

YDUQS

RESULTS PRESENTATION 4Q22 & 2022

March 15th, 2023

YDUQ
B3 LISTED NM
IBRX100 B3

ITAG B3
IGC B3
ICO2 B3



DISCLAIMER

Rio de Janeiro, March 15th, 2023 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the fourth quarter and the year of 2022 (4Q22 and 2022).**

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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4Q22 and 2022 HIGHLIGHTS

We maintain our discipline of pricing, control of costs and expenses....

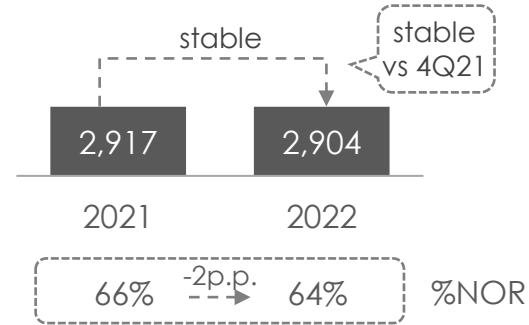
Average Ticket
Upperclassmen of +1 yr

Medicine +8% vs 4Q21

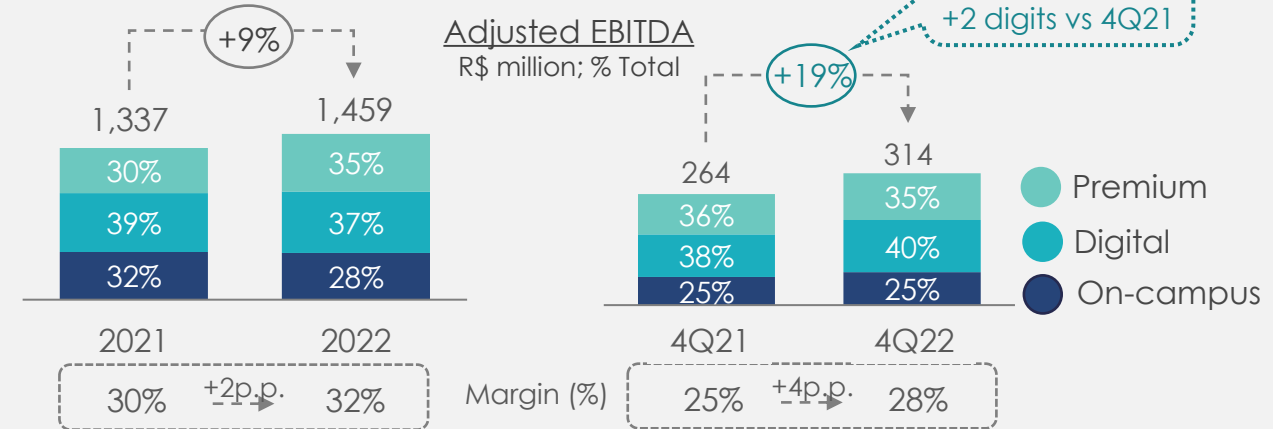
Digital +10% vs 4Q21

On-campus +5% vs 4Q21

Adjusted costs and expenses
R\$ million; ex-D&A; ex-bad debt; ex-IFRS 16

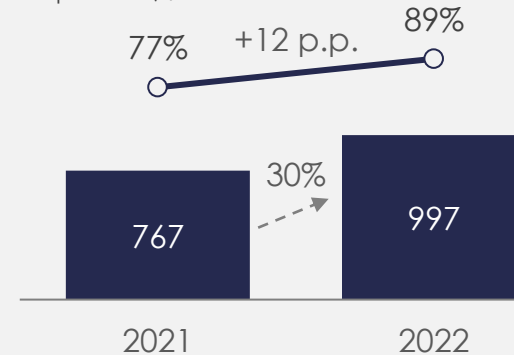


... a robust portfolio, with significant EBITDA growth and margin expansion...

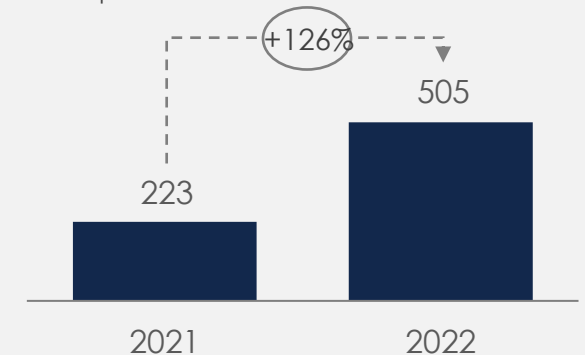


...and a greater cash generation...

OCF and Cash conversion
R\$ million; %



Free Cash Flow
R\$ million



...with no pressure of debt amortization in 2023: **Next debt expiration only in 2024**



7.5k students in 2022

Guidance achieved!
(7.4-7.5k students)

8.0-8.2k students in 2023

Expected medicine undergraduate student base

4.9 students/seat

Potential for organic growth - up to 7/seat

130-160 new medicine seats
Expected to be authorized in 2023

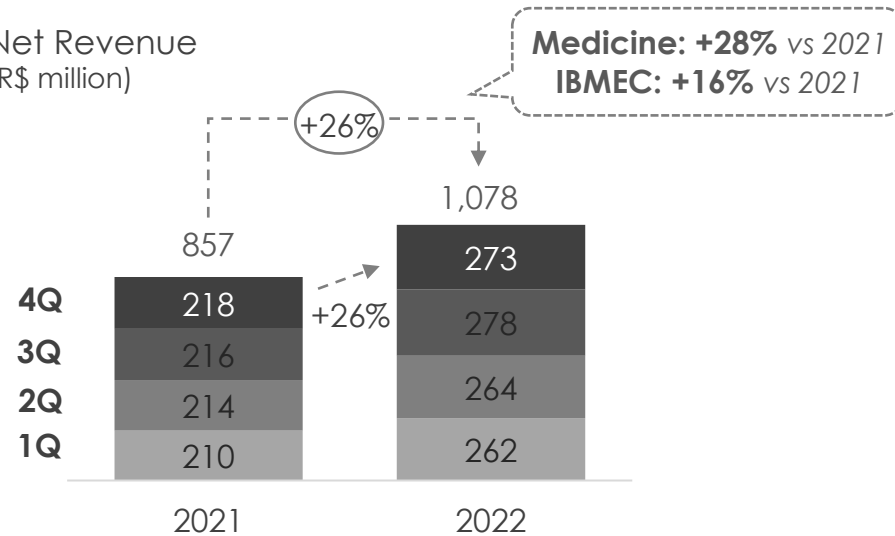
Great potential in the medicine business unit

PREMIUM: Accelerated growth trajectory with high profitability

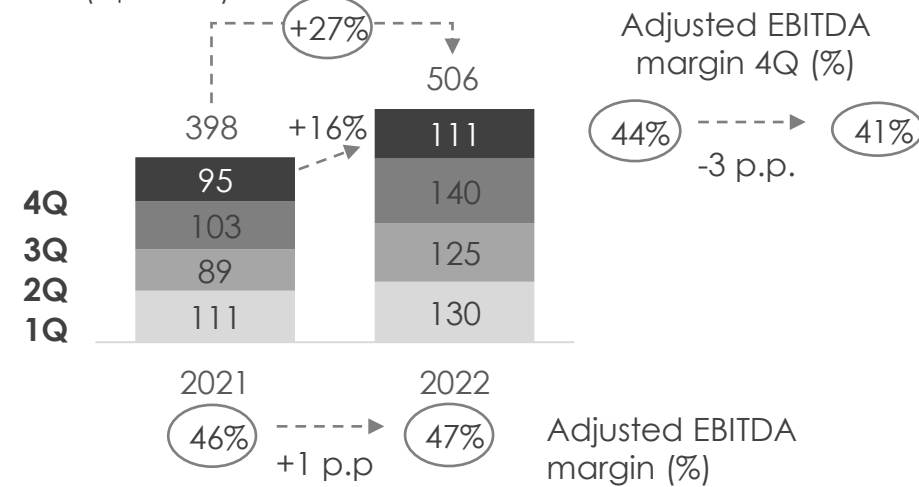
4Q22

YDUQS

Net Revenue
(R\$ million)



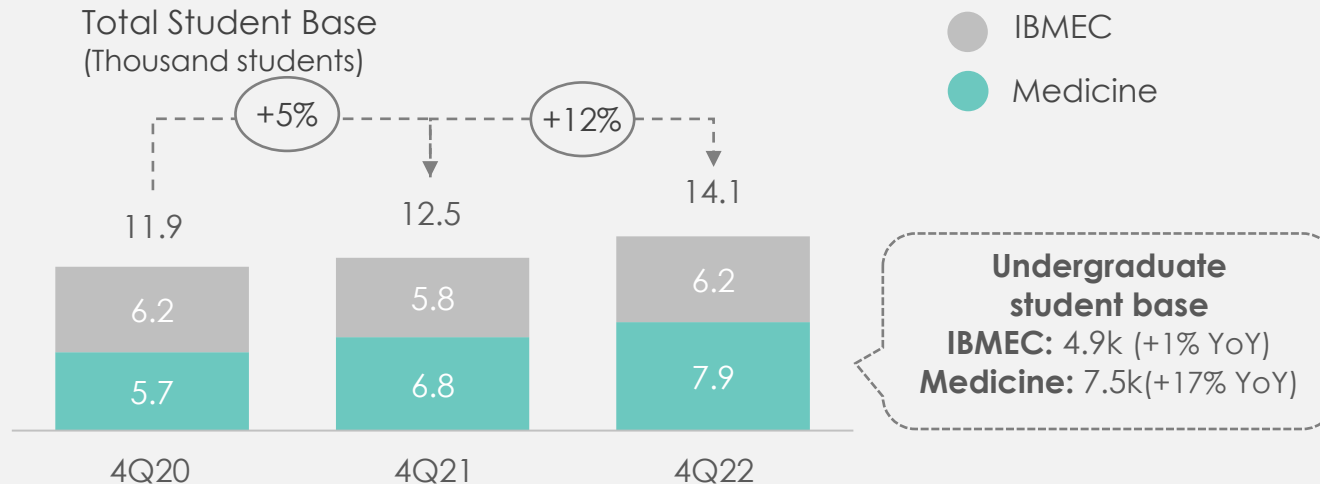
Adjusted EBITDA
(R\$ million)



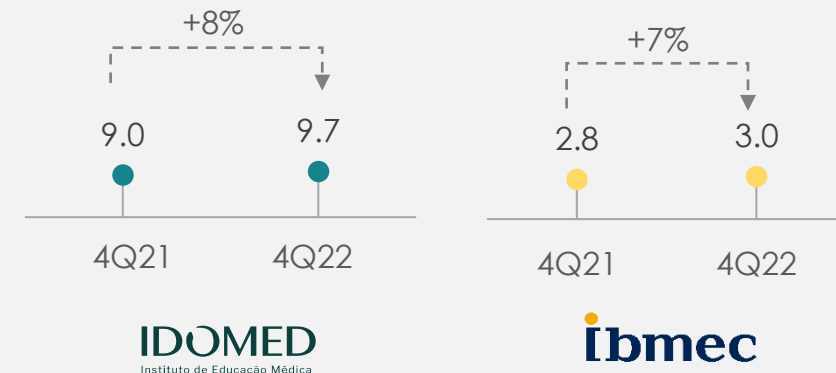
New Ibmeccampus in SP
2nd unit (Faria Lima)



Total Student Base
(Thousand students)

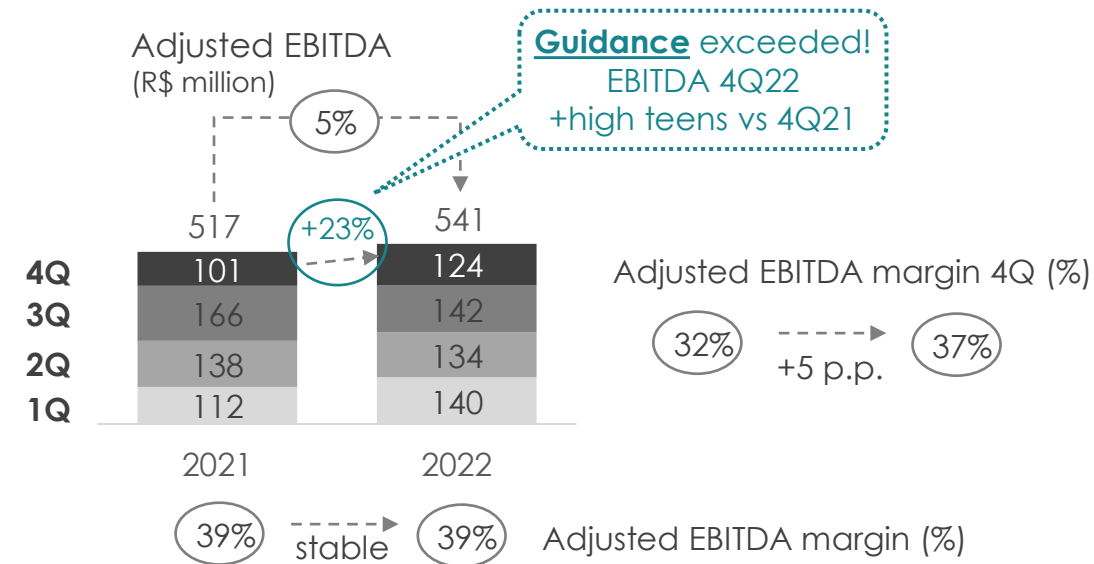
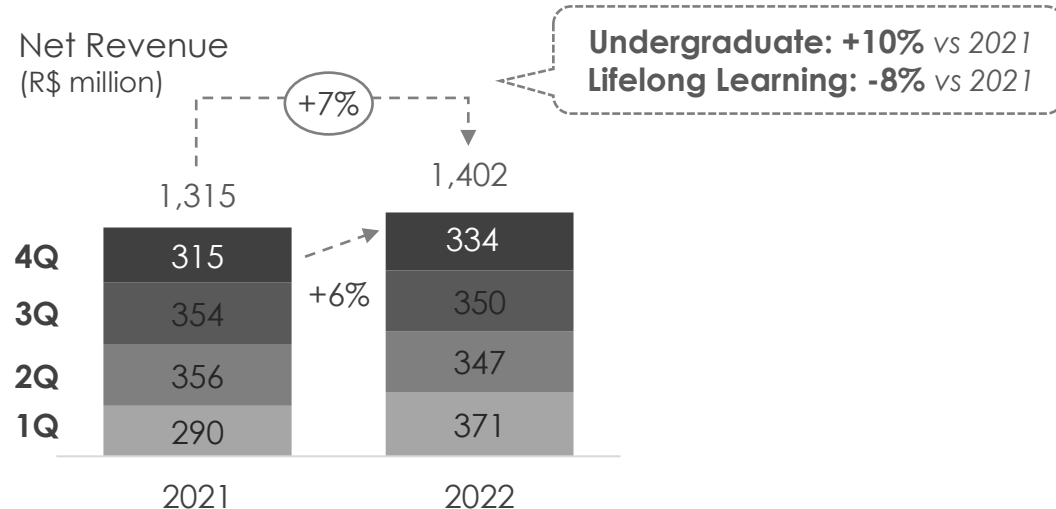


Undergraduate Average Ticket
(R\$ thousand/month, AT of upperclassmen of +1 yr)

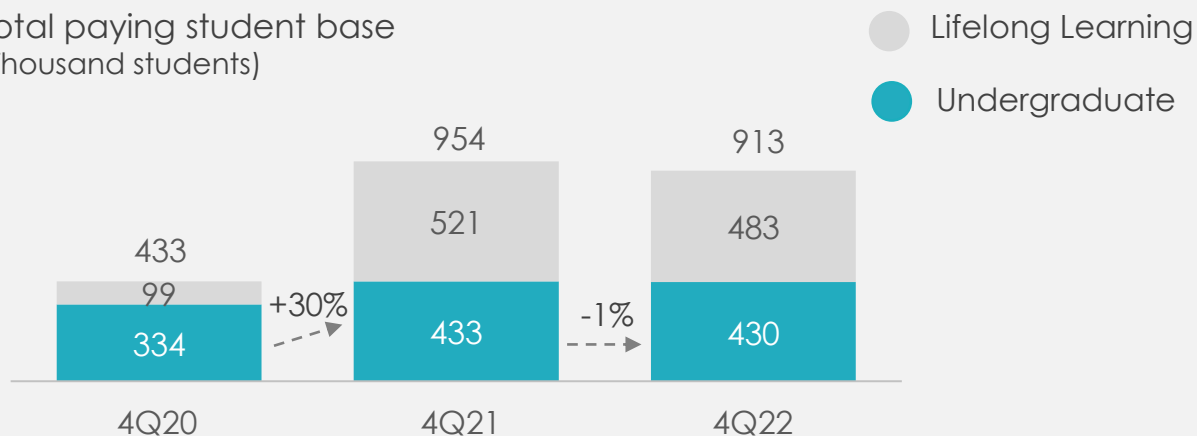


Renewal at 96%
Stable vs 2021

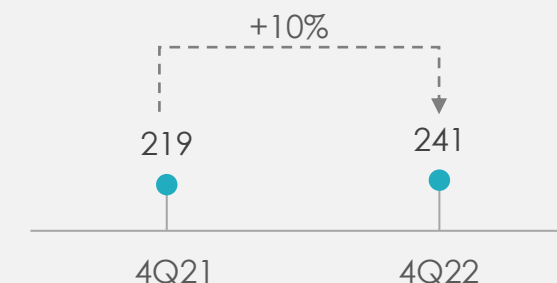
DIGITAL LEARNING: Margin remains high, with expectation of strong growth ahead



Total paying student base
(Thousand students)



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



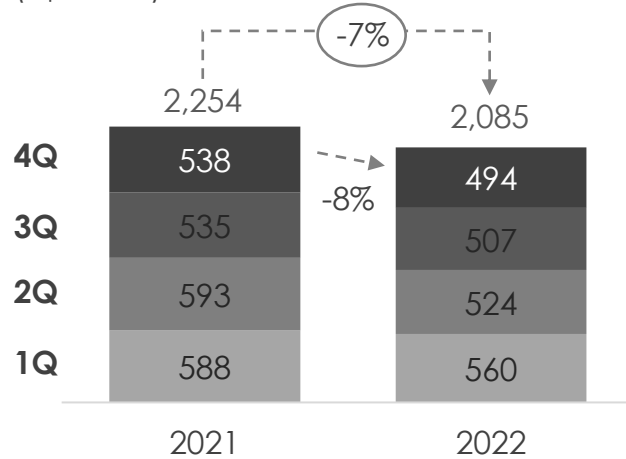
Renewal at 68%
+8 p.p. vs 4Q21 ⁽¹⁾

(1) This renewal rate considers only students who enrolled in April and October.

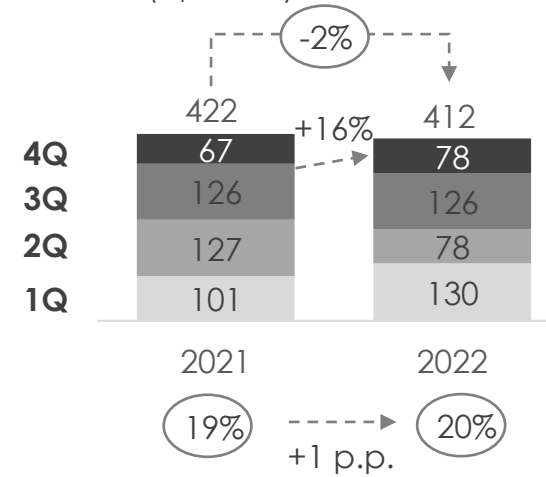


ON-CAMPUS: Stable EBITDA with pricing recovery

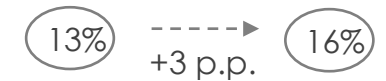
Net Revenue
(R\$ million)



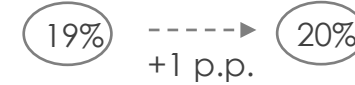
Adjusted EBITDA
(R\$ million)



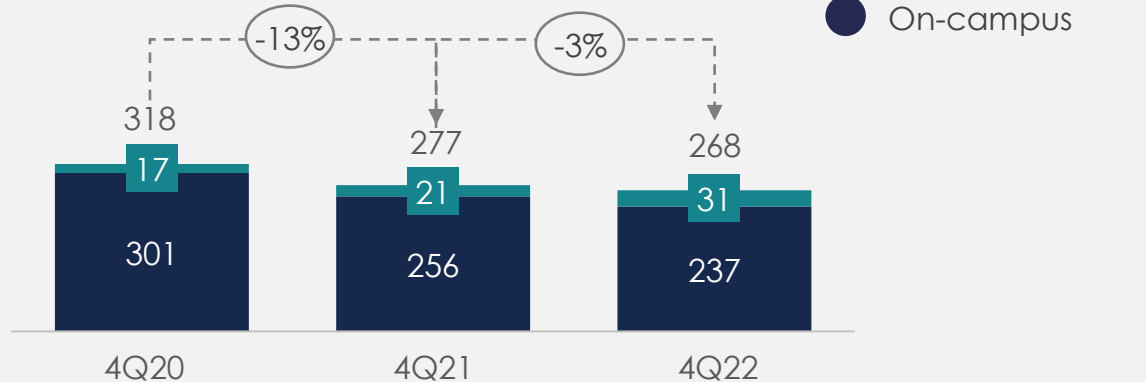
Adjusted EBITDA margin 4Q (%)



Adjusted EBITDA margin (%)

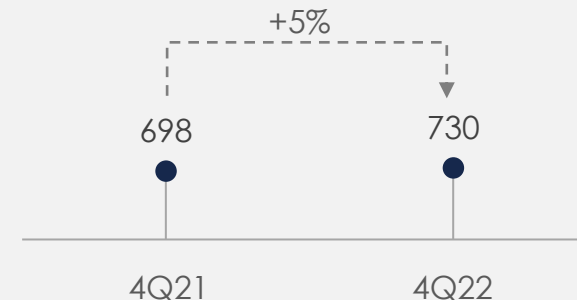


Total Student Base
(Thousand students)



- Semi on-campus
- On-campus

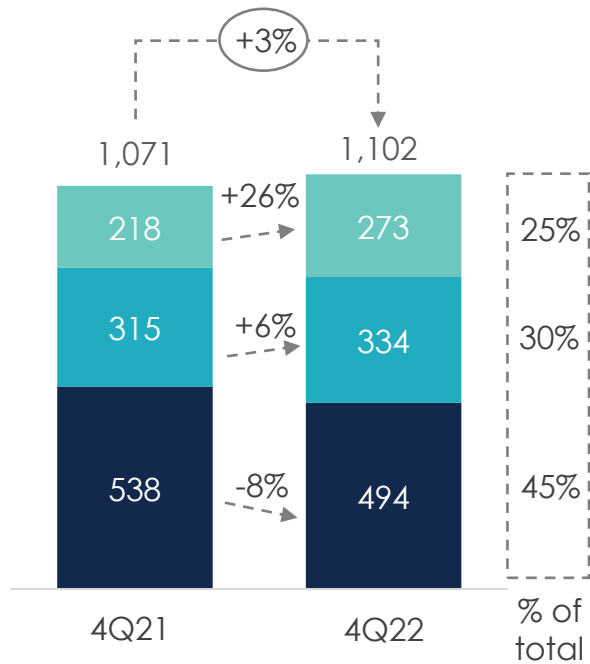
Undergraduate Average Ticket
(R\$/month; AT of upperclassmen of +1 yr;
ex-semi on-campus)



Renewal at 84%
Stable vs 2021

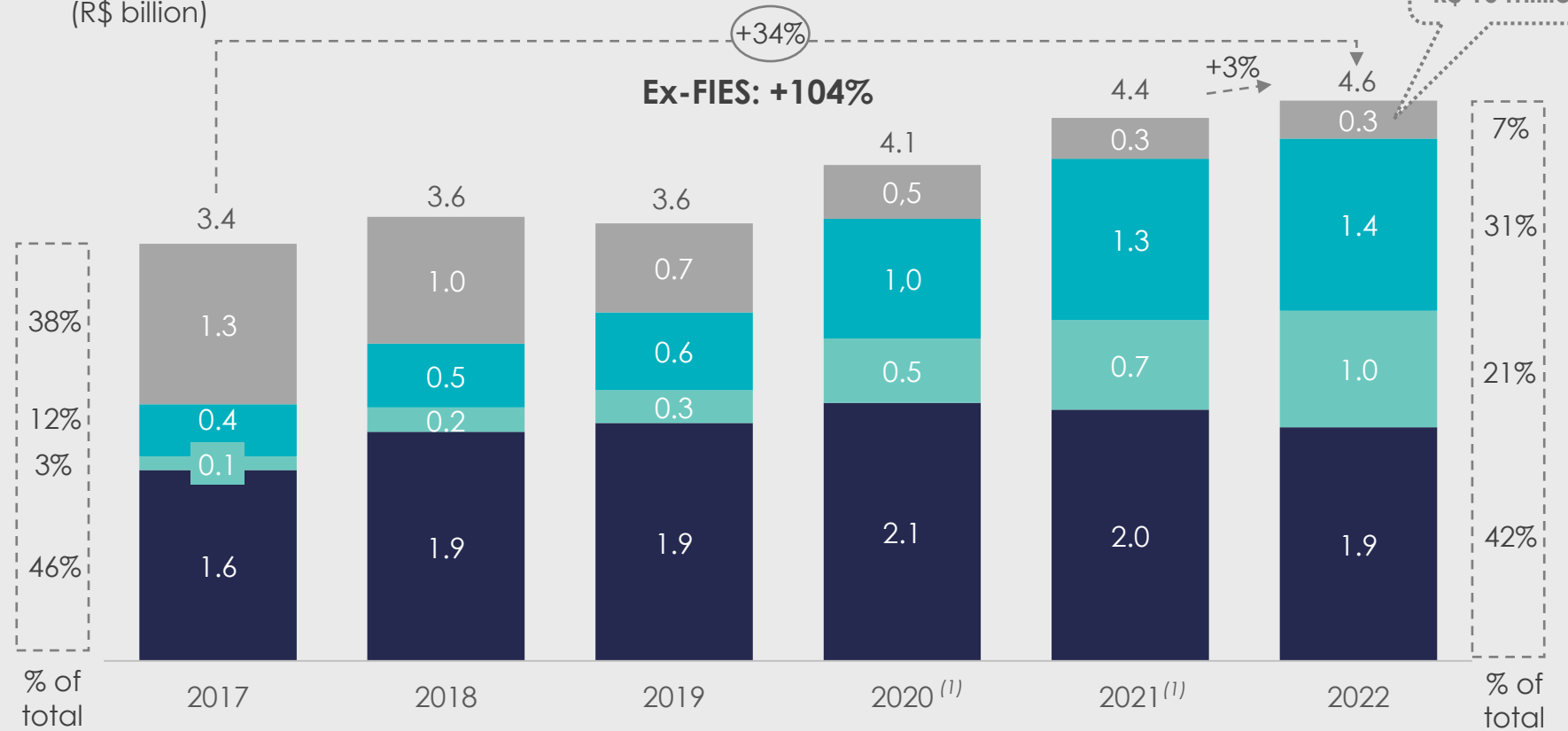
REVENUE: Showing the strength of the portfolio, we grew 104% since 2017, without government funding

Net revenue breakdown 4Q
(R\$ million)



Premium Digital On-campus

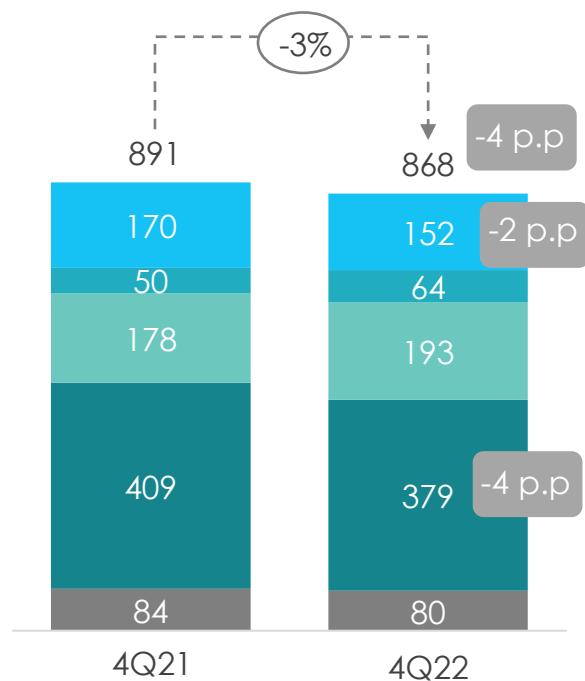
Net revenue breakdown year
(R\$ billion)



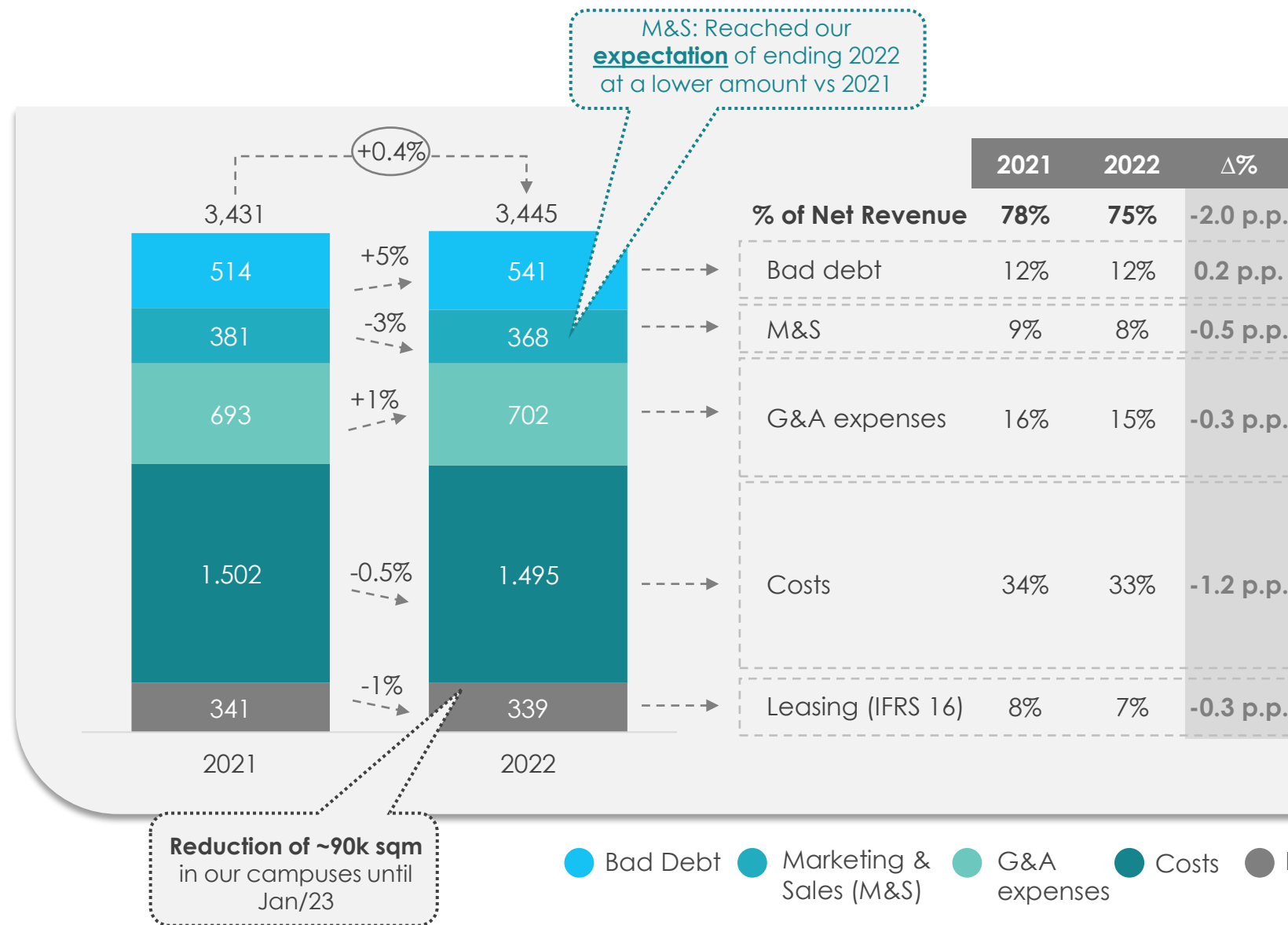
FIES Digital Premium ex-FIES On-campus ex-FIES

COSTS AND EXPENSES: Maintaining a strict cost control

Costs and expenses breakdown ⁽¹⁾
(ex-IFRS 16; R\$ million; %NOR variation)



Costs and expenses ex-bad debt
(vs 4Q21 and 2021): **Stable**



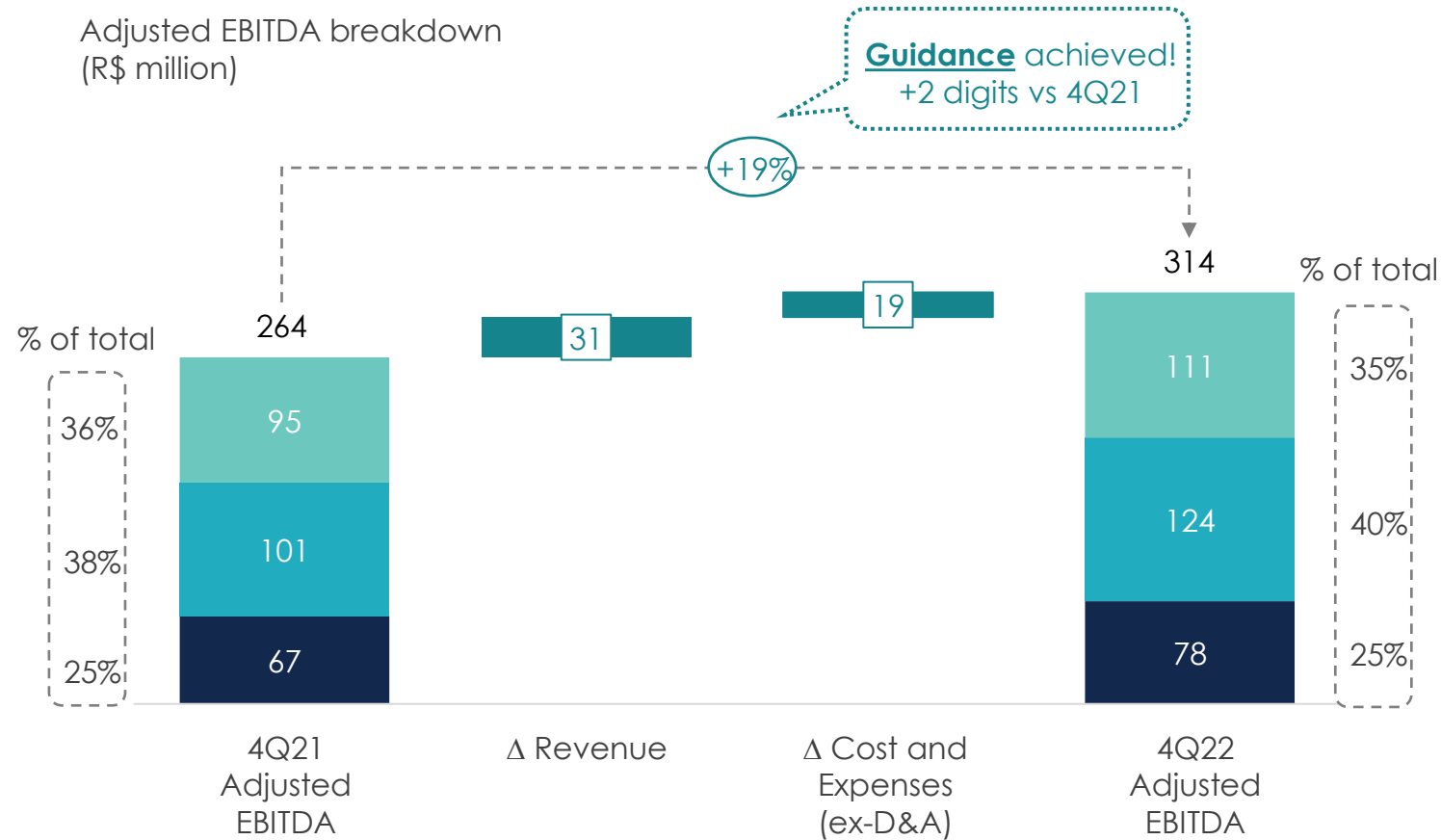
● Bad Debt ● Marketing & Sales (M&S) ● G&A expenses ● Costs ● Leasing (IFRS 16)



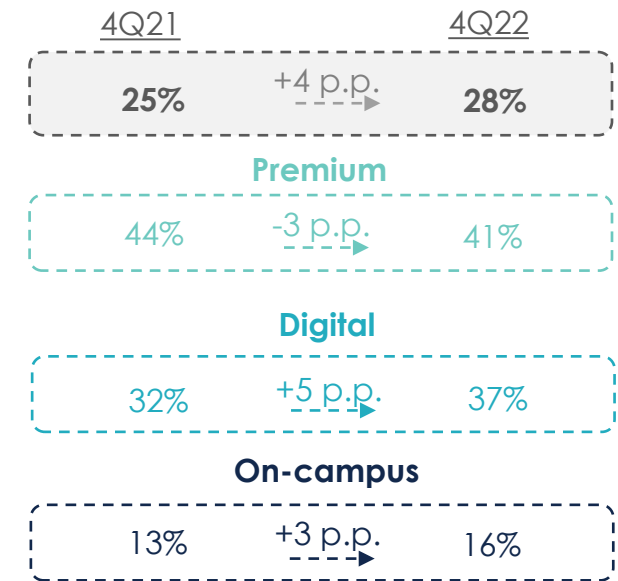
(1) Costs and expenses, excluding depreciation and amortization, adjusted by non-recurring effects.

4Q22 ADJUSTED EBITDA: Guidance achieved

Adjusted EBITDA breakdown
(R\$ million)

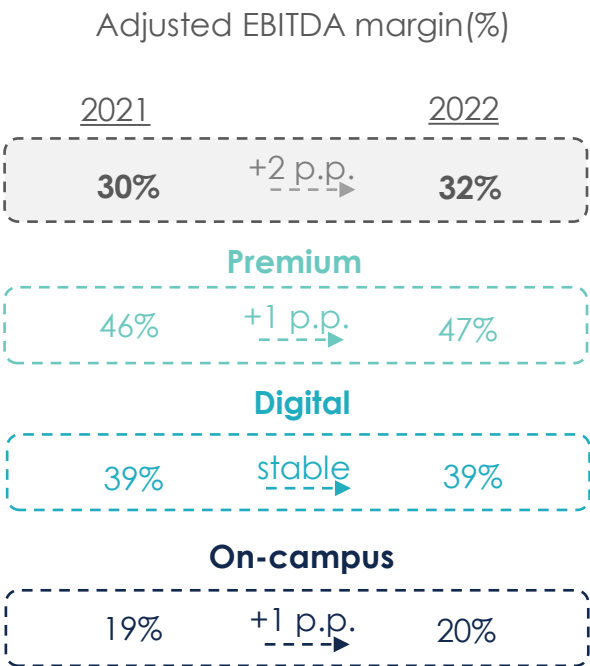
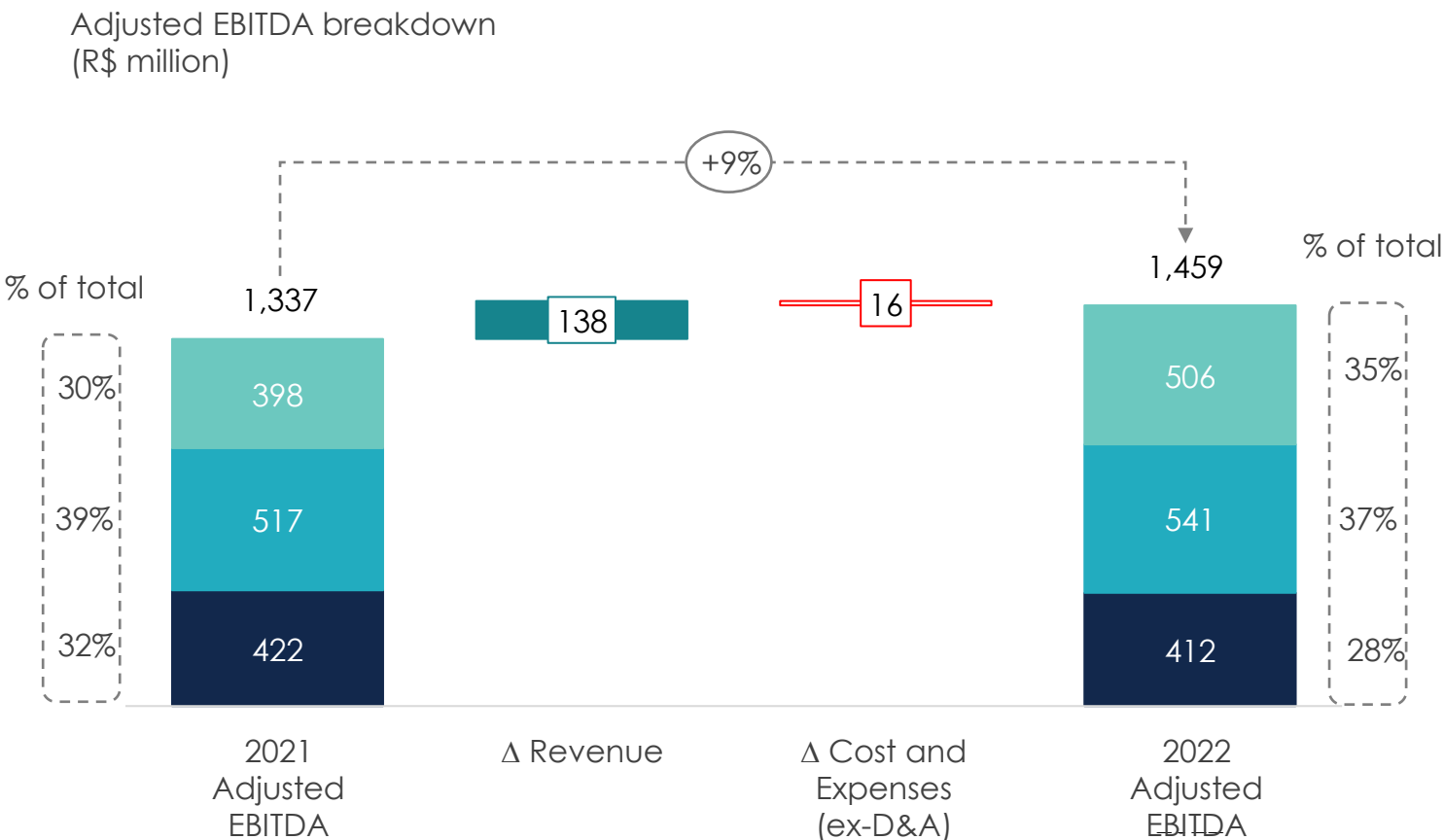


Adjusted EBITDA margin(%)



● Premium ● Digital ● On-campus

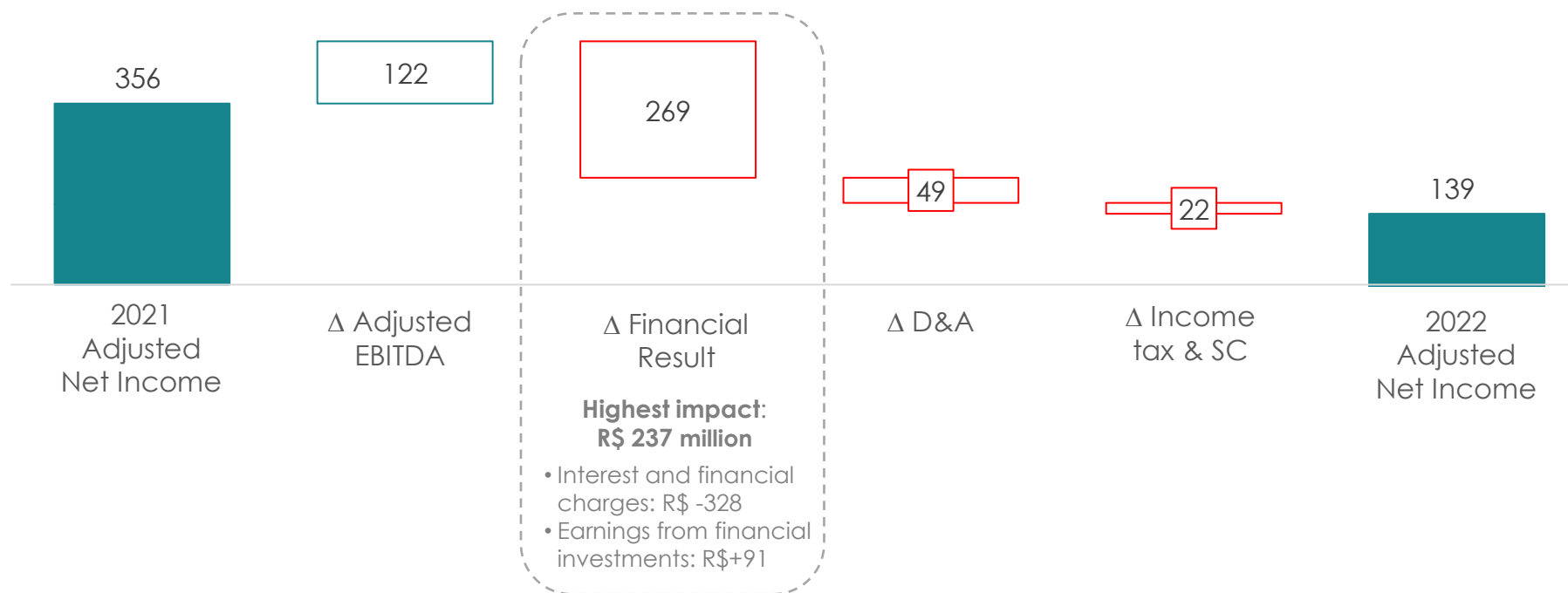
2022 ADJUSTED EBITDA: EBITDA and margin growth with robust portfolio



● Premium ● Digital ● On-campus

ADJUSTED NET INCOME

Adjusted Net Income
(R\$ million)



R\$ million	4Q21	4Q22	Δ%	2021	2022	Δ%
Reported net income	-74	-84	n.a.	158	-55	n.a.
EBITDA non-recurring effects ⁽¹⁾	62	57	-8%	111	133	20%
Amortization of goodwill ⁽²⁾	14	18	24%	84	65	-23%
Income tax and Social contribution	0.8	1.4	78%	2.9	-2.8	n.a.
Adjusted net income	2	-8	n.a.	356	139	-61%

(1) EBITDA non-recurring effects: Restructuring, bad debt adjustments, fines related to real estate contract termination, M&A and other.

(2) Goodwill from acquisitions made since 2020.

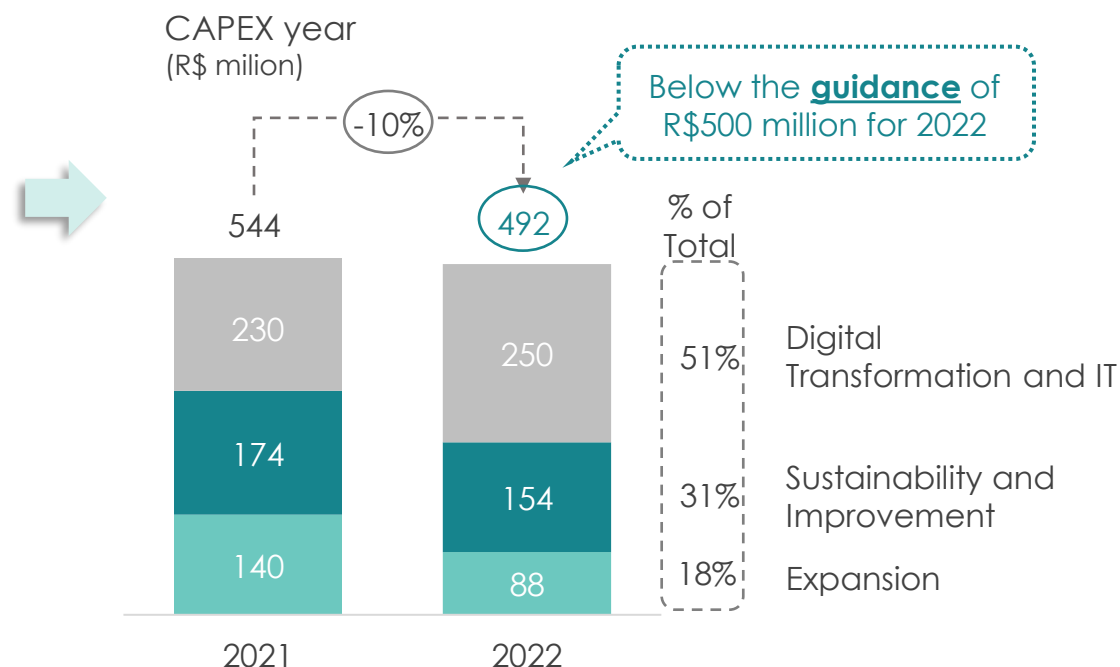
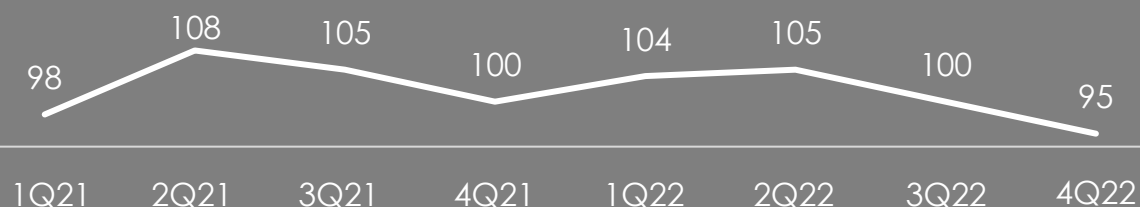
CASH FLOW AND CAPEX

4Q22
YDUQS

R\$ million	4Q21	4Q22	Δ%	2021	2022	Δ%
Operating Cash Flow	98	203	107%	767	997	30%
Capex	-218	-159	-27%	-544	-492	-10%
Free Cash Flow	-120	45	n.a.	223	505	126%
Operating Cash conversion ⁽¹⁾	55%	87%	33 p.p.	77%	89%	12 p.p.

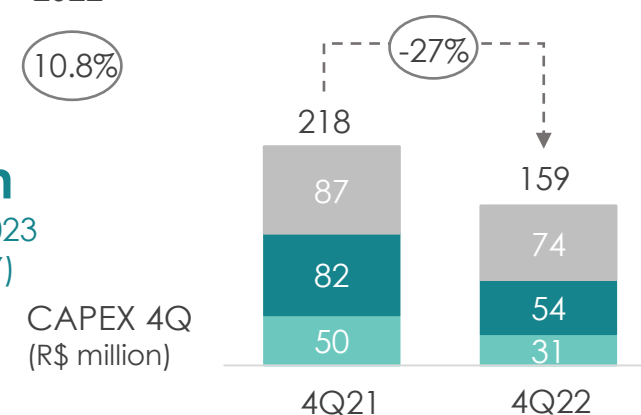
Free cash flow post capex (+126% vs 2021): **R\$ 505 million**
Operating Cash Conversion (+12 p.p. vs 2021) **89% OCC**

Average term receivables (ATR) (# days)



% NOR (12.4%) -1.6 p.p. (10.8%)

R\$ 450 million
Estimated Capex for 2023
(reduction of ~8% YoY)



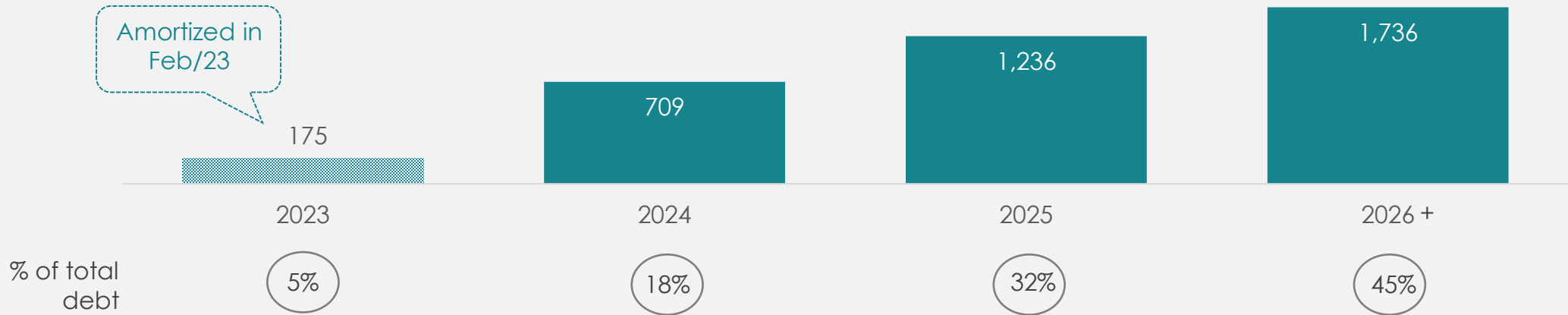
% NOR (20.8%) -6.3 p.p. (14.4%)

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

New issuance reducing total cost of debt and extending term, with no relevant amount of debt expiring in 2023 (1/2)

No debt expiring until the end of 2023...

Debt amortization schedule ⁽¹⁾
(R\$ million; principal amount only)



R\$ 1.2 billion
 Cash and Cash equivalents
 Post operation Dec/Jan ⁽¹⁾

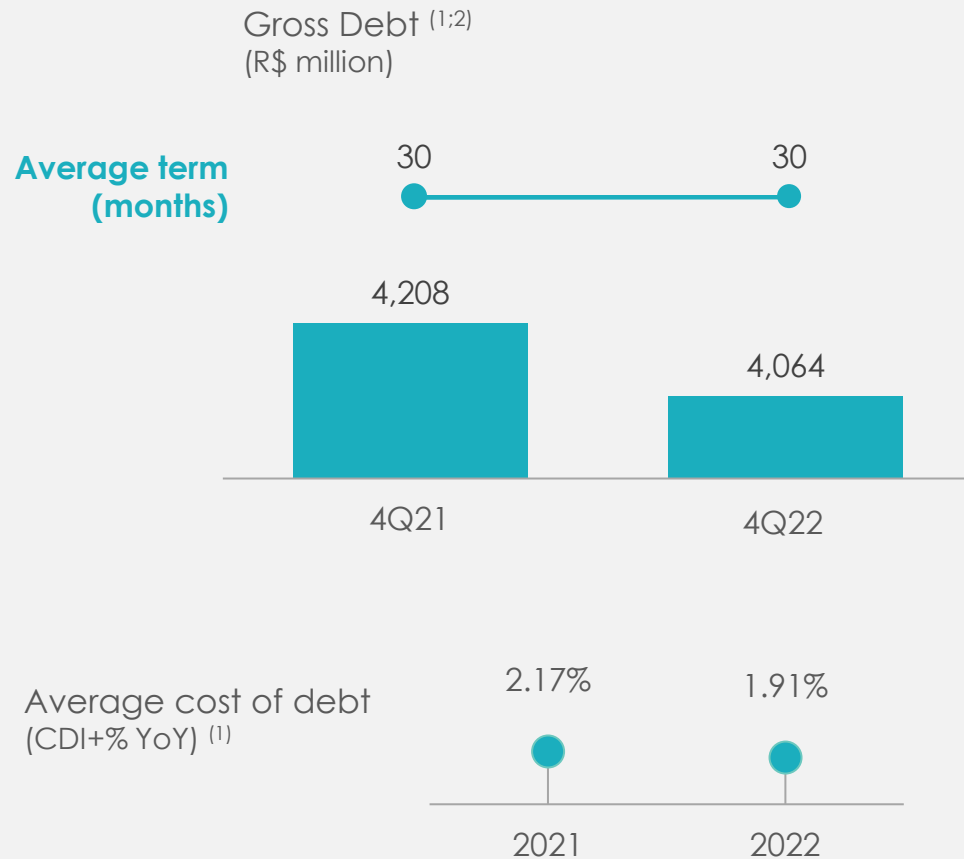
R\$ 2.9 billion
 Net Debt ex-IFRS 16

1.96x
 Net Debt/EBITDA ⁽²⁾

(1) Considering Citi 4131 new issuance in the amount of USD 80 million, as approved in the board meeting of Dec 26, 2022. Cash as of Dec, 2022: R\$ 786 million.
 (2) Net debt excluding leasing (ex-IFRS 16)/EBITDA adjusted by non-recurring items (LTM, including IFRS 16)

New issuance reducing total cost of debt and extending term, with no relevant amount of debt expiring in 2023 (2/2)

... and average term of 30 months, with spread below 2021



Subsequent events

Term extension of debt (USD 80 million)

[January 2023] **Term extension of debt** from Citibank, in the amount of **USD 80 million** (R\$423 million), **at a cost of CDI+1.25% YoY, with a 3-year term.**

Debt liquidation in December and new issuance in 01.10.23.

Debt Amortization (R\$ 175 million)

[February 2023] Amortization of the first installment of the 2nd series of the 5th debenture issuance, in February 2023.

(1) Considering Citi 4131 new issuance in the amount of USD 80 million, as approved in the board meeting of Dec 26, 2022.

(2) Total gross debt excluding leasing (IFRS 16)



Risk Management

Creation of the ESG risk matrix and validation with high-level management

ESG Goals

Inclusion of the ESG score in the goals board of all high-level management



Advances in ratings and indexes



First report to the Carbon Disclosure Project – CDP / Climate Change

ICO2B3

Entry in the B3 Efficient Carbon Index



Maintaining MSCI rating A

CCC B BB BBB A AA AAA
Produced by MSCI ESG Research as of October, 2022

2022 Sustainability

Report



- Integrated report model
- External assurance
- Inclusion of SASB indicators

In April/2023, complete presentation of the 2022 results and expectations for 2023 in the



II YDUQS ESG Forum
04/28 at 3 pm

Year of **EBITDA** and **cash generation growth**, despite the tough macroeconomic scenario and challenging intake

AT of upperclassmen of +1 year increasing vs 4Q21

Medicine: +8% | Ibmec: +7% | Digital: +10% | On-campus: +5%

+9% vs 2021

Adjusted EBITDA

+2p.p. vs 2021

Adjusted EBITDA margin

R\$ 505 million (+126% vs 2021)

Free Cash Flow (post capex)

Stable vs 2021 | -2p.p. vs 2021 (%NOR)

Costs and expenses ex-D&A and IFRS 16

R\$ 997 million (+30% vs 2021) | 89% conversion

Operating cash flow before capex

Advances in ESG themes

MSCI rating A and entry in the ICO² B3 index

YDUQS

in 2023

- +130 to 160 **new medicine seats** expected to be approved in 2023
- **Medicine undergraduate student base** expected for 2023: 8.0-8.2 thousand students.
- **23.1 vs 22.1 Intake:** Premium and Digital increase by 2 digits | On-campus greater than 21.1 and below 22.1
- **Average Ticket (Net Revenue/Student base) 1Q23:** All business units increase by 1 digit vs 2022
- **1Q23 Adjusted EBITDA** with expected growth of 2 digits vs 2022
- **2023 Capex** expected to reduce by 8% vs 2022, closing at R\$ 450 million. **Long Term Capex** at 7-8% of Net Revenue.



YDUQS

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