Business Overview

Second Quarter 2024

August 2024

The Composable and Complete Commerce Platform

Safe Harbor

This presentation has been prepared by VTEX (“we,” “us,” “our,” “VTEX” or the “Company”).

This presentation may contain forward-looking statements relating to such matters as continued growth prospects for the Company, industry trends and product and technology initiatives.

These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements regarding VTEX involve known and unknown risks, uncertainties and other factors that may cause VTEX’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain risks and uncertainties are described under “Risk Factors” and “Forward-Looking Statements” sections of VTEX’s Form 20-F for the year ended December 31st, 2023 and other VTEX’s filings with the U.S. Securities and Exchange Commission which are available on our investor relations website. You should read this information together with the sections of VTEX’s Form 20-F entitled “Selected Financial Data” and “Information on the Company” our audited consolidated financial statements and our unaudited interim condensed consolidated financial statements and their respective notes, which are available on our investor relations website (https://www.investors.vtex.com/).

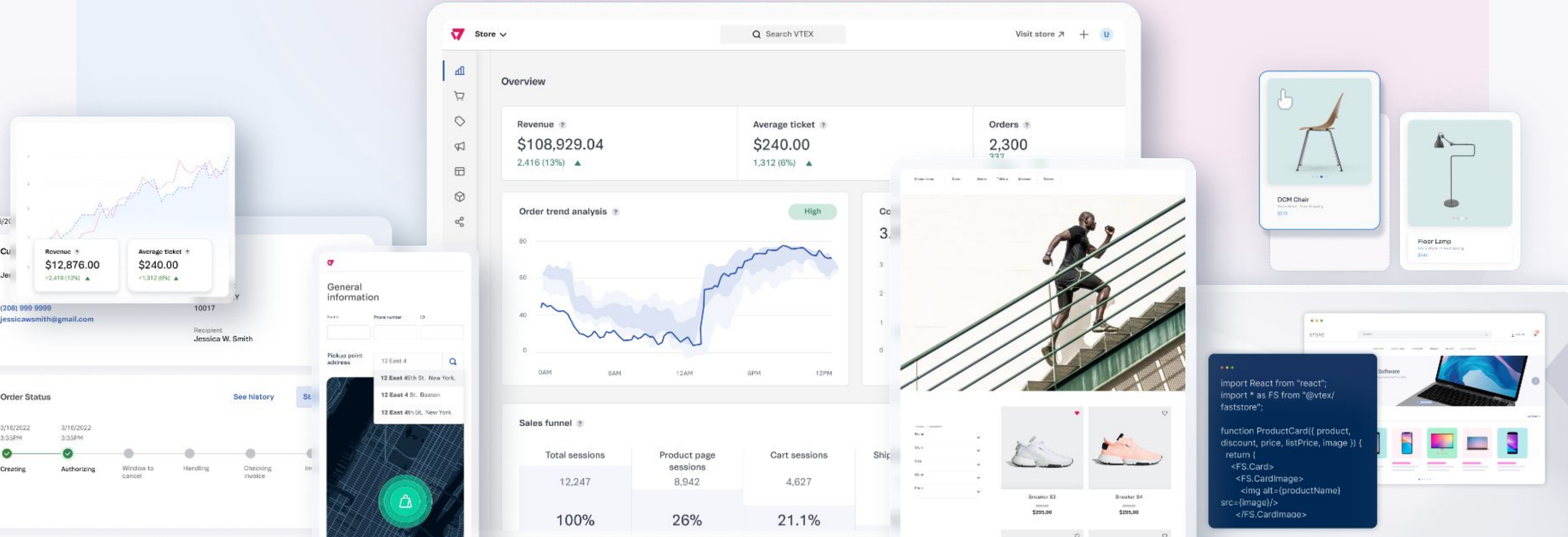
Unless required by law, VTEX undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date hereof.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data and estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. Neither we nor our affiliates, advisors or representatives makes any representation as to the accuracy or completeness of that data or undertake to update such data after the date of this presentation. In addition to financial information prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), we use certain non-GAAP financial measures to clarify and enhance our understanding, and aid in the period-to-period comparison, of our performance. We believe that these non-GAAP financial measures provide supplemental information that is meaningful when assessing our operating performance because they exclude the impact of certain amounts that our management and board of directors do not consider part of core operating results when assessing our operational performance, allocating resources, preparing annual budgets, and determining compensation. The non-GAAP measures have limitations, including that they may not be directly comparable to other companies, and you should not consider them in isolation or as a substitute for or superior to our GAAP financial information. See the Appendix to this presentation for a reconciliation of non-GAAP financial measures to their nearest GAAP equivalent

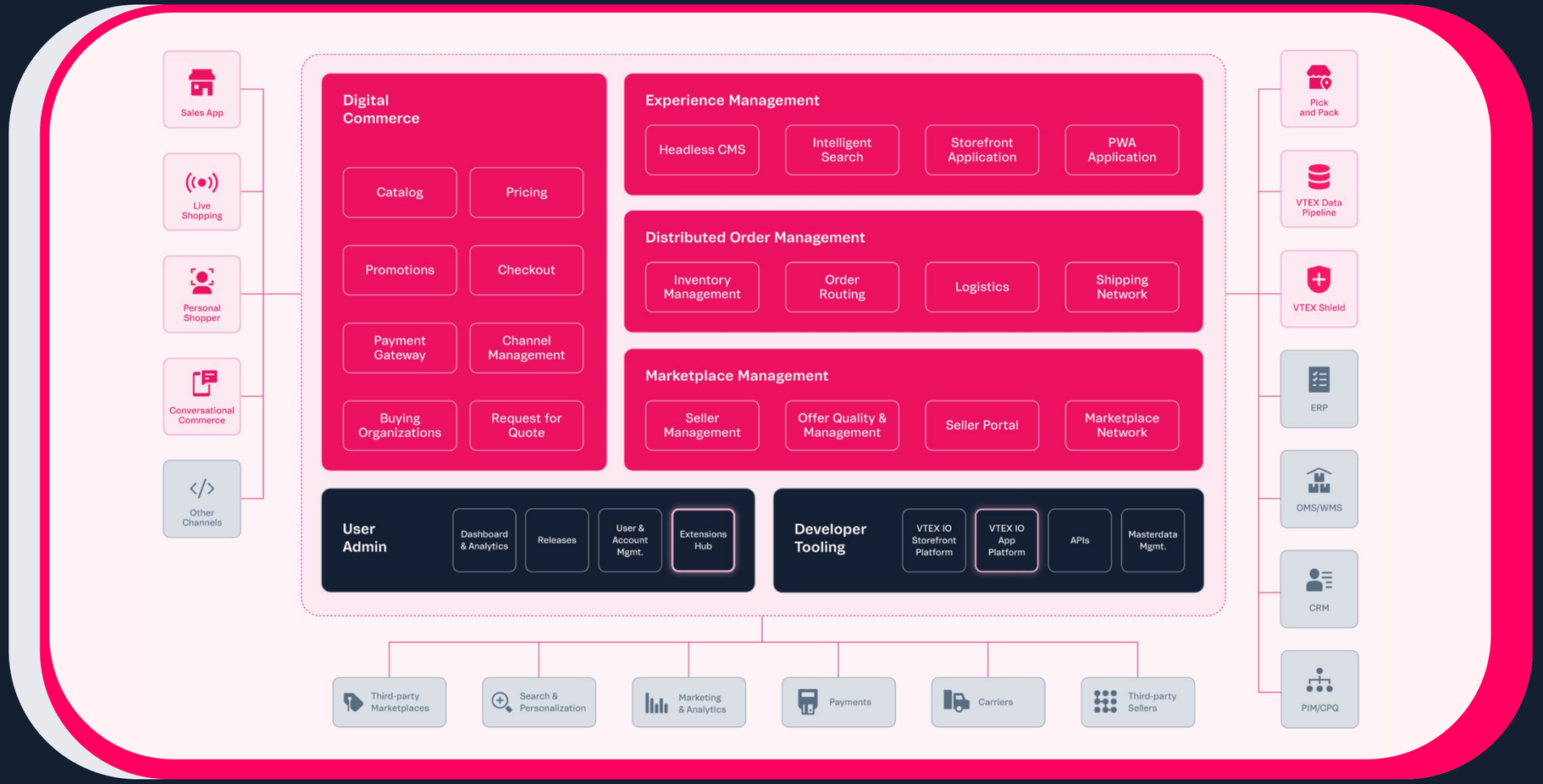
All of the financial information included in this presentation is updated as of June 30, 2024, unless otherwise indicated.

Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements. Numbers have been calculated using whole amounts rather than rounded amounts. This might cause some figures not to total due to rounding.

VTEX provides a software-as-a-service digital commerce platform for enterprise brands and retailers



We are the backbone for connected commerce



86% of our ARR comes from enterprise customers(1)

Each generating at least $25K ARR, with an average of $134K in ARR(1)

We are a SaaS commerce platform for enterprises

Apparel Accessories	Beauty & Health	Electronics	Food & Grocery	Home Appliances
CALVIN KLEIN	AVON	FRÁVEGA	7 ELEVEN	BRIGGS & STRATTON
GUESS	PROBEAUTY	MOTOROLA	Auchan	Crate&Barrel
HERING	BELCORP	Oster	Carrefour	Electrolux
NIKE	Colgate	PHILIPS	CHEDRAUI	StanleyBlack&Decker
TFG	dermage	SAMSUNG	Nestlé	TOK&STOK
UNDER ARMOUR	SALLY BEAUTY	SONY	Unilever	Whirlpool

VTEX

(1) As of FY 2023. Per active online store

VTEX at a glance

Financial stats

$17.9 B
GMV B2C
(2Q24 LTM in USD)

$220.5 M
Revenue
(2Q24 LTM in USD)

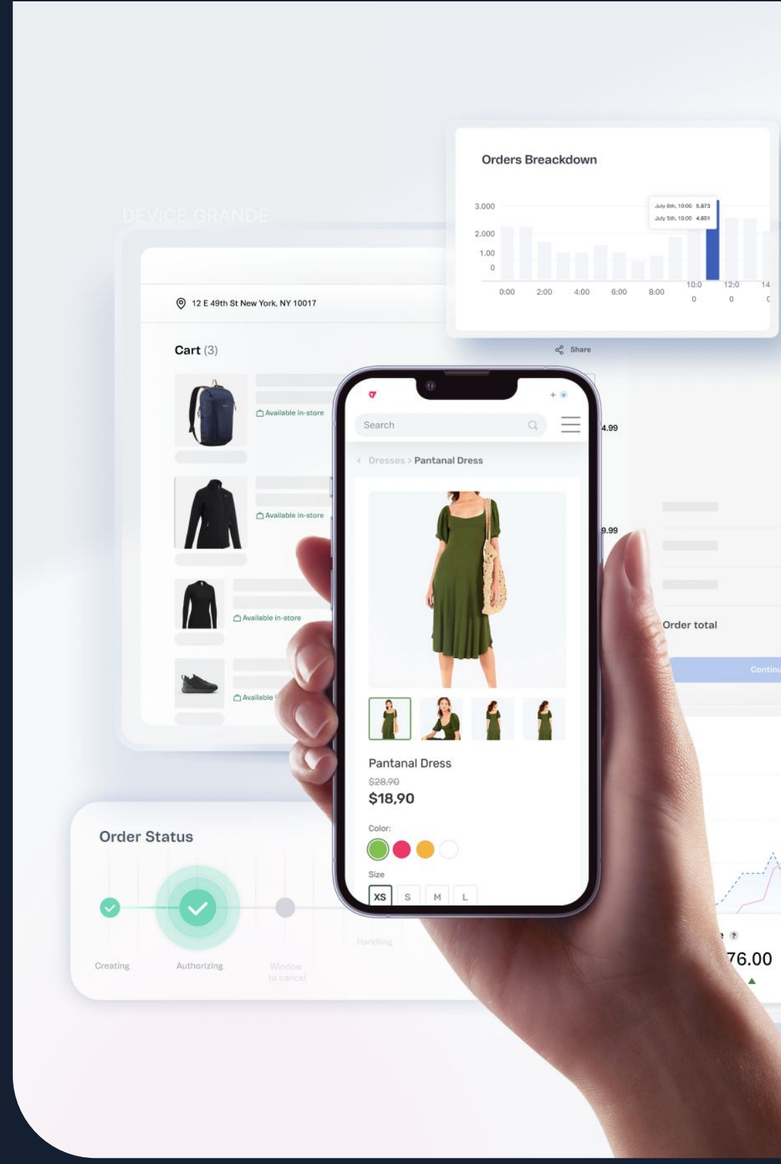
77.5%
Non-GAAP[1] subscription gross margin (2Q24 LTM)

Company metrics

2.6k
Number of customers
(FY 2023)

3.5k
Number of active online stores[2]
(FY 2023)

43
Countries with active online stores[2]
(FY 2023)



(1) Please see appendix for reconciliation of non-GAAP metrics
(2) Active online stores means the number of unique domains generating gross merchandise value

A founder-led, future-driven culture of integrity

Employee headcount

2Q23

1,305

1Q24

1,334

2Q24

1,339

Integrity
We honor our word

Extraordinary Commitment
We are in it for something bigger than ourselves

Authenticity
We are free to be who we are

On the Playing Field
We make ourselves responsible for success



We are the composable and complete commerce platform
(Photo: VTEX Connect Europe 2024, Barcelona - Spain)

10 years of continuous learning



Founded in
Rio de Janeiro by recently graduated engineers

2000

Ecommerce platform provider for Walmart in Brazil

2008

Focused on SaaS Ecommerce Platform

2010

Established revenue sharing business model

International expansion
LatAm

Smart checkout & cloud-native micro services architecture

2013

$1 billion
In annual GMV

2015

Whirlpool deploys their marketplace

Cencosud implements VTEX across LatAm

The first omnichannel operation

$2.4 billion
In annual GMV

2017

Samsung is deployed in 5 countries

Omnichannel/ click and collect/ delivery from store

VTEX continues investing in North America & Europe

2019

$7.5 billion
In annual GMV

ARR over $100 M

Commerce platform provider for Carrefour in Brazil

2021

Customers operating in all continents

New solutions for customer engagement, like Live Shopping, Pick and Pack, Sales App, Shipping Network, and more

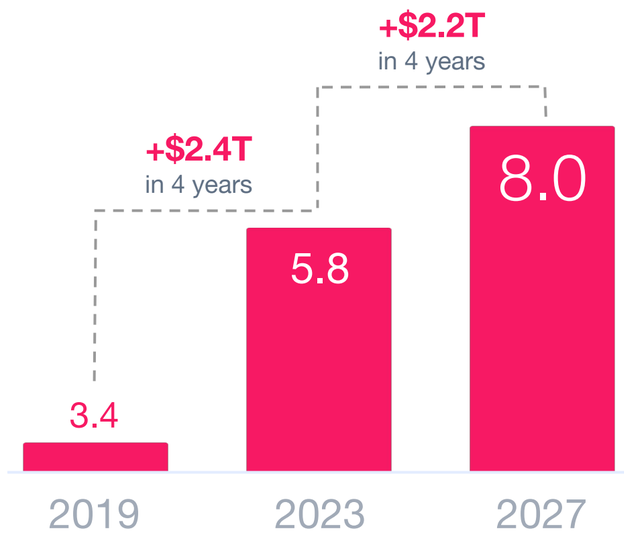
15 offices across the world

VTEX LISTED NYSE

2023

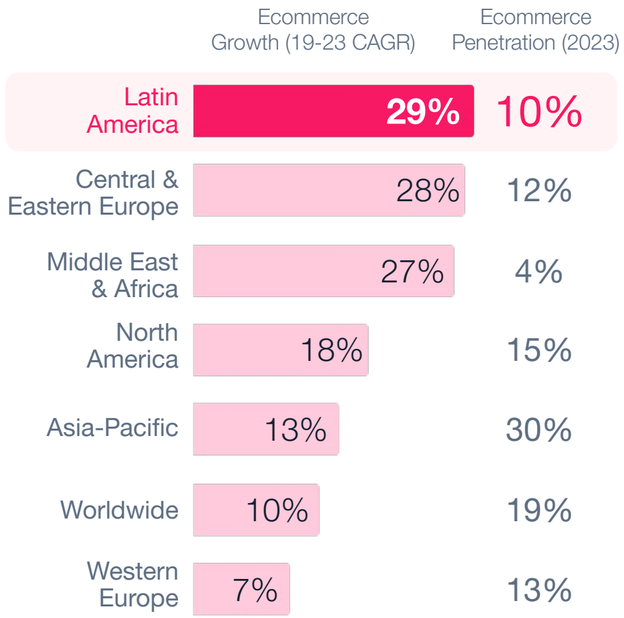
VTEX is the gateway to the fastest-growing ecommerce market in the world

Ecommerce is accelerating globally

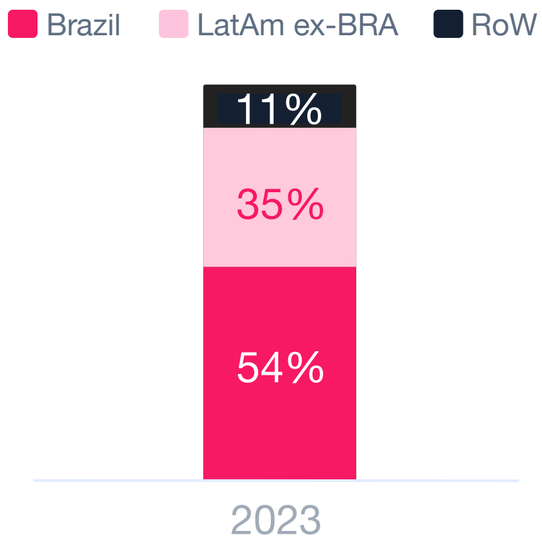


Worldwide retail ecommerce sales ($ trillion)

LatAm is the fastest-growing region



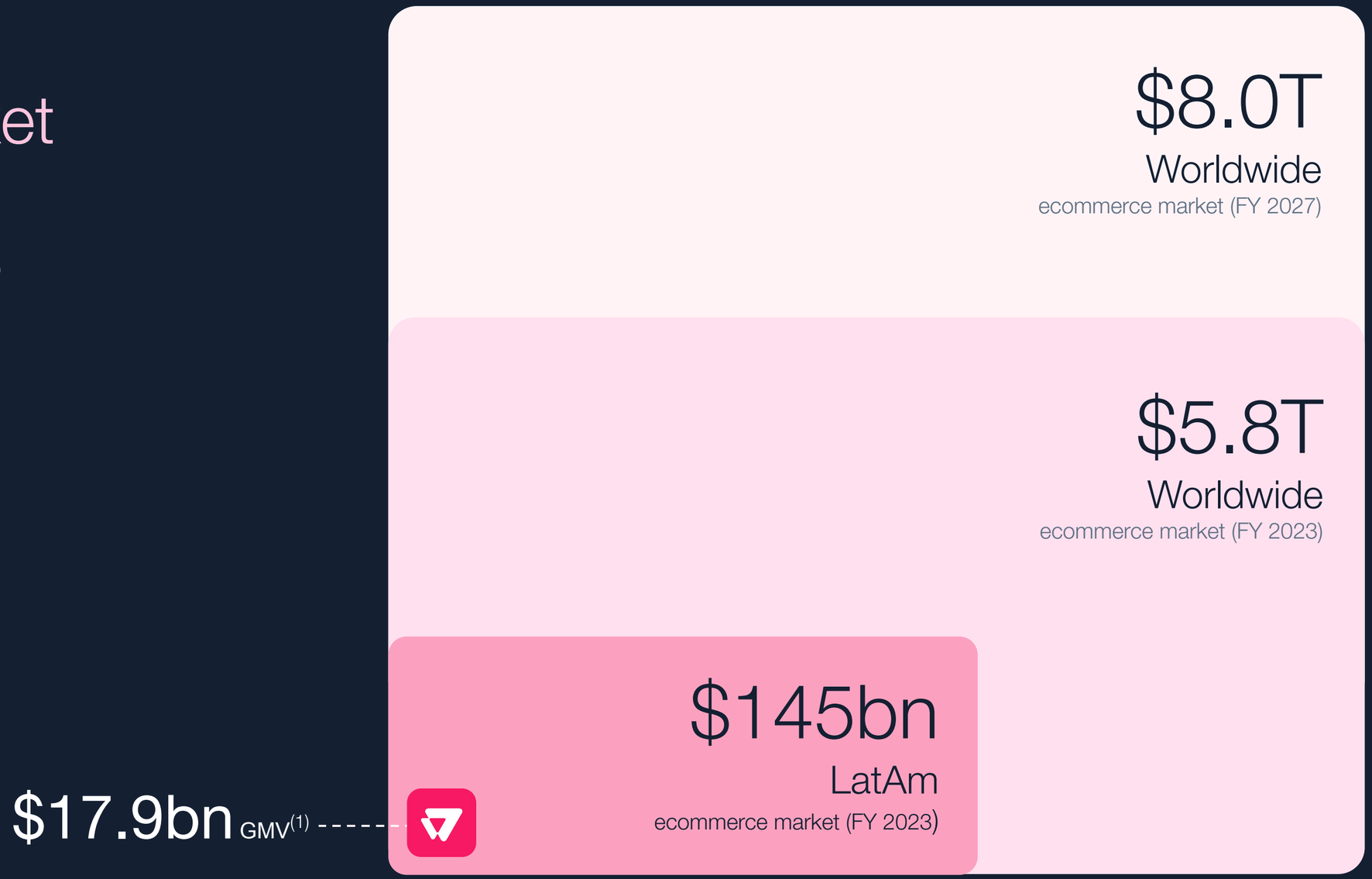
VTEX is leading ecommerce in LatAm



Revenue breakdown (%) per region

Source: eMarketer; Insider Intelligence

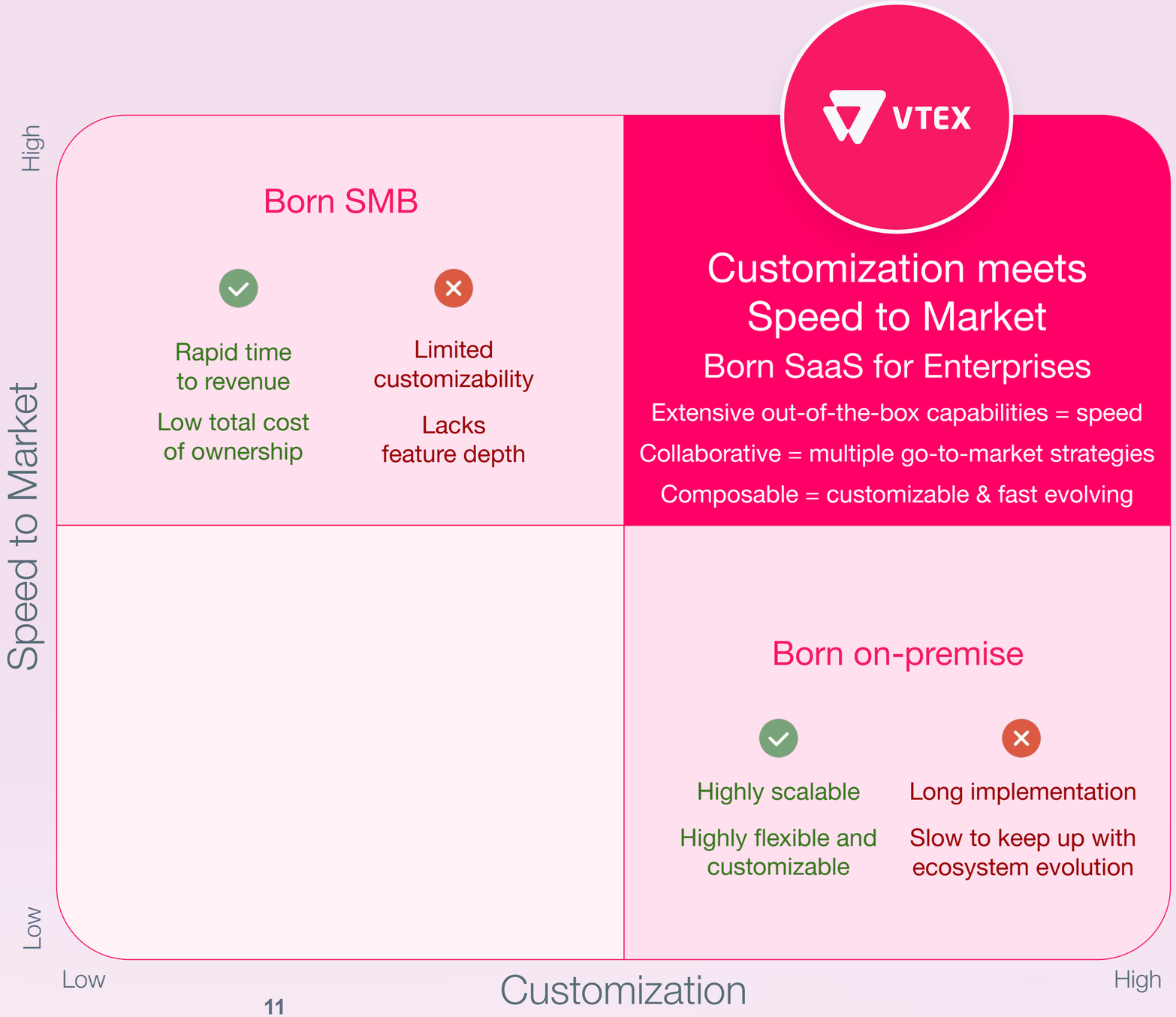
Addressing a massive market with significant room for further penetration



Source: eMarketer

(1) As of 2Q24 LTM USD

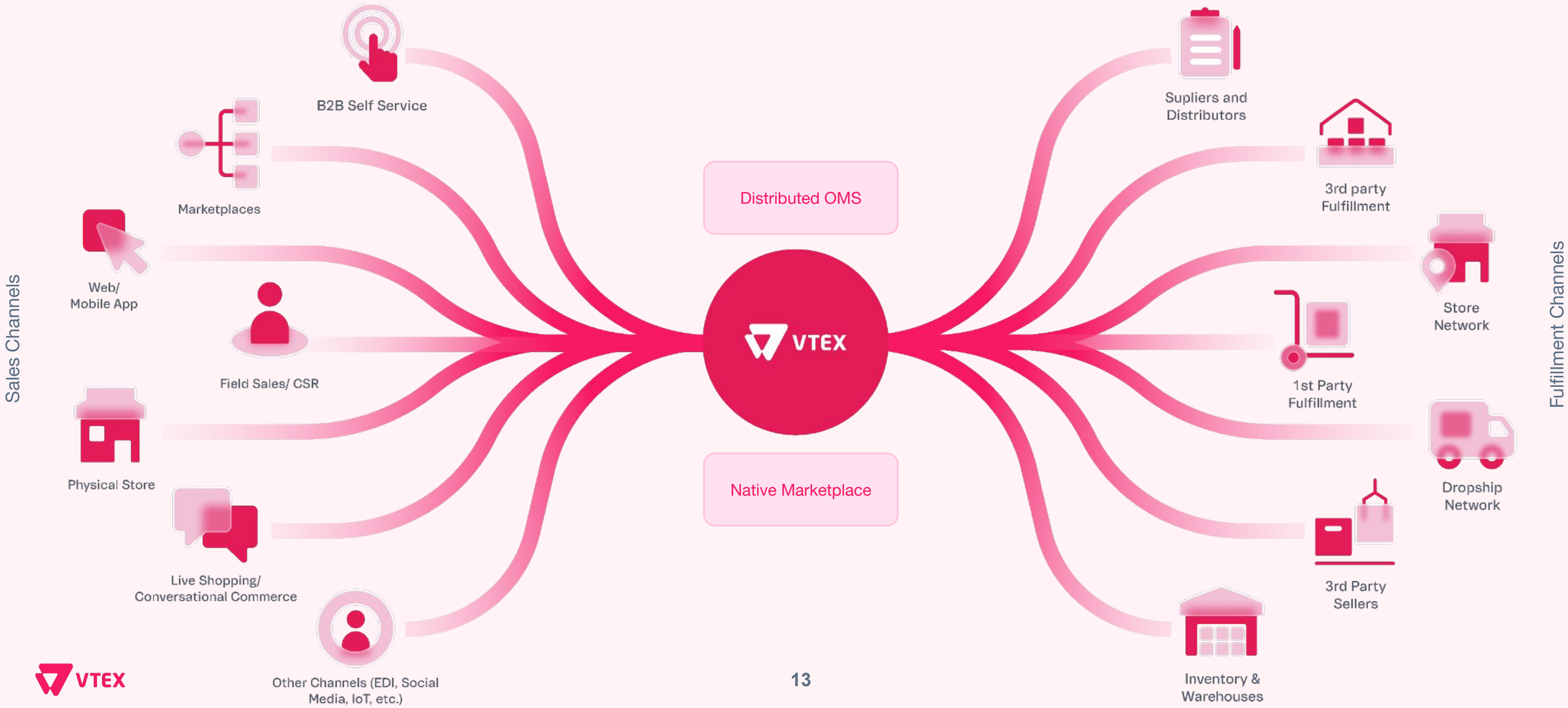
Current offerings force enterprises to choose between deep customization or speed to market

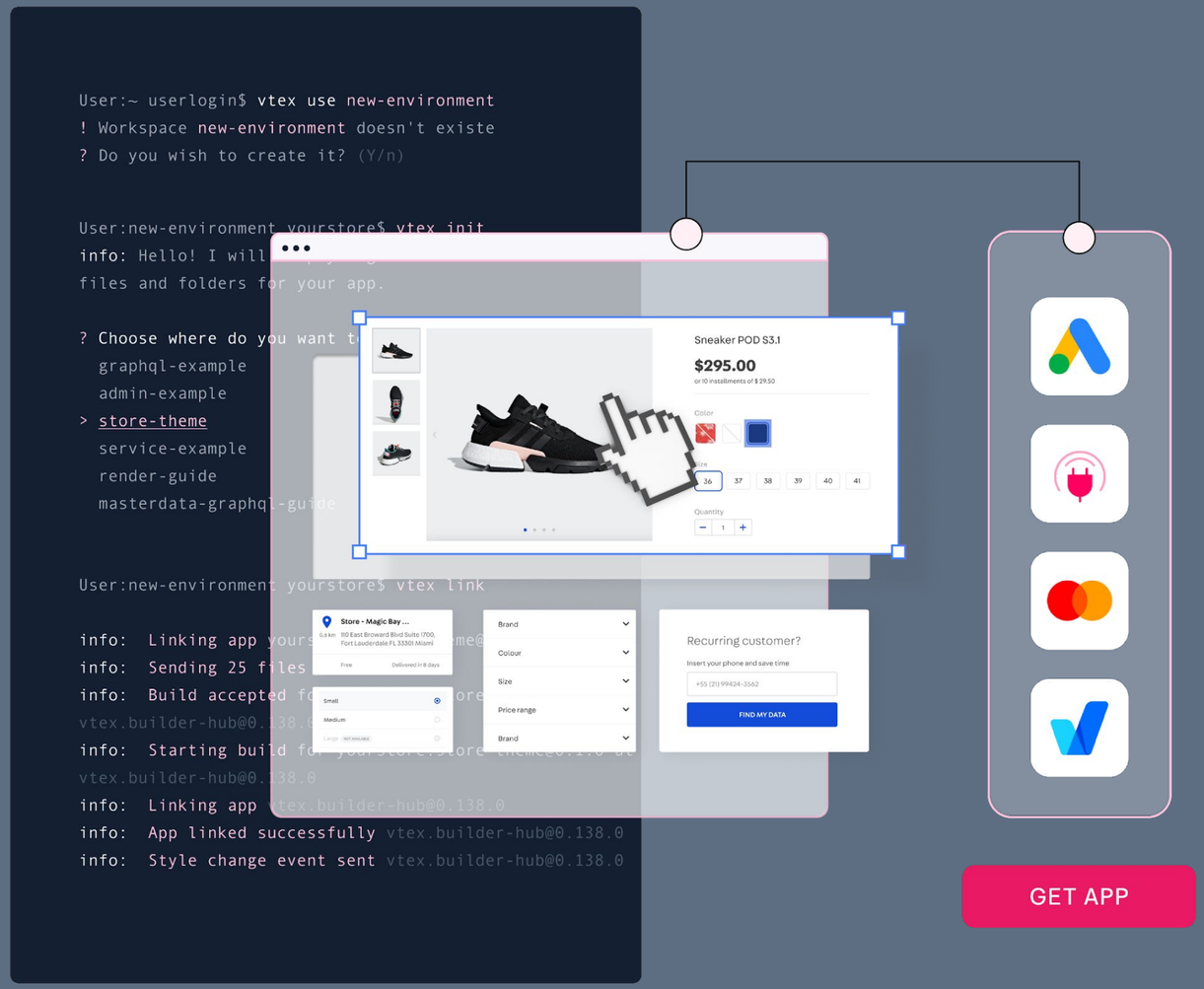


We deliver unprecedented time to revenue with an extensive set of out-of-the-box commerce capabilities



Our Complete Platform enables enterprises to explore multiple ways to sell and fulfill





Our Composable Technology is flexible and extensible by design

- API-first services
- Multi-tenant architecture
- VTEX IO Development Platform

We have a live and connected global ecosystem of partners that lead to exponential growth

6,000+
VTEX IO extensions created by third parties

1,000+
SIs and ISVs

330+
Marketplaces

180+
Payment solutions

90+
Logistics companies

40%+
of GMV from Collaborative Commerce transactions

80%+
of GMV from customers that use Collaborative Commerce integrations

28,500+
Monthly active users accessing VTEX developer portal

630+
Deploys by 3rd parties in VTEX IO on average per day

VTEX

Note: ecosystem data as of FY 2023

System Integrators	WPP, valtech_, VML, pivotree, ACCT, raccoon.monks, BORN., publicis sapient
Marketplace	amazon, mercado livre, TikTok, Google, viavarejo, LENGOW, magalu, B2W DIGITAL
Payment	Digital River, mercado pago, adyen, PayPal, CyberSource A Visa Solution, openpay, NUPay, stripe, EBANX
Shipping	ShipStation, Radial, lineten, shiphero, ups
Fraud & Lending	clearsale, Signifyd, splitit, divido, affirm, Klarna.
POS & Omnichannel	mercado pago, feedonomics, stone, STIBO SYSTEMS MASTER DATA MANAGEMENT, SALSIFY
Search & Merchandising	POWER REVIEWS, nosto, tail, rich relevance, OMNILOGIC, CELEBROS, algolia
Marketing Automation	KLAVIYO, Meta, mapp, ActiveCampaign, mailup BE RELEVANT, hotjar, Insider

Our Competitive Advantages...

Extensive out of the box solutions | Collaborative commerce strategy | Composable commerce technology | Vibrant ecosystem

… Attract Customers at Different Stages of Maturity

Greenfield

- Looking to start quickly
- Limited experience. Need to evolve as they learn
- Prioritizing a solution that can scale as they grow
- Looking for an ecosystem to minimize building solutions on their own

BELCORP · MOTOROLA · Nike · TFG · Walmart (¡Siempre encuentras todo y pagas menos!)

Displacements

FROM ENTERPRISE PLATFORMS

- Looking to innovate and evolve
- Facing scalability issues given legacy structures' limitations
- Searching for new go-to-market strategies to drive sales growth

FROM SMB PLATFORMS

- Looking to upgrade to a more robust solution
- Facing challenges given lack of feature depth on SMB-focused platforms

Carrefour · HERING · Whirlpool · PHILIPS · YAMAHA

VTEX was named a Leader by IDC among 25 B2C Vendors

and the sole vendor recognized as a Customers' Choice in the 2024 Gartner® Voice of the Customer for Digital Commerce



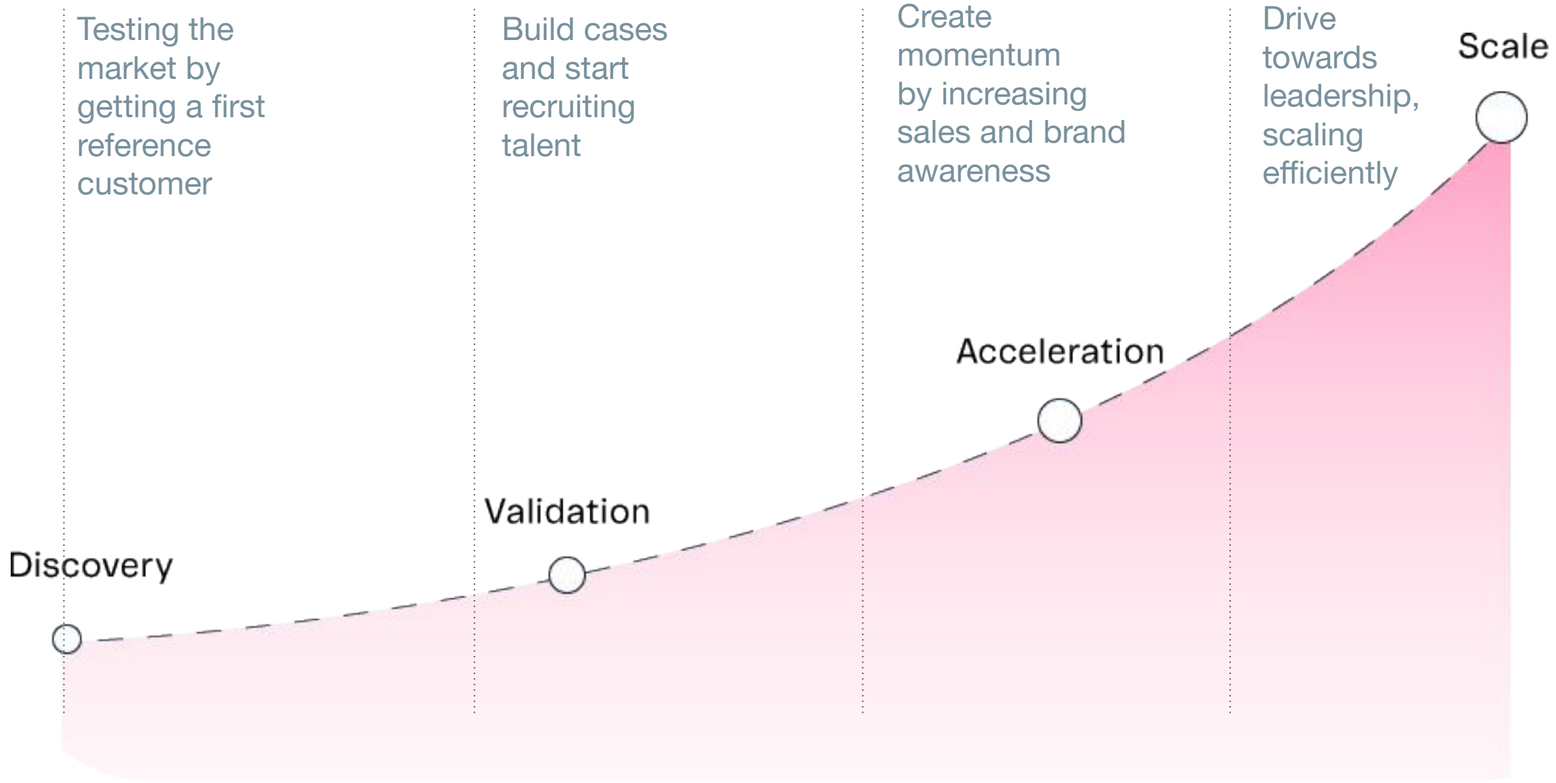
Source: IDC, 2024



The age of standalone software is gone – modern software is as valuable as the ecosystem and connections it powers

We have a disciplined go-to-market and scaling strategy

Ecommerce Software	Commerce Ecosystem
Lower win rate	Higher win rate
Almost all leads from the VTEX sales team	Approximately half of leads from ecosystem or inbound



Multiple vectors for ongoing growth

New customer additions



Grow GMV with existing customers



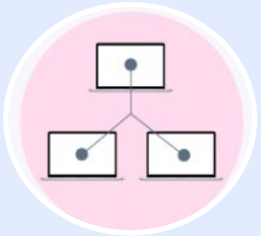
Innovation and platform expansion



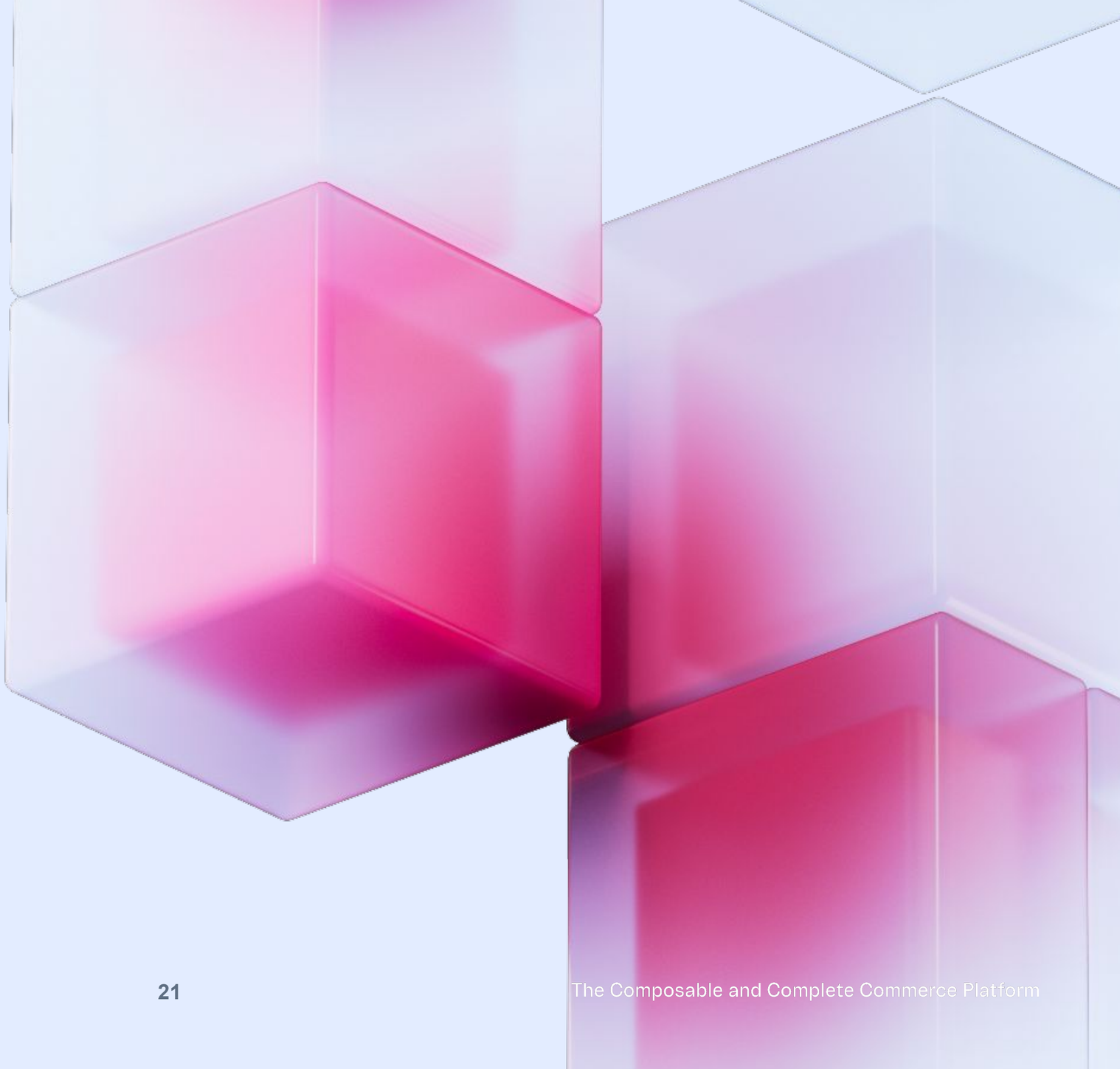
Geographic expansion



Ecosystem development



Financial Overview



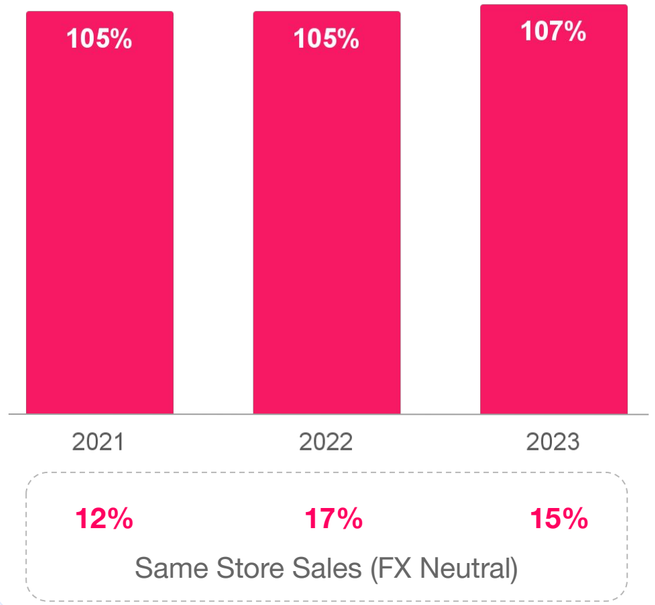
We are driven by a scalable and global future

With an attractive unit economics: LTV/CAC[1] above 6x

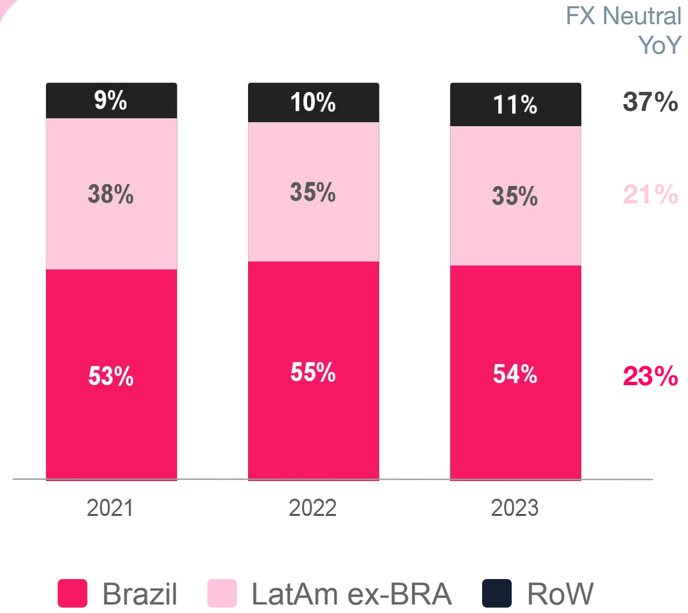
Logo Expansion
Number of Stores[2]



Land-and-Expand
NRR FX Neutral[3]



Global Expansion
% Revenue



(1) Means lifetime value to customer acquisition costs. LTV is calculated as gross profit from new sales divided by the subscription churn rate of the last twelve months, and CAC as total sales and marketing expenses incurred during the four quarters preceding the quarter in which the calculation is made

(2) Active online stores: number of unique domains generating gross merchandise value in VTEX Platform

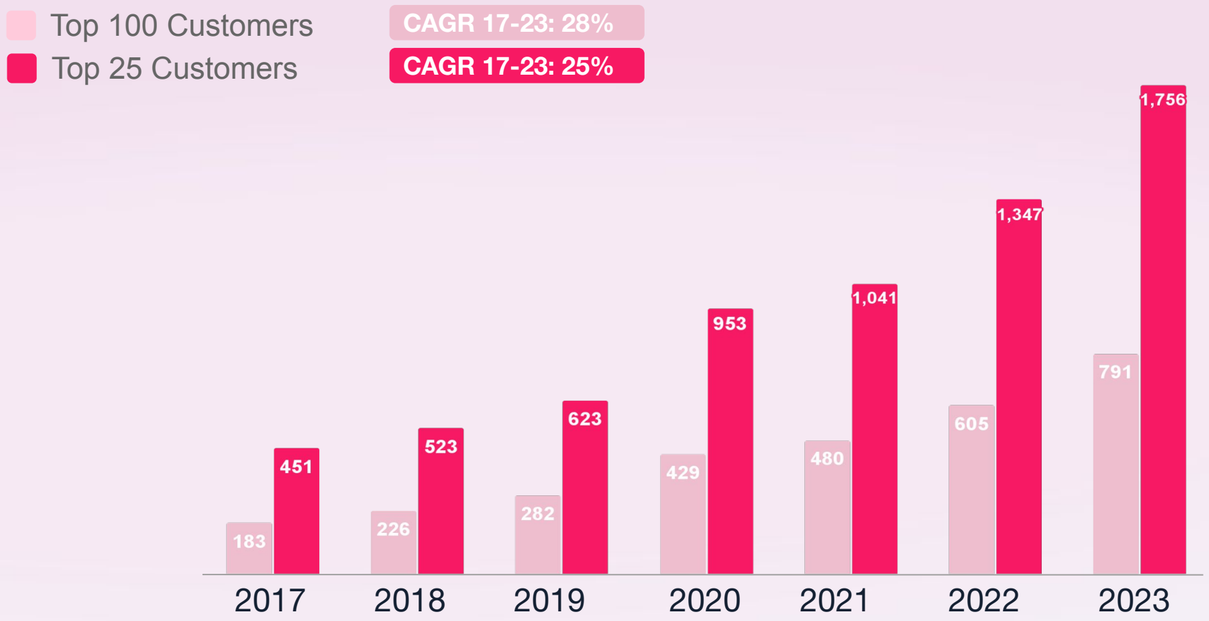
(3) Calculated by using the avg. monthly FX for the applicable months during previous year, adjusted by inflation in countries with hyperinflation, and applying them to the corresponding months in current year, so as to calculate what our results would have been had FX remained stable

We are proud of our customers' journeys

Our customers continued growing at a healthy pace, on top of the growth they experienced in 2020

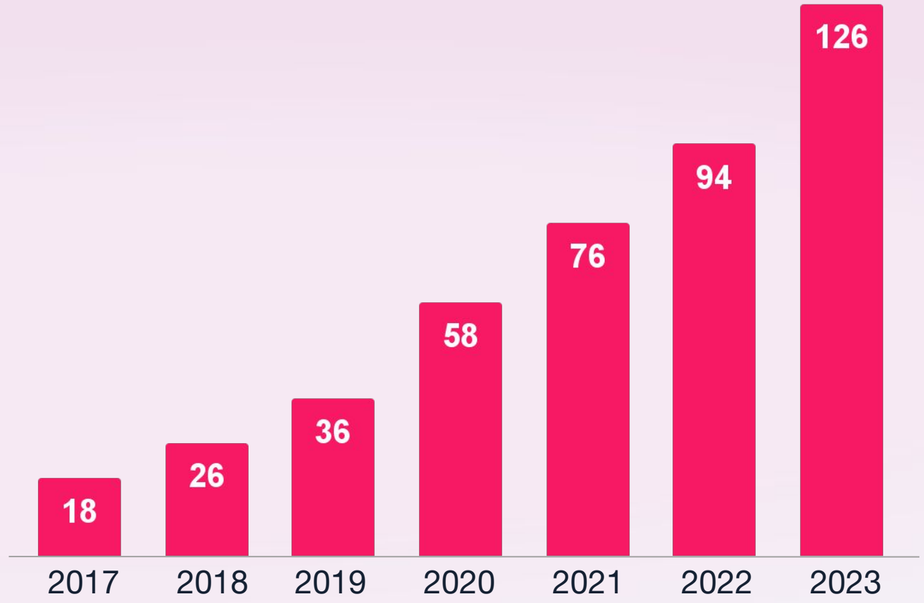
Average Revenue by Customer: Top 100 vs Top 25

USD (Thousands)



	2017	2018	2019	2020	2021	2022	2023
SSS Top 100	29%	23%	35%	98%	13%	21%	18%
SSS Top 25	30%	25%	35%	103%	13%	22%	19%

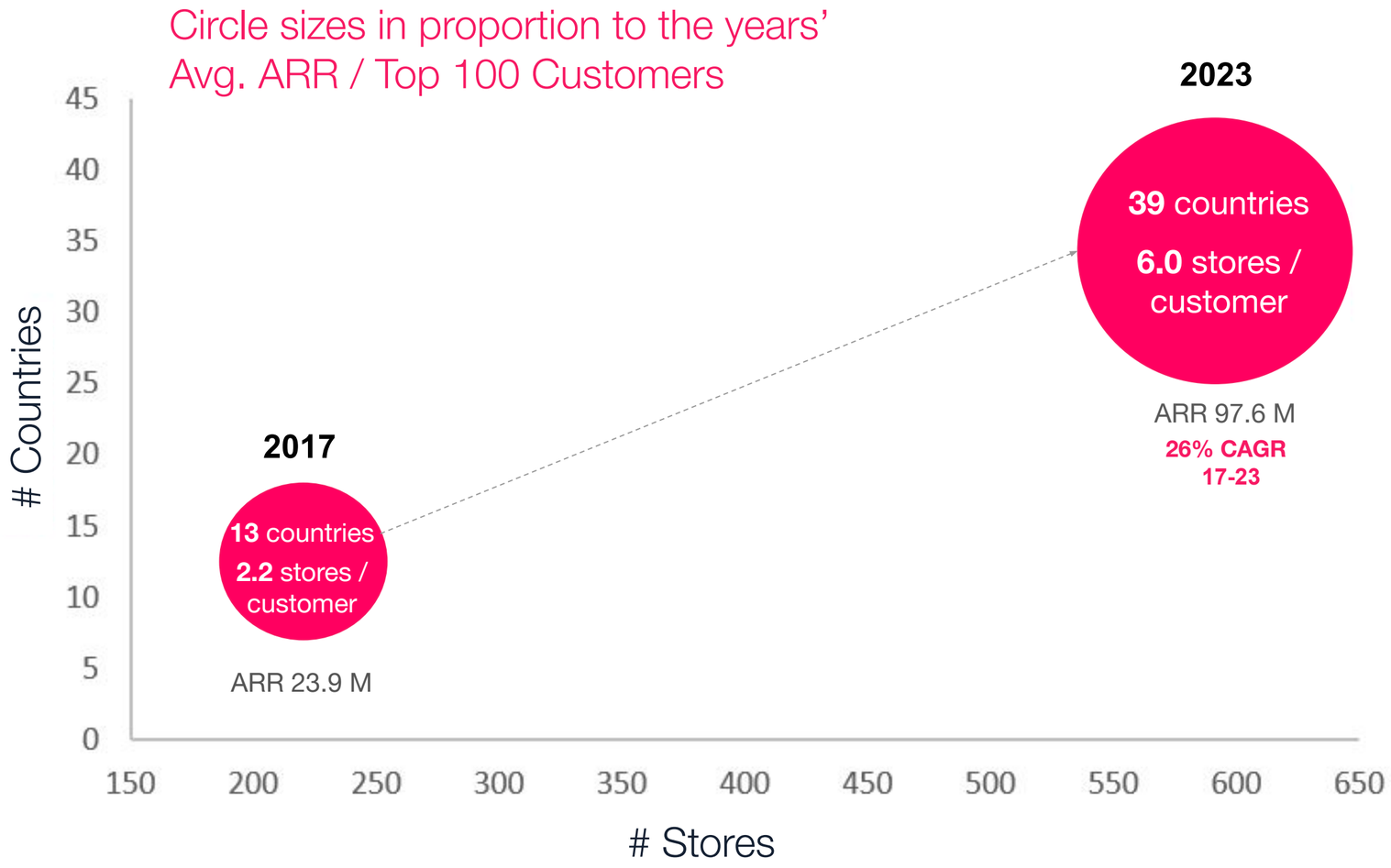
Number of customers with revenue >US$250k



	2017	2018	2019	2020	2021	2022	2023
Stores	46	139	190	313	424	557	692
Stores / Customer	2.6	5.3	5.3	5.4	5.6	5.9	5.5

Note: Same Store Sales (SSS) for Top 100 and Top 25 Customers calculated in FX Neutral

Top 100 Customers are growing, opening new stores in the same country and expanding to new countries



Note: "ARR" means annual recurring revenue, calculated as subscription revenue in the most recent quarter multiplied by four

Diversified revenue mix

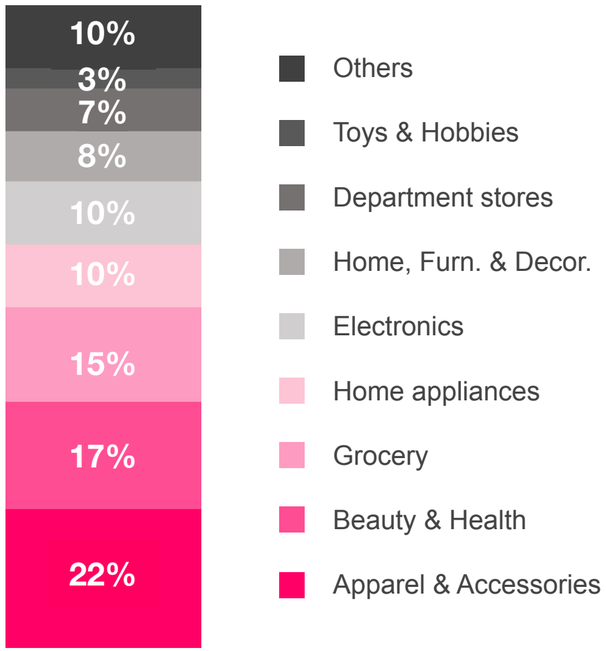
We are diversified across verticals. Our software works well for many different industries

We are also diversified across customer tenure. We create long-term relationships between VTEX and our customers

We have a fragmented and diversified customer base

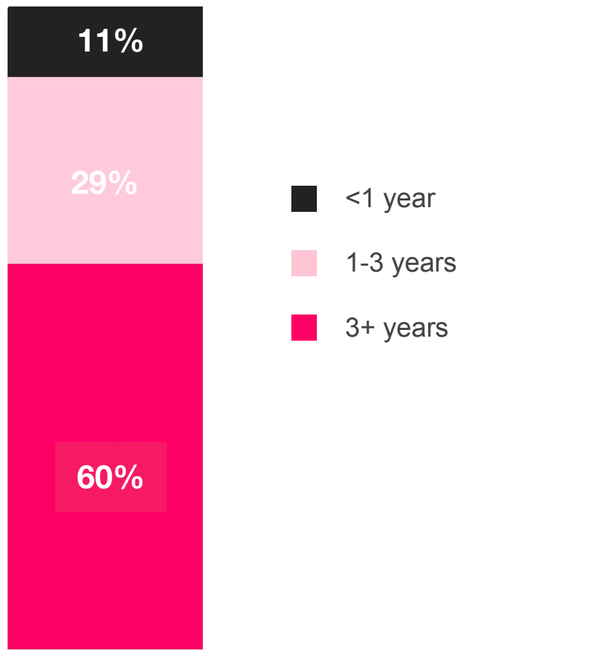
Customer verticals

% of 2023 VTEX platform revenue



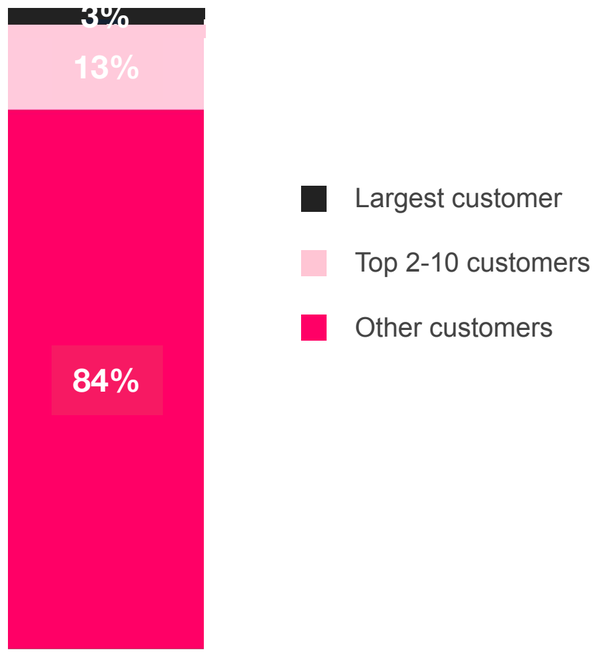
Customer tenure

% of 2023 VTEX platform revenue



Customer concentration

% of 2023 VTEX revenue



Competitors sell software & services, VTEX sells growth

Business model

VTEX offers a comprehensive subscription solution that provides access to our homogeneous multi-tenant SaaS platform

We grow with our customers and make ourselves responsible for their success, by charging most of our revenues from transaction-based fees

Subscription Revenue

VTEX Platform clients are charged:

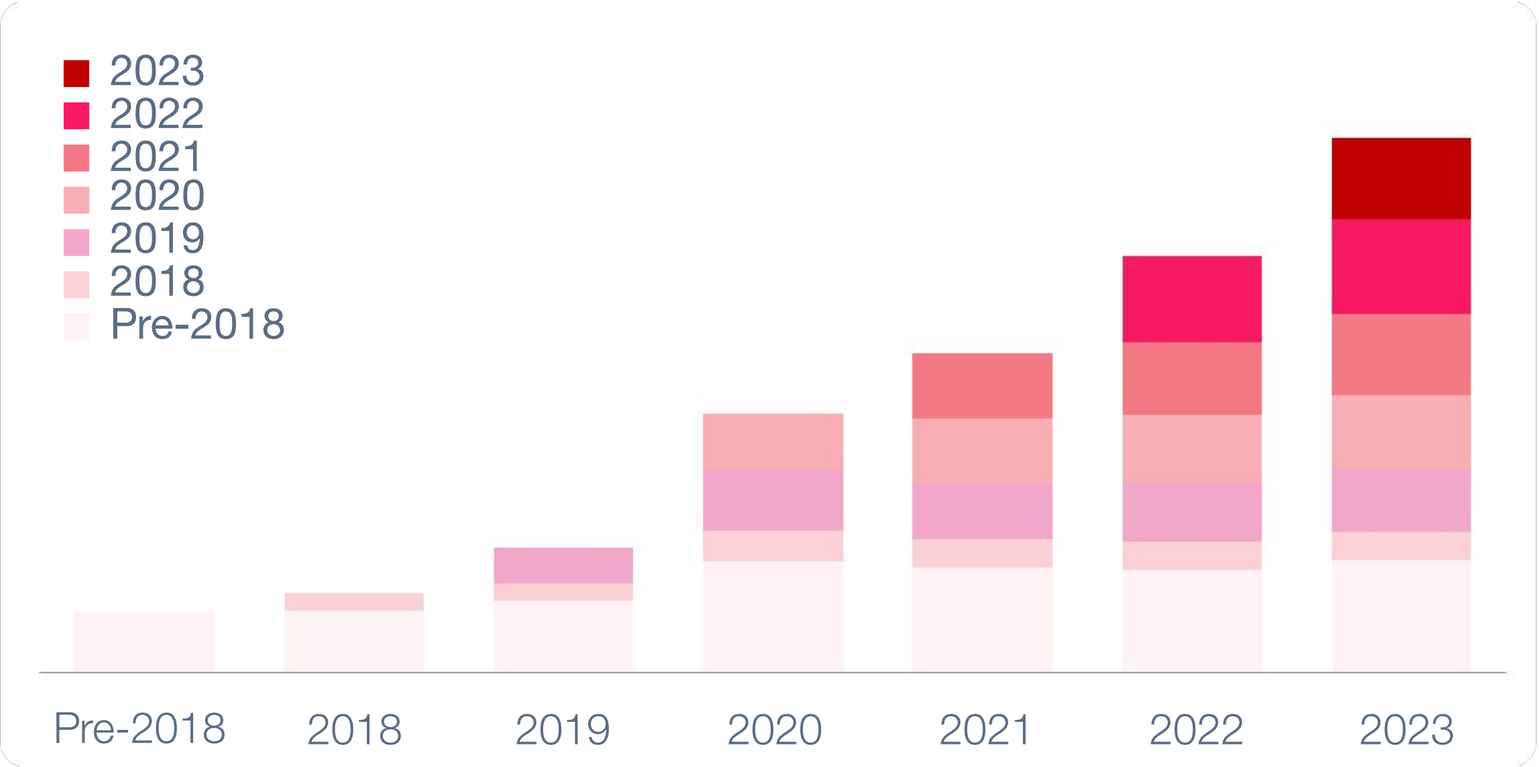
Fixed Fee

+

Variable Monthly Take Rate

Strong land and expand model driving results

Revenue cohort, FX neutral (US$ millions)



Cohort analysis on a FX neutral basis. Cohort means a group of customers that received the first invoice of our VTEX platform in the preceding 18 months, to account for average implementation and ramp-up times

Directional P&L breakdown by existing vs. new stores

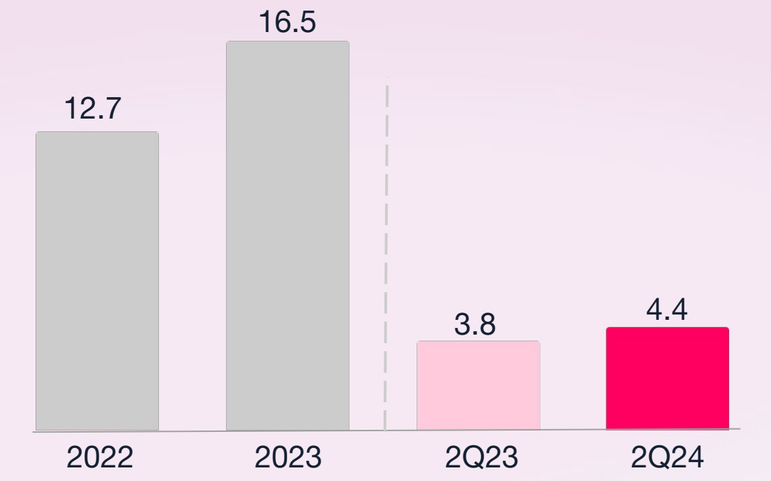
High margin existing stores' P&L, growing at VTEX's net revenue retention
Investment in new stores P&L, while impacting margin in short-term, yields returns aligned with our LTV/CAC
Our global expansion outside of Latam has an estimated impact of ~30% of our total expenses

% of revenue, non-GAAP	**2023A** *(VTEX platform + SMB + others + services)*	**2023 Existing stores** *(~80% of VTEX rev., excl. SMB)*	**2023 New stores** *(~20% of VTEX rev., excl. SMB)*
Gross margin(1)	**70%**	**~77%**	**~45%**
Sales & Marketing	(27)%	~(3)%	~(121)%
Research & Development	(26)%	~(25)%	~(25)%
General & Administrative	(13)%	~(13)%	~(13)%
Operating margin	**4%**	**~35%**	**~(115)%**

(1) Services revenue and services cost are included only in the "New Stores" P&L, as our services are mostly related to white glove PMO service to guide new stores implementations by 3rd party SIs

Solid growth and SaaS metrics with an attractive business model: we grow by enabling our customers to grow

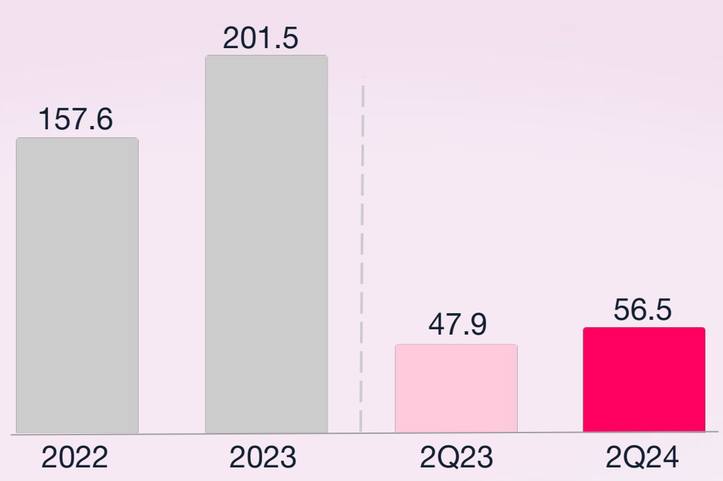
GMV
US$ billions



27%	25%	21%	19%

YoY growth FX neutral (%)

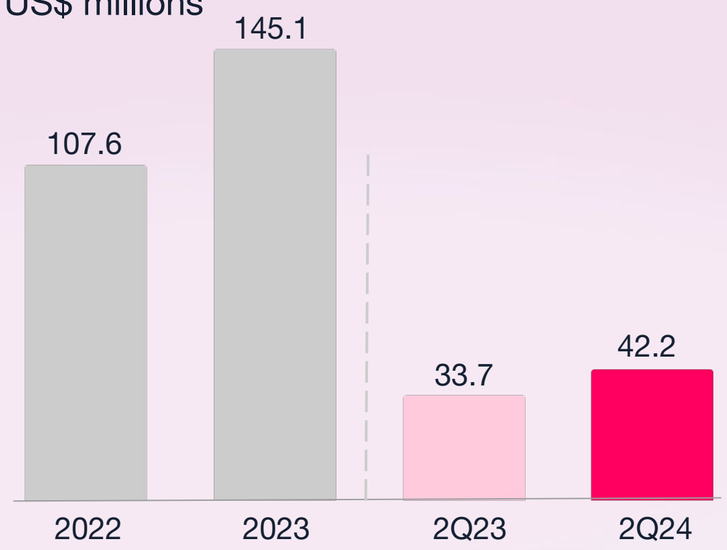
Revenue
US$ millions



22%	24%	23%	22%

YoY growth FX neutral (%)

Subscription Gross Profit (Non-GAAP)
US$ millions



27%	30%	26%	30%

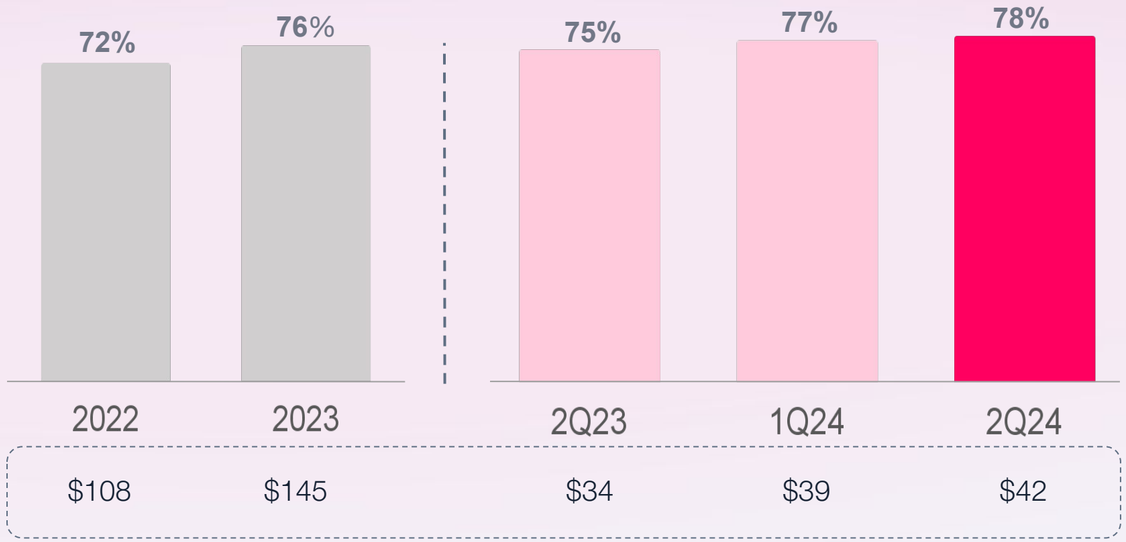
YoY growth FX neutral (%)

Note: we calculate FX Neutral measures by using the average monthly FX for each month during the previous year and applying them to the corresponding months in the current year, so as to calculate what our results would have been had FX remained stable from one financial year to the next

Subscription gross margin continues expanding
VTEX is growing fast with an optimized and agile organizational structure

Non-GAAP subscription gross profit[1]

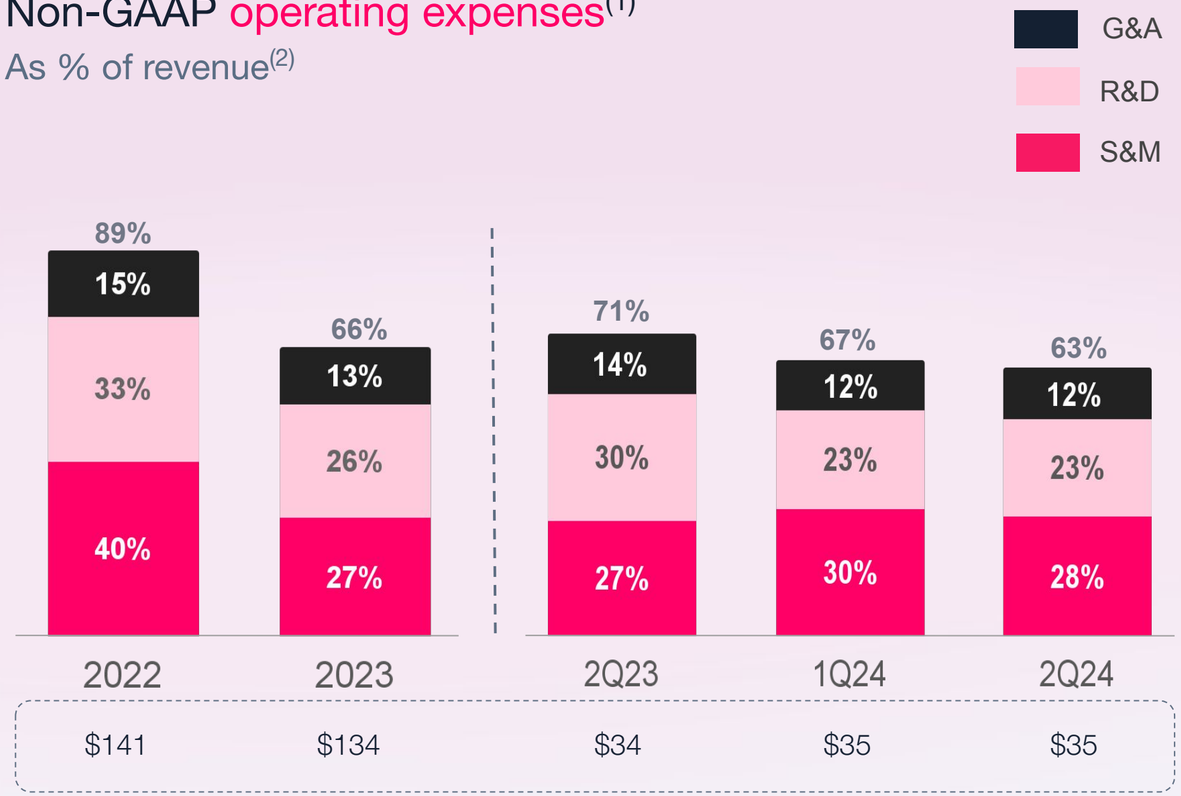
As % of subscription revenue



Non-GAAP subscription gross profit ($mm)

Non-GAAP operating expenses[1]

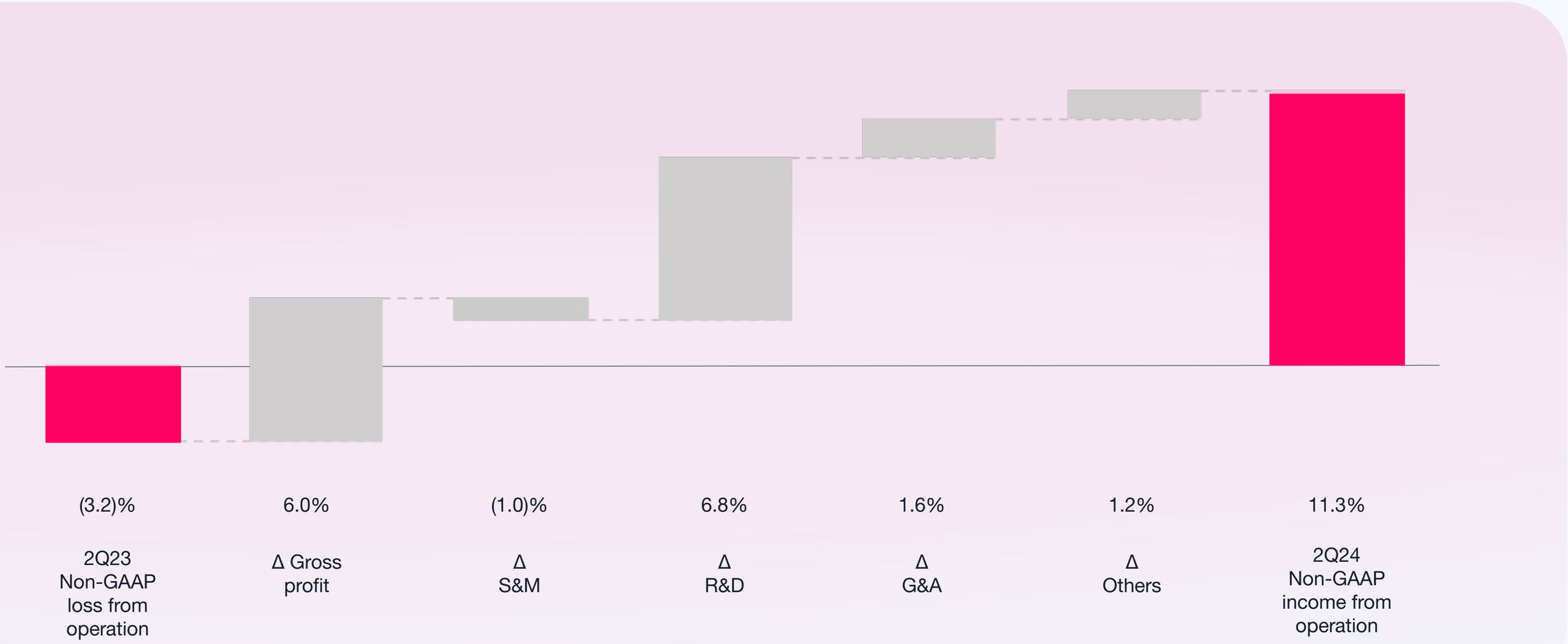
As % of revenue[2]



Non-GAAP operating expenses ($mm)

(1) See appendix for reconciliation
(2) The total percentage of total expenses over net revenue presented in the chart includes other revenues (expenses)

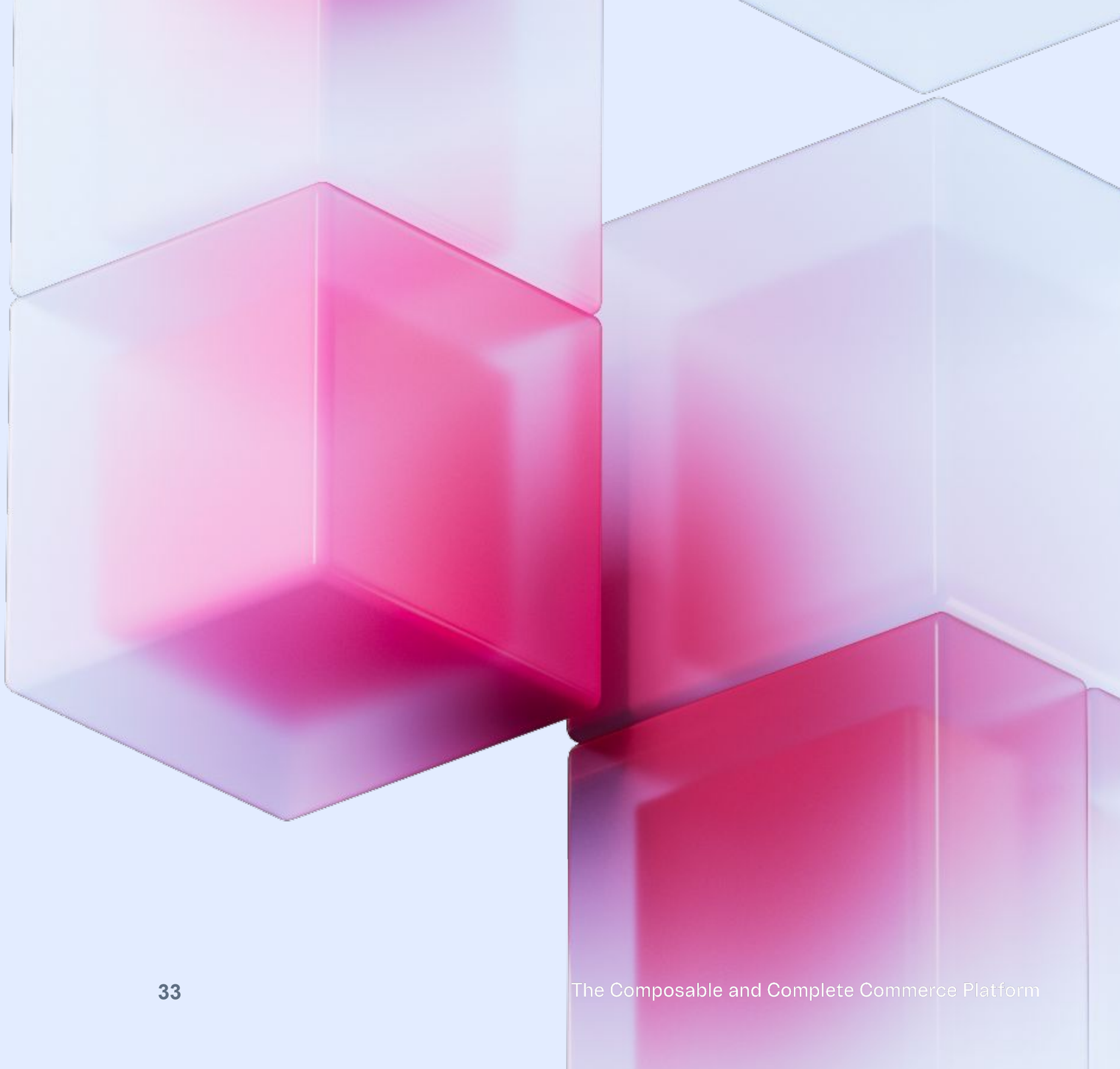
Non-GAAP income (loss) from operations YoY margin improved driven by revenue growth and gross margin improvements



VTEX

- Massive TAM
- Latam leadership growing globally
- Blue-chip customer base
- Robust technology, low total cost of ownership and rapid revenue generation
- Strong VTEX ecosystem
- Powerful business model

Appendix



Subscription gross profit reconciliation
(US$ millions)

Subscription gross profit	2021	2022	2023	Q2 2023	Q1 2024	Q2 2024
Subscription revenue	118.5	148.5	190.3	44.8	50.4	54.0
Subscription gross profit	80.1	107.1	144.9	33.6	38.8	42.1
Shared base compensation	0.7	0.5	0.2	0.1	0.0	0.0
Non-GAAP subscription gross profit	**80.8**	**107.6**	**145.1**	**33.7**	**38.9**	**42.2**
Non-GAAP subscription gross margin	***68.2%***	***72.4%***	***76.2%***	***75.3%***	***77.2%***	***78.1%***

Income (loss) from operations reconciliation
(US$ millions)

Operating Income	2021	2022	2023	Q2 2023	Q1 2024	Q2 2024
Income (loss) from operation	(65.9)	(49.9)	(14.6)	(7.1)	(1.6)	1.7
Share-based compensation expense	19.6	12.8	19.7	4.7	4.1	4.3
Amortization and adjustment related to acquisitions	2.0	2.1	2.6	0.8	0.5	0.4
Offering expenses ("IPO") (1)	1.3	-	-	-	-	-
Non-GAAP income (loss) from operations	**(43.1)**	**(35.1)**	**7.7**	**(1.5)**	**3.0**	**6.4**
Non-GAAP income (loss) from operations margin	***(34.3)%***	***(22.3)%***	***3.8%***	***(3.2)%***	***5.7%***	***11.3%***

(1) Offering expenses ("IPO") for S&M and R&D are travel-related expenses exclusively for the Event Day

Operating expenses reconciliation
(US$ millions)

Sales & Marketing	2021	2022	2023	Q2 2023	Q1 2024	Q2 2024
S&M expense	(63.5)	(67.8)	(59.5)	(14.4)	(17.2)	(17.3)
Share-based compensation expense	5.5	2.9	4.4	1.1	1.1	0.9
Amortization and adjustment related to acquisitions	1.1	1.2	1.2	0.3	0.3	0.3
Offering expenses ("IPO") (1)	0.2	-	-	-	-	-
Non-GAAP S&M expense	**(56.7)**	**(63.7)**	**(53.9)**	**(13.1)**	**(15.8)**	**(16.0)**
Non-GAAP S&M expense, as % of revenue	*(45.1)%*	*(40.4)%*	*(26.7)%*	*(27.4)%*	*(30.1)%*	*(28.3)%*

Research & Development	2021	2022	2023	Q2 2023	Q1 2024	Q2 2024
Research & Development expense	(45.2)	(57.2)	(60.1)	(16.3)	(12.7)	(14.2)
Share-based compensation expense	5.9	4.8	7.4	1.8	0.2	1.2
Amortization and adjustment related to acquisitions	0.9	0.9	1.2	0.3	0.2	0.1
Offering expenses ("IPO") (1)	0.1	-	-	-	-	-
Non-GAAP R&D expense	**(38.3)**	**(51.5)**	**(51.5)**	**(14.2)**	**(12.3)**	**(12.9)**
Non-GAAP R&D expense, as % of revenue	*(30.4)%*	*(32.7)%*	*(25.6)%*	*(29.6)%*	*(23.4)%*	*(22.9)%*

General & Administrative	2021	2022	2023	Q2 2023	Q1 2024	Q2 2024
G&A expense	(31.9)	(28.3)	(33.7)	(8.2)	(9.2)	(8.8)
Share-based compensation expense	7.1	4.4	7.3	1.7	2.6	2.0
Amortization and adjustment related to acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Offering expenses ("IPO")	0.9	-	-	-	-	-
Non-GAAP G&A expense	**(23.9)**	**(24.0)**	**(26.4)**	**(6.5)**	**(6.6)**	**(6.8)**
Non-GAAP G&A expense, as % of revenue	*(19.0)%*	*(15.2)%*	*(13.1)%*	*(13.6)%*	*(12.4)%*	*(12.0)%*

(1) Offering expenses ("IPO") for S&M and R&D are travel-related expenses exclusively for the Event Day

FX neutral measures reconciliation
(US$ millions)

	As Reported			FXN	As Reported	FXN
	2Q24	**2Q23**	% Change	**2Q24**	**2Q23**	% Change
Subscription revenue	54.0	44.8	20.6%	55.8	44.8	24.7%
Services revenue	2.6	3.1	(17.9)%	2.6	3.1	(17.2)%
Total revenue	**56.5**	**47.9**	**18.1%**	**58.4**	**47.9**	**21.9%**
Gross profit	**41.6**	**32.4**	**28.5%**	**43.3**	**32.4**	**33.7%**
Income (loss) from operations	**1.7**	**(7.1)**	**na**	**2.8**	**(7.1)**	**na**

Thank you

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