

RESULTS PRESENTATION

3Q21 & 9M21

YDUQS



November 8th, 2021

YDUQ
B3 LISTED NM



Índice
Brasil 50 **IBRX 50**

Índice de
Ações com Governança
Corporativa Diferenciada **IGC**

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

DISCLAIMER

Rio de Janeiro, November 8th, 2021 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the third quarter of 2021 (3Q21)**.

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 Grupo Adtalem Brasil Holding Ltda. as of May 2020, Grupo Athenas Educacional as of August 2020, and Qconcursos as of July 2021, 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.



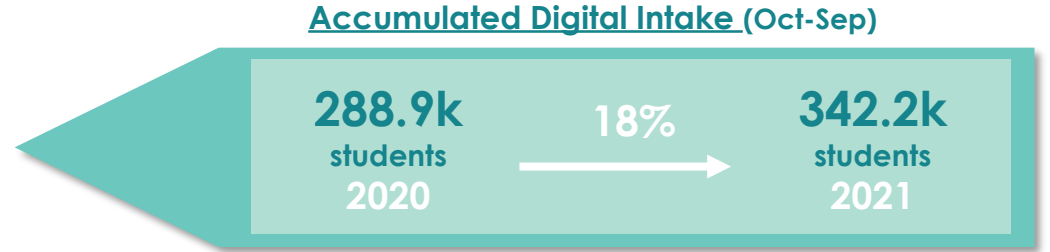
THE USE BY YDUQS Participações S.A. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF YDUQS Participações S.A. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.



- ✓ **Digital and Premium maintain strong growth** exceeding in 9M21 2020 total revenue, **reaching 50% of NOR (Net Operating Revenue).**
- ✓ Clear signs of **on-campus recovery**, with pricing increase after 3 periods of stability, combined with greater renewal, **EBITDA margin returning to 2020 levels**, increase in on-campus intake vs last year, on-campus classes going back onsite and enrollment intention research evolving.
- ✓ **Capital allocation discipline** shows to be correct in this moment of interest volatility, maintaining the company's ability to decide on the best investment alternatives and capital distribution.

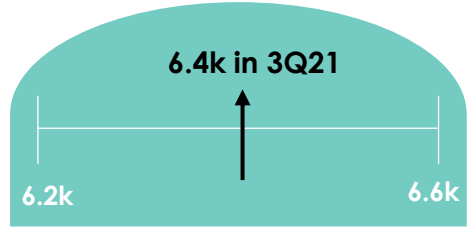
EXPECTATIONS SET IN 2Q21 ACHIEVED

Intake ⁽²⁾ '000 students	2019.2	2020.2 ⁽¹⁾	2021.2	21.2 vs 20.2%	21.2 vs 19.2 %
Digital	84	131	148	13%	+77%
On-campus	49	44	49	12%	+1%



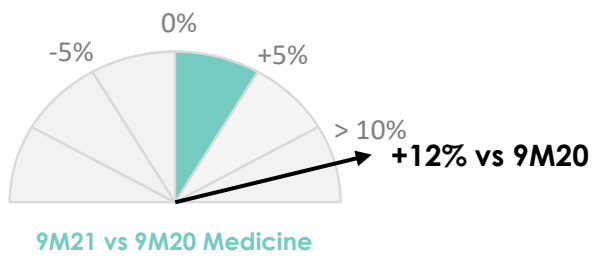
Medicine

Intake 2021.2
(% variation vs same period of previous year)

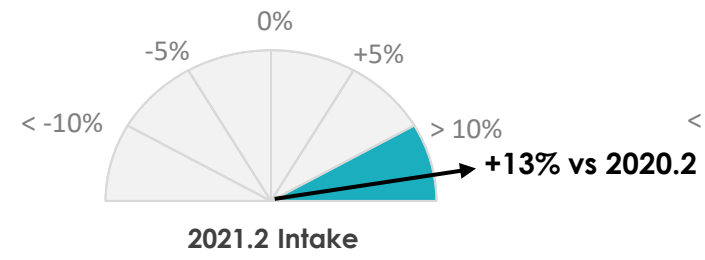


Undergraduate medicine student base expected for 2021

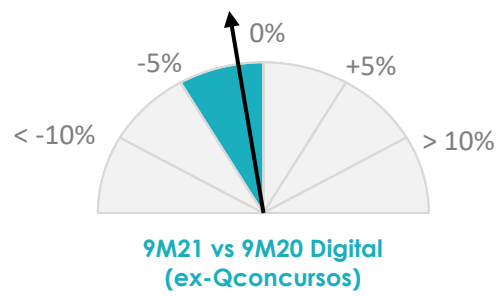
9M21 Reported Average Ticket
(% variation vs same period of previous year)



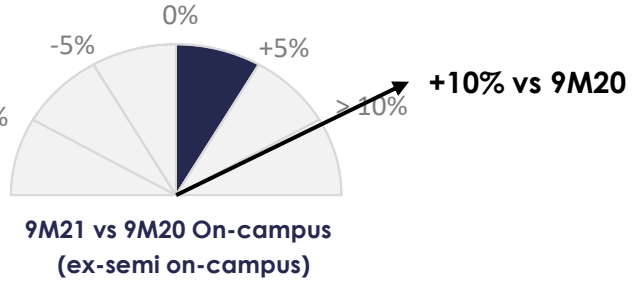
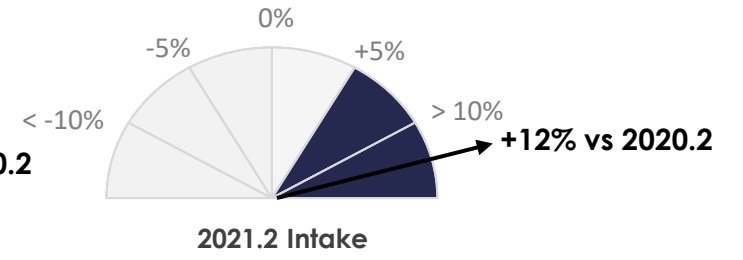
Digital Learning



-1% vs 9M20



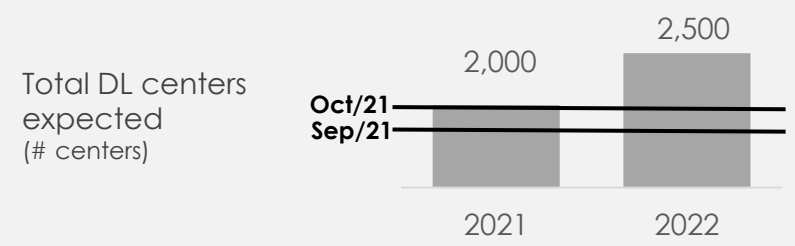
On-campus



(1) 2020.2 figures consider intake of acquired companies as of May, 2020.
(2) Intake considers the months of May-September.

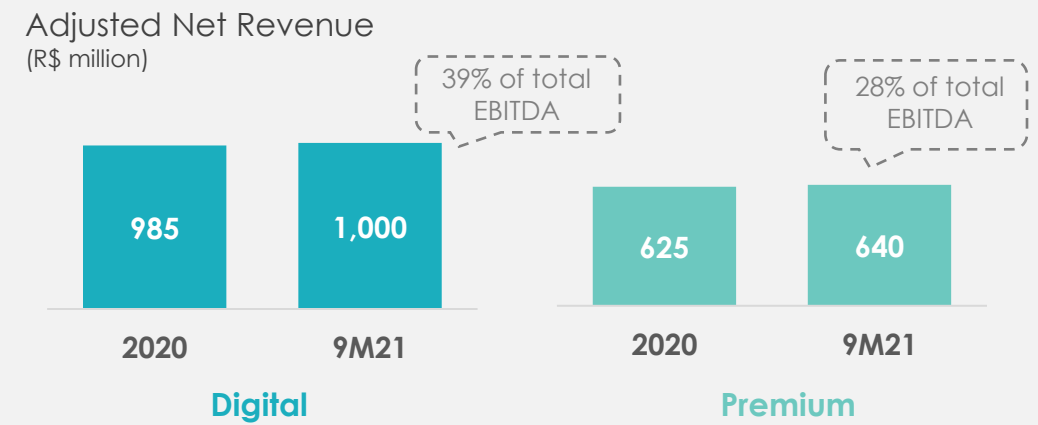
HIGHLIGHTS

Better intake results, still in expansion...



- Already in October/21, **total number of DL centers exceeds expectation of 2,000** centers for the end of 2021.
- **Conclusion of Qconcurros acquisition**, with digital total student base closing at **~1 million students**.

...and with strong revenue growth...



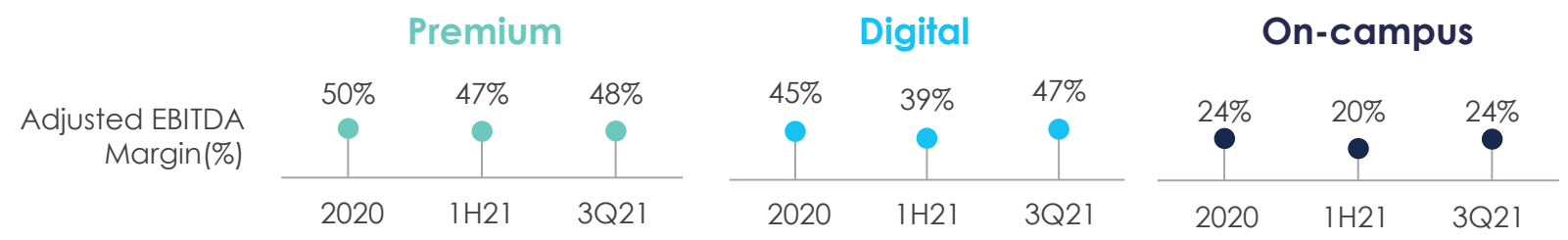
- **9M21 Net Revenue** for both Digital and Premium segments **exceeds 2020 total net revenue**, maintaining large representativeness in YDUQS total EBITDA.



...positively impacting average ticket, combined with an improvement in renewals...

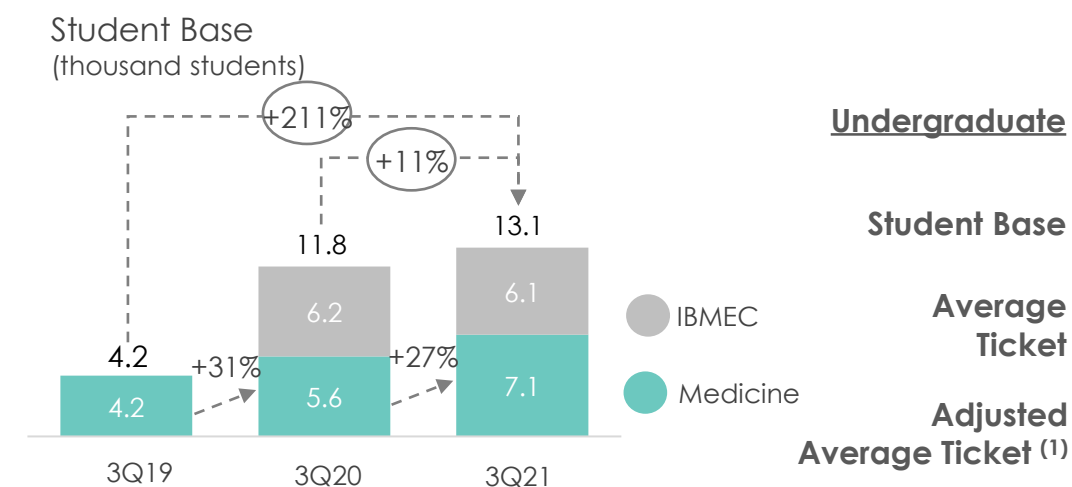
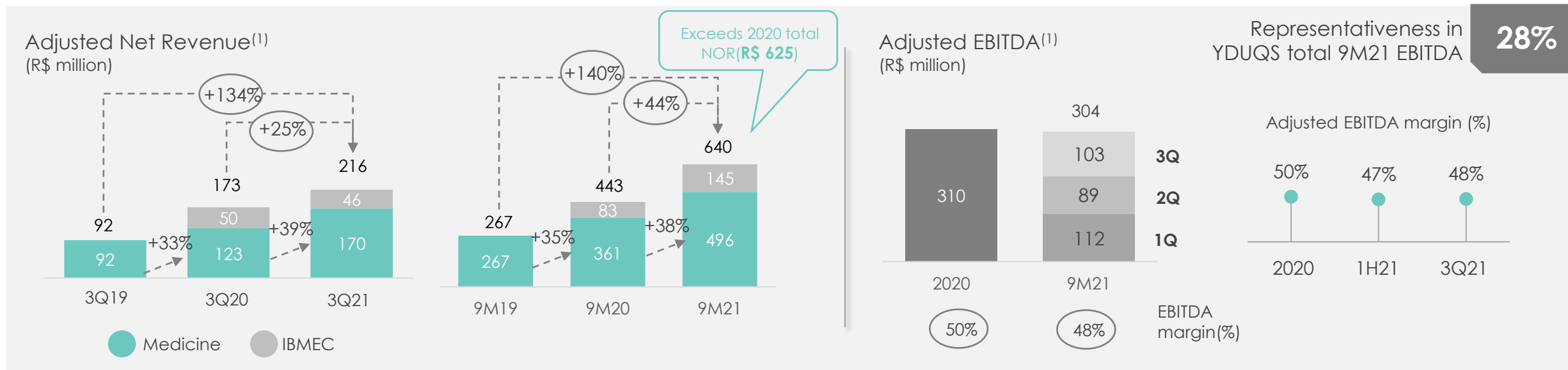
	Average Ticket	Renewal Rate
Premium	+12% YoY Medicine	96%
Digital	-1% YoY	78%
On-campus	+10% YoY	83%

...leading to an EBITDA margin recovery



80% reduction of non recurring effects on EBITDA (R\$ 295 million in 9M20 vs R\$ 59 million in 9M21)

9M21 Net revenue exceeds 2020 total revenue, medicine grows 38%



	IDOMED Instituto de Educação Médica	ibmec
Student Base	6.4k students	4.9k students
Average Ticket	R\$8.4k/month +12% vs 9M20	R\$2.7k/month +2% vs 9M20
Adjusted Average Ticket ⁽¹⁾	R\$8.8k/month +6% vs 9M20	R\$2.7k/month -0.4% vs 9M20

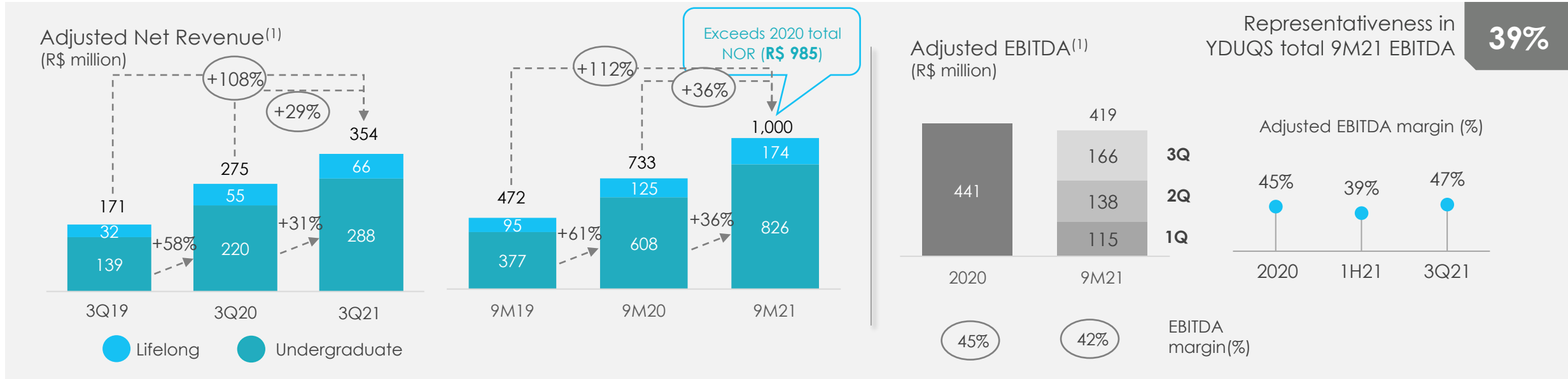
Renewal rate at 96%
Up by 1.3 p.p. vs 3Q20

➤ Up to +450 new medicine seats under approval process.

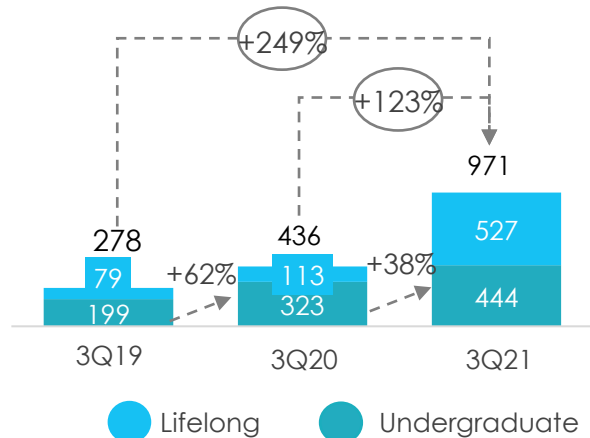
➤ Growth of **medicine average ticket exceeding expectations** set for 2021.2.

DIGITAL LEARNING

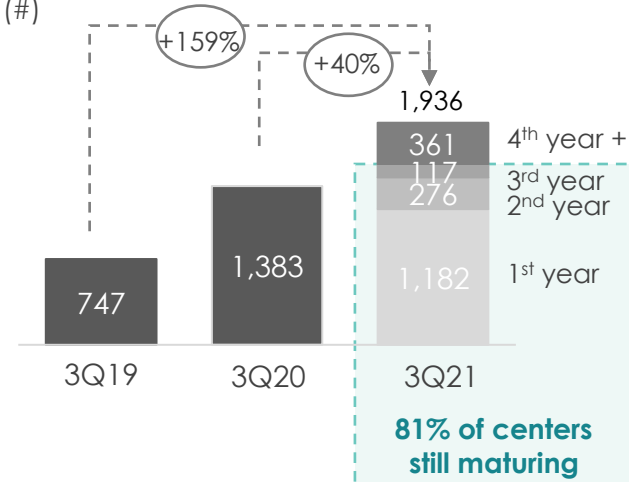
Reaching ~1 million students and R\$ 1 Bi revenue



Paying Student Base
(thousand students)



Number of centers
(#)



Renewal rate at 78%
Up by 1.5 p.p. vs 3Q20

NPS improvement YTD⁽²⁾
+22 p.p. YoY

R\$234/month

-1% vs 9M20 Reported
-2% vs 9M20 Adjusted⁽¹⁾

Undergraduate average ticket

➤ We ended at **2,000 centers in October/21**, expecting to reach **2,500 centers in 2022**.

➤ Slight drop in the **digital learning average ticket**, within expectations set for 2021.2.

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

(2) Estácio's NPS with data until 09/30/2021.



443k

Subscribers
(+25% YoY)

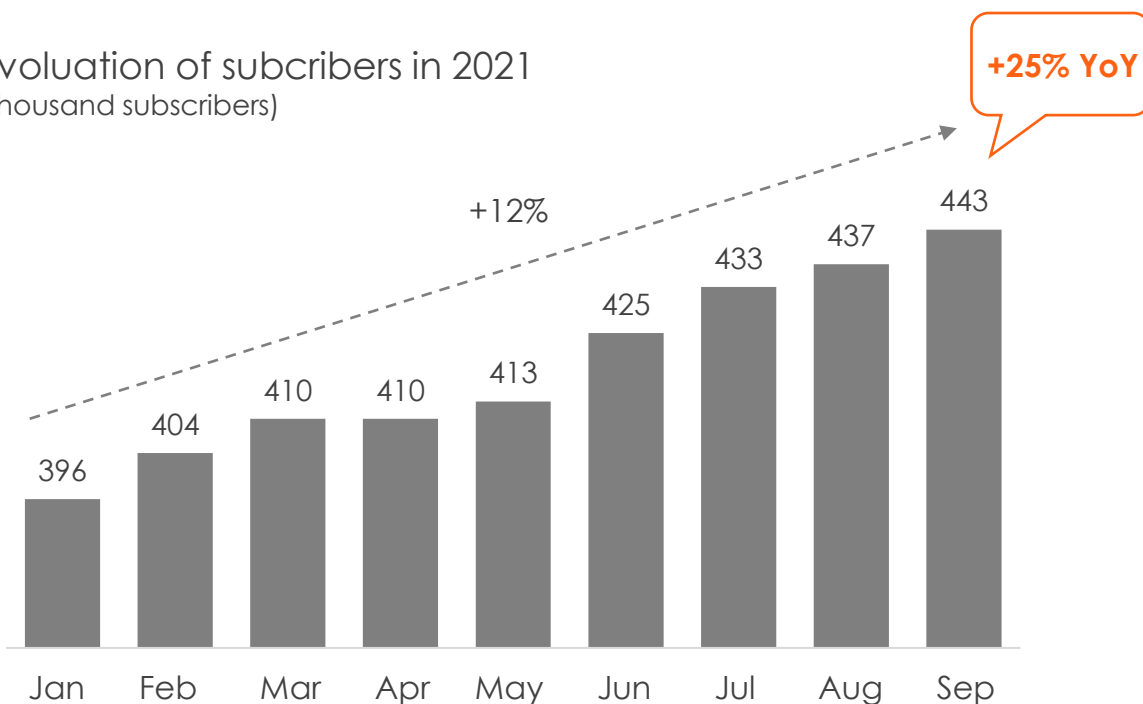
19.2 million

Free users
(Total base in Sep/21)

+24% YoY

3Q21 Monthly Recurring
Revenue (MRR)

Evolution of subscribers in 2021
(thousand subscribers)

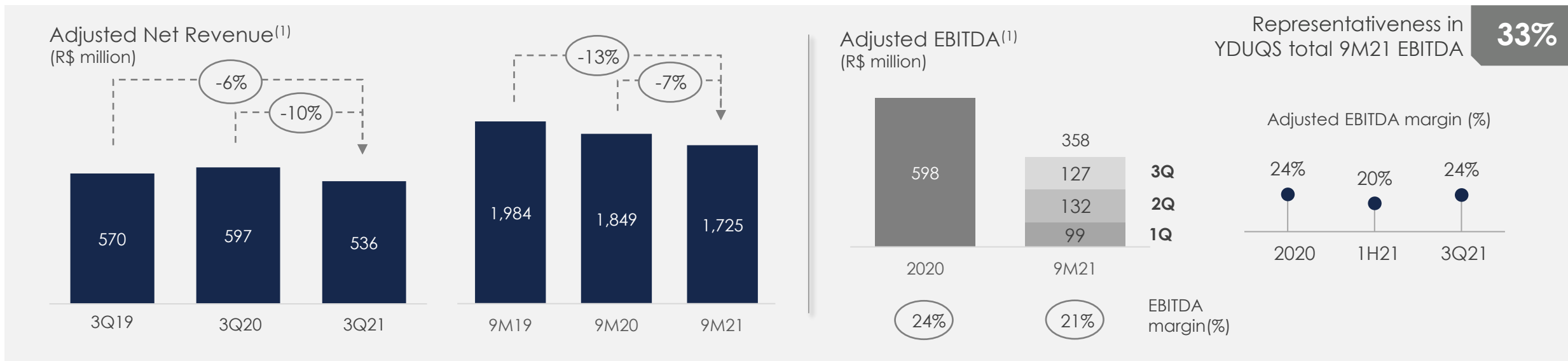


Record traffic in Qconcursos ⁽¹⁾

Qconcursos occupies the 10th position in the ranking of the largest e-commerces in Brazil

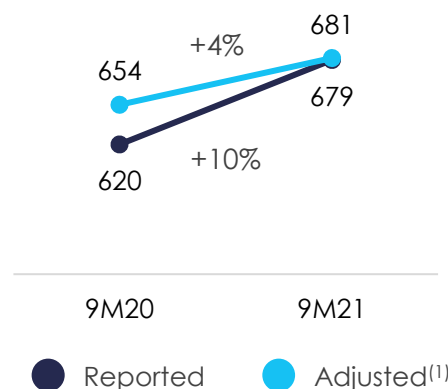
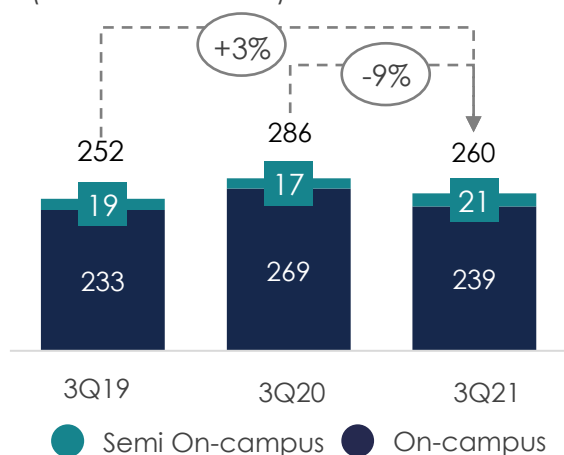


Price and EBITDA margin recovery for the segment



Student base (ex-FIES)
(thousand students)

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



Renewal rate at 83%

Up by 0.7 p.p. vs 3Q20

➤ In 1H21, 15% of students had already **returned to on-site classes**, increasing to **51% of students in 2H21**.

➤ Increase in **on-campus (ex-semi) average ticket exceeding expectations set for 2021.2**.

NPS improvement YTD⁽²⁾

+19 p.p. YoY

➤ **Health courses** continue to gain **greater representativeness in the mix** of on-campus courses (42%, +4p.p. YoY).

➤ **Reformulation of the semi on-campus in 2020** creating an intermediate pricing layer as an **attractive alternative for ex-FIES students**.

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

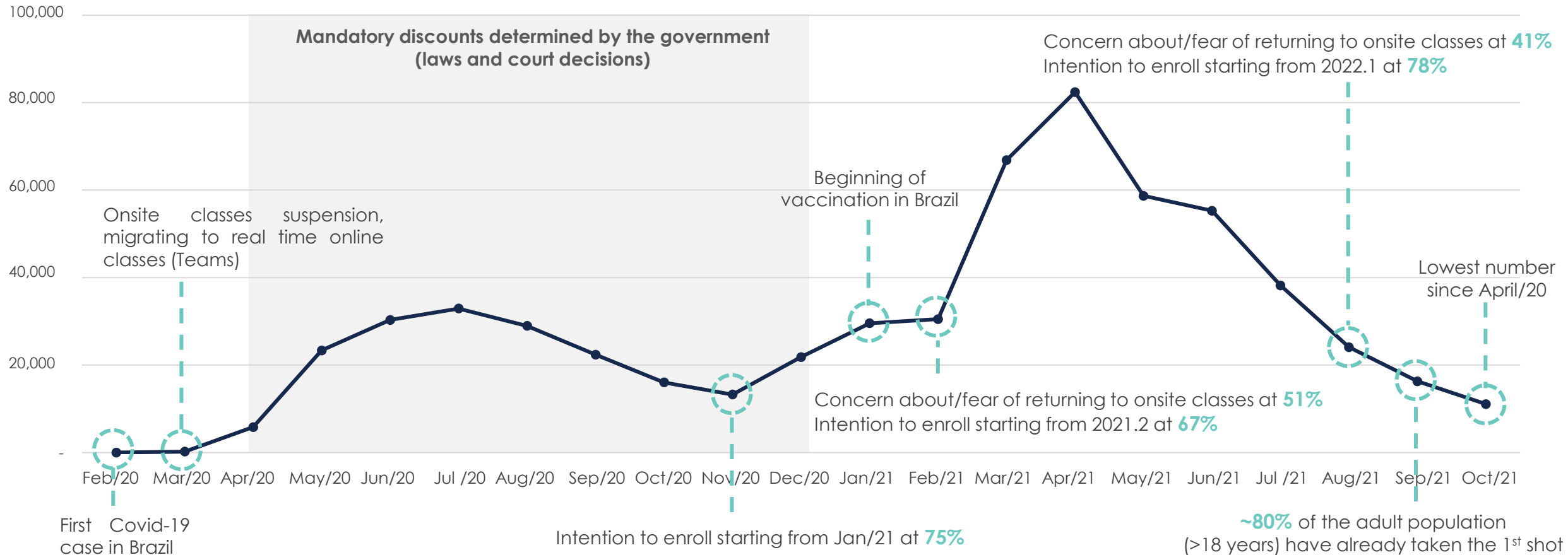
(2) Estácio's NPS with data until 09/30/2021.



POSITIVE EXPECTATIONS FOR 2022

Pandemic improvement scenario boosting enrollment intention

Deaths by Covid-19 curve in Brazil
(# deaths)



Sources: Some data in the graphs comes from research conducted by a consulting company | Other sources: Health local government departments | Press | Solvertank (Nov.06.21) | Ministry of Health.

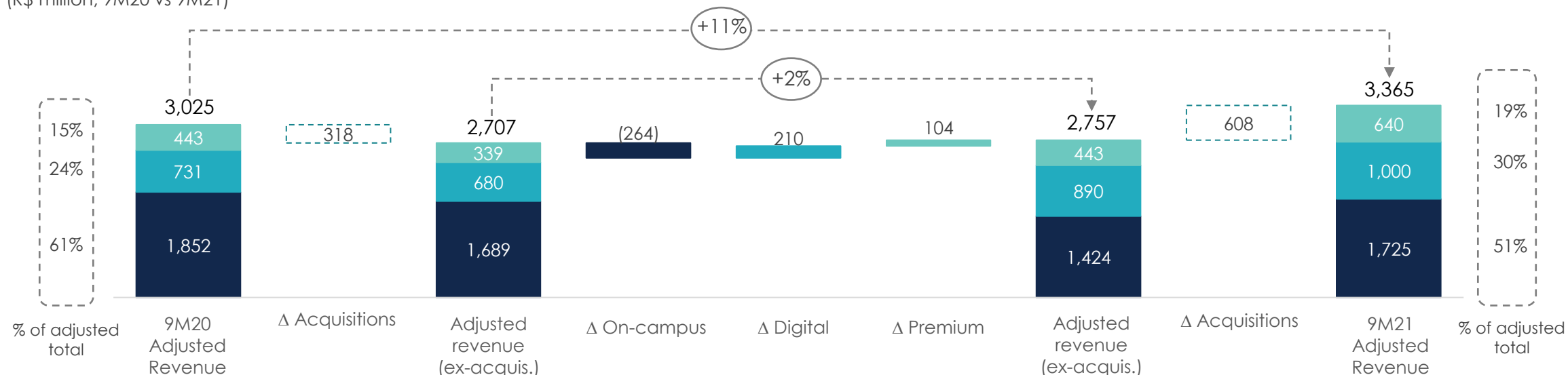
REVENUE: PREMIUM AND DIGITAL ACCOUNT FOR 49% OF TOTAL

3Q21

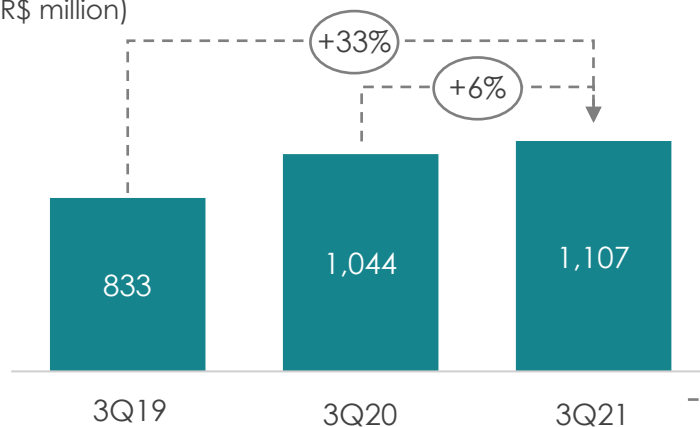
YDUQS

Contribution to total net revenue
(R\$ million; 9M20 vs 9M21)

On-campus Digital Learning Premium FIES



Adjusted Net Revenue⁽¹⁾
(R\$ million)



87% reduction on the impact of laws and court decisions

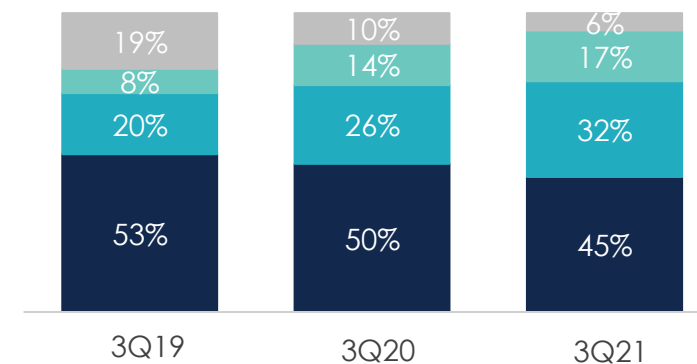
68.0
million in 3Q20



8.8
million in 3Q21

Reported revenue, grows 12% vs 3Q20

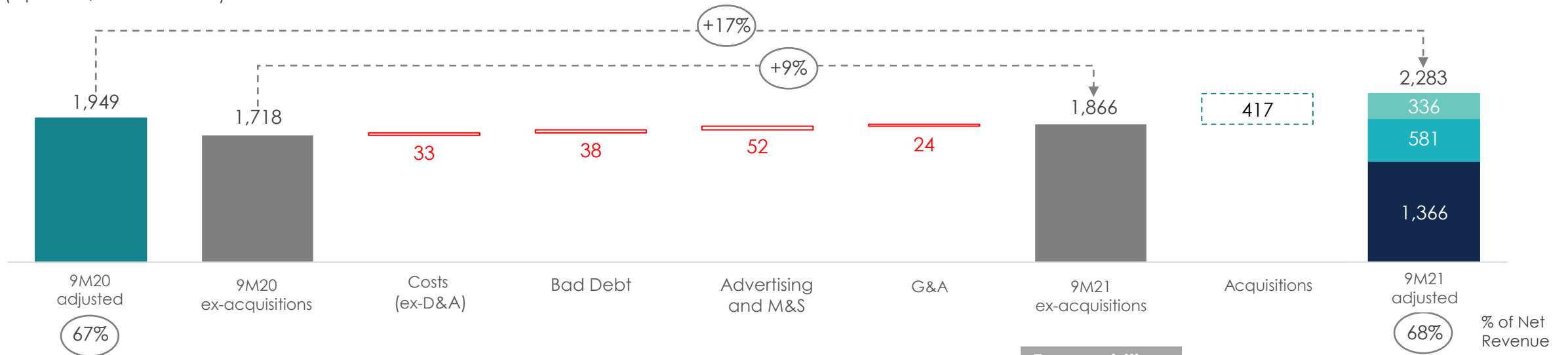
Adjusted Net Revenue⁽¹⁾ by BU
(% of adjusted revenue)



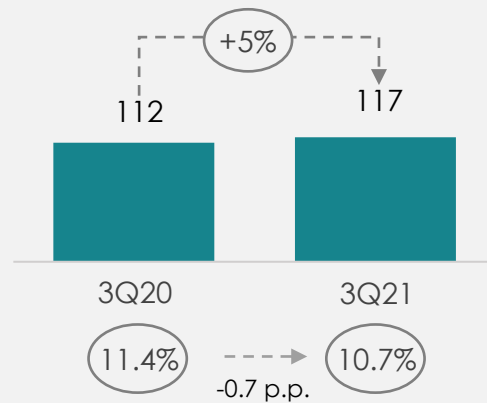
ADJUSTED COSTS AND EXPENSES_(ex-D&A)

Composition of costs and expenses
(R\$ million; 9M20 vs 9M21)

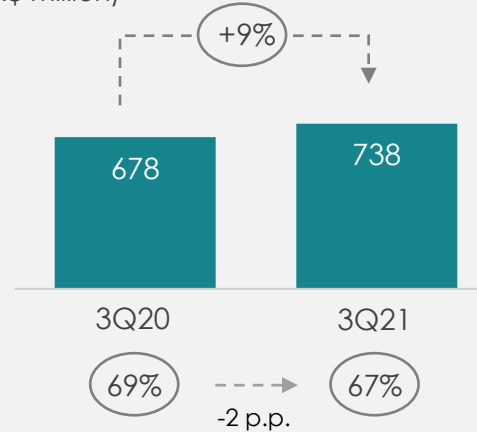
● On-campus ● Digital Learning ● Premium



Bad Debt + Discounts
(R\$ million)



Costs and expenses + Discounts
(R\$ million)

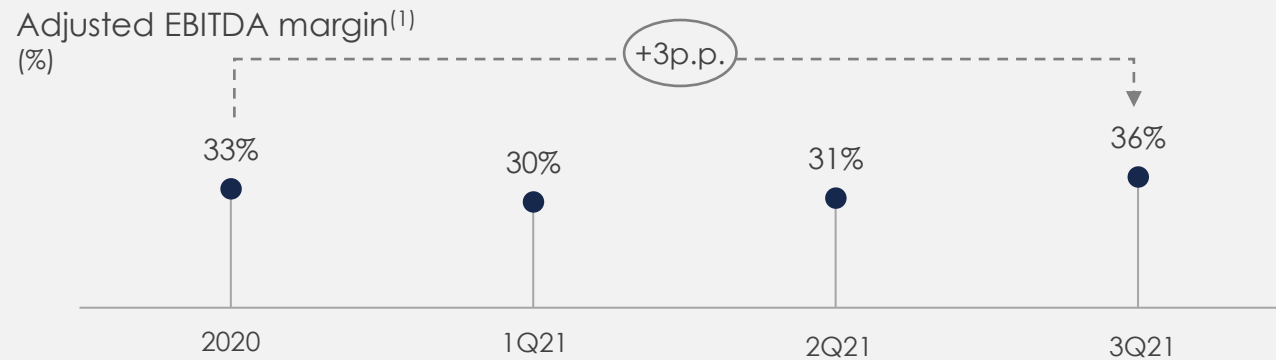
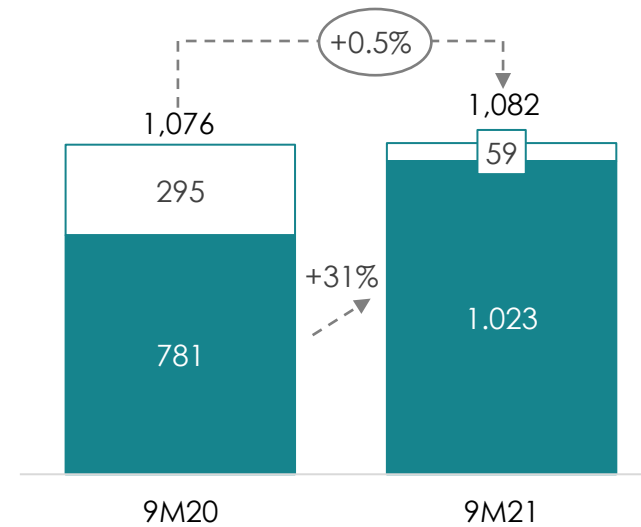
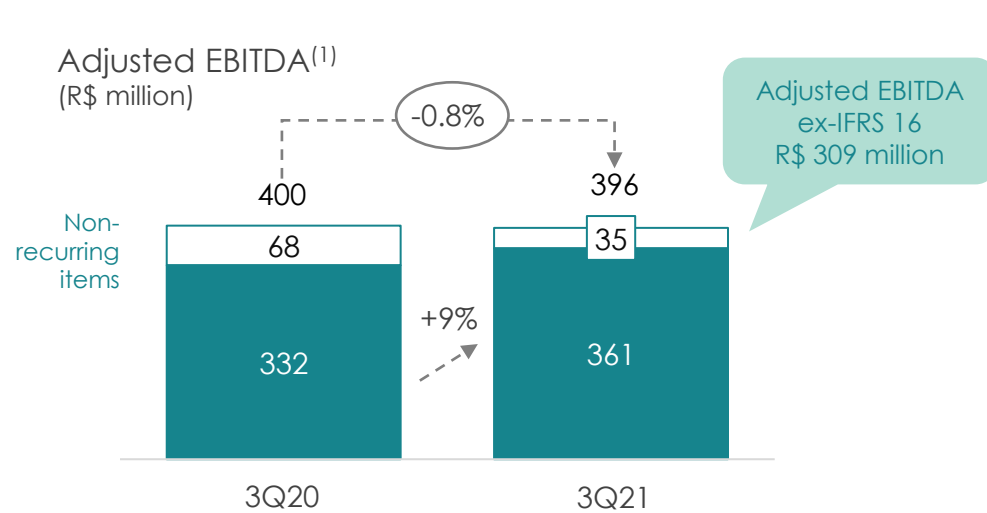


Ex-acquisitions

- **Costs +4% vs 9M20**
Impact of transfer to centers (+50% in 3Q21 and +74% in 9M21)
- **Bad Debt + Discounts +5% vs 9M20**
Stable in relation to % of net revenue of the period
- **Advertising and M&S +22% vs 9M20**
totaling 10% of NOR (boosted by the increase in call center expenses)
- **G&A and other +6% vs 9M20**
+9% in 3Q21

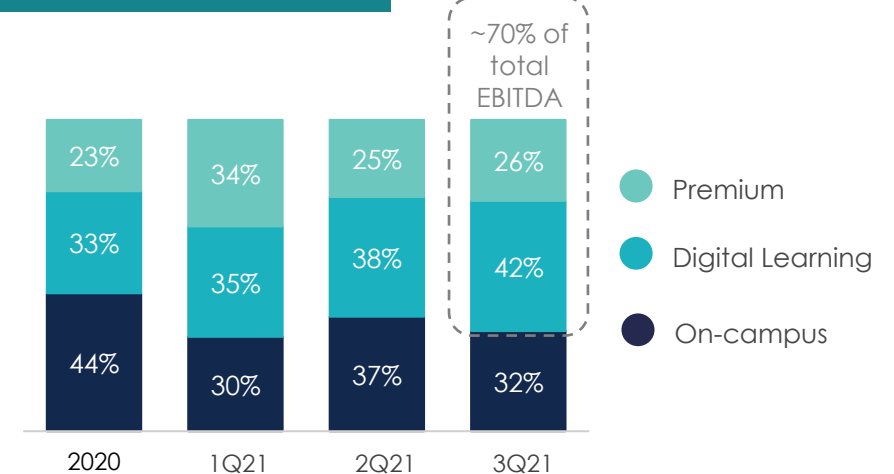
REPORTED EBITDA INCREASES 9% IN 3Q21

EBITDA margin recovering



3Q21 Adjusted EBITDA margin surpasses 2020 full year margin.

Adjusted EBITDA⁽¹⁾ by BU (% of total adjusted EBITDA)

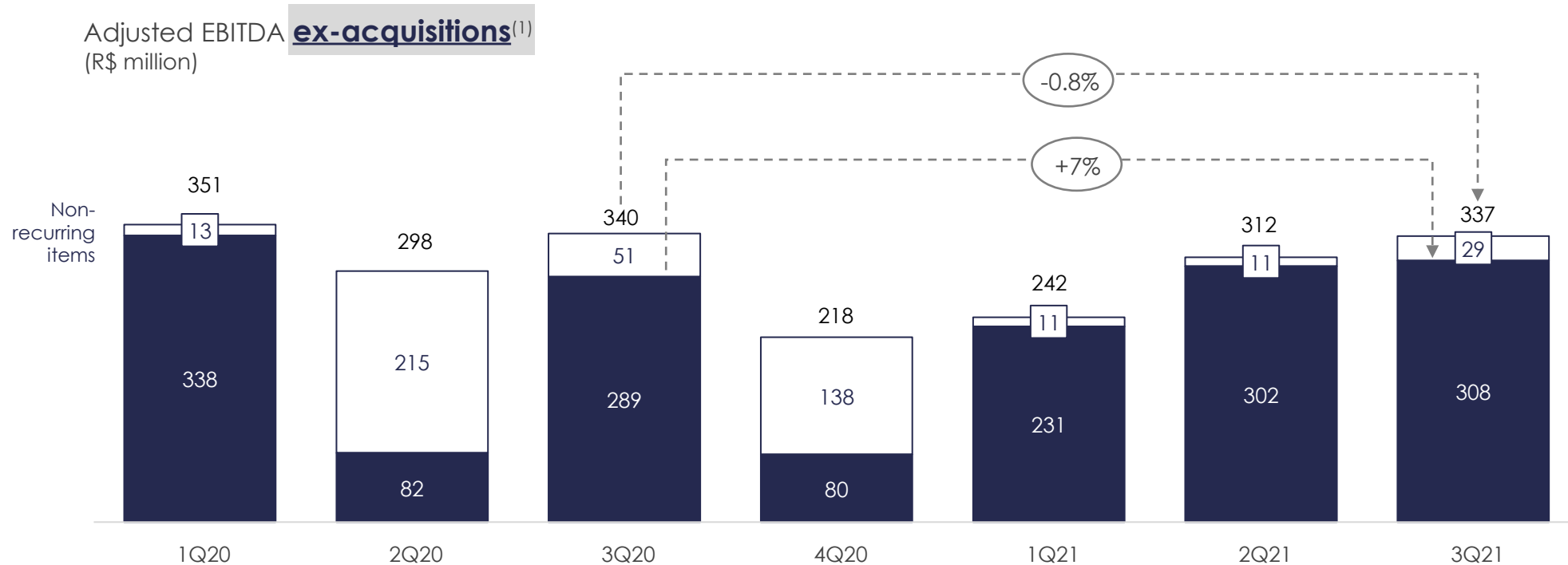


(1) Non-recurring effects: laws and court decisions, restructuring, M&A, and other, in the amount of R\$ 35.1 million in 3Q21 and R\$58.8 million in 9M21.



STABLE ADJUSTED EBITDA EX-ACQUISITIONS

Reported increases 7% vs 3Q20



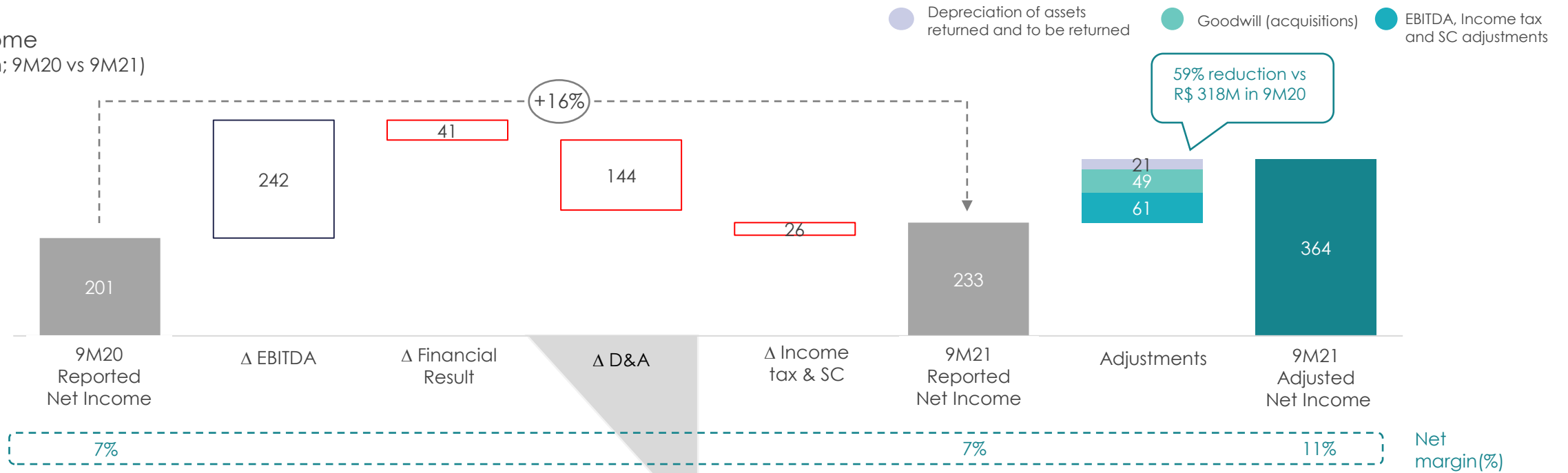
➤ **Adjusted EBITDA ex-acquisitions shows improvement trend** starting from 2Q21, already reaching stability compared to 3Q20 EBITDA.



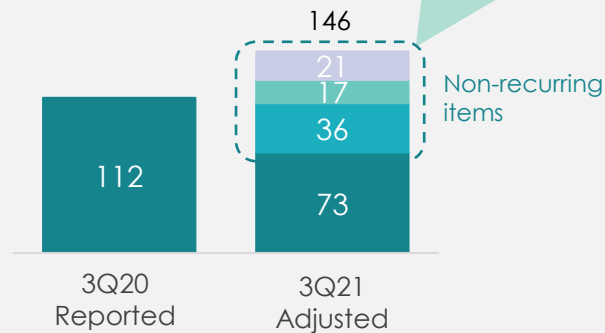
(1) Non-recurring effects: laws and court decisions, restructuring, M&A, and other.

REPORTED NET INCOME INCREASES 16% VS 9M20

Net Income
(R\$ million; 9M20 vs 9M21)



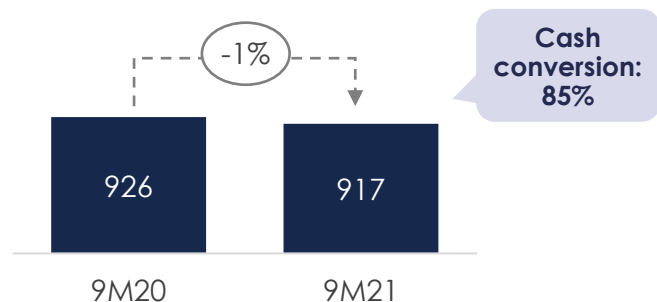
Net Income
(R\$ million; 3Q20 vs 3Q21)



Δ Depreciation and amortization	9M20	9M21	Δ R\$
Leasing	(152)	(191)	(39)
Improvements on third-party assets	(30)	(69)	(39)
Amortization of trade fund (goodwill from acquisitions)	(28)	(49)	(22)
Systems, applications and software	(61)	(82)	(21)
Other D&A	(90)	(113)	(23)
	(361)	(505)	(144)

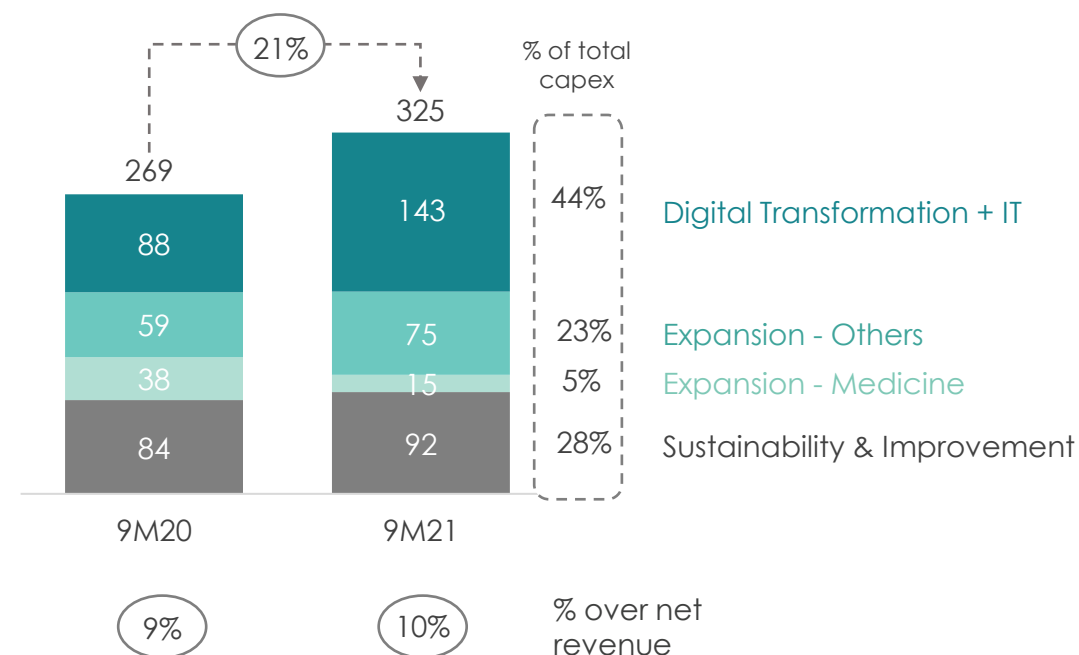


Reconciliation of Operating cash flow
(R\$ million, before Capex)



Reconciliation of OCF	9M20	9M21
Operating Cash Flow	1,031	682
Income Taxes and Social Contribution paid	39	34
Loans interest paid	67	146
Increase in Judicial deposits	(7)	9
Contract termination fee ⁽¹⁾	-	45
Delay in FIES receivables ⁽²⁾	(136)	-
Payment postponement and others	(68)	1
OCF after reconciliation	926	917

CAPEX
(R\$ million)



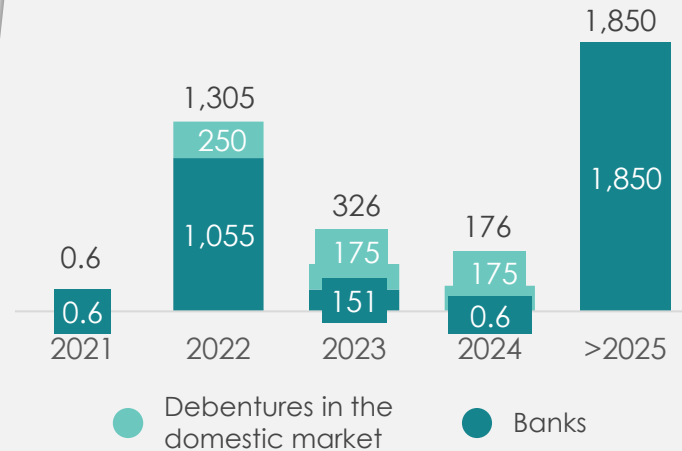
(1) In 1Q21, R\$ 45 million refers to the timely payment of the termination of a rental agreement, an amount provisioned in the past.

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

Cash position in 3Q21: **R\$ 1,898 million**

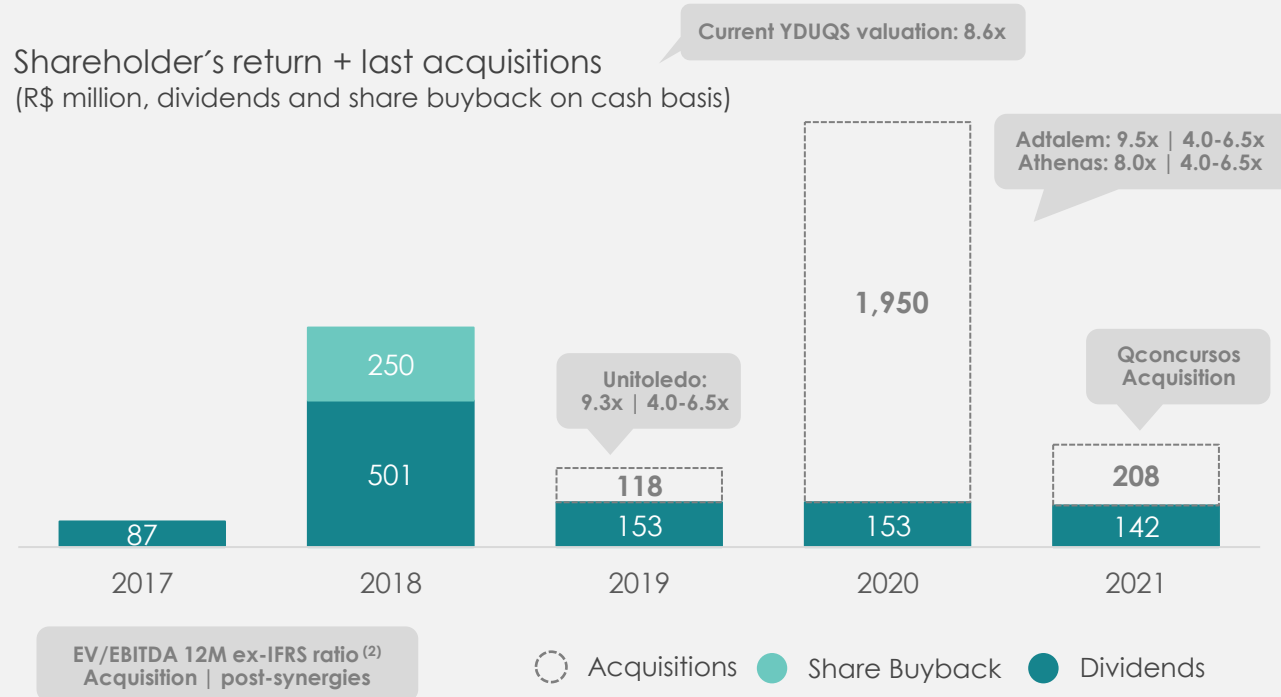
Debt amortization schedule (R\$ million; principal amount)

Average cost of debt: **CDI + 2.23%**
Average financial investment rate: **CDI + 0.54%**



➤ High liquidity, cash generation and ability to raise funding because of **low debt** (Net Debt/Adjusted EBITDA⁽¹⁾ at **1.4x**) and creditor profile.

Shareholder's return + last acquisitions (R\$ million, dividends and share buyback on cash basis)



➤ **Capital allocation options:** Debt amortization, payment of dividends, possible share buyback and M&A operations.

CLOSING REMARKS

1

Digital remains with strong growth dynamics reaching in October the DL centers target for the entire year and exceeding 2020 total revenue

2,000 centers
Opened as of Oct/21

R\$ 1Bi
9M21 Digital NOR

+108% NOR
Digital vs 3Q19

2

Digital Learning's new capital allocation strategy showing to be successful with greater entrance stability among quarters/semesters (~100 thousand students over the last quarters)

+18% vs 2020
Digital Intake

3

Premium remains with strong growth reaching in October the medicine student base target and exceeding 2020 total revenue

R\$ 640 million
9M21 Premium NOR

6.4k students
Medicine undergrad.

+84% NOR
Medicine vs 3Q19

4

Digital and Premium continue to become more significant in the portfolio

~50% NOR
Participation in total

~70% EBITDA
Participation in total

5

Digital Transformation and IT investments significantly improving NPS, retention and student engagement

+22 p.p. YoY
Digital NPS Improvement

+19 p.p. YoY
On-campus NPS Improvement

6

Campus optimizations and on-campus courses still positively influence ticket and margin dynamics with positive expectations for intake recovery

+10% vs 9M20
On-campus Ticket

24% in 3Q21
On-campus margin

+12% vs 20.2
On-campus Intake

7

Strong 3Q21 EBITDA, despite hindered 1Q21 intake, combined with plummeting non-recurring effects

R\$ 396 million
Stable adjusted EBITDA vs 3Q20

80% reduction
On non-recurring effects vs 9M20

8

Collection going well, keeping **Bad Debt + Discounts stable**

10.7% of 3Q NOR
Adj. Bad Debt + Disc.

-0.3p.p. vs 9M20
Adj. Bad Debt + Disc.

9

Low debt, with **capital allocation discipline**

1.4x
ND/EBITDA

1.9Bi
Cash

4.0 to 6.5x EBITDA
EV/EBITDA post-synergies

Premium and Digital continue with solid growth

- **Digital and Premium** continue growing with the expectation to exceed **50% of NOR in 2022**.
- Expectation of **7.1-7.5 thousand undergraduate medicine students in 2022**.
- Expectation of **2,500 DL centers in 2022**.
- **Expansion of the lifelong segment**, with the integration of Qconcursos, opening new horizons for short-term products, in addition to offering more products for graduate programs.

On-campus resuming normality

- **Student enrollment intention** increased, with the expectation of **2022.1 intake** returning to pre-pandemic levels.
- Expectation of **all units operating with students back on-site in 2022.1**.
- Increase of **student base in AURA** (~60% in 2021), expected to surpass ~80% of on-campus base in 2022.
- Expectation of **revenue and EBITDA recovery** in 2022.

Digital Ecosystem gaining even more strength

- **Digital Transformation and IT investments** remain as the main focus, with a consequent **continuous improvement of the student experience, NPS improvement and quality of teaching**.
- **Student journey entirely digital** (prospects to graduating students) with real-time monitoring.
- **Intelligence** on student behavior and performance allowing **evolution to a personalized learning program**.

Capital allocation discipline

- **Favorable scenario for M&A operations** but increase in interest rates requires caution.
- Debt under control, with **capital allocation discipline**.
- Focus on the **continuous improvement of cash flow conversion**.

YDUQS



APPENDIX

INCOME STATEMENT BY BUSINESS UNIT

	Consolidated	Premium	Digital	On-campus
R\$ Million	9M21	9M21	9M21	9M21
Gross Revenue	6,640.0	751.0	2,003.7	3,885.2
Monthly tuition fees	6,640.0	751.0	2,003.7	3,885.2
Deductions from gross revenue	(3,299.0)	(130.8)	(1,003.4)	(2,164.7)
Net Operating Revenue	3,341.0	620.2	1,000.3	1,720.5
Cost of Services	(1,459.3)	(267.1)	(197.6)	(994.6)
Personnel	(868.6)	(205.3)	(56.8)	(606.6)
Rent, municipal property tax and other	(38.5)	(4.9)	0.5	(34.2)
Third-party services and other	(206.8)	(8.7)	(128.8)	(69.3)
Depreciation and amortization	(345.4)	(48.2)	(12.6)	(284.6)
Gross profit	1,881.7	353.1	802.7	725.9
Gross Margin	56.3%	56.9%	80.2%	42.2%
Selling, G&A and Other Expenses	(1,363.1)	(146.4)	(454.2)	(762.6)
Personnel	(261)	(36.4)	(98.6)	(125.5)
Sales	(330)	(19.6)	(111.4)	(199.5)
Bad Debt	(344)	(21.0)	(136.5)	(186.5)
Other Expenses	(285)	(48.6)	(56.7)	(180.0)
Other Revenue	16	2.9	4.1	9.4
Depreciation and amortization	(159)	(23.9)	(55.0)	(80.4)
(+) Depreciation and amortization	504.7	72.1	67.6	365.0
EBITDA	1,023.3	278.8	416.2	328.4
EBITDA Margin (%)	30.6%	44.9%	41.6%	19.1%
Adjusted EBITDA ⁽¹⁾	1,082.0	304.1	419.4	358.5
Adjusted EBITDA margin (%)	32.2%	47.5%	41.9%	20.8%

(1) Adjusted by non-recurring items



MEDICINE STUDENT BASE

6.2-6.6k students in
medicine undergraduate base
expected by the end of 2021

Up to **+450 new medicine seats** under approval process

Units	State	Authorized/ Qualified Seats	3Q21	Full Potential ⁽¹⁾	
			Student Base	Authorized/ Qualified Seats	Student Base
Presidente Vargas	RJ	240	1,652	240	1,728
Città	RJ	170	1,074	170	1,224
Juazeiro do Norte	CE	100	702	100	720
Ribeirão Preto	SP	76	532	76	547
Teresina	PI	110	704	110	792
Alagoinhas	BA	65	294	165	1,188
Jaraguá do Sul	SC	50	201	150	1,080
Juazeiro	BA	155	570	155	1,116
Angra dos Reis	RJ	89	357	155	1,116
Canindé	CE	50	93	120	864
Cáceres	MT	50	90	100	720
Castanhal	PA	50	45	150	1,080
Quixadá	CE	50	48	150	1,080
Açailândia	MA	50	49	150	1,080
Total Authorized Seats ⁽²⁾		1,305	6,411	1,991	14,335
Iguatu	CE	50	0	150	1,080
Ji-Paraná	RO	50	0	150	1,080
Total Qualified Seats		1,405	6,411	2,291	16,495
Athenas		-		200	-

(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.

YDUQS

IR Contact

ri@yduqs.com.br

www.yduqs.com.br