

YDUQS

Results Presentation

1Q23

May 9th, 2023

YDUQ
B3 LISTED NM
IBRX100 B3

ITAG B3
IGC B3
ICO2 B3

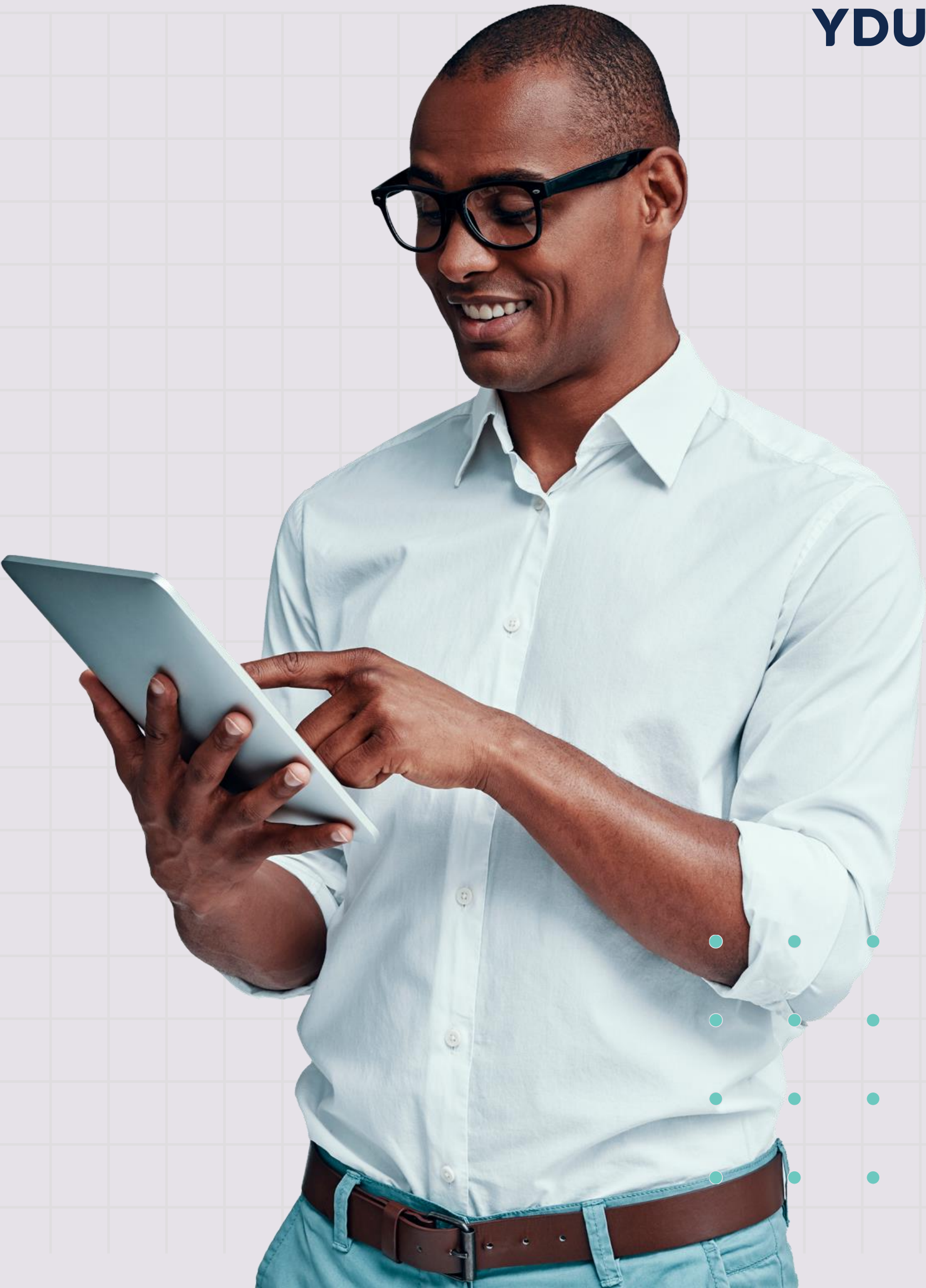


Rio de Janeiro, May 9th, 2023 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil’s higher education private sector, presents its **results for the first quarter of 2023 (1Q23)**.

The Company’s financial information is presented based on 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.

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.

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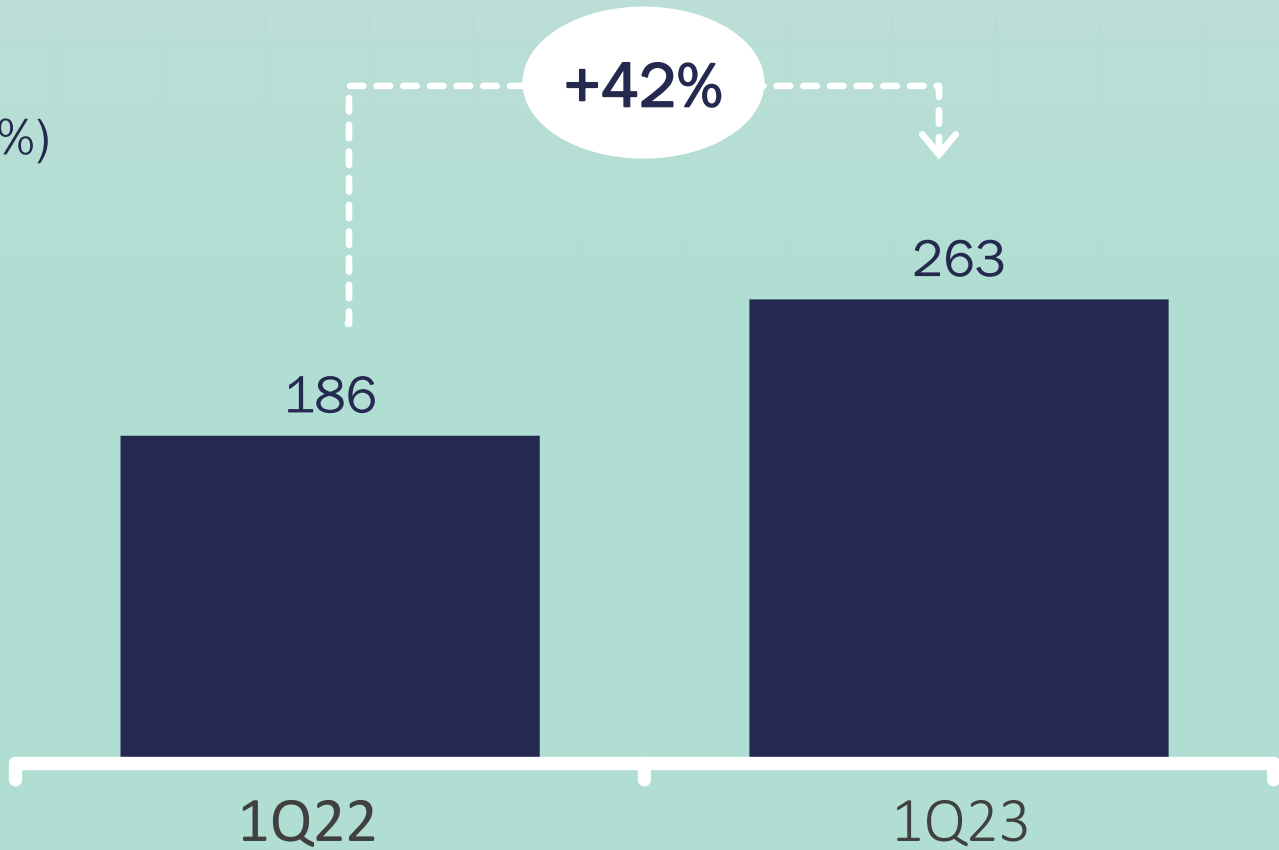
Highlights | 1Q23

vs
1Q22

- Net Revenue +10%
- EBITDA +21%
- EBITDA Margin +3 p.p.
- Net Income R\$149 MM

Free Cash Flow to Firm (FCFF)

(R\$ million, %)



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

Premium

+15% vs 1Q22
Total student base

+23% vs 1Q22
Net revenue

+21% vs 1Q22
Adjusted EBITDA

Digital

+20% vs 1Q22
Undergraduate Intake

+23% vs 1Q22
Net revenue

+41% vs 1Q22
Adjusted EBITDA

On-campus

+14% vs 1H21
Undergraduate Intake

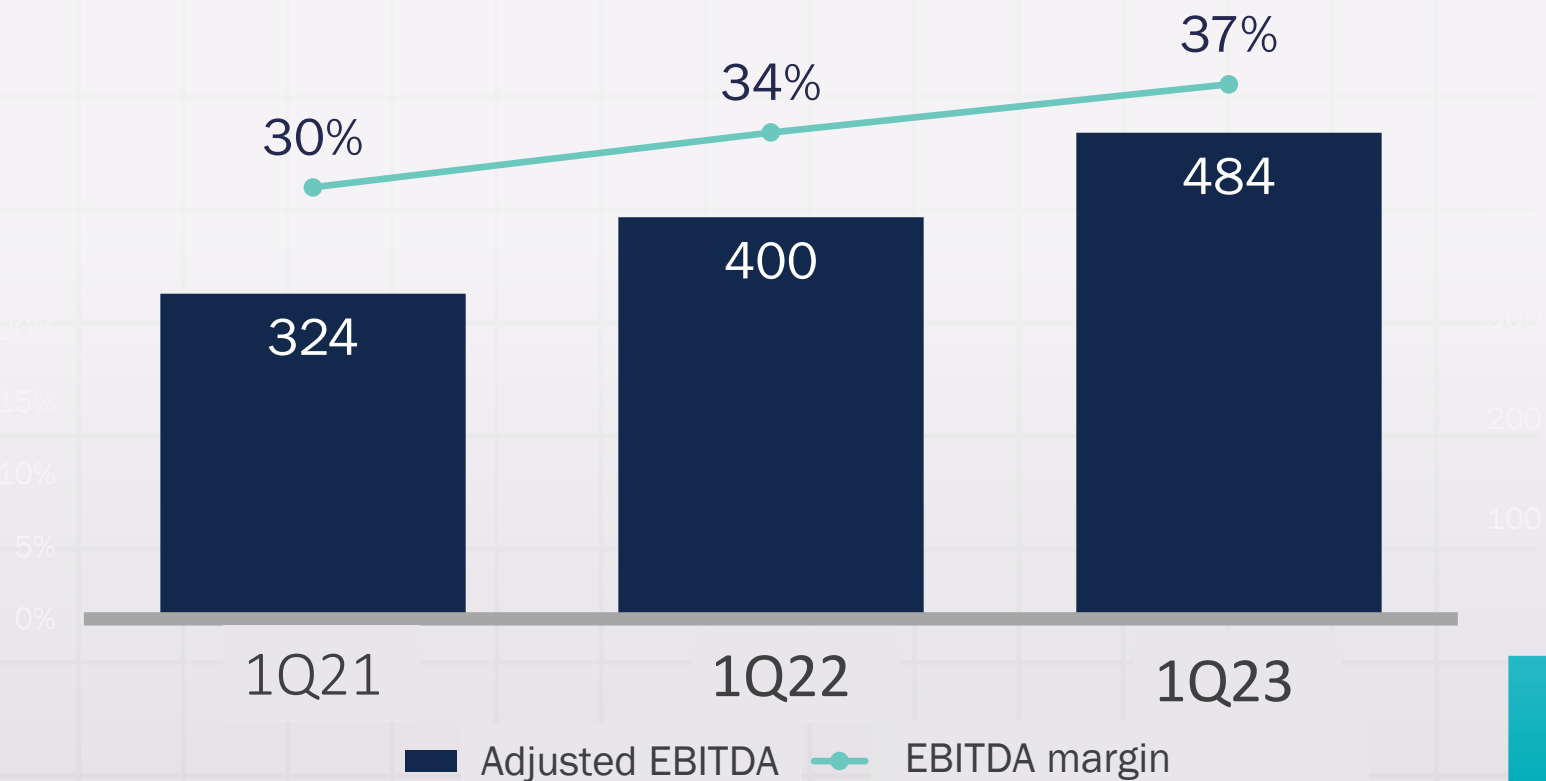
+6% vs 1Q22
Average Ticket Upperclassmen

+1 p.p. vs 1Q22
EBITDA Margin

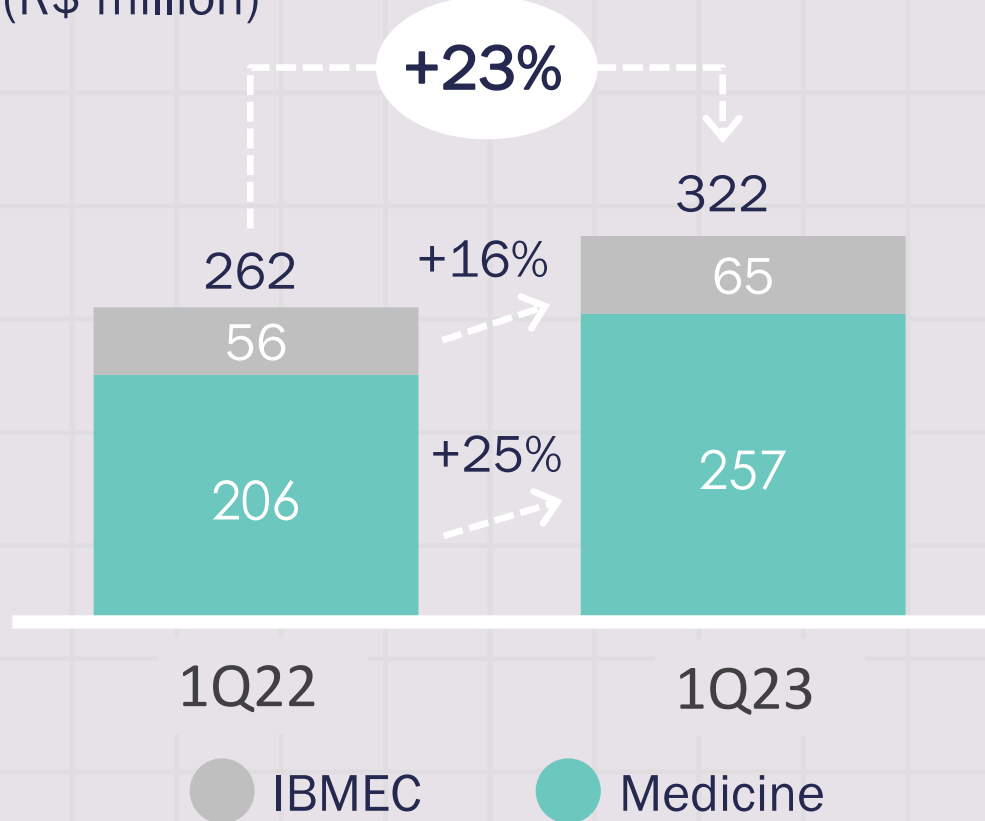
Record EBITDA and Guidance achieved

1.74x Leverage

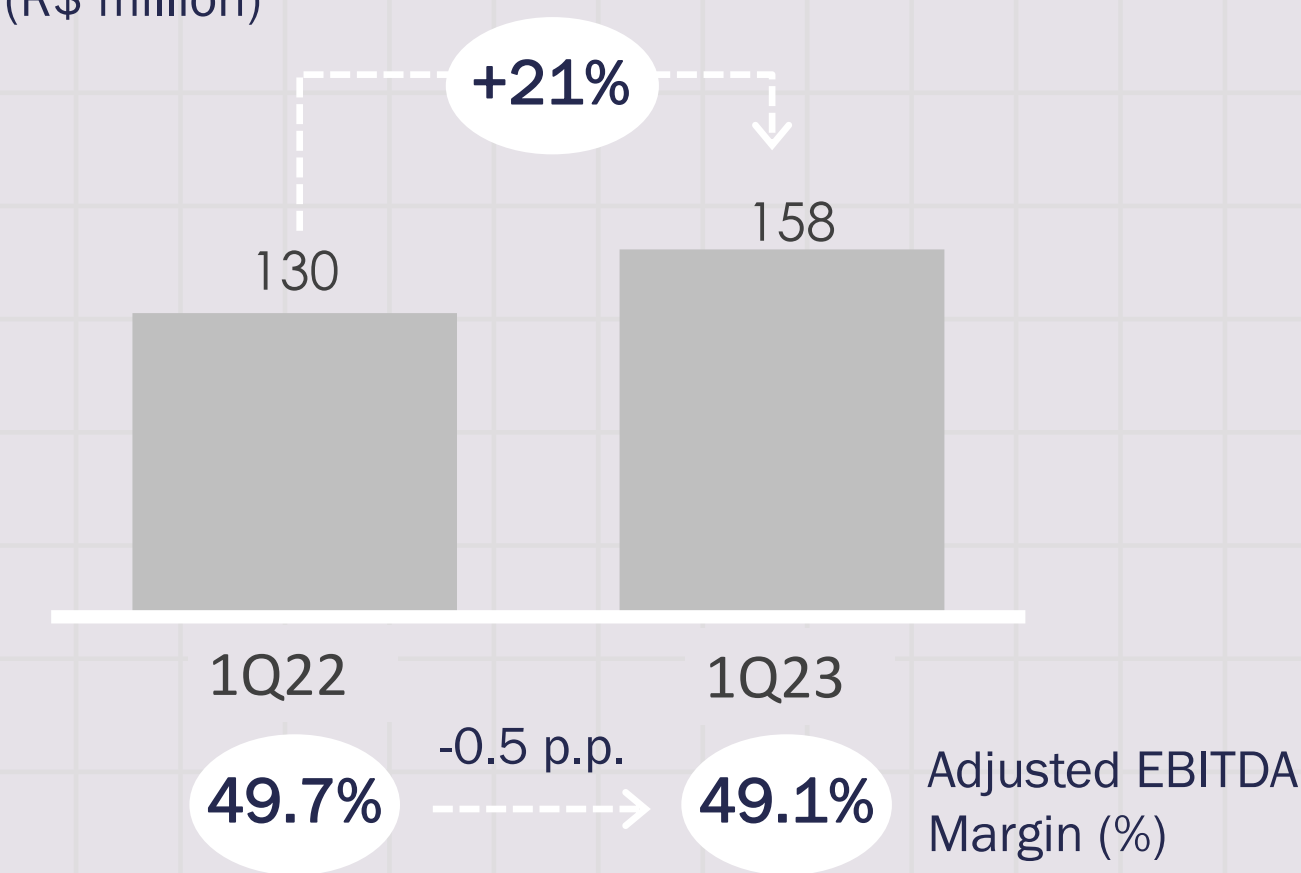
500K+ students in
Digital Learning undergraduate



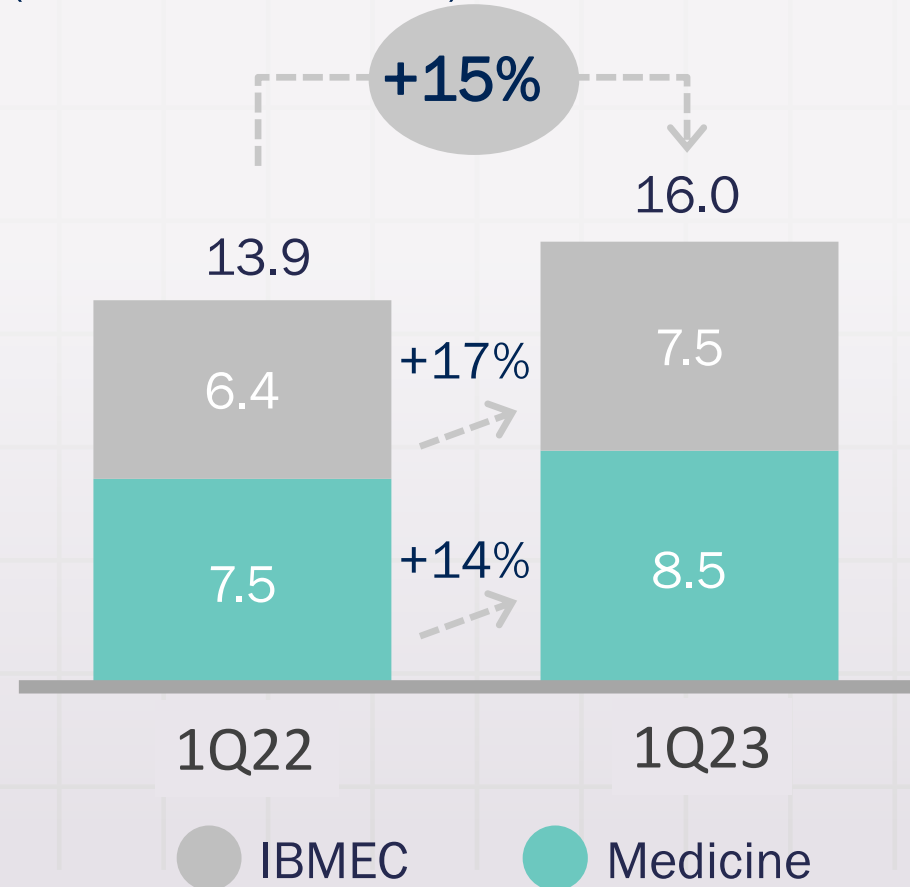
Net Revenue
(R\$ million)



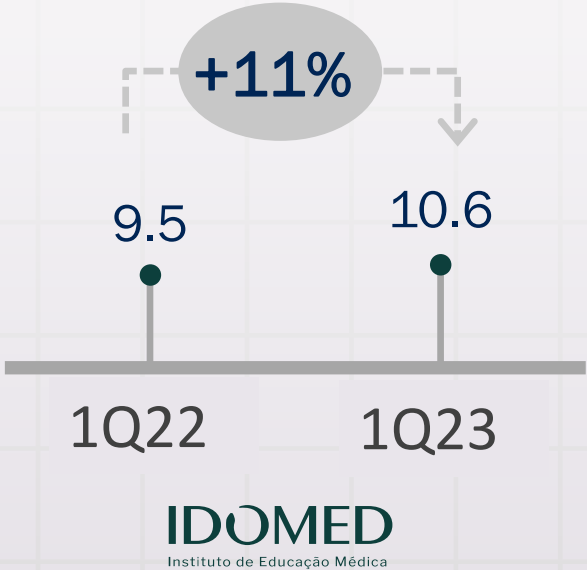
Adjusted EBITDA
(R\$ million)



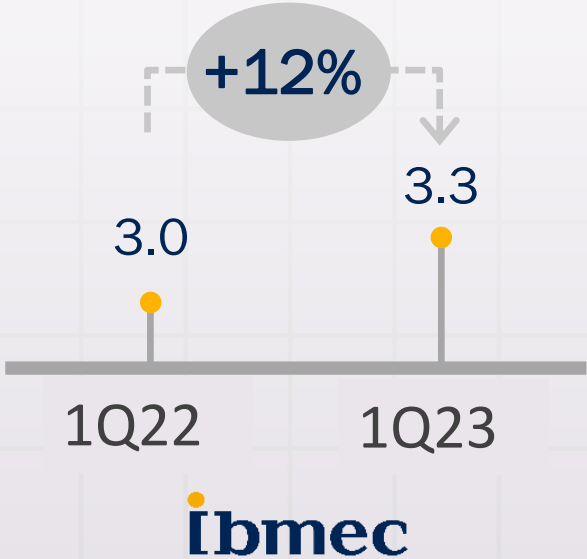
Total student base
(thousand students)



Undergraduate
Average Ticket
(R\$ thousand/month, AT of
upperclassmen of +1 yr)



Renewal at 96%
+1 p.p. vs 1Q22



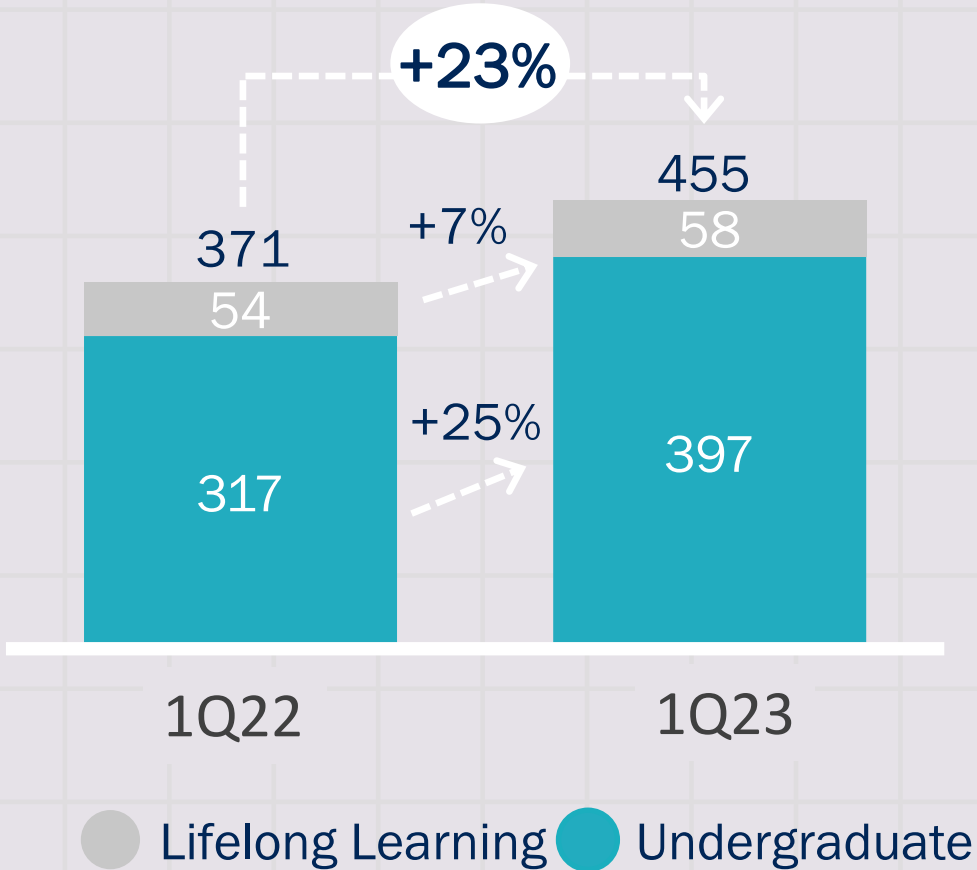
Intake ex ET⁽¹⁾ vs 1H22
+12% Premium

Average Ticket (NOR/Base)
vs 1Q22

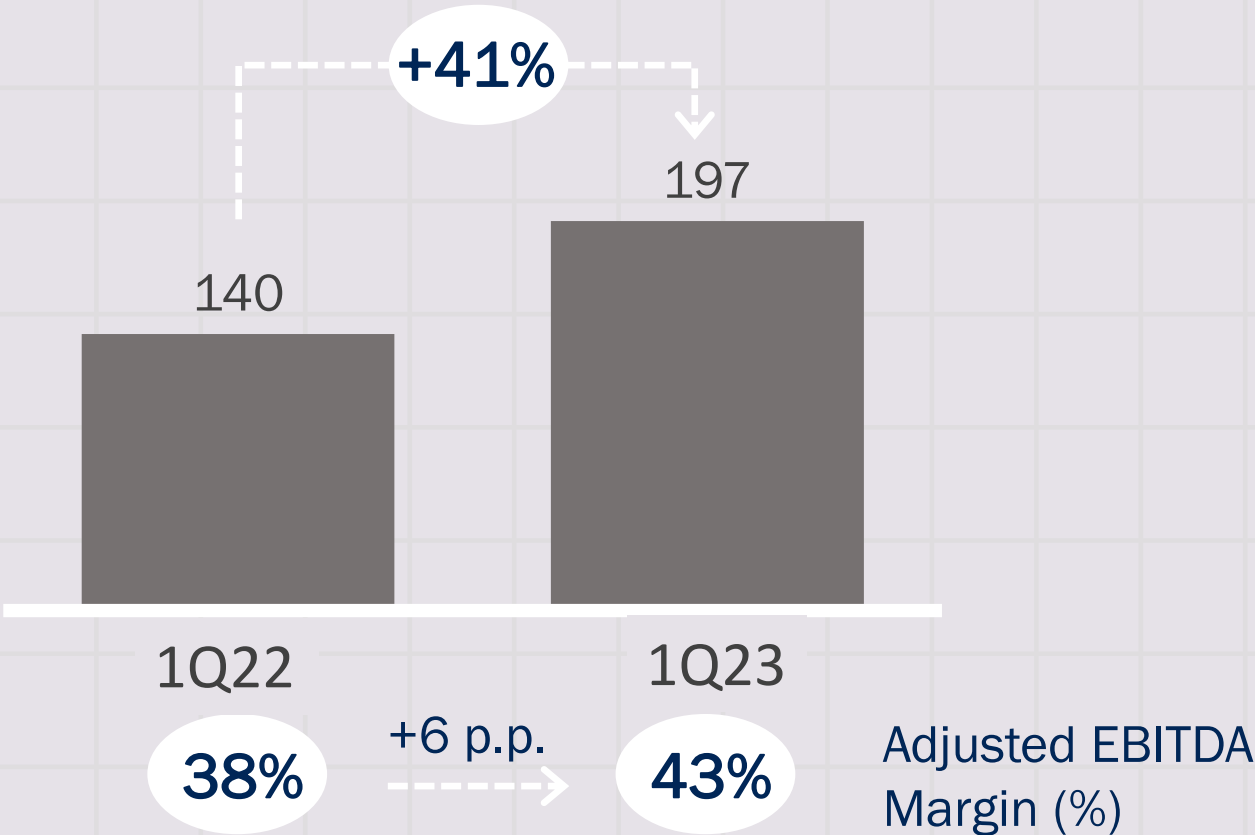
+7% Medicine
+10% Ibmeccampus

(1) Related to the external transfer of medical students

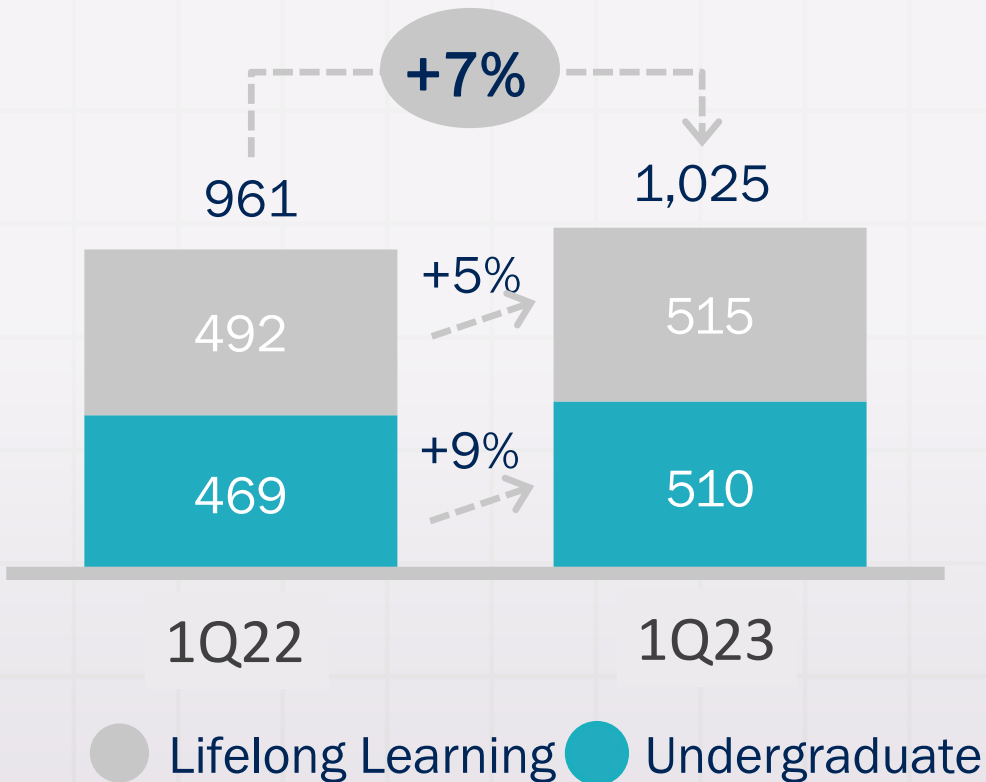
Net Revenue
(R\$ million)



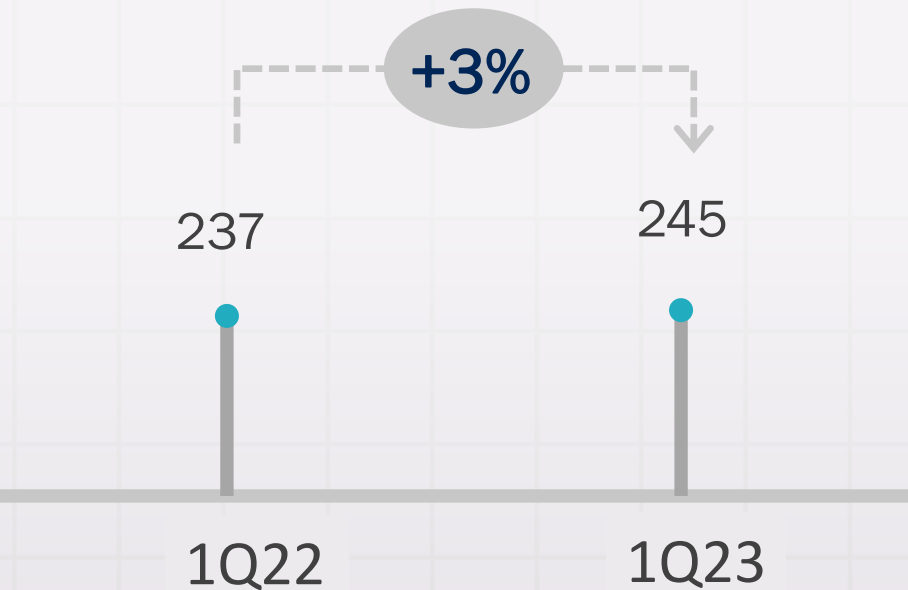
Adjusted EBITDA
(R\$ million)



Total paying student base
(thousand students)



Undergraduate Average Ticket
(R\$/month; AT of upperclassmen of +1 yr;
consolidated digital)



Renewal at 76%
+2 p.p. vs 1Q22 ⁽¹⁾

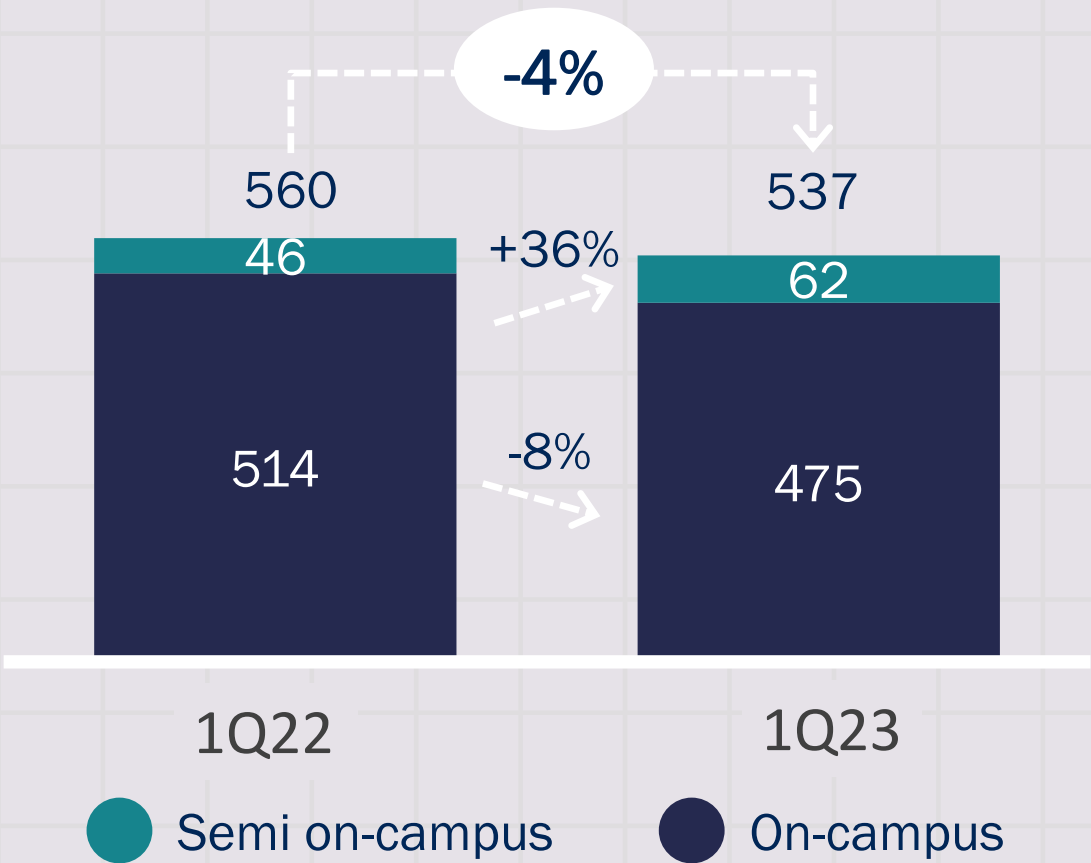
Intake vs 1Q22
+20% Consolidate digital

Average Ticket
(NOR/Base) vs 1Q22
+15% Consolidated digital

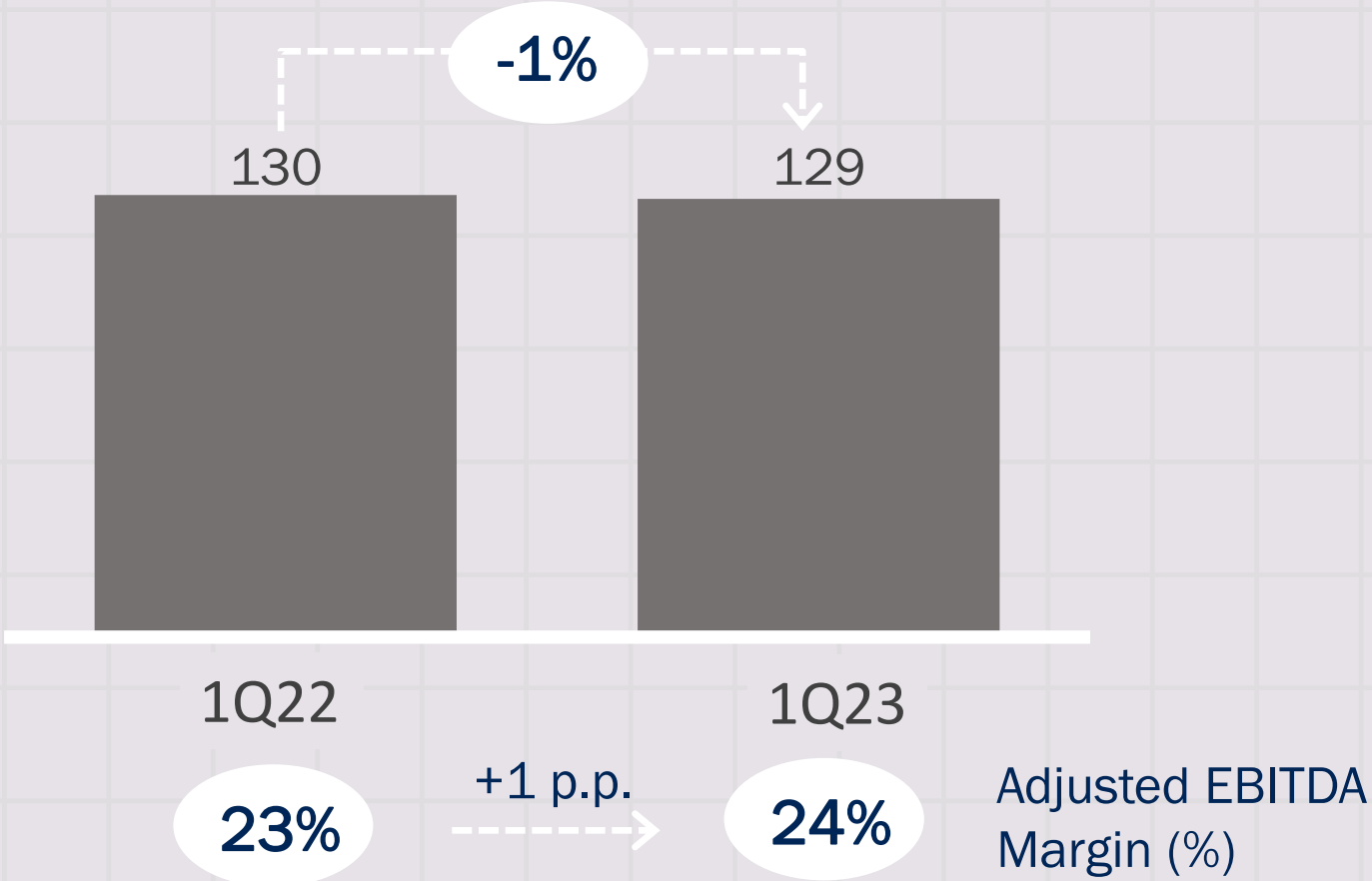
(1) This Renewal Rate considers only students who enrolled in odd-numbered quarters.

On-campus | Average ticket and profitability growth

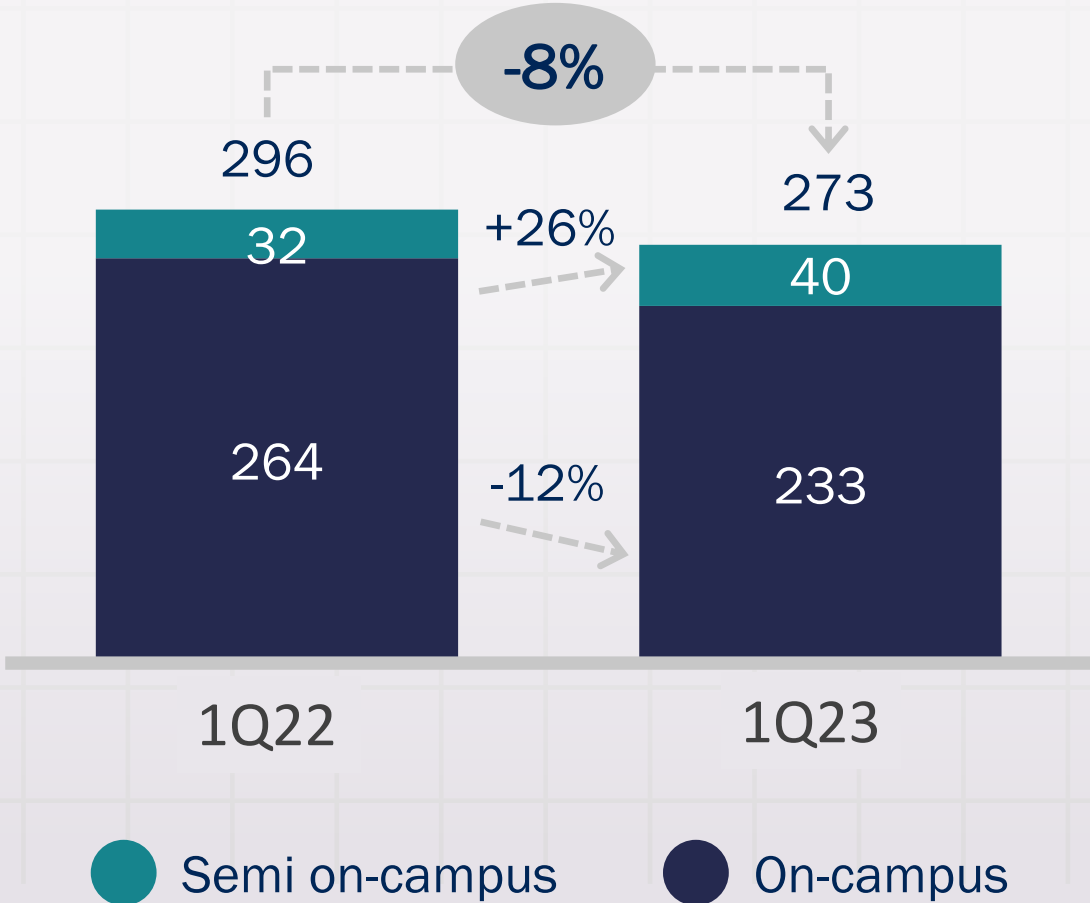
Net Revenue
(R\$ million)



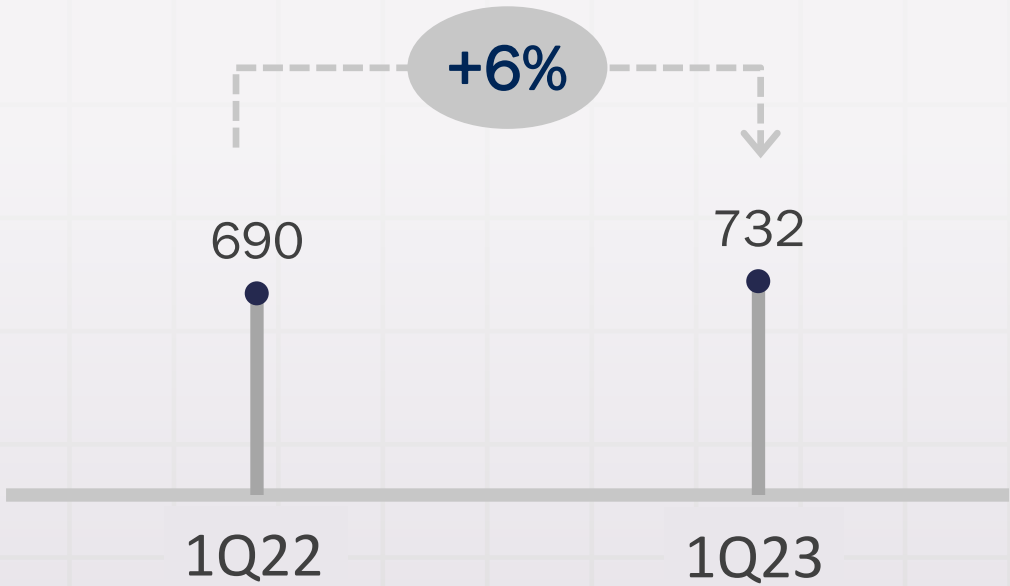
Adjusted EBITDA
(R\$ million)



Total student base
(Thousand students)



Undergraduate Average Ticket
(R\$/month; AT of upperclassmen of +1 yr; ex-semi on-campus)



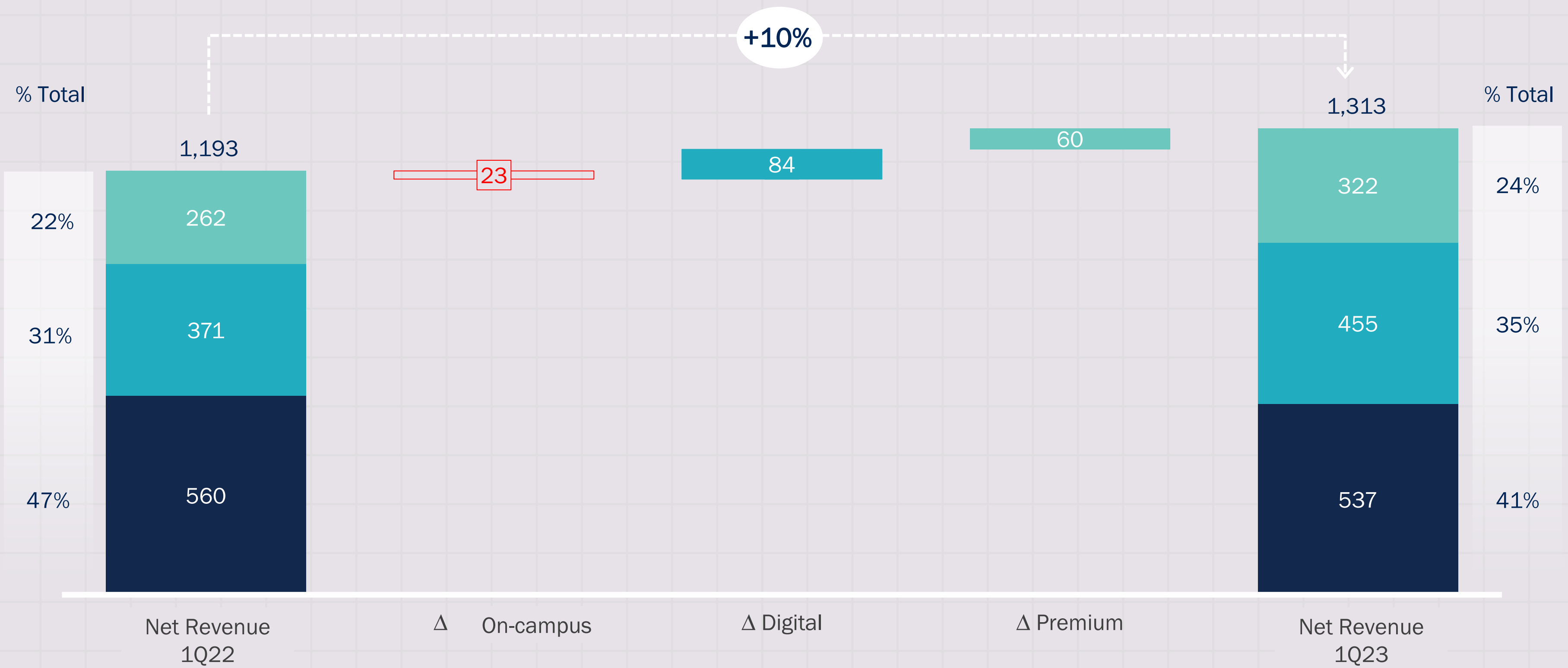
Renewal at 82%
+1 p.p. vs 1Q22

Intake
+14 % vs 1H21
-19% vs 1H22

Average Ticket
(NOR/Base) vs 1Q22
+4% Total On-campus

Record quarterly net revenue

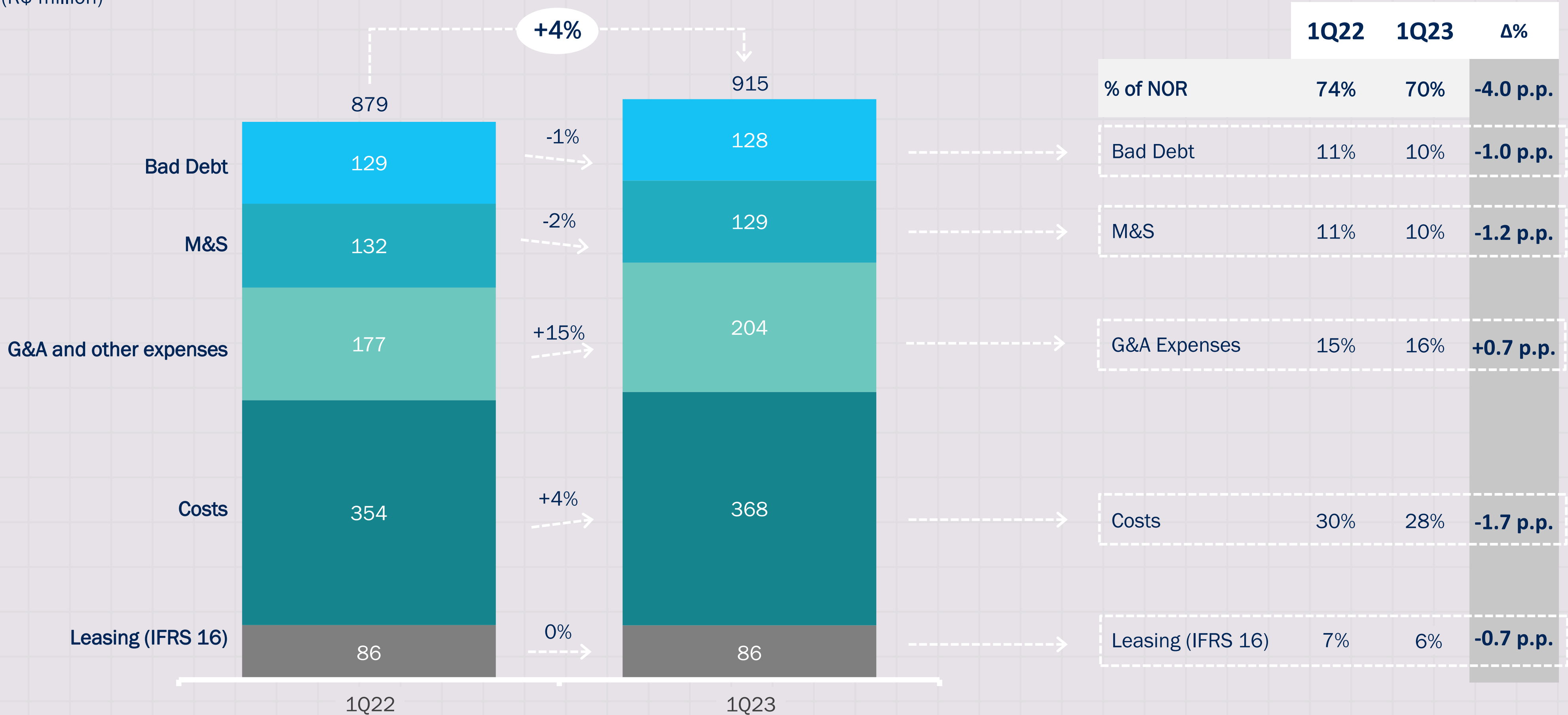
Total Net Revenue per business unit
(R\$ million)



Premium Digital On-campus

Costs and expenses | Growing below inflation

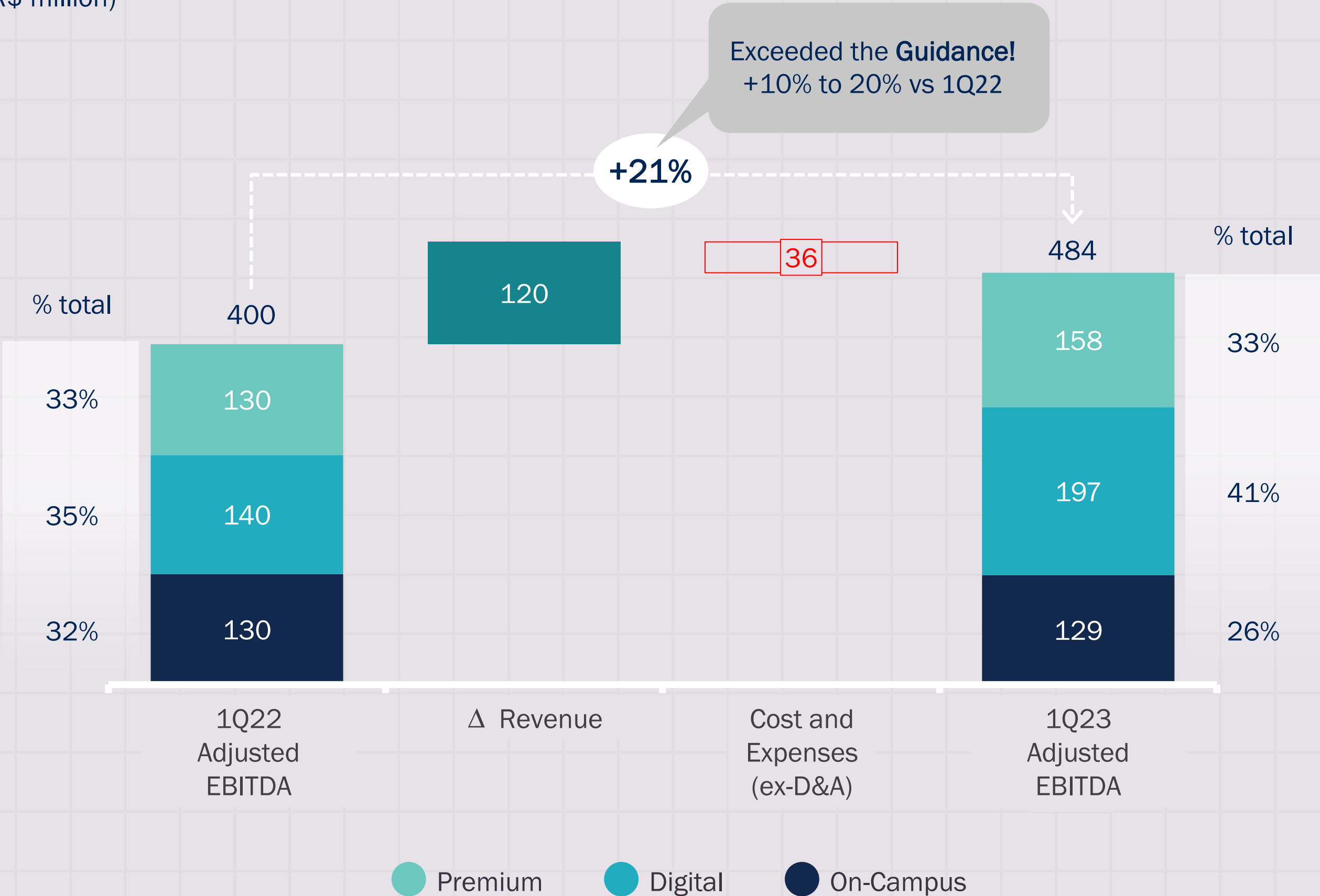
Costs and expenses breakdown ⁽¹⁾
(R\$ million)



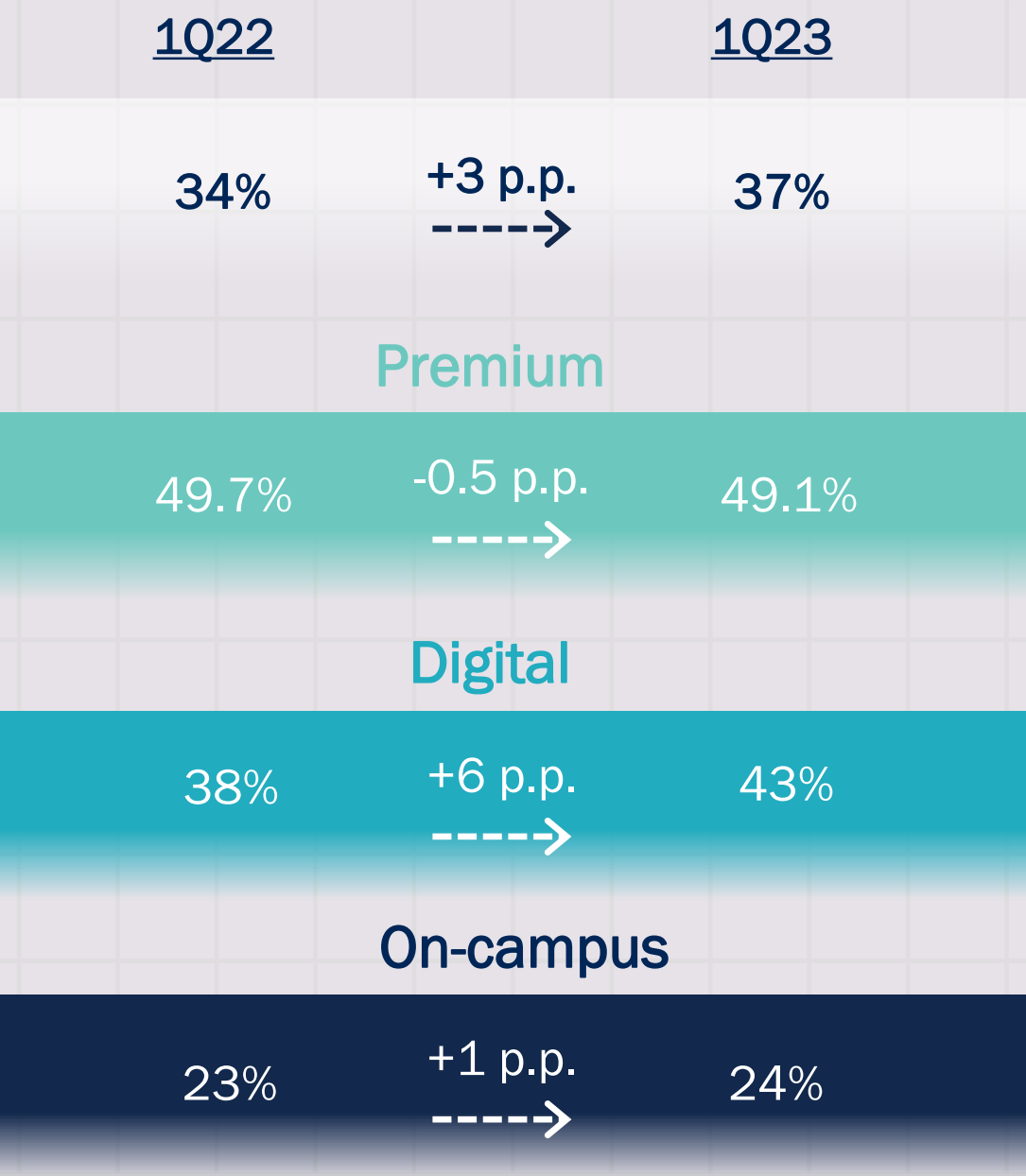
(1) Recurring Costs and Expenses (ex-D&A and IFRS 16) | For comparison purposes: reclassification of expenses in 1Q22 between M&S and G&A expenses lines in the total amount of R\$9.6 million.

Highest quarterly EBITDA in our history

Adjusted EBITDA breakdown
(R\$ million)



Adjusted EBTIDA Margin (%)

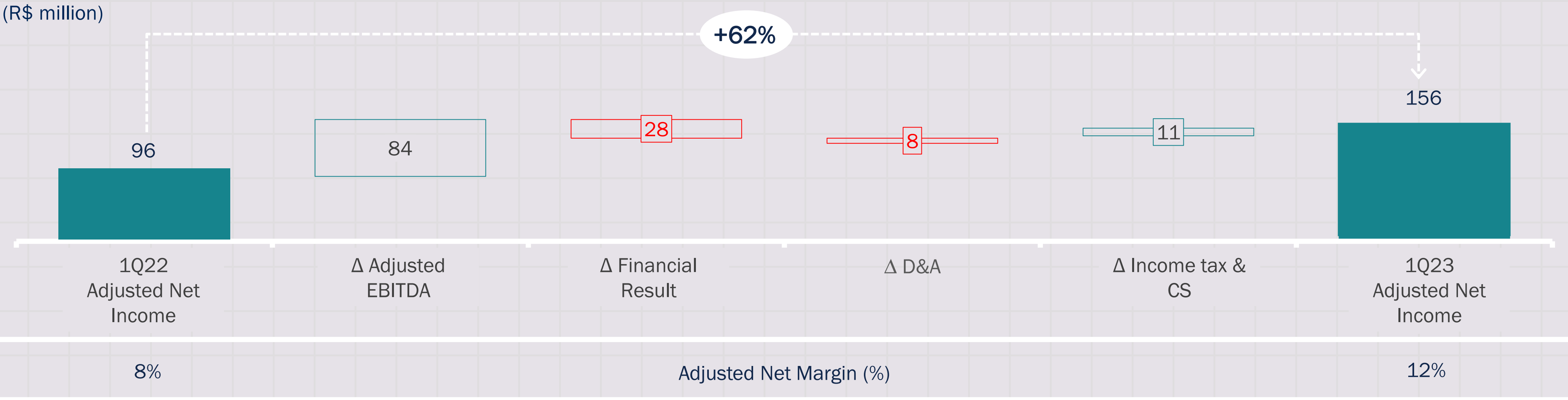


🏆 **R\$494 million** accounting EBITDA 1Q23 (+25% vs. 1Q22)

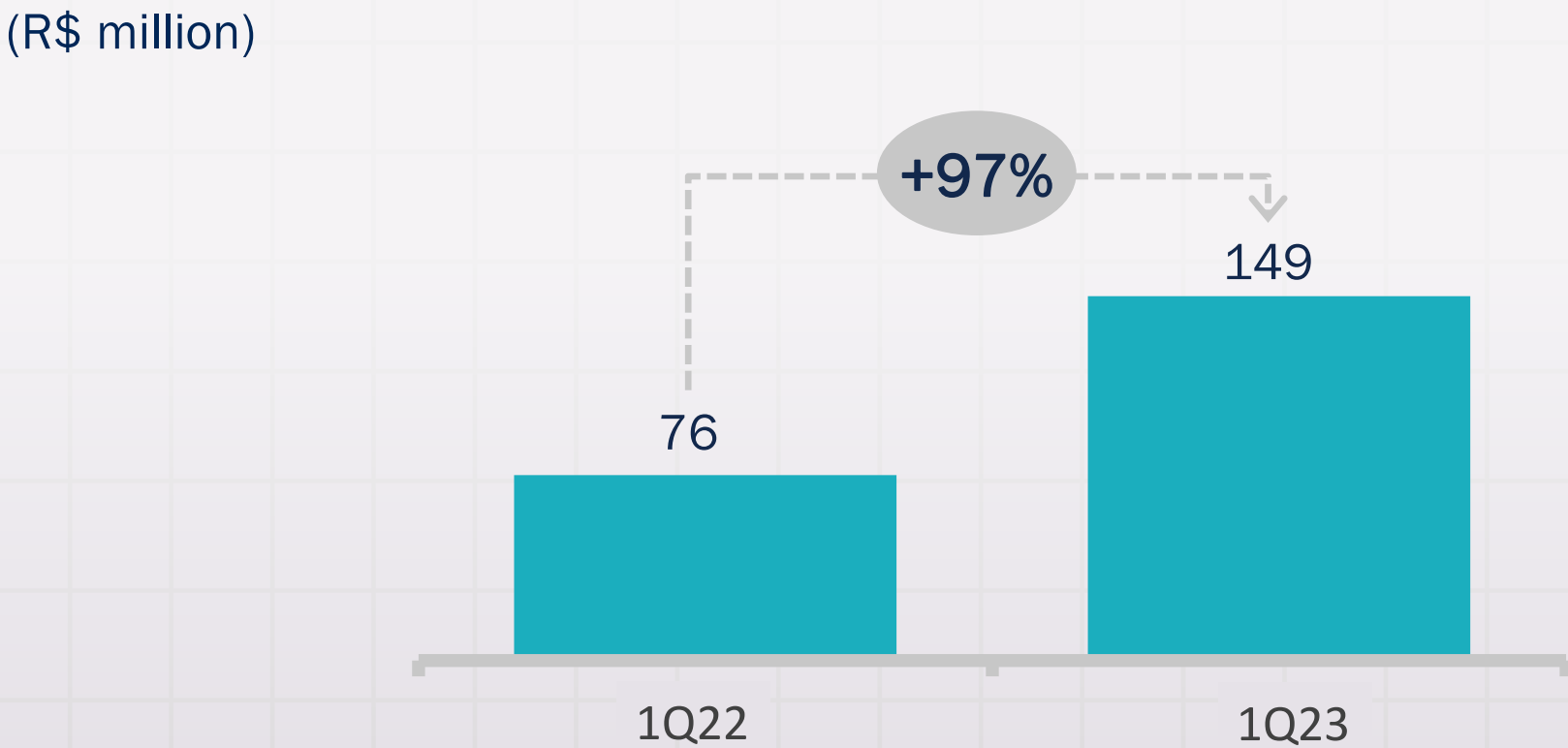
🏆 **38% EBITDA Margin** (+4 p.p. vs 1Q22)

Reported net income up by 97%

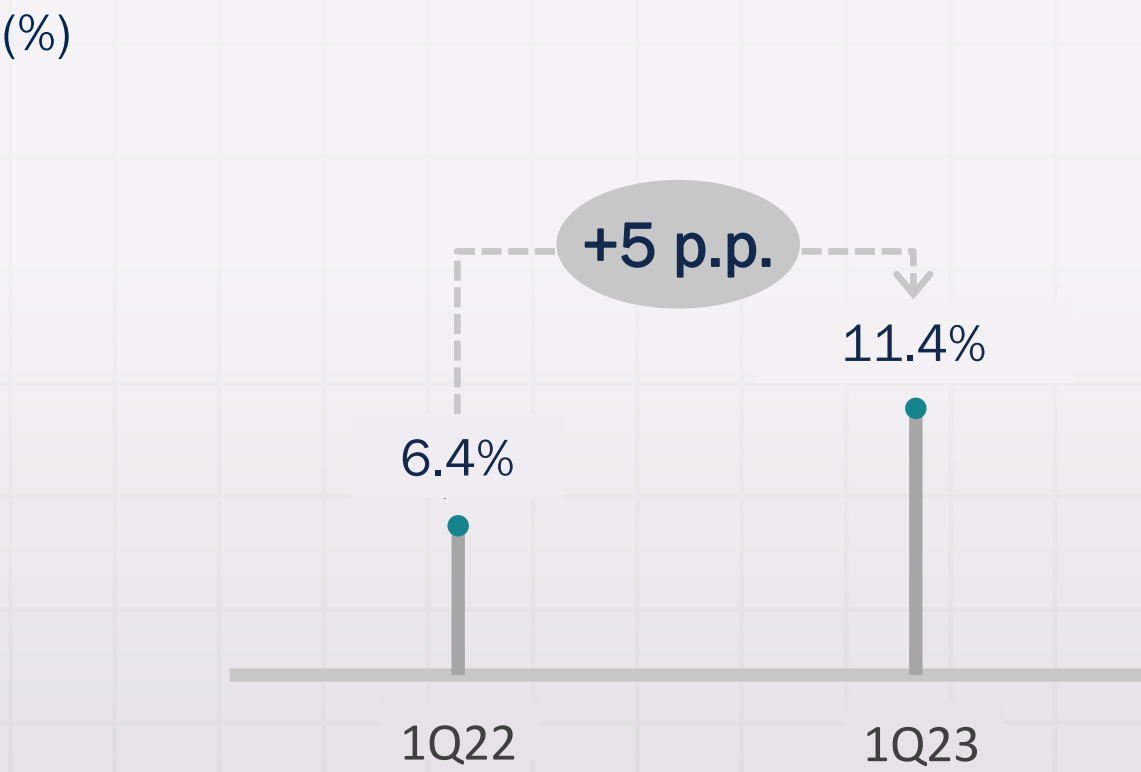
Adjusted Net Income breakdown



Reported Net Income



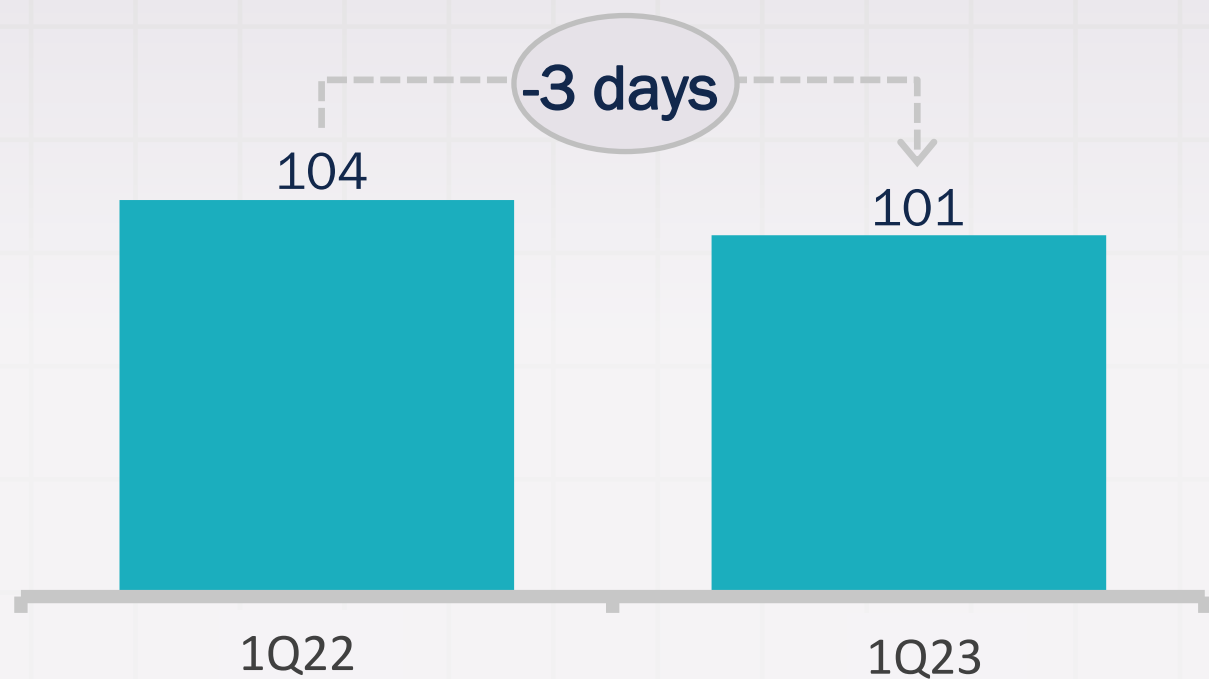
Reported Net Margin



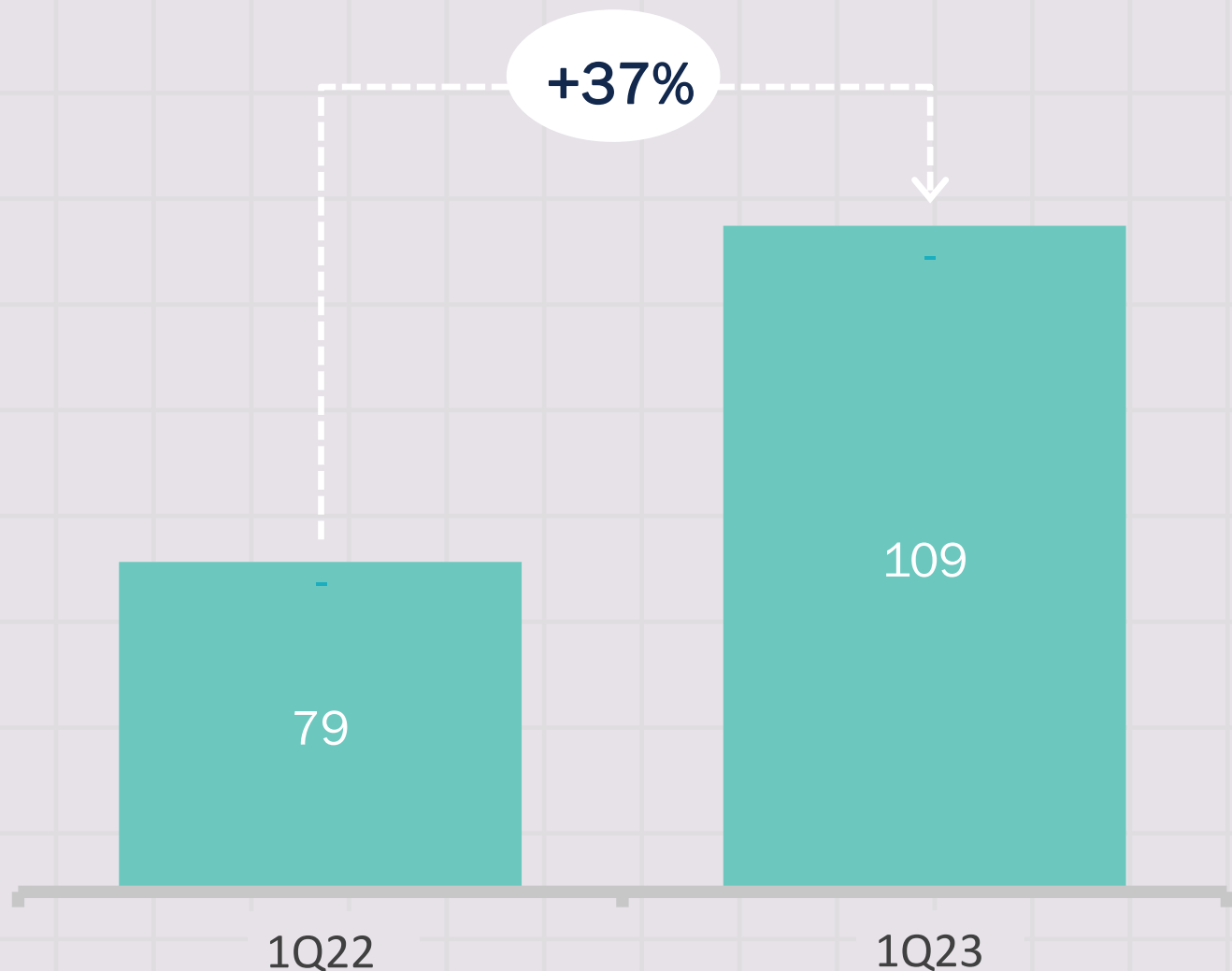
Strong cash generation and ATR reduction

in R\$ million	1Q22	1Q23	Δ%
EBITDA ex-IFRS 16	310	409	32%
Change in working capital	(29)	(30)	2%
Taxes (Income Tax/Social Contribution)	(9)	(11)	25%
Operating cash flow	272	368	35%
Capex	(86)	(105)	22%
(=) Free cash flow to Firm (FCFF)	186	263	42%
Interest ex-IFRS 16	(107)	(154)	45%
(=) Free Cash Flow to Equity (FCFE)	79	109	37%
Operating Cash Conversion ⁽¹⁾	88%	90%	2 p.p.

Average Term of Receivables (ATR) (# days)



Free Cash Flow to Equity (FCFE) (R\$ milhões)



R\$450 million
Capex expected for 2023 (~8% YoY decrease)

(1) Operating Cash Flow/EBITDA ex-IFRS 16.

Leverage reduction and next maturity only in 2024

R\$1.1 billion
Cash and cash equivalents

R\$2.7 billion
Net Debt ex-IFRS 16
-6% vs 4Q22

1.74x
Leverage ⁽¹⁾

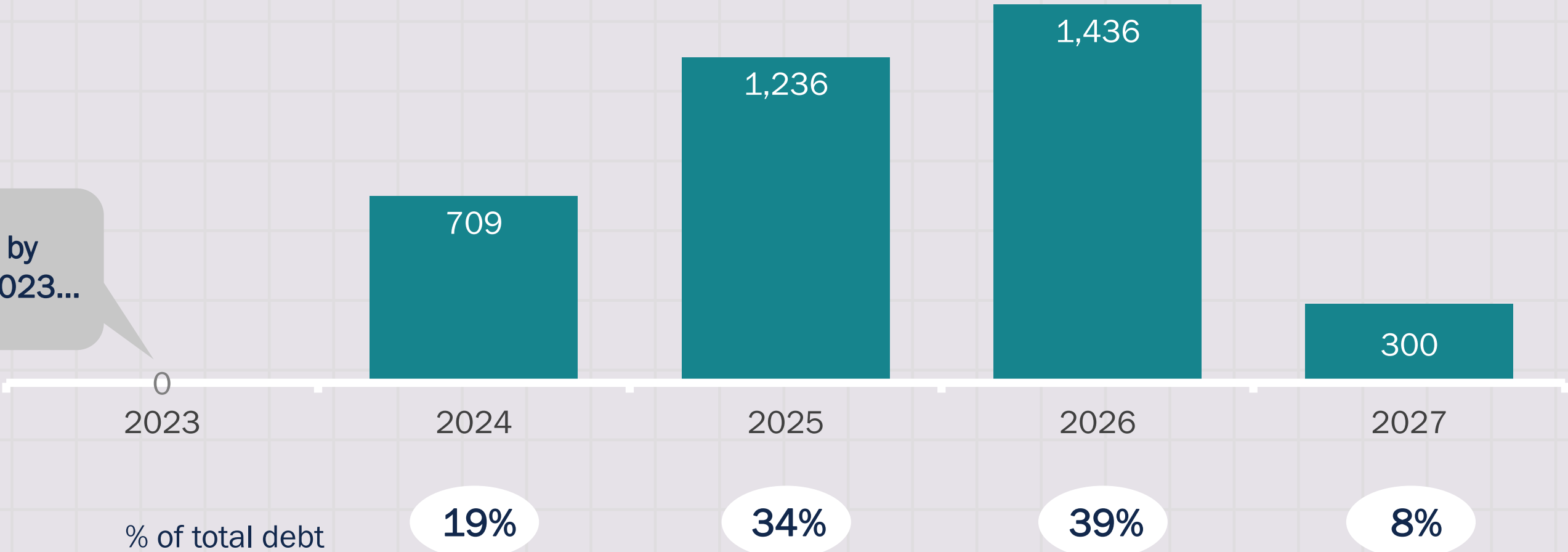
Reduction vs 4Q22, due to R\$84 MM increase in EBITDA and R\$167 MM drop in net debt

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

Average cost

1Q23: CDI + 1.97%
vs
1Q22: CDI + 2.07%

No maturity by the end of 2023...



(1) Leverage = Net Debt ex-IFRS 16 / adjusted EBITDA (last 12 months, considering IFRS 16).



MSCI – ESG RATING
Maintenance of rating A at MSCI.

GHG Emission

Scopes 1, 2 and 3 in 2022: 15,827.42 tCO2e.

Social Impact


In 2022, + 700 thousand people benefited from our extension activities and social projects.

ESG Rating


41% improvement expected for the 2023 ESG rating.





2022 Sustainability Report
Publication of the 2022 Sustainability Report, assured by PWC.

 **+500 thousand Digital Learning undergraduate students**
(+9% vs 1Q22)

 **R\$149 million Net Income**
(+97% vs 1Q22)

 **AT of upperclassmen of +1 year increasing vs 1Q22**
Medicine: +11% | Ibmec: +12% | Digital: +3% | On-campus: +6%

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

 Quarter recorded **+10% increase in Net Revenue and +21% in EBITDA** (vs 1Q22)

 **R\$167 million reduction in net debt**
vs. 4Q22

 **Adjusted EBITDA Margin 37% (+3 p.p. vs 1Q22)**
Premium: 49% | Digital: 43% | On-campus: 24%


 **1.74x Leverage**
With reduction vs 4Q22

YDUQS
in 2023

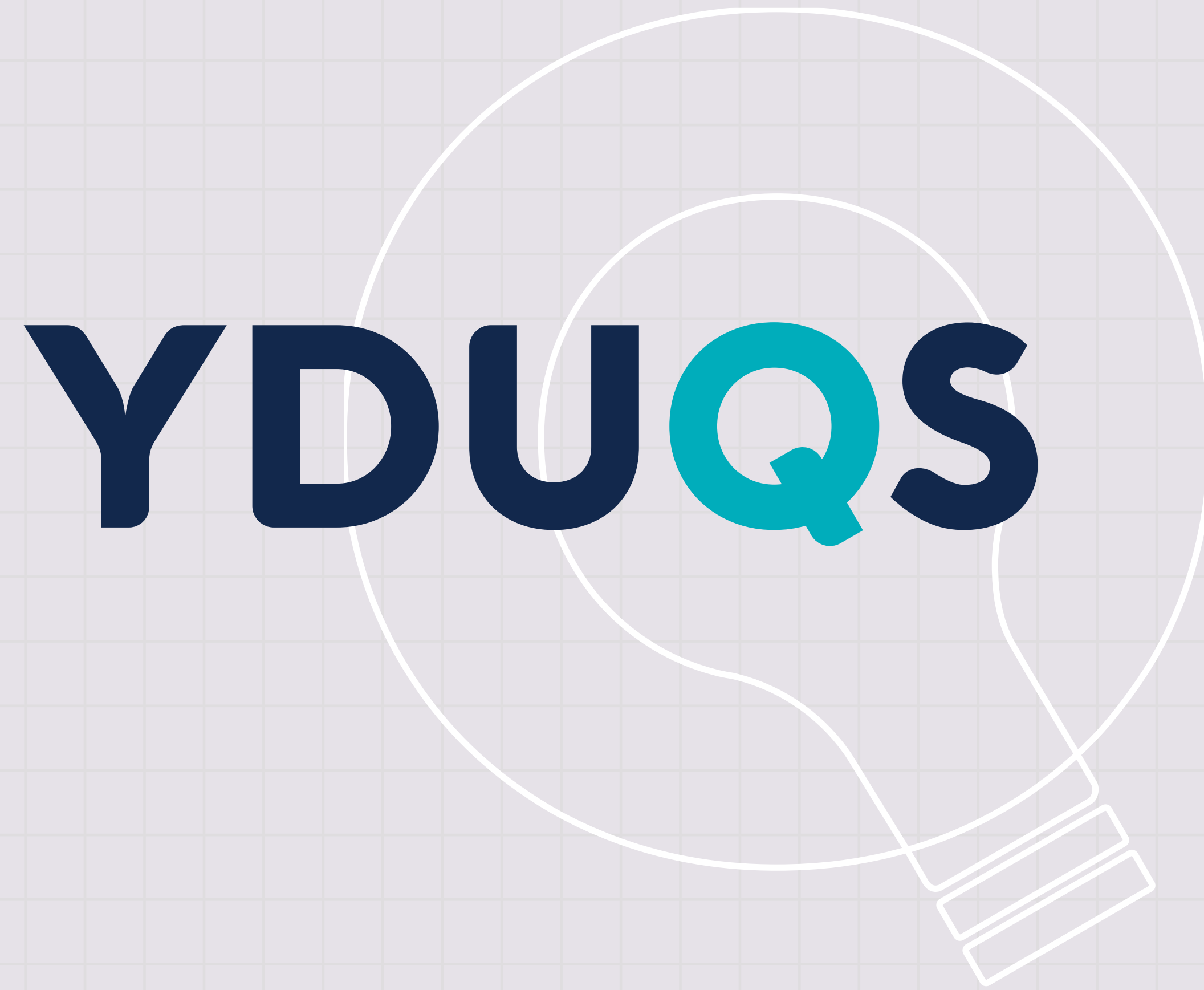
 **+130 to 160 new medicine seats** expected to be approved in 2023: **+53 already approved in Alagoinhas**

 **New medicine undergraduate student base expected** for 2023: 8.2-8.3 thousand students.

 **2Q23 Digital Learning Intake** with expected growth from 10% to 20% vs 2Q22

 **2Q23 Adjusted EBITDA** with expected growth from 10% to 20% vs 2Q22

 **2023 Capex** expected to reduce by 8% vs 2022, closing at R\$450 million. **Long-term Capex** at 7-8% of NOR.



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