



Cruzeiro do Sul
Educaional

EARNINGS RELEASE

Presentation

VIDEOCONFERENCE


May 10th of 2024, Friday

2:00 p.m. (Brasília)

1:00 p.m (New York)

6:00 p.m. (London)

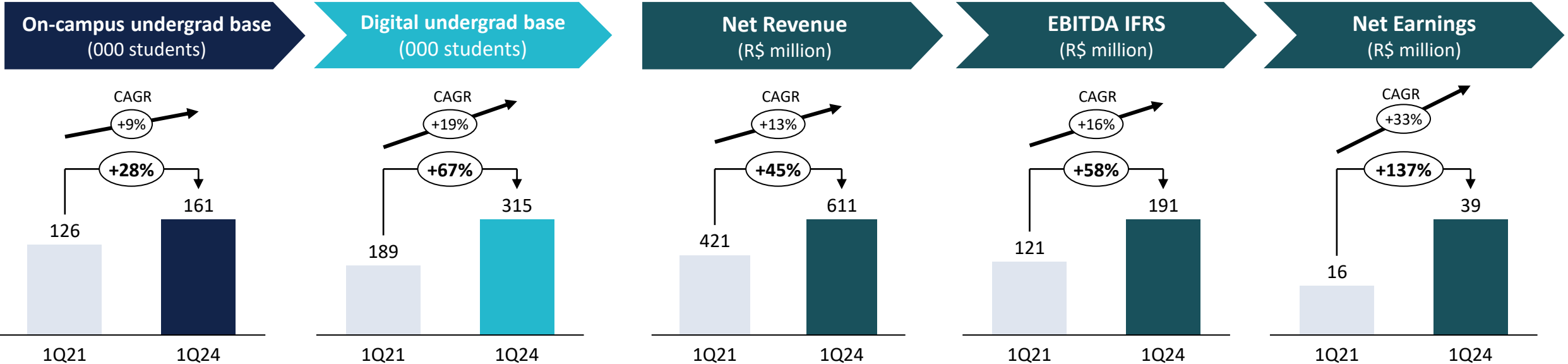
 [Watch the webcast in Português](#)

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**1Q
24**



In this first quarter of 2024 we celebrate 3 years since the IPO, and we have many reasons to celebrate...



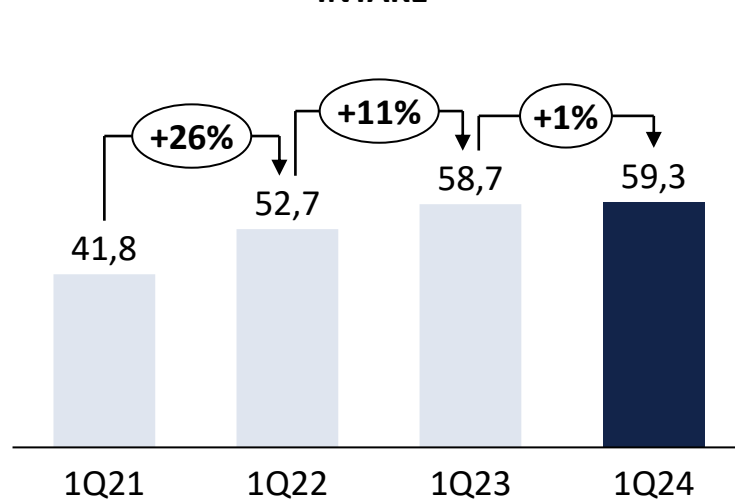
+ 500k students enrolled in our institutions, including undergrad, K12 and grad school

Consistent and organic growth in all business lines

In On-campus, we achieved a record intake, added to the expansion of the student base and ticket

UNDERGRAD – ON-CAMPUS

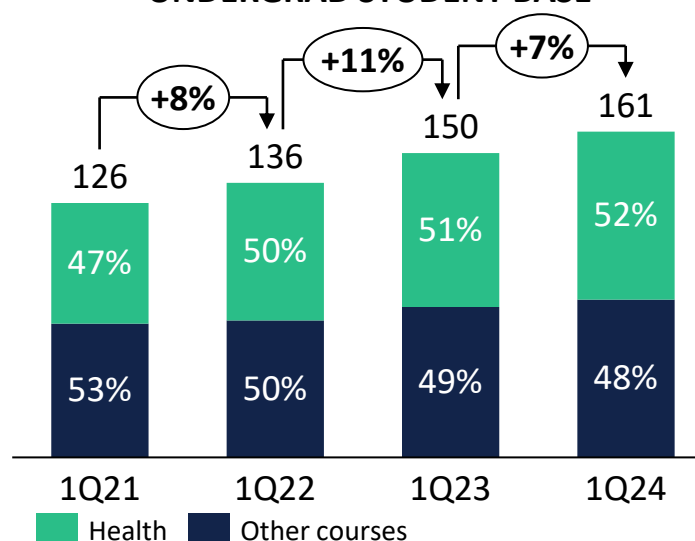
INTAKE



After two years of significant student intakes, we reached a new record level of 59.3k students in 1Q24

It should be noted that the last opening of campuses was in 2021

UNDERGRAD STUDENT BASE

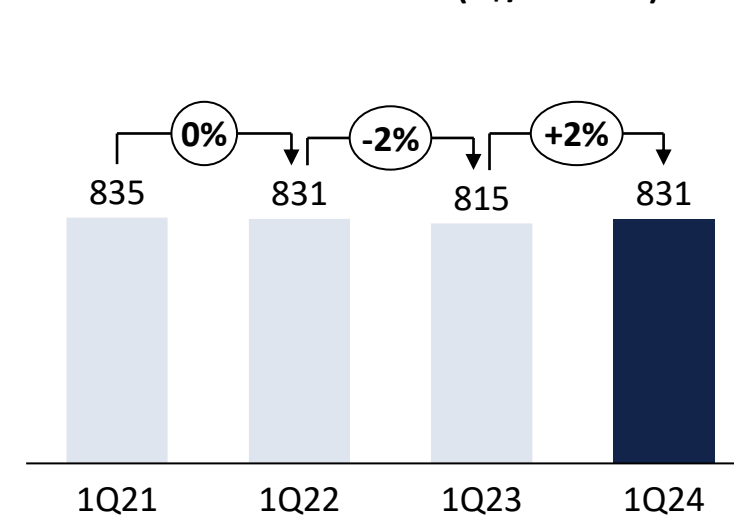


Consistent expansion of the student base

Increasing the penetration of health students

High levels of re-enrollment, a reflection of the quality of our product

ON-CAMPUS TICKET (R\$/MONTH)



Progress on the new pricing strategy starting during 2022

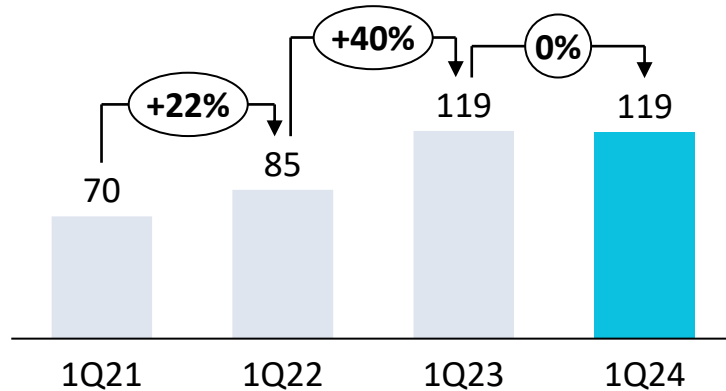
Increased re-enrollment rates

More relevance of health students in the mix

In Digital, we achieved a strong expansion in student base, better retention and ticket growth

UNDERGRAD - DIGITAL

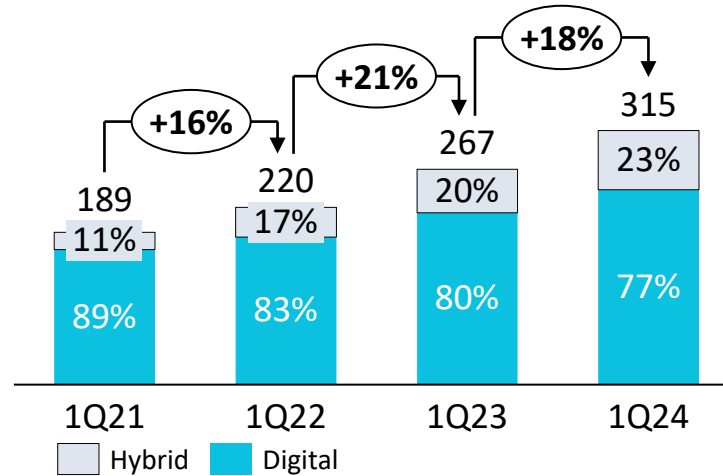
INTAKE



★ 1Q24 intake in line with 1Q23, Company record

★ More competitive scenario for digital intake

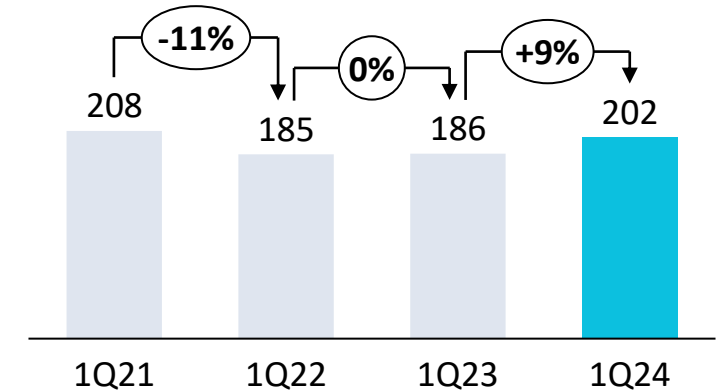
UNDERGRAD STUDENT BASE



★ Significant growth in the student base, even with stable intake levels

★ 1.3 p.p. increase in the re-enrollment KPI, an important component in the expansion of the base and sustainability of the segment

DIGITAL TICKET (R\$/MONTH)

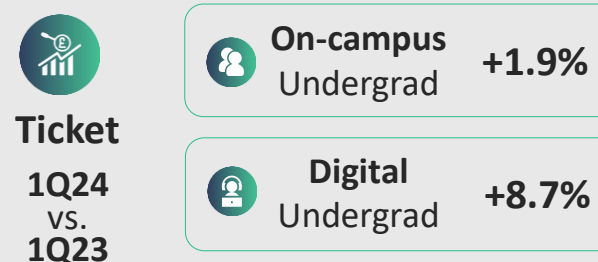
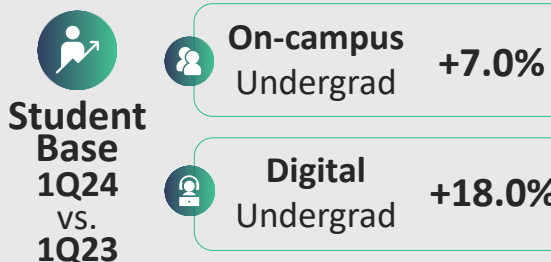


★ Important evolution in the ticket, reflecting the increase of hybrid in the Digital base, added to the progress in student retention

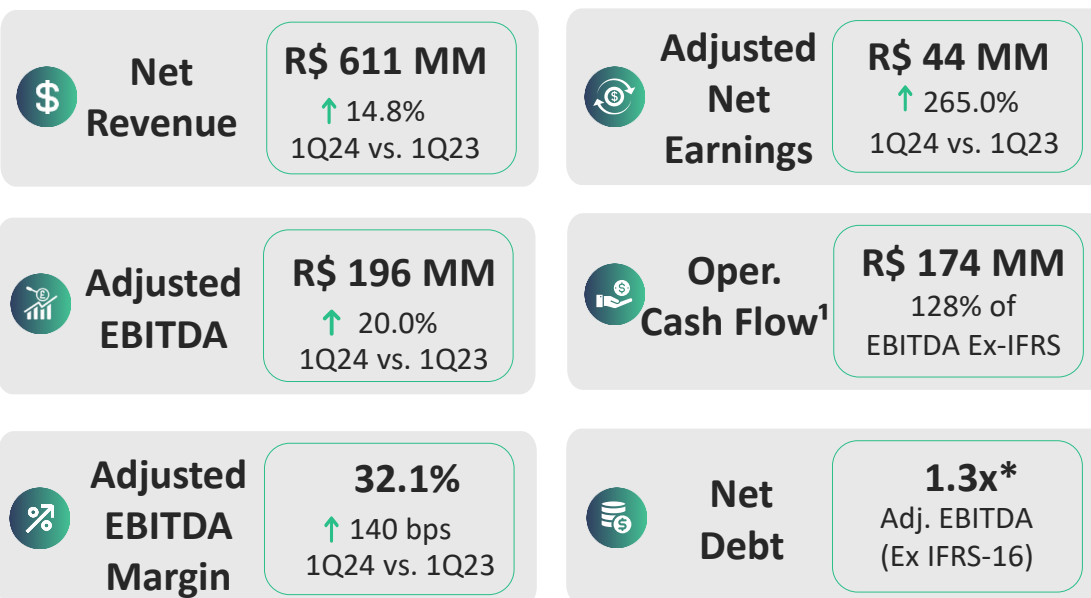
Managerial numbers, unaudited

Our performance continues to show robust and consistent growth in the 1Q24

OPERATIONAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS



¹ EBITDA Ex-IFRS 16 – Working Capital - Taxes

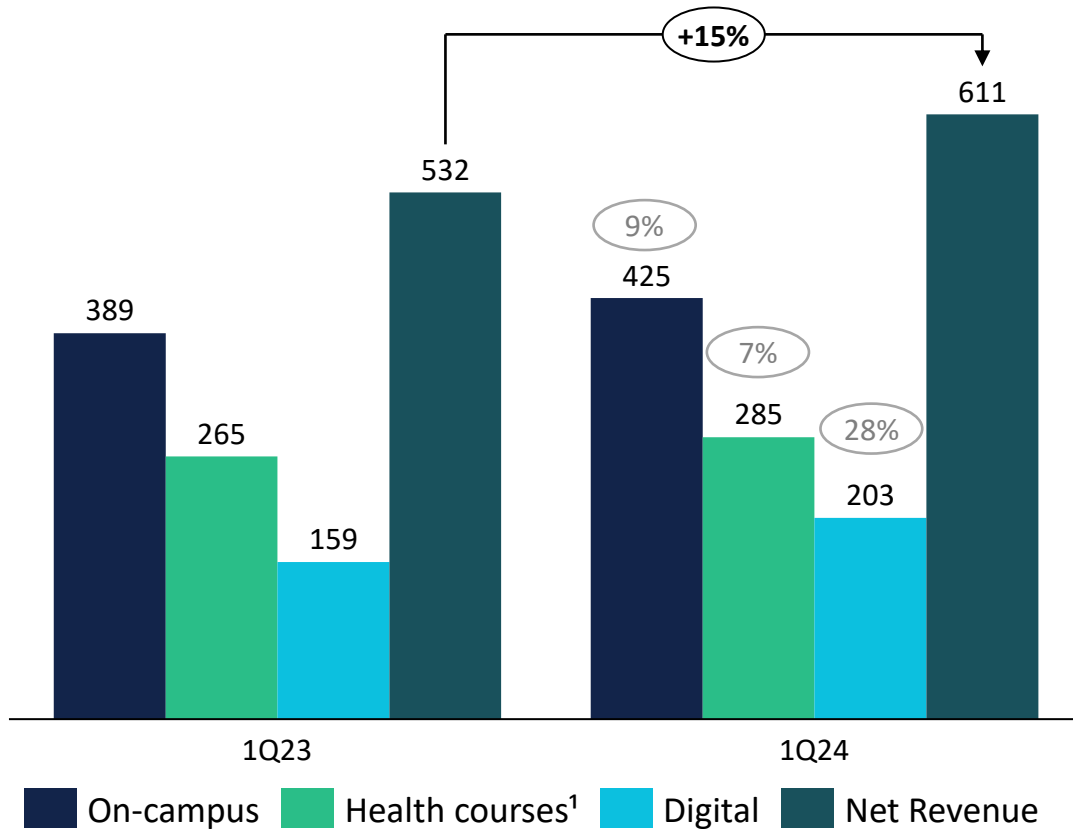
* Net Financial Debt/EBITDA LTM Ex-IFRS-16

FINANCIAL PERFORMANCE



NET REVENUE 1Q24

Expansion in all segments, reflecting improvement in intake and re-enrollment y/y

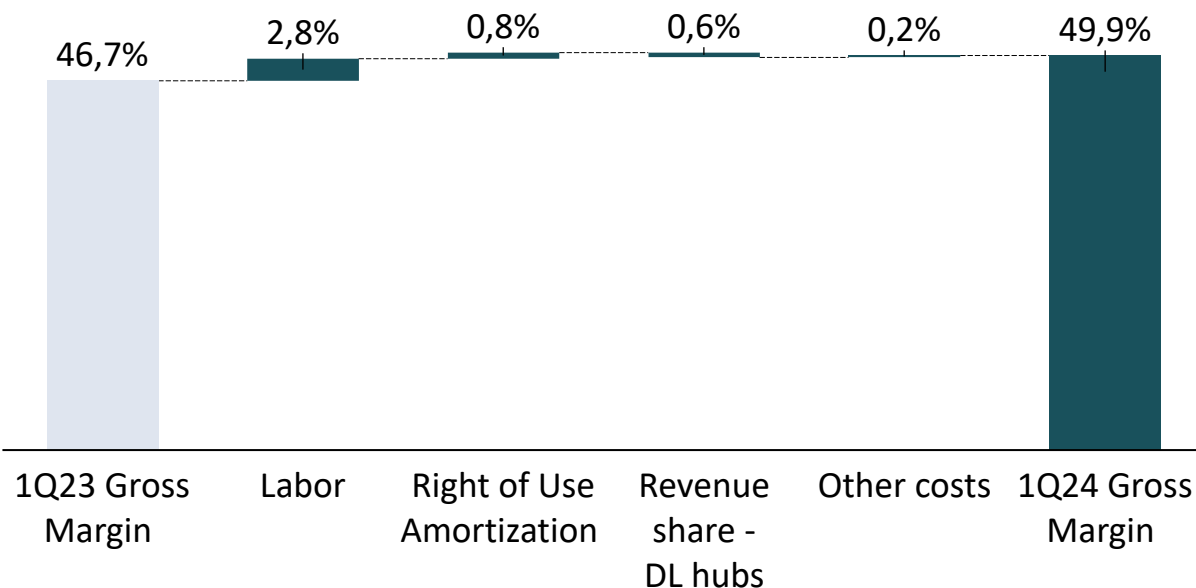


- CONSOLIDATED NET REVENUE:** +14.8% vs. the 1Q23, reflecting the increase in the consolidated student base (+15.2%).
- ON-CAMPUS NET REVENUE:** expansion of 9.1% in the quarter, reflecting the larger student base (+6.6%)
- HEALTH COURSES NET REVENUES:** as an on-campus profile, health courses grew 7.3% in the quarter. Representing ~67% on-campus revenue.
- DIGITAL NET REVENUE:** expanded 28.0% in the quarter, as a result of the larger student base (+19.9%) and the continued expansion of the hubs(+184; 12.0%).

¹ Health: Medicine, Psychology, Biomedicine, Biological Sciences, Physical Education, Nursing, Pharmacy, Physiotherapy, Speech Therapy, Hospital Management, Veterinary Medicine, Nutrition, Dentistry, Optometry, Radiology and Occupational Therapy

GROSS PROFIT 1Q24

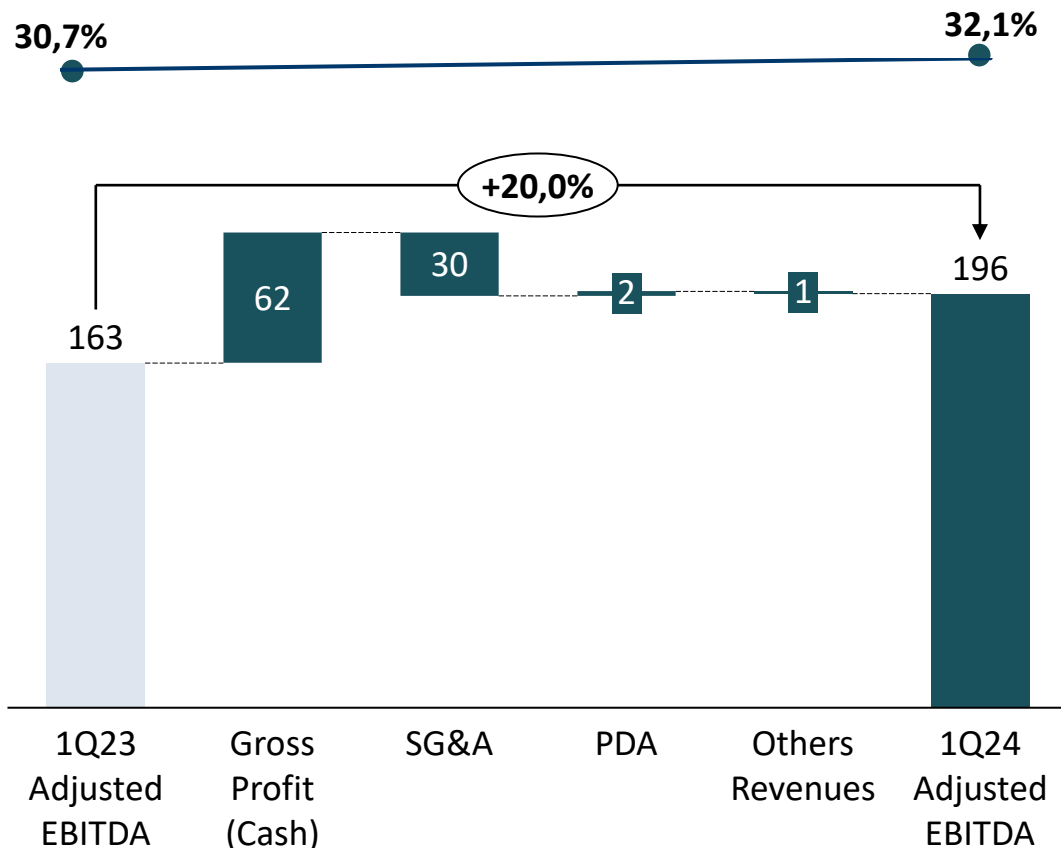
Expansion of 319 bps in Gross Margin of 1Q24 as a reflection of operating leverage and efficiency gains



- ★ Gross Profit: +22.7% vs. 1Q23.
- ★ Expansion of 319 bps in Gross Margin, the expansion of Gross Margin in the period is a reflection of operating leverage, result of revenue maximization initiatives, as well as efficiency gains.

ADJUSTED EBITDA 1Q24

Expansion of 140 bps in Adjusted EBITDA margin, reflecting improved in Gross Profit and better collection efficiency



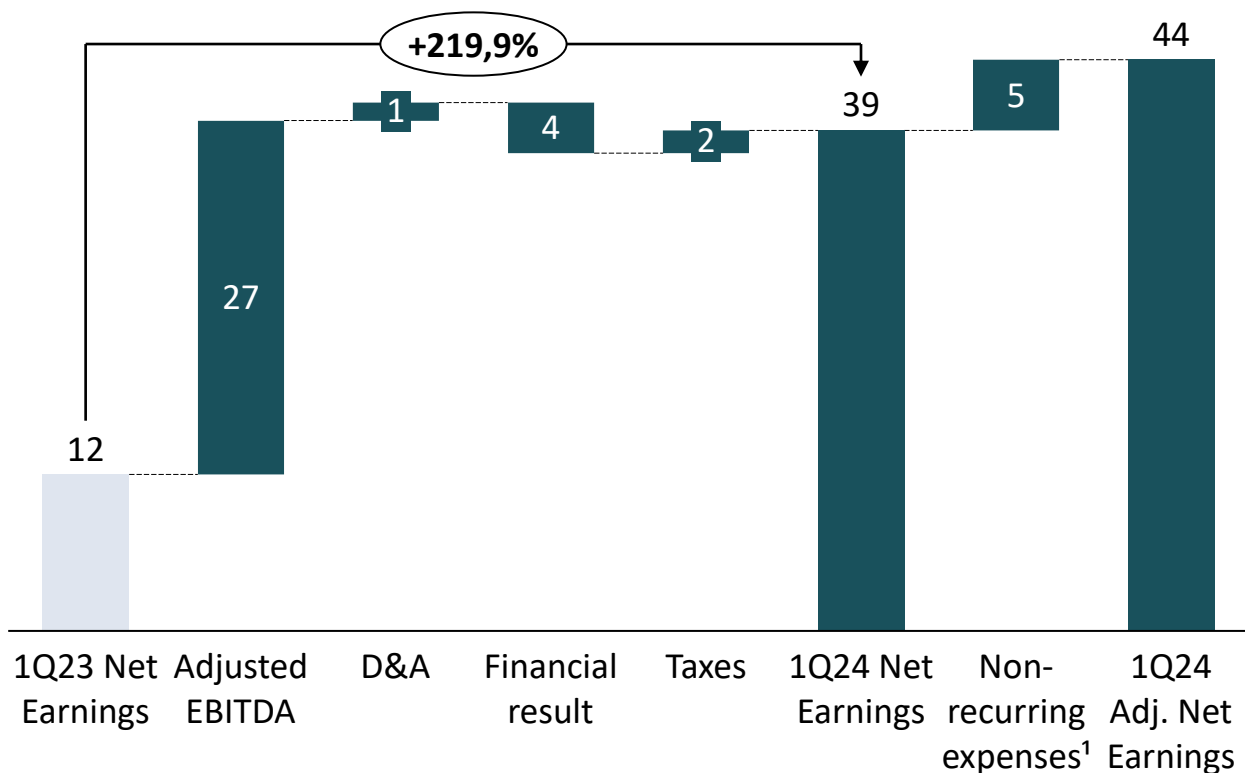
★ Adjusted EBITDA: +20.0%; +140 bps of margin vs. 1Q23.

★ The advanced in gross profit, together with (i) the adjustment of the backoffice (-1.0 p.p. of Net Rev. vs. 1Q23), (ii) better management of marketing expenses (-1.0 p.p. of Net Rev. vs. 1Q23) and (iii) better collection efficiency (-0.8 p.p. vs. 1Q23) mitigated the impact of the administrative expenses line in the period (+4.3pp vs. 1Q23).

★ It is worth mentioning that the increase in administrative expenses is the effect of the investments in technology that began in 2023, which brings efficiency gains in various lines of the result, from better intake to better collection.

NET EARNINGS 1Q24

Expansion in Net Earnings, reflecting operational improvement



Adjusted Net Earnings reached R\$ 44.1 million, 3.7x higher than 1Q23. The advance in Net Earnings is the result of consistent revenue expansion, as well as better cost and expense management, which resulted in EBITDA expansion.

¹ Non-recurring expenses: M&A/Projects

ACCOUNTS RECEIVABLES 1Q24 (LTM)

Stable Days of Receivables

R\$ million	1Q24	1Q23	%
Gross Receivables	613,6	564,8	8,6%
PDA	(321,5)	(306,9)	4,8%
Net Receivables	277,5	244,3	13,6%
Days of Receivables LTM*	42	42	-0 days

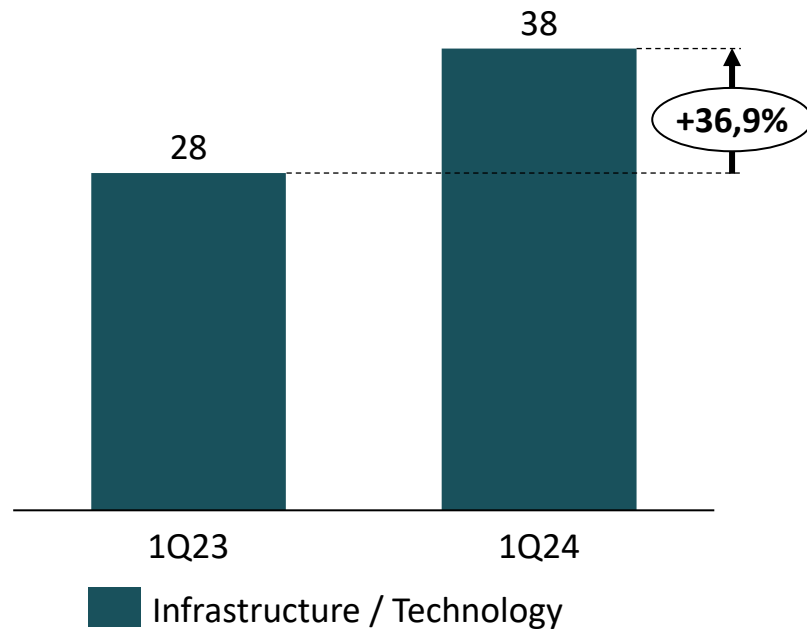
*Last Twelve Months DoR: Accounts Receivable/Net Revenue for the LTM *360



The days of receivables in 1Q24 was 42 days, stable compared to the same period last year

CAPEX* 1Q24

Investments in infrastructure and technology for the best student experience

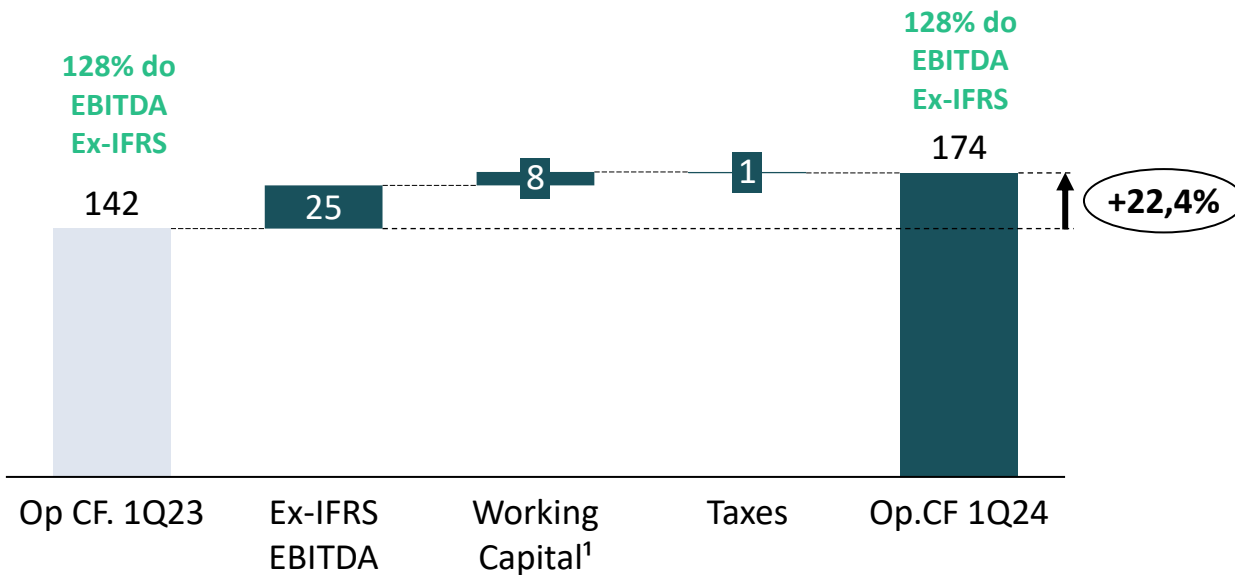


Investments in 1Q24 amounted to approximately R\$38.0 million, an increase of 36.9% vs. 1Q23, as a result of improvements made to our campuses, added to the progress of the Company's digitalization projects.

*Managerial Information

OPERATING CASH FLOW GENERATION 1Q24

Operational improvement ↑ = Cash Generation ↑

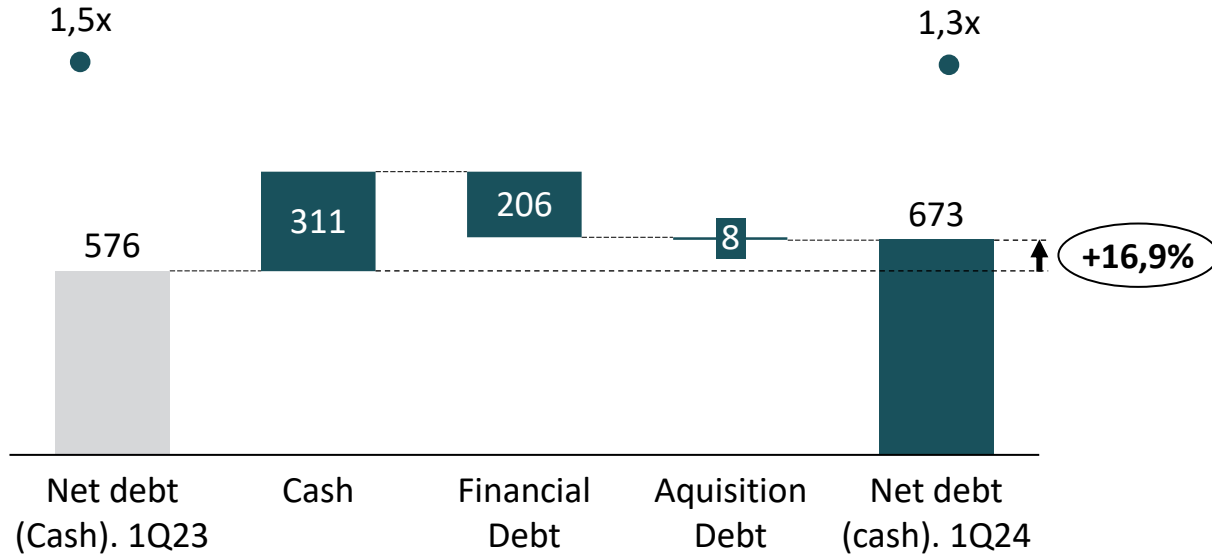


↑ Increase of 22.4% in Operating Cash Flow Generation vs. 1Q23. It is worth noting that the strong cash generation in the period is mainly the result of EBITDA evolution.

¹Working Capital: Assets (Accounts receivable, Taxes recoverable and Other receivables) and Liabilities (Suppliers, Obligations with related parties, Labor obligations, Tax obligations, Advances from customers, Deferred income, Other accounts payable)

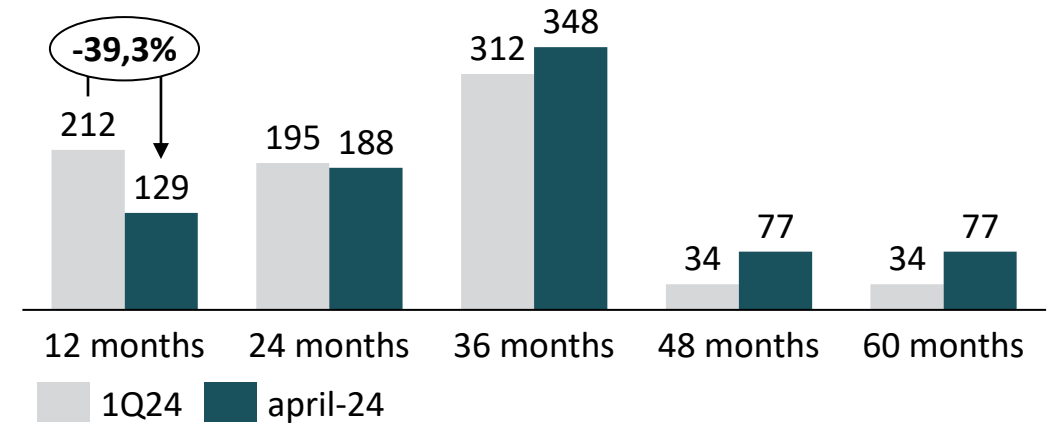
NET DEBT (CASH)

Reduction in leverage to 1.3x y/y and in short-term disbursements



Net Debt (ex-lease liability): an increase of 16.9% compared to the same quarter last year. Net Debt was mainly impacted by the distribution of dividends in the amount of R\$85 million over the last 12 months.

Debentures Amortization Schedule – R\$ million



Debt reprofiling: 3rd Issue of SECID Debentures: (i) total optional early redemption of the 1st Issue of SECID Debentures and (ii) the excess amount, if any, for managing the Issuer's liabilities.



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