

2Q18

Conference call in Portuguese

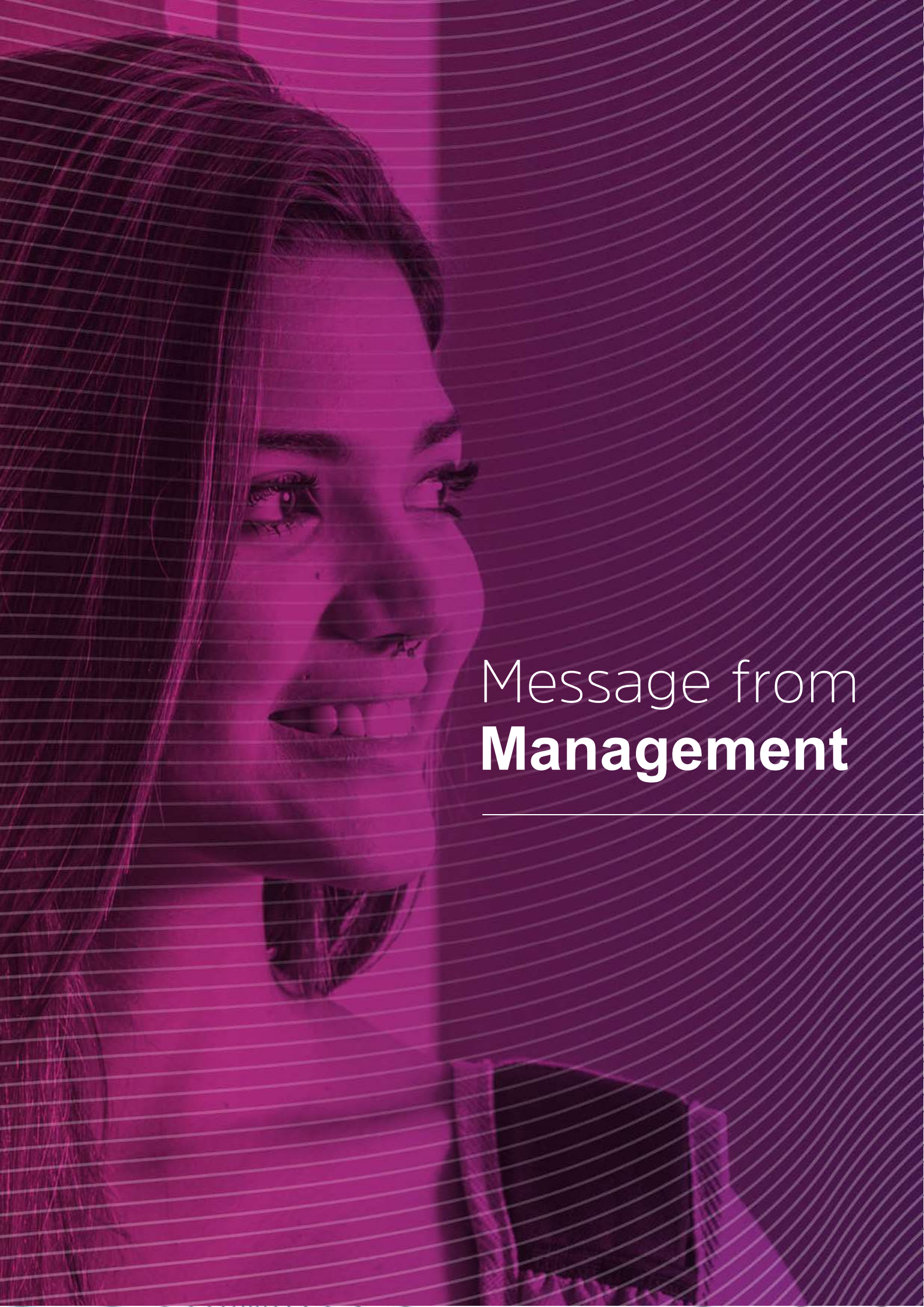
August 15, 2018
12:30 p.m. (Brasília)
11:30 a.m. (NY)
+55 (11) 2188-0155
Webcast: [click here.](#)
Code: Ânima
Replay: +55 (11) 2188-0400

Conference call in English

August 15, 2018
2:00 p.m. (Brasília)
1:00 p.m. (NY)
+1 (646) 843-6054
Webcast: [click here.](#)
Code: Ânima
Replay: +55 (11) 2188-0400

IR Contacts:

ri@animaeducacao.com.br
+55 (11) 4302-2611



Message from **Management**

MESSAGE FROM MANAGEMENT

We are ending the first half of the year looking towards the future. In May 2018, we completed 15 years of Anima, in a journey filled with achievements and learning. Within this context, our corporate governance design continues to evolve, following the company's growth. In this way, we will extract the best from each person individually, the management team, the board of directors and our shareholders. The recent changes, announced in the material fact published yesterday, follows this direction: to reinforce and clarify the role of the different stakeholders of the company's management going forward. We are simplifying our management model and giving greater agility to the decision making process, without distancing ourselves from our culture, values and the engaging purpose of Transforming the Country through Education!

Over the past 18 months we achieved important results. We resumed organic growth of our intake process, with three consecutive cycles of growth, after a complete redesign of our commercial strategy. We launched 14 new campuses (7 of them in this last semester) with great success in their first intake cycles, taking consistent steps in our organic expansion plan (Q2A). We have also grown inorganically with the two targeted acquisitions announced in July 2018. We have launched a new academic model (E2A) with great involvement and engagement of our academic community. Recently, we consolidated our recognition as one of the best companies to work in Brazil (source: GPTW) as well as figured once again in the list of most innovative companies in the country (source: Valor Inovação Brasil). We are also evolving in the portfolio management of the other businesses segment, simplifying and/or discontinuing activities with low adherence to our core business. Finally, we updated our long-term plans, giving greater visibility to the strategic map for the coming years.

However, if the progress of our strategic initiatives brings us excellent prospects, we are still not satisfied with the evolution of our margins (-2.7pp vs 1H17). For this reason, we are accelerating the plan to reduce our general and administrative expenses. Giving continuity to the work of standardization and centralization already in place, we are now eliminating redundancies between corporate structures and units. The plan will result in annualized gains of approximately R\$35 million when these actions are fully executed. Another important challenge will be to fully guarantee the benefits related to the integration of the acquisitions from 2016. Margins have dropped this semester and still operate at a lower efficiency level compare to our mature campuses. The sum of these initiatives, combined with the expected productivity gains for the coming years derived from the maturity of our new academic model, should contribute to structurally healthier margins. With that we will preserve our investment capacity to sustain our commitment to quality, growth and innovation within the educational scenario.

We have a clear understanding of the challenges ahead, a consistent strategic plan and an improved governance. This should enable us to consolidate the achievements and to advance further. This is our commitment.



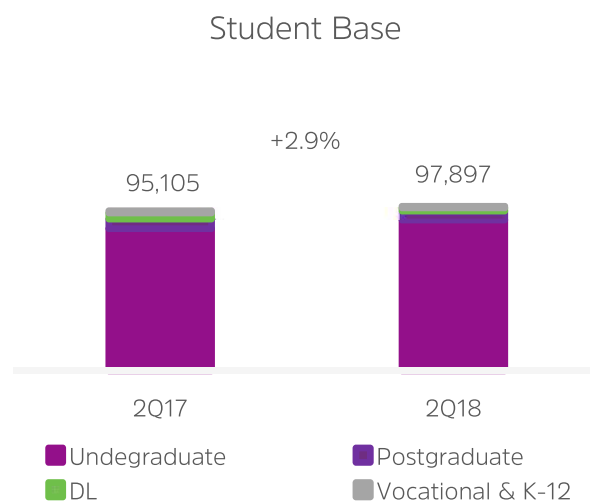
Operating **Performance**

Education

OPERATING PERFORMANCE

EDUCATION

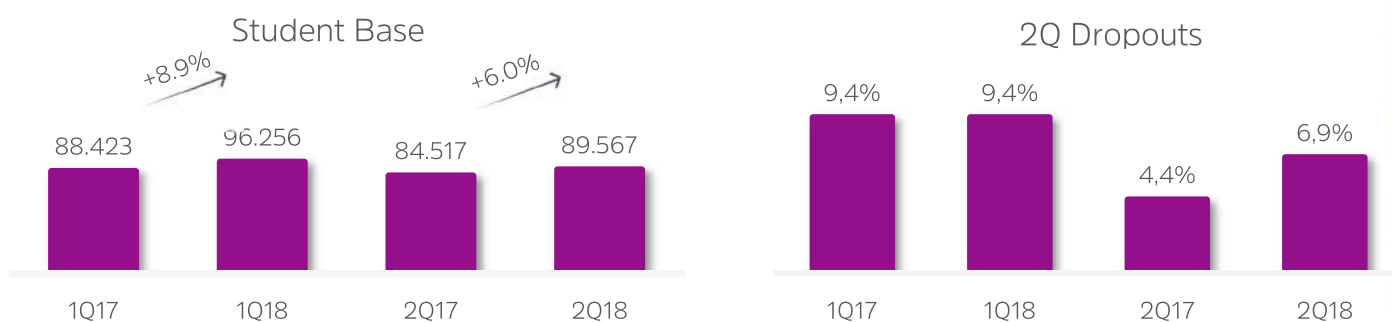
In 2Q18, we had 97.9 thousand students in our base, a 2.9% growth compared to 2Q17. As a positive highlight, the undergraduate student base is resuming growth (+5.1 thousand students and +6.0% versus the same period last year). This growth was partially offset by a decline in distance learning students (DL), in line with our strategic decision to stop enrolling students in this segment, graduate programs and vocational and K-12 programs.



Student Base	2Q17	3Q17	4Q17	1Q18	2Q18	% 2Q18/ 2017	% 2Q18/ 1Q18
Undergraduate ¹	84,517	86,742	83,045	96,256	89,567	6.0%	-6.9%
Graduate	5,596	4,491	4,557	4,715	5,478	-2.1%	16.2%
Distance Learning	3,651	2,789	2,752	1,750	1,797	-50.8%	2.7%
Vocational Programs & K12	1,341	1,123	894	1,018	1,055	-21.3%	3.6%
Total	95,105	95,145	91,248	103,739	97,897	2.9%	-5.6%

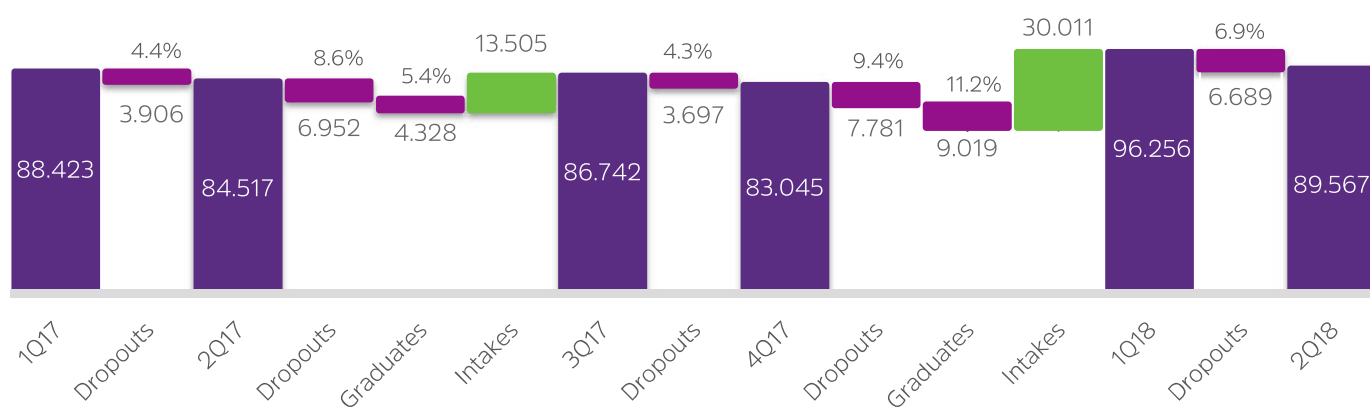
¹ Includes blended programs

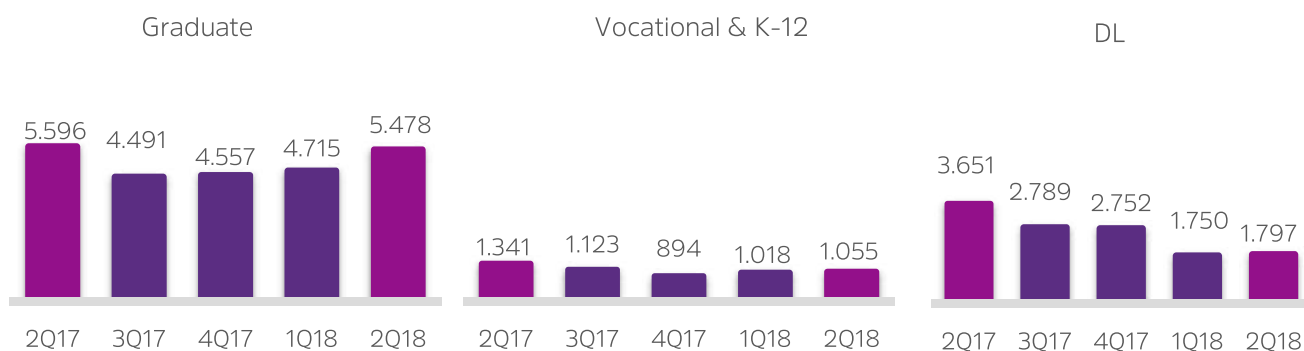
Student Base: Undergraduate courses



The undergraduate student base reached 89.6 thousand students in 2Q18. In line with what we have observed since 3Q17, the undergraduate student base grew 6.0% compared to 2Q17. In this quarter, 6.7 thousand students dropped out, corresponding to 6.9% of the student base. This increase was mainly driven by freshmen, who accounted for a larger share of the student base in the first semester, following the growth in 1Q18's intake cycle.

Student flow – Undergraduate





Graduate Student Base – The number of students enrolled in our graduate programs came to 5.5 thousand by the end of 2Q18, a 2.1% reduction vs. 2Q17.

K12 and Vocational Student Base – We ended 2Q18 with 1.1 thousand K-12 and vocational education students (-21.3% vs. 2Q17), which include Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT).

Distance-Learning Student Base – We ended 2Q18 with 1.8 thousand distance-learning students in undergraduate, graduate and vocational programs, which represents a 50.8% decline year on year, in line with our strategic decision to stop enrolling students in this segment.

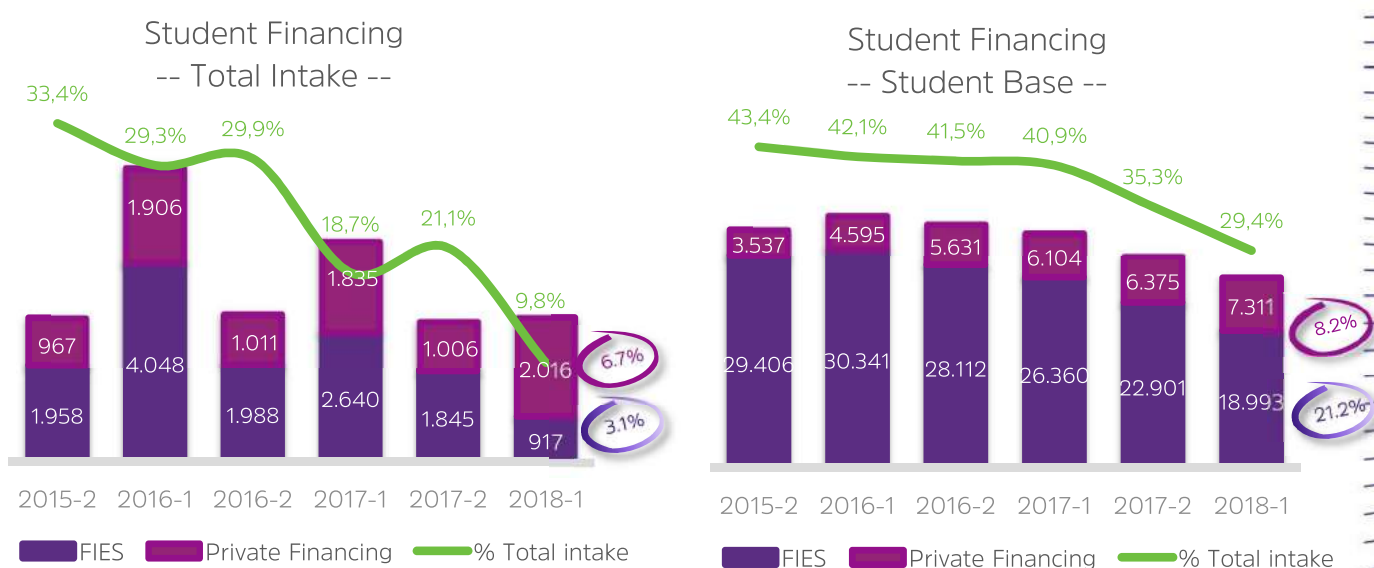
A man with a beard and short hair is shown in profile, smiling as he looks at a smartphone held in his hands. The background is a warm, orange-toned image of a tree. The entire image has a fine, white, diagonal grid pattern overlaid on it.

Student **Financing**

Student Financing

We ended the first semester of the year with 0.9 thousand new FIES contracts (-65.3% vs. 2017-1), accounting for 3.1% of the total intake. This includes both new contracts made available by the government for this semester, and students who transferred from other institutions. As a result, we ended the quarter with approximately 19.0 thousand FIES students (21.2% of the base).

In addition to the traditional PraValer products, in which the receivables' credit risk is fully transferred to Ideal Invest, we also offer a type of financing in which students go through PraValer's entire credit scoring process, but we decide to approve an additional number of students and, therefore, maintain the credit risk in our balance sheet. During this semester, private financing products reached 2.0 thousand new students (+9.8% vs. 2017-1), corresponding to 6.7% of the total intake, 319 of whom use our own balance sheet. We ended the semester with 7.3 thousand students with private financing, equivalent to 8.2% of the undergraduate student base, in which only 1.4 thousand using our own balance sheet.

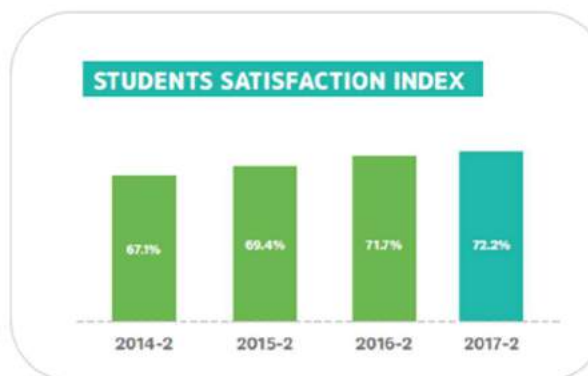
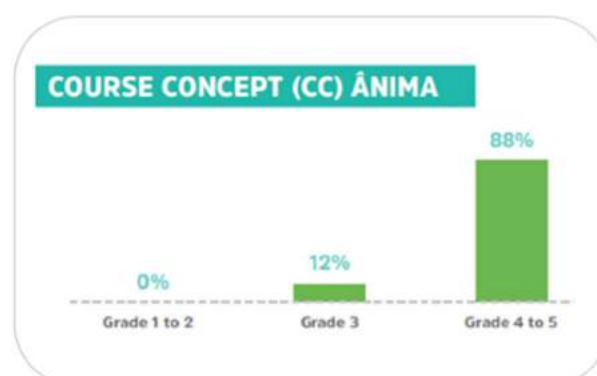
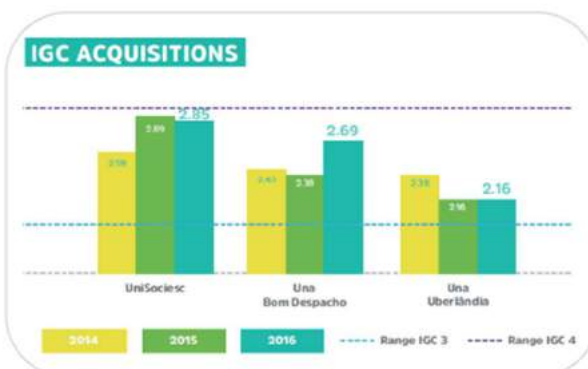
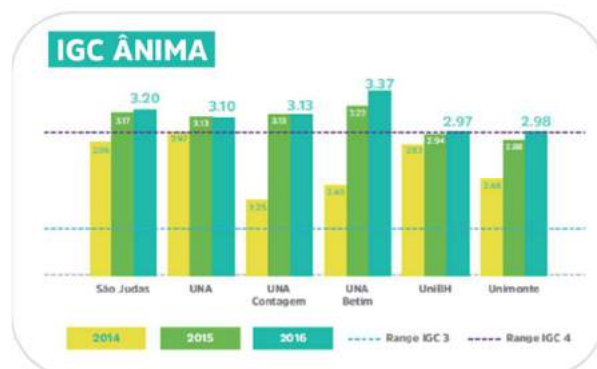
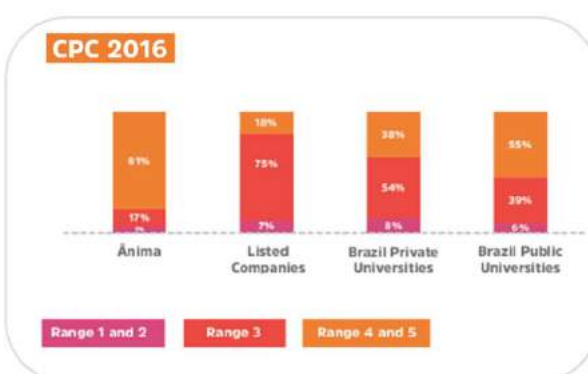
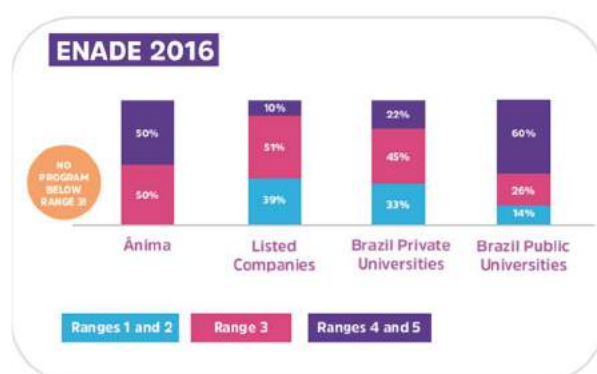




Academic
Quality

Academic Quality

As we reported in 4Q17, we celebrated in this cycle the fact that all the institutions in our organic base reached an IGC within range 4. Since the Ministry of Education (MEC) evaluates institutions on an annual basis, please refer to the 4Q17 earnings release for more details about our latest academic indicators. Find below a summary of the main academic indicators:





Financial Performance

The Company's financial results are divided into two segments:

i) Education – which includes, in addition to post-secondary education (undergraduate and graduate), K-12 and vocational programs, including Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT).

ii) Other Businesses – which includes HSM and Escola Brasileira de Direito (EBRADI – Brazilian Law School).

FINANCIAL PERFORMANCE

1H18 Results

R\$ (million)	1H18					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	912.2	168.3%	885.9	171.0%	26.3	110.1%
Discounts, Deductions & Scholarships	(353.4)	-65.2%	(352.2)	-68.0%	(1.2)	-4.9%
Taxes	(16.8)	-3.1%	(15.6)	-3.0%	(1.2)	-5.2%
Net Revenue	542.1	100.0%	518.2	100.0%	23.9	100.0%
Cash Cost of Services	(296.0)	-54.6%	(285.6)	-55.1%	(10.4)	-43.5%
- Personnel	(208.0)	-38.4%	(207.7)	-40.1%	(0.3)	-1.4%
- Services from Third Parties	(19.2)	-3.5%	(14.4)	-2.8%	(4.8)	-20.0%
- COGS	(0.9)	-0.2%	0.0	0.0%	(0.9)	-3.6%
- Rental & Utilities	(47.7)	-8.8%	(46.5)	-9.0%	(1.2)	-4.9%
- Others	(20.2)	-3.7%	(17.0)	-3.3%	(3.2)	-13.6%
Gross Profit (exclud. deprec. /amort.)	246.1	45.4%	232.6	44.9%	13.5	56.5%
Sales Expenses	(43.2)	-8.0%	(40.5)	-7.8%	(2.8)	-11.6%
- Provision for Doubtful Accounts (PDA)	(21.7)	-4.0%	(21.0)	-4.1%	(0.7)	-2.8%
- Marketing	(21.6)	-4.0%	(19.5)	-3.8%	(2.1)	-8.8%
General & Administrative Expenses	(59.4)	-11.0%	(47.3)	-9.1%	(12.1)	-50.8%
- Personnel	(42.6)	-7.8%	(32.1)	-6.2%	(10.5)	-44.0%
- Third Party Services	(4.9)	-0.9%	(4.4)	-0.9%	(0.4)	-1.9%
- Rental & Utilities	(1.8)	-0.3%	(1.3)	-0.2%	(0.5)	-2.2%
- Others	(10.1)	-1.9%	(9.5)	-1.8%	(0.7)	-2.8%
Other Operating Revenues (Expenses)	2.9	0.5%	3.4	0.7%	(0.4)	-1.8%
- Provisions	(0.2)	0.0%	(0.2)	0.0%	(0.0)	0.0%
- Taxes	(1.5)	-0.3%	(0.7)	-0.1%	(0.8)	-3.5%
- Other Operating Revenues	4.7	0.9%	4.3	0.8%	0.4	1.8%
Late Payment Fees	5.9	1.1%	5.9	1.1%	0.0	0.0%
Operating Result	152.3	28.1%	154.1	29.7%	(1.9)	-7.8%
- Corporate Expenses	(51.1)	-9.4%				
Adjusted EBITDA	101.2	18.7%				
(-) Late Payment Fees	(5.9)	-1.1%				
(-) Non-Recurring Items - EBITDA	(11.3)	-2.1%				
EBITDA	83.9	15.5%				
Depreciation & Amortization	(26.8)	-4.9%				
Equity Equivalence	(0.9)	-0.2%				
EBIT	56.3	10.4%				
Net Financial Result	(15.7)	-2.9%				
EBT	40.6	7.5%				
Income Tax and Social Contribution	(3.7)	-0.7%				
Net Income Before Non-Controlling Interest	37.0	6.8%				
Non-Controlling Interest	0.0	0.0%				
Net Income	37.0	6.8%				
(-) Non-Recurring Items - EBITDA	11.3	2.1%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
Adjusted Net Income	48.3	8.9%				

2Q18 Results

R\$ (million)	2Q18					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	457.6	165.2%	436.8	169.4%	20.8	108.9%
Discounts, Deductions & Scholarships	(171.8)	-62.0%	(171.1)	-66.3%	(0.7)	-3.8%
Taxes	(8.8)	-3.2%	(7.8)	-3.0%	(1.0)	-5.1%
Net Revenue	277.0	100.0%	257.8	100.0%	19.1	100.0%
Cash Cost of Services	(169.0)	-61.0%	(160.3)	-62.2%	(8.7)	-45.5%
- Personnel	(117.2)	-42.3%	(117.0)	-45.4%	(0.2)	-1.0%
- Services from Third Parties	(11.6)	-4.2%	(8.0)	-3.1%	(3.5)	-18.4%
- COGS	(0.9)	-0.3%	0.0	0.0%	(0.9)	-4.5%
- Rental & Utilities	(25.4)	-9.2%	(24.4)	-9.4%	(1.1)	-5.6%
- Others	(14.0)	-5.0%	(10.9)	-4.2%	(3.1)	-16.0%
Gross Profit (exclud. deprec. /amort.)	108.0	39.0%	97.5	37.8%	10.4	54.5%
Sales Expenses	(22.6)	-8.2%	(21.1)	-8.2%	(1.5)	-7.9%
- Provision for Doubtful Accounts (PDA)	(12.1)	-4.4%	(11.8)	-4.6%	(0.3)	-1.4%
- Marketing	(10.5)	-3.8%	(9.3)	-3.6%	(1.2)	-6.5%
General & Administrative Expenses	(31.9)	-11.5%	(25.3)	-9.8%	(6.6)	-34.5%
- Personnel	(22.7)	-8.2%	(17.1)	-6.6%	(5.6)	-29.5%
- Third Party Services	(2.3)	-0.8%	(2.0)	-0.8%	(0.2)	-1.3%
- Rental & Utilities	(0.8)	-0.3%	(0.5)	-0.2%	(0.3)	-1.4%
- Others	(6.1)	-2.2%	(5.6)	-2.2%	(0.5)	-2.4%
Other Operating Revenues (Expenses)	2.4	0.9%	3.1	1.2%	(0.7)	-3.8%
- Provisions	0.9	0.3%	1.0	0.4%	(0.1)	-0.5%
- Taxes	(1.2)	-0.4%	(0.5)	-0.2%	(0.7)	-3.6%
- Other Operating Revenues	2.7	1.0%	2.6	1.0%	0.0	0.2%
Late Payment Fees	1.6	0.6%	1.6	0.6%	0.0	0.0%
Operating Result	57.4	20.7%	55.8	21.6%	1.6	8.3%
- Corporate Expenses	(26.6)	-9.6%				
Adjusted EBITDA	30.8	11.1%				
(-) Late Payment Fees	(1.6)	-0.6%				
(-) Non-Recurring Items - EBITDA	(5.2)	-1.9%				
EBITDA	23.9	8.6%				
Depreciation & Amortization	(13.9)	-5.0%				
Equity Equivalence	(0.6)	-0.2%				
EBIT	9.5	3.4%				
Net Financial Result	(10.5)	-3.8%				
EBT	(1.1)	-0.4%				
Income Tax and Social Contribution	(1.9)	-0.7%				
Net IncomeBefore Non-Controlling Interest	(3.0)	-1.1%				
Non-Controlling Interest	0.0	0.0%				
Net Income	(3.0)	-1.1%				
(-) Non-Recurring Items - EBITDA	5.2	1.9%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
Adjusted Net Income	2.3	0.8%				

FINANCIAL PERFORMANCE – Education

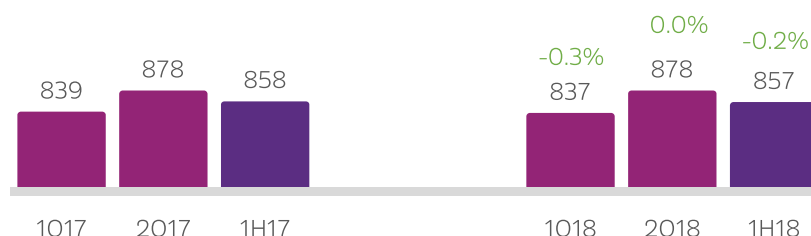
R\$ (million)	Education									
	1H18	% Net Revenue	1H17	% Net Revenue	% YA	2Q18	% Net Revenue	2Q17	% Net Revenue	% YA
Gross Revenue	885.9	171.0%	787.9	157.7%	12.4%	436.8	169.4%	397.8	158.8%	9.8%
Discounts, Deductions & Scholarships	(352.2)	-68.0%	(275.7)	-55.2%	27.8%	(171.1)	-66.3%	(139.7)	-55.8%	22.5%
Taxes	(15.6)	-3.0%	(12.6)	-2.5%	23.0%	(7.8)	-3.0%	(7.7)	-3.1%	2.5%
Net Revenue	518.2	100.0%	499.6	100.0%	3.7%	257.8	100.0%	250.4	100.0%	3.0%
Cash Cost of Services	(285.6)	-55.1%	(272.2)	-54.5%	4.9%	(160.3)	-62.2%	(150.8)	-60.2%	6.3%
- Personnel	(207.7)	-40.1%	(203.5)	-40.7%	2.1%	(117.0)	-45.4%	(113.8)	-45.5%	2.8%
- Services from Third Parties	(14.4)	-2.8%	(12.6)	-2.5%	14.0%	(8.0)	-3.1%	(6.8)	-2.7%	19.1%
- COGS	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
- Rental & Utilities	(46.5)	-9.0%	(41.7)	-8.3%	11.6%	(24.4)	-9.4%	(21.4)	-8.6%	13.7%
- Others	(17.0)	-3.3%	(14.4)	-2.9%	18.1%	(10.9)	-4.2%	(8.8)	-3.5%	24.0%
Gross Profit (exclud. deprec. /amort.)	232.6	44.9%	227.4	45.5%	2.3%	97.5	37.8%	99.6	39.8%	-2.1%
Sales Expenses	(40.5)	-7.8%	(32.3)	-6.5%	25.1%	(21.1)	-8.2%	(17.5)	-7.0%	20.3%
- Provision for Doubtful Accounts (PDA)	(21.0)	-4.1%	(21.3)	-4.3%	-1.2%	(11.8)	-4.6%	(12.8)	-5.1%	-7.9%
- Marketing	(19.5)	-3.8%	(11.1)	-2.2%	75.7%	(9.3)	-3.6%	(4.7)	-1.9%	96.5%
General & Administrative Expenses	(47.3)	-9.1%	(44.0)	-8.8%	7.4%	(25.3)	-9.8%	(22.9)	-9.1%	10.8%
- Personnel	(32.1)	-6.2%	(29.0)	-5.8%	10.7%	(17.1)	-6.6%	(15.1)	-6.0%	13.4%
- Third Party Services	(4.4)	-0.9%	(5.4)	-1.1%	-17.6%	(2.0)	-0.8%	(2.5)	-1.0%	-17.5%
- Rental & Utilities	(1.3)	-0.2%	(1.5)	-0.3%	-13.6%	(0.5)	-0.2%	(0.8)	-0.3%	-32.0%
- Others	(9.5)	-1.8%	(8.1)	-1.6%	16.2%	(5.6)	-2.2%	(4.5)	-1.8%	24.9%
Other Operating Revenues (Expenses)	3.4	0.7%	2.9	0.6%	15.9%	3.1	1.2%	2.1	0.8%	46.8%
- Provisions	(0.2)	0.0%	(0.2)	0.0%	19.8%	1.0	0.4%	0.5	0.2%	86.2%
- Taxes	(0.7)	-0.1%	(1.0)	-0.2%	-29.7%	(0.5)	-0.2%	(0.5)	-0.2%	2.6%
- Other Operating Revenues	4.3	0.8%	4.1	0.8%	5.0%	2.6	1.0%	2.1	0.8%	26.1%
Late Payment Fees	5.9	1.1%	5.8	1.2%	2.2%	1.6	0.6%	1.7	0.7%	-5.9%
Operating Result	154.1	29.7%	159.7	32.0%	-3.5%	55.8	21.6%	63.0	25.2%	-11.5%

Net Revenue

Net revenue reached R\$518.2 million in 1H18, 3.7% above 1H17. While our average net ticket dropped slightly (-0.2% vs. 1H17), our student base grew 3.9% in the first half the year. In 2Q18, net revenue came to R\$257.8 million, 3.0% more than in 2Q17. Given that the average ticket remained virtually stable year on year, this growth was mostly driven by the expansion of the student base in the new academic units, as part of our organic growth plan, called Q2A.

Our net ticket averaged R\$857/month in the first semester, virtually in line with the same period last year (-0.2%), driven by the average increase in tuition fees (+5.5%) and gains from a better program mix (+2.7%), including undergraduate and graduate programs, offset by higher scholarships, discounts and taxes (-8.4%) concentrated in 1Q18. In 2Q18, our net ticket averaged R\$878/month, in line with 2Q17, also due to the average increase in tuition fees (+5.5%), but with lower gains related to the program mix (+1.2%) and offset by scholarships, discounts and taxes (-6.7%).

Net Average Ticket (R\$/month)



Total Costs and Gross Profit

Gross profit reached R\$232.6 million in 1H18, which represents a margin of 44.9%, 0.6pp below 1H17. Despite faculty and academic support staff productivity gains (personnel costs), we saw an increase in rental and utilities (-0.6pp) and other costs (-0.4pp), essentially as a result of the new units inaugurated at the beginning of the year and the negative effects associated with higher discounts, scholarships and taxes. In 2Q18, gross profit came to R\$97.5 million, or 37.8% of net revenue (-2.0pp vs. 2Q17), mainly due to an increase in rental and utilities (-0.9pp), other costs (-0.7pp) and third party services (-0.4pp).

Managerial Reclassification

In this quarter, we reclassified items from corporate expenses that were being recorded as corporate expenses under selling and personnel expenses in the Education segment level. Most of these expenses are connected to the student enrollment process, such as expenses with the sales team, sales call center, variable compensation of the sales team, and some media expenses, that and used to be recorded under corporate expenses because they were centrally managed. From now on, these expenses will be accrued back to our higher education brands. To ensure a consistent comparison with prior periods, the table below shows this classification applied retroactively:

Reclassification (in R\$ million)	1H18	2Q18	1Q18	1H17	2Q17	1Q17	2H17	3Q17	4Q17
Total Reclassification	6.1	3.8	2.3	1.7	1.5	0.2	4.6	1.9	2.7
Marketing Expenses	0.7	0.5	0.2	0.2	0.2	0.0	0.7	0.2	0.5
Personnel Expenses	5.4	3.4	2.0	1.5	1.3	0.2	3.9	1.7	2.2

Selling Expenses

Selling expenses, after the above-mentioned reclassification, reached R\$40.5 million in 1H18 (+25.1% vs. 1H17), or 7.8% of net revenue (-1.3pp vs. 1H17). We see an increase in Marketing expenses as a percentage of net revenue of -1.6pp versus 1H17, mainly due to expenses related to the opening of new units, while our provisions for doubtful accounts improved 0.2pp versus 1H17. In 2Q18, selling expenses came to R\$21.1 million (-1.2pp vs. 2Q17), driven by an increase in marketing expenses (-1.7pp) despite a reduction in PDA (+0.5pp).

General and Administrative Expenses

General and Administrative expenses, after the reclassification mentioned above, reached R\$47.3 million in 1H18 (+7.4 vs. 1H17), representing 9.1% of net revenue (-0.3pp vs. 1H17). We saw a deterioration in personnel expenses (-0.4pp vs. 1H17) and an improvement in third-party services and rental and utilities expenses (+0.2pp and +0.1pp, respectively), mainly due to synergies arising from the integration of the acquired units and the centralization of corporate expenses. In 2Q18, general and administrative expenses came to R\$25.3 million, or 9.8% of net revenue, -0.7pp versus the same period last year, mainly driven by an increase in personnel expenses (-0.6pp).

Other Operating Revenues (Expenses)

Other Operating Revenues (Expenses), including fines and interest on tuition fees, came to R\$9.3 million in 1H18, or 1.8% of net revenue, (in line with 1H17). In 2Q18, Other Operating Revenues (Expenses) including fines and interest on tuition fees reached R\$4.7 million, or 1.8% of net revenue (+0.3pp vs. 2Q17).

Operating Result

We ended the first half of 2018 with an operating result of R\$154.1 million, (-3.5% vs. 1H17) and an operating margin of 29.7% (-2.2pp vs. 1H17). As highlighted at the end of last year, in order to monitor the evolution of our operating margins in the Education segment, we divided the units into three major blocks, as each one of them is in a different stage of maturity. It is worth pointing out that the results

reported in 1Q18 also went through the reclassification previously mentioned, as well as improvements on the allocation of marketing expenses between campuses. Therefore, we are presenting the results of the semester considering these changes retroactively.

R\$ (million)	Base ¹			Acquisitions ²			Organic Exp. ³			Education		
	Excl. New Units			Excl. New Units								
	1H18	1H17	%AH	1H18	1H17	%AH	1H18	1H17	%AH	1H18	1H17	%AH
Net Revenue	403.3	407.1	-0.9%	84.6	88.0	-3.8%	30.3	4.5	574.2%	518.2	499.6	3.7%
Gross Profit	191.7	193.4	-0.9%	29.7	34.1	-12.9%	11.2	(0.1)	-7680.9%	232.6	227.4	2.3%
Gross Margin	47.5%	47.5%	0.0pp	35.1%	38.8%	-3.7pp	37.0%	-3.3%	40.3pp	44.9%	45.5%	-0.6pp
Operating Result	139.7	144.7	-3.5%	12.6	16.2	-22.3%	1.9	(1.1)	-266.4%	154.1	159.7	-3.5%
Operating Margin	34.6%	35.5%	-0.9pp	14.8%	18.4%	-3.5pp	6.3%	-25.6%	31.9pp	29.7%	32.0%	-2.2pp

R\$ (million)	Base ¹			Acquisitions ²			Organic Exp. ³			Education		
	Excl. New Units			Excl. New Units								
	2Q18	2Q17	%AH	2Q18	2Q17	%AH	2Q18	2Q17	%AH	2Q18	2Q17	%AH
Net Revenue	201.2	203.8	-1.3%	42.3	44.1	-4.1%	14.4	2.6	461.1%	257.8	250.4	3.0%
Gross Profit	84.0	85.4	-1.7%	11.2	14.7	-23.2%	2.3	(0.5)	-606.1%	97.5	99.6	-2.1%
Gross Margin	41.7%	41.9%	-0.2pp	26.6%	33.2%	-6.6pp	16.2%	-18.0%	34.2pp	37.8%	39.8%	-2.0pp
Operating Result	57.1	59.4	-3.8%	1.3	4.8	-73.4%	(2.6)	(1.1)	122.6%	55.8	63.0	-11.5%
Operating Margin	28.4%	29.1%	-0.8pp	3.0%	10.9%	-7.9pp	-17.8%	-44.8%	27.1pp	21.6%	25.2%	-3.5pp

¹ Considers Una, UniBH and São Judas (including the Unimonte campus, but excluding acquisitions and new units opened as of 2016)

² Considers acquisitions made throughout 2016 (UniSociesc Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16)

³ Considers organic expansion: Units of Sete Lagoas (Jul'16), Catalão (Oct'16), Divinópolis (Feb'17), Pouso Alegre (Mar'17), Nova Serrana (Apr'17), São Bento do Sul (Jan'17), Itajaí (Jul'17), Itabira (Jan'18), Jataí (Jan'18), Jabaquara (Jan'18), Santo Amaro (Jan'18), Paulista (Jan'18), Palácio Avenida (Jan'18), Jaraguá do Sul (Jan'18)

*We are restating the results of 1Q18, referred to the Acquisitions, including the results of the Una Uberlândia unit, which had been presented as Organic Expansion.

**1Q18 results also passed through reclassification of corporate expenses to sales and personnel expenses in Education, improving the apportionment of the expenses between units.

Looking to our Base operation, which includes our mature units under the Una, UniBH and São Judas brands (including the Unimonte Campus), we still have a challenge to resume growth, and ended the first half of the year with net revenue of R\$403.3 million (-0.9% vs. 1H17). This challenge is more concentrated in the metropolitan region of Belo Horizonte, with an increase in competition being reflected in the student base and also in discounts. Despite of that, we were able to maintain our gross margin at 47.5% of net revenue, and ended the semester with an operating result of R\$139.7 million, equivalent to a margin of 34.6% (-0.9pp vs. 1H17). This decline was mainly driven by an increase in marketing and sales teams expenses. In 2Q18, our Base operation recorded an operating result of R\$57.1 million, or 28.4% of net revenue (-0.8pp vs. 2Q17). It is important to remind that the main efficiency gains for our mature campuses will come in the following years, with the role out of the new academic model that was implemented for the new students as of this year.

For Acquisitions (UniSociesc, Una Bom Despacho and Una Uberlândia), we still need to fulfill the profitability gap versus our mature campuses. With net revenue of R\$84.6 million, 3.8% below the same period last year, our operating margin declined -3.5pp versus the same period last year. This reduction is mainly explained by UniSociesc's result, especially due to the retraction in the graduate segment and, to a smaller extent, a lower classroom efficiency in the undergraduate courses. On

the latter, we are working hard to improve this metric already in the second semester of 2018 for the whole portfolio through more rigid processes and controls. As a result, we ended the period with an operating result of R\$12.6 million and a margin of 14.8% (-3.5pp vs. 1H17). In 2Q18, these units recorded an operating result of R\$1.3 million, or 3.0% of net revenue (-7.9pp vs. 2Q17).

Finally, we have our Organic Expansion plan, which includes both the 7 campuses opened between Jul'16 and Ju'17 (which are still in the maturation stage) and the 7 new campuses launched at the beginning of this year. These new campuses were the main source of growth of our student base until now. We ended the semester with net revenue of R\$30.3 million, in line with its business plan, and operating result of R\$1.9 million, with a margin of 6.3% (+31.9pp vs. 1H17). In 2Q18, our organic expansion units recorded a negative operating result of R\$2.6 million. As we mentioned in our 1Q18 Earnings Release, our first-quarter results represented only a partial picture of the first half of the year, since some operating costs (such as professors, coordinators and service providers) of the 7 new campuses opened in 2018 were hired during the period. This generated a positive temporary impact in 1Q18, now neutralized in 2Q18. 1H18 results are, therefore, in line with our expectations and show a positive trend versus the same period last year.

FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others									
	1H18	% Net Revenue	1H17	% Net Revenue	% YA	2Q18	% Net Revenue	2Q17	% Net Revenue	% YA
Gross Revenue	26.3	110.1%	17.4	110.9%	51.3%	20.8	108.9%	10.6	111.2%	95.9%
Discounts, Deductions & Scholarships	(1.2)	-4.9%	(0.3)	-1.8%	311.8%	(0.7)	-3.8%	(0.3)	-2.9%	164.4%
Taxes	(1.2)	-5.2%	(1.4)	-9.1%	-13.6%	(1.0)	-5.1%	(0.8)	-8.4%	21.6%
Net Revenue	23.9	100.0%	15.6	100.0%	52.5%	19.1	100.0%	9.6	100.0%	100.2%
Cash Cost of Services	(10.4)	-43.5%	(10.4)	-66.3%	0.2%	(8.7)	-45.5%	(6.5)	-67.6%	34.7%
- Personnel	(0.3)	-1.4%	(1.8)	-11.6%	-81.1%	(0.2)	-1.0%	(0.9)	-9.7%	-80.0%
- Services from Third Parties	(4.8)	-20.0%	(3.9)	-24.9%	22.8%	(3.5)	-18.4%	(2.2)	-22.9%	60.6%
- COGS	(0.9)	-3.6%	(1.9)	-11.9%	-53.9%	(0.9)	-4.5%	(1.4)	-14.7%	-38.6%
- Rental & Utilities	(1.2)	-4.9%	(0.8)	-5.2%	44.8%	(1.1)	-5.6%	(0.5)	-5.0%	127.7%
- Others	(3.2)	-13.6%	(2.0)	-12.7%	63.1%	(3.1)	-16.0%	(1.5)	-15.4%	108.7%
Gross Profit (exclud. deprec. /amort.)	13.5	56.5%	5.3	33.7%	155.3%	10.4	54.5%	3.1	32.4%	236.8%
Sales Expenses	(2.8)	-11.6%	(2.9)	-18.7%	-5.1%	(1.5)	-7.9%	(2.1)	-22.2%	-29.3%
- Provision for Doubtful Accounts (PDA)	(0.7)	-2.8%	(0.8)	-4.9%	-11.4%	(0.3)	-1.4%	(0.4)	-3.8%	-27.2%
- Marketing	(2.1)	-8.8%	(2.2)	-13.8%	-2.9%	(1.2)	-6.5%	(1.8)	-18.4%	-29.7%
General & Administrative Expenses	(12.1)	-50.8%	(12.5)	-80.1%	-3.2%	(6.6)	-34.5%	(6.4)	-66.6%	3.8%
- Personnel	(10.5)	-44.0%	(9.5)	-60.8%	10.2%	(5.6)	-29.5%	(5.0)	-52.0%	13.3%
- Third Party Services	(0.4)	-1.9%	(1.2)	-7.6%	-62.9%	(0.2)	-1.3%	(0.5)	-4.9%	-47.4%
- Rental & Utilities	(0.5)	-2.2%	(0.6)	-3.8%	-10.2%	(0.3)	-1.4%	(0.3)	-2.8%	-1.4%
- Others	(0.7)	-2.8%	(1.2)	-7.9%	-45.6%	(0.5)	-2.4%	(0.7)	-6.8%	-30.1%
Other Operating Revenues (Expenses)	(0.4)	-1.8%	0.6	4.0%	-169.9%	(0.7)	-3.8%	0.4	4.5%	-271.4%
- Provisions	(0.0)	0.0%	(0.0)	-0.2%	-66.4%	(0.1)	-0.5%	(0.0)	-0.1%	1088.7%
- Taxes	(0.8)	-3.5%	(0.2)	-1.3%	298.9%	(0.7)	-3.6%	(0.2)	-1.6%	353.2%
- Other Operating Revenues	0.4	1.8%	0.9	5.5%	-51.6%	0.0	0.2%	0.6	6.1%	-92.6%
Late Payment Fees	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Operating Result	(1.9)	-7.8%	(9.6)	-61.1%	-80.5%	1.6	8.3%	(5.0)	-51.9%	-131.9%

The Other Businesses segment is composed by HSM and EBRADI, Escola Brasileira de Direito. HSM is an integrated educational solution platform that promotes the continuing education and professional development of executives and managers from all over Brazil through customized products that foster learning, exchange of experiences and networking. EBRADI is an Ânima brand launched at the end of 2016 to offer online legal education and training to students from all over the country. Its portfolio includes preparatory courses for the Brazilian Bar exam (OAB), as well as graduate and extension programs.

As we mentioned in our 1Q18 Earnings Release, in January we decided to simplify the operations of UniSociesc's Innovation and Management area (GIT) by discontinuing the tooling and laboratory analysis sectors and reducing their respective management structures. The remaining activities (consulting and foundry) will be fully conducted by Instituto Ânima and therefore will no longer be consolidated in our results. We are eliminating all the effects related to this business unit, including net revenue of R\$5.9 million and a negative operating result of R\$2.9 million, from the 1H18 managerial results presented in this report.

In 1H18, net revenue from the Other Businesses segment reached R\$23.9 million, a 52.5% increase versus 1H17. We saw growth both at HSM, due to the event "HR Conference" in 1Q18 and the events "Singularity University Summit" and "HSM Leadership Summit" in 2Q18, and at EBRADI, due to higher sales of online Law

courses. Gross profit came to R\$13.5 million, 155.3% more than in 1H17, with a gross margin of 56.5% (+22.7pp vs. 1Q17). We ended 1H18 with a negative operating result of R\$1.9 million, which was R\$7.7 million better than in 1H17. It is worth mentioning that the Other Businesses segment, especially HSM, continues to show significant seasonality. In 2Q18, net revenue from other businesses reached R\$19.1 million, approximately double the amount reported in 2Q17, highly related to the seasonality of the events hosted by HSM. Gross profit stood at R\$10.4 million, up 236.8% over 2Q17, with a gross margin of 54.5% (+22.1pp vs. 2Q17), while the operating result was R\$1.6 million (versus a negative R\$5.0 million in 2Q17) with a margin of 8.3%.

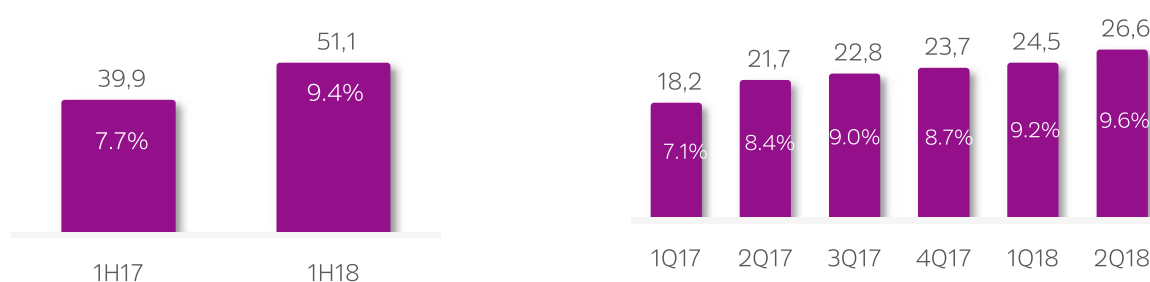
CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Ánima									
	1H18	% Net Revenue	1H17	% Net Revenue	% YA	2Q18	% Net Revenue	2Q17	% Net Revenue	% YA
Gross Revenue	912.2	168.3%	805.2	156.3%	13.3%	457.6	165.2%	408.4	157.1%	12.0%
Discounts, Deductions & Scholarships	(353.4)	-65.2%	(275.9)	-53.6%	28.1%	(171.8)	-62.0%	(140.0)	-53.8%	22.8%
Taxes	(16.8)	-3.1%	(14.1)	-2.7%	19.3%	(8.8)	-3.2%	(8.4)	-3.2%	4.3%
Net Revenue	542.1	100.0%	515.2	100.0%	5.2%	277.0	100.0%	260.0	100.0%	6.5%
Cash Cost of Services	(296.0)	-54.6%	(282.5)	-54.8%	4.8%	(169.0)	-61.0%	(157.3)	-60.5%	7.5%
- Personnel	(208.0)	-38.4%	(205.3)	-39.8%	1.3%	(117.2)	-42.3%	(114.8)	-44.1%	2.1%
- Services from Third Parties	(19.2)	-3.5%	(16.5)	-3.2%	16.1%	(11.6)	-4.2%	(8.9)	-3.4%	29.2%
- COGS	(0.9)	-0.2%	(1.9)	-0.4%	-53.9%	(0.9)	-0.3%	(1.4)	-0.5%	-38.6%
- Rental & Utilities	(47.7)	-8.8%	(42.5)	-8.2%	12.2%	(25.4)	-9.2%	(21.9)	-8.4%	16.1%
- Others	(20.2)	-3.7%	(16.4)	-3.2%	23.5%	(14.0)	-5.0%	(10.3)	-3.9%	36.2%
Gross Profit (exclud. deprec. /amort.)	246.1	45.4%	232.7	45.2%	5.8%	108.0	39.0%	102.7	39.5%	5.1%
Sales Expenses	(43.2)	-8.0%	(35.3)	-6.8%	22.6%	(22.6)	-8.2%	(19.7)	-7.6%	14.9%
- Provision for Doubtful Accounts (PDA)	(21.7)	-4.0%	(22.0)	-4.3%	-1.6%	(12.1)	-4.4%	(13.2)	-5.1%	-8.4%
- Marketing	(21.6)	-4.0%	(13.2)	-2.6%	62.9%	(10.5)	-3.8%	(6.5)	-2.5%	62.3%
General & Administrative Expenses	(59.4)	-11.0%	(56.5)	-11.0%	5.1%	(31.9)	-11.5%	(29.2)	-11.2%	9.2%
- Personnel	(42.6)	-7.8%	(38.5)	-7.5%	10.6%	(22.7)	-8.2%	(20.1)	-7.7%	13.4%
- Third Party Services	(4.9)	-0.9%	(6.6)	-1.3%	-25.9%	(2.3)	-0.8%	(2.9)	-1.1%	-22.2%
- Rental & Utilities	(1.8)	-0.3%	(2.1)	-0.4%	-12.6%	(0.8)	-0.3%	(1.1)	-0.4%	-24.3%
- Others	(10.1)	-1.9%	(9.4)	-1.8%	8.1%	(6.1)	-2.2%	(5.2)	-2.0%	18.0%
Other Operating Revenues (Expenses)	2.9	0.5%	3.5	0.7%	-16.7%	2.4	0.9%	2.5	1.0%	-6.9%
- Provisions	(0.2)	0.0%	(0.2)	0.0%	7.3%	0.9	0.3%	0.5	0.2%	71.4%
- Taxes	(1.5)	-0.3%	(1.2)	-0.2%	27.7%	(1.2)	-0.4%	(0.7)	-0.3%	83.7%
- Other Operating Revenues	4.7	0.9%	5.0	1.0%	-4.8%	2.7	1.0%	2.7	1.0%	0.0%
Late Payment Fees	5.9	1.1%	5.8	1.1%	2.2%	1.6	0.6%	1.7	0.6%	-5.9%
Operating Result	152.3	28.1%	150.2	29.1%	1.4%	57.4	20.7%	58.1	22.3%	-1.2%
- Corporate Expenses	(51.1)	-9.4%	(39.9)	-7.8%	28.0%	(26.6)	-9.6%	(21.7)	-8.4%	22.5%
Adjusted EBITDA	101.2	18.7%	110.2	21.4%	-8.2%	30.8	11.1%	36.3	14.0%	-15.3%
(-) Late Payment Fees	(5.9)	-1.1%	(5.8)	-1.1%	2.2%	(1.6)	-0.6%	(1.7)	-0.6%	-5.9%
(-) Non-Recurring Items - EBITDA	(11.3)	-2.1%	(8.5)	-1.7%	0.0%	(5.2)	-1.9%	(8.0)	-3.1%	0.0%
EBITDA	83.9	15.5%	95.9	18.6%	-12.5%	23.9	8.6%	26.7	10.3%	-10.3%
Depreciation & Amortization	(26.8)	-4.9%	(24.5)	-4.8%	9.2%	(13.9)	-5.0%	(13.6)	-5.2%	2.0%
Equity Equivalence	(0.9)	-0.2%	0.0	0.0%	0.0%	(0.6)	-0.2%	0.0	0.0%	0.0%
EBIT	56.3	10.4%	71.4	13.9%	-21.2%	9.5	3.4%	13.1	5.0%	-27.4%
Net Financial Result	(15.7)	-2.9%	(23.1)	-4.5%	-32.2%	(10.5)	-3.8%	(14.3)	-5.5%	-26.2%
EBT	40.6	7.5%	48.3	9.4%	-15.9%	(1.1)	-0.4%	(1.2)	-0.5%	-14.0%
Income Tax and Social Contribution	(3.7)	-0.7%	15.9	3.1%	-123.0%	(1.9)	-0.7%	15.6	6.0%	-112.2%
Net Income Before Non-Controlling Interest	37.0	6.8%	64.3	12.5%	-42.5%	(3.0)	-1.1%	14.4	5.5%	-120.7%
Non-Controlling Interest	0.0	0.0%	0.0	0.0%		0.0	0.0%	(0.0)	0.0%	
Net Income	37.0	6.8%	64.3	12.5%	-42.5%	(3.0)	-1.1%	14.4	5.5%	-120.7%
(-) Non-Recurring Items - EBITDA	11.3	2.1%	8.5	1.7%	0.0%	5.2	1.9%	8.0	3.1%	0.0%
(-) Non-Recurring Items - Net Income	0.0	0.0%	(11.5)	-2.2%	0.0%	0.0	0.0%	(11.5)	-4.4%	0.0%
Adjusted Net Income	48.3	8.9%	61.3	11.9%	-21.2%	2.3	0.8%	10.9	4.2%	-79.1%

Corporate Expenses

Corporate expenses, after the above-mentioned reclassifications, reached R\$51.1 million in 1H18, or 9.4% of net revenue, 1.6pp worse compared to 1H17. As we had already anticipated, our corporate expenses increased gradually during last year, mainly as a result of the centralization initiatives carried out during the period. As referred in the message from management we are now eliminating the existing redundancies between the corporate and the units administrative structures. This should generate annual gains of approximately R\$35 million when fully implemented. Although the gains are distributed between the corporate G&A and education segment G&A, they are only possible given the centralization and standardization process previously executed.

Corporate Expenses



Adjusted EBITDA

Adjusted EBITDA stood at R\$101.2 million in 1H18 (-8.2% vs. 1H17), with a margin of 18.7%, 2.7pp higher than in the same quarter last year. In 2Q18, adjusted EBITDA reached R\$30.8 million, with a margin of 11.1% (-2.9pp vs. 2Q17).

R\$ (million)	Consolidated					
	1H18	1H17	% YA	2Q18	2Q17	% YA
Net Revenue	542.1	515.2	5.2%	277.0	260.0	6.5%
Gross Profit (exclud. deprec/amort)	246.1	232.7	5.8%	108.0	102.7	5.1%
Gross Margin	45.4%	45.2%	0.2pp	39.0%	39.5%	-0.5pp
Adjusted EBITDA	101.2	110.2	-8.2%	30.8	36.3	-15.3%
EBITDA Margin	18.7%	21.4%	-2.7pp	11.1%	14.0%	-2.9pp
Adjusted Net Income	48.3	61.3	-21.2%	2.3	10.9	-79.1%
Net Margin	8.9%	11.9%	-3.0pp	0.8%	4.2%	-3.4pp

Non-recurring Items

R\$ (million)	EBITDA	
	1H18	2Q18
Restructuring Expenses	(9.7)	(6.0)
GIT	(2.9)	0.1
Adjustment Accounts Receivable FIES	1.2	0.6
Total Non Recurring Items	(11.3)	(5.2)

Restructuring Expenses. Severance packages consumed R\$9.7 million in 1H18, R\$6.0 million of which in 2Q18. While severance expenses were related to the decision to outsource cleaning services in our campuses in 1Q18, this quarter these expenses were related to the reorganization of managerial and executive officer positions

GIT. As reported in 1Q18, at the beginning of the year, we decided to simplify GIT's activities by discontinuing the tooling and laboratory analysis sectors and transferring the remaining activities (foundry and consulting) to Ânima Institute. GIT results are no longer consolidated into our results and we reduced its respective management structures. The previously existing contracts of these areas and severance packages generated revenue of R\$5.9 million and a negative operating result of R\$2.9 million in the first half of 2018, which we are excluding from our 1H18 managerial results. In 2Q18, GIT recorded net revenue of R\$4.8 million and an operating result of R\$0.1 million, also excluded from the managerial result. The 1H17 results included net revenue of R\$7.6 million, R\$4.2 million of which in 2Q17, and an operating result of R\$0.1 million, -R\$0.2 million of which in 2Q17.

Adjustment of FIES Accounts Receivable. As reported in the 4Q15 earnings release, in February 2016, we entered into an agreement with the government establishing that the outstanding FIES tuition fees related to 2015 would be paid in the next three years adjusted for inflation (IPCA). As a result, we adjusted our 2015 FIES accounts receivable and gross revenue by R\$7.8 million, reflecting the spread between the SELIC interest rate and inflation (IPCA). This adjustment, which had a negative impact on the 2015 result, has had a positive effect since 2016. In 1H18, this amount was of R\$1.2 million, R\$0.6 million of which in 2Q18.

Financial Result

R\$ (million)	Consolidated Ânima			
	1H18	1H17	2Q18	2Q17
(+) Financial Revenue	13.8	20.5	6.6	8.3
Late payment fees	5.9	5.8	1.6	1.7
Interest on financial investments	2.8	8.8	1.4	3.8
Inflation adjustment - PN23 FIES acc. rec.	2.7	3.9	1.4	1.7
Other financial revenues	2.4	2.0	2.1	1.1
(-) Financial Expense	(29.0)	(43.9)	(16.7)	(22.6)
Financial debt interest expense ¹	(8.6)	(24.5)	(3.2)	(11.1)
Tax debt interest expenses	(0.1)	(3.4)	(0.1)	(3.2)
PraValer interest expenses	(9.5)	(8.8)	(5.8)	(5.6)
Accounts payable interest expenses (acquisitions)	(4.8)	(4.7)	(2.6)	(1.6)
Other financial expenses	(6.0)	(2.5)	(5.0)	(1.1)
Financial Result	(15.2)	(23.4)	(10.1)	(14.3)

¹Includes gains and losses on derivatives related to foreign currency loan swap contracts

In 1H18, the financial result came to a negative R\$15.2 million, versus a negative R\$23.4 million in the same period last year. Financial revenue came to R\$13.8 million, R\$6.7 million less than in 1H17, mainly due to a decline in income from financial investments and lower inflation adjustment of the FIES accounts receivable balance (PN 23).

Meanwhile, our financial expense reached R\$29.0 million, R\$14.9 below 1H17. This result was mostly due to the reduction in interest on loans, thanks to a lower outstanding debt balance, and the decline in the Brazilian base interest rate (SELIC) in the period.

In 2Q18, the financial result was negative by R\$10.1 million, versus a negative R\$14.3 million in the same period last year.

Income Tax and Social Contribution

Income tax and social contribution came to a negative R\$3.7 million, mainly referring to deferred income tax and social contribution arising from the corporate

restructuring in 4Q17. In 2Q18, income tax and social contribution was negative by R\$1.9 million.

Adjusted Net Income

Adjusted net income reached R\$48.3 million in 1H18 (-21.2% vs. 1H17), or 8.9% of net revenue (-3.0pp vs. 1H17). Excluding managerial adjustments, net income was R\$37.0 million in 1H18.

Adjusted net income reached R\$2.3 million in 2Q18, or 0.8% of net revenue (-3.4pp vs. 2Q17). Excluding managerial adjustments, the Company recorded a net loss of R\$3.0 million, or -1.1% of net revenue.

Cash and Net Debt

R\$ (million)	Consolidated Anima		
	JUN 18	MAR 18	JUN 17
(+) Cash and Cash Equivalents	293.5	100.7	139.5
Cash	246.6	26.3	30.8
Financial Investments	46.9	74.3	108.6
(-) Loans and Financing ¹	415.2	264.6	379.0
Short Term	66.3	61.9	139.5
Long Term	348.9	202.7	239.5
(=) Net (Debt) Cash ²	(121.7)	(163.9)	(239.5)
(-) Other Short and Long Term Obligations	76.2	75.2	79.3
(=) Net (Debt) Cash ³	(197.8)	(239.1)	(318.8)

¹ Net of swap adjustment

² Considering financial debt (bank loans) only.

³ Including obligations related to tax debt and acquisitions payables.

We ended 1H18 with cash and cash equivalents and financial investments of R\$293.5 million, an upturn of R\$192.8 million compared with March 2018. We have increased the balance of loans and financing by R\$150.6 million since the end of 1Q18, mainly due to a debenture issue worth R\$150.0 million in May. We also received FIES' last CFTE installment related to PN23, in the amount of R\$99.4 million

Other short and long-term obligations, mainly represented by accounts payable related to the acquisitions, amounted to R\$76.2 million. As a result, we ended the quarter with net debt of R\$197.8 million, representing a leverage ratio (net debt ÷ LTM adjusted EBITDA) of 1.2x.

Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 1H18 with net accounts receivable of R\$197.7 million. Since we received the last FIES installment related to PN23 in June, we will no longer make managerial adjustments to the calculation of days of sales outstanding and accounts receivable.

	1H18	1Q18	2017	9M17	1H17	Δ 1H18 / 1H17
Net Accounts Receivable	197.7	290.7	247.0	278.5	344.5	(146.8)
Adjusted Accounts Receivable FIES	0.0	(0.6)	(1.2)	(1.8)	(2.5)	2.5
Adjusted Net Accounts Receivable	197.7	291.3	248.3	280.3	346.9	(149.2)
to mature	110.3	225.7	179.0	221.1	282.5	(172.2)
until 180 days	67.8	47.9	54.1	46.9	51.2	16.5
between 180 and 360 days	14.4	12.5	10.8	8.0	8.5	5.8
between 361 and 720 days	5.3	5.2	4.4	4.4	4.7	0.6
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0

We ended the first half of 2018 with DSO (Days of Sales Outstanding) of 65 days, representing a 56-day decline from the same period last year. Breaking down our accounts receivable, we recorded a DSO of 57 days for FIES receivables (which ended in June), a reduction of 198 days from 1H17. For non-FIES receivables, our DSO stood at 65 days in the period, 9 days more than in 1H17. In the other accounts-receivables line, we concluded the first six months of 2018 with a DSO of 102 days (-6 days vs. 1H17).

Total	1H18	1Q18	2017	9M17	1H17	Δ 1H18 / 1H17
Net Accounts Receivable	197.7	290.7	247.0	278.5	344.5	(146.8)
Adjusted Net Accounts Receivable	197.7	291.3	248.3	280.3	346.9	(149.2)
Net Revenue (accumulative)	548.0	265.1	1,042.7	767.0	515.2	32.8
DSO	65	99	86	99	121	(56)

FIES	1H18	1Q18	2017	9M17	1H17	Δ 1H18 / 1H17
Net Accounts Receivable	39.4	145.5	124.4	157.0	231.4	(192.1)
Adjusted Accounts Receivable FIES	0.0	(0.6)	(1.2)	(1.8)	(2.5)	2.5
Adjusted Net Accounts Receivable	39.4	146.1	125.7	158.9	233.9	(194.5)
Net Revenue (accumulative)	124.9	64.5	304.3	236.1	165.5	(40.6)
DSO	57	204	149	182	254	(198)

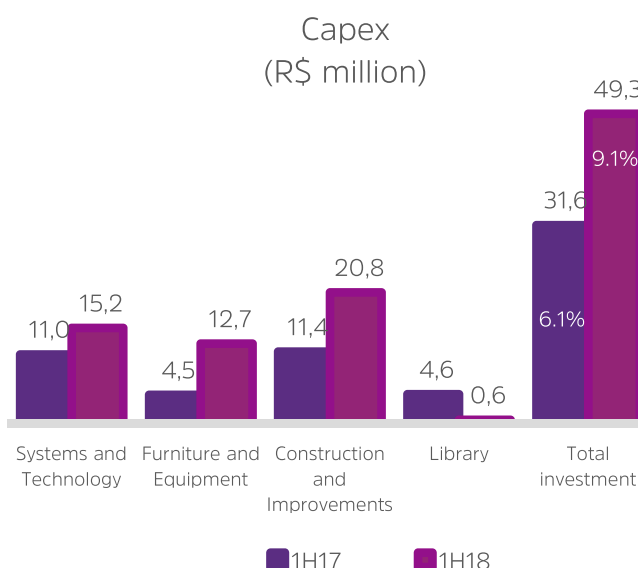
Non FIES	1H18	1Q18	2017	9M17	1H17	Δ 1H18 / 1H17
Net Accounts Receivable	141.4	135.1	106.3	109.0	103.6	37.9
Net Revenue (accumulative)	393.3	195.8	677.4	503.4	333.9	59.4
DSO	65	63	57	59	56	9

Others	1H18	1Q18	2017	9M17	1H17	Δ 1H18 / 1H17
Net Accounts Receivable	16.9	10.1	16.3	12.5	9.5	7.4
Net Revenue (accumulative)	29.8	4.7	61.0	27.5	15.8	14.0
DSO	102	154	96	123	108	(6)

*Weighted average DSO considering acquisitions in the last 12 months

Investments (CAPEX)

In 1H18, our investments reached R\$49.3 million, or 9.1% of net revenue, a 3.0pp increase compared with the 6.1% reported in 1H17. As expected, this growth was mainly due to the organic expansion process through the opening and expansion of our new academic units. We also continue investing in the development of our educational systems and technological platform.



Cash Flow

	1H18	1H17	2Q18	2Q17
Net Income	37.0	64.2	(3.0)	14.4
Depreciation & Amortization	26.8	24.5	13.9	13.6
Interest expenses/revenues	11.9	19.9	6.8	8.8
Provisions for labor, tax and civil risks	0.2	1.8	(1.0)	1.6
Other non-cash adjustments	4.9	(15.5)	2.3	(14.8)
Operating Cash Flow	80.8	94.9	19.0	23.6
Δ Accounts receivable/PDA	52.2	(54.8)	94.1	(21.8)
Δ Other assets/liabilities	20.2	8.1	(0.1)	7.3
Working Capital Variance	72.3	(46.8)	94.1	(14.5)
Free Cash Flow before CAPEX	153.1	48.1	113.0	9.1
CAPEX - Fixed and Intangible	(49.3)	(31.6)	(20.8)	(17.4)
Free Cash Flow	103.8	16.6	92.2	(8.3)
Financing/Investments activities	109.7	(40.9)	134.3	(17.9)
Shares held in treasury	(12.1)	(3.7)	(12.1)	(3.6)
Acquisitions	(3.6)	(6.0)	(1.3)	(4.0)
Dividends	(20.2)	(5.0)	(20.2)	(5.0)
Capital Increase LCB - Ânima	0.0	(3.1)	0.0	(6.3)
Net Cash Flow from Financing Activities	73.8	(58.6)	100.6	(36.7)
Net Increase (Reduction) of Cash and Cash Equivalents	177.6	(42.0)	192.8	(45.0)
Cash at the begging of the period	115.9	181.5	100.7	184.4
Cash at the end of the period	293.5	139.5	293.5	139.5

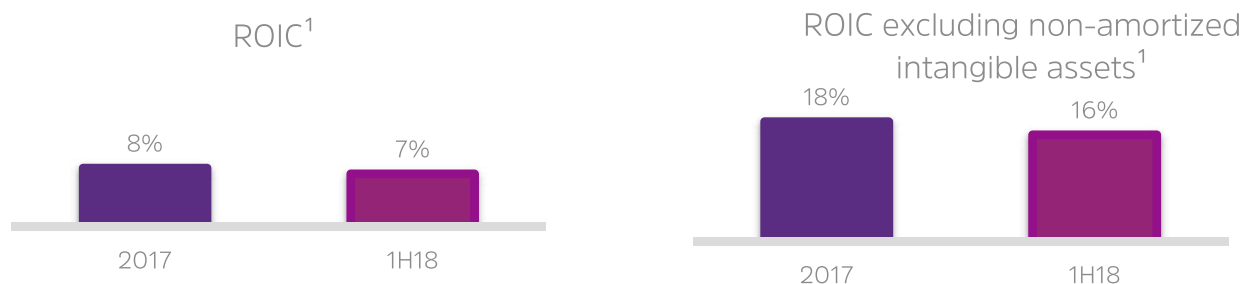
Operating cash flow before working capital and CAPEX came to R\$80.8 million in 1H18. In addition to operating cash flow, we recorded a working capital gain of R\$72.3 million, mainly due to the last FIES installment related to PN23. After capex of R\$49.3 million, free cash flow was R\$103.8 million.

In 1H18, financing activities generated R\$109.7 million in cash, mainly related to the issuance of a debenture in the amount of R\$150.0 million in May 2018. We also executed part of the share buyback program approved in May 2018, totaling R\$12.1 million. Accounts payable related to the 2016 acquisitions (UniSociesc, Una Uberlândia and Una Bom Despacho) absorbed R\$3.6 million in the period. During this period we also carried out the payment of R\$20.0 million in dividends.

As a result, we ended 1H18 with cash and financial investments of R\$293.5 million.

Return on Invested Capital (ROIC)

We monitor our financial performance through our return on invested capital (ROIC), among other metrics. At the end of 1H18, ROIC for the last twelve months was 7%, 1pp less than in 2017. Our ROIC excluding non-amortized intangible assets came to 16% in 1H18, 2pp less than in 2017, we continue putting in our best efforts to improve this metric.



¹ ROIC = LTM EBIT* (1- effective tax rate) ÷ avg. invested capital.

Invested Capital = net working capital + long-term FIES accounts receivable + net fixed assets

2016 EBIT adjusted for the impairment of HSM.

APPENDIX 1 – Reconciliation of the 1H18 Income Statement

Consolidated Anima RS (million)	1H18							IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Equiv. Patrimonial	Corporate Expenses	Late Payment Fees	Non- Recurring Items	HSM Reclass.	
Gross Revenue	912.2			0.0		8.6		920.8
Discounts, Deductions & Scholarships	(353.4)					0.3		(353.1)
Taxes	(16.8)			0.0		(1.7)		(18.5)
Net Revenue	542.1			0.0		7.2		549.2
Cash Cost of Services	(296.0)	(16.1)	0.0	0.0	0.0	(13.2)	(0.4)	(325.7)
- Personnel	(208.0)					(7.1)		(215.1)
- Services from Third Parties	(19.2)					(1.1)	(0.4)	(20.7)
- COGS	(0.9)					(3.9)		(4.8)
- Rental & Utilities	(47.7)			0.0		(0.4)		(48.1)
- Others	(20.2)	(16.1)		0.0		(0.7)		(37.0)
Gross Profit (exclud. deprec. /amort.)	246.1	(16.1)	0.0	0.0	0.0	(6.0)	(0.4)	223.5
Sales Expenses	(43.2)	0.0	0.0	(1.1)	0.0	(0.3)	0.0	(44.7)
- Provision for Doubtful Accounts (PDA)	(21.7)			(0.0)		(0.3)		(22.0)
- Marketing	(21.6)			(1.1)		(0.0)		(22.7)
General & Administrative Expenses	(59.4)	(10.7)	(0.9)	(53.6)	0.0	(1.5)	0.0	(126.1)
- Personnel	(42.6)			(39.3)		(1.2)		(83.1)
- Third Party Services	(4.9)			(4.8)		(0.0)		(9.7)
- Rental & Utilities	(1.8)			(1.1)		(0.0)		(3.0)
- Others	(10.1)	(10.7)	(0.9)	(8.4)		(0.3)		(30.4)
Other Operating Revenues (Expenses)	2.9	0.0	0.0	0.2	0.0	(0.0)	0.0	3.1
- Provisions	(0.2)			0.2		(0.0)		(0.1)
- Taxes	(1.5)			(0.4)		(0.0)		(2.0)
- Other Operating Revenues	4.7			0.5		0.0		5.2
Late Payment Fees	5.9				(5.9)			0.0
Operating Result	152.3	(26.8)	(0.9)	(54.6)	(5.9)	(7.8)	(0.4)	55.9
- Corporate Expenses	(51.1)			54.6		(3.5)		(0.0)
Adjusted EBITDA	101.2	(26.8)	(0.9)	0.0	(5.9)	(11.3)	(0.4)	55.9
(-) Late Payment Fees	(5.9)				5.9			0.0
(-) Non-Recurring Items - EBITDA	(11.3)					11.3		0.0
EBITDA	83.9	(26.8)	(0.9)	0.0	0.0	0.0	(0.4)	55.9
Depreciation & Amortization	(26.8)	26.8						0.0
Equity Equivalence	(0.9)		0.9					0.0
EBIT	56.3	0.0	0.0	0.0	0.0	0.0	(0.4)	55.9
Net Financial Result	(15.7)						0.4	(15.2)
EBT	40.6	0.0	0.0	0.0	0.0	0.0	0.0	40.6
Income Tax and Social Contribution	(3.7)							(3.7)
Net Income Before Non-Controlling Interest	37.0	0.0	0.0	0.0	0.0	0.0	0.0	37.0
Non-Controlling Interest	0.0							0.0
Net Income	37.0	0.0	0.0	0.0	0.0	0.0	0.0	37.0
(-) Non-Recurring Items - EBITDA	11.3					(11.3)		0.0
(-) Non-Recurring Items - Net Income	0.0					0.0		0.0
Adjusted Net Income	48.3	0.0	0.0	0.0	0.0	(11.3)	0.0	37.0

APPENDIX 2 – Reconciliation of the 2Q18 Income Statement

Ánima Consolidated R\$ (million)	2Q18							
	Release Income Statement	Depreciatio n & Amortizatio	Equiv. Patrimonial	Corporate Expenses	Late Payment Fees	Non- Recurring Items	HSM Reclass.	IFRS Income Statement
Gross Revenue	457.6			0.0		7.0		464.6
Discounts, Deductions & Scholarships	(171.8)					(0.3)		(172.1)
Taxes	(8.8)			0.0		(1.3)		(10.1)
Net Revenue	277.0			0.0		5.4		282.4
Cash Cost of Services	(169.0)	(8.5)	0.0	0.0	0.0	(7.3)	(0.4)	(185.2)
- Personnel	(117.2)					(3.8)		(121.0)
- Services from Third Parties	(11.6)					(0.5)	(0.4)	(12.5)
- COGS	(0.9)					(2.5)		(3.4)
- Rental & Utilities	(25.4)			0.0		(0.1)		(25.6)
- Others	(14.0)	(8.5)		0.0		(0.3)		(22.7)
Gross Profit (exclud. deprec. /amort.)	108.0	(8.5)	0.0	0.0	0.0	(1.9)	(0.4)	97.2
Sales Expenses	(22.6)	0.0	0.0	(0.3)	0.0	(0.2)	0.0	(23.1)
- Provision for Doubtful Accounts (PDA)	(12.1)			(0.0)		(0.1)		(12.2)
- Marketing	(10.5)			(0.3)		(0.0)		(10.9)
General & Administrative Expenses	(31.9)	(5.4)	(0.6)	(29.0)	0.0	(0.6)	0.0	(67.5)
- Personnel	(22.7)			(21.1)		(0.5)		(44.4)
- Third Party Services	(2.3)			(2.5)		(0.0)		(4.8)
- Rental & Utilities	(0.8)			(0.6)		(0.0)		(1.4)
- Others	(6.1)	(5.4)	(0.6)	(4.8)		(0.0)		(16.9)
Other Operating Revenues (Expenses)	2.4	0.0	0.0	0.0	0.0	0.0	0.0	2.4
- Provisions	0.9			0.0		(0.0)		0.9
- Taxes	(1.2)			(0.2)		(0.0)		(1.4)
- Other Operating Revenues	2.7			0.2		0.0		2.9
Late Payment Fees	1.6				(1.6)			0.0
Operating Result	57.4	(13.9)	(0.6)	(29.3)	(1.6)	(2.6)	(0.4)	9.1
- Corporate Expenses	(26.6)			29.3		(2.7)		0.0
Adjusted EBITDA	30.8	(13.9)	(0.6)	0.0	(1.6)	(5.2)	(0.4)	9.1
(-) Late Payment Fees	(1.6)				1.6			0.0
(-) Non-Recurring Items - EBITDA	(5.2)					5.2		0.0
EBITDA	23.9	(13.9)	(0.6)	0.0	0.0	0.0	(0.4)	9.1
Depreciation & Amortization	(13.9)	13.9						0.0
Equity Equivalence	(0.6)		0.6					0.0
EBIT	9.5	0.0	0.0	0.0	0.0	0.0	(0.4)	9.1
Net Financial Result	(10.5)						0.4	(10.1)
EBT	(1.1)	0.0	0.0	0.0	0.0	0.0	0.0	(1.1)
Income Tax and Social Contribution	(1.9)							(1.9)
Net IncomeBefore Non-Controlling Interest	(3.0)	0.0	0.0	0.0	0.0	0.0	(39.9)	(3.0)
Non-Controlling Interest	0.0							0.0
Net Income	(3.0)	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)
(-) Non-Recurring Items - EBITDA	5.2					(5.2)		0.0
(-) Non-Recurring Items - Net Income	0.0					0.0		0.0
Adjusted Net Income	2.3	0.0	0.0	0.0	0.0	(5.2)	0.0	(3.0)

APPENDIX 3 – Income Statement – IFRS

	1H18	1H17	2Q18	2Q17
Net Revenue	549.2	517.0	282.4	260.9
COST OF SERVICES	(325.7)	(299.7)	(185.2)	(167.8)
Gross (Loss) Profit	223.5	217.2	97.2	93.2
OPERATING (EXPENSES) / INCOME	(167.7)	(145.5)	(88.1)	(80.0)
Commercial	(44.7)	(36.0)	(23.1)	(20.0)
General and administrative	(125.2)	(110.1)	(66.9)	(59.8)
Equity income	(0.9)	-	(0.6)	-
Other operating (expenses) revenues	3.1	0.6	2.4	(0.2)
Income before Financial Result	55.9	71.7	9.0	13.1
Financial interest income	21.5	37.3	10.5	11.7
Financial interest expenses	(36.8)	(60.7)	(20.6)	(26.1)
Net (Loss) Income before Taxes	40.6	48.3	(1.1)	(1.2)
Income tax and social contribution, current and deferred	(3.7)	15.9	(1.9)	15.6
Net Income or Loss for the Period	37.0	64.2	(3.0)	14.4

Assets				Liabilities			
	JUN 18	JUN 17	MAR 18		JUN 18	JUN 17	MAR 18
Current Assets	541.3	442.6	432.9	Current Liabilities	221.1	283.2	231.2
Cash and cash equivalents	135.4	30.8	26.3	Supplier	28.3	23.1	34.0
Cash & financial investments	158.1	108.6	74.3	Loans and debentures	63.1	121.8	56.9
Accounts receivable	197.6	251.8	290.5	Personnel	81.3	74.6	61.3
Prepaid expenses	27.5	28.2	19.5	Taxes payable	15.7	13.5	13.3
Recoverable taxes	9.8	12.1	9.0	Advances from clients	22.5	20.6	29.5
Derivatives	1.9	-	0.1	Tax debt installments	-	0.6	0.1
Other current assets	11.1	11.1	13.1	Accounts payables	9.3	10.8	9.7
				Dividends payables	0.0	0.0	20.2
				Derivatives	-	17.7	5.0
				Other current liabilities	1.1	0.4	1.1
Non-Current Assets	948.3	980.6	935.7	Non-Current Liabilities	547.2	443.7	401.0
Accounts receivable	0.1	92.7	0.1	Loans	344.9	234.7	200.3
Prepaid expenses	9.7	11.5	10.6	Accounts payables	64.3	63.7	62.5
Judicial deposits	43.6	38.5	40.2	Debit with related parties	0.0	-	0.0
Credit with related parties	0.2	0.2	0.2	Tax debt installments	2.6	4.2	2.9
Recoverable taxes	14.0	14.3	15.4	Deferred income tax and social contribution	42.0	53.7	40.0
Deferred income tax & social contribution	1.6	-	1.6	Provisions for risks	90.5	81.5	89.7
Derivatives	1.3	-	-	Derivatives	-	4.8	2.3
Other non-current assets	35.3	18.5	31.5	Other non-current liabilities	2.9	1.1	3.2
Investments	1.8	3.1	2.4				
Fixed	269.5	230.8	263.1	Shareholder Equity	721.3	696.3	736.4
Intangible	571.2	571.0	570.7	Capital Stock	496.4	496.4	496.4
				Capital reserve	6.6	6.6	6.6
				Earnings reserve	277.2	212.3	277.2
				Shares in treasury	(26.3)	(13.6)	(14.2)
				Asset valuation adjustment	(69.6)	(69.6)	(69.6)
				Retained earnings	37.0	64.2	39.9
				Minority shareholders interest	-	-	-
Total Assets	1,489.6	1,423.1	1,368.6	Total Liabilities and Shareholder Equity	1,489.6	1,423.1	1,368.6

Assets				Liabilities			
	JUN 18	JUN 17	MAR 18		JUN 18	JUN 17	MAR 18
Current Assets	542.0	442.6	432.9	Current Liabilities	221.8	283.2	231.2
Cash and cash equivalents	246.6	30.8	26.3	Supplier	28.3	23.1	34.0
Cash & financial investments	46.9	108.6	74.3	Loans	63.1	121.8	56.9
Accounts receivable	197.6	251.8	290.5	Personnel	81.3	74.6	61.3
Prepaid expenses	27.5	28.2	19.5	Taxes payable	15.7	13.5	13.3
Recoverable taxes	9.8	12.1	9.0	Advances from clients	22.5	20.6	29.5
Derivatives	2.5	-	0.1	Tax debt installments	-	0.6	0.1
Other current assets	11.1	11.1	13.1	Accounts payables	9.3	10.8	9.7
				Dividends payables	0.0	0.0	20.2
				Derivatives	0.7	17.7	5.0
				Other current liabilities	1.1	0.4	1.1
Non-Current Assets	949.6	980.6	935.7	Non-Current Liabilities	548.5	443.7	401.0
Accounts receivable	0.1	92.7	0.1	Loans	344.9	234.7	200.3
Prepaid expenses	9.7	11.5	10.6	Accounts payables	64.3	63.7	62.5
Judicial deposits	43.6	38.5	40.2	Debit with related parties	0.0	-	0.0
Credit with related parties	0.2	0.2	0.2	Tax debt installments	2.6	4.2	2.9
Recoverable taxes	14.0	14.3	15.4	Deferred income tax and social contribution	42.0	53.7	40.0
Deferred income tax & social contribution	1.6	-	1.6	Provisions for risks	90.5	81.5	89.7
Future capital increase advances	2.6	-	-	Derivatives	1.4		

APPENDIX 5 – Cash Flow – IFRS

	1H18	1H17	2Q18	2Q17
Net Income for the period	37.0	64.2	(3.0)	14.4
Adjustments:				
Allowance for doubtful accounts	22.0	22.0	12.2	13.2
Reversal (restatement) of escrow deposits	0.1	(1.0)	(0.1)	(0.5)
Depreciation and amortization	26.8	24.5	13.9	13.6
Decrease in residual value of fixed and intangible assets	0.1	0.1	0.1	0.0
Equity income	0.9	0.0	0.6	0.0
Third party loans update	(1.5)	(0.9)	(1.0)	(0.4)
Interest on loans, financing, debentures and tax installments	9.9	19.2	5.3	8.8
Constitution, reversal and update of provision for labor, tax and civil risks	0.1	2.8	(0.9)	2.1
Present value adjustments to accounts payable	4.8	4.7	2.6	1.6
FIES revenues regarding present value adjustments and monetary restatement	(2.8)	(4.0)	(1.2)	(1.6)
Share repurchase program bonuses	(0.0)	0.0	(0.0)	0.0
Deferred income tax and social contribution	3.7	(15.9)	1.9	(15.6)
Losses with investments	-	-	-	-
Inventory and net assets write-off	-	1.2	-	1.2
fairvalueofderivatives	1.8	-	0.8	-
	102.8	116.9	31.1	36.7
Change in operating assets and liabilities				
Decrease (increase) in trade receivables	30.2	(76.9)	81.9	(35.0)
Decrease (increase) in sundry advances	6.5	10.1	(6.0)	(6.2)
Decrease (increase) in escrow deposits	2.6	(4.5)	(3.9)	(1.7)
Decrease (increase) in recoverable taxes and contributions	1.3	(0.6)	0.5	(1.2)
Decrease (increase) in other assets	(6.0)	(4.4)	0.4	0.6
Increase (decrease) in trade payables	(5.9)	(0.5)	(6.1)	1.7
Increase (decrease) in payroll and related taxes	20.9	15.8	24.4	24.5
Increase (decrease) in advances from clients	4.9	1.5	(7.1)	(7.9)
Increase (decrease) of taxes and contributions paid in installments	(0.6)	(0.3)	(0.3)	(0.1)
Increase (decrease) of provision for tax, civil and labor risks	(3.5)	(9.3)	(2.0)	(2.8)
Increase (decrease) in other liabilities	(0.6)	0.0	(0.3)	0.2
Cash from operations	49.9	(69.1)	81.6	(27.7)
Interest paid	(10.3)	(11.3)	(2.1)	(0.5)
Income tax and social contribution paid	-	0.0	-	-
Net cash flow from operating activities	142.3	36.5	110.7	8.5
Cash Flow from Investment Activities				
Loans with related parties				
Concessions	(0.0)	(0.0)	(0.0)	(0.0)
Subsidiary capital increase	-	(3.1)	-	(6.3)
Acquisitions net of cash and equivalents	-	-	-	-
(Redemption) investment of financial investments	(73.6)	42.7	(82.8)	51.4
Yields from financial investments	(2.5)	(9.4)	(1.0)	(4.0)
Acquisition of property and equipment	(39.1)	(23.7)	(14.6)	(12.8)
Acquisition of intangible assets	(10.2)	(7.9)	(6.3)	(4.5)
Net cash flow (applied) from investment activities	(125.2)	(1.4)	(104.6)	23.8
Cash Flow from Financial Activities				
Loans and financing			-	-
Funding	149.1	5.4	149.1	-
Amortizations	(26.3)	(29.1)	(11.8)	(15.1)
Gains (Losses) with Derivatives	(2.3)	(5.5)	(0.6)	(2.3)
Accounts payable amortization on controlling acquisitions	(3.7)	(6.0)	(1.3)	(4.0)
Shares held in treasury	(12.1)	(3.7)	(12.1)	(3.6)
Dividends paid	(20.2)	(5.0)	(20.2)	(5.0)
Net cash (applied to) flow from financing activities	84.4	(43.9)	103.0	(29.9)
Cash (Applied) Flow for the Period	101.5	(8.7)	109.1	2.4
Change in Cash and Cash Equivalents				
Cash at the begging of the period	33.9	39.6	26.3	28.4
Cash at the end of the period	135.4	30.8	135.4	30.8
Increase (Decrease) of Cash and Cash Equivalents	101.5	(8.7)	109.1	2.4