

Valid



3Q23

Earnings
Release

08

november

20
23

Disclaimer



This presentation includes forward-looking statements that reflect current beliefs and expectations regarding future financial results and other aspects of the business.



These beliefs and outlooks are not a guarantee of future performance and involve risks and uncertainties.

Actual results may materially differ from those projected due to several factors.



Analysts and investors are advised not to place undue reliance on these beliefs and expectations, as they only refer to the date of publication of this presentation.

Valid is not obliged to publicly disclose the results of any revisions to these beliefs and expectations.



Financial results are reported considering the impacts of the adoption of IFRS 16.

Highlights

3Q23: R\$558M (13% YOY)
9M23: R\$1.622M (16% YOY)

Revenue

- Top line recording two-digit growth vs. 3Q22 and 9M22
- Two-digit growth across business verticals year on year

3Q23: R\$127M (9% YOY)
9M23: R\$411M (23% YOY)
Mg. of 22.7% in 3Q23 and 25.3% YTD

EBITDA

- Quarterly and accumulated 9 months EBITDA growth
- Highest quarterly EBITDA in Pay

3Q23: R\$61M (185% YOY)
9M23: R\$178M (-300K in 9M22)
Margin of 11% in 3Q23 and YTD

Net Income

- EPS of R\$0.78 in the quarter
- Approval of a new distribution of IoE of R\$0.27 per share, to be paid on November 08

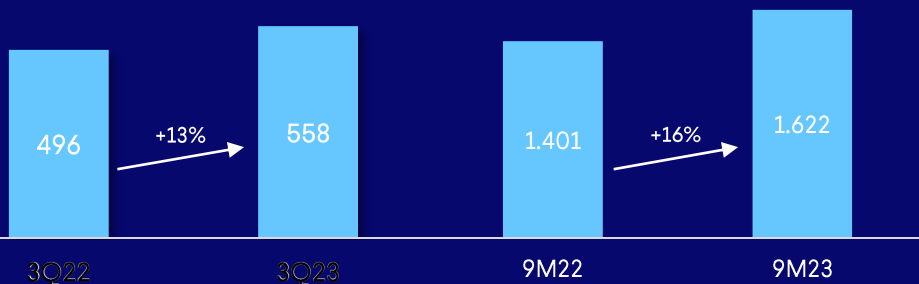
CFO/EBITDA 3Q23: 176%
CFO/EBITDA 9M23: 92%

Cash Flow

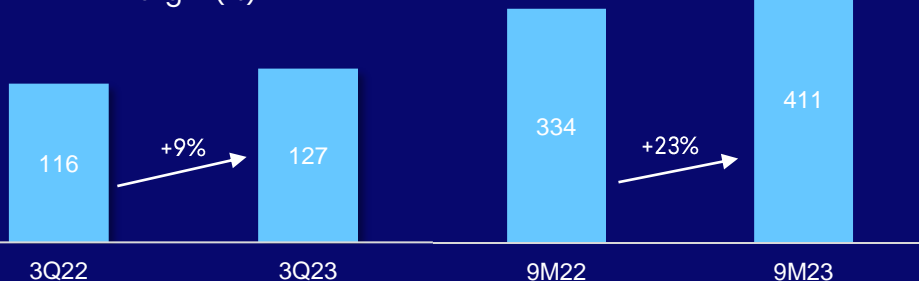
- Important conversion of EBITDA into cash, reaching 176% in the quarter

Consolidated: Quarter marked by higher Revenue and EBITDA year on year, with positive contribution from all segments.

Net Revenue (R\$ million)



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



23.4%

EBITDA
Margin

22.8%

23.8%

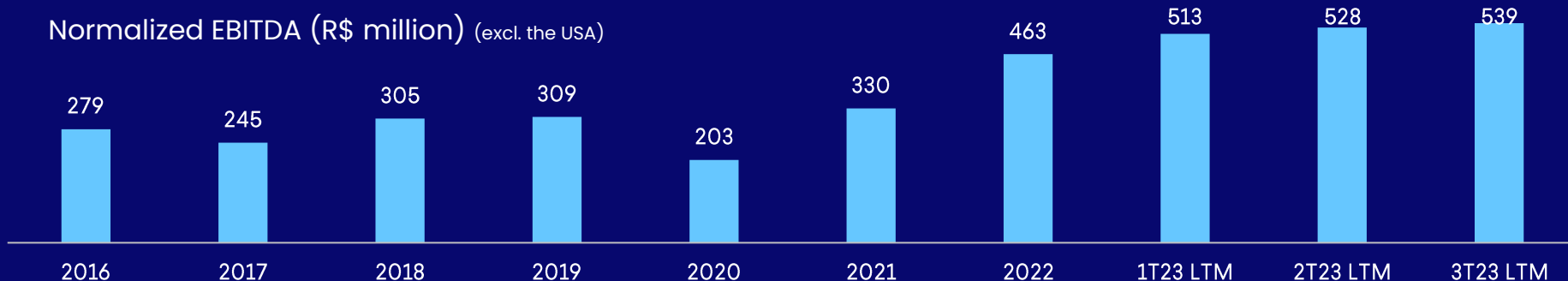
EBITDA
Margin

25.3%

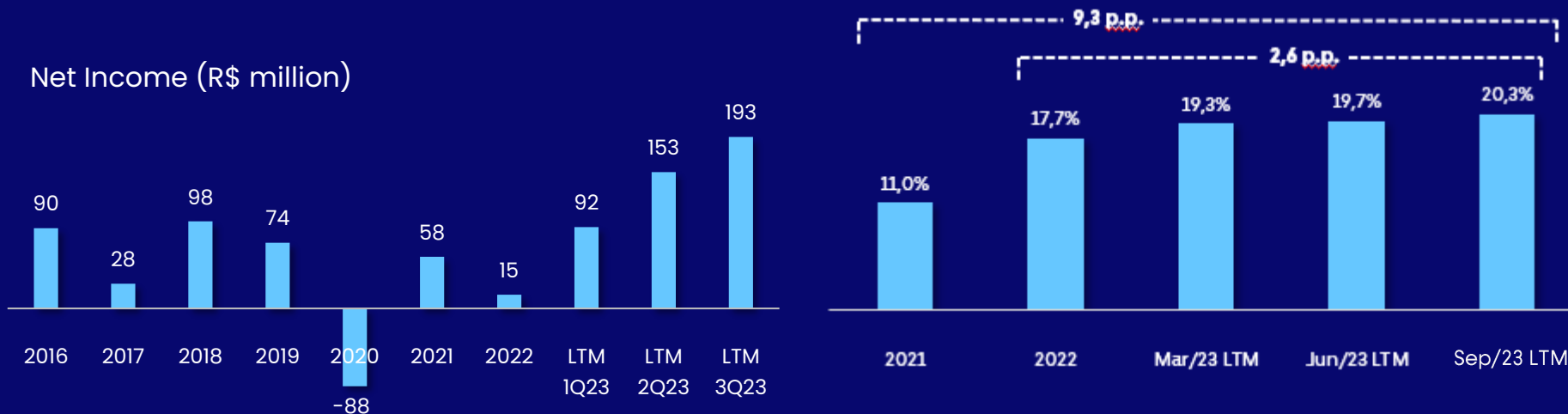
- **ID:** Document issue reached 7.5 million units in the quarter (+1% YOY)
- **Pay:** Argentina continues to be the main positive highlight, reporting strong results in sales and margins.
- **Mobile:** the segment is rebalancing volume, price and margins.
- The EBITDA margin reaches 25.3% in 9M23, up by 1.5 p.p. over 9M22.

Performance of EBITDA, Net Income and ROIC

Normalized EBITDA (R\$ million) (excl. the USA)

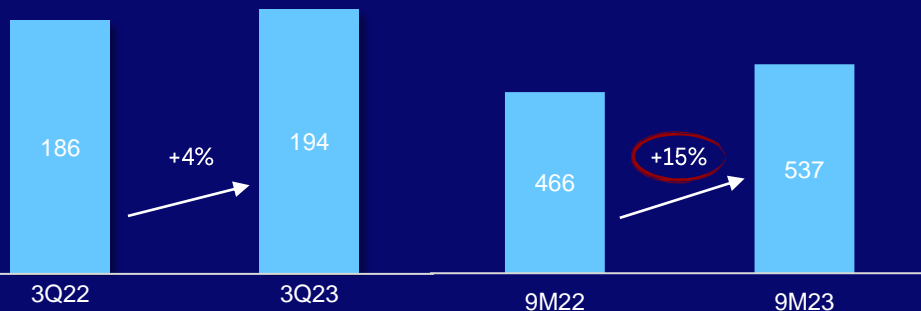


Net Income (R\$ million)

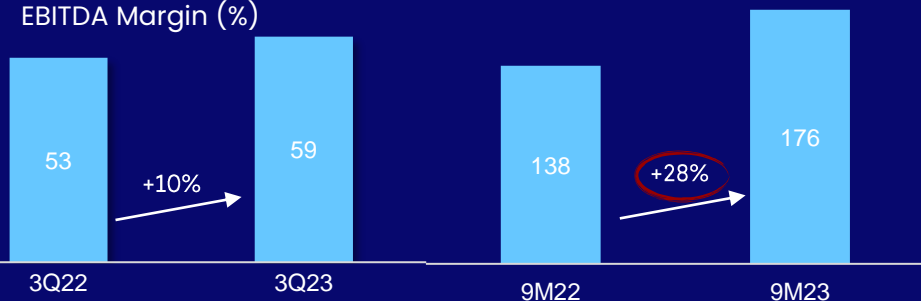


Valid ID: Record issue of documents, with 7.5 million units in the quarter.

Net Revenue (R\$ million)



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



28.5%

EBITDA
Margin

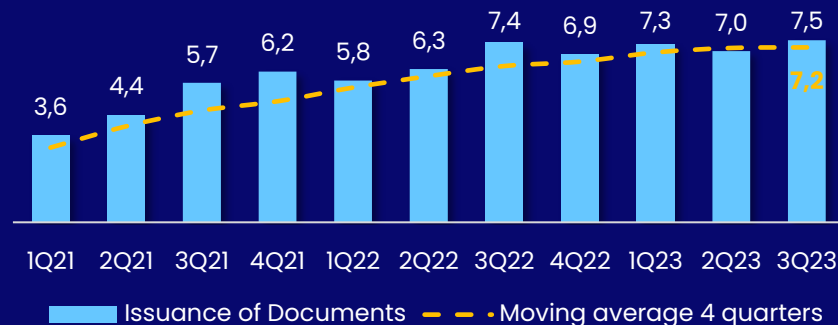
30.2%

29.5%

EBITDA
Margin

32.8%

Physical Documents (Brazil - millions of units)

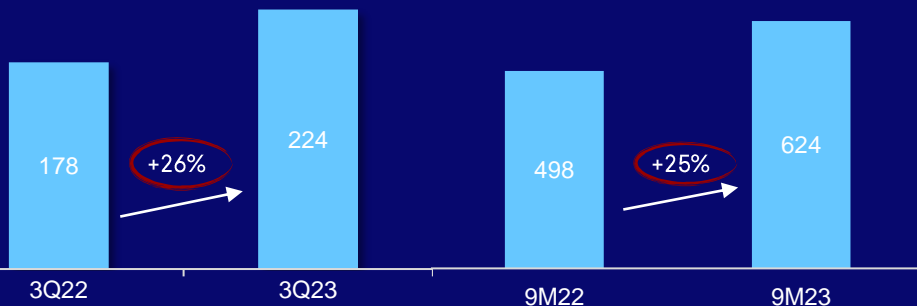


Highlights:

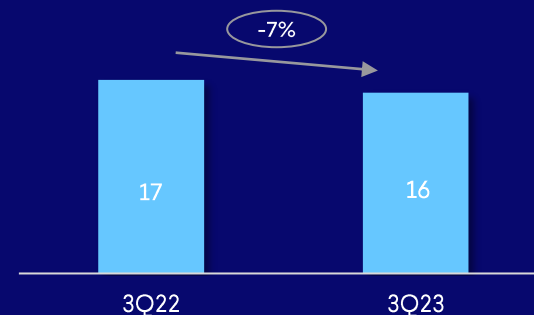
- Quarter with more business days, benefited from the extended expiration of the Brazilian driver's license (CNH)
- Continued EBITDA gains due to diluted costs and operational efficiency gains.

ValidPay: Higher sales and EBITDA stood out, leading margins to increase.

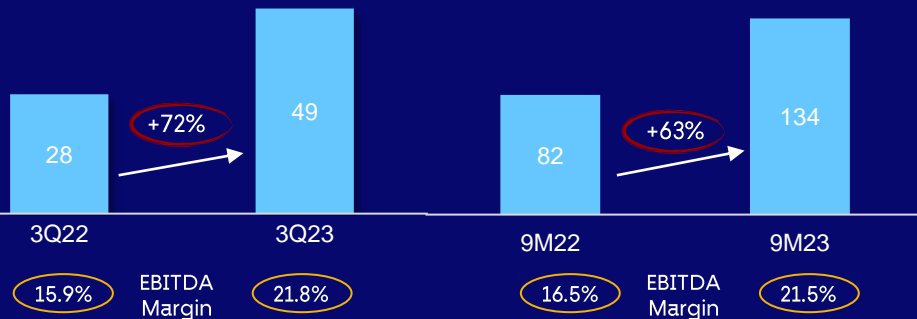
Net Revenue (R\$ million)



Smart Cards (Brazil and Argentina - million of units)



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

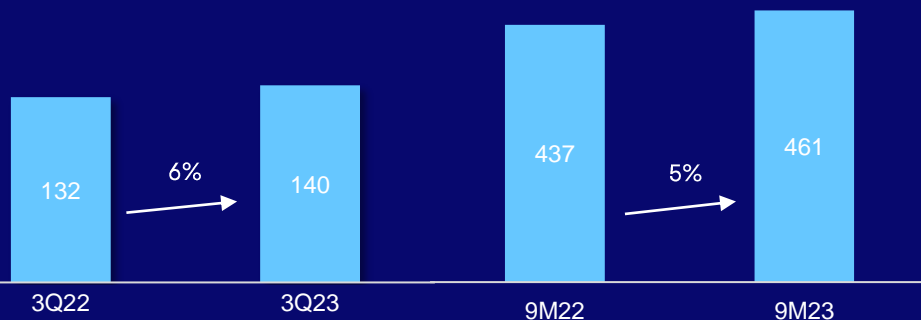


Highlights:

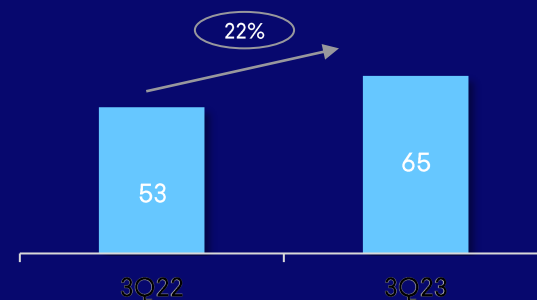
- Brazil: Lower volumes, albeit with sustainable prices. Start of the process of cutting interest may bring benefits in the medium term.
- Argentina: The best positive contribution. It continues to present a favorable short-term scenario for Valid.
- Best EBITDA ever for the vertical, with the EBITDA margin reaching 21.8%, with a growth of 5.9 p.p. over 3Q22 and 5.0 p.p. year to date.

ValidMobile: Despite the growth in sales, EBITDA fell compared to 3Q22. The rebalance of global supply chains is affecting prices.

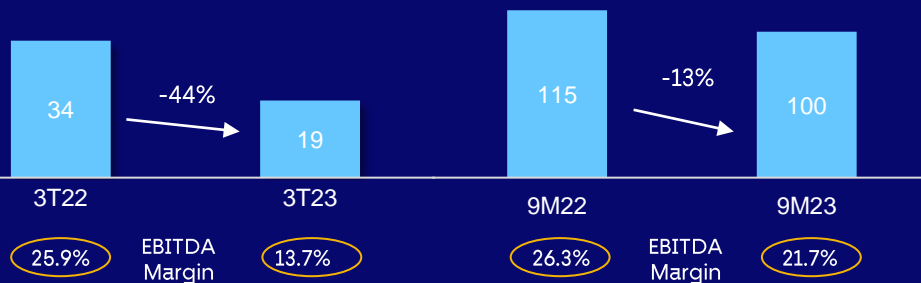
Net Revenue (R\$ million)



SIM Cards (Global - millions of units)



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

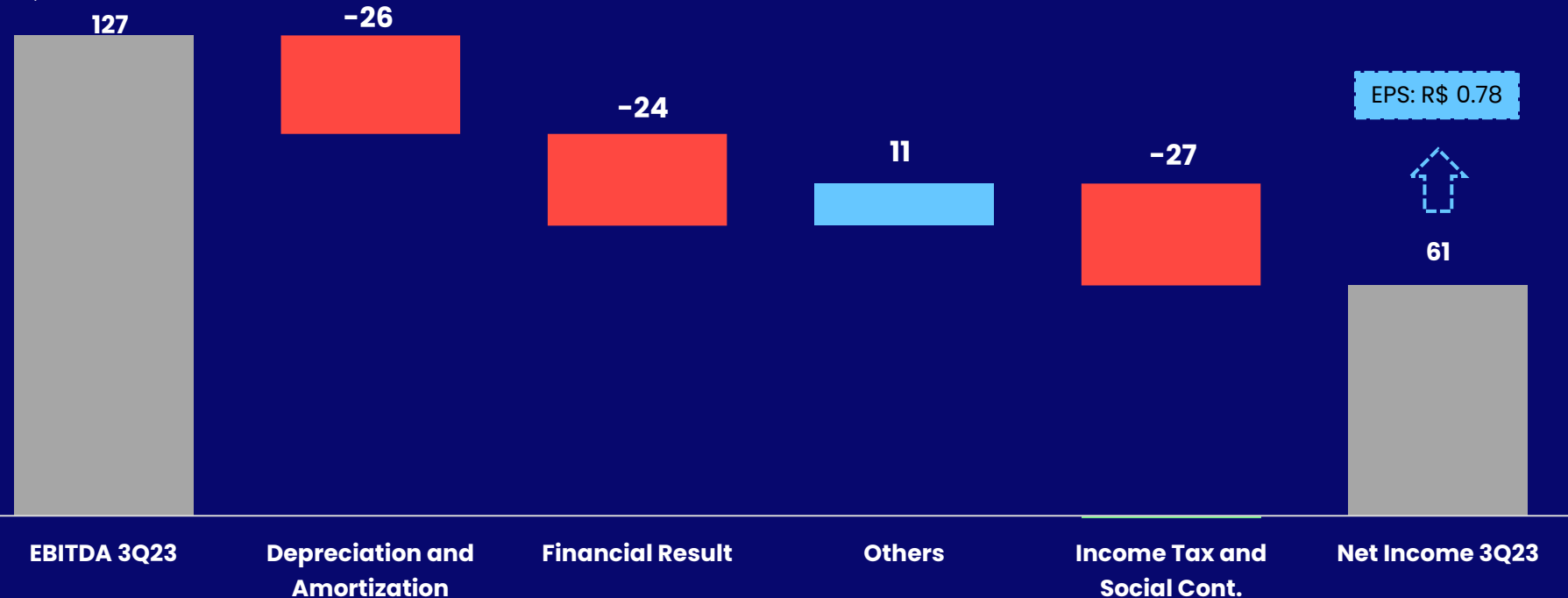


Highlights:

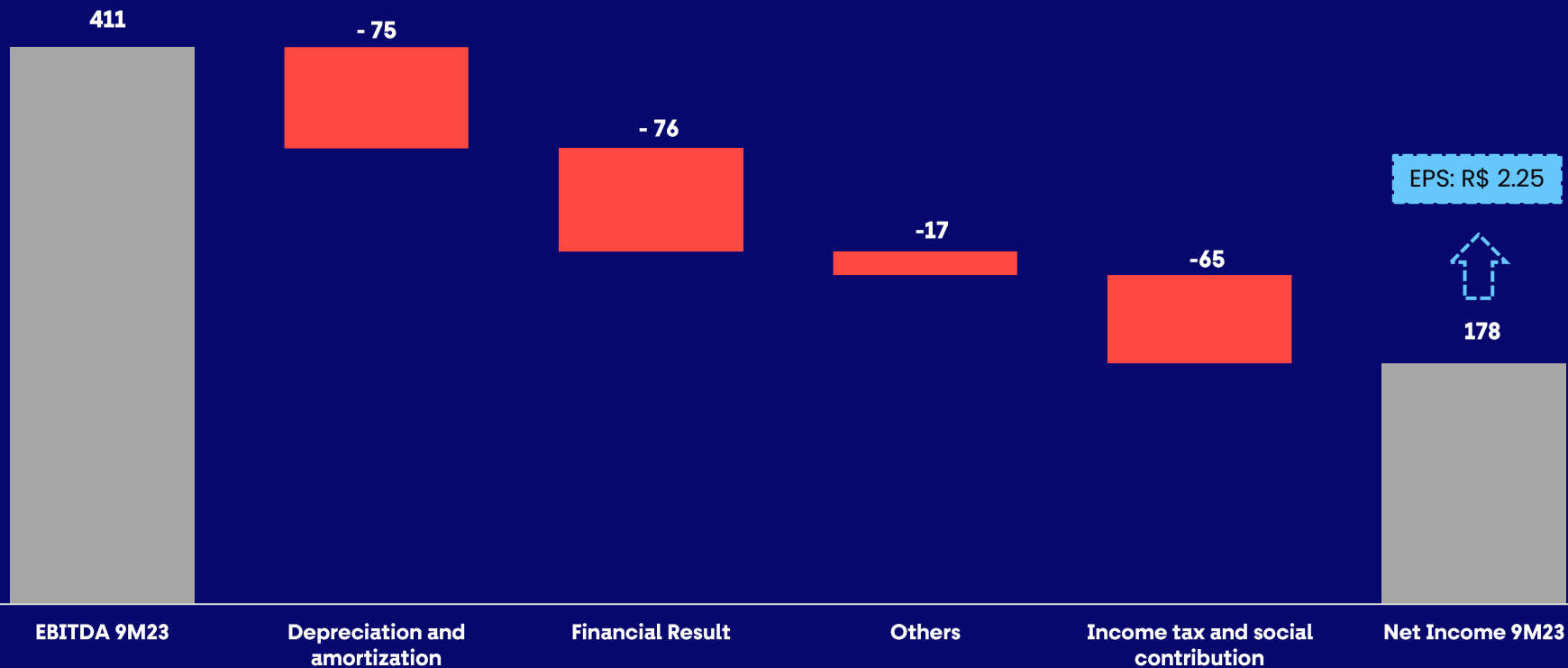
- Revenue rose by 6% year on year and shrank by 15% quarter on quarter.
- In the quarter, SIM card volumes sold saw an increase, with lower average unit prices.
- Management is focused on rebalancing supply chains to improve volume allocation and prices in different geographies.

EBITDA to Net Income: Third consecutive quarter with profit of roughly R\$60 million

R\$ million



9M22 > 9M23 Bridge



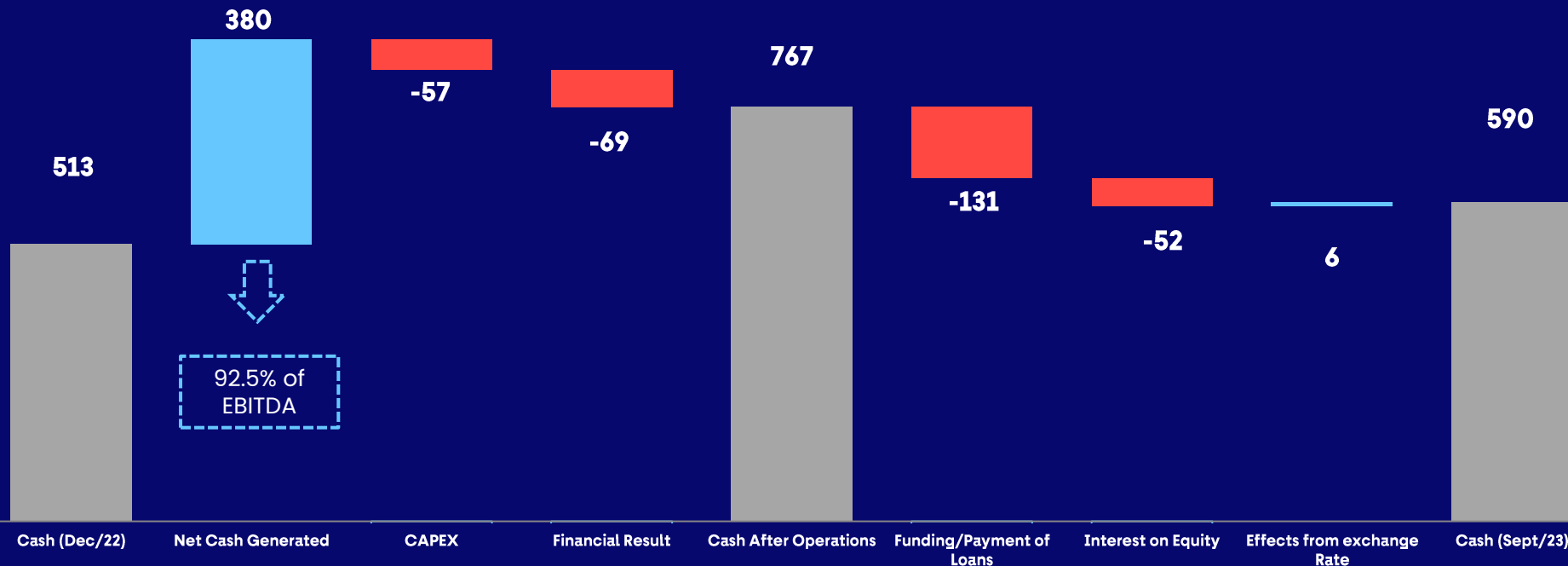
9M22 > 9M23 Bridge – Net Income

R\$ million



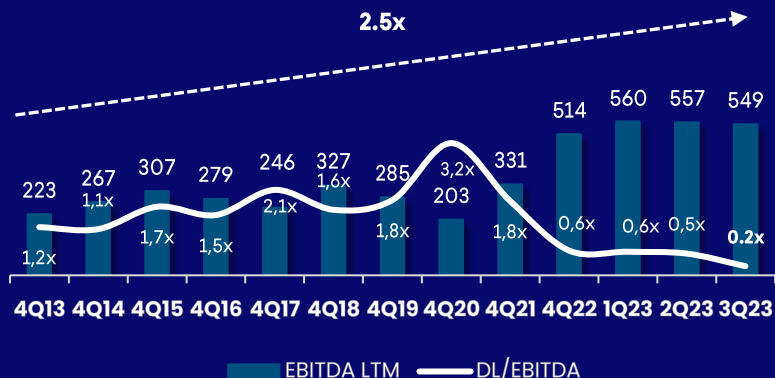
9M23 CF: Operational Cash Generation was R\$380 million, representing 92.5% of the EBITDA recorded in the year.

R\$ million

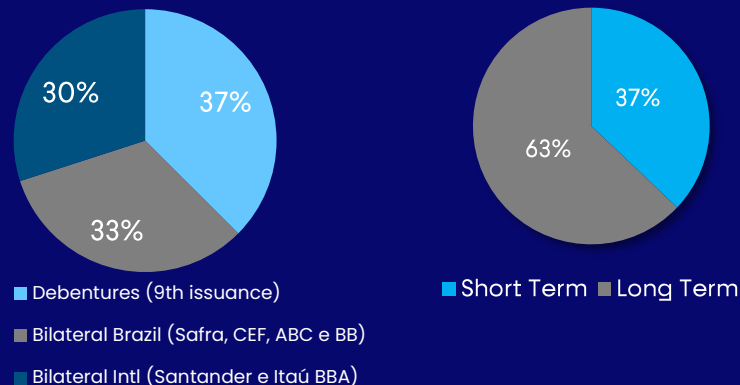


Liquidity: Lower leverage level and comfortable cash position.

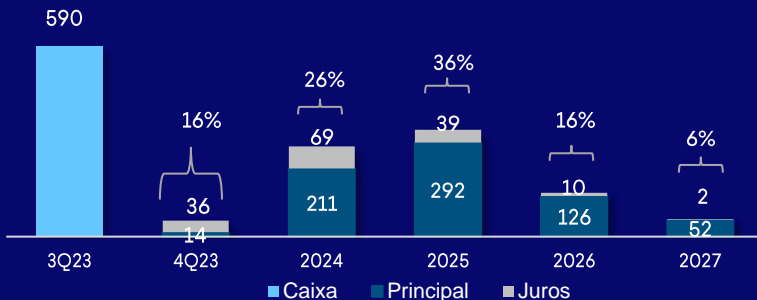
Leverage Ratio (Net Debt / LTM EBITDA)



Debt Breakdown



Current Amortization Schedule (R\$ million)

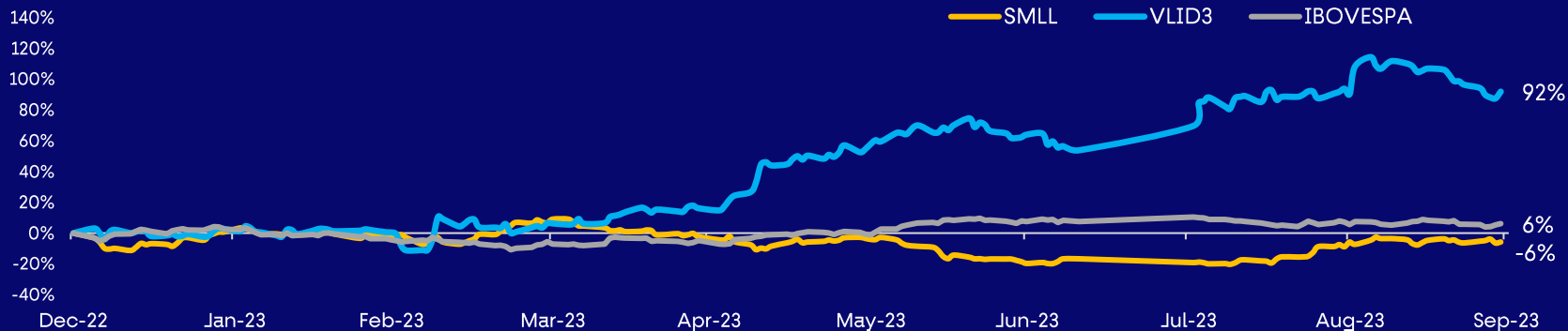


Highlights:

- Net Debt reduced by 75% YOY, to current R\$126M.
- Net Debt/EBITDA: 0.2x
- Cash position at the end of the quarter of R\$590M is sufficient to settle all 2024-2025 obligations.

Capital Markets: VLID3

Stock Performance (VLID vs. IBOV vs. SML)



Payment of Interest on Equity (IOE)

- Payment of **R\$21.0 million** in IOE in January 2023 (R\$0.2630 per share).
- Payment of **R\$14.4 million** in IOE in May 2023 (R\$0.1800 per share).
- Payment of **R\$16.0 million** in IOE in July 2023 (R\$0.2000 per share).

Stock price: R\$17.15

Market cap: R\$1.4B

Outstanding shares: 80,128,303 shares

TOP 5: 52% of shares

September 2023 base date

Market & Clients

- In August, we received amounts due referring to the judicial agreement signed between Detran/RJ and Valid.
- Three bidding processes we won were ratified in the quarter: PC/DF, ID-GO and CNH-MS.
- We reached a milestone of over 100 subscription management platforms implemented around the world

Gov.PI

MWC Las Vegas





Q&A

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