

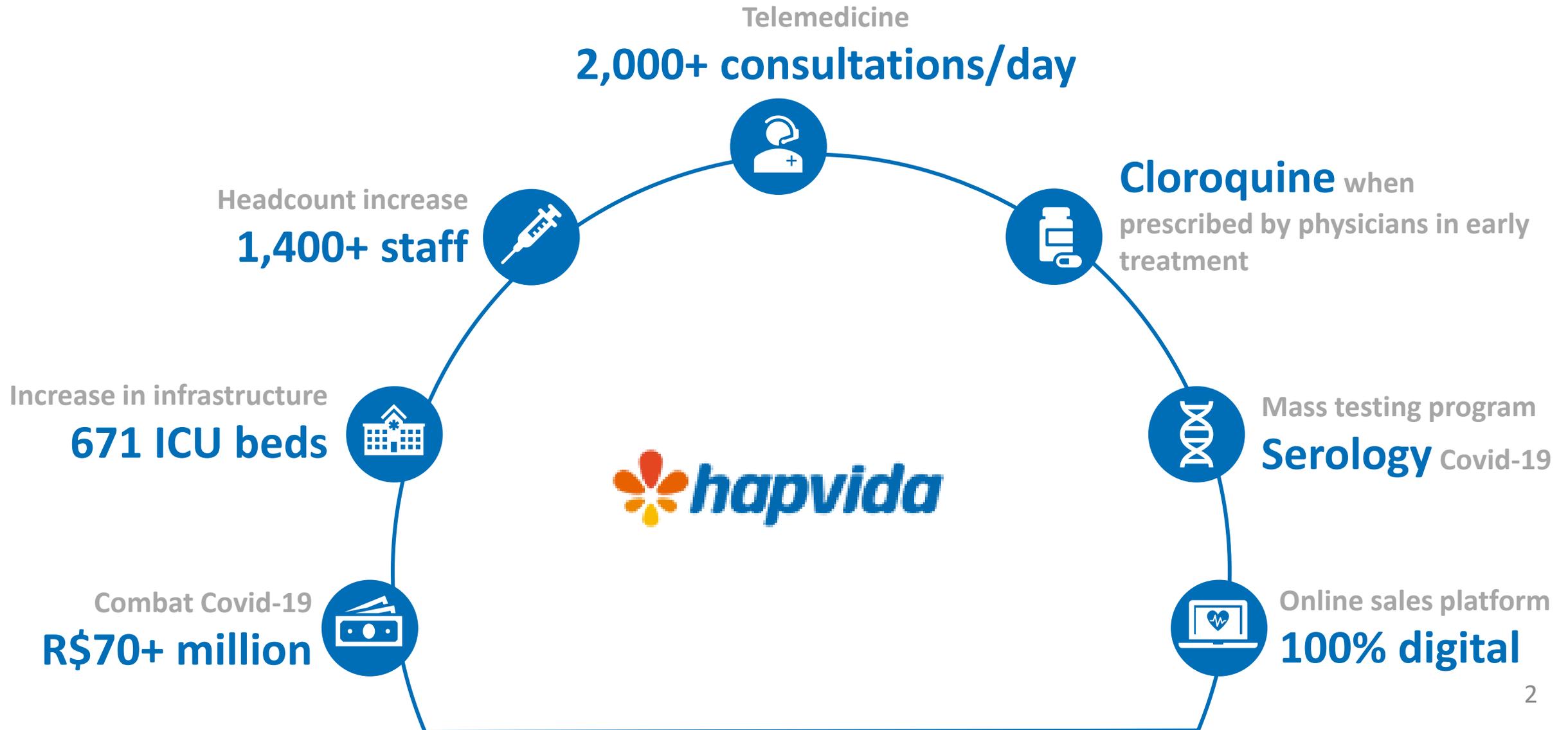


**Conference Call**  
1Q20



# Covid-19

## Recent initiatives



# 1Q20 Highlights – Hapvida (including acquisitions)<sup>1</sup>



## Key Operating and Financial Highlights

(R\$ million)	1Q20	1Q19	Δ	4Q19	Δ
Net Revenue	2,078.8	1,257.0	<b>65.4%</b>	1,785.4	<b>16.4%</b>
Health beneficiaries (thousands)	3,564	2,368	<b>50.5%</b>	3,511	<b>1.5%</b>
Dental beneficiaries (thousands)	2,810	1,623	<b>73.1%</b>	2,817	<b>-0.3%</b>
MLR - ex-SUS (with IBNR) <sup>3</sup>	57.9%	57.0%	<b>0.9 p.p.</b>	58.0%	<b>-0.1 p.p.</b>
MLR – Total <sup>3</sup>	61.6%	57.8%	<b>3.8 p.p.</b>	61.8%	<b>-0.2 p.p.</b>
Administrative Expenses <sup>3</sup>	10.1%	10.4%	<b>-0.3 p.p.</b>	10.6%	<b>-0.4 p.p.</b>
Selling Expenses <sup>3</sup>	7.4%	9.4%	<b>-2.0 p.p.</b>	8.2%	<b>-0.8 p.p.</b>
EBITDA <sup>3</sup>	467.8	300.5	<b>55.7%</b>	374.8	<b>24.8%</b>
EBITDA margin <sup>3</sup>	22.5%	23.9%	<b>-1.4 p.p.</b>	21.0%	<b>1.5 p.p.</b>
Net income <sup>3</sup>	164.6	205.4	<b>-19.9%</b>	210.6	<b>-21.9%</b>
ROE (% LTM) <sup>2</sup>	29.4%	64.7%	<b>-35.3 p.p.</b>	42.4%	<b>-13.0 p.p.</b>

<sup>1</sup> Figures for 4Q19 refer to November and December 2019 for GSF and December 2019 for America. For 1Q20, GSF, América and RN Saúde were fully incorporated.

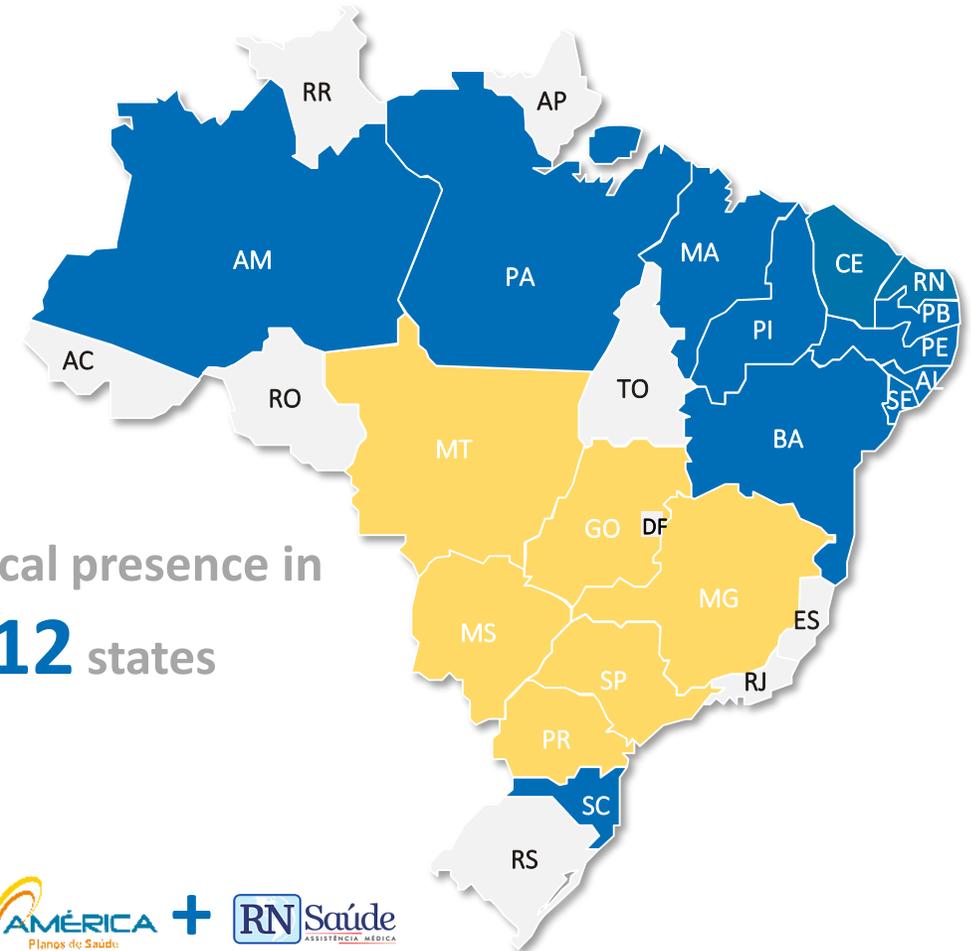
<sup>2</sup> Calculated using net income for the last 12 months divided by average equity for the last 5 quarters, excluding IPO resources for 2018 and Follow on resources for 2019.

<sup>3</sup> Numbers considering the effect of IFRS16.

# Own service network

## Permanent investment in own network expansion

	1Q20	1Q19
<b>Hospitals</b>	39	26
<b>Beds</b>	2,754	1,823
<b>Walk-in emergency units</b>	42	20
<b>Clinics</b>	194	75
<b>Diagnostic units</b>	177	84



 +  +   
= **18** states

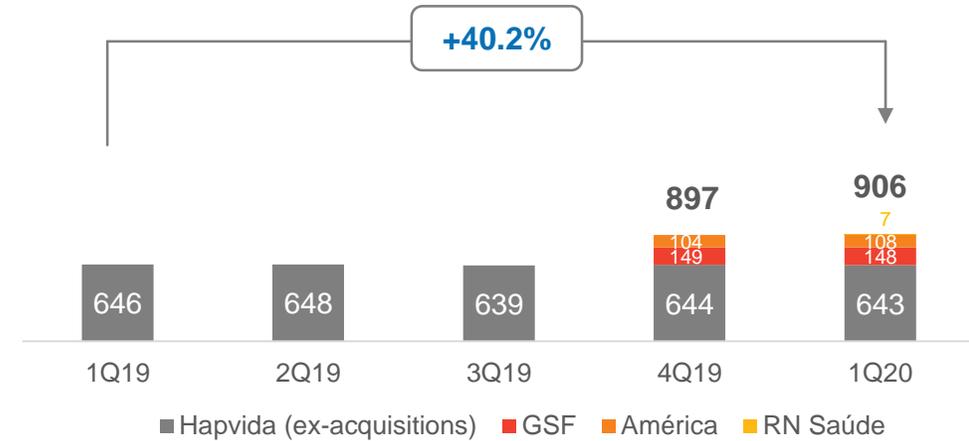
# Beneficiaries

## Health portfolio

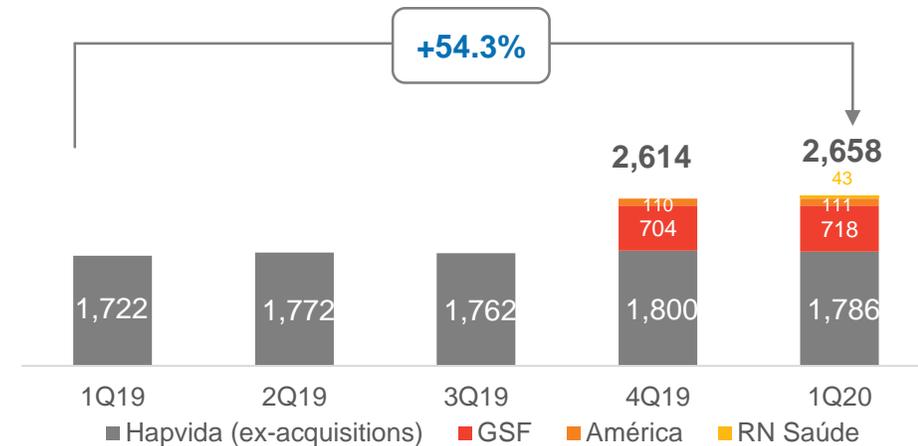
Health beneficiaries - Hapvida (including acquisitions)  
(In thousands)



Health beneficiaries Individual  
(In thousands)



Health beneficiaries Corporate  
(In thousands)

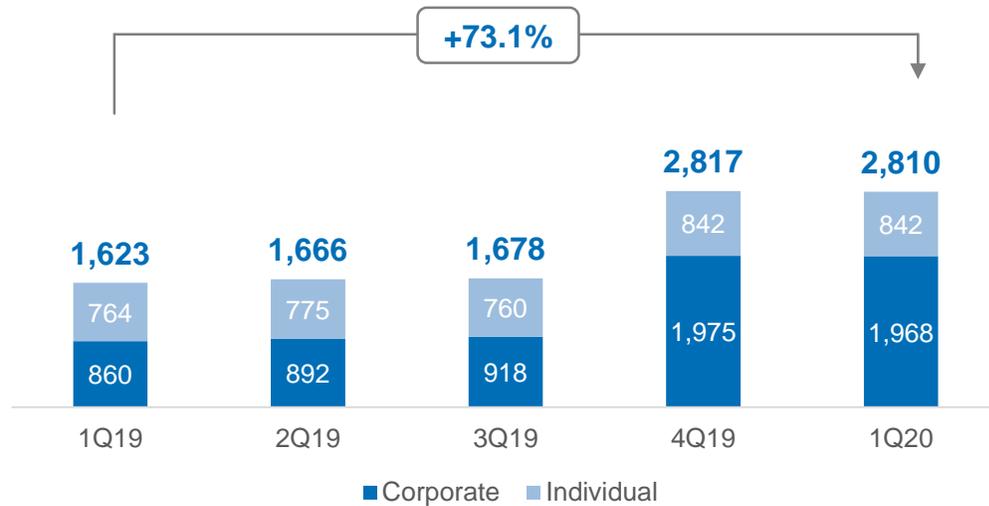


# Beneficiaries

## Dental portfolio

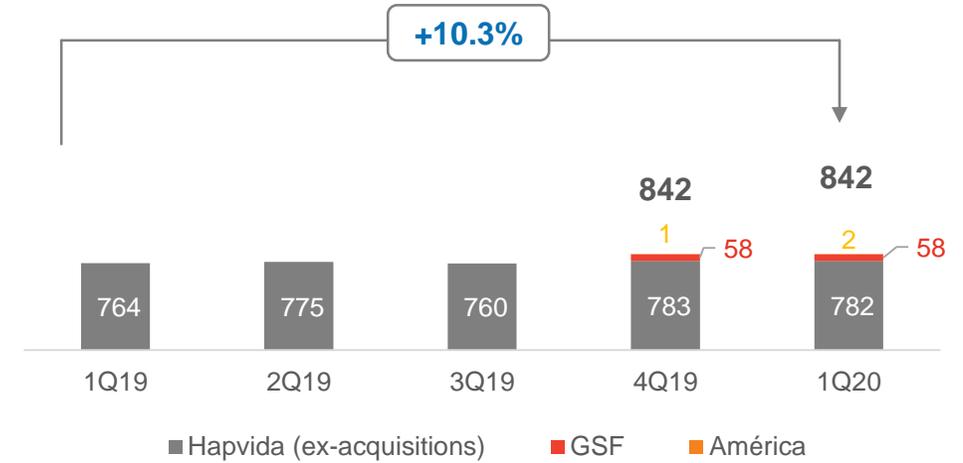
### Dental beneficiaries - Hapvida (including acquisitions)

(In thousands)



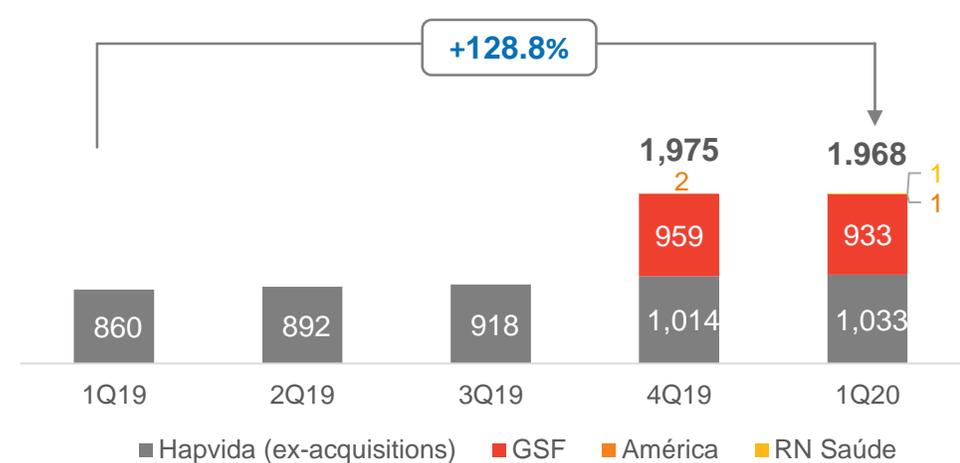
### Dental beneficiaries - Individual

(In thousands)



### Dental beneficiaries - Corporate

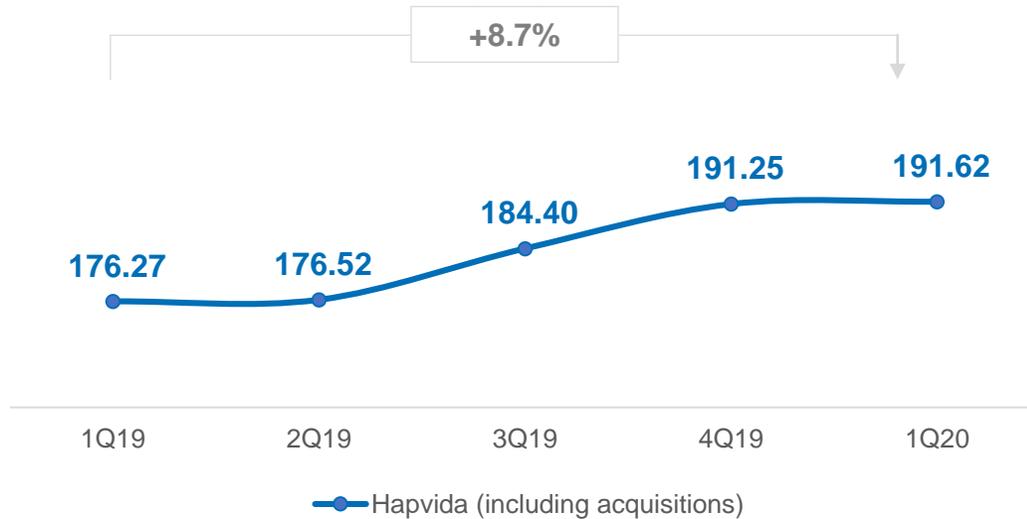
(In thousands)



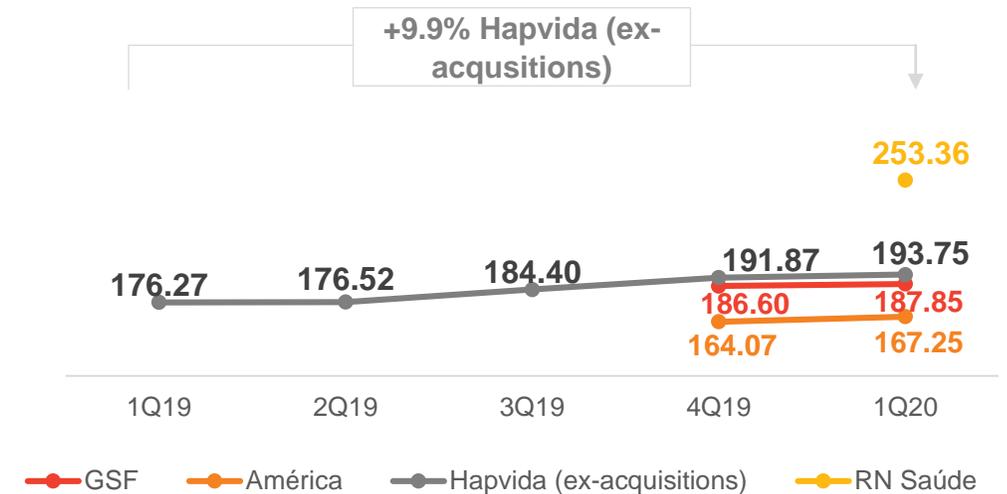
# Average monthly ticket

## Health portfolio

Average ticket (including acquisitions)  
- (health)  
(In R\$)



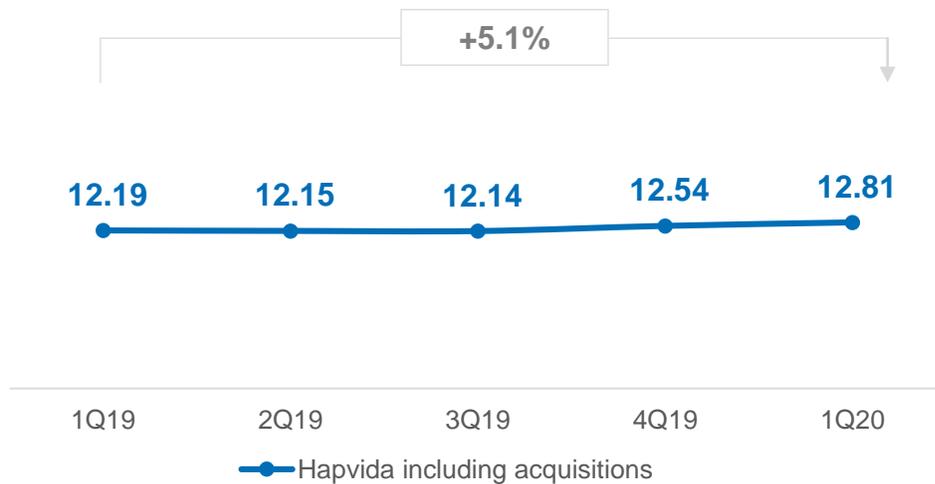
Average ticket per company (health)  
(In R\$)



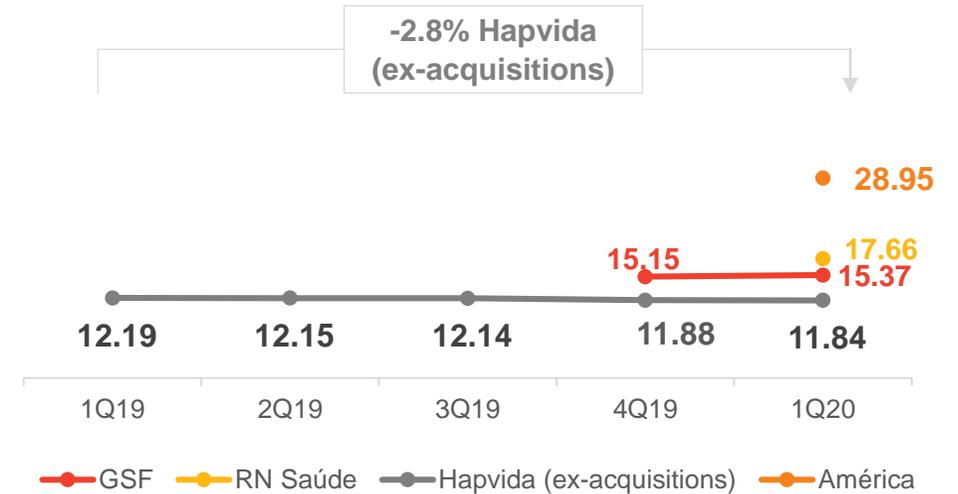
# Average monthly ticket

## Dental portfolio

Average ticket (including acquisitions) - (dental)  
(in R\$)



Average ticket per company (dental)  
(in R\$)



## Net revenues

(In R\$ million)

+12.9% Hapvida ex-acquisitions  
+65.4% Hapvida including acquisitions



# Medical Costs and Medical Loss Ratio (MLR)



## Composition of Total Medical Costs

### Hapvida (ex-acquisitions)

(R\$ million)

	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Medical Costs - Cash	(756.9)	(694.8)	8.9%	(760.6)	-0.5%
Depreciation and Amortization (IFRS)	(24.5)	(19.4)	26.3%	(23.4)	4.7%
Change in IBNR provision	(4.2)	(2.7)	52.9%	16.3	-125.6%
Change in SUS reimbursement provision	(69.8)	(9.4)	639.2%	(63.5)	9.8%
<b>Medical Costs - Total</b>	<b>(855.4)</b>	<b>(726.4)</b>	<b>17.8%</b>	<b>(831.3)</b>	<b>2.3%</b>
<b>Cash MLR (ex-IBNR provision; ex-SUS;ex-D&amp;A)</b>	<b>53.3%</b>	<b>55.3%</b>	<b>-2.0 p.p.</b>	<b>54.7%</b>	<b>-1.4 p.p.</b>
<b>MLR (ex-SUS)</b>	<b>55.4%</b>	<b>57.0%</b>	<b>-1.6 p.p.</b>	<b>55.2%</b>	<b>0.2 p.p.</b>
<b>MLR - Total</b>	<b>60.3%</b>	<b>57.8%</b>	<b>2.5p.p.</b>	<b>59.7%</b>	<b>0.6 p.p.</b>

## Composition of Total Medical Costs

### Acquired Companies\*

(R\$ million)

	1Q20	4Q20	1Q20 x 4Q19
Medical Costs - Cash	(403.8)	(252.8)	59.7%
Depreciation and Amortization (with IFRS16)	(8.7)	(5.2)	67.3%
Change in IBNR Provision	(5.9)	(9.4)	-37.3%
Change in SUS reimbursement provision	(5.9)	(5.5)	7.2%
<b>Medical Costs - Total</b>	<b>(424.2)</b>	<b>(272.8)</b>	<b>55.5%</b>
<b>Cash MLR (ex-IBNR provision; ex-SUS;ex-D&amp;A)</b>	<b>61.2%</b>	<b>64.1%</b>	<b>-2.9 p.p.</b>
<b>MLR (ex-SUS)</b>	<b>63.4%</b>	<b>67.8%</b>	<b>-4.4 p.p.</b>
<b>MLR - Total</b>	<b>64.3%</b>	<b>69.2%</b>	<b>-4.9 p.p.</b>

\* Figures for 4Q19 refer to November and December 2019 for GSF and December 2019 for America. For 1Q20, GSF, América and RN Saúde were fully incorporated.

## Composition of Total Medical Costs

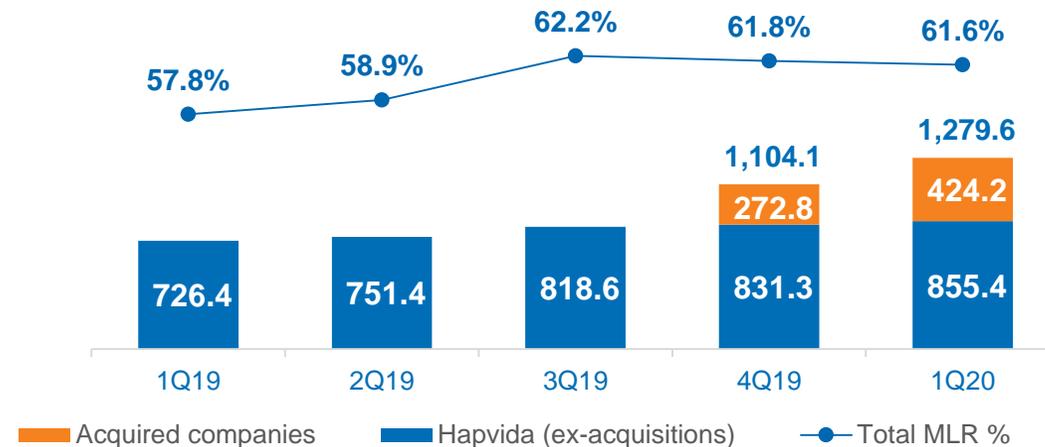
### Hápvida including acquisitions

(R\$ million)

	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Medical Costs - Cash	(1,160.7)	(694.8)	67.0%	(1,013.3)	14.5%
Depreciation and Amortization (IFRS16)	(33.2)	(19.4)	70.9%	(28.6)	16.1%
Change in IBNR provision	(10.1)	(2.7)	269.3%	6.9	-245.8%
Change in SUS reimbursement provision	(75.7)	(9.4)	701.3%	(69.0)	9.6%
<b>Medical Costs - Total</b>	<b>(1,279.6)</b>	<b>(726.4)</b>	<b>76.2%</b>	<b>(1,104.1)</b>	<b>15.9%</b>
<b>Cash - MLR (ex-IBNR provision; ex-SUS; ex-D&amp;A)</b>	<b>55.8%</b>	<b>55.3%</b>	<b>0.5 p.p.</b>	<b>58.4%</b>	<b>-1.0 p.p.</b>
<b>MLR (ex-SUS)</b>	<b>57.9%</b>	<b>57.0%</b>	<b>0.9 p.p.</b>	<b>58.0%</b>	<b>-0.1 p.p.</b>
<b>MLR - Total</b>	<b>61.6%</b>	<b>57.8%</b>	<b>3.8 p.p.</b>	<b>61.8%</b>	<b>-0.2 p.p.</b>

## Total Medical Costs Composition x MLR - Hapvida including acquisitions

(R\$ million and %)

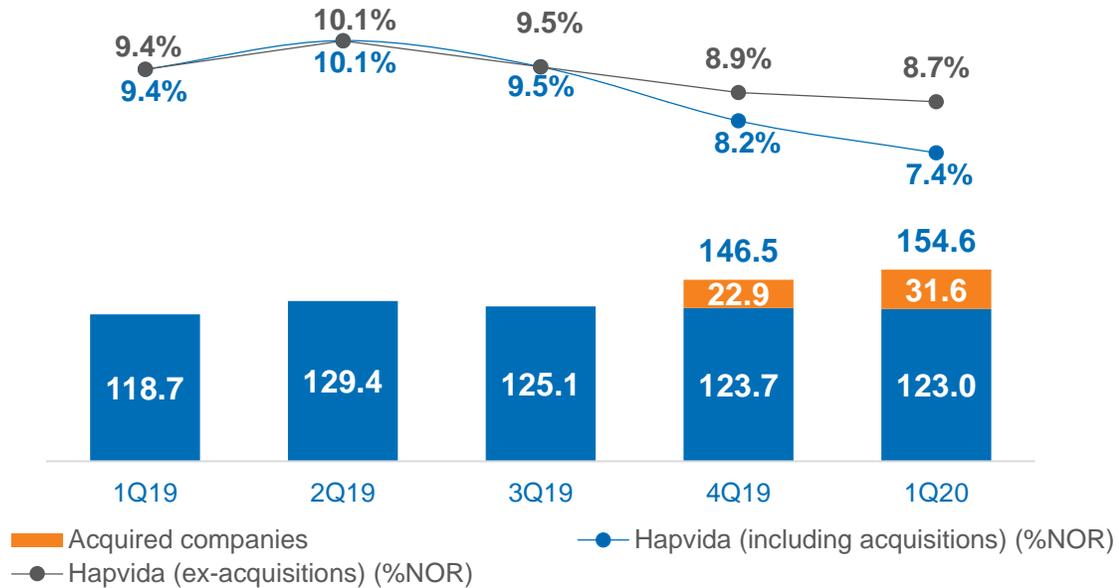


<i>(R\$ million)</i>	<b>1Q20</b>	<b>1Q19</b>
ABIs provision	36.4	1.0
Principal charged through GRUs	33.4	7.6
Interest, monetary restatement and fines	-	0.8
SUS reimbursement – Acquired companies	5.9	-
<b>SUS reimbursement – Medical costs</b>	<b>75.7</b>	<b>9.4</b>
Interest, monetary restatement and fines	27.1	-
<b>SUS reimbursement – Financial results</b>	<b>27.1</b>	<b>-</b>
<b>SUS reimbursement – Total Hapvida</b>	<b>102.8</b>	<b>9.4</b>

# Selling and administrative expenses

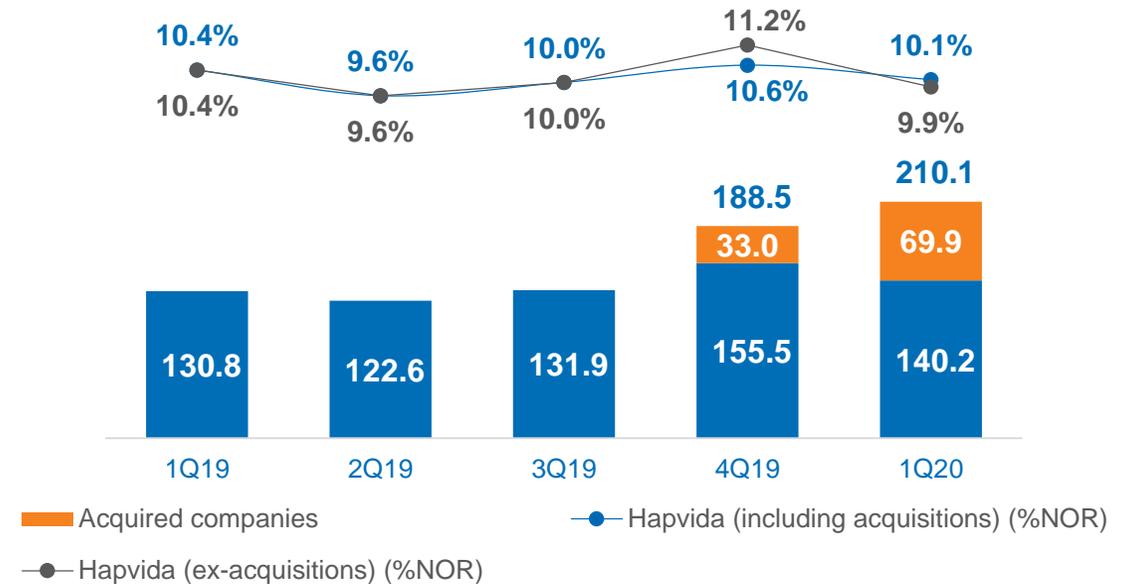
## Selling expenses

(In R\$ million and %NOR)



## Administrative expenses

(In R\$ million and %NOR)

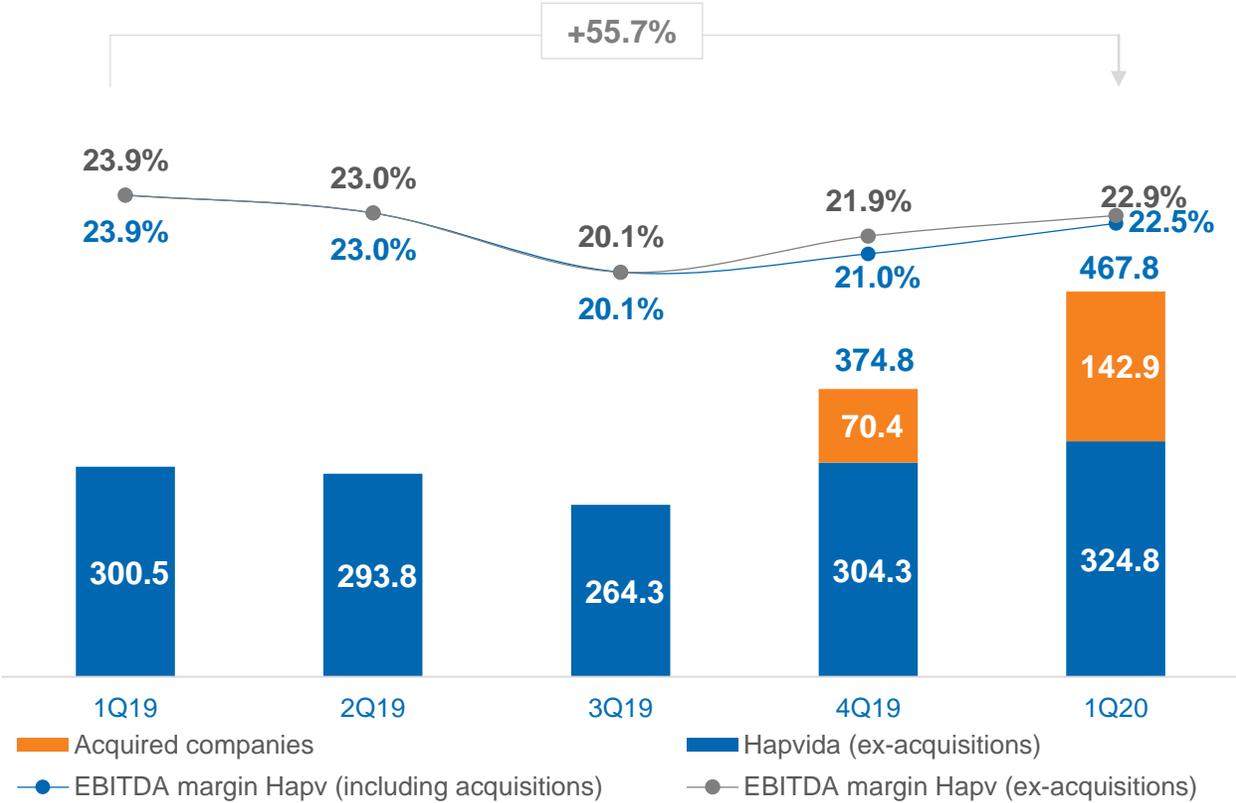


# EBITDA and EBITDA margin

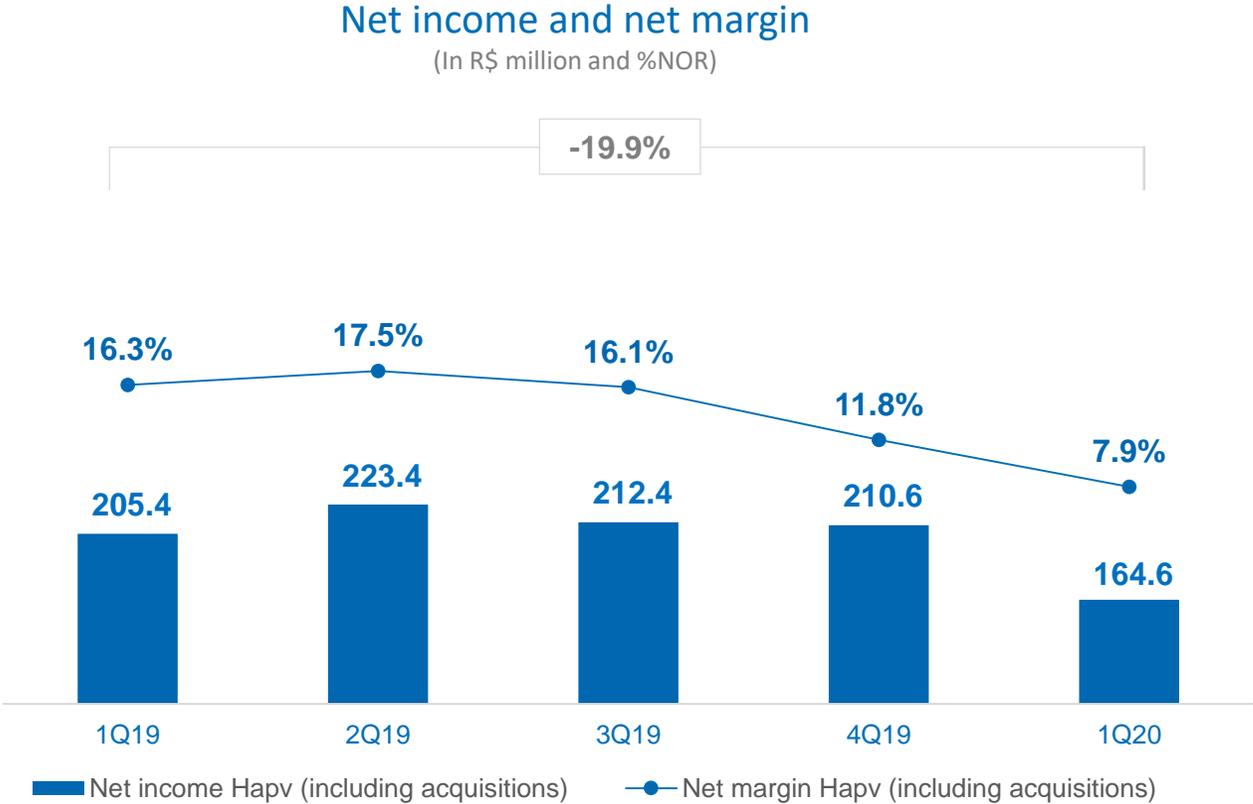


## EBITDA and EBITDA margin

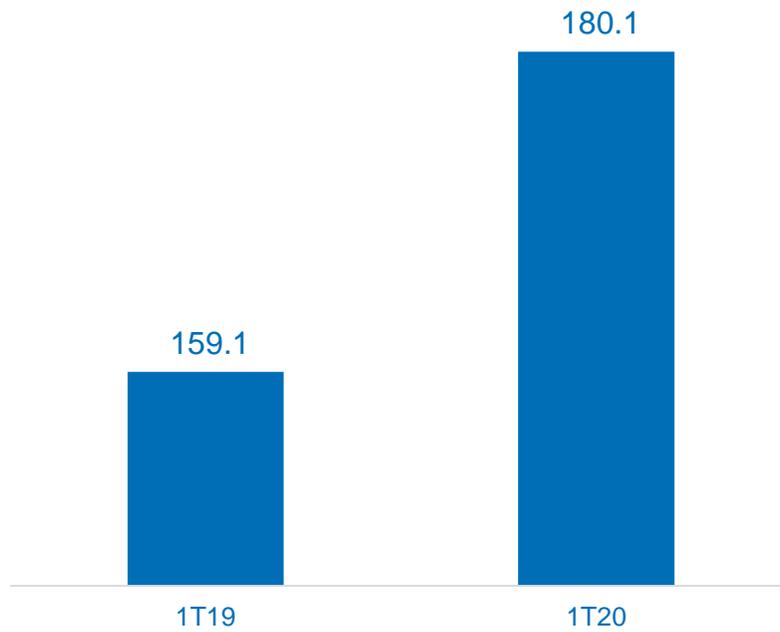
(In R\$ million and %NOR)



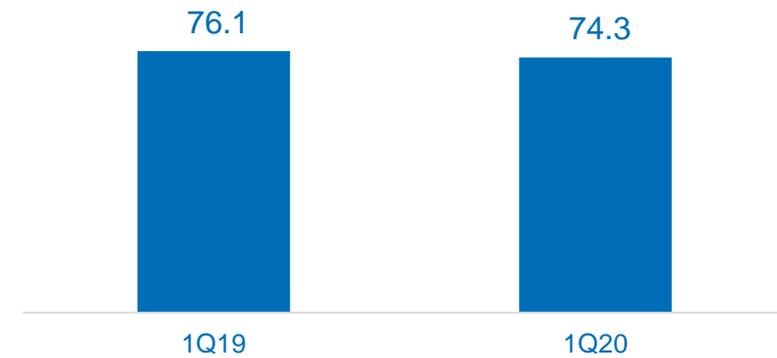
# Net income and net margin



Free cash flow (ex-acquisitions)  
(In R\$ million)



Capex  
(In R\$ million)



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