

WDC
NETWORKS

EARNINGS PRESENTATION 3Q21

November 17, 2021



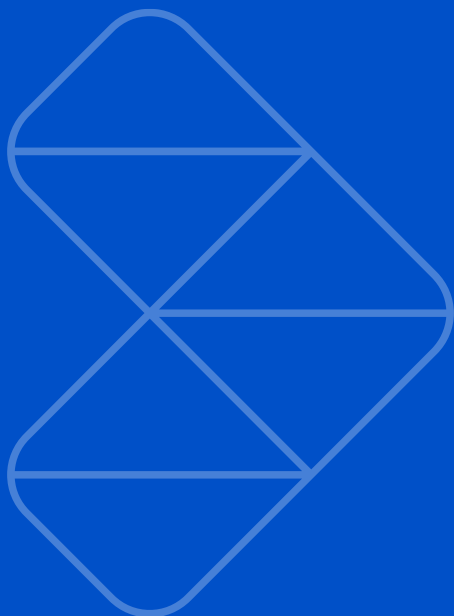
LVTC
B3 LISTED NM



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.”





Record Total Sales and Net Revenues with Operating Margins Recovery



R\$391.8 mm
+**35.7%** vs. 3T20



Total Sales

R\$288.2 mm
+**45.5%** vs. 3T20



Net Revenue

26.2%
+1.4 p.p. vs. 2T21

Adjusted **EBITDA Mg.**

❖ **Total Sales Record** at **Corporate Segment** with **R\$196.0 million** in 3Q21, +88.5% vs. 3Q20

- BU Solar in **R\$96.0 million** in 3Q21, 346.6% vs. 3Q20
- BU Enterprise in **R\$100.0 million** in 3Q21, 21.2% vs. 3Q20

❖ **Significant recovery** in **Operating Margins**

- Consolidated Gross Income Margin in 27.6% in 3Q21 vs. 26.6% in 2Q21
- Consolidated Adjusted EBITDA Margin in 26.2% in 3Q21 vs. 24.7% in 2Q21

New Partnerships and WDC's own brand



HUAWEI

Huawei Digital Power

LEYARD.



LED Panels

EASY4 LINK



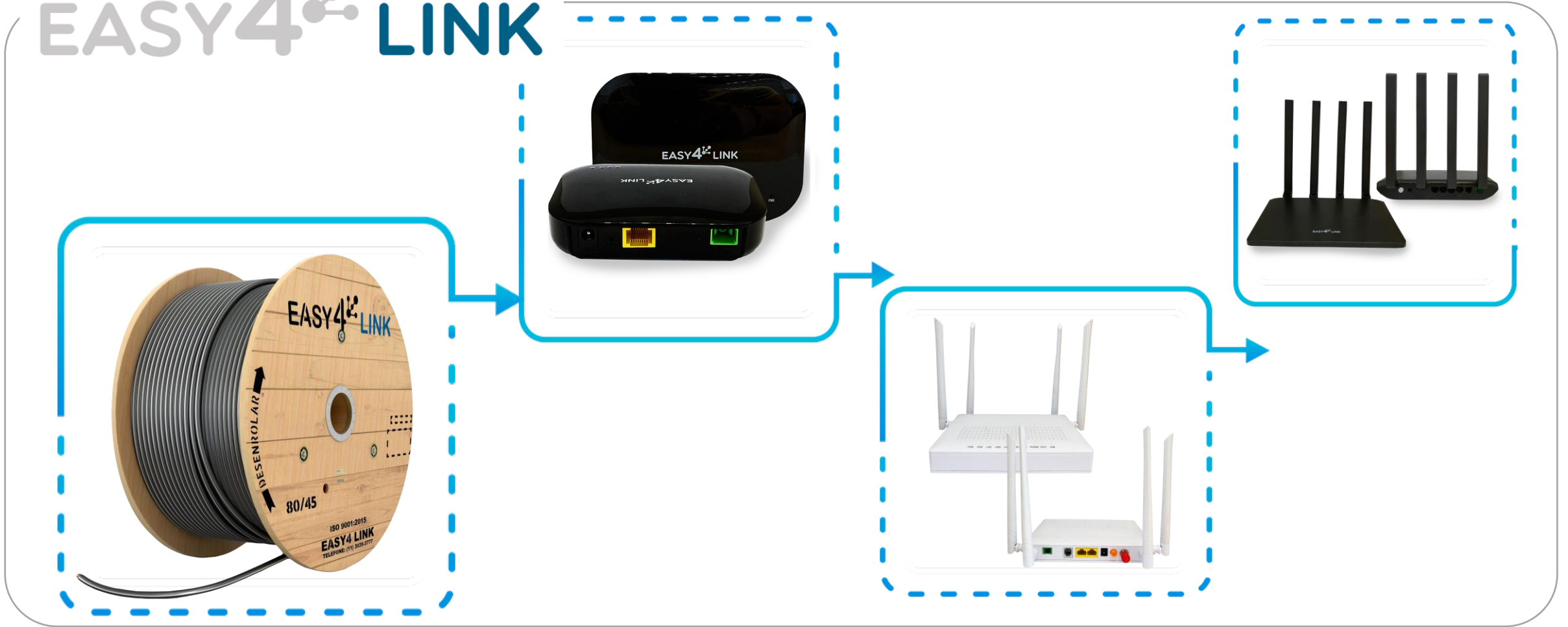
Own brand

Launch of WDC's Own Brand WDC



Approximately 2.3% of Total Sales in September and October - 2021

EASY4 LINK





Huawei Zero Carbon All Scenario Solution Your Best Partner In Carbon Neutral Movement

Cumulative green
power generation

**325 billion
kWh**

Cumulative reduction of
carbon emissions *

**160 million
tons**

Equivalent to
planting trees **

**220 million
trees**

Data as of December 31, 2020

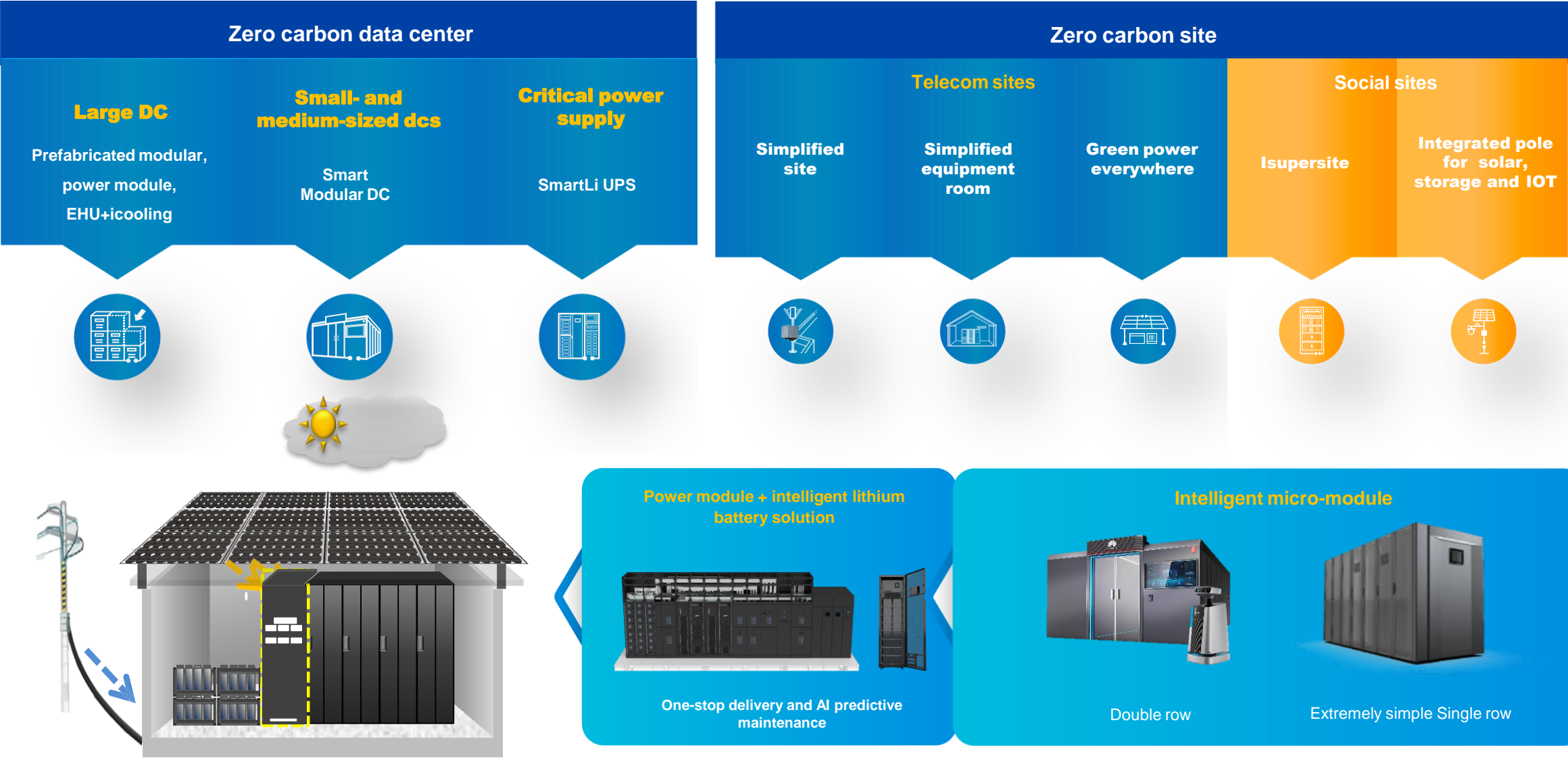




Partnership Huawei Digital Power | Carbon Zero Solutions



WDC
NETWORKS



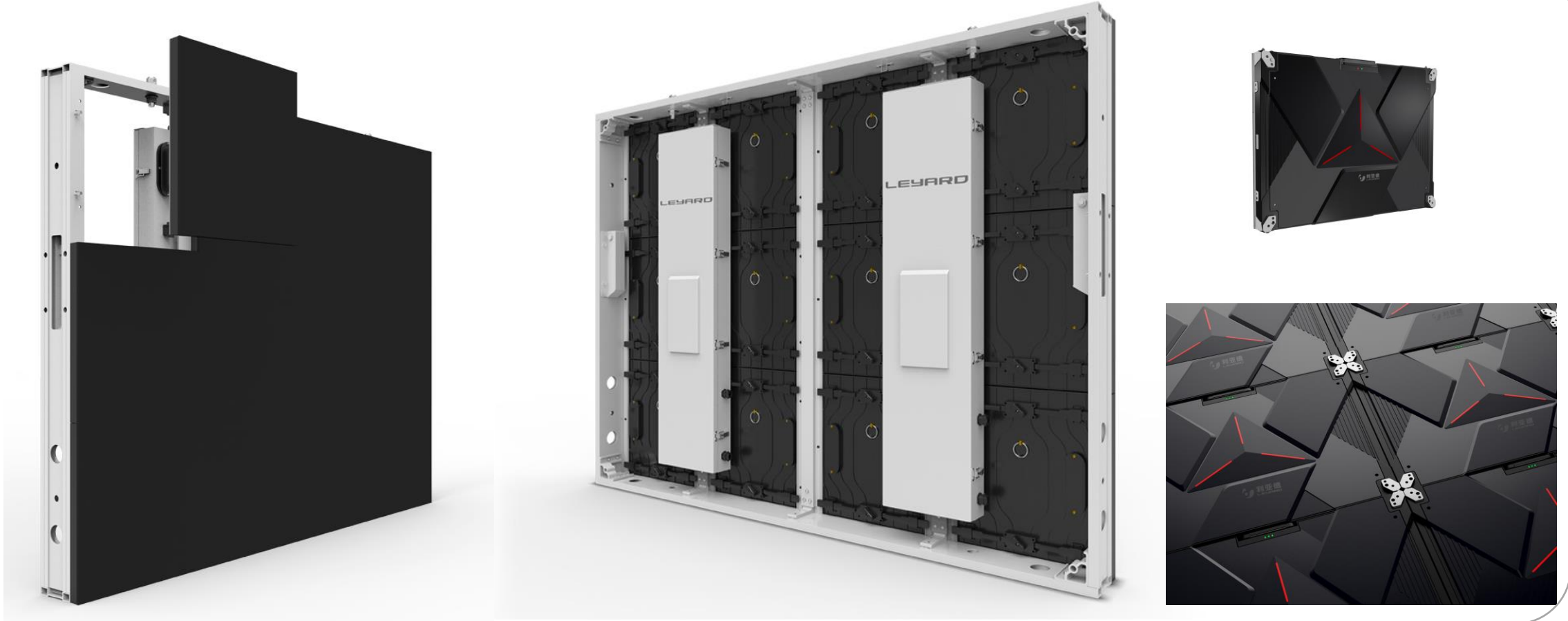


New Partnership | Leyard



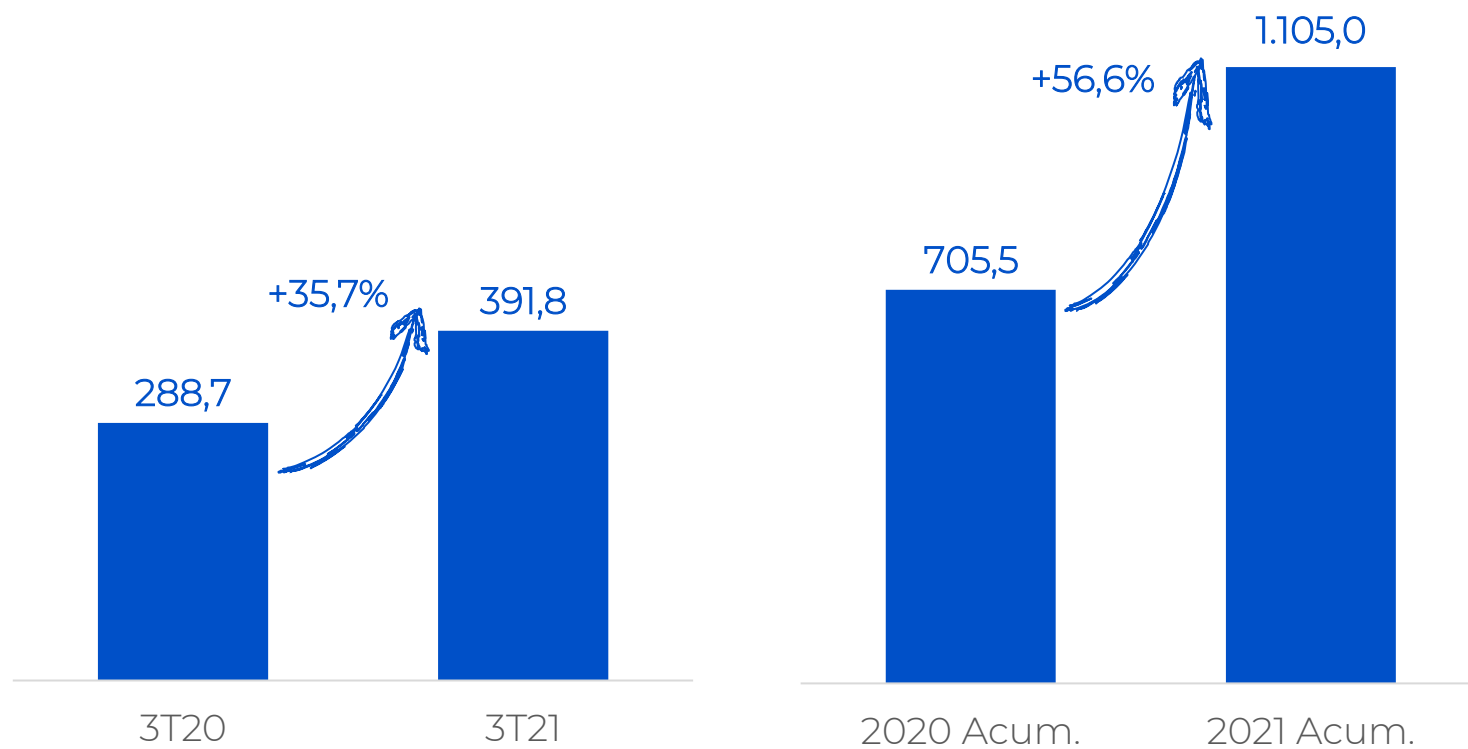
LED panels represented approximately 6% of the Corporate Segment in 2021 YTD

LEYARD™



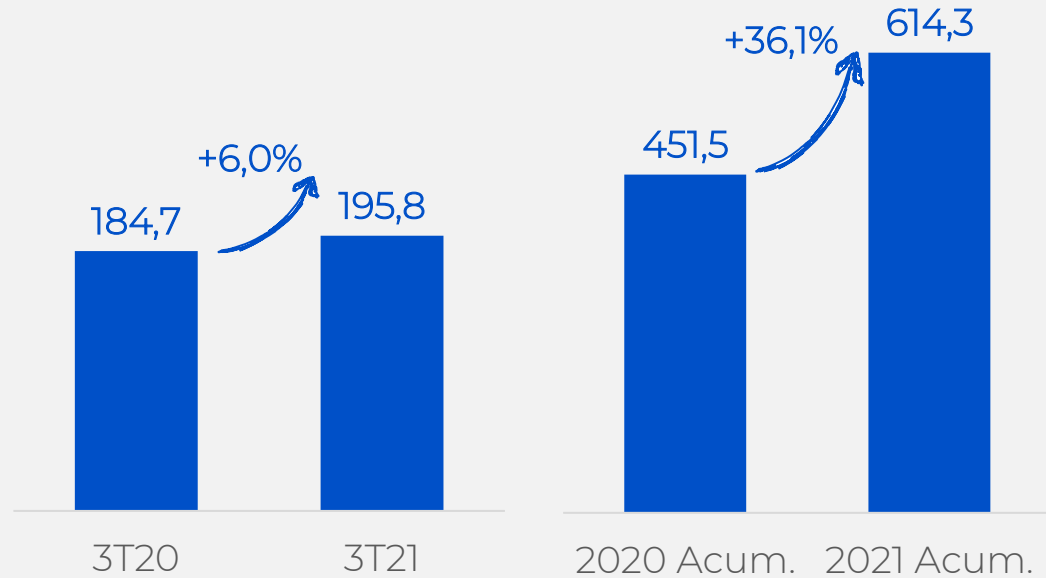


Record of Consolidated Total Sales | (R\$ million)



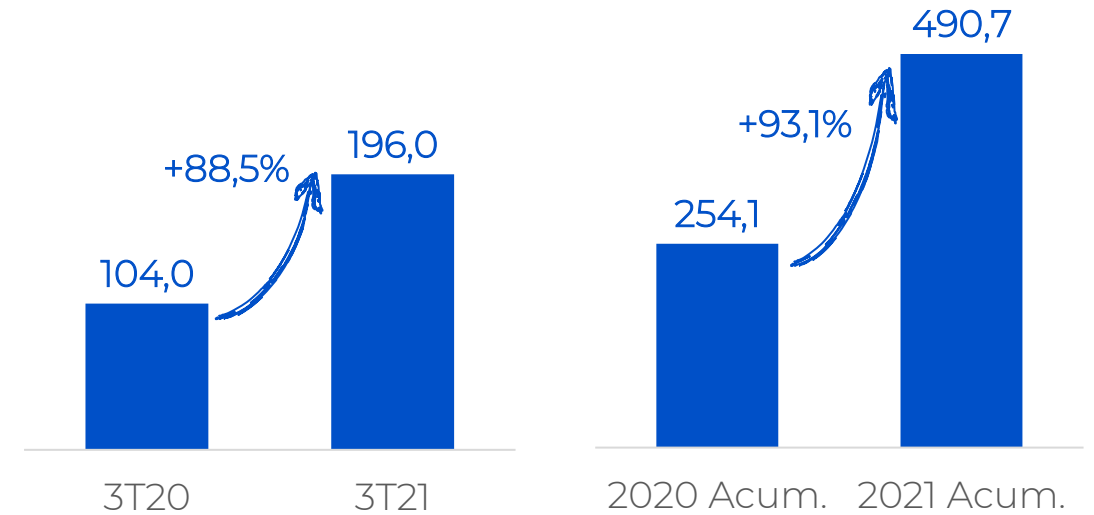
Positive highlight Corporate Segment with recovery of BU Enterprise

Telecom

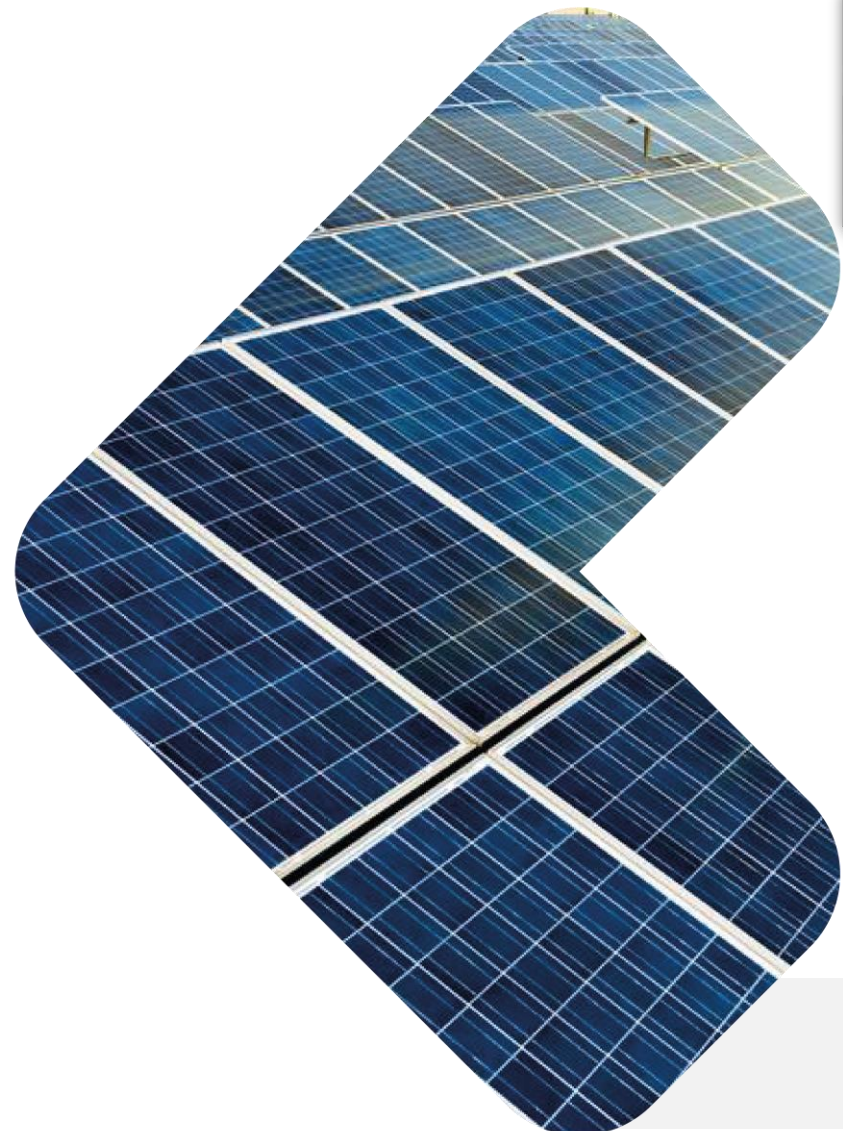


 Telecom had an Evolution in a anual basis. Nevertheless, we noted a decelaration of demand by the end of the quarter

Corporate



 Corporate growth as consequence of BU Solar and Strong performance of BU Enterprise

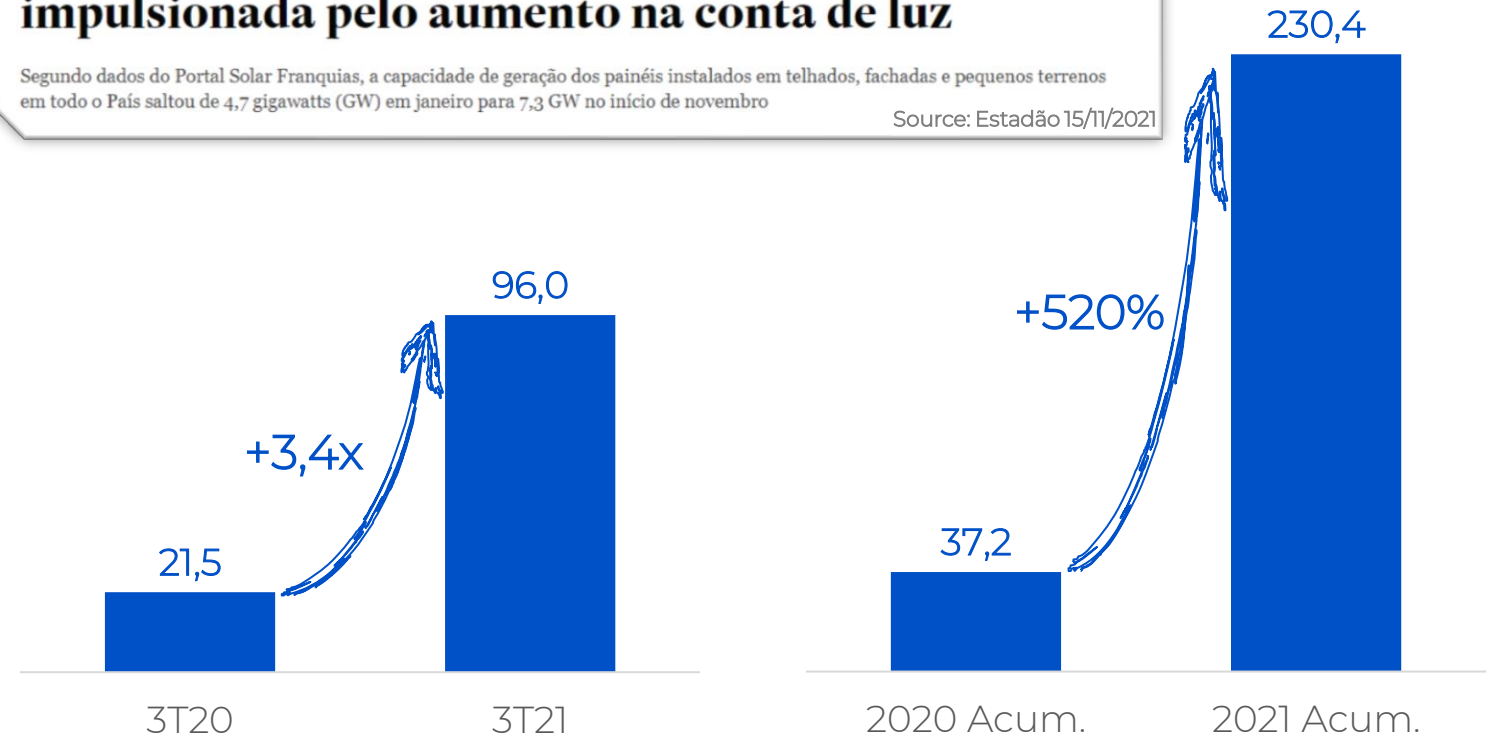


Economia

Energia solar residencial cresce 53% no ano, impulsionada pelo aumento na conta de luz

Segundo dados do Portal Solar Franquias, a capacidade de geração dos painéis instalados em telhados, fachadas e pequenos terrenos em todo o País saltou de 4,7 gigawatts (GW) em janeiro para 7,3 GW no início de novembro

Source: Estadão 15/11/2021



Continuous ramp-up of the Solar BU with growth above market



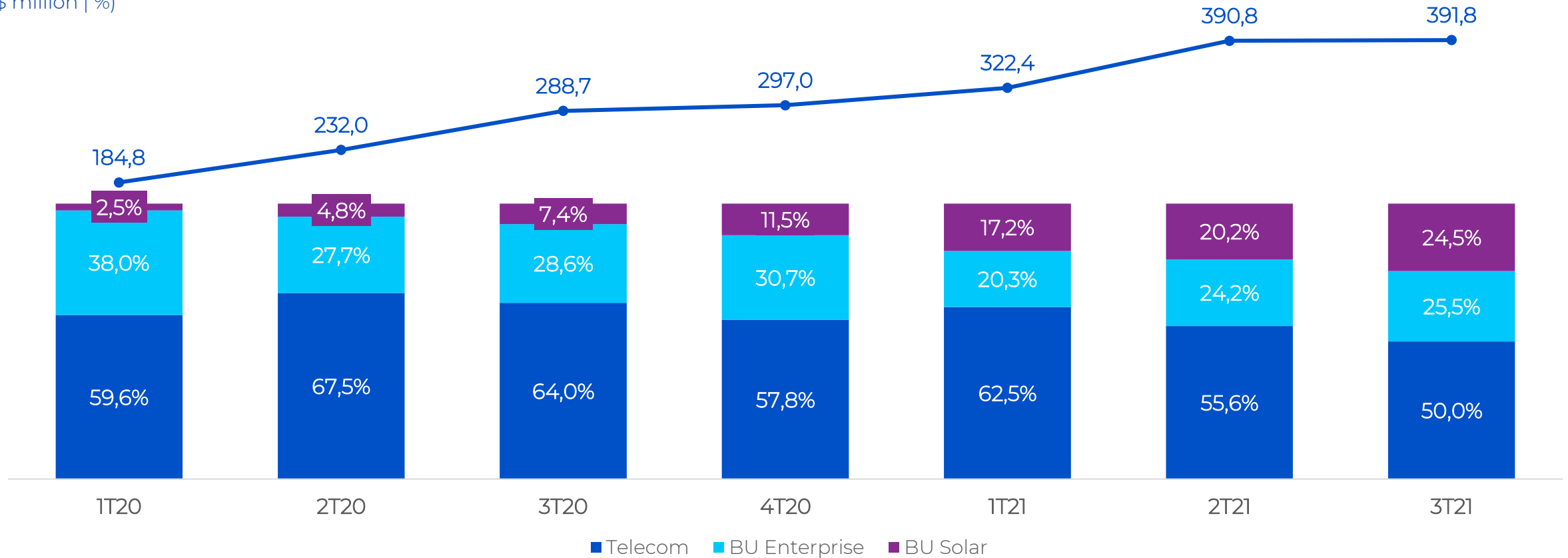
Total Sales Evolution



With the ramp up Solar BU there was significant change on Total Sales profile in less than 7 quarters. Solar BU opportunity is now a reality!

Total Sales

(R\$ million | %)

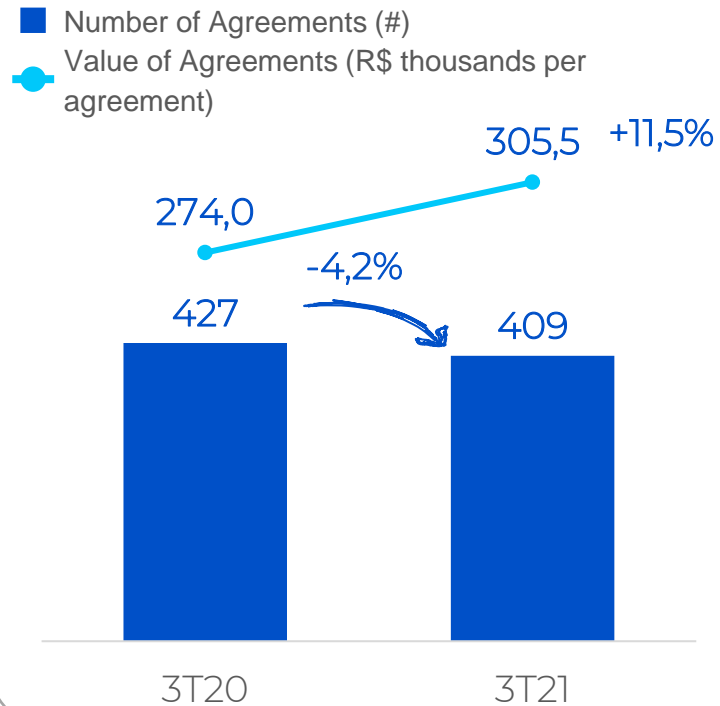




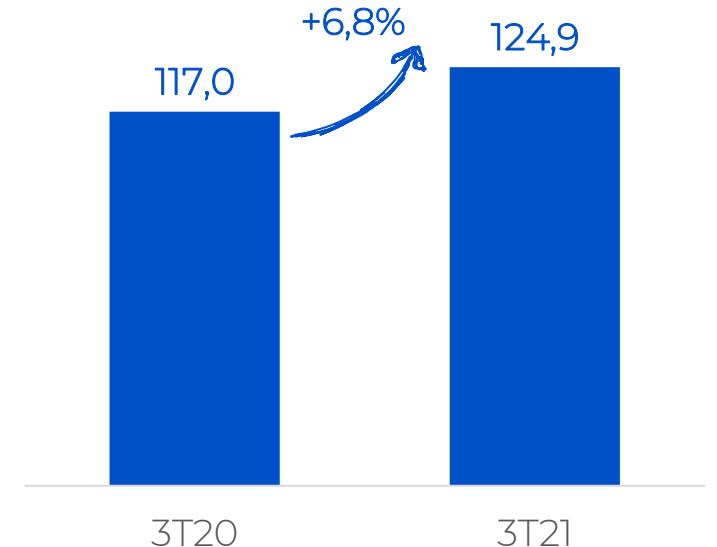
TaaS Performance



Quantity of New Agreements and Value of the Agreements



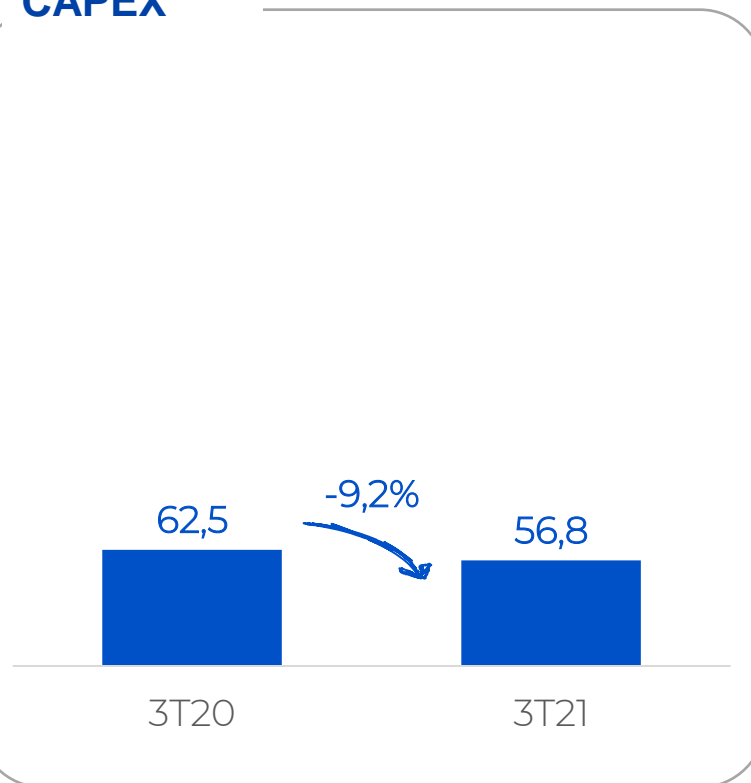
Total Sales of TaaS | (R\$ million)



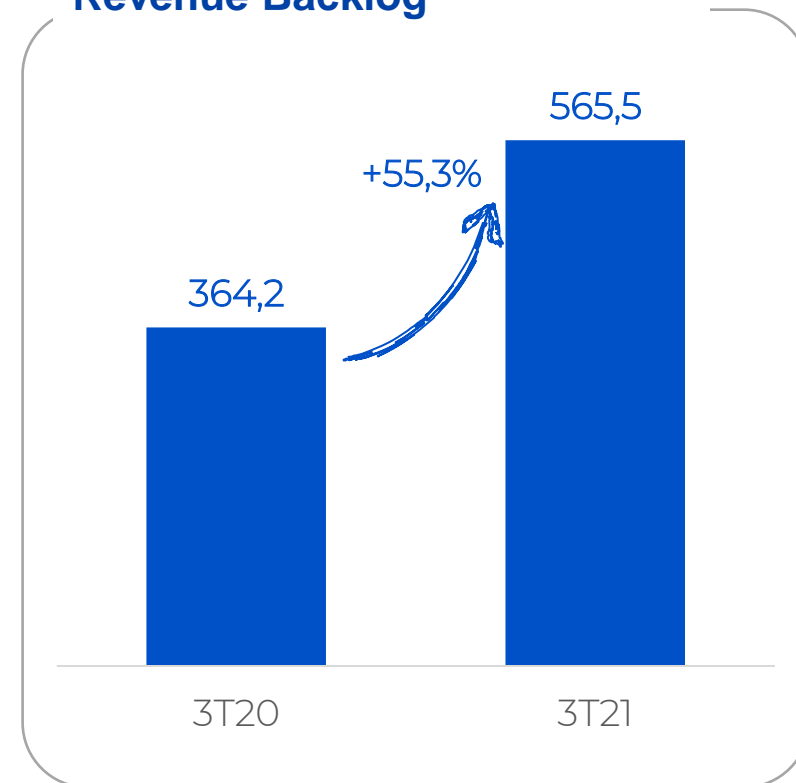
Significant increase in the Value of New Agreements partially compensated by lower Number of Agreements



CAPEX



Revenue Backlog



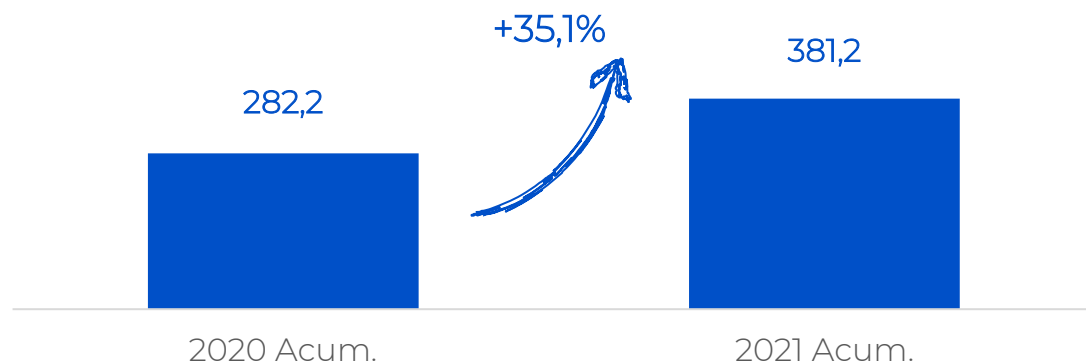
Highlight to the positive performance of Backlog paving future results



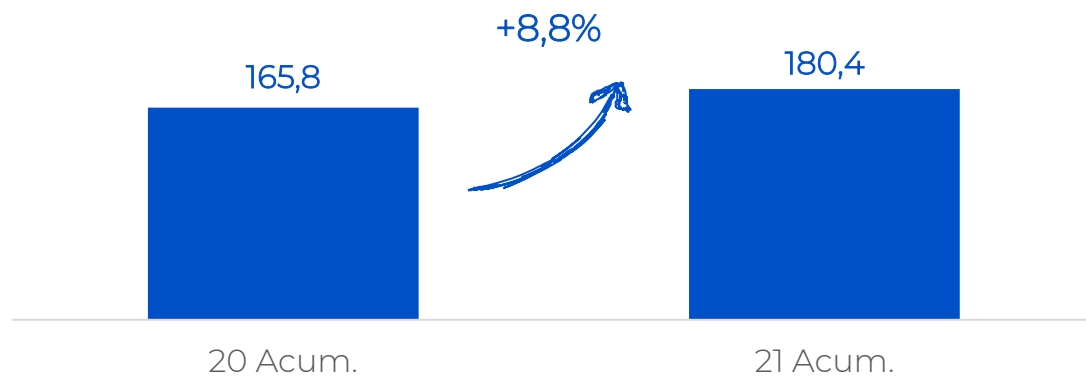
Higher Returns of TaaS Portfolio in the Year



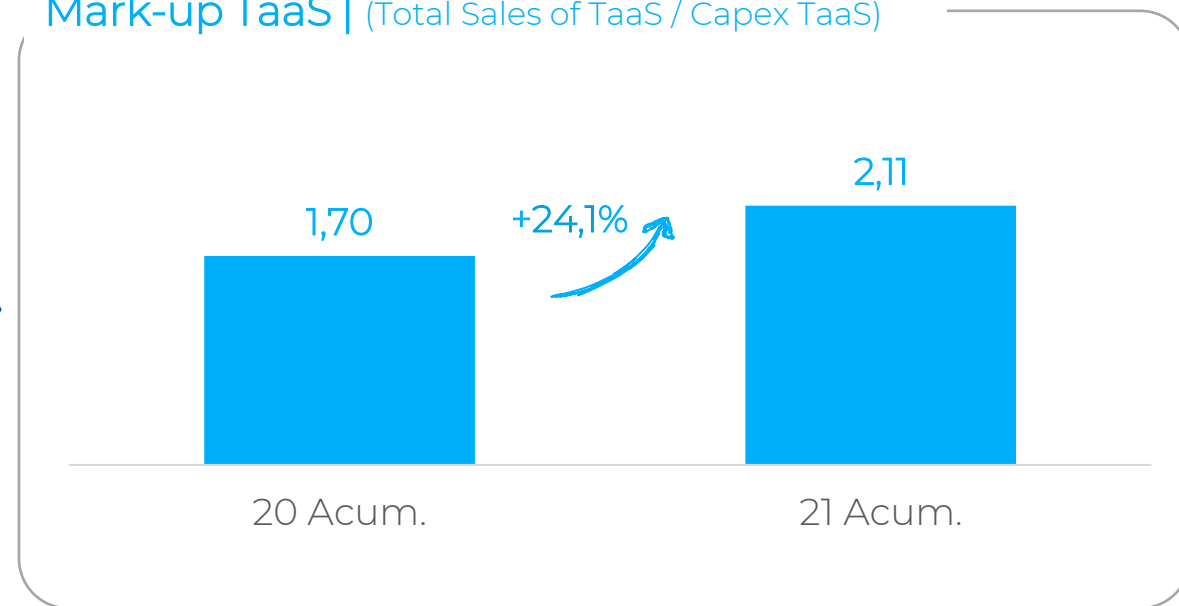
Total Sales of TaaS | (R\$ million)



Capex TaaS | (R\$ million)



Mark-up TaaS | (Total Sales of TaaS / Capex TaaS)

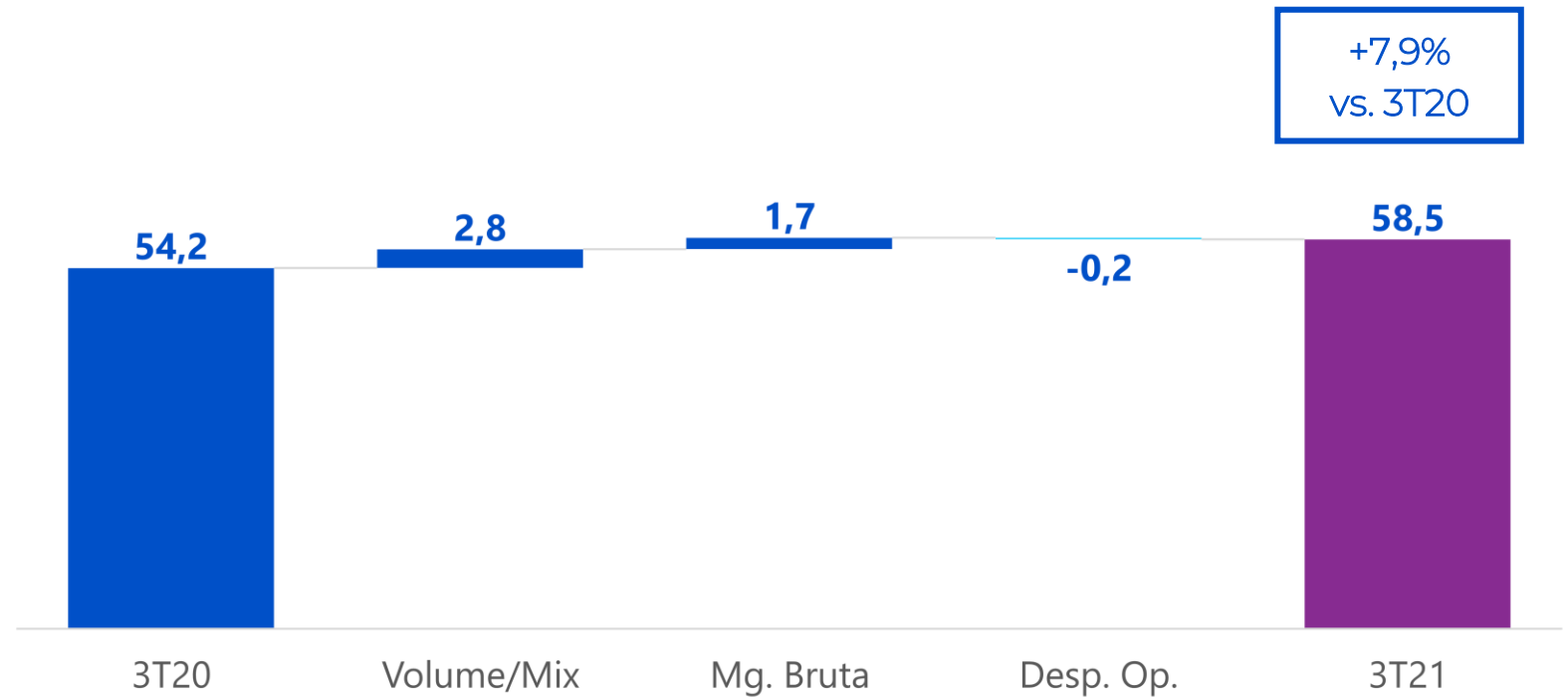




Telecom Segment



Adjusted Telecom EBITDA | (R\$ million)



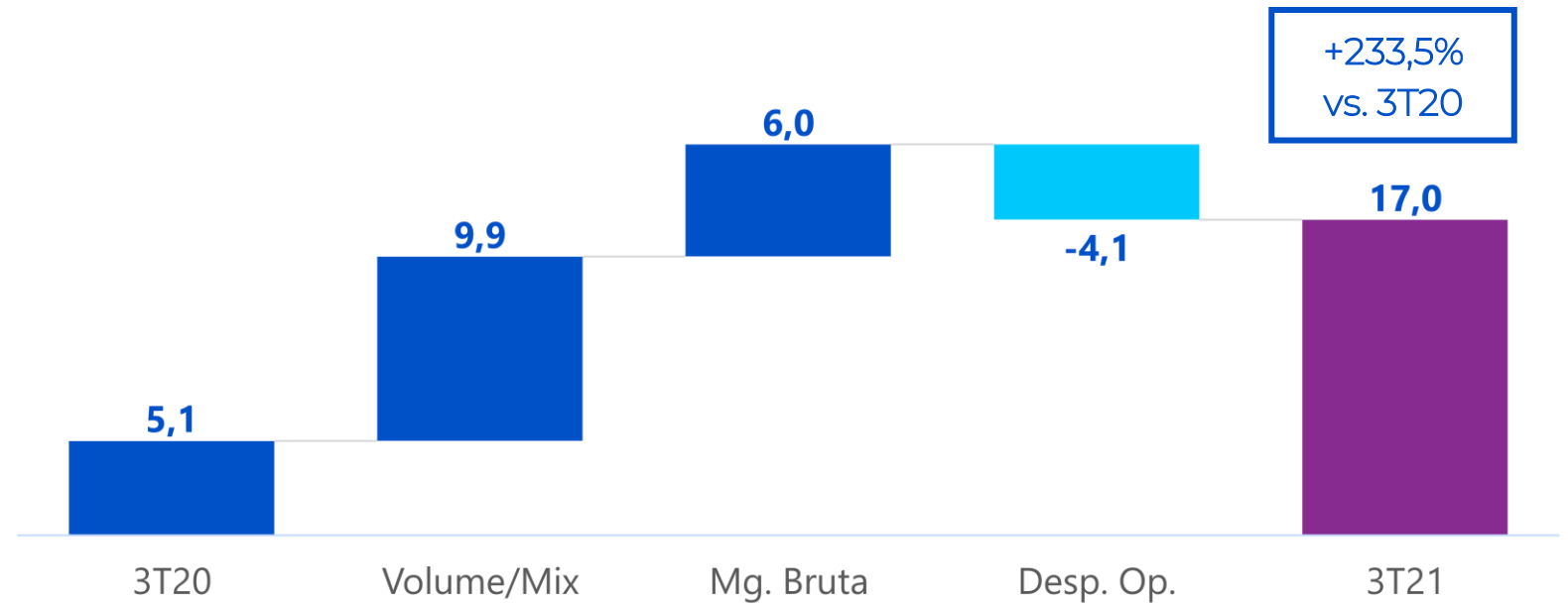
Growth impacted by volumes below expectations in the 3Q21, even with na improvement on the sales margins



Corporate Segment



Adjusted Corporate EBITDA | (R\$ million)



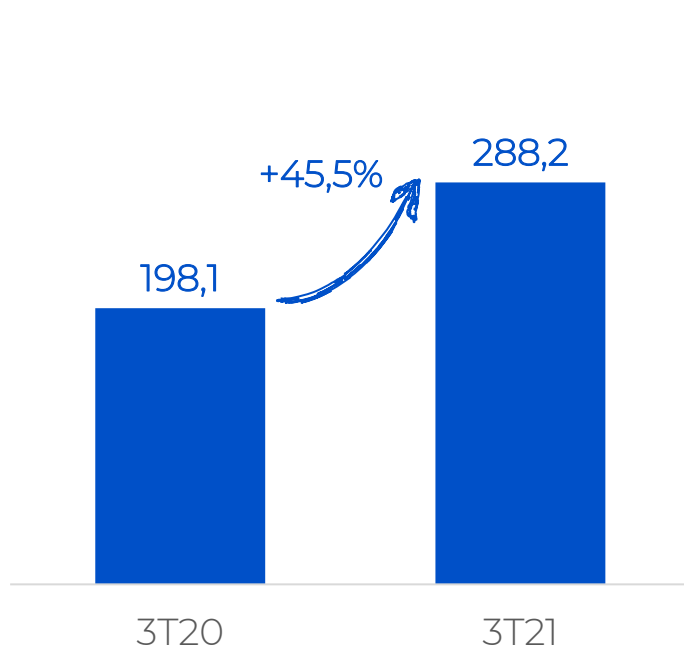
Highlights to higher volumes for Solar BU and margin recovery for both BUs



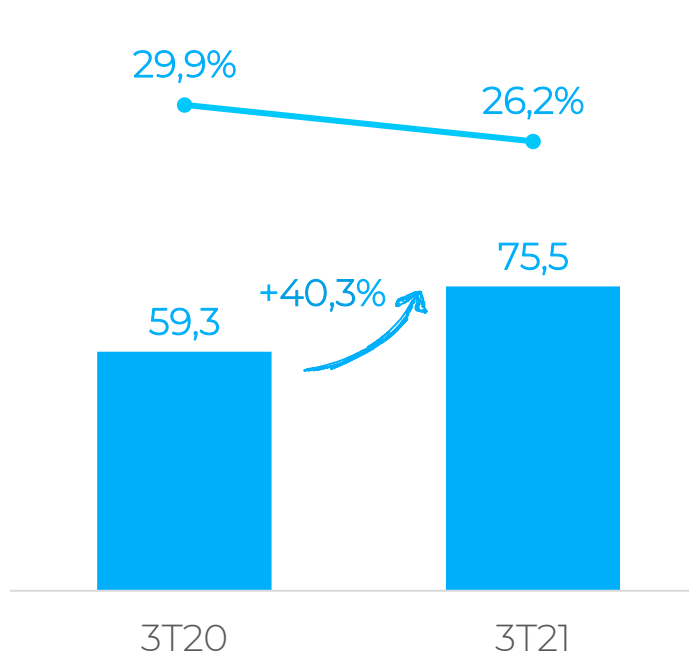
Consolidated Results



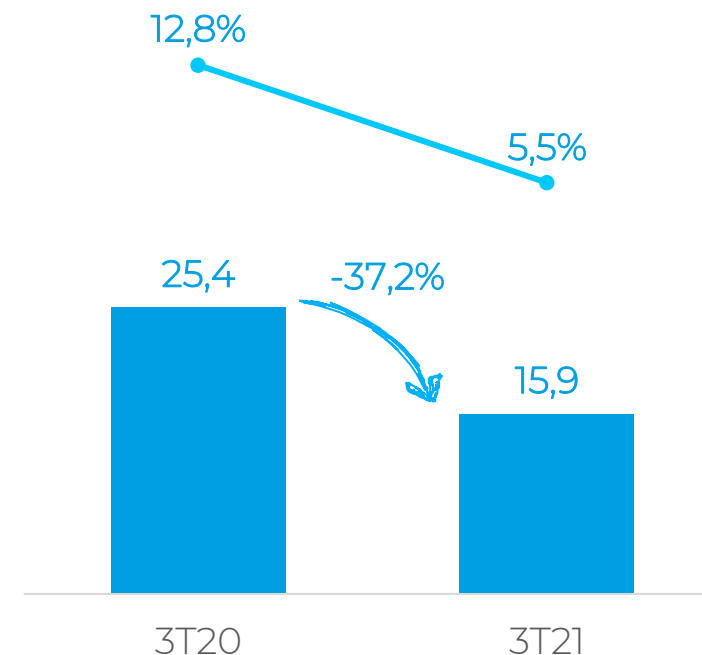
Net Income
(R\$ million)



Adjusted EBITDA and Margin
(R\$ million and %)



Net Adjusted Income
(R\$ million)





Adjusted Net Income



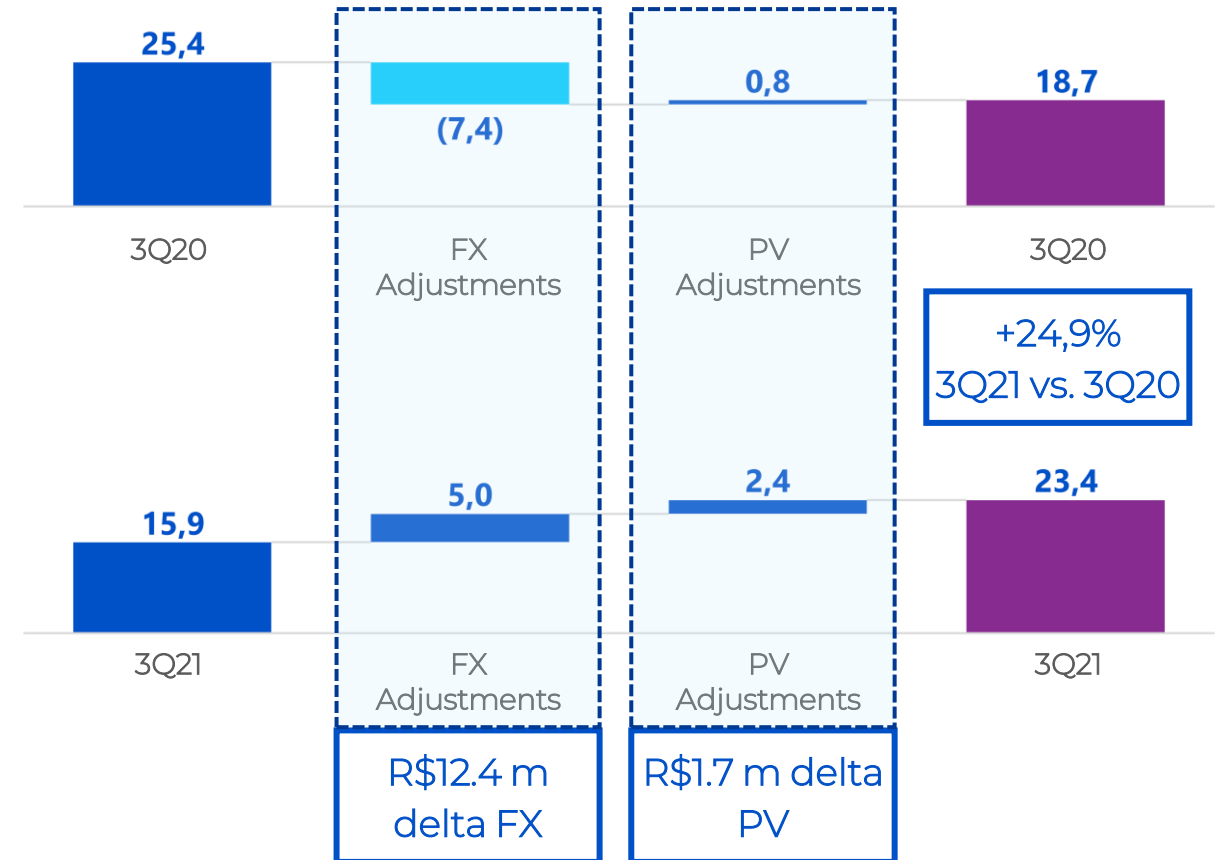
Financial Results

(R\$ million)

3Q21

3Q20

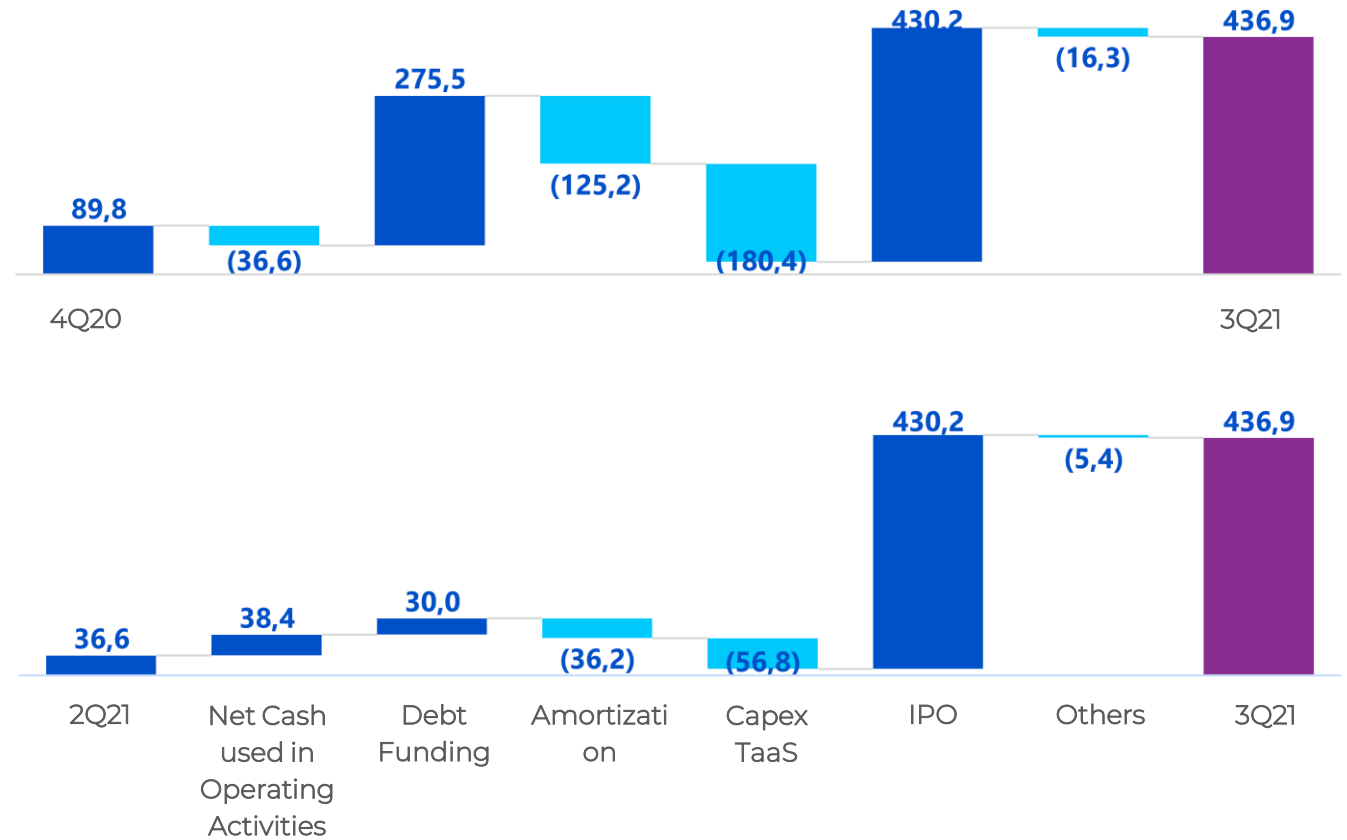
Currency Translation Adjustments	(5,0)	7,4
Financial Income	7,6	1,4
Financial Expense and Derivatives Instrument	(16,4)	(9,2)
(+/-) Financial Results	(13,8)	(0,3)



Excluding the effect of FX Variation and PV of Account Receivables (non cash effect that will be reverted in future periods), Adjusted Net Income growth in 3Q21 was 24.9% vs. 3Q20



Cash Flow | (R\$ million)



Operational Activities Generating Cash in the Quarter along with cash position from IPO



Adjusted Net Debt to EBITDA (LTM) in 0,81x

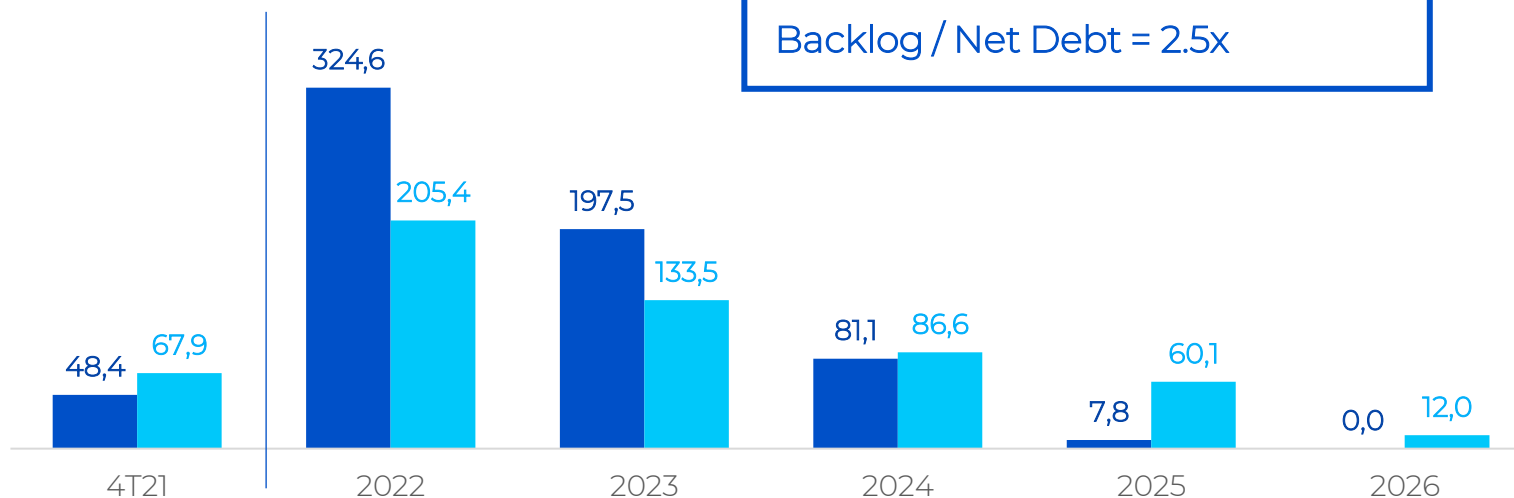


Debt Amortization Schedule | (R\$ million)

- Gross Debt
- *Future Income Backlog*

Total Gross Debt R\$660.9 m
Total Net Debt R\$222.3 m
Backlog R\$565.5 m

Backlog / Net Debt = 2.5x



In 3Q21, the average term of debt was 29 months and the cost was CDI +3.52%.



Whats Next...



- Possible improvement in semiconductor supply in 2022: Manufacturers signaling equation in second half of 2022
- Trend of improvement in International Freight: signs of gradual reduction of shipowners
- M&As: Pipeline evolving in all fronts - **Telecom, Cybersegurança and Solar**
- Focus on improving operating results. New organizational structure with the objective of seeking efficiency and adaptation to the current size of the WDC
- Authorization to open a new factory in Bahia (Greater Salvador area) will enable greater logistical efficiency and operational gains. Date to be set



Thanks and Q&A!



+55 (11) 3035-3777



ri@wdcnet.com.br



www.ri.wdcnet.com.br

