

Earnings Release

1Q23



May 10



09 AM (US ET)

10 AM (BRT)

02 PM (London)

Watch the **video conference**:

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Valid Trust
Powerhouse



ri.valid.com



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 guarantees 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.

In 1Q23, Valid recorded non-recurring items of R\$5.6 million in its financial statements referring to previous fiscal years. Therefore, accounting EBITDA and Net Income, which are affected by the non-recurring item, are lower than the Adjusted indicators.

Highlights

Revenue

1Q23: R\$529M (18% YoY)

- Top line recording two-digit growth vs. 1Q22 and 4Q23
- Highlights of the ID and Pay segments

Normalized EBITDA

1Q23: R\$149M (51% YoY)
28.2% Margin

- Record Quarterly EBITDA
- Best historical quarterly margin
- EBITDA growth across verticals

Normalized Net Income

1Q23: R\$65M
12% Margin

- The Company recorded the largest quarterly result
- EPS of R\$0.75
- IoE of R\$0.18 approved at the BoDM

Leverage

Gross Debt: R\$877M
Cash: R\$556M
NET Debt/EBITDA: 0.6x

- Maintenance of minimum leverage levels
- Significant reduction in Financial Expenses
- Solid Cash Position

Highlights

ValidID

- Document issued grew by 26% YOY with over 7.3M units.
- In addition to the new contracts that started in 2022, we are capturing dammed volumes from the pandemic due to the extension of the deadline by CONTRAN.

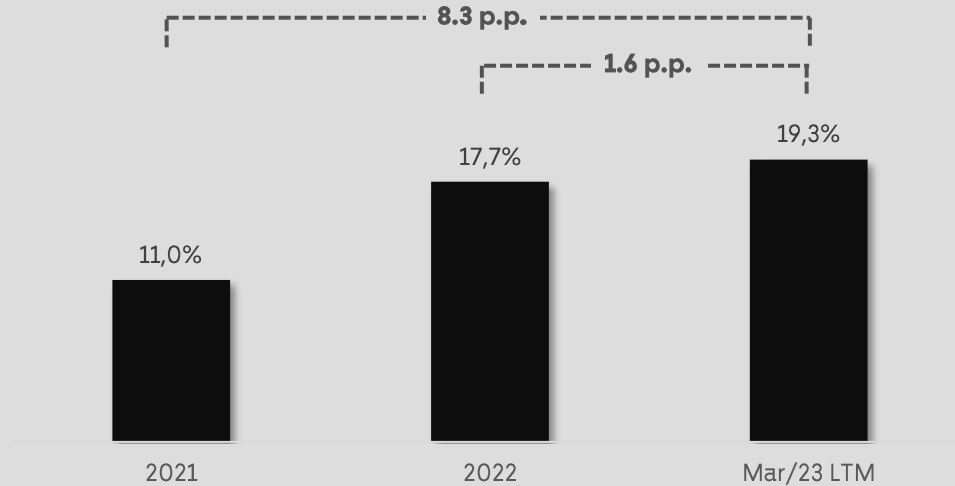
ValidPay

- Significant sales and EBITDA growth
- Argentina continues presenting strong results, which should not be sustained in the medium/long term.

ValidMobile

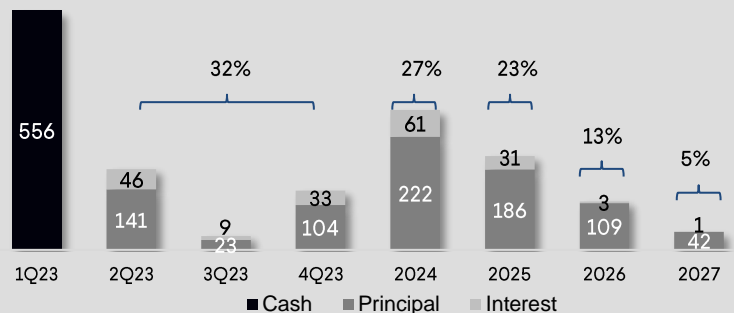
- Sales stabilized despite the lower volume
- Highest quarterly EBITDA of the vertical's past 4 years

ROIC: Indicator growing continually, especially due to better operating margins.

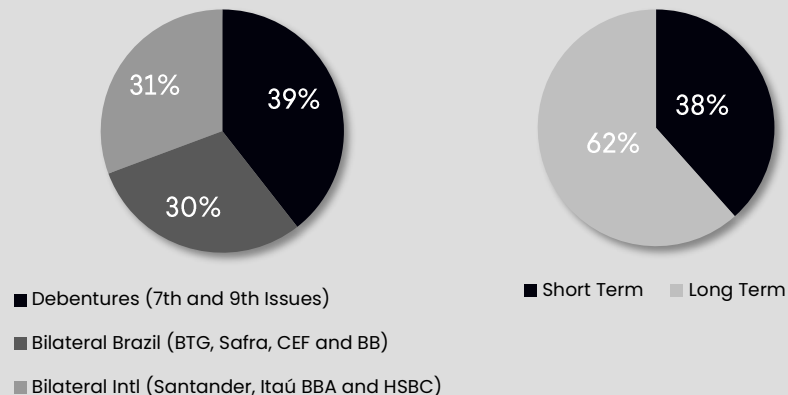


Liquidity: Lower leverage level reported by the Company and comfortable Cash position.

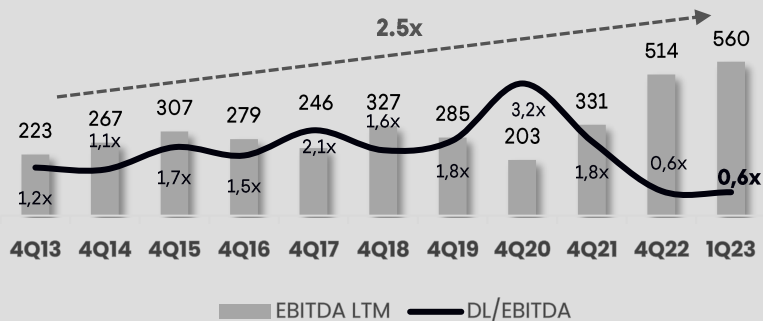
Current Amortization Schedule (R\$ million)



Debt Breakdown (R\$877M)



Leverage Ratio (Net Debt / LTM EBITDA)



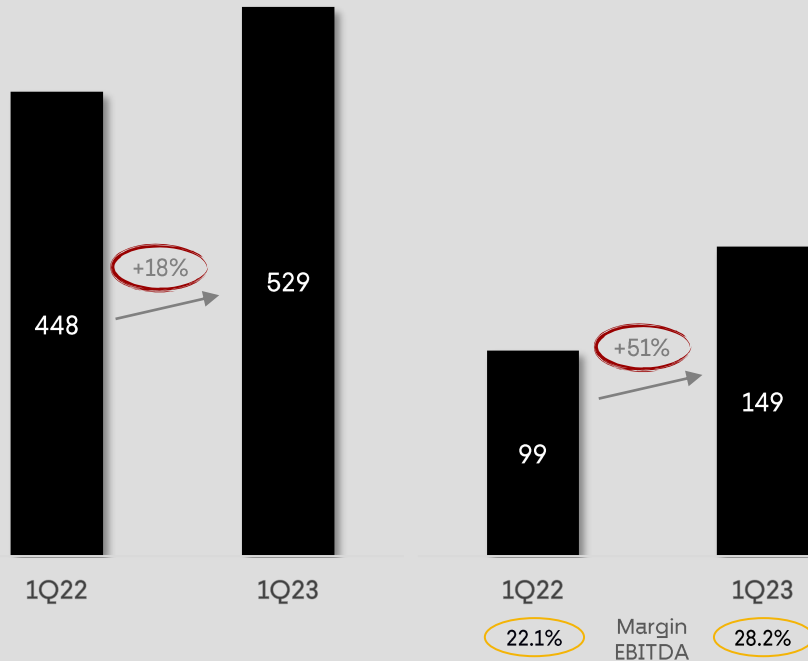
Highlights:

- Net Debt reduced by 45% YOY, to current R\$321M.
- NET Debt/EBITDA: 0.6x
- In a time of tighter credit and higher spreads, we reduced financial expenses (ex-exchange variation) by 35% x 1Q22.

Consolidated: Quarter marked by record EBITDA, with positive contributions from all segments.

Net Revenue (R\$ million)

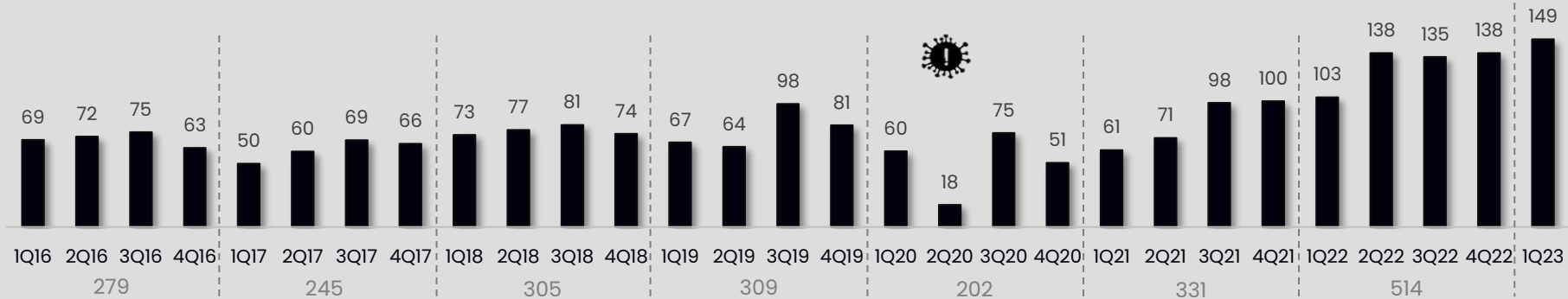
EBITDA (R\$ million)
EBITDA Margin (%)



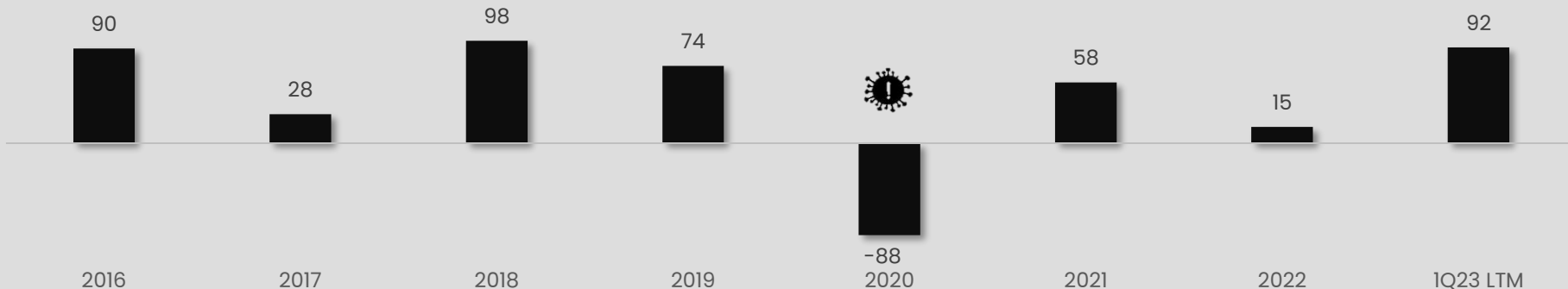
- **ID:** Document issue reached 7.3 million in the quarter (+26% YOY)
- **Pay:** Argentina continues to be the main positive highlight, reporting strong results in sales and margins. Brazil's results improved in the quarter in terms of EBITDA and stability in sales
- **Mobile:** Record EBITDA and significant margins maintained despite a quarter with Revenue in line with that of 1Q22
- LTM EBITDA exceeded R\$560 million, up by 50% over LTM 1Q22
- EBITDA margin reaches 28.2% in the quarter, up by 6 p.p. over 1Q22, the best historical margin

Performance of EBITDA and Net Income

Normalized EBITDA (R\$ Million)

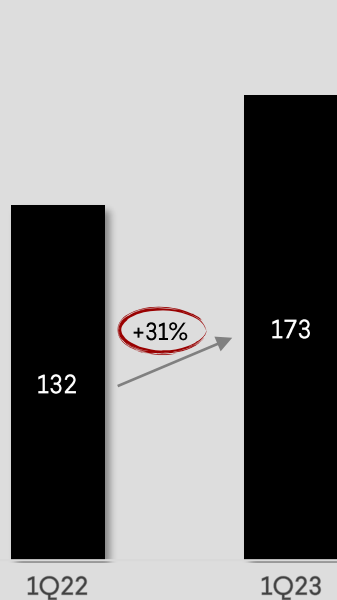
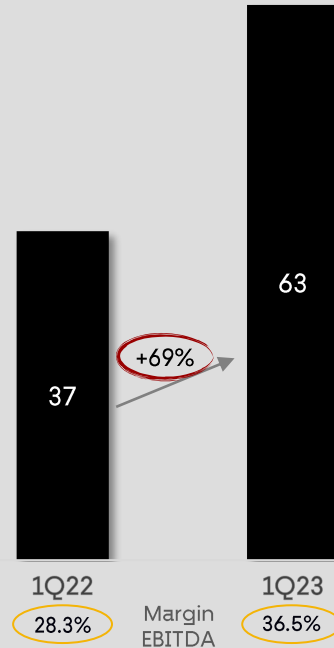


Net Income (R\$ million)

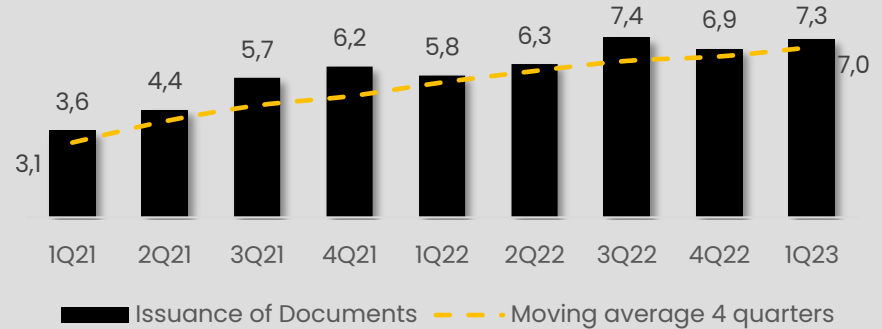


Valid ID: The issue of documents accounted for one of the highest volumes in the Company's history, reaching 7.3 million in the quarter.

Net Revenue (R\$ million)

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

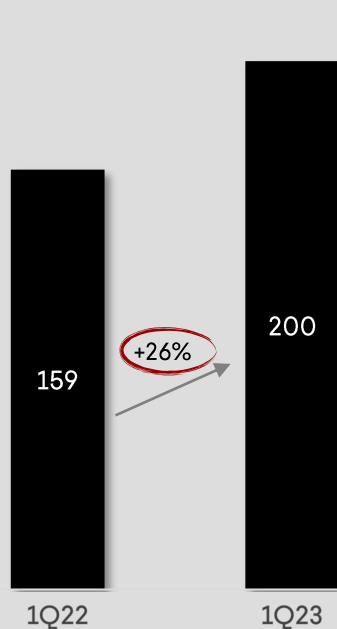
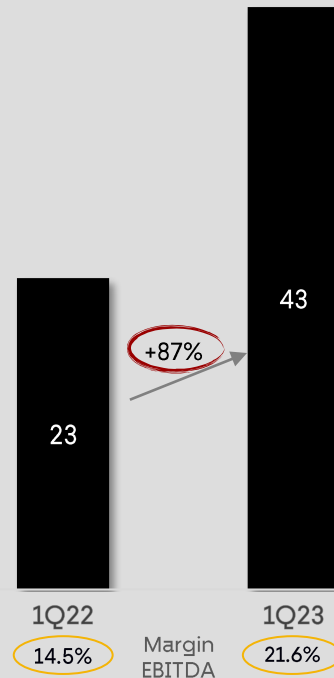
Physical Documents (BR - million units)

**Highlights:**

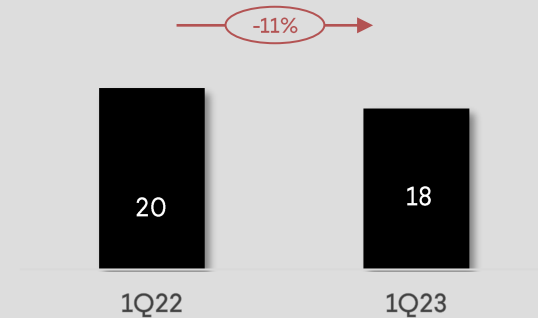
- Document issue volume (+26% YOY) due to two factors: i) 1Q22 was still impacted by COVID in Brazil; ii) New contracts that started from 3Q22
- The Segment's EBITDA grew by 69% year on year in 1Q23, due to i) higher volume; ii) lower costs given the operating efficiencies achieved over the last few quarters

ValidPay: Highlight of an increase in EBITDA and advance in margins. Important contribution from Argentina operations.

Net Revenue (R\$ million)

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

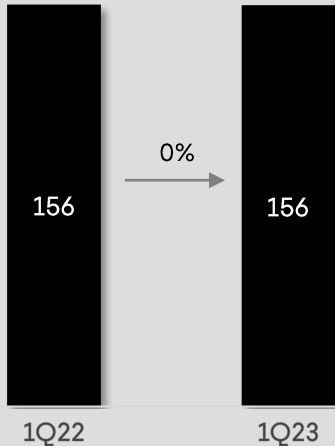
Smart Cards (BR and ARG - million of units)

**Highlights:**

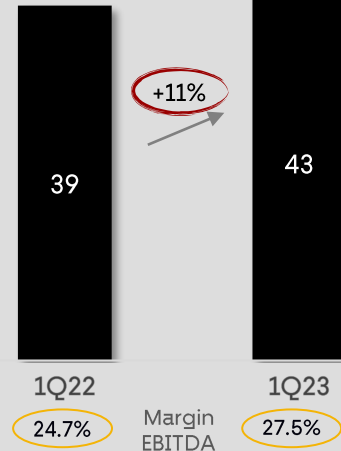
- Despite the lower volume of cards, revenue and margins increased
- In Brazil, we had a reduction in volume and an increase in the average price. In Argentina, the average price increase was higher than in Brazil, while its volume remained stable. Revenue growth at Argentina was 77% compared to 1Q22
- In terms of EBITDA, both Argentina and Brazil saw margins increase in the period
- Margin of 21.6%, up by 7 p.p. over 1Q22

ValidMobile: Despite lower volume and same sales level, EBITDA grew, and we maintained margins at high levels.

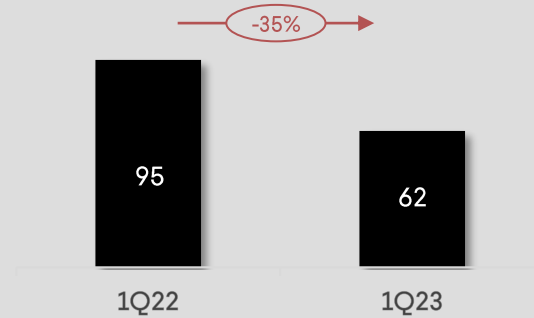
Net Revenue (R\$ million)



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



Sim Cards (Global - millions units)

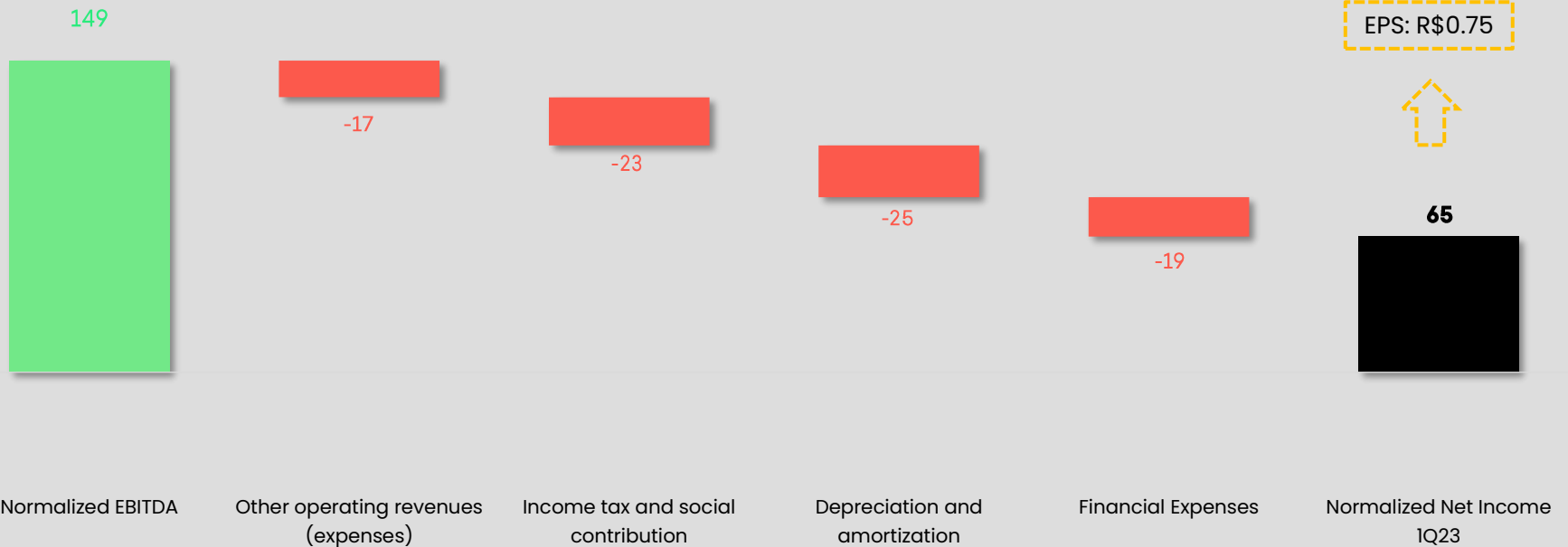


Highlights:

- EBITDA grew by 11% compared to the same period of 2022, due to price increases
- Quarterly EBITDA was the highest in the segment since 1Q20
- We reported another quarter of operating margins ranging from 20% to 30%

EBITDA > Net Income: Result in 1Q23 higher than the years of 2020, 2021 and 2022 combined.

R\$ million

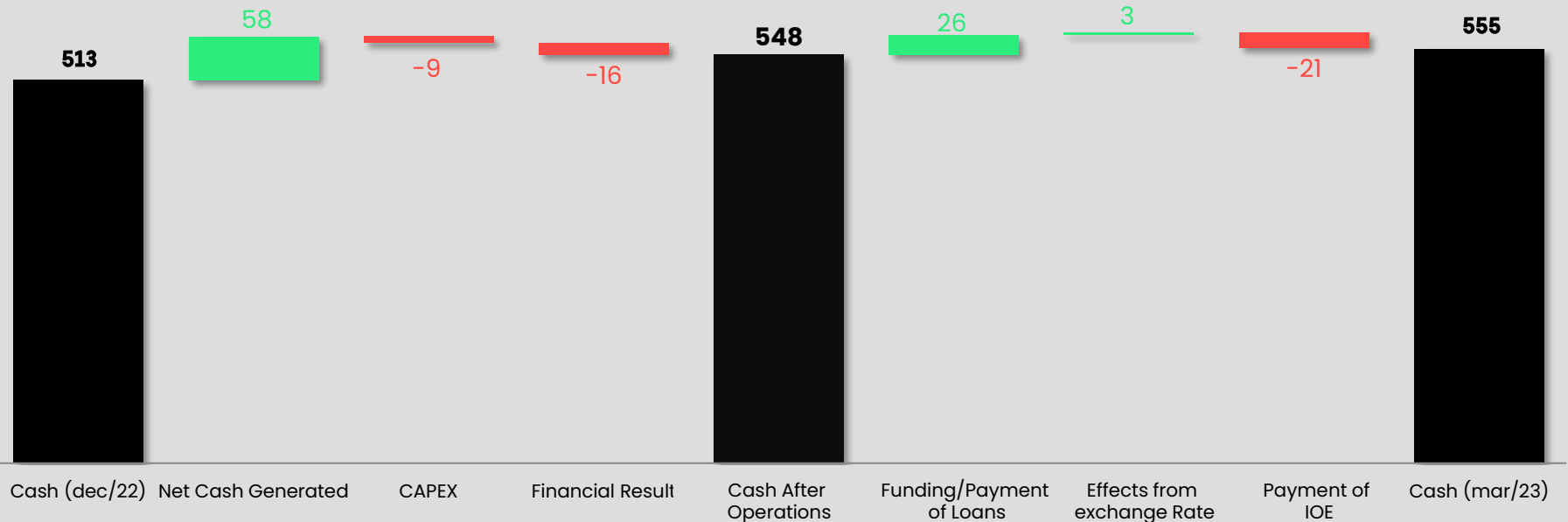


Bridge 1T22 > 1T23: Significant increases in terms of EBITDA and improvement in the Financial Result. Higher income tax in the period due to higher EBIT.



1Q23 Cash Flow: Operating cash generation was R\$58M. The quarter was impacted by a one-shot increase in the Working Capital accounts. CAPEX controlled and IOE paid in Jan 2023.

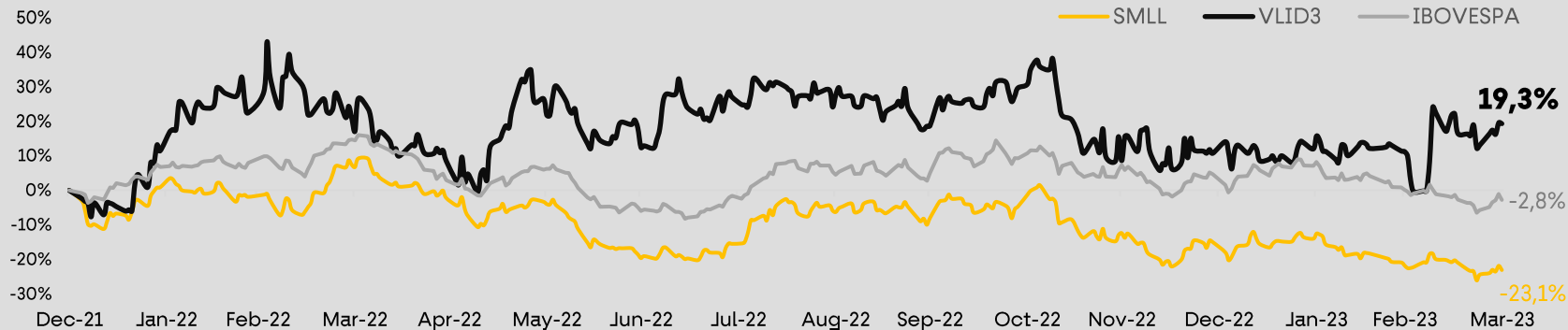
R\$ million



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

Capital Markets: VLID3

Stock Performance (VLID vs. IBOV vs. SMLL)



Payment of Interest on Equity

- Payment of **R\$23.1 million** in IoE in January 2022 (R\$0.2904 per share);
- Payment of **R\$21.0 million** in IoE in January 2023 (R\$0.2630 per share);
- Payment of **R\$14.4 million** in IoE to be paid in May 2023 (R\$0.1800 per share).

Stock price: R\$9.62

Market cap: R\$787 million

Outstanding shares: 79,841,993 shares

TOP 5: 56% of shares

Base date as of March 2023

Subsequent Events

Spain Debt

- Raising of €4M in April 2023 with Itaú to roll over other international debts

2023 AESM

- Approval of all items, including the election of a new Board composition

Interest on Equity

- Payment date: May 22, 2023
- Approximate amount of R\$14 million, with R\$0.18 per share

Updates

O GLOBO

Nova carteira de identidade começa a ser emitida para crianças e jovens até 18 anos

Documento, que tem o CPF como único número de identificação em todo o país, ainda não está sendo emitido em casos de segunda via

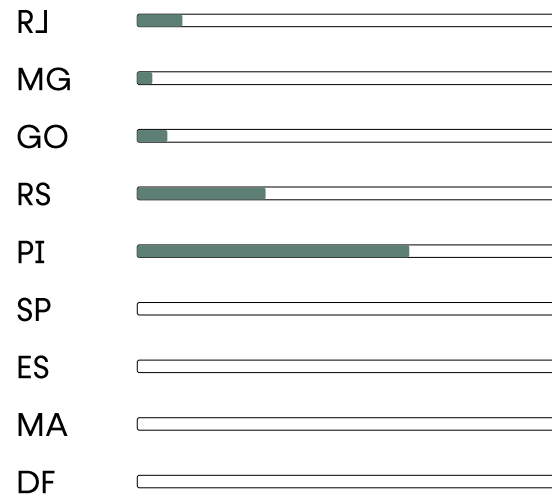
Por O GLOBO — Rio de Janeiro

27/04/2023 16h40 · Atualizado há 6 dias



ValidID

Updates on the new CIN



1Q23 Key Messages

Deliveries

- Record Quarterly EBITDA of R\$149M
- Highlight for the evolution of the operating margin, reaching an all-time high of 28.2% in 1Q23
- Maintenance of minimum leverage levels

Opportunities

- Advancing the Gov Tech agenda
- CVC's Team continues analyzing opportunities

Valid

Investor Relations

Ivan Murias

CEO

Renato Tyszler

CFO and IRO

Olavo Vaz

Head of Corporate Finance

Julia Araujo

Corporate Finance and IR Supervisor

Paulo Vitor Lima

IR Analyst

Angela Carolina Barbatti

IR Intern



**Access our
website:**

ri.valid.com

ri@valid.com

Questions
and answers

Thank you for participating!