

RESULTS PRESENTATION

4Q20 & 2020

YDUQS



March 17th, 2021

YDUQ
B3 LISTED NM



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DISCLAIMER

Rio de Janeiro, March 17th, 2021 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the fourth quarter of 2020 (4Q20) and year 2020.**

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.

Consolidated results account for Adtalem Brasil Holding Ltda. group as of May 2020 and Grupo Athenas Educacional as of August 2020, except when stated otherwise.

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.



2020 HIGHLIGHTS

YDUQS

4Q20

DIGITAL LEARNING EXPANSION

with accelerated student base and centers growth

+70% YoY

undergraduate digital learning student base

+577 centers

for digital learning vs 2019

+59% YoY

Adjusted undergraduate digital learning net revenue

STRONG GROWTH IN MEDICINE

with expansion in number of seats and growth in student base

+244 seats

in 2020, 100% filled

+250 seats⁽¹⁾

new seats for 2021

+37% YoY

Adjusted medicine net revenue

ACQUISITIONS IN THE YEAR

of Adtalem and Athenas completed, adding value

R\$2.3 billion

Total value of acquisitions

R\$775 million

12-month NOR (2020)

> R\$70 million

already captured in synergies

CASH GENERATION

remains strong with low debt

R\$1.6 billion

cash and cash equivalents

R\$1.1 billion

OCF before Capex

1.4x

Net debt/Adjusted EBITDA

Heavily investing in Digital Transformation and IT



- Investment of R\$176 million in **DIGITAL TRANSFORMATION AND IT**
- Creation of the new educational system, **AURA**, integrating digital and on-campus learning as never seen before
- The **STUDENT APP** was created
- EnsineMe**: Business unit producing multi-brand content with digital tools, offering high-standard content for everyone.
- Intake and renewal** can be **100% online**

NPS

Digital: +10pts
On-Campus: +8pts
(vs 2019.2)

(1) Out of the 250 seats, 150 have already been authorized, as informed in a Notice to the Market on 03.08.21. Intake in 1S21.



OUR BUSINESS UNITS

YDUQS

4Q20



ON-CAMPUS

Unit responsible for our on-campus undergraduate, masters', doctorate and semi on-campus courses.

318K

Students

+5% vs 2018

R\$2.5 billion

2020 adjusted Net Revenue

60% of YDUQS's Total NOR

R\$598 million

2020 adjusted EBITDA

44% of YDUQS's Total EBITDA



DIGITAL LEARNING

Distance learning platform boosted by innovation and technology. With national presence, it is our business unit that grows the most.

334K

Undergraduate Digital Learning Students

+146% vs 2018

99K

Lifelong students (graduate courses)

+31% vs 2018

R\$984 million

2020 adjusted Net Revenue

24% of YDUQS's Total NOR

R\$441 million

2020 adjusted EBITDA

33% of YDUQS's Total EBITDA



PREMIUM

Concentrates our offers with the best quality standards. Includes our business school (IBMEC) and the Medicine business unit (undergraduate and graduate).

5.4K

Medicine undergrad students

+51% vs 2018

4.8K

IBMEC undergraduate students

R\$625 million

2020 adjusted Net Revenue

15% of YDUQS's Total NOR

R\$310 million

2020 adjusted EBITDA

23% of YDUQS's Total EBITDA



To view the complete Income Statement by Business Unit [click here](#).

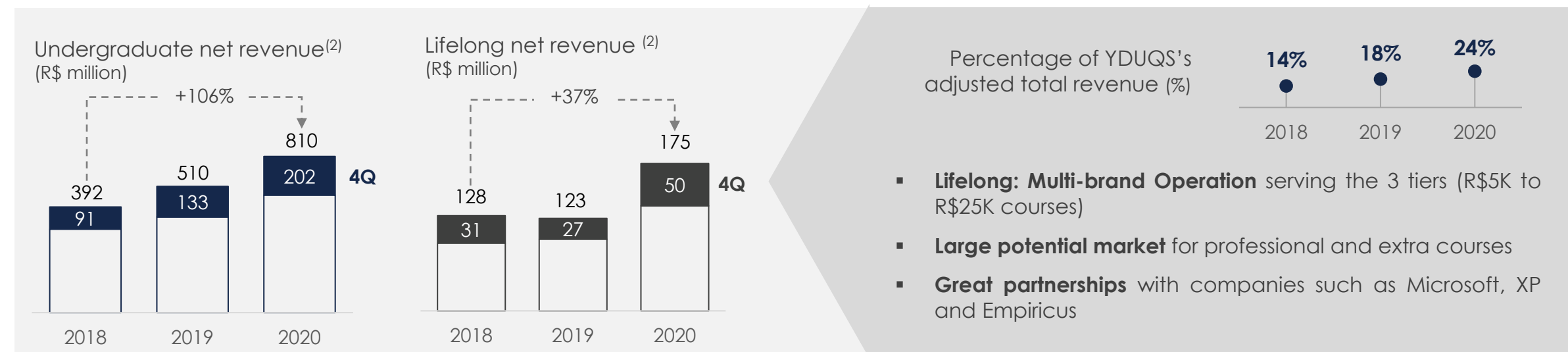
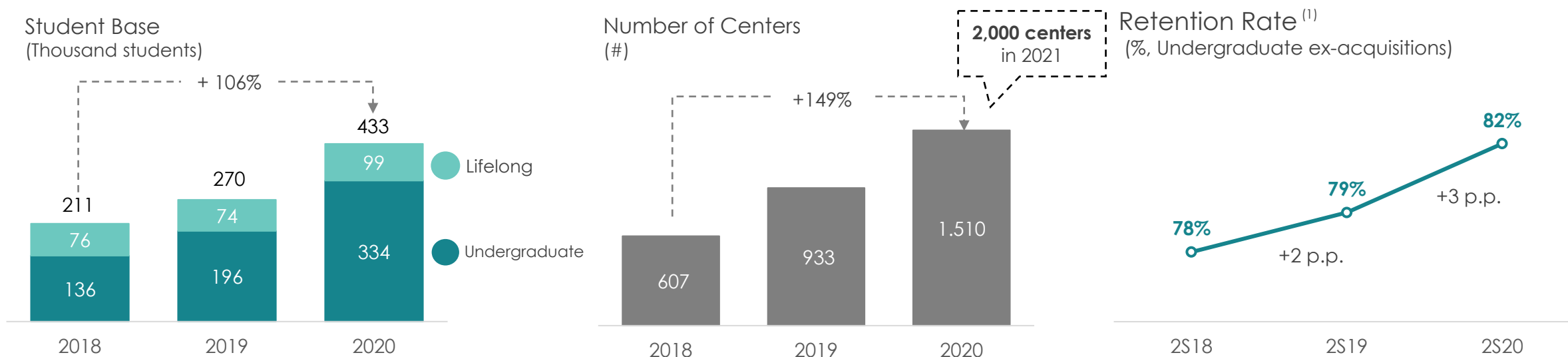
DIGITAL LEARNING: UNDERGRADUATE DOUBLED IN 2 YEARS

Brazil's largest graduate player

45%
EBITDA
margin
2020

YDUQS

4Q20



(1) Retention rate = 1 - [drop-outs and non-renewal divided by renewable base (initial base + intake - graduating students)].

(2) Net revenue adjusted by effects of laws and court decisions related to Covid-19.

PREMIUM: MEDICINE WITH STRONG ORGANIC GROWTH

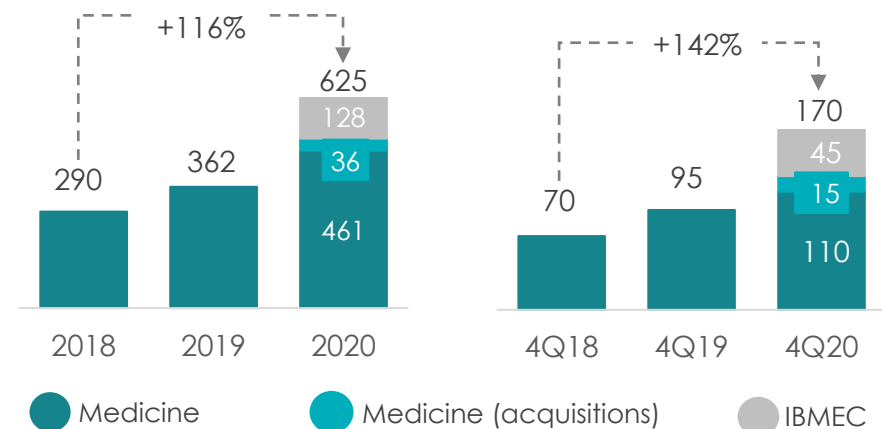
IBMEC as a strategic asset

50%
EBITDA
margin
2020

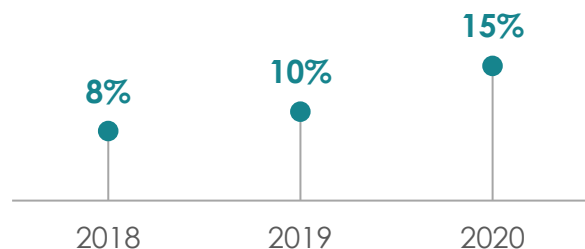
YDUQS

4Q20

Adjusted Premium net revenue⁽¹⁾
(R\$ million)

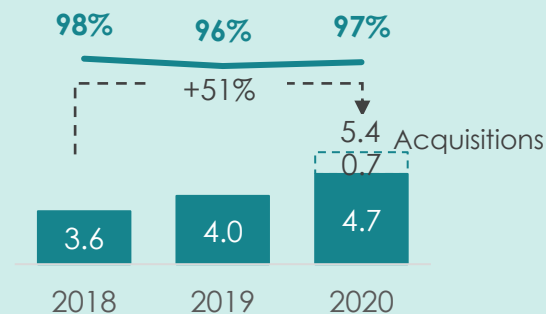


Percentage on YDUQS's total adjusted revenue
(%)



Impact of laws and court decisions on premium revenue in 4Q20 totaled R\$18 million (R\$65 million in 2020)

Medicine undergraduate student
base and renewal rate⁽²⁾
(thousand students, %)



MEDVEST

National medicine entrance examination
(100% of seats filled)



Adjusted average ticket⁽¹⁾

R\$8.7K/month in 2020
(Paying students)



+244 seats⁽³⁾

in 2020
(100% filled)

+250 seats⁽⁴⁾

in new units for 2021



Graduate base growing

326 students in 2020



6.1-6.5 thousand

students in total medicine base
expected by the end of 2021



On-campus student base: 6.2K

Undergraduate: 4.8K | Graduate: 1.4K

Renewal Rate⁽²⁾: 95%

In 2S20

Adjusted average ticket⁽¹⁾

R\$2,758/month in 2S20



Strategic platform academically
contributing to the entire company



IBMEC **professors teaching**
on EnsiMe



Experimenting new practices
in teaching

(1) Net revenue adjusted by the effects of laws and court decisions related to Covid-19 | Ibmecc average ticket related to undergraduate.

(2) Medicine: Renewal rate related to Estácio undergraduate | Ibmecc: Renewal rate related to undergraduate

(3) Out of the total seats granted in 2020, 110 seats came from Adtalem (Teresina), 50 seats from Athenas (Cáceres) and 84 have been authorized by the Mais Médicos program (Angra dos Reis and Canindé).

(4) Out of the 250 seats, 150 have already been authorized in Mar/21. Besides these 250 seats, there is a possibility of up to +200 seats considering seat increase in Alagoinhas and Jaraguá do Sul.

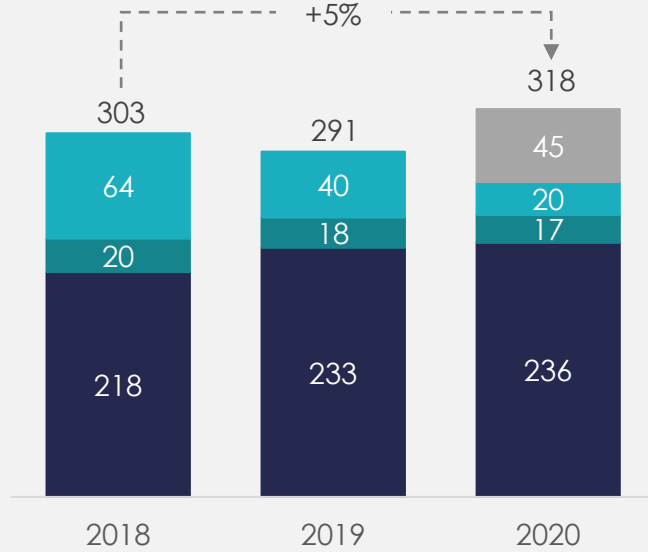


ON-CAMPUS: RESULTS BOOSTED BY ACQUISITIONS

24%
EBITDA
margin
2020

YDUQS
4Q20

Total student base ex-premium
(Thousand students)



On-Campus ex-FIES Semi on-campus Acquisitions FIES

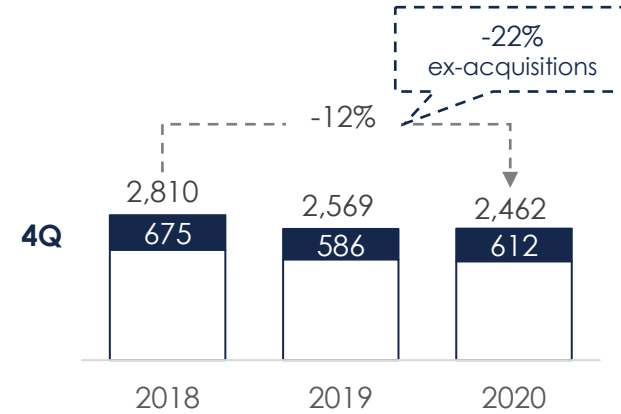


In 2020, **FIES student base** continues to decline.

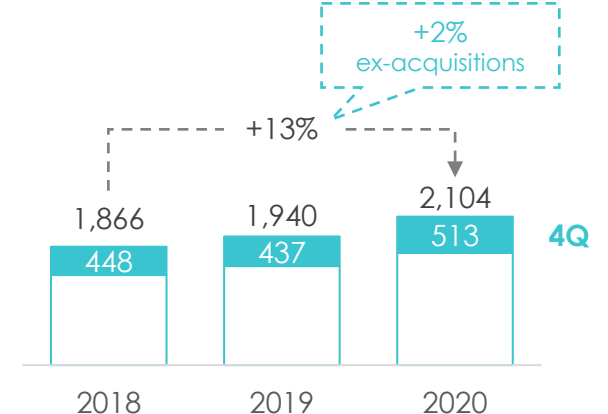


Retention rate ⁽¹⁾ for undergraduate ex-acquisitions at 83% in 2S20.

Adjusted net revenue ⁽²⁾ ex-premium
(R\$ million)

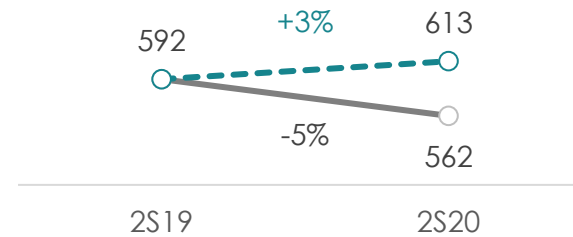


Including FIES

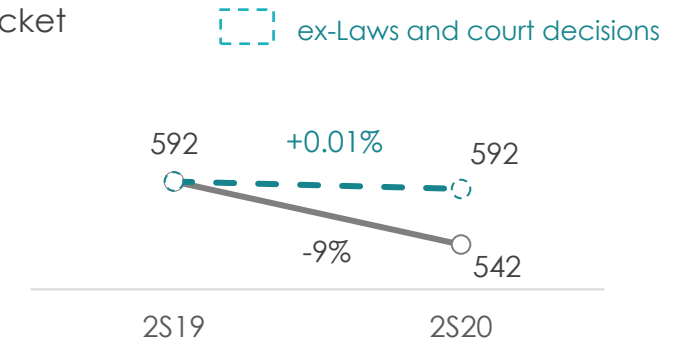


Excluding FIES

Ex-FIES on-campus undergraduate average ticket
(R\$/month)



Consolidated



Ex-acquisitions



Ex-FIES on-campus undergraduate **average ticket** is impacted by the effect of laws and court decisions. Does not consider semi on-campus student base.

(1) Retention rate refers to the ex-acquisitions student base, including premium (medicine). Retention rate = $1 - [\text{drop-outs and non-renewal} / \text{renewable base (initial base + intake - graduating students)}]$.

(2) Net revenue adjusted by effects of laws and court decisions related to Covid-19 in the amount of R\$142.5 million in 2020 and R\$49.3 million in 4Q20.

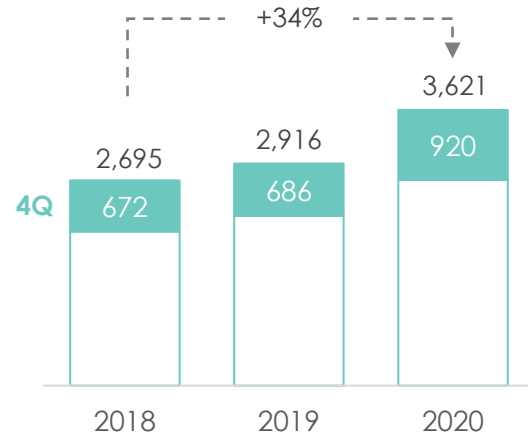


REVENUE: BOOSTED BY DIGITAL LEARNING, MEDICINE AND M&A

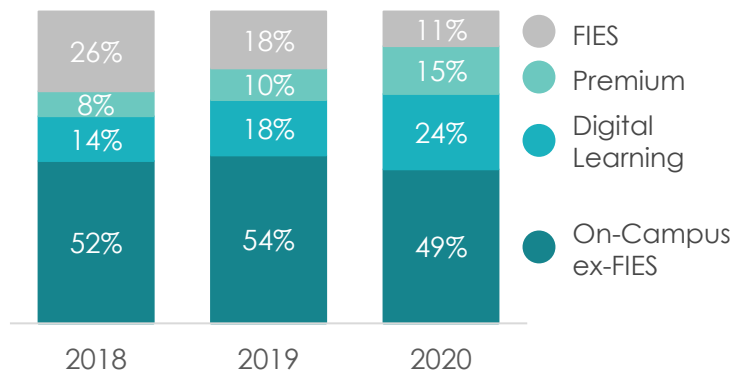
YDUQS

4Q20

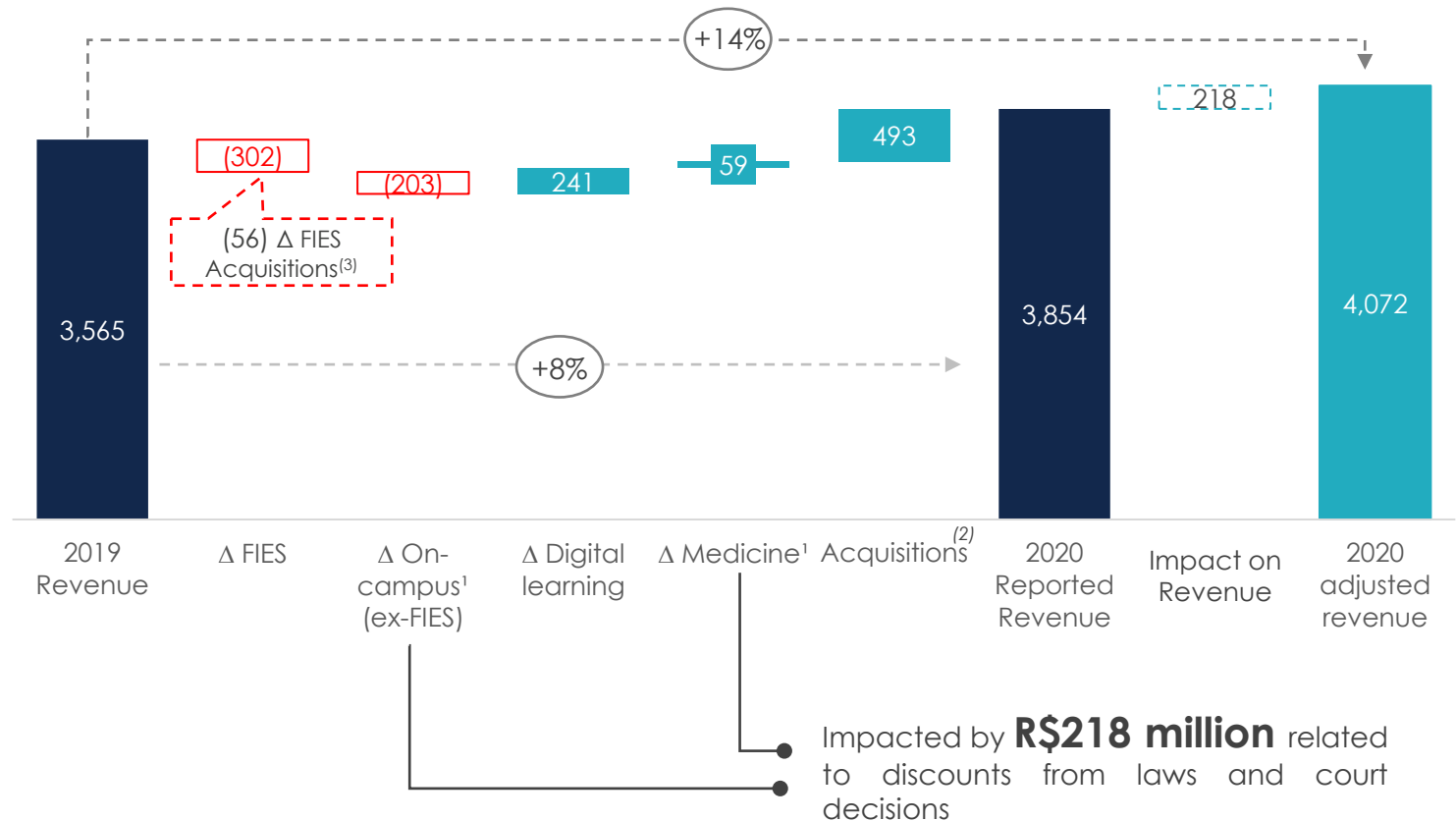
Adjusted net revenue⁽¹⁾ (ex- FIES)
(R\$ million)



Adjusted net revenue⁽¹⁾ by BU
(% of adjusted revenue)



Contribution to total net revenue
(R\$ million; 2020 vs. 2019)



(1) Net revenue adjusted by effects of laws and court decisions related to Covid-19 in the amount of R\$218 million in 2020.

(2) Considers Adtalem's results as from May/20 and Athenas' results as from Aug/20.

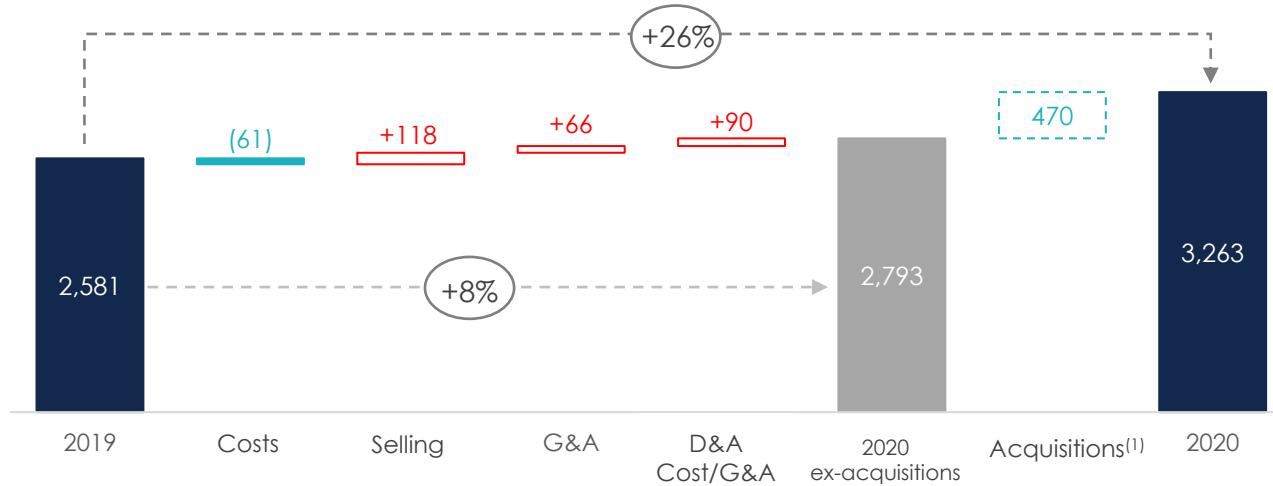
(3) Annualized Fies Acquisitions revenue



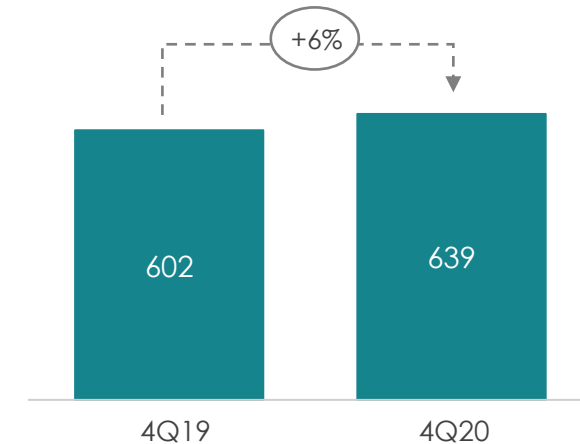
ADJUSTED COSTS AND EXPENSES

YDUQS

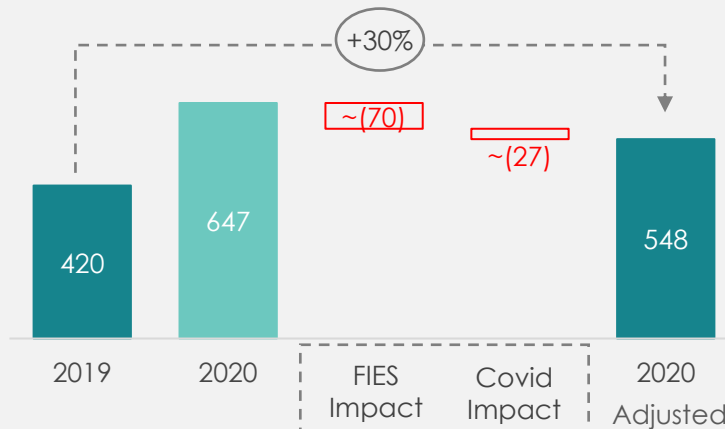
Breakdown of adjusted costs and expenses⁽²⁾
(R\$ million; 2020 vs. 2019)



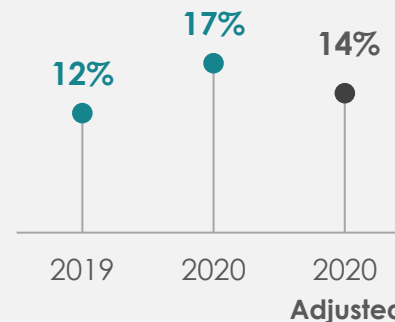
Costs and expenses + discounts ex-acquisitions and D&A⁽²⁾
(R\$ million; 4Q20 vs. 4Q19)



Bad Debt + discounts
(R\$ million)



Percentage of Bad debt + Discounts on
YDUQS's total revenue(%)



-7% YoY on costs ex-acquisitions

Positive cost trend due to gains from operational research and adoption of digital solutions.

Impacts on G&A expenses

Due to recent acquisitions, revision of civil and labor lawsuits, personnel and third-party services

Impacts on Bad Debt expenses

Due to the economic crisis (Covid-19) and to the change in student base mix. Adjusted ex-acquisitions Bad debt + discounts was up by 21% YoY vs 2019

58% gross margin ex-acquisitions

+ 0.4 p.p. vs 2019.



(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.

(2) Adjusted by non-recurring items in costs and expenses explained in detail on slide "Non-recurring Effects".

NON-RECURRING EFFECTS

Classification	Account	Status	Description	1Q20	2Q20	3Q20	4Q20	2020
Pandemic	Revenue ⁽¹⁾	✓	Scholarships related to the <i>Estácio com Você</i> program	-	22.2	3.7	-	25.9
		✓	Discounts granted by law and court decisions	-	45.3	63.0	83.8	192.0
	Cost		Effect of MP 936 ⁽²⁾	-	(11.1)	(14.9)	-	(26.0)
	Selling	✓	Addition in provision to face Covid-19	-	27.3	-	-	27.3
Operational efficiency	Cost		Organizational restructuring costs	2.1	1.1	12.8	21.0	37.0
M&A	Expenses		M&A and integration expenses	9.3	6.0	6.2	22.4	43.9
Complementary provisions	Selling	✓	Provision from past FIES renewals	-	71.9	-	-	71.9
	Expenses	✓	Revision of legal proceedings base and increase in contingencies	-	54.9	-	19.7	74.6
Other	Cost		Physical infrastructure costs	-	(4.8)	-	11.5	6.7
	Expenses		Other	1.7	2.5	(4.6)	1.4	1.1
NEGATIVE IMPACT ON EBITDA (R\$ million)				13.1	215.3	66.3	159.8	454.5

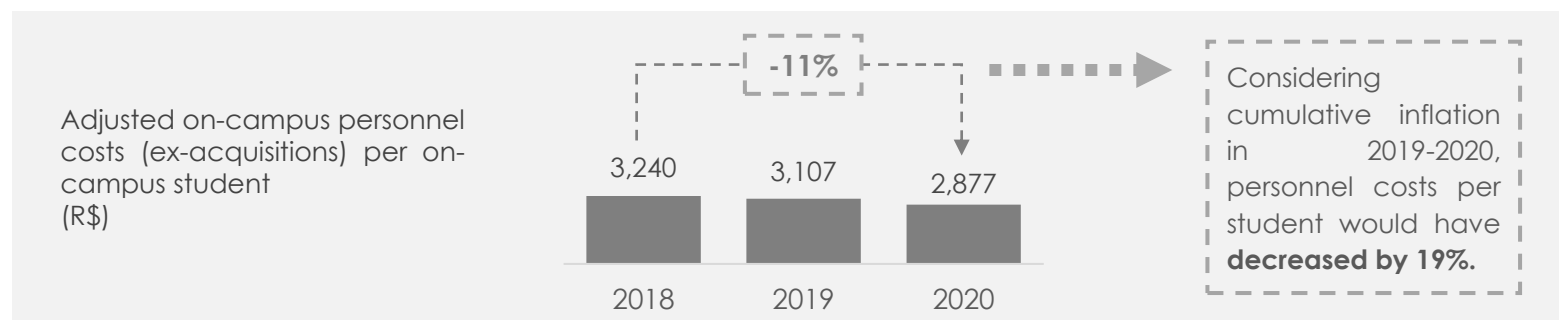
(1) In 3Q20, amount adjusted by the R\$12.6 million impact in the quarter, related to laws and court decisions accounted for in 4Q20.

(2) Temporary flexibilization measures of labor laws enacted in April 2020



NON-RECURRING EFFECTS

Classification	Status	Description	2018	2019	2020
Pandemic	✓	Scholarships related to the <i>Estácio com Você</i> program Discounts granted by law and court decisions Effect of MP 936 ⁽¹⁾ Addition in provision to face Covid-19	-	-	219.3
Complementary provisions	✓	Provision from past FIES renewals Revision of legal proceedings base and increase in contingencies	-	-	146.5
Other		Physical infrastructure costs Losses from the sale of portfolio in 2018 Others	53.8	21.0	7.8
Operational efficiency		Organizational restructuring costs Consulting services	133.6	71.5	37.0
M&A		M&A and integration expenses	-	6.2	43.9
NEGATIVE IMPACT ON EBITDA (R\$ million)			187.4	98.7	454.5



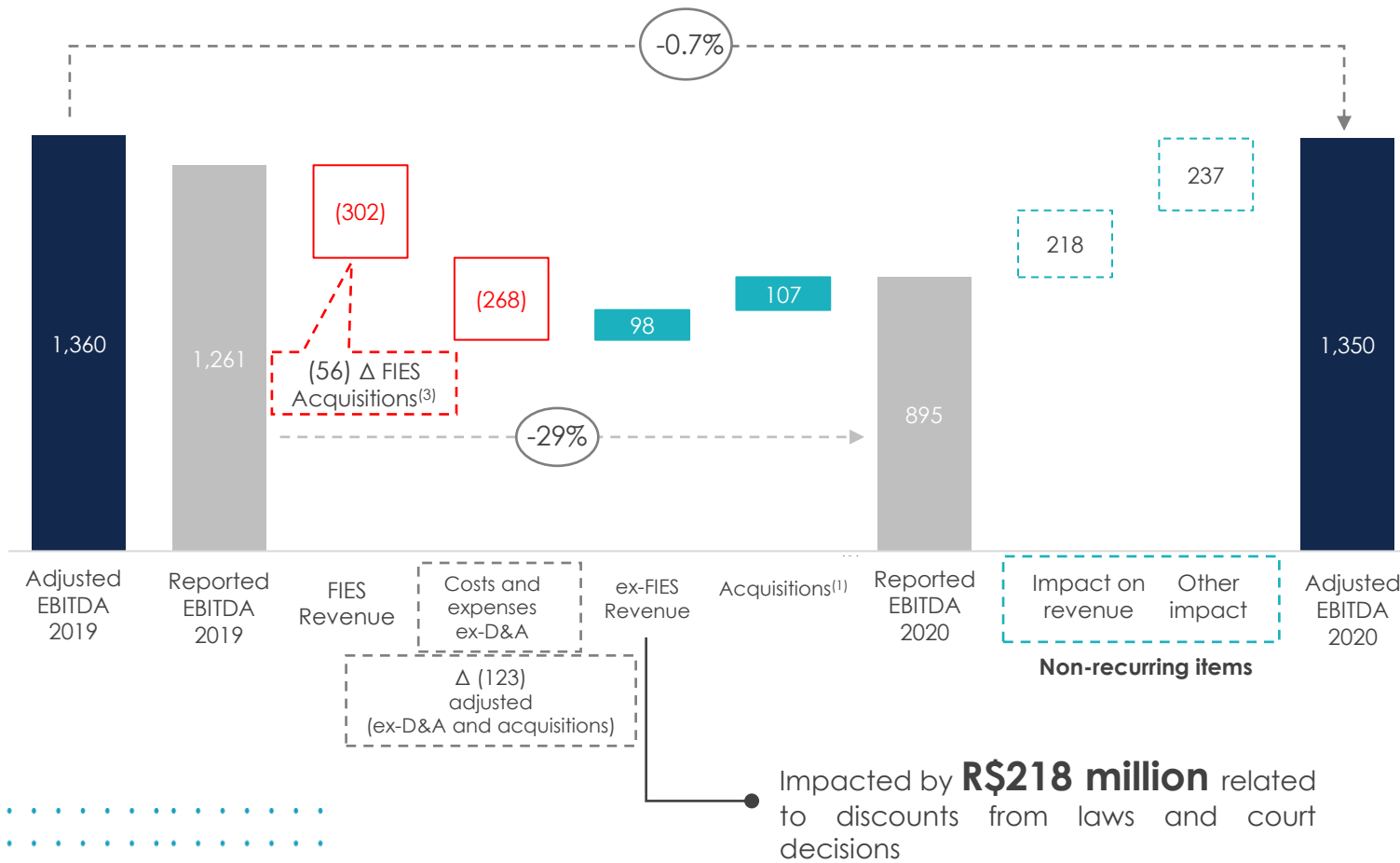
(1) Temporary flexibilization measures of labor laws enacted in April 2020.

ADJUSTED EBITDA

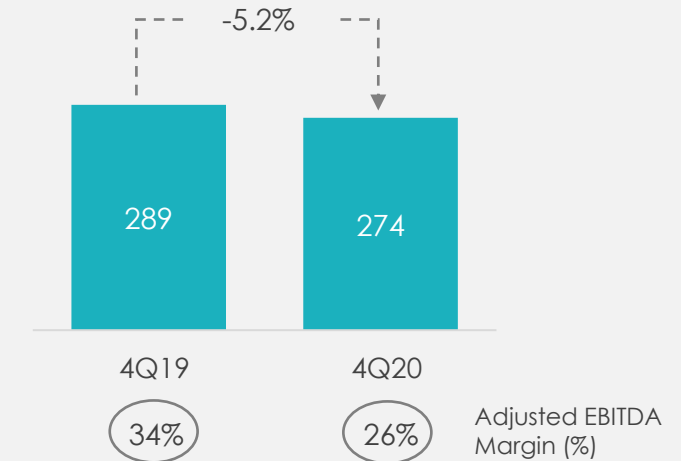
YDUQS

4Q20

Adjusted EBITDA⁽²⁾
(R\$ million; 2020 vs 2019)



Adjusted EBITDA⁽²⁾
(R\$ million)



Adjusted EBITDA margin (%)



(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.

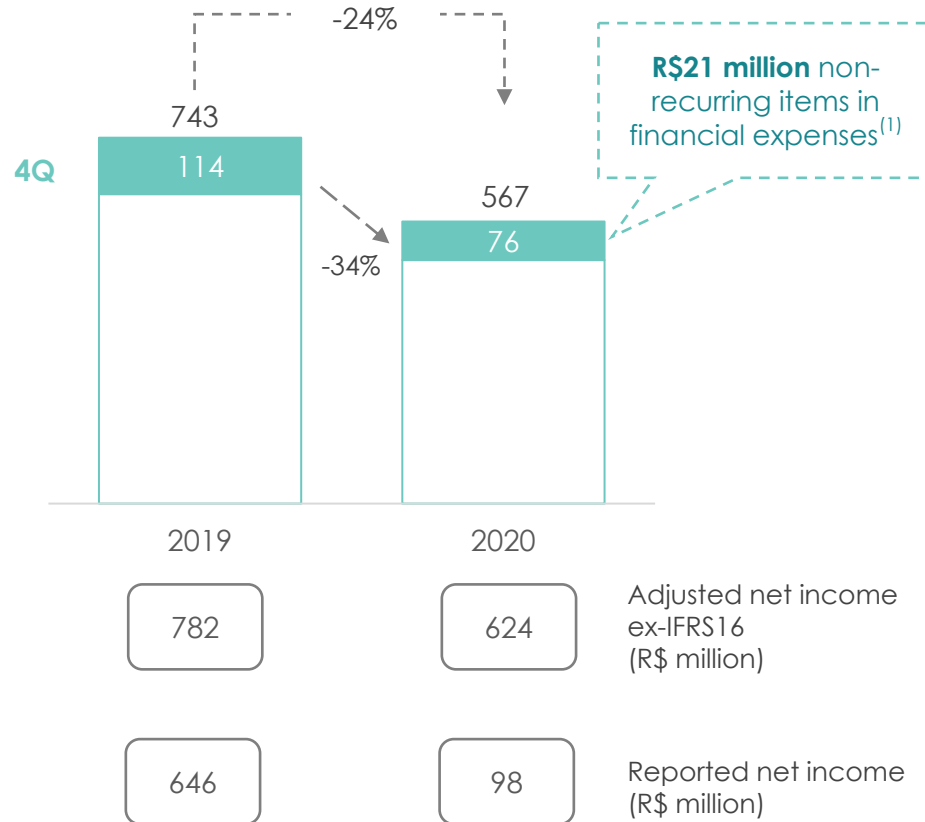
(2) Adjusted by non-recurring items in costs and expenses and non-recurring impacts on revenue explained in detail on slide "Non-recurring effects".

(3) Annualized Fies acquisition revenue.

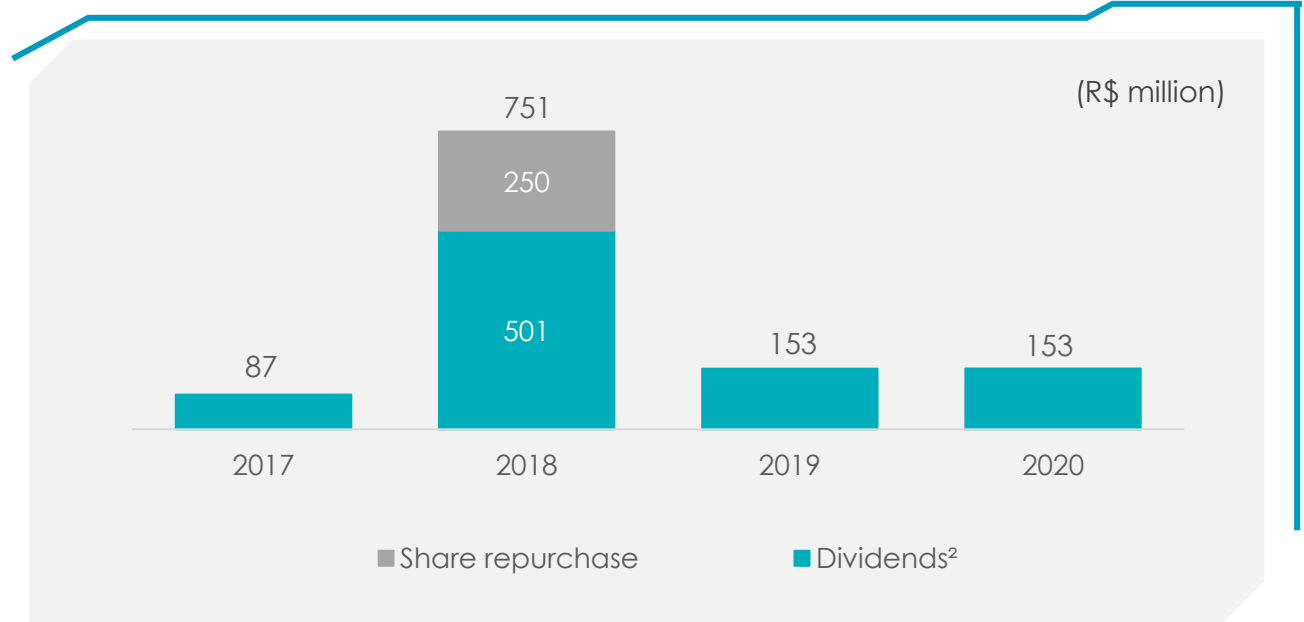


NET INCOME AND DIVIDENDS

Adjusted Net Income⁽¹⁾
(R\$ million; 2020 vs. 2019)



Shareholder return



Payment of dividends in the amount of **R\$142 million**, equivalent to a payout of 25% over adjusted net income of **2020**

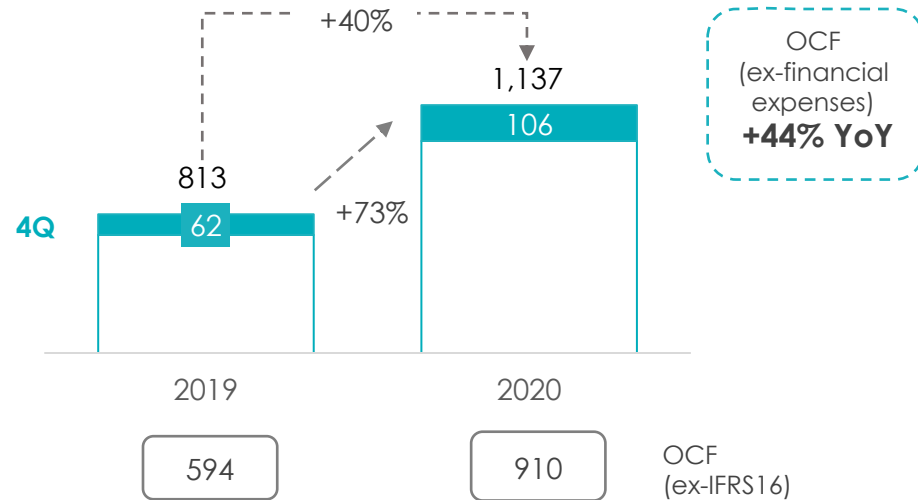
(1) Adjusted by non-recurring items, explained in detail on slide "Non-recurring Effects" + R\$21 million non-recurring adjustment in financial result, related to costs with comfort letter (intention to acquire Laureate).

(2) Dividends assessed by fiscal year. Amounts in the graph are on a cash basis.

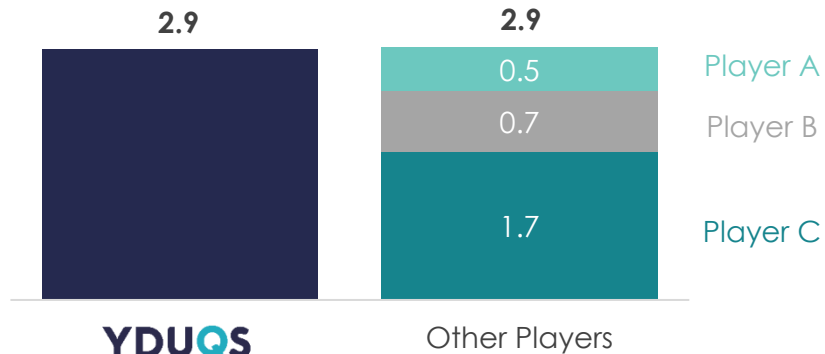
CASH FLOW AND CAPEX

Preserving solid financial position, even in an adverse scenario

Operating cash flow before capex
(R\$ million)



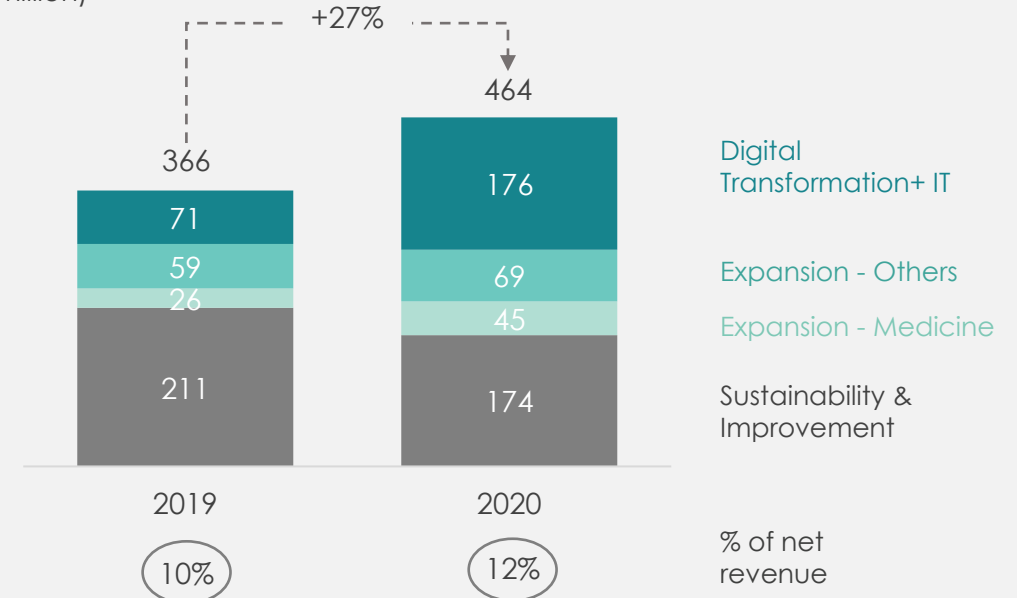
OCF before Capex ⁽³⁾
(R\$ billion, cumulative 2018-9M20)



➤ High liquidity, cash generation and ability to raise funding,
R\$1.6 billion in cash position

➤ **Low debt:** Net Debt⁽¹⁾/Adjusted EBITDA⁽²⁾ at **1.4x**

CAPEX
(R\$ million)



(1) Net debt excluding leasing (ex-IFRS16).

(2) Adjusted by non-recurring items explained in detail on slide "Non-recurring Effects".

(3) Information from the ITR, in the section: Dfs Consolidadas / Demonstração do Fluxo de Caixa - Método Indireto / Item 6.01 Caixa Líquido Atividades Operacionais.

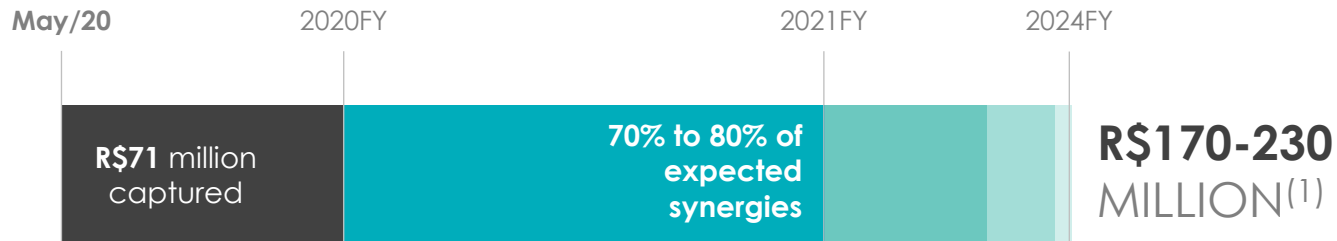


RECENT ACQUISITIONS

Capturing synergies within expected schedule

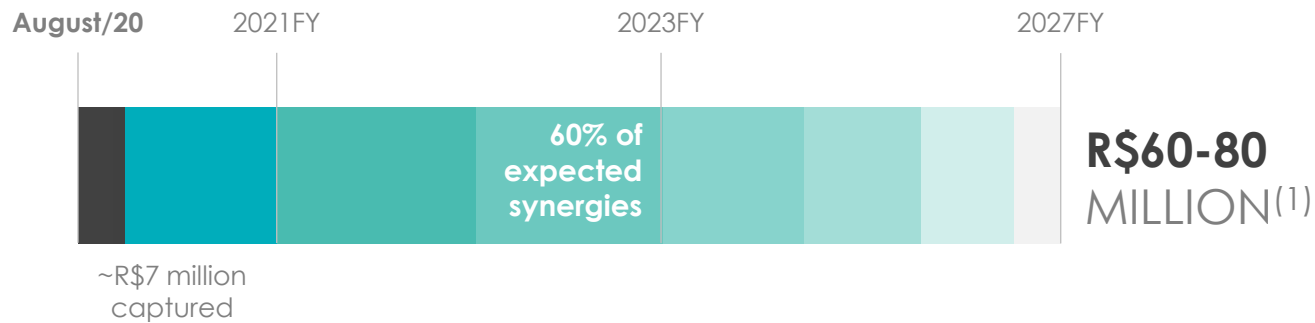
Adtalem

Robust process with the development of an operation model generating learning gains and mapping synergies for new acquisitions



Athenas

Longer schedule due to maturation time for medicine



(1) amounts annualized and in regime.

Schedule evolution of the macro processes

	UniToledo	Adtalem	Athenas
Take-over (D1)	✓	✓	✓
Process integration	✓	✓	✓
Integration of teams	✓	✓	✓
Value creation initiatives	✓	⋯	⋯
Systems Integration	✓	✓	⋯
Handover to operations	✓	✓	✓

Forecast 2021.2

✓ Completed ⋯ Ongoing



Digital

- **Strong base increase**; 75% of DL centers are still not mature
- **H1 Intake** presenting good results
- **Prices** with a trend of **light fall**
- **2,000 centers** in 2021 and **2,500+** in 2022

Premium

- **Increase in medicine base** in 2021 as contracted and expansions: 7 units still maturing; 5 new units; 2 processes of increase in seats
- **Strong H1 intake**, Medicine as well as Ibmec – volume and price

On-campus

- NOR **FIES** impact **~30%** of what it was in 2020
- **Challenging H1 intake** (H2 with good perspective)
- **Stable Price** – perspective of margin recomposition starting from 2022
- **Synergies** of recent acquisitions impacting results (2021/22)

In general

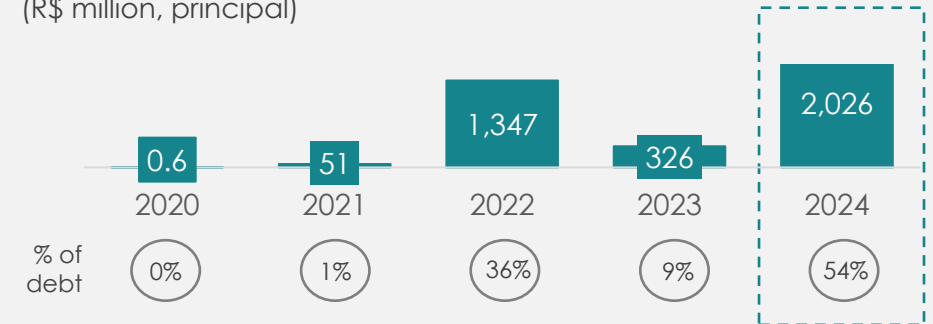
- **Marginal effect of laws and court decisions** in Q1
- Good **M&A** perspectives, with robust financial situation
- **Positive re-enrollment**
- New stage of **Digital Transformation** impacting NPS and retention
- **Digital and Premium** reaching **~50% of NOR** in 2021
- **Lifelong** gaining traction in all BUs

Subsequent Events

• Debt Issuance (R\$1.85 billion)

[February 2021] Approval of the **6th issuance of simple debentures, in a single series, in the total amount of R\$1.85 billion**, maturing 5 years after the issuance date.

Debt amortization schedule (current)
(R\$ million, principal)



• Authorization for 150 medicine seats

[March 2021] MEC granted **authorization for 150 new seats in medicine undergraduate course**, 50 seats in each of the following units: Açailândia, Quixadá, and Castanhal. Intake in 1S21.



APPENDIX



MEDICINE STUDENT BASE

6.1-6.5K

students in total medicine base expected by the end of 2021

					Full Potential ⁽¹⁾	
Units	State	Expected intake	Authorized/ Qualified Seats	Student Base	Authorized/ Qualified Seats	Student Base
Presidente Vargas	RJ	-	240	1,571	240	1,728
Città	RJ	-	170	925	170	1,224
Juazeiro do Norte	CE	-	100	685	100	720
Ribeirão Preto	SP	-	76	527	76	547
Teresina	PI	-	110	649	110	792
Alagoinhas	BA	-	65	206	165	1,188
Jaraguá do Sul	SC	-	50	137	150	1,080
Juazeiro	BA	-	155	380	155	1,116
Angra dos Reis	RJ	-	89	198	155	1,116
Canindé	CE	-	50	50	150	1,080
Cáceres	MT	-	50	50	50	360
Castanhal	PA	2021.1	50	-	150	1,080
Quixadá	CE	2021.1	50	-	150	1,080
Açailândia	MA	2021.1	50	-	150	1,080
Total Authorized Seats ⁽²⁾			1,305	5,378	1,971	14,191
Iguatu	CE	2021.2	50	-	150	1,080
Ji-Paraná	RO	2021.2	50	-	150	1,080
Total Qualified Seats			1,405	5,378	2,271	16,351
Athenas ⁽³⁾			-	-	200	-

(1) Assuming seat expansion to maximum capacity (+100 seats/year) in all Mais Médicos units. Student base includes ProUni and FIES.

(2) Authorized seats are qualified seats which received MEC final authorization.

(3) Seats not yet qualified from the acquisition of Athenas Group are under court and/or administrative discussions, with the possibility of up to +200 seats.



INCOME STATEMENT BY BUSINESS UNIT

Adjusted ⁽¹⁾ Income statement (in IFRS-16)	On-Campus	Digital Learning	Premium	Consolidated
R\$ Million	2020	2020	2020	2020
Gross Operating Revenue	5,043.1	1923.2	737.2	7,703.5
Deductions from gross revenue	(2,579.8)	(939.5)	(112.5)	(3,631.8)
Net Operating Revenue	2,463.3	983.7	624.7	4,071.7
Cost of Services	982.4	202.3	207.0	1,391.8
Gross profit	1,480.8	781.4	417.7	2,679.9
Gross Margin	60%	79%	67%	66%
Selling, G&A e Other Expenses	882.8	340.0	107.3	1,330.1
EBITDA	598.0	441.4	310.4	1,349.9
EBITDA Margin (%)	24%	45%	50%	33%



(1) Adjusted by non-recurring items in costs and expenses and non-recurring impacts on revenue explained in detail on slide "Non-recurring effects".

OUR TEACHING INSTITUTIONS⁽¹⁾

YDUQS

4Q20

YDUQS



(1) Athenas Group brands (UNIMETA, FAP, FAPAN, UNIJIPA and FSP) have been incorporated by the Estácio brand.



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