

7th Brazil Investment Forum

Bradesco BBI

YDUQS



April, 2021

YDUQ
B3 LISTED NM



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Ações com Governança
Corporativa Diferenciada **IGC**

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Diferenciado **ITAG**

HIGHLIGHTS

➤ Digital learning and Premium already represent 40% of revenue and 56% of EBITDA and have a growth path already in place for the coming years.

➤ Stable On-campus with upside from acquisitions.

➤ Investing heavily in Digital Transformation and IT, reflecting on improved quality and student experience and differentiating us from the market.

➤ We have great capital discipline, **generating cash** every year and returning relevant amounts to our shareholders.

Digital Learning

Growth of the undergraduate students' base (**+70%** vs 2019) and centers (**+62%** vs 2019)

Premium

Adjusted net revenue **+72%** vs 2019
Medicine Base **+34%** vs 2019

On-campus

Student base **+9%** vs 2019 and Average ticket **+3%** (2H20)

R\$1.6 billion

of operational cash flow in 2020

Increase in NPS

On-campus (**+8 pts**) Digital Learning (**+10 pts**) in a pandemic year (vs 2019.2)

OUR BUSINESS UNITS



ON-CAMPUS

Unit responsible for our on-campus undergraduate, masters', doctorate and semi on-campus courses.

318K

Students
+5% vs 2018

R\$2.5 billion
2020 adjusted Net Revenue
60% of YDUQS's Total NOR

R\$598 million
2020 adjusted EBITDA
44% of YDUQS's Total EBITDA



DIGITAL LEARNING

Distance learning platform boosted by innovation and technology. With national presence, it is our business unit that presents the highest growth.

334K

Undergraduate Digital
Learning Students
+146% vs 2018

99K

Lifelong students
(graduate courses)
+31% vs 2018

R\$984 million
2020 adjusted Net Revenue
24% of YDUQS's Total NOR

R\$441 million
2020 adjusted EBITDA
33% of YDUQS's Total EBITDA



PREMIUM

Concentrates our offers with the best quality standards. Includes our business school (IBMEC) and the Medicine business unit (undergraduate and graduate).

5.4K

Medicine undergrad
students
+51% vs 2018

4.8K

IBMEC
undergrad
students

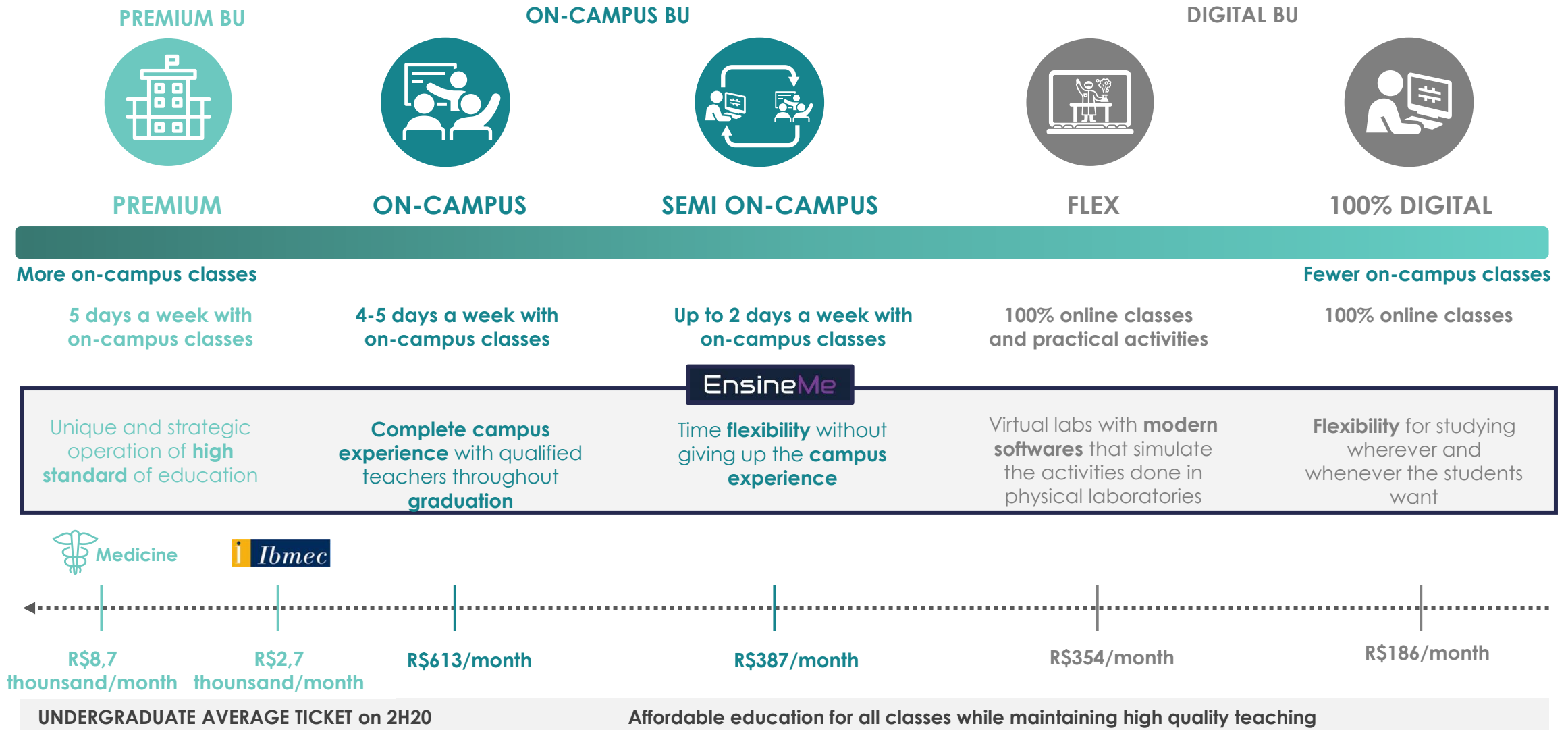
R\$625 million
2020 adjusted Net Revenue
15% of YDUQS's Total NOR

R\$310 million
2020 adjusted EBITDA
23% of YDUQS's Total EBITDA



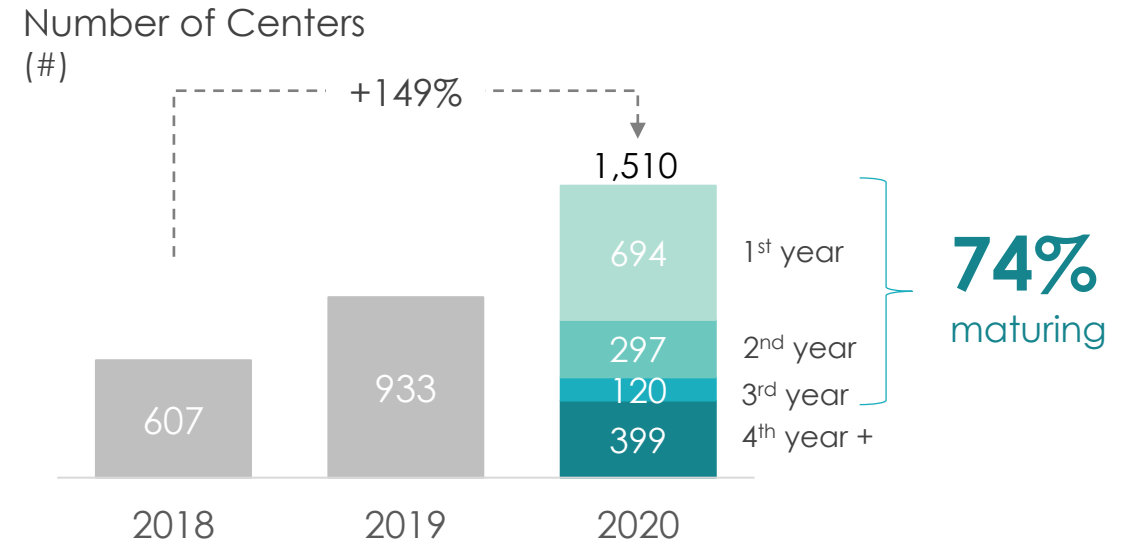
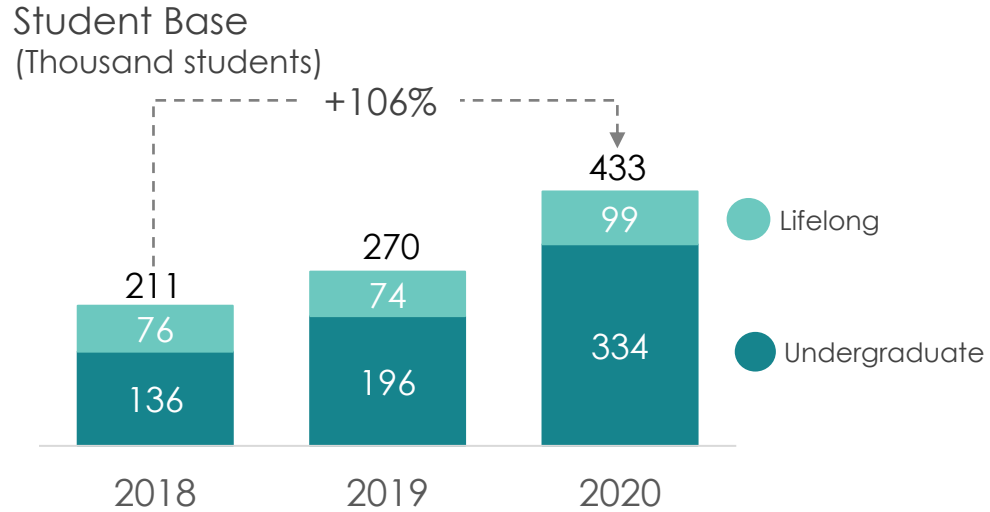
WIDE RANGE OF PRODUCTS

Ensuring quality education for all social classes

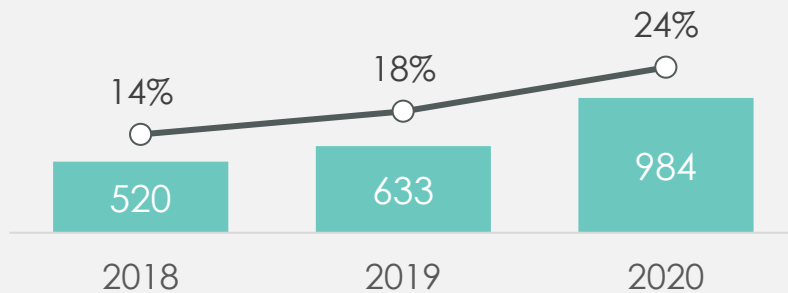


DIGITAL LEARNING: UNDERGRADUATE DOUBLED IN 2 YEARS

Brazil's largest graduate player



Net revenue ⁽¹⁾
(R\$ million)



- **Retention Rate** Undergraduate ex-acquisitions **+3 p.p.** (82% in 2H20)
- **2.000 centers** e **1.500 cities** in 2021
- **Lifelong: Multi-brand Operation** serving the 3 tiers (R\$5K to R\$25K courses)
- **Large potential market** for professional and extra courses
- **Great partnerships** with companies such as Microsoft, XP and Empiricus

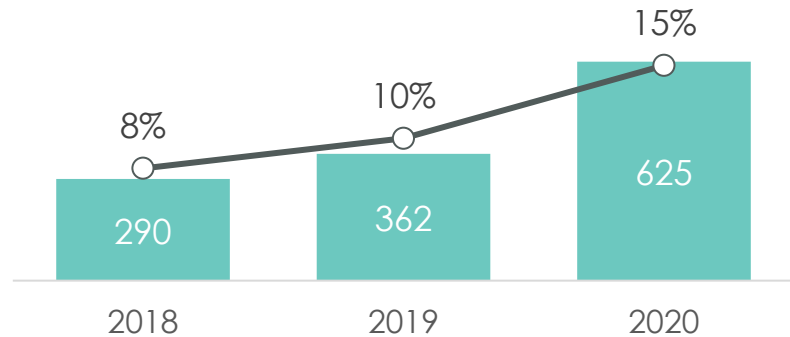


(1) Net revenue adjusted by the effects of laws and court decisions related to Covid-19.

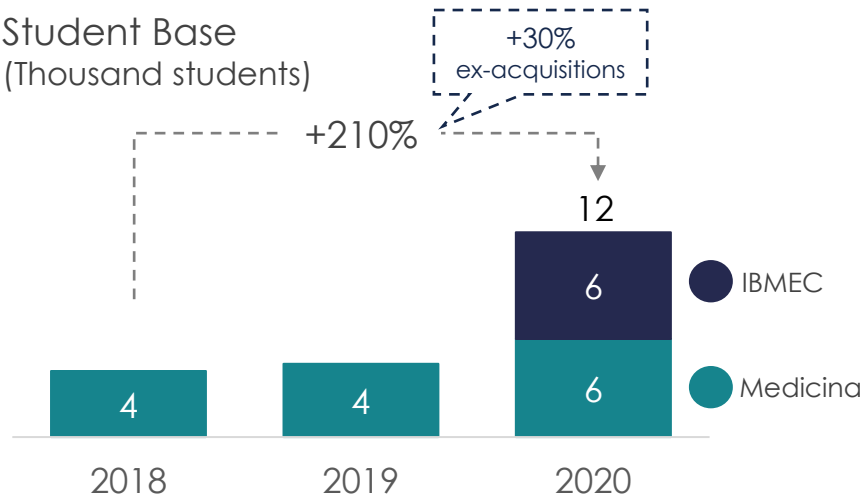
PREMIUM: MEDICINE WITH STRONG ORGANIC GROWTH

IBMEC as a strategic asset

Adjusted Premium net revenue⁽¹⁾ and share of total revenue
(R\$ million; %)



Student Base
(Thousand students)



MEDVEST

National medicine entrance examination (100% of seats filled)



Adjusted average ticket⁽¹⁾

R\$8.7K/month in 2020 (Paying students)



+244 seats⁽³⁾

in 2020 (100% filled)

+250 seats⁽⁴⁾

In new units for 2021



Graduate base growing

326 students in 2020



6.1-6.5 thousand

students in total medicine base expected by the end of 2021



On-campus student base: 6.2K

Undergraduate: 4.8K | Graduate: 1.4K

Renewal Rate⁽²⁾ 95%

In 2H20

Adjusted average ticket⁽¹⁾

R\$2,758/month in 2H20

(1) Net revenue adjusted by the effects of laws and court decisions related to Covid-19 | Ibmecc average ticket related to undergraduate.

(2) Medicine: Renewal rate related to Estácio undergraduate | Ibmecc: Renewal rate related to undergraduate

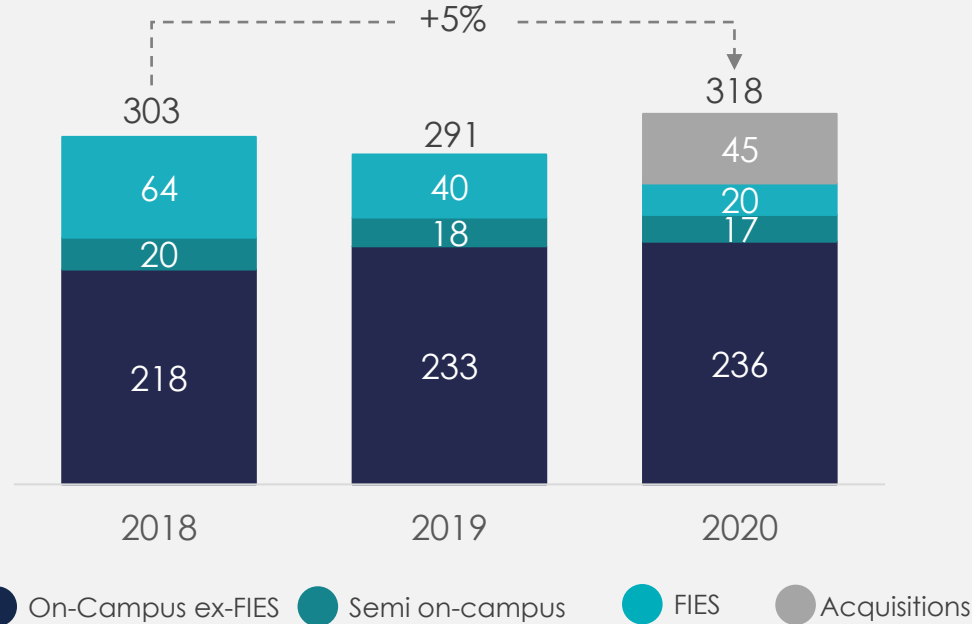
(3) Out of the total seats granted in 2020, 110 seats came from Adtalem (Teresina), 50 seats from Athenas (Cáceres) and 84 have been authorized by the Mais Médicos program (Angra dos Reis and Canindé).

(4) Out of the 250 seats, 150 have already been authorized in Mar/21. Besides these 250 seats, there is a possibility of up to +200 seats considering seat increase in Alagoinhas and Jaraguá do Sul.



ON-CAMPUS: RESULTS BOOSTED BY ACQUISITIONS

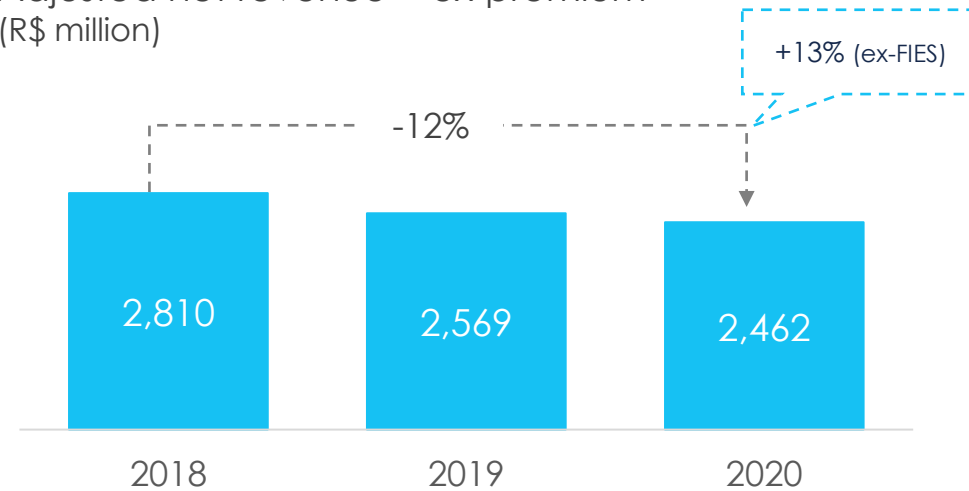
Total student base ex-premium
(Thousand students)



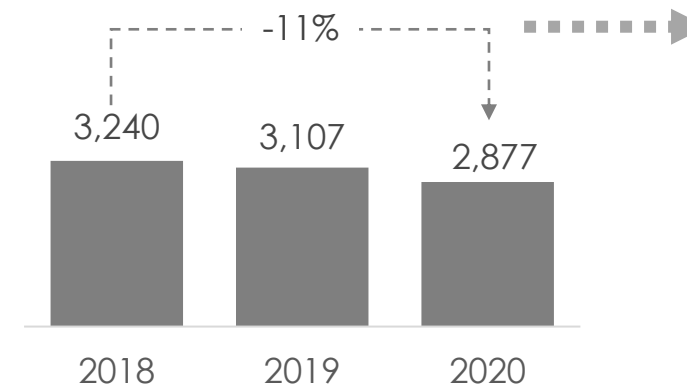
➤ **Retention rate** ⁽¹⁾ for undergraduate ex-acquisitions at 83% in 2H20.

➤ **Average ticket** is impacted by the effect of laws and court decisions. Does not consider semi on-campus student base.

Adjusted net revenue ⁽²⁾ ex-premium
(R\$ million)



Adjusted on-campus personnel costs (ex-acquisitions) per on-campus student
(R\$)



Considering cumulative inflation in 2019-2020, personnel costs per student would have **decreased by 19%.**



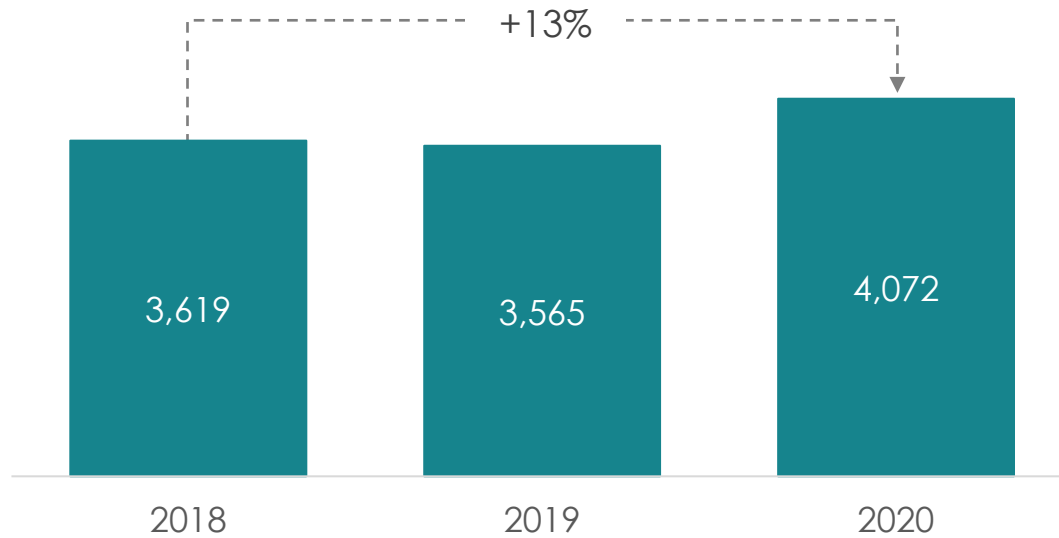
(1) Retention rate refers to the ex-acquisitions student base, including premium (medicine). Retention rate = $1 - \frac{\text{drop-outs and non-renewal}}{\text{renewable base (initial base + intake - graduating students)}}$.

(2) Net revenue adjusted by the effects of laws and court decisions related to Covid-19 in the amount of R\$142.5 million in 2020 and R\$49.3 million in 4Q20.

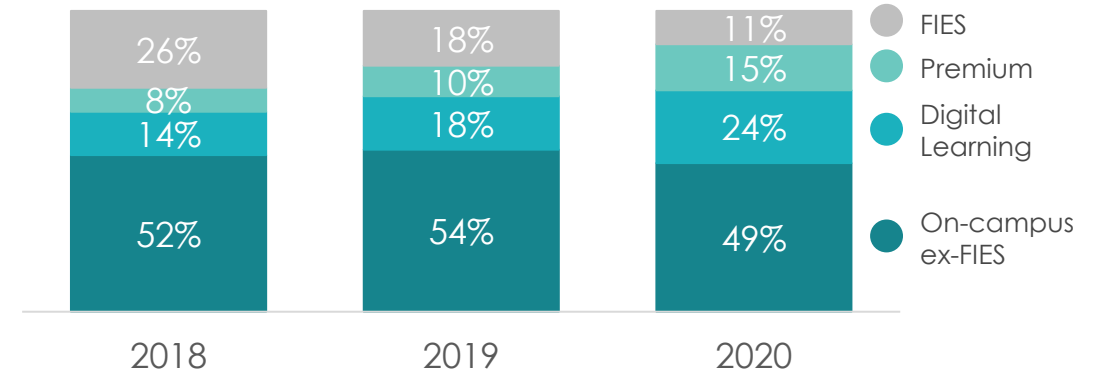
WE CREATED OPPORTUNITIES FOR GROWTH

Digital Learning and Premium boosting Net Revenue in 2020

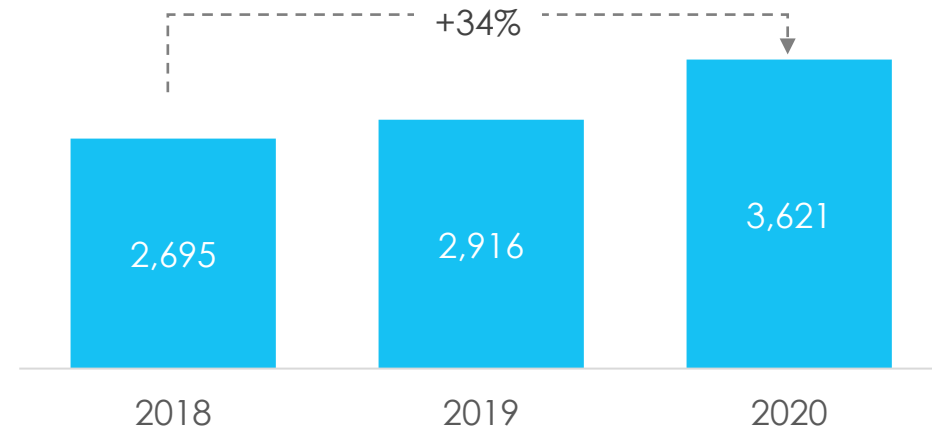
Adjusted net revenue⁽¹⁾
(R\$ million)



Adjusted net revenue⁽¹⁾ by BU
(% of adjusted net revenue)



Adjusted net revenue⁽¹⁾ (ex-Fies)
(R\$ million)

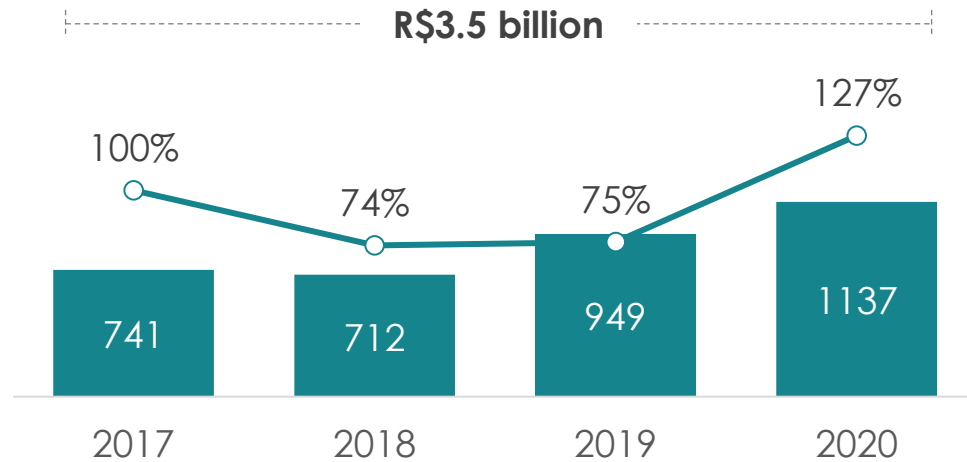


(1) Net revenue adjusted by the effects of laws and court decisions related to Covid-19 in the amount of R\$218 million in 2020.

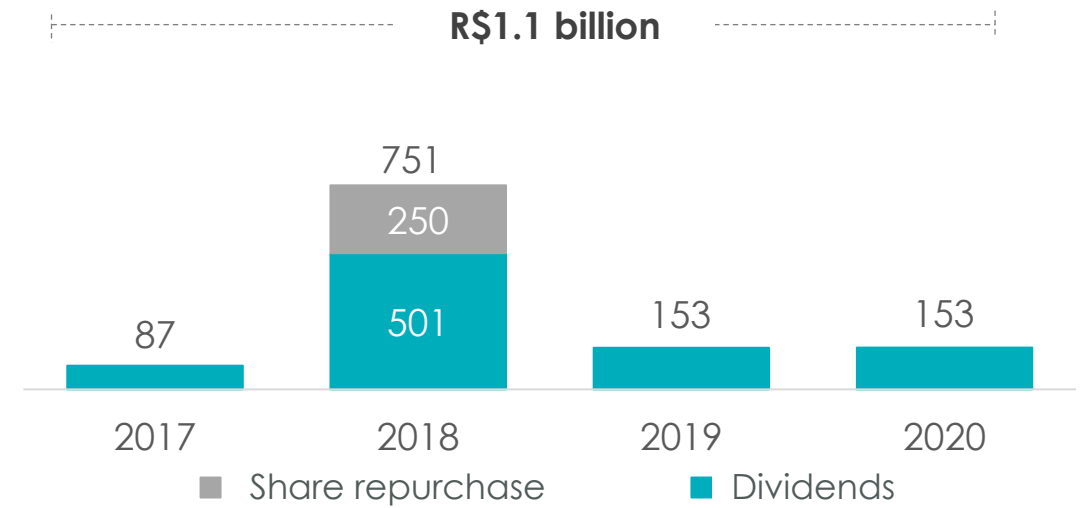
DISCIPLINE IN THE USE OF CAPITAL

Cash generation remains strong with low debt

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



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



➤ **Low debt:** Net Debt⁽¹⁾/Adjusted EBITDA⁽²⁾ at **1.4x** in 2020

➤ **Acquisitions:** 2 acquisitions in 12 months (R\$ 2.3 billion). Fast and successful integrations (+ R\$70 million already captured in synergies).

➤ **R\$ 1.6 billion in cash** in 2020

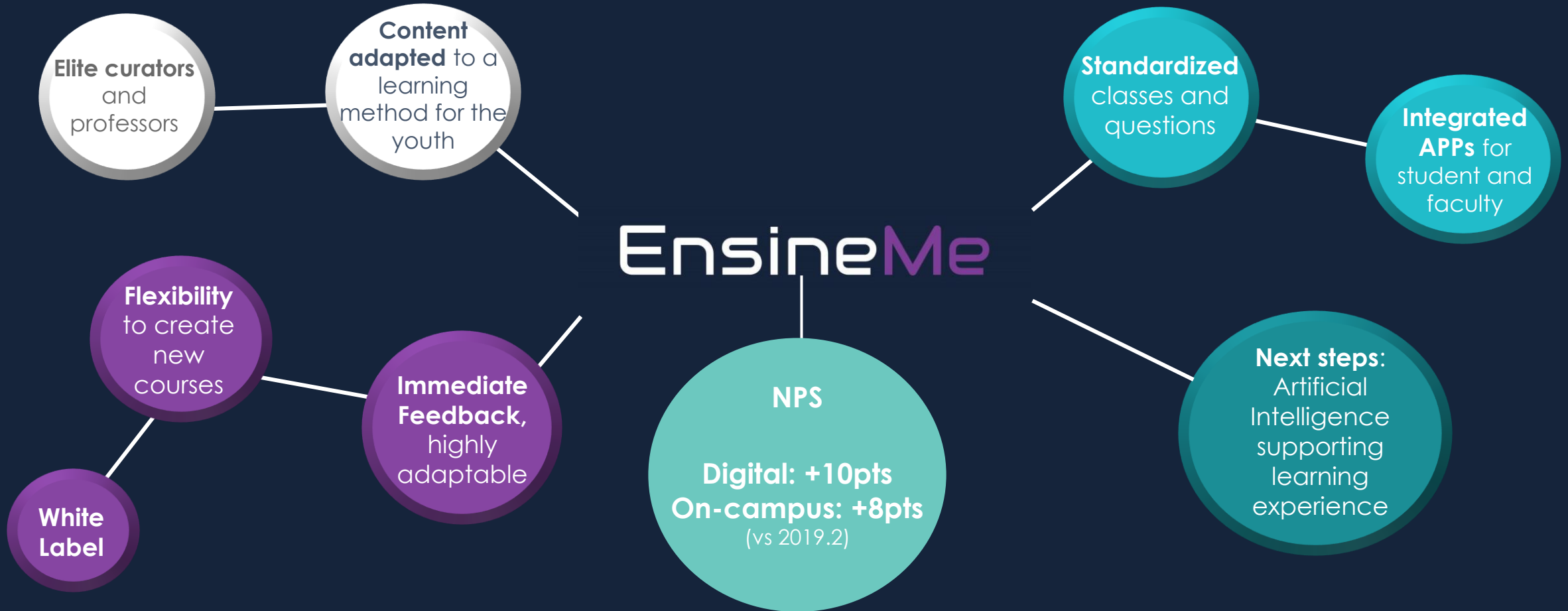
➤ **Dividends distribution** of **R\$142 million**, equivalent to a payout of 25% over **2020** adjusted net income



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

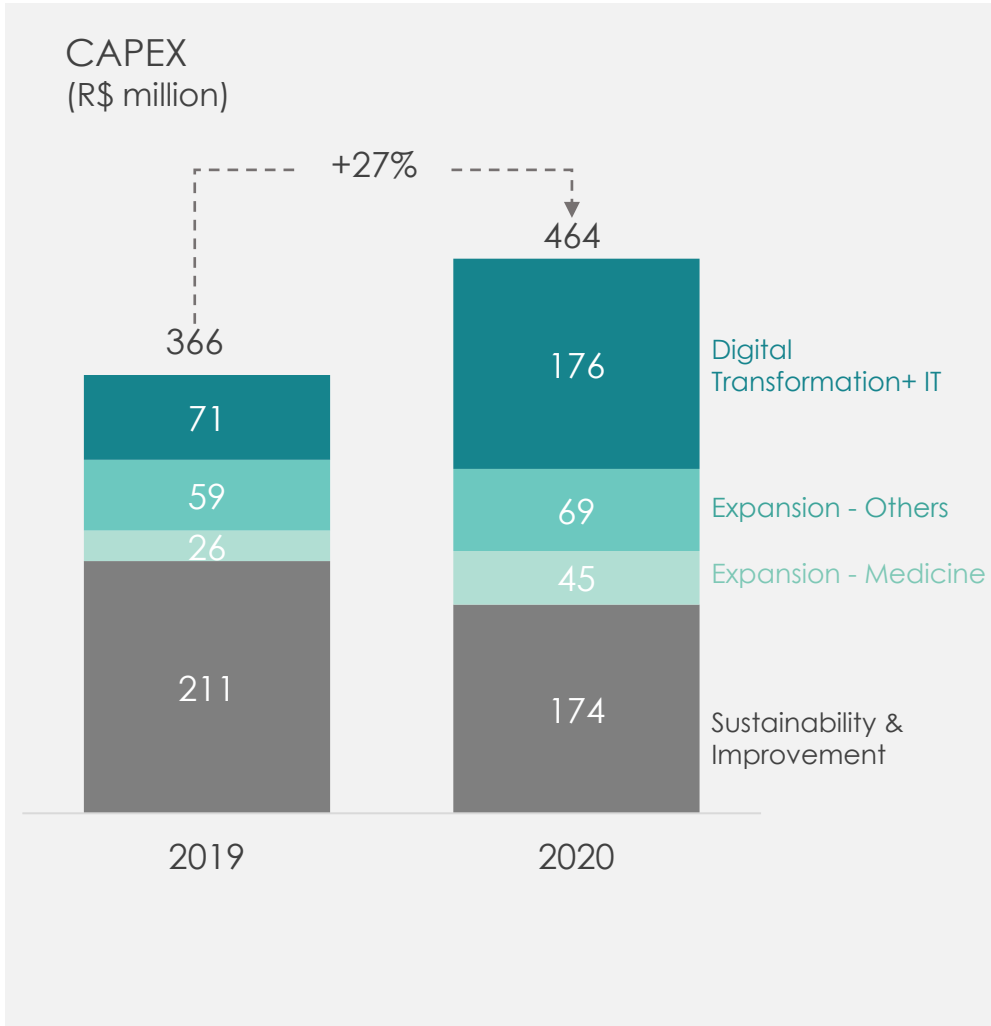
WIDE USE OF TECHNOLOGY

With encouraging results and great prospects



HIGH TECHNOLOGY EMBEDDED

Investing Heavily in Digital Transformation and IT



Student APP fast and intuitive mobile solution both through an academic and administrative point of view



Virtual labs: 9 hybrid courses (Flex) available for all partner's centers with no major additional investment



Monitoring: High technology to monitor and assist the operation in detail – including partner performance and profitability



EnsineMe: Business unit producing multi-brand content with digital tools, offering high-standard content for everyone.



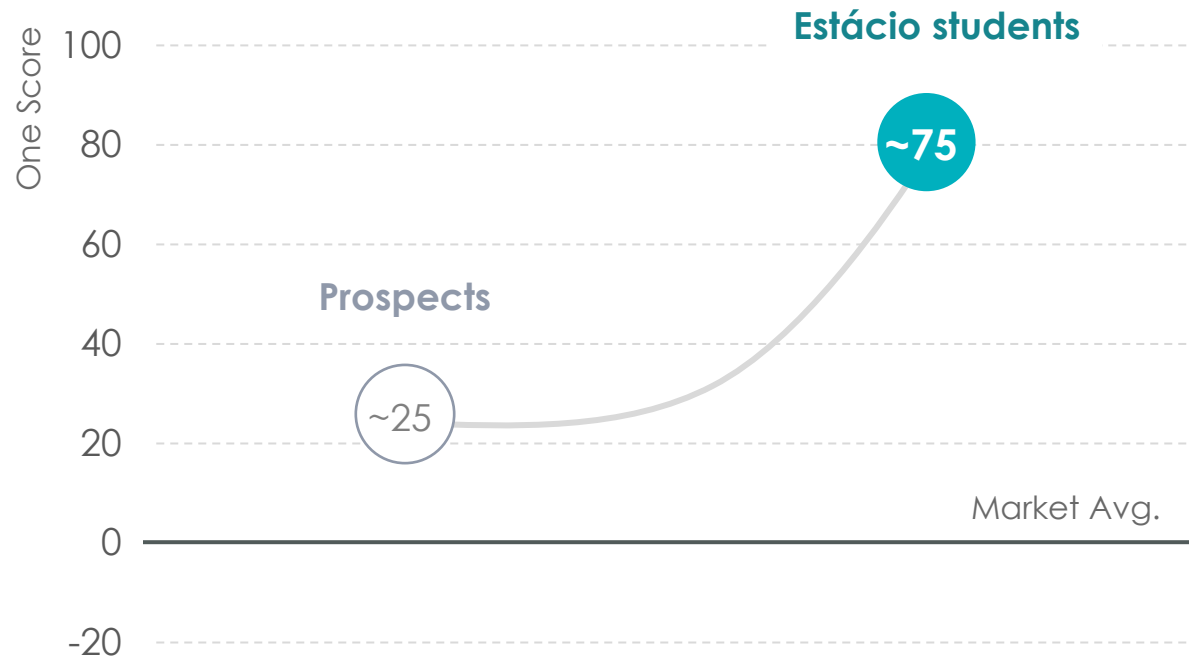
Adaptability: Intake and renewal can be 100% online



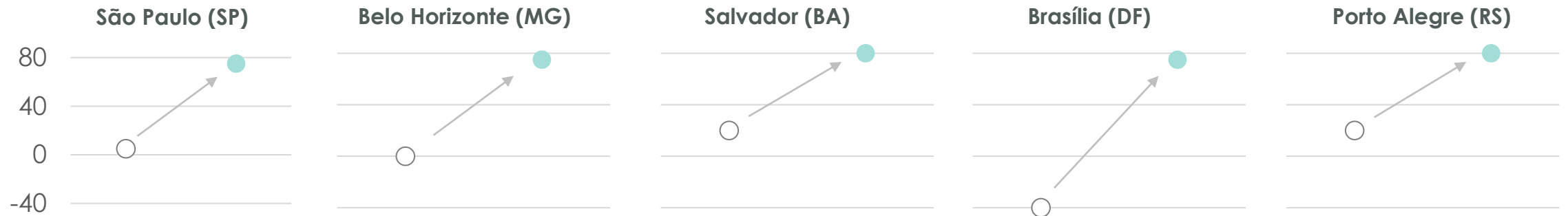
AURA: Educational system created to integrate digital on-campus in an unprecedented way

PERCEPTION LEAP

Distance learning prospects vs. students



Prospects show a **substantial increase in quality perception** once they became Estácio's Digital Learning students, as a result of product's high quality and user experience.



Digital

- **Strong base increase**; 75% of DL centers are still not mature
- **H1 Intake** presenting good results
- **Prices** with a **light fall** trend
- **2,000 centers** in 2021 and **2,500+** in 2022

Premium

- **Increase in medicine base** in 2021 as contracted and expansions: 7 units still maturing; 5 new units; 2 processes of increase in seats
- **Strong H1 intake**, Medicine as well as Ibmec – volume and price

On-campus

- ROL **FIES** impact **~R\$100 – 150 million** in 2021 (~4% of 2020 net revenue)
- **Challenging H1 intake** (H2 with good perspective)
- **Synergies** of recent acquisitions impacting results (2021/22)

In general

- **Marginal effect of laws and court decisions** in Q1
- Good **M&A** perspectives, with robust financial situation
- **Positive re-enrollment**
- New stage of **Digital Transformation** impacting NPS and retention
- **Digital and Premium** reaching **~50% of NOR** in 2021
- **Lifelong** gaining traction in all BUs



OUR TEACHING INSTITUTIONS⁽¹⁾

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(1) Athenas Group brands (UNIMETA, FAP, FAPAN, UNIJIPA and FSP) have been incorporated by the Estácio brand.



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