



# Valid

Earnings | 2Q  
Release | 24

**Videoconference with simultaneous translation into English**

August 08, 2024 - 10:00 a.m. (BRT)

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## Highlights

**Valid closes the quarter with an EBITDA of R\$129M, Operating Cash Generation of R\$173M, and Net Income of R\$80M.**

São Paulo, August 07, 2024 – Valid (B3: VLID3 – ON) presents today its results for the second quarter of 2024 (2Q24) and first half of 2024 (6M24).

The following financial and operating information is presented on a consolidated basis, in Brazilian reais, under International Financial Reporting Standards (IFRS). Comparisons refer to the same periods in 2023.



### Net Revenue

- Net Revenue reached R\$518M in 2Q24, down by 3% from 2Q23, and up by 7% over 1Q24. In 6M24, Revenue reached R\$1.0B, down by 6% from 6M23.
- Revenue dynamics remained similar to 1Q24, i.e., sales improved in ID&Gov. In the Digital segment, Payments remained flat and Mobile decreased compared to the previous year.
- Despite the weak result in the Mobile segment, this quarter has already improved compared to 6M23 and 1Q24. The outlook for next six months of 2024 seems promising, as we already have products and projects in our portfolio scheduled to be delivered over the next six months.
- The diversification of Valid's revenue continues to advance, with the combined sales of Digital Government, Flexdoc, and Connectivity Solutions totaling R\$86M (8.5% of total revenue for 6M24), showing Valid's ability to renew its solutions portfolio.



## EBITDA

- EBITDA totaled R\$129M in 2Q24, a slight decrease of 4% from 2Q23, with a margin of 25%, the same level reported in 2Q23.
- YTD, Valid reported an EBITDA of R\$245M, down by 12% from 6M23, with an accumulated margin of 24.5%.
- Similarly to sales, the largest contributor to the YoY decline in terms of EBITDA was the Mobile segment, with a decrease of 46%. However, after 3 quarters (3Q23, 4Q23, and 1Q24) with margins around 15%, we reported a margin of 18.6% in 2Q24, with the quarterly EBITDA growing by 43% over 1Q24.
- The Digital Government, Flexdoc, and Mobile BUs accounted for 12% of Valid's total EBITDA in 6M24, showing that new solutions can maintain the Company's operating margins.



## Net Income

- Net Income attributable to controlling shareholders was R\$80M in 2Q24, with a net margin of 15%, up by 43% YoY.
- We have made significant progress in Financial Results and Tax expenses, which allowed for a higher Recurring Net Income, despite an EBITDA slightly lower than that recorded in 2Q23.



## Net Cash and Leverage

- In terms of Operating Cash Generation, we obtained R\$173M (134% of the EBITDA for the quarter), underscoring the Company's commitment to cash conversion and the optimization of Working Capital accounts.
- Gross Debt fell by R\$101M from March to June 2024, ending at R\$584M. Of the total, only 17% of total indebtedness is due in the next 12 months.
- With Cash & Investments of R\$721M, Valid closes 6M24 with a Net Cash of R\$137M, or -0.25x LTM EBITDA.



## Subsequent Events

- In July, we extended our debt with Banco ABC. The debt originally had a cost of CDI + 1.00% and would mature on July 15. However, through a new operation, we extended the maturity (bullet) for another year, maintaining the original cost.

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- The BoD Meeting held on July 16 approved another round of loE payment referring to 2024 results. The approved amount was R\$0.44 per share, equivalent to a dividend yield of 2.5%. Valid's management remains committed to using the full payment of loE, thereby taking advantage of the tax benefit.
  - In the BoD of August 1st, the Board of Directors elected Olavo Vaz as Statutory Financial and IR Executive Director (CFO and IRO) and Rudy Tarasantchi as Executive Technology Director (CTO) from August 12th.

## Comments from the Management

Dear Shareholders and employees,

We are pleased to share Valid's results for the second quarter of 2024. This period had many significant achievements, thanks to the dedication and effort of our entire team. The tireless work of each employee has been essential to achieving these results.

We also thank our shareholders and the Board of Directors for their constant support. The trust and strategic guidance received are essential for our success and growth.

With nearly 70 years of history, Valid has undergone many transformations and will continue to do so. The changes currently experienced are not surprising to us; they motivate us to constantly question the solutions we offer, always intending to be the best trusted third party, maintaining brilliance and prominence with our customers, whether in the Government, Financial, or Mobile ecosystem.

Valid continues to stand out for its strong capital structure, reflected in a robust financial balance sheet. Our ability to reinvent ourselves and explore new opportunities in the segments we operate allows us to generate excellent results and maintain a consistent cash flow. All of this strengthens our commitment to delivering continuous returns to our shareholders, always thinking long-term.

Similar to what we did in the first quarter, we will highlight the initiatives that are gaining momentum within the Company. They consist of projects and actions that show our innovative spirit and constant pursuit of improvements and sustainable growth.

The financial highlights are as follows:

- i) Net Revenue of R\$518M, EBITDA of R\$129M, and Net Income of R\$80M;
- ii) Increase in the share of new businesses/solutions in the Revenue and EBITDA breakdown;
- iii) Operating Cash Generation of R\$173M, conversion of 134% EBITDA
- iv) LTM ROIC of 22.5%;
- v) Net Cash of R\$137M;
- vi) New round of IoE of R\$0.44 per share to be paid on August 16;

We thank everyone who contributes to Valid's success and remain confident in our path of achievements and accomplishments.

**Let's move forward, seeking constant and sustainable innovation for Valid!**

## Consolidated Results

	2Q23	2Q24	Var. %	6M23	6M24	Var. %
<b>Net Operating Income</b>	<b>534.3</b>	<b>518.1</b>	<b>-3.0%</b>	<b>1,063.6</b>	<b>1,002.4</b>	<b>-5.8%</b>
Costs	-341.0	-328.7	-3.6%	-662.7	-633.8	-4.4%
<b>Gross result</b>	<b>193.3</b>	<b>189.4</b>	<b>-2.0%</b>	<b>400.9</b>	<b>368.6</b>	<b>-8.1%</b>
<i>Gross Margin</i>	36.2%	36.6%		37.7%	36.8%	
<b>Operating income (expenses)</b>						
Selling expenses	-45.3	-46.6	-2.9%	-94.2	-94.2	0%
General and administrative expenses	-37.2	-36.4	-2.2%	-76.8	-75.2	-2.1%
Other non-operating income (expenses)*	-7.0	-2.3	-67.1%	-23.4	106.8	N.a.
Equity pick-up	-0.5	0.1	N.a.	-1.6	-1.6	0%
	<b>103.3</b>	<b>104.2</b>	<b>0.9%</b>	<b>204.9</b>	<b>304.4</b>	<b>48.6%</b>
<b>Financial Result</b>						
Financial income	47.7	54.0	13.2%	94.2	101.4	7.6%
Financial expenses	-80.4	-69.9	-13.1%	-145.8	-147.4	1.1%
<b>Profit (loss) for the period before Income Tax and Social Contribution</b>	<b>70.6</b>	<b>88.3</b>	<b>25.1%</b>	<b>153.3</b>	<b>258.4</b>	<b>68.6%</b>
<b>Income tax and social contribution</b>	<b>-15.4</b>	<b>-8.7</b>	<b>43.5%</b>	<b>-38.5</b>	<b>-32.1</b>	<b>-16.6%</b>
<b>Income (loss) for the period</b>	<b>55.2</b>	<b>79.6</b>	<b>44.2%</b>	<b>114.8</b>	<b>226.3</b>	<b>97.1%</b>
<i>Net Margin</i>	10.8%	15.4%		11.0%	22.7%	
<b>Profit attributable to:</b>						
Controlling shareholders	57.5	79.6	38.4%	116.9	227.5	94.6%
Non-controlling shareholders	-2.3	0.0	-100%	-2.1	-1.2	-42.9%

	2Q23	2Q24	Var. %	6M23	6M24	Var. %
<b>Net income for the period</b>	<b>57.5</b>	<b>79.6</b>	<b>38.4%</b>	<b>116.9</b>	<b>227.5</b>	<b>94.6%</b>
(+) Non-controlling interest	-2.3	0.0	-100%	-2.1	-1.2	-42.9%
(+) Income tax and social contribution	15.5	8.7	-43.9%	38.4	32.1	-16.4%
(+) Financial expenses/(income)	32.7	15.9	-51.4%	51.6	46.0	-10.9%
(+) Depreciation and amortization	24.0	22.8	-4.9%	48.8	46.3	-5.3%
(+) Other non-operating income (expenses)*	7.0	2.3	-67.1%	23.4	-106.8	N.a.
(+/-) Equity pick-up	0.5	-0.1	N.a.	1.5	1.6	6.7%
(+/-) Results from discontinued operations	0.0	0.0	N.a.	0.0	0.0	N.a.
<b>EBITDA</b>	<b>134.9</b>	<b>129.2</b>	<b>-4.2%</b>	<b>278.5</b>	<b>245.5</b>	<b>-11.9%</b>
<i>EBITDA Margin</i>	25.2%	24.9%		26.2%	24.5%	

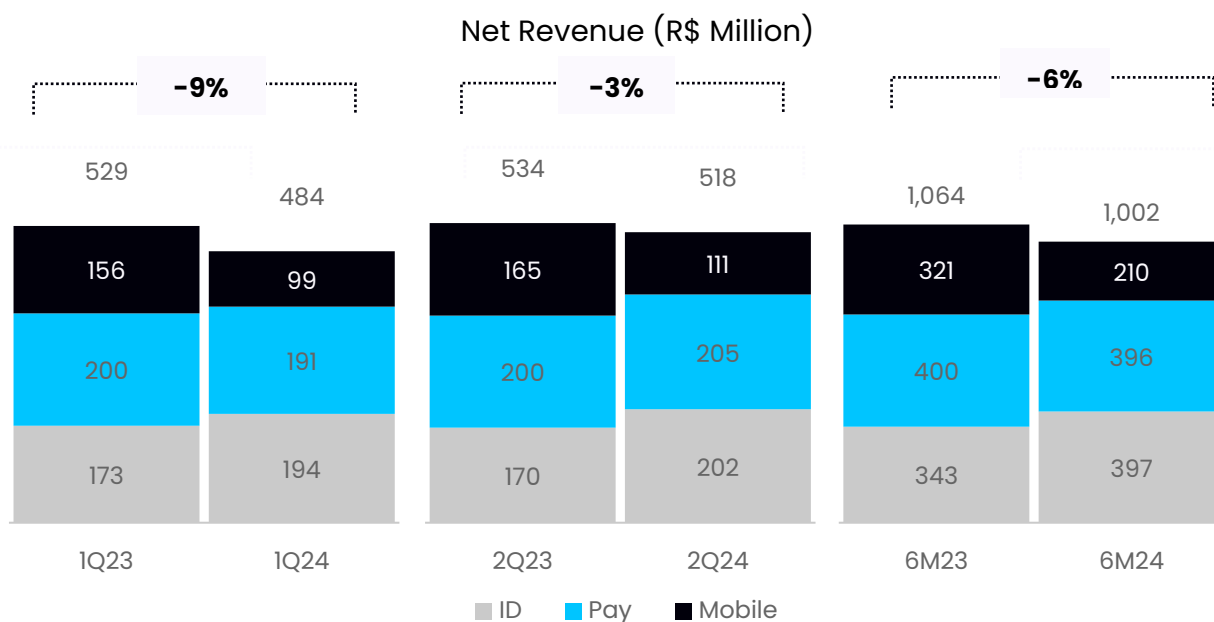
\*Breakdown of Other Non-Operating Income/Expenses

### Other Non-Operating Income/Expenses (R\$ million)

	2Q23	2Q24	Var. %	6M23	6M24	Var. %
Brazil	-3.4	-0.6	-81.6	-12.8	-0.8	-93.7
Foreign <sup>1</sup>	-3.6	-1.7	N.a.	-10.7	107.6	N.a.
<b>Total</b>	<b>-7.0</b>	<b>-2.3</b>	<b>-66.9</b>	<b>-23.4</b>	<b>106.8</b>	<b>N.a.</b>

<sup>1</sup>Other Non-Operating Income and Expenses include the sale of interest in Cubic and the recognition of impairment related to VCMC assets.

## Consolidated Results



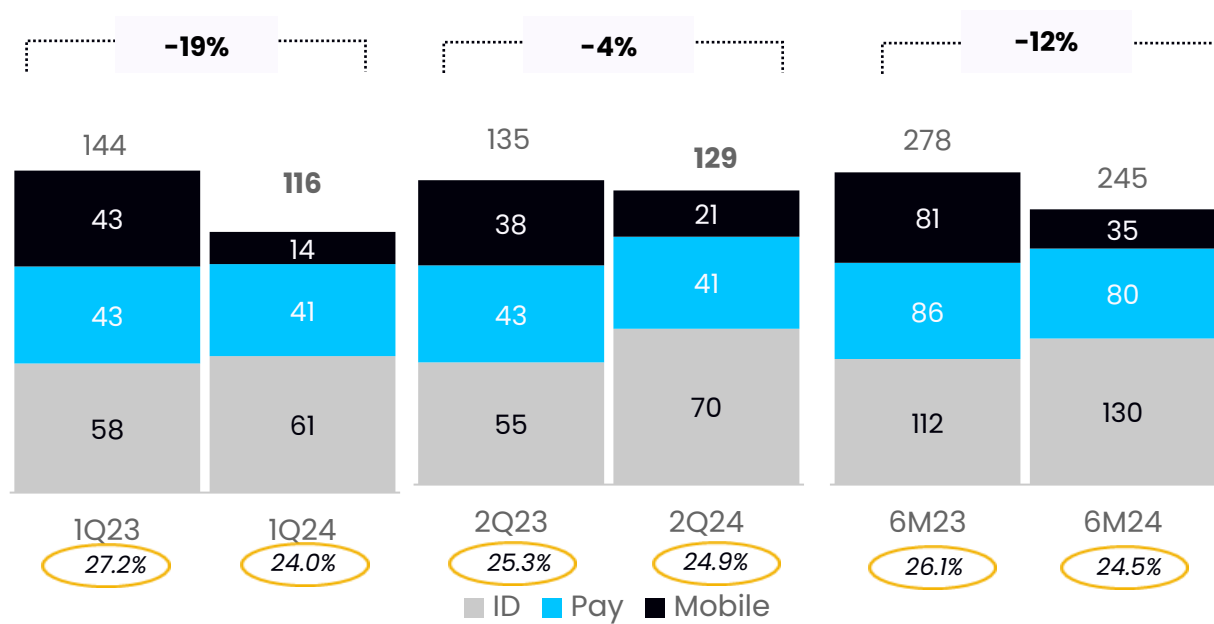
Valid's Total Net Revenue reached R\$518M in 2Q24 (-3% YOY). We reported an increase in sales in the ID/Digital Government (+19%) and Pay (+2%) segments, and a decrease in sales in the Mobile/Connectivity unit (-33%). Revenue fell by 6% in the year, despite the 16% growth in revenue from the ID/Digital Government segment. This was mainly due to the 35% decrease in revenue from Mobile/Connectivity.

### OPEX and EBITDA

Valid's Consolidated OPEX totaled R\$388M in 2Q24, down by 2% YoY. As a result, EBITDA was R\$129M in 2Q24 (-4% YoY), and the EBITDA Margin was 24.9%. EBITDA fell by 12% in the year, while the EBITDA margin declined by 24.5%, a decrease of 1.6 p.p. from 6M23.

The aforementioned decreases were due to the performance of the Mobile segment in 6M24. Given a previously mapped scenario of volume and average price reduction, the results were considerably below the figures reported in the previous year. In the other segments, the values achieved in 2Q24 were close to those reported in 2Q23.

## EBITDA (R\$ Million)

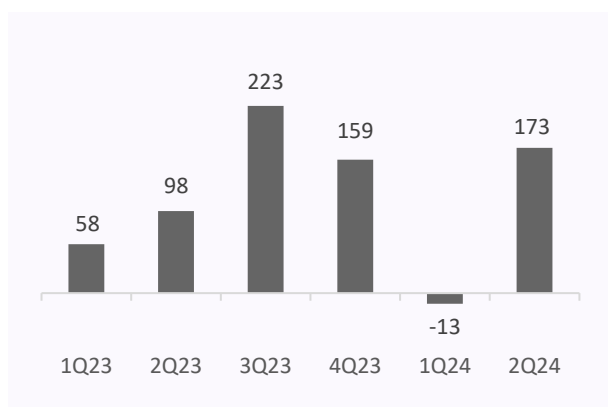




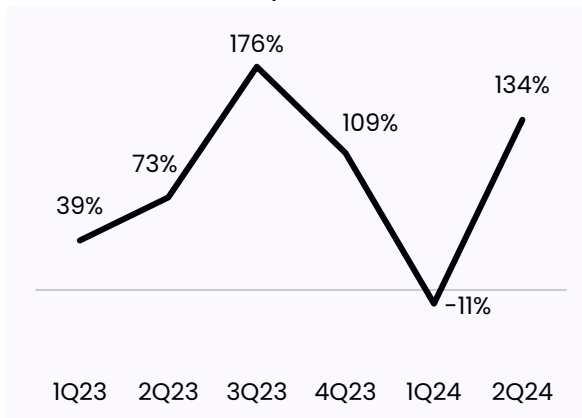
## Operating Cash Generation:

The chart below shows Valid's cash conversion evolution over the last few quarters. After a first quarter with operational cash consumption, the second quarter is marked by significant progress, with the indicator reaching R\$173M in the last 3 months (134% of EBITDA). This performance was mainly due to the improvement in Working Capital accounts, such as Accounts Receivable, Inventory, and Taxes. We reinforce that the pursuit of Working Capital efficiency is one of Valid's main guidelines. However, due to current levels, we should not expect significant additional gains in the Working Capital accounts.

Operating Cash Flow (R\$ Million)



OCF/ EBITDA

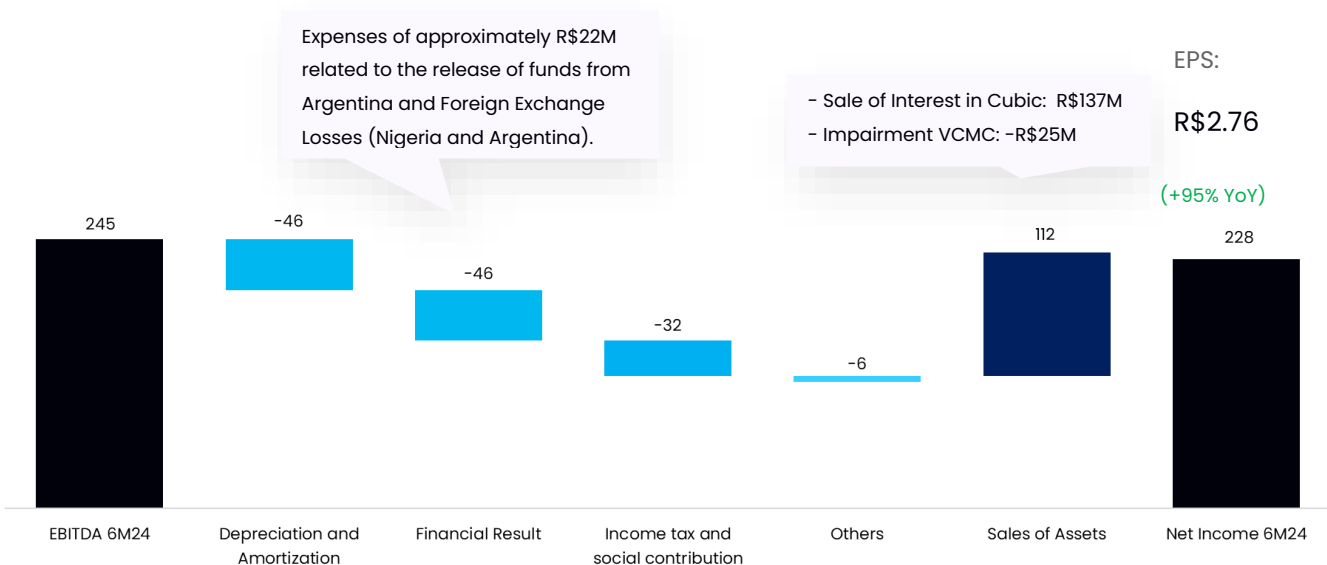
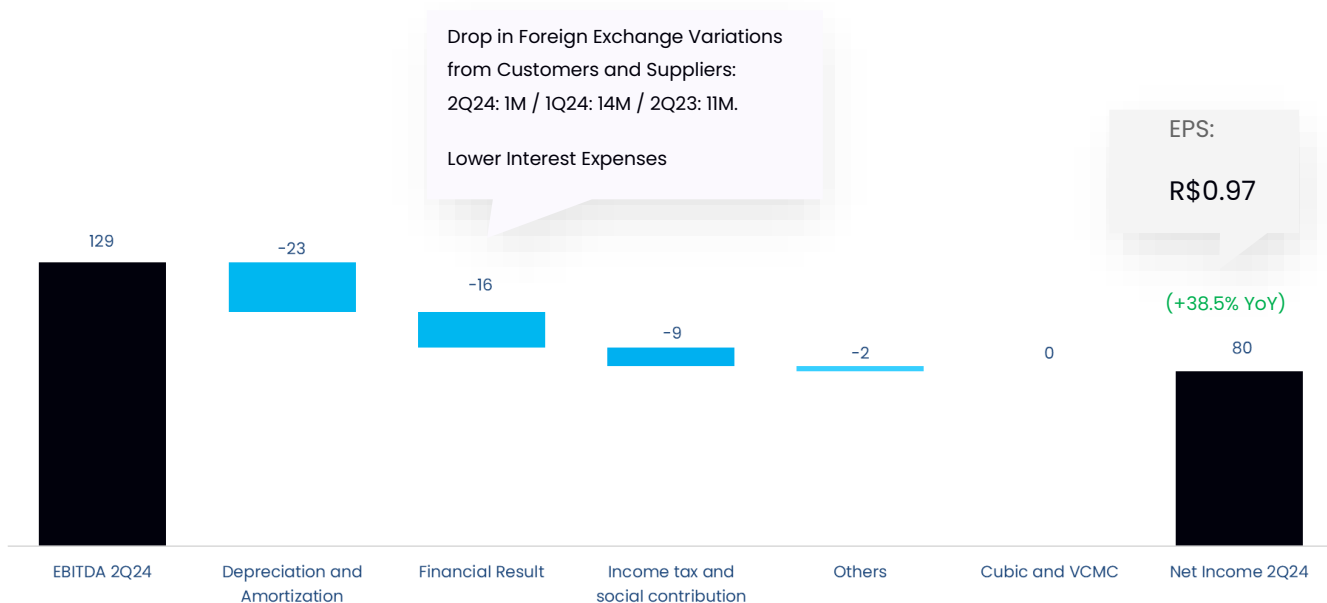


## Net Income

We closed 2Q24 with a Net Income of R\$80M, compared to the R\$57.5M reported in 2Q23 (+38.5% YoY). This result represents an earnings per share of R\$0.97. YTD, the Company's Net Income is R\$228M, equivalent to R\$2.76 per share. Profit recorded in 2Q was influenced by a reduction of i) R\$16M in financial expenses and ii) R\$7M in Income Tax and Social Contribution compared to 2Q23. We were not impacted by foreign exchange depreciations in the period. YTD, we have the positive effect of R\$112M, due to asset sales that occurred in 1Q.

For the next quarters of 2024, we expect a significant improvement in our Financial Results due to the Company's current Cash position and the reductions in indebtedness and related costs.

The EBITDA-to-Net bridge in 2Q24 and 6M24 is as follows.

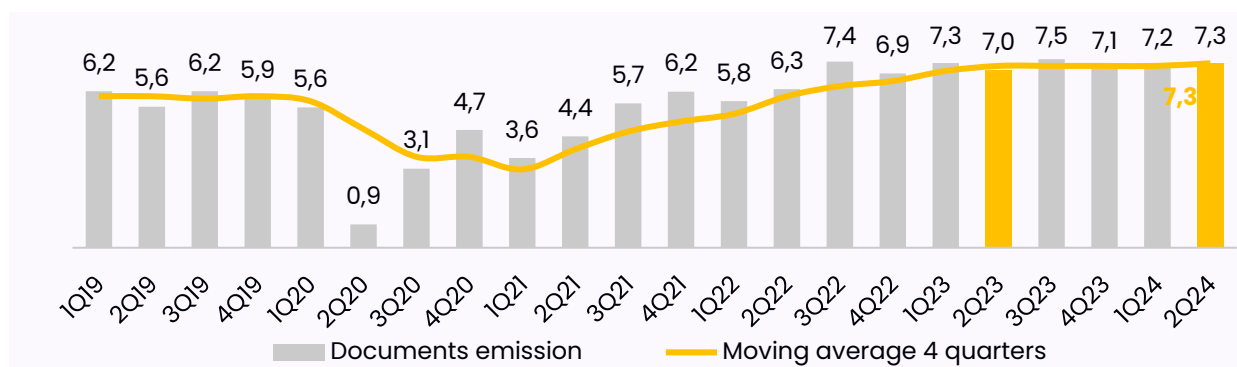


## ValidID

R\$ Million	2Q23	2Q24	Var.%	1Q24	Var.%	6M23	6M24	Var.%
Revenue	169.6	202.4	19.4%	194.1	4.3%	342.7	397.1	15.9%
EBITDA	54.6	69.5	27.3%	60.8	14.3%	112.1	129.9	15.9%
EBITDA Margin	32.1%	34.3%	2.2 p.p.	31.3%	3.0 p.p.	32.7%	32.7%	-0.0 p.p.
OPEX	115.0	132.9	15.6%	133.3	0.0%	230.6	267.2	15.8%
Volume of Documents (million)	7.0	7.3	4.2%	7.2	1.9%	14.3	14.5	1.0%

Revenue from the ID and Digital Government segment totaled R\$202M, up by 19% over 2Q23. In 6M24, we reported a Net Revenue of R\$397M, up by 16% over 6M23.

In 2Q24, the company issued 7.3 million documents, a small increase over the 7.0 million issued in 2Q23. The increase in volume reported in the quarter is related to the 22% increase in the issue of IDs, due to increased demand for ID issues since the first months of 2024, a trend that is expected to continue. We also noticed a 9% drop in the volume of driver's license issues in 6M24, given that, in 2023, there were still documents backlogged from the pandemic.

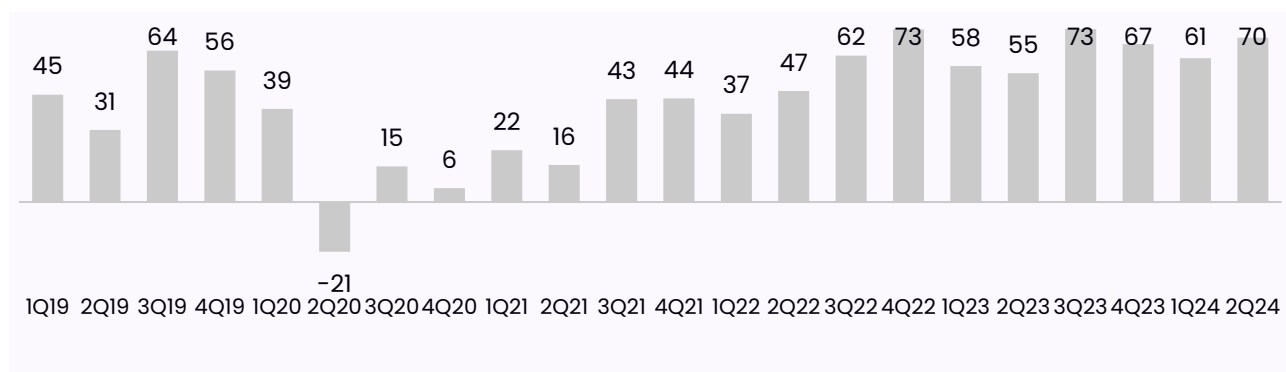


Once again we highlight the progress in the Digital Government segment in 2024. In the first six months of 2024, the revenue for this segment reached R\$41M, while Onboarding Solutions came to R\$25M. Therefore, R\$66M, or 17%, of the segment's revenue comes from products or services for which we had virtually no revenue in 2023. Both units were responsible for an EBITDA of R\$32M in 6M24.

It is also worth noting the progress with *Selo Água*. This product has been making significant progress at the state level as a means of fighting illegal activity and improving revenue collection. It involves marking each unit sold in selected states with a physical or digital seal, depending on the size of the bottle. Revenue from this unit increased by 58% in 6M24 over 6M23, reaching R\$21M. The volume of markings moved up from 349 million in 6M23 to 563 million in 6M24.

OPEX totaled R\$133M in 2Q24, up by 16% over 2Q23. EBITDA reached R\$69.5M in 2Q24 (+27% YoY). The EBITDA Margin ended 2Q24 at 34.3% (+2.2 p.p. YOY). The EBITDA Margin reached 32.7% in 6M24, in line with the previous year.

### EBITDA (R\$M)



## ValidPay

R\$ Million	2Q23	2Q24	Var.%	1Q24	Var.%	6M23	6M24	Var.%
Revenue	199.9	204.7	2.4%	191.3	7.0%	400.3	396.0	-1.1%
EBITDA	42.4	39.1	-7.8%	41.1	-4.9%	86.0	80.2	-6.7%
EBITDA Margin	21.2%	19.1%	-2.1 p.p.	21.5%	-2.4 p.p.	21.5%	20.2%	-1.3 p.p.
OPEX	157.5	165.5	5.1%	150.3	10.2%	314.3	315.8	0.5%
Volume of Cards BRA + ARG (million)	17.2	17.5	1.5%	18.1	-3.6%	34.8	35.6	2.3%

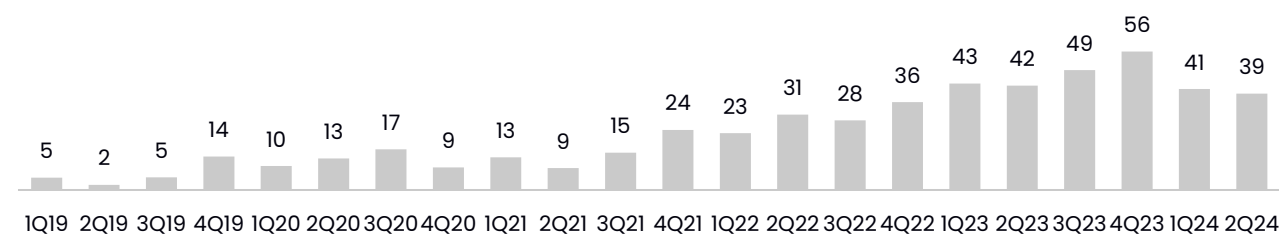
In the Pay segment, Valid's Revenue totaled R\$205M in 2Q24, up by 2% from 2Q23. Revenue came to R\$396M in the first half, a YoY decline of 1%.

Considering the geography, volumes in Brazil increased, though with a slight drop in the average price in the country. We do not expect significant changes in the Brazilian scenario as the trend of declining interest rates has lost momentum.

The highlight continues to be the Argentine market, which saw a 34% revenue growth despite the volume being in line with the previous year. Improvements in the economic environment have prevented further major depreciations of the currency in Argentina, facilitating the local business environment.

OPEX for the Pay segment increased by 6% YoY, while EBITDA came to R\$39M in 2Q24 (-11% YoY) and R\$80M in 6M24 (-10% YoY). The EBITDA margin was 19.1% (-2.1 p.p.) in 2Q24 and 20.2% (-1.3% p.p.) in 6M24.

## EBITDA (R\$M)



## ValidMobile

R\$ Million	2Q23	2Q24	Var.%	1Q24	Var.%	6M23	6M24	Var.%
Revenue	164.9	111.0	-32.6%	98.9	12.3%	320.6	209.9	-34.5%
EBITDA	37.9	20.6	-45.7%	14.4	43.1%	80.8	35.0	-56.7%
EBITDA Margin	23.0%	18.5%	-4.5 p.p.	14.1%	4.4 p.p.	25.2%	16.7%	-8.5 p.p.
OPEX	126.9	90.5	-28.7%	84.5	7.1%	239.9	174.9	-27.1%
Volume of SIM Cards (million)	71.4	50.0	-29.9%	46.8	6.4%	133.8	96.8	-27.6%

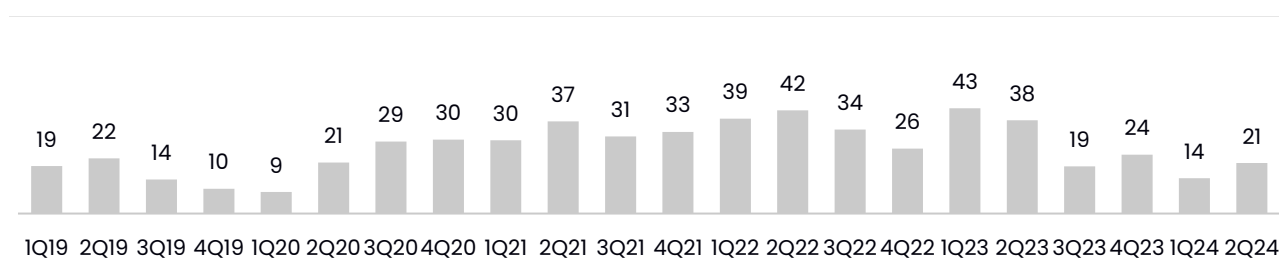
Revenue from Mobile totaled R\$111M (-33% YOY) in 2Q24 and R\$210M in 6M24, a decrease of 34% YOY. This result was mainly due to a volume reduction of approximately 30% compared to 2Q23, along with a decrease in the average selling price.

OPEX fell by 29% YoY in 2Q24, while EBITDA decreased by 46%, totaling R\$21M. Compared to 6M23, EBITDA fell by 57% in 6M24.

Despite the weak figures reported in the segment, 2Q data begin to show a more positive outlook for the next few months. Compared to 1Q24, revenue grew by 12% and EBITDA by 43%, with a margin of 18.5%. After three consecutive quarters (3Q23, 4Q23, and 1Q24) of margins varying between 14% and 15%, the period's result shows that the worst moment is probably over.

The outlook, based on what we currently have in the portfolio, suggests that the volume of business will continue the recovery outlined in 2Q and yield better results in the next few quarters. Additionally, new business revenues in the segment accounted for R\$19.7M in 6M24, compared to R\$11.6M in 6M23. This segment also has significant deliveries planned for the upcoming semester.

### EBITDA (R\$ M)



## Cash Flow

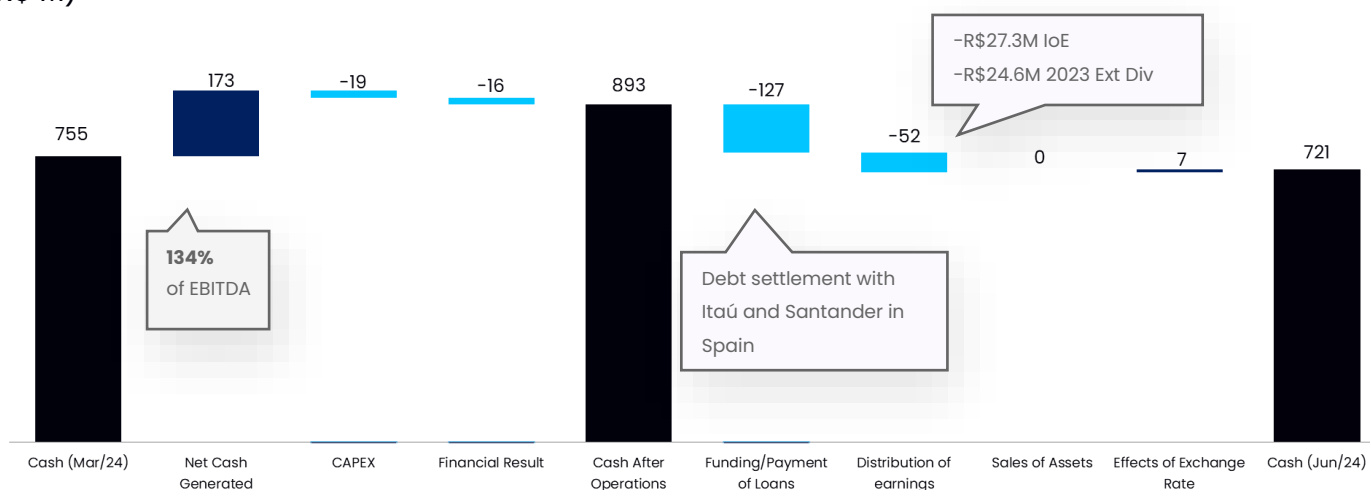
In the quarter, operating cash generation was R\$173M, representing 134% of the EBITDA generated in the quarter. Continuous efforts to achieve operational gains together with improvements in Working Capital dynamics have made it possible to increase the conversion of the accounting indicator to effective cash. In 6M24, the indicator reached 66%, reversing the negative result of 1Q24.

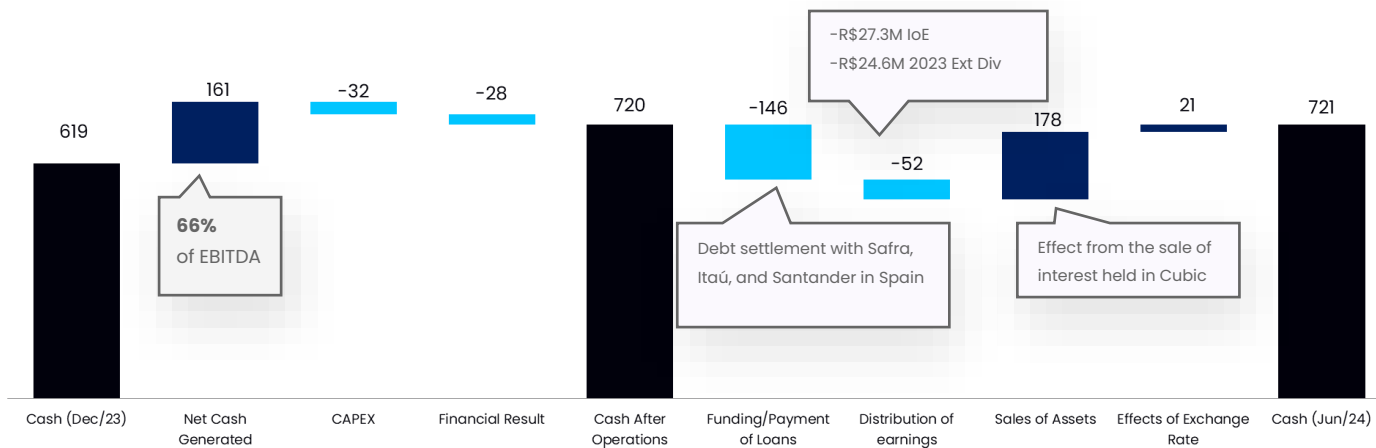
In 6M24, the main cash change came from the sale of interest Valid held, especially in Cubic. Despite the settlement of some debts in the year, Valid closed the first semester with more cash than it had at the end of last year.

The main cash changes in 2Q24 and 6M24 are as follows:

In R\$M	2Q24	6M24
Operating Cash Generation:	173	161
CAPEX	-19	-32
Financial Result	-16	-28
Fundraising/Amortization	-127	-146
Proceeds	-52	-52
Sale of Assets	0	178
Exchange Effect	7	21

(R\$ M)





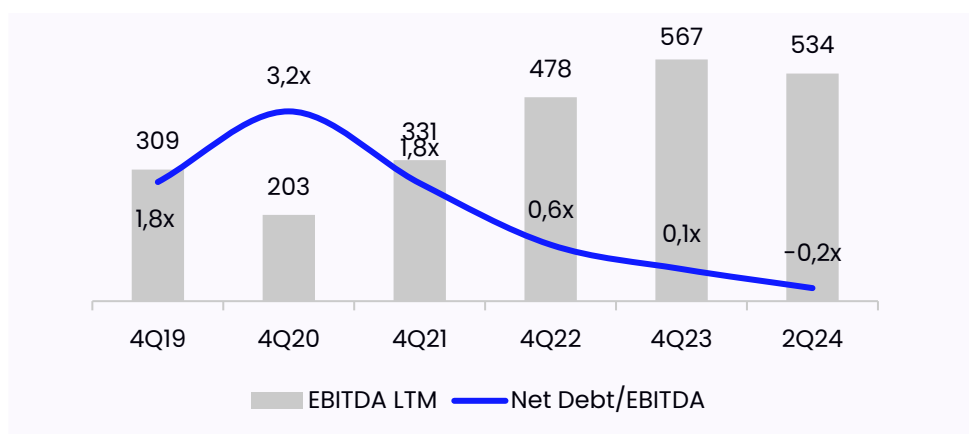
Note: Operating Cash Generation: EBITDA - Taxes on Results - Working Capital



## Indebtedness

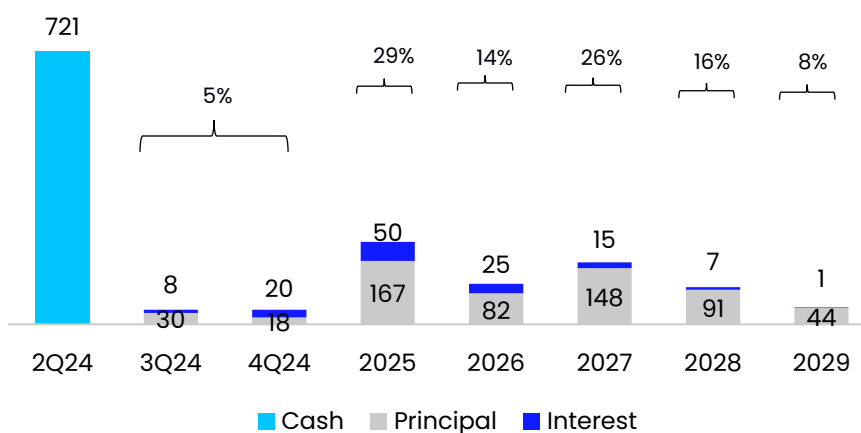
With the end of last quarter, the Company continues to have Net Cash, with Cash Availabilities exceeding Indebtedness by R\$137M. Valid's debt is distributed between bilateral, market, and international operations, and currently, only 17% of the Company's maturities are due in the short term.

Leverage Ratio (Net Debt / LTM EBITDA)



The consolidated debt amortization schedule and the debt position in R\$ and in other currencies are as follows:

Current Amortization Schedule (R\$M)



	Debt	Cash
Brazil	R\$457	R\$387
International	R\$127	R\$334
Total	R\$584	R\$721
%BR	78%	54%

The current breakdown of the Company's debt (excluding leases) and financial indicators is as follows:

<b>Debt Profile</b>	
Gross Debt (M)	R\$584
Cash <sup>1</sup> (R\$M)	R\$721
Cash / Net Debt (R\$M)	R\$-137
<b>Financial Covenants</b>	
Net Debt/EBITDA	-0.2x
EBITDA/Net Financial Expenses	4.7x
<b>Contracted Covenants</b>	
Net Debt/EBITDA	≤3.0
EBITDA/Net Financial Expenses	1.75

<sup>1</sup>Considering short-term securities and financial investments.

The breakdown of the Company's outstanding debts at the close of the quarter is as follows:

## Debentures

Debentures	9 <sup>th</sup> Issue	10 <sup>th</sup> Issue
Approval date	Board of Director's Meeting 04/19/2022	Board of Director's Meeting 04/12/2024
Face value	1,000	1,000
Type and series		
Remuneration	CDI rate + 3.0%	CDI rate + 1.95%
Guarantee	Fiduciary Assignment of Linked Account	Fiduciary Assignment of Linked Account
Principal amortization	Semi-annually starting from December 2024	As of 10/2026 and then every quarter
Interest payment	Semi-annually starting from December 2022	Grace period of six months and then as of October 2024
R\$ ('000)	R\$6,880	R\$240,720

## Loans and Financing

Description	Loans	Loans	Loans	Financing
Borrower	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Total	R\$85,000 thousand	R\$30,000 thousand	R\$71,100 thousand	R\$30,000 thousand
Maturity Date	12/20/2027	05/04/2028	12/20/2027	07/15/2024
Remuneration	CDI + 0.14% p.m.	CDI + 1.70% p.a.	CDI + 0.14% p.m.	CDI + 1.00% p.a.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Principal amortization	Grace period of 1 year (monthly starting in Jan/25) Grace period of 3 months (quarterly starting in Jan/25)	Grace period of 12 months (monthly starting in Aug/23)	Grace period of 1 year (monthly starting in Jan/25) Grace period of 3 months (quarterly starting in Jan/25)	Bullet
Interest payment	Grace period of 6 months (semi- annually starting in Jan/24)	Grace period of 12 months (monthly starting in Aug/23)	Grace period of 6 months (semi- annually starting in Jan/24)	
R\$ ('000)	R\$84,561	R\$22,118	R\$70,733	R\$31,842

Description	Loans	Loans	Loans	Loans	Loans	Loans
Borrower	Valid Spain	Valid Spain	Valid Spain	Valid Spain	Valid Spain	Valid Spain
Total	EUR\$4,000	EUR\$13,000 thousand	US\$38,888 thousand	EUR\$4,400	EUR\$6,000	EUR\$15,000
Maturity Date	04/11/2024	04/14/2025	04/22/2025	04/22/2025	10/10/2025	10/10/2025
Remuneration	6.10% p.a.	4.70% p.a.	6.95% p.a.	4.70% p.a.	6.20% p.a.	6.05% p.a.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Principal amortization	Bullet	Semi-annually (starting in Oct/22)	Semi-annually (starting in Oct/23)	Semi-annually (starting in Oct/22)	Bullet	Bullet
Interest payment	Bullet	Semi-annually (starting in Oct/22)	Semi-annually (starting in Oct/23)	Semi-annually (starting in Oct/22)	Bullet	Bullet
Original currency ( '000)	Settled	EUR\$4,664	Settled	EUR\$1,471	Settled	EUR\$15,218
R\$ ('000)	Settled	R\$27,776	Settled	R\$8,760	Settled	R\$90,623

## Capital Markets

### Dividends and interest on equity

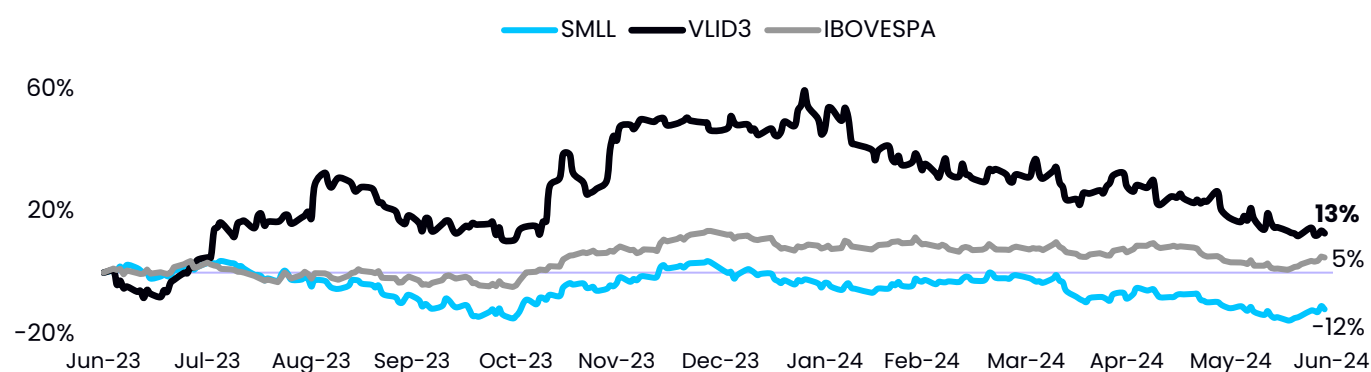
The table below shows the latest Dividends and IoE paid by Valid. In 2024, we already paid earnings totaling R\$52.0M.

Event	Date	Fiscal year	Shareholding position	Payment date	Gross value per share R\$	Gross amount R\$
IoE	09/21/2018	2018	09/26/2018	10/11/2018	0.235340	16,565,774.59
IoE	12/11/2018	2018	12/14/2018	01/10/2019	0.588230	41,414,436.47
IoE	11/11/2019	2019	11/14/2019	01/03/2020	0.350000	24,606,589.70
IoE	11/11/2019	2019	11/14/2019	12/10/2020	0.350000	24,606,589.70
IoE	12/29/2021	2021	01/05/2022	01/31/2022	0.290354	23,145,000.00
IoE	12/29/2022	2022	01/05/2023	01/31/2023	0.263031	20,999,926.96
IoE	05/09/2023	1Q23	05/15/2023	05/22/2023	0.180000	14,371,558.74
IoE	07/18/2023	2Q23	07/21/2023	07/31/2023	0.200000	16,016,078.00
IoE	10/24/2023	3Q23	10/27/2023	11/08/2023	0.270000	21,634,641.81
IoE	12/01/2023	2023	12/06/2023	12/15/2023	0.307000	24,599,389.02
Dividends	04/17/2024	2023	04/22/2024	04/30/2024	0.307419	24,646,235.95
IoE	05/21/2024	2024	05/27/2024	06/10/2024	0.340000	27,343,232.14
IoE*	07/16/2024	2Q24	08/09/2024	08/16/2024	0.440000	35,263,127.24

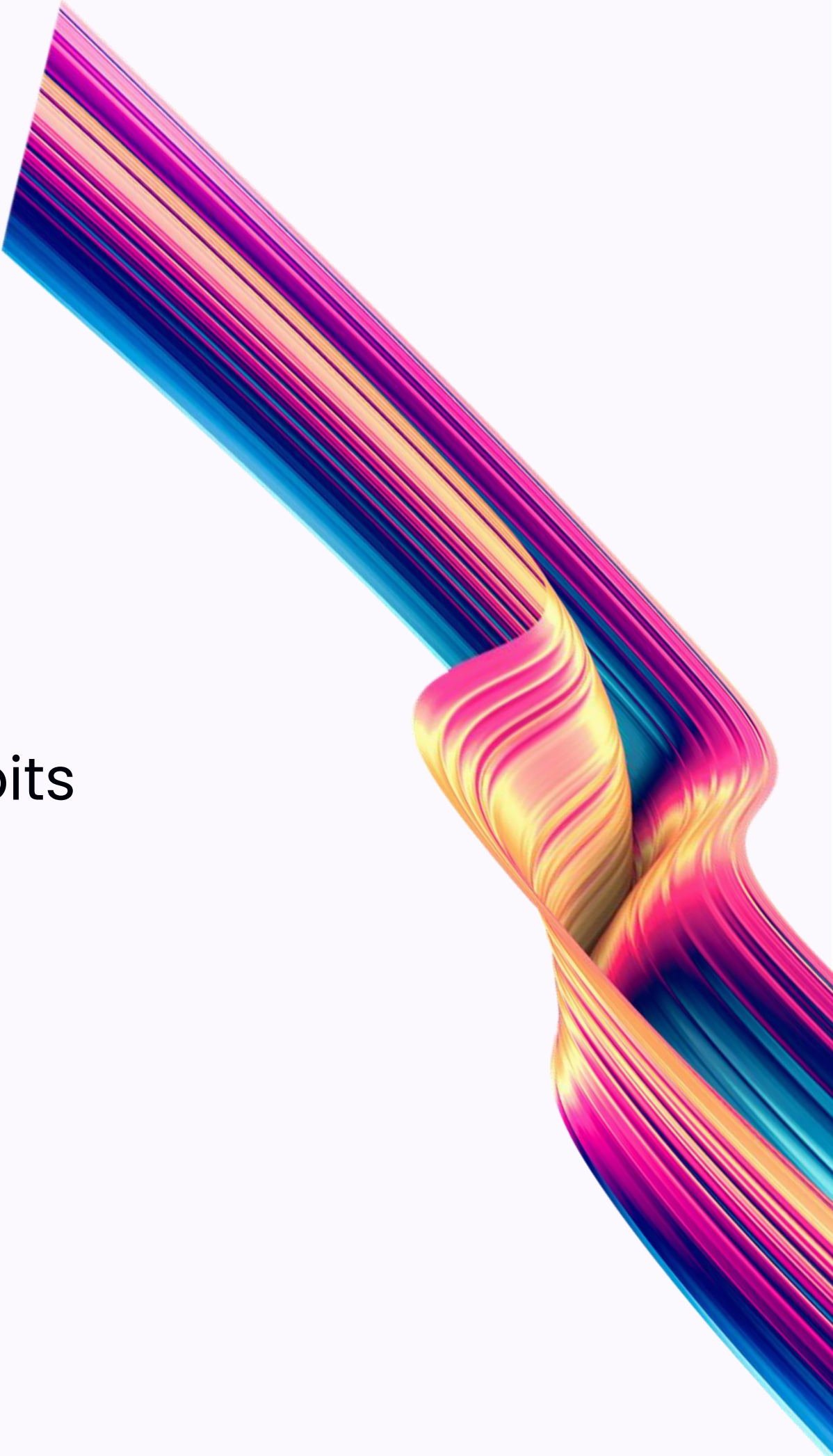
\*Payment still pending

### Stock performance

Valid's shares (VLID3) have been listed on B3's *Novo Mercado* Segment since April 2006. Shares closed the quarter at R\$15.22, up by 13% in the last 12 months. The average daily trading volume was R\$6.2M in 2Q24, up by 13% over 2Q23. The chart below shows the performance of VLID3 starting from June 30, 2023, in comparison with the Ibovespa (IBOV) and SmallCap (SMLL) indices. The Company's market cap is R\$1.2 billion.



# Exhibits



## BALANCE SHEETS (In million of reais)

	Company		Consolidated	
	December 23	June 24	December 23	June 24
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	179,8	164,3	422,0	525,8
linked financial application	16,1	8,5	16,1	8,5
Trade accounts receivable	160,0	187,5	386,9	390,3
Related parts	35,2	34,2	-	-
Taxes recoverable	57,3	84,2	86,1	115,5
Inventories	160,0	173,9	267,5	316,2
Other assets	18,2	25,8	40,3	58,7
<b>Subtotal of current assets</b>	<b>626,6</b>	<b>678,4</b>	<b>1.218,9</b>	<b>1.415,0</b>
Assets available for sale	12,8	2,5	48,6	4,3
<b>Current assets</b>	<b>639,4</b>	<b>680,9</b>	<b>1.267,5</b>	<b>1.419,3</b>
<b>Noncurrent assets</b>				
<b>Long-term assets</b>				
Marketable securities	13,5	13,5	13,5	13,5
linked financial application	180,7	186,6	180,7	186,6
Receivables from related parties	36,9	9,2	2,0	2,4
Taxes recoverable	71,9	66,3	71,9	66,3
Judicial deposits	19,5	19,6	19,8	19,9
Deferred income and social contribution taxes	18,0	0,0	93,7	60,5
Other accounts receivable	10,5	11,9	13,5	16,2
Other investments declared at fair value	-	-	-	92,1
Investments	873,5	1189,1	18,9	2,5
Property, plant and equipment	164,0	157,7	207,8	201,7
Intangible assets	31,5	28,1	656,3	652,8
<b>Total Assets</b>	<b>2.059,4</b>	<b>2.362,9</b>	<b>2.545,6</b>	<b>2.733,8</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade accounts payables	64,5	65,1	162,4	137,3
Obligations derived from purchases of goods and services	3,0	0,9	3,0	0,9
Related parts	0,1	3,2	-	-
Loans, financing, debentures and leases payable	98,8	67,5	172,1	104,2
Payroll, provisions and social charge payable	54,9	60,7	103,2	99,6
Taxes, charges and contributions payable	33,2	35,9	65,6	64,3
Dividends and interests on equity payable	-	-	-	0,9
Advances from customers and other payables	12,6	2,8	44,9	47,8
<b>Current liabilities</b>	<b>267,1</b>	<b>236,1</b>	<b>551,2</b>	<b>455,0</b>
<b>Noncurrent liabilities</b>				
Payables to related parties	1,7	1,8	1,7	1,8
Loans, financing, debentures and leases payable	386,8	396,2	537,9	493,5
Provisions for disputes and legal demands	52,6	30,6	57,3	40,0
Taxes and fees and social contribution to be collected	1,4	1,4	1,4	1,4
Deferred income tax and social contribution	-	0,9	9,9	16,0
Company acquisition liabilities	45,9	37,0	45,9	37,0
Other accounts payable	5,4	5,4	9,0	8,8
<b>Noncurrent liabilities</b>	<b>493,8</b>	<b>473,3</b>	<b>663,1</b>	<b>598,5</b>
Discontinued operations	-	-	-	-
<b>Equity</b>				
Share capital	1.022,4	1.022,4	1.022,4	1.022,4
Capital reserve	27,9	29,2	27,9	29,2
Actions in Treasury	(25,3)	(24,0)	(25,3)	(24,0)
Profit reserves	175,0	195,8	175,0	195,8
Other comprehensive results	73,9	229,9	73,9	229,9
Proposed additional dividend distribution	24,6	-	24,6	-
Accumulated Profit/Loss	-	200,2	-	200,2
<b>Equity attributable to controlling shareholders</b>	<b>1.298,5</b>	<b>1.653,5</b>	<b>1.298,5</b>	<b>1.653,5</b>
Noncontrolling Interest	-	-	32,8	26,8
<b>Total equity</b>	<b>1.298,5</b>	<b>1.653,5</b>	<b>1.331,3</b>	<b>1.680,3</b>
<b>Total liabilities and equity</b>	<b>2.059,4</b>	<b>2.362,9</b>	<b>2.545,6</b>	<b>2.733,8</b>

**QUARTELY STATEMENTS OF INCOME**  
 (R\$ million)

	Company		Consolidated	
	2Q23	2Q24	2Q23	2Q24
<b>Revenue from sales and/or services</b>				
Revenue from sales and/or services	282,3	272,1	534,3	518,1
Costs of goods and/or services sold	(192,7)	(174,8)	(341,0)	(328,7)
<b>Gross profit</b>	<b>89,6</b>	<b>97,3</b>	<b>193,3</b>	<b>189,4</b>
Selling expenses	(11,0)	(14,5)	(45,3)	(46,6)
General and administrative expenses	(25,3)	(24,8)	(37,2)	(36,4)
Other operating expenses	(3,4)	(0,4)	(7,0)	(2,3)
Equity pickup	27,2	33,7	(0,5)	0,1
<b>Income before finance income (costs)</b>	<b>77,1</b>	<b>91,3</b>	<b>103,3</b>	<b>104,2</b>
Finance income	13,9	16,9	47,7	54,0
Finance costs	(29,6)	(21,0)	(80,4)	(69,9)
<b>Income (loss) before income taxes</b>	<b>61,4</b>	<b>87,2</b>	<b>70,6</b>	<b>88,3</b>
Current income tax and social contribution taxes	1,3	(1,1)	(8,3)	2,5
Deferred income tax and social contribution taxes	(5,2)	(6,5)	(7,1)	(11,2)
<b>Result after tax on profit</b>	<b>57,5</b>	<b>79,6</b>	<b>55,2</b>	<b>79,6</b>
<b>Net profit (loss) for the period</b>	<b>57,5</b>	<b>79,6</b>	<b>55,2</b>	<b>79,6</b>
Controlling shareholders	57,5	79,6	57,5	79,6
Noncontrolling Interest	-	-	(2,3)	-
Number of shares	80,0	80,3	80,0	80,3
Earnings per basic and diluted share (R\$ )	0,7	1,0	0,7	1,0
Earnings per share of Op. continued	0,7	1,0	0,7	1,0

**STATEMENTS OF INCOME**  
 (R\$ million)

	Company		Consolidated	
	6M23	6M24	6M23	6M24
<b>Revenue from sales and/or services</b>				
Revenue from sales and/or services	551,5	546,5	1.063,6	1.002,4
Costs of goods and/or services sold	(366,3)	(356,2)	(662,7)	(633,8)
<b>Gross profit</b>	<b>185,2</b>	<b>190,3</b>	<b>400,9</b>	<b>368,6</b>
Selling expenses	(27,2)	(28,9)	(94,2)	(94,2)
General and administrative expenses	(49,3)	(53,8)	(76,8)	(75,2)
Other operating expenses	(12,7)	(0,8)	(23,4)	106,8
Equity pickup	61,0	153,2	(1,6)	(1,6)
<b>Income before finance income (costs)</b>	<b>157,0</b>	<b>260,0</b>	<b>204,9</b>	<b>304,4</b>
Finance income	30,5	29,1	94,2	101,4
Finance costs	(59,0)	(41,6)	(145,8)	(147,4)
<b>Income (loss) before income taxes</b>	<b>128,5</b>	<b>247,5</b>	<b>153,3</b>	<b>258,4</b>
Current income tax and social contribution	(4,2)	(1,1)	(25,7)	15,8
Deferred income tax and social contribution	(7,4)	(18,9)	(12,8)	(47,9)
<b>Result after tax on profit</b>	<b>116,9</b>	<b>227,5</b>	<b>114,8</b>	<b>226,3</b>
<b>Net profit for the period from continuing operations</b>	<b>116,9</b>	<b>227,5</b>	<b>114,8</b>	<b>226,3</b>
<b>Net profit for the period</b>	<b>116,9</b>	<b>227,5</b>	<b>114,8</b>	<b>226,3</b>
Controlling shareholders	116,9	227,5	116,9	227,5
Noncontrolling Interest	-	-	(2,1)	(1,2)
Number of shares	79,9	80,2	79,9	80,2
Earnings per basic and diluted share (R\$ )	1,5	2,8	1,4	2,8
Earnings per share of Op. continued	1,5	2,8	1,4	2,8

# 2Q24 CASH FLOW STATEMENT

QUARTERLY STATEMENTS OF CASH FLOWS  
(R\$ million)

	Company		Consolidated	
	2Q23	2Q24	2Q23	2Q24
Earnings before taxes on earnings from continuing operations	61,4	87,2	70,6	88,3
<b>Cash from operations</b>	<b>77,7</b>	<b>57,3</b>	<b>153,4</b>	<b>121,2</b>
Profit (loss) before income tax and social contribution	61,4	87,2	70,6	88,3
Income before income and social contribution taxes, Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	9,6	9,1	13,6	12,3
Amortization	4,0	2,2	14,7	12,8
Result in asset write-off	0,2	1,8	1,8	1,8
Fair value of the creative fund III	-	0,1	-	0,1
Restatement of judicial deposits	(0,4)	(0,2)	(0,2)	(0,2)
Stock options	0,1	(0,4)	0,1	(0,4)
Provisions for litigation and lawsuits	5,1	(23,6)	5,5	(22,2)
Allowance for doubtful accounts	0,2	0,3	0,7	(1,3)
Write-off of accounts receivable titles	-	-	-	0,0
Provision for stock obsolescence	-	-	4,0	-
Equity pickup	(27,2)	(33,7)	0,6	(0,1)
Interest expense on debentures and loans and financing	22,5	17,2	26,6	21,4
Exchange variation of loans	-	-	(0,1)	0,3
Interest, exchange variation and write-off of leases	0,3	(0,8)	0,6	(0,6)
Interest and exchange variation on loans	0,9	(0,2)	1,8	0,8
PIS and COFINS credits and financial updates on ICMS	(0,7)	(0,5)	(0,7)	(0,6)
Adjust to present value	1,5	0,7	(1,3)	0,7
Other	0,1	0,2	-	(1,4)
Other exchange rate variations and inflation adjustment	0,1	(2,1)	15,1	9,5
<b>Changes in assets and liabilities</b>	<b>(16,7)</b>	<b>(7,8)</b>	<b>(55,5)</b>	<b>52,1</b>
Account receivable	5,9	(2,1)	(32,1)	22,5
Tax to recover	7,7	(16,8)	10,0	(13,0)
Inventories	(5,1)	9,3	(19,9)	28,2
Judicial deposits	(1,3)	(0,3)	(1,5)	(0,4)
Other account receivables	4,3	(1,5)	35,2	12,2
Receivables from related parties	(9,7)	(3,3)	0,1	(0,2)
Suppliers	0,9	(3,9)	(30,1)	(22,1)
Debt with related parties	(2,1)	(1,6)	-	0,1
Payroll, provisions and social charges payable	3,0	15,1	(2,4)	13,0
Taxes, charges and contributions payable	2,9	6,4	5,4	14,8
Advance from customers and other accounts payables	(0,8)	(6,8)	(0,9)	5,2
Payment of labor, civil and tax contingencies	(22,4)	(0,7)	(22,4)	(0,7)
Payment of income and social contribution taxes	-	(1,6)	3,1	(7,5)
Others	-	-	-	-
<b>Cash provided by (used in) operating activities</b>	<b>61,0</b>	<b>49,5</b>	<b>97,9</b>	<b>173,3</b>
<b>Cash flows from investing activities</b>				
Acquisition of PPE	(4,7)	(4,4)	(6,2)	(4,9)
Acquisition of intangible assets	(1,9)	(0,5)	(9,3)	(5,1)
Acquisition of investments	(20,0)	-	(18,0)	-
Marketable securities	(0,5)	(0,2)	-	(0,2)
Linked financial application	(6,5)	(1,9)	(7,1)	(1,8)
Earn-out Flexdoc payment	-	(8,9)	-	(8,9)
Receiving dividends	-	7,7	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(33,6)</b>	<b>(8,2)</b>	<b>(40,6)</b>	<b>(20,9)</b>
<b>Cash flows from financing activities</b>				
Dividend payment	-	(24,6)	-	(24,6)
Receivables from related parties	(6,3)	1,3	-	-
Payment of dividends to non-controlling interests	0,5	-	(0,5)	(0,4)
Interest on equity paid net	(14,4)	(27,3)	(14,4)	(27,3)
Actions in Treasury	-	0,4	-	0,4
Lease payment	(1,7)	(1,8)	(3,2)	(3,2)
Payment of interest leases	-	-	(0,1)	(0,1)
Debentures raised	-	241,4	-	241,4
Payment of debentures	(90,0)	(243,1)	(90,0)	(243,1)
Payment of interest on debentures	(27,0)	(18,3)	(27,0)	(18,3)
Loan acquisition	82,4	(0,1)	104,5	(0,1)
Payment of loans	(93,2)	(0,8)	(123,0)	(106,9)
Payment of interest on loans	(7,4)	(5,3)	(14,8)	(13,0)
<b>Cash provided financing activities</b>	<b>(157,1)</b>	<b>(78,2)</b>	<b>(168,5)</b>	<b>(195,2)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(129,7)</b>	<b>(36,9)</b>	<b>(111,2)</b>	<b>(42,8)</b>
<b>Cash balances and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	263,9	201,2	405,0	561,7
Effect of changes in exchange rates on cash and cash equivalents held in foreign currency	-	-	(11,3)	6,9
Cash and cash equivalents at the end of the year	134,2	164,3	282,5	525,8
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(129,7)</b>	<b>(36,9)</b>	<b>(111,2)</b>	<b>(42,8)</b>



**STATEMENTS OF CASH FLOWS**  
 (R\$ million)

	Company		Consolidated	
	6M23	6M24	6M23	6M24
Earnings before taxes on earnings from continuing operations	128,5	247,5	153,3	258,4
Loss before taxes on profit from discontinued operations	-	-	-	-
<b>Cash flows from operating activities</b>				
<b>Cash from operations</b>	<b>160,7</b>	<b>140,1</b>	<b>310,2</b>	<b>261,0</b>
Profit before income tax and social contribution	128,5	247,5	153,3	258,4
Income before income and social contribution taxes, Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	19,4	18,2	27,8	24,8
Amortization	7,4	4,4	29,6	25,8
Result in asset write-off	0,4	12,2	2,0	(123,8)
Fair value of the creative fund III	(1,2)	0,2	(1,2)	0,2
Restatement of judicial deposits	(0,3)	(0,6)	(0,3)	(0,6)
Stock options	0,5	1,3	0,5	1,3
Provisions for litigation and lawsuits	16,6	(20,4)	14,9	(15,8)
Allowance for doubtful accounts	4,1	0,2	4,1	(2,3)
Provision for stock obsolescence	-	-	4,2	(1,1)
Provision for impairment	-	-	-	24,0
Equity pickup	(61,0)	(153,2)	1,6	1,6
Interest expense on debentures and loans and financing	46,9	32,9	54,7	40,7
Exchange variation of loans	-	-	(2,5)	1,0
Interest, exchange variation and write-off of leases	0,7	(0,5)	1,1	(0,3)
Interest and exchange differences on intercompany loans	(1,2)	(1,1)	0,7	0,3
PIS and COFINS credits and financial updates on ICMS	(1,9)	(0,5)	(1,9)	(0,5)
Adjust to present value	1,5	1,1	(1,3)	3,9
Other	0,2	1,0	-	0,2
Other exchange rate variations	0,1	(2,6)	22,9	23,2
<b>Changes in assets and liabilities</b>	<b>(69,8)</b>	<b>(71,4)</b>	<b>(153,9)</b>	<b>(100,5)</b>
Accounts receivable	(9,9)	(27,7)	(94,4)	14,0
Tax to recover	6,9	(20,8)	14,6	(20,6)
Inventories	(30,8)	(13,9)	(46,5)	(38,7)
Judicial deposits	(1,4)	(0,3)	(1,4)	(0,4)
Other receivables	4,6	(7,5)	48,2	(8,1)
Receivables from related parties	(11,2)	1,0	0,2	(0,3)
Suppliers	0,9	(1,7)	(44,7)	(36,3)
Debt with related parties	(1,4)	3,1	-	0,1
Payroll, provisions and social charge payable	(8,8)	5,9	(7,7)	(6,3)
Taxes, charge and contributions payable	10,1	3,1	4,0	11,2
Advance from customers and other accounts payable	(0,2)	(10,1)	9,1	5,4
Derivatives	-	-	-	-
Payment of labor, civil and tax contingencies	(22,7)	(0,9)	(25,5)	(1,0)
Earn-out payment	-	0,0	-	0,0
Payment of income and social contribution taxes	(5,9)	(1,6)	(9,8)	(19,5)
Others	-	0,0	-	0,0
<b>Cash provided operating activities</b>	<b>90,9</b>	<b>68,7</b>	<b>156,3</b>	<b>160,5</b>
<b>Cash flows from investing activities</b>				
Aquisitions of PPE	(6,6)	(12,4)	(11,0)	(14,2)
Aquisitions of intangible assets	(2,9)	(1,0)	(13,0)	(8,3)
Acquisition of investments	(20,0)	-	(18,0)	-
Net cash received from the sale of equity interes	-	5,2	-	177,7
Capital increase in subsidiaries	(0,9)	-	-	-
Marketable securities	(0,5)	(0,2)	(0,5)	(0,1)
Linked financial application	(9,2)	1,7	(9,2)	1,8
Earn-out Flexdoc payment	-	(8,9)	-	(8,9)
Receiving dividends	-	7,7	-	-
<b>Cash provided by (used) investing activities</b>	<b>(40,1)</b>	<b>(7,9)</b>	<b>(51,7)</b>	<b>148,0</b>
<b>Cash flows from financing activities</b>				
Dividend payment	-	(24,6)	-	(24,6)
Receivables from related parties	49,9	30,2	-	-
Payment of dividends to non-controlling interests	0,5	-	(0,5)	(0,5)
Interest on equity paid net	(35,4)	(27,3)	(35,4)	(27,3)
Actions in Treasury	-	1,3	-	1,3
Lease payment	(3,3)	(3,5)	(6,9)	(6,3)
Payment of interest leases	-	-	(0,1)	(0,1)
Debentures raised	-	241,4	-	241,4
Payment of debentures	(90,0)	(243,1)	(90,0)	(243,1)
Payment of interest on debentures	(27,0)	(18,3)	(27,0)	(18,3)
Payment of interest on financing	-	(1,5)	-	(1,5)
Loan acquisition	82,4	(0,1)	145,8	(0,1)
Payment of loans	(108,7)	(19,4)	(138,6)	(125,5)
Payment of interest on loans	(19,0)	(11,4)	(26,1)	(20,7)
<b>Cash used in financing activities</b>	<b>(150,6)</b>	<b>(76,3)</b>	<b>(178,8)</b>	<b>(225,3)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(99,8)</b>	<b>(15,5)</b>	<b>(74,2)</b>	<b>83,2</b>
<b>Cash balances and cash equivalents</b>				
Cash and cash equivalents at the beginning of period	234,0	179,8	365,1	422,0
Effect of exchanges rate changes on the balance of cash and cash equivalents held in foreign currency	-	-	(8,4)	20,6
Cash and cash equivalents at the end of the year	134,2	164,3	282,5	525,8
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(99,8)</b>	<b>(15,5)</b>	<b>(74,2)</b>	<b>83,2</b>

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