2Q18 | Earnings Presentation

August, 2018

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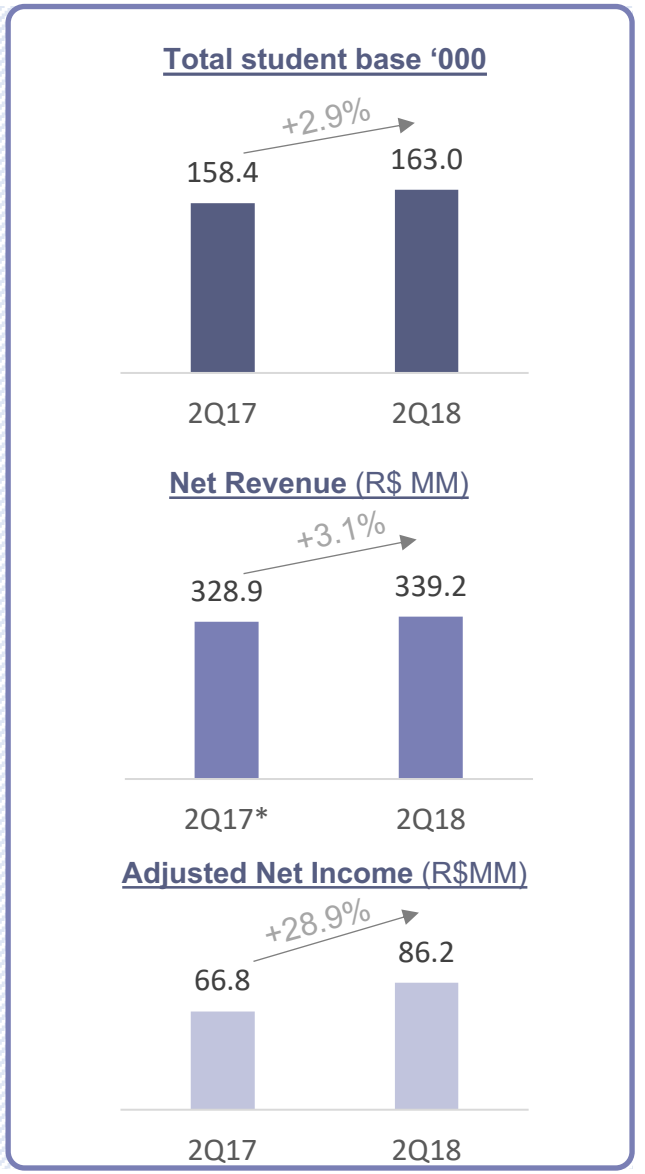
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Highlights of the quarter

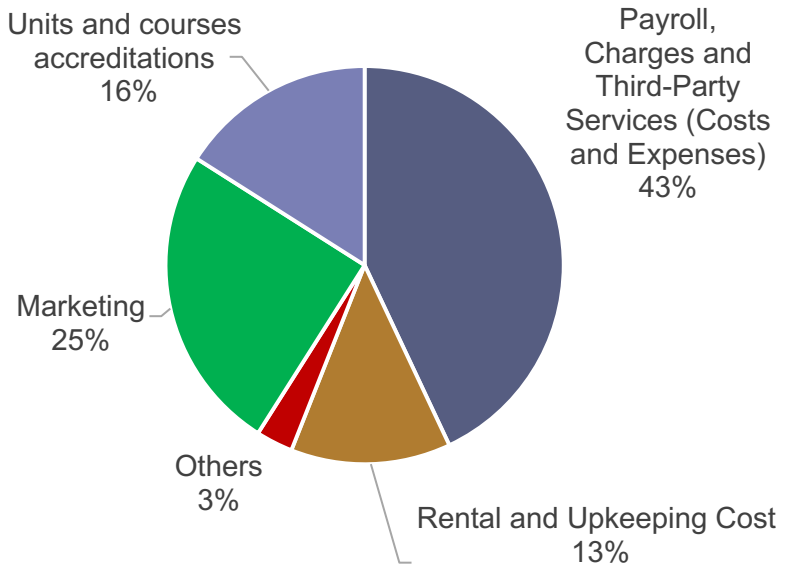
1	Total student base growth of 2.9%, totaling 163,000 students in 2Q18, driven by the growth of 99% in the Distance Learning student base.
2	Stabilization of operational efficiency and profitability indicators, with Adjusted Net Income growth by 28.9% in 2Q18.
3	UNINASSAU of Recife re-accredited with Institutional Grade (CI) 5 by the Ministry of Education.
4	UNINASSAU was considered the most recognized higher education brand in the Northeastern region of Brazil, according to Estado de São Paulo newspaper in partnership with Troiano Branding consultancy firm.
5	UNAMA Santarém and UNINASSAU Salvador have become University Centers and 3 new accredited units: Betim (MG), Itabuna (BA) and Caxias do Sul (RS), totaling 40 new accreditations of the expansion plan of 45 units.
6	• Execution of 31% of its share buyback program announced on April 3, 2018 • Receipt of R$137 million related to the last installment of the agreement made with the Federal Government (PN 23)



* Comparable adjusting the interest income of monthly payments in accordance with IFRS 15.

Status of implementation of the 2018 action plan

2018 Action Plan	Status	Goals
Step 1 *Optimization of the administrative structure and implementation of operational performance improvement opportunities*	✓	**Total potential to reduce costs and expenses compared to 2018 budget: Apr-Dec/18: ~ R$ 80 million***
Step 2 *Operational Baseline: Reassessment of courses and units to adapt costs and expenses to the Company's operational standards*	✓	
Step 3 *Unification of the NABUCO and NASSAU brands in the Northeastern capitals outside the metropolitan area of Recife and re-ordering the opening of accreditations*	◔	



* It is not a projection or estimate

Ser Digital Project: digital transformation of the Company with long-term value creation goals

Partnership with Accenture to improve the students' experience in all stages of the learning process and contact with the Company's educational institutions

accenture

ser educacional

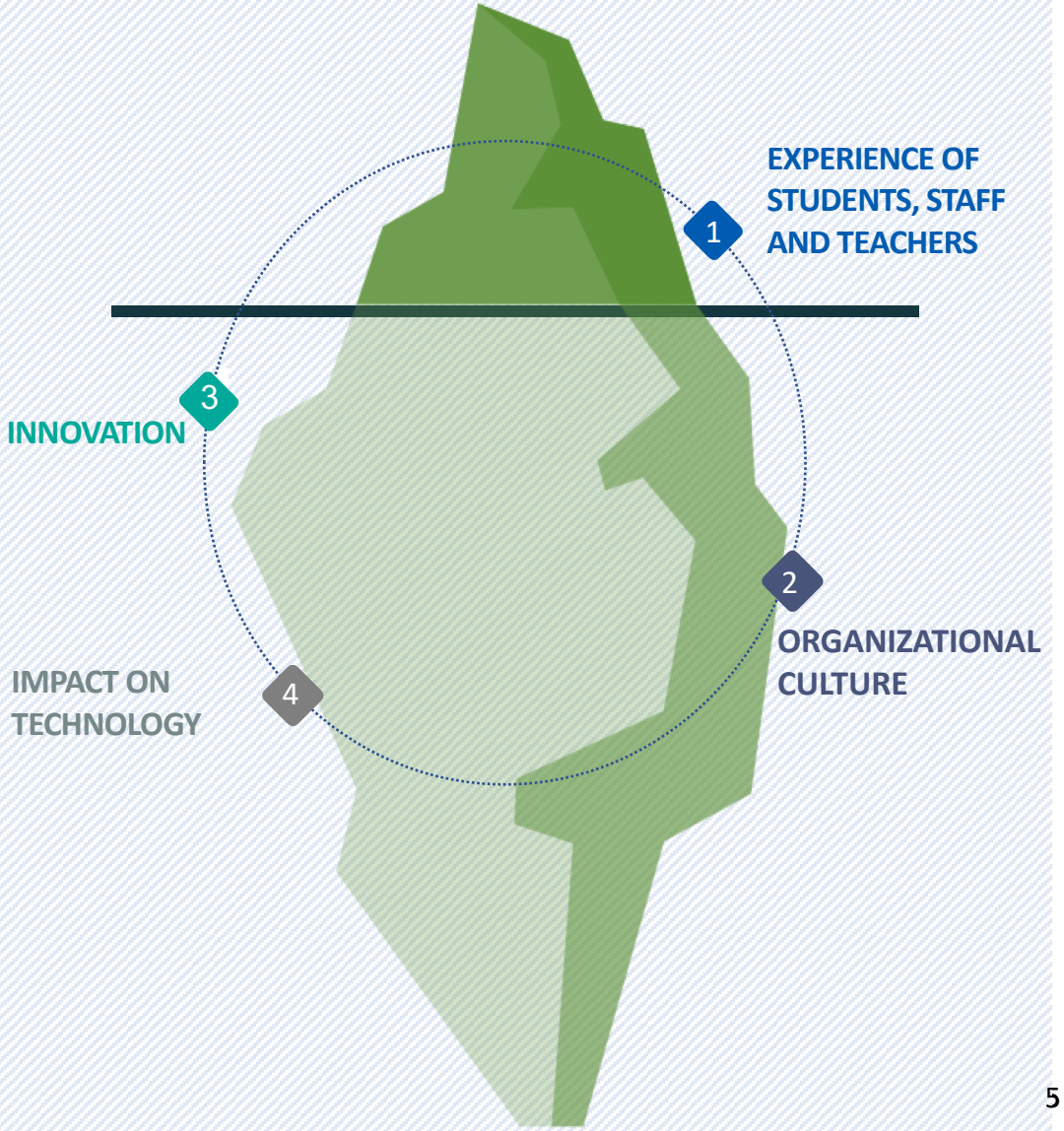
24 months

Mapping and diagnosis	Future design	Deployment plan	Implementation of the digital journey
☑	☐	☐	☐

Construction of technological solutions that support the new digital reality

- Improving the experience of students, staff and teachers
- Adapting existing digital culture
- Remodeling the corporate innovation environment
- Adequacy of technologies and IT model

4-Dimension Approach



2018.1 On-campus and Distance Learning Undergraduate Student Enrollment

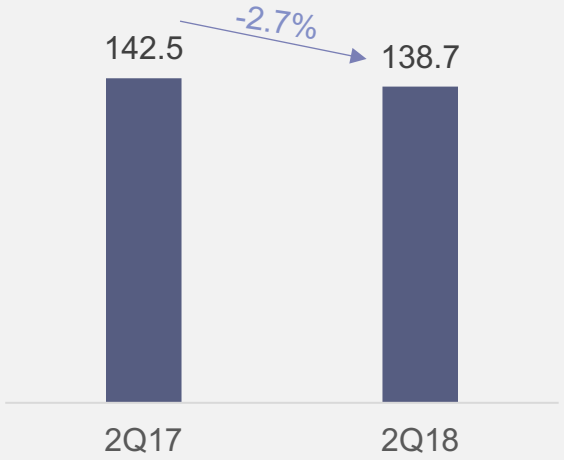
Undergraduate Student Enrollment (thousand)	2018.1	2017.1	Δ (%)
Undergraduation Intake	**53.5**	**51.4**	**+4.1%**
DL Intake	12.5	4.6	169.7%
On Campus Intake	40.9	46.7	-12.4%
FIES Intake	*1.1*	*9.0*	*-87.8%*
EX-FIES Intake	*39.8*	*37.7*	*+5.7%*

Highlights

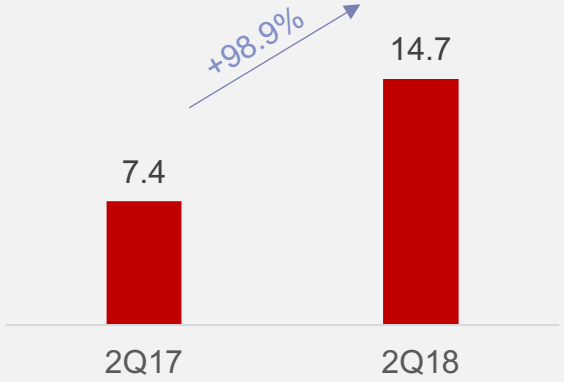
- Growth of 4.1% in general intake of undergraduate students
- Growth of 169% in distance learning intake vs. 2017.1
- Growth of 5.7% in non-FIES student intake vs. 2017.1
- 87.8% reduction in enrollment of FIES students

Evolution of the student base ('000)

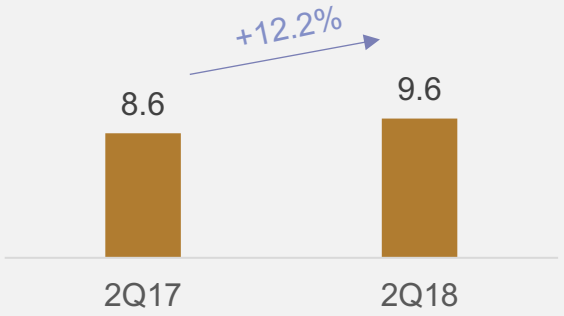
On Campus Undergraduate



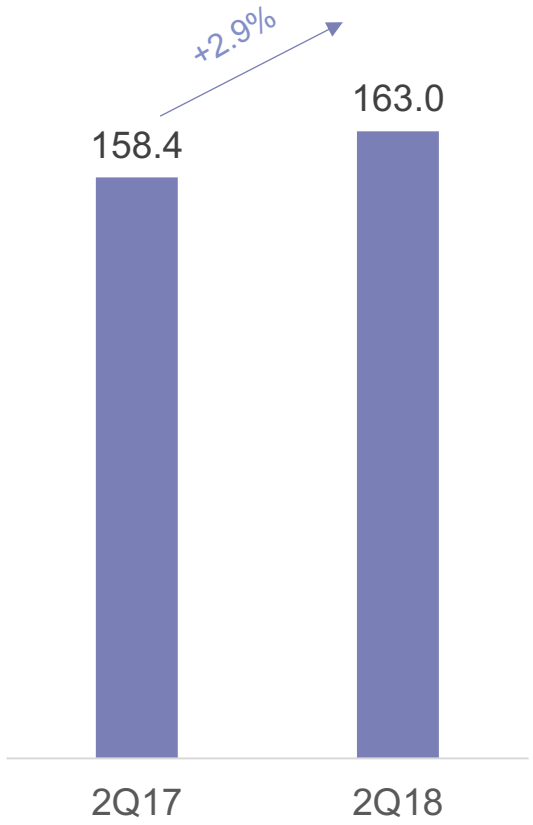
Distance Learning Undergraduate



Graduate / Vocational Distance Learning/On Campus



Total student base



Results summary

Financial Highlights (R$MM)	2Q18	2Q17 Comparable**	Δ (%)	1S18	1S17 Comparable**	Δ (%)
Net Revenue	339.2	328.9	**+3.1%**	656.4	641.1	**+2.4%**
Adjusted Cash Gross Profit	202.8	190.8	**+6.3%**	386.8	387.4	**-0.2%**
Adjusted Cash Gross Margin	*59.8%*	*58.0%*	*+1.8 p.p.*	*58.9%*	*60.4%*	*-1.5 p.p.*
Adjusted EBITDA*	105.5	102.6	**+2.9%**	183.7	214.7	**-14.4%**
Adjusted EBITDA Margin	*31.1%*	*31.2%*	*-0.1p.p.*	*28.0%*	*33.5%*	*-5.5 p.p*
Adjusted Net Income**	**86.2**	**66.8**	**+28.9%**	**148.9**	**149.4**	**-0.4%**
Adjusted Net Margin	*25.4%*	*20.3%*	*+5.1 p.p*	*22.7%*	*23.3%*	*-0.6 p.p.*

* Adjusted for non-recurring effects, interest income on agreements and minimum lease payments

** Reclassification of R$ 2.7 million in 2Q17 and R$ 6.0 million in 6M17 from the line of "interest on monthly payments and agreements" to "net revenue" for the purpose of better comparability by the adoption of IFRS 15.

Analysis of results excluding new units and distance learning (R$MM)

Results Ex-new units and distance learning (DL)	2Q18				1S18			
	Consolidated	New units and distance learning[1]*	Consolidated Ex-new units and distance learning*	Variation Consolidated Ex-new units and distance learning	Consolidated	New units and distance learning[1]*	Consolidated Ex-new units and distance learning*	Variation Consolidated Ex-new units and distance learning
Net Revenue	**339.2**	21.4	317.7	-6.3%	**656.4**	41.1	615.3	-6.3%
Adjusted Cash Gross Profit	**202.8**	7.3	195.6	-3.6%	**386.8**	15.9	370.8	-4.1%
Adjusted Cash Gross Margin	***59.8%***	*33.8%*	*61.6%*	*1.0 pp*	***58.9%***	*38.8%*	*+60.3%*	*1.0 pp*
Adjusted EBITDA*	**105.5**	(7.1)	112.6	6.7%	**183.7**	(24.3)	208.1	13.3%
Adjusted EBITDA Margin	***31.1%***	*-33.2%*	*35.4%*	*4.3 pp*	***28.0%***	*-59.2%*	*33.8%*	*5.8 pp*

(1) Unidades em expansão com menos de 2 anos de operação: Garanhuns, Maceió (Nabuco), João Pessoa (Nabuco), Mossoró, Juazeiro do Norte, Maracanaú, Porto Velho, Arapiraca, Marabá, Ananindeua, Boa Vista, Rio Branco, Anápolis, Sobral, Cabo de Santo Agostinho, Petrolina, Jaboatão dos Guararapes, Feira de Santana, Fortaleza (Nabuco), Rio de Janeiro e Belo Horizonte

* Alocações dos resultados não são auditadas

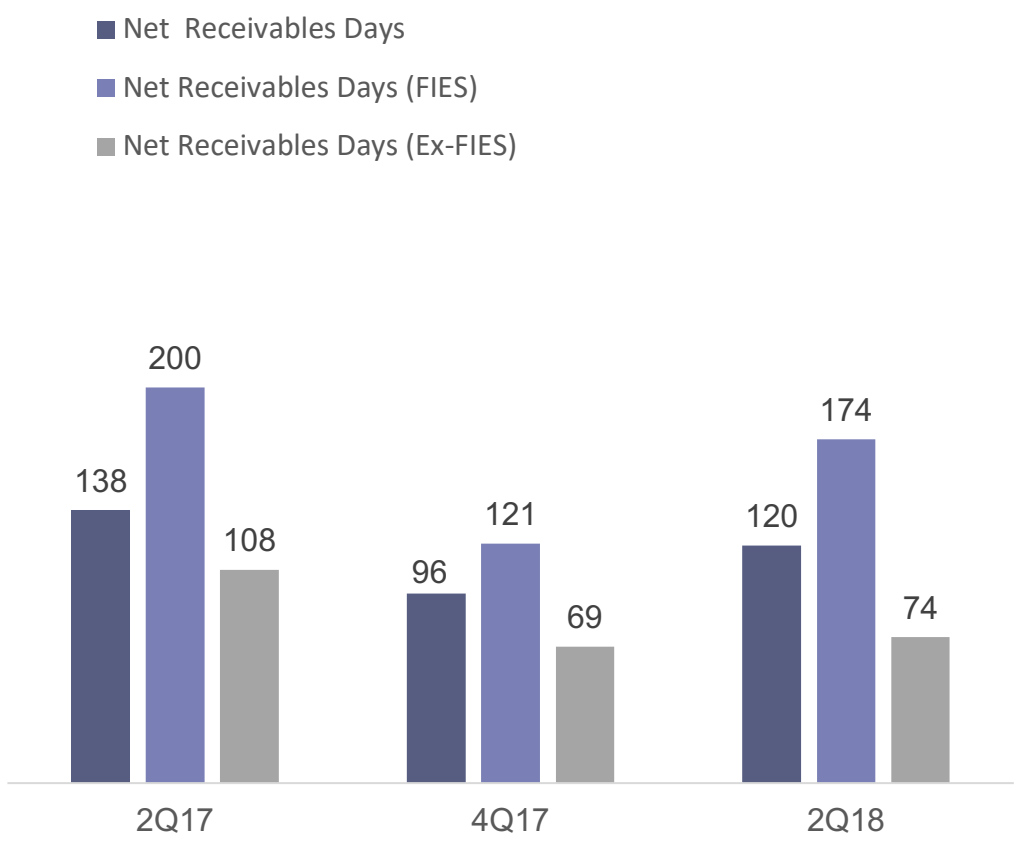
Aging of monthly payments and agreements and average term of the accounts receivable net

Aging of Accounts Receivable monthly tuition fees and Negotiated Agreements

Aging of Monthly tuition fees (R$ '000)	2Q17	% Chg.	2Q18	% Chg.
Overdue by up to 30 day	19,360	19.8%	26,281	20.5%
Overdue from 31 to 60 days	15,625	16.0%	21,021	16.4%
Overdue from 61 to 90 days	14,864	15.2%	21,758	17.0%
Overdue from 91 to 180 days	24,099	24.6%	32,066	25.0%
Overdue more than 180 days	23,986	24.5%	27,125	21.1%
TOTAL	97,934	100.0%	128,251	100.0%
% of Gross Accounts Receivable	19.3%		25.4%	

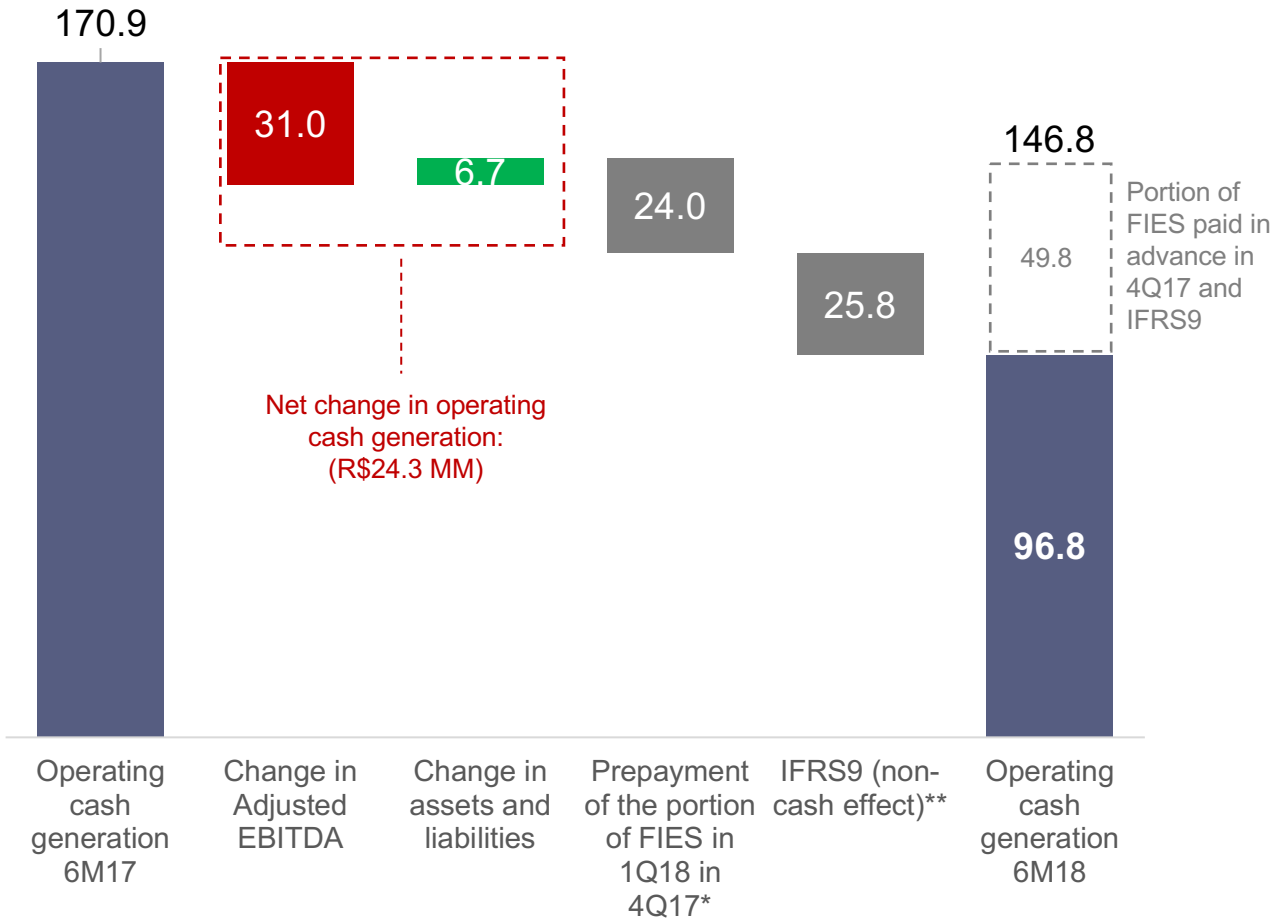
Aging of Negotiated Agreements (R$ '000)	2Q17	% Chg.	2Q18	% Chg.
Not yet due	17,670	24.0%	17,443	25.6%
Overdue by up to 30 day	11,876	16.1%	8,745	12.8%
Overdue from 31 to 60 days	8,785	11.9%	7,634	11.2%
Overdue from 61 to 90 days	7,807	10.6%	6,469	9.5%
Overdue from 91 to 179 days	13,950	19.0%	10,222	15.0%
Overdue more than 180 days	13,465	18.3%	17,569	25.8%
TOTAL	73,553	100.0%	68,082	100.0%
% of Gross Accounts Receivable	14.5%		13.5%	

Net Receivables Days

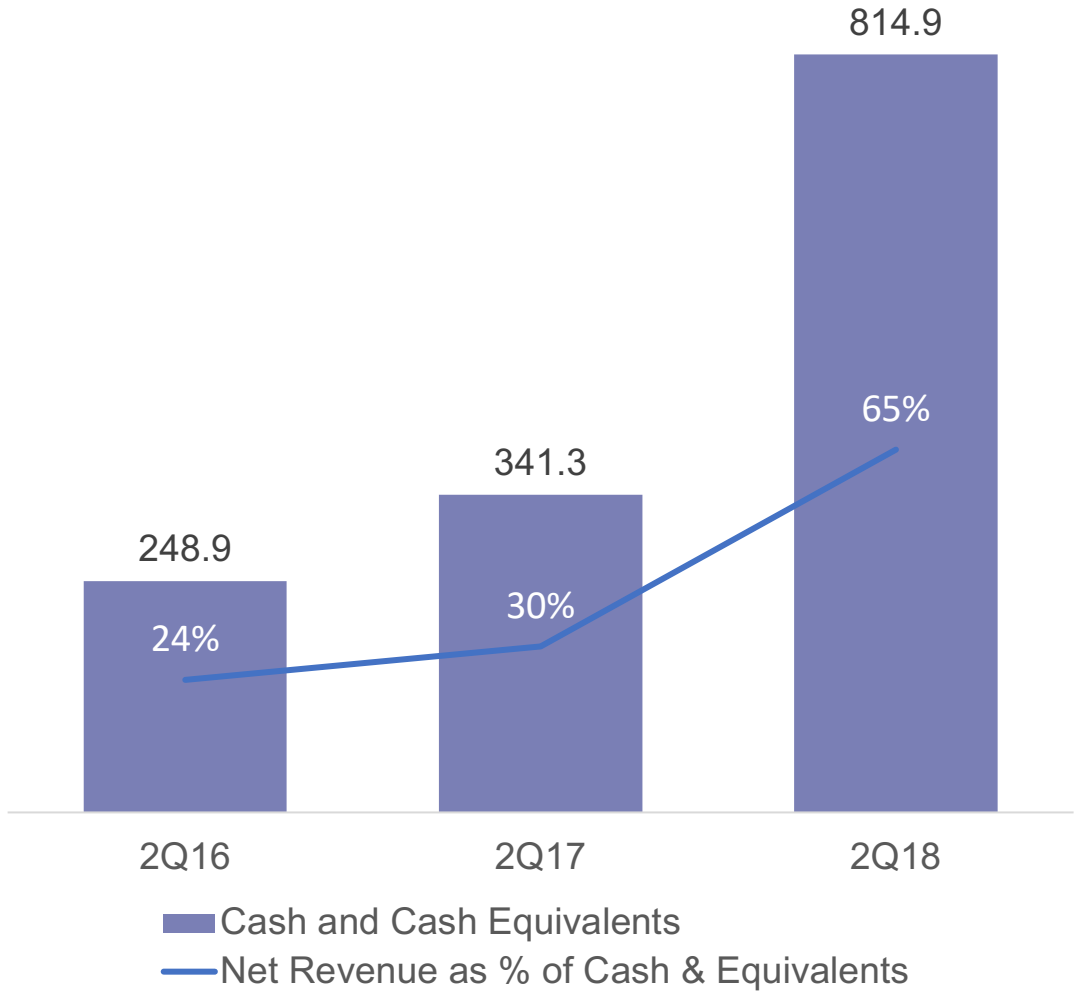


Generation of operating cash and cash balance (R$MM)

Breakdown of operating cash generation (R$ MM)



Cash and Cash Equivalents (R$ MM) and % of Net Revenue in Cash

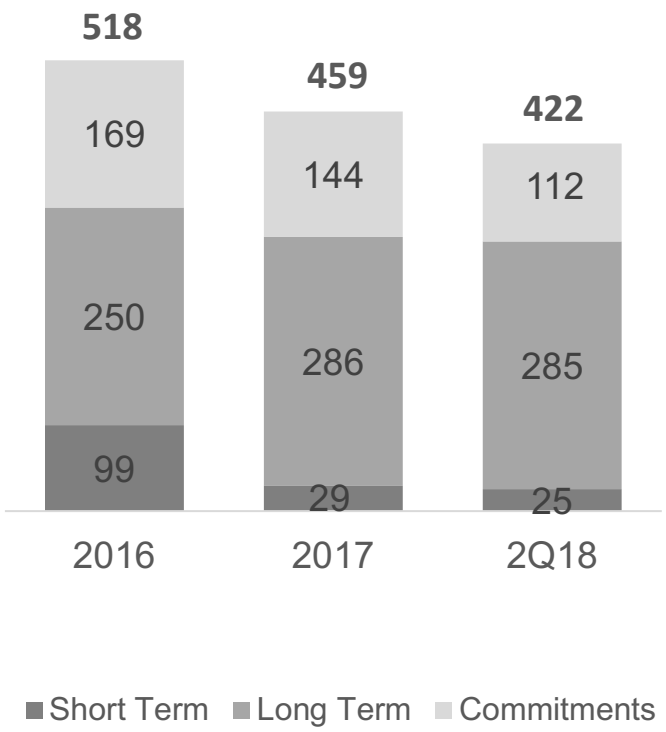


* In 1Q17 the portion of FIES for the month of December 2016 was paid in January 2017, while in 2018 the portion of December 2017 was paid in the same month.

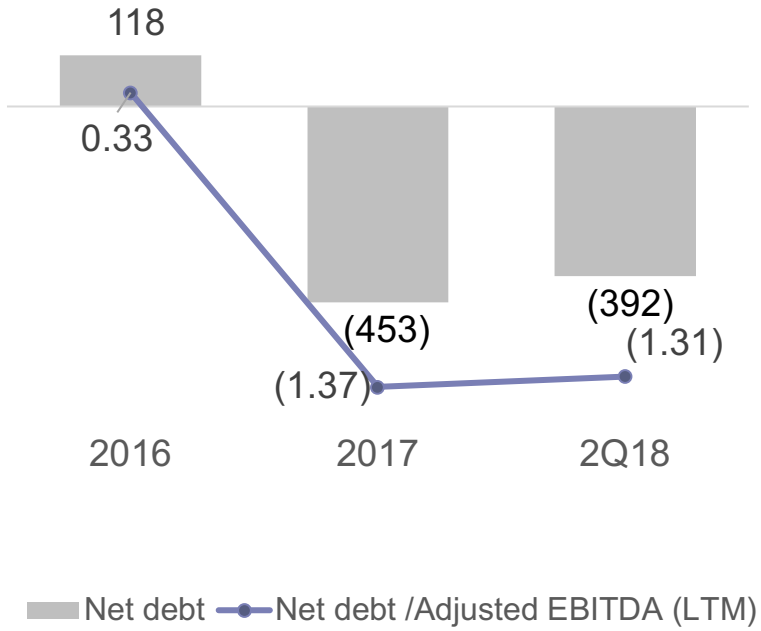
** As a result of the adoption of IFRS 9 in 2018, the Company recognized an amount of R$25.8 million to the balance of the PDD recorded in current assets as of 12/31/17, as a compensating entry to shareholders' equity as provided in the new rule

Gross indebtedness and amortization schedule (R$MM)

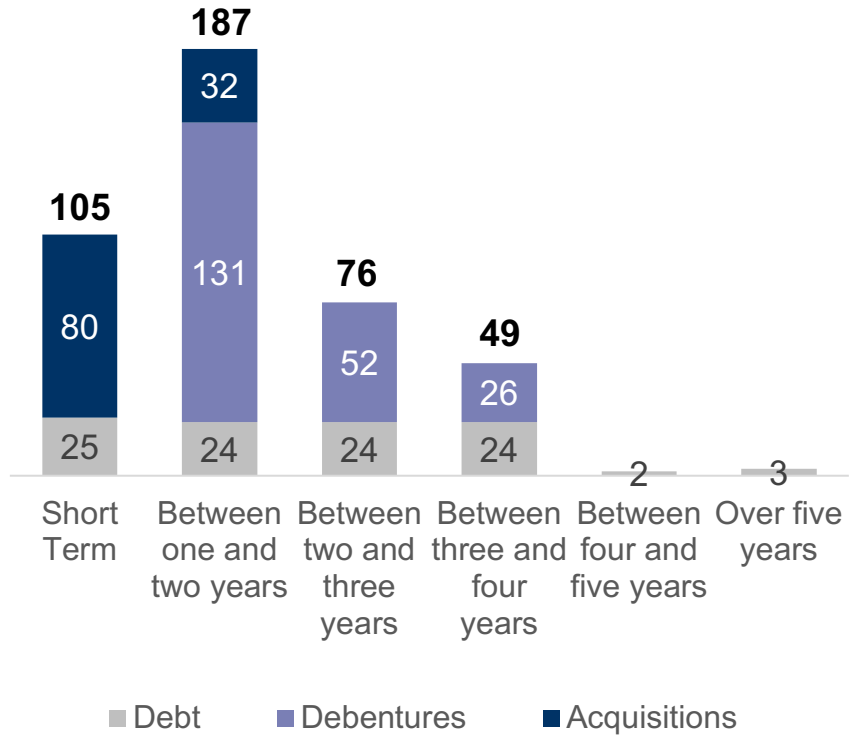
Gross Debt



Net debt and Net debt / Adjusted EBITDA

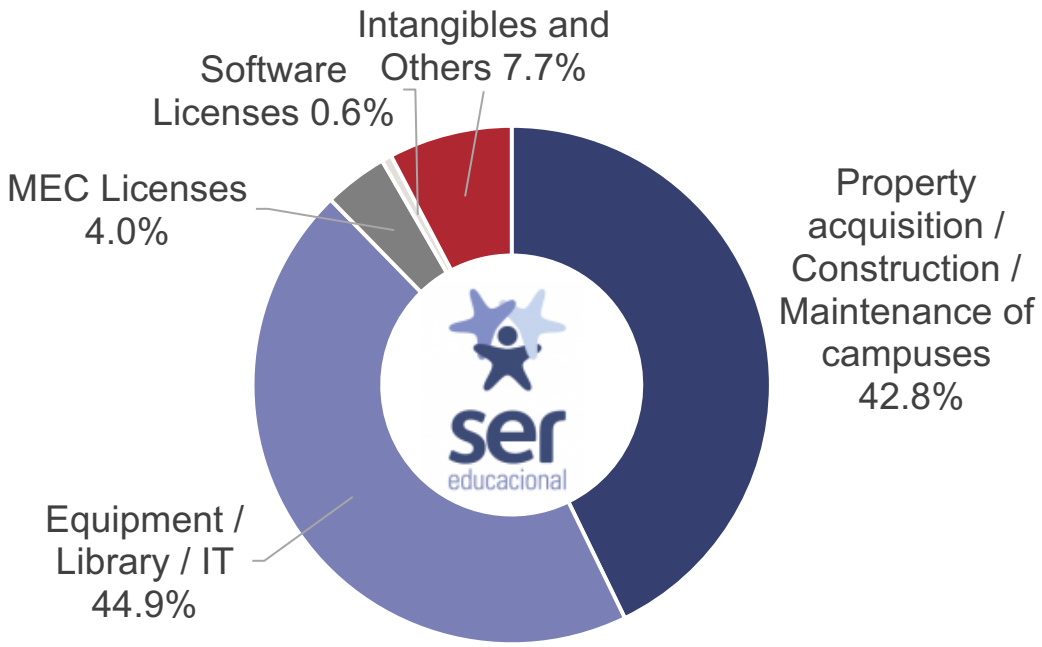


Debt Amortization Schedule

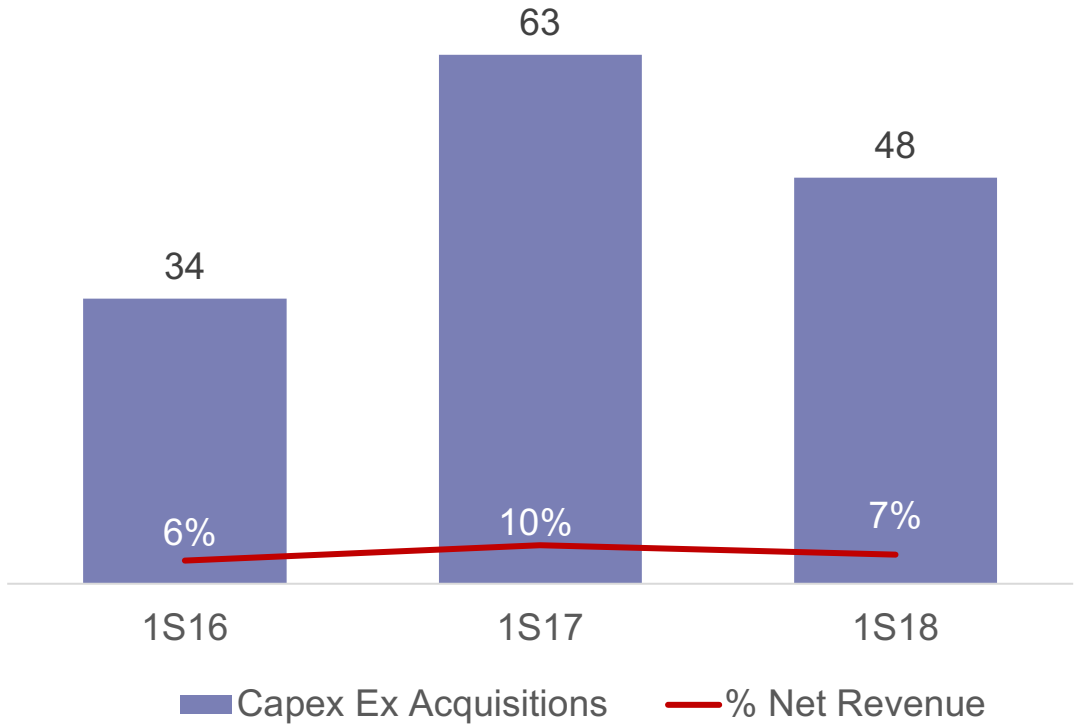


Capital expenditure (R$MM)

1S18 Main Investments: R$48.4MM



CAPEX evolution



Expansion and maintenance of campuses in the cities of:

- Fortaleza
- Recife
- Olinda

Ser Educacional follows expansion plan comprised of on-campus & distance learning organic growth and acquisitions, combined with sustainable results

On-campus	▪ Accreditation of 40 of the 45 accreditations envisaged in its long-term plan for on-campus units ▪ 14 units in operation in the last 18 months beginning the maturation process ▪ New units mostly in the interior of the Northeast and capitals of the North of Brazil
Distance Learning	▪ Consistent growth of student base since introduction of new rules in July/17 ▪ DL contributing positively to the Company's Cash Gross Margin ▪ 203 operational centers in 1H18 vs.15 in 1H17
M&A	▪ Focus on educational institutions with recognized regional brands, solid mix of courses and preferably accredited as universities or university centers
2018 Action Plan	▪ Successful implementation of readjustment of costs and expenses with more than 90% execution ▪ The Company will maintain its focus on maintaining its operational structure ready to recover margins and adjusting its investments as the economy growth and the markets chosen





ser educacional

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