

# EARNINGS RELEASE

## 1Q24

May 10<sup>th</sup>, 2024

# YDUQS

**YDUQ**  
B3 LISTED NM

**IBRX100** B3

**ITAG** B3

**IGC** B3

**ICO2** B3

**IDIVERSA** B3



Produced by MSCI ESG Research  
as of October, 2023



Rio de Janeiro, May 10<sup>th</sup>, 2024 - YDUQS Participações S.A., one of the largest private organizations in Brazil's higher education private sector, presents its **results for first quarter of 2024 (1Q24)**.

The Company's financial information is presented based on the 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).

This document may have forward looking statements that are subject to risks and uncertainties that 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.



## RESULTS VIDEO CONFERENCE

**May 13<sup>th</sup>, 2024 | 9:00 a.m. (BRT) Portuguese with simultaneous translation to English**

[Click here for the Webinar](#)

**May 13<sup>th</sup>, 2024 | 11:00 a.m. (BRT) – Video conference in English**

[Click here for the Webinar](#)

## IR Contact

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Visit our website: <https://www.yduqs.com.br>

After a remarkable year in 2023, we are operating at a new level, and our results continue to show Yduqs' robustness and the strength of our strategy. Once again, in the first quarter of 2024, we recorded net income increase, both on a quarterly basis (R\$173 million, up by 11.2% YoY) and on a LTM basis (LTM R\$360 million, versus R\$199 million in 1Q23). These indicators confirm the robustness brought by our diversified portfolio to our business and the sustainability of our strategy in the medium and long term.

With growth of 11.5% in Net Operating Revenue and 7% in the Company's EBITDA, our business verticals continue to draw on their specific strengths. The Premium segment courses continue to grow at a fast pace, creating more value (+15% EBITDA and margin growth), with ticket increase and renewal rates at 96%. In the digital learning segment, growth in both student base (+6% YoY) and average ticket (+5%) were the main highlights. In the on-campus segment, which recorded an increase in student base, we must emphasize the 2-p.p. growth in EBITDA margin.

On the financial side, following several assertive measures implemented at the end of 2023 and the beginning of this year, liability management remains one of our strengths. Leverage ratio ended the quarter at 1.56x Net Debt/EBITDA, vis-à-vis 1.74x in 1Q23, maintaining the downward trend seen in recent cycles. Investments, cost of debt and amortization schedule remain under full control.

When it comes to creating value for our students, in addition to the outstanding results in MEC's evaluation cycle (published this quarter), we have made progress in various other forms of supporting and empowering them. We must highlight the announcement of Rede de Valor Program's expansion, which offers complementary scholarships to IDOMED students, targeted at medical schools located in Brazil's Northeast region. The program now supports 161 future doctors in 11 of IDOMED's 17 units.

Among other important events linked to our ESG agenda, which no longer can be dissociated in any way from our global strategy, we received two accolades from the UN Global Compact in Brazil as part of the Race is Priority movement, one for the presence of black and brown people in leadership positions (50%, a global case) and the other for promoting education for this audience (more than 50% of our students declare themselves black).

We continue to combine human and economic development and shared value, which is only possible thanks to your support and confidence in Yduqs, in education and in the future.

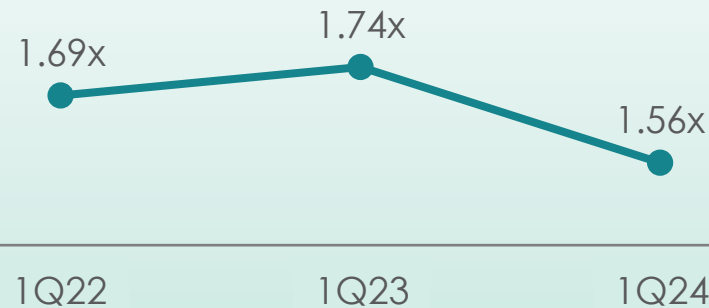
**Eduardo Parente**  
CEO

## Achievement of *guidance* and, once again, **a net income expansion**

Vs.  
**1Q23**

**Net Revenue** +11,5%  
**Adjusted EBITDA** +7%  
**Adjusted Net Income** +11%

### Leverage Ratio

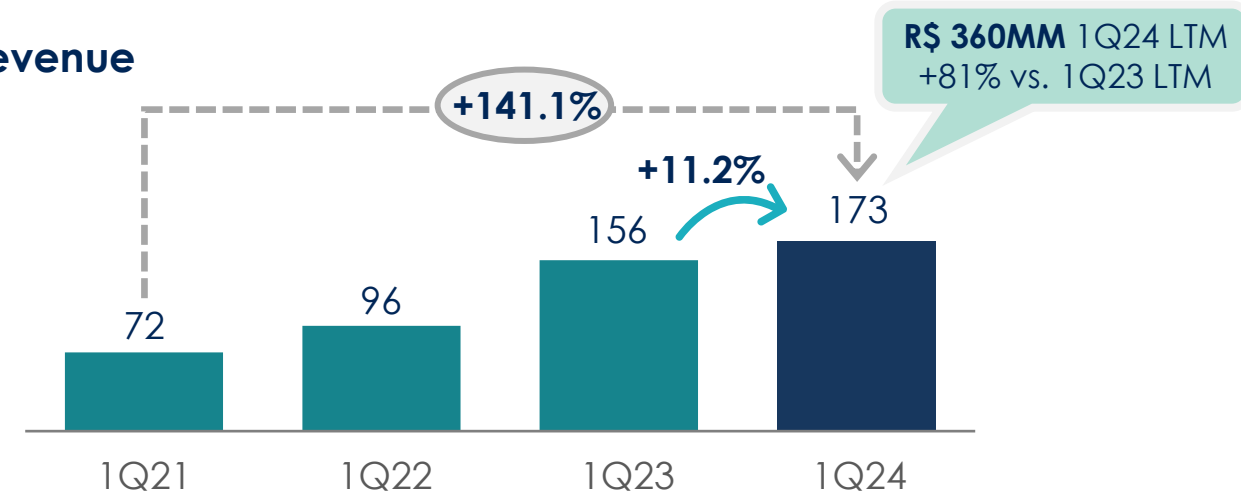


### Liability Management

Reduction in cost  
of debt

**CDI+1.32%**  
-0.36 p.p. vs. 4Q23

### Adjusted Net Revenue (R\$ million)



### Premium

**+18% vs. 1Q23**  
Total student base

**+9% vs. 1Q23**  
AT Upperclassmen  
IBMEC

**+6% vs. 1Q23**  
AT Upperclassmen  
Medicine

**+15% vs. 1Q23**  
EBITDA

### Digital

**186k**  
Digital intake  
Guidance achieved

**+11% vs. 1Q23**  
Net Revenue

**+5% vs. 1Q23**  
AT Upperclassmen Growth  
for at least 9 quarters in a  
row

### On-campus

**+2 p.p. vs. 1Q23**  
EBITDA margin

**+20% vs. 1Q23**  
EBITDA

**+2% vs. 1Q23**  
Total student base

**+15% vs. 1H23**  
Intake 1H24  
Guidance achieved

**+11% vs. 1Q23**  
Net Revenue

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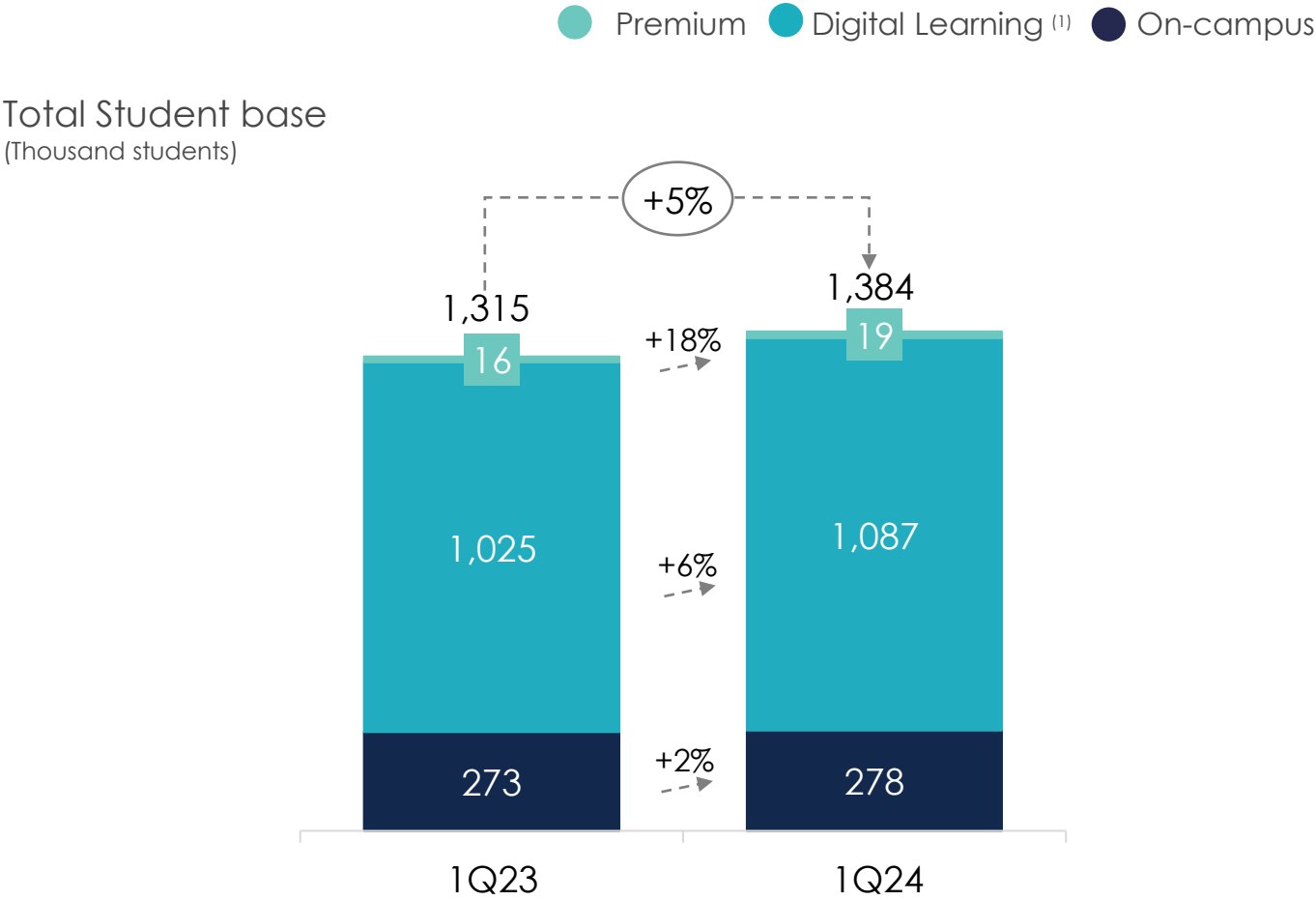


Total (thousand students)	1Q23	1Q24	Δ %
Total Base	1,314.5	1,383.9	5.3%
On-campus	273.1	277.9	1.7%
Digital Learning <sup>(1)</sup>	1,025.4	1,087.2	6.0%
Premium	16.0	18.8	17.8%

FIES	11.8	8.4	-29.0%
DIS	429.7	446.4	3.9%
Digital	297.4	319.4	7.4%
On-campus	132.3	126.9	-4.0%
PAR	1.8	0.5	-71.8%

Campi (ex-compartilhados) <sup>(2)</sup>	103	103	0.0%
Presencial	87	87	0.0%
Premium	21	21	0.0%
Compartilhado com Presencial	5	5	0.0%
Polos	2,391	2,484	3.9%

Total (thousand students) <sup>(3)</sup>	1Q23	1Q24	Δ %
Total Intake	266.1	266.5	0.1%
Premium	3.3	3.4	3.2%
Digital Learning	188.0	176.8	-5.9%
DIS	118.8	117.3	-1.2%
On-campus	74.8	86.3	15.3%
DIS	40.8	47.6	16.6%



In 1Q24, we reached the intake guidance for both Digital and On-Campus segments. In the Digital BU, we closed the 24.1 intake cycle with 186 thousand students enrolled, including students converted after the end of the quarter, implying a decrease of ~1% vs. 1Q23. In the On-Campus BU, we recorded an intake rise of 15.3%.

(1) Base Includes QConcursos, for more details click here.  
(2) It considers campi with individual management, that is, if there are 2 campi nearby or with complementary, which have the same management, it is considered only on campus.  
(3) It considers intake by the end of March.

Student base (thousand students)	1Q23	1Q24	Δ %
Total Premium	16.0	18.8	17.8%
Medicine	8.5	9.4	11.6%
Undergraduate	8.1	8.9	9.8%
FIES	0.9	0.9	0.5%
Graduate	0.4	0.6	52.1%
IBMEC	7.5	9.4	24.9%
Undergraduate	5.7	6.3	10.5%
FIES	0.2	0.1	-21.4%
Graduate	1.8	3.1	69.1%

Intake (thousand students)	1Q23	1Q24	Δ %
Total Undergraduate	3.3	3.4	3.2%
Medicine Undergraduate	1.5	1.6	9.0%
IBMEC Undergraduate	1.8	1.8	-1.5%

Average Ticket <sup>(1)</sup> (R\$/month)	1Q23	1Q24	Δ %
Medicine Undergraduate	10,239	10,473	2.3%
IBMEC Undergraduate	3,252	3,532	8.6%

AT of Upperclassmen <sup>(2)</sup> (R\$/month)	1Q23	1Q24	Δ %
Medicine Undergraduate	10,597	11,275	6.4%
IBMEC Undergraduate	3,313	3,623	9.4%

The **Premium** segment ended 1Q24 with **18.8 thousand students (+17.8% YoY)**, boosted by a substantial increase in all brands.

The **Medicine undergraduate** segment continued to deliver consistent performance, ending the quarter **up by 9.8% vs. 1Q23**, thanks to the courses' maturation coupled with a strong intake cycle.

In March 2024, **140 new medical undergraduate seats were authorized, already impacting the intake for the first semester**. These additional seats increased annual seat capacity from 1,586 to 1,726.

**Medicine undergraduate average ticket** ended the quarter up by 2.3% YoY. It is important to highlight that the average ticket was impacted by a review in the FG-FIES percentage deduction. Excluding this effect, the average ticket would have increased ~3% vs. 1Q23.

**IBMEC undergraduate segment was up by 10.5% YoY**, especially due to the increase in São Paulo, where the new Faria Lima unit is located, and Ibmecc Barra. This variation in the graduate student base (+69.1% vs. 1Q23) is related to the migration of the IBMEC Online base, who were previously accounted for in the Lifelong segment.

**IBMEC undergraduate average ticket** was up by 8.6% YoY, as a result of price increases for both intake and upperclassmen, with price adjustments above inflation, combined with the effect from mix of units with higher tickets.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.



Student base (thousand students)	1Q23	1Q24	Δ %
<b>Total Digital Learning</b>	<b>1,025.4</b>	<b>1,087.2</b>	<b>6.0%</b>
<b>Undergraduate</b>	<b>509.9</b>	<b>541.5</b>	<b>6.2%</b>
Digital	432.9	460.0	6.3%
Flex	77.1	81.5	5.8%
<b>Lifelong</b>	<b>515.5</b>	<b>545.7</b>	<b>5.9%</b>
Qconcurcos	461.8	517.3	12.0%
<b>Digital Learning (ex-Qconcurcos)</b>	<b>563.7</b>	<b>569.9</b>	<b>1.1%</b>

Intake (thousand students)	1Q23	1Q24	Δ %
<b>Total Undergraduate</b>	<b>188.0</b>	<b>176.8</b>	<b>-5.9%</b>
Digital Undergraduate	160.2	150.6	-6.0%
Flex Undergraduate	27.8	26.3	-5.4%

Average Ticket <sup>(1)</sup> (R\$/month)	1Q23	1Q24	Δ %
<b>Total Undergraduate</b>	<b>259</b>	<b>276</b>	<b>6.4%</b>
Digital Undergraduate	227	242	6.8%
Flex Undergraduate	441	465	5.4%

AT of Upperclassmen <sup>(2)</sup> (R\$/month)	1Q23	1Q24	Δ %
Total Undergraduate	245	258	5.3%

The **Digital Learning segment**, which includes Lifelong, reached **1,087.2 thousand students** by the end of the quarter, up by 6.0% YoY.

The **undergraduate student base** moved up by 6.2% vs. 1Q23, due to a good intake cycle combined with student base maturation. In the quarter, **intake** was down by 5.9% vs. 1Q23. Considering converted students by the end of the cycle, i.e., new students in the 24.1 intake cycle, we reached intake of 186 thousand students, a decrease of ~1% YoY. This figure is in line with the Company's guidance of maintaining the same intake level as in 1Q23.

**Total undergraduate average ticket** ended the quarter up by 6.4% vs. 1Q23, mainly due to higher revenue from DIS compared to the previous year.

Upperclassmen average ticket was up by 5.3% YoY, mainly boosted by high tuition adjustment indexes. The lower increase in average ticket recorded in 1Q24, compared to the previous quarter, is mainly due to the impact on average ticket of campaigns that started in 1H23.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.



Student base (thousand students)	1Q23	1Q24	Δ %
<b>Total On-campus</b>	<b>273.1</b>	<b>277.9</b>	<b>1.7%</b>
<b>Undergraduate</b>	<b>270.2</b>	<b>273.9</b>	<b>1.4%</b>
On-campus	230.2	214.2	-7.0%
FIES	10.7	7.3	-31.7%
Semi on-campus	40.0	59.7	49.3%
<b>Masters/Doctorate and others</b>	<b>2.9</b>	<b>4.0</b>	<b>36.8%</b>

Intake (thousand students)	1Q23	1Q24	Δ %
<b>Total Undergraduate</b>	<b>74.8</b>	<b>86.3</b>	<b>15.3%</b>
On-campus undergraduate	56.0	59.4	6.1%
Semi On-campus undergraduate	18.8	26.9	42.6%

Average Ticket <sup>(1)</sup> (R\$/month)	1Q23	1Q24	Δ %
<b>Total Undergraduate</b>	<b>655</b>	<b>717</b>	<b>9.4%</b>
On-campus undergraduate	679	760	11.9%
Semi On-campus undergraduate	519	561	8.2%

AT of Upperclassmen <sup>(2)</sup> (R\$/month)	1Q23	1Q24	Δ %
On-campus undergraduate	732	768	4.9%

After successive quarters on a downward trend, **On-campus student base** resumed growth (+1.7% YoY), due to a strong intake cycle in the quarter coupled with a stable renewal rate.

The intake for the quarter presented a substantial increase of 15.3% vs. 1Q23, due to the resumption of growth in the On-campus segment (+6.1% YoY). The Semi On-campus segment continued to record strong growth (+42.6% YoY), stemming from the high demand for this segment and the Company's strategy to expand the product.

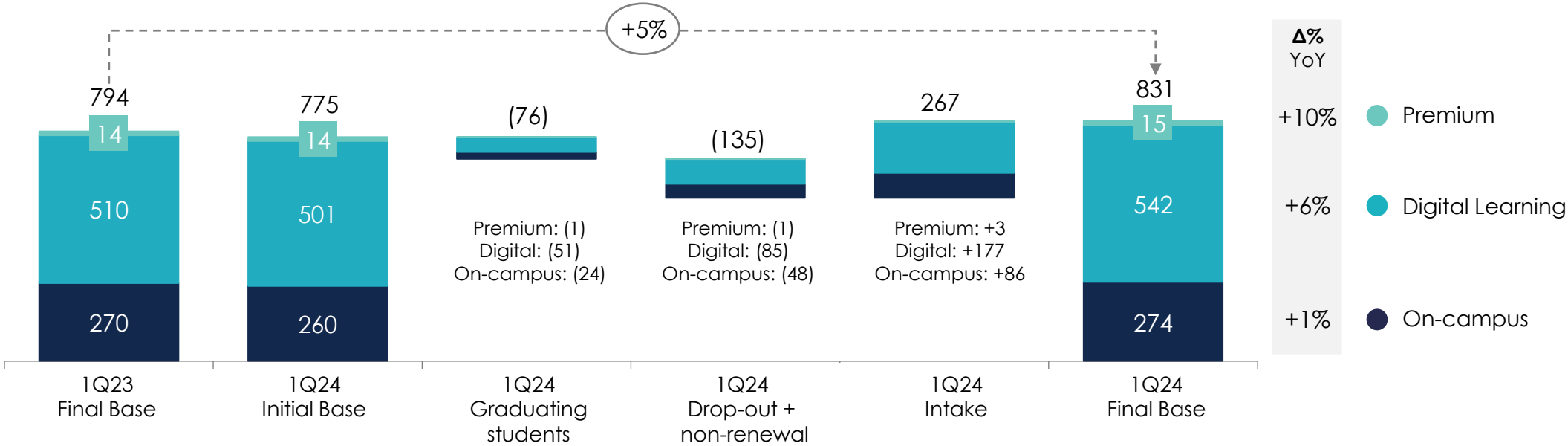
**Total On-campus undergraduate average ticket** ended the quarter up by 9.4% YoY, due to the combination of the higher intake ticket, the price adjustments above inflation for upperclassmen and a growth in revenue from DIS, given the strong intake. Considering the segments separately, both **On-campus undergraduate and Semi On-campus average ticket recorded growth versus 1Q23 (+11.9% and +8.2%, respectively)**.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.

# CHANGES IN THE UNDERGRADUATE BASE 1Q24

(thousand students)	Final Base 1Q23	Initial Base 1Q24		Graduating students 1Q24		Drop-out + non-renewal 1Q24		Intake 1Q24		Final Base 1Q24	Δ % 1Q24 vs. 1Q23
		In thousand	% <sup>(1)</sup>	In thousand	% <sup>(1)</sup>	In thousand	% <sup>(1)</sup>	In thousand	% <sup>(1)</sup>		
Undergraduate	794	775	100%	(76)	10%	(135)	17%	267	34%	831	5%
Premium	14	14	2%	(1)	8%	(1)	8%	3	25%	15	10%
Medicine	8	8	1%	(1)	8%	(0)	6%	2	19%	9	10%
IBMEC	6	6	1%	(0)	9%	(1)	11%	2	33%	6	11%
Digital Learning	510	501	65%	(51)	10%	(85)	17%	177	35%	542	6%
Digital	433	426	55%	(46)	11%	(70)	17%	151	35%	460	6%
Flex	77	75	10%	(5)	6%	(15)	20%	26	35%	82	6%
On-campus	270	260	34%	(24)	9%	(48)	19%	86	33%	274	1%
On-campus	230	211	27%	(17)	8%	(39)	19%	59	28%	214	-7%
Semi on-campus	40	49	6%	(7)	15%	(9)	18%	27	55%	60	49%



\* Percentage of the initial base.

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# INCOME STATEMENT

1Q24  
YDUQS

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	1Q23	1Q24	Δ %	1Q23	1Q24	Δ %	1Q23	1Q24	Δ %	1Q23	1Q24	Δ %
<b>Gross Revenue</b>	<b>2,673.8</b>	<b>2,884.5</b>	<b>7.9%</b>	<b>383.6</b>	<b>442.3</b>	<b>15.3%</b>	<b>920.8</b>	<b>1,036.5</b>	<b>12.6%</b>	<b>1,369.4</b>	<b>1,405.7</b>	<b>2.6%</b>
Monthly tuition fees and others	2,673.8	2,884.5	7.9%	383.6	442.3	15.3%	920.8	1,036.5	12.6%	1,369.4	1,405.7	2.6%
Deductions from gross revenue	(1,360.5)	(1,420.2)	4.4%	(61.5)	(77.0)	25.1%	(466.3)	(532.7)	14.3%	(832.6)	(810.5)	-2.7%
<b>Net Revenue</b>	<b>1,313.3</b>	<b>1,464.3</b>	<b>11.5%</b>	<b>322.0</b>	<b>365.3</b>	<b>13.5%</b>	<b>454.5</b>	<b>503.8</b>	<b>10.8%</b>	<b>536.8</b>	<b>595.2</b>	<b>10.9%</b>
Cost of Services	(479.5)	(502.9)	4.9%	(119.1)	(133.0)	11.6%	(77.2)	(94.9)	22.8%	(283.2)	(275.1)	-2.9%
<b>Gross Profit</b>	<b>833.8</b>	<b>961.4</b>	<b>15.3%</b>	<b>202.9</b>	<b>232.4</b>	<b>14.5%</b>	<b>377.3</b>	<b>408.9</b>	<b>8.4%</b>	<b>253.6</b>	<b>320.1</b>	<b>26.2%</b>
Gross margin (%)	63.5%	65.7%	2.2 p.p.	63.0%	63.6%	0.6 p.p.	83.0%	81.2%	-1.8 p.p.	47.2%	53.8%	6.5 p.p.
Selling Expenses	(257.5)	(330.1)	28.2%	(18.4)	(15.4)	-16.3%	(118.3)	(163.6)	38.4%	(120.8)	(151.1)	25.0%
G&A Expenses	(292.2)	(340.9)	16.7%	(69.4)	(84.2)	21.4%	(95.6)	(106.3)	11.1%	(127.1)	(150.4)	18.3%
Other operating revenue/ expenses	25.1	7.5	-70.1%	6.1	0.8	-86.8%	9.7	0.6	-94.1%	9.3	6.1	-34.2%
(+) Depreciation and amortization	185.1	211.2	14.1%	41.1	47.9	16.6%	33.2	41.0	23.5%	110.9	122.3	10.3%
<b>EBITDA</b>	<b>494.4</b>	<b>509.1</b>	<b>3.0%</b>	<b>162.3</b>	<b>181.4</b>	<b>11.8%</b>	<b>206.2</b>	<b>180.5</b>	<b>-12.5%</b>	<b>125.9</b>	<b>147.1</b>	<b>16.9%</b>
EBITDA margin (%)	37.6%	34.8%	-2.9 p.p.	50.4%	49.7%	-0.7 p.p.	45.4%	35.8%	-9.5 p.p.	23.4%	24.7%	1.3 p.p.
Financial result	(171.8)	(160.1)	-6.8%	-	-	-	-	-	-	-	-	-
Depreciation and amortization	(185.1)	(211.2)	14.1%	-	-	-	-	-	-	-	-	-
Income tax	8.8	9.8	11.1%	-	-	-	-	-	-	-	-	-
Social contribution	3.2	3.1	-2.3%	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>149.5</b>	<b>150.7</b>	<b>0.8%</b>	-	-	-	-	-	-	-	-	-
Net margin (%)	11.4%	10.3%	-1.1 p.p.	-	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>484.4</b>	<b>517.2</b>	<b>6.8%</b>	<b>158.2</b>	<b>181.9</b>	<b>14.9%</b>	<b>197.4</b>	<b>180.8</b>	<b>-8.4%</b>	<b>128.8</b>	<b>154.5</b>	<b>20.0%</b>
Adjusted EBITDA margin (%)	36.9%	35.3%	-1.6 p.p.	49.1%	49.8%	0.6 p.p.	43.4%	35.9%	-7.5 p.p.	24.0%	26.0%	2.0 p.p.
<b>Adjusted Net Income <sup>(2)</sup></b>	<b>155.9</b>	<b>173.4</b>	<b>11.2%</b>	-	-	-	-	-	-	-	-	-
Adjusted Net Income margin (%)	11.9%	11.8%	0.0 p.p.	-	-	-	-	-	-	-	-	-

(1) Adjusted EBITDA for non-recurring items, for more details [click here](#).

(2) Adjusted Net income for non-recurring items, for more details [click here](#).

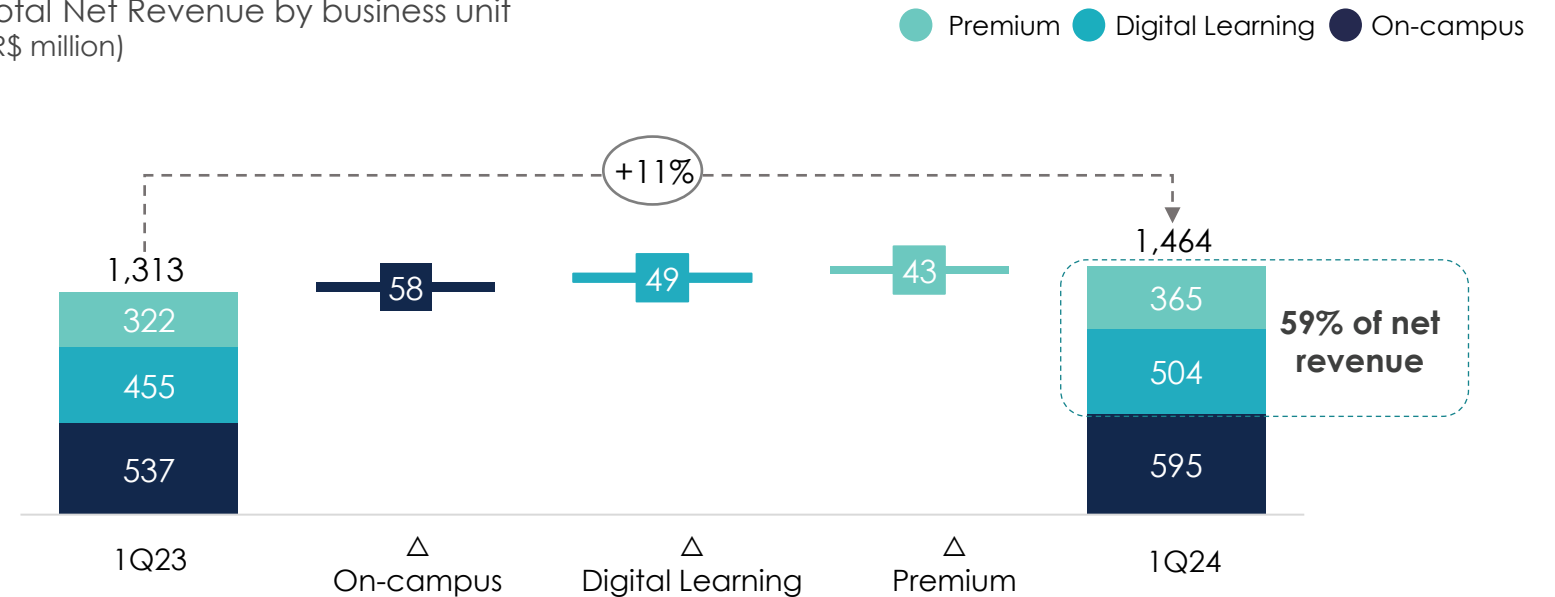
(R\$ million)	1Q23	1Q24	Δ %
<b>Gross Revenue</b>	<b>2,673.8</b>	<b>2,884.5</b>	<b>7.9%</b>
Monthly tuition fees	2,626.3	2,832.3	7.8%
Other	47.5	52.2	10.0%
<b>Deductions from Gross Revenue</b>	<b>(1,360.5)</b>	<b>(1,420.2)</b>	<b>4.4%</b>
Discounts and scholarships	(1,292.4)	(1,350.8)	4.5%
Taxes	(46.8)	(52.2)	11.5%
AVP and other deductions	(21.2)	(17.1)	-19.1%
<b>Net Revenue</b>	<b>1,313.3</b>	<b>1,464.3</b>	<b>11.5%</b>
<b>Premium</b>	<b>322.0</b>	<b>365.3</b>	<b>13.5%</b>
Medicine	257.0	285.9	11.3%
IBMEC	65.0	79.4	22.1%
<b>Digital Learning</b>	<b>454.5</b>	<b>503.8</b>	<b>10.8%</b>
Digital	294.7	334.5	13.5%
FLEX	102.0	113.7	11.5%
Lifelong	57.8	55.5	-3.9%
<b>On-campus</b>	<b>536.8</b>	<b>595.2</b>	<b>10.9%</b>
On-campus	474.6	494.7	4.2%
Semi on-campus	62.2	100.5	61.5%
<b>DIS Net Revenue</b>	<b>239.1</b>	<b>290.3</b>	<b>21.4%</b>
Digital undergraduate	135.1	154.1	14.0%
On-campus undergraduate	104.0	136.2	31.0%
<b>DIS Net Revenue (% of NOR)</b>	<b>18.2%</b>	<b>19.8%</b>	<b>1.6 p.p.</b>

The Company's **net revenue** recorded significant rise of 11.5% vs. 1Q23, due to the combined performance of all segments: **Premium** (+13.5% YoY), **Digital Learning** (+10.8% YoY) and **On-campus** (+10.9% YoY). In all business units, revenue growth stemmed from higher average ticket, both for intake and price adjustments for upperclassmen, as well as the increase in undergraduate student bases.

**We highlight the substantial On-Campus revenue growth**, driven by the increase in intake following the resumption of the on-campus segment and strong growth in the Semi On-campus, in addition to higher revenue from DIS.

**Net revenue from DIS** was up by 21.4% YoY. This result is directly related to the strong intake cycle, especially in the On-campus segment, thus contributing to increasing the share of DIS revenue in total revenue.

Total Net Revenue by business unit  
(R\$ million)



# COST OF SERVICES AND GROSS PROFIT

1Q24  
**YDUQS**

(R\$ million)	1Q23	1Q24	Δ %
<b>Cost of Services</b>	<b>(479.5)</b>	<b>(502.9)</b>	<b>4.9%</b>
Personnel	(276.3)	(281.3)	1.8%
Rent. Municipal Property Tax and Others	(14.1)	(10.8)	-23.3%
Rent	(81.6)	(91.6)	12.3%
Leasing - right of use of properties (IFRS-16)	84.3	92.4	9.7%
Other	(16.6)	(11.4)	-31.5%
Transfer to Centers (Revenue share)	(55.3)	(69.3)	25.2%
Third-party services	(15.0)	(15.6)	4.3%
Utilities	(10.1)	(11.2)	10.6%
Other costs	(1.6)	(4.3)	166.0%
Depreciation and amortization	(107.1)	(110.4)	3.1%
Leasing - right of use of properties	(62.0)	(64.3)	3.7%
Systems, apps and Software	(2.2)	(1.7)	-25.0%
Improvement to third-party assets	(20.1)	(17.3)	-14.1%
IT equipment	(3.1)	(3.0)	-2.7%
Machinery and equipment	(3.0)	(3.0)	-1.8%
Other D&A costs	(16.6)	(21.2)	27.3%
<b>Gross profit</b>	<b>833.8</b>	<b>961.4</b>	<b>15.3%</b>
Gross margin (%)	63.5%	65.7%	2.2 p.p.
Non-recurring Cost <sup>(1)</sup>	4.8	1.4	-70.4%
<b>Adjusted Cost of Services (ex-D&amp;A) <sup>(1)</sup></b>	<b>(367.6)</b>	<b>(391.0)</b>	<b>6.4%</b>
% of net revenue	28.0%	26.7%	-1.3 p.p.
Premium	(94.5)	(107.8)	14.0%
Digital Learning	(69.7)	(87.2)	25.1%
On-campus	(203.3)	(196.0)	-3.6%
<b>Adjusted Cost of Personnel <sup>(1)</sup></b>	<b>(271.5)</b>	<b>(279.9)</b>	<b>3.1%</b>
% of net revenue	20.7%	19.1%	-1.6 p.p.

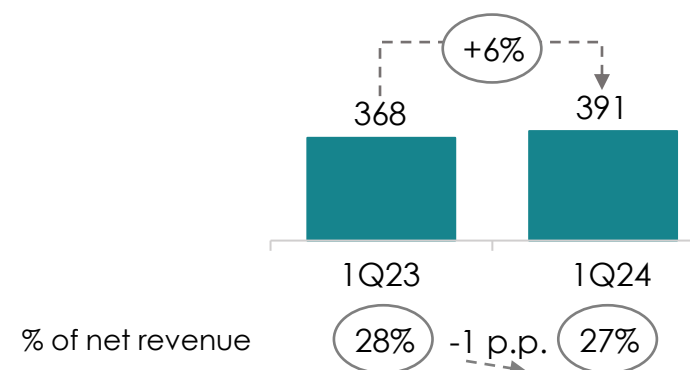
**Adjusted cost of services** were up by 6.4% vs. 1Q23, increasing less than the net revenue growth, thus contributing to the 1.3 p.p. margin improvement in the quarter.

The adjusted **personnel line** was down by 1.6 p.p. as a percentage of net revenue, due to the restructuring initiatives that have been implemented over the last few cycles, especially in the On-campus segment. The same cost efficiency effect that contributes to the expansion of the margin, can be seen in the **rents and municipal property taxes (IPTU)** line, as a result of the Company's efforts to renew contracts and the ongoing pursuit of optimizing spaces and costs.

**Transfer of Centers** increased in the quarter as a result of the strong intake cycle in 2H23, which boosted the percentage of transfers to partner centers in the period.

**Gross Profit** moved up by 15.3% vs. 1Q23, accompanied by a margin expansion of 2.2 p.p. vs. 1Q23. This performance is the result of strong revenue growth in all segments combined with the Company's efforts to control costs.

Adjusted cost (ex-D&A) <sup>(1)</sup>  
(R\$ million)



(1) Adjusted by non-recurring items, for more detail [click here](#).

(R\$ million)	1Q23	1Q24	Δ %
<b>Selling Expenses</b>	<b>(257.5)</b>	<b>(330.1)</b>	<b>28.2%</b>
<b>Bad Debt</b>	<b>(128.2)</b>	<b>(173.5)</b>	<b>35.3%</b>
Out-of-pocket	(72.6)	(89.1)	22.7%
PAR <sup>(1)</sup>	(0.2)	(2.0)	900.5%
DIS <sup>(1)</sup>	(55.4)	(82.3)	48.6%
<b>Marketing and Sales (M&amp;S)</b>	<b>(129.3)</b>	<b>(156.7)</b>	<b>21.2%</b>
Advertising	(104.2)	(127.9)	22.8%
Other	(25.1)	(28.7)	14.4%
Non-recurring expenses <sup>(2)</sup>	-	-	-
<b>Adjusted Selling Expenses <sup>(2)</sup></b>	<b>(257.5)</b>	<b>(330.1)</b>	<b>28.2%</b>
% of net revenue	19.6%	22.5%	2.9 p.p.
<b>Adjusted Bad Debt <sup>(2)</sup></b>	<b>(128.2)</b>	<b>(173.5)</b>	<b>35.3%</b>
% of net revenue	9.8%	11.8%	2.1 p.p.
<b>Financial discounts</b>	<b>(19.9)</b>	<b>(27.4)</b>	<b>37.7%</b>
<b>Adjusted Bad Debt <sup>(2)</sup> + Discounts</b>	<b>(148.1)</b>	<b>(200.8)</b>	<b>35.6%</b>
% of net revenue	11.3%	13.7%	2.4 p.p.
<b>Bad Debt by BU</b>	<b>(128.2)</b>	<b>(173.5)</b>	<b>35.3%</b>
Premium	(8.8)	(4.4)	-49.3%
Digital Learning	(63.4)	(96.9)	52.7%
On-campus	(56.1)	(72.2)	28.6%
<b>Bad Debt by BU (% of net revenue)</b>	<b>9.8%</b>	<b>11.8%</b>	<b>2.1 p.p.</b>
Premium	2.7%	1.2%	-1.5 p.p.
Digital Learning	14.0%	19.2%	5.3 p.p.
On-campus	10.5%	12.1%	1.7 p.p.

In 1Q24, **selling expenses** increased by 28.2% YoY, moving up by 2.9 p.p. in relation to net revenue.

**Bad debt expenses** represented 11.8% of net revenue, an increase of 2.1 p.p. YoY, as a result of the strong intake cycle in 1H23, in addition to higher revenue from DIS in 1Q24, implying an increase immediate provisioning in the quarter. It is important to note that, vis-à-vis 1Q23, Bad Debt for 1Q24 was also impacted by the higher percentage of provision for DIS, which became effective in 2Q23, from 15% to the current 20%.

As regards Bad Debt per Business Unit, we highlight the Premium Business Unit's remarkable performance, which contributed to the expansion of the BU's margin by 1.5 p.p., as a result of a favorable renewal scenario. In both the On-Campus and the Digital Learning BUs, we highlight the effect of the higher revenue from DIS in 1Q24, incurring a higher immediate provisioning, as well as the higher provisioning percentage compared to 1Q23. Specifically for the Digital BU, it is important to add the effect of a larger number of first-year students, which impacted renewal in 4Q23 and, consequently, the Bad Debt expenses in 1Q24.

**Marketing & Sales expenses** grew by 21.2% in the period, in line with the Company's expectations after two years of significant efficiency in these expenses. As a percentage of net revenue, there was an increase of 0.9 p.p., concentrated in the Digital and On-campus BUs.

(1) Considers Bad Debt Drop-out and non-renewal.  
(2) Adjusted by non-recurring items, for more detail [click here](#).



# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

(R\$ million)	1Q23	1Q24	Δ %
<b>G&amp;A Expenses</b>	<b>(292.2)</b>	<b>(340.9)</b>	<b>16.7%</b>
Personnel	(92.4)	(101.4)	9.8%
Third-party services	(42.5)	(42.1)	-1.1%
Provision for contingencies	(19.8)	(25.1)	26.7%
Maintenance and repairs	(22.0)	(29.4)	33.6%
Other	(37.5)	(42.2)	12.6%
Depreciation and amortization	(78.0)	(100.7)	29.1%
Goodwill acquisitions	(16.6)	(16.0)	-3.5%
Systems, applications and software	(44.6)	(63.6)	42.5%
Other D&A expenses	(16.8)	(21.1)	25.9%
<b>Other revenue/ expenses</b>	<b>25.1</b>	<b>7.5</b>	<b>-70.1%</b>
Non-recurring G&A and other <sup>(1)</sup>	(14.8)	6.7	n.a.
<b>Adjusted G&amp;A and other Expenses <sup>(1)</sup></b>	<b>(203.8)</b>	<b>(226.0)</b>	<b>10.9%</b>
<i>% of net revenue</i>	<i>15.5%</i>	<i>15.4%</i>	<i>-0.1 p.p.</i>
Premium	(50.8)	(60.3)	18.5%
Digital Learning	(69.2)	(72.1)	4.3%
On-Campus	(83.8)	(93.6)	11.7%

**Adjusted general, administrative and other expenses (ex-D&A)** in 1Q24 remained stable as a percentage of net revenue.

The **provision for contingencies** line was impacted by a tax claim in a large amount ended in the quarter.

The increase in the **Maintenance and repairs** line is related to higher expenditures with systems maintenance, mainly due to the recent implementation of Salesforce, as disclosed in 4Q23 <sup>(2)</sup>.

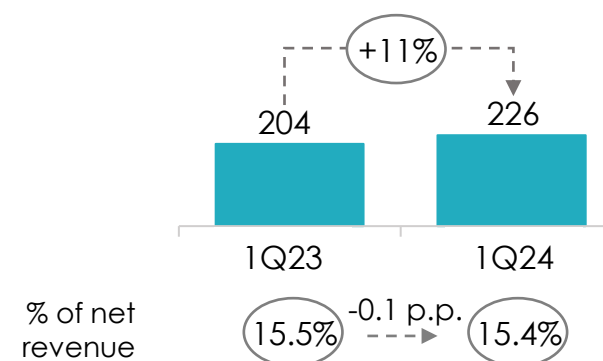
In **Other expenses**, the increase chiefly arises from higher expenses with education agreements related to the maturation of medicine courses and other health programs.

The increase in **Depreciation and amortization** is related to the amortization of systems, applications and software due to investments in digital transformation and technology over the past few years, whose depreciation term is shorter than average. This growth tends to decrease as a result of the reduction in amounts invested in capex in recent years.

The variation in the **other income/expenses** line is the result of the write-off in 1Q23 of amounts payable for acquisitions in previous years.

**Non-recurring** effects, totaling R\$6.7 million, impacted the **Other expenses** line, related to contractual fines from the return of properties.

Adjusted G&A and Other (ex-D&A) <sup>(1)</sup>  
(R\$ million)



(1) Adjusted by non-recurring items, for more detail [click here](#).  
(2) Details on page 16 of the 4Q23 earnings presentation ([click here](#)).

# NON-RECURRING EFFECTS

Classification	Account	Line	Description	1Q23	1Q24
Operational Efficiency	Cost	Personnel	Faculty restructuring	4.8	1.4
	G&A	Personnel	Restructuring of corporate	-	-
M&A	G&A	Other	Contractual fines due to the return of properties and others	11.1	6.7
		Other revenue/expenses	Write-off of amounts payable from past acquisitions	(25.9)	-
NEGATIVE IMPACT ON EBITDA (R\$ million)				(10.0)	8.1
-	EBITDA	-	Negative impact on EBITDA	(10.0)	8.1
	D&A	-	Amortization of goodwill	16.6	16.0
	Tax	-	Income tax and social contribution	(0.2)	(1.4)
INEGATIVE IMPACT ON NET INCOME (R\$ million)				6.5	22.7

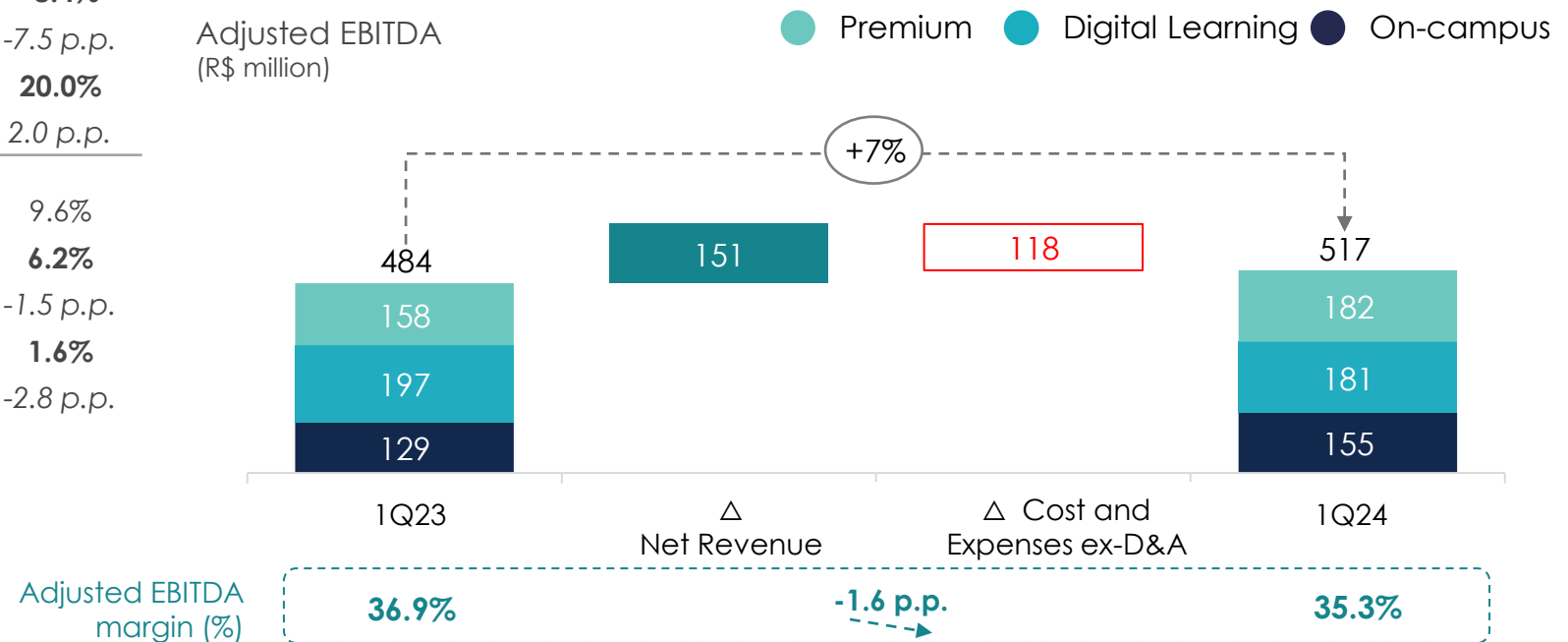
# EBITDA AND MARGIN

1Q24  
YDUQS

(R\$ million)	1Q23	1Q24	Δ %
<b>Net Revenue</b>	<b>1,313.3</b>	<b>1,464.3</b>	<b>11.5%</b>
Costs and Expenses	(1,004.1)	(1,166.4)	16.2%
(+) Depreciation and amortization	185.1	211.2	14.1%
<b>EBITDA</b>	<b>494.4</b>	<b>509.1</b>	<b>3.0%</b>
EBITDA margin (%)	37.6%	34.8%	-2.9 p.p.
<b>Non-recurring items</b>	<b>(10.0)</b>	<b>8.1</b>	<b>n.a.</b>
Restructuring of faculty	4.8	1.4	-70.4%
Contractual fines real estate. M&A and other	(14.8)	6.7	n.a.
<b>Adjusted EBITDA</b>	<b>484.4</b>	<b>517.2</b>	<b>6.8%</b>
Adjusted EBITDA margin(%)	36.9%	35.3%	-1.6 p.p.
<b>Premium</b>	<b>158.2</b>	<b>181.9</b>	<b>14.9%</b>
Adjusted EBITDA margin(%)	49.1%	49.8%	0.6 p.p.
<b>Digital Learning</b>	<b>197.4</b>	<b>180.8</b>	<b>-8.4%</b>
Adjusted EBITDA margin(%)	43.4%	35.9%	-7.5 p.p.
<b>On-Campus</b>	<b>128.8</b>	<b>154.5</b>	<b>20.0%</b>
Adjusted EBITDA margin(%)	24.0%	26.0%	2.0 p.p.
IFRS 16 Effect	85.7	93.9	9.6%
<b>Adjusted EBITDA ex-IFRS 16</b>	<b>398.7</b>	<b>423.3</b>	<b>6.2%</b>
Adjusted EBITDA margin(%)	30.4%	28.9%	-1.5 p.p.
<b>EBITDA ex-IFRS 16</b>	<b>408.7</b>	<b>415.2</b>	<b>1.6%</b>
EBITDA margin (%)	31.1%	28.4%	-2.8 p.p.

In 1Q24, **adjusted EBITDA** increased by 6.8% YoY and adjusted gross margin stood at 35.3%, down by 1.6 p.p. vs. 1Q23. The one-off pressure in the 1Q24 margin is related to higher Bad Debt expenses, due to the increase in the percentage of provision for DIS from 15% to the current 20%, a stronger intake cycle in 2023; higher revenue from DIS in 1Q24, specifically in the On-campus and Digital BUs; in addition to higher marketing & sales expenses.

It is important to note that both the **On-campus BU's** and the **Premium BU's** margins expanded in the quarter. In the On-campus BU, the 2.0 p.p. expansion is due to the strong intake cycle and the business's operating leverage; while in the Premium BU, revenue growth combined with a reduction in Bad Debt expenses, led to a margin expansion of 0.6 p.p. In the **Digital BU**, the 7.5 p.p. pressure on the margin stems from higher Bad Debt expenses, given the growth in revenue from DIS in 1Q24 and the strong intake cycle in 1Q23, in addition to the increase in the "transfer do centers" line, as detailed in the previous slides.



# FINANCIAL RESULT AND NET INCOME

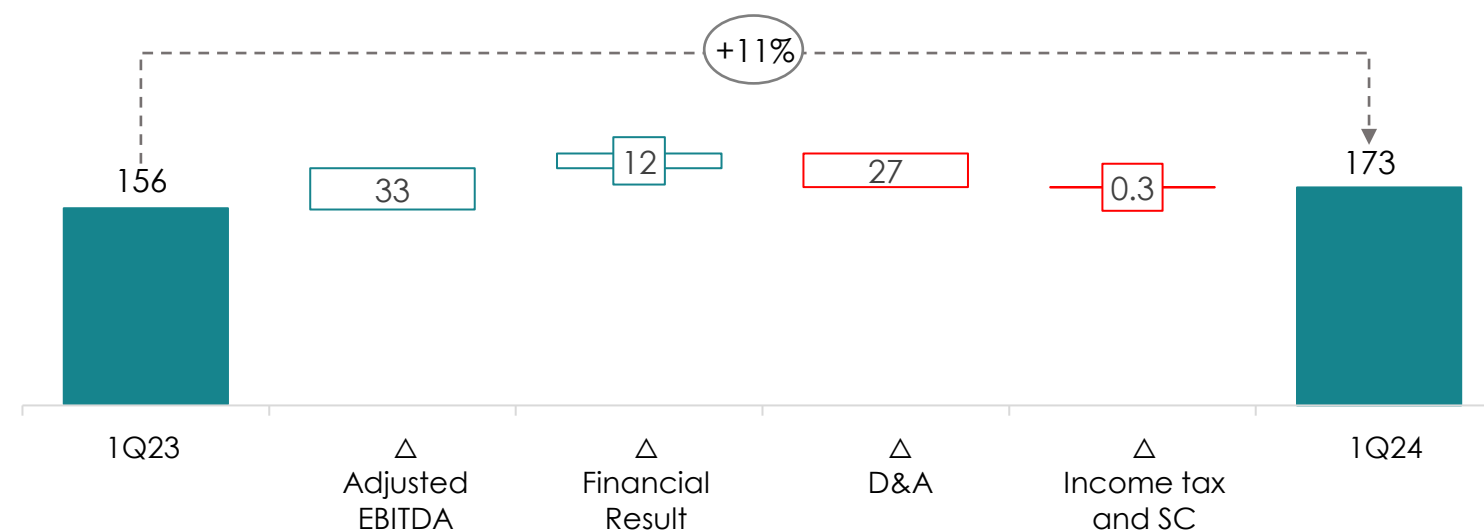
1Q24  
**YDUQS**

(R\$ million)	1Q23	1Q24	Δ %
<b>EBITDA</b>	<b>494.4</b>	<b>509.1</b>	<b>3.0%</b>
<b>Financial Result</b>	<b>(171.8)</b>	<b>(160.1)</b>	<b>-6.8%</b>
<b>Financial Revenue</b>	<b>63.6</b>	<b>43.4</b>	<b>-31.7%</b>
Fines and interest charged	19.3	20.8	7.6%
Financial Investments	34.7	21.2	-39.0%
Inflation adjustments	(9.6)	(7.9)	-17.5%
(-) PIS and COFINS <sup>(1)</sup>	18.7	8.4	-54.9%
Others	0.4	0.9	119.3%
<b>Financial Expenses</b>	<b>(222.9)</b>	<b>(196.7)</b>	<b>-11.8%</b>
Interest and financial charges	(149.0)	(107.5)	-27.9%
Financial discounts	(19.9)	(27.4)	37.7%
Bank expenses	(2.9)	(1.6)	-45.6%
Interest on leasing	(35.4)	(42.4)	19.6%
Others	(15.7)	(17.9)	14.2%
<b>Swap Net Effect</b>	<b>(12.5)</b>	<b>(6.9)</b>	<b>-45.0%</b>
Depreciation and amortization	(185.1)	(211.2)	14.1%
<b>Profit before taxes</b>	<b>137.5</b>	<b>137.8</b>	<b>0.2%</b>
Income tax	8.8	9.8	11.1%
Social Contribution	3.2	3.1	-2.3%
<b>Net Income</b>	<b>149.5</b>	<b>150.7</b>	<b>0.8%</b>
Net margin (%)	11.4%	10.3%	-1.1 p.p.
<b>Net Income ex-IFRS 16</b>	<b>161.9</b>	<b>163.9</b>	<b>1.2%</b>
Net margin (%)	12.3%	11.2%	-1.1 p.p.
<b>Adjusted Net Income <sup>(2)</sup></b>	<b>155.9</b>	<b>173.4</b>	<b>11.2%</b>
Adjusted net margin (%)	11.9%	11.8%	0.0 p.p.
<b>Adjusted Net Income <sup>(2)</sup> ex-IFRS 16</b>	<b>168.4</b>	<b>186.6</b>	<b>10.8%</b>
Adjusted net margin (%)	12.8%	12.7%	-0.1 p.p.
<b>EPS (R\$) <sup>(3)</sup></b>	<b>0.54</b>	<b>0.60</b>	<b>10.9%</b>

A reduction in financial expenses led the Company's **financial result** to improve in the quarter. The improvement in financial expenses is due to a reduction in interest and charges, given the yield curve, and the liability management work that the Company has been implementing. The increase in interest from leases results from new contracts and contract renewals.

Excluding the non-recurring effects on EBITDA, the amortization of goodwill and recalculating the effective rate that alter taxes (income tax and social contribution), as explained on slide 17, **adjusted net income** increased by 11.2% YoY, and net margin stood at 11.8% (stable vs. 1Q23).

Adjusted Net Income <sup>(2)</sup>  
(R\$ million)



(1) It refers to charges on financial income and JCP (Interest on Equity).

(2) Adjusted by non-recurring items, for more detail [click here](#).

(3) EPS: (Adjusted Net Income)/(Number of shares outstanding).

# ACCOUNTS RECEIVABLE

1Q24  
YDUQS

(R\$ million)	1Q23	4Q23	1Q24	Δ% vs. 1Q23	Δ% vs. 4Q23
<b>Monthly tuition fees received</b>	<b>1,534.7</b>	<b>1,632.3</b>	<b>1,803.9</b>	<b>17.5%</b>	<b>10.5%</b>
Out-of-Pocket	955.4	1,195.4	1,145.9	19.9%	-4.1%
DIS (Inactive)	205.8	234.0	238.1	15.7%	1.8%
PAR	60.2	45.2	38.7	-35.8%	-14.5%
DIS	519.2	391.8	619.3	19.3%	58.1%
<b>Exchange Deals</b>	<b>27.4</b>	<b>28.7</b>	<b>31.7</b>	<b>15.8%</b>	<b>10.4%</b>
<b>FIES</b>	<b>63.8</b>	<b>83.2</b>	<b>77.0</b>	<b>20.8%</b>	<b>-7.4%</b>
<b>Other</b>	<b>428.6</b>	<b>425.7</b>	<b>487.7</b>	<b>13.8%</b>	<b>14.6%</b>
Credit Cards to be received	209.9	194.7	228.4	8.8%	17.4%
Agreements	218.7	231.0	259.2	18.5%	12.2%
<b>Gross Accounts Receivable</b>	<b>2,054.4</b>	<b>2,169.9</b>	<b>2,400.3</b>	<b>16.8%</b>	<b>10.6%</b>
<b>Bad Debt</b>	<b>(665.6)</b>	<b>(722.4)</b>	<b>(815.0)</b>	<b>22.4%</b>	<b>12.8%</b>
Out-of-Pocket <sup>(1)</sup>	(568.9)	(629.6)	(680.2)	19.6%	8.0%
DIS (Inactive)	(165.0)	(145.2)	(186.4)	12.9%	28.4%
PAR (50%)	(25.4)	(19.2)	(16.7)	-34.4%	-13.2%
DIS (20%)	(71.3)	(73.6)	(118.1)	65.7%	60.5%
<b>Amounts to be identified</b>	<b>(10.2)</b>	<b>(7.5)</b>	<b>(1.2)</b>	<b>-87.9%</b>	<b>-83.3%</b>
<b>Adjustment to present value (APV) <sup>(2)</sup></b>	<b>(59.2)</b>	<b>(47.1)</b>	<b>(64.2)</b>	<b>8.4%</b>	<b>36.4%</b>
DIS APV	(44.2)	(32.9)	(53.5)	21.2%	62.7%
<b>Net Accounts Receivable</b>	<b>1,319.4</b>	<b>1,392.9</b>	<b>1,519.8</b>	<b>15.2%</b>	<b>9.1%</b>

In 1Q24, **gross accounts receivable** were up by 16.8% vs. 1Q23 and 10.6% vs. 4Q23, in line with the Company's revenue growth and higher revenue from DIA, as a result of the higher intake volume, which is highlighted in the DIS (Active) line.

Growth in **others** line, is related to the increase in settlements, which is in line with the positive revenue performance, and the increase in volume of credit card receivables.

**Net accounts receivable** ended 1Q24 up by 15.2% vs. 1Q23, driven by the revenue growth in the period.

Since 3Q23, we have begun to disclose the DIS (Inactive) line both in Accounts Receivable and in Bad Debt expenses. It is important to note that DIS (Inactive) has always been included in the "out-of-pocket students" line and refers to the entries of DIS students who dropped out. When students drop out, both the Accounts Receivable and the balance of Bad Debt expenses of these students migrate from the of DIS (Active) lines to the of DIS (Inactive) lines.

(1) Includes short-term DIS and PAR installments and student balance dropout and non-renewal DIS/PAR.

(2) Correction of installments based on IPCA and brought to present value on NTN-2026.

# DAYS SALES OUTSTANDING

(R\$ million)	1Q23	4Q23	1Q24	Δ% vs. 1Q23	Δ% vs. 4Q23
Net accounts receivables	1,319.4	1,392.9	1,519.8	15.2%	9.1%
Net Revenue Annualized	4,689.8	5,150.0	5,271.0	12.4%	2.3%
<b>Days Sales Outstanding DSO (days)</b>	<b>101</b>	<b>97</b>	<b>104</b>	<b>2.5%</b>	<b>6.6%</b>
FIES net accounts receivable	63.8	83.2	77.0	20.8%	-7.4%
FIES Revenue (12M)	261.6	227.6	229.8	-12.2%	1.0%
FGEDUC Deductions (12M)	(53.1)	(82.7)	(67.3)	26.6%	-18.6%
Taxes (12M)	(9.5)	(8.4)	(8.3)	-12.6%	-0.7%
FIES Net Revenue (12M)	199.0	136.6	154.2	-22.5%	12.9%
<b>FIES DSO (days)</b>	<b>115</b>	<b>219</b>	<b>180</b>	<b>55.9%</b>	<b>-18.0%</b>
Ex-FIES net accounts receivable	1,255.6	1,309.8	1,442.8	14.9%	10.2%
Ex-FIES net revenue (12M)	4,490.8	5,013.5	5,116.8	13.9%	2.1%
<b>Ex-FIES DSO (days)</b>	<b>101</b>	<b>94</b>	<b>102</b>	<b>0.9%</b>	<b>7.9%</b>

In 1Q24, the Company's consolidated average term of receivables (ATR) increased by 3 days vs. 1Q23, due the following:

**FIES DSO:** up by 64 days YoY, mainly explained by the increase in accounts receivable due to the postponement of the government calendar for hiring FIES for the 24.1 cycle. Moreover, the reduction in revenue related to the program's downturn and increase in contribution to the New Fies Guarantee Fund ("FG-Fies") also contributed to this increase.

**Ex-FIES DSO:** the increase of 1 day vs. 1Q23 shows the Company's healthy accounts receivable. The marginal growth recorded this quarter is due to the increase in revenue from DIS.

# AGING AND CHANGES IN ACCOUNTS RECEIVABLE

## Aging of Total Gross Accounts Receivable <sup>(1)</sup>

(R\$ million)	1Q23	1Q24	Δ%	Vertical Analysis	
				1Q23 (%)	1Q24 (%)
FIES	63.8	77.0	20.8%	3%	3%
Not yet due	1,035.4	1,196.7	15.6%	50%	50%
Overdue up to 30 days	185.7	217.4	17.1%	9%	9%
Overdue from 31 to 60 days	62.4	98.3	57.6%	3%	4%
Overdue from 61 to 90 days	44.3	33.9	-23.5%	2%	1%
Overdue from 91 to 180 days	275.2	344.3	25.1%	13%	14%
Overdue more than 180 days	387.6	432.6	11.6%	19%	18%
<b>Gross accounts receivables</b>	<b>2,054.4</b>	<b>2,400.3</b>	<b>16.8%</b>	<b>100%</b>	<b>100%</b>

## Aging of Agreements Receivable <sup>(2)</sup>

(R\$ million)	1Q23	1Q24	Δ%	Vertical Analysis	
				1Q23 (%)	1Q24 (%)
Not yet due	106.7	131.8	23.6%	49%	51%
Overdue up to 30 days	15.4	20.7	34.9%	7%	8%
Overdue from 31 to 60 days	10.9	14.6	33.7%	5%	6%
Overdue from 61 to 90 days	8.0	10.8	35.3%	4%	4%
Overdue from 91 to 180 days	25.9	34.4	32.7%	12%	13%
Overdue more than 180 days	51.8	46.9	-9.5%	24%	18%
<b>Agreements receivable</b>	<b>218.7</b>	<b>259.2</b>	<b>18.5%</b>	<b>100%</b>	<b>100%</b>

## FIES: Changes in Accounts Receivable

(R\$ million)	1Q23	1Q24	Δ%
Opening balance	88.6	83.2	-6.1%
FIES revenue	24.0	36.2	51.0%
Payment of Taxes	(3.1)	-	n.a.
Buyback FIES	(45.6)	(42.4)	-7.2%
<b>Closing balance</b>	<b>63.8</b>	<b>77.0</b>	<b>20.8%</b>

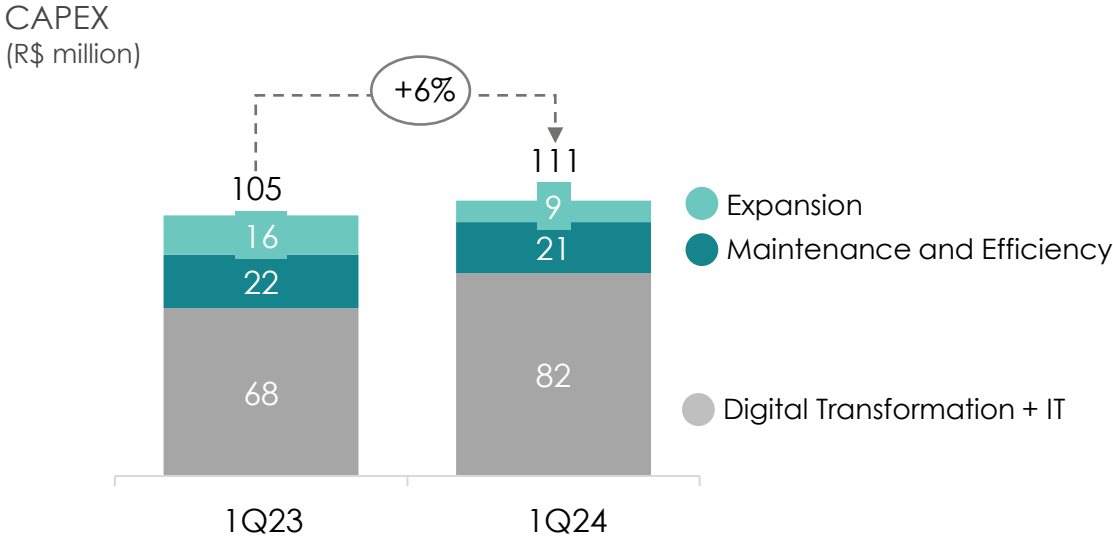
(1) Amounts overdue for more than 360 days are written off from Accounts Receivable up to the limit of the allowance for doubtful accounts.

(2) Excludes credit card agreements.



(R\$ million)	1Q23	1Q24	Δ%
Total Capex	104.9	110.8	5.6%
Digital Transformation + IT	67.5	81.7	21.0%
Maintenance and Efficiency	21.5	20.5	-4.7%
Expansion	15.9	8.6	-45.8%

% of Net Revenue			
Total Capex	8.0%	7.6%	-0.4 p.p.
Digital Transformation + IT	5.1%	5.6%	0.4 p.p.
Maintenance and Efficiency	1.6%	1.4%	-0.2 p.p.
Expansion	1.2%	0.6%	-0.6 p.p.



**Total Capex** ended 1Q24 down by 0.4 p.p. vs. 1Q23 as a percentage of net revenue. **For 2024**, the Company estimates **Capex** of **R\$470 million**, which brings us closer to the mid-term guidance (7-8% of NOR).

In 1Q24, the allocation of Capex between lines was revised to better reflect the nature of these expenses. Therefore, Capex is now divided between Digital Transformation + IT, Maintenance & Efficiency and Expansion, as detailed below:

- **Digital Transformation+ IT:** these are investments related to the evolution of products and the digital strategy, investments IT structure and maintenance, as well as content production.
- **Maintenance and Efficiency:** these are investments in operational efficiency and maintaining the physical structures of the business.
- **Expansion:** investments related to revenue expansion, such as those required to mature courses, launch new programs and expand physical space.

# CASH FLOW STATEMENT

(R\$ million)	1Q23	1Q24	Δ%
<b>Adjusted EBITDA ex IFRS 16</b>	<b>398.7</b>	<b>423.3</b>	<b>6.2%</b>
Non-recurring	10.0	(8.1)	n.a.
<b>EBITDA ex-IFRS 16</b>	<b>408.7</b>	<b>415.2</b>	<b>1.6%</b>
Working capital variation	(29.8)	(65.4)	119.2%
receivables	(114.2)	(108.2)	-5.3%
accounts payable	95.0	45.0	-52.6%
others	(10.6)	(2.2)	-79.2%
Taxes (IT/SC)	(11.0)	(12.0)	8.8%
<b>Operating Cash Flow (OCF)</b>	<b>367.8</b>	<b>337.8</b>	<b>-8.2%</b>
Capex	(104.9)	(110.8)	5.6%
Acquisition of property and equipment	(28.2)	(20.9)	-26.0%
Acquisition of intangible assets	(76.7)	(89.9)	17.2%
<b>(=) Free Cash Flow</b>	<b>262.9</b>	<b>227.0</b>	<b>-13.7%</b>
Interest ex IFRS 16	(154.3)	(141.5)	-8.3%
<b>(=) Free cash flow to equity (FCFE)</b>	<b>108.6</b>	<b>85.4</b>	<b>-21.3%</b>
Capitation / debt amortization	247.7	41.8	-83.1%
M&A	(14.7)	(1.1)	-92.3%
Dividends paid	(0.0)	(0.0)	-20.0%
Buyback and Others	0.3	0.0	-99.8%
<b>(=) Net cash generation</b>	<b>341.9</b>	<b>126.1</b>	<b>-63.1%</b>
Cash at the beginning of the year	785.8	698.4	-11.1%
Cash at the end of the year	1,127.8	824.5	-26.9%
<b>OCF/ EBITDA ex-IFRS 16</b>	<b>90.0%</b>	<b>81.4%</b>	<b>-8.6 p.p.</b>

In 1Q24, **Operating Cash Flow (OCF)** amounted to **R\$337.8 million** (-8.2% YoY), with **cash conversion rate of 81.4%** (-8.6 p.p. YoY). The decrease in cash conversion rate is due to a lower contribution from the accounts payable line, more specifically the “suppliers” line, due to a higher payment volume in the quarter. This impact will be diluted during the year.

Over the last few quarters, the Company has completed important liability management operations, which has resulted not only in an increase in average term of debt, but also in a reduction in average cost. With the reduction in yield curve and the liability management efforts, **free cash flow to equity** totaled **R\$85.4 million** in 1Q24.

**In April 2024, the 10<sup>th</sup> issue of debentures was completed in the amount of R\$1.1 billion**, in a single series, at a cost of CDI + 1.25% p.a. and maturing in 5 years. The 10<sup>th</sup> issue, linked to the early redemption of the 6<sup>th</sup> debenture issue, enabled the Company to increase its average term of debt from 2.4 years to 3.1 years, as well as **reduce its average cost of debt to CDI + 1.32% p.a.**

# CASH POSITION

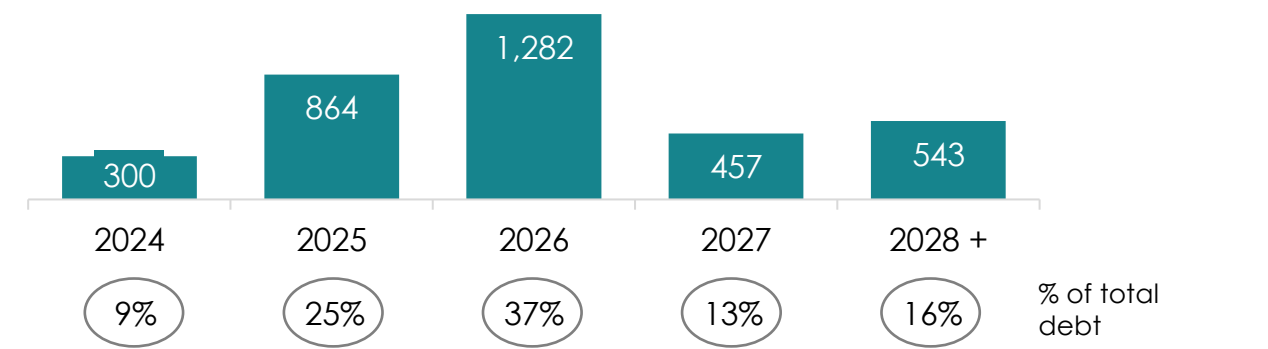
(R\$ million)	1Q23	1Q24	Δ%
<b>Gross Debt [b]</b>	<b>5,378.2</b>	<b>5,249.6</b>	<b>-2.4%</b>
Bank loans <sup>(2)</sup>	3,755.9	3,492.0	-7.0%
Leasing	1,562.5	1,702.8	9.0%
Commitments payable (M&A)	59.7	54.9	-8.1%
<b>(-) Cash and cash equivalents [a]</b>	<b>(1,127.8)</b>	<b>(824.5)</b>	<b>-26.9%</b>
<b>Net Debt [a+b]</b>	<b>4,250.4</b>	<b>4,425.2</b>	<b>4.1%</b>
<b>Net Debt (ex-IFRS 16) [a+b-c]</b>	<b>2,687.9</b>	<b>2,722.4</b>	<b>1.3%</b>
<b>Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)<sup>(1)</sup></b>	<b>1.74x</b>	<b>1.56x</b>	<b>-0.18x</b>
Adjusted EBITDA LTM	1,542.7	1,746.8	13.2%

**Net Debt/(LTM) adjusted EBITDA** ended the period at **1.65x**, showing the Company's efforts to maintaining the healthy leverage and capital discipline. The net debt (ex-IFRS 16)/(LTM) Adjusted EBITDA ex- IFRS16 ratio ended the period at 1.98x.

# DEBT

Debt Type (R\$ million)	Average term (in years)	Cost	Balance payable (principal + interest)	% of total
FINEP	0.4	TJLP + 0.5%	0.3	0%
Credit Notes	0.2	CDI + 2.18%	202.0	6%
4131	1.5	CDI + 1.23%	656.3	19%
6 <sup>th</sup> Debenture (unique)	1.4	CDI + 2.50%	1,120.7	32%
7 <sup>th</sup> Debenture (unique)	1.2	CDI + 1.65%	312.4	9%
8 <sup>th</sup> Debenture (unique)	3.1	CDI + 1.50%	500.7	14%
9 <sup>th</sup> Debenture (1 <sup>st</sup> series)	4.6	CDI + 0.82%	291.0	8%
9 <sup>th</sup> Debenture (2 <sup>nd</sup> series)	4.1	CDI + 0.90%	326.2	9%
9 <sup>th</sup> Debenture (3 <sup>rd</sup> series)	6.1	CDI + 0.98%	109.4	3%
<b>Bank loans in 1Q24</b>		<b>CDI + 1.71%</b>	<b>3,519.0</b>	<b>100%</b>

Debt amortization schedule in Mar/24  
(R\$ million; principal amount <sup>(3)</sup>)



(1) Excluding IFRS 16 leasing amounts from gross debt; adjusted EBITDA for non-recurring items. accumulated in the last twelve months.

(2) Total loans include short issuance and swap spending.

(3) The difference between the presented in the chart and the ITR is related to the discount rate, swap and interest.

APPENDIX

YDUQS



# MEDICAL SEATS OFFERING BY UNIT (Undergraduate)

1Q24				Full Potential <sup>(1)</sup>	
Units	State	Authorized Seats	Student Base (thousand)	Authorized Seats	Student Base (thousand)
Vista Carioca (Presidente Vargas)	RJ	240	1.53	240	1.7
Città	RJ	170	1.14	170	1.2
Juazeiro do Norte	CE	100	0.71	100	0.7
Ribeirão Preto	SP	76	0.51	76	0.5
Teresina	PI	110	0.79	110	0.8
Alagoinhas	BA	118	0.56	165	1.2
Jaraguá do Sul	SC	150	0.62	150	1.1
Juazeiro	BA	155	1.02	155	1.1
Angra dos Reis	RJ	89	0.47	155	1.1
Canindé	CE	50	0.28	150	1.1
Cáceres	MT	50	0.23	50	0.4
Castanhal	PA	50	0.23	150	1.1
Quixadá	CE	150	0.24	150	1.1
Açailândia	MA	90	0.22	150	1.1
Iguatu	CE	50	0.16	150	1.1
Ji-Paraná	RO	50	0.14	150	1.1
Unijipa	RO	28	0.06	28	0.2
Total		1,726	8.9	2,299	16.5

(1) Considers the expansion to the maximum capacity of granted seats (+100 seats/years) in all Mais Médicos units. Student base includes ProUni and FIES.

# INCOME STATEMENT BY BUSINESS UNIT - Quarter

1Q24  
YDUQS

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	1Q23	1Q24	Δ%	1Q23	1Q24	Δ%	1Q23	1Q24	Δ%	1Q23	1Q24	Δ%
<b>Gross Revenue</b>	<b>2,674</b>	<b>2,885</b>	<b>8%</b>	<b>384</b>	<b>442</b>	<b>15%</b>	<b>921</b>	<b>1,037</b>	<b>13%</b>	<b>1,369</b>	<b>1,406</b>	<b>3%</b>
Monthly tuition fees	2,674	2,885	8%	384	442	15%	921	1,037	13%	1,369	1,406	3%
Deductions from Gross Revenue	(1,360)	(1,420)	4%	(62)	(77)	25%	(466)	(533)	14%	(833)	(810)	-3%
<b>Net Operating Revenue</b>	<b>1,313</b>	<b>1,464</b>	<b>11%</b>	<b>322</b>	<b>365</b>	<b>13%</b>	<b>455</b>	<b>504</b>	<b>11%</b>	<b>537</b>	<b>595</b>	<b>11%</b>
<b>Cost of Services</b>	<b>(480)</b>	<b>(503)</b>	<b>5%</b>	<b>(119)</b>	<b>(133)</b>	<b>12%</b>	<b>(77)</b>	<b>(95)</b>	<b>23%</b>	<b>(283)</b>	<b>(275)</b>	<b>-3%</b>
Personnel	(276)	(281)	2%	(87)	(99)	14%	(15)	(16)	8%	(174)	(166)	-5%
Rent, municipal property tax and other	(14)	(11)	-23%	(3)	(3)	-8%	0	(0)	n.a.	(11)	(8)	-29%
Third-party services and other	(82)	(100)	22%	(5)	(6)	20%	(55)	(71)	28%	(22)	(23)	8%
Depreciation and amortization	(107)	(110)	3%	(24)	(25)	4%	(7)	(8)	11%	(76)	(78)	2%
<b>Gross Profit</b>	<b>834</b>	<b>961</b>	<b>15%</b>	<b>203</b>	<b>232</b>	<b>15%</b>	<b>377</b>	<b>409</b>	<b>8%</b>	<b>254</b>	<b>320</b>	<b>26%</b>
Gross margin (%)	63%	66%	2 p.p.	63%	64%	1 p.p.	83%	81%	-2 p.p.	47%	54%	7 p.p.
<b>Selling, G&amp;A and Other Expenses</b>	<b>(525)</b>	<b>(664)</b>	<b>26%</b>	<b>(82)</b>	<b>(99)</b>	<b>21%</b>	<b>(204)</b>	<b>(269)</b>	<b>32%</b>	<b>(239)</b>	<b>(295)</b>	<b>24%</b>
Personnel	(92)	(101)	10%	(21)	(24)	13%	(42)	(43)	3%	(29)	(34)	17%
Advertising	(129)	(157)	21%	(10)	(11)	13%	(55)	(67)	22%	(65)	(79)	22%
Bad Debt	(128)	(173)	35%	(9)	(4)	-49%	(63)	(97)	53%	(56)	(72)	29%
Other Expenses	(122)	(139)	14%	(31)	(37)	20%	(27)	(30)	8%	(63)	(72)	14%
Third-party services	(43)	(42)	-1%	(11)	(11)	1%	(13)	(14)	1%	(18)	(18)	-3%
Maintenance and repairs	(22)	(29)	34%	(4)	(7)	71%	(7)	(8)	10%	(11)	(15)	35%
Provision for contingencies	(20)	(25)	26%	(1)	0	n.a.	(3)	(4)	53%	(17)	(21)	29%
Other	(37)	(42)	12%	(16)	(19)	24%	(4)	(4)	1%	(18)	(18)	4%
Other Revenue	25	8	-70%	6	1	-87%	10	1	-94%	9	6	-34%
Depreciation and amortization	(78)	(101)	29%	(17)	(23)	35%	(26)	(33)	27%	(35)	(44)	28%
<b>(+) Depreciation and amortization</b>	<b>185</b>	<b>211</b>	<b>14%</b>	<b>41</b>	<b>48</b>	<b>17%</b>	<b>33</b>	<b>41</b>	<b>24%</b>	<b>111</b>	<b>122</b>	<b>10%</b>
<b>EBITDA</b>	<b>494</b>	<b>509</b>	<b>3%</b>	<b>162</b>	<b>181</b>	<b>12%</b>	<b>206</b>	<b>181</b>	<b>-12%</b>	<b>126</b>	<b>147</b>	<b>17%</b>
EBITDA margin (%)	38%	35%	-3 p.p.	50%	50%	-1 p.p.	45%	36%	-10 p.p.	23%	25%	1 p.p.
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>484</b>	<b>517</b>	<b>7%</b>	<b>158</b>	<b>182</b>	<b>15%</b>	<b>197</b>	<b>181</b>	<b>-8%</b>	<b>129</b>	<b>155</b>	<b>20%</b>
Adjusted EBITDA margin (%)	37%	35%	-2 p.p.	49%	50%	1 p.p.	43%	36%	-8 p.p.	24%	26%	2 p.p.

(1) Adjusted by non-recurring items, for more detail [click here](#).

(R\$ million)	1Q23	1Q24	Δ%
<b>Net Revenue</b>	<b>1,313.3</b>	<b>1,464.3</b>	<b>11.5%</b>
(-) Taxes	46.8	52.2	11.5%
(+) Bad Debt	(128.2)	(172.7)	34.7%
(+) Financial discounts/ fines	(0.6)	(6.6)	965.7%
(+) Inflation adjustments DIS/PAR	9.5	5.2	-45.2%
<b>Total Generation of accounts receivable</b>	<b>1,240.8</b>	<b>1,342.5</b>	<b>8.2%</b>
<b>Total collection</b>	<b>1,126.6</b>	<b>1,440.8</b>	<b>27.9%</b>
FIES Net Revenue	24.0	36.2	51.0%
<b>FIES collection</b>	<b>48.8</b>	<b>42.4</b>	<b>-13.2%</b>
Net revenue ex-FIES	1,289.3	1,428.1	10.8%
Generation of accounts receivable ex-FIES	1,216.8	1,306.2	7.4%
<b>Collection ex-FIES</b>	<b>1,077.7</b>	<b>1,398.4</b>	<b>29.8%</b>
<b>% Collection/Generation of accounts receivable (ex-FIES)</b>	<b>88.6%</b>	<b>107.1%</b>	<b>18.5 p.p.</b>



# BALANCE SHEET

(R\$ million)	1Q23	4Q23	1Q24
<b>Current Assets</b>	<b>2,424.4</b>	<b>2,113.1</b>	<b>2,303.8</b>
Cash and cash equivalents	637.1	502.0	623.5
Securities	490.6	196.4	201.0
Accounts receivable	1,065.3	1,206.7	1,237.2
Inventory	3.8	4.2	3.7
Advancements to employees/third parties	5.3	10.3	5.2
Prepaid expenses	31.9	22.8	56.3
Taxes and contributions	183.9	159.2	166.8
Swap differential receivable	-	3.8	-
Other	6.4	7.9	10.1
<b>Non-Current Assets</b>	<b>7,149.3</b>	<b>7,174.5</b>	<b>7,295.7</b>
Long-term assets	976.8	1,017.6	1,148.3
LT accounts receivable	254.1	186.3	282.6
LT prepaid expenses	6.0	5.6	5.6
LT Judicial deposits	88.5	77.4	77.2
LT taxes and contributions	175.3	228.9	228.4
LT deferred taxes	440.3	500.1	537.1
Other LT items	12.6	19.3	17.5
Permanent assets	6,172.5	6,157.0	6,147.4
Investments	0.3	0.3	0.3
Property and equipment	2,538.4	2,560.3	2,562.0
Intangible assets	3,633.7	3,596.3	3,585.1
<b>Total Assets</b>	<b>9,573.7</b>	<b>9,287.6</b>	<b>9,599.5</b>

(R\$ million)	1Q23	4Q23	1Q24
<b>Current Liabilities</b>	<b>1,391.0</b>	<b>1,430.2</b>	<b>1,561.3</b>
Loans and financing	475.9	560.3	548.9
Leasing	229.0	242.0	248.7
Suppliers	264.8	198.8	210.6
Swap payable	14.8	5.6	26.4
Salaries and payroll charges	207.3	252.3	319.8
Tax liabilities	93.5	74.9	89.5
Prepaid monthly tuition fees	72.9	65.2	83.9
Advancement of current agreement	5.0	5.0	5.0
Taxes paid in installments	4.5	4.2	3.7
Acquisition price payable	14.4	13.5	13.9
Dividends payable	0.1	0.1	0.1
Other liabilities	9.0	8.3	10.9
<b>Long-term liabilities</b>	<b>5,068.6</b>	<b>4,800.3</b>	<b>4,826.2</b>
LT Loans and financing	3,265.2	2,908.4	2,916.8
Contingencies	239.1	240.0	231.7
LT leasing	1,333.5	1,426.8	1,454.1
Agreement advances	29.9	26.1	24.8
LT taxes paid in installments	6.9	5.0	4.7
Provision for asset demobilization	91.7	94.4	94.3
LT acquisition price payable	45.4	40.8	41.0
Financial Liabilities - Options	55.9	57.9	57.9
Other LT items	1.0	1.0	1.0
<b>Shareholders' Equity</b>	<b>3,114.1</b>	<b>3,057.1</b>	<b>3,212.1</b>
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	716.6	725.7	729.4
Earnings reserves	1,528.1	1,448.1	1,520.5
Income for the period	148.8	152.3	150.5
Dividends above the mandatory minimum	-	-	80.0
Treasury Shares	(350.5)	(338.9)	(338.3)
Equity Valuation Adjustment	(55.9)	(57.9)	(57.9)
Participation of Non-Controlling Shareholders	13.9	14.7	15.0
<b>Total Liabilities and Shareholders' Equity</b>	<b>9,573.7</b>	<b>9,287.6</b>	<b>9,599.5</b>

The logo for YDUQS features the letters 'YDUQS' in a bold, sans-serif font. The 'Q' is a lighter teal color, while the other letters are a dark navy blue. The logo is centered on a background of overlapping teal and light blue circles.

# YDUQS

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