

YDUQS

Results Presentation

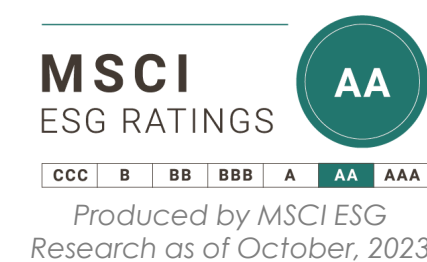
4Q23 & 2023

March 14th, 2024

YDUQ
B3 LISTED NM
IBRX100 B3

ITAG B3
IGC B3

ICO2 B3
IDIVERSA B3



Rio de Janeiro, March 14th, 2024 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil’s higher education private sector, presents its **results for 4Q23 and 2023**.

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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Year ended with **strong cash generation and net income, with EBITDA margin expansion**

VS
2022

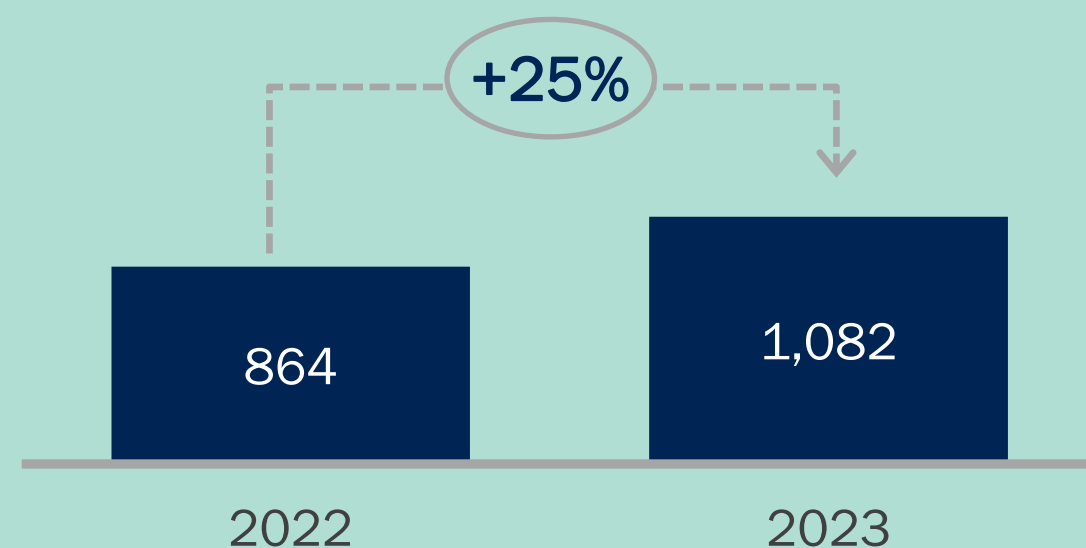
Net Revenue +13%

Adjusted EBITDA +18%

Adjusted EBITDA margin +1p.p.

Adjusted Net Income +R\$ 203MM

Operating Cash Flow (OCF)
(R\$ million)

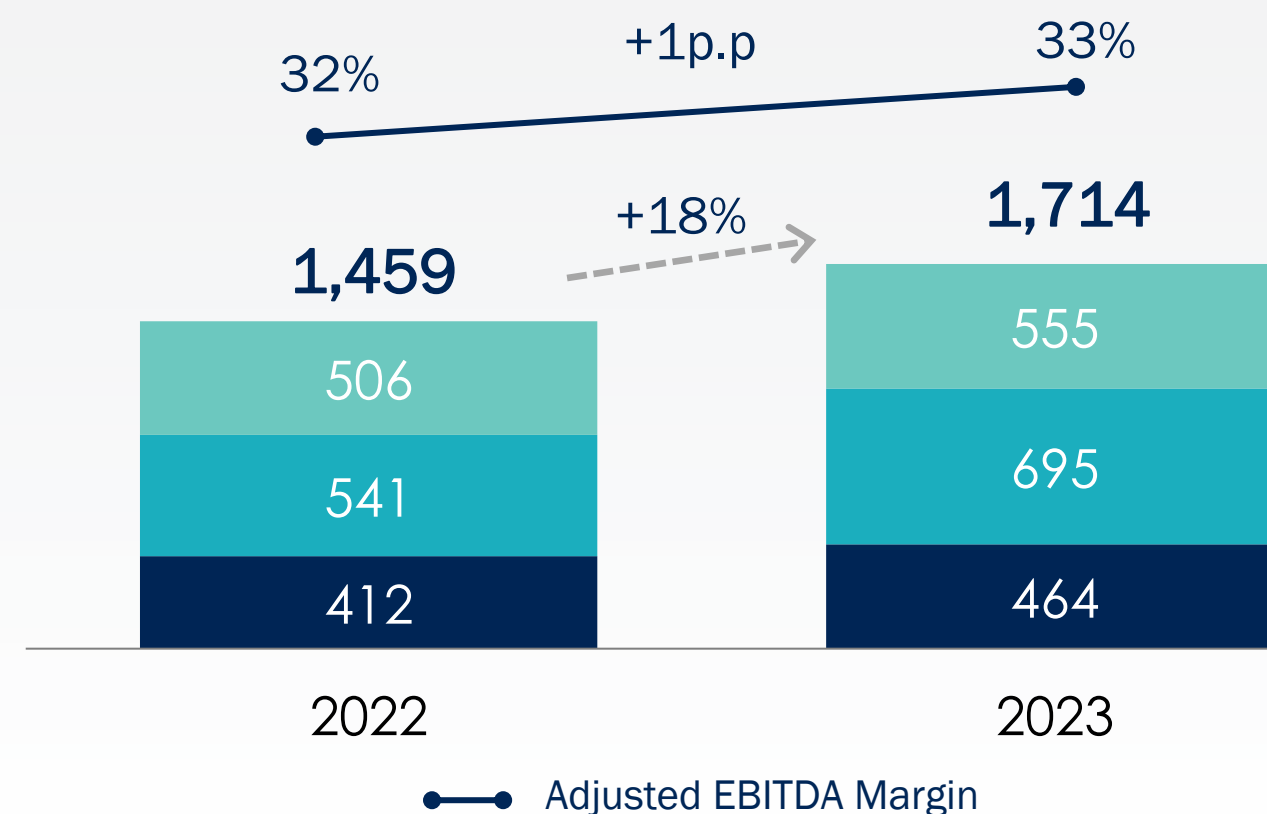


Reduction in cost of debt
and average term extended

CDI+1.35%
-0.61p.p. vs 3Q23

3.4 years
+1.5 year vs. 3Q23

Adjusted EBITDA
(R\$ million)



Growth in all
business units

Premium +10% vs 2022

Digital +28% vs 2022

On-campus +13% vs 2022

Guidance achieved

Digital Intake +29% vs. 4Q22

Guidance: between 10% and 20% vs 4Q22

Adjusted EBITDA +10% vs 4Q22

Guidance: between 5% and 15% vs 4Q22

Average Ticket

Upperclassmen of +1 year

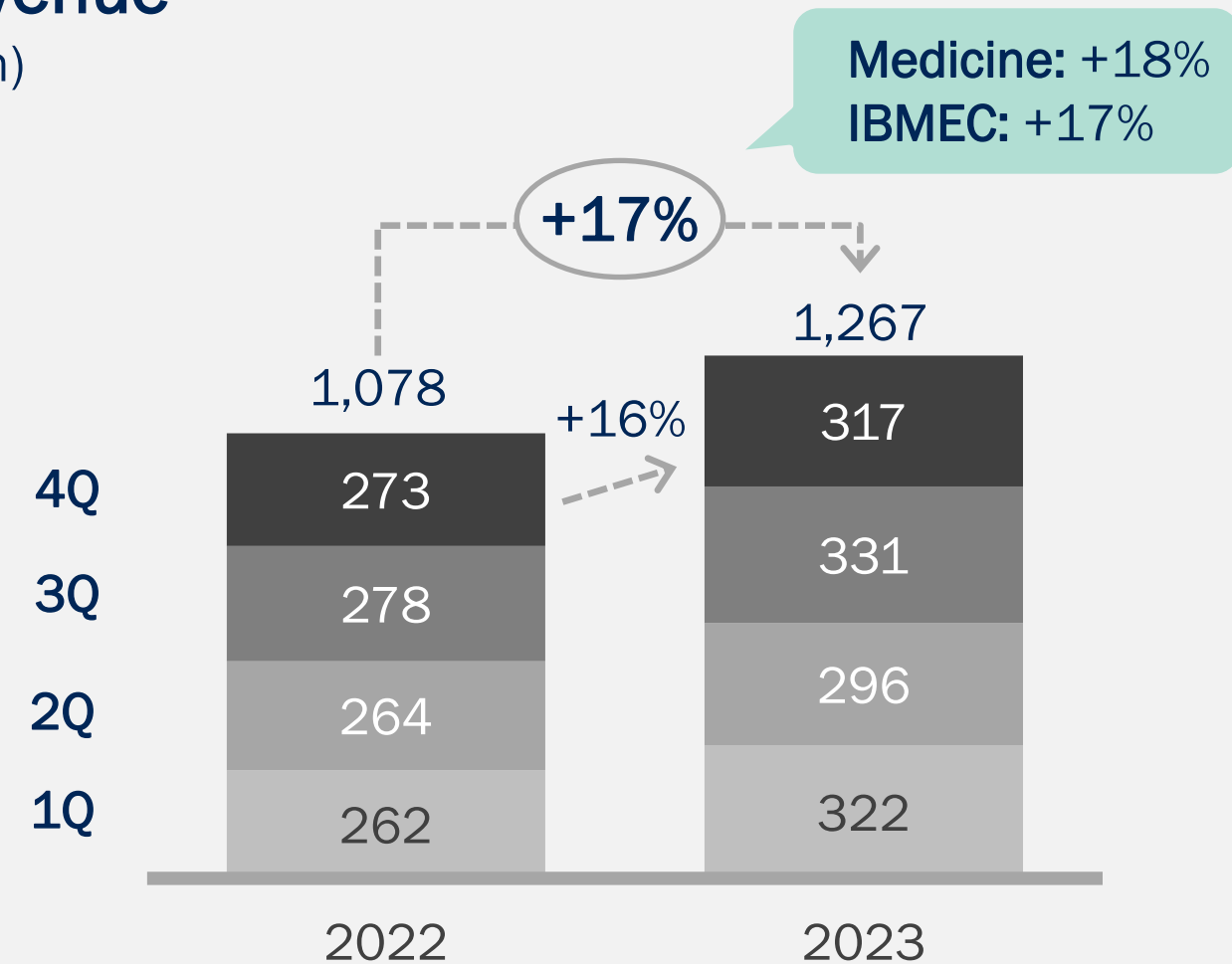
Medicine +10% vs 4Q22

Digital +11% vs 4Q22

On-campus +8% vs 4Q22

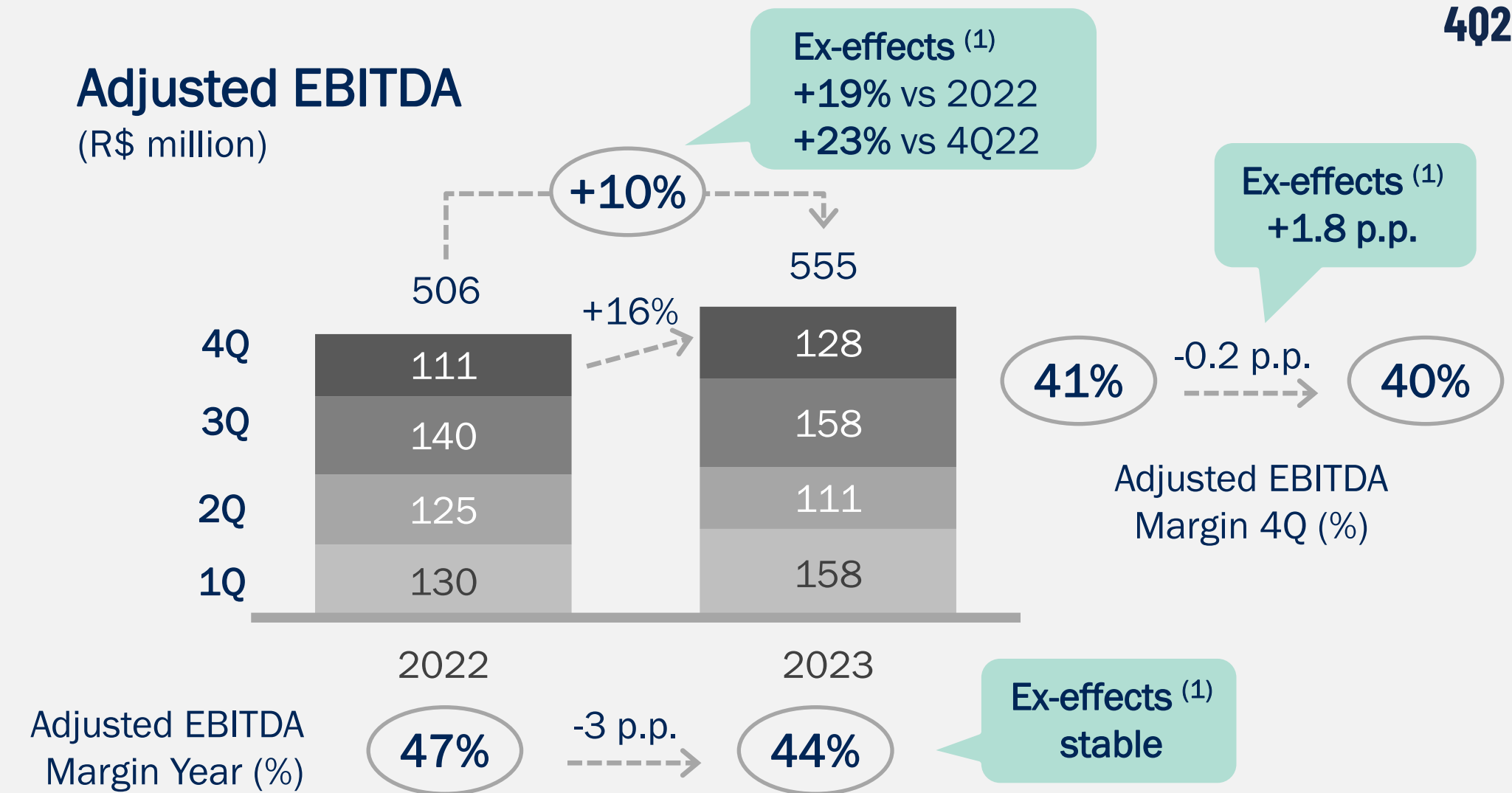
Net Revenue

(R\$ million)



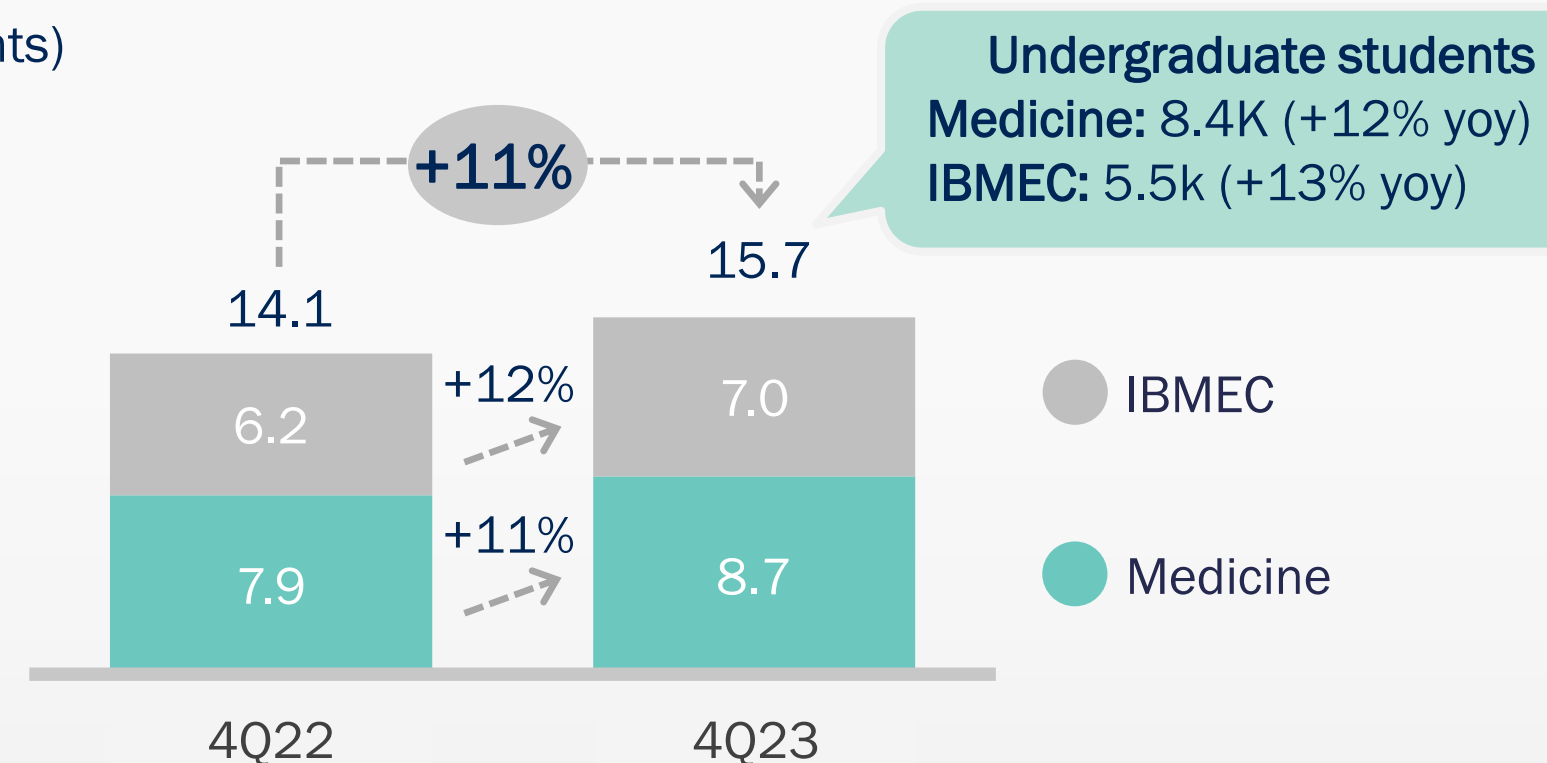
Adjusted EBITDA

(R\$ million)



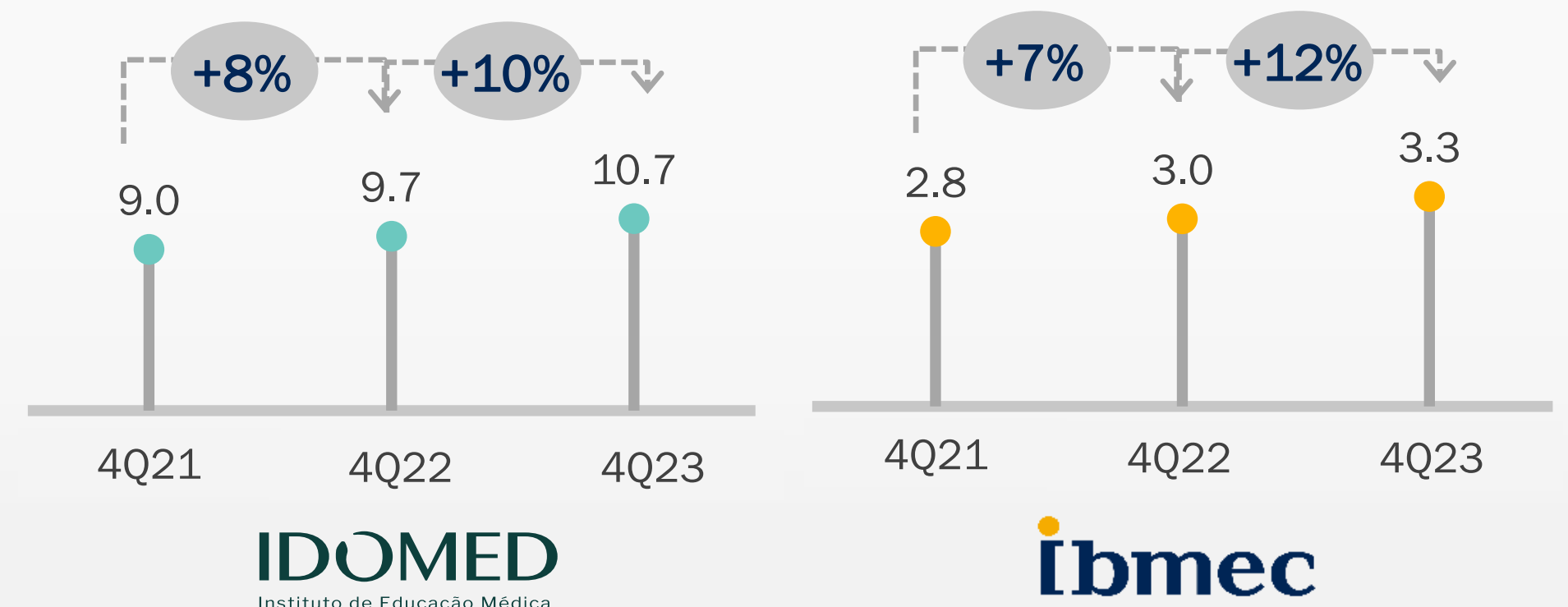
Total student base

(thousand students)



Undergraduate Average Ticket

(R\$ thousand/month; AT of upperclassmen of +1 yr)

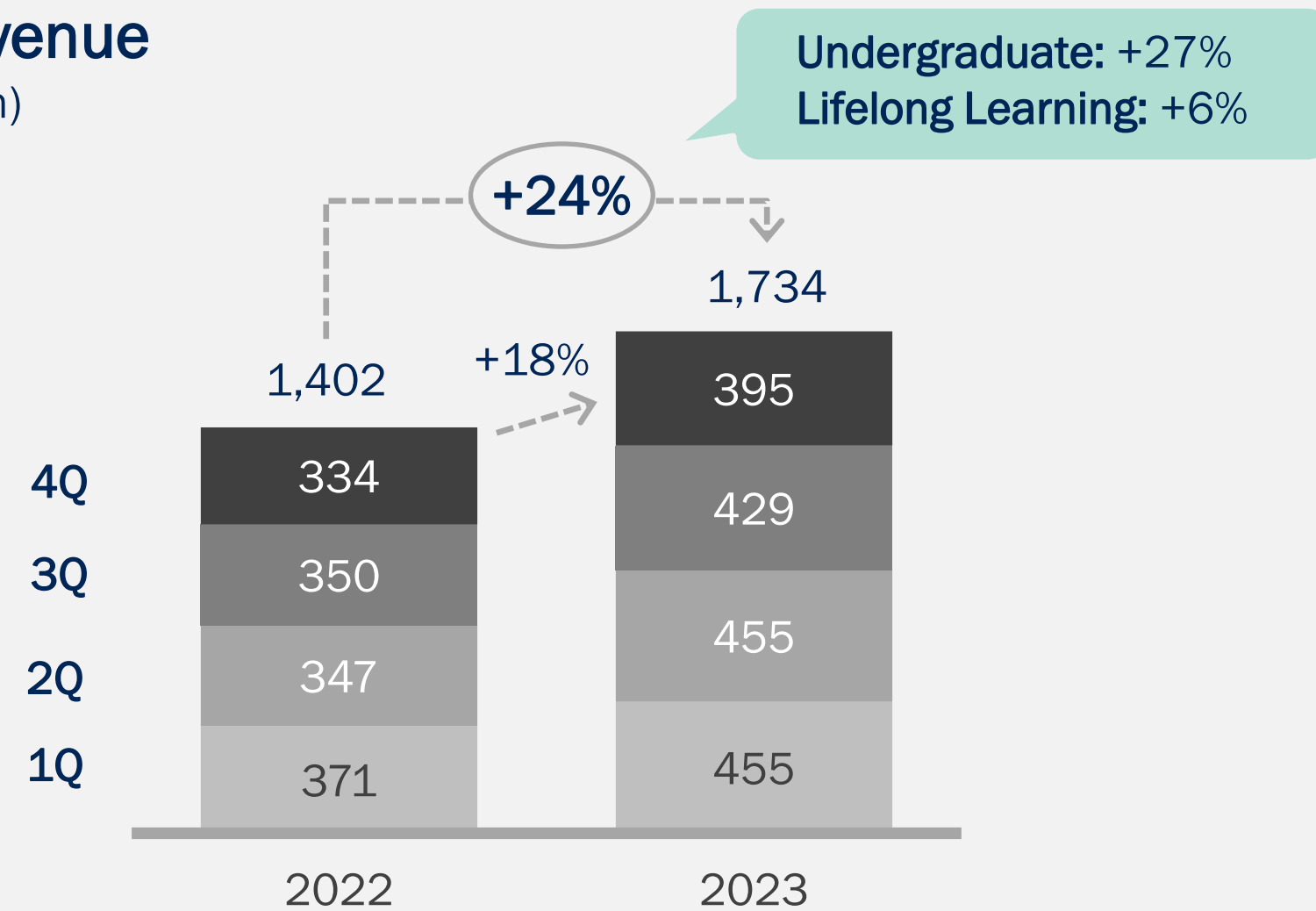


(1) Excluding the FG-Fies effect on revenue, and variable compensation effect on expenses.

Digital Learning | +29% increase in intake vs 4Q22

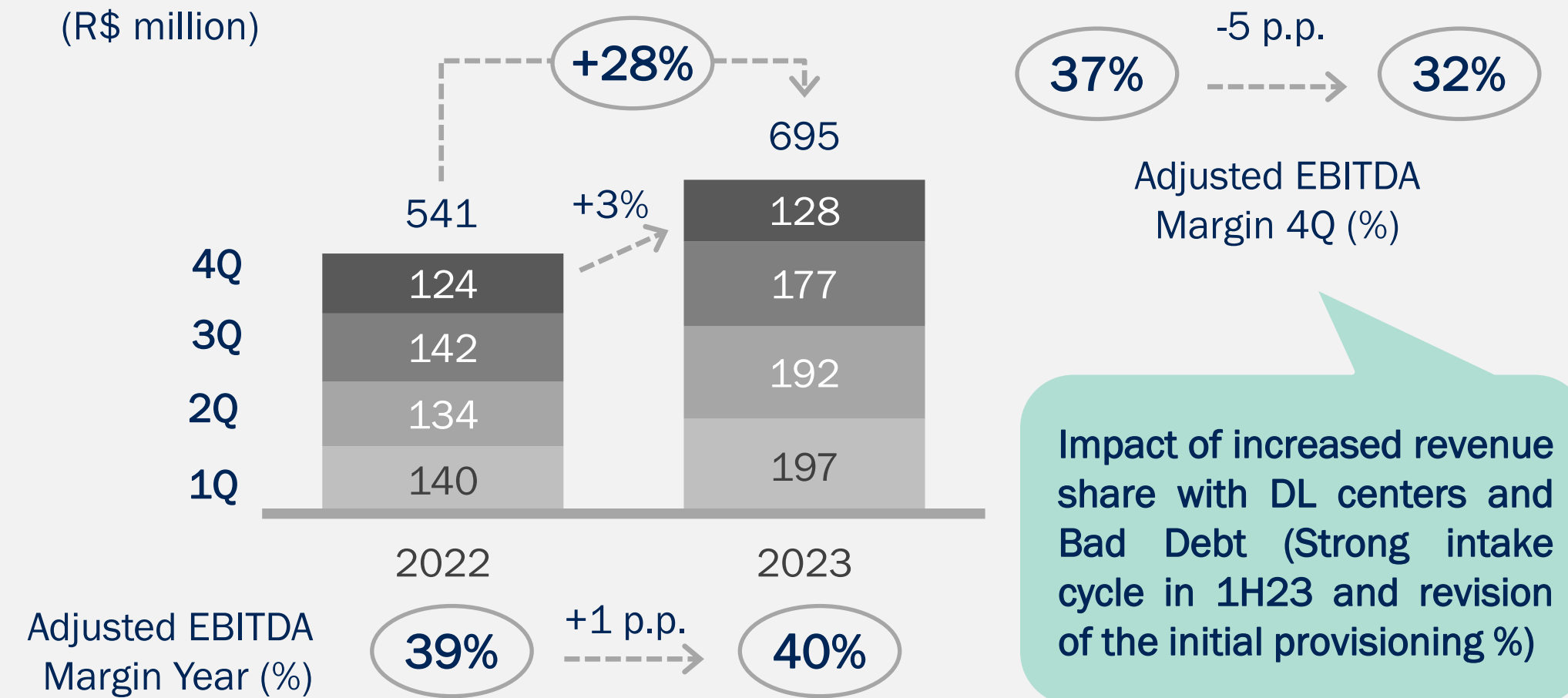
Net Revenue

(R\$ million)



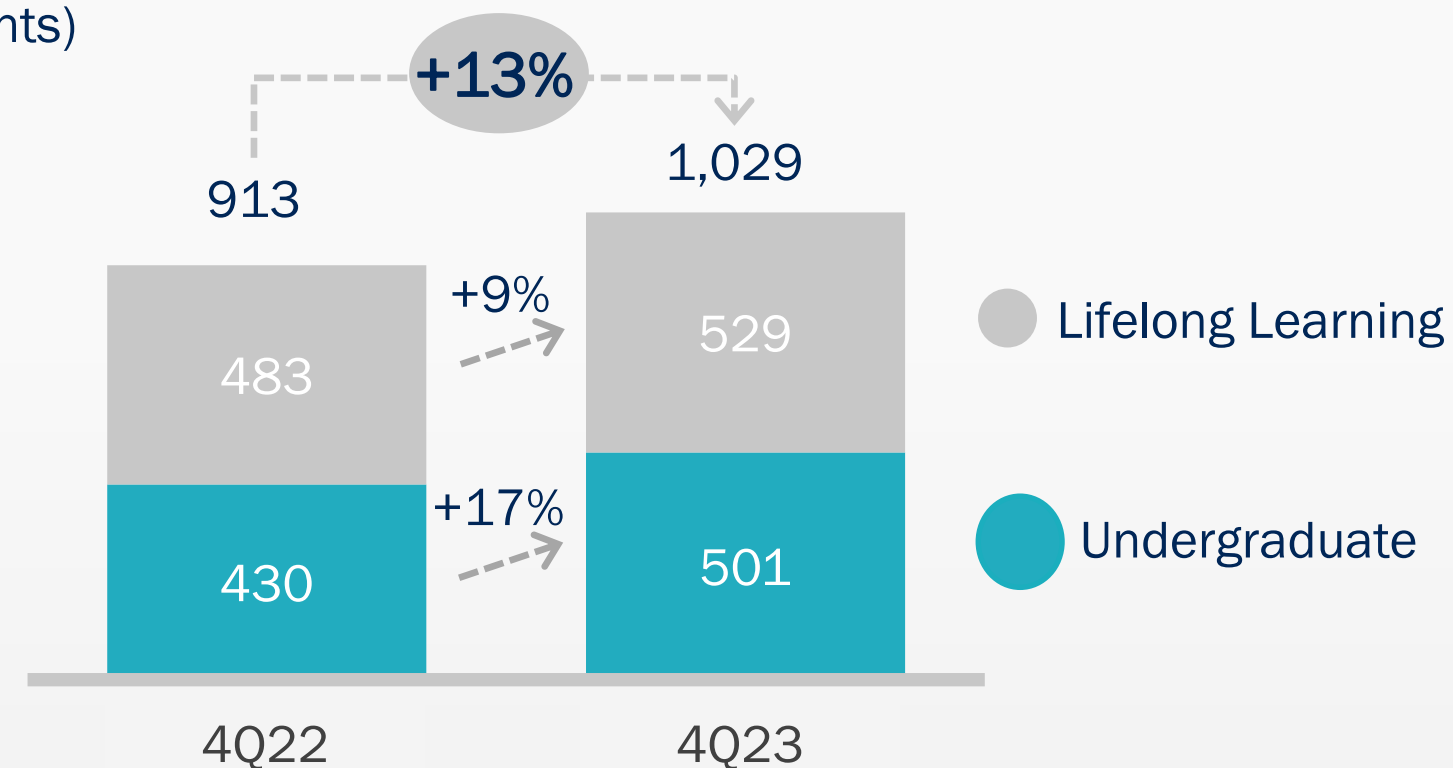
Adjusted EBITDA

(R\$ million)



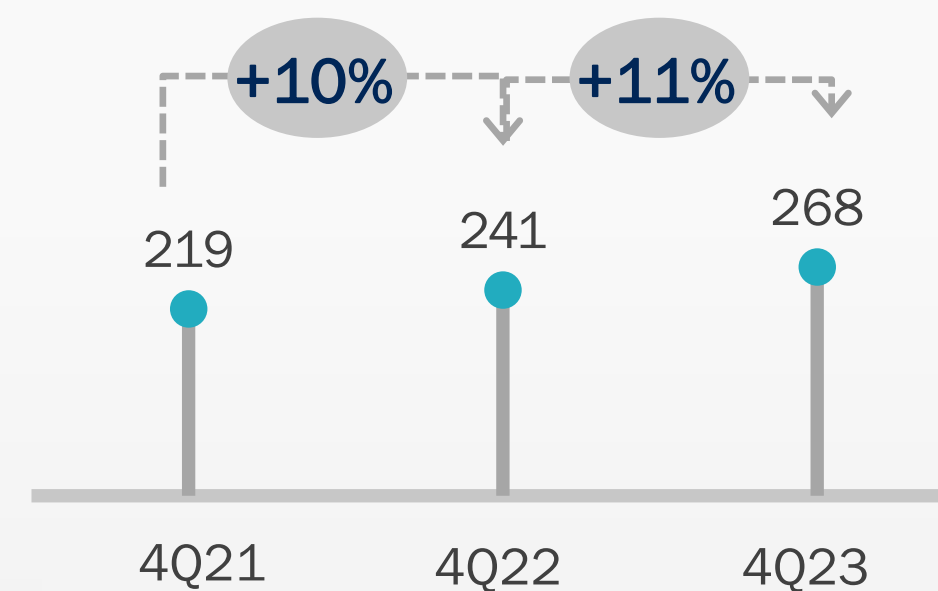
Total student base

(thousand students)



Undergraduate Average Ticket

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



Renewal at 65%

-2.9 p.p. vs 2022 ⁽¹⁾

4Q23 Intake

45K students

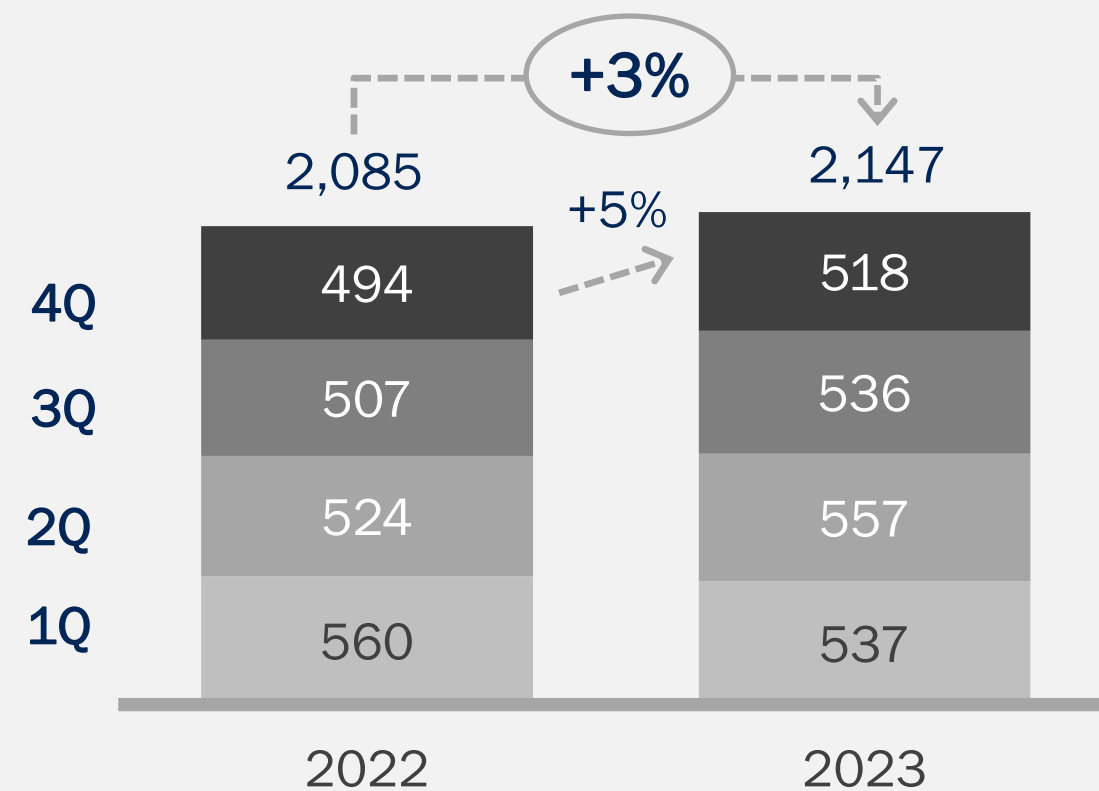
+29% vs 4Q22

Exceeding the guidance
(Between 10% and 20% vs 4Q22)

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

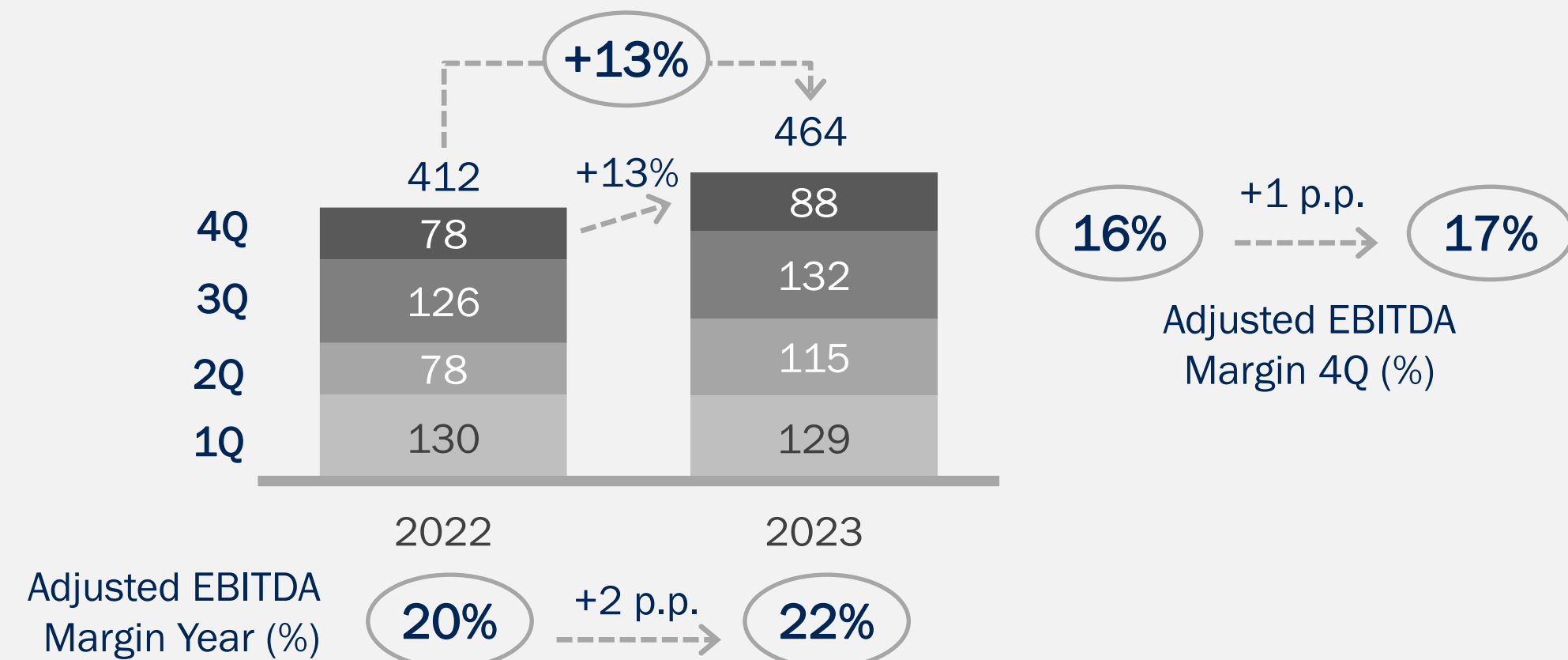
Net Revenue

(R\$ million)



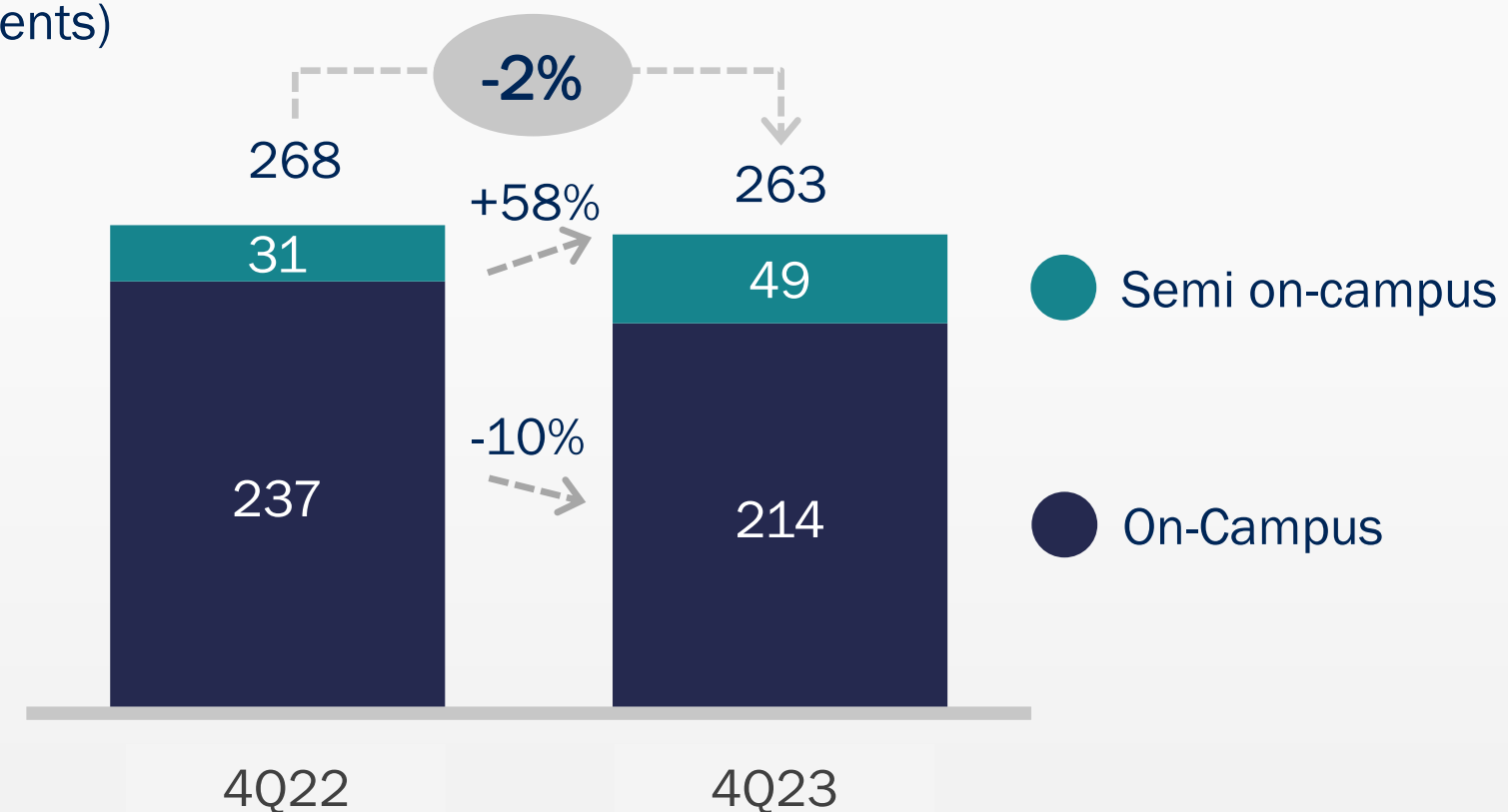
Adjusted EBITDA

(R\$ million)



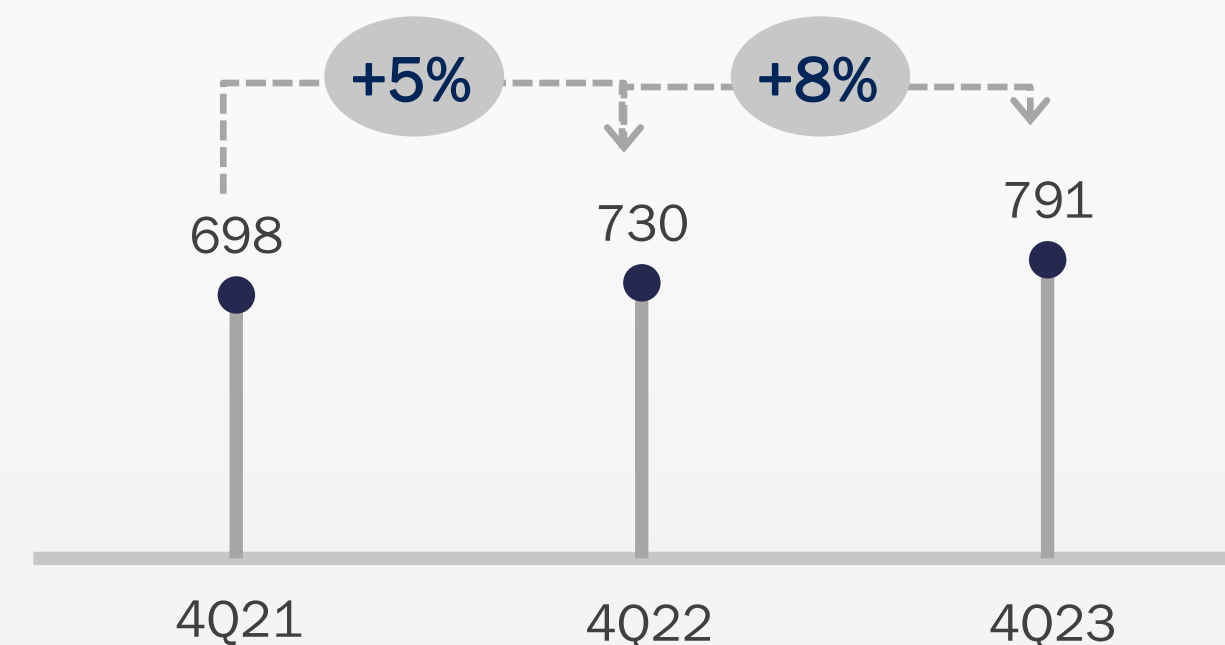
Total student base

(thousand students)



Undergraduate Average Ticket

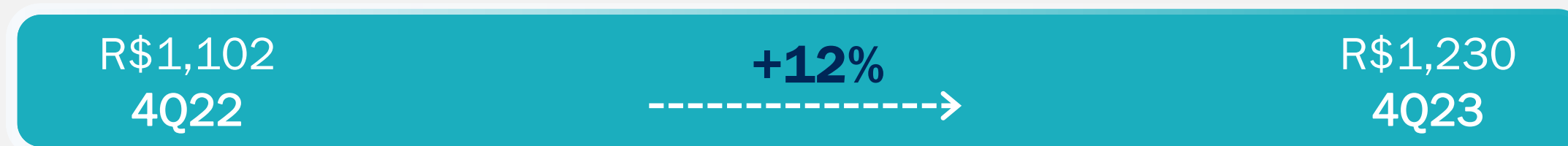
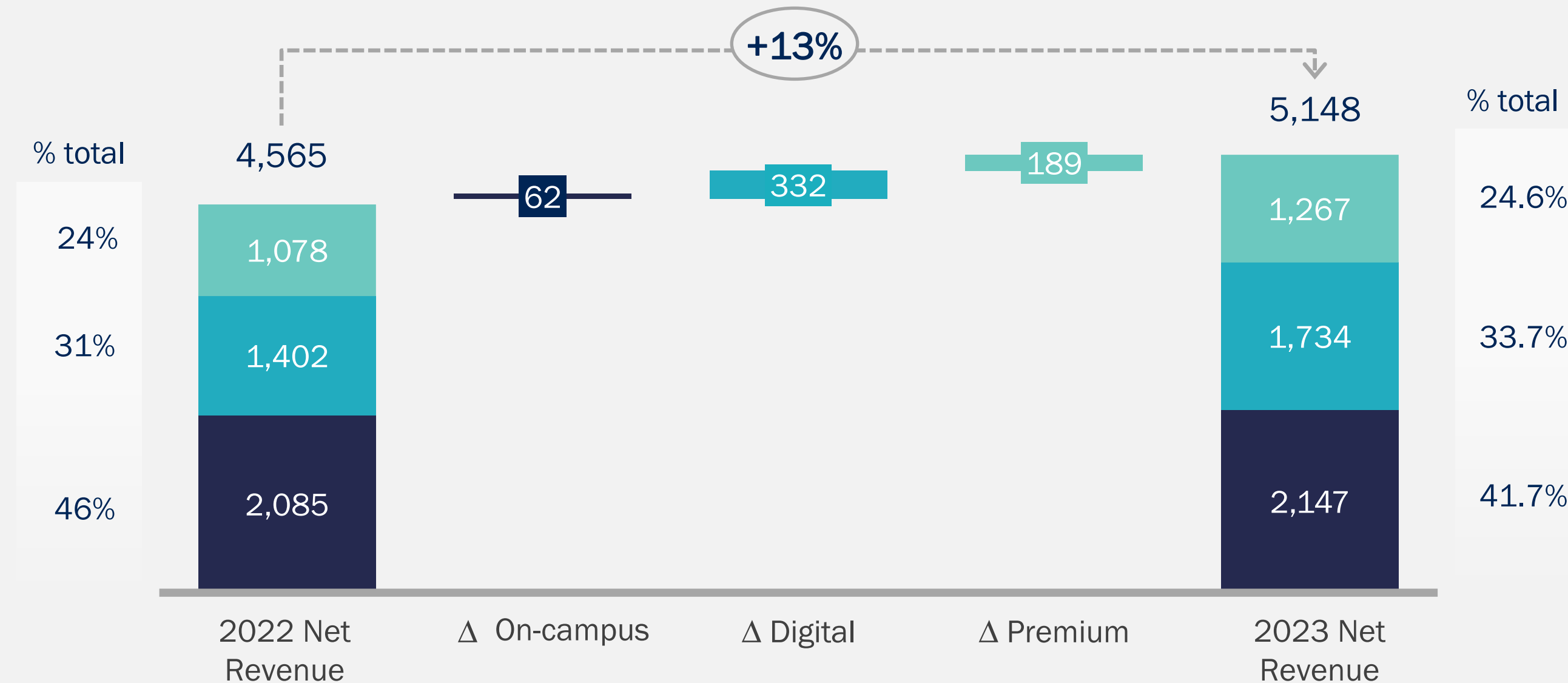
(R\$/month; AT of upperclassmen of +1 yr; ex-semi on-campus)



Renewal at 83%
-0.9 p.p. vs 2022

Total net revenue per business unit

(R\$ million)

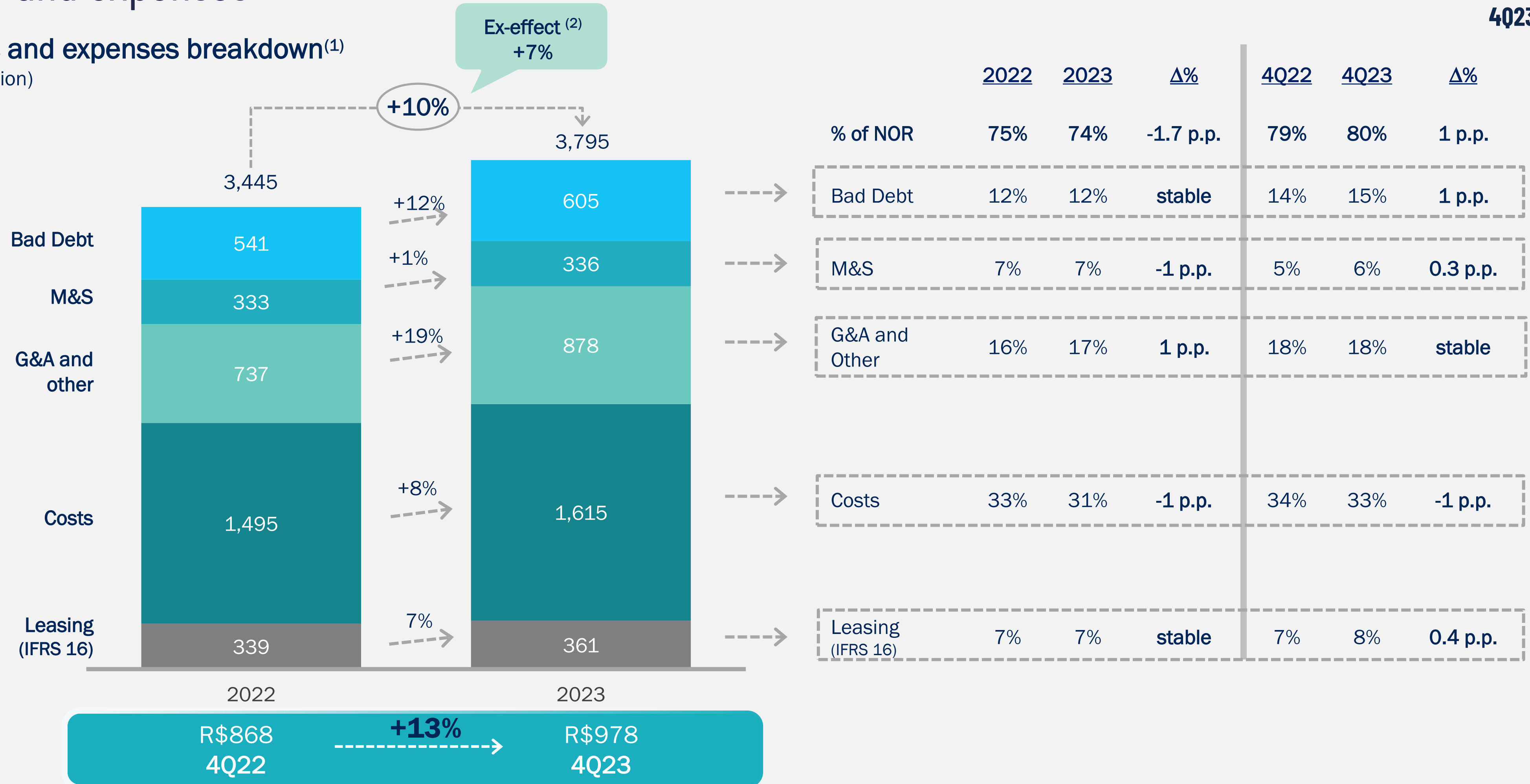


● Premium ● Digital ● On-campus

Premium and Digital
share in Net Operating Revenue
went from
22% (2018) → **58% (2023)**

Costs and expenses

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



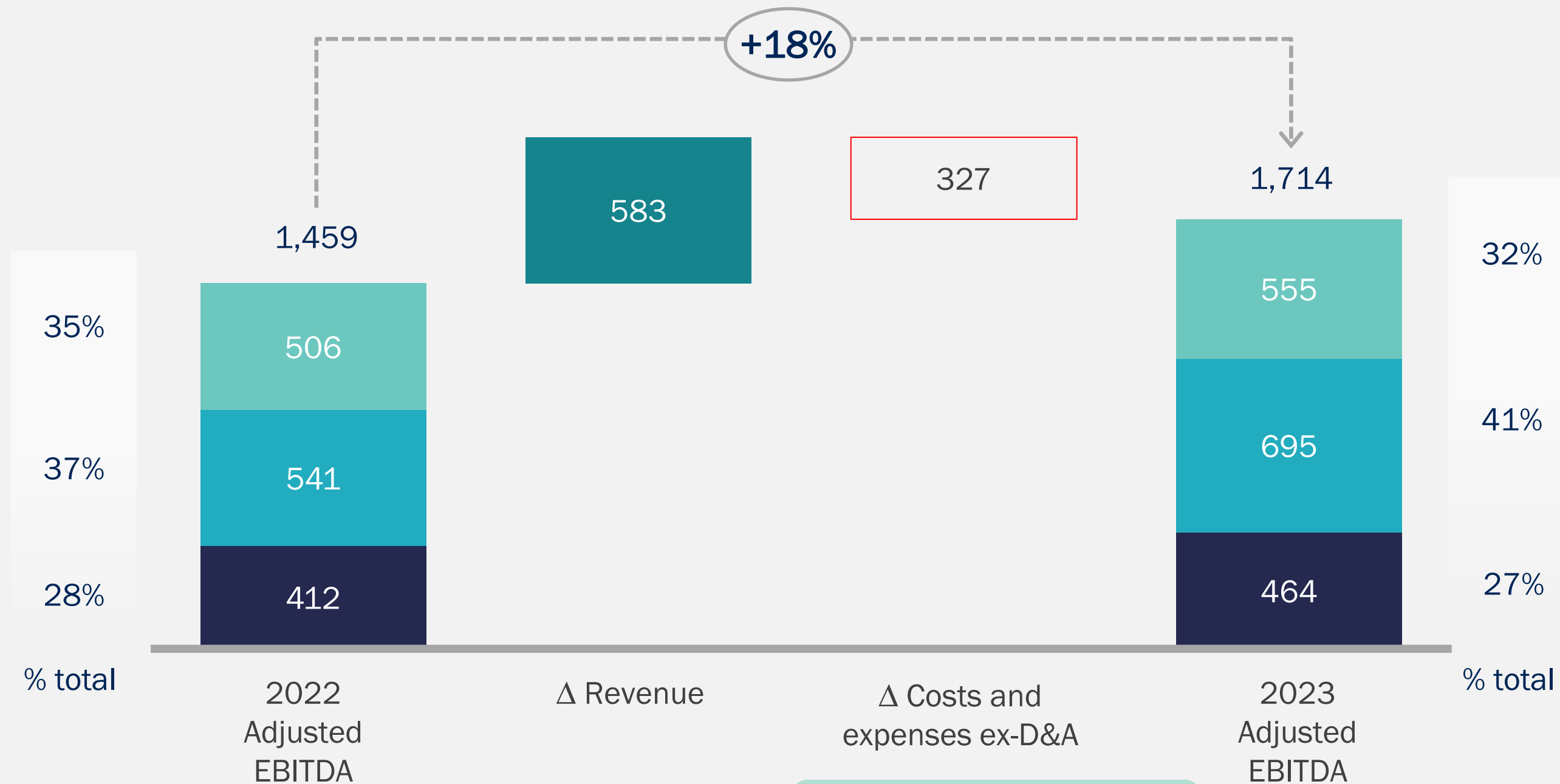
(1) Recurring Costs and Expenses (IFRS 16 and ex-D&A) | For comparison purposes: reclassification of expenses in 2022 between M&S and G&A expenses lines in the amount of R\$35 million.
 (2) Excluding the variable compensation effect.

EBITDA: Strong Operating Leverage leads the Company to achieve the Guidance

Adjusted EBITDA breakdown

(R\$ million)

● Premium ● Digital ● On-campus



Guidance between 5% and 15% achieved

4Q22
R\$314
28%

+10%
Margin

4Q23
R\$345
28%

Adjusted EBITDA Margin (%)

2022

2023

32%

+1 p.p.
----->

33%

Premium

47%

-3 p.p.
----->

44%

Digital

39%

+1 p.p.
----->

40%

On-Campus

20%

+2 p.p.
----->

22%

✓ **R\$1,353 million** adjusted EBITDA ex-IFRS16
(+21% vs 2022)

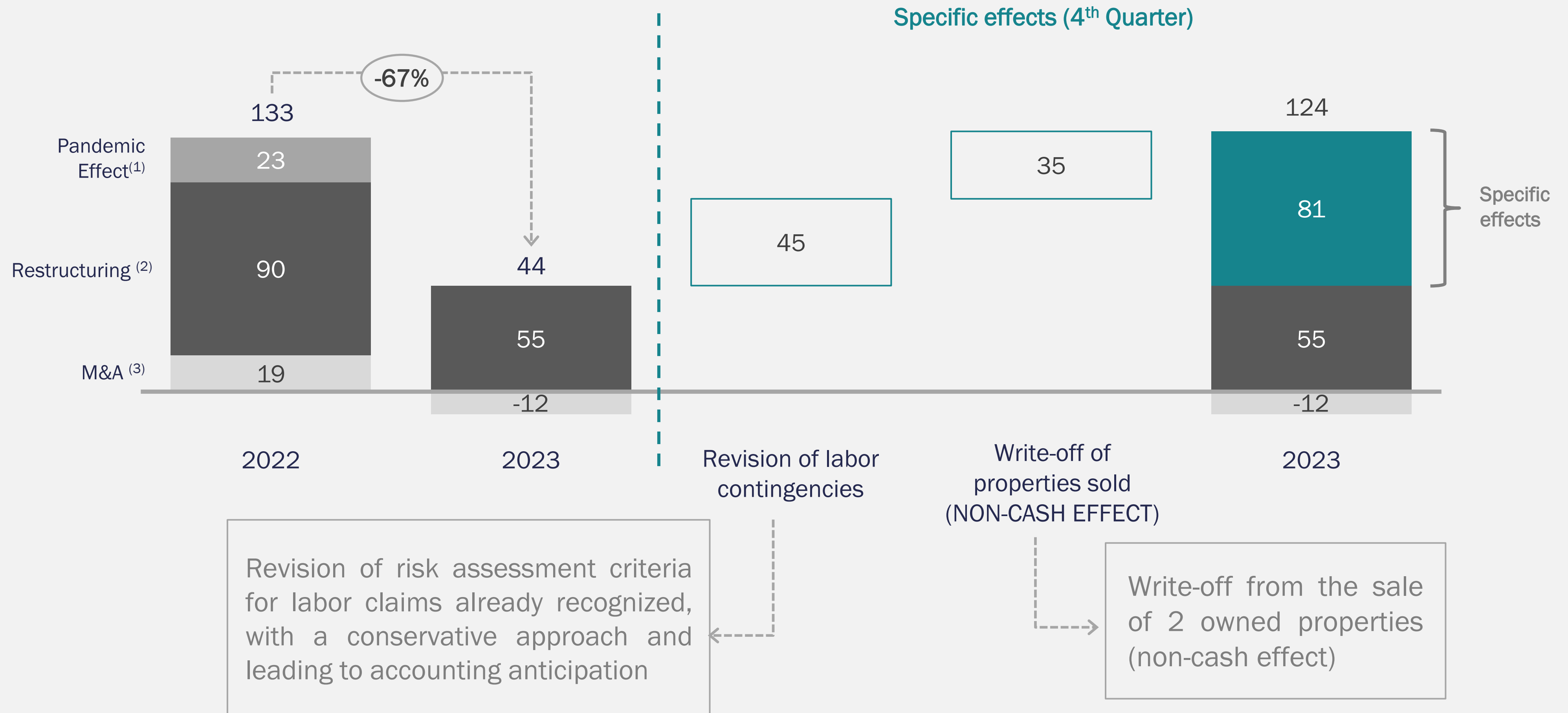
26% Adjusted EBITDA Margin ex-IFRS16
(+2 p.p vs 2022)

✓ **R\$1,590 million** EBITDA
(+20% vs 2022)

31% EBITDA Margin
(+2 p.p vs 2022)

Non-recurring effects

- amounts in R\$ million

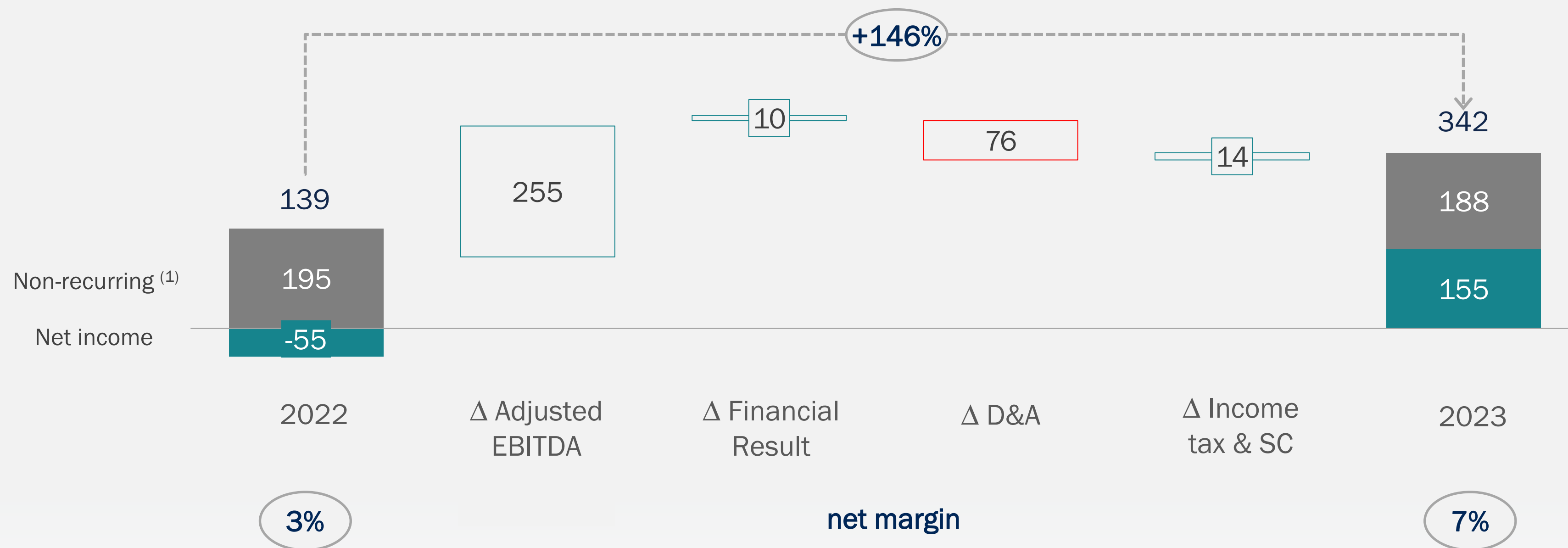


(1) Pandemic effect: Provision for medical students' delinquency in 2Q22 and FIES ceiling medical graduates in 4Q22 | (2) Faculty and administrative staff restructuring, contractual fines from the return of rented properties and others | (3) M&A: Expenses from past acquisitions, write-off of the difference in accounts receivable from past acquisitions and write-off of amounts payable from acquisitions.

Adjusted net income

Adjusted Net Income breakdown

(R\$ million)



-R\$8
4Q22

R\$12
4Q23

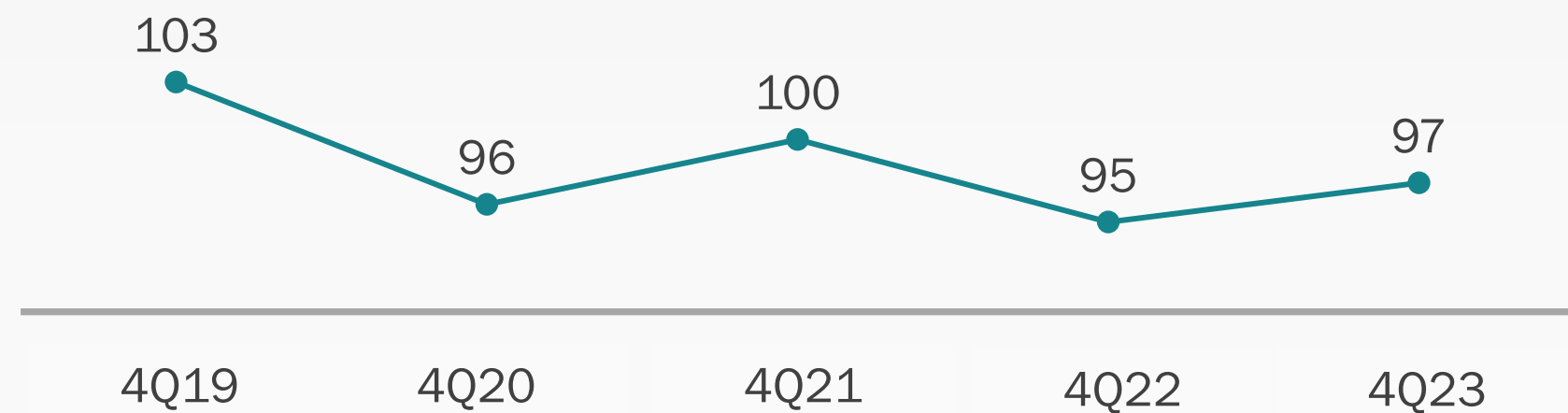
(1) Non-recurring effects that impact Net Income include non-recurring effects that impact EBITDA, amortization of goodwill from acquisitions and adjusted Income Tax and Social Contribution.

Strong cash generation

in R\$ million	4Q22	4Q23	Δ%	2022	2023	Δ%
EBITDA ex-IFRS 16	177	133	-25%	987	1,228	24%
Change in working capital	(29)	(33)	14%	(101)	(89)	-12%
Taxes (Income Tax/Social Contribution)	(1)	(16)	1700%	(22)	(57)	158%
Operating cash flow	147	84	-43%	864	1,082	25%
Capex	(159)	(135)	-15%	(492)	(470)	-4%
(=) Free cash flow	(12)	(51)	314%	373	612	64%
Interest ex-IFRS 16	(134)	(126)	-6%	(497)	(544)	9%
(=) Free Cash Flow to Equity	(147)	(177)	n.a.	(125)	67	n.a.
Operating Cash Conversion ⁽¹⁾	83%	63%	-20 p.p.	87.6%	88.1%	0.5 p.p.

Average Term of Receivables

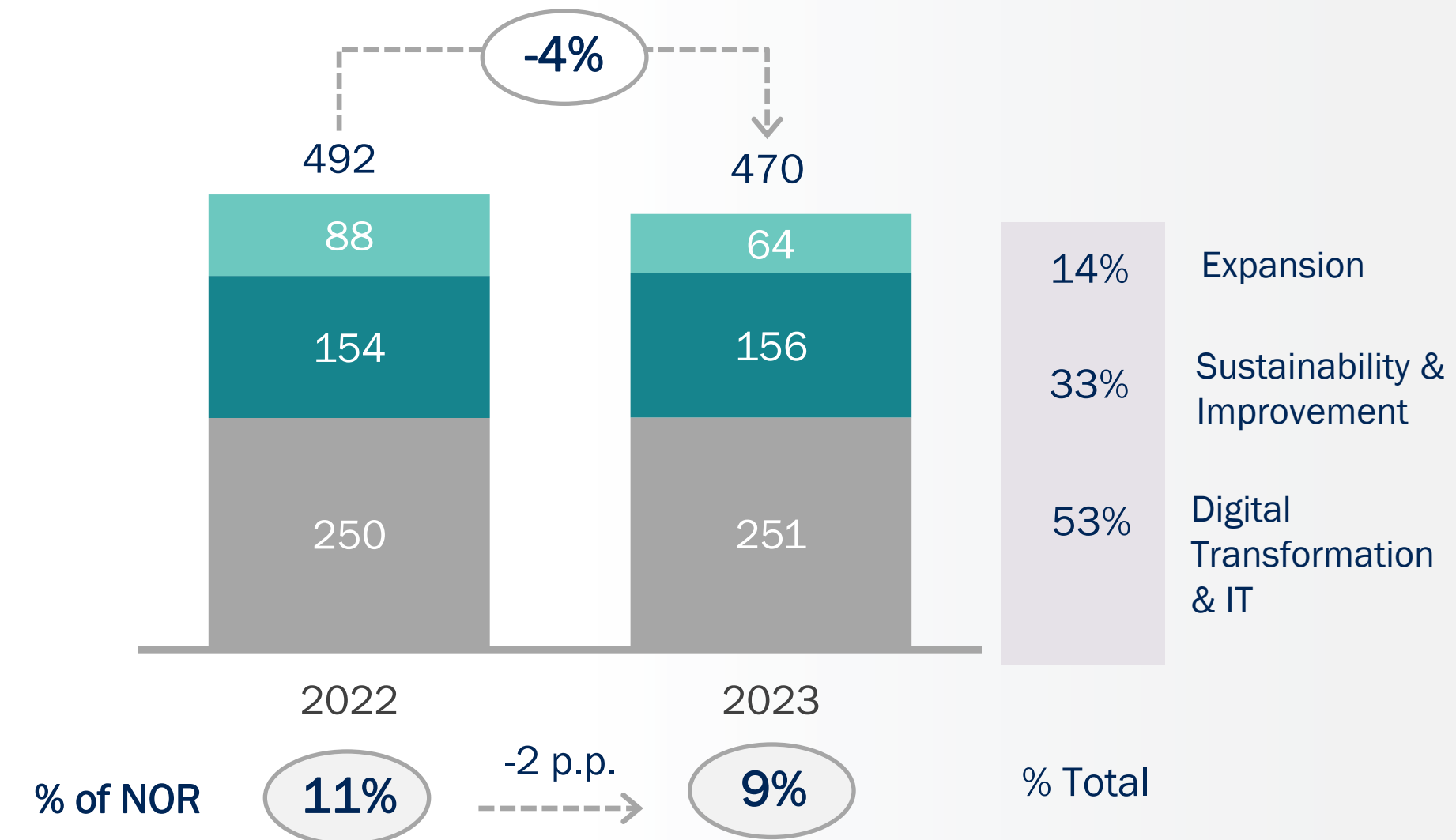
(ATR) (# days)



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

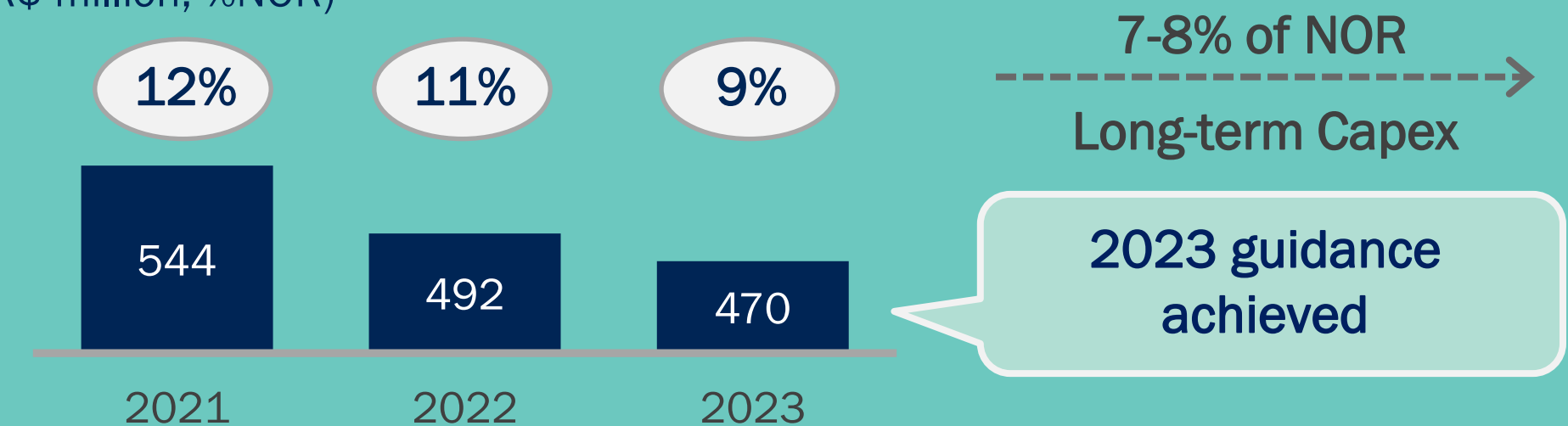
Capex

(R\$ million)

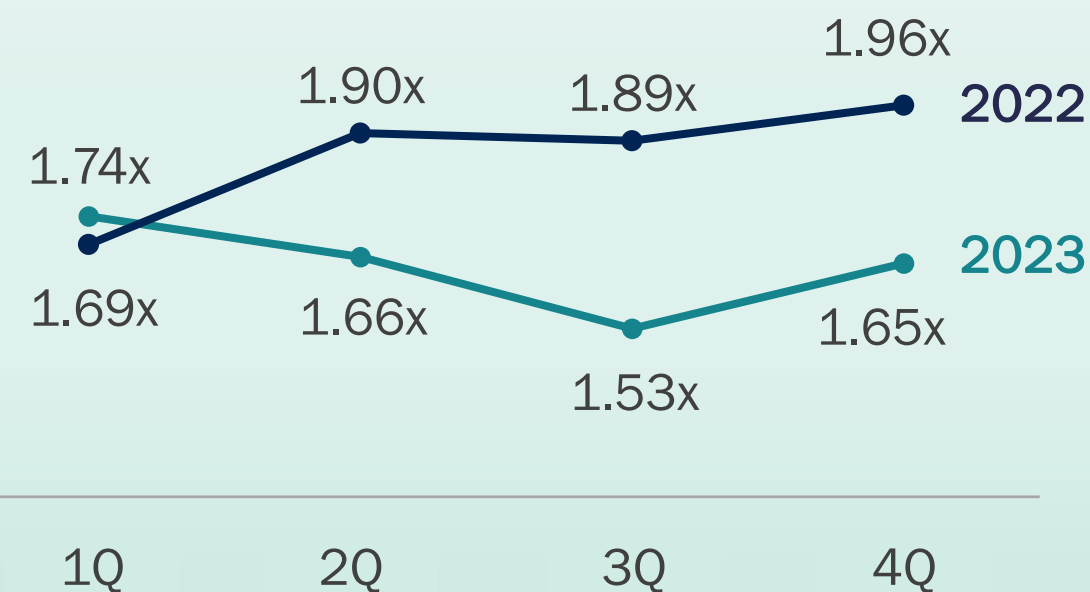


Capex in recent years

(R\$ million, %NOR)



Leverage Ratio⁽¹⁾ Reduction vs 2022



Average cost of debt⁽³⁾
CDI + 1.35%
Reduction of 0.61 p.p. vs 3Q23

R\$917 million

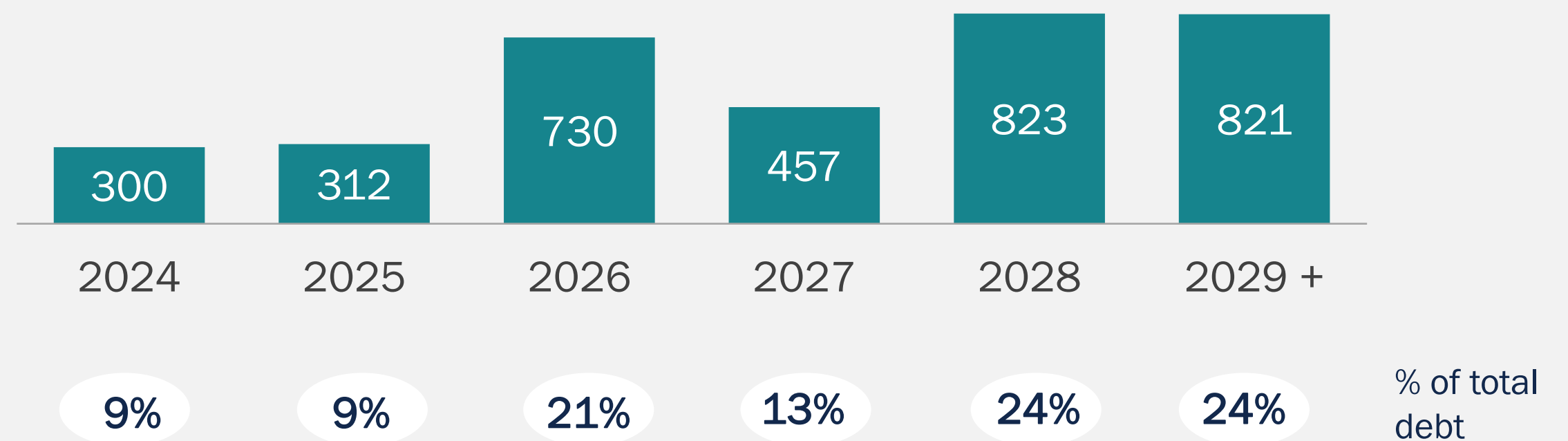
Cash and cash equivalents
After Dec/Jan⁽²⁾ transaction

R\$2.8 billion

Net Debt ex-IFRS 16

Debt amortization schedule ⁽³⁾

(R\$ million; principal amount only)



Subsequent facts

[January 2024] Debt extension with Banco Citibank, in the amount of USD 44 million (R\$218.4 million), at CDI+1.5% yoy, with maturity in 2 years. Debt settlement in December and new issue on 01.30.2024.

[February 2024] The Board approved in the minutes the 10th debenture issue in the amount of R\$1.1 billion, in two series, maturing in 5 and 7 years, at a maximum rate of CDI+1.25%yoy, and CDI+1.45%yoy, respectively, reducing the cost of the company's total debt to CDI+ 1.35%yoy.

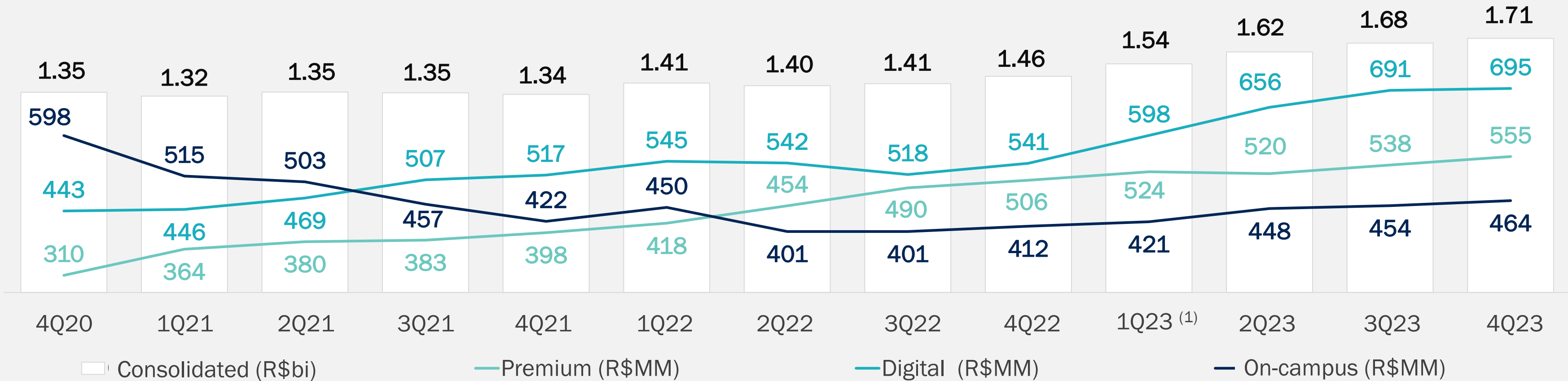
(1) Leverage Ratio = Net Debt ex-IFRS 16/ Adjusted EBITDA (LTM, considering IFRS 16).

(2) Considering debt extension (Citi 4131) in the amount of USD 44 million, as approved in the board meeting on December 15th, 2023. Cash in Dec/2023 closed at R\$698 million.

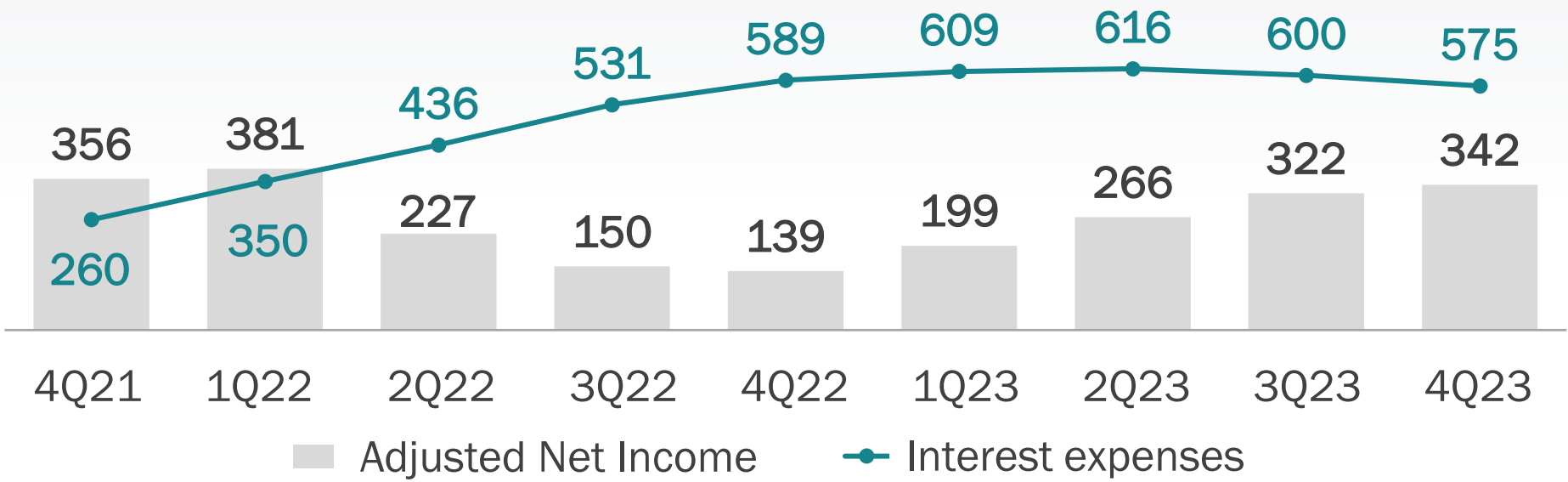
(3) Considering the 10th debenture issue in the amount of R\$1.1 billion, and also considering the amortization of debenture V, in the amount of R\$175 million in February, 2024.

After showing resilience through several crisis, all businesses grew substantially in the year, with resumption of net income

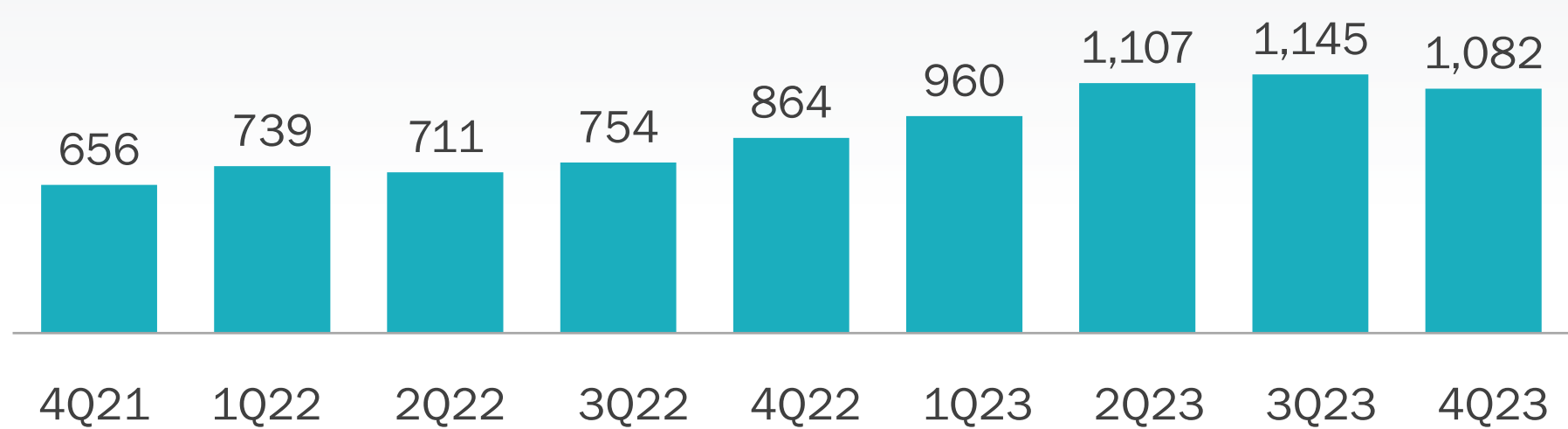
LTM adjusted EBITDA



LTM Adjusted Net Income and Interest expenses ⁽²⁾
(R\$ million)



LTM Operating Cash Flow
(R\$ million)

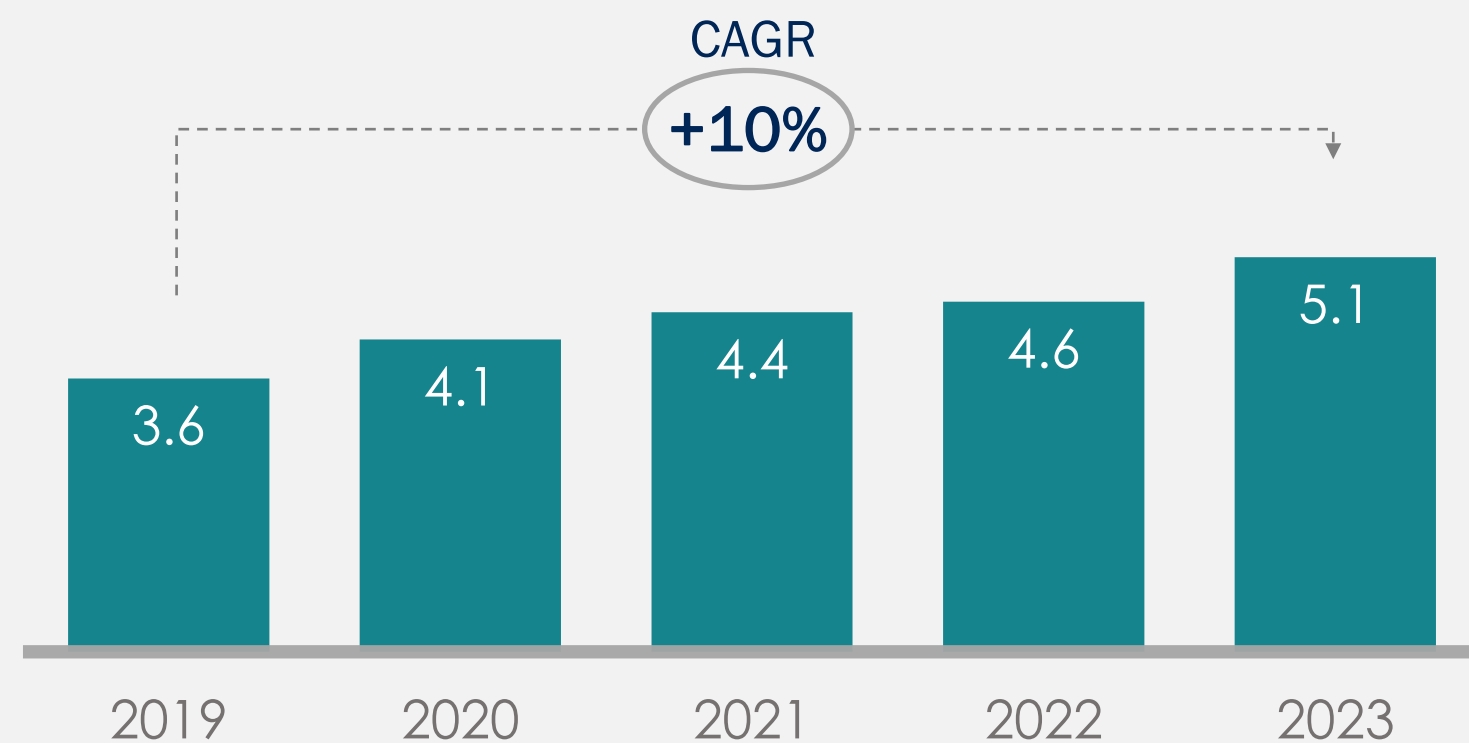


(1) Excluding mismatch FG-Fies effect on revenue between Premium and On-campus segments.
(2) Interest expenses and charges expenses and interest on swap loans.

We have a history of growth, margin and payment of dividends

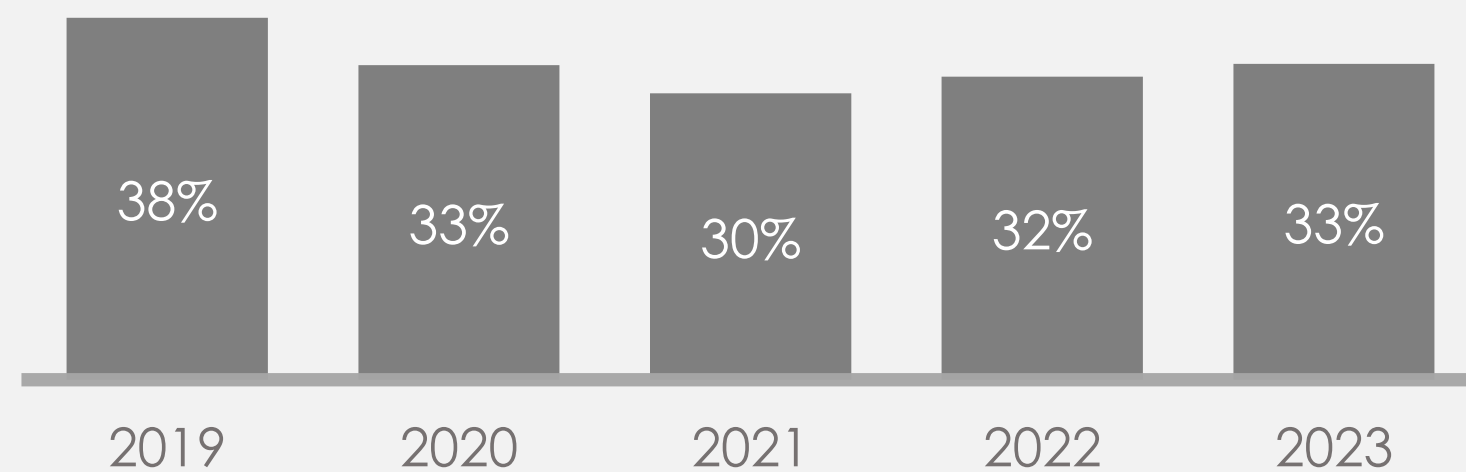
Net Revenue

(R\$ billion)



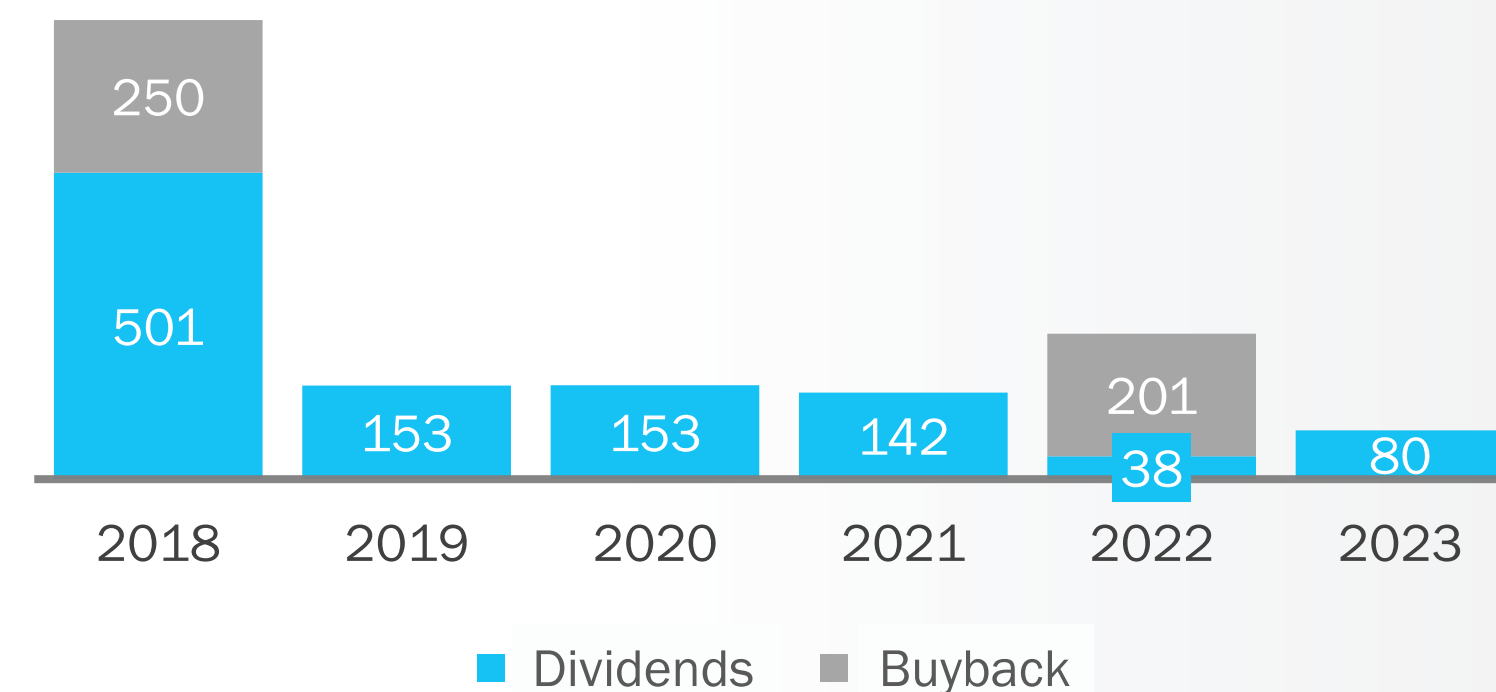
Adjusted EBITDA Margin

(%)



Dividends and Share Buyback⁽¹⁾

(R\$ million)



Payment of Dividends
every year
since the IPO in 2007

(1) Dividends and share buyback on a cash view.

Sales Force Deployment | Oct.23

Integrated CRM and Pricing Platform



Pricing

Exponential gain in the speed of reaction to the market

Time for launching campaigns:
from 7 days to 2 hours.



Intake

Greater lead control: 360°-view of the candidate

+30% conversion of enrollment

- 63% in enrollment time



Marketing Cloud

+17 p.p. in productivity in contact keys

- 29% in CAC



Relationship

Personalized and multi-channel service based on AI

Strengthening of our digital ecosystem with solutions that encourage student retention and success

Registration

- Platform with simple and fast enrollment journey

Renewal

- Optimized journey
- Live classes for distance learning students

Workability

- Career preparation courses
- Intermediate Certifications

Scale in AI and data

- Robust infrastructure and single data repository
- Intensive AI use: +30 operating solutions



+20 pp
(vs. 2019)

Student's NPS



+63%
(vs. 2022)

Student Engagement in the app
(90% of students are active)



+20 pp
Renewal

Optimized journey for
selecting classes



+15%

Distance learning student
engagement

2023 ESG score
closed at

113.19%

of the projected for the year

Main goals achieved

- 🏆 Increase by 10% the number of job opportunities
- 🏆 Reduce by 50% **employees' dissatisfaction level** due to embarrassment in our NPS
- 🏆 Increase by 3 p.p. the number of **Black and multiracial employees in the faculty**, accumulated figure for three years



MOVIMENTO
EDUCA2030

Yduqs became an ambassador company for Educa 2030, the UN Global Compact Brazil's agenda for Education.

ICO2 B3

For the 2nd consecutive year, Yduqs is part of ICO2 B3. Certified as Carbon Neutral, it consolidates its leadership role in building a low-carbon economy.

MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA

*Produced by MSCI ESG Research
as of October, 2023*

In 2023, Yduqs was recognized by MSCI as a global leader in ESG, raising its rating from "A" to "AA", being the only education company in Latin America classified as an ESG leader.

institut
YDUQS

In 2023, the Yduqs Institute entered two important institutional partnerships for fundraising.

 **Santander**


ZURICH

Based on our pricing discipline, a winning portfolio strategy and strong operating leverage, we delivered

strong cash generation and net income increase in 2023



Average ticket of upperclassmen of +1 yr up vs 4Q22

Medicine: +10% | Ibmec: +12% | Digital: +11% | On-campus: +8%



Digital intake increase vs 4Q22

Digital: +29% (guidance exceeded)



Net revenue +12% vs 4Q22

Premium: +16% | Digital: +18% | On-campus: +5%



Guidance for EBITDA between 5% and 15% achieved: +10% vs 4Q22

Adjusted EBITDA margin 28%



2023 EBITDA: R\$1.6 billion

+20% vs 2022



2023 Adjusted Net Income: R\$342 million

+R\$203 million vs 2022



2023 Operating Cash Flow: R\$1.1 billion

+R\$218 million vs 2022



Average cost of debt of CDI + 1.35%

with average maturity extended to 3.4 years

What we have promised vs what we delivered in 2023

Adjusted EBITDA	Results
1Q23– between 10% and 20% vs 1Q22	+21% vs 1Q22
2Q23– between 10% and 20% vs 2Q22	+24% vs 2Q22
3Q23– between 10% and 20% vs 3Q22	+14% vs 3Q22
4Q23– between 5% and 15% vs 4Q22	+10% vs 4Q22

Digital Intake	Results
1Q23 – Digital posts 2-digit growth	+20% vs 1Q22
2Q23 – between 10% and 20% vs 2Q22	+45% vs 2Q22
3Q23 – between 10% and 20% vs 3Q22	+26% vs 3Q22
4Q23 – between 10 and 20% vs 4Q22	+29% vs 4Q22

On-campus Intake	Results
1H23 - between 1H21 and 1H22	+14% vs 1H21
2H23 – between 25% and 35% vs 2H22	+31% vs 2H22



8.4K Medical students

Guidance between 8.2 and 8.3k undergraduate students



+53 new medicine seats approved +100 seats expected for 24.1 intake cycle

Guidance between +130 and 160 new seats



R\$ 470 million Capex

Guidance of R\$ 470 million

- ✔ **Digital Intake for 1Q24** between 180 and 190 thousand students
- ✔ **On-campus Intake for 1H24** increasing between 15% and 25% vs 1H23
- ✔ **2024 Capex** closing at R\$470MM (stable vs 2023)
- ✔ **Total dividends referring to 2023:** R\$ 160 million⁽¹⁾
- ✔ **Adjusted Net Income in 1Q24** with double-digit growth vs 1Q23

(1) The amount of R\$ 80 million paid in 2023 e proposition of dividend payment of R\$ 80 million to be approved in the Annual Shareholders' Meeting in April/24.



YDUQS



IR Contact
ri@yduqs.com.br
www.yduqs.com.br