

EDUCATION DAY

UBS-BB, December 2020

YDUQS



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Brasil 50 **IBRX 50**

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

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

1. We made good choices and knew to take a step back on the bad ones. We have created opportunities which currently represent ~40% of the net revenue and we have a growth path for the next years already in place.
2. We have great discipline in the use of capital. We generate cash every year and give back relevant amounts to our shareholders.
3. Technology is present for us, not future. EnsignMe is the basis for everything we do.
4. We have the best and most competitive Distance Learning in the market.
5. Our on-campus is doing well, thank you.
6. We are excited for the next years.

WE MADE GOOD CHOICES

AND KNEW WHEN TO TAKE A STEP BACK

Mistakes



K-12 Operation

In 2019 we closed the 17 schools we had opened



Private Financing

Deprioritized in 2019 and with wide provisioning already done. Only 2% of on-campus undergraduate (PAR)



Greenfields

Since 2017 we have opened 15 units, 3 were closed and 9 will be re-evaluated in 2021

Wins



100% Digital Learning

Base tripled in 5 years



Medicine

Organic growth and Mais Médicos doubled its base in 5 years



Cost discipline

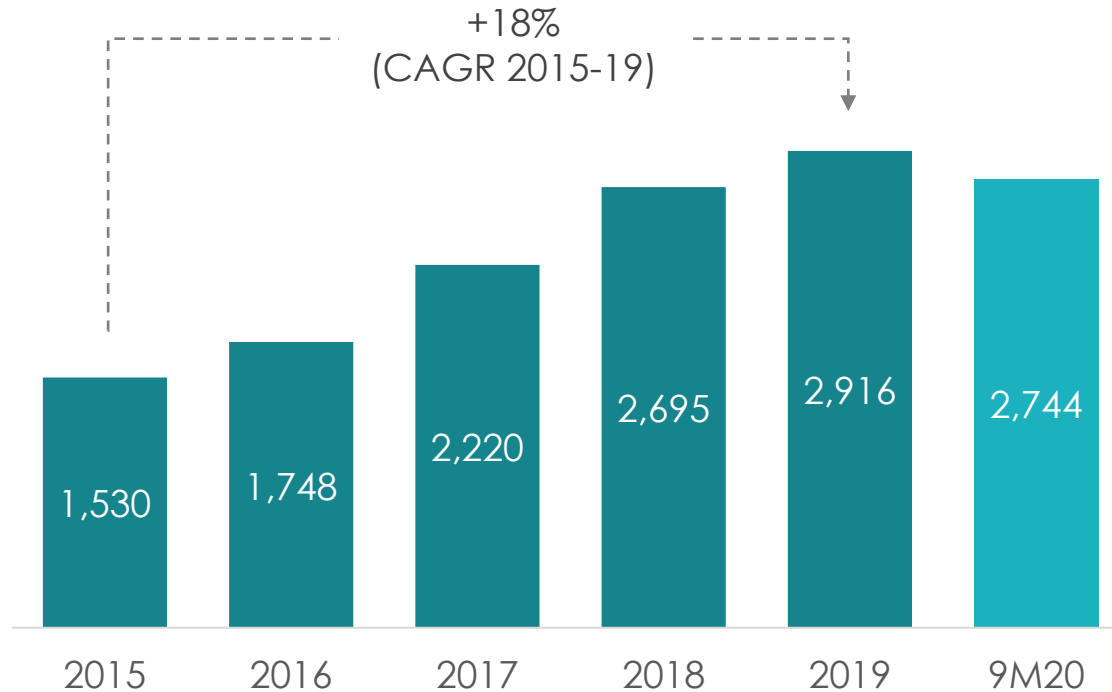
Healthy operation and efficient with the best margin in the market



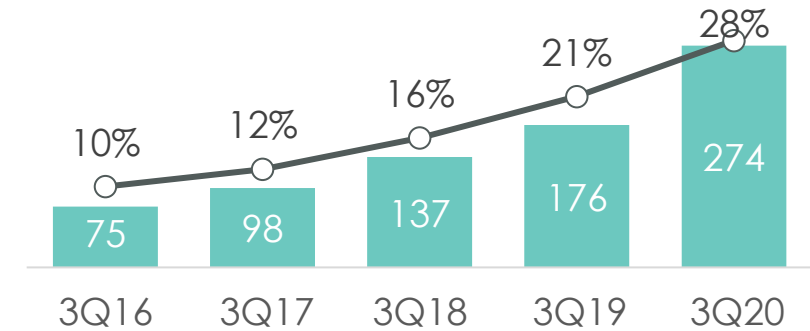
WE CREATED OPPORTUNITIES FOR GROWTH

DIGITAL AND MEDICINE REPRESENT ALMOST 40% OF REVENUE IN 2020

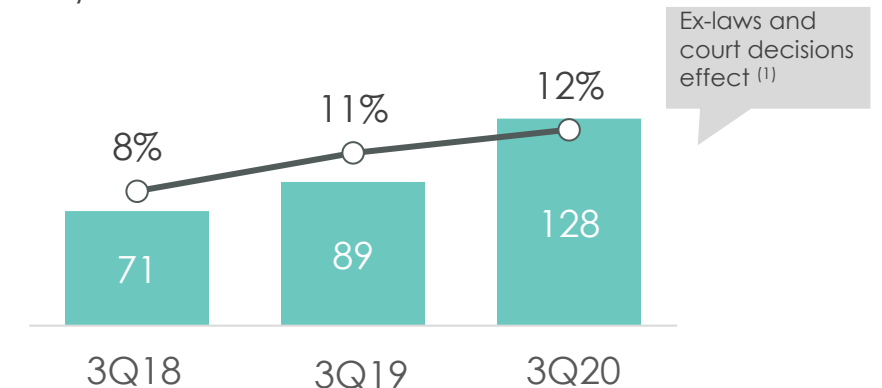
Ex-FIES Revenue
(R\$ million)



Digital Learning revenue and share in total revenue
(R\$ million, %)



Medicine revenue and share in total revenue
(R\$ million, %)



(1) Excluding the impact of discounts related to laws and court decisions in the amount of R\$21 million.

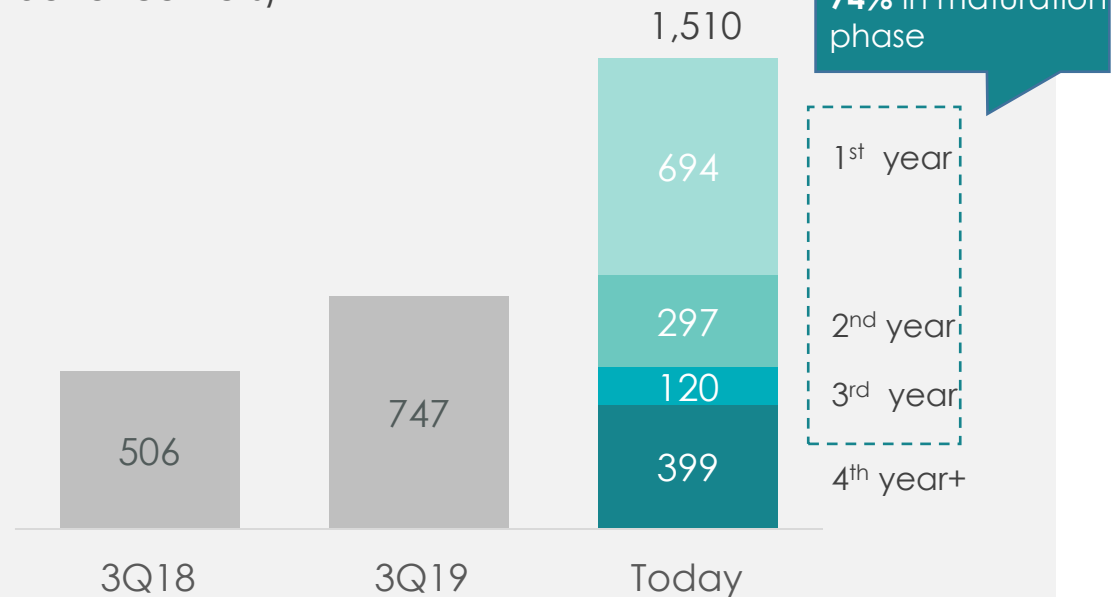


FUTURE ORGANIC GROWTH

WITH MATURATION OF DL CENTERS AND MATURATION OF MEDICINE

DIGITAL LEARNING

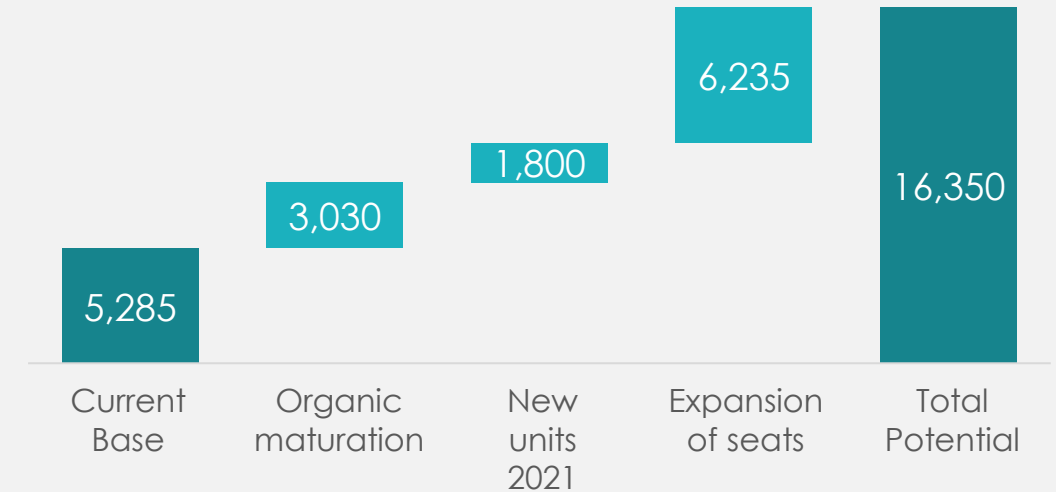
(number of centers)



There will be **2,000 centers** in 2021

MEDICINE

(student base)



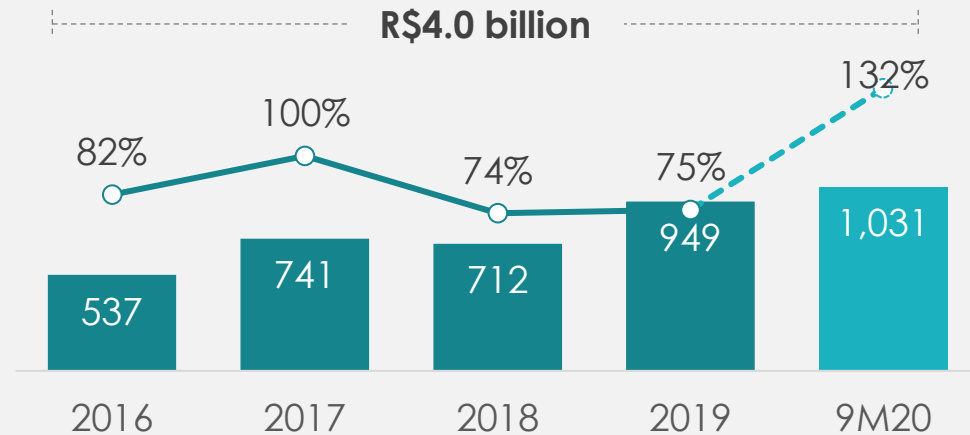
Approved 134 out of 200 seats already requested
200 seats requested for 2021 and 600 more will be for 2022-23

In **2021** there will already be more than **6,000 students**

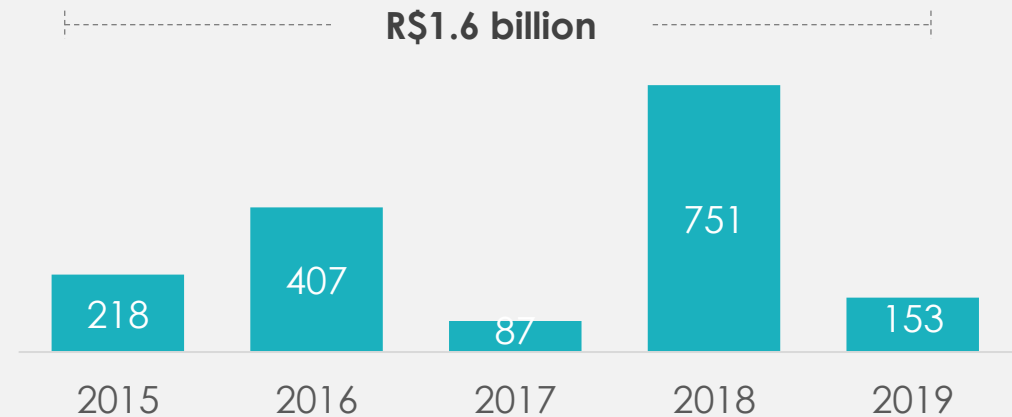
DISCIPLINE IN THE USE OF CAPITAL

FOCUS ON VALUE GENERATION

Operational cash flow ⁽¹⁾ and cash conversion ⁽²⁾
(R\$ million, %)



Shareholder return (re-purchase + dividends)
(R\$ million per period)



M&As

- 3 acquisitions in 12 months (R\$ 2.1B, 120k students)
- EV/EBITDA post-synergies of 5.5x or less
- Focus on strategic regions
- Fast and successful integrations

Financing

- Accounts receivable stable
- Net Debt/EBITDA 1.4x
- Cash of R\$1.9 billion
- Without relevant corporate moves (IPOs, follow-on, spin-off)



(1) Adjusted by non-recurring items, before capex
(2) Operational cash flow before capex divided by reported EBITDA

WIDE USE OF TECHNOLOGY

TAKING ELITE CONTENT TO ALL SOCIAL CLASSES

EnsineMe

- **Started** in 1Q19
- **Curators** and professors from the main **elite** universities
- **Content adapted** to a learning method for the youth: videos, texts, researches, questions, podcasts, etc
- **Immediate Feedback** and **flexibility** for adjustments
- Great flexibility of **combinations of themes**
- **White flag**
- **Standardized** classes and questions
- **APPs** student and faculty integrated
- **Next steps:** Artificial Intelligence supporting learning experience

Digital Learning

+2 p.p. retention
of students with
EnsineMe content

**+17 pts
of NPS**
vs 2019

Portfolio
expansion

2020: **56% of freshmen** / 27% of the base

2021: **77% of freshmen** / 55% of the base

On-campus

**AURA
implementation:**
40% online with
quality and
satisfaction

**+10 pts
de NPS**
vs 2019

Immediate
**Cost
Optimization**
for M&As

2020: **100% of freshmen**/ 35% of the base

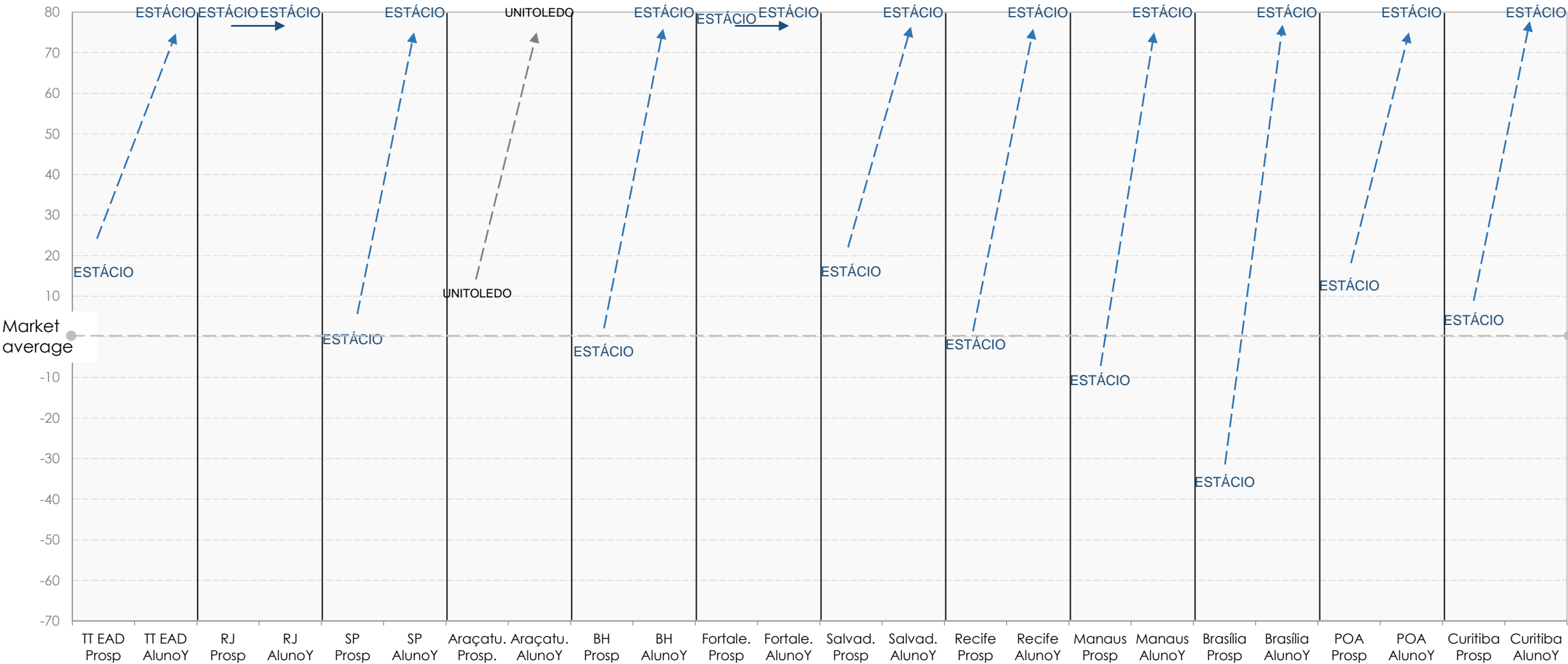
2021: 57% of the base



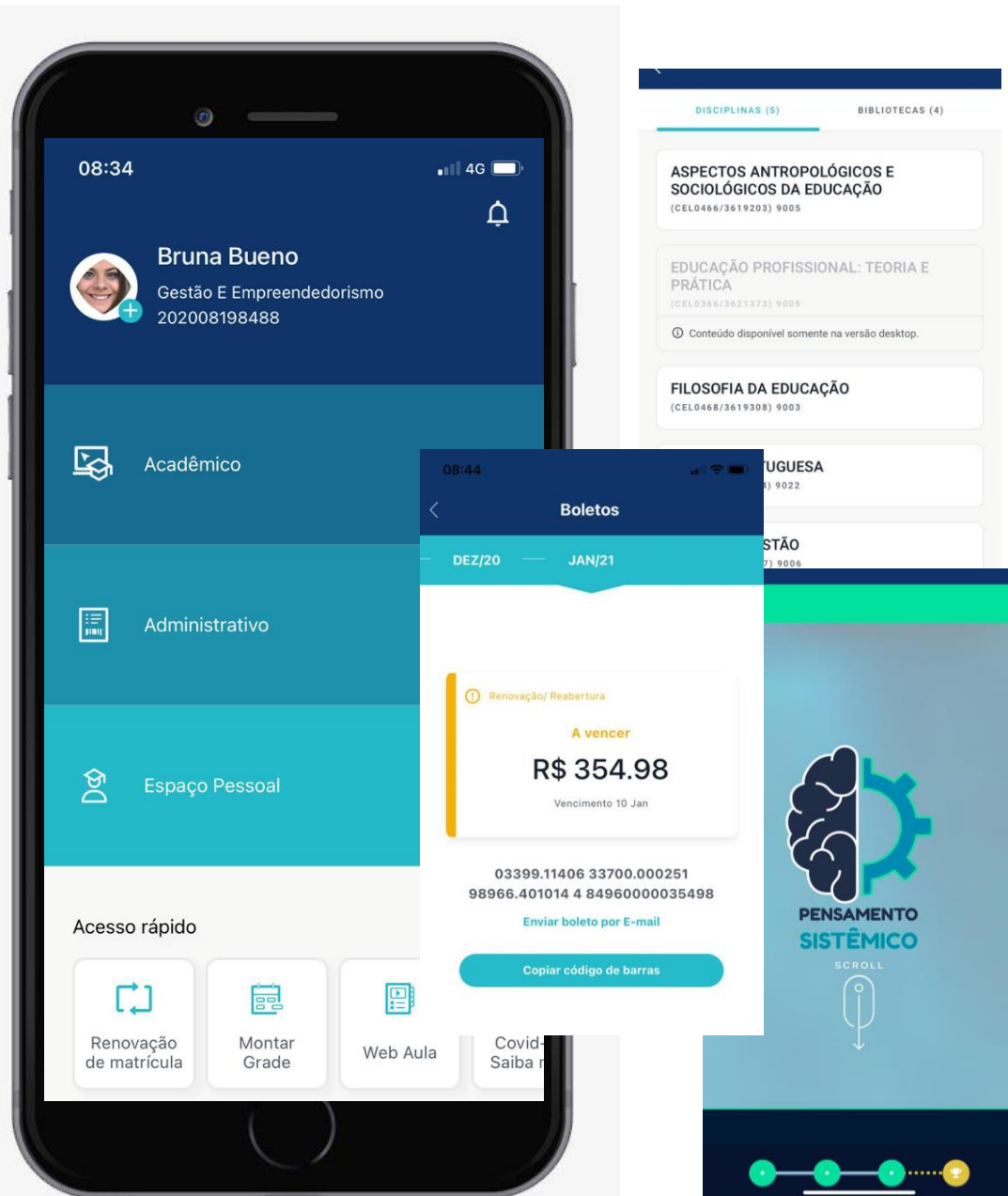
PERCEPTION LEAP OF THE DIGITAL BRAND

PROSPECTS VS. STUDENTS

One Score



BEST AND MOST COMPETITIVE DL IN THE MARKET

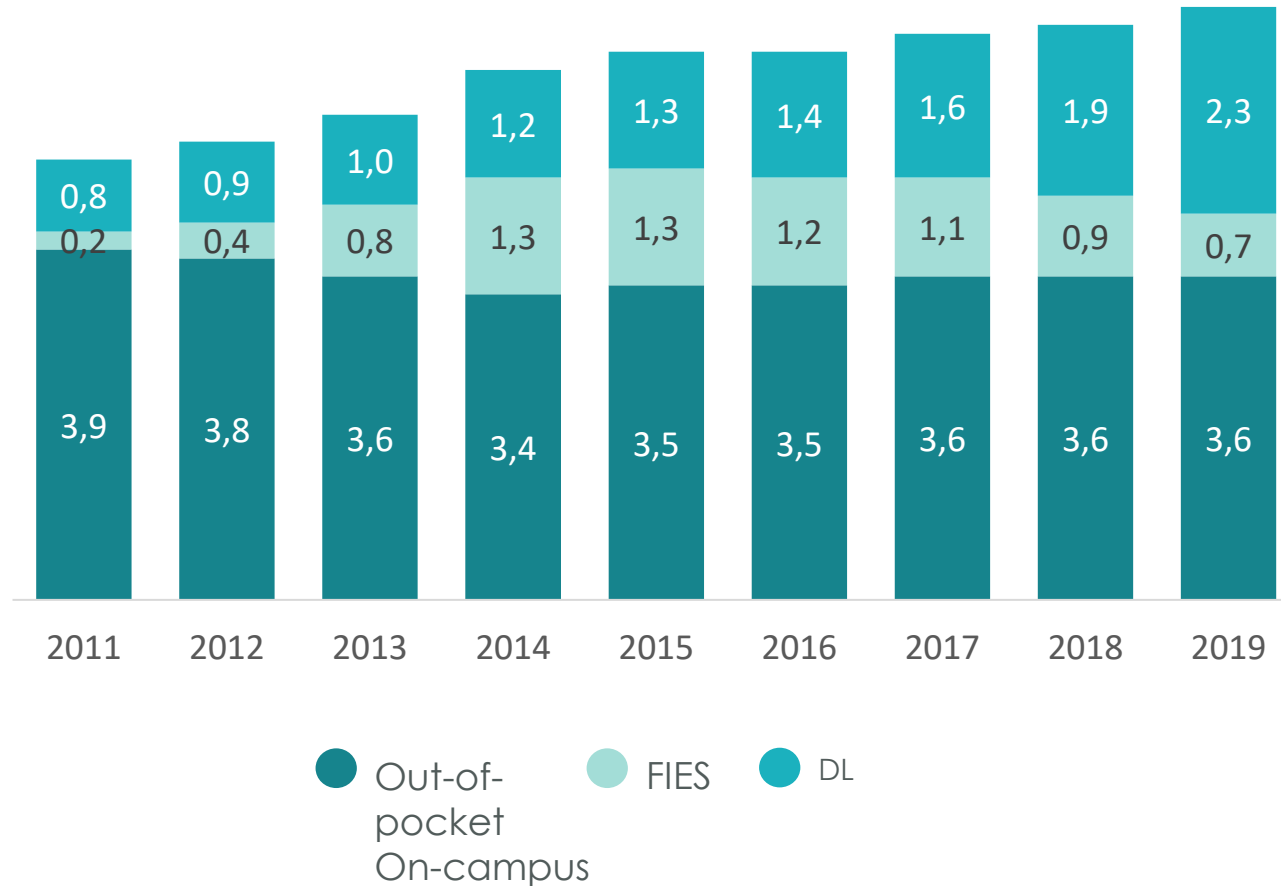


- **All straight into the student's hand:** fast mobile solution and easy not only through an academic point of view but also administrative
- **Light structure:** low implementation and maintenance cost guarantee the partner's profitability
- **Solid network:** NPS of 75 and 60% of the centers opened in 2020 are from old partners
- **Monitoring:** High technology to monitor and guide the operation in detail – including partner performance profitability
- **Centralized teaching:** partner acts as the intake manager and and the relationship, content and academic monitoring points are centralized
- **Adaptability:** 13 learning vehicles, content in modules and adapted by brand. Available for desktop and app.
- **Virtual labs:** 9 hybrid courses (Flex) can be opened in all partner centers with no additional investment

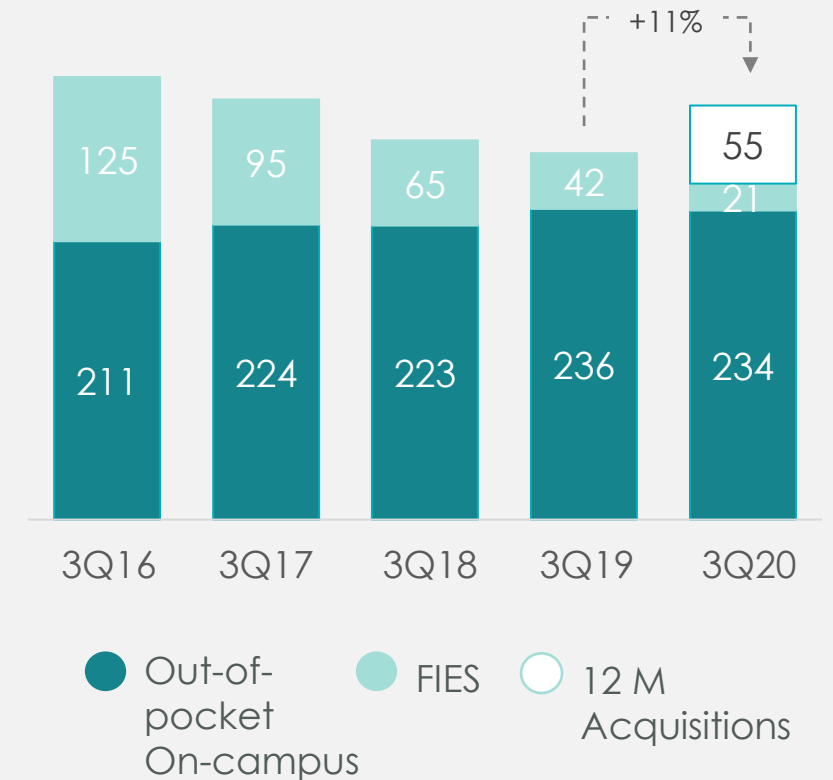
OUT-OF-POCKET ON-CAMPUS GROWING

WITH SIGNS OF PRICE STABILIZATION

Students enrolled in higher education ⁽¹⁾
(million)



YDUQS **on-campus undergraduate** student base
(thousand)



(1) Source: INEP 2019

SOLID FOOTPRINT

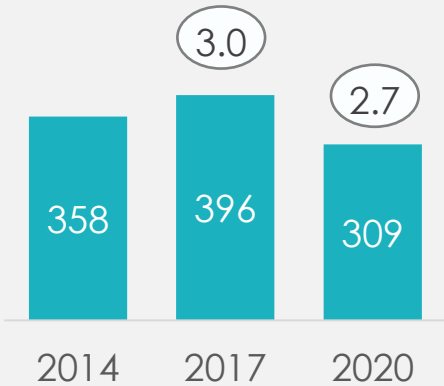
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Competitor B

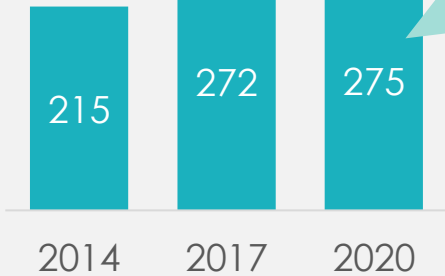
Number of campi



On-campus base (includes FIES)

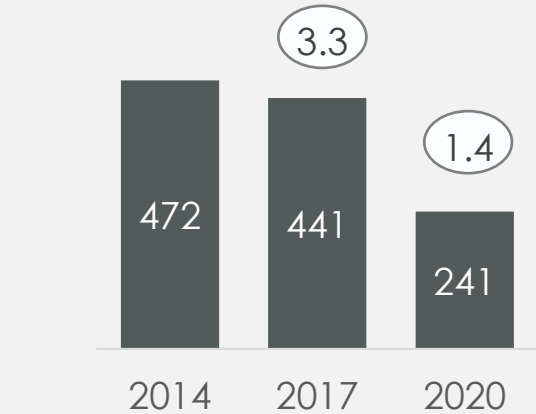


Ex-FIES on-campus base



76% are law, health and engineering

185 new courses in the last 3 years



○ thousand students/campus

2021



- **Reduction of FIES losses** from +R\$400 million to ~R\$ 100 million
- **DL and medicine** following last years' expansion pace
- Stability of the **on-campus ticket**
- **M&A** opportunities
- Stable **retention** indicators
- **Solid cash generation**



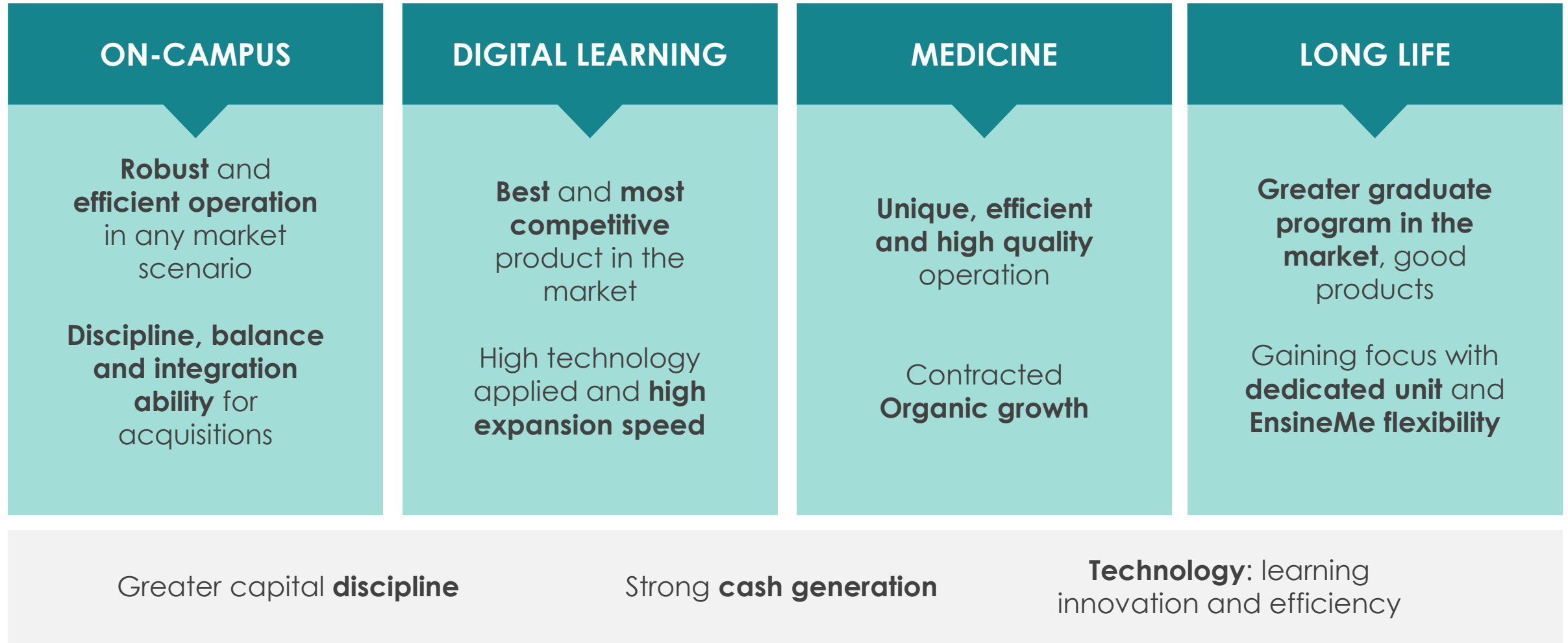
- On-campus Intake
- DL ticket

> 2021

- **Inversion in the revenue mix** to 40/60 with increase in the segments of greater margin
- **Technology allowing new wave** of growth and new opportunities
- On-campus growth in strategic regions and value generation with synergies from **M&A**
- New growth front: **Graduate**
- Cash generation bringing back **net debt close to zero**

FOCUS ON WHAT HAS GOOD RESULTS

ROBUST POSITIONING IN THE 4 BUSINESSES



OUR GREAT TEAM

YDUQS

Unification Day



1 Adriano Pistore, MSc ★★★★★
On-campus Operations
▪ FSG
▪ FSG, Caxias do Sul, Michigan State University

2 Alexandre Agueiras, MBA ★★
Digital Content
▪ McKinsey
▪ IME, Columbia

3 Felipe Araujo, MBA ★★
People & Management and Integration
▪ McKinsey, Nokia, Accenture
▪ UFRJ, COPPEAD, INSEAD

4 Claudia Romano ★★★★★
Institutional Relations and Sustainability
▪ Joy Comunicação, +15 years at YDUQS
▪ Faculdade da Cidade, Dom Cabral

5 Eduardo Parente, MBA ★★
CEO
▪ McKinsey, Vale, CSP, Prumo, MRS
▪ UFRJ, NYU

6 Marina Fontoura, MBA ★★
Premium Operations
▪ McKinsey, Spot Educação, Prumo, BrMalls
▪ PUC-RJ, Harvard Business School

7 Marcel Desco ★★
Marketing and Sales
▪ Value Partners, Vivara, Luxottica, ABN AMRO
▪ UFSCar, FGV-EAESP

8 Eduardo Haiama, MBA ★★
Finance and IR
▪ Equatorial, Pactual
▪ USP, Duke University

9 Aroldo Alves, MBA ★★★★★
Digital Operations
▪ Votorantim, +11 years at YDUQS
▪ UFC, Ecole Centrale de Lille, IESE

10 Rossano Marques, MBA ★★
Corporate Operations
▪ Atento, Vale, Santander, Embratel, Shell
▪ PUC-RJ, MIT



5 years of experience in
education



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