

# Padtec

[padtec.com.br](http://padtec.com.br)



# Disclaimer

---

*This material may contain projections and/or estimates of future events. The use of the terms "anticipates", "believes", "expects", "estimates", "plans", "anticipates", "projects", among others, is intended to signal possible trends and statements that evidently involve uncertainties and risks, and future results may differ from current expectations. Forward-looking statements are based on a variety of assumptions and factors, including economic, market and industry conditions, as well as operational factors.*

*Any changes in these assumptions and factors could lead to practical results that differ from current expectations. These forward-looking statements should not be fully relied upon. Forward-looking statements reflect only opinions as of the date they were made and presented.*

*The Company is not required to update them in the light of new information or new developments. The Company is not responsible for transactions that are carried out or for investment decisions that are made based on these projections and estimates. Finally, the pro forma financial information contained in this material is unaudited and, therefore, may differ from the final audited results.*

# Our story

## Who we are?

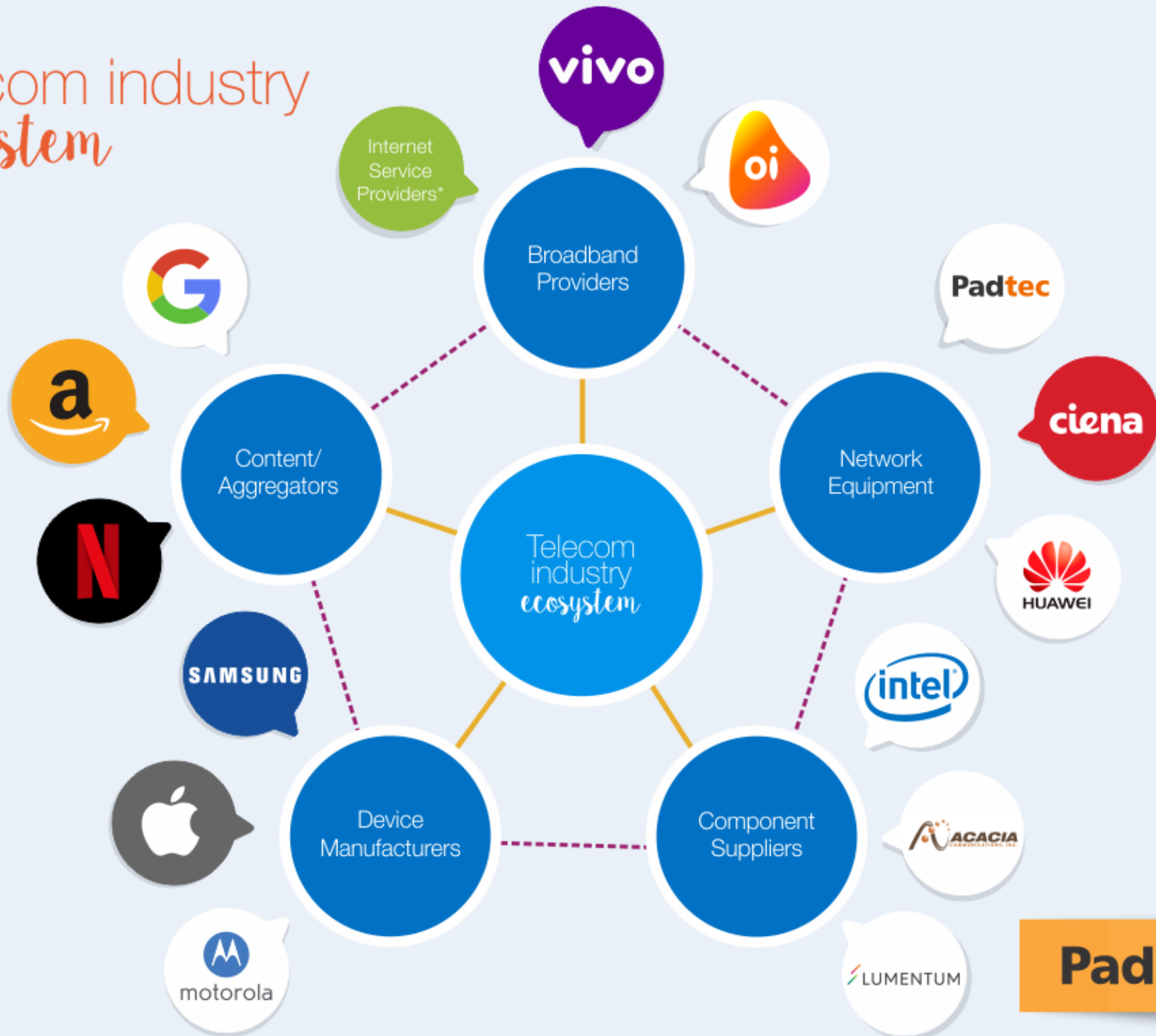
- Brazilian multinational listed on B3 - Novo Mercado (Sao Paulo stock exchange: PDTC3);
- Operations started in August, 2001, as a spin-off of CPqD (Largest Telecom Research and Development Center in Latin America);
- 20 years in the telecom market with bona fide set of customers;
- 700+ employees in Brazil, Argentina, Colombia and USA;
- Global player with strong footprint in Latin America;
- Controls all aspects (development, manufacturing and deploying) of DWDM Optical Transport;
- Strong operation and maintenance (O&M) capabilities;
- Successful player in a very large market (Terrestrial + Submarine = \$14B yearly);
- Provides the products and technology that are enablers of data traffic hyper growth driven by:
  - Streaming and cloud services;
  - Broadband service providers;
  - Migrating from 4G to 5G;



Southern CALA  
Northern CALA  
North America

**Padtec**

# Telecom industry ecosystem

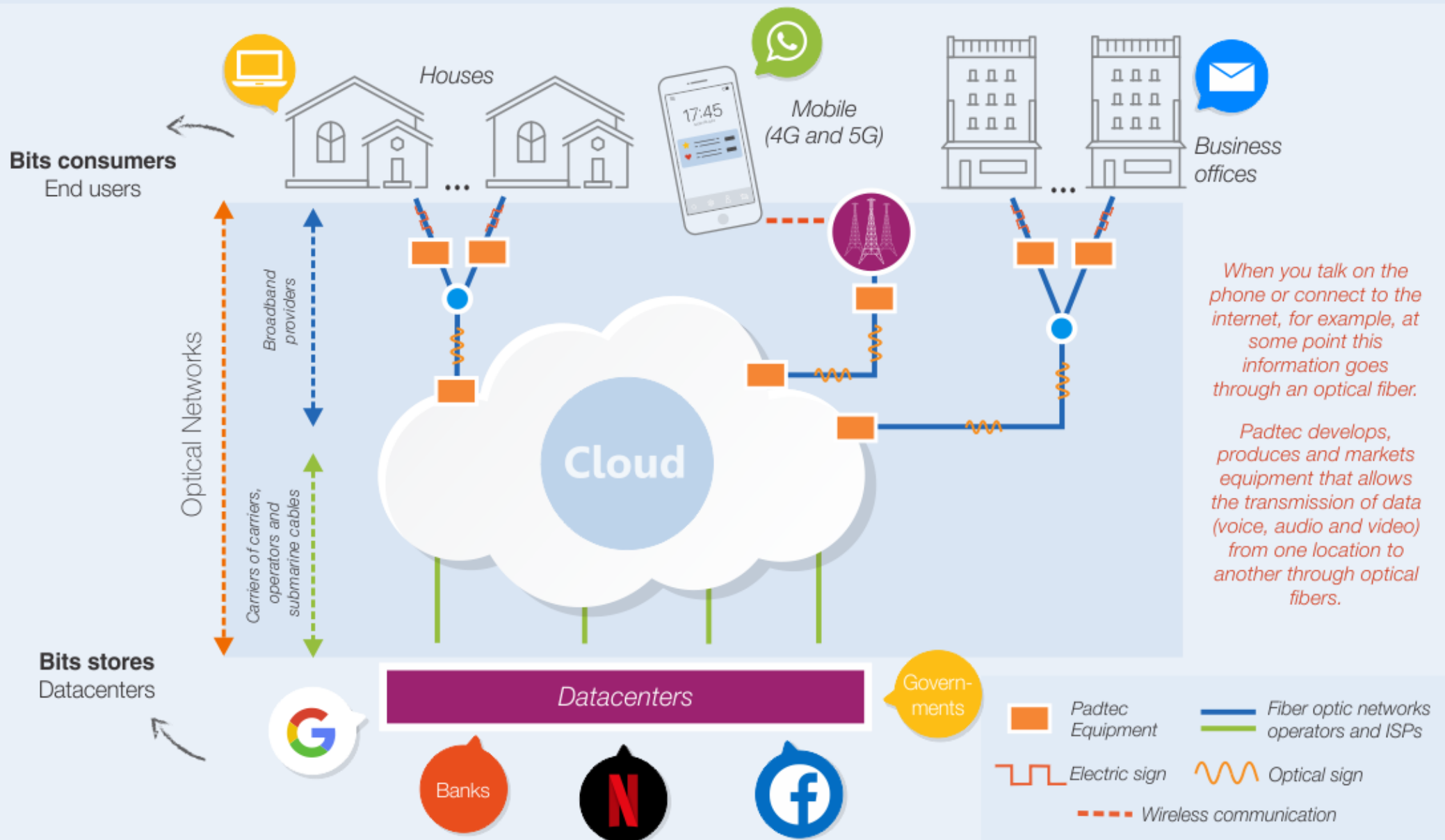


\*Small providers.

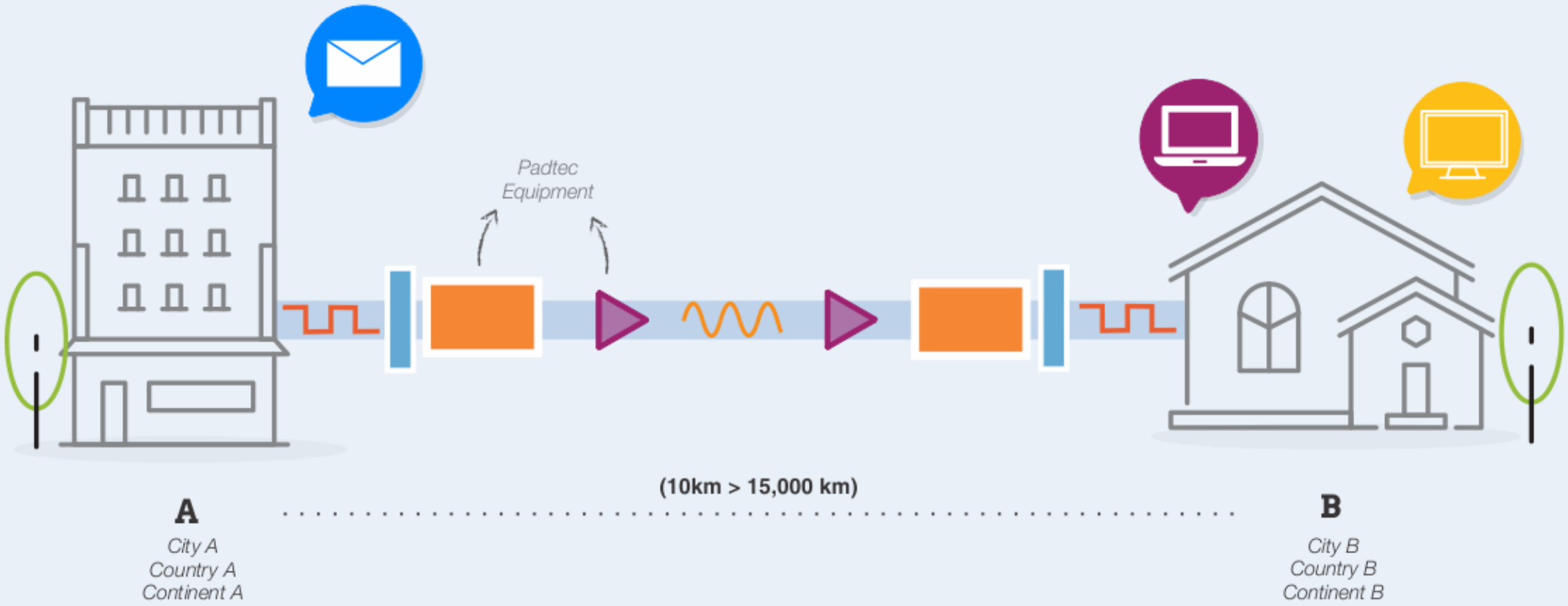


# The *smartly* connected world we make

**Padtec**



# The *smartly* connected world we make



 Electric sign  Optical sign  Transponders  Optical amplifiers  Routers



# Customer portfolio

Fixed and mobile service providers



Regional Service Providers



Carriers of Carriers



Global carriers



Utilities, Oil&Gas e Integrators



Data Center e Multimedia





Governmental and research institutions



More than  
**200,000**  
km of DWDM backbone  
in GALA region

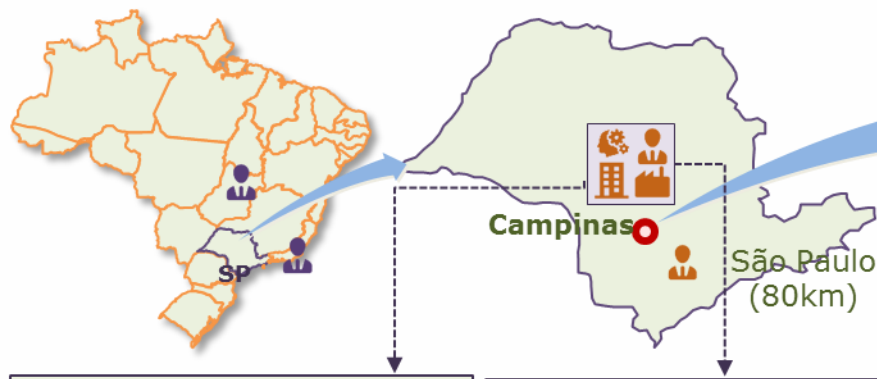
## Networks with Padtec solutions

-  Metro networks in important cities in the Americas
-  Backbone Networks



# Company Overview: Strategic Location

Padtec is strategically located in one of the largest technological hubs of Latin America



## Campinas Metropolitan Region



## Technological Hub

- 1 **Padtec CPQ**
- 2  Renowned university in Latin America in engineering and technology fields
- 3  University with important R&D institute
- 4  Manufacturer of electronic products for the technology industry
- 5  Viracopos International Airport. One of Latin America's most developed airports
- 6  Largest manufacturer of 3C products in the world
- 7  Second largest manufacturer of 3C products in the world
- 8  One of the largest players in the communications equipment industry
- 9  Amongst the largest developers and manufacturers of technology products in the world
- 10  Amongst the largest developers and manufacturers of technology products in the world



### Label

-  Administrative office
-  R&D Center
-  Manufacturing plant
-  Commercial office

Padtec headquarters is inside CPqD's Campus, known as one of the most advanced ICT R&D centers in Latin America.



# Our human network

Innovation&People



**700+**  
people



**480+**  
in the headquarters  
(Campinas, Sao Paulo)



**220+**  
in several cities in  
Brazil, Argentina,  
Colombia and USA

**86%**  
is the  
**engagement**  
index of the  
**company's employees**  
Source: Opine! 2021  
(Padtec Climate Survey)

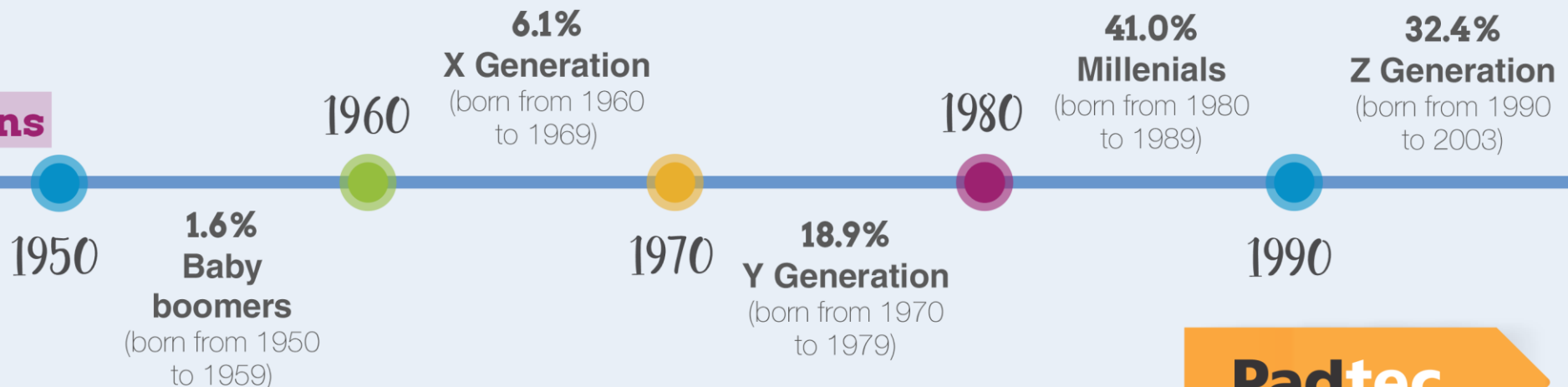


**52%**  
with college degree  
2% with PhDs and  
masters degrees

**25%**  
are engineers

**19%**  
are women  
vs. 81% are men

## Generations



**Padtec**



# The future we make

2001 - 2021



## The destination is the world.

2001

Padtec starts operations in August 2001, spin-off originating from CPqD optical communication laboratories.

Padtec wins important tier 1 customers and starts expanding to the international market.

2004-2006

Padtec focuses its operations on expanding the company and growing revenue. The company consolidates itself as one of the largest suppliers of optical equipment in the world and wins an auction for the construction of Telebras' national backbone.

2010-2013

Padtec connects Brazil and the world at the 2014 World Cup, launches into the sea with the Sea Trial of its submarine repeater and deploys a subfluvial system for the Brazilian Army in Rio Negro (Manaus).

2014-2015

Padtec completes 16 years of innovation with the delivery of the underwater optical network to Google. The company hires a new management team and increases investments in operational efficiency, adopting the Lean methodology.

2015-2016

Padtec triples its EBITDA margin and reduces its financial cycle. The company also launches new transmission platforms synchronized with the industry's technology cycle with the support of agile methodology.

2017-2018

Padtec successfully concludes the sales of its Submarine Systems division and its OTN Switching business unit to major multinationals in the sector. In 2020, the company becomes publicly traded listed on B3 (Sao Paulo stock exchange - ticker: PDTC3), structuring itself to grow even more.

2019-2021



## A new decade.



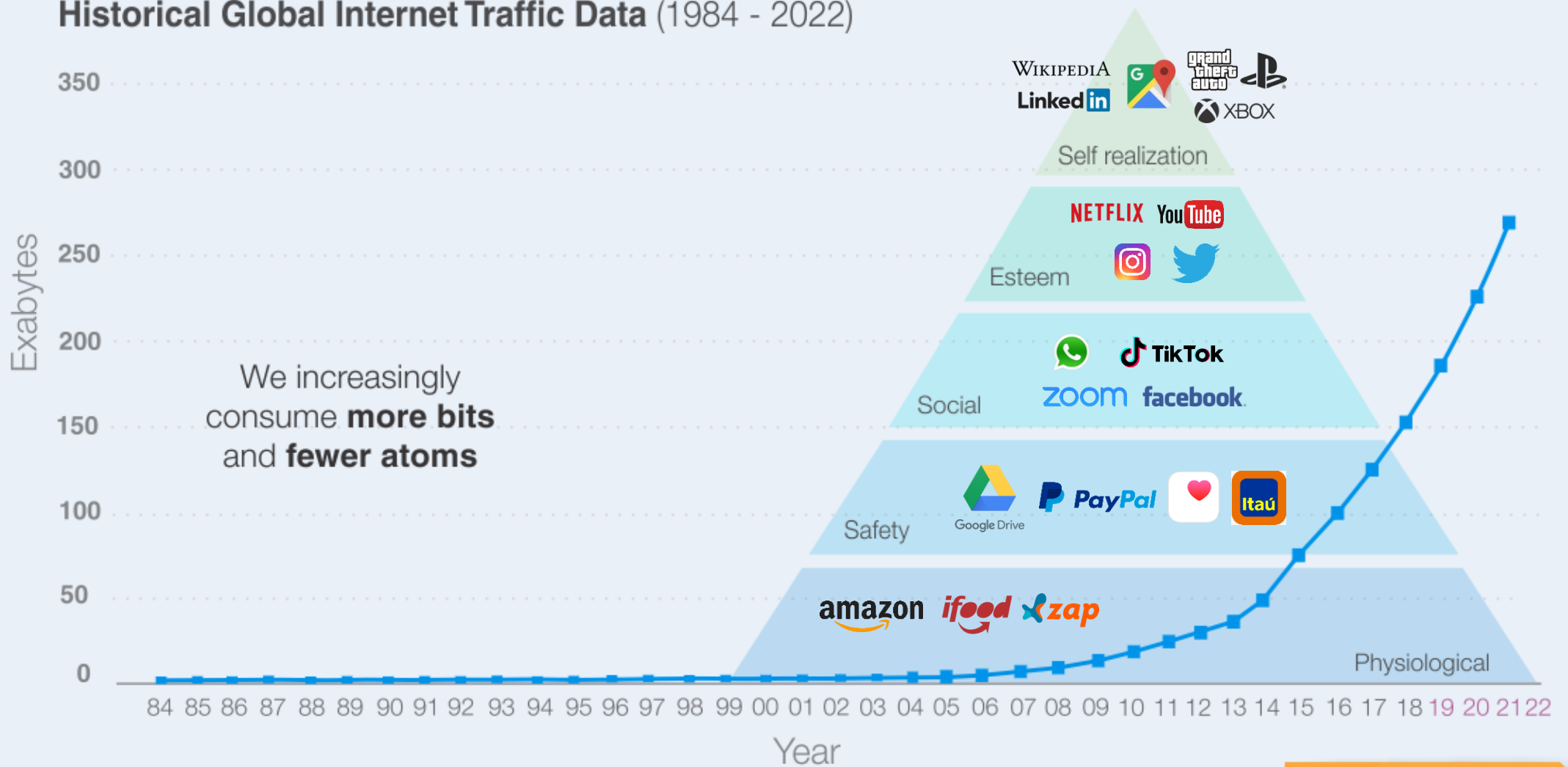
## Vocation for the future.

## The future we make.

**Padtec**

# Data traffic drives *optical transmission*

## Historical Global Internet Traffic Data (1984 - 2022)



Sources: Cisco Visual Networking Index: Forecast and Methodology, 2017-2022; Maslow Hierarchy Of Needs;

**Padtec**

# Geopolitics of the DWDM market



Equator line



*This map was made by Padtec*

# Business Units

## Optical networks



- LightPad Platform
- OTN Switch
- Optical Time-Domain Reflectometer (OTDR)
- Submarine Line Terminal Equipment (SLTE)

## Premium services



- Operation & Maintenance (O&M)
- Network Operations Center (NOC)
- Training Center

# Premium services

## Points Of Presence (POPs)

### Network Operation and Maintenance (O&M)

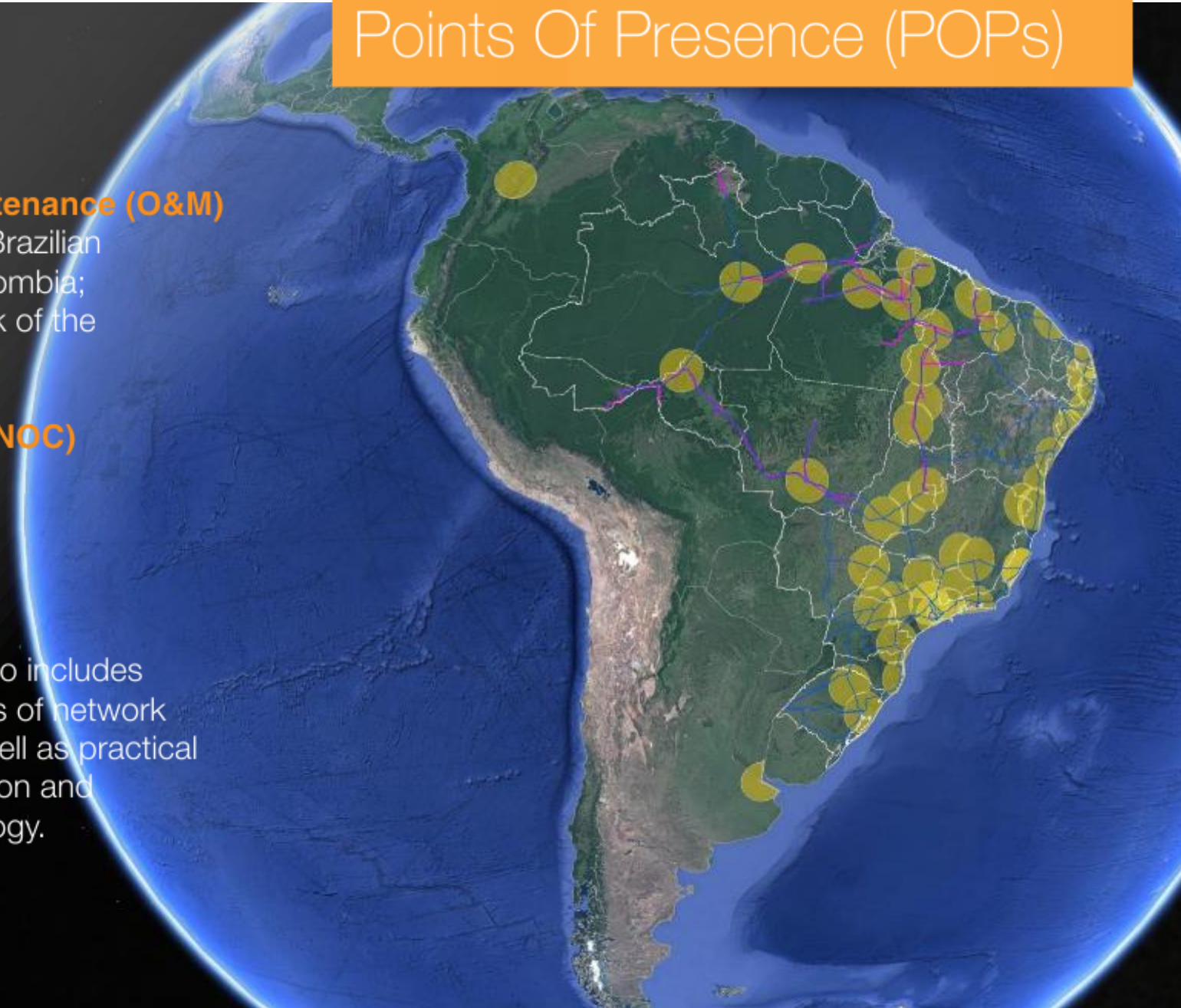
- More than **40 POPs** all over Brazilian territory, in Argentina and Colombia;
- 4H SLA for support to any link of the monitored networks;

### Network Operations Center (NOC)

- Operation 24x7;
- Performance reports;
- Risk mitigation;

### Training Center

Padtec's diverse training portfolio includes theoretical courses - in the areas of network planning and engineering - as well as practical courses - in the areas of operation and maintenance of DWDM technology.





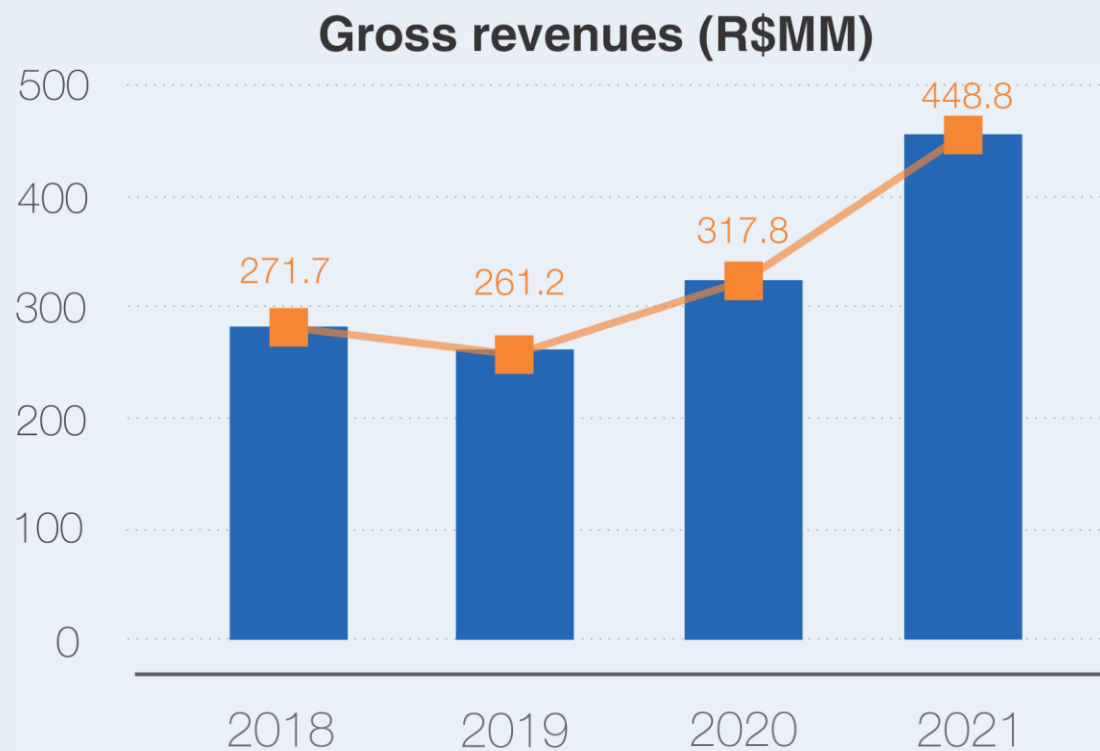
# Financial results

2018 - 2021

**Padtec**

# Financial Results

Revenue maintains growth and reaches new record

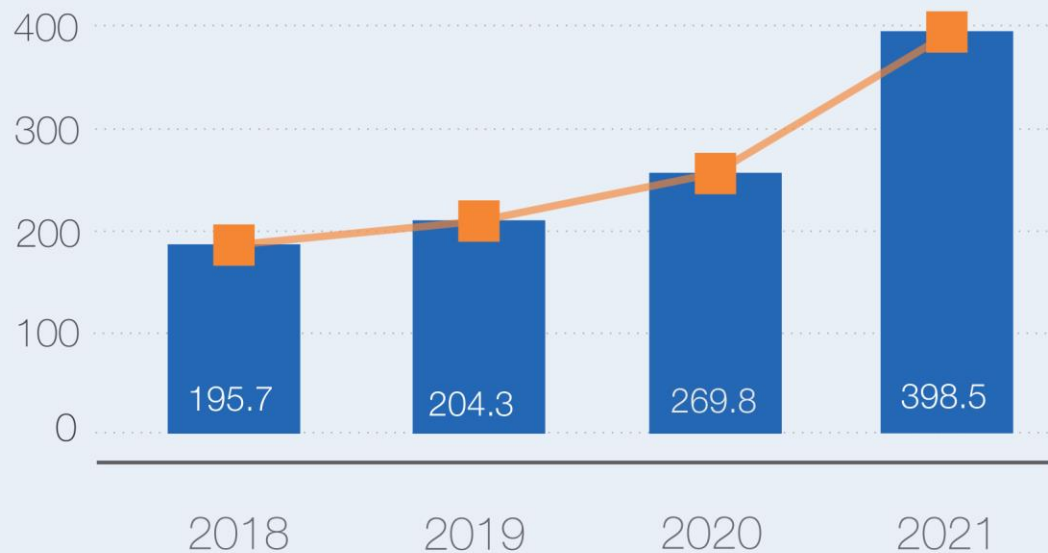




# Financial Results

The DWDM business unit played an important role in the good results achieved, registering a 47.7% growth

Gross revenues – DWDM business unit (R\$MM)



**CAGR**  
2018-2021  
**+26.8%**

**DWDM**  
**revenues**  
2021 x 2020  
**+47.7%**

# Financial Results

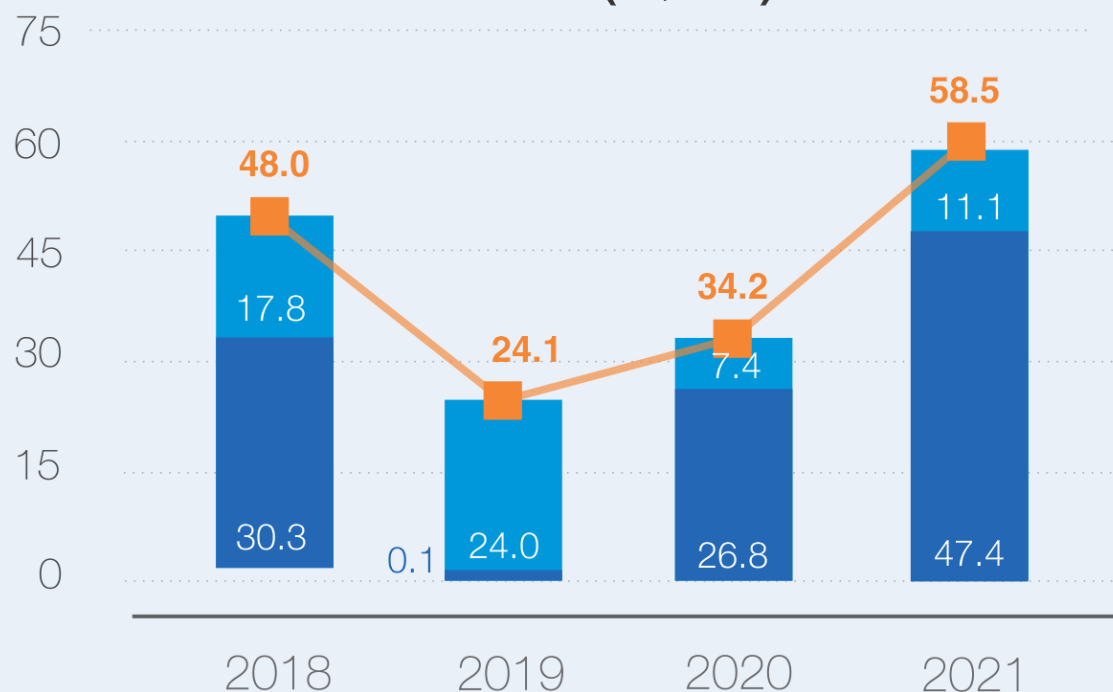
**Solid margins since 2Q20 ensure the Company's profitability**



*Combined data since January 2018*

# Financial Results

## EBITDA (R\$MM)



■ Adjusted EBITDA   
 ■ Non-recurring effects   
 ■ EBITDA

Adjusted EBITDA

**2020 x 2021**

**+77.1%**

**R\$ 47.4 mi**

(vs. R\$ 26.8k in 2020)

Adjusted EBITDA

**2020 x 2021**

**+71.2%**

**R\$ 58.5 mi**

(vs. R\$ 34.2k in 2020)

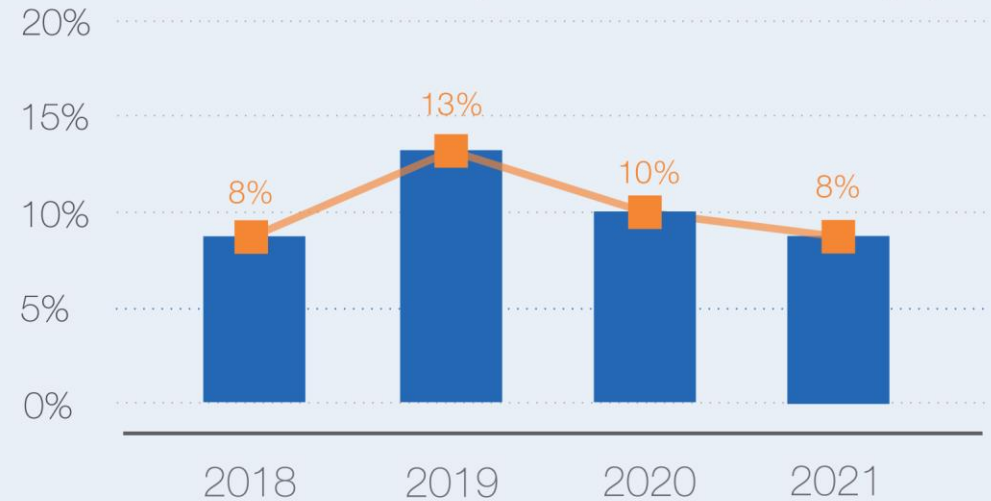
*Combined data since January 2018*

# Financial Results

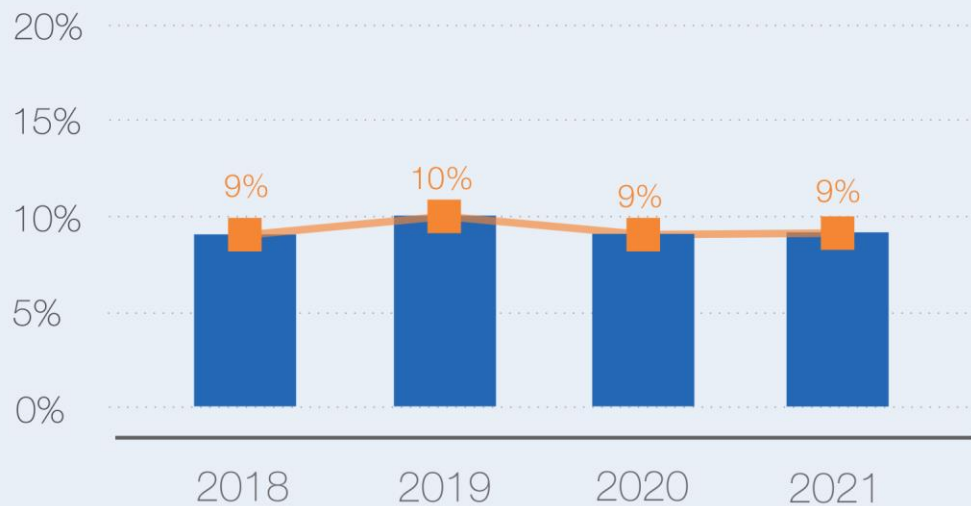
## R&D x Revenues (R\$MM)



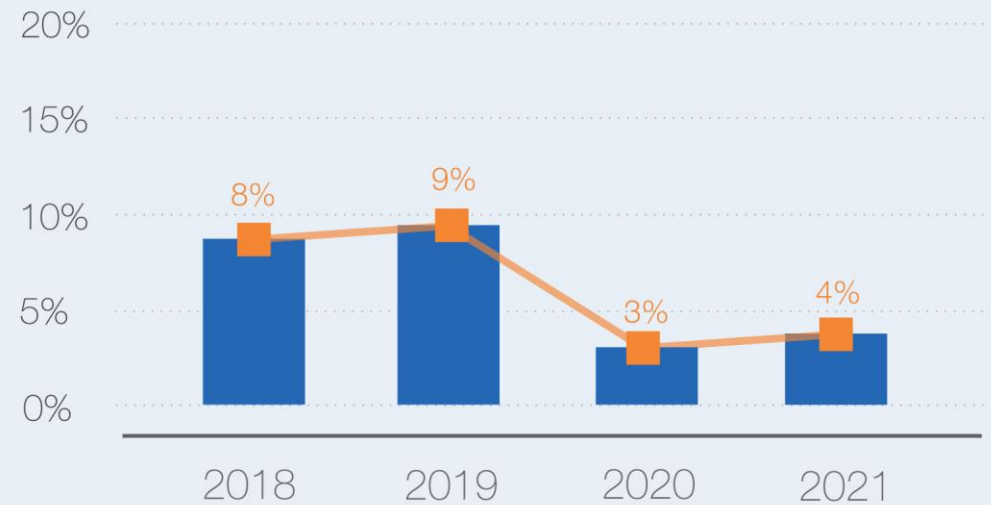
## Administrative Expenses x Revenues (%)



## Sales Expenses x Revenues (%)



## Financial Expenses x Revenues\* (%)



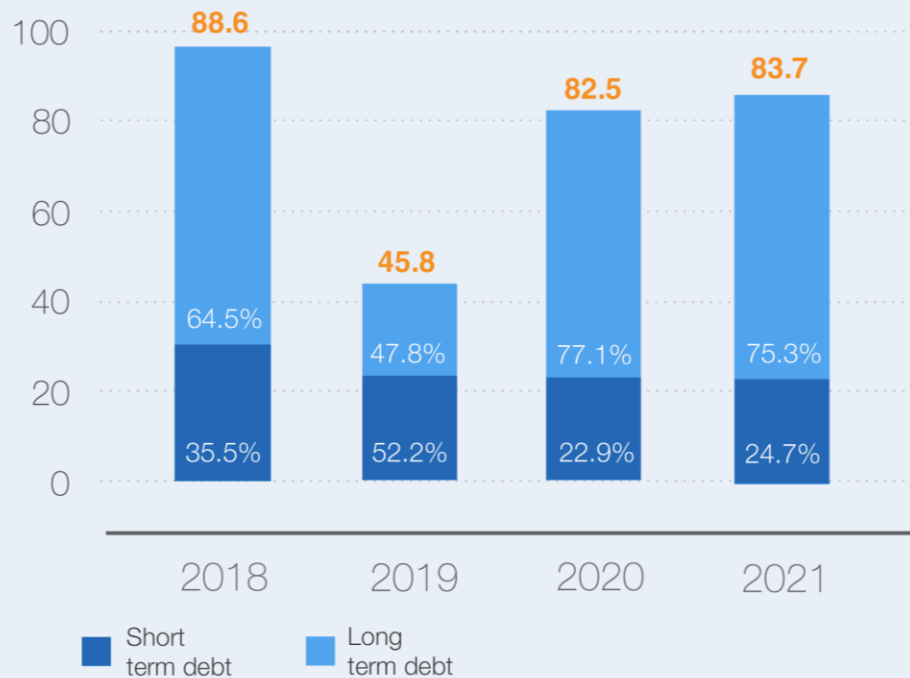
Combined data since January 2018

\*does not consider exchange variation

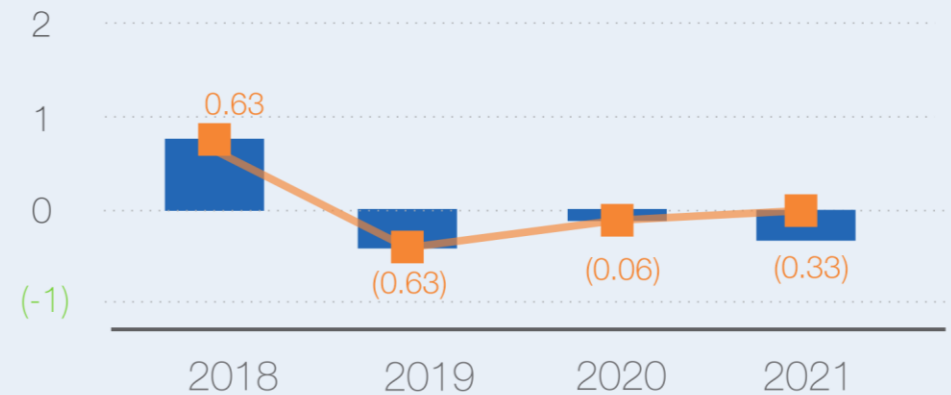
# Financial Results

**Solid capital structure and profitability preservation guarantee the resources for growth acceleration**

**Debt: long vs. short term (R\$MM)**



**Net Debt / Adjusted EBITDA**



# Financial Results

Debt evolution (R\$ million)

