



EARNINGS PRESENTATION 1Q19

B3: **ESTC3** | ADR: **ECPCY**

Rio de Janeiro, May 9th 2019 - **Estácio Participações S.A.** one of the largest private organizations in the higher education industry in Brazil presents its **results for the first quarter 2019**.

The Company's financial information is presented based on the consolidated figures, in Brazilian Reais, pursuant to Brazilian Corporate Law, the accounting practices adopted in Brazil (BRGAAP) and International Financial Reporting Standards (IFRS). **Comparisons refer to the first quarter of 2018 (1Q18), unless otherwise stated** and were not reviewed by the audit.

In order to preserve comparability between quarters, the Company opted to disclose **pro-forma results for 1Q19 excluding the impacts of the adoption of IFRS 16 accounting rules**.

This document may contain forward-looking statements that are subject to risks and uncertainties which may cause such expectations to not materialize or substantially differ from expectations, Such forecasts express the opinion of the Company's administration only on the date they were published and the Company exempts itself from updating it in the light of new information.

RESULT'S CONFERENCE CALL:

05/10/2019 at 8:00 AM (EST Time)

+55 (11) 3137-8056

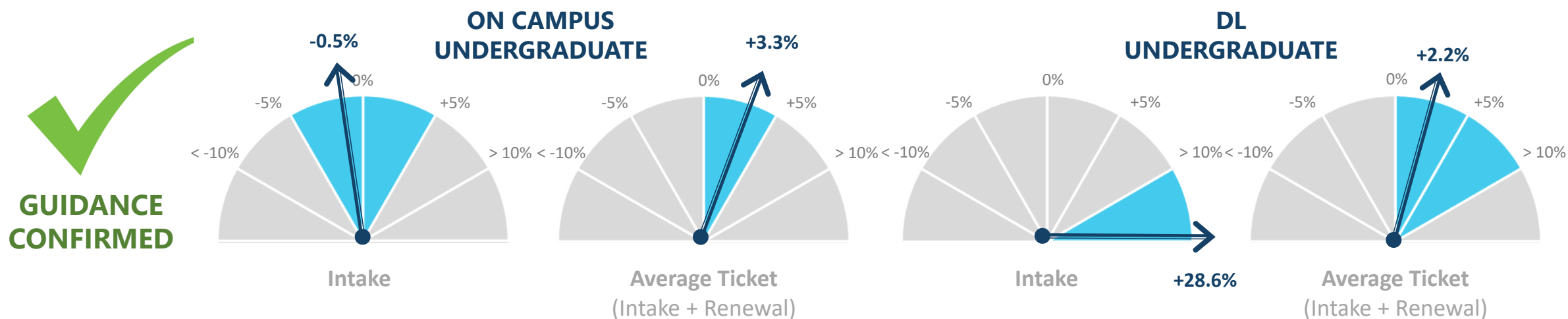
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Intake (Thousand students)	1Q18	apr/18	2018.1	1Q19	apr/19	2019.1	2019.1 vs 2018.1
On-campus Undergraduates	79.6	10.0	89.6	81.2	7.9	89.1	-0.5%
Regular	78.4	9.3	87.7	80.7	7.4	87.0	-0.8%
FIES	1.2	0.7	1.9	1.6	0.5	2.1	10.5%
DL Undergraduates	63.9	12.3	76.2	84.9	13.1	98.0	28.6%
100% DL	54.0	11.3	65.3	64.5	12.0	76.5	17.2%
Flex	9.9	1.2	11.1	20.4	1.1	21.5	93.7%
Total Intake	143.5	22.2	165.8	166.1	21.0	187.1	12.8%

Positive highlights

Process anticipation
Pricing model with local approach
New courses (+ offers)
DL expansion

Negative highlights

FIES
Competitive environment
Challenging macro scenario

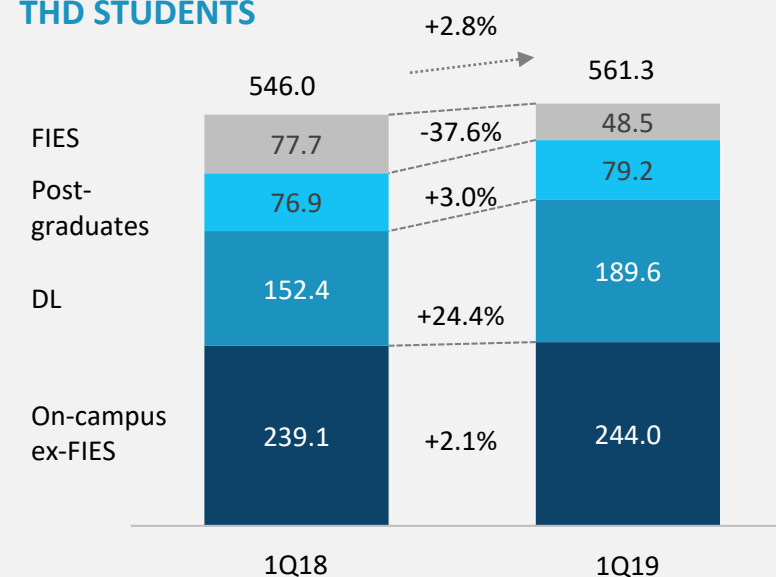
QUARTERLY HIGHLIGHTS

1Q19 pro-forma figures excluding IFRS-16 adoption effects to preserve quarter comparisons

Stable results despite FIES effect and bad debt increase attest Company's resilience.

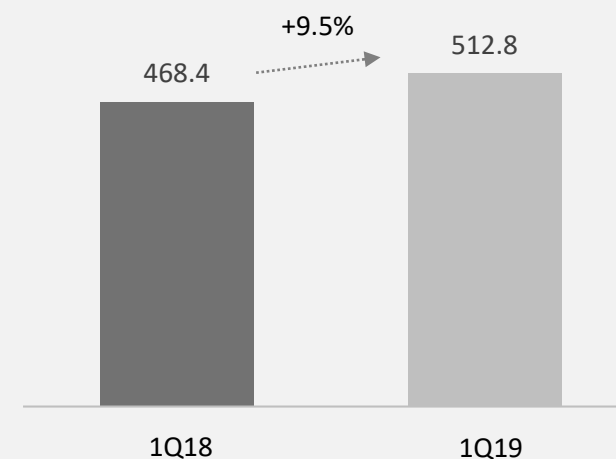
TOTAL BASE PER SEGMENT

THD STUDENTS



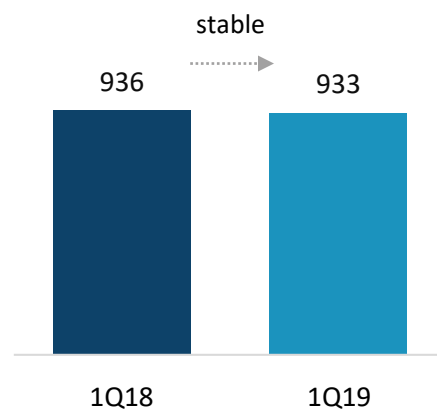
TOTAL BASE EX-FIES

THD STUDENTS

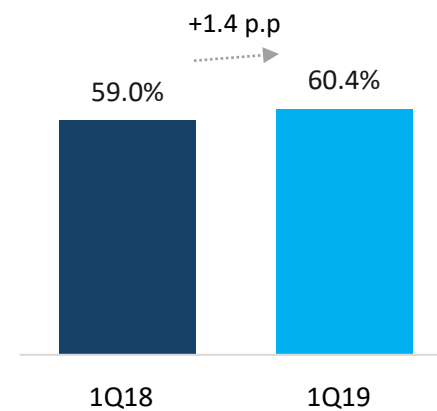


Financial Highlights

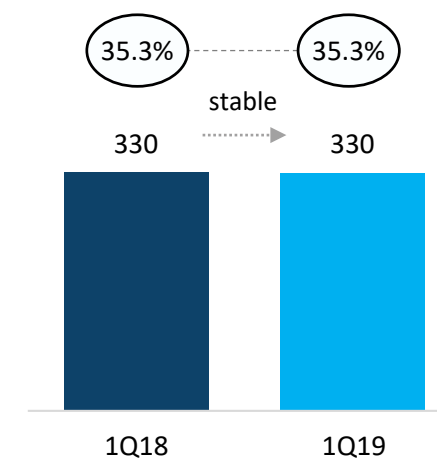
Net Revenues (R\$ million; YoY%)



Gross Margin (%)

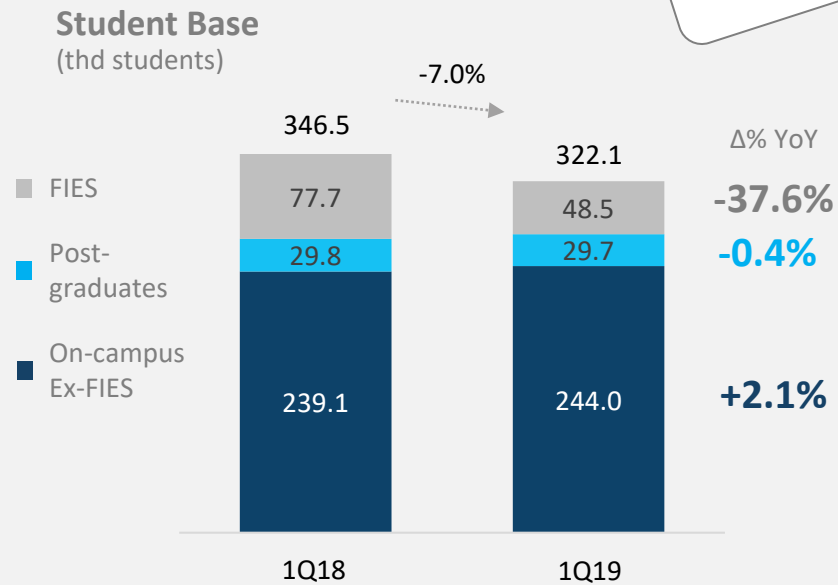


EBITDA & Margin (R\$ million; YoY%)



OPERATIONAL: PERFORMANCE BY SEGMENT

UNDERGRATS + POST-GRADUATES ON+CAMPUS



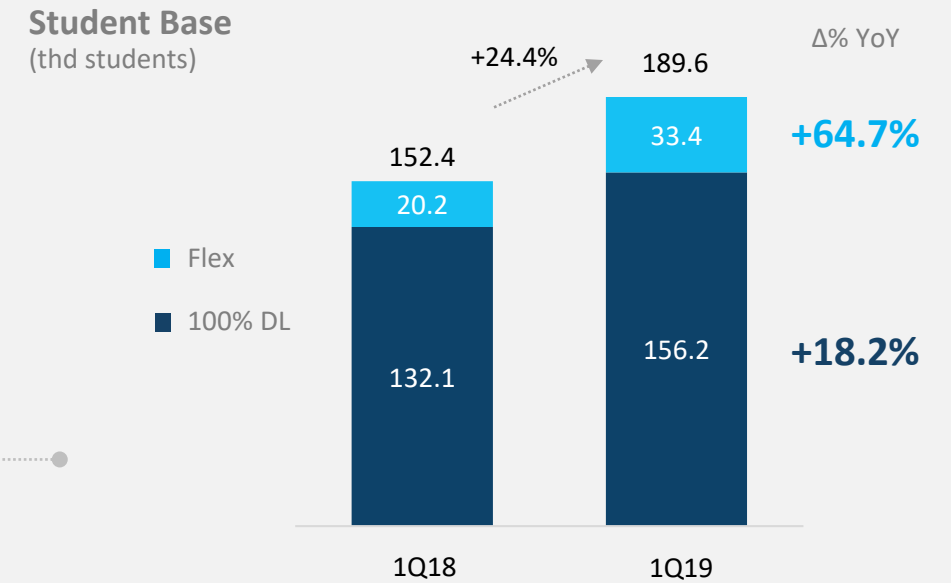
Retention Rate

ON-CAMPUS 86%

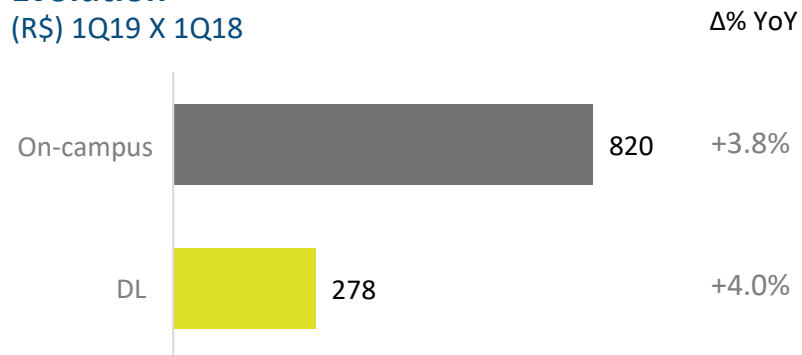
DL 83%

vs. 86% in 1Q18 vs. 84% in 1Q18

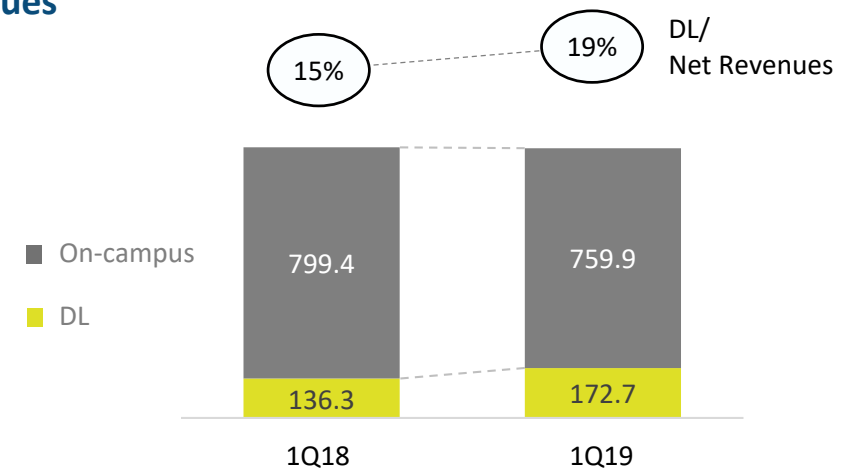
UNDERGRADUATES DISTANCE LEARNING



Average Ticket Evolution (R\$) 1Q19 X 1Q18



Net Revenues Evolution (R\$ million)



53%

**COURSES GRADED 4 OR 5⁽¹⁾ BY MEC
IN 1Q19⁽²⁾**

vs. 48% in 2017

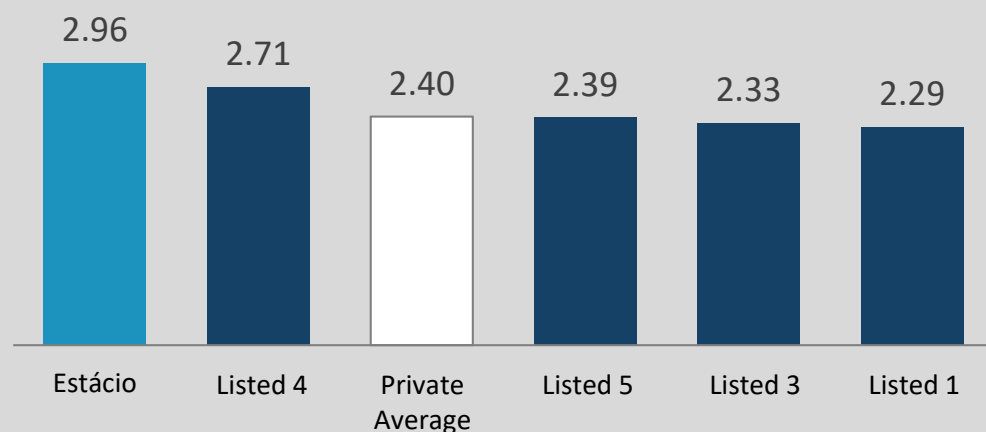
84%

**OF EVALUATED COURSES IN
2018/2019 HAVE ACHIEVED GRADES
4 OR 5⁽¹⁾**

97%

**COURSES GRADED 3 OR HIGHER
(SATISFACTORY) BY MEC'S CPC '15-'17**

**DL: CPC 2015-17
(WEIGHTED AVERAGE OF CPC GRADE
BY STUDENT BASE; 1-5)**



RECENT EXEMPLES OF GRADE IMPROVEMENT 2018/2019

Curso	Modalidade	Unidade	Nota
Law	On-campus	Conceição/SP	Grade 5*
Dentistry	On-campus	Prado/MG	Grade 5*
Architecture and urbanism	On-campus	São Luís/MA	Grade 5*
Psychology	On-campus	Juazeiro do Norte/CE	Grade 5*
Nursing	On-campus	Rio de Janeiro/RJ	Grade 4
Civil Engineering	On-campus	Feira de Santana/BA	Grade 4*
Law	On-campus	Recife/PE	Grade 4

Curso	Modalidade	Unidade	Nota
Hospital Management	DL	Ribeirão Preto/SP	Grade 5
Civil Engineering	DL	Rio de Janeiro/RJ	Grade 4*
Marketing	DL	Santa Catarina	Grade 4*
Management	DL	Rio de Janeiro/RJ	Grade 4*

(1) Grades consider most recent CPC or CC indicators from MEC.

(2) Includes open processes in final steps of approval by MEC in 2018/2019.

MEC = Ministry of Education

* Open processes in final steps of approval by MEC.

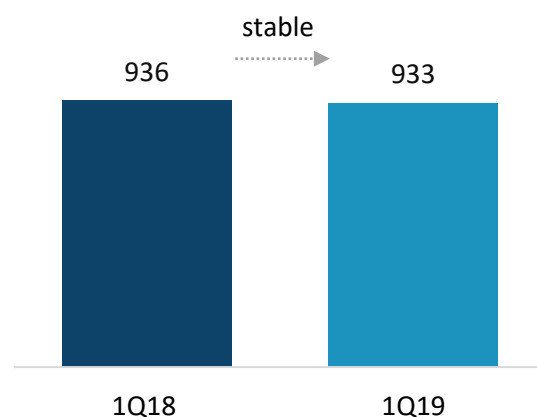
Source: Inep/MEC and Company records

FINANCIAL HIGHLIGHTS: REVENUES TO GROSS PROFIT

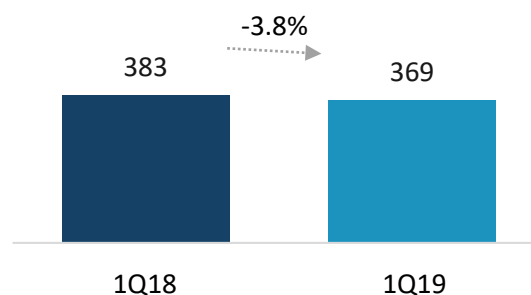
1Q19 pro-forma figures excluding IFRS-16 adoption effects to preserve quarter comparisons

1Q19

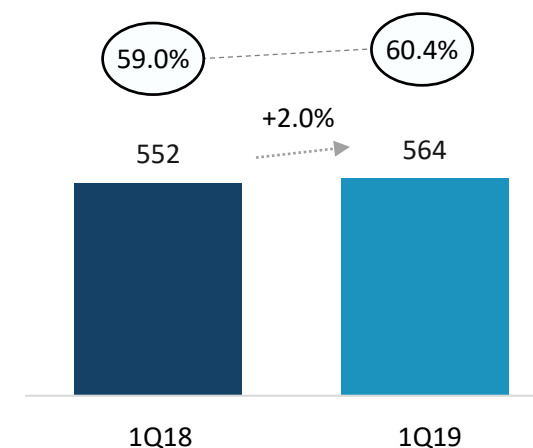
Net Revenues (R\$ million; YoY%)



Cost of Services (R\$ million; YoY%)



Gross Profit & Margin (R\$ million; YoY%)



COGS (R\$ million)	1Q19	YoY%	%Revs.
Personnel	249.2	-8.4%	26.7%
Rent, Condominium and tax	63.3	8.4%	6.8%
Depreciation and amortization	25.5	8.6%	2.7%
Third party services	13.6	-7.6%	1.5%
Power, water, gas and telecom	8.6	10.2%	0.9%
Other	8.8	30.2%	0.9%

Higher cost efficiency with highlights from personnel and third party services.

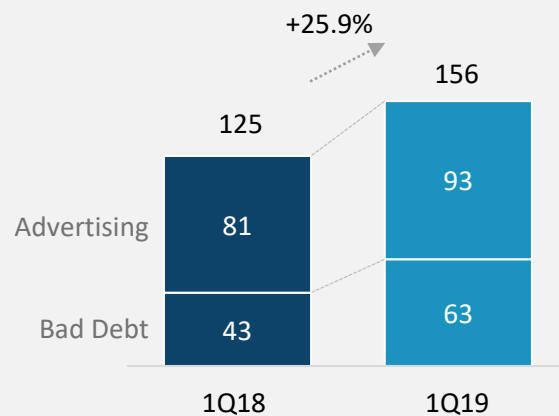
Gross margin expansion despite challenging macro scenario.

FINANCIAL HIGHLIGHTS: SELLING EXPENSES AND G&A

1Q19 pro-forma figures excluding IFRS-16 adoption effects to preserve quarter comparisons

SELLING EXPENSES

R\$ million

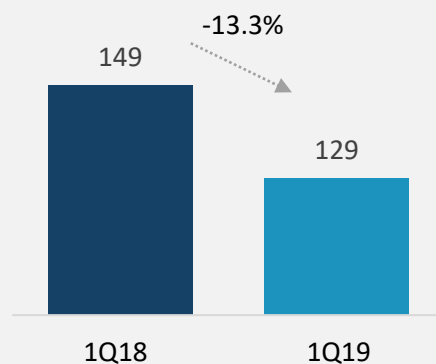


Breakdown (R\$ million)	1Q19	YoY%	%Revs.
Bad Debt	63.0	45.6%	6.8%
Regular	16.4	-21.7%	1.8%
PAR	20.5	164.2%	2.2%
DIS	26.1	79.0%	2.8%
Advertising	93.2	15.7%	10.0%

Higher marketing activity reflects new approach in intake.

G&A EXPENSES

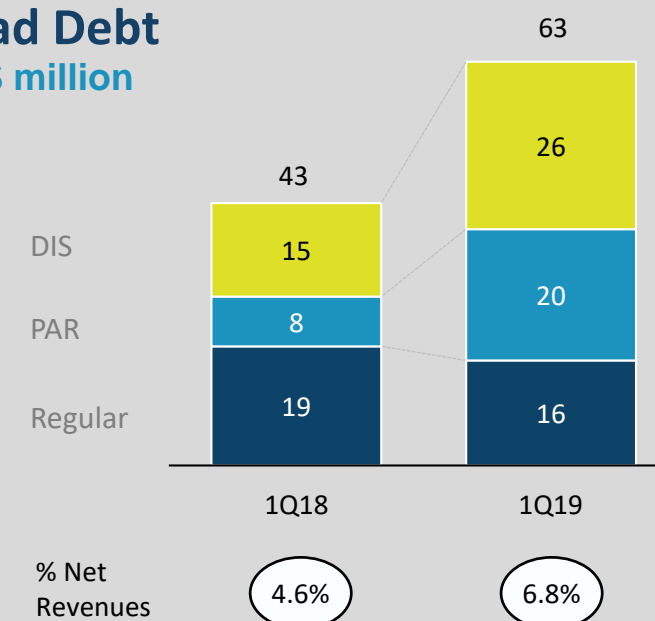
R\$ million



Breakdown (R\$ million)	1Q19	YoY%	%Revs.
Personnel	41.8	-1.6%	4.5%
Depreciation and amortization	22.0	-12.3%	2.4%
Contingencies	21.3	-16.4%	2.3%
Third party services	19.1	-35.4%	2.1%
Other	16.5	-1.6%	1.8%
Maintenance & repair	8.3	-12.2%	0.9%

Bad Debt

R\$ million



% Net Revenues

4.6%

6.8%



DIS and PAR products maturation.



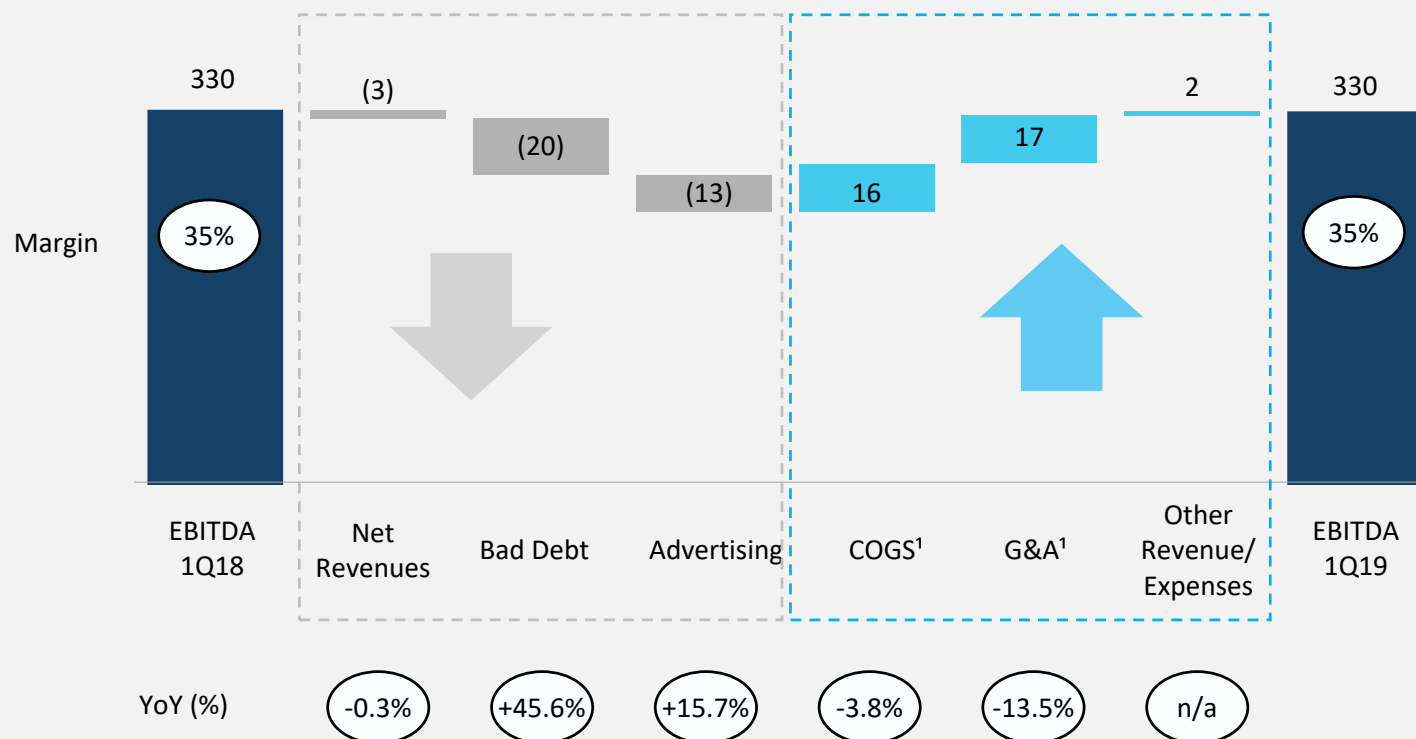
Lower incidence from FIES program.

EBITDA, NET INCOME & CASH FLOW

1Q19 pro-forma figures excluding IFRS-16 adoption effects to preserve quarter comparisons

EBITDA RECONCILIATION

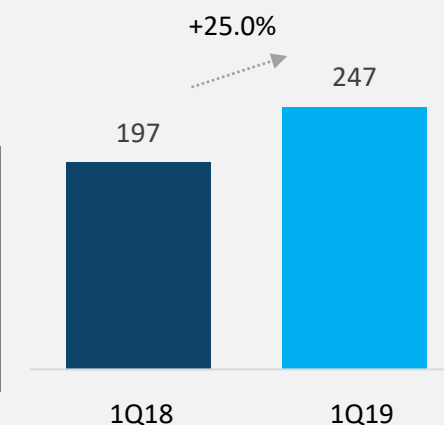
R\$ million



NET INCOME

R\$ million

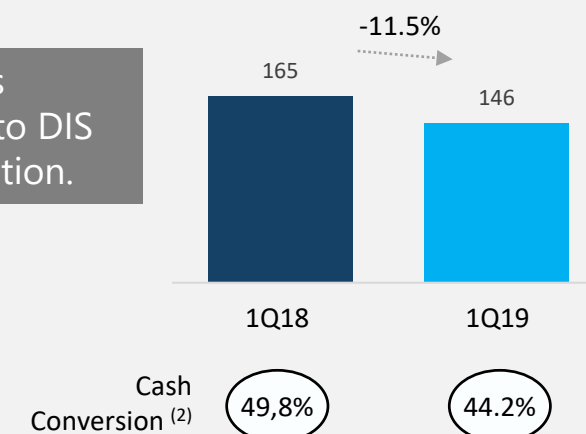
Favorable comparative base due to the delay in tax credit from PROUNI students in 1Q18;



OPERATIONAL CASH FLOW BEFORE CAPEX

R\$ million

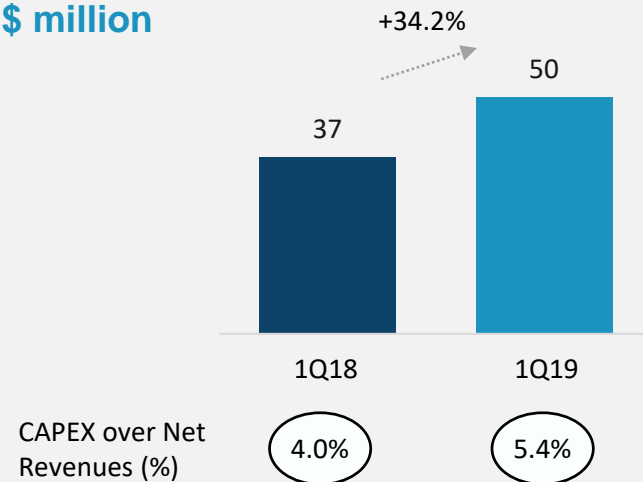
Increase in days receivable due to DIS product maturation.



(1) Excluding depreciation and amortization

(2) Cash conversion: Operational Cash Flow Before Capex over EBITDA ex-PN23.

CAPEX R\$ million



	CAPEX (R\$ million)	1Q18	1Q19	Δ%
Non-recurring	Support & Improvements	36.7	38.6	5.1%
	Expansion	0.7	6.3	n/a
	Transformational	-	5.3	n/a
Total		37.4	50.2	34.2%

DEFINITION

SUPPORT & IMPROVEMENTS: recurring investments designed to support our operations and improve our business;

EXPANSION: investments in new units and/or courses aimed to expand our operations;

TRANSFORMATIONAL: non-recurring projects such as digitalization of documents systems, desktop virtualization in units and infrastructure update (e.g. air conditioning).



New Dentistry lab
(Rio de Janeiro)

CAPEX PROGRAM IN NARROW RELATIONSHIP WITH REVENUE GENERATION, PROCESS AND OPERATION IMPROVEMENT.

▶ 2019

1Q19 ◀



INTAKE: Process enhancement end-to-end



DL and FLEX: Sustaining fast pace of expansion. Highlight from Flex.



FINANCIALS: Business resilience amid challenging scenario.



FIES: Despite negative effect, reduced exposure to 9% student base (vs 14% in 1Q18).

▶ OPERATIONS

Consistency



Financial
Operation

Intake 2019.2

▶ GROWTH

Health field

DL



more DL centers,
more courses,
Flex

M&A

SUBSEQUENT EVENT:
Distribution of
R\$153 million in
dividends

Dividends per share (R\$)

1Q18



0.51

1Q19



0.33

54%



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