



# 1Q16 Results

The general and summarized information related to the activities pursued by Anima 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.

## Challenging macroeconomic scenario impacted our intakes

- ✓ Economic slowdown - unemployment x confidence index x inflation
- ✓ 2016-1 Intakes → 20.3 thousand students, or 28.6% decrease versus 2015-1

## Balance of short term and long term initiatives:

- ✓ **Innovation** → “Life Project” course
- ✓ **Access** → Ampliar
- ✓ **Intake and Retention** → Commercial area restructure, retention team reinforcement
- ✓ **Sociesc** → Integration plan in progress

## Plan to protect margins

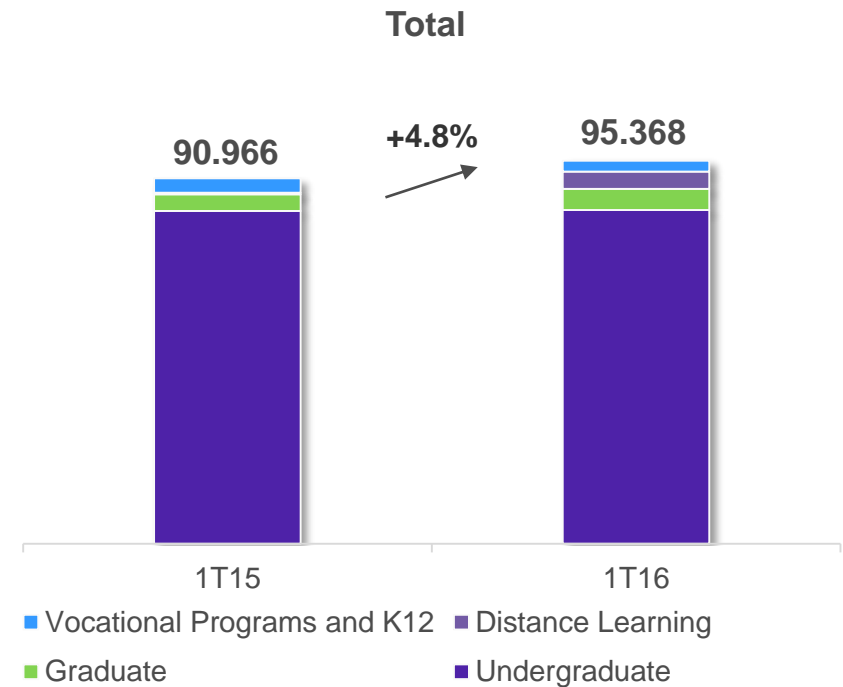
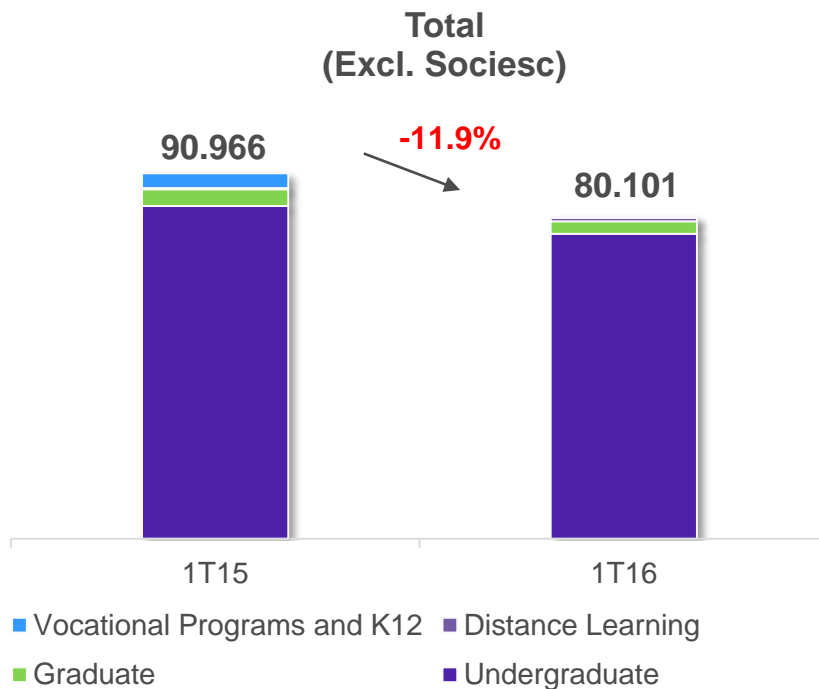
- ✓ **Classroom efficiency** → Modular academic model, new curriculum design and DL
- ✓ **Capacity utilization** → Redimension of multi-campus strategy
- ✓ **Budget discipline**

## Receivables, PDA and drop out rates under control



# Education



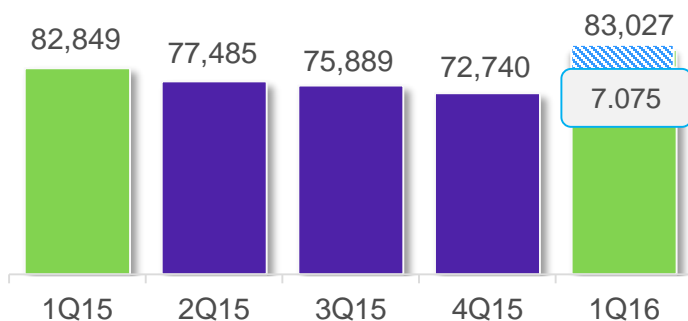


- ✓ Reduction of 10.9 thousand students
  - ✓ 7.0 thousand - Undergraduate
  - ✓ 3.5 thousand - Pronatec (Vocational programs)
- ✓ 15.3 thousand students from Sociesc

# Students Base

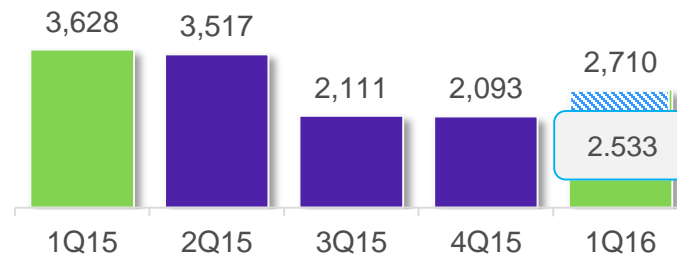
## Undergraduate

+0.2%  
vs. 1Q15



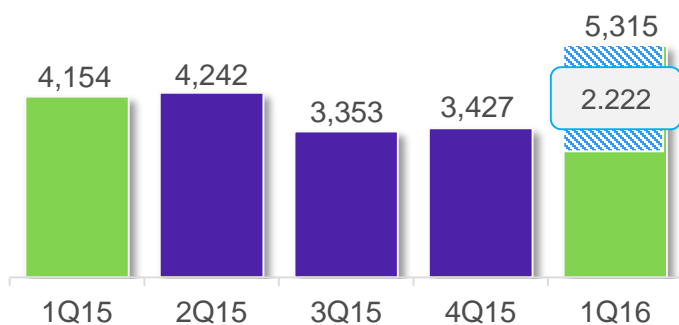
## Vocational Programs & K12

-25.3%  
vs. 1Q15



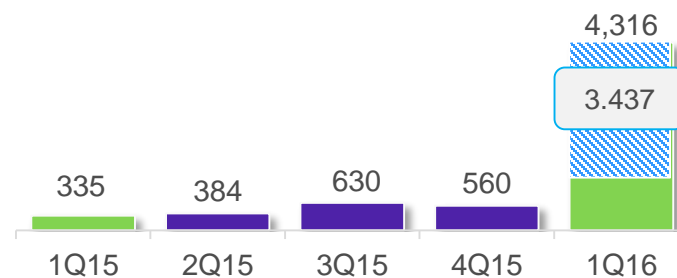
## Graduate

+27.9% vs.  
1Q15



## Distance Learning

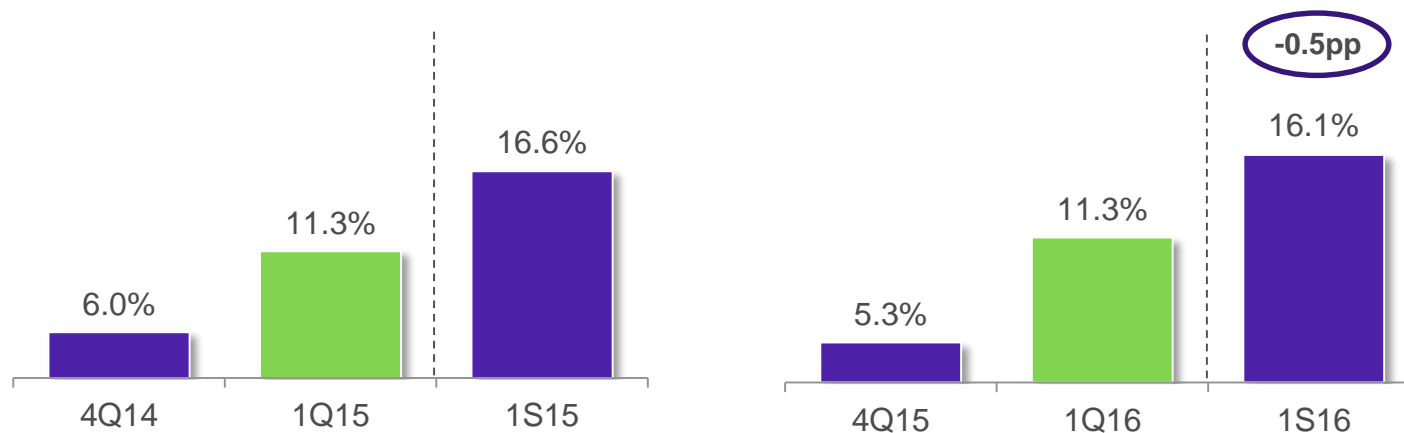
+3.981  
students



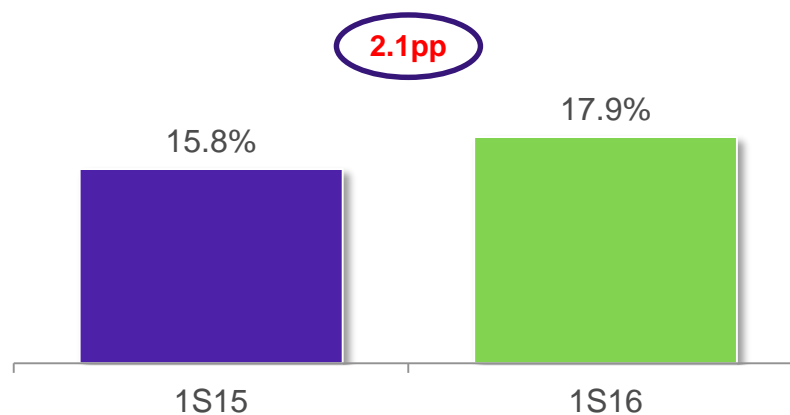
 Sociesc

# Undergraduate Dropouts

Consolidated Excl. São Judas

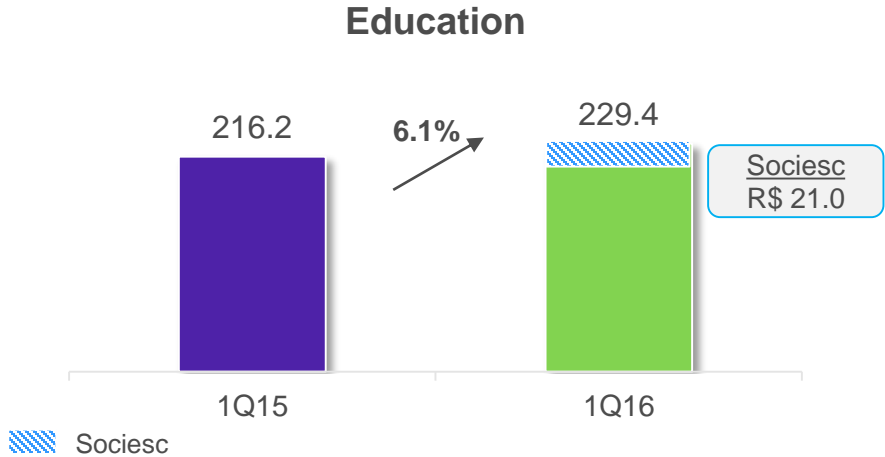
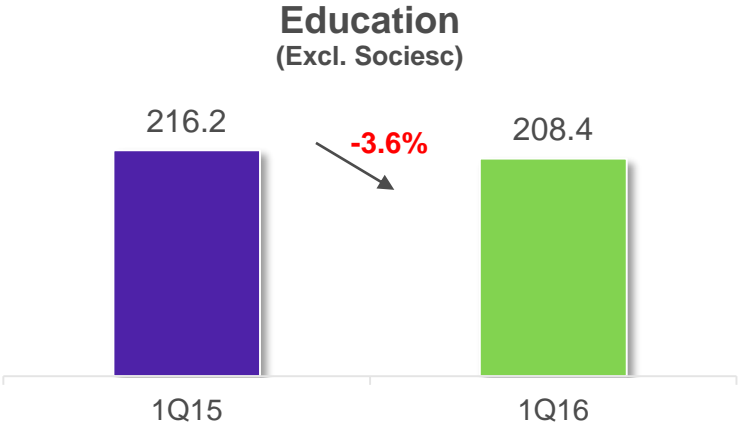


São Judas



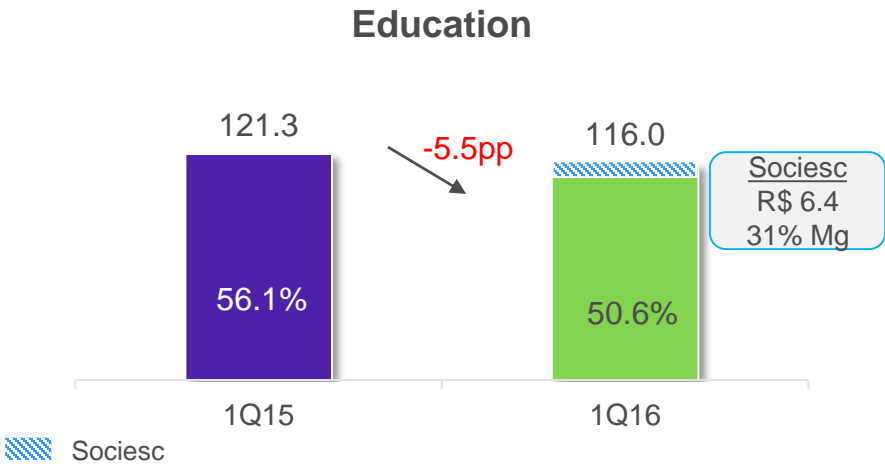
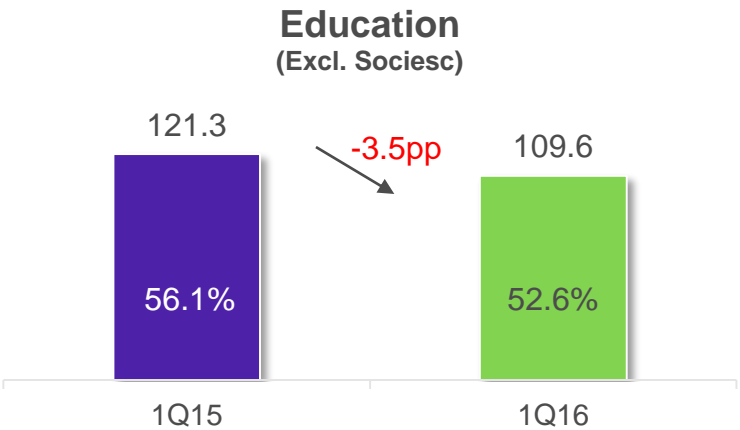
Note: Change in pp y/y





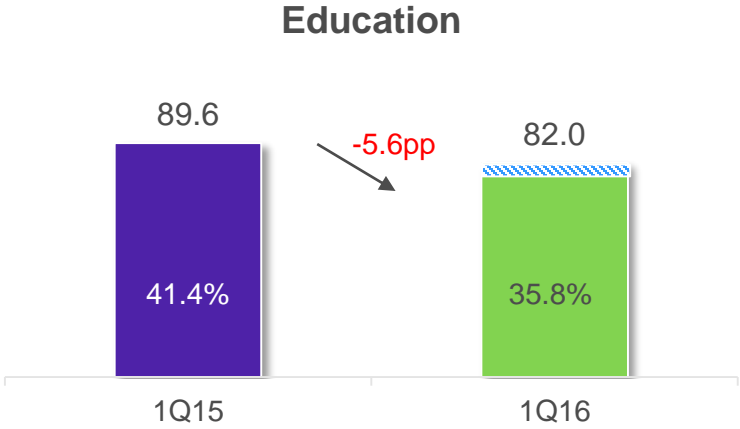
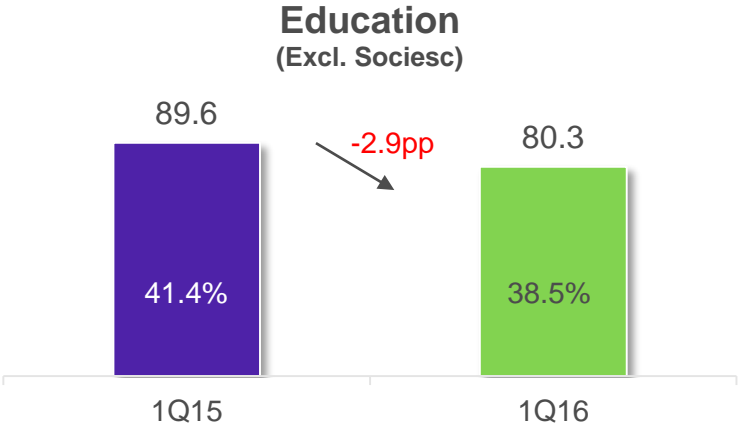
Student Base	-12%
Tuition fees increase	+10%
Prouni / Mix	-2%
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Δ Excl. Sociesc	-3.6%
Sociosc	+10%
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Δ Net Revenue	+6.1%





Expansion	-0.6pp
Scale	-2.9pp
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Δ Excl. Sociesc	-3.5pp
Sociesc	-2.0pp
-----	
Δ Gross Margin	-5.5pp

# Operating Margin – Education

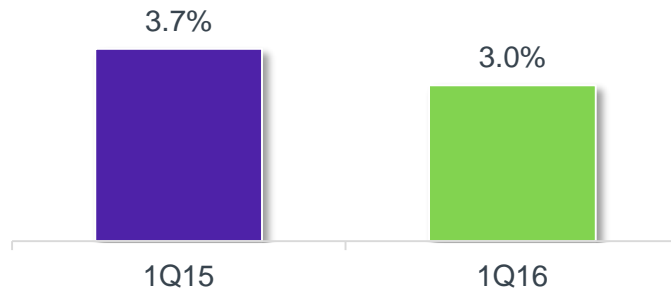


 Sociesc

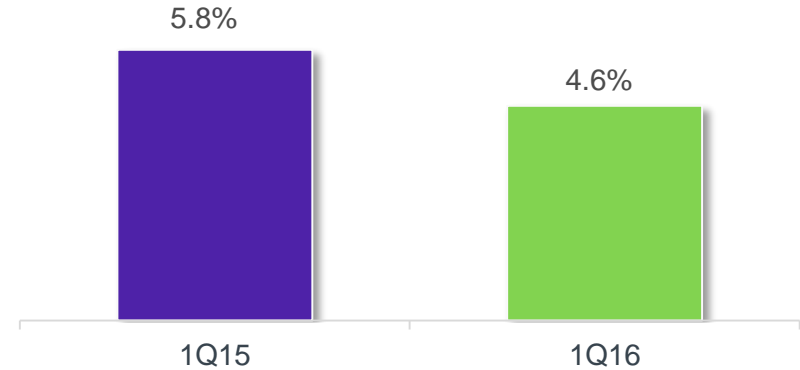
Gross Margin	-3.5pp
PDA / FGEDUC	-0.4pp
Other expenses	+1.0pp
	-----
Δ Excl. Sociesc	-2.9pp
Sociesc	-2.7pp
	-----
Δ Operating Margin	-5.6pp

# Provision for Doubtful Accounts (PDA) Education

**PDA**  
(% Net Revenue)



**Non FIES PDA**  
(% Non FIES Net Revenue)

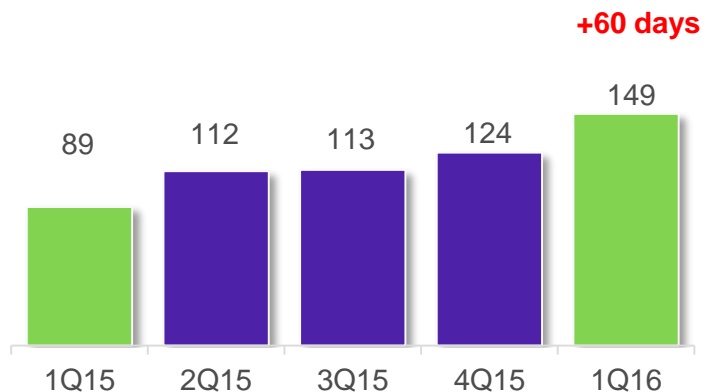


- ✓ Provisioning criteria revision for each aging range as of 2S15, reflecting current macroeconomic outlook.
- ✓ Students reclassification from FIES base to Non FIES base in 1Q15

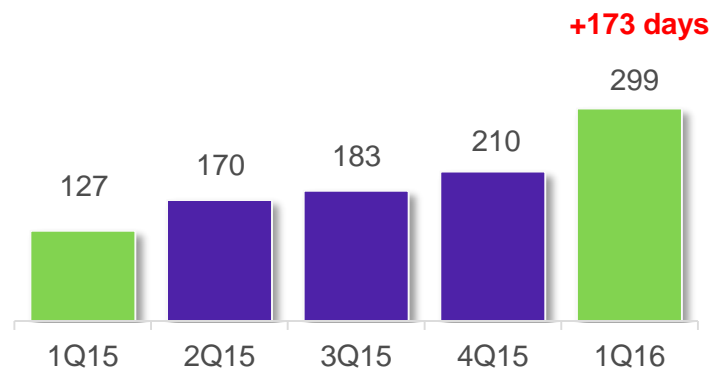
Note: Considering adjustments for non-recurring items.

# Accounts Receivable – DSO (days)

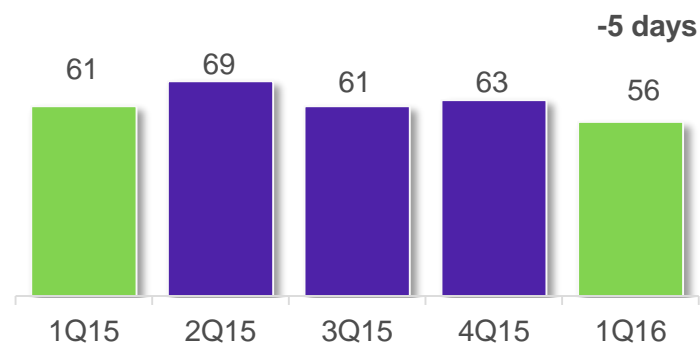
Total



FIES



Non FIES



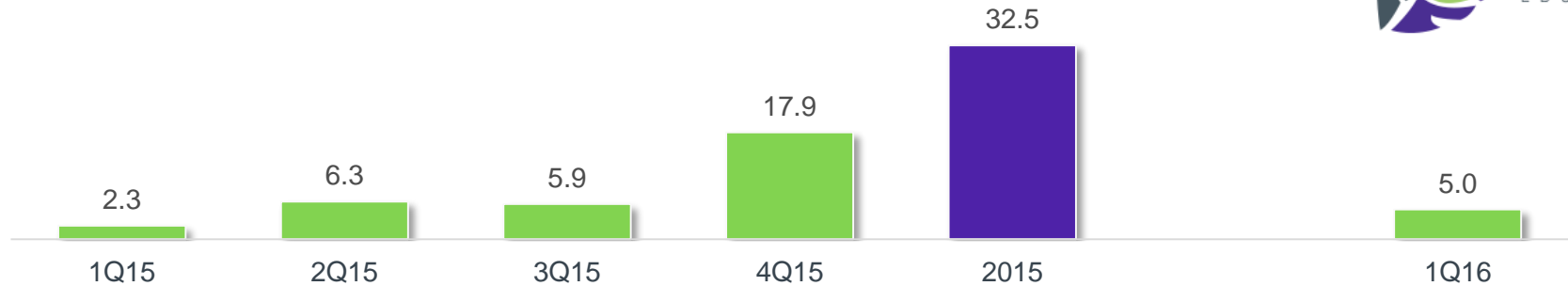


## Other Businesses

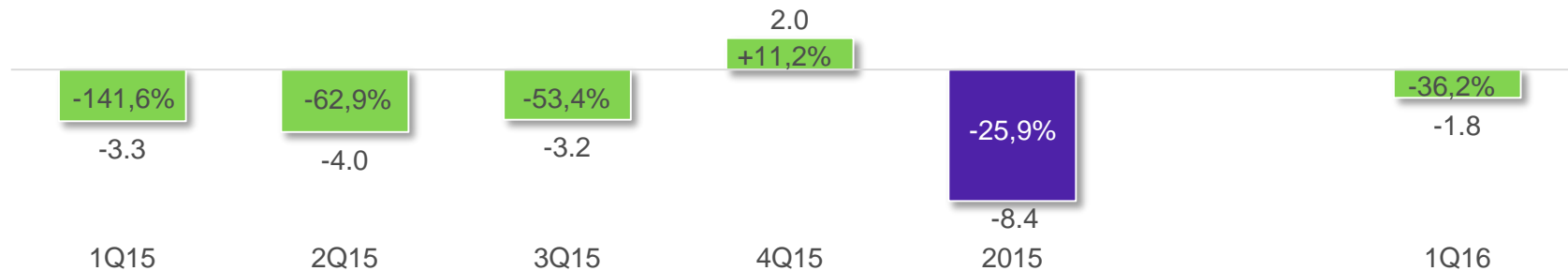


# Other Businesses – 1Q16

## Net Revenue



## Operating Result<sup>1</sup>



- ✓ HSM operating result improvement in 1Q16 compared to the last two years
- ✓ Sociesc's Management and Technological Innovation<sup>2</sup> (MTI) – Net Revenue of R\$2.6 million in 1Q16

<sup>1</sup> Operating Results do not include Depreciation and Amortization, nor corporate expenses allocations.

<sup>2</sup> MTI provides consulting and business solutions for companies in the engineering field, in addition to a laboratory structure to support the development of technological solutions (foundry, tooling and others)

R\$ (million)	EBITDA
	1Q16
Restructuring Expenses	(1.3)
Account Receivables Adjustments - FIES	0.9
<b>Total Non Recurring Items</b>	<b>(0.4)</b>

- ✓ **Restructuring Expenses** → fixed assets write-offs related to remodeling investments on third-party real state related to capacity reductions of campuses in Belo Horizonte metropolitan area.
- ✓ **Adjustment of FIES accounts receivable** → non-cash revenue accounted on 1Q16 related to the NPV adjustment of FIES receivables, reflecting the spread between base interest rate (SELIC) and inflation (IPCA)

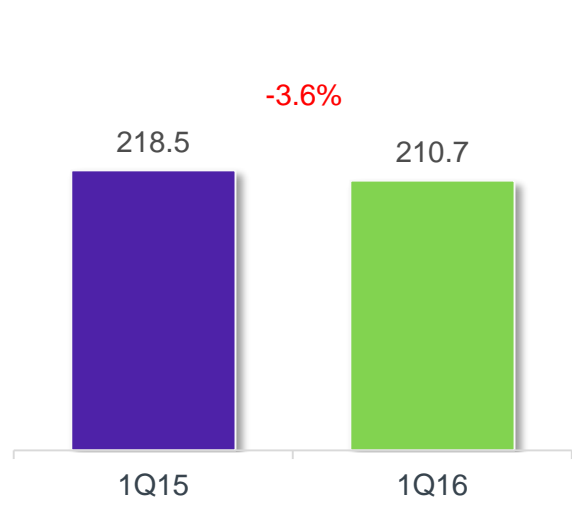




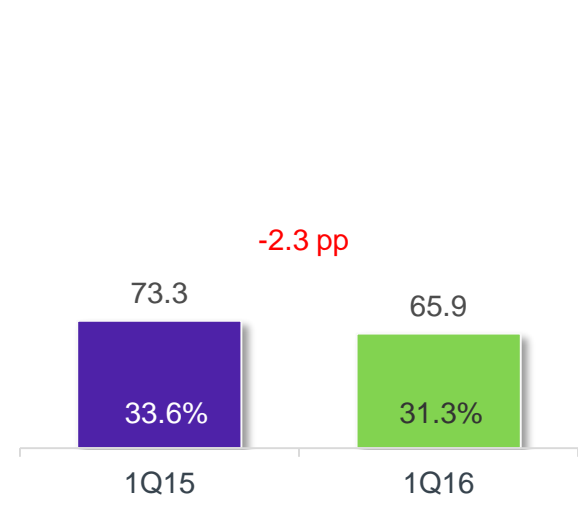
# Consolidated Financial Performance



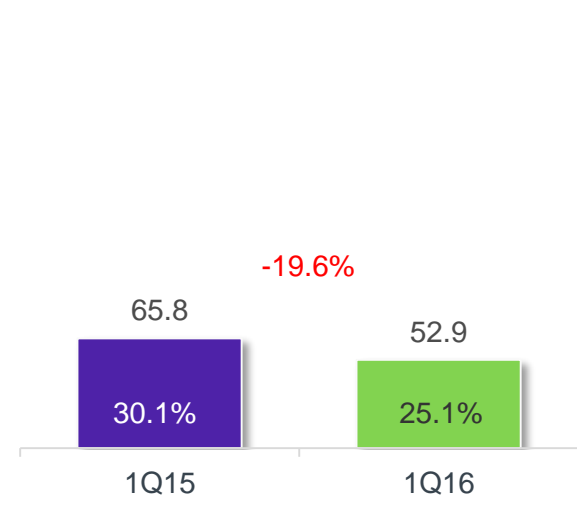
Net Revenue



Adjusted EBITDA

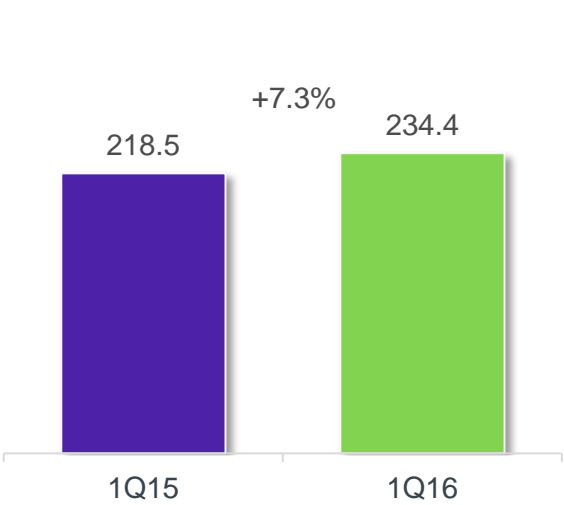


Adjusted Net Income

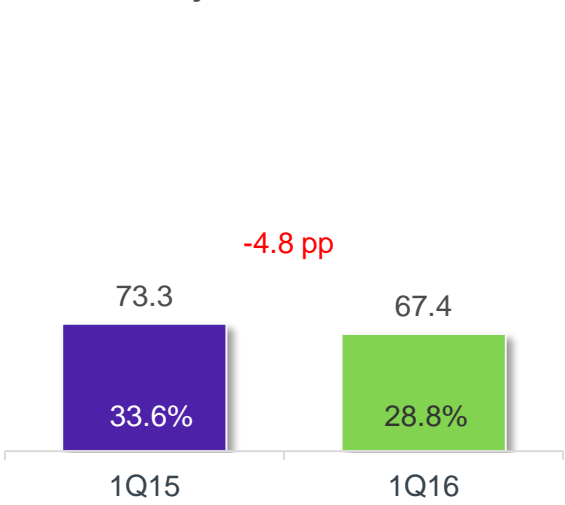


- ✓ **Net Revenue** of R\$210.7 million down by **3.6%**
- ✓ **Adjusted EBITDA** of R\$65.9 million (-10.2%), and **Adjusted EBITDA Margin** of **31.3% (-2.3pp)**
- ✓ **Adjusted Net Income** of R\$52.9 million (-19.6%)

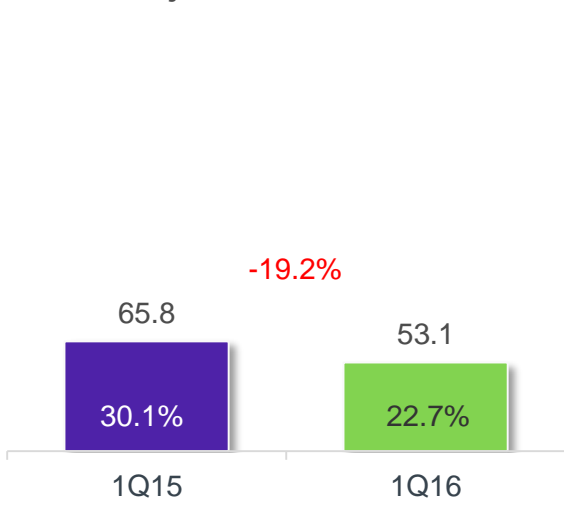
Net Revenue



Adjusted EBITDA



Adjusted Net Income



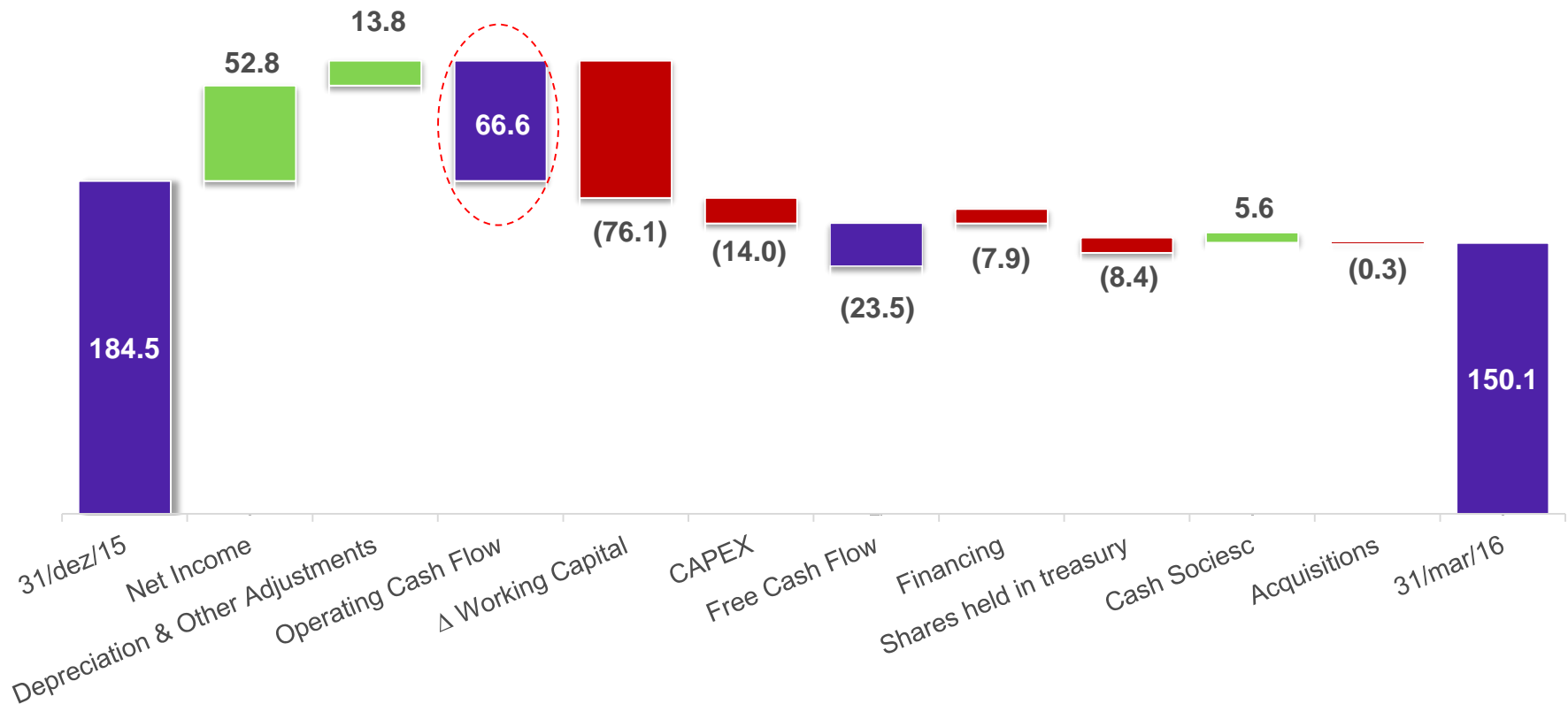
- ✓ **Net Revenue** of R\$234.4 million up by **+7.3%**
- ✓ **Adjusted EBITDA** of R\$67.4 million **(-8.1%)**, and **Adjusted EBITDA Margin** of **28.8% (-4.8pp)**
- ✓ **Adjusted Net Income** of R\$53.1 million **(-19.2%)**



# Cash Flow

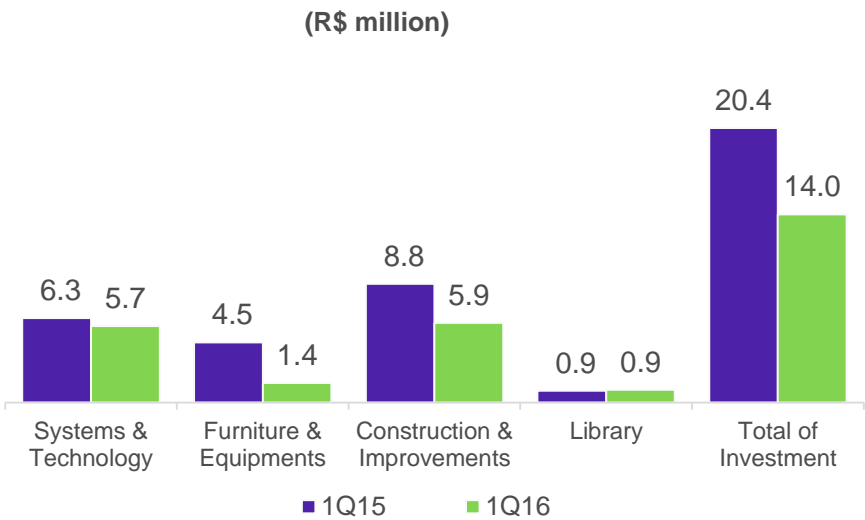
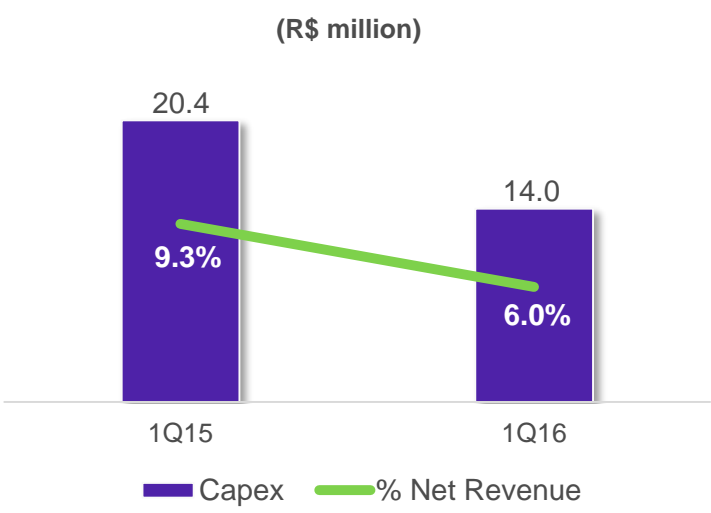


# Cash Flow – 1Q16



<sup>1</sup> Operating Cash Flow = Net Income + Depreciation and Other Non-Cash Items

<sup>2</sup> Free Cash Flow = Operating Cash Flow – Working Capital – Capex



✓ **Investments in Technology**

- EAD
- Academic Innovation

✓ **Reduction vs 1Q15: Main Expansion Projects Completed**

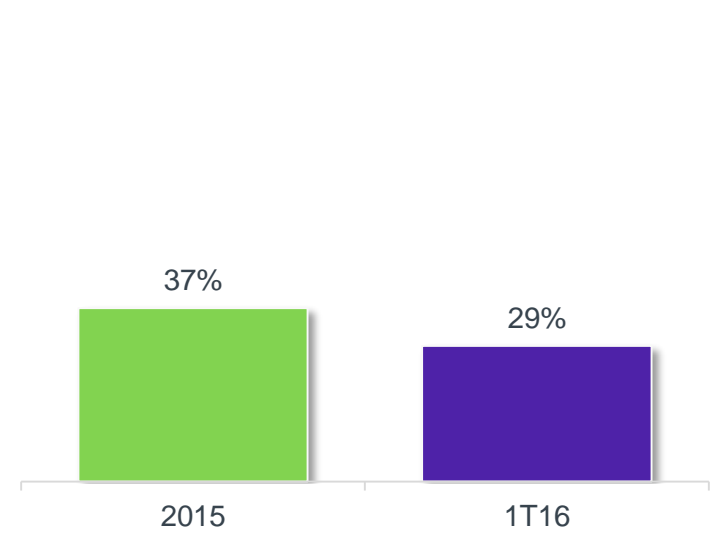
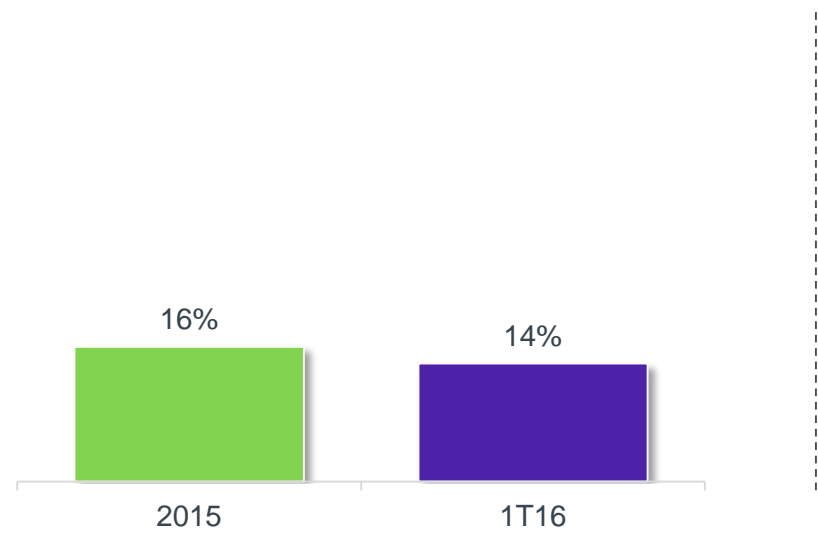
- New campuses in the countryside of Minas Gerais
- UNA: Linha Verde and Centro Novo campuses
- UniBH: Cristiano Machado and Catalão campuses
- São Judas: campuses capacity increase

# Return on Invested Capital (ROIC)



ROIC<sup>1</sup>

ROIC without intangibles assets<sup>1</sup>



<sup>1</sup> ROIC = LTM EBIT (Adjusted for non-recurring transaction cancelation with Whitney in 2015) \* (1- effective tax rate) ÷ avg. invested capital (simple average of the last 4 quarters)  
Invested Capital = net working capital + FIES long term accounts receivable + net fixed assets



R\$ (million)	Consolidated Ânima		
	MAR 16	MAR 15	DEC 15
<b>Cash and Cash Equivalents</b>	<b>150.1</b>	<b>118.8</b>	<b>184.5</b>
Cash	24.5	25.7	25.5
Financial Investments	125.6	93.1	159.1
<b>Loans and Financing <sup>1</sup></b>	<b>374.0</b>	<b>121.2</b>	<b>331.6</b>
Short Term	136.4	31.0	112.1
Long Term	237.5	90.1	219.5
<b>Net (Debt) Cash <sup>2</sup></b>	<b>(223.8)</b>	<b>(2.4)</b>	<b>(147.1)</b>
Other Short and Long Term Obligations	32.7	3.2	3.6
<b>Net (Debt) Cash <sup>3</sup></b>	<b>(256.6)</b>	<b>(5.6)</b>	<b>(150.7)</b>

Leverage (Net Debt ÷ LTM Adjusted EBITDA) = 1.4x

<sup>1</sup> Net of swap adjustment

<sup>2</sup> Considering financial debt (bank loans) only.

<sup>3</sup> Including obligations related to tax instalments and payables from acquisitions.

### **2016-1 Intake process as the biggest short term challenge:**

- ✓ Alternative strategies for the next intake cycles
- ✓ Plan to protect margins under execution

### **Positives for 2016:**

- ✓ Drop out rates, Non Fies Receivables and PDA under control in 1Q16
- ✓ Positive cash generation perspective in 2016, despite challenges on demand

### **Challenging external environment reinforces our strategic choices:**

- ✓ Academic Quality
- ✓ Operational Efficiency
- ✓ Innovation
- ✓ Our people

# IR Contacts

[www.animaeducacao.com.br/ir](http://www.animaeducacao.com.br/ir)

[ri@animaeducacao.com.br](mailto:ri@animaeducacao.com.br)

+55(11) 4302-2611

Heitor Paim Parreiras

Leonardo Barros Haddad

