

3Q20 RESULTS

ănimă
EDUCAÇÃO





DISCLAIMER

The general and summarized information related to the activities pursued by Ânima Educação until this date should not be construed as a share acquisition invitation, offer or request.

This presentation may contain statements that merely express the expectations of the Company's management, as well as forecasts of future and uncertain events. Such expectations and/or forecasts involve risks and uncertainties, consequently decisions related to the acquisition of the Company's shares should not be based on them.

ă KEY MESSAGES

Building a company that would be relevant in society by transforming lives through education has always been our DNA;

The quality of the education offered must be a premise and an end in itself to ensure the company's sustainability and growth. Thus, we build strong, solid and reputable brands, which lead us, especially in this year of 2020, to results that sets us apart positively in the higher education sector;

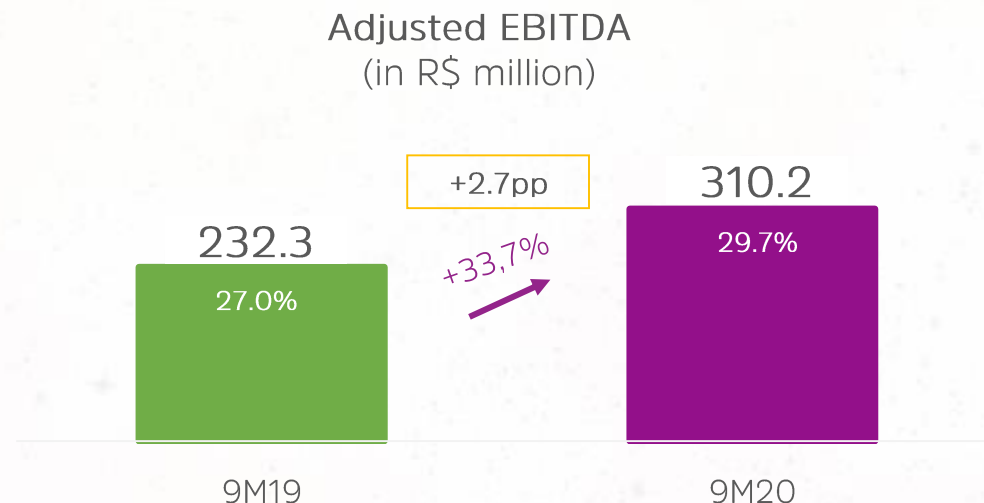
The results achieved in this 3Q20 are a consequence of this positioning and discipline in its execution:

- Consolidated Net Revenue of R\$1,045.7 million, **+21.5%** *versus* 9M19;
- Student base growing +5.8% *vs.* 3Q19;
- Ticket follows its trajectory: with acquisitions, an increase **+10.3%** *vs.* 9M19 (+6.3% excluding acquisitions);
- Adjusted EBITDA of R\$310.0 million (**+33.7%** *vs.* 9M19);
- EBITDA margin reached 29.7% on NR (**+2.7pp** *vs.* 9M19);
- Education Operating Margin reached **40.5%** on NR (+2.9pp *vs.* 9M19), excluding current acquisitions **+4.1pp** *vs.* 9M19;
- Hybrid model, which has become a reality and a reference in the country;
- PDA impacted and reflecting the challenging scenario (**5.3%** on NR **+1.9pp** *vs.* 9M19);
- MEC indicators (ENADE and IDD) published in October, of **2019**, reinforce our **quality position**.



CONSOLIDATED RESULTS

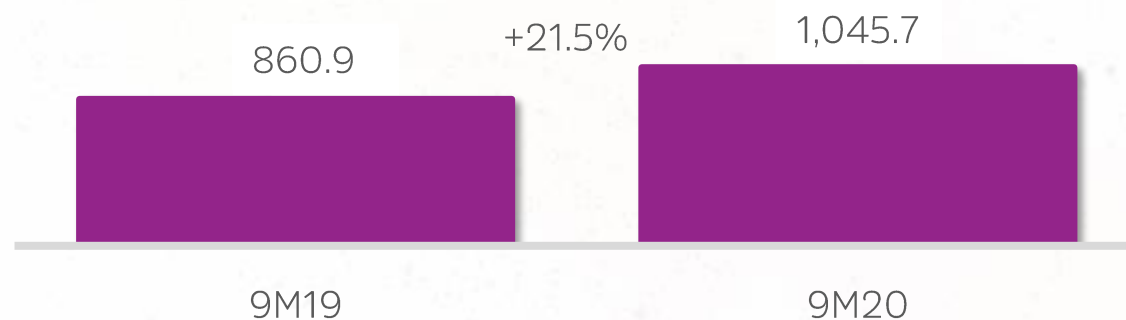
Adjusted EBITDA (in million)



- EBITDA 9M20 of R\$310.2 million (+33.7% vs. 9M19), margin of 29.7% on Net Revenue (+2.7pp vs. 9M19);
- The main items that contributed positively to the growth of EBITDA were: Net Revenue, with positive Student base and ticket; evolution of the operating result of all units; and the efficiency gains derived from the academic model fully implemented in 2018.
- The main item that put pressure on our EBITDA is the PDA. The pandemic scenario has brought additional challenges for the payments and punctuality that are reflected in our provision for doubtful accounts. It is important to note that, due to our positioning and given that the majority of our students do not have any financing, our PDA is significantly less than the PDA observed in other listed companies in the sector.

CONSOLIDATED

Net Revenue
(R\$ million)



Education

Others

Net Revenue

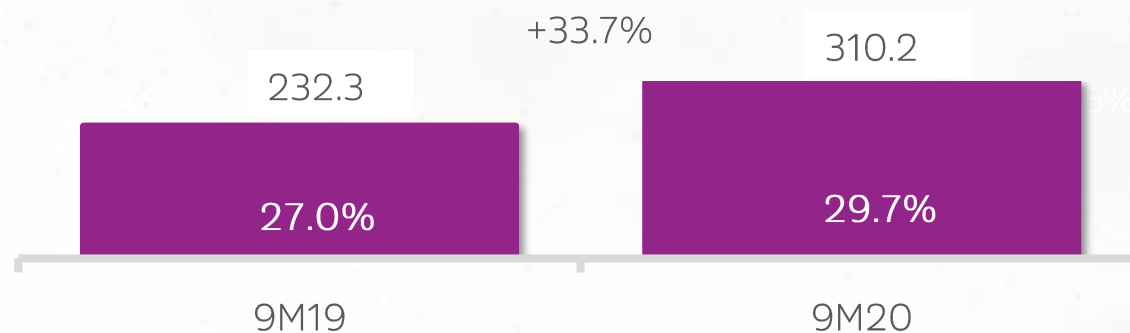
9M20

21.6%

17.6%

21.5%

Adjusted EBITDA
(R\$ million)



Gross Margin

Commercial Exp.

General and Admin. Exp.

Other

Corporate

EBITDA Margin

9M20

6.4pp

-1.7pp

-0.4pp

-0.4pp

-1.1pp

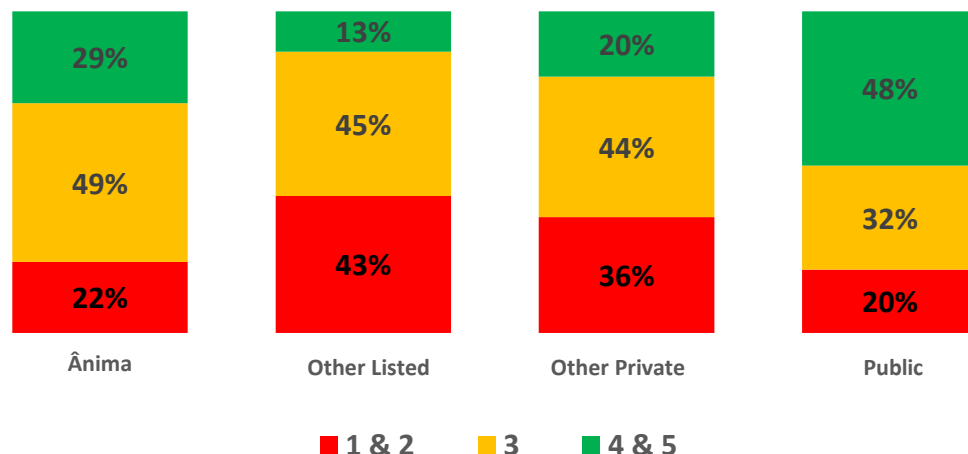
2.7pp



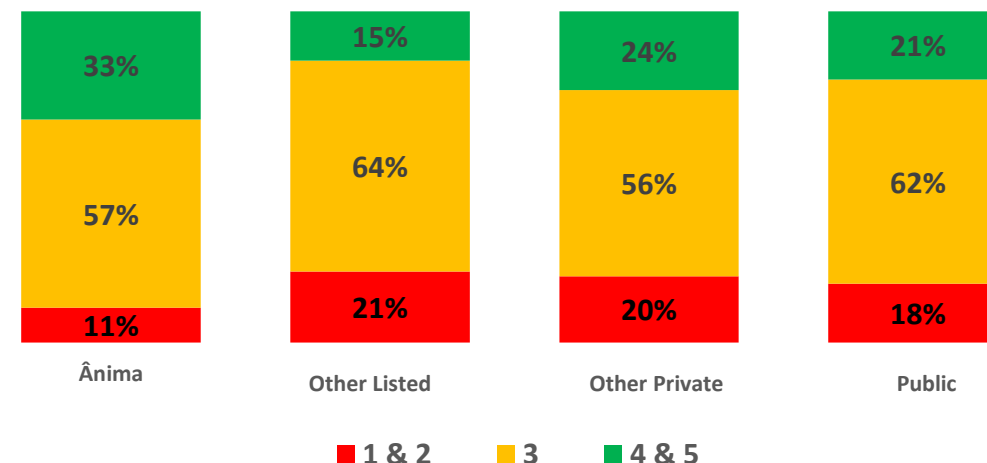
**ACADEMIC
QUALITY**

ACADEMIC QUALITY

Percentage of Enrollments through ENADE's Grade in the 2017-2019 Triennium



Percentage of Enrollments through IDD's Grade in the 2017-2019 Triennium

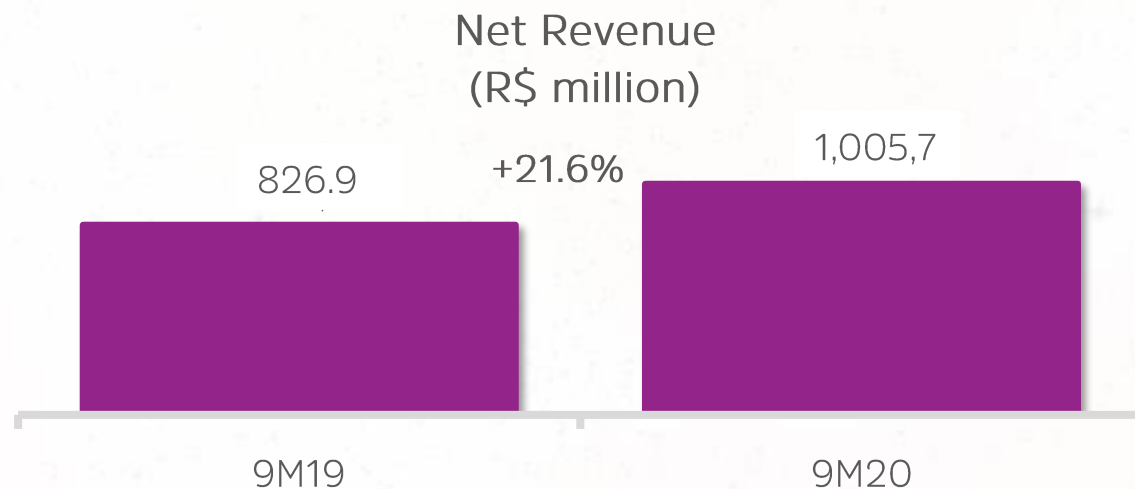


- Regarding ENADE, which measures the performance of higher education students through a standardized test, our HEIs have a higher proportion of students with higher grades (4 and 5) than other private institutions (listed and not listed), and a smaller percentage of students with grades 1 and 2;
- The IDD, which measures the value added by post-secondary education, reveals the higher impact of our academic practices in our students' development, even compared to public institutions. The results show that our HEIs have the highest percentage of students with the highest grades (4 and 5) and the lowest percentage of students with the lowest grades (1 and 2).



EDUCATION

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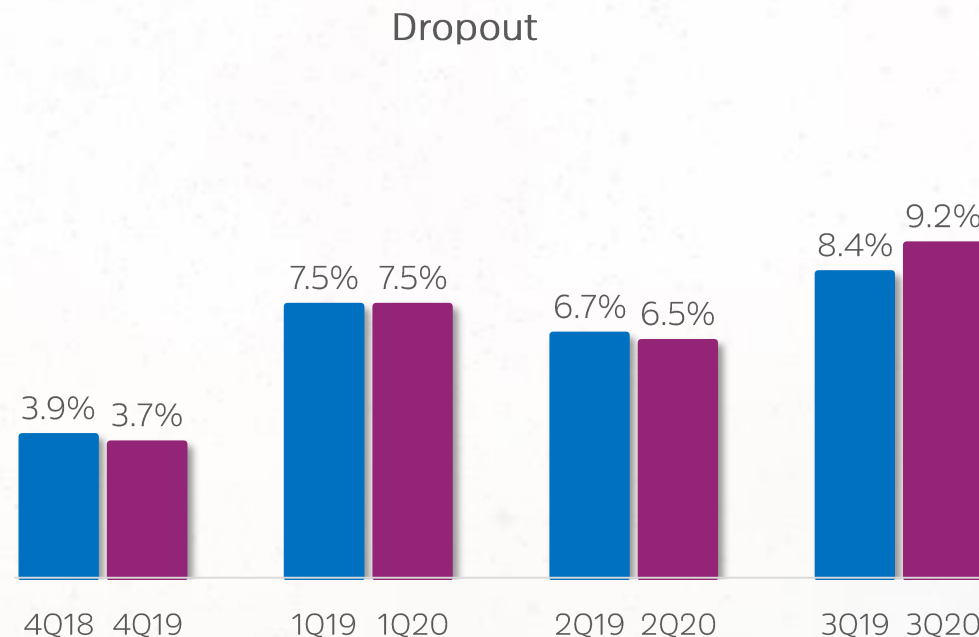
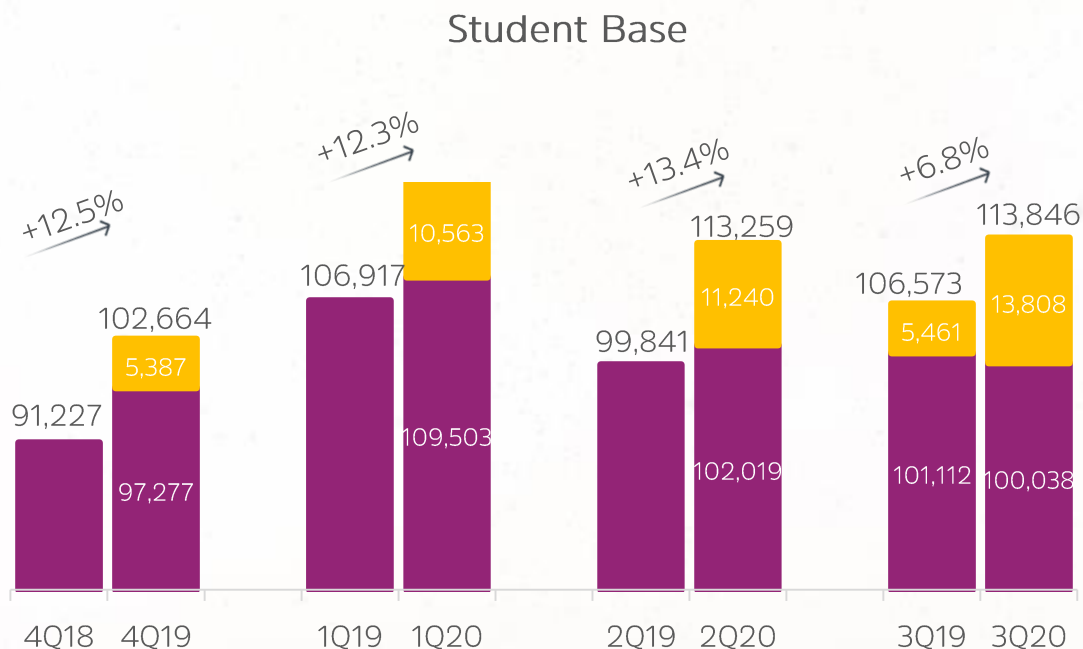


	9M20
Student Base	-2.1%
Average Net Ticket	7.6%
Excl. Aquisições	5.5%
Aquisições	16.1%
Education Net Revenue	21.6%



	9M20	9M20 (ex-acquisitions)
Gross Margin	5.9pp	6.9pp
Commercial Exp.	-1.7pp	-1.1pp
General and Admin. Exp.	-0.6pp	-1.0pp
Other	-0.7pp	-0.7pp
Education Operating Result	2.9pp	4.1pp

STUDENT BASE: UNDERGRADUATE



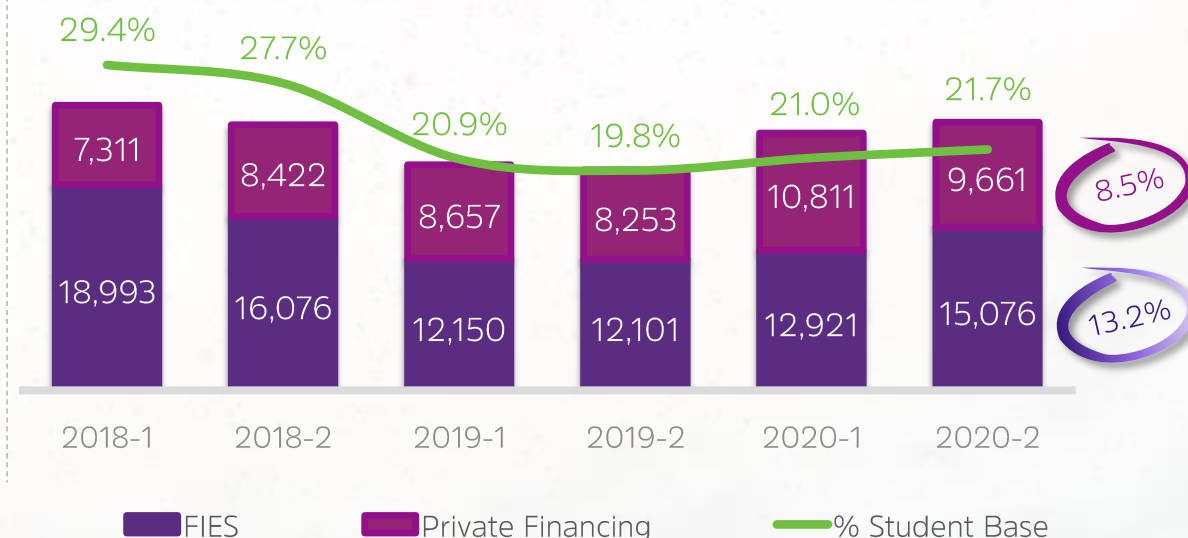
- We grew our average undergraduate student base by + 6.8% in 3Q20 vs. 3Q19 (-1.1% excluding acquisitions);
- We were able to report a controlled performance in our retention, ending the quarter with a dropout rate of 9.2% of our undergraduate student base, up by 0.8 p.p. over 3Q19;
- We continue to support our students and offer sustainable solutions so that they can continue their studies, aware of the still uncertain context of the effects of the pandemic.

STUDENT FINANCING

Student Financing
-- Intake--

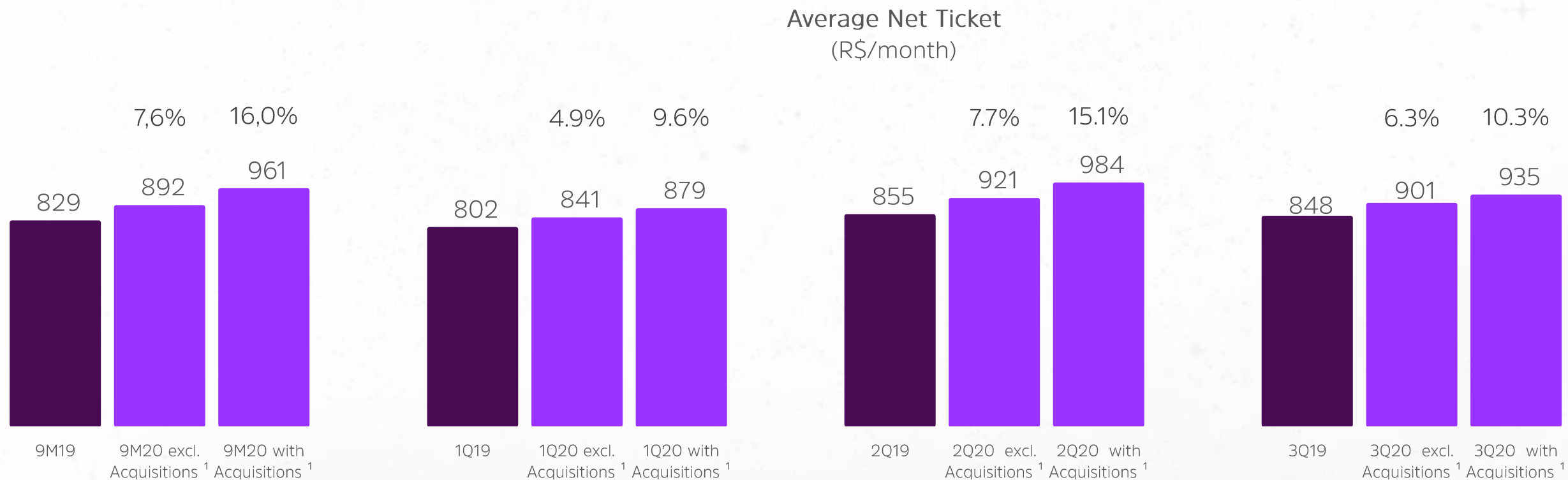


Student Financing
-- Student Base--



- We ended the semester with about 15,0 thousand students with FIES (13.2% of the base). Excluding our acquisitions, this number would correspond to 11.7%;
- Regarding private financing (Pravalor), our student base ended the quarter with 9,6 thousand students, representing 8.5% of the undergraduate base, with 3,2 thousand using the credit risk of our balance sheet (2.9% of the base);
- We can observe that there is a stability in the scenario of student financing, this shows that we continue to engage students paying out-of-pocket.

ă AVERAGE NET TICKET



¹ AGES as of Aug/2019, Unicuritiba as of Feb/2020, Faseh as of May/2020 and UniFG as of July/2020

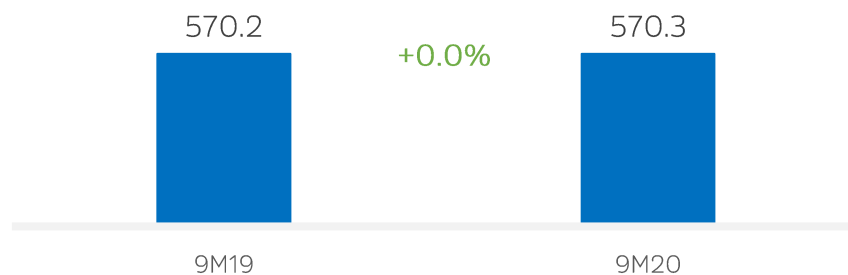
The ongoing evolution in our ticket's behavior results shows not only the right decisions in its reorganization's strategy, through multiple internal initiatives; but also strategic options in our acquisitions, which together with our legacy, led to a better average net ticket when compared to the trend reported in the previous year, ratifying the success on the path to a sustainable growth.

EDUCATION – INTEGRATION OF ACQUISITIONS AND Q2A IMPACTS

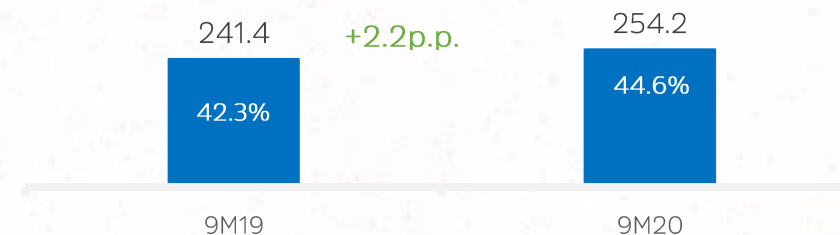
BLOCKS:

Base

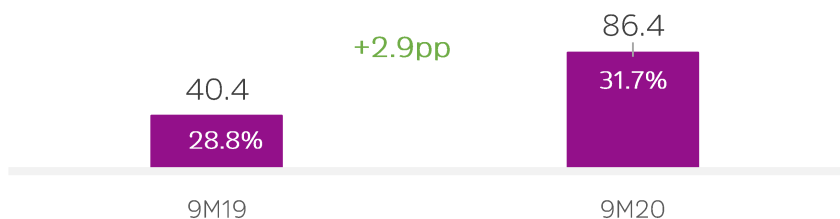
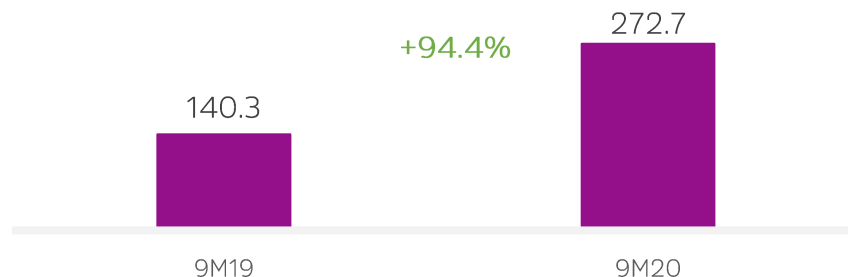
NET REVENUE



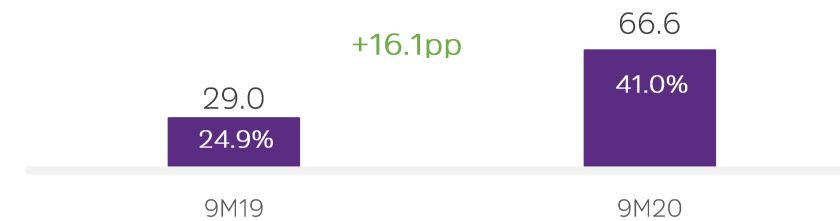
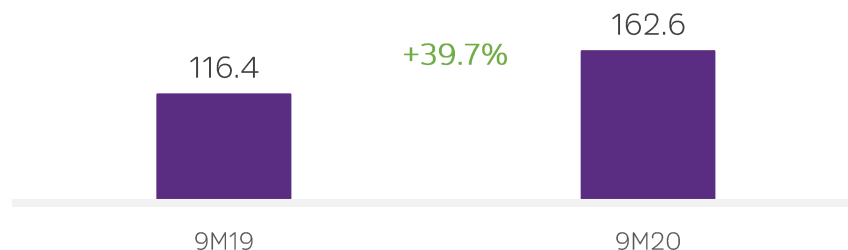
OPERATIONAL RESULT



Acquisitions



Organic Expansion



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), AGES in Aug'19, Unicuritiba as of Feb'20, Faseh as of May'20 and UniFG as of July'20

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), Vila Leopoldina (Jan'19), Santana (Jan'19), São Bernardo do Campo (Jan'19), Guarulhos (Jan'19), Cubatão (Jan'19), Florianópolis Continente (Jan'19), Conselheiro Lafaiete (Jan'19), Itumbiara (Jan'19), and the acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced)

MEDICINE

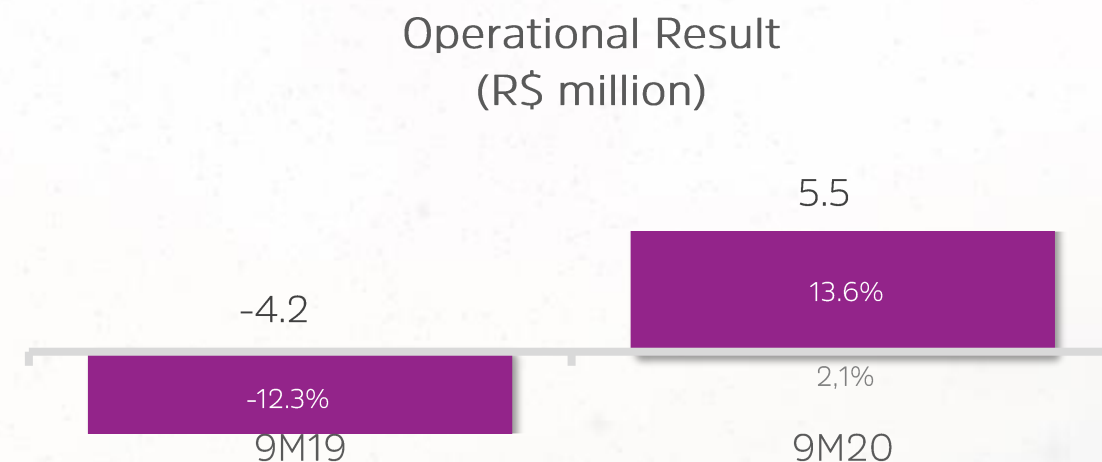
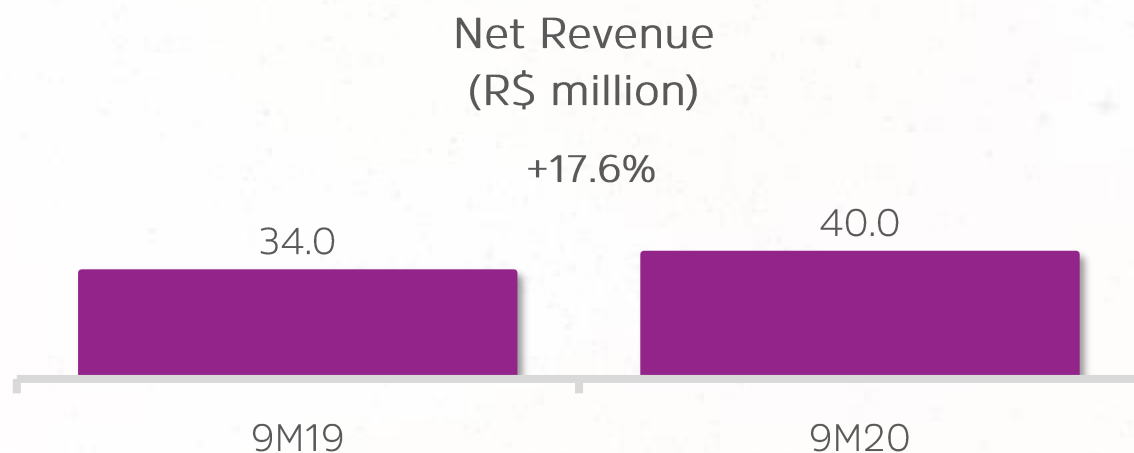
Medicine seats	Seats	Total + FIES + Prouni	Enrolled Students 3Q20	Potential after Maturity
Authorized Courses	536	642	2,447	3,852
Courses in Co-Management/Purchase Option	287	343	1,775	2,058
Course Awaiting Final Authorization	50	60	-	360
Courses with Pending Authorization	105	125	-	750
Future Expansion Seats	250	300	-	1,800
Total	1,228	1,470	4,222	8,820

- We grew strongly in the Medicine segment, where we have 6 authorized and operational courses, of which 3 were authorized in the Mais Médicos program and still under maturation.
- We ended the quarter with an average of **2,447 medical students** (considering Unisul there are 4,222 students).
- We reached a **Net Revenue of R\$125.4 million** and an average monthly **ticket of R\$7,287**.
- It should be highlighted that, considering seats in the final authorization phase, those pending approval, those for future expansion and Unisul's vacancies, in a co-management phase, with a purchase option to be exercised in January 2021, the potential number of total seats of the group at maturity is 1,470 (already considered the additional seats of FIES and Prouni) or 8,820 students.



Other Businesses

OTHER BUSINESSES

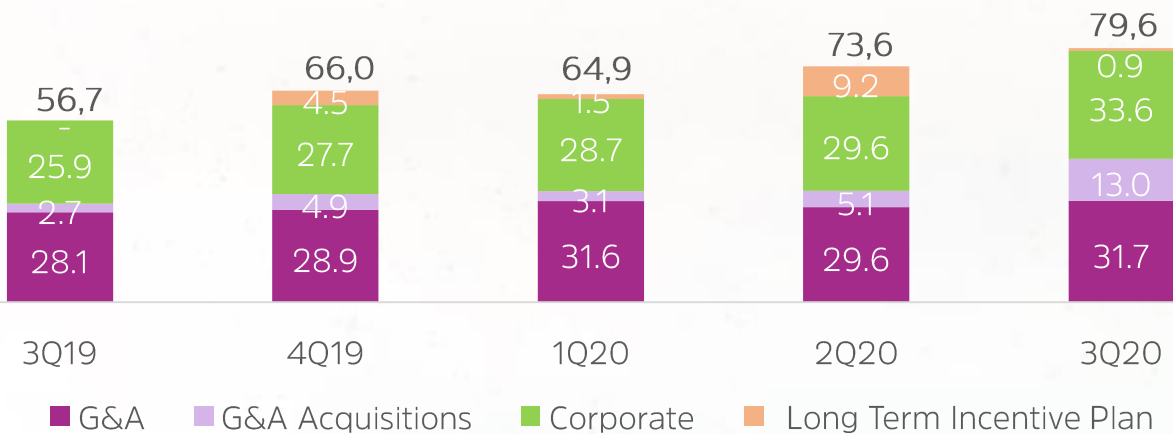
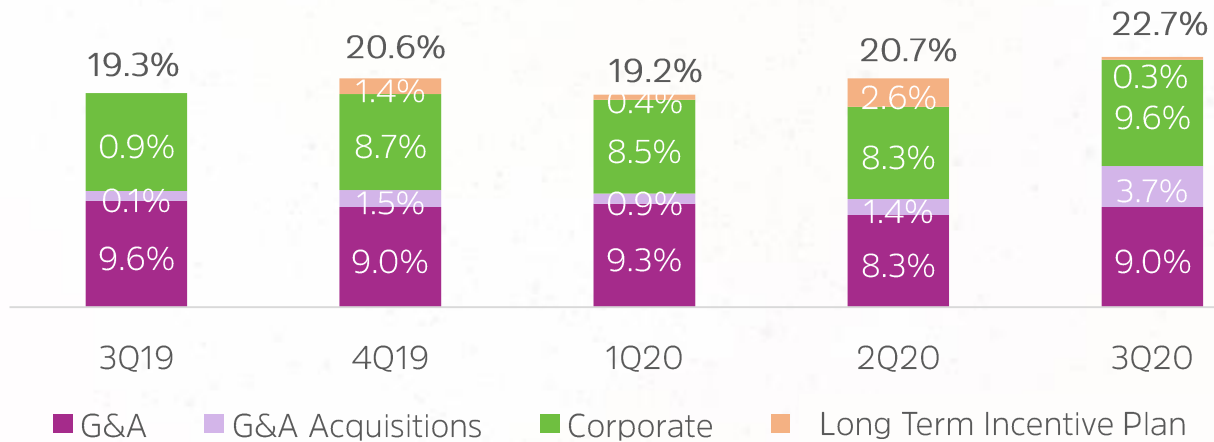


- In 9M20, the Other Business Segment posted Operational Results of R\$5.5 million, compared to -R\$4.2 YoY. This result is due to the maturation and the resulting gain of scale of EBRADI and hsmU, with increasing results and already reaching a base of 16,711 students in 9M20.
- Analyzing EBRADI + hsmU, we reached an Operational Result of R\$12.4 million in 9M20 (vs. R\$5.2 million in 9M19). The growth of these courses reinforces our choice for the lifelong learning strategy.



CORPORATE AND G&A EXPENSES

CORPORATE AND G&A EXPENSES



- Corporate Expenses totaled R\$34.8 million in 3Q20 (9.9% of NR) vs. R\$25.9 million on 3Q19 (8.8% of NR), due to the centralization of processes that used to happen in the units, and greater robustness of the corporate structure, thus ensuring greater scalability and agility in acquisition integrations.
- General and Administrative Expenses, consolidating acquisitions, totaled R\$44.7 million in 3Q20 (12.7% of NR), vs. R\$30.8 million on 3Q19 (10.5% of NR), affected by recent acquisitions. Disregarding the effect brought by the acquisitions, G&A totaled R\$30.9 million (8.8% of NR) vs R\$28.1 million in 3Q19 (9.6% of NR).
- Analyzing the units' G&A, excluding acquisitions, we see an improvement in the performance of this indicator, which in 3Q20 represented 8.8% of NR (-0.8pp vs 3Q19).

ă NON-RECURRING ITEMS

In R\$ million	3Q20	3Q19	9M20	9M19
restructuring operations	13.4	9.3	17.6	16.3
Integration	2.1	4.2	3.1	4.2
Impairment hsm	-		61.6	-
Others	2.8	0.5	2.8	1.7
Total	18.3	14.0	85.1	22.1

- Our non-recurring items in 3Q20 were affected by factors that are mostly necessary to implement strategies that will bring effective efficiency gains;
- The main items in this group were: restructuring operations, which totaled R\$13.4 million in 3Q20 (+4.1 million vs. 3Q19), with R\$6.2 million to restructure the new academic model; R\$5.9 million to the merger of four units and R\$1.3 million to the reorganization of administrative structures.

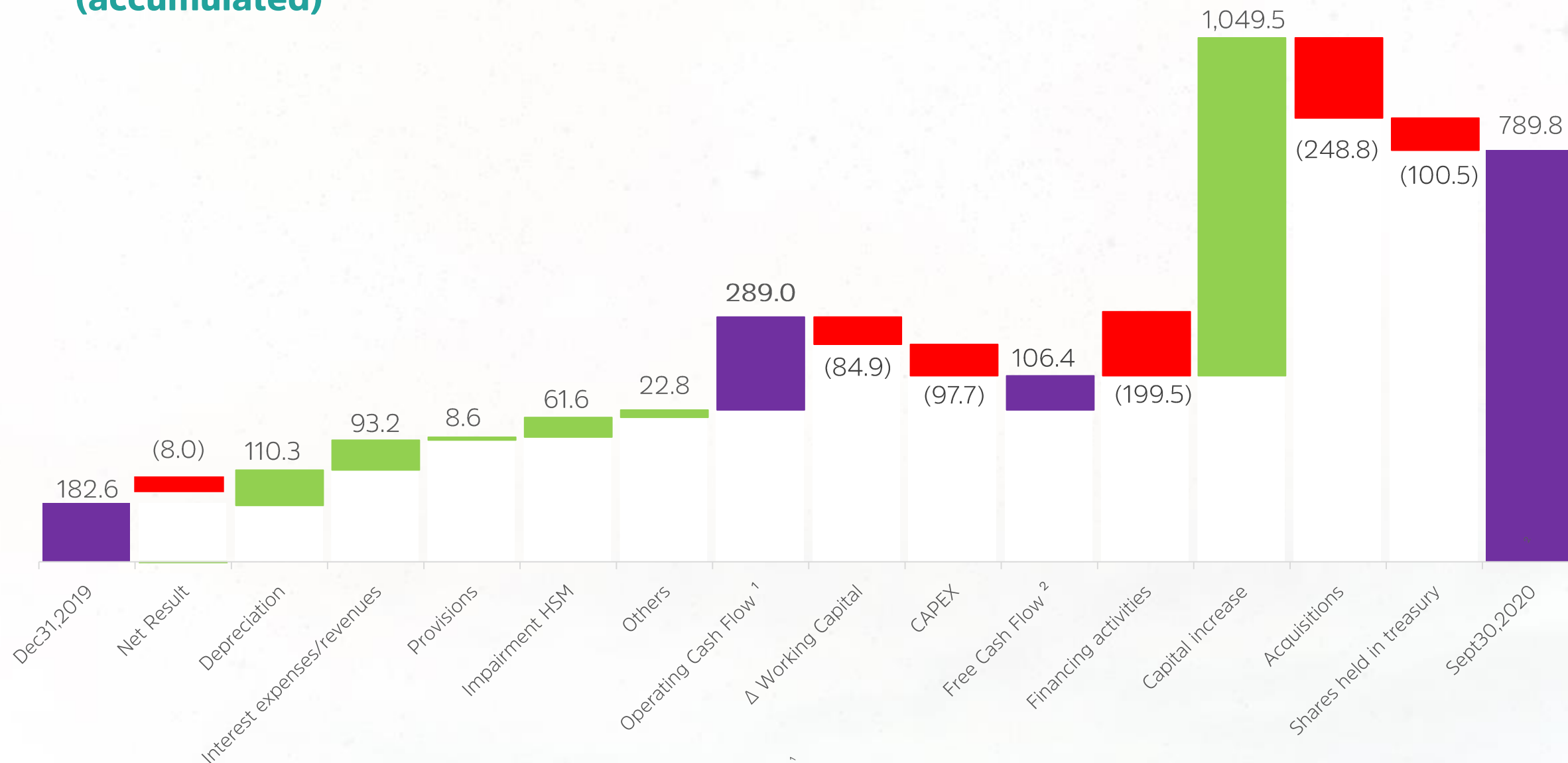


CASH FLOW

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CASH FLOW– 9M20

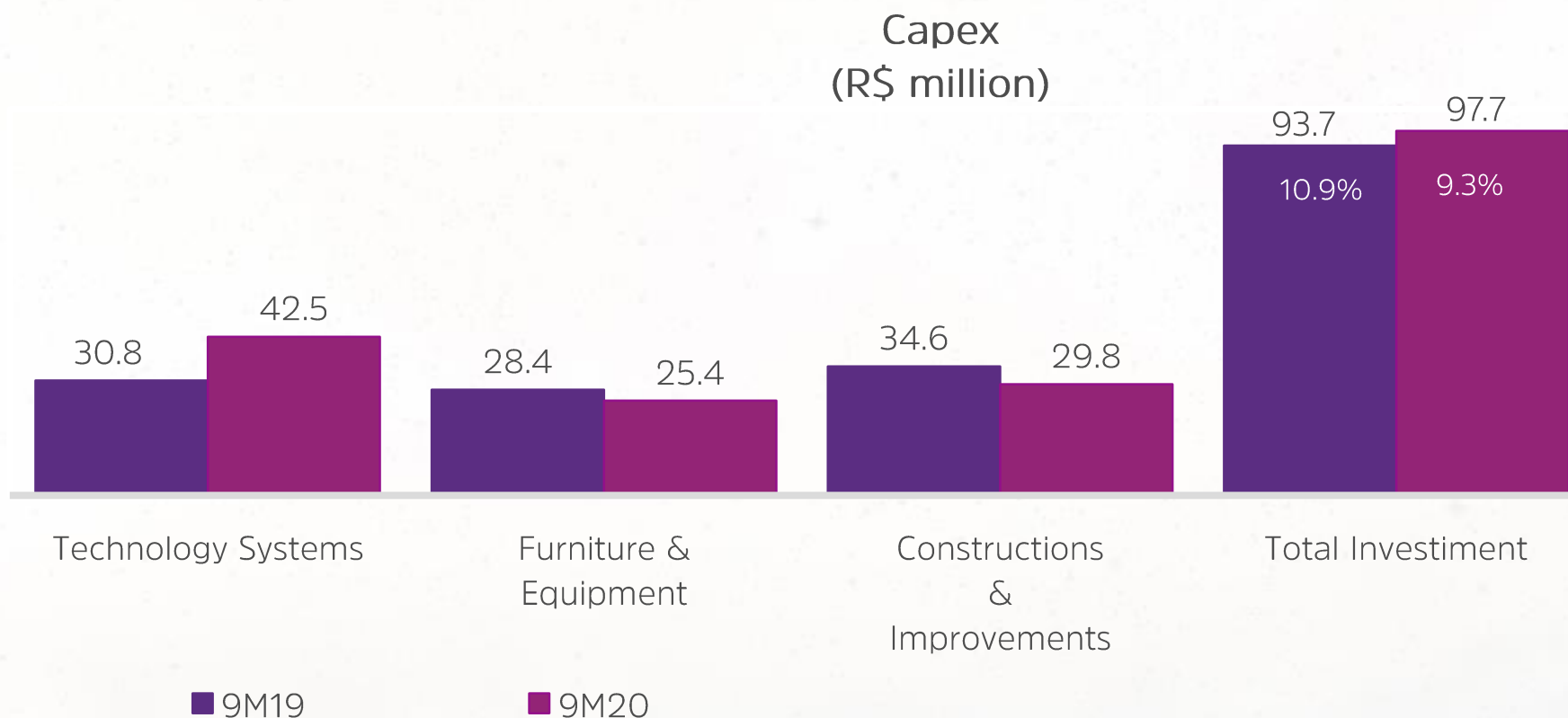
(accumulated)



¹ Operating Cash Flow = Net Revenue + Depreciation & Others

² Free Cash Flow= Operating Cash Flow – WK – Capex

CAPEX



- In 9M20, our investments totaled R\$97.7 million or 9.3% of the Net Revenue, down by 1.5pp. vs. 9M19. This lower level of CAPEX is observed even with the increase in investments made in our digital transformation process.
- The organic expansion units represented 29.3% of the total Capex in 9M20, or R\$28.9 million. Excluding this effect, Capex would have been R\$68.6 million, or 6.6% of Net Revenue.

ă CASH AND NET DEBT

R\$ (million)	Consolidated Ânima		
	SEPT 20	JUN 20	SEPT 19
(+) Cash and Cash Equivalents	789.8	793.3	107.9
Cash	84.3	41.9	28.0
Financial Investments	705.4	751.4	79.9
(-) Loans and Financing ¹	676.9	605.2	455.0
Short Term	88.0	78.4	208.0
Long Term	588.9	526.7	247.0
(=) Net (Debt) Cash ²	112.8	188.1	(902.6)
(-) Other Short and Long Term Obligations	270.9	195.3	148.9
(=) Net (Debt) Cash excl. IFRS-16 ³	(158.1)	(7.1)	(1,051.5)
(-) Liability Lease (IFRS-16)	653.4	594.3	555.5
Short Term	35.7	32.7	23.2
Long Term	617.7	561.6	532.2
(=) Net (Debt) Cash with IFRS-16 ³	(811.5)	(601.4)	(1,606.9)

¹ Net of swap adjustment

² Considering financial debt (bank loans) only.

³ Including obligations related to tax debt and acquisitions payables.

- In 9M20, Cash and cash equivalents totaled R\$789.8 million, compared to R\$793.3 million in June 2020;
- Total loans and financing reached R\$676.9 million;
- Excluding the effect of IFRS-16, as provided for in our debt agreements, we closed the quarter with a net debt of R\$158.1 million, or a leverage of 0.59x (net debt ÷ adjusted EBITDA ex-IFRS of the last 12 months), which leaves us a comfortable margin for financing new strategic acquisitions.

ǎ FINAL CONSIDERATIONS

- When the world faces a great challenge, our quality positioning sets us apart and leads us to achieve solid results, which stand out from the current context;
- The transaction announced with Laureate Group further enhances our moment, bringing important gains in scale with total alignment with our high quality positioning;
- Once the acquisition is approved by CADE, we will have new medical seats in important cities in the country, which, added to our current seats, at maturity, will reach a total of 2,260 seats or 16,254 students, which makes an even more prominent educational group in this segment in the country;
- Transforming lives, delivering quality education, has been our role since our creation;
- In this very unique year, we especially highlight our seventh principle, which says “*The result is not a purpose, but the means to build the future*”. The meaning of this principle reflects precisely what we are experiencing in 2020: the commitment to deliver excellence can generate results that ensure our success and our long-term sustainability.
- Lives that are transformed and generate results, that make it possible to transform more lives, and new results, in a virtuous and continuous cycle of success.

Conference Call 3Q20

Webinar

November 9, 2020
11 a.m. (BRL) | 9 a.m. (NY)

To access the Webinar (Portuguese): [click here](#)

To access the Webinar (English): [click here](#)

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