



# EARNINGS

CALL

# 4Q20









**HAPV**

**B3 LISTED NM**

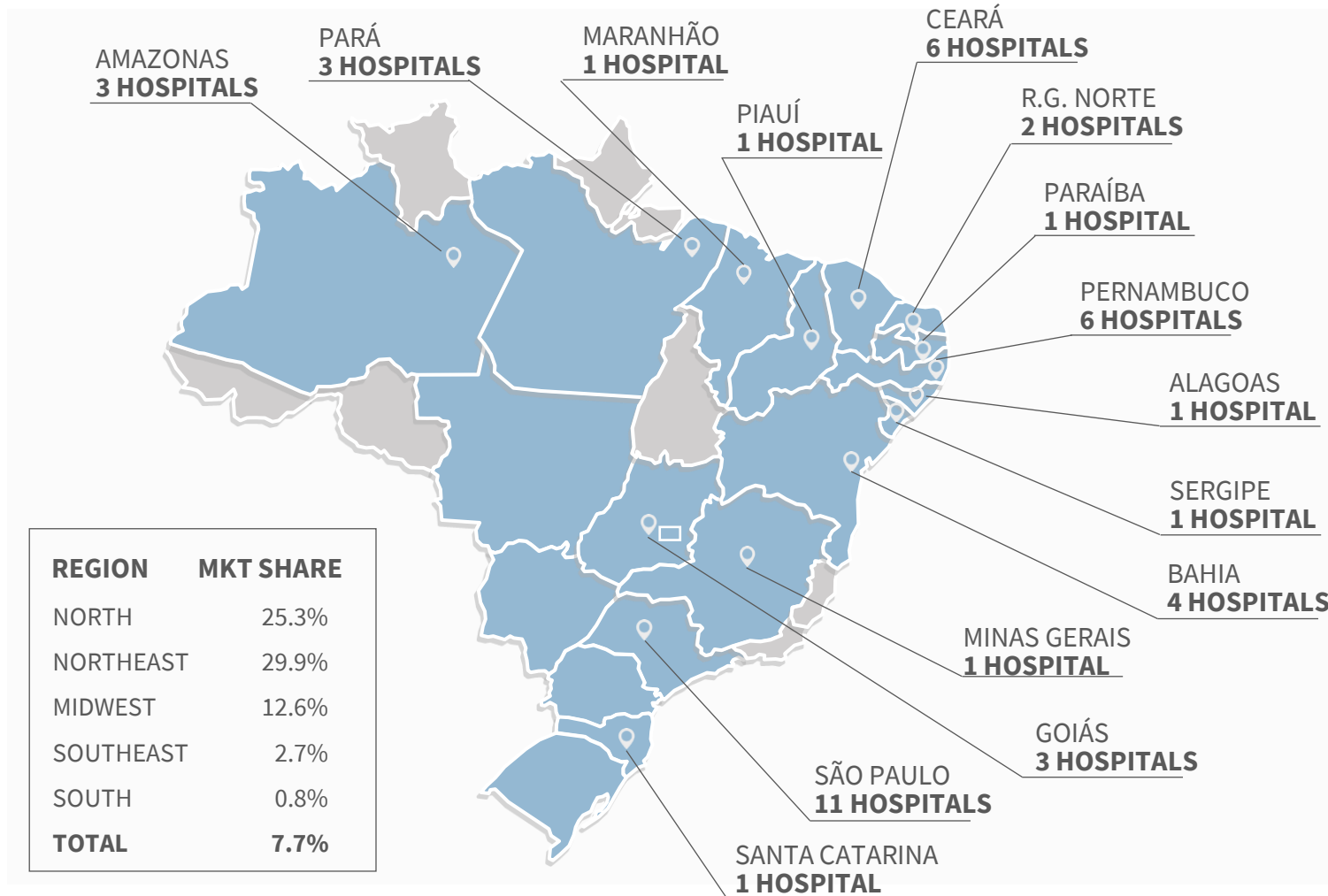
# Message from CEO



## *Main events 2020*

-  **Covid-19**
-  **Infrastructure, M&A and Integrations**
-  **4Q20 and 2020 Financial figures**
-  **Hapvida and GNDI Merger**
-  **Operational milestones**
-  **Appreciation**

# Hapvida's Infrastructure



**45 hospitals**



**3,240 beds**



**198 clinics**



**46 walk-in emergencies**




**175 diagnostic centers**



**+12 hospitals under construction**

# M&A Transactions

*On going search for good assets and focus on inorganic growth*



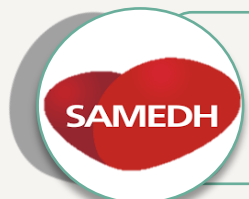
**July 15, 2020**

- São José dos Campos/ SP
- 104 beds
- 2 hospitals
- 51 thousand lives




**September 8, 2020**

- Belo Horizonte/MG
- 273 beds
- 3 hospitals + 1 day hospital
- 273 thousand lives




**September 8, 2020**

- Goiânia/GO
- 18 thousand lives




**September 8, 2020**

- Lease of the Hospital Sinhá Junqueira in Ribeirão Preto/MG



**September 18, 2020**

- Anápolis/GO
- 53 beds




**September 18, 2020**

- Anápolis/GO and Goianésia/GO
- 18 thousand lives



**September 28, 2020**

- Rio Claro/SP
- 73 beds
- 1 hospital
- 5,5 thousand lives



**November 9, 2020**

- Belo Horizonte/MG, Brasília/DF and Montes Claros/MG
- 125 thousand lives

## Status M&A 2019 and 2020



**Incorporated**



**Processing incorporation**



**Systems implemented**



**Closing in November/20**



**Closing in December/20**



**Closing in February/21**

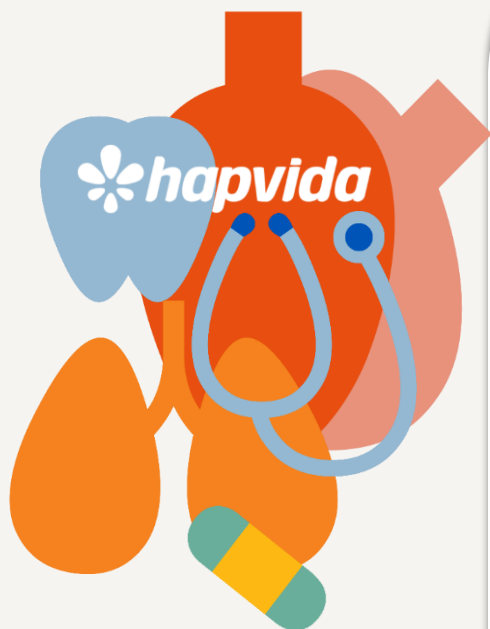


**Closing in February/21**

# 4Q20 and 2020 Highlights



Main financial and operational indicators – Hapvida<sup>1</sup>



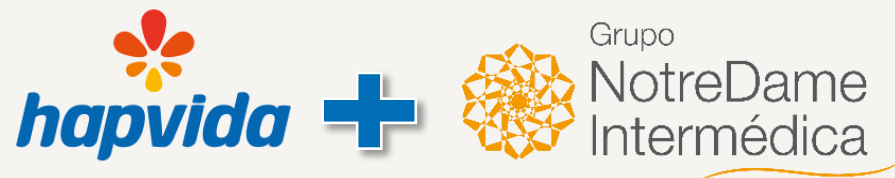
(R\$ million)	4Q20	4Q19	Δ	2020	2019	Δ
<b>Net Revenue</b>	2,273.5	1,785.4	<b>27.3%</b>	8,555.0	5,634.4	<b>51.8%</b>
<b>Health beneficiaries</b> (thousands)	3,744	3,511	<b>6.6%</b>			
<b>Dental beneficiaries</b> (thousands)	2,929	2,817	<b>4.0%</b>			
<b>Cash MLR</b>	59.5%	56.8%	<b>2.7 p.p.</b>	56.4%	57.4%	<b>-1.0 p.p.</b>
<b>Total MLR</b>	66.5%	61.8%	<b>4.7 p.p.</b>	60.9%	60.4%	<b>0.5 p.p.</b>
<b>EBITDA</b>	431.8	374.7	<b>15.2%</b>	2,019.6	1,233.3	<b>63.8%</b>
<b>EBITDA margin</b>	19.0%	21.0%	<b>-2.0 p.p.</b>	23.6%	21.9%	<b>1.7 p.p.</b>
<b>Net income</b>	94.3	210.6	<b>-55.2%</b>	785.3	851.8	<b>-7.8%</b>
<b>Net income ex-value added</b>	281.5	275.7	<b>2.1%</b>	1,300.4	916.9	<b>41.8%</b>

<sup>1</sup>Consolidated numbers

# Business Combination GNDI



*Combination of the Best...*



- ✓ Largest Verticalized Healthcare Players in the World
- ✓ Fastest Growing Health Plan Operators in the Country
- ✓ Unbeatable MLR and Profitability of both companies

## Transformation and improvement of the healthcare sector in Brazil



National presence at affordable prices

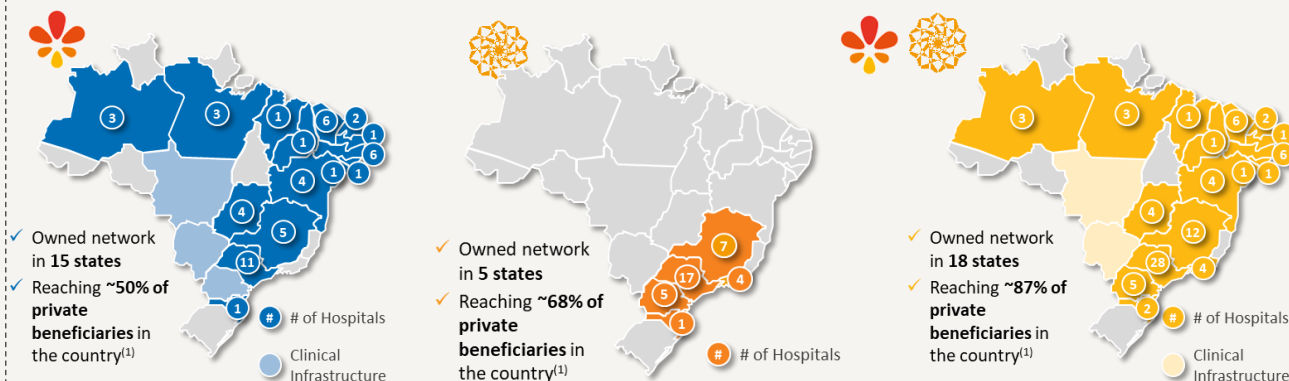


Private healthcare plans are the 3rd most desired product by the Brazilian population



Capacity to increase penetration of private plans nationwide

## Very Complementary Geographic Position

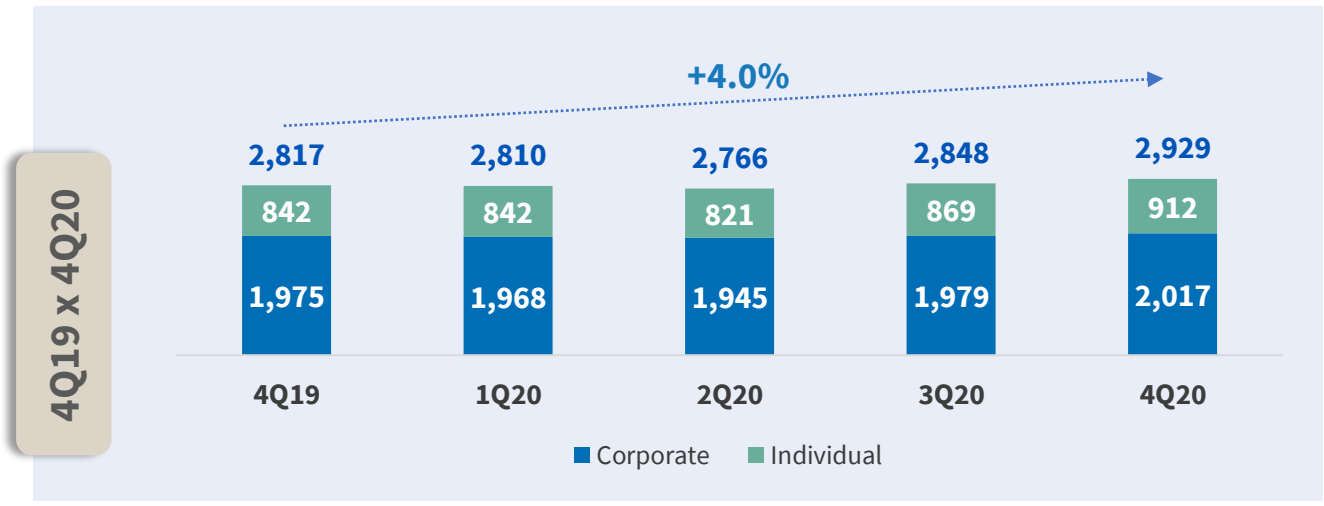
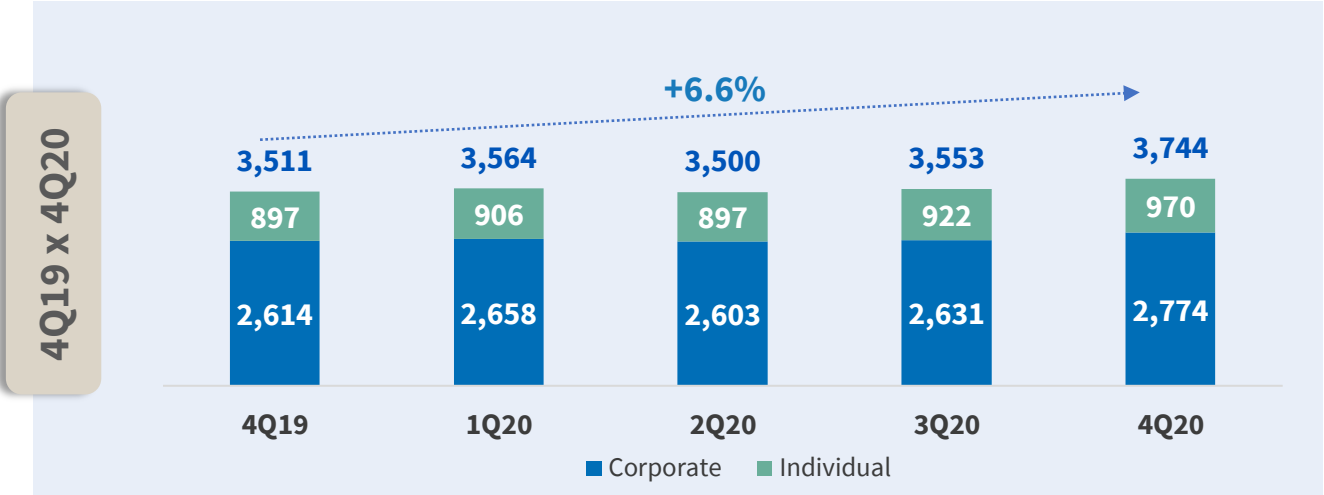
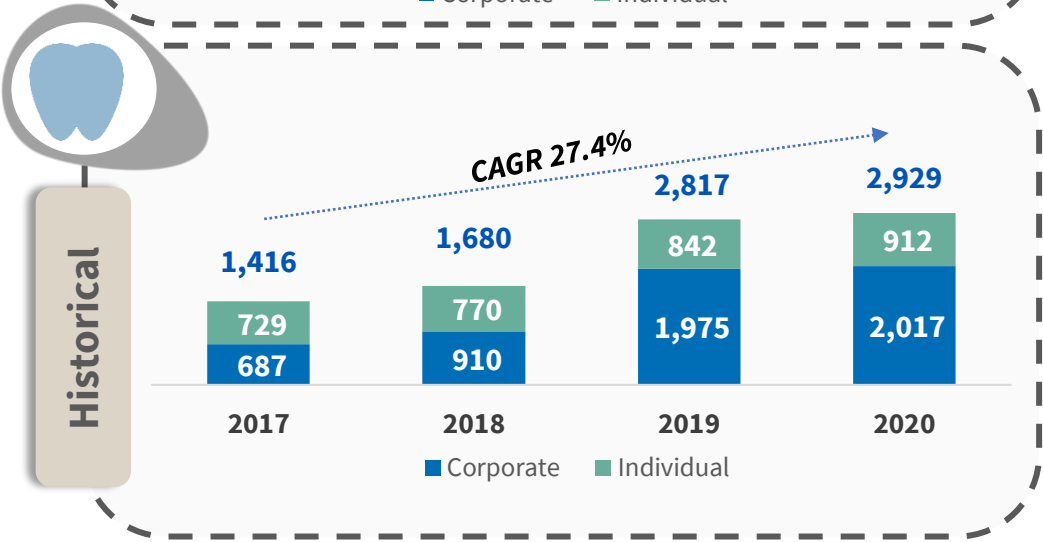
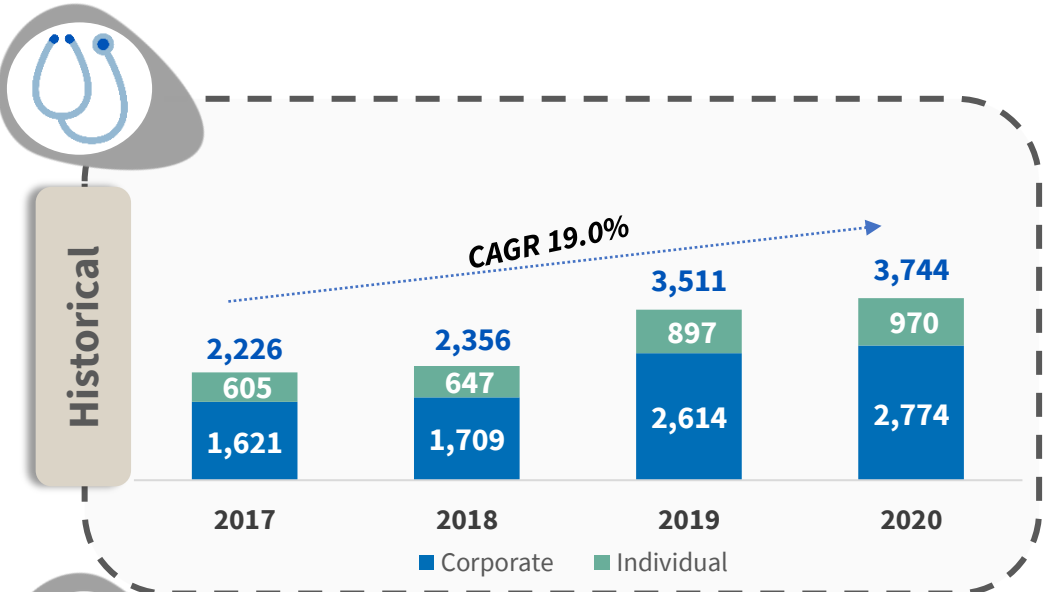


<sup>(1)</sup> Calculated as the number of health beneficiaries in the states where Hapvida and/or GNDI have owned infrastructure divided by the number of health beneficiaries in Brazil; and that Hapvida currently does not reach beneficiaries in São Paulo metropolitan region  
<sup>(2)</sup> Considers M&As signed by Hapvida and GNDI, but not yet closed (december/20).

## Clear Synergies to be Captured

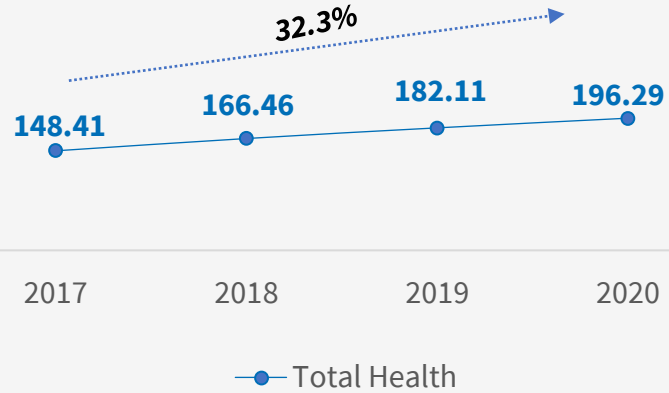
- ❑ Cross-sell of corporate plans current served only by one of the companies in specific location
- ❑ Potential to reduce MLR by improving protocols with best practice
- ❑ Leverage owned network by offering services to third-parties
- ❑ Eliminate duplicities in G&A expenses

# Beneficiaries

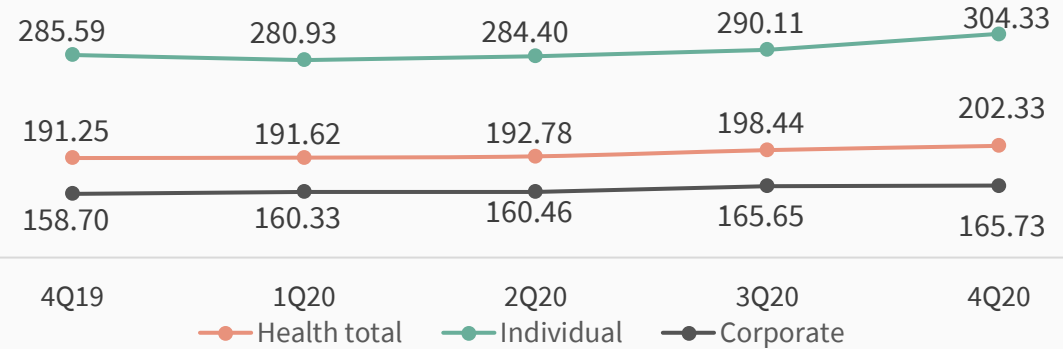


# Average Monthly Ticket

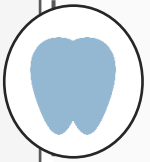
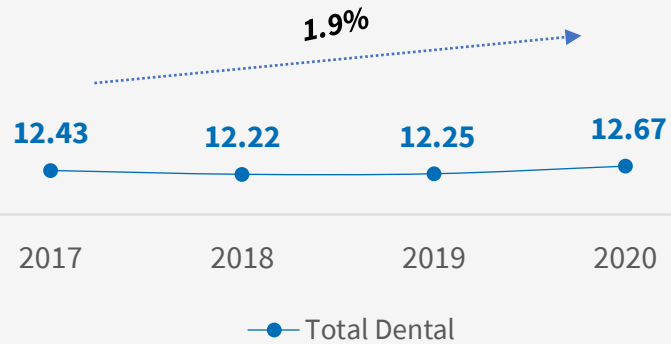
Historical



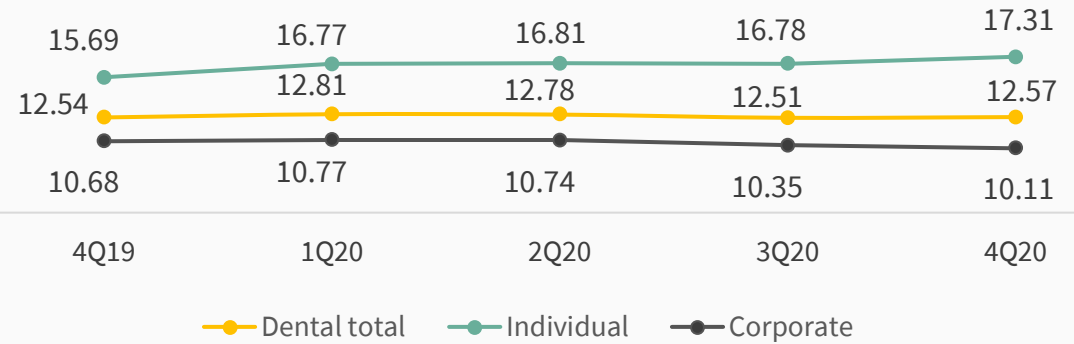
Health +5.8%  
Individual +6.6%  
Corporate +4.4%



Historical



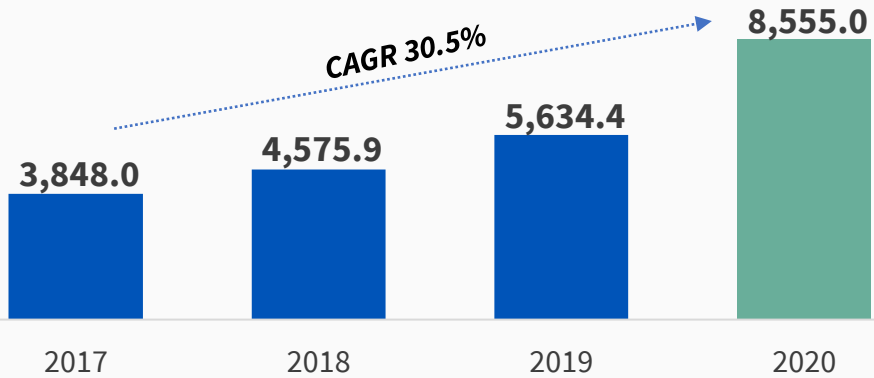
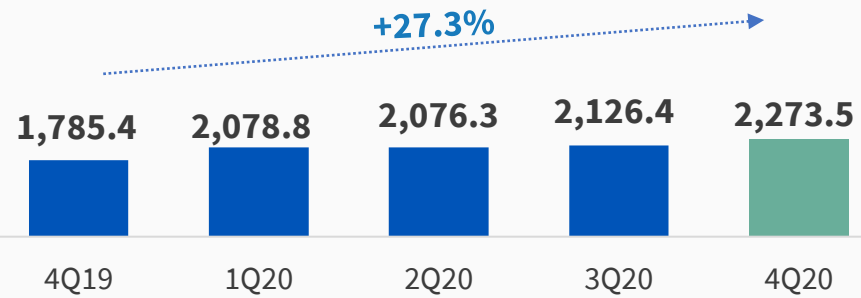
Dental +0.2%  
Individual +10.3%  
Corporate -5.3%



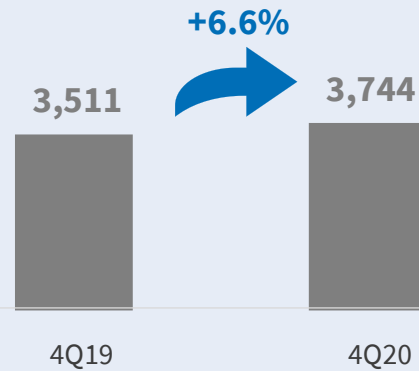


# Net Revenue

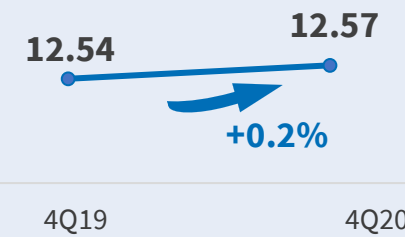
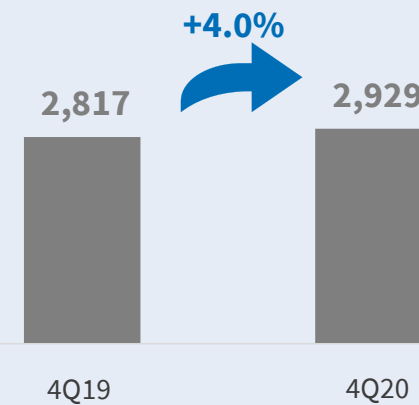
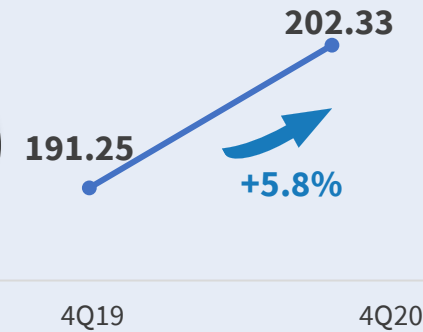
## Net Revenue



## Beneficiaries

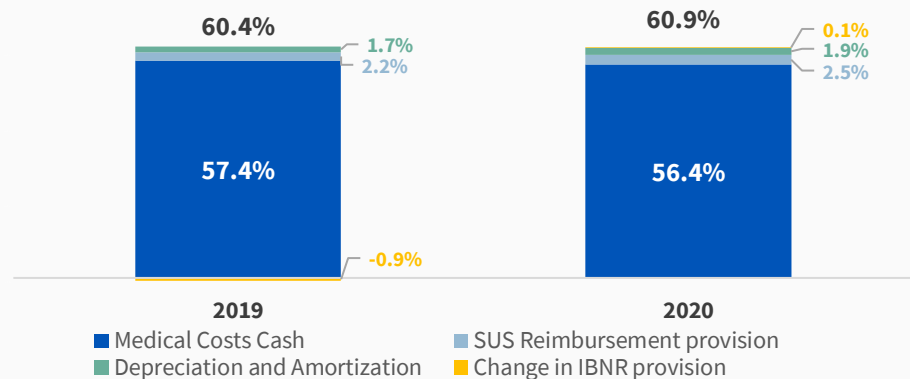
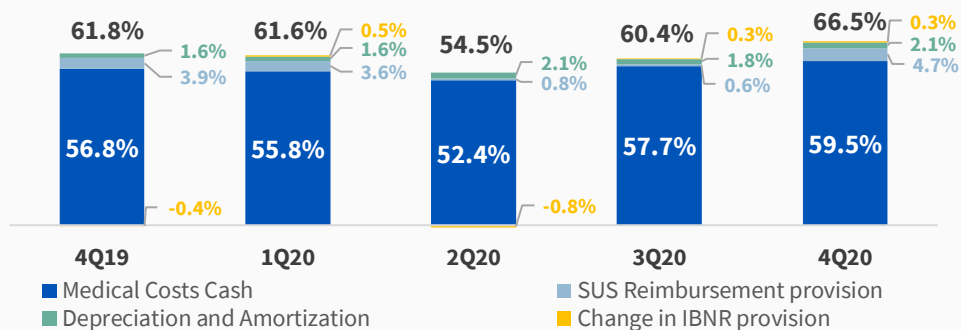


## Average Ticket

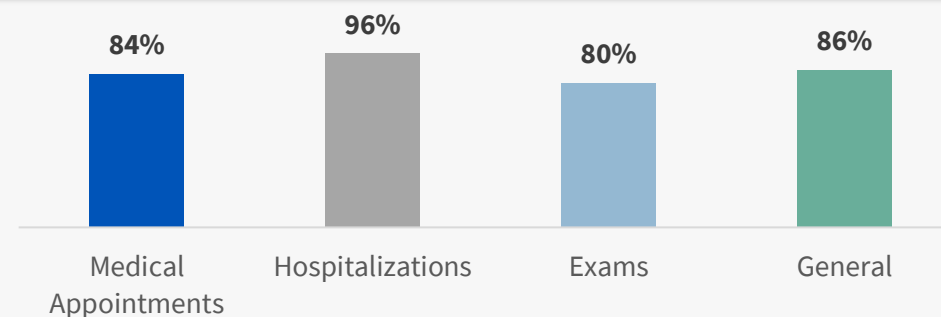


# Medical Costs and Medical Loss Ratio

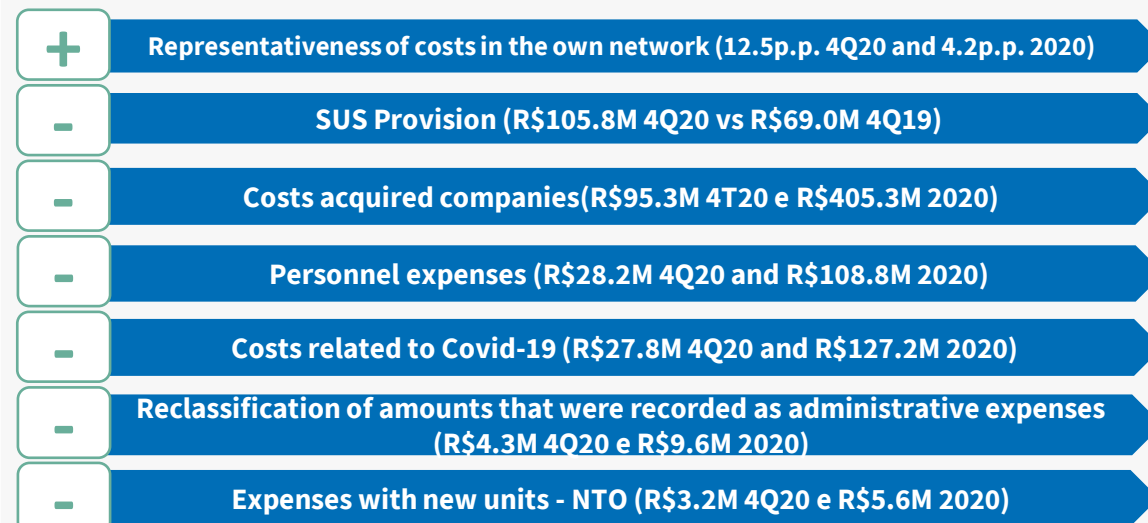
## Composition of MLR



## VERTICALIZATION - 2020<sup>1</sup>

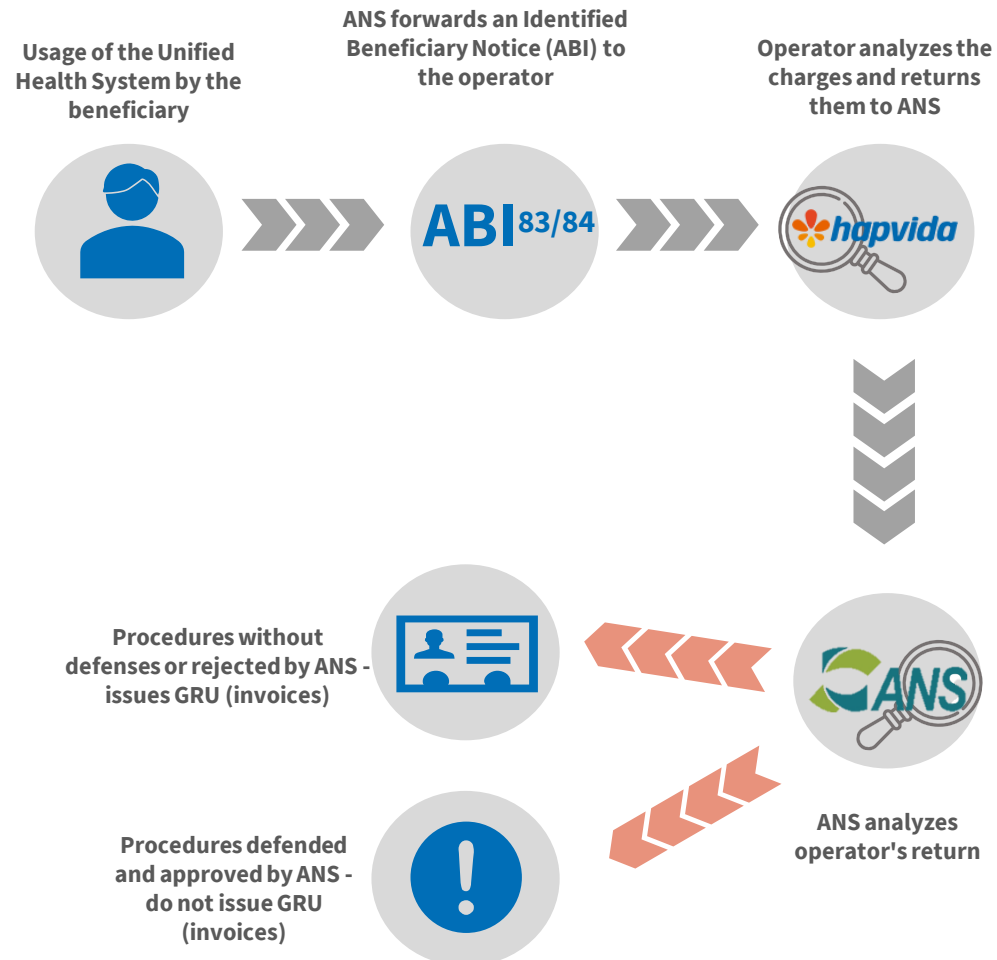


## MAIN VARIATIONS



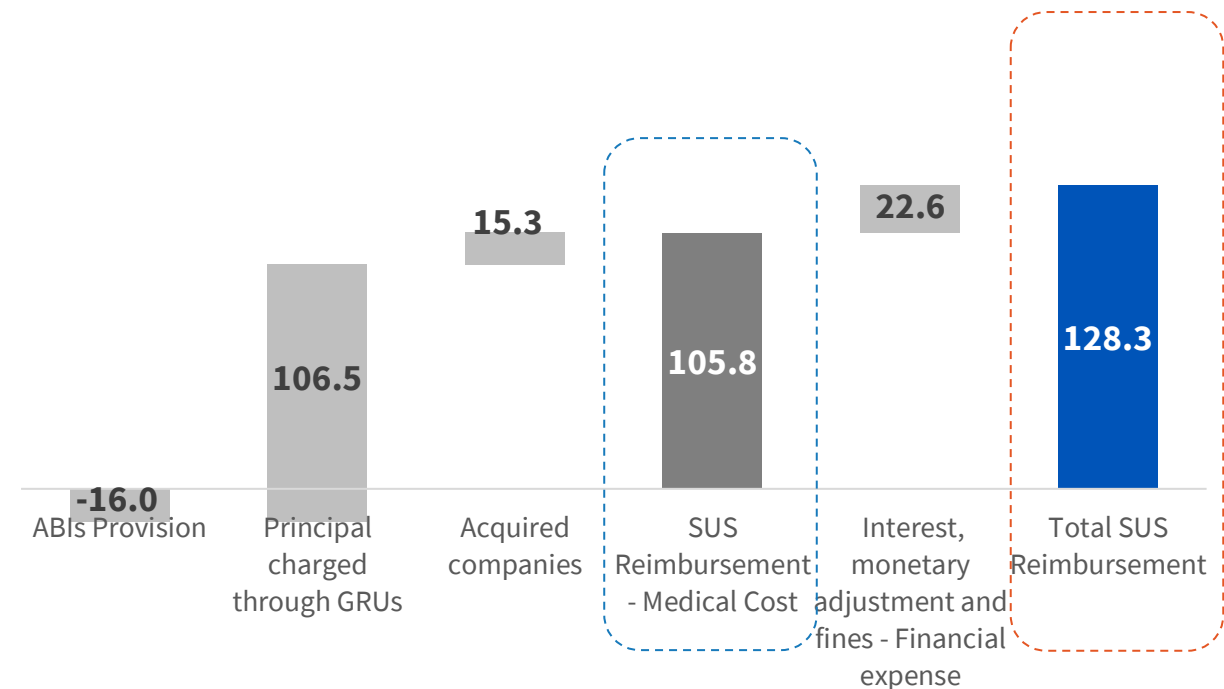
<sup>1</sup>% calculated by the volume of appointments made in our own network in 2020 – Only Hapvida ex-acquisitions.

## Reimbursement Flow



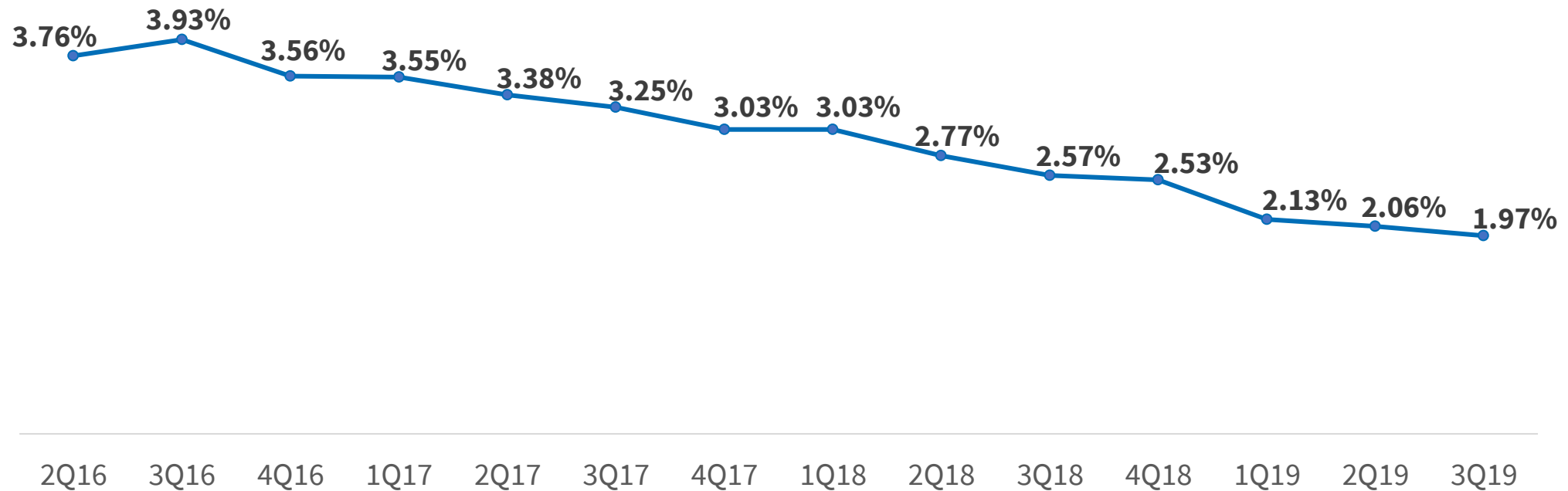
## Reimbursement Breakdown in the 4Q Result

In R\$ Millon



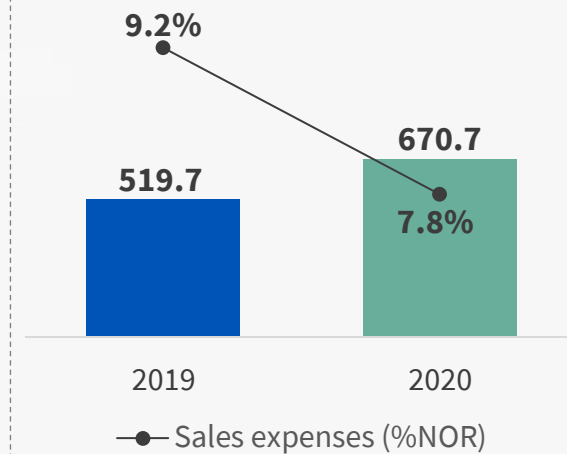
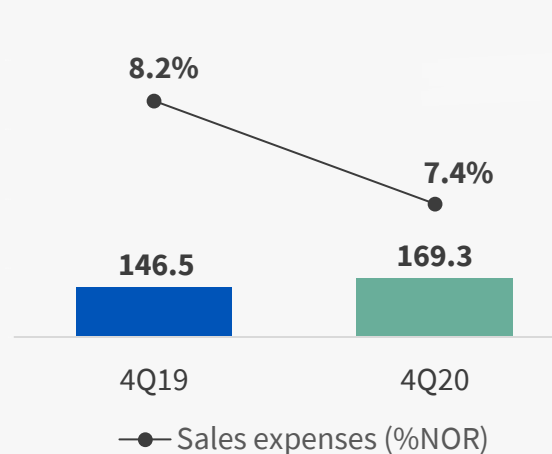
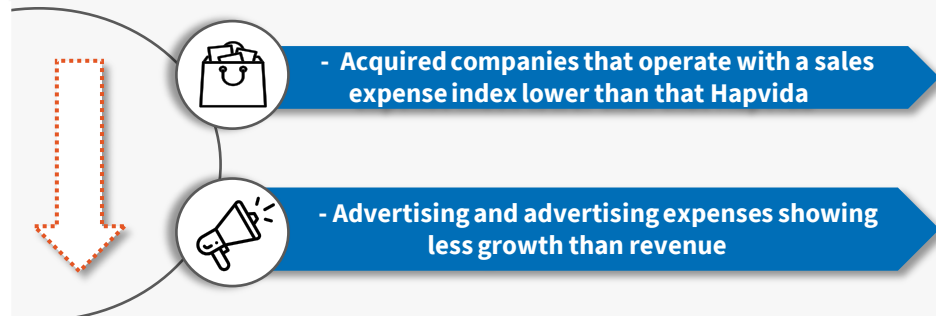
# SUS Reimbursement – ABI/MLR

Amount of ABIs received on the amount of the MLR for each quarter

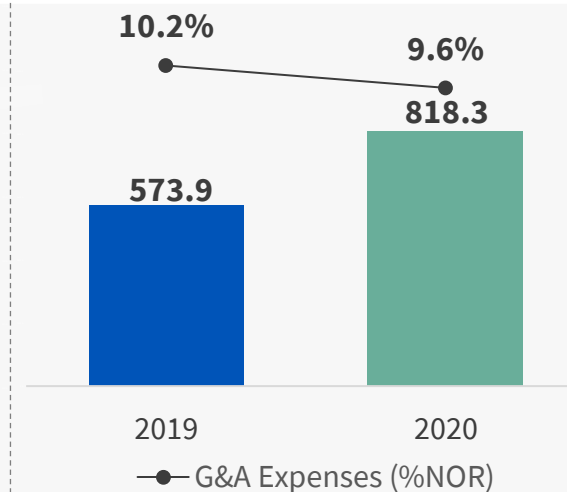
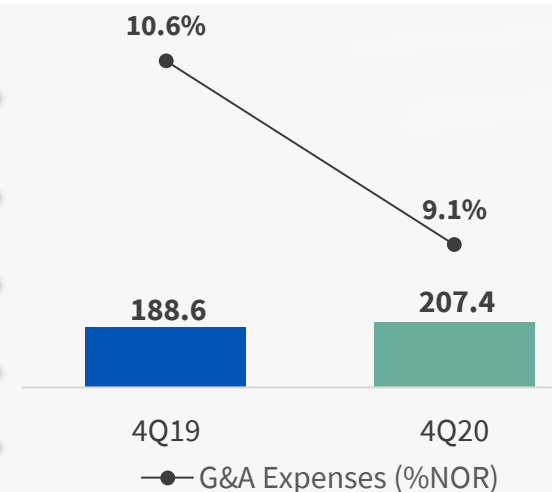
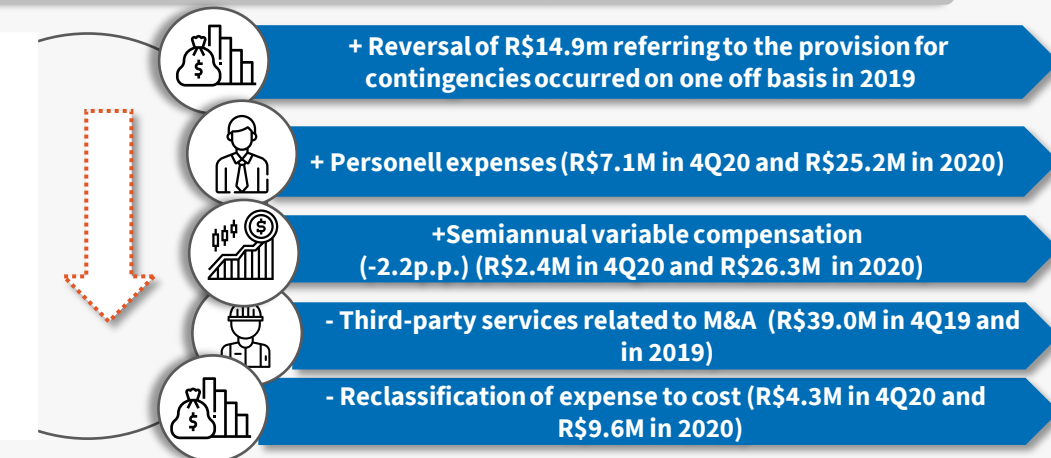


# Operational Expenses

## Selling Expenses



## Administrative Expenses



# EBITDA and Net Income

4Q20

12.4%

Net Margin  
ex-value added

19.0%

EBITDA Margin

281.5

71.3

30.0

49.0

431.8

Net Income ex-  
value added

D&A ex-value  
added

Financial  
Result

Taxes

EBITDA

4Q20 x 4Q19

+15.2%

EBITDA

+2.1%

Net Income ex-  
value added

2020

15.2%

Net Margin ex-  
value added

23.6%

EBITDA Margin

1,300.4

237.4

134.5

347.4

2,019.6

Net Income ex-  
value added

D&A ex-value  
added

Financial  
Result

Taxes

EBITDA

2020 x 2019

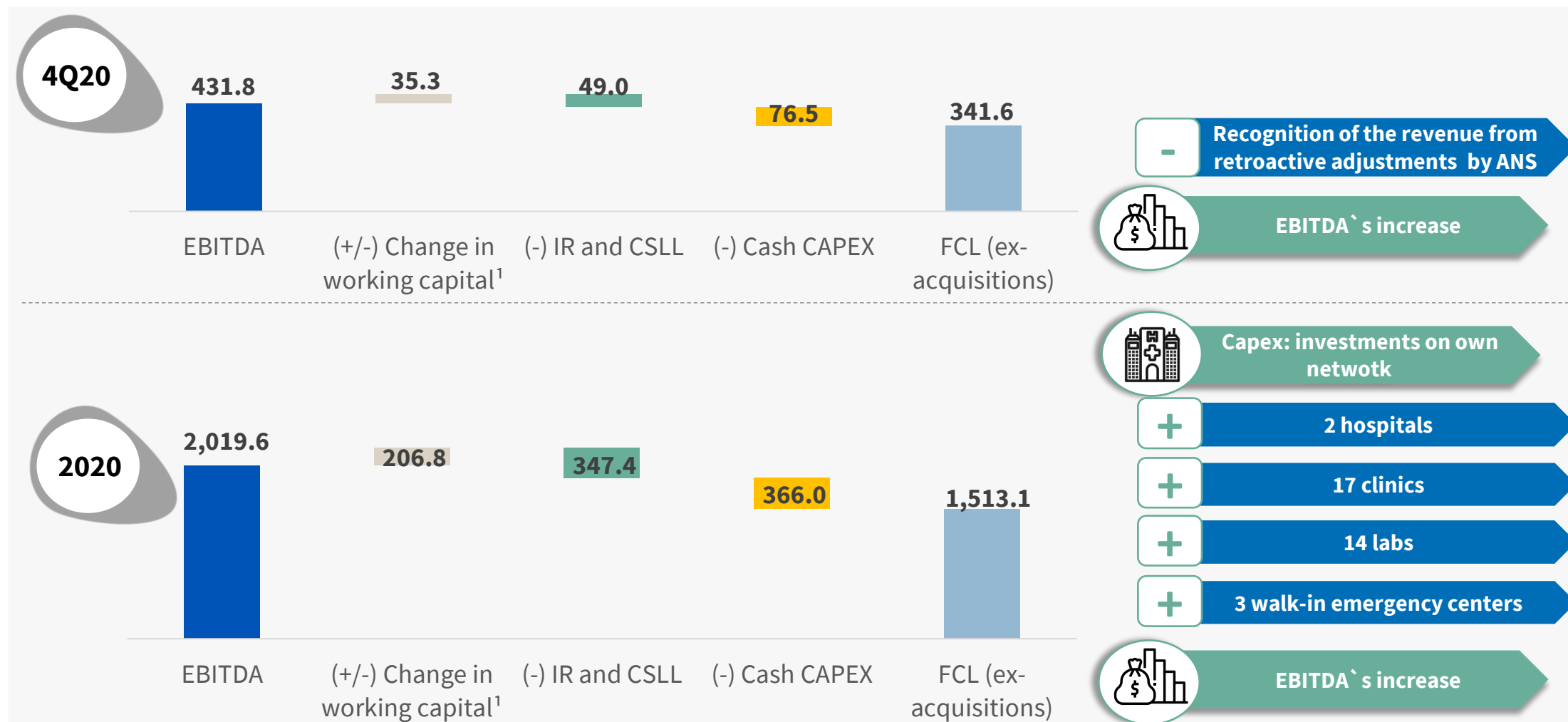
+63.8%

EBITDA

+41.8%

Net Income ex-  
value added

# Free Cash Flow and Capex



(<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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