



3Q19 RESULTS

ănimã
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.

* Results exclude the effect of the IFRS-16 for better comparison.

KEY MESSAGES

- We ended 3Q19 with very significant achievements and following the **consistent margin recovery movement at all levels**;
- For the first time in the last 4 years, **we achieved in 2H19 an annual growth in the average ticket** of new entrants, as a result of a series of internal initiatives. Although we are at the beginning of the ticket reversal journey, we have already reported a 2.6% improvement in 3Q (ex-AGES);
- **New record in dropout reduction**, mainly due to the digital transformation initiatives in the J2A project, which supported the 10.3% growth in our student base, reaching 112.8 thousand enrollments in 3Q19;
- In 3Q19, we celebrated a **significant growth in Consolidated Net Revenue** of 14.6% (+9.8%, excluding AGES) versus the same period of the previous year, with an operating margin of 26.8%, (+26.5%, excluding AGES) or 2.1pp higher than 3Q18 (+1.8pp excluding AGES).
- Adjusted EBITDA for the period, excluding the effect of IFRS-16 but already consolidating AGES, was R\$52.4 million (+29.5% vs. R\$40.5 million in 3Q18), and a margin of 17,8% over Net Revenue (+2.0pp vs. 3Q18), solidly following the margin recovery movement. In 9M19, we had adjusted EBITDA of R\$165.4 million, or 19.2% margin (+1.5pp vs. R\$141.6 million in 9M18).



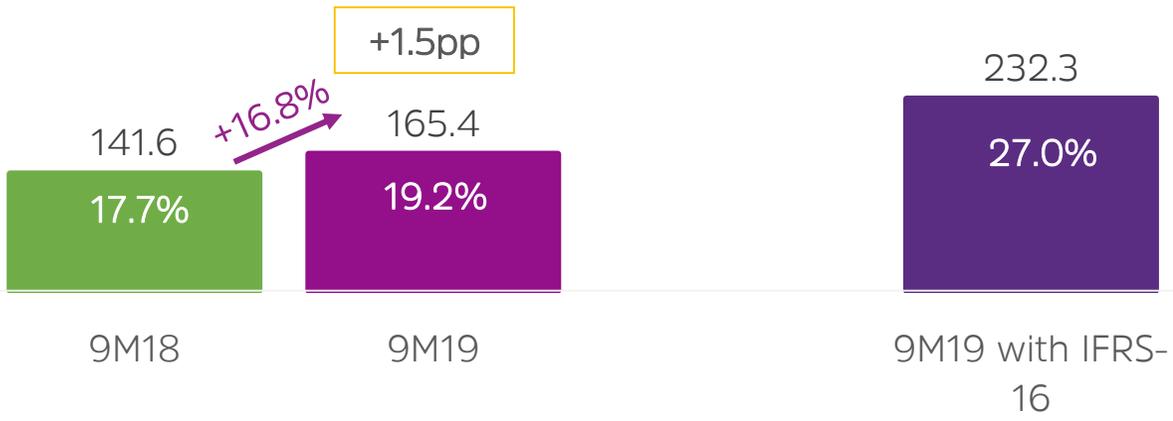
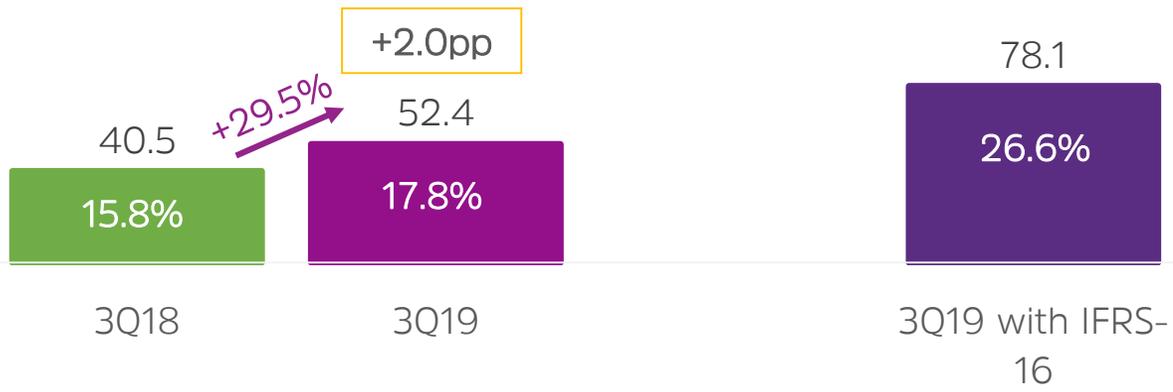
CONSOLIDATED RESULTS

Adjusted EBITDA

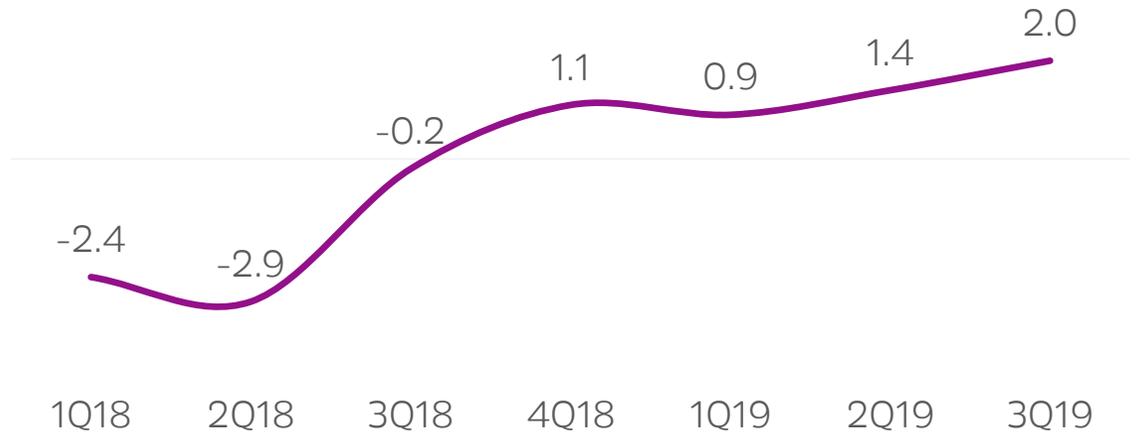
(in R\$ million)

Ex-IFRS-16

With IFRS-16



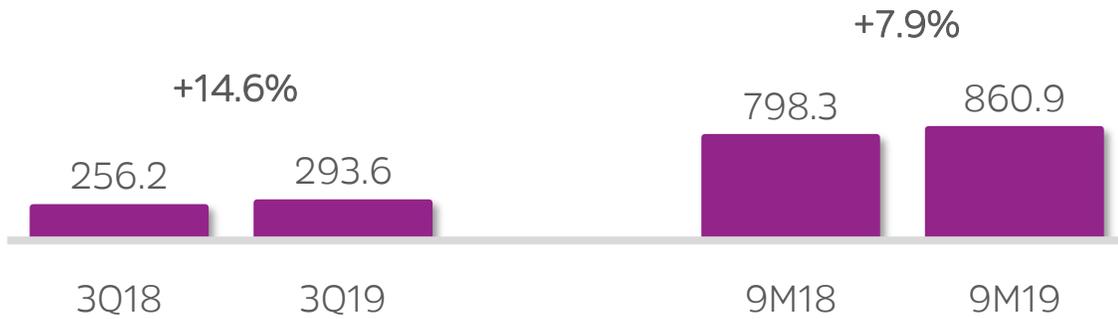
Adjusted EBITDA Margin development ex-IFRS-16
(in pp vs. same period quarter)



- 3Q EBITDA of R\$52.4 million (+29.5% vs. 3Q18), margin of 17.8% over Net Revenue (+2.0pp vs. 3Q18).
- In 9M19, adjusted EBITDA of R\$165.4 million, or 19.2% of margin (+1.5pp vs. 9M18).

Consolidated

Net Revenue
(R\$ million)



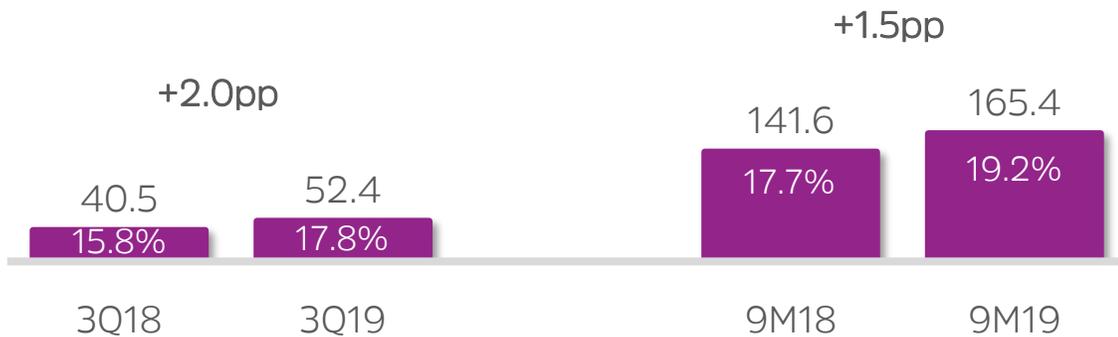
Education (96%)

Others (4%)

Net Revenue

	3Q19	9M19
Education (96%)	13.5%	8.0%
Others (4%)	47.3%	4.1%
Net Revenue	14.6%	7.9%

Adjusted EBITDA
(R\$ million)



Gross Margin

Commercial Exp.

General and Admin. Exp.

Other

Corporate

EBITDA Margin

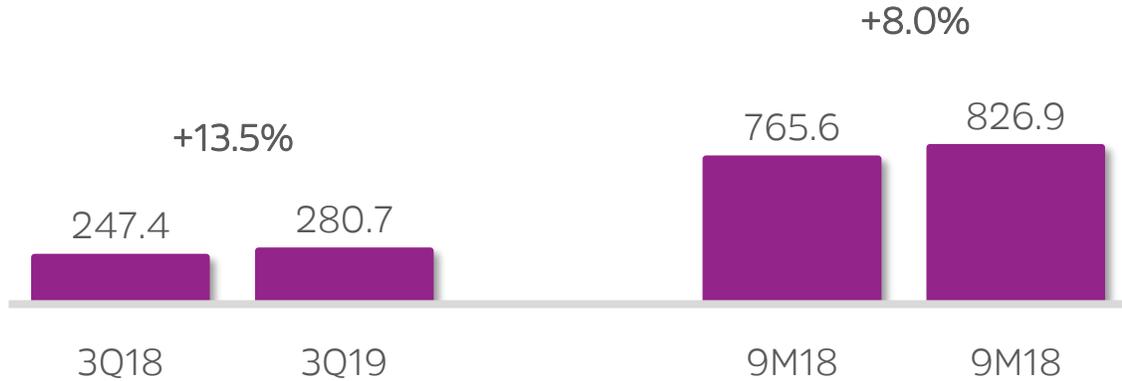
	3Q19	9M19
Gross Margin	4.5pp	2.8pp
Commercial Exp.	-1.6pp	-0.9pp
General and Admin. Exp.	-0.1pp	-0.1pp
Other	-0.7pp	-0.8pp
Corporate	-0.1pp	0.4pp
EBITDA Margin	2.1pp	1.5pp



EDUCATION

Education

Net Revenue
(R\$ million)



Student Base

Average Net Ticket

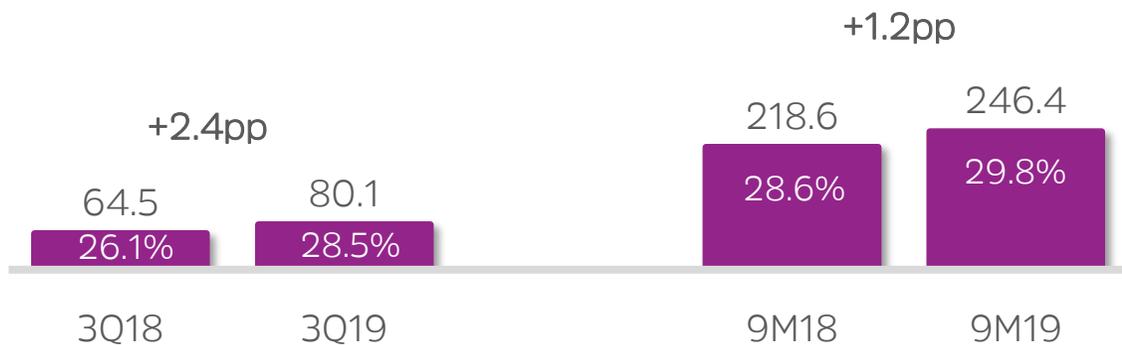
Excl. AGES

AGES

Education Net Revenue

	3Q19	9M19
Student Base	5.0%	7.7%
Average Net Ticket	2.6%	-0.8%
Excl. AGES	7.6%	6.9%
AGES	5.9%	1.1%
Education Net Revenue	13.5%	8.0%

Operating Result
(R\$ million)



Gross Margin

Commercial Exp.

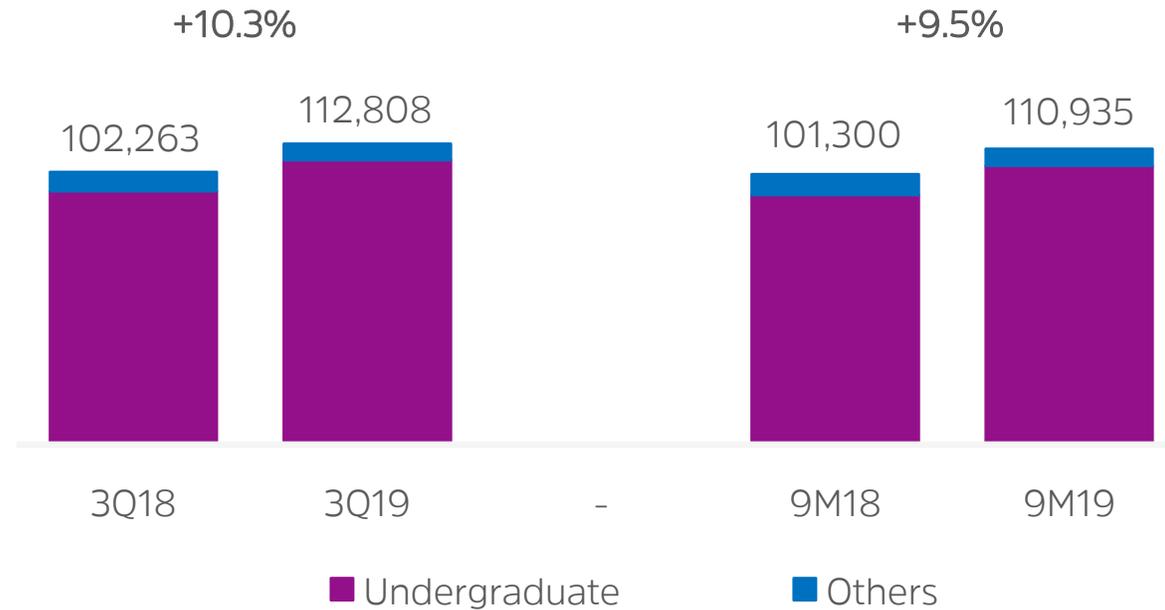
General and Admin. Exp.

Other

Education Operating Result

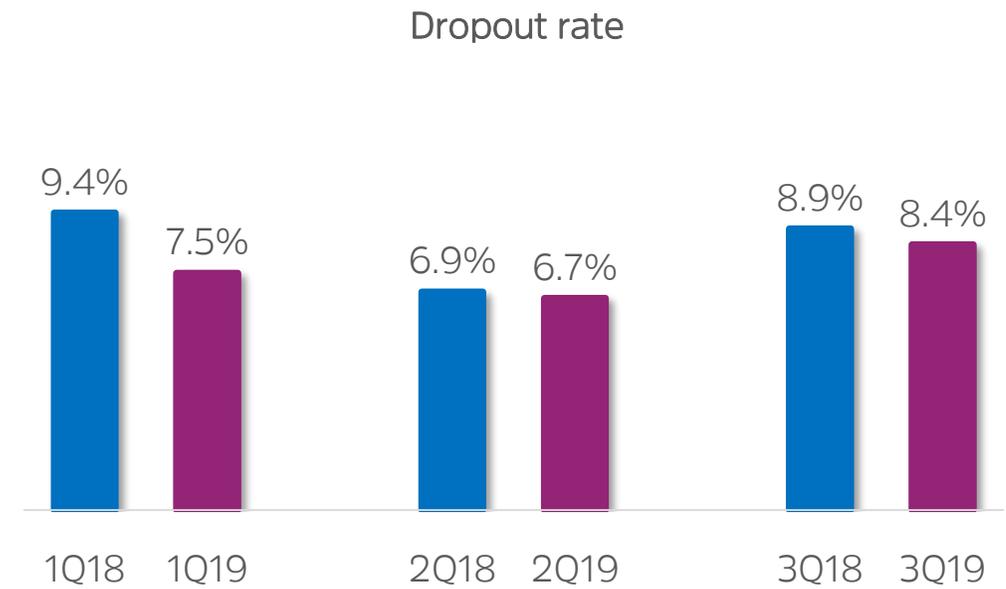
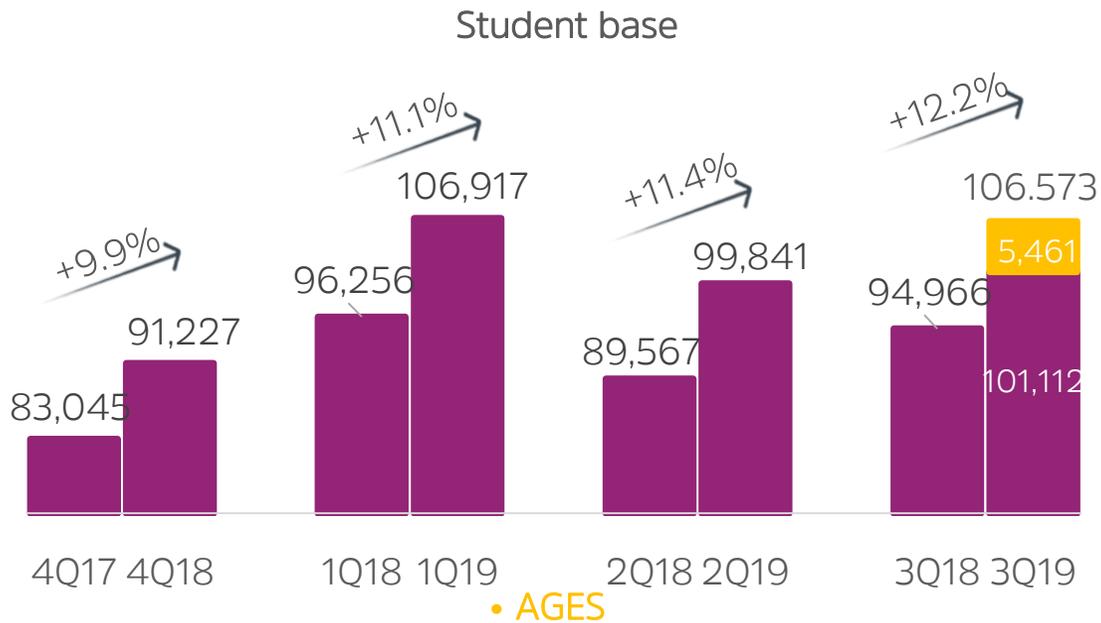
	3Q19	9M19
Gross Margin	5.1pp	2.9pp
Commercial Exp.	-1.5pp	-0.6pp
General and Admin. Exp.	-0.4pp	-0.3pp
Other	-0.7pp	-0.8pp
Education Operating Result	2.4pp	1.2pp

Student base



Undergraduate student base in 10.3% in 3Q19 vs. 3Q18 (+5.0% excluding AGES).
 In 9M18, our average student base reached 110.9 Thousand students (+9.5% vs. 3Q18)

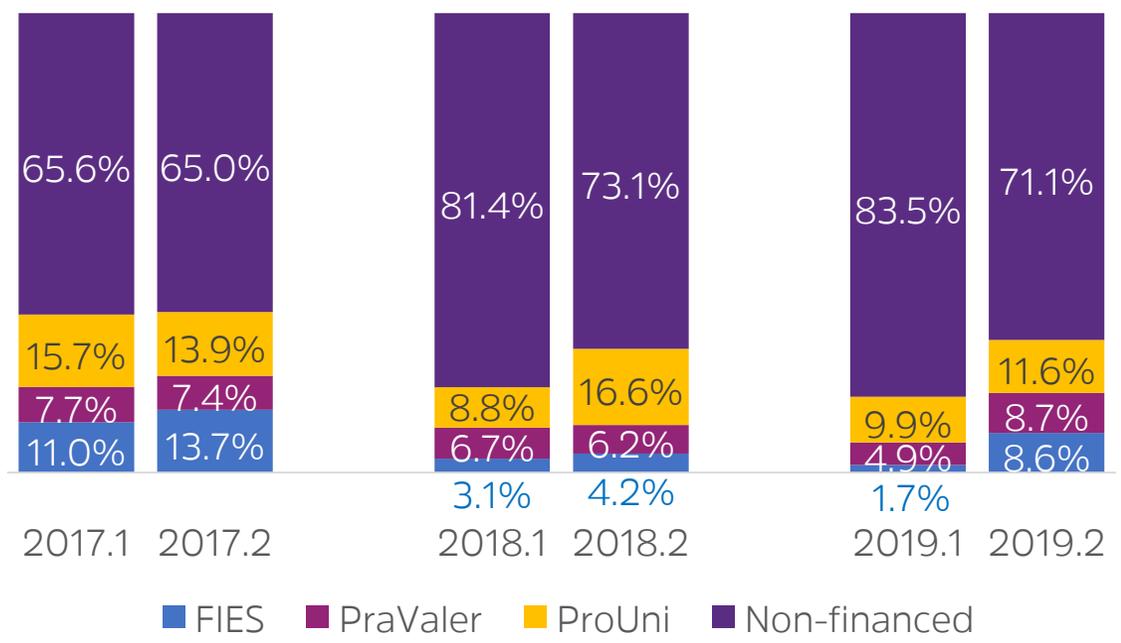
Student base: Undergraduate



- Undergraduate student base growth with +11.6 thousand students and +12.2% vs. the same period last year (+6.1 Thousand students and +6.5% excluding AGES).
- Continuous improvement in retention rates, especially impacted by the digital transformation in the J2A (Ânima's Students Journey).

Student Financing

Intake Evolution



-- Total intake--

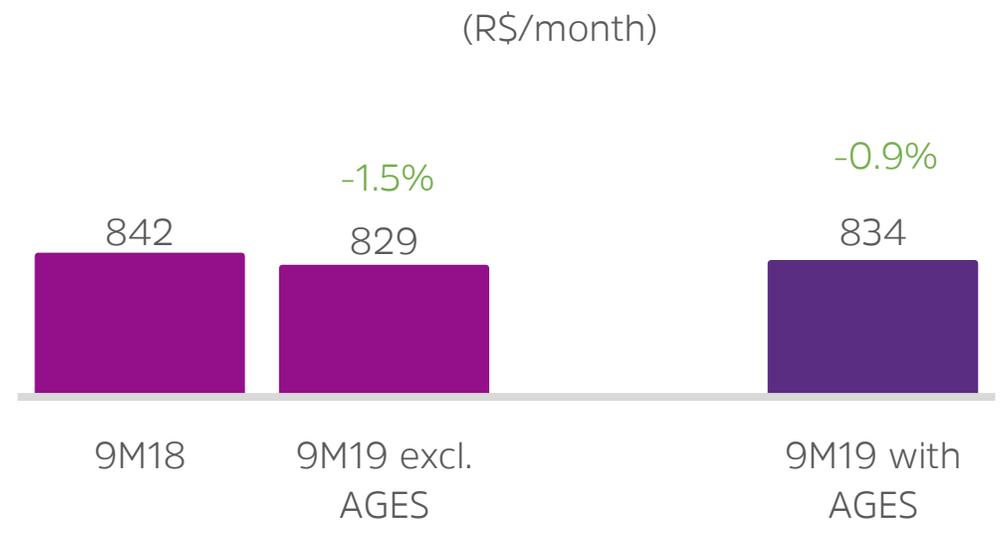
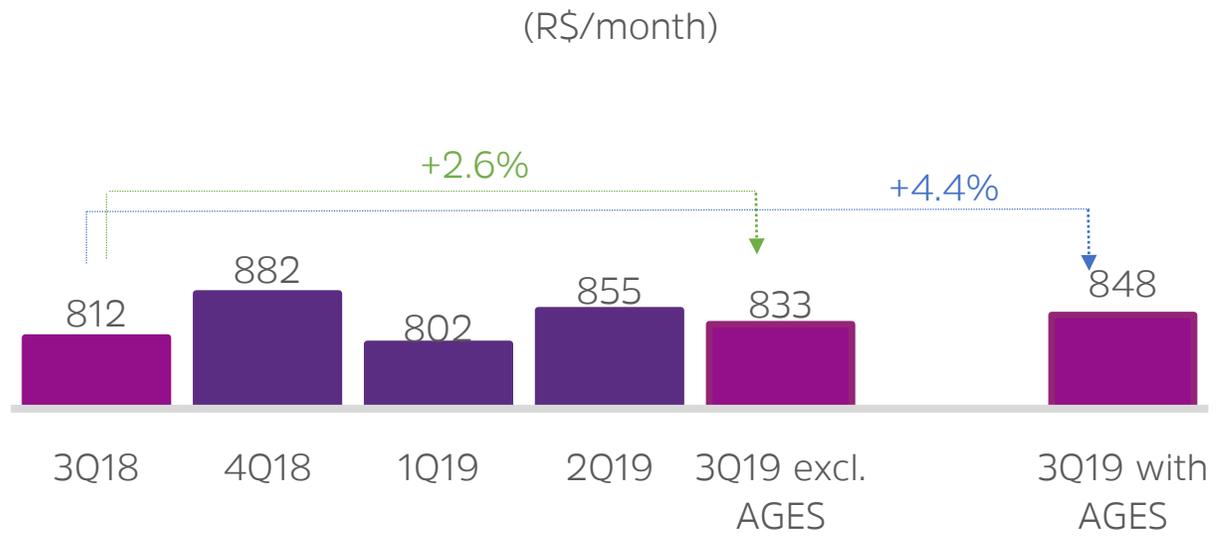


-- Student base --



We ended 3Q19 with 15.1% and 8.7% of our student base with FIES and Private Financing, respectively.

Net Average Ticket



- For the 1st time in 4 years, we achieved an average ticket of intake above the previous year
- We continue committed with different initiatives that allows us to follow a sustainable trajectory of net average ticket growth.

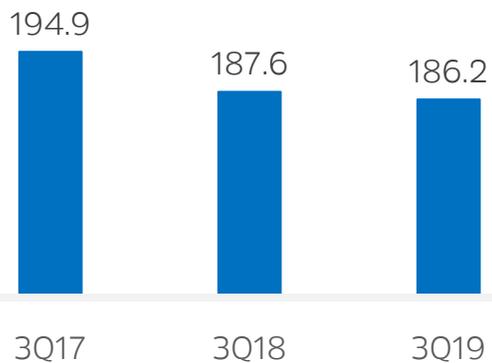
Education – Integration of the Acquisitions and Q2A Impacts



(R\$ million)

Block: Base Excl. new units and acquisitions

Net Revenue

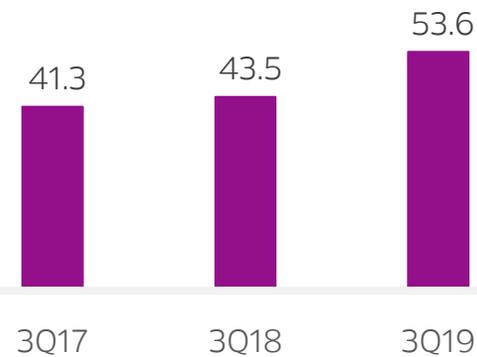


Operating Result

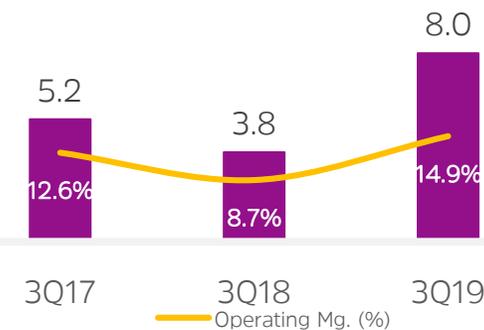


Block: Acquisitions Excl. new units

Net Revenue



Operating Result

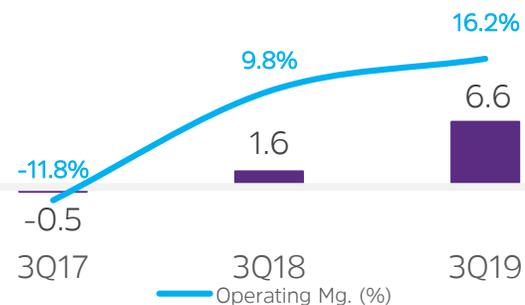


Block: Organic Expansion

Net Revenue



Operating Result



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) and AGES in Aug'19

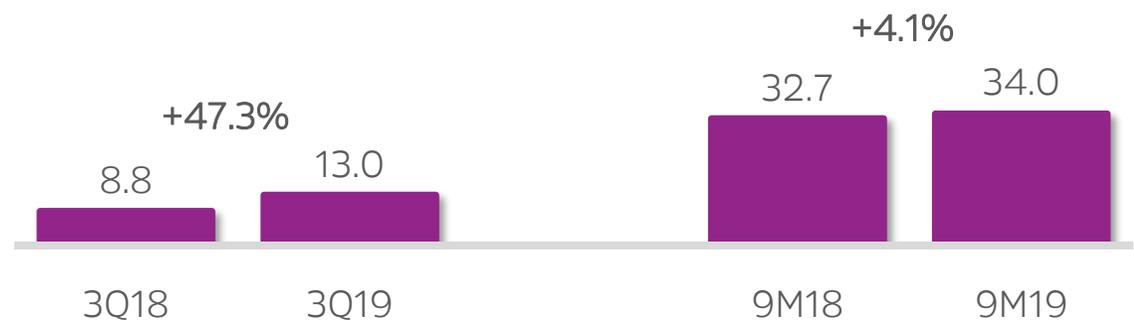
³ Considers organic expansion: Units of Sete Lagoas (Jul'16), Catalão (Oct'16), Divinópolis (Feb'17), Pouso Alegre (Mar'17), Nova Serrana (Apr'17), São Bento do Sul (Jan'17), Itajaí (Jul'17), Itabira (Jan'18), Jataí (Jan'18), Jabaquara (Jan'18), Santo Amaro (Jan'18), Paulista (Jan'18), Palácio Avenida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



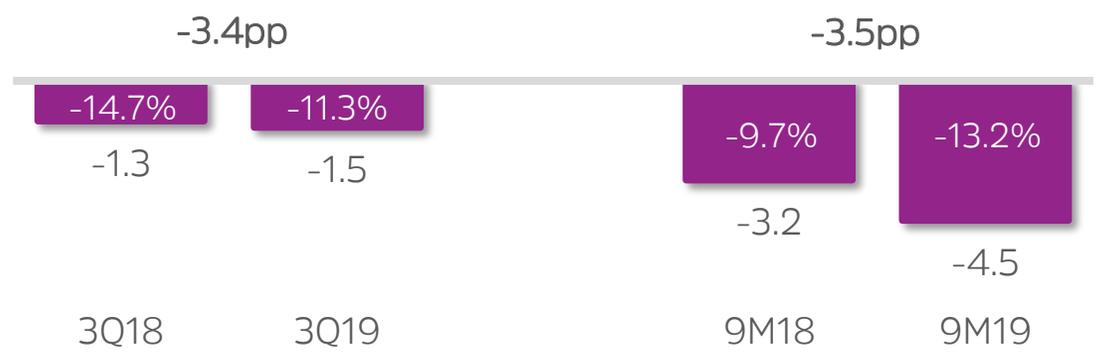
**OTHER
BUSINESSES**

Other Businesses

Net Revenue
(R\$ million)



Operating Result
(R\$ million)



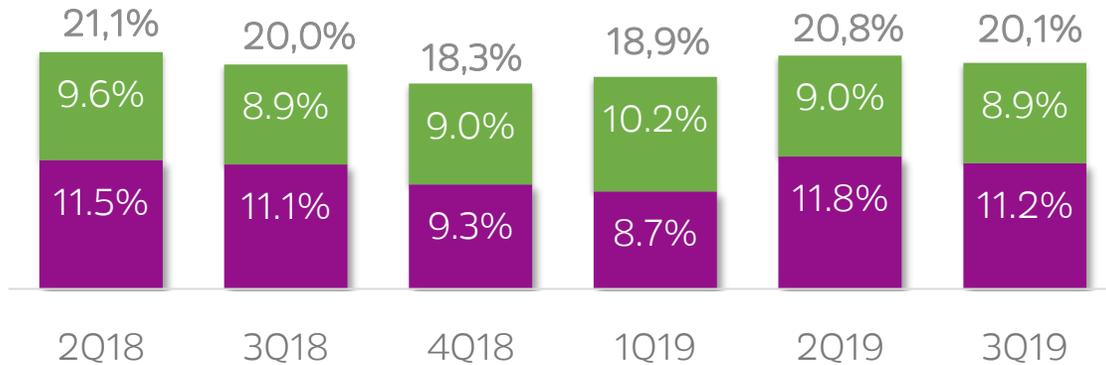
- Result follows the seasonality of this segment, which historically recovers in the last quarter of the year.
- In 9M19, Operating Income reached -R\$4.5 million, compared to -R\$3.2 million in 9M18.
- EBRADI and hsmU continue to grow in line with their business plans.



**CORPORATE AND G&A
EXPENSES**

Corporate and G&A Expenses

(as a % of Net Revenue)



(in R\$ million)

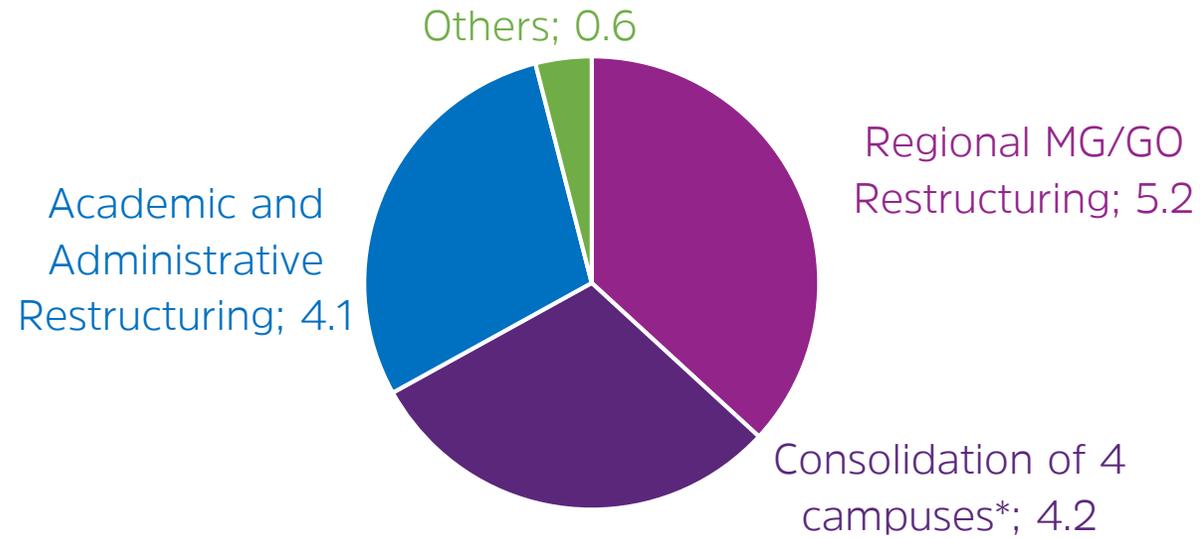


■ G&A ■ Corporate

- Corporate Expenses: R\$26.2 million in 3Q19, 8.9% of Net Revenue.
- G&A Expenses, already consolidating AGES (R\$3.5 million or 0.8pp): R\$32.9 million in 3Q19, 11.2% of Net Revenue.
- It is important to highlight that our focus remains on reducing the company's expenses as a whole. The results of these efforts are shown in this quarter, when the sum of corporate expenses and business unit G&A reached 20.1% of Net Revenue, stable vs. 3Q18, or 19.8% excluding AGES.

Non-Recurring

3Q19 - EBITDA
(in R\$ million)



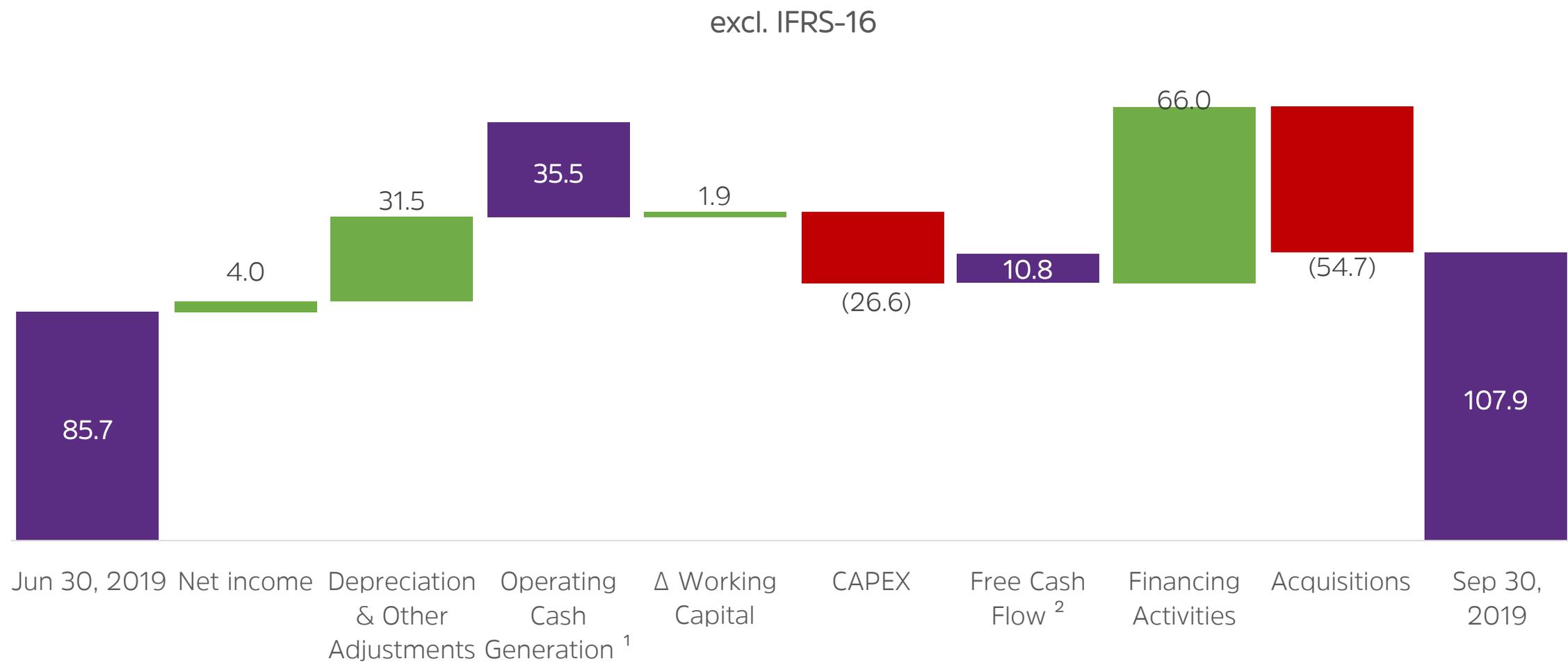
- Within the management efforts that we have been promoting in search of additional efficiency gains, which implies, at first, non-recurring expenses with restructuring expenses, in this 3Q we promoted the unification of the management of our brands in the Regional MG/GO, in addition to consolidating 4 campuses with the redistribution of students in the same cities / regions.

* Una Barro Preto, Una Uberlândia, Una Catalão and UniSociesc Jaraguá do Sul



**CASH
GENERATION**

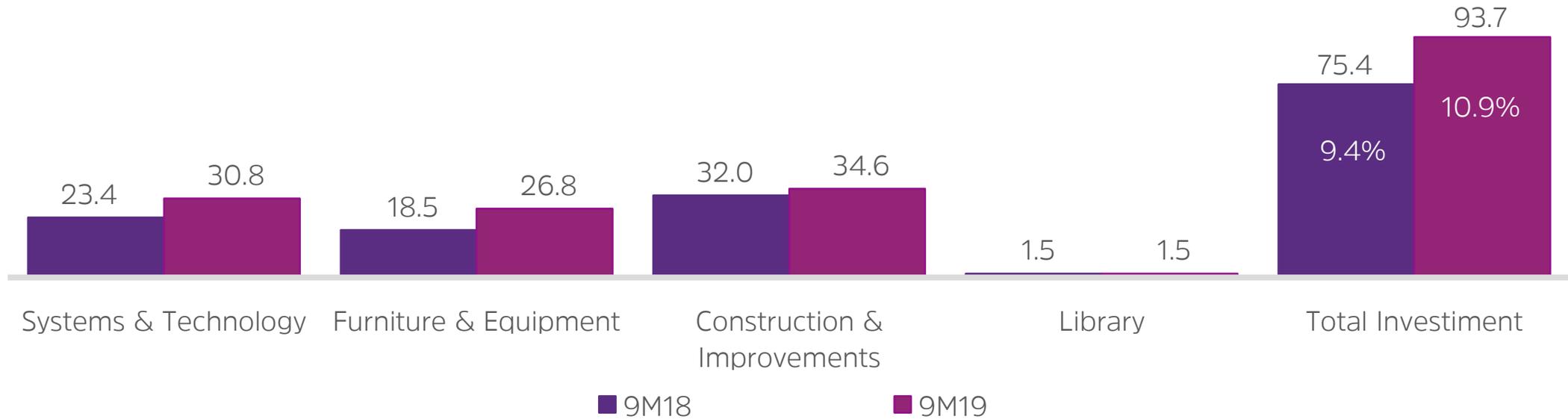
Cash Flow – 3Q19



¹ Operating Cash Generation = Net Income + Depreciation & Other non-cash items
² Free Cash Flow = Operating Cash Generation – Working Capital – Capex

CAPEX

(in R\$ million)



- In 9M19, our investments reached R\$ 93.7 million or 10.9% of Net Revenue, +1.5pp vs. 9M18.
- Organic expansion units represented 55% of total Capex in 9M19, or R\$33.3 million. Excluding this effect, our normalized Capex would be of R\$60.5 million, or 7.0% of Net Revenue

Cash and Net Debt

R\$ (million)	Consolidated Ânima with IFRS-16		Consolidated Ânima excl. IFRS-16		
	SEP 19	JUN 19	SEP 19	JUN 19	SEP 18
(+) Cash and Cash Equivalents	107.9	85.7	107.9	85.7	246.2
Cash	28.0	30.3	28.0	30.3	23.3
Financial Investments	79.9	55.4	79.9	55.4	222.9
(-) Loans and Financing ¹	455.0	376.0	455.0	376.0	405.4
Short Term	208.0	80.0	208.0	80.0	79.1
Long Term	247.0	296.0	247.0	296.0	326.3
(-) Liability Lease (IFRS-16)	555.5	550.7			
Short Term	23.2	27.2			
Long Term	532.2	523.5			
(=) Net (Debt) Cash ²	(902.6)	(841.0)	(347.1)	(290.3)	(159.2)
(-) Other Short and Long Term Obligations	148.9	104.5	148.9	104.5	97.9
(=) Net (Debt) Cash ³	(1,051.5)	(945.5)	(496.0)	(394.8)	(257.1)

¹ Net of swap adjustment

² Considering financial debt (bank loans) only.

³ Including obligations related to tax debt and acquisitions payables.

FINAL CONSIDERATIONS

- We remain firm in the following processes:
 - **Granular control** of costs and expenses;
 - **E2A:** careful execution of our academic model by competencies;
 - **Q2A:** successful maturation of units opened since Jul'16 by our organic expansion plan;
 - **J2A:** continuous improvement of our students' journey;
- In August, we took another important step in our **growth project focused on the health vertical**, through AGES. With this, we now **have two more Medical courses** in the process of maturation and strong potential for value creation, **reaching 379 annual Medical seats** (55 in the final phase of approval).
- **The opportunities for inorganic growth (M&A) are increasing** and, as they have been inseparable from our history, we are still very active in projects that are consistent with our DNA and our positioning, and especially **that brings value creation potential for our shareholders.**
- We know that there is still a long way ahead of us, but the growth we have experienced gives us a solid base and a strong conviction about the competence of our team to fully accomplish our purpose to ***Transform the Country through Education***, generating sustainable value for all our stakeholders.

3Q19 Conference call

Conference call in English and Portuguese

November 12, 2019

09:00 a.m. (NY) | 11:00 a.m. (Brasilia time)

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Webcast: [click here](#)

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