



EDUCATION  
TECHNOLOGY  
HEALTHCARE

**WEBCAST PRESENTATION**

[AFYA.COM.BR](http://AFYA.COM.BR)

**1Q22**

# 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/>.





# HIGHLIGHTS OF THE QUARTER

01

INVESTOR  
AND ESG DAY

02

2022  
GUIDANCE

03

BERTELSMANN  
TRANSACTION

04

SOLID  
PERFORMANCE





# KEY POINTS

INVESTOR AND ESG DAY

## DIGITAL SERVICES STRATEGY

*BUSINESS TO PHYSICIAN (B2P)*

*BUSINESS TO BUSINESS (B2B) RAMP-UP*

*AFYA DIGITAL HEALTH*

## BUSINESS RESILIENCE

*HIGH MEDICAL EDUCATION DEMAND*

*PRICING POWER*

*INDUSTRY BARRIERS TO ENTRY*

## ESG

*CLEAN ENERGY*

*SOCIAL IMPACT*

*GOVERNANCE AND ESG CULTURE*



**2021 ANNUAL SUSTAINABILITY REPORT**

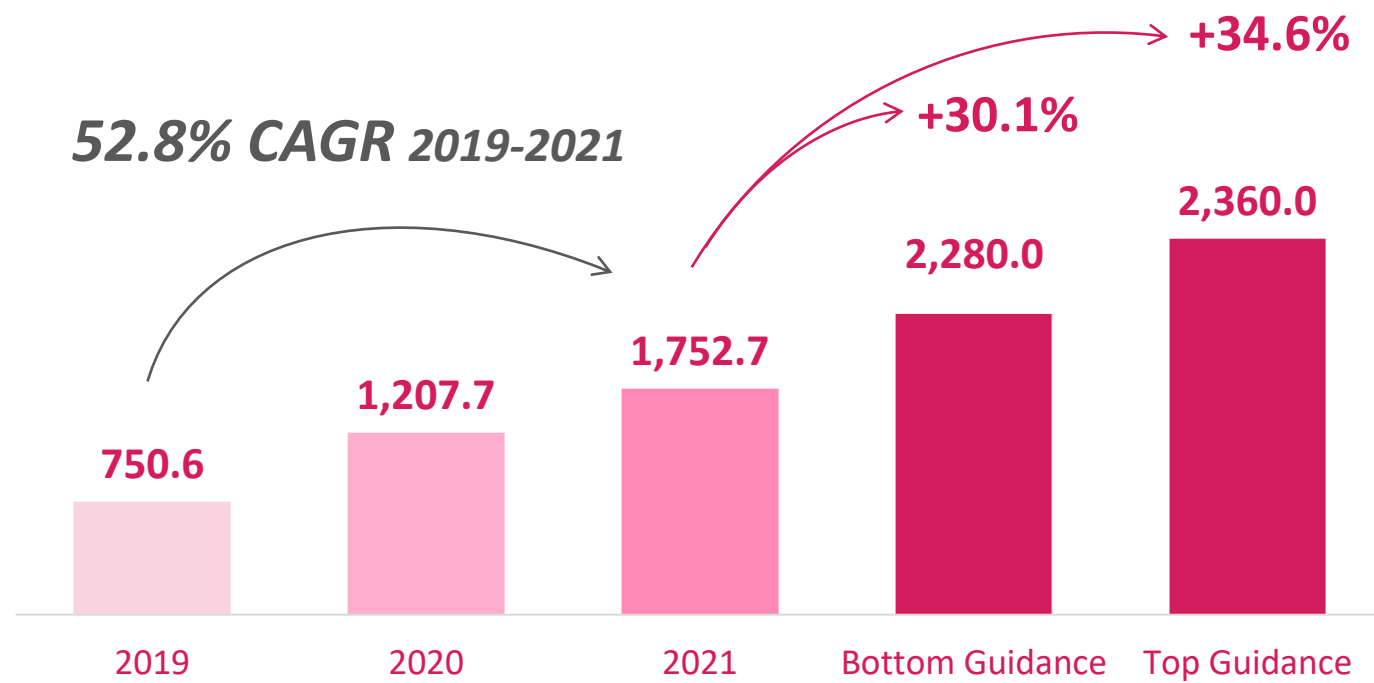




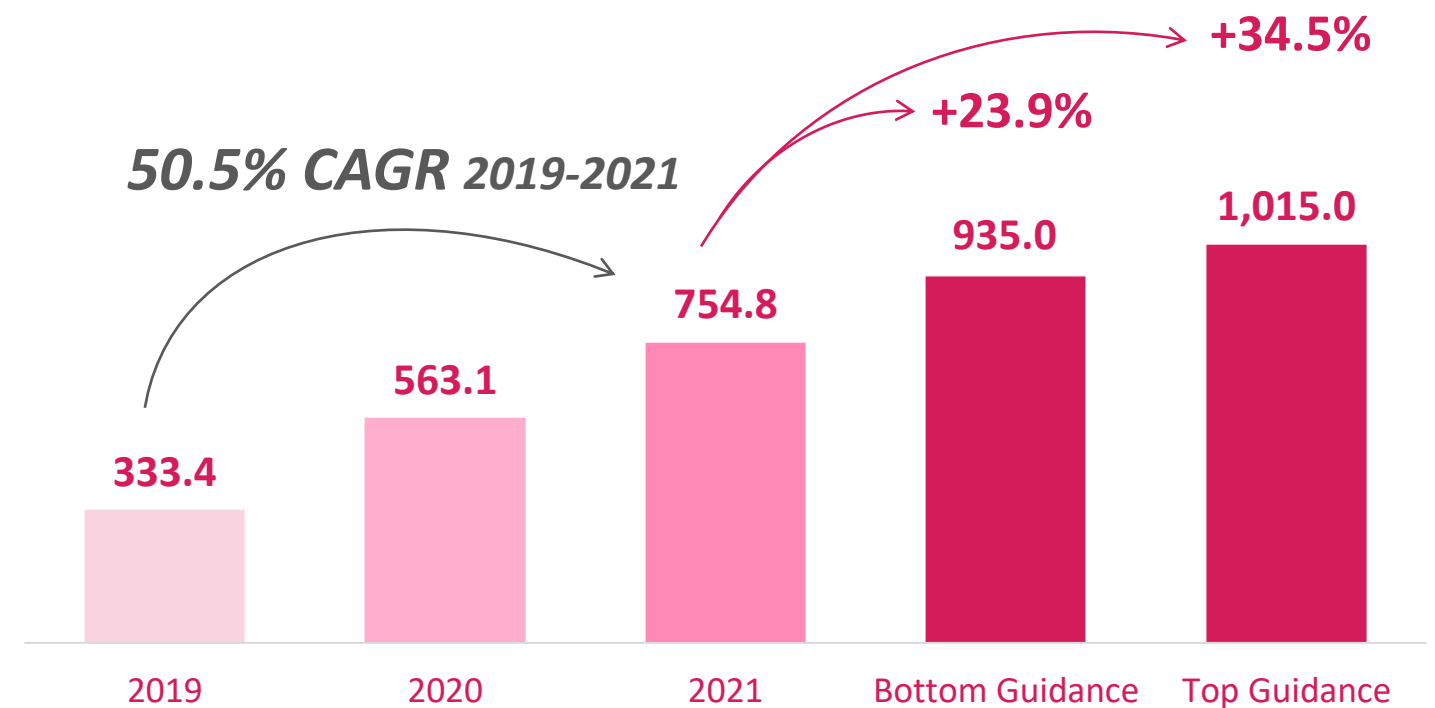
# 2022 GUIDANCE

ANOTHER ROUND OF STRONG GROWTH

ADJUSTED NET REVENUE — (R\$ mm)



ADJUSTED EBITDA — (R\$ mm)



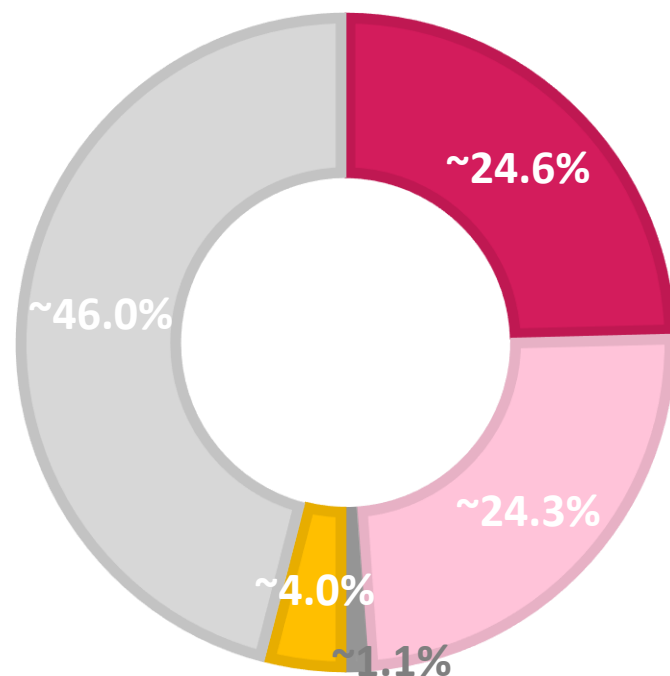


# BERTELSMANN AND ESTEVES FAMILY TRANSACTION

## CHANGE OF CONTROL AND CONTINUITY

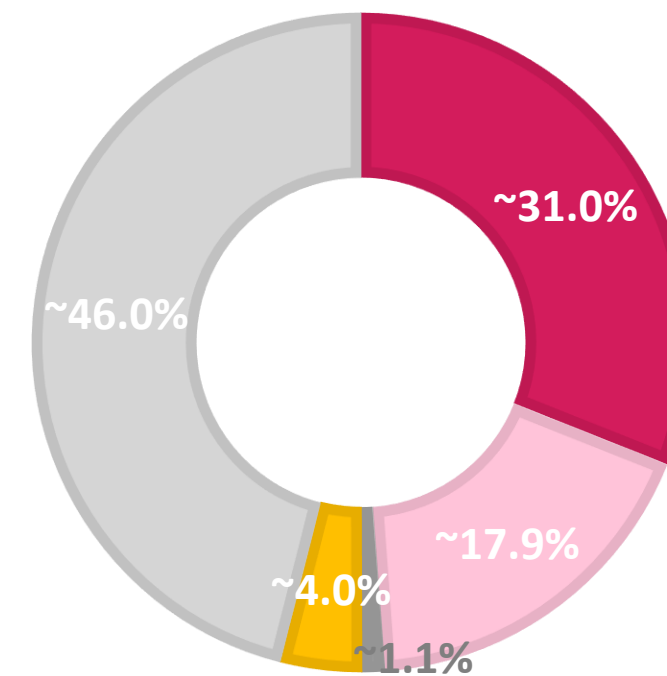
### BEFORE (AS OF MAY 3<sup>RD</sup>, 2022)

- BERTELSMANN ~45.6% VOTING POWER
- ESTEVES FAMILY ~45.0% VOTING POWER
- OFFICERS\*
- TREASURY
- FREE FLOAT



### AFTER (AS OF MAY 4<sup>TH</sup>, 2022)

- BERTELSMANN ~57.5% VOTING POWER
- ESTEVES FAMILY ~33.1% VOTING POWER
- OFFICERS\*
- TREASURY
- FREE FLOAT



**WE WILL CONTINUE TO BENEFIT FROM THE VISION AND COMMITMENT OF THE ESTEVES FAMILY WITH THEIR SIGNIFICANT SHAREHOLDING AND ACTIVE PARTICIPATION IN THE COMPANY**

- 1 CHAIRMAN, REPRESENTING THE ESTEVES FAMILY
- MAXIMUM NUMBER OF DIRECTORS: 11
- 3 MEMBERS REPRESENTING THE ESTEVES FAMILY
- 3 MEMBERS REPRESENTING BERTELSMANN
- 4 INDEPENDENT MEMBERS
- 1 MEMBER REPRESENTING SOFTBANK

- 2 CO-CHAIRMEN, 1 REPRESENTING BERTELSMANN AND 1 REPRESENTING THE ESTEVES FAMILY
- MAXIMUM NUMBER OF DIRECTORS: 14
- 4 MEMBERS REPRESENTING BERTELSMANN
- 2 MEMBERS REPRESENTING THE ESTEVES FAMILY
- 4 INDEPENDENT MEMBERS
- 1 MEMBER REPRESENTING SOFTBANK

\*Includes all officers of Afya Brazil and Afya Participações, which is equivalent as all of the C-level positions of the Company



# SOLID PERFORMANCE

## HIGHLIGHTS OF THE QUARTER



### ADJUSTED NET REVENUE

R\$567.7MM, +41.0% YoY



### ADJUSTED EBITDA + MARGIN

R\$270.8MM, +30.4% YoY  
EBITDA MARGIN: 47.7%



### NET INCOME + EPS

R\$134.9MM, +19.1% YoY  
EPS: R\$1.42, +22.4% YoY



### ADJUSTED NET INCOME

R\$167.2MM, +4.5% YoY



### CASH CONVERSION

113.0%



### ADJUSTED CASH FLOW GENERATION

R\$293.6MM, +51.3% YoY



### APPROVED SEATS

2,759, +28.7% YoY



### MEDICAL STUDENTS

17,523, +36.3% YoY



### NET AVERAGE TICKET

R\$7.9k, +8.1% YoY  
(EX-ACQUISITIONS)



### CONTINUING EDUCATION

NET REVENUE:  
R\$23.9MM, +23.7% YoY



### ECOSYSTEM USERS

~260k, +17.1% YoY



### DIGITAL SERVICES

NET REVENUE: R\$47.5MM



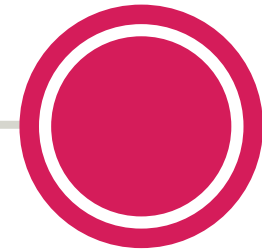
# TAKE AWAY

## LONG TERM VALUE CREATION



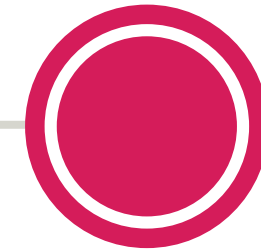
### HIGH AND PREDICTABLE GROWTH

- HIGH DEMAND AND 100% OCCUPANCY RATE
- PRICING POWER
- MARGIN EXPANSION
- M&A EXPERTISE AND TRACK RECORD (+4K SEATS MAPPED)



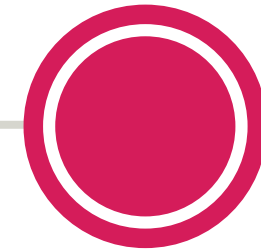
### STRONG GUIDANCE FOR 2022

- ANOTHER ROUND OF HIGH GROWTH AND HIGH PROFITABILITY



### CONTINUING EDUCATION RAMP UP

- STRONG EXPANSION
- MORE THAN DOUBLED OUR UNITS SINCE IPO
- NEW COURSES BEING LAUNCHED
- INTAKE RECORD



### HUGE UPSIDE ON DIGITAL

- DOUBLED TAM WITH AFYA DIGITAL HEALTH
- EXPANSION OF ECOSYSTEM AND IMPLEMENTATION OF B2B STRATEGIES
- BLUE OCEAN OPPORTUNITY





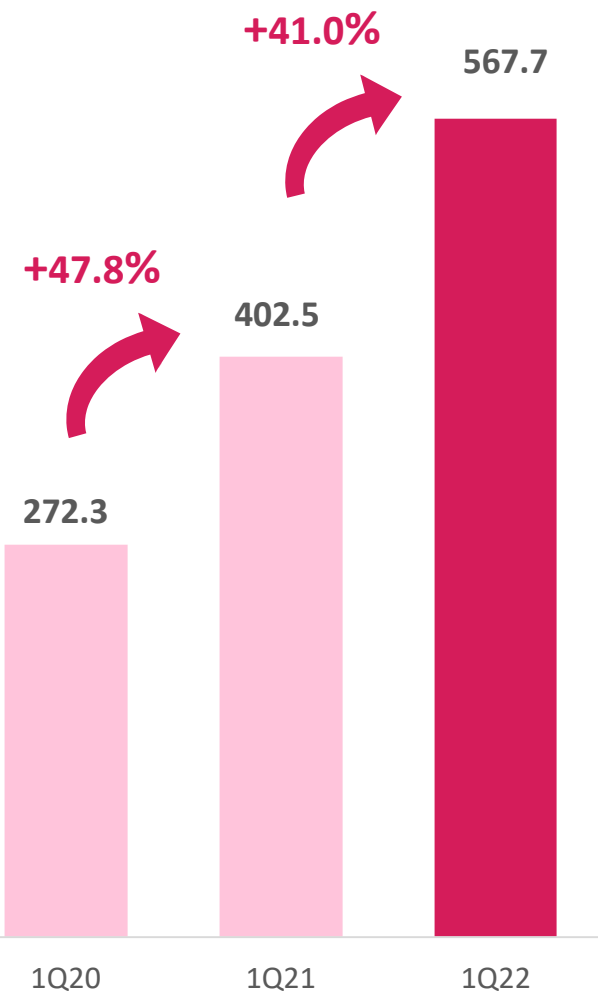
# FINANCIAL AND OPERATIONAL OVERVIEW



# TOP OF THE ART EXECUTION

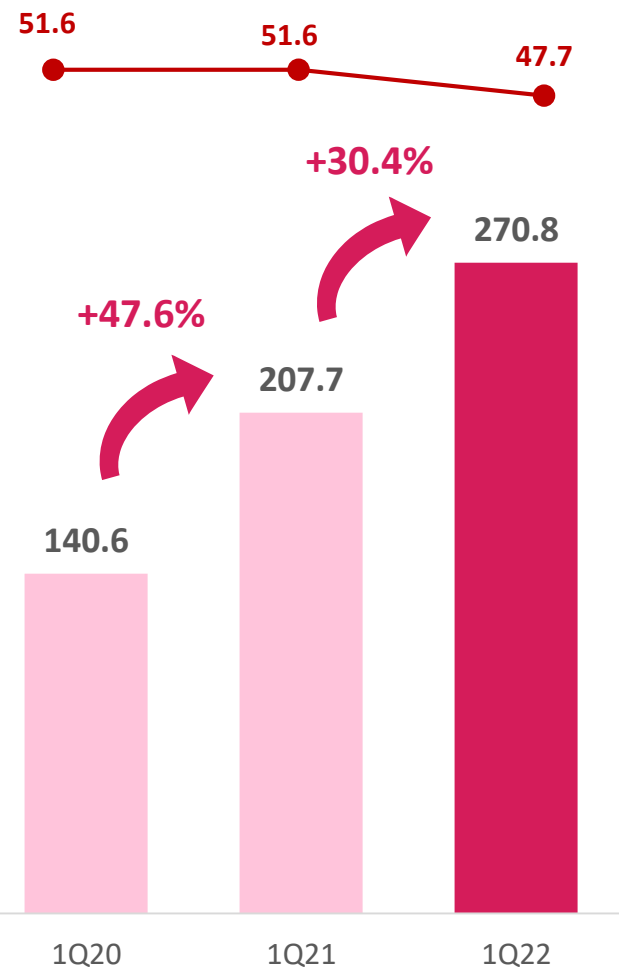
## PERFORMANCE EVOLUTION

### ADJUSTED NET REVENUE — (R\$ mm)



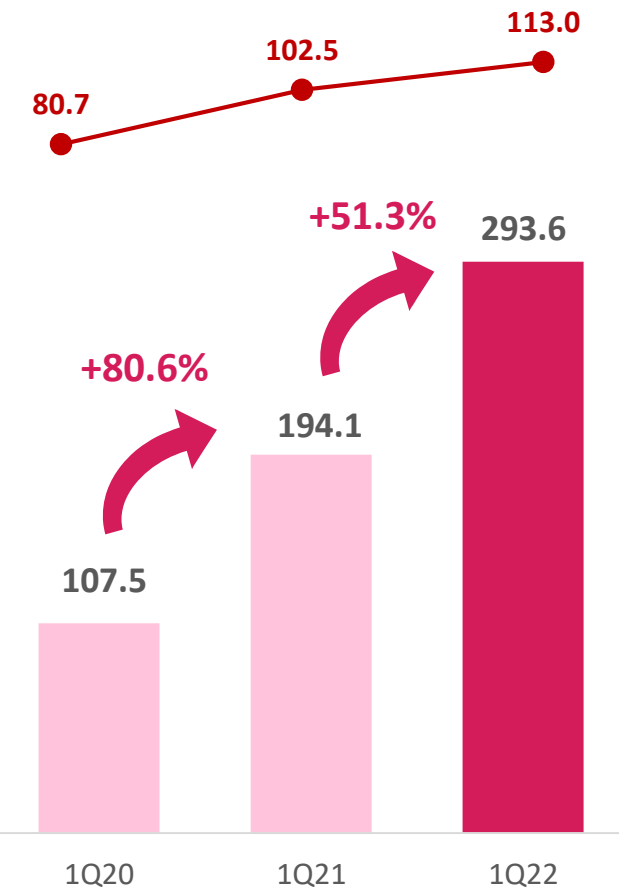
**57.8% CAGR**  
2019-2022

### ADJUSTED EBITDA & EBITDA MARGIN — (R\$ mm and %)



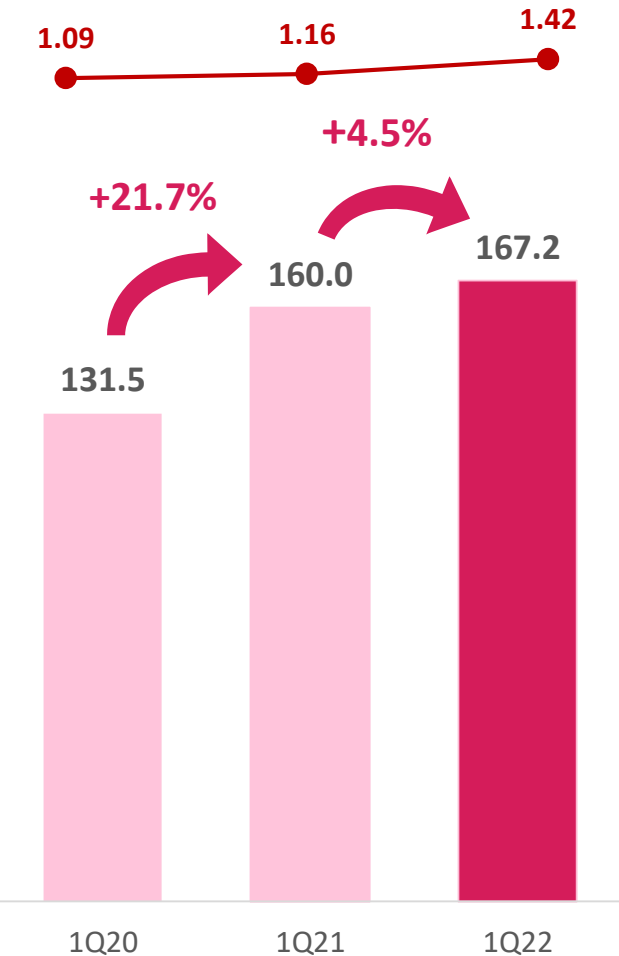
**53.6% CAGR**  
2019-2022

### ADJUSTED OPERATING CASH GENERATION & CASH CONVERSION — (R\$ mm and %)



**70.7% CAGR**  
2019-2022

### ADJUSTED NET INCOME & EPS — (R\$ mm)



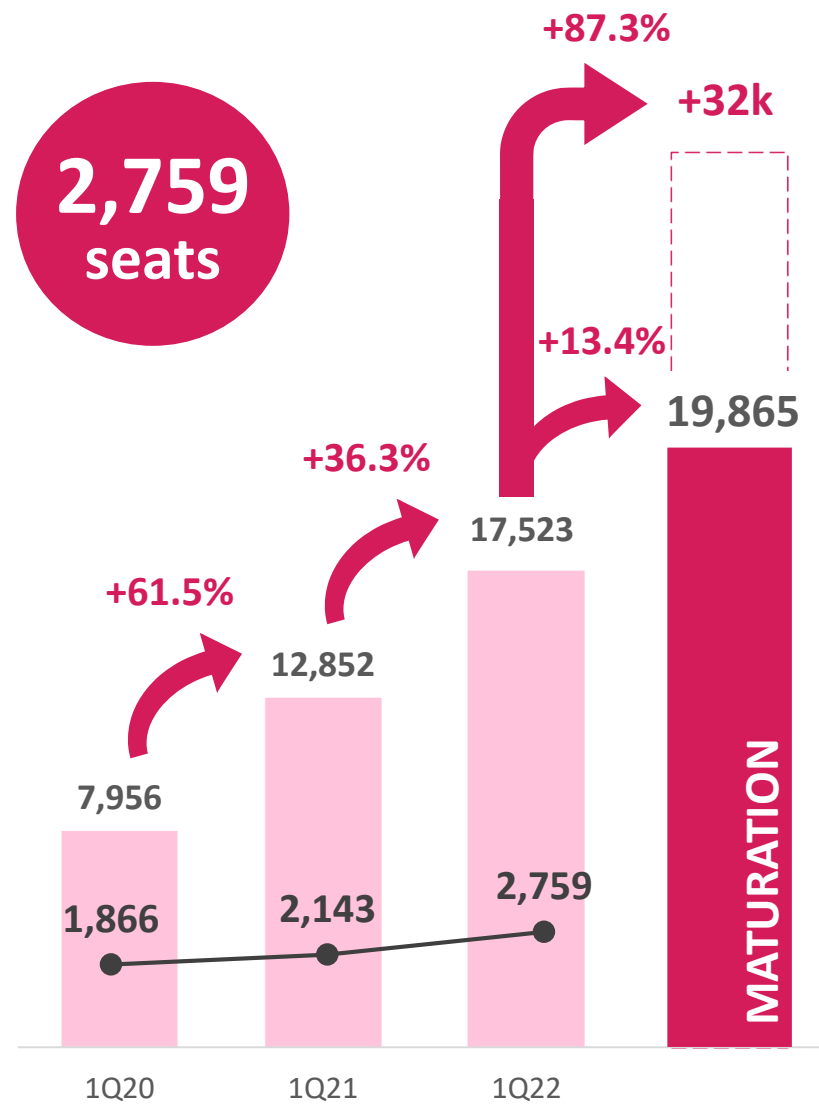
**46.2% CAGR**  
2019-2022



# OPERATIONAL METRICS

## UNDERGRAD

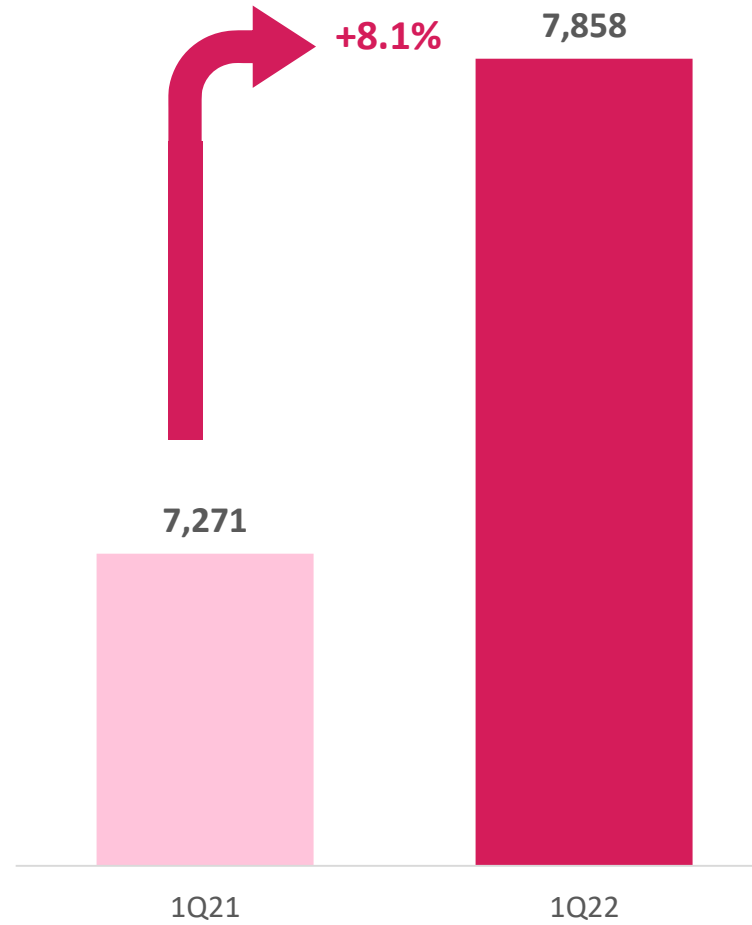
### NUMBER OF SEATS AND MEDICAL STUDENTS



Upside to achieve +32k undergrad medical students at maturity, considering additional organic (~600) and inorganic (~1,200) seats

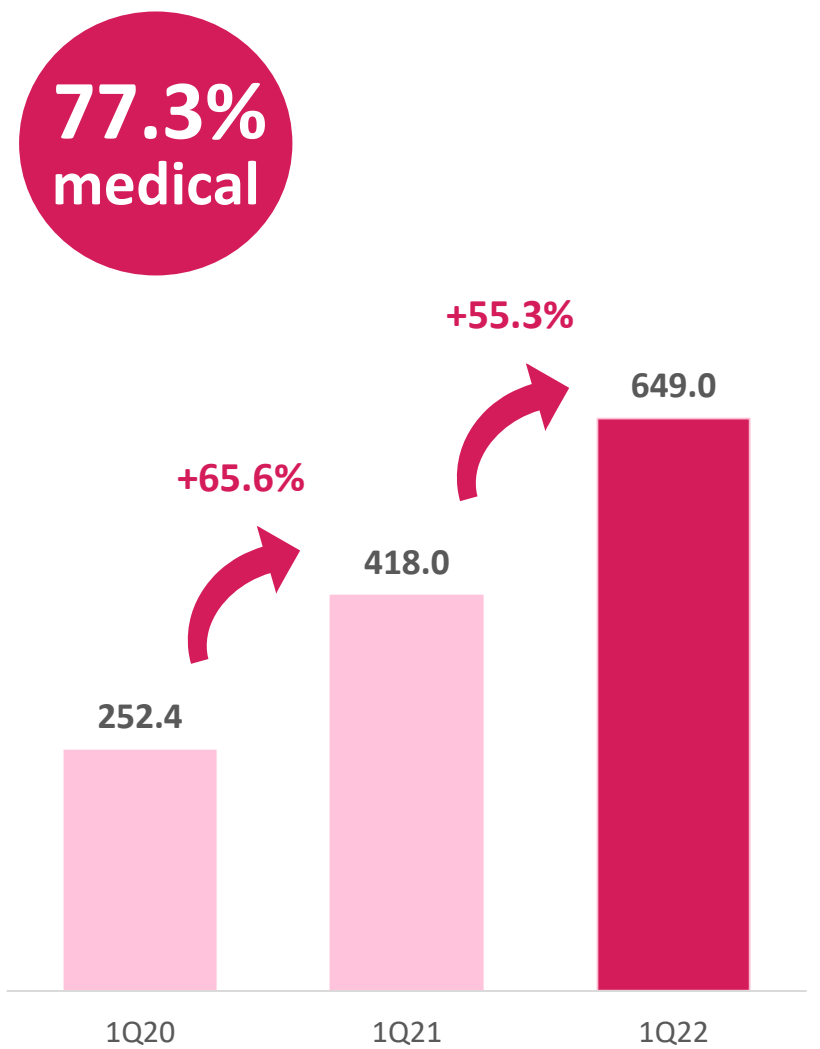
—●— APPROVED SEATS

### MEDICAL SCHOOL NET AVERAGE TICKET – (R\$/month)



Net Average Ticket Ex-Acquisitions

### COMBINED TUITION FEES – (R\$ mm)

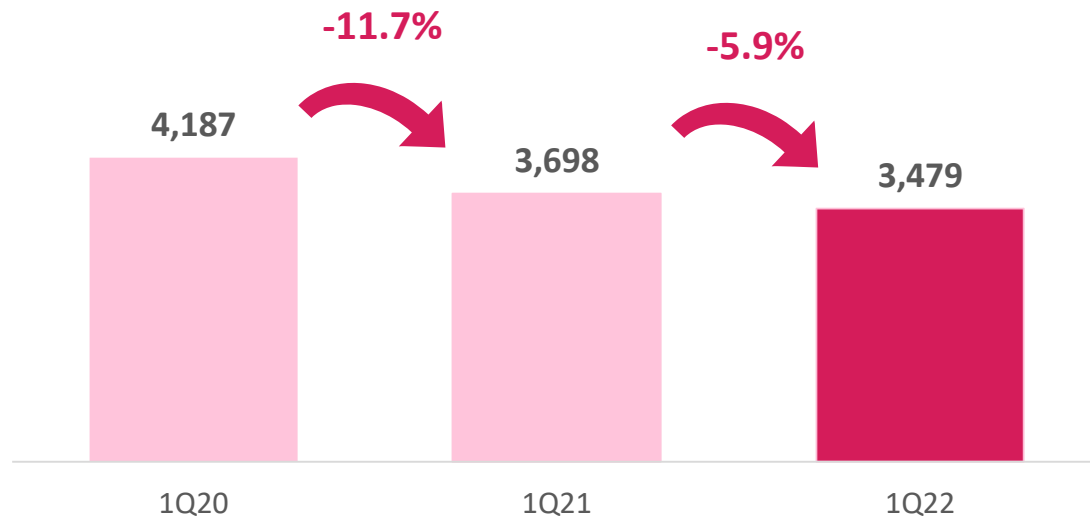




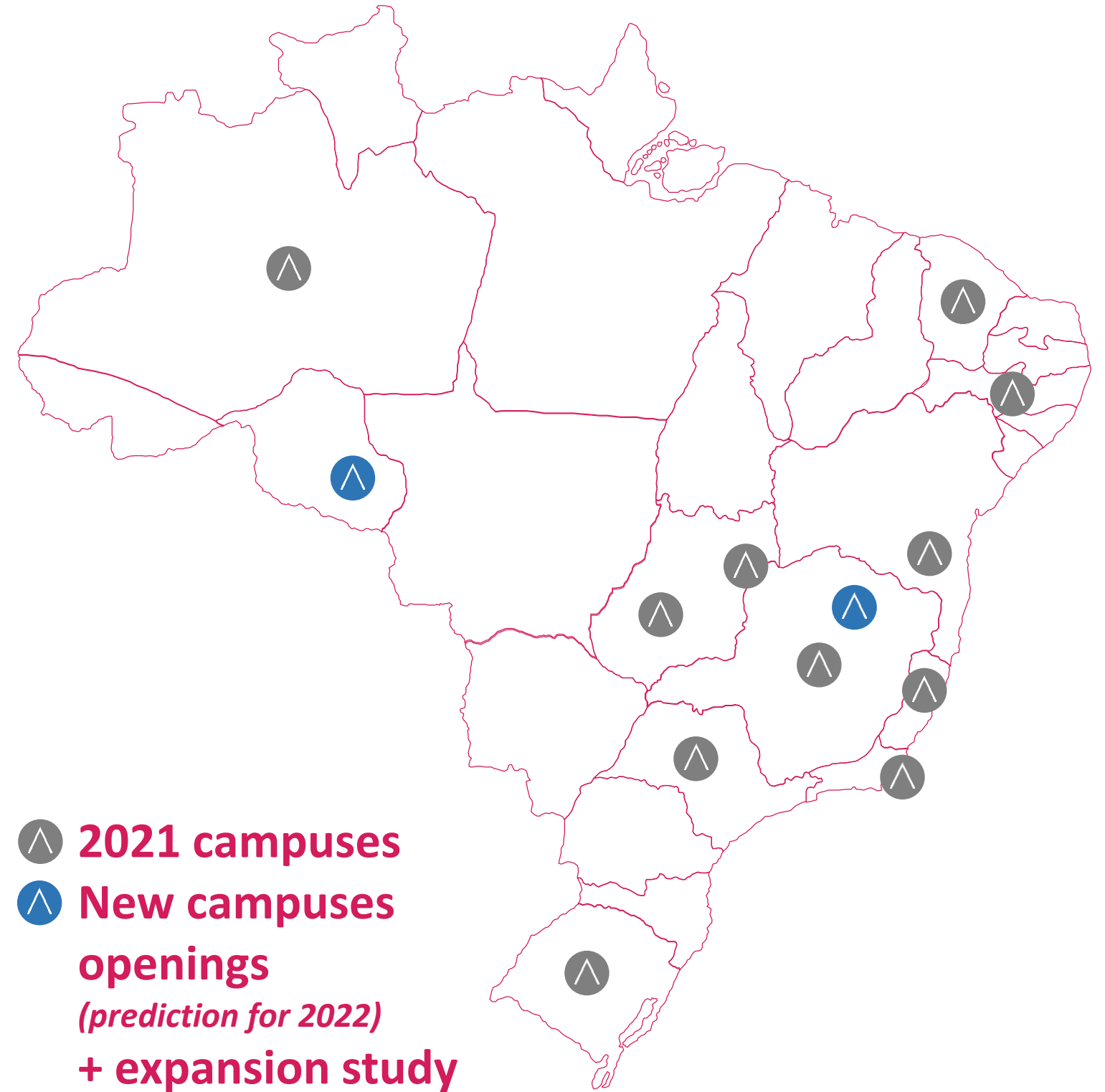
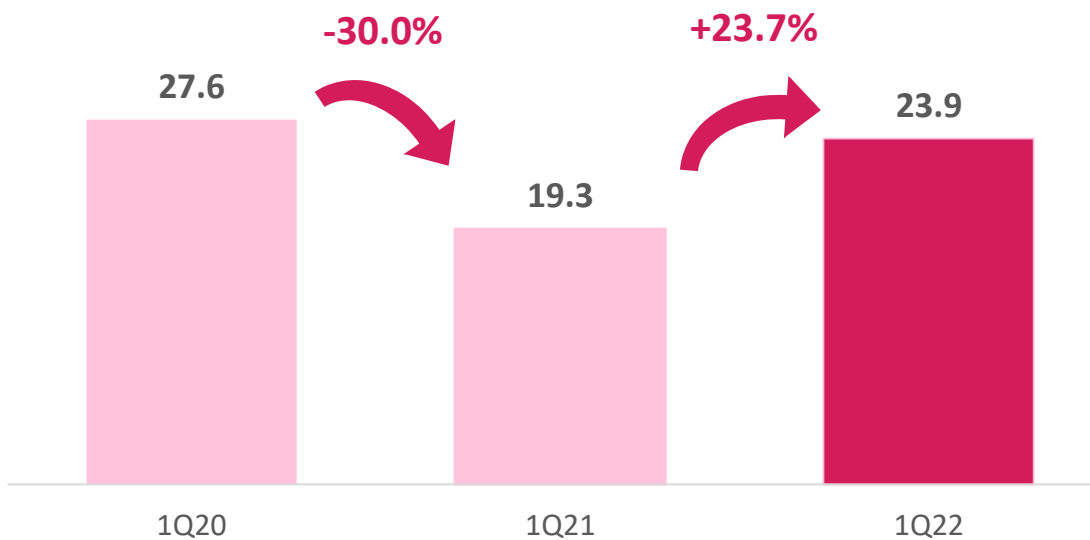
# OPERATIONAL METRICS

## CONTINUING EDUCATION

### NUMBER OF STUDENTS



### NET REVENUE — (R\$ mm)

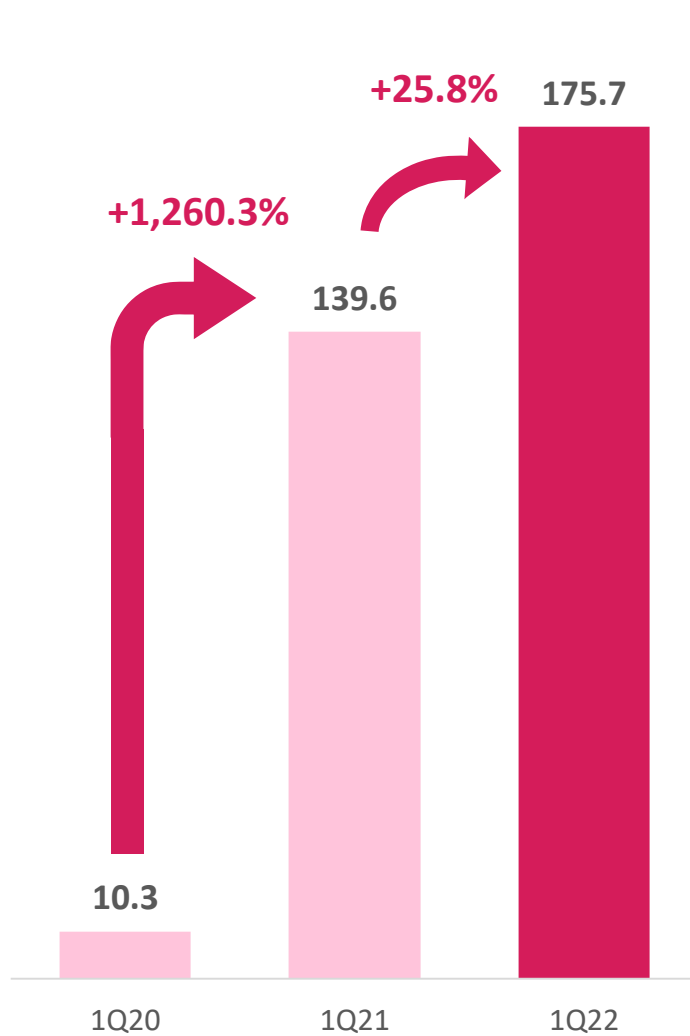




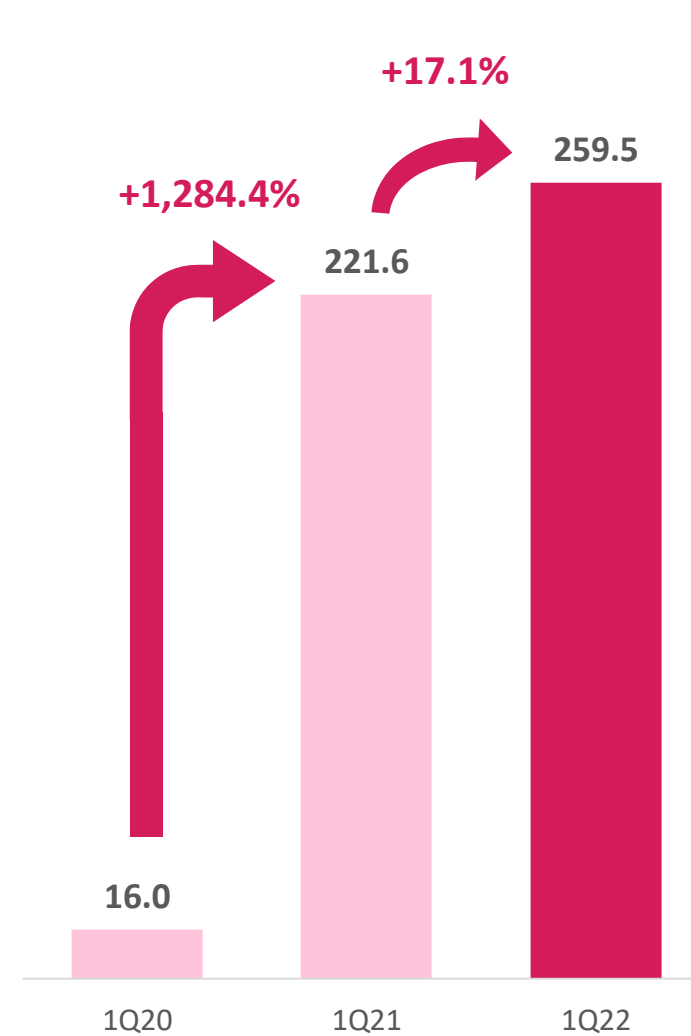
# OPERATIONAL METRICS

## DIGITAL SERVICES

### TOTAL ACTIVE PAYERS – (thousand)

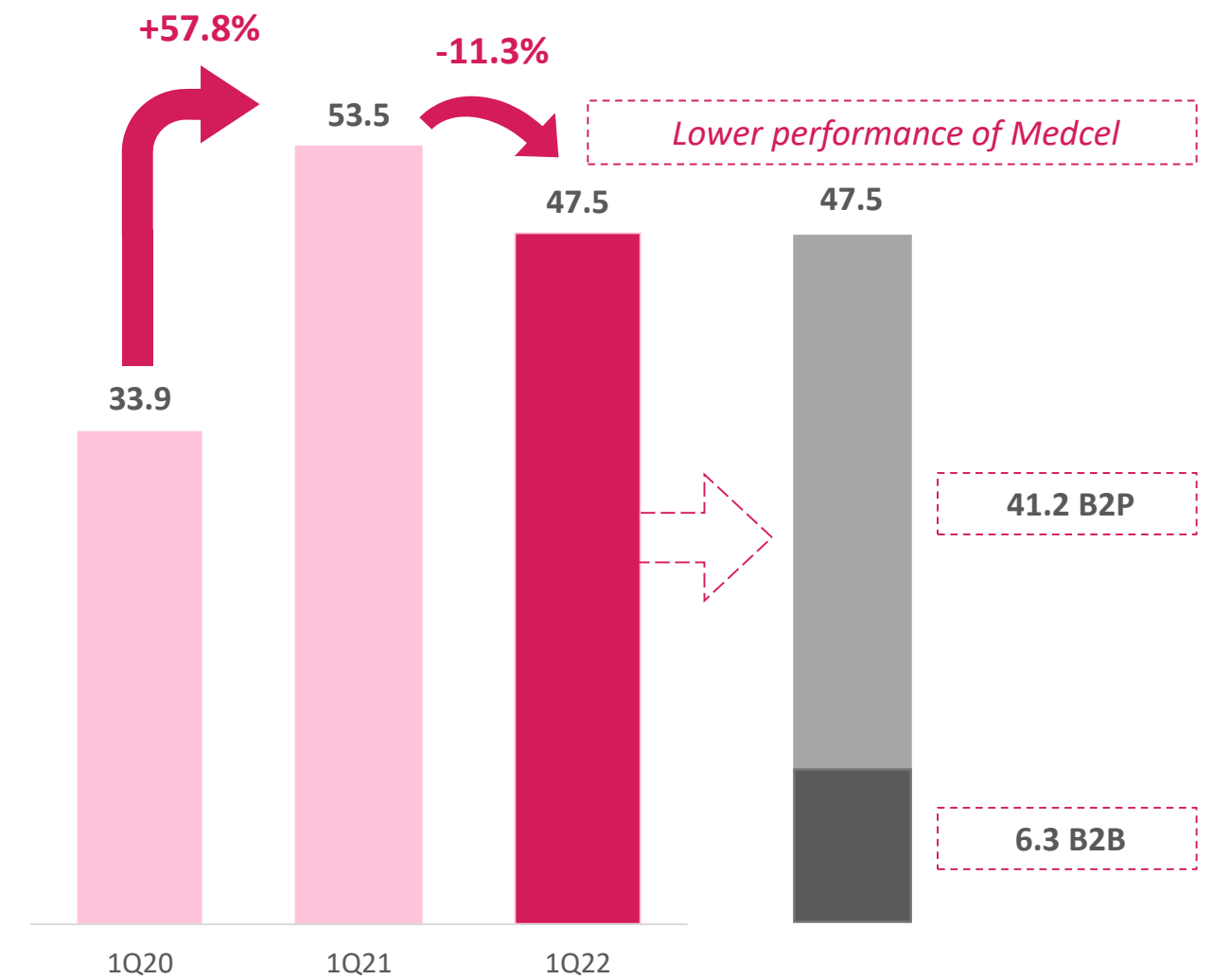


### MONTHLY ACTIVE USERS – (thousand)



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.

### NET REVENUE – (R\$ mm)



Net Revenue driven by lower performance of Medcel, especially related to higher competition in the Residency Preparatory market.

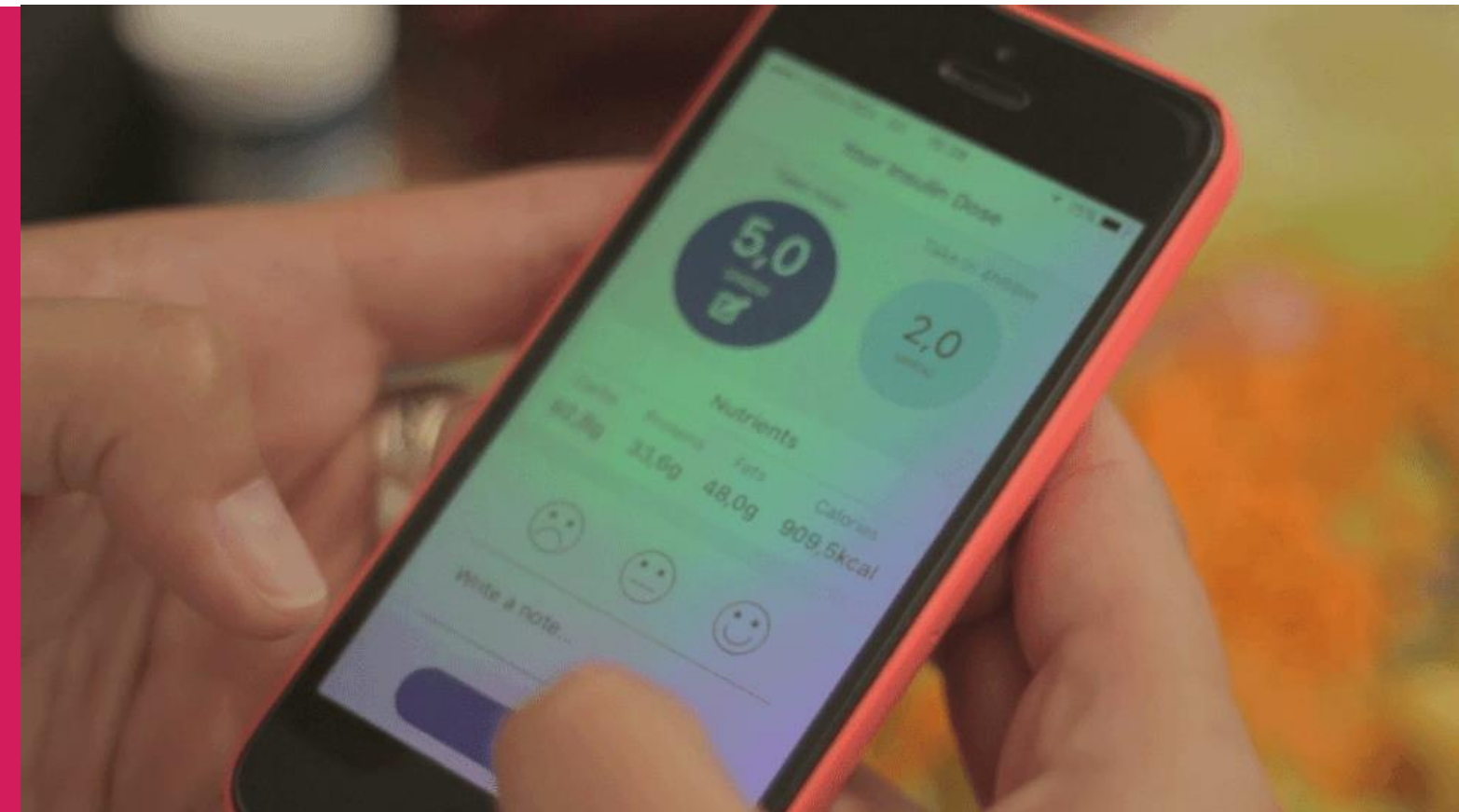


# GLIC ACQUISITION

ENTERING INTO PHYSICIAN-PATIENT RELATIONSHIP PILLAR

## GLIC: THE DIGITAL HEALTH PIONEER PLATFORM FOR DIABETES TREATMENT

- Glic is a free diabetes care and management app solution for physicians and patients that uses technology to improve diabetes education and daily routine practices, connecting users, devices and health providers.
- This business combination represents the first acquisition in the physician-patient relationship pillar and further strengthens Afya's digital services strategy and ecosystem.



**+1.1k**

2022 ACTIVE PHYSICIANS USERS



**+90K**

2022 ACTIVE USERS

FOR MORE INFORMATION:

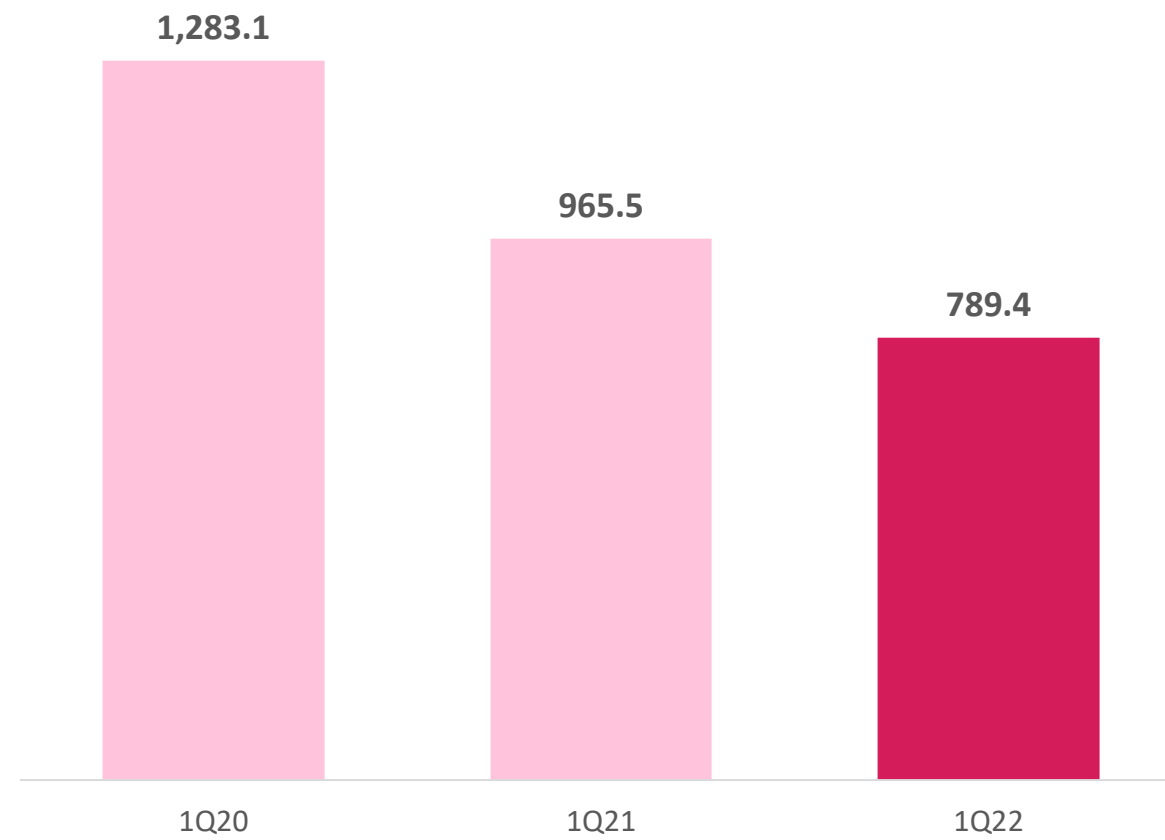




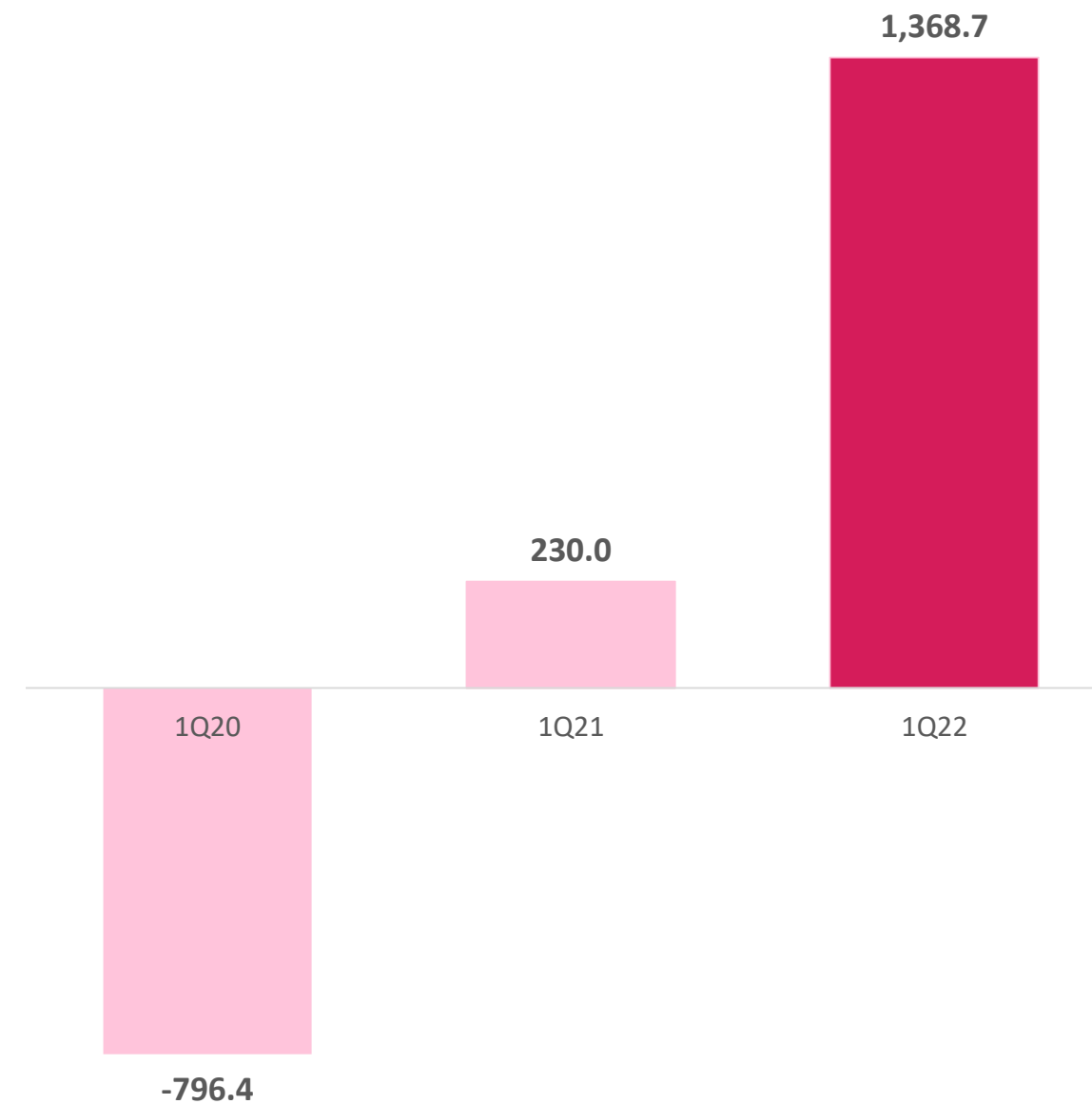
# CASH AND NET DEBT

PREDICTABLE GROWTH WITH PROFITABILITY

**CASH AND CASH EQUIVALENTS - (R\$ mm)**



**NET DEBT (CASH) EXCLUDING IFRS 16 – (R\$ mm)**





# AVERAGE COST OF DEBT

PREDICTABLE GROWTH WITH PROFITABILITY

	Duration (Years)	Gross Debt (R\$MM)	Cost of Debt	
			per year	%CDI*
Loans and financing: Softbank	4.2	823	6.5%	65%
Loans and financing: Others	1.3	566	11.9%	116%
Accounts payable to selling shareholders	1.5	769	10.2%	100%
<b>Average</b>	<b>2.5</b>		<b>9.2%</b>	<b>90%</b>

\*Based on the annualized Interbank Certificates of Deposit ("CDI") rate for the period as a reference:  
1Q22: ~10.06% p.y.





# Q&A SESSION



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**THANK YOU**

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