



EDUCATION
TECHNOLOGY
HEALTHCARE

2020 FOURTH QUARTER AND FULL YEAR
UNAUDITED RESULTS
EARNINGS CALL PRESENTATION

APRIL 9, 2020



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/>.

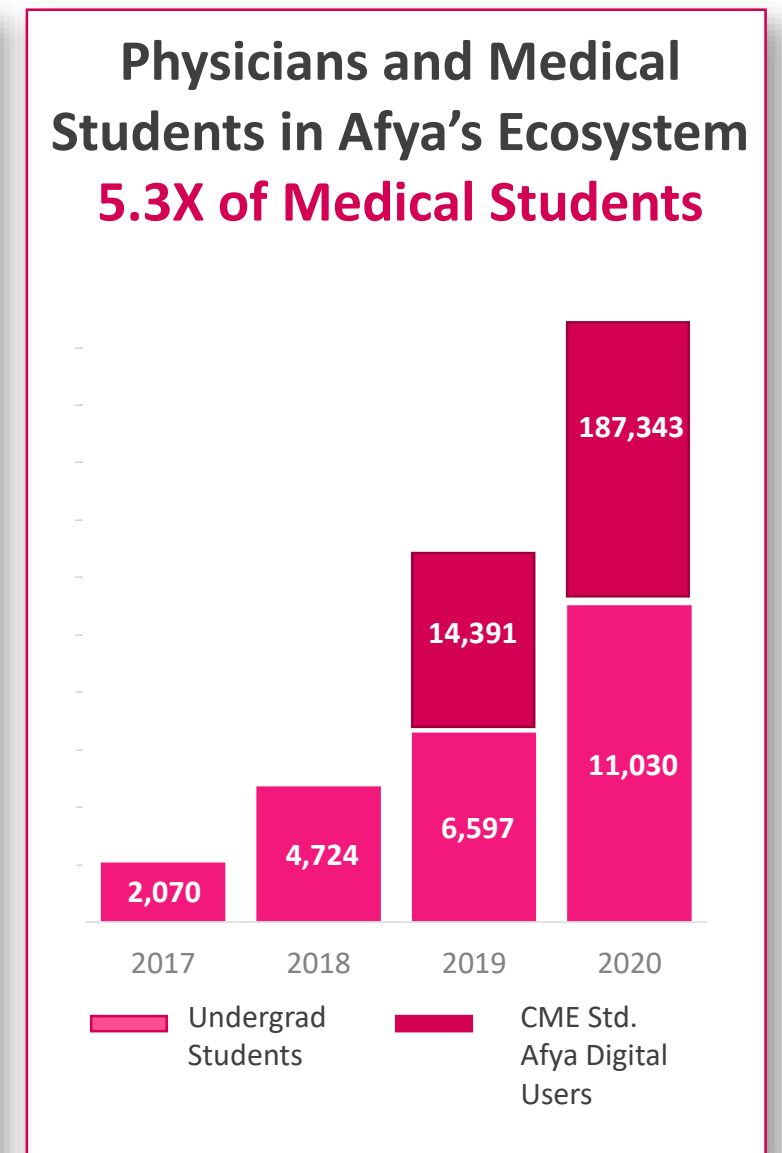
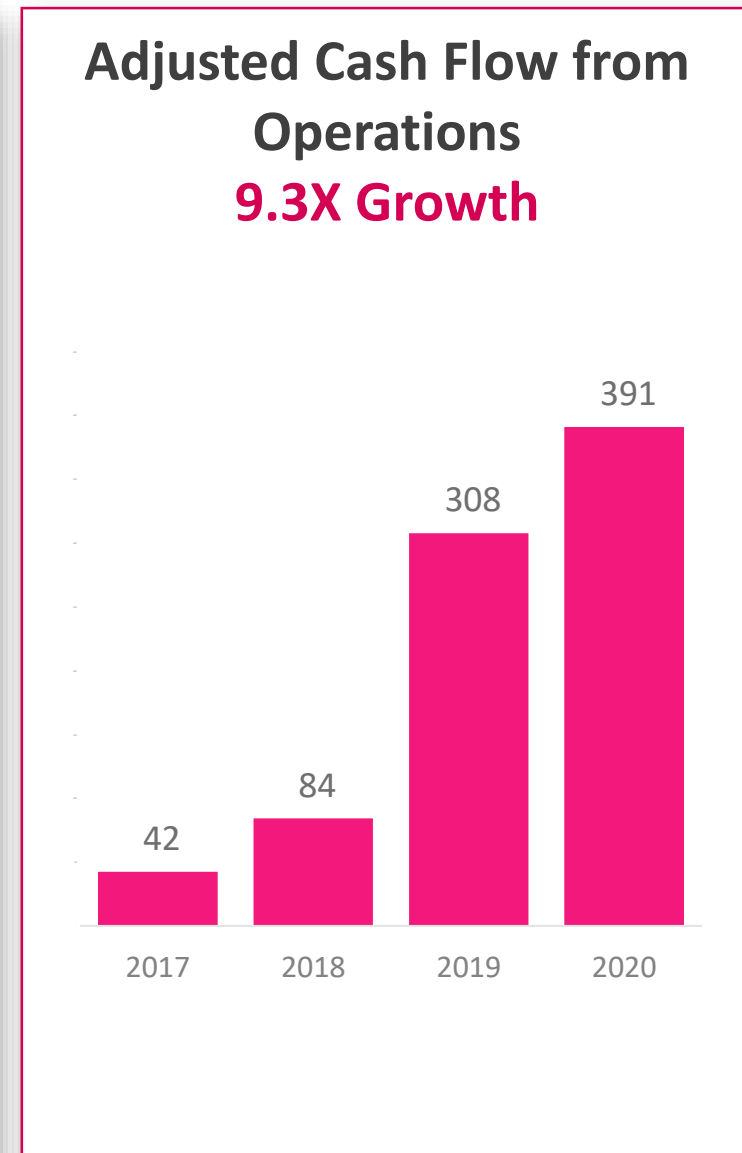
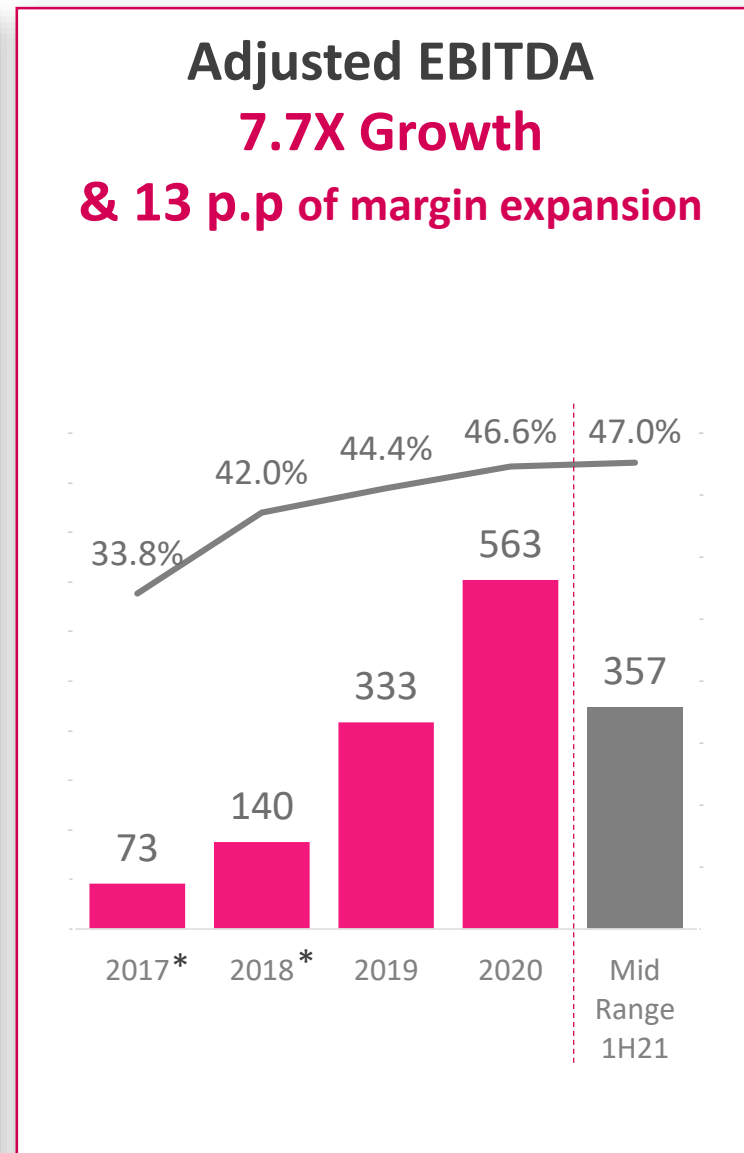
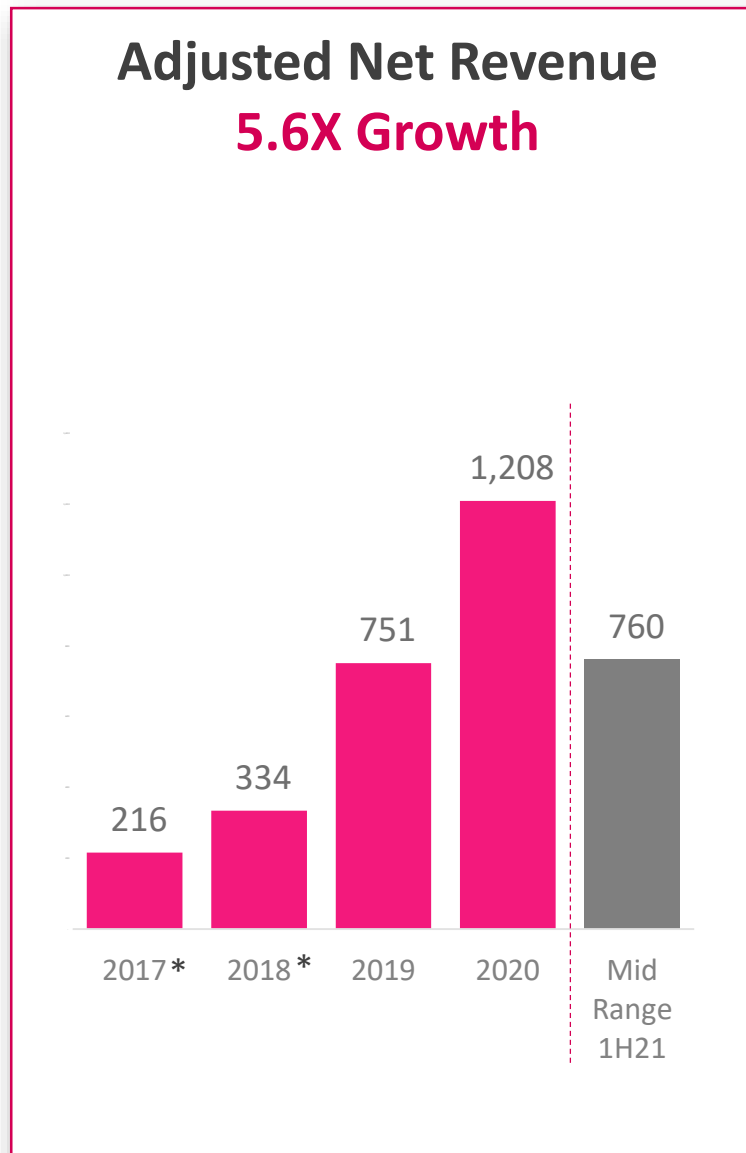
GENERAL OVERVIEW

Virgilio Gibbon - CEO



BEST-IN-CLASS METRICS

OVERDELIVERING GROWTH AND PROFITABILITY

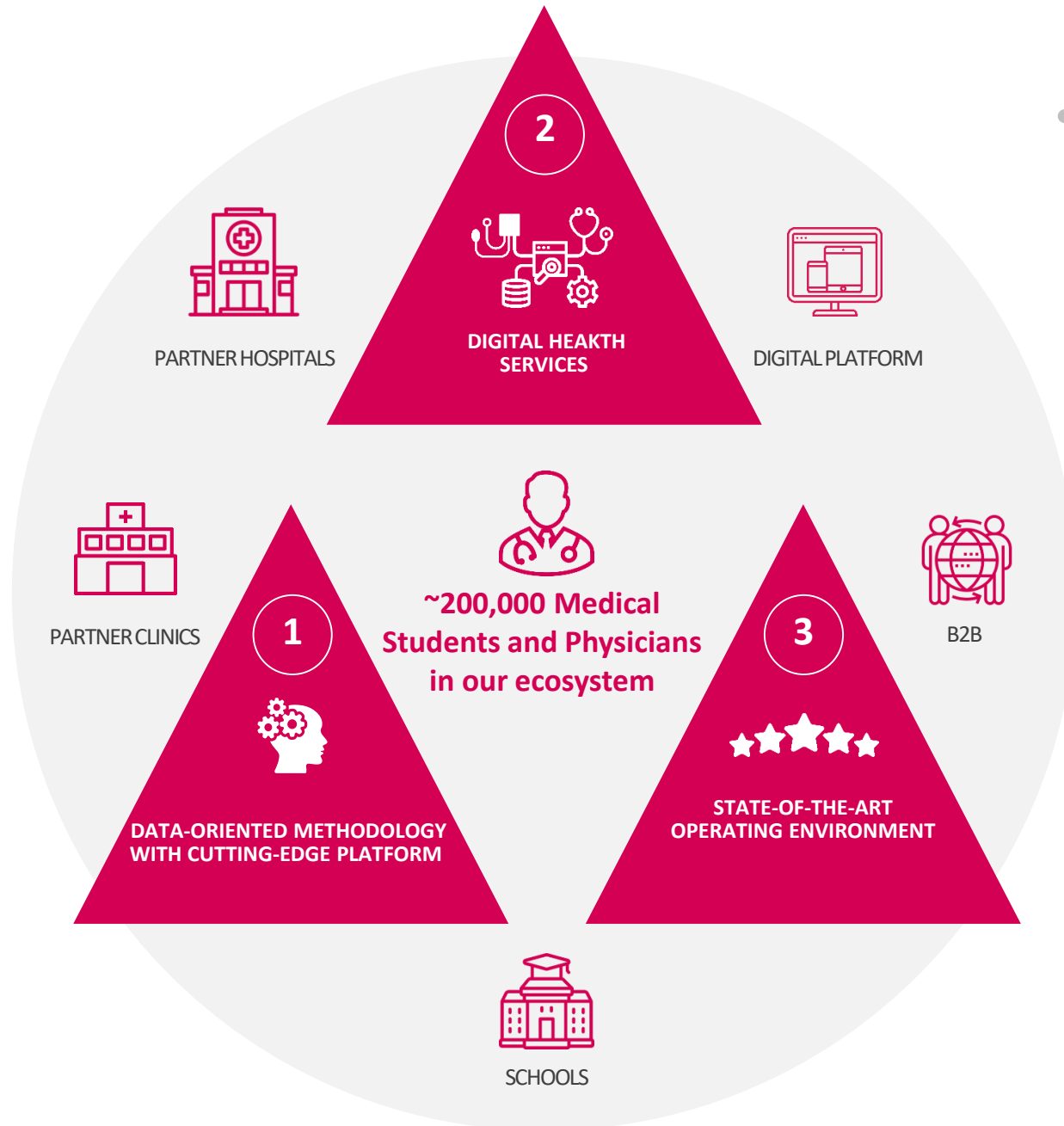


* 2017 and 2018 results were adjusted according to IFRS 16 to be comparable to the other years



SUCCESSFULLY EXECUTING STRATEGY

BUILDING THE MOST COMPLETE ECOSYSTEM SERVING THE BRAZILIAN MEDICAL COMMUNITY



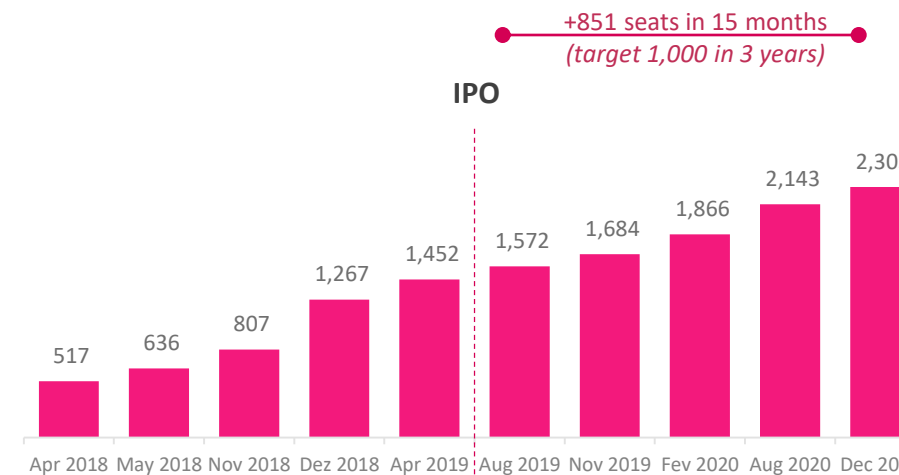
DIGITAL EXPANSION

Five acquisitions enhancing Afya Digital offering



MEDICAL SEATS

Afya strengthen its position as leading medical education group in Brazil



* The 2,303 total medical seats in December, 2020 includes 160 seats from UNIFIPMOC, that are still pending the closing of the operation.



MEDICAL HARBOUR Acquisition

OVERVIEW

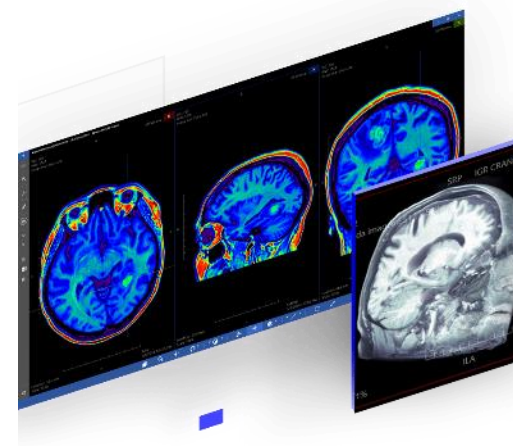
Medical Imaging and Medical Education solutions aligned with software development for advanced medical technology and healthcare education



Educational Health Solutions

Specialized in anatomy, a package of solutions was created to support a dynamic teaching.

Over 50 universities in Brazil are using the solution



Medical Imaging Solutions

Specialized in medical imaging with a range of products that simplifies Radiology and Tele radiology.

Over 24,000 downloads in 180 countries

App available at Windows Store

SaaS Business Model

Aligned with our strategy

Enhances our undergraduate and specialization medical students experience

In line with Afya's B2B strategy: +50 educational institutions in our ecosystem

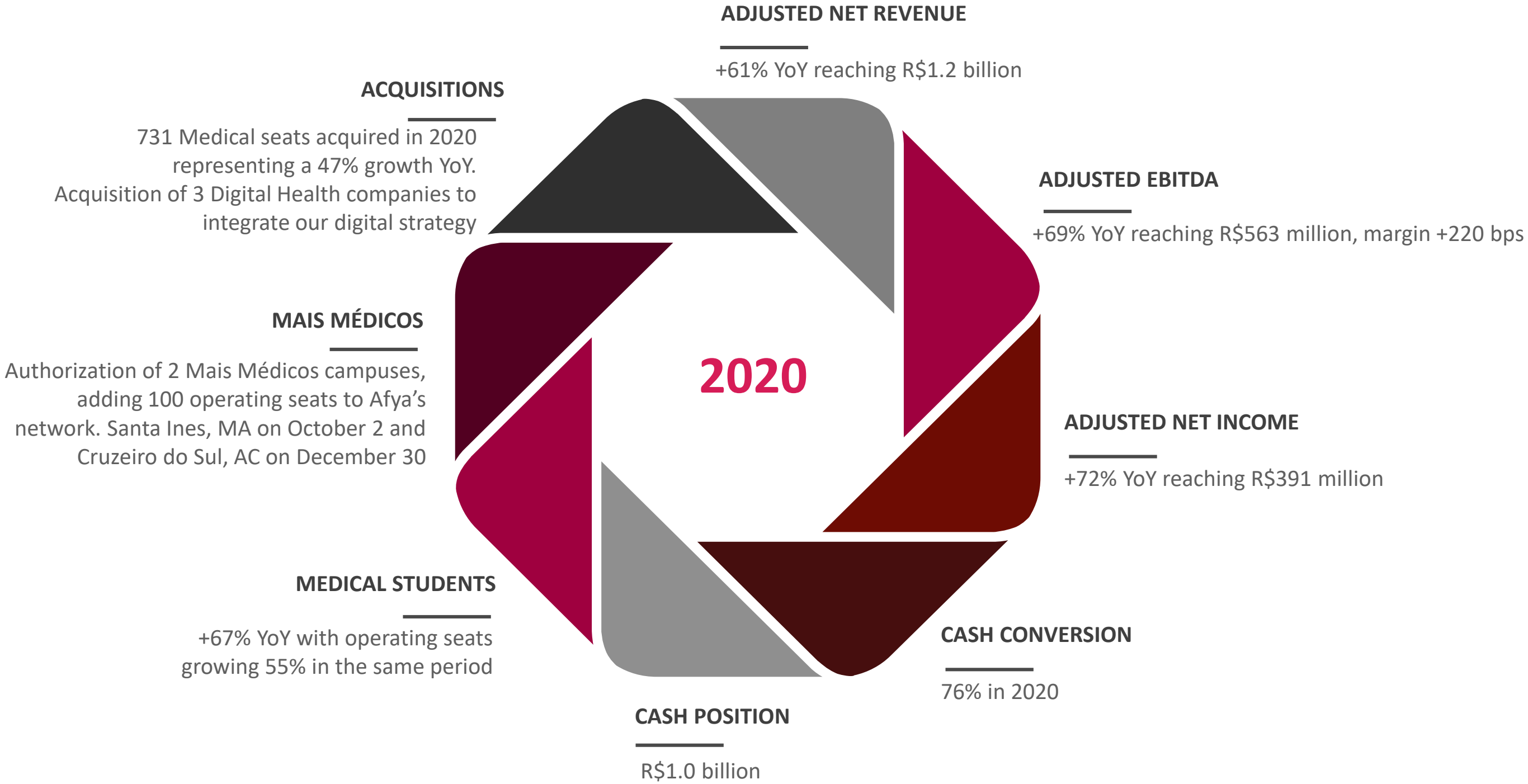
Cross-Sell with Medcel B2B service

First class team joining Afya Digital's team

Integration with Whitebook platform

FY 2020 HIGHLIGHTS

STRONG AND PROFITABLE RESULTS REAFFIRMING AFYA'S RESILIENCE



STRATEGIC POSITIONING – COMPETITIVE ADVANTAGES

SERVING THE ENTIRE MEDICAL ECOSYSTEM IN BRAZIL

1

2

3

4



MEDICAL STUDENT



RESIDENT PHYSICIAN



EXPERIENCED PHYSICIAN



PATIENTS

EVANGELISM /
PHYSICIAN
SUPPLY



DIGITAL
HEALTH
SERVICES

Clinical Decision Software

Content & technology for medical education



Management Tools & Electronic Medical Record

CUSTOMER
LOCK-IN

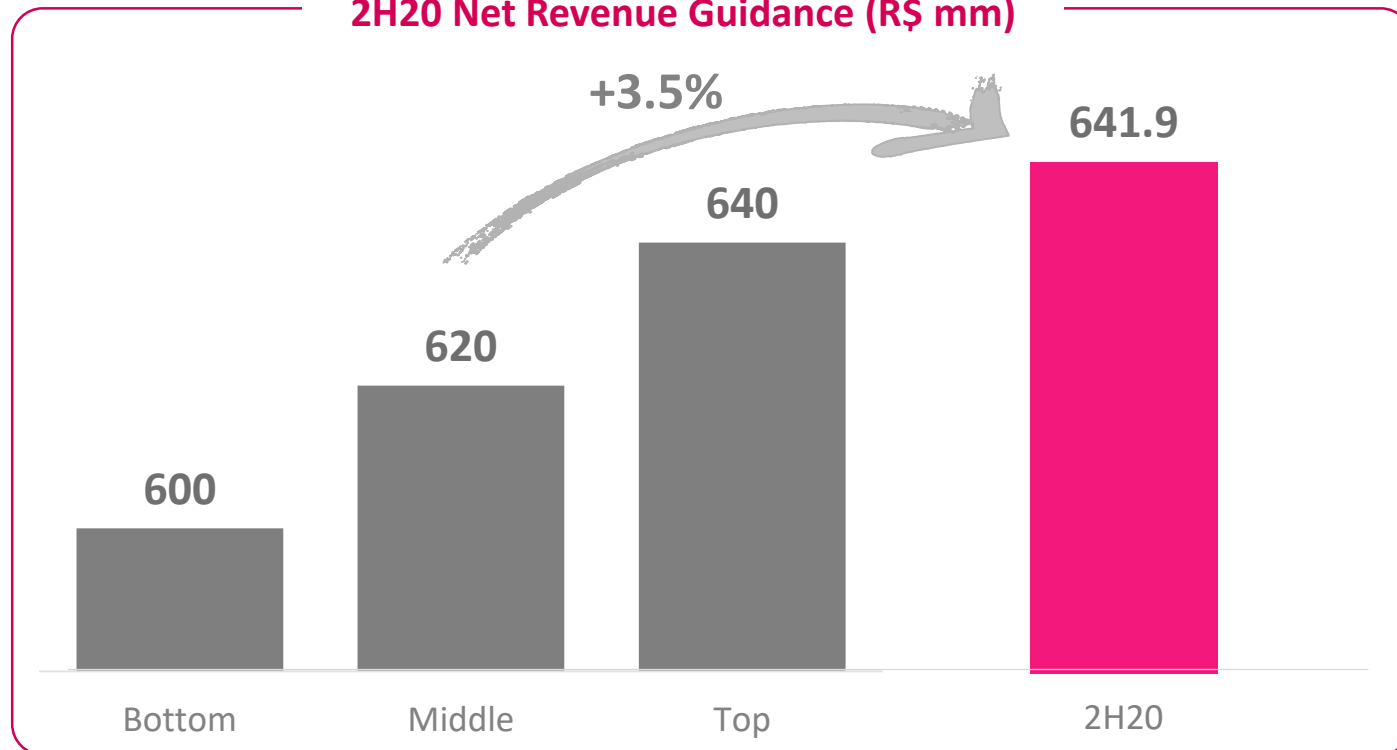


Doctor – Patient Relationship

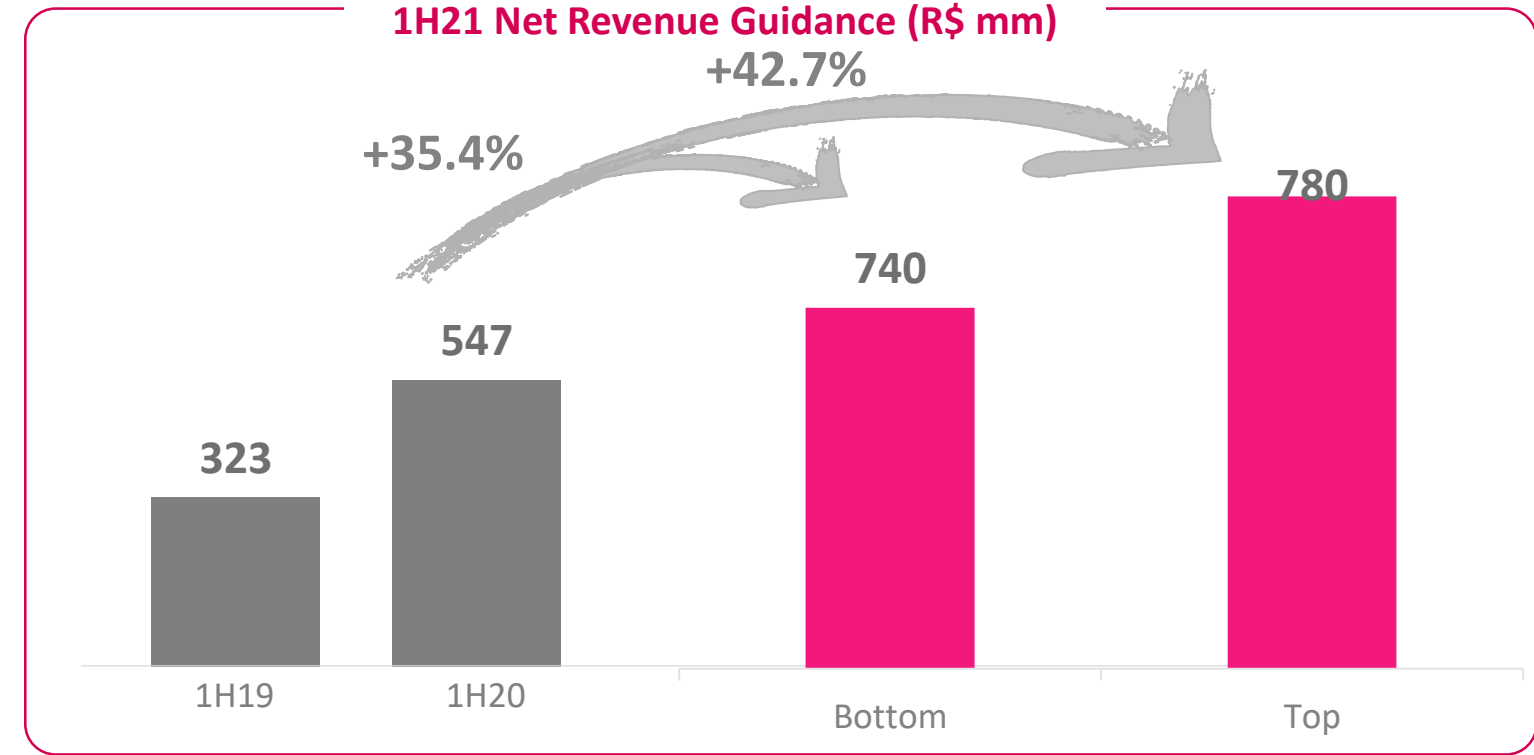
GUIDANCE

ACHIEVED 2H20 GUIDANCE AND INTRODUCING 1H21 GUIDANCE

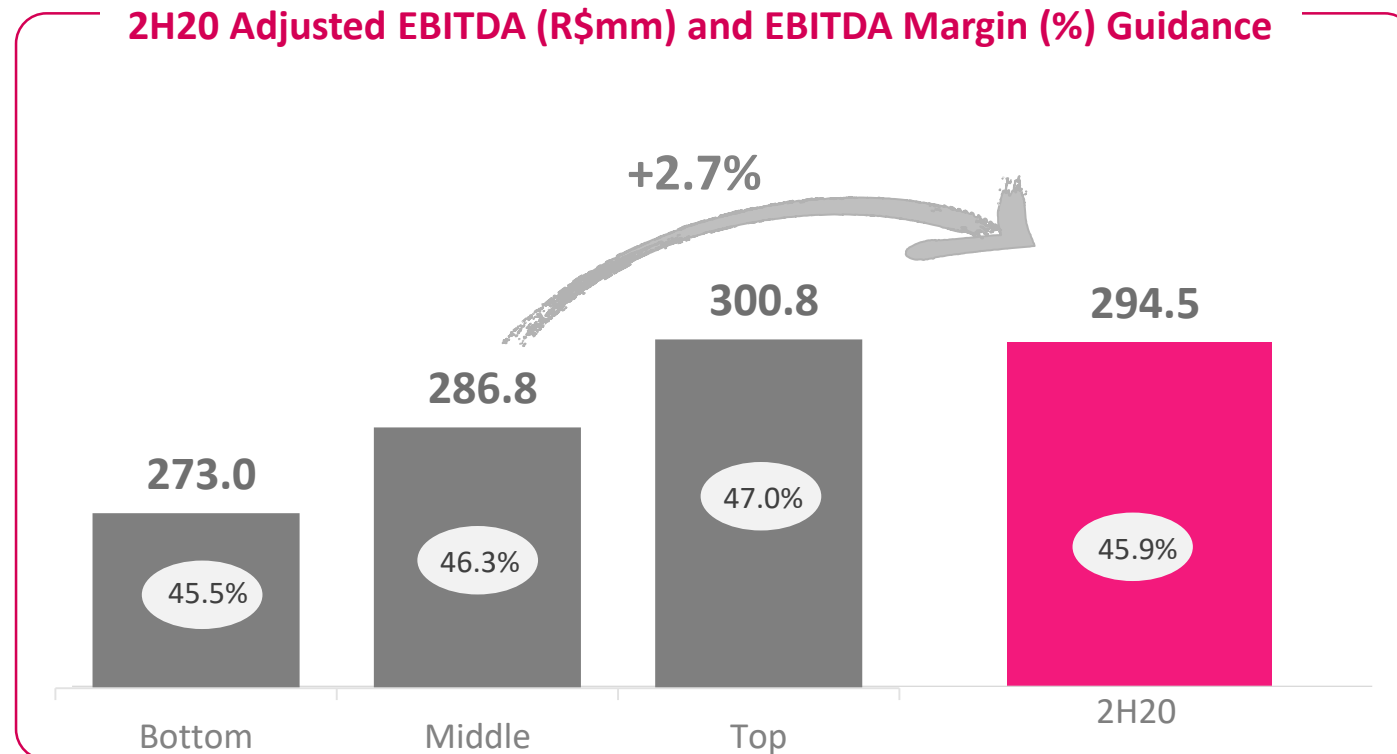
2H20 Net Revenue Guidance (R\$ mm)



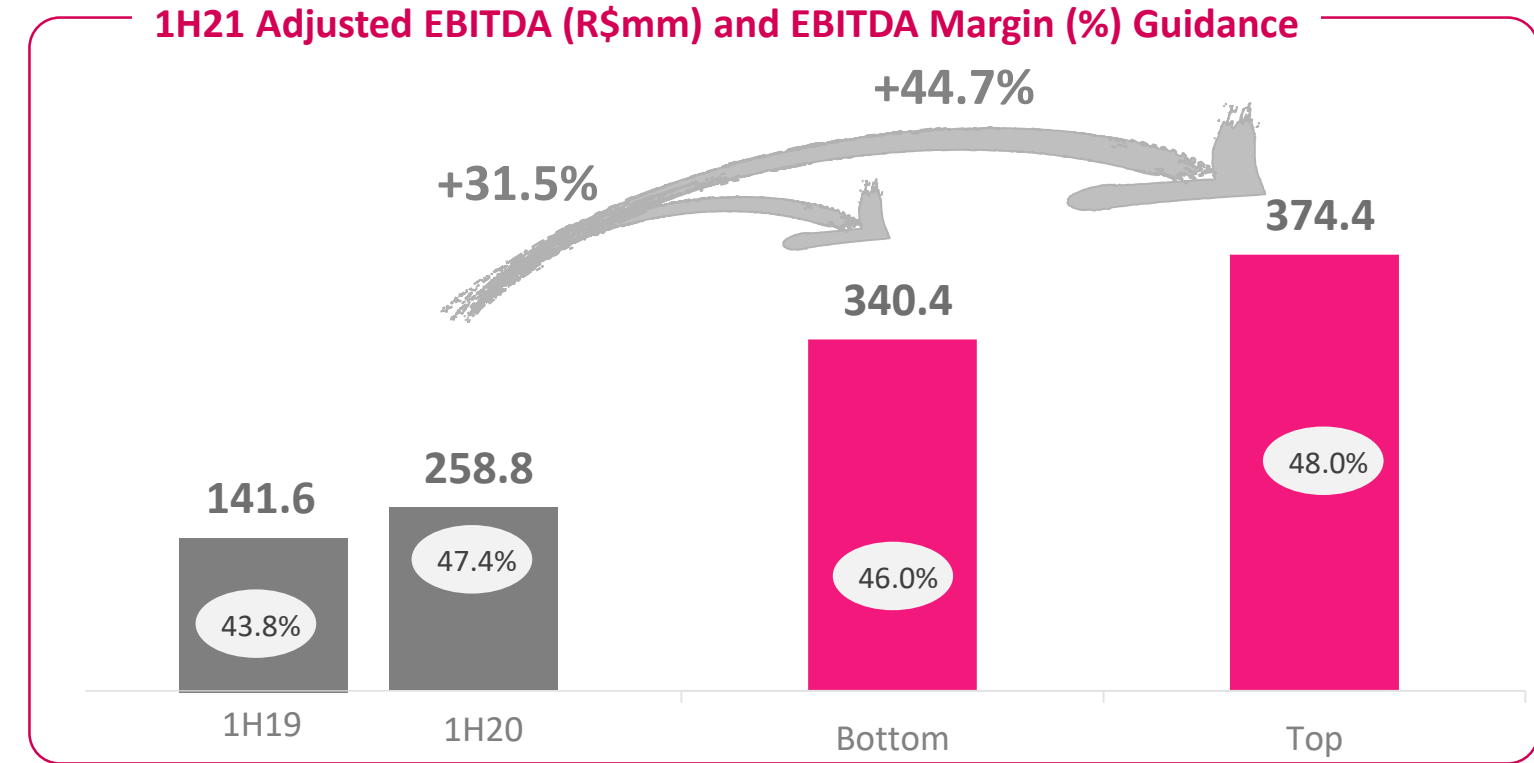
1H21 Net Revenue Guidance (R\$ mm)



2H20 Adjusted EBITDA (R\$mm) and EBITDA Margin (%) Guidance



1H21 Adjusted EBITDA (R\$mm) and EBITDA Margin (%) Guidance



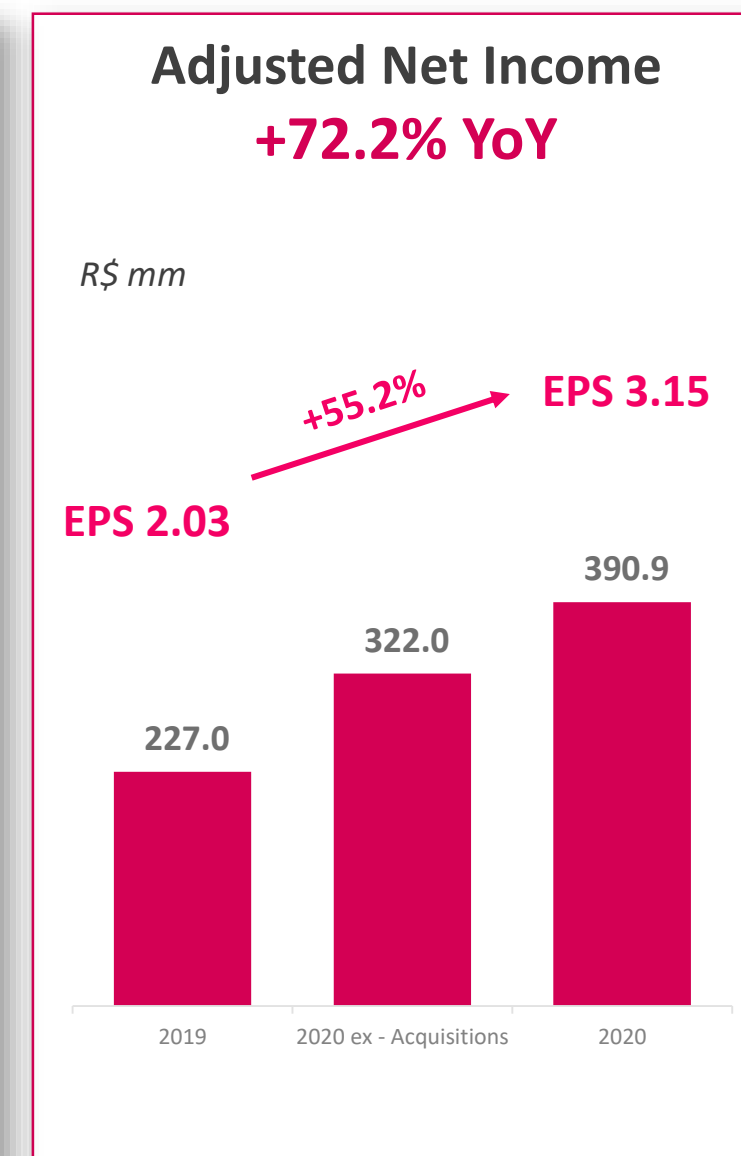
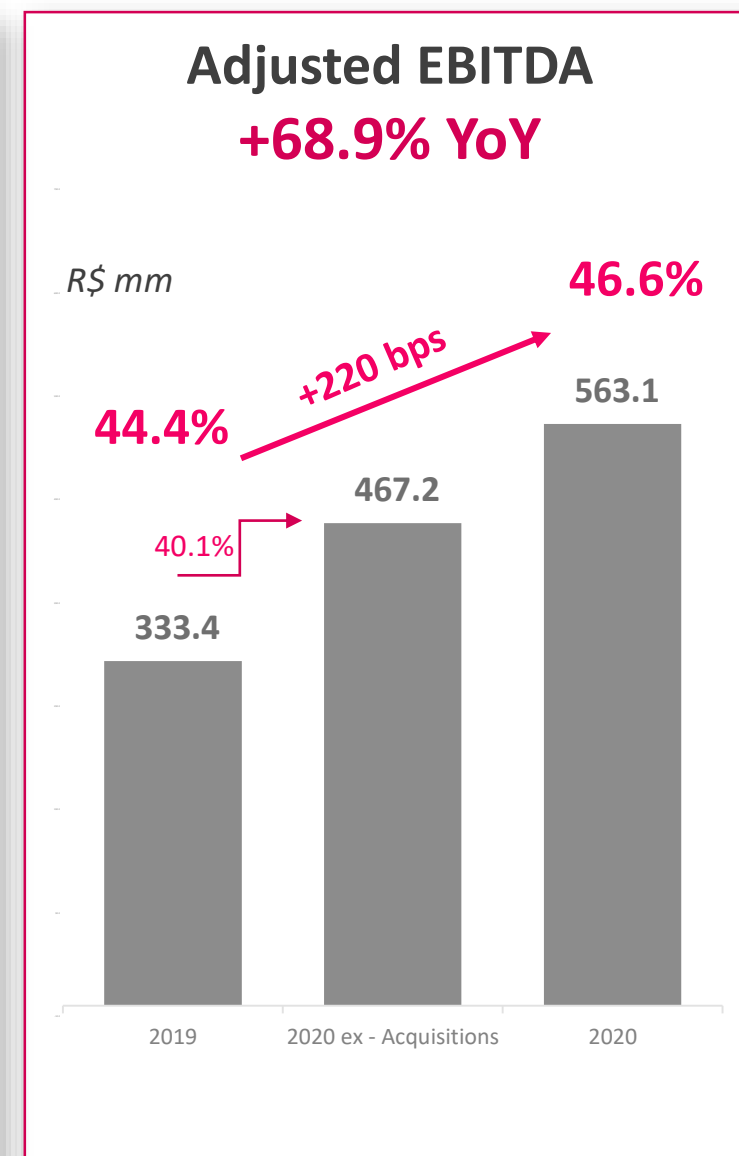
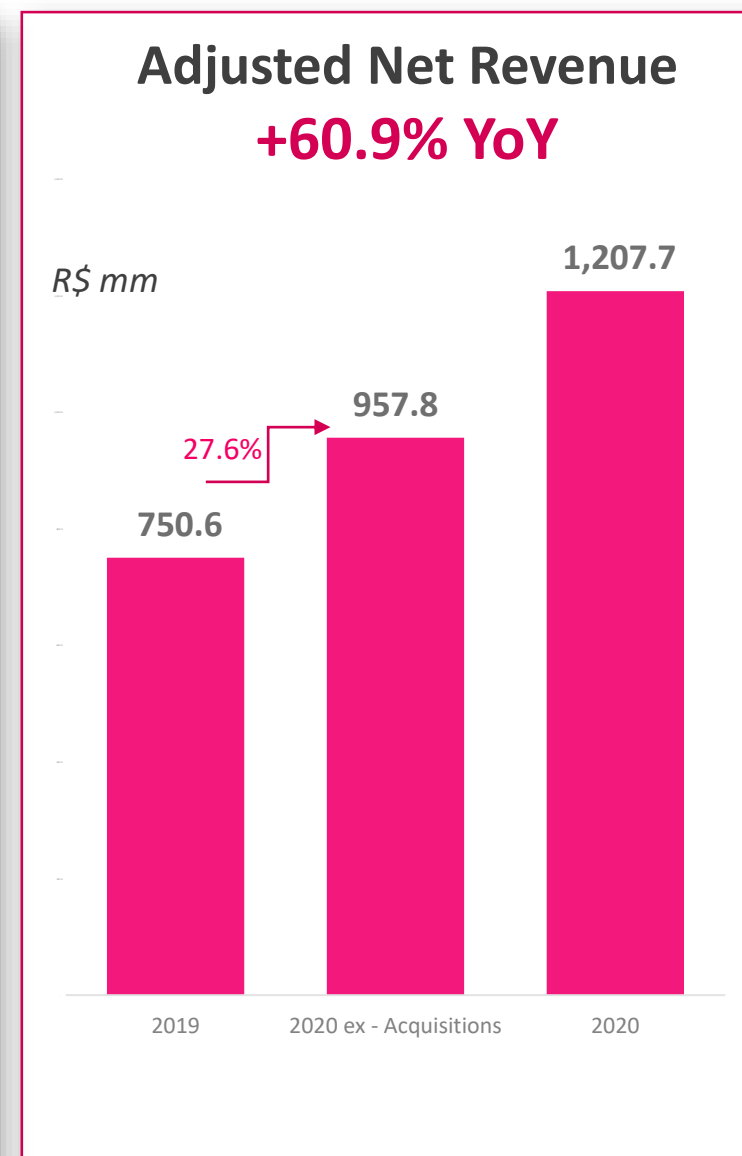
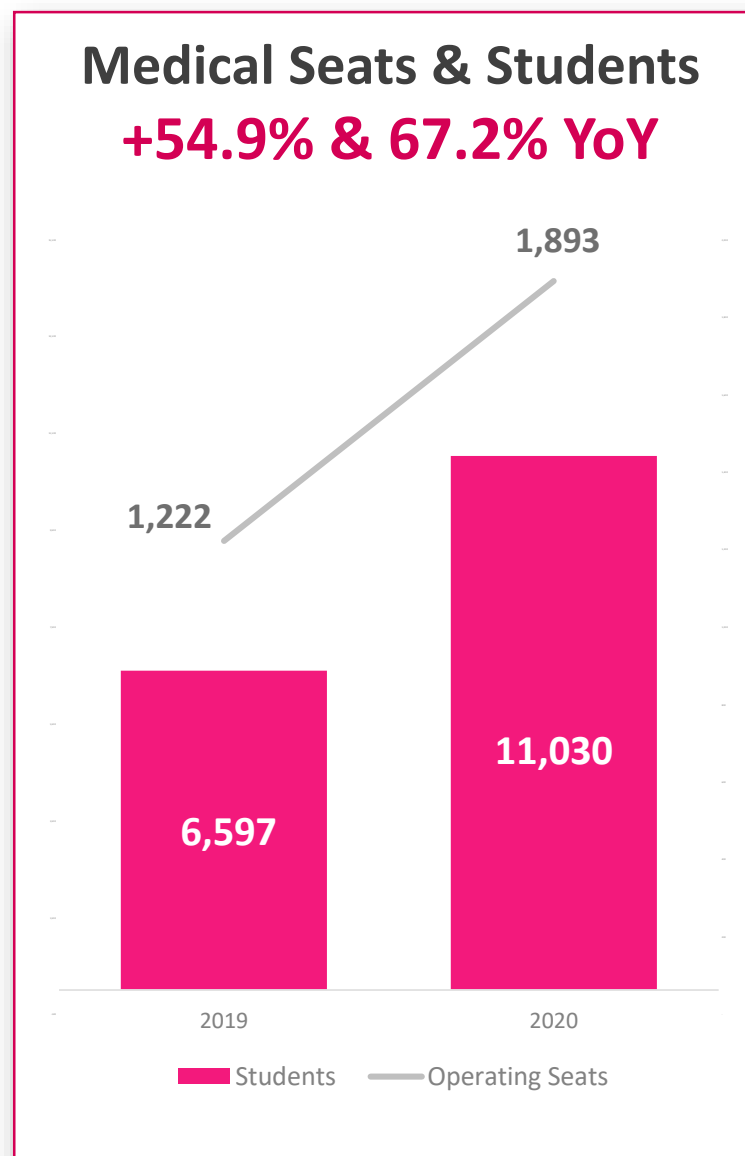
FINANCIAL OVERVIEW

Luis Andre Blanco - CFO



2020 HIGHLIGHTS

GROWTH YEAR OVER YEAR GROWTH



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

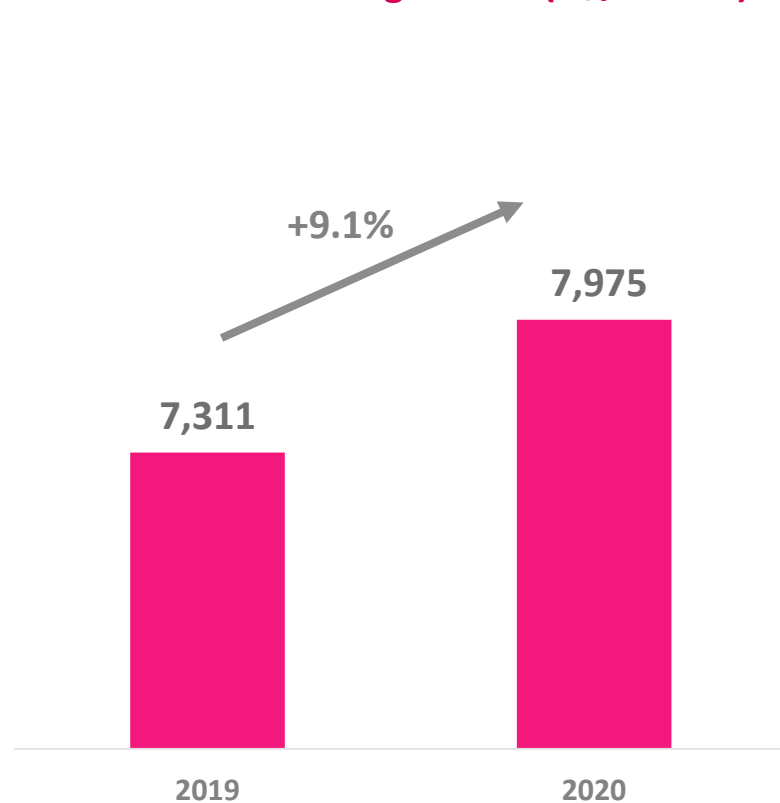


OPERATIONAL METRICS

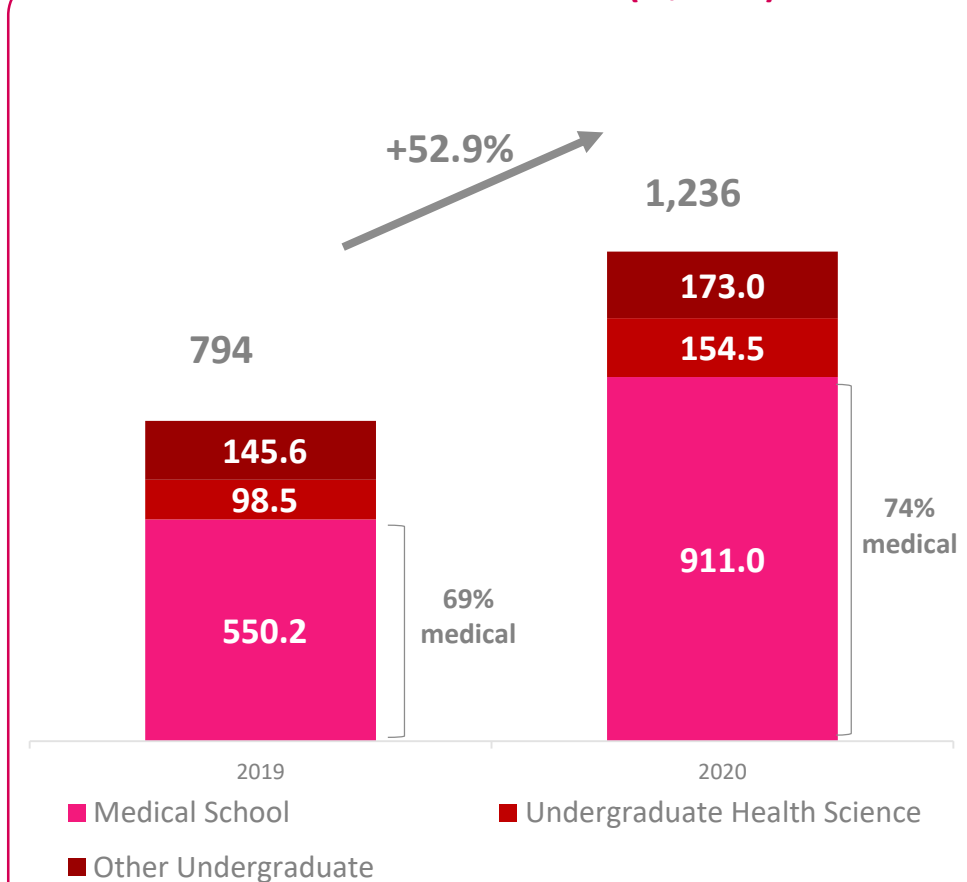
CONSISTENT EXPANSION ACROSS BUs

UNDERGRADUATE EDUCATIONAL SERVICES (BU1)

Medical School average ticket (R\$/month)*

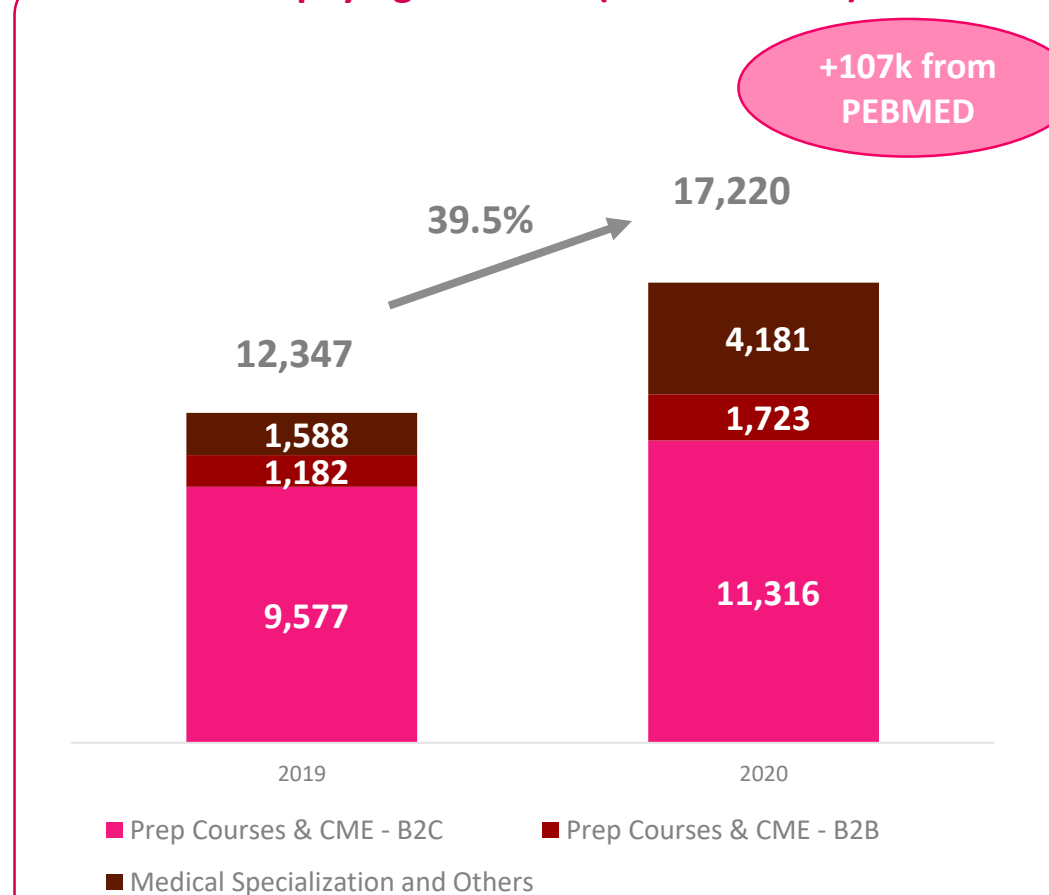


Combined tuition fees (R\$ mm)



PREP. COURSES & CME AND MEDICAL SPECIALIZATION (BU2)

Active paying students ('000 students)



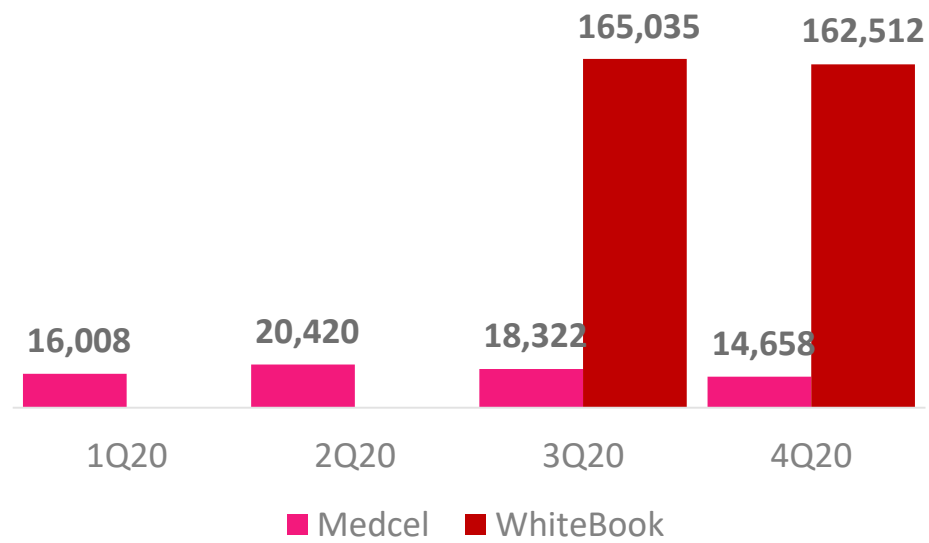
* Does not include UniSL, Uniredentor, FCMPB, FESAR and ITPAC Santa Inês



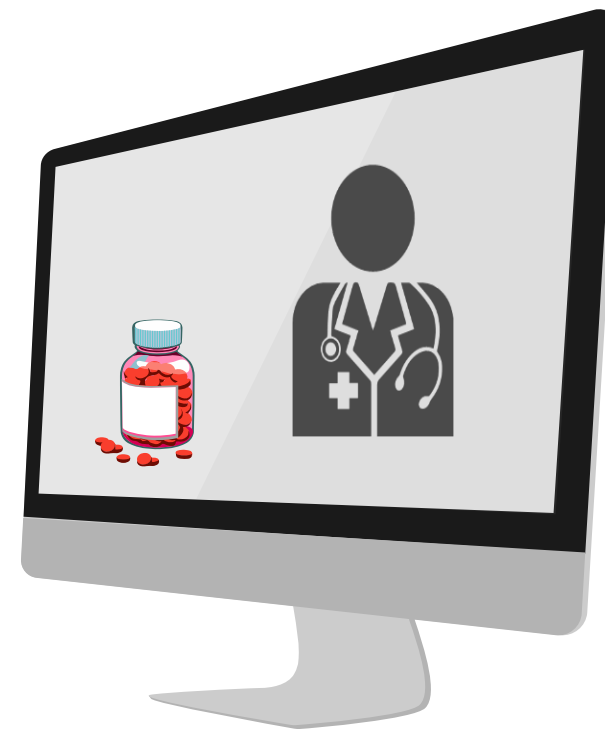
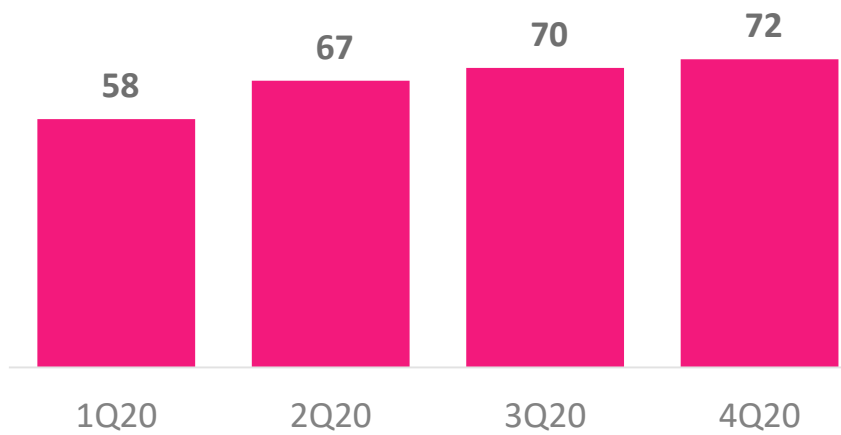
OPERATIONAL METRICS

POSITIVE TRACTION FROM DIGITAL ASSETS

Monthly Active Users (MaU)



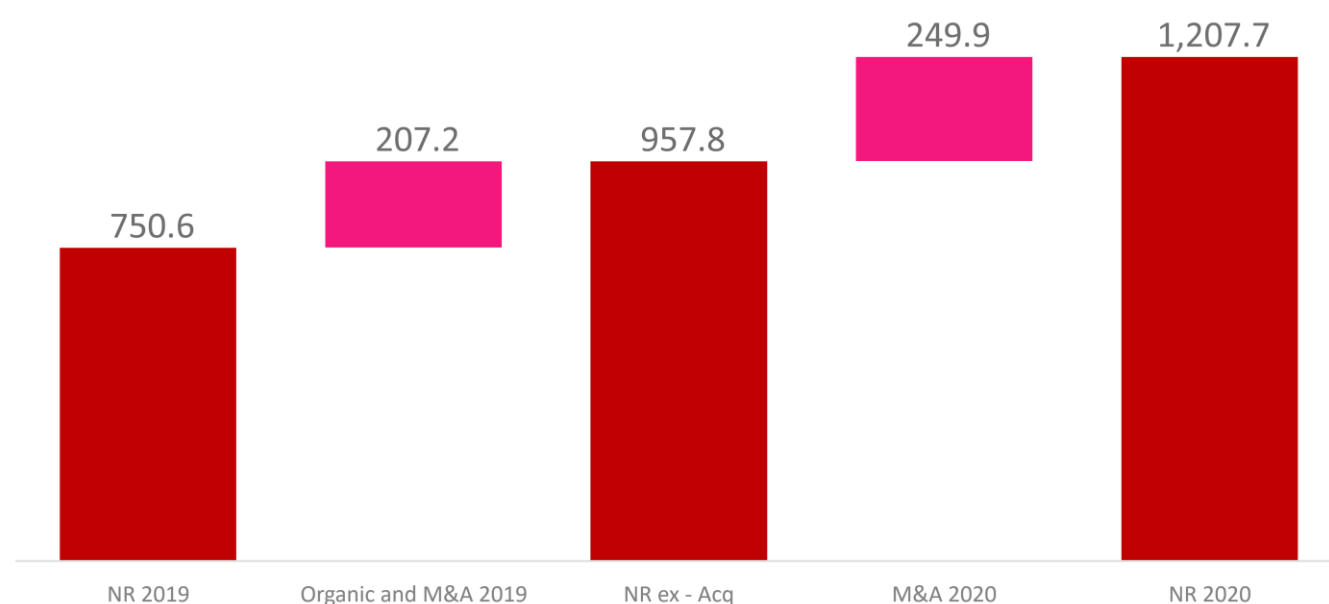
Average Learning Assets Consumption Per User Per Month (Medcel)



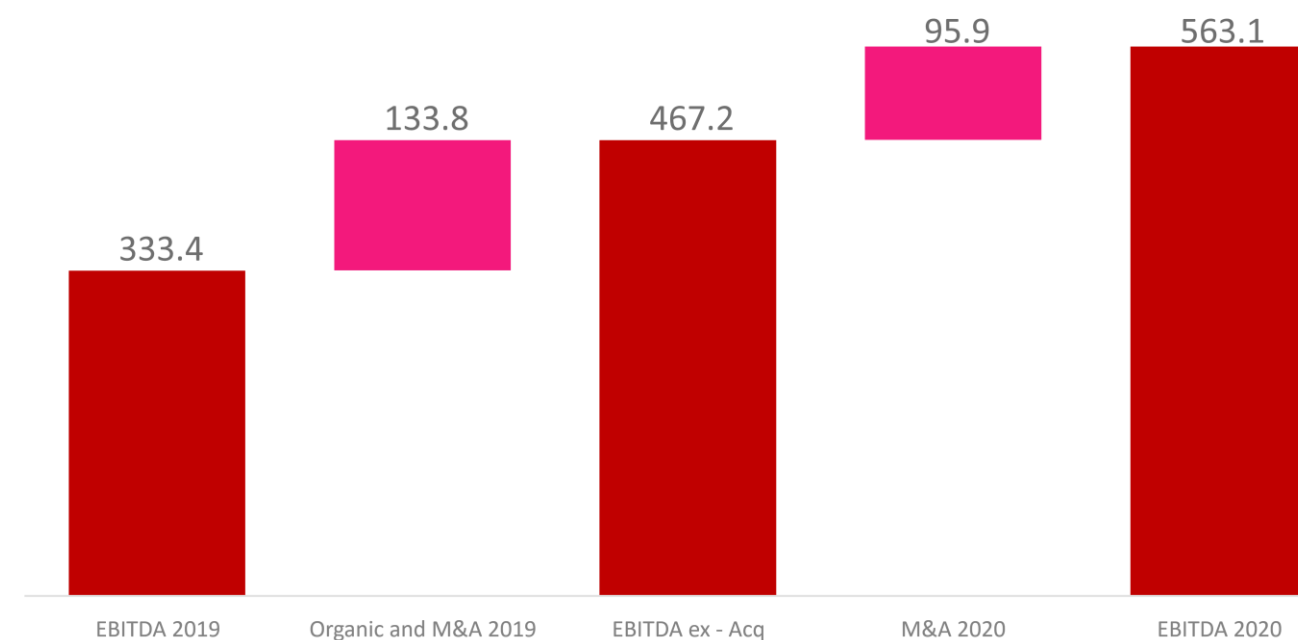
FINANCIAL METRICS

GROWTH DRIVEN BY BOTH ORGANIC AND M&A

2020 Adjusted Net Revenue (R\$ mm)



2020 Adjusted EBITDA (R\$ mm)



- Organic and M&A 2019 growth (45%) and M&A 2020 (55%) driving Net Revenue growth

- Organic and M&A 2019 growth (58%) and M&A 2020 (42%) driving Adjusted EBITDA growth
- Operational leverage
- Synergies obtained from recent acquisitions

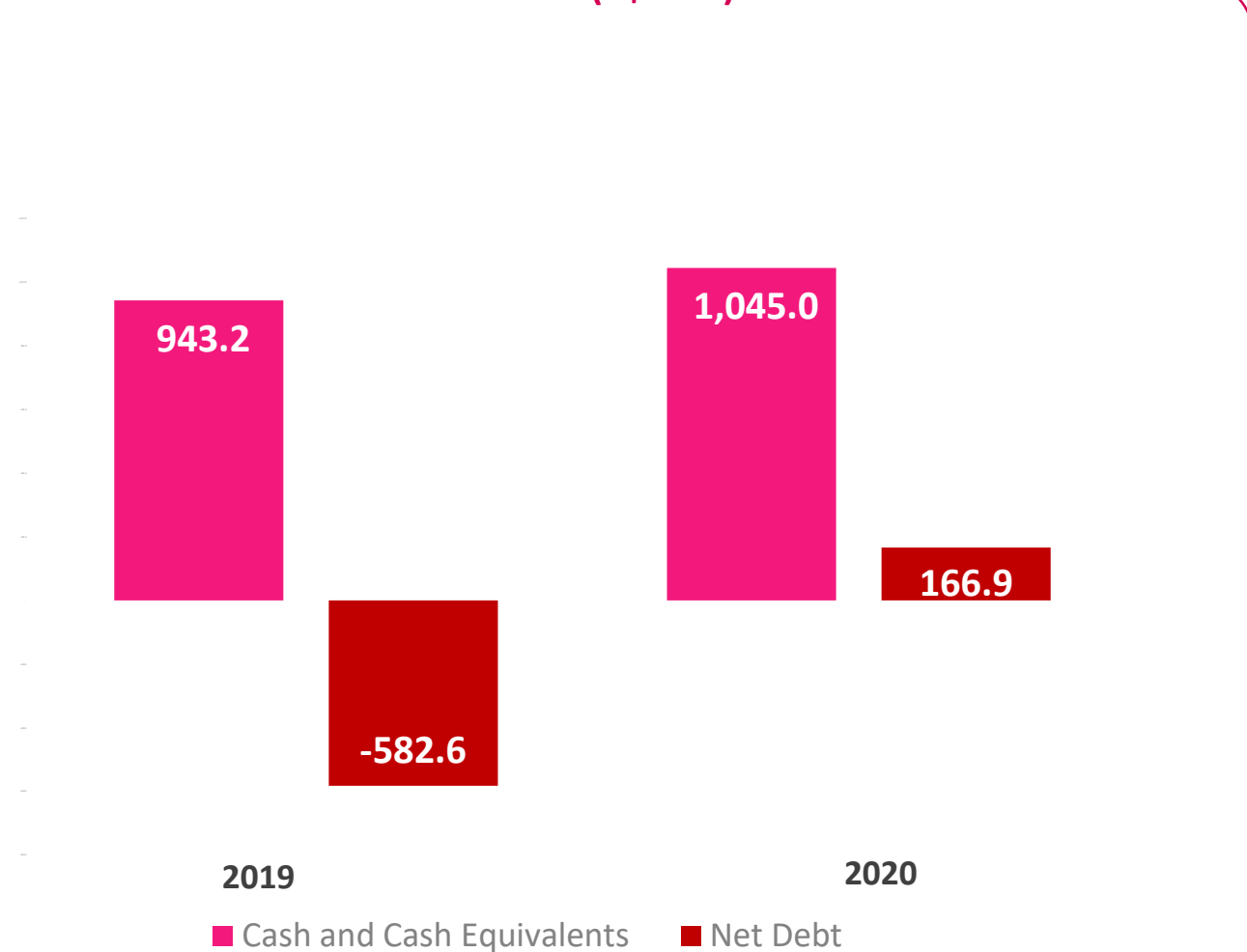
* Includes mandatory discounts in tuition fees granted by state decrees and individual and collective legal proceedings due COVID 19.



CASH FLOW

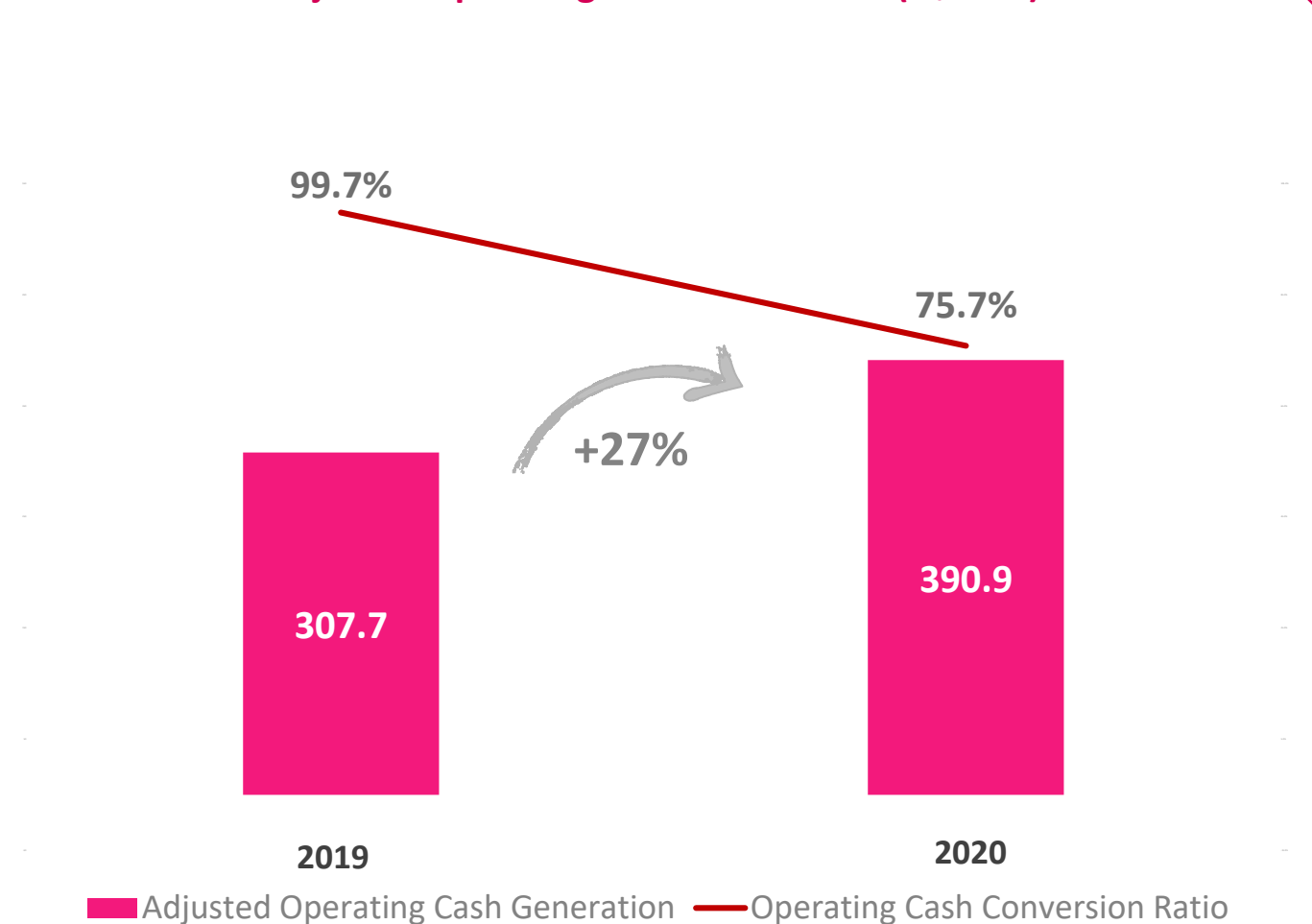
PREDICTABLE GROWTH WITH PROFITABILITY

Cash & Debt (R\$ mm)



- Cash and Equivalents of R\$1.0 billion at year-end of 2020, 11% higher than 2019.
- Total Debt including lease liabilities is R\$-298.1 million in 2019 and R\$ 614.6 million in 2020.

Adjusted Operating Cash Generation (R\$ mm)



- Operating Cash Conversion Ratio for 2020 decreased to 75.7% from 99.7% in 2019, mainly due to the consolidation of Medcel results in 2019 figures¹, students' renegotiation of overdue monthly installments due to Covid-19 crisis and less advances from students.

¹ As the prep course's revenues are recognized mainly in the first and fourth quarters of each year, but the receivables are mostly stable during the year, Medcel's results negatively affects cash conversion in the first and fourth quarters



ESG METRICS

Education and health, pillars for Afya's business, are also crucial issues for people's well-being and socio-economic development. This characteristic, inherent to the Company, makes our operations distributed throughout the country revert to positive impacts for local communities.

INITIATIVES TO ACCOMPLISH ESG MISSION



UN GLOBAL COMPACT ENGAGEMENT

A NON-BINDING UNITED NATIONS PACT TO ENCOURAGE BUSINESSES WORLDWIDE TO ADOPT SUSTAINABLE AND SOCIALLY RESPONSIBLE POLICIES, AND TO REPORT ON THEIR IMPLEMENTATION.



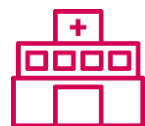
ESG PROGRAM

FOCUS ON 3 PILLARS TO CREATE AND FOLLOW UP ON SUSTAINABILITY INDICATORS TO GAIN EFFICIENCY IN THE ESG SCENARIO



ENVIRONMENTAL RESPONSIBILITY

MINIMIZE THE IMPACT OF OPERATIONS ON THE ENVIRONMENT AND, CONSEQUENTLY, ON CLIMATE CHANGE. HIGHLIGHT FOR THE USE OF RENEWABLE ENERGIES, WITH ZERO CO2 EMISSIONS.



SOCIAL

POSITIVE IMPACT IN THE LOCAL COMUNITIES THAT WE OPERATE IN SUCH AS FREE CONSULTATIONS, LOW INCOME STUDENTS IN OUR COURSES WITH FINANCING PROGRAMS, HOSPITAL AGREEMENTS TO GUARANTEE INVESTMENTS IN THE LOCAL HEALTHCARE AND OTHERS



GOVERNANCE

MORE THAN HALF OF OUR EMPLOYEES ARE WOMEN, 55% OF OUR MANAGEMENT POSITIONS BELONG TO WOMEN AND IN OUR BOARD OF DIRECTORS WE HAVE 2 WOMEN AND 4 INDEPENDENT OUT OF 11 MEMBERS



SAVE THE DATE

MAY 6

9AM - 1PM EST

AFYA INVESTORS & ESG DAY

Review our deliveries,
understand our strategy and
see what is about to come.



Add to your
calendar

Q&A



APPENDIX



Unaudited Reconciliation between Net Income and Adjusted EBITDA

(in thousand of R\$)

	For the three months period ended December 31,			For the twelve months period ended December 31,		
	2020	2019	% Chg	2020	2019	% Chg
Net income	60,856	52,976	14.9%	307,987	172,762	78.3%
Net financial result	26,337	3,602	631.2%	35,979	20,676	74.0%
Income taxes expense	9,979	4,473	123.1%	27,067	14,175	90.9%
Depreciation and amortization	31,015	22,449	38.2%	108,744	73,152	48.7%
Interest received (1)	2,407	1,952	23.3%	11,876	9,680	22.7%
Income share associate	-1,305	0	n.a.	-7,698	0	n.a.
Share-based compensation	7,961	8,250	-3.5%	32,610	18,114	80.0%
Non-recurring expenses:	17,798	8,789	102.5%	46,548	24,877	87.1%
- Integration of new companies (2)	1,809	1,814	-0.3%	9,765	6,301	55.0%
- M&A advisory and due diligence (3)	1,205	1,226	-1.7%	6,161	2,752	123.9%
- Expansion projects (4)	10,964	2,162	407.1%	18,134	3,685	392.1%
- Restructuring expenses (5)	1,190	3,587	-66.8%	5,943	12,139	-51.0%
- Mandatory Discounts in Tuition Fees (6)	2,630	0	n.a.	6,544	0	n.a.
Adjusted EBITDA	155,048	102,491	51.3%	563,113	333,436	68.9%
Adjusted EBITDA Margin	44.6%	46.4%	-180 bps	46.6%	44.4%	220 bps
Pro Forma Adjusted EBITDA	155,048	102,491	51.3%	563,113	361,622	55.7%
Pro Forma Adjusted EBITDA Margin	44.6%	46.4%	-180 bps	46.6%	43.6%	300 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 and collective legal proceedings due COVID 19 on site classes restriction.



Unaudited Reconciliation between Net Income and Adjusted Net Income

(in thousand of R\$)

	For the three months period ended December 31,			For the twelve months period ended December 31,		
	2020	2019	% Chg	2020	2019	% Chg
Net income	60,856	52,976	14.9%	307,987	172,762	78.3%
Amortization of customer relationships and trademark (1)	14,299	11,303	26.5%	50,312	36,077	39.5%
Share-based compensation	7,961	8,250	-3.5%	32,610	18,114	80.0%
Adjusted Net Income	83,116	72,529	14.6%	390,909	226,953	72.2%
Basic earnings per share (R\$)				3.15	2.03	55.2%

(1) Consists of amortization of customer relationships and trademark recorded under business combinations.

Unaudited Segment Information

In thousands of Brazilian Reais (R\$)

	Business Unit 1	Business Unit 2	Total reportable segments	Elimination (inter-segment transactions)	Total
External customer	1,002,461	198,730	1,201,191	-	1,201,191
Inter-segment	-	1,619	1,619	(1,619)	-
Net revenue	1,002,461	200,349	1,202,810	(1,619)	1,201,191
Cost of services	(381,964)	(54,309)	(436,273)	1,619	(434,654)
Gross profit	620,497	146,040	766,537	-	766,537
General and administrative expenses	-	-	-	-	(402,855)
Other income, net	-	-	-	-	(347)
Operating profit	-	-	-	-	363,335
Finance income	-	-	-	-	62,290
Finance expenses	-	-	-	-	(98,269)
Share of income of associate	-	-	-	-	7,698
Income before income taxes	-	-	-	-	335,054
Income taxes expense	-	-	-	-	(27,067)
Net income	-	-	-	-	307,987

Unaudited Expenses and Cost by nature

In thousands of Brazilian Reais (R\$)

	2020	2019
Cost of services	(434,654)	(308,853)
General and administrative expenses	(402,855)	(239,120)
Total	(837,509)	(547,973)
Payroll	(446,473)	(324,252)
Hospital and medical agreements	(37,988)	(16,429)
Depreciation and amortization	(108,744)	(73,152)
Rent	(2,555)	(4,494)
Commercial expenses	(1,488)	(1,363)
Utilities	(5,892)	(6,628)
Maintenance	(20,746)	(8,658)
Share-based compensation	(32,610)	(18,114)
Tax expenses	(5,326)	(2,696)
Pedagogical services	(24,037)	(6,271)
Sales and marketing	(16,873)	(11,603)
Allowance for doubtful accounts	(32,081)	(15,040)
Travel expenses	(4,550)	(7,054)
Consulting fees	(31,276)	(13,060)
Other	(66,870)	(39,159)
Total	(837,509)	(547,973)

Unaudited Financial Result

In thousands of Brazilian Reais (R\$)

	2020	2019
Income from financial investments	24,479	25,965
Changes in fair value of derivative instruments	20,739	-
Interest received	11,876	9,680
Foreign exchange differences	-	13,321
Other	5,196	2,723
Finance income	62,290	51,689
Change in fair value of derivative instruments	-	(1,780)
Interest expense	(25,543)	(24,002)
Interest expense on lease liabilities	(44,458)	(31,469)
Financial discounts granted	(8,081)	(923)
Bank fees	(6,333)	(2,876)
Foreign exchange differences	(4,613)	-
IOF taxes (taxes on financial transactions)	(1,661)	(6,801)
Other	(7,580)	(4,514)
Finance expenses	(98,269)	(72,365)
Finance result	(35,979)	(20,676)



EDUCATION
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IR@AFYA.COM.BR

THANK YOU