



EDUCATION  
TECHNOLOGY  
HEALTHCARE

*2021 SECOND QUARTER RESULTS  
EARNINGS CALL PRESENTATION*

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*AUGUST 26, 2021*



# Safe Harbor Forward – Looking Statements

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including risks and uncertainties related to statements about our competition; our ability to attract, upsell and retain customers; our ability to increase the price of our solutions; our ability to expand our sales and marketing capabilities; general market, political, economic, COVID-19, and business conditions; and our financial targets such as revenue, share count and IFRS and non-IFRS financial measures including gross margin, operating margin, net income (loss) per diluted share, and free cash flow.*

*We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law. The achievement or success of the matters covered by such forward-looking statements involves known and unknown risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. You should not rely upon forward-looking statements as predictions of future events. Forward-looking statements represent our management's beliefs and assumptions only as of the date such statements are made. Further information on these and other factors that could affect our financial results is included in filings we make with the Securities and Exchange Commission from time to time, including the section titled "Risk Factors" in our most recent Rule 424(b) prospectus. These documents are available on the SEC Filings section of the investor relations section of our website at: <https://ir.afya.com.br/>.*

# WE ARE PROUD OF OUR EXECUTION

**1.**

*STRONG GROWTH AND PROFITABILITY UNDER ALL SCENARIOS*

**2.**

*SUCCESSFUL BUSINESS STRATEGY EXECUTION*

**3.**

*EXCITING OPPORTUNITIES AHEAD*

**4.**

*ESG EMBEDDED IN ALL WE DO*



1.

# STRONG GROWTH AND PROFITABILITY UNDER ALL SCENARIOS



## 2Q21 FINANCIAL HIGHLIGHTS

ADJUSTED NET  
REVENUE

**+39.1%** YoY, REACHING **R\$381.5 million**

ADJUSTED  
EBITDA

**+36.0%** YoY, REACHING **R\$160.7 million**

**42.1%** ADJUSTED EBITDA MARGIN

CASH  
POSITION

**R\$1.4 billion**

**103.5%** CASH CONVERSION 1H21



## 2Q21 OPERATIONAL HIGHLIGHTS

MEDICAL UNDERGRAD  
STUDENTS

**+47.2%** YoY, WITH OPERATING SEATS GROWING **35.4%**  
IN THE SAME PERIOD

**+5.4%** YoY MEDICAL AVERAGE TICKET

DIGITAL  
SERVICES

AFYA'S DIGITAL ECOSYSTEM REACHED **233.1** THOUSAND  
MONTHLY ACTIVE USERS

**+30%** OF ALL BRAZILIAN PHYSICIANS AND MEDICAL STUDENTS

**+18,000** 18,000 ADDITIONAL PHYSICIANS AND MEDICAL STUDENTS  
IN AFYA'S CLINICAL DECISION SOFTWARE SINCE THE END OF 2020

2.

## WE HAVE A SUCCESSFUL BUSINESS STRATEGY

3.

## EXCITING OPORTUNITIES AHEAD

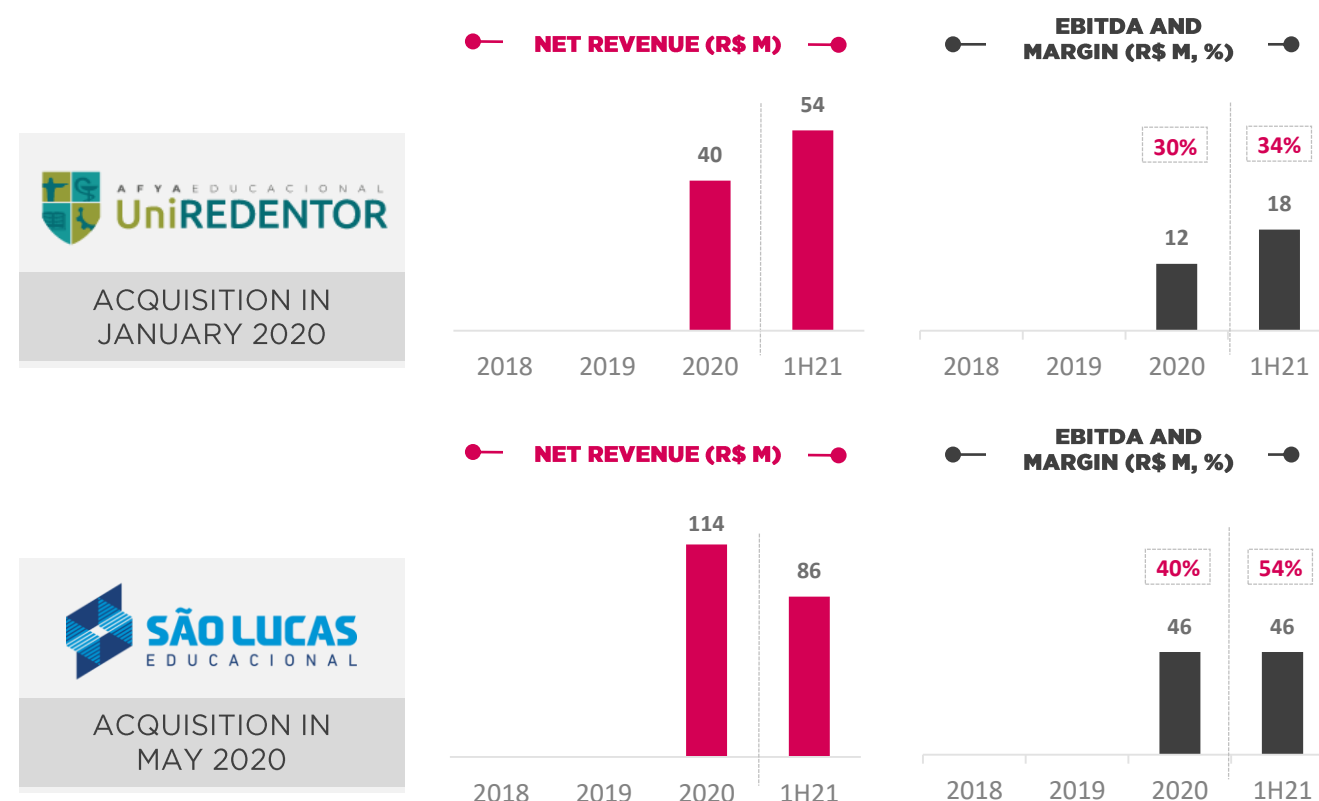
### MEDICAL SCHOOL BUSINESS



#### INTEGRATION AND HIGH MARGIN EXPANSION

**+16 p.p** OF EBITDA MARGIN EXPANSION ON AVERAGE 2 YEARS AFTER ACQUISITIONS

**+11 p.p** OF EBITDA MARGIN EXPANSION OF THE MEDICAL SCHOOLS ACQUIRED IN 2020



#### M&A CONTINUES TO BE A GROWTH DRIVER

**+468** SEATS WITH UNIFIPMOC, FIPGUANAMBI AND UNIGRANRIO ACQUISITIONS

**2,611\*** TOTAL SEATS, REPRESENTING 18.8 THOUSAND STUDENTS AT MATURITY

**9.3%** CAGR OF OUR STUDENT BASE FROM 2020 TO 2026

**+200** SEATS PER YEAR, STARTING ON 2022



\* This number of approved seats includes the acquisition of UNIGRANRIO with 308 seats

2.

WE HAVE A SUCCESSFUL  
BUSINESS STRATEGY

3.

EXCITING OPORTUNITIES  
AHEAD

## DIGITAL SERVICES

1°

KEEP ADDING NEW PRODUCTS AND SERVICES ORGANICALLY  
OR VIA M&A TO FULFILL THE 6 PILLAR STRATEGY



**CONTENT & TECHNOLOGY FOR MEDICAL EDUCATION**



**CLINICAL DECISION SOFTWARE**



**PRACTICE MANAGEMENT TOOLS &  
ELECTRONIC MEDICAL RECORDS**



**TELEMEDICINE**



**DIGITAL PRESCRIPTION**



**DOCTOR – PATIENT RELATIONSHIP**

2°



SCALING STAND ALONE DIGITAL PRODUCTS THROUGH  
COORDINATED COMMERCIAL EFFORTS

3°



STARTING CUSTOMER DATABASE CONSOLIDATION INTO A  
SINGLE DATALAKE

4°



LAUNCH FIRST PRODUCT INTEGRATIONS MVPS BETWEEN  
MEDCEL, PEBMED, ICLINIC

5°



TEST MVPS SOLUTIONS WITH PHARMA INDUSTRY

6°



INITIATING AFYA DIGITAL BRAND AWARENESS STRATEGY



# 4. ESG EMBEDDED IN ALL WE DO

## 2020 ANNUAL SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) METHODOLOGY

STRUCTURAL ELEMENTS AS DETERMINED BY THE INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)

ACCOUNTABILITY AND TRANSPARENCY TO THE MANNER IN WHICH WE ALLOCATE CAPITAL TO GENERATE VALUE OVER THE LONG TERM

## ESTABLISH OF COMPENSATION AND ESG COMMITTEE

03 MEMBERS, 02 DIRECTORS, 01 INDEPENDENT

RAFAEL MUNERATO (MEMBER), RENATO ESTEVES (MEMBERS), MIGUEL FILISBINO (INDEPENDENT)

## 1ST BRAZILIAN EDUCATION COMPANY TO BE PUBLIC COMMITTED TO GENDER EQUALITY

JOINED THE UN GLOBAL COMPACT AND RELEASED VOLUNTARY COMMITMENT TO HAVE AT LEAST 50% OF WOMEN IN ITS MANAGEMENT POSITIONS BY 2030

CERTIFICATED BY WOMEN ON BOARD (WOB), COMMITTING TO HAVING AT LEAST TWO WOMEN ON BOARD OF DIRECTORS.

CURRENTLY WE HAVE SHOBNA MOHN AND VANESSA CLARO LOPES ON AFYA'S BOARD OF DIRECTORS



**Pacto Global**  
Rede Brasil



Women on board

# FINANCIAL OVERVIEW

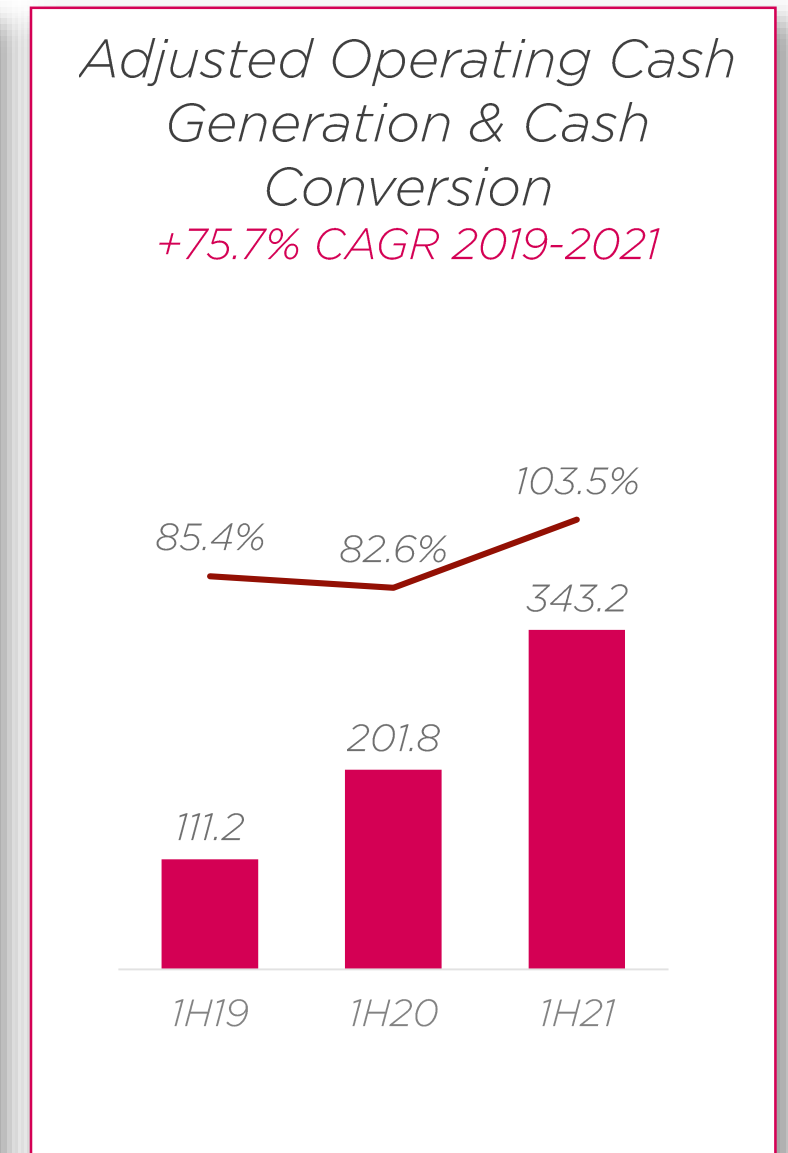
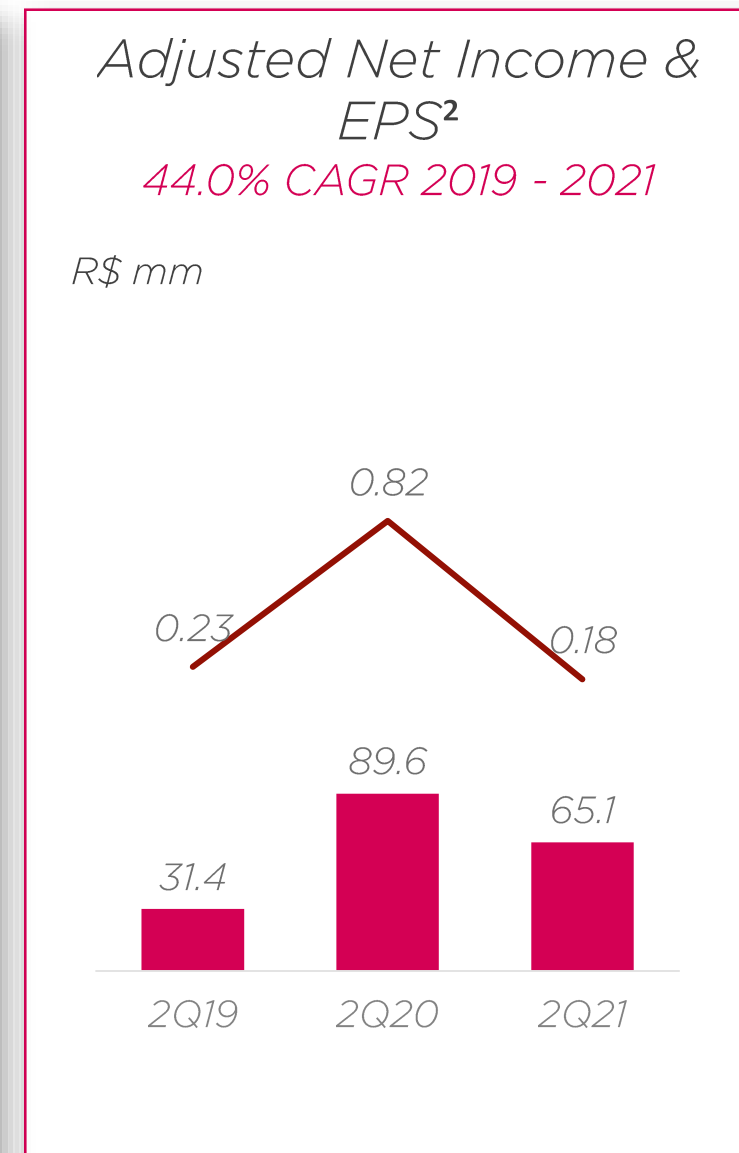
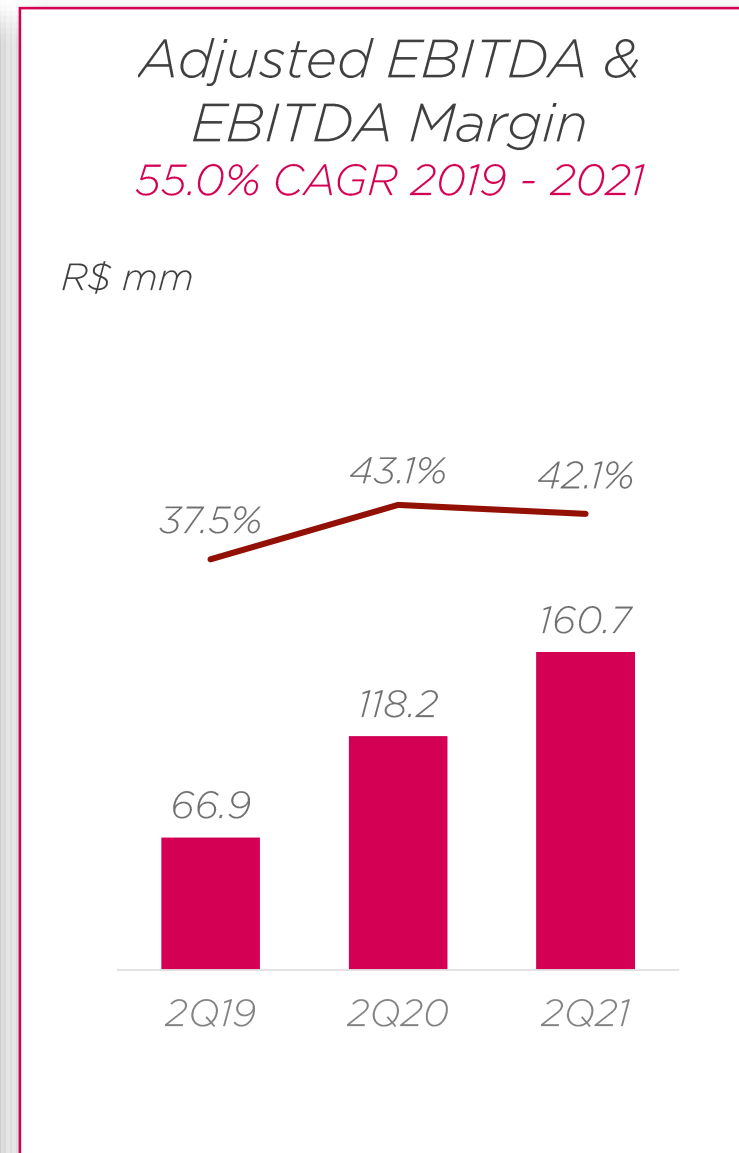
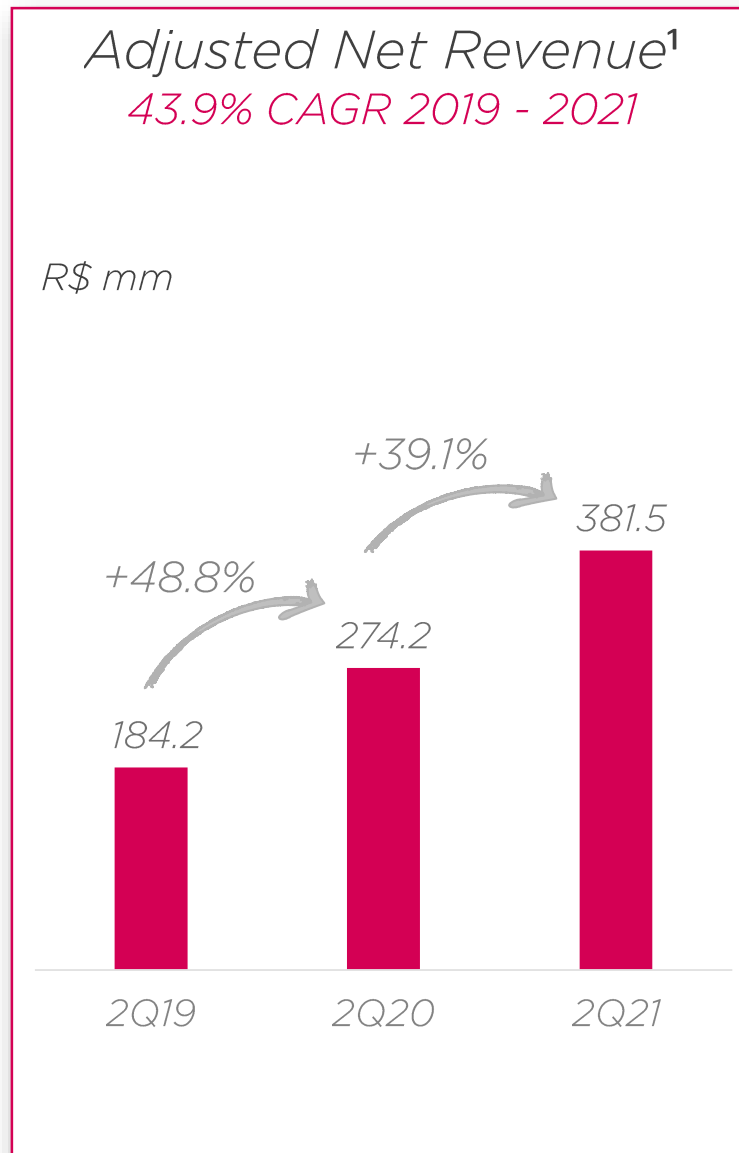
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*Luis Andre Blanco - CFO*



# 2Q21 HIGHLIGHTS

## HIGH GROWTH TRACK RECORD



(1) Include mandatory discounts in tuition fees granted by state decrees and individual/collective legal proceedings due COVID 19 on site classes restriction and excludes recognized revenue that relates to discounts that were granted in 2H2020, but were invoiced in 1H21, based on the Supreme Court decision that was released in December 28, 2020.

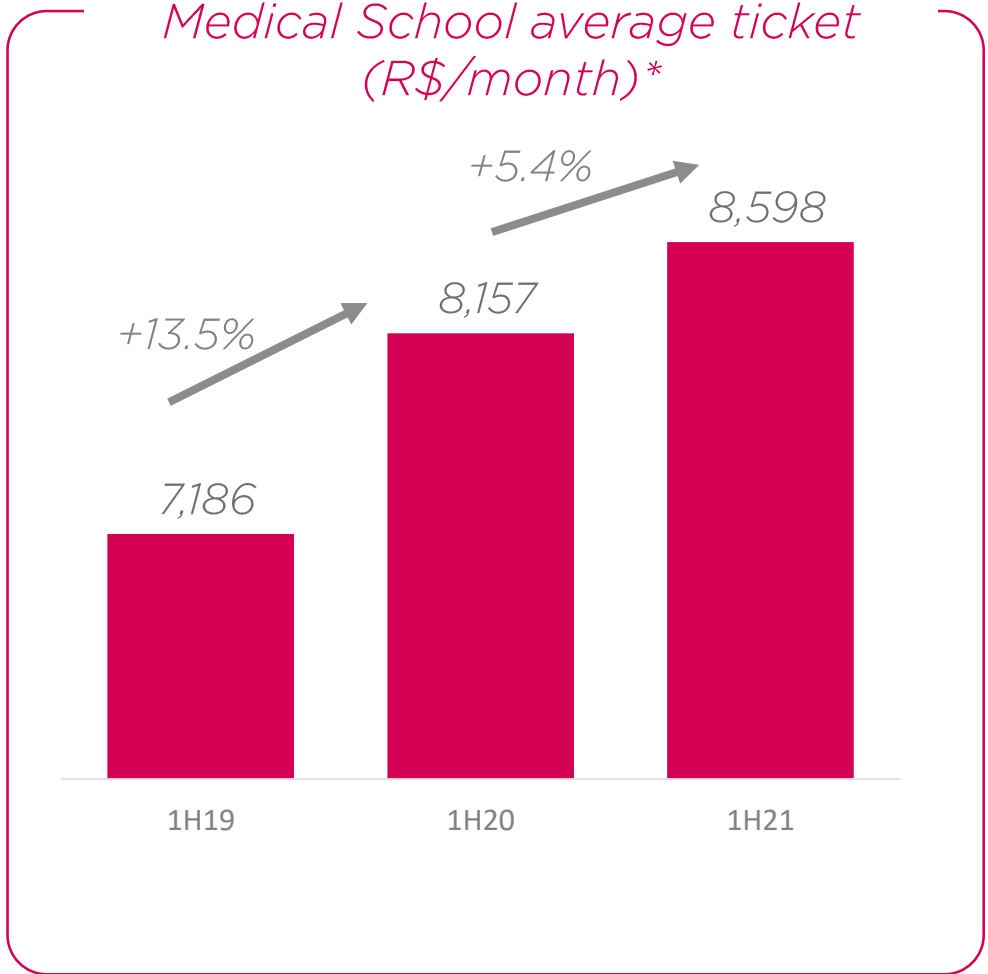
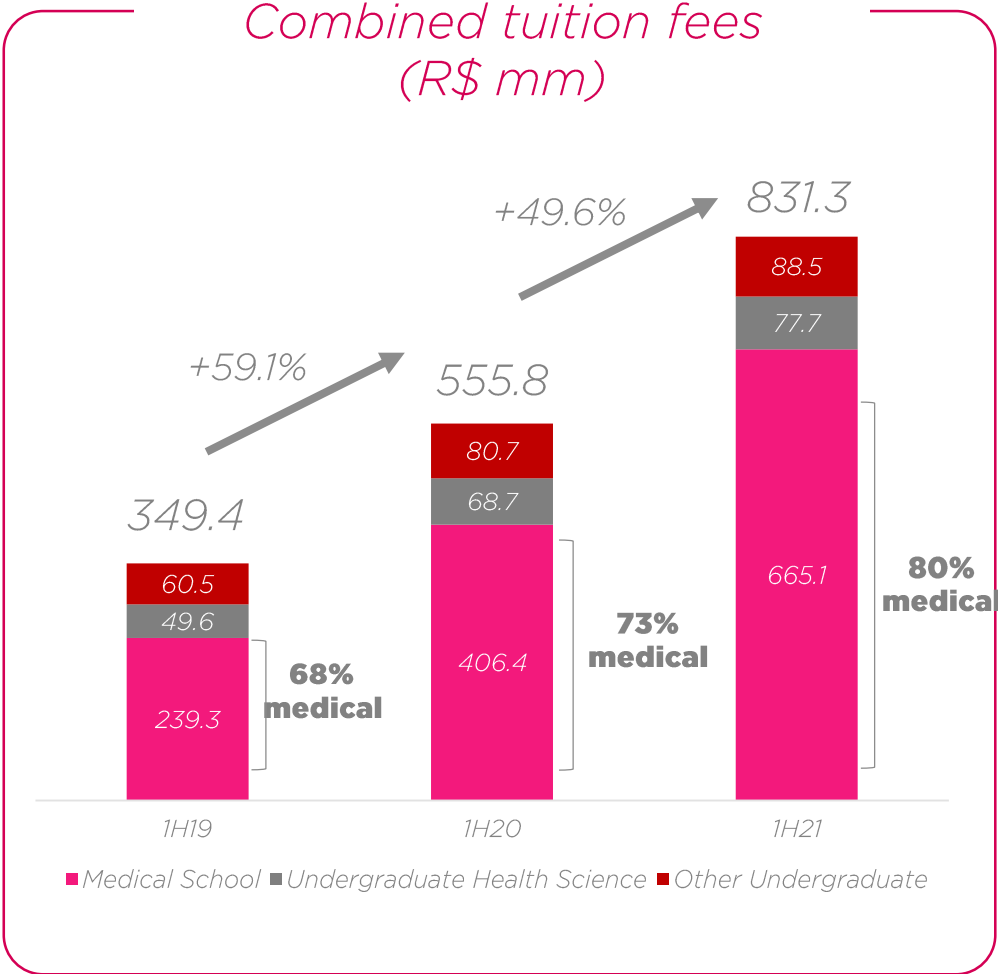
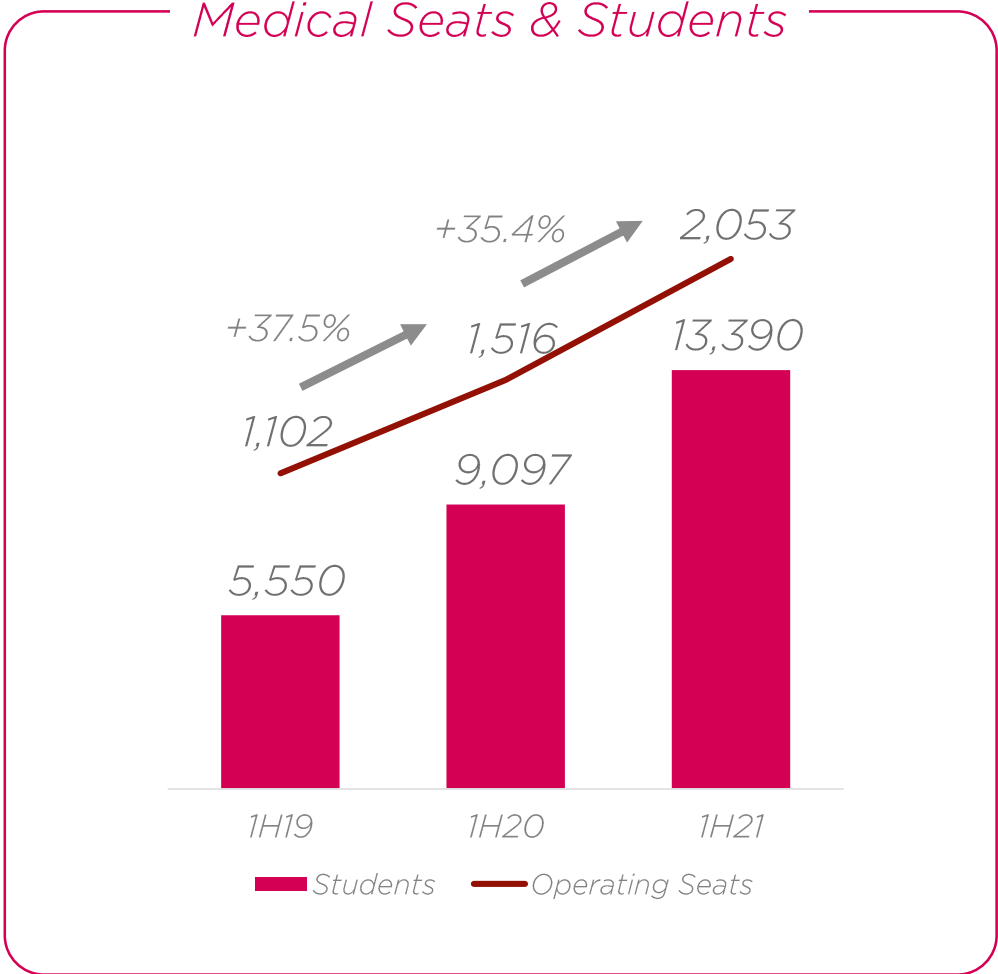
(2) Basic earnings per share: Net Income/Total number of shares.



# BUSINESS UNITS METRICS

## CONSISTENT EXPANSION ACROSS BUS

### UNDERGRAD PROGRAMS



\* Does not include UniSL, Uniredentor; FCMPB, FESAR, UNIFIPMOC and FIPGuanambi.

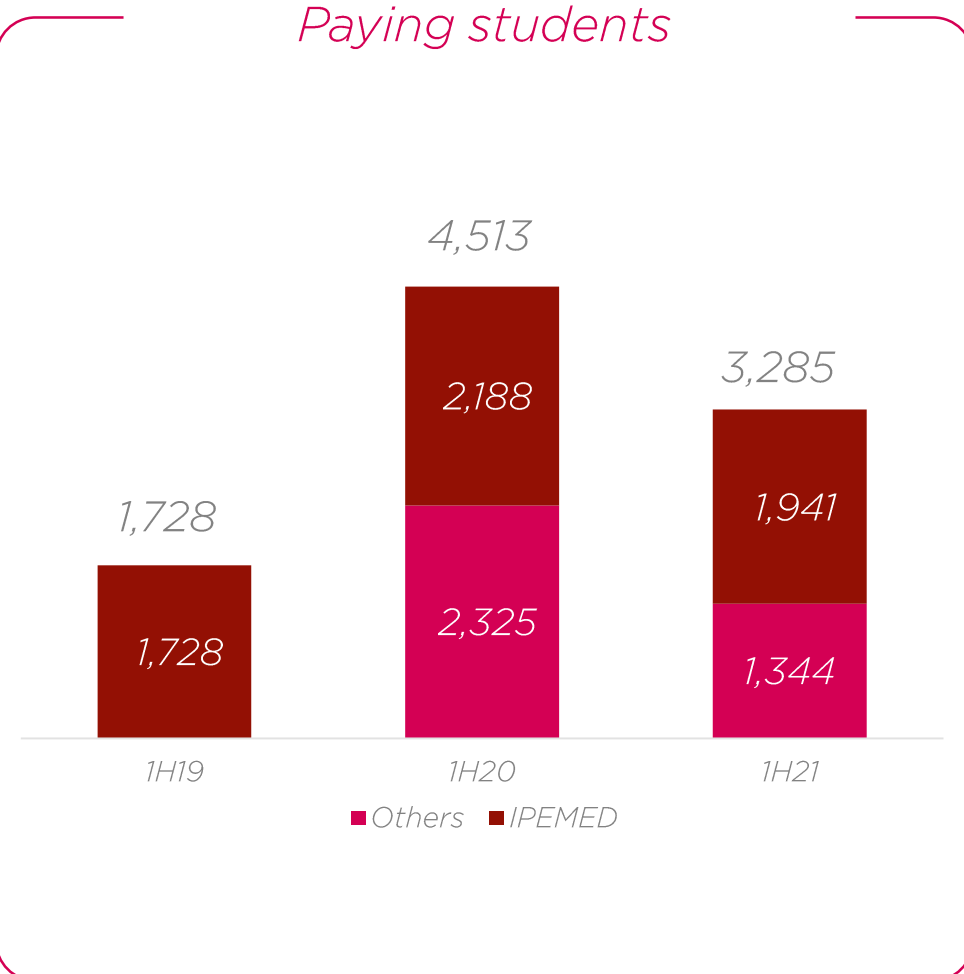


# BUSINESS UNITS METRICS

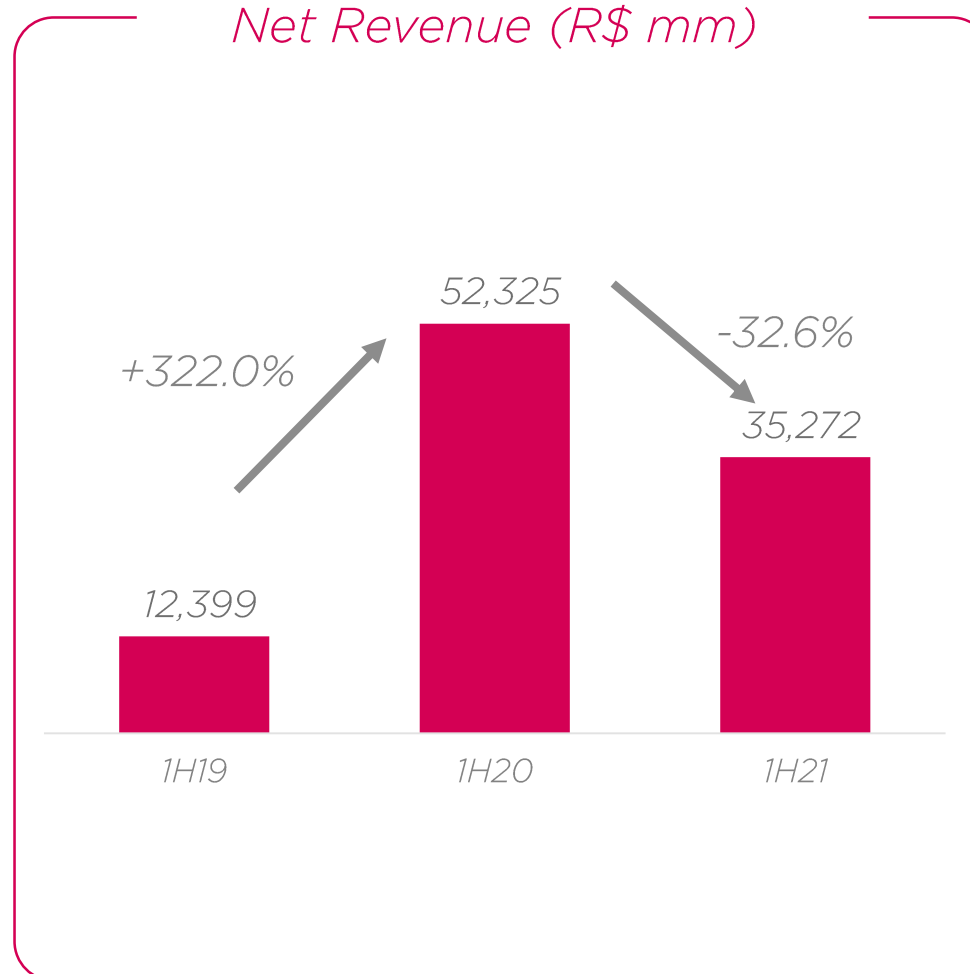
## CONSISTENT EXPANSION ACROSS BUs

### CONTINUING EDUCATION

Paying students



Net Revenue (R\$ mm)



Continuing Education business reported decrease in Net Revenues in the three-month 2021 and the six-month period ended June 30, 2021 due to a reduction in active paying students because of:

- (a) practical programs that are not being offered since 1H20 and,
- (b) physicians' decision to postpone admission to specialization courses due to COVID 19 pandemic.

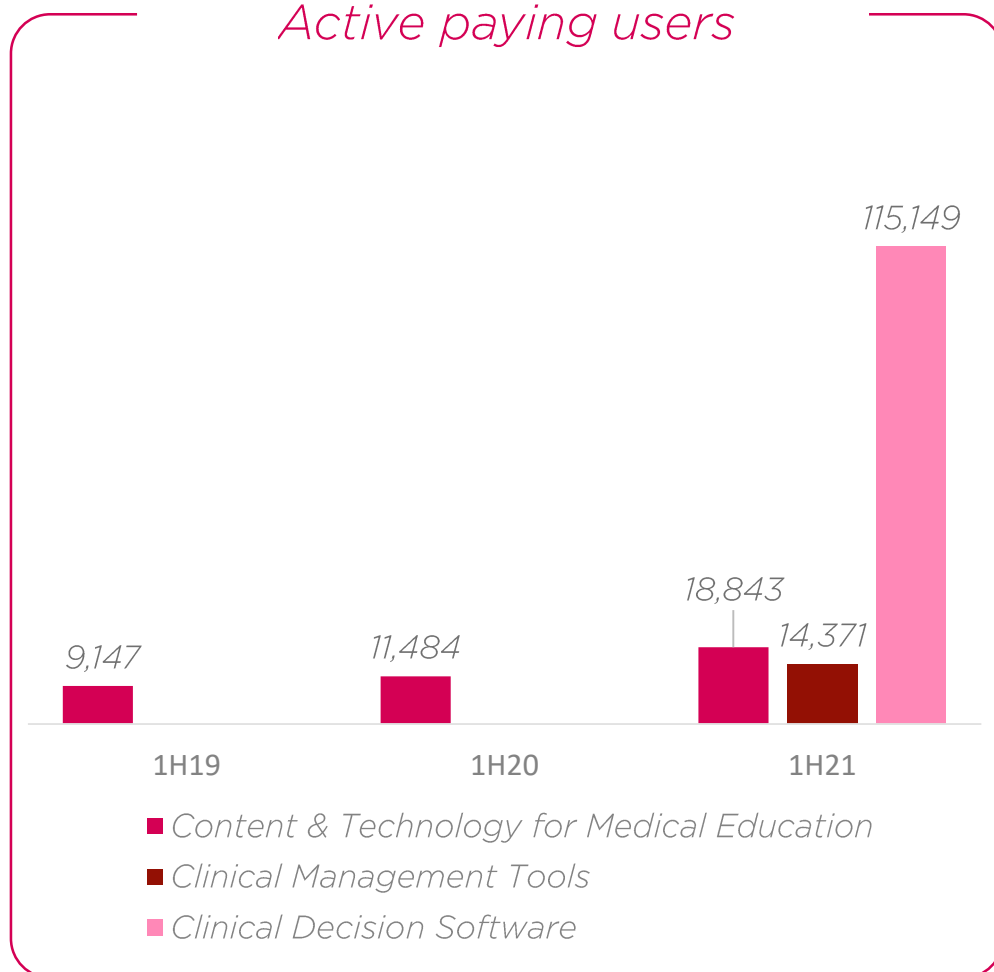


# BUSINESS UNITS METRICS

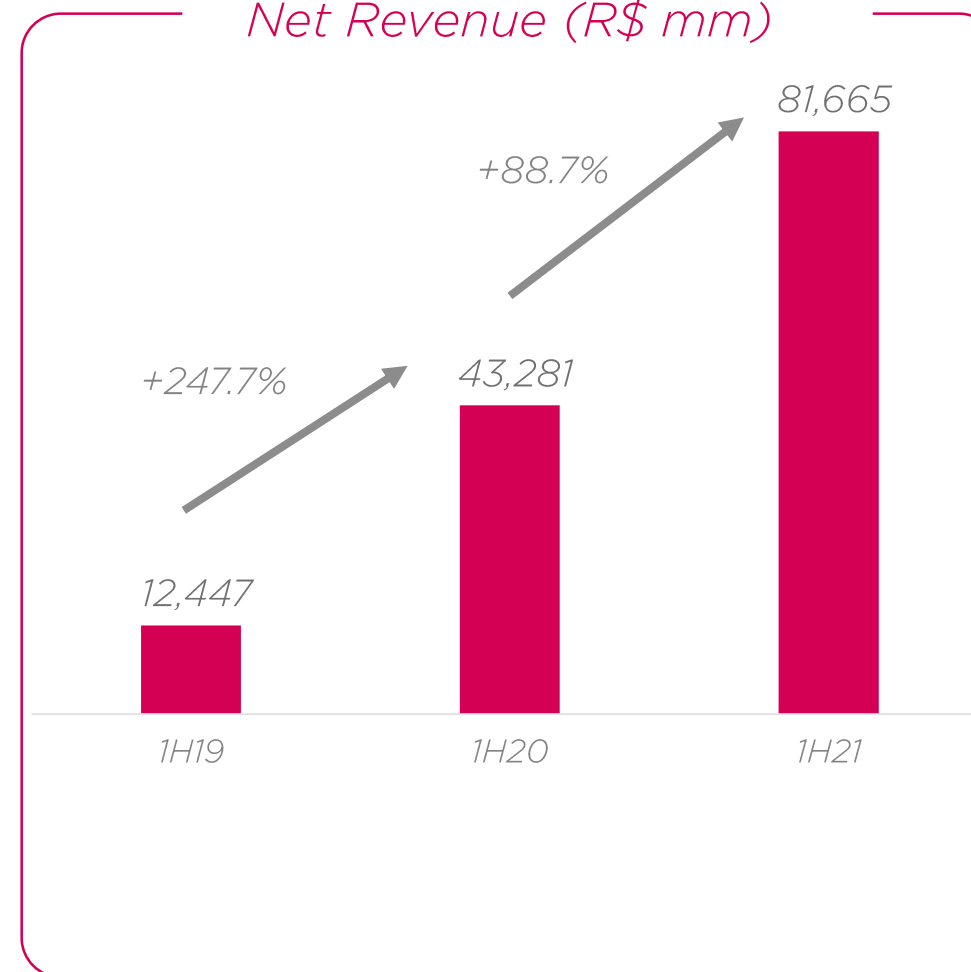
## CONSISTENT EXPANSION ACROSS BUS

### DIGITAL SERVICES

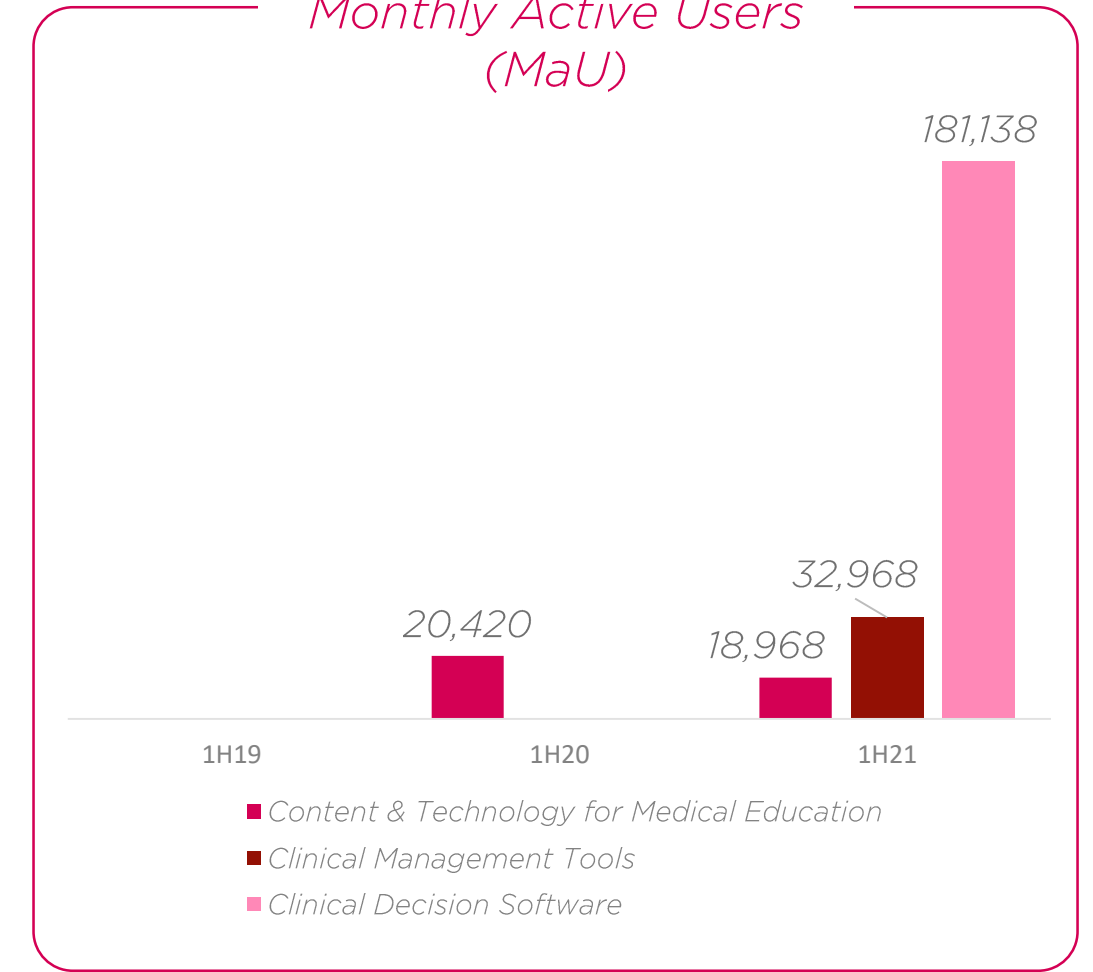
Active paying users



Net Revenue (R\$ mm)

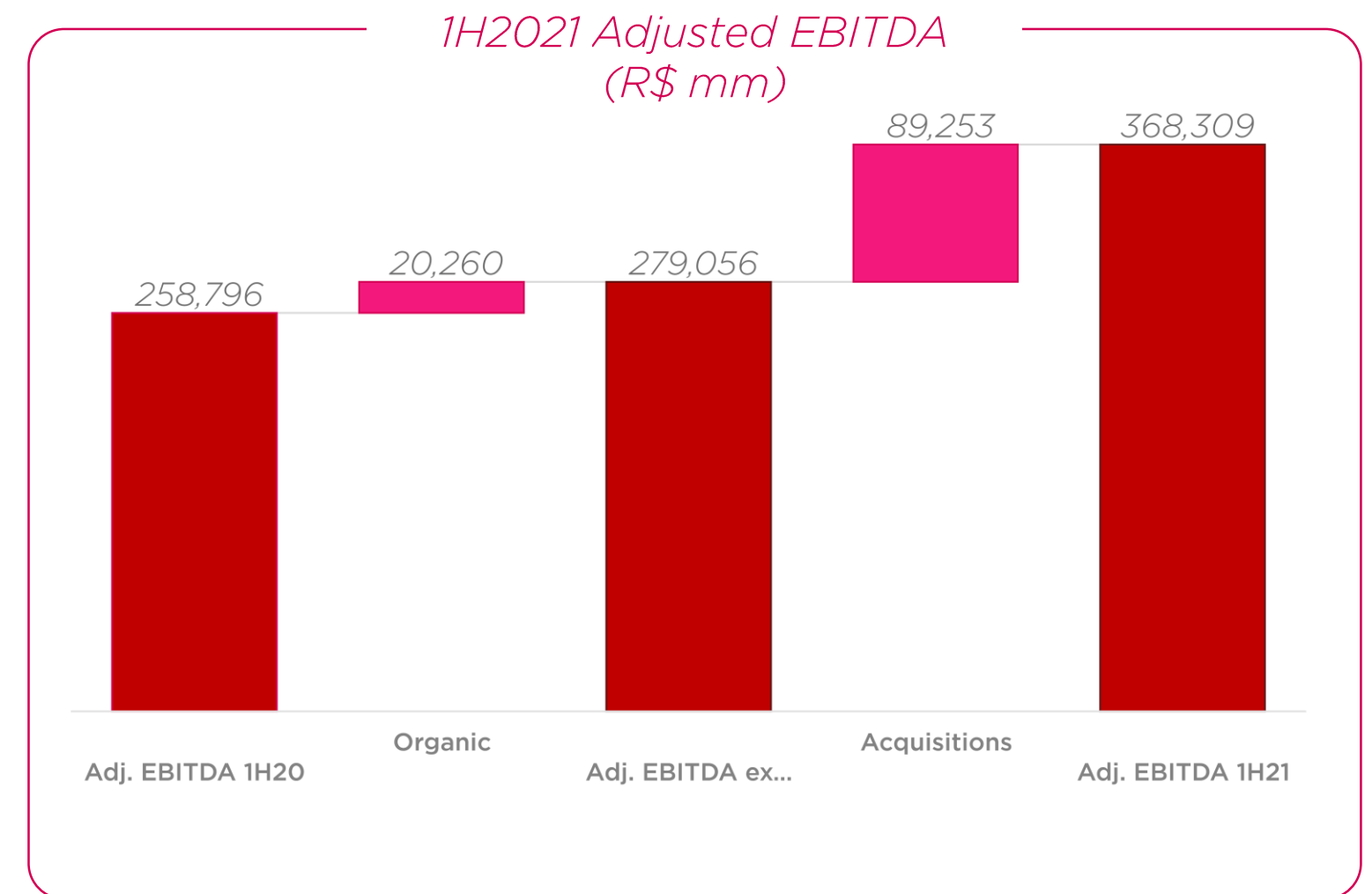
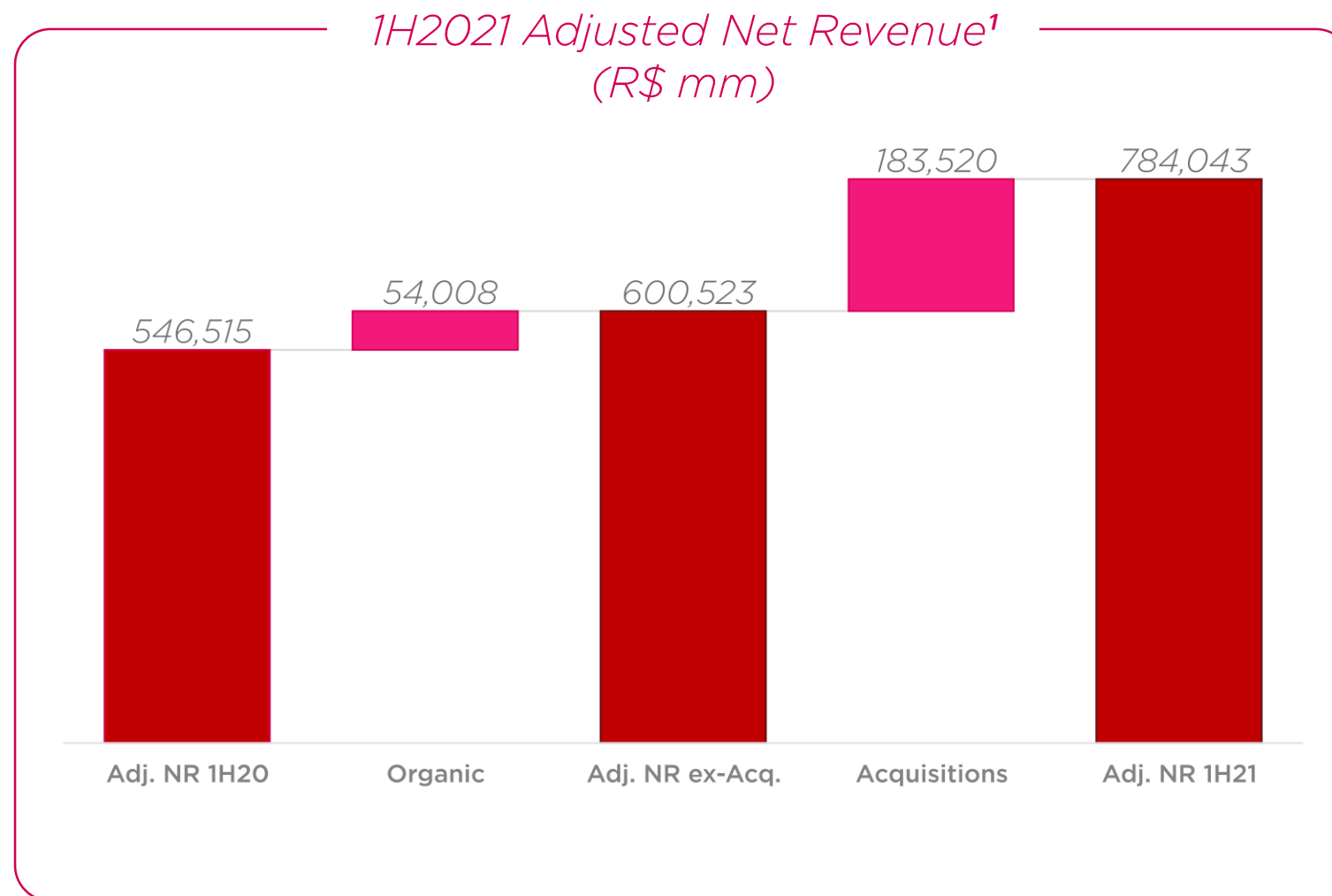


Monthly Active Users (MaU)



# FINANCIAL METRICS

## GROWTH DRIVEN BY BOTH ORGANIC AND ACQUISITIONS

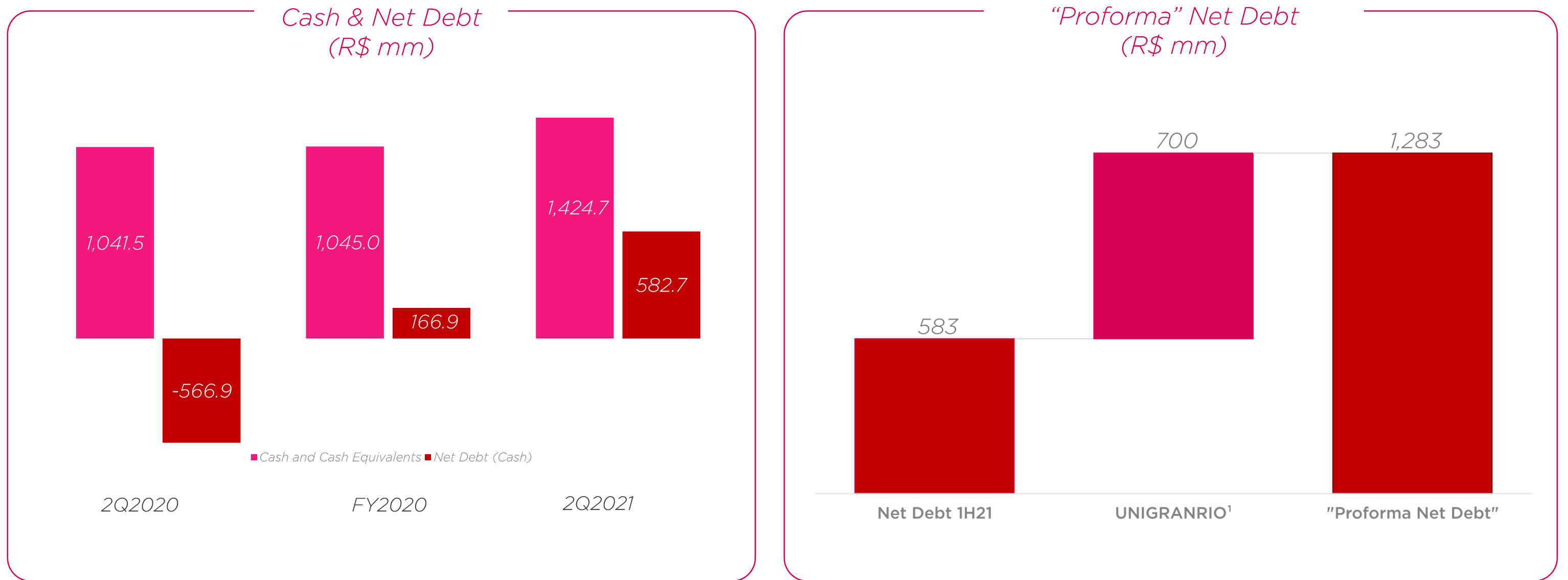


- Organic growth (23%) and Acquisitions<sup>2</sup> (77%) driving Net Revenue growth
- Organic growth (19%) and Acquisitions<sup>2</sup> (81%) driving Adjusted EBITDA growth

(1) Includes mandatory discounts in tuition fees granted by state decrees and individual and collective legal proceedings due COVID 19.

(2) Acquisitions include UniRedentor (only January, 2021; Closing of Uniredentor was in January 31,2020), UniSI (January to April, 2021; Closing of Unisl was in May,2020), PEBMED, FCMPB, Medphone, FESAR, iClinic, Medicinae, Medical Harbour, Cliquefarma, Shosp and UNIFIPMoc.

# CASH, NET DEBT AND "PROFORMA" NET DEBT PREDICTABLE GROWTH WITH PROFITABILITY

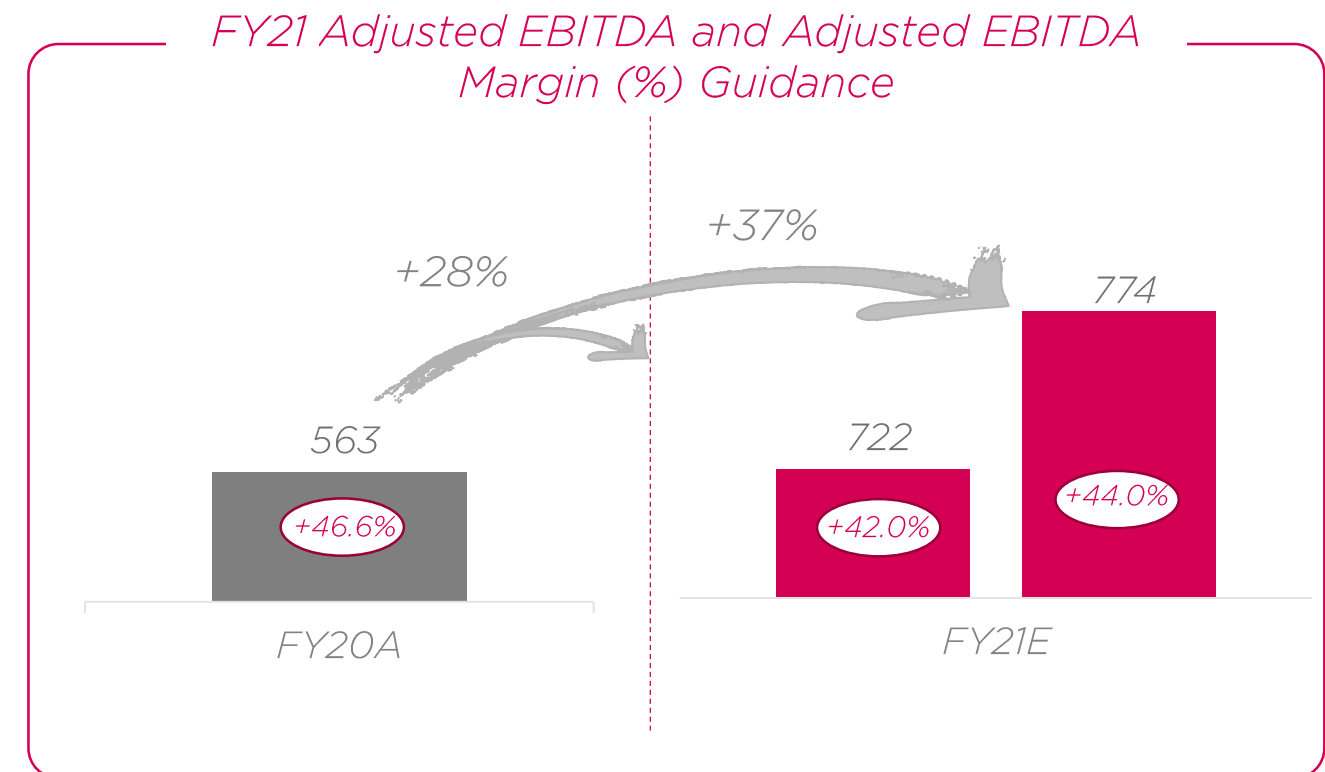
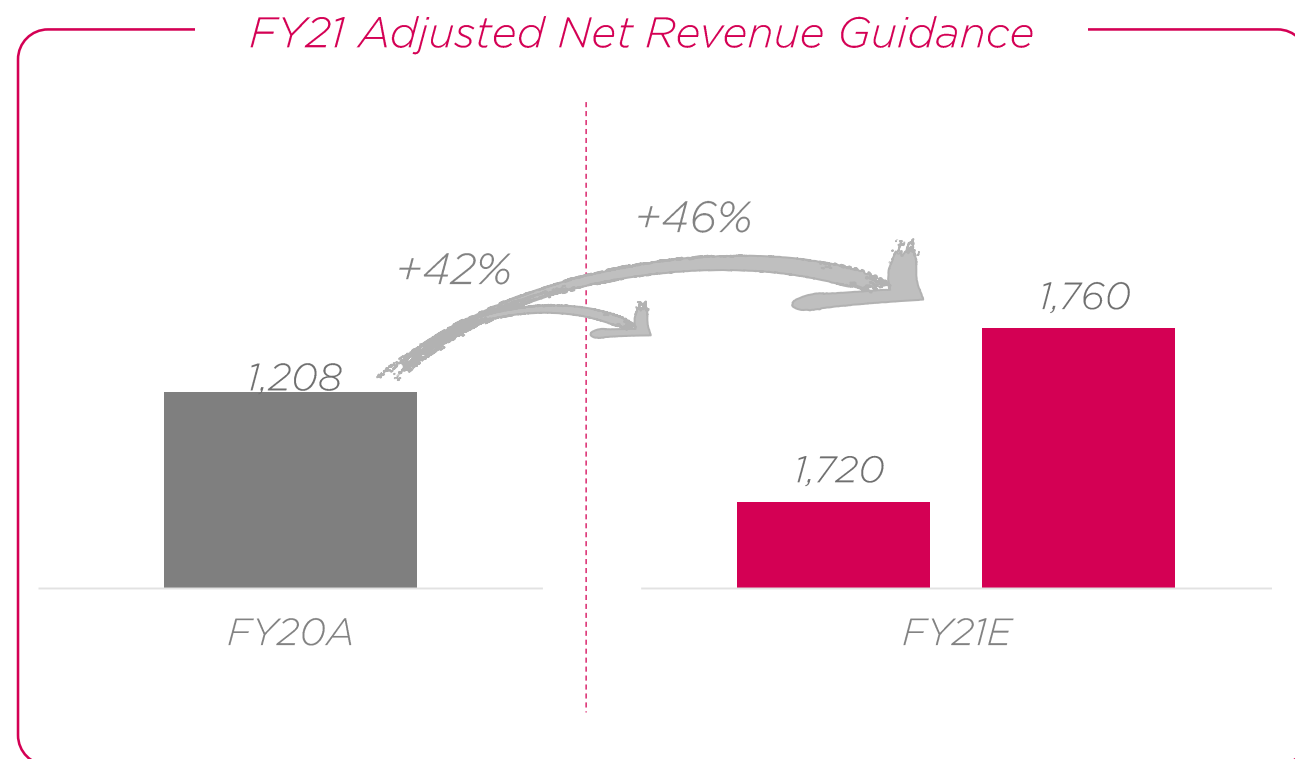


- Cash and Cash Equivalents of R\$1,424.7 billion at quarter-end, 37% higher than 2020 due to Softbank transaction.
- Net Debt (Cash) excluding lease liabilities increased to R\$582.7 million in 2Q2021 due to acquisitions.

<sup>1</sup> Considering that all acquisitions will be successfully concluded.



# GUIDANCE



*Includes the synergies that will be extracted from acquisitions and the negative impact caused by the consolidation of UNIFIPMoc and FipGuanambi, UNIGRANRIO, Medicinae, Medical Harbour, Cliquefarma and Shosp , that will not be fully integrated in 2021 and come with a lower EBITDA margin.*



# Q&A

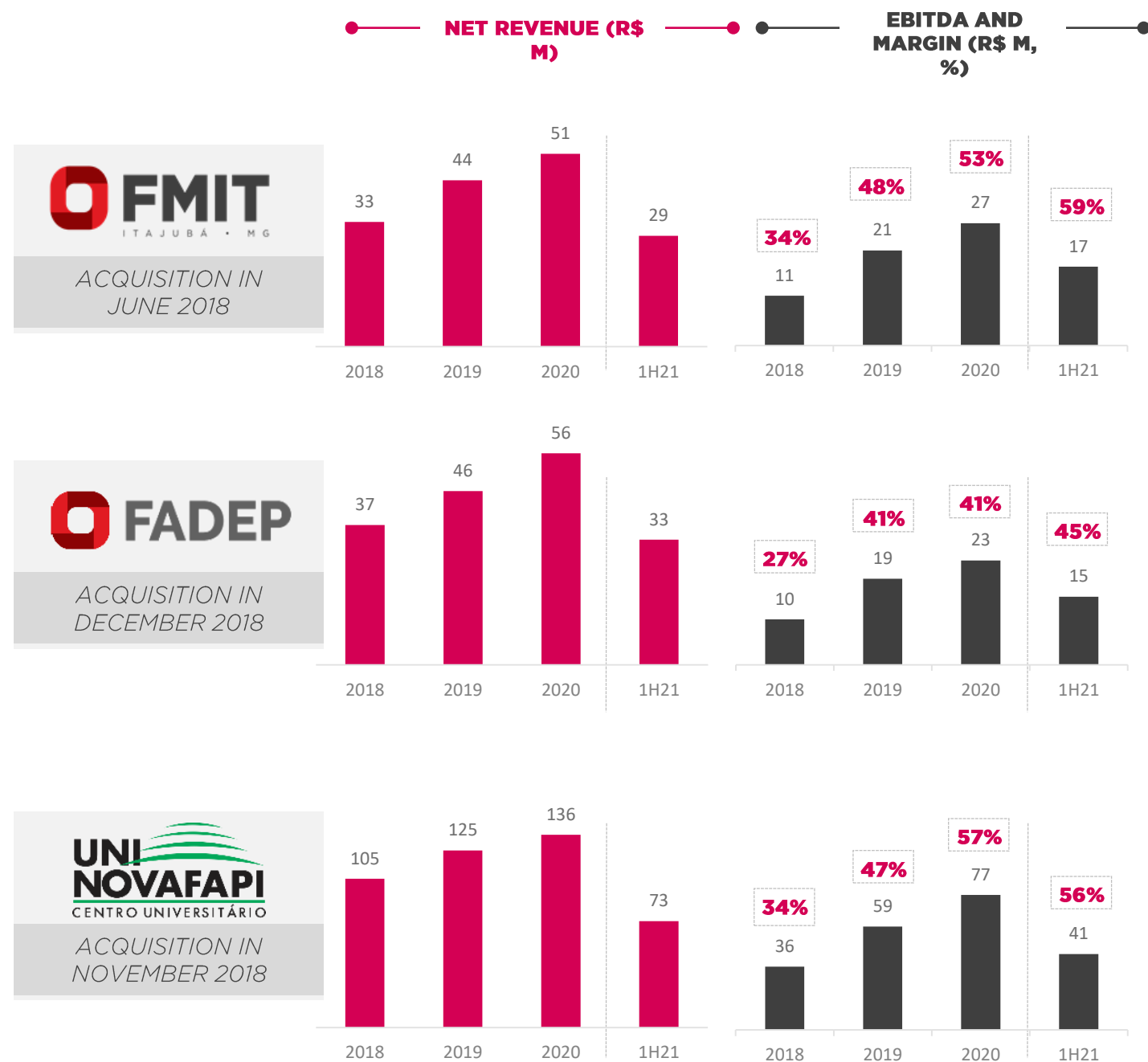






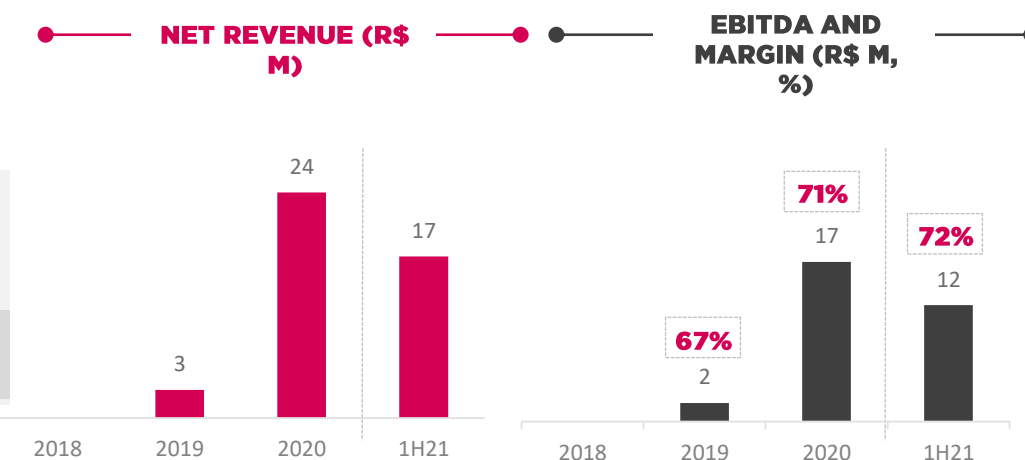
*APPENDIX*

# ACQUISITIONS DEVELOPMENT



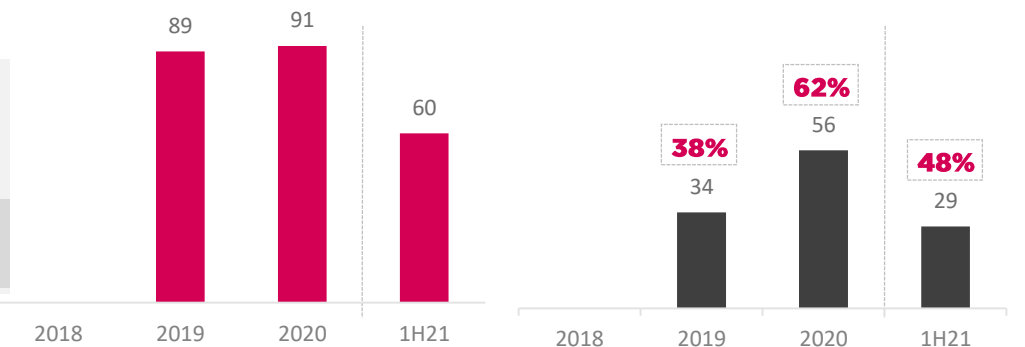
## IPEC

ACQUISITION IN AUGUST 2019



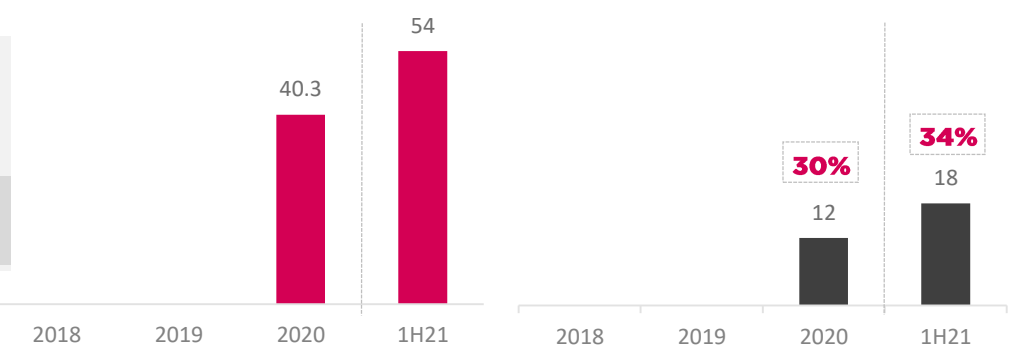
## FACULDADES SANTO AGOSTINHO

ACQUISITION IN APRIL 2019



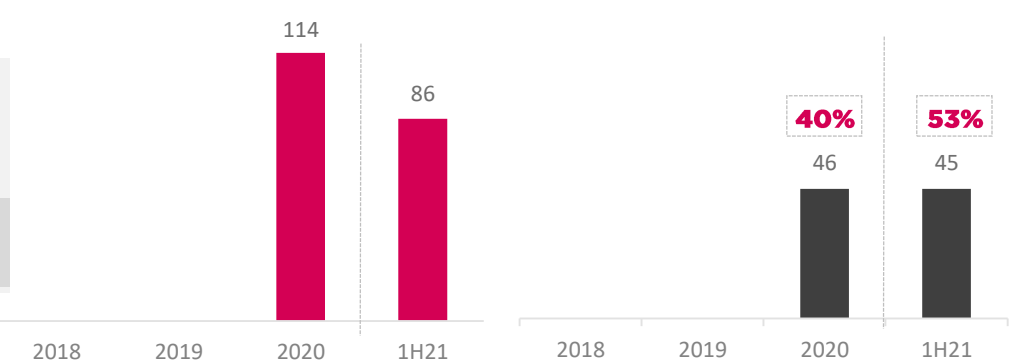
## AFYA EDUCACIONAL UNIRENTOR

ACQUISITION IN JANUARY 2020



## SÃO LUCAS EDUCACIONAL

ACQUISITION IN MAY 2020



Source: Company's unaudited adjusted internal filings



# Reconciliation between Adjusted EBITDA and Net Income *(in thousand R\$)*

*(in thousands of R\$)*

	For the three months period ended June 30,			For the six months period ended June 30,		
	2021	2020	% Chg	2021	2020	% Chg
Net income	21,945	63,886	-65.6%	135,293	167,556	-19.3%
Net financial result	68,427	9,176	645.7%	88,284	-1,978	n.a.
Income taxes expense	4,855	6,341	-23.4%	13,529	12,398	9.1%
Depreciation and amortization	35,264	26,383	33.7%	66,915	51,330	30.4%
Interest received (1)	3,053	1,810	68.7%	8,090	5,327	51.9%
Income share associate	-2,383	-2,603	-8.5%	-5,622	-4,905	14.6%
Share-based compensation	11,093	6,157	80.2%	25,102	14,597	72.0%
<b>Non-recurring expenses:</b>	<b>18,404</b>	<b>7,002</b>	<b>162.8%</b>	<b>36,718</b>	<b>14,471</b>	<b>153.7%</b>
- Integration of new companies (2)	4,514	1,862	142.4%	7,536	4,982	51.3%
- M&A advisory and due diligence (3)	1,745	2,886	-39.5%	3,556	5,636	-36.9%
- Expansion projects (4)	2,163	1,308	65.4%	3,390	2,091	62.1%
- Restructuring expenses (5)	868	946	-8.2%	4,918	1,762	179.1%
- Mandatory Discounts in Tuition Fees (6)	9,114	-	n.a.	17,318	-	n.a.
<b>Adjusted EBITDA</b>	<b>160,658</b>	<b>118,152</b>	<b>36.0%</b>	<b>368,309</b>	<b>258,796</b>	<b>42.3%</b>
Adjusted EBITDA Margin	42.1%	43.1%	-100 bps	47.0%	47.4%	-40 bps

(1) Represents the interest received on late payments of monthly tuition fees. (2) Consists of expenses related to the integration of newly acquired companies. (3) Consists of expenses related to professional and consultant fees in connection with due diligence services for our M&A transactions. (4) Consists of expenses related to professional and consultant fees in connection with the opening of new campuses. (5) Consists of expenses related to the employee redundancies in connection with the organizational restructuring of our acquired companies. (6) Consists of mandatory discounts in tuition fees granted by state decrees and individual/collective legal proceedings due COVID 19 on site classes restriction and excludes recognized revenue that relates to discounts that were granted in 2H2020, but were invoiced in 1H21, based on the Supreme Court decision that was released in December 28, 2020.



# Reconciliation Adjusted Net Income *(in thousand R\$)*

<i>(in thousands of R\$)</i>	For the three months period ended June 30,			For the six months period ended June 30,		
	2021	2020	% Chg	2021	2020	% Chg
Net income	21,945	63,886	-65.6%	135,293	167,556	-19.3%
Amortization of customer relationships and trademark (1)	13,667	12,515	9.2%	27,984	24,416	14.6%
Share-based compensation	11,093	6,157	80.2%	25,102	14,597	72.0%
Non-recurring expenses:	<b>18,404</b>	<b>7,002</b>	<b>162.8%</b>	<b>36,718</b>	<b>14,471</b>	<b>153.7%</b>
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- Mandatory Discounts in Tuition Fees (6)	9,114	-	n.a.	17,318	-	n.a.
<b>Adjusted Net Income</b>	<b>65,109</b>	<b>89,560</b>	<b>-27.3%</b>	<b>225,097</b>	<b>221,040</b>	<b>1.8%</b>
<b>Basic earnings per share - R\$ (7)</b>	<b>0.18</b>	<b>0.82</b>	<b>-78.0%</b>	<b>1.34</b>	<b>1.74</b>	<b>-23.0%</b>

(1) Consists of amortization of customer relationships and trademark recorded under business combinations. (2) Consists of expenses related to the integration of newly acquired companies. (3) Consists of expenses related to professional and consultant fees in connection with due diligence services for our M&A transactions. (4) Consists of expenses related to professional and consultant fees in connection with the opening of new campuses. (5) Consists of expenses related to the employee redundancies in connection with the organizational restructuring of our acquired companies. (6) Consists of mandatory discounts in tuition fees granted by state decrees and individual/collective legal proceedings due COVID 19 on site classes restriction and excludes recognized revenue that relates to discounts that were granted in 2H2020, but were invoiced in 1H21, based on the Supreme Court decision that was released in December 28, 2020.





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THANK YOU