

# Afya

EXPERIENCE  
THE BEST IN MEDICINE



# SAFE HARBOR

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 students; our ability to increase tuition prices; our ability to anticipate and meet the evolving needs of student and teachers; our ability to source and successfully integrate acquisitions; general market, political, economic, 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. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the potential impacts of the COVID-19 pandemic on our business operations, financial results and financial position and on the Brazilian economy.

The Company undertakes no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release 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. Readers should not rely upon forward-looking statements as predictions of future events. Forward-looking statements represent management's beliefs and assumptions only as of the date such statements are made. Further information on these and other factors that could affect the Company's financial results is included in filings made with the United States Securities and Exchange Commission (SEC) from time to time, including the section titled "Risk Factors" in the most recent Rule 434(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/>.



# SOLID PERFORMANCE HIGHLIGHTS OF THE QUARTER



**ADJUSTED NET REVENUE**

*R\$723MM, +25% YoY*



**ADJUSTED EBITDA + MARGIN**

*R\$278MM, +22% YoY  
ADJUSTED MARGIN 39%*



**9M23 CASH CONVERSION**

*109%*



**9M23 CASH FLOW FROM OPERATING ACTIVITIES**

*R\$934MM, +26% YoY*



**ADJUSTED NET INCOME + ADJUSTED EPS**

*R\$128MM, +7% YoY  
EPS: R\$1.38 +7% YoY*



**OPERATING SEATS**

*3,113, +15% YoY*



**MEDICAL STUDENTS**

*21,556, +20% YoY*



**9M23 NET AVERAGE TICKET**

*R\$8.6k, +8.9% YoY  
(EX-ACQUISITIONS)*



**CONTINUING EDUCATION**

*NET REVENUE:  
R\$38MM, +35% YoY*



**DIGITAL SERVICES**

*NET REVENUE:  
R\$53MM, +19% YoY*



**ECOSYSTEM USERS**

*~285k OF PHYSICIANS  
AND MEDICAL STUDENTS*



# SOLID PERFORMANCE HIGHLIGHTS OF THE QUARTER

## SEGMENTS HIGHLIGHTS



### UNDERGRAD

- Higher tickets in medicine courses in +8.9%
- Maturation of medical seats



### CONTINUING EDUCATION

- Most significant top line growth of 35% Y.o.Y.
- Robust intake process
- New campuses
- Course maturation



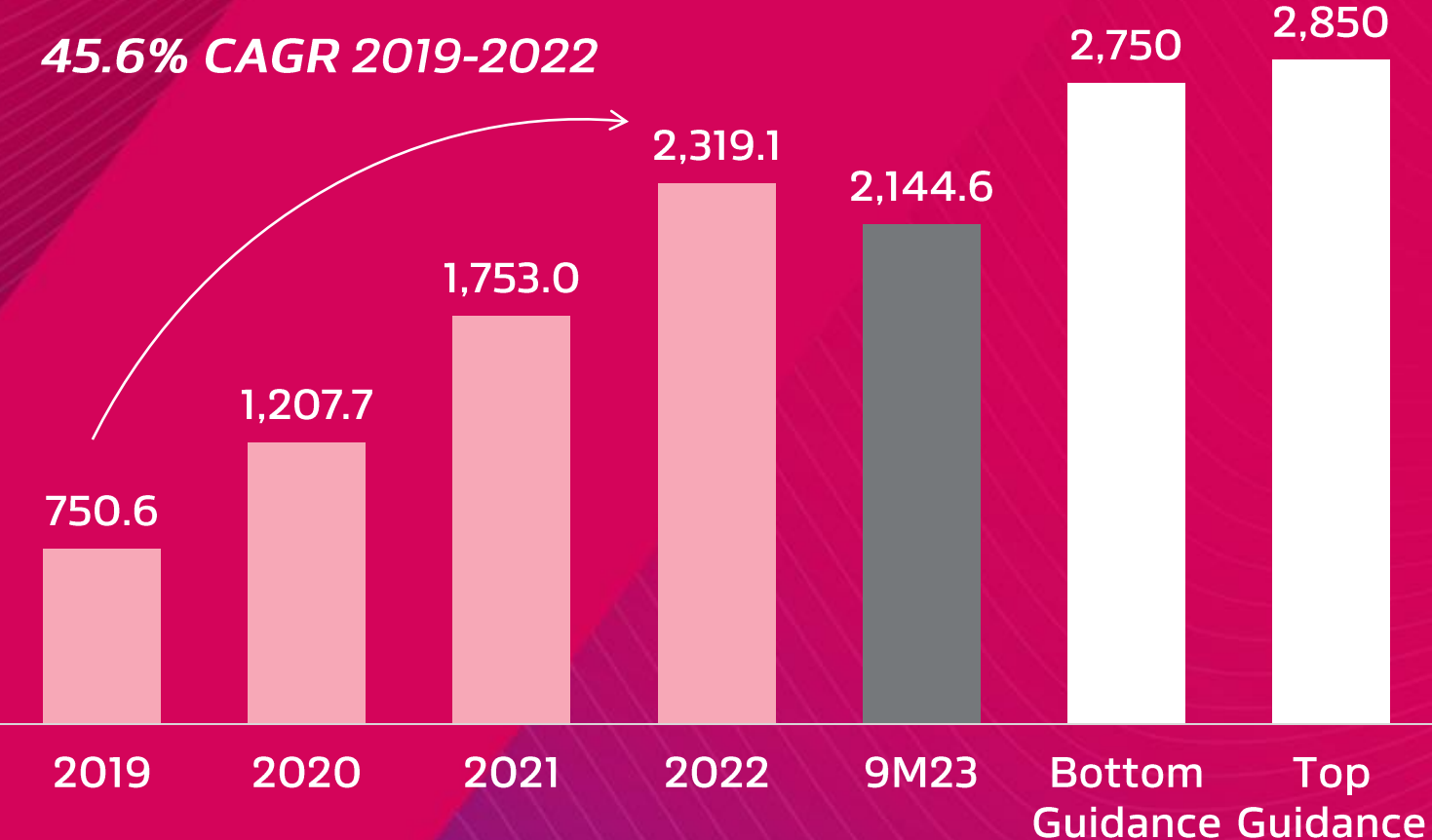
### DIGITAL SERVICES

- Increase of active payers and B2P users
- New contracts with pharma companies
- Ramp-up in B2B contracts with existing pharma clients
- 75.7% of growth in B2B revenues

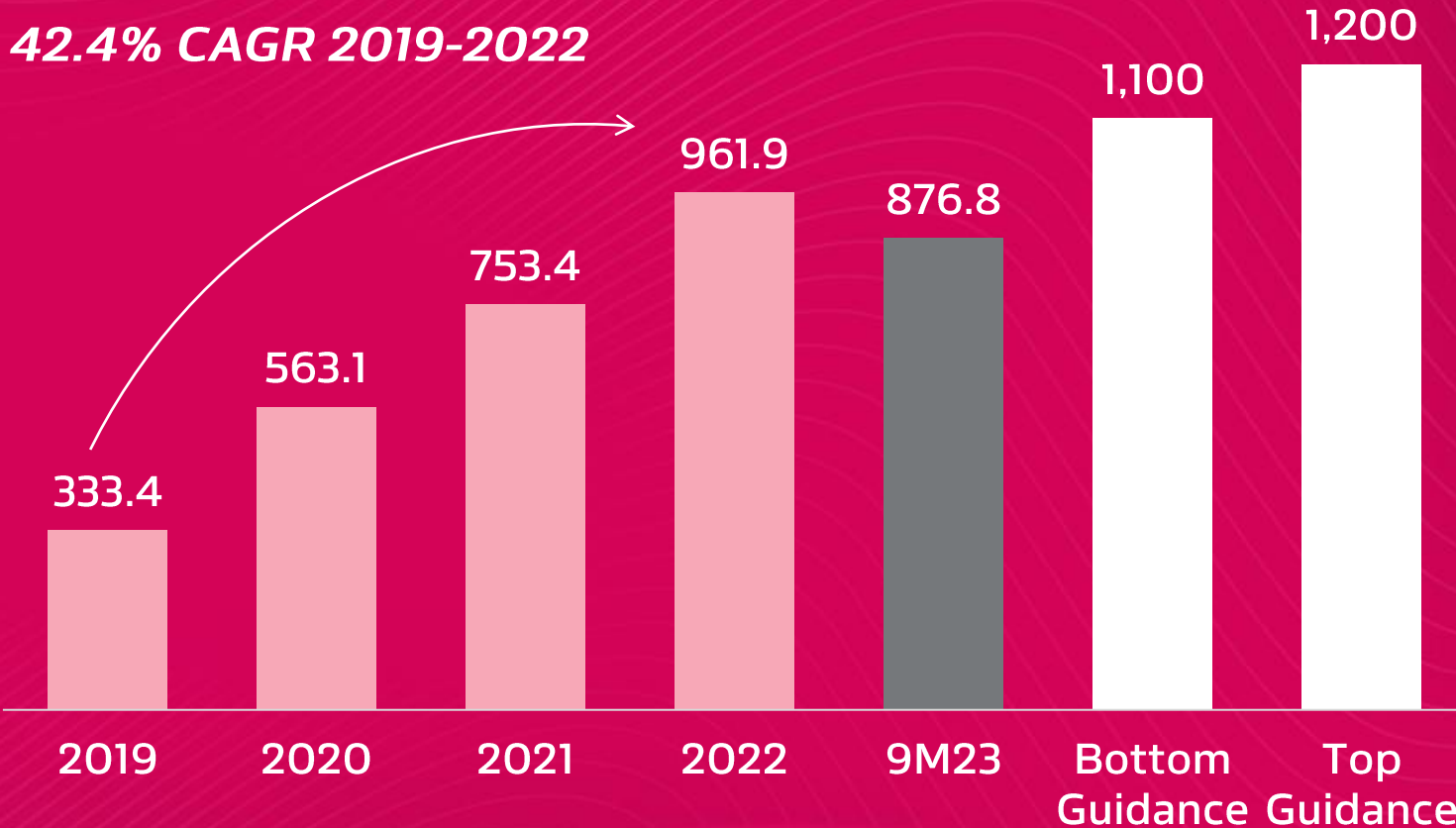


# ON TRACK TO ACHIEVE 2023 GUIDANCE

ADJUSTED NET REVENUE – (R\$ MM)



ADJUSTED EBITDA – (R\$ MM)



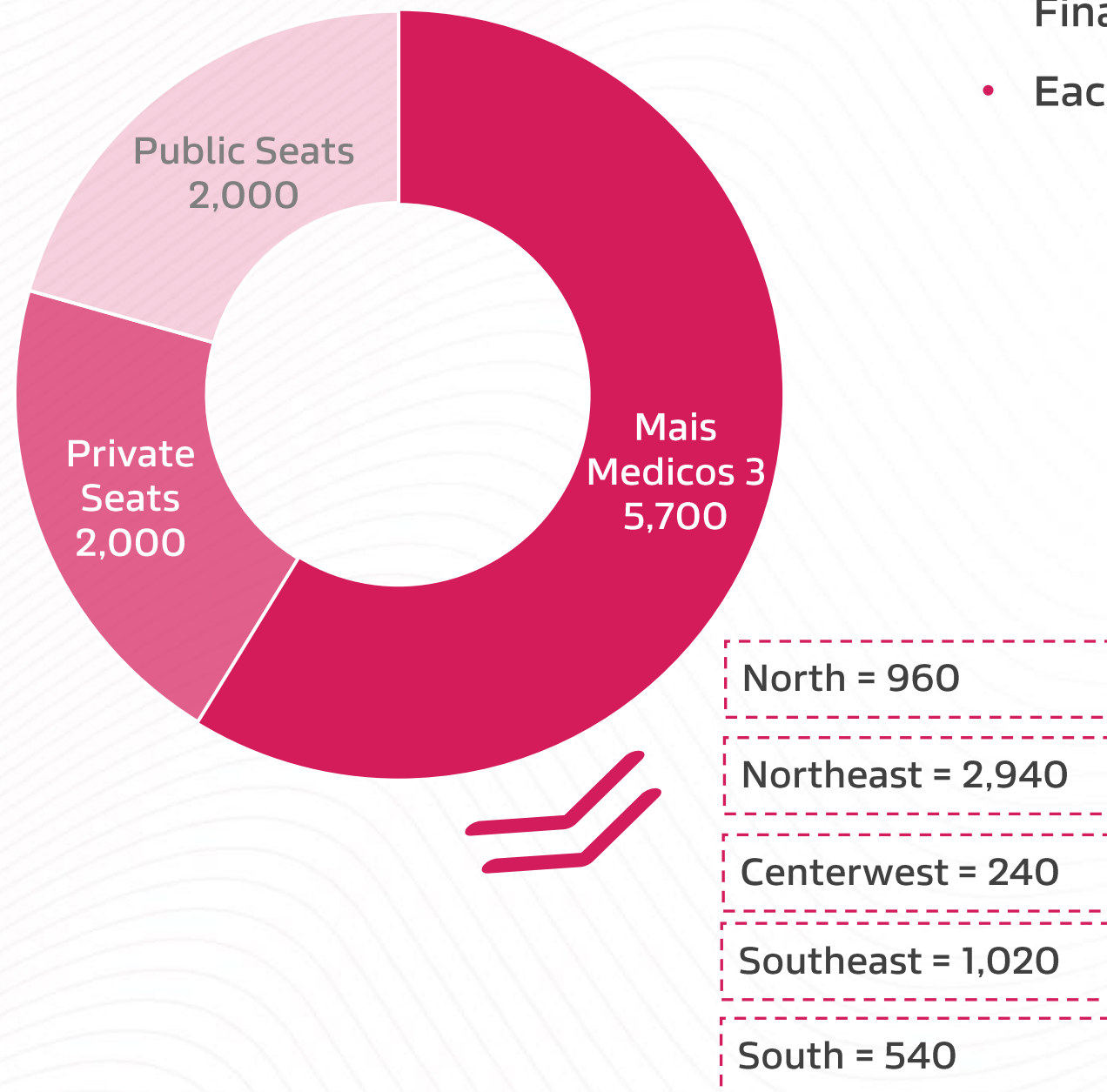
**AFYA'S GUIDANCE ALREADY CONSIDERS THE INCREASE OF FGFIES RATE**



# MAIS MÉDICOS 3

## SEATS EXPANSION OPPORTUNITY

### NUMBER OF NEW MEDICAL SCHOOL SEAT THAT WILL BE RELEASED



- 95 licenses for new private medical schools with 60 seats each, totaling 5.7k new seats
- Well distributed across Brazil and focused on regions that have a lack of physicians.
- The Ministry of Education will analyze the proposals of each entity, considering: Eligibility, Financial Aspects, Institutional Proposal and Regulatory Framework.
- Each entity can compete for 2 health regions:



**HAS 18 ENTITIES  
17 OF THEM WITH  
MEDICINE COURSES**

### Schedule

	Start	End
Data update on government databases	10/05/23	12/13/23
Bid submission	12/17/23	02/08/24
Document discussion	03/19/24	03/28/24
Preliminary results		07/24/24
Questioning of results	07/25/24	08/08/24
Final results		09/23/24



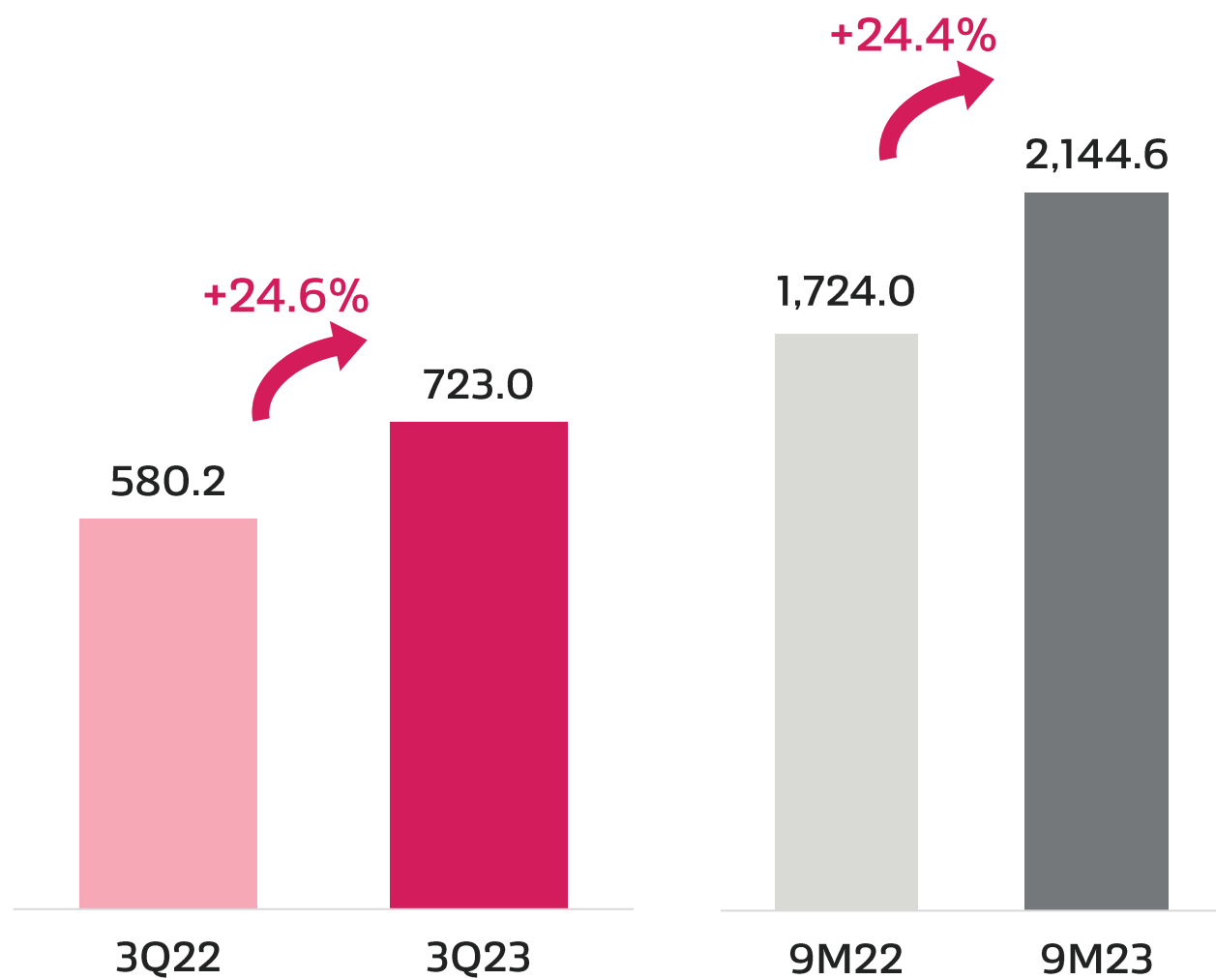


# FINANCIAL AND OPERATIONAL OVERVIEW

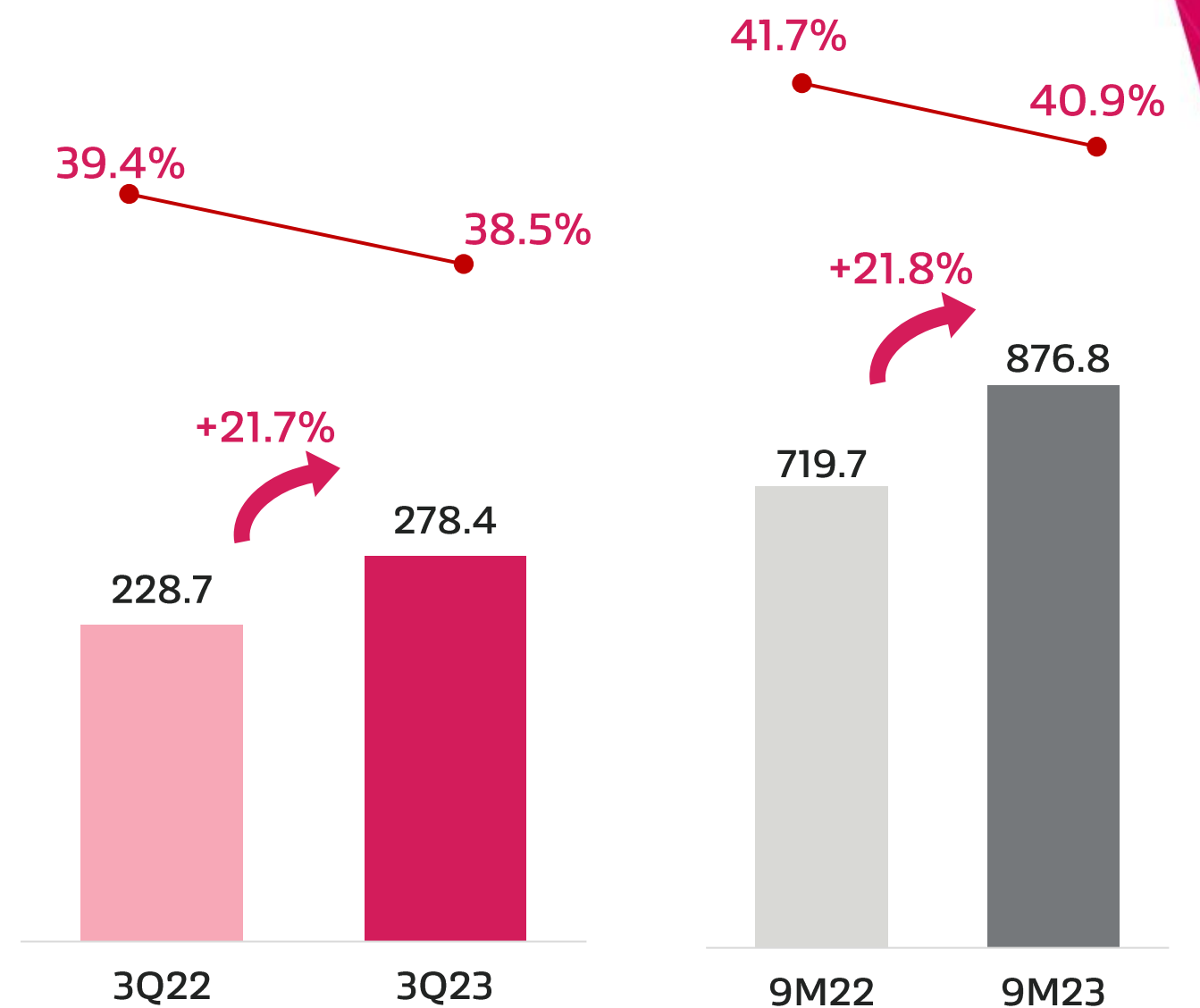
# FINANCIAL METRICS

## PERFORMANCE EVOLUTION

ADJUSTED NET REVENUE - (R\$ MM)



ADJUSTED EBITDA & ADJUSTED EBITDA MARGIN - (R\$ MM and %)



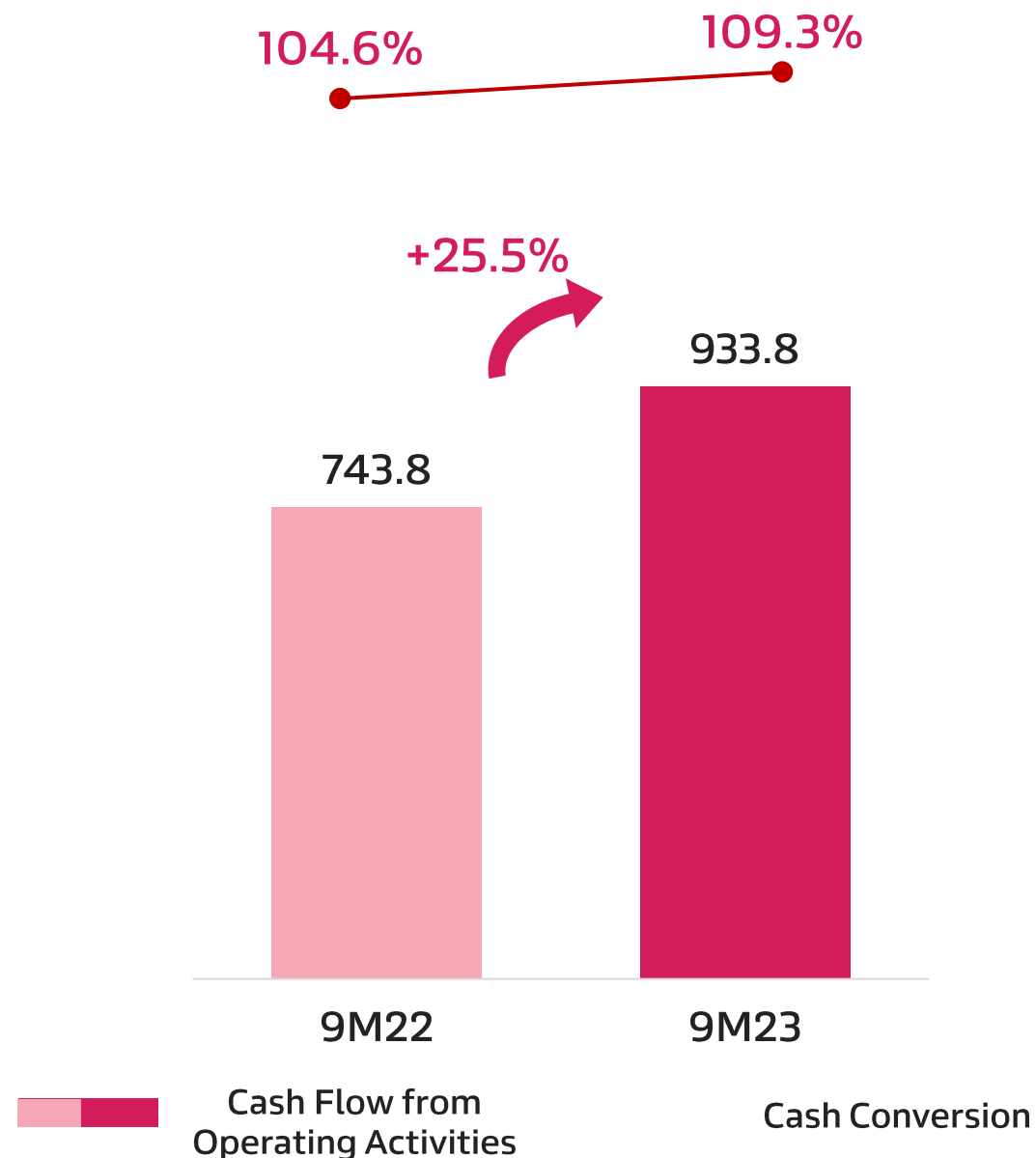
Adjusted EBITDA Adjusted EBITDA Margin



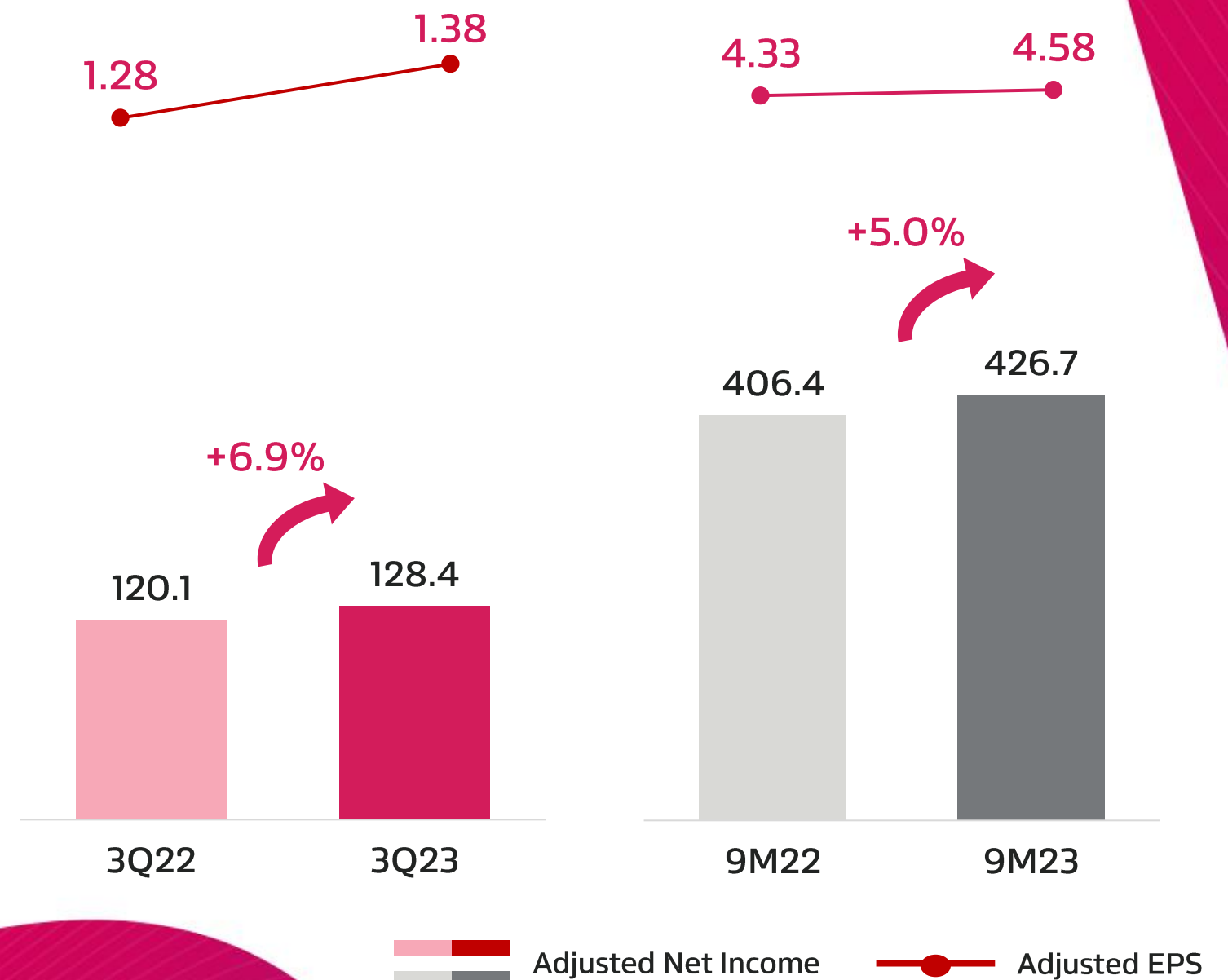
# FINANCIAL METRICS

## PERFORMANCE EVOLUTION

CASH FLOW FROM OPERATING ACTIVITIES & CASH CONVERSION - (R\$ MM AND %)



ADJUSTED NET INCOME & ADJUSTED EPS - (R\$ MM)



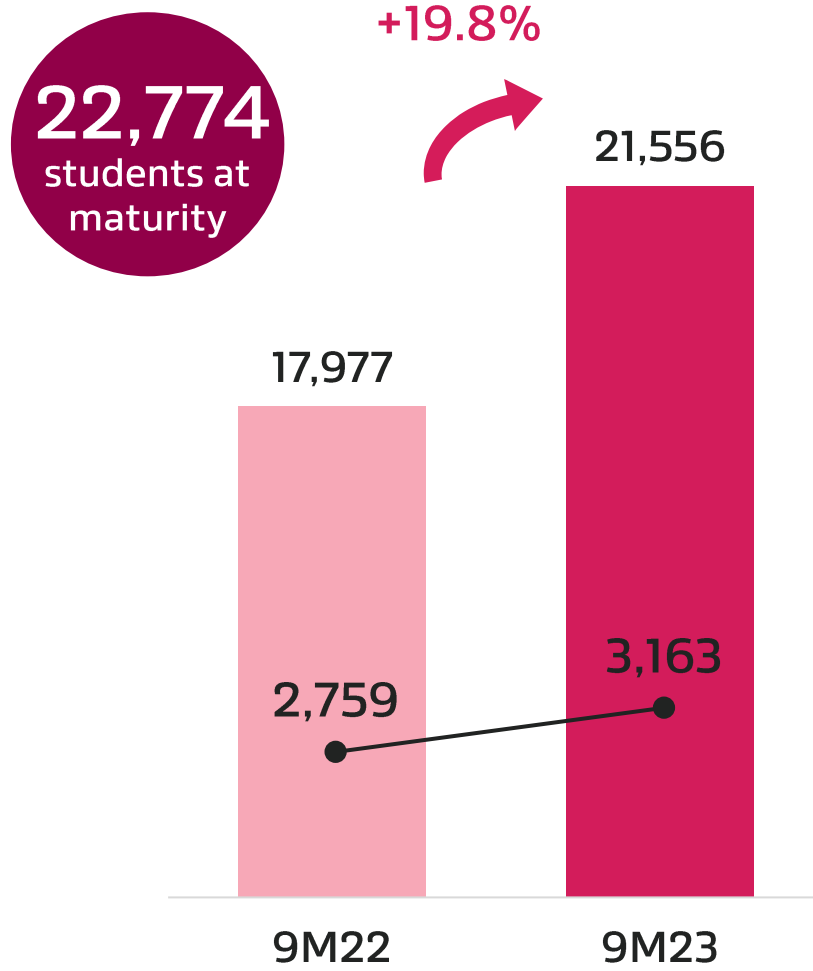




# OPERATION METRICS

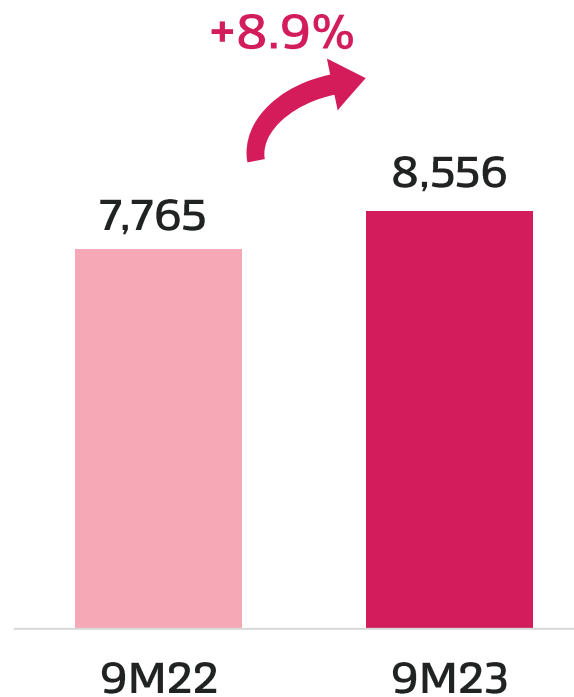
## UNDERGRAD

NUMBER OF SEATS AND MEDICAL STUDENTS



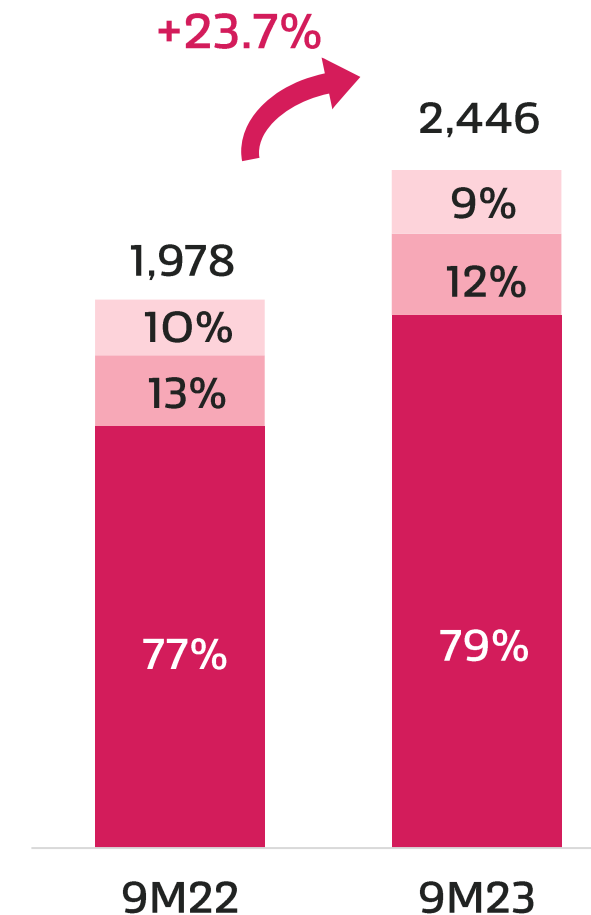
● APPROVED SEATS  
 ■ TOTAL STUDENTS (End of period)

MEDICAL SCHOOL NET AVERAGE TICKET - (R\$/MONTH)



Net Average Ticket Ex-Acquisitions

COMBINED TUITION FEES - (R\$ MM)



79% MEDICINE TUITION

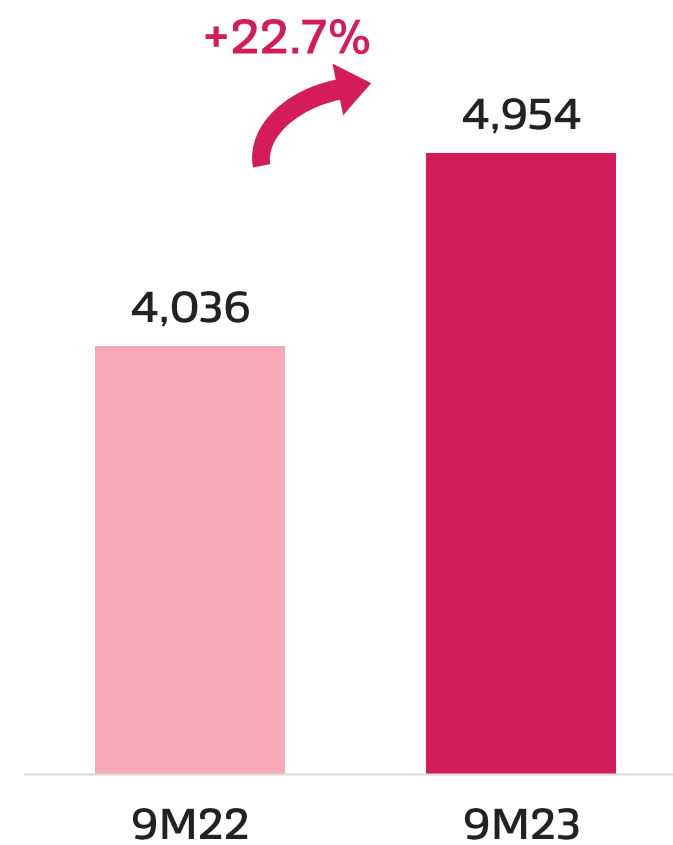
■ UNDERGRAD MEDICAL SCHOOL  
 ■ UNDERGRADUATE HEALTH SCIENCE  
 ■ OTHER UNDERGRADUATE



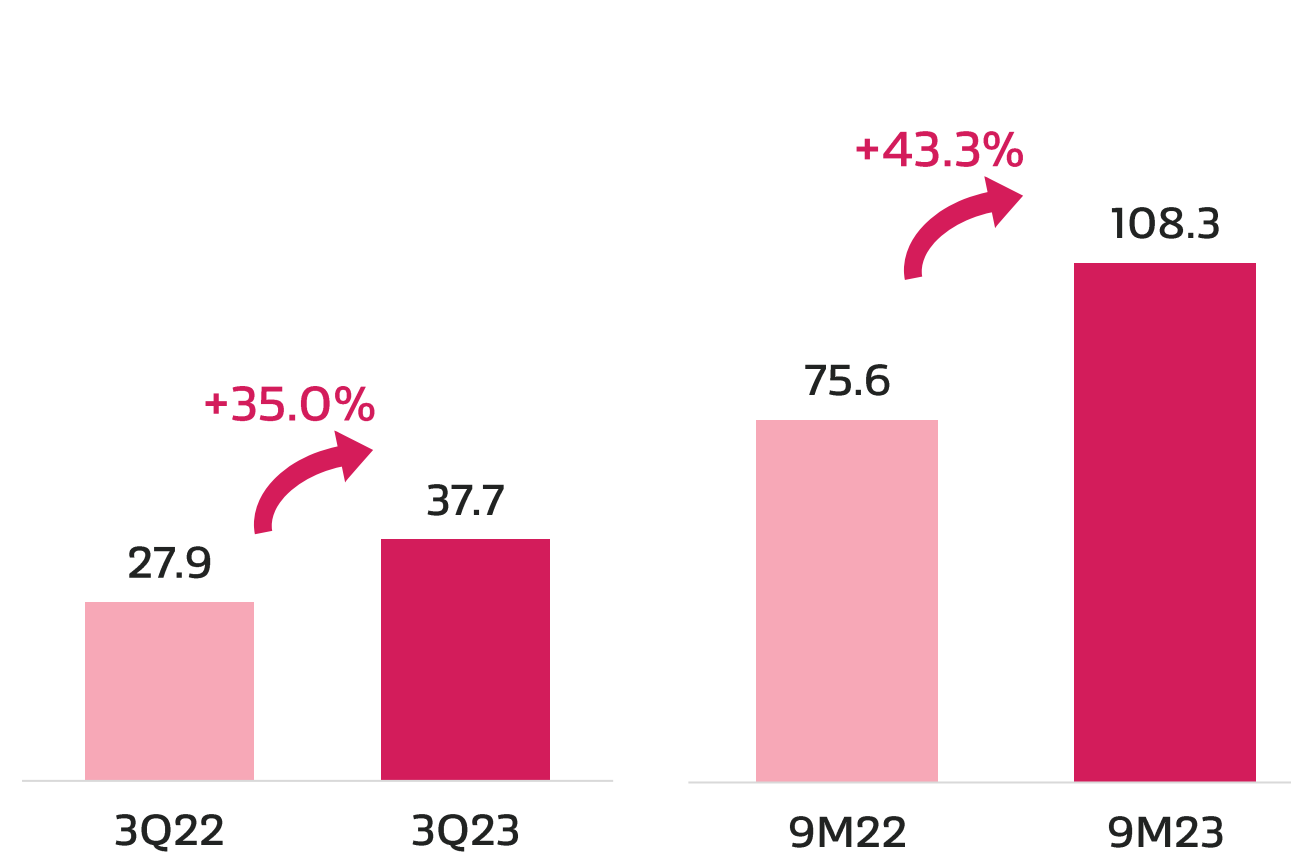
# OPERATION METRICS

## CONTINUING EDUCATION

NUMBER OF STUDENTS  
(END OF PERIOD)



NET REVENUE - (R\$ MM)



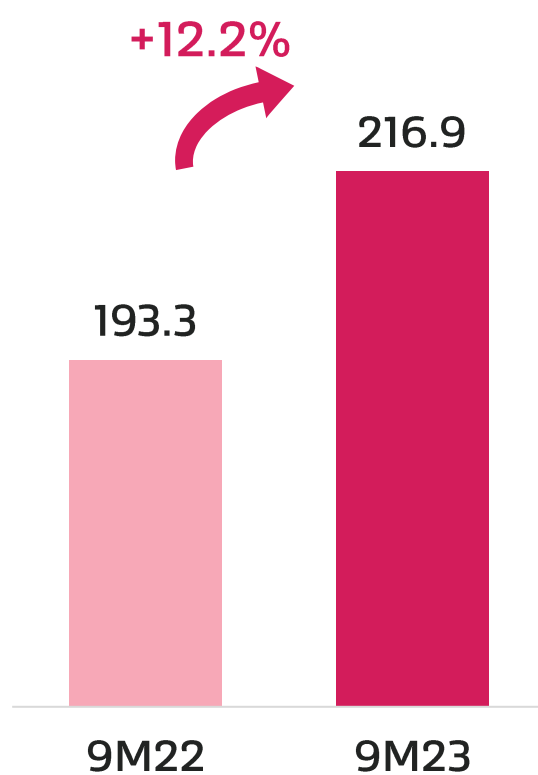




# OPERATION METRICS

## DIGITAL

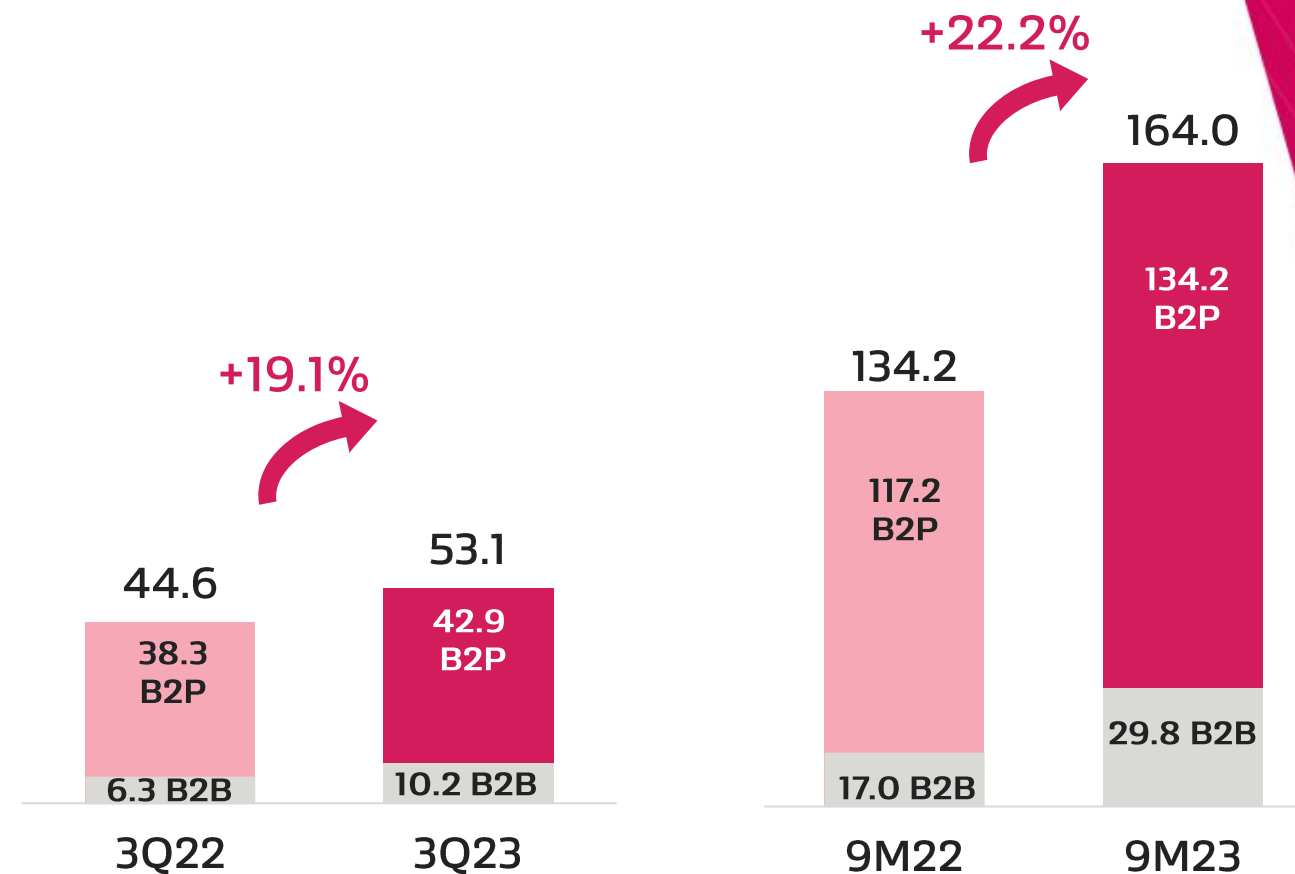
TOTAL ACTIVE PAYERS –  
(THOUSAND)



MONTHLY ACTIVE USERS –  
(THOUSAND)



NET REVENUE – (R\$ MM)



Monthly Active Users represents the number of unique individuals that consumed Digital Services content in each one of our products in the last 30 days of a specific period.

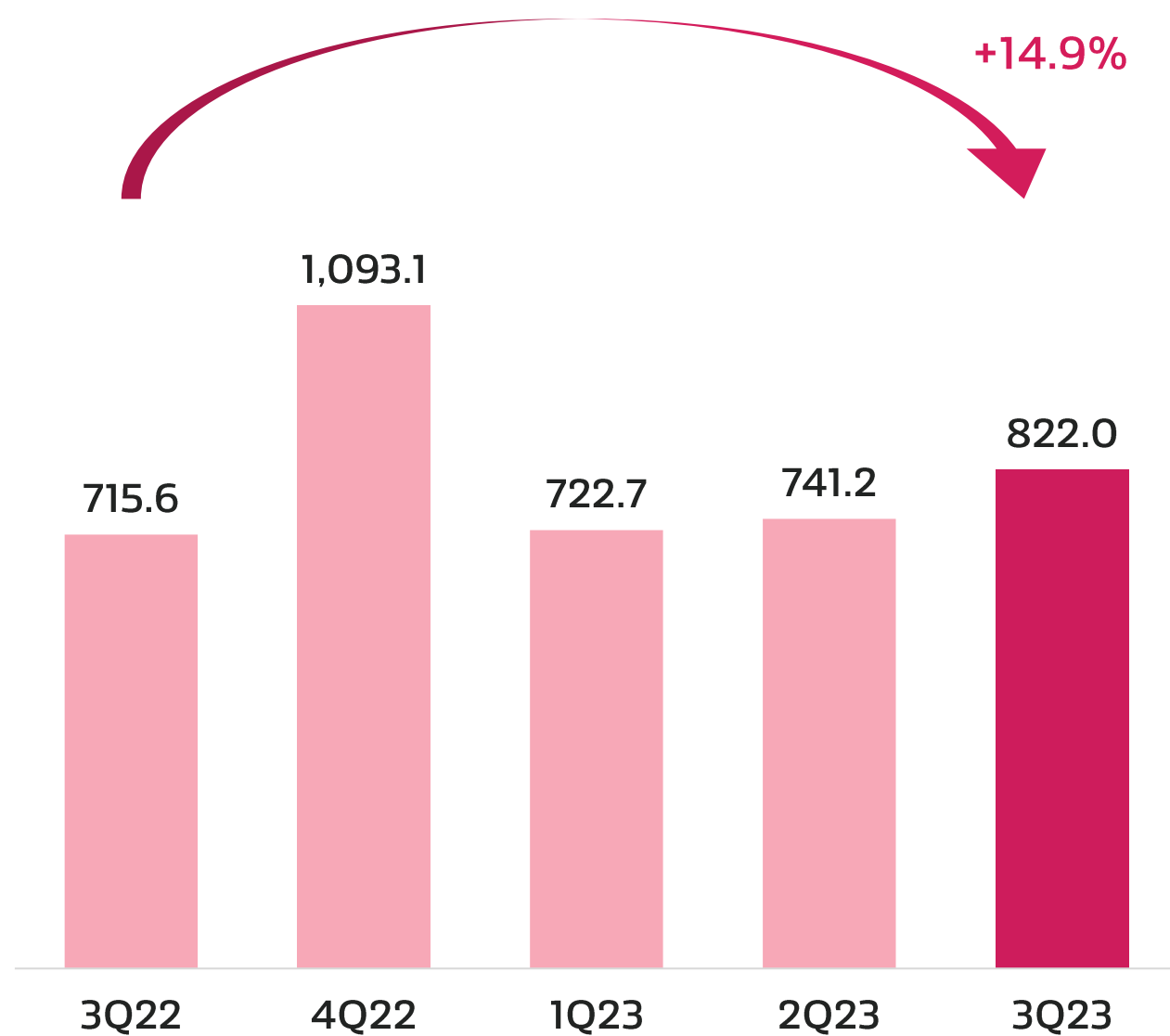
■ B2P  
■ B2B

B2B: Business to Business  
B2P: Business to Physicians

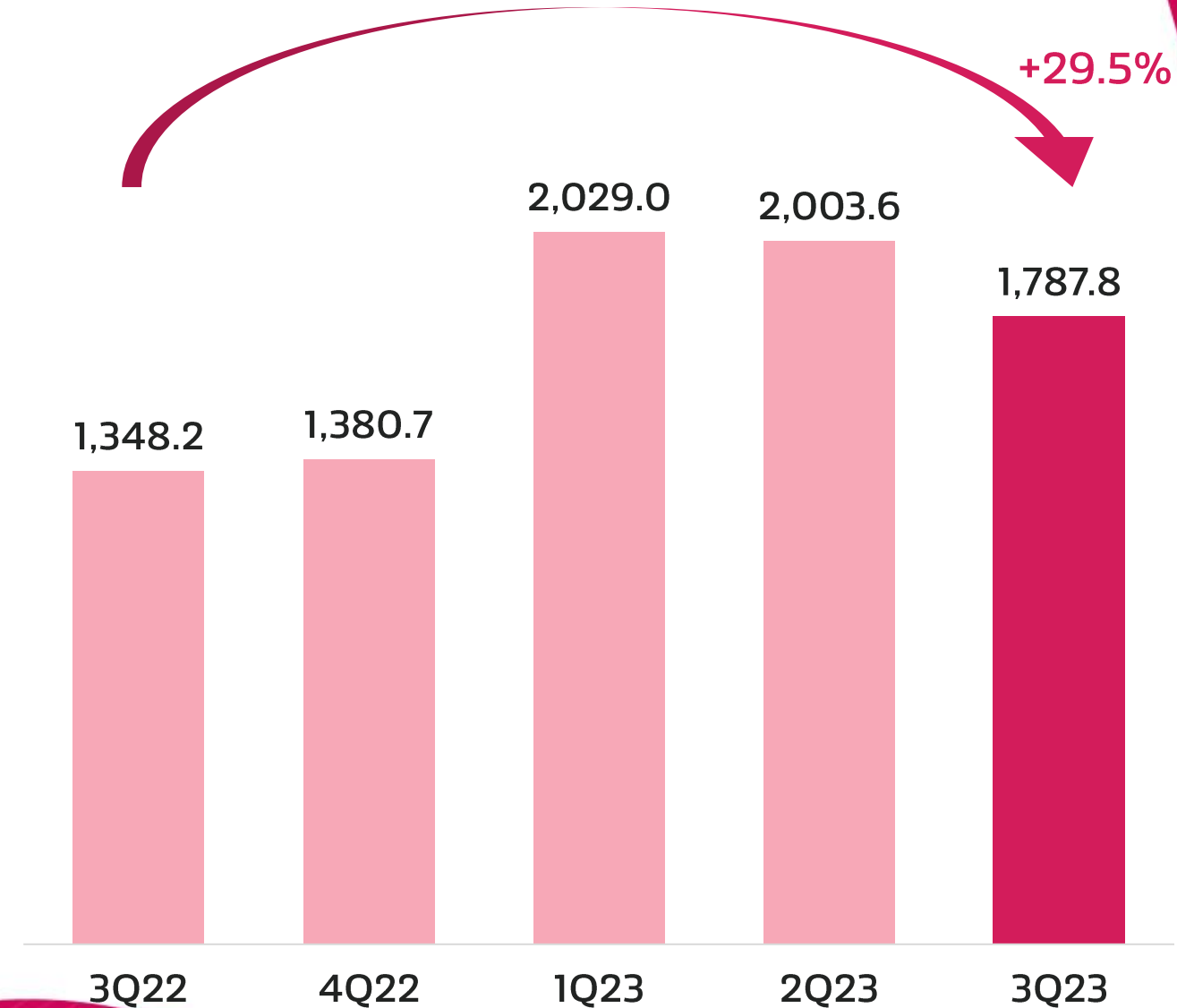
# CASH AND NET DEBT

SOLID CAPITAL STRUCTURE WITH A CONSERVATIVE POSITION AND A LOW COST OF DEBT

CASH AND CASH EQUIVALENTS - (R\$ MM)



NET DEBT (CASH) EXCLUDING IFRS 16 - (R\$ MM)



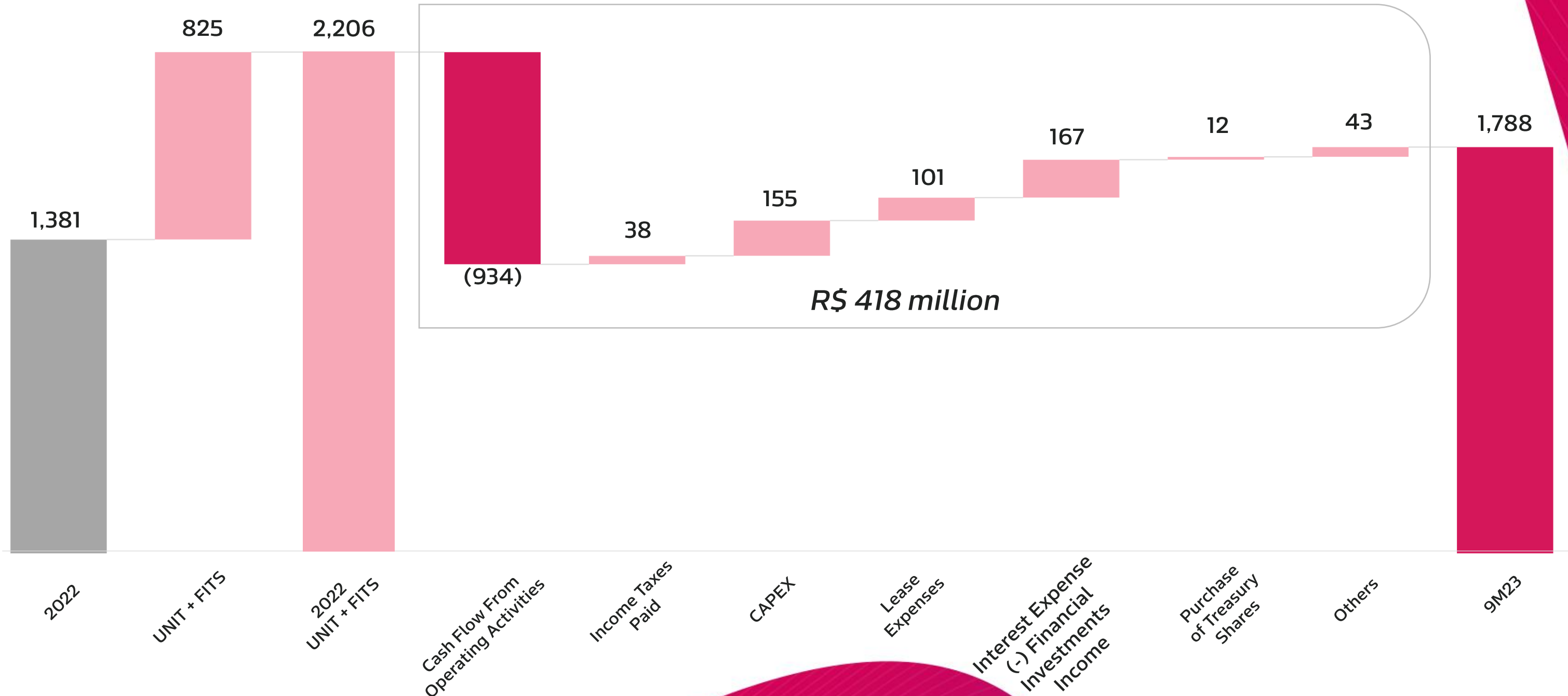




# IMPRESSIVE CASH GENERATION

## PREDICTABLE GROWTH WITH PROFITABILITY

NET DEBT RECONCILIATION - (R\$ MM)



# CASH AND NET DEBT

SOLID CAPITAL STRUCTURE WITH A CONSERVATIVE LEVERAGING POSITION AND A LOW COST OF DEBT

	Gross Debt (R\$MM)		Duration (Years)		Cost of Debt			
					Per year		%CDI*	
	3Q23	2022	3Q23	2022	3Q23	2022	3Q23	2022
Loans and financing: Softbank	826	824	2.6	3.4	6.5%	6.5%	50%	53%
Loans and financing: Debentures	512	500	3.9	4.6	15.5%	15.7%	114%	114%
Loans and financing: Others	620	621	1.3	2.1	14.5%	14.1%	107%	113%
Accounts payable to selling shareholders	651	529	0.9	1.2	12.3%	11.6%	92%	94%
<b>Average</b>	<b>2,610</b>	<b>2,474</b>	<b>2.2</b>	<b>2.9</b>	<b>11.5%</b>	<b>10.2%</b>	<b>86%</b>	<b>83%</b>

\*Based on the annualized Interbank Certificates of Deposit ("CDI") rate for the period as a reference: 9M23: ~12.65% p.y. and for 2022 full year: ~12,39% p.y.



# Q&A SESSION





# Afya

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