

Q2 - 19
Investor
Presentation

August 30, 2019



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, 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/>.

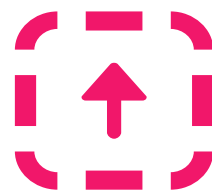
1st semester highlights



Afya becomes the largest medical education group in Brazil and the only player providing education and digital content in every stage of the medical career



IPO at Nasdaq



1,522 authorized medical school seats



Robust growth, margin expansion and cash generation



IPEC Acquisition



+ 120 medical school seats



Operation expected to start in the second semester of 2019



Expected capex of R\$3 - 5 million



In line with Afya's M&A strategy

Medical School Authorization - Abaetetuba-PA

“Mais Médicos” awarded campuses



Abaetetuba-PA authorization:



+ 50 medical
school seats



Operation expected to
start in the second
semester of 2020



1H - 19 Highlights

27%

Pro Forma Net Revenue
'17-1H19¹ CAGR

75%

Pro Forma Adjusted Net Income
'17-1H19¹ CAGR

80%

Operating Cash
Conversion Ratio

+62%

Undergraduate medical
degree students

10.5 CME

students in BU2

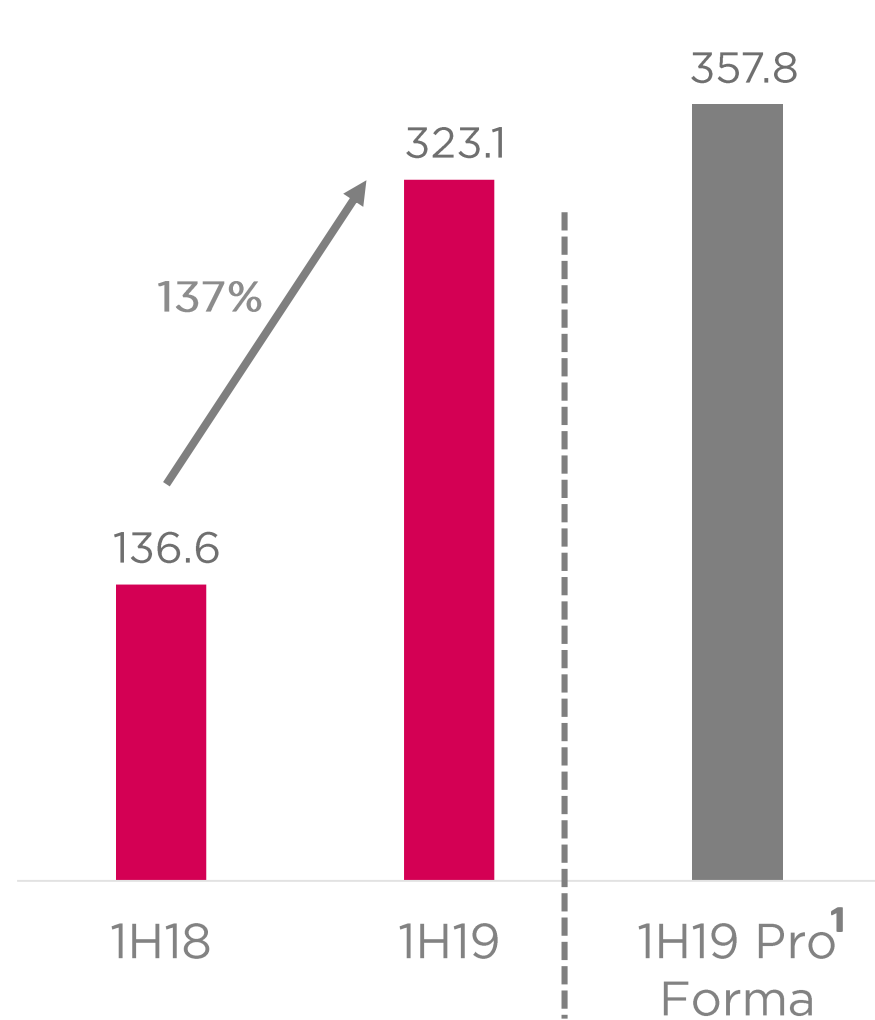
+170 medical school seats

due to IPEC acquisition and Mais Médicos
authorization in Abaetetuba.

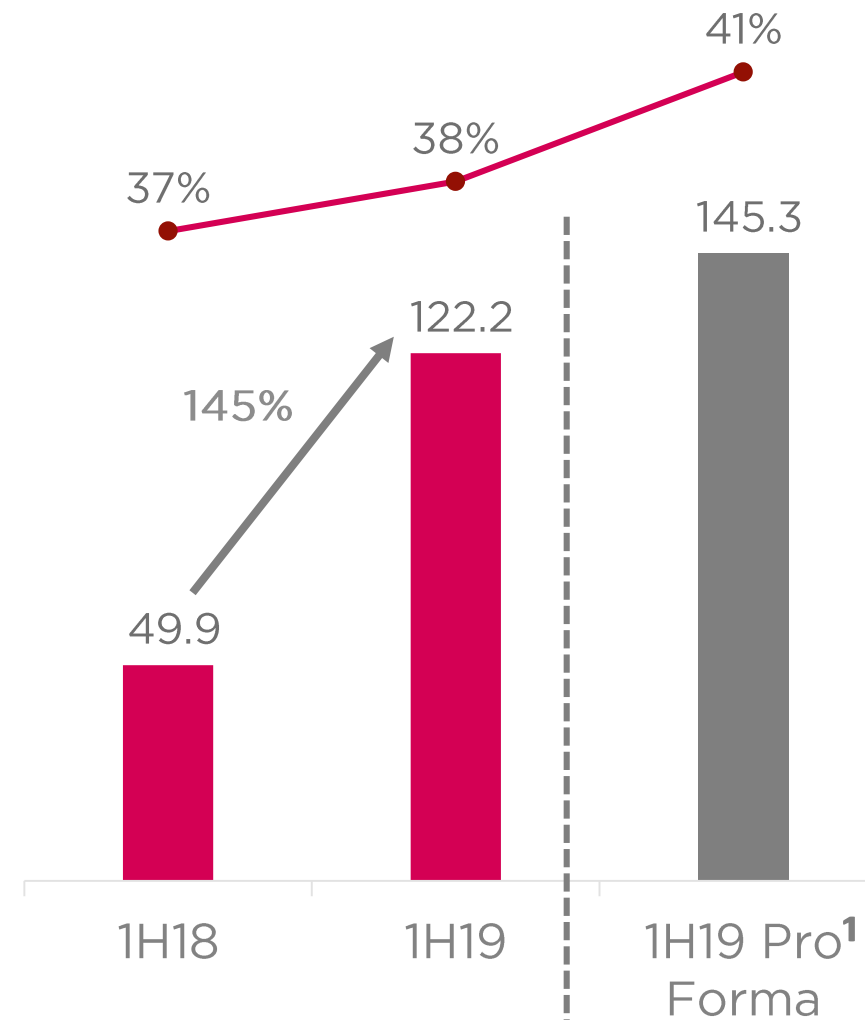
¹ Calculated considering the 1st semester 2019 annualized. For 2017 pro-forma adjustments, see the Prospectus – 2017 Net Revenue: R\$444.4 million and Net Income: R\$71.7 million.

Financial Highlights

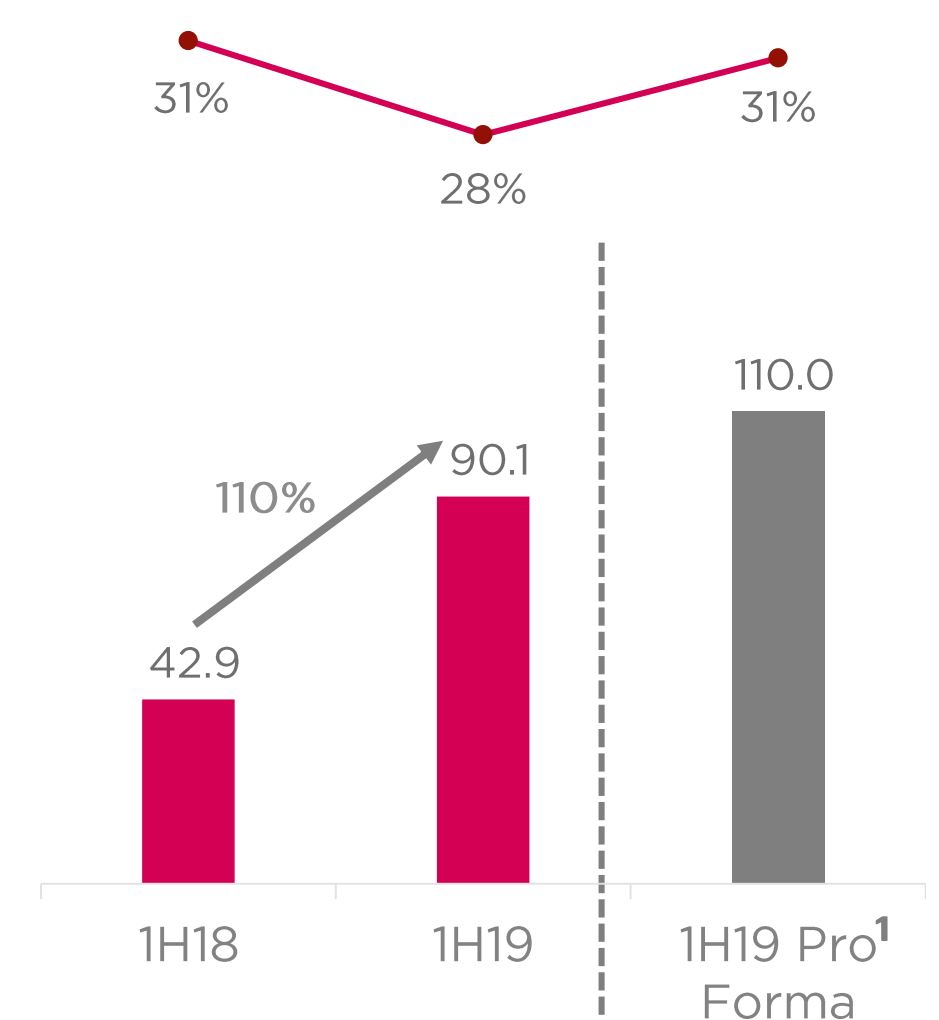
Net Revenue
(R\$ mm)



Adjusted² EBITDA and Margin
(R\$ mm, % NR)



Adjusted² Net Income and Margin
(R\$ mm, %NR)



¹ Pro Forma considers Medcel since 1, January 2019. Fasa and Ipemed are in a historical basis. ²Adjusted EBITDA and adjusted net income eliminates the impact of IFRS adopted in 2019. Please refer to our press release for a complete definition and reconciliation of non-GAAP metrics

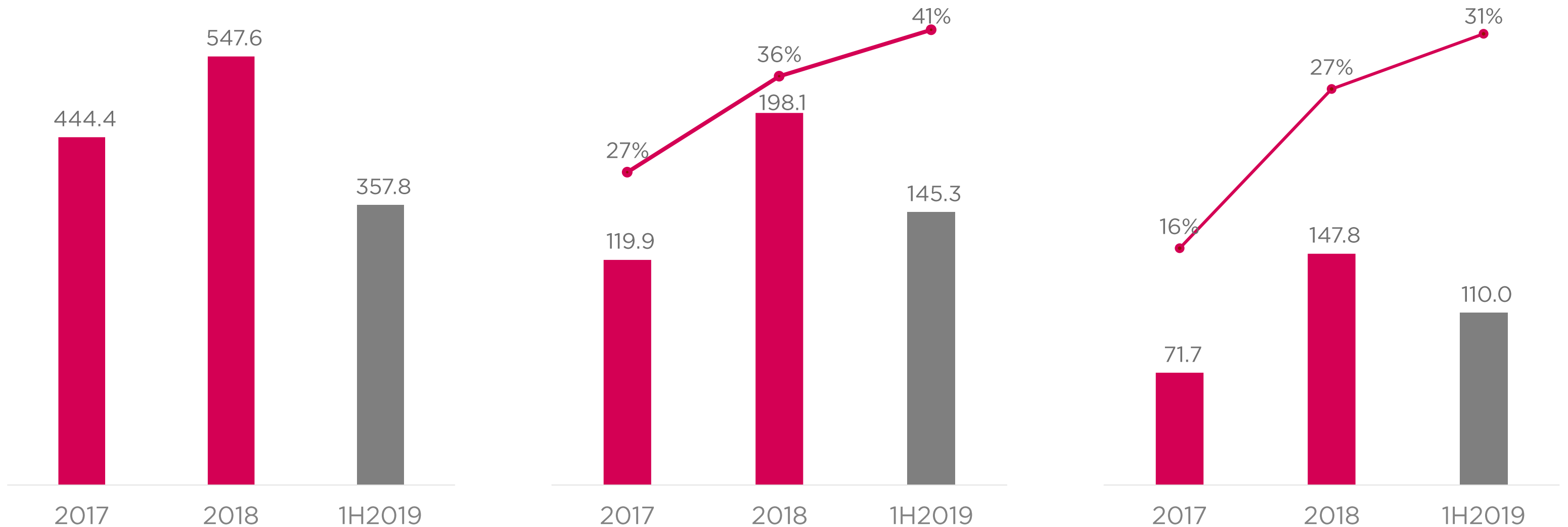
Pro Forma¹ Financial Highlights



Pro Forma¹ Net Revenue
(R\$ mm)

Pro Forma¹ Adjusted² EBITDA
and Margin
(R\$ mm, %NR)

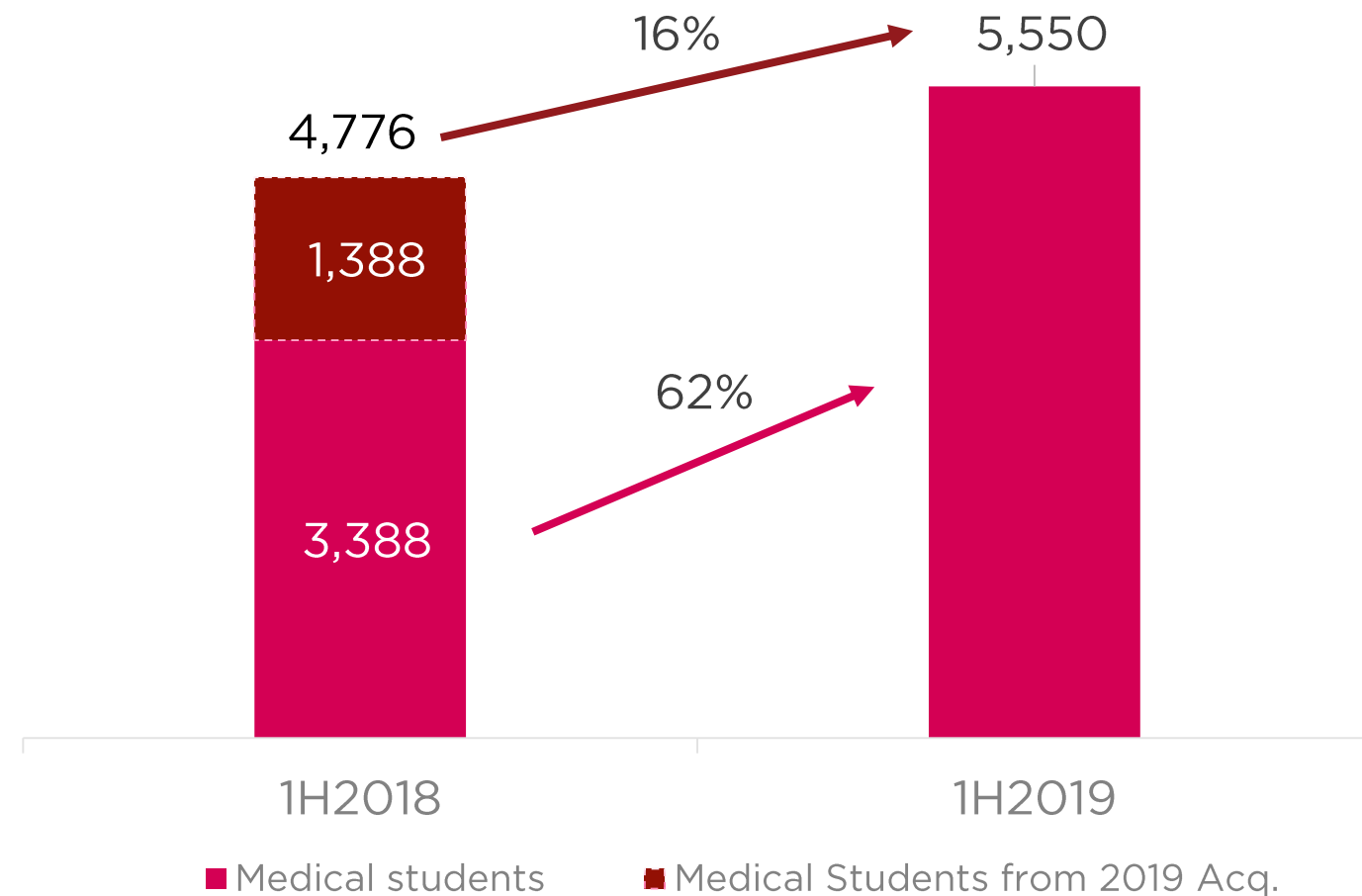
Pro Forma¹ Adjusted² Net Income
and Margin
(R\$ mm, %NR)



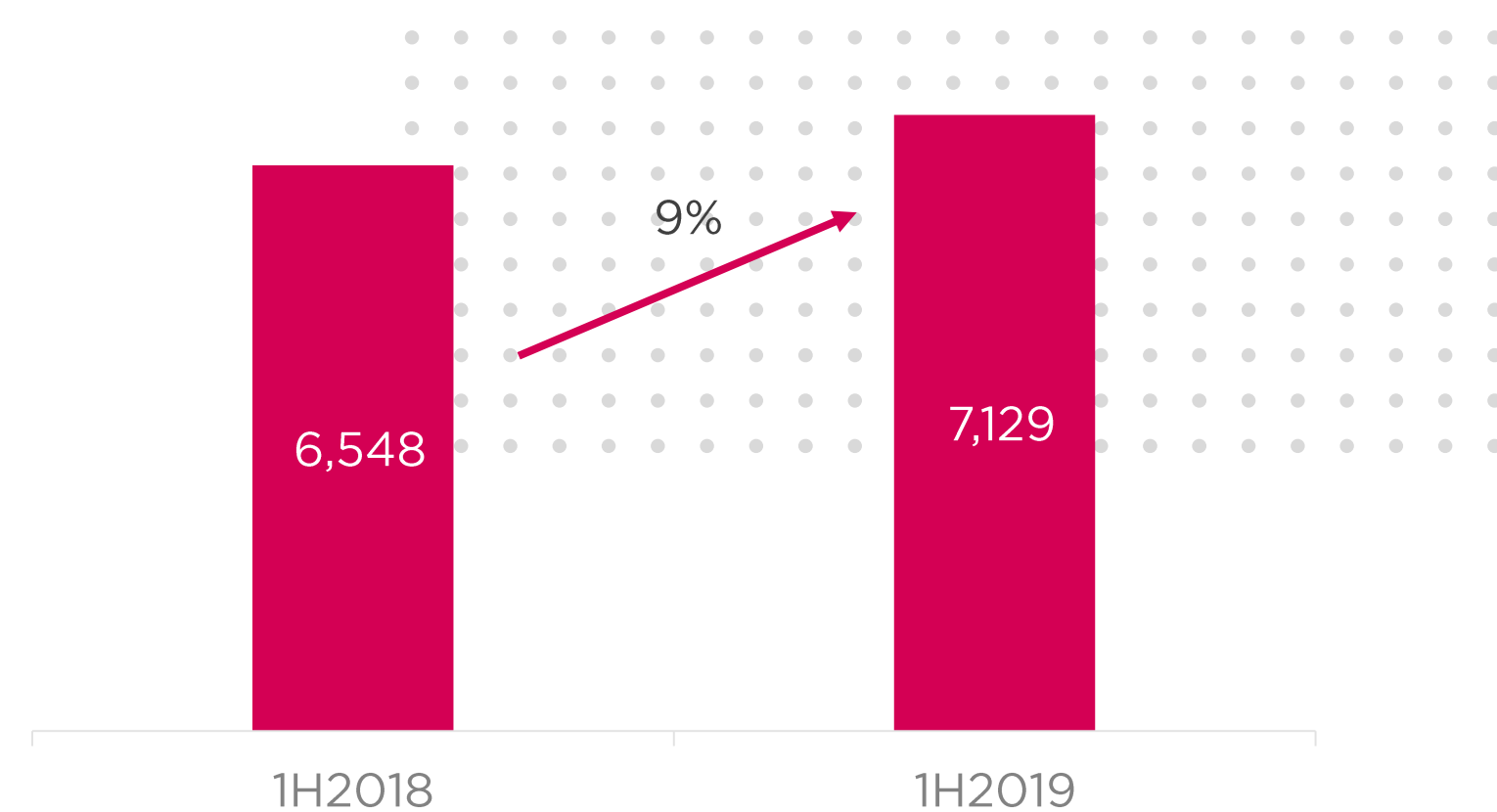
¹ Pro Forma considers Medcel since 1, January 2019. Fasa and Ipemed are in a historical basis. ²Adjusted EBITDA and adjusted net income eliminates the impact of IFRS adopted in 2019. Please refer to our press release for a complete definition and reconciliation of non-GAAP metrics

Medical schools tuition fees represented 68% of total combined tuition fees

Medical Students



Medical School Average Ticket (R\$/month)



Reconciliation between Adjusted Pro Forma EBITDA and Pro Forma Net Income



R\$ thousand	Six months period ended	Three months period ended	Six months period ended	
	June 30, 2019	March 28, 2019	June 30, 2019	
	Afya Brazil Historical (1)	Medcel (2)	Pro Forma Adjustments	Afya Brazil Pro Forma
Net income	70,802	20,044	-5,315	85,531
Net financial result	22,14	65	-	22,205
Income taxes expense	3,954	1,409	-	5,363
Depreciation and amortization	28,441	1,726	5,315	35,482
Interest received (3)	3,915	-	-	3,915
Payment of lease liabilities (4)	-17,316	-228	-	-17,544
Share-based compensation	1,909	70	-	1,979
Non-recurring expenses:	-	-	-	-
Integration of new companies (5)	3,607	-	-	3,607
M&A advisory and due diligence (6)	1,099	-	-	1,099
Expansion projects (7)	943	-	-	943
Restructuring expenses (8)	2,681	-	-	2,681
Pro Forma Adjusted EBITDA	122,175	23,086	-	145,261

(1) Represents the historical consolidated statement of income of Afya Brazil for the six months ended June 30, 2019. (2) Represents the historical consolidated statement of income of Medcel for the period from January 1, 2019 to March 28, 2019. (3) Represents the interest received on late payments of monthly tuition fees. (4) Consists of payment of lease liabilities recorded under IFRS 16 as from January 1, 2019. (5) Consists of expenses related to the integration of newly acquired companies. (6) Consists of expenses related to professional and consultant fees in connection with due diligence services for our M&A transactions. (7) Consists of expenses related to professional and consultant fees in connection with the opening of new campuses. (8) Consists of expenses related to the employee redundancies in connection with the organizational restructuring of our acquired companies.

Reconciliation between Pro Forma Net Income and Adjusted Pro Forma Net Income

R\$ thousand

	Six months period ended	Three months period ended	Pro Forma Adjustments	Six months period ended
	30-Jun-19	31-Mar-19		30-Jun-19
	Afya Brazil Historical (1)	Medcel (2)		Afya Brazil Pro Forma
Net income	70,802	20,044	-5,315	85,531
Amortization of customer relationships and trademark (3)	12,196	-	-	12,196
Depreciation of right-of-use of assets (4)	8,018	159	5,046	13,223
Interest expense of lease liabilities (5)	14,540	121	-	14,661
Payment of lease liabilities (6)	-17,316	228	-	-17,544
Share Based Compensation	1,909	70		1,979
Adjusted Net Income	90,149	20,166	269	110,046

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Operating Cash Conversion Ratio Reconciliation

R\$ thousand

	Six months period ended 30-Jun-19	Six months period ended 30-Jun-18
	Afya Brazil Historical (1)	Afya Brazil Historical
Cash flow from operations	108,810	33,411
Payment of lease liabilities (2)	-17,316	-
Adjusted Cash flow from operations	91,494	33,411
Adjusted EBITDA	122,175	49,918
Non-recurring expenses		
Integration of new companies (3)	3,607	502
M&A advisory and due diligence (4)	1,099	150
Expansion projects (5)	943	346
Restructuring expenses (6)	2,681	497
Adjusted EBITDA ex. non-recurring expenses	113,845	48,422
Operating cash conversion ratio	80.4%	69.0%

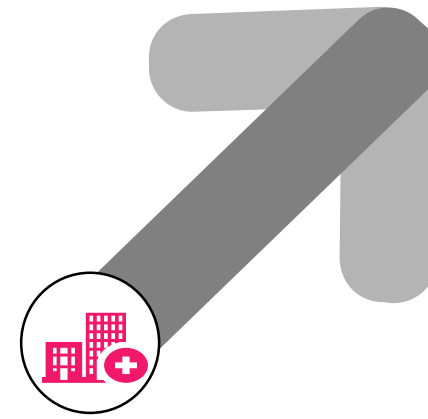
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Final remarks



IPO

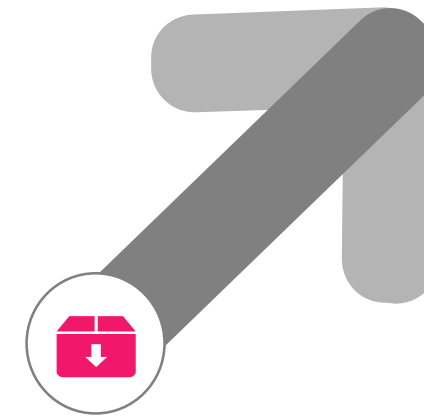
Successful Initial Public Offering in NASDAQ Stock Market



Acquisitions

Acquisition of IPEMED, a post-secondary education institution.

Acquisition of FASA and IPEC, increasing by 305 our medical seats



Integration

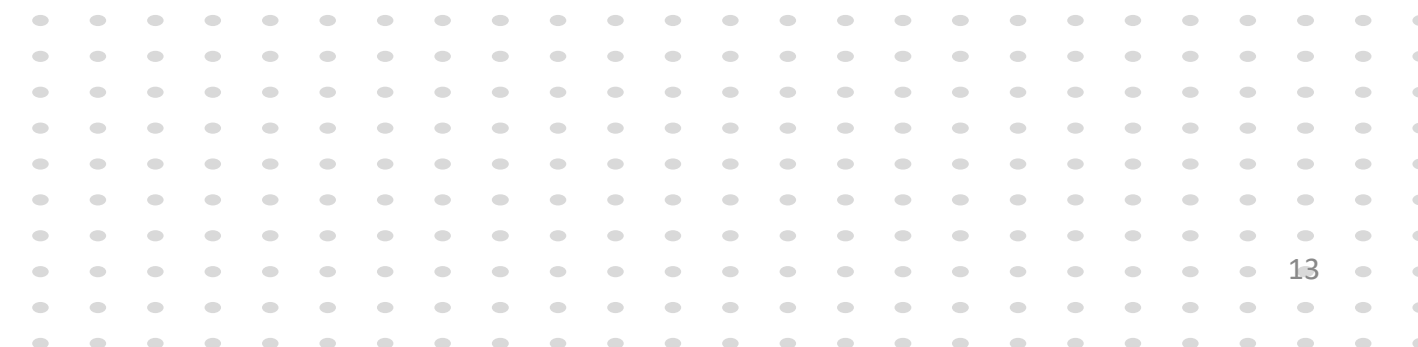
Accelerated process of integration of our new acquired companies



Mais Medicos Program

Authorization to operate medical school in Abaetetuba, with 50 seats.

Awarded seats in Mais Medicos program increased to 300 seats.





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