

WDC
NETWORKS

Soluções de A a W

EARNINGS CALL PRESENTATION 4Q24

March 20th 2025



LVTC
B3 LISTED NM

IGC-NM B3

IGC B3

ITAG B3



Agenda

- ❖ **Highlights**
- ❖ **Breakdown Gross Revenue**
- ❖ **Consolidated performance**
- ❖ **Performance by segment**
- ❖ **Leverage and Backlog**
- ❖ **Subsequent Events**
- ❖ **Q&A**



Highlights 4Q24

WDC records Adjusted Net Income of R\$17.5 million in 4Q24 and **R\$36.4 million** in 2024, reversing net loss in 4Q23 and 2023

WDC presents Adjusted EBITDA accumulated in 2024 17.2% higher than 2023. We recorded R\$63.3 million in 4Q23 and R\$271.4 million in 2024

In net revenue (ex-Solar), the Company advanced 10.9% in the comparison between 4Q24 and 4Q23, reaching R\$207.1 million. **In 2024, the increase was 5.2%** compared to 2023 and reached the amount of R\$772.5 million

In terms of **Adjusted Gross Margin, in 4Q24, WDC reached 27.8% (+10.2 p.p. versus 4Q23)**. In 2024, the Company recorded an Adjusted Gross Margin of 27.1% (+6.2 p.p. versus 2023)

Net debt/Adjusted UDM EBITDA improved from the previous quarter, going from 2.21x in 3Q24 to 1.80x in 4Q24. This level reflects a healthy level in management's view





Highlights 4Q24

Total Sales

R\$ 268.5 Million
-0.6% (4Q24 vs 4T23)

Net Revenue

R\$ 222.9 Million
+1.8% (4Q24 vs 4Q23)

Gross Revenue of Services

R\$ 46.8 Million
+53.7% (4Q24 vs 4Q23)

Adj. Gross Profit

R\$ 62.1 Million
+60.6% (4Q24 vs 4T23)

Adj. EBITDA

R\$ 63.3 Million
+39.9% (4Q24 vs 4Q23)

Adj. EBIT

R\$ 15.0 Million
vs -R\$4.7 million in 4Q23

Financial Result

R\$ 14.8 Million
vs -R\$7.2 million in 4Q23

Adj. Net income

R\$ 17.5 Million
vs -R\$9.9 Million in 4Q23

Net debt / Adj EBITDA LTM

1.80x in 4Q24
vs 2.11x in 4Q23



Highlights 2024

Net Revenue

R\$ 837.9 Million

-7.0% (2024 vs 2023)

Adj. Gross Profit

R\$ 226.7 Million

+20.4% (2024 vs 2023)

Adj. EBIT

R\$ 71.0 Million

+100.1% (2024 vs 2023)

Adj. EBITDA

R\$ 271.4 Million

+17.2% (2024 vs 2023)

Financial Result

-R\$17.4 Million

vs -R\$52.5 Milhões in 2023

Adj. Net Income

R\$36.4 Million

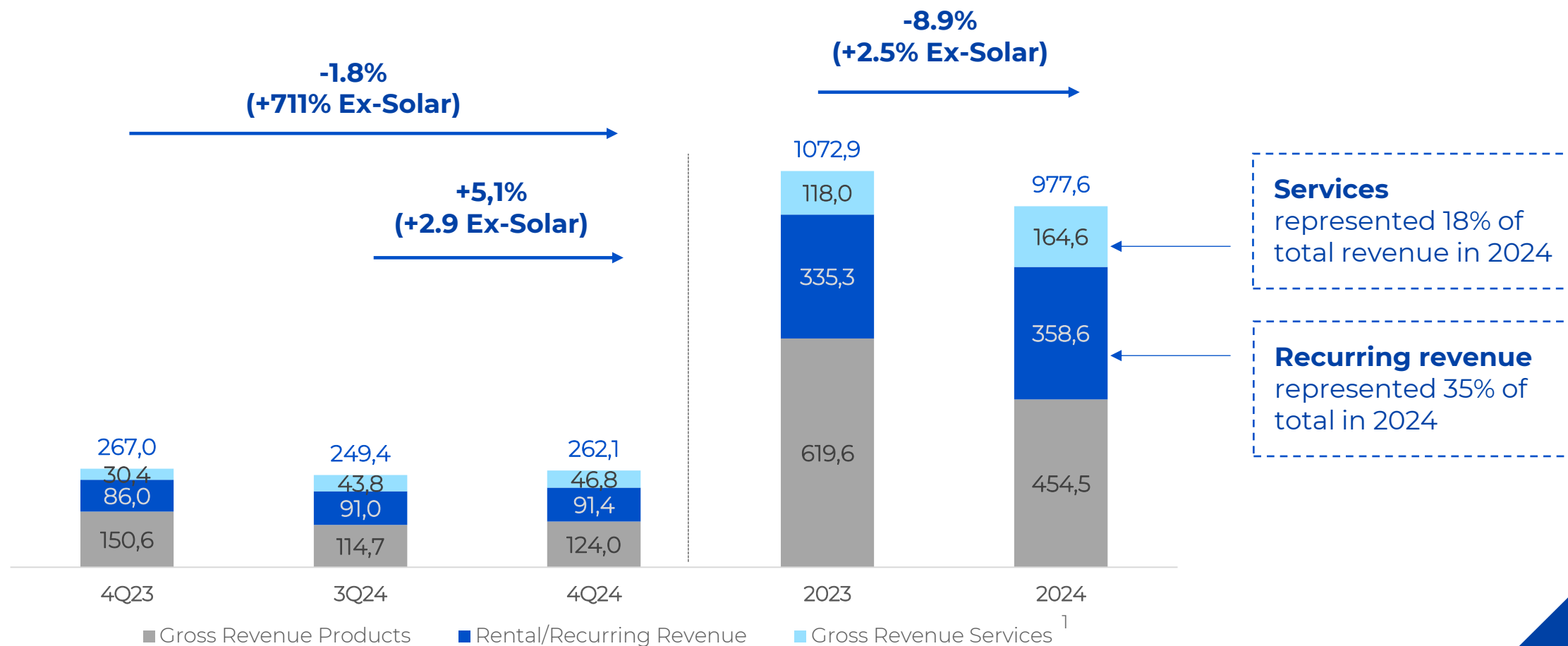
vs -R\$11.9 Milhões in 2023

Breakdown Gross Revenue



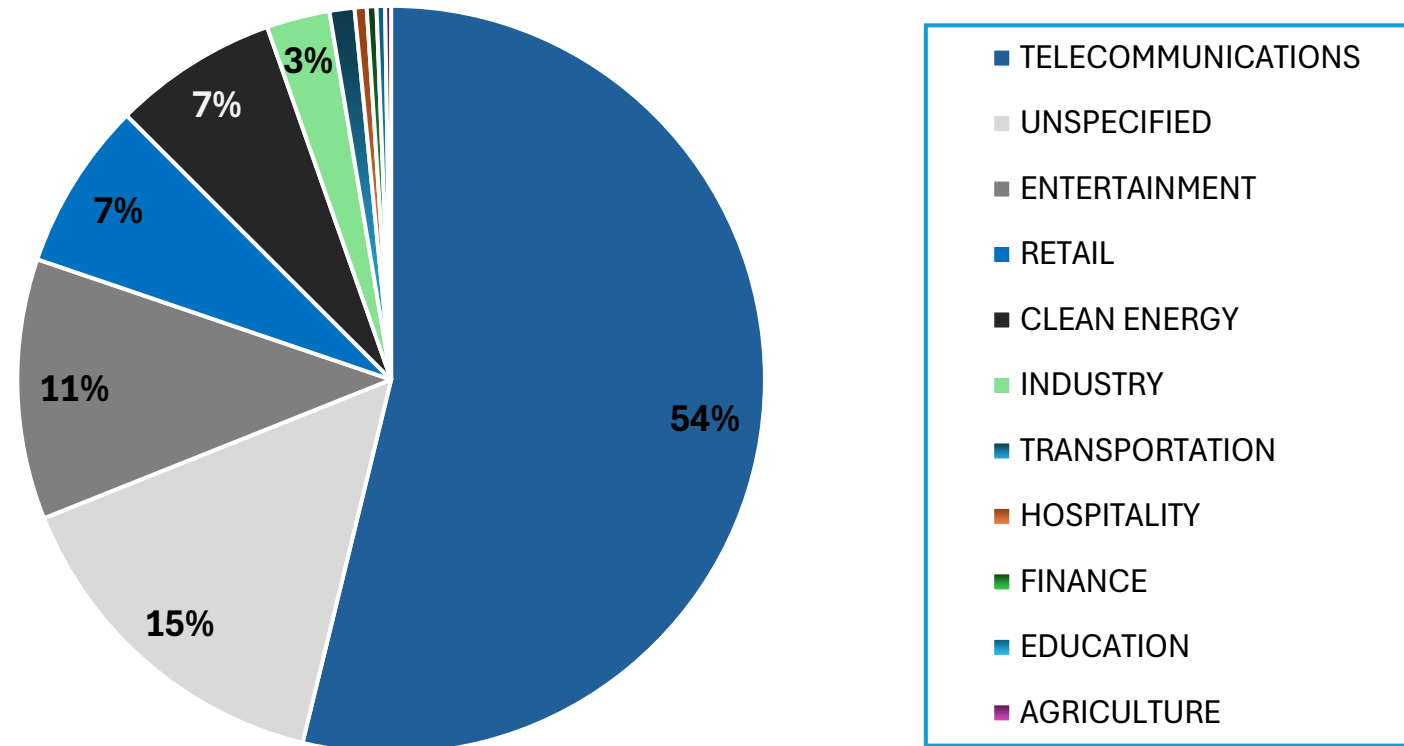
Gross Revenue R\$ (million)

More representative in Services, reflecting the strategic positioning of Project Sales



Verticals Revenue (%)

Breakdown relative to WDC client



Gross Revenue in 2024: R\$ 977.6 million

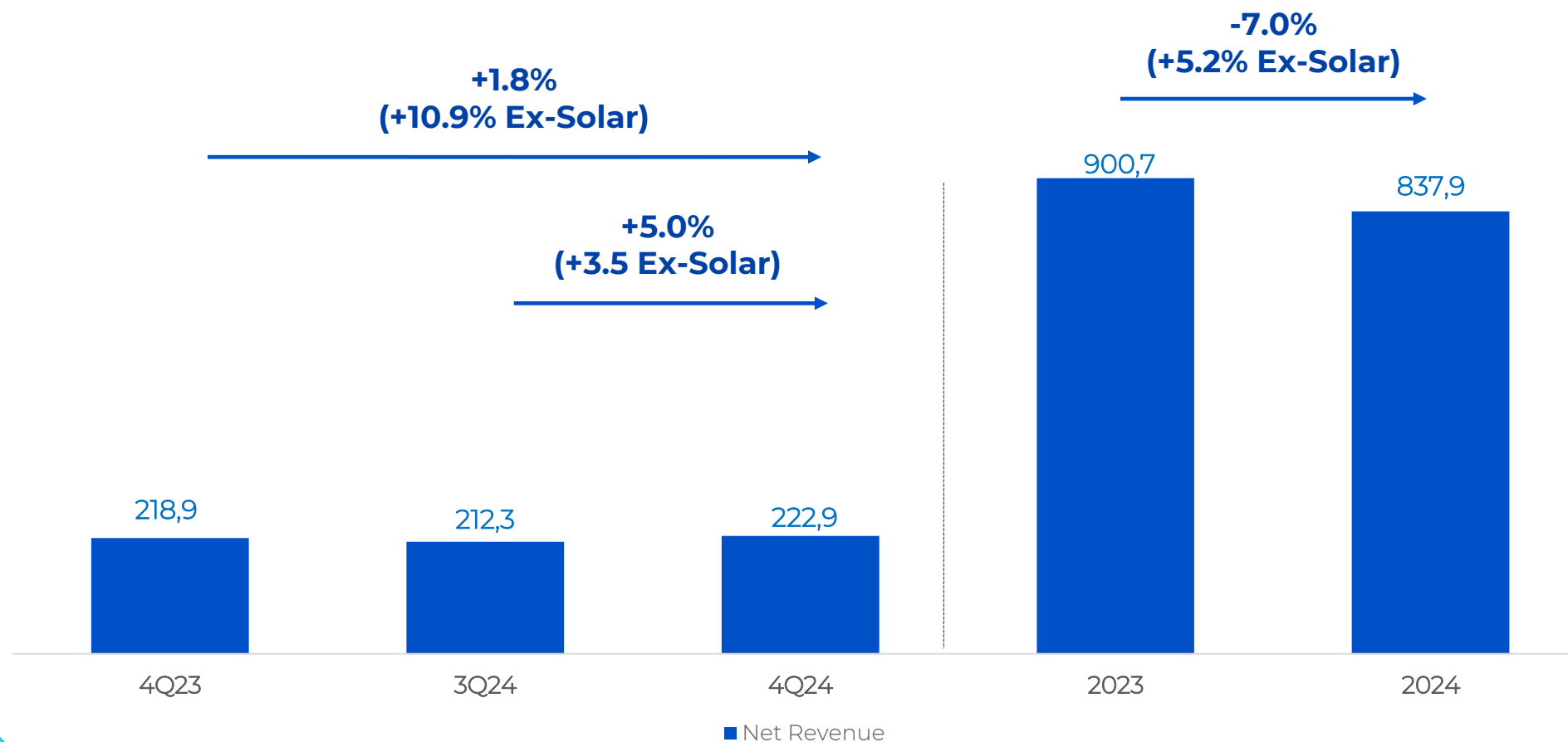


Consolidated Performance



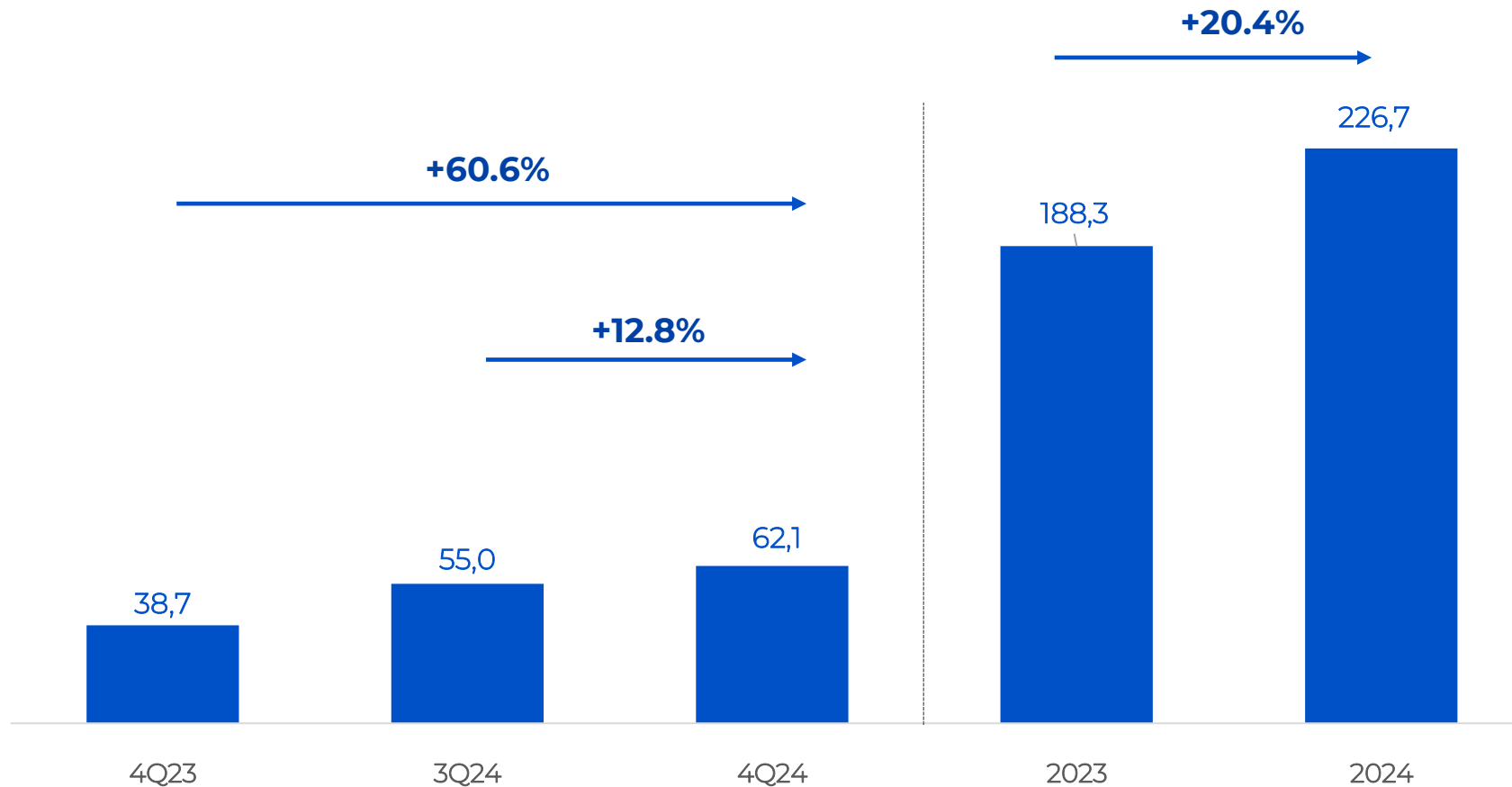
Net Revenue (R\$ million)

Second consecutive quarter of growth in total net revenue (Ex-Solar)



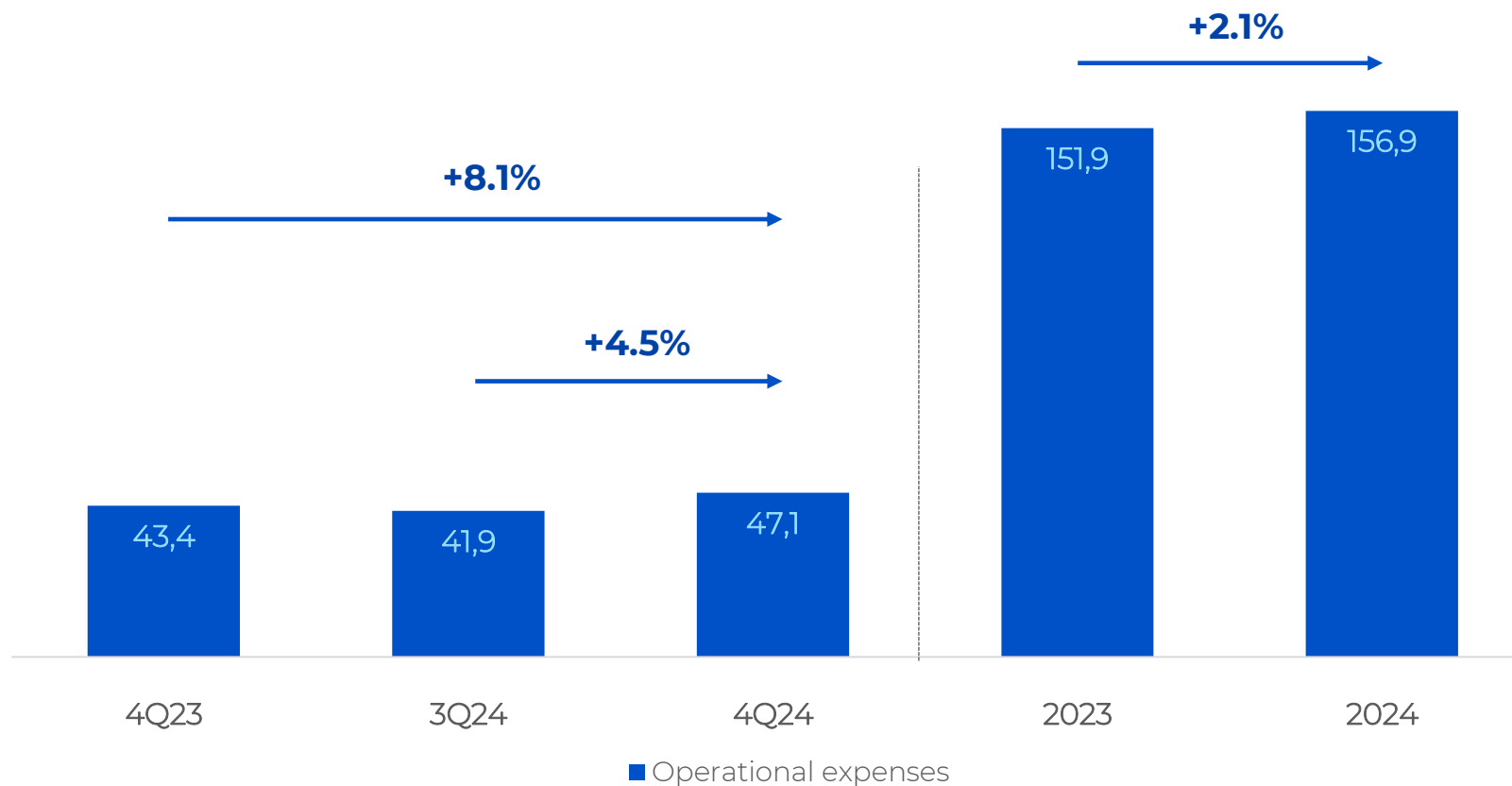
Adj. Gross Profit (R\$ million)

Consistency in Adjusted Gross Margin, in 4Q24 the margin reached 27.8% (+10.2 p.p. vs 4Q23). In 2024, the margin was 27.1% (+6.2 p.p. vs 2023)



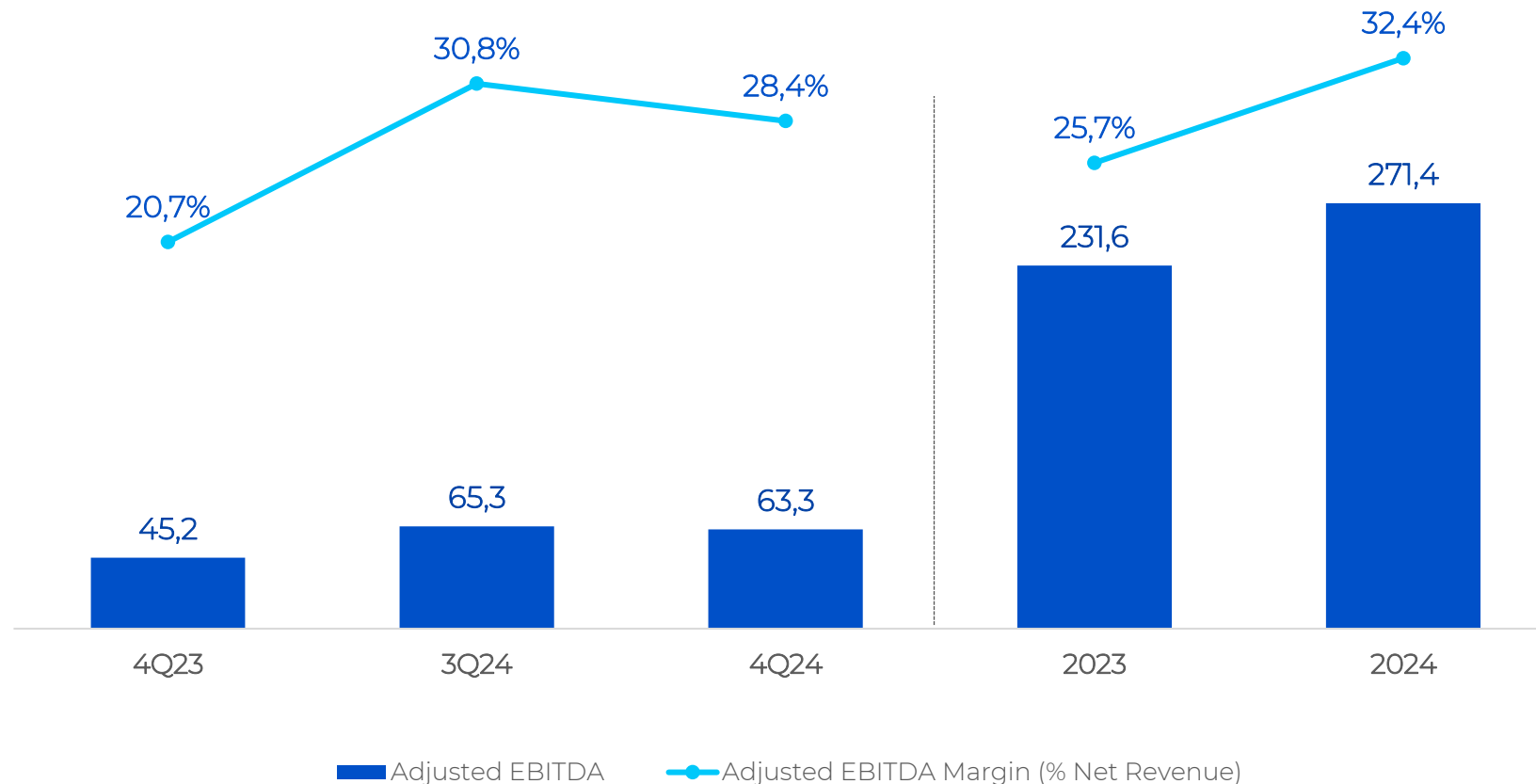
Operating Expenses (R\$ million and %)

Operating Expenses increased by only 2.1% in 2024, below the inflation for the period



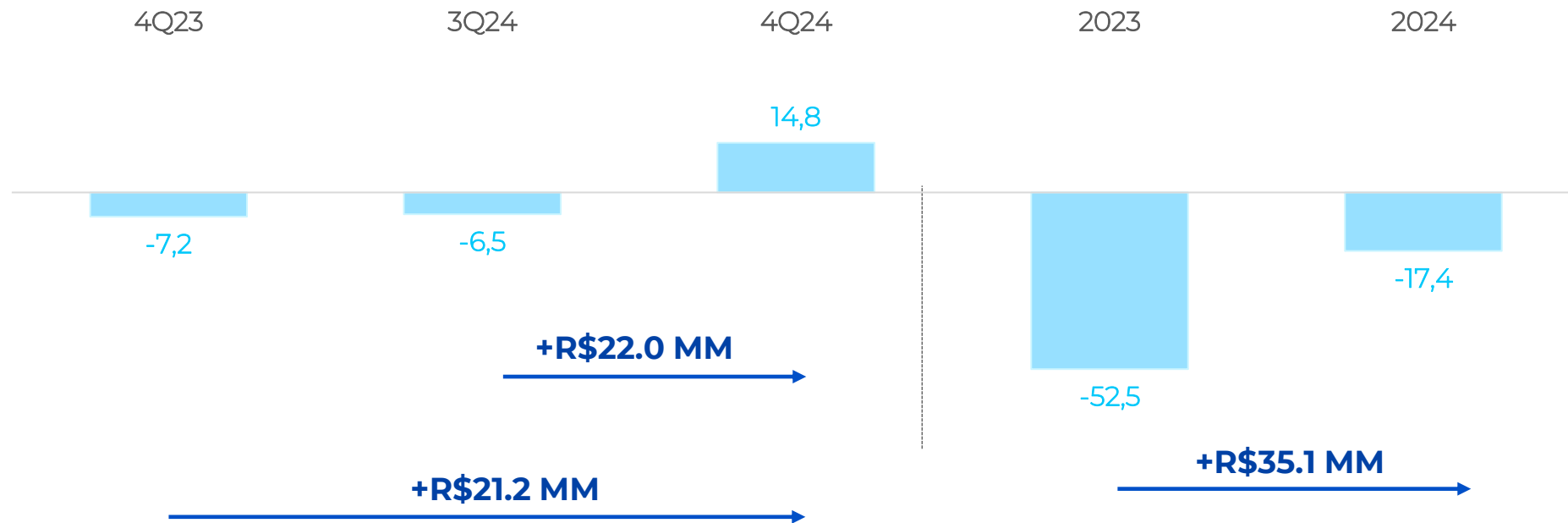
EBITDA Adjusted (R\$ million and %)

The strategy of selling solutions resulted in a stronger EBITDA in 2024



Financial Result (R\$ million)

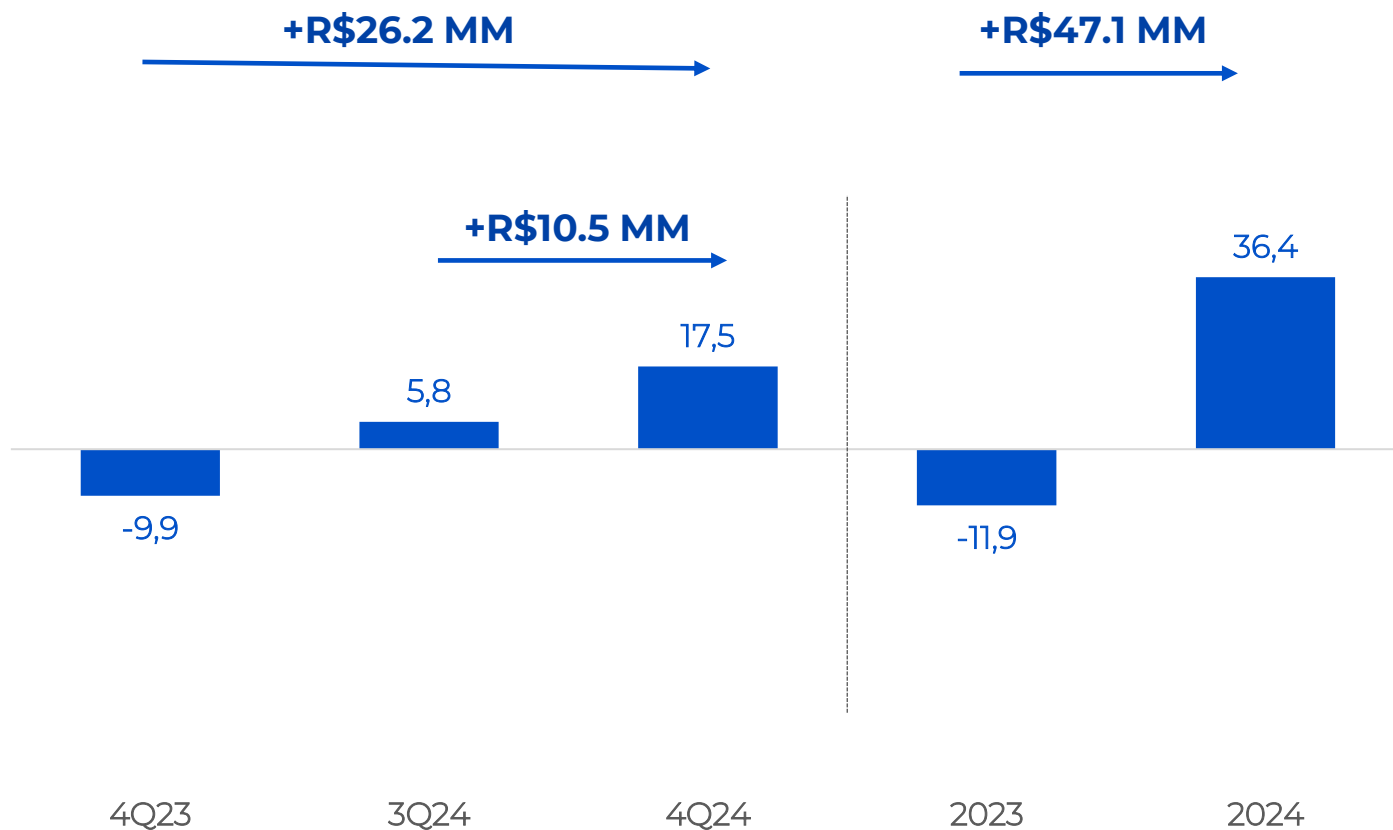
Improvement in the 2024 financial result due to the reduction in Gross Debt and AVP effect



Note: In 4Q24, we started to account financial revenue in active interest from agreements signed with defaulting customers, and we also started to submit all of these agreements to AVP analysis

Adj. Net Income (R\$ million)

Strategy of 2024, Reverses 2023 Net Loss and achieves Adjusted Net Income of R\$36.4 Million



Increasing Gross Margin



**Rigor in inventory
management**



**Controlled operating
expenses**



**Efficient management of
financial leverage**

Segment Performance



Segment Performance in 2024

Evolution of Core Business

Telecom

Enterprise

Solar

Net revenue 2024

R\$478.7 Million

R\$475.9 MM in 2023

+0.6% (2024 vs 2023)

R\$293.7 Million

R\$258.2 MM in 2023

+13.8% (2024 vs 2023)

R\$65.4 Million

R\$166.5 MM in 2023

-60.7% (2024 vs 2023)

Adj. Gross Margin
2024

25.2%

+2.4 p.p. (2024 vs 2023)

33.7%

+3.5 p.p. (2024 vs 2023)

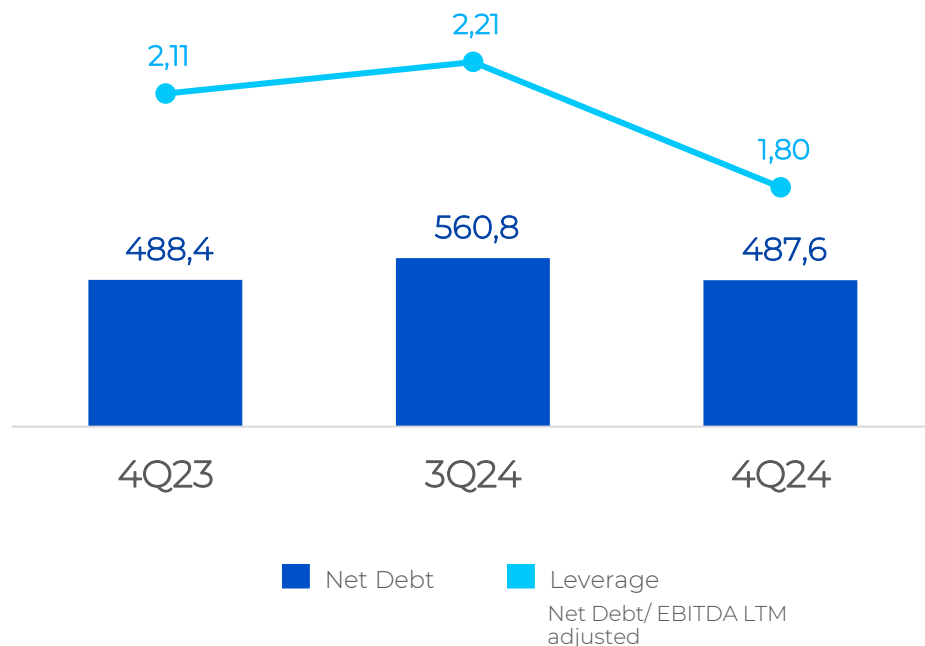
11.2%

+10.1 p.p (2024 vs 2023)

Leverage and Backlog



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



Indebtedness (R\$ Millions)	4Q23	3Q24	4Q24
Short term debt	71.0	129.9	189.1
Long term debt	519.4	483.7	400.6
Gross Debt	590.4	613.6	589.7
Cash and Financial Investments	(102.0)	(52.8)	(102.0)
Net Debt	488.4	560.8	487.6
TaaS Revenue Backlog	874.8	839.0	745.1
Backlog Hedge on Net Debt	1.79x	1.50x	1.53x

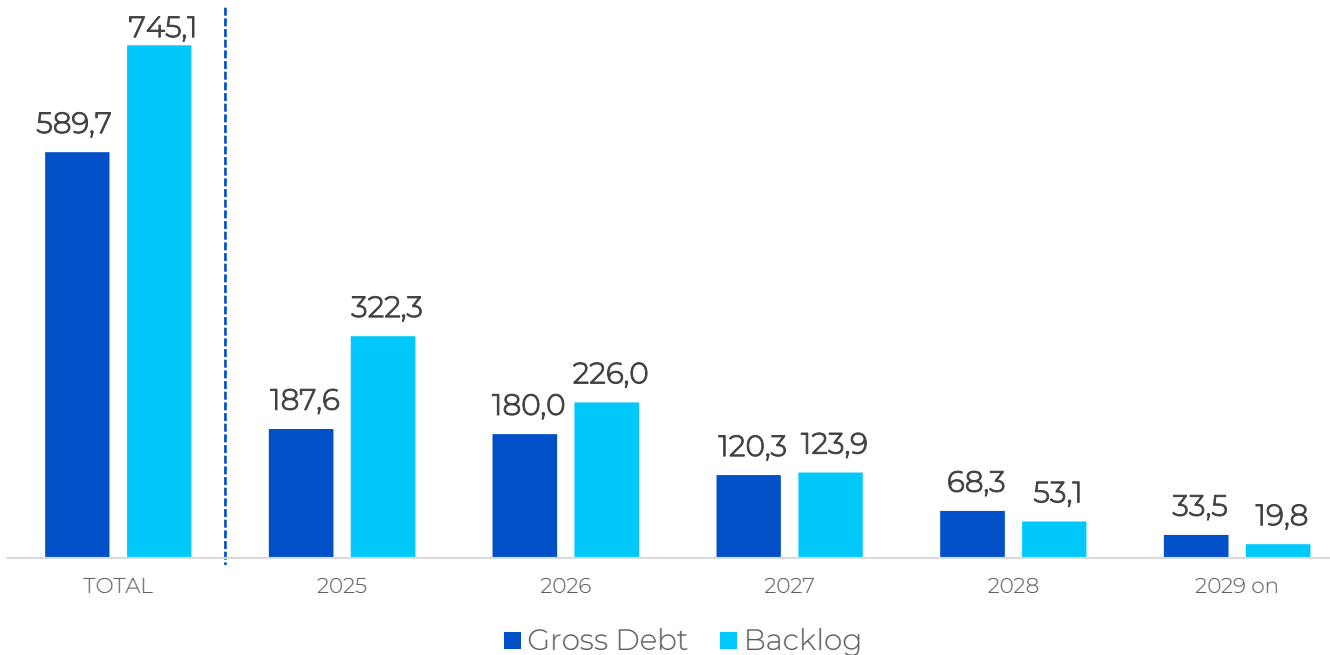
- Financial Leverage remains at healthy levels
- Management comfortable with addressing short-term obligations

1 Equipment rental contracts which monthly payments are recognized in the income statement according to the due date and the installments due are called "Revenue Backlog".

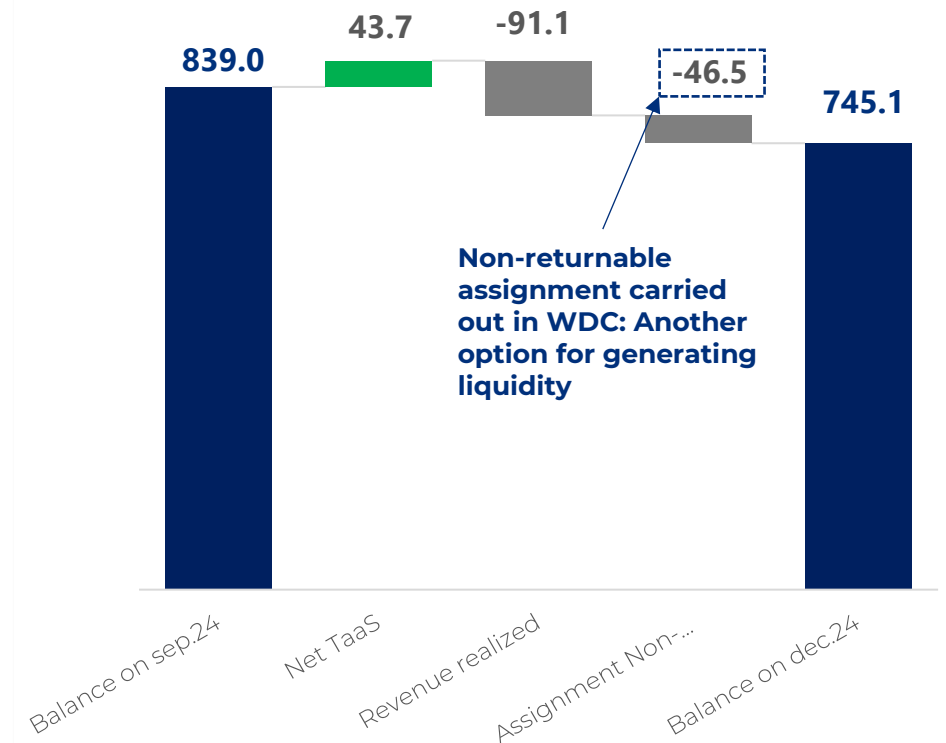
Backlog x Gross Debt

Gross Debt Amortization and Coverage of Future Revenue (R\$ Million)

Backlog = Cash generation,
discounting PIS/COFINS



Backlog Balance

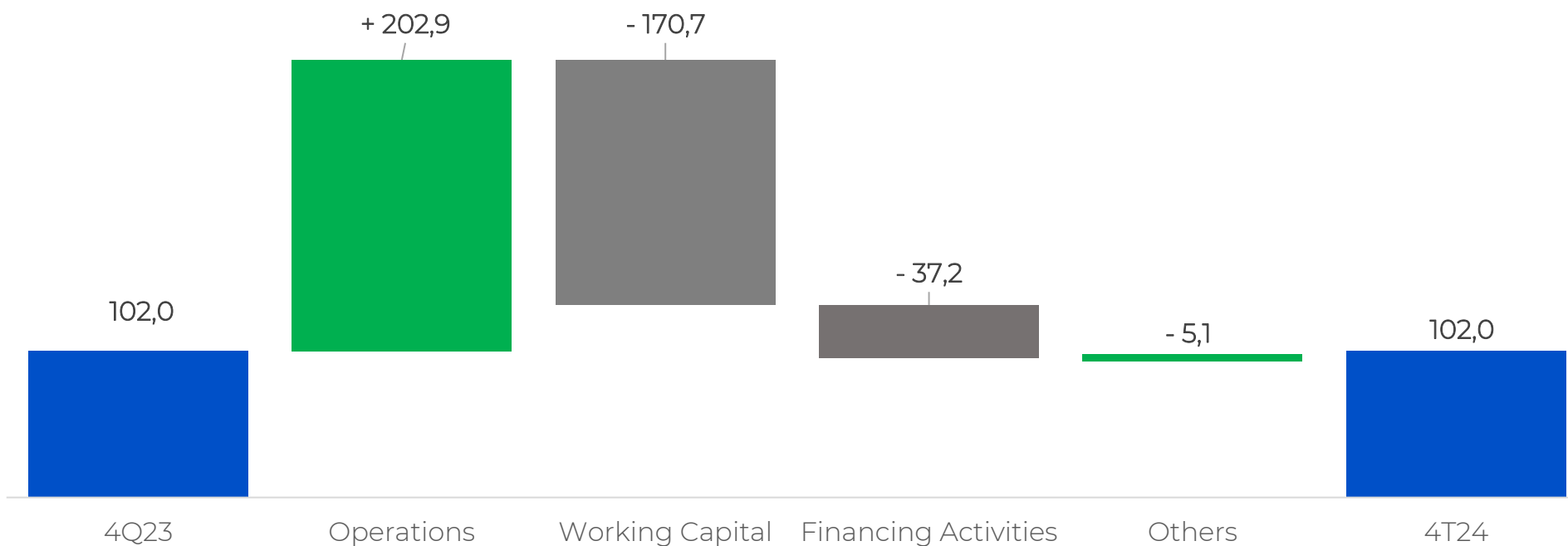


Quarterly Cash Flow | (R\$ million, consolidated)



1. Interest paid on Debentures in the amount of -R\$34.9 million in 4Q24 was managerially allocated to financing activities.

Annual Cash Flow | (R\$ million, consolidated)



1. Interest paid on Debentures in the amount of -R\$70.7 million in 2024 was managerially allocated to financing activities.

Subsequent Events



Acquisition of control

INFINITE CONSULTING

Infinite Consulting has over 10 years of experience and has a specialized workforce in the area of Network and Telecommunications Engineering, focused on providing support to ISPs and operators.

This acquisition will allow the Company to incorporate managed network services (MSP) to its portfolio in accordance with the M&A strategy disclosed throughout 2024.

**Serviços
Gerenciáveis WDC**

Powered by  **INFINITE**
[Consulting]



2025 Outlook

We are no longer a product-oriented company, we are a company oriented by verticals and solutions (**customer vision**).

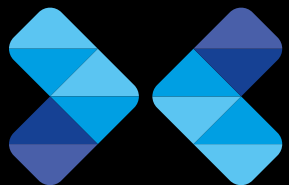
We have added more value-added services to ISPs and System Integrators.

We have deactivated the distribution of Solar in retail via integrators.

As of 1Q25, we will no longer report the Telecom, Enterprise and Solar segments (**product vision**), to align with the new strategy.

We will expand our regional penetration with more Distribution Centers in new regions.





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Thank you!

Q&A

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