

RESULTS PRESENTATION

1Q22

YDUQS



May 12th, 2022

YDUQ
B3 LISTED NM



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DISCLAIMER

Rio de Janeiro, May 12th, 2022 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the first quarter of 2022 (1Q22)**.

The Company's financial information is presented based on consolidated numbers, in Brazilian Reais, in accordance with the Brazilian Corporation Law and the accounting practices adopted in Brazil (BRGAAP), already in accordance with the International Financial Reporting Standards (IFRS), including IFRS-16.

This document may have forward looking statements that are subject to risks and uncertainties that may lead such expectations to not materialize or substantially differ from expectations. These forecasts express the opinion only for the date they were made, and the Company does not undertake to update them in the light of new information.



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AFTER RECOVERY, RESUMPTION OF GROWTH

Intake historical record: +254 thousand students



ON-CAMPUS RECOVERY

Segment goes back to growing



GROWTH LEVERS

Digital and Premium with strong expansion



COST OPTIMIZATION

We continue to generate value with improved EBITDA margin



RESULTS ACHIEVEMENTS

continues strong, generating cash, with low debt

+59% vs 1Q21

On-campus Intake

+44% vs 1Q21

Digital + Premium undergraduate student base

-3 p.p. vs 1Q21

Reduction of Marketing & Sales expenses/Net Revenue

+23% vs 1Q21

Consolidated adjusted EBITDA

+3% vs 1Q21

On-campus student base

>20% vs 1Q21

Growth of Digital + Premium Net Revenue and EBITDA

-3 p.p. vs 1Q21

Reduction of personnel costs/Net Revenue

+33% vs 1Q21

Adjusted Net Income

+28% vs 1Q21

On-campus EBITDA

+228 seats

Medicine seats already approved in 2022

-0.6 p.p. vs 1Q21

Reduction of leasing (IFRS 16)/Net Revenue

R\$ 1.7 billion

Cash and cash equivalents

-2 p.p. vs 1Q21

Reduction of faculty costs/Net Revenue

+29% vs 1Q21

Total of 2,059 DL centers in 1Q22

1.7x

Net Debt/Adjusted EBITDA

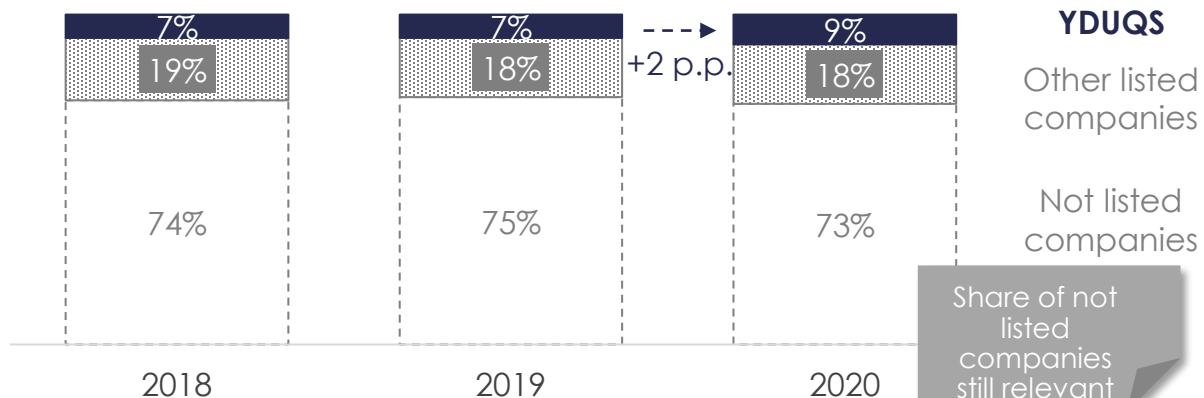


EVOLUTION OF THE EDUCATION SECTOR (INEP 2020)

% market share (enrollments and student intake)

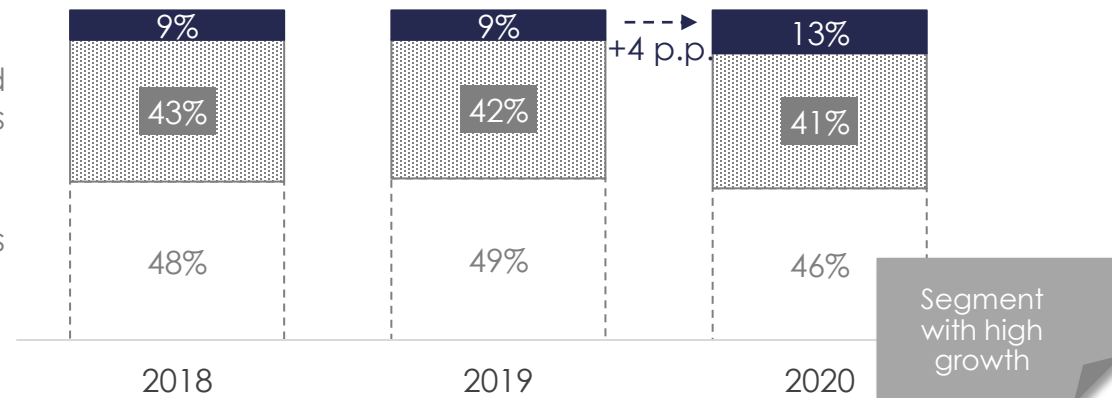
On-campus enrollments ⁽¹⁾

YDUQS gains share
in the on-campus
segment

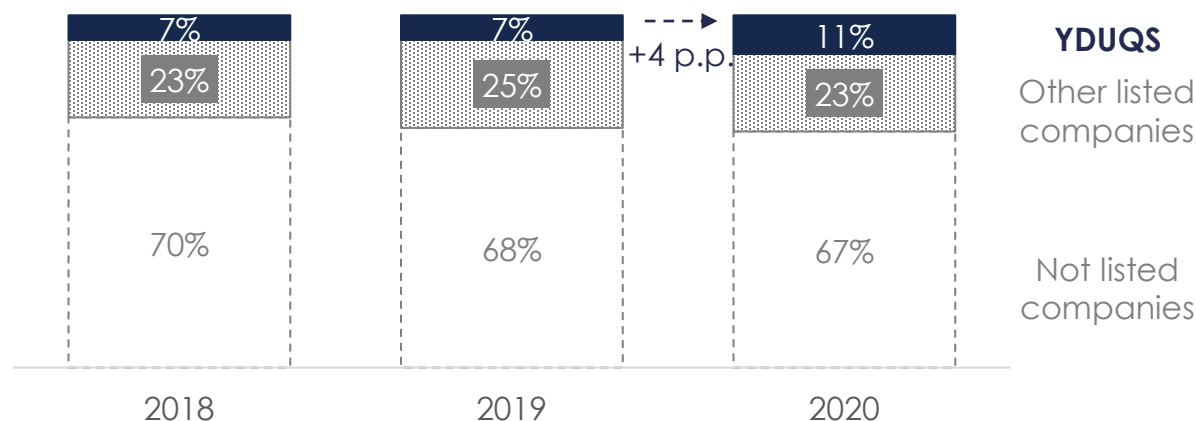


DL enrollments

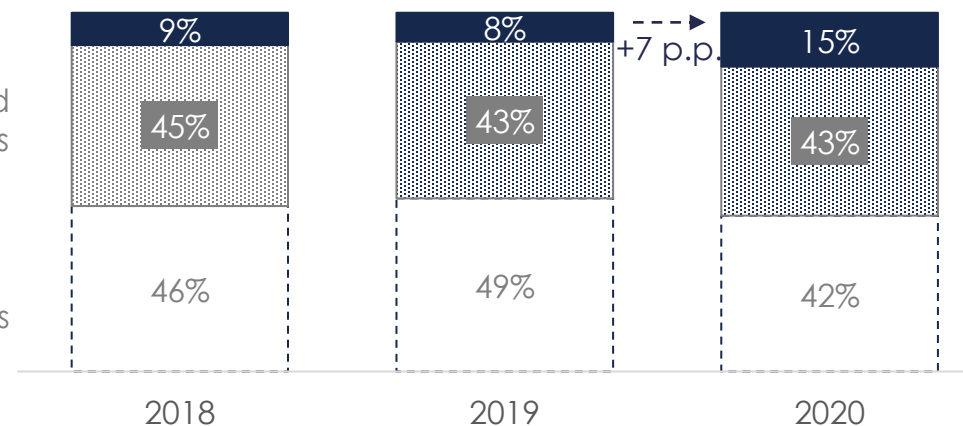
YDUQS gains share in the DL segment



On-campus intake ⁽¹⁾



DL Intake



(1) On-campus including medicine.



INTAKE AND PRICE

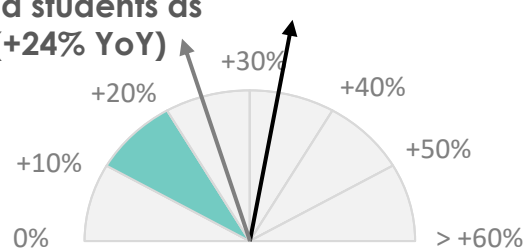
Undergraduate intake and price guidance achieved
vs 1Q21



Premium

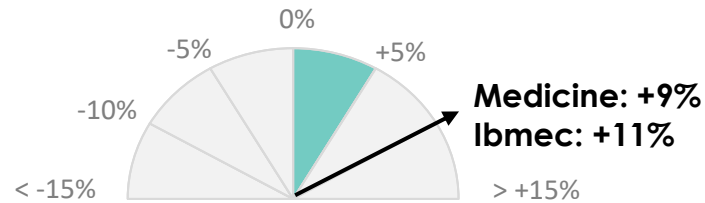
3.2 thousand students as
of May/22 (+24% YoY)

+31%



Intake

**Average
Ticket ⁽¹⁾**

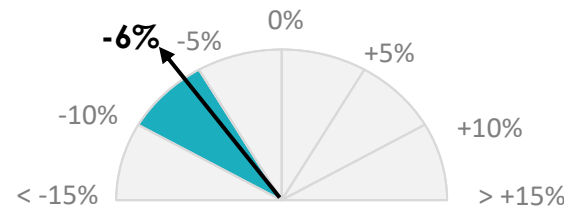
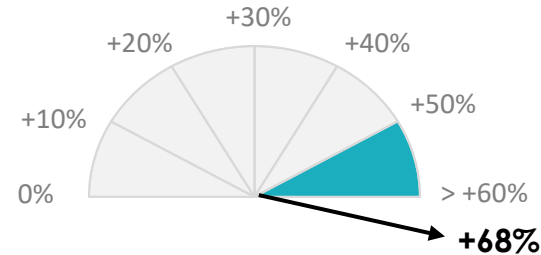


Student Base: 14 thousand
(+10% vs 1Q21)

Medicine: +228 approved seats
YTD (~50% intake 1H22)
Student base: +14% vs 1Q21



Digital Learning



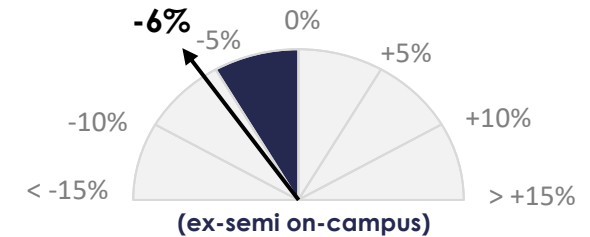
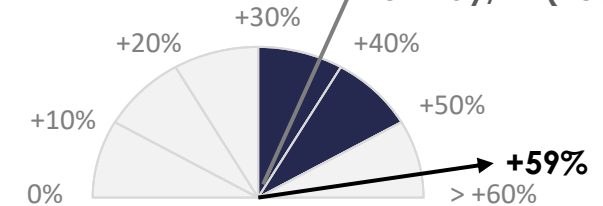
Student Base (ex-Qconcurso):
523 thousand (+25% vs 1Q21)

Net Revenue +28% vs 1Q21
Expectation for
Intake 1H22: +15-20% YoY



On-campus

101 thousand students as
of May/22 (+39% YoY)



Student Base: 296 thousand
(+3% vs 1Q21)

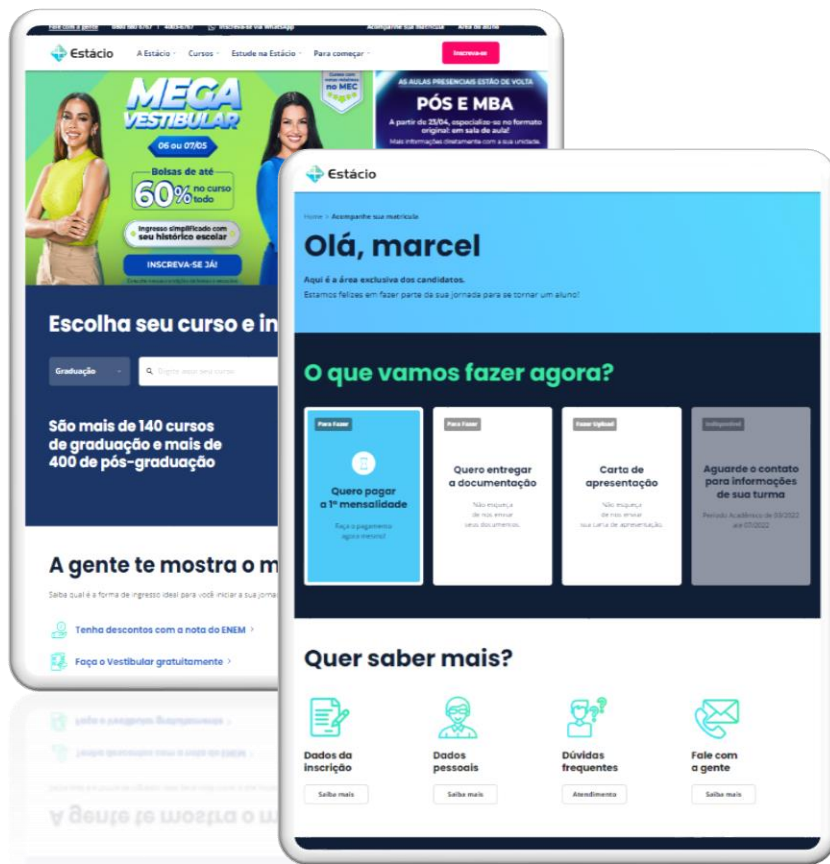
Lower DIS adhesion on the intake
pressuring average ticket, which
would remain stable if adhesion
were the same as 1Q21



(1) Refers to adjusted average ticket. The variation on reported average ticket vs 1Q21 was the following: Medicine +15% | lbmec +12% | Digital -6% | On-campus -6%

HIGHEST INTAKE IN HISTORY

Important evolution in our digital channels



Digital Process

- Delivery of documents
- Selection
- Payment

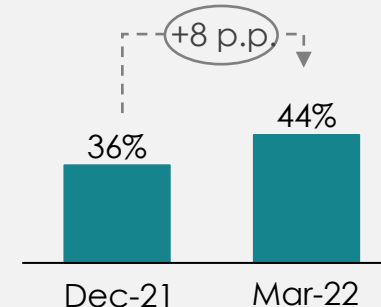
<15 min to complete a registration process

51% of registrations completed entirely on the site

Iconic campaigns



National search by IES
(Share of interest ⁽¹⁾)



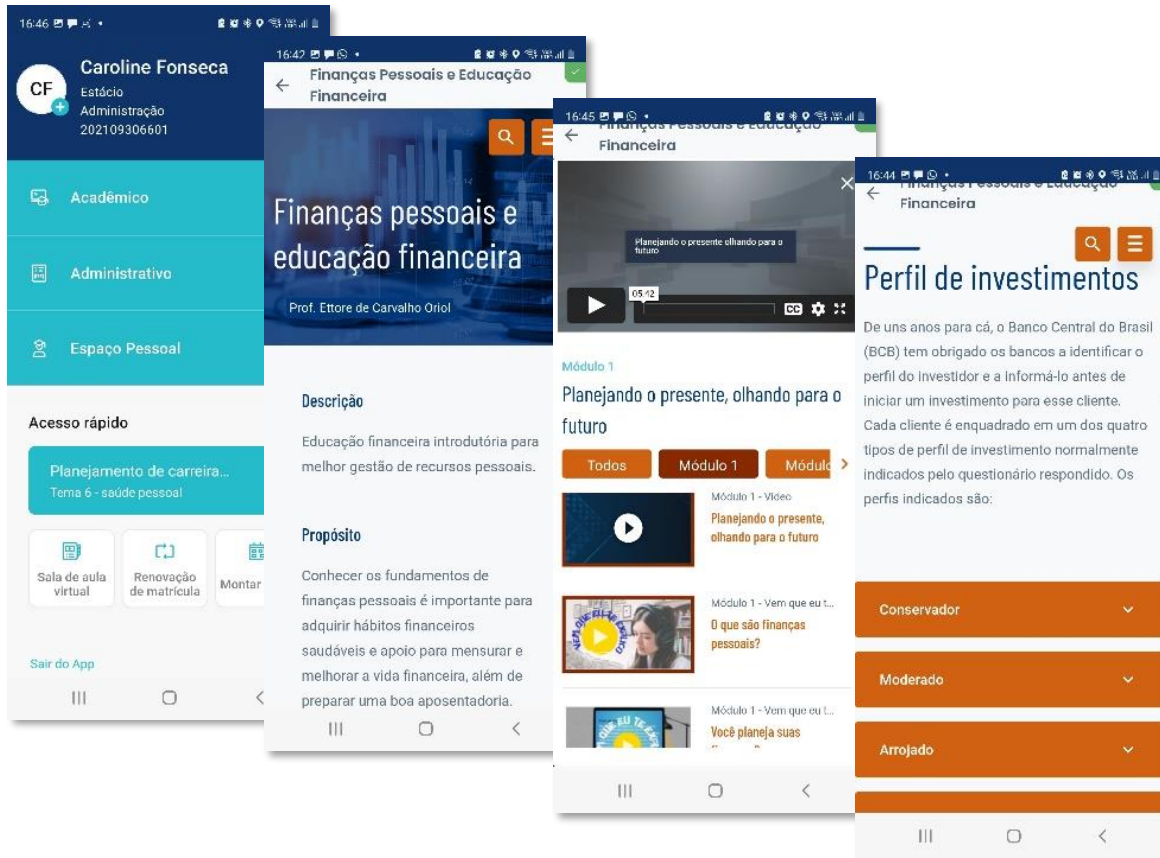
#1 Brand

Estácio - Top 1 on google research

+24 p.p.

ahead of the second place

(1) Source: Google Trends Data



Increasingly engaging, personalized and natively digital teaching and learning experience

- Virtual classroom (Sava)⁽¹⁾ for the entire Estácio undergraduate with students reaching 2x more study time vs previous ⁽²⁾
- App graded 4.6 at play store ⁽³⁾
- +750 thousand active students in the app monthly (35% access to Sava is through the app) ⁽⁴⁾
- +100 students impacted by content built through Design System EnsinMe
(+40% access to content through mobile since implementation)

(1) EnsinMe's proprietary tool

(2) Analyzed in test A/B in 2021

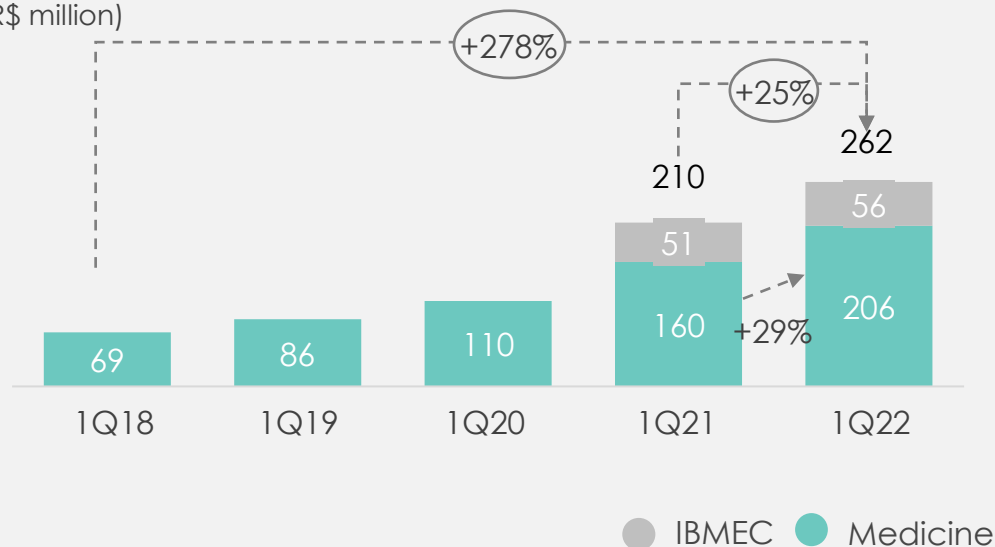
(3) Play Store Minha Estácio May.03.22

(4) Data from the week of April.25.22

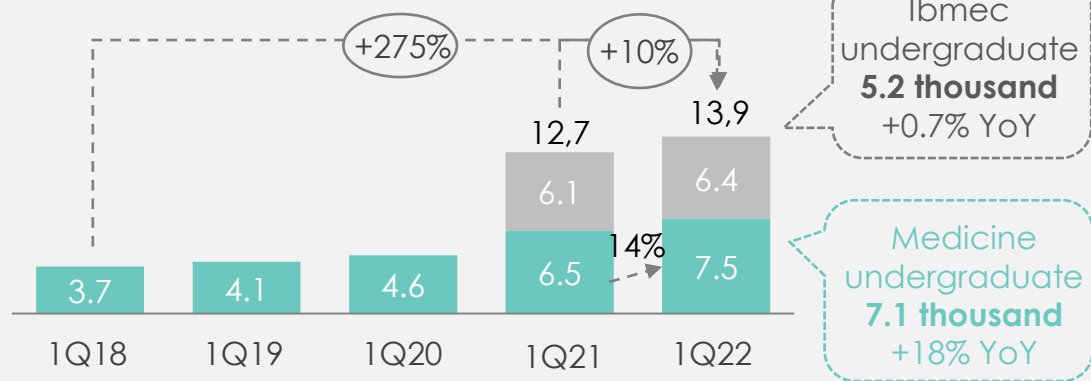


PREMIUM: CONTINUES WITH STRONG GROWTH

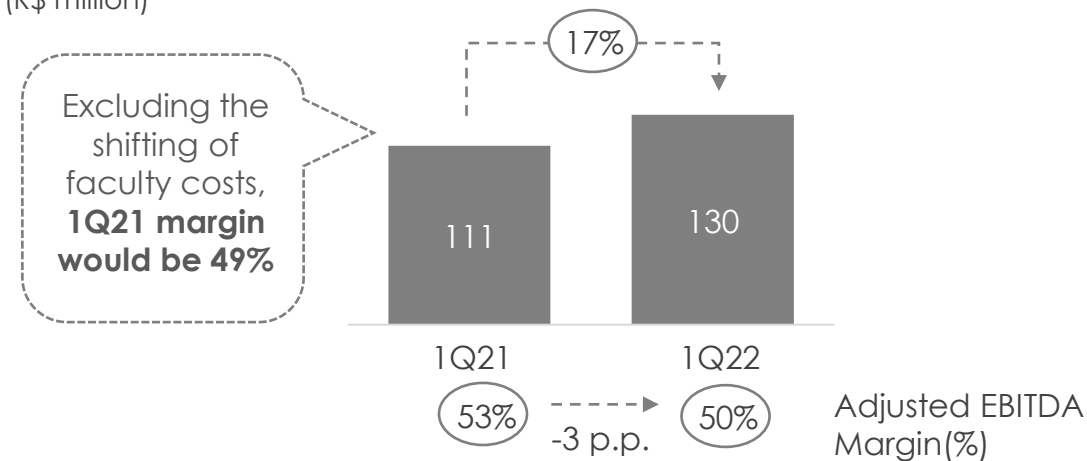
Adjusted Net Revenue ⁽¹⁾
(R\$ million)



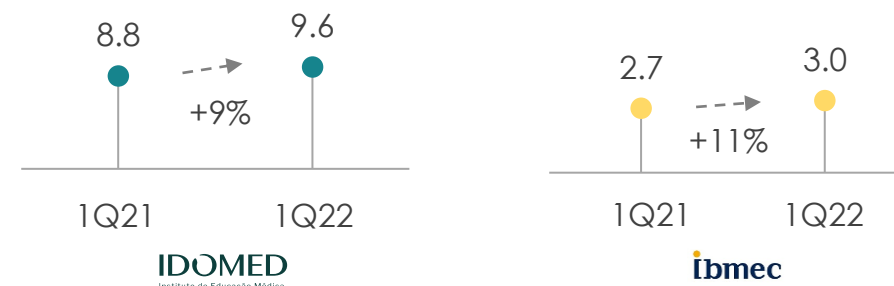
Student Base
(Thousand students)



Adjusted EBITDA ⁽¹⁾
(R\$ million)



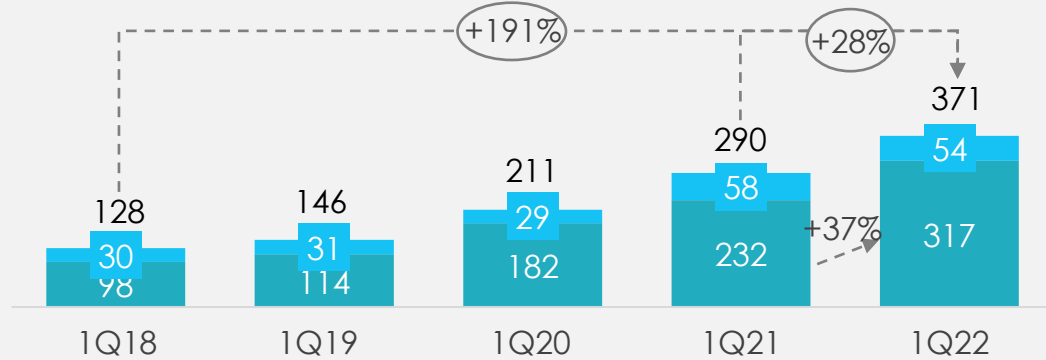
Undergraduate average ticket ⁽¹⁾
(R\$ Thousand/month)



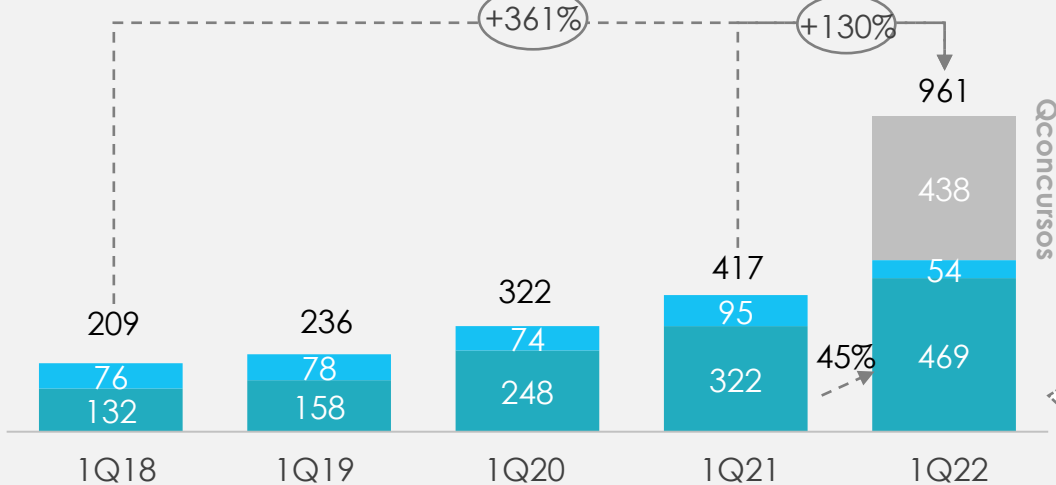
Renewal at 95%
Stable vs 1Q21

DIGITAL LEARNING: EXPANSION REMAINS ACCELERATED

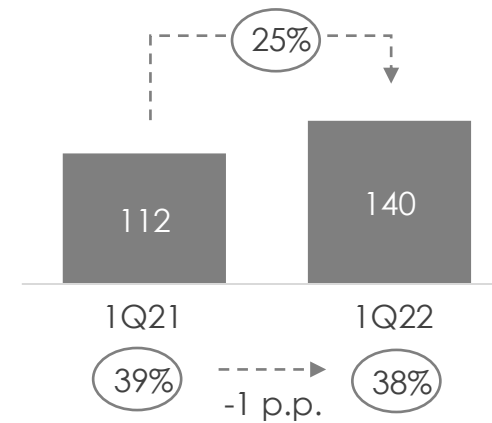
Adjusted Net Revenue ⁽¹⁾
(R\$ million)



Paying Student Base
(Thousand students)



Adjusted EBITDA ⁽¹⁾
(R\$ million)

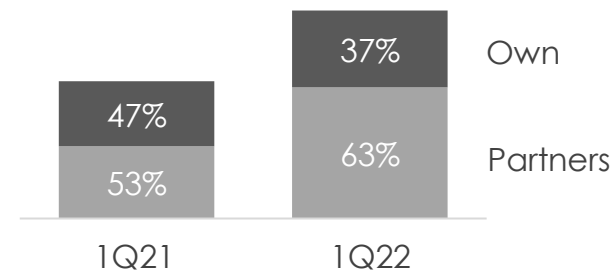


- Increase in Bad debt/Net Revenue due to higher intake and new quarterly intake: **+5 p.p. vs 1Q21**
- Reduction in Sales & Marketing/Net Revenue: **-3 p.p. vs 1Q21**

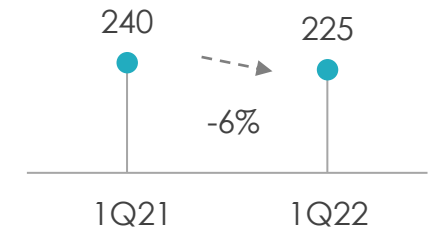
➤ **2.059 centers: +29% vs 1Q21**
2,500 centers expected for 2022

Renewal ⁽²⁾ at 74%
Stable vs 1Q21

Undergraduate student base
by type of center (%)



Undergraduate average ticket⁽¹⁾
(R\$/month, consolidated digital)

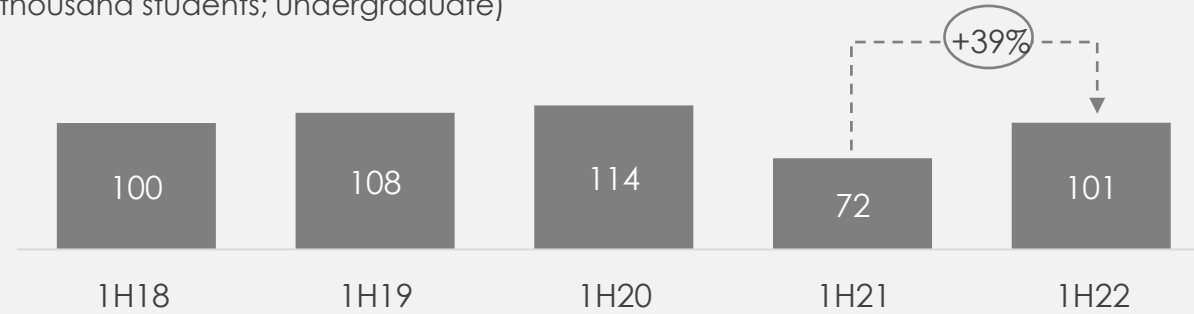


(1) Net revenue adjusted by the effects of laws and court decisions (1Q21) | EBITDA adjusted by non-recurring effects.

(2) Digital's Renewal rate only considers students that enrolled in January and July

ON-CAMPUS: RETURNING TO NORMALITY

On-campus BU intake per semester
(thousand students; undergraduate)



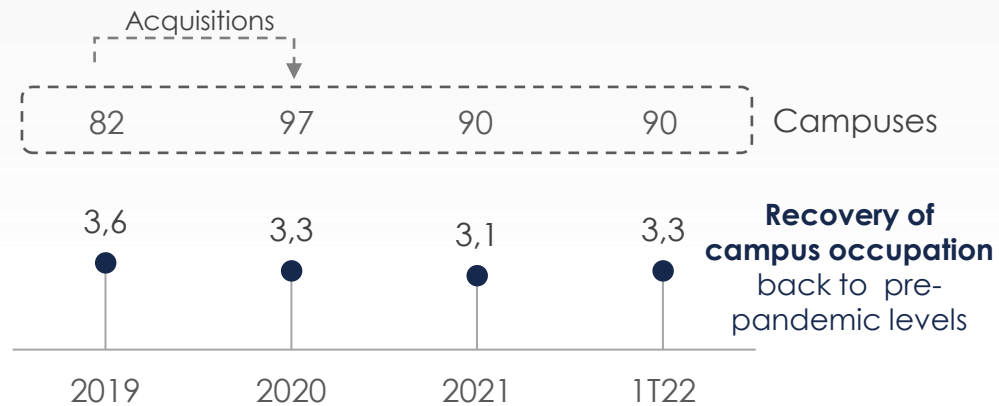
+101 thousand students

Intake in 1H22

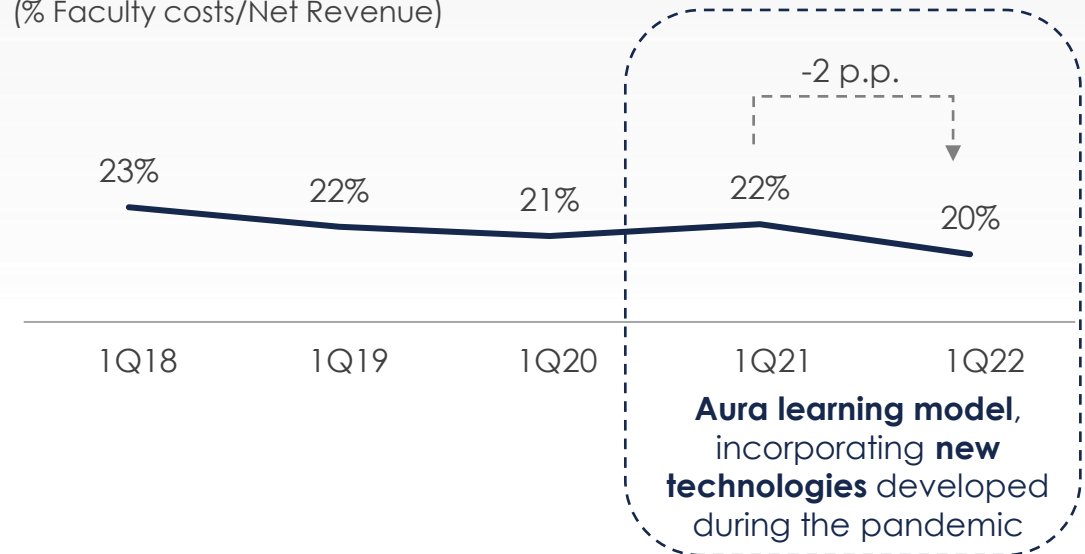
Growth of +39% vs 1H21

Of which 74 thousand freshmen in health, law and engineering courses (of longer duration)

On-campus students (ex-Medicine) per campus
(thousand students)

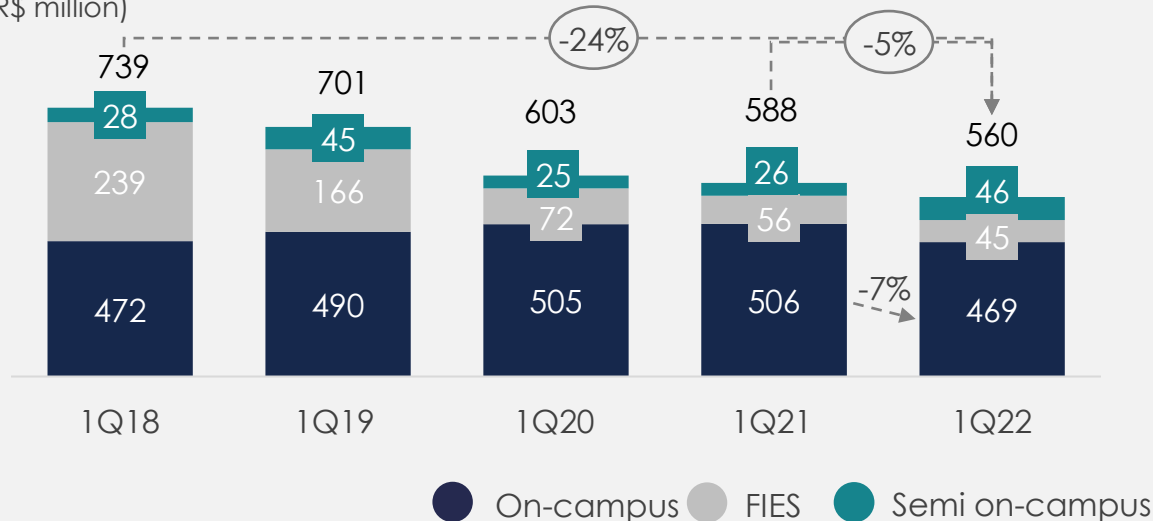


Faculty costs
(% Faculty costs/Net Revenue)

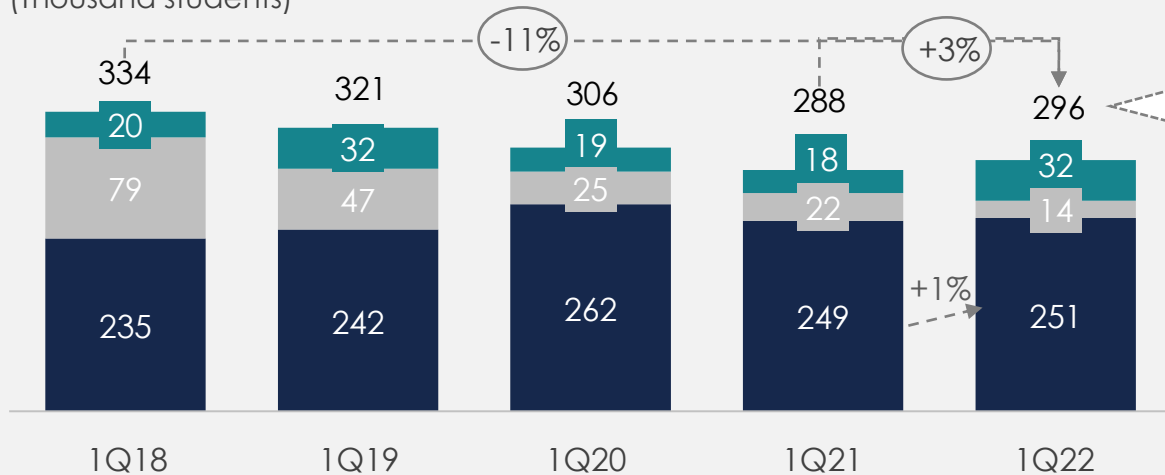


ON-CAMPUS: STUDENT BASE RESUMES GROWTH

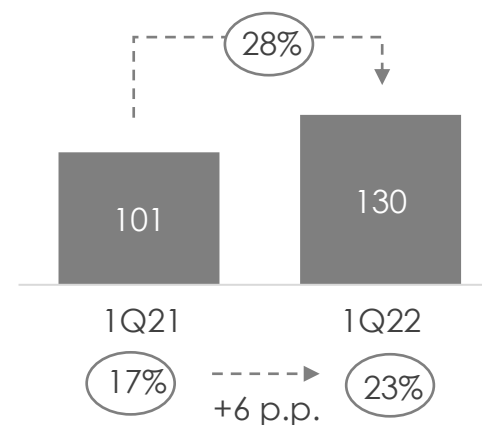
Adjusted Net Revenue ⁽¹⁾
(R\$ million)



Student Base
(Thousand students)



Adjusted EBITDA ⁽¹⁾
(R\$ million)



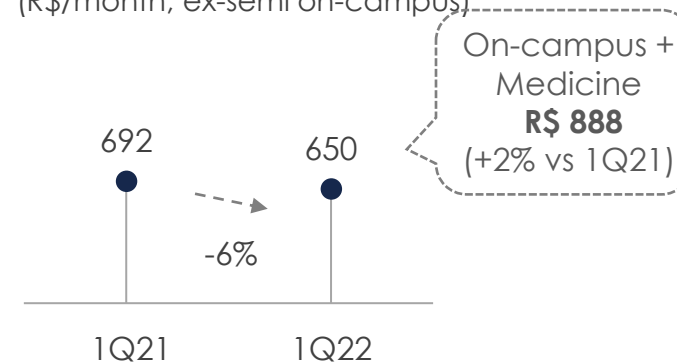
- Reduction of personnel costs/Net Revenue: **-2 p.p. vs 1Q21**
- Reduction of Sales & Marketing /Net Revenue: **-3 p.p. vs 1Q21**

Renewal at 82%
-1% vs 1Q21

On-campus BU
+7% vs 4Q21

Semi +50% vs 4Q21
On-campus +3% vs 4Q21

Undergraduate average ticket ⁽¹⁾
(R\$/month, ex-semi on-campus)

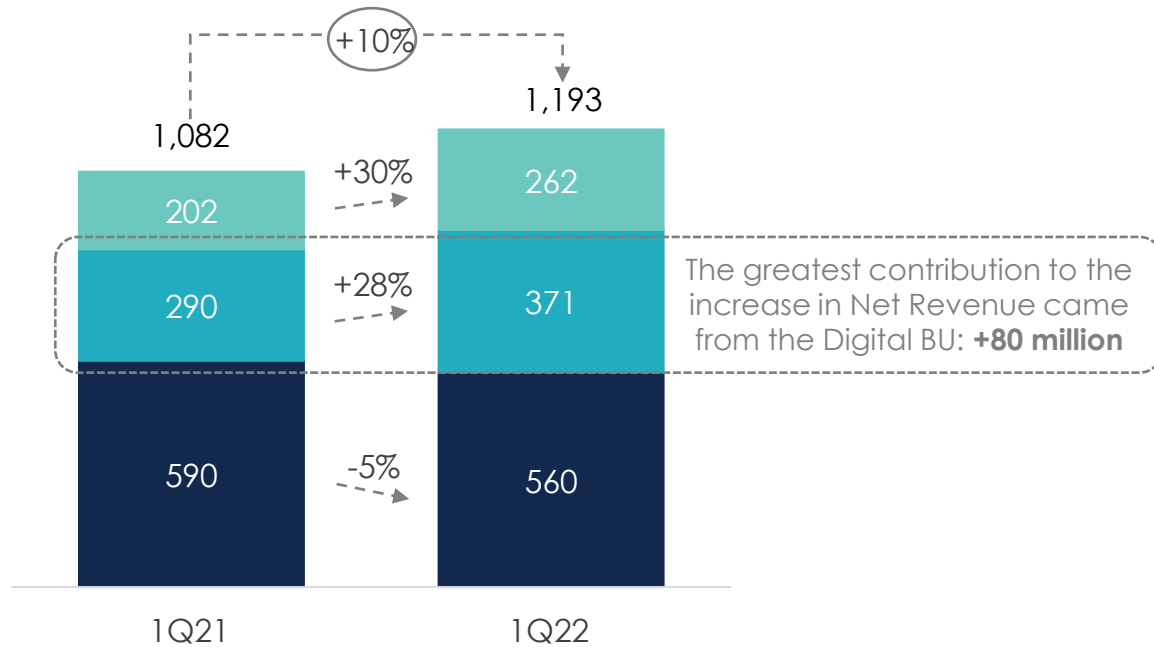


⁽¹⁾ Net revenue adjusted by the effects of laws and court decisions (1Q21) | EBITDA adjusted by non-recurring effects.

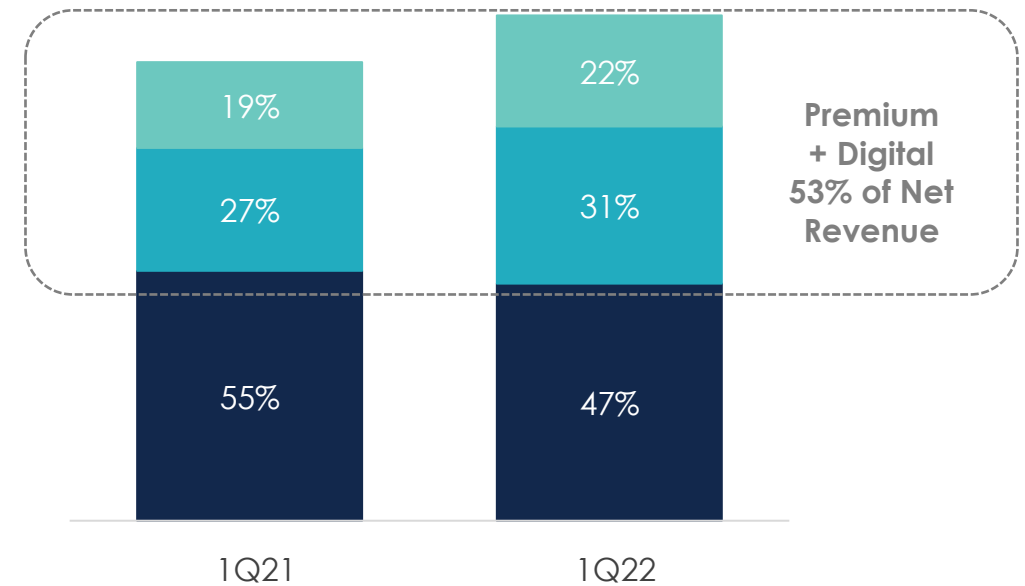
REVENUE: PREMIUM AND DIGITAL REACHED 53% OF TOTAL

● On-campus ● Digital Learning ● Premium

Total Net Revenue by business unit ⁽¹⁾
(R\$ million)

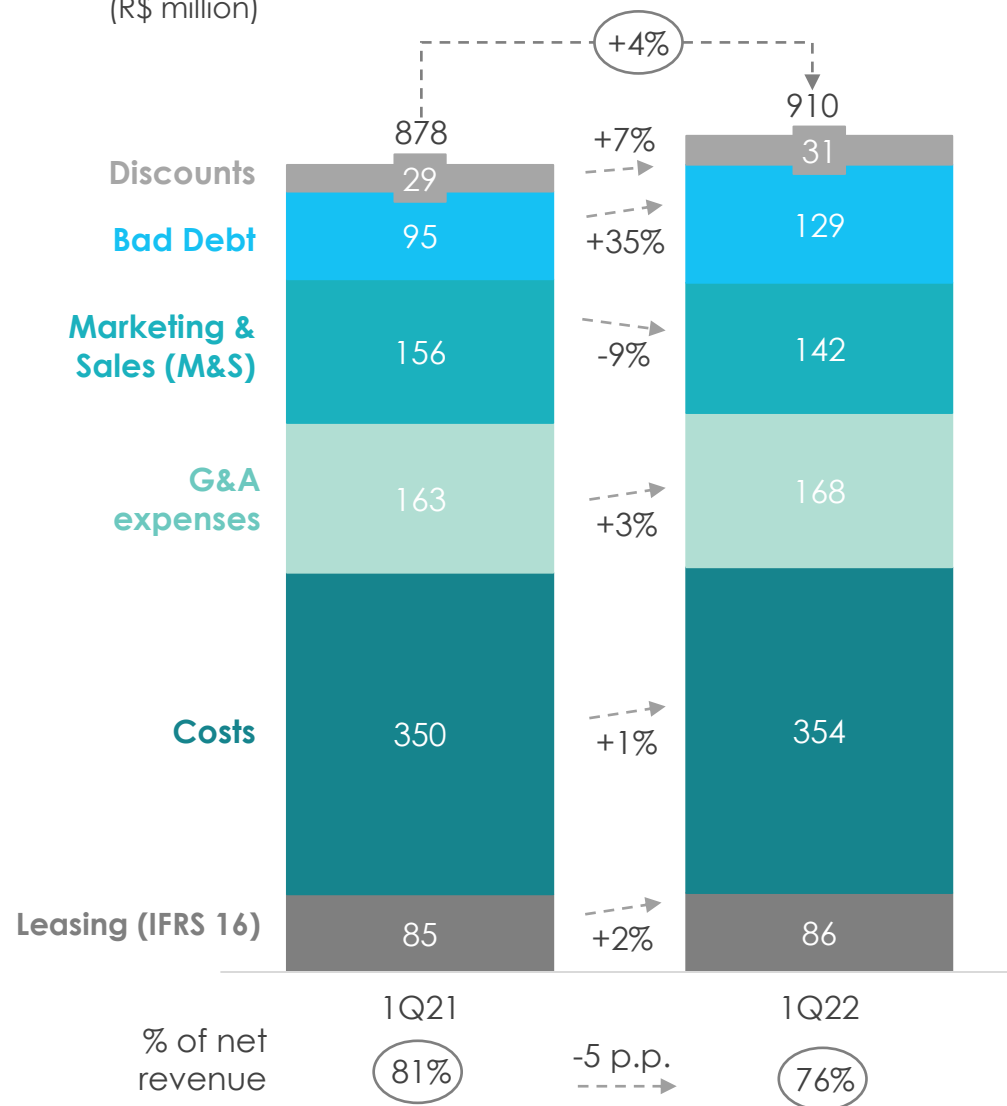


Total Net Revenue by business unit ⁽¹⁾
(% of total revenue)



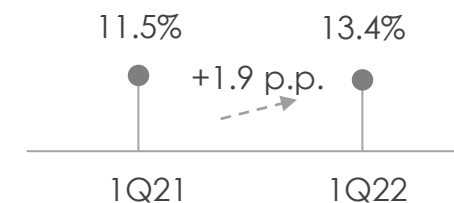
ADJUSTED COSTS AND EXPENSES vs 1Q21 (ex-D&A ex-IFRS)

Composition of costs and expenses
(R\$ million)



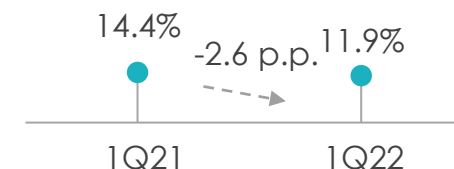
Bad Debt + Discounts

Bad Debt + Discounts/Net revenue impacted by **higher intake**, **change in DL seasonality** with the new quarterly intake, **enrollment renewal** of medicine students without debt renegotiation. Without these effects, the % would be stable.



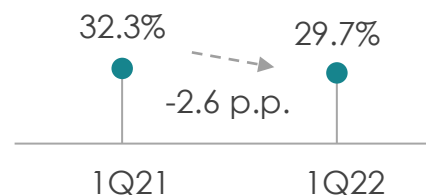
M&S expenses

M&S/Net revenue decreases by 3 p.p. vs 1Q21, **returning to normality**



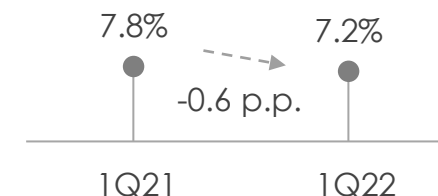
Costs

Costs/Net revenue -3 p.p. : Reduction of **personnel costs, mainly faculty**, as a result of operational research



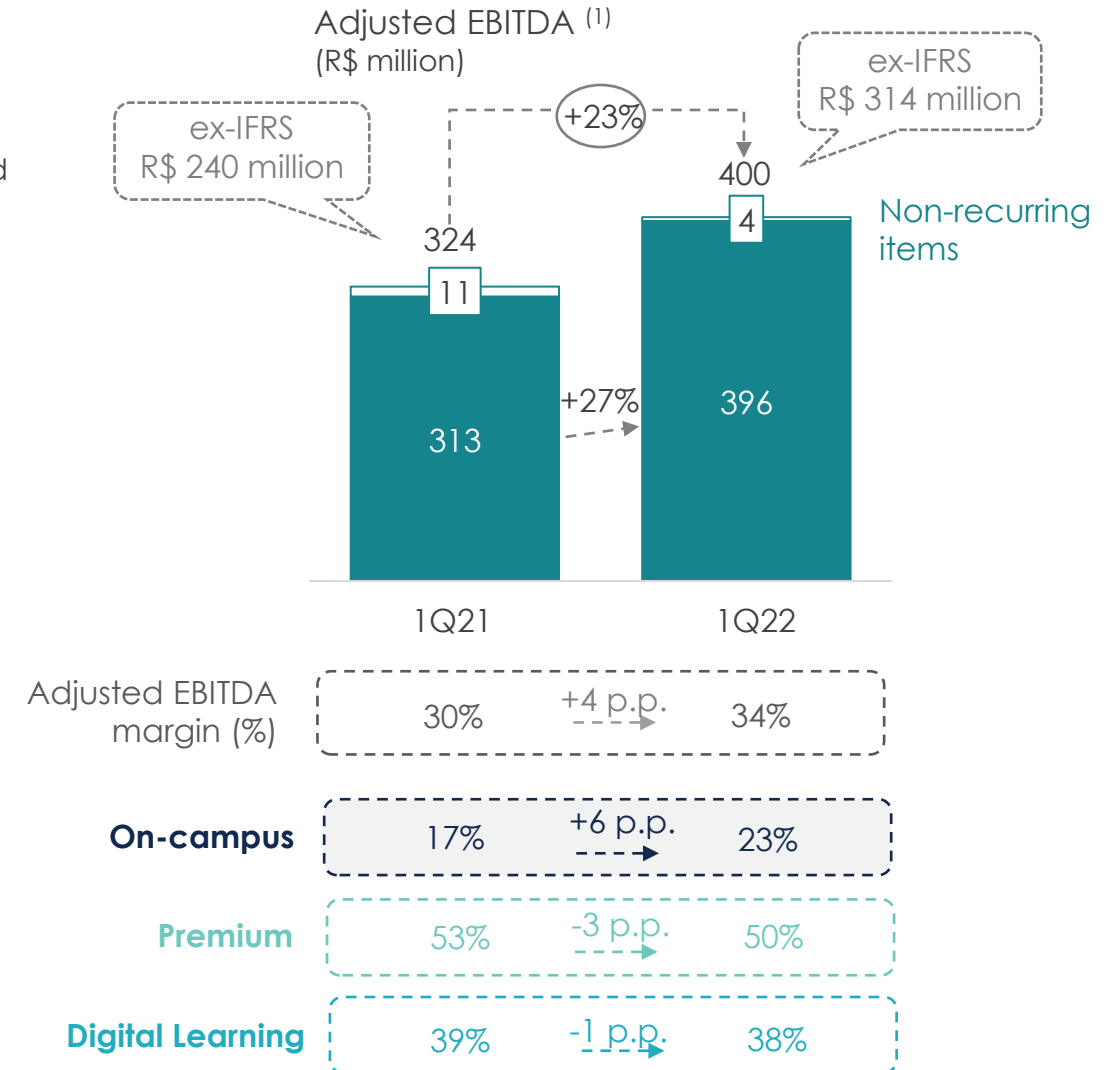
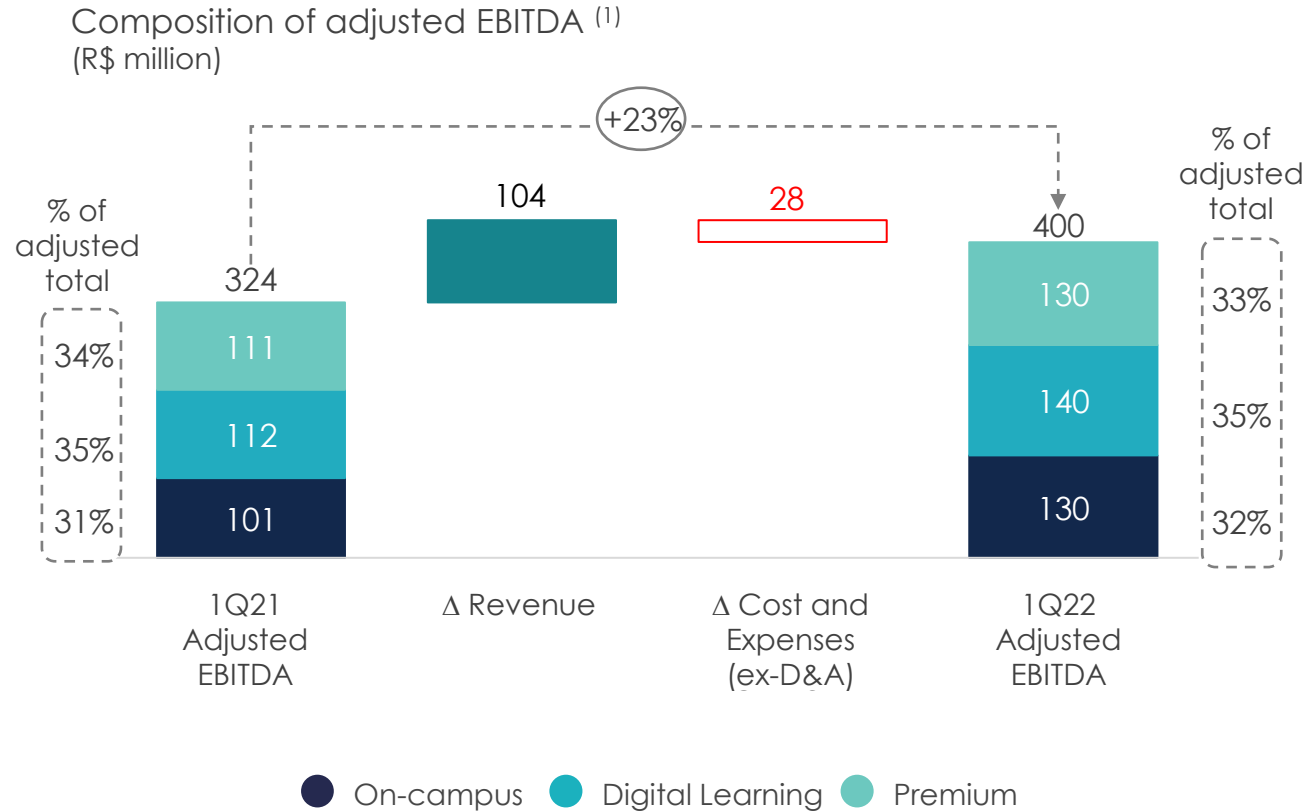
Leasing (IFRS 16)

Leasing (IFRS 16)/Net revenue down by -0.6 p.p. vs 1Q21



Reduction of costs and expenses + discounts/Net Revenue by 5 p.p. vs 1Q21

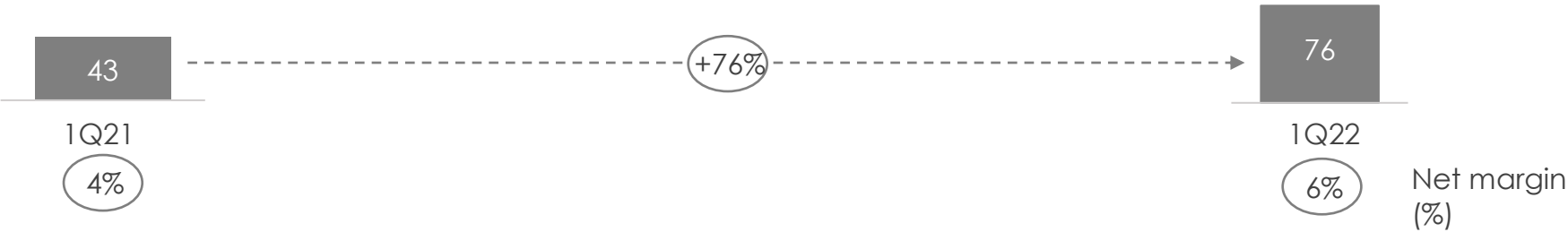
ADJUSTED EBITDA INCREASES BY 23% IN 1Q22



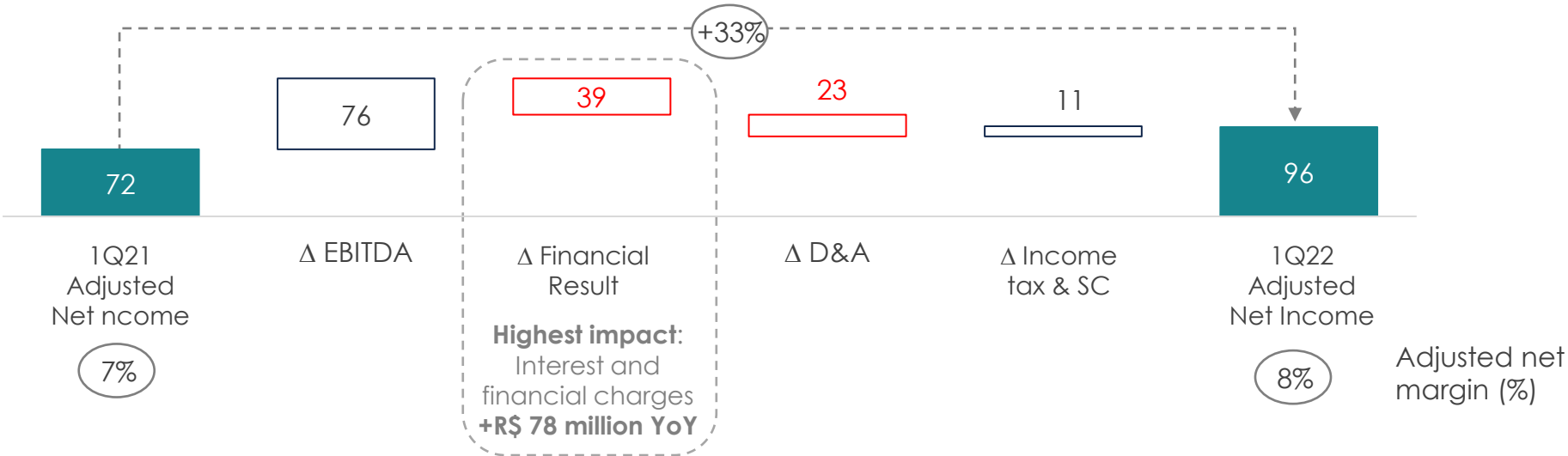
(1) Adjusted EBITDA by non-recurring effects.

ADJUSTED NET INCOME INCREASES BY 33% VS 1Q21

Reported Net Income
(R\$ million)



Adjusted Net Income
(R\$ million)



R\$ 1.7 billion

Cash and cash equivalents

R\$ 2.4 billion

Net Debt ex-IFRS

1.7x

Net Debt/EBITDA ⁽¹⁾



(1) Net debt excluding leasing (ex-IFRS 16)/EBITDA adjusted by non-recurring items (LTM, including IFRS 16)

CASH FLOW AND CAPEX

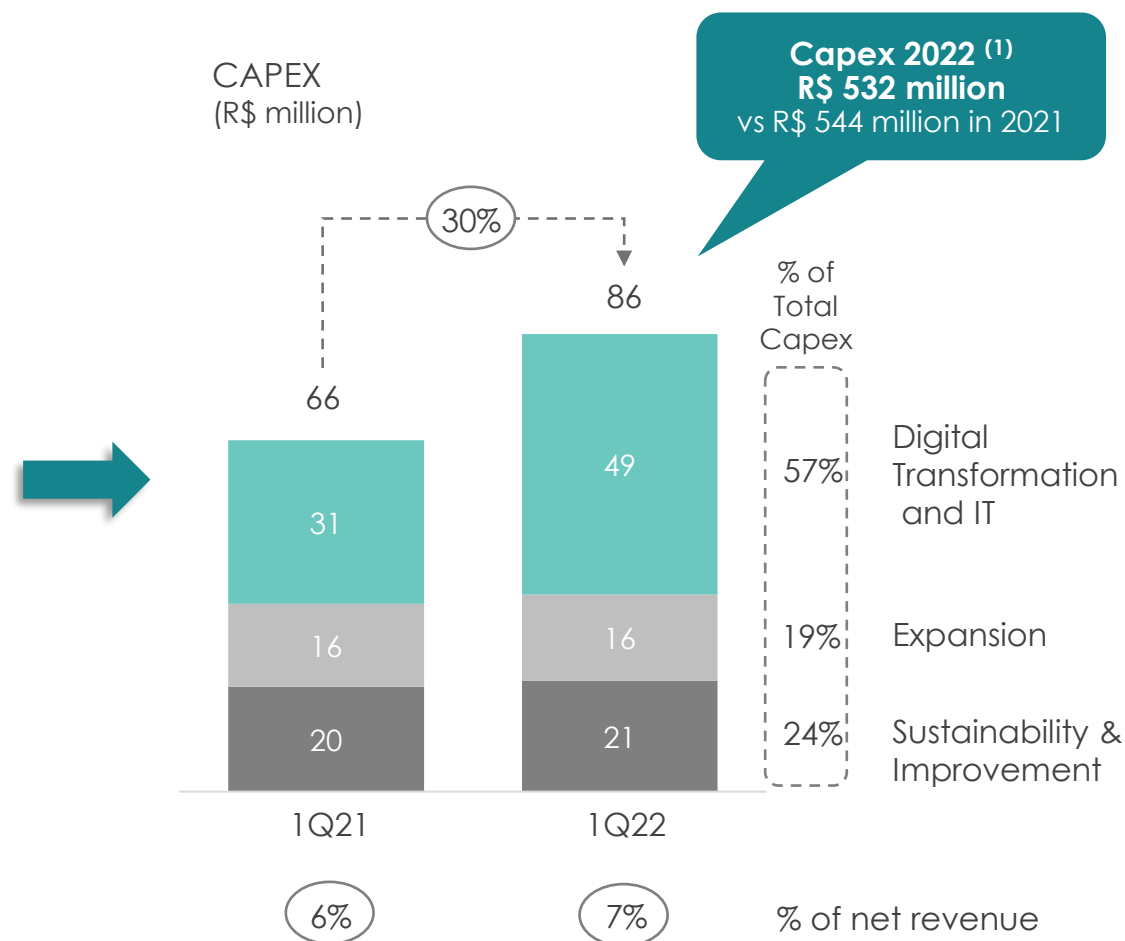
R\$ million	1Q21	1Q22	Δ%
Adjusted EBITDA ex IFRS 16	240	314	31%
Working capital variation	(28)	(29)	4%
Taxes (IT/SC)	(11)	(9)	-22%
Operating Cash Flow	200	276	38%
Capex	(66)	(86)	30%
Free Cash Flow	134	190	42%
Cash Conversion⁽²⁾	84%	88%	4 p.p.



Buyback Program YTD ⁽³⁾

5.1 million shares
(Up to 20.5 million approved)

R\$ 100.3 million spent on the program



(1) As approved at the OGM of 04.28.2022.

(2) Operating cash flow/Adjusted EBITDA ex-IFRS16

(3) As of 05.11.2022.

1Q22 Results

Student Base ⁽¹⁾ +16% vs 1Q21

Digital ⁽¹⁾ +25% vs 1Q21

Premium +10% vs 1Q21

On-campus +3% vs 1Q21

Net revenue ⁽²⁾ +10% vs 1Q21

Digital +28% vs 1Q21

Premium +25% vs 1Q21

On-campus -5% vs 1Q21

Adjusted EBITDA ⁽²⁾ +23% vs 1Q21

Digital +25% vs 1Q21

Premium +17% vs 1Q21

On-campus +28% vs 1Q21

EBITDA margin ⁽²⁾ 34% (+4 p.p. vs 1Q21)

YDUQS in 2022

7.2-7.4 thousand

Undergraduate medicine
student base

2,500

Total DL centers

3.2-3.4 thousand

Students/campus

Capex
R\$532 million
(Long term at 7-8% of
Net Revenue)



(1) DL's student base excluding Qconcursos's student base.

(2) Net revenue adjusted by the effects of laws and court decisions (1Q21) | EBITDA adjusted by non-recurring effects.

YDUQS

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