

WDC
NETWORKS

EARNINGS PRESENTATION 2Q21

August 17, 2021



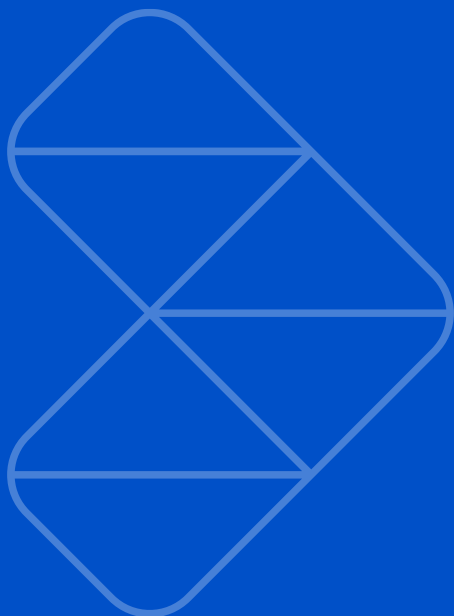
LVTC
B3 LISTED NM



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, 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, financeiros pro forma. Os dados não contábeis não foram objeto de revisão por parte dos auditores independentes da Companhia.





Strong Performance of Total Sales and Adjusted Net Income Growth



LVTC
B3 LISTED NM

R\$390 million
+68.4% vs. 2Q20



Total Sales



R\$91.4 million
LTM



Adjusted Net Income



- **IPO from WDC Networks on July 26 at B3, LVTC3 ticker, obtaining R\$450 million** and issuing 19,400,000 new shares.
- **Consolidated Adjusted EBITDA: R\$68.5 million in 2Q21, a 40.3% growth vs. 2Q20** and R\$127.7 in the 2021 YTD Income. **In the YTD for the last 12 months, R\$259.1 million**
- **Adjusted EBITDA Margin Telecom Segment to 44.3 % (+2.4 p.p. vs 2T20)**
- **Consolidated Adjusted Net Profit: R\$25.2 million in 2Q21, an 89.2% growth compared to 2Q20**
- **Net Debt / Adjusted EBITDA LTM: 2.4x on June 30, but then 0.9x after the Pro Forma IPO.** Net Debt Coverage Index (Gross Cash + Backlog) in 82%
- **Portfolio Update:** New partnerships

logitech



(Solar)

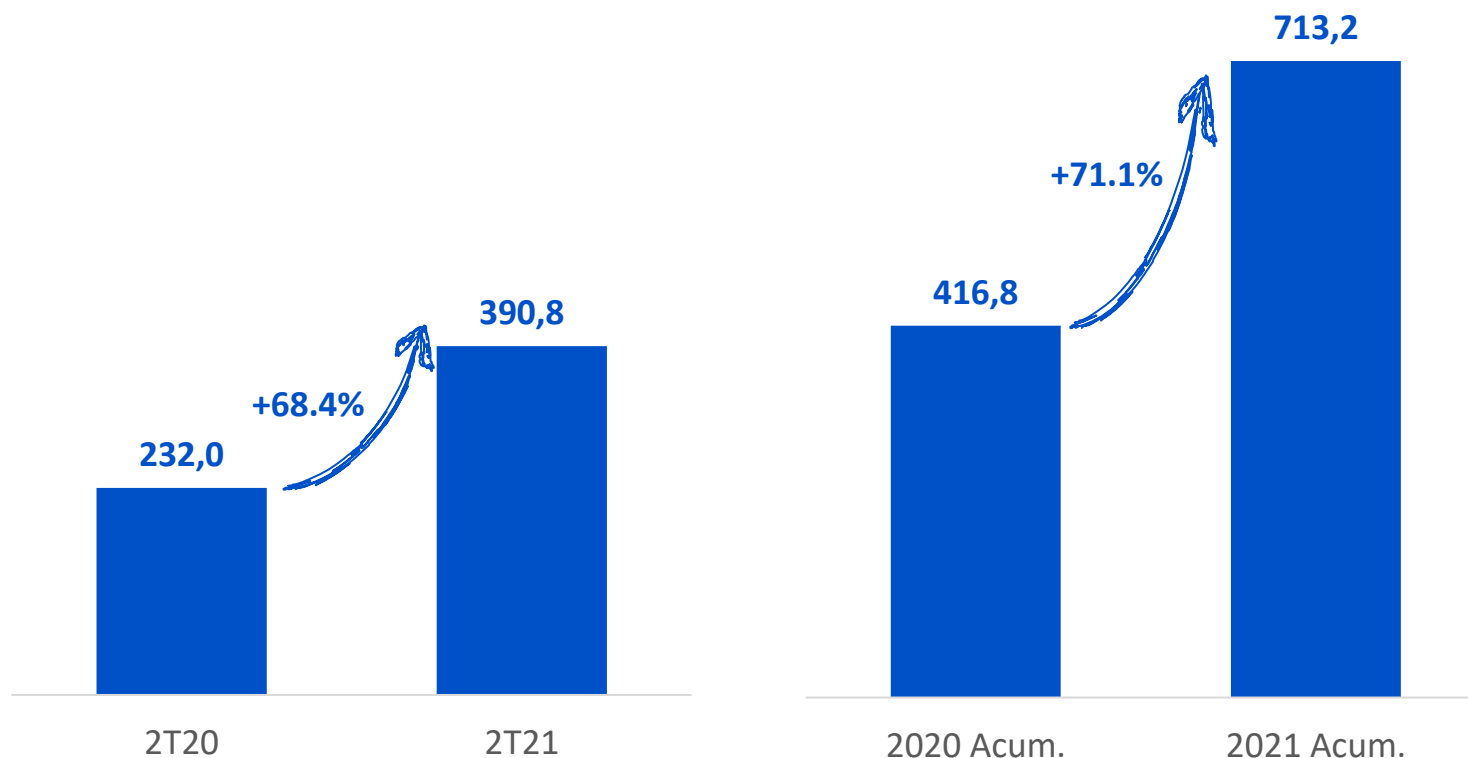


Breaking the Record of Consolidated Total Sales |

(R\$ million)



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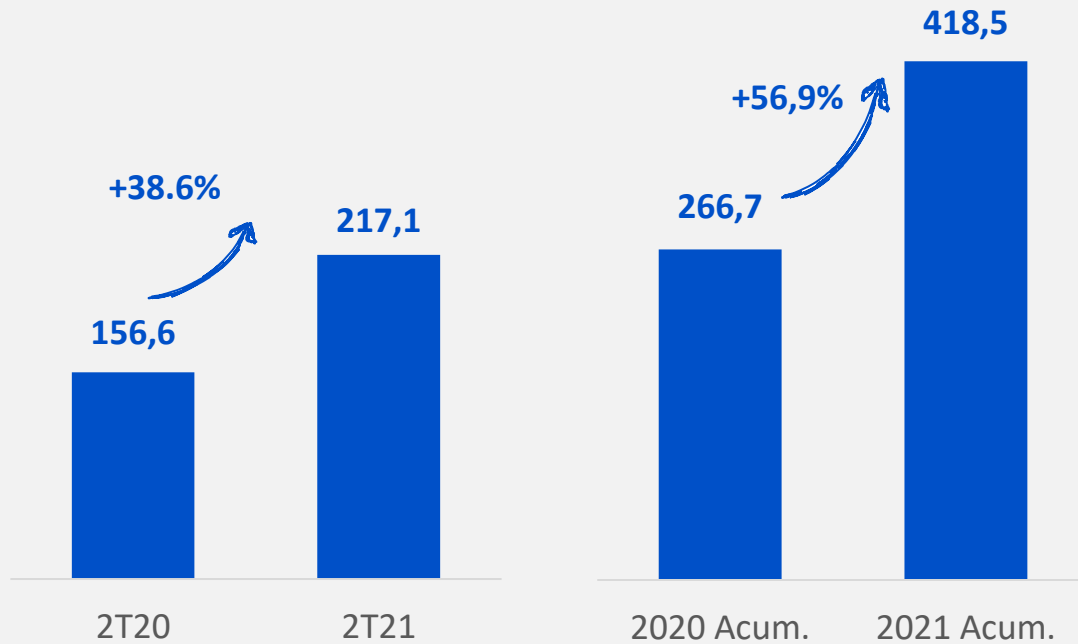


Positive highlight Telecom Segment and strong volume of sales of products

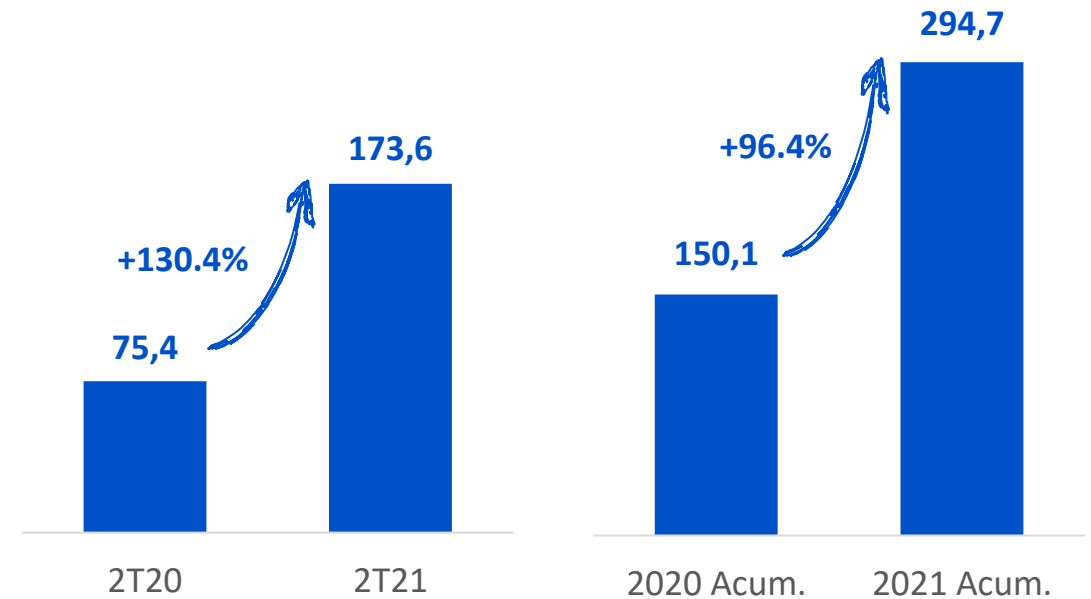
Total Sales for the Segments | (R\$ million)



Telecom



Corporate

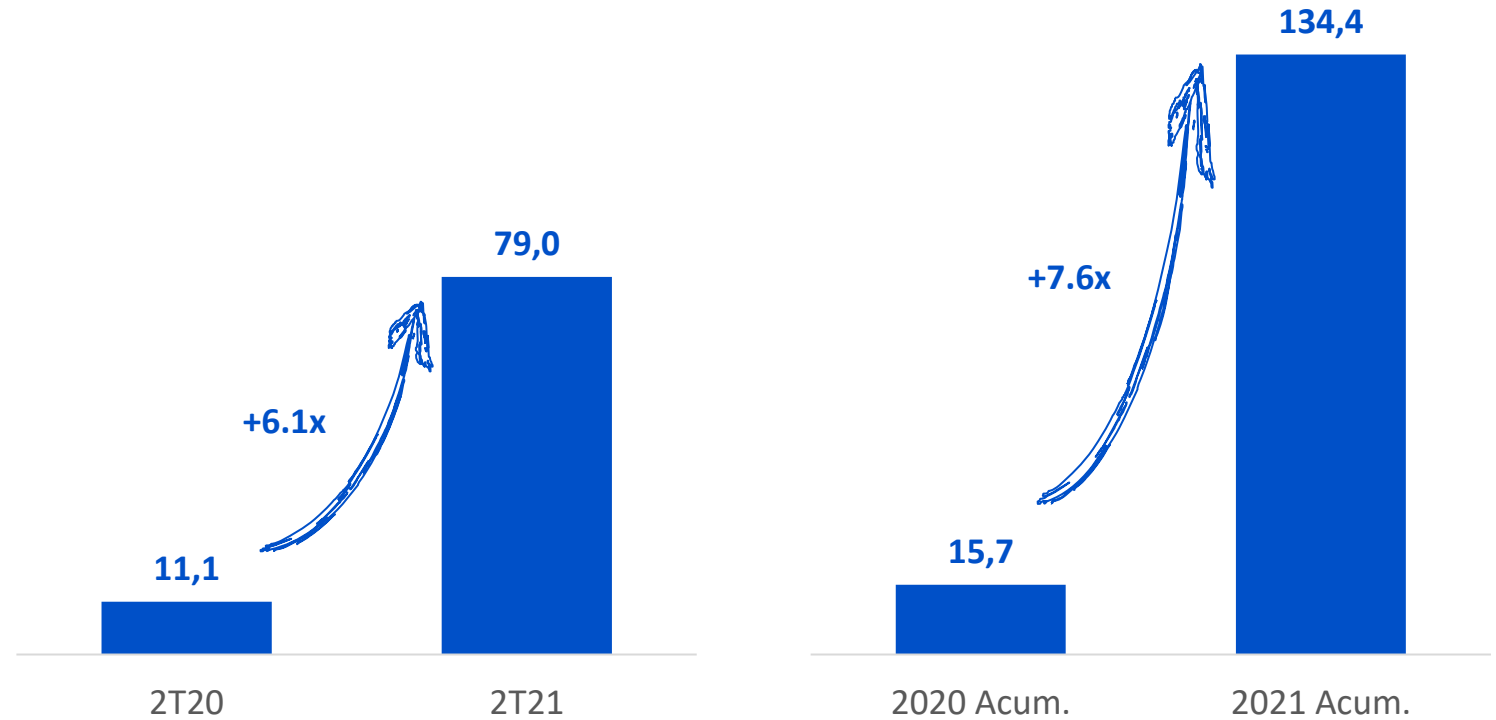
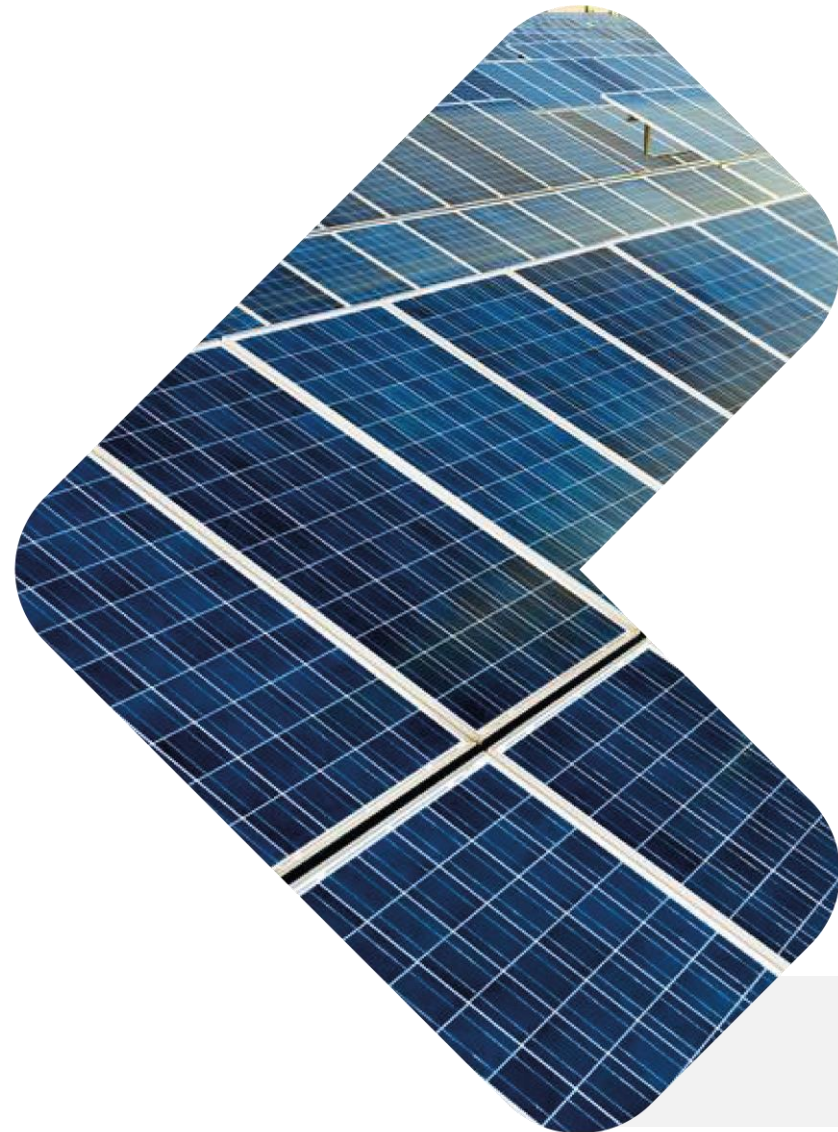


Telecom now represents 58.7% of the total YTD in 2021



Corporate growth with the recovery of BU Enterprise (47,3% 2Q21 vs. 2Q20)

Total Sales of BU SOLAR | (R\$ million)



BU Solar expanding and gaining market share

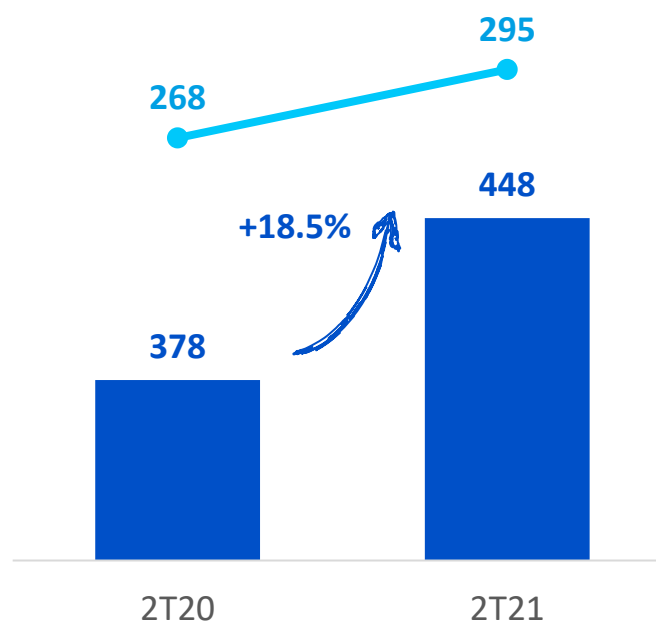


TaaS Performance



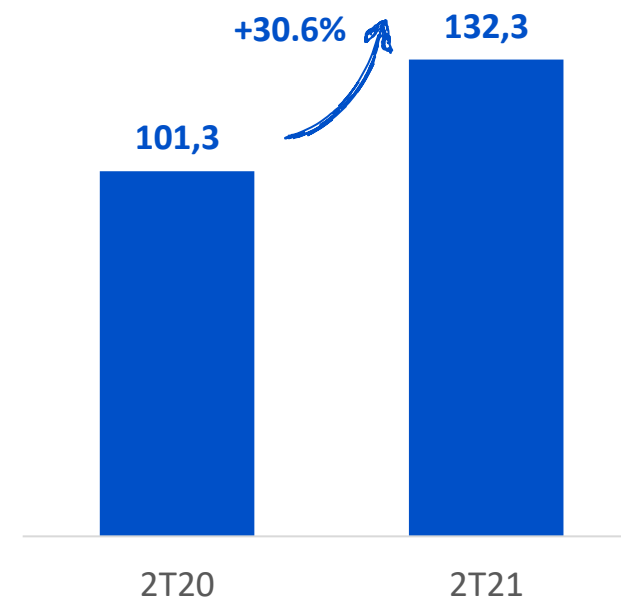
Quantity of New Agreements and Value of the Agreements

- Number of Agreements (#)
- Value of Agreements (R\$ thousands per agreement)



Positive combination of more agreements with a higher unit amount

Total Sales of TaaS | (R\$ million)

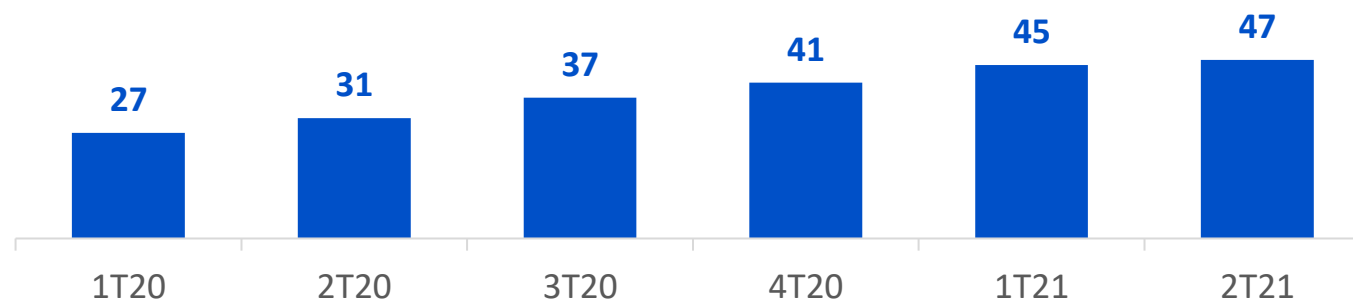




Continuous Increase in the Term of New Agreements



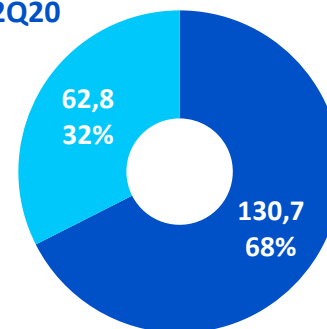
Terms for New TaaS Agreements | (Average in months)



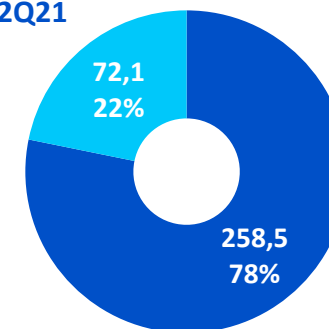
Composition of the Gross Income | (R\$ million | % Gross Income)

- Gross Income Sales
- Gross Income Lease

2Q20



2Q21

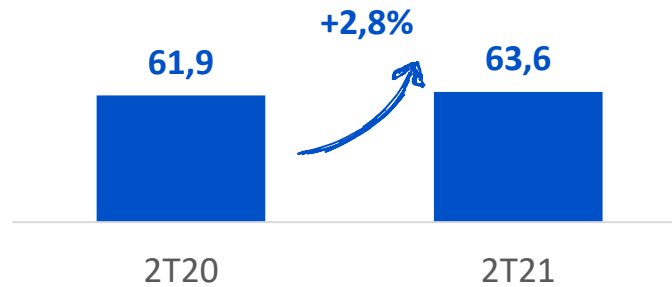


The postponement of Terms for the New TaaS Agreements and for BU Solar impacted the composition of the Gross Income

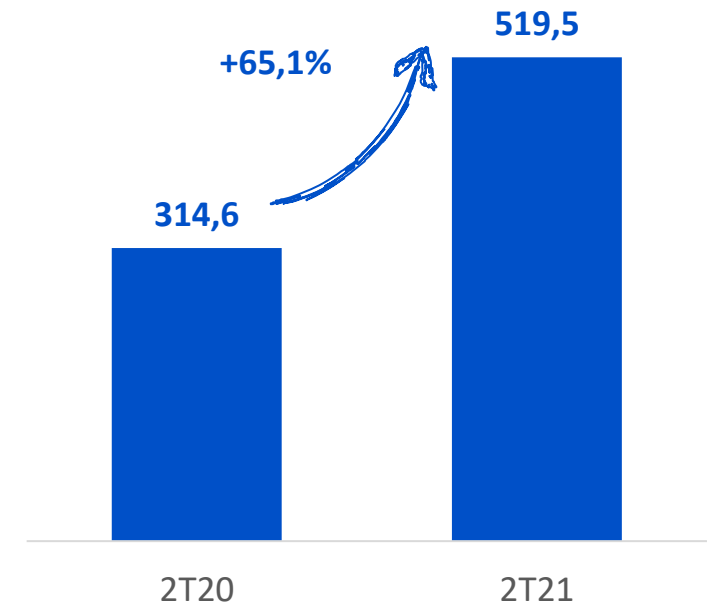
CAPEX and Revenue Backlog | (R\$ million)



CAPEX



Revenue Backlog



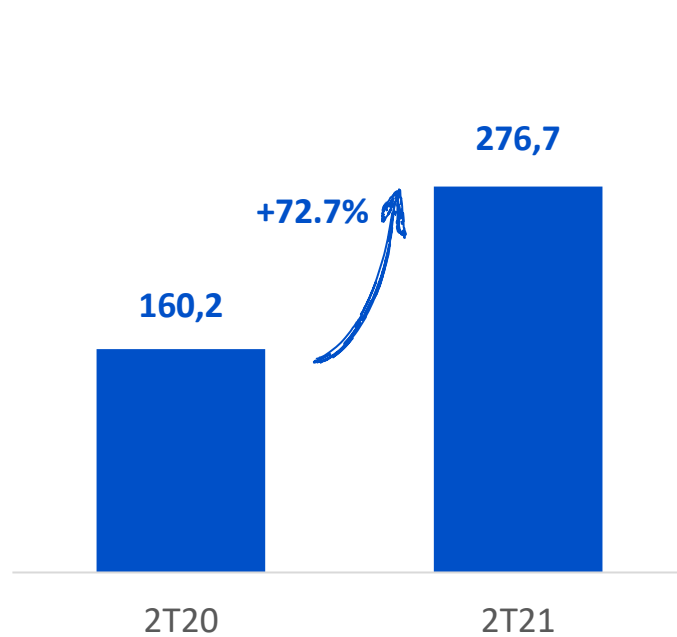
The increase in the Backlog is due to postponement of Terms for the New TaaS Agreements (47 months) and the increase in Total Sales (+30,6% 2T21 vs. 2T20)



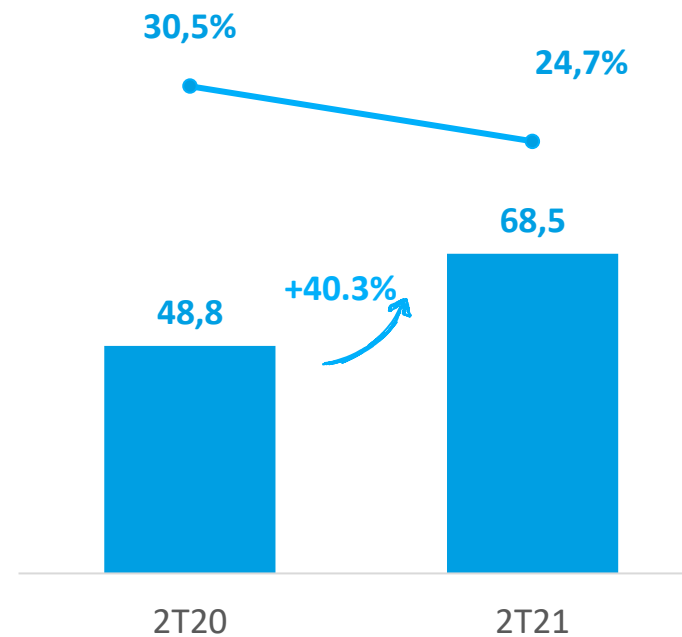
Consolidated Result



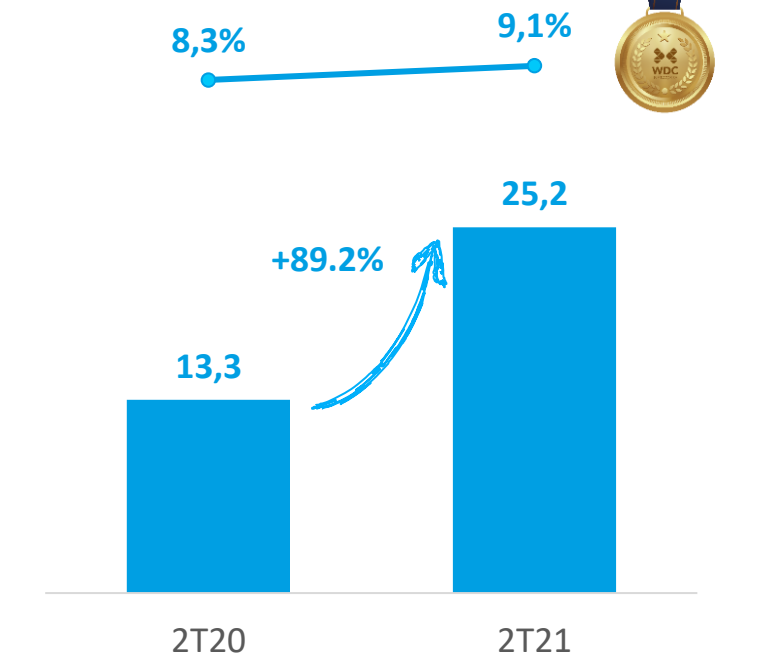
Net Income (R\$ million)



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



Net Adjusted Income | (R\$ million)

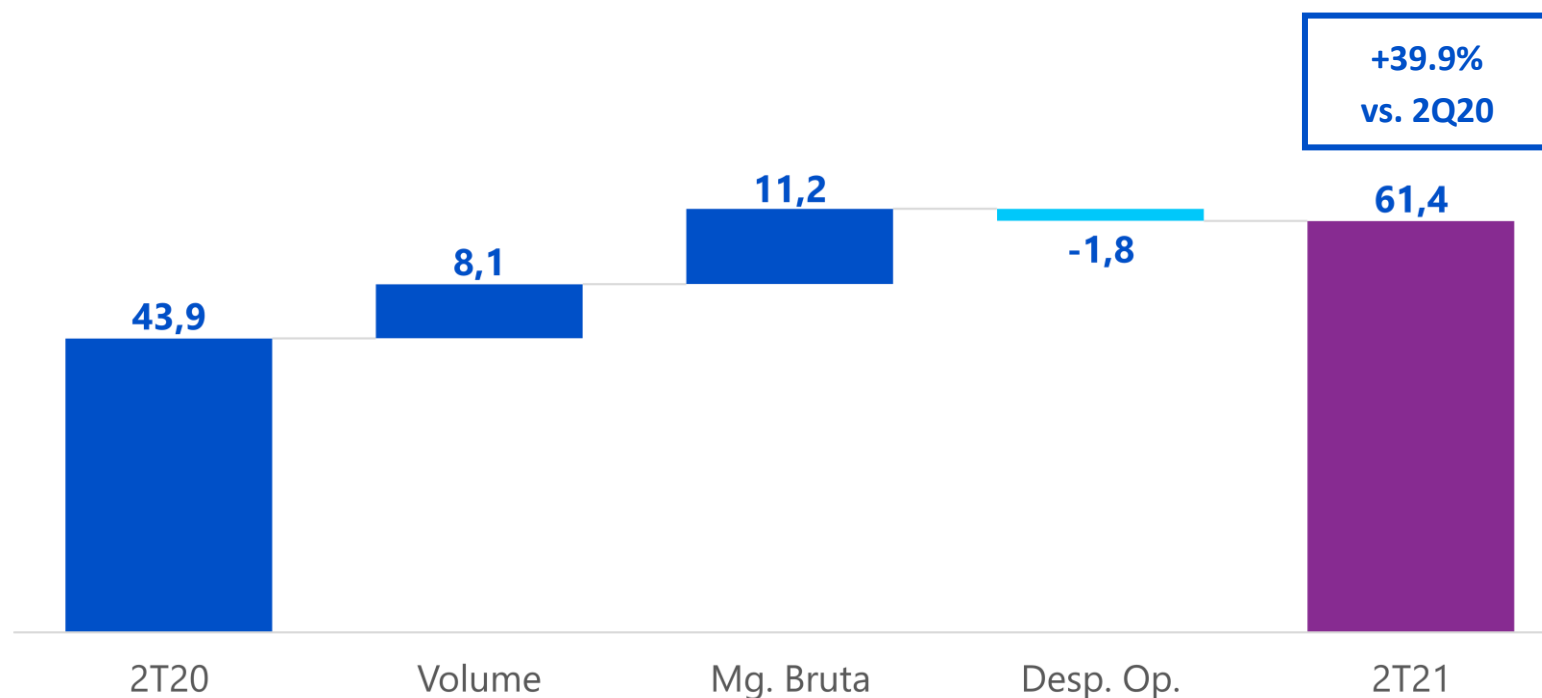




Telecom Segment: Volume and Margin of Sales as the main highlights



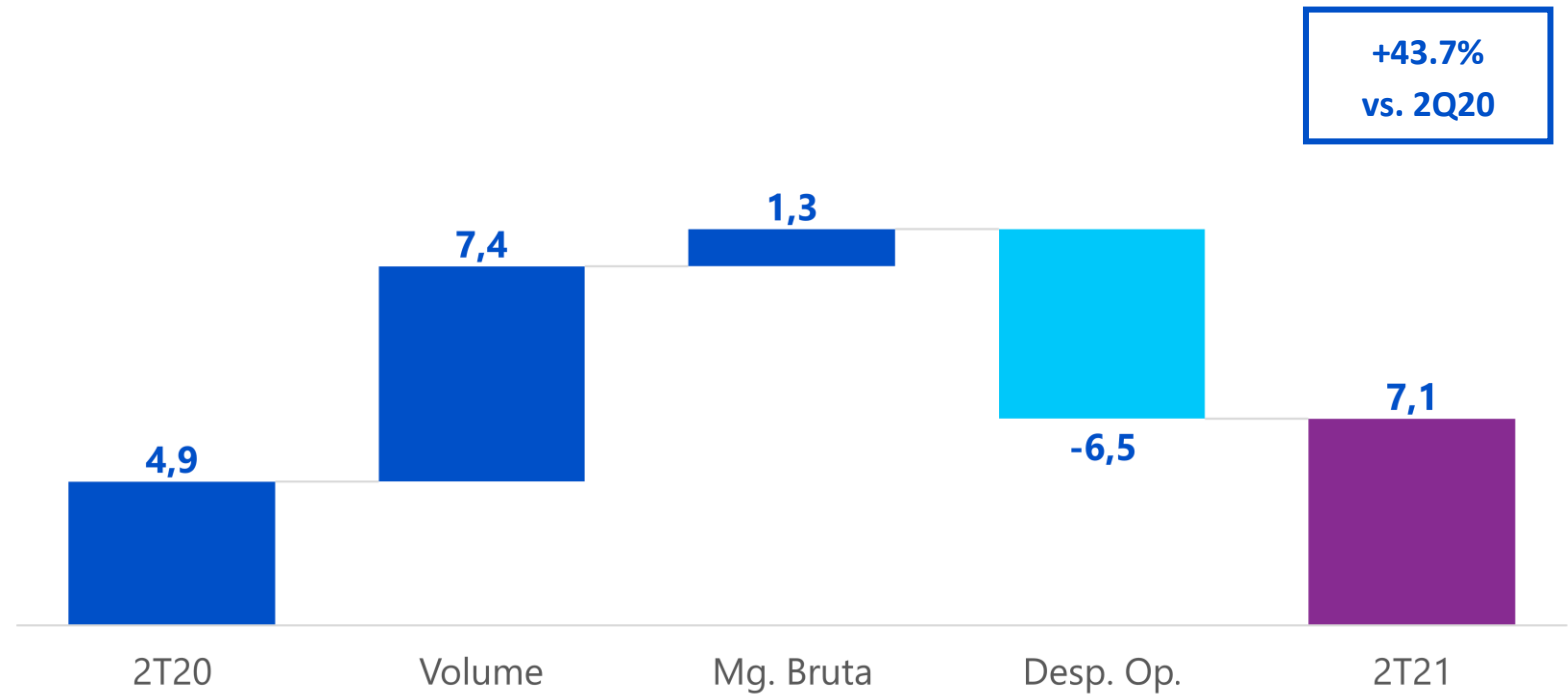
Adjusted Telecom EBITDA | (R\$ million)



Sales of 727.4 Thousand units of ONUs in the 1H2021 vs. 3,669.0 Thousand new fiber connections (Anatel – jul/21)



Adjusted Corporate EBITDA | (R\$ million)



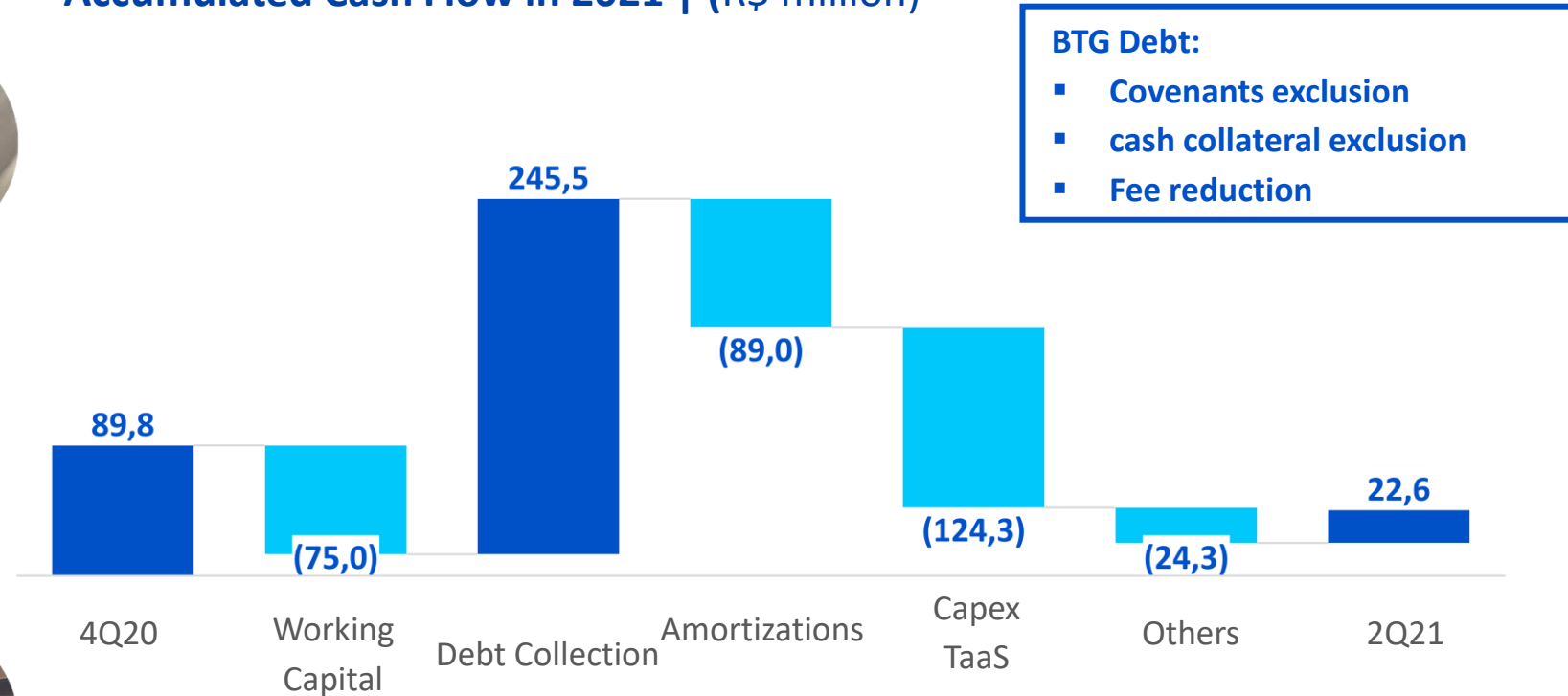
New projects and greater volumes from BU Solar



Cash Flow | Refinancing part of the Debt and CAPEX



Accumulated Cash Flow in 2021 | (R\$ million)

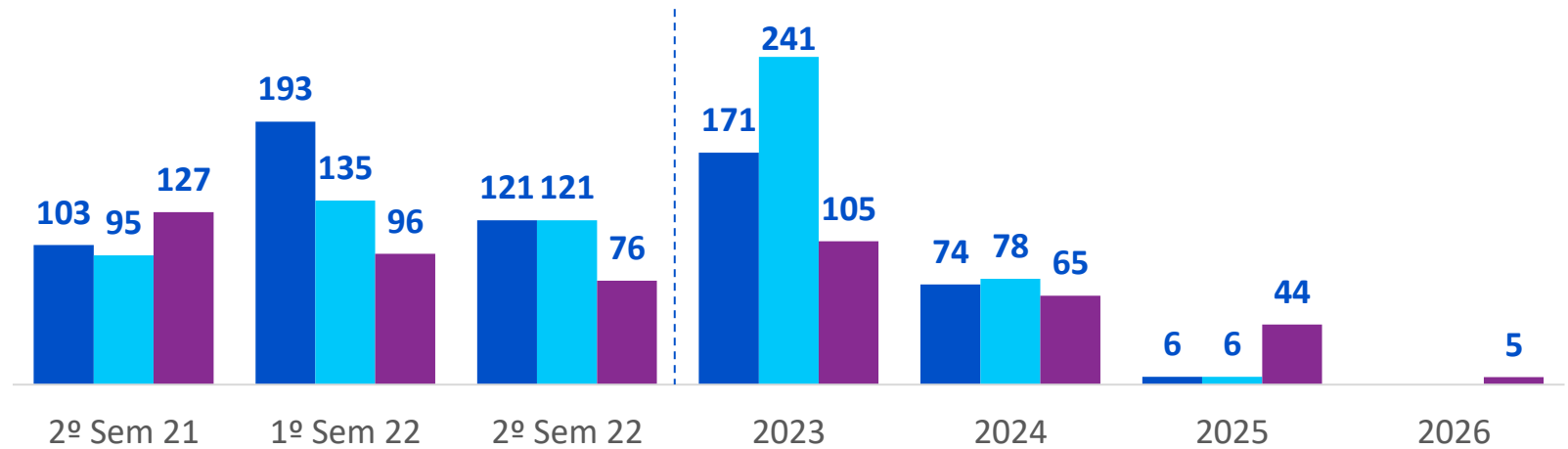


Cash Consumption for Capex TaaS and adjustment to the new need of working capital for future growth



Debt Amortization Schedule | (R\$ million)

- Gross Debt
- Post-Renegotiation Gross Debt (Pro Forma in Aug, 13)
- *Future Income Backlog*



In the 2Q21, the average term of debts was 29 months and the cost in CDI was +3.46%.



Whats Next...



- **Strong Adjusted Net Income LTM** (R\$91.4 million) encourages us for the 2nd semester with good perspectives
- **Telecom Segment:** Neutral Networks and the market consolidation are creating new investments in small ISPs as a way to prepare for the future
- **Corporate Segment:** Improvements in the vaccines should bring economic recovery, recovery for the professional audio and video niche, and the return of bigger infra structure projects
- **New Partnerships:** Huawei Solar and Logitech will bring new opportunities
- **International Logistics / supply chain:** challenges will continue in the 2H of 2021



Thanks and Q&A!



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