

# RESULTS PRESENTATION

## 2Q21 & 1H21

# YDUQS



August 16<sup>th</sup>, 2021

**YDUQ**  
B3 LISTED NM



Índice  
Brasil 50 **IBRX 50**

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

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

# DISCLAIMER

Rio de Janeiro, August 16<sup>th</sup>, 2021 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the second quarter of 2021 (2Q21)**.

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.

**Consolidated results account for Adtalem Brasil Holding Ltda. group as of May 2020 and Grupo Athenas Educacional as of August 2020, except when stated otherwise.**

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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 **Guidance reached**  
(Revenue and EBITDA)


 **Mandatory discounts**  
referring to laws and court  
decisions only on a  
**residual** basis


 **NPS improvement** 1H21  
**On-campus:** +21 p.p.  
**Digital learning:** +25 p.p.


 **Increase in Premium and DL representativeness,**  
totaling 47% of net  
revenue in the semester


 **Renewal at 81%**  
In the total student  
base in 1H21

 **Solid Structure,**  
leverage with low **Capital**

 **Reported Operating Net Revenue +17%** vs. 1H20  
Premium +60%  
Digital learning +42%


 **Bad Debt + Discounts stable** (% net revenue)

 **Reported EBITDA +47%**  
vs. 1H20

 **Net income +81%**  
vs. 1H20

  
**MEDICINE**

**+22% YoY** undergraduate student base  
**Up to +450 new seats** to be approved  
in 2021.2

  
**AVERAGE TICKET**

Average ticket in 1H21 (undergraduate)  
Medicine **+5% YoY**  
IBMEC **+5% YoY**  
Digital learning **+0,1% YoY**  
On-campus **+9% YoY**

  
**DIGITAL**

**+536 DL centers** vs. 2Q20  
**+52% YoY** undergraduate student base

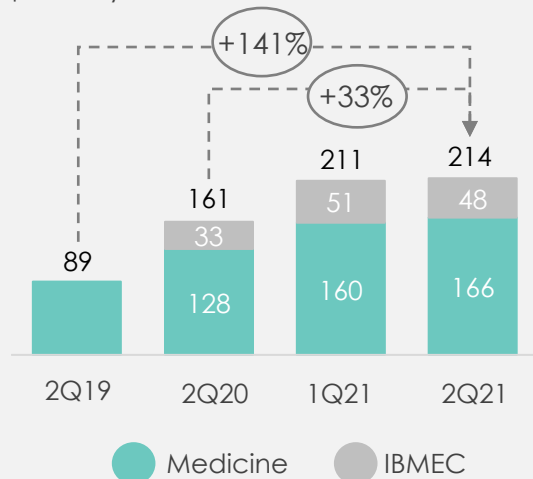
  
**EBITDA MARGIN**

EBITDA margin in 1H21  
Premium **45%**  
Digital learning **39%**  
On-campus **19%**

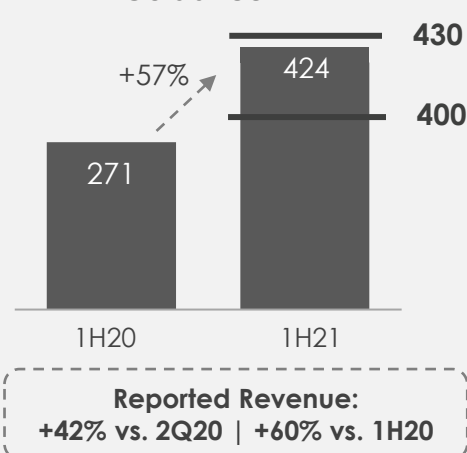
# PREMIUM: CONTINUES WITH STRONG GROWTH

2Q21  
**YDUQS**

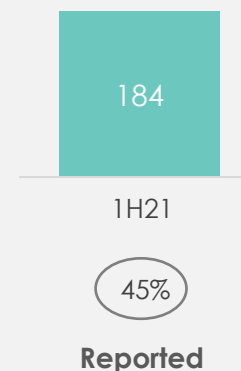
Adjusted Net Revenue <sup>(1)</sup>  
(R\$ million)



**Guidance**



EBITDA  
(R\$ million)

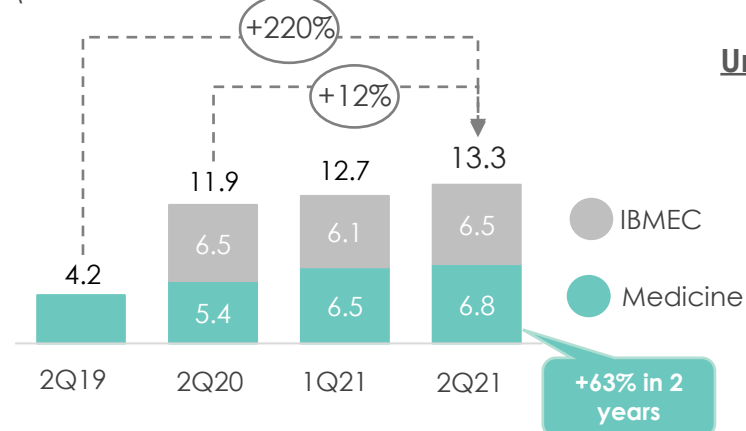


Representativeness in total  
YDUQS EBITDA

**29%**



Student Base  
(thousand students)



**Undergraduate 1H21**

**Student base**

**Average ticket**

**Adjusted average ticket<sup>(1)</sup>**

**IDOMED**  
Instituto de Educação Médica

**6.2 k students**

**R\$8.5 k/month**  
+5% YoY

**R\$8.8 k/month**  
+3% YoY

**ibmec**

**5.1 k students**

**R\$2.7 k/month**  
+5% YoY

**R\$2.7 k/month**  
+5% YoY



**Renewal rate** of **96%** in 1H21, a growth of 3 p.p. vs 1H20.



**Up to +450 new medicine seats** for approval in 2021.2.



**Total of 6.2-6.6 thousand undergraduate medicine students** expected by the end of 2021.



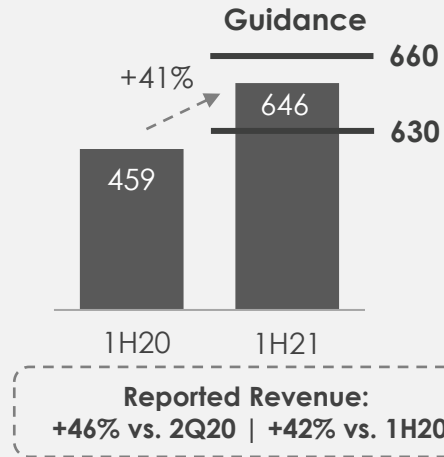
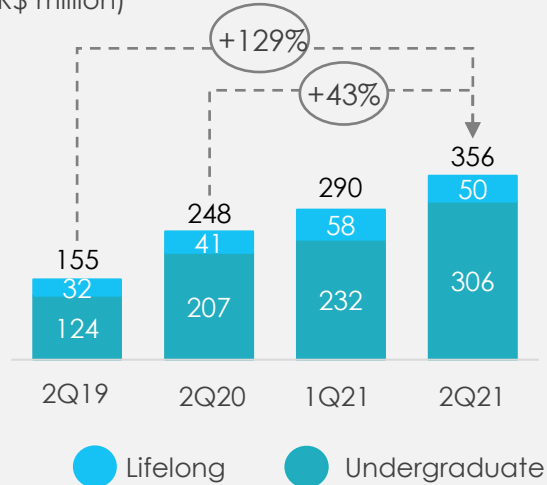
<sup>(1)</sup> Net revenue adjusted by the effects of laws and court decisions | EBITDA adjusted by non-recurring effects

# DIGITAL LEARNING: REVENUE AND BASE DOUBLING IN 2 YEARS

2Q21

YDUQS

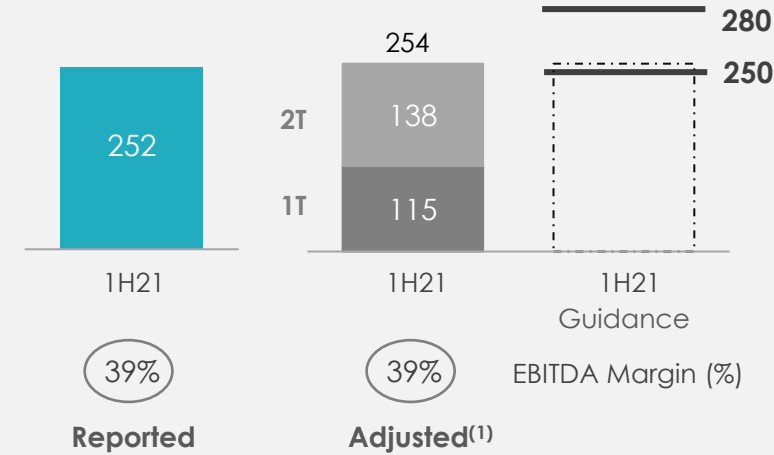
Adjusted net revenue <sup>(1)</sup>  
(R\$ million)



EBITDA  
(R\$ million)

Representativeness in total  
YDUQS EBITDA

37%

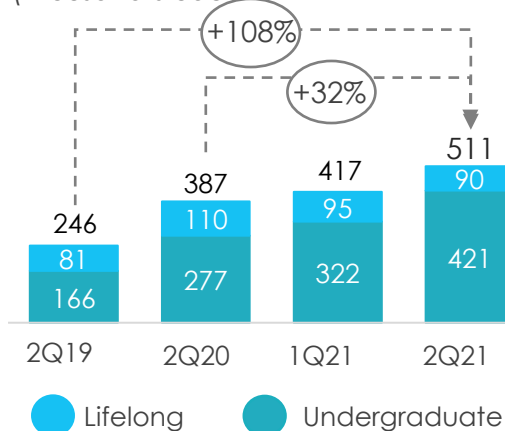


Undergraduate  
average ticket 1H21

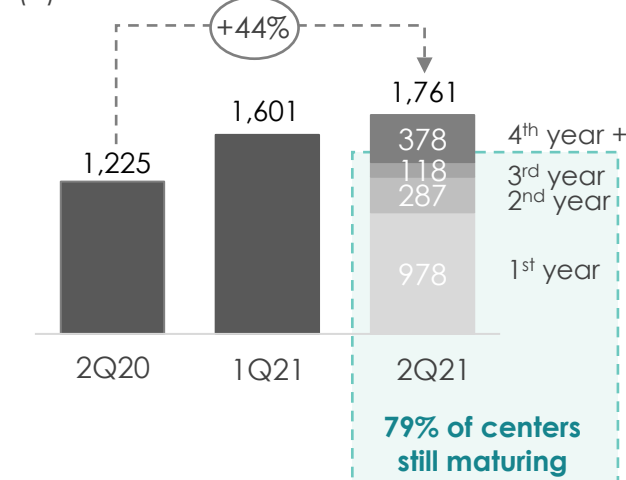
R\$245/month

+0.1% vs. 1H20 Reported  
-1.0% vs. 1H20 Adjusted<sup>(1)</sup>

Student base  
(Thousand students)



Number of centers  
(#)



➤ **Renewal rate** at **77%** in 1H21, remaining stable in the level reached in 1H20.

➤ Maintaining expectation of **2,000 centers in 2021** and **2,500 centers in 2022**.

NPS<sup>(2)</sup>  
Improvement  
**+25p.p.**  
vs. 1H20

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

(2) NPS results for Estácio undergraduate based, figures updated up to 06.30.21.

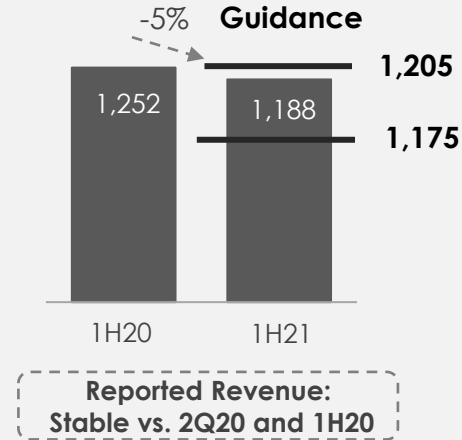
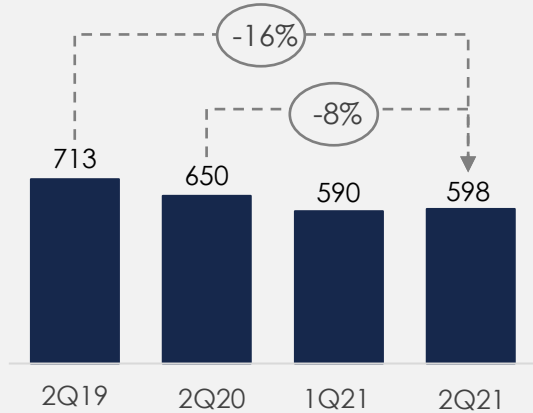


# ON-CAMPUS: TICKET STABLE FOR THE 3<sup>rd</sup> CONSECUTIVE PERIOD

2Q21

YDUQS

Adjusted net revenue<sup>(1)</sup>  
(R\$ million)

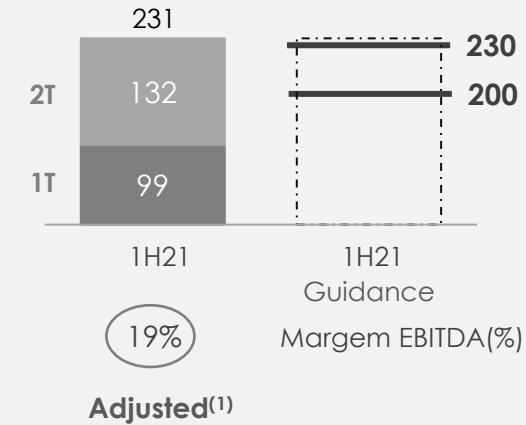


EBITDA  
(R\$ million)

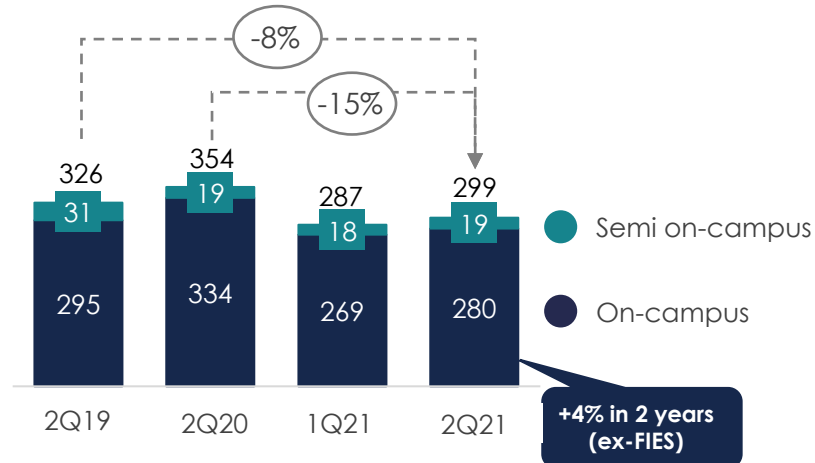


Representativeness in total  
YDUQS EBITDA

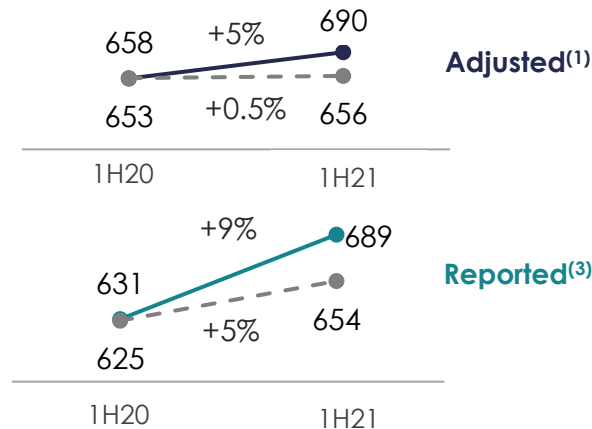
34%



Student base  
(Thousand students)



Undergraduate Average Ticket  
(R\$/month) (ex-semi on-campus) — ex-acquisitions



➤ **Renewal rate** at **86%** in 1H21, remaining stable at the level reached on 1H20.

➤ **Average ticket** stable for the third consecutive period due to mainly the significant reduction of the laws and court decisions' impact, combined with the change in student base mix.

NPS <sup>(2)</sup>  
Improvement  
**+21p.p.**  
vs. 1H20

(1) Net revenue adjusted by the effects of laws and court decisions | EBITDA adjusted by non-recurring effects  
(2) NPS results for Estácio undergraduate based, figures updated up to 06.30.21.  
(3) The average ticket including medicine totaled R\$859/month in 1S21 (+16% YoY)

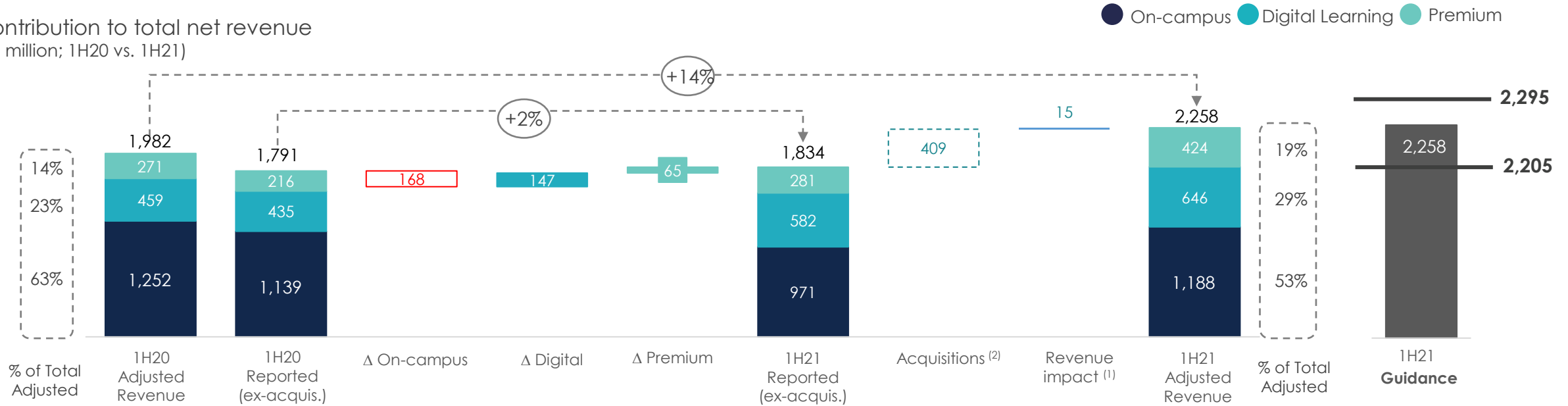


# REVENUE: PREMIUM & DIGITAL ALREADY REPRESENT 47% OF TOTAL

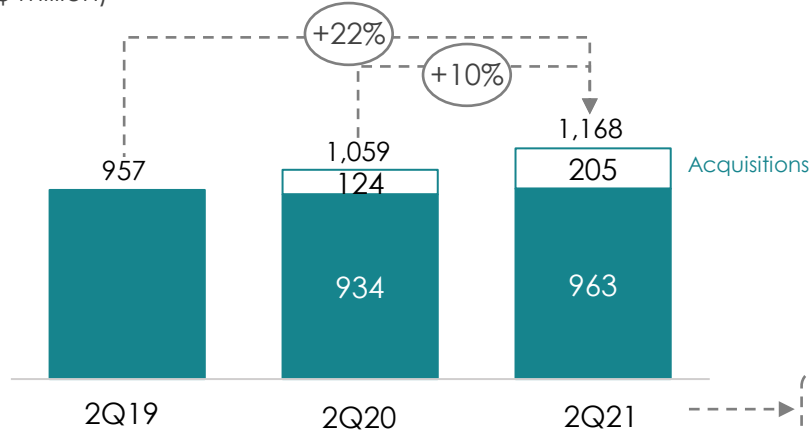
2Q21

YDUQS

Contribution to total net revenue  
(R\$ million; 1H20 vs. 1H21)



Adjusted net revenue<sup>(1)</sup>  
(R\$ million)

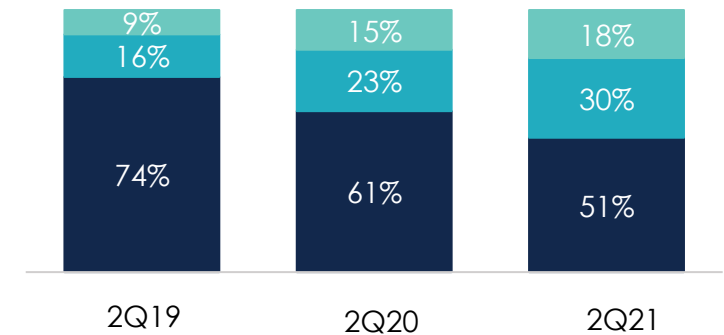


**90% reduction** on the impact of laws and court decisions

**67.5** million in 2Q20  
**7.0** million in 2Q21

Reported revenue, grows 17% vs. 2Q20 and 10% ex-acquisitions

Adjusted net revenue<sup>(1)</sup> by BU  
(% of adjusted revenue)



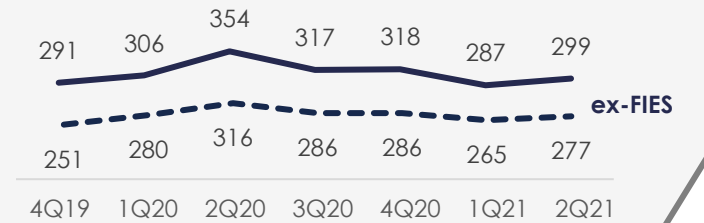
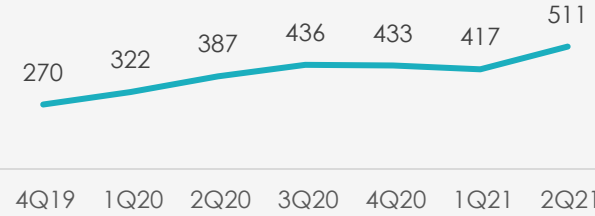
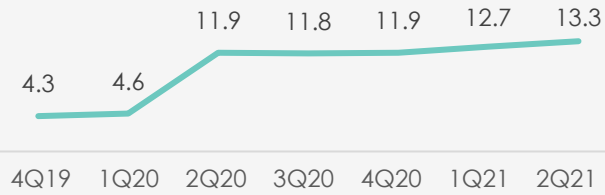


# RESUMING NORMALITY



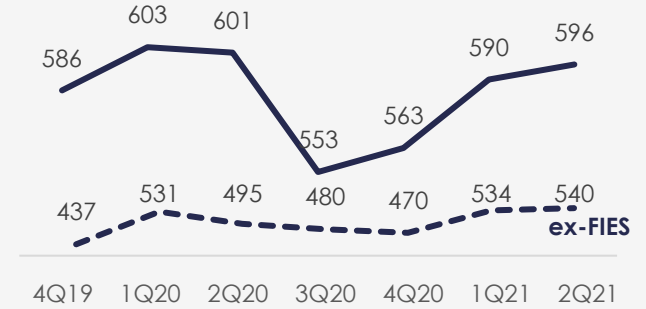
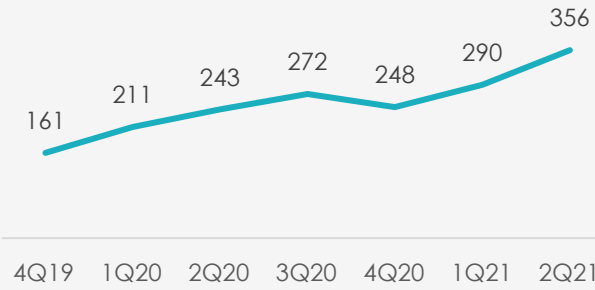
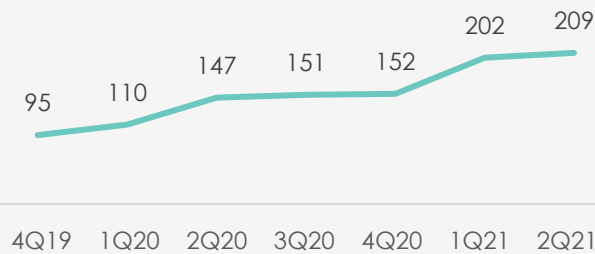
## Student base

thousand students  
(incl. acquisitions)



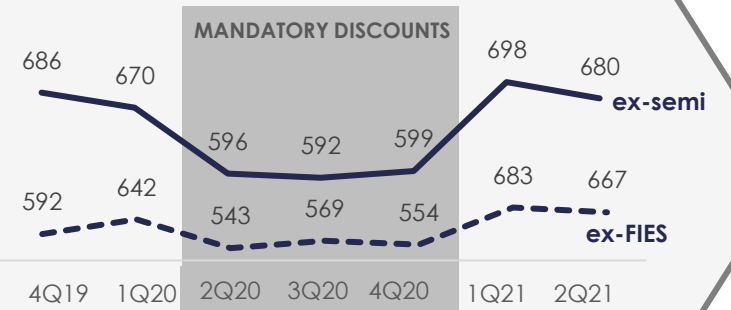
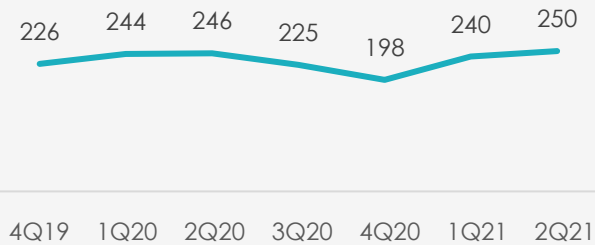
## Net Revenue

Reported  
R\$ million



## Average Ticket

Reported  
Undergraduate  
R\$/month



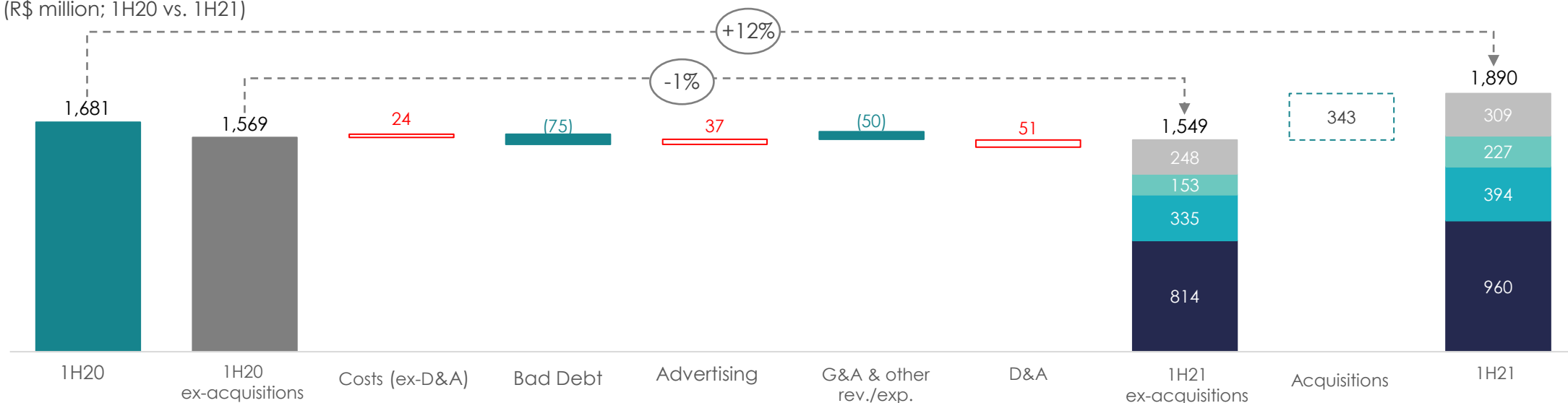


# REPORTED COSTS AND EXPENSES

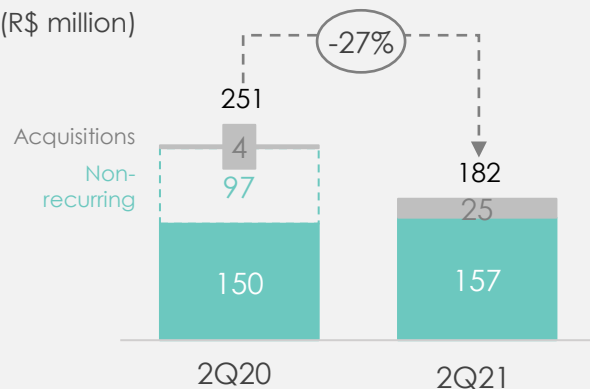
2Q21  
YDUQS

Composition of costs and expenses  
(R\$ million; 1H20 vs. 1H21)

On-campus Digital Learning Premium D&A

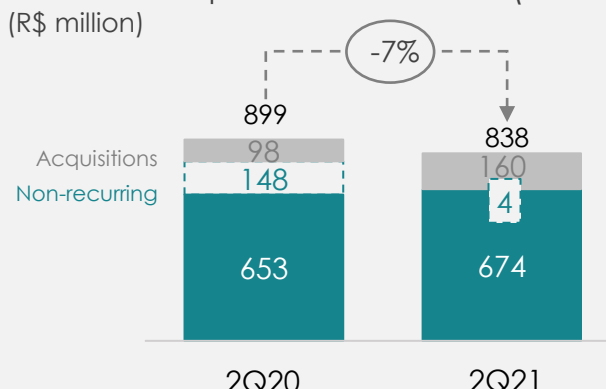


Bad Debt + Discounts  
(R\$ million)



25% -10 p.p. 16% % of Net Revenue

Costs and expenses + Discounts (ex-D&A)  
(R\$ million)



91% -18 p.p. 72%

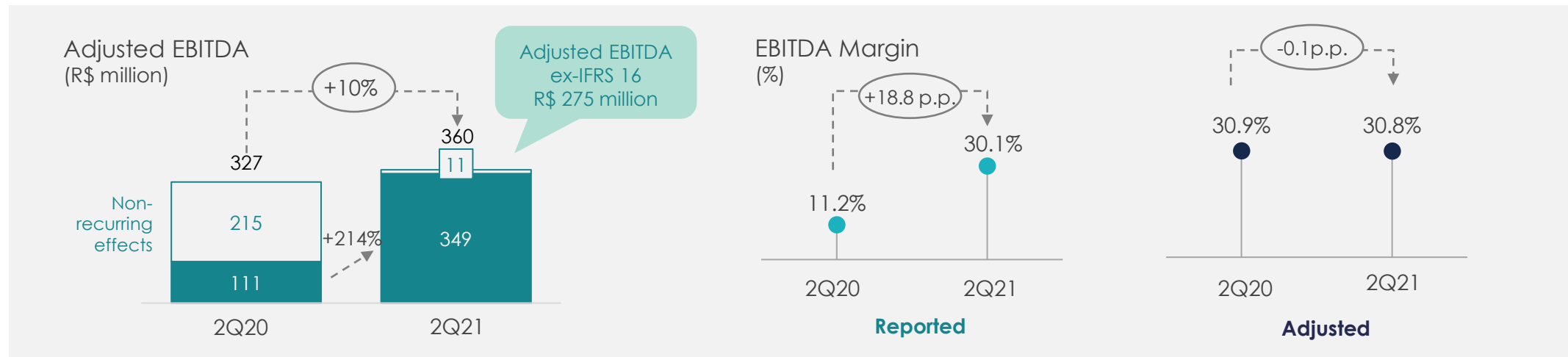
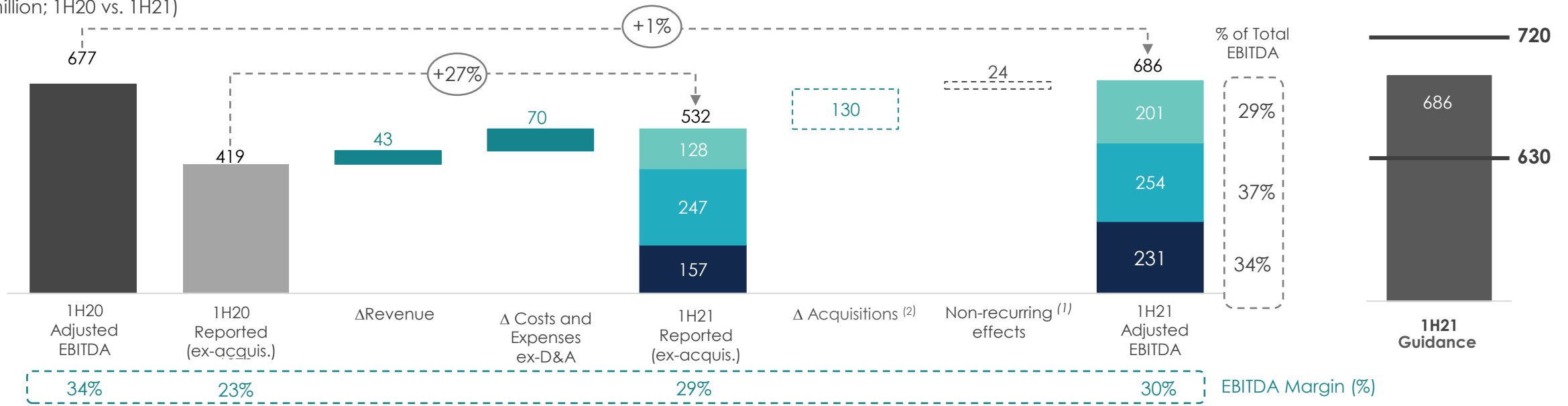
- **Costs increase (ex-D&A and acquisitions)**  
(+8% in 2Q20 and +4% in 1H21) impact of transfer to centers
- **-27% YoY of Bad Debt + Discounts in 2Q21**  
Reduction of 15% vs. 1H20
- **Advertising in line with 2Q20**  
(ex-acquisitions)
- **G&A reduction (ex-D&A and acquisitions)**  
-30% in 2Q21 and -15% in 1H21



# REPORTED EBITDA TRIPLES vs 2Q20

Adjusted EBITDA  
(R\$ million; 1H20 vs. 1H21)

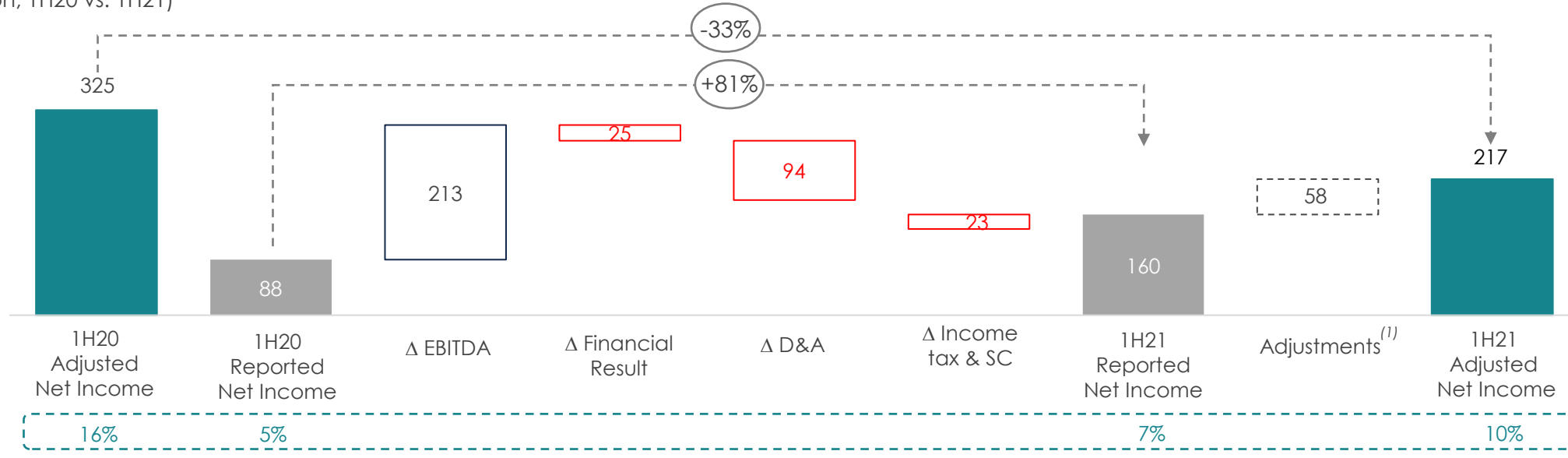
● On-campus ● Digital Learning ● Premium



(1) Non-recurring effects: laws and court decisions, restructuring, M&A, and other, in the amount of R\$23.7 million in 1H21.  
(2) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.

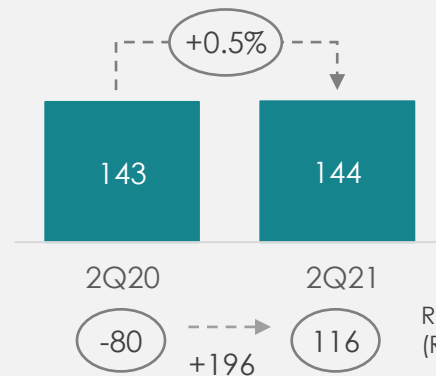
# REPORTED NET INCOME INCREASES BY ~R\$200 MM VS 2Q20

Adjusted Net Income  
(R\$ million; 1H20 vs. 1H21)



Net margin  
(%)

Adjusted Net Income  
(R\$ million; 2Q20 vs 2Q21)



Adjusted Net Income  
ex-IFRS 16  
R\$ 152 million



Reported Net Income  
(R\$ million)

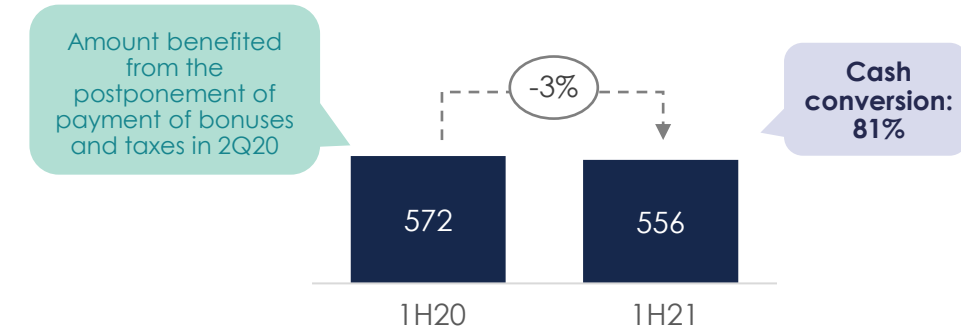
Adjusted net margin  
(%)



(1) Non-recurring effects on EBITDA in the total amount of R\$23.7 million, R\$32.4 million referring to the amortization of goodwill on acquisitions and R\$1.7 million of Income tax and social contribution.

# CASH FLOW AND CAPEX

## Reconciliation of Operating cash flow (R\$ million, before Capex)

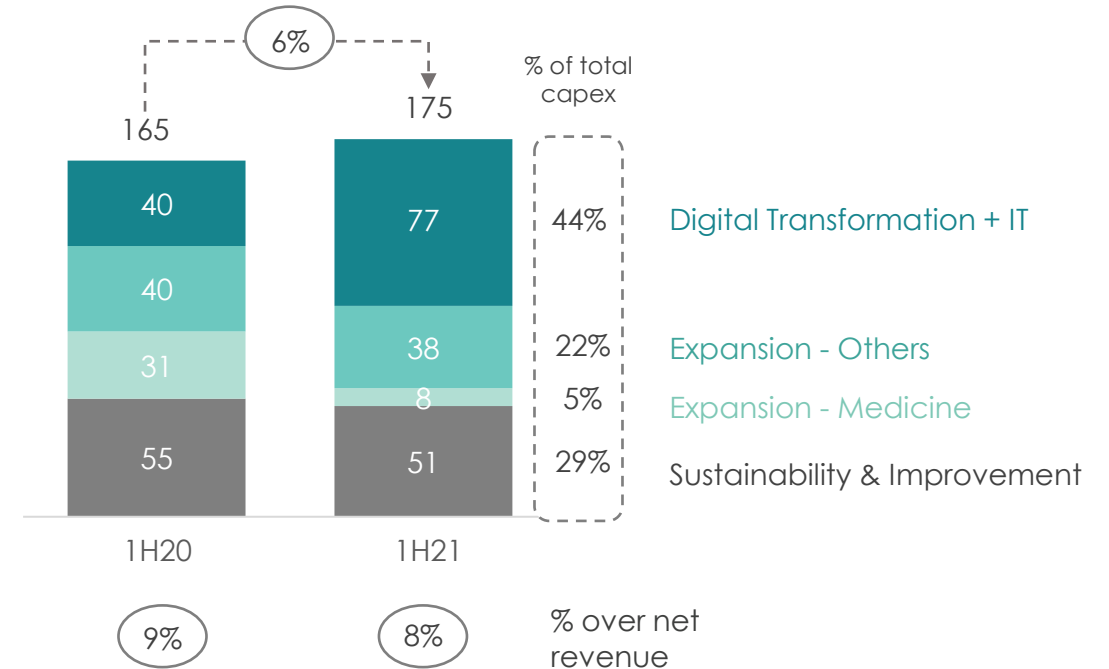


Reconciliation of OCF	1H20	1H21
Operating Cash Flow	745	349
Income Taxes and Social Contribution paid	22	22
Loans interest paid	26	84
Increase in Judicial deposits	(2)	9
Contract termination fee <sup>(1)</sup>	-	45
Delay in FIES receivables <sup>(2)</sup>	(136)	39
Payment postponement	(84)	9
<b>OCF after reconciliation</b>	<b>572</b>	<b>556</b>

➤ High liquidity, cash generation and ability to raise funding, **R\$2.0 billion in cash position.**

➤ **Low Debt:** Net Debt<sup>(3)</sup>/Adjusted EBITDA <sup>(4)</sup> at **1.3x.**

## CAPEX (R\$ million)



➤ **Investments in new campuses:** Maracanã and Presidente Vargas (medicine exclusive unit), both in Rio de Janeiro.

➤ Increasing **investments in Digital Transformation** (44% of total capex) improving student experience, and consequently NPS, retention and teaching quality.

(1) In 1Q21, R\$ 45 million refers to the timely payment of the termination of a rental agreement, an amount provisioned in the past.

(2) In 1Q20, R\$ 136 million refers to the FIES receivables referring to Dec/19 and R\$ 38.5 million in Jun/21.

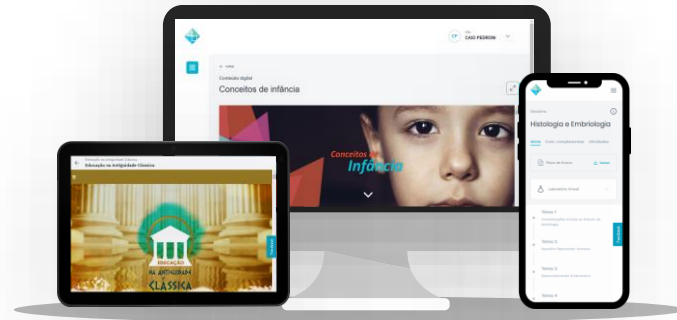
(3) Net debt excluding leasing (ex-IFRS16).

(4) EBITDA adjusted by non-recurring effects.









# OUR DIGITAL TRANSFORMATION JOURNEY

**Boosting student learning** and empowering the teachers of our institutions...





... all of it enabled by **high-end technology** which allows flexibility and scalability for our business



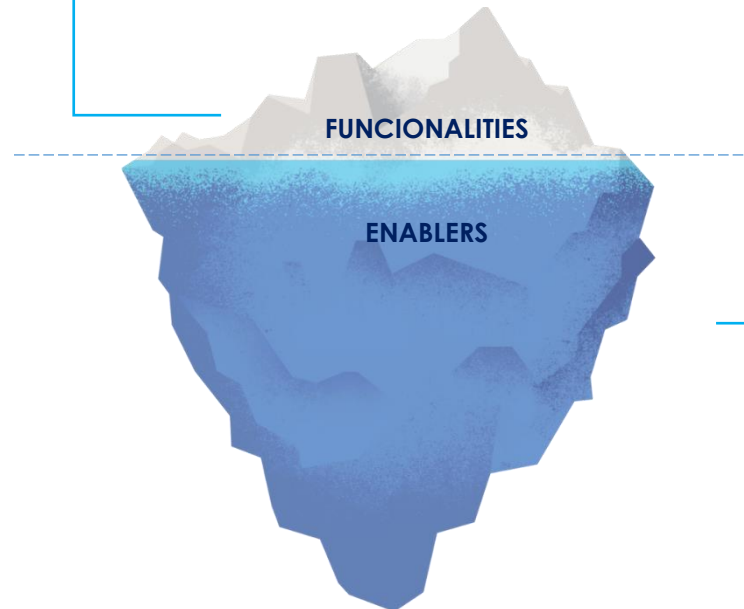
## DIGITAL LEARNING FUNCTIONALITIES

-  Majors, courses and classes
-  Learning trail, classes and themes
-  EnsiMe digital content
-  Complementary content
-  Virtual Lab
-  Digital exams and mock tests
-  Work delivery and management
-  Online tutoring










## DIGITAL ADMINISTRATIVE FUNCTIONALITIES

-  Student financial self-management
-  Student help desk
-  Negotiation portal
-  Renewal and class schedule definition

## YDUQS DIGITAL PLATFORM



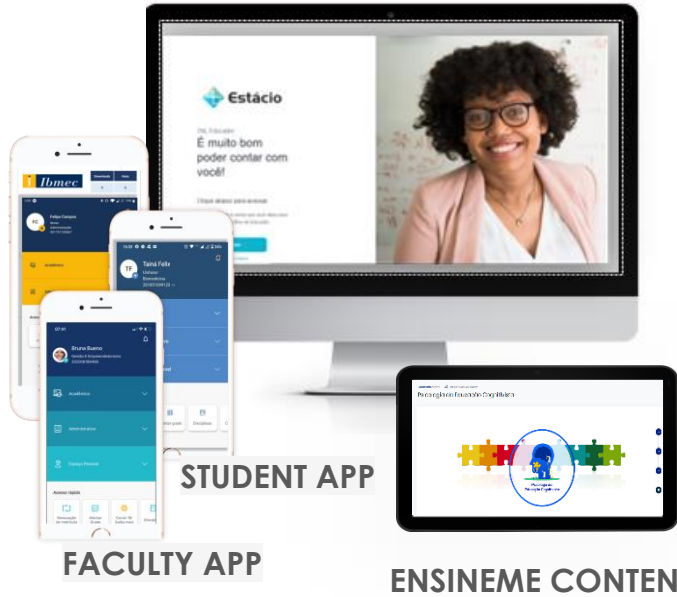
## TECHNOLOGICAL ENABLERS

-  Cloud Native
-  Academic ERP Decoupling
-  Integration through API/Microservice
-  Continuous delivery and deploy
-  Automated testing
-  Feature Flags
-  Microsoft unified authentication
-  Responsive and adaptive design
-  State-of-the-art datacenter

# A FEW FIGURES OF THIS PROCESS

improving teaching quality and enhancing students' learning journey

## VIRTUAL CAMPUS

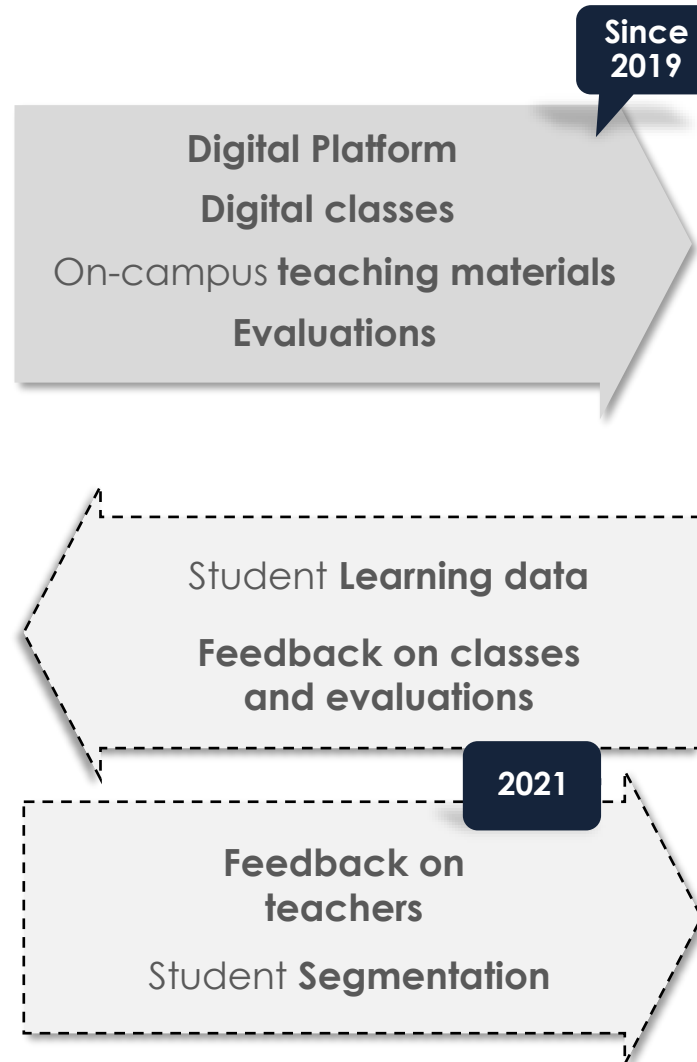


- **~500 thousand** DL and on-campus AURA **students impacted by EnsiMe**
- **4.7 million digital exams/mock tests** in 2020
- **+ 400 thousand log-ins** to virtual labs impacting 30 thousand students
- **~90% of student base with the Student App** downloaded, of which over **+600 thousand active users** allowing students to study through their cellphones with **sponsored internet usage**
- **Faculty App** reference in the market, digitalizing teaching experience and full class management, already in use by **6 thousand teachers**
- **Digital Transformation** in administrative areas, improving students' intake and renewal processes:
  - **Entrance Examination, enrollment process and paperwork 100% digital**
  - **Reduction of over +90% of the average time spent by the student in the renewal process and making changes in class schedule**
  - **Renewal satisfaction level increasing by +40 p.p. vs. 2020** (wishlist)

## EnsigneMe

Managing digital learning

- **High-end academic content** developed by the best teachers, focusing on learning and engagement
- Curation defining and updating **content in real time**
- Curated questions database, managed with **artificial intelligence**
- **White label digital platform** (web e APP)
- Content consumption and **behavioral data** in real time
- **Student performance data in real time**



## Products and channels



CENTRO UNIVERSITÁRIO

UniFanor

DAMÁSIO



IDOMED  
Instituto de Educação Médica



# YDUQS'S PRODUCTS AND CHANNELS ECOSYSTEM(2/2)

2Q21

YDUQS

EnsiMe

Digital Platform

Digital classes

On-campus teaching materials











































Evaluations

Student Learning data

Feedback on classes and evaluations

Feedback on teachers

Student Segmentation

	Products	Platforms	Price Range (R\$)	Brands <sup>(1)</sup>
DL	Online		100-250	 Estácio 
	Premium DL	 	200-350	 UNITOLEDO 
	Flex	 	300-450	 Estácio
ON-CAMPUS	Semi On-campus	   	350-600	 Estácio 
	On-campus	   	450-2,000	 Estácio 
	On-campus grad.	 	150-1,500	 Estácio 
LIFELONG	DL grad.		150-1,500	 ibmec  DAMÁSIO  wyden  Estácio
	Prep and extra courses	  	20-100	 DAMÁSIO  sjt>med  Estácio 
	Medicine and Ibmec	 	2,500-12,000	 ibmec 
PREMIUM				



Online



Teams



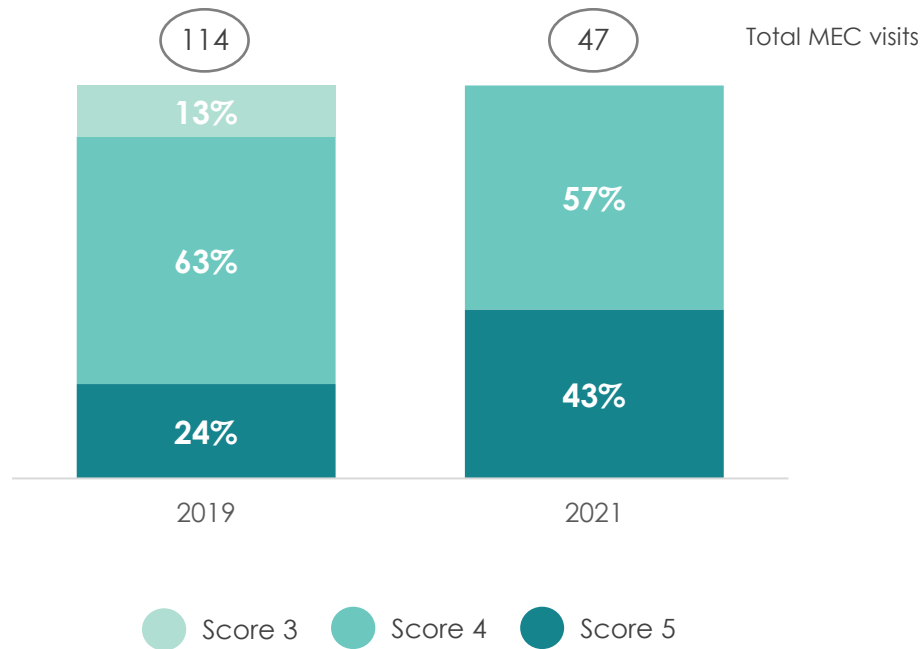
Virtual Lab



Teacher

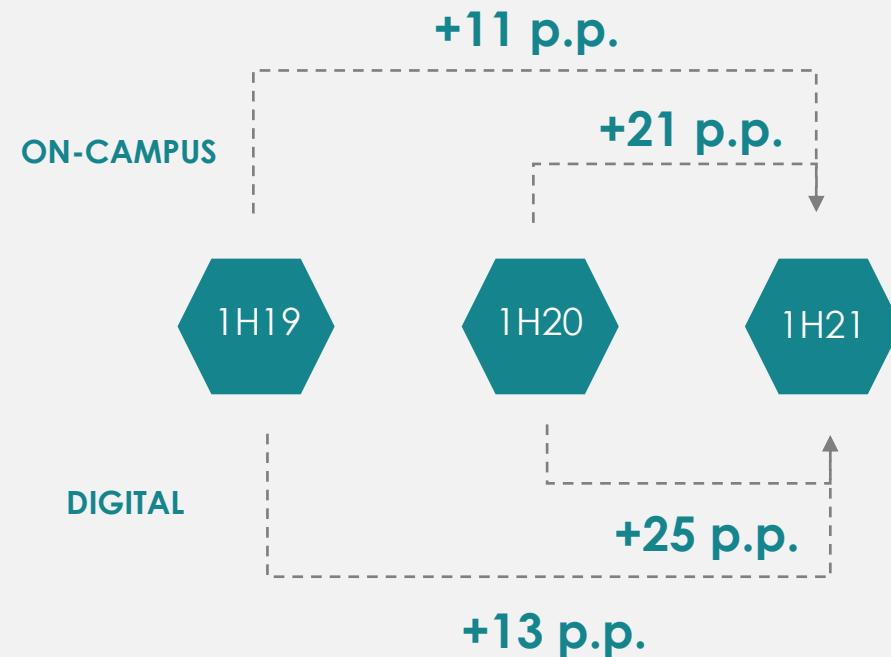
(1) Wyden is used in combination with local brands: Martha Falcão, Unitoledo, Unifanor, Faci, UniFBV, UniFavip, UniFacid, UniRuy, Unimetrocamp, Facimp.

MEC Evaluation  
(IES Results)



➤ In 2021 (YTD), **100% (vs. 87% in 2019)** of MEC evaluations received score of 4 or higher.

NPS Evolution  
(Estácio, p.p.)



➤ Student satisfaction keeps increasing, resulting in a **NPS improvement** throughout the last few years.

# TIMELINE OF RECENT ACQUISITIONS

	Unitoledo	Adtalem	Athenas	QConcursos
	São Paulo	Brazil	North and Midwest	Brazil
Closing	Sep/19	Apr/20	Aug/20	Jul/21
Price	R\$ 117.5 million	R\$ 1.8 billion	R\$ 120 million + 600k/medicine seat	R\$ 208 million
EV/EBITDA Acquisition	9.3x	9.5x	8.0x	6.0x <sup>(1)</sup>
EV/EBITDA Post-synergies		4.0 – 6.5x		-
Integration Stage	Finalized	People and systems 100% integrated, value capture ongoing	People and systems 100% integrated by Dec/21, value capture ongoing	No integration, focus on growth, technology and CAC reduction
End of Value capture	Revenue: Dec/2020 Expenses: Dec/2020	Revenue: Dec/2024 Expenses: Dec/2023	Revenue: Dec/2027 Expenses: Dec/2023	-



(1) EV/Cash Flow

## Premium and Digital continue with solid growth

- **Digital and Premium** continue with significant growth, already representing **almost 50% da NOR and 70% of EBITDA**
- **Medicine continues to gain traction** with contracted growth, **successfully filling authorized seats**
  - Expectation of **6.2-6.6 thousand undergraduate students in 2021**
  - Expectation of **up to +450 seats for approval in 2021.2**
- **Digital Learning keeps growing in accelerated pace** driven by **strong expansion of centers**
  - Expectation of **2,000 centers in 2021** and **2,500 centers in 2022**
  - **5 IES** (Higher Education Institutions) with MEC authorization visits made for the **law major in DL format**

## On-campus resuming normality

- **Average Ticket** continues to recover, with another **consecutive period without dropping**
- Increase of **student base in AURA**, expected to surpass 60% of on-campus base in 2021
- Students **returning to classrooms**, with the expectation of all units operating with students back on-site by the end of 2021
- **2021.2 Intake growing vs. 2020.2**, and expected to return to pre-pandemic levels from 2022 on

## Digital Ecosystem improving quality and NPS

- **Closing of Qconcursos acquisition**, contributing with **advanced technology** mainly with the use and application of **Artificial Intelligence**, in addition to generating CAC reduction
- **Ensineme** causing improvement in the **quality of teaching** (100% of MEC evaluations  $\geq 4$ )
- **Investments in digital transformation and IT** improving student's experience, and consequent **increase of NPS**

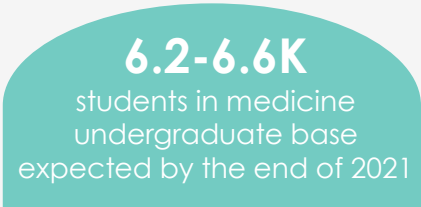
Expectation  
2021.2

VOLUME

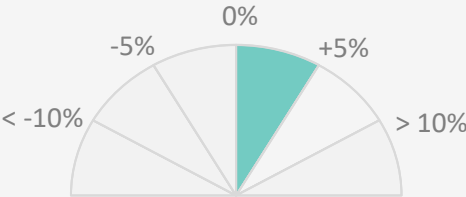
AVERAGE TICKET  
Consolidated  
Reported



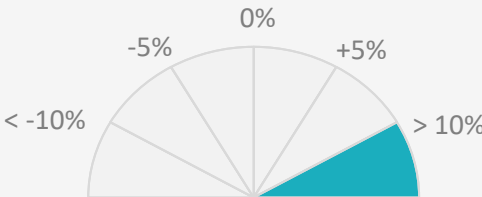
Medicine



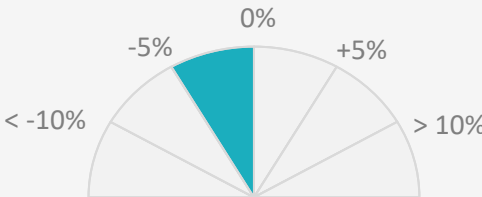
2021 Student base



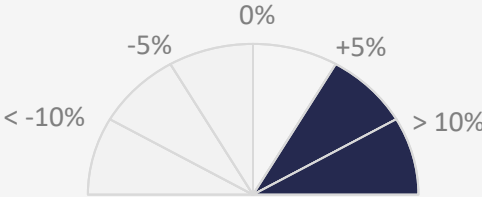
Digital



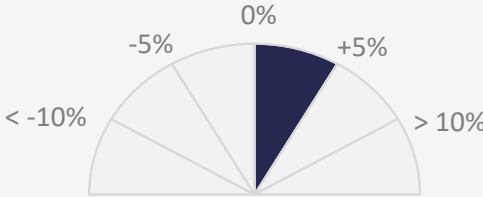
2021.2 Intake



On-campus



2021.2 Intake



ex-semi on-campus



# YDUQS



## APPENDIX

# INCOME STATEMENT BY BUSINESS UNIT

	Consolidated	Premium	Digital	On-campus
R\$ Million	1H21	1H21	1H21	1H21
<b>Gross Revenue</b>	<b>4,438.7</b>	<b>496.2</b>	<b>1,271.0</b>	<b>2,671.4</b>
Monthly tuition fees	4,438.7	496.2	1,271.0	2,671.4
Deductions from gross revenue	(2,195.7)	(85.1)	(625.0)	(1,485.6)
<b>Net Operating Revenue</b>	<b>2,243.0</b>	<b>411.1</b>	<b>646.1</b>	<b>1,185.8</b>
<b>Cost of Services</b>	<b>(958.0)</b>	<b>(175.8)</b>	<b>(128.0)</b>	<b>(654.2)</b>
Personnel	(593.0)	(137.1)	(41.1)	(414.8)
Rent, municipal property tax and other	(26.0)	(4.6)	0.5	(21.9)
Third-party services and other	(130.4)	(5.6)	(79.6)	(45.1)
Depreciation and amortization	(208.7)	(28.5)	(7.8)	(172.4)
<b>Gross profit</b>	<b>1,284.9</b>	<b>235.3</b>	<b>518.1</b>	<b>531.6</b>
Gross Margin	57.3%	57.2%	80.2%	44.8%
<b>Selling, G&amp;A and Other Expenses</b>	<b>(931.9)</b>	<b>(94.6)</b>	<b>(306.8)</b>	<b>(530.4)</b>
Personnel	(173.4)	(24.5)	(63.4)	(85.5)
Advertising	(228.4)	(13.3)	(73.9)	(141.3)
Bad Debt	(254.6)	(11.8)	(99.1)	(143.6)
Other Expenses	(184.2)	(31.6)	(40.0)	(112.7)
Other Revenue	9.0	1.6	2.3	5.1
Depreciation and amortization	(100.3)	(15.0)	(32.8)	(52.5)
<b>(+) Depreciation and amortization</b>	<b>309.0</b>	<b>43.5</b>	<b>40.6</b>	<b>224.9</b>
<b>EBITDA</b>	<b>662.0</b>	<b>184.2</b>	<b>251.8</b>	<b>226.0</b>
EBITDA Margin (%)	29.5%	44.8%	39.0%	19.1%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>685.6</b>	<b>200.9</b>	<b>253.6</b>	<b>231.2</b>
Adjusted EBITDA margin(%)	30.4%	47.4%	39.2%	19.5%

(1) Adjusted by non-recurring items





# MEDICINE STUDENT BASE

**6.2-6.6K**

students in medicine  
undergraduate base  
expected by the end of 2021

**Seats to be approved in 2021.2**

**+200 new seats** in 2021

Pending MEC authorization  
(expansion of +100 seats each)

**+50 new seats** in 2021

Pending MEC ordinance publication  
(expansion of +50 seats)

**+100 new seats** in 2021

Pending MEC authorization

**+100 new seats** in 2021

Pending MEC approval

2Q21				Full Potential <sup>(1)</sup>	
Units	State	Authorized/ Qualified Seats	Student Base	Authorized/ Qualified Seats	Student Base
Presidente Vargas	RJ	240	1,611	240	1,728
Città	RJ	170	1,049	170	1,224
Juazeiro do Norte	CE	100	690	100	720
Ribeirão Preto	SP	76	540	76	547
Teresina	PI	110	704	110	792
Alagoinhas	BA	65	296	165	1,188
Jaraguá do Sul	SC	50	212	150	1,080
Juazeiro	BA	155	529	155	1,116
Angra dos Reis	RJ	89	300	155	1,116
Canindé	CE	50	79	120	864
Cáceres	MT	50	66	100	720
Castanhal	PA	50	49	150	1,080
Quixadá	CE	50	43	150	1,080
Açailândia	MA	50	31	150	1,080
<b>Total Authorized Seats <sup>(2)</sup></b>		<b>1,305</b>	<b>6,199</b>	<b>1,991</b>	<b>14,335</b>
Iguatu	CE	50	0	150	1,080
Ji-Paraná	RO	50	0	150	1,080
<b>Total Qualified Seats</b>		<b>1,405</b>	<b>6,199</b>	<b>2,291</b>	<b>16,495</b>
<b>Athenas <sup>(3)</sup></b>		-		<b>200</b>	-

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

(2) Authorized seats are qualified seats which received MEC final authorization.

(3) Seats not yet qualified from the acquisition of Athenas Group are under court and/or administrative discussions, with the possibility of up to +200 seats.





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