

# RESULTS PRESENTATION

## 3Q22

# YDUQS



November 10<sup>th</sup>, 2022

**YDUQ**  
B3 LISTED NM

**IBRX100 B3**  
**ITAG B3**  
**IGC B3**



# DISCLAIMER

Rio de Janeiro, November 10<sup>th</sup>, 2022 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the third quarter of 2022 (3Q22)**.

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.



THE USE BY YDUQS Participações S.A. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF YDUQS Participações S.A. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

# 3Q22 HIGHLIGHTS

3Q22  
**YDUQS**

**Highest EBITDA in history: R\$ 408 million**

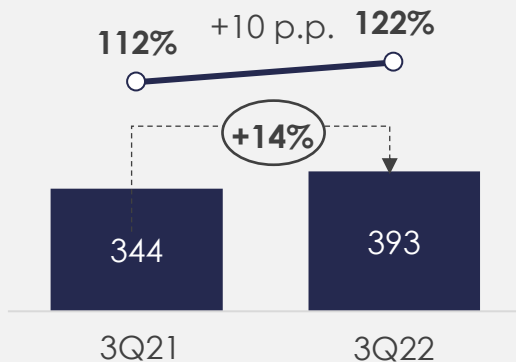
**9M22 FCF post capex of R\$461 million increasing, reinforcing the portfolio strength**



vs 3Q21

**NOR +3% | EBITDA +3%**  
**Costs and Expenses +2%**  
**Stable EBITDA margin**

OCF before capex and  
Cash conversion (R\$ million, %)



**EBITDA  
margin 50%**

Keeps growing strong  
(vs 3Q21)

**NOR +29%**

**EBITDA +36%**

**Student Base +8%**

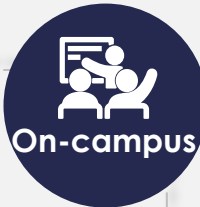
Medicine +12%  
Ibmec +5%



**EBITDA  
margin 41%**

**+10% vs 3Q21**  
**Average Ticket** of  
upperclassmen of +1 year

New periodicity of Bad  
Debt reducing margin  
volatility throughout the  
year



**EBITDA  
margin 25%**

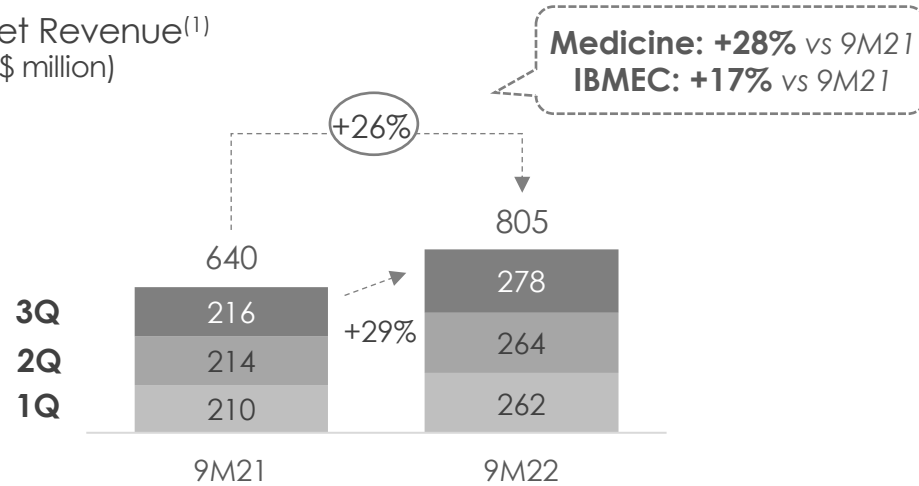
Margin increase in +1 p.p. vs  
3Q21, result of a strong  
work of **control and  
reduction of costs and  
expenses**

Renewal remains stable  
and average ticket of  
upperclassmen of +1 year  
resumes growth

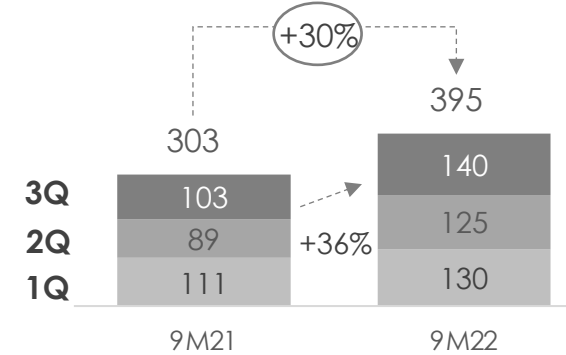


Note: Net revenue adjusted by the effects of laws and court decisions in 2021. | EBITDA adjusted by non-recurring effects.

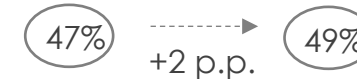
Net Revenue<sup>(1)</sup>  
(R\$ million)



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

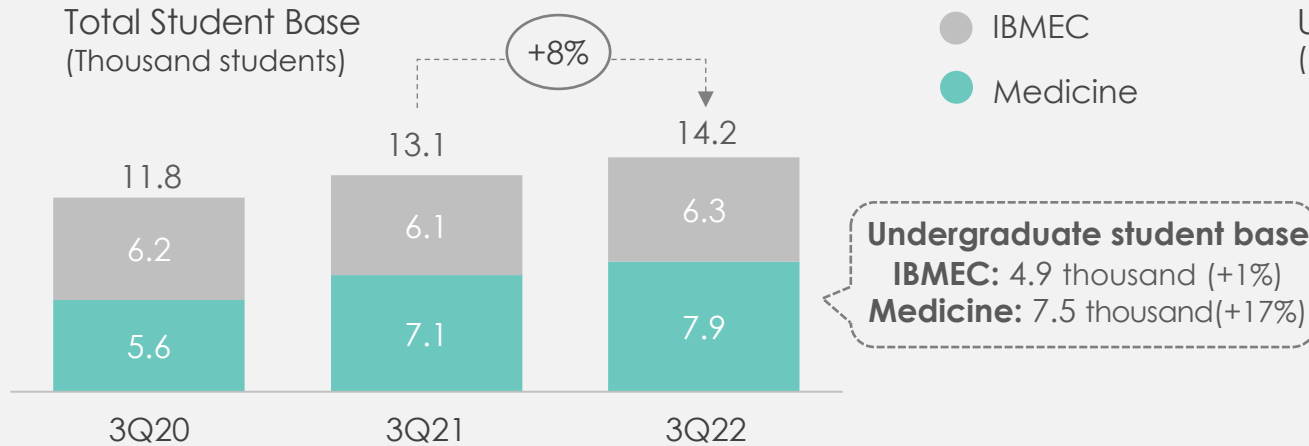


Adjusted EBITDA margin 3Q (%)

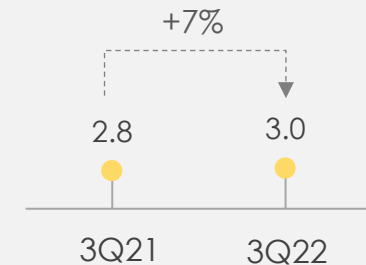
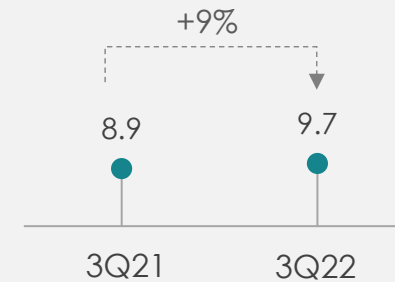


Adjusted EBITDA margin (%)

Total Student Base  
(Thousand students)



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



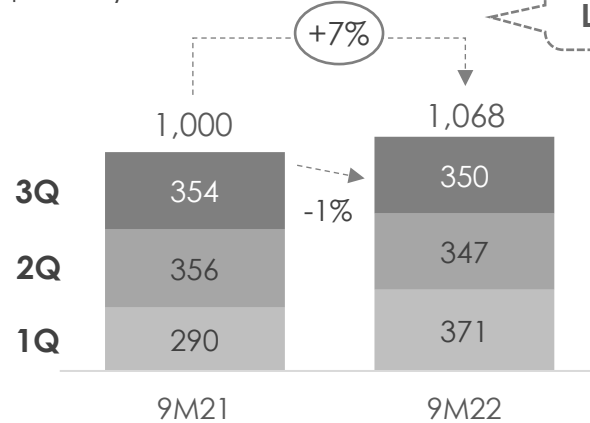
**Renewal at 95%**  
-0,6 p.p. vs 9M21



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

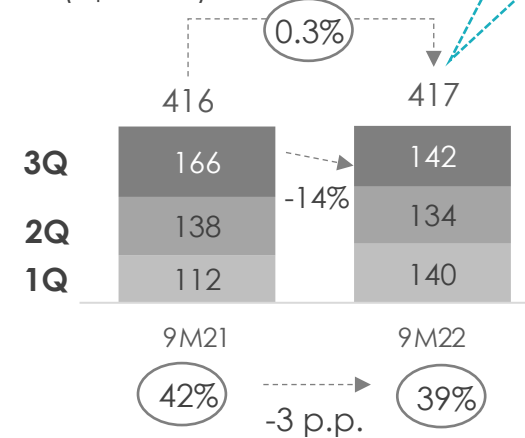
(2) Improved renewal of students who were delinquent, who benefited from laws and court decisions to renew.

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



**Undergraduate: +10% vs 9M21**  
**Lifelong Learning: -9% vs 9M21**

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



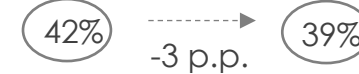
**EBITDA 4Q22**  
**+high teens vs 4Q21**

Adjusted EBITDA margin 3Q (%)



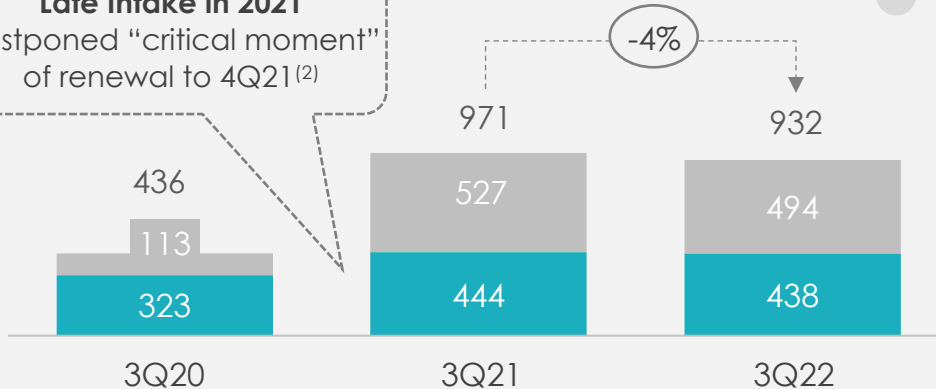
New intake periodicity still impacting bad debt: R\$16 M

Adjusted EBITDA margin (%)



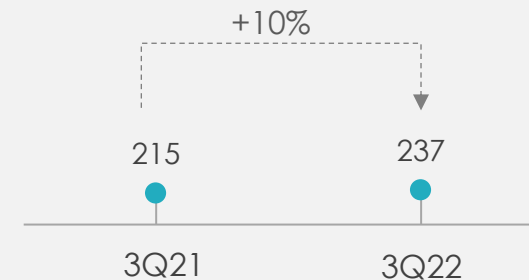
Total paying student base  
(Thousand students)

**Late Intake in 2021**  
postponed "critical moment"  
of renewal to 4Q21<sup>(2)</sup>



● Undergraduate  
● Lifelong Learning

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



**Renewal at 73%**  
-5 p.p. vs 3Q21

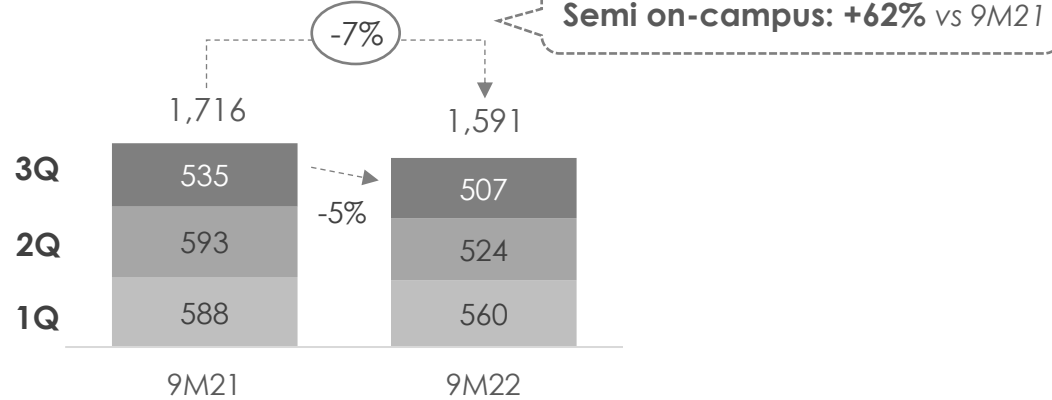
Percentage of freshmen  
renewing returned to the  
historical levels<sup>(3)</sup>

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

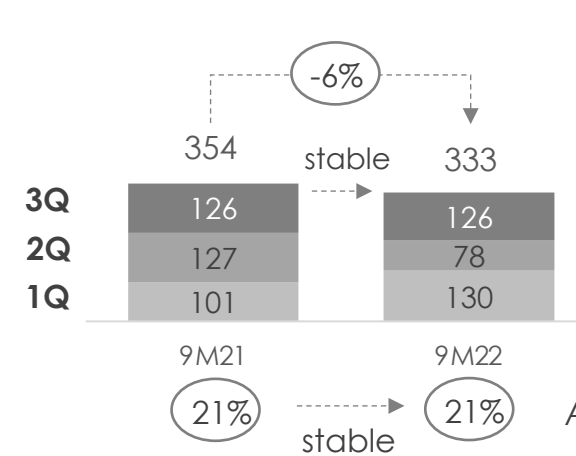
(2) 2Q21 Intake: 2x greater vs 2Q22.

(3) 1Q22 Intake: 60% greater vs 1Q21.

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



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



Adjusted EBITDA margin 3Q (%)

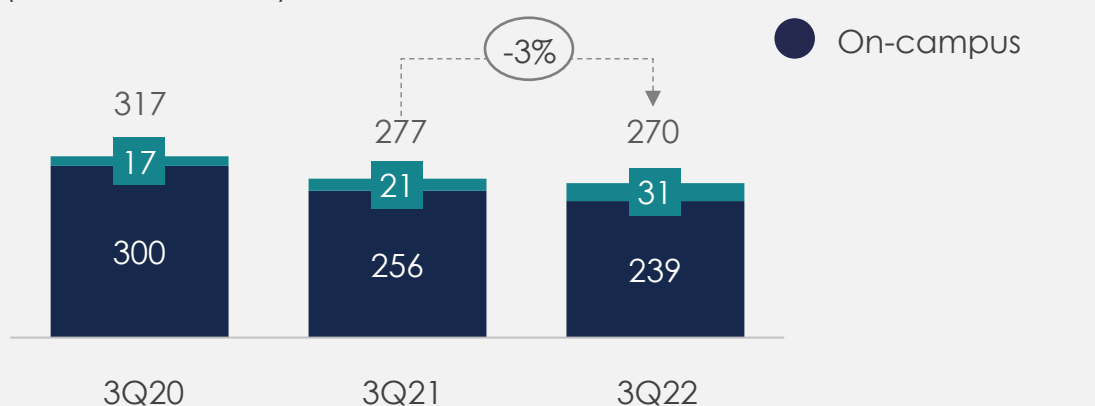


Control and reduction of costs and expenses

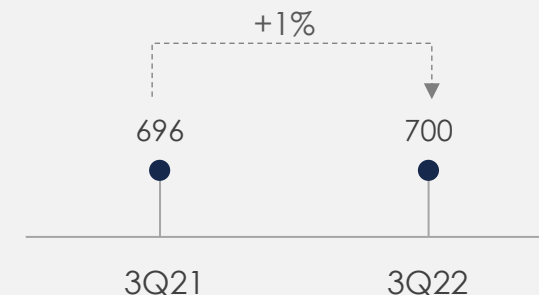
Adjusted EBITDA margin (%)



Total Student Base  
(Thousand students)

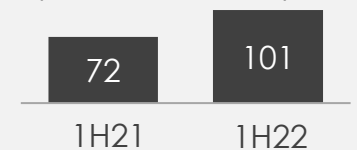


Undergraduate Average Ticket  
(R\$/month; AT of upperclassmen of +1 yr;  
ex-semi on-campus)



**Renewal at 83%**  
Stable vs 9M21

Student Intake  
(on-campus undergraduate)  
(thousand students)



Renewal (Freshmen) 64% → +5 p.p. → 69%



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

# 2021 ENADE RESULTS

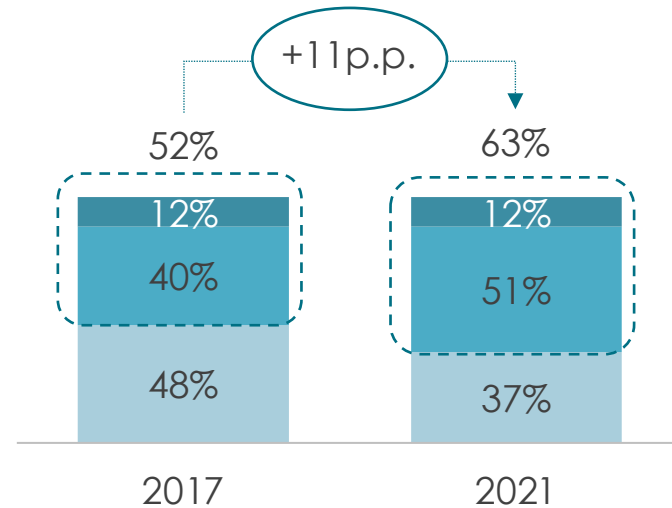
3Q22

**YDUQS**

Satisfactory concepts: Score 3 ■ | Scores 4 and 5 ■

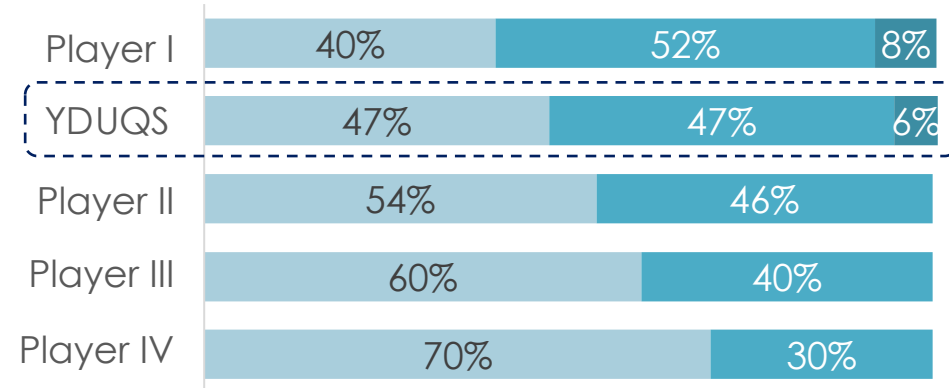
Dissatisfactory concepts: Scores 1 and 2 ■

YDUQS's progress by ENADE concept (%)



## On-campus

Players' ranking by concept in 2021 (%)



## Distance Learning (DL)

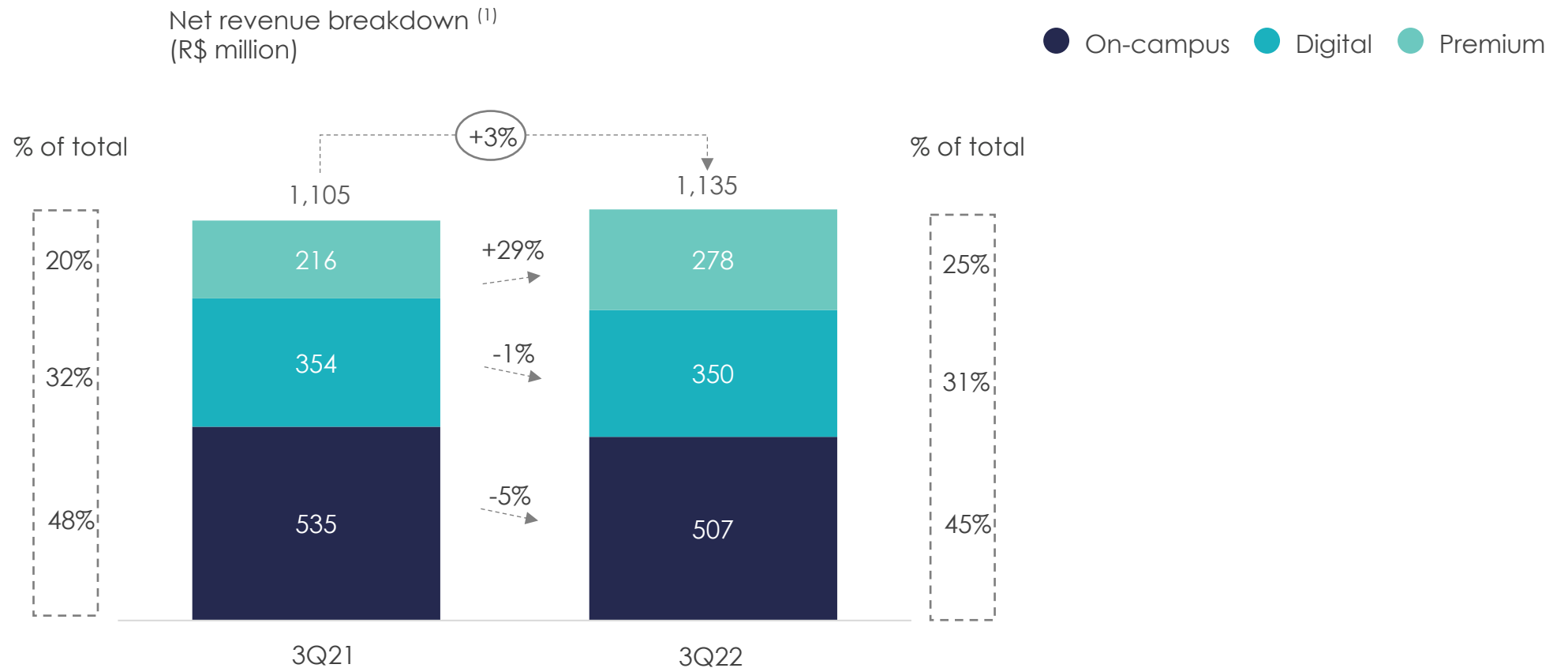
- Q** The 2021 cycle has many course similarities to 2017 and 2019, **with an increased share of teaching degrees, but without the participation of engineering and architecture programs** – very different from 2018
- Q** **On-campus:** We improved the satisfactory concepts by 11 p.p. vs 2017: All Brazilian regions where we have on-campus units recorded better satisfactory concepts in the ENADE. Rio stood out with +19 p.p..
- Q** **DL:** Only Yduqs and another player achieved scores 4 and 5 in this cycle



**HOPER**  
EDUCAÇÃO

Webinar about  
2021 ENADE Results

# REVENUE: PREMIUM AND DIGITAL REPRESENT 55% OF TOTAL

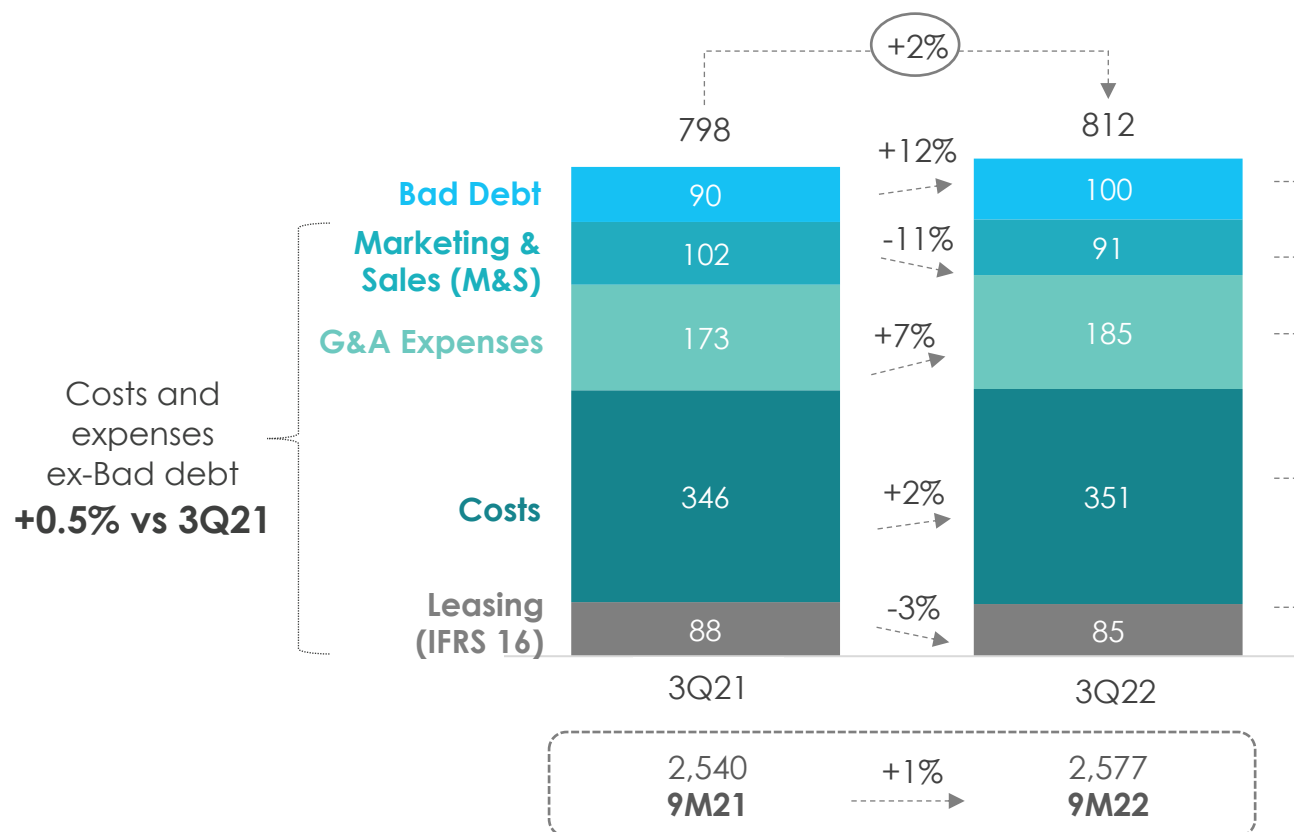


(1) Net revenue adjusted by the effects of laws and court decisions in 2021.



# COSTS AND EXPENSES: STRICT COST CONTROL

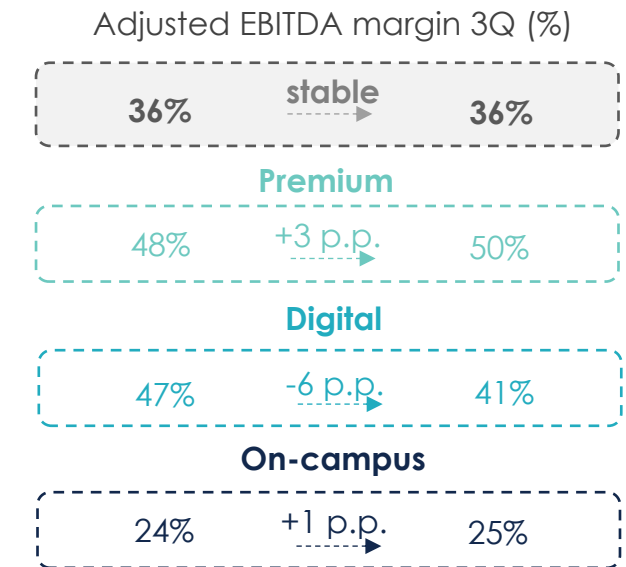
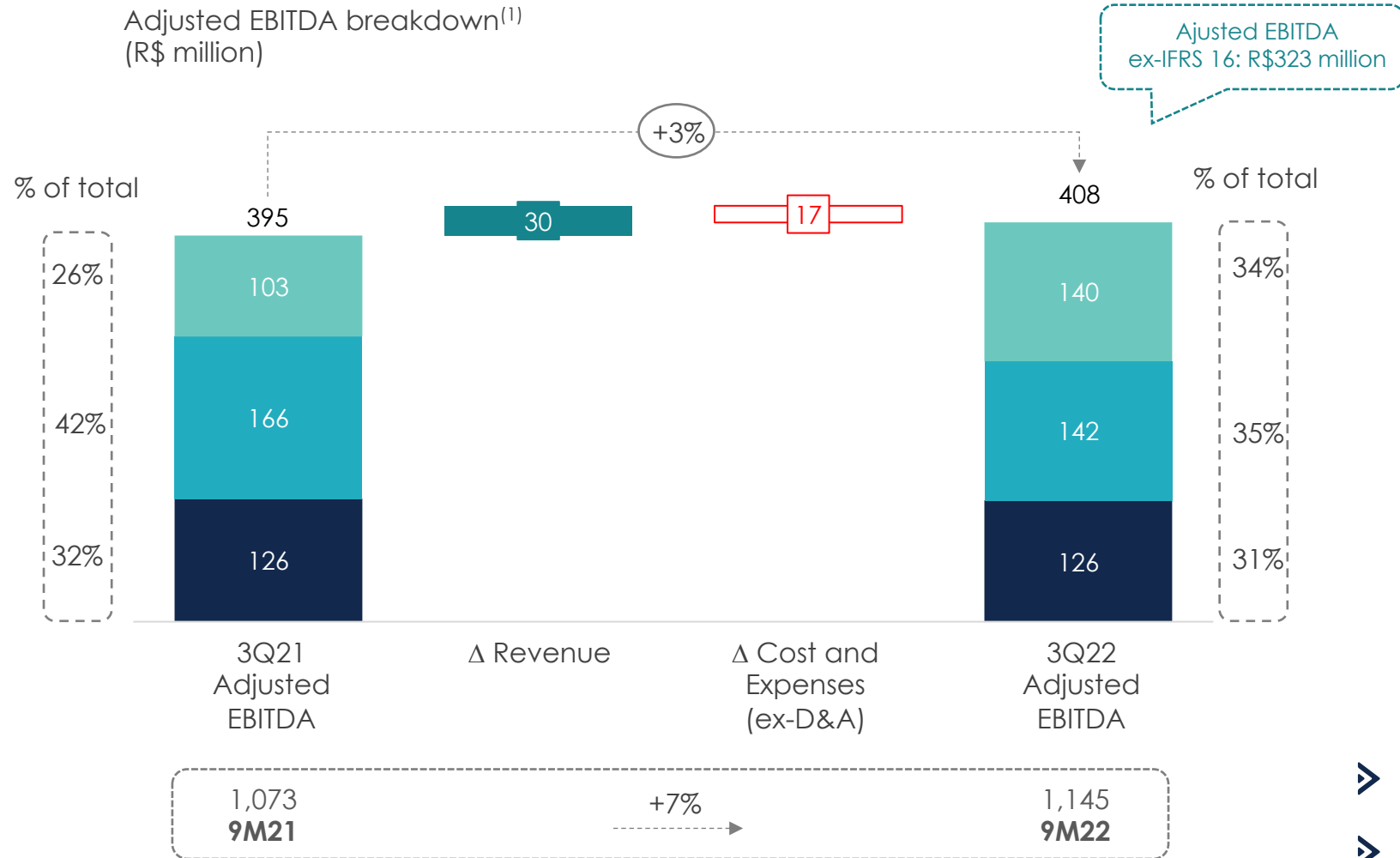
Costs and expenses breakdown (ex-IFRS16) <sup>(1)</sup>  
(R\$ million)



	3Q21	3Q22	Δ%
<b>% of Net Revenue</b>	<b>72%</b>	<b>72%</b>	<b>-0.7 p.p.</b>
Bad Debt	8%	9%	0.7 p.p.
M&S	9%	8%	-1.2 p.p.
G&A Expenses	16%	16%	0.6 p.p.
Costs	31%	31%	-0.3 p.p.
Leasing (IFRS 16)	8%	7%	-0.5 p.p.

- M&S expenses expected to close the year at a lower amount than in 2021
- Bad Debt +1p.p. above "normal" in 2022

# HIGHEST ADJUSTED EBITDA IN OUR HISTORY



➤ **R\$ 368 million** 3Q22 Reported EBITDA (+2% YoY)

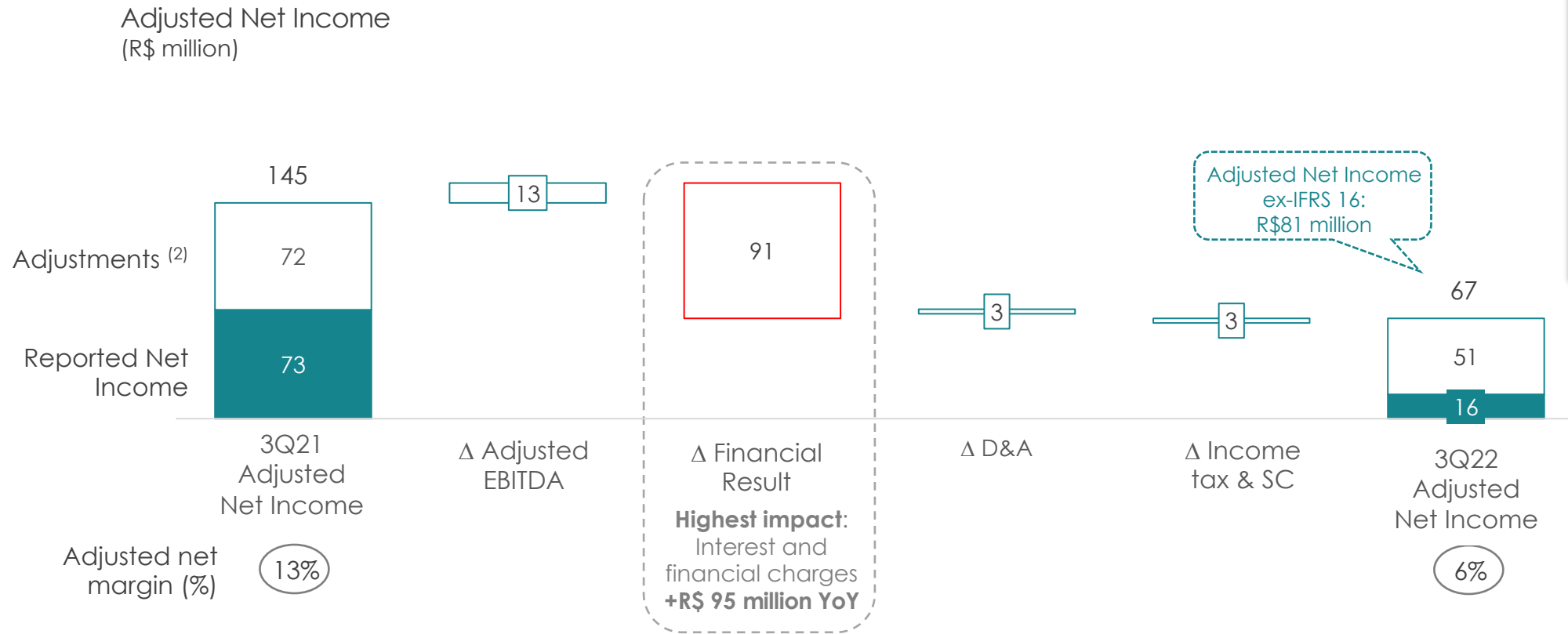
➤ **32%** EBITDA margin (stable vs 3Q21)



(1) EBITDA adjusted by non-recurring effects.

# ADJUSTED NET INCOME

3Q22  
YDUQS



**R\$ 1.6 billion**  
Cash and cash equivalents

**R\$ 2.7 billions**  
Net Debt ex-IFRS 16

**1.9x**  
Net Debt/EBITDA <sup>(1)</sup>



(1) Net debt excluding leasing (ex-IFRS 16)/EBITDA adjusted by non-recurring items (LTM, including IFRS 16)

(2) 3Q22 Adjustments: EBITDA non-recurring effects (Operational Research, fines related to real estate contract termination, corporate restructuring, M&A and other) and amortization of the goodwill of acquisitions.

# CASH FLOW AND CAPEX

3Q22  
YDUQS

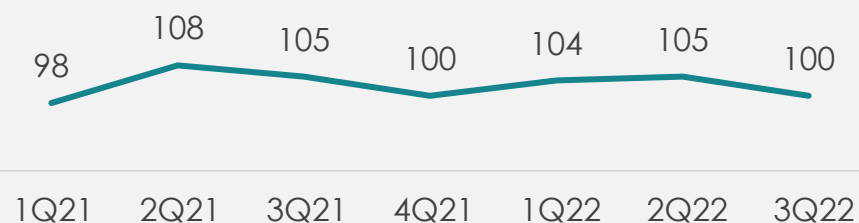
R\$ million	3Q21	3Q22	Δ%
<b>Adjusted EBITDA ex-IFRS 16</b>	<b>307</b>	<b>323</b>	<b>5%</b>
Working capital variation	49	71	46%
Taxes (IT/SC)	(12)	(1)	-91%
<b>Operating Cash Flow</b>	<b>344</b>	<b>393</b>	<b>14%</b>
Capex	(151)	(123)	-18%
<b>Free Cash Flow</b>	<b>193</b>	<b>270</b>	<b>40%</b>
<b>Operating Cash Conversion <sup>(1)</sup></b>	<b>112%</b>	<b>122%</b>	<b>10 p.p.</b>



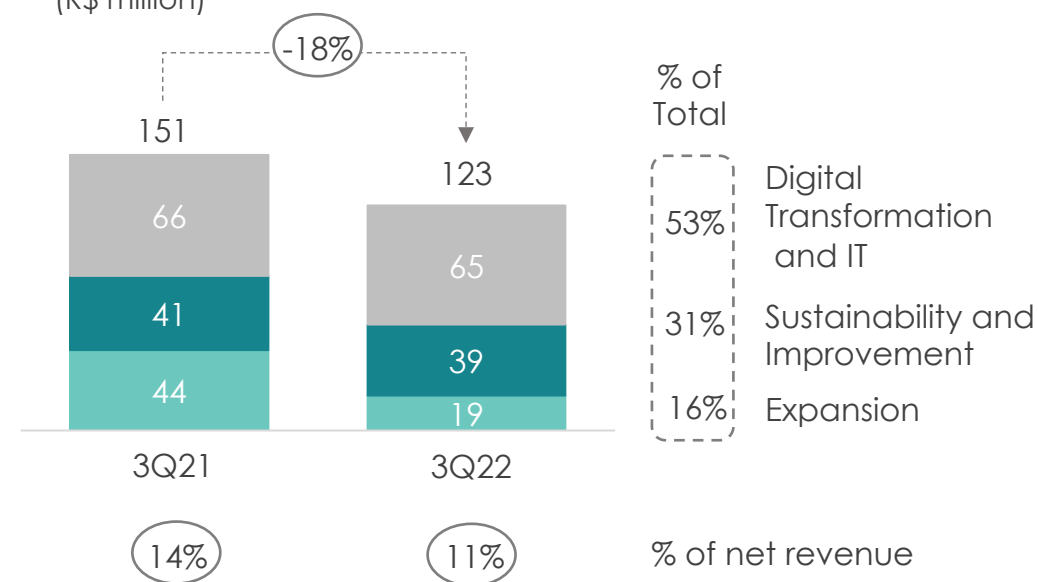
**R\$ 461 million**

9M22 Free Cash Flow post capex (+34% YoY)

Average Term  
Receivables  
(ATR) (# days)



CAPEX  
(R\$ million)



➤ 9M22 Capex ends at R\$333 million (+2% vs 9M21)

➤ **2022 Estimated Capex: R\$ 500 million**  
vs R\$ 544 million in 2021 (reduction of -8%)

(1) Operating cash flow/Adjusted EBITDA ex-IFRS16



## What we presented in 1H22

### 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

## Progress in 3Q22

- **GHG emissions inventory:** Scope 3 practically finalized (83% concluded) – Completion forecast: Dec/22.
- **2<sup>nd</sup> Trainee Program for blacks** with registration record – 5,959 registrations.
- **Black Teachers** – 207 new professors hired, 56% above our goal.
- **Literacy program:** 14 classes open with 300 active students and 800 already literate, through an exclusive methodology.

**Rede de valor:** 120 students benefited from the program.



**institut**  
 YDUQS

**Rede**  
**de Valor**

In a **challenging macroeconomic scenario**, we **continue to grow** with a **strong portfolio** and focus on **cost efficiency**. We expect to **keep growing** even if this scenario persists, and we are ready for a **strong acceleration** with an **economic recovery**.

- 9M22 **Free cash flow post capex**: R\$461 million (+34% vs 9M21)
- **Adjusted Costs and Expenses** (ex-D&A and IFRS 16) **-1.p.p. (%NOR)**  
**Adjusted EBITDA margin stable** at 36% vs 3Q21
- **Net Revenue and adjusted EBITDA grow** +3% vs 3Q21
- **Capex drops** -18% vs 3Q21  
Expected 2022 capex reduction of 8% vs 2021
- **Premium and Digital reach**  
**55% of Net Revenue and ~70% of total EBITDA**
- **We remain strong in ESG**, with rating A on MSCI

## What we presented in 1H22

Challenging intake, no growth expectation vs 2H21 but expected positive evolution on recurring freshmen tickets



Results expected to be similar to 2H21 results, with 3<sup>rd</sup> quarter with a slightly inferior performance and 4<sup>th</sup> quarter superior



## Results and updated expectations

**Focus on increasing freshmen recurring average tickets in 2 digits (high teens)** resulted on Digital and On-campus intake inferior vs 3Q21

**3Q22 Results superior to 3Q21**  
**4Q22 EBITDA with growth of 2 digits YoY**

**YDUQS**  
in 2022

**7.4-7.5 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% Net Revenue)

# YDUQS

IR Contact

ri@yduqs.com.br

[www.yduqs.com.br](http://www.yduqs.com.br)

# MEDICAL SEATS OFFERING BY UNIT (Undergraduate)

Units	State	Authorized seats	3Q22	Full Potential <sup>(1)</sup>	
			Student Base (Thousand)	Authorized seats	Student Base (Thousand)
Presidente Vargas	RJ	240	1.6	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   Facid	PI	110	0.8	110	0.8
Alagoinhas	BA	65	0.4	165	1.2
Jaraguá do Sul	SC	150	0.4	150	1.1
Juazeiro	BA	155	0.8	155	1.1
Angra dos Reis	RJ	89	0.5	155	1.1
Canindé	CE	50	0.2	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	0.05	150	1.1
Ji-Paraná   Famejipa	RO	50	0.05	150	1.1
Unijipa	RO	28	0.03	28	0.2
<b>Total</b>		<b>1,533</b>	<b>7.5</b>	<b>2,299</b>	<b>16.5</b>

(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.