WDC NETWORKS

Soluções de A a W

EARNINGS CALL PRESENTATION 3Q24

November 14th 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 3Q24

In 3Q24, WDC maintained its strategy of being more profitable and achieved Gross Profit of R$55.0 million (+15.0% vs. 3Q23) and Adjusted EBITDA of R$65.3 million (+8.2% vs. 2Q23).

For the third consecutive quarter, we improved gross margins in the Enterprise and Solar segments. In the consolidated view, gross margin in 3Q24 reached 25.9% (+4.0 p.p. vs. 3Q23) and in 9M24 it reached 26.8% (+4.8 p.p. vs. 9M23).

Adjusted net income in 3Q24 reached R$5.9 million (versus R$0.9 million in 3Q23). In the cumulative view, the Company reverses adjusted net loss of -R$2.0 million to Adjusted Net income of R$18.9 million in 9M24

In the ex-Solar view, the Company records the **second consecutive quarter of increased sales**

Fifth consecutive year that WDC has been awarded the Great Place to Work (GPTW) seal, a reference certification in much of the world regarding organizational climate

In September, we held our first Investor Day, an event aimed at the financial market, clearly presenting what WDC expects for the coming years

Click here to access the event

Highlights 3Q24

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Total Sales	Net Revenue	Gross Revenue of Services
R$ 252.3 Million	R$ 212.3 Million	R$ 43.8 Million
-7.9% (3Q24 vs 3T23)	-2.5% (3Q24 vs 3Q23)	+35.0% (3Q24 vs 3Q23)

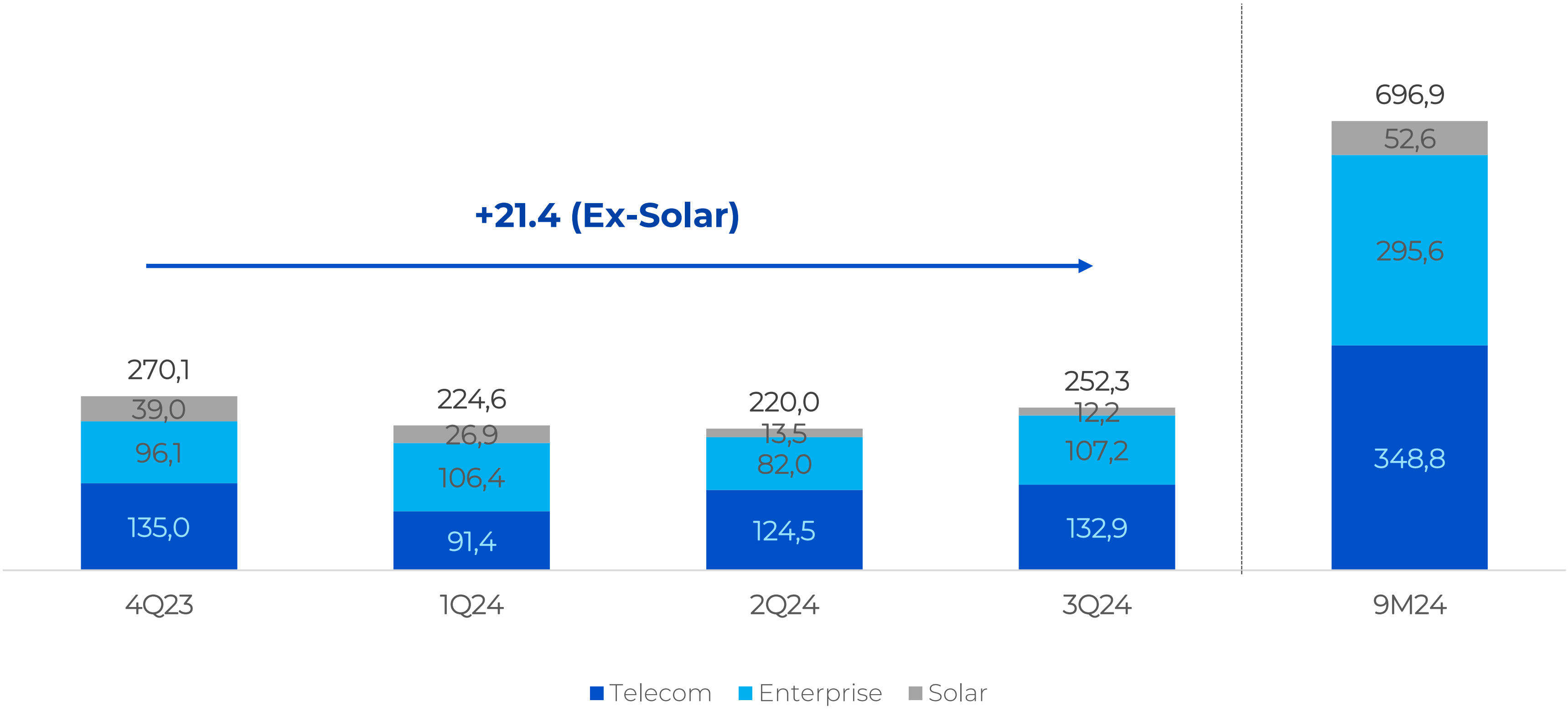
Gross Profit	Adj. EBITDA	EBIT
R$ 55.0 Million	R$ 65.3 Million	R$ 13.1 Million
+15.0% (3Q24 vs 3T23)	+8.2% (3Q24 vs 3Q23)	+16.7% (3Q24 vs 3Q23)

Financial Result	Adj. Net income	Net debt / Adj EBITDA LTM
-R$ 6.5 Million	R$ 5.8 Million	2.21x in 3Q24
+40.2% (3Q24 vs 3Q23)	vs R$0,9 Million in 3Q23	vs 2.17x in 3Q23

Sales Performance

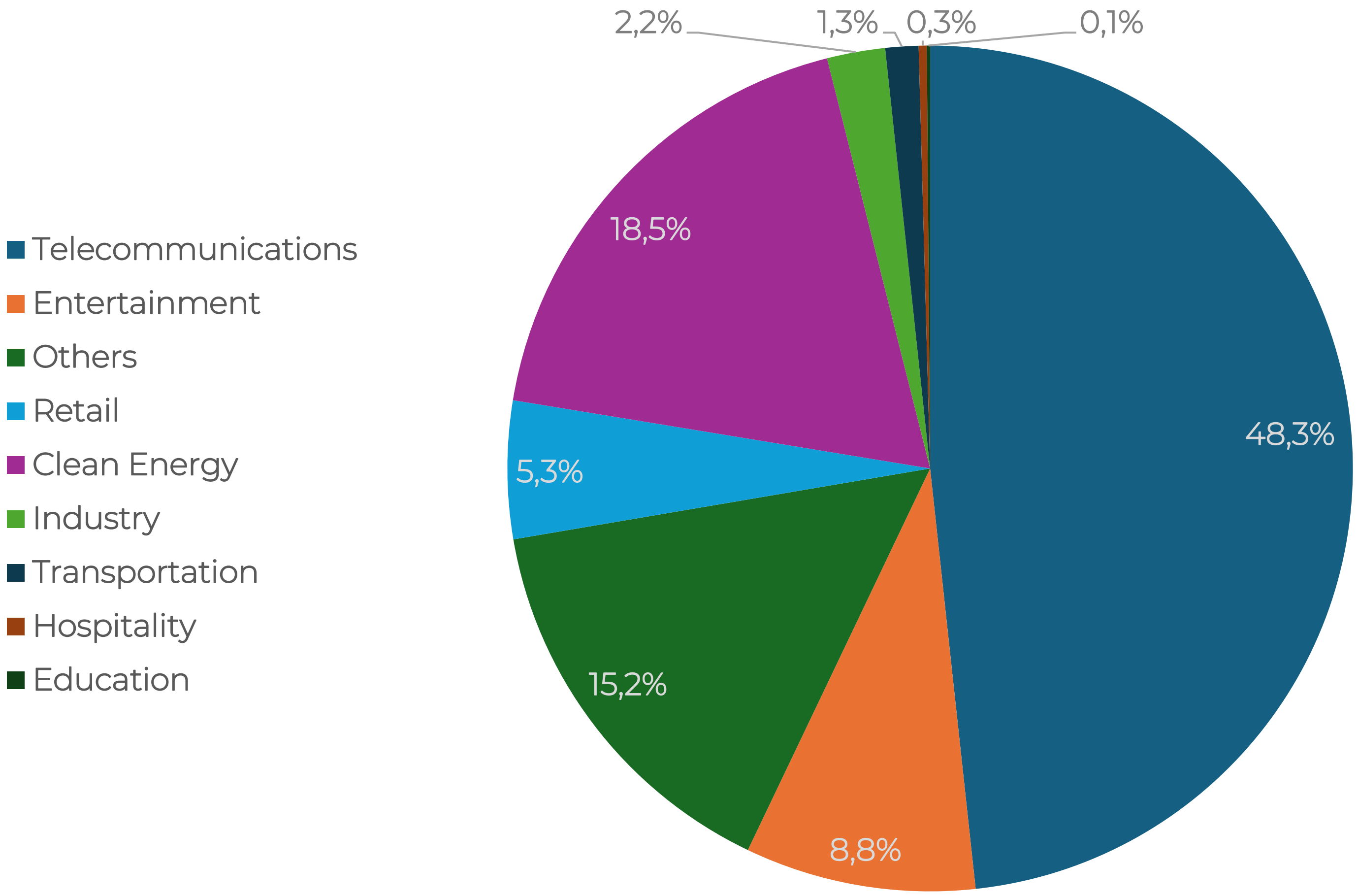
Total Sales (R$ million)

Enterprise and Telecom (combined) growing in 2024



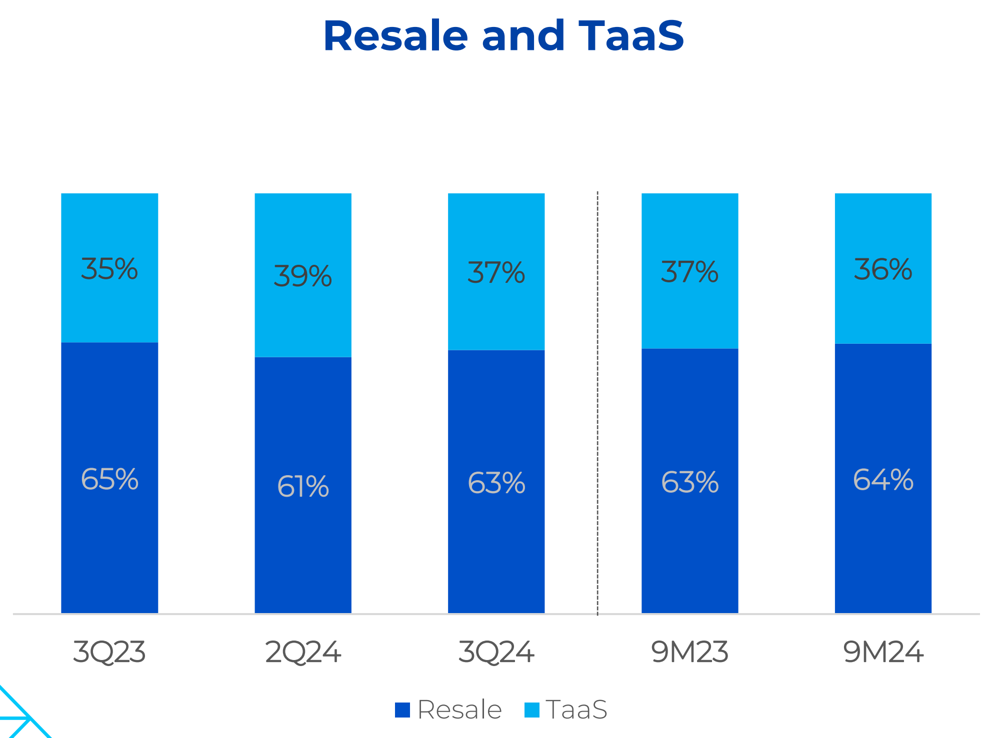
Verticals Total Sales (R$ million)

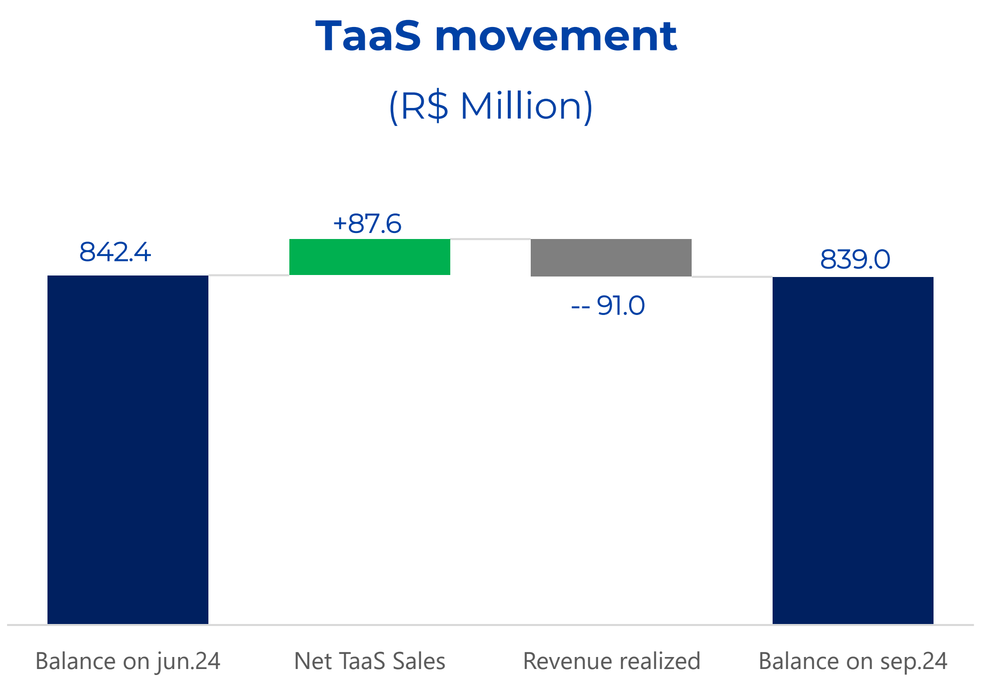
Education, Hospitality, Transportation and Industry together represent less than 4% of WDC's sales. On the other hand, these markets have more than 500,000 companies



TaaS Sales

TaaS reached 37% of sales in 3Q24, totaling R$839.0 million

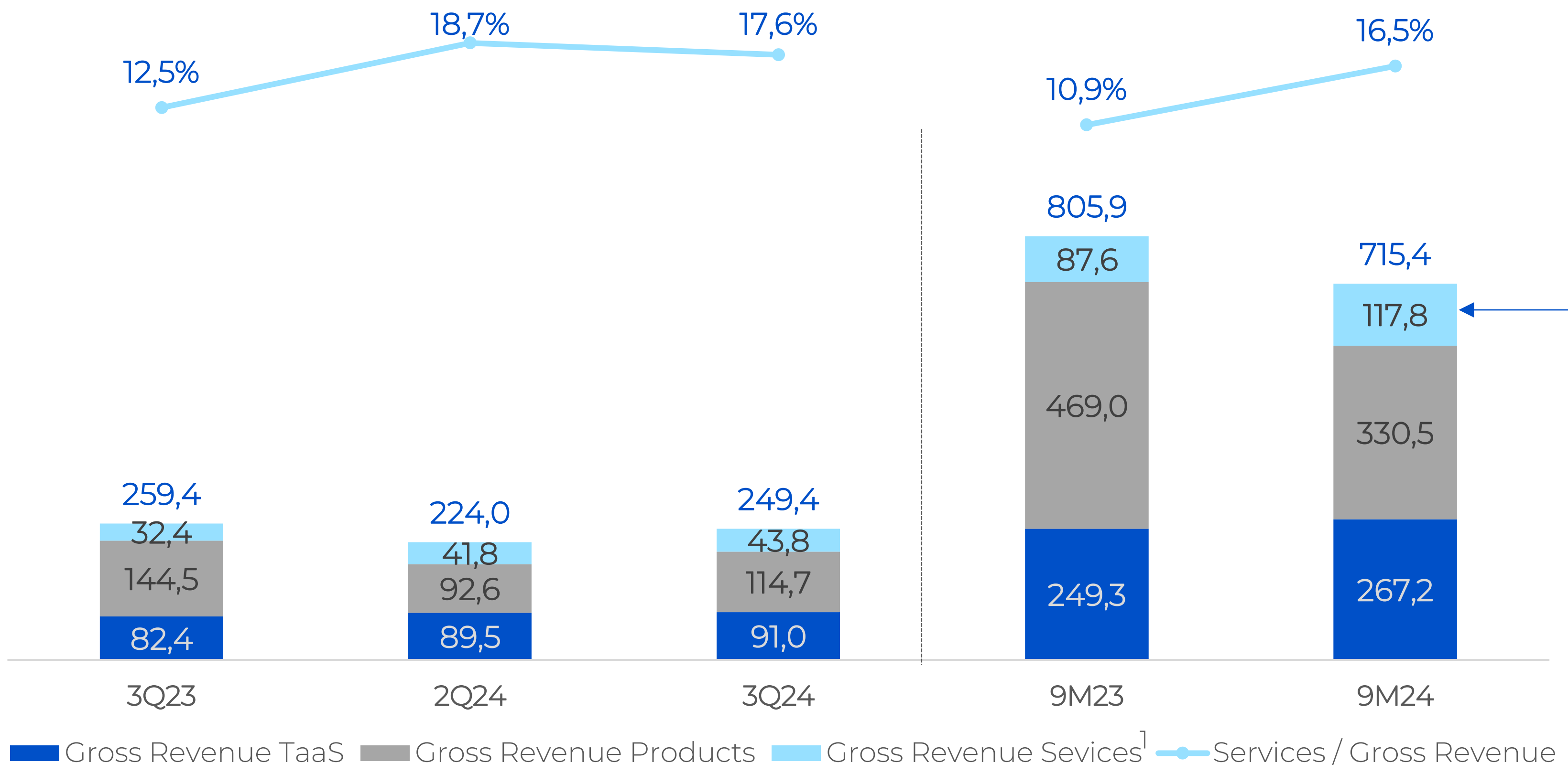




Consolidated Performance

Gross Revenue (R$ million and %)

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

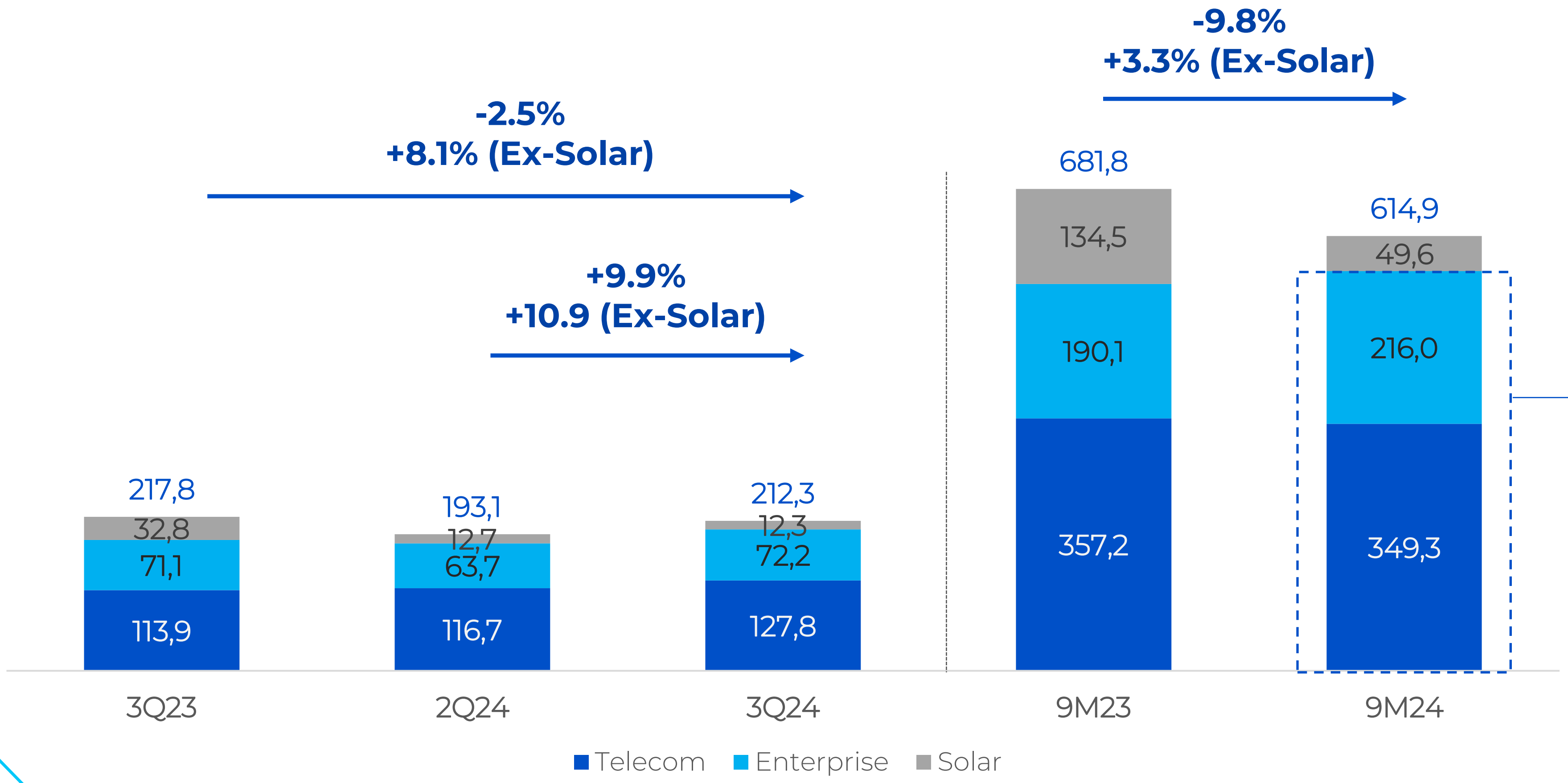


Revenue of Services increased 34.4% in the accumulated view

1 . Services include sales of software.

Net Revenue (R$ million and %)

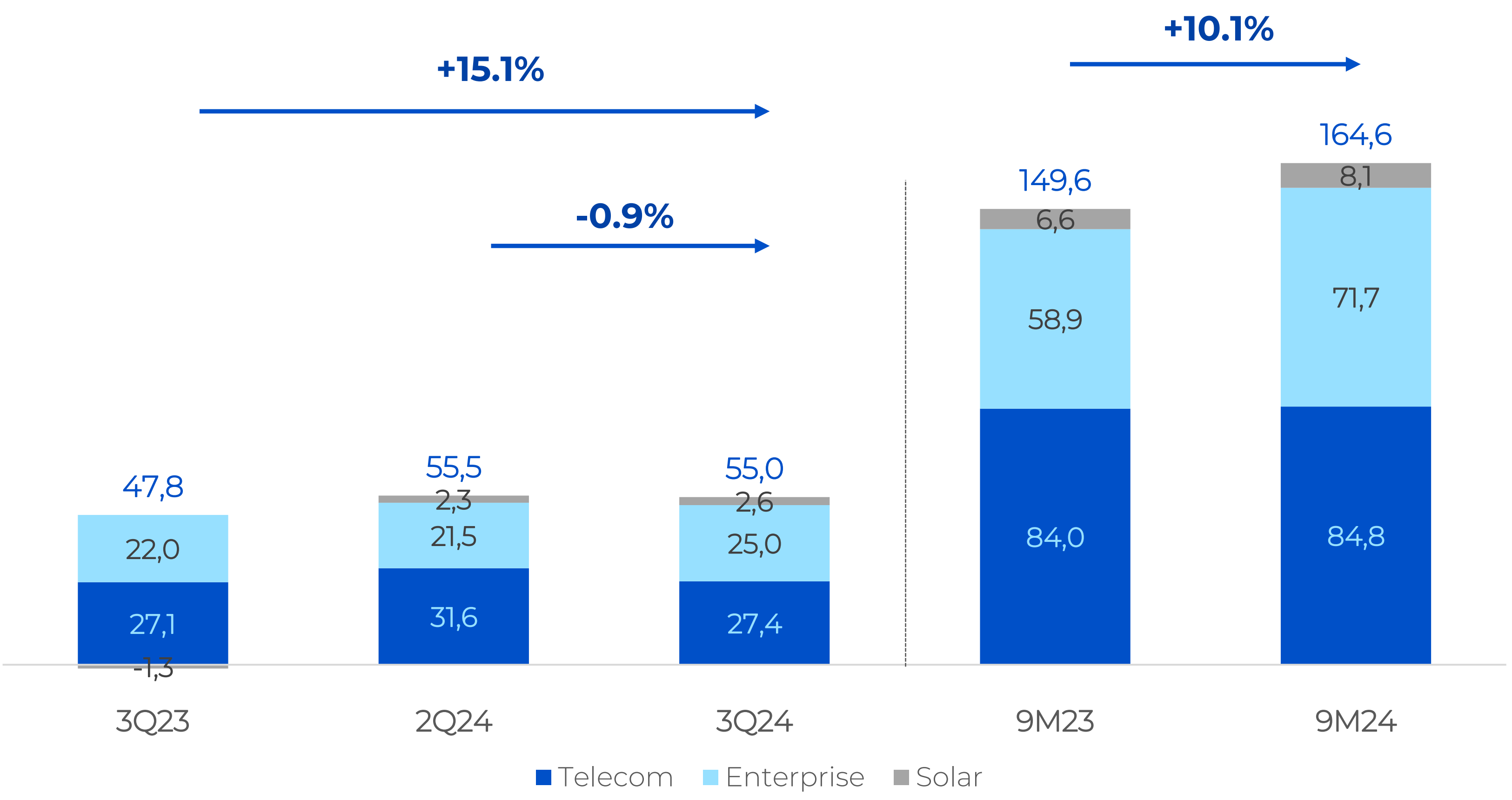
Net revenue (Ex-Solar) reached R$200.0 million in 3Q24, up 8.1% compared to 3Q23



Ex-Solar, increased 3.3% in terms of revenue in 9M24

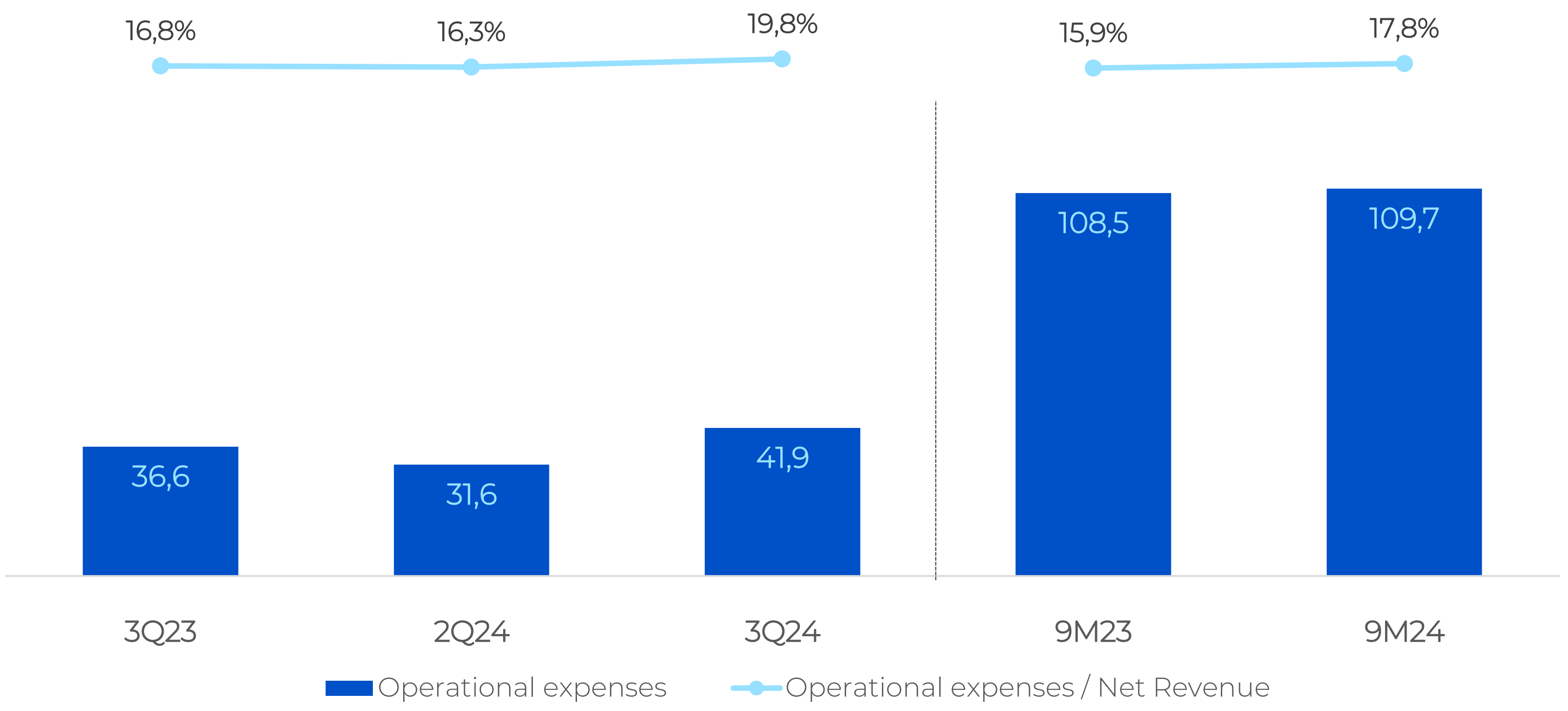
Gross Profit (R$ million)

All segments had progress in terms of margin in 9M24. Consolidated margin in 9M24 was 26.8%, an increase of 4.8 p.p. versus 9M23



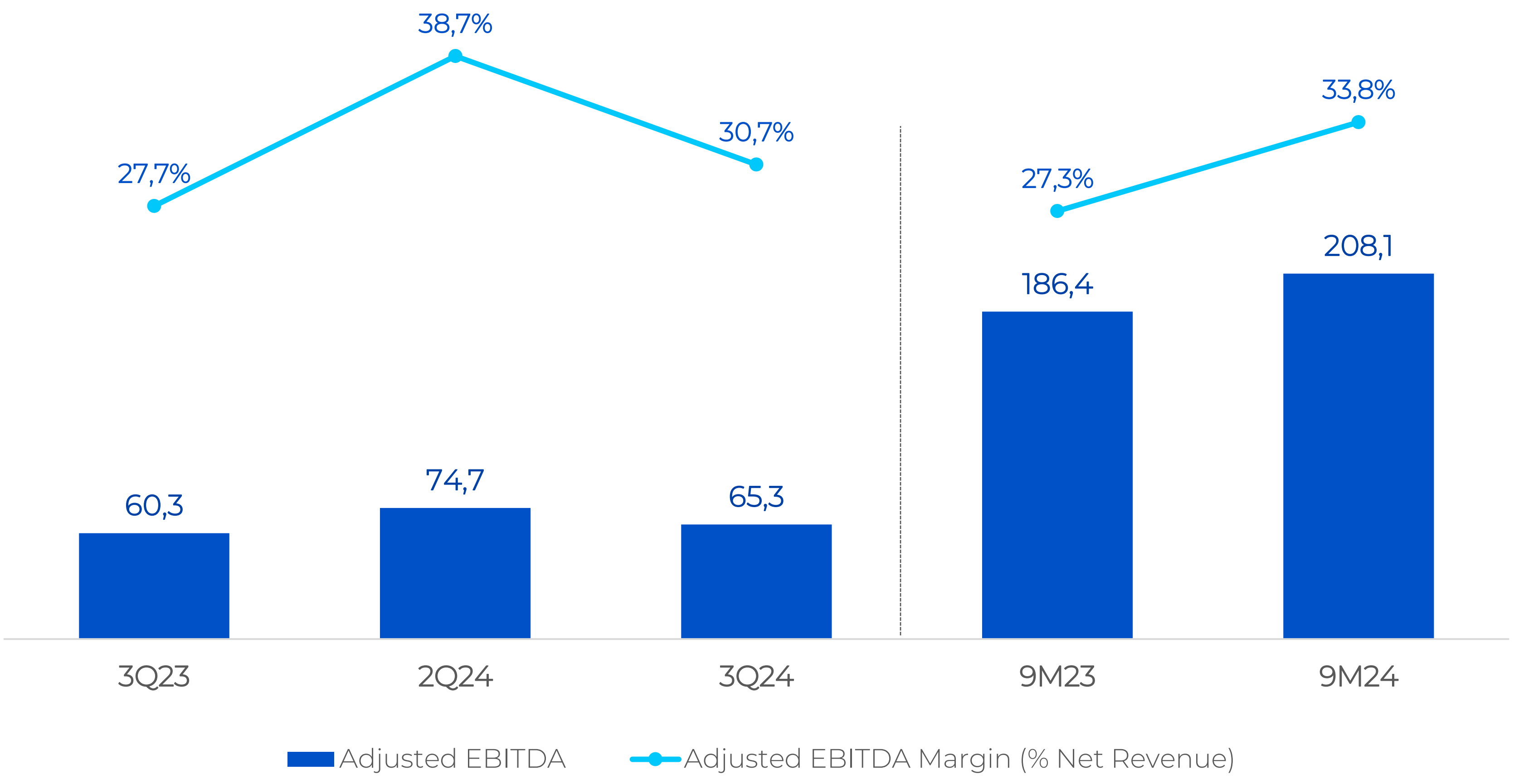
Operating Expenses (R$ million and %)

Operating Expenses pressured by the Allowance for Doubtful Accounts in 2024



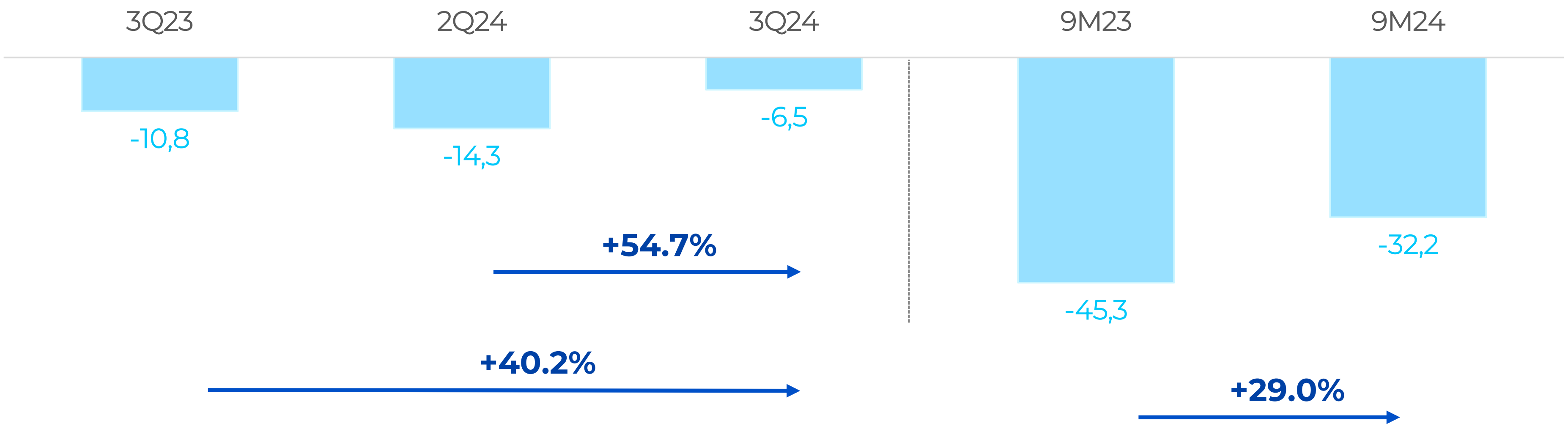
EBITDA Adjusted (R$ million and %)

Cut-off effect harmed the 3Q24 margin versus 2Q24. Annual balance is still favorable with 6.5 p.p. in the adjusted margin



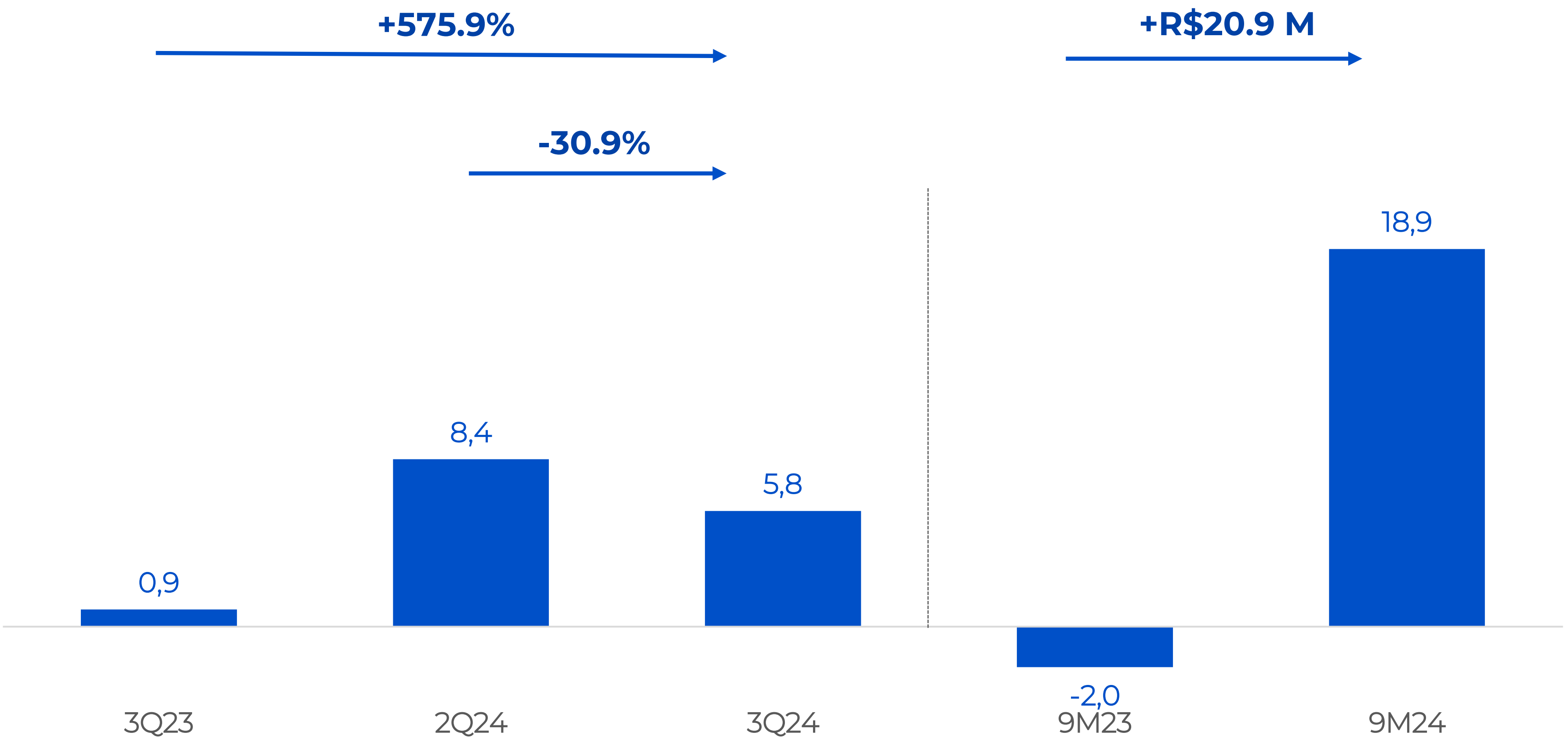
Financial Result (R$ million)

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



Net Income (R$ million)

Third consecutive quarter of profitability, reversing the loss of 9M23



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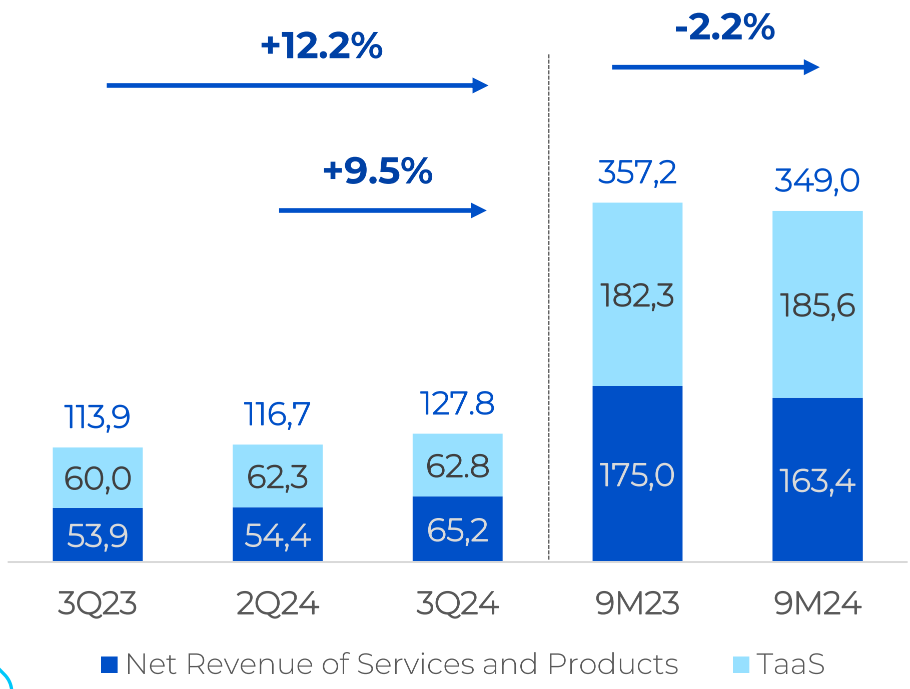
Segment Performance

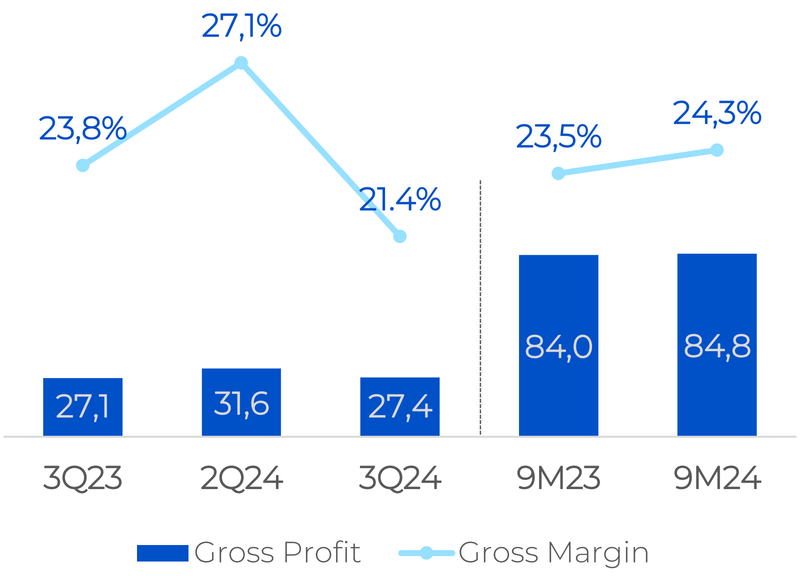
Telecom

Revenue growth in quarterly and annual comparisons

Net Revenue

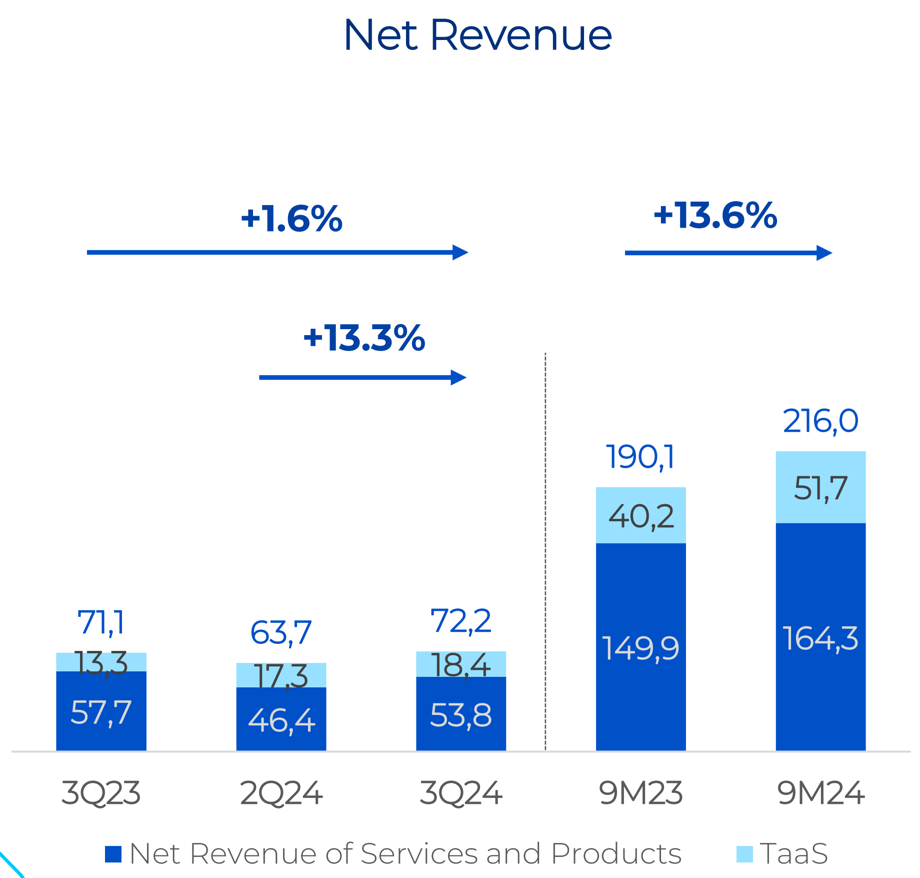


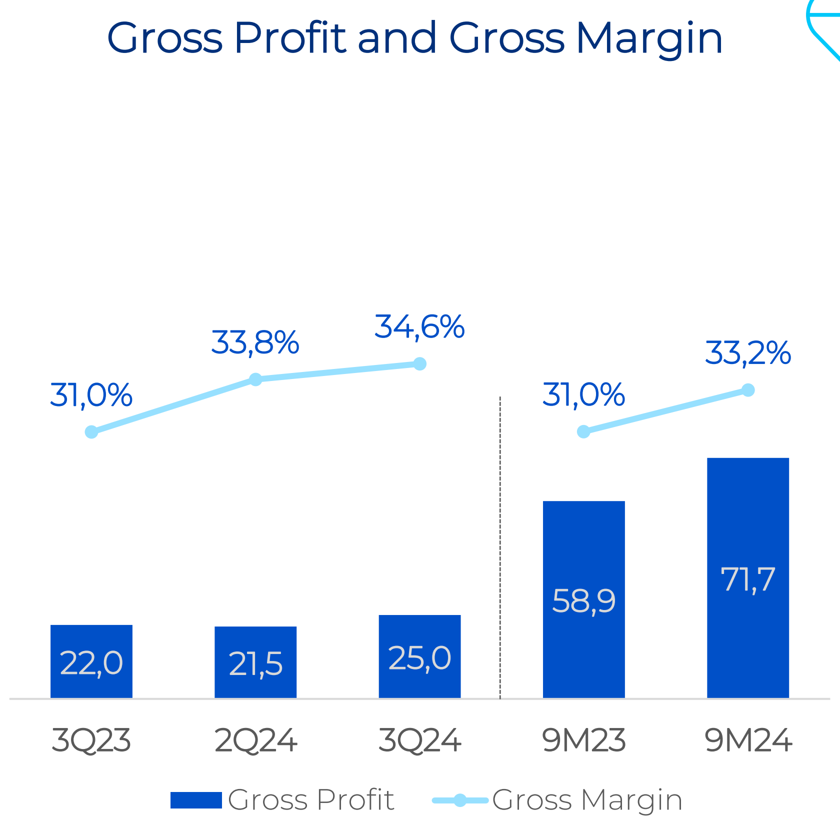
Gross Profit and Gross Margin



Enterprise

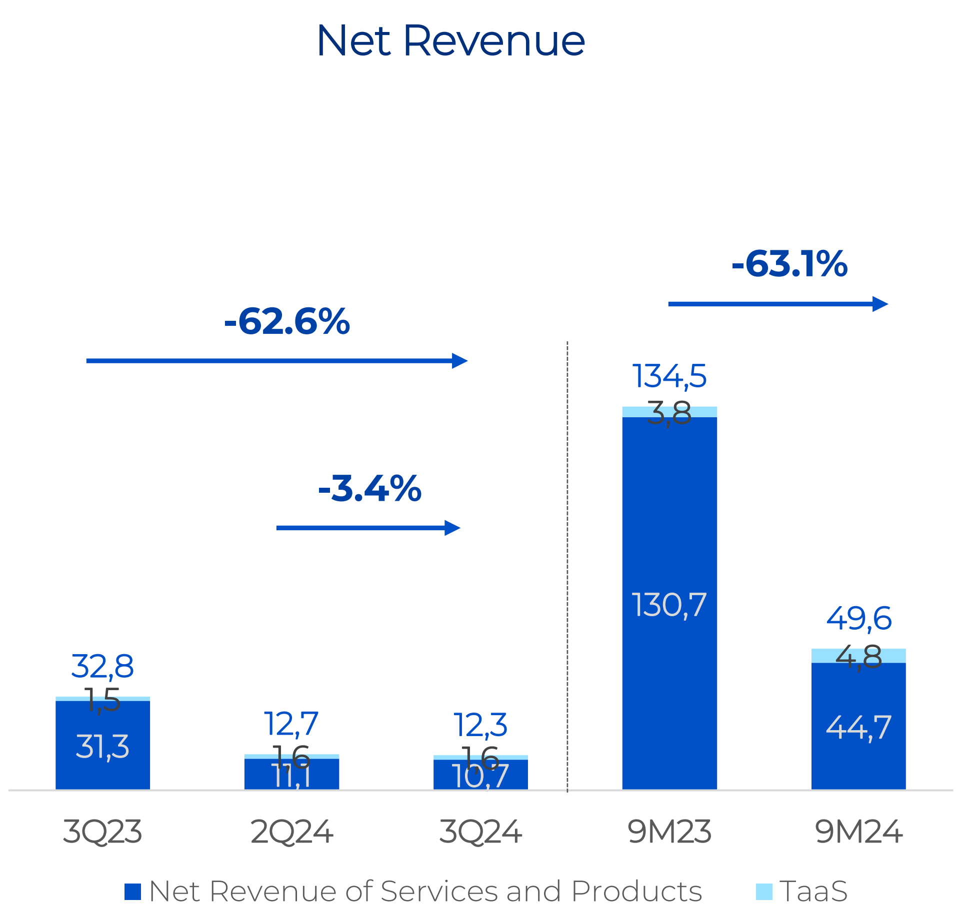
Growth in revenue and gross margin, driven by Cybersecurity and digitalization of OOH (Out of Home) media in retail

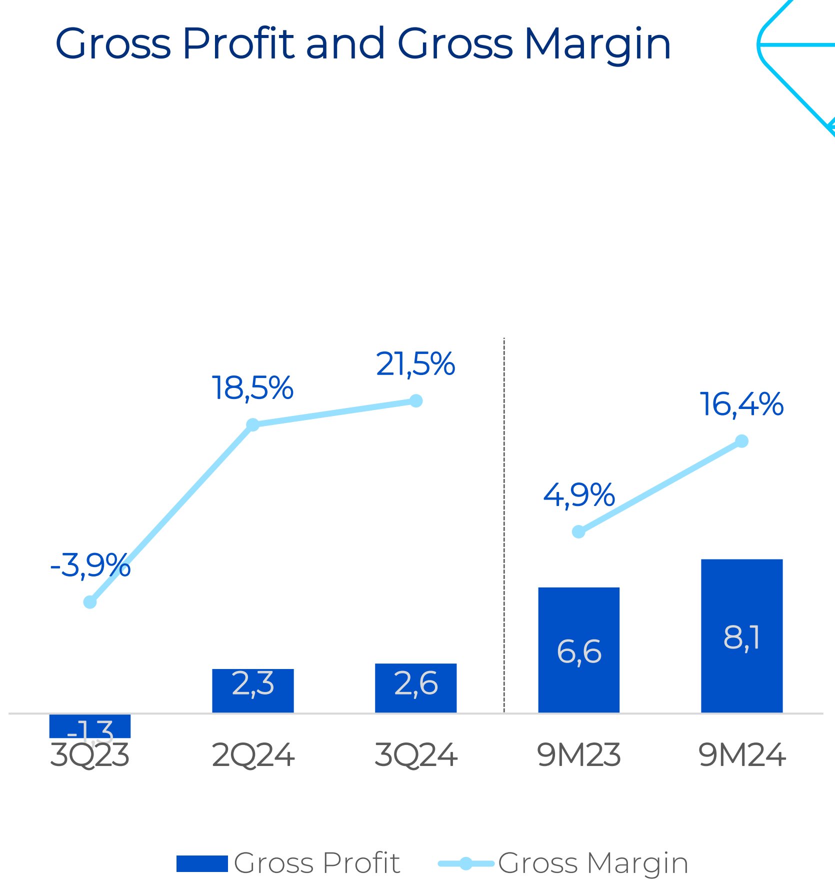




Solar

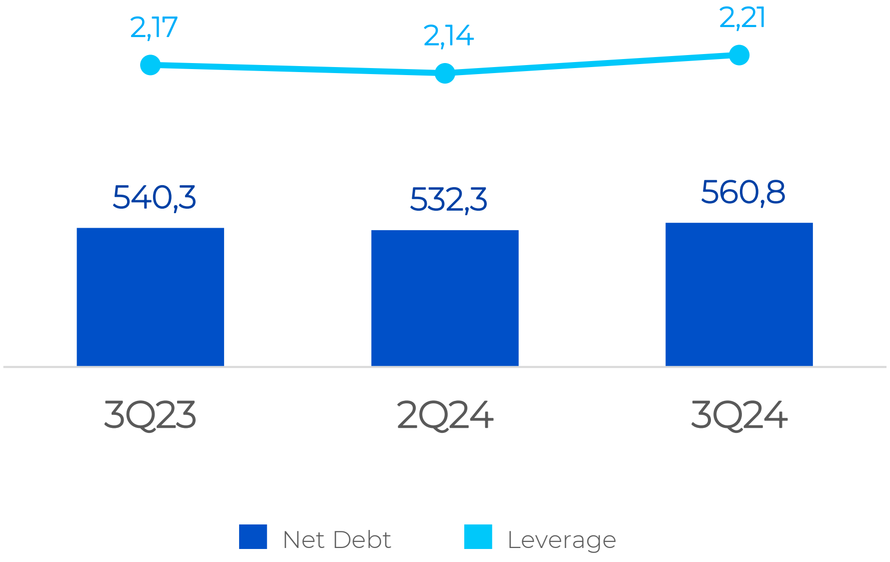
Third consecutive quarter demonstrating evolution in Gross Margin





Leverage and Backlog

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



Indebtedness (R$ Millions)	3Q23	2Q24	3Q24
Short term debt	*118.2*	*70.4*	*129.9*
Long term debt	*520.6*	*537.2*	*483.7*
Gross Debt	638.8	607.6	613.6
Cash and Financial Investments	(98.5)	(75.3)	(52.8)
Net Debt	540.3	532.3	560.8
TaaS Revenue Backlog	873.8	842.4	839.0
Backlog Hedge on Net Debt	1.62x	1.58x	1.50x

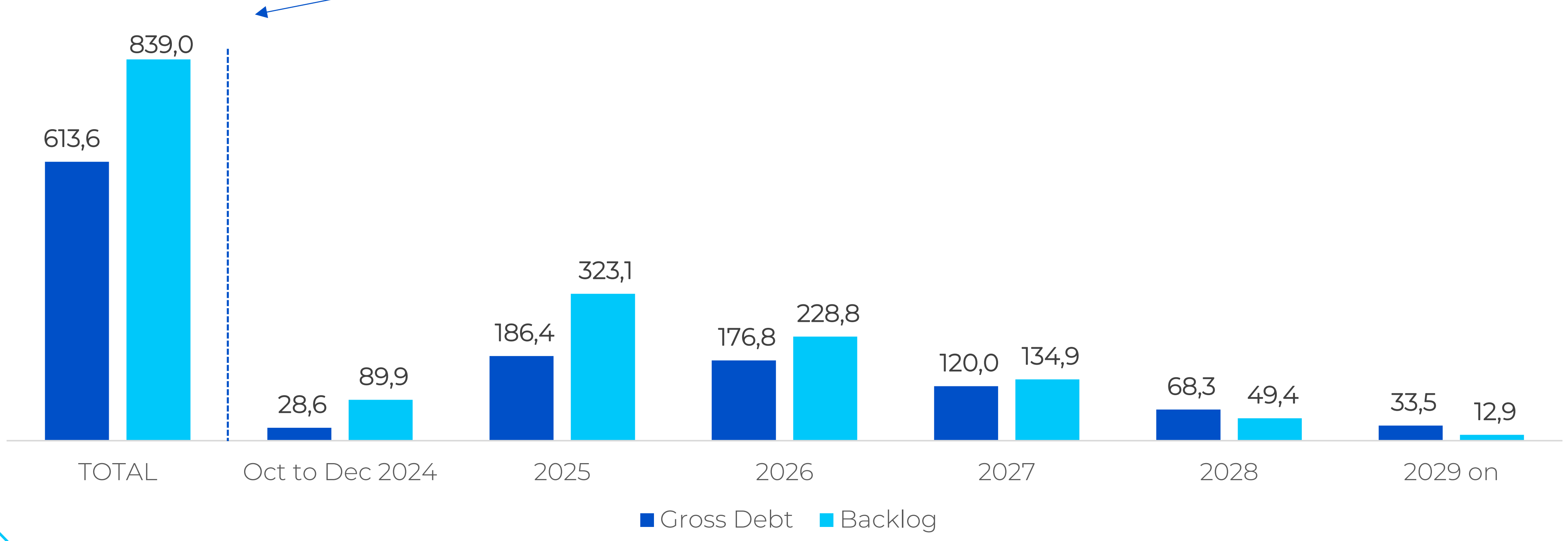
- Financial Leverage remains at healthy levels
- Backlog >> Security for debenture holders

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”.

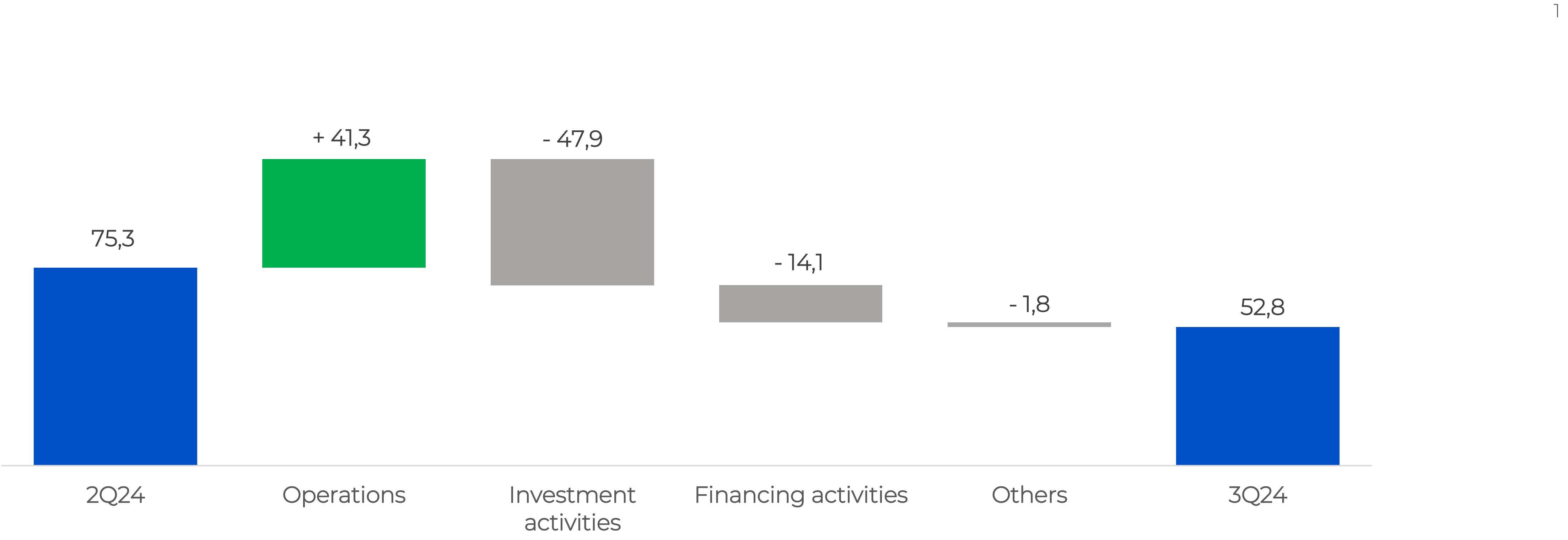
Backlog x Gross Debt

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

Backlog = Cash generation, discounting PIS/COFINS

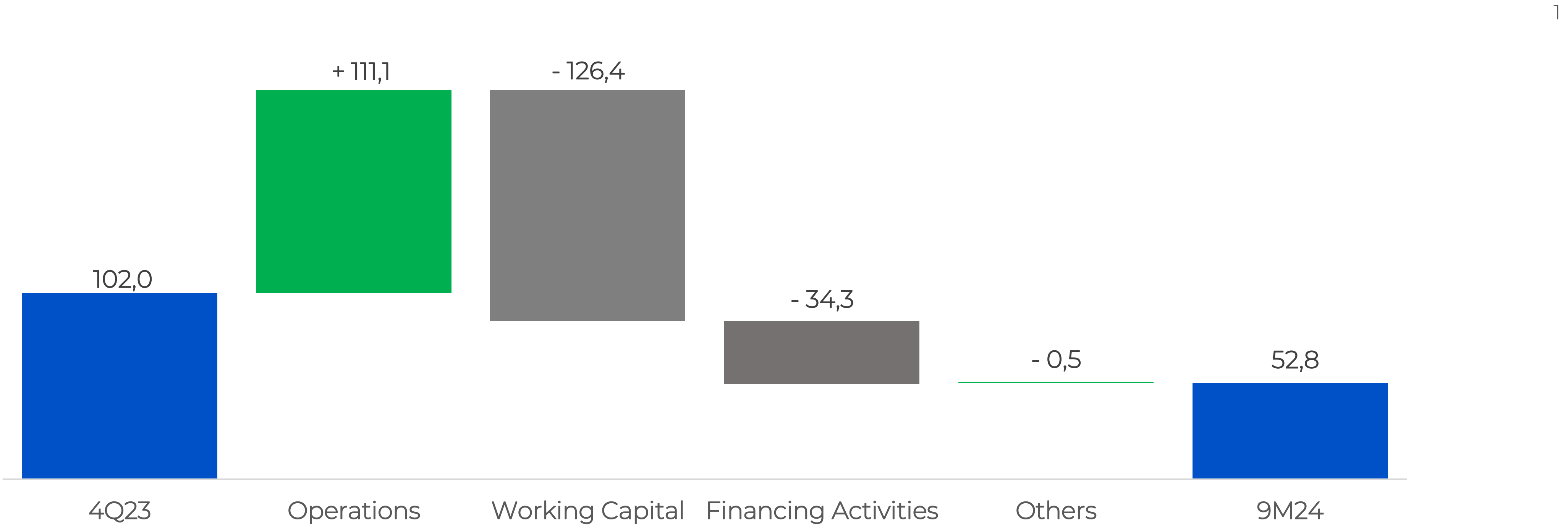


Quarterly Cash Flow | (R$ million, consolidated)



1 . Interest paid on Debentures in the amount of -R$1.9 million in 3Q24 was managerially allocated to financing activities.

Quarterly Cash Flow | (R$ million, consolidated)



1 . Interest paid on Debentures in the amount of -R$35.9 million in 9M24 was managerially allocated to financing activities.

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Perspectives

WDC in 2025

- Focus on profitability
- Expansion of sales channels and integrators
- Explore market verticals
- Provide managed services
- Delivering complete solutions

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Thank you!

Q&A

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