

EARNINGS RELEASE

3Q20

YDUQS



November 9th, 2020



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B3 ADR

Rio de Janeiro, November 9th, 2020 - **YDUQS Participações S.A.**, one of the largest one of the largest organizations in Brazil's higher education private sector, **presents its results for the third quarter of 2020 (3Q20).**

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).

The consolidated results account for the group Athenas Educacional (August and September) and Adtalem Brasil Holding Ltda. (May to September). In order to have a better comparison of the quarterly results, the Company has decided to release operational and financial information under a proforma format, excluding the effects of the acquisitions of Adtalem and Athenas when indicated.

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.

EARNINGS CONFERENCE CALL

November 10th, 2020 | 8:00 a.m (EST)

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The third quarter of the year was quite challenging and shows that our actions to fight the pandemic were assertive, already positively reflecting on operational results. Despite still being under the impact of COVID-19, due to laws and court decisions to reduce monthly tuitions, we managed to keep our nearly 750,000 students studying and see a paved path for base and revenue growth.

Our student retention rate of the on-campus segment, main segment affected by the pandemic, at 83%, needs to be celebrated, as the segment also shows signs of stabilization. Our expected loss with Fies, which ends in 2020, was much lower than previous years, leaving us quite optimistic of the future. We did an excellent job in terms of intake, with 177 thousand new students, and we continue to grow at an accelerated pace in our main expansion levers: Digital Learning recorded a 56% increase in revenue and medicine, 19%.

In Medicine, we inaugurated new courses in Cáceres, Mato Grosso, and Canindé, in Ceará, in addition to expanding seats in Angra dos Reis: adding a total of 134 new seats, expanding our student base to 5,285. For 2021, we will have more than 250 new seats, confirming the growth curve in the segment.

Looking forward, we will have an organic growth with the maturation of the distance learning centers and the new medical school seats, already mentioned, and we will gain synergy with the integrations of recent acquisitions. Our cash position at R\$1.9 billion and low debt leave us with a solid balance sheet and room for new acquisitions. Excluding the effect of COVID-19, YDUQS' consolidated revenue would have reached R\$1.056 billion, up by 26.7% YoY and, after a second quarter of the pandemic, we returned to a level of net income of R\$112.5 million.

Eduardo Parente

CEO



(em R\$ milhões)	3Q19	3Q20	Δ%	Pro-forma (ex-acquisitions)	
				3Q20	Δ%
Net Revenues	833.1	976.3	17.2%	796.3	-4.4%
Gross Profit	463.7	542.2	16.9%	475.7	2.6%
<i>Gross Margin</i>	55.7%	55.5%	-0.1 p.p.	59.7%	4.1 p.p.
EBITDA	302.1	332.2	10.0%	289.3	-4.2%
<i>EBITDA Margin (%)</i>	36.3%	34.0%	-2.3 p.p.	36.3%	0.0 p.p.
Net Income	152.5	112.5	-26.3%	107.2	-29.7%
<i>Net Margin (%)</i>	18.3%	11.5%	-6.8 p.p.	13.5%	-4.8 p.p.

Adjusted Net Revenues⁽¹⁾	833.1	1,055.7	26.7%	862.0	3.5%
Adjusted EBITDA⁽²⁾	343.9	411.0	19.5%	352.6	2.5%
<i>Adjusted EBITDA Margin⁽²⁾</i>	41.3%	38.9%	-2.3 p.p.	40.9%	-0.4 p.p.

Operational

- 2020.2 intake came to 177 thousand students, up by 35.7% YoY and with a strong Digital Learning performance (+58% YoY);
- Renewable on-campus base (ex-FIES) was up by 7% YoY;
- Medicine and Digital Learning continued to record strong performance in all business indicators;

Financial

- Operational cash flow came to R\$286 million in the quarter despite impacts of the pandemic;
- Net receivables down by 3% YoY (ex-acquisitions);
- Average term of receivables under control, at 98 days (ex-FIES)

R\$79.3 million

Impact on laws and injunctions
on revenue 3Q20

In 3Q20, the Company's revenue remained negatively impacted by a series of laws and court decisions that ordered higher education institutions to grant linear tuition discounts, thus impacting on-campus segment – in several Brazilian states. In 3Q20, such impacts totaled R\$79.3 million, of which approximately R\$20 million was related to (2Q20) due to new decisions and/or changes in interpretation with retroactive effects. We continue to adopt available judicial strategies to question the legality of the linear granting of discounts, however, their effects have still impacted revenue over the past months.



(1) Adjusted by R\$79.3 millions referring to laws and injunctions in court.

(2) Adjusted by non-recurring itens as described in the EBITDA section.

OPERATIONAL DATA

YDUQS

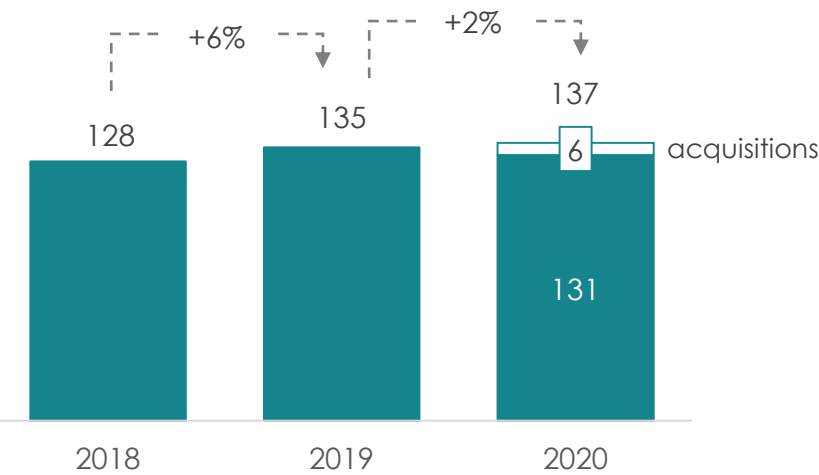


Undergraduate ('000 students)	2019.2	2020.2	Δ%	Pro-forma (ex-acquisitions)	
				2020.2	Δ%
On-campus	46	43	-5.9%	37	-18.8%
Out-of-pocket	44	42	-6.0%	36	-18.6%
Medicine	0.6	0.7	20.9%	0.7	10.7%
FIES	0.4	0.5	36.4%	0.1	-61.2%
PAR	0.8	0.2	-76.8%	0.2	-76.8%
Digital Learning	85	134	58.0%	127	50.5%
Total	130	177	35.7%	164	26.2%

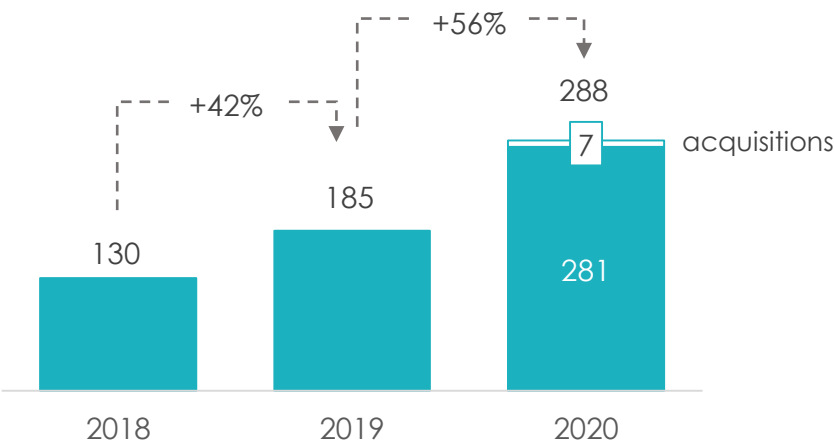
2020.2 Intake recorded 117 thousand enrolled students, up by 35.7% YoY, mainly driven by a solid Digital Learning performance (+58% YoY). Severely impacted by the pandemic, on-campus segment was down by 5.9% in terms of enrolled students compared to the 2019.2 cycle. Excluding acquisitions, the drop was 18.8% compared to the same period of last year.

It is important to emphasize that, considering annual intake, on-campus segment was up by 2% in 2020 versus 2019 (-3% ex-acquisitions), showing resilience and correct strategic decisions throughout the quarantine period.

Annual Intake: On-campus
(thousand students)



Annual Intake: Digital learning
(thousand students)



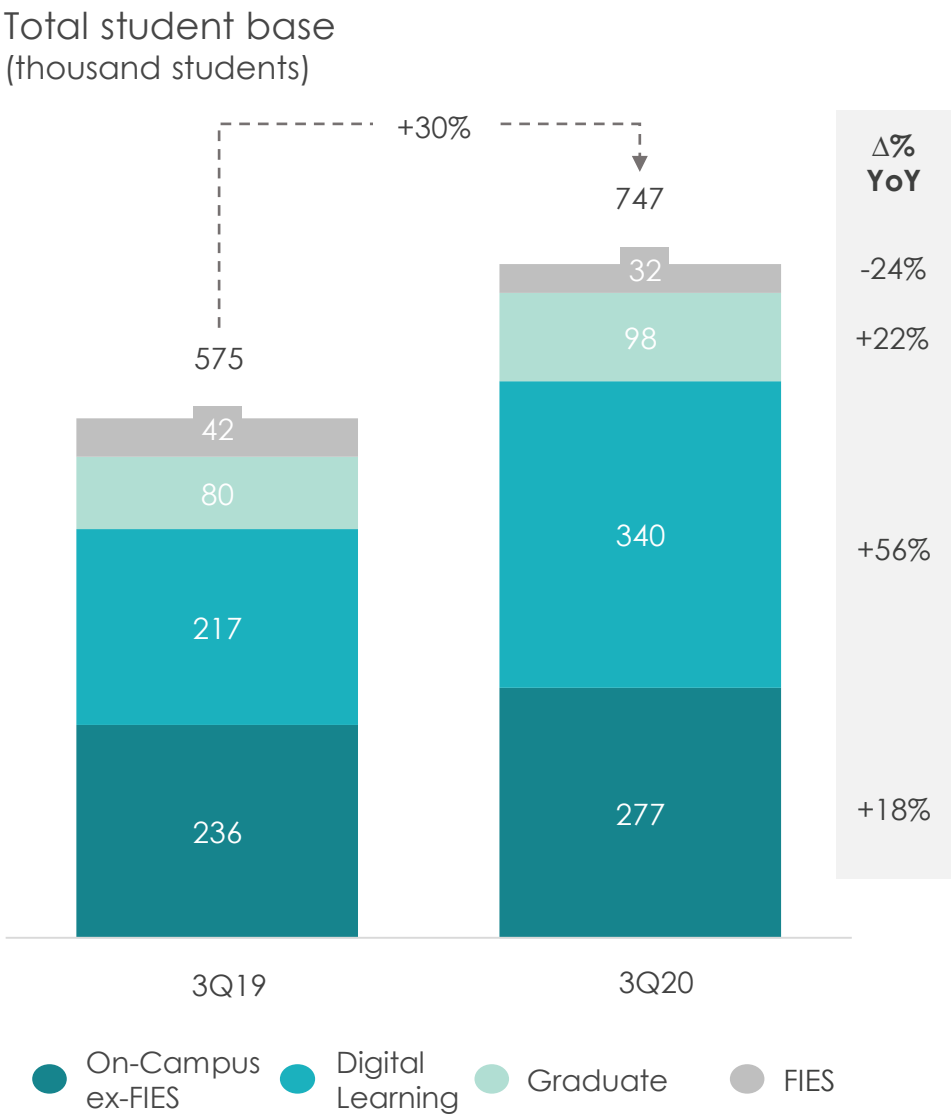
In the on-campus segment, we highlight the good performance of Medicine, whose intake enabled us to fill almost all seats available.

In Digital Learning, we continue to post strong results, with a 58% increase in intake (50.5% ex-acquisitions). Considering the annual intake of 288 thousand students, we highlight the strong 56% hike YoY, accelerating growth versus 2019.



STUDENT BASE: Overview

('000 students)	3Q19	3Q20	Δ%
Undergraduate	458.9	649.2	41.5%
On-Campus	277.9	309.4	11.3%
Acquisitions ⁽¹⁾	0.0	50.9	N.A
Digital Learning	217.4	339.8	56.3%
Acquisitions ⁽¹⁾	0.0	9.2	N.A
Graduate	80.1	97.5	21.8%
On-Campus	30.5	27.7	-9.3%
Acquisitions ⁽¹⁾	0.0	4.3	N.A
Digital Learning	49.6	69.9	40.9%
Acquisitions ⁽¹⁾	0.0	22.2	N.A
Total Base	575.4	746.7	29.8%
Total Base (ex-FIES)	533.0	714.4	34.0%
Total Base (ex-acquisitions)	575.4	660.1	14.7%

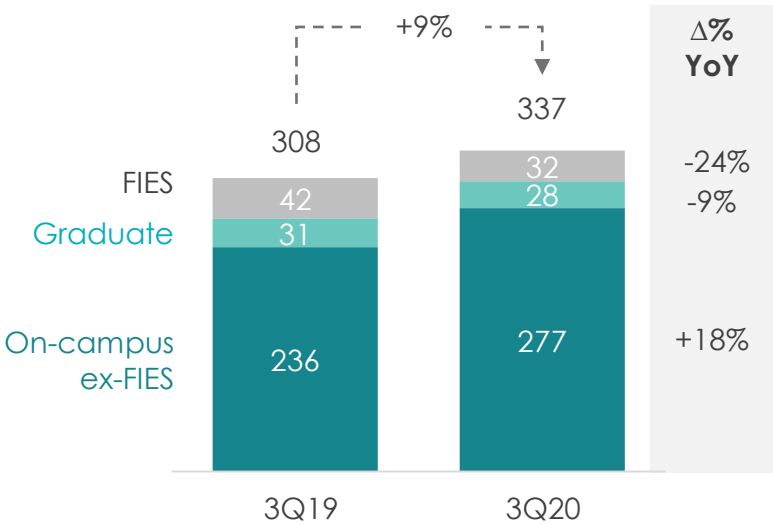


(1) Refers to the acquisitions of Athenas and Adtalem. For more information, go to the student base table in appendix section.

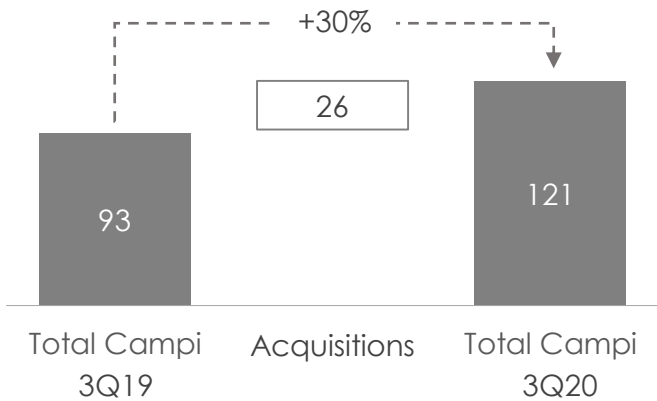
HIGHLIGHTS: On-campus

('000 students)	3Q19	3Q20	Δ%
Total On-campus	308.4	337.1	9.3%
Undergraduate ex-FIES	235.6	277.1	17.6%
Undergraduate	277.9	309.4	11.3%
Out-of-pocket	224.3	269.9	20.3%
Acquisitions ⁽¹⁾	-	50.9	N.A
DIS	102.0	122.9	20.6%
FIES	42.3	32.3	-23.7%
Acquisitions ⁽¹⁾	-	11.7*	N.A
PAR	11.3	7.2	-36.1%
Graduate	30.5	27.7	-9.3%
Own	16.1	15.9	-1.1%
Acquisitions ⁽¹⁾	-	4.3	N.A
Partnerships	14.4	11.7	-18.5%
Total On-Campus (ex-Acquisitions)	308.4	281.9	-8.6%
Undergraduate (ex-Acquisitions)	277.9	258.5	-7.0%
Number of Units	93	121	30.1%
Acquisitions ⁽¹⁾	-	26	N.A

Detailed On-Campus Base
(thousand students)



Number of Units
(#units)



On-campus segment ended 3Q20 with 337.1 thousand students, a 9.3% increase YoY, due to the Company's acquisition strategy. Excluding the acquisitions effect, undergraduate student base would have decreased 7% YoY, due to the 51% reduction on Estácio's FIES student base.

It is important to note that out-of-pocket students came to nearly 270 thousand, up by 20% YoY. Excluding acquisitions, out-of-pocket student base recorded a 3% increase YoY, while retention rate came to 83% (-3 p.p. YoY) due to challenges brought by the Covid-19 pandemic.

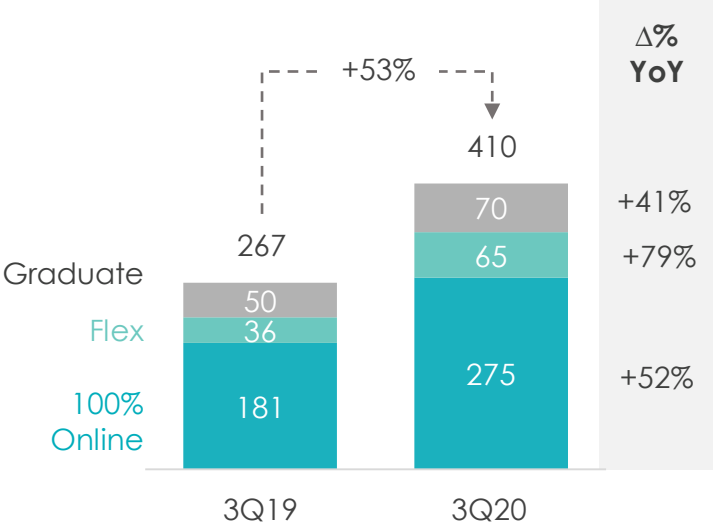
(1) This refers to the acquisitions of Adtalem (from May/20) and Athenas (from Aug/20). For more information, go to the student base table in the appendix section.
* Including ~7,000 FIES students 50%.

('000 students)	3Q19	3Q20	Δ%
Total Distance-Learning	267.0	409.6	53.4%
Undergraduate	217.4	339.8	56.3%
100% online	181.0	274.6	51.7%
Acquisitions ⁽¹⁾	0.0	9.2	N.A
Flex	36.4	65.2	79.1%
Graduate	49.6	69.9	40.9%
Own	18.0	42.4	135.4%
Acquisitions ⁽¹⁾	0.0	22.2	N.A
Partnerships	31.6	27.5	-13.0%
Total DL (ex-acquisitions)	267.0	378.2	41.7%

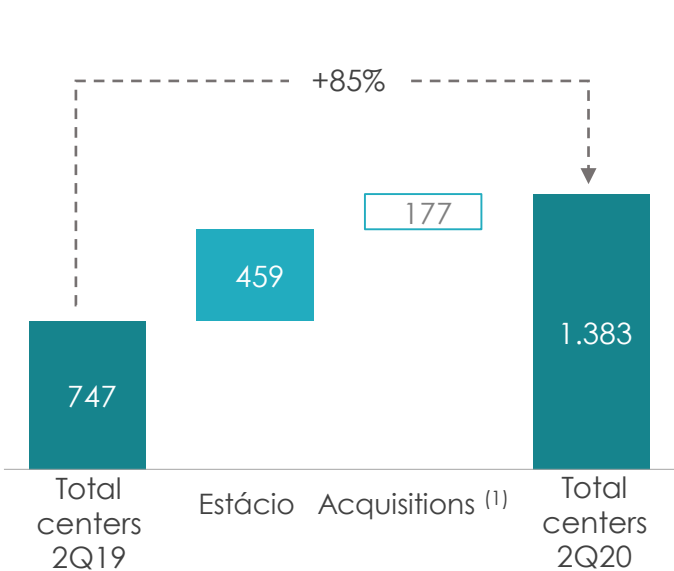
DIS (DL Undergraduate)	127.4	209.0	64.1%
100% online	105.0	165.9	58.0%
Flex	22.4	43.1	92.6%

Operational Data			
Number of DL Centers	747	1.383	85.1%
Acquisitions ⁽¹⁾	0	177	N.A
Covered Cities	542	812	49.8%

Detailed Digital Learning Base
(thousand student)



Number of DL Centers
(#centers)



Digital Learning continued to post solid results, reaching 409.6 thousand students and a 53.4% YoY growth, due to the continued strong expansion pace of partner centers, the maturity of centers operating for less than 18 months and recent acquisitions. Excluding the acquisitions effect, student base would have grown 41.7% YoY, totaling 378.2 thousand students.

In addition to our operations expansion, the continuous investment in platform enhancement, content development and update and student experience improvement have been key to achieve such expressive results. Proof of that is Estacio's retention rate in the segment that ended the quarter at 83%, up by +1.6 p.p. YoY, the highest 3Q level over the past 4 years.

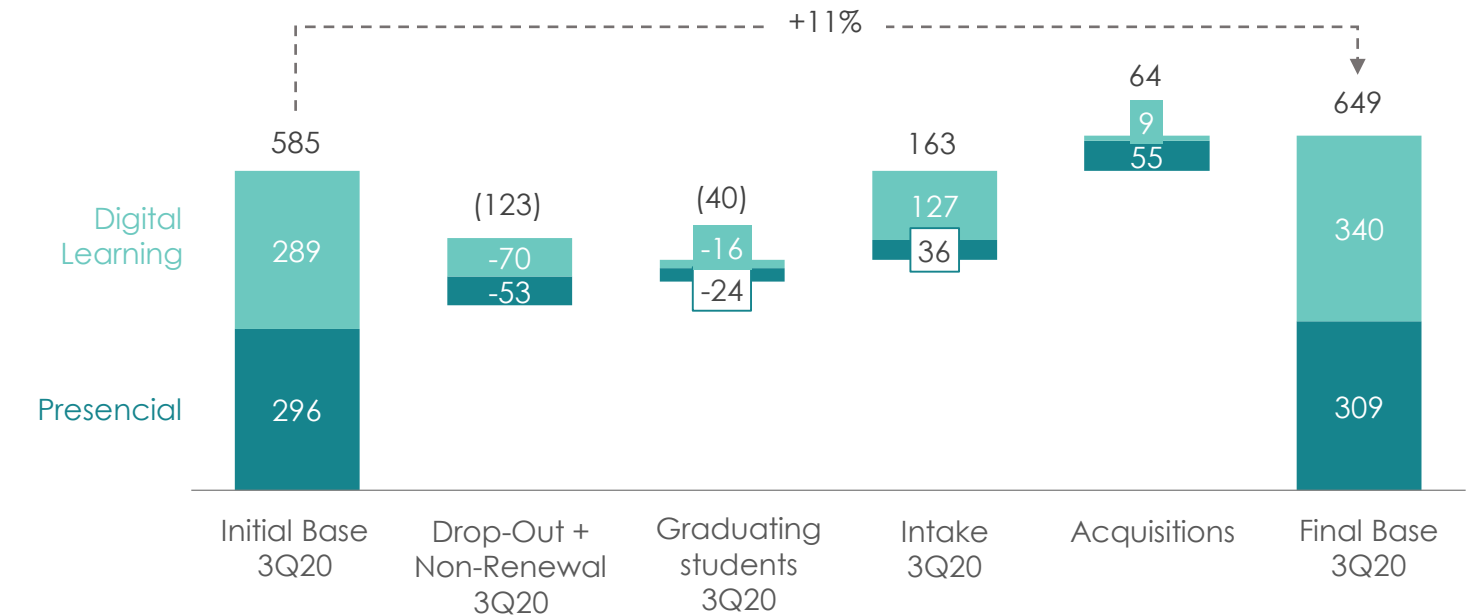
YDUQS's proprietary digital content production system, entitled Ensiname, which was created 1.5 year ago, has been extremely important for this evolution. Preliminary analysis show that students exposed to Ensiname content have been less prone to dropout than students that have not yet migrated to this new methodology.



(1) This refers to the acquisitions of Adtalem (from May/20) and Athenas (from Aug/20). For more information, go to the student base table in the appendix section.

CHANGES IN THE UNDERGRADUATE BASE

	(excluding acquisitions)					
('000 students)	Initial Base	Graduating students	Drop-out + Non-renewal	Intake	Acquisitions	3Q20 (Incl. acquisitions)
Undergraduate	584.8	(39.6)	(123.0)	163.1	63.8	649.2
On-Campus	295.8	(23.5)	(53.3)	35.8	54.7	309.4
Out-of-pocket	259.5	(16.9)	(50.5)	35.2	42.7	269.9
FIES	26.7	(6.6)	(0.2)	0.4	12.0	32.3
PAR	9.6	-	(2.6)	0.2	-	7.2
DL	289.0	(16.1)	(69.8)	127.3	9.2	339.8
100% Online	232.5	(14.2)	(53.5)	100.6	9.2	274.6
Flex	56.6	(1.8)	(16.3)	26.7	-	65.2



Retention Rate⁽¹⁾

Undergraduate	3Q19	3Q20	Δ%
On-Campus	86%	83%	-3.2 p.p.
DL	81%	83%	1.6 p.p.

In 3Q20, **on-campus retention rate** was 83%, down by 3.2 p.p. YoY. The **Digital Learning** segment ended the quarter at 83%, 1.6 p.p. up versus 3Q19.

(1) Retention Rate: $[1 - ((\text{dropouts} + \text{non-renewal}) / (\text{renewable student base: initial student base} - \text{students graduating} + \text{intake}))]$. The retention rate calculation doesn't include Uniletoledo+Athenas+Atdalem's student base.

AVERAGE TICKET: ON-CAMPUS

	TOTAL ON-CAMPUS ⁽²⁾			UNDERGRADUATE			UNDERGRADUATE Ex-FIES			GRADUATE ⁽²⁾		
	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%
Adjusted average ticket * ⁽¹⁾	741.2	792.3	6.9%	765.6	811.3	6.0%	683.5	748.4	9.5%	-	-	-
Average ticket* (R\$/month)	741.2	714.7	-3.6%	765.6	729.7	-4.7%	683.5	718.7	5.2%	320.2	423.5	32.3%
Student Base (thousand)	294.0	325.3	10.7%	277.9	309.4	11.3%	235.6	277.1	17.6%	16.1	15.9	-1.1%
Net Revenues (R\$ million)	653.8	697.9	6.7%	638.3	677.3	6.1%	483.0	597.5	23.7%	15.5	20.2	30.9%

741

3Q19

792

3Q20

+7%

766

3Q19

811

3Q20

+6%

683

3Q19

748

3Q20

+9%

320

3Q19





423

3Q20

+32%

The consolidated average ticket, adjusted to discounts granted by law and court decisions, totaled R\$792.3 in 3Q20, up by 6.9% YoY. Average ticket was boosted by the improvement in competitive environment and recent acquisitions, especially in graduate courses. We also emphasize the resilience of ex-FIES undergraduate average ticket that ended the quarter up by 9% (+5% YoY without adjustments).

Average ticket calculation includes recent UniToledo and Adtalem acquisitions as well as two months of Athenas.

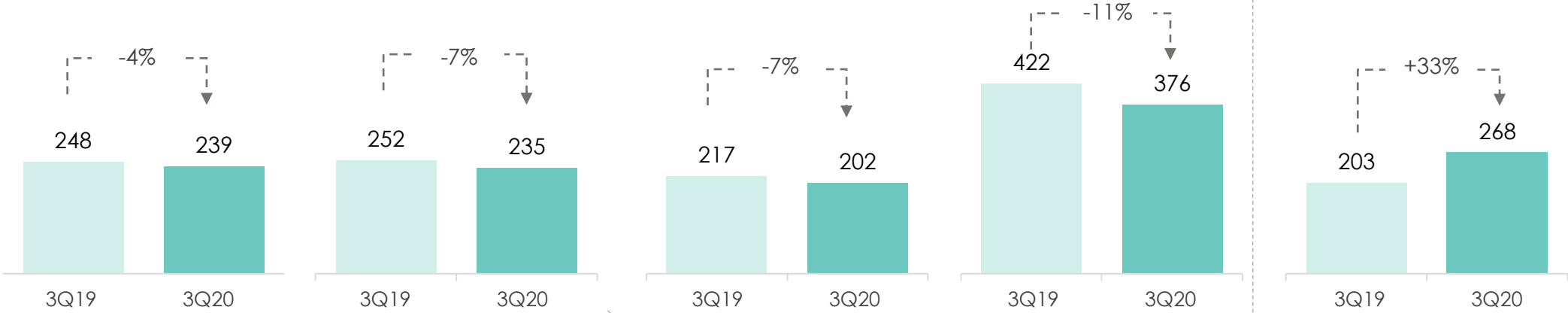
(*) Average ticket = Net Revenue of the period x 1,000 / 3 / weighted student base considering acquisitions.

(1) Excluding impacts of the discounts referring to laws and decisions in court.

(2) Graduate student base and revenue from partners and short-term courses are excluded from the ticket calculation.

AVERAGE TICKET: DIGITAL LEARNING

	TOTAL DL ⁽¹⁾			UNDERGRADUATE [1+2]			100% ONLINE [1]			FLEX [2]			GRADUATE ⁽²⁾		
	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%
Adjusted average ticket * ⁽¹⁾	248.0	239.0	-3.6%	251.7	235.3	-6.5%	217.4	201.9	-7.1%	422.4	375.6	-11.1%	-	-	-
Average ticket* (R\$/month)	248.0	235.9	-4.9%	251.7	231.8	-7.9%	217.4	201.8	-7.2%	422.4	357.8	-15.3%	202.5	268.5	32.5%
Student Base (thousand)	235.4	382.1	62.4%	217.4	339.8	56.3%	181.0	274.6	51.7%	36.4	65.2	79.1%	18.0	42.4	135.4%
Net Revenues (R\$ million)	175.1	270.5	54.5%	164.2	236.2	43.9%	118.0	166.2	40.8%	46.1	70.0	51.7%	10.9	34.1	212.0%



Digital Learning average ticket totaled R\$239.0 in 3Q20, slightly down by 3.6% versus 3Q19. The segment's average ticket remains impacted by the competitive environment and the Company's accelerated growth strategy.

Average ticket calculation includes recent UniToledo and Adtalem acquisitions as well as two months of Athenas.



(*) Average ticket = Net Revenue of the period x 1,000 / 3 / weighted student base considering acquisitions.
(1) Excluding impacts of the discounts referring to laws and injunctions in court.
(2) Graduate student base and revenue from partners and free courses are excluded from the ticket calculation.

FINANCIAL DATA

YDUQS



INCOME STATEMENT

(R\$ million)	3Q19	3Q20	YoY%	3Q19 ⁽¹⁾ adjusted	3Q20 ⁽¹⁾ adjusted	YoY%
Gross Revenue	1,482.1	1,940.4	30.9%	1,482.1	1,940.4	30.9%
Monthly tuition fees	1,470.3	1,924.2	30.9%	1,470.3	1,924.2	30.9%
Others	11.8	16.2	37.9%	11.8	16.2	37.9%
Deductions from gross revenue	(648.9)	(964.1)	48.6%	(648.9)	(964.3)	48.6%
Net Revenue	833.1	976.3	17.2%	833.1	1,055.7	26.7%
Cost of Services	(369.4)	(434.2)	17.5%	(349.7)	(436.2)	24.8%
Gross Profit	463.7	542.2	16.9%	483.5	619.4	28.1%
Gross Margin	55.7%	55.5%	-0.1 p.p.	58.0%	58.7%	0.6 p.p.
Selling Expenses	(104.6)	(160.7)	53.6%	(104.6)	(160.3)	53.2%
G&A Expenses	(159.2)	(194.5)	22.2%	(137.2)	(193.4)	41.0%
Other Revenue/Expenses	3.7	(1.1)	N.A.	3.7	(1.1)	N.A.
(+) Depreciation and amortization	98.5	146.3	48.5%	98.5	146.3	48.5%
EBITDA	302.1	332.2	10.0%	343.9	411.0	19.5%
EBITDA Margin (%)	36.3%	34.0%	-2.3 p.p.	41.3%	38.9%	-2.3 p.p.
Financial Result	(53.0)	(86.9)	63.9%	(53.0)	(86.9)	63.9%
Depreciation and amortization	(98.5)	(146.3)	48.5%	(98.5)	(146.3)	48.5%
Income Tax	2.1	9.9	363.6%	2.1	9.9	363.6%
Social Contribution	(0.1)	3.7	N.A.	(0.1)	3.7	N.A.
Net Income	152.5	112.5	-26.3%	194.3	191.3	-1.5%
Net Margin	18.3%	11.5%	-6.8 p.p.	23.3%	18.1%	-5.2 p.p.

Acquisitions Results ⁽²⁾	3Q20 R\$ million
Net Revenue	180.0
Costs and Expenses	(171.1)
(+) Depreciation and amortization	33.9
EBITDA	42.9
EBITDA Margin	23.8%

Non-recurring impacts (R\$ million)	3Q19	3Q20
Revenue (Laws and Injunctions)	-	(79.3)
Costs of services	(19.8)	2.0
Selling Expenses	-	(0.5)
G&A	(22.0)	(1.1)
Impact on EBITDA	(41.8)	(78.9)



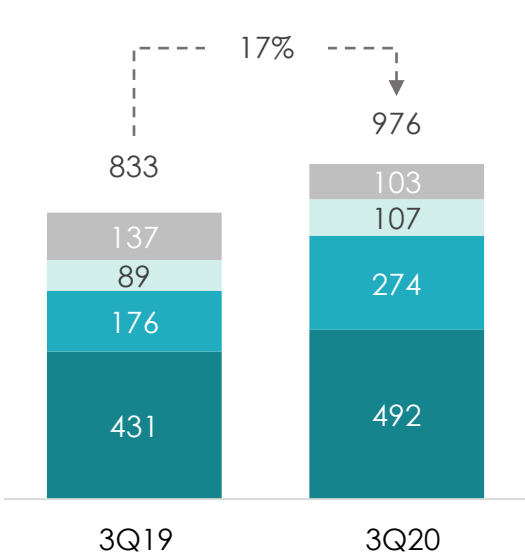
(1) Non-recurring items detailed in the EBITDA section.

(2) Results from Adtalem + Athenas (from Aug/20)

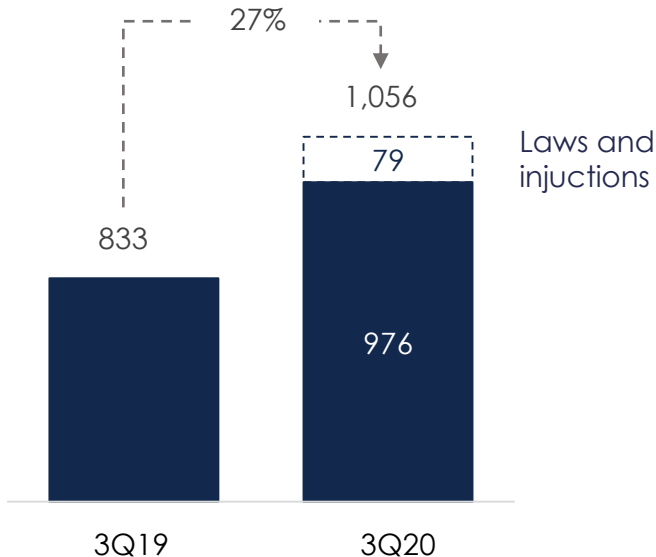
OPERATING REVENUE

(R\$ million)	3Q19	3Q20	Δ%
Gross Operating Revenue	1,482.1	1,940.4	30.9%
Monthly Tuition Fees	1,470.3	1,924.2	30.9%
Others	11.8	16.2	37.9%
Gross Revenue Deductions	(648.9)	(964.1)	48.6%
Discounts and scholarships	(618.4)	(928.7)	50.2%
Taxes	(33.0)	(37.6)	13.8%
AVP and other deductions	2.5	2.1	-14.9%
Net Revenues	833.1	976.3	17.2%
On-campus	657.1	702.3	6.9%
Medicine	89.4	106.7	19.3%
FIES	137.2	103.2	-24.8%
Digital Learning	176.1	274.0	55.7%
Adjusted Net Revenue ⁽¹⁾	833.1	1,055.7	26.7%
Net Revenue (ex-acquisitions)	833.1	796.3	-4.4%

Reported Net Revenue
(ex-FIES; R\$ million)



Adjusted Net Revenues
(R\$ million)



● Traditional On-campus ● Digital Learning ● Medicine ● FIES

In 3Q20, **consolidated net revenue** was R\$976.3 million, a growth of 17.2% YoY, including the impact of discounts granted by laws and court decisions in the amount of R\$79.3 million, due to Covid-19. Excluding such effect, the Company's adjusted consolidated revenue would have come to R\$1,055.7 million, up by 26.7% YoY.

This result was driven by the maintenance of **Digital Learning** (+55.7% YoY) and **Medicine** (+19.3% YoY) strong revenue growth pace, in addition to a 14.4% YoY increase in traditional on-campus revenue (ex-FIES and medicine). As a result, ex-FIES business revenue totaled R\$873.1 million, up by 25.5% YoY.

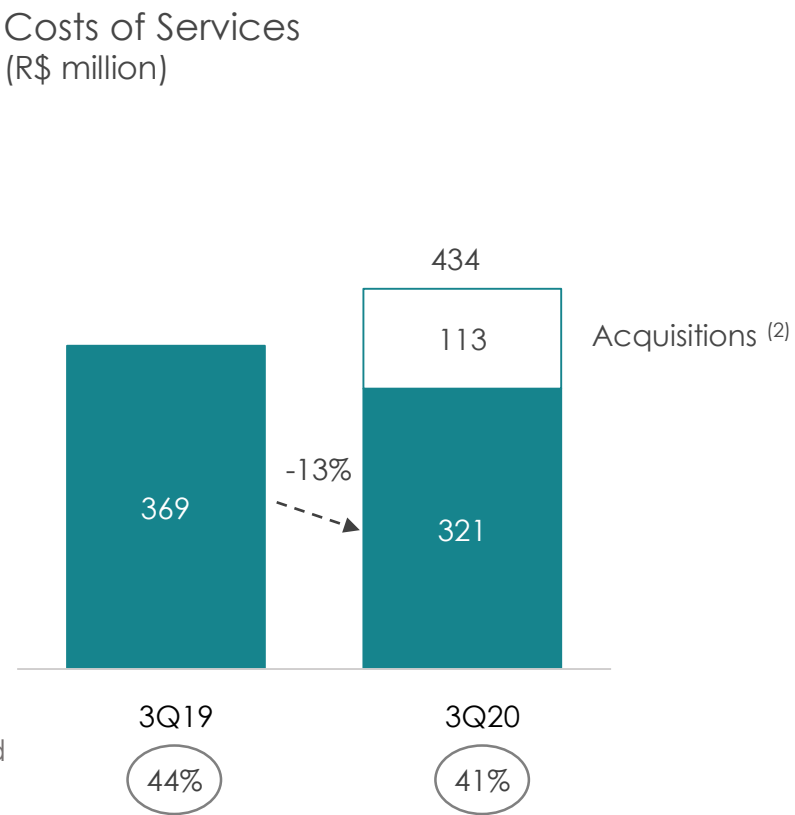
Excluding recent acquisitions, we can see that revenue would have decreased by 4.4% YoY, given that the impact of discounts from laws and court decisions and the drop in FIES were more significant on Estácio's operations. Excluding those effects, it is important to highlight that ex-acquisitions revenue would have climbed 13% YoY.



(1) Net Operating Revenue adjusted by non-recurring impacts in the amount of R\$79.3 million.

COST OF SERVICES AND GROSS PROFIT

(R\$ million)	3Q19	3Q20	Δ%
Cost of Services	(369.4)	(434.2)	17.5%
Personnel	(249.2)	(264.5)	6.1%
Rent, taxes & other	(10.5)	(16.1)	53.1%
Transfer of Centers & other	(13.3)	(36.5)	174.4%
Third-party services	(14.3)	(10.8)	-24.6%
Utilities	(9.4)	(7.2)	-22.9%
D&A	(72.7)	(99.1)	36.2%
Gross Profit	463.7	542.2	16.9%
Gross Margin	55.7%	55.5%	-0.1 p.p.
Non-recurring costs ⁽¹⁾	19.8	(2.0)	-
Adjusted Cost of Services	(349.7)	(436.2)	24.8%
<i>Pro-Forma Analysis (ex-acquisitions)</i>			
Cost of Services	(369.4)	(320.7)	-13.2%
Adjusted Cost of Services⁽¹⁾	(349.7)	(325.4)	-6.9%



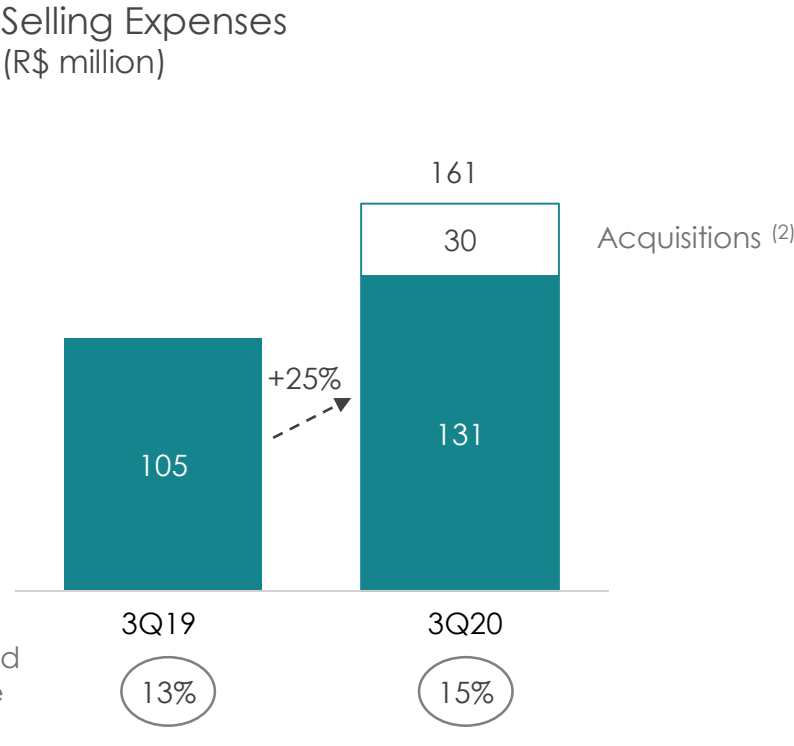
Over Adjusted
Net Revenue
(%)

Cost of services was up by 17.5% in the quarter YoY, due to the recent acquisitions. Excluding the acquisitions effects, cost of services was down by 13.2% YoY, due to the 23% drop in personnel expenses a result of operational efficiency gains and the positive impact of MP 936, that temporarily reduced payroll charges. It is important to note that, even if we excluded non-recurring items, ex-acquisitions costs would have reached R\$325.4 million, down by 6.9% YoY.

Gross margin came to 55.5% in 3Q20, in line with the previous quarter and 3Q19.

(R\$ million)	3Q19	3Q20	Δ%
Selling Expenses	(104.6)	(160.7)	53.6%
Bad Debt	(38.5)	(78.4)	103.7%
Out-of-pocket	(13.4)	(64.5)	380.3%
PAR – long term (50%)	(12.0)	(5.1)	-57.1%
DIS – long term (15%)	(13.1)	(8.8)	-32.9%
Advertising	(66.0)	(82.6)	25.1%
Others	(0.1)	0.3	N.A.
Non-recurring selling expenses ⁽¹⁾	-	0.5	-
Adjusted Selling Expenses	(104.6)	(160.3)	53.2%





<i>Pro-Forma Analysis (ex-acquisitions)</i>			
Selling Expenses	(104.6)	(130.6)	24.8%
Adjusted Selling Expenses	(104.6)	(130.2)	24.5%



In 3Q20, **selling expenses** totaled R\$160.7 million, a growth of 53.6% YoY and accounting for 15% of the Company’s adjusted net revenue in the quarter (vs. 13% in 3Q19).

Bad debt expenses increased by 103.7% YoY, accounting for 7.4% of the adjusted net revenue (vs 4.6% in 3Q19). The growth in bad debt expenses is due to the change in student base mix, the increase in delinquency caused by Covid-19, as well as the acquisitions and the reclassification of part of the discounts granted that were previously accounted for in financial expenses, in the amount of R\$24.0 million in 3Q20. Excluding acquisitions, bad debt expenses would have totaled R\$ 62 million, accounting for 7% of the adjusted net revenue, up by 5% YoY when compared to the same period of last year, due to the reversion effect in bad debt in 3Q19.

Advertising expenses grew 25.1% YoY due to acquisitions, remaining stable at 7.8% as a percentage of the adjusted net revenue.



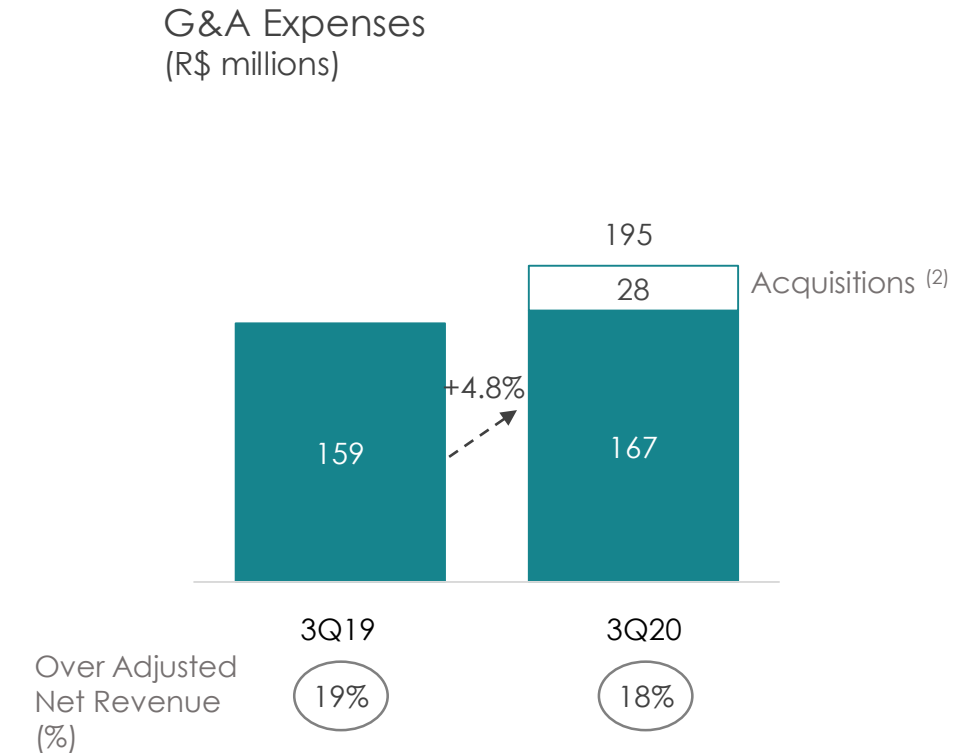
(1) Non-recurring itens detailed in the EBITDA section.

(2) Referring to the acquisitions of Adtalem and Athenas (from Aug/20)

GENERAL AND ADMINISTRATIVE EXPENSES

(R\$ million)	3Q19	3Q20	Δ%
G&A Expenses	(159.2)	(194.5)	22.2%
Personnel	(47.8)	(64.8)	35.5%
Third-party services	(28.8)	(30.3)	5.1%
Provision/contingencies	(12.7)	(18.4)	44.9%
Maintenance & repairs	(13.0)	(16.7)	28.8%
Other	(31.1)	(17.1)	-45.1%
D&A	(25.8)	(47.2)	83.0%
Other revenue/expenses	3.7	(1.1)	N.A.
Non-recurring G&A Expenses ⁽¹⁾	22.0	1.1	-
Adjusted G&A Expenses	(137.2)	(193.4)	41.0%

<i>Pro-Forma Analysis (ex-acquisitions)</i>			
G&A Expenses	(159.2)	(166.9)	4.8%
Adjusted G&A Expenses ⁽¹⁾	(137.2)	(164.8)	20.1%

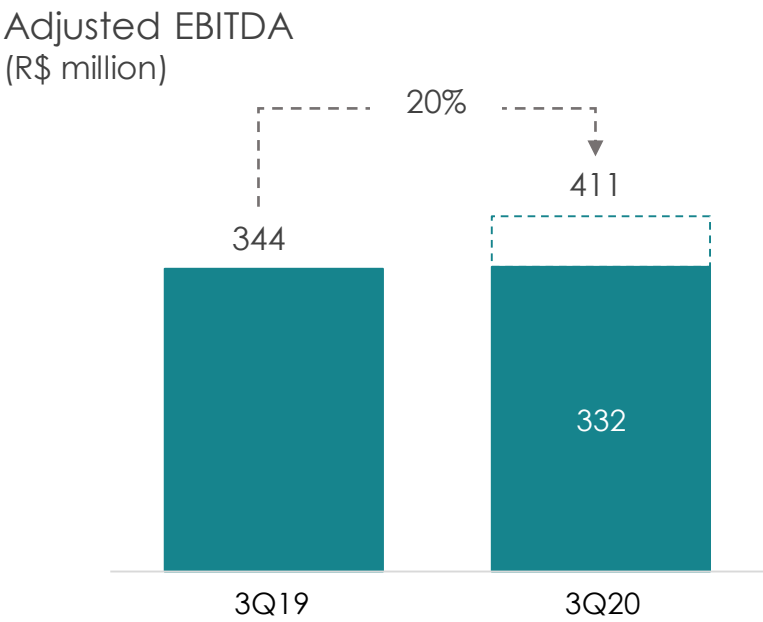


In 3Q20, **general and administrative expenses** were up by 22.2% YoY. In proforma figures, the increase was materially lower, up by only 4.8% YoY. The main drivers of such result are listed below:

- New expenses related to the COVID-19 crisis contingency plan;
- Increase in personnel expenses due to recent acquisitions. Excluding such effect, personnel expenses would have decreased by 3.9% YoY.

Non-recurring G&A expenses totaled R\$1.1 million and are related to the effect of payroll charges from MP 936, consultancies (M&A), attorney's fees and others. Excluding these non-recurring amounts, **adjusted general and administrative expenses** would have totaled R\$193.4 million.

(R\$ million)	3Q19	3Q20	Δ%
Net Revenue	833.1	976.3	17.2%
Costs and Expenses	(629.6)	(790.5)	25.6%
(+) Depreciation and amortization	98.5	146.3	48.5%
EBITDA	302.1	332.2	10.0%
EBITDA Margin (%)	36.3%	34.0%	-2.3 p.p.
Non-recurring items	41.8	78.9	88.7%
Restructuring and MP 936	19.8	(7.1)	N.A.
Consulting & Others	22.0	6.6	-70.0%
Discounts from laws and injunctions on Revenue	-	79.3	N.A.
Adjusted EBITDA	343.9	411.0	19.5%
Adjusted EBITDA margin (%)	41.3%	38.9%	-2.3 p.p.



In 3Q20, the Company's **consolidated EBITDA** totaled R\$332.2 million, 10% up YoY, resulting from the following factors:

- Solid growth of the Company's growth levers, namely digital learning and medicine, which more than offset the drop in FIES;
- Cost and expenses efficiency (ex-acquisitions);
- A positive R\$43 million contribution from acquisitions;
- Negative R\$79.3 million effect on on-campus segment revenue in 3Q20.

Excluding non-recurring items and the R\$79.3 million impact on net revenue from discounts granted by laws and court decisions, **adjusted EBITDA** would have reached R\$ 411.0 million in the quarter, up by 19.5% vs. 3Q19. **Adjusted EBITDA margin** would have reached 38.9%, down by 2.3 p.p. vs. 3Q19 due to the period's acquisitions, that still do not include all expected synergies.

FINANCIAL RESULT AND NET INCOME

(R\$ million)	3Q19	3Q20	Δ %
EBITDA	302.1	332.2	10.0%
Financial Result	(53.0)	(86.9)	63.9%
Financial Revenue	28.9	72.2	149.6%
Fines and interest charged	11.3	16.8	48.7%
Investment revenue	12.6	9.6	-24.1%
Active Exchange Variation - SWAP	-	36.4	N.A.
Inflation adjustment Others	4.7	5.0	7.0%
Others	0.4	4.4	1095.4%
Financial Expenses	(81.9)	(159.1)	94.2%
Interest and financial charges	(23.0)	(40.2)	74.5%
Financial discounts	(41.2)	(33.6)	-18.5%
Bank expenses	(7.5)	(2.5)	-66.7%
Passive Exchange Variation - SWAP	-	(40.8)	N.A.
interest on leasing	(14.3)	(30.7)	114.4%
Others	4.2	(11.3)	N.A.
(+) Depreciation and amortization	(98.5)	(146.3)	48.5%
Profit before tax	150.5	98.9	-34.3%
Income tax	2.1	9.9	363.6%
Social contribution	(0.1)	3.7	N.A.
Net Income	152.5	112.5	-26.3%
Net Margin (%)	18.3%	11.5%	-6.8 p.p.
Adjusted Net Income⁽¹⁾	194.3	191.3	-1.5%
Adjusted Net Margin (%)	23.3%	18.1%	-5.2 p.p.

In 3Q20, financial result was at a worse level when compared to the same period the previous year due an increase in interests and fees of loans raised in past quarters and the effect of leasing (IFRS-16), which increases due to recent acquisitions.

The change in the level of financial expenses is due to the loans issued to finance recent acquisitions and to strengthen the Company's solid cash position in times of uncertainties related to the Coronavirus crisis.

Net Income totaled R\$112.5 million (-26.3% YoY) in 3Q20. Despite the positive performance in EBITDA, income was impacted by the increase in depreciation and amortization due to acquisitions and the effect of IFRS 16 (-R\$32 million) in 3Q20.

Excluding non-recurring items impact in EBITDA, **adjusted Net Income** would have reached R\$191.3 million in the quarter, a decrease of 1.5% YoY.



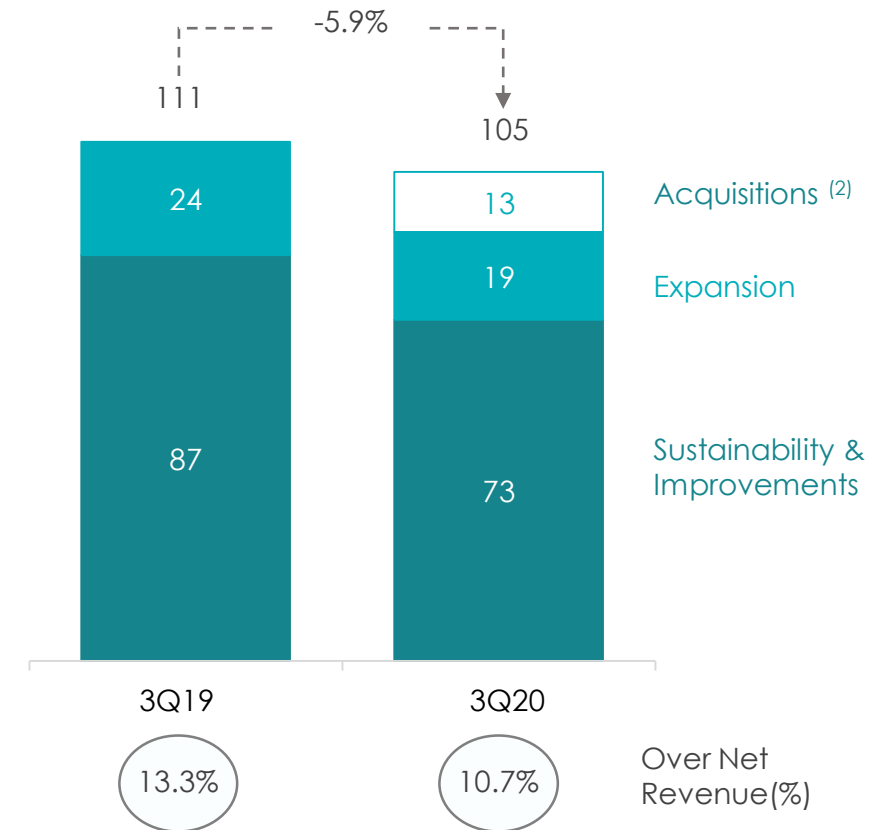
(1) Non-recurring itens detailed in the EBITDA section.

(R\$ million)	3Q19	3Q20	Δ%
Total Capex	111.0	104.5	-5.9%
Sustainability & Improvements ⁽¹⁾	86.7	81.0	-6.6%
Expansion	24.3	23.5	-3.3%
Capex over Net Revenue			
Total Capex (%)	13.3%	10.7%	-2.6 p.p.
Sustainability & Improvements (%)	10.4%	8.3%	-2.1 p.p.
Total Capex Pro-forma (ex-acquisitions)	111.0	91.7	-17.4%

In 3Q20, **total CAPEX** was R\$104.5 million, a decrease of 5.9% versus 3Q19, mainly due to a reduction with **sustainability and improvements expenses** (-6.6% YoY), that accounted for 78% of total CAPEX and are expenses related to the maintenance of physical infrastructure, content licenses and production, including approximately R\$10 million in digital transformation investments. In proforma figures, total capex decreased 17.4% YoY, totaling R\$91.7 million in the quarter.

Investments related to expansion also decreased (-3.3% YoY) and are related to course maturity projects and new units, including medicine (*Mais Médicos*). Out of that amount, almost R\$5 million are related to medicine units.

CAPEX
(R\$ million)



(1) Includes transformational capital expenditure.

(2) Referring to the acquisitions of Adtalem and Athenas (from Aug/20)

(R\$ million)	3Q19	2Q20	3Q20
Monthly tuition fees received	1,097.6	1,496.4	1,464.5
Out-of-Pocket	524.2	1,015.4	855.6
Exchange Deals	27.4	24.7	16.9
PAR	214.8	186.6	192.6
DIS	331.3	269.7	373.1
CREDATHENAS	-	-	26.2
FIES	219.6	200.7	164.0
Other	201.8	210.5	250.0
Gross Accounts Receivable	1,519.1	1,907.5	1,878.5

Bad Debt	(497.3)	(664.5)	(683.9)
Out-of-Pocket ⁽¹⁾	(352.3)	(537.0)	(527.8)
PAR (50%)	(98.2)	(87.8)	(92.9) (a)
DIS (15%)	(46.9)	(39.7)	(48.5) (b)
CREDATHENAS	-	-	(14.7)
Amounts to be identified	(8.2)	(22.6)	(12.3)
Adjustment to presente value (APV)⁽²⁾	(36.4)	(27.6)	(27.2)
APV PAR	(25.3)	(17.9)	(15.3) (c)
APV DIS	(11.1)	(9.6)	(10.3) (d)
APV CREDATHENAS	-	-	(1.5)
Net Accounts Receivable	977.2	1,192.8	1,155.2

In 3Q20, **gross receivables** totaled R\$1,878.5 million, up by 23.7% versus 3Q19, mainly impacted by acquisitions. Excluding acquisitions, the increase would have been 4.5% YoY, totaling R\$1,587.4 million.

Net receivables came to R\$1,155.2 million, up by 18.2% versus 3Q19. In proforma figures (ex-acquisitions), net receivables came to R\$948.9 million, down by 2.9% YoY.

PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	3Q19	3Q20	3Q19	3Q20
Gross revenue paid in cash	15.2	11.3	8.4	11.0
Gross revenue paid in installments	27.3	10.6	100.1	122.9
Taxes – revenue deductions	(1.2)	(0.7)	(3.6)	(3.9)
Adjustment to Present Value (APV) ⁽²⁾	3.7	2.6 Δ(c)	(1.2)	(0.7) Δ(d)
Bad Debt – long term (50%)	(12.0)	(5.1) Δ(a)	(13.1)	(8.8) Δ(b)
Bad Debt non-renegotiated dropouts	(8.3)	(8.5)	(6.8)	(24.9)
Bad Debt of Net Revenue (%)	1.4%	0.5%	1.6%	0.9%



(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

				Pro-forma (ex-aquisições)	
(R\$ million)	3Q19	3Q20	Δ%	3Q20	Δ%
Consolidated Average Term of Receivables					
Net Accounts Receivable	977.2	1,155.2	18.2%	948.9	-2.9%
Net Revenue (LTM)	3,590.0	4,206.2	17.2%	3,429.5	-4.5%
Average Receivables Days	98	99	1.0%	100	2.0%
FIES Average Term of Receivables					
FIES Accounts Receivable	219.6	164.0	-25.3%	128.5	-41.5%
FIES Revenue (LTM)	781.4	632.3	-19.1%	480.2	-38.6%
FGEDUC deductions (LTM)	(64.0)	(56.4)	-11.9%	(39.0)	-39.1%
Taxes (LTM)	(28.6)	(24.9)	-13.0%	(17.6)	-38.4%
FIES Net Revenue (LTM)	688.8	551.0	-20.0%	423.6	-38.5%
FIES Average Receivables Days	115	107	-7.0%	109	-5.2%
Non-FIES Average Term of Receivables					
Accounts Receivable Non-FIES	757.6	991.1	30.8%	820.4	8.3%
Net Revenue Non-FIES (LTM)	2,901.2	3,655.2	26.0%	3,005.9	3.6%
Non-FIES Average Receivables Days	94	98	4.3%	98	4.3%

Consolidated ATR reached 99 days, up one day when compared to 3Q19, following the increase in net receivables.

FIES ATR totaled 107 days, a 7.0% decrease or 8 days over the same period of the previous year.

Ex-FIES ATR totaled 98 days in 3Q20, up by 4.3% over 3Q19.

Aging of Total Gross Accounts Receivable⁽¹⁾

Vertical Analysis

(R\$ million)	3Q19	3Q20	Δ%	3Q19 (%)	3Q20 (%)
FIES	219.6	164.0	-25.3%	14%	9%
Not yet due	760.3	994.6	30.8%	50%	53%
Overdue up to 30 days	109.9	111.9	1.8%	7%	6%
Overdue from 31 to 60 days	42.4	47.6	12.3%	3%	3%
Overdue from 61 to 90 days	15.9	28.7	80.0%	1%	2%
Overdue from 91 to 179 days	154.2	253.0	64.1%	10%	13%
Overdue more than 180 days	216.7	278.7	28.6%	14%	15%
Gross Accounts Receivable	1,519.1	1,878.5	23.7%	100%	100%

Aging of Agreements Receivable⁽²⁾

Vertical Analysis

(R\$ million)	3Q19	3Q20	Δ%	3Q19 (%)	3Q20 (%)
Not yet due	39.4	68.9	75.1%	47%	50%
Overdue up to 30 days	6.8	10.5	54.3%	8%	8%
Overdue from 31 to 60 days	4.2	4.5	7.8%	5%	3%
Overdue from 61 to 90 days	3.2	3.1	-5.0%	4%	2%
Overdue from 91 to 179 days	9.9	11.1	11.7%	12%	8%
Overdue more than 180 days	19.5	40.3	106.8%	23%	29%
Agreements Receivable	83.0	138.4	66.7%	100%	100%

FIES: Changes of Accounts Receivable

(R\$ million)	3Q19	3Q20	Δ%
Opening balance	150.9	190.1	26.0%
FIES Revenue	157.6	82.0	-48.0%
Transfer	(76.0)	(94.3)	24.1%
Provision for FIES	(14.5)	(7.0)	-52.1%
Loss	-	(23.7)	N.A
Closing balance	218.0	147.1	-32.5%

FIES: Changes of Accounts Receivable

(R\$ million)	3Q19	3Q20	Δ%
Opening balance	129.2	10.5	-91.8%
Transfer	76.0	94.3	24.1%
Payment of taxes	(10.1)	(9.2)	-8.9%
Buyback in auctions	(193.5)	(84.1)	-56.6%
Acquired	-	5.4	N.A
Closing balance	1.6	17.0	927.6%

CASH POSITION

(R\$ million)	3Q19	3Q20	Δ%
(-) Cash and cash equivalents [a]	(865.8)	(1,920.6)	121.8%
Gross debt [b]	1,918.8	4,702.6	145.1%
Loans	668.6	3,227.3	382.7%
Leasing	1,231.7	1,352.8	9.8%
Commitments payable (M&A)	18.5	122.4	561.8%
Net Debt [b+a]	1,053.0	2,782.0	164.2%
Net Debt (ex- IFRS16/EBITDA (12M) ⁽¹⁾	-0.2x	1.41x	-

Cash & cash equivalents totaled R\$1.920.6 million in 3Q20, up by 121.8% YoY, due to loans issued to finance the Company's recent acquisitions and to strengthen the Company's solid cash position in a moment of increased uncertainties brought by the COVID-19 crisis.

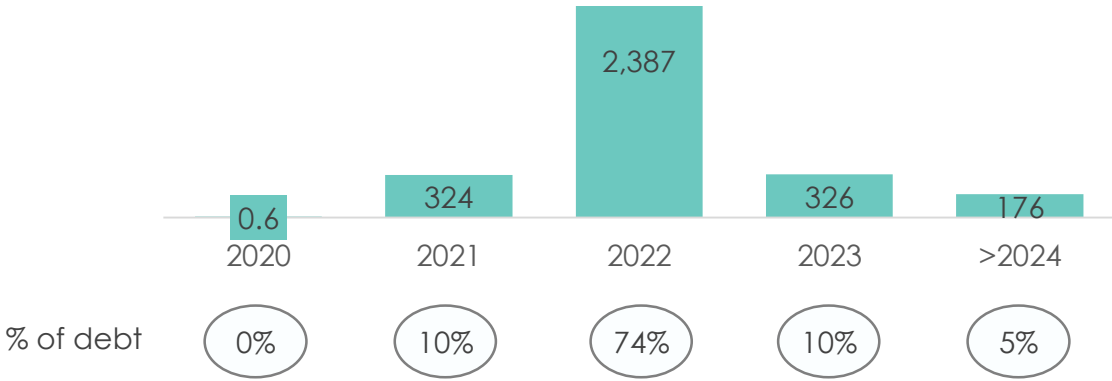
Gross debt (excluding leasing) ended the quarter at R\$3,349.7 million.

In 3Q20 excluding the leasing from gross debt, the **net debt/EBITDA ratio** was at 1.41x

DEBT

Debt Type (R\$ million)	Date of Issue	Due Date	Cost	Balance to pay (principal + interest)	% of total
Bond V (1ª series)	feb-19	feb-22	CDI + 0.59%	250.8	8%
Bond V (2ª series)	feb-19	feb-24	CDI + 0.79%	351.1	11%
Loans Citi (1ª series)	feb-20	feb-21	CDI + 0.60%	173.8	5%
Loans Citi (2ª series)	feb-20	feb-22	CDI + 0.70%	653.1	20%
Loans Santander	mar-20	mar-22	CDI + 1.09%	501.0	15%
Itaú Promissory Note (1ª series)	mar-20	mar-22	CDI + 2.50%	359.0	11%
FINEP	feb-15	jan-25	TJLP + 0.50%	2.6	0%
Loans Citi	apr-20	apr-22	CDI + 2.75%	75.9	2%
Loans Bradesco	apr-20	sep-22	CDI + 2.70%	360.2	11%
Loans Santander	sep-20	apr-21	CDI + 3.69%	101.1	3%
Loans Banco ABC	apr-20	apr-21	CDI + 3.85%	51.3	2%
Loans Banco Safra	jun-20	jun-22	CDI + 2.80%	202.7	6%
Loans Itaú	sep-20	apr-23	CDI + 2.70%	150.5	5%
Loans	-	-	CDI+1.62%	3,233.1	100%

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



(1) Excluding from gross debt the leasing values for IFRS-16; REPORTED EBITDA, accumulated in the last 12 months.

APPENDIX

YDUQS



DETAILS ON THE SEATS OFFERING IN MEDICAL SCHOOL

3Q20							Expectation in full potential ⁽¹⁾	
Unit	State	Type	Operation Start	Status	Authorized/Qualified seats p/y ⁽²⁾	Student Base ⁽³⁾	Authorized seats p/y ⁽²⁾	Student Base ⁽³⁾
Presidente Vargas	RJ	Organic	1998.2	Matured	240	1.564	240	1,728
João Uchoa/Città	RJ	Organic	2014.1	Matured	170	918	170	1,224
Juazeiro do Norte	CE	Organic	2000.1	Matured	100	679	100	720
Ribeirão Preto	SP	Organic	2015.1	In maturity	76	483	76	547
Facid	PI	Organic	2001	Matured	110	643	110	792
Alagoinhas	BA	MM I	2017.2	Em Maturação	65	199	165	1,188
Angra dos Reis	RJ	MM I	2018.1	Em Maturação	89	196	155	1,116
Jaraguá do Sul	SC	MM I	2018.1	Em Maturação	50	131	150	1,080
Juazeiro	BA	MM I	2018.1	Em Maturação	155	372	155	1,116
Canindé	CE	MM II	2020.2	Em Maturação	50	50	150	1,080
Cáceres	MT	MM II	2020.2	Em Maturação	50	50	50	360
Castanhal	PA	MM II	2021.1	Implementation phase (qualified)	50	-	150	1,080
Quixadá	CE	MM II	2021.1		50	-	150	1,080
Iguatu	CE	MM II	2021.2		50	-	150	1,080
Açailândia	MA	MM II	2021.1		50	-	150	1,080
Ji-Paraná	RO	MM II	2021.2		50	-	150	1,080
Total					1,405	5,285	2,271	16,351

In 3Q20, **Athenas group's incorporation was completed**, adding **50 medicine seats/year** to YDUQS's portfolio.

Canindé and Cáceres units, both under the Mais Médicos II program, **began student intake process**, both reaching a **student base of 50 students**, respectively.

The **Angra dos Reis** unit was granted authorization for **another 34 seats**, totaling 89 authorized seats per year.

Total medicine student base in 3Q20 came to **5,285 students**, a 32% growth versus the same period the previous year.

(1) Assuming expansion of maximum capacity of granted seats (+100 seats/year) for each one of the Mais Médicos units.
(2) Authorized seats do not include ProUni (+10%) and FIES (+10%) students.
(3) As for Student base, it considers ProUni, FIES and scholarships for Mais Médicos units.



INCOME STATEMENT BY BUSINESS UNIT: QUARTER

YDUQS
3Q20

In IFRS-16	On-Campus			Distance-Learning			Corporate			Consolidated		
(R\$ million)	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%	3Q19	3Q20	Δ%
Gross Revenues	1,170.3	1,415.9	21.0%	311.7	524.5	68.3%	-	-	-	1,482.1	1,940.4	30.9%
Deductions from Gross Revenue	(513.2)	(713.6)	39.0%	(135.7)	(250.5)	84.6%	-	-	-	(648.9)	(964.1)	48.6%
Net Revenues	657.1	702.3	6.9%	176.1	274.0	55.7%	-	-	-	833.1	976.3	17.2%
Cost of Services	(346.2)	(384.2)	11.0%	(23.2)	(50.0)	115.3%	-	-	-	(369.4)	(434.2)	17.5%
Personnel	(238.5)	(250.2)	4.9%	(10.7)	(14.3)	34.3%	-	-	-	(249.2)	(264.5)	6.1%
Rents, municipal property tax & other	(11.3)	(15.9)	41.5%	0.8	(0.1)	N.A.	-	-	-	(10.5)	(16.1)	53.1%
Third-party services and Others	(24.6)	(21.9)	-10.8%	(12.4)	(32.6)	162.8%	-	-	-	(37.0)	(54.5)	47.4%
Depreciation and amortization	(71.9)	(96.2)	33.9%	(0.9)	(2.9)	226.0%	-	-	-	(72.7)	(99.1)	36.2%
Gross Profit	310.9	318.1	2.3%	152.9	224.1	46.6%	-	-	-	463.7	542.2	16.9%
Gross Margin	47.3%	45.3%	-2.0 p.p.	86.8%	81.8%	-5.1 p.p.	-	-	-	55.7%	55.5%	-0.1 p.p.
Selling and G&A Expenses	(80.0)	(121.1)	51.4%	(17.2)	(35.0)	103.0%	(163.0)	(200.3)	22.9%	(260.2)	(356.3)	37.0%
Personnel	(2.3)	(13.3)	480.5%	(3.7)	(6.2)	67.3%	(41.9)	(45.3)	8.3%	(47.8)	(64.8)	35.5%
Advertising	-	-	N.A	-	-	N.A	(66.0)	(82.6)	25.1%	(66.0)	(82.6)	25.1%
Bad Debt	(29.4)	(57.6)	95.5%	(9.1)	(20.9)	130.2%	-	-	N.A	(38.5)	(78.4)	103.7%
Other expenses	(44.0)	(38.4)	-12.8%	(3.9)	(7.0)	78.9%	(34.0)	(37.8)	11.1%	(82.0)	(83.2)	1.5%
Depreciation and amortization	(4.2)	(11.8)	180.5%	(0.5)	(0.8)	63.6%	(21.1)	(34.5)	64.0%	(25.8)	(47.2)	83.0%
Operating Profit	230.9	197.0	-14.7%	135.6	189.1	39.4%	(163.0)	(200.3)	22.9%	203.6	185.8	-8.7%
Operating Margin(%)	35.1%	28.1%	-7.1 p.p.	77.0%	69.0%	-8.0 p.p.	-	-	N.A	24.4%	19.0%	-5.4 p.p.
Reported EBITDA	307.0	305.0	-0.6%	137.0	192.9	40.7%	(141.9)	(165.7)	16.8%	302.1	332.2	10.0%
EBITDA margin (%)	46.7%	43.4%	-3.3 p.p.	77.8%	70.4%	-7.5 p.p.	-	-	N.A	36.3%	34.0%	-2.3 p.p.



BALANCE SHEET

(R\$ million)	3Q19	2Q20	3Q20
Current Assets	1,664.5	3,047.2	2,994.1
Cash and cash equivalents	10.1	20.4	25.2
Marketable securities	855.7	1,887.0	1,895.4
Accounts receivable	714.6	955.8	873.3
Stock	-	1.3	1.2
Advances to employees/third-parties	6.3	6.1	5.9
Prepaid expenses	9.3	15.8	12.9
Taxes and contributions	57.2	105.0	114.6
Swap differential receivable	-	43.0	51.0
Others	11.4	12.8	14.5
Non-Current Assets	4,075.7	6,247.1	6,416.9
Long-Term Assets	729.4	927.9	985.4
Swap differential receivable long term	-	155.0	183.4
Accounts receivable	262.6	237.0	281.9
Prepaid expenses	4.7	5.9	4.2
Judicial deposits	79.3	96.9	91.6
Taxes and contributions	192.8	159.5	113.5
Taxes deferred	178.1	258.7	296.0
Others	11.9	14.9	14.8
Permanent Assets	3,346.4	5,319.2	5,431.4
Investments	0.2	0.3	0.3
Property and equipment	1,898.2	2,343.8	2,370.0
Intangible assets	1,447.9	2,975.0	3,061.1
Total Assets	5,740.2	9,294.3	9,411.0

(R\$ million)	3Q19	2Q20	3Q20
Current Liabilities	683.1	2,052.4	1,466.2
Loans and financing	67.0	852.5	341.9
Leasing	185.7	204.9	207.5
Suppliers	140.7	226.9	220.3
Swap to pay	-	44.0	52.5
Salaries and payroll charges	215.5	377.9	317.3
Tax liabilities	34.8	101.7	98.5
Prepaid monthly tuition fees	22.8	45.5	24.4
Advance of the current agreement	1.8	3.4	3.4
Taxes paid in installments	2.8	3.4	3.5
Acquisition price to be paid	3.3	30.9	31.7
Dividends Payable	0.0	153.5	153.5
Other liabilities	8.8	8.0	11.9
Long-Term Liabilities	1,865.1	4,042.8	4,623.6
Loans and Financing	601.6	2,376.7	2,885.5
Contingencies	126.5	210.2	210.4
Leasing	1,046.1	1,125.2	1,145.4
SWAP Differential Payable	-	163.7	195.9
Advance of agreement	15.6	26.4	25.5
Taxes paid in installments	5.8	10.1	13.5
Provision for asset demobilization	30.1	28.7	31.1
Deferred taxes	2.9	4.4	4.3
Acquisition price to be paid	15.2	75.9	90.7
Others	21.3	21.4	21.4
Shareholders' Equity	3,192.0	3,199.1	3,321.2
Capital	1,139.9	1,139.9	1,139.9
Share issue costs	(26.9)	(26.9)	(26.9)
Capital reserves	668.6	670.7	679.7
Earnings reserves	1,016.6	1,509.3	1,509.3
Period result	588.1	88.3	200.8
Treasury shares	(194.3)	(182.3)	(181.7)
Total Liabilities and Shareholders' Equity	5,740.2	9,294.3	9,411.0



CASH FLOW STATEMENT

(R\$ million)	3Q19	3Q20	Δ%	9M19	9M20	Δ%
Profit before taxes	150.5	98.9	-34.3%	597.3	175.2	-70.7%
Adjustments to reconcile profit	171.3	328.9	92.0%	655.0	1,068.0	63.1%
Result after reconciliation to net cash generated	321.8	427.8	32.9%	1,252.3	1,243.2	-0.7%
Changes in assets and liabilities	1.3	(142.3)	N.A.	(501.1)	(212.5)	-57.6%
Operating Cash Flow before Capex	323.1	285.5	-11.6%	751.2	1,030.7	37.2%
Acquisition of property and equipment	(59.7)	(32.1)	-46.2%	(131.3)	(114.4)	-12.9%
Acquisition of intangible assets	(51.4)	(72.4)	40.9%	(100.4)	(155.1)	54.5%
Cash flow from investment activities	(14.2)	(95.6)	574.5%	(31.1)	(1,836.7)	5805.3%
Operating Cash Flow after Capex	197.9	85.4	-56.8%	488.5	(1,075.4)	-320.2%
Cash flow from financing activities	(50.4)	(72.2)	43.2%	(440.7)	2,386.8	N.A.
Free Cash Flow	147.5	13.2	-91.1%	47.7	1,311.5	2648.2%
Cash at the beginning of the year	718.3	1,907.4	165.6%	818.0	609.1	-25.5%
Increase (decrease) in cash and cash equivalents	147.5	13.2	-91.1%	47.7	1,311.5	2648.2%
Cash at the end of the year	865.8	1,920.6	121.8%	865.8	1,920.6	121.8%
Adjusted EBITDA for Non-recurring items ⁽¹⁾	343.9	411.0	19.5%	1,070.6	1,088.4	1.7%
Adjusted Operating Cash Flow before Capex / Adjusted EBITDA	94.0%	69.5%	-24.5 p.p.	70.2%	94.7%	24.5 p.p.



(1) Non-recurring itens detailed in the EBITDA section.

OPERATIONAL DATA– Student base by brand



(‘000 students)

Total Base – 3Q20	655.9	78.8	4.2	7.8	746.7
On-Campus	277.7	47.4	4.2	7.8	337.1
Undergraduate	254.8	43.1	3.8	7.8	309.4
Out-of-pocket	227.2	31.4	3.5	7.8	269.6
FIES	20.3	11.7	0.3	-	32.3
PAR	7.2	-	-	-	7.2
Graduate	23.0	4.3	0.4	-	27.7
Distance-Learning	378.2	31.4	-	-	409.6
Undergraduate	330.6	9.2	-	-	339.8
100% online	265.4	9.2	-	-	274.6
Flex	65.2	-	-	-	65.2
Graduate	47.6	22.2	-	-	69.9
DIS	332.0	-	-	-	332.0
On-Campus	122.9	-	-	-	122.9
100% online	165.9	-	-	-	165.9
Flex	43.1	-	-	-	43.1



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