

Padtec




padtec.com.br



Our story

Who we are?

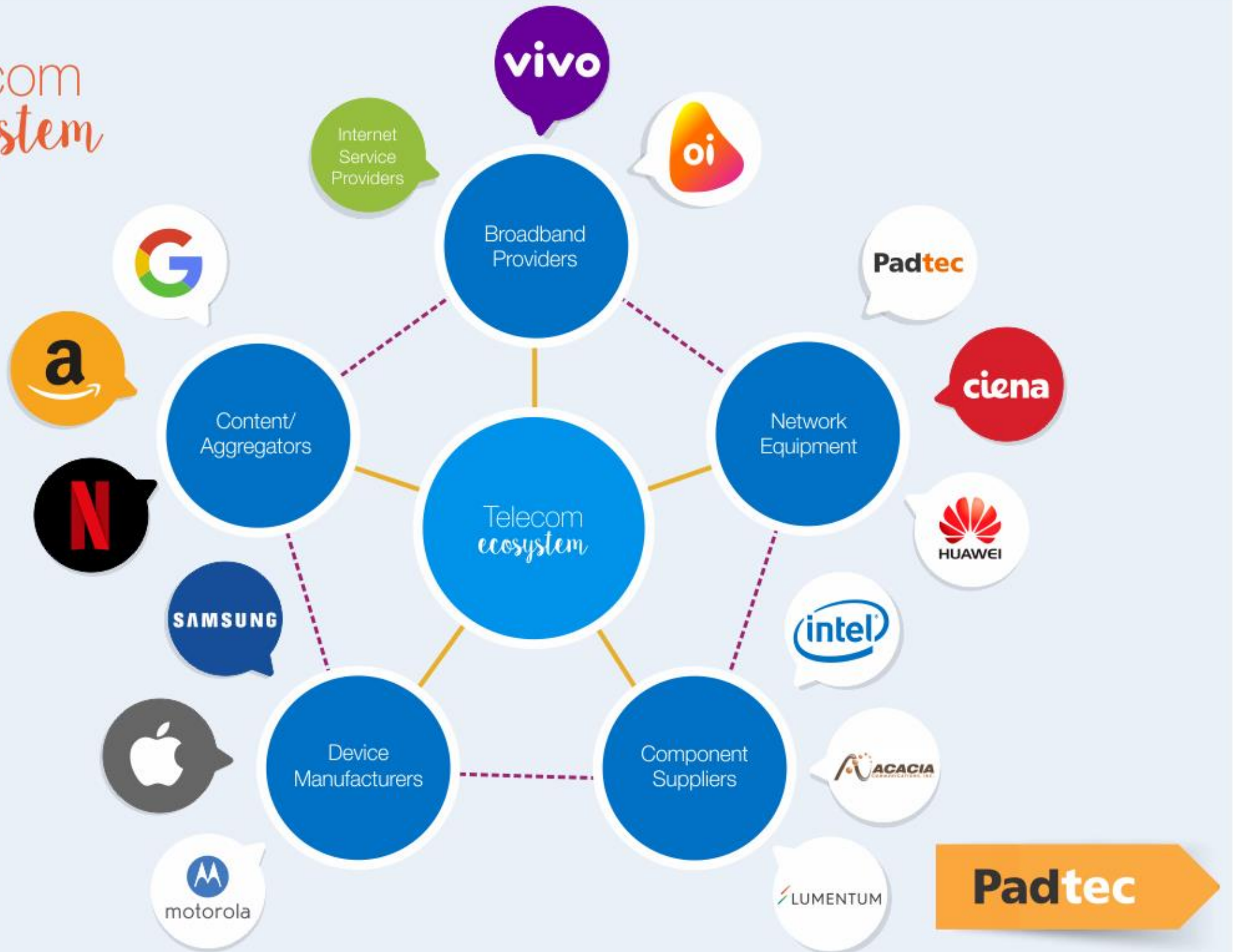
- Public company listed on B3 (Sao Paulo stock exchange: PDTC3);
- Operations started in August, 2001, as a spin-off of CPqD (Largest Telecom Research and Development Center in Latin America);
- 19 years in the telecom market with bona fide set of customers;
- 600+ employees in Brazil, Argentina, Colombia 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 

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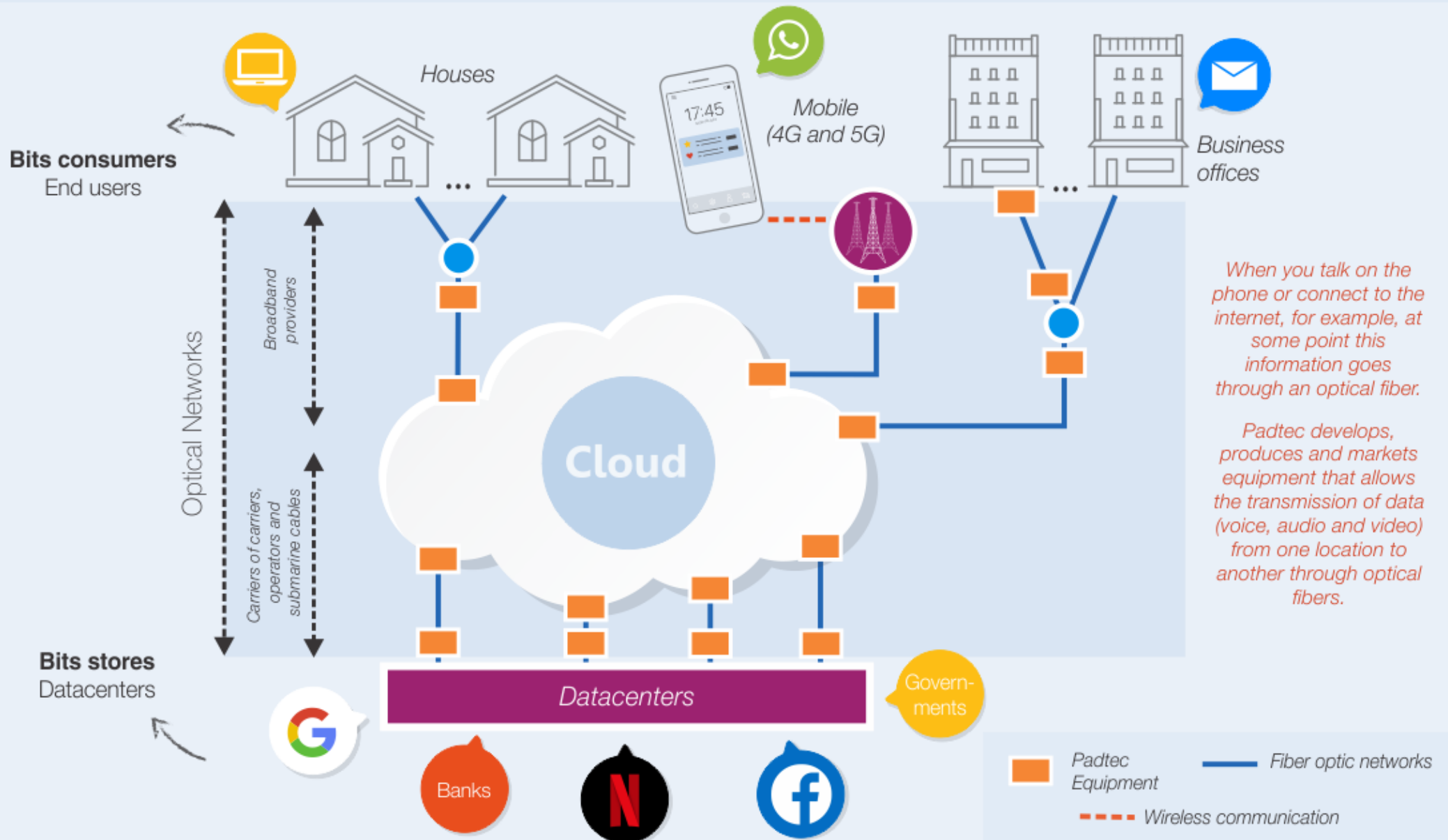


Telecom ecosystem

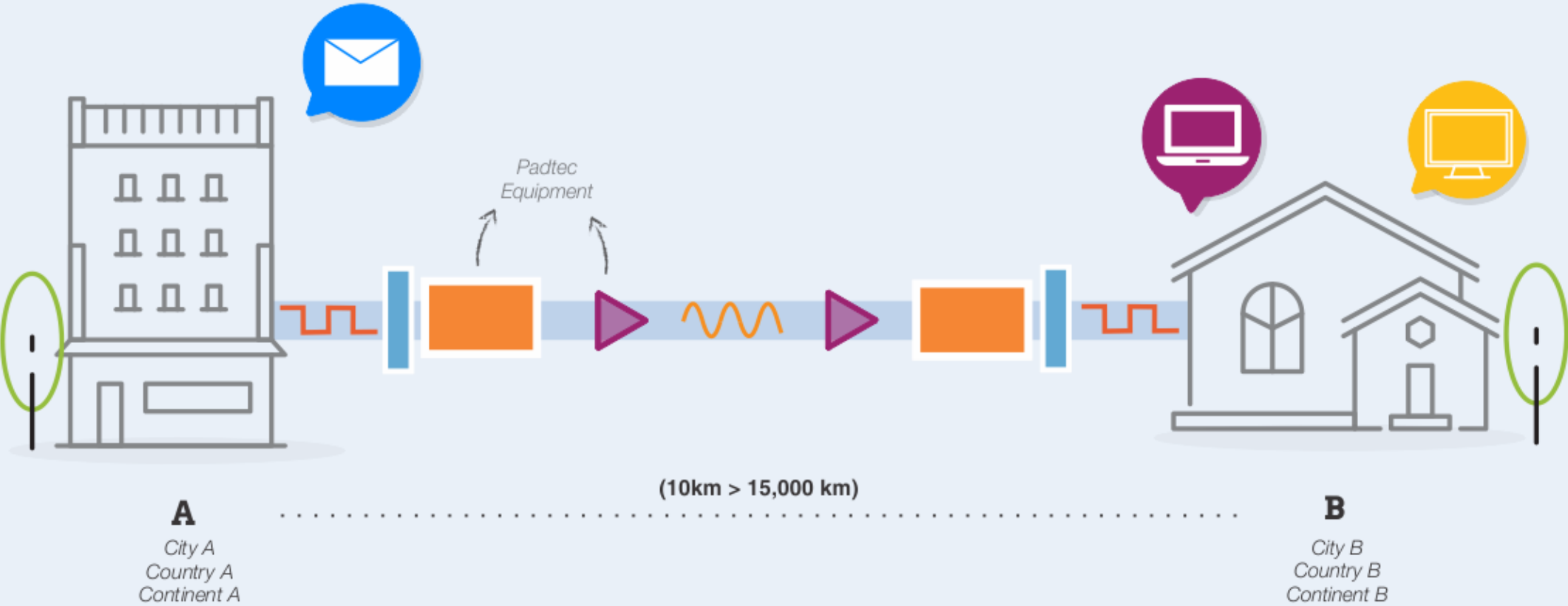


The *smartly* connected world we make

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The *smartly* connected world we make



 Electric sign  Optical sign  Transponders  Optical amplifiers  Routers



Customer portfolio

Net Promoter Score
54%

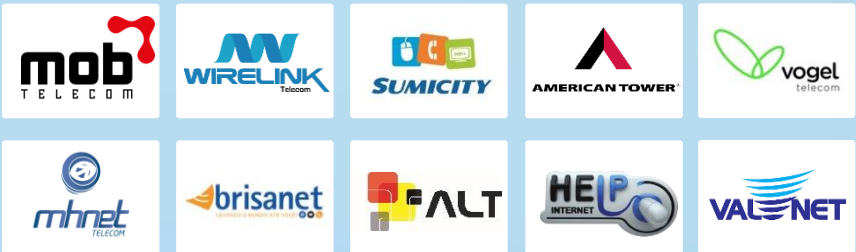
More than
200,000

km of DWDM backbone
in CALA region

Fixed and
mobile service
providers



Regional
Service
Providers



Carriers of
Carriers



Global
carriers



Utilities,
Oil&Gas e
Integrators



Data Center e
Multimédia

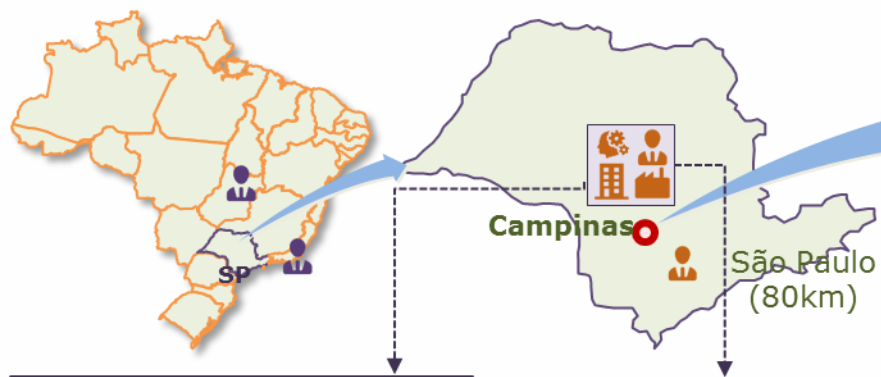


Governmental
and research
institutions



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**
- 2 Renowned university in Latin America in engineering and technology fields
- 3 University with importante R&D institute
- 4 Manufacturer os 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 manufactures of technology products in the world
- 10 Amongst the largest developers and manufactures of technology products in the world

Headquarters



Manufacturing plant



Label

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

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

Our human network



601 people



405

in the headquarters
(Campinas, Sao Paulo)



196

in offices (Sao Paulo, Rio de Janeiro, Fortaleza, Brasília, Argentina, Colômbia and EUA) and Points of Presence all over Brazil (Field)

81%

is the **engagement index** of the company's employees

Source: Opine 2019
(Padtec Climate Survey)



54%

with college degree

4,5% with PhDs and masters degrees

29.5%

are engineers

Generations

1950

2.5% Baby boomers
(born from 1950 to 1959)

1960

7.6% X generation
(born from 1960 to 1969)

1970

23.4% Y generation
(born from 1970 to 1979)

1980

48% Millenials
(born from 1980 to 1989)

1990

18.5% Z generation
(born from 1990 to 2000)

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The future we make

2001 - 2019



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



Vocation for the future.



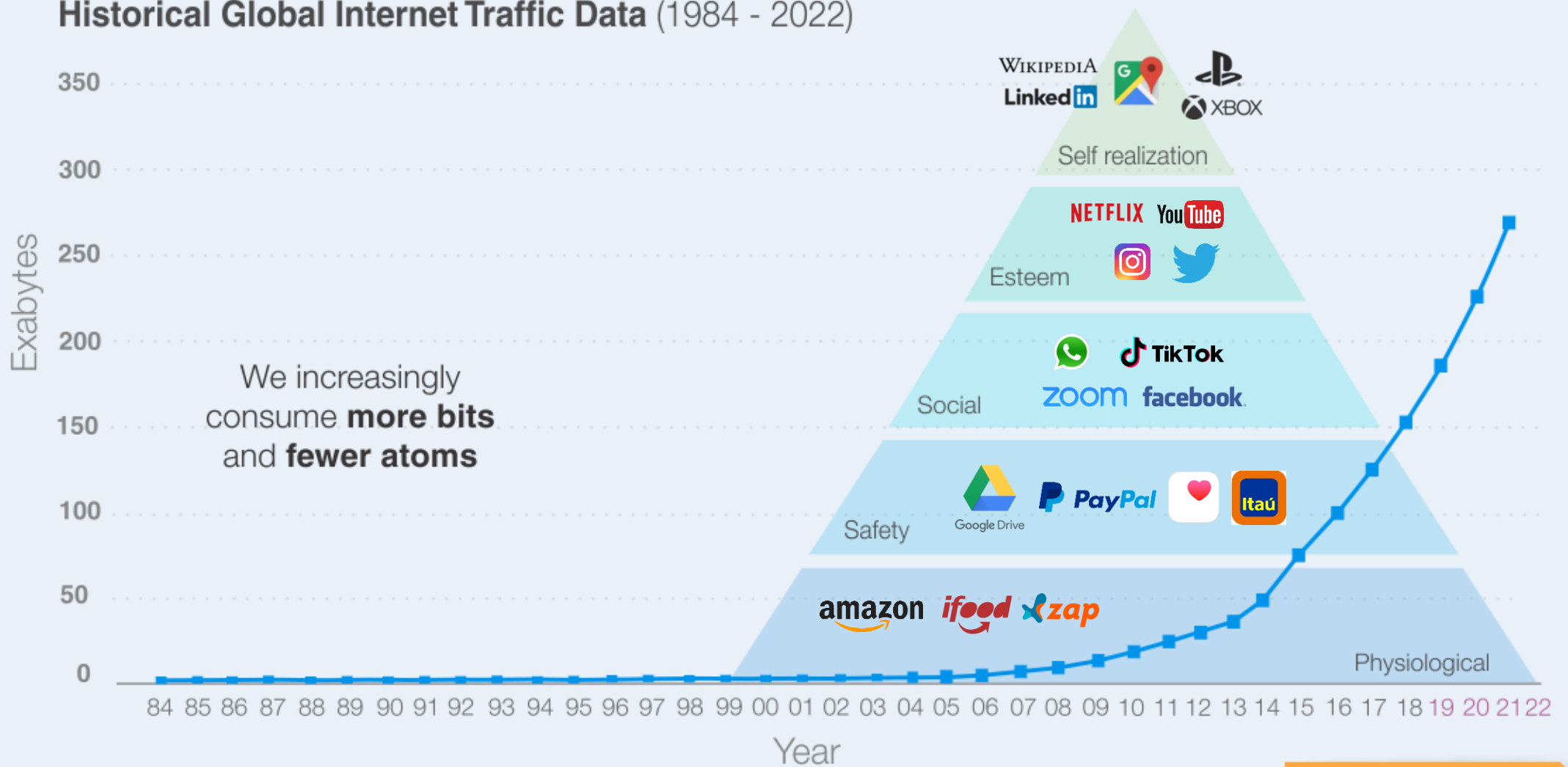
A new decade.

The future we make.

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Data traffic drives *optical transmission*

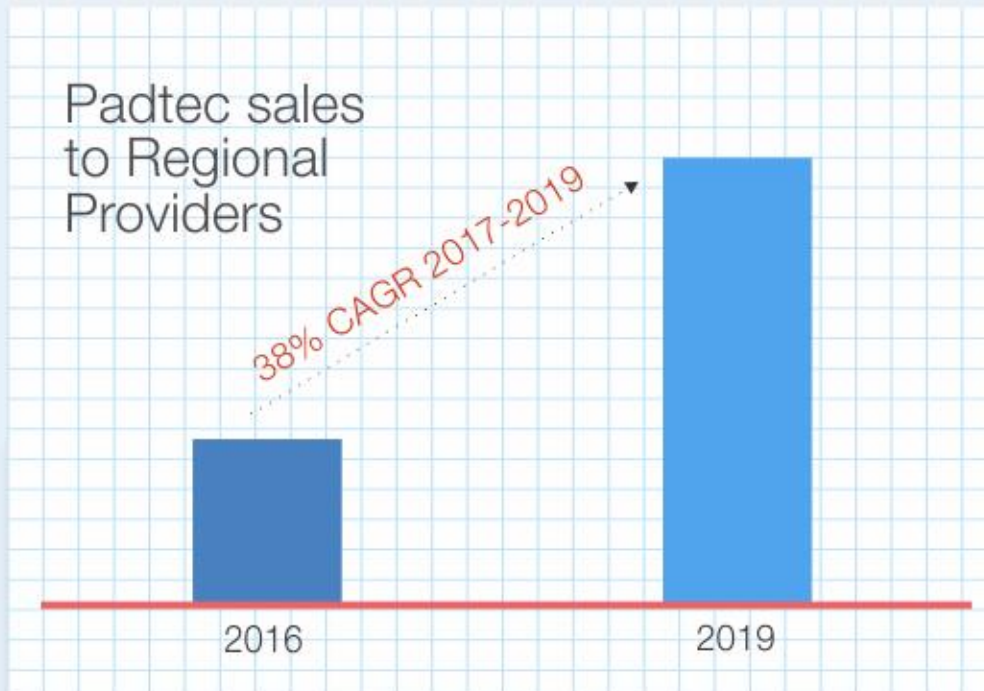
Historical Global Internet Traffic Data (1984 - 2022)



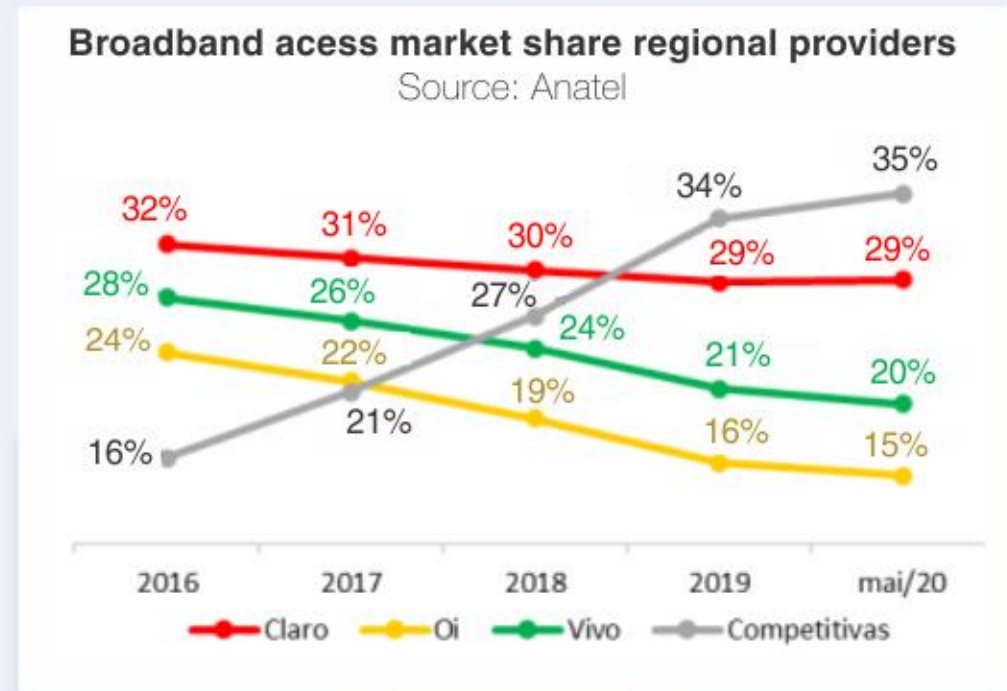
Sources: Cisco Visual Networking Index: Forecast and Methodology, 2017–2022; Maslow Hierarchy Of Needs;

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Case Brazil: Growth from Regional Providers



- Padtec has been very successful in capturing this market;
- Exponential growth in sales;
- Vendor financing key to leverage sales;



Together, ISPs have already surpassed three of the largest telecommunications services operators in Brazil.

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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



Research and Development

Padtec Transponders

2016

2018

2020

2021



100 Gb/s



200 Gb/s



2x 600 Gb/s



200 Gb/s*

400 CFP2-DCO



400 Gb/s

TM400G

400 CFP2-DCO

TCX400G

800 Gb/s

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OTDR



Premium services

Points Of Presence (POPs)

Network Operation and Maintenance (O&M)

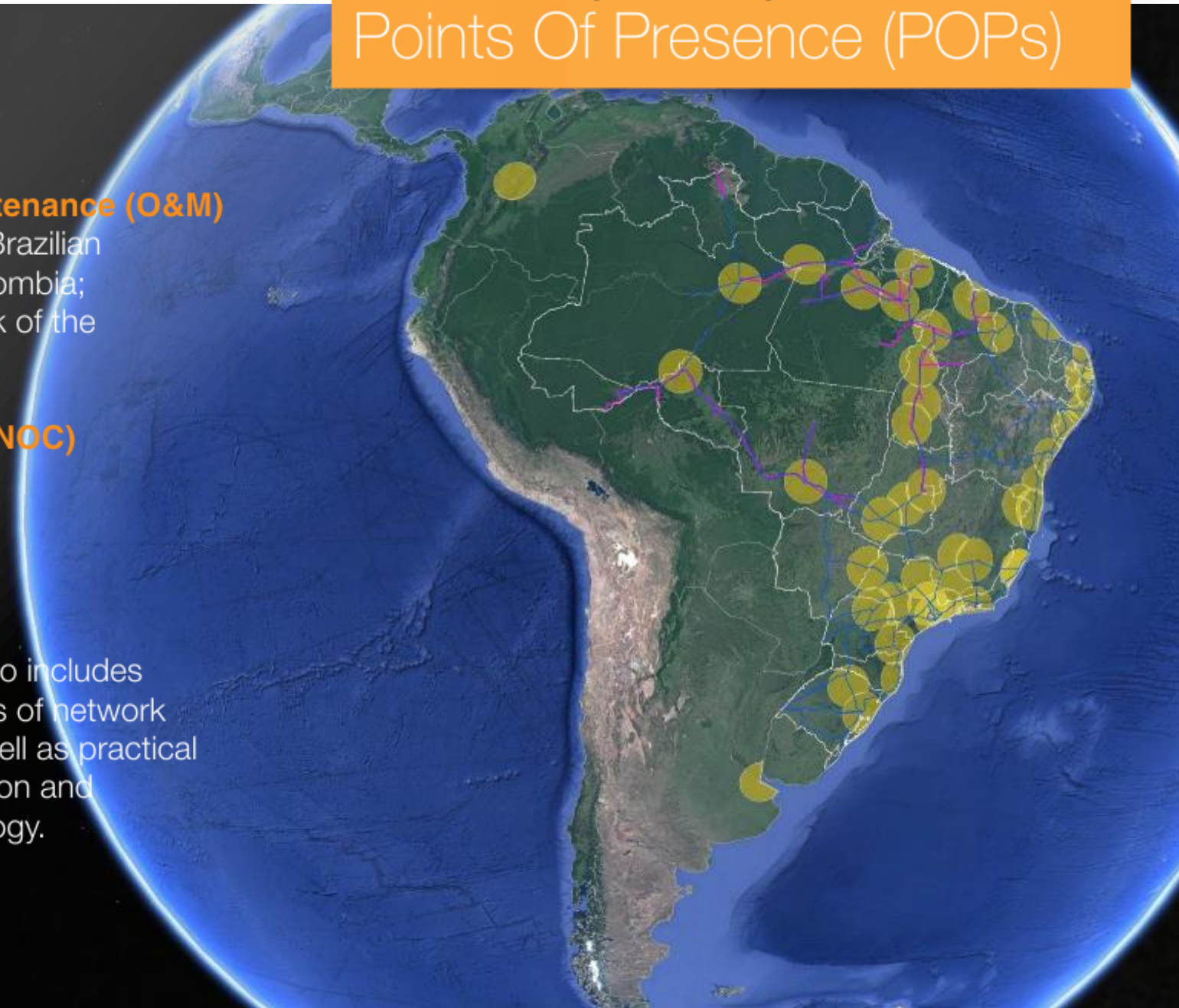
- More than **40 POPs** all over Brazilian territory, in Argentina and Colombia;
- 4H SLA for support to any link of the monitored networks;

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

2017 - 2020

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9M2020 vs. 9M2019

Customers and Revenue

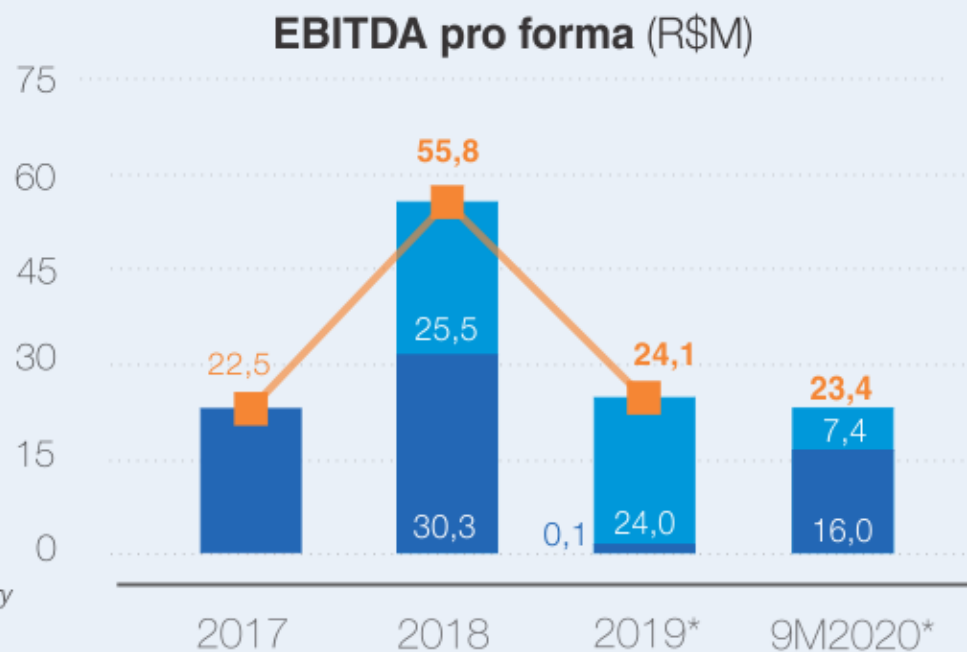
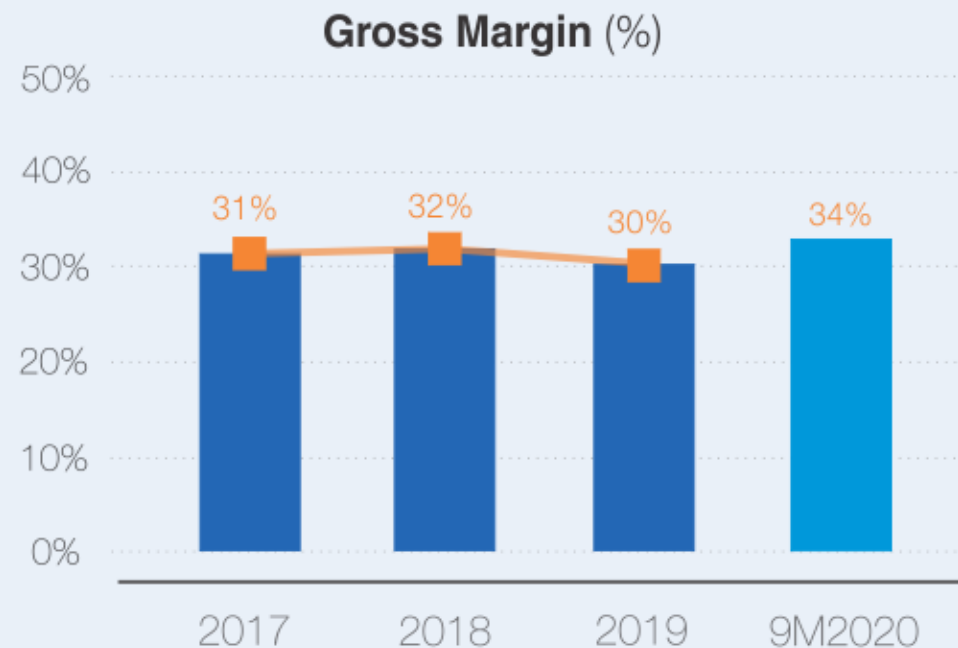
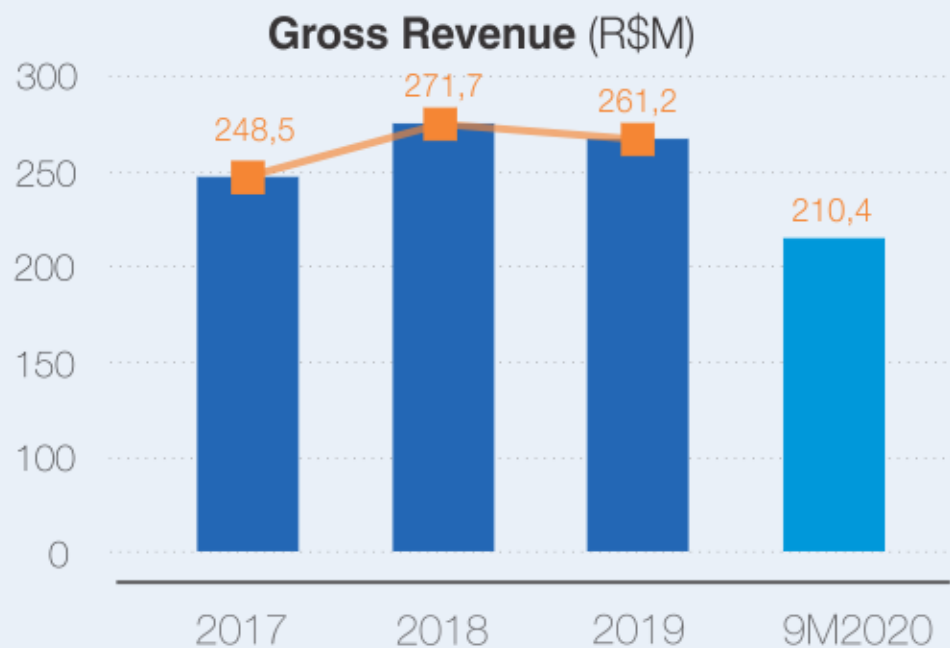


DWDM equipment
represents **83%**
and Services
Premium **17%**.



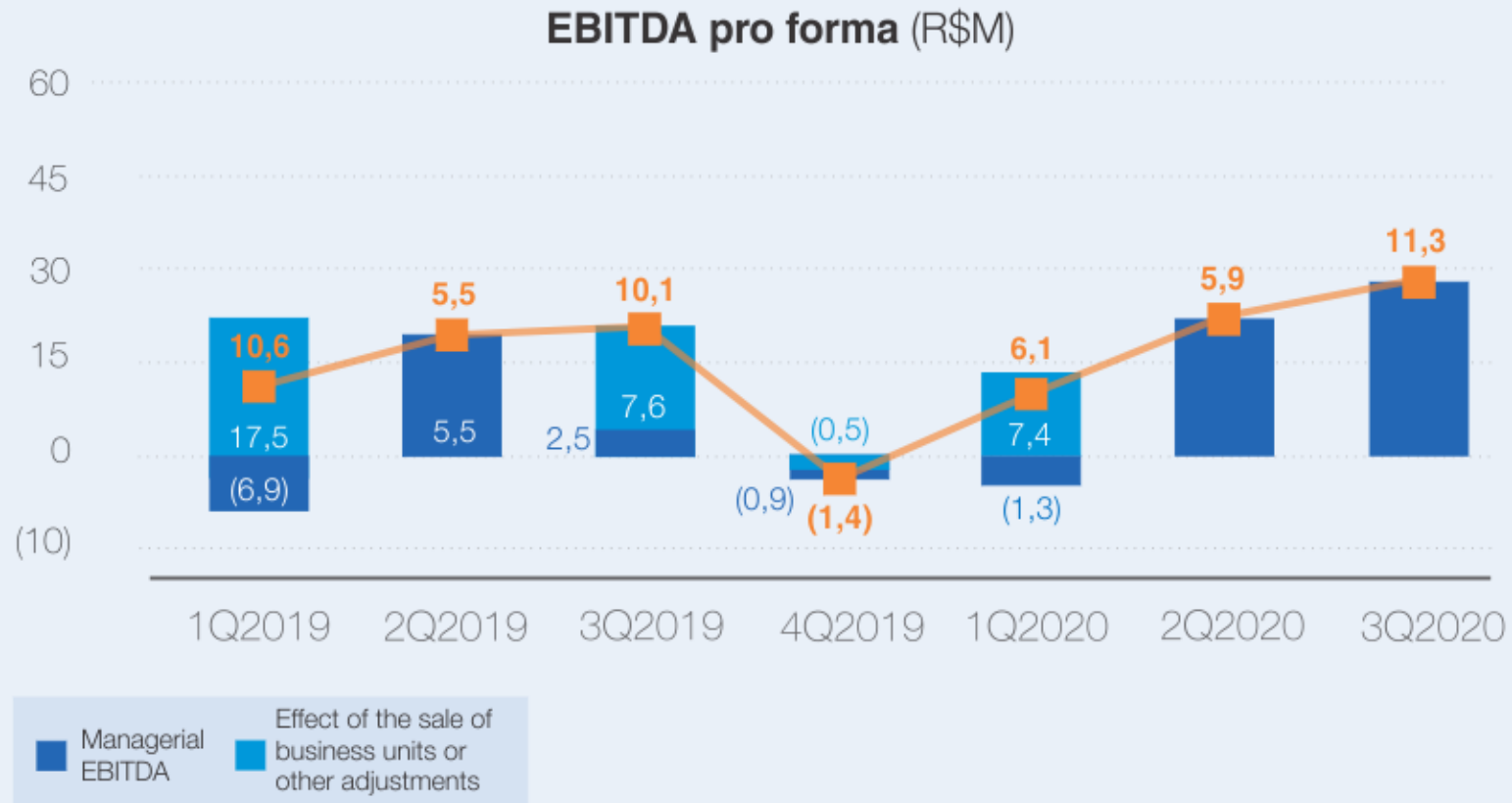
32.1% growth in
operating revenue,
3Q2020 vs. 2Q2020.

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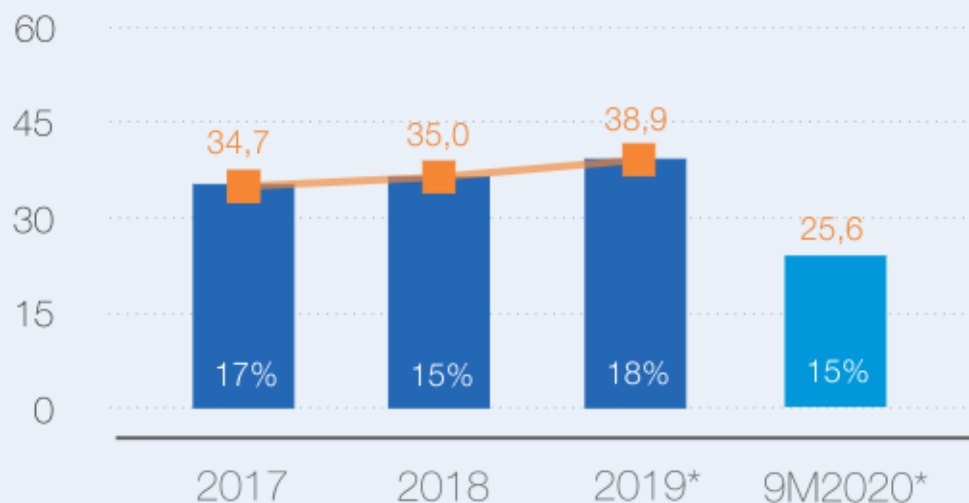
*For the purposes of a better comparison, Padtec S.A. has been considered a wholly owned subsidiary of Padtec Holding S.A. since January 2019.

■ Managerial EBITDA
 ■ Effect of the sale of business units or other adjustments

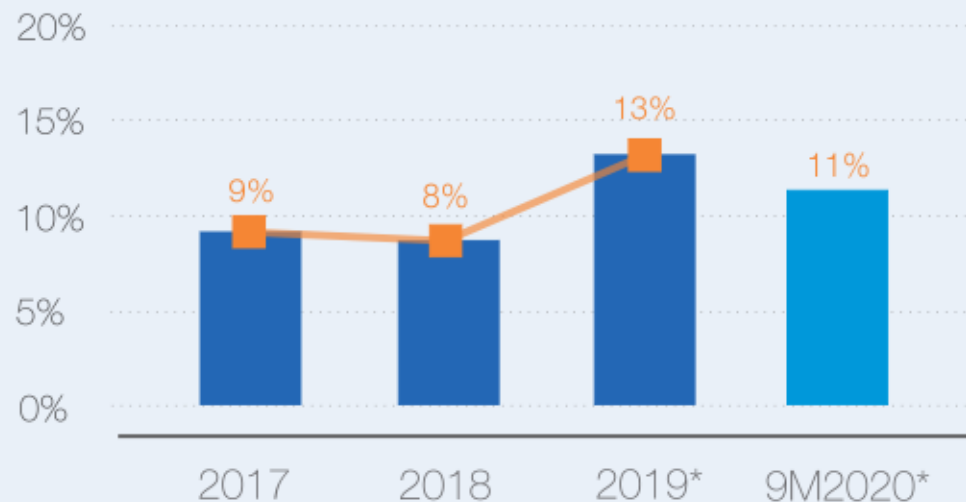


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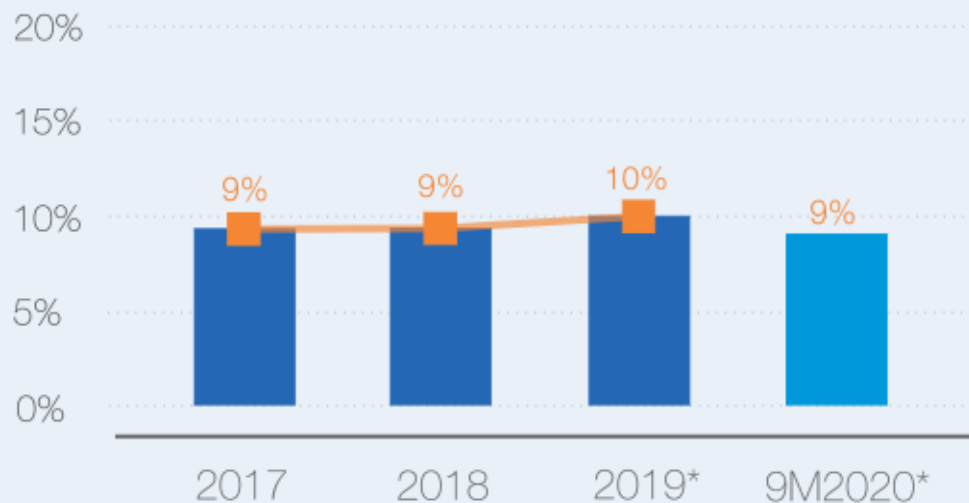
R&D x Net Revenue (R\$M)



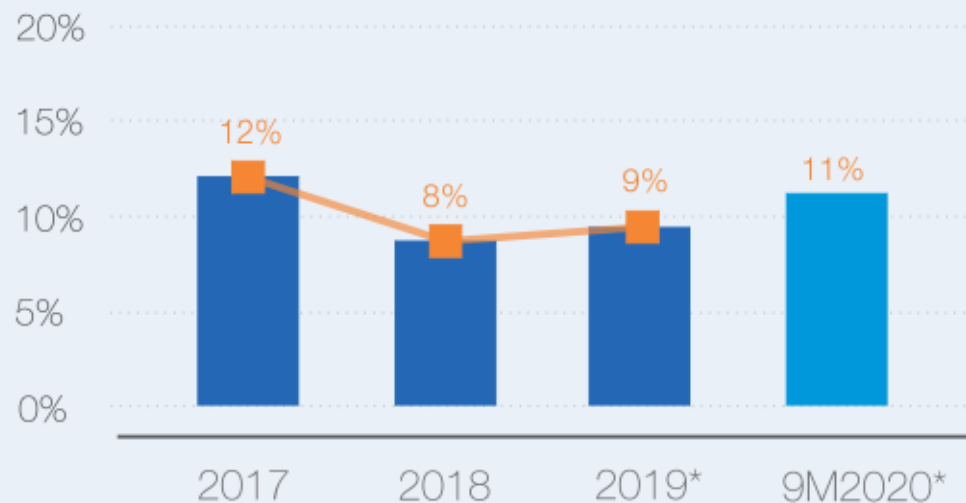
Administrative Expenses x Net Revenue (%)



Sales Expenses x Net Revenue (%)

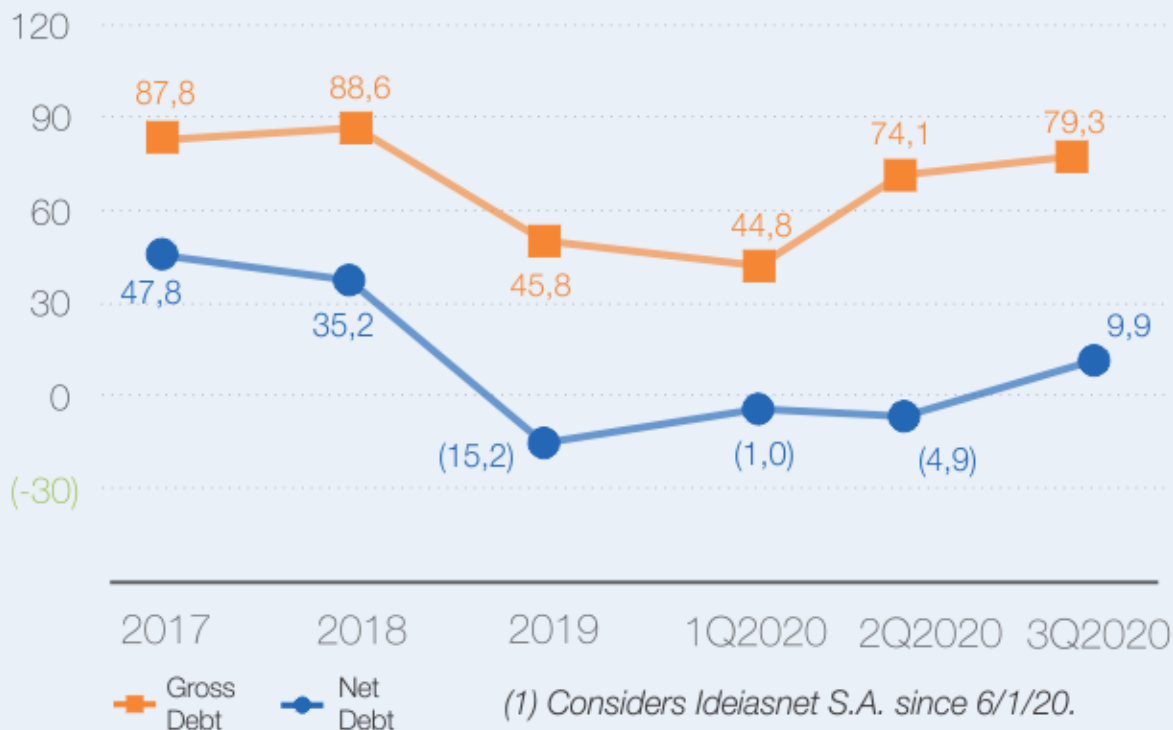


Financial Expenses x Net Revenue (%)



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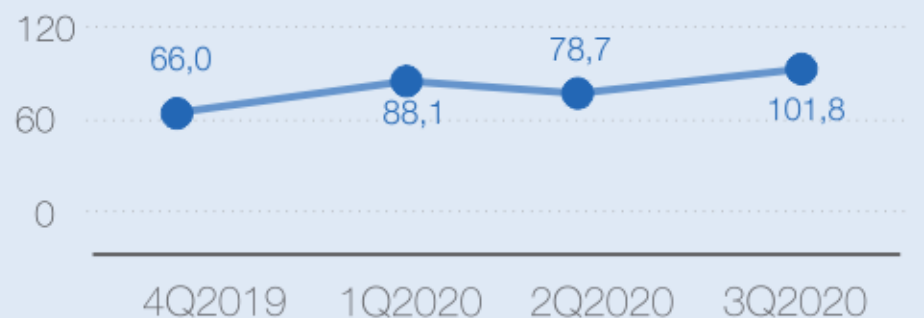
Gross Debt vs. Net Debt* (R\$M)



Debt Profile: Long vs. Short Term (R\$M)



Accounts Receivable From Customers (R\$M)



Net Debt / EBITDA pro forma

