



Valid

Results | 1Q
Presentation | 24

May 09, 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.



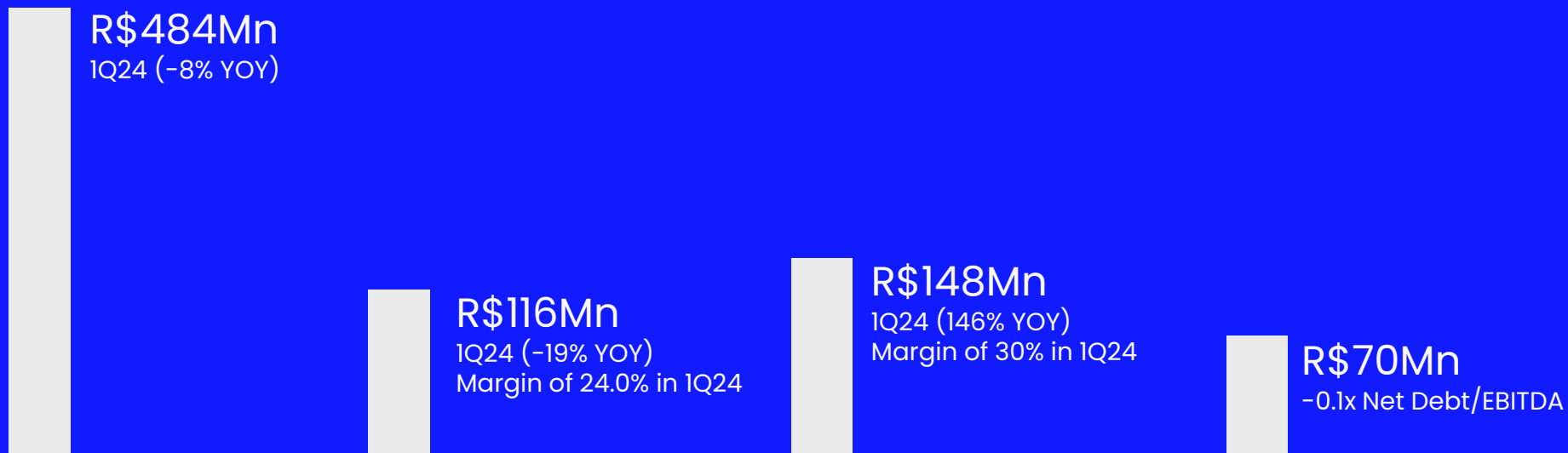
Analysts and investors are advised not to place undue reliance on these beliefs and expectations, as they only refer to the date of publication of this presentation.

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



Revenue

- The YoY sales decrease was led by the already expected weak performance of the Mobile segment, which has been undergoing volume and price pressures.
- Positive highlight to the YoY sales growth in the ID segment.

EBITDA

- The bigger impact in terms of EBITDA was also the Mobile segment.

Net Income

- EPS: R\$1.83 in the quarter
- The result for the quarter was positively influenced by the sale of the minority stake held in Cubic.

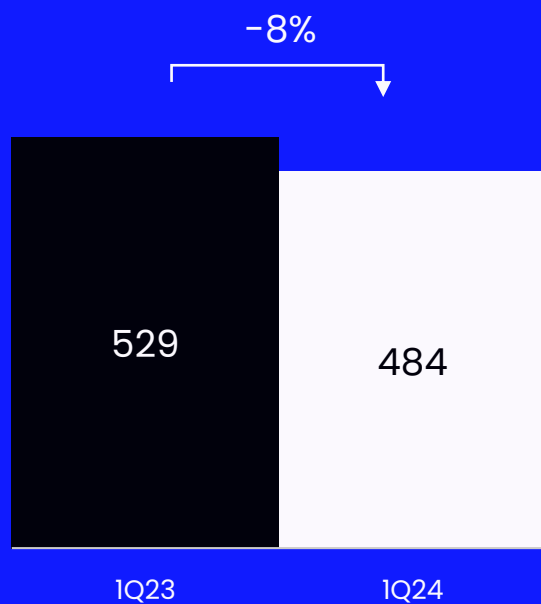
Net Cash

- Despite the cash utilization in operational activities, the sale of Cubic allowed Valid to reach a Net Cash level for the first time since its IPO.

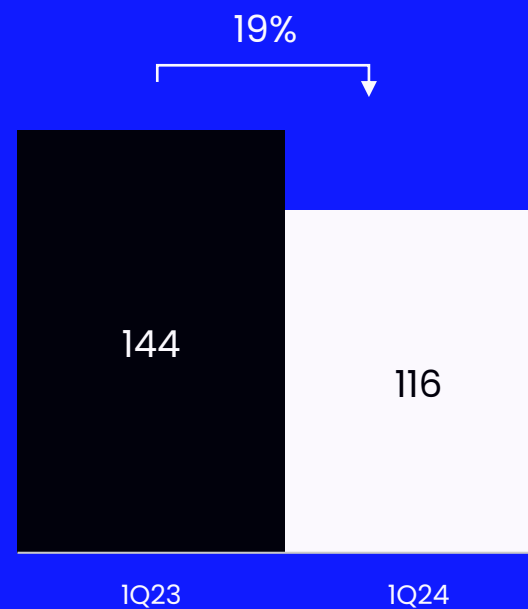
Consolidated

Quarter marked by volume and price pressures in the Mobile segment, impacting both the Company's Revenue and EBITDA

Net Revenue (R\$ Mn)



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



EBITDA
Margin

27.1%

24.0%

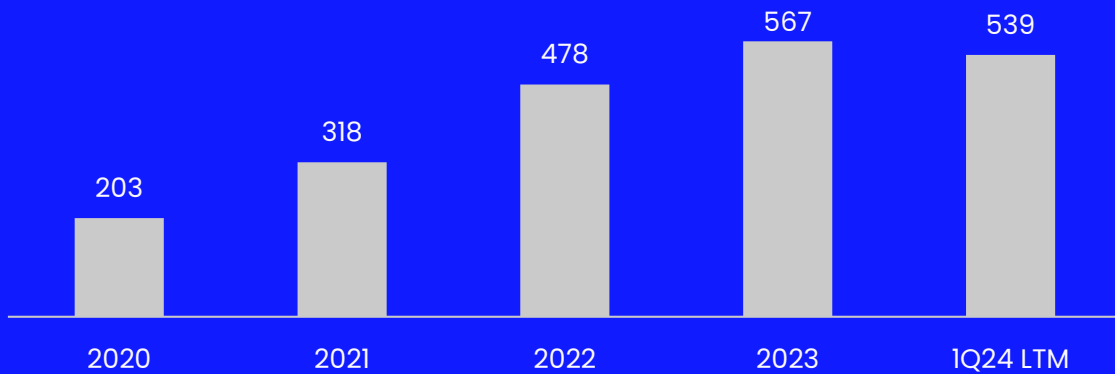
Quarterly EBITDA-to-Net Income

Income reported in the quarter was positively influenced by the receipt of amounts related to the sale of stake held in Cubic

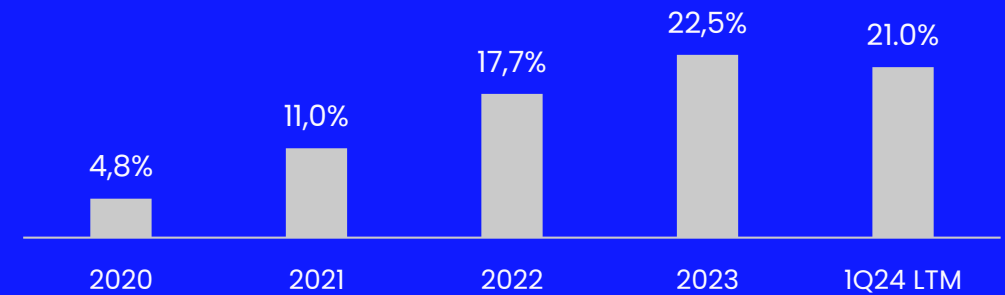


Performance of EBITDA, Net Income, ROIC, and ROE

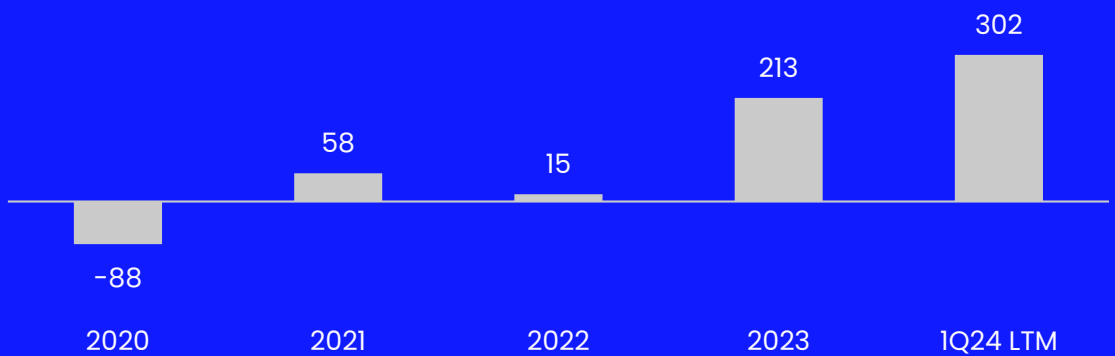
EBITDA (R\$ Mn) (excluding USA)



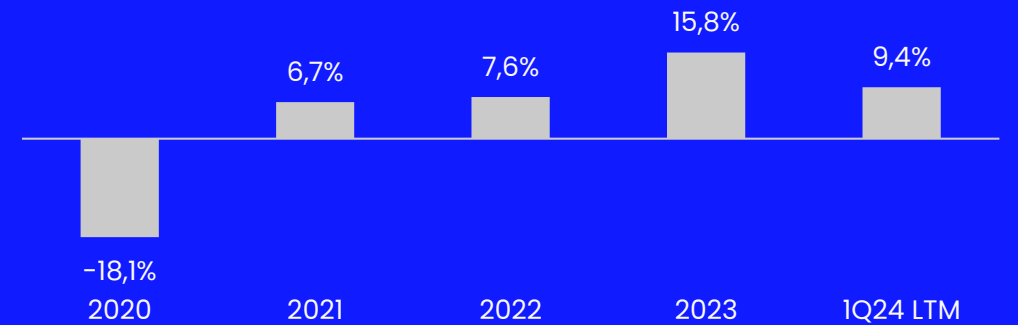
ROIC



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



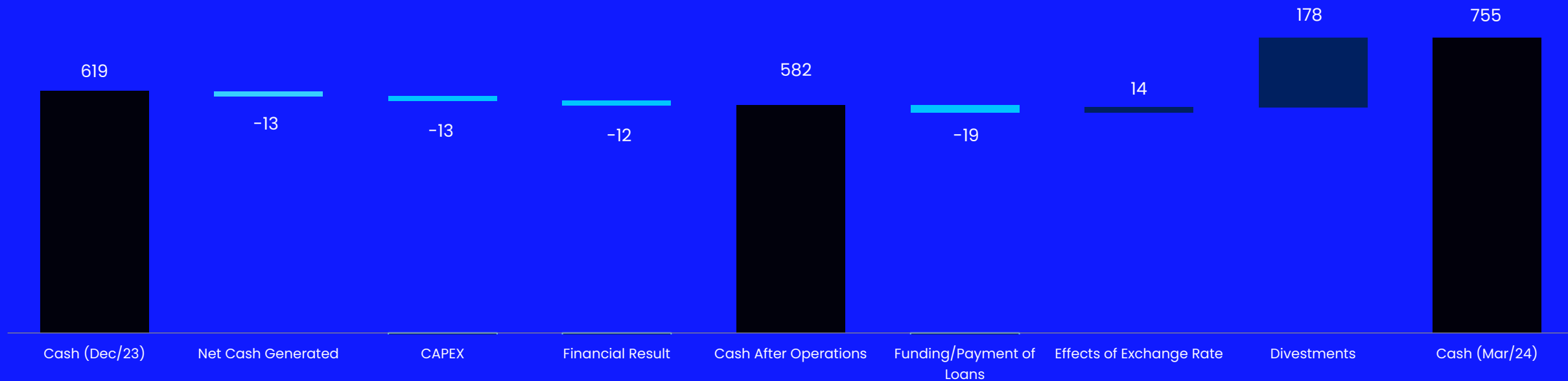
ROE



CF 2024

Main change in cash from the sale of assets in the quarter

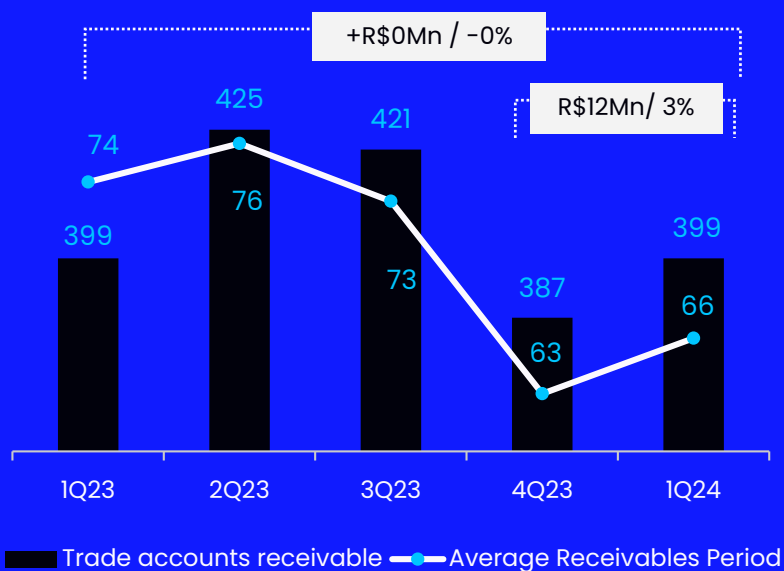
R\$Mn



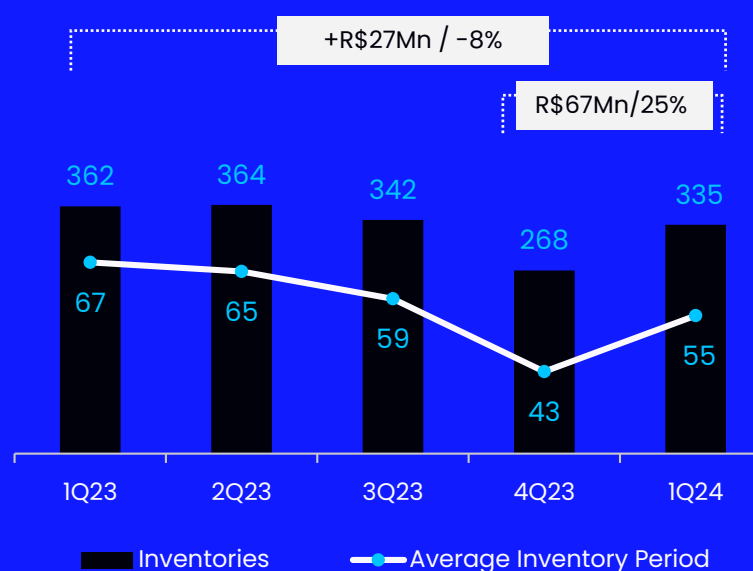
Note: Operating Cash Generation: EBITDA - Taxes on Result - Working Capital

Working Capital Evolution

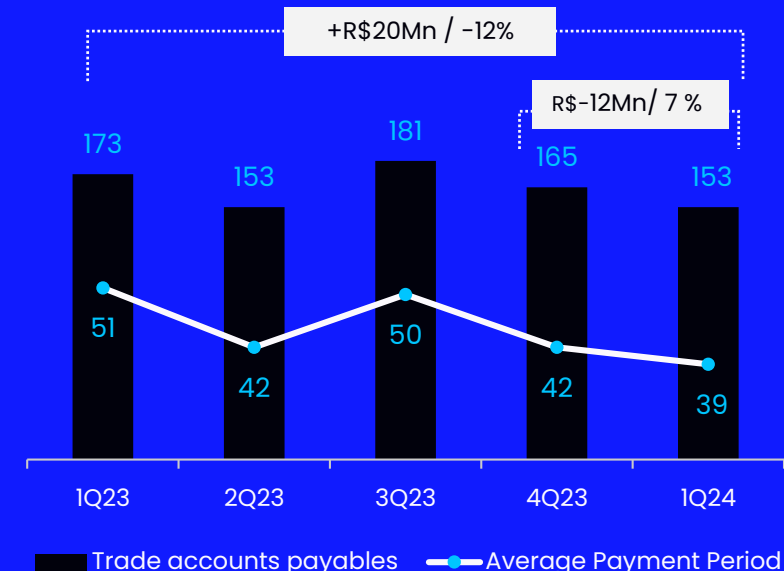
Accounts Receivable (R\$ Mn)



Inventories (R\$ Mn)



Accounts Payable (R\$ Mn)



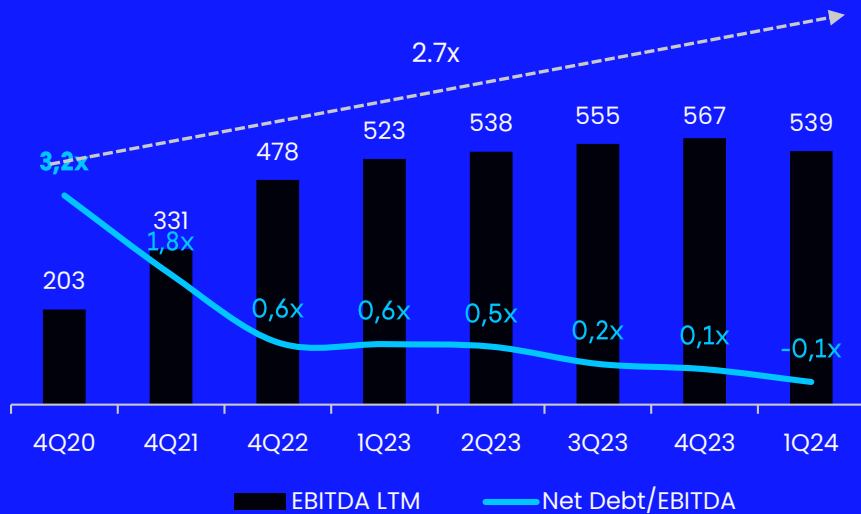
Highlights:

- After a significant improvement in the main Working Capital accounts in 2H23, 1Q24 showed a deterioration in the indicators, although at levels better than the previous year's comparison
- Management continues its efforts to improve the indicators, which may experience some volatility between quarters

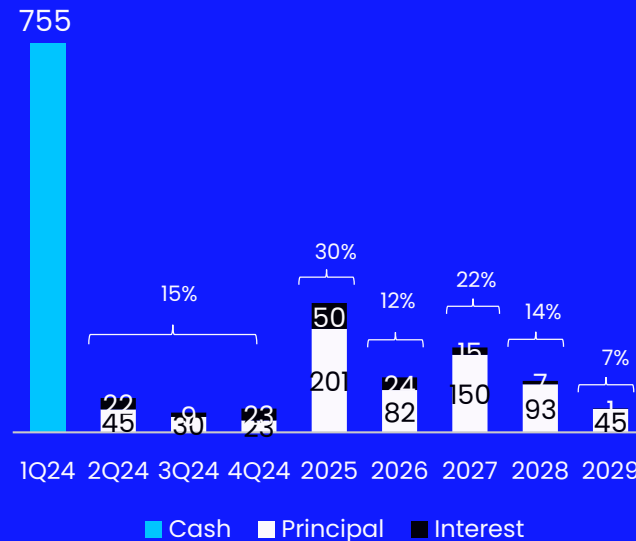
Liquidity

Valid reached the level of Net Cash for the first time since its IPO

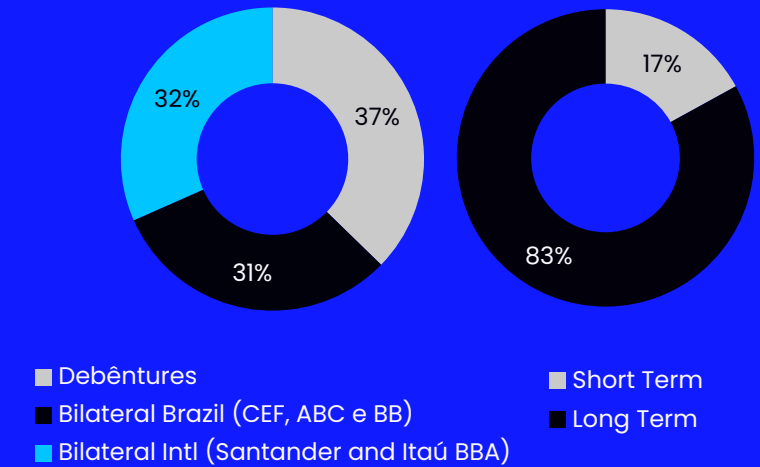
Leverage Ratio (Net Debt / LTM EBITDA)



Current Amortization Schedule¹ (R\$ Mn)



Debt Breakdown¹



Highlights:

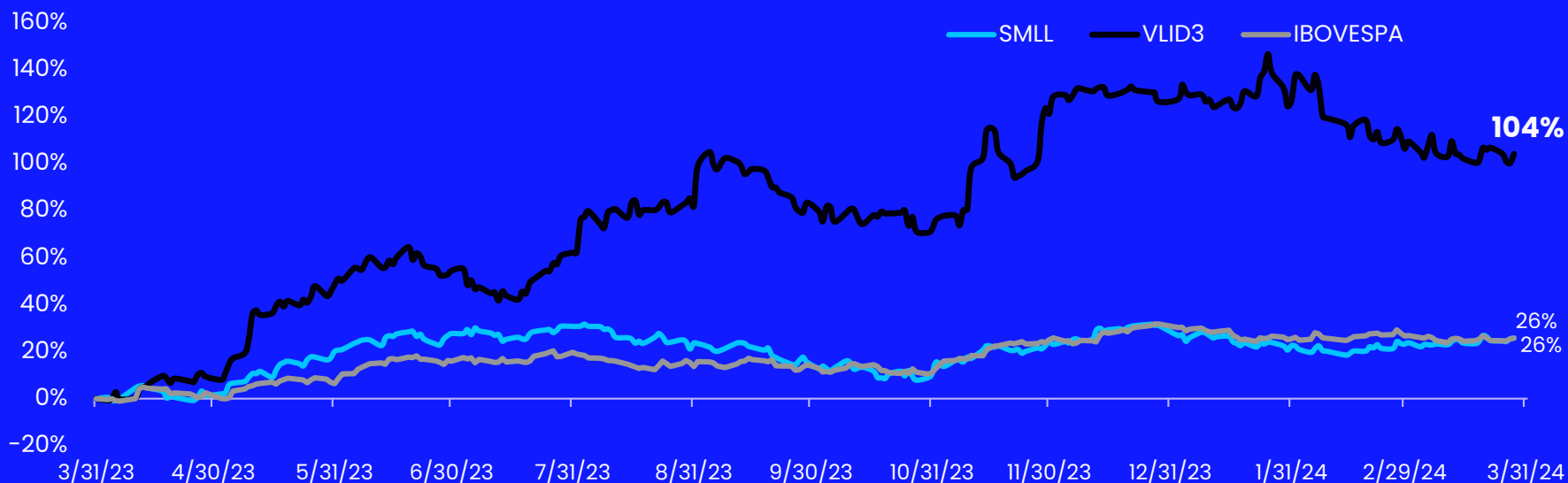
- After the closure of 1Q24, Valid held the 10th Debenture issue, totaling R\$243Mn, removing from the market 97.26% of the 9th Debenture issue.
- The 10th debenture issue increases the average duration by 7 months, reaching 26 months, and reduces the average cost of debt in Brazil by around 50bps, reaching a CDI + 1.79%.

¹Considers the Exchange Offer and the bilateral debt renegotiation of BB carried out after the closure of the quarter.

Capital Markets

B3: VLID3

Stock Performance (VLID vs. IBOV vs. SMLL) – last 12 months.



Proceeds:

- Payment of extraordinary dividends related to 2023, of R\$0.31 per share, on April 30.

Liquidity:

- Average daily trading volume of R\$8.8Mn in the quarter, a 238% YOY increase.



Stock price: R\$18.49

Market cap: R\$1,5B

Ex-Treasury Shares: 80,171,552 shares

Base date as of March 2024


101 1001 10101101

The logo for ValidID, with 'Valid' in white and 'ID' in blue. A blue horizontal line is positioned above the 'V' in 'Valid'.

ValidID



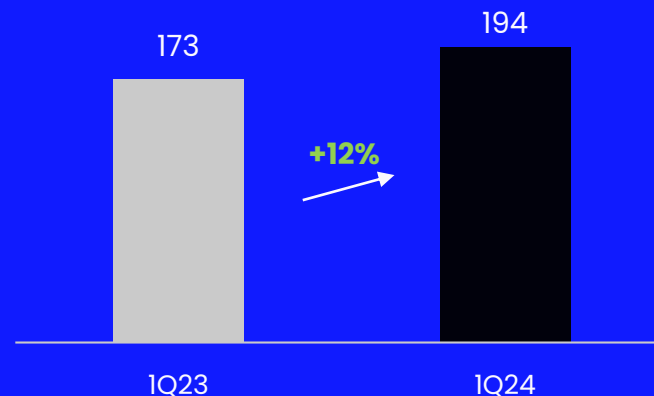
ValidID

 Quarter with more than 7 million documents issued.

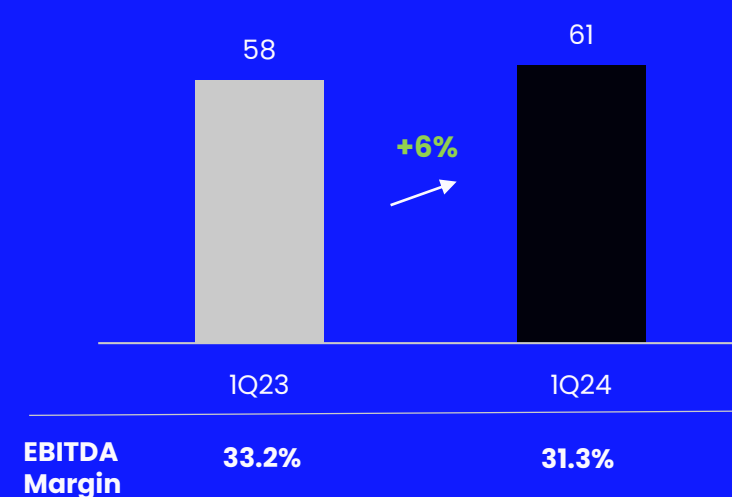
Highlights:

- Volume reached 7.2 million documents, in line with the 7.3 million issued in 1Q23
- Highlight to the New ID Card issues, whose volume has increased since the official introduction of the new document in January 2024.
- The Digital Government segment accounted for approximately 6% of revenue in this segment. In the period, Valid's revenue came to R\$11.8Mn and EBITDA totaled R\$4.7Mn, with a margin of 39.7%.

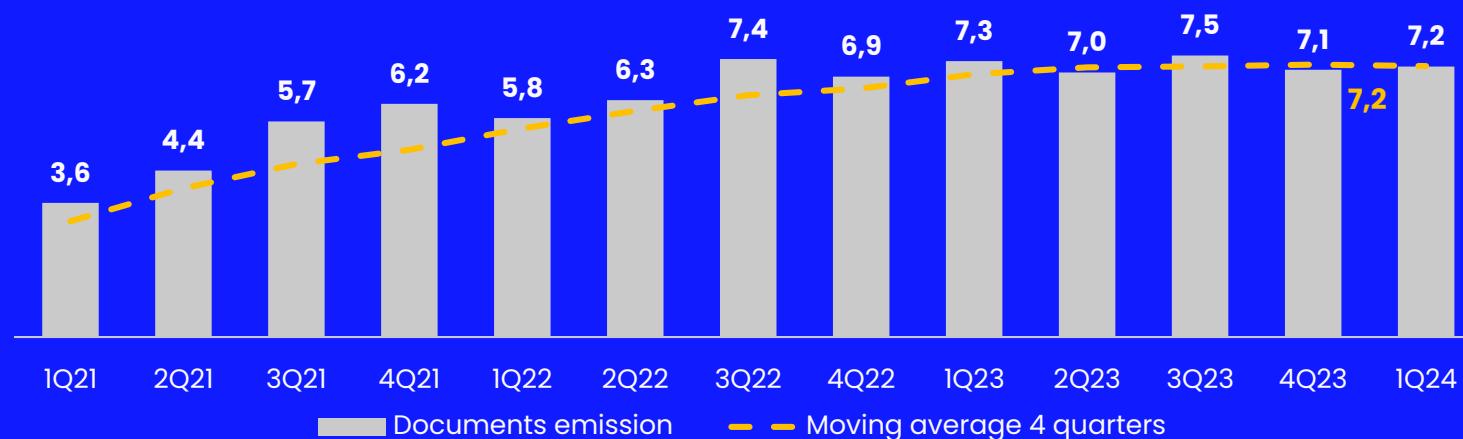
Net Revenue (R\$ Mn)



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




Physical documents (BR - million units)



The logo for ValidPay, featuring the word "Valid" in white and "Pay" in blue, with a blue horizontal line above the "V".

ValidPay

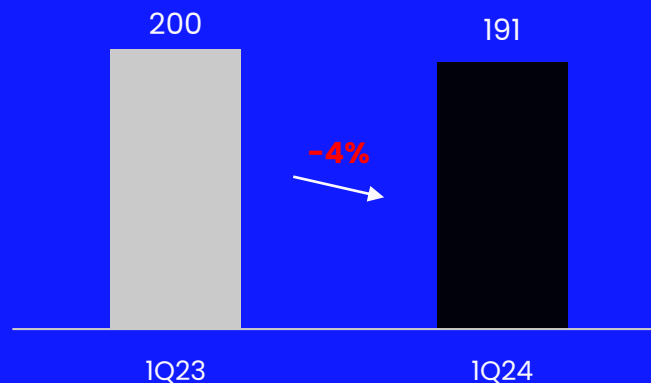
ValidPay

 The segment's behavior was similar to that reported in 1Q23, with margins standing above 20%

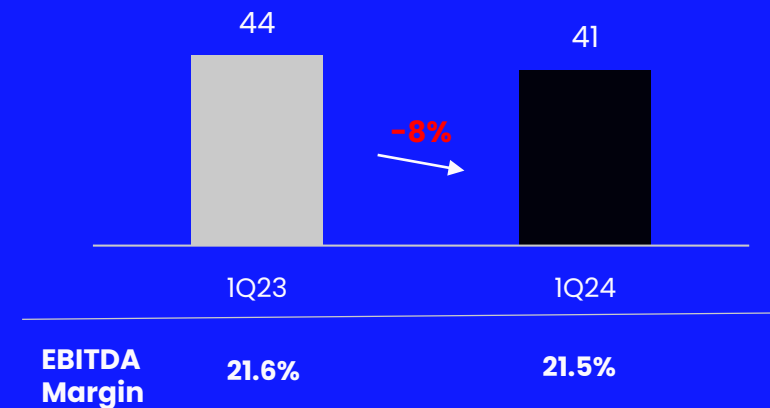
Highlights:

- YoY revenue growths in the Argentina and Brazil Card units.
- The slight YoY revenue decrease was due to the discontinuation of some business lines in 2023, and, therefore these results are no longer accounted for in 1Q24.

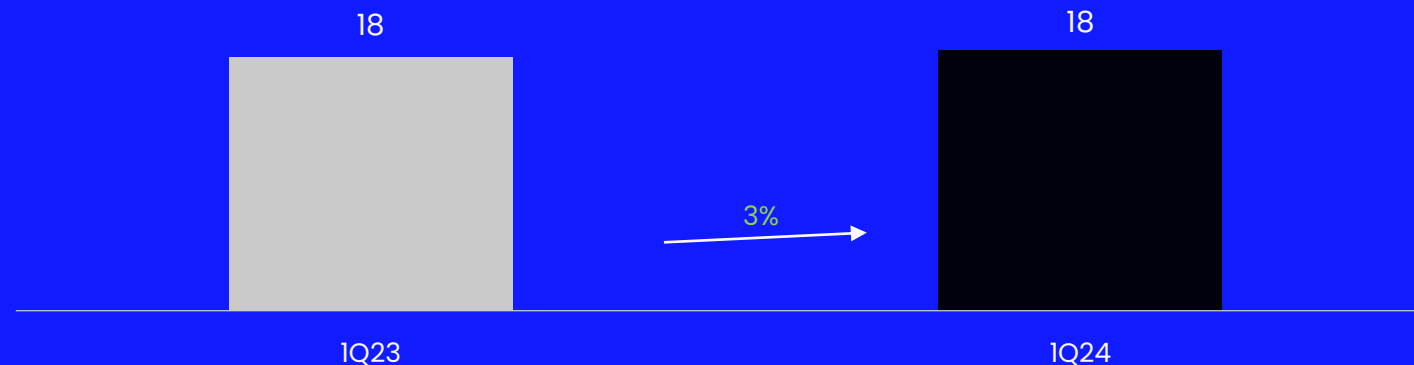
Net Revenue (R\$ Mn)



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



Smart Cards (BR and ARG - million units)



1Q24 Results

Valid



Valid**Mobile**

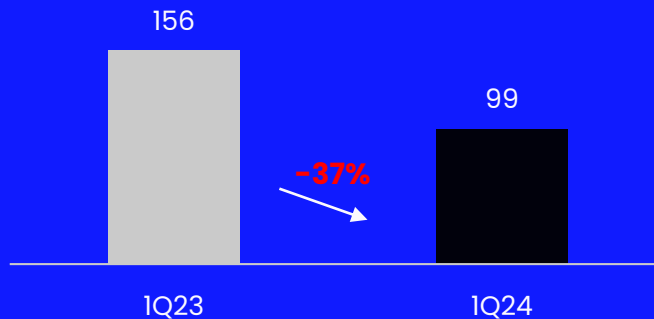
ValidMobile

Rebalance of global chains, continue to affect prices and margins in the segment

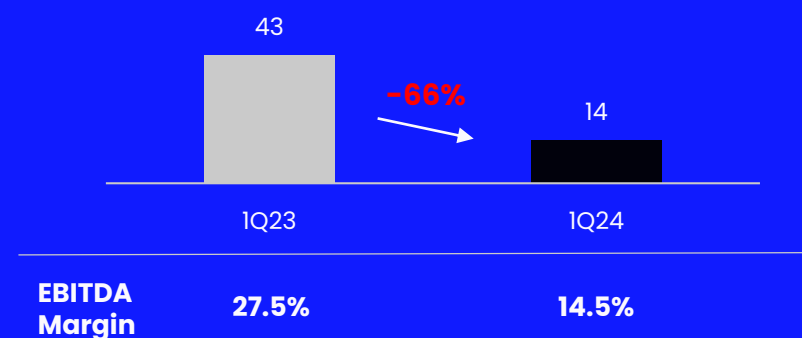
Highlights:

- As it had been occurring in 2H23, the Mobile segment started 2024 with a volume decrease, leading to a 37% YoY reduction in revenue
- Price pressure expected to continue at least in 1H24, however 2Q24 should report results better than those seen in 1Q24.

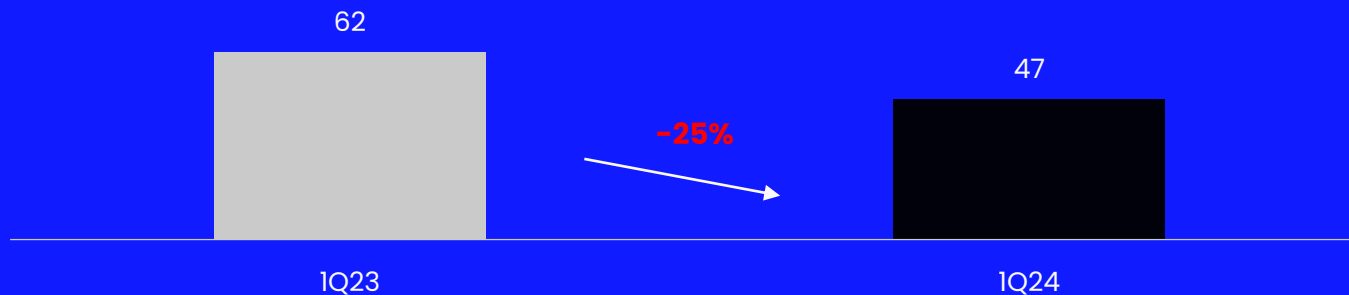
Net Revenue (R\$ Mn)



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



SIM Cards (Global - million units)



Subsequent Events

Exchange Offer

10th issue on May 03. CDI+1.95%, with a 5-year term. 97.26% of the debenture holders joined the Exchange Offer, migrating from the 9th issue to the 10th issue.

Working Capital Banco do Brasil

Debt extension with Banco do Brasil, of R\$23Mn, at DI+1.70% p.a., maturity of 48 months, and grace period of 12 months.

Extraordinary Dividends 2023

The ASM approved the payment of Extraordinary Dividends, of R\$0.31/share, totaling R\$25Mn, paid in April 2024.

Outlook



Perspectives and Focus 2024

Summary Q1-24

Excellent performance in the ID and PAY verticals. Poor performance in the MOBILE vertical, which starts recovering in 2Q-24 and has good expectations for the year. New Tier 1 client approvals and signs of acceleration in eSIM/OEM platforms.

Innovation

Over 32 million BRL in revenue in 1Q-24 from new products. Expectation to have approximately 8% of the 2024 revenue in products initiated in 2023.

Goals and Incentives

Demonstrate the ability to: 1) maintain earnings generation and 2) generate Innovation Revenue through portfolio expansion, through People (e-NPS) and customer focus (NPS).

Capital Allocation

Commitment to remunerate shareholders via Interest on Equity within the legal limit. Continuous, consistent, and thorough examination of growth opportunities.



Q & A

Events Agenda

03/06/2024	1Q24 Earnings Release	✓
03/07/2024	1Q24/2024 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	✓
08/07/2024	2Q24 Earnings Release	
08/08/2024	2Q24 Results Call	
09/2024	Investor Days (date to be confirmed)	
11/06/2024	3Q24 Earnings Release	
11/07/2024	3Q24 Results Call	

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