



**Cruzeiro do Sul**  
Educatonal

# 3Q22 RESULTS

**CSED**  
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## 3Q22 Conference Call

November 16<sup>th</sup>, 2022 | Wednesday

02 p.m. (Brasilia) / 12 p.m. (New York) / 5 p.m. (London)

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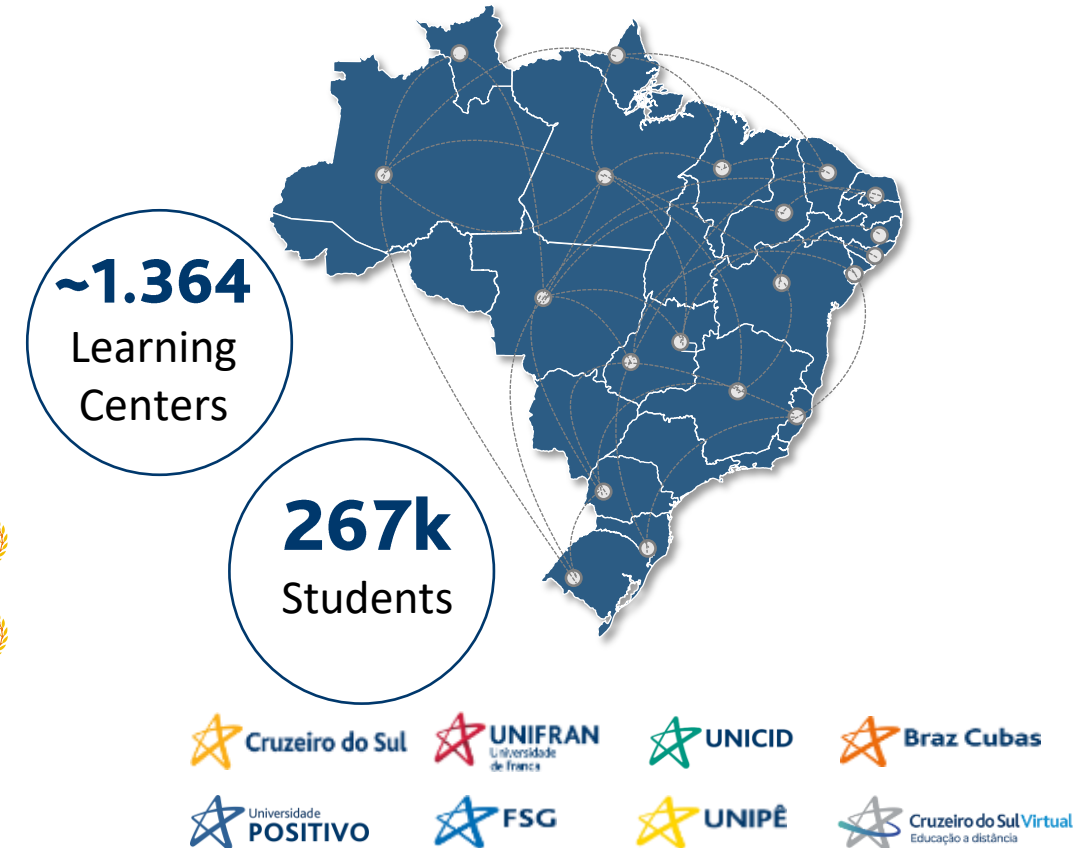


# Cruzeiro do Sul Educacional is one of the largest quality-focused education group in Brazil with more than 407\* students in 29<sup>1</sup> campuses and more than ~1.364 learning centers.

## On-Campus



## Distance Learning



# Message from the Management

The beginning of the second academic semester was marked by the continuity of important movements focused on intake and re-enrollment, initiated in the first semester, which contributed to the continuous expansion of the student base. Despite the challenges brought by the macroeconomic context, once again the Company's strategy of operating through leading brands with a focus on quality, added to the discipline of price management and cost control, has brought us lasting and consistent results.

In on-campus undergrad, the winter intake of the 2022 cycle was 13.5% higher than the same period of the previous year. In re-enrollment, we reached a new level in 2022.2, 90.1%, an increase of 2.4 p.p. vs. 3Q21, reflecting the strategy designed by our units and resulted in the highest level in recent years. With both movements, we ended the quarter with a base of 132 thousand undergraduate students, an expansion of 5.2% vs. last year, with students in courses in the health area already representing more than 51% (49% in 3Q21).

In distance learning, the intake process grew 34.5% vs. last year, ending the quarter with a base of 267 thousand students, an expansion of 18.0% vs. the previous year and 7.3% above the initial base. We still observe a competitive environment in 100% digital courses, while in hybrid modality, which has a differentiated portfolio and higher tickets, we continue to expand the base which already represent 17% of the total DL student base.

The intake cycle in DL extends until the second half of November and until 11/10, enrollment was at 112 thousand students, an increase of 18% vs. the same date as 2021. Following the execution of our plan to increase the number of hubs, we added 108 in the last 12 months, reaching 1,364 hubs in total.

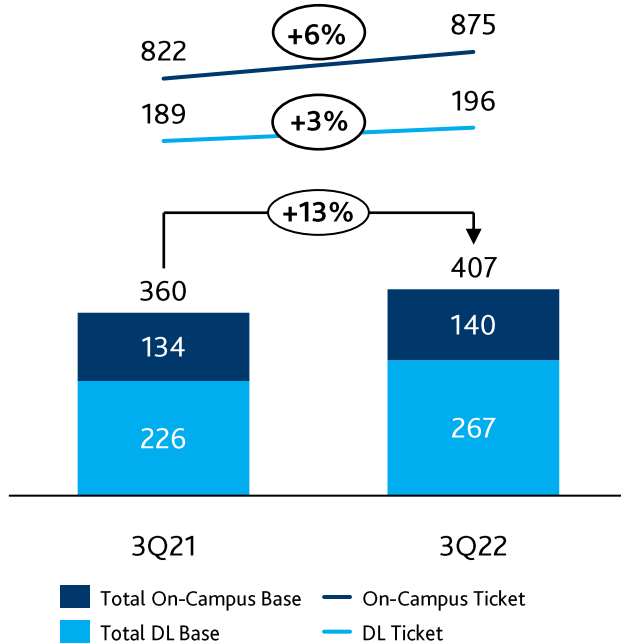
On the academic side, MEC released the results of ENADE 2021 for courses mostly linked to associate degrees/human sciences/technology and we obtained mixed results with a positive highlight for courses in the DL modality, where we are among the top 3 in criteria 3/4/5 among those listed players. In on-campus modality, the pandemic situation led us not to progress as expected, but we achieved maximum grades in the Physical Education and Pedagogy courses at UDF (Distrito Federal), Cesuca and FSG (Rio Grande do Sul). In addition, Positivo was featured in the Pedagogy courses and several courses in the Technology area, ranking among the best in the country.

Finally, in terms of financial results, the growth in the student base in both segments, added to the better commercial planning focused on pricing, made the ticket (Quarter's Net Revenue/final student base) grow by around 6% in the On-Campus and 3% in DL, maintaining the trend observed in 1H22, which resulted in revenue of R\$ 496 million (+13.4% above 3Q21). Gross Profit reached R\$236 million with a margin of 47.6%, stable vs. the same period last year, despite impacts on the labor cost line due to the collective bargaining agreement. Adjusted EBITDA reached R\$155 million, with a margin of 31.2%, an increase of 0.5 p.p. vs. last year. Adjusted Net Income reached R\$19 million vs. R\$ 29 million in the previous period, reflecting higher interest rates and contract updates.

The Management

# 3Q22 Highlights

Growth of ~13% in total student base, with on-campus and DL tickets growing



**+13.5%**

Intake of on-campus undergrad 3Q22 vs. 3Q21

**+34.5%**

Intake of DL undergrad 3Q22 vs. 3Q21

**+13.4%**

Net Revenue reaching R\$496 MM million on 3Q22

**R\$155 million**

Adj. Ebitda  
In 3Q22 **+15.3%** higher than 3Q21

**+5.1%**

Student base vs. 3Q21  
On-campus undergrad

**+16.7%**

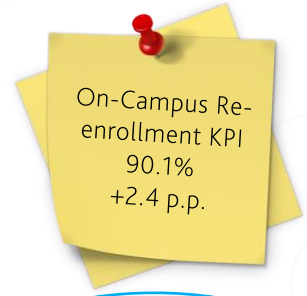
Student base vs. 3Q21  
DL undergrad

**47.6%**

Adj. Gross Margin  
in line with 3Q21

**31.2%**

Adj. EBITDA Margin  
**+52bps** above of 3Q21



**R\$175 million**

Manag. Oper. Cash Flow  
**118% of EBITDA**

**0,9x**

Net Debt/Adj. Ebitda\*



# UNIVERSIDADE CIDADE DE SÃO



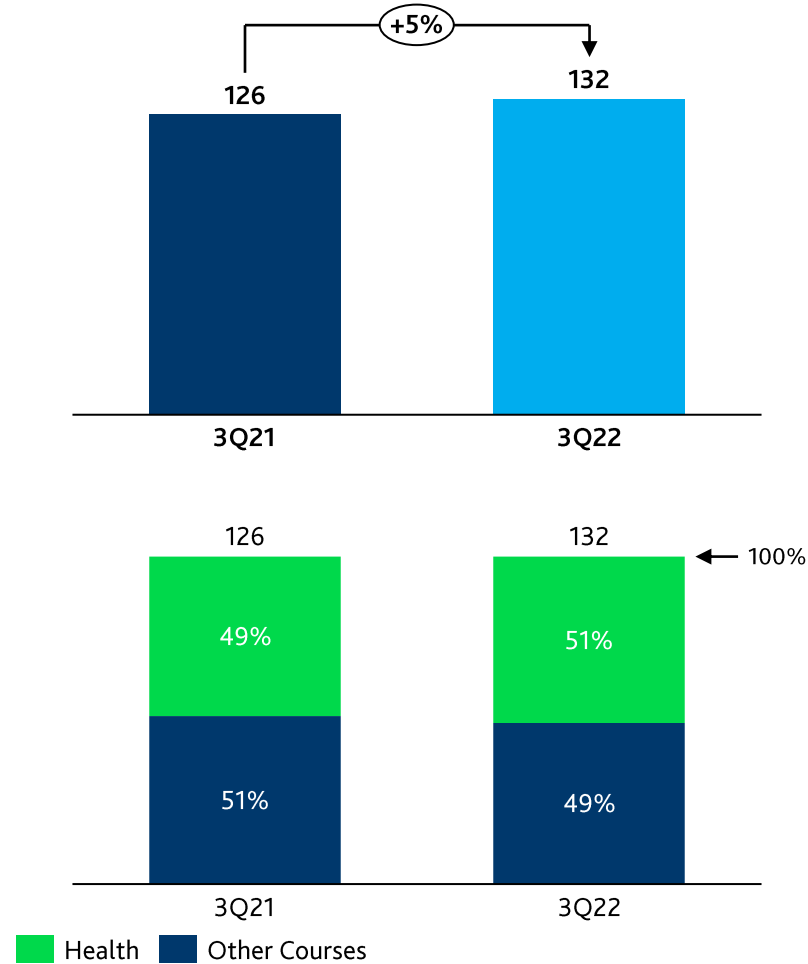
## Operational Performance

# Undergrad student base growth 3Q22

## On-campus

Expansion in the student base; Health courses continue to represent more than half of the base.

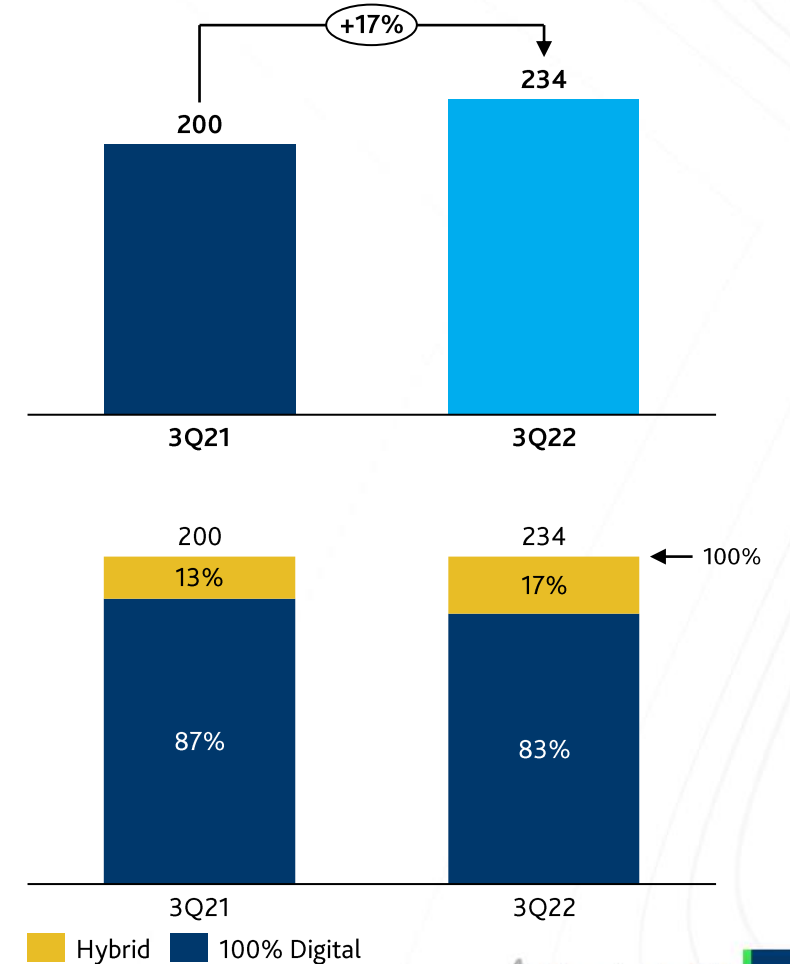
Student base - Undergrad 3Q22



## DL

Expansion of the student base; Hybrid courses continue to gain relevance at the base.

Student base - Undergrad 3Q22





# Consolidated Student Base Dynamics

## On-Campus

### Relevant intake on 3Q22; +13.5% and evolution on re-enrollment

3Q22 intake cycle expanded by 13.5% (Y/Y), ending the quarter with 140k students, an expansion of 4.6% vs. the 3Q21.

Evolution in re-enrollment of 2.4p.p. to 90.1%.

On-Campus	3Q22	3Q21	Y/Y
<b>BoP</b>	<b>139</b>	<b>137</b>	<b>1,5%</b>
Intake	26	23	13,5%
Dropout	(18)	(19)	(2,2%)
Graduation	(7)	(7)	1,5%
Grad School and K12	0	(1)	(121,8%)
<b>EoP</b>	<b>140</b>	<b>134</b>	<b>4,6%</b>

## DL

### Relevant intake on 3Q22; +34.5%

In DL, we had a growth of 34.5% in 3Q22 intake cycle, ending the quarter with 267k students, an expansion of 18% vs. the same period of the previous year.

The final student base expanded by 7.3% in the quarter compared to the initial base (-1.4% last year), despite the dropout that increased by 1.1pp to 20.3% of the apt base, reflecting a competitive environment of intake prices.

DL	3Q22	3Q21	Y/Y
<b>BoP</b>	<b>248</b>	<b>229</b>	<b>8,4%</b>
Intake	87	65	34,5%
Dropout	(65)	(53)	21,4%
Graduation	(18)	(18)	(0,8%)
Grad School and K12	14	3	304,5%
<b>EoP</b>	<b>267</b>	<b>226</b>	<b>18,0%</b>

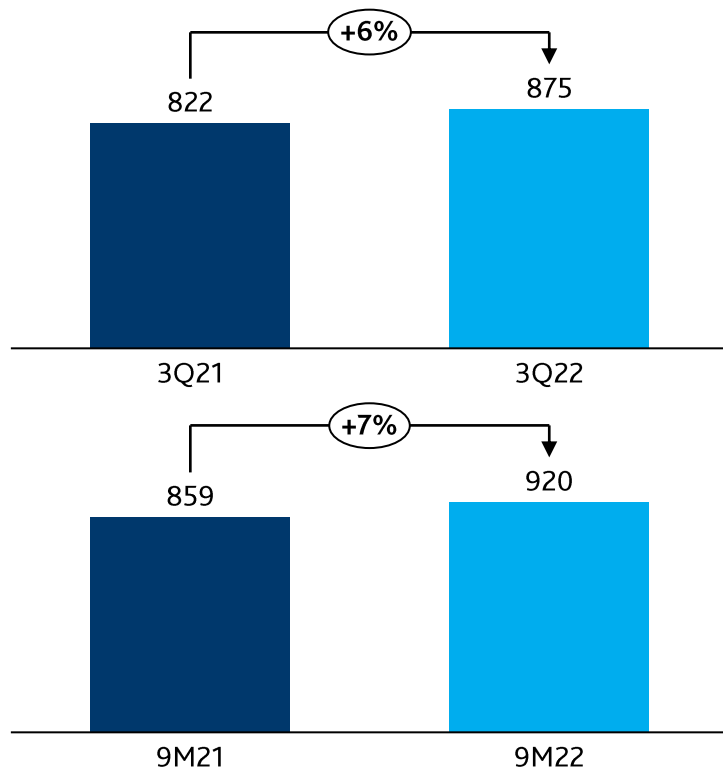


## On-Campus

**Consolidated ticket expanding 6% on 3Q22;**

The on-campus undergrad ticket was 6% higher, despite the impact of students' mix at the base with the highest intake (freshmen) (+13.5%).

### On-Campus Ticket (R\$/month)

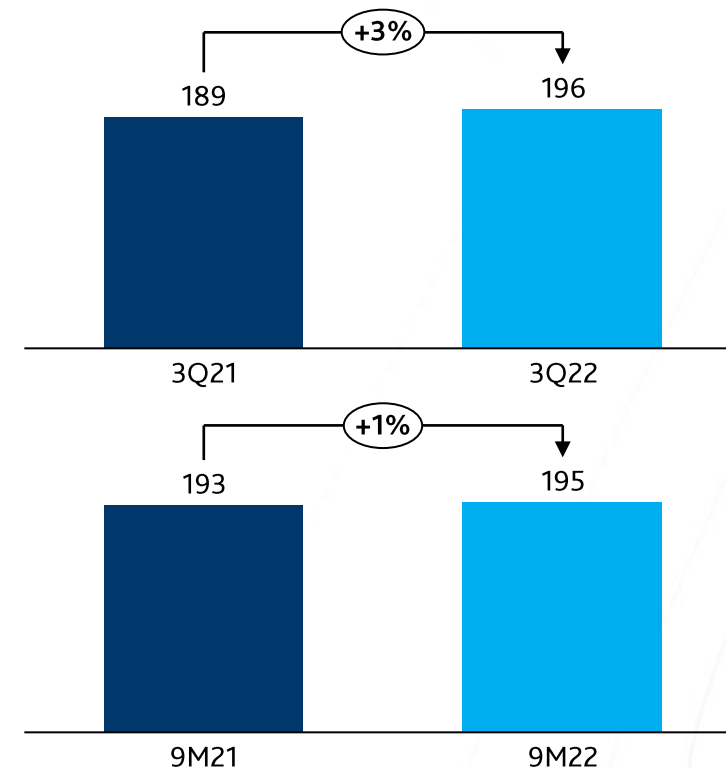


## DL

**Ticket expanding 3% on 3Q22;  
Hybrid mitigating price competition**

The average ticket in DL was 3% higher as a result of a higher penetration of hybrid students of ~17% (+4.5 p.p. vs. 3Q21) which helped to mitigate the impact on 100% online environment, that is more competitive.

### DL Ticket (R\$/month)



# Ticket Dynamics

(Net Operating Revenue/  
Students in the end of period)



# Academic Quality

# Focus on quality is one of the key strategic pillars and translates into leadership positions when compared to the listed players\*

Best weighted avg IGC<sup>1</sup> among the listed players\*



Higher number of courses with a 4-5 grade in CPC<sup>2</sup> vs. listed \*



Above-average performance in the indicators that set the CPC

IDD - Performance Variation Index



Enade



Professors with PHD



## Recent Achievements

**Best two courses in Brazil in the Preliminary Course Concept - CPC (Public + Private Institutions)**

- UniFran Med School
- Cesuca Production Engineering

**ENADE 2019: Highest Grade (5)**

- UniFran Med School (1<sup>st</sup> among privates in SP state)
- Universidade Positivo Med School (1<sup>st</sup> in Curitiba and 2<sup>nd</sup> in Paraná state among public and private)

**Three institutions (FSG, Unipê and Braz Cubas) moved to 4 grade at IGC 2019**

- 71% of our active institutions have a 4 grade (vs. 50% previously)

Professors with Masters



Professor's Work Regime



Pedagogical Structure



Infrastructure



\*Data Base (2019): Listes players: YDUQS, Ser, Cogna, Afya, Anima +Laureate and Vitru. <sup>1</sup>(IGC – Índice Geral de Cursos) weighted by enrollments<sup>2</sup>(CPC – Conceito Preliminar de Curso 2019)





# Financial Performance

# 3Q22 Highlights

## Expansion of: Student base and adjusted EBITDA margin

R\$ million	3Q22	3Q21	%
<b>Students - YE '000</b>	<b>406,7</b>	<b>360,0</b>	<b>13,0%</b>
<b>OnCampus '000</b>	<b>140,0</b>	<b>133,9</b>	<b>4,6%</b>
On-Campus ex-Medicine	128,2	122,0	5,1%
Medicine	4,0	3,8	7,2%
Grad School & K12	7,7	8,2	(5,2%)
<b>DL - YE '000</b>	<b>266,7</b>	<b>226,1</b>	<b>18,0%</b>
<b>Revenues</b>	<b>496,3</b>	<b>437,6</b>	<b>13,4%</b>
Gross Margin	47,6%	47,6%	+0bps
<b>Adj. EBITDA</b>	<b>154,8</b>	<b>134,2</b>	<b>15,3%</b>
EBITDA Margin	31,2%	30,7%	+52bps
<b>Adj. Net Earnings</b>	<b>18,8</b>	<b>29,2</b>	<b>(35,7%)</b>
Manag. Oper. Cash Flow	175,1	142,1	23,2%
MOCF/EBITDA	118,4%	111,7%	+670bps

★ Increase of +13.0% in the total Student Base vs. 3Q21 showing the resumption of on-campus and continuity in the DL expansion.

★ On-Campus: +4.6%

★ DL: +18.0%

★ Net Revenue of R\$496.3 million, growth of 13.4% vs. the 3Q21.

★ Gross Margin stable in 47.6%

★ Adjusted EBITDA of R\$154.8 million, 15.3% higher than the same period of last year

★ EBITDA margin expanding 52bps Y/Y to 31.2%

★ Adjusted Net Income of R\$18.8 vs. R\$29.2 million in 3Q21

★ Management Operating Cash Generation of R\$175.1 million, 118.4% of EBITDA

# 9M22 Highlights

## Expansion of: Student base, gross margin and adjusted EBITDA margin

R\$ million	9M22	9M21	%
<b>Students - YE '000</b>	<b>406,7</b>	<b>360,0</b>	<b>13,0%</b>
<b>OnCampus '000</b>	<b>140,0</b>	<b>133,9</b>	<b>4,6%</b>
On-Campus ex-Medicine	128,2	122,0	5,1%
Medicine	4,0	3,8	7,2%
Grad School & K12	7,7	8,2	(5,2%)
<b>DL - YE '000</b>	<b>266,7</b>	<b>226,1</b>	<b>18,0%</b>
<b>Revenues</b>	<b>1.506,5</b>	<b>1.337,6</b>	<b>12,6%</b>
Gross Margin	48,4%	47,5%	+91bps
<b>Adj. EBITDA</b>	<b>457,0</b>	<b>397,0</b>	<b>15,1%</b>
EBITDA Margin	30,3%	29,7%	+66bps
<b>Adj. Net Earnings</b>	<b>70,0</b>	<b>104,5</b>	<b>(33,0%)</b>
Manag. Oper. Cash Flow	335,4	393,3	(14,7%)
<b>MOCF/EBITDA</b>	<b>77,4%</b>	<b>104,6%</b>	<b>-2.716bps</b>

★ Increase of +13.0% in the total Student Base vs. 3Q21 showing the resumption of on-campus and continuity in the DL expansion.

★ On-Campus: +4.6%

★ DL: +18.0%

★ Net Revenue of R\$1.5 billion, growth of 12.6% vs. the 9M21.

★ Gross Margin expanding 91bps Y/Y to 48.4%

★ Adjusted EBITDA of R\$457.0 million, 15.1% higher than the same period of last year

★ EBITDA margin expanding 66bps Y/Y to 30.3%

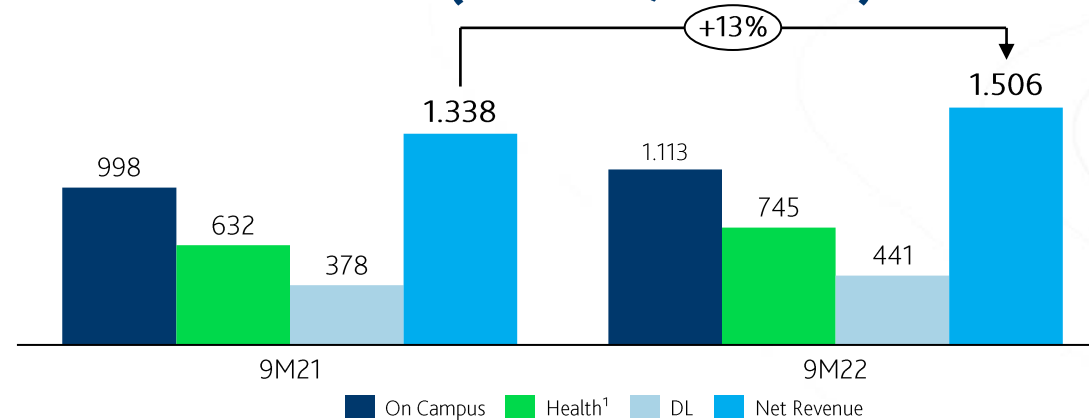
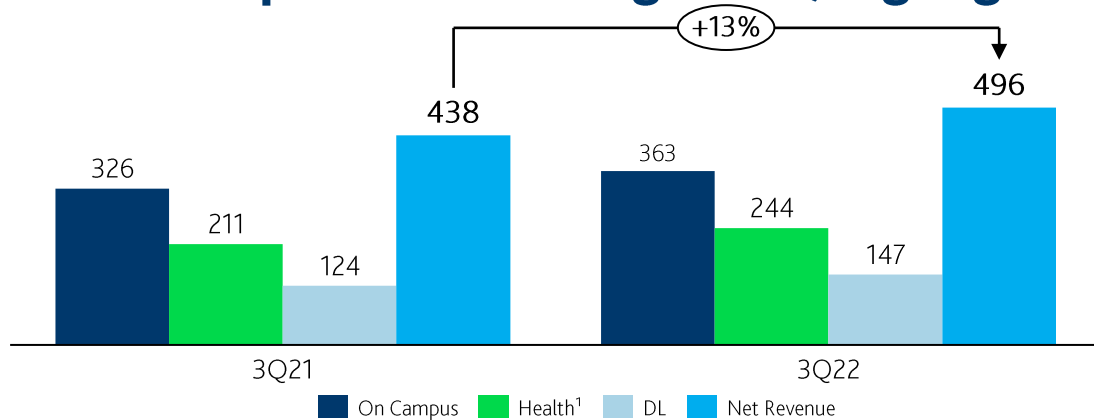
★ Adjusted Net Income of R\$70.0 vs. R\$104.5 million in 9M21

★ Managerial Operating Cash Generation of R\$335.4 million, 77.4% of EBITDA



# Financial Figures – Net Revenue 3Q22 and 9M22

Revenue expansion in all segments, highlighting DL and health courses (+18.9%; +15.9%)

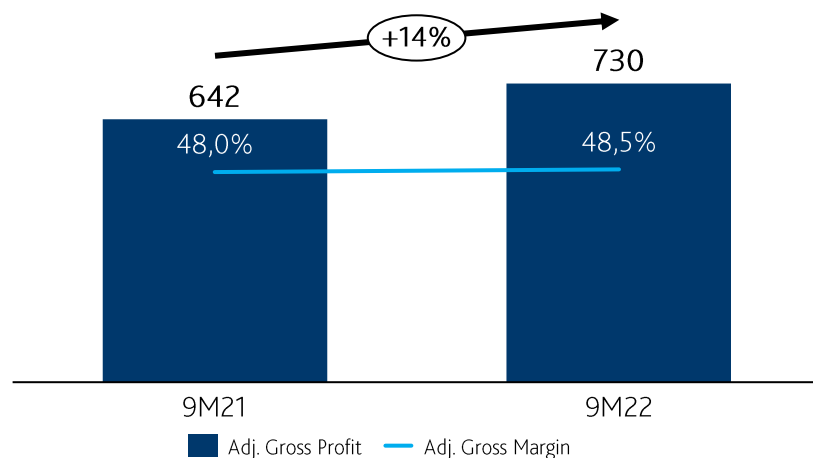
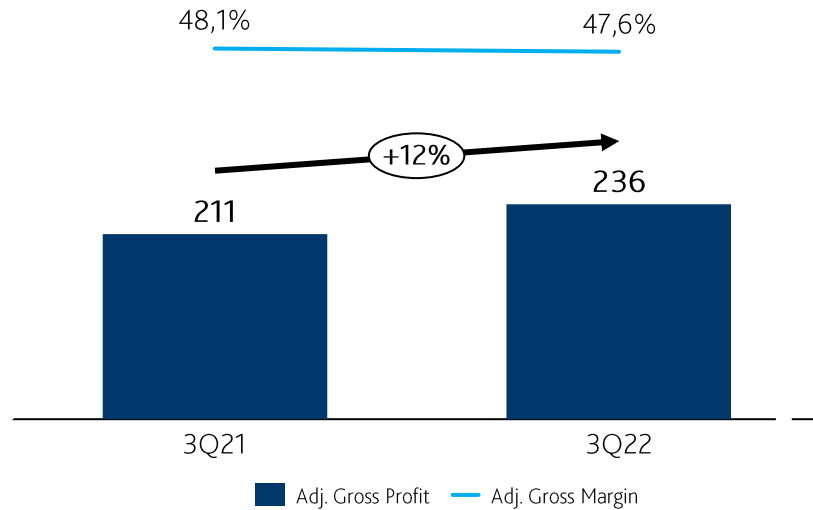


- ★ Consolidated net revenue in the quarter reached R\$496.3 million, 13.4% higher than in 3Q21 as a result of (i) Increase in the consolidated student base (+13.0%) and (ii) Ticket expansion.
- ★ Net revenue from scholarships, cancellations and discounts in on-campus expanded 11.3%, reaching R\$363.2 million, as a result of the larger student base (+4.6%) and the progression/growth of students in health courses, which already represent 67% of on-campus revenue.
- ★ On-campus courses focused on health area (with on-campus profile) grew 15.9% in the period and already represent ~67% of on-campus revenue vs. 65% last year.
- ★ In DL, the larger student base (+18.0%) and the opening of new DL hubs (+108; 8.6%) contributed to the 18.9% expansion in net revenue from scholarships, cancellations and discounts.

- ★ Consolidated net revenue for the 9M22 reached R\$1.5 billion, 12.6% higher than in 9M21.
- ★ Net revenue from scholarships, cancellations and discounts in on-campus expanded 11.5%, reaching R\$1.1 billion, as a result of the larger student base (+4.6%) and the progression/growth of students in health courses.
- ★ On-campus courses focused on health area (with on-campus profile) grew 17.9% in the period and already represent ~67% of on-campus revenue vs. 65% last year.
- ★ In DL, the larger student base (+18.0%) and the opening of new DL hubs (+108; 8.6%) contributed to the 16.6% expansion in net revenue from scholarships, cancellations and discounts.

# Financial Results – Gross Profit

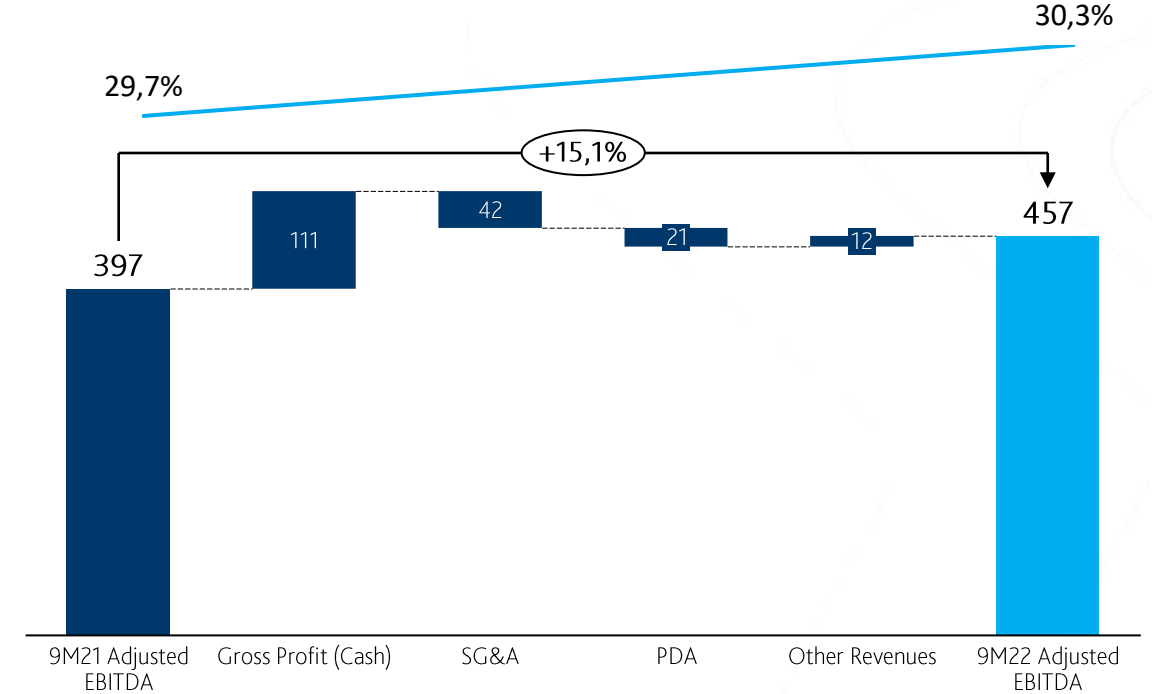
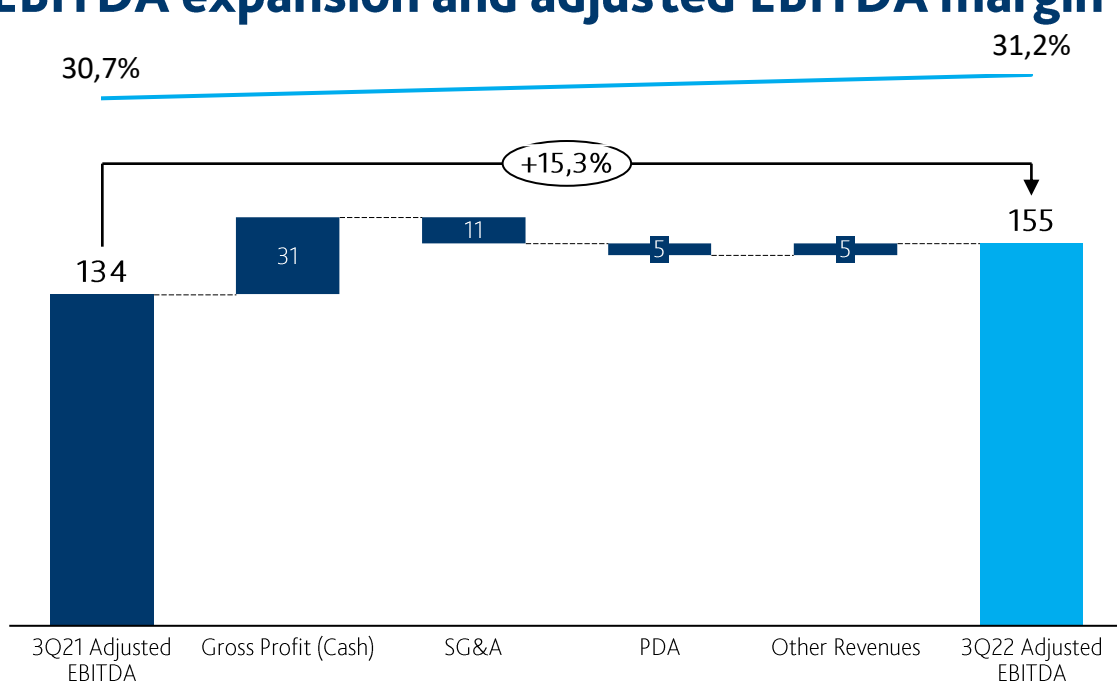
## Adj. Gross Margin stable 3Q22



- ★ Gross profit in quarter reached R\$236.4 million, 13.4% higher than in 3Q21, with a margin of 47.6%.
  - ★ Labor costs were impacted by: (i) Provision for collective bargaining in São Paulo; (ii) Salary allowance of 50% and (iii) Increase in the technical body of preceptors given the progression of health courses.
  - ★ In addition, the cost line was impacted by the increase in the amortization of the right of use, reflecting the rent readjustments, and by the increase in partner's DL costs, given the expansion both in the DL hubs and in DL student base.
  - ★ Non-recurring costs in 3Q22 were related to M&A expenses and the opening/expansion of DL hub centers..
- 
- ★ Gross profit in 9M22 reached R\$728.9 million, ~14,8% higher than in 9M21, with a margin of 48.4% (+0.9 p.p. y/y) reflecting management initiatives in searching for efficiency that mitigated the impacts of the (i) Provision for collective bargaining in São Paulo; (ii) Salary allowance of 50% and (iii) Increase in the technical body of preceptors given the progression of health courses.
  - ★ In addition, the cost line was impacted by (i) Increase in Right of Use Amortization, which is affected by the monetary restatement of the IGPM inflation index that is levied on rents; (ii) Increase in the partners' DL centers, given the expansion of hubs and student base in DL and (iii) Increase in third-party services given the resumption of 100% on-campus classes.
  - ★ Non-recurring costs in 9M22 and 9M21 were related to M&A expenses and the opening/expansion of DL hub centers.

# Financial Results – Adj. EBITDA – 3Q22 and 9M22

## EBITDA expansion and adjusted EBITDA margin



★ Adjusted EBITDA in 3Q22 reached R\$154.8 million, 15.3% higher than in 3Q21 with a margin of 31.2% (+0.5 p.p Y/Y)

★ The expansion of adjusted EBITDA in 3Q22 is mainly explained due to the return of on-site events, which benefited the rental of our spaces, which mitigated the impacts of (i) Salary adjustment of 7% in São Paulo; (ii) Higher marketing expenses (+0.3 p.p vs. 3Q21) and (iii) The higher PDA (5.7% of revenue vs. 5.4 % in 3Q21) as a result of the more challenging macroeconomic scenario in the period, added to the change in the mix of students with a higher penetration of freshmen (in both segments), in addition to the DL expansion.

★ Adjusted EBITDA in 9M22 reached R\$457.0 million, 15.1% higher than in 9M21 with a margin of 30.3% (+0.6 p.p Y/Y)

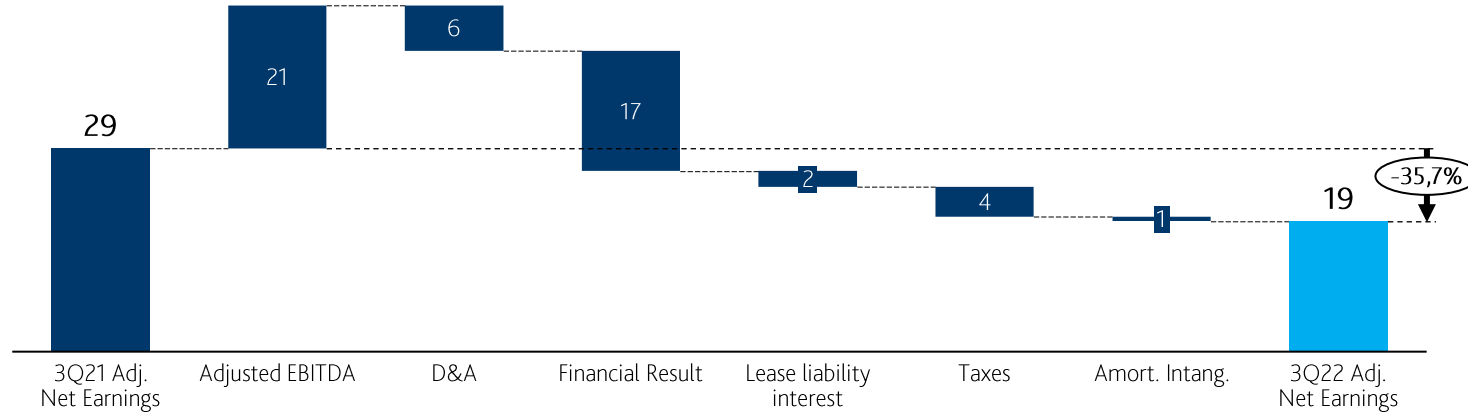
★ The increase in the SG&A line is basically explained by (i) Higher marketing expenses vs. the previous year (6.3% of revenue vs. 5.7% in 9M21); (ii) The salary adjustment of 4% in agreement carried out in 2021 and (iii) Basic education agreements in Brasília and São Paulo in higher education (~7%).

★ The expansion of adjusted EBITDA in 9M22 is mainly explained due to the return of on-site events, which benefited the rental of our spaces, which mitigated the impacts of the negative impact of the PDA of 0.8 p.p. in the period (6.3% of revenue in 3Q22), as a reflection of the most challenging macroeconomic scenario in the period, added to the change in the mix of students with a higher penetration of freshmen (in both segments), in addition to the DL expansion.

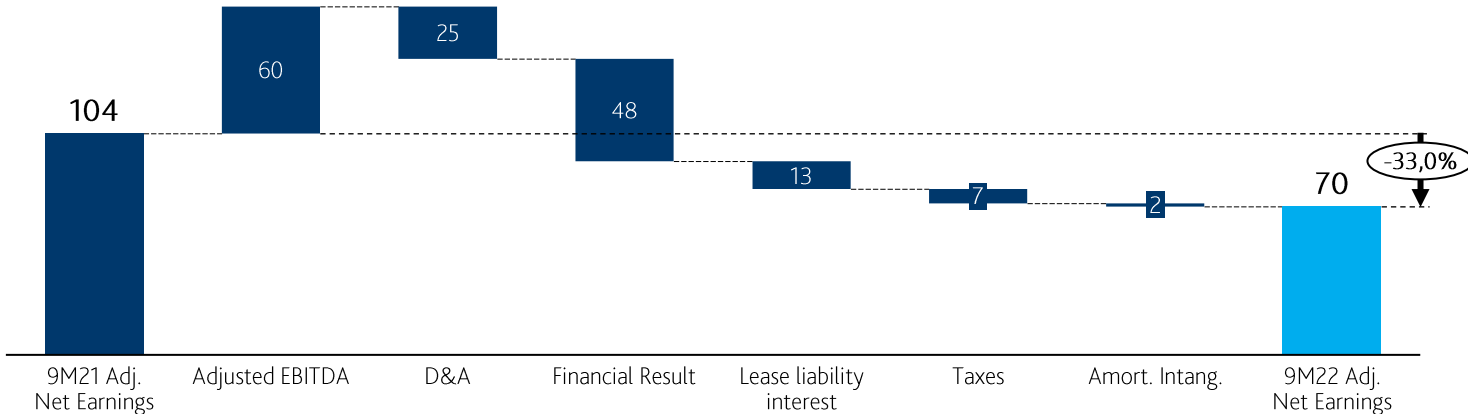


# Financial Results – Net Earnings 3Q22 and 9M22

Adjusted net income pressured by the increase in the basic interest rate and inflation index



★ Adjusted net income for the quarter reached R\$18.8 million vs. R\$29.2 in 3Q21, as a reflection of the increase in the basic interest rate and inflationary indexes by which debt and lease contracts are financially backed.



★ Adjusted net income for the 9M22 reached R\$70.0 million vs. R\$104.5 in 9M21, as a reflection of the increase in the basic interest rate and inflationary indexes by which debt and lease contracts are financially backed.

# Financial Results – Accounts Receivable

## Days of Receivable in line with historical

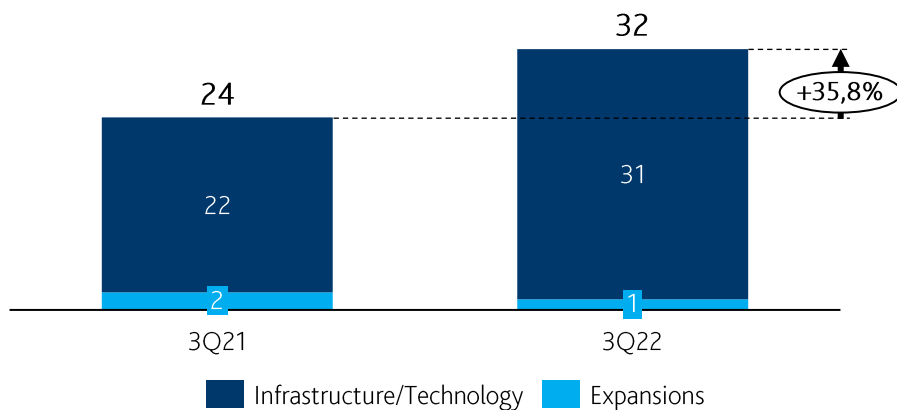
R\$ million	3Q22	3Q21	%	06/30/2022	%
Tuition	351,2	516,3	(32,0%)	362,9	(3,2%)
Student Financing Agreements	62,2	62,2	(0,0%)	67,3	(7,6%)
Other Receivables	60,1	42,5	41,6%	54,2	11,0%
<b>Gross Receivables</b>	<b>535,6</b>	<b>665,9</b>	<b>(19,6%)</b>	<b>536,0</b>	<b>(0,1%)</b>
AVP	(13,7)	(3,5)	292,8%	(11,6)	18,3%
PDA	(294,7)	(478,8)	(38,4%)	(282,6)	4,3%
<b>Net Receivables</b>	<b>227,2</b>	<b>183,6</b>	<b>23,7%</b>	<b>241,8</b>	<b>(6,0%)</b>
<b>Days of Receivables</b>	<b>41</b>	<b>38</b>	<b>+1 day</b>	<b>43</b>	<b>-2 days</b>

★ The days of receivables on 3Q22 was 41 days, an increase of 3 days vs. 3Q21, and an improvement of 2 days in relation to the period ended on 06/31/2021 (period corresponding to the end of the academic semester).

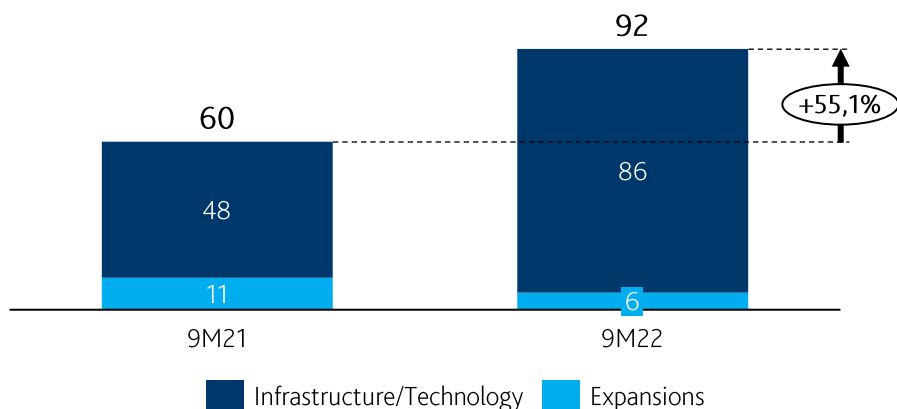
★ The company follows the strategy of maintaining a low penetration of students in Student Financing programs, 7.7% of the on-campus base undergrad on 06/31/22 and limiting agreements.

# Financial Results – Capex\* 3Q22 and 9M22

## Resumption in CAPEX



★ Investments in 3Q22 were approximately R\$32.5 million, an increase of 35.8% vs. 3Q21. The increase is basically explained by the resumption of investment projects in infrastructure/technology.

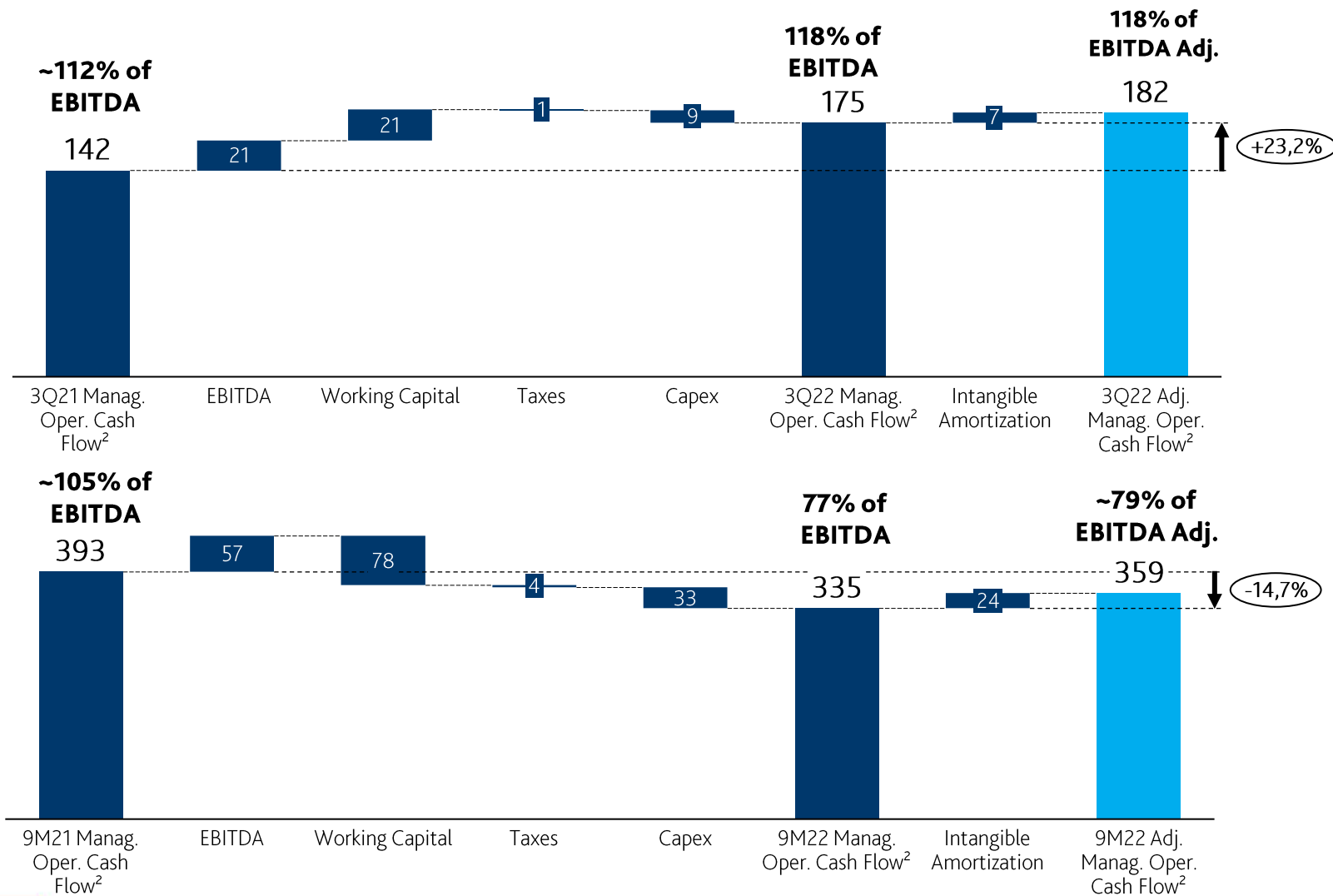


★ Investments in the 9M22 were approximately R\$92.5 million, an increase of 55.1% vs. 9M21 motivated by the resumption of CAPEX projects in infrastructure /technology.

★ In addition, CAPEX in expansion in 9M22 largely refer to improvements to the campuses versus the opening of the Guarulhos and Villa Lobos campuses.



# Financial Results – Managerial Operating Cash Flow – 3Q22 and 9M22



★ The managerial operating cash generation, including non-recurring of R\$6.9 million in quarter, reached R\$175.1 million, 23.8% higher than 3Q21 and reached 118.4% of EBITDA.

★ Excluding the non-recurring impacts, managerial operating cash generation would be close to R\$182.0 million vs. R\$148.4 million last year.

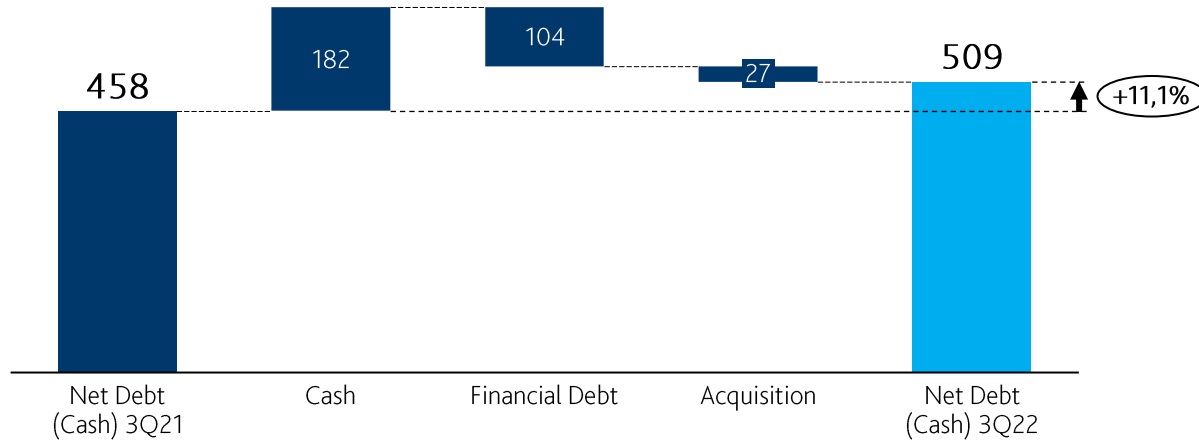
★ The managerial operating cash generation, including non-recurring of R\$23.8 million in 9M22, reached R\$335.4 million, 14.6% lower than 9M21 and reached 77.4% of EBITDA.

★ The drop in operating cash generation is basically explained by (i) The drop in accounts payable that benefited 2021 in view of the adoption of the provisions of MP 139/2020, regarding the postponement of tax collection (INSS and FGTS) and (ii) The resumption of maintenance CAPEX in view of the return of campus classes.

★ Excluding the non-recurring impacts, managerial operating cash generation would have been R\$359.2 million vs. R\$413.6 million from last year.

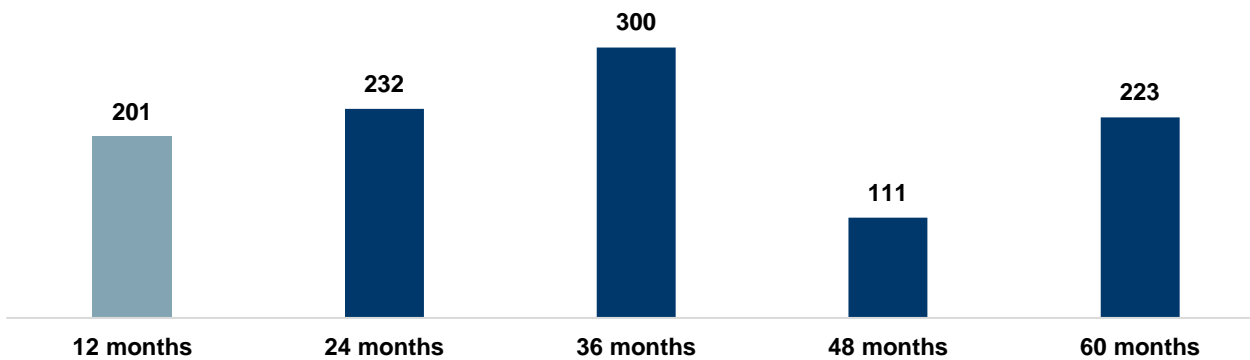
# Financial Results – Net Debt (Cash)

Stable leverage indicator close to 1x



★ A Companhia encerrou o 3T22 com uma dívida líquida (ex-passivo de arrendamento) no valor de R\$509 milhões vs. R\$458 milhões no ano passado, impactado pelo pagamento de dividendos no valor de R\$ 50 milhões e pelo aumento da taxa básica de juros com efeito no resultado financeiro.

## Debentures Amortization Schedule - R\$ million



# APPENDIX





# Appendix – Student base, DL Centers & Campuses

## Student Base - Q/Q Movement

End of Period	Total	On Campus	DL
2Q22	387,6	139,2	248,5
Intake	113,2	26,2	87,0
Dropout	(83,0)	(18,4)	(64,6)
Graduation	(24,9)	(7,1)	(17,8)
Grad School and K12	13,7	0,1	13,6
3Q22	406,7	140,0	266,7

## Students Base - By enrollment type

Students (000)	3Q22	3Q21	YoY
On-Campus Graduation	128,2	122,0	5,1%
Med School	4,0	3,8	7,2%
Gra School and K12	7,7	8,2	(5,2%)
<b>On-Campus</b>	<b>140,0</b>	<b>133,9</b>	<b>4,6%</b>
DL Graduation	233,7	200,3	16,7%
Hybrid	40,8	26,0	57,1%
DL Gra School and K12	33,0	25,8	27,7%
<b>DL</b>	<b>266,7</b>	<b>226,1</b>	<b>18,0%</b>
<b>Total</b>	<b>406,7</b>	<b>360,0</b>	<b>13,0%</b>

## Infrastructure

EoP	3Q22	3Q21	Δ	%
DL	1.364	1.256	+108	8,6%
Campuses	29	29	+0	0,0%

## DL Centers - Maturation

% of matured DL Centers	3Q22	3Q21
Year 1	7,9%	4,5%
Year 2	4,1%	17,2%
Year 3	15,8%	27,0%
Year 4	24,9%	24,4%
<b>Matured</b>	<b>47,3%</b>	<b>26,9%</b>

# Appendix

- IFRS16  
EBITDA,  
Pre-IFRS16  
EBITDA
- Non-  
recurring

## Adjusted EBITDA

R\$ million	3Q22	3Q21	%	9M22	9M21	%
Adjusted EBITDA IFRS-16	154,8	134,2	15,3%	457,0	397,0	15,1%
Rents	(47,9)	(39,5)	21,3%	(98,1)	(84,1)	16,6%
<b>Adjusted EBITDA Pre IFRS-16</b>	<b>106,9</b>	<b>94,7</b>	<b>12,8%</b>	<b>358,9</b>	<b>312,9</b>	<b>14,7%</b>
Adjusted EBITDA Pre IFRS-16 Margin	21,5%	21,7%	-11bps	23,8%	23,4%	+44bps

## Non Recurring

R\$ million	3Q22	3Q21	%	9M22	9M21	%
Openings and Expansions	0,7	1,4	(50,9%)	4,1	5,5	(24,9%)
M&A/Projects/Terminations	6,2	5,6	11,1%	19,7	15,5	26,7%
<b>Non Recurring</b>	<b>6,9</b>	<b>7,0</b>	<b>(1,0%)</b>	<b>23,8</b>	<b>21,0</b>	<b>13,3%</b>

# Appendix – P&L

R\$ million	3Q22	3Q21	9M22	9M21
On Campus	363,2	326,2	1.113,3	998,1
Health	244,4	210,8	745,2	631,9
DL	147,1	123,7	441,1	378,3
<b>Revenue net of scholarships, cancellations and discounts</b>	<b>510,3</b>	<b>450,0</b>	<b>1.554,4</b>	<b>1.376,4</b>
Other Revenues	3,7	2,4	8,0	6,4
Taxes	(17,7)	(14,7)	(55,9)	(45,1)
<b>Net Revenue</b>	<b>496,3</b>	<b>437,6</b>	<b>1.506,5</b>	<b>1.337,6</b>
Labor	(155,0)	(132,0)	(467,2)	(427,8)
Right of Use Amortization	(30,3)	(27,0)	(89,8)	(75,2)
Partners' DL Centers	(33,3)	(30,0)	(97,9)	(86,8)
Other Costs	(41,2)	(40,2)	(122,5)	(112,6)
<b>COGS</b>	<b>(259,8)</b>	<b>(229,2)</b>	<b>(777,5)</b>	<b>(702,5)</b>
<b>Gross Profit</b>	<b>236,4</b>	<b>208,5</b>	<b>728,9</b>	<b>635,1</b>
<i><b>Gross Margin</b></i>	<i><b>47,6%</b></i>	<i><b>47,6%</b></i>	<i><b>48,4%</b></i>	<i><b>47,5%</b></i>
SG&A	(96,9)	(86,3)	(309,4)	(267,6)
D&A	(27,1)	(24,0)	(79,0)	(68,7)
Provision for Doubtful Accounts	(28,4)	(23,5)	(95,1)	(73,8)
Other Revenues	6,4	1,5	18,9	7,0
<b>EBIT</b>	<b>90,4</b>	<b>76,3</b>	<b>264,4</b>	<b>232,1</b>
D&A	57,4	51,0	168,8	143,9
<b>EBITDA</b>	<b>147,9</b>	<b>127,3</b>	<b>433,2</b>	<b>376,0</b>
<i><b>EBITDA Margin</b></i>	<i><b>29,8%</b></i>	<i><b>29,1%</b></i>	<i><b>28,8%</b></i>	<i><b>28,1%</b></i>
COGS - Non Recurring	-	2,2	1,3	7,1
Expenses - Non Recurring	6,9	4,8	22,5	13,9
<b>Adjusted EBITDA</b>	<b>154,8</b>	<b>134,2</b>	<b>457,0</b>	<b>397,0</b>
<i><b>Adjusted EBITDA Margin</b></i>	<i><b>31,2%</b></i>	<i><b>30,7%</b></i>	<i><b>30,3%</b></i>	<i><b>29,7%</b></i>
Financial Results	(88,3)	(68,8)	(242,9)	(181,5)
<b>EBT</b>	<b>2,1</b>	<b>7,5</b>	<b>21,5</b>	<b>50,6</b>
Taxes	1,7	6,0	0,6	7,3
<b>Net Earnings</b>	<b>3,8</b>	<b>13,5</b>	<b>22,1</b>	<b>57,9</b>
Intangible Amortization	8,0	8,7	24,1	25,6
Non Recurring Expenses	6,9	7,0	23,8	21,0
<b>Adjusted Net Earnings</b>	<b>18,8</b>	<b>29,2</b>	<b>70,0</b>	<b>104,5</b>



# Appendix – Balance Sheet

	Sep. 22	Sep.21
<b>Total Assets</b>	<b>4.761.512</b>	<b>4.778.408</b>
<b>Current Assets</b>	<b>1.194.323</b>	<b>1.319.393</b>
Cash and Equivalents	928.205	1.109.992
Accounts Receivables	211.418	158.780
Taxes and Contributions	30.989	12.505
Other Assets	23.711	38.116
<b>Non-current Assets</b>	<b>3.567.189</b>	<b>3.459.015</b>
Long Term Assets	202.396	176.972
Accounts Receivables	15.804	24.842
Judicial Deposits	24.553	17.109
Other Assets	57.352	36.714
Deferred Taxes	104.687	98.307
Investments	146	146
Property and Equipment	514.654	484.541
Right of Use	1.159.915	1.090.075
Intangible	1.690.078	1.707.281
	<b>Sep. 22</b>	<b>Sep.21</b>
<b>Total Liabilities</b>	<b>3.322.172</b>	<b>3.330.008</b>
<b>Current Liabilities</b>	<b>650.640</b>	<b>570.543</b>
Financial Debt	7.540	24.164
Bond (Debentures)	200.965	90.888
Suppliers	51.125	50.330
Related Parties	2.948	2.519
Salaries and Payroll Charges	168.810	159.376
Tax Liabilities	47.629	40.332
Customer Advance	64.944	56.054
Leasing	99.484	77.255
Acquisitions	1.287	62.541
Deferred Revenues	722	1.332
Others	5.186	5.752
<b>Non-Current Liabilities</b>	<b>2.671.532</b>	<b>2.759.465</b>
Financial Debt	-	7.522
Bond (Debentures)	865.805	1.055.860
Salaries and Payroll Charges	8.935	22.665
Tax Liabilities	131.102	140.041
Deferred Taxes	16.684	17.368
Judicial Deposits	69.021	59.896
Leasing	1.205.220	1.114.236
Acquisitions	361.205	326.900
Deferred Revenues	9.688	10.410
Others	3.872	4.567
<b>Shareholder's Equity</b>	<b>1.439.340</b>	<b>1.448.400</b>
Capital	1.203.576	1.203.576
Capital Reserves	161.978	161.978
Earnings Reserves	80.045	82.846
Ações em Tesouraria	(6.259)	-
<b>Liabilities + Shareholder's Equity</b>	<b>4.761.512</b>	<b>4.778.408</b>

# Appendix – Cash Flow

	3Q22	3Q21
Operating activities		
Profit (Loss) before income taxes	2.105	7.539
Equity Income	-	-
Depreciation and amortization	27.140	23.958
Right of use amortization	30.301	27.000
Amortization of fund raising costs	168	259
Debt Interests	364	626
Acquisitions Interests	13.360	4.691
Bonds (debentures) Interests	40.658	19.146
Lease Interests	30.756	28.479
PV Assets and Liabilities	2.112	1.020
Judicial Deposits Provision	2.254	2.139
Provision for Doubtful Accounts	28.366	23.459
PPE and Intangibles	2.556	305
Asset Sale Deferred Revenues	(181)	(181)
Lease discontinuation	-	(140)
<b>Adjustments to Profit (Loss) before taxes to reconcile with the cash flow</b>	<b>179.959</b>	<b>138.300</b>
Accounts receivable	(15.912)	3.681
Judicial Deposits	(1.912)	(966)
Taxes Recoverable	(10.185)	(880)
Other Credits	13.532	9.764
Suppliers	(8.185)	(4.968)
Salaries and Payroll Charges	19.990	(19.116)
Taxes	(4.918)	(4.420)
	(68)	509
Customer Advance	38.901	22.479
Others	(1.636)	3.790
	<b>209.566</b>	<b>148.173</b>
Taxes	(1.696)	(1.133)
<b>Net cash from operating activities</b>	<b>207.870</b>	<b>147.040</b>
Cash flow from investments		
Acquisitions	(45.972)	-
PPE acquisitions	(23.665)	(15.809)
Intangible acquisitions	(7.498)	(8.102)
<b>Net cash from investing activities</b>	<b>(77.135)</b>	<b>(23.911)</b>
Cash flow from financing activities		
Dividends	-	(24.974)
Debt downpayments	(4.133)	(6.518)
Bonds (Debentures) downpayments	(94.419)	(87.023)
Lease downpayments	(52.057)	(43.010)
Actions in Treasury	(6.259)	-
<b>Net cash from financing activities</b>	<b>(156.868)</b>	<b>(161.903)</b>
<b>Increase (decrease) of cash and equivalents</b>	<b>(26.133)</b>	<b>(38.774)</b>
Cash and Equivalents		
At the beginning	954.338	1.148.766
At the end	928.205	1.109.992
<b>Increase (decrease) of cash and equivalents</b>	<b>(26.133)</b>	<b>(38.774)</b>



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