



Valid

Results	4 Q
Presentation	23

March 07, 2024

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

R\$633Mn
4Q23 (32% YoY)

R\$2,256Mn
2023 (20% YoY)

R\$147 Mn
4Q23 (9% YoY)

R\$567Mn
2023 (19% YoY)
Margins of 23.2% in
4Q23 and 25.1% YTD

R\$36Mn
4Q23(44% YoY)

R\$213Mn
2023 (774% YoY)
Margins of 6% in 4Q23
and 9% YTD

109%

OCF/EBITDA 4Q23

95%

OCF/EBITDA 2023

Revenue

- Increase of more than 30% QoQ and 20% YoY
- Two-digit sales growth across all business verticals YoY

EBITDA

- Valid's best annual EBITDA
- 3rd consecutive record year in terms of EBITDA

Net Income

- Record annual Net Income (+774% YoY)
- EPS: R\$2.66 per year
- Last IoE payment of R\$0.30 per share in Dec/23. Proceeds for 2023 totaled R\$77Mn, payout of 36%

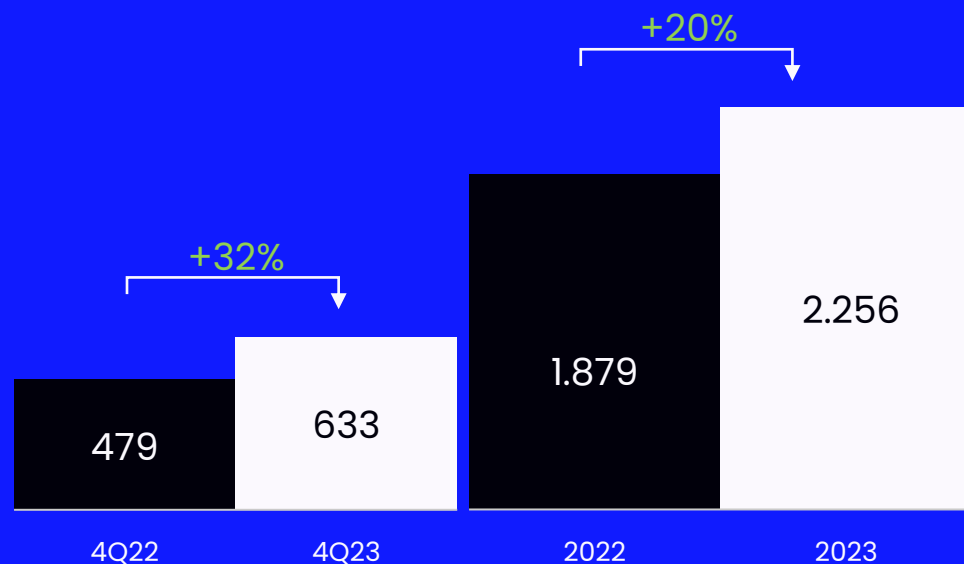
Cash Generation

- Strong EBITDA-to-cash conversion rate, reaching 109% in the quarter and 95% in the year
- Valid's leverage reaching the lowest level since its IPO in 2006

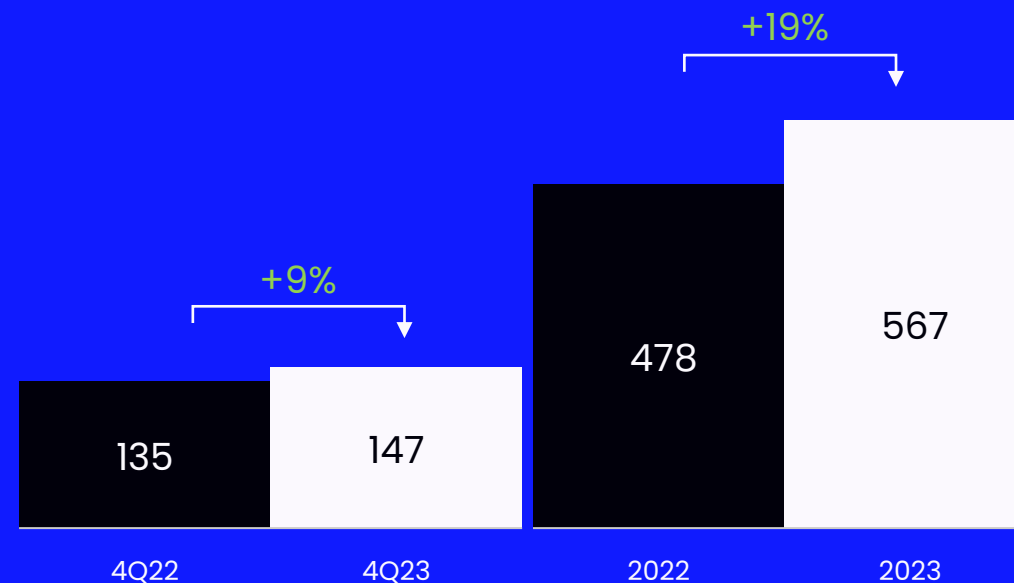
Consolidated

A year marked by a 20% increase in both Revenue and EBITDA, compared to 2022, with Valid maintaining the margin close to 25%.

Net Revenue (R\$ Mn)



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



EBITDA
Margin

28.2%

23.2%

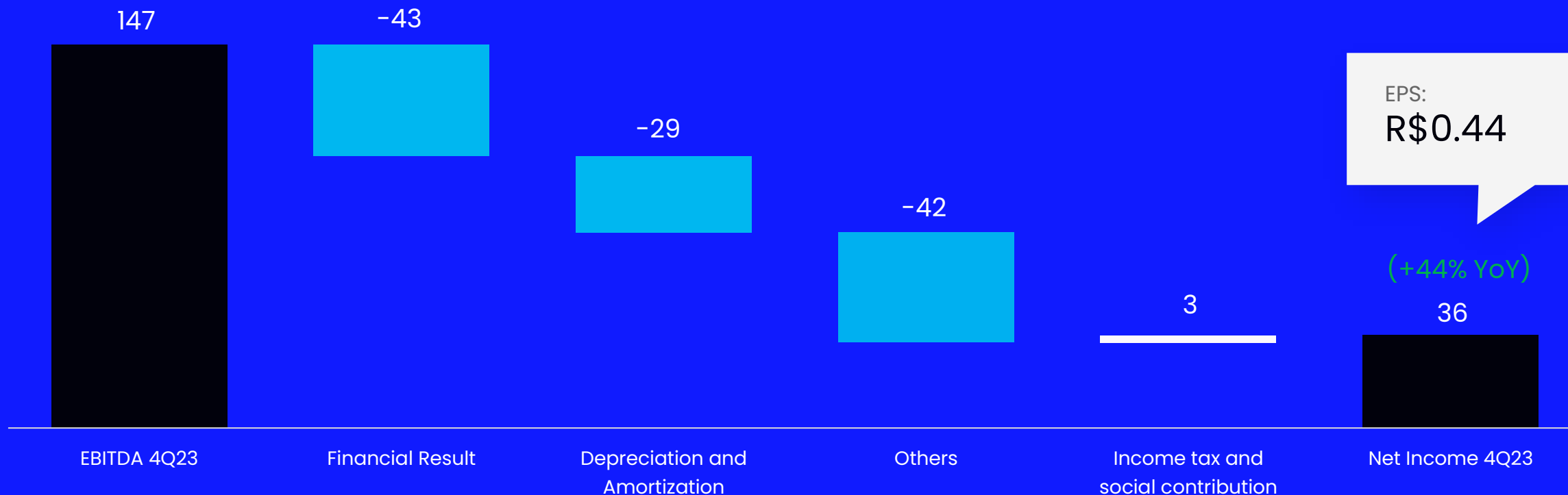
25.4%

25.1%

Quarterly EBITDA to Net Income

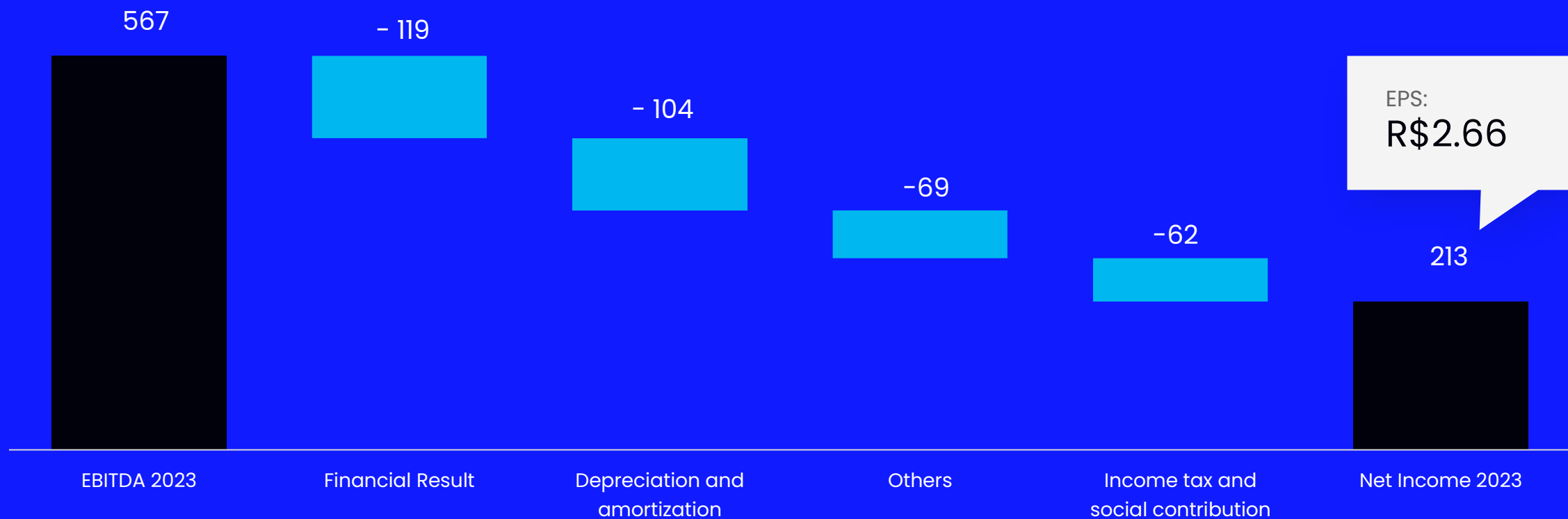
The quarterly profit was affected by the significant devaluation of the Argentine currency in December, which impacted the financial result.

(R\$ Mn)



Annual EBITDA to Net Income

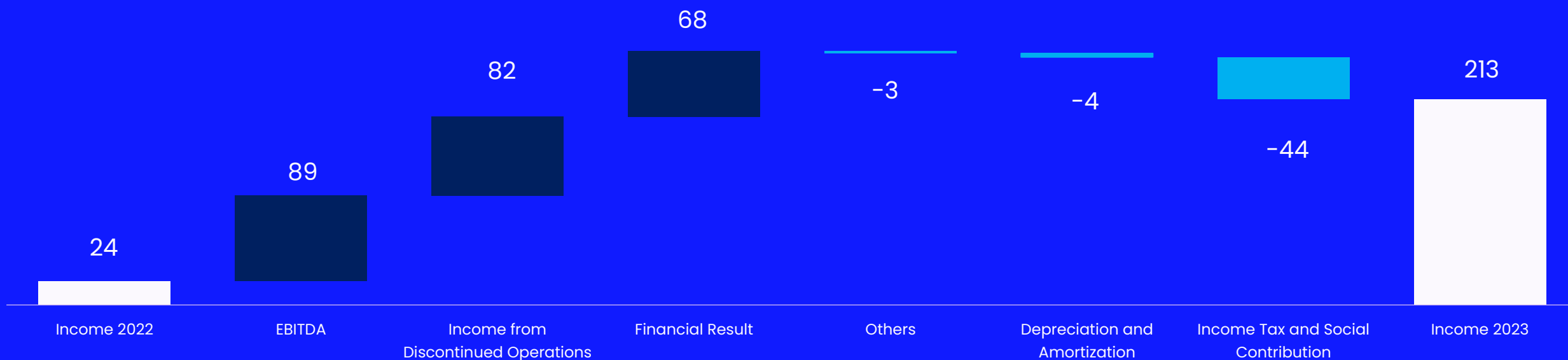
(R\$ Mn)



Bridge 2022 > 2023 – Net Income

Annual Net Income grew by 774% over 2022.

(R\$ Mn)



Bridge 2022 > 2023 – Net Income

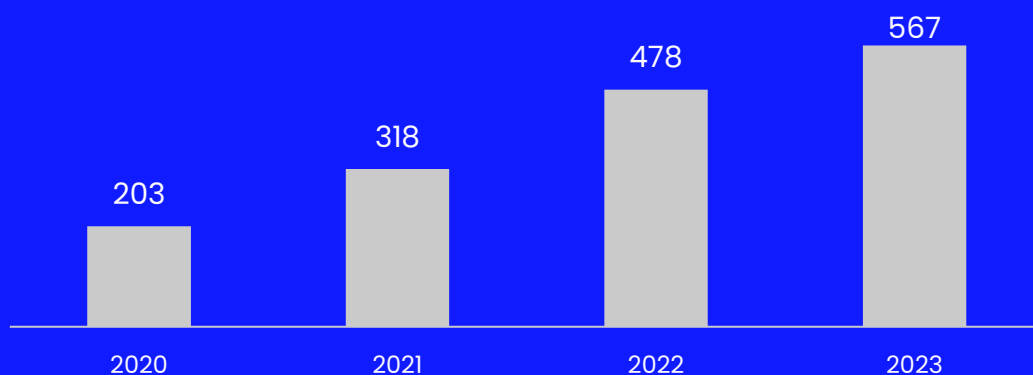
Annual Net Income grew by 774% over 2022.

(R\$ Mn)

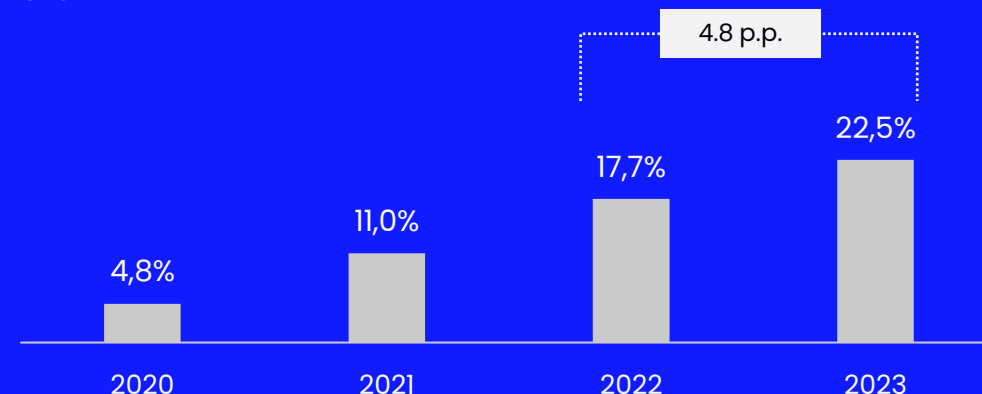


Performance of EBITDA, Net Income, ROIC and ROE

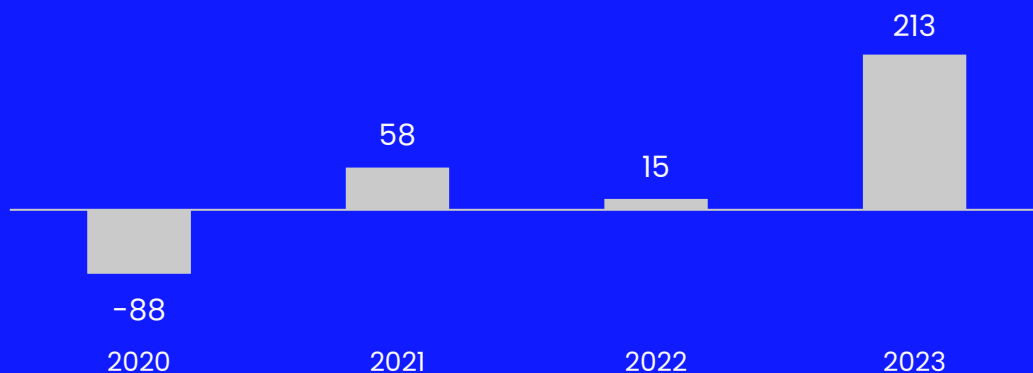
EBITDA (R\$ Mn) (excluding USA)



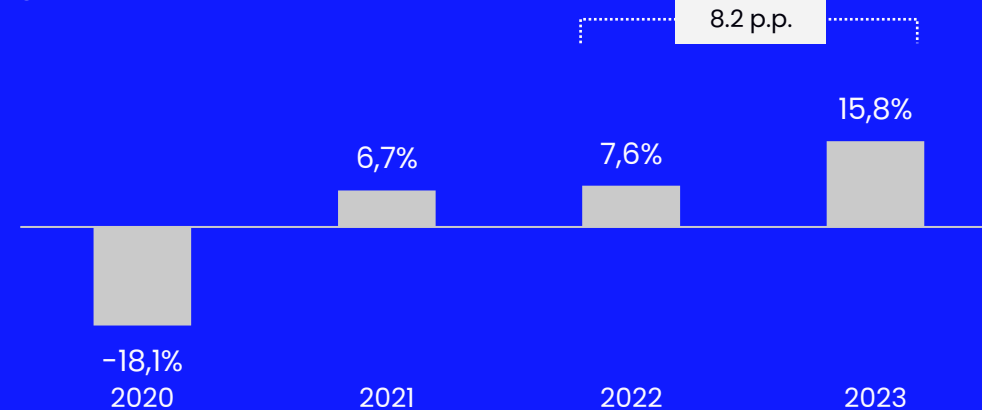
ROIC



Net Income (R\$ Mn) (Excluding USA)



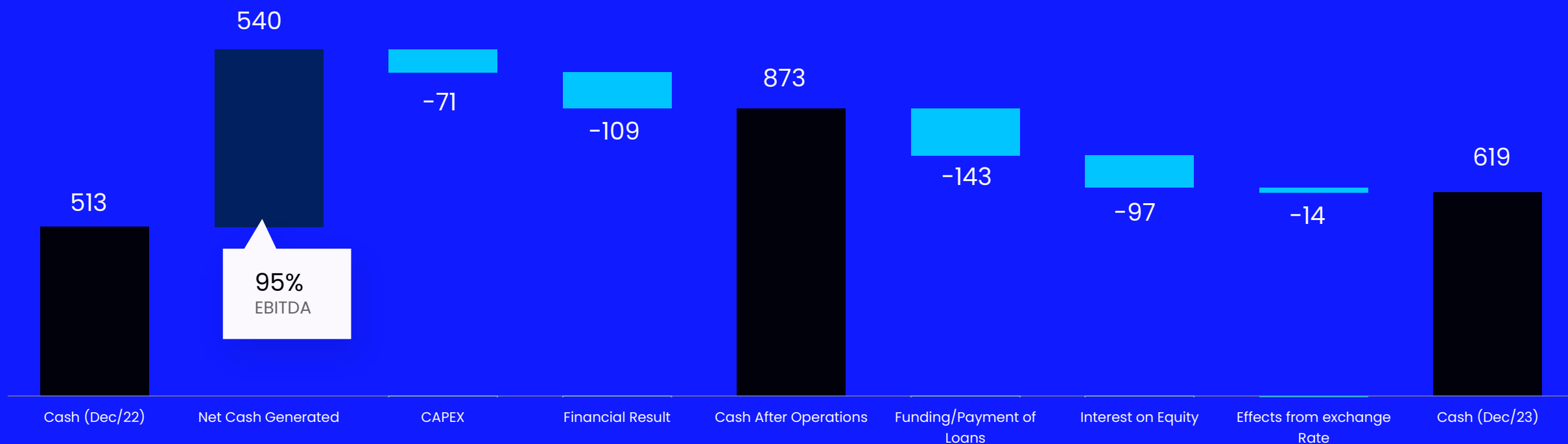
ROE



CF 2023

Operational Cash Generation of R\$540Mn in 2023, accounting for 95% of the EBITDA recorded in the year.

(R\$ Mn)

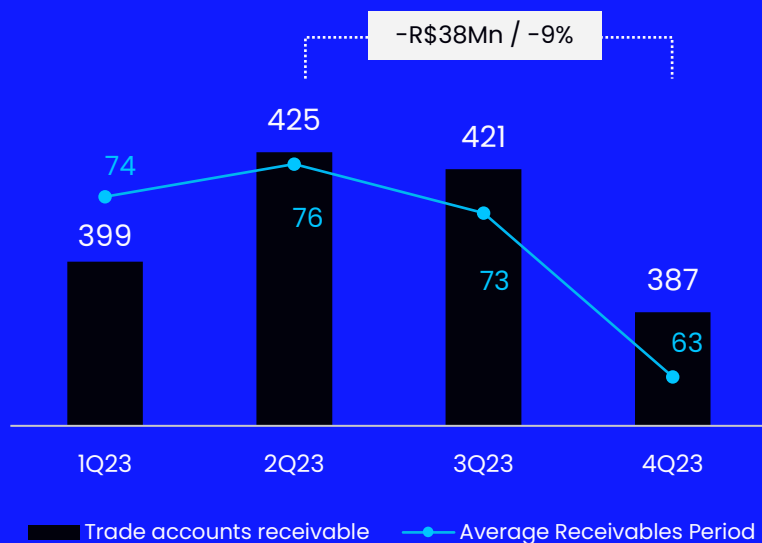


Note: Operating Cash Generation: EBITDA - Taxes on Result - Working Capital

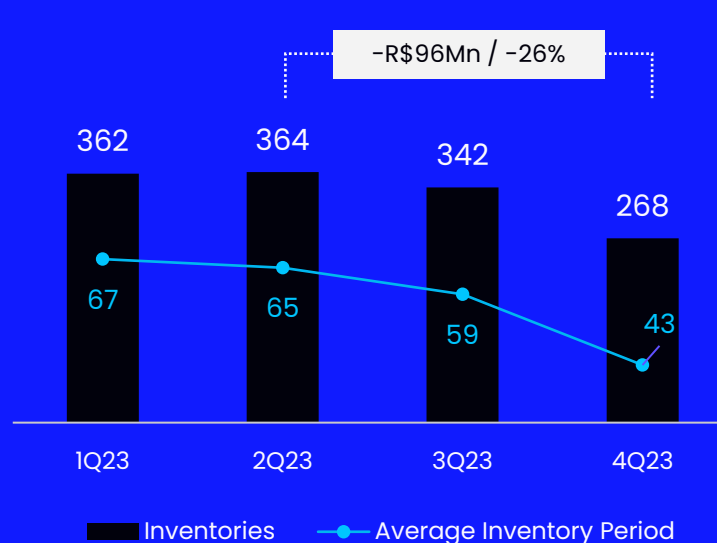
Working Capital Evolution

Main focus of all areas throughout 2H.

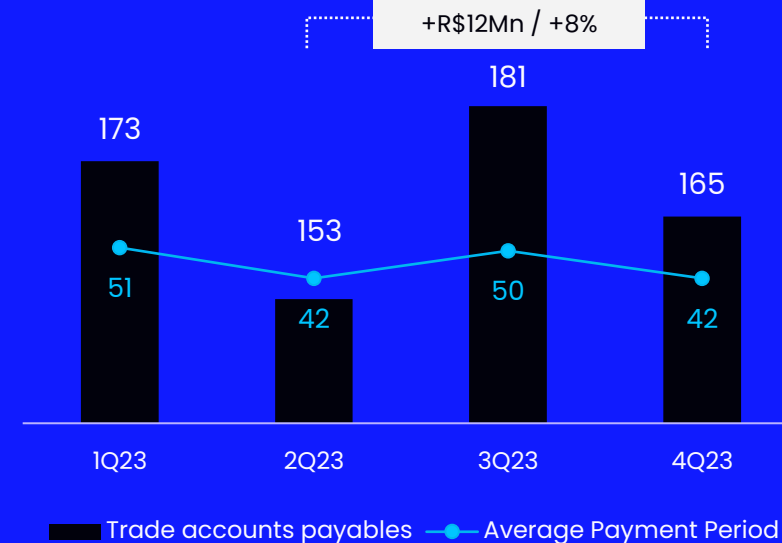
Accounts Receivable (R\$ Mn)



Inventories (R\$ Mn)



Accounts Payable (R\$ Mn)



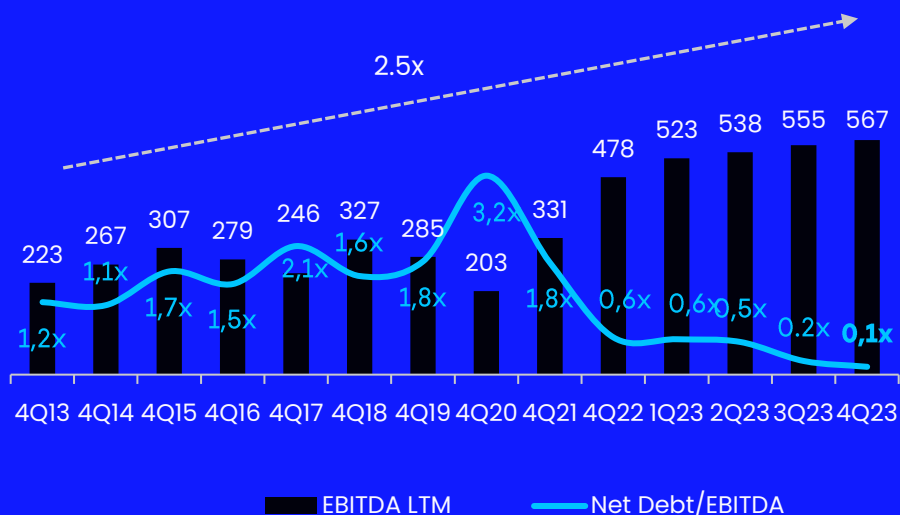
Highlights:

- Focus on reducing Accounts Receivable aiming at reducing overdue amounts and effective collection;
- Greater control and optimization of inventories, adapting to Valid's needs in different business lines.

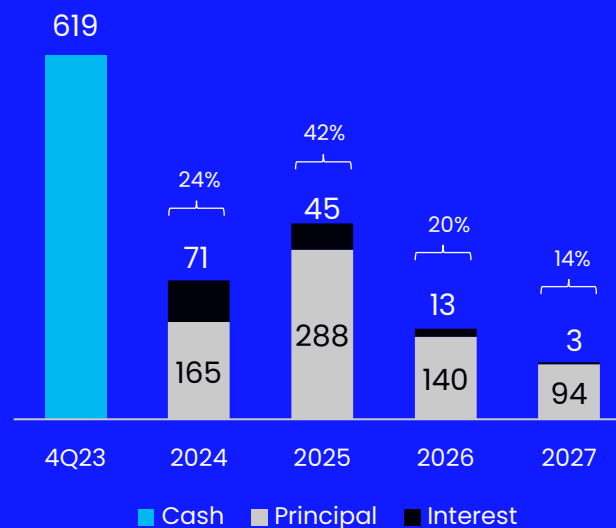
Liquidity

Lowest leverage ever recorded in Valid's history

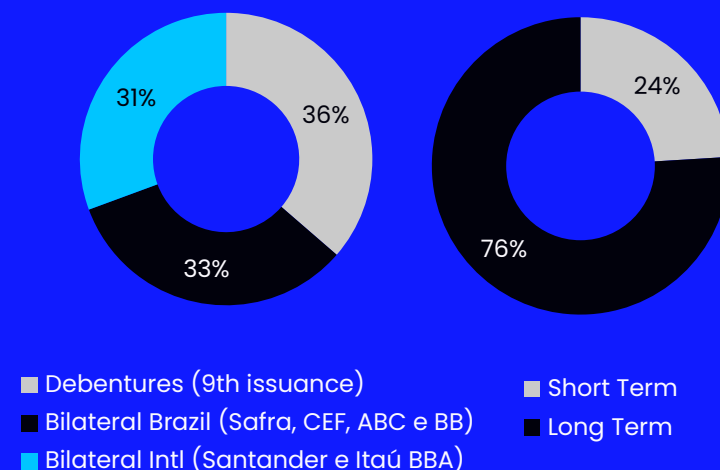
Leverage Ratio (Net Debt / LTM EBITDA)



Current Amortization Schedule (R\$ Mn)



Debt Breakdown



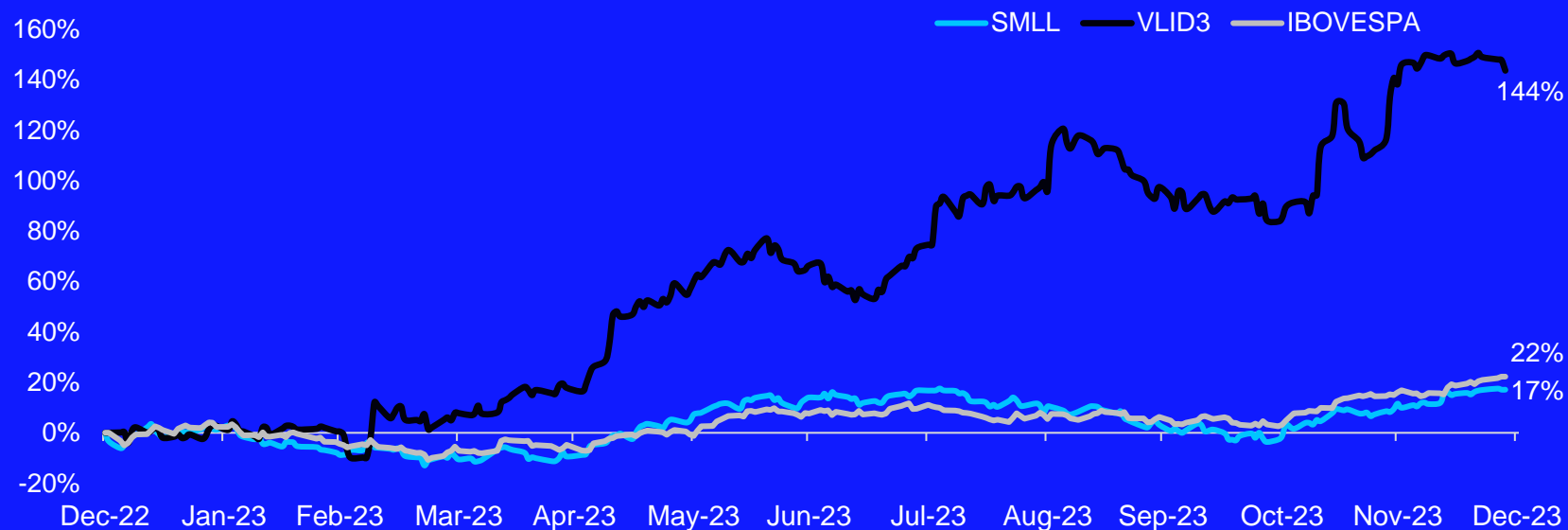
Highlights:

- Net Debt reduced by 78% YoY, to current R\$73Mn.
- Strong deleverage with the ND/EBITDA ratio at 0.1x
- Cash position at the end of the quarter of R\$619Mn is sufficient to settle all 2024-2025 obligations.
- Increase in corporate rating by Moody's Local to AA- and the 9th issue to AA

Capital Markets

VLID3 appreciated by 144% in the year

Stock Performance (VLID vs. IBOV vs. SMLL)



Interest on Equity:

- R\$99Mn was paid in the year, of which R\$77Mn referring to 2023 (36% of payout).

Liquidity:

- Increase in stock liquidity in the year, with average daily trading volume of R\$8.9Mn in the quarter, a 207% YoY increase.



Stock price: R\$20.50

Market cap: R\$1.6Bn

Ex-Treasury Shares: 80,128,303 shares

December 2023 base date

ValidID

The background of the slide is a dark blue gradient. In the center, a hand is shown with the index finger pointing upwards, with a glowing blue fingerprint icon overlaid on the fingertip. A complex network of white and blue lines, resembling a circuit board or data flow, crisscrosses the background. Various hexagonal icons are scattered throughout, including a padlock, a smartphone, a bank building, a credit card, a document, and a cloud. The text "ValidID" is prominently displayed on the left side, with "Valid" in white and "ID" in blue. Above the logo, there is a small blue horizontal bar. In the top left corner, a blue pill-shaped button contains the text "4Q23 Results". In the top right corner, the word "Valid" is written in white. Faint binary code "101 1001 10101101" is visible in the upper left, and a grid pattern is in the lower right.

ValidID



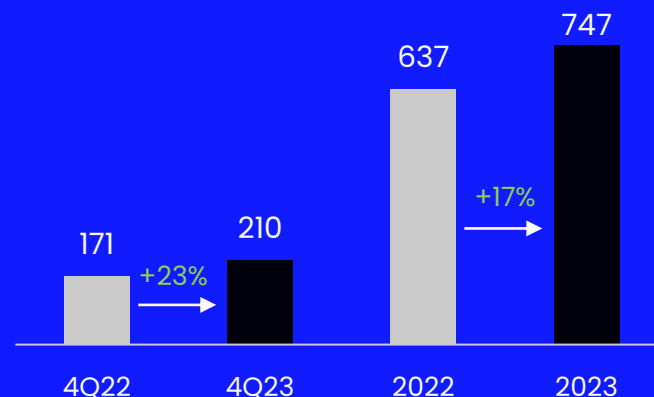
29 million documents issued during the year.

Highlights:

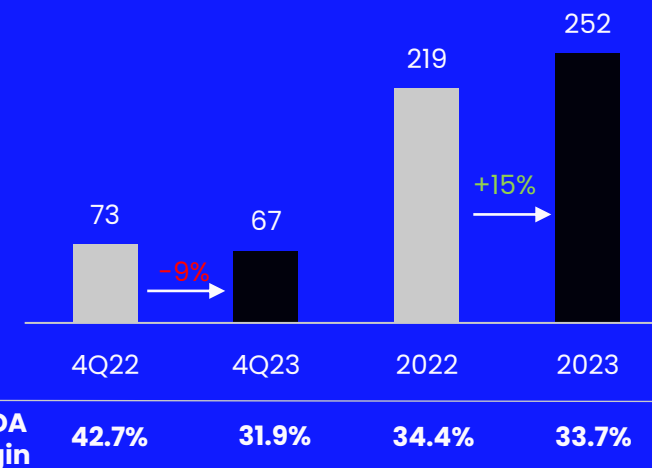
- Record volume in document issue in 2023 due to the extended validity schedule for driver's licenses.
- Margins reached in the year remained in line with those reported in 2022. The decrease in the last quarter is related to the revenue from examinations, which is concentrated at the end of the year and has a lower margin.

Valid

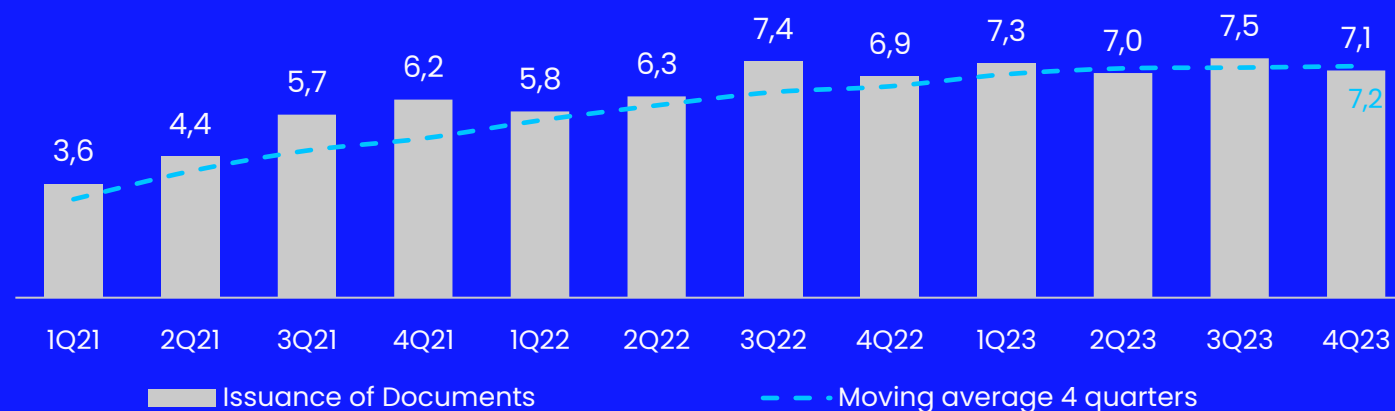
Net Revenue (R\$ Mn)



EBITDA (R\$ Mn) and EBITDA Margin (%)



Physical documents (BR - million units)



4Q23 Results

Valid



ValidPay

ValidPay

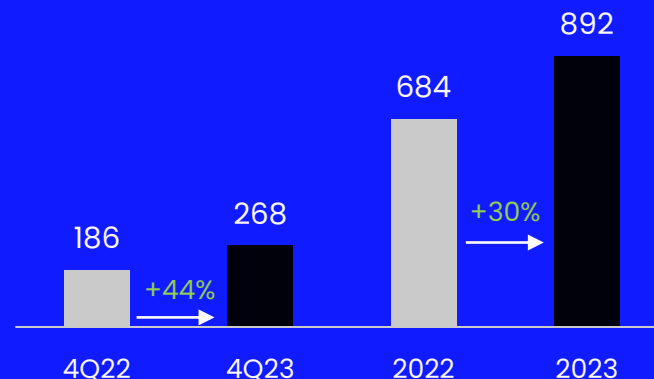


Year marked by margin improvement due to increases in sales and EBITDA in Argentina.

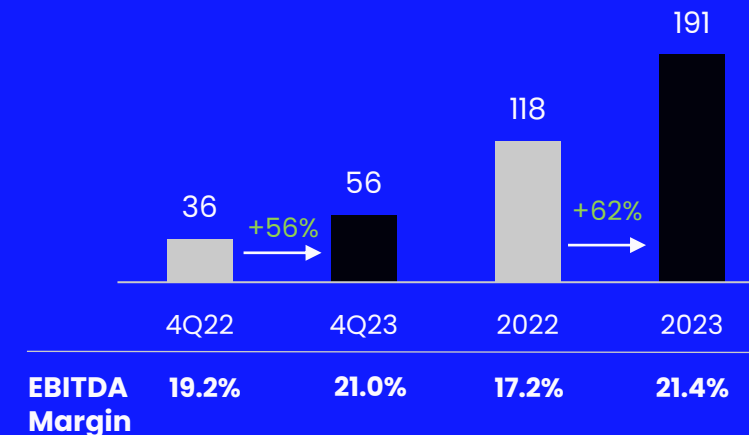
Highlights:

- Despite the slight decrease in the annual volume of cards, Valid reported an increase in revenue and margins.
- Brazil: low volume but with sustainable prices. Continuous reduction process of SELIC may benefit volume in the medium term.
- Argentina: dynamics in 4Q23 similar to previous periods contributing to the unit's consolidated result
- Best EBITDA ever for the vertical, with the EBITDA margin reaching 21.0% (+1.5 p.p.) vs. 4Q22 and 21.4% (4.2 p.p.) vs. 2022.

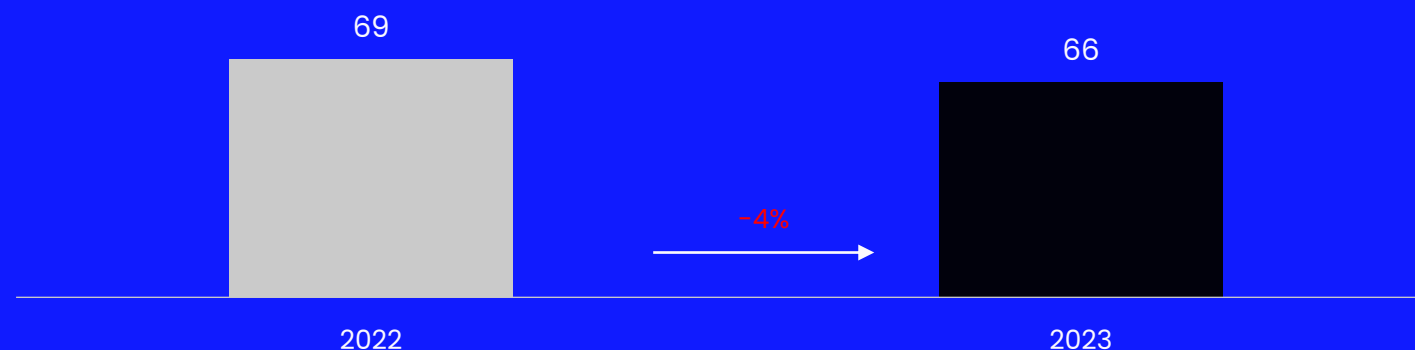
Net Revenue (R\$ Mn)



EBITDA (R\$ Mn) and EBITDA Margin (%)



Smart Cards (BR and ARG - million units)



4Q23 Results

Valid

The logo for ValidMobile, featuring the word "Valid" in white and "Mobile" in blue. A small blue horizontal line is positioned above the "V" in "Valid".

ValidMobile

ValidMobile

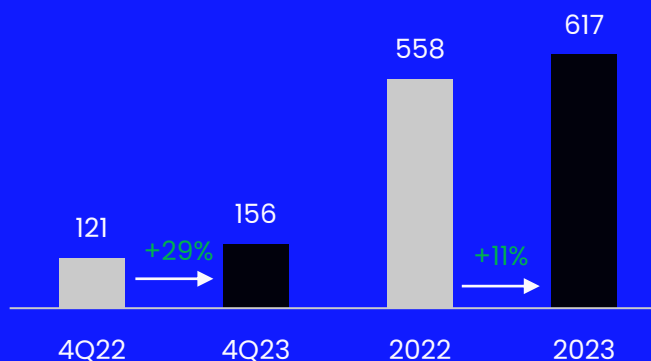


Rebalance of global chains, affecting prices and margins, mainly in 2H.

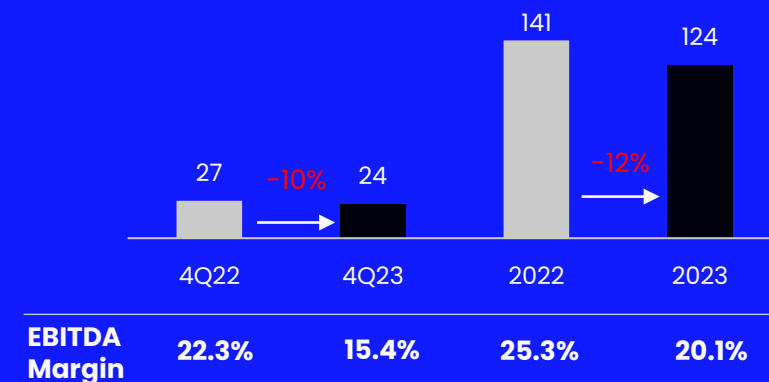
Highlights:

- Revenue increases of 29% QoQ and 11% YoY.
- EBITDA and margins falling compared to the same periods in 2022.
- Price pressure expected to continue at least in 1H24.

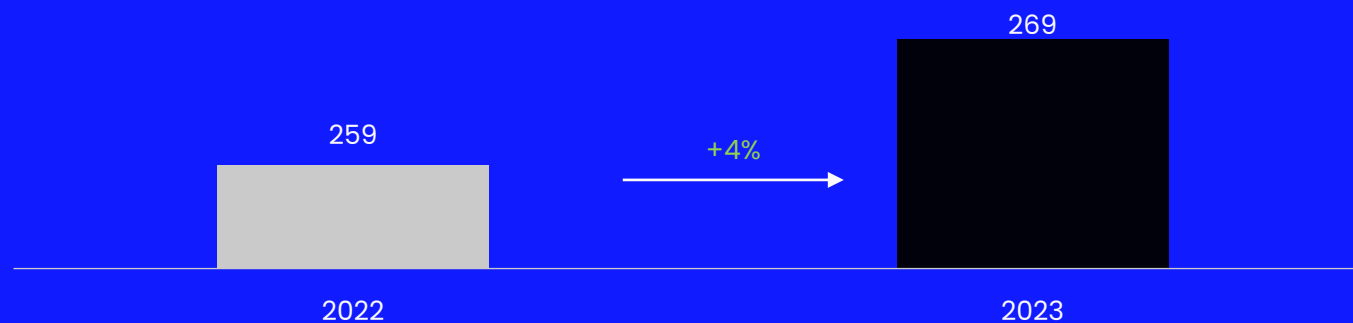
Net Revenue (R\$ Mn)



EBITDA (R\$ Mn) and EBITDA Margin (%)



Sim Cards (Global - million units)



Divestments

Portfolio optimization focusing on markets with better fit and competitive advantage.

Divestments receiving funds in the first quarter of 2024:

Cubic

Sale of the minority stake announced in Nov/23.

SBC

Conclusion of the sale of the São Bernardo do Campo plant in Jan/24.

Serbet

Sale of the stake in the Serbet Digital Parking company in Jan/24.

Outlook



X Ray / Perspectives

ID and Digital
Government



ValidID

Payments



ValidPay

Secure Connectivity



ValidMobile

E-NPS:

From **53% in** Abr/21

To **73% in** Jan/24



“ Culture eats strategy for
breakfast! ”

P. Drucker

Retrospective

Internal Factors +

- Perfect Execution
- Management

External Factors +

- Impounded
- Chip Shortage
- Argentina



**Exceptional
Historical
Results**

Perspective



New Phase:

New Challenges/New Levers

- Maintain and Grow!
- Growth through innovation and Customer Focus

ValidMobile



Slow drop in SimCards Volume

- Result better than expected
- More competitive price dynamic



Transition to digital must occur slowly

- Signs of acceleration for 2024



Among the Top5



Unchanged Strategy Vision

- SIM Card: SLA + Tier 1
- Platforms: 130 implemented
- OEM – China
- IOT – Volks + Uber

ValidID



Digital Government

- Piauí (PI) Government
- Ceará State: R\$98 MM
- Converter Pipeline
- New products alliance/ portfolio



CIN (New ID)

- CIN gains traction + 10% volume



CNH (Drive License)

- Slight drop volume in 2024
- Sharp drop volume in 2025 onwards
- Digital Gov Revenue "off-set"

ValidPay



Brazil

- Mkt Share + 20%
- Idleness pressure on margins
- Maintain Tier 1
+ Operational Excellence



Argentina

- Positive Surprise in 2023
- Risk of falling prices
- Market share superior
over 50%



Inovations and new fronts in Brazil

- Digital Revenues - Billing
- Digital Onboarding - Flexdoc
- Digital Government benefit
cards

Perspectives

Favorable Debt and Cash conditions



Solid investment



Organic and inorganic growth



EBITDA in line or lower, potencial higher Net Profit

New alliance for product Portfolio



Example: Cybernética

Balance Present ↔ Future




Growth Revenues



Spartan: Costs under control



Customer innovation



Q & A

Events Agenda

03/06/2024	4Q23 Earnings Release	✓
03/07/2024	4Q23/2023 Results Call	✓
03/15/2024	Call Notice of the ASM 2024	
04/17/2024	ASM 2024	
05/08/2024	1Q24 Earnings Release	
05/09/2024	1Q24 Results Call	
To be confirmed	Investor Day 2024	
08/07/2024	2Q24 Earnings Release	
08/08/2024	2Q24 Results Call	
11/06/2024	3Q24 Earnings Release	
11/07/2024	3Q24 Results Call	

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