E-commerce

Rational

World leader in e-commerce platform, to offer solutions for SMEs

May/2023

Digital-commerce

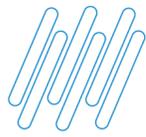
Rational

Solutions to enhance the integration of sales and prospecting and potential customer qualification platforms

May/2023 Jun/2023

Source: Company

M&A Partnership



GOVERNANCE



Highest level of Corporate Governance

(B3 - Novo Mercado)

Mercado)

BOARD OF DIRECTORS

6 out of 7 board members are independent

Laércio Cosentino

Chairman
Co-Founder of TOTVS and Chairman of Brasscom and Mendelics

Maria Letícia Costa

Vice-Chairman Independent Member
Partner of SLP Consultoria e Treinamento and board member of Localiza, Mapfre, Mobly and Auren Energia

Edson Georges Nassar

Independent Member
Board Member of Banrisul Icatu

Gilberto Mifano

Independent Member
Board Member of Natura and Construtora Pacaembu

Guilherme Stocco Filho

Independent Member
Board Member of Falconi Consultoria and Vinci Partners

Ana Claudia Reis

Independent Member
Senior Partner at Kingsley Gate Partners

Tania Sztamfater Chocolat

Independent Member
Executive Director of Investments LatAm at CPPIB² and Board Member at Equatorial Energia and LAVCA

ADVISORY COMMITTEES

Statutory Audit

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

People and Compensation

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

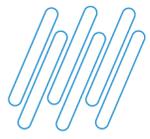
Governance and Nomination

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

Strategy

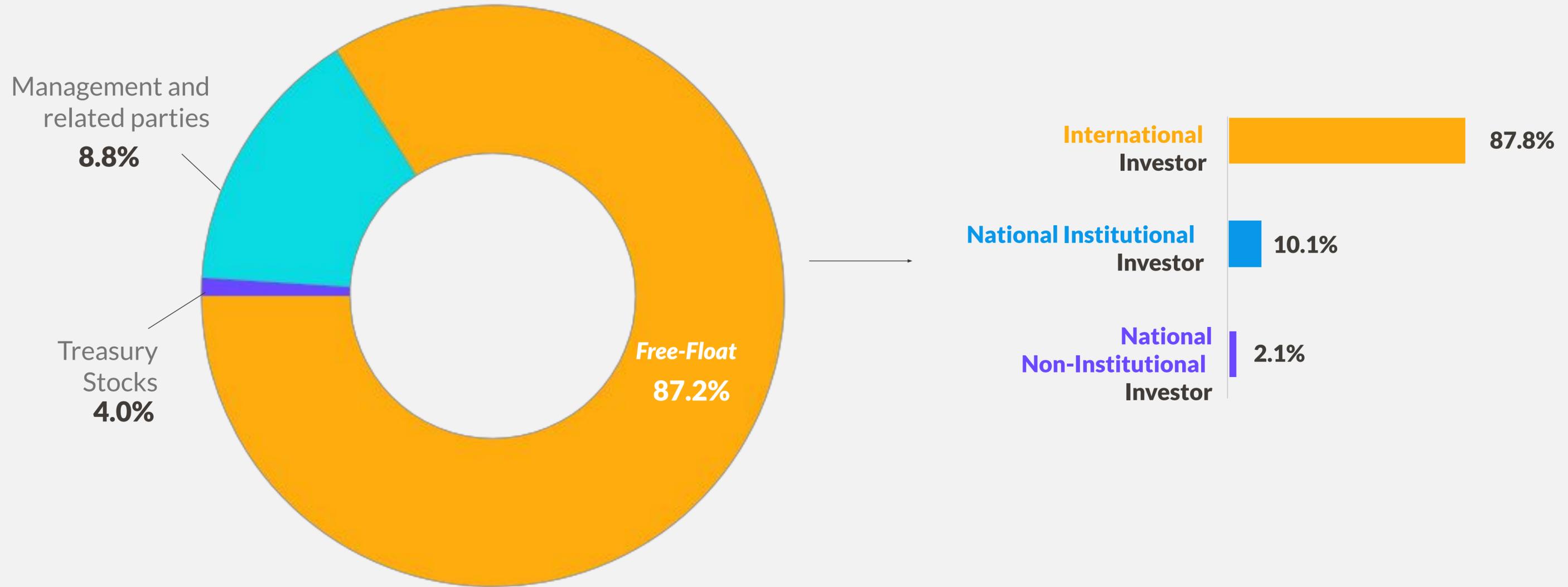
studies, debates, evaluates, proposes and monitors the main guidelines of the corporate and technological strategy

Note: (1) B3 - Brasil, Bolsa, Balcão (2) CPPIB - Canada Pension Plan Investment Board



GOVERNANCE

Shareholding Composition*: True Corporation



*As of September 30th, 2024



▶ 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.



45,000+ students graduated under a 25 years track record



63% increase in household income of students



2,000+ students have completed IOS courses



1,300+ students employed with IOS assistance



TOTVS invested **R\$7,2MM** in 2023 in **IOS – Institute of Social Opportunity**



#WEARETOTVERS CULTURE

defines our essence



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

By geographic location (own units)

11,342 in Brazil



307 abroad



ARG

MEX

USA

COL

By gender



61%



39%

By leadership position



62%



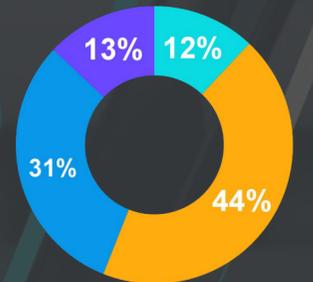
38%

By generation

Generation Y	63%
Generation X	21%
Generation Z	15%
Baby boomers	1%

By activity

- R&D
- Services
- Adm / Others
- Sales





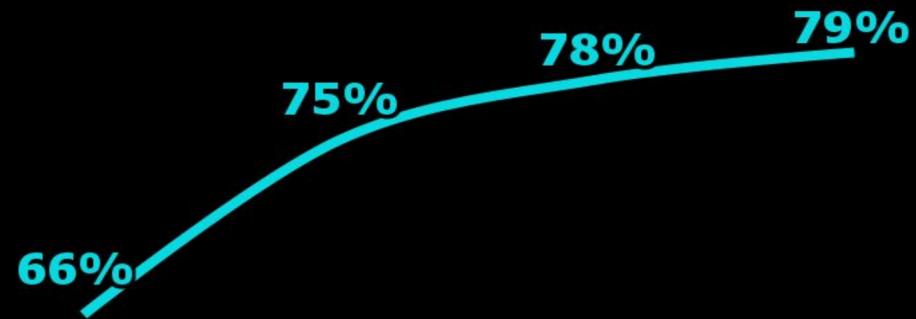
04

**QUARTER
RESULTS**
3Q24

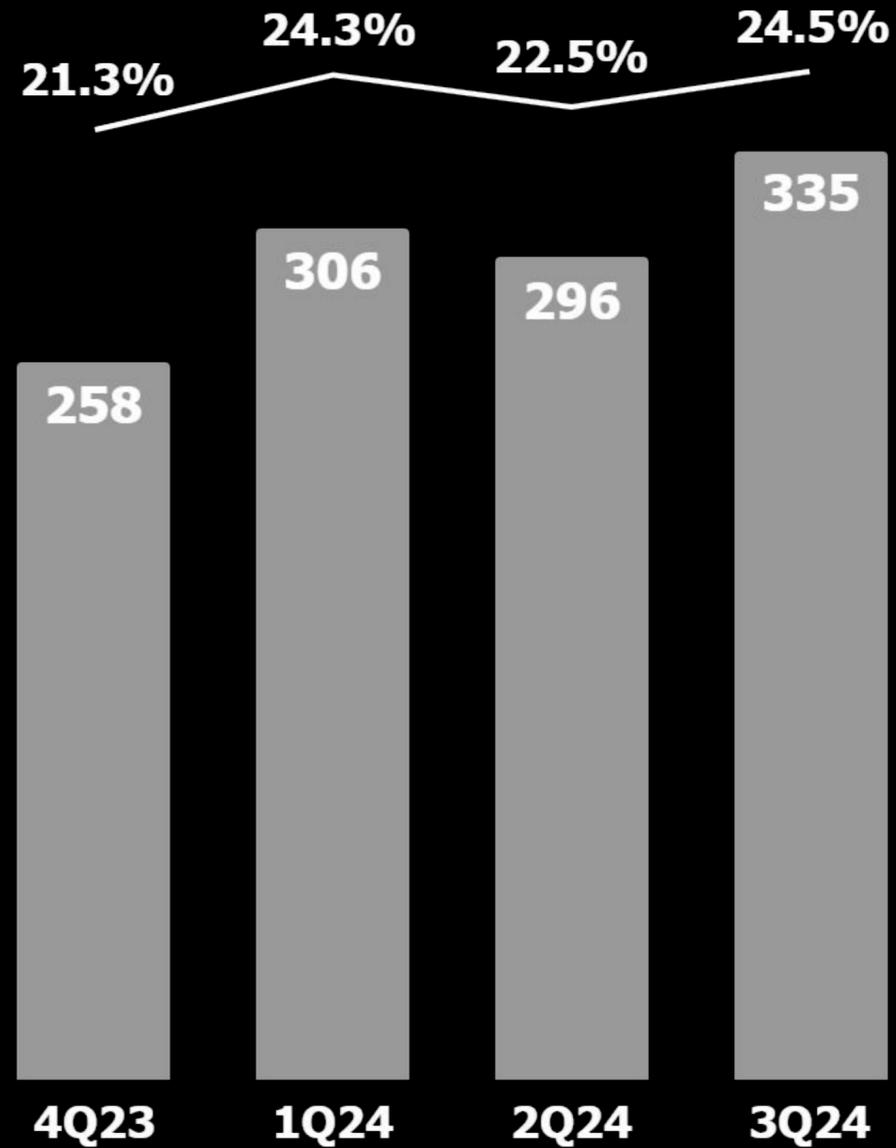


3Q24 - CONSOLIDATED RESULTS (R\$million)

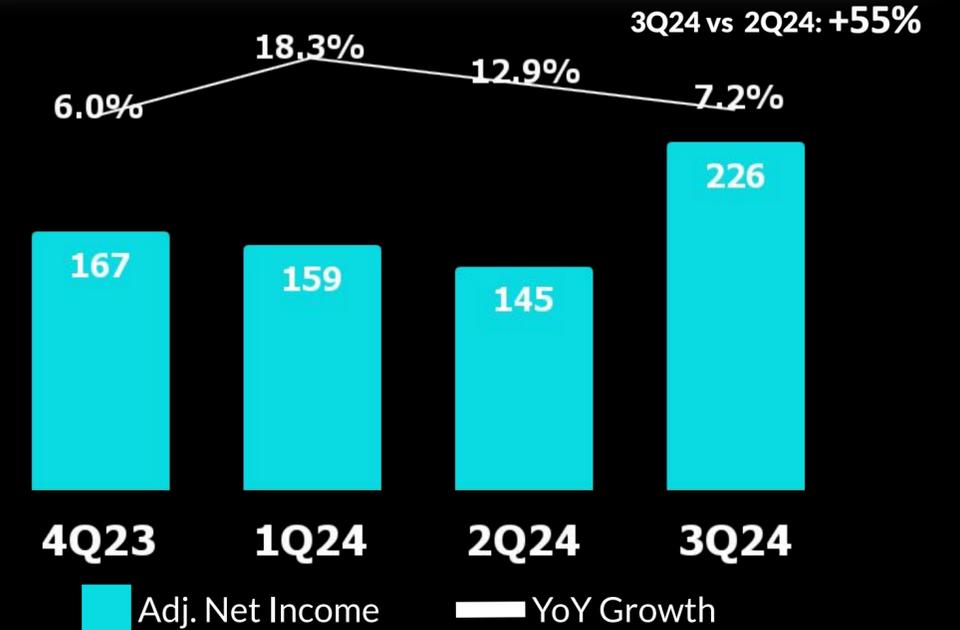
Management SaaS + Business Performance + Techfin ⁽¹⁾



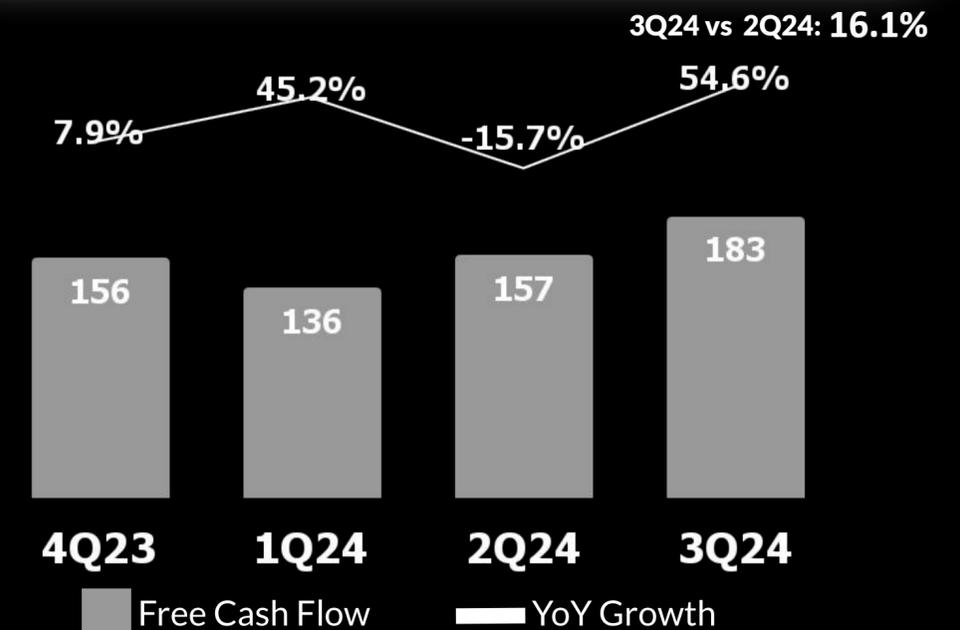
EBITDA ⁽²⁾



NET INCOME



FREE CASH FLOW



■ Participation in nominal YoY Revenue growth
■ Share in Consolidated Net Revenue

■ Adjusted EBITDA
— Adjusted EBITDA Margin

■ Free Cash Flow
— YoY Growth

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

Recurring Revenue growth of 20% vs 3Q23,
driven by growth in **SaaS Revenue**, which maintained its growth level above 30% year-over-year

RECURRING REVENUE

+R\$ 1.1 bi (+20% vs 3Q23)

% Recurring Revenue: **89%**

Cloud Revenue: **+32%** vs. 3Q23

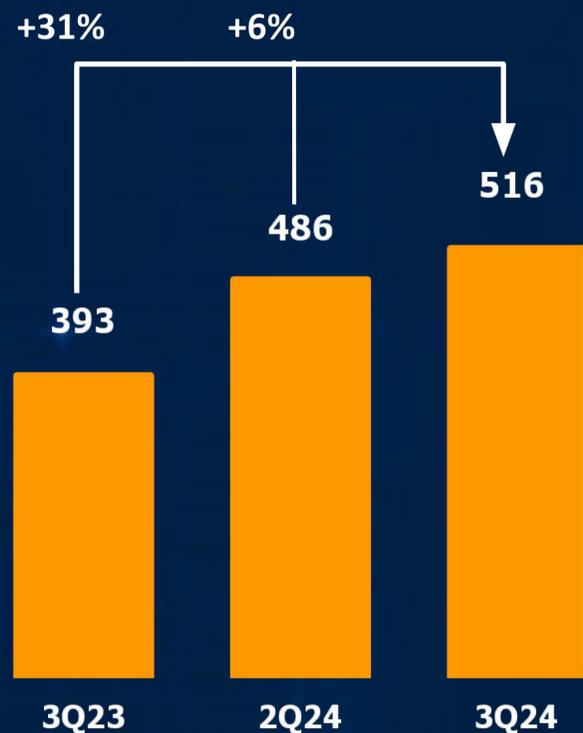
ARR NET ADDITION

R\$158 million

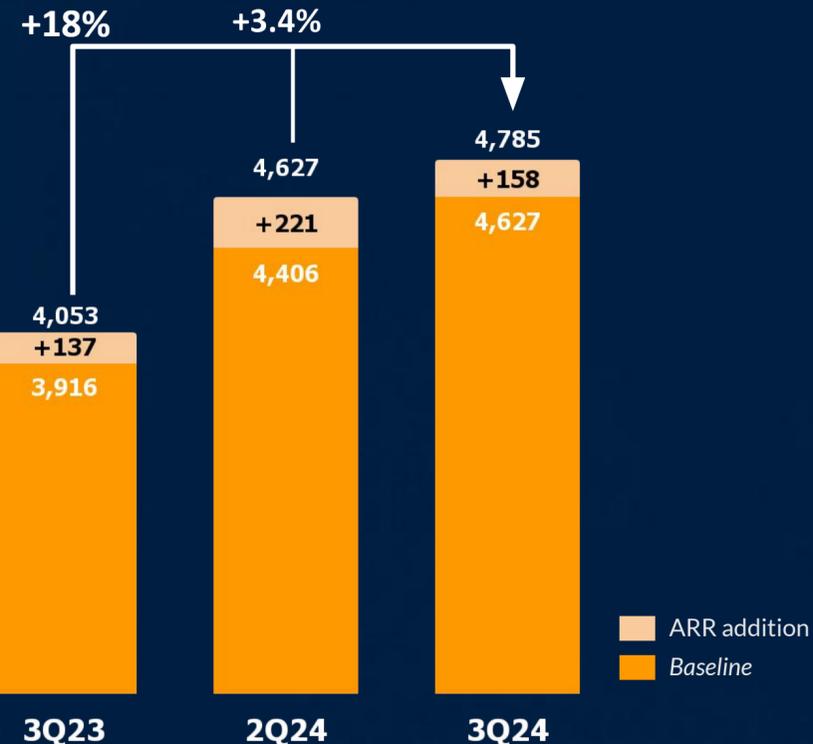
RENEWAL RATE

1Q24	2Q24	3Q24
98.2%	98.2%	98.6%

SaaS (R\$ million)

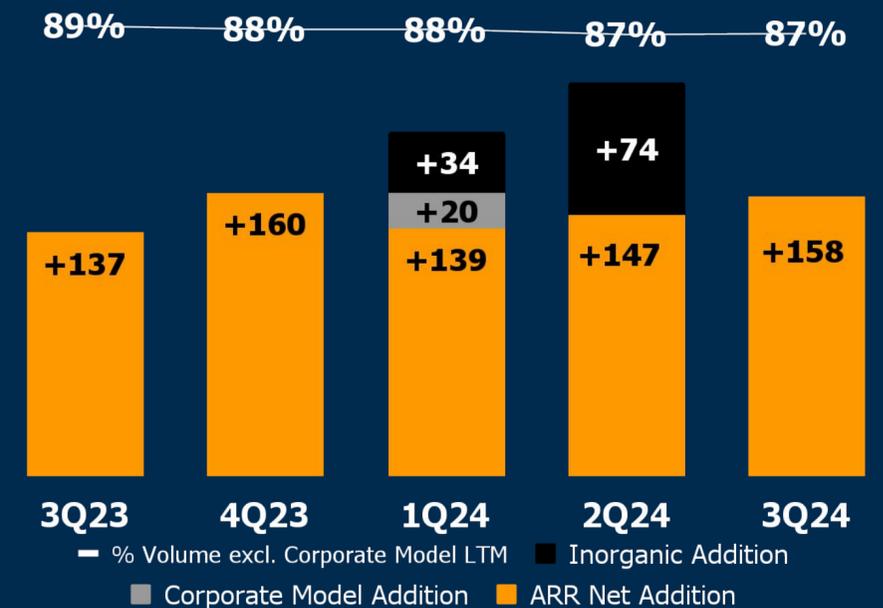


ARR (R\$ million)



Highlights

Net ARR Addition (R\$million)

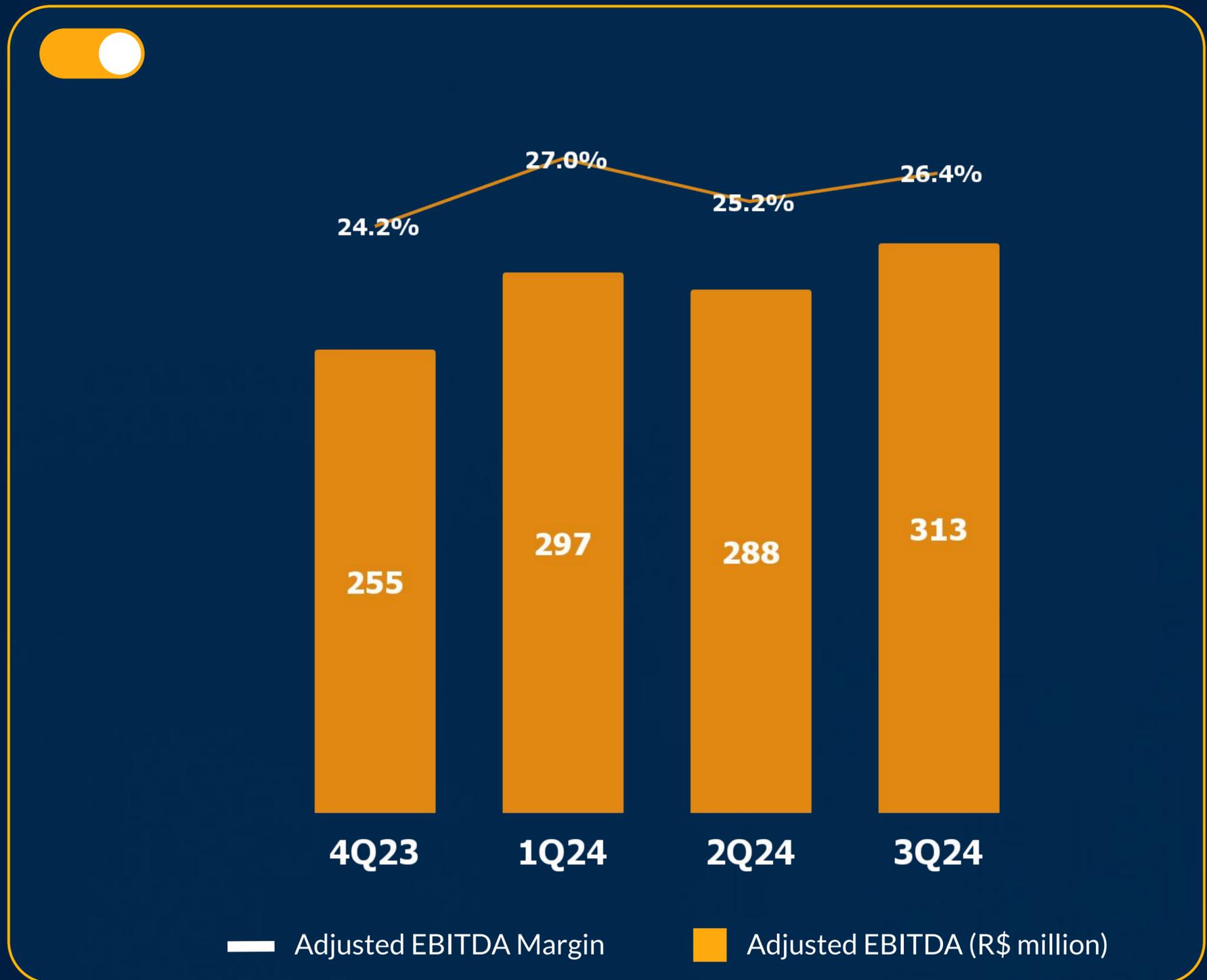


- The maintenance of strong performance in sales volume kept the LTM Volume component in the ARR addition at 87%

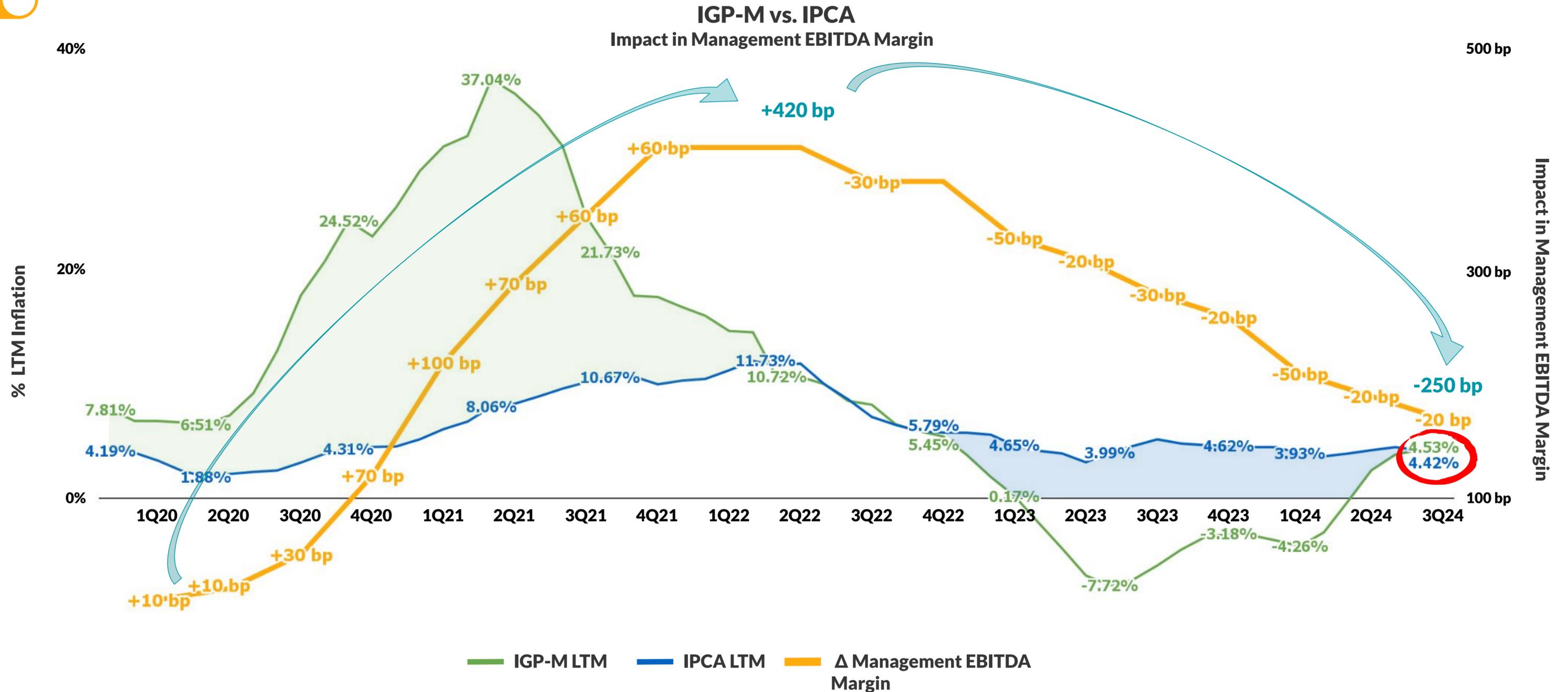
EBITDA

Management Adjusted EBITDA surpassed the R\$300 million mark in the quarter, with growth of 13.4% compared to 3Q23, driven mainly by the 20% increase in Recurring Revenue.

The Management Dimension has shown strong profitability evolution in recent quarters with sequential EBITDA growth of 8.7% versus 2Q24 and with an improvement of 1.2 p.p. in the margin.

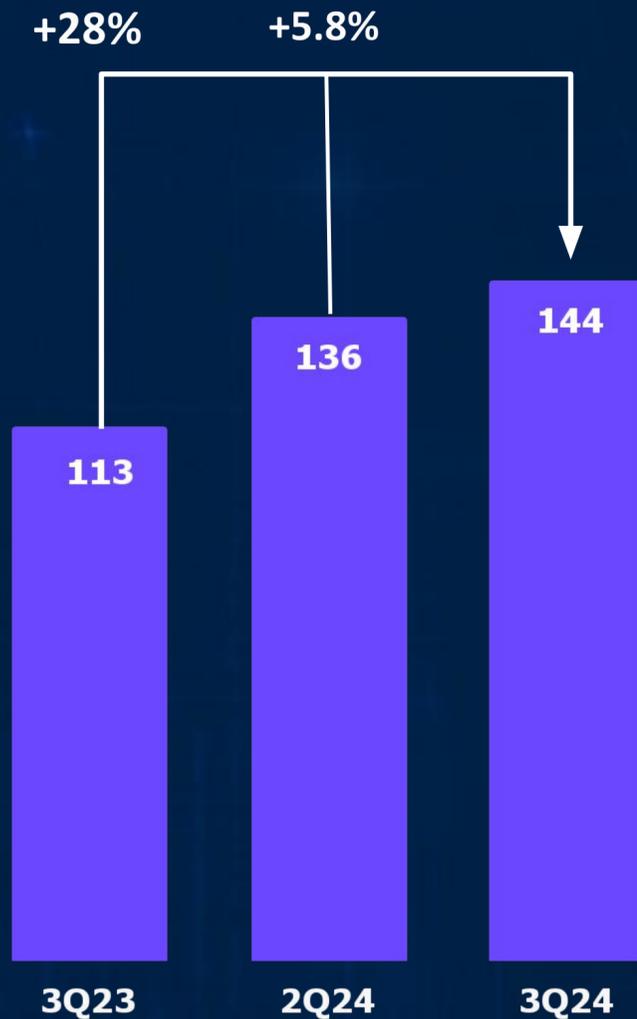


The mismatch between the IGP-M and the IPCA can contribute as a "tailwind", when the IGP-M is above the IPCA, or impact as a "headwind", when the curves are inverted.



Business Performance Recurring Revenue grew 28% year-over-year, driven by a 27% increase in Recurring Revenue

NET REVENUE (R\$ million)



ARR (R\$ million) and RENEWAL RATE



Highlights

Net ARR Addition (R\$million)

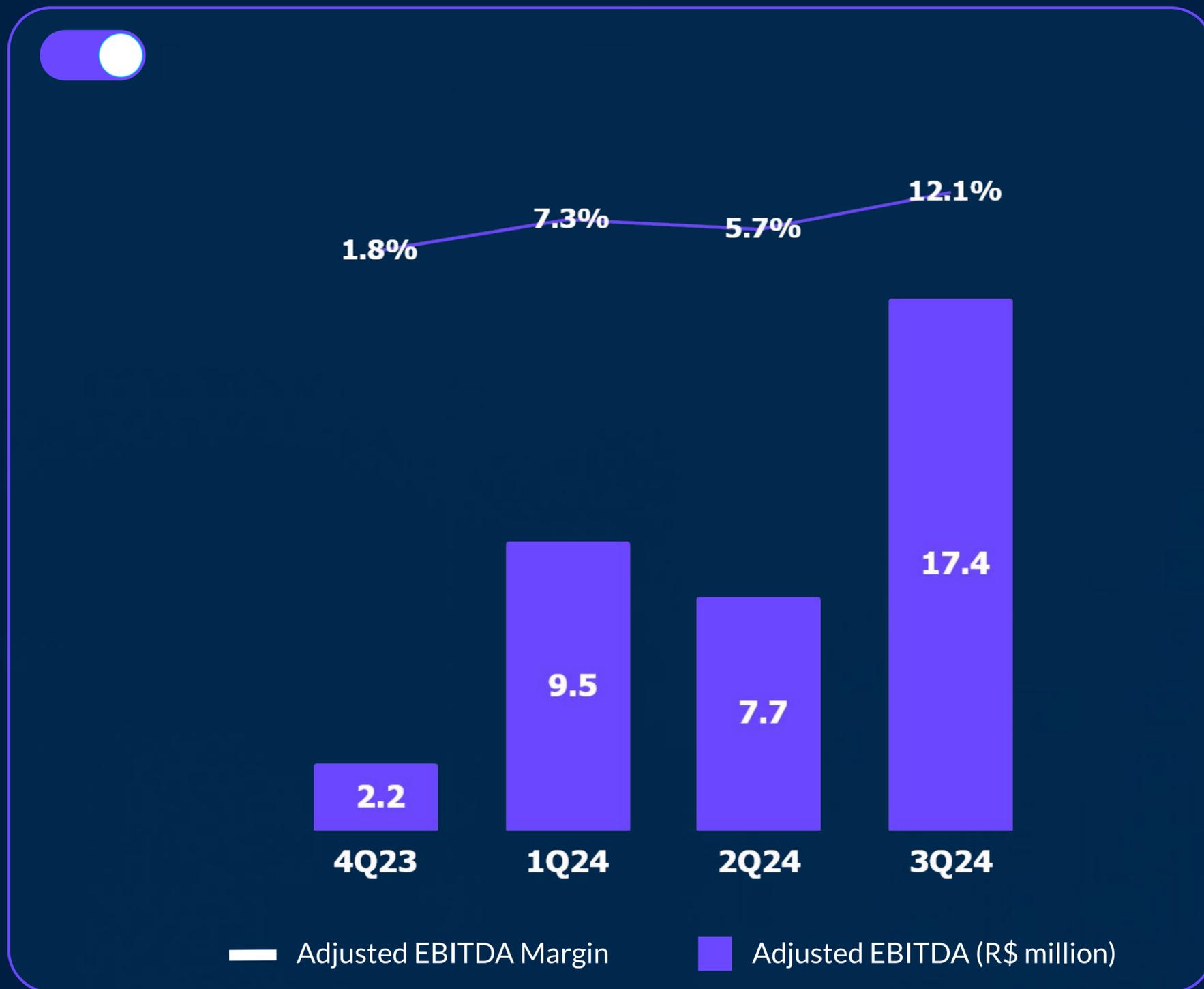


- In this Business Dimension, these indicators promptly reflect short-term market dynamics and may undergo quarterly fluctuations that do not represent structural changes. At this moment, it is our understanding that this is the current situation

EBITDA

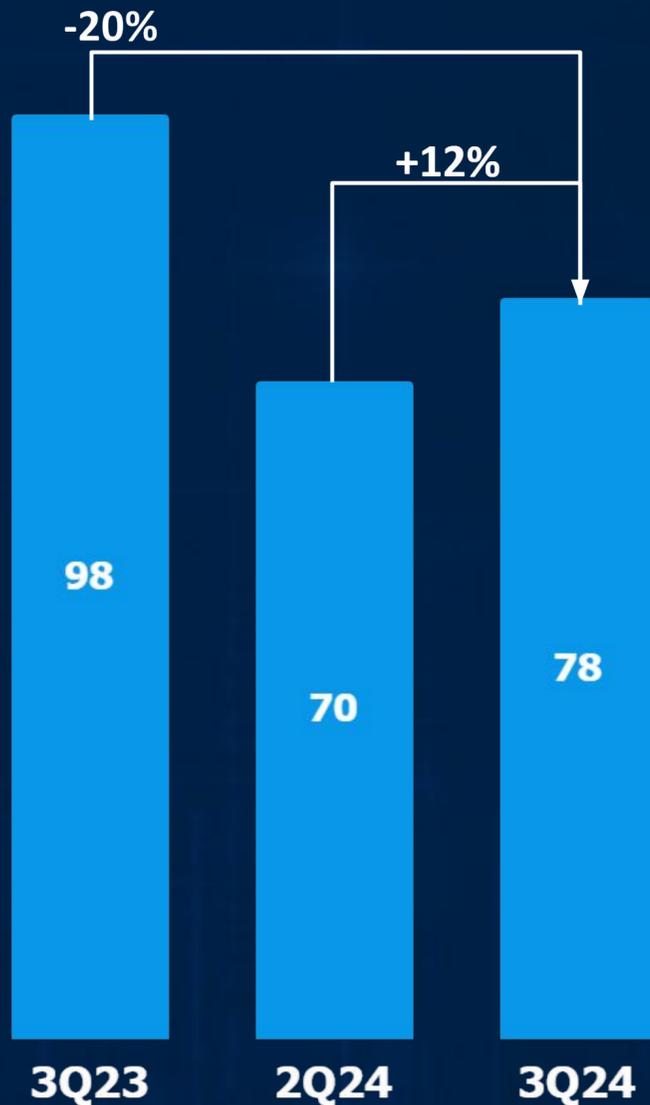
Business Performance Adjusted EBITDA ended the quarter in R\$7.7 million, more than doubling year-over-year

The Adjusted EBITDA Margin reached double digits, ending the quarter at 12.1%, demonstrating the potential of the unit economics in this area, as discussed in previous quarters

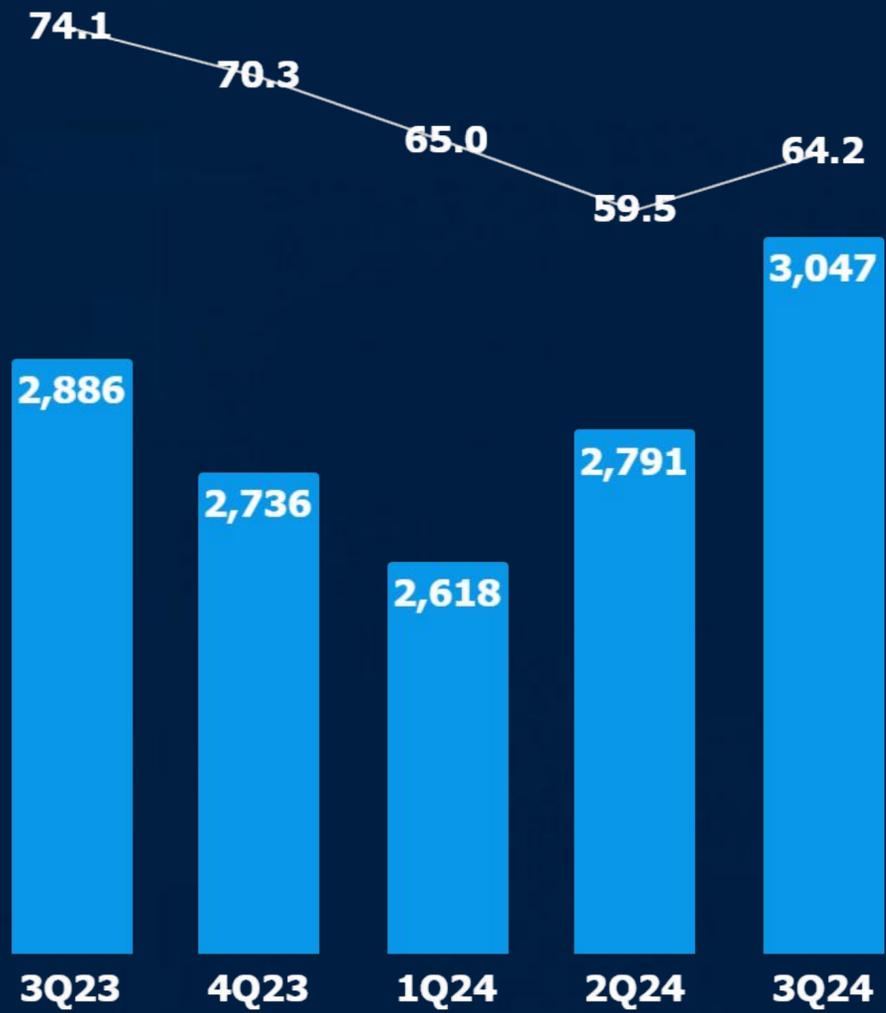


Revenue Net of Funding was partially impacted by **adverse conditions in the agribusiness sector** mainly due to drought in several key regions.

Revenue Net of Funding (R\$ million)



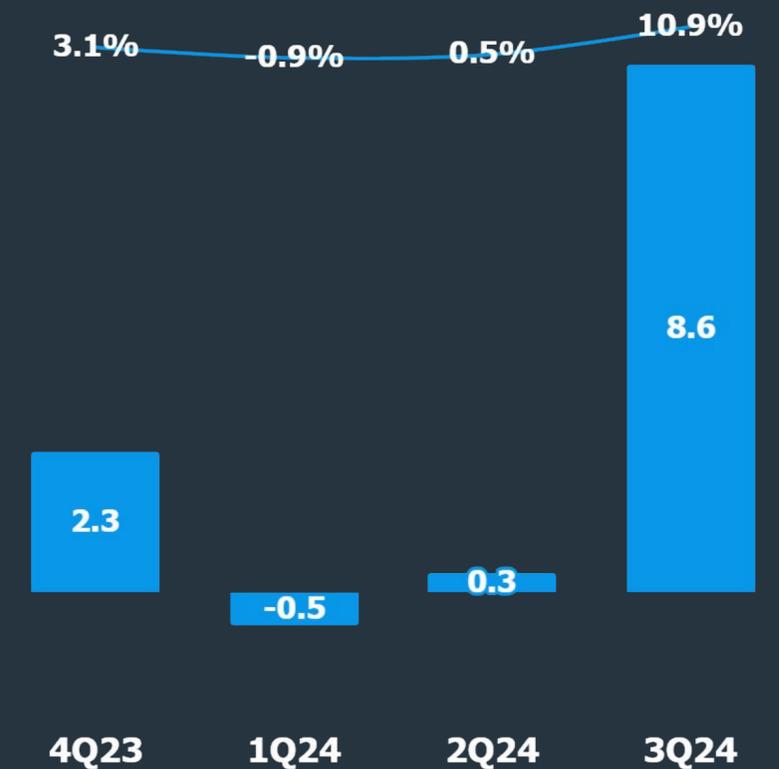
Credit Production (R\$ million)



■ Credit Production — Average Term of Credit Produc. (days)

Highlights

EBITDA AND EBITDA MARGIN (LTM)



- Techfin's Adjusted EBITDA ended the quarter at R\$8.6 million, an increase of R\$8.2 million over 2Q24, mainly due to the growth in Revenue Net of Funding in the period



New Share Buyback Program

TOTVS announced the end of the share buyback program approved on November 7th, 2023 and **the cancellation of 17,781,600 treasury shares**, without reducing share capital; and the creation of a **new buyback program of up to 18 million shares**, aiming to maximize shareholder value generation and promote efficient capital allocation.



TOTVS in the GPTW ranking

TOTVS took 18th place in the category of companies with between 1,000 and 9,999 employees in the 2024 edition of the Great Place To Work Brazil (GPTW) ranking.

This recognition reflects TOTVS' belief that everyone can grow and its commitment to its goal of being increasingly recognized as a great place to work.



ANEFAC 2024 Transparency Trophy

Recognized for the **fourth consecutive year**, the award consolidates TOTVS' position as a **reference in financial transparency** and strengthens its reputation in the market, helping to reinforce stakeholders' trust in the company.

This quarter represents a kind of
“TO TURN THE CORNER”
by demonstrating the capacity for operational leverage



22 consecutive quarters
with double-digit growth in
Recurring Revenue



Business Performance
with margin expansion above the average



Evolution of profitability indicators in the 3 Dimensions:

- **Management**, 8.7% growth in EBITDA with 120 bp expansion in margin
- **Business Performance**, EBITDA 127% higher, with a 640 bp margin gain
- **Techfin**, over 2,000% EBITDA growth, with 1,040 bp more in margin

THANKS



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 **TOTVS**