

# EARNINGS PRESENTATION

## 1Q21

/ Investor Relations

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*All information contained in this presentation and any statements that may be made during this conference call connected to TOTVS's business prospects, projections, and operating and financial goals are based on beliefs and assumptions of the Company's Executive Board of Officers, 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 occur or not. Investors should understand that general economic conditions, industry conditions, and other operating factors could also affect the future results of TOTVS and could lead those results to differ materially from those mentioned in such forward-looking statements.*



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TOTVS  
ACREDITA NO  
BRASIL  
QUE

FAZ

## THE BRAZIL THAT MAKES IT HAPPEN, **DOES IT WITH TOTVS**

We started 2021 at the same pace we closed 2020: accelerating ! The construction of an Ecosystem of technologies for SMBs continued to consolidate, supported by a digitization journey aimed to exponentialize TOTVS' operations.

01

**Financial &  
Operational  
Highlights**

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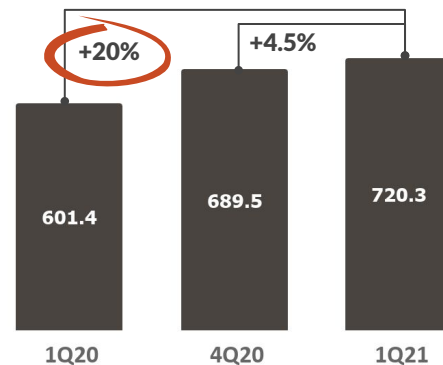


# CONSOLIDATED RESULT

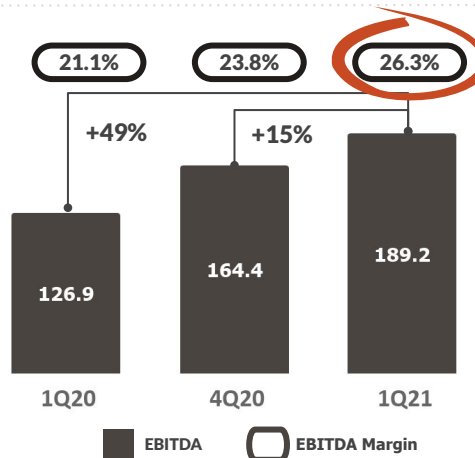
The Consolidated Result reached **46 POINTS** within the **RULE OF 40\***, with **BALANCE** between **GROWTH** and **PROFITABILITY**



## NET REVENUE



## ADJUSTED EBITDA



\* The Rule of 40 states that, at scale, a company's revenue growth rate plus EBITDA margin should be equal to or greater than 40%

\*\*Net Income without the effects of expenses with amortization of intangible assets arising from acquisitions

02

**An Ecosystem  
far beyond  
ERP...**

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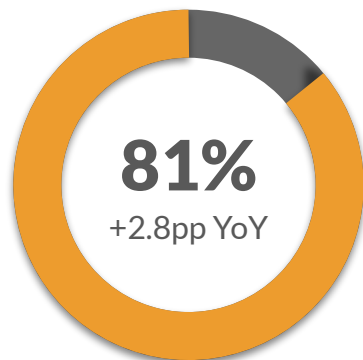
## TECHNOLOGY

Acceleration of Recurring Revenue driving Technology Revenue (+11% vs. 1Q20), having reached **R\$665 million in 1Q21**

**R\$539 million**  
TECHNOLOGY RECURRING REVENUE

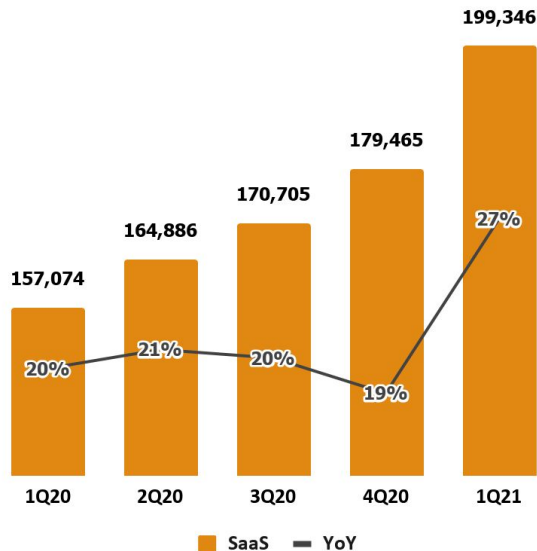
▲ **15%** vs. 1Q20

▲ **6.5%** vs. 4Q20



■ % of Recurring Revenue vs. Technology Revenue

**R\$199 million**  
SAAS REVENUE



## Highlights - Quarter



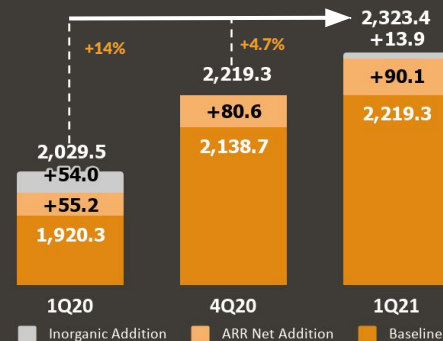
### Expansion of Cloud Offerings

**72% YoY signings** growth, with the launch of a new version of the cloud services platform, T-Cloud, expanding services and improving the customer experience.

### First product 100% PLG

"TOTVS Assinatura Eletrônica" is a **SaaS application**, with a simple and centralized platform that will simplify and speed up processes.

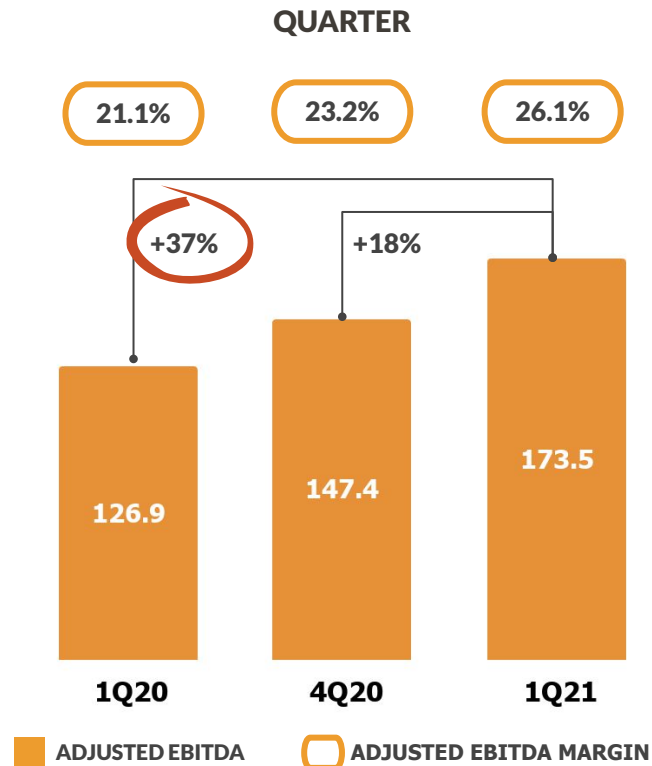
### ARR - hist. record in net addition





# ADJUSTED EBITDA

**Record-breaking  
Gross Margin**  
from Technology (72%) +  
Discipline with expenses =  
**+500bp** vs. 1Q20





AN ECOSYSTEM FAR BEYOND ERP - **TECHFIN** - **CREDIT PRODUCTS** - **SUPPLIER**

# REVENUE

Historical record-breaking figures in Credit Production (+25% vs. 1Q20)

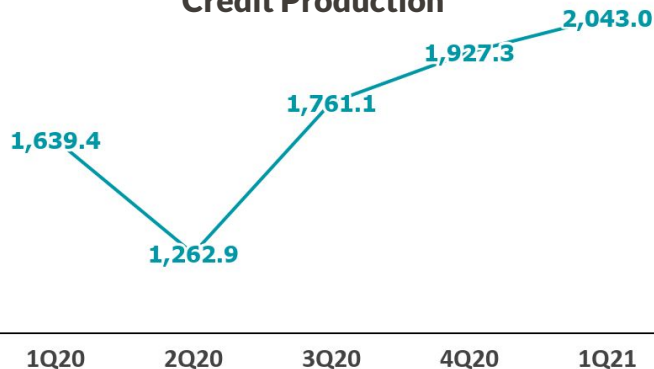
Largest Credit Portfolio position ever recorded by Supplier

**Delinquency >90 DAYS = 0.7% (160bp below the Brazilian average)**

Credit Revenue  
**R\$55 million**  
+17% vs. 1Q20\*



## Credit Production



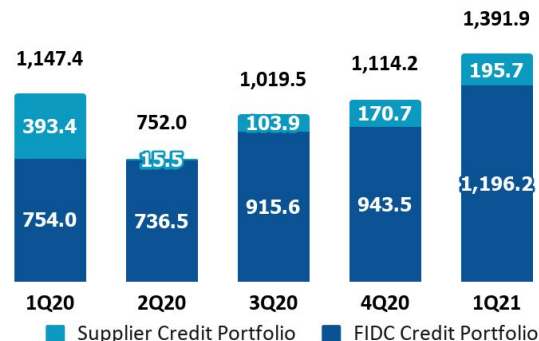
Business integration  
**+6 affiliates**  
signed, of which  
3 already in production

\*Data presented for comparison purposes only, not consolidated in the 2020 Company results.

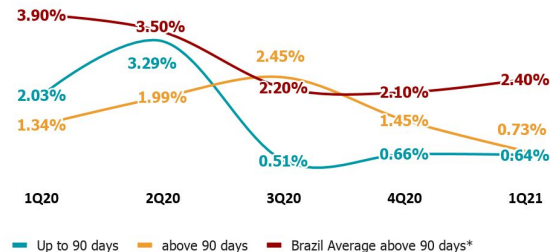


Highlights - Quarter

## CREDIT PORTFOLIO



## DEFAULT



\*Source: Banco Central do Brasil (Brazilian Central Bank) ([www.bcb.gov.br/estatisticas/estatisticasmonetariascredito](http://www.bcb.gov.br/estatisticas/estatisticasmonetariascredito)) > tabelas.xls > Tabela 27 > MPME



# ADJUSTED EBITDA

380bp reduction in the EBITDA Margin vs. 4Q20 due to the provision for credit losses and Average FIDC Cash Position (+45% vs. 4Q20)

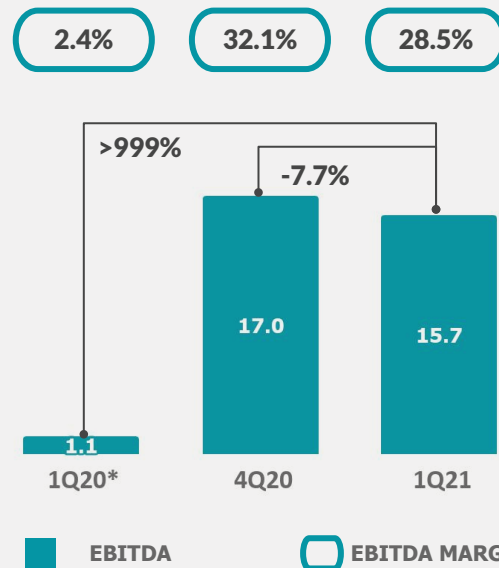


ROE LTM  
**43%**  
24.6pp YoY

Provision for Expected  
Credit Losses / Revenue

**3.3%**  
340bp below 2019  
R\$1.4 million >4Q20  
(effect of provision reversal in 4Q20)

## EBITDA



# ACQUISITION OF RD STATION APPROVED BY CADE\*

*The largest M&A transaction for SaaS in Latin America*



\* Brazilian antitrust agency

03

**ESG**

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## TOTVS Investors Day 2021

*This 100% digital event put the entire Senior Executive Team in directed contact with the market*

## 2021 Annual Meeting

*Held on April 20, this event was attended by more than 72% of the Company's capital stock*





# FINAL REMARKS

## MANAGEMENT

- *Focus on SaaS, continuous evolvement product quality, and cloudification enabled us to accelerate the Recurring Revenue growth*
- *Brazilian market of management software is far from mature and still has a lot of room for growth*
- *Innovation in our portfolio, such as HR, electronic signature, and the new T-Cloud platform work to strengthen even more our solid market position*

## TECHFIN

- *We reached a new record-breaking production level of +R\$2 billion, of which R\$800 million in March*
- *We made progress in business integration, with 6 affiliates with signed contracts, 3 of which already in production*
- *We keep launching new products: “TOTVS Pagamento Instantâneo”, which offers customers instant payment via PIX integrated with TOTVS management solutions*

## BIZ PERFORMANCE

- *With RD Station, which is seen in the Brazilian market as a synonym for digital marketing, we took a fundamental step to establish the dimension of Biz Performance*



# THANK YOU



## Investor Relations

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- Technology + Knowledge are our DNA.
- The Customers' success is our success.
- We value good professionals who are good people.



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