

LatAm Executive Forum

Morgan Stanley



January, 2021



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Ações com Governança
Corporativa Diferenciada **IGC**

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Ações com Tag Along
Diferenciado **ITAG**

HIGHLIGHTS

1. We have created opportunities which currently represent ~40% of revenue and have a growth path already in place for the next years.
2. We have great capital discipline, **generating cash** every year and giving back relevant amounts to our shareholders.
3. Technology is the present for us, not future. EnsinMe is the base for everything we do.
4. We have the most robust and competitive Distance Learning in the market
5. Healthy on-campus with stable perspective

100% Digital Learning

Base tripled in 5 years sustaining best margin in the market

Medicine

Organic growth and Mais Médicos doubled its base in the last 5 years

+R\$1 billion

of operational cash flow in 9M20

Cost discipline

Healthy and efficient operation with the best EBITDA margin in the market

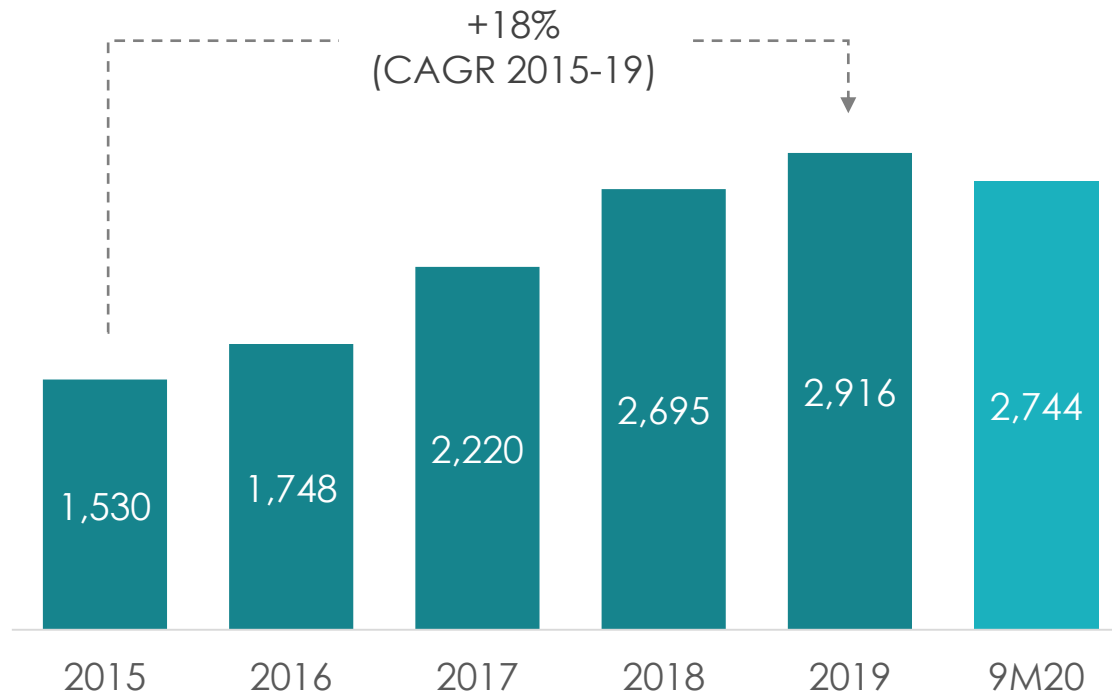
Increase in NPS of +10 points

both on-campus and DL in a pandemic year (vs 2019)

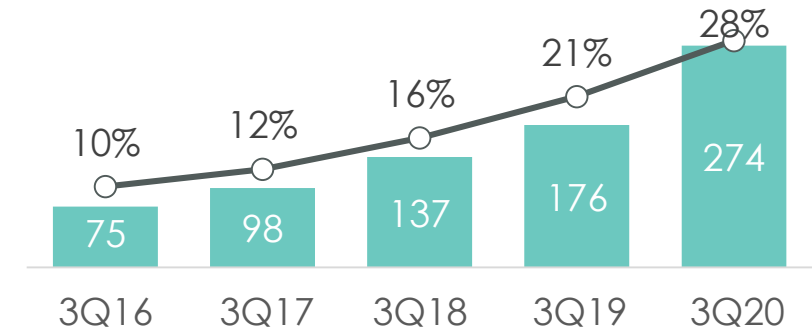
WE CREATED OPPORTUNITIES FOR GROWTH

DIGITAL AND MEDICINE REPRESENT ALMOST 40% OF REVENUE IN 2020

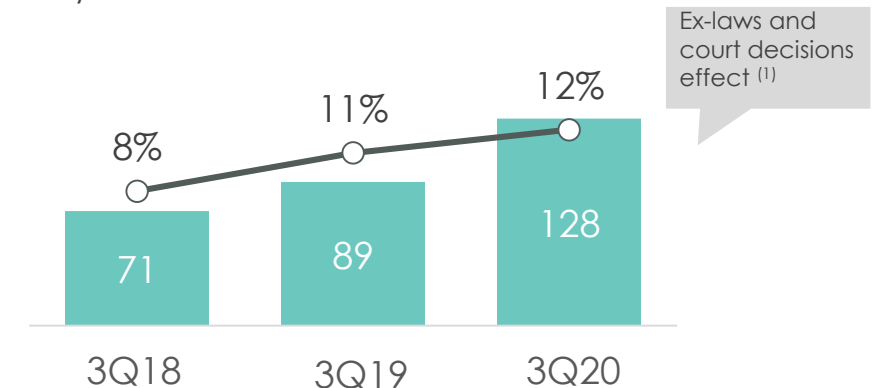
Ex-FIES Revenues
(R\$ million)



Digital Learning revenue and share in total revenue
(R\$ million, %)



Medicine revenue and share in total revenue
(R\$ million, %)



(1) Excluding the impact of discounts related to laws and court decisions in the amount of R\$21 million.

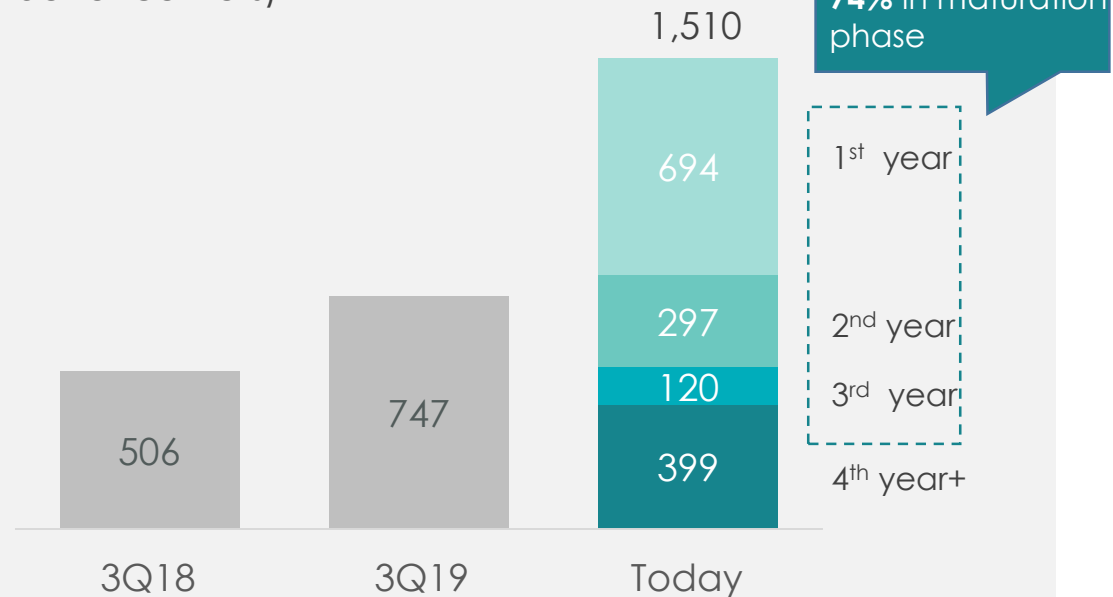


FUTURE ORGANIC GROWTH

WITH MATURATION OF DL CENTERS AND MATURATION OF MEDICINE

DIGITAL LEARNING

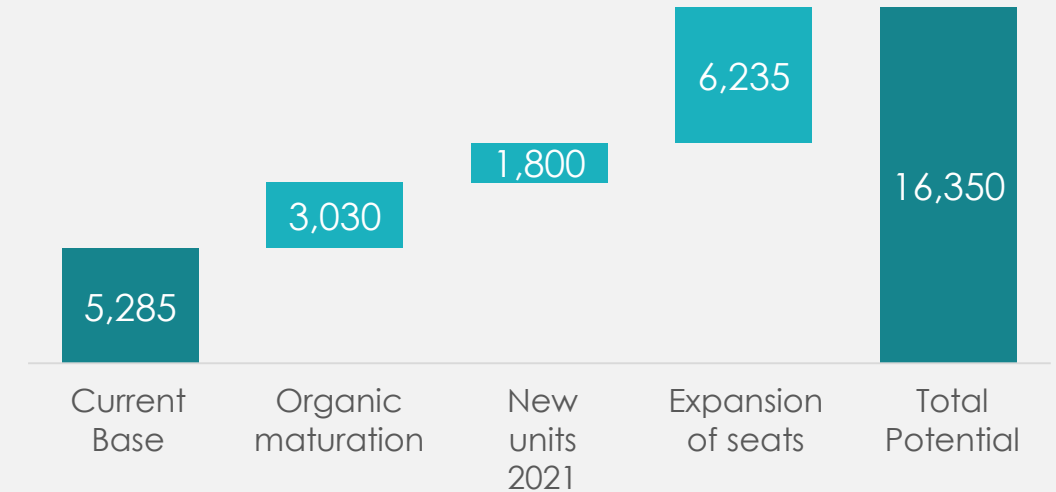
(number of centers)



There will be **2,000 centers** in 2021

MEDICINE

(student base)



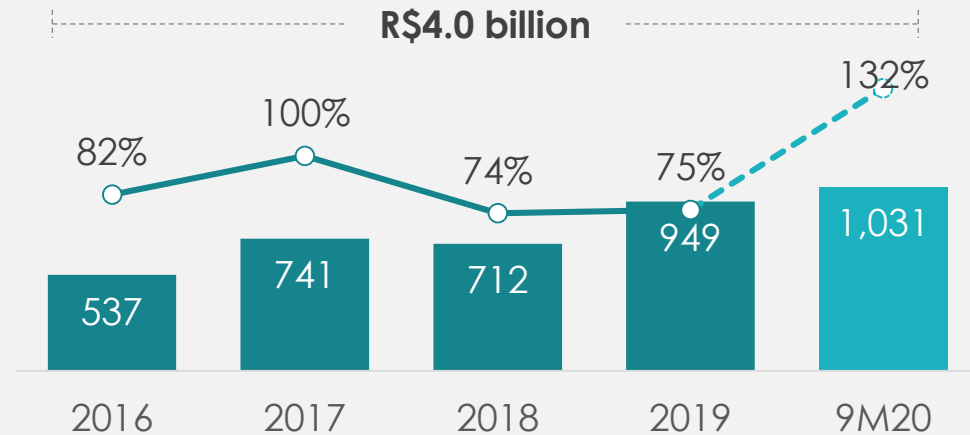
Approved 134 out of 200 seats already requested
200 seats requested for 2021 and 600 more will be for 2022-23

In **2021** there will already be more than **6,000 students**

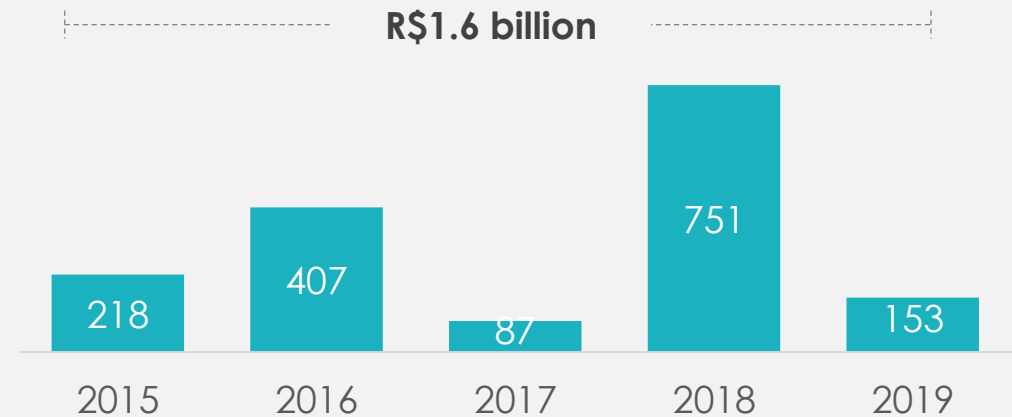
DISCIPLINE IN THE USE OF CAPITAL

FOCUS ON VALUE GENERATION

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



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



M&As

- 3 acquisitions in 12 months (R\$ 2.1B, 120k students)
- EV/EBITDA post-synergies of 5.5x or less
- Focus on strategic regions
- Fast and successful integrations

Financing

- Accounts receivable stable
- Net Debt/EBITDA 1.4x
- Cash of R\$1.9 billion
- Without relevant corporate moves (IPOs, follow-on, spin-off)



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

WIDE USE OF TECHNOLOGY

TAKING ELITE CONTENT TO ALL SOCIAL CLASSES



WITH ENCOURAGING RESULTS AND GREAT PERSPECTIVES

EnsineMe

Digital Learning

**+2 p.p. of
retention**

of students with
EnsineMe content

**+17 pts
of NPS**

vs 2019

Reach:

2020: **56% of freshmen** / 27% of the base

2021: **77% of freshmen** / 55% of the base

On-Campus

**AURA
Implementation**

40% online with quality
and satisfaction

**+10 pts
of NPS**

vs 2019

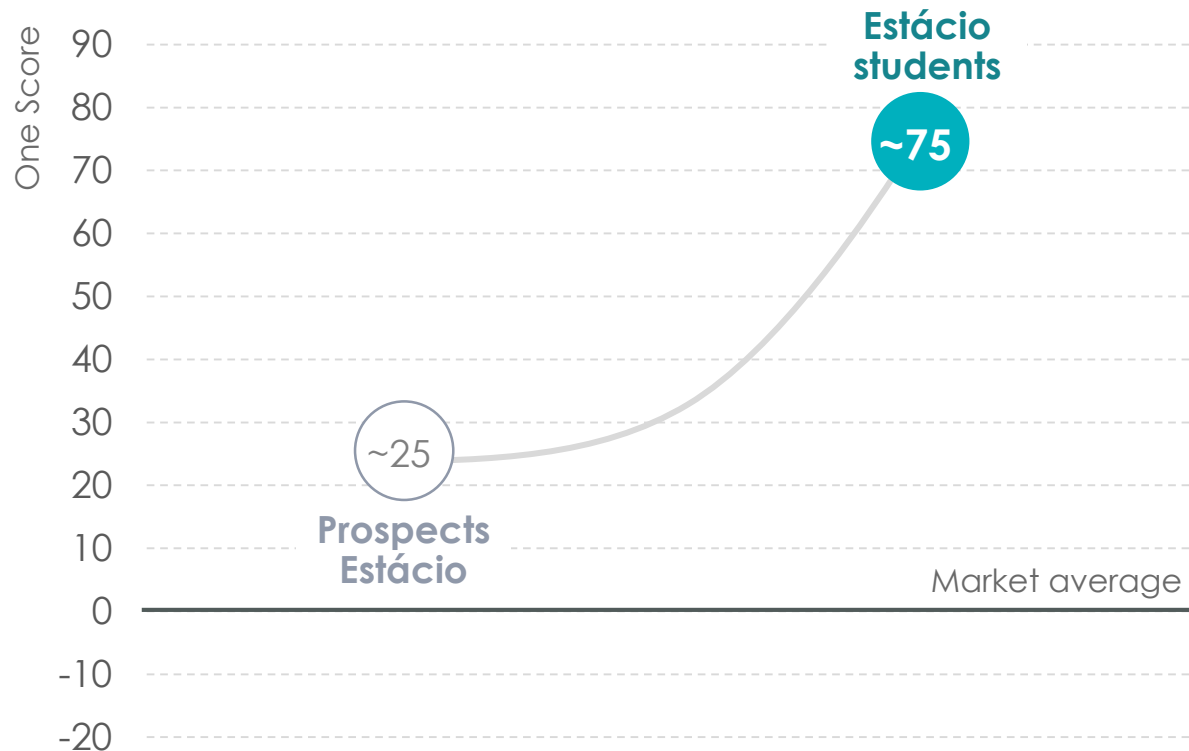
Reach:

2020: **100% of freshmen** / 35% of the base

2021: 57% of the base

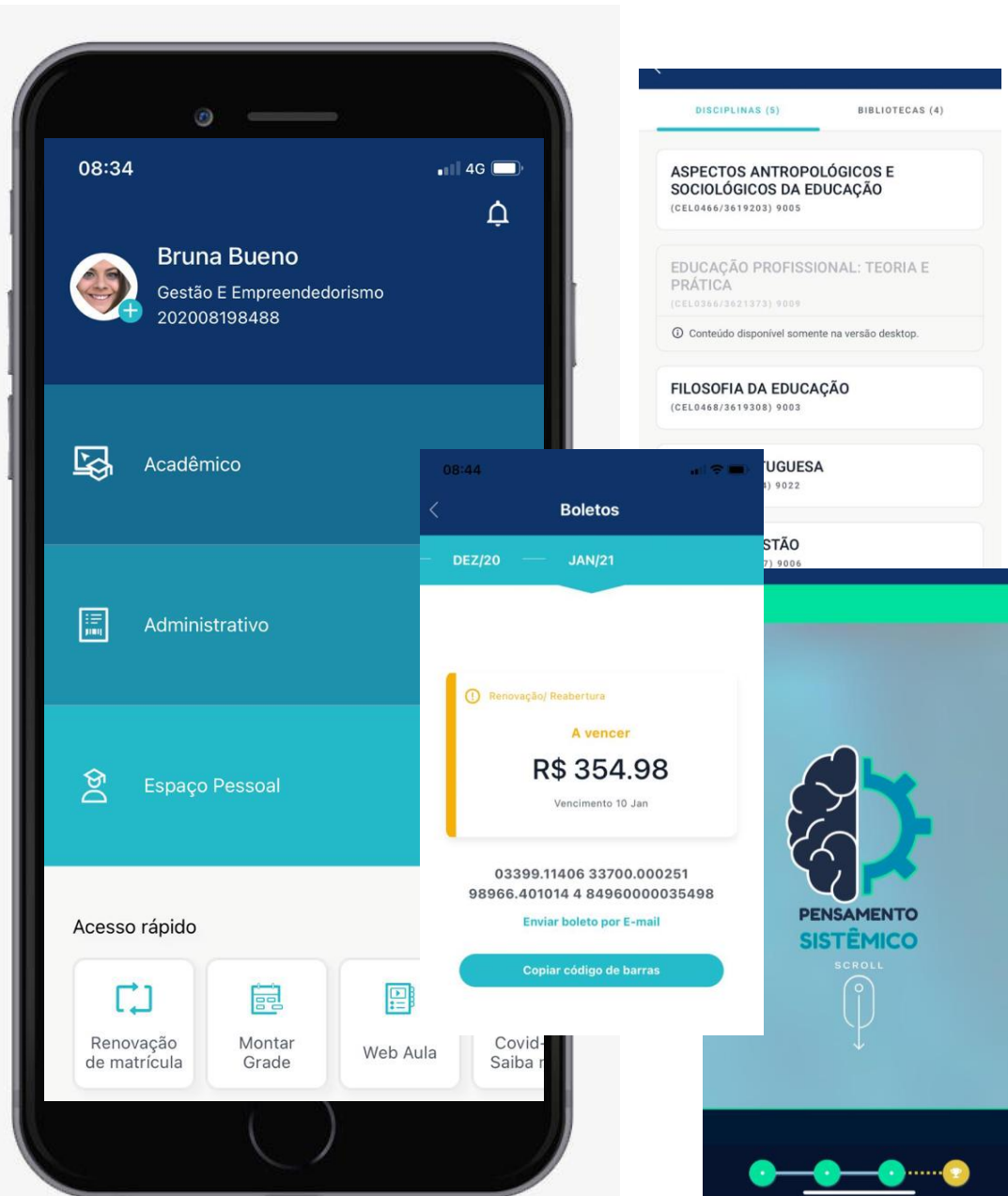
PERCEPTION LEAP OF THE DIGITAL BRAND

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.

BEST AND MOST COMPETITIVE DL IN THE MARKET

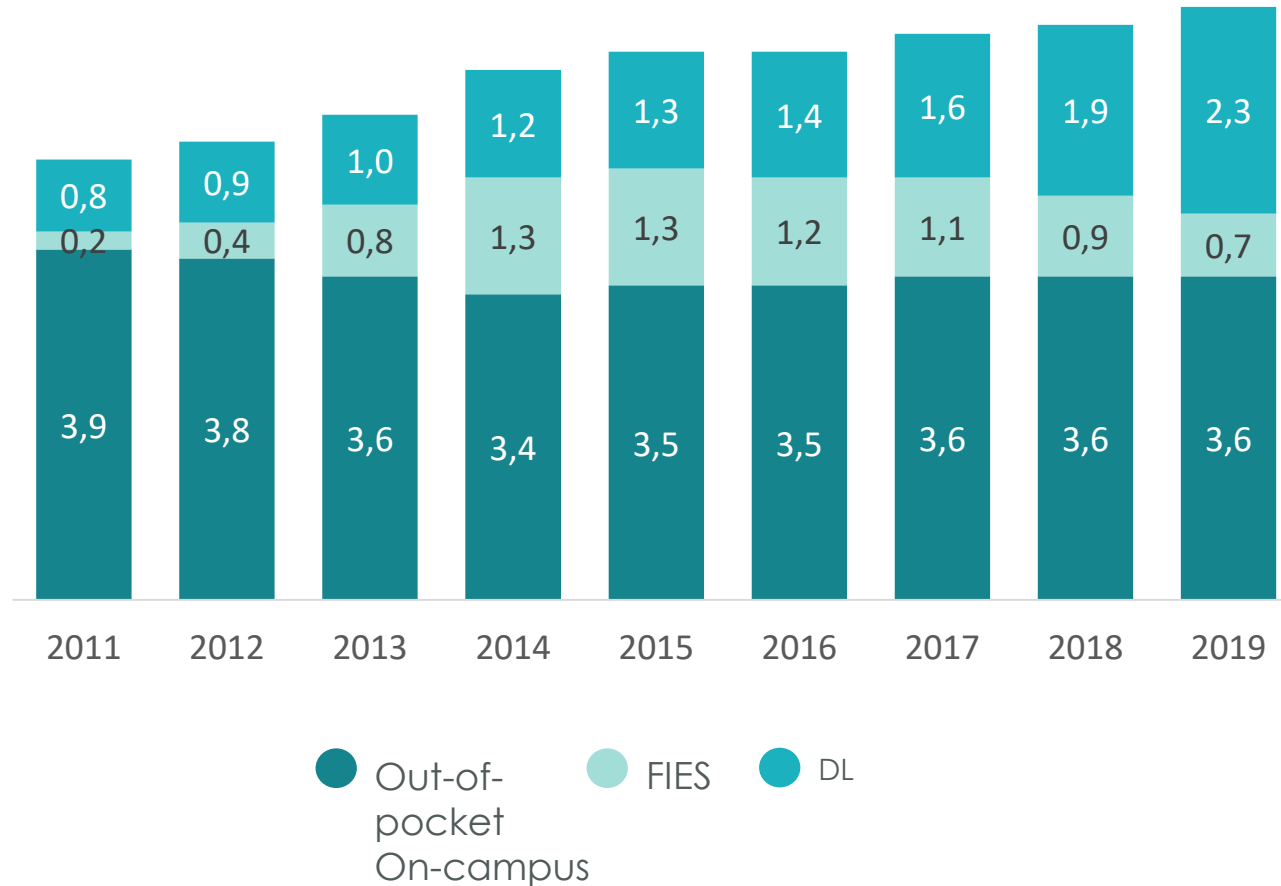


- **All available on student's hand:** fast and intuitive mobile solution not only through an academic point of view but also administrative
- **Lean structure:** low implementation and maintenance costs guarantee partner's profitability
- **Solid network:** NPS of 75; 60% of the centers opened in 2020 are from old partners
- **Monitoring:** High technology to monitor and guide the operation in detail – including partner performance profitability
- **Centralized teaching:** partner acts as the intake manager while customer care, content and academic monitoring are centralized
- **Adaptability:** 13 learning vehicles, content in modules and brand adaptable. Available for desktop and app.
- **Virtual labs:** 9 hybrid courses (Flex) can be opened in all partner centers with no additional investment.

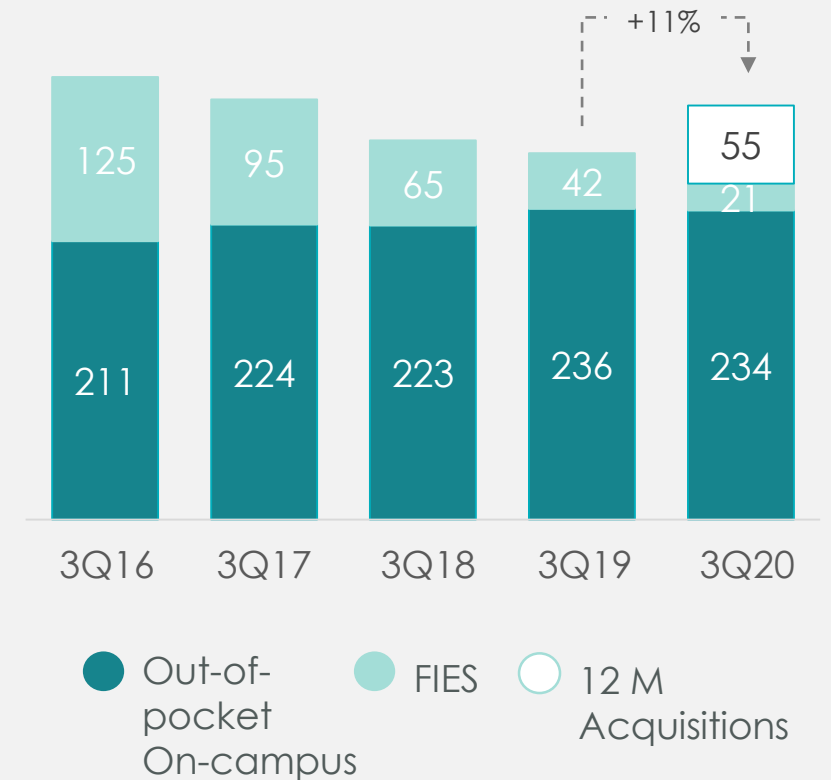
OUT-OF-POCKET ON-CAMPUS STABLE

WITH SIGNS OF PRICE STABILIZATION

Students enrolled in higher education ⁽¹⁾
(million)



YDUQS **on-campus undergraduate** student base
(thousand)

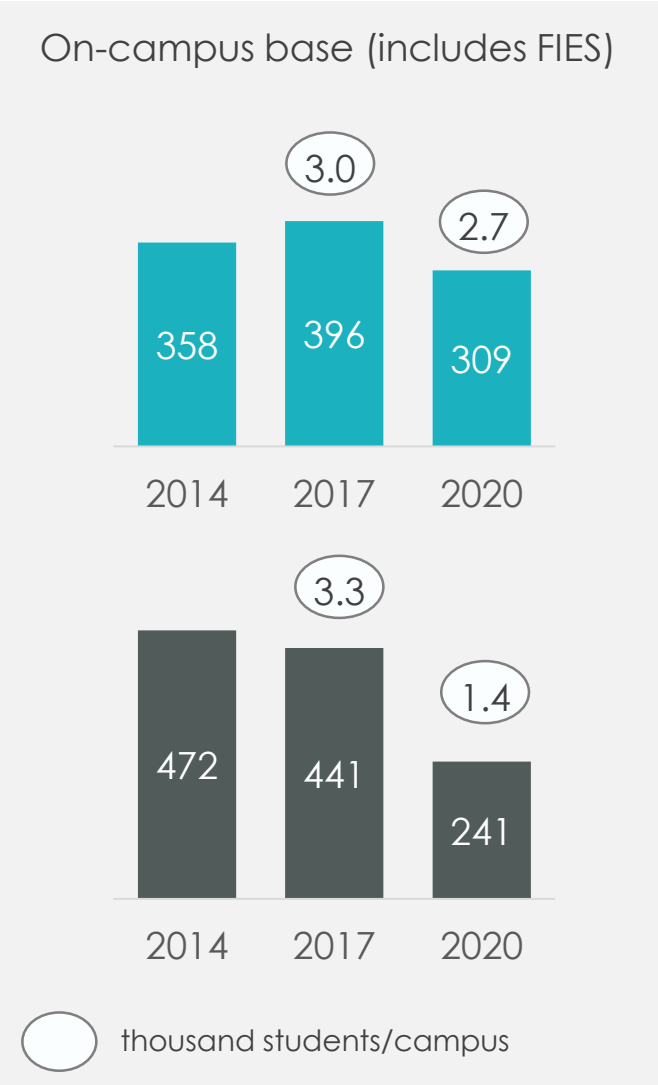
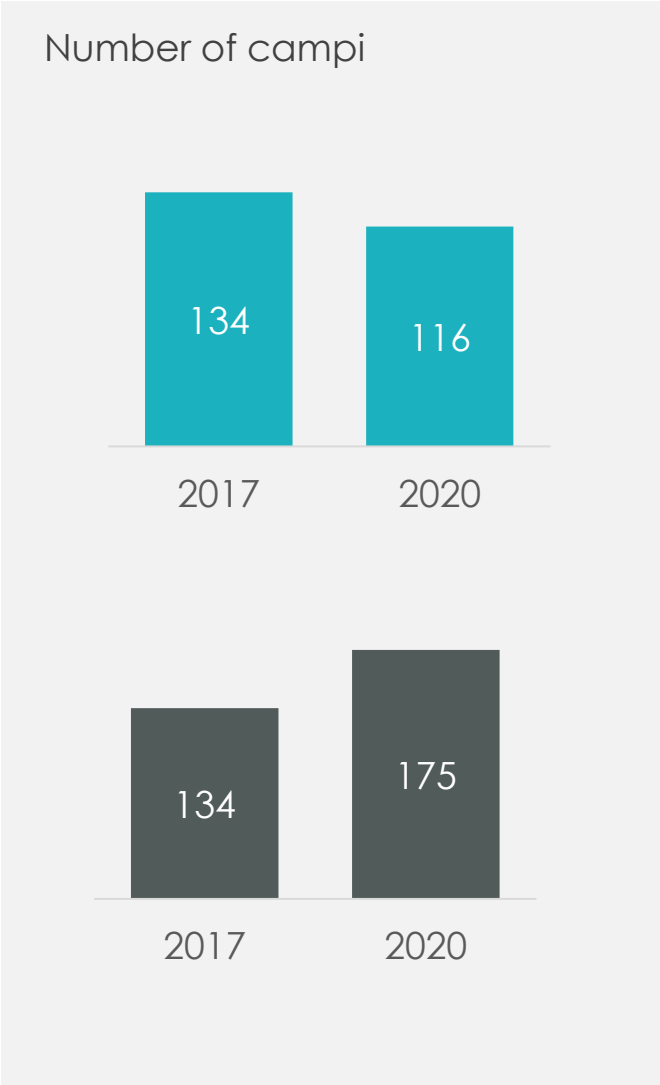


(1) Source: INEP 2019

SOLID ON-CAMPUS FOOTPRINT

YDUQS

Competitor B



76% are law, health and engineering

185 new courses in the last 3 years

2021



- **Reduction of FIES losses** from +R\$400 million to ~R\$ 100 million
- **DL and medicine** following last years' expansion pace
- Stability of the **on-campus ticket**
- **M&A** opportunities
- Stable **retention** indicators
- **Solid cash generation**



- On-campus Intake
- DL ticket

> 2021

- **Inversion in the revenue mix** to 40/60 with increase in the segments of greater margin
- **Technology allowing new wave** of growth and new opportunities
- On-campus growth in strategic regions and value generation with synergies from **M&A**
- New growth front: **Graduate**
- Cash generation bringing back **net debt close to zero**



FOCUS ON WHAT HAS GOOD RESULTS

ROBUST POSITIONING IN OUR 4 BUSINESSES

ON-CAMPUS

Robust and efficient operation in any market scenario

Discipline, balance sheet and integration expertise for acquisitions

DIGITAL LEARNING

Best and most competitive product in the market

High technology applied and **high expansion speed**

MEDICINE

Single, efficient and high-quality operation

Contracted **organic growth**

LIFELONG

Largest graduate program in Brazil, solid products

Gaining focus with **dedicated unit** and **EnsineMe flexibility**

Capital discipline

Strong **cash generation**

Technology: learning innovation and efficiency



OUR GREAT TEAM

YDUQS

M...ve Forum



1 Adriano Pistore, MSc ★★★★★
On-campus Operations

- FSG
- FSG, Caxias do Sul, Michigan State University

2 Alexandre Agueiras, MBA ★★
Digital Content

- McKinsey
- IME, Columbia

3 Felipe Araujo, MBA ★★
People & Management and Integration

- McKinsey, Nokia, Accenture
- UFRJ, COPPEAD, INSEAD

4 Claudia Romano ★★★★★
Institutional Relations and Sustainability

- Joy Comunicação, +15 years at YDUQS
- Faculdade da Cidade, Dom Cabral

5 Eduardo Parente, MBA ★★
CEO

- McKinsey, Vale, CSP, Prumo, MRS
- UFRJ, NYU

6 Marina Fontoura, MBA ★★
Premium Operations

- McKinsey, Spot Educação, Prumo, BrMalls
- PUC-RJ, Harvard Business School

7 Marcel Desco ★★
Marketing and Sales

- Value Partners, Vivara, Luxottica, ABN AMRO
- UFSCar, FGV-EAESP

8 Eduardo Haiama, MBA ★★
Finance and IR

- Equatorial, Pactual
- USP, Duke University

9 Aroldo Alves, MBA ★★★★★
Digital Operations

- Votorantim, +11 years at YDUQS
- UFC, Ecole Centrale de Lille, IESE

10 Rossano Marques, MBA ★★
Corporate Operations

- Atento, Vale, Santander, Embratel, Shell
- PUC-RJ, MIT



5 years of experience in
education



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