

4Q17 EARNINGS CONFERENCE CALL

March 7, 2018

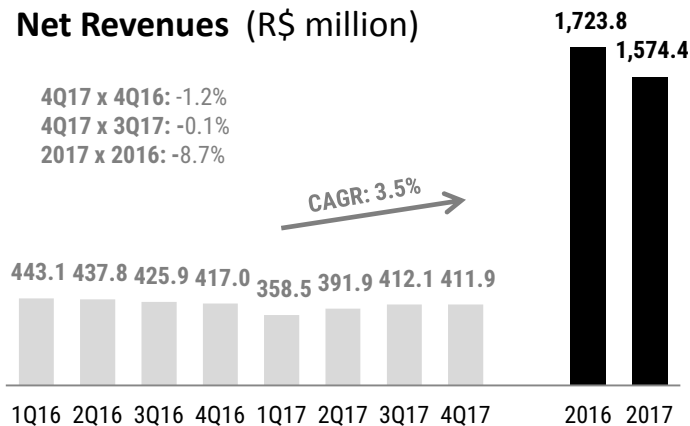
VALID

THE SECURE SIDE
OF INNOVATION

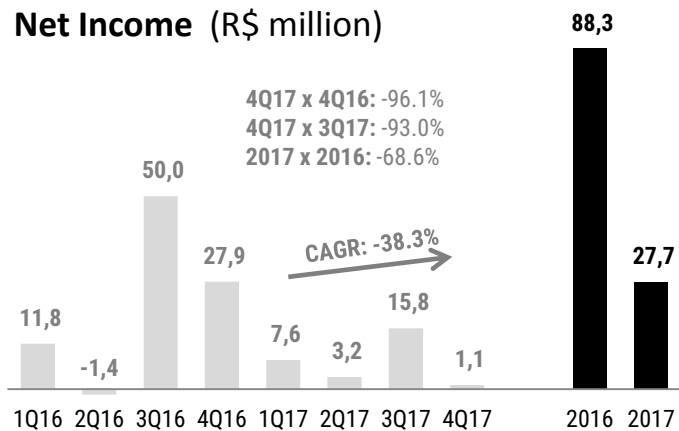


Consolidated Results

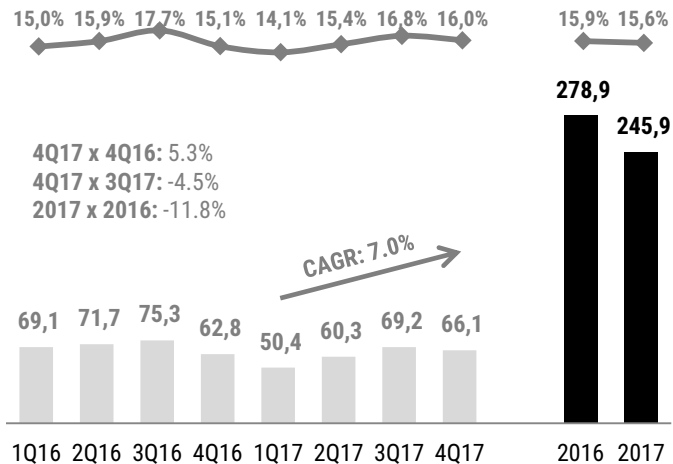
Net Revenues (R\$ million)



Net Income (R\$ million)



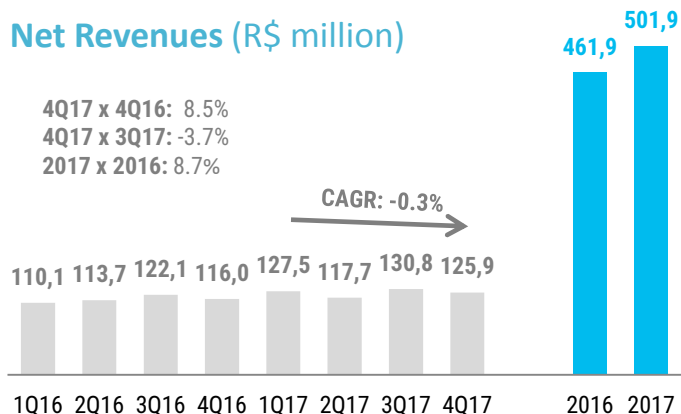
EBITDA (R\$ million) and Margin (%)



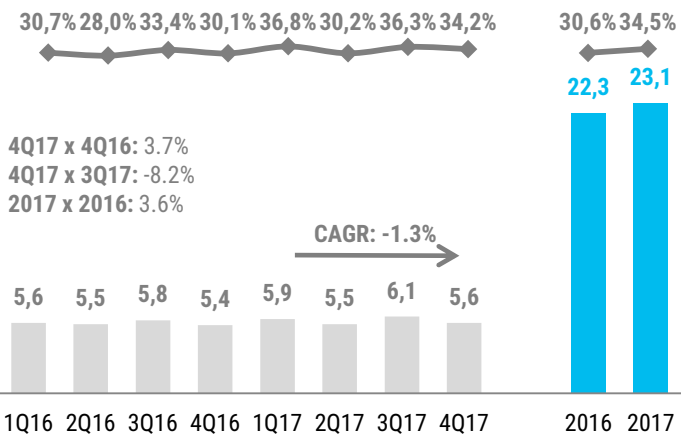
- Net Revenue and EBITDA CAGR of 3.5% and 7.0% throughout the year, respectively.
- Decrease of 8.7% in 2017 Net Revenue vs. 2016: Brazilian operations remained stable (R\$ 866.9 million vs. R\$ 862,8 milhões em 2016).
- 2017 x 2016 Net Income:
 - (i) Sale of the stake in M4U contributed with R\$ 21.8 million in 2016.
 - (ii) Tax Reform in the US negatively impacted the 2017 Net Income in US\$ 3.8 million and
 - (iii) Payment of Interest on Equity of R\$ 45.7 million positively impacted 2016's Net Income in R\$ 15.5 million.

Identity

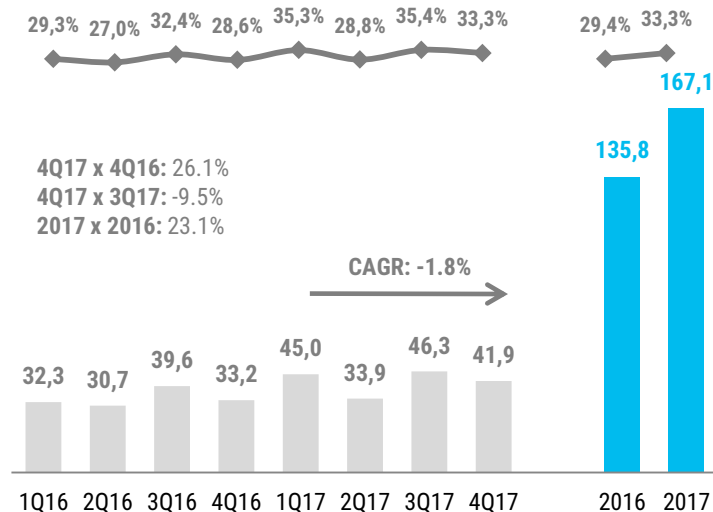
Net Revenues (R\$ million)



Volume (million) and Ex-USA Margin (%)



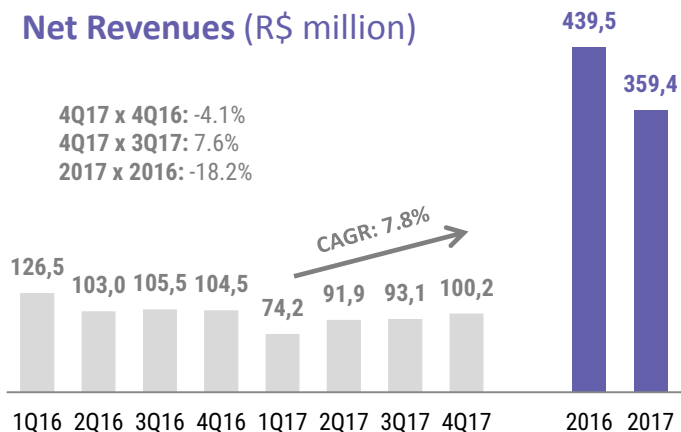
EBITDA (R\$ million) and Margin (%)



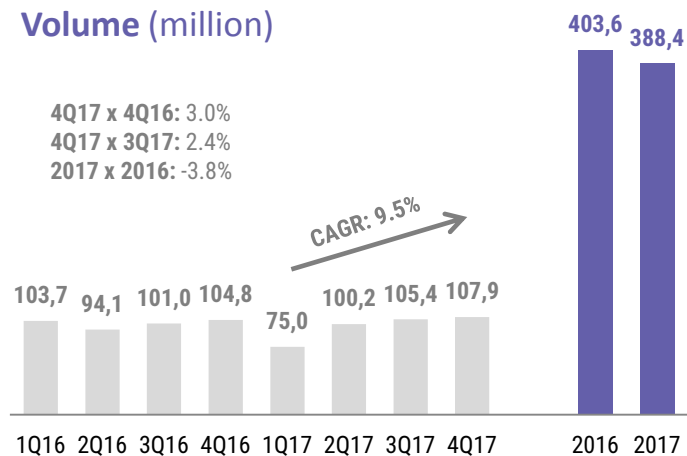
- Excellent performance of the Brazilian operation in 2017;
- Repressed volume in 2016 is partially happening this year;
- Washington contract fully operational (1.6 million documents issued in 2017);
- SERPRO's service fee collection impacted the results in the quarter by R\$ 5.1 million and R\$ 20.1 million in the year;

Mobile

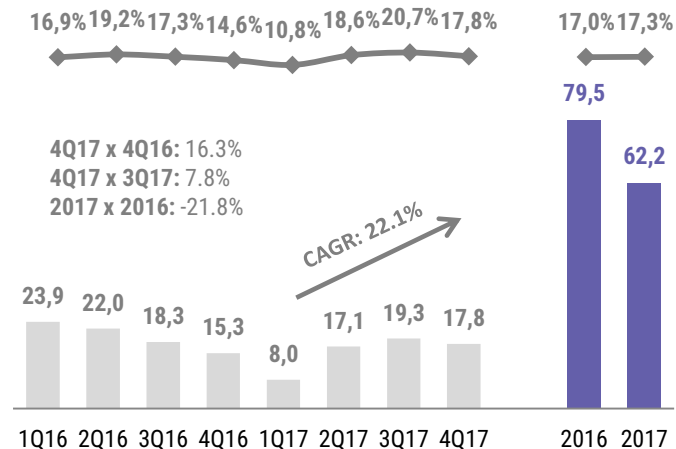
Net Revenues (R\$ million)



Volume (million)



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

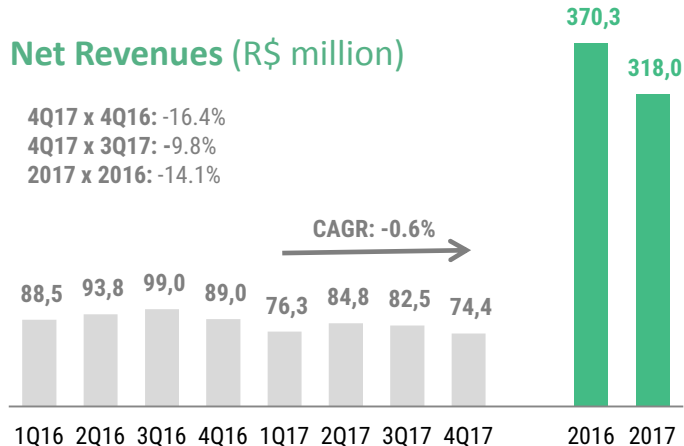


- Recovery of volumes for the third consecutive quarter (2.4% vs. 3Q17 and 3.0% vs. 4Q16);
- Cost reduction in the supply area increased its margin by 3.2 p.p. vs 4Q16.
- EBITDA in 4Q17 was R\$17.8 million and margin of 17.8%, growth of 16.3% and 3.2 p.p. vs. 4Q16, respectively. In the year, EBITDA reached R\$62.2 million, down 21.8% with an EBITDA margin of 17.3%, 0.3 p.p. above 2016.

LATAM Payments

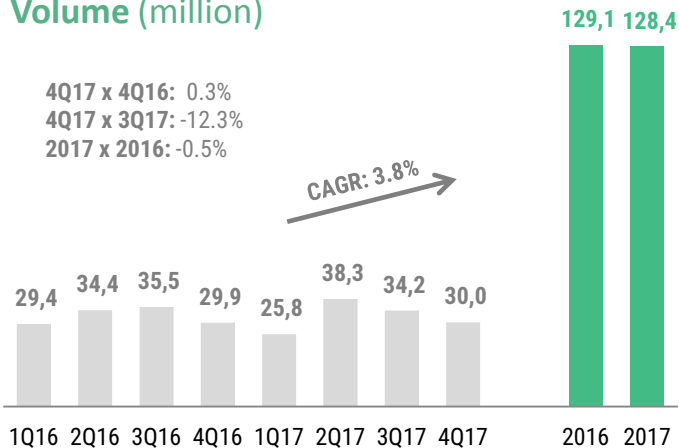
Net Revenues (R\$ million)

4Q17 x 4Q16: -16.4%
4Q17 x 3Q17: -9.8%
2017 x 2016: -14.1%

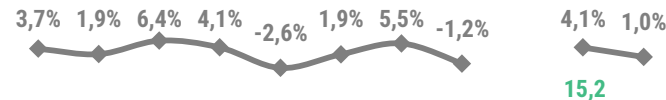


Volume (million)

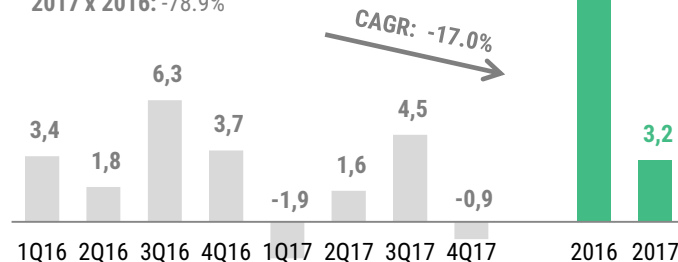
4Q17 x 4Q16: 0.3%
4Q17 x 3Q17: -12.3%
2017 x 2016: -0.5%



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



4Q17 x 4Q16: -124.3%
4Q17 x 3Q17: -120.0%
2017 x 2016: -78.9%

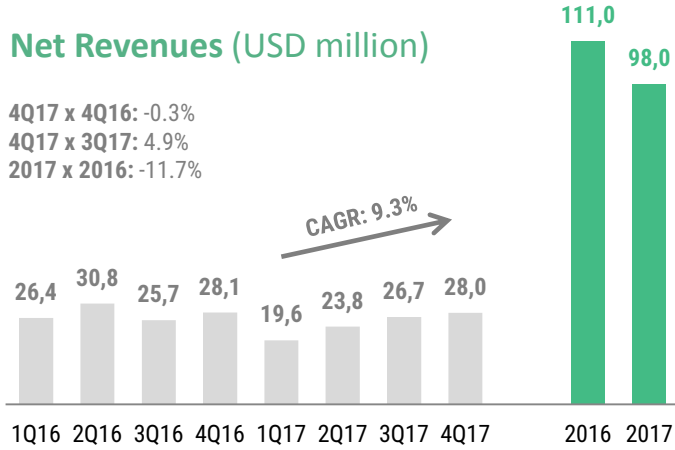


- Consolidation of plants' process was finalized in 1Q17;
- Leaner cost structure and more efficient production process;
- Drop of 4.3 p.p in this quarter's margin vs 4Q16 due to the impacts of the restructuring based on efficiency improvement projects around R\$3.3 million.

USA Payments

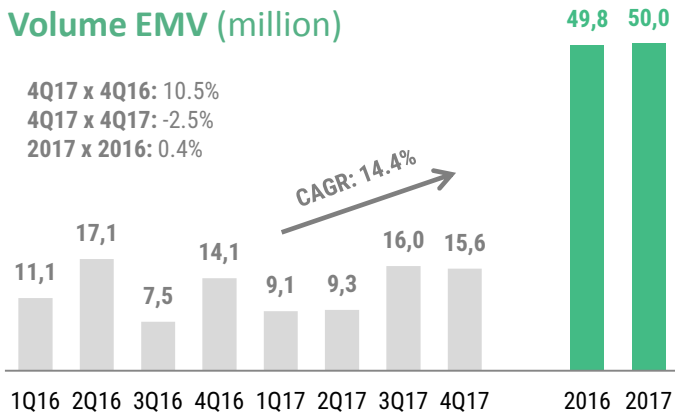
Net Revenues (USD million)

4Q17 x 4Q16: -0.3%
 4Q17 x 3Q17: 4.9%
 2017 x 2016: -11.7%

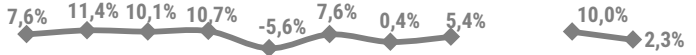


Volume EMV (million)

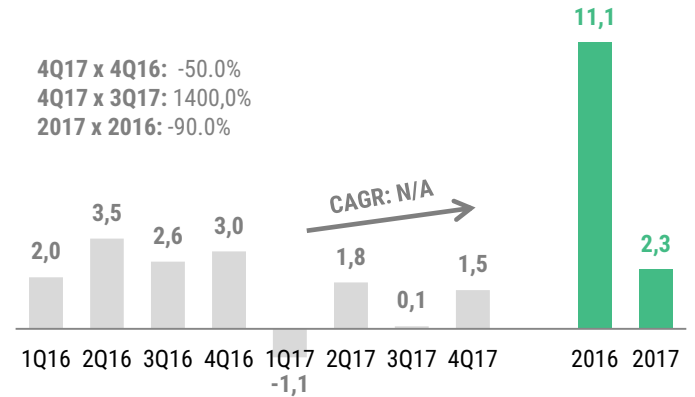
4Q17 x 4Q16: 10.5%
 4Q17 x 3Q17: -2.5%
 2017 x 2016: 0.4%



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



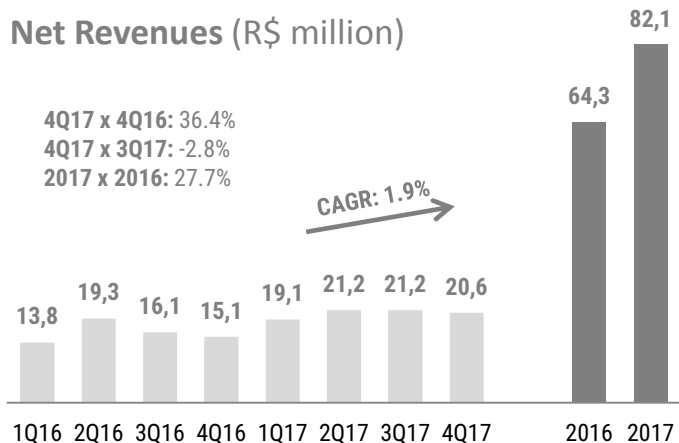
4Q17 x 4Q16: -50.0%
 4Q17 x 3Q17: 1400.0%
 2017 x 2016: -90.0%



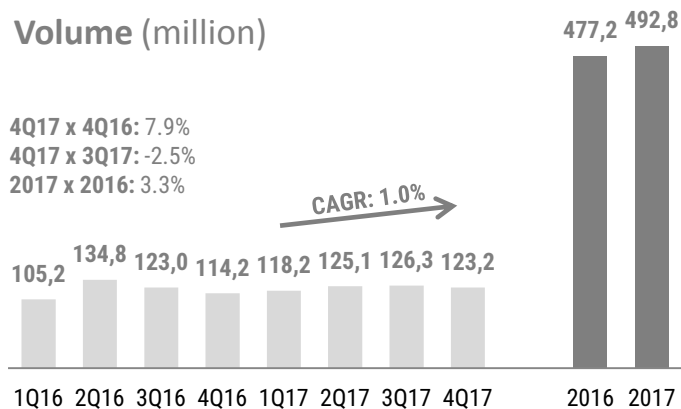
- Gradual increase in Revenue in USD and EMV Volume in 2017 with weighted average growth of 9.4%, and 14.4% respectively.
- Revenue in USD remained unchanged in the quarter and growth of 2.1% in the division's total volume vs. 4Q16.
- Drop in the average price of EMV cards by 15% in 2017.

Digital Certification

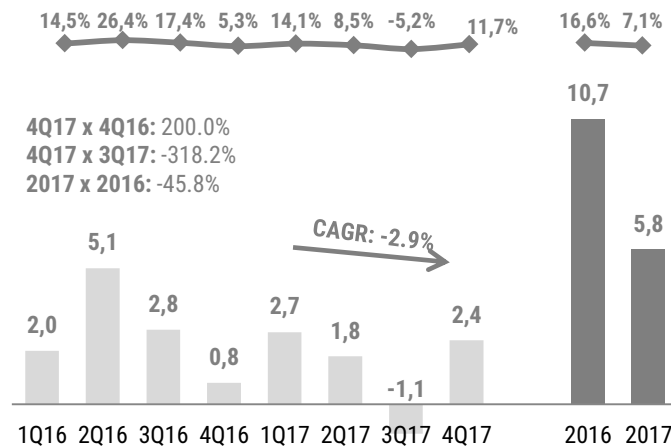
Net Revenues (R\$ million)



Volume (million)

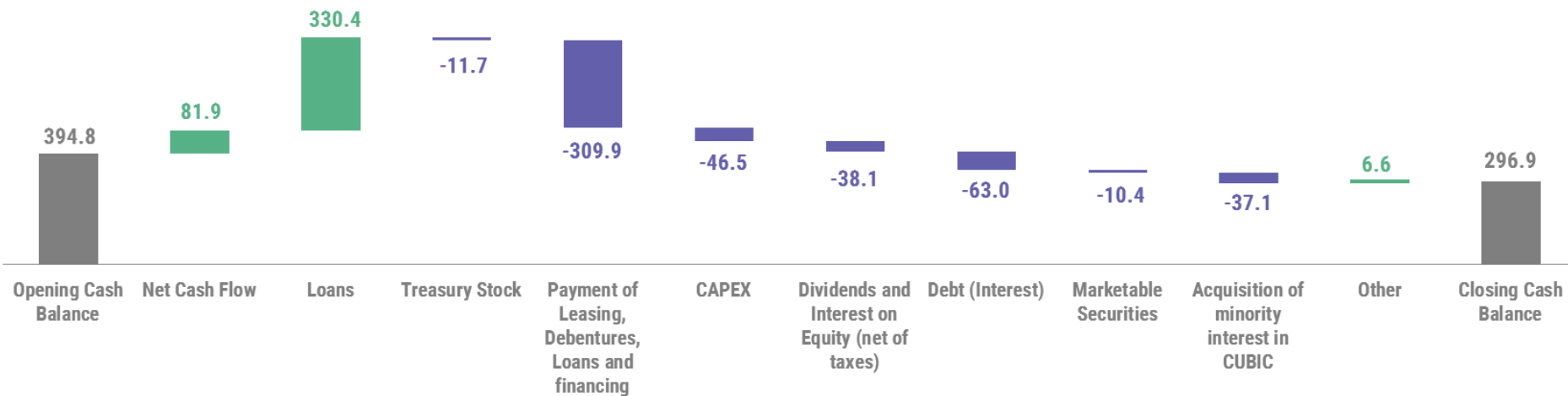


EBITDA (R\$ million) and Margin (%)



- EBITDA totaled R\$ 2.4 million with margin of 11.7% in the quarter against R\$ 0.8 million and 5.3% in 4Q16.
- Increased volume despite the challenge of the network recovery due to the non-renewal of the contract with the customer that accounted for 25% of the volume in 4Q16.
- Volumes increased 7.9% in 4Q17 vs. 4Q16 and 3.3% in 2017 vs. 2016.

Cash Flow



- After a negative cash generation in the 6M17 of R\$45 million, the Company's operating cash generation in 2017 was positive by R\$ 81.9 million where R\$ 87.6 million was generated in 4Q17.
- CAPEX totaled R\$46.5 million and expenditure totaled R\$37.1 million with the acquisition of interest in Cubic Telecom;
- A total of R\$ 373 million in amortization of debt + interest
- Loan of USD 100 million, mainly due to refinance of USD (foreign) debt;
- R\$ 11.7 million related to the share buyback program and
- Payment of R\$ 38.1 million in dividends and interest on equity net of taxes.

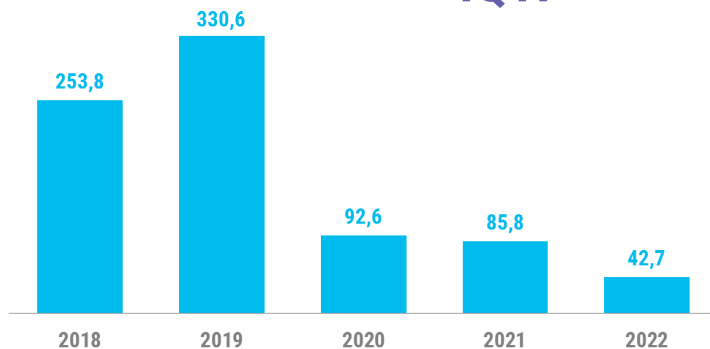
Payment of Dividends and Interest on Shareholders' Equity

| EVENT | DATA | YEAR | SHAREHOLDING POSITION DATE | PAYMENT DATE | GROSS AMOUNT PER SHARE R\$ | GROSS AMOUNT R\$ |
|--------------------|------------|------|----------------------------|--------------|----------------------------|------------------|
| Interest on Equity | 12/12/2016 | 2016 | 12/15/2016 | 01/27/2017 | 0,235294 | 15.218.604,26 |
| Dividends | 04/28/2017 | 2016 | 04/28/2017 | 05/12/2017 | 0,168079 | 10.842.134,40 |
| Dividends | 11/08/2017 | 2017 | 11/14/2017 | 11/24/2017 | 0,200000 | 14.102.535,00 |

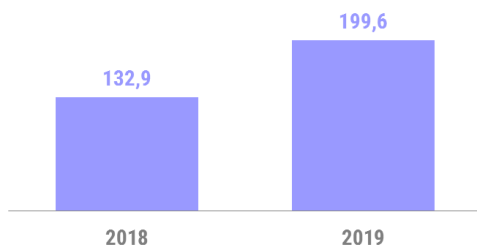
- We remain committed to distributing at least 50% of our adjusted net income, without jeopardizing our policy of growing through acquisitions and the development of new businesses.
- In 2017, we paid R\$ 24.9 million in dividends and R\$ 13.2 million in interest on shareholders' equity.
- The Board of Directors' Meeting held on November 8, 2017 approved the payment of dividends in the amount of R\$ 14.1 million, corresponding to R\$ 0.20 per share, with payment made on November 24, 2017.

Indebtedness

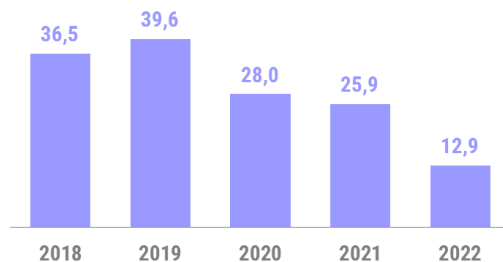
Debt Repayment Schedule 4Q17



■ Total Gross Debt in R\$ + accrued interest until 12/31



■ Debt pegged to R\$



■ Debt pegged to US\$

Gross Debt + Interest
R\$ 805.5 million

58.7% pegged to USD

R\$ 255.9 million in the short term

R\$ 549.6 million in the long term

Cash
R\$ 313.6 million

Net Debt
R\$ 491.9 million

Net Debt/EBITDA*
1.9

EBITDA*/Fin. Exp**
5.4

Covenants

Net Debt/EBITDA ≤ 3.00

EBITDA/Financial Expenses ≥ 1.75x

* EBITDA accrued in the last 12 months.

** Financial Expenses accrued in the last 12 months.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements relating to Valid's business expectations, estimated operating and financial results and growth prospects. These are only projections and, as such, are exclusively based on the expectations of Valid's management with respect to its future business and continuous access to capital to finance the Company's business plan. Such forward-looking statements depend mainly on the changes in market conditions, governmental rules, competitive pressure, industry performance and Brazilian economy, among other factors, in addition to the risks related to the disclosure of documents filed by Valid; therefore, these forward-looking statements are subject to changes without prior notice.

Thank you

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OF INNOVATION

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