

RESULTS PRESENTATION 1H22

YDUQS



August 15th, 2022

YDUQ
B3 LISTED NM

IBRX100 B3
ITAG B3
IGC B3



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DISCLAIMER

Rio de Janeiro, August 15th, 2022 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the first half of 2022 (1H22)**.

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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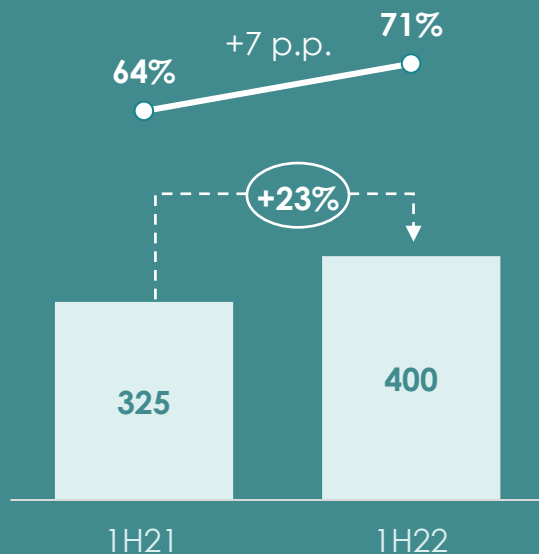
HIGHLIGHTS



vs 1H21

Net Revenue +3% | EBITDA +9%
EBITDA margin +2 p.p.

OCF and Cash Conversion
(R\$ million, %)



In this presentation, financial results are focused on the **semiannual format due to the seasonality variation** between the quarters in the years 2021 and 2022. Full quarterly financial information is in the earnings release.



Premium vs 1H21
Student Base +8%
Net Revenue +24%
EBITDA +28%
EBITDA margin +1 p.p.



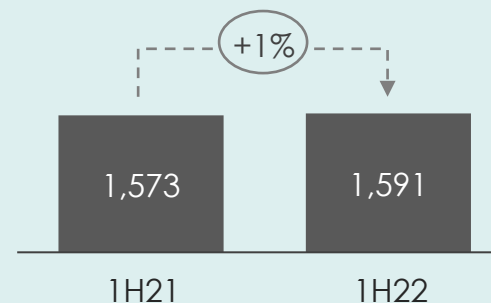
Digital vs 1H21
Undergraduate Students +15%
Net Revenue +11%
Undergraduate Net Revenue +14%
EBITDA margin stable at 38%



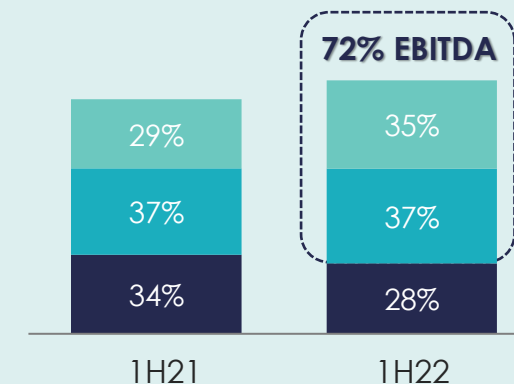
On-campus vs 1H21
Student Base +1%
EBITDA margin stable at 19%

Strict control of costs and expenses

Adjusted Costs and Expenses
(R\$ million; ex-D&A)



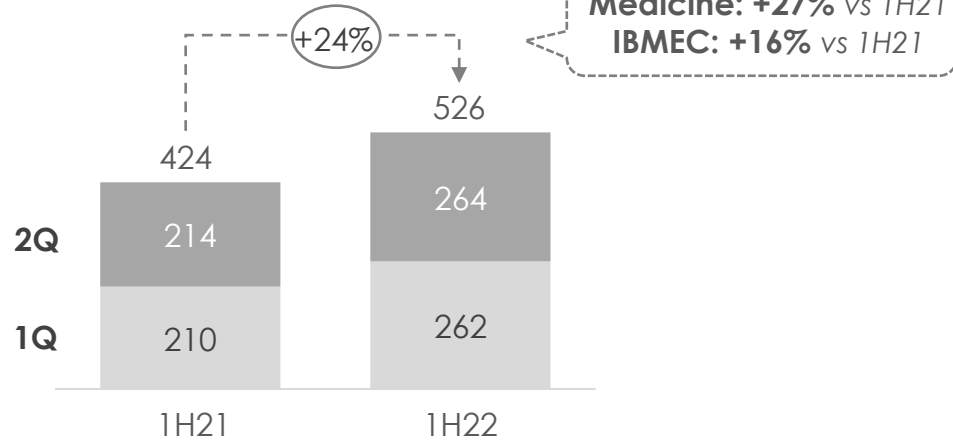
Growth levers with greater representativeness Premium + Digital



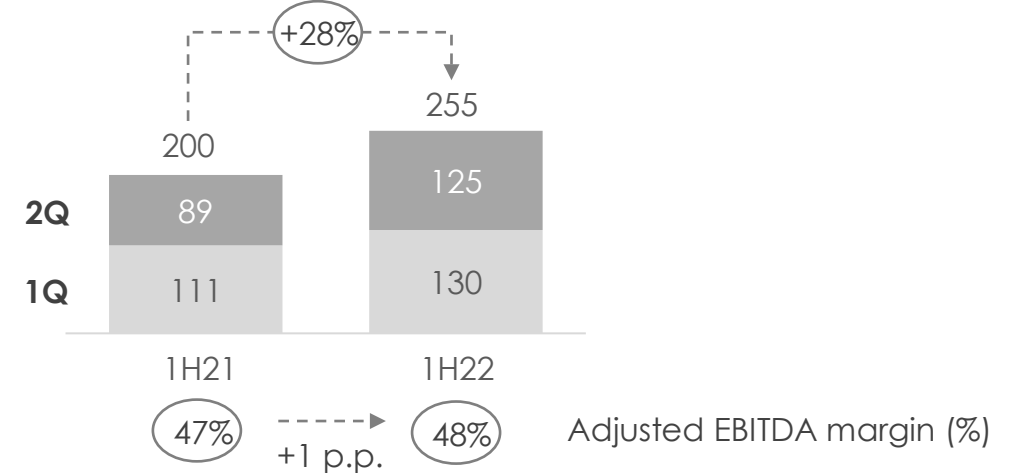
● On-campus ● Digital ● Premium

Note: Net revenue adjusted by the effects of laws and court decisions in 2021. | EBITDA adjusted by non-recurring effects.

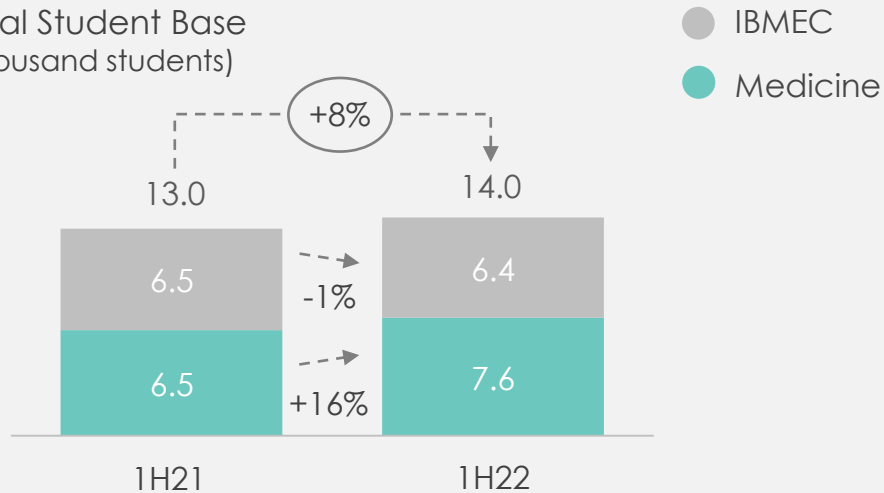
Net Revenue⁽¹⁾
(R\$ million)



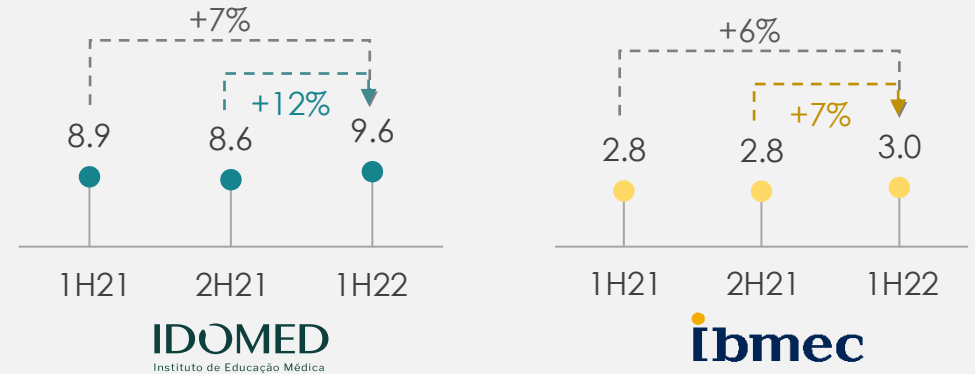
Adjusted EBITDA⁽¹⁾
(R\$ million)



Total Student Base
(Thousand students)



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

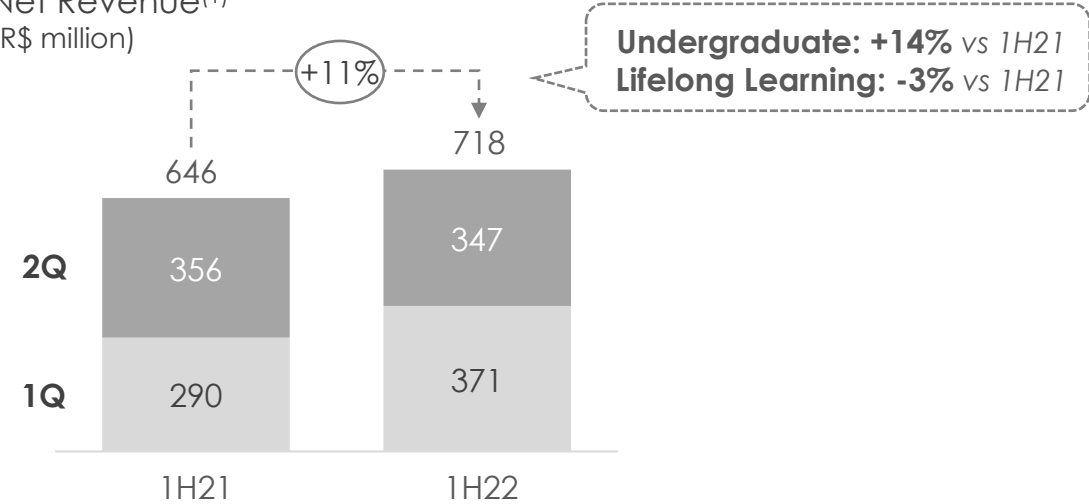


Renewal at 96%
stable vs 1H21

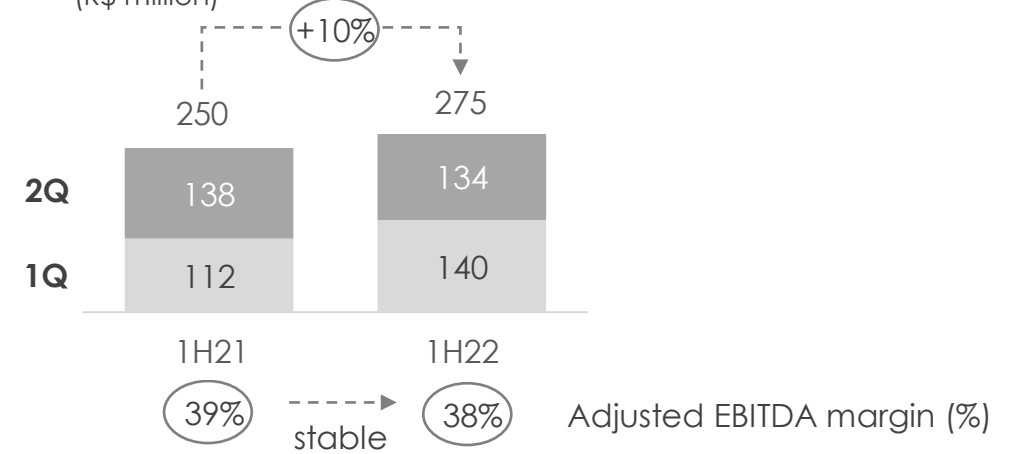


(1) Net revenue adjusted by the effects of laws and court decisions in 2021. | EBITDA adjusted by non-recurring effects.

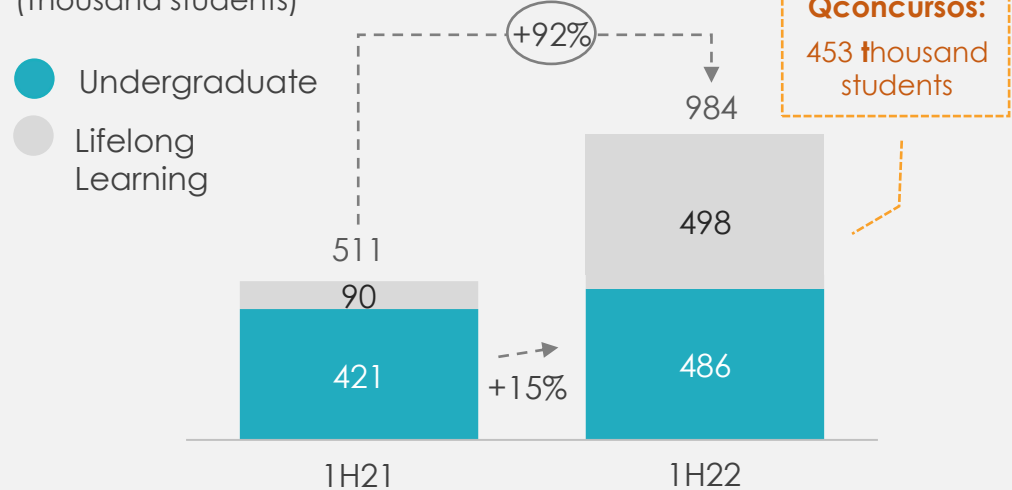
Net Revenue⁽¹⁾
(R\$ million)



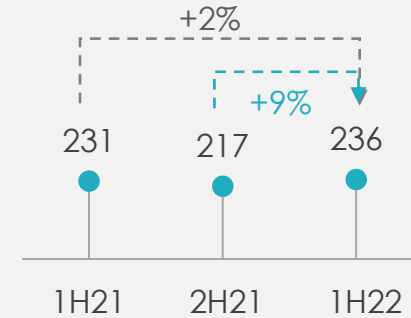
Adjusted EBITDA ⁽¹⁾
(R\$ million)



Total paying student base
(Thousand students)

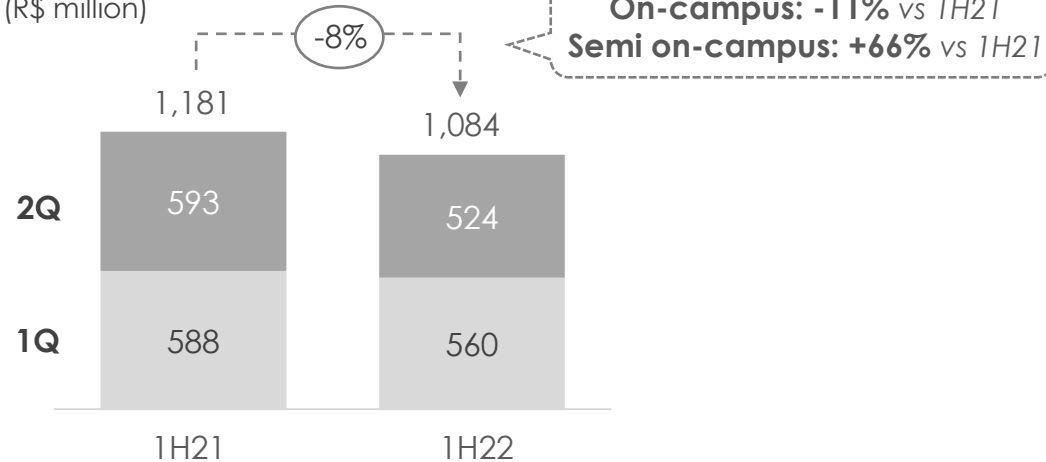


Undergraduate Average Ticket
(R\$/month; AT of upperclassmen of +1 yr;
Consolidated digital)

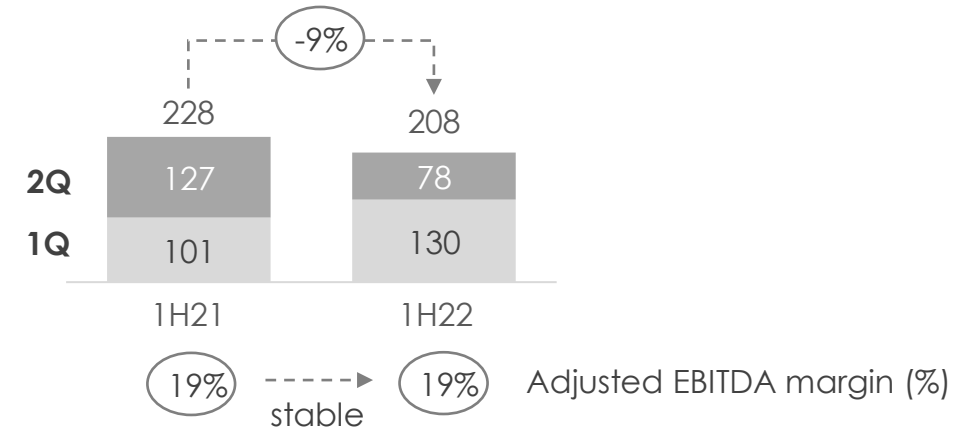


Renewal ⁽²⁾ at 77%
stable vs 1H21

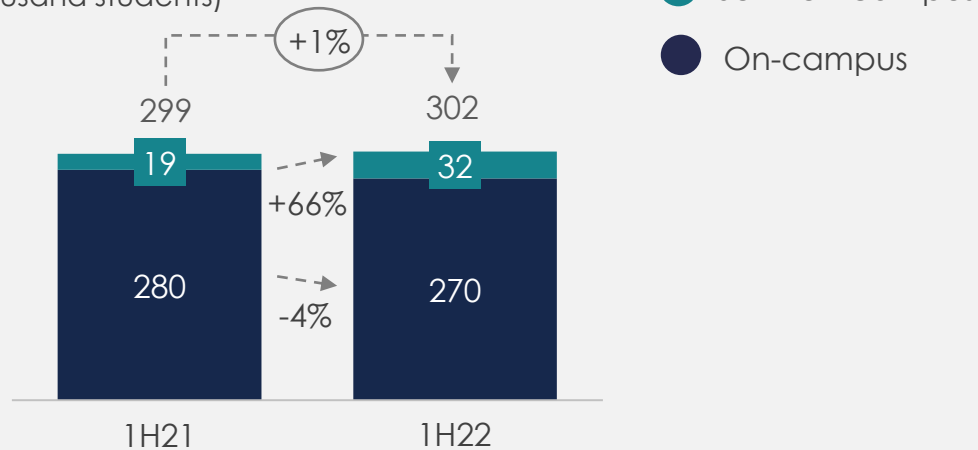
Net Revenue⁽¹⁾
(R\$ million)



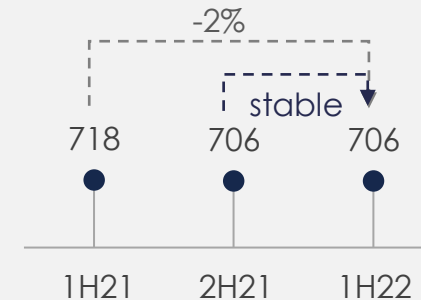
Adjusted EBITDA⁽¹⁾
(R\$ million)



Total Student Base
(Thousand students)



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

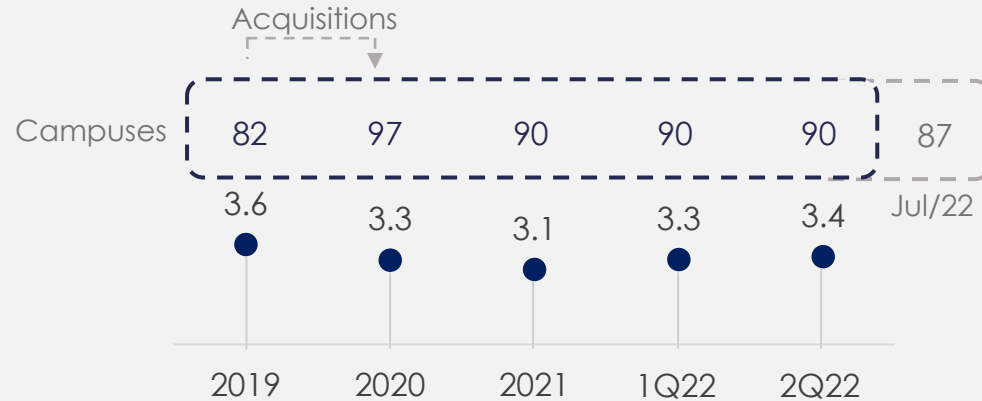


Renewal at 84%
-2 p.p. vs 1H21



(1) Net revenue adjusted by the effects of laws and court decisions in 2021. | EBITDA adjusted by non-recurring effects.

On-campus students (ex-Medicine) per campus
(Thousand students)



CAMPUS 5.0

We started a major project to optimize and modernize the university campus. First results are already relevant:

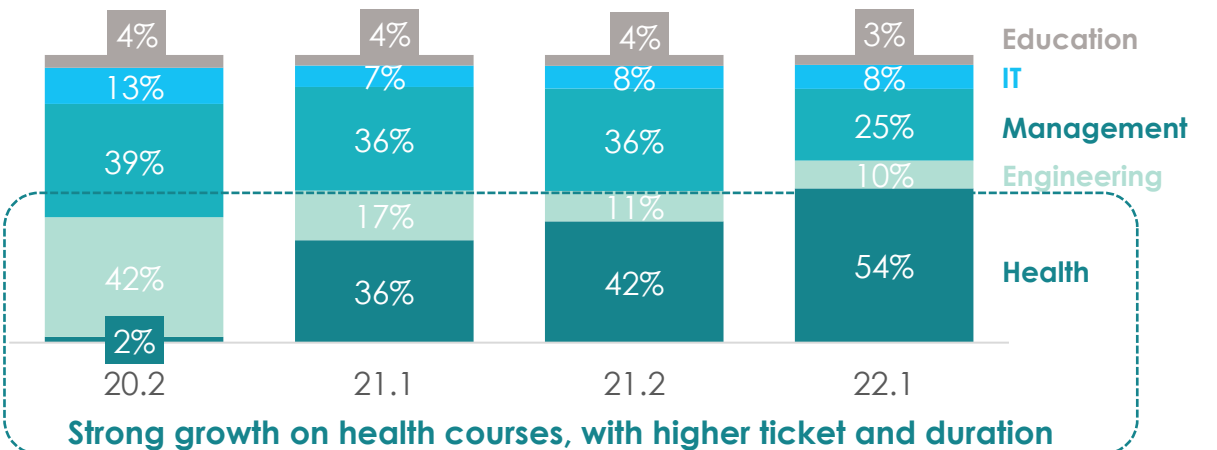
- **Reduction of 55 thousand sqm in our campuses** vs 1H21 (expected for the year end: ~140 thousand sqm)
- We improved occupation at units: **-8% sqm per student** vs 1H21

Semi on-campus student base maturing

79% of the student base

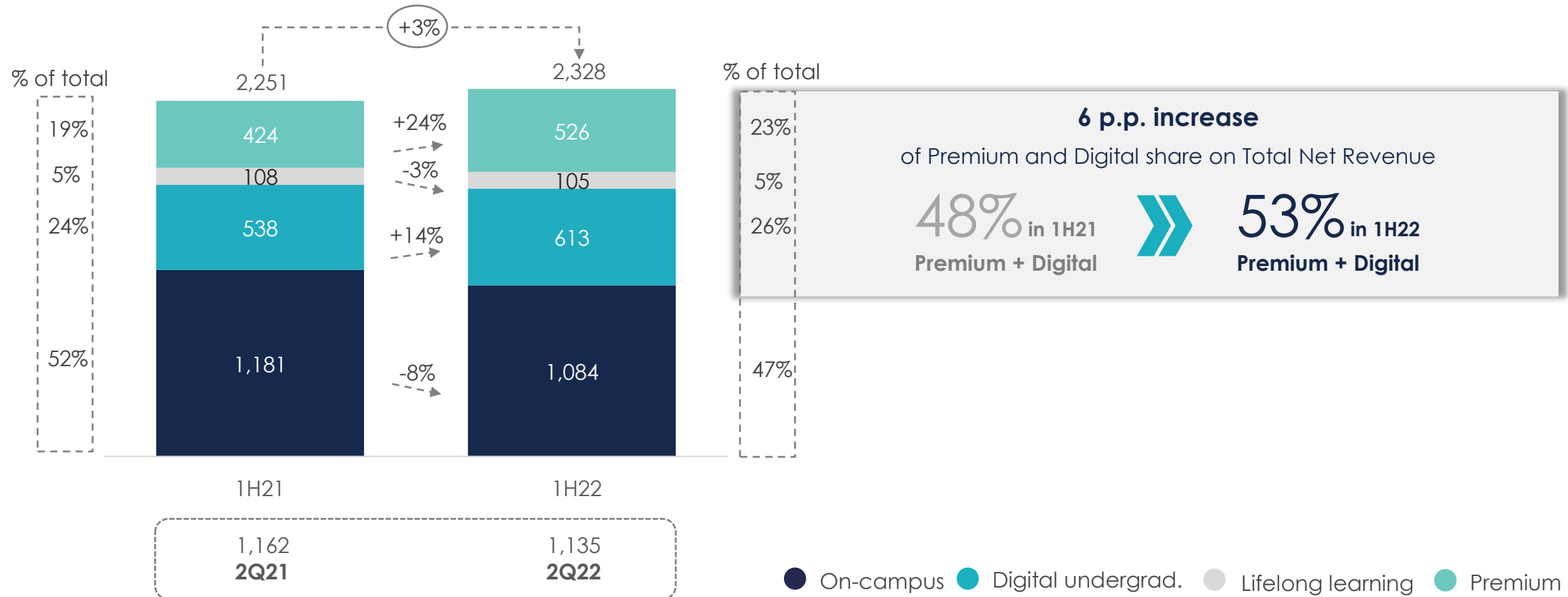
with expected graduation starting from 2025

Semi on-campus intake by major
(%)



REVENUE: PREMIUM AND DIGITAL REACHED 53% OF TOTAL

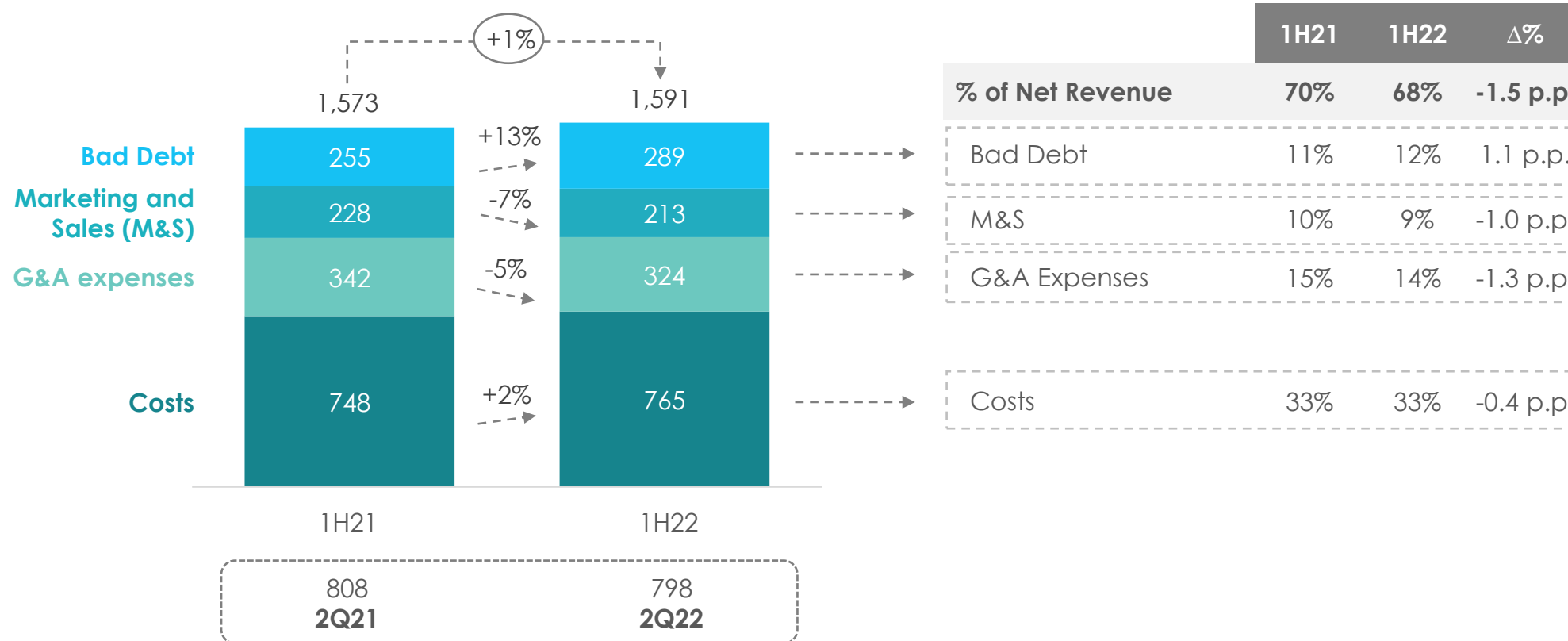
Net revenue breakdown ⁽¹⁾
(R\$ million)



(1) Net revenue adjusted by the effects of laws and court decisions in 2021

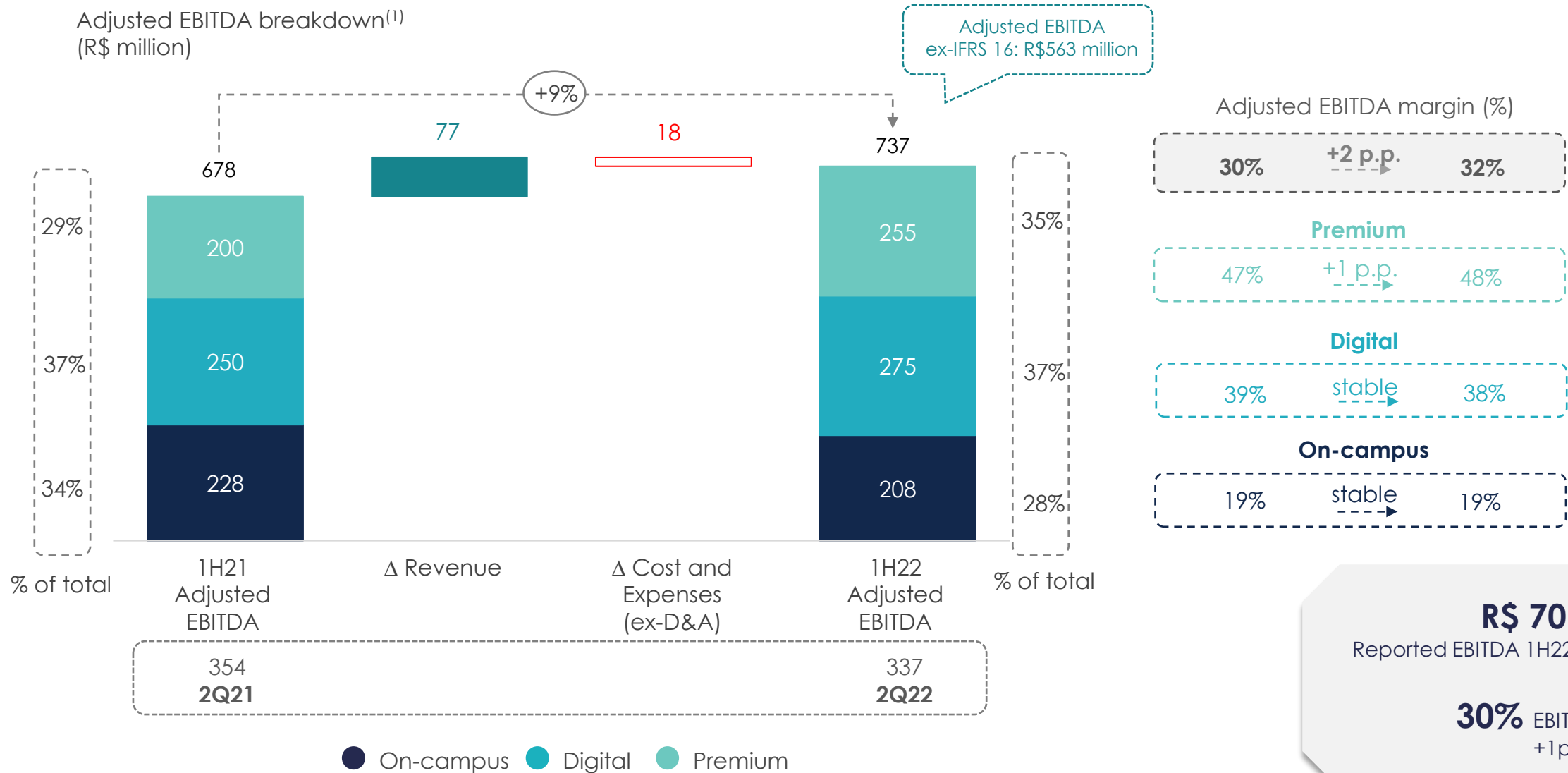
COSTS AND EXPENSES: STRICT COST CONTROL

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



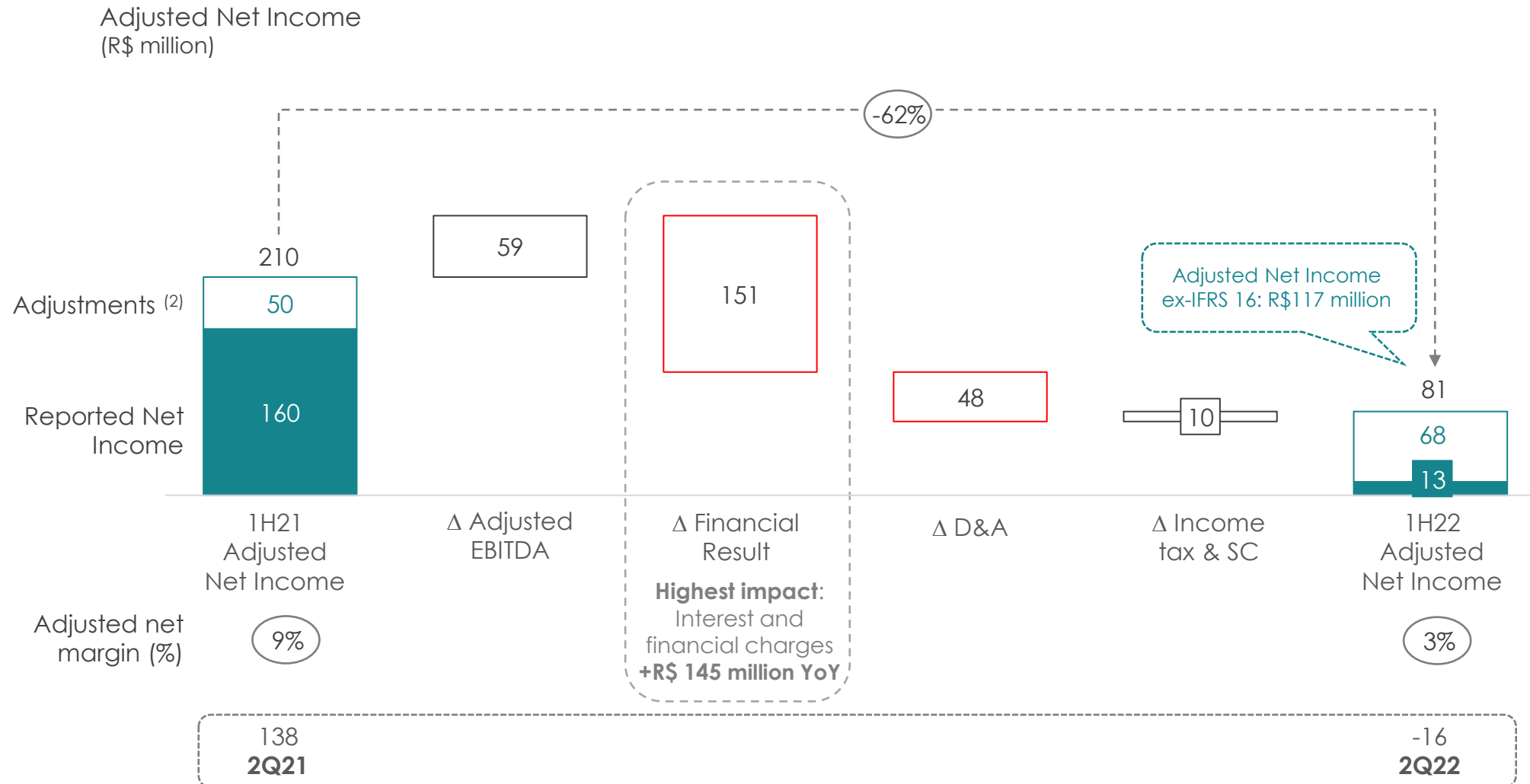
(1) Costs and expenses adjusted by non-recurring effects, excluding depreciation and amortization.

ADJUSTED EBITDA: MARGIN GROWS 2 p.p.



(1) EBITDA adjusted by non-recurring effects.

ADJUSTED NET INCOME



R\$ 1.5 billion
Cash and cash equivalents

R\$ 2.7 billion
Net Debt ex-IFRS 16

1.9x
Net Debt/EBITDA ⁽¹⁾



(1) Net debt excluding leasing (ex-IFRS 16)/EBITDA adjusted by non-recurring items (LTM, including IFRS 16)
(2) Adjustments: Non-recurring effects on EBITDA, amortization of goodwill from acquisitions, Income tax and SC.

CASH FLOW AND CAPEX

R\$ million	1H21	1H22	Δ%
Adjusted EBITDA ex-IFRS 16	509	563	11%
(-) Working capital variation	162	143	-12%
(-) Taxes (IT/SC)	22	20	-8%
Operating Cash Flow	325	400	23%
(-) Capex	175	210	20%
Free Cash Flow	150	191	27%
Operating Cash Conversion ⁽¹⁾	64%	71%	7 p.p.



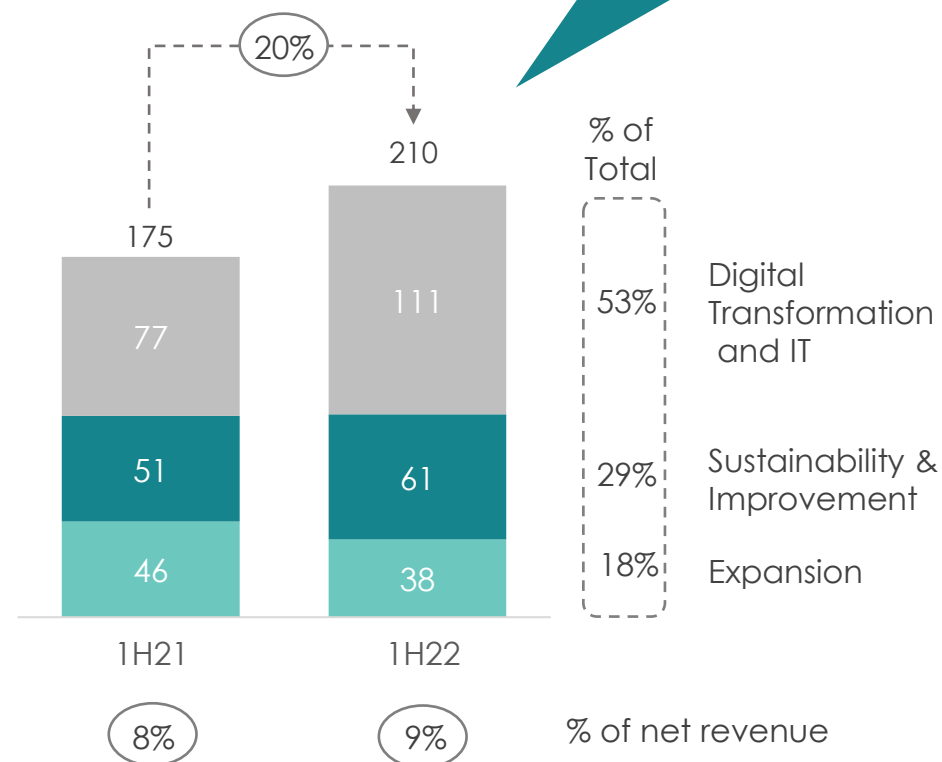
Buyback Program YTD ⁽²⁾

12.3 million shares
(Up to 20.5 million approved)

R\$ 200.7 million spent on the program

CAPEX
(R\$ million)

Estimated Capex 2022
R\$ 500 million
vs R\$ 544 million in 2021

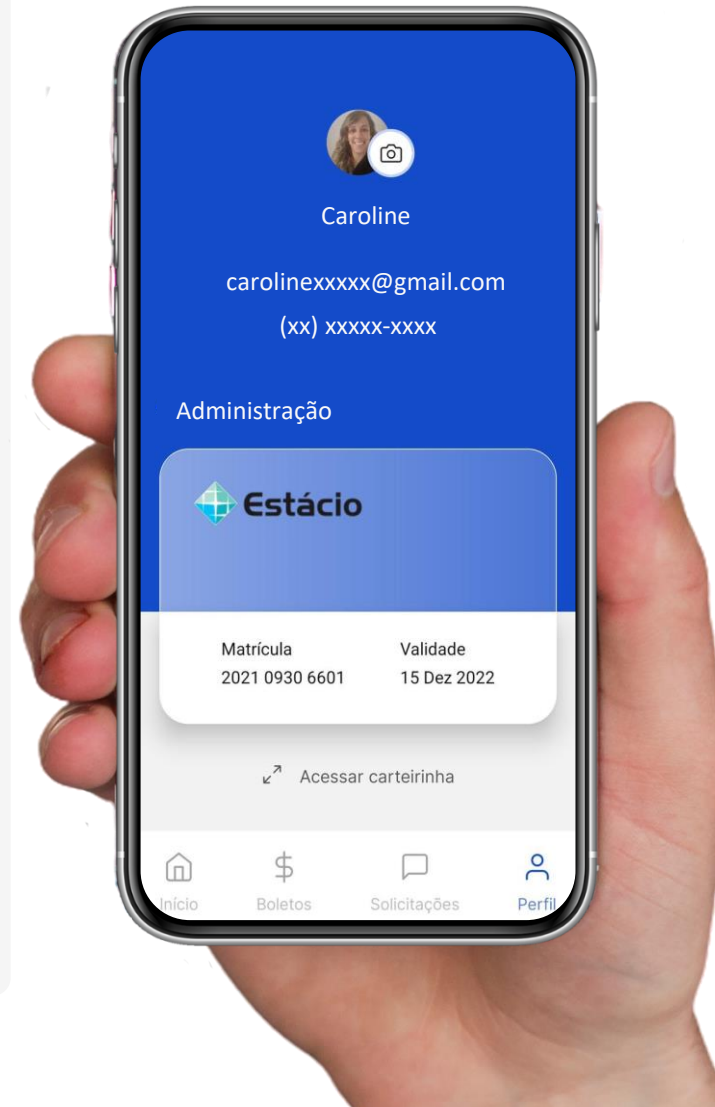


(1) Operating cash flow/Adjusted EBITDA ex-IFRS16
(2) As of 07.27.2022.

SIGNIFICANT RESULTS FROM DIGITAL TRANSFORMATION

improving teaching quality and our faculty and student experience

- Overall NPS up by 20 p.p. versus 2019 (pre-pandemic period)
- Redesign of Estácio's enrollment portal with +86% conversion rate and -27% checkout abandonment
- <15 minutes to complete the enrollment process on the websites
- 58% of enrollments completed internally on the website (+21 p.p. vs 2018)
- 90% reduction in the average time spent by students to renew and change their course schedule
- Wish list increased renewal NPS by +40 p.p. in 2021
- 93% renewal rate for students participating in the wish list with a 7% increase in tickets from students who joined in 21.2 (R\$4.5 million/month ~R\$26.7 million/semester)
- 100% of YDUQS' undergraduate student base uses the Company's own LMS (SAVA)
- 2 p.p. reduction in the dropout rate of students impacted by Ensineme's content
- +100% spontaneous student adhesion to mock tests in the Company's own tool vs. outsourced tool (54% vs 27% adhesion)
- +450 thousand unified tests in 369 On-campus courses (AVD and AV2s)
- 92.8% of AV2 tests for on-campus classes created by professors in the test system, with automatic reading and correction via QR Code.
- Student and faculty apps with the highest ratings in the market: +4.7 on average at the app stores.
- +90% of the student base with app installed, of whom +570 thousand are students with recurring monthly use.
- 40% of access to the learning platform (SAVA) is made through the app with mobile first content
- 30% improvement in content loading time (2 to 3 seconds to load)
- +7,100 faculty members accessed the app in 2022.1
- 88% of digital self-services available (24x7), providing a R\$2.5 million reduction in call center costs and human services in 2021
- Service via WhatsApp and DialMyApp, more satisfaction and resolution, and fewer costs in ~5MM in 2022



Credentials



Produced by MSCI ESG Research
as of December 10, 2020

Governance*: 97th
home market percentile

Accounting Practices*:
Global Best in Class



ITAG B3

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Environment

Renewable sources: **81%**
of total energy consumption

GHG Diagnosis
Scopes 1 and 2 in June/2022
Scope 3 ongoing

Social

Student Base
56% Black
75% family income <4 minimum wages

84% of employees
at corporate offices are former
YDUQS's students

33% women
31% black
at high level mgt

Governance

True Corporation
No controlling shareholder

100% independent
Board members

44% of high level mgt with ESG goals
tied to variable compensation

Goals (some examples below)

- 90% of energy consumption from renewable sources – until 2025;
- 40% of women at high level management – until 2025;
- 100% of Executive directors + Board members with variable compensation tied to ESG goals – in 2023.



1st YDUQS ESG Forum
(June 2022)

[Click here to
watch the event](#)

- In a sequence of external negative effects over the business ⁽¹⁾, the strategy of diversification through Medicine, DL and M&A has proved to be correct

Net Revenue and EBITDA growing; Premium and DL at 53% of total Net Revenue

- Despite the difficult moment, we optimized but we did not stop our investments in the future of the company

Capex R\$210MM in 1H22 (53% in DT and IT)

- Discipline and impact of the business digitalization assuring stability of costs and margin

+1% in the semester, despite the increase in Bad Debt

- Aggressive intake offers not affecting tickets for upperclassmen
- **National ESG leader**, with diversity in our student and employee base, great social impact, differentiated governance and reduced environmental impact

YDUQS in 2022

- Challenging intake, no growth expectation vs 2H21 but expected positive evolution on recurring freshmen tickets
- Results expected to be similar to 2H21 results, with 3rd quarter with a slightly inferior performance and 4th quarter superior

7.2-7.4 thousand

Undergraduate medicine
student base

2,500

Total DL centers

3.2-3.4 thousand

Students/campus

**Capex
R\$500 million**
(Long term at 7-8% of
Net Revenue)

YDUQS

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MEDICAL SEATS OFFERING BY UNIT (Undergraduate)

Units	State	Authorized seats	1H22	Full potential ⁽¹⁾	
			Student Base (Thousand)	Authorized seats	Student Base (Thousand)
Presidente Vargas	RJ	240	1.7	240	1.7
Città	RJ	170	1.1	170	1.2
Juazeiro do Norte	CE	100	0.7	100	0.7
Ribeirão Preto	SP	76	0.5	76	0.5
Teresina	PI	110	0.7	110	0.8
Alagoinhas	BA	65	0.4	165	1.2
Jaraguá do Sul	SC	150	0.3	150	1.1
Juazeiro	BA	155	0.7	155	1.1
Angra dos Reis	RJ	89	0.4	155	1.1
Canindé	CE	50	0.1	150	1.1
Cáceres	MT	50	0.2	50	0.4
Castanhal	PA	50	0.1	150	1.1
Quixadá	CE	50	0.1	150	1.1
Açailândia	MA	50	0.1	150	1.1
Iguatu	CE	50	0.03	150	1.1
Ji-Paraná	RO	50	0.04	150	1.1
Unijipa	RO	28	0.03	28	0.2
Total		1,533	7.2	2,299	16.5

(1) Considers the expansion to the maximum capacity of granted seats (+100 seats/year) in all Mais Médicos units. Student base includes ProUni and FIES.

