

WDC
NETWORKS

APRESENTAÇÃO DE RESULTADOS 3T23

10 de Novembro de 2023



LVTC
B3 LISTED NM

IGC-NM B3

IGC B3

ITAG B3



Aviso Legal

As afirmações contidas neste documento relacionadas a perspectivas sobre os negócios e de crescimento da WDC Networks são baseadas exclusivamente nas expectativas da Diretoria sobre o futuro dos negócios. Essas expectativas dependem, substancialmente, das condições de mercado, do desempenho da economia brasileira, do setor e dos mercados internacionais e, portanto, estão sujeitas à mudança sem aviso prévio.

Todas as variações aqui apresentadas são calculadas com base nos números sem os arredondamentos. O presente relatório de desempenho inclui dados contábeis e não contábeis tais como operacionais, e financeiros pro forma. Os dados não contábeis não foram objeto de revisão por parte dos auditores independentes da Companhia.



Resultados Consolidados

Crescimento de 15,3% das Receitas Futuras Contratadas comparado ao 3T22, atingindo R\$873,8 milhões no 3T23

Aumento da Margem EBITDA para 27,7% (+4,3 p.p. *versus* 3T22) chegando a R\$60,3 milhões no 3T23

Redução de Despesas Operacionais de 6,4% *versus* 3T22, dando continuidade ao controle de gastos

Recorde de vendas no segmento Enterprise, atingindo R\$116,3 milhões (+55,6% *versus* 2T23)

Redução dos estoques de alto custo do segmento Solar

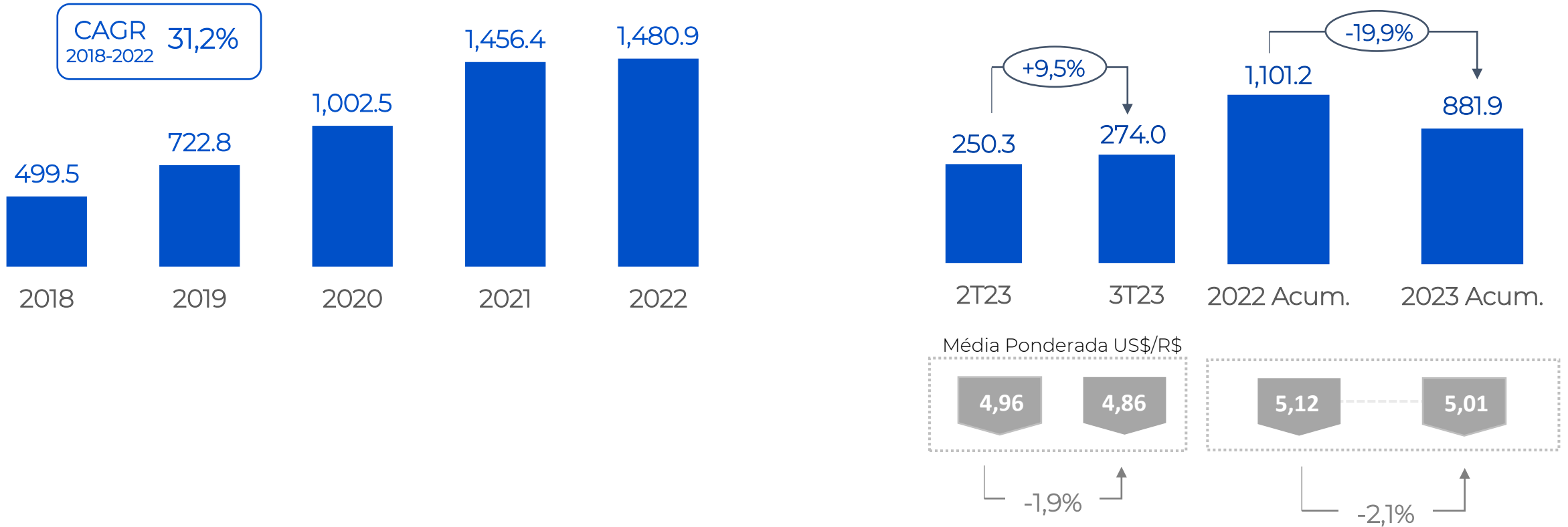
Entrega da primeira Rede Privada 5G com Tecnologia NOKIA

Premiados pela Great Place do Work (GPTW)



Vendas Totais

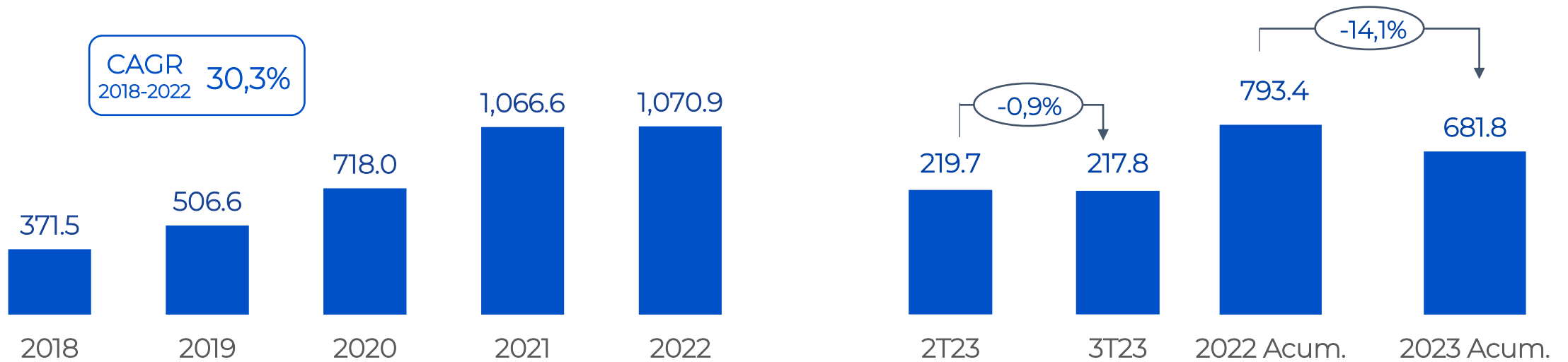
Vendas Totais (R\$ milhões)





Receita Líquida

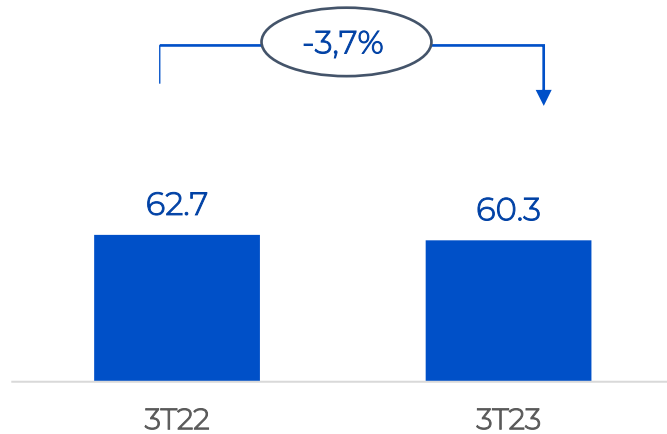
Receita Líquida (R\$ milhões)



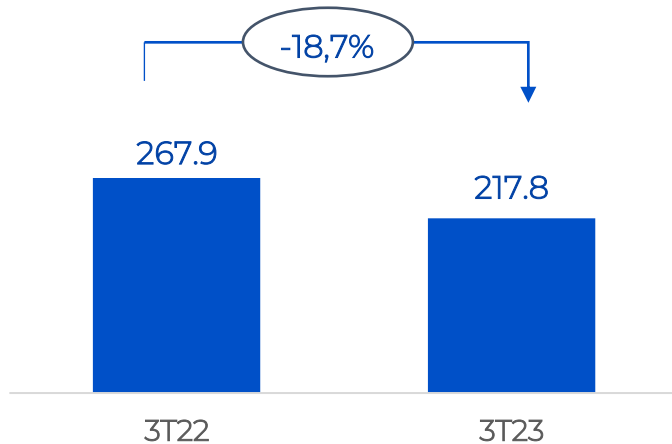


EBITDA

EBITDA Ajustado (R\$ milhões)



Receita Líquida (R\$ milhões)



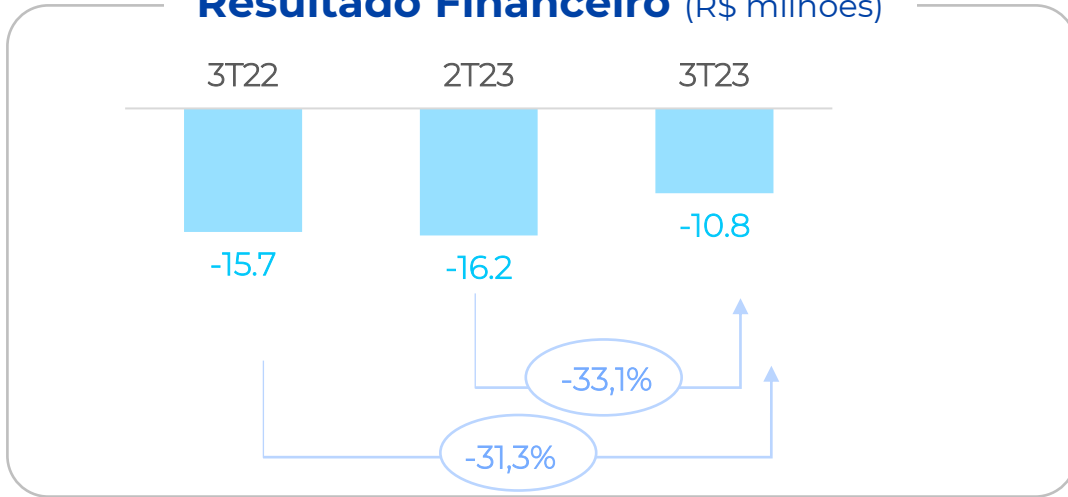
Fatores Positivos de análise EBITDA:

- ❖ A empresa fez a “lição de casa” reduzindo despesas
- ❖ Contribuição das receitas do TaaS de contratos antigos, gerando receitas em tempos de baixa

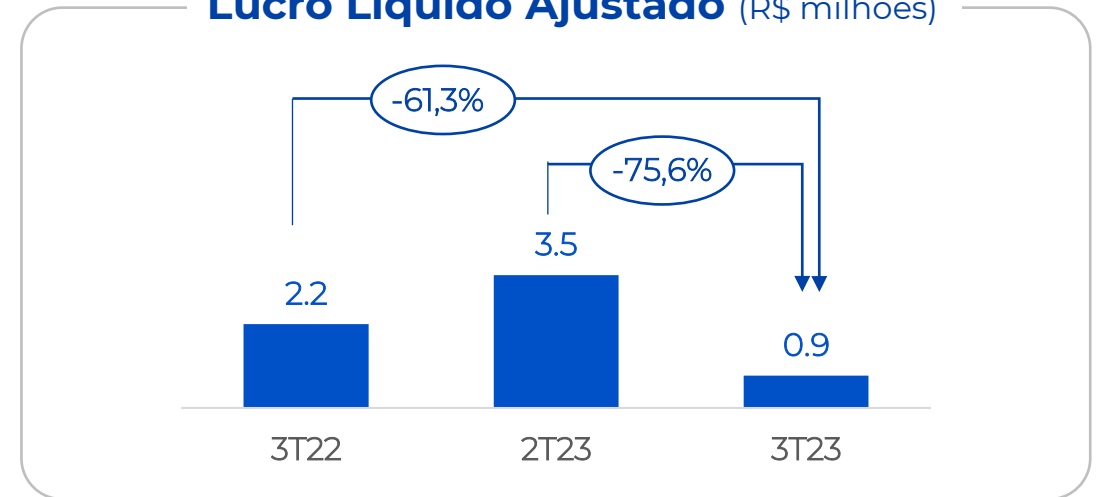
Fatores que reduziram o EBITDA:

- ❖ Transição (despesas não recorrentes) da produção dos Geradores Fotovoltaicos de Extrema-MG para Salvador-BA;
- ❖ Impacto da margem negativa do segmento solar para zerar estoques antigos

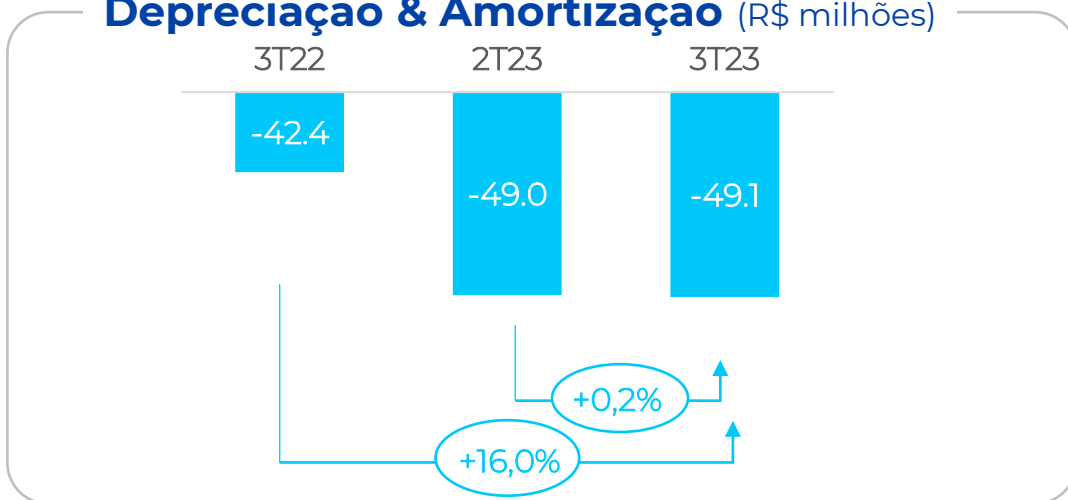
Resultado Financeiro (R\$ milhões)



Lucro Líquido Ajustado (R\$ milhões)



Depreciação & Amortização (R\$ milhões)



- ❖ Ponto positivo: redução do nível de endividamento sem captação de novas dívidas
- ❖ Depreciação dos ativos de locação ainda afetados pelos contratos de prazo curto
- ❖ Lucro ainda afetado em grande parte pela depreciação



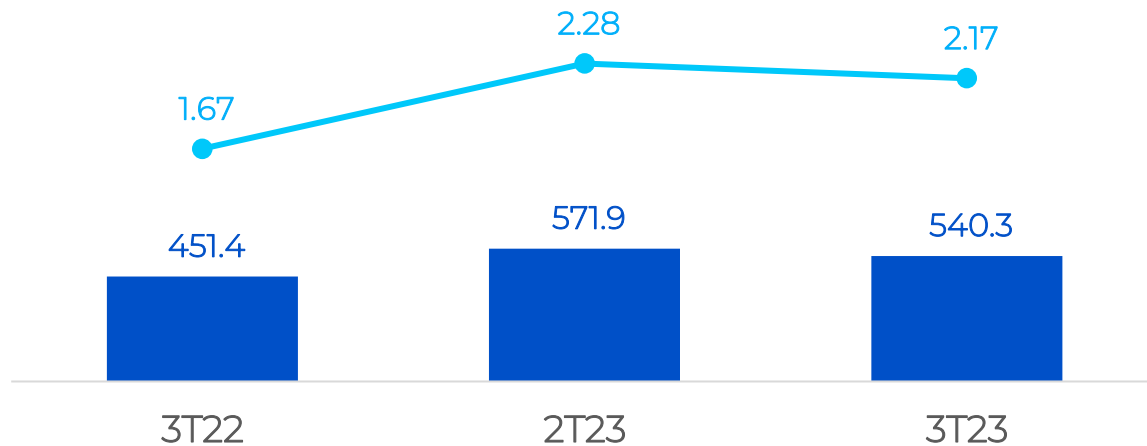
Dívida Líquida e Alavancagem



Dívida Líquida e Alavancagem

(R\$ Milhões) | (Dívida Líquida / EBITDA Ajustado)

■ Dívida Líquida ■ Alavancagem

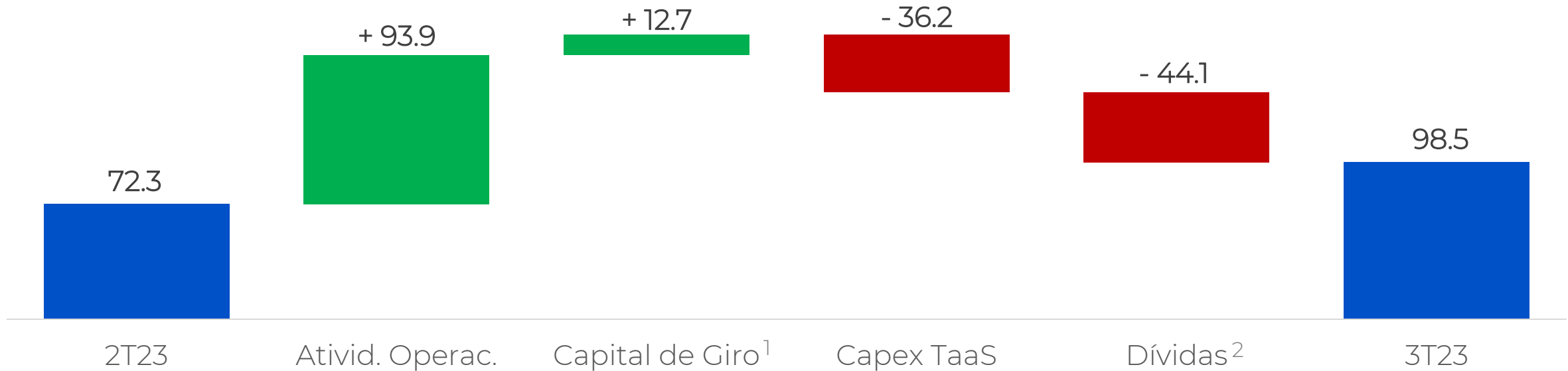


Endividamento (R\$ Milhões)	3T22	2T23	3T23
Dívida Bruta	915,9	644,1	638,8
Caixa e Aplicações Financeiras	(464,5)	(72,3)	(98,5)
Dívida Líquida	451,4	571,9	540,3
Backlog de Receita TaaS	757,9	865,9	873,8
Cobertura Backlog s/ Dívida Líquida	1,68x	1,51x	1,62x

- ❖ Redução da Alavancagem Financeira, alcançada principalmente pelo aumento do caixa e equivalentes de caixa da Companhia (+36,3% vs. 2T23)
- ❖ Maior segurança para os debenturistas e financiadores



Fluxo de Caixa | (R\$ milhões)



- ❖ Capital de Giro positivo devido à redução de estoques
- ❖ Amortização de dívidas
- ❖ Caixa e Equivalentes 36,2% acima do trimestre anterior

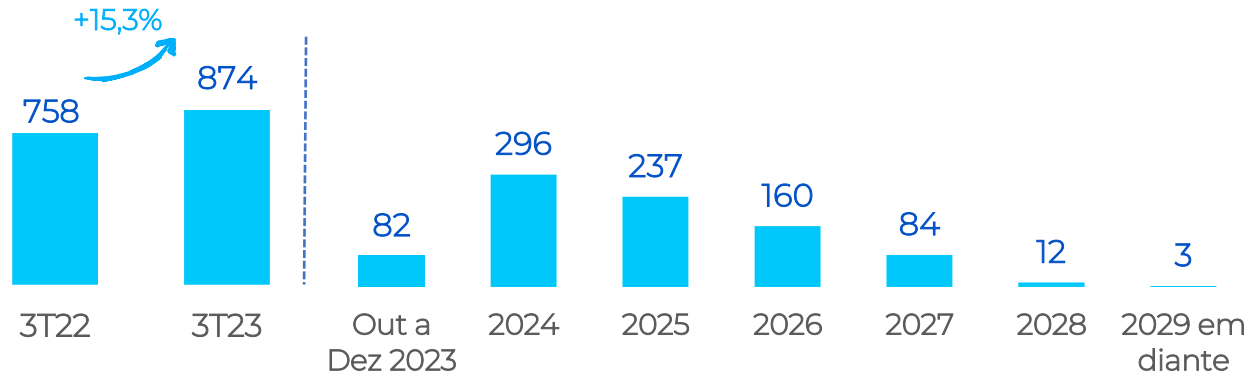
(1) Capital de Giro: estoques, adiantamento a fornecedores, fornecedores e contas a receber

(2) Dívidas: pagamento de empréstimos/financiamentos (principal + juros) e liquidação de derivativos



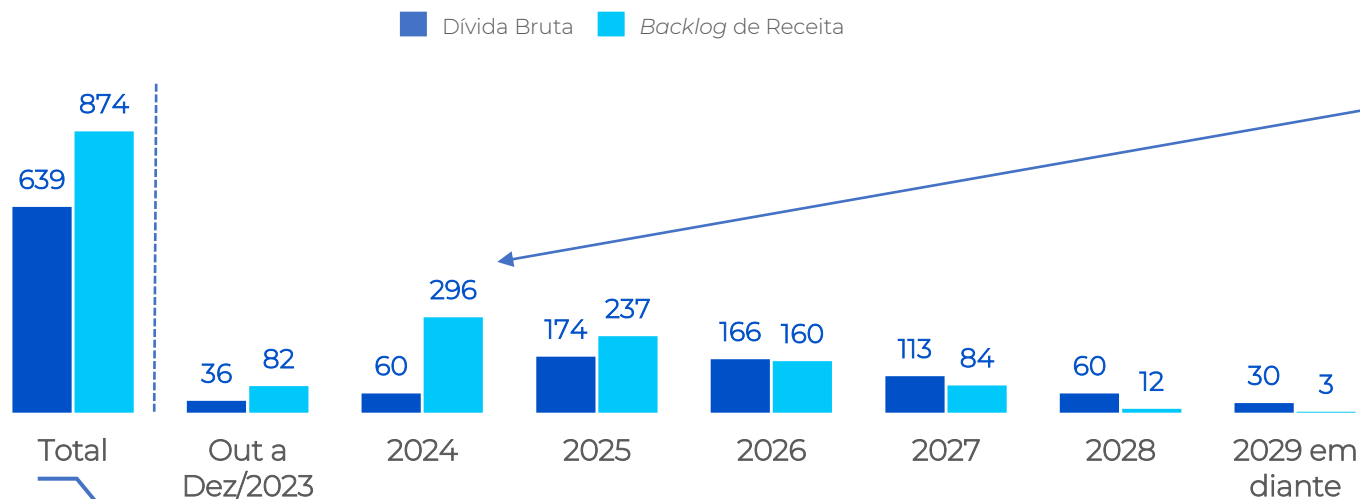
TaaS – Segurança na Capacidade de Pagamentos

Receitas Futuras Contratadas (Backlog de Receitas)
(R\$ Milhões)



A receita diferida garante caixa para a companhia para pagamento das obrigações futuras.

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

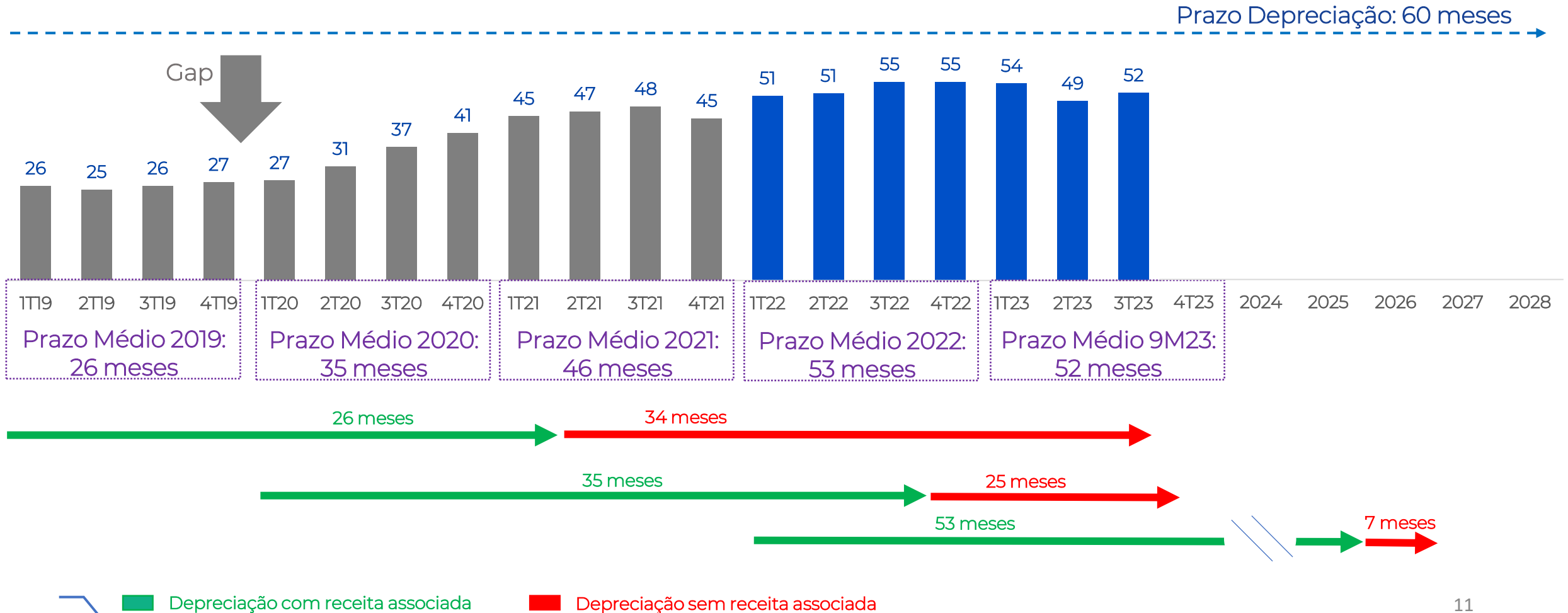


Em 2024, os R\$296 milhões do TaaS serão capazes de pagar quase 5 vezes o saldo da dívida do ano.



TaaS – Efeito Positivo na Redução da Depreciação Descasada

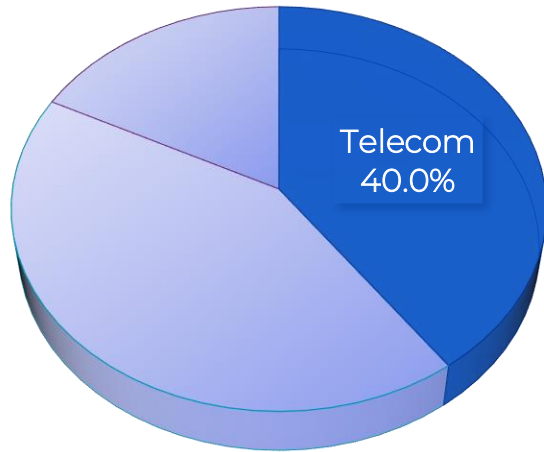
Prazo Novos Contratos TaaS vs. Depreciação
(média em meses)





Unidade de Negócio - Telecom

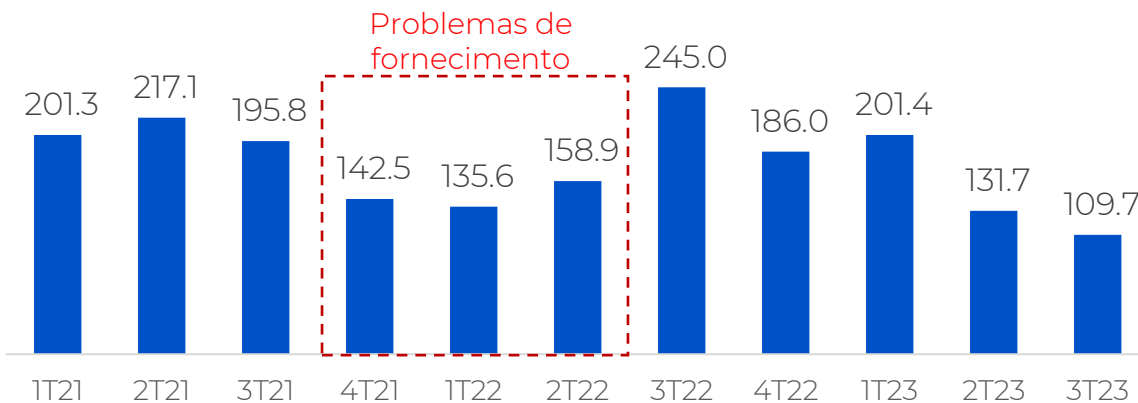
Destaques



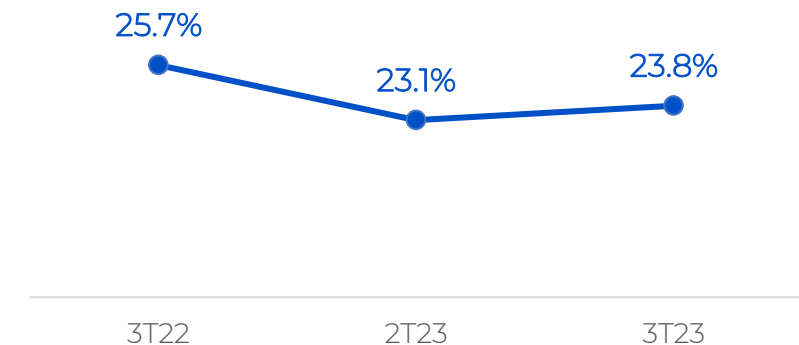
Representatividade por segmento nas Vendas Totais do 3T23

- Os problemas de suprimento durante 2022 geraram impactos também em 2023, pela perda de clientes FTTH (Tecnologia Fiberhome)
- Em 2023 reagimos, reforçando parcerias com *Nokia*
- Criamos nossa marca própria de Cabos de Fibra: Easy4Link*
- Aumentamos a Parceria com a gigante chinesa *Huawei*

Evolução das Vendas Totais (R\$ milhões)

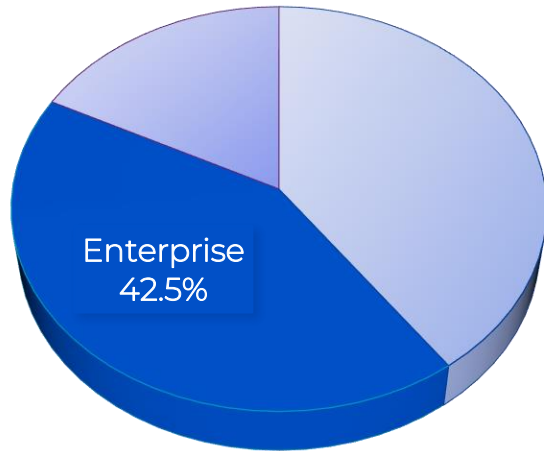


Margem Bruta (%)





Unidade de Negócios - Enterprise

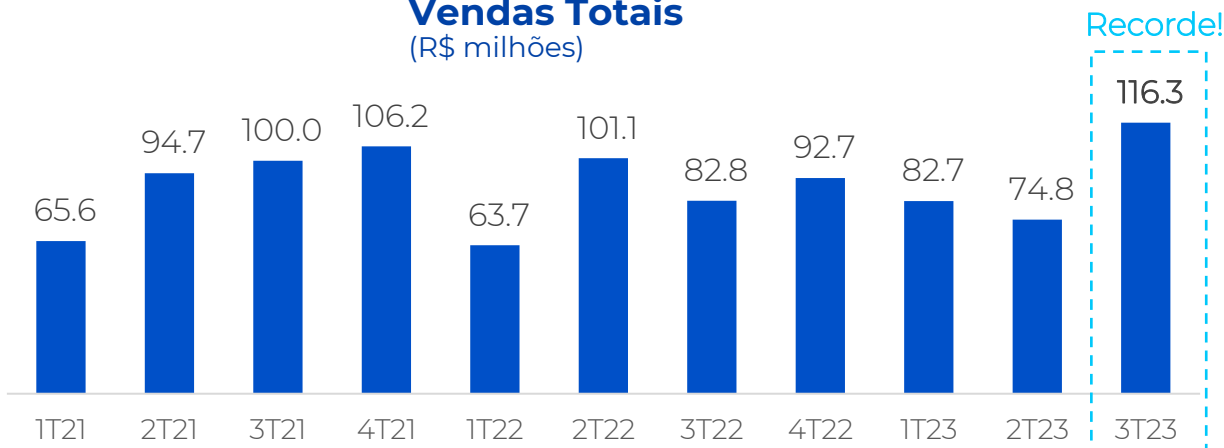


Representatividade por segmento nas Vendas Totais do 3T23

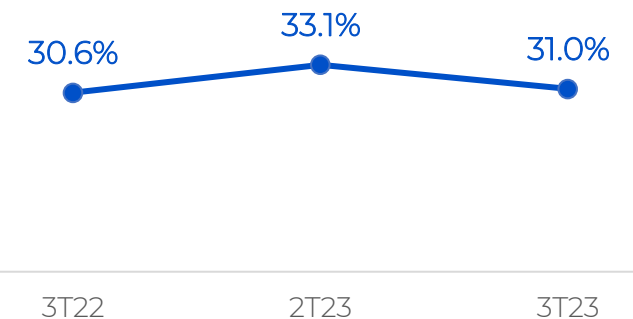
Destaques

- ❖ *Vendas Totais alcançam RECORDE de vendas no 3T23*
- ❖ *TaaS representando 35,8% das Vendas Totais no 3T23 do segmento (versus 26,2% no 3T22)*
- ❖ Vertical de *Áudio e Vídeo* é principal responsável pelo crescimento do 3T23 com *painéis de LED nas mídias OOH*
- ❖ Novas parcerias aumentam portfólio de produtos:
 - Cyber, Conectividade para SMB um segmento inexplorado ainda

Vendas Totais (R\$ milhões)



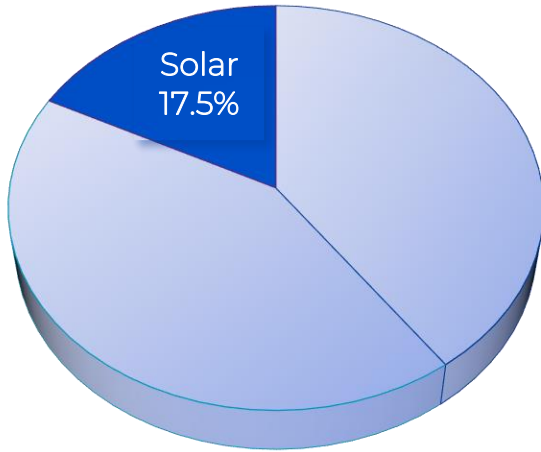
Margem Bruta (%)





Unidade de Negócios – Energia Solar

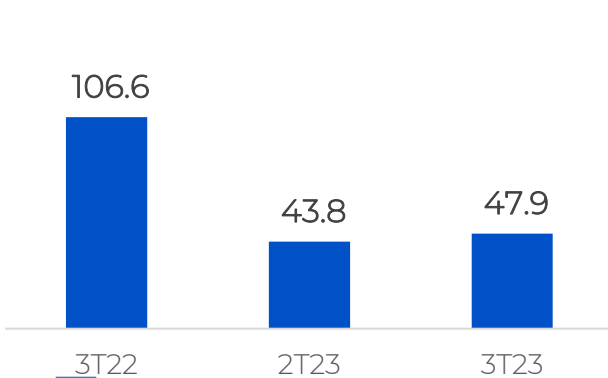
Destaques



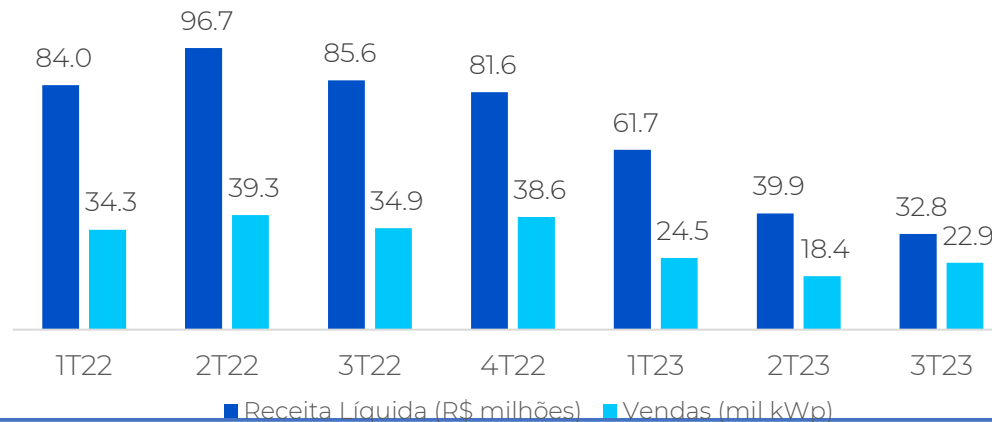
Representatividade por segmento nas Vendas Totais do 3T23

- Normalização e adequação dos níveis de estoque de alto custo
- Novo Normal : preços 40% menores que em 2022
- Média Receita 9M22 x 9M23: *R\$88,8mm* x *R\$44,8mm* (-48,5%)
- Média Vendas (kWp) 9M22 x 9M23: *36,1 mil* x *21,9 mil* (-39,3%)
- Consumidor terá impacto nas contas de energia criando demanda Solar*

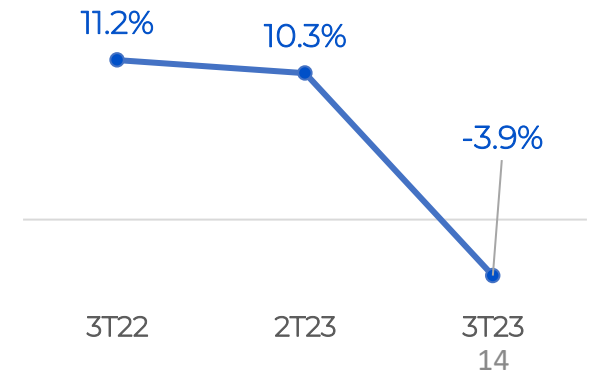
Vendas Totais (R\$ milhões)



Vendas de Geradores (mil kWp) vs. Receita Líquida (R\$ milhões)



Margem Bruta (%)



Resultados

- *Queda da taxa de juros, deve abrir uma “boca de jacaré” positiva nos contratos TaaS x custo de capital mais baixos*
- *Ciclo virtuoso do casamento de Receita Mensal TaaS x Depreciação*
- *Reposicionamento Comercial - Foco em verticais de negócios x venda de produtos*

Telecom

- *Parceiros tecnológicos mais robustos, com mais tecnologia e melhor uso dos DataCenter já instalados*

Enterprise

- *Crescimento de projetos em verticais*
- *Parcerias para novos produtos em SMB*
- *Mais ofertas em Cyber Segurança*

Solar

- *Fim do efeito dos estoques mais caros no 4T23*

OBRIGADO!

Q&A

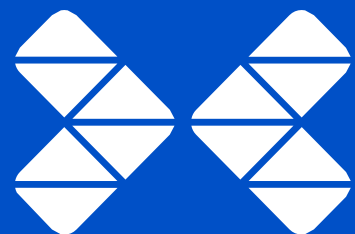
Sinta-se à vontade para entrar em contato conosco, estamos a sua disposição.

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✉ ri@wdcnet.com.br



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**EARNINGS CALL
PRESENTATION 3Q23**

November 10th 2023



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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 such as operating and pro forma financial data. Non-accounting data was not subject to review by the independent auditors of the Company.”

Highlights 3Q23



Consolidated Results

Revenue Backlog increased 15.3% in 3Q23 vs. 3Q22 to R\$873.8 million

EBITDA Margin increased to 27.7% in 3Q23 (+4.3 p.p. vs. 3Q22) to reach R\$60.3 million

Operating Expenses decreased 6.4% vs. 3Q22, while efforts continue to control spending

Record Total Sales in the Enterprise segment of R\$116.3 million (+55.6% vs. 2Q23)

Reduction of high-cost inventories in the Solar segment

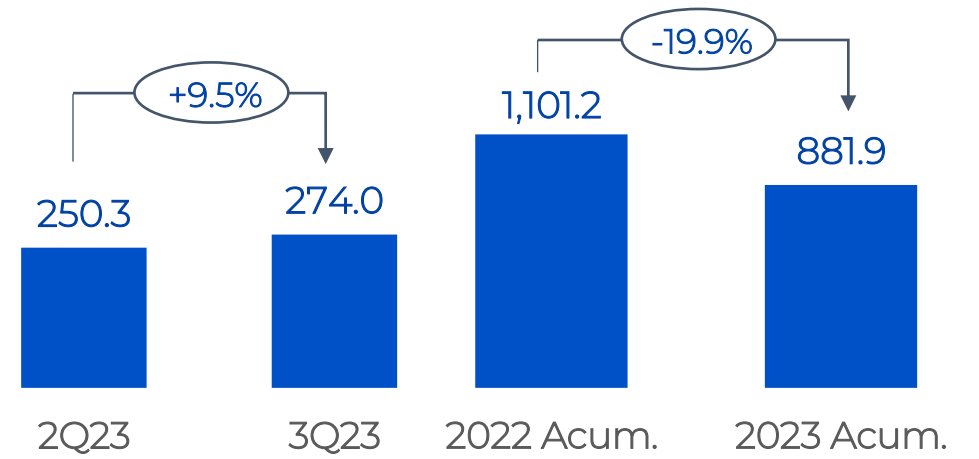
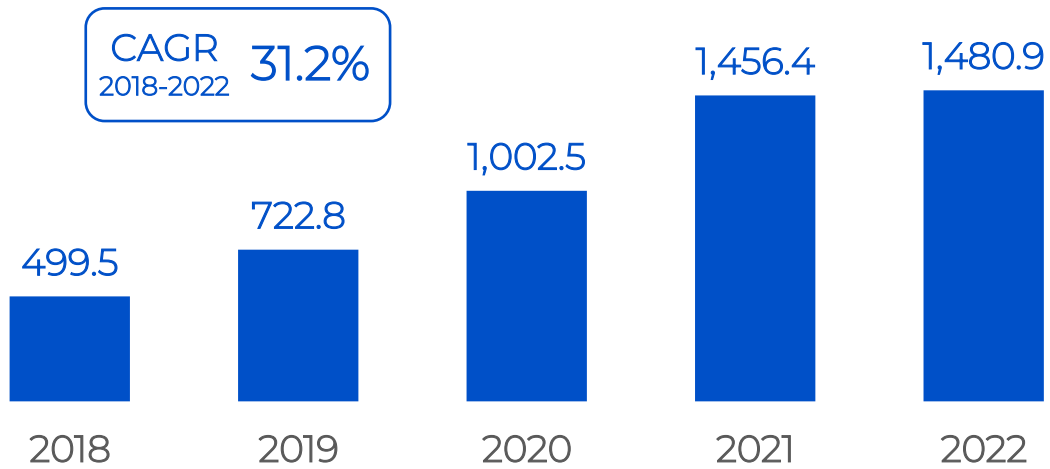
Delivery of first 5G Private Network with NOKIA Technology

Great Place do Work (GPTW) award



Total Sales

Total Sales (R\$ million)



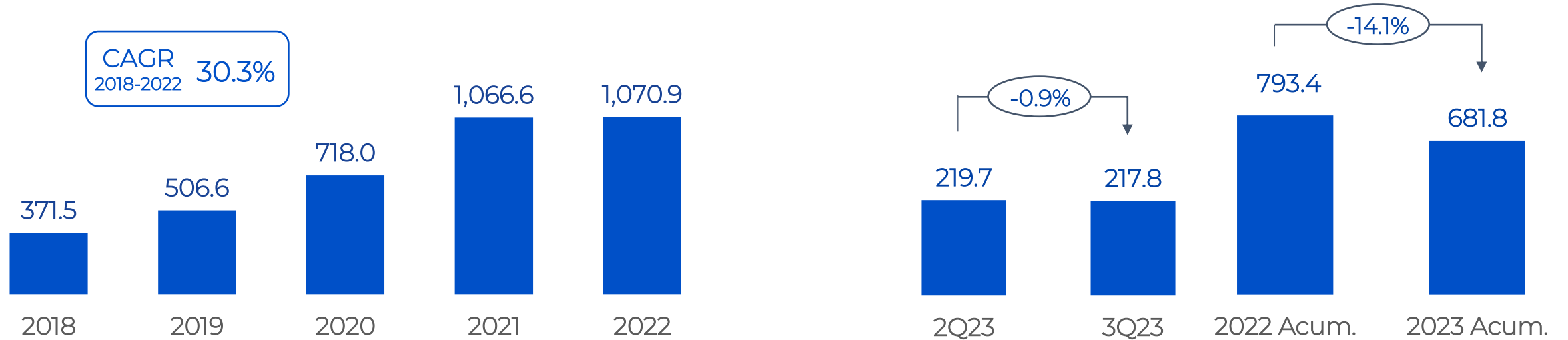
Weighted average US\$/R\$





Net Revenue

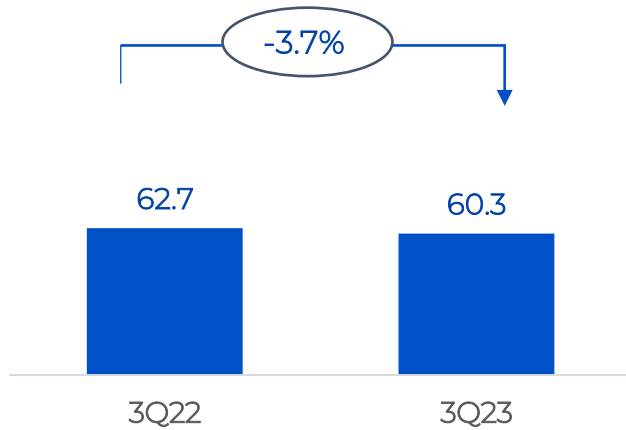
Net Revenue (R\$ million)





EBITDA

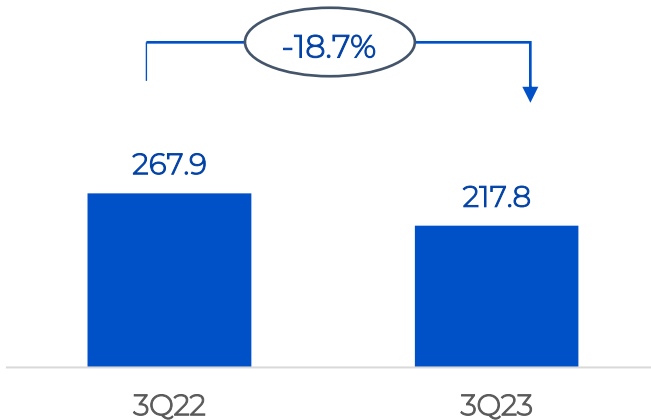
Adjusted EBITDA (R\$ million)



Positive factors in EBITDA analysis:

- ❖ The company did its “homework” reducing expenses
- ❖ TaaS revenue contribution from legacy contracts, generating revenue in down times

Receita Líquida (R\$ million)



Factors that reduced EBITDA:

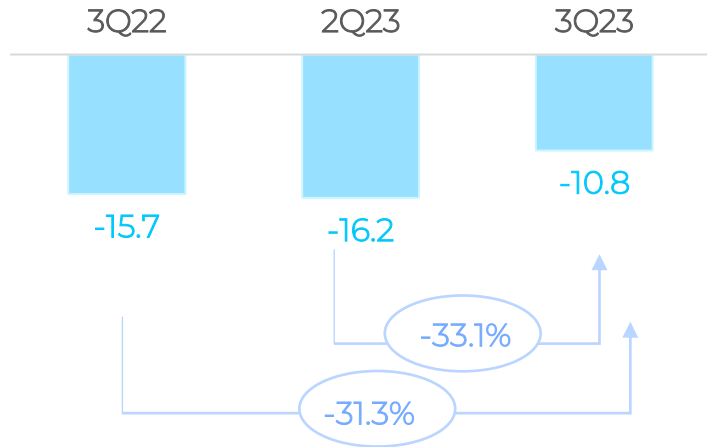
- ❖ Transition (non-recurring expenses) of the Photovoltaic Generators production from Extrema-MG to Salvador-BA;
- ❖ Impact of negative margin in the solar segment to clear old inventories



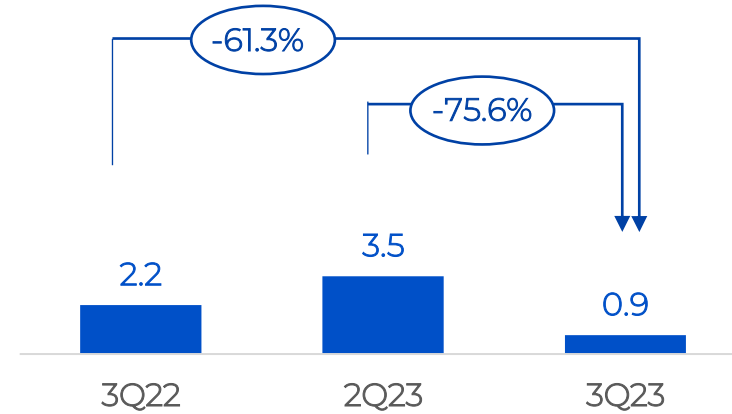
Financial Result and Net Income



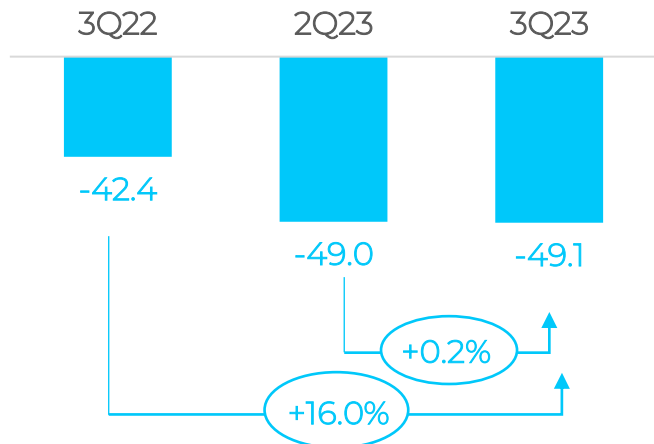
Financial Result (R\$ million)



Adjusted Net Income (R\$ million)



Depreciation & Amortization (R\$ million)



- ❖ Positive point: reduction in debt level without raising new debt
- ❖ TaaS contracts depreciation still affected by short-term contracts
- ❖ Net income still largely affected by depreciation



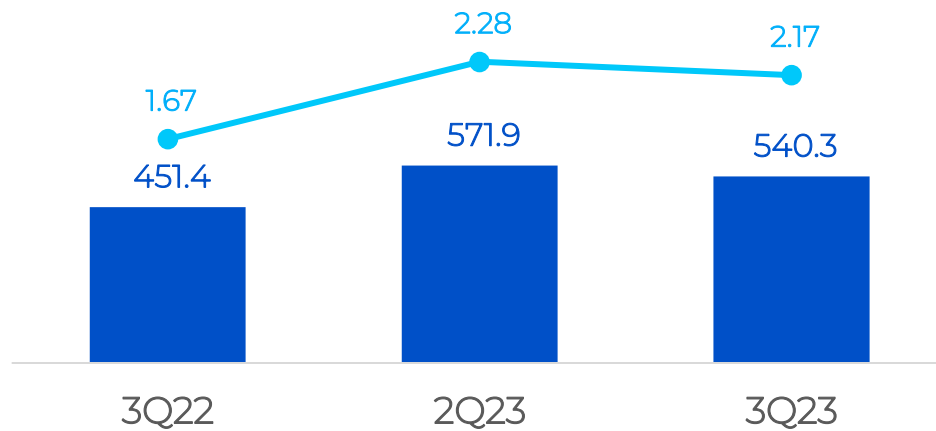
Net Debt and Leverage



Net Debt and Leverage (R\$ million)

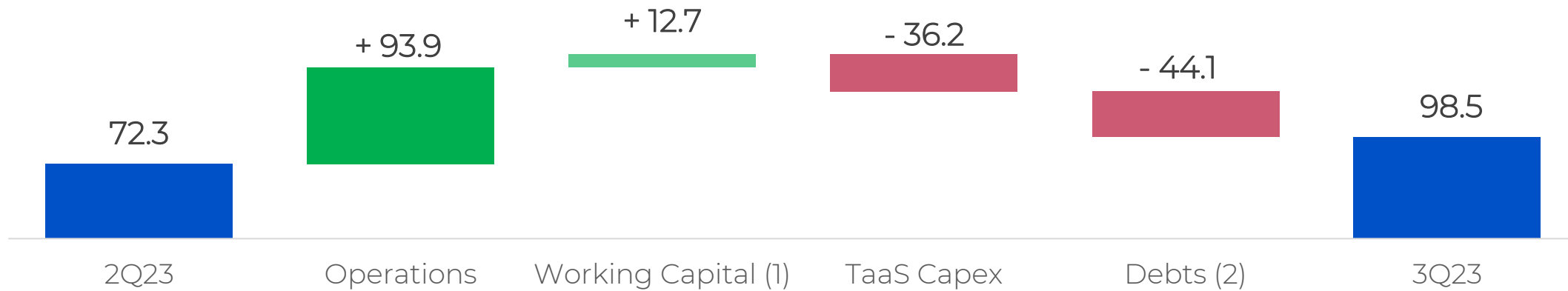
(Net Debt/ Adjusted EBITDA)

■ Net Debt ■ Leverage



Indebtedness (R\$ Millions)	3Q22	2Q23	3Q23
Gross Debt	915.9	644.1	638.8
Cash and Financial Investments	(464.5)	(72.3)	(98.5)
Net Debt	451.4	571.9	540.3
TaaS Revenue Backlog	757.9	865.9	873.8
Backlog Hedge on Net Debt	1.68x	1.51x	1.62x

- ❖ Reduction in Financial Leverage, achieved mainly due to the Company's cash and cash equivalents increase (+36.% vs. 2Q23)
- ❖ Greater security for shareholders



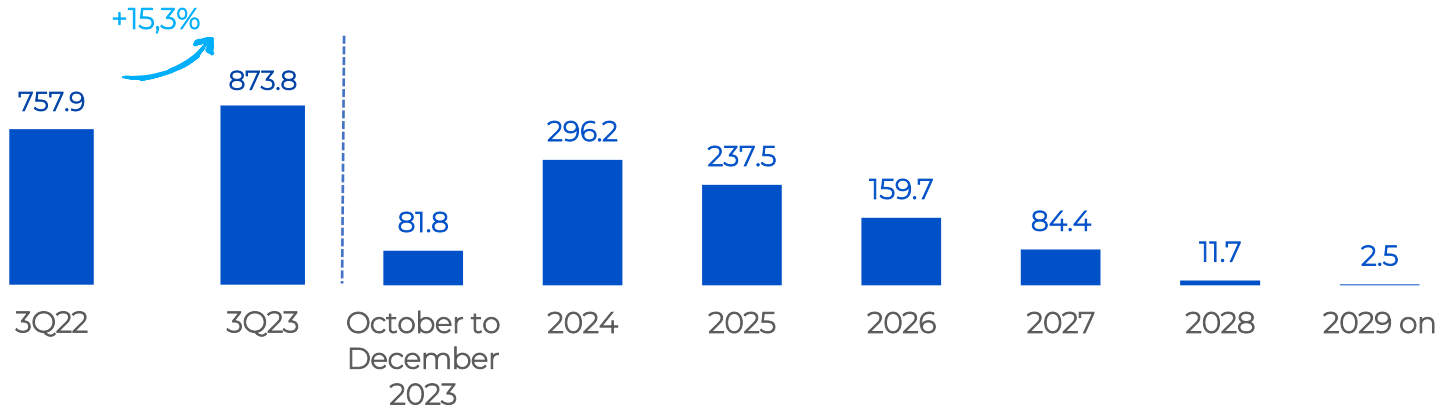
- ❖ Positive Working Capital due to inventories reduction
- ❖ Debt payment
- ❖ Cash and Equivalents 36.2% higher than 2Q23

(1) Working Capital: inventories, advances to suppliers, suppliers and trade receivables
(2) Debts: payment of loans and financing (principal + interests) and derivatives settlement



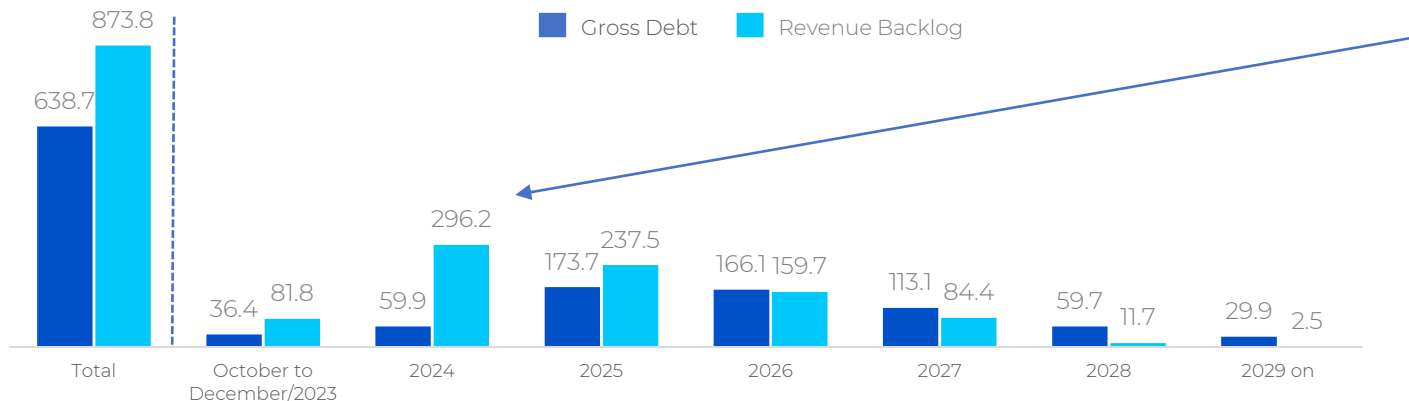
TaaS – Security in Payment Capacity

Contracted Future Revenue (Revenue Backlog) (R\$ million)



Deferred revenue guarantees cash to pay future obligations

Gross Debt Payment Schedule and Contracted Future Revenue (Revenue Backlog) Coverage (R\$ million)

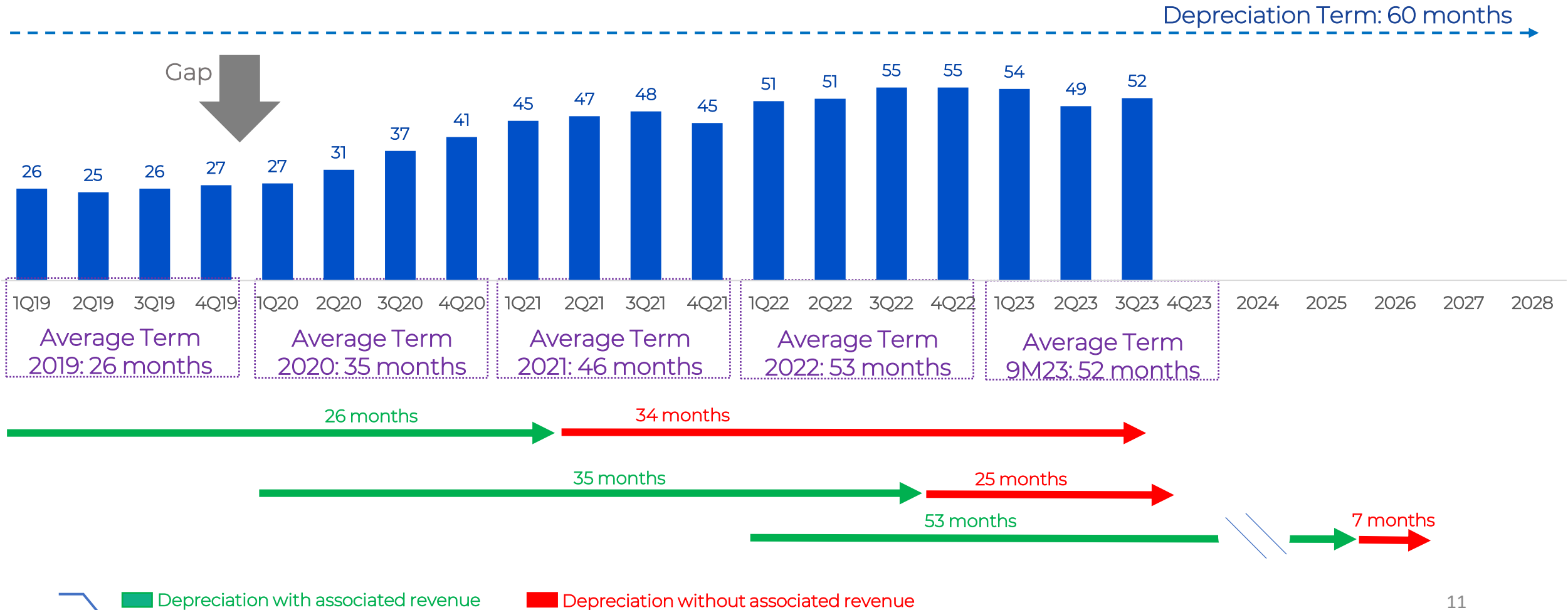


In 2024, the R\$296 million from TaaS will be able to pay almost 5 times the debt balance for the year



TaaS – Positive Effect on Reducing Mismatched Depreciation

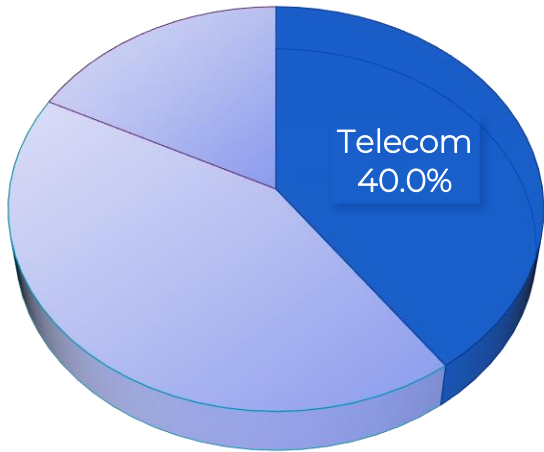
Evolution of New TaaS Agreements vs. Depreciation





Business Unit - Telecom

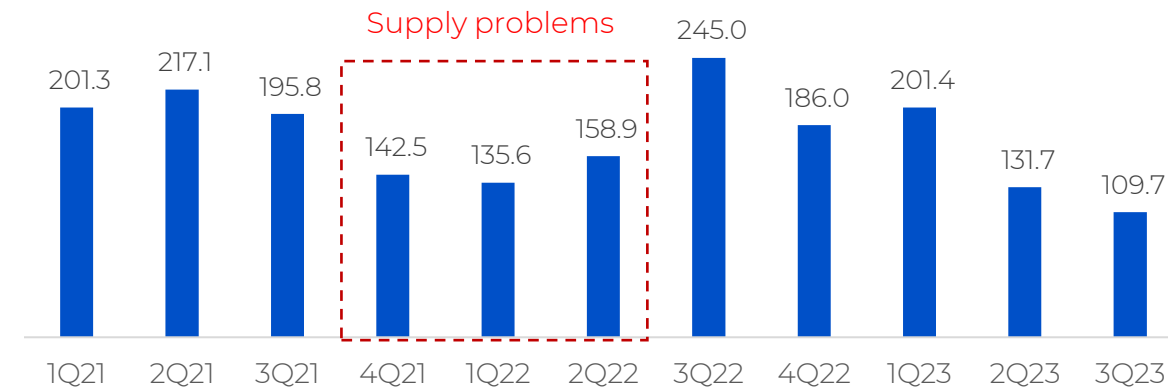
Highlights



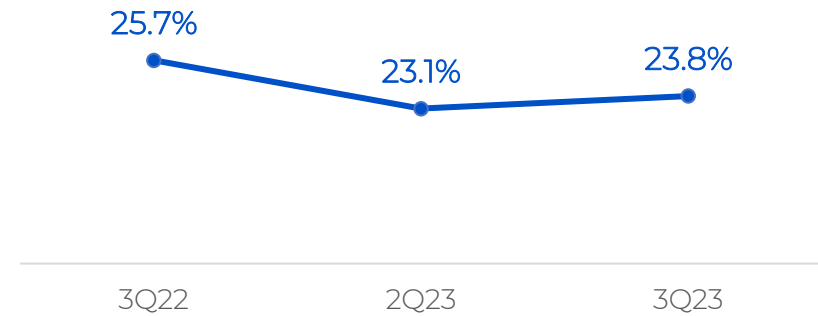
Share by business unit in Total Sales 3Q23

- ❖ Supply problems during 2022 also had impacts in 2023, due to the loss of FTTH customers (Fiberhome Technology)
- ❖ In 2023 we react, strengthening partnerships with *Nokia*
- ❖ *We created our own brand of Fiber Cables: Easy4Link*
- ❖ We increased the Partnership with the Chinese giant *Huawei*

Evolution in Total Sales (R\$ million)



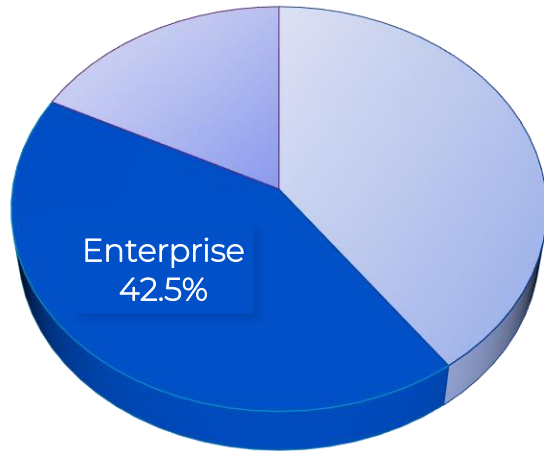
Gross Margin(%)





Business Unit - Enterprise

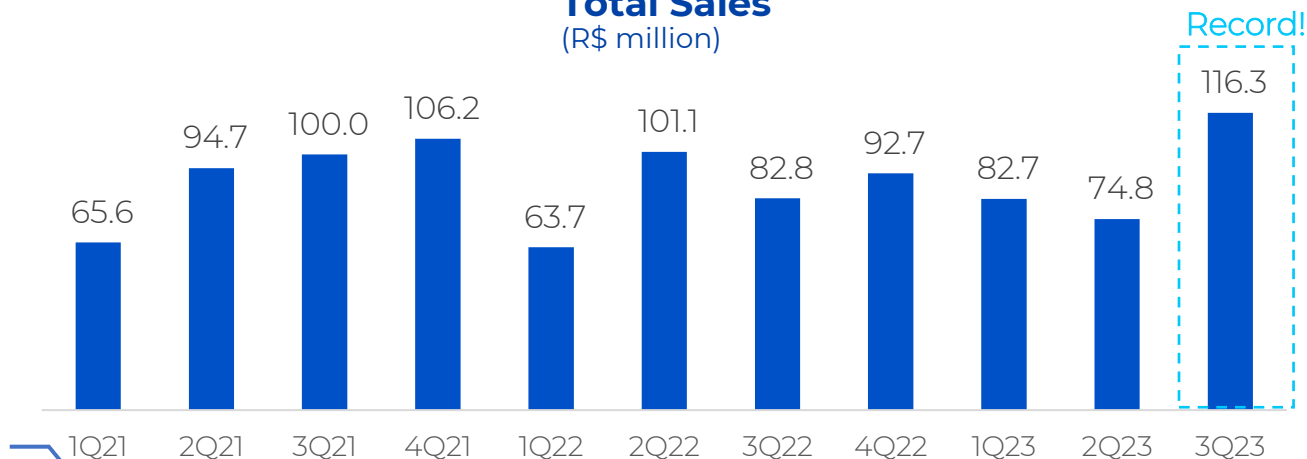
Highlights



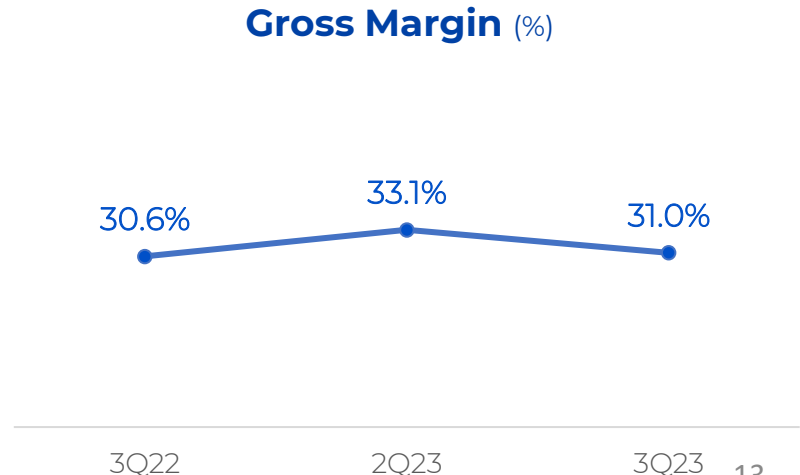
Share by business unit in Total Sales 3Q23

- ❖ Total Sales Enterprise reach RECORD sales in 3Q23
- ❖ TaaS representing 35.8% of the segment's Total Sales in 3Q23 (versus 26.2% in 3Q22)
- ❖ Audio & Video vertical is mainly responsible for the growth in 3Q23 with *LED panels in Out-Of-Home media*
- ❖ New partnerships increase product portfolio:
 - Cyber, connectivity for SMB - an unexplored segment yet

Total Sales (R\$ million)

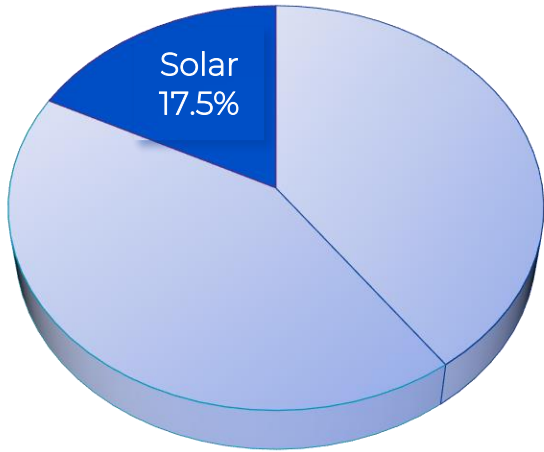


Gross Margin (%)





Business Unit – Solar Energy

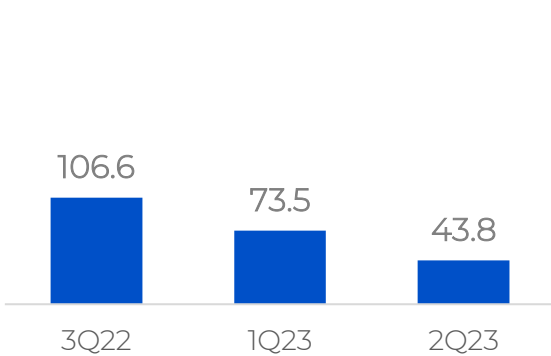


Share by business unit in Total Sales 3Q23

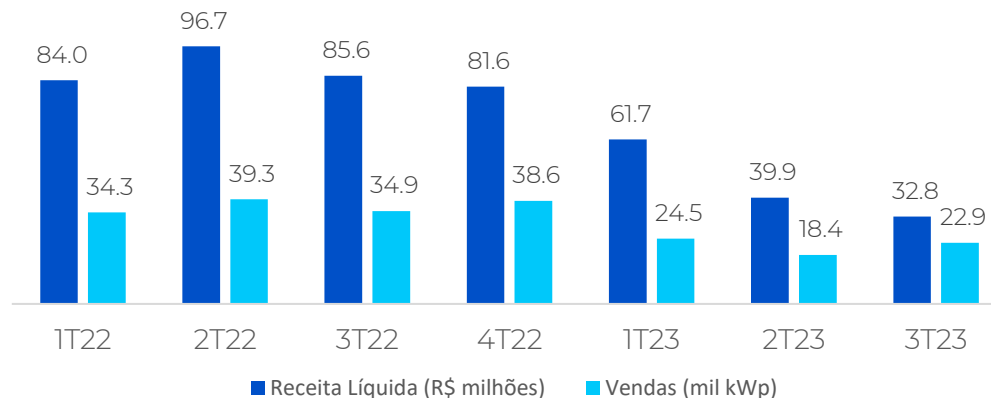
Highlights

- ❖ Normalization and adjustment of high-cost inventory levels
- ❖ New reality: prices 40% lower than in 2022
- ❖ Average Revenue 9M22 x 9M23: *R\$88,8mm* x *R\$44,8mm* (-48.5%)
- ❖ Average Sales (kWp) 9M22 x 9M23: *36.1 mil* x *21.9 mil* (-39.3%)
- ❖ *Consumer will have an impact on energy bills creating Solar demand*

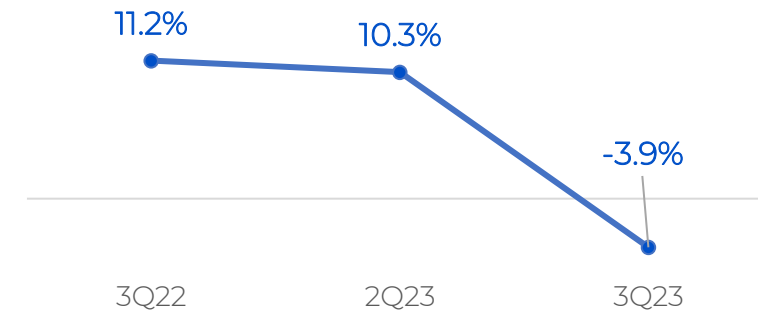
Total Sales (R\$ million)



Generator sells (thousand kWp) vs. Net revenue (R\$ million)



Gross Margin (%)



Consolidado

- *Falling interest rates should open a positive advantage in TaaS contracts x lower cost of capital*
- *Virtuous cycle of aligning TaaS Monthly Revenue x Depreciation*
- *Commercial Repositioning - Focus on business verticals x product sales*

Telecom

- *New and more robust technological partners, with more technology and better use of already installed DataCenters*

Enterprise

- *Growth of projects across verticals*
- *Partnerships for new products in SMB*
- *More offers in Cyber Security*

Solar

- *End of the effect of more expensive inventories in 4Q23*

THANK YOU!

Q&A

Feel free to contact us, we are at your disposal.

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