



WDC
NETWORKS

Soluções de A a W

EARNINGS CALL PRESENTATION 2Q24

August 8th 2024



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Legal Warning

The statements contained in this document regarding WDC Networks' business and growth prospects are based solely on the Management expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to change without prior notice.

All variations shown herein are calculated based on the numbers without rounding. This performance report includes accounting and non-accounting data. Non-accounting data was not subject to review by the independent auditors of the Company.

Agenda

- ❖ **Highlights**
- ❖ **Sales performance**
- ❖ **Consolidated performance**
- ❖ **Performance by segment**
- ❖ **Leverage and Backlog**
- ❖ **Perspectives**
- ❖ **Q&A**



Highlights 2Q24

In 2Q24, WDC reported R\$8.4 million in Net Income (R\$13.1 million in 6M24), the second consecutive quarter of profitability, reversing the loss of 6M23.

WDC reached a record level of consolidated Adjusted EBITDA, reaching R\$74.7 million (+ 8.9% vs 2Q23) with an Adjusted EBITDA margin of 38.7% (+ 7.5 p.p. vs 2Q23)

Second consecutive quarter that we improved gross margins across all segments, gross margin in 2Q24 reached 28.7% (+5.2 p.p. vs 2Q23) and reached 27.2% in 6M24 (+5.3 p.p. vs 6M23)

Opening of the Showroom, clearly showing the applicability of our portfolio

Important advances in repositioning of WDC, strengthening the Design Center team, adding more services and M&A prospecting agendas

On 05/30/24, WDC signed a distribution contract in Brazil with Dahua, a Chinese company that produces electronic security products.

The company is fully executing the new positioning plan!





Highlights 2Q24

Net Income Adjusted

R\$ 8.4 Million
+138.1% (2Q24 vs 2T23)

EBITDA Adjusted

R\$ 74.7 Million
+8.9% (2Q24 vs 2Q23)

Operational expenses

-R\$ 31.6 Million
-1.8% (2Q24 vs 2Q23)

Backlog

R\$ 842 Million
-2.7% (2Q24 vs 2T23)

Net Revenue

R\$ 193.1 Million
-12.1% (2Q24 vs 2Q23)

Gross Revenue of Services

R\$ 41.8 Million
+19.1% (2Q24 vs 2Q23)

Net debt / LTM EBITDA

2.14X in 2Q24
vs 2.28X in 2Q23

Financial Result

-R\$ 14.3 Million
+11.6% (2Q24 vs 2Q23)

Net debt

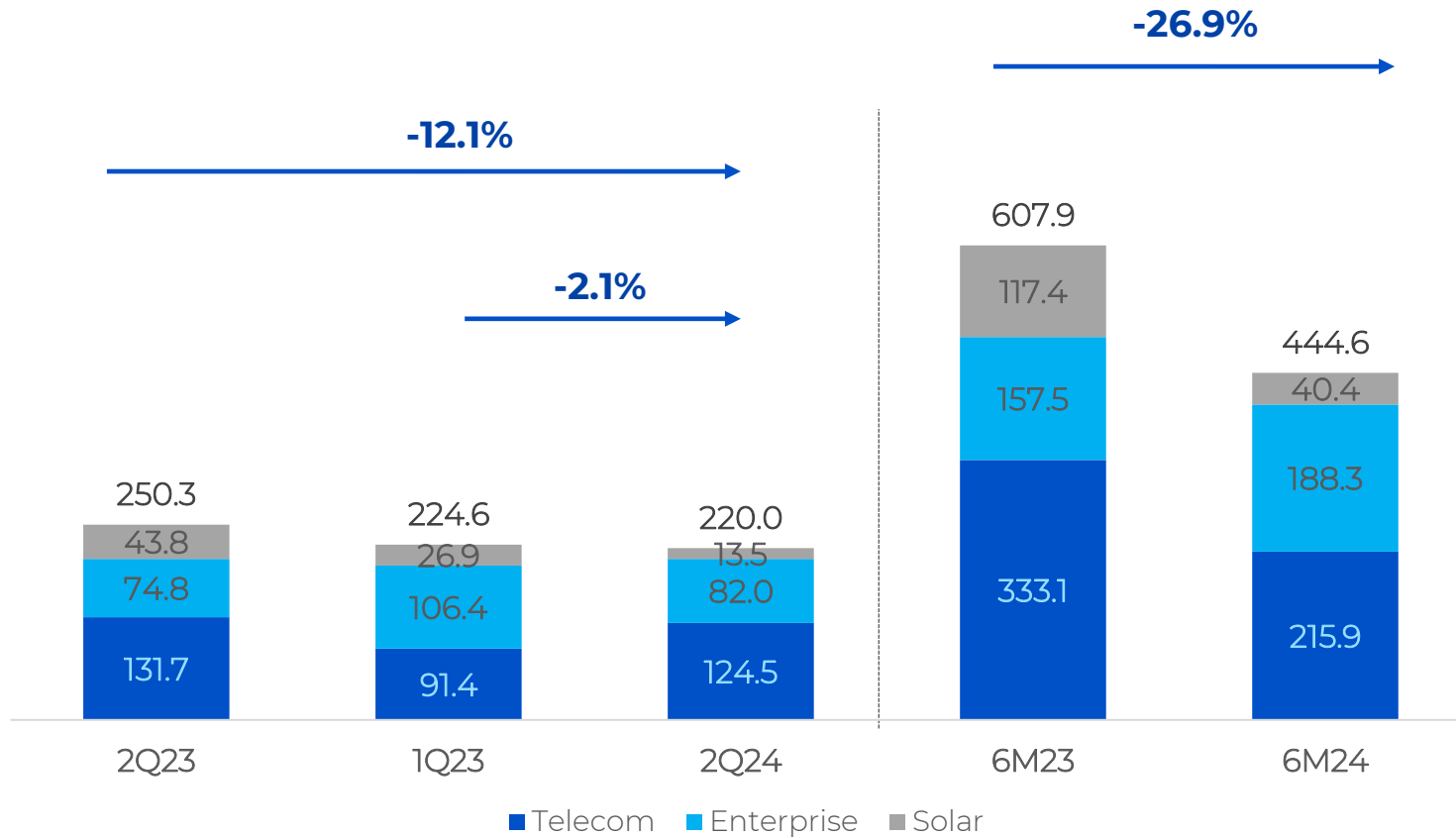
R\$ 532.3 Million
-6.9% (2Q24 vs 2Q23)

Sales Performance



Total Sales (R\$ million)

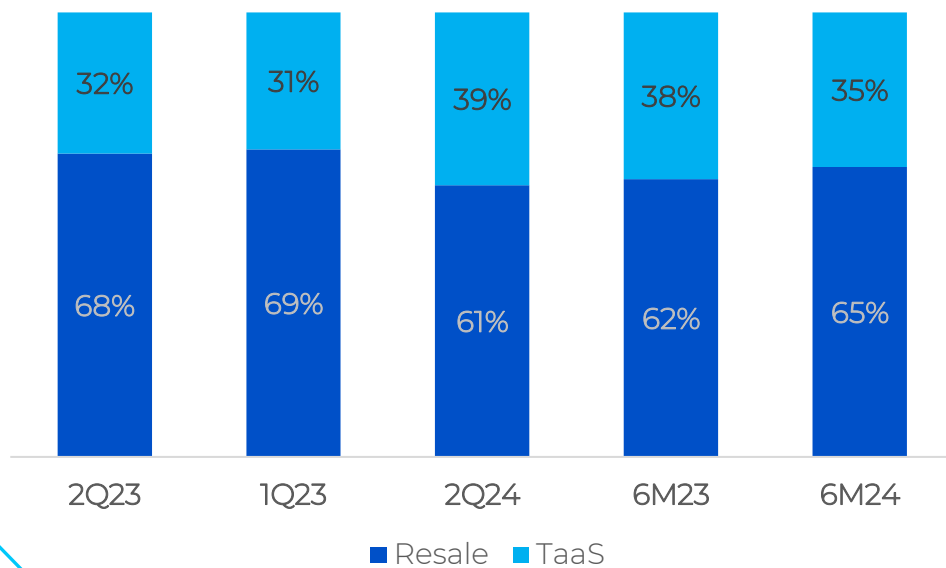
Telecom + Enterprise stable in 2Q24 versus 2Q23 and growth of 4.4% versus 1Q24



TaaS Sales

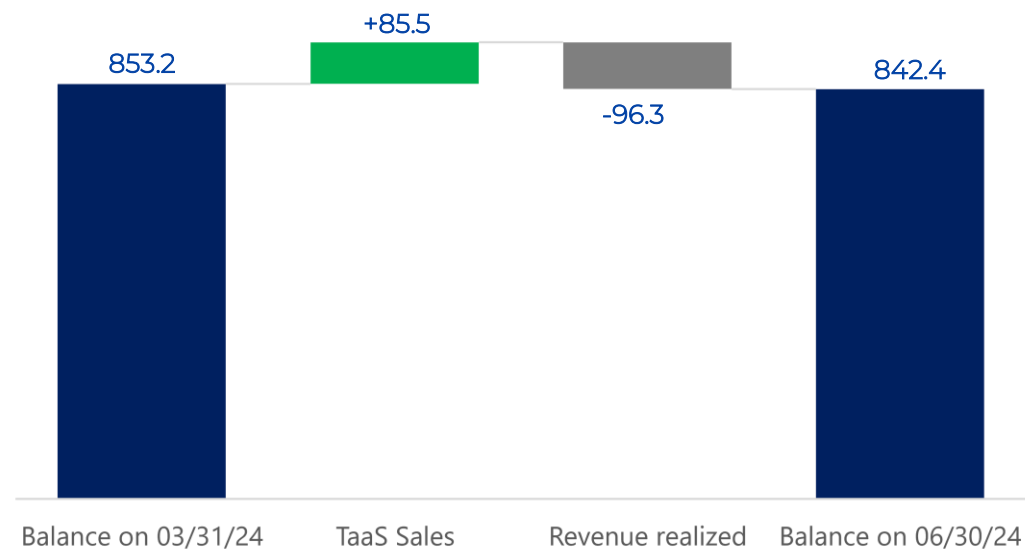
TaaS reached 39% of sales, totaling R\$842.4 million in 2Q24

Resale and TaaS



TaaS movement

(R\$ Million)



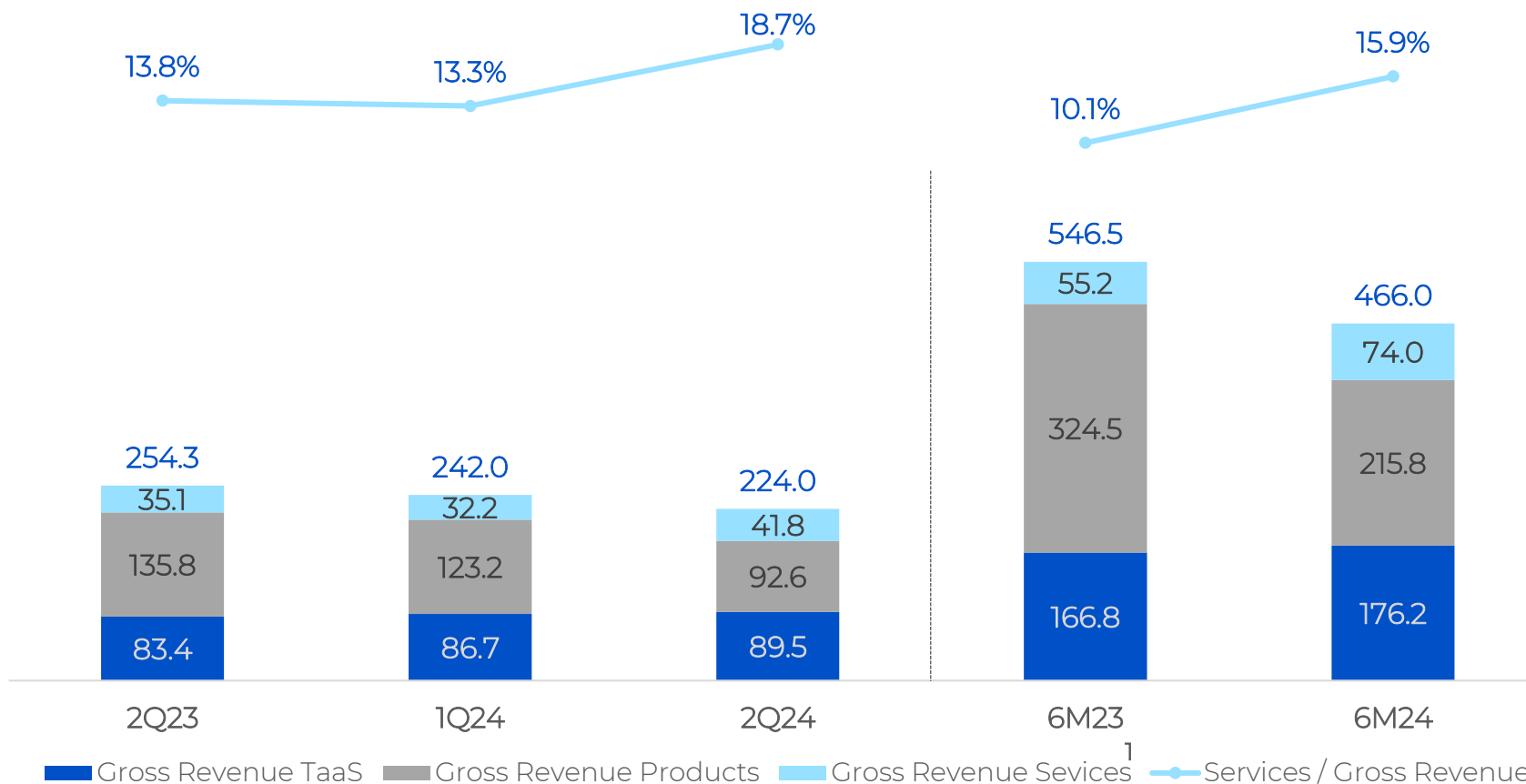


Consolidated Performance



Gross Revenue (R\$ million and %)

Service Revenue gaining strength in the Company, reflecting the strategic positioning of Project Sales and Cybersecurity



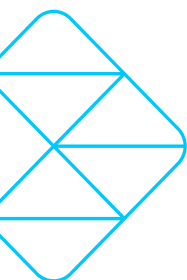
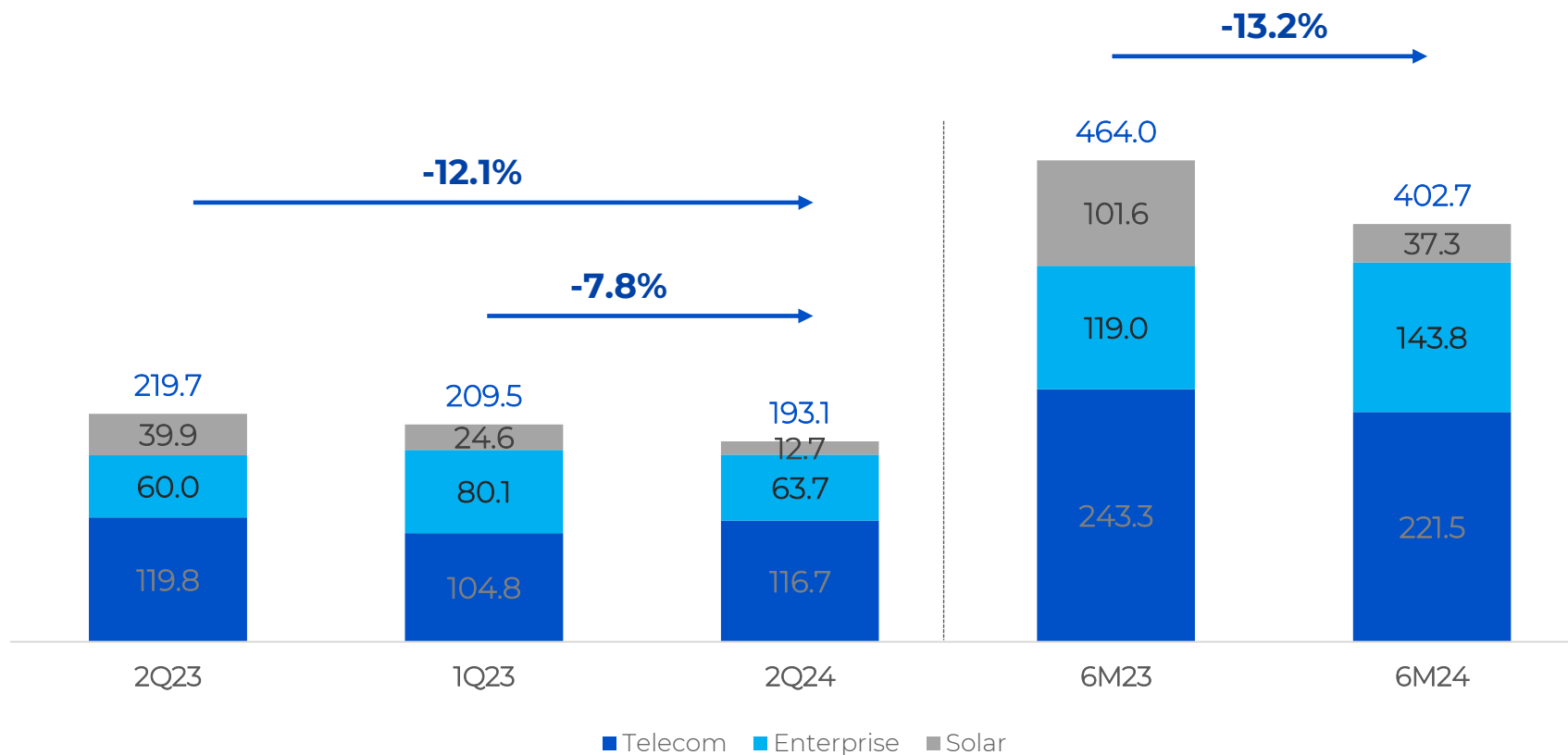
1. Services include sales of software.

Net Revenue (R\$ million and %)

Enterprise grew 21% in 6M24

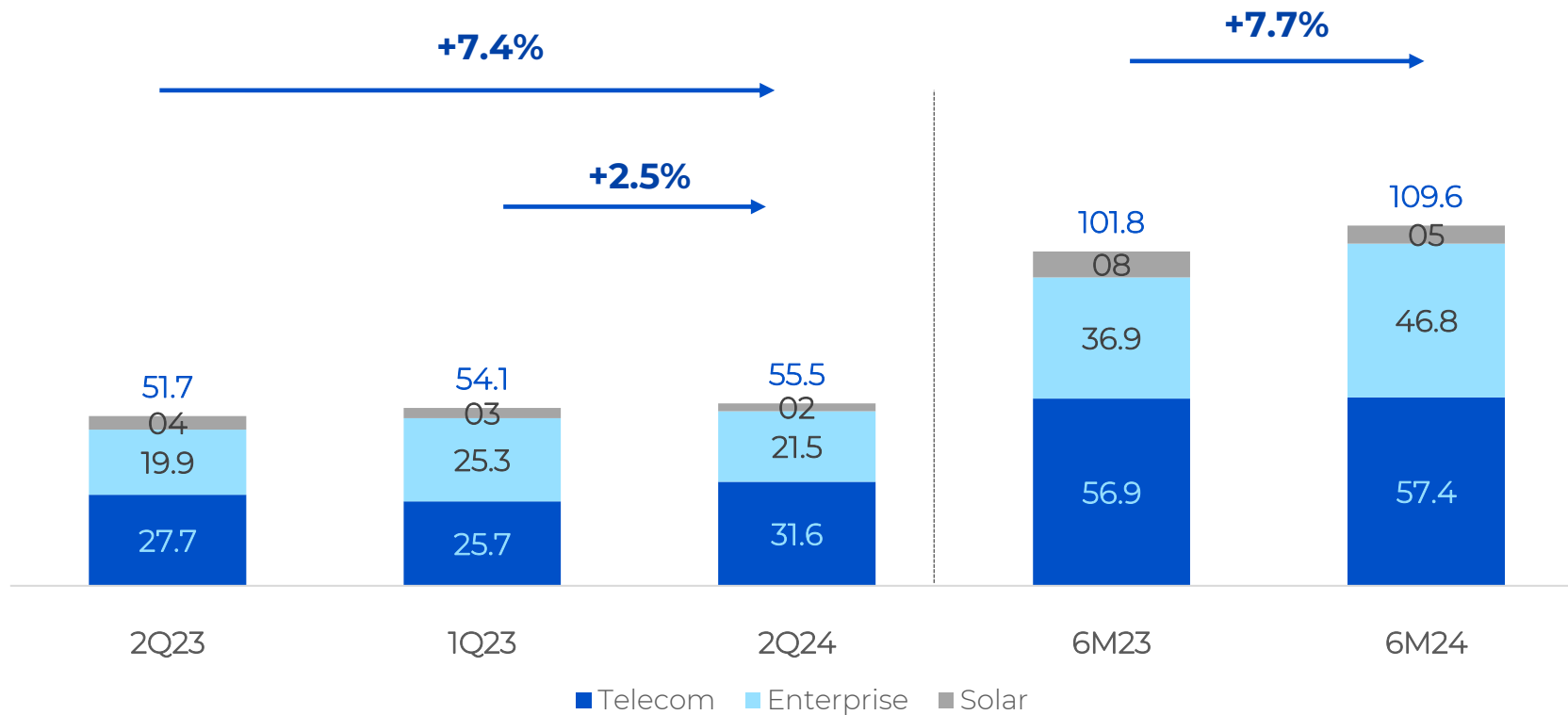
Telecom decreased 9%, reflecting the stagnant ISP market

Solar decreased 63% due to the sales strategy with healthy margins



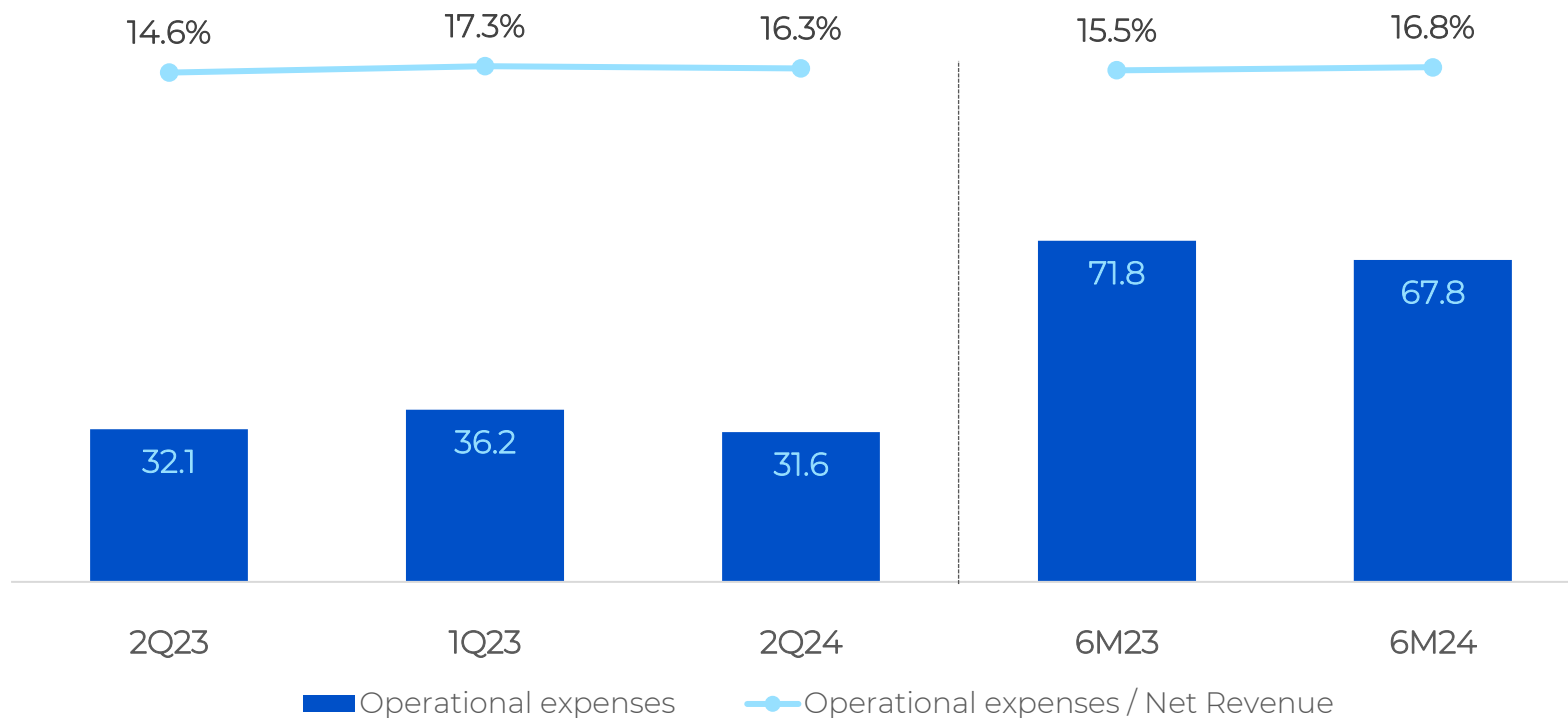
Gross Profit (R\$ million)

All segments had progress in terms of margin, we remain focused on profitability



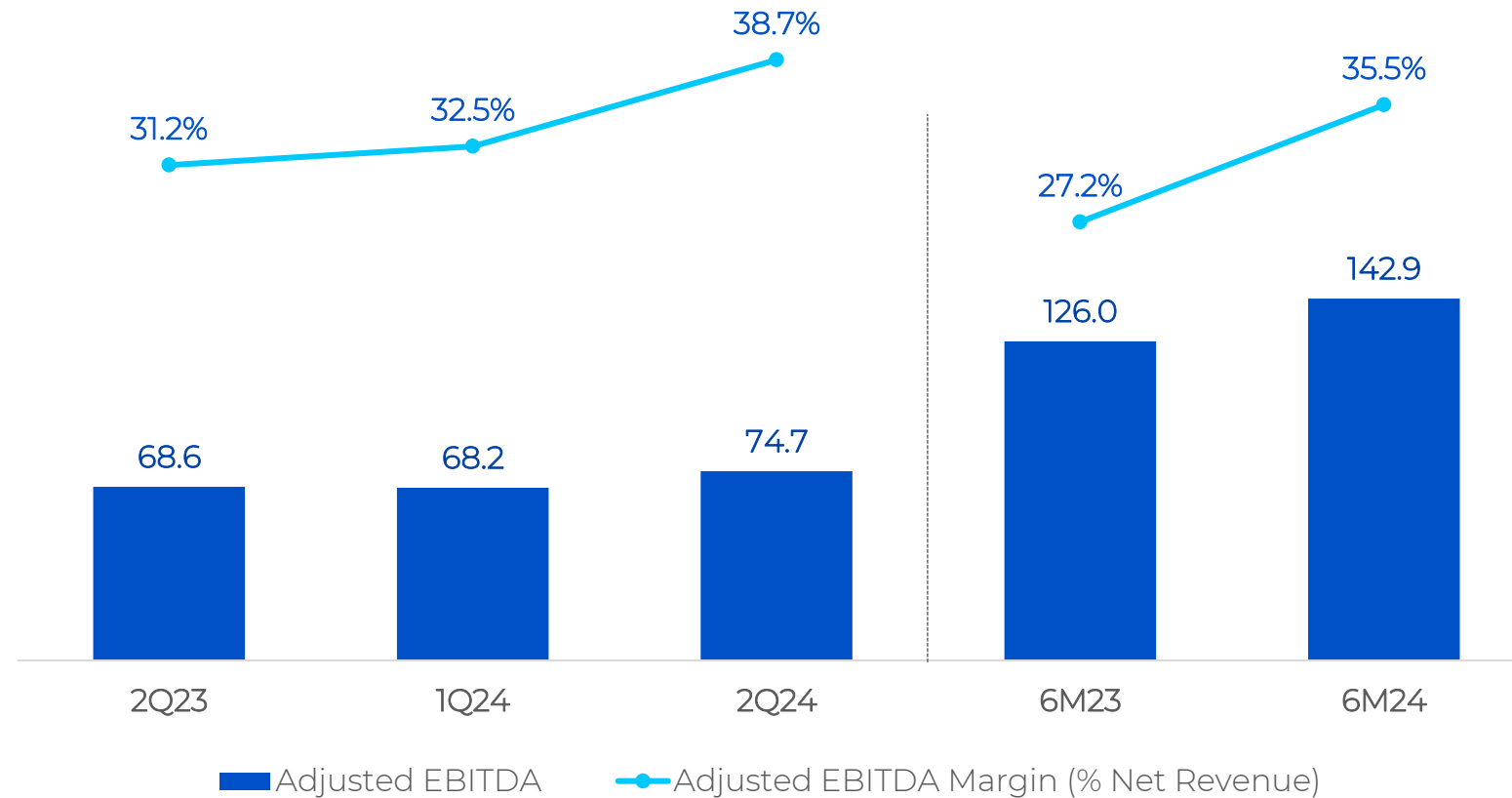
Operating Expenses (R\$ million and %)

Rigorous control of operating expenses. In 2Q24, it represented 16.3% of net revenue even with a drop in total revenue



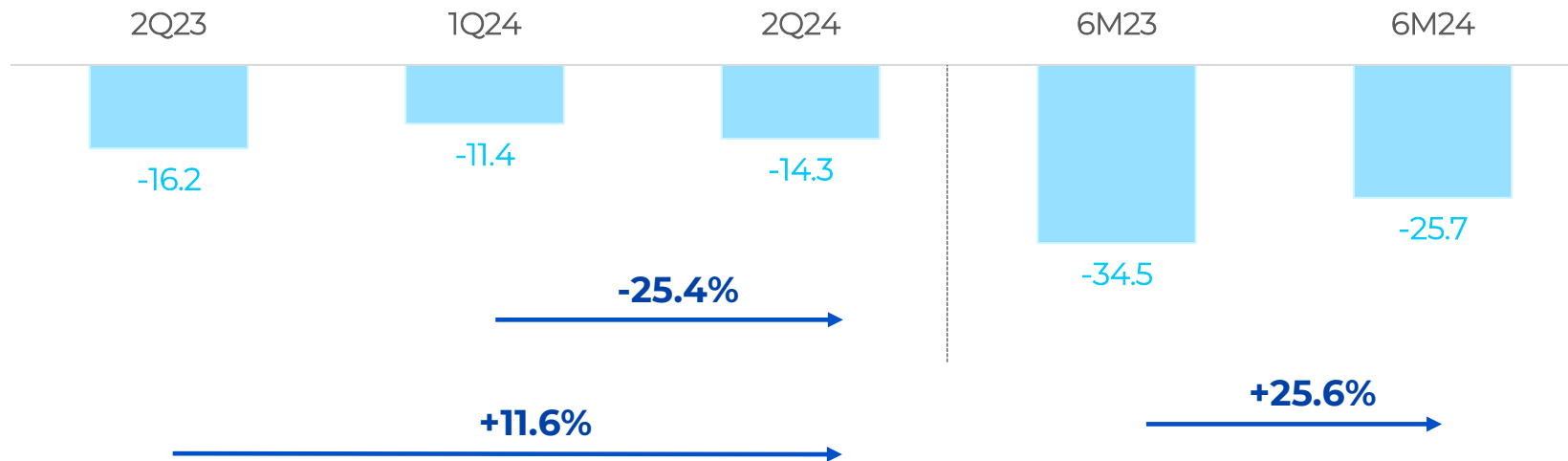
EBITDA Adjusted (R\$ million and %)

The best EBITDA and EBITDA margin in WDC's history
Healthier sales strategy & more services



Financial Result (R\$ million)

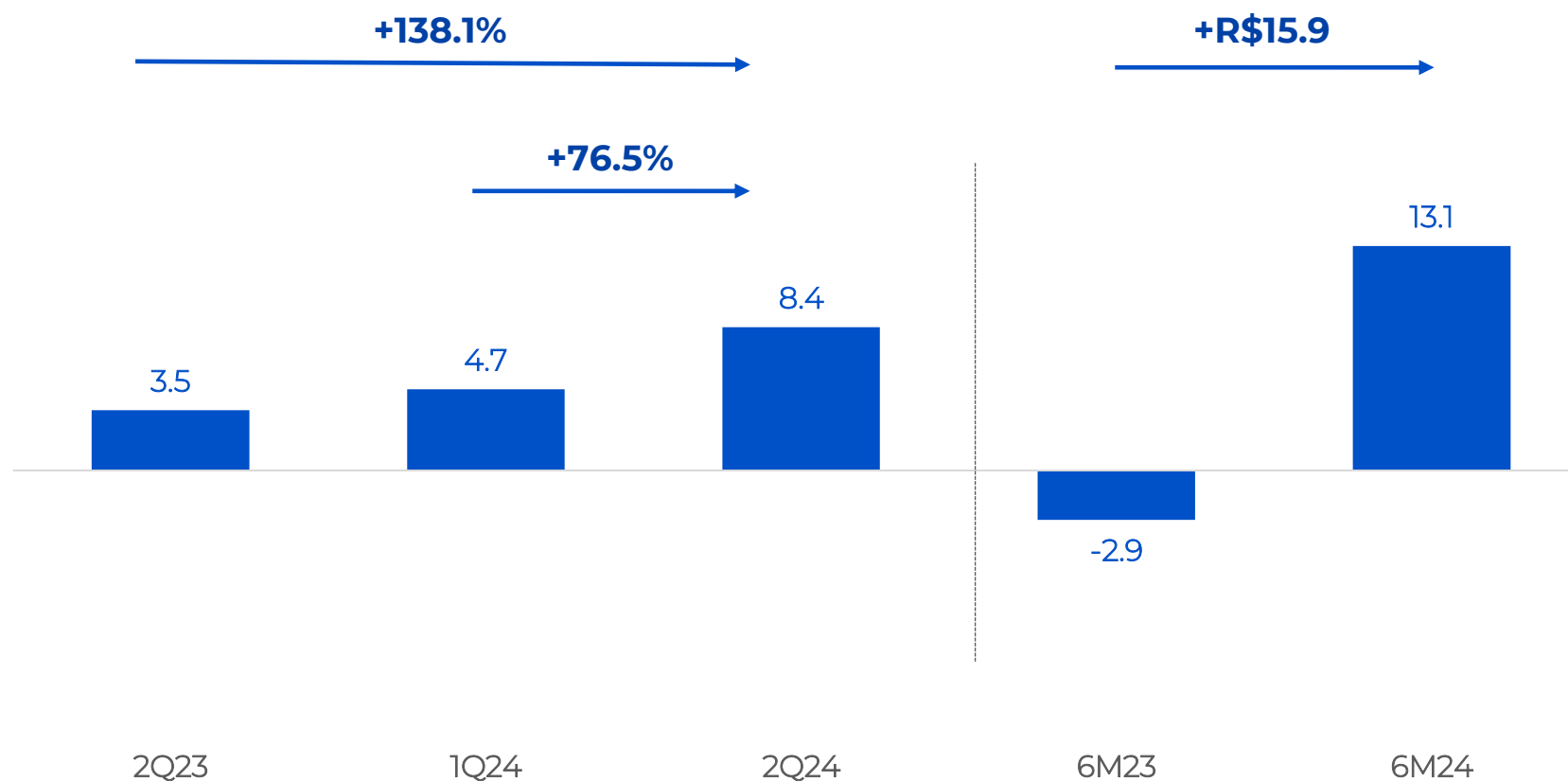
Improvement by 25.6% in results in 6M24
Reduction in net debt and interest on loans



Net Income (R\$ million)

Second consecutive quarter of profitability, reversing the loss of 6M23

Better product mix, more services, reversal of obsolete inventory

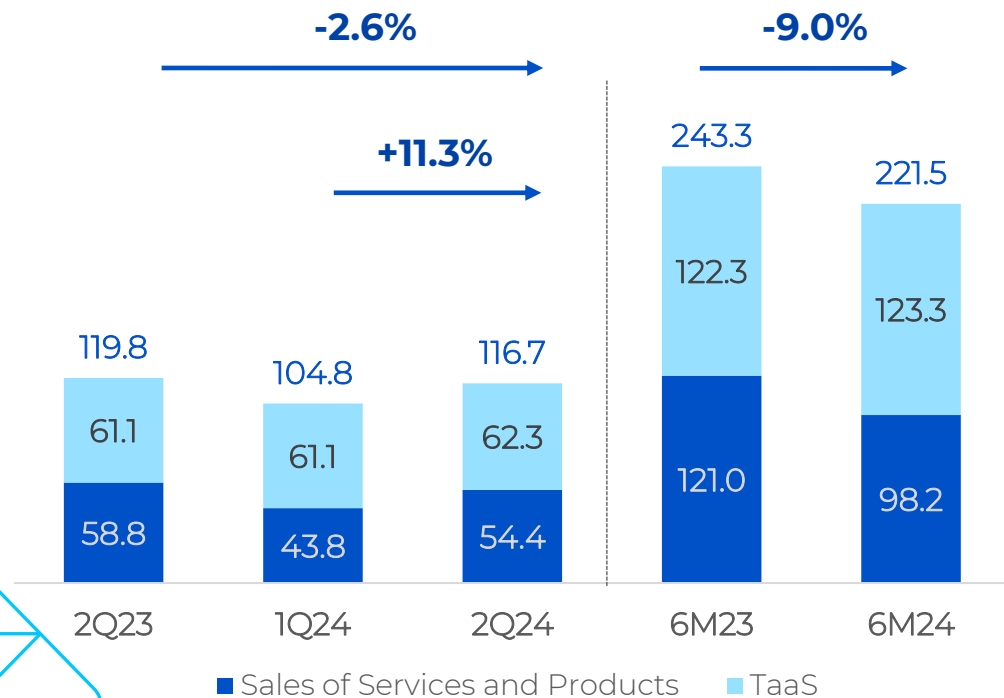


Segment Performance

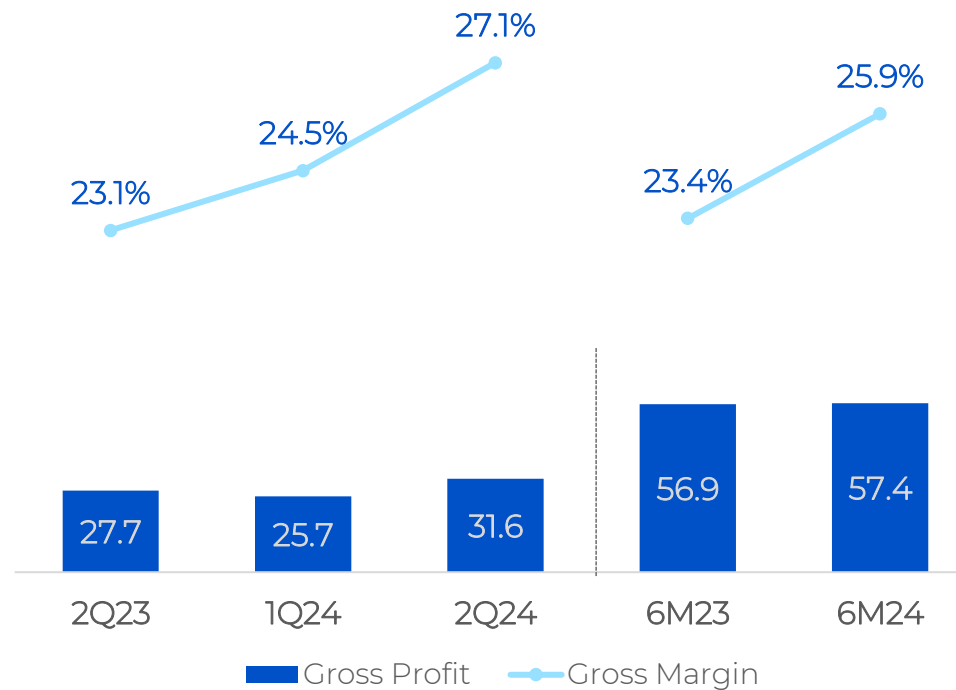


In 2Q24, growth in revenue and gross margin compared to the previous quarter

Net Revenue



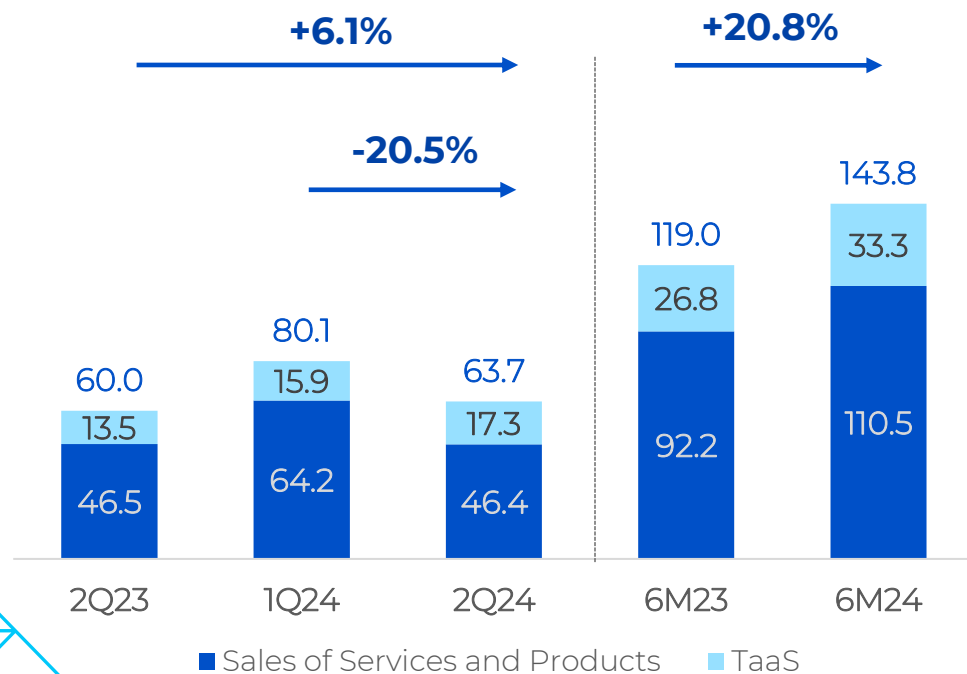
Gross Profit and Gross Margin



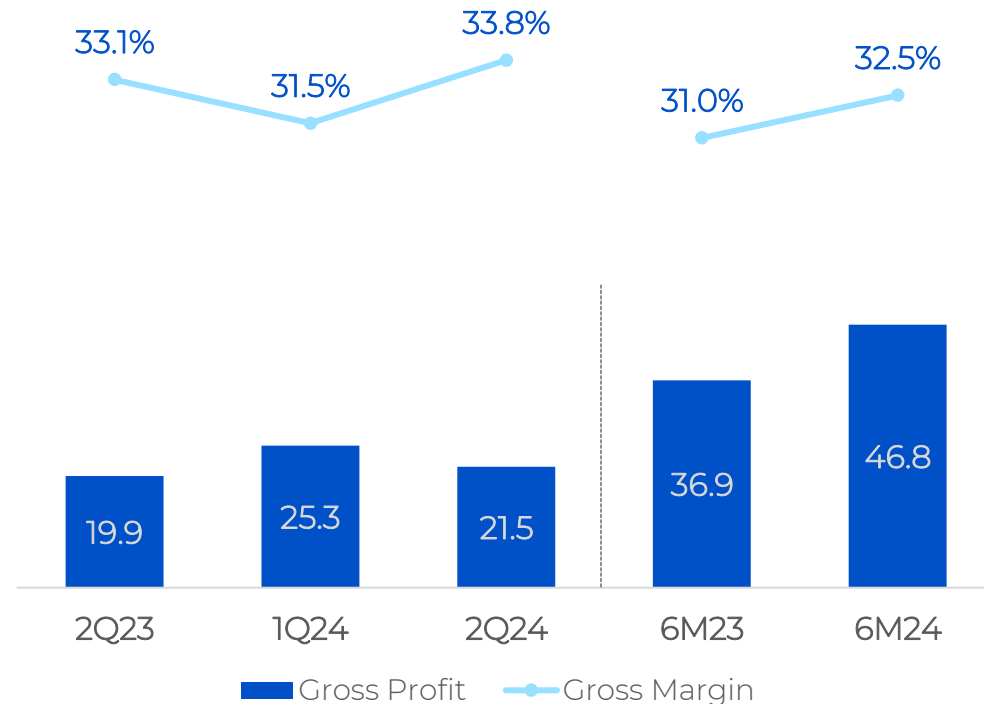
Enterprise

In 2Q24, growth in revenue and gross margin
Cybersecurity portfolio, Digitalization (LED) advancing

Net Revenue



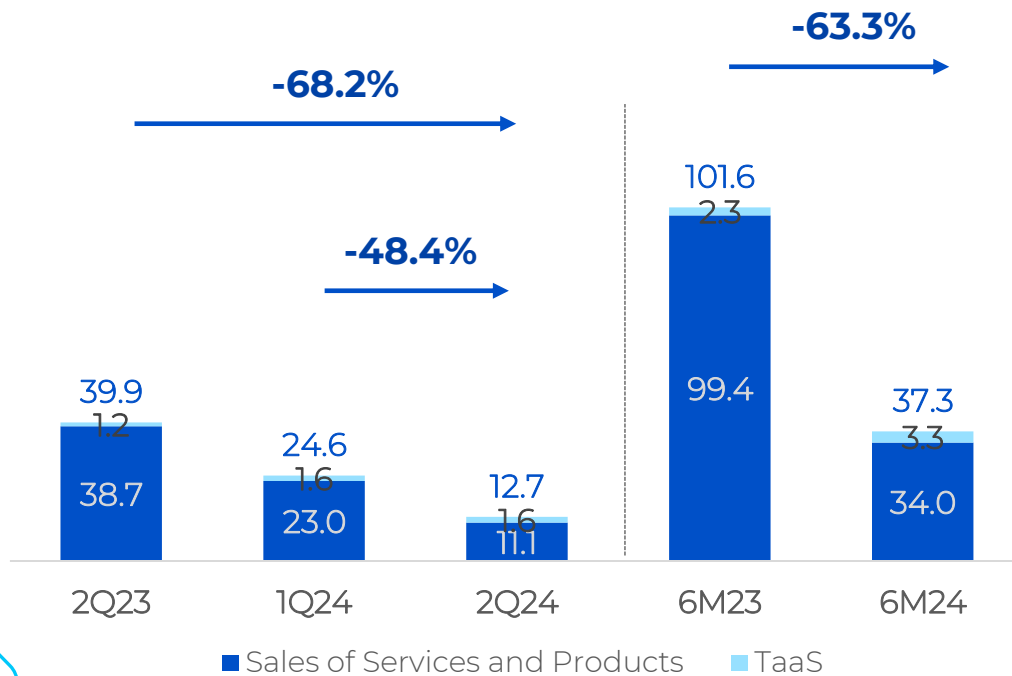
Gross Profit and Gross Margin



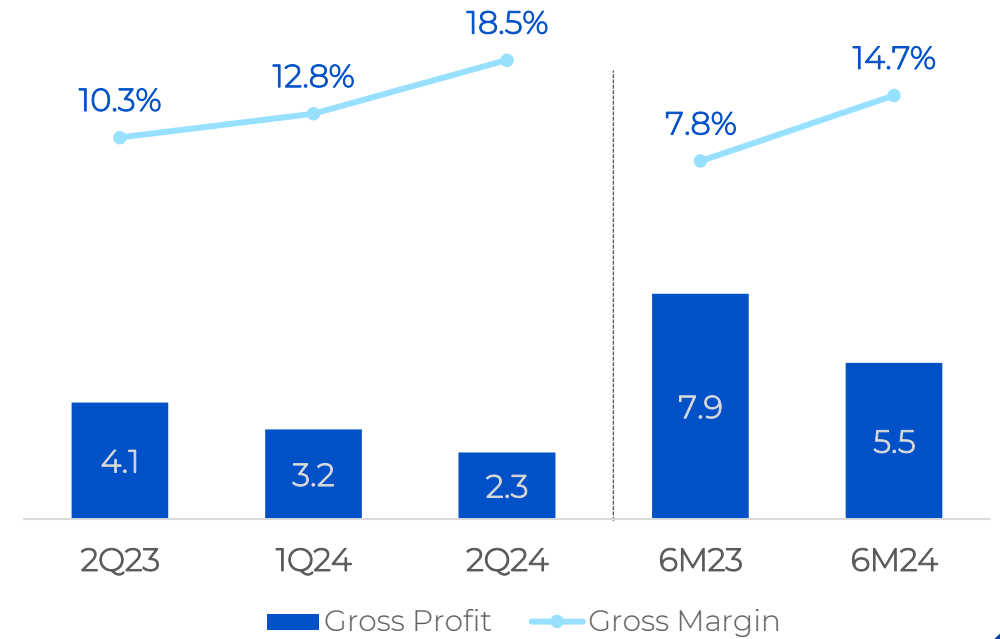
Solar

Cautious strategy, prioritizing better margins

Net Revenue



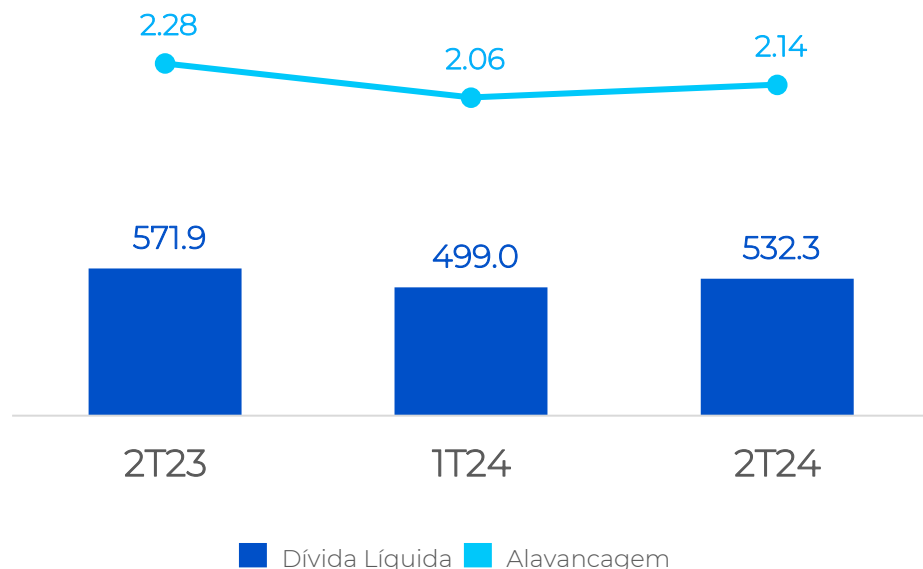
Gross Profit and Gross Margin



Leverage and Backlog



Leverage (R\$ Million) | (Net debt/ EBITDA)



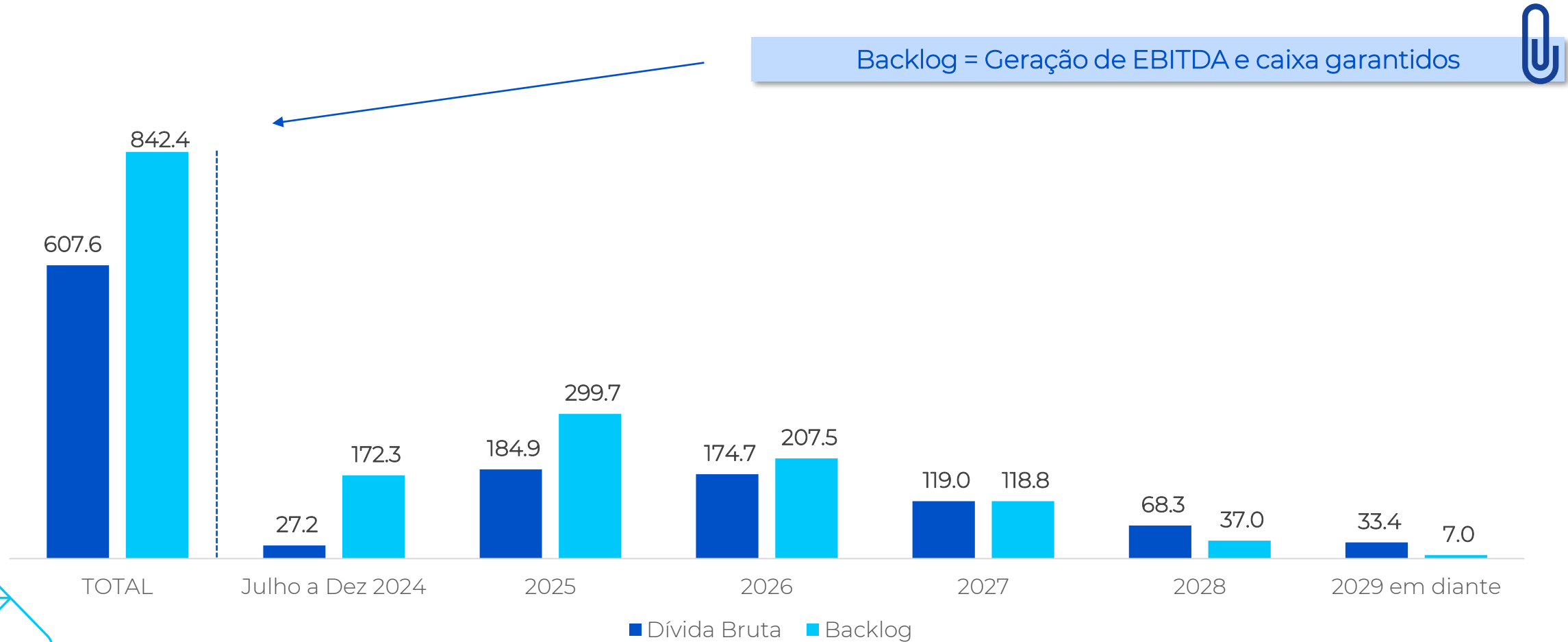
Indebtedness (R\$ Millions)	2Q23	1Q24	2Q24
Short term debt	119.2	75,2	70,5
Long term debt	524.9	519,6	537,1
Gross Debt	644.1	594,7	607,6
Cash and Financial Investments	(72.3)	(95,7)	(75,3)
Net Debt	571.9	499,0	532,3
TaaS Revenue Backlog	865.9	853,2	842,4
Backlog Hedge on Net Debt	1.51x	1,71x	1,58x

- Alavancagem Financeira, segue muito abaixo dos limites de covenants
- Backlog de receitas contratadas gera maior segurança para os debenturistas e financiadores

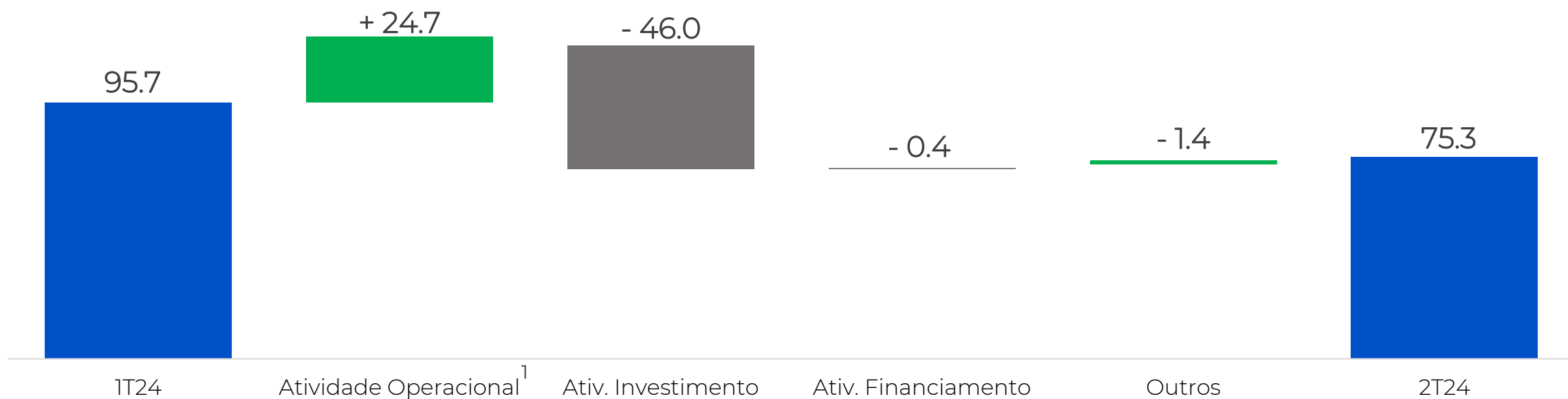
1 Contratos de locação de equipamentos em que as mensalidades são reconhecidas nas demonstração de resultados conforme competência do vencimento e as parcelas a vencer chamamos de "Receita Futura Contratada" ou "Backlog de receitas".

Backlog x Dívida Bruta

Amortização da Dívida Bruta e Cobertura da Receita Futura Contratada (R\$ Milhões)

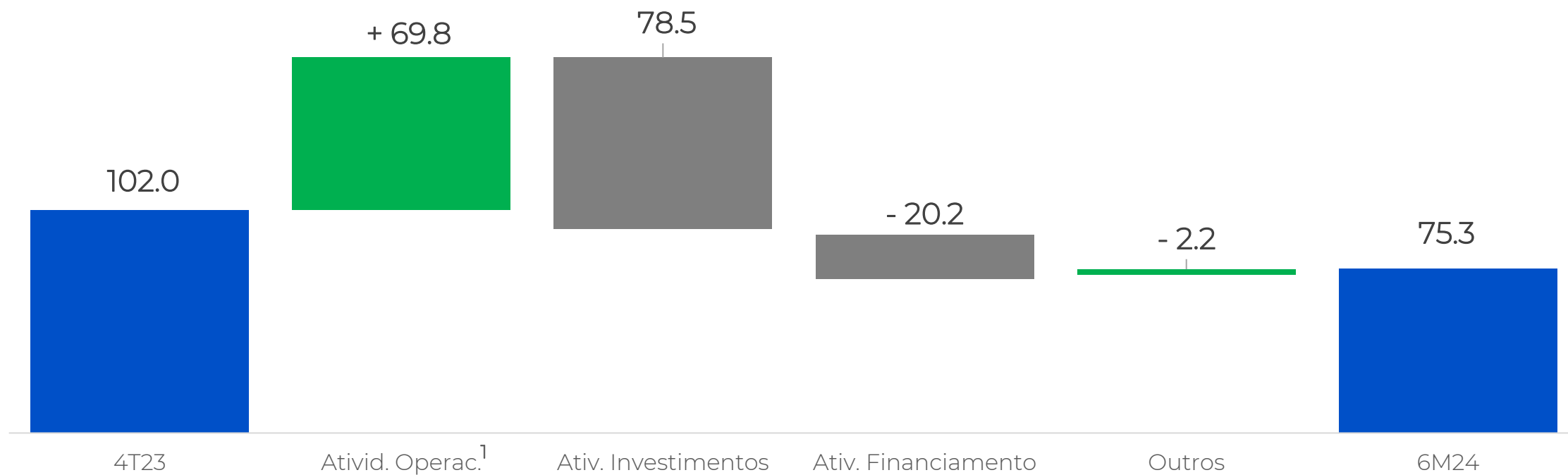


Fluxo de Caixa Trimestral | (R\$ milhões, consolidado)



1. Os juros pagos às Debêntures no montante de -R\$33,3 milhões no 2T24, foram gerencialmente alocados nas atividades de financiamento.

Fluxo de Caixa Acumulado | (R\$ milhões, consolidado)



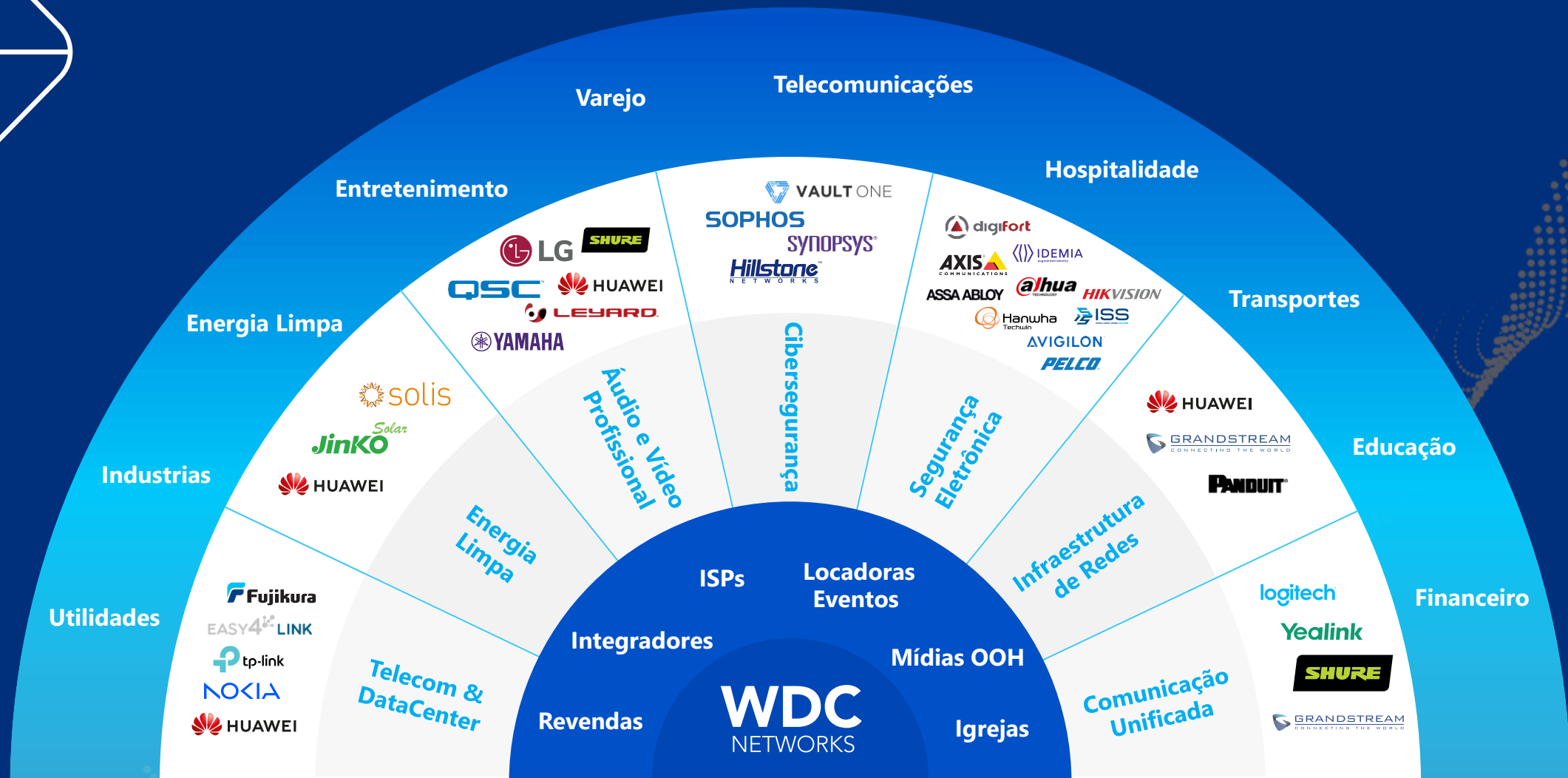
1. os juros pagos às Debêntures no montante de -R\$34,0 milhões no 6M24, foram gerencialmente alocados nas atividades de financiamento

Perspectivas



Novo posicionamento

Estratégia focada em projetos para novas verticais



"Drivers" de Crescimento



**Novas verticais
de atuação**



**Aumento da
base e
recorrência de
integradores**



**Agregar serviços
nos Projetos**



**Cross Selling nos
Integradores
& ISP**



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