



Results Presentation  
**4Q23**

March 21, 2024

## Disclaimer



The statements contained in this document related to business prospects, projections on operating and financial results, and to the growth perspectives of Locaweb Serviços de Internet S.A. are merely projections and, as such, are based exclusively on the expectations of the Board about the future of the business. These expectations depend materially on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to changes without notice. All variations presented here are calculated based on numbers in millions of reais (unless otherwise stated), as well as rounding. This performance report includes accounting and non-accounting data such as operational, organic and pro forma financial data and projections based on the expectations of the Company's Management. The non-accounting data have not been reviewed by the Company's independent auditors



Fernando Cirne  
CEO

lwsa



## Profitability, EBITDA and Cash Generation

Consolidated EBITDA margin with an expansion of **3.7 p.p.** vs 4Q22, reaching **19.7%** in 4Q23. The Company's highest quarterly margin since the beginning of the acquisition process

Expansion of the EBITDA margin of acquired companies, reaching **10.2%** in 4Q23 (**+22.1 p.p.** since 4Q21 and **+13.0 p.p.** since 4Q22) due to operational leverage resulting from the strong growth of the majority of acquired companies

Adjusted EBITDA grew **41.5%** vs 4Q22 and **26.3%** vs 3Q23

Free Cash Flow after Capex of **R\$ 84.3 mm**, **93.8%** higher than in 4Q22

## Growth

Net Revenue Growth of **14.8%** vs 4Q22. In 2023, growth was **13.9%** vs 2022

Commerce grew **18.2%** vs 4Q22 (**R\$ 243.4 mm** in Net Revenue). In 2023 the growth was **21,8%**

# LWSA evolution

## Pre-IPO

BeOnline / SaaS used to represent 80% of the group

Lower growth with higher margins

First steps in the Commerce segment

## Post IPO

Commerce segment expansion (70% of revenues)

M&A strategy and Commerce ecosystem enhancement

Higher growth with lower margins

## Until 2023

Commerce ECOSYSTEM reached ~20% share in Brazilian GMV

Focus on M&A integration

Increased profitability through operational leverage

Simplification of corporate structure

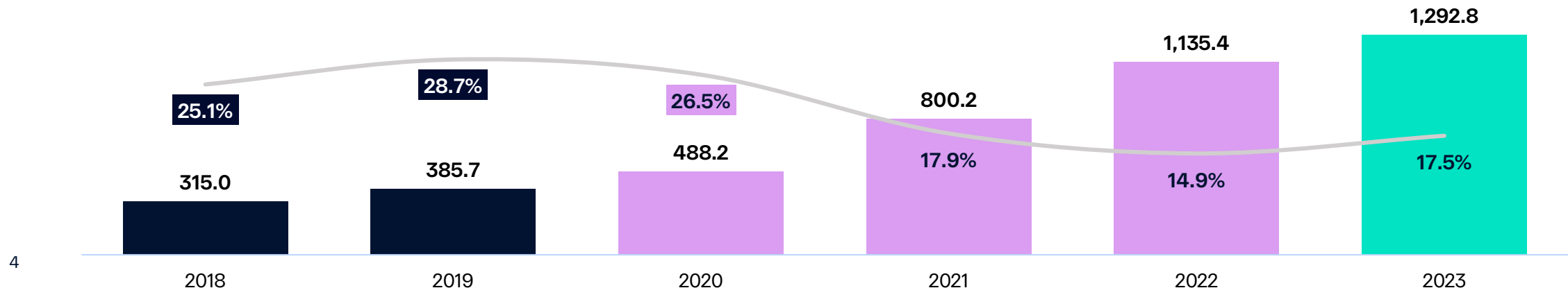
## Going Forward

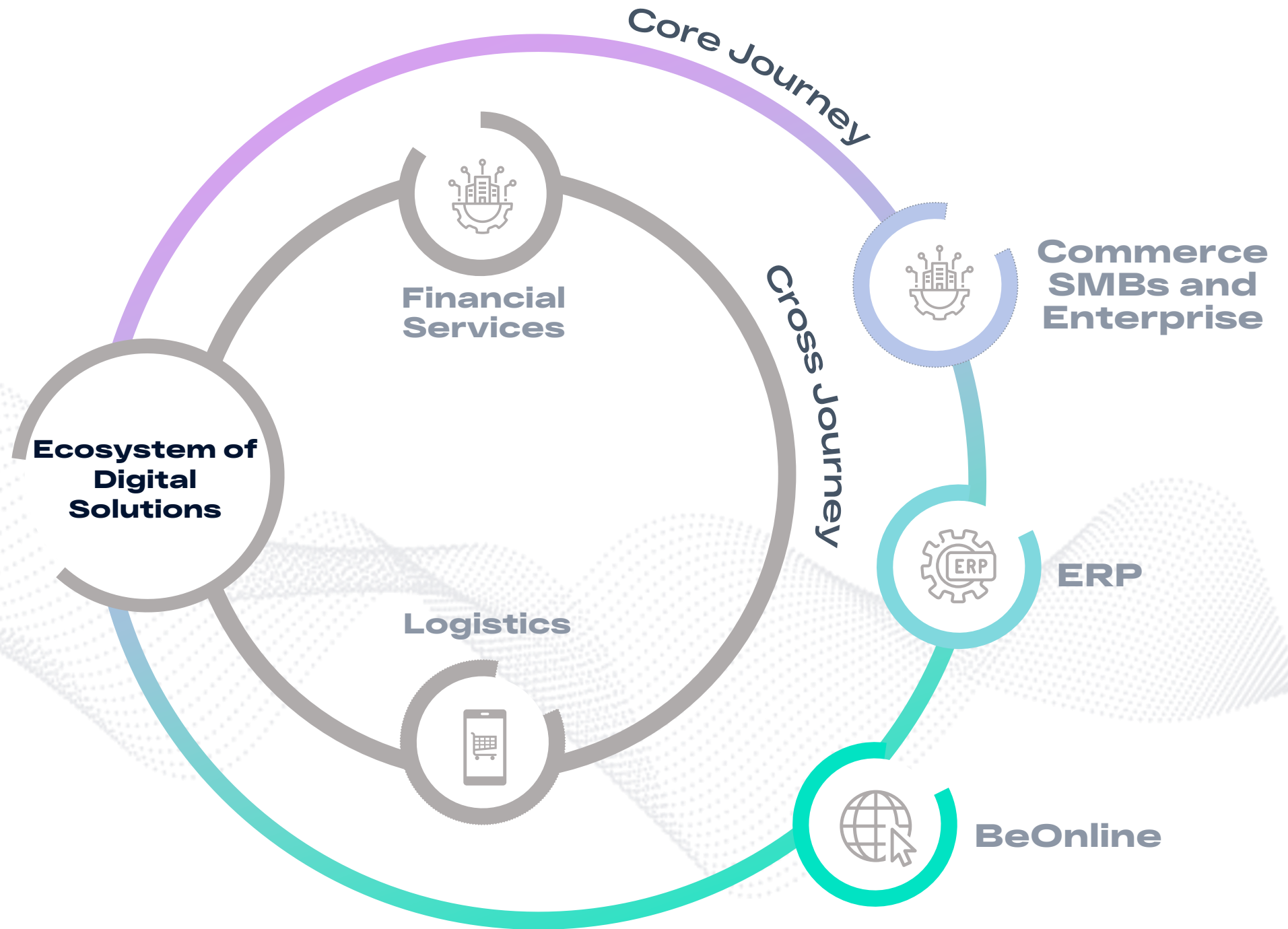
Increase profitability

Increase the growth pace

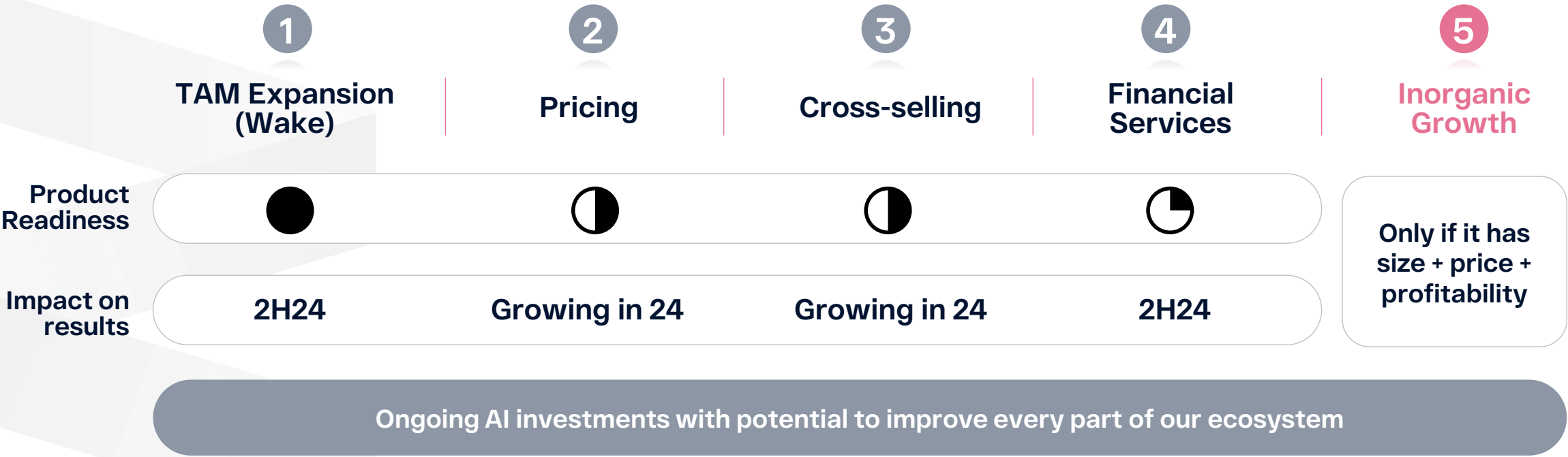
Monetization of investments already made in the ecosystem

(Net Revenues and Adj. EBITDA Margin)





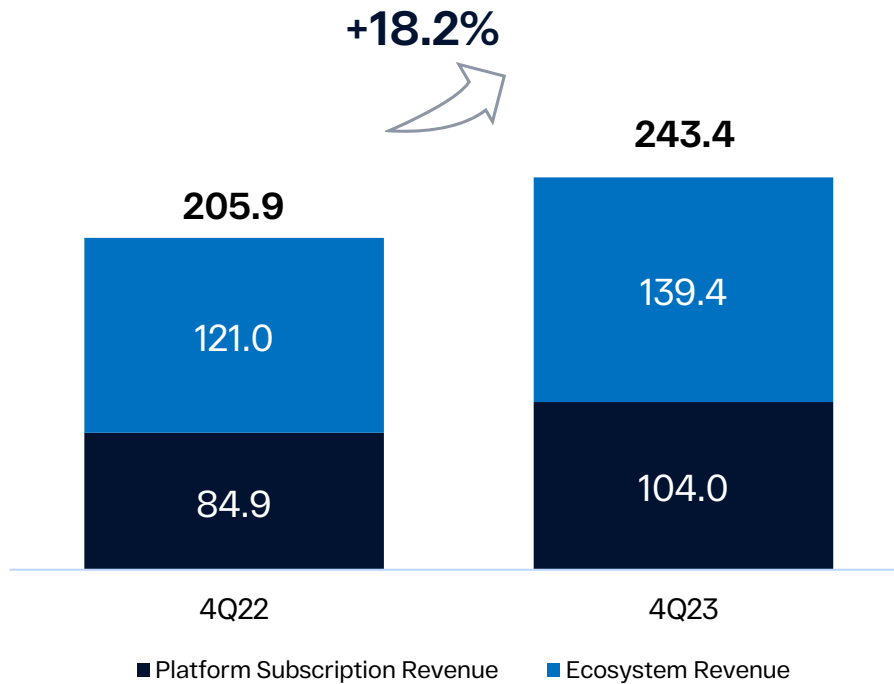
Growth Avenues



## Revenue of Commerce segment

### Commerce Revenue

R\$ mm



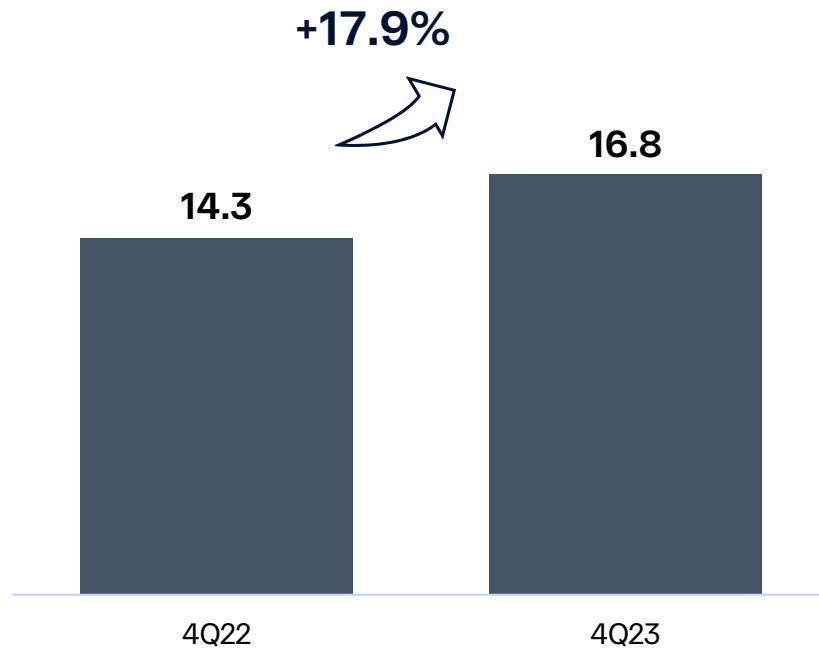
- Platform Subscription Revenue (+22.5%)
- Ecosystem Revenue (+15.2%)



## Ecosystem GMV and Commerce Subscriber Base

### Ecosystem GMV

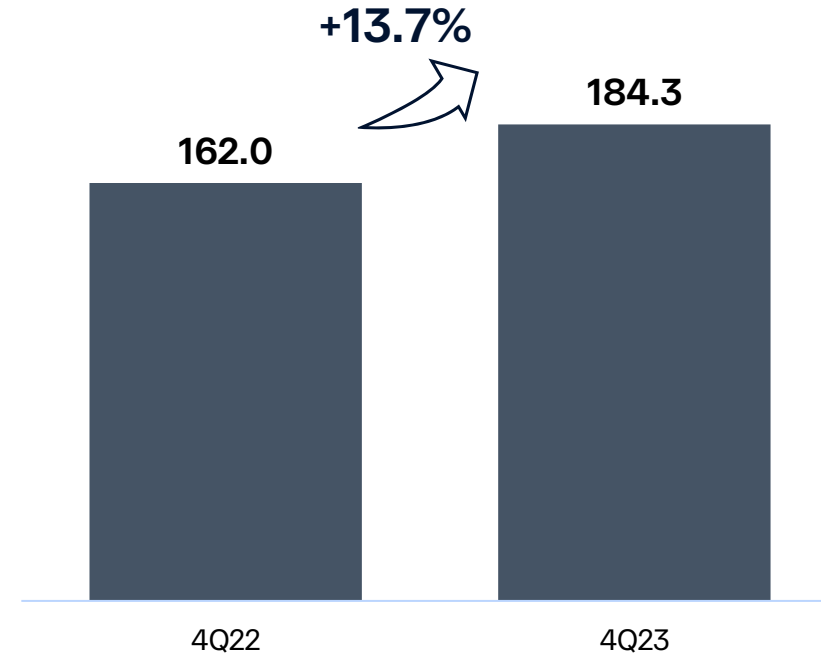
R\$ bi



**+12.1% QoQ**

### Commerce Subscriber Base

In thousands

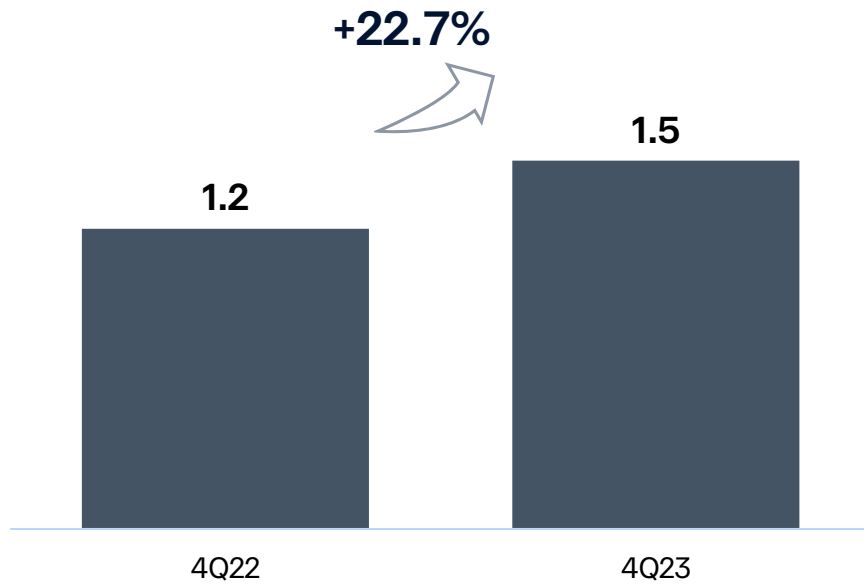


Total customer volume of the Commerce operation during the 4Q was 470 thousand unique customers

## Own Stores GMV and TPV

### Own Stores GMV

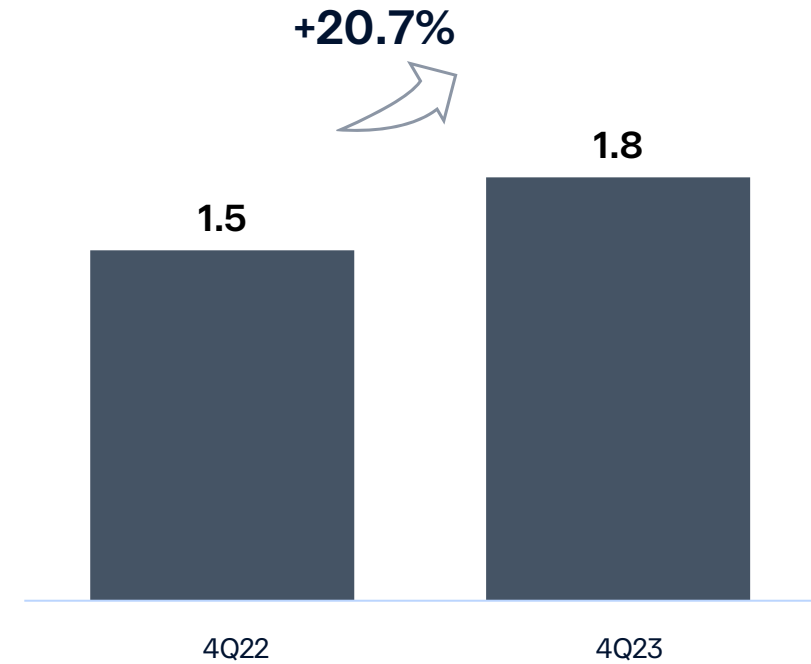
R\$ bi



QoQ: +17.2% vs 3Q23

### TPV

R\$ bi



QoQ: +6.6% vs 3Q23



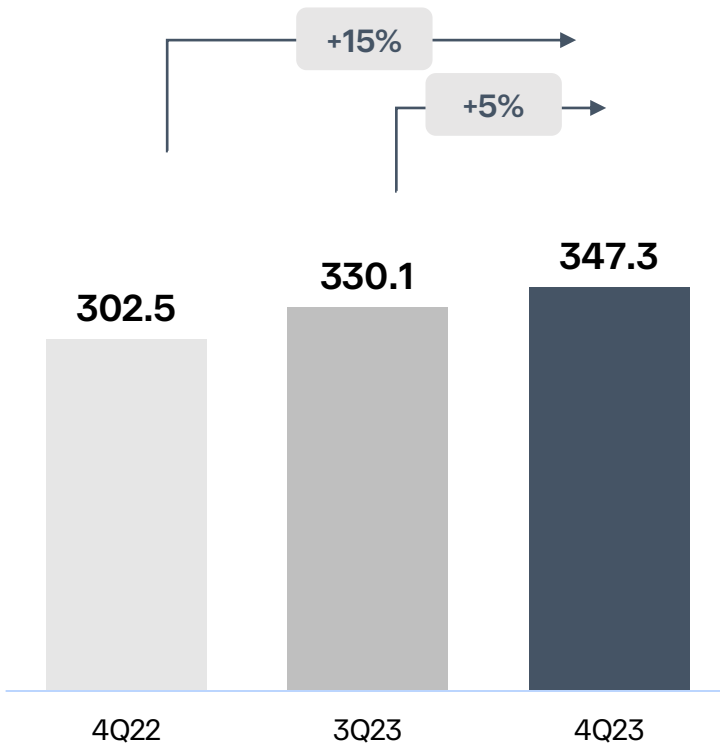
Rafael Chamas  
CFO

lwsa

## Net Revenue 4Q23

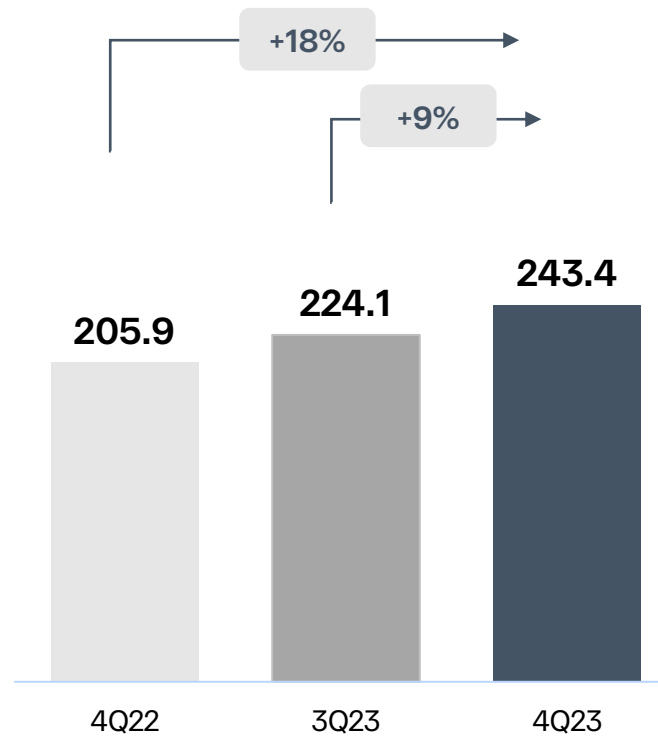
### Consolidated

R\$ mm



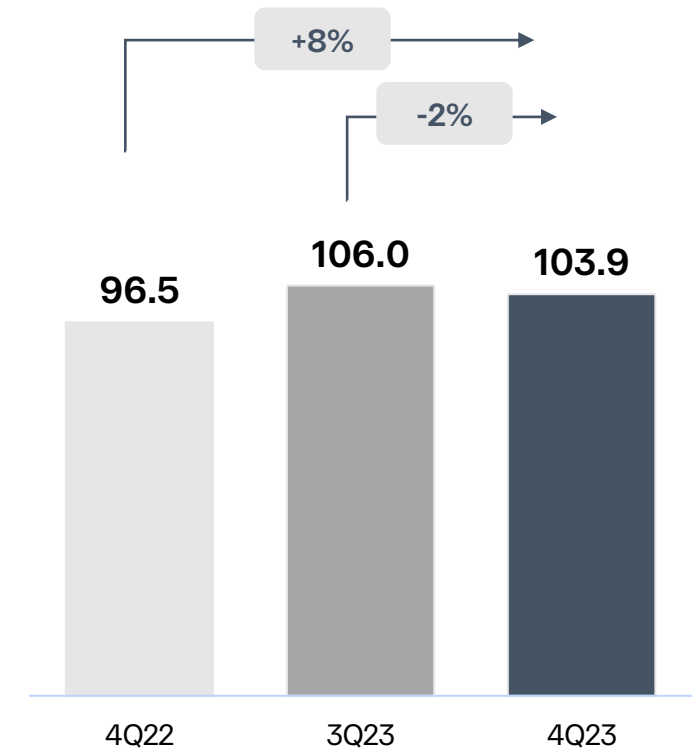
### Commerce

R\$ mm



### BeOnline / SaaS

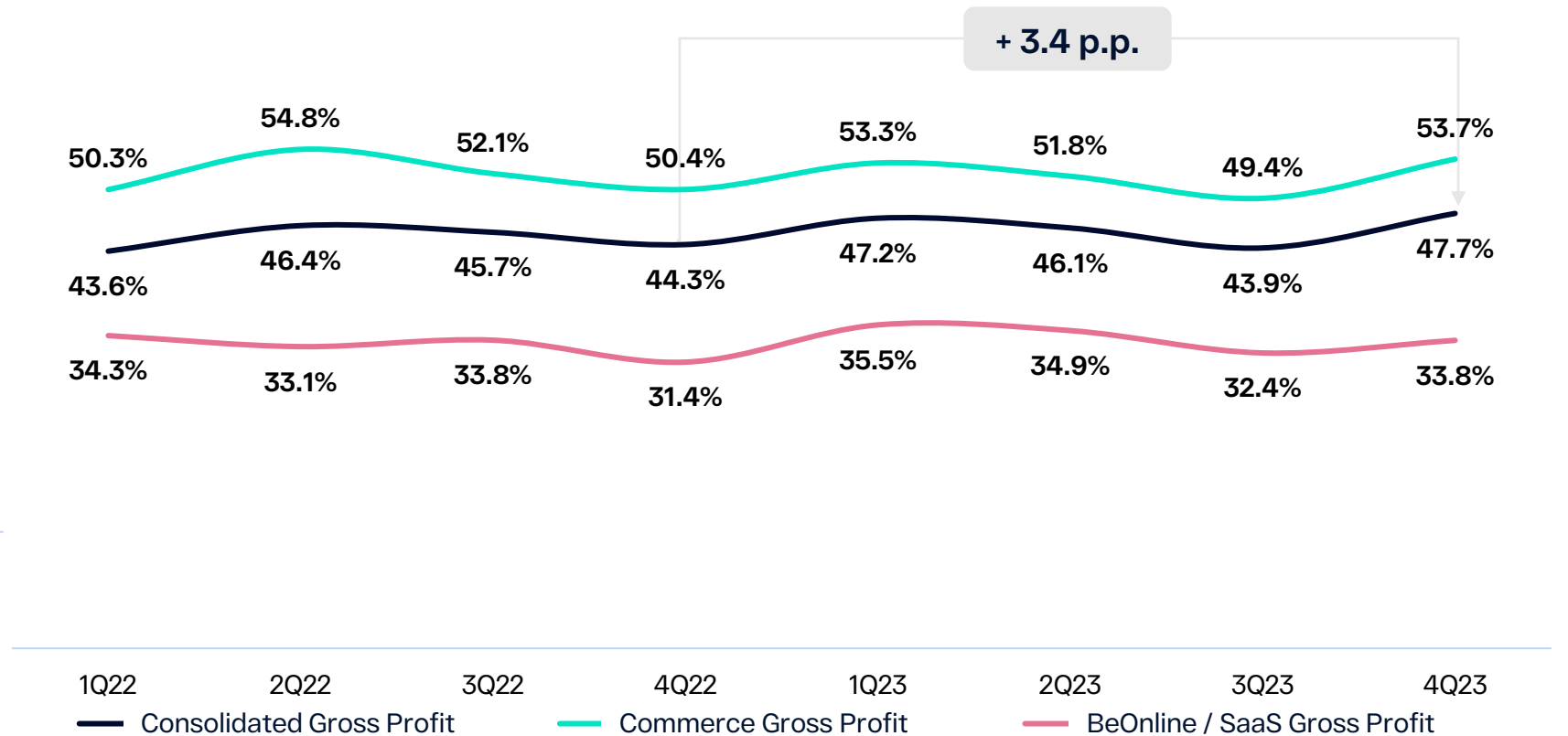
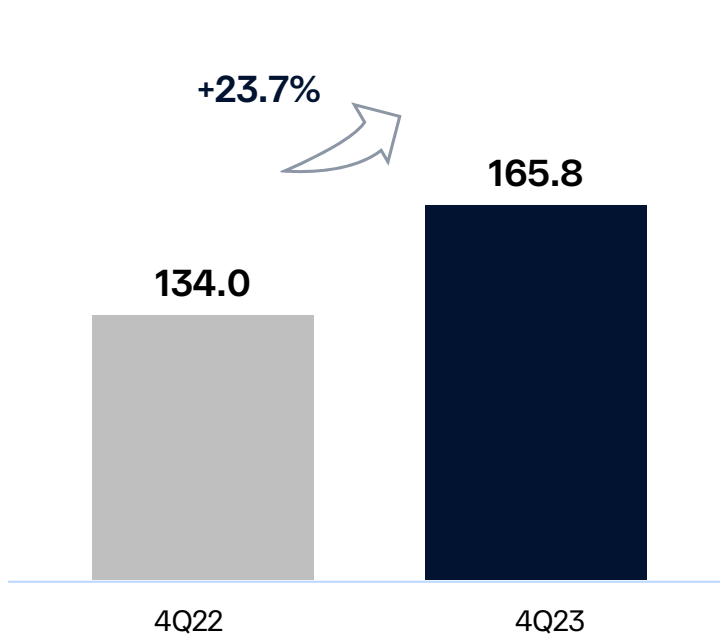
R\$ mm



# Gross Profit and Gross Margin

## Consolidated

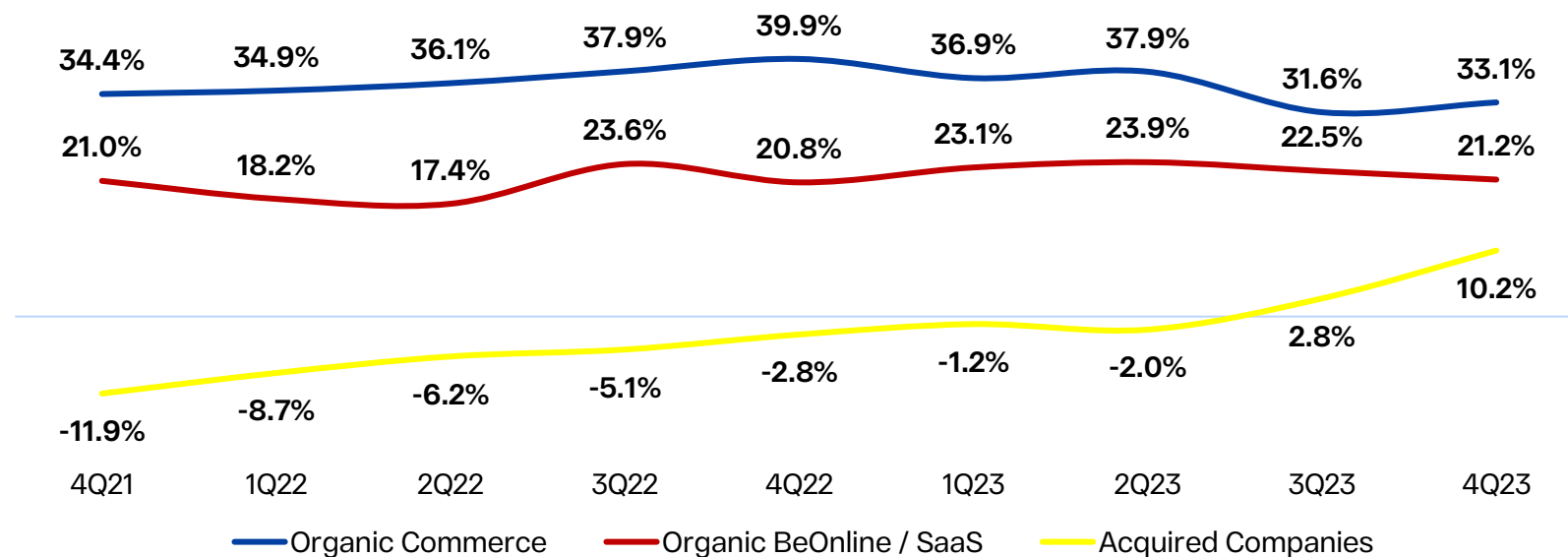
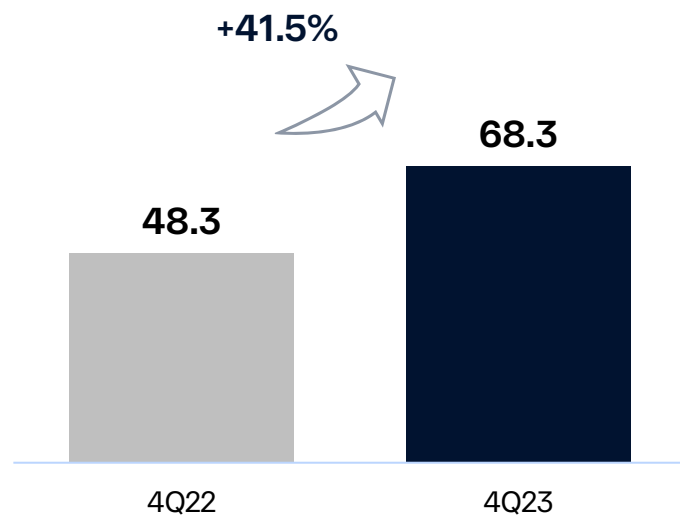
R\$ mm



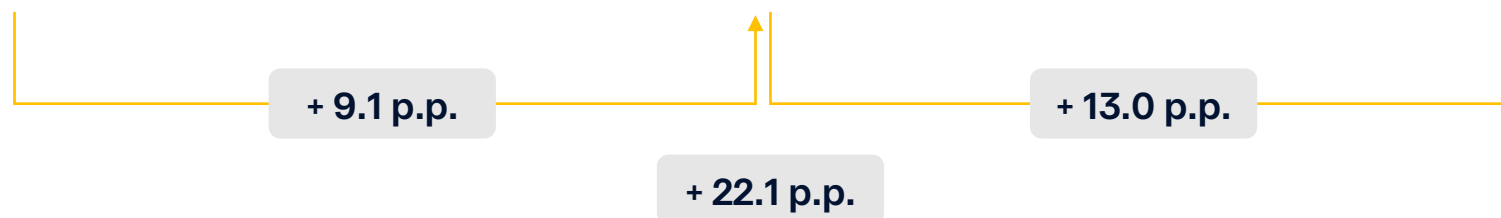
# Adjusted EBITDA 4Q23

**Consolidated**

R\$ mm

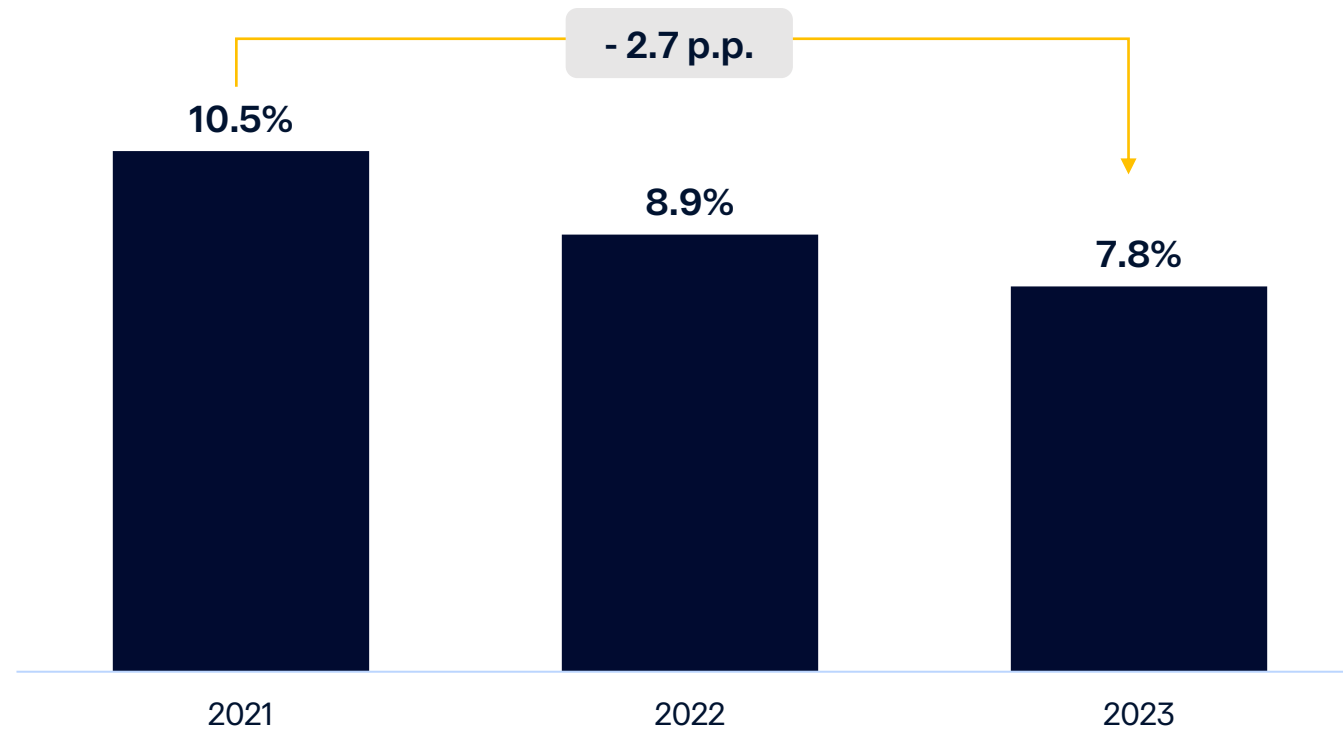


**Acquired Companies Margin Performance**



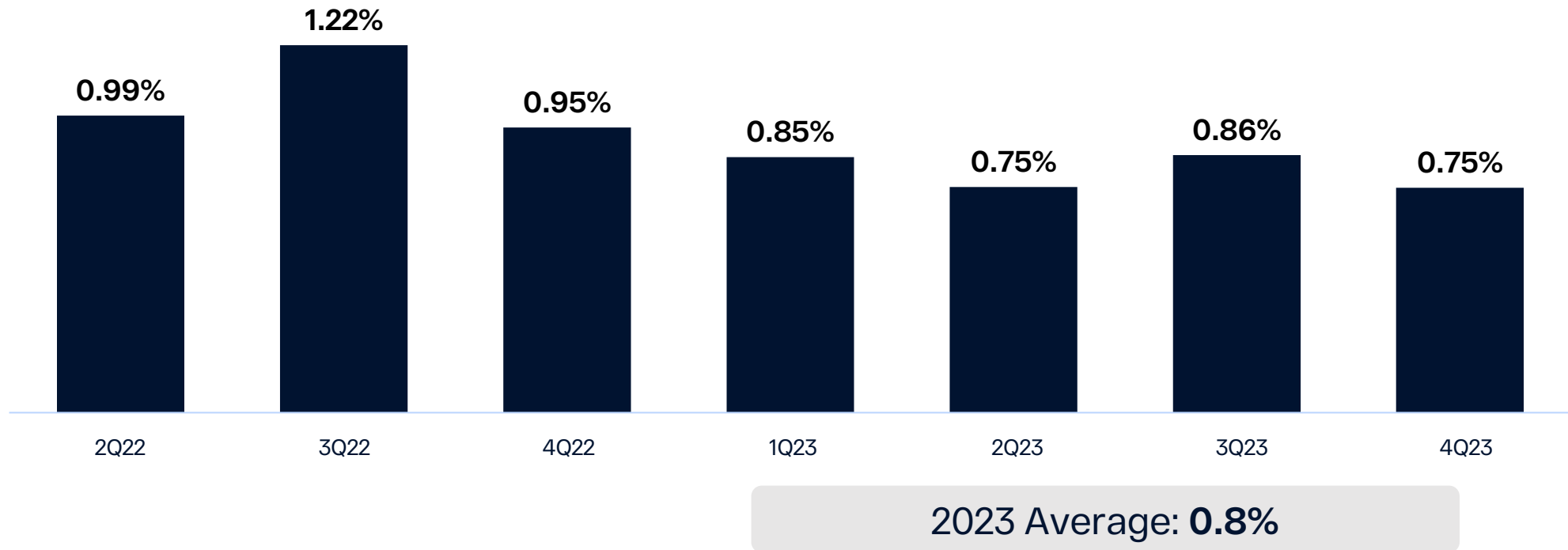
## Capex

Dilution of Capex as a percentage of Net Revenue



## Financial Expenses

Cost of receivables anticipation as a percentage of TPV





## Cash Flow Generation

Free Cash Flow after Capex (R\$ mm)

<b>LWSA</b>	<b>4Q23</b>	<b>4Q22</b>	<b>vs 4Q22</b>	<b>2023</b>	<b>2022</b>	<b>vs 2022</b>
<b>Net cash provided by operating activities</b>	<b>110.4</b>	<b>70.2</b>	<b>57.4%</b>	<b>272.1</b>	<b>212.9</b>	<b>27.8%</b>
Capex	(26.1)	(26.6)	-2.1%	(100.9)	(100.6)	0.3%
<b>Free Cash Flow - After Capex</b>	<b>84.3</b>	<b>43.5</b>	<b>93.8%</b>	<b>171.2</b>	<b>112.3</b>	<b>52.4%</b>

## Acquired Companies Performance / Earnouts

### 4Q23: Compared to estimates, the acquired companies presented excellent growth with profitability

- Highlights: Melhor Envio (+**39.6%** in 2H23 vs 2H22), Bagy (+**66.2%** in 2H23 vs 2H22) and Bling (+**43.2%** in 2H23 vs 2H22)
- This performance was fundamental for the EBITDA margin of **10.2%** of the acquired companies and resulting in an increase in the Earnout balance

### Earnouts: Cash Impact

- Nominal value of Earnouts of R\$ 756.6 mm (+R\$ 76 mm vs June projection), **with ~R\$ 651 mm (86% of the balance) already being definitive values**
- Expected payment schedule: April/24: ~R\$ 560 mm // April/25: ~R\$ 195 mm

## Acquired Companies Performance / Earnouts

### Earnouts – Accounting Impact

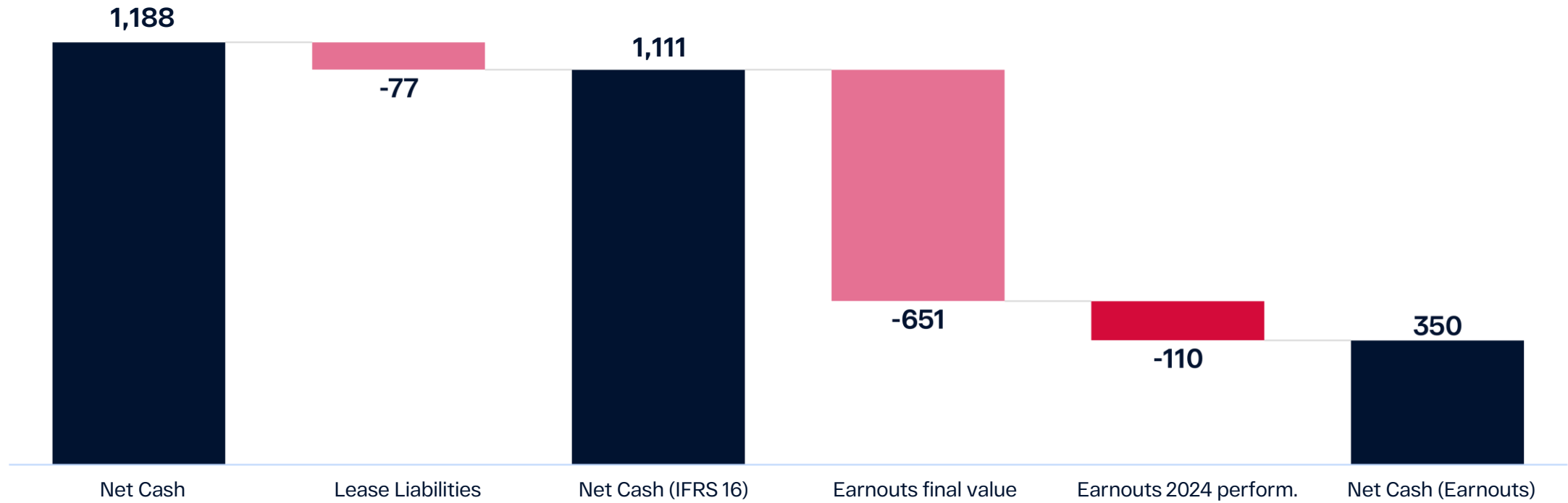
- The earnout balance on December/23 already includes the definitive amounts that will be paid in 2024, that is, there will be no future interest on this tranche
- Recognition of financial expenses in the 4Q23 Results, impacting the Net Profit by R\$83.4 mm
- Future interest accrued on the amount to be paid in 2025 is approximately R\$35 mm

### Earnouts – Fiscal Benefit

- Goodwill from acquisitions: **R\$2.2 bi**, generating a tax asset (Income Tax reduction) of approximately **R\$800 mm**, the benefit of which depends on the incorporation of each acquired company. We will begin this incorporation process in 2024

## Net Cash Position

(R\$ mm)





Q&A

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