

# RESULTS PRESENTATION

## 1Q21

# YDUQS



May 12<sup>th</sup>, 2021

**YDUQ**  
B3 LISTED NM



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Índice de Ações com Tag Along Diferenciado **ITAG**

# DISCLAIMER

Rio de Janeiro, May 12<sup>th</sup>, 2021 - **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 2021 (1Q21)**.

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.

**Consolidated results account for Adtalem Brasil Holding Ltda. group as of May 2020 and Grupo Athenas Educacional as of August 2020, except when stated otherwise.**

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.



# INTAKE 2021.1 <sup>(2)</sup>

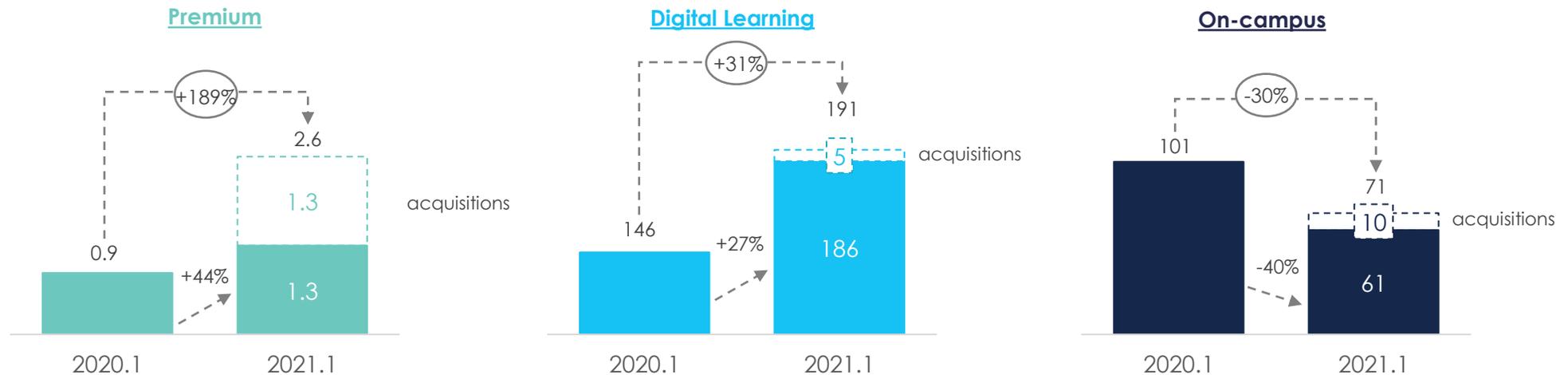
## Medicine and Digital Learning organic growth

Thousand students	2020.1 <sup>(1)</sup>	2021.1	Δ%	2021.1 (ex-acquisitions)	Δ%
Premium	0.9	2.6	189%	1.3	44%
Digital Learning	146	191	31%	186	27%
On-campus	101	71	-30%	61	-40%
<b>Total</b>	<b>248</b>	<b>265</b>	<b>7%</b>	<b>248</b>	<b>0.2%</b>

### 2021.1 Intake up by 7% YoY

Even in face of an adverse scenario (pandemic, delay in ENEM examination, etc.), intake increased as a result of medicine and digital learning organic growth, in addition to acquisitions.

Intake  
(Thousand students)



(1) 2020.1 figures do not include intake from the acquired companies as from May/2020.  
 (2) Intake considers the period of October-April.





## Premium

- We reached the milestone of **6 thousand undergraduate medical students**. New expectation for 2021YE: 6.2-6.6 thousand students
- Medicine **average ticket increase** (+5% y/y)
- Premium **EBITDA margin**: 53%
- Renewal Rate** + 2,8 p.p. above 1Q20
- IDOMED**: Medicine new identity



## Digital Learning

- Net Revenue** doubled in a 2y period and increased +38% vs 1Q20
- Undergraduate Student base** doubled in a 2y period and increased 30% vs 1Q20
- Renewal Rate** + 0,3 p.p. above 1Q20
- Centers continue to expand** (+58% vs 1Q20), with 76% of the total number of centers still maturing. 2 thousand centers expected for 2021YE.



## On-Campus

- Average ticket** increased by +4% vs 1Q20
- Renewal rate** stable in a pandemic context, rising 0.2 p.p.
- Aura**: 43% of students with access to EnsiMe content
- Mix change**: increase in the representativeness of health courses for the third consecutive year, rising from 30% to 42%




**Mandatory discounts** referring to laws and court decisions only on a **residual** basis



**Bad Debt + Discounts** (as % of Net Revenue) at a **stable** level



**NPS improvement** <sup>(1)</sup> Apr/21 YTD  
**On-campus**: +17 p.p.  
**Digital Learning**: +21 p.p.



**Solid Capital Structure**, with low leverage



**Acquisitions**: More than 95 million<sup>(2)</sup> reais captured in synergies



**Increase in Premium and DL representativeness**, totaling 46% of net revenue

(1) NPS results referring to Estácio graduation, values updated until April 30, 2021.  
 (2) amounts annualized and in regime.

Our backbone in Digital Learning drives our business units

New content models continue to increase student satisfaction ...

- **+17 p.p. increase** in the NPS level for students in Digital Learning and **+21 p.p. increase** for students in on-campus

...and with that we are increasing our reach in graduation...

- Digital operation allows EnsignMe to **scale** its solutions:
  - 1.1k courses produced in 12 months
  - **40% of content optimized in new demands**
  - all White-label content
- With this scale, we have already attended the digital classes of **100% of the Aura on-site and 73% of the freshmen and 43% of the entire base in Digital Education.**

... and enabling more and faster business expansions

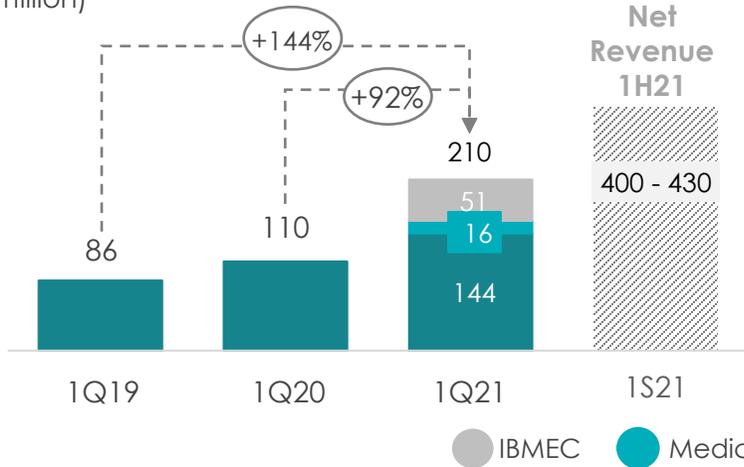
- **+15 100% digital courses** ready for the 2nd semester with minimal investment
- We already enable launches **beyond graduation** without investment in production!
  - 48 extra courses
  - Graduate courses in 6 different local brands



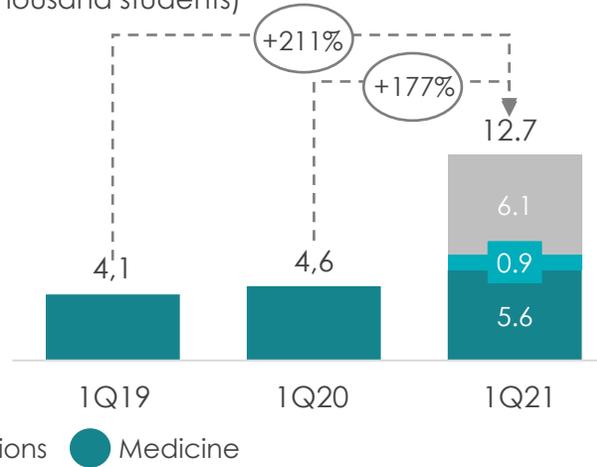
# PREMIUM: MEDICINE WITH STRONG ORGANIC GROWTH

## IBMEC as a strategic asset

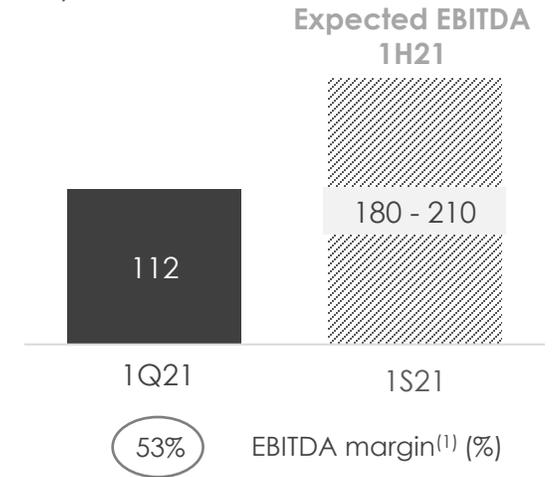
Adjusted Net Revenue Premium <sup>(1)</sup>  
(R\$ million)



Premium Student Base  
(Thousand students)



Adjusted EBITDA <sup>(1)</sup>  
(R\$ million)



### IDOMED

Instituto de Educação Médica

**Launch of the new unified vertical medicine identity**

<b>Undergraduation</b> 6.0K students	<b>Graduation</b> 0.5K students	<b>6.2-6.6K students</b> Undergraduation base expected in 2021
<b>Adjusted Average Ticket <sup>(1)</sup></b> R\$8,8k/month   +5% y/y (paying students)		<b>+100 seats</b> for 2021.2

### ibmec

**New logo launch**

<b>Undergraduation</b> 5.2K students	<b>Graduation</b> 1K students
<b>Adjusted Average Ticket <sup>(1)</sup></b> R\$2.7K/month (undergraduation)	

- **Premium EBITDA** represents 34% of YDUQS Adjusted EBITDA <sup>(1)</sup>
- **Laws and court decisions impact** of R\$8.3 million (vs R\$18 million on 4Q20), in Medicine NR in 1Q21
- **Renewal Rate <sup>(2)</sup>** at 96.5%, registering an increase of 2.8 p.p. vs the same period of the previous year



<sup>(1)</sup> Net revenue adjusted for the effects of laws and court decisions to Covid-19 | Adjusted EBITDA for non-recurring effects.

<sup>(2)</sup> Data until 04/30/21. When calculating the renewal rate, only the Estácio + Unitoledo student base is considered for a better comparison with the previous year.

# DIGITAL LEARNING: NET REVENUE DOUBLING IN 2 YEARS

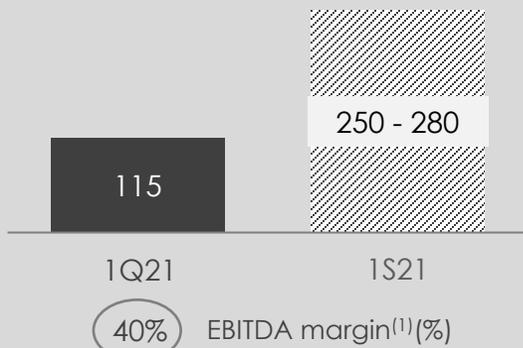
Net Revenue (R\$ million)

● Undergraduation ● Lifelong



Adjusted EBITDA<sup>(1)</sup> (R\$ million)

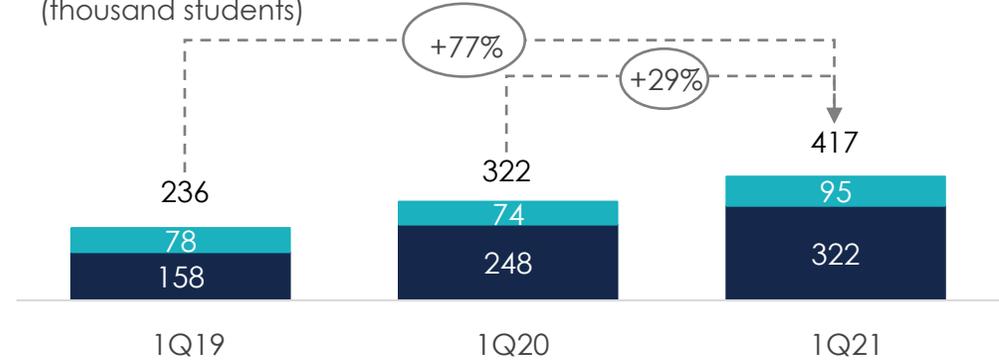
Expected EBITDA 1H21



EBITDA of Digital Learning represents 35% of YDUQS total Adjusted EBITDA<sup>(1)</sup>

Student Base (thousand students)

● Undergraduation ● Lifelong

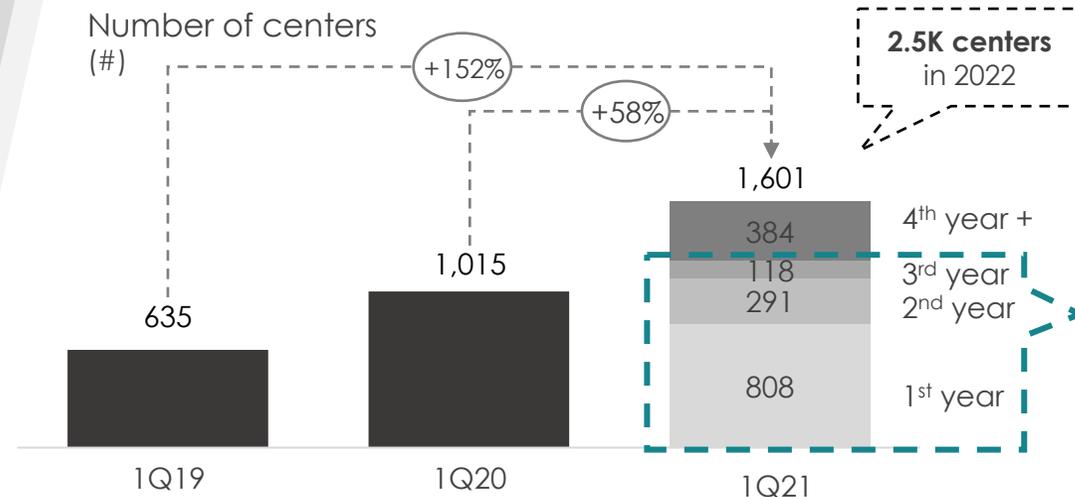


In 1Q21, the Digital Learning **average ticket** registered R\$240/month, a slight 1.8% y/y decrease



**Renewal Rate<sup>(2)</sup>** of 77.4% registering an increase of 0,3 p.p. vs same period in the previous year

Number of centers (#)



DL centers continue to expand, with **76% still maturing**

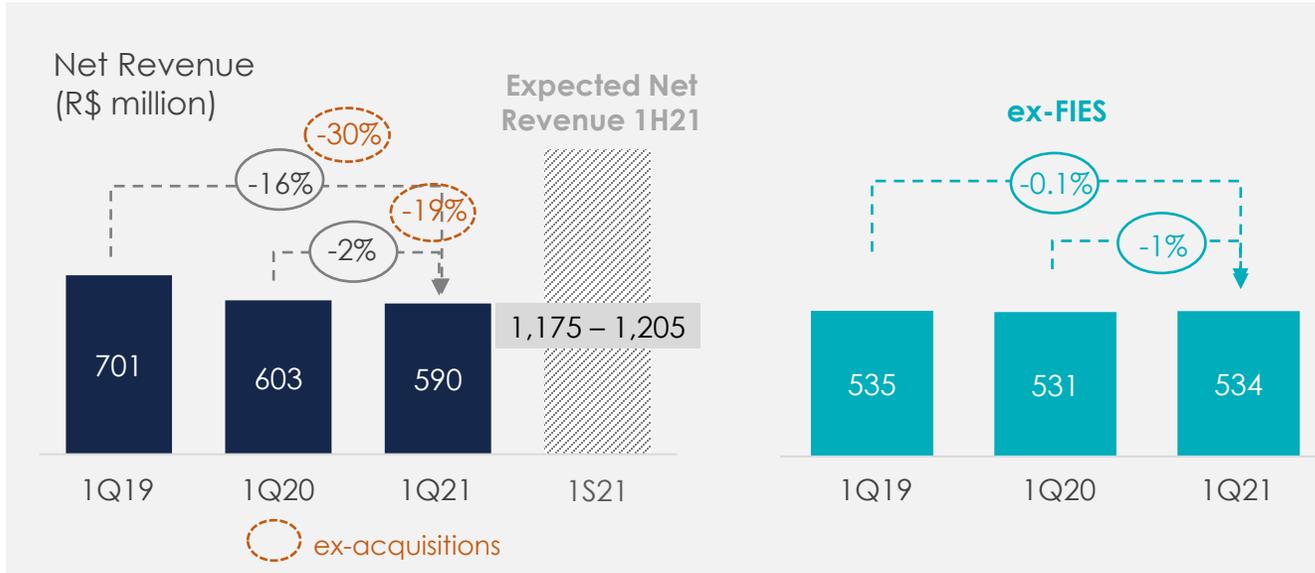


(1) EBITDA adjusted by non-recurring effects.

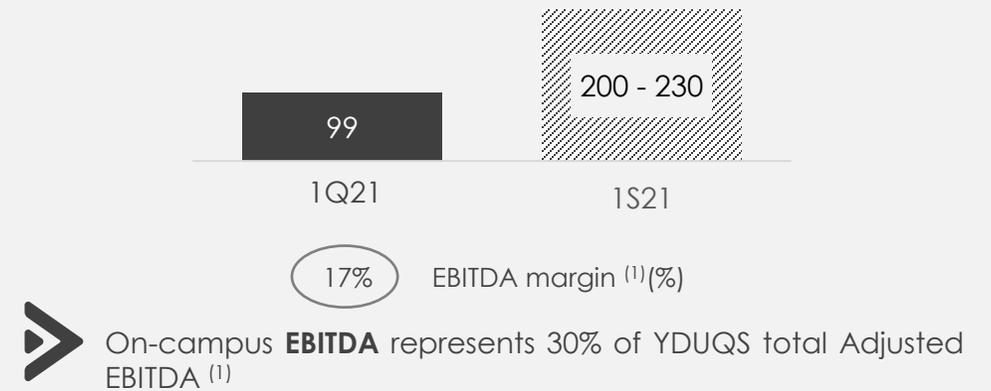
(2) Data until 04/30/21. When calculating the renewal rate, only the Estácio + Uniletoledo student base is considered for a better comparison with the previous year.

# ON-CAMPUS: RESULTS BOOSTED BY ACQUISITIONS

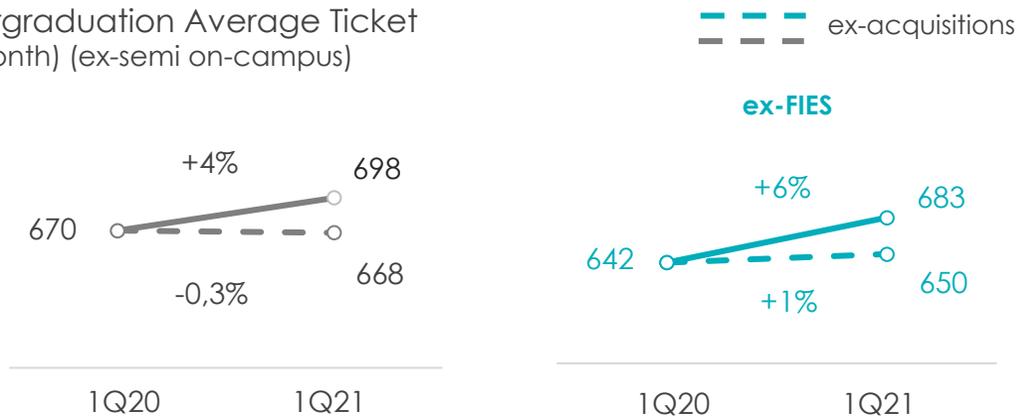
## Growing average ticket



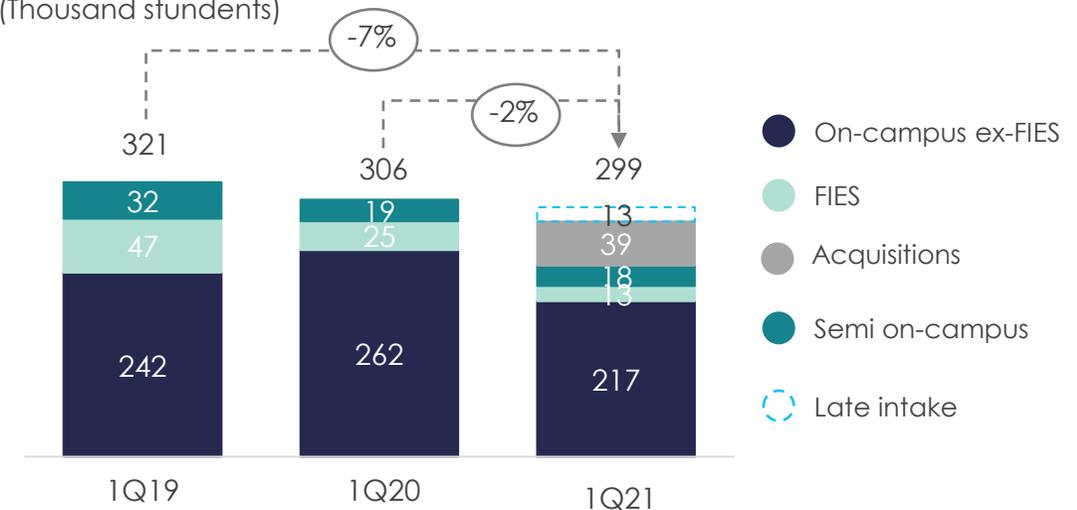
Adjusted EBITDA<sup>(1)</sup> (R\$ million)



Undergraduation Average Ticket (R\$/month) (ex-semi on-campus)



Student Base<sup>(1)</sup> (Thousand students)



➤ **Renewal Rate<sup>(2)</sup>** at 84.9% registering a 0,2 p.p. increase over the same period of the previous year



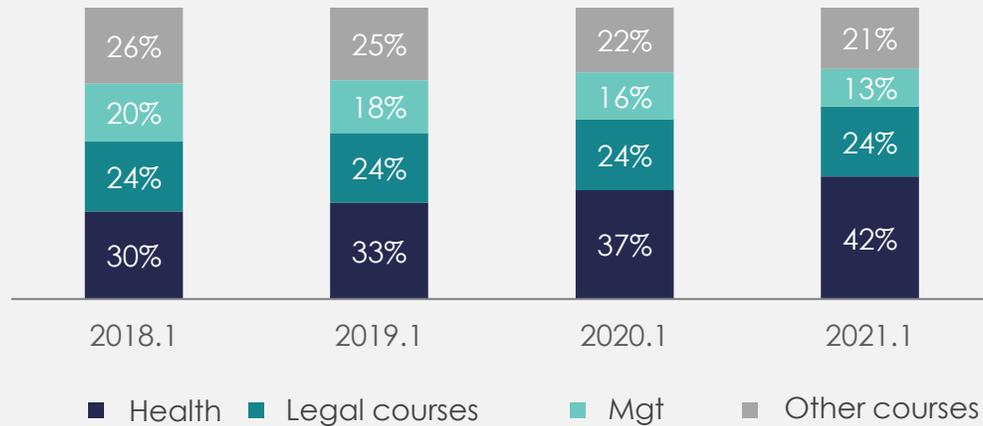
(1) In 1Q21, the student base considers the late intake of students.

(2) Data until 04/30/21. When calculating the renewal rate, only the Estácio + Unitoledo student base is considered for a better comparison with the previous year.

# ON-CAMPUS: BU IN STRUCTURAL EVOLUTION

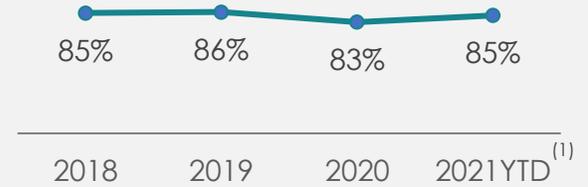
With improvement in operational research and student satisfaction

Mix of courses on-campus  
(%, Estácio ex-Medicine)



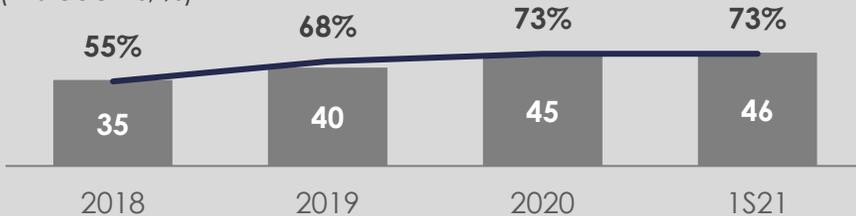
**Mix of the on-campus student base** changing, with greater representativeness of health courses, which reach almost half of the total on-campus base

Renewal Rate ex-acquisitions  
(%, Undergraduation ex-premium)



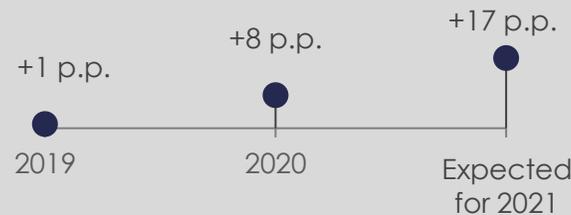
**Maintenance of a constant renewal rate**, as a result of greater renewal efforts, even in an adverse scenario

Students per class ratio and occupancy rate  
(# students, %)



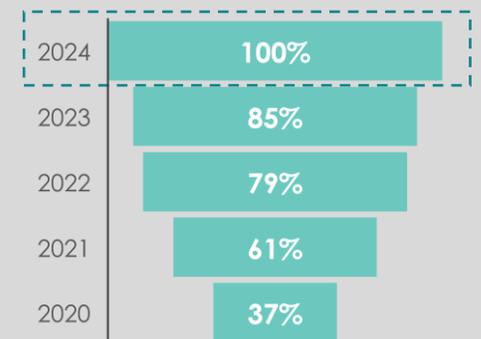
On-campus segment continues to advance in operational research, with improvement in students per class ratio and class occupancy rate

Evolution of the NPS variation  
(p.p, Estácio)



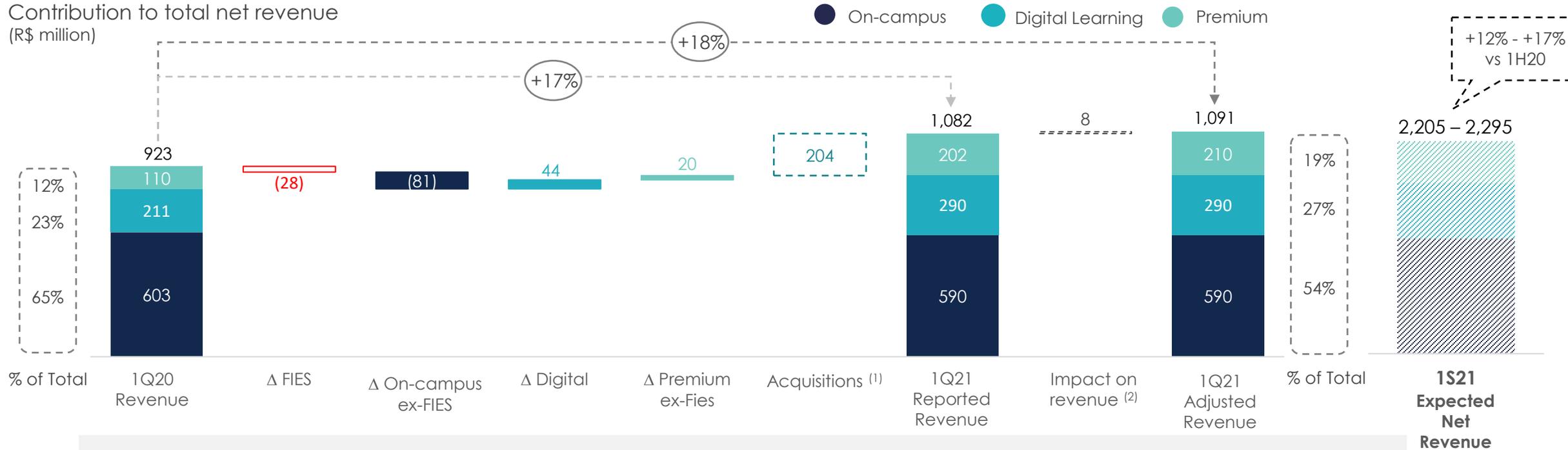
**NPS continue to grow** over the years, expecting to close 2021 up +17 p.p.

Percentage of students at Aura  
(%)



# REVENUE: BOOSTED BY DIGITAL LEARNING, PREMIUM AND M&A **YDUQS**

Contribution to total net revenue (R\$ million)



FIES Revenue (% of total Net Revenue)



Representativeness of each YDUQS BU (% Net Revenue)

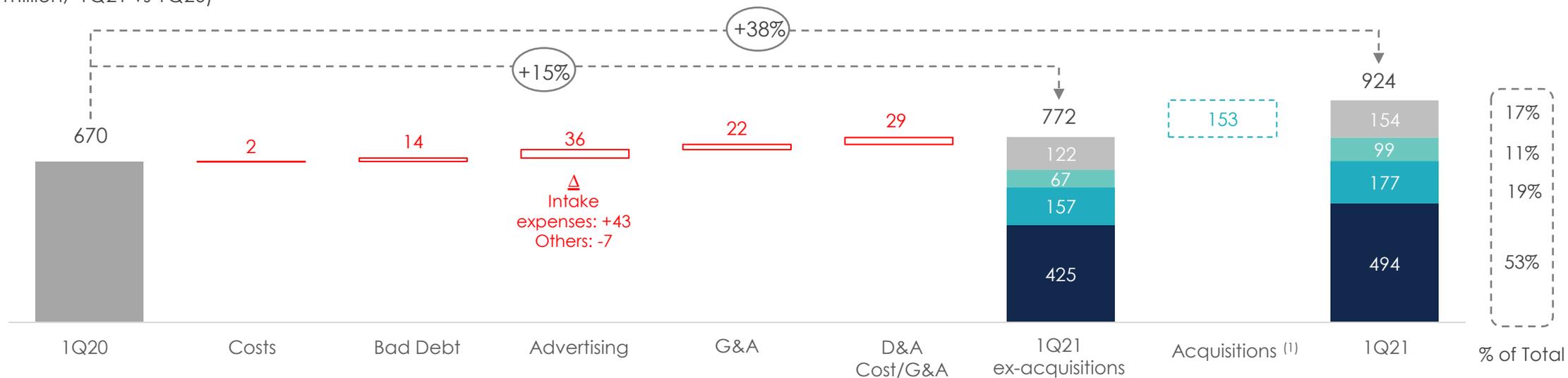


(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.  
 (2) Impact related to discounts by laws and court decisions totaling R\$ 8.4 million.

# ADJUSTED COSTS AND EXPENSES

Breakdown of adjusted costs and expenses<sup>(2)</sup>  
(R\$ million; 1Q21 vs 1Q20)

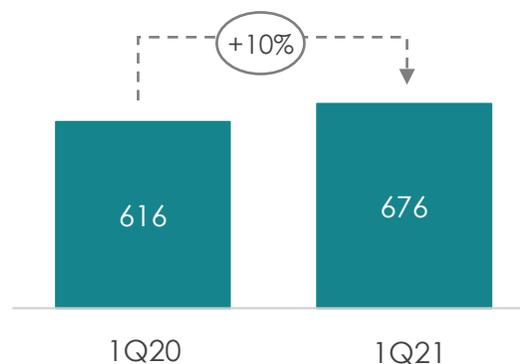
● On-campus ● Digital Learning ● Premium ● D&A



Bad Debt + Discounts  
(R\$ million)



Costs and expenses + discounts ex-acquisitions and D&A<sup>(2)</sup>  
(R\$ million)



➤ Considerable reduction in **non-recurring adjustments in costs and expenses** compared to the last quarter.

➤ Greater efforts in 1H21 intake, due to the adverse scenario, boosted **advertising expenses**.

➤ **D&A** varied by R\$ 29 million, impacted by the IFRS 16 effect and the incorporation of acquisitions (R\$ 17 million referring to goodwill).



(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.  
(2) Adjusted for R\$ 5 million of non-recurring items with restructuring and M&A.

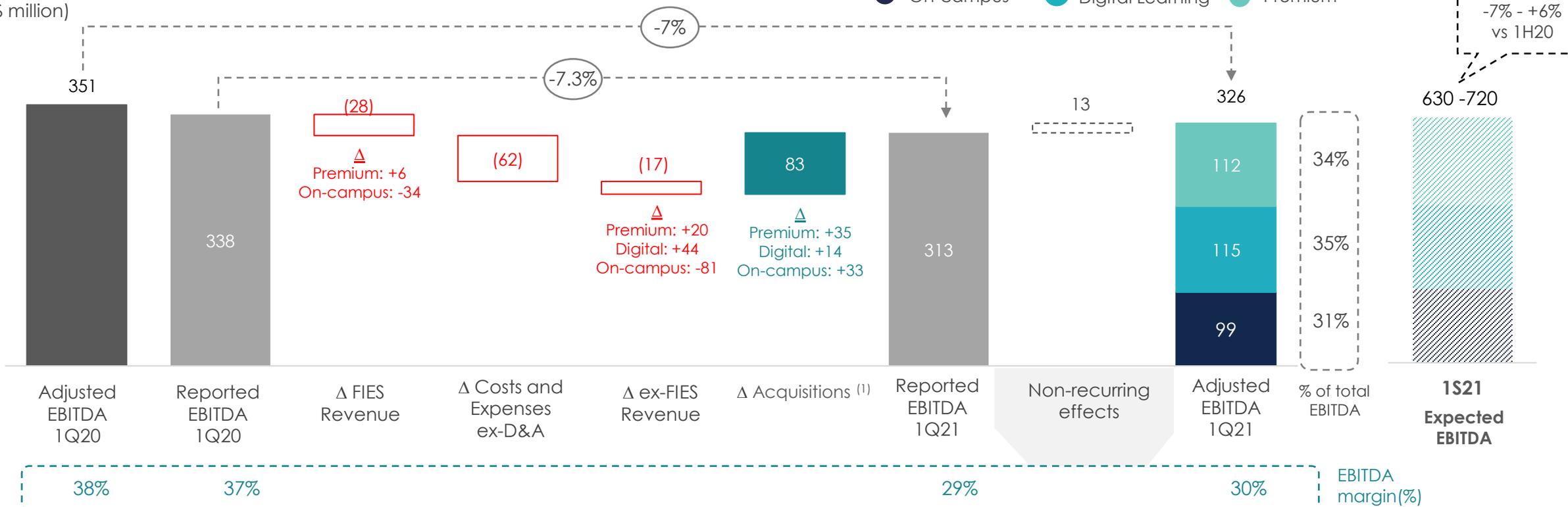
# ADJUSTED EBITDA

YDUQS

1Q21

Adjusted EBITDA  
(R\$ million)

● On-campus ● Digital Learning ● Premium



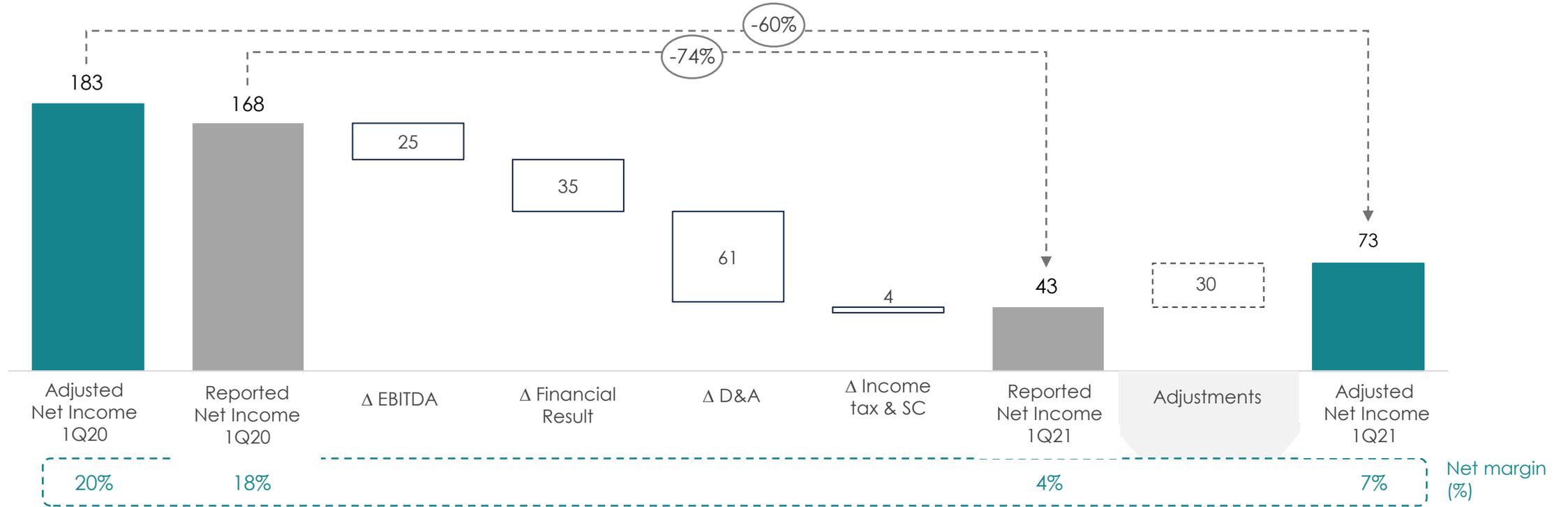
Account	Description	4Q20	1Q20	1Q21
Revenue	Discounts granted from laws and court decisions	83.8	0.0	8.4
Cost	Organizational Restructuring	21.0	2.1	1.0
	Infrastructure Costs	11.5	0.0	0.3
Expenses	M&A, integration and other expenses	43.6	10.9	3.2
	<b>Impact on EBITDA</b>	<b>159.8</b>	<b>13.1</b>	<b>13.0</b>

(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.



# ADJUSTED NET INCOME

Adjusted Net Income  
(R\$ million)



Account	Description	4Q20	1Q20	1Q21
EBITDA	Non-recurring items from EBITDA	159.8	13.1	13.0
D&A	Trade Fund <sup>(1)</sup>	18.0	1.9	16.8
<b>Impact on Income</b>		<b>177.8</b>	<b>15.0</b>	<b>29.8</b>

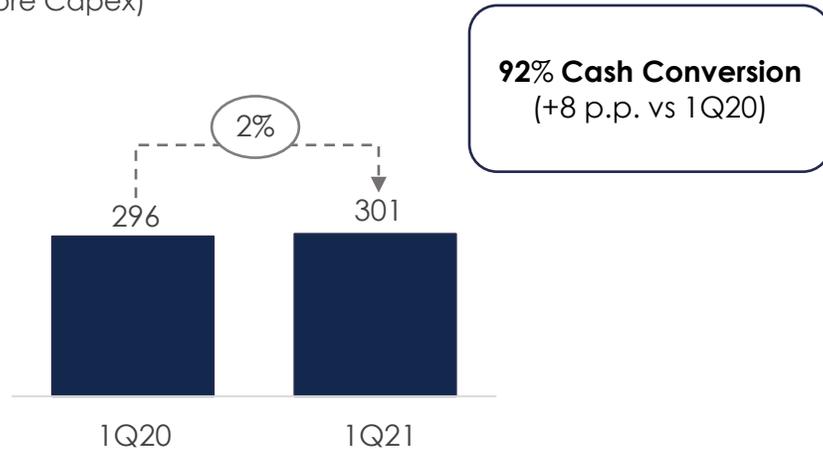
(1) Regarding the amortization of goodwill on acquisitions



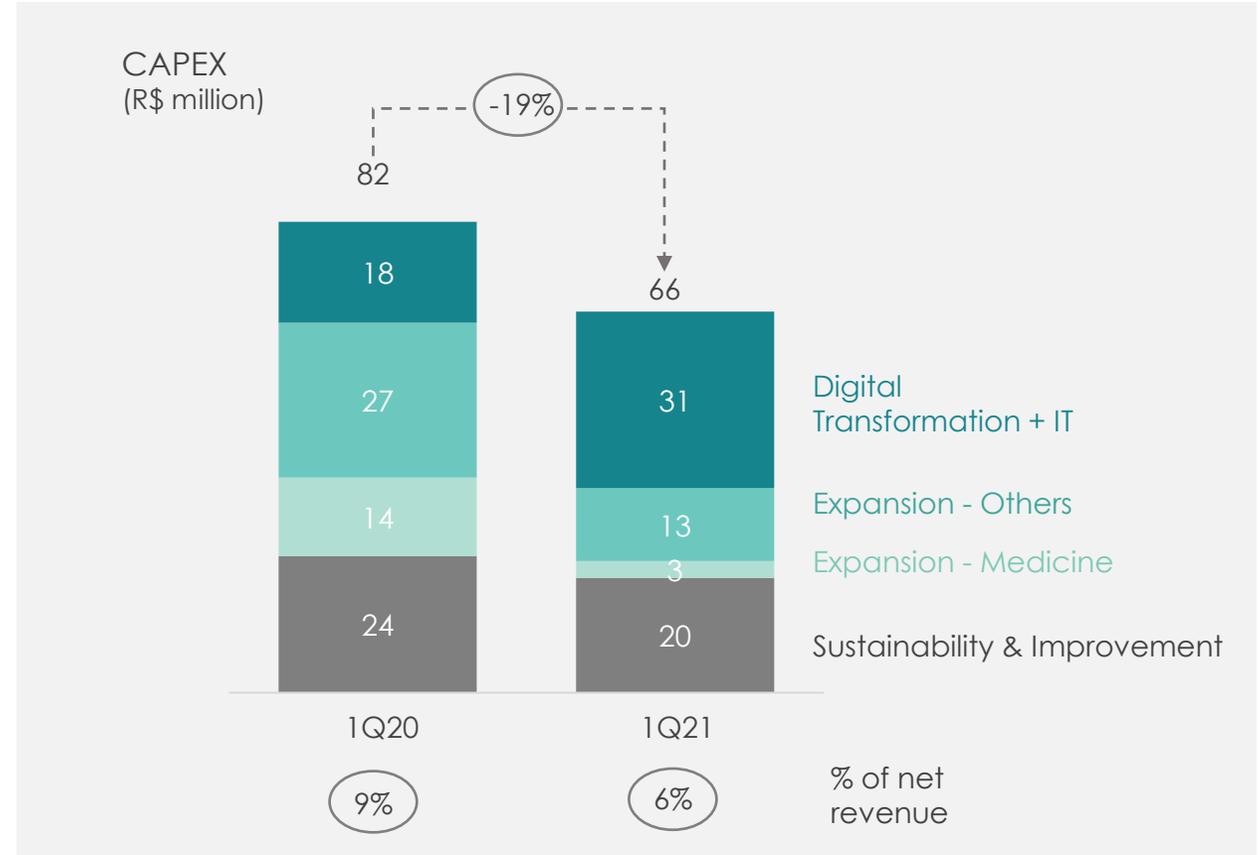
# CASH FLOW AND CAPEX

Preserving solid financial position, even in an adverse scenario

Reconciliation of Operating Cash Flow  
(R\$ million, before Capex)



Reconciliation of OCF	1Q20	1Q21
<b>Operating Cash Flow</b>	<b>409</b>	<b>189</b>
Income Taxes and Social Contribution paid	5	11
Loans interest paid	17	46
Increase in Judicial deposits	0,4	10
Contract termination fee <sup>(3)</sup>	-	45
Delay in FIES receivables <sup>(4)</sup>	-136	-
<b>OCF after reconciliation</b>	<b>296</b>	<b>301</b>



➤ High liquidity, cash generation and ability to raise funding, **R\$2.0 billion in cash position**

➤ **Low Debt:** Net Debt<sup>(2)</sup>/Adjusted EBITDA at **1.3x**

(1) Cash conversion calculated considering Adjusted EBITDA.

(2) Net debt excluding leasing (ex-IFRS16).

(3) In 1Q21, R\$ 45 million refers to the timely payment of termination of the rental agreement, an amount provisioned in the past.

(4) In 1Q20, R\$ 136 million refers to the FIES receivables referring to Dec/19.



# RECENT ACQUISITIONS

Capturing synergies within expected schedule

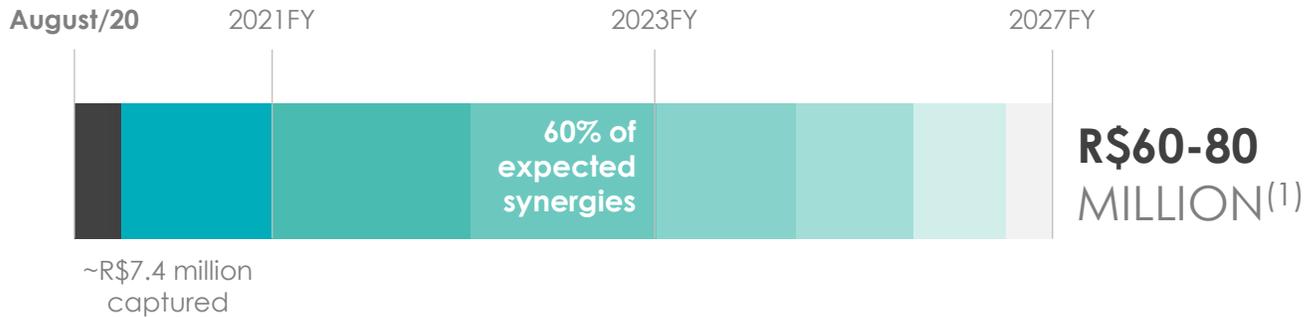
## Adtalem

Robust process with the development of an operation model generating learning gains and mapping synergies for new acquisitions



## Athenas

Longer schedule due to maturation time for medicine



## Other important milestones

### Unitoledo

- First integration of YDUQS history with maintenance of teaching brand and maintenance of brand differentials and market positioning
- Conception and implementation of DL private label in 90 days

### Adtalem

- Organizational structure implemented in Day 1 with communication for +5,000 employees ensuring business continuity
- Systems fully migrated 8 months after closing (+60 systems)
- Teaching matrix implemented in the first post-closing intake cycle of 21.1

### Athenas

- Record intake in 2020.2 and 2021.1, 2 times the all time high pre-closing intake
- Anticipation of 50 medicine seats
- Implementation of DL centers in the first month of integration (46 Estácio centers in the region)
- Incorporation of the Athenas brands by the Estácio brand



(1) amounts annualized and in regime.

# STATUS OF THE PERSPECTIVES PRESENTED IN 4Q20

		Status	1H21 Guidance
<b>Premium</b>	<ul style="list-style-type: none"> <li>• <b>Increase in medicine base</b> in 2021 as contracted and expansions: 7 units still maturing; 5 new units; 2 processes of increase in seats</li> <li>• <b>Strong H1 intake</b>, Medicine – volume and price</li> </ul>		<p><b>Net Revenue</b> R\$400-430 million</p> <p><b>EBITDA</b> R\$180-210 million</p>
<b>Digital</b>	<ul style="list-style-type: none"> <li>• <b>Strong base increase</b>; 76% of DL centers are still not mature</li> <li>• H1 intake with <b>relevant growth on a strong basis</b></li> <li>• <b>2K centers</b> in 2021 e <b>2.5K+</b> in 2022</li> </ul>		<p><b>Net Revenue</b> R\$640-670 million</p> <p><b>EBITDA</b> R\$250-280 million</p>
<b>On-campus</b>	<ul style="list-style-type: none"> <li>• NOR <b>FIES impact</b> ~30% of what it was in 2020</li> <li>• <b>Challenging H1 intake</b> (H2 with good perspective)</li> <li>• <b>Stable Price</b> – perspective of margin recomposition starting from 2022</li> <li>• <b>Synergies</b> of recent acquisitions impacting results (2021/22)</li> </ul>		<p><b>Net Revenue</b> R\$1,180-1,210 million</p> <p><b>EBITDA</b> R\$200-230 million</p>
<b>In general</b>	<ul style="list-style-type: none"> <li>• <b>Marginal effect of laws and court decisions</b> in Q1</li> <li>• Good <b>M&amp;A</b> perspectives, with robust financial situation</li> <li>• <b>Positive re-enrollment</b></li> <li>• New stage of <b>Digital Transformation</b> impacting NPS and retention</li> <li>• <b>Digital and Premium</b> reaching <b>~50% of NOR</b> in 2021</li> <li>• <b>Lifelong gaining traction</b> in all BUs</li> </ul>		<p><b>Net Revenue</b> R\$2,220-2,310 million</p> <p><b>EBITDA</b> R\$630-720 million</p>



**Quarter presents a significant evolution in performance since the beginning of the pandemic, without relevant adjustments, minimal impact of laws and court decisions and stable bad debt**

- Adjustments in 2020: R\$455M / Adjustments in 1Q21: R\$13M
- Discounts by laws and court decisions: de R\$84M (4Q20) to R\$8M
- Bad debt + discounts/net revenue of 12% (1Q20) to 11%

**Consistent and effective strategy results in Adjusted EBITDA in line with 1Q20 with the acquisitions and the growth of DL and Premium, offsetting the losses from two weak on-campus intake**

- On-campus intake: -30%
- DL+ Premium representativeness in NOR shifting from 21% (1Q18) to 46%
- Adjusted EBITDA added by acquisitions: R\$83M

**Positive outlook for 2H21 and 2022 due to the continued growth of DL and Premium, with on-site recovery**

- NOR Digital Learning 1H21: +39-46%
- NOR Premium 1H21: +47-58%
- NOR Consolidated 1H21: +12-17%
- Average ticket on-campus (ex-FIES) 1Q21: +6%
- Stable on-campus renovation at + 0.2 pp. and NPS increase

**Financial situation remains comfortable**

- 92% of operational cash generation
- 1.3x net debt/Adjusted EBITDA
- Cash Position 1Q21: R\$2.0 billion



# APPENDIX



# MEDICINE STUDENT BASE

**6.2-6.6K**

students in total medicine base expected by the end of 2021

Units	State	Expected	Authorized/ Qualified Seats	1Q21	Full Potential <sup>(1)</sup>	
				Student Base	Authorized/ Qualified Seats	Student Base
Presidente Vargas	RJ	-	240	1.610	240	1.728
Città	RJ	-	170	1.041	170	1.224
Juazeiro do Norte	CE	-	100	677	100	720
Ribeirão Preto	SP	-	76	534	76	547
Teresina	PI	-	110	691	110	792
<i>Possibility of up to +200 seats in 2021 considering seat increase in Alagoinhas and Jaraguá do Sul</i>						
Alagoinhas	BA	-	65	264	165	1.188
Jaraguá do Sul	SC	-	50	207	150	1.080
Juazeiro	BA	-	155	520	155	1.116
Angra dos Reis	RJ	-	89	295	155	1.116
Canindé	CE	-	50	80	150	1.080
Cáceres	MT	-	50	62	50	360
<i>+150 new seats in 1Q21 Authorized in March 2021 and inaugurated and intake started in April 2021</i>						
Castanhal	PA	2021.1	50	-	150	1.080
Quixadá	CE	2021.1	50	2	150	1.080
Açailândia	MA	2021.1	50	-	150	1.080
<b>Total Authorized Seats <sup>(2)</sup></b>			<b>1.305</b>	<b>5.983</b>	<b>1.971</b>	<b>14.191</b>
<i>+100 new seats in 2021 Pending MEC authorization</i>						
Iguatu	CE	2021.2	50	-	150	1.080
Ji-Paraná	RO	2021.2	50	-	150	1.080
<b>Total Qualified Seats</b>			<b>1.405</b>	<b>5.983</b>	<b>2.271</b>	<b>16.351</b>
<b>Athenas <sup>(3)</sup></b>			-	-	<b>200</b>	-

(1) Assuming seat expansion to maximum capacity (+100 seats/year) in all Mais Médicos units. Student base includes ProUni and FIES.

(2) Authorized seats are qualified seats which received MEC final authorization.

(3) Seats not yet qualified from the acquisition of Athenas Group are under court and/or administrative discussions, with the possibility of up to +200 seats.



# INCOME STATEMENT BY BUSINESS UNIT

	Consolidated	Premium	Digital	On-campus
Em R\$ Milhões	1Q21	1Q21	1Q21	1Q21
<b>Gross Revenue</b>	<b>2,057.0</b>	<b>244.6</b>	<b>559.4</b>	<b>1.253.0</b>
Monthly tuition fees	2,047.9	243.0	557.5	1,247.4
Other	9.0	1.6	1.8	5.6
<b>Net Operating Revenue</b>	<b>(974.7)</b>	<b>(42.5)</b>	<b>(269.0)</b>	<b>(663.1)</b>
<b>Cost of Services</b>	<b>1,082.3</b>	<b>202.1</b>	<b>290.3</b>	<b>589.9</b>
Personnel	<b>(456.8)</b>	<b>(75.6)</b>	<b>(60.9)</b>	<b>(320.3)</b>
Rent, municipal property tax and other	(276.9)	(56.5)	(18.9)	(201.5)
Third-party services and other	(13.2)	(2.9)	0.4	(10.8)
Depreciation and amortization	(61.1)	(2.9)	(37.0)	(21.2)
<b>Net Operating Revenue</b>	<b>(105.7)</b>	<b>(13.4)</b>	<b>(5.4)</b>	<b>(86.9)</b>
<b>Gross profit</b>	<b>625.5</b>	<b>126.4</b>	<b>229.5</b>	<b>269.6</b>
<i>Gross Margin</i>	57.79%	62.57%	79.04%	45.70%
<b>Selling, G&amp;A and Other Expenses</b>	<b>(466.8)</b>	<b>(47.1)</b>	<b>(135.4)</b>	<b>(284.3)</b>
Personnel	(86.6)	(12.5)	(28.8)	(45.2)
Advertising	(156.2)	(7.0)	(49.2)	(100.0)
Bad Debt	(95.4)	(4.0)	(28.2)	(63.2)
Other Expenses	(85.6)	(16.3)	(16.3)	(53.0)
Other Revenue	5.8	0.2	2.2	3.3
Depreciation and amortization	(48.7)	(7.5)	(15.0)	(26.2)
<b>(+) Depreciation and amortization</b>	<b>154.4</b>	<b>20.8</b>	<b>20.4</b>	<b>113.2</b>
<b>EBITDA</b>	<b>313.1</b>	<b>100.2</b>	<b>114.5</b>	<b>98.4</b>
<i>EBITDA Margin (%)</i>	28.9%	49.6%	39.4%	16.7%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>326.1</b>	<b>111.8</b>	<b>115.5</b>	<b>98.8</b>
<i>Adjusted EBITDA margin (%)</i>	29.9%	53.1%	39.8%	16.7%
Discounts	(29.0)	(1.3)	(6.2)	(21.5)
Fees and interest on delays	9.5	1.1	3.1	5.2

(1) Adjusted by non-recurring items (restructuring, consulting services and other)



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