



Notre Dame
Intermédica

Earnings Release 2Q23



Earnings Call Presentation

August 10th, 2023 (Thursday)

Portuguese (with simultaneous translation to English)

10am (EDT - NY) | 11am (BRT)

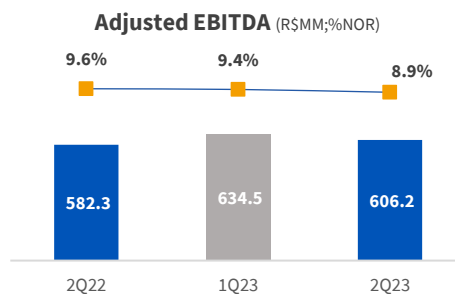
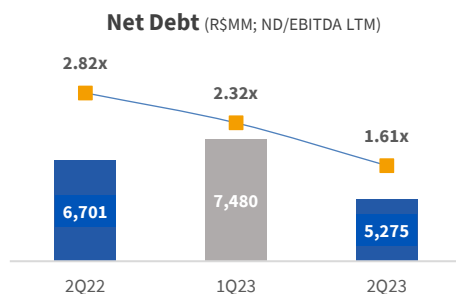
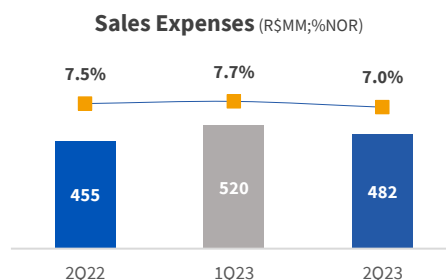
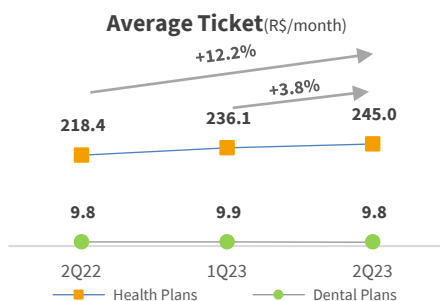
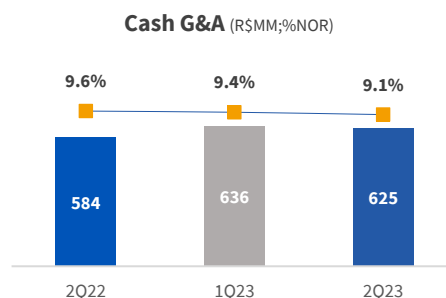
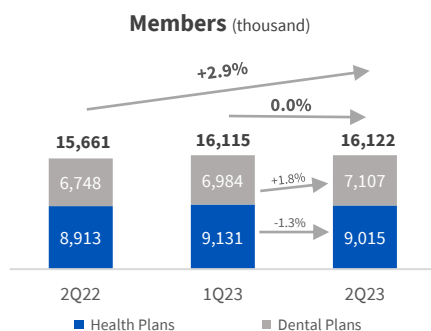
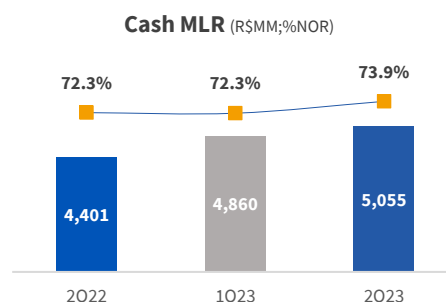
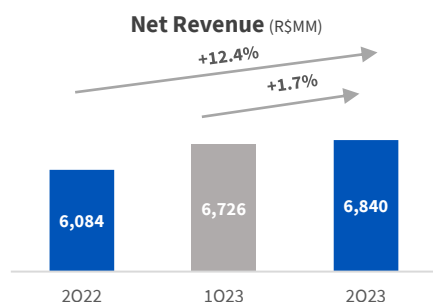
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Summary

HIGHLIGHTS

In 2Q23, the Company showed growth in Net Revenue, an increase in MLR below the historical seasonality and a nominal drop in administrative and selling expenses. This result reflects the strategy of recomposing tickets and implementing integration and verticalization initiatives.

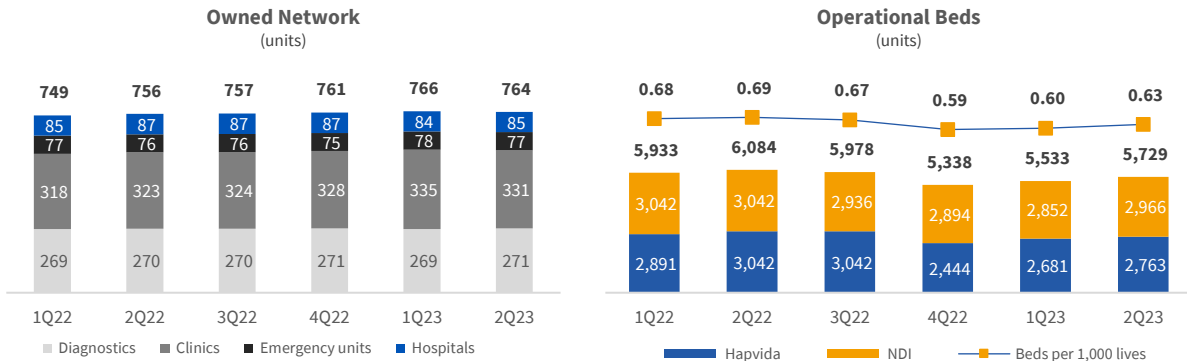
In this quarter, we showed a strong drop in leverage due to Follow-on, SLB and cash generation.



Operational Highlights

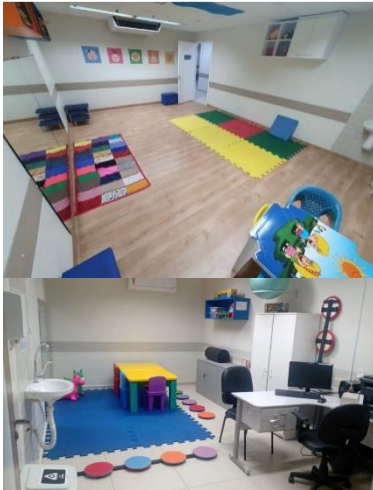
OWNED NETWORK

In 2Q23, the Company had 85 hospitals, 77 emergency units, 331 clinics and 271 diagnostic imaging and laboratory collection units, totaling 764 own service points, accessible to our beneficiaries, in all five regions of Brazil.



In april'23 we inaugurated the Lifecenter Contagem Hospital and the Contorno Emergency unit, both in the state of Minas Gerais.

Throughout the quarter, we also inaugurated new Autism Spectrum Disorder (ASD) rooms within several Clinical Centers and thus verticalizing the service bringing better care and infrastructure to our beneficiaries.



ESG – ENVIRONMENT, SOCIAL AND GOVERNANCE



Environment

In June, the environment month was celebrated with the carrying out of several actions on the importance of conscious consumption and correct segregation of waste.



Social

Continuing with development actions for our employees and with the work of affinity groups, through initiatives and prioritization of themes related to human rights, in this quarter the following actions were carried out:

- Discussion on the National Day of Indigenous Peoples
- Lecture on International Family Day
- Commemoration of the World Day for Cultural Diversity, showing our regionality and the importance of recognizing the existing differences in each location, working on themes of respect, engagement and xenophobia
- For LGBTI+ Pride Month, we had a Lecture by the Executive Director of the LGBTI+ Companies and Rights Forum, we launched the Inclusive Management Guide and specific development paths for leaders according to their level of knowledge and performance in the subject, in addition to bringing informative announcements with our employees who gave face to the campaign and to the month of diversity



Governance

We published our Hapvida NotreDame Intermédica Sustainability Report for 2022. This was the first version of this important document of the combined Company, where we highlight innovative actions, initiatives and projects, consolidating our commitment to transparency. The document was produced adopting the best market practices for sustainability reporting, in accordance with the Global Reporting Initiative (GRI) standards, in addition to third-party auditing.

From the perspective of risk management, the Group reviewed all the risks present in its corporate risk management matrix, including gathering the perception of executives and independent members of Management, thus directing efforts towards the most critical issues for the Group. We also continue with the risk management culture dissemination program (PDCR), with corporate training for employees and third parties.

Financial Results

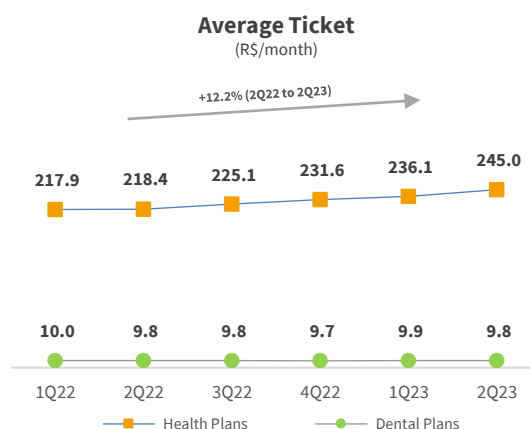
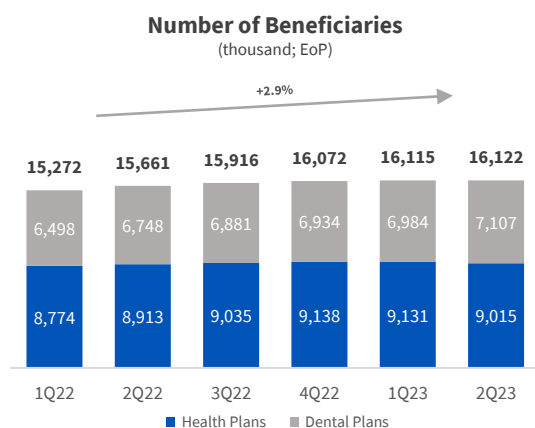
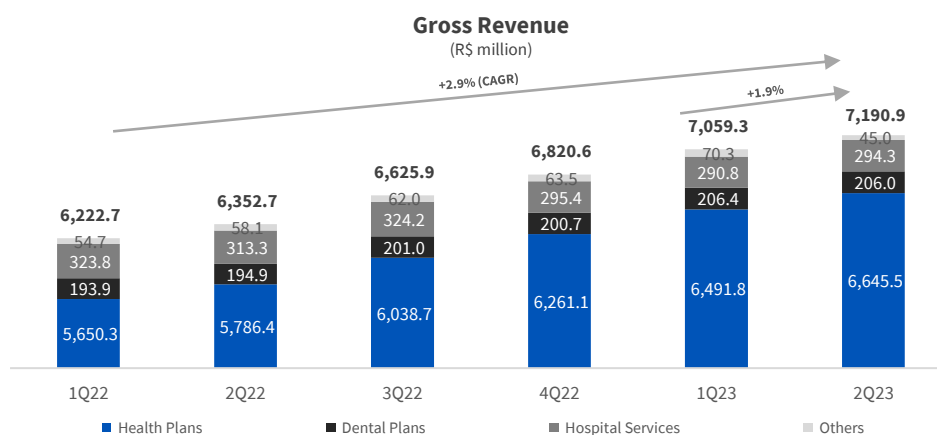
NET REVENUE

The consolidated net revenue totaled R\$6.8 billion in 2Q23, an increase of 12.4% when compared to 2Q22, benefited from the growth of the business lines of health plans, result of the margin readjustment and recomposition strategy despite the reduction in the number of beneficiaries.

In January'23, we completed the acquisition of HB Saúde, which added R\$85.6 million to net revenue in 2Q23.

Since January'23, ISS (service tax) began to be levied on the revenue of the operator Hapvida Assistência Médica in Fortaleza/CE, totaling R\$18.7 million in 2Q23.

(R\$ million)	2Q23	1Q23	Var. % 2Q23/1Q23	2Q22	Var. % 2Q23/2Q22
Health Plans	6,645.5	6,491.8	2.4%	5,786.4	14.8%
Dental Plans	206.0	206.4	-0.2%	194.9	5.7%
Hospital Services	294.3	290.8	1.2%	313.3	-6.0%
Others	45.0	70.3	-36.0%	58.1	-22.6%
Deductions	(351.0)	(333.1)	5.4%	(269.1)	30.5%
Net Revenue	6,839.8	6,726.2	1.7%	6,083.6	12.4%

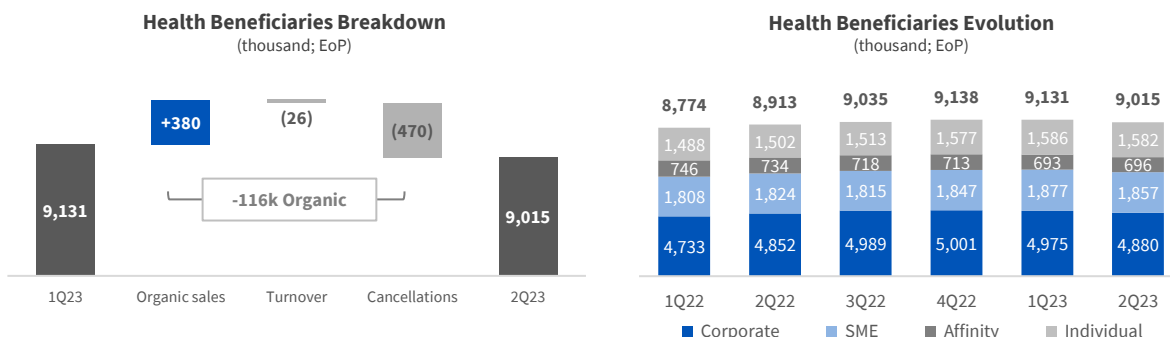


1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results.

HEALTH PLANS

Net revenues of health plans in 2Q23 totaled R\$6.6 billion, a growth of 14.8% compared to 2Q22. This growth is a result of the 1.2% increase in the number of health plans beneficiaries, from 8.9 million to 9.0 million and the consolidated average monthly ticket ranging from R\$218.4 to R\$245.0.

Beneficiaries



In 2Q23, the Company presented a net reduction of 116 thousand beneficiaries in health plans when compared to 1Q23. Among the main aspects that impacted growth, we highlight:

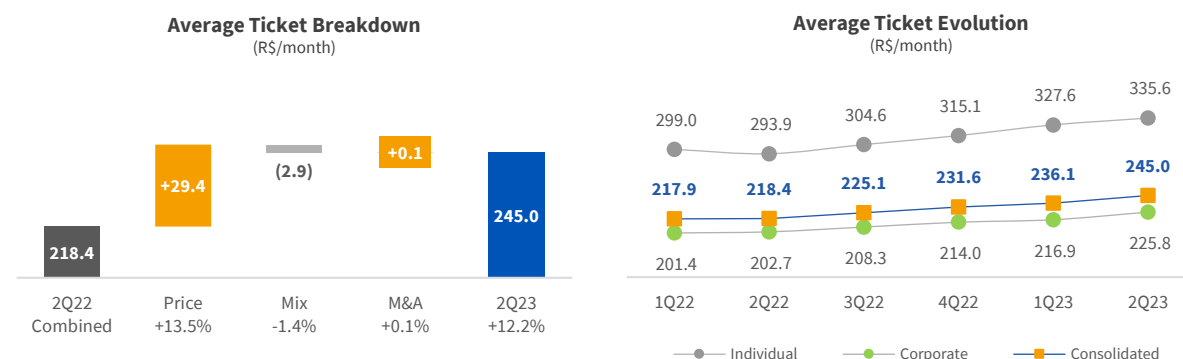
- Addition of 380 mil beneficiários, thousand beneficiaries as a result of the maintenance of gross sales
- Reduction of 470 thousand beneficiaries from the cancellation of contracts, reflecting the increase in defaults, macroeconomic environment and reduction of loss-making contracts (237k Corporate, 118k SME e 115k Individual/Affinity)
- Loss of 26 thousand beneficiaries due to negative turnover (net dismissals and admissions in existing corporate contracts), lower level compared to 1Q23

At the end of 2Q23, the Company had 481.6 thousand beneficiaries in preferred provider organization plans (PPO), a net reduction of 9.5 thousand when compared to 1Q23.

Average Ticket

The consolidated average health ticket increased 12.2%, reflecting the strategy of recomposing prices and reviewing the client portfolio, seeking a more profitable and sustainable portfolio. Thus, we have the following impacts when evaluating the evolution of the average ticket between quarters:

- +13.5% as a result of the re-composition of tickets
- -1.4% sales and cancellations mix
- +0.1% positive impact coming from a higher average ticket of HB Saúde, R\$252.0



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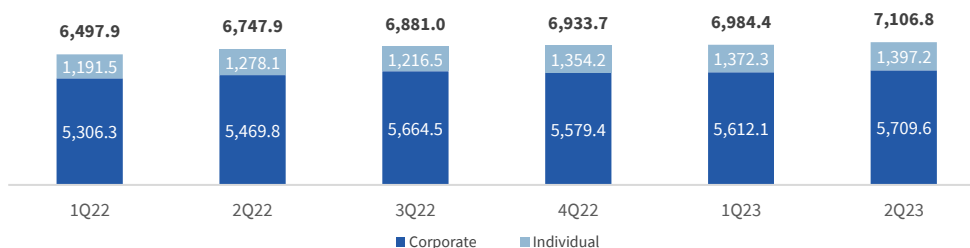
DENTAL PLANS

2Q23 Net revenue of dental plans totaled R\$206.0 million and grew by 5.7% when compared to 2Q22. This growth is a result of the 5.3% increase in the number of beneficiaries (from 6.8 million to 7.1 million) and the average monthly ticket remaining stable at R\$9.8.

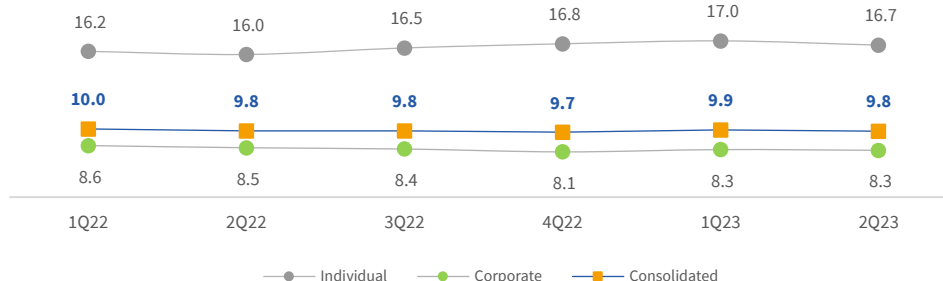
During the quarter, the Company added 26.3 thousand lives organically and 96.2 thousand lives from the integration of the CCG system, with beneficiaries having double coverage (health and dental).

It is important to point out that the Cash MLR of the dental plans operation has remained under control year after year, allowing for lower readjustments and increasingly competitive prices, expanding the cross-selling and loyalty strategy.

Dental Beneficiaries Evolution
(thousand; EoP)



Average Ticket Evolution
(R\$/month)



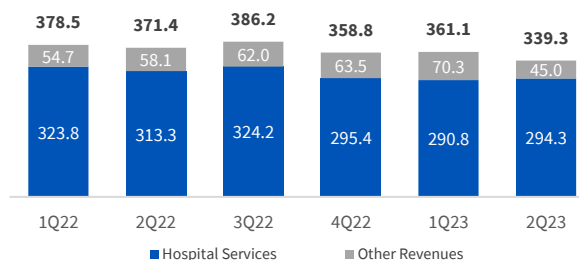
Hospital Services & Other Revenues

In 2Q23, revenue from hospital services and other activities reached R\$339.3 million, a decrease of 8.6% compared to 2Q22.

In August'23, we concluded the divestment of São Francisco Resgate. As of May'23, the Other Income item was reduced, generating a negative impact of R\$29.2 million in 2Q23.

In addition, we have been more selective in offering medical and hospital services to third parties, reducing the credit risk, while we have taken advantage of this moment to seek organic growth in beneficiaries in regions where we have idle capacity.

Gross Revenue
(thousand; EoP)



MEDICAL COSTS AND CASH MLR

Cost of services comprises Depreciation and Amortization (D&A), provision for Events Incurred but Not Reported (IBNR), provision for SUS, and Cash Medical Losses, as detailed below:

(R\$ million)	2Q23	1Q23	Var. % 2Q23/1Q23	2Q22	Var. % 2Q23/2Q22
IBNR Provision	28.8	(1.8)	-1,738.4%	(6.3)	-1,655.6%
SUS Reimbursement	42.8	77.9	-45.1%	68.1	-37.1%
Depreciation and Amortization	102.5	110.5	-7.2%	119.3	-14.1%
Cash Medical Losses	5,055.2	4,860.0	4.0%	4,400.7	14.9%
Cash MLR	73.9%	72.3%	1.6pp	72.3%	1.6pp
Total Medical Costs	5,229.3	5,046.7	3.6%	4,581.8	14.1%

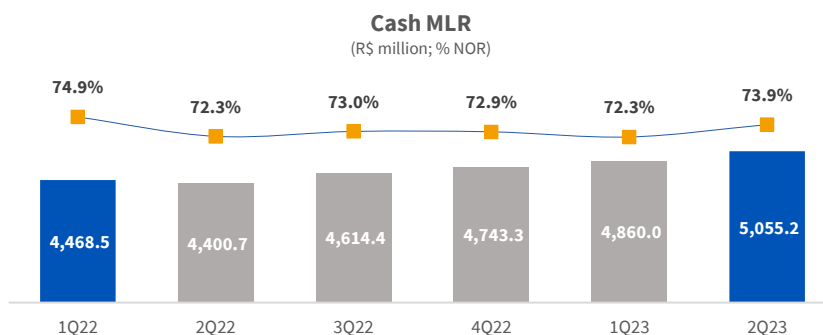
In 2Q23, we notice :

- IBNR Provision of R\$28.8 million reflecting the return to typical seasonality for this quarter
- Reduction of R\$8.0 million in expenses with depreciation and amortization, mainly due to the Sale & Leaseback (SLB) operation, where the amortization of the right of use is less than the depreciation of the properties that were sold

Cash MLR

Cash MLR is the most relevant item in the cost of services and reflects effective healthcare costs, as well as all cost control initiatives, increased vertical integration and seasonal characteristics of the business.

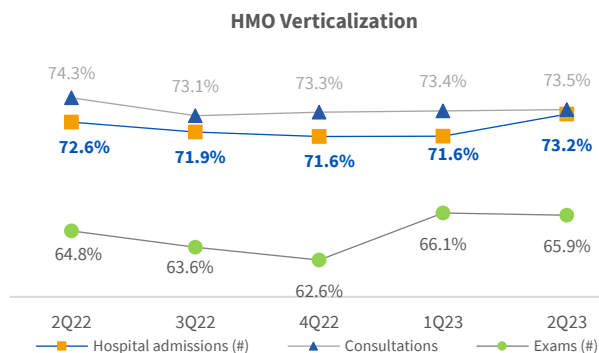
In 1Q23, Cash MLR (which exclude D&A, IBNR and SUS Provision) was 73.9%, an increase of 1.6 p.p. both in comparison with 2Q22 and 1Q23.



The increase in MLR in 2Q23 compared to 1Q23 was mainly due to the increase in network usage due to the typical viruses in the period. Historically this seasonality brings from 2p.p. at 3p.p. additional cash loss ratio compared to 1Q.

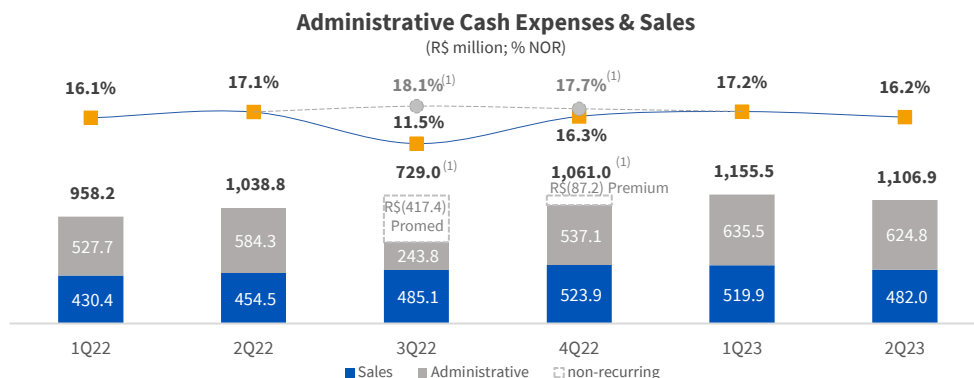
Thus, the transfer of necessary price adjustments, loss control initiatives and increased vertical integration reduced the impacts of seasonality in this quarter.

The use of the care network showed important advances in the verticalization of elective consultations, which went from 73% in 1Q23 to 74% in 2Q23 and hospital admissions that rose from 72% to 73% in the same quarter.



ADMINISTRATIVE & SALES EXPENSES

Administrative cash and sales expenses in 2Q23 reached R\$1.1 billion (16.2% NOR), dilution of 0.9p.p. and 1.0p.p. compared to 2Q22 and 1Q23, respectively.



Administrative Cash Expenses

(R\$ million)	2Q23	1Q23	%NOR 2Q23	%NOR 1Q23	2Q22	%NOR 2Q22
Personnel	283.2	285.6	4.1%	4.2%	269.8	4.4%
Third Party Services	171.5	174.2	2.5%	2.6%	179.5	3.0%
Occupation and Utilities	72.7	77.5	1.1%	1.2%	82.4	1.4%
Contingencies & Taxes	118.9	95.0	1.7%	1.4%	58.5	1.0%
Other revenues/expenses	(21.4)	3.3	-0.3%	0.0%	(6.0)	-0.1%
Administrative Cash Expenses	624.8	635.5	9.1%	9.4%	584.3	9.6%

In 2Q23, the Company, in addition to consolidating the results of HB Saúde, showed dilution and/or stability in percentage terms of net revenue in all lines compared to 1Q23, except for:

- Contingencies & Taxes which increased by R\$23.9 million mainly due to por contingencies of acquired companies without the possibility of compensation with the sellers
- Other income/expenses that are reflected positively by R\$18.9 million from the SLB operation

Also in 2Q23, the Personnel line (administrative and sales) decreased by R\$22.4 million, as a result of the integration process and synergy between Hapvida and NotreDame Intermédica, which were negatively offset by R\$8.2 million in severance pay, R\$8.0 million of collective bargaining agreements and benefit updates.

Sales Expenses

(R\$ million)	2Q23	1Q23	%NOR 2Q23	%NOR 1Q23	2Q22	%NOR 2Q22
Commissions	306.0	321.4	4.5%	4.8%	296.3	4.9%
Provision for credit losses	126.0	154.1	1.8%	2.3%	107.2	1.8%
Advertising and marketing	11.3	12.4	0.2%	0.2%	20.8	0.3%
Personnel expenses	34.3	29.3	0.5%	0.4%	24.6	0.4%
Other selling expenses	4.4	2.9	0.1%	0.0%	5.6	0.1%
Total Sales expenses	482.0	519.9	7.0%	7.7%	454.5	7.5%

In 2Q23, the Company showed dilution, as a percentage of net revenue, in almost all sales expense lines compared to 1Q23, except for Personnel expenses, where it includes R\$3.5 million related to the reclassification of employee commissions previously allocated under the heading of Commissions.

Provision for credit losses totaled R\$126.0 million, reduction of R\$27.9 million compared to 1Q23 mainly reflecting the recovery of credit in the provision of hospital services to third parties and stabilization of default of individual plans.

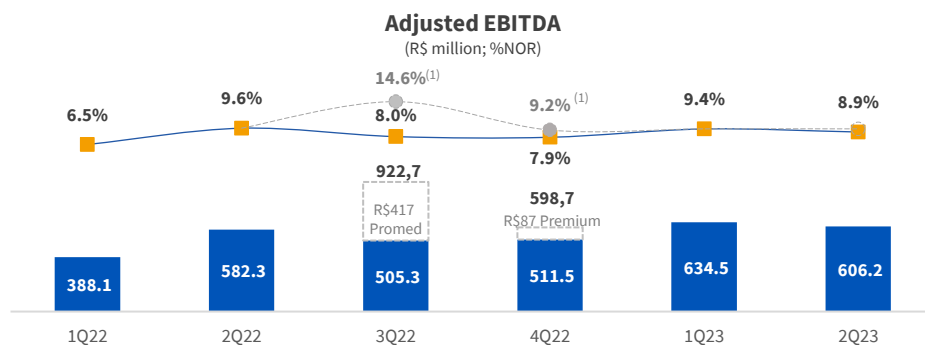
Commissions decreased compared to 1Q23 mainly due to the unification of commercial policies.

1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results.

(1) 3Q22 and 4Q22 excluding the positive impact of R\$417.4 million and R\$87.2 million respectively related to the reimbursement of expenses pursuant to the purchase and sale agreement of companies acquired by the Company.

ADJUSTED EBITDA

Adjusted EBITDA reached R\$606.2 million in 2Q23, na increase of 4.1% versus 2Q22 and a decrease of 4.5% when compared to 1Q23.



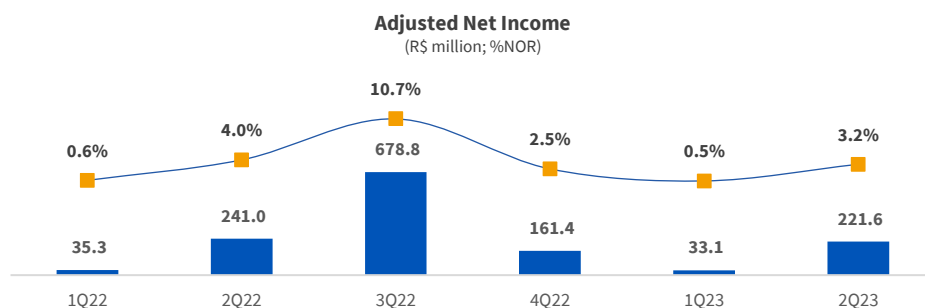
When we compare 2Q23 with 2Q22, we can positively highlight:

- an increase of 12.4% in Net revenues
- dilution of 0.9p.p. in Administrative and Sales expenses

Both effects being negatively offset by the increase of 1.6pp. in MLR.

ADJUSTED NET INCOME

Adjusted Net Income totaled R\$221.6 million in 2Q23, na increase of 570.5% in comparison with 1Q23.



(R\$ million)	2Q23	1Q23	Var. % 2Q23/1Q23	2Q22	Var. % 2Q23/2Q22
Net Income (Losses)	(161.1)	(341.6)	-52.8%	(312.3)	-48.4%
(+) Long term Incentive Plan (LTIP) and SOP	8.6	38.2	-77.5%	144.8	-94.0%
(+) Intangible Amortization	374.1	336.4	11.2%	408.5	-8.4%
Adjusted Net Income	221.6	33.1	570.5%	241.0	-8.0%
(+) Income tax and social contribution	(21.0)	4.9	-532.2%	(78.7)	-73.3%
(+) Financial result	246.9	430.0	-42.6%	259.3	-4.8%
(+) Depreciation and Amortization	158.7	166.6	-4.8%	160.7	-1.3%
Adjusted EBITDA	606.2	634.5	-4.5%	582.3	4.1%
<i>Margin (%NOR)</i>	<i>8.9%</i>	<i>9.4%</i>	<i>-0.6pp</i>	<i>9.6%</i>	<i>-0.7pp</i>

1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results.

(1) 3Q22 and 4Q22 EBITDA presented above includes the positive impact of R\$417.4 million and R\$87.2 million respectively related to the reimbursement of expenses pursuant to the purchase and sale agreement of companies acquired by the Company.

FINANCIAL RESULT

In 2Q23 Net financial result totaled R\$246.9 million, a reduction of 42.6% against the net expense of R\$430.0 million presented in 1Q23.

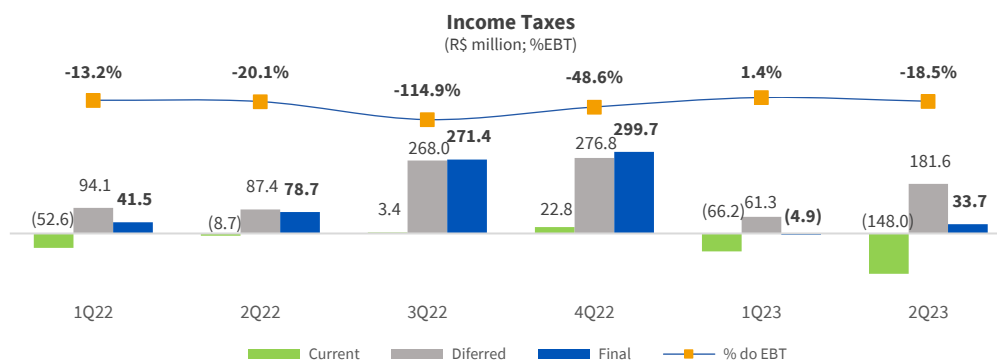
(R\$ million)	2Q23	1Q23	Var. % 2Q23/1Q23	2Q22	Var. % 2Q23/2Q22
Income from investments	204.0	111.5	83.0%	175.5	16.3%
Late payments penalties	28.7	28.4	0.8%	22.2	29.3%
Indexation credits – SUS	18.6	21.6	-14.1%	21.8	-14.8%
Indexation credits – Other	27.6	19.1	44.6%	19.0	45.8%
Derivative instruments – Equity	61.3	0.4	17,174.1%	1.4	4,409.0%
Other financial revenues	14.2	12.6	12.7%	(8.5)	-266.4%
Financial Revenues	354.4	193.6	83.1%	231.2	53.3%
Interest on debentures	(322.2)	(317.1)	1.6%	(299.1)	7.7%
Interest on loans and borrowings	(102.8)	(44.6)	130.7%	(75.6)	35.9%
Derivative instruments – Debt	10.6	(40.7)	-126.0%	(1.0)	-1,123.9%
Derivative instruments – Equity	(0.3)	(19.5)	-98.3%	(12.1)	-97.2%
Interest on leases	(68.8)	(51.5)	33.5%	(43.6)	57.7%
Indexation charges – SUS	(33.7)	(38.6)	-12.8%	37.7	-189.3%
Indexation charges – Other	(67.0)	(69.4)	-3.3%	(62.3)	7.6%
Bank expenses	(11.0)	(11.2)	-1.9%	(10.3)	6.3%
Other finance expenses	(6.1)	(31.2)	-80.4%	(24.2)	-74.7%
Financial Expenses	(601.4)	(623.6)	-3.6%	(490.6)	22.6%
Net Financial Result	(246.9)	(430.0)	-42.6%	(259.3)	-4.8%

Financial Revenue increased R\$160.8 million, from R\$193.6 million in 1Q23 to R\$354.4 million in 2Q23, notably the increases in:

- **R\$92.6 million** in Income from investments, representing 3.1% over the simple average of cash in 2Q23, benefited from the increase in the cash position resulting from Follow-on and SLB
- **R\$61.0 million** in Derivative instruments being (i) R\$11.5 million of the equity swap operation with the appreciation of the shares in the period; and (ii) R\$49.8 million one-off adjustment of the head account due to the interest payment event
- **R\$8.5 million** in Indexation credits which include indemnity balances on retained portions of acquired companies and court deposits

Financial Expenses reduced R\$22.3 million, from R\$623.6 million in 1Q23 to R\$601.4 million in 2Q23, highlighting mainly the reduction of R\$19.1 million in derivative instruments - Equity with the appreciation of shares in the period, partially offset by the increase of R\$17.3 million in interest on the right of use arising from the SLB operation.

INCOME TAXES



The consolidated Income taxes is the result of the individual assessment of the companies controlled by the Company, including this one, which may show profit or loss in certain periods.

The effective rate in 2Q23 was -11.5%. In 2Q22, this percentage was -20.1%. In 1Q23, the percentage was positive at 1.4%.

The reasons for the variations decomposed between deferred and current follow below:

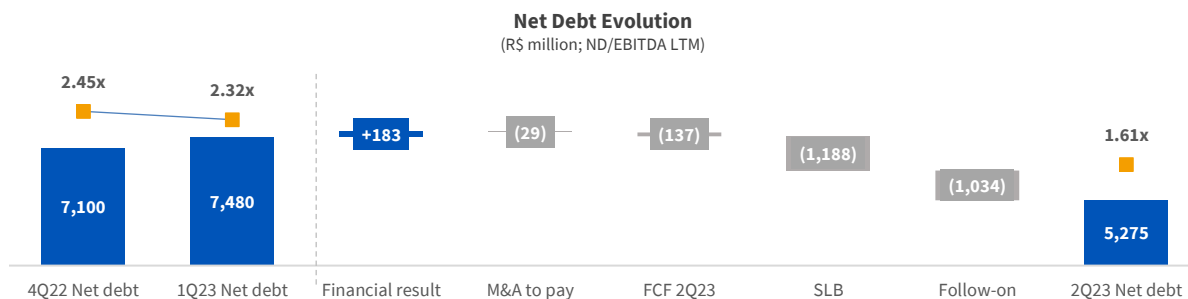
Consolidated deferred income tax in 2Q23 was R\$168.9 million, which represented an increase of R\$81.5 million or 93.2% when compared to consolidated deferred income tax in 2Q22. This is mainly due to the increase in the tax loss and negative base of Hapvida Participações e Investimentos S.A., resulting from (i) financial expense arising from debt securities issued to the market; (ii) investments accounted under equity method; and (iii) amortization of the fair value of assets acquired in business combinations, being partially offset by the tax amortization of goodwill and capital gains of entities already merged.

When compared to the deferred income tax for 1Q23, there was an increase of R\$107.6 or 175.5%, explained by the increase in the tax loss and negative base at Hapvida Participações e Investimentos S.A, mentioned above.

Current consolidated income tax in 2Q23 was R\$147.9 million, which represented an increase of R\$139.2 million or 1,601.4% when compared to the current consolidated income tax for 2Q22. When compared to the current consolidated income tax for 1Q23, the increase was R\$81.7 million or 123.5%. This is due to the increase in EBT of the Company's subsidiaries, with emphasis on the NDI subsidiaries, in which the sale & leaseback operation accounted for a nominal variation of R\$103.9 million, or 70.2%, of the current total income tax for the period.

NET DEBT & CASH FLOW

In 2Q23, the Company reached R\$5.3 billion of Net debt (1.61x EBITDA) versus R\$7.5 billion (2.32x EBITDA) in 1Q23, mainly due to resources (i) R\$1.2 billion of *Sales & Leaseback* operation and (ii) R\$1.0 billion net inflow of *Follow-on*.



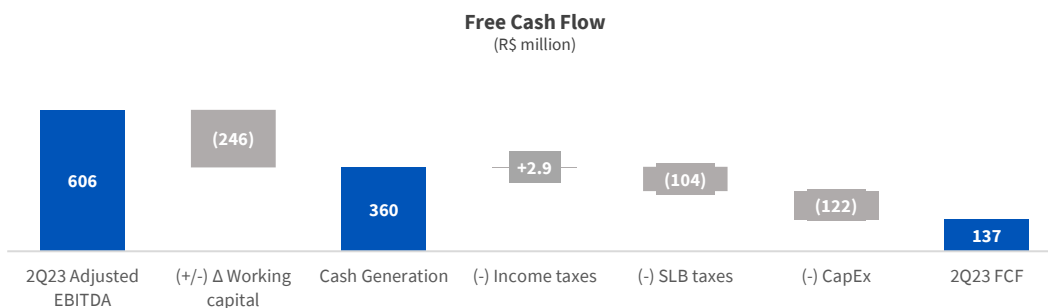
(R\$ million)	1Q23	2Q23	Var. R\$	Var. %
Borrowings, financing and debentures	11,830.5	11,584.1	(246.4)	-2.1%
Other accounts payable (acquired companies)	1,147.0	1,148.4	1.4	0.1%
Derivative financial instruments	68.5	(39.9)	(108.4)	-158.3%
Gross debt	13,045.9	12,692.6	(353.4)	-2.7%
(-) Cash and cash equivalents and investments	(5,565.9)	(7,417.8)	(1,851.9)	33.3%
Net debt	7,480.1	5,274.8	(2,205.3)	-29.5%
EBITDA LTM ¹	3,226.0	3,286.0	60.0	1.9%
Net debt/ EBITDA LTM	2.32	1.61	(0.71)	-30.8%

(1) EBITDA LTM comprises Adjusted EBITDA without the effect of provisions for impairment of accounts receivable.

Cash Flow

In 2Q23, the Company presented positive free cash flow of R\$137.2 million, continuing the cash generation presented in 1Q23.

During the quarter, there was a disbursement of R\$103.9 million referring to the tax on the SLB operation, partially offset by the timely receipt of R\$39.6 million for medical and hospital services in previous periods.

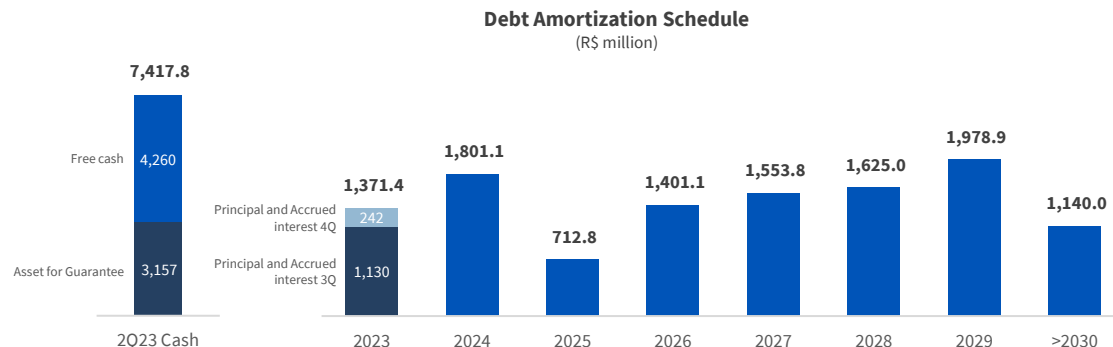


DEBT

In April/23, the Company completed the migration of BCBF14, 15 and 16 debentures to Hapvida Participações e Investimentos S.A.

The duration (average term) and equivalent cost of the Company's debt increased, respectively, from 4.3 years and CDI+1.42% p.y. in 1Q23 to 3.6 years and CDI+1.41% p.y. in 2Q23.

Below, we present our debt amortization schedule of the loans, financing and debentures outstanding at the end of the quarter.



REGULATORY REQUIREMENTS

Regulatory Capital

On June 30, 2023, as the group's operators had presented a Regulatory Capital Surplus of R\$942.4 million, R\$4.6 billion of Adjusted Minimum Equity minus R\$3.6 billion of Risk Based Capital.

(R\$ million)	2Q23	1Q23	Var. R\$	Var. %
Risk Based Capital (CBR)	3,626.0	3,439.7	186.3	5.4%
Adjusted Minimum Equity (PLA)	4,568.4	4,011.4	556.9	13.9%
Operator equity	18,281.6	17,838.1	443.5	2.5%
(-) Intangible assets	(9,011.3)	(9,097.6)	86.4	-0.9%
(-) Investments	(3,301.7)	(3,375.8)	74.1	-2.2%
(-) Deferred Selling Expenses	(755.0)	(735.1)	(19.9)	2.7%
(-) Tax credits on tax losses	(507.7)	(549.1)	41.5	-7.6%
(-) Prepaid expenses	(137.6)	(68.9)	(68.7)	99.7%
Regulatory Capital Surplus	942.4	571.7	370.6	64.8%

CBR went from R\$3.4 billion in 1Q23 to R\$3.6 billion in 2Q23, result of the growth of the Company's operations.

Adjusted Minimum Equity went from R\$4.0 billion in 1Q23 to R\$4.6 billion in 2Q23, mainly due to the positive impacts of:

- R\$443.5 million in Operator equity explained by (i) R\$322.0 million capital increase in operators and mergers of companies; (ii) R\$121.4 million net profit of operators
- R\$86.4 million in Intangible Assets mainly due to the amortization of the period
- R\$74.1 million in Investment arising from the incorporation of RN Saúde
- R\$41.5 million in Tax credits due to the use of accumulated tax losses from previous periods

And they were partially offset by the negative impacts of R\$68.7 million in Prepaid expenses, mainly due to the SLB operation.

REGULATORY REQUIREMENTS

Technical Provisions

Free cash went from R\$2.9 billion in 1Q23 to R\$4.4 billion in 2Q23, na increase of R\$1.5 billion. This variation was mainly due to the increase in Cash and Short and Long-term Investments.

(R\$ million)	2Q23	1Q23	Var. R\$	Var. %
Required Technical Provisions (Liabilities)	3,157.4	3,083.8	73.6	2.4%
(+) SUS Provisions (net of judicial deposits)	1,395.2	1,356.8	38.4	2.8%
(+) IBNR Provision	1,039.3	1,010.5	28.8	2.8%
(+) Outstanding claims reserve	718.9	712.4	6.4	0.9%
(+) Reserve for benefit granted	4.0	4.1	(0.1)	-1.9%
Assets	7,538.3	5,957.0	1,581.3	26.5%
(+) Cash and financial investments	7,417.8	5,565.9	1,851.9	33.3%
(+) Real estate pledged	120.5	391.1	(270.6)	-69.2%
Free Cash	4,380.9	2,873.2	1,507.7	52.5%

Required Technical Provisions went from R\$3.1 billion in 1Q23 to R\$3.2 billion in 2Q23, mainly impacted (i) by the net increase of R\$38.4 million of SUS Provisions ; and (ii) by R\$28.8 million of IBNR Provision, with both variations arising from the Company's recurring operations.

Cash and Short and Long-term Investments showed an increase of R\$1.9 billion in 2Q23, positively impacted by:

- R\$1.0 billion from Follow-on operation
- R\$1.2 billion from the SLB transaction
- R\$204.0 million from Income from investments
- R\$137.2 million of Free Cash Flow generation

Partially offset by:

- R\$625.8 million of payment of principal and interest
- R\$78.3 million of debt swap payment
- R\$3.1 million of M&A retained portion

INCOME STATEMENT

(R\$ million)	2Q23	1Q23	Var. % 2Q23/1Q23	2Q22	Var. % 2Q23/2Q22
Net Revenue	6,839.8	6,726.2	1.7%	6,083.6	12.4%
Revenues from gross payments	6,851.5	6,698.2	2.3%	5,981.3	14.5%
Revenue from other activities	339.3	361.1	-6.0%	371.4	-8.6%
Deductions	(351.0)	(333.1)	5.4%	(269.1)	30.5%
Total Cost	(5,229.3)	(5,046.7)	3.6%	(4,581.8)	14.1%
Change in IBNR	(28.8)	1.8	-1738.3%	6.3	-555.6%
Change in SUS reimbursement provision	(42.8)	(77.9)	-45.1%	(68.1)	-37.1%
Depreciation and amortization	(102.5)	(110.5)	-7.2%	(119.3)	-14.1%
Cash Medical Losses	(5,055.2)	(4,860.0)	4.0%	(4,400.7)	14.9%
Cash MLR	-73.9%	-72.3%	-1.7pp	-72.3%	-1.6pp
Gross profit	1,610.5	1,679.5	-4.1%	1,501.8	7.2%
Gross margin	23.5%	25.0%	-1.4pp	24.7%	-1.1pp
Sales expenses	(482.0)	(519.9)	-7.3%	(454.5)	6.1%
Commission expenses	(306.0)	(321.4)	-4.8%	(296.3)	3.3%
Provision for credit losses	(126.0)	(154.1)	-18.2%	(107.2)	17.6%
Advertise expenses	(11.3)	(12.4)	-8.9%	(20.8)	-45.9%
Personnel	(34.3)	(29.3)	17.1%	(24.6)	39.6%
Other sales expenses	(4.4)	(2.9)	54.7%	(5.6)	-21.6%
Administrative expenses	(1,103.7)	(1,078.4)	2.3%	(1,192.8)	-7.5%
Personnel	(283.2)	(285.6)	-0.8%	(269.8)	5.0%
Third party services	(171.5)	(174.2)	-1.6%	(179.5)	-4.5%
Occupation and Utilities	(72.7)	(77.5)	-6.1%	(82.4)	-11.8%
Depreciation and amortization	(430.3)	(392.5)	9.6%	(449.9)	-4.4%
Taxes	(27.4)	(30.8)	-11.0%	(27.3)	0.5%
Provisions for civil, labor and tax risks	(91.5)	(64.2)	42.5%	(31.3)	192.7%
Stock Grant and Stock Option Plans	(8.6)	(38.2)	-77.5%	(144.8)	-94.0%
Miscellaneous expenses	(18.6)	(15.4)	20.3%	(7.8)	139.5%
Other expenses/operational revenues	39.2	12.2	221.3%	13.8	184.1%
Operational income	64.0	93.3	-31.4%	(131.7)	-148.6%
Financial revenues	354.4	193.6	83.1%	231.2	53.3%
Financial expenses	(601.4)	(623.6)	-3.6%	(490.6)	22.6%
EBT	(183.0)	(336.7)	-45.6%	(391.0)	-53.2%
IR and CSLL current	(147.9)	(66.2)	123.5%	(8.7)	1,601.4%
IR and CSLL deferred	168.9	61.3	175.5%	87.4	93.2%
Net income from continued operations for the period	(161.9)	(341.6)	-52.6%	(312.3)	-48.2%
Net income from discontinued operations for the period	0.8	-	-	-	-
Net income	(161.1)	(341.6)	-52.8%	(312.3)	-48.4%
Margin	-2.4%	-5.1%	2.7pp	-5.1%	2.8pp
Net income	(161.1)	(341.6)	-52.8%	(312.3)	-48.4%
(+) Long term Incentive Plan (LTIP) and SOP	8.6	38.2	-77.5%	144.8	-94.0%
(+) Intangible Amortization	374.1	336.4	11.2%	408.5	-8.4%
Adjusted Net Income	221.6	33.1	570.5%	241.0	-8.0%
Margin	3.2%	0.5%	2.7pp	4.0%	-0.7pp
(+) Income tax and social contribution	(21.0)	4.9	-532.2%	(78.7)	-73.3%
(+) Financial result	246.9	430.0	-42.6%	259.3	-4.8%
(+) Depreciation and Amortization	158.7	166.6	-4.8%	160.7	-1.3%
Adjusted EBITDA	606.2	634.5	-4.5%	582.3	4.1%
Margin	8.9%	9.4%	-0.6pp	9.6%	-0.7pp

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BALANCE SHEET

(R\$ million)	06.30.2023	12.31.2022	Var. R\$	Var. %
Assets	75,034.4	73,213.7	1,820.7	2.5%
Current assets	9,118.7	7,931.9	1,186.8	15.0%
Cash and cash equivalents	548.0	1,267.9	(720.0)	-56.8%
Short-term investments	5,187.8	3,331.7	1,856.0	55.7%
Trade receivables	1,457.5	1,480.8	(23.3)	-1.6%
Inventory	285.4	280.8	4.6	1.6%
Recoverable tax	768.7	708.1	60.6	8.6%
Dividends and interest on shareholders' equity receivable	3.3	-	3.3	100.0%
Derivative financial instruments	69.8	-	69.8	100.0%
Other assets	360.5	390.6	(30.2)	-7.7%
Deferred commission	437.8	471.9	(34.1)	-7.2%
Real estate to sales	60.6	-	60.6	100.0%
Non-current assets	65,855.1	65,281.8	633.8	0.9%
Long-term investments	1,682.1	1,265.0	417.1	33.0%
Deferred taxes	2,966.5	2,504.9	461.6	18.4%
Judicial deposits	2,020.5	1,822.8	197.7	10.8%
Deferred commission	582.2	510.2	72.0	14.1%
Other credits with related parties	7.3	3.5	3.8	109.5%
Derivative financial instruments	0.2	-	0.2	100.0%
Other assets	124.4	113.6	10.8	9.5%
Investments	6.4	6.4	0.0	0.7%
Property, plant and equipment	6,783.7	7,304.7	(521.0)	-7.1%
Intangible assets	51,681.8	51,750.7	(68.9)	-0.1%
Liabilities and shareholders' equity	75,034.4	73,213.7	1,820.7	2.5%
Current liabilities	7,959.1	7,474.5	484.6	6.5%
Lending and Financing	1,929.6	1,726.5	203.1	11.8%
Trade payables	340.4	414.7	(74.3)	-17.9%
Technical provisions for health care operations	3,863.6	3,636.8	226.8	6.2%
Health care payables	41.2	13.2	28.0	211.4%
Payroll obligations	730.8	647.8	83.0	12.8%
Taxes and contributions payable	435.9	436.4	(0.5)	-0.1%
Income and social contribution taxes	98.9	31.8	67.1	210.9%
Dividends and interest on shareholders' equity payable	13.6	13.6	0.0	0.0%
Leases payable	136.5	143.5	(6.9)	-4.8%
Derivative financial instruments	-	18.5	(18.5)	-100.0%
Related party payables	4.0	4.0	0.0	0.0%
Other accounts payable	364.6	387.8	(23.2)	-6.0%
Non-current liabilities	17,734.5	16,982.5	752.0	4.4%
Lending and Financing	9,654.5	9,991.2	(336.7)	-3.4%
Taxes and contributions payable	135.2	157.1	(21.9)	-14.0%
Technical reserves for health care operations	922.9	871.5	51.4	5.9%
Leases payable	2,947.5	2,206.6	740.9	33.6%
Deferred income tax and social contribution	1,028.0	808.3	219.7	27.2%
Provision for tax, civil and labor risks	1,471.3	1,361.0	110.3	8.1%
Derivative financial instruments	30.1	42.2	(12.1)	-28.6%
Other accounts payable	1,545.1	1,544.7	0.4	0.0%
Shareholders' equity	49,340.7	48,756.7	584.0	1.2%
Capital	38,868.4	37,834.0	1,034.4	2.7%
Treasury shares	(425.6)	(427.8)	2.2	-0.5%
Legal reserve	201.5	201.5	0.0	0.0%
Capital reserve	9,878.6	9,844.4	34.2	0.3%
Profit reserves	1,339.7	1,339.6	0.1	0.0%
Other comprehensive income	(26.1)	(42.2)	16.1	-38.2%
Accumulated loss	(503.4)	-	(503.4)	100.0%
Equity attributable to controlling shareholders	49,340.7	48,749.4	591.3	1.2%
Non-controlling interest	7.7	7.3	0.4	6.1%

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CASH FLOW STATEMENT

(R\$ million)	2Q23	2Q22
Net income	(161.1)	(312.3)
Adjustments to reconcile net income with cash	1,145.0	500.8
Depreciation and amortization	481.4	524.6
Depreciation of usage rights	51.3	44.6
Write-off of added value of fixed assets	93.6	-
Sale & Leaseback	(112.5)	-
Technical provisions for health care operations	28.7	(540.0)
Provision for losses on receivables	126.0	107.2
Write-off of property, plant and equipment	0.6	3.8
Write-off of intangible assets	20.5	0.6
Provision for tax, civil and labor risks	89.7	45.3
Income from financial investments	(200.0)	(153.6)
Adjusted market value of Short-term investments	1.2	-
Earnings (loss) on derivative financial instruments	(32.2)	(5.1)
Interest and monetary restatement of leases	68.8	37.9
Interest and financial charges on loans and financing	401.5	382.3
Exchange rate	(13.3)	(10.6)
Long term incentive plan and SOP	8.6	144.8
Others	(6.5)	(2.4)
Tax income and social contribution	147.9	8.7
Deferred taxes	(168.9)	(87.4)
Amortization of deferred commission	158.5	-
(Increase) decrease in asset accounts:	(544.8)	(436.7)
Accounts receivable	(205.7)	(291.3)
Inventory	(21.2)	(28.7)
Taxes recoverable	(40.6)	(62.6)
Judicial deposits	(108.4)	(64.2)
Other assets	13.4	53.2
Deferred Sales Expense	(182.2)	(43.1)
Increase (decrease) in liability accounts:	(81.6)	492.9
Technical provisions for health care operations	131.3	505.1
Debts of health care operations	25.4	(1.2)
Social obligations	49.4	56.6
Suppliers	(19.2)	40.6
Taxes and contributions payable	(12.6)	(43.8)
Other accounts payable	(96.0)	(8.0)
Income tax and social contribution paid	(101.1)	(21.1)
Provision for tax, civil and labor risks	(58.9)	(35.2)
Net cash provided (used) by continued operating activities	357.5	226.4
Net cash flow used in discontinued operating activities	(10.1)	-
Net cash provided (used) by operating activities	347.5	226.4
Cash flow from investing activities	(331.2)	(887.0)
(Payments) receivables to related parties	(3.9)	0.1
Acquisition of property, plant and equipment	(60.2)	(129.6)
Acquisition of intangibles	(61.7)	(38.1)
Acquisition/sale of investments	-	(242.9)
Balances attributed to the acquisition of investees	-	1.1
Resources received from Sale & Leaseback operations	1,250.0	-
Redemptions (applications) of financial investments	(1,455.5)	(477.6)
Net cash flow used in discontinued investing activities	(10.1)	-
Cash flow (used by) from investing activities	(363.6)	(887.0)
Cash flow from financing activities	218.0	218.6
Issuance of Debentures	-	2,000.0
Obtaining loans	2.6	-
Receipt of derivative financial instruments	(78.3)	(2.7)
Expenses with issue of shares	(24.7)	-
Payment / Acquisition of loans and financing	(163.0)	(1,222.3)
Payment / Acquisition Interest of loans and financing	(462.8)	(447.5)
Transaction costs related to funding	(2.7)	(9.8)
Payment/ Acquisition of subsidiaries	(3.1)	(23.6)
Principal payments - Leases	(109.3)	(75.6)
Resources received from Followon	1,059.2	-
Net cash flow used in discontinued financing activities	0.1	-
Cash flow (used by) from financing activities	218.1	216.6
Change in cash and cash equivalents	202.0	(423.8)
Cash and cash equivalents at the beginning of the period	364.2	1,016.8
Cash and cash equivalents at the end of the period	548.0	593.4
Change in cash and cash equivalents of discontinued operations	(18.3)	-

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Relações com Investidores

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