Estácio Participações

ANNUAL PUBLIC MEETING APIMEC

Rio de Janeiro, November 24, 2017

AGENDA

- TIMELINE
- BOARD OF DIRECTORS
- GOVERNANCE, INTERNAL CONTROLS AND RISK MANAGEMENT

2017 STRATEGIC INITIATIVES

- INTAKE PROCESS
- REDUCTION IN SCHOLARSHIPS AND REPLACEMENT OF EXEMPTIONS
- LAUNCH OF ESTÁCIO'S INSTALLMENT PAYMENT PROGRAM

RESULTS ACHIEVED

- STUDENT BASE EVOLUTION
  - NET REVENUE
  - EBITDA AND MARGIN
  - OPERATING CASH FLOW
  - ROBUST CASH GENERATION

INVESTMENTS

INNOVATION

- ONLINE COURSES WITH LAB PRACTICES
- OFFER OF HYBRID COURSES

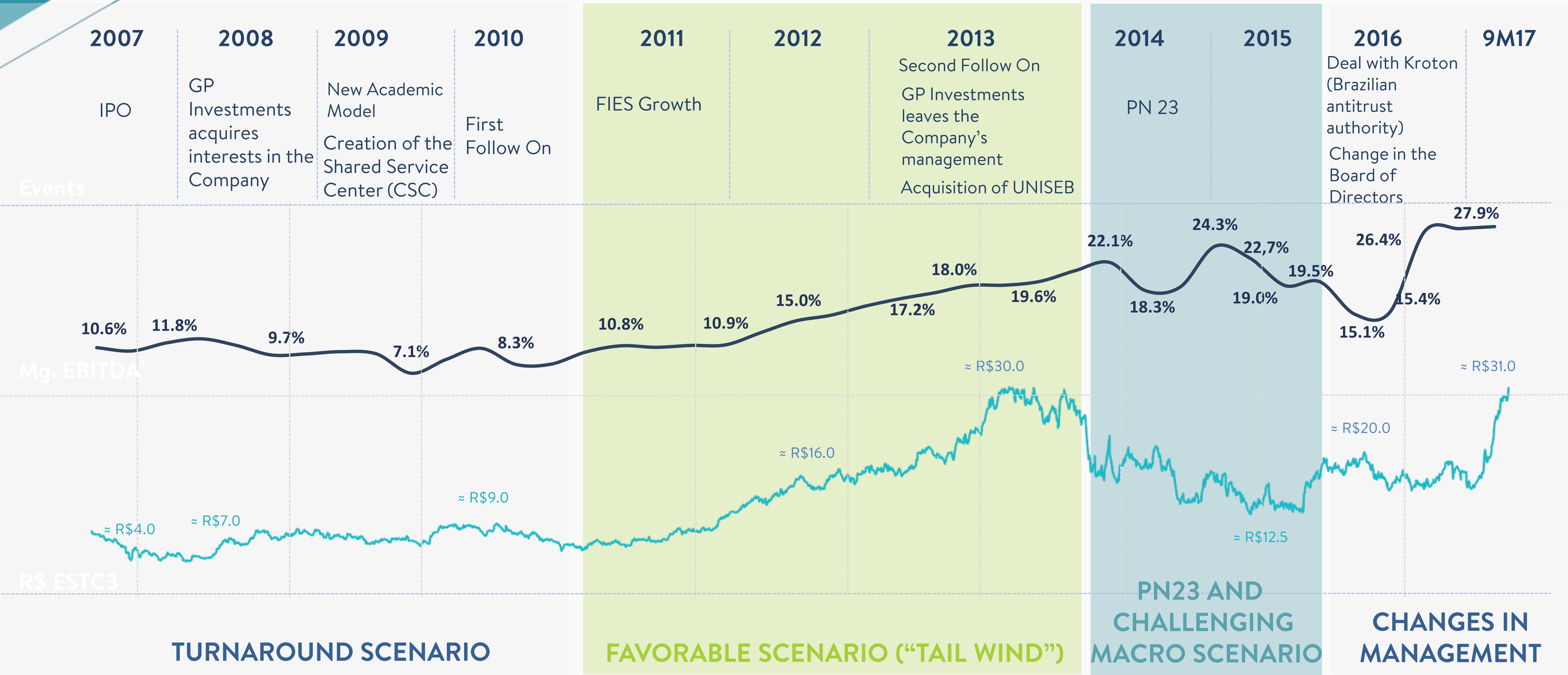
SOME OF ESTÁCIO'S COMPETITIVE ADVANTAGES

QUALITY AND EMPLOYEE SATISFACTION

GROWTH DRIVERS

Estácio

TIMELINE



2007
IPO
2008
GP Investments acquires interests in the Company
2009
New Academic Model
Creation of the Shared Service Center (CSC)
2010
First Follow On
2011
FIES Growth
2012
2013
Second Follow On
GP Investments leaves the Company's management
Acquisition of UNISEB
2014
PN 23
2015
2016
Deal with Kroton (Brazilian antitrust authority)
Change in the Board of Directors
9M17
Events
Mg. EBITDA¹
10.6%
11.8%
9.7%
7.1%
8.3%
10.8%
10.9%
15.0%
17.2%
18.0%
19.6%
22.1%
18.3%
24.3%
22,7%
19.0%
19.5%
15.1%
26.4%
15.4%
27.9%
R$ ESTC3
≈ R$4.0
≈ R$7.0
≈ R$9.0
≈ R$16.0
≈ R$30.0
≈ R$12.5
≈ R$20.0
≈ R$31.0
TURNAROUND SCENARIO
FAVORABLE SCENARIO ("TAIL WIND")
PN23 AND CHALLENGING MACRO SCENARIO
CHANGES IN MANAGEMENT

BOARD OF DIRECTORS

João Cox

Chairman of the Board of Directors
Coordinator of the Strategy Committee
Member of the Boards of Directors of Embraer, Braskem and Linx. He was Chairman, CEO and Vice-Chairman of Claro, and Board member of several companies in Brazil, Israel, the Netherlands and Argentina.

Osvaldo Schirmer

Coordinator of the Audit and Finance Committee
Member of the Boards of Directors of Lojas Renner, SLC Agrícola S.A and Mills Industrial Services.

Luiz Roberto Liza Curi

Coordinator of the Academic Committee
He was President of INEP, Post-Education Officer of UnyLeya, National Post-Education and Research Officer at SEB, Board member of Instituto TIM de Educação, Ciência e Cultura.

Francisco Amaury Olsen

Vice-Chairman of the Board of Directors of Martins S.A.
Member of the Board of Directors of Duratex S.A. Board member of Vedacit and Otto Baumgart. He was CEO of Tigre S.A. for 16 years and a Board member of the same company.

Maurício Luchetti

Vice-Chairman of the Board of Directors
Coordinator of the People and Governance Committee and Member of the Academic Committee
He was an Executive at Brahma/Ambev and Grupo Votorantim. He was a Board member of Tempo Assist, Taesa, Mangels, Construtora Tenda and Nutriplant.

Brenno Raiko de Souza

Member of the Academic Committee and the Audit and Finance Committee
Executive Officer responsible for the Health and Education departments at Advent. Member of the Boards of Directors of Fleury, Grupo Biotoscana and Allied Tecnologia.

Líbano Barroso

Member of the Strategy Committee and the Audit and Finance Committee
Member of the Board of Directors of Via Varejo, where he also acted as CEO. He was CEO of TAM Airlines.

Jackson Schneider

Member of the Strategy Committee and the People and Governance Committee
CEO of Embraer Defesa e Segurança, Vice-President of FIESP and Vice-Chairman of the Board of Directors of Mercedes-Benz do Brasil. He was President of Anfavea.

Juan Pablo Zucchini

Member of the Strategy Committee and the People and Governance Committee
Managing Partner of Advent International. Chairman of the Board of Directors of Grupo Biotoscana and member of the Board of Directors of Fleury.

GOVERNANCE, INTERNAL CONTROLS AND RISK MANAGEMENT

CONTINUOUS IMPROVEMENT SEEKING GREATER EFFICIENCY

GOVERNANCE

- CREATION OF NINE STRATEGIC COMMITTEES TO SUPPORT THE DECISION MAKING;
- IMPLEMENTATION OF THE RISK MANAGEMENT, INTERNAL CONTROLS AND IT GOVERNANCE DEPARTMENT;
- MAPPING AND IMPLEMENTATION OF CONTROLS IN THE MAIN BUSINESS PROCESSES;
- MIGRATION TO A RISK-BASED DECISION MODEL.
- CORPORATE PMO TO ENSURE HIGH LEVEL OF PROJECT EXECUTION

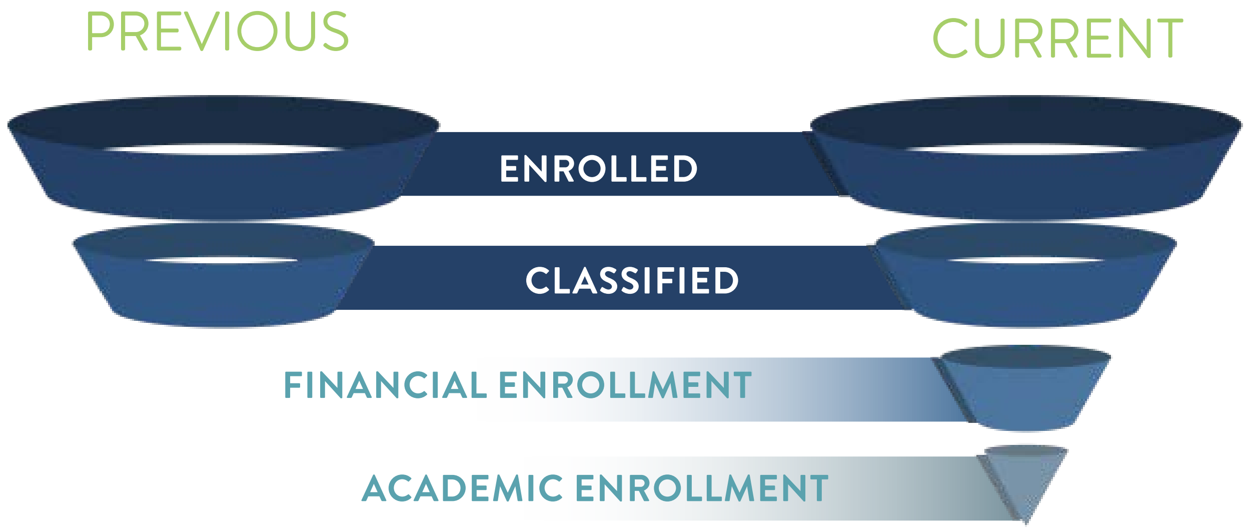
INTERNAL CONTROL

- IMPLEMENTATION OF A CONTINUOUS MAPPING PROCESS AND EVALUATION OF THE KEY CONTROLS IMPACTING THE FINANCIAL STATEMENTS;
- MIGRATION TO THE CONTROL SELF ASSESSMENT OF THE KEY PROCESSES.

RISK MANAGEMENT

- DISCLOSURE OF THE CORPORATE RISK POLICY;
- DISSEMINATION OF THE RISK MANAGEMENT CULTURE
- CONTINUOUS IMPROVEMENT OF METRICS AND ACTION PLANS TO HANDLE THE MAIN RISKS;

INTAKE PROCESS



Students used to be assigned to a class just after passing the entrance exam, before the financial and academic enrollment were completed.

INSUFFICIENT NUMBER OF STUDENTS PER CLASS	IMPROVED STUDENT/CLASS RATIO
PRESSURE ON FACULTY COSTS	EFFICIENCY GAIN IN FC/NOR
INFLATED STUDENT BASE	HEALTHY STUDENT BASE
NEGATIVE IMPACT ON PDA	REDUCED PRESSURE ON PDA
	HIGHER CASH GENERATION

2017 STRATEGIC INITIATIVES

REDUCTION IN SCHOLARSHIPS AND REPLACEMENT OF THE EXEMPTIONS

EXEMPTIONS

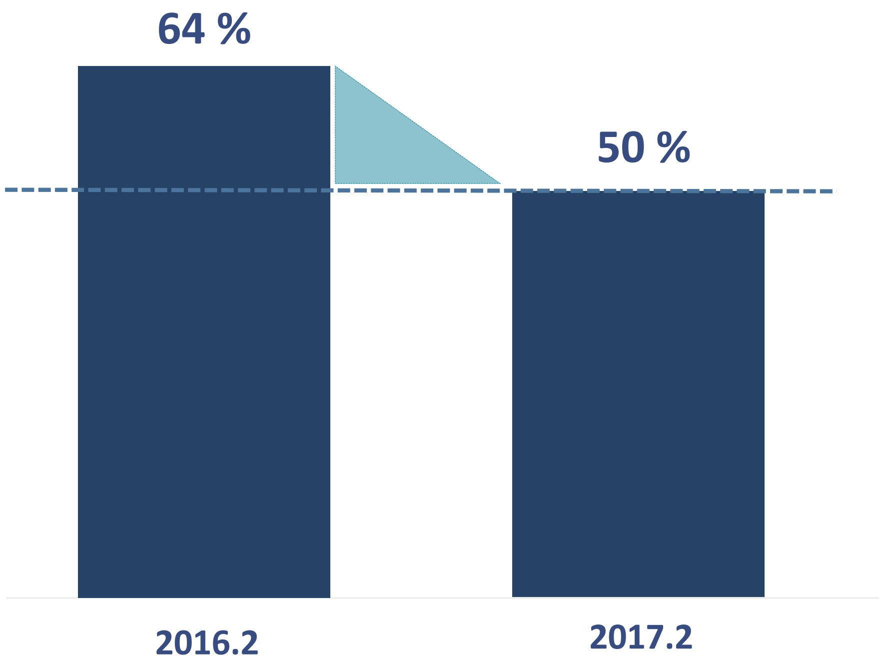
PREVIOUS POLICY x CURRENT POLICY

PREVIOUS POLICY	CURRENT POLICY
FULL EXEMPTION OF THE MONTHLY TUITION	FIXED RATE OF R$59 IN THE FIRST MONTHLY TUITION

BASIC OBJECTIVES OF THE POLICY CHANGE:

- ANTICIPATE THE FINANCIAL ENROLLMENT CURVE
- ATTRACT STUDENTS WITH LOWER AVERAGE DROPOUT RATES
- RESPOND TO WHAT DIRECT COMPETITORS ARE OFFERING

ACTUAL DECREASE IN EXEMPTIONS AND DISCOUNTS



2017 STRATEGIC INITIATIVES

LAUNCH OF ESTÁCIO'S INSTALLMENT PROGRAM (PAR)

MAIN CHARACTERISTICS

- **AFFORDABLE** MONTHLY PAYMENTS

  PAYMENT IN INSTALLMENTS OCCURS GRADUALLY AND WITH NO INTEREST RATES, BEGINNING WITH 70% OF THE MONTHLY TUITION

- **SIMPLE AND DIRECT** WITH ESTÁCIO
- **FLEXIBLE MODEL**
  - **POSSIBILITY TO CHANGE FROM PAR TO SCHOLARSHIP (30% DISCOUNT)** AT THE END OF EACH SEMESTER
  - **NON-CUMULATIVE PAYMENTS** – OUTSTANDING BALANCE IS CHARGED ONLY AFTER THE END OF THE MINIMUM PERIOD REQUIRED TO COMPLETE THE COURSE
- **HIGHER STUDENT RETENTION**
- **OFFERS AIMED TO** SPECIFIC REGIONS AND COURSES (NON-CANNIBALIZATION)
- **HIGHER STUDENT LIFETIME VALUE (LTV)**

Estácio

RESULTS ACHIEVED IN 9M17

+6.4%

Net **Revenue**

R$**2,540.5** mi

+29.0%

Comparable
EBITDA

R$**709.2** mi

+4.9p.p

Comparable
EBITDA Margin

27.9%

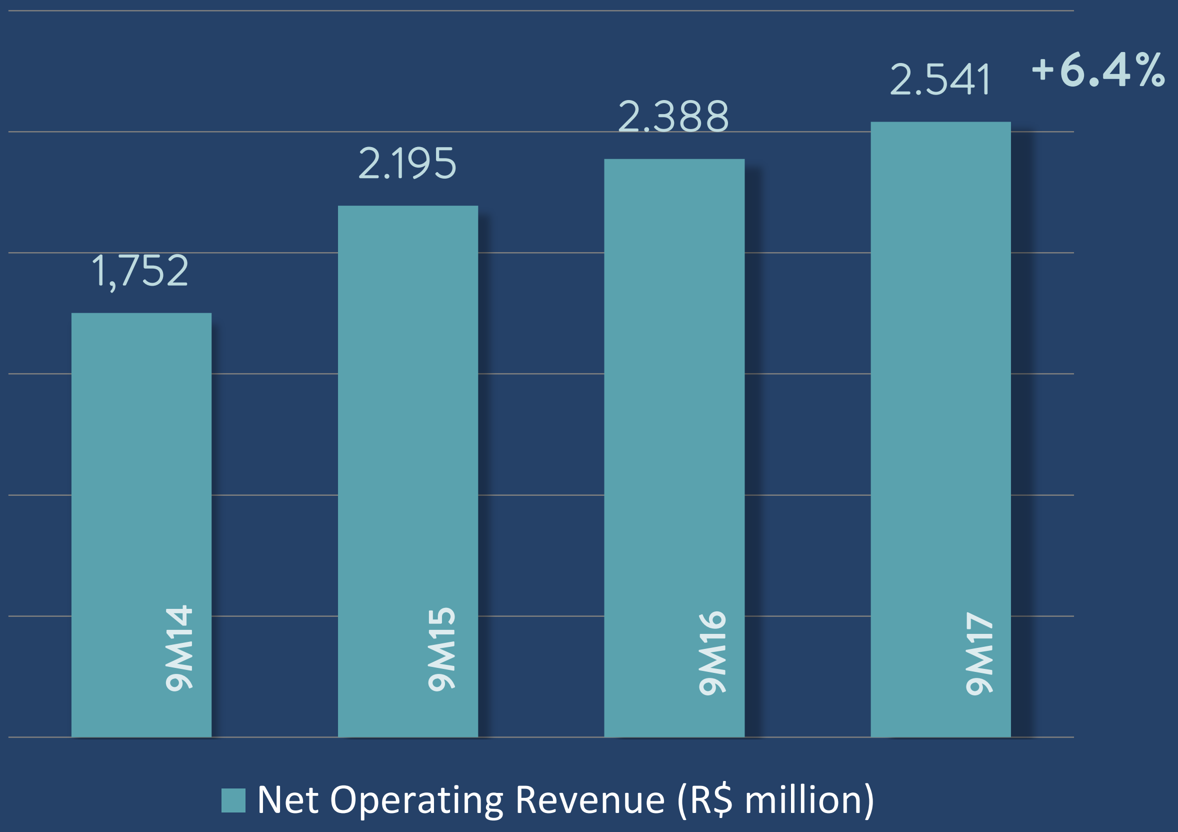
+151.9%

OCF

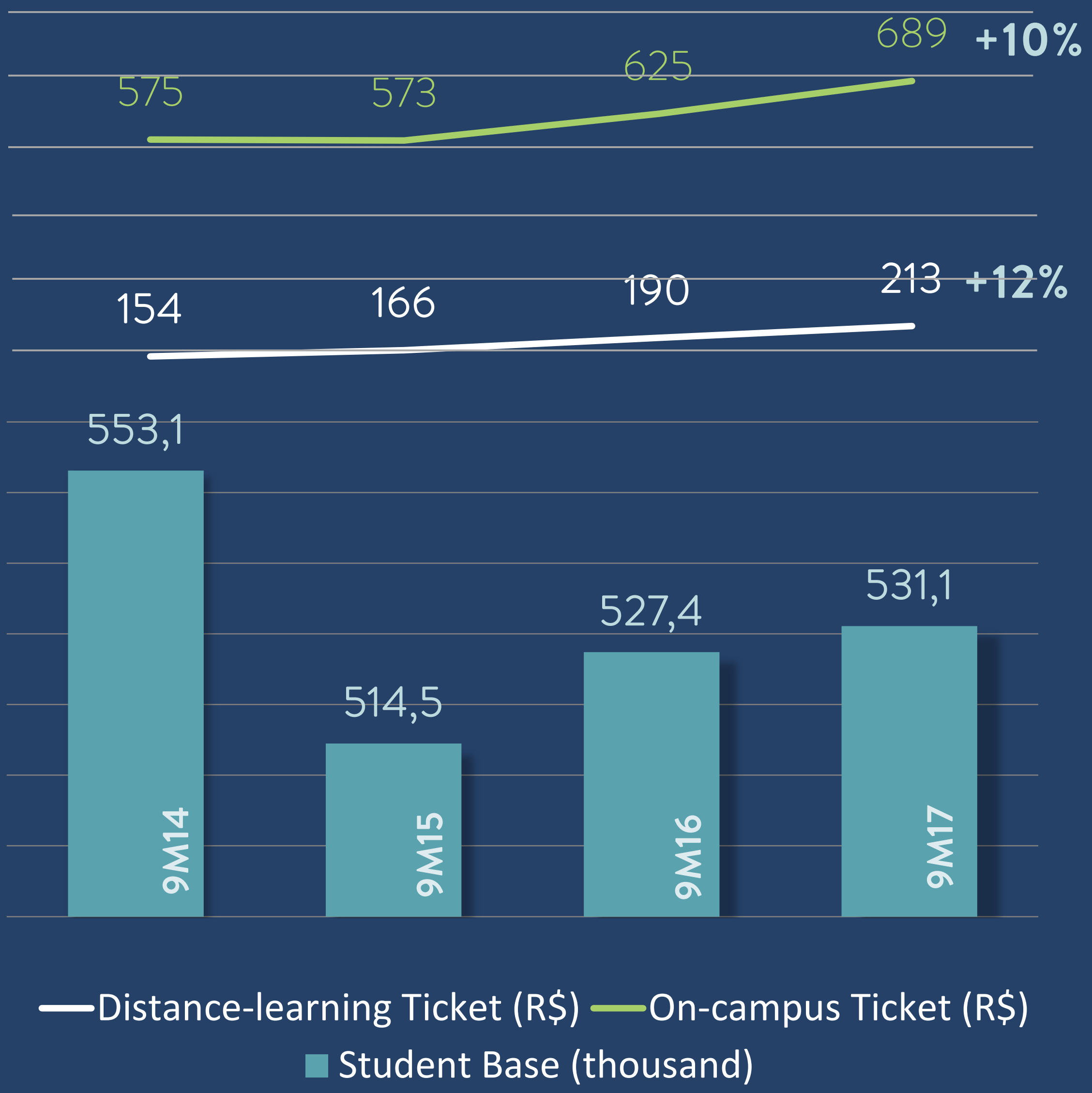
R$**595.7** mi

RESULTS ACHIEVED

EVOLUTION OF NET OPERATING REVENUE

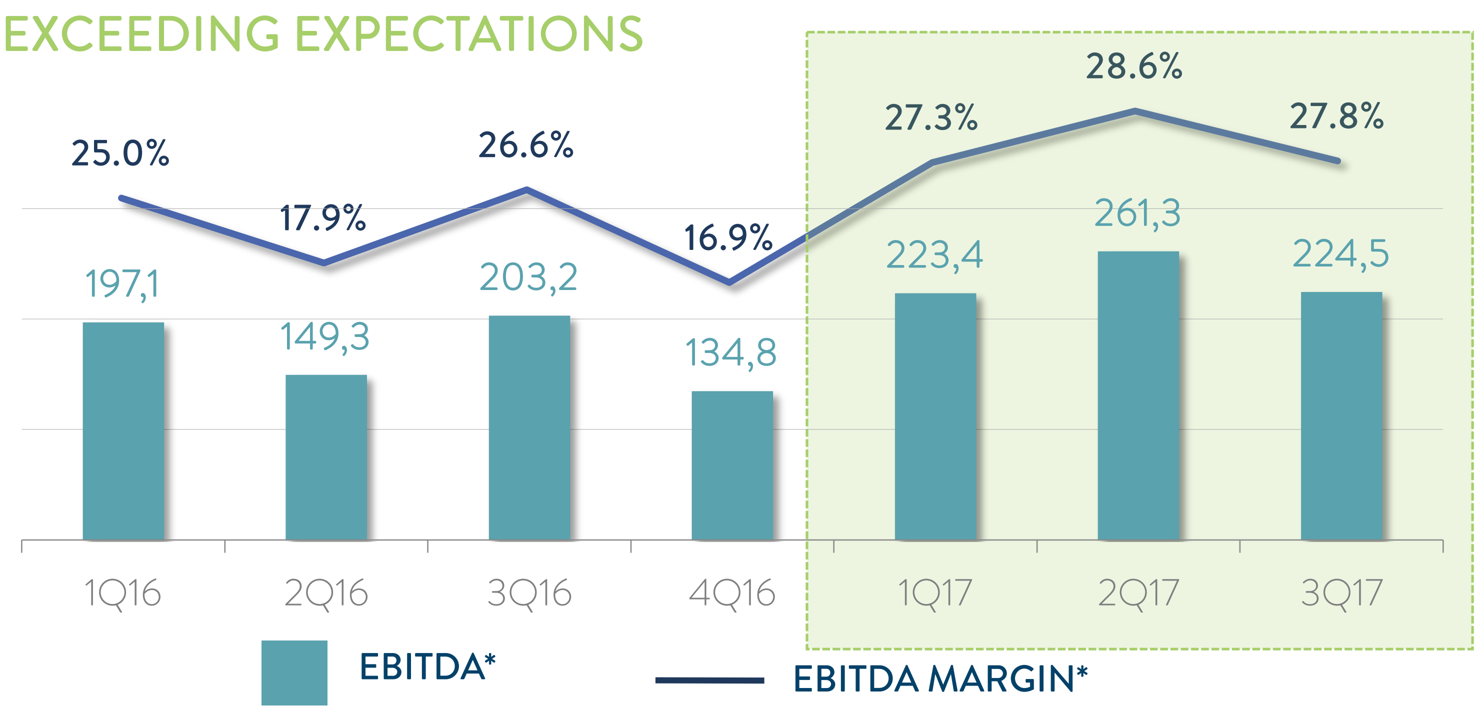


EVOLUTION OF THE STUDENT BASE AND AVERAGE TICKET



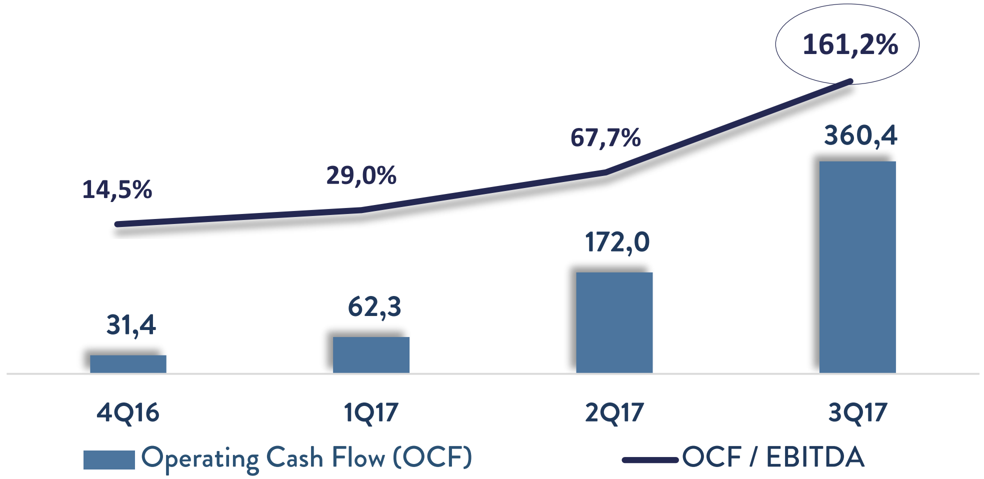
RESULTS ACHIEVED

EBITDA EVOLUTION (R$ million)



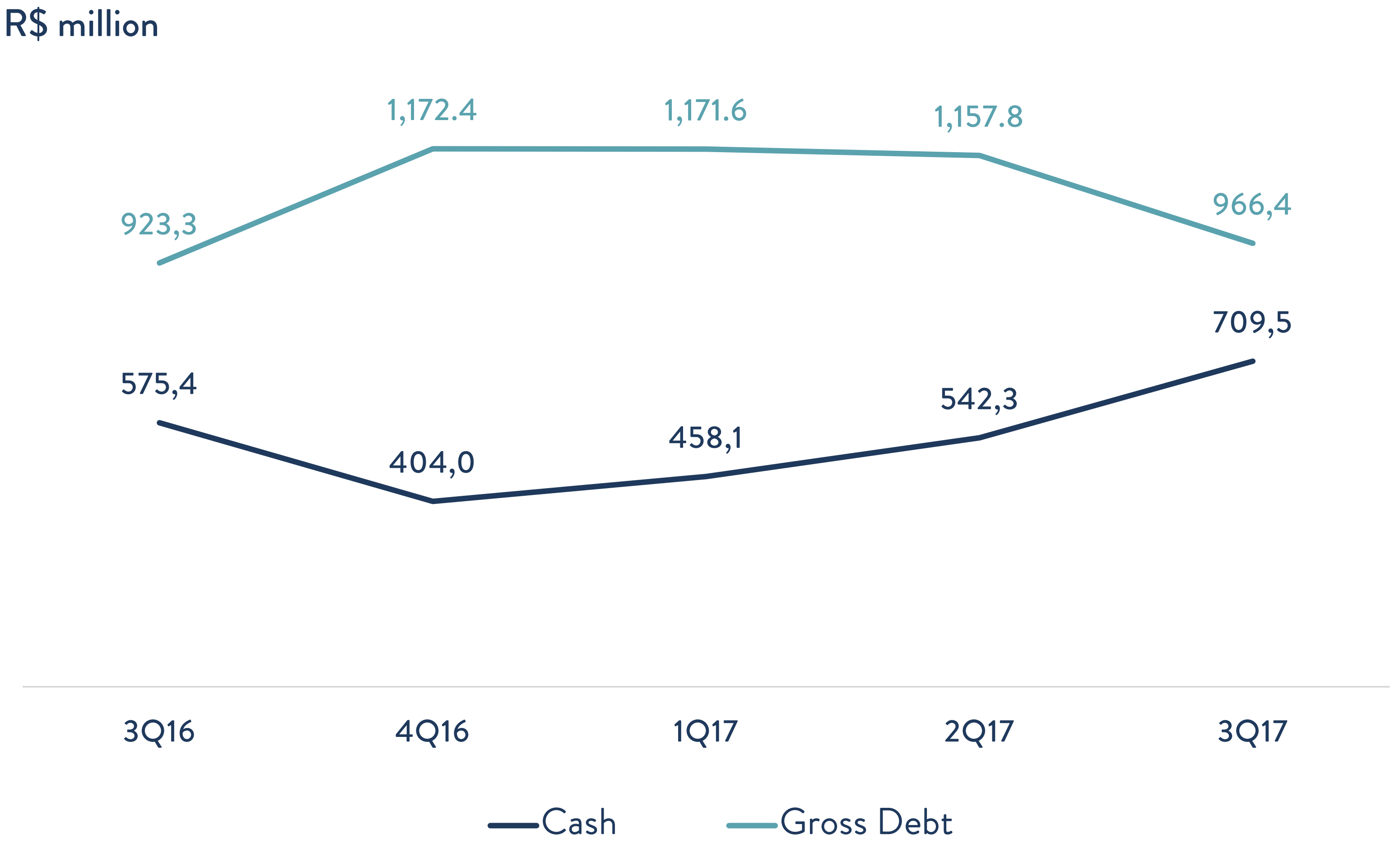
CASH CONVERSION EVOLUTION

(R$ million)



* Comparable EBITDA (Profit before Taxes, Depreciation and Amortization)

ROBUST NET CASH GENERATION



INVESTMENTS

PORTFOLIO

ADJUSTMENT OF THE CAMPUSES TO COMPLY WITH DEMAND, OPTIMIZATION OF UNITS, OPENING OF NEW COURSES.

OPERATIONAL IMPROVEMENTS

INVESTMENTS IN FACILITY, FURNITURE,
LIBRARY AND LABORATORY IMPROVEMENTS.

SYSTEM IMPROVEMENT

INVESTMENT IN IT ARCHITECTURE AND INFRASTRUCTURE.

OPERATING SYSTEM IMPROVEMENTS.

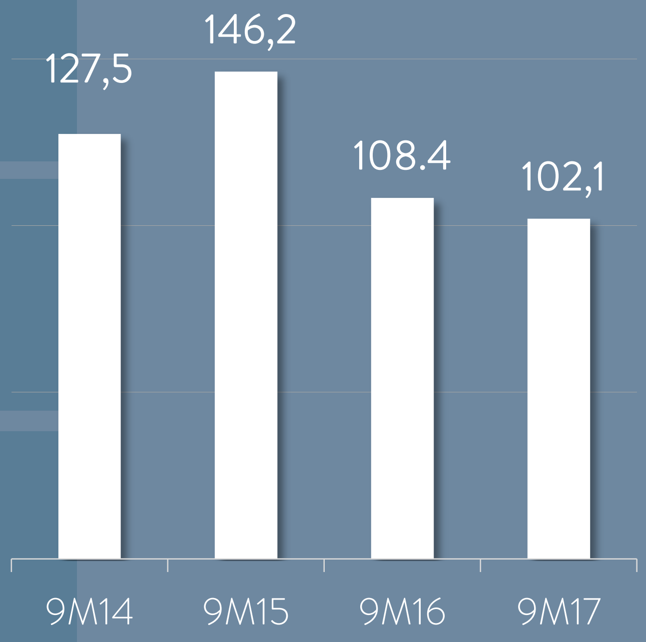
EDUCATION MODEL

INVESTMENTS IN OWN AND DIGITAL TEXTBOOK MATERIAL

MORE TECHNOLOGY USED IN THE CURRICULUM MATRIXES

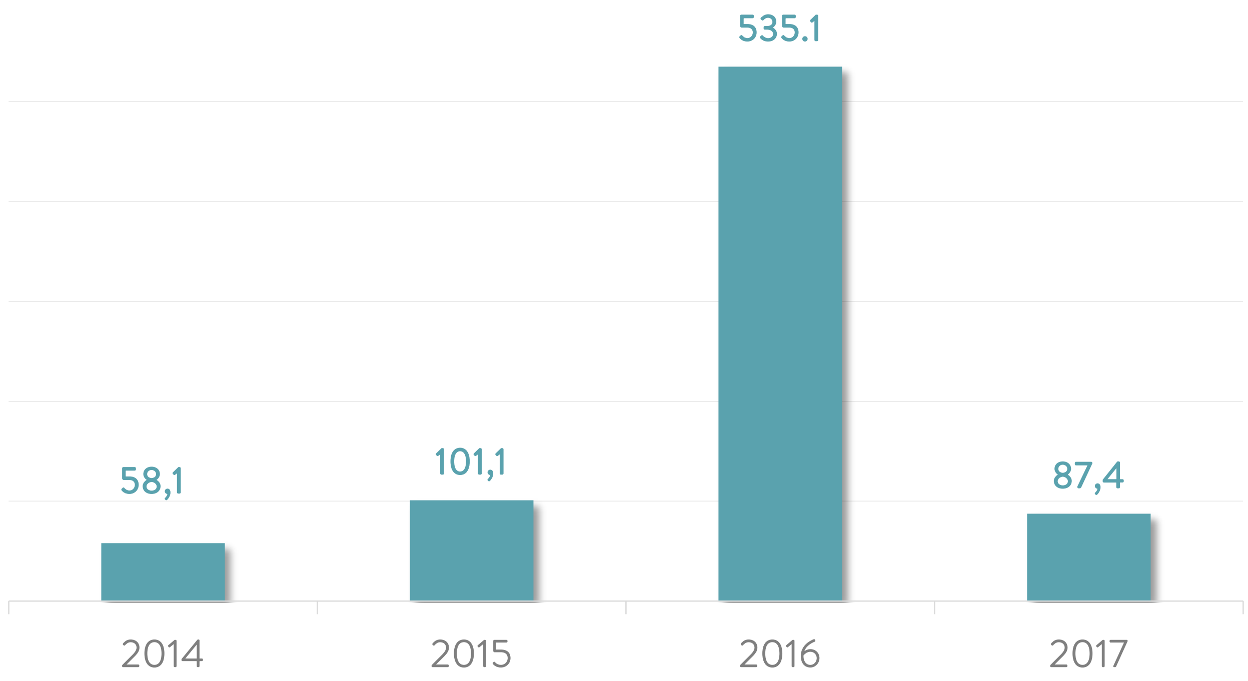
VIRTUAL CLASS INTEGRATED TO ON-CAMPUS EDUCATION.

CAPEX HISTORY (R$ million)



DIVIDEND DISTRIBUTION

DIVIDEND PAYMENT HISTORY (R$ million)



ONLINE COURSES WITH LAB PRACTICES

PRACTICES INDIVIDUALLY RECORDED AND SHOWN

SIMULATION LABORATORIES

SUPPORT OF A TUTOR

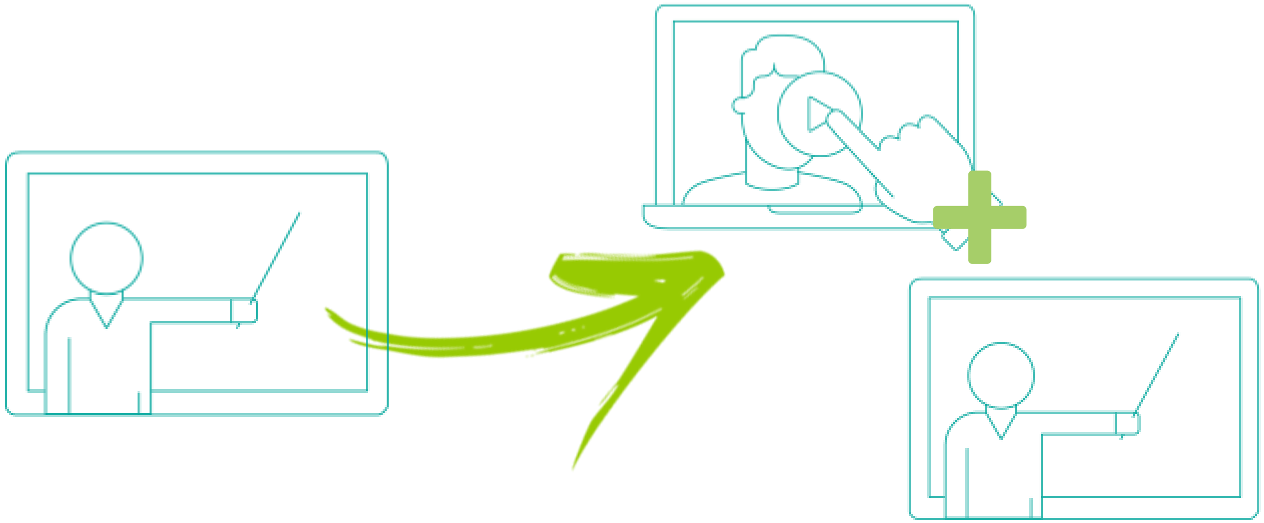
ALL LEARNING OBJECTS ARE AVAILABLE IN THE VIRTUAL LEARNING ENVIRONMENT

COMPETITIVE ADVANTAGES

- A SINGLE SIMULATION LABORATORY FOR DIFFERENT SUBJECTS FROM DIFFERENT COURSES
- LABORATORY HOUSES SEVERAL ACTIVITIES AT THE SAME TIME WITH ONLY ONE TUTOR PRESENT
- LOW IMPLEMENTATION AND MAINTENANCE COSTS OF THE LABORATORY
- CLASSES SCHEDULED ACCORDING TO STUDENTS' AVAILABILITY

OFFER OF HYBRID COURSES IN ESTÁCIO'S POST-SECONDARY INSTITUTIONS (FLEX) – PLUG & PLAY

Pilot of units focused on hybrid courses, where the choice between on-campus or online classes is based on student acceptance and approval levels and professor availability.



Estácio's distance-learning program allows the immediate expansion of course portfolios in any Estácio Group institution.

All units are also distance-learning centers. It is not necessary to wait for authorization from the Ministry of Education.

SOME OF ESTÁCIO'S COMPETITIVE ADVANTAGES

NATIONAL EDUCATION MODEL (>100 COURSES)

STANDARDIZATION OF OWN DIDACTIC RESOURCES

RESPECT TO LOCAL AND REGIONAL REALITIES

MAXIMIZATION OF THE SEVERAL WAYS THE **SAME CONTENT IS OFFERED**

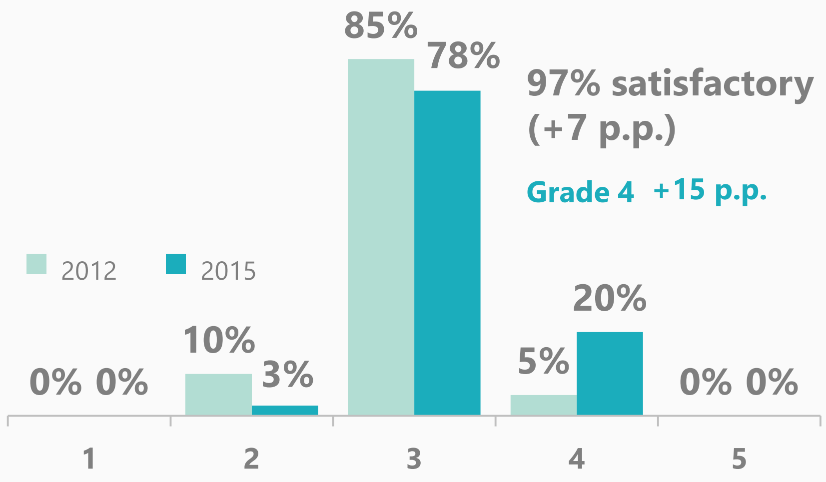
HYBRID **(INCORPORATION OF DISTANCE LEARNING IN ON-CAMPUS SUBJECTS)** AND CUSTOMIZED (PATHS) EDUCATION

EXPANSION OF **METHODOLOGIES AND TECHNOLOGIES TO THE OTHER EDUCATION LEVELS** (GRADUATE, HIGH SCHOOL...)

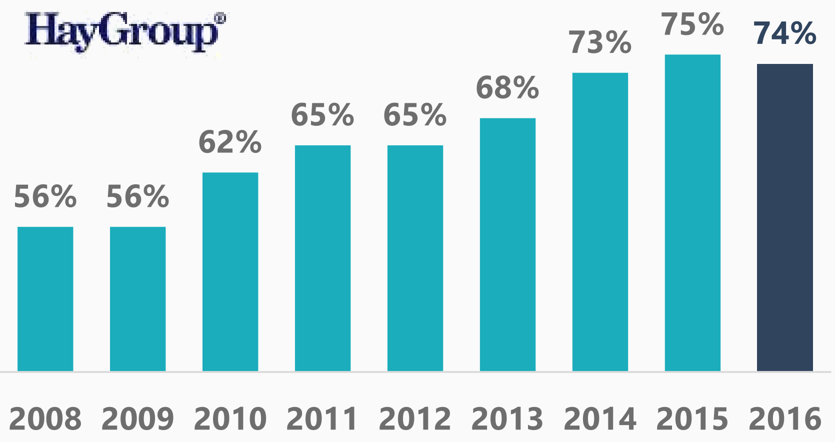
COMBINATION OF **SCALE AND QUALITY: POSSIBILITY OF GOALS**

QUALITY AND EMPLOYEE SATISFACTION

General Course Index (IGC) (2012 x 2015)



Annual Climate Survey



GROWTH

DRIVERS

100 new operational distance-learning centers

Totaling 338 operational distance-learning centers at the close of 3Q17

Medicine Course in Angra dos Reis

Another three Medicine units by March 2018

High School

Beginning of operations in seven units in the Rio de Janeiro State

DISCLAIMER

The content of this presentation may include expectations regarding future events and results estimated by Management. However, such forward-looking statements are no guarantee of future delivery and/or performance, given the risks and uncertainties inherent to the business environment, including the country’s economic performance, the global economy, the capital market, regulatory aspects of the industry, and governmental and competitive issues, among other factors, as well as the risks presented in the disclosure documents filed by Estácio, which are subject to changes without prior notice.

Thank you!

IR Contact

E-mail: ri@estacio.br
Telephone: (21) 3311-9700
Fax: (21) 3311-9722