



# Earnings Webcast 4Q21



**Business Combination  
between Hapvida and GNDI**



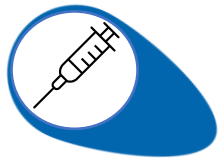
**M&A e Integrations**



**4Q21 and 2021 Highlights**



**ESG Highlights**



**Covid-19 Update**



**Innovation**



**Infrastructure**



**Fund-raising**

# 4Q21 and 2021 Highlights - Hapvida



## Main financial and operational indicators

Net Revenue  
**4Q21 - R\$2.6 billion**  
(+14.3% vs 4Q20)

**2021 – R\$9.9 billion**  
(+15.5% vs 2020)

Health Beneficiaries

**4.3 million**  
(+14.3% vs 2020)

Dental Beneficiaries

**3.2 million**  
(+6.6% vs 2020)<sup>1</sup>

Cash MCR<sup>2</sup>

**4Q21 – 64.9%**  
(+5.4 p.p. vs 4Q20 and -3.0p.p.  
vs 3Q21)

**2021 – 65.2%**  
(+8.8 p.p. vs 2020)

SG&A (% NOR)<sup>3</sup>

**4Q21 – 19.7%**  
(+3.2 p.p. vs 4Q20)

**2021 – 17.8%**  
(+0.4 p.p. vs 4Q20)

EBITDA Ex-LTIP<sup>3</sup>

**4Q21 - R\$394.0 milion**  
(-8,8% vs 4T20)

**2021 – R\$1.5 billion**  
(-26,0% vs 2020)

<sup>1</sup> Disregarding 136 thousand health lives with dental coverage added in 4Q21.

<sup>2</sup> Medical Care Ratio.

<sup>3</sup> Excluding expenses with depreciation and amortization and LTIP (Long Term Incentive Plan).

# 4Q21 and 2021 Highlights - GNDI

## Main financial and operational indicators

Net Revenue  
**4Q21 - R\$3.3 billion**  
(+16.1% vs 4Q20)

**2021 – R\$12.6 billion**  
(+17.9% vs 2020)

Health Beneficiaries

**4.4 million**  
(+17.5% vs 2020)

Dental Beneficiaries

**3.3 million**  
(+20.4% vs 2020)

Cash MCR<sup>1</sup>  
**4Q21 – 76.1%**  
(+4.7 p.p. vs 4Q20 and -3.0  
p.p. vs 3Q21)  
**2021 – 79.3%**  
(+11.0 p.p. vs 2020)

SG&A (% NOR)<sup>2</sup>  
**4Q21 – 14.4%**  
(+1.5 p.p. vs 4Q20)  
**2021 – 13.5%**  
(-0.4 p.p. vs 2020)

Adjusted EBITDA<sup>2</sup>  
**4Q21 - R\$265.7 million**  
(-35.4% vs 4Q20)  
**2021 – R\$718.7 million**  
(-59.9% vs 2020)

<sup>1</sup> Medical Care Ratio.

<sup>2</sup> Disregarding depreciation and amortization expenses, SOP (Stock options) and M&A/Integration expenses.

# 4Q21 and 2021 Highlights – Combined Proforma<sup>1</sup>



## Main financial and operational indicators

Net Revenue  
**4Q21 - R\$5.9 billion**  
(+15.3% vs 4Q20)

**2021 – R\$22.5 billion**  
(+16.8% vs 2020)

Health Beneficiaries

**8.7 million**  
(+15.9% vs 2020)

Dental Beneficiaries

**6.5 million**  
(+13.2% vs 2020)<sup>2</sup>

Cash MCR  
**4Q21 – 70.5%**  
(+5.1 p.p. vs 4Q20 and -3.5  
p.p. vs 3Q21)  
**2021 – 72.3%**  
(+9.9 p.p. vs 2020)

SG&A (% NOR)<sup>3</sup>  
**4Q21 – 17.1%**  
(+1.0 p.p. vs 4Q20)

**2021 – 15.7%**  
(+0.6 p.p. vs 2020)

Adjusted EBITDA<sup>3</sup>  
**4Q21 - R\$659.7 million**  
(-22.5% vs 4Q20)  
**2021 – R\$2.2 billion**  
(-42.4% vs 2020)

<sup>1</sup> The combined numbers only reflect the arithmetic sum of each Company separately. Such combination does not reflect the adoption of the International Financial Reporting Standards (IFRS) as well as the accounting practices adopted in Brazil (BR GAAP), therefore, such amounts were not audited. <sup>2</sup> Disregarding the 136 thousand health lives with dental coverage added in 4Q21 (Hapvida). <sup>3</sup> Hapvida: Disregarding depreciation and amortization expenses and LTIP (Long Term Incentive Plan) e GNDI: Disregarding depreciation and amortization expenses, SOP (Stock options) and M&A/Integration expenses. **5**

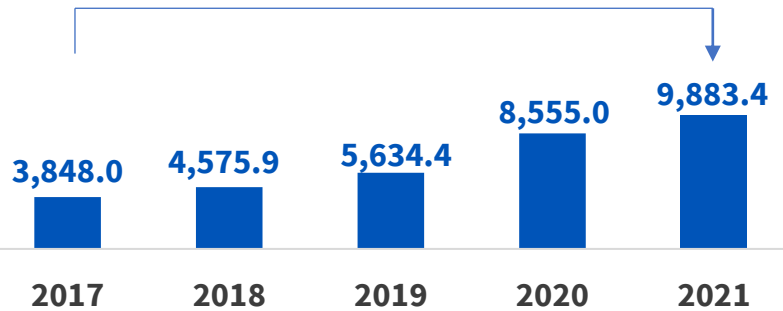
# Net Revenue and EBITDA – Combined Proforma<sup>1</sup>



## • Net Revenue

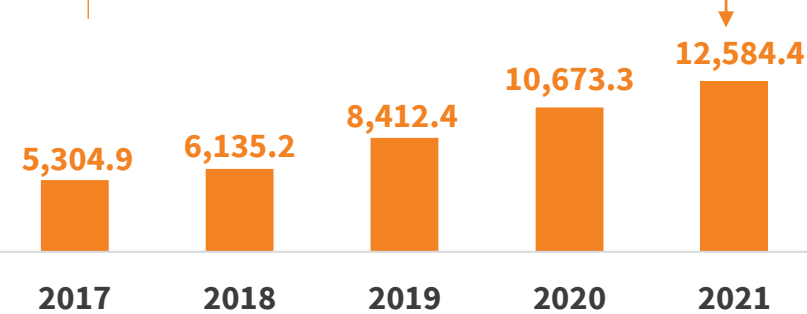
Hapvida

CAGR +26.6%



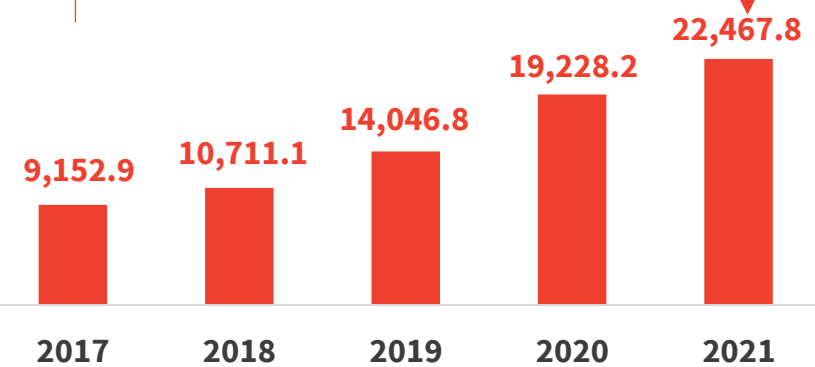
GNDI

CAGR +24.1%



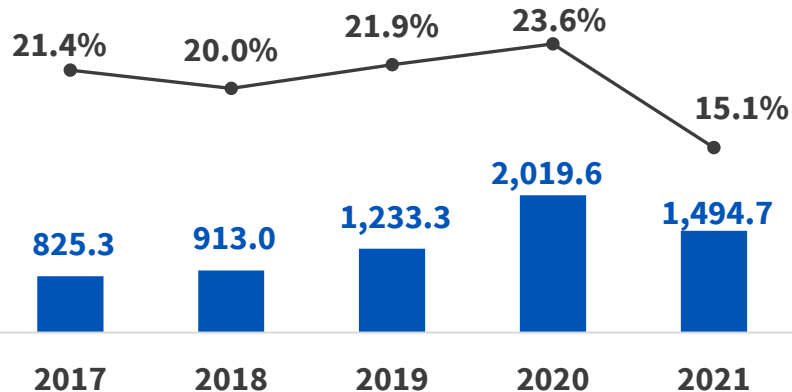
Combined Proforma<sup>1</sup>

CAGR +25.2%

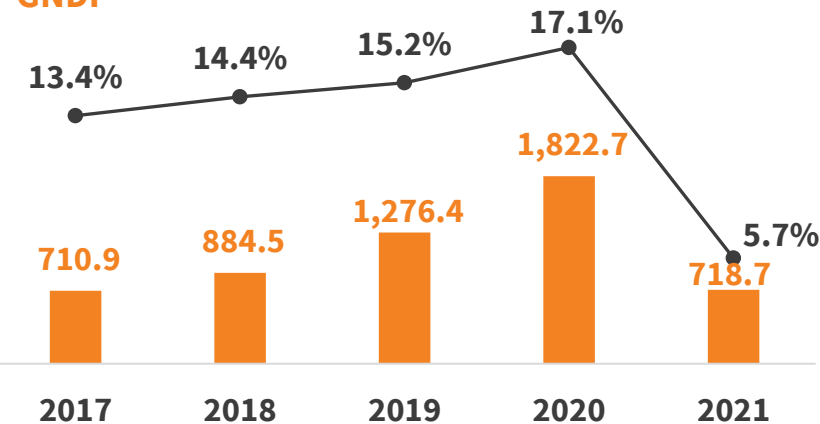


## • EBITDA and EBITDA Margin<sup>2</sup>

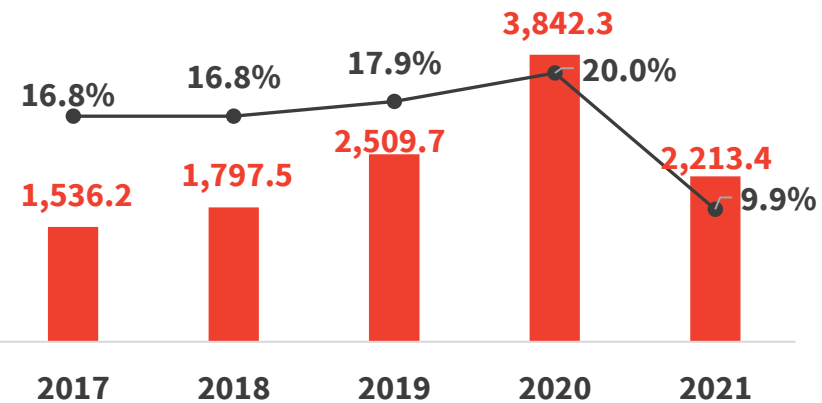
Hapvida



GNDI









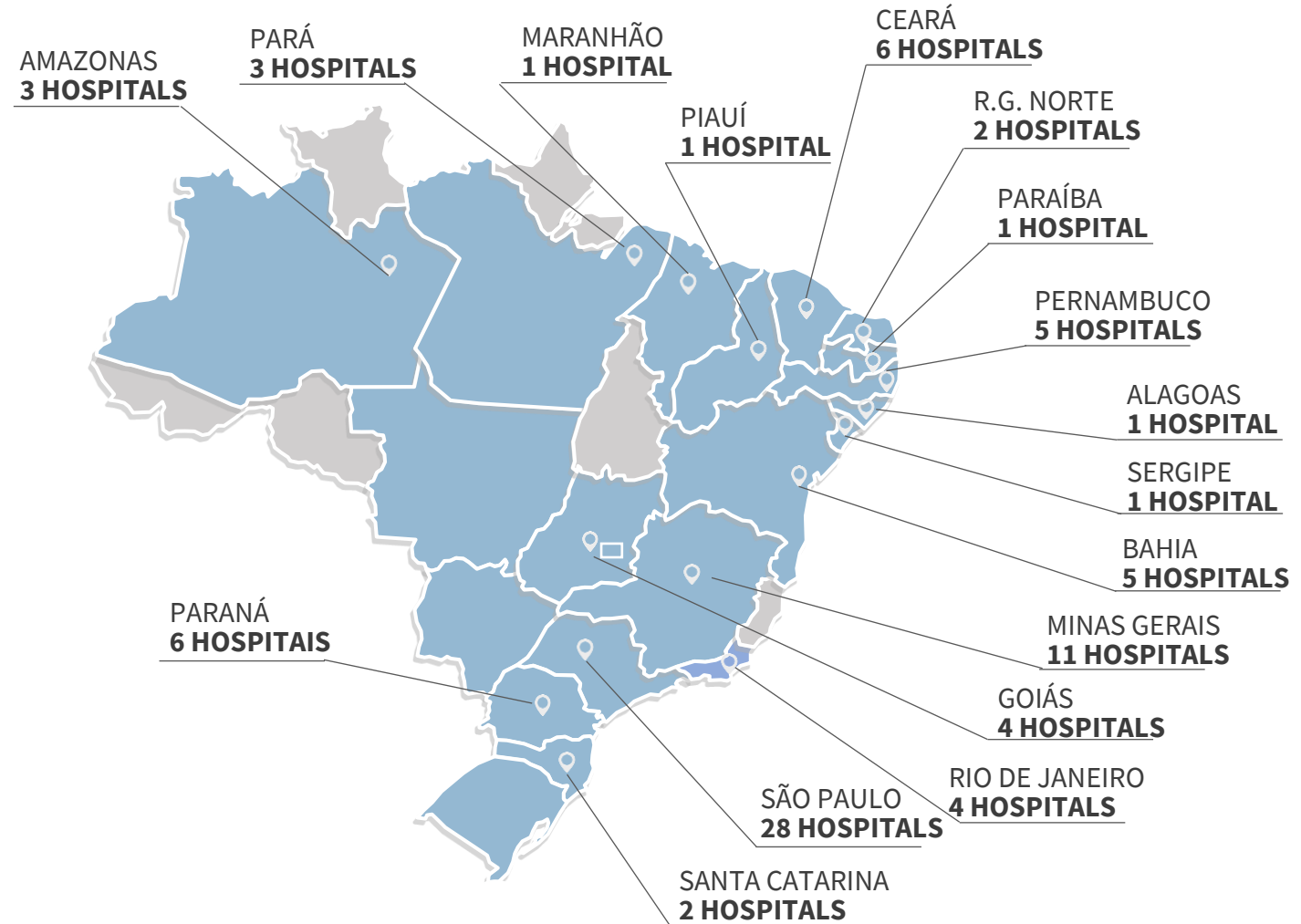
Combined Proforma<sup>1</sup>



<sup>1</sup> The combined numbers only reflect the arithmetic sum of each Company separately. Such combination does not reflect the adoption of the International Financial Reporting Standards (IFRS) as well as the accounting practices adopted in Brazil (BR GAAP), therefore, such amounts were not audited. <sup>2</sup> EBITDA adjusted: Hapvida: by LTIP (Long-Term Incentive Plan) and GNDI: by Stock Options (SOP) and M&A/Integration expenses.

# Infrastructure – Combined Company

-  **84 hospitals (7,114 beds)**
-  **66k employees, 27k physicians & 33k dentists**
-  **294 clinics + 17 preventive care centers**
-  **75 walk-in emergencies**
-  **262 diagnostic centers**
-  **+9 hospitals in progress**



- |                           |                        |
|---------------------------|------------------------|
| 1. Anápolis/GO (HAPV)     | 6. Recife/PE (HAPV)    |
| 2. Bauru/SP (HAPV)        | 7. Manaus/AM (HAPV)    |
| 3. Brasília/DF (HAPV)     | 8. Contagem/MG (GNDI)  |
| 4. Campo Grande/MS (HAPV) | 9. São Paulo/SP (GNDI) |
| 5. Recife/PE (HAPV)       |                        |

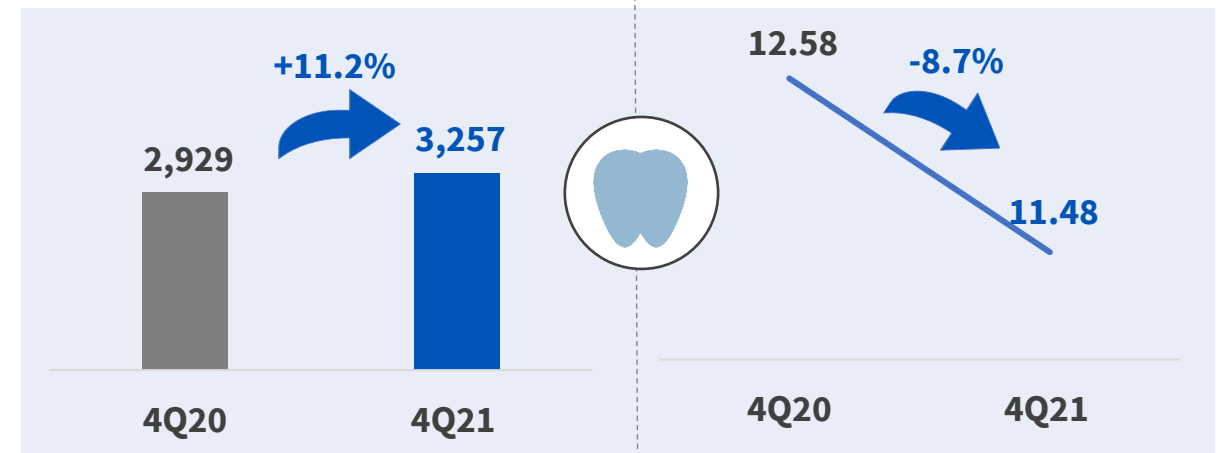
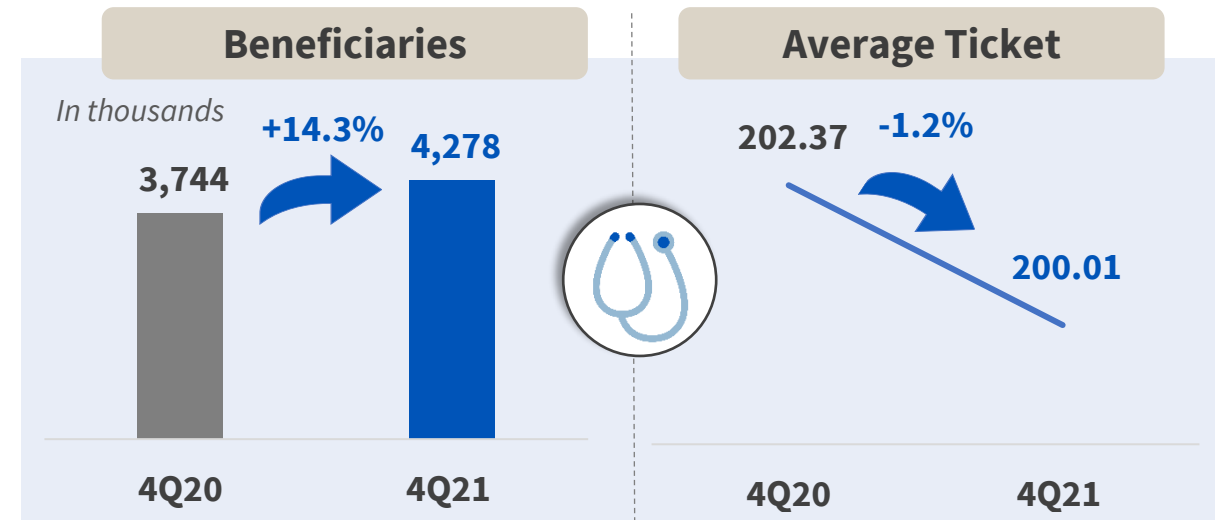
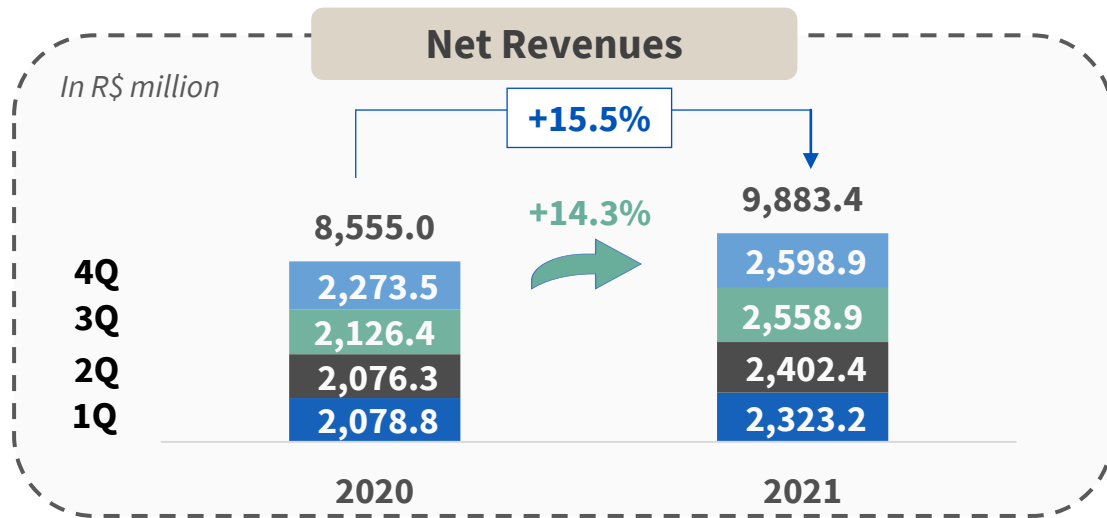
## Hapvida Initiatives

- For the first time, we were included in the **FTSE4GOOD index**, one of the most important international sustainability indexes.
- We promote a culture of sustainability through the implementation of programs and projects with environmental and social biases, such as **selective collection with donation** of waste and the **replacement of plastic cups** with coconut fiber cups.
- We made public commitments such as the **inclusion of hospitals in Fortaleza/CE in the Green and Healthy Hospitals Project**.
- We celebrate **Conscious Consumption Day**, promoting the practice of selective collection with tips for the correct disposal of waste.
- Our Diversity Journey was strengthened by joining the **LGBTI+ Forum, UN Women and REIS**, in addition to lectures and training on unconscious biases, gender, limiting beliefs, among others. We carried out the diversity census and created allied and affinity groups.
- We created the **Women's Shelter Channel** to offer a safe space for employees who seek shelter in situations of violence.
- We launched several **corporate manuals**, including Diversity and Inclusion, Harassment and Discrimination, Violence against Women, Racism and Persons with Disabilities.
- We started the **ESG Training Program** with the objective of disseminating the culture of sustainability as soon as new employees are onboarded.
- We established **new sustainability indicators**, aimed at monitoring the use of natural resources.

## GNDI Initiatives

- We participated for the 1<sup>st</sup> time in the **CDP (Carbon Disclosure Project)**, the main global climate change performance index, where we obtained B-, the highest score among companies in the healthcare sector in Brazil.
- GNDI was included in **B3's Carbon Efficient Index (ICO2 B3)**, demonstrating our commitment to reducing greenhouse gas emissions.
- The **GNDI Research Institute** developed 18 studies in the areas of oncology, cardiology, infectology and obstetrics, published 8 papers in congresses/journals, 7 international trials in progress and 1 new trial with an innovative molecule to study the treatment of breast cancer, sponsored by a pharmaceutical company.
- **Energy Efficiency:** Partnership with EDP for the construction of solar plants that will occupy an area of 155,085 square meters, generating +8,300 MWh/year (equivalent to ~ 2,800 houses), which will:
  - ✓ Generate energy to about 60 Clinical Centers
  - ✓ CO<sup>2</sup> emissions by 2,360 tons, equivalent to planting 330 trees
- We carried out our **Inventory of Greenhouse Gases (GHG Protocol)** covering all our units and verified by an external audit. We also achieved "**carbon neutral**" status, offsetting 100% of our emissions.
- In September 2021, GNDI received the **Gold Seal** (a recognition given to companies that disclose a complete inventory verified by an accredited third-party) from the **Brazilian GHG Protocol Program**. This is based on 2020 GNDI greenhouse gas (GHG) inventory successful performance.

# Net Revenues

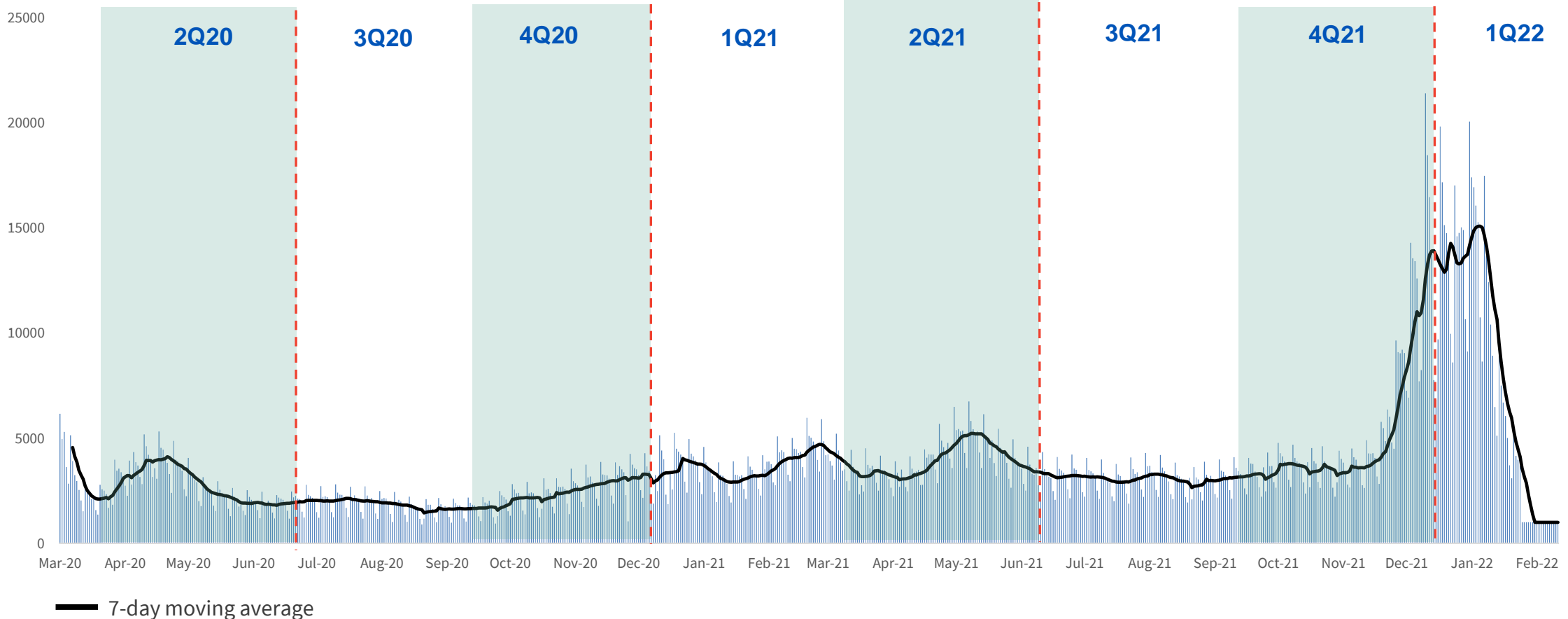


- Organic increase of 87k lives - health and 186k lives – dental in 2021;
- Customer portfolios consolidated in 1Q21, of which 10k lives are from Samedh and 11k lives from Plamheg;
- Revenue from the acquired companies: R\$15.4 million from Medical in Oct/21 and R\$27.3 million from São José in Nov/21 (R\$188.6 million and R\$176.6 million, respectively, in 2021) and R\$126.1 million from Promed and R\$74.4 million from Premium Saúde in 4Q21 (R\$298.7 million and R\$120.8 million, respectively in 2021), and
- Increase of 13.6% (2021 x 2020) of other revenues from the provision of medical and hospital services to third-parties, from the companies Resgate and maida;health (our healthtech).

# Covid-19 Update

At the end of 4Q21, we again saw an increase in the volume of consultations due to a new wave of cases with the spread of the omicron variant in Brazil along with an influenza episode. Volumes remained high until the beginning of February/22 and fell rapidly to baseline levels by month-end.

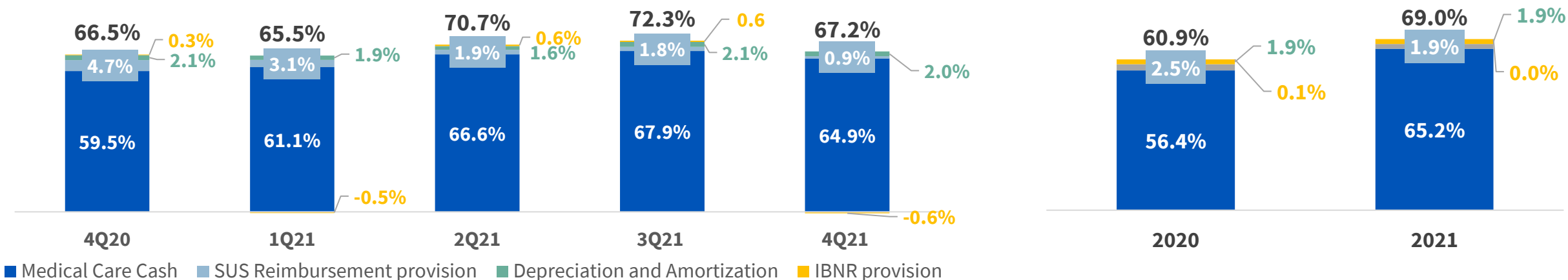
**Daily Consultations for Respiratory Syndroms, including Covid-19**



# Medical Costs and Medical Care Ratio (MCR)

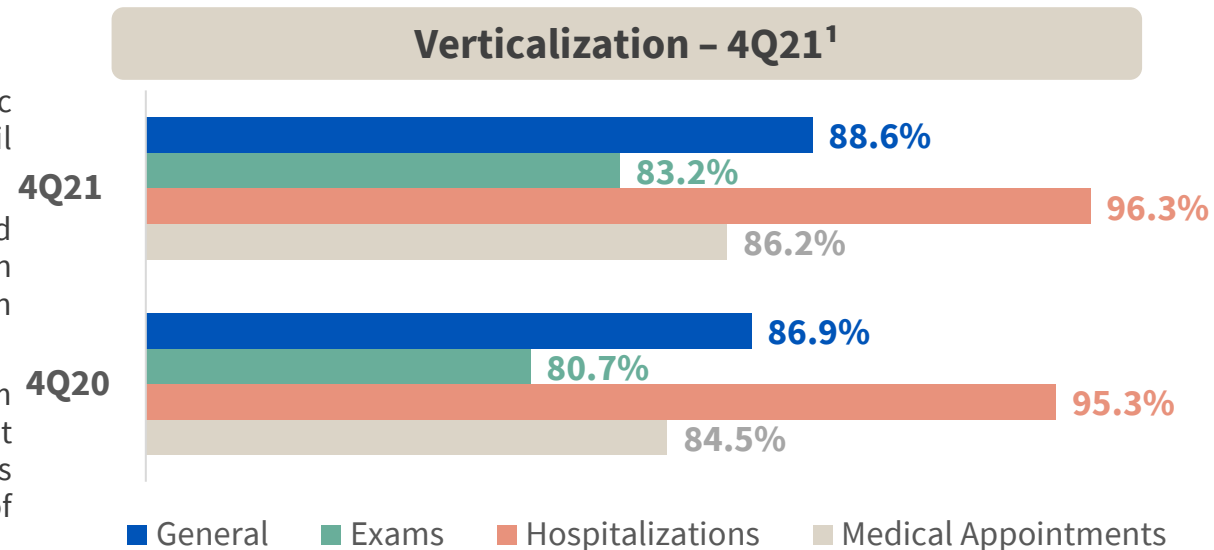


## • MCR Breakdown



### Impacts:

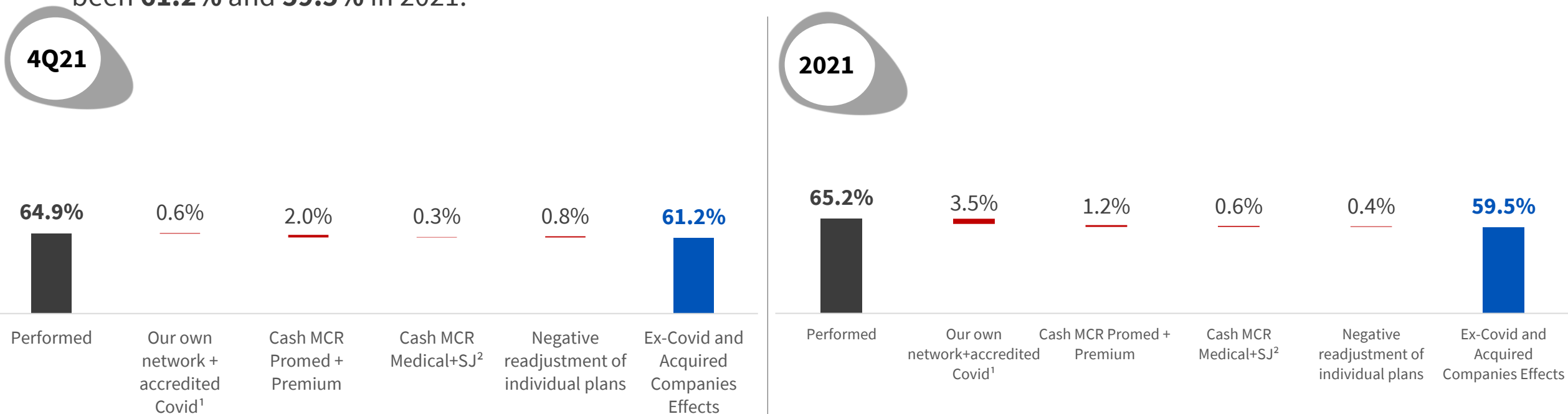
- (-) Increase in the volume of services not only due to the return to pre-pandemic levels but also due to the demand due to the spread of the omicron variant in Brazil along with an influenza epidemic;
- (-) Combating covid, we had additional expenses with personnel, materials and drugs, location and operation, third-party services in the own network and costs with the accredited network. The total was R\$14.3 million in 4Q21 against R\$27.8 million in 4Q20. And R\$349.1 million in 2021 against R\$127.2 million in 2020; and
- (-) Higher MCR of the acquired companies (Medical, São José, Promed and Premium Saúde) that make up the consolidated number of Hapvida in 4Q21 and 2021, but were not present in the comparative periods. The MCR of newly acquired companies is on a downward trend due to the initiatives of integration and standardization of procedures, respecting the seasonality between the quarters.



<sup>1</sup>% calculated by the volume of services provided in the company's network in 4Q21 – considering the companies: Hapvida, América and RN Saúde.

## • Cash MCR Simulation

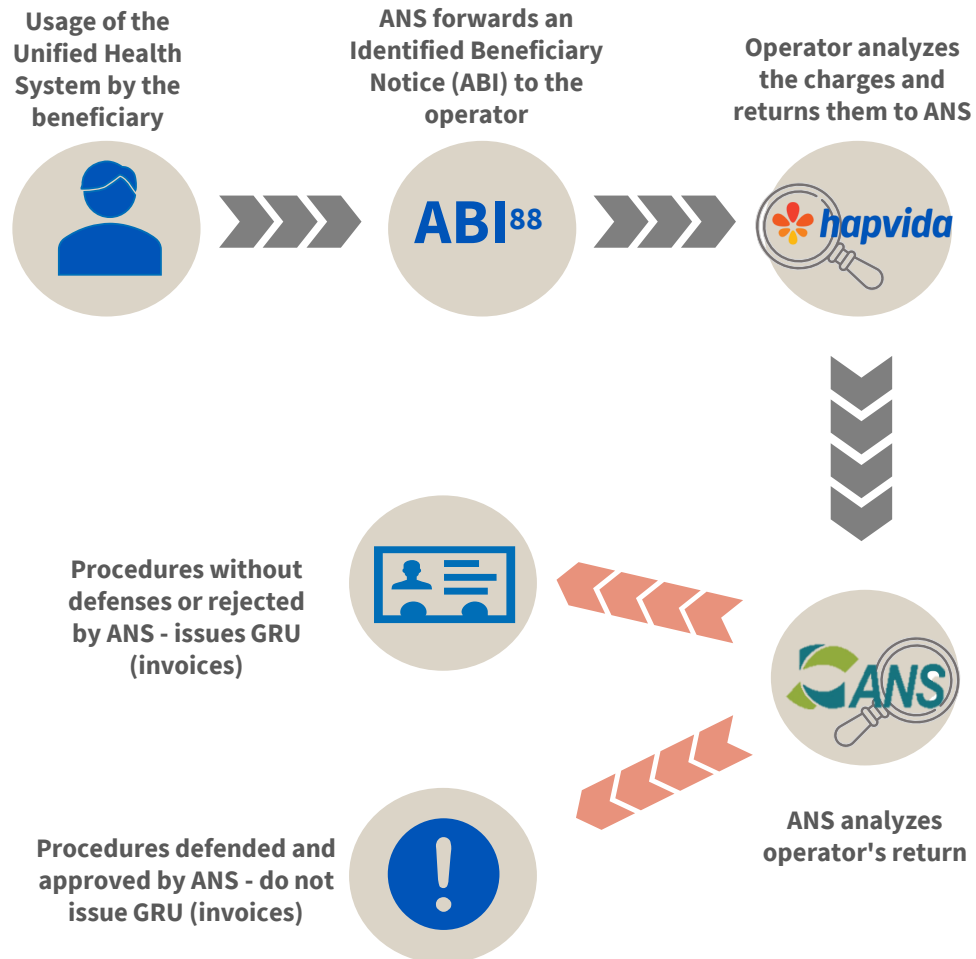
Disregarding the effects of covid-19's additional expenses of R\$14.3 million in 4Q21 and R\$349.1 million, the higher MCR of the acquired companies Medical, São José, Promed and Premium and the negative readjustment of individual plans (impacts of R\$31.0 million in 4Q21 and R\$56.8 million in 2021), Cash MCR in 4Q21 would have been **61.2%** and **59.5%** in 2021.



<sup>1</sup> The Covid impact was calculated on Hapvida+América, RN and São Francisco companies. For the other companies in the group, the balance sheet structure still does not allow for identification.

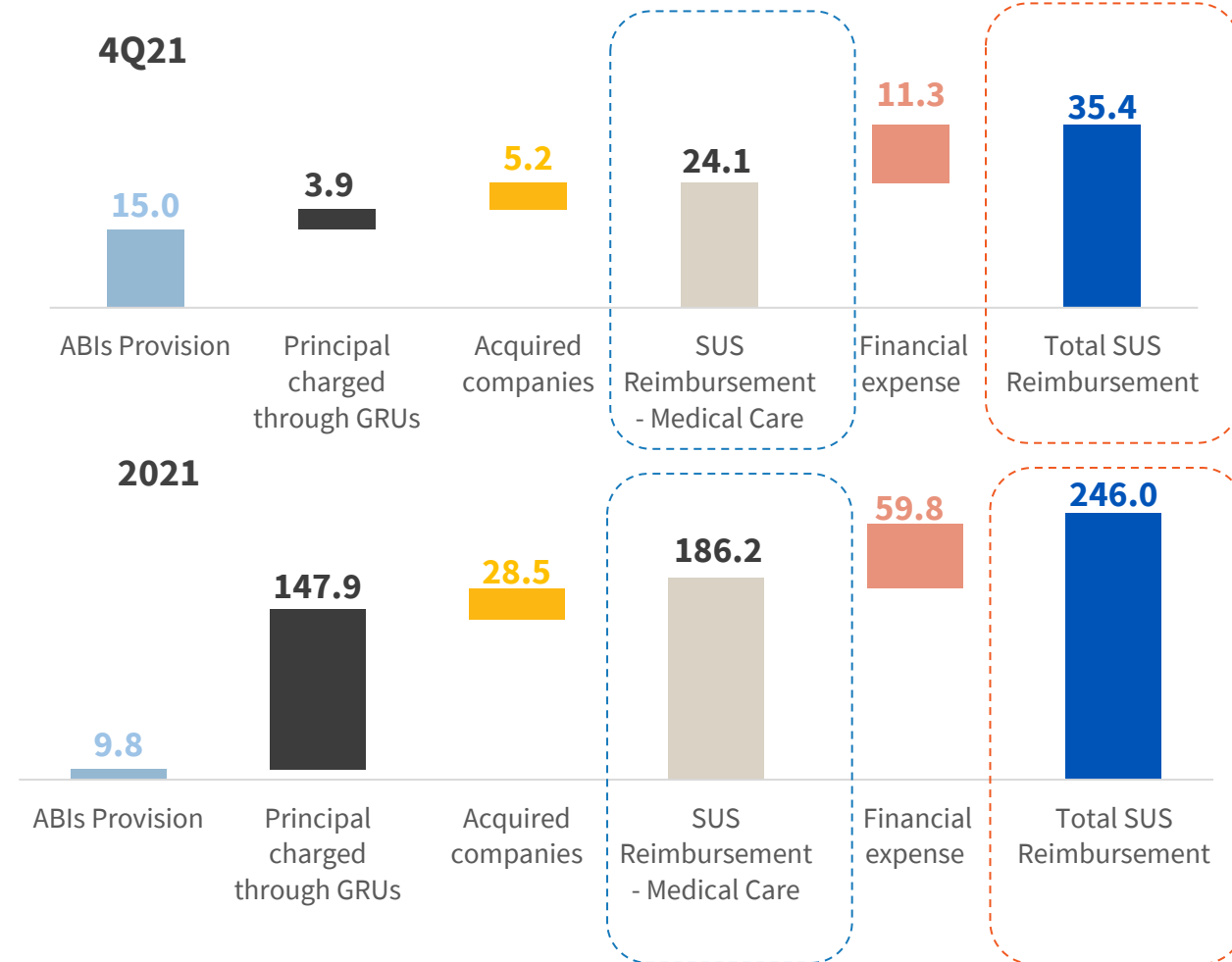
<sup>2</sup> Due to the incorporation of the companies, the above effect of Medical refers to the month of October 2021, and São José to the months of October and November 2021

## • Reimbursement Flow



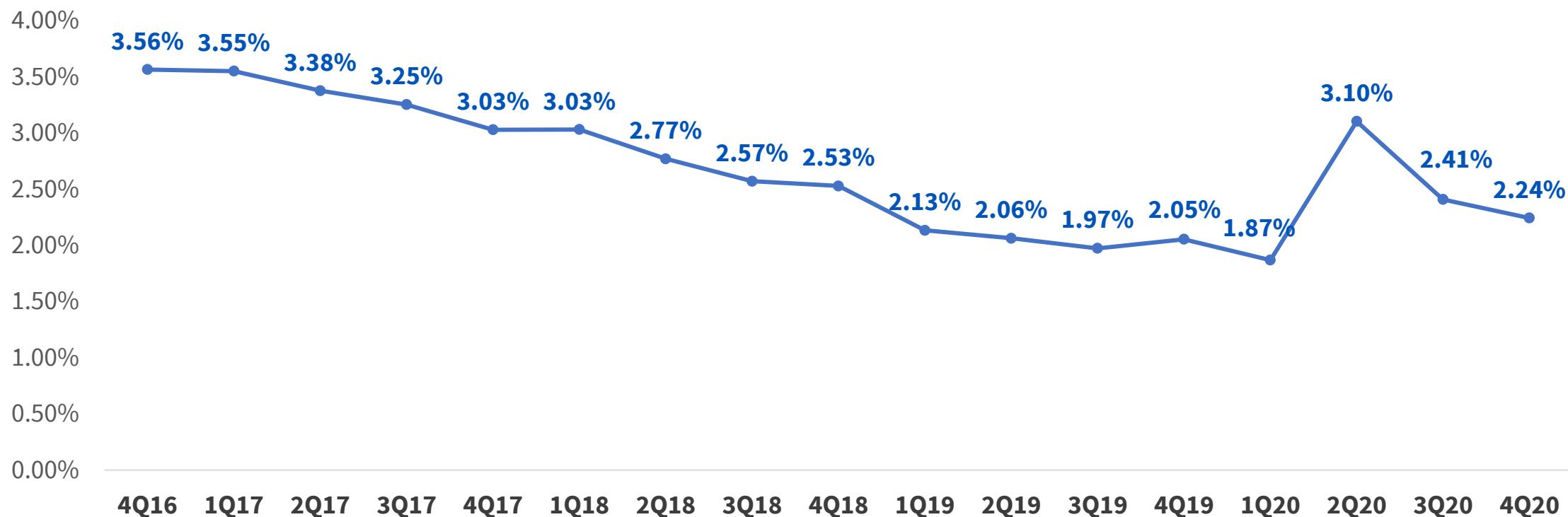
## • Reimbursement breakdown

In R\$ million



# SUS Reimbursement – ABI/Medical care costs

- Amount (in R\$) of ABIs received divided by the total medical care costs for the corresponding quarter (1-year lag)

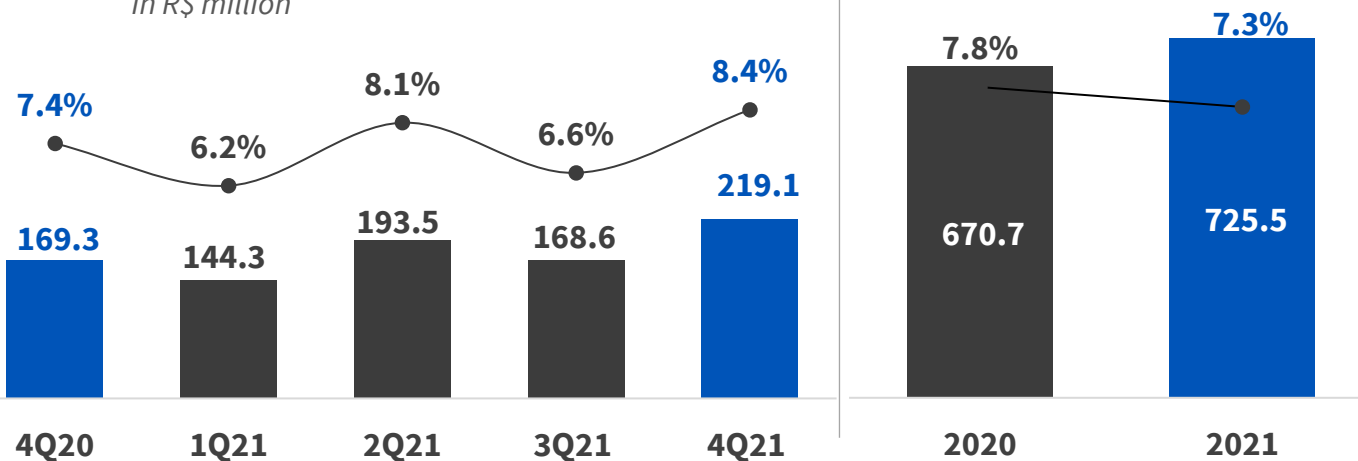


The amount of ABIs received in 3Q21 and 4Q21 is similar to the average of ABIs received in the last 15 quarters. The indicator follows a trend of normalization with the history due to the gradual return of elective services that had been suspended in 2Q20 due to Covid-19.

# Operational Expenses

## Selling Expenses and % NOR

In R\$ million

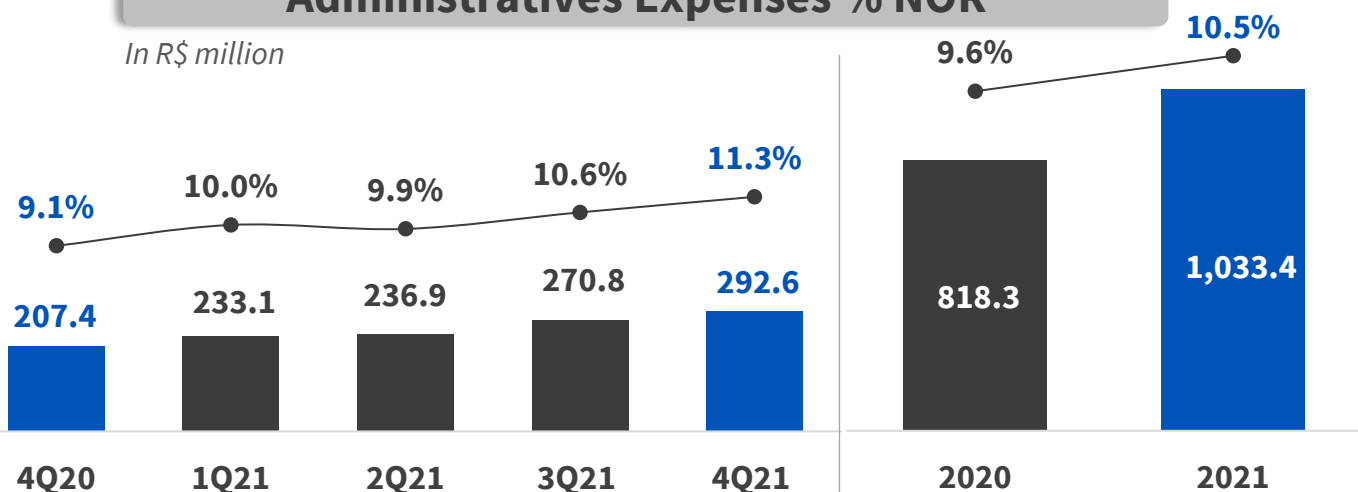


### Impact:

- Higher deferred commission expenses, net of cancellations by R\$17.1 million in 4Q21 and by R\$11.4 million in 2021 due to the incorporation of the healthcare operators that were part of the São Francisco Group by Hapvida Assistência Médica.

## Administratives Expenses % NOR<sup>1</sup>

In R\$ million



### Impacts:

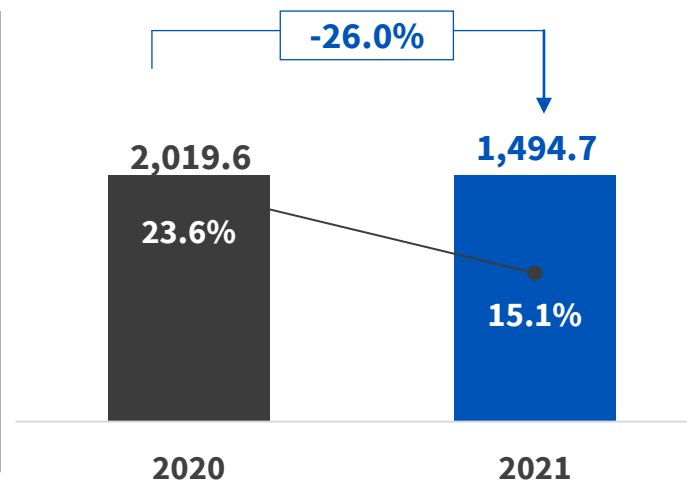
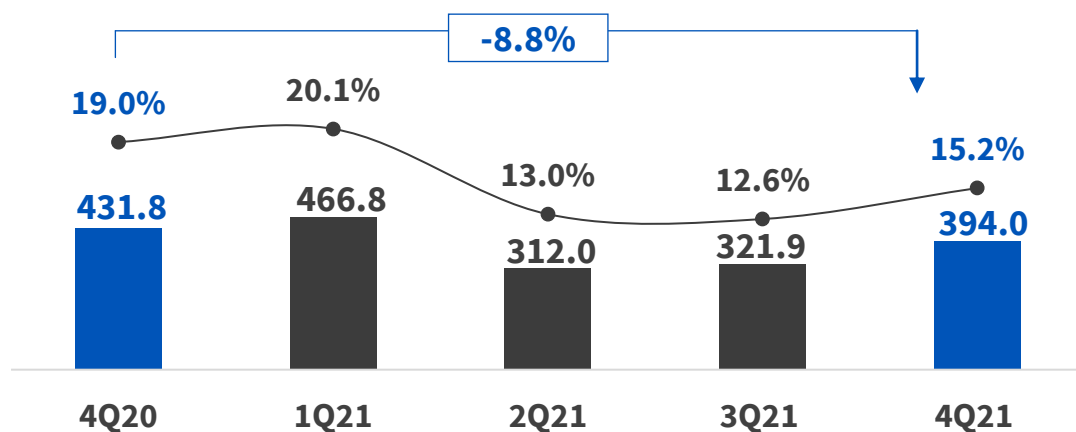
- Collective bargaining, hiring new employees and workers compensation (R\$15.3 million in 4Q21 and R\$51.6 million in 2021);
- Provisions for tax, civil and labor risks in the amount of R\$14.8 million in 4Q21;
- Increase in travel and accommodation expenses (R\$9.2 million in 4Q21 and R\$30.9 million in 2021).

<sup>1</sup>Excluding LTIP expenses and depreciation and amortization.

# EBITDA Ex-LTIP and Adjusted Net Income

## EBITDA Ex-LTIP and EBITDA Margin

In R\$ million

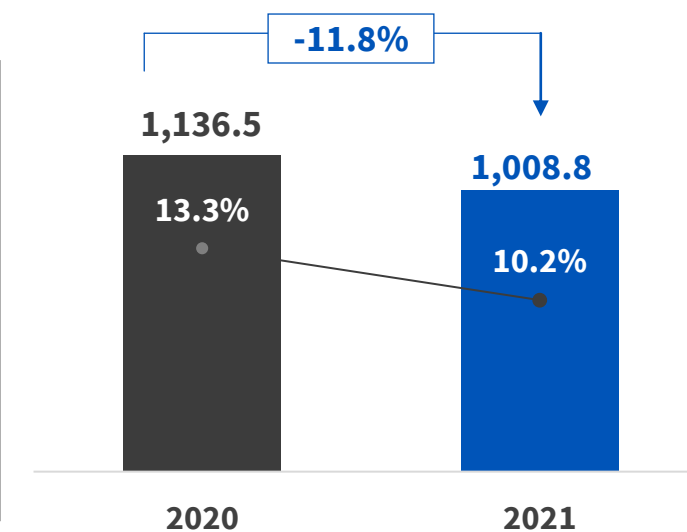
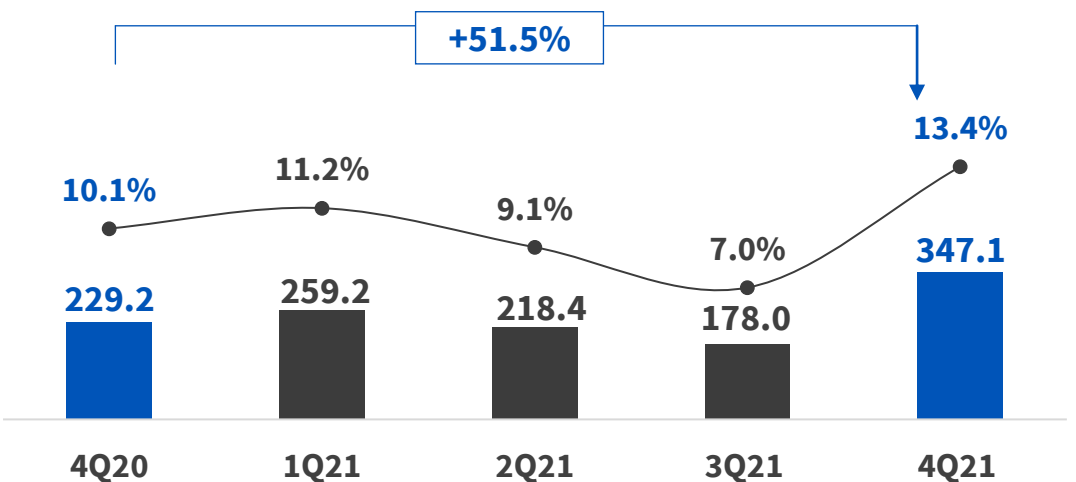


### Non-recurring adjustments:

- Long-Term Incentive Plan (LTIP): R\$5.5M in 4Q21 and R\$56.3M in 2021

## Adjusted Net Income and Net Margin

In R\$ million



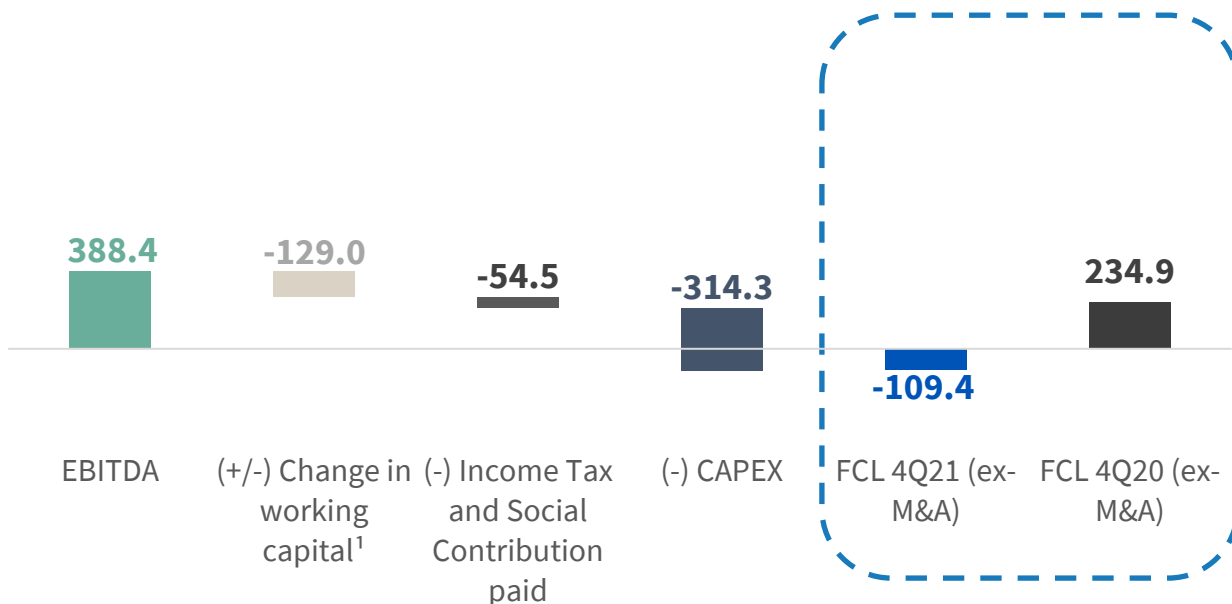
### Non-recurring adjustments:

- Amortization of fair value net of deferred taxes (R\$101.9 in 1Q21; R\$97.0 in 2Q21; R\$110.0 in 3Q21 and R\$106.0 in 4Q21);
- LTIP in 4Q21 net of deferred taxes (R\$13.4 in 2Q21; R\$20.1 in 3Q21 and R\$3.7 in 4Q21); and
- Positive impact on the deductibility of current taxes from the amortization of fair value arising from the business combination (value-added) (R\$5.5 in 1Q21; R\$3.4 in 2Q21; R\$4.3 in 3Q21 and R\$43.1 in 4Q21).

# Free Cash Flow

## Free Cash Flow 4Q21

In R\$ million

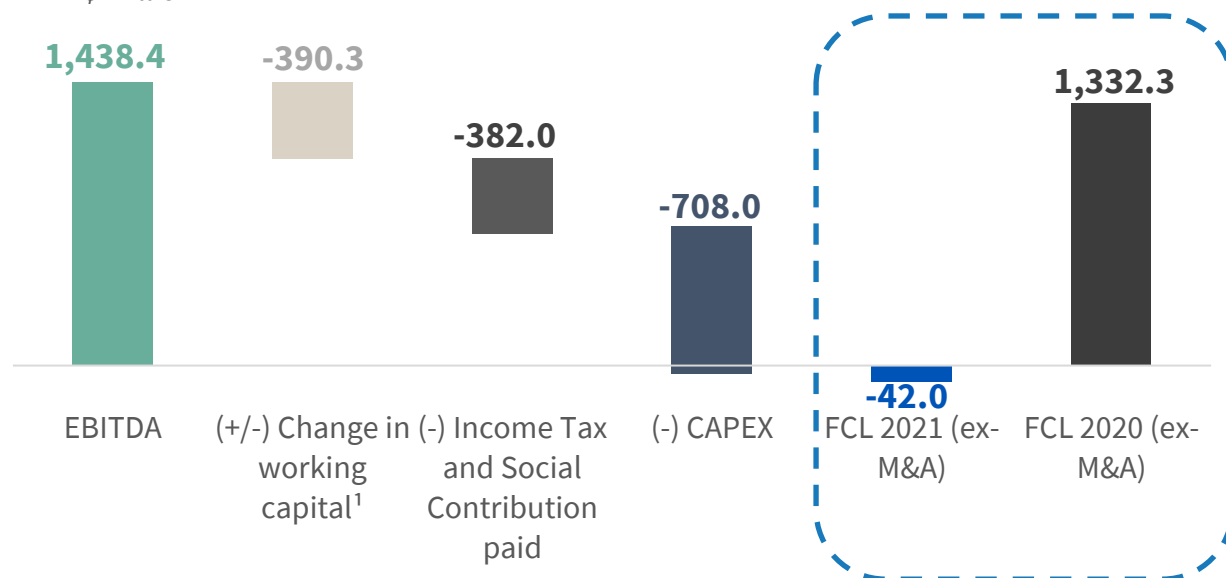


4Q21

- ↓ **EBITDA (-R\$43.4M):** covid impacts + acquired companies
- ↓ **Change in working capital (-R\$164.3M):** Creditors payment + Social obligation
- ↑ **Income Tax and Social Contribution (+R\$101.2M):** lower taxes (beginning of deductibility of goodwill and value-added)
- ↓ **Capex (-R\$237.8M):** Investments on own network (+1 walk-in emergency centers, 5 clinics and 4 diagnostic units)

## Free Cash Flow 2021

In R\$ million



2021

- ↓ **EBITDA (-R\$581.3M):** covid impacts + acquired companies
- ↓ **Change in working capital (-R\$643.1M):** Creditors payment, Social obligation and ReSUS
- ↑ **Income Tax and Social Contribution (+R\$192.1M):** lower taxes (beginning of deductibility of goodwill and value-added and follow-on expenses)
- ↓ **Capex (-R\$342.0):** Investments on own network (+1 hospital, +5 walk-in emergency centers, 20 clinics and 15 diagnostic units)

<sup>1</sup> Includes variations: (i) current assets: accounts receivable, inventories, other credits and advances to suppliers and (ii) current liabilities: suppliers, technical provisions for health care operations net of PPCNG, debts of health care operations net of prepayments, other payables and social obligations.

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