



WDC
NETWORKS



EARNINGS
RELEASE
3Q24

LVTC
B3 LISTED NM

Conference Call
November 14, 2024 - Thursday
10:00 a.m. (Brasília time) | 9:00 a.m. (EST)

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IGC-NM B3

IGC B3

ITAG B3

3Q24 Earnings Release

WDC achieves third consecutive quarter of profitability and reaches R\$5.8 million in Adjusted Net Income (versus R\$0.9 million in 3Q23), Gross Profit of R\$55.0 million (+15.0% vs 3Q23) and Adjusted EBITDA of R\$65.3 million (+8.2% vs 3Q23).

Ilhéus, November 13, 2024 - Livetech da Bahia Indústria e Comércio S.A. (B3: LVTC3) ("Company" or "WDC Networks"), a technology company in the Telecommunications, Solar Power and Enterprise segments founded in 2003 and a pioneer in marketing Technology as a Service (TaaS), today reports its results for the third quarter of 2024 (3Q24). The Company's interim financial information for the period ended September 30, 2024 comprises individual and consolidated interim accounting information, prepared in accordance with NBC TG 21 - Interim Statement, approved by the Federal Accounting Council, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR).

HIGHLIGHTS | 3Q24 (consolidated)

- ⇒ **Adjusted Net Income in 3Q24 reached R\$5.8 million** (vs. R\$0.9 million in 3Q23). In the year to date, the Company reversed the adjusted net loss of -R\$2.0 million in 9M23 to **Adjusted Net Income of R\$18.9 million in 9M24**.
- ⇒ **WDC maintains high Adjusted EBITDA, which came to R\$65.3 million in 3Q24**, 8.2% higher than in 3Q23, and R\$208.1 million in 9M24 (+11.7% vs. 9M23).
- ⇒ **Adjusted EBITDA Margin** showed an improvement of 3.0 p.p. compared to 3Q23, reaching 30.7%. In 9M24, Adjusted EBITDA margin was 33.8%, an improvement of 6.5 p.p. compared to 9M24.
- ⇒ **For the third consecutive quarter, WDC improves its Gross Margin in the Enterprise and Solar Power segments.**
 - Enterprise margin in 3Q24 achieved a record-high 34.6% vs. 31.0% in 3Q23.
 - Solar Power margin was 21.5% in 3Q24 vs. -3.9% in 3Q23.
 - Telecom margin was 21.4% in 3Q24 vs. 23.8% in 3Q23.
- ⇒ **Backlog Revenue remained high, at R\$839.0 million in 3Q24** (-4.0% vs. 3Q23).
- ⇒ **Net debt / Adjusted EBITDA LTM** ratio remains healthy, moving from 2.14x in 2Q24 to 2.21x in 3Q24.

R\$5.8
million

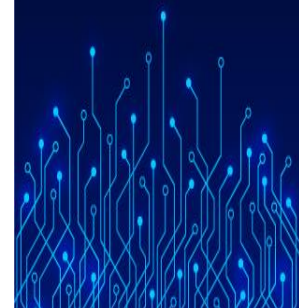
Adjusted Net Income

30.7%

Consolidated Adjusted
EBITDA margin

R\$65.3
million

Consolidated Adjusted
EBITDA



- ⇒ Conversion of EBITDA into operating cash flow (ex-interest) resulted in R\$111.1 million (consolidated) in 9M24.
- ⇒ Total Sales (ex-Solar Power) increased 6.2% in 3Q24 vs. 3Q23, reaching R\$240.1 million. In 9M24, Total Sales decreased 10.1% from 9M23.
- ⇒ For the fifth consecutive year, WDC has earned the Great Place to Work (GPTW) seal, a globally recognized standard for organizational climate.

Summary of Consolidated Results and Financial Indicators

Highlights (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Consolidated Financial Income								
Total Sales	252.3	274.0	-7.9%	220.0	14.7%	696.9	881.9	-21.0%
Net Revenue	212.3	217.8	-2.5%	193.1	9.9%	614.9	681.8	-9.8%
Gross Income	55.0	47.8	15.0%	55.5	-0.9%	164.6	149.6	10.0%
<i>Gross Margin (% Net Revenue)</i>	<i>25.9%</i>	<i>22.0%</i>	<i>4.0 p.p.</i>	<i>28.7%</i>	<i>-2.8 p.p.</i>	<i>26.8%</i>	<i>21.9%</i>	<i>4.8 p.p.</i>
Adjusted EBITDA	65.3	60.3	8.2%	74.7	-12.6%	208.1	186.4	11.7%
<i>Adjusted EBITDA Margin (% Net Revenue)</i>	<i>30.7%</i>	<i>27.7%</i>	<i>3.0 p.p.</i>	<i>38.7%</i>	<i>-7.9 p.p.</i>	<i>33.8%</i>	<i>27.3%</i>	<i>6.5 p.p.</i>
Adjusted Net Income	5.8	0.9	575.8%	8.4	-30.9%	18.9	(2.0)	1033.0%
<i>Adjusted Net Margin (% Net Revenue)</i>	<i>2.7%</i>	<i>0.4%</i>	<i>2.3 p.p.</i>	<i>4.3%</i>	<i>-1.6 p.p.</i>	<i>3.1%</i>	<i>-0.3%</i>	<i>3.4 p.p.</i>
Main Financial Indicators								
Deferred Revenue Backlog	839.0	873.8	-4.0%	842.4	-0.4%	839.0	873.8	-4.0%
Investment in Property, Plant and Equipment for Lease (CAPEX TaaS)	46.8	36.2	29.5%	44.0	6.4%	122.1	149.4	-18.3%
Net Debt / Adjusted LTM EBITDA (x)	2.2	2.2	1.8%	2.1	3.3%	2.21	2.17	1.8%
Main Operating Indicators								
% Produced Internally (% Total Sales)	45%	49%	-3.9 p.p.	45%	0.8 p.p.	44%	49%	-5.5 p.p.
% TaaS (% Total Sales)	37%	35%	1.8 p.p.	39%	-1.7 p.p.	36%	37%	-1.2 p.p.
% TaaS (% Gross Revenue)	36%	32%	4.7 p.p.	40%	-3.5 p.p.	37%	31%	6.4 p.p.
New TaaS Agreements' (sic) Term (average in months)	48	52	-6.2%	47	2.9%	53	52	1.4%
Quantity of New TaaS Agreements	388	347	11.8%	397	-2.3%	1,094	995	9.9%
New TaaS Agreements' Value (average R\$ thousand/agreement)	242	280	-13.5%	215	12.3%	227	327	-30.5%

Message from Management

The third quarter of 2024 (3Q24) was marked by some important challenges, such as the **third consecutive quarter of profitability on an adjusted basis**, totaling adjusted net income of R\$5.8 million in 3Q24, versus R\$0.9 million recorded in 3Q23. In addition, for the fifth consecutive year, **we have been recognized by Great Place to Work (GPTW) as one of the best companies to work for in Brazil**, thanks to those who dedicate themselves daily to make WDC better and more enduring.

We remain focused on making 2024 a more profitable year for WDC. From the management's perspective, we are operating at favorable levels of Gross Income and Gross Margin. Despite a decrease in sales in the first nine months of the year, **our gross income grew by 10% in 9M24, to R\$164.6 million, with gross margin advancing 4.8 p.p.**, to 26.8%. Note that our service revenue, which carries higher margins, increased 34.4% in 9M24 vs. 9M23.

TaaS agreements added up to **R\$839.0 million of revenue backlog in 3Q24**. This **huge asset** does not appear in the balance sheet as a receivable, according to the IFRS15/CPC47 standards, but it ensures predictability and gross revenue recurrence, as it refers to commitments undertaken by our clients to pay monthly lease fees to WDC. Note that (i) WDC incurs the entire Capex at the time of sale, (ii) the "churn" of these contracts is low and (iii) these monthly fees, in turn, are converted into EBITDA by deducting only PIS/COFINS and depreciation of leased equipment. In 3Q24, TaaS accounted for 37% of gross revenue. This revenue backlog places us in a comfortable position vis-à-vis our loan payment commitments and financial expenses, corresponding to approximately 1.50 times our Net Debt.

Sales in the **Enterprise** segment amounted to R\$107.2 million in 3Q24, down 7.8% from 3Q23 and up 30.9% from 2Q24. In 2024, the segment is becoming more significant in the sales mix, thanks to our extensive portfolio. In 9M24, Enterprise surpassed 42% of the Company's total sales, as against 31% in the prior-year period.

Telecom performed strongly in 3Q24, despite a more challenging scenario with the stagnation of the ISP market, thanks to the sale of new projects and more targeted commercial actions. In 3Q24, the segment recorded sales of R\$132.9 million, 21.1% higher than in 3Q23 and 6.7% higher than in 2Q24. The segment accounts for 50% of total sales in the first nine months of 2024.

In the **Solar Power** segment, WDC remains focused on making more profitable sales. In 3Q24, **our gross margin was 21.5%**, as against -3.9% in 3Q23 and 18.5% in 2Q24. We acknowledge that the challenges in this sector remain substantial for distributors, particularly concerning logistical issues, as well as the crisis faced by leading Chinese solar panel manufacturers which, at a slower pace, continues to push down international prices.

In 3Q24, our operating cash flow (ex-interest) came to R\$41.3 million on a consolidated basis, enabling the Company to fulfill its commitments without needing to take on new debt. At the end of 3Q24, our financial leverage was **2.21 times our Net Debt/Adjusted EBITDA LTM** (vs. 2.17 times in 3Q23 and 2.14 times in 2Q24), a level we consider healthy for the Company.

This quarter, we had two remarkable events for WDC. In addition to the aforementioned GPTW seal, which we obtained for the fifth consecutive time, we held our **first Investor Day**, an event organized for the financial market to discuss our strategy, growth drivers and our expectations for the future of the business. You can watch the recording of the event at the link: <https://ri.wdcnet.com.br/show.aspx?idCanal=JpGZi99EsHepTavBKn4nOA==&linguagem=pt>.

For the first time, we could measure which verticals currently concentrate our sales. This is a milestone in WDC's history, as it demonstrates where we are heading, focusing on complete solutions for our clients from various verticals. In this first measurement, we confirmed that Telecommunications was still the most representative vertical in 9M24, accounting for 44.3% of total sales, followed by Entertainment, Retail and Clean Energy, with 13.2%, 13.1% and 7.8%, respectively.

In 2024, we worked hard on the dissemination of our organizational culture, especially among our sales team, as well as on the [maturation of our trajectory and growth drivers](#). For 2025, we are ready and confident that we will start to reap the rewards our [new positioning](#).

Thank you very much, we are counting on you as we embark on this journey towards success!

[WDC Networks](#)

Financial Information

CONSOLIDATED

CONSOLIDATED (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Backlog	839.0	873.8	-4.0%	842.4	-0.4%	839.0	873.8	-4.0%
Sales of Products and Services	158.4	176.9	-10.5%	134.4	17.8%	448.2	556.6	-19.5%
TaaS (VGV Leases)	93.9	97.0	-3.2%	85.5	9.8%	248.7	325.2	-23.5%
Total Sales	252.3	274.0	-7.9%	220.0	14.7%	696.9	881.9	-21.0%
Net Revenue by Products and Services	129.7	143.0	-9.3%	111.9	15.9%	372.5	455.6	-18.3%
Net Revenue by TaaS	82.6	74.8	10.4%	81.3	1.6%	242.5	226.2	7.2%
Net Revenue	212.3	217.8	-2.5%	193.1	9.9%	614.9	681.8	-9.8%
Gross Income	55.0	47.8	15.0%	55.5	-0.9%	164.6	149.6	10.0%
<i>Gross Margin (% Net Revenue)</i>	<i>25.9%</i>	<i>22.0%</i>	<i>4.0 p.p.</i>	<i>28.7%</i>	<i>-2.8 p.p.</i>	<i>26.8%</i>	<i>21.9%</i>	<i>4.8 p.p.</i>
EBITDA	64.2	60.3	6.4%	74.6	-14.0%	207.0	186.4	11.0%
<i>EBITDA Margin (% Net revenue)</i>	<i>30.2%</i>	<i>27.7%</i>	<i>2.5 p.p.</i>	<i>38.6%</i>	<i>-8.4 p.p.</i>	<i>33.7%</i>	<i>27.3%</i>	<i>6.3 p.p.</i>

TELECOM

TELECOM (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Backlog	597.1	663.7	-10.0%	614.6	-2.8%	597.1	663.7	-10.0%
Sales of Products and Services	79.5	66.3	19.9%	64.5	23.3%	196.7	216.3	-9.1%
TaaS (VGV Leases)	53.4	43.4	23.0%	60.0	-11.1%	152.1	226.4	-32.8%
Total Sales	132.9	109.7	21.1%	124.5	6.7%	348.8	442.8	-21.2%
Net Revenue by Products and Services	65.2	53.9	20.9%	54.4	19.8%	163.4	175.0	-6.6%
Net Revenue by TaaS	62.6	60.0	4.4%	62.3	0.6%	185.9	182.3	2.0%
Net Revenue	127.8	113.9	12.2%	116.7	9.5%	349.3	357.2	-2.2%
Gross Income	27.4	27.1	1.1%	31.6	-13.4%	84.8	84.0	0.8%
<i>Gross Margin (% Net Revenue)</i>	<i>21.4%</i>	<i>23.8%</i>	<i>-2.4 p.p.</i>	<i>27.1%</i>	<i>-5.7 p.p.</i>	<i>24.3%</i>	<i>23.5%</i>	<i>0.7 p.p.</i>
Main Operating Indicators								
% TaaS (% Total Sales)	40.2%	39.5%	0.6 p.p.	48.2%	-8.1 p.p.	43.6%	51.1%	-7.5 p.p.
% TaaS (% Gross Revenue)	49.0%	52.7%	-3.7 p.p.	53.4%	-4.4 p.p.	53.2%	51.0%	2.2 p.p.
New TaaS Agreements' (sic) Term (average in months)	45.7	45.6	33.3%	45.5	33.1%	45.1	50.8	-4.1%
Quantity of New TaaS Agreements	229	234	0.1%	290	0.1%	744	726	1.4%
New TaaS Agreements' Value (average R\$ thousand/agreement)	233.1	185.4	-26.4%	207.0	0.5%	204.4	311.9	-32.8%

In 3Q24, total sales in the Telecom segment came to R\$132.9 million, increasing 21.1% from 3Q23 and 6.7% from 2Q24. This quarter, the Company undertook some major projects that helped drive sales.

In 9M24, sales came to R\$348.8 million, down 21.2% from 9M23. As reported in past quarters, the reduction in Telecom sales is explained by the current stagnation in the ISP market, in terms of new subscriptions in Brazil. According to information from the Brazilian Telecommunications Agency (Anatel), between January and August 2024, the sector has generated 1.37 million new fiber subscriptions, representing growth of only 3.8% in the subscription base.

In 3Q24, net revenue totaled R\$127.8 million, up 12.2% from 3Q23 and up 9.5% from 2Q24. In 9M24, net revenue reached R\$349.3 million, decreasing 2.2% from 9M23. The decline in revenue is mitigated when compared to the decrease in sales volume, due to our recurring rental contract revenue (TaaS).

Gross Income totaled R\$27.4 million with gross margin of 21.4% in 3Q24, compared to gross income of R\$27.1 million and gross margin of 23.8% in 3Q23 and gross income of R\$31.6 million and gross margin of 27.1% in 2Q24. The decline in gross margin is justified by more aggressive commercial conditions, which aimed at selling products from our older inventory.

In 9M24, gross income reached R\$84.8 million, a slight improvement of 0.8% from 9M23. Gross margin was 24.3% in 9M24, an improvement of 0.7 p.p. from 9M23.

ENTERPRISE

ENTERPRISE (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Backlog	219.1	180.9	21.1%	203.3	7.7%	219.1	180.9	21.1%
Sales of Products and Services	66.8	74.7	-10.6%	57.1	16.9%	199.6	191.0	4.5%
TaaS (VGV Leases)	40.5	41.6	-2.7%	24.9	62.9%	95.9	82.8	15.9%
Total Sales	107.2	116.3	-7.8%	82.0	30.9%	295.6	273.8	8.0%
Net Revenue by Products and Services	53.8	57.7	-6.8%	46.4	16.0%	164.3	149.9	9.6%
Net Revenue by TaaS	18.4	13.3	37.9%	17.3	6.0%	51.7	40.2	28.7%
Net Revenue	72.2	71.1	1.6%	63.7	13.3%	216.0	190.1	13.6%
Gross Income	25.0	22.0	13.5%	21.5	16.1%	71.7	58.9	21.8%
<i>Gross Margin (% Net Revenue)</i>	<i>34.6%</i>	<i>31.0%</i>	<i>3.6 p.p.</i>	<i>33.8%</i>	<i>0.8 p.p.</i>	<i>33.2%</i>	<i>31.0%</i>	<i>2.2 p.p.</i>
Main Operating Indicators								
% TaaS (% Total Sales)	37.8%	35.8%	2.0 p.p.	30.3%	7.4 p.p.	32.5%	30.2%	2.2 p.p.
% TaaS (% Gross Revenue)	25.5%	18.8%	6.7 p.p.	27.2%	-1.7 p.p.	23.9%	21.1%	2.8 p.p.
New TaaS Agreements' (sic) Term (average in months)	52.4	52.7	-0.5%	49.8	5.3%	53.4	52.6	1.6%
Quantity of New TaaS Agreements	182	128	42.2%	134	35.8%	408	285	43.2%
New TaaS Agreements' Value (average R\$ thousand/agreement)	222.5	325.2	-31.6%	185.5	20.0%	235.1	290.5	-19.1%

Although Enterprise recorded a decrease of 7.8% in sales in 3Q24 vs. 3Q23, the segment continues to perform well, with total sales amounting to R\$107.2 million. Compared to 2Q24, sales increased 30.9%, driven by the strong performance of digitalization of OOH (Out Of Home) media in retail and Cybersecurity.

In 9M24, total sales came to R\$295.6 million, increasing 8.0% from 9M23, mainly due to the growth of our subsidiary in Colombia, as well as OOH media and Cybersecurity.

Note that, during this period, TaaS increased its share in Enterprise sales, which was 32.5% in 9M24 vs. 30.2% in 9M23.

In 3Q24, net revenue from the Enterprise segment totaled R\$72.2 million, 1.6% higher than in 3Q23 and 13.3% higher than in 2Q24. The increase is explained by the same reasons affecting total sales, in addition to the effect of recurring revenue. In 9M24, net revenue came to R\$216.0 million vs. R\$190.1 million in 9M23 (+13.6%), reinforcing the growth trajectory of this segment.

Gross Income from the Enterprise segment came to R\$25.0 million in 3Q24, increasing 13.5% from 3Q23, with gross margin expanding 3.6 p.p., to 34.6%, the highest margin ever recorded for the segment. Compared to 2Q24, Gross Income increased by 16.2%, with a 0.8 p.p. margin growth, explained by the higher share of TaaS in revenue.

SOLAR POWER

SOLAR POWER (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Backlog	22.8	29.2	-22.1%	24.5	-7.0%	22.8	29.2	-22.1%
Sales of Products and Services	12.2	35.9	-66.1%	12.9	-5.5%	51.9	149.3	-65.2%
TaaS (VGV Leases)	0.0	12.0	-99.8%	0.6	n.a.	0.7	16.0	-95.9%
Total Sales	12.2	47.9	-74.6%	13.5	-9.8%	52.6	165.3	-68.2%
Net Revenue by Products and Services	10.7	31.3	-65.9%	11.1	-3.3%	44.7	130.7	-65.8%
Net Revenue by TaaS	1.6	1.5	6.0%	1.6	-4.1%	4.8	3.8	28.5%
Net Revenue	12.3	32.8	-62.6%	12.7	-3.4%	49.6	134.5	-63.1%
Gross Income	2.6	-1.3	-304%	2.3	12.5%	8.1	6.6	22.5%
<i>Gross Margin (% Net Revenue)</i>	<i>21.5%</i>	<i>-3.9%</i>	<i>25.4 pp</i>	<i>18.5%</i>	<i>3.0 p.p.</i>	<i>16.4%</i>	<i>4.9%</i>	<i>11.5 p.p.</i>

Main Operating Indicators								
% TaaS (% Total Sales)	0.2%	25.1%	-25 pp	4.7%	-4.5 p.p.	1.3%	9.7%	-8.4 pp
% TaaS (% Gross Revenue)	12.8%	4.5%	8.3 p.p.	12.9%	-0.1 p.p.	9.8%	2.8%	7.0 p.p.
New TaaS Agreements' (sic) Term (average in months)	24.0	71.8	-66.6%	104.4	n.a.	99.6	74.6	33.5%
Quantity of New TaaS Agreements	1	3	-66.7%	5	n.a.	6	20	-70.0%
New TaaS Agreements' Value (average R\$ thousand/agreement)	27.9	4,010.0	-99.3%	126.7	n.a.	110.2	801.7	-86.3%

In the Solar Power segment, we continued to operate more cautiously, focusing on higher margins and profitability. Therefore, total sales came to R\$12.2 million in 3Q24, decreasing 74.6% from 3Q23 and 9.8% from 2Q24. In 9M24, total sales amounted to R\$52.6 million, down 68.2% from 9M23.

In 3Q24, net revenue from the Solar Power segment amounted to R\$12.3 million, down 62.6% from 3Q23 and 3.4% from 2Q24. In 9M24, net revenue declined 63.1% compared to 9M23.

In 3Q24, Solar Power recorded gross income of R\$2.6 million vs. loss of R\$1.3 million in 3Q23. Gross margin went from -3.9% in 3Q23 to 21.5% in 3Q24, an improvement of 25.4 p.p. Compared to 2Q24, gross income increased 12.5%, while gross margin advanced 3.0 p.p.

In 9M24, gross income was R\$8.1 million vs. R\$6.6 million in 9M23, with gross margin of 16.4%, improving 11.5 p.p. from 9M23. Even though the Company adopted a more cautious strategy for this segment, which resulted in sales reduction of almost 70%, gross income increased 22.5% in 9M24 vs. 9M23, which demonstrates the profitability-driven strategy in Solar Power.

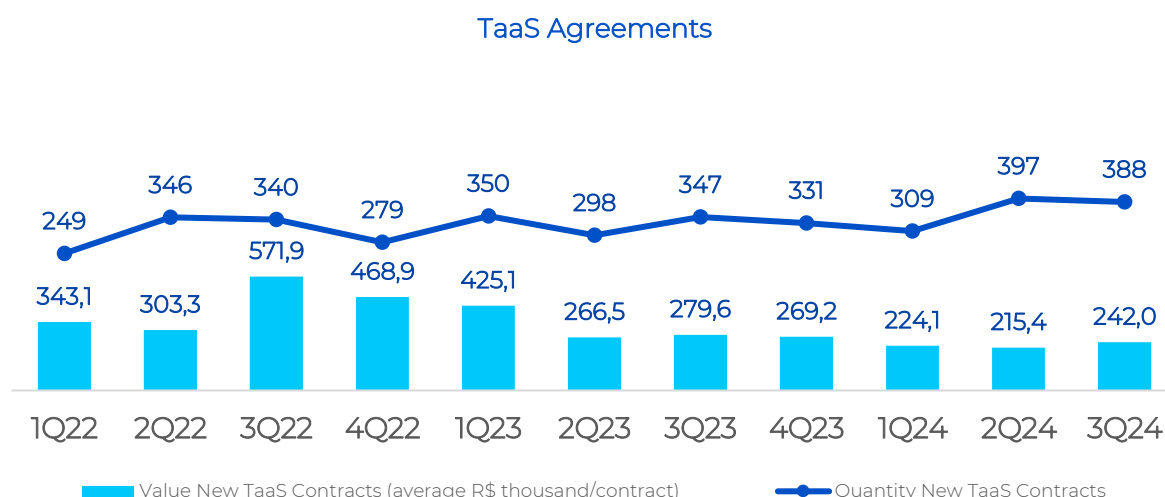
Technology as a Service (TaaS) and Future Revenues (Revenue Backlog)

This WDC business model is based on equipment lease agreements. The Company buys, sets up and activates these assets, leasing them to its clients for terms of up to 60 months.

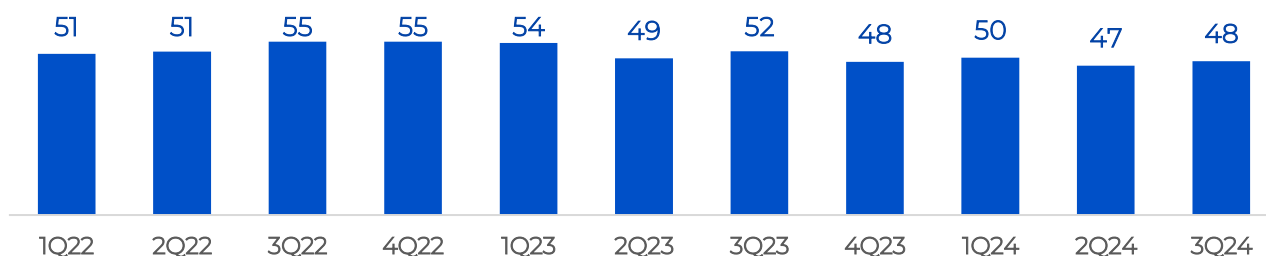
Revenue Backlog is the sum of monthly fees under lease agreements that will be recognized as gross revenue month by month, with no need for fresh investments, given that the Capex was already incurred at the time of execution of the lease agreement, subtracting only PIS/COFINS and depreciation of the assets leased.

Therefore, from a cash perspective, the backlog represents a predictable cash flow to be received in the future without any new disbursements by WDC.

In 3Q24, we executed 388 new TaaS agreements totaling R\$93,888 thousand, at an average ticket of R\$242.0 thousand.



Term New TaaS Agreements (average in months)

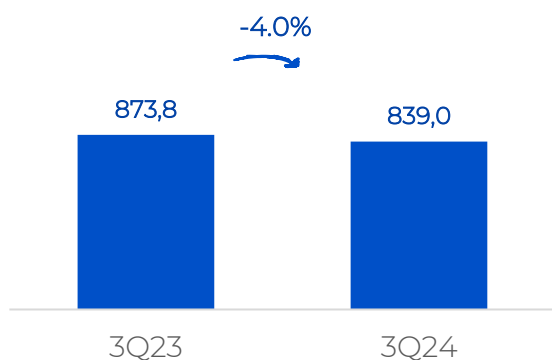


The average term of new TaaS agreements was 48 months in 3Q24, compared to 47 months in 2Q24.

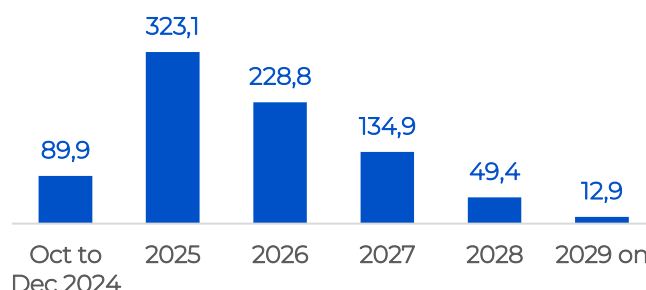
Note that our strategy of focusing on increasingly longer agreements (close to 60 months) is a positive factor in the long run, as it matches the monthly revenues with depreciation of equipment.

TaaS represents the ability to predict future revenues, demonstrates the Company's resilience and places it in a comfortable position to cover its expenses and debts.

Revenue Backlog (R\$ million)

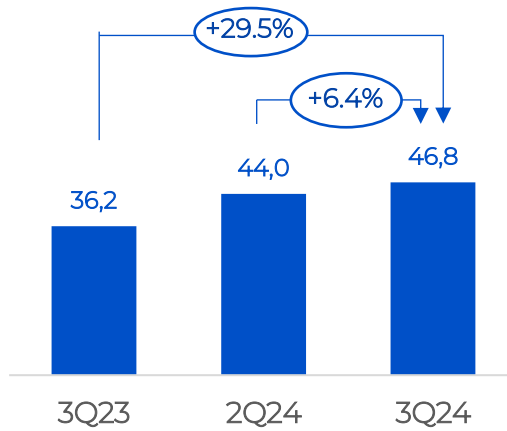


Receivables Timeframe TaaS (R\$ million)



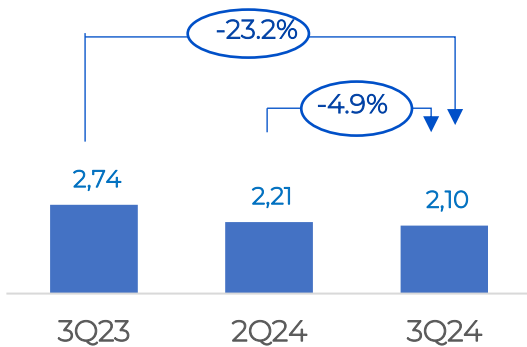
The receivables timeframe indicates the amount of Future Revenue to be recognized by the Company as from October 2024. In compliance with accounting standards, these amounts do not appear as "receivables" of the Company when the lease agreement is executed, but will translate as monthly revenues and, therefore, be registered as trade receivables according to the term of the agreements by the accrual method.

Investment in TaaS Assets - Capex
(R\$ million)



In 3Q24, total investment in TaaS Assets came to R\$46.8 million, up 29.5% from 3Q23 and 6.4% from 2Q24.

Managerial TaaS Mark-up
(# Total TaaS Sales / Investments in TaaS Assets - Capex)



TaaS Mark-up is the ratio of the potential sales value (PSV) of agreements to the Capex amount, i.e. the mark-up of these agreements indicates how much revenue will be generated by the investment made.

Note: The Company has been transferring old inventory balances to property, plant and equipment. This volume was subject to managerial adjustment to ensure mark-up comparability in the periods.

Consolidated Financial Information

Adjusted EBITDA and EBITDA Margin (Consolidated)

Adjusted EBITDA Reconciliation (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Gross Income	55.0	47.8	15.0%	55.5	-0.9%	164.6	149.6	10.0%
<i>Gross Margin (% Net Revenue)</i>	25.9%	22.0%	4.0 p.p.	28.7%	-2.8 p.p.	26.8%	21.9%	4.8 p.p.
(-) Operating Expenses	(41.9)	(36.6)	14.5%	(31.6)	33.0%	(109.7)	(108.5)	1.1%
EBIT	13.1	11.2	16.7%	23.9	-45.5%	54.9	41.1	33.5%
<i>EBIT Margin (% Net Revenue)</i>	6.2%	5.1%	1.0 p.p.	12.4%	-6.2 p.p.	8.9%	6.0%	2.9 p.p.
(+) Depreciation and Amortization	51.1	49.1	4.0%	50.7	0.9%	152.1	145.2	4.7%
Consolidated EBITDA	64.2	60.3	6.4%	74.6	-14.0%	207.0	186.4	11.0%
<i>EBITDA Margin (% Net Revenue)</i>	30.2%	27.7%	2.5 p.p.	38.6%	-8.4 p.p.	33.7%	27.3%	6.3 p.p.
(+) IPO expenses	-	-	n.a.	-	n.a.	0	0	n.a.
(+) Mergers and Acquisitions (M&A) Expenses	1.09	-	n.a.	0.03	3191.0%	1.12	-	n.a.
(+) Rem. Expenses Share-Based Variable	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Excluding ICMS Credit on PIS/COFINS Base (17-20)	-	-	n.a.	-	n.a.	-	-	n.a.
(+) Pre-Operating Expenses	-	-	n.a.	0.06	n.a.	0.1	-	n.a.
(+) Non-recurring Expenses and Revenues	1.1	-	n.a.	0.09	n.a.	1.17	-	n.a.
Consolidated Adjusted EBITDA	65.3	60.3	8.2%	74.7	-12.6%	208.1	186.4	11.7%
<i>Adjusted EBITDA Margin (% Net Revenue)</i>	30.7%	27.7%	3.0 p.p.	38.7%	-7.9 p.p.	33.8%	27.3%	6.5 p.p.

Adjusted EBITDA came to R\$65.3 million in 3Q24 vs. R\$60.3 million in 3Q23 and R\$74.7 million in 2Q24. Such annual improvement reflected mainly the increase in gross income, driven by TaaS. The quarter-over-quarter reduction in EBITDA is mainly explained by the higher operating expenses due to the rise in allowance for doubtful accounts.

In 9M24, consolidated Adjusted EBITDA was R\$208.1 million, an improvement of 11.7% compared to 9M23. Note that, in this period, WDC's Operating Expenses increased by only 1.2%, a rate significantly lower than inflation.

Consolidated Adjusted EBITDA margin totaled 30.7% in 3Q24, increasing 3.0 p.p. from 3Q23 and decreasing 7.9 p.p. from 2Q24. The variation is explained by the same reasons presented previously.

In 9M24, consolidated Adjusted EBITDA margin was 33.8% vs. 27.3% in 9M23, advancing 6.5 p.p.

The Company remains attentive to expense management and prioritizes high performance. In 9M24, the ratio of Net Revenue to Operating Expenses at WDC was 19.8%, in line with the average of other market players.

Financial Result

Financial Income (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Net Exchange Variation & Fair Value Adjustment of Derivatives	(1.1)	(1.5)	-25.8%	(4.3)	-73.6%	(8.6)	(4.9)	75.1%
Financial Revenues	12.6	14.9	-15.5%	14.5	-13.1%	41.1	42.8	-3.8%
Financial Expenses	(18.0)	(24.2)	-25.8%	(24.5)	-26.8%	(64.7)	(83.2)	-22.2%
(+/-) Financial Income	(6.5)	(10.8)	-40.2%	(14.3)	-54.7%	(32.2)	(45.3)	-29.0%

- The Net Exchange Variation and Fair Value Adjustment of derivatives reflect the Company's exchange exposure on its assets and liabilities in foreign currencies, net of any hedges contracted through financial derivatives. In 9M24, a foreign exchange loss was recorded against other currencies, in the total amount of -R\$8.6 million, of which: i) exchange variation: -R\$10.3 million; and (ii) fair value adjustments of derivatives (swaps of foreign currency loans): +R\$1.7 million.

- Financial Revenues in 9M24 totaled R\$41.1 million, a decrease of 3.8% or R\$1.6 million compared to 9M23, reflecting the lower income, which affected cash.

- Financial Expenses totaled R\$64.7 million in 9M24, R\$18.5 million lower than in 9M23, mainly due to the lower interest paid on loans, financing and debentures, reflecting the reduction in the Company's gross debt, interest rate and AVP effect.

Net Financial Result in 9M24 improved R\$13.2 million from 9M23.

(In R\$ million)	3Q23	2Q24	3Q24
Exchange Rates Dollar Ptax	5.0070	5.5583	5.4475
Inventory in transit	3.7	19.4	12.7
Advances to International Suppliers	4.4	9.6	15.8
International Suppliers	0.0	-57.7	-60.8
Assets (Liabilities) in foreign currency	8.1	-28.7	-32.3
Equivalent to US\$	1.6	-5.2	-5.9

Source: <https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>

Net Income/Loss and Net Margin

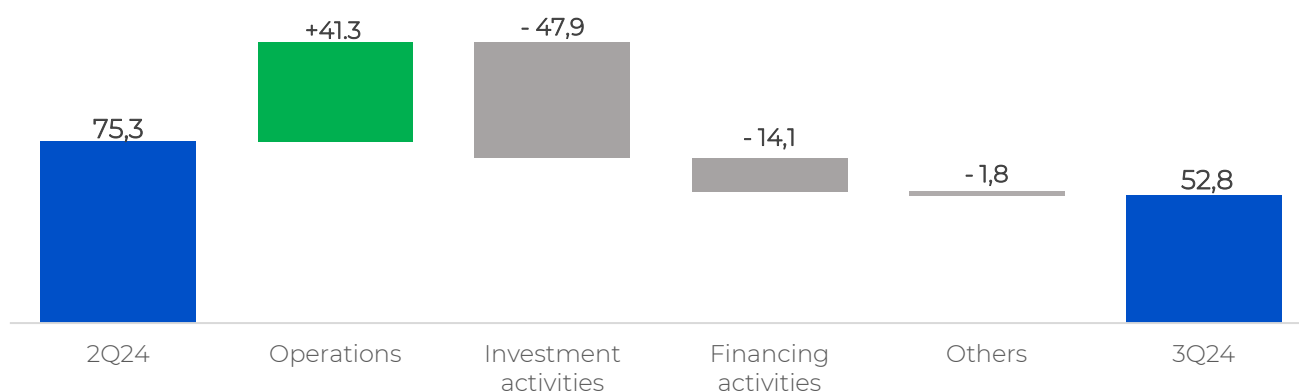
Net Income (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Net Revenue	212.3	217.8	-2.5%	193.1	9.9%	614.9	681.8	-9.8%
EBIT	13.1	11.2	16.7%	23.9	-45.5%	54.9	41.1	33.5%
<i>EBIT Margin (% Net Revenue)</i>	6.2%	5.1%	1.0 p.p.	12.4%	-6.2 p.p.	8.9%	6.0%	2.9 p.p.
(+/-) Financial Income	(6.5)	(10.8)	-40.2%	(14.3)	-54.7%	(32.2)	(45.3)	-29.0%
(-) Provision for IR and CSLL	(1.5)	0.5	-413.0%	(1.4)	12.4%	(4.7)	2.2	-314.3%
Net Income	5.1	0.9	492.0%	8.3	-39.0%	18.1	(2.0)	n.a.
<i>Net Margin (% Net Revenue)</i>	2.4%	0.4%	2.0 p.p.	4.3%	-1.9 p.p.	2.9%	-0.3%	3.2 p.p.
(+) IPO expenses	-	-	n.a.	-	n.a.	0.0	0.0	n.a.
(+) Mergers and Acquisitions (M&A)	1.09	-	n.a.	0.0	3191.0%	1.1	0.0	n.a.
Expenses								
(-) Exclu. ICMS Subsidy IRPJ/CSLL Base (17-20)	-	-	n.a.	-	n.a.	-	0.0	n.a.
(+) Pre-Operating Expenses	-	-	n.a.	0.06	-100.0%	0.1	0.0	n.a.
(-) IR and CSLL Reversal	-	-	n.a.	-	1121.3%	-	0.0	n.a.
0.37				0.0		0.4		
(+) Non-recurring Expenses and Revenues and IR and CSLL	0.72	-	n.a.	0.1	1121.3%	0.8	0.0	n.a.
Adjusted Net Income	5.8	0.9	575.8%	8.4	-30.9%	18.9	(2.0)	n.a.
<i>Adjusted Net Income Margin (% Net Revenue)</i>	2.7%	0.4%	2.3 p.p.	4.3%	-1.6 p.p.	3.1%	-0.3%	3.4 p.p.

In the consolidated result, Adjusted Net Income in 3Q24 was R\$5.8 million, versus R\$0.9 million in 3Q23 and R\$8.4 million in 2Q24. In 9M24, Adjusted Net Income reached R\$13.4 million, versus a net loss of R\$2.0 million in 9M23.

Note that, in 2024, the Company did not report net loss in any quarter on an adjusted basis.

Cash Flow

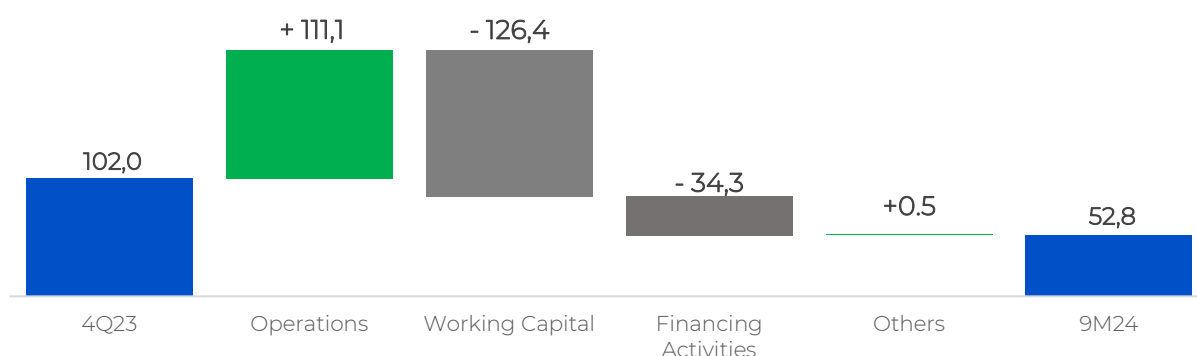
Quarter¹
(R\$ million)



¹ In this document, the interest paid on Loans/Debentures, in the amount of -R\$1.9 million in 3Q24, was allocated to financing activities for managerial purposes.

In 3Q24, the Company generated operating cash flow of +R\$41.2 million. Investment activities, mainly related to the Technology as a Service (TaaS) model, consumed -R\$47.9 million, while financing activities, considering loan repayments and other factors, totaled -R\$15.9 million. Cash balance at the end of 3Q24 was R\$52.8 million.

Year to date¹ (R\$ million)



¹ In this document, the interest paid on Loans/Debentures, in the amount of -R\$35.9 million in 9M24, was allocated to financing activities for managerial purposes.

In 9M24, the Company generated operating cash flow of +R\$111.1 million. Investment activities, mainly related to the Technology as a Service (TaaS) model, consumed -R\$126.4 million, while financing activities, considering loan repayments and other factors, totaled -R\$33.8 million. Cash balance at the end of the period was R\$52.8 million.

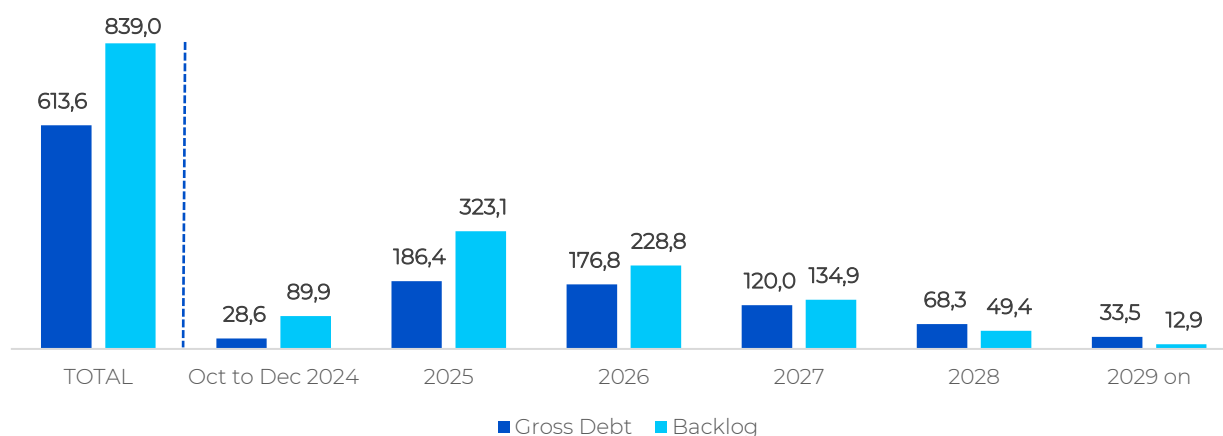
Debt

Indebtedness (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %
(+) Loans, financing and debentures	601.7	627.5	-4.1%	594.7	1.2%
Current	126.0	112.2	12.3%	66.1	90.8%
Non-Current	475.7	515.3	-7.7%	528.7	-10.0%
(+) Commercial leases	11.6	5.2	123.9%	12.7	-8.9%
Current	3.5	1.3	171.6%	4.0	-11.5%
Non-Current	8.0	3.9	107.9%	8.7	-7.7%
(+/-) Net derivative financial instruments	0.3	6.2	-95.2%	0.2	59.7%
Assets	-0.0	0.0	n.a.	(0.1)	-75.2%
Liabilities	0.3	6.2	-94.6%	0.3	1.5%
Gross Debt	613.6	638.8	-3.9%	607.6	1.0%
(-) Disp. (Cash and Equiv.) and Invest. of CP	(52.8)	(98.5)	-46.4%	(75.3)	-29.9%
Net Debt	560.8	540.3	3.8%	532.3	5.4%
Adjusted LTM EBITDA	253.4	248.5	2.0%	248.5	2.0%
Net Debt / Adjusted LTM EBITDA	2.21	2.17	1.8%	2.14	3.3%

In 3Q24, Net Debt to Adjusted EBITDA (LTM) ratio was 2.21x, a healthy level in the management's view, due to the Company's capacity to settle its financial obligations towards debentureholders and other creditors.

Note that, for the remainder of 2024, we will have more than three times revenue backlog (TaaS) in relation to debt payments projected for the period.

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



ROIC

ROIC (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %
Net Revenue	212.3	217.8	-2.5%	193.1	9.9%
EBIT (LTM)	50.2	58.4	-14.1%	48.3	3.9%
(-) Provision for IR and CSLL (LTM)	(2.6)	4.5	-157.8%	(0.6)	345.5%
Operating Income after Taxes (NOPAT) = (A)	47.6	62.9	-24.3%	47.7	-0.3%
(+) Equity	653.7	644.9	1.4%	650.4	0.5%
(+) Gross Debt	613.6	638.8	-3.9%	607.6	1.0%
(+) Cash (Cash and Equiv.) and CP Investments	(52.8)	(98.5)	-46.4%	(75.3)	-29.9%
Invested Capital	1,214.5	1,185.2	2.5%	1,182.6	2.7%
Average Invested Capital of 2022 and 2021 = (B)	1,169.0	1,161.8	0.6%	1,153.1	1.4%
ROIC = (A/B)	4.1%	5.4%	-1.3 p.p.	4.1%	-0.1 p.p.

Appendices

Statement of Income

Consolidated Statement (In R\$ million, except when indicated)	3Q24		3Q23		Δ %		2Q24		Δ %		2024 Acum.	2023 Acum.	Δ %
Sales of Products and Services	158,434	176,939	-10.5%	134,445	17.8%		448,238	556,606	-19.5%				
TaaS (VGV Leases)	93,888	97,032	-3.2%	85,511	9.8%		248,654	325,250	-23.5%				
Total Sales	252,322	273,971	-7.9%	219,956	14.7%		696,892	881,856	-21.0%				
Sales Gross Revenue	158,434	176,939	-10.5%	134,445	17.8%		448,238	556,606	-19.5%				
Lease Gross Revenue	90,999	82,447	10.4%	89,537	1.6%		267,194	249,260	7.2%				
Gross Revenue	249,433	259,386	-3.8%	223,982	11.4%		715,432	805,866	-11.2%				
(-) Tax levy on Revenues	(31,265)	(34,014)	-8.1%	(26,476)	18.1%		-84,995	-103,069	-17.5%				
(-) Returns	(5,898)	(7,549)	-21.9%	(4,388)	34.4%		-15,507	-20,981	-26.1%				
Net Revenue	212,271	217,823	-2.5%	193,119	9.9%		614,929	681,816	-9.8%				
(-) CMV	(157,265)	(170,004)	-7.5%	(137,622)	14.3%		-450,297	- 532,218	-15.4%				
Gross Income	55,006	47,819	15.0%	55,496	-0.9%		164,632	149,598	10.0%				
<i>Gross Margin (% Net Revenue)</i>	<i>25.9%</i>	<i>22.0%</i>	<i>4.0 p.p.</i>	<i>28.7%</i>	<i>-2.8 p.p.</i>		<i>26.8%</i>	<i>21.9%</i>	<i>4.8 p.p.</i>				
(-) Personnel Expenses	(15,809)	(12,729)	24.2%	(14,596)	8.3%		(44,484)	(42,786)	4.0%				
(-) Commercial Expenses	(16,553)	(12,555)	31.8%	(11,348)	45.9%		(44,941)	(43,692)	2.9%				
(-) General and Administrative Expenses	(6,110)	(2,297)	165.9%	(2,558)	138.9%		(11,957)	(8,531)	40.2%				
(+/-) Other operating income/expenses	(3,477)	(9,049)	-61.6%	(3,050)	14.0%		(8,340)	(13,466)	-38.1%				
(-) Operating Expenses	(41,949)	(36,630)	14.5%	(31,552)	33.0%		(109,722)	(108,475)	1.1%				
EBIT	13,057	11,188	16.7%	23,944	-45.5%		54,910	41,123	33.5%				
<i>EBIT Margin (% Net Revenue)</i>	<i>6.2%</i>	<i>5.1%</i>	<i>1.0 p.p.</i>	<i>12.4%</i>	<i>-6.2 p.p.</i>		<i>8.9%</i>	<i>6.0%</i>	<i>2.9 p.p.</i>				
(+) Depreciation and Amortization	51,113	49,147	4.0%	50,666	0.9%		152,055	145,249	4.7%				
EBITDA	64,170	60,336	6.4%	74,610	-14.0%		206,965	186,373	11.0%				
<i>EBITDA Margin (% Net Revenue)</i>	<i>30.2%</i>	<i>27.7%</i>	<i>2.5 p.p.</i>	<i>38.6%</i>	<i>-8.4 p.p.</i>		<i>33.7%</i>	<i>27.3%</i>	<i>6.3 p.p.</i>				
(+/-) Financial Income	(6,472)	(10,819)	-40.2%	(14,289)	-54.7%		(32,153)	(45,317)	-29.0%				
(-) Provision for IR and CSLL	(1,520)	486	-413.0%	(1,353)	12.4%		(4,652)	2,170	-314.3%				
Net Income	5,064	855	492.0%	8,303	-39.0%		18,105	(2,024)	-994.7%				
<i>Net Margin (% Net Revenue)</i>	<i>2.4%</i>	<i>0.4%</i>	<i>2.0 p.p.</i>	<i>4.3%</i>	<i>-1.9 p.p.</i>		<i>2.9%</i>	<i>-0.3%</i>	<i>3.2 p.p.</i>				
(+) Non-recurring Expenses and Revenues and IR and CSLL	717	-	n.a.	59	1121.3%		775	0	n.a.				
Adjusted Net Income	5,781	855	575.8%	8,361	-30.9%		18,880	(2,024)	-1033.0%				
<i>Adjusted Net Margin (% Net Revenue)</i>	<i>2.7%</i>	<i>0.4%</i>	<i>2.3 p.p.</i>	<i>4.3%</i>	<i>-1.6 p.p.</i>		<i>3.1%</i>	<i>-0.3%</i>	<i>3.4 p.p.</i>				

Balance Sheet

Consolidated Balance Sheet (In R\$ million, except when indicated)	3Q24	3Q23	Δ %	2Q24
Assets				
Current Assets				
Cash and cash equivalents	52,768	98,502	-46%	75,321
Trade receivables, net	209,429	224,740	-7%	250,661
Recoverable taxes	12,092	35,643	-66%	19,455
Derivative financial instruments	35	0		123
Inventories	202,501	228,818	-12%	207,045
Advances to suppliers	29,782	24,718	20%	23,082
Prepaid Expenses	406	786	-48%	314
Total Current Assets	507,013	613,207	-17%	576,001
Non-Current Assets				
Trade receivables, net	324,917	191,519	70%	260,145
Judicial Deposits	109	109	0%	109
Derivative financial instruments	0	0		18
Deferred taxes	34,430	28,927	19%	35,045
Right-of-use assets	11,042	5,063	118%	11,785
Property, plant and equipment, net	391,242	423,445	-8%	394,376
Net intangible assets	105,729	104,218	1%	105,809
Total Non-Current Assets	887,906	775,871	14%	838,214
Total Assets	1,394,919	1,389,078	0%	1,414,215
Liabilities				
Current Liabilities				
Suppliers	104,420	68,640	52%	114,329
Personnel, social charges and benefits	8,109	7,003	16%	6,560
Taxes payable	2,954	6,312	-53%	12,749
Loans, financing, and debentures	126,035	112,204	12%	66,059
Derivative financial instruments	332	4,725	-93%	327
Lease Liabilities	3,514	1,294	172%	3,970
Related Parts	1	22	-95%	5
Other liabilities	11,985	23,043	-48%	22,324
Total Current Liabilities	257,350	223,243	15%	226,323
Non-Current Liabilities				
Loans, financing, and debentures	475,705	515,255	-8%	528,658
Derivative Financial Instruments	0	1,444	-100%	0
Provisions for lawsuits	152	388	-61%	150
Leases	8,037	3,865	108%	8,706
Total Non-Current Liabilities	483,894	520,952	-7%	537,514
Equity				
Share capital	301,397	301,397	0%	301,397
Treasury Stock	-8,536	-8,536	0%	-8,536
Capital reserves	236,632	236,632	0%	236,632
Retained earnings	104,858	116,734	-10%	104,858
Accumulated Loss/ Earnings	18,105	-2,024	-995%	13,041
Other Comprehensive Results	1,219	680	79%	2,986
Total Equity	653,675	644,883	1%	650,378
Total Liabilities and Equity	1,394,919	1,389,078	0%	1,414,215

Statement of Cash Flow

Consolidated Statement of Cash Flows (In R\$ thousand, except when indicated)	3Q24	3Q23	Δ %	2Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Cash Flow From Operating Activities								
Net Income for the period	5,064	855	492%	8,303	-39%	18,105	(2,024)	-995%
Adjustments to reconcile Income or loss for the period to cash from operating activities	77,416	71,098	9%	75,403	3%	233,031	231,929	0%
Depreciation and amortization	51,114	49,148	4%	50,663	1%	152,055	145,250	5%
Expected credit losses	6,816	133	5025%	1,875	264%	15,876	7,733	105%
Provision for inventory obsolescence	1,279	(1,803)	-171%	(3,241)	-139%	(3,880)	(2,144)	81%
Provision for legal and other proceedings, net	2	3	-33%	3	-33%	8	10	-20%
Mark-to-market of derivatives	280	(883)	-132%	(1,604)	-117%	(1,691)	8,075	-121%
Interest and foreign exchange variation expenses	19,893	25,776	-23%	23,265	-14%	64,510	71,912	-10%
Expenses for adjustment to the present value	(4,675)	(1,410)	232%	2,668	-275%	(185)	(205)	-10%
Write-off of property, plant and equipment and intangible assets	1,186	619	92%	422	181%	1,686	3,468	-51%
Income tax and social security contribution	912	76	1100%	2,595	-65%	6,211	76	8072%
Deferred income tax and social contribution	609	(561)	-209%	(1,243)	-149%	(1,559)	(2,246)	-31%
Assets decrease (increase)	(12,663)	21,984	-158%	(36,136)	-65%	(126,799)	47,329	-368%
Trade receivables	(25,845)	(30,767)	-16%	(50,149)	-48%	(120,336)	(71,716)	68%
Recoverable taxes	17,853	(622)	-2970%	9,981	79%	21,493	6,237	245%
Inventories	2,775	57,951	-95%	5,164	-46%	(18,434)	83,787	-122%
Advances to suppliers and legal deposits	(7,354)	(4,952)	49%	142	-5279%	(8,313)	28,880	-129%
Prepaid expenses	(92)	374	-125%	(1,274)	-93%	(1,209)	141	-957%
Liabilities increase (decrease)	(30,476)	(4,451)	585%	(56,146)	-46%	(49,161)	(156,389)	-69%
Suppliers	(9,072)	(12,655)	-28%	(18,577)	-51%	1,251	(74,865)	-102%
Taxes payable	(10,701)	1,251	-955%	(531)	1915%	(6,501)	(245)	2553%
Personnel, social charges and benefits	1,549	(155)	-1099%	1,282	21%	4,375	2,178	101%
Related parties	(4)	(6)	-33%	(4)	0%	(15)	(103)	-85%
Other liabilities	(10,339)	9,927	-204%	(2,833)	265%	(10,168)	(17,106)	-41%
Payment of interest	(1,909)	(2,813)	-32%	(33,273)	-94%	(35,893)	(66,248)	-46%
Payment of income tax and social contribution	-	0	-	-2,210	-100%	-2,210	0	-
Net cash generated by (used in) operating activities	39,341	89,486	-56%	(8,576)	-559%	75,176	120,845	-38%
Cash Flow From Investment Activities	(47,946)	(36,202)	32%	(46,019)	4%	(126,414)	2,514	-5128%
Acquisition of property, plant and equipment and intangible assets	(47,946)	(36,202)	32%	(46,019)	4%	(126,414)	(149,656)	-16%
Redemption of Short-term investments	-	0	-	-	-	0	152,170	-100%
Net cash generated by (used in) investment activities	(47,946)	(36,202)	32%	(46,019)	4%	(126,414)	2,514	-5128%
Cash flow from Financing Activities	(12,181)	(27,988)	-56%	32,829	-137%	1,588	(177,932)	-101%
Entry of new loans and debentures	-	0	-	50,000	-100%	50,000	0	-
Vendor Operations	(17)	13,704	-100%	3,724	-100%	9,595	13,704	-30%
Payment of loans and financing (principal)	(10,320)	(38,149)	-73%	(18,915)	-45%	(51,794)	(177,944)	-71%
Payment of commercial leases	(1,675)	(401)	318%	(859)	95%	(2,927)	(1,832)	60%
Derivatives Settlement	(169)	-3,142	-95%	(1,121)	-85%	(3,286)	(9,506)	-65%
Dividends and interests on capital paid	-	-	-	0	-	0	(862)	-100%
Share Buyback	-	0	-	0	-	0	(1,492)	-100%
Net cash resulting from financing activities	(12,181)	(27,988)	-56%	32,829	-137%	1,588	(177,932)	-101%
Effect of Foreign Exchange Variation on Cash and Cash Equivalents	(1,767)	949	-286%	1,377	-228%	459	605	-24%
Change in the Company's Net Cash	(22,553)	26,245	-186%	(20,389)	11%	(49,191)	(53,968)	-9%
Cash and cash equivalents at the beginning of the period	75,321	72,257	4%	95,710	-21%	101,959	152,470	-33%
Cash and cash equivalents at the end of the period	52,768	98,502	-46%	75,321	-30%	52,768	98,502	-46%

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