



YDUQS



# EARNINGS RELEASE

## 4Q19 & 2019

March 12, 2020

# YDUQ3 | YDUQY

B3 ADR

Rio de Janeiro, March 12th, 2020 - **Estácio Participações S.A.**, one of the largest organizations in Brazil's higher education private sector, **presents its results for the forth quarter (4Q19) and the year of 2019.**

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

To preserve the comparability between periods, the Company opted for disclosing **pro-forma results for 4Q19 and 2019, excluding the impacts of the adoption of IFRS-16 accounting rules.**

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.

## Acquisitions in the period

Financial and operating data regarding 4Q19 and 2019 considers the consolidation of UniToledo as of November 2019, except when indicated.

## EARNINGS CONFERENCE CALL

March 13<sup>th</sup>, 2020 | 09:00 a.m. (EST)

+55 (11) 3137-8056

[Click here to access the WebCast](#)

## IR CONTACT

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



I have been with YDUQS for a little over a year. I came here drawn to the institution's mission and because I realized that we had preconditions to succeed: market demand and great consolidation opportunities, a well-positioned Company and an experienced and competent team.

In the 2018 earnings results, I addressed the difficulties we saw coming with the decrease in the FIES. But also, our confidence in maintaining the balance of results due to our operational discipline and the growth sources we have mapped and invested on.

Our 2019 results show that our plan is sound, and it has been executed as expected. EBITDA margin posted a slight increase versus the previous year and came to 38%. Net income was in line with previous figures at R\$646 million. Costs were down (per on-campus student, 6.7%) and the three growth fronts we have envisaged are bearing fruits: medicine revenue recorded growth of 24%; Distance Learning revenue was up by 28% and student base by 42%; and we acquired two relevant assets: Unitoledo and Adtalem<sup>(1)</sup>. We continue to be market leaders in the most important cash generation indicator, with 75% conversion.

Our belief that we have advanced in preparing the Company for the future is as important as these figures. Some themes are in the spotlight, such as the new medicine course accreditations and the increase in seat offering, record intake figures and the expansion of our digital learning reach. Other themes are not in the spotlight, but are also important, namely the 0.6 p.p. increase in NPS and digital evolution – that can be noticed by the students and faculty members APPs, but also in a series of internal processes that are becoming more efficient.

Our social contribution continues to evolve. In addition to the positive impact that naturally comes from our activities, with around 60,000 professionals prepared for the market every year – that enrich their communities in every way -, we continue to increase the initiatives of one of the soundest and most comprehensive Social Responsibility programs in the country. In 2019, over a million Brazilians took part in and benefited from one of the hundreds of actions in the program. Only to name one initiative that is very dear to us all, the Literacy Program was offered in 12 units in 2019, and the dedication of our professors and students, already rescued from illiteracy hundreds of people that live close to some of our campuses.

We also had accomplishments in Governance. YDUQS has an independent Board of Directors and well-established committees that actively monitor and advise the Company's management. Our community, comprised of students, faculty members and other employees, is one of the most diverse in Brazil, with an equal presence of all races and ethnicities and people from all social origin and classes. Currently, most of managing positions are occupied by women (which was never seen before up to 2019). We still have to evolve in terms of the Senior Management, but we have made important progress in this regard, and we have the know-how of an experienced female executive in our Board of Directors.

Finally, speaking of the future, YDUQS was created in 2019. More than a brand, we introduced a new concept to our business and gained even more independence to grow in a diversified manner. The experience of separating Distance Learning and Medicine from On-campus segment was very successful, and we are going to consolidate that practice and, going further, create Premium, Digital Contents and Life Long education units. The growth pace of such units will be accelerated, maintaining balance vis-à-vis FIES losses in 2020 and becoming a highlight in 2021.

YDUQS has the best Distance Learning platform in the market in terms of content and format, and the imminent acquisition of Adtalem<sup>(1)</sup> will allow us to take a step forward. We will use our digital tools to offer in our classrooms and our students' homes access to content that was previously exclusive for high-income individuals. Through innovation, we will, once again, lead the transformation of higher education in Brazil.

We have a sound financial position in a market full of opportunities. We created a solid base and are stronger than ever. There is much more to come.

Thank you for your trust and support.

Eduardo Parente  
CEO



(1) Adtalem's acquisition pending from anti-trust agency.

# MAIN ACHIEVEMENTS IN 2019



## STRATEGIC

YDUQS launch  
Long term strategic plan  
Acquisition of UniToledo and Adtalem<sup>(1)</sup>



## PEOPLE MANAGEMENT

NPS increasing by 6 p.p. YoY  
Consolidation of management team



## MEDICINE

4 new Mais Médicos II authorizations  
(+220 seats per year)  
Extension of seats in Juazeiro/BA  
(+100 seats per year)



## DIGITAL REVOLUTION

Faculty and student's mobile apps  
Agile cell for billing processes  
(-35% in financial complaints)



## OPERATIONAL

Expansion of Operational Research initiatives  
Price model technology consolidation  
Record intake(+32% vs. 2018)  
DL platform reformulation

(1) Adtalem's acquisition pending from anti-trust agency.

Pro-forma<sup>(1)</sup>

(R\$ MM)	4Q18	4Q19	Δ%
<b>Net Revenues</b>	<b>867.0</b>	<b>842.0</b>	<b>-2.9%</b>
Gross Profit	410.8	418.8	1.9%
Gross Margin	47.4%	49.7%	2.3 p.p.
<b>EBITDA</b>	<b>88.6</b>	<b>177.0</b>	<b>99.7%</b>
EBITDA Margin	10.2%	21.0%	10.8 p.p.
<b>Net Income</b>	<b>16.3</b>	<b>77.0</b>	<b>372.6%</b>
Net Margin(%)	1.9%	9.1%	7.3 p.p.
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>253.1</b>	<b>233.9</b>	<b>-7.6%</b>
Adjusted EBITDA Margin <sup>(2)</sup>	29.2%	27.8%	-1.4 p.p.
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>180.8</b>	<b>134.0</b>	<b>-25.9%</b>
Adjusted Net Margin <sup>(2)</sup>	20.9%	15.9%	-4.9 p.p.

Pro-forma<sup>(1)</sup>

	2018	2019	Δ%
<b>Net Revenues</b>	<b>3,619.4</b>	<b>3,565.0</b>	<b>-1.5%</b>
Gross Profit	1,986.6	1,990.3	0.2%
Gross Margin	54.9%	55.8%	0.9 p.p.
<b>EBITDA</b>	<b>967.4</b>	<b>1,042.3</b>	<b>7.7%</b>
EBITDA Margin	26.7%	29.2%	2.5 p.p.
<b>Net Income</b>	<b>644.9</b>	<b>684.4</b>	<b>6.1%</b>
Net Margin(%)	17.8%	19.2%	1.4 p.p.
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>1,154.7</b>	<b>1,111.1</b>	<b>-1.2%</b>
Adjusted EBITDA Margin <sup>(2)</sup>	31.9%	32.0%	0.1 p.p.
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>832.2</b>	<b>783.1</b>	<b>-5.9%</b>
Adjusted Net Margin <sup>(2)</sup>	23.0%	22.0%	-1.2 p.p.

Total Student Base  
**570 thousand**

**+10%** YoY

On-campus Undergraduate  
ex-FIES Base  
**239 thousand**

**+9%** YoY

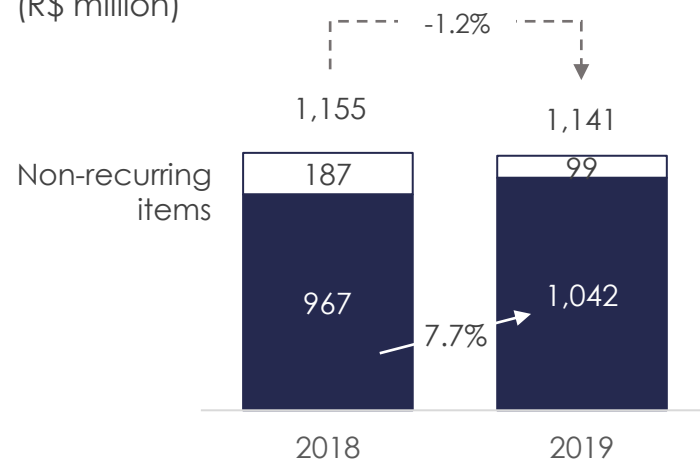
Total DL Base  
**261 mil**

**+28%** YoY

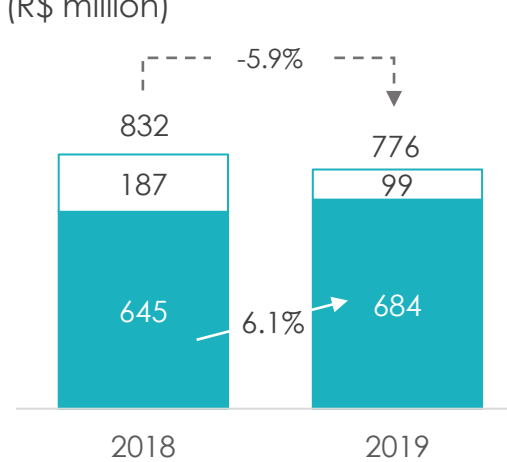
Total Intake in 2019  
**320 thousand**

**+24%** YoY

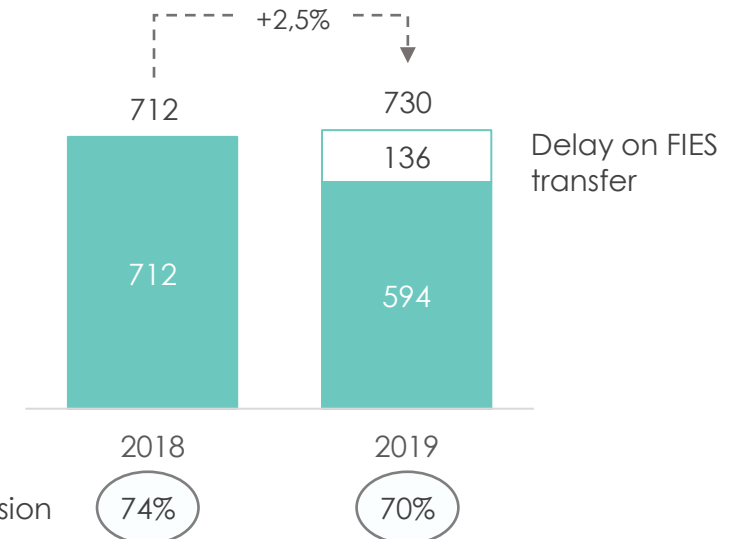
EBITDA<sup>(2)</sup>  
(R\$ million)



Adjusted Net Income<sup>(2)</sup>  
(R\$ million)



Cash Flow and Conversion<sup>(3)</sup>  
(R\$ million)



Cash Conversion

74%

70%

(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year.

(2) Non recurring expenses adjustments detailed in EBITDA section.

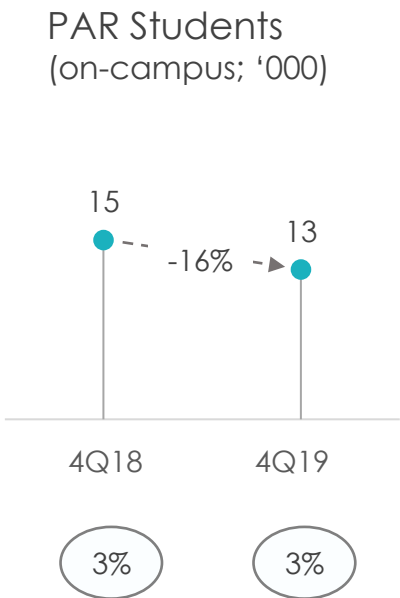
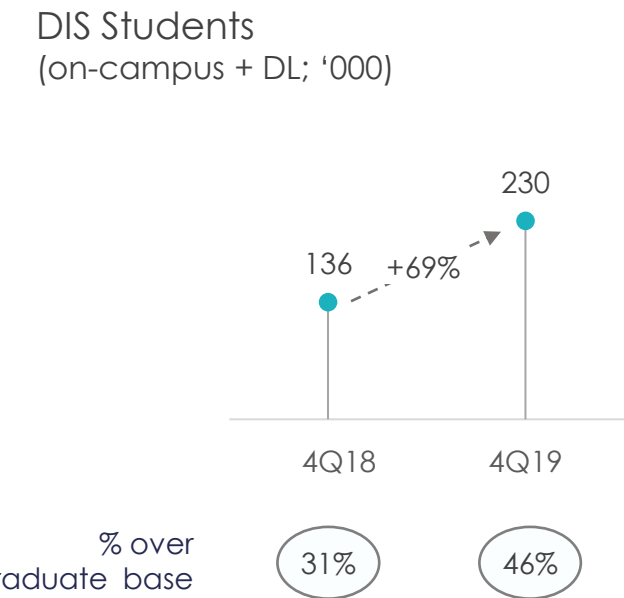
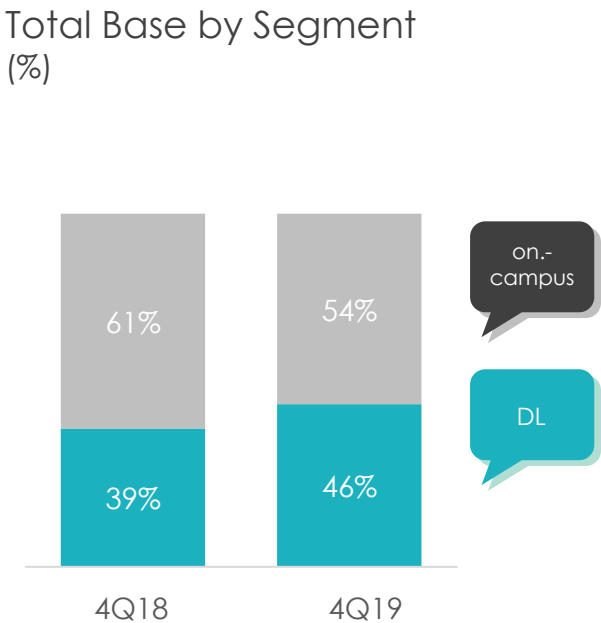
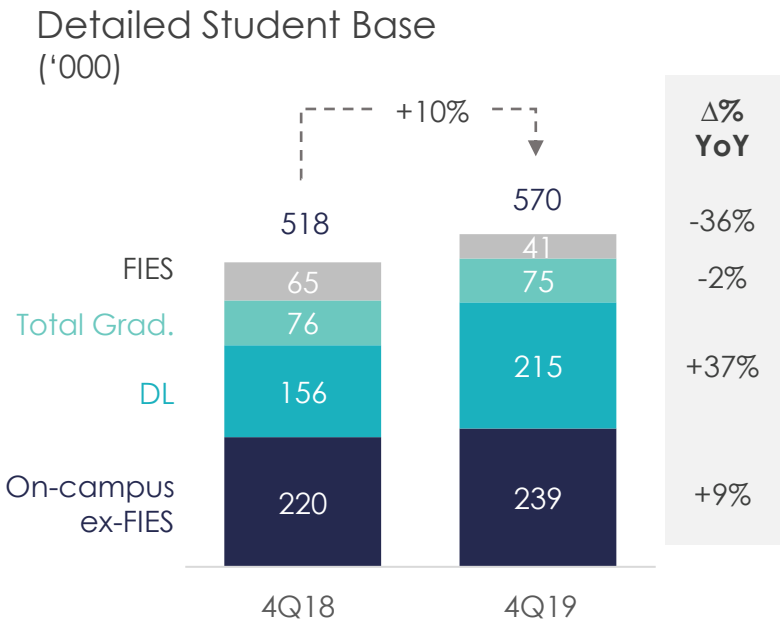
(3) Adjusted by -R\$342 million from PN-23 impact in 2018 and +R\$136 million related to the delay of FIES transfer in December, 2019 (received in January, 2020).



# STUDENT BASE: OVERVIEW

('000)	4Q18	4Q19	Δ%
Base total	517.7	570.3	10.2%
Undergraduate	441.5	495.5	12.2%
On-campus	285.3	280.9	-1.6%
Unitoledo	-	4.2	-
Distance Learning	156.1	214.6	37.4%
Graduate	76.2	74.8	-1.9%
On-campus	29.3	28.6	-2.2%
Unitoledo	-	0.5	-
Distance Learning	46.9	46.2	-1.6%
Total Base ex-FIES	452.8	528.8	16.8%

Payment Method (Undergraduate)			
DIS (on-campus + DL)	136.0	230.3	69.3%
% of undergraduate base	30.8%	46.5%	15.7 p.p.
PAR	15.0	12.5	-16.4%
FIES	64.9	41.5	-36.1%

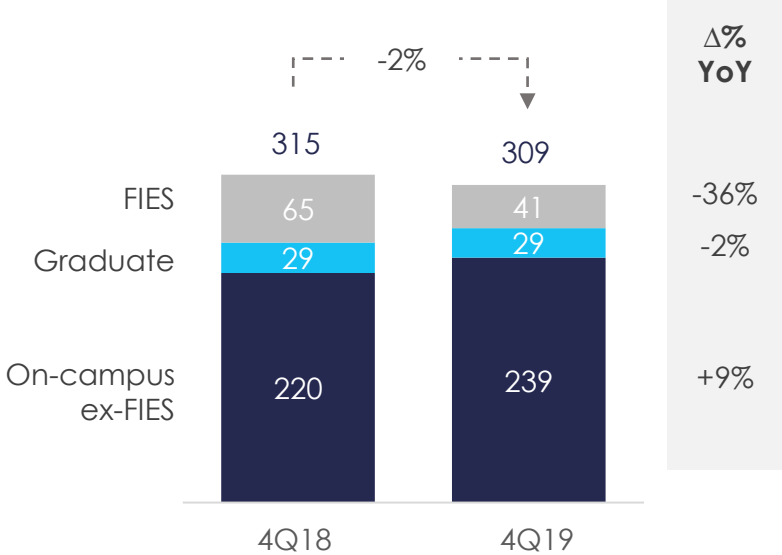


('000)	4Q18	4Q19	Δ%
<b>Total On-campus</b>	<b>314.6</b>	<b>309.5</b>	<b>-1.6%</b>
Undergraduate ex-FIES	220.4	239.4	8.6%
<b>Undergraduate</b>	<b>285.3</b>	<b>280.9</b>	<b>-1.6%</b>
Out-of-pocket	137.8	125.0	-9.3%
Unitoledo	-	4.2	-
DIS	67.6	101.9	50.7%
FIES	64.9	41.5	-36.1%
PAR	15.0	12.5	-16.4%
<b>Graduate</b>	<b>29.3</b>	<b>28.6</b>	<b>-2.2%</b>
Own	16.0	14.9	-6.5%
Unitoledo	-	0.5	-
Partnerships	13.3	13.7	2.9%

% of on-campus base

FIES / on-campus undergraduate	22.7%	14.8%	-8.0 p.p.
PAR / on-campus undergraduate	5.2%	4.5%	-0.8 p.p.
DIS / on-campus undergraduate	23.7%	36.3%	12.6 p.p.
Number of Units	93	94	1.1%

Detailed On-campus Base ('000)



**On-campus:** on-campus segment ended 2019 with 309,000 students, a 1.6% decrease YoY, due to the reduction in FIES.

**FIES Impact:** Excluding FIES students, on-campus undergraduate base increased by 8.6% in 2019. The share of FIES students decreased to 15% of on-campus undergraduate base in the year (vs. 23% in 4Q18).

**Financing:** DIS student base increased 50.7% year-on-year, accounting for 36.3% of on-campus undergraduate students and illustrating the success of the intake campaign. PAR students now account for 4.5% of on-campus undergraduate base due to the Company's conservative approach to the program and the current discount policy.

('000)	4Q18	4Q19	Δ%
<b>Total Distance-Learning</b>	<b>203.1</b>	<b>260.8</b>	<b>28.4%</b>
<b>Undergraduate</b>	<b>156.1</b>	<b>214.6</b>	<b>37.4%</b>
100% online	135.6	179.3	32.2%
Flex	20.6	35.4	71.8%
<b>Graduate</b>	<b>46.9</b>	<b>46.2</b>	<b>-1.6%</b>
Own	16.8	16.2	-3.9%
Partnerships	30.1	30.0	-0.3%
<b>DIS (DL Undergraduate)</b>	<b>68.4</b>	<b>128.4</b>	<b>87.8%</b>
100% online	58.6	106.0	81.1%
Flex	9.8	22.4	127.5%

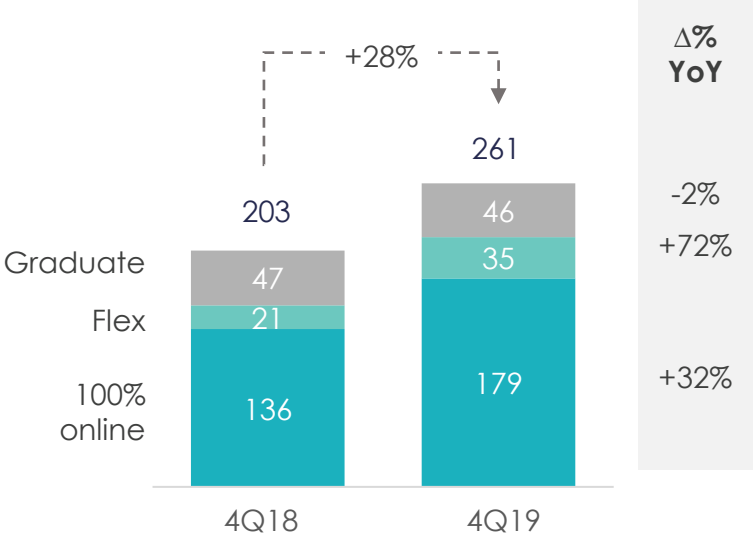
**% of distance-learning base**

DIS / DL undergraduate	43.8%	59.8%	16.0 p.p.
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**Operational Data**

Number of DL Centers	607	933	53.7%
Covered Cities	470	676	43.8%

Detailed Distance-Learning Base  
('000)



**Distance Learning:** Distance Learning segment remains in strong expansion pace, recording growth of 28.4% in the number of enrolled students in 2019.

**100% Online:** totaled 179k students and accounted for 75% of growth in Distance Learning Undergraduate student base in the period.

**Flex:** in 2S19, the Company began to offer part of its Flex Course portfolio in partner centers, contributing to boost growth in student base (+71.8% YoY).

**Financing:** DIS Distance Learning student base came to 128k, and accounts for 59.8% of Distance Learning undergraduate segment.

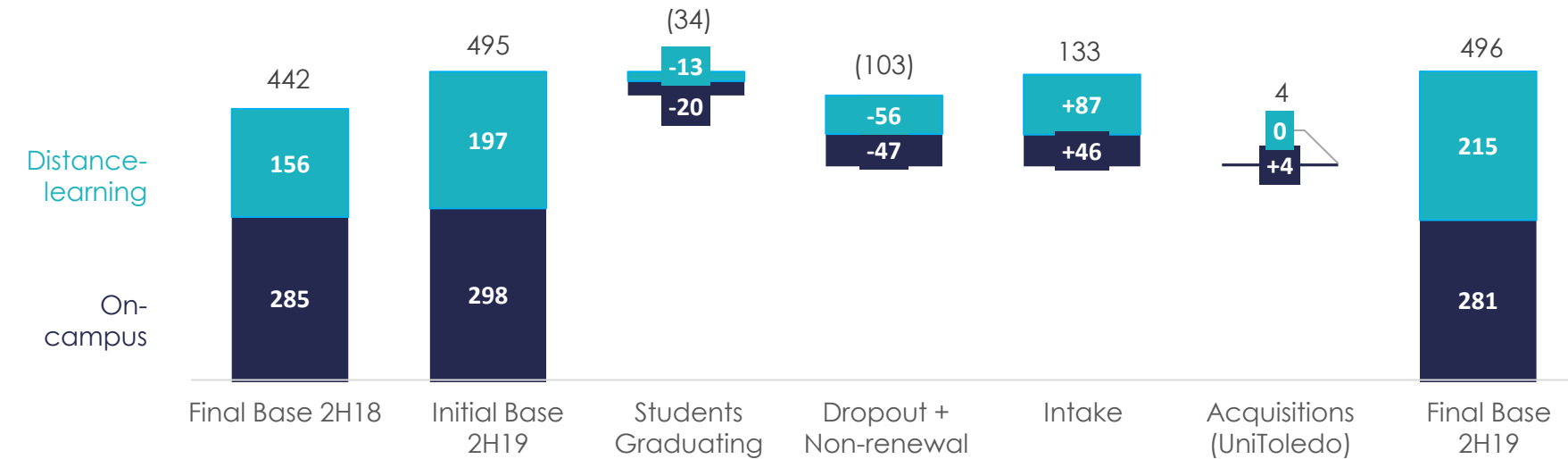


# CHANGES IN THE UNDERGRADUATE BASE

Changes per semester

(in thousands)	4Q18	3Q19	2H19	2H19	2H19	4Q19	4Q19
		Initial Base	Students Graduating	Dropout + Non-renewal	Intake	4Q19	4Q19 (Including Unitoledo)
Undergraduate	441.5	495.0	(34.0)	(102.5)	132.8	491.3	495.5
On-Campus	285.3	298.0	(20.5)	(46.6)	45.7	276.7	280.9
Out-of-pocket	205.5	233.9	(11.6)	(41.3)	41.7	222.7	226.9
FIES	64.9	49.4	(8.9)	(0.6)	1.6	41.5	41.5
PAR	15.0	14.7	-	(4.6)	2.5	12.5	12.5
DL	156.1	197.0	(13.5)	(56.0)	87.0	214.6	214.6
100% Online	135.6	164.5	(11.6)	(44.6)	71.0	179.3	179.3
Flex	20.6	32.6	(1.9)	(11.3)	16.0	35.4	35.4

Changes in DIS	136.0	216.9	-	(83.6)	97.0	230.3	230.3
On-campus	67.6	106.6	-	(32.3)	27.6	101.9	101.9
EAD 100% Online	58.6	88.9	-	(40.2)	57.3	106.0	106.0
EAD Flex	9.8	21.4	-	(11.1)	12.1	22.4	22.4



Retention Rate half-year<sup>(1)</sup>

Undergraduate	2H18	1H19	2H19	Δ%
On-campus	84.2%	86.0%	85.6%	+1.4 p.p.
DL	77.8%	81.5%	79.3%	+1.6 p.p.

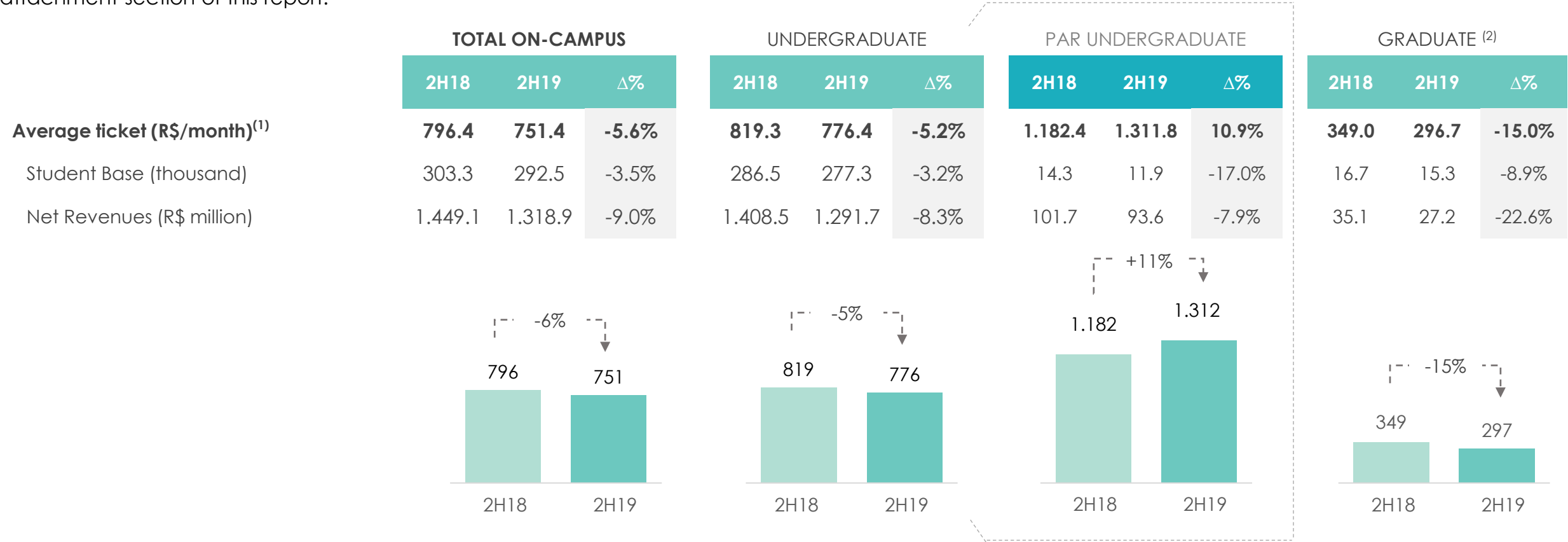
In 2S19, **on-campus segment retention rate was 85.6%**, up by 1.4 p.p. year-on-year. The significant increase is the result of retention strategies and a more flexible discount policy for renewal.

The **Distance Learning segment retention rate came to 79.3%** in the semester, for an increase of 1.6 p.p. year-on-year (2S18). We believe that this positive result was impacted by enhancements in the platform and improved product quality.

(1) Retention Rate: [ 1 – ((dropouts + non-renewal) / (renewable student base: initial student base- students graduating+ intake))]. The retention rate calculation doesn't include Unitoledo's student base.

# AVERAGE TICKET: ON-CAMPUS

**Notice:** With the purpose of improving average ticket analysis, the Company will emphasize ticket for the semester. We understand that this index is more suitable to the industry's operational dynamics given that the academic period is comprised of six months. The quarterly indicator will remain in the attachment section of this report.



**Full on-campus:** average ticket totaled R\$751.4 in the semester, a 5.6% decrease year-on-year. This decrease remains impacted by the higher discounts following an increase in intake initiatives on specific areas.

**Undergraduate:** average ticket totaled R\$776.4, down 5.2% over 2S18. Excluding FIES, on-campus undergraduate average ticket would have totaled R\$682 in the semester (-2% YoY).

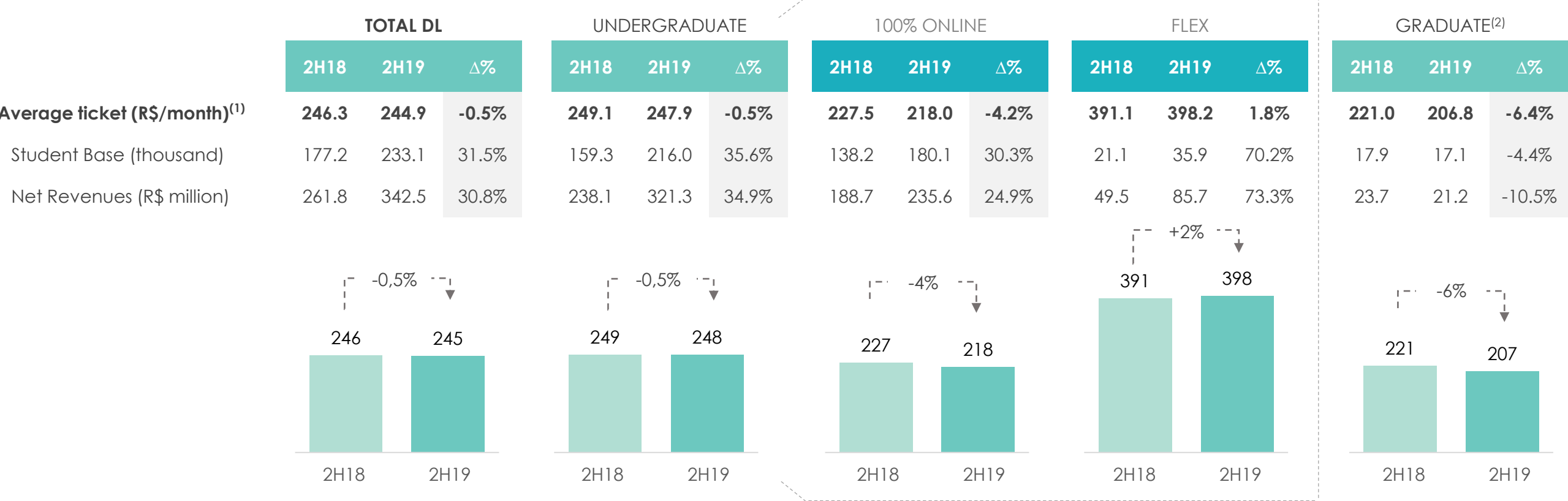
**Graduate:** average ticket totaled R\$296.7 in the period, down by 15% year-on-year.



(1) Average ticket = Net Revenue of the period x 1,000 / 6 / Student Base. The calculation for the average ticket does not include Unitoledo's student base.  
(2) In order not to distort the analysis, graduate student base and revenue from partners are excluded from the ticket calculation.

# AVERAGE TICKET: DISTANCE-LEARNING

**Notice:** With the purpose of improving average ticket analysis, the Company will emphasize ticket for the semester. We understand that this index is more suitable to the industry's operational dynamics given that the academic period is comprised of six months. The quarterly indicator will remain in the attachment section of this report.



**Distance Learning Undergraduate:** ended the semester with an undergraduate average ticket totaled R\$247.9 in the semester, a slight decrease of 0.5% versus 2S18, mainly as a result of the 100% online ticket, partially offset by the increase in Flex ticket.

**100% Online:** ended the semester with an average ticket of R\$218.0, down by 4.2% year-on-year due to greater discounts in new areas where the Company began operations in the period.

**Flex:** average ticket increased by 1.8% in the semester compared to 2S18, totaling R\$398.2. The drivers for such growth are the commercial success of this initiative and the launch of new courses with greater added value.

(1) Average ticket = Net Revenue of the period x 1,000 / 6 / Student Base.  
(2) In order not to distort the analysis, graduate student base and revenue from partners are excluded from the ticket calculation.

# INCOME STATEMENT

Pro-forma<sup>(1)</sup>

Pro-forma<sup>(1)</sup>

(R\$ million)	4Q18	4Q19	Δ%	2018	2019	Δ%	4Q19 IFRS 16	2019 IFRS 16
<b>Gross Revenue</b>	<b>1,399.6</b>	<b>1,519.8</b>	<b>8.6%</b>	<b>5,784.2</b>	<b>6,185.0</b>	<b>6.9%</b>	<b>1,519.8</b>	<b>6,185.0</b>
<b>Net Revenue</b>	<b>867.0</b>	<b>842.0</b>	<b>-2.9%</b>	<b>3,619.4</b>	<b>3,565.0</b>	<b>-1.5%</b>	<b>842.0</b>	<b>3,565.0</b>
Cost of Services	(456.2)	(423.3)	-7.2%	(1,632.8)	(1,574.9)	-3.6%	(393.4)	(1,520.7)
<b>Gross Profit</b>	<b>410.8</b>	<b>418.8</b>	<b>1.9%</b>	<b>1,986.6</b>	<b>1,990.3</b>	<b>0.2%</b>	<b>448.7</b>	<b>2,044.3</b>
Gross Margin	47.4%	49.7%	2.3 p.p.	54.9%	55.8%	0.9 p.p.	53.3%	57.3%
Selling Expenses	(157.4)	(134.9)	-14.3%	(553.0)	(571.6)	3.4%	(134.9)	(571.6)
G&A Expenses	(176.4)	(161.7)	-8.4%	(614.3)	(587.6)	-4.3%	(161.2)	(587.1)
Other Revenue/Expenses	(39.9)	4.2	N.A.	(47.2)	14.4	N.A.	4.2	14.4
(+) Depreciation and amortization	51.5	50.6	-1.7%	195.4	197.0	0.8%	75.4	360.9
<b>EBITDA</b>	<b>88.6</b>	<b>177.0</b>	<b>99.7%</b>	<b>967.4</b>	<b>1,042.3</b>	<b>7.7%</b>	<b>232.2</b>	<b>1,261.0</b>
EBITDA Margin (%)	10.2%	21.0%	10.8 p.p.	26.7%	29.2%	2.5 p.p.	27.6%	35.4%
Financial Result	(24.0)	(46.8)	94.7%	(118.8)	(149.2)	25.6%	(96.2)	<b>(242.1)</b>
Depreciation and amortization	(51.5)	(50.6)	-1.7%	(195.4)	(197.0)	0.8%	(75.4)	(360.9)
Income Tax	3.1	(1.6)	-150.1%	(4.5)	(7.2)	59.5%	(1.6)	(7.2)
Social Contribution	0.1	(1.0)	-1051.4%	(3.8)	(4.6)	21.2%	(1.0)	(4.6)
<b>Net Income</b>	<b>16.3</b>	<b>77.0</b>	<b>372.6%</b>	<b>644.9</b>	<b>684.4</b>	<b>6.1%</b>	<b>58.1</b>	<b>646.1</b>
Net Margin	1.9%	9.1%	7.3 p.p.	17.8%	19.2%	1.4 p.p.	6.9%	18.1%
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>253.1</b>	<b>233.9</b>	<b>-7.6%</b>	<b>1,154.7</b>	<b>1,141.1</b>	<b>-1.2%</b>	<b>289.1</b>	<b>1,359.7</b>
Adjusted EBITDA Margin <sup>(2)</sup>	29.2%	27.8%	-1.4 p.p.	31.9%	32.0%	0.1 p.p.	34.3%	38.1%
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>180.8</b>	<b>134.0</b>	<b>-25.9%</b>	<b>832.2</b>	<b>783.1</b>	<b>-5.9%</b>	<b>115.0</b>	<b>744.9</b>
Adjusted Net Margin <sup>(2)</sup>	20.9%	15.9%	-4.9 p.p.	23.0%	22.0%	-1.0 p.p.	13.7%	20.9%

To preserve comparability between 2018 and 2019 figures, the Company opted to give emphasis to the pro-forma results, excluding the impacts of the adoption of IFRS-16 in 2019.

For 2020, the Company will disclose its results and yearly comparisons in IFRS-16.



(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year.

(2) Non recurring expenses adjustments detailed in EBITDA section.

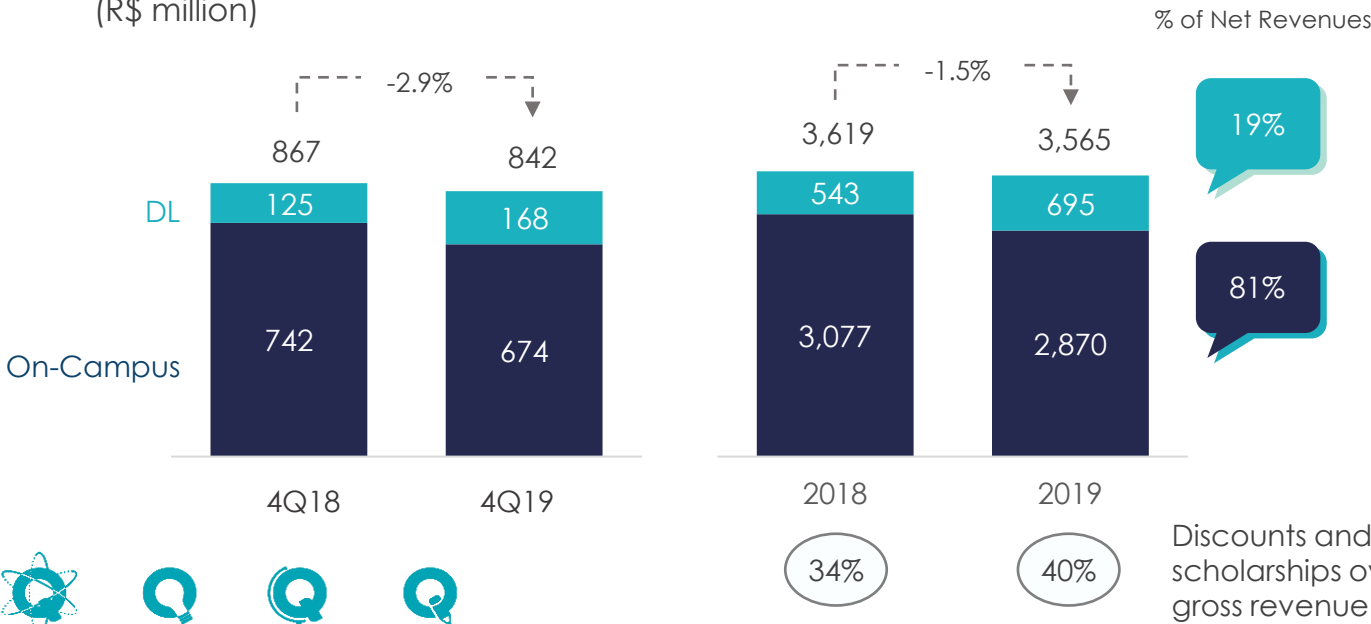
(R\$ million)	4Q18	4Q19	Δ%	2018	2019	Δ%
<b>Gross Operating Revenue</b>	<b>1,399.6</b>	<b>1,519.8</b>	<b>8.6%</b>	<b>5,784.2</b>	<b>6,185.0</b>	<b>6.9%</b>
Monthly Tuition Fees	1,390.9	1,508.3	8.4%	5,747.8	6,139.1	6.8%
Others	8.7	11.5	32.6%	36.4	45.8	25.8%
<b>Gross Revenue Deductions</b>	<b>(532.5)</b>	<b>(677.8)</b>	<b>27.3%</b>	<b>(2,164.8)</b>	<b>(2,619.9)</b>	<b>21.0%</b>
Discounts and scholarships	(513.0)	(654.8)	27.6%	(1,973.4)	(2,497.6)	26.6%
Taxes	(35.4)	(32.0)	-9.6%	(155.8)	(139.7)	-10.3%
AVP and other deductions	15.8	9.0	-43.2%	(35.6)	17.3	N/A
<b>Net Revenues</b>	<b>867.0</b>	<b>842.0</b>	<b>-2.9%</b>	<b>3,619.4</b>	<b>3,565.0</b>	<b>-1.5%</b>
On-Campus	741.7	673.7	-9.2%	3,076.6	2,870.4	-6.7%
DL	125.3	168.3	34.3%	542.8	694.6	28.0%
<b>Net Revenues (ex-FIES)</b>	<b>672.0</b>	<b>686.3</b>	<b>2.1%</b>	<b>2,695.4</b>	<b>2,916.4</b>	<b>8.2%</b>
On-Campus (ex-FIES)	546.6	517.9	-5.3%	2,152.6	2,221.8	3.2%

In 4Q19, **net revenue** was down by 2.9% year-on-year, mainly due to the impact of FIES and higher discounts.

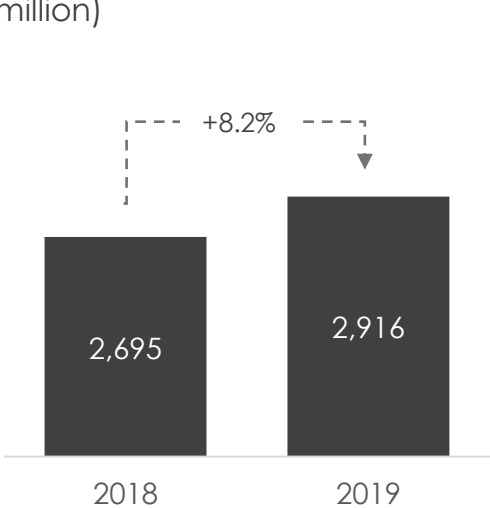
In the full year, Net Revenue decreased by 1.5% versus 2018. **Excluding the FIES effect**, net revenue would have reached R\$2.9 billion, an 8.2% increase YoY, mainly due to the following:

- Increase in discounts and scholarships following intake strategies and the new retention and renewal policy;
- Resilience of the on-campus segment ex-FIES, (+3.2% YoY) and strong performance of Medicine courses (+24% YoY);
- Maintenance of Distance Learning (DL) accelerated growth, which recorded a revenue increase of 28% year-on-year.

Net Revenues by segment  
(R\$ million)



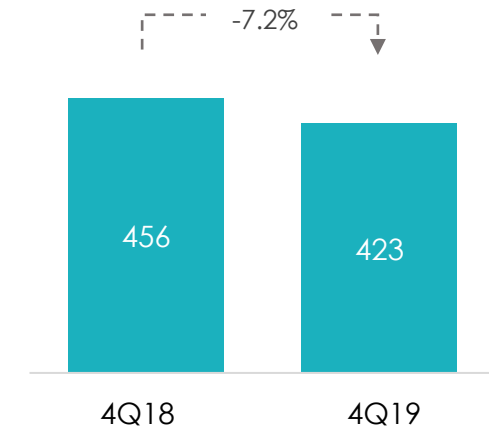
Total Net Revenues ex-FIES  
(R\$ million)



# COST OF SERVICES AND GROSS PROFIT

(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19 IFRS 16	
	4Q18	4Q19	Δ%	2018	2019	Δ%	4Q19 IFRS 16	2019 IFRS 16
<b>Cost of Services</b>	<b>(456.2)</b>	<b>(423.3)</b>	<b>-7.2%</b>	<b>(1,632.8)</b>	<b>(1,574.8)</b>	<b>-3.6%</b>	<b>(393.4)</b>	<b>(1,520.7)</b>
Personnel	(331.8)	(291.2)	-12.2%	(1,160.3)	(1,069.0)	-7.9%	(291.2)	(1,069.0)
Rent, taxes & other	(62.6)	(64.2)	2.6%	(243.6)	(253.7)	4.2%	(10.1)	(39.3)
Transfer of Centers & other	(11.1)	(16.4)	48.4%	(34.0)	(52.9)	55.5%	(16.4)	(52.9)
Third-party services	(12.7)	(13.6)	6.9%	(56.4)	(55.0)	-2.6%	(13.6)	(55.0)
Utilities <sup>(2)</sup>	(11.6)	(12.5)	7.5%	(41.3)	(41.6)	0.7%	(12.5)	(41.6)
D&A	(26.4)	(25.3)	-4.2%	(97.1)	(102.6)	5.6%	(49.5)	(262.9)
<b>Gross Profit</b>	<b>410.8</b>	<b>418.8</b>	<b>1.9%</b>	<b>1,986.6</b>	<b>1,990.3</b>	<b>0.2%</b>	<b>448.7</b>	<b>2,044.3</b>
Gross Margin	47.4%	49.7%	2.3 p.p.	54.9%	55.8%	0.9 p.p.	53.3%	57.3%
<b>Costs over Net Revenues</b>								
Cost of Services(%)	52.6%	50.3%	-2.3 p.p.	45.1%	44.2%	-0.9 p.p.	46.7%	42.7% over net revenues (%)
Pessoal (%)	38.3%	34.6%	-3.7 p.p.	32.1%	30.0%	-2.1 p.p.	34.6%	30.0%

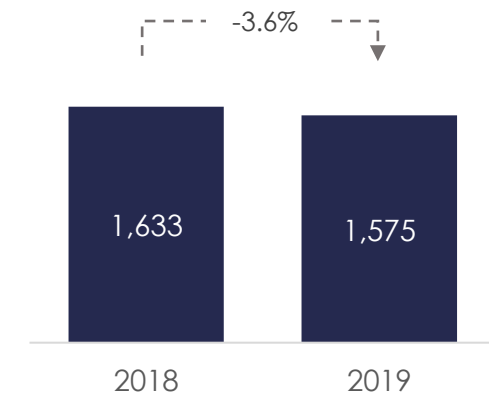
Cost of Services  
(R\$ million)



**Cost of services** decreased by 7.2% in the quarter and by 3.6% in 2019, both year-on-year. Efficiency gains with personnel costs – the outcome of several operating researches initiatives as faculty restructuring, improvement in class distribution, increase in sharing of disciplines, better occupancy rate and adoption of on-line content in on-campus courses – were the main drivers of this result. It is worth noting that in the on-campus segment, the cost of services per student decreased by 6.7% YoY in 2019.

In 2019, non-recurring costs with organizational restructuring totaled R\$61.7 million.

In the quarter, **gross profit** increased 1.9% YoY and gross margin came close to 50%. In 2019, gross profit was in line with the previous year, however, the decrease in costs resulted in a 0.9 p.p. increase in gross margin, reaching 55.8% in the full year.



over net revenues (%)



(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year.

(2) Electricity, water, gas and telephone charges.

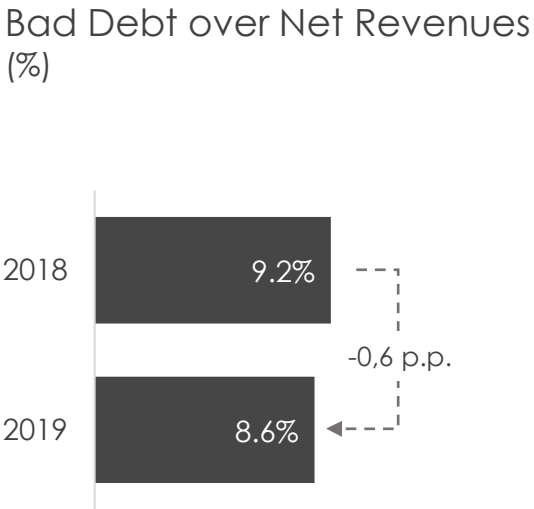
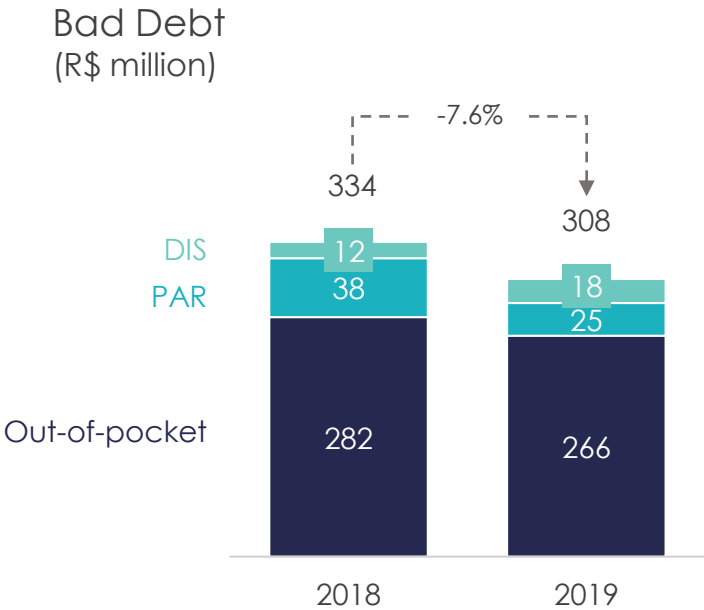
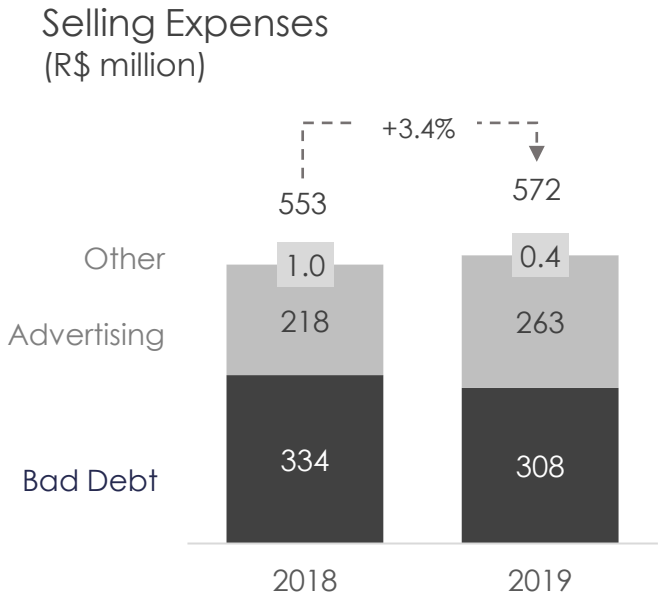
(R\$ million)	4Q18	4Q19	Δ%	2018	2019	Δ%
<b>Selling Expenses</b>	<b>(157.4)</b>	<b>(134.9)</b>	<b>-14.3%</b>	<b>(553.0)</b>	<b>(571.6)</b>	<b>3.4%</b>
Bad Debt	(114.2)	(82.4)	-27.8%	(333.7)	(308.1)	-7.6%
Out-of-pocket	(111.7)	(98.1)	-12.2%	(283.9)	(265.6)	-6.5%
PAR – long term (50%)	(8.7)	5.2	N.A.	(37.5)	(24.6)	-34.4%
DIS – long term (15%)	6.3	10.5	66.3%	(12.3)	(17.9)	46.2%
Advertising	(43.0)	(52.3)	21.8%	(218.3)	(263.1)	20.5%
Others	(0.2)	(0.1)	-76.8%	(1.0)	(0.4)	-64.3%
<b>Expenses over Net Revenue</b>						
Selling Expenses (%)	18.1%	16.0%	-2.1 p.p.	15.3%	16.0%	0.8 p.p.
Bad Debt (%)	13.2%	9.8%	-3.4 p.p.	9.2%	8.6%	-0.6 p.p.
Advertising (%)	5.0%	6.2%	1.3 p.p.	6.0%	7.4%	1.3 p.p.

In the quarter, **selling expenses** were down by 14.3% YoY, as a result of a decrease in expenses with provisions for doubtful accounts, that more than offset the increase in advertising expenses.

**Expenses with provisions for doubtful accounts** for 2019 were down by 7.6% over the previous year, due to greater efforts in collection, reducing delinquency level of out-of-the-pocket students, and recovery of old credits, that impacted 3Q19 and 4Q19.

As a result, the Company ended 2019 with an **8.6% of provision for doubtful accounts as a percentage of total net revenue** (-0.6 p.p. vs. 2018).

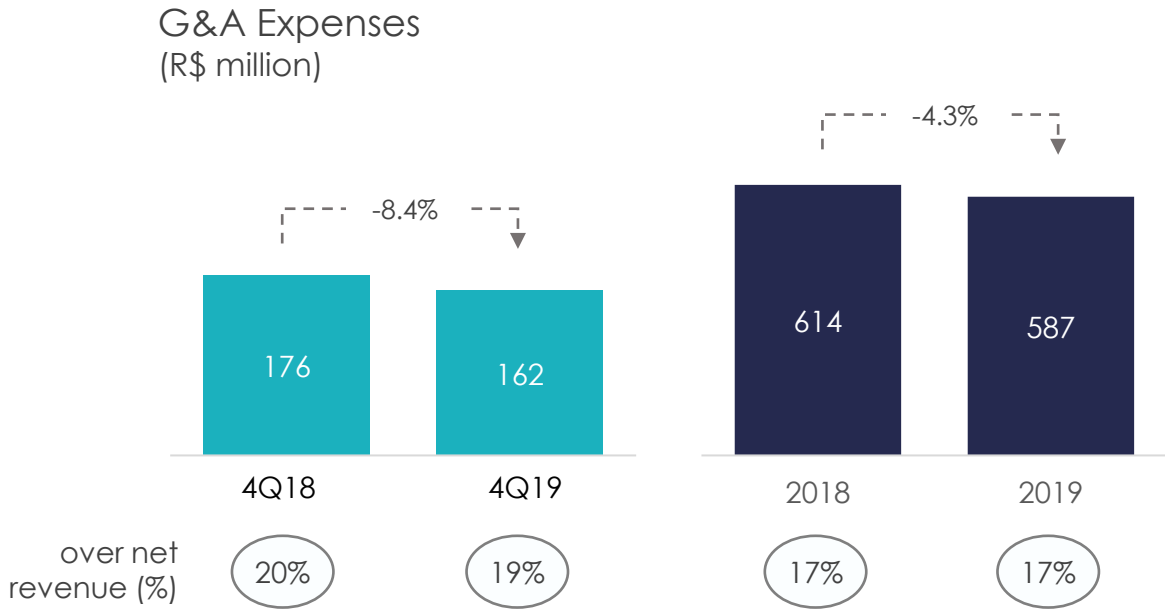
**Advertising expenses** increased close to 22% in 4Q and 21% in 2019 due to greater intake efforts.





# GENERAL AND ADMINISTRATIVE EXPENSES

(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19 IFRS 16	
	4Q18	4Q19	Δ%	2018	2019	Δ%	2019 IFRS 16	2019 IFRS 16
<b>G&amp;A Expenses</b>	<b>(176.4)</b>	<b>(161.7)</b>	<b>-8.4%</b>	<b>(614.3)</b>	<b>(587.6)</b>	<b>-4.3%</b>	<b>(161.2)</b>	<b>(587.1)</b>
Personnel	(47.5)	(48.3)	1.6%	(173.2)	(177.4)	2.4%	(48.3)	(177.4)
Third-party services	(42.1)	(41.7)	-1.0%	(130.0)	(104.1)	-19.9%	(41.7)	(104.1)
Provision/contingencies	(33.0)	(12.9)	-61.0%	(103.2)	(66.3)	-35.7%	(12.9)	(66.3)
Maintenance & repairs	(10.4)	(14.9)	43.1%	(38.1)	(48.5)	27.2%	(14.9)	(48.5)
Other	(18.3)	(18.6)	1.5%	(71.6)	(96.9)	35.5%	(17.5)	(92.7)
D&A	(25.1)	(25.3)	1.0%	(98.3)	(94.4)	-3.9%	(25.9)	(98.0)
<b>Other revenue/expenses</b>	<b>(39.9)</b>	<b>4.2</b>	<b>N.A</b>	<b>(47.2)</b>	<b>14.4</b>	<b>N.A</b>	<b>4.2</b>	<b>14.4</b>
<b>Expenses over Net Revenue</b>								
G&A Expenses(%)	20.4%	19.2%	-1.1 p.p.	17.0%	16.5%	-0.5 p.p.	19.2%	16.5%



In 4Q19, **general and administrative expenses** were down by 8.4% year-on-year due to a decrease in expenses with provisions for contingencies.

In 2019, G&A expenses were down by 4.3% YoY, as a result of the following:

- Reduction in provisions for contingencies and drop in third-party service expenses, especially consultancy services.
- Increased expenses with maintenance and repairs, related to software update, maintenance of our units and higher increase in expenses with pedagogic resources (expansion of health courses).

**Other revenue/expenses** were impacted by losses related to the sale of receivables in 2018 and revenue from the lease of our units for several events in 2019.

(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year



# EBITDA AND MARGIN

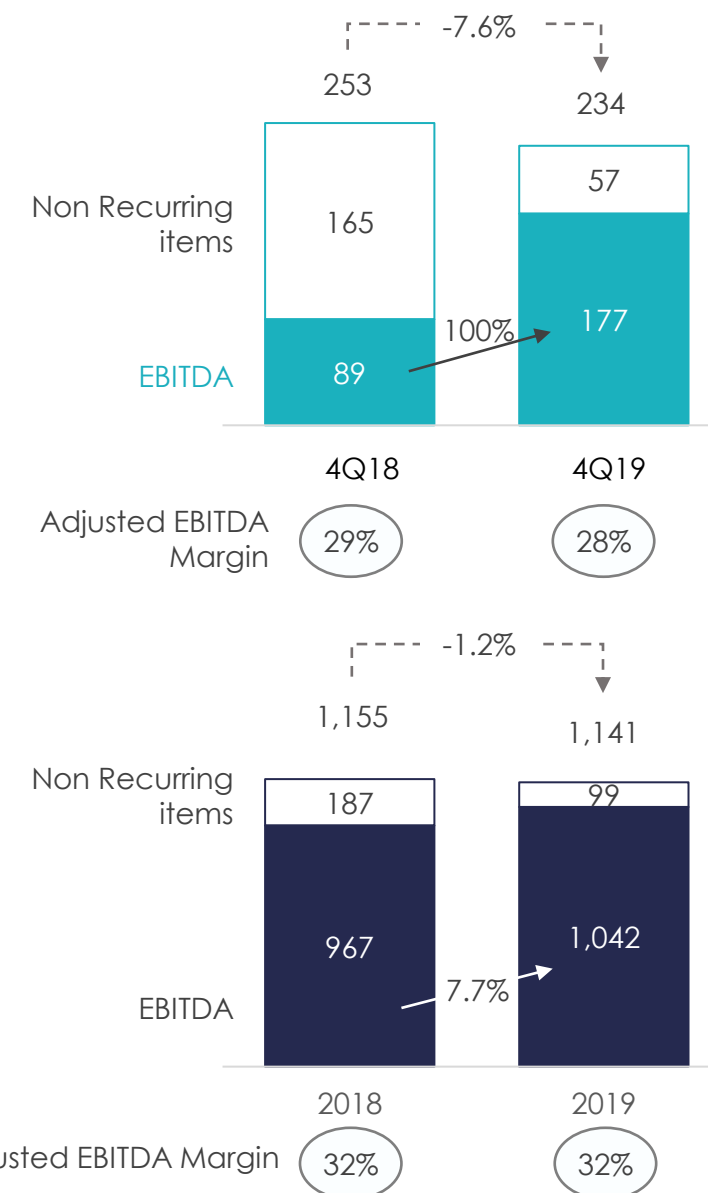
(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19 IFRS 16	
	4Q18	4Q19	Δ%	2018	2019	Δ%	2019 IFRS 16	
<b>Net Revenue</b>	<b>867.0</b>	<b>842.0</b>	<b>-2.9%</b>	<b>3,619.4</b>	<b>3,565.0</b>	<b>-1.5%</b>	<b>842.0</b>	<b>3,565.0</b>
Costs and Expenses	(829.9)	(715.7)	-13.8%	(2,847.4)	(2,719.7)	-4.5%	(685.2)	(2,665.0)
(+) Depreciation and amortization	51.5	50.6	-1.7%	195.4	197.0	0.8%	75.4	360.9
<b>EBITDA</b>	<b>88.6</b>	<b>177.0</b>	<b>99.7%</b>	<b>967.4</b>	<b>1,042.3</b>	<b>7.7%</b>	<b>232.2</b>	<b>1,261.0</b>
EBITDA Margin (%)	10.2%	21.0%	10.8 p.p.	26.7%	29.2%	2.5 p.p.	27.6%	35.4%
<b>Non recurring items</b>	<b>164.5</b>	<b>56.9</b>	<b>-65.4%</b>	<b>187.4</b>	<b>98.7</b>	<b>-47.3%</b>	<b>56.9</b>	<b>98.7</b>
Organizational restructuring	100.3	41.9	-58.2%	103.3	61.7	-40.3%	41.9	61.7
Consulting	10.4	9.8	-5.8%	30.3	9.8	-67.6%	9.8	9.8
M&A	-	-	-	-	6.2	N.A	-	6.2
Lease termination expenses	-	-	-	-	15.8	N.A	-	15.8
Other <sup>(2)</sup>	53.8	5.2	-90.3%	53.8	5.2	-90.3%	5.2	5.2
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>253.1</b>	<b>233.9</b>	<b>-7.6%</b>	<b>1,154.7</b>	<b>1,141.1</b>	<b>-1.2%</b>	<b>289.1</b>	<b>1,359.7</b>
Adjusted EBITDA margin <sup>(3)</sup> (%)	29.2%	27.8%	-1.4 p.p.	31.9%	32.0%	0.1 p.p.	34.3%	38.1%

In 2019, the Company's **EBITDA** totaled R\$1.0 billion, 7.7% above 2018 figures, excluding the effects of IFRS-16 adoption.

Excluding non-recurring items, the Company's **adjusted EBITDA** would have reached R\$1.1 billion, a slight decrease of 1.2% versus 2018 and **adjusted EBITDA margin** of 32.0%, 0.1 p.p. up over the previous year. The decrease in FIES revenue and increase in selling expenses were the main impacts in 2019 EBITDA, almost entirely offset by the efficiencies generated by cost of services and G&A expenses.

In 4Q19, **adjusted EBITDA** would have been down by 7.6% year-on-year.

Adjusted EBITDA and margin (R\$ million)



(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year

(2) Mainly referred to losses with portfolio sale in 2018

(3) Adjusted by non recurring items.



# FINANCIAL RESULT AND NET INCOME

(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19 IFRS 16	
	4Q18	4Q19	Δ%	2018	2019	Δ%	IFRS 16	IFRS 16
<b>Financial Result</b>	<b>(24.0)</b>	<b>(46.8)</b>	<b>94.7%</b>	<b>(118.8)</b>	<b>(149.2)</b>	<b>25.6%</b>	<b>(96.2)</b>	<b>(242.1)</b>
<b>Financial Revenue</b>	<b>19.2</b>	<b>20.3</b>	<b>5.6%</b>	<b>92.3</b>	<b>99.1</b>	<b>7.4%</b>	<b>20.3</b>	<b>99.1</b>
Fines and interest charged	6.3	5.4	-14.3%	32.2	30.2	-6.3%	5.4	30.2
Investment revenue	10.6	9.1	-14.9%	37.9	46.7	23.2%	9.1	46.7
Inflation adjustment & Others	2.3	5.8	156.3%	22.2	22.2	0.1%	5.8	22.2
<b>Financial Expenses</b>	<b>(43.2)</b>	<b>(67.1)</b>	<b>55.1%</b>	<b>(211.2)</b>	<b>(248.3)</b>	<b>17.6%</b>	<b>(116.5)</b>	<b>(341.2)</b>
Interest and financial charges	(10.4)	(14.6)	39.7%	(64.8)	(80.0)	23.4%	(14.6)	(80.0)
Financial discounts	(12.6)	(45.4)	259.8%	(62.4)	(111.8)	79.1%	(45.4)	(111.8)
Bank expenses	(9.0)	(6.2)	-30.9%	(33.2)	(33.8)	1.9%	(6.2)	(33.8)
Adj. contingencies & other	(11.2)	(0.8)	-92.4%	(50.7)	(22.8)	-55.1%	(50.3)	(115.6)

In 4Q19, **financial result** was negative R\$46.8 million, down year-on-year due to the increase in financial discount expenses – related to the renegotiation of old debts.

The same effect can be noted in the 2019 full year results.

(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19 IFRS 16	
	4Q18	4Q19	Δ%	2018	2019	Δ%	IFRS 16	IFRS 16
<b>EBITDA</b>	<b>88.6</b>	<b>177.0</b>	<b>99.7%</b>	<b>967.4</b>	<b>1.042.3</b>	<b>7.7%</b>	<b>232.2</b>	<b>1.261.0</b>
<b>Financial Result</b>	<b>(24.0)</b>	<b>(46.8)</b>	<b>94.7%</b>	<b>(118.8)</b>	<b>(149.2)</b>	<b>25.6%</b>	<b>(96.2)</b>	<b>(242.1)</b>
(+) Depreciation and amortization	(51.5)	(50.6)	-1.7%	(195.4)	(197.0)	0.8%	(75.4)	(360.9)
<b>Profit before tax</b>	<b>13.1</b>	<b>79.6</b>	<b>507.4%</b>	<b>653.2</b>	<b>696.2</b>	<b>6.6%</b>	<b>60.6</b>	<b>657.9</b>
Income tax	3.1	(1.6)	N.A.	(4.5)	(7.2)	59.5%	(1.6)	(7.2)
Social contribution	0.1	(1.0)	N.A.	(3.8)	(4.6)	21.2%	(1.0)	(4.6)
<b>Net Income</b>	<b>16.3</b>	<b>77.0</b>	<b>372.6%</b>	<b>644.9</b>	<b>684.4</b>	<b>6.1%</b>	<b>58.1</b>	<b>646.1</b>
Net Margin (%)	1.9%	9.1%	7.3 p.p.	17.8%	19.2%	1.4 p.p.	6.9%	18.1%
<b>Adjusted Net Income<sup>(1)</sup></b>	<b>180.8</b>	<b>134.0</b>	<b>-25.9%</b>	<b>832.2</b>	<b>783.1</b>	<b>-5.9%</b>	<b>115.0</b>	<b>744.9</b>
Adjusted Net Income Margin <sup>(1)</sup>	20.9%	15.9%	-4.9 p.p.	23.0%	22.0%	-1.0 p.p.	13.7%	20.9%

**Net income** totaled R\$77.0 million in 4Q19, a 372.6% increase, for a net margin of 9.1%, 7.3 p.p. higher than in the previous year.

In 2019, net income totaled R\$684.4 million, up by 6.1% for a net margin of 19%, 1.4 p.p. YoY.

**Excluding non-recurring events**, Net Income would have reached R\$134.0 million in 4Q19 and R\$783.1 million in 2019, a decrease of 26% and 6% respectively.



(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year.

(2) Non recurring expenses adjustments detailed in EBITDA section.

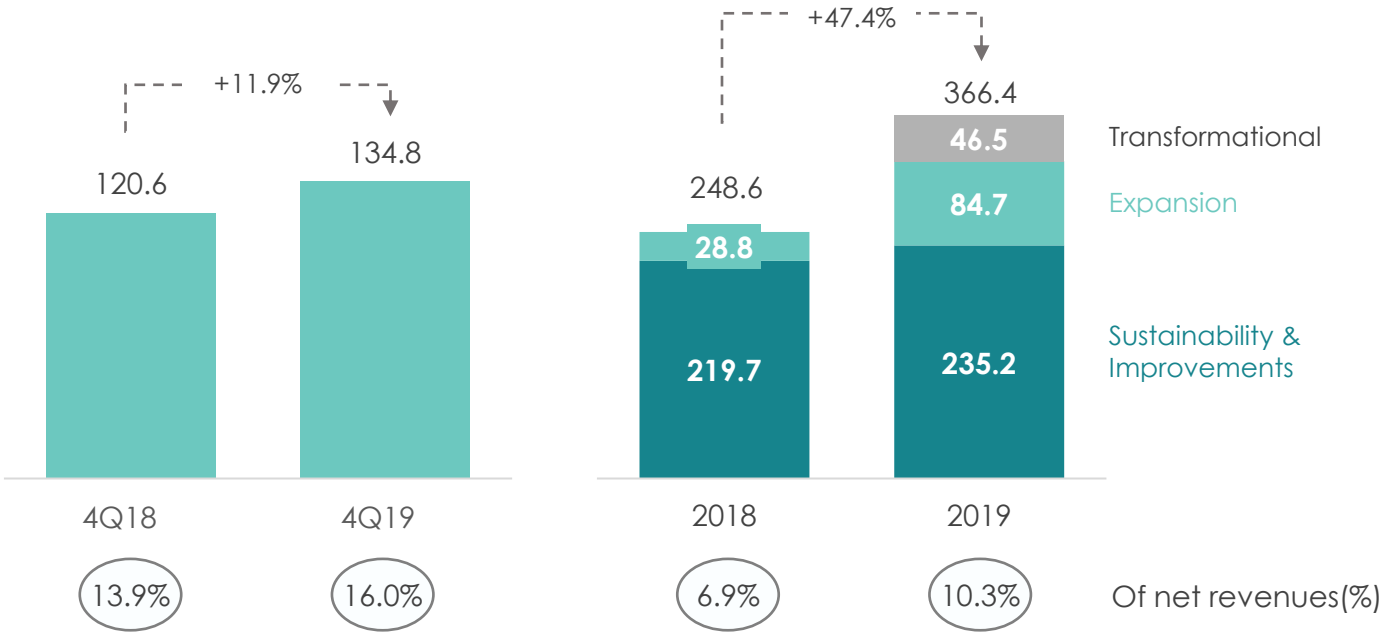
(R\$ million)	4Q18	4Q19	Δ%	2018	2019	Δ%
Total Capex	120.6	134.8	11.9%	248.5	366.4	47.4%
Sustainability & Improvements	103.2	73.5	-28.7%	219.7	235.2	7.1%
Expansion	17.4	43.8	152.7%	28.8	84.7	193.8%
Transformational	-	17.5	N.A	-	46.5	N.A
Capex of Net Revenue						
Total Capex (%)	13.9%	16.0%	2.1 p.p.	6.9%	10.3%	3.4 p.p.
Support & Improvements (%)	11.9%	8.7%	-3.2 p.p.	6.1%	6.6%	0.5 p.p.

In 2019, **total CAPEX** reached R\$366.4 million, an increase of 47.4% when compared to 2018.

**Expansion investments**, directly linked to revenue generation, totaled R\$84.7 million (~ 3x higher YoY), representing about 23% of total capex (vs 12% in 2018). Its worth mentioning that investments in expansion were impacted by the anticipation of the construction of two Mais Médicos II units, which started operations in 2020.1, and amplification of our health courses portfolio.

Additionally, transformational projects of a non-recurring nature – such as document scanning systems and upgrade in the air conditioning system – totaled R\$46.5 million in 2019, impacting the comparison with previous year.

It is important to note that the **capex portion related to sustainability and improvements totaled R\$235.2 million**, recording a 7.0% YoY increase and representing 6.6% of total net revenues (vs 6.1% in 2018).



# ADJUSTED CASH FLOW

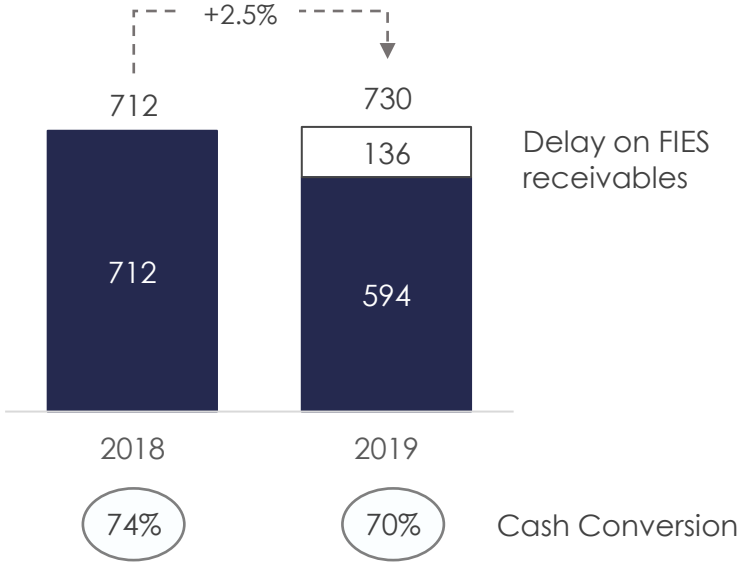
(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19	
	4Q18	4Q19	Δ%	2018	2019	Δ%	IFRS 16	IFRS 16
Reported Operating Cash Flow	159.4	6.3	-96.1%	1,054.4	594.0	-43.7%	61.5	812.7
Adjustment referring to PN-23	-	-	-	(342.1)	-	-	-	-
Delay on FIES receivables	-	136.0	-	-	136.0	-	136.0	136.0
Adjusted Operating Cash Flow	159.4	142.3	-10.7%	712.3	730.1	2.5%	197.5	948.7
Operating Cash Flow after Capex	30.4	(60.3)	N.A.	420.4	264.8	-37.0%	(5.1)	483.4
Free cash flow	47.5	(120.6)	N.A.	(48.5)	(72.9)	50.3%	(120.6)	(72.9)
Reported EBITDA	88.6	177.0	99.7%	967.4	1,042.3	7.7%	232.2	1.261.0
Adjusted operating cash flow/EBITDA	179.9%	80.4%	-99 p.p.	73.6%	70.0%	-3.6 p.p.	85.1%	75.2%

In 2019, the Company recorded **operational cash flow** of R\$812.7 million in IFRS-16. Excluding the effects of the adoption of IFRS-16, operational cash flow totaled R\$594.0 million in the year.

For comparison purposes of operational cash flow performance, it is worth noting that: (i) in 2018, the Company recorded the positive impact of R\$342.1 million related to PN-23; and (ii) in 2019 recorded the negative impact of R\$136.0 million from the delay in FIES payments due to a problem in the FNDE system (accounted in January 2020).

Excluding those effects, **adjusted operational cash flow** would have reached R\$730.1 million in 2019, up by 2.5% versus 2018.

Adjusted operating cash flow <sup>(2)</sup>  
(R\$ million)



(1) Pro-forma information excluding IFRS 16 effect in 2019 in order to preserve comparability against the previous year.  
 (2) Adjusted by -R\$342 million from PN-23 impact in 2018 and +R\$136 million related to the delay of FIES transfer in December, 2019 (received in January, 2020).  
 (3) Adjusted for non-recurring items.

# ACCOUNTS RECEIVABLE

(R\$ million)	4Q18	3Q19	4Q19
<b>Monthly tuition fees received</b>	<b>869.8</b>	<b>1,097.6</b>	<b>1,069.0</b>
Out-of-Pocket	577.2	517.7	593.8
Exchange Deals	23.3	27.4	11.7
PAR	173.3	221.6	206.7
DIS	91.3	330.9	256.7
Educar Amazônia	4.8	-	-
FIES	153.8	219.6	295.6
Other	146.5	201.8	162.7
<b>Gross Accounts Receivable</b>	<b>1,170.1</b>	<b>1,519.1</b>	<b>1,527.2</b>

<b>Bad Debt</b>	<b>(402.6)</b>	<b>(497.3)</b>	<b>(471.2)</b>
Out-of-Pocket <sup>(1)</sup>	(317.5)	(351.1)	(340.7)
PAR – long term (50%)	(68.3)	(98.2)	(92.9) (a)
DIS – long term (15%)	(12.3)	(48.0)	(37.5) (b)
Educar Amazônia	(4.6)	-	-
<b>Amounts to be identified</b>	<b>(11.3)</b>	<b>(8.2)</b>	<b>(7.4)</b>
<b>Adjustment to presente value (APV)<sup>(2)</sup></b>	<b>(45.0)</b>	<b>(36.4)</b>	<b>(27.4)</b>
APV PAR	(36.6)	(25.3)	(20.8) (c)
APV EDUCAR	(0.3)	-	-
APV DIS	(8.1)	(11.1)	(6.6) (d)
<b>Net Accounts Receivable</b>	<b>711.1</b>	<b>977.2</b>	<b>1,211.2</b>

In 4Q19, **gross receivables** totaled R\$1,527.2 million, up by 30.5% versus 4Q18, as a result of new DIS students and, mainly, the delay in the FIES transfer.

Excluding this effect, gross receivables would have been up by 19.0% YoY.

**Net receivables** came to R\$1,021.2 million, up by 43.6% over 4Q18, as a result of the increase in gross receivables and a 17.0% upturn in the balance of provision for doubtful accounts – related to the change in student base mix, in which the reduction in FIES base has been offset by out-of-pocket and financing students.

Excluding the effect of the delay in FIES transfer, net receivables would have been R\$885.2 million, 24.5% up on 4Q18.

## PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	4Q18	4Q19	4Q18	4Q19
<b>Gross revenue paid in cash</b>	21.0	19.5	-	0.8
<b>Gross revenue paid in installments</b>	38.1	25.7	(17.0)	6.6
Taxes – revenue deductions	(2.4)	(1.1)	0.8	(0.3)
Adjustment to Present Value (APV) <sup>(2)</sup>	6.9	4.5 Δ(c)	8.9	4.5 Δ(d)
Bad Debt – long term (50%)	(8.7)	5.2 Δ(a)	6.3	10.5 Δ(b)
Bad Debt non-renegotiated dropouts	(12.6)	(27.7)	(36.3)	(23.1)
<b>Bad Debt of Net Revenue (%)</b>	<b>1.0%</b>	<b>-0.6%</b>	<b>-0.7%</b>	<b>-1.2%</b>



(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-2024.

# AVERAGE TERM OF RECEIVABLES

(R\$ million)	4Q18	4Q19	Δ%
<b>Consolidated Average Term of Receivables</b>			
Net Accounts Receivable	711.1	1,021.2	43.6%
Net Revenue (LTM)	3,619.4	3,565.0	-1.5%
<b>Average Receivables Days</b>	<b>71</b>	<b>103</b>	<b>45.1%</b>

<b>FIES Average Term od Receivables</b>			
FIES Accounts Receivable	153.8	295.6	92.2%
FIES Revenue (LTM)	1,047.0	733.2	-30.0%
FGEDUC deductions (LTM)	(82.0)	(57.4)	-30.0%
Taxes (LTM)	(43.2)	(27.2)	-37.1%
FIES Net Revenue (LTM)	921.7	648.6	-29.6%
<b>FIES Average Receivables Days</b>	<b>60</b>	<b>164</b>	<b>173.3%</b>

<b>Non-FIES Average Term of Receivables</b>			
Net Accounts Receivable (ex-APV)	711.1	1,021.2	43.6%
Accounts Receivable Non-FIES	557.3	725.6	30.2%
Net Revenue Non-FIES (LTM)	2,697.6	2,916.4	8.1%
<b>Non-FIES Average Receivables Days</b>	<b>74</b>	<b>90</b>	<b>21.6%</b>

**Consolidated ATR** reached 103 days, up by 45% over 4Q18, followed by an increase in receivables, affected by the delay in FIES transfer in the quarter in the approximate amount of R\$128 million.

Excluding this effect, **consolidated ATR** would have reached 90 days, 26.8% or 19 days more than in 4Q18.

**FIES ATR** totaled 164 days, a 173% increase or 104 days over the previous year, result of the delay in the transfer of funds.

Excluding the FIES transfer effect, FIES ATR would have reached 88 days or 28 days more than the same period in the previous year.

**Ex-FIES ATR** in 4Q19 totaled 90 days, up by 21.6% over 4Q18.

# AGING AND CHANGES IN ACCOUNTS RECEIVABLE

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

Vertical Analysis

(R\$ million)	4Q18	4Q19	Δ%	4Q18 (%)	4Q19 (%)
FIES	153.8	295.6	92.2%	13%	19%
Not yet due	482.7	628.6	30.2%	41%	41%
Overdue up to 30 days	99.6	134.4	34.9%	9%	9%
Overdue from 31 to 60 days	97.0	80.1	-17.4%	8%	5%
Overdue from 61 to 90 days	82.8	65.2	-21.3%	7%	4%
Overdue from 91 to 179 days	87.1	111.9	28.4%	7%	7%
Overdue more than 180 days	167.0	211.5	26.7%	14%	14%
<b>Gross Accounts Receivable</b>	<b>1,170.0</b>	<b>1,527.2</b>	<b>30.5%</b>	<b>100%</b>	<b>100%</b>

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

Vertical Analysis

(R\$ million)	4Q18	4Q19	Δ%	4Q18 (%)	4Q19 (%)
Not yet due	27.0	24.5	-9.4%	37%	34%
Overdue up to 30 days	6.7	5.6	-16.9%	9%	8%
Overdue from 31 to 60 days	5.4	5.0	-7.1%	7%	7%
Overdue from 61 to 90 days	4.9	5.2	5.3%	7%	7%
Overdue from 91 to 179 days	8.2	11.1	36.0%	11%	16%
Overdue more than 180 days	20.4	20.2	-0.9%	28%	28%
<b>Agreements Receivable</b>	<b>72.6</b>	<b>71.6</b>	<b>-1.4%</b>	<b>100%</b>	<b>100%</b>

## FIES: Changes of Accounts Receivable

(R\$ million)	4Q18	4Q19	Δ%
Opening balance	337.1	218.0	-35.3%
FIES Revenue	222.0	173.8	-21.7%
Transfer	(387.0)	(220.8)	-42.9%
Provision for FIES	(18.3)	(11.7)	-36.2%
<b>Closing balance</b>	<b>153.8</b>	<b>159.3</b>	<b>3.6%</b>

## FIES: Change of Accounts Offsetable

(R\$ million)	4Q18	4Q19	Δ%
Opening balance	1.6	1.7	3.1%
Transfer	387.0	220.8	-42.9%
Payment of taxes	(82.5)	(24.5)	-70.3%
Buyback in auctions	(306.1)	(61.6)	-79.9%
<b>Closing balance</b>	<b>0.0</b>	<b>136.4</b>	<b>N.A.</b>



(1) The amounts overdue 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



# CASH POSITION

(R\$ million)	4Q18	4Q19	Δ%
<b>(-) Cash and cash equivalents [a]</b>	<b>(818.0)</b>	<b>(609.1)</b>	<b>-25.5%</b>
<b>Indebtedness [b]</b>	<b>875.8</b>	<b>1,730.1</b>	<b>97.5%</b>
Loans	817.2	615.1	-24.7%
Leasing	-	1,036.5	N.A.
Commitments payable (M&A)	48.3	63.7	31.7%
Taxes paid in installments	10.2	14.7	44.0%
<b>Net Debt [b+a]</b>	<b>57.8</b>	<b>1,121.0</b>	<b>1.841%</b>
Net Debt/EBITDA (LTM) <sup>(1)</sup>	0.1x	0.9x	-
<b>Net Debt/EBITDA (LTM)<sup>(1)</sup> non-IFRS</b>	<b>0.1x</b>	<b>0.1x</b>	<b>-</b>

**Cash & Cash Equivalents** totaled R\$609.1 million in 4Q19, down by 25.5% YoY, due to the amortization of borrowings and payment of acquisitions (UniToledo), in addition to the delay in FIES transfer in the end of the year (with cash effect in January 2020). In 2018, the Company received the last installment of PN23 in the amount of R\$342.1 million. Excluding the effect of the PN23, cash would have increased by 28.0% YoY.

**Gross debt** ex-IFRS 16 ended the quarter at R\$693.6 million, down by 20.8% over 4Q18, due to the settlement of the remaining installments of debentures II and IV.

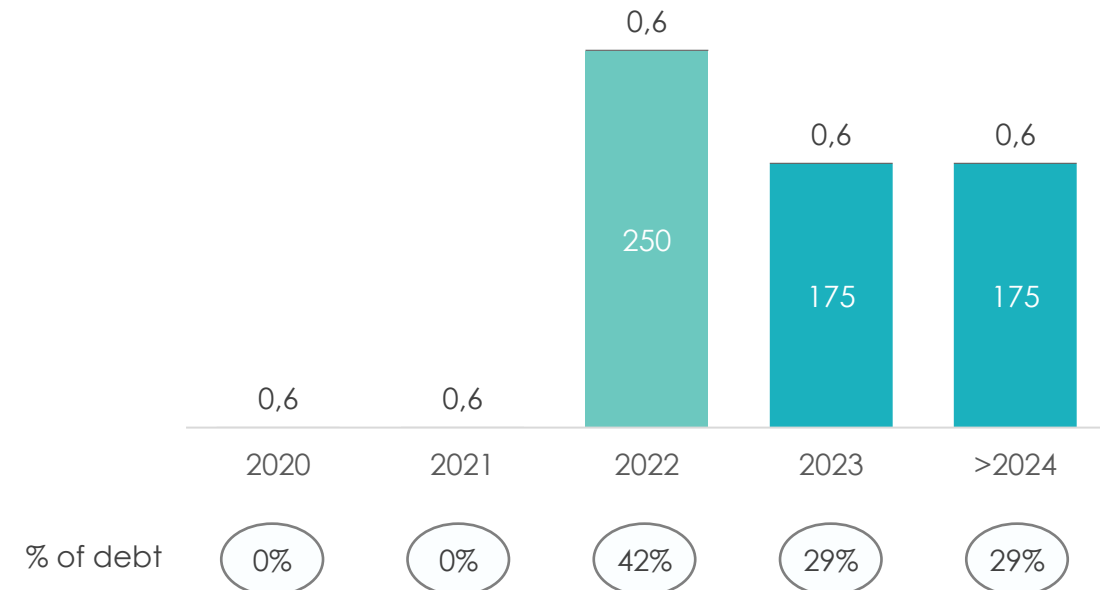
**The Company's net debt** ex-IFRS 16 ended 2019 **at R\$84.5 million**, for a reported net debt/EBITDA ratio of 0.1x, in line with 2018 figures and significantly lower than the 2.5x covenants.

# DEBT

(R\$ million)

Debt Type	Date of Issue	Due Date	Cost	Balance to pay	% of total
Bond V (1ª series)	Feb/19	Feb/22	CDI + 0.6%	255.5	41.5%
Bond V (2ª series)	Feb/19	Feb/24	CDI + 0.8%	358.0	58.0%
FINEP	Feb/15	Jan/25	TJLP + 0.5%	3.1	0.5%
<b>Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616.1</b>	<b>100%</b>

Timeline of debt amortization  
(R\$ million; main)



(1) Reported EBITDA (LTM)



### Borrowing

In the beginning of 2020, the Company carried out the following borrowing of funds, totaling R\$ 1.3 billion, with the purpose of partially financing the acquisition of Adlatem Brasil Holding S.A., when duly approved by the competent bodies, as disclosed in a material fact of October 21, 2019, in the amount of R\$1.92 billion:

- The Board of Directors approved, at a Meeting held on February 13, 2020, the borrowing of funds abroad, pursuant to Law 4,131, with Citibank N.A. in the total amount of R\$824.5 million, as follows: (i) R\$173.3 million with a term of 1 year and CDI + 0.6% interest rate and (ii) R\$651.2 million with term of up to 3 years and CDI + 0.7% interest rate.
- The Board of Directors approved, at a Meeting held on February 28, 2020, the borrowing of financing abroad, pursuant to Law 4,131, with Banco Santander Brasil S.A. in the total amount of R\$500 million, with a 2-year maturity and bearing interest of CDI + 1.15%.

(R\$ million)

Debt Type	Issue date	Due Date	Cost	Amount
Loans Citi (1ª series)	Feb/20	Up to 1 year	CDI + 0,6%	173,3
Loans Citi (2ª series)	Feb/20	Up to 3 year	CDI + 0,7%	651,2
Loans Santander	Mar/20	Up to 2 year	CDI + 1,095%	500,0
Total loans				1,324.5

# DETAILS ON THE SEATS OFFERING IN MEDICINE SCHOOL

2019.2							FULL POTENTIAL <sup>(1)</sup> 2024e	
Unit	State	Type	Operation Start	Status	Authorized/ Qualified seats py <sup>(2)</sup>	Student Base <sup>(3)</sup>	Authorized seats py <sup>(2)</sup>	Student Base <sup>(3)</sup>
Presidente Vargas	RJ	Organic	1998.2	Matured	240	1.561	240	1.728
João Uchôa/Città	RJ	Organic	2014.1	Matured	170	775	170	1.224
Juazeiro do Norte	CE	Organic	2000.1	Matured	100	676	100	720
Ribeirão Preto	SP	Organic	2015.1	In maturity	76	474	76	547
Alagoinhas	BA	MM I	2017.2	In maturity	65	123	165	928
Angra dos Reis	RJ	MM I	2018.1	In maturity	55	138	155	936
Jaraguá do Sul	SC	MM I	2018.1	In maturity	50	89	150	819
Juazeiro	BA	MM I	2018.1	In maturity	155	192	155	1.067
Canindé	CE	MM II	2020.1	Implementation phase (qualified)	50	-	150	650
Castanhal	PA	MM II	2020.1		50	-	150	650
Quixadá	CE	MM II	2020.2		50	-	150	650
Iguatu	CE	MM II	2020.2		50	-	150	650
Total					1.111	4.028	1.811	10.569

We were authorized by the Ministry of Education (MEC) to offer an additional of 100 seats in Juazeiro/BA and we announced the transfer of medicine students from the João Uchôa campus to a new unit in a prime location in Rio de Janeiro, to be named Città.



(1) Assuming expansion of 100 seats per year for Mais Médicos units, in a full potential scenario  
(2) Authorized seats do not include ProUni (+10%) and FIES (+10%) students  
(3) As for Student base, it considers the ProUni, FIES and scholarships for Mais Médicos units.

# BALANÇO PATRIMONIAL

R\$ million	4Q18	3Q19	4Q19
<b>Current Assets</b>	<b>1,550.6</b>	<b>1,664.5</b>	<b>1,475.7</b>
Cash and cash equivalents	13.7	10.1	12.3
Marketable securities	804.4	855.7	596.9
Accounts receivable	571.9	714.6	759.6
Advances to employees/third-parties	8.0	6.3	6.8
Prepaid expenses	6.0	9.3	7.0
Taxes and contributions	135.8	57.2	80.1
Others	10.9	11.4	13.1
<b>Non-Current Assets</b>	<b>2,551.8</b>	<b>4,075.7</b>	<b>4,036.8</b>
<b>Long-Term Assets</b>	<b>476.7</b>	<b>729.4</b>	<b>693.8</b>
Accounts receivable	139.2	262.6	261.6
Prepaid expenses	5.5	4.7	4.8
Judicial deposits	81.7	79.3	76.1
Taxes and contributions	102.2	192.8	176.4
Deferred taxes and others	148.0	190.0	175.0
<b>Permanent Assets</b>	<b>2,075.2</b>	<b>3,346.4</b>	<b>3,343.0</b>
Investments	0.2	0.2	0.3
Property and equipment	661.1	1,898.2	1,732.2
Intangible assets	1,413.8	1,447.9	1,610.4
<b>Total Assets</b>	<b>4,102.5</b>	<b>5,740.2</b>	<b>5,512.5</b>

R\$ million	4Q18	3Q19	4Q19
<b>Current Liabilities</b>	<b>1,289.1</b>	<b>683.1</b>	<b>674.9</b>
Loans and financing	795.8	63.9	13.6
Leasing	-	188.7	156.5
Suppliers	105.8	140.7	126.7
Salaries and payroll charges	133.7	215.5	136.4
Tax liabilities	35.6	34.8	36.0
Prepaid monthly tuition fees	17.2	22.8	18.4
Advance of the current agreement	-	1.8	3.3
Taxes paid in installments	3.6	2.8	3.7
Acquisition price to be paid	34.5	3.3	19.1
Dividends Payable	153.2	0.0	153.5
Others	9.9	8.8	7.6
<b>Long-Term Liabilities</b>	<b>222.0</b>	<b>1,865.1</b>	<b>1,735.3</b>
Loans and Financing	21.4	601.6	601.5
Contingencies	126.9	126.5	118.4
Leasing	-	1,046.1	880.0
Advance of agreement	-	15.6	28.0
Taxes paid in installments	6.7	5.8	11.0
Provision for asset demobilization	27.0	30.1	27.5
Deferred taxes	5.2	2.9	2.9
Acquisition price to be paid	13.9	15.2	44.5
Others	20.9	21.3	21.3
<b>Shareholders' Equity</b>	<b>2,591.4</b>	<b>3,192.0</b>	<b>3,102.4</b>
Capital	1,139.9	1,139.9	1,139.9
Share issue costs	(26.9)	(26.9)	(26.9)
Capital reserves	668.4	668.6	674.0
Earnings reserves	1,016.6	1,016.6	863.2
Period result	0.0	588.1	646.1
Treasury shares	(206.6)	(194.3)	(194.0)
<b>Total Liabilities and Shareholders' Equity</b>	<b>4,102.5</b>	<b>5,740.2</b>	<b>5,512.5</b>



# INCOME STATEMENT BY BUSINESS UNIT: QUARTER

In IFRS-16	On-Campus			Distance Learning			Corporate			Consolidated		
R\$ million	4Q18	4Q19	Δ%	4Q18	4Q19	Δ%	4Q18	4Q19	Δ%	4Q18	4Q19	Δ%
<b>Gross Revenues</b>	<b>1,180.1</b>	<b>1,200.7</b>	<b>1.7%</b>	<b>219.5</b>	<b>319.1</b>	<b>45.4%</b>	-	-	-	<b>1,399.6</b>	<b>1,519.8</b>	<b>8.6%</b>
Deductions from Gross Revenue	(438.4)	(527.0)	20.2%	(94.1)	(150.8)	60.2%	-	-	-	(532.5)	(677.8)	27.3%
<b>Net Revenues</b>	<b>741.7</b>	<b>673.7</b>	<b>-9.2%</b>	<b>125.3</b>	<b>168.3</b>	<b>34.3%</b>	-	-	-	<b>867.0</b>	<b>842.0</b>	<b>-2.9%</b>
<b>Cost of Services</b>	<b>(433.2)</b>	<b>(366.9)</b>	<b>-15.3%</b>	<b>(23.0)</b>	<b>(26.4)</b>	<b>14.9%</b>	-	-	-	<b>(456.2)</b>	<b>(393.4)</b>	<b>-13.8%</b>
Personnel	(317.8)	(278.0)	-12.5%	(14.0)	(13.3)	-5.3%	-	-	-	(331.8)	(291.2)	-12.2%
Rents, municipal property tax & other	(62.6)	(7.9)	-87.4%	(0.0)	(2.2)	13037.6%	-	-	-	(62.6)	(10.1)	-83.9%
Third-party services and Others	(26.7)	(29.6)	10.9%	(8.8)	(13.0)	47.8%	-	-	-	(35.5)	(42.6)	20.1%
Depreciation and amortization	(26.2)	(51.5)	96.4%	(0.2)	2.1	N.A.	-	-	-	(26.4)	(49.5)	87.5%
<b>Gross Profit</b>	<b>308.5</b>	<b>306.8</b>	<b>-0.5%</b>	<b>102.4</b>	<b>141.9</b>	<b>38.6%</b>	-	-	-	<b>410.8</b>	<b>448.7</b>	<b>9.2%</b>
Gross Margin	41.6%	45.5%	3.9 p.p.	81.7%	84.3%	2.6 p.p.	-	-	-	47.4%	53.3%	5.9 p.p.
<b>Selling and G&amp;A Expenses</b>	<b>(169.5)</b>	<b>(101.9)</b>	<b>-39.9%</b>	<b>(31.7)</b>	<b>(22.3)</b>	<b>-29.8%</b>	<b>(172.4)</b>	<b>(167.7)</b>	<b>-2.7%</b>	<b>(373.7)</b>	<b>(291.9)</b>	<b>-21.9%</b>
Personnel	(1.2)	(3.3)	181.3%	(2.0)	(3.4)	69.3%	(44.3)	(41.5)	-6.3%	(47.5)	(48.3)	1.6%
Advertising	-	0.0	N.A	-	-	-	(43.0)	(52.3)	21.8%	(43.0)	(52.3)	21.8%
Bad Debt	(95.8)	(67.9)	-29.1%	(18.3)	(14.5)	-20.8%	0.0	0.0	N.A	(114.2)	(82.4)	-27.8%
Other expenses	(70.2)	(27.4)	-60.9%	(11.0)	(3.8)	-65.5%	(62.8)	(51.7)	-17.7%	(144.0)	(82.9)	-42.4%
Depreciation and amortization	(2.3)	(3.2)	37.4%	(0.4)	(0.5)	47.9%	(22.4)	(22.2)	-0.9%	(25.1)	(25.9)	3.4%
<b>Operating Profit</b>	<b>139.0</b>	<b>204.9</b>	<b>47.4%</b>	<b>70.6</b>	<b>119.6</b>	<b>69.4%</b>	<b>(172.4)</b>	<b>(167.7)</b>	<b>-2.7%</b>	<b>37.1</b>	<b>156.8</b>	<b>322.3%</b>
Operating Margin(%)	18.7%	30.4%	11.7 p.p.	56.3%	71.1%	14.7 p.p.	-	-	-	4.3%	18.6%	14.3 p.p.
<b>Reported EBITDA</b>	<b>167.5</b>	<b>259.6</b>	<b>55.0%</b>	<b>71.1</b>	<b>118.1</b>	<b>66.0%</b>	<b>(150.1)</b>	<b>(145.5)</b>	<b>-3.0%</b>	<b>88.6</b>	<b>232.2</b>	<b>162.1%</b>
EBITDA margin (%)	22.6%	38.5%	15.9 p.p.	56.8%	70.2%	13.4 p.p.	-	-	-	10.2%	27.6%	17.4 p.p.
<b>Reported EBITDA (ex IFRS-16)</b>	<b>167.5</b>	<b>202.8</b>	<b>21.1%</b>	<b>71.1</b>	<b>120.3</b>	<b>69.1%</b>	<b>(150.1)</b>	<b>(146.2)</b>	<b>-2.6%</b>	<b>88.6</b>	<b>177.0</b>	<b>99.7%</b>
EBITDA margin (%)	22.6%	30.1%	7.5 p.p.	56.8%	71.5%	14.7 p.p.	-	-	-	10.2%	21.0%	10.8 p.p.

# INCOME STATEMENT BY BUSINESS UNIT: YEAR

In IFRS-16	On-Campus			Distance Learning			Corporate			Consolidated		
R\$ Million	2018	2019	Δ%	2018	2019	Δ%	2018	2019	Δ%	2018	2019	Δ%
<b>Gross Revenues</b>	<b>4,889.8</b>	<b>4,953.2</b>	<b>1.3%</b>	<b>894.3</b>	<b>1,231.7</b>	<b>37.7%</b>	-	-	-	<b>5,784.2</b>	<b>6,185.0</b>	<b>6.9%</b>
Deductions from Gross Revenue	(1,813.2)	(2,082.8)	14.9%	(351.6)	(537.1)	52.8%	-	-	-	(2,164.8)	(2,619.9)	21.0%
<b>Net Revenues</b>	<b>3,076.6</b>	<b>2,870.4</b>	<b>-6.7%</b>	<b>542.8</b>	<b>694.6</b>	<b>28.0%</b>	-	-	-	<b>3,619.4</b>	<b>3,565.0</b>	<b>-1.5%</b>
<b>Cost of Services</b>	<b>(1,556.3)</b>	<b>(1,429.2)</b>	<b>-8.2%</b>	<b>(76.5)</b>	<b>(91.5)</b>	<b>19.6%</b>	-	-	-	<b>(1,632.8)</b>	<b>(1,520.7)</b>	<b>-6.9%</b>
Personnel	(1,109.1)	(1,021.8)	-7.9%	(51.2)	(47.2)	-7.8%	-	-	-	(1,160.3)	(1,069.0)	-7.9%
Rents, municipal property tax & other	(243.5)	(39.3)	-83.9%	(0.0)	0.0	N.A.	-	-	-	(243.6)	(39.3)	-83.9%
Third-party services and Others	(107.2)	(105.9)	-1.2%	(24.6)	(43.6)	77.0%	-	-	-	(131.8)	(149.5)	13.4%
Depreciation and amortization	(96.5)	(262.2)	171.8%	(0.6)	(0.7)	11.4%	-	-	-	(97.1)	(262.9)	170.7%
<b>Gross Profit</b>	<b>1,520.3</b>	<b>1,441.2</b>	<b>-5.2%</b>	<b>466.3</b>	<b>603.2</b>	<b>29.4%</b>	-	-	-	<b>1,986.6</b>	<b>2,044.3</b>	<b>2.9%</b>
Gross Margin	49.4%	50.2%	0.8 p.p.	85.9%	86.8%	0.9 p.p.	-	-	-	54.9%	57.3%	2.5 p.p.
<b>Selling and G&amp;A Expenses</b>	<b>(501.1)</b>	<b>(424.8)</b>	<b>-15.2%</b>	<b>(90.3)</b>	<b>(87.8)</b>	<b>-2.9%</b>	<b>(623.2)</b>	<b>(631.7)</b>	<b>1.4%</b>	<b>(1,214.6)</b>	<b>(1,144.3)</b>	<b>-5.8%</b>
Personnel	(12.6)	(12.1)	-4.5%	(13.4)	(14.8)	10.1%	(147.2)	(150.6)	2.3%	(173.2)	(177.4)	2.4%
Advertising	0.0	0.0	N.A.	0.0	0.0	N.A.	(218.3)	(263.1)	20.5%	(218.3)	(263.1)	20.5%
Bad Debt	(277.6)	(250.1)	-9.9%	(56.1)	(58.0)	3.3%	0.0	0.0	N.A.	(333.7)	(308.1)	-7.7%
Other expenses	(196.1)	(149.4)	-23.9%	(19.5)	(12.9)	-33.7%	(175.5)	(135.4)	-22.9%	(391.1)	(297.6)	-23.9%
Depreciation and amortization	(14.8)	(13.3)	-10.0%	(1.3)	(2.1)	57.8%	(82.2)	(82.7)	0.5%	(98.3)	(98.0)	-0.3%
<b>Operating Profit</b>	<b>1,019.2</b>	<b>1,016.3</b>	<b>-0.3%</b>	<b>375.9</b>	<b>515.4</b>	<b>37.1%</b>	<b>(623.2)</b>	<b>(631.7)</b>	<b>1.4%</b>	<b>772.0</b>	<b>900.0</b>	<b>16.6%</b>
Operating Margin(%)	33.1%	35.4%	2.3 p.p.	69.3%	74.2%	4.9 p.p.	-	-	-	21.3%	25.2%	3.9 p.p.
<b>Reported EBITDA</b>	<b>1,130.4</b>	<b>1,291.8</b>	<b>14.3%</b>	<b>377.9</b>	<b>518.2</b>	<b>37.1%</b>	<b>(541.0)</b>	<b>(549.0)</b>	<b>1.5%</b>	<b>967.4</b>	<b>1,261.0</b>	<b>30.4%</b>
EBITDA margin (%)	36.7%	45.0%	8.3 p.p.	69.6%	74.6%	5.0 p.p.	-	-	-	26.7%	35.4%	8.6 p.p.
<b>Reported EBITDA (ex IFRS-16)</b>	<b>1,130.4</b>	<b>1,075.5</b>	<b>-4.9%</b>	<b>377.9</b>	<b>518.2</b>	<b>37.1%</b>	<b>(541.0)</b>	<b>(551.4)</b>	<b>1.9%</b>	<b>967.4</b>	<b>1,042.3</b>	<b>7.7%</b>
EBITDA margin (%)	36.7%	37.5%	0.7 p.p.	69.6%	74.6%	5.0 p.p.	-	-	-	26.7%	29.2%	2.5 p.p.



# CASH FLOW STATEMENT

(R\$ million)	Pro-forma <sup>(1)</sup>			Pro-forma <sup>(1)</sup>			4Q19 IFRS 16	
	4Q18	4Q19	Δ%	2018	2019	Δ%	2019 IFRS 16	2019 IFRS 16
<b>Profit before taxes</b>	<b>13.1</b>	<b>79.6</b>	<b>507.5%</b>	<b>653.2</b>	<b>696.2</b>	<b>6.6%</b>	<b>60.6</b>	<b>657.9</b>
Adjustments to reconcile profit	360.9	152.1	-57.9%	909.0	624.4	-31.3%	226.3	881.3
<b>Result after reconciliation to net cash generated</b>	<b>374.0</b>	<b>231.7</b>	<b>-38.1%</b>	<b>1,562.2</b>	<b>1,320.6</b>	<b>-15.5%</b>	<b>286.9</b>	<b>1,539.2</b>
Changes in assets and liabilities	(214.6)	(225.4)	5.0%	(507.8)	(726.5)	43.1%	(225.4)	(726.5)
<b>Operating Cash Flow before Capex</b>	<b>159.4</b>	<b>6.3</b>	<b>-96.1%</b>	<b>1,054.4</b>	<b>594.0</b>	<b>-43.7%</b>	<b>61.5</b>	<b>812.7</b>
Acquisition of property and equipment	(82.5)	(70.3)	-14.8%	(160.7)	(201.6)	25.4%	(70.3)	(201.6)
Acquisition of intangible assets	(38.1)	(64.5)	69.5%	(87.8)	(164.9)	87.8%	(64.5)	(164.9)
Cash flow from investment activities	(8.4)	(67.8)	705.9%	(43.4)	(98.9)	127.7%	(67.8)	(98.9)
<b>Operating Cash Flow after Capex</b>	<b>30.4</b>	<b>(196.3)</b>	<b>N.A.</b>	<b>762.5</b>	<b>128.7</b>	<b>-83.1%</b>	<b>(141.1)</b>	<b>347.4</b>
Cash flow from financing activities	17.0	(60.4)	N.A.	(468.9)	(337.7)	-28.0%	(115.6)	(556.3)
<b>Free Cash Flow</b>	<b>47.5</b>	<b>(256.7)</b>	<b>N.A.</b>	<b>293.6</b>	<b>(208.9)</b>	<b>N.A.</b>	<b>(256.7)</b>	<b>(208.9)</b>
<b>Cash at the beginning of the year</b>	<b>770.6</b>	<b>865.8</b>	<b>12.4%</b>	<b>524.4</b>	<b>818.0</b>	<b>56.0%</b>	<b>865.8</b>	<b>818.0</b>
Increase (decrease) in cash and cash equivalents	47.5	(256.7)	N.A.	293.6	(208.9)	N.A.	(256.7)	(208.9)
<b>Cash at the end of the year</b>	<b>818.0</b>	<b>609.1</b>	<b>-25.5%</b>	<b>818.0</b>	<b>609.1</b>	<b>-25.5%</b>	<b>609.1</b>	<b>609.1</b>
Reported EBITDA	88.6	177.0	99.7%	967.4	1,042.3	7.7%	232.2	1,261.0
<b>Operating Cash Flow before Capex/EBITDA</b>	<b>179.9%</b>	<b>3.6%</b>	<b>-176.3 p.p.</b>	<b>109.0%</b>	<b>57.0%</b>	<b>-52.0 p.p.</b>	<b>26.5%</b>	<b>64.4%</b>
Installment of PN-23	-	-	-	342.1	-	-	-	-
Delay on FIES receivable	-	136.0	-	-	136.0	-	136.0	136.0
<b>Adjusted Operating Cash Flow before Capex /EBITDA</b>	<b>179.9%</b>	<b>80.4%</b>	<b>-99 p.p.</b>	<b>73.6%</b>	<b>70.0%</b>	<b>-3.6 p.p.</b>	<b>85.1%</b>	<b>75.2%</b>

(1) Proforma numbers excluding the effect of IFRS 16, for better comparison with the previous year.



	Unid.	4Q18	1Q19	2Q19	3Q19	4Q19	Δ% Y/Y
Student Base <sup>(1)</sup>	mil	517.8	561.2	576.4	575.4	570.3	10.2%
On-campus	mil	314.6	322.0	328.1	308.4	309.5	-1.6%
Undergraduate	mil	285.3	292.4	298.0	277.9	280.9	-1.6%
Graduate	mil	29.3	29.7	30.1	30.5	28.6	-2.2%
Distance Learning	mil	203.2	239.2	248.4	267.0	260.8	28.4%
Undergraduate	mil	156.1	189.6	197.0	217.4	214.6	37.4%
Graduate	mil	46.9	49.6	51.3	49.6	46.2	-1.6%
Average Ticket <sup>(2)</sup>	R\$						
On-campus	R\$	812.2	820.2	823.7	741.3	761.7	-6.2%
Undergraduate	R\$	834.0	846.4	852.7	765.6	787.3	-5.6%
Distance Learning	R\$	241.5	278.1	273.0	248.0	241.8	0.1%
100% online	R\$	223.8	245.1	252.1	217.4	218.6	-2.3%
Flex	R\$	364.9	456.4	416.1	422.4	373.3	2.3%
Retention Rate <sup>(2)</sup>	%						
On-campus Undergraduate	%	84.2%	85.8%	86.0%	85.9%	85.6%	1.4 p.p.
Distance-Learning Undergraduate	%	77.8%	82.8%	81.5%	80.9%	79.3%	1.6 p.p.
Others							
Employees (Cost)	unity	11,851	13,390	13,324	13,513	12,286	3.4%
Number of DL Centers	unity	607	635	674	747	933	54.0%
Covered Cities (DL)	cities	470	478	497	542	676	43.8%

(1) The student base includes Unitoledo students.  
(2) The retention rate and average ticket calculations don't include Unitoledo's student base.





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