



2Q23 Earnings Call Presentation

AUGUST 10th, 2023 | 10am (EDT – NY) | 11am BRT

HAPV
B3 LISTED NM

Summary

2Q23 vs. 2Q22

Health Beneficiaries (Jun'23):	9,015.4k	+1.2%
Dental Beneficiaries (Jun'23):	7,106.8k	+5.3%
Avg Health Ticket (2Q23):	R\$ 245.0	+12.2%
Net Revenue:	R\$ 6,839.8MM	+12.4%
Cash MLR:	73.9%	1.6p.p. unfavorable
Cash G&A⁽¹⁾:	9.1%	0.5p.p. better
Adjusted EBITDA⁽¹⁾:	R\$ 606.2MM	+4.1%
% Margin	8.9%	0.7p.p. unfavorable
Adjusted Net Income⁽²⁾:	R\$ 221.6MM (3.2%)	-8.0%
Net Debt:	R\$ 5,274.8MM	1.61x Ebitda
CapEx:	R\$ 121.8MM	

2023 SECOND QUARTER:

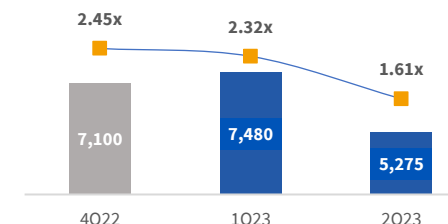
- ✓ Net Revenue growth
- ✓ Increase in Cash MLR below the historical seasonality
- ✓ Nominal drop in Cash SG&A

Result that reflects the ticket re-composition strategy and the integration and verticalization initiatives

We also had a strong drop in leverage, reflecting Follow-on, SLB and cash generation

Aug'23, conclusion of the sale of S. Francisco Resgate

Net Debt (R\$MM; Net Debt/EBITDA LTM)



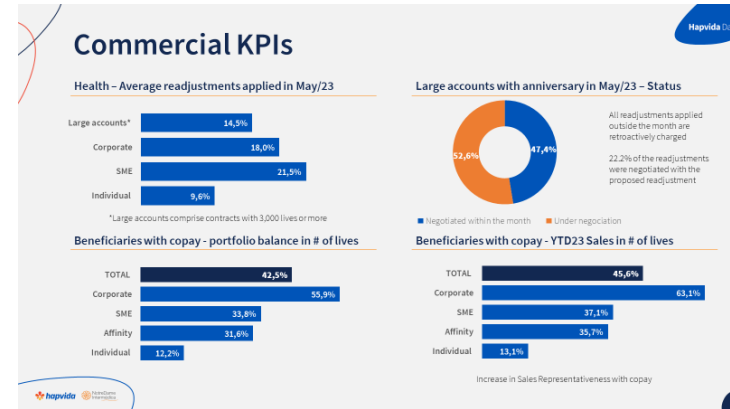
1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results

(1) Excluding non-cash expenses Stock Options Plan (SOP) and Long-Term Incentive Plan (LTIP)

(2) Corresponds to Net Income excluding expenses with SOP/ILP and Amortization of Customer Portfolio and Trademarks & Patents

Hapvida Day - Update

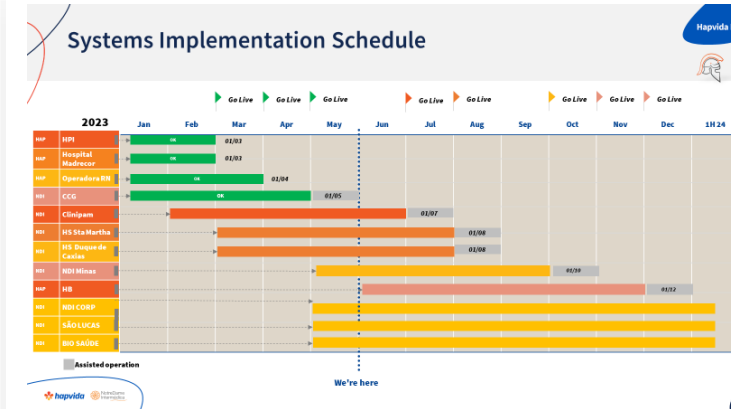
Updating commitments made with our investors



Readjustment

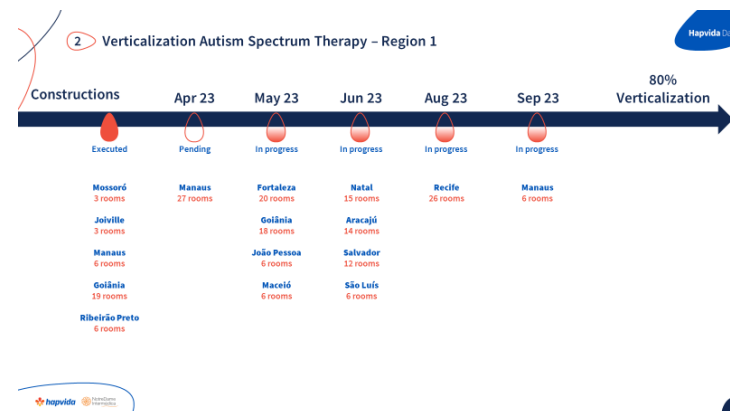
May/June readjustments

- 13.0% Large accounts
- 16.2% Corporate



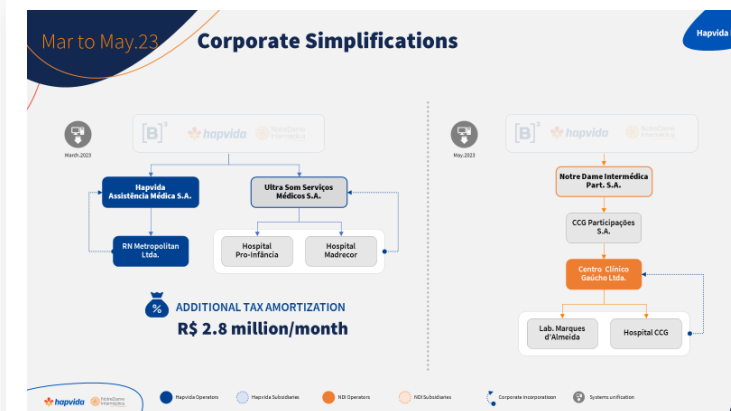
Systems' Implementation

- May'23 - CCG
- Jul'23 - Clinipam
- Aug'23 - HS Santa Marta
- Aug'23 - HS Duque de Caxias
- Oct'23 - NDI Minas Gerais



Operation Regional 1

We delivered 47 TEA rooms



Corporate Simplification

- May'23 - Incorp. of 2 hospitals in CCG
- Jul'23 - Incorp. of 2 hospitals and 1 holding in Clinipam
- Aug'23 - 1/4 of incorp step of US by HAM

Hapvida Hospitals

Working on the newest facilities for our beneficiaries

Hospital Rio Solimões

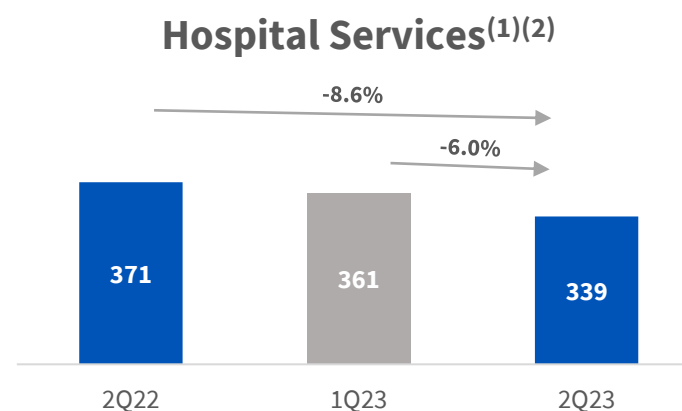
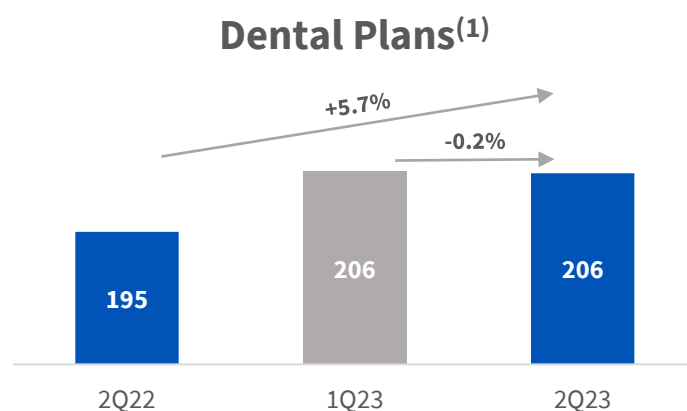
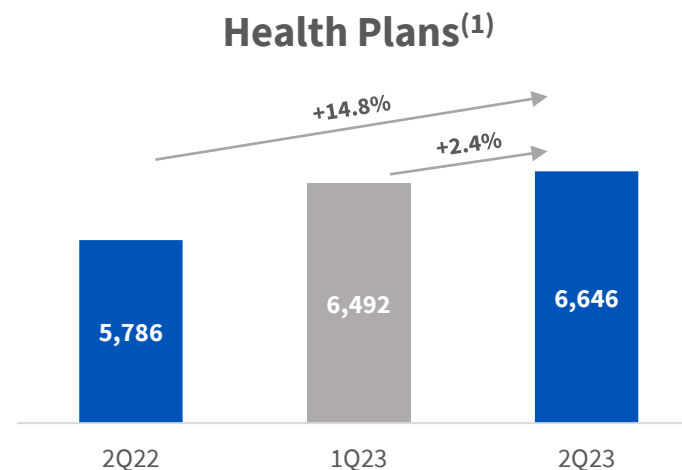
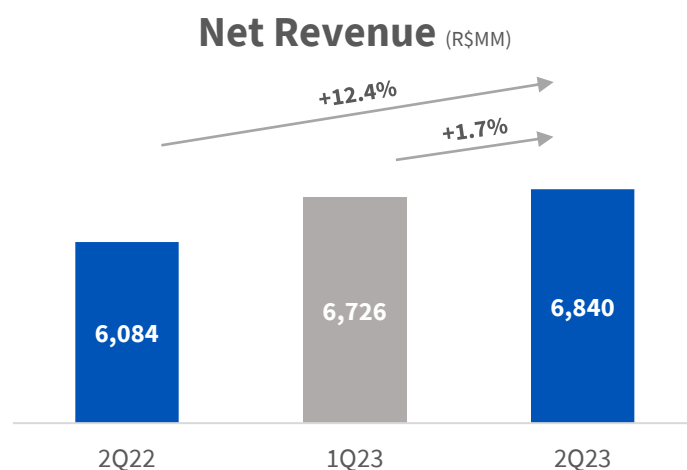


Hospital São José do Rio Preto



Net Revenue

Consistent revenue increase driven by average ticket improvement



NET REVENUE: +12.4% vs. 2Q22

HEALTH PLANS: +14.8% vs. 2Q22

Avg. Beneficiaries: +2.4%

- **+209k** Organic

- **+106k** M&A

Avg. Ticket: +12.2%

DENTAL PLANS: +5.7% vs. 2Q22

Avg. Beneficiaries: +5.9%:

- **+364k** Organic

- **+24k** M&A

Avg. Ticket: stable

- Result of the loyalty and cross-selling strategy

HOSPITAL SERVICES: -8.6% vs. 2Q22

In Aug'23, we completed the divestment of S.Francisco Resgate, reducing the line's revenue by R\$29.2MM in 2Q23

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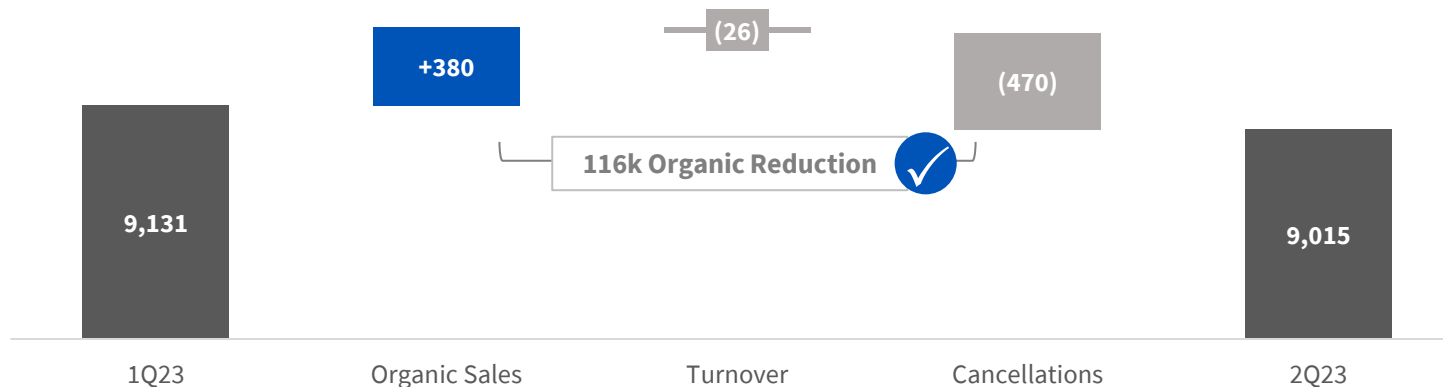
(1) Gross Revenue

(2) Includes revenues with third party hospital services, patient transportation services (ambulances) and other

Health Plans

Resilient increase in average ticket, +12.2% since 2Q22

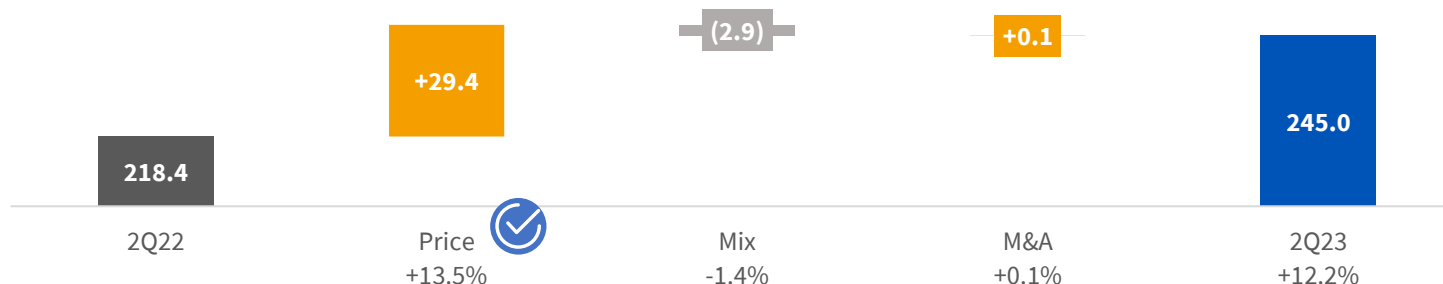
Health Beneficiaries Evolution (EoP)



BENEFICIARIES: -116k in 2Q23 vs. 1Q23

- **Organic Sales** with maintenance of sales rates
- **Turnover** higher, reflecting the macroeconomic environment
- **Cancellations** at higher levels due to increased defaults and termination of loss-making contracts

Average Ticket Evolution (R\$/month)



AVG. TICKET: 12.2% BETTER vs. 2Q22

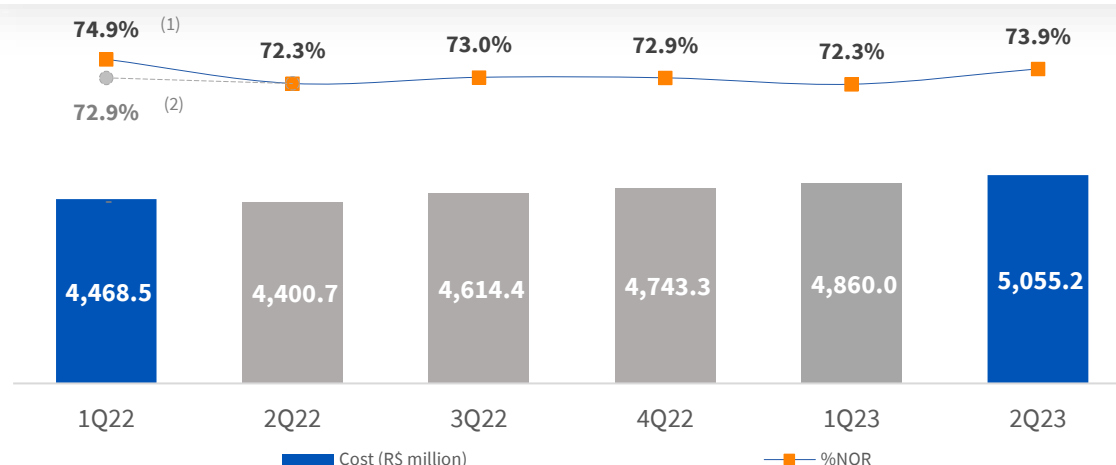
Reflection of the price re-composition strategy and review of the client portfolio, seeking more profitability and sustainability of the portfolio

- **+13.5%** ticket re-composition
- **-1.4%** sales and cancellations mix
- **+0.1%** impacted by higher HB Saúde average ticket, R\$252.0

Cash MLR

Historical seasonality mitigated by more appropriate readjustments

Cash MLR

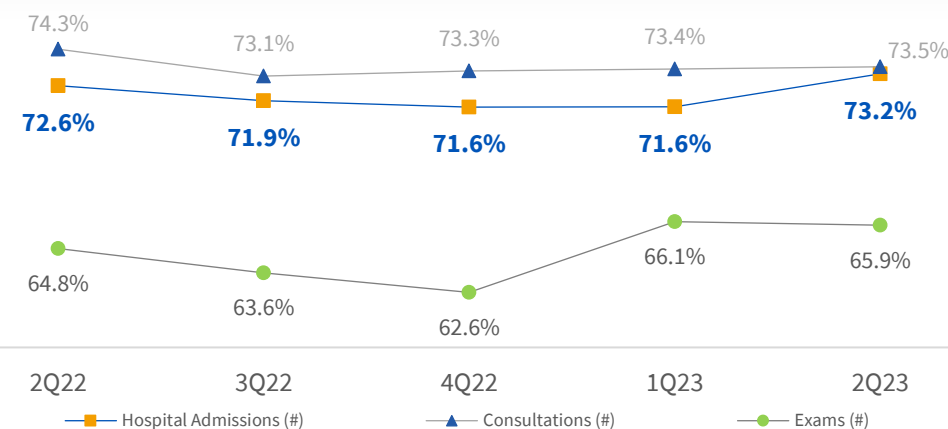


CASH MLR: +1.6PP UNFAVORABLE THAN 2Q22:

Negative impact of historical seasonality of +2pp to +3pp, however mitigated by:

- ✓ continued transfer of price adjustments
- ✓ vertical integration and cost control initiatives

HMO Verticalization

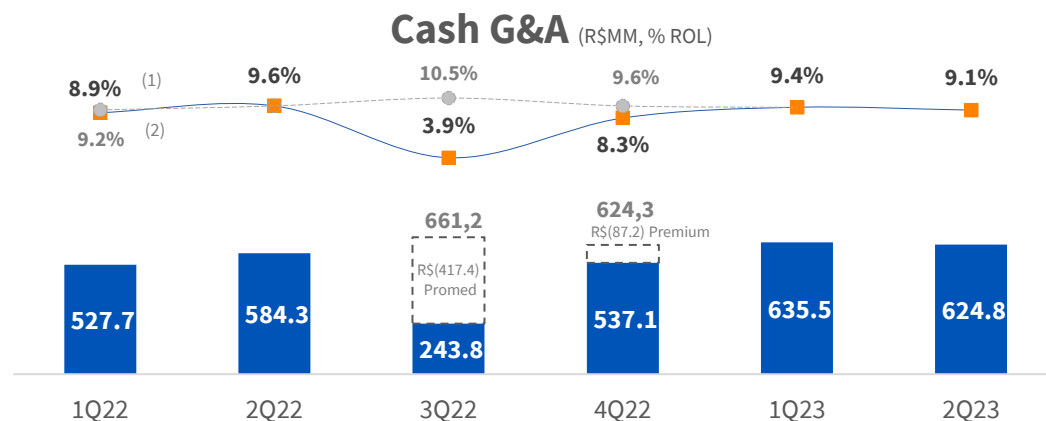


The use of the care network showed important advances in the verticalization of consultations, which increased from 73% in 1Q23 to 74% in 2Q23 and hospital admissions, which rose from 72% to 73% in the same period

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Cash G&A

Administrative expenses index on a downward trend



Cash G&A | Breakdown

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	(21.4)	3.3	-0.3%	0.0%	(6.0)	-0.1%
Cash G&A	624.8	635.5	9.1%	9.4%	584.3	9.6%

CASH G&A: 0.3PP BETTER than 1Q23

In addition to the results of HB Saúde, it showed dilution in all lines compared to 1Q23, except for:

- **Contingencies and Taxes** increased R\$23.9MM due to contingencies of companies acquired without the possibility of compensation with the sellers

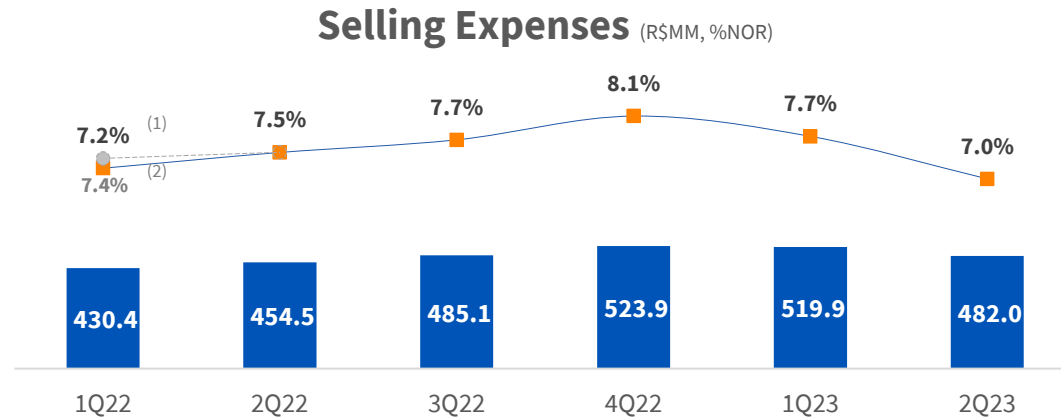
Other revenues/expenses positively reflected R\$18.9MM from the SLB operation

Also in 2Q23, the Personnel item (SG&A) presented:

- reduction of R\$22.4MM, as a result of the process of integration and synergy between Hapvida and NotreDame Intermédica
- and which were negatively offset by:
 - R\$8.2MM in severance pay
 - R\$8.0MM from collective agreements and benefits update

Selling Expenses

Selling expenses index on a downward trend



Selling Expenses | Breakdown

R\$ million	2Q23	1Q23	%NOR 2Q23	%NOR 1Q23	2Q22	%NOR 2Q22
Commission	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%
Marketing & Advertise	11.3	12.4	0.2%	0.2%	20.8	0.3%
Personnel	34.3	29.3	0.5%	0.4%	24.6	0.4%
Other expenses	4.4	2.9	0.1%	0.0%	5.6	0.1%
Selling Expenses	482.0	519.9	7.0%	7.7%	454.5	7.5%

SELLING EXPENSES: **0.7PP BETTER** than 1Q23

Dilution of virtually all selling expense lines compared to 1Q23, except for Personnel expenses, which includes R\$3.5MM related to employee commission reclassification

Provision for credit losses reduced by R\$27.9MM mainly due to:

- credit recovery in the provision of medical and hospital services to third parties
- and stabilization of the default of individual plans

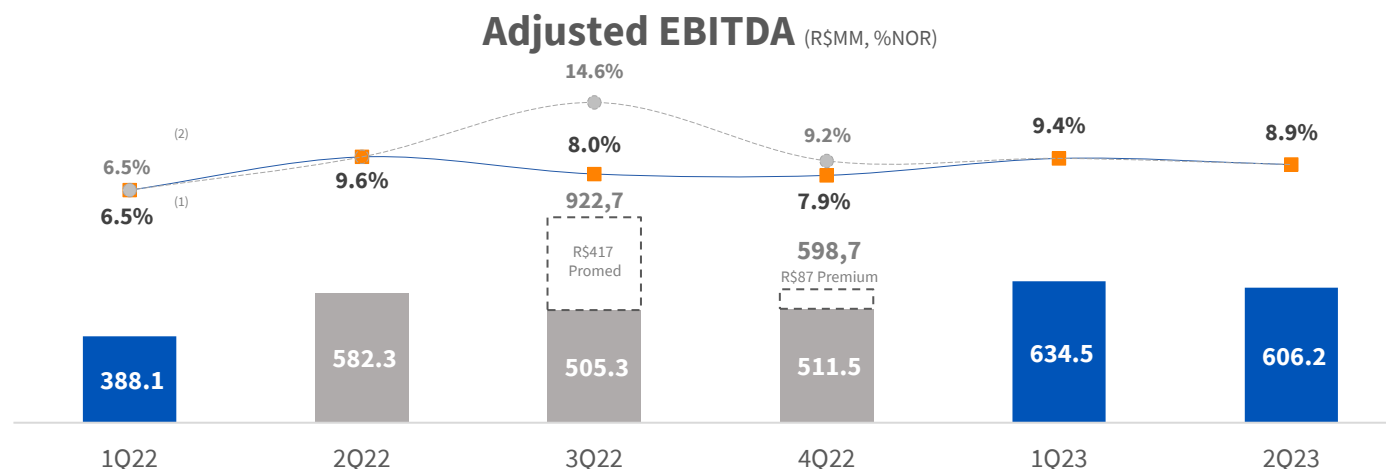
Commissions decreased compared to 1Q23 mainly due to the unification of commercial policies

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Adjusted EBITDA

EBITDA grew 4.1% even in a challenging context



ADJUSTED EBITDA: +4.1% than 2Q22

Mainly, it happened:

- by the 12.4% increase in net revenue
- by the dilution of 0.9p.p. in SG&A

Both effects offset by the increase of 1.6pp. Cash MLR

Adjusted EBITDA | Breakdown

R\$MM	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Net Income (Losses)	(272.5)	(312.3)	35.2	(316.7)	(341.6)	(161.1)
(+) Long term Incentive Plan (LTIP) and SOP	129.6	144.8	142.1	69.8	38.2	8.6
(+) Intangible Amortization	178.1	408.5	501.6	408.2	336.4	374.1
Adjusted Net Income⁽³⁾	35.3	241.0	678.8	161.4	33.1	221.6
(+) Income tax and social contribution	(41.5)	(78.7)	(271.4)	(299.7)	4.9	(21.0)
(+) Financial result	226.4	259.3	345.4	515.7	430.0	246.9
(+) Depreciation and Amortization	167.9	160.7	169.9	221.3	166.6	158.7
Adjusted EBITDA	388.1	582.3	922.7	598.7	634.5	606.2
% margin	6.5%	9.6%	14.6%	9.2%	9.4%	8.9%

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(3) Corresponds to Net Income excluding expenses with SOP/ILP and Amortization of Customer Portfolio and Trademarks & Patents

Net Debt & Cash Flow

Balanced management with leverage reduction to 1.61x EBITDA

Net Debt (R\$MM; ND/EBITDA LTM)

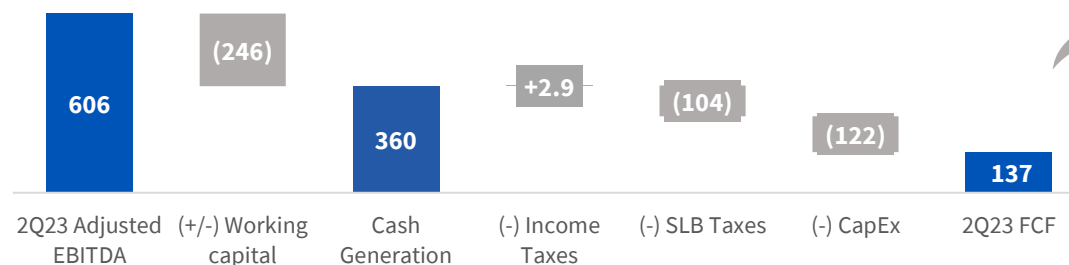


NET DEBT R\$2.2BN REDUCTION

Mainly due to:

- R\$1.2bn from the Sales & Leaseback operation
- R\$1.0bn of follow-on net funding

Free Cash Flow (R\$MM)



FREE CASH FLOW: R\$137.2 MILLION IN 2Q23

continuing the cash generation presented in 1Q23, with:

- disbursement of R\$103.9MM referring to the SLB operation tax
- partially offset by the timely receipt of R\$39.6MM in medical and hospital services from previous periods

Regulatory Requirements

Maintenance of Regulatory Requirements

Regulatory Capital

R\$ million	2Q23	1Q23	Var. R\$	Var. %
Risk Based Capital	3,626.0	3,439.7	186.3	5.4%
Adjusted Equity	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 increased as a result of the growth of the Company's operations

PLA increased mainly due to the positive impacts of:

- R\$443.5MM in Shareholders' Equity Operators being:
 - R\$322.0MM in capital increase in operators and mergers of companies
 - R\$121.4MM in net profit from operators

And partially offset by the negative impact of R\$68.7MM in Prepaid Expenses resulting from the SLB operation

Technical Provision

R\$ million	2Q23	1Q23	Var. R\$	Var. %
Required Technical Provisions	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 were mainly impacted by (i) the R\$38.4MM net increase in SUS Provisions; and (ii) for R\$28.8MM from IBNR, with both variations arising from the Company's recurring operations

Cash and financial investments increased R\$1.9bn due to:

- R\$2.2bn from Follow-on and Sales & Leaseback operations
- R\$204.0MM in income from financial investments
- R\$137.2MM generated from Free Cash Flow

And partially offset by:

- R\$625.8MM in payment of principal and interest
- R\$78.3MM debt swap payment

Q&A Session



Appendix – Sale & Leaseback

Step by step of accounting effects

Sale

Balance

Cash	+1,250.0MM
Immobilized	(903.5)MM

P&L

Depreciation	+3.1MM/month
Capital gain	+343.5MM
Write-off of added value	(93.6)MM

Income Taxes

Cash	(103.9)mi
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Leaseback (IFRS16)

Balance

Right of use	+567.9MM
Lease	(805.8)MM

P&L

Amortization	(1.0)MM/month
Interest on right of use	(8.8)MM/month

Fair value

Balance

Prepaid Expense	+8.0MM
Lease	(237.9)MM

P&L

Other Revenue	(230.0)MM
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+R\$18.9MM
net effect on the Result

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