

# YDUQS

## EARNINGS RELEASE 1Q23

May 9<sup>th</sup>, 2023

**YDUQ**  
B3 LISTED NM  
**IBRX100 B3**

**ITAG B3**  
**IGC B3**  
**ICO2 B3**



# DISCLAIMER

# YDUQ3

Rio de Janeiro, May 9<sup>th</sup>, 2023 - **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 2023 (1Q23)**.

The Company's financial information is presented based on the 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).

This document may have forward looking statements that are subject to risks and uncertainties that 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.

## EARNINGS CONFERENCE

May 10<sup>th</sup>, 2023, | 9:00 a.m. (BRT) Portuguese with simultaneous translation to English

[Click here for the Webinar](#)

Videoconference in English May 10<sup>th</sup>, 2023, | 11:00 a.m. (BRT)

[Click for the Webinar](#)

## IR CONTACT

[ri@yduqs.com.br](mailto:ri@yduqs.com.br)

Visit our website: <https://www.yduqs.com.br>

# MESSAGE FROM THE MANAGEMENT

Enhanced confidence and purchase power of income classes C and D led to significant and immediate gains in Yduqs's performance. A slight improvement in the domestic scenario had great impact on the Company. This message reinforces what we achieved in the first quarter of 2023. We have an incredibly positive expectation for the months ahead, especially when the economic recovery is consolidated.

Strong intake in DL - with more than 500 thousand students in the period - the higher prices in the on-campus segment and consistent 2-digit growth in the Premium segment led us to the highest quarterly EBITDA in our history. As we have been repeatedly announcing, our results are very resilient during moments of crisis due to our diversified portfolio, and they have improved substantially during the economic recovery, thanks to our operating leverage. Moreover, our fastest-growing business units are those with higher margin, creating a positive impact related to a better mix.

Over the last five years, our revenue has been increasing, our EBITDA margin has always stood above 30% and our shareholders received dividends and buybacks every year. Now, it is time to speed things up. In three of the last five quarters, we recorded the highest EBITDA in our history. In 4Q22, we recorded a 19% YoY increase, and a 21% YoY upturn in 1Q23. We already announced a 2-digit growth guidance for 2Q23. Our net income increased by more than R\$70 million in the quarter (+5 p.p. margin).

A traditional strength of our business, free cash flow, which exceeded half a billion Reais in 2022, stood at R\$260 million in the first quarter alone. Just as important, cash generation for shareholders was R\$109 million, almost R\$30 million higher than in 1Q22. As a result, our leverage ratio went from 1.96x in 2022 to 1.74x now. Our next debt instrument matures only in 2024.

We cannot disconnect these movements from our academic quality. In the first quarter, our institutions were rated 4 or 5 in all MEC re-accreditation processes. We have innovated in terms of assessments and, using our national scale and data, we already offer our faculty and students more intelligence and support.

At the end of last month, we held the second edition of the [Yduqs ESG Forum](#), where we reaffirmed our commitment to the success of each and every one of our students in their life projects, whatever they are. During the Forum, we released our 2022 [Sustainability Report](#), with detailed information on our 24 public ESG commitments, now audited by PWC.

We remain energized and confident. We would like to thank you for your support and trust. The outlook is as good, and we are proud of everything we have built together.

**Eduardo Parente**  
CEO



# HIGHLIGHTS | 1Q23

1Q23

Vs.  
1Q22

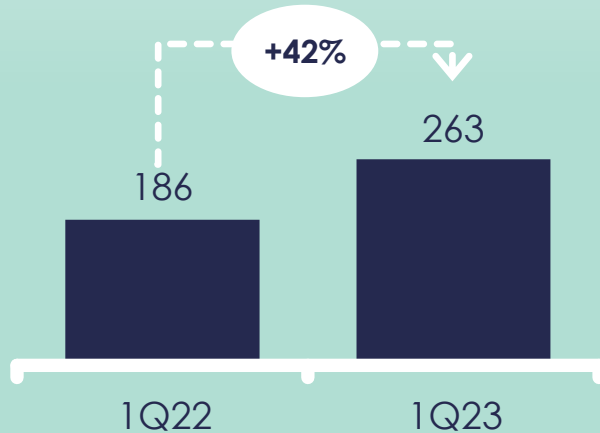
**Net Revenue** +10%

**EBITDA** +21%

**EBITDA Margin** +3 p.p.

**Net Income** R\$149 MM

**Free Cash Flow Firm**  
(R\$ million)



**Free Cash Flow to Equity (FCFE)**  
**at R\$109MM** (+37% vs. 1Q22)

## Premium

**+15%** vs. 1Q22  
Total student base

**+23%** vs. 1Q22  
Net Revenue

**+21%** vs. 1Q22  
Adjusted EBITDA

## Digital

**+20%** vs. 1Q22  
Undergraduate Intake

**+23%** vs. 1Q22  
Net Revenue

**+41%** vs. 1Q22  
Adjusted EBITDA

## On-campus

**+14%** vs. 1H21  
Undergraduate Intake

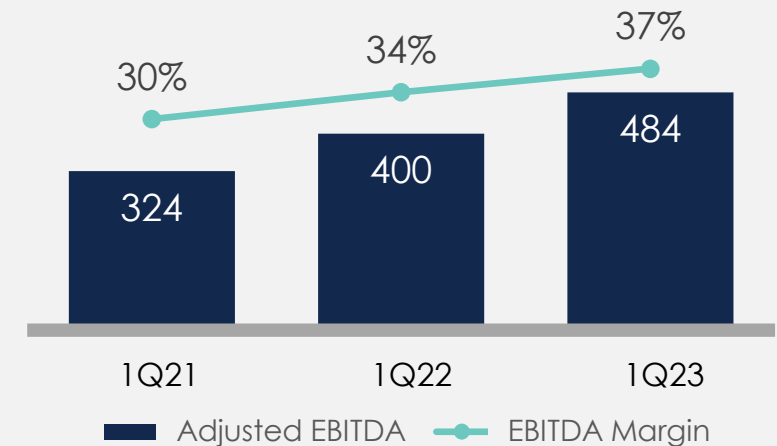
**+6%** vs. 1Q22  
Average Ticket  
Upperclassmen

**+1 p.p.** vs. 1Q22  
EBITDA Margin

## Record EBITDA and Guidance achieved

 **1.74x** Leverage

 **500K + students** in  
Digital Learning  
undergraduate



# OPERATIONAL DATA

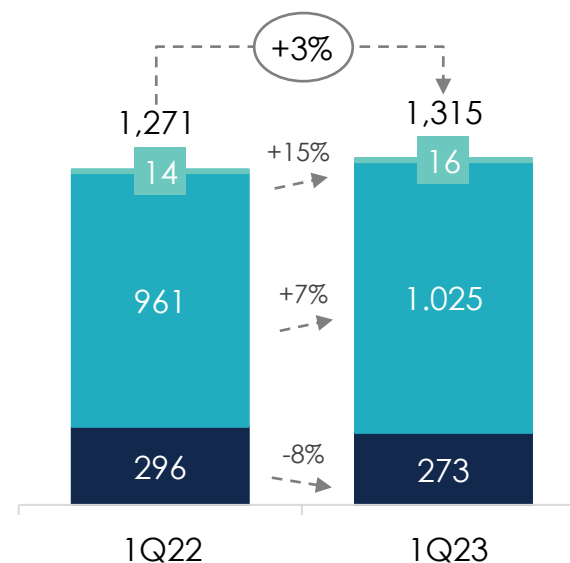


# STUDENT BASE: Overview

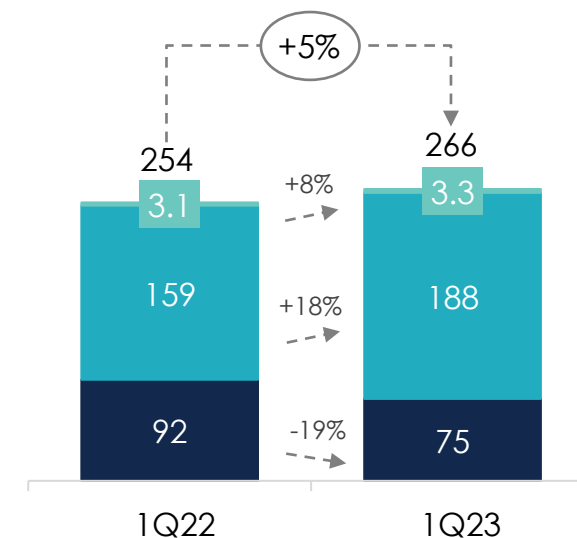
Total (thousand students)	1Q22	1Q23	Δ %
<b>Total Base</b>	<b>1,271.0</b>	<b>1,314.5</b>	<b>3.4%</b>
On-campus	296.0	273.1	-7.7%
Digital Learning <sup>(1)</sup>	961.2	1,025.4	6.7%
Premium	13.9	16.0	15.1%
FIES	14.7	10.9	-25.9%
DIS	420.8	429.7	2.1%
On-campus	143.7	132.3	-7.9%
100% online	233.1	250.9	7.7%
Flex	44.1	46.5	5.4%
PAR	3.3	2.0	-40.6%
Campi (ex-shared) <sup>(2)</sup>	106	103	-2.8%
On-campus	90	87	-3.3%
Premium	21	21	0.0%
Shared with on-campus	5	5	0.0%
DL Centers	2,059	2,391	16.1%
<b>Total Intake (Thousand students)</b>	<b>254.1</b>	<b>266.1</b>	<b>4.8%</b>
Premium	3.1	3.3	7.7%
Digital Learning	158.9	188.0	18.3%
On-campus	92.1	74.8	-18.8%

● Premium ● Digital Learning <sup>(1)</sup> ● On-campus

Total Student base  
(Thousand students)



Intake Undergraduate  
(Thousand students)



(1) Base Includes Qconcurros, for more details click here.

(2) It considers campi with individual management, that is, if there are 2 campi nearby or with complementary, which have the same management, it is considered only on campus.

# BUSINESS UNIT: Premium

Student base (thousand students)	1Q22	1Q23	Δ %
<b>Total Premium</b>	<b>13.9</b>	<b>16.0</b>	<b>15.1%</b>
<b>Medicine</b>	<b>7.5</b>	<b>8.5</b>	<b>13.6%</b>
Undergraduate	7.1	8.1	14.2%
FIES	0.9	0.9	-3.3%
Graduate	0.4	0.4	1.1%
<b>IBMEC</b>	<b>6.4</b>	<b>7.5</b>	<b>16.9%</b>
Undergraduate	5.2	5.7	8.7%
FIES	0.2	0.1	-29.6%
Graduate	1.2	1.8	52.4%

Intake (thousand students)	1Q22	1Q23	Δ %
<b>Total Undergraduate</b>	<b>3.1</b>	<b>3.3</b>	<b>7.7%</b>
Medicine Undergraduate	1.6	1.5	-7.7%
IBMEC Undergraduate	1.5	1.8	24.5%

Average Ticket <sup>(1)</sup> (R\$/month)	1Q22	1Q23	Δ %
Medicine Undergraduate	9,610	10,239	6.5%
IBMEC Undergraduate	2,963	3,252	9.8%

AT of Upperclassmen <sup>(2)</sup> (R\$/month)	1Q22	1Q23	Δ %
Medicine Undergraduate	9,538	10,597	11.1%
IBMEC Undergraduate	2,960	3,313	11.9%

The **Premium** segment ended 1Q23 with robust results, closing the period with **16.0 thousand students (+15.1% vs. 1Q22)**.

The **Medicine undergraduate** segment continues recording strong growth, ending 1Q23 with **8.1 thousand students (+14.2% vs. 1Q22)**, due to a better renewal rate (+1.3 p.p. vs 1Q22) and the courses' maturation. Intake for Medicine undergraduate segment was down by 7.7% vs. 1Q22, stemming from a larger volume of students coming from transfer from other universities ("TE") in 1Q22. Excluding these students ("TE"), the intake has grown 6% vs. 1Q22.

For 2023, the Company **expects the approval of 130-160 additional Medicine seats**, of which 53 were already approved in April for the Alagoinhas unit (BA), which will be part of the 2S23 intake cycle.

The **Medicine undergraduate average ticket** ended the quarter at R\$10,239/month, **up by 6.5% vs. 1Q22**, due to higher intake prices compared to the same period in the previous year, coupled with an average 11.1% YoY readjustment in the average ticket for upperclassmen for more than one year, and the effect from the student base mix, with more *Mais Médicos* units, which have lower tickets.

In 1Q23, **IBMEC** total student base **strongly increased by 16.9% vs. 1Q22**, due to the **significant increase in intake (+24.5% vs. 1Q22)**, mainly in São Paulo where we opened a new unit (Faria Lima), in addition to the good performance of graduate programs. São Paulo represented more than 50% of the total intake in the period.

**IBMEC undergraduate average ticket increased by 9.8% vs. 1Q22**, totaling R\$3,252/month, a result of higher intake and the combination of the increase in both for intake and upperclassmen for over one year (+11.9% vs. 1Q22).

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.



# BUSINESS UNIT: Digital Learning

Student base (thousand students)	1Q22	1Q23	Δ %
<b>Total Digital Learning</b>	<b>961.2</b>	<b>1,025.4</b>	<b>6.7%</b>
<b>Undergraduate</b>	<b>468.9</b>	<b>509.9</b>	<b>8.7%</b>
100% online	396.9	432.9	9.1%
Flex	72.0	77.1	7.0%
<b>Lifelong</b>	<b>492.2</b>	<b>515.5</b>	<b>4.7%</b>
Qconcursos	438.3	461.8	5.4%
<b>Digital Learning (ex-Qconcursos)</b>	<b>522.9</b>	<b>563.7</b>	<b>7.8%</b>

Intake (thousand students)	1Q22	1Q23	Δ %
<b>Total Undergraduate</b>	<b>158.9</b>	<b>188.0</b>	<b>18.3%</b>
100% online Undergraduate	128.3	160.2	24.9%
Flex Undergraduate	30.6	27.8	-9.2%

Average Ticket <sup>(1)</sup> (R\$/month)	1Q22	1Q23	Δ %
<b>Total Undergraduate</b>	<b>225</b>	<b>259</b>	<b>15.1%</b>
100% online Undergraduate	195	227	16.1%
Flex Undergraduate	389	441	13.3%

AT of Upperclassmen <sup>(2)</sup> (R\$/month)	1Q22	1Q23	Δ %
Total Undergraduate	237	245	3.2%

In 1Q23, **we reached the milestone of more than 1 million students in the Digital Learning** segment, which includes Lifelong Learning, **a 6.7% increase vs. 1Q22**, due to the good performance of undergraduate programs and Qconcursos.

After two quarters posting decreases in student base, **Digital Learning undergraduate** segment resumed its growth and **came to 509.9 thousand students (+8.7% vs. 1Q22)**, due to the significant **increase in intake in the period (+18.3% vs. 1Q22)** combined with the good performance of renewal (+2 p.p. vs. 1Q22).

**Digital learning undergraduate average ticket increased by 15.1%** vs. 1Q22, amounting to R\$259/month, stemming from higher intake via DIS and price increase both for intake and upperclassmen for over one year (+3.2% vs. 1Q22).

The **Lifelong Learning** segment ended the quarter with 515.5 thousand students (+4.7% vs. 1Q22), due to the increase in paying students (+5.4% 1Q22) from Qconcursos, mainly arising from the resumption of the public service exams market.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.



# BUSINESS UNIT: On-campus

Student base (thousand students)	1Q22	1Q23	Δ %
<b>Total On-campus</b>	<b>296.0</b>	<b>273.1</b>	<b>-7.7%</b>
<b>Undergraduate</b>	<b>291.9</b>	<b>270.2</b>	<b>-7.4%</b>
On-campus	260.3	230.2	-11.5%
FIES	13.5	9.8	-27.4%
Semi on-campus	31.7	40.0	26.3%
<b>Masters/Doctorate and others</b>	<b>4.1</b>	<b>2.9</b>	<b>-28.1%</b>

Intake (thousand students)	1Q22	1Q23	Δ %
<b>Total Undergraduate</b>	<b>92.1</b>	<b>74.8</b>	<b>-18.8%</b>
On-campus	73.8	56.0	-24.1%
Semi on-campus	18.3	18.8	2.9%

Average Ticket <sup>(1)</sup> (R\$/month)	1Q22	1Q23	Δ %
<b>Total Undergraduate</b>	<b>632</b>	<b>655</b>	<b>3.7%</b>
On-campus undergraduate	650	679	4.4%
Semi On-campus undergraduate	483	519	7.4%

AT of Upperclassmen <sup>(2)</sup> (R\$/month)	1Q22	1Q23	Δ %
On-campus undergraduate	690	732	6.0%

The **On-Campus** segment ended 1Q23 with 273.1 thousand students, down by 7.7% vs. 1Q22, mainly stemming from the low intake cycle for the segment, as explained below.

**Total undergraduate** segment ended the quarter down by 7.4% vs. 1Q22, with 270.2 thousand students, due to the low intake performance (-18.8% vs. 1Q22). It is important to mention that, despite the decrease compared to 1Q22 – quarter when we reached record post-pandemic intake figures – total intake was 29% higher in 1Q23 than in 1Q21.

On the other hand, the 26.3% vs. 1Q22 increase in the **Semi on-campus undergraduate** segment, which combines the digital and on-campus segments and has been gaining share in our student base, coupled with a better renewal rate (+1 p.p. vs. 1Q22), largely offset the reduction in total undergraduate student base.

The **On-Campus undergraduate average ticket** ended the quarter at R\$679/month, up by 4.4% vs. 1Q22, due to the combination of price increase both for intake and upperclassmen for more than one year (+6.0% vs. 1Q22).

In turn, **Semi on-campus undergraduate average ticket** was up by 7.4% vs. 1Q22, amounting to R\$519/month, due to a better intake cycle (+2.9% vs. 1Q22) and the courses' better pricing.

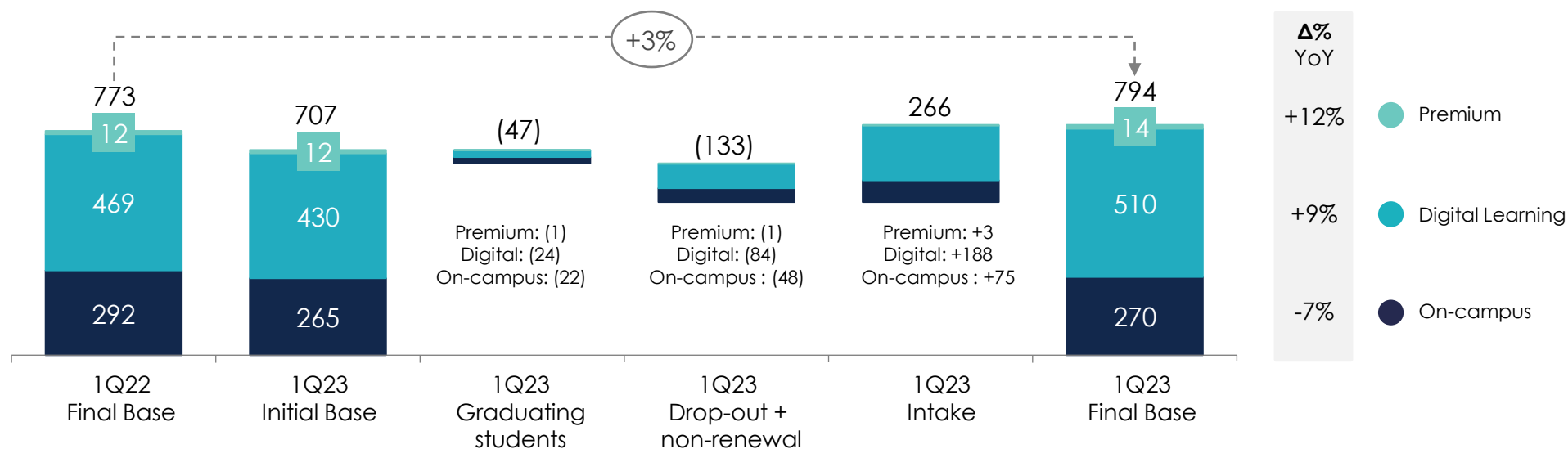
(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.

# CHANGES IN THE UNDERGRADUATE BASE 1Q23

1Q23

	Final base 1Q22	Initial base 1Q23	Graduating students 1Q23	Drop-out + non- renewal 1Q23	Intake 1Q23	Final base 1Q23	Δ % 1Q23 vs. 1Q22
		In thousand % <sup>(1)</sup>	In thousand % <sup>(1)</sup>	In thousand % <sup>(1)</sup>	In thousand % <sup>(1)</sup>		
<b>Undergraduate</b>	<b>773</b>	<b>707</b> <b>100%</b>	<b>(47)</b> <b>7%</b>	<b>(133)</b> <b>19%</b>	<b>266</b> <b>38%</b>	<b>794</b>	<b>3%</b>
<b>Premium</b>	<b>12</b>	<b>12</b> <b>2%</b>	<b>(1)</b> <b>7%</b>	<b>(1)</b> <b>9%</b>	<b>3</b> <b>27%</b>	<b>14</b>	<b>12%</b>
Medicine	7	8 1%	(0) 5%	(1) 7%	1 20%	8	14%
IBMEC	5	5 1%	(0) 10%	(1) 12%	2 38%	6	9%
<b>Digital Learning</b>	<b>469</b>	<b>430</b> <b>61%</b>	<b>(24)</b> <b>6%</b>	<b>(84)</b> <b>20%</b>	<b>188</b> <b>44%</b>	<b>510</b>	<b>9%</b>
100% Online	397	364 51%	(23) 6%	(68) 19%	160 44%	433	9%
Flex	72	66 9%	(1) 1%	(16) 24%	28 42%	77	7%
<b>On-campus</b>	<b>292</b>	<b>265</b> <b>37%</b>	<b>(22)</b> <b>8%</b>	<b>(48)</b> <b>18%</b>	<b>75</b> <b>28%</b>	<b>270</b>	<b>-7%</b>
On-campus	260	234 33%	(21) 9%	(39) 17%	56 24%	230	-12%
Semi on-campus	32	31 4%	(1) 4%	(8) 27%	19 61%	40	26%



(1) Percentage of the initial base.

# FINANCIAL DATA



# INCOME STATEMENT

1Q23

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	1Q22	1Q23	Δ %	1Q22	1Q23	Δ %	1Q22	1Q23	Δ %	1Q22	1Q23	Δ %
<b>Gross Revenue</b>	<b>2,454.3</b>	<b>2,673.8</b>	<b>8.9%</b>	<b>306.9</b>	<b>383.6</b>	<b>25.0%</b>	<b>813.3</b>	<b>920.8</b>	<b>13.2%</b>	<b>1,334.0</b>	<b>1,369.4</b>	<b>2.7%</b>
Monthly tuition fees and others	2,454.3	2,673.8	8.9%	306.9	383.6	25.0%	813.3	920.8	13.2%	1,334.0	1,369.4	2.7%
Deductions from gross revenue	(1,261.3)	(1,360.5)	7.9%	(44.6)	(61.5)	38.1%	(442.4)	(466.3)	5.4%	(774.2)	(832.6)	7.5%
<b>Net Revenue</b>	<b>1,193.0</b>	<b>1,313.3</b>	<b>10.1%</b>	<b>262.4</b>	<b>322.0</b>	<b>22.7%</b>	<b>370.8</b>	<b>454.5</b>	<b>22.6%</b>	<b>559.8</b>	<b>536.8</b>	<b>-4.1%</b>
Cost of Services	(465.7)	(479.5)	3.0%	(96.3)	(119.1)	23.7%	(70.8)	(77.2)	9.1%	(298.8)	(283.2)	-5.2%
<b>Gross Profit</b>	<b>727.3</b>	<b>833.8</b>	<b>14.7%</b>	<b>166.1</b>	<b>202.9</b>	<b>22.2%</b>	<b>300.0</b>	<b>377.3</b>	<b>25.8%</b>	<b>260.9</b>	<b>253.6</b>	<b>-2.8%</b>
Gross margin (%)	61.0%	63.5%	2.5 p.p.	63.3%	63.0%	-0.3 p.p.	80.9%	83.0%	2.1 p.p.	46.6%	47.2%	0.6 p.p.
Selling Expenses	(270.6)	(257.5)	-4.8%	(18.3)	(18.4)	0.5%	(108.2)	(118.3)	9.3%	(144.0)	(120.8)	-16.1%
G&A Expenses	(240.9)	(292.2)	21.3%	(48.2)	(69.4)	44.0%	(81.5)	(95.6)	17.4%	(111.2)	(127.1)	14.3%
Other operating revenue/ expenses	3.8	25.1	553.4%	0.4	6.1	1489.9%	1.5	9.7	529.9%	1.9	9.3	384.3%
(+) Depreciation and amortization	176.6	185.1	4.8%	30.0	41.1	36.9%	27.7	33.2	19.9%	119.0	110.9	-6.8%
<b>EBITDA</b>	<b>396.2</b>	<b>494.4</b>	<b>24.8%</b>	<b>129.9</b>	<b>162.3</b>	<b>24.9%</b>	<b>139.6</b>	<b>206.2</b>	<b>47.8%</b>	<b>126.7</b>	<b>125.9</b>	<b>-0.7%</b>
EBITDA margin (%)	33.2%	37.6%	4.4 p.p.	49.5%	50.4%	0.9 p.p.	37.6%	45.4%	7.7 p.p.	22.6%	23.4%	0.8 p.p.
Financial result	(144.3)	(171.8)	19.1%	-	-	-	-	-	-	-	-	-
Depreciation and amortization	(176.6)	(185.1)	4.8%	-	-	-	-	-	-	-	-	-
Income tax	0.6	8.8	1,304.0%	-	-	-	-	-	-	-	-	-
Social contribution	0.1	3.2	2,576.5%	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>76.0</b>	<b>149.5</b>	<b>96.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net margin (%)	6.4%	11.4%	5.0 p.p.	-	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>400.4</b>	<b>484.4</b>	<b>21.0%</b>	<b>130.3</b>	<b>158.2</b>	<b>21.5%</b>	<b>140.1</b>	<b>197.4</b>	<b>40.8%</b>	<b>130.0</b>	<b>128.8</b>	<b>-0.9%</b>
Adjusted EBITDA margin (%)	33.6%	36.9%	3.3 p.p.	49.7%	49.1%	-0.5 p.p.	37.8%	43.4%	5.6 p.p.	23.2%	24.0%	0.8 p.p.
<b>Adjusted Net Income <sup>(2)</sup></b>	<b>96.1</b>	<b>155.9</b>	<b>62.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Adjusted Net Income margin (%)	8.1%	11.9%	3.8 p.p.	-	-	-	-	-	-	-	-	-

(1) Adjusted EBITDA for non-recurring items, for more details [click here](#).  
(2) Adjusted Net income for non-recurring items, for more details [click here](#).

# NET REVENUE (1/2)

(R\$ million)	1Q22	1Q23	Δ %
<b>Gross Revenue</b>	<b>2,454.3</b>	<b>2,673.8</b>	<b>8.9%</b>
Monthly tuition fees	2,418.1	2,626.3	8.6%
Other	36.2	47.5	31.2%
<b>Deductions from Gross Revenue</b>	<b>(1,261.3)</b>	<b>(1,360.5)</b>	<b>7.9%</b>
Discounts and scholarships	(1,210.4)	(1,292.4)	6.8%
Taxes	(42.1)	(46.8)	11.2%
AVP and other deductions	(8.8)	(21.2)	140.5%
<b>Net Revenue</b>	<b>1,193.0</b>	<b>1,313.3</b>	<b>10.1%</b>
Premium	262.4	322.0	22.7%
Medicine	206.2	257.0	24.7%
IBMEC	56.2	65.0	15.7%
Digital Learning	370.8	454.5	22.6%
100% Online	232.8	294.7	26.6%
FLEX	84.1	102.0	21.3%
Lifelong	54.0	57.8	7.0%
On-campus	559.8	536.8	-4.1%
On-campus	513.9	474.6	-7.7%
Semi on-campus	45.9	62.2	35.6%
<b>DIS Net Revenue</b>	<b>183.5</b>	<b>239.1</b>	<b>30.3%</b>
Digital undergraduate	84.6	135.1	59.7%
On-campus undergraduate	98.8	104.0	5.2%

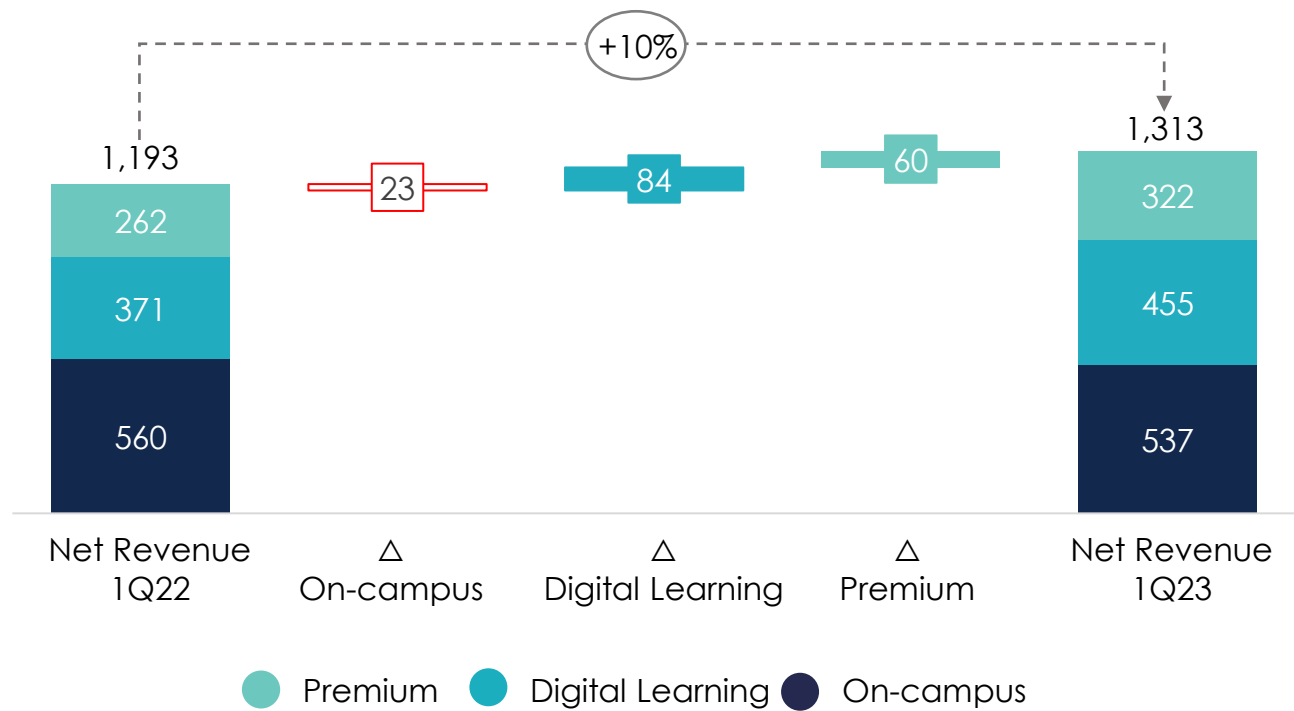
In 1Q23, the company's **net revenue** was up by 10.1% 1Q22 (+R\$120.4 million vs. 1Q22). The main changes per segment in the period are presented below:

- **Premium Segment:** up by R\$59.7 million vs. 1Q22, driven by the following factors: (i) the strong growth in Medicine undergraduate student base (+14.2% vs. 1Q22) chiefly stemming from the courses' maturation; (ii) increase in IBMEC's undergraduate student base (+8.7% vs. 1Q22), related to the strong intake cycle (+24.5% vs. 1Q22), boosted by the opening of a new unit in São Paulo; (iii) price increase for upperclassmen for more than one year in the Medicine undergraduate segment and IBMEC; and (iv) merger of Hardwork.
- **Digital Learning Segment:** R\$83.7 million upturn vs. 1Q22, due to: (i) strong increase in intake (+18.3% vs. 1Q22); (ii) student base maturation; and (iii) price increase for both intake and upperclassmen for more than one year.
- **On-Campus Segment:** R\$23.0 million vs. 1Q22 decrease arising from a weaker intake cycle versus 1Q22. On the other hand, renewal rate increased coupled with price increase both for intake and upperclassmen for more than one year, partially offsetting the decrease in intake.

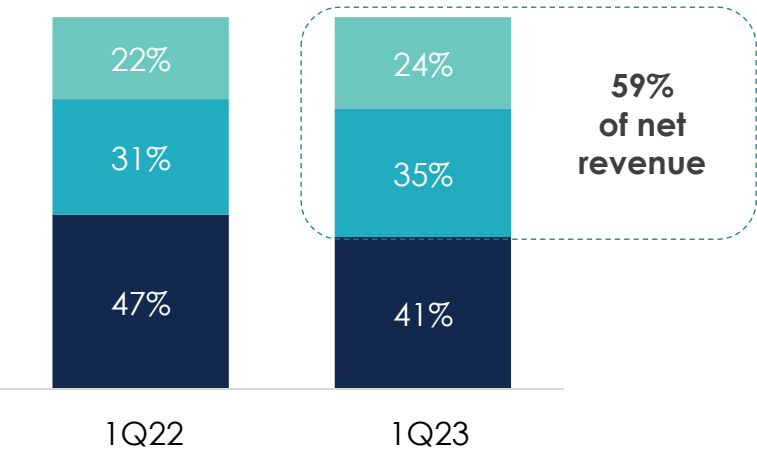
In 1Q23, the **Premium and Digital Learning segments accounted for 59% of the company's total net revenue**, up by 6 p.p. YoY.



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



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



# COST OF SERVICES AND GROSS PROFIT (1/2)

(R\$ million)	1Q22	1Q23	Δ %
<b>Cost of Services</b>	<b>(465.7)</b>	<b>(479.5)</b>	<b>3.0%</b>
Personnel	(267.7)	(276.3)	3.2%
Rent, Municipal Property Tax and Others	(10.6)	(14.1)	32.0%
Rent	(85.0)	(81.6)	-4.0%
Leasing - right of use of properties (IFRS-16)	84.6	84.3	-0.4%
Other	(10.3)	(16.6)	62.1%
Transfer to Centers (Revenue share)	(45.6)	(55.3)	21.2%
Third-party services	(16.3)	(15.0)	-8.3%
Utilities	(11.9)	(10.1)	-14.9%
Other costs	(3.2)	(1.6)	-49.4%
Depreciation and amortization	(110.4)	(107.1)	-2.9%
Leasing - right of use of properties	(62.0)	(62.0)	0.0%
Systems, apps and Software	(1.9)	(2.2)	19.7%
Improvement to third-party assets	(23.3)	(20.1)	-13.6%
IT equipment	(3.1)	(3.1)	0.7%
Machinery and equipment	(3.0)	(3.0)	-0.2%
Other D&A costs	(17.1)	(16.6)	-2.5%
<b>Gross profit</b>	<b>727.3</b>	<b>833.8</b>	<b>14.7%</b>
Gross margin (%)	61.0%	63.5%	2.5 p.p.
<b>Adjusted Cost of Services (ex-D&amp;A) <sup>(1)</sup></b>	<b>(354.3)</b>	<b>(367.6)</b>	<b>3.8%</b>
Premium	(78.5)	(94.5)	20.4%
Digital Learning	(64.8)	(69.7)	7.6%
On-campus	(211.1)	(203.3)	-3.7%
<b>Adjusted Cost of Personnel <sup>(1)</sup></b>	<b>(266.6)</b>	<b>(271.5)</b>	<b>1.8%</b>

In 1Q23, **cost of services** increased by 3.0% vs. 1Q22 (+R\$13.8 million vs. 1Q22), mainly due to higher personnel costs and transfers to partner centers. The main changes in the period are explained below:

- Personnel costs: up by R\$8.6 million vs. 1Q22, arising from the increase in the Premium segment due to the maturation of medicine courses. In turn, Digital Learning and On-Campus segments remain with a better operating performance. Excluding the R\$4.8 million non-recurring effect in 1Q23, related to the operating research (OR), adjusted personnel costs increased by R\$4.9 million vs. 1Q22.
- Rent and municipal property taxes: up by R\$3.4 million vs. 1Q22, mainly due to the provisioning for a municipal property tax (IPTU) lawsuit at one of our units.
- Transfer to centers: up by R\$9.7 million vs. 1Q22 from the increase in net revenue related to better intake and collection performance.
- Third-party services (security and cleaning), utilities and other costs: down by R\$4.7 million vs. 1Q22, arising from a better performance of the On-Campus segment due to a reduction in the units' physical spaces and less electricity consumption leading to a reduction in energy bill compared to 2022.

(1) Adjusted by non-recurring items, for more detail [click here](#).

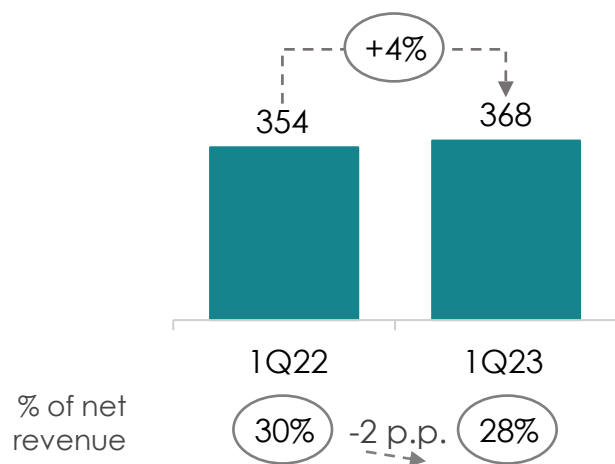


# COST OF SERVICES AND GROSS PROFIT (2/2)

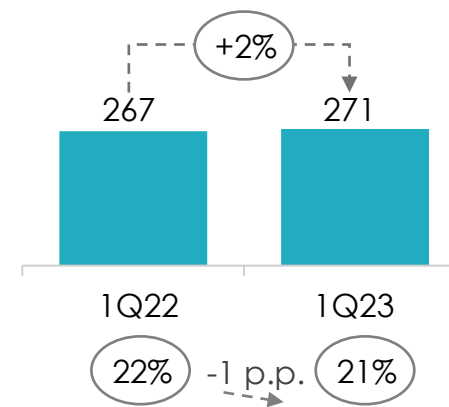
- Cost of services (ex-D&A) was impacted by non-recurring effects related to the operating research (OR) amounting to R\$4.8 million in 1Q23. Excluding said effect, **adjusted cost of services (ex-D&A)** was up by R\$13.3 million vs. 1Q22, representing 28% of the company's total net revenue in the quarter, down by 2 p.p. vs. 1Q22.

In 1Q23, **gross profit** increased by 14.7% vs. 1Q22 and gross margin stood at 63.5% (+2.5 p.p. vs. 1Q22), due to the Premium and Digital Learning segments' robust revenue growth and the company's efforts to control costs, especially in the On-Campus segment.

Adjusted cost of services (ex-D&A) <sup>(1)</sup>  
(R\$ million)



Adjusted Cost of Personnel <sup>(1)</sup>  
(R\$ million)



(1) Adjusted by non-recurring items, for more detail [click here](#).

# SELLING EXPENSES (1/2)

(R\$ million)	1Q22	1Q23	Δ %
<b>Selling Expenses</b>	<b>(270.6)</b>	<b>(257.5)</b>	<b>-4.8%</b>
Bad Debt	(128.9)	(128.2)	-0.5%
Out-of-pocket	(74.3)	(72.6)	-2.2%
PAR <sup>(1)</sup>	(7.0)	(0.2)	-97.1%
DIS <sup>(1)</sup>	(47.6)	(55.4)	16.4%
Sales and Marketing (M&S)	(141.7)	(129.3)	-8.8%
Advertising	(111.9)	(104.2)	-6.9%
Other	(29.8)	(25.1)	-15.9%
<b>Bad Debt</b>	<b>(128.9)</b>	<b>(128.2)</b>	<b>-0.5%</b>
% of net revenue	10.8%	9.8%	-1.0 p.p.
<b>Descontos Concedidos</b>	<b>(31.1)</b>	<b>(19.9)</b>	<b>-36.1%</b>
<b>Bad Debt + Discounts</b>	<b>(160.0)</b>	<b>(148.1)</b>	<b>-7.4%</b>
% of net revenue	13.4%	11.3%	-2.1 p.p.
<b>Bad Debt by BU</b>	<b>(128.9)</b>	<b>(128.2)</b>	<b>-0.5%</b>
Premium	(10.1)	(8.8)	-13.3%
Digital Learning	(54.7)	(63.4)	15.9%
On-campus	(64.0)	(56.1)	-12.3%
<b>Sales and Marketing by BU</b>	<b>(141.7)</b>	<b>(129.3)</b>	<b>-8.8%</b>
Premium	(8.2)	(9.7)	17.1%
Digital Learning	(53.5)	(54.8)	2.6%
On-campus	(80.0)	(64.8)	-19.0%

In 1Q23, **selling expenses** were down by 4.8% vs. 1Q22, due to a reduction in sales and marketing expenses (-8.8% vs. 1Q22). The main changes in selling expenses in period are presented below:

**Bad debt expenses** were stable compared to 1Q22 (-0.5%), chiefly due to:

- Premium Segment: R\$1.3 million reduction vs. 1Q22, related to a better renewal rate, especially in Medicine, and consequently debt renegotiation.
- Digital Learning Segment: R\$8.7 million increase vs. 1Q22, mainly due to a better intake cycle compared to the previous year, in addition to a stronger adhesion to DIS(2), which has a 15% provisioning on receivables.
- On-Campus Segment: R\$7.9 million drop vs. 1Q22 from a smaller intake volume and a lower delinquency rate in the student base.

**Sales and marketing expenses (M&S)** were down by R\$12.5 million vs. 1Q22, as a result of the greater efficiency of our campaigns and impacted by the reclassification of call center expenses, which, as of 2023, are recorded in the "third-party services, software maintenance and others" line in G&A.

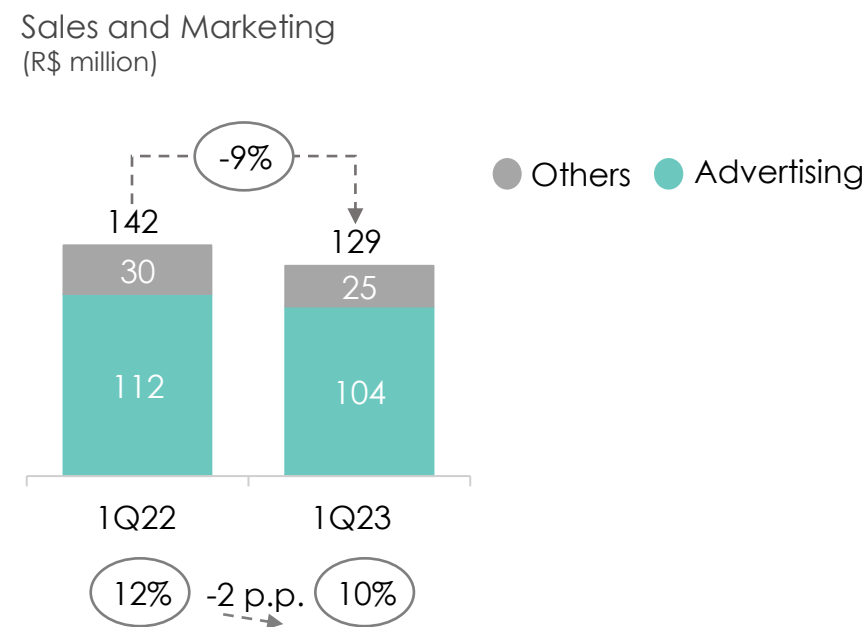
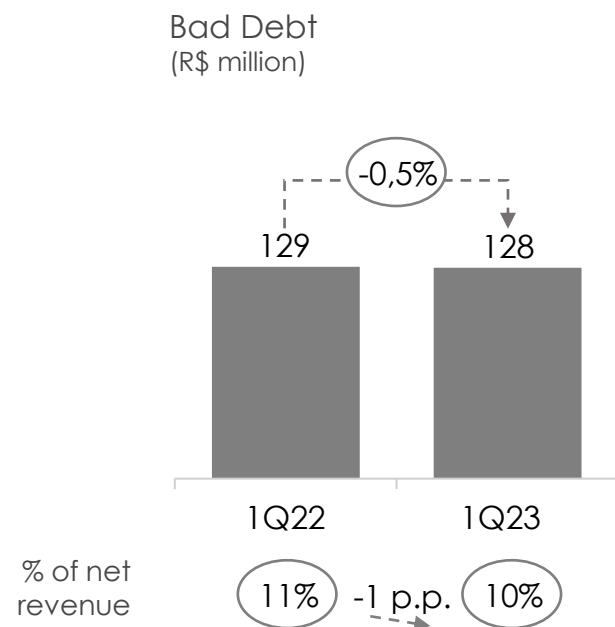
(1) Considers Bad Debt Drop-out and non-renewal.

(2) The DIS (Solidarity Dilution) is a payment modality in the amount of R\$49.00 in the first monthly fees, and the dilution of the difference for the full amount of the fees until the end of the course.

# SELLING EXPENSES (2/2)

1Q23

Considering the same allocation criteria for these expenses in 1Q22, in the amount of R\$9.6 million, Sales and Marketing expenses would have decreased by R\$2.8 million vs. 1Q22, representing 10% of net revenue in the, due to the Company's efforts to generate higher efficiency in M&S expenditures.



# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (1/2)

(R\$ million)	1Q22	1Q23	Δ %
<b>G&amp;A Expenses</b>	<b>(240.9)</b>	<b>(292.2)</b>	<b>21.3%</b>
Personnel	(82.3)	(92.4)	12.2%
Third-party services	(33.7)	(42.5)	26.3%
Provision for contingencies	(11.6)	(19.8)	71.1%
Maintenance and repairs	(14.8)	(22.0)	49.0%
Other	(32.3)	(37.5)	15.9%
Depreciation and amortization	(66.3)	(78.0)	17.7%
Goodwill acquisitions	(15.7)	(16.6)	5.7%
Systems, applications and software	(35.0)	(44.6)	27.6%
Other D&A expenses	(15.6)	(16.8)	7.7%
<b>Other revenue/ expenses</b>	<b>3.8</b>	<b>25.1</b>	<b>553.4%</b>
<b>Adjusted Personnel <sup>(1)</sup></b>	<b>(82.2)</b>	<b>(92.4)</b>	<b>12.3%</b>
<b>Adjusted G&amp;A and other Expenses <sup>(1)</sup></b>	<b>(167.7)</b>	<b>(203.8)</b>	<b>21.5%</b>
Premium	(35.3)	(50.8)	44.1%
Digital Learning	(57.7)	(69.2)	19.8%
On-Campus	(74.7)	(83.8)	12.2%

In 1Q23, **general and administrative expenses** were up by 21.3% vs. 1Q22. The main changes in expenses in period are presented below:

- Personnel expenses: up by R\$10.1 million vs. 1Q22 due to a higher accounting of variable compensation arising from the positive income.
- Third-party services: R\$8.8 million increase vs. 1Q22 chiefly stemming from the allocation of call center expenses in the amount of R\$7.7 million, which were previously accounted for in the "sales and marketing expenses" line, as explained in more details on slides 17 and 18.
- Provision for contingency: up by R\$8.2 million vs. 1Q22, mainly because we reviewed our risk estimates for labor lawsuits in 2022, generating a provision reversal. More details can be found in note 17 to the Financial Statements.
- Maintenance and repairs: up by R\$7.2 million vs. 1Q22, mostly due to the allocation of call center expenses, as explained in more details on slides 17 and 18, and reclassification of expenses that were accounted for under the "third-party services" line in 2022.
- Other expenses: up by R\$5.1 million, arising from higher expenses with education agreements related to the maturation of medicine courses and contractual fines due to the return of spaces at on-campus units.
- Depreciation and amortization: increase of R\$11.7 million vs. 1Q22, mainly due to the amortization of systems, applications and software related to investments in digital transformation and technology over the past few years, which have a shorter-than-average depreciation and amortization term.

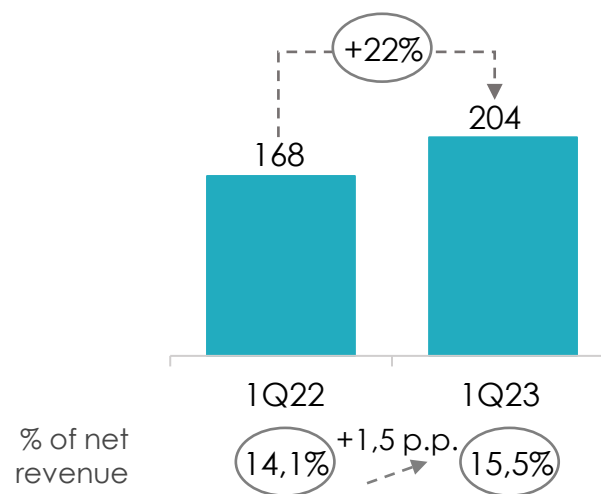
(1) Adjusted by non-recurring items, for more detail [click here](#).

# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (2/2)

The other revenue/expenses line was up by R\$21.3 million vs. 1Q22, mainly related to the write-off of amounts payable for acquisitions in previous years.

General, administrative and other expenses (ex-D&A) were impacted by non-recurring effects in the amount of -R\$14.8 million in 1Q23, related to: (i) R\$10.6 million in contractual fines at three units related to the return of properties or spaces; (ii) negative effect of -R\$25.9 million due to the write-off of amounts payable from past acquisitions and (iii) R\$0.5 million in M&A and other expenses. Excluding such effects, **adjusted general, administrative and other expenses (ex-D&A)** were up by 21.5% vs. 1Q22, representing 15.5% of total net revenue (+1.5 p.p. vs. 1Q22).

Adjusted G&A and Other expenses (ex-D&A) <sup>(1)</sup>  
(R\$ million)



(1) Adjusted by non-recurring items, for more detail [click here](#).

Classification	Account	Description	1Q22	1Q23
Operational Efficiency	Cost	Restructuring of faculty	1.1	4.8
M&A and Others	Selling	Contractual fines due to the delivery of real estate and others	3.1	11.1
		write-off of amounts payable from past acquisitions	-	(25.9)
NEGATIVE IMPACT ON EBITDA (R\$ million)			4.2	(10.0)



# EBITDA AND MARGIN (1/2)

(R\$ million)	1Q22	1Q23	Δ %
<b>Net Revenue</b>	<b>1,193.0</b>	<b>1,313.3</b>	<b>10.1%</b>
Costs and Expenses	(973.4)	(1,004.1)	3.1%
(+) Depreciation and amortization	176.6	185.1	4.8%
<b>EBITDA</b>	<b>396.2</b>	<b>494.4</b>	<b>24.8%</b>
EBITDA margin (%)	33.2%	37.6%	4.4 p.p.
<b>Non-recurring items</b>	<b>4.2</b>	<b>(10.0)</b>	<b>n.a.</b>
Restructuring of faculty	1.1	4.8	350.6%
Restructuring of corporate	0.1	-	n.a.
Contractual fines real estate, M&A and other	3.0	(14.8)	n.a.
<b>Adjusted EBITDA</b>	<b>400.4</b>	<b>484.4</b>	<b>21.0%</b>
Adjusted EBITDA margin(%)	33.6%	36.9%	3.3 p.p.
<b>Premium</b>	<b>130.3</b>	<b>158.2</b>	<b>21.5%</b>
EBITDA margin(%)	49.7%	49.1%	-0.5 p.p.
<b>Digital Learning</b>	<b>140.1</b>	<b>197.4</b>	<b>40.8%</b>
EBITDA margin(%)	37.8%	43.4%	5.6 p.p.
<b>On-Campus</b>	<b>130.0</b>	<b>128.8</b>	<b>-0.9%</b>
EBITDA margin(%)	23.2%	24.0%	0.8 p.p.
IFRS 16 Effect	86.1	85.7	-0.5%
<b>Adjusted EBITDA ex-IFRS 16</b>	<b>314.2</b>	<b>398.7</b>	<b>26.9%</b>
Adjusted EBITDA margin(%)	26.3%	30.4%	4.0 p.p.
<b>EBITDA ex-IFRS 16</b>	<b>310.1</b>	<b>408.7</b>	<b>31.8%</b>
EBITDA margin (%)	26.0%	31.1%	5.1 p.p.

In 1Q23, the company's **EBITDA** was R\$494.4 million (+24.8% vs. 1Q22) and EBITDA Margin stood at 37.6% (+4.4 p.p. vs. 1Q22).

The company's EBITDA was impacted by non-recurring effects amounting to -R\$10.0 million in 1Q23, related to the faculty restructuring (operating research), contractual fines, write-off of amounts payable from past acquisitions, M&A and other expenses, as detailed in the previous slide.

Excluding such effects, **adjusted EBITDA amounted to R\$484.4 million** in 1Q23, **the highest quarterly EBITDA in the company's history**, with **net adjusted margin of 36.9%** (+3.3 p.p. vs. 1Q22). The main changes in the period are explained below.

- **Net revenue:** up by R\$120.4 million YoY, mostly stemming from the strong growth of the Premium (+R\$59.7 million vs 1Q22) and Digital Learning (+R\$83.7 million vs. 1Q22) segments, which more than offset the drop in the On-Campus segment (-R\$23.0 million vs. 1Q22), impacted by a lower intake volume 1Q22.
- **Adjusted costs and expenses (ex-D&A):** up by R\$36.3 million vs. 1Q22, mainly explained by the following factors, as detailed in previous slides: (i) increase in transfer to partner centers, due to higher net revenue and (ii) higher accounting of variable compensation arising from the positive income. For further details, see the previous slides (15 to 20).

In 1Q23, the **Premium and Digital Learning segments accounted for 73% of the company's adjusted EBITDA** (+6 p.p. vs. 1Q22), leading to an increase in consolidated margin.



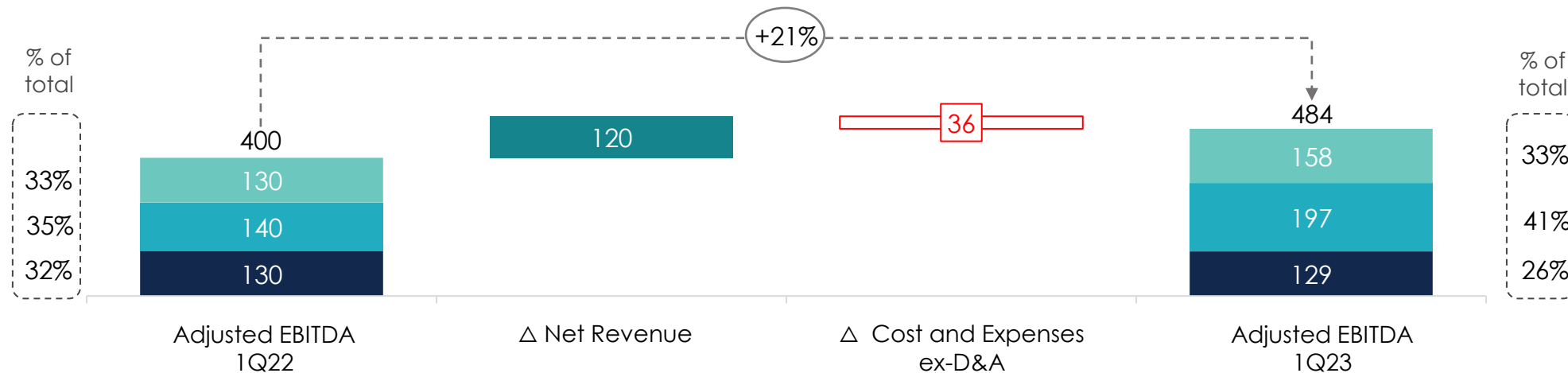


# EBITDA AND MARGIN (2/2)

1Q23

Adjusted EBITDA  
(R\$ million)

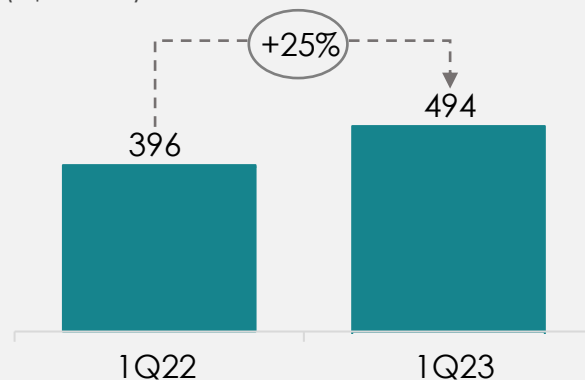
● Premium ● Digital Learning ● On-campus



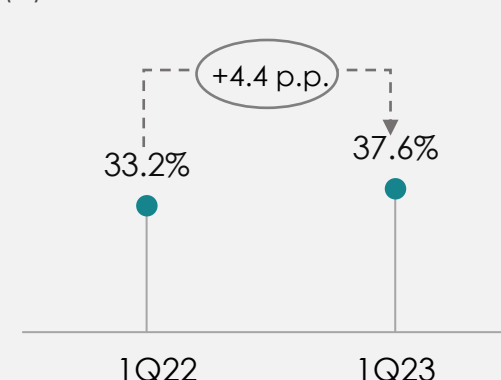
Adjusted EBITDA  
margin (%)



Reported EBITDA  
(R\$ million)



Reported EBITDA margin  
(%)



# FINANCIAL RESULT AND NET INCOME (1/2)

(R\$ million)	1Q22	1Q23	Δ %
<b>EBITDA</b>	<b>396.2</b>	<b>494.4</b>	<b>24.8%</b>
<b>Financial Result</b>	<b>(144.3)</b>	<b>(171.8)</b>	<b>19.1%</b>
<b>Financial Revenue</b>	<b>66.6</b>	<b>63.6</b>	<b>-4.5%</b>
Fines and interest charged	14.9	19.3	29.8%
Financial Investments	45.8	34.7	-24.2%
Inflation adjustments	(8.1)	(9.6)	18.3%
(-) PIS and COFINS <sup>(1)</sup>	13.0	18.7	43.9%
Others	1.0	0.4	-57.4%
<b>Financial Expenses</b>	<b>(212.9)</b>	<b>(222.9)</b>	<b>4.7%</b>
Interest and financial charges	(128.1)	(149.0)	16.3%
Financial discounts	(31.1)	(19.9)	-36.1%
Bank expenses	(2.9)	(2.9)	-2.0%
Interest on leasing	(31.9)	(35.4)	11.0%
Others	(18.9)	(15.7)	-16.8%
<b>Swap Net Effect</b>	<b>2.1</b>	<b>(12.5)</b>	<b>n.a.</b>
Depreciation and amortization	(176.6)	(185.1)	4.8%
<b>Profit before taxes</b>	<b>75.3</b>	<b>137.5</b>	<b>82.6%</b>
Income tax	0.6	8.8	1,304.0%
Social Contribution	0.1	3.2	2,576.5%
<b>Net Income</b>	<b>76.0</b>	<b>149.5</b>	<b>96.6%</b>
Net margin (%)	6.4%	11.4%	5.0 p.p.
<b>Net Income ex-IFRS 16</b>	<b>84.8</b>	<b>161.9</b>	<b>90.9%</b>
Net margin (%)	7.1%	12.3%	5.2 p.p.
<b>Adjusted Net Income <sup>(2)</sup></b>	<b>96.1</b>	<b>155.9</b>	<b>62.3%</b>
Adjusted net margin (%)	8.1%	11.9%	3.8 p.p.
<b>Adjusted Net Income <sup>(2)</sup> ex-IFRS 16</b>	<b>104.9</b>	<b>168.4</b>	<b>60.6%</b>
Adjusted net margin (%)	8.8%	12.8%	4.0 p.p.

The company's **financial result** was worse by R\$27.5 million vs. 1Q22. Below are the main drivers of this result:

**Financial Revenue:** down by R\$3.0 million vs. 1Q22, chiefly due to:

- Fines and interest rates charged on overdue amounts up by R\$4.4 million vs. 1Q22, related to negotiations and overdue tuitions.
- Financial investments down by R\$11.1 million, related to smaller cash (-R\$580 million) versus 1Q22.
- Inflation adjustment (PAR and DIS) and others (+R\$5.1 million vs. 1Q22) due to the restatement of higher accounts receivable amounts, especially from DIS versus 4Q22.

**Financial Expenses:** up by R\$10.0 million vs. 1Q22, due to:

- Increase in interest and charges (R\$20.9 million vs. 1Q22), resulting mainly from the increase in the interest rate.
- Reduction in financial discounts (R\$11.2 million vs. 1Q22), arising from opportunities identified during renewal campaigns, enabling more qualified discounts upon renewal.
- Higher interest on leases (R\$3.5 million vs. 1Q22), due to new agreements, contract renewals and interest rate increase compared to the previous year. More details can be found in note 12 to quarterly Financial Statements ("ITR").
- Reduction in other expenses (R\$3.2 million vs. 1Q22), mainly from the financial update of the acquisition price payable.

**Swap net effect:** decrease of R\$14.6 million vs. 1Q22 due to the mark-to-market of 4,131 debt instruments. It is important to emphasize that the swap effect tends to zero in debt settlement. More details can be found in note 26 to the quarterly Financial Statements ("ITR")

(1) It refers to charges on financial income and JCP (Interest on Equity).

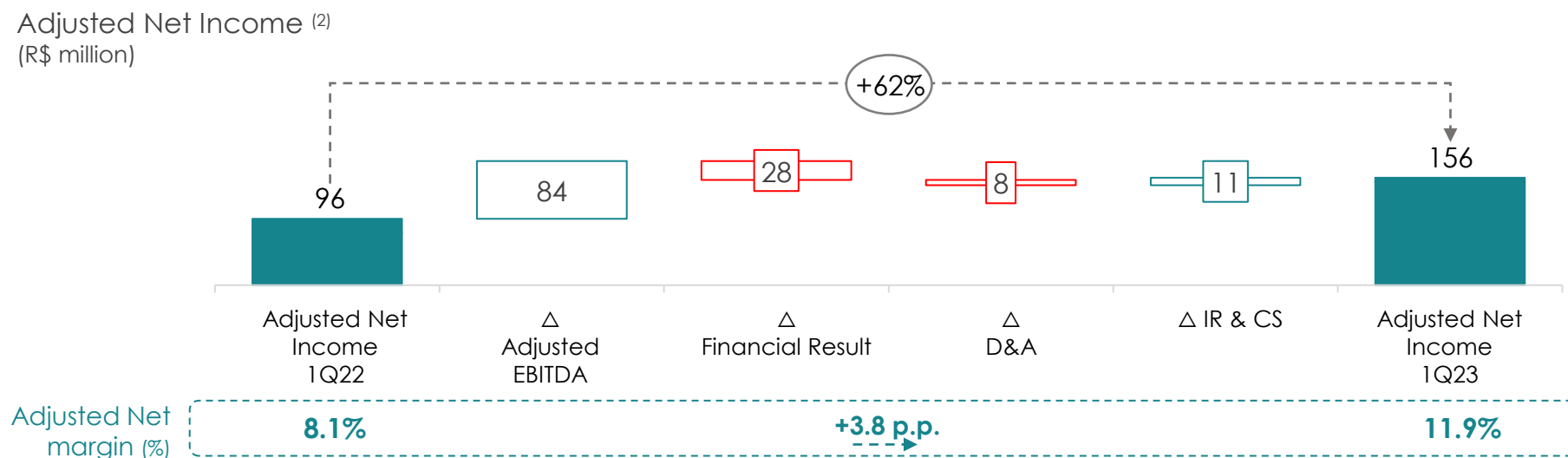
(2) Adjusted for detailed non-recurring effects on the next slide.

# FINANCIAL RESULT AND NET INCOME (2/2)

In 1Q23, the company's **net income** was R\$149.5 million (+96.6% vs. 1Q22) and net margin stood at 11.4% (+5.0 p.p. vs. 1Q22). The main changes are presented below.

- EBITDA increase of R\$98.2 million vs. 1Q22, due to the Premium and Digital Learning segments growth coupled with the company's strict cost and expense control efforts, especially in the On-Campus segment.
- Financial result worsening of R\$27.5 million vs. 1Q22, as explained in the previous slide.
- Depreciation and amortization increase of R\$8.5 million vs. 1Q22, mainly due to the amortization of systems, applications and software related to investments in digital transformation and technology over the last few years, which have a shorter-than-average depreciation and amortization term.
- R\$11.3 million vs. 1Q22 improvement in income tax and social contribution, due to the higher distribution of Interest on Equity, tax amortization of goodwill and higher tax incentives from a better *ProUni* (*Programa Universidade para Todos*) rate.

The company's net income was also impacted by non-recurring effects amounting to R\$6.5 million in 1Q23, namely: (i) -R\$10.0 million in EBITDA; (ii) R\$16.6 million of goodwill amortization<sup>(1)</sup> and (iii) -R\$0.2 million of income tax and social contribution. Excluding said effects, **adjusted net income** reached R\$155.9 million (+62.3% vs. 1Q22) and **adjusted net margin** stood at 11.9% (+3.8 p.p. vs. 1Q22).



(1) Goodwill related to the acquisitions made from 2020.  
(2) Adjusted for non-recurring effects detailed in the text above.

# ACCOUNTS RECEIVABLE

(R\$ million)	1Q22	4Q22	1Q23	Δ% vs. 1Q22	Δ% vs. 4Q22
<b>Monthly tuition fees received</b>	<b>1,524.0</b>	<b>1,450.0</b>	<b>1,534.7</b>	<b>0.7%</b>	<b>5.8%</b>
Out-of-Pocket	871.7	1,065.5	955.4	9.6%	-10.3%
PAR	119.3	57.3	60.2	-49.6%	5.0%
DIS	533.0	327.1	519.2	-2.6%	58.7%
<b>Exchange Deals</b>	<b>26.6</b>	<b>44.2</b>	<b>27.4</b>	<b>3.0%</b>	<b>-38.1%</b>
<b>FIES</b>	<b>99.6</b>	<b>88.6</b>	<b>63.8</b>	<b>-36.0%</b>	<b>-28.0%</b>
<b>Other</b>	<b>332.7</b>	<b>354.5</b>	<b>428.6</b>	<b>28.8%</b>	<b>20.9%</b>
Credit Cards to be received	162.3	160.1	209.9	29.4%	31.1%
Agreements	170.4	194.3	218.7	28.3%	12.5%
<b>Gross Accounts Receivable</b>	<b>1,982.9</b>	<b>1,937.2</b>	<b>2,054.4</b>	<b>3.6%</b>	<b>6.1%</b>
<b>Bad Debt</b>	<b>(631.8)</b>	<b>(684.3)</b>	<b>(665.6)</b>	<b>5.4%</b>	<b>-2.7%</b>
Out-of-Pocket <sup>(1)</sup>	(507.9)	(615.9)	(568.9)	12.0%	-7.6%
PAR (50%)	(55.4)	(24.1)	(25.4)	-54.1%	5.7%
DIS (15%)	(68.5)	(44.4)	(71.3)	4.1%	60.8%
<b>Amounts to be identified</b>	<b>(7.1)</b>	<b>(5.9)</b>	<b>(10.2)</b>	<b>43.6%</b>	<b>74.2%</b>
<b>Adjustment to present value (APV) <sup>(2)</sup></b>	<b>(38.6)</b>	<b>(38.1)</b>	<b>(59.2)</b>	<b>53.4%</b>	<b>55.6%</b>
<b>Net Accounts Receivable</b>	<b>1,305.4</b>	<b>1,208.9</b>	<b>1,319.4</b>	<b>1.1%</b>	<b>9.1%</b>

In 1Q23, **gross accounts receivable** were up by R\$71.5 million vs. 1Q22 and R\$117.3 million vs. 4Q22, as explained below.

- R\$83.7 million vs. 1Q22 increase in the monthly tuition line, related to the revenue increase.
- R\$59.1 million vs. 1Q22 reduction in PAR, arising from the decrease in student base with this product.
- R\$13.8 million vs. 1Q22 reduction of DIS, a result of higher renewal and lower delinquency of the base throughout 2022, which more than offset the effect of the increase in funding revenue in 1Q23.
- Increase of R\$95.9 million vs. 1Q22 in others, related to (i) the agreements receivable, due to a higher volume of negotiations, mainly in the Premium segment and (ii) effect of the consolidation of acquired companies (Qconcursos and Hardwork) whose receivables is predominantly via credit card.

**Net accounts receivable** ended 1Q23 with a slight R\$14.0 million increase vs. 1Q22 and R\$110.4 million vs. 4Q22.

(1) Includes short-term DIS and PAR installments and student balance dropout and non-renewal DIS/PAR.

(2) Correction of installments based on IPCA and brought to present value on NTN-B-2024.

# AVERAGE TERM OF RECEIVABLES

(R\$ million)	1Q22	4Q22	1Q23	Δ% vs. 1Q22	Δ% vs. 4Q22
Net accounts receivables	1,305.4	1,208.9	1,319.4	1.1%	9.1%
Net Revenue Annualized	4,528.4	4,575.4	4,689.8	3.6%	2.5%
<b>Average Term of Receivables ATR (days)</b>	<b>104</b>	<b>95</b>	<b>101</b>	<b>-2.9%</b>	<b>6.3%</b>
FIES accounts receivable	99.6	88.6	63.8	-36.0%	-28.0%
FIES Revenue (12M)	332.7	270.8	261.6	-21.4%	-3.4%
FGEDUC Deductions (12M)	(29.6)	(27.0)	(53.1)	79.2%	96.7%
Taxes (12M)	(11.7)	(9.9)	(9.5)	-18.2%	-4.0%
FIES Net Revenue (12M)	291.4	233.9	199.0	-31.7%	-14.9%
<b>FIES ATR (days)</b>	<b>123</b>	<b>136</b>	<b>115</b>	<b>-6.5%</b>	<b>-15.4%</b>
Ex-FIES accounts receivable	1,205.8	1,120.4	1,255.6	4.1%	12.1%
Ex-FIES net revenue (12M)	4,237.0	4,341.5	4,490.8	6.0%	3.4%
<b>Ex-FIES ATR (days)</b>	<b>102</b>	<b>93</b>	<b>101</b>	<b>-1.0%</b>	<b>8.6%</b>

In 1Q23, the company's consolidated average term of receivables (ATR) decreased by 3 days vs. 1Q22, mainly due to:

- **FIES ATR:** reduction of 8 days vs. 1Q22 is basically due to the reduction in net revenue (-31.7% vs. 1Q22) and in accounts receivable (-36.0% vs. 1Q22).
- **ex-FIES ATR:** one-day reduction vs. 1Q22, due to a better performance in collection compared to the same period in the previous year.



## Aging of Total Gross Accounts Receivable <sup>(1)</sup>

(R\$ million)	1Q22	1Q23	Δ%	Vertical Analysis	
				1Q22 (%)	1Q23 (%)
FIES	99.6	63.8	-36.0%	5%	3%
Not yet due	960.2	1,035.4	7.8%	48%	50%
Overdue up to 30 days	182.0	185.7	2.0%	9%	9%
Overdue from 31 to 60 days	63.6	62.4	-1.8%	3%	3%
Overdue from 61 to 90 days	22.4	44.3	97.9%	1%	2%
Overdue from 91 to 179 days	279.0	275.2	-1.4%	14%	13%
Overdue more than 180 days	376.1	387.6	3.1%	19%	19%
<b>Gross accounts receivables</b>	<b>1,982.9</b>	<b>2,054.4</b>	<b>3.6%</b>	<b>100%</b>	<b>100%</b>

## Aging of Agreements Receivable <sup>(2)</sup>

(R\$ million)	1Q22	1Q23	Δ%	Vertical Analysis	
				1Q22 (%)	1Q23 (%)
Not yet due	83.7	106.7	27.5%	49%	49%
Overdue up to 30 days	14.6	15.4	5.5%	9%	7%
Overdue from 31 to 60 days	9.5	10.9	15.1%	6%	5%
Overdue from 61 to 90 days	6.7	8.0	18.5%	4%	4%
Overdue from 91 to 179 days	23.2	25.9	11.5%	14%	12%
Overdue more than 180 days	32.7	51.8	58.6%	19%	24%
<b>Agreements receivable</b>	<b>170.4</b>	<b>218.7</b>	<b>28.3%</b>	<b>100%</b>	<b>100%</b>

## FIES: Changes in Accounts Receivable

(R\$ million)	1Q22	1Q23	Δ%
Opening balance	<b>108.4</b>	<b>88.6</b>	<b>-18.3%</b>
FIES revenue	59.3	24.0	-59.6%
Payment of Taxes	(14.8)	(3.1)	-78.7%
Buyback FIES	(53.3)	(45.6)	-14.4%
<b>Closing balance</b>	<b>99.6</b>	<b>63.8</b>	<b>-36.0%</b>

(1) Amounts overdue for more than 360 days are written off from Accounts Receivable up to the limit of the allowance for doubtful accounts.

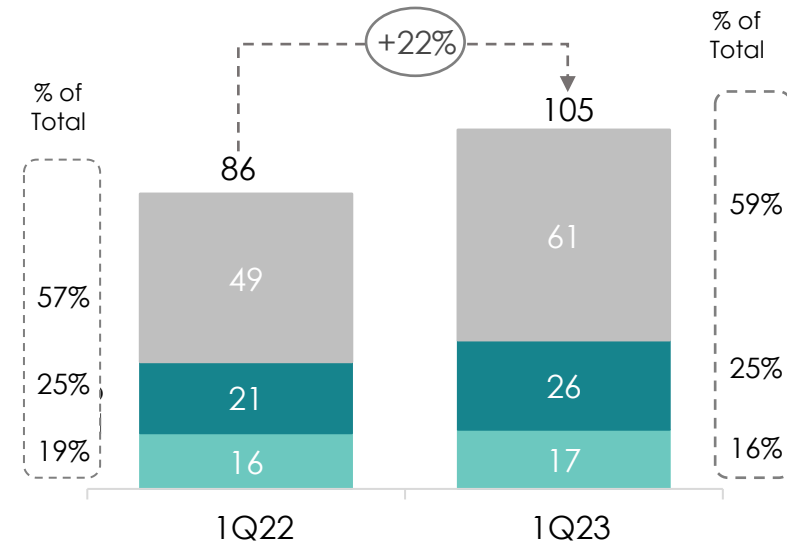
(2) Excludes credit card agreements.

(R\$ million)	1Q22	1Q23	Δ%
<b>Total Capex</b>	<b>86.3</b>	<b>104.9</b>	<b>21.7%</b>
Digital Transformation and IT	49.1	61.4	25.2%
Sustainability & Improvement	20.8	26.2	25.6%
Expansion	16.3	17.3	6.0%

## % of Net Revenue

<b>Total Capex</b>	<b>7.2%</b>	<b>8.0%</b>	<b>0.8 p.p.</b>
Digital Transformation and IT	4.1%	4.7%	0.6 p.p.
Sustainability & Improvement	1.7%	2.0%	0.2 p.p.
Expansion	1.4%	1.3%	-0.1 p.p.

CAPEX  
(R\$ million)



● Digital Transformation and IT ● Sustainability & Improvement ● Expansion

The company's **total Capex** increased by R\$18.7 million vs. 1Q22, but we expect to end the year at R\$450 million (down by ~8% vs. 2022). The main changes are presented below:

- **digital transformation and technology:** up by R\$12.4 million vs. 1Q22, due to the company's strategy to offer increasingly modern and innovative educational services.
- **sustainability & improvement investments:** R\$5.3 million increase vs. 1Q22 due to the improvement to the units' structure and other projects related to business sustainability.
- **Expansion investments:** R\$1.0 million increase vs. 1Q22, mainly due to the maturation of medicine courses.





# CASH FLOW STATEMENT

(R\$ million)	1Q22	1Q23	Δ%
<b>Adjusted EBITDA ex IFRS 16</b>	<b>314.2</b>	<b>398.7</b>	<b>26.9%</b>
Non-recurring	(4.2)	10.0	n.a.
<b>EBITDA ex-IFRS 16</b>	<b>310.1</b>	<b>408.7</b>	<b>31.8%</b>
Working capital variation	(29.3)	(29.8)	1.9%
receivables	(81.8)	(114.2)	39.7%
accounts payable	39.7	95.0	139.2%
others	12.8	(10.6)	n.a.
Taxes (IT/SC)	(8.9)	(11.0)	24.5%
<b>Operating Cash Flow (OCF)</b>	<b>271.9</b>	<b>367.8</b>	<b>35.3%</b>
Capex	(86.3)	(104.9)	21.7%
Acquisition of property and equipment	(16.6)	(28.2)	70.3%
Acquisition of intangible assets	(69.7)	(76.7)	10.1%
<b>(=) Free Cash Flow</b>	<b>185.7</b>	<b>262.9</b>	<b>41.6%</b>
Interest ex IFRS 16	(106.6)	(154.3)	44.7%
<b>(=) Cash flow for shareholders</b>	<b>79.0</b>	<b>108.6</b>	<b>37.4%</b>
Capitation / debt amortization	(117.7)	247.7	n.a.
M&A	(24.3)	(14.7)	-39.6%
Dividends paid	-	-	n.a.
Buyback and Others	(43.4)	0.3	n.a.
<b>(=) Net cash generation</b>	<b>(106.4)</b>	<b>341.9</b>	<b>n.a.</b>
Cash at the beginning of the year	1,814.2	785.8	-56.7%
Cash at the end of the year	1,707.8	1,127.8	-34.0%
<b>OCF/ EBITDA ex-IFRS 16</b>	<b>87.7%</b>	<b>90.0%</b>	<b>2.3 p.p.</b>

The company's **operating cash flow (OCF)** was up by R\$95.9 million vs. 1Q22, mainly stemming from a higher adjusted EBITDA ex-IFRS16 (+R\$98.6 million vs. 1Q22), stable working capital (R\$0.6 million vs. 1Q22), mainly due to: (i) receivables: higher accounts receivable due to the intake period; (ii) accounts payable: higher accounting of variable compensation from the positive income, lower payment of vacation and higher accounting of tax obligations from Interest on Equity and (iii) others: write-off of amounts payable from past acquisitions.

Thus, we ended 1Q23 with a **cash conversion rate of 90.0% (+2.3 p.p. vs. 1Q22)**, due to a better performance of collection ex-FIES (+13.4% vs. 1Q22).

**Cash flow for shareholders** amounted to **R\$108.6 million**, up by 37.4% vs. 1Q22.

In 1Q23, the company's **net cash generation** was positive R\$341.9 million. The main changes are presented below:

- Interest (ex-IFRS 16): up by R\$47.6 million vs. 1Q22, due to higher debt interest expenses, associated with an increase in the interest rate.
- Debt funding and amortization: negative impact of R\$365.5 million vs. 1Q22 due to (i) the issue of a new 4,131 debt instrument in the amount of US\$80 million with Citibank in January 2023, as announced in the 4Q22 earnings release and (ii) amortization of the 1st installment of the second series of the 5th debenture issue in February 2023, in the amount of R\$175 million.



# CASH POSITION

(R\$ million)	1Q22	1Q23	Δ%
<b>(-) Cash and cash equivalents [a]</b>	<b>(1,707.8)</b>	<b>(1,127.8)</b>	<b>-34.0%</b>
<b>Gross Debt [b]</b>	<b>5,682.7</b>	<b>5,378.2</b>	<b>-5.4%</b>
Bank loans <sup>(2)</sup>	3,942.4	3,755.9	-4.7%
Leasing	1,590.4	1,562.5	-1.8%
Commitments payable (M&A)	149.9	59.7	-60.2%
<b>Net Debt [a+b]</b>	<b>3,974.9</b>	<b>4,250.4</b>	<b>6.9%</b>
<b>Net Debt (ex-IFRS 16) [a+b-c]</b>	<b>2,384.5</b>	<b>2,687.9</b>	<b>12.7%</b>
<b>Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)<sup>(1)</sup></b>	<b>1.69x</b>	<b>1.74x</b>	

In 1Q23, the company's **cash and cash equivalents amounted to R\$1,127.8 million**, due to the issue of a new 4,131 debt instrument with Citibank in January 2023, as explained in the previous quarter, and the amortization of the 1st installment of the second series of the 5th debenture issue in February 2023, in the amount of R\$175 million.

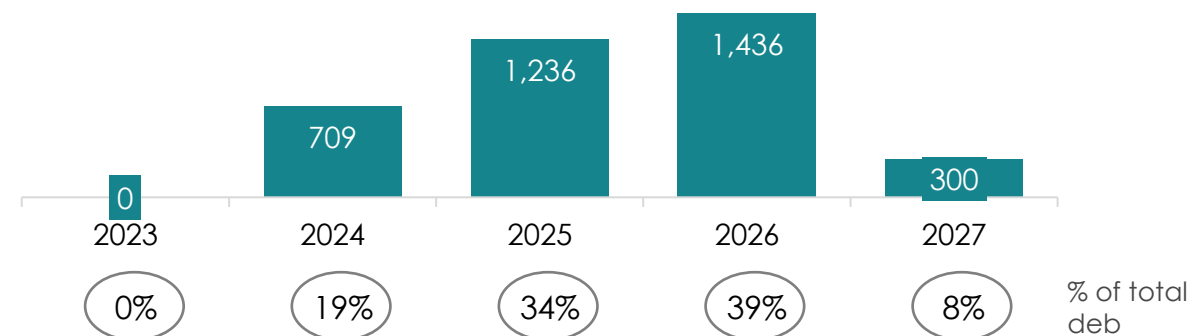
Thus, **net debt** (excluding leases) ended the period at **R\$2,687.9 million**, with a **net debt/ (LTM) adjusted EBTIDA ratio at 1.74x**, maintaining a healthy leverage and capital discipline.

The net debt (ex-IFRS 16)/ (LTM) reported EBITDA ratio ended the period at 1.89x.

# DEBT

Debt Type (R\$ million)	Average term (in years)	Cost	Balance payable (principal + interest)	% of total
FINEP	0.9	TJLP + 0.5%	0.7	0%
Credit Notes	1.2	CDI + 2.18%	202.2	5%
4131	1.7	CDI + 1.23%	674.6	18%
5 <sup>th</sup> Debenture (2 <sup>nd</sup> series)	0.9	CDI + 0.79%	177.9	5%
6 <sup>th</sup> Debenture (unique)	2.4	CDI + 2.50%	1,880.5	50%
7 <sup>th</sup> Debenture (unique)	2.2	CDI + 1.65%	315.1	8%
8 <sup>th</sup> Debenture (unique)	4.1	CDI + 1.50%	501.7	13%
<b>Bank Loans in 1Q23</b>	<b>-</b>	<b>CDI + 1.97%</b>	<b>3,752.8</b>	<b>100%</b>

Debt amortization schedule  
(R\$ million; principal amount <sup>(3)</sup>)



(1) Excluding IFRS 16 leasing amounts from gross debt; adjusted EBITDA for non-recurring items, accumulated in the last twelve months.

(2) Total loans include short- and long-term issuance and swap spending.

(3) The difference between the presented in the chart and the ITR is related to the discount rate, swap and interest.

# APPENDIX



# MEDICAL SEATS OFFERING BY UNIT (Undergraduate)

## 8.2-8.3 K

Expectation for 2023 of the student base in undergraduate medicine

## +53 new seats

approved in April/23, increasing from 65 to 118 authorized seats to be intake up in the 2<sup>nd</sup> semester

Units	State	Authorized Seats	1Q23	Full Potential <sup>(1)</sup>	
			Student Base (thousand)	Authorized Seats	Student Base (thousand)
Vista Carioca (Presidente Vargas)	RJ	240	1.61	240	1.7
Città	RJ	170	1.15	170	1.2
Juazeiro do Norte	CE	100	0.70	100	0.7
Ribeirão Preto	SP	76	0.53	76	0.5
Teresina	PI	110	0.75	110	0.8
Alagoinhas	BA	65	0.45	165	1.2
Jaraguá do Sul	SC	150	0.46	150	1.1
Juazeiro	BA	155	0.88	155	1.1
Angra dos Reis	RJ	89	0.49	155	1.1
Canindé	CE	50	0.20	150	1.1
Cáceres	MT	50	0.19	50	0.4
Castanhal	PA	50	0.16	150	1.1
Quixadá	CE	50	0.16	150	1.1
Açailândia	MA	50	0.16	150	1.1
Iguatu	CE	50	0.08	150	1.1
Ji-Paraná	RO	50	0.10	150	1.1
Unijipa	RO	28	0.03	28	0.2
<b>Total</b>		<b>1,533</b>	<b>8.10</b>	<b>2,299</b>	<b>16.5</b>

(1) Considers the expansion to the maximum capacity of granted seats (+100 seats/years) in all Mais Médicos units. Student base includes ProUni and FIES.

# INCOME STATEMENT BY BUSINESS UNIT

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	1Q22	1Q23	Δ%	1Q22	1Q23	Δ%	1Q22	1Q23	Δ%	1Q22	1Q23	Δ%
<b>Gross Revenue</b>	<b>2,454</b>	<b>2,674</b>	<b>9%</b>	<b>307</b>	<b>384</b>	<b>25%</b>	<b>813</b>	<b>921</b>	<b>13%</b>	<b>1,334</b>	<b>1,369</b>	<b>3%</b>
Monthly tuition fees	2,454	2,674	9%	307	384	25%	813	921	13%	1,334	1,369	3%
Deductions from Gross Revenue	(1,261)	(1,360)	8%	(45)	(62)	38%	(442)	(466)	5%	(774)	(833)	8%
<b>Net Operating Revenue</b>	<b>1,193</b>	<b>1,313</b>	<b>10%</b>	<b>262</b>	<b>322</b>	<b>23%</b>	<b>371</b>	<b>455</b>	<b>23%</b>	<b>560</b>	<b>537</b>	<b>-4%</b>
<b>Cost of Services</b>	<b>(466)</b>	<b>(480)</b>	<b>3%</b>	<b>(96)</b>	<b>(119)</b>	<b>24%</b>	<b>(71)</b>	<b>(77)</b>	<b>9%</b>	<b>(299)</b>	<b>(283)</b>	<b>-5%</b>
Personnel	(268)	(276)	3%	(72)	(87)	21%	(19)	(15)	-19%	(177)	(174)	-2%
Rent, municipal property tax and other	(11)	(14)	32%	(3)	(3)	14%	(0)	0	n.a.	(8)	(11)	43%
Third-party services and other	(77)	(82)	6%	(4)	(5)	29%	(46)	(55)	20%	(27)	(22)	-21%
Depreciation and amortization	(110)	(107)	-3%	(18)	(24)	35%	(6)	(7)	18%	(87)	(76)	-12%
<b>Gross Profit</b>	<b>727</b>	<b>834</b>	<b>15%</b>	<b>166</b>	<b>203</b>	<b>22%</b>	<b>300</b>	<b>377</b>	<b>26%</b>	<b>261</b>	<b>254</b>	<b>-3%</b>
Gross margin (%)	61%	63%	3 p.p.	63%	63%	0 p.p.	81%	83%	2 p.p.	47%	47%	1 p.p.
<b>Selling, G&amp;A and Other Expenses</b>	<b>(507)</b>	<b>(525)</b>	<b>3%</b>	<b>(66)</b>	<b>(82)</b>	<b>23%</b>	<b>(188)</b>	<b>(204)</b>	<b>9%</b>	<b>(253)</b>	<b>(239)</b>	<b>-6%</b>
Personnel	(83)	(92)	11%	(14)	(21)	51%	(38)	(42)	10%	(31)	(29)	-5%
Advertising	(142)	(129)	-9%	(8)	(10)	17%	(53)	(55)	3%	(80)	(65)	-19%
Bad Debt	(129)	(128)	0%	(10)	(9)	-13%	(55)	(63)	16%	(64)	(56)	-12%
Other Expenses	(92)	(122)	33%	(22)	(31)	42%	(22)	(27)	28%	(48)	(63)	31%
Other Revenue	4	25	553%	0	6	1490%	2	10	530%	2	9	384%
Depreciation and amortization	(66)	(78)	18%	(12)	(17)	39%	(22)	(26)	21%	(32)	(35)	8%
<b>(+) Depreciation and amortization</b>	<b>177</b>	<b>185</b>	<b>5%</b>	<b>30</b>	<b>41</b>	<b>37%</b>	<b>28</b>	<b>33</b>	<b>20%</b>	<b>119</b>	<b>111</b>	<b>-7%</b>
<b>EBITDA</b>	<b>396</b>	<b>494</b>	<b>25%</b>	<b>130</b>	<b>162</b>	<b>25%</b>	<b>140</b>	<b>206</b>	<b>48%</b>	<b>127</b>	<b>126</b>	<b>-1%</b>
EBITDA margin (%)	33%	38%	4 p.p.	50%	50%	1 p.p.	38%	45%	8 p.p.	23%	23%	1 p.p.
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>400</b>	<b>484</b>	<b>21%</b>	<b>130</b>	<b>158</b>	<b>21%</b>	<b>140</b>	<b>197</b>	<b>41%</b>	<b>130</b>	<b>129</b>	<b>-1%</b>
Adjusted EBITDA margin (%)	34%	37%	3 p.p.	50%	49%	-1 p.p.	38%	43%	6 p.p.	23%	24%	1 p.p.

(1) Adjusted by non-recurring items, for more detail [click here](#).

(R\$ million)	1Q22	1Q23	Δ%
<b>Net Revenue</b>	<b>1,193.0</b>	<b>1,313.3</b>	<b>10.1%</b>
(-) Taxes	42.1	46.8	11.2%
(+) Bad Debt	(128.9)	(128.2)	-0.5%
(+) Financial discounts/ fines	(16.2)	(0.6)	-96.2%
(+) Inflation adjustments DIS/PAR	8.6	9.5	9.4%
<b>Total Generation of accounts receivable</b>	<b>1,098.6</b>	<b>1,240.8</b>	<b>12.9%</b>
<b>Total collection</b>	<b>1,018.4</b>	<b>1,126.6</b>	<b>10.6%</b>
FIES Net Revenue	59.3	24.0	-59.5%
<b>FIES collection</b>	<b>68.2</b>	<b>48.8</b>	<b>-28.4%</b>
Net revenue ex-FIES	1,133.7	1,289.3	13.7%
Generation of accounts receivable ex-FIES	1,039.3	1,216.8	17.1%
<b>Collection ex-FIES</b>	<b>950.2</b>	<b>1,077.7</b>	<b>13.4%</b>
<b>% Collection/Generation of accounts receivable (ex-FIES)</b>	<b>91.4%</b>	<b>88.6%</b>	<b>-2.9 p.p.</b>



# BALANCE SHEET

(R\$ million)	1Q22	4Q22	1Q23
<b>Current Assets</b>	<b>2,872.4</b>	<b>2,100.5</b>	<b>2,424.4</b>
Cash and cash equivalents	625.4	401.0	637.1
Securities	1,082.4	384.8	490.6
Accounts receivable	971.3	1,055.9	1,065.3
Inventory	2.6	3.3	3.8
Advancements to employees/third parties	8.7	11.7	5.3
Prepaid expenses	27.9	19.4	31.9
Taxes and contributions	138.6	216.4	183.9
Other	15.6	7.9	6.4
<b>Non-Current Assets</b>	<b>7,183.0</b>	<b>6,948.7</b>	<b>7,149.3</b>
Long-term assets	975.5	801.1	976.8
LT accounts receivable	334.1	153.0	254.1
LT prepaid expenses	7.4	6.6	6.0
LT Judicial deposits	100.1	89.1	88.5
LT taxes and contributions	155.7	141.6	175.3
LT deferred taxes	365.0	398.1	440.3
Other LT items	13.1	12.7	12.6
Permanent assets	6,207.6	6,147.6	6,172.5
Investments	0.3	0.3	0.3
Property and equipment	2,655.0	2,514.2	2,538.4
Intangible assets	3,552.2	3,633.0	3,633.7
<b>Total Assets</b>	<b>10,055.5</b>	<b>9,049.2</b>	<b>9,573.7</b>

(R\$ million)	1Q22	4Q22	1Q23
<b>Current Liabilities</b>	<b>1,560.2</b>	<b>1,107.6</b>	<b>1,391.0</b>
Loans and financing	592.5	277.4	475.9
Leasing	211.8	232.0	229.0
Suppliers	252.3	227.6	264.8
Swap payable	1.7	2.3	14.8
Salaries and payroll charges	247.3	137.8	207.3
Tax liabilities	72.9	69.4	93.5
Prepaid monthly tuition fees	70.2	76.7	72.9
Advancement of current agreement	5.0	5.0	5.0
Taxes paid in installments	4.4	4.5	4.5
Acquisition price payable	50.0	67.3	14.4
Dividends payable	37.6	0.1	0.1
Other liabilities	14.4	7.6	9.0
<b>Long-term liabilities</b>	<b>5,202.9</b>	<b>4,981.5</b>	<b>5,068.6</b>
LT Loans and financing	3,348.2	3,249.7	3,265.2
Contingencies	224.2	220.4	239.1
LT leasing	1,378.5	1,279.0	1,333.5
Agreement advances	34.9	31.1	29.9
LT taxes paid in installments	9.4	7.5	6.9
Provision for asset demobilization	85.8	92.7	91.7
LT acquisition price payable	99.9	44.2	45.4
Financial Liabilities - Options	-	55.9	55.9
Other LT items	21.9	0.9	1.0
<b>Shareholders' Equity</b>	<b>3,292.4</b>	<b>2,960.1</b>	<b>3,114.1</b>
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	707.9	716.0	716.6
Earnings reserves	1,586.4	1,586.4	1,528.1
Income for the period	76.0	(58.2)	148.8
Treasury Shares	(203.8)	(355.0)	(350.5)
Equity Valuation Adjustment	-	(55.9)	(55.9)
Participation of Non-Controlling Shareholders	12.8	13.8	13.9
<b>Total Liabilities and Shareholders' Equity</b>	<b>10,055.5</b>	<b>9,049.2</b>	<b>9,573.7</b>

1Q23







# YDUQS

IR Contact  
ri@yduqs.com.br  
[www.yduqs.com.br](http://www.yduqs.com.br)