

EARNINGS RELEASE

PRESS RELEASE

VIDEOCONFERENCE

May 10th of 2024, Friday

2:00 p.m. (Brasília)

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SÃO PAULO,
May 9th of 2024

Cruzeiro do Sul Educacional ("Cruzeiro do Sul" or "Company") (CSED3) announces today its results for the first quarter of 2024 (1Q24). The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and with international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB).

OPERATIONAL HIGHLIGHTS



Student Base
 1Q24
 vs.
 1Q23



On-campus Undergrad **+7.0%**



Digital Undergrad **+18.0%**



Ticket
 1Q24
 vs.
 1Q23



On-campus Undergrad **+1.9%**



Digital Undergrad **+8.7%**

FINANCIAL HIGHLIGHTS



Net Revenue

R\$ 611 MM
 ↑ 14.8%
 1Q24 vs. 1Q23



Adjusted Net Earnings

R\$ 44 MM
 ↑ 265.0%
 1Q24 vs. 1Q23



Adjusted EBITDA

R\$ 196 MM
 ↑ 20.0%
 1Q24 vs. 1Q23



Oper. Cash Flow¹

R\$ 174 MM
 128% of
 EBITDA Ex-IFRS



Adjusted EBITDA Margin

32.1%
 ↑140 bps
 1Q24 vs. 1Q23



Net Debt

1.3x*
 Adj. EBITDA
 (Ex IFRS-16)

¹ EBITDA Ex-IFRS 16 – Working Capital - Taxes

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

DISCLAIMER

This presentation may contain forward-looking statements. These forecasts only reflect expectations of the Company's managers regarding future economic conditions, as well as the Company's performance, financial performance and results, among others. The terms "anticipates", "believes", "expects", "predicts", "intends", "plans", "projects", "objective", "should", and similar terms, which, of course, involve risks and uncertainties that may or may not be expected by the Company and therefore are not guarantees of future results of the Company and therefore the future results of the Company's operations may differ from current expectations and the reader should not rely exclusively in the information contained herein. The Company does not undertake to update the presentations and forecasts in the light of new information or its future developments. The values reported for 2024 onwards are estimates or targets. The financial and operational information set out in this presentation is rounded off. The total amount is presented in the tables and graphs could therefore differ from the direct numerical aggregation of the preceding numbers. Non-financial information contained herein, as well as other operational information, were not audited by independent auditors. No investment decision should be based on validity, accuracy or completeness of the information or opinions contained in this presentation.



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Cruzeiro do Sul Educacional

Is one of the largest quality-focused education group in Brazil, with more than 514k* students in 27¹ campuses and more than ~1,713 hubs.

ON-CAMPUS



169k*
STUDENTS



27¹
CAMPI



DIGITAL



345k
STUDENTS




~1,713
HUBS



*Includes ~4k students on basic education on Mar/24

¹ Number of campuses as recorded in the MEC's basis

 Brands that work with Medicine

MESSAGE FROM MANAGEMENT

In this first quarter we celebrate 3 years since the IPO

In this first quarter, we celebrated three years since the IPO and we have many reasons to celebrate. Comparing 1Q21 with 1Q24, our undergrad student base in On-campus Education has grown consistently every year, totaling around 28% (~9% CAGR¹), while our student base in Digital Education has grown by around 67% (~19% CAGR). In both segments, we recorded growth in both enrollments and bases over this period, even in the face of a significant reduction in On-campus enrollments in Brazil.

Net Revenue increased from R\$421 million in 1Q21 to R\$611 million in 1Q24, a growth of around 45% (~13% CAGR). IFRS EBITDA also rose from R\$121 million to R\$191 million, registering an increase of approximately 58% (~16% CAGR), and Net Earnings grew from R\$16 million to R\$39 million, a jump of around 137% (~33% CAGR). We achieved these results despite facing a more challenging economic scenario, with the SELIC² rate rising from 2.75% p.y. in 1Q21 to 10.75% p.y. in 1Q24, impacting our students' financing capacity.

As well as improving business indicators, we have also gained greater commitment from our students. Re-enrollment rates are consistently high in both On-Campus and Digital, and our delinquency, one of the lowest among companies in the sector, remains under control. Receivables cycles have remained stable at around 42 days, the shortest in the sector, despite variations in the SELIC rate during this period.

Another important milestone for all of us was winning the Great Place to Work (GPTW) Certification in the first quarter of 2024, recognizing the satisfaction and alignment of more than 8k employees. This achievement fills us with pride, as it reflects the continuous improvement of our performance, together with the growing engagement of our students and employees.

Finally, it is worth highlighting our academic achievement that fills our hearts with pride and guides the future of our institution, which was achieving leadership in the ranking of publicly companies for the ongoing General Course Index (IGC), reaffirming our commitment to offering education quality to our students.

Our performance continues to show robust and consistent growth also in the first quarter of 2024

The first quarter of 2024 was marked by a significant achievement for Cruzeiro do Sul Educacional: we reached more than 500k students enrolled in our institutions. This figure highlights the potential attractiveness of our institutions in the regions and modalities in which we operate. We continued to break records in on-campus enrollment, with 59k new students and more than 119k students in digital undergrad programs. In addition, we maintained high re-enrolment rates, reflecting the quality of our service, which requires renewal at least seven times over four years.

¹CAGR : Compound Annual Growth Rate

²SELIC: Average interest rate

For us, these indicators reflect the alignment between our students' demand and the Company's commitment to offering excellent academics and graduate qualified professionals for the labor market.

As for the operating details of the On-campus segment, after two years of significant student intake (+26% in 1Q22 and +11% in 1Q23), we ended the quarter with slightly higher numbers than last year. Following the strategy of maintaining high re-enrollment rates, we achieved a 7.0% increase in the undergrad student base. We also recorded an increase in the average ticket of 1.9% compared to 1Q23, reflecting the progress of the new pricing policy adopted during 2022.

In the Digital segment, we closed the undergrad base with 315k students, representing an increase of 18.0% compared to 1Q23, despite a stable intake compared to the previous period. With the same proactivity as in On-campus courses, we responded to the challenges of a competitive market, differentiating ourselves by expanding our Hybrid products, which now account for 23% of our digital education (+3.0 p.p. compared to 1Q23), a strategy that proved to be successful due to the 8.7% growth in the average course ticket in this period. Also notable is the increase in the retention of our senior students (+1.3 p.p. compared to 1Q23), an improvement directly linked to the investments in digitization and processes' automation that began in 2023, as well as the increase in the quality of the student experience, reaffirming our commitment to educational excellence.

As for the P&L, we closed the first quarter with a 14.8% increase in Net Revenue, driven by the 15.2% growth in the total student base, the increase in the average ticket for both segments and the optimization of our course portfolio to maximize revenue. Gross Profit grew by 22.7%, reaching a margin of 49.9%, an increase of 3.2 percentage points on the previous year, reflecting our greater efficiency in operations. Adjusted EBITDA grew by 20.0%, with a margin of 32.1%, an improvement of 1.4 percentage points compared to 1Q23. The increase in Gross Profit, combined with backoffice optimization, more efficient management of marketing expenses and improved collection efficiency, softened the impact of administrative expenses in the period. It is important to note that the growth in administrative expenses is a consequence of the investments in technology that began in 2023, which are part of the company's digital transformation process, with a focus on efficiency. As for Adjusted Net Earnings, the company saw an expansion of 3.7x, with an adjusted net margin of 7.2% (+4.9 p.p. compared to 1Q23). Operating cash generation in 1Q24 was R\$174.0 million, an increase of 22.4% on the same period last year.

Finally, with regard to the capital structure, we ended the first quarter with a Net Debt of R\$673.3 million, reaching a financial leverage ratio of 1.3x, representing a reduction of 9.3% compared to the period ended December 31, 2023.

OPERATIONAL PERFORMANCE

ON-CAMPUS

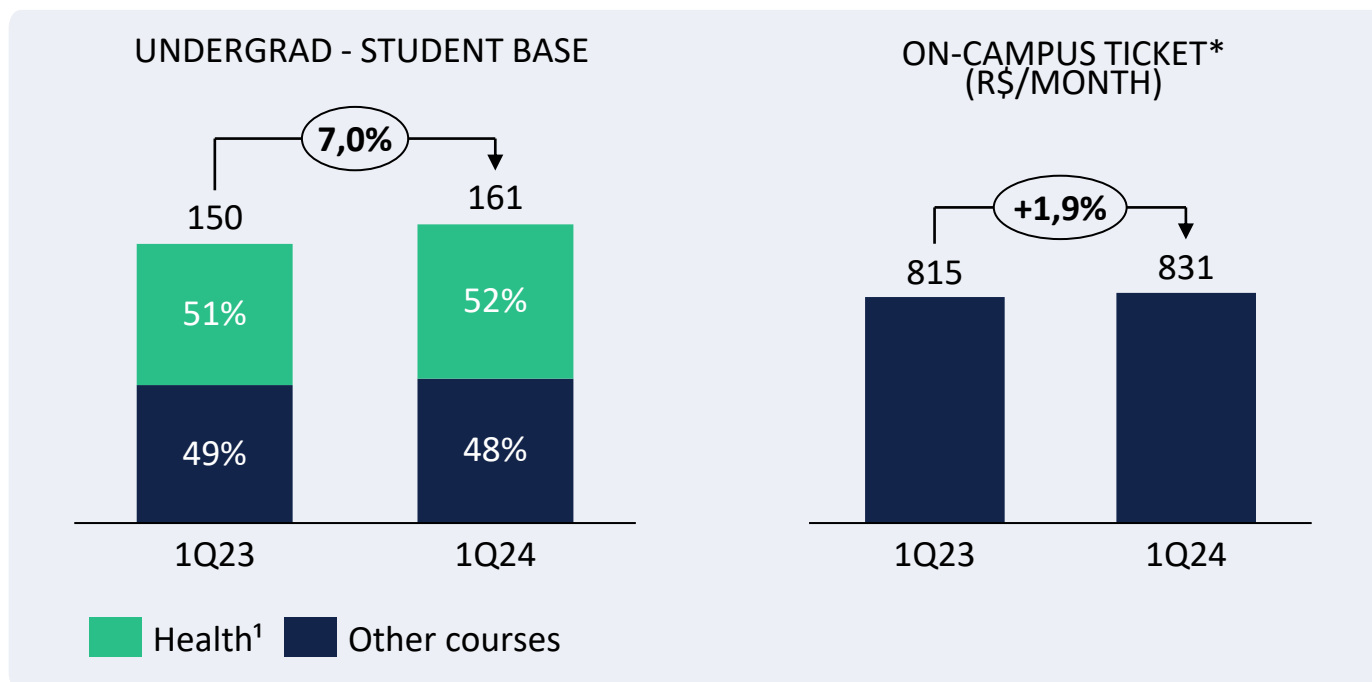
Consistent expansion in student base On-campus

End of 1Q24 with 169k students, an increase of 6.6% vs. the previous year, as a reflecting the high levels of retention, together with an increase in intake. It's also importante to note that is the 3rd year of growth in the base, a result that reaffirms the strenght of our brands in their respective areas of operation.

On-campus	1Q24	1Q23	Y/Y
BoP	149	135	10,5%
Intake	59	59	1,0%
Dropout	(24)	(21)	11,4%
Graduation	(16)	(15)	8,6%
Gra school and K12	0	1	(81,7%)
EoP	169	158	6,6%

Rising ticket and increasing relevance of health students

The global ticket (freshman + seniors) for On-campus undergrad in the 1Q24 increased by 1.9% when compared to the same period last year, as a result of i) progress of the new pricing strategy that started during 2022, ii) increase in re-enrollment and iii) the increased penetration of health students in the mix.



*Ticket = Net Rev./Final Student Base (freshmen + senior) - Managerial numbers, unaudited

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

DIGITAL

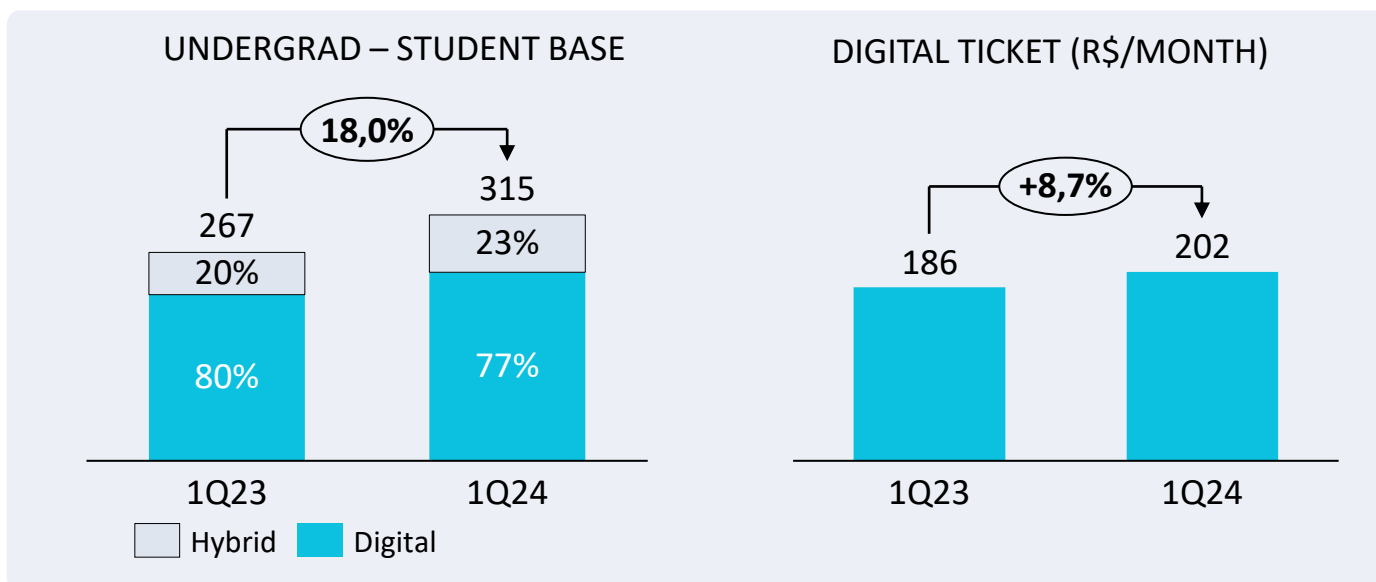
Evolution of the re-enrollment KPI as an important part of the strategy to expand the student base

We ended the 1Q24 with a student base of 345k, a growth of 19.9% vs. the previous year. The investment initiatives in technology/automation that started in 2023 contributed to the 1.3 p.p. increase in the re-enrollment KPI, which was an important component in expanding the student base given the more competitive intakes environment.

DIGITAL	1Q24	1Q23	Y/Y
BoP	320	269	18,9%
Intake	119	119	(0,4%)
Dropout	(78)	(70)	11,0%
Graduation	(22)	(19)	12,5%
Gra school and K12	7	(10)	-
EoP	345	288	19,9%

Evolution of the re-enrollment KPI and increase in hybrid students in the mix = Higher ticket

The average ticket for digital undergrad (freshmen + senior) increased by 8.7% compared to the same period last year, as a result of the increase in re-enrollment of +1.3 p.p. vs. 1Q23, added the increase in the penetration of hybrid students in the base (+3.0 p.p. vs. 1Q23), as well as the greater penetration of seniors in the mix (46% vs. 33% in 1Q23). The ticket progress in the quarter is reflection of our plan to operate through products that have more aggregated value, with the main goal of maximizing the segment’s revenue.



*Ticket = Net Rev./Final Student Base (freshmen + senior)
 - Managerial numbers, unaudited

FINANCIAL PERFORMANCE



NET REVENUE 1Q24

FINANCIAL DATA

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

R\$ million	1Q24	1Q23	%
On-campus	424,9	389,5	9,1%
Health courses ¹	284,5	265,2	7,3%
Digital	203,0	158,6	28,0%
Revenue net of scholarships, cancellations and discounts	627,8	548,1	14,5%
Other revenues	3,3	2,8	21,1%
Taxes	(20,7)	(19,1)	8,0%
Net Revenue	610,5	531,7	14,8%

★ CONSOLIDATED NET REVENUE **1Q24 +14.8%**

Consolidated net revenue in the quarter reached R\$ 610.5 million, 14.8% higher than 1Q23, reflecting the increase in the consolidated student base (+15.2%), added to the implementation of the new segmented pricing model, focused on maximizing revenue.

★ ON-CAMPUS NET REVENUE **+9.1%**

Net revenue after scholarships, cancellations and discounts for On-campus expanded by 9.1%, reaching R\$ 424.9 million, reflecting the larger student base (+6.6%) and ticket.

★ HEALTH NET REVENUE **+7.3%**

In On-campus, courses focused on the health area (with On-campus profile) grew 7.3% in 1Q24, representing ~67% On-campus revenue.

67%
ON-CAMPUS
NET REVENUE

★ DIGITAL NET REVENUE **+28.0%**

Net revenue from scholarships, cancellations and discounts for digital expanded 28.0% in the quarter, reaching R\$ 203.0 million, as a result of the larger student base (+19.9%) and the continued expansion of the hubs (+184; 12.0%) and ticket expansion.

+184
POLOS

GROSS PROFIT 1Q24

FINANCIAL DATA

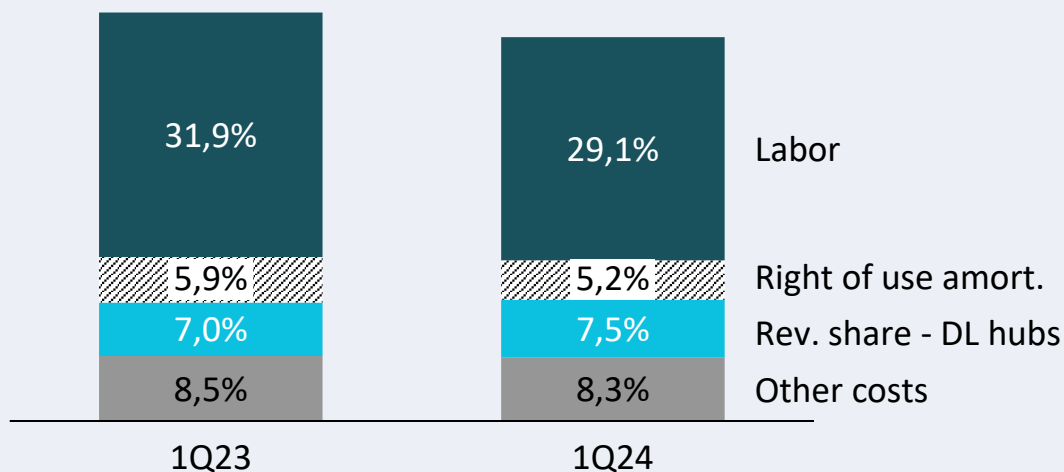
Expansion of 319 bps in 1Q24 gross margin, as a reflection of the gain in operating leverage

R\$ million	1Q24	1Q23	%
Labor	(177,5)	(169,5)	4,8%
Right of use amortization	(31,6)	(31,6)	(0,1%)
Revenue share - DL hubs	(46,1)	(37,1)	24,2%
Other costs	(50,6)	(45,1)	12,1%
Gross Profit	304,7	248,4	22,7%
Gross Margin	49,9%	46,7%	+319bps



Gross profit in the quarter reached R\$ 304.7 million, 22.7% higher than 1Q23, with a margin of 49.9% (+3.2 p.p y/y). The expansion of Gross Margin in the period is a reflection of operating leverage, result of revenue maximization initiatives, as well as efficiency gains.

Costs as % of Net Rev.



ADJUSTED EBITDA 1Q24

FINANCIAL DATA

Expansion in adjusted EBITDA margin, despite pressure on administrative expenses in the period

R\$ million	1Q24	1Q23	%
Gross Profit	304,7	248,4	22,7%
Gross Margin	49,9%	46,7%	+319bps
SG&A	(135,5)	(105,5)	28,4%
PDA	(16,6)	(18,8)	(12,1%)
<i>PDA/Revenue</i>	<i>(2,7%)</i>	<i>(3,5%)</i>	<i>+83bps</i>
D&A	(30,8)	(32,1)	(4,3%)
Other revenues	6,4	7,7	(16,2%)
EBIT	128,3	99,6	28,8%
D&A	62,3	63,7	(2,2%)
EBITDA	190,6	163,4	16,7%
EBITDA Margin	31,2%	30,7%	+50bps
Non recurring ¹	5,5	-	-
Adjusted EBITDA	196,1	163,4	20,0%
Adj. EBITDA Margin	32,1%	30,7%	+140bps



Adjusted EBITDA in the quarter reached R\$ 196.1 million, 20.0% higher than 1Q23, with a margin of 32.1% (+1.4 p.p. vs.the same period last year).

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 investments in technology that began in 2023, which brings efficiency gains in various lines of the result, from better intake to better collection.

¹Non-recurring: Project/M&A expenses

NET EARNINGS 1Q24

FINANCIAL DATA

Strong expansion in Net Earnings, reflecting operational improvement

R\$ million	1Q24	1Q23	%
EBITDA	190,6	163,4	16,7%
D&A	(62,3)	(63,7)	(2,2%)
Financial Result	(55,6)	(51,4)	8,2%
Lease liability interest	(31,4)	(31,8)	(1,1%)
Taxes	(2,7)	(4,4)	(39,9%)
Net Earnings	38,6	12,1	219,9%
Non recurring expenses	5,5	-	-
Adj. Net Earnings*	44,1	12,1	265,0%



Adjusted Net Earnings in the quarter was R\$ 44.1 million, 3.7x higher than the same period last year. 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.

*Adjusted Net Earnings:management information /Non-Recurring: Projects/M&A expenses

ACCOUNTS RECEIVABLE 1Q24 (LTM)

FINANCIAL DATA

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



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

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

CAPEX* 1Q24

FINANCIAL DATA

Investments in infrastructure and technology aimed at the best student experience

R\$ million	1Q24	1Q23	%
Infrastructure / Technology	(38,4)	(28,0)	36,9%



Investments in 1Q24 were approximately R\$ 38.4 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.

*Management information

OPERATING CASH FLOW 1Q24

FINANCIAL DATA

Strong operating cash flow generation in the period

R\$ million	1Q24	1Q23	%
IFRS-16 EBITDA	190,6	163,4	16,7%
Rent	(54,8)	(52,2)	5,0%
Ex-IFRS EBITDA	135,9	111,2	22,2%
Working Capital ¹	39,1	31,3	24,7%
Taxes	(1,0)	(0,3)	187,0%
Oper. Cash Flow	174,0	142,2	22,4%
OCF/Ex-IFRS EBITDA	128,0%	127,9%	+16bps
Capex	(38,4)	(28,0)	36,9%
Free Cash Flow	135,6	114,1	18,8%
FCF/Ex-IFRS EBITDA	99,8%	102,7%	-287bps
Non recurring	5,5	-	-
Adj. Free. Cash Flow²	141,0	114,1	23,6%



Operating Cash Flow generation in 1Q24 was R\$ 174.0 million, an increase of 22.4% vs. 1Q23. It is important to note, the strong cash flow generation in the period is mainly due to the result of the evolution of EBITDA.

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)

²Management information including non-recurring expenses

NET DEBT (CASH)

FINANCIAL DATA

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

R\$ million	1Q24 (a)	1Q23 (b)	(a)/(b)	4Q23 (c)	(a)/(c)
Cash	(490,8)	(801,9)	(38,8%)	(522,9)	(6,1%)
Financial Debt	787,2	992,9	(20,7%)	843,9	(6,7%)
Acquisition	376,9	384,9	(2,1%)	421,4	(10,6%)
Net Debt (Cash)	673,3	575,8	16,9%	742,4	(9,3%)
Net Debt/Adj. EBITDA	1,3x	1,5x	(8,0%)	1,6x	(14,8%)
Lease	1.293,7	1.335,4	(3,1%)	1.325,9	(2,4%)
Net Debt (Cash) after Lease	1.967,0	1.911,2	2,9%	2.068,3	(4,9%)



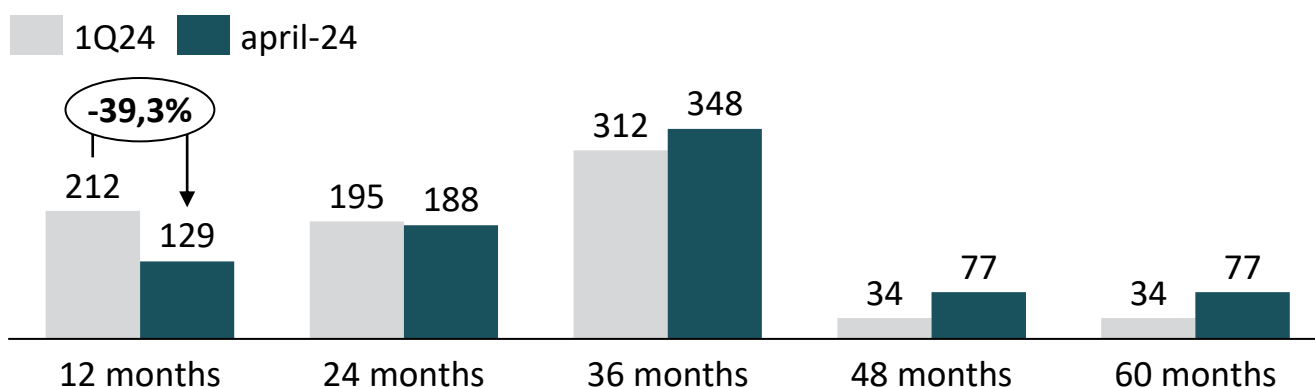
The Company ended 1Q24 with net debt (ex-lease liabilities) of R\$ 673.3 million vs. R\$ 575.8 million last year. Net Debt was impacted, mainly, by the distribution of dividends in the amount of R\$ 85 million over the last 12 months.

*Net Financial Debt/EBITDA LTM ex IFRS-16

DEBENTURES AMORTIZATION SCHEDULE – R\$ MILLION



As disclosed in a Material Fact on April 4, the BDM approved the 3rd Issue of SECID Debentures, in the amount of R\$173.3 million for the following purposes (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. The terms of the charges were 100% of the CDI + 1.54% p.y., with a term of 60 months, with the first installment due in July/2025. Below is the amortization schedule in 1Q24 and after the subsequent event mentioned.



APPENDIX

STUDENT BASE

APPENDIX

STUDENTS BASE - Q/Q MOVEMENT

End of Period	Total	On-campus	Digital
4Q23	469	149	320
Intake	178	59	119
Dropout	(102)	(24)	(78)
Graduation	(38)	(16)	(22)
Grad school and K12	7	0	7
1Q24	514	169	345

STUDENTS BASE – BY ENROLLMENT TYPE

Students (000)	1Q24	1Q23	YoY
On-campus graduation	157	146	7,1%
Med school	4	4	2,1%
Gra school and K12	8	8	(0,6%)
On-campus	169	158	6,6%
Digital graduation	315	267	18,0%
Hybrid	73	54	35,6%
Gra School and K12	30	21	44,2%
Digital	345	288	19,9%
Total	514	446	15,2%

HUBS AND CAMPUSES

APPENDIX

INFRASTRUCTURE

EoP	1Q24	1Q23	Δ	%
Digital hubs	1.713	1.529	+184	12,0%
Campuses	27	27	-	-

IFRS16 EBITDA, PRE-IFRS16 EBITDA & NON-RECURRING

APPENDIX

ADJUSTED EBITDA

R\$ million	1Q24	1Q23	%
Adjusted EBITDA IFRS-16	196,1	163,4	20,0%
Rents	(54,8)	(52,2)	5,0%
Adjusted EBITDA pre IFRS-16	141,3	111,2	27,1%
Adjusted EBITDA pre IFRS-16 margin	23,1%	20,9%	+224bps

NON-RECURRING

R\$ million	1Q24	1Q23	%
M&A/Projects	5,5	-	-
Non Recurring	5,5	-	-

P&L

APPENDIX

R\$ million	1Q24	1Q23
On-campus	424,9	389,5
Health	284,5	265,2
Digital	203,0	158,6
Revenue net of scholarships, cancellations and discounts	627,8	548,1
Other revenues	3,3	2,8
Taxes	(20,7)	(19,1)
Net Revenue	610,5	531,7
Labor	(177,5)	(169,5)
Right of use amortization	(31,6)	(31,6)
Revenue share - DL hubs	(46,1)	(37,1)
Other costs	(50,6)	(45,1)
COGS	(305,8)	(283,3)
Gross Profit	304,7	248,4
Gross Margin	49,9%	46,7%
SG&A	(135,5)	(105,5)
D&A	(30,8)	(32,1)
Provision for doubtful accounts	(16,6)	(18,8)
Other revenues	6,4	7,7
EBIT	128,3	99,6
D&A	62,3	63,7
EBITDA	190,6	163,4
EBITDA Margin	31,2%	30,7%
COGS - non recurring	-	-
Expenses - non recurring	5,5	-
Adjusted EBITDA	196,1	163,4
Adjusted EBITDA Margin	32,1%	30,7%
Financial results	(87,0)	(83,1)
EBT	41,3	16,5
Taxes	(2,7)	(4,4)
Net Earnings	38,6	12,1
Non recurring expenses	5,5	-
Adjusted Net Earnings	44,1	12,1

BALANCE SHEET

APPENDIX

	Mar.24	Mar.23
Total Assets	4.478.204	4.718.051
Current Assets	902.161	1.086.201
Cash and Equivalents	490.786	801.913
Accounts Receivables	252.231	216.351
Taxes and Contributions	37.427	31.811
Other Assets	121.717	36.126
Non-current Assets	3.576.043	3.631.850
Long Term Assets	179.995	228.411
Accounts Receivables	25.244	27.903
Judicial Deposits	24.271	25.738
Other Assets	26.251	74.041
Deferred Taxes	104.229	100.729
Investments	146	143
Property and Equipment	587.984	526.989
Right of Use	1.090.186	1.169.956
Intangible	1.717.732	1.706.351
Total Liabilities	3.053.097	3.332.110
Current Liabilities	1.073.851	780.198
Bond (Debentures)	211.849	243.076
Suppliers	96.780	78.844
Related Parties	3.162	3.203
Salaries and Payroll Charges	153.668	176.974
Tax Liabilities	54.229	52.160
Dividends	-	1.569
Customer Advance	73.225	62.685
Leasing	110.065	102.752
Acquisitions	362.635	47.703
Deferred Revenues	722	722
Others	7.516	10.510
Non-Current Liabilities	1.979.246	2.551.912
Bond (Debentures)	575.367	749.777
Salaries and Payroll Charges	5.008	8.336
Tax Liabilities	112.983	127.267
Deferred Taxes	15.495	16.289
Judicial Deposits	59.709	66.938
Leasing	1.183.600	1.232.654
Acquisitions	14.257	337.170
Deferred Revenues	8.605	9.327
Others	4.222	4.154
Shareholder's Equity	1.425.107	1.385.941
Capital	1.203.576	1.203.576
Capital Reserves	102.993	130.605
Earnings Reserves	79.914	75.048
Retained earnings	38.624	-
Shares in Treasury	-	(23.288)
Liabilities + Shareholder's Equity	4.478.204	4.718.051

CASH FLOW

APPENDIX

	1Q24	1Q24
Profit (Loss) before income taxes	41.277	16.491
Depreciation and amortization	30.758	32.143
Right of use amortization	31.557	31.575
Amortization of fund raising costs	181	168
Debt Interests	-	85
Acquisitions Interests	10.648	12.117
Bonds (debentures) Interests	24.302	37.594
Lease Interests	31.424	31.763
PV Assets and Liabilities	1.753	235
Judicial Deposits Provision	(638)	(6.481)
Provision for Doubtful Accounts	16.562	18.836
PPE and Intangibles	396	3
Asset Sale Deferred Revenues	(180)	(181)
Lease discontinuation	(896)	(31)
Adjustements to Profit (Loss) before taxes to reconcile with the cash flow	187.144	174.317
Changes in assets	-	-
Accounts receivable	(12.376)	(25.937)
Judicial Deposits	300	(1.798)
Taxes Recoverable	(1.060)	(2.863)
Other Credits	(27.007)	(14.529)
Changes in liabilities		
Suppliers	13.271	(9.660)
Salaries and Payroll Charges	20.512	33.404
Taxes	(7.936)	(4.733)
	(4)	255
Customer Advance	25.676	21.865
Others	(188)	3.071
	198.332	173.392
Taxes	(973)	(339)
Net cash from operating activities	197.359	173.053
Cash flow from investments		
Acquisitions	(55.147)	-
PPE acquisitions	(19.678)	(11.641)
Intangible acquisitions	(18.697)	(16.397)
Net cash from investing activities	(93.522)	(28.038)
Cash flow from financing activities		
Debt downpayments	-	(3.855)
Bonds (Debentures) downpayments	(81.214)	(108.305)
Lease downpayments	(54.752)	(52.157)
	-	(31.528)
Net cash from financing activities	(135.966)	(195.845)
Increase (decrease) of cash and equivalents	(32.129)	(50.830)
Cash and Equivalents		
At the beginning	522.915	852.743
At the end	490.786	801.913
Increase (decrease) of cash and equivalents	(32.129)	(50.830)



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