



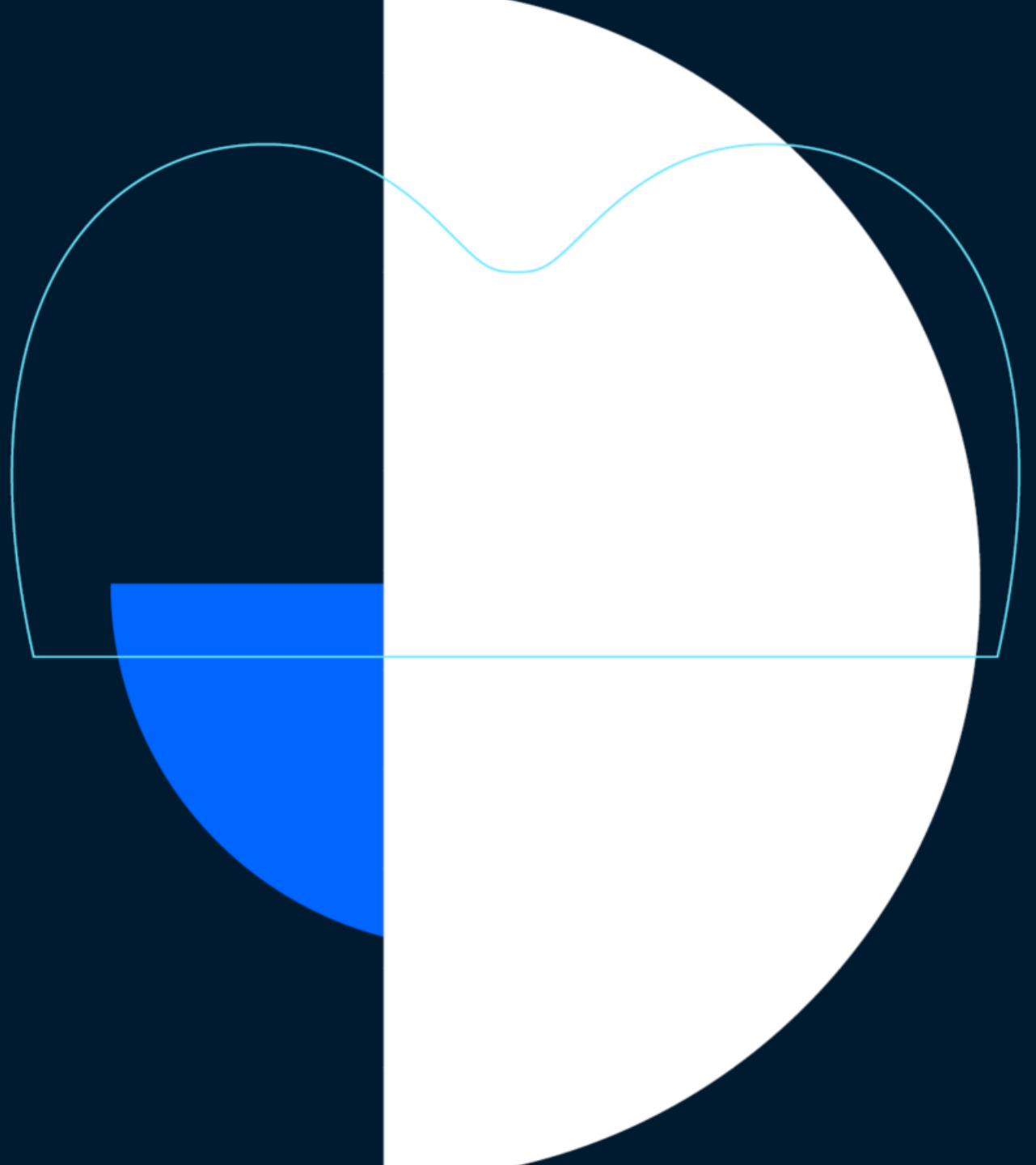
# Corporate **Presentation**

## **July/2021**

New growth cycle and value innovation

# Index

- 1 About Odontoprev
- 2 Dental benefits: an incipient sector in Brazil
- 3 Inside OdontoPrev: strategic competitive advantages
- 4 Financial and Operational Performance
- 5 Capital Markets



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About **Odontoprev**

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1



# About Odontoprev

Odontoprev, listed in São Paulo since 2006, is the leading dental benefits provider in Latin America with more than 7.5 million members. The company is a member of the Novo Mercado at B3, a constituent of the FTSE4Good Index and one of 9 Brazilian companies included in the Bloomberg 2021 Gender -Equality Index (GEI).

# Odontoprev's unique opportunity



- ✓ Largest dental benefits company in Latin America, over 7.5 million clients;
- ✓ Asset-light business model, with proprietary dental IT platform and exclusive distribution channels;
- ✓ Zero debt, negative working capital needs, low capex requirements, quarterly dividends, high payout practice;
- ✓ Chairman # CEO since 1998, professional management team since foundation, 1 share = 1 vote, 100% tag-along rights.

# Net revenues, adjusted EBITDA and net income evolution since IPO

2006 to APR20-MAR21 CAGR



Net revenues

17%  
p.y.

Adjusted EBITDA

20%  
p.y.

Net income

25%  
p.y.

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# Dental **benefits**

an incipiente sector  
in Brazil

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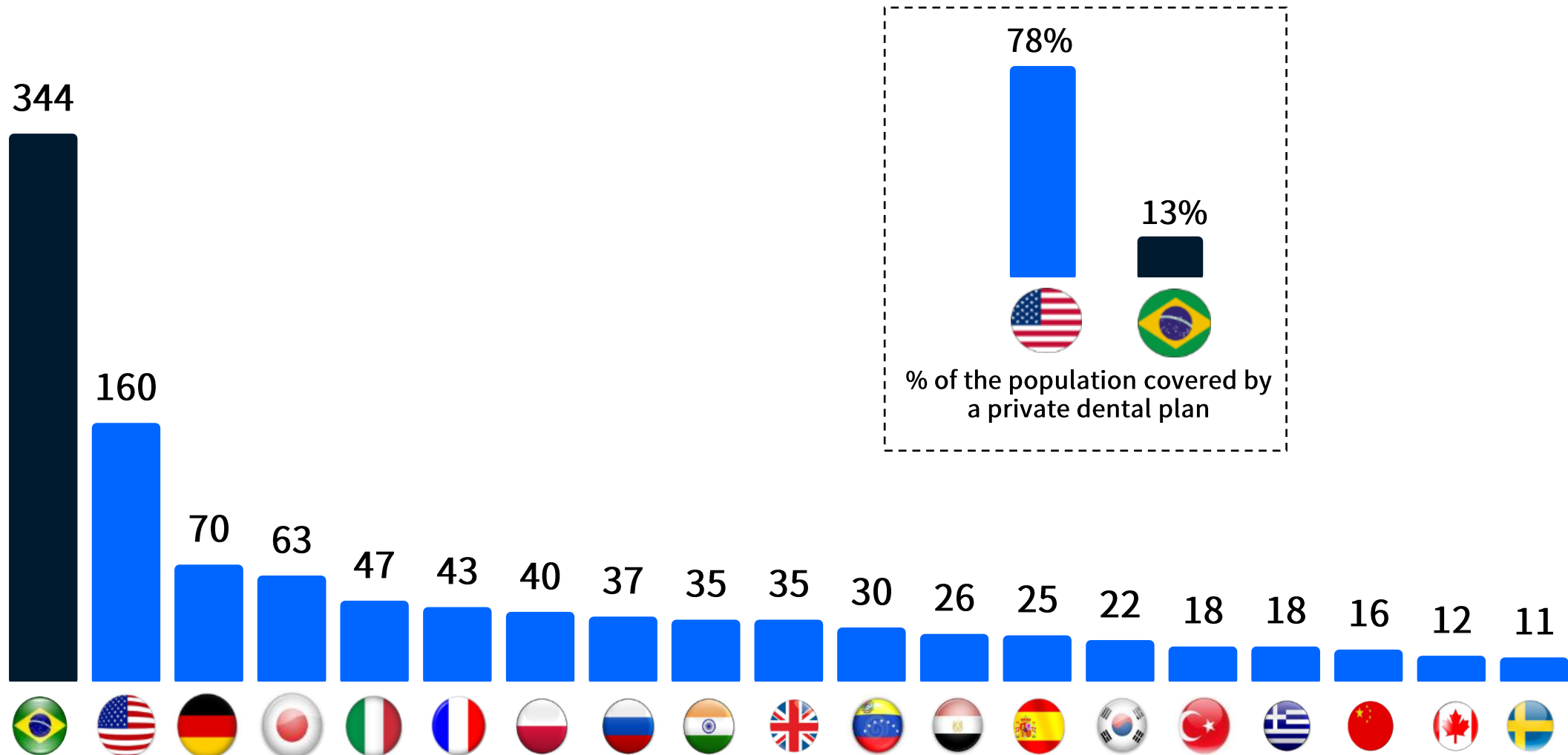
2





# Brazil leads the global ranking of dentists

Number of dentists per country (thousand)



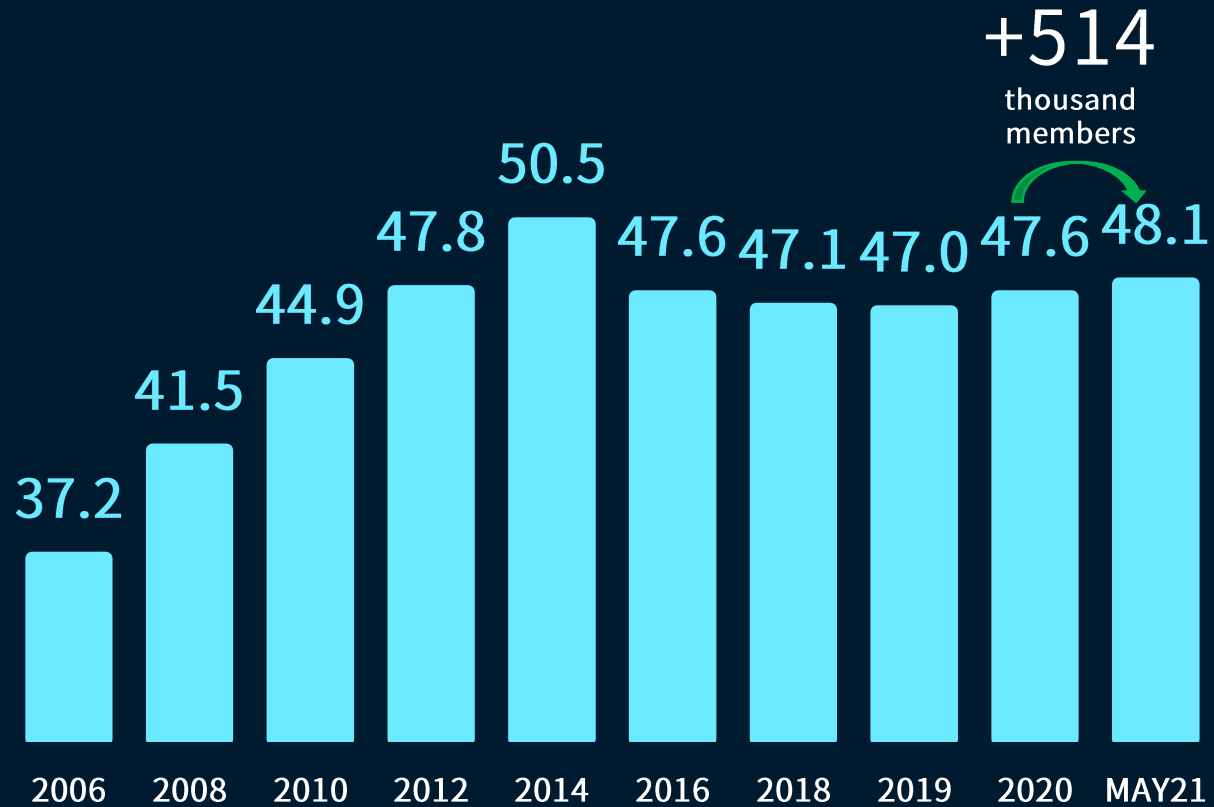
Source: FDI World Dental Federation – The Oral Health Atlas 2009, Federal Council of Dentistry– Brazil (November 2020) and Eurostat 2015-2016

# Medical and dental plans membership growth

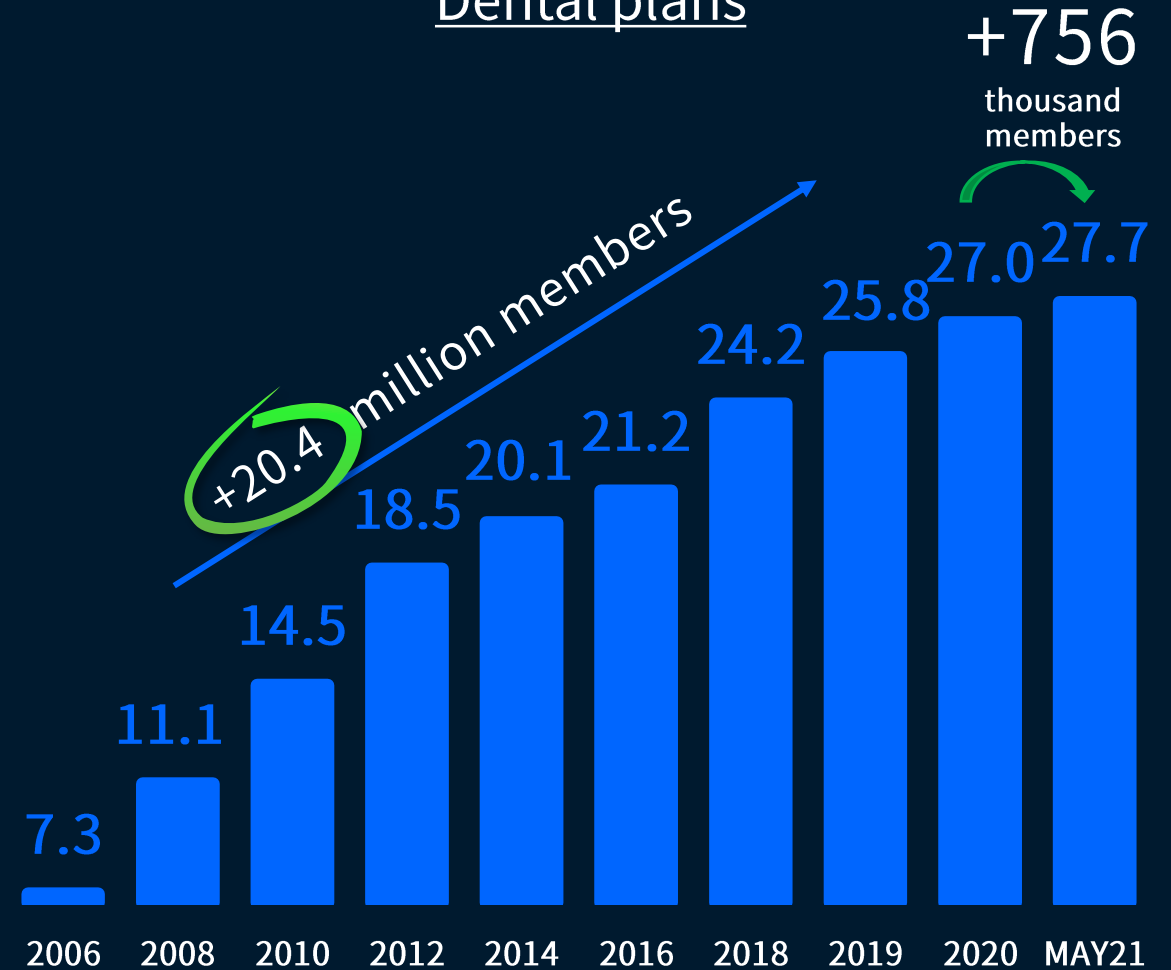


Million members

## Medical plans

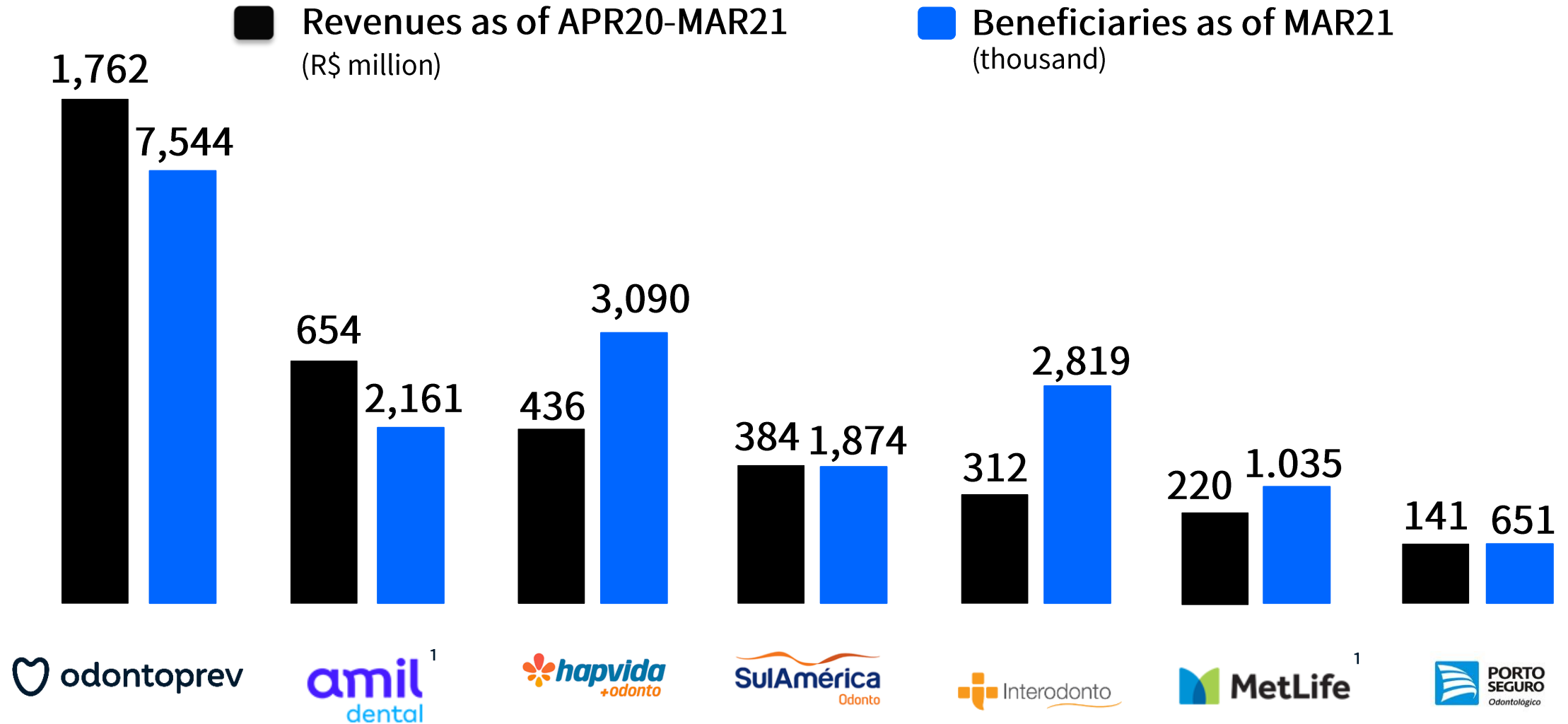


## Dental plans





# Top dental care players, by annual revenues and number of beneficiaries



Source: Odontoprev and ANS

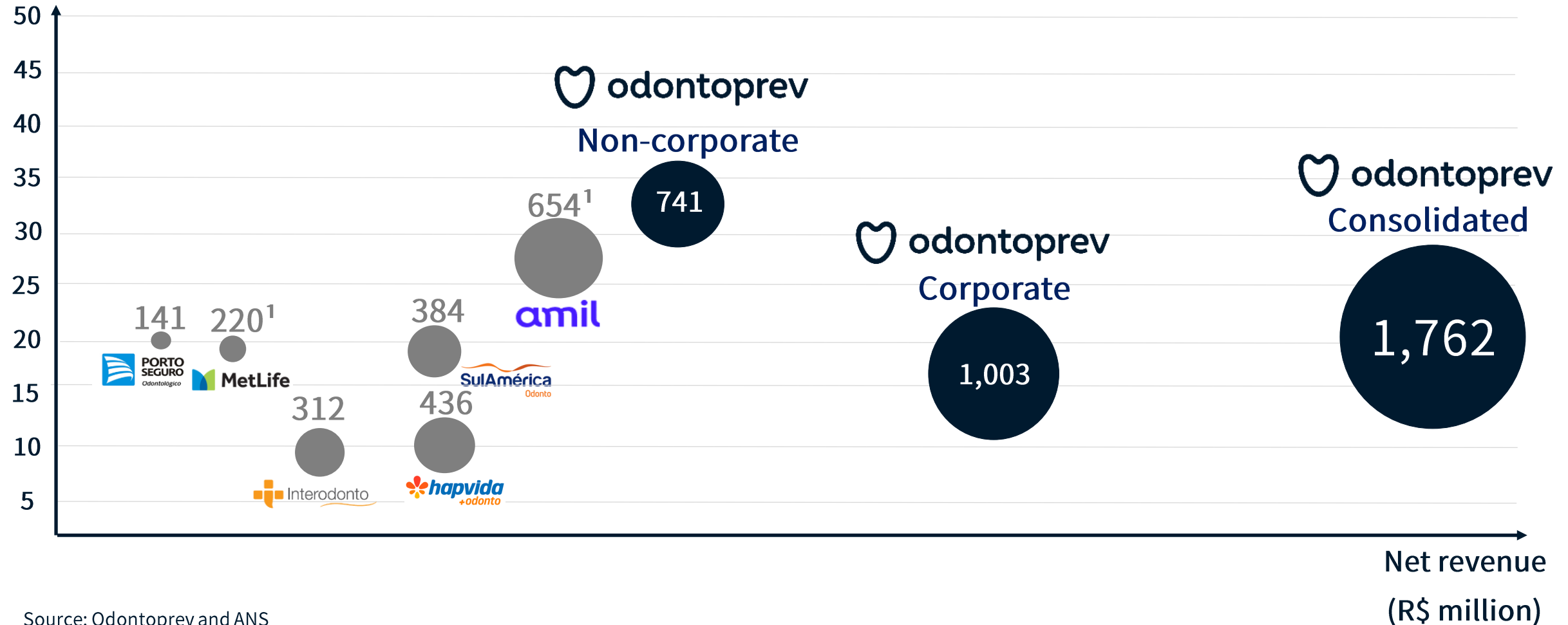
<sup>1</sup> Beneficiaries: 1Q21 | Revenues: 2020



# APR20-MAR21 Dental players net revenue and average ticket

R\$ million

Average Ticket (R\$ / member / month)



Source: Odontoprev and ANS

<sup>1</sup> 2020



# Leadership position on each and every region

Key dental players per region (thousand members)



Members Ranking Members Ranking Members Ranking Members Ranking Members Ranking Members Ranking Members Ranking

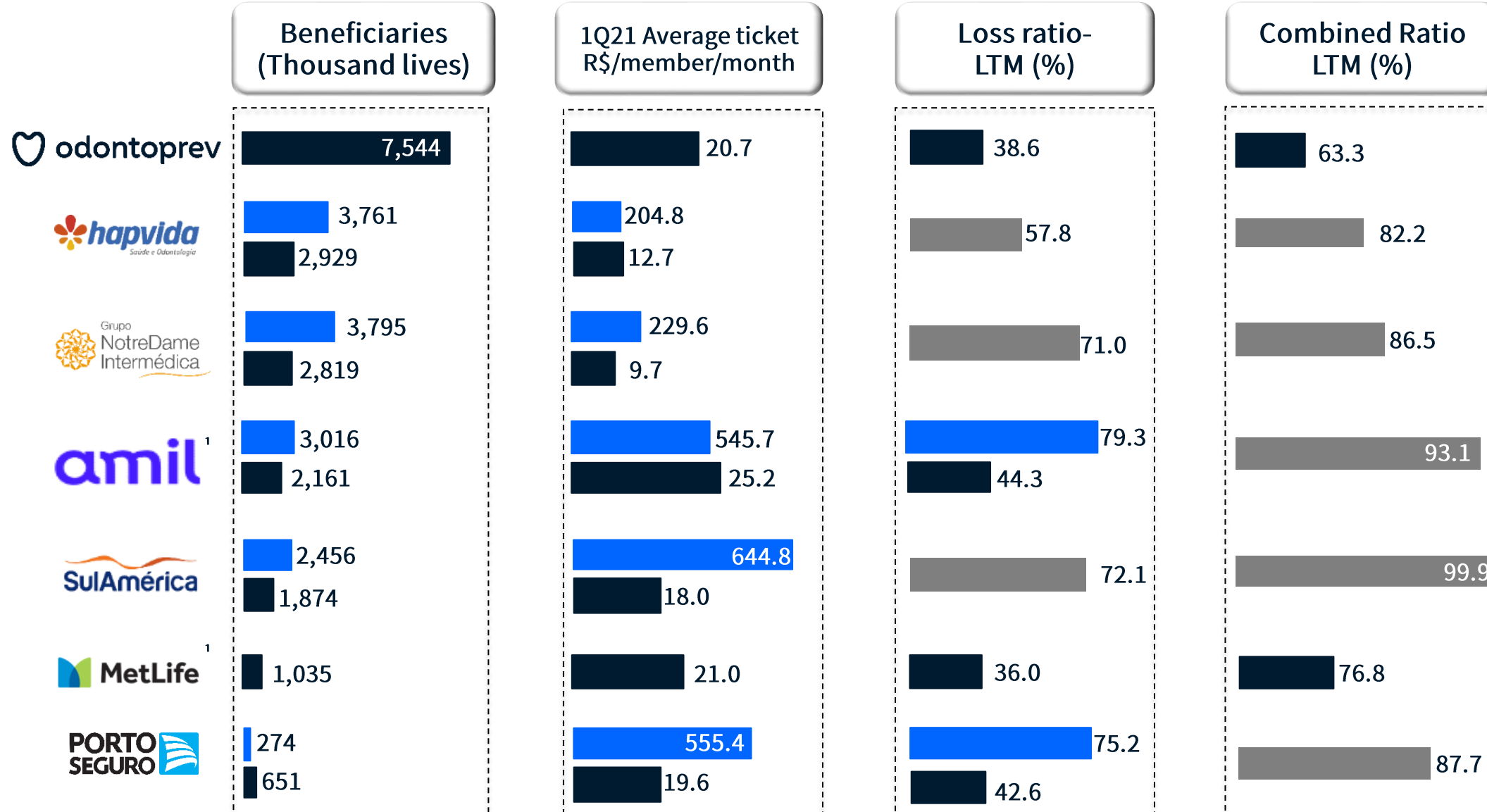
|                    |       |     |       |     |       |      |       |     |       |     |       |     |     |      |
|--------------------|-------|-----|-------|-----|-------|------|-------|-----|-------|-----|-------|-----|-----|------|
| Southeast          | 4,334 | 1st | 1,928 | 3rd | 2,691 | 2nd  | 545   | 7th | 1,624 | 4th | 825   | 5th | 596 | 6th  |
| South              | 728   | 1st | 278   | 3rd | 75    | 10th | 81    | 9th | 120   | 4th | 105   | 5th | 16  | 20th |
| Middle-West        | 549   | 1st | 182   | 3rd | 33    | 11th | 202   | 2nd | 146   | 4th | 109   | 6th | 35  | 10th |
| North Northeast    | 1,915 | 1st | 488   | 3rd | 45    | 21th | 1,870 | 2nd | 258   | 4th | 106   | 8th | 46  | 20th |
| Total <sup>1</sup> | 7,529 | 1st | 2,880 | 2nd | 2,844 | 3rd  | 2,698 | 4th | 2,151 | 5th | 1,145 | 6th | 693 | 8th  |

Source: ANS May/21

1- Considers unidentified beneficiaries



# Key metrics of peer companies, APR20-MAR21




Source: Odontoprev and ANS

<sup>1</sup> Lives: 1Q21 | Ticket: 4Q20 | Others: 2020

■ Dental ■ Medical ■ Consolidated



# Odontoprev competitive advantages X Peers

|                                           |  odontoprev | Peers             |
|-------------------------------------------|------------------------------------------------------------------------------------------------|-------------------|
| Dental focus                              | Yes                                                                                            | No                |
| Strategy                                  | <b>Value driven</b>                                                                            | Volume/Cross-sell |
| Membership market-share <sup>1</sup>      | 28%                                                                                            | 72%               |
| Revenue market-share <sup>2</sup>         | 32%                                                                                            | 68%               |
| Dental as % of revenues                   | <b>100%</b>                                                                                    | <2% <sup>1</sup>  |
| 1Q21 Average Ticket<br>(R\$/member/month) | 21                                                                                             | 14                |

<sup>1</sup> March/21 ANS

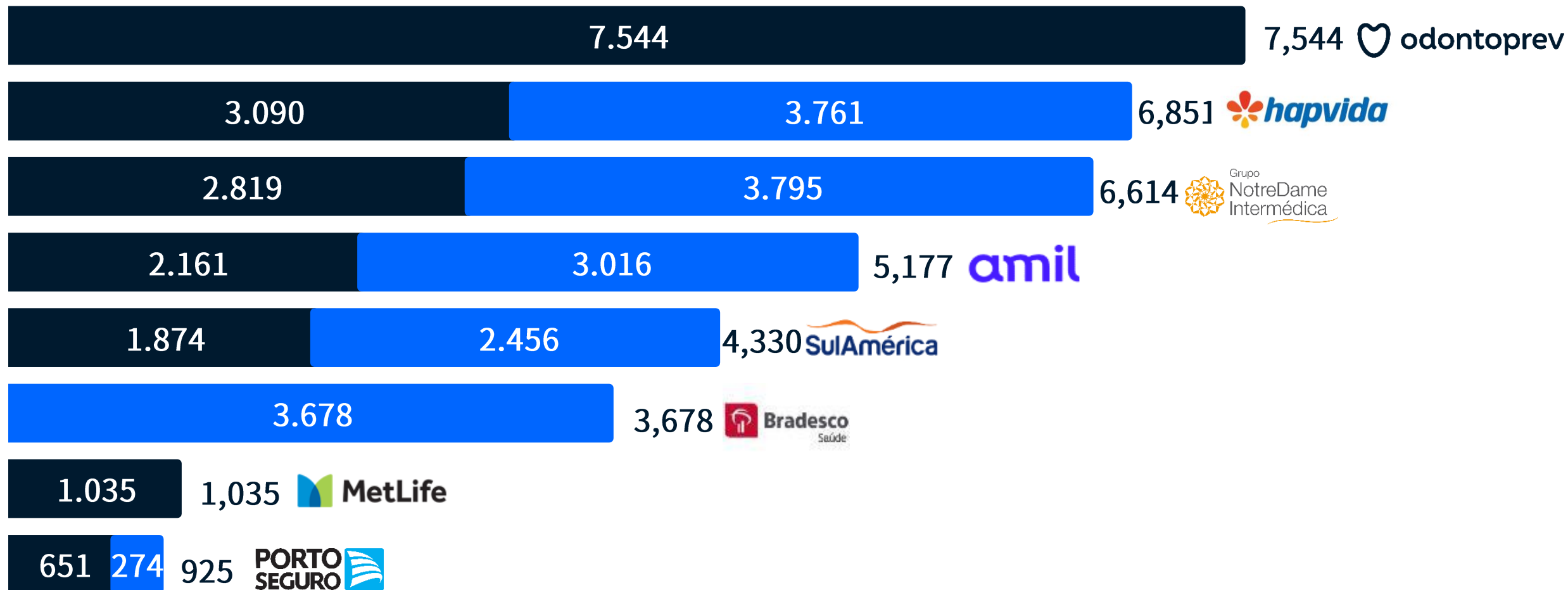
<sup>2</sup> 3Q20 Odontoprev and ANS

# Key healthcare players: Odontoprev has the largest membership base



Thousand members

1Q21



Source: Odontoprev and ANS

<sup>1</sup> 2020

■ Dental

■ Medical

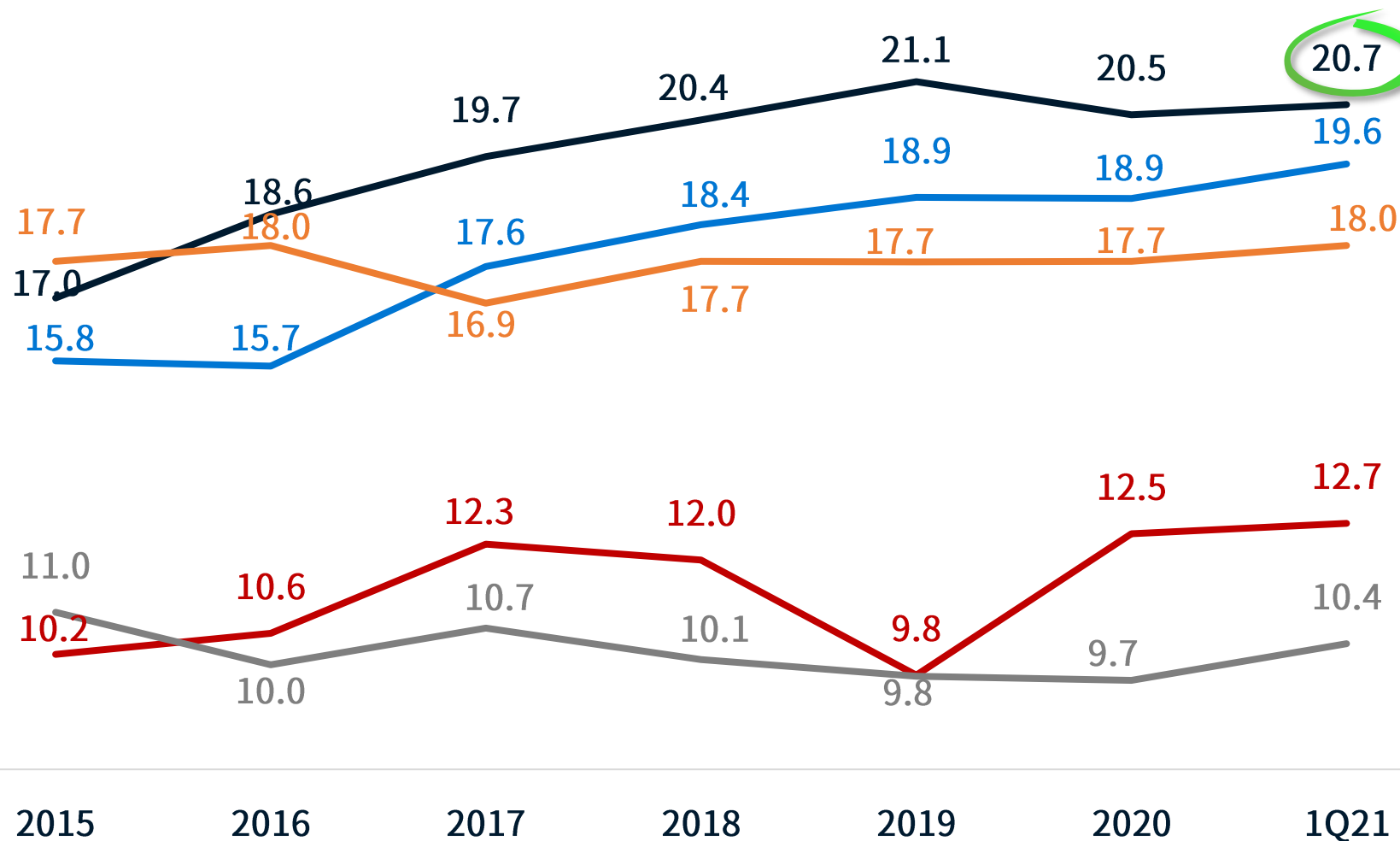


# Rational pricing + value innovation = higher ticket



R\$/member/month

Average ticket evolution: 2015 – 1Q21



odontoprev

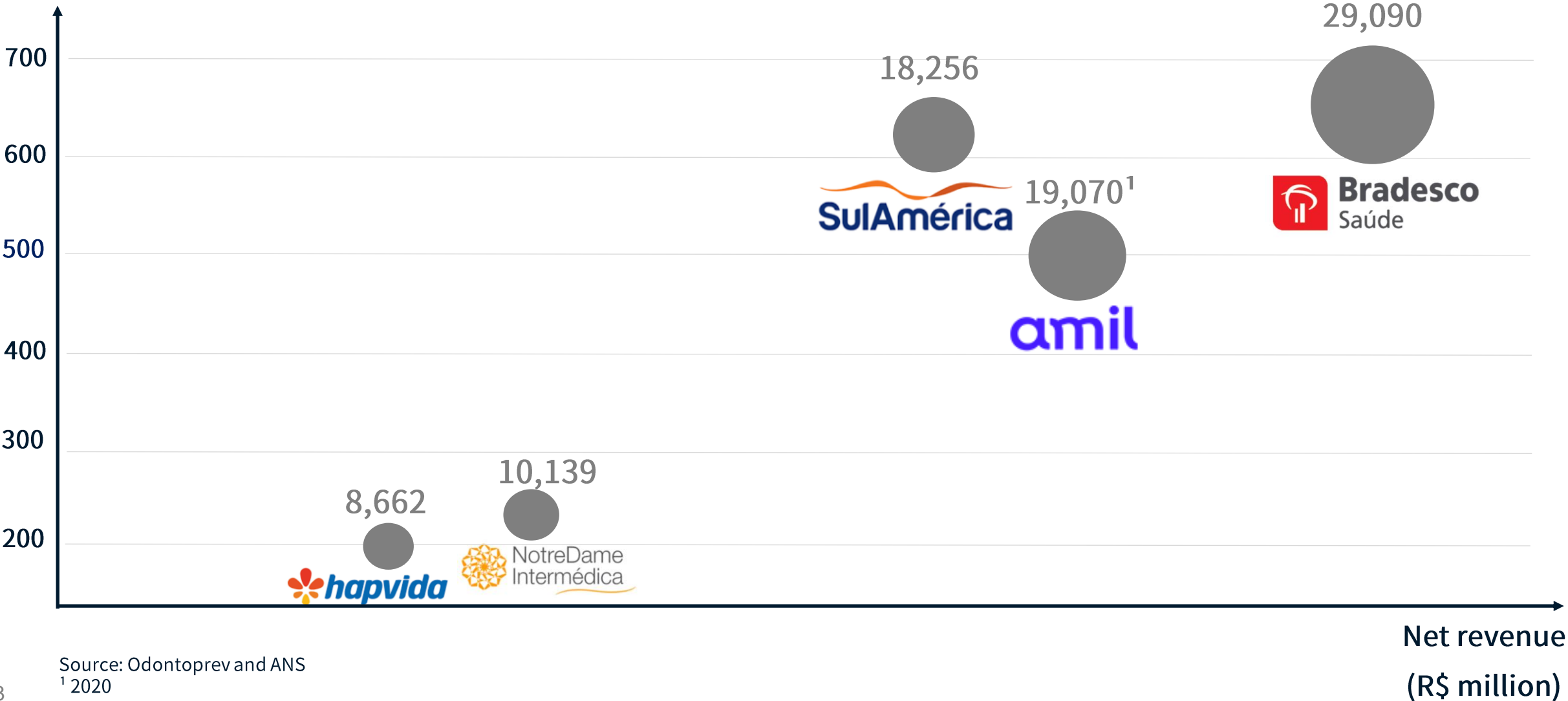


# APR20-MAR21 Medical players net revenue and average ticket

R\$ million



Average Ticket (R\$ / member / month)



Source: Odontoprev and ANS  
<sup>1</sup> 2020

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# Strategic **competitive advantages**

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3



# Attractive cost dynamics

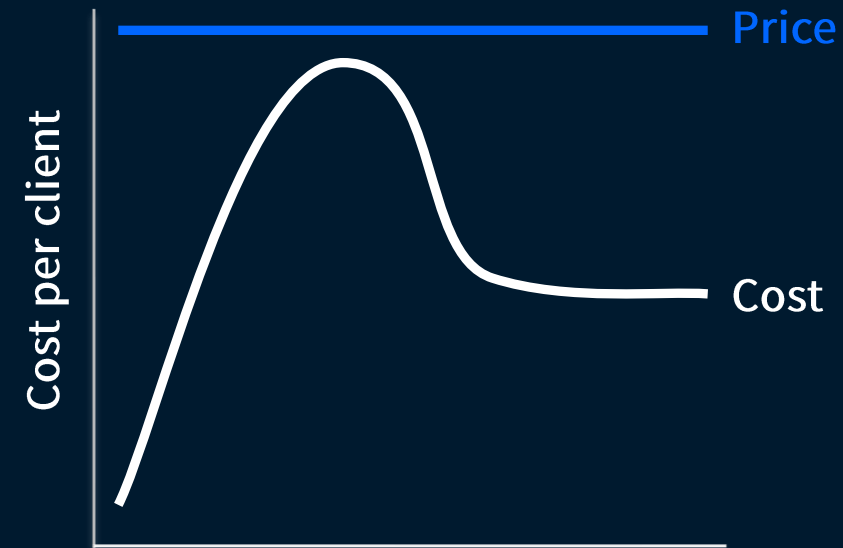
Over time, Odontoprev dental plans present a price and cost profile...

## Medical plans



- ✓ Cost increases by medical inflation and better technology
- ✓ Short-term contract: 1 year tenor

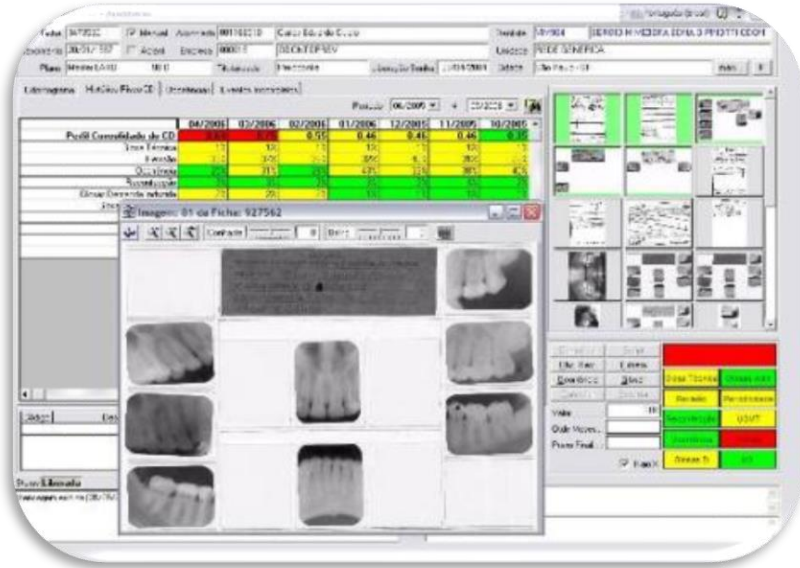
## Odontoprev plans



- ✓ Predictable cost evolution due to prevention
- ✓ Long-term contract: 2 year + duration



# Proprietary dental IT Platform allows high quality standards



- ✓ Complete electronic record of all beneficiaries
- ✓ 3 decades of actuarial data
- ✓ Risk management and fraud prevention

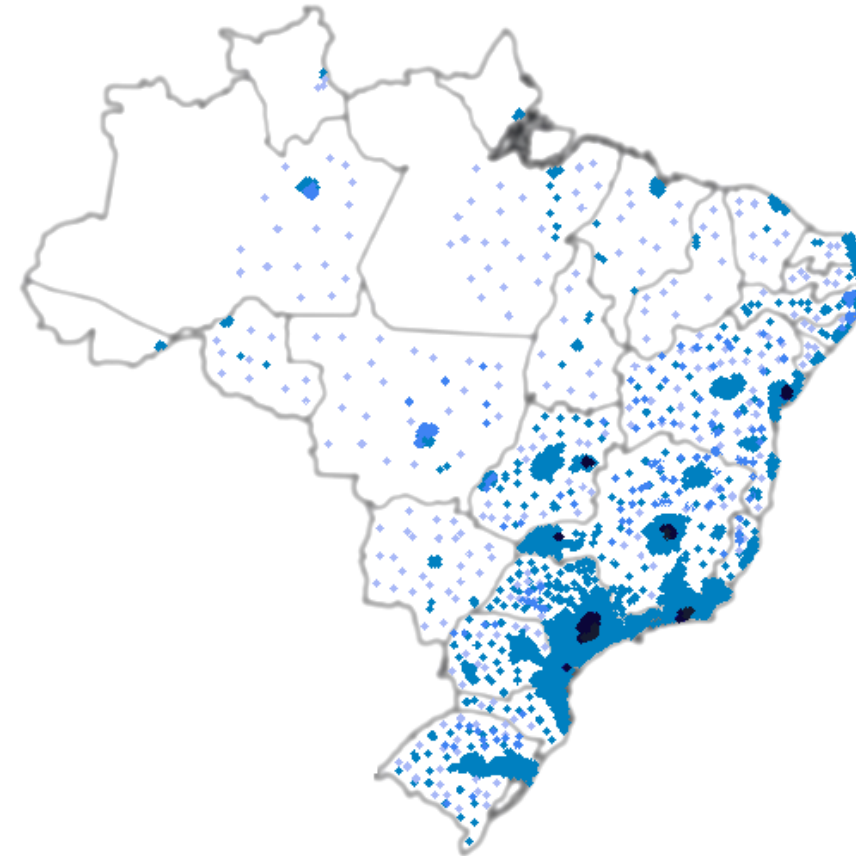


# Largest and best dentist network

31,000 dentists at 2,700 cities

## National distribution

- ✓ Differentiated academic background
- ✓ Continuous education



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Financial and  
**Operational**  
performance

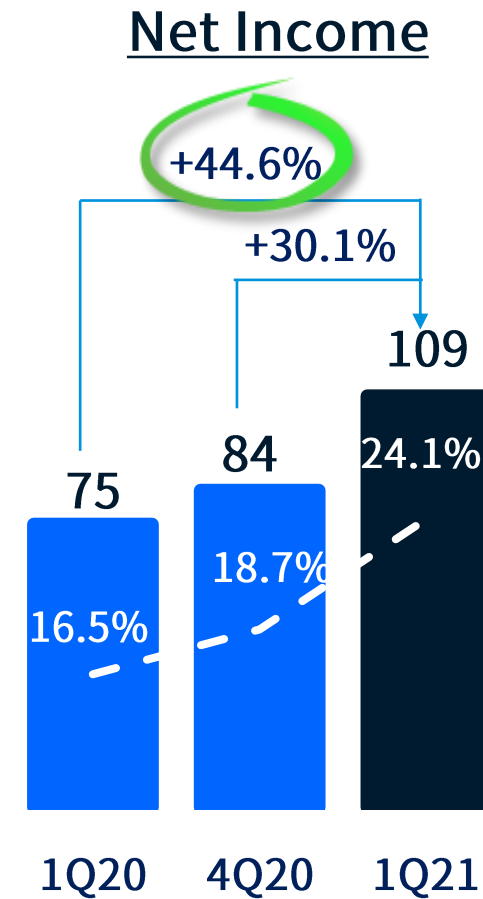
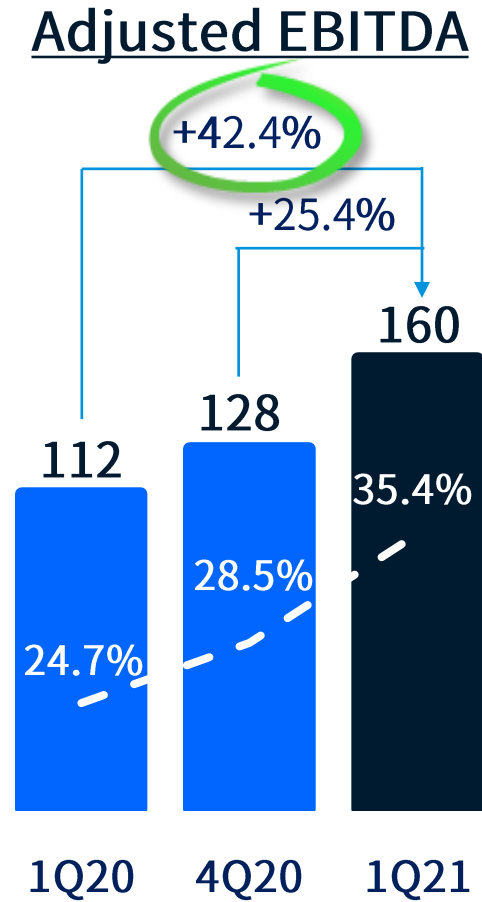
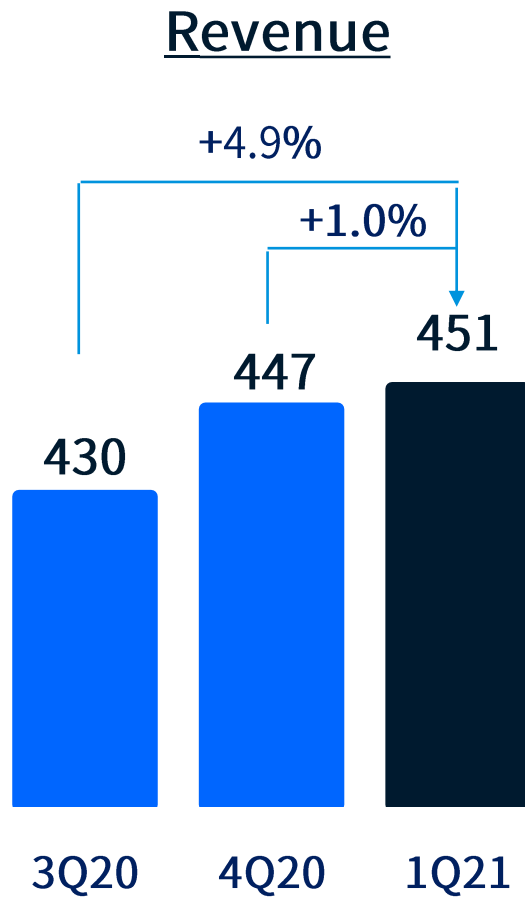
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# Revenue, EBITDA and Net Income evolution

R\$ million e %Sales



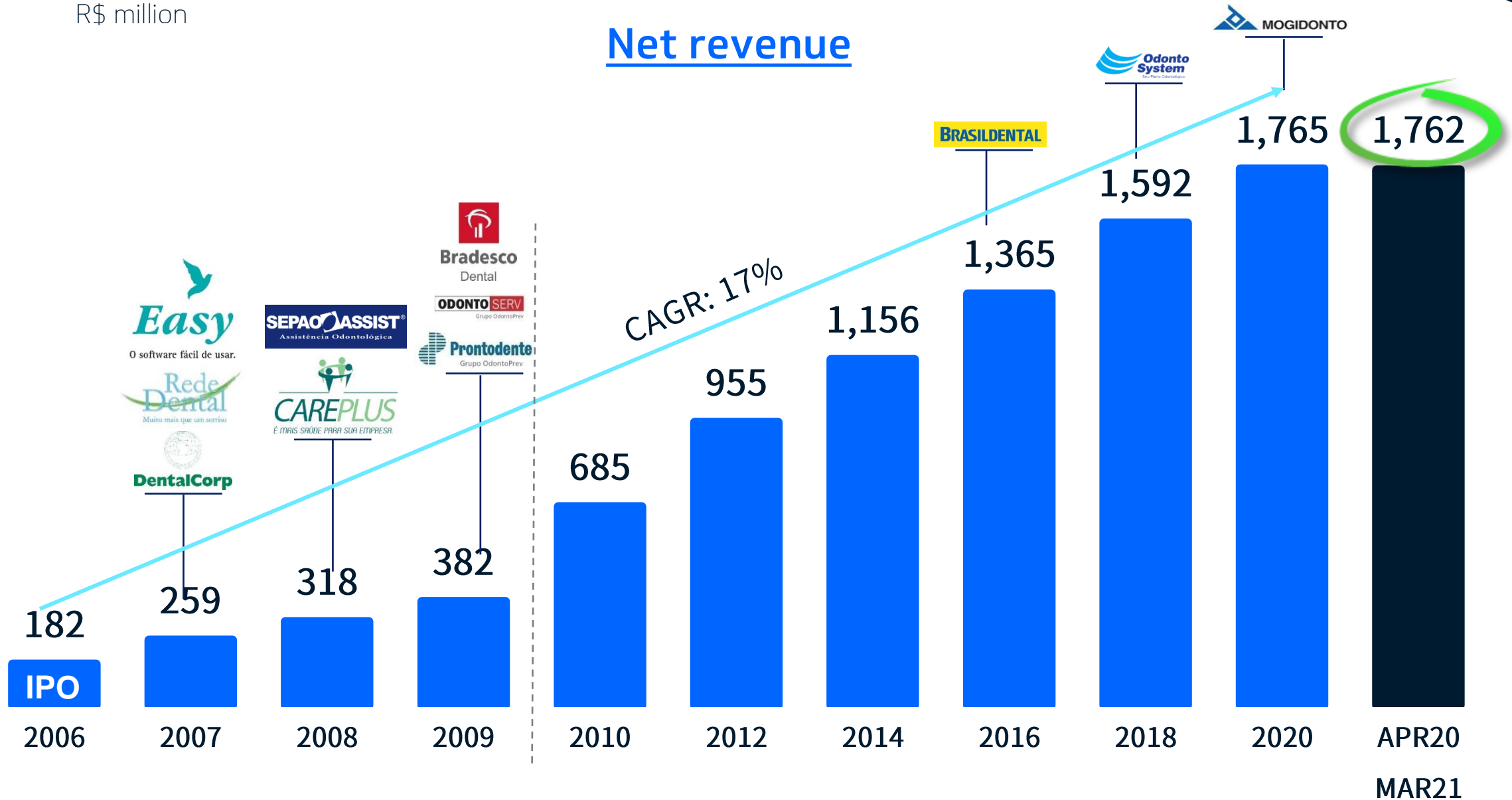




# Odontoprev: 14 years of sustainable value creation since IPO

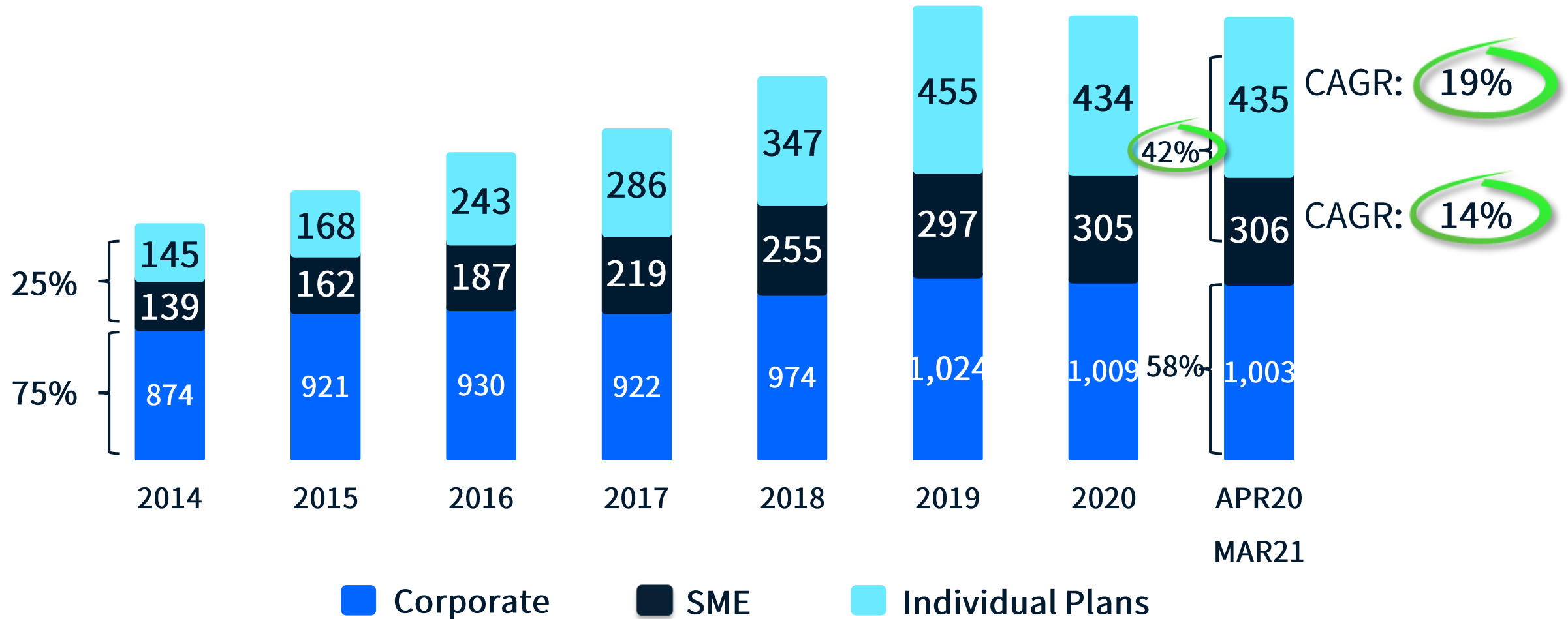
R\$ million

## Net revenue



# Revenues per segment

R\$ million



<sup>1</sup>includes sales of services and products



# Revenues and average ticket evolution per segment since 2014

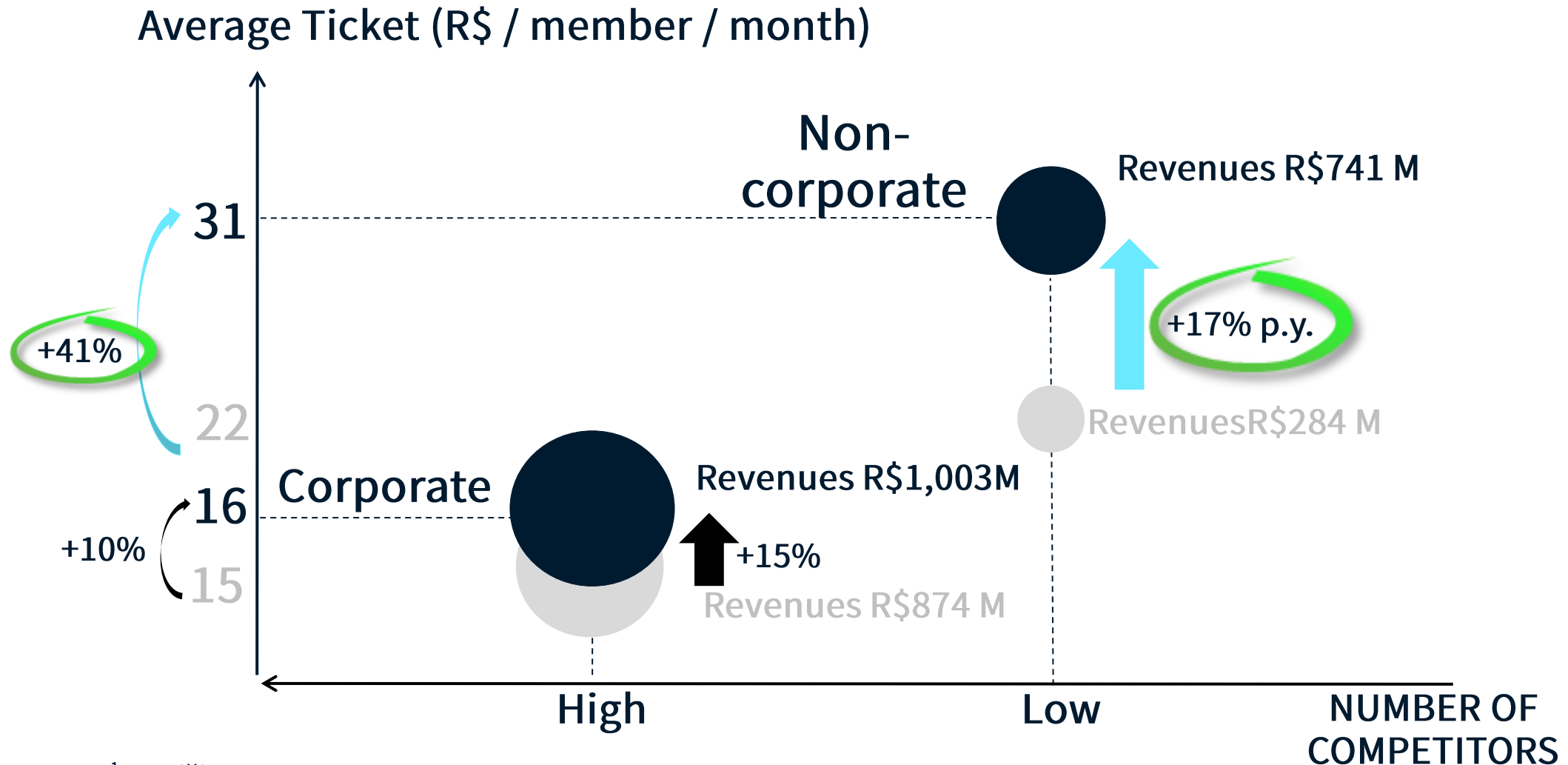
R\$ million





# Revenues and average ticket per segment

APR20-MAR21 x 2014



<sup>1</sup> M: million



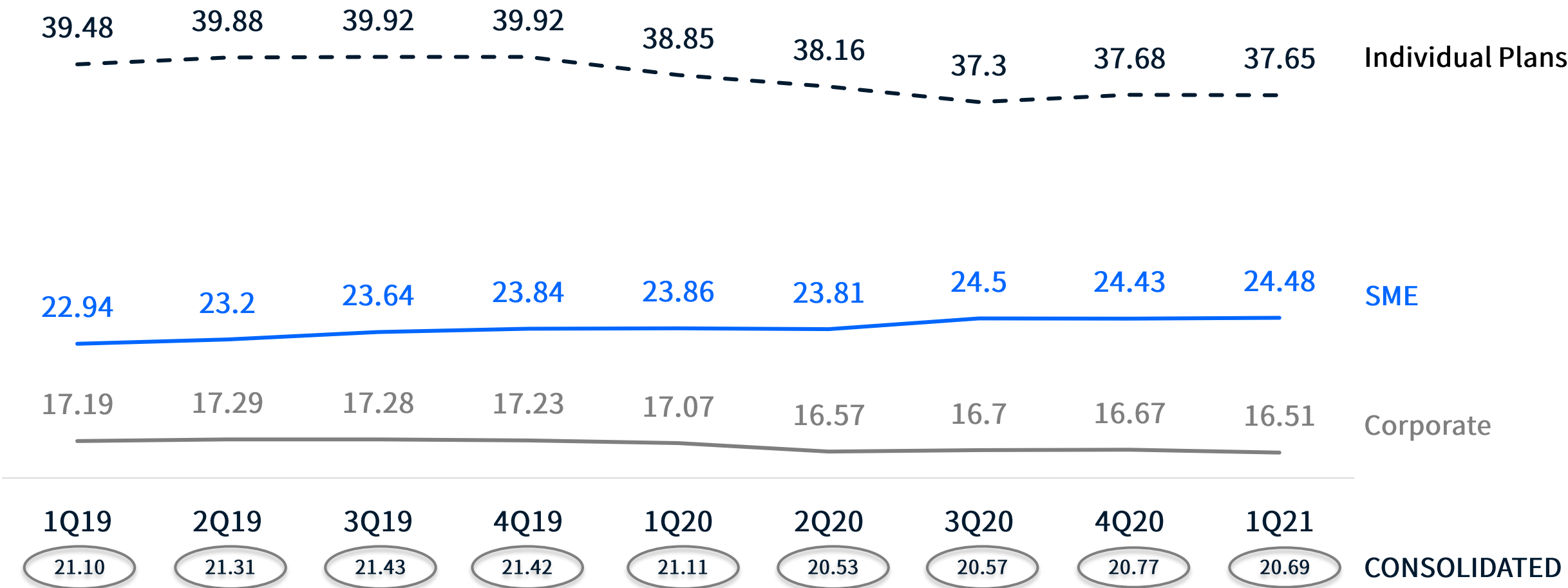
## Two business segments

|                                           | Corporate                            | Non-corporate                  |
|-------------------------------------------|--------------------------------------|--------------------------------|
| GDP impact                                | High                                 | Low                            |
| Penetration                               | +50%                                 | <5%                            |
| Growth Potential                          | Medium                               | High                           |
| Own distribution                          | Internal + brokers<br>(shareholders) | Retail banks<br>(shareholders) |
| 1Q21 Average ticket<br>(R\$/member/month) | R\$17                                | R\$32                          |
| Barriers to entry                         | Low                                  | High                           |



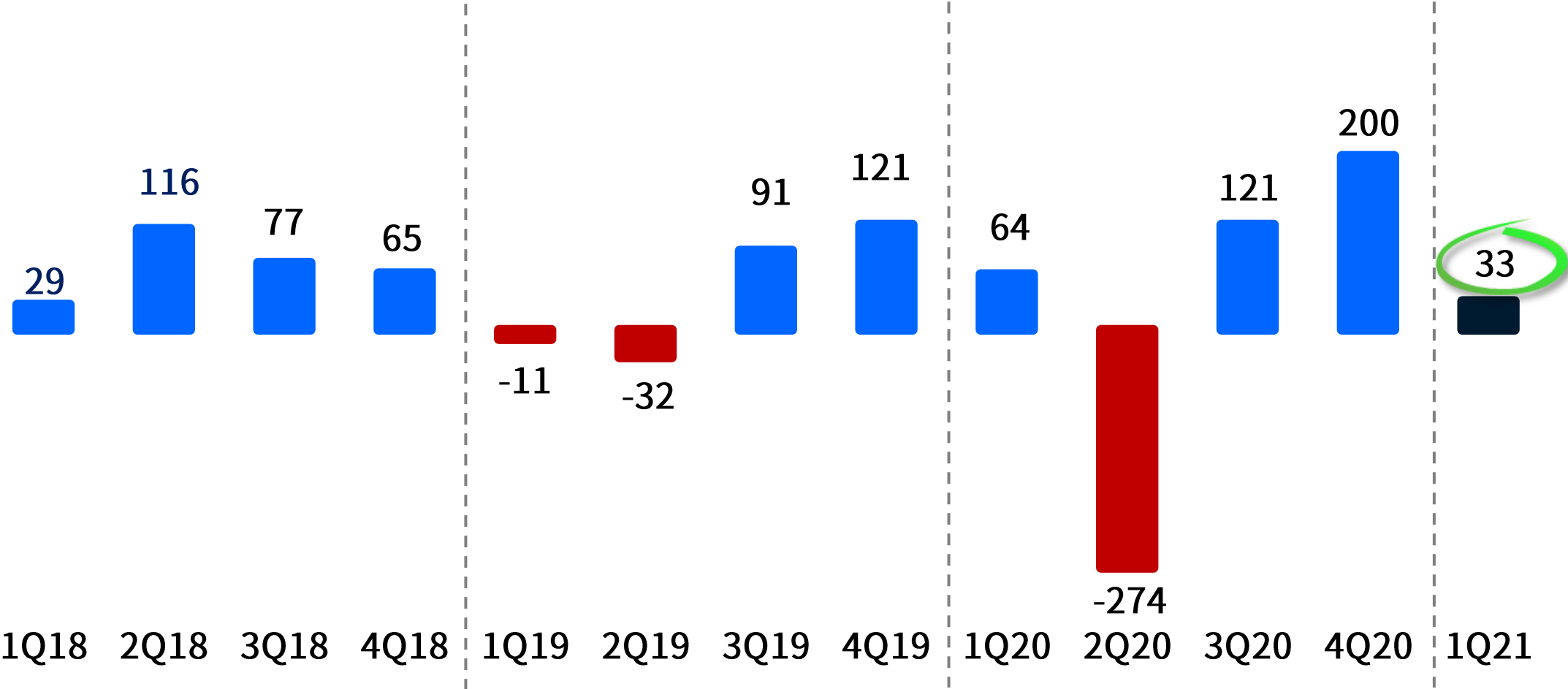
# Average ticket: consolidated and per segment

R\$/member/month



# Quarterly Net Additions

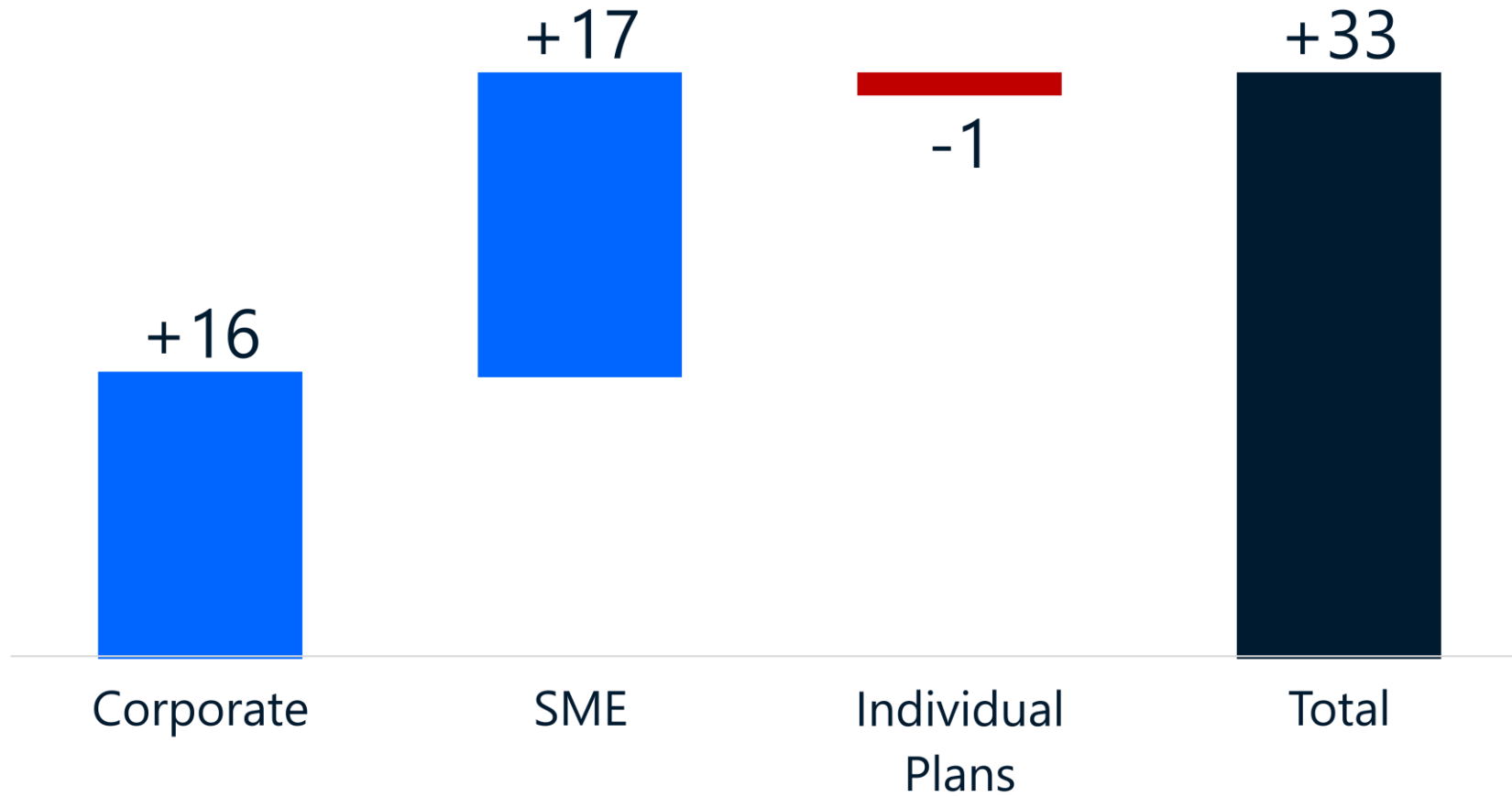
Thousand members





# 1Q21 Net Additions

Thousand members

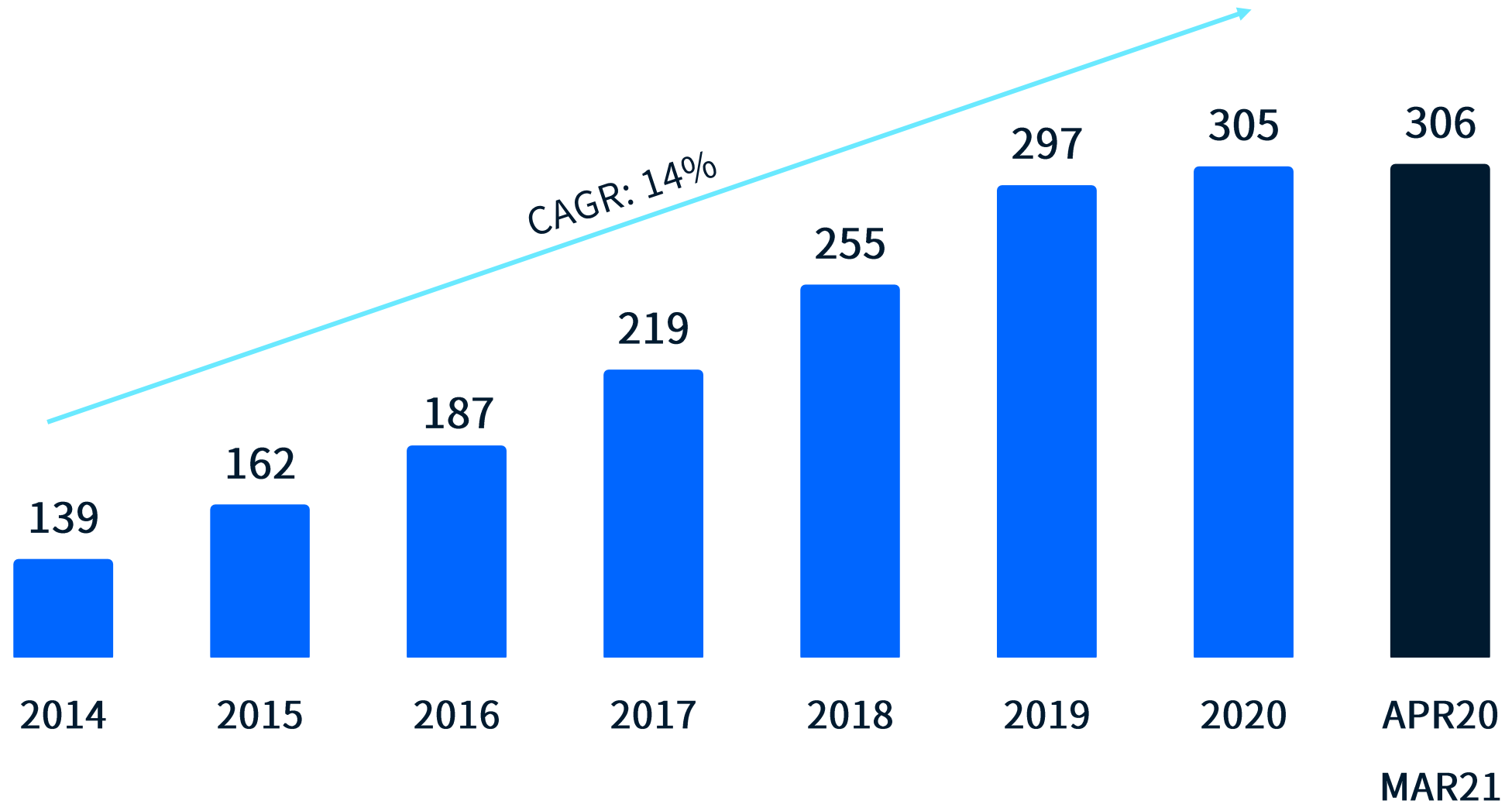






# SME - Revenue growth

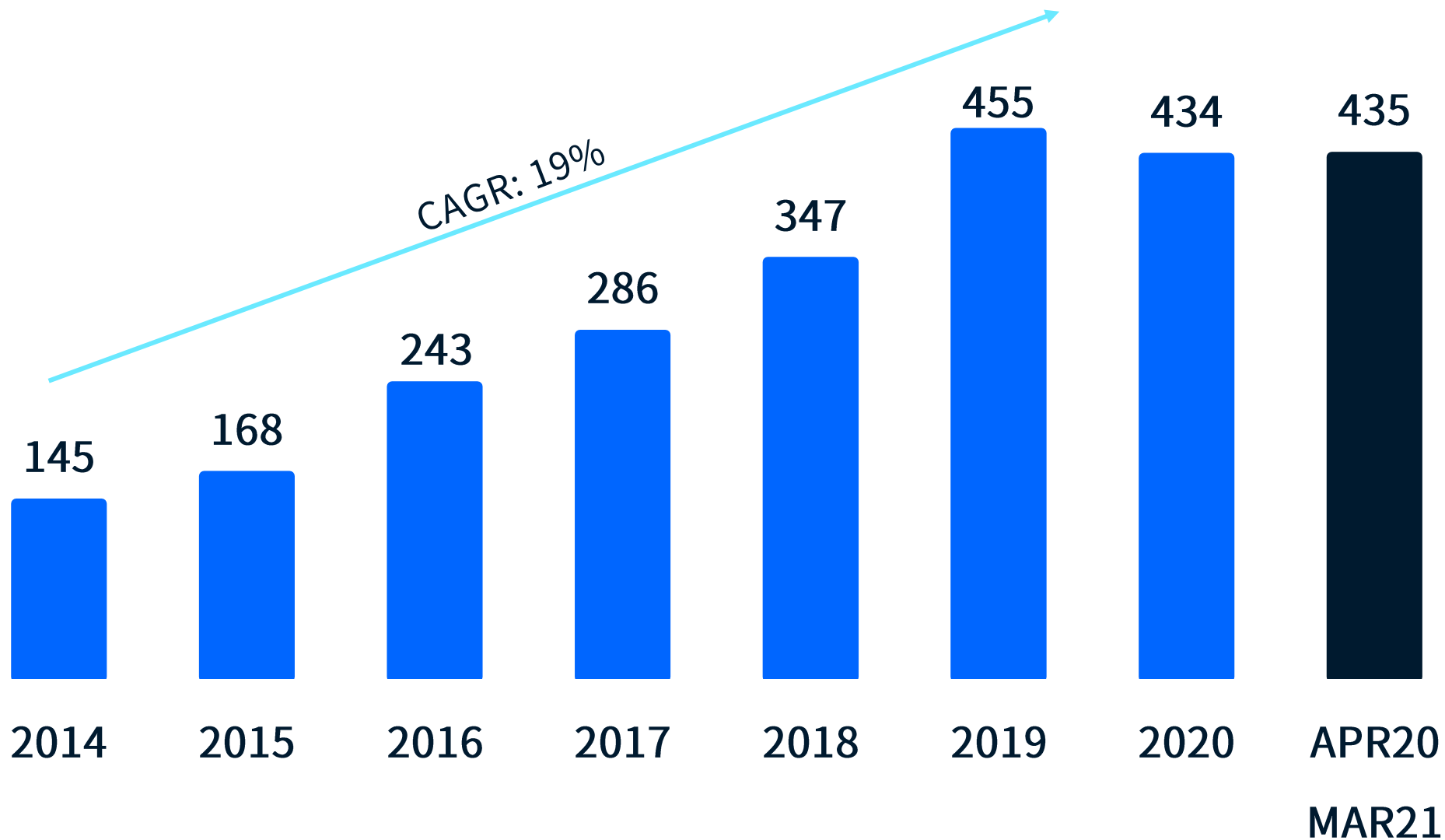
R\$ million







# Individual Plans - Revenue growth

R\$ million



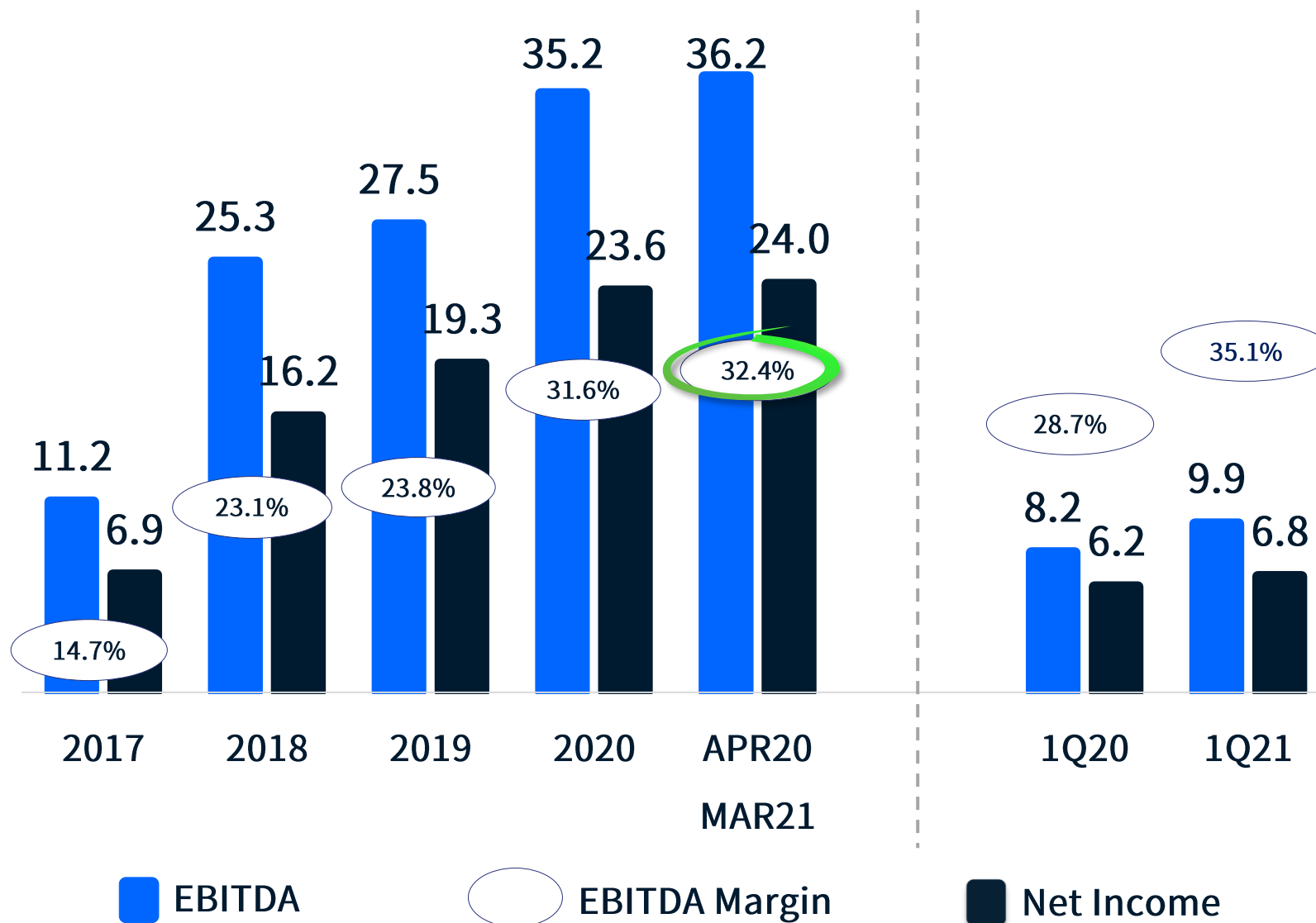
# Bank channels generate higher sales price and lower acquisition cost in Individual Plans



|                         | Retailers          |  &  |
|-------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1Q21 average list price | R\$37.5 to R\$42.5 | R\$45.6 to R\$55.2                                                                                                                                                        |
| Acquisition cost        | 25% to 45%         | 10% to 15%                                                                                                                                                                |

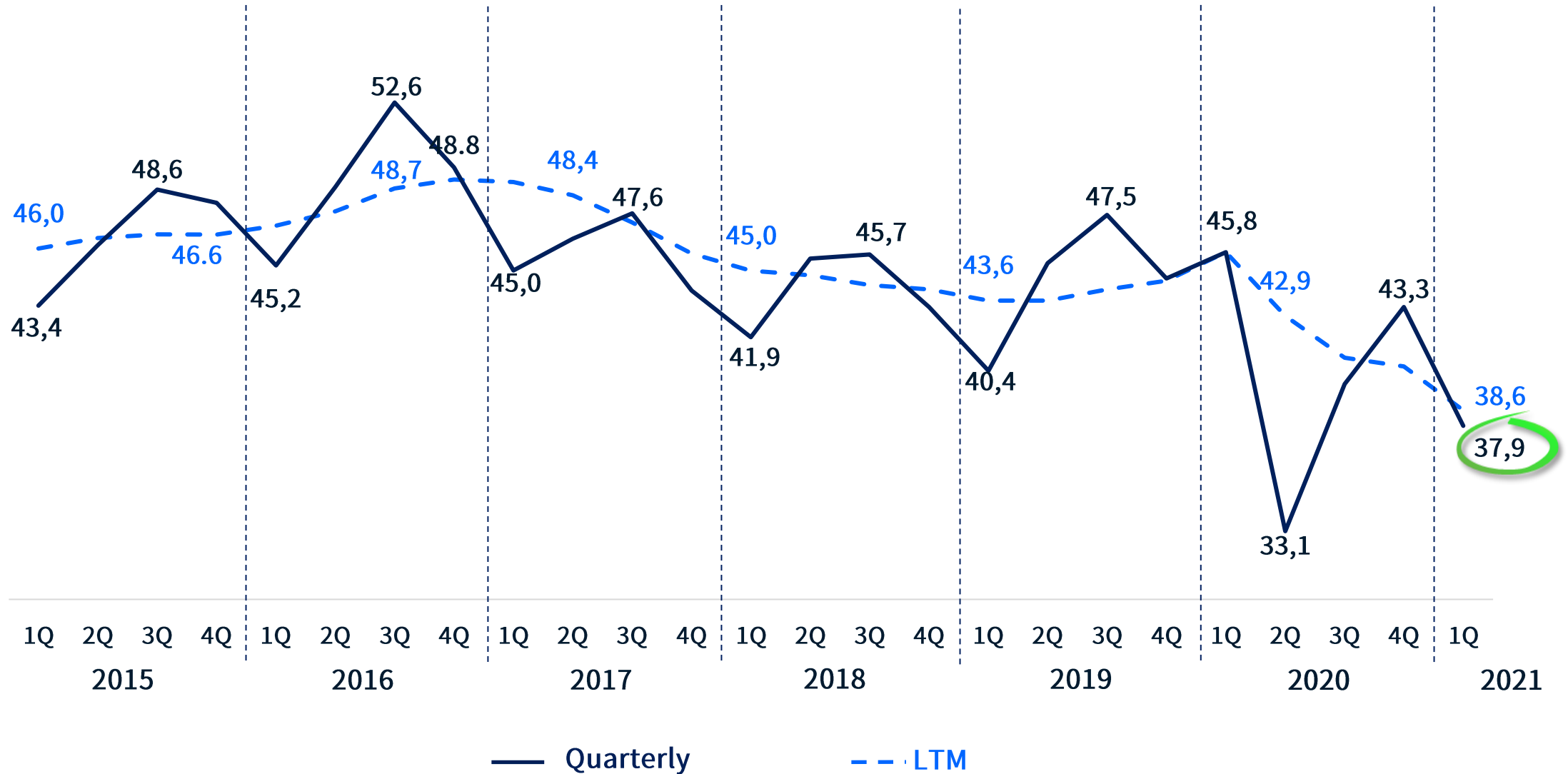


R\$ million and % of Sales

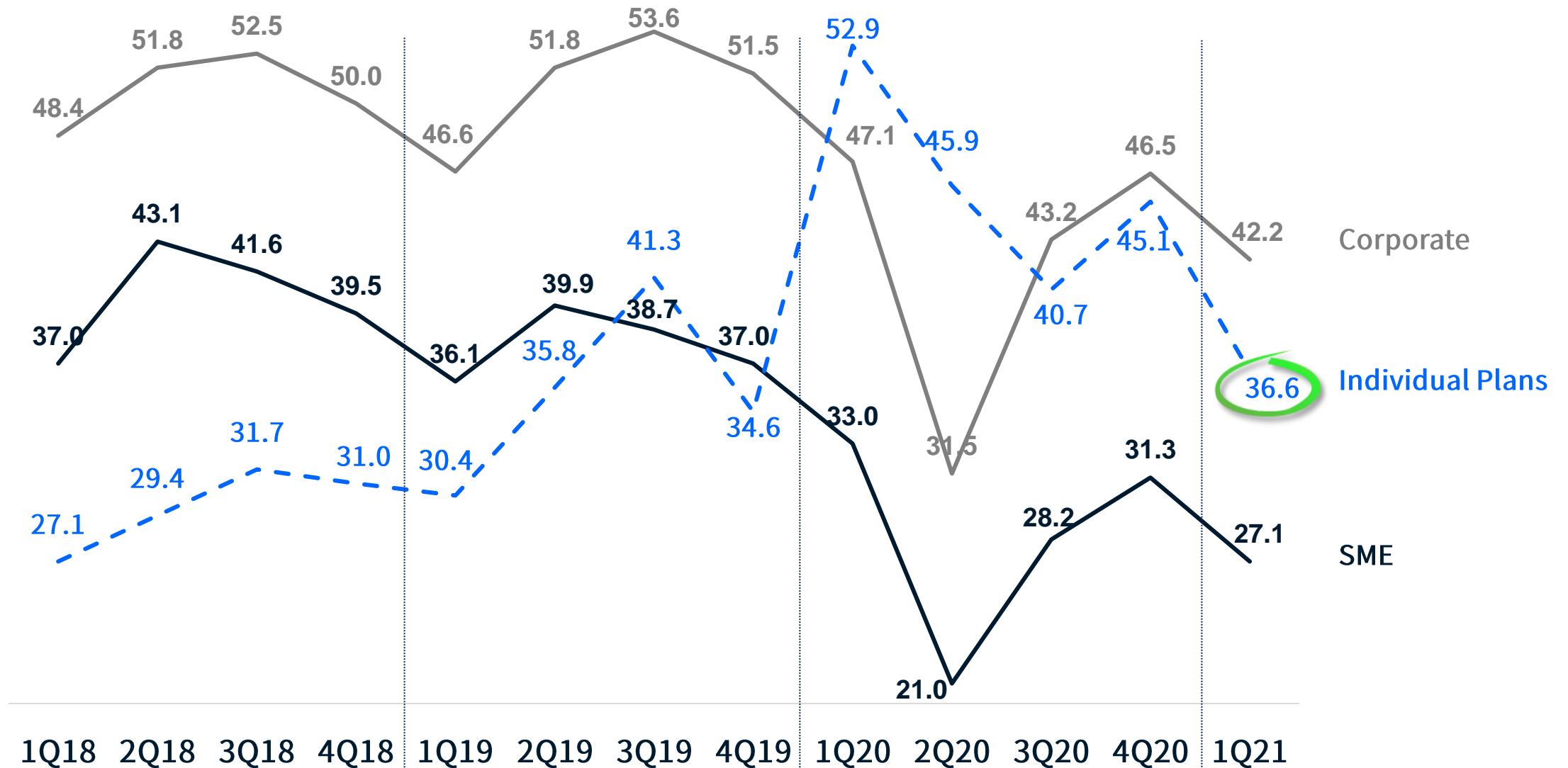


# Quarterly and LTM Cost of Services

% Sales



# Cost of Services per segment (% Sales)





# Selling expenses per segment

% of Sales LTM



## Corporate

7%



## SME

13%



## Individual Plans

20%

Average  
selling  
expenses

|           |           |
|-----------|-----------|
| Banks     | 10% - 15% |
| Brokers   | 10% - 15% |
| Own sales | 0%        |

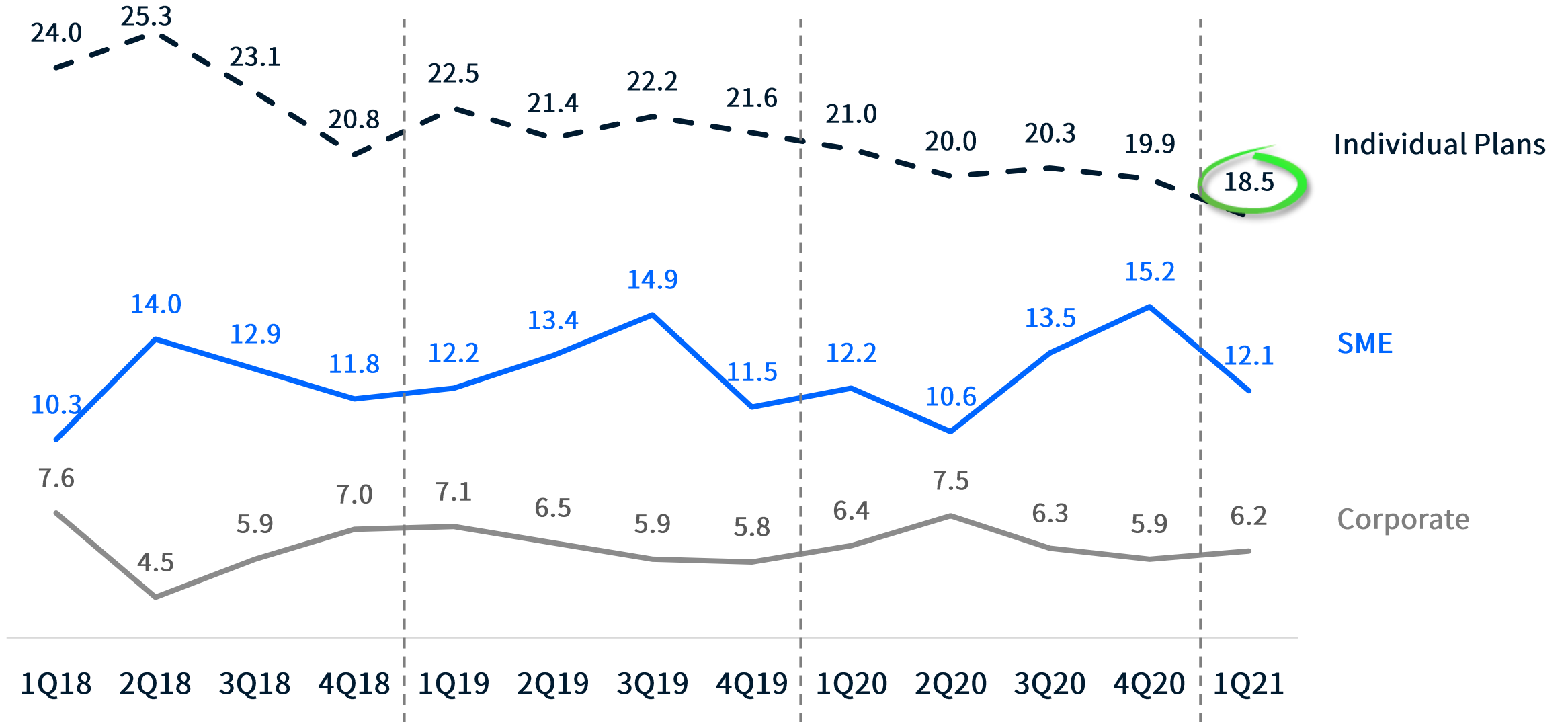
|         |            |
|---------|------------|
| Banks   | 10% - 15%  |
| Brokers | 10% - 15%  |
| Online  | 10% - 7.5% |

|           |           |
|-----------|-----------|
| Banks     | 10% - 15% |
| Retailers | 25% - 45% |
| Online    | 5% - 7.5% |



# Selling expenses per segment

% of Sales

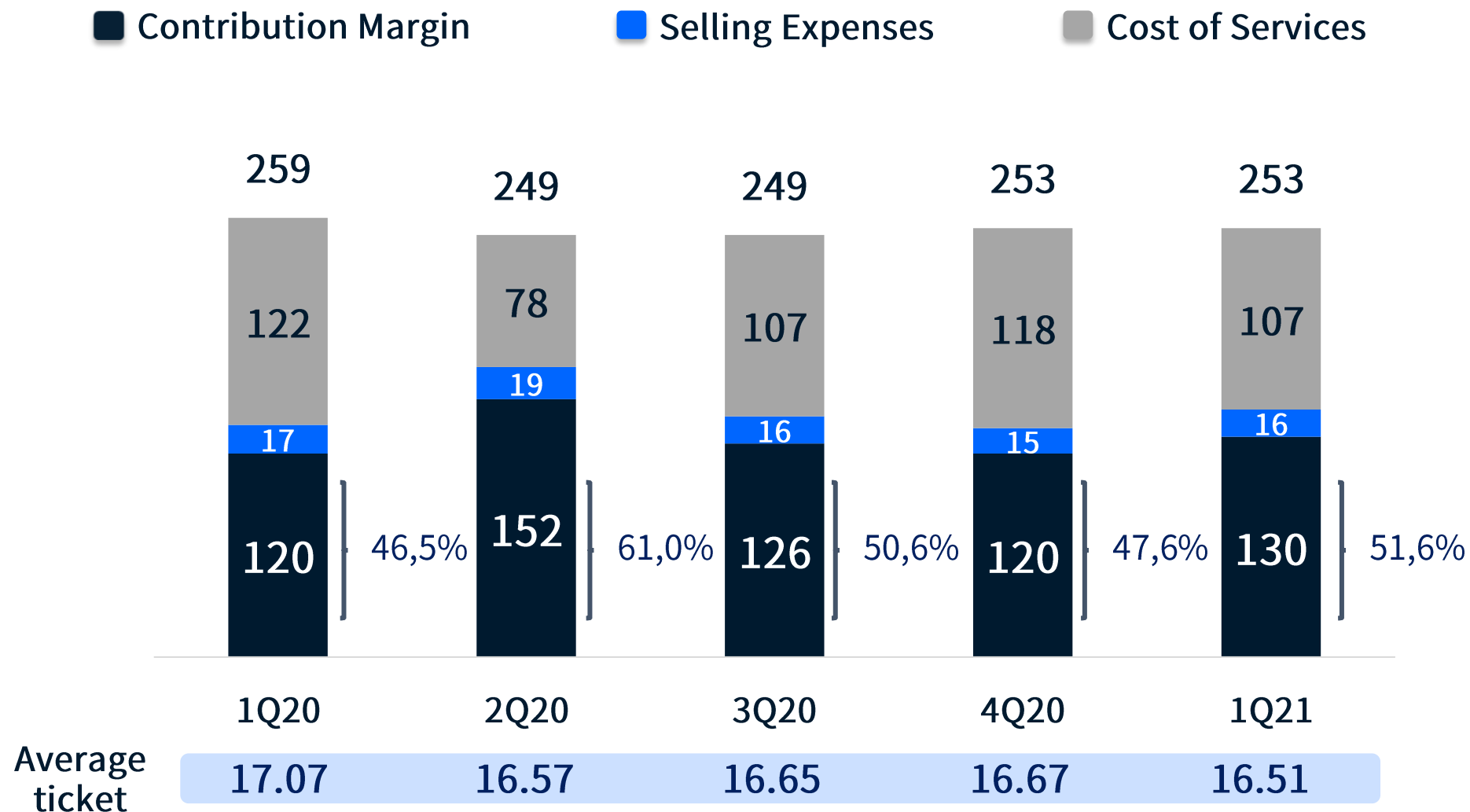




# Net Revenue and Contribution Margin growth - Corporate



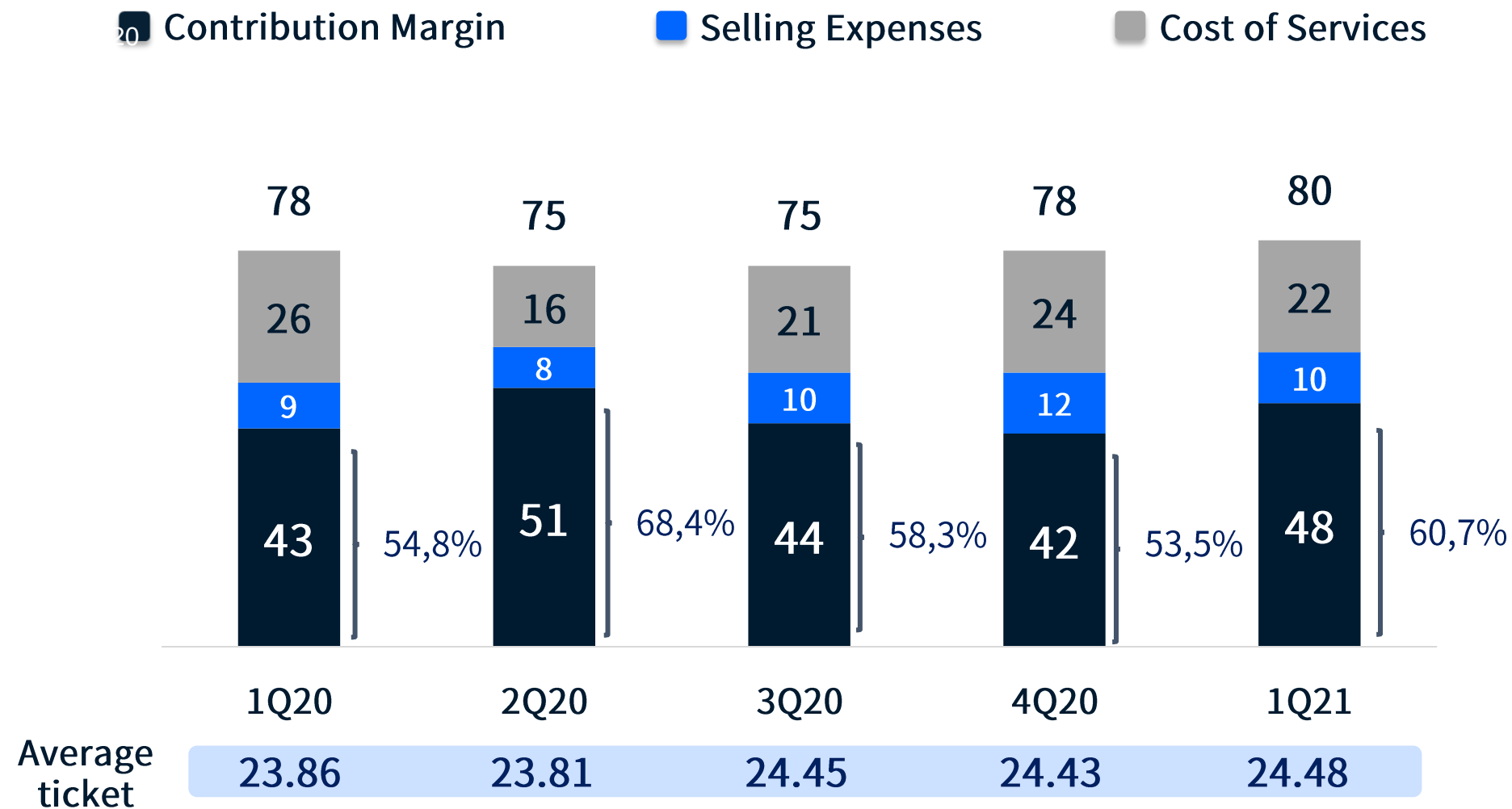
R\$ million



# Net Revenue and Contribution Margin growth - SME



R\$ million



# Net Revenue and Contribution Margin growth – Individual Plans

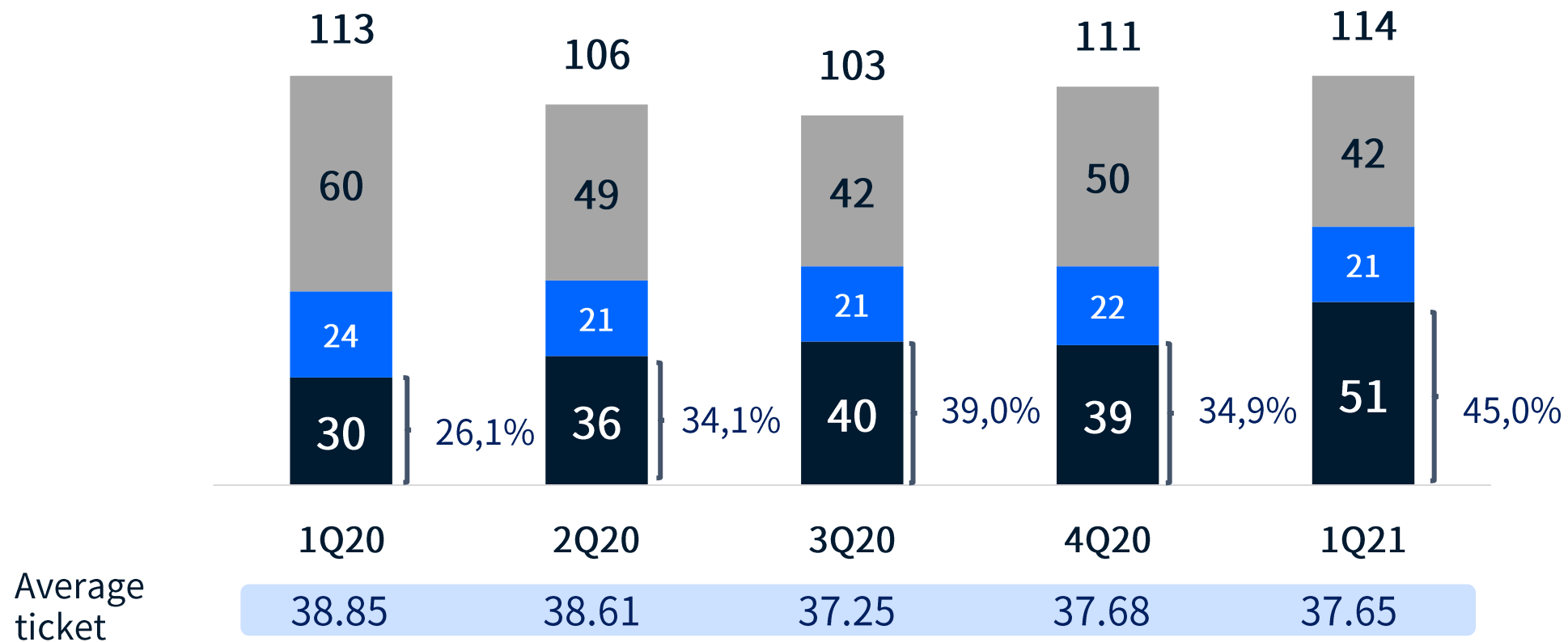


R\$ million

■ Contribution Margin

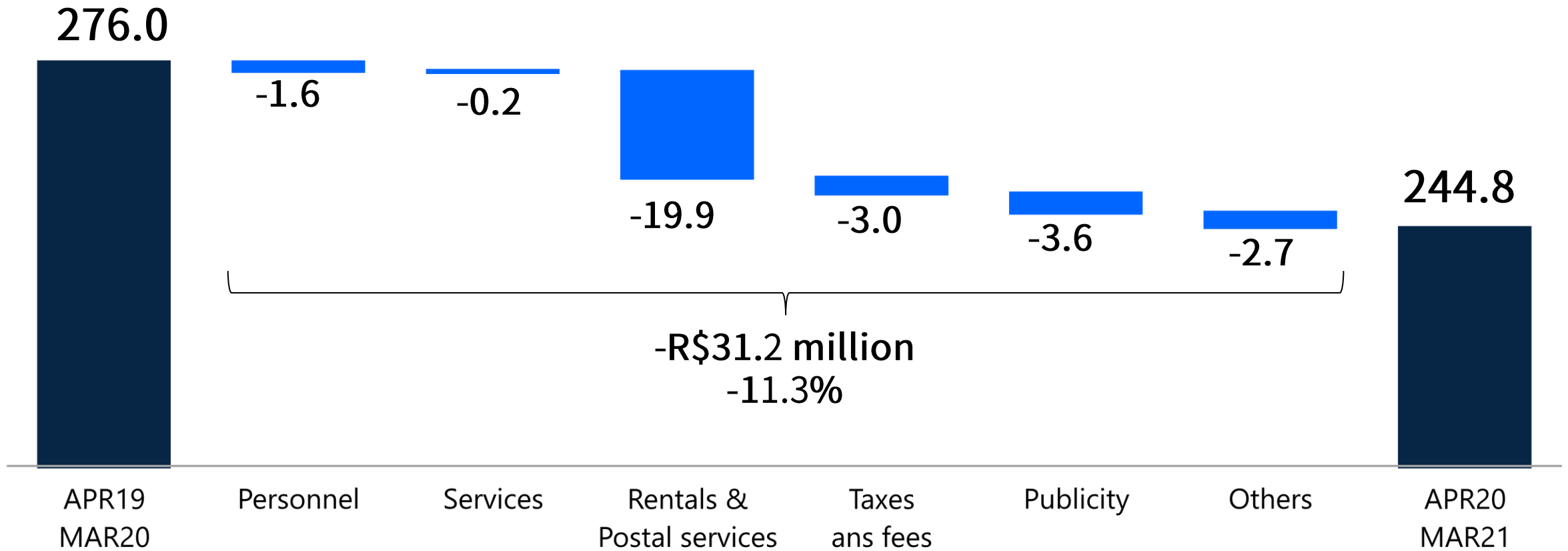
■ Selling Expenses

■ Cost of Services



# G&A: APR20-MAR21 x APR19-MAR20

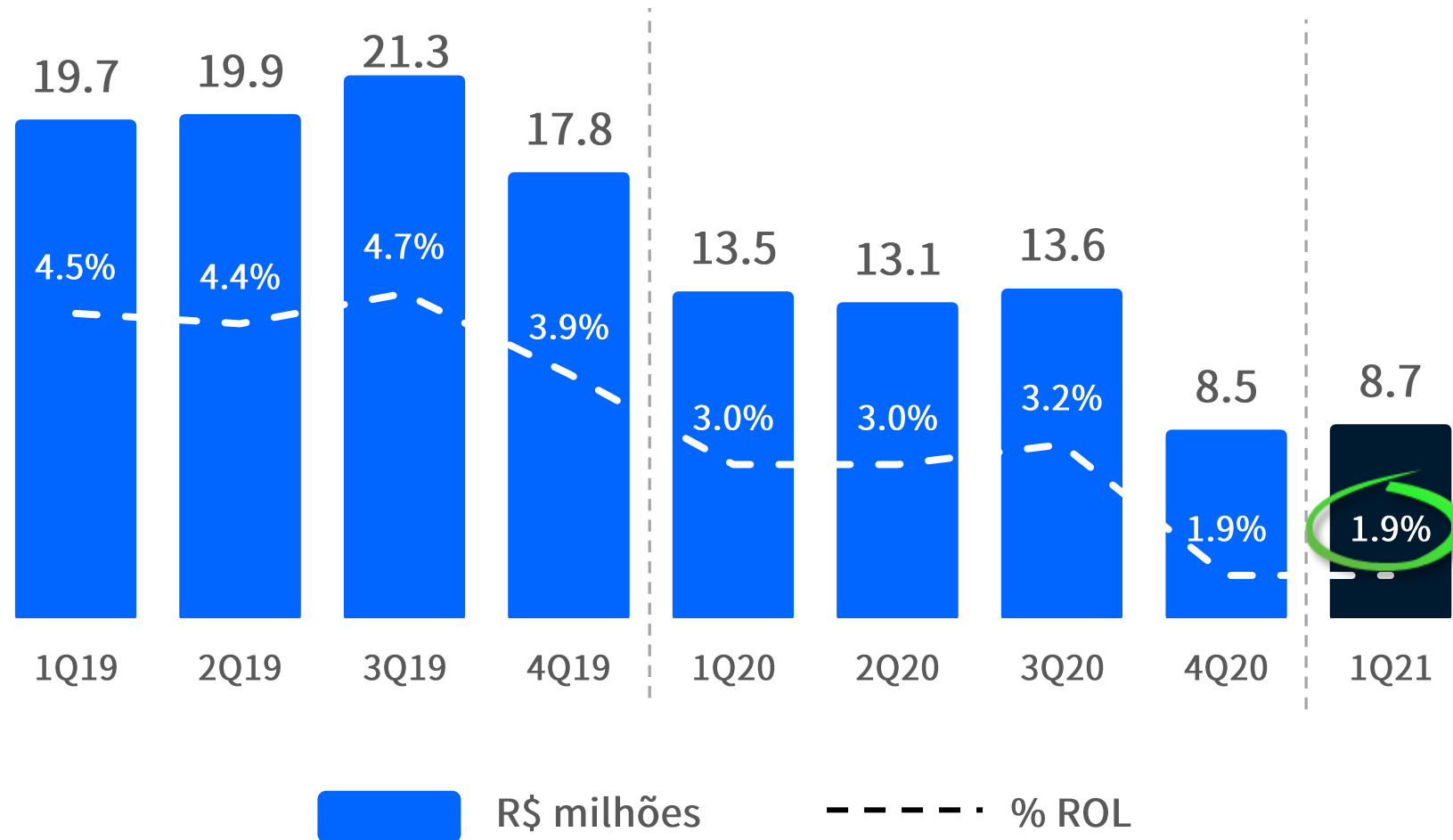
R\$ million





# Allowance for doubtful receivables

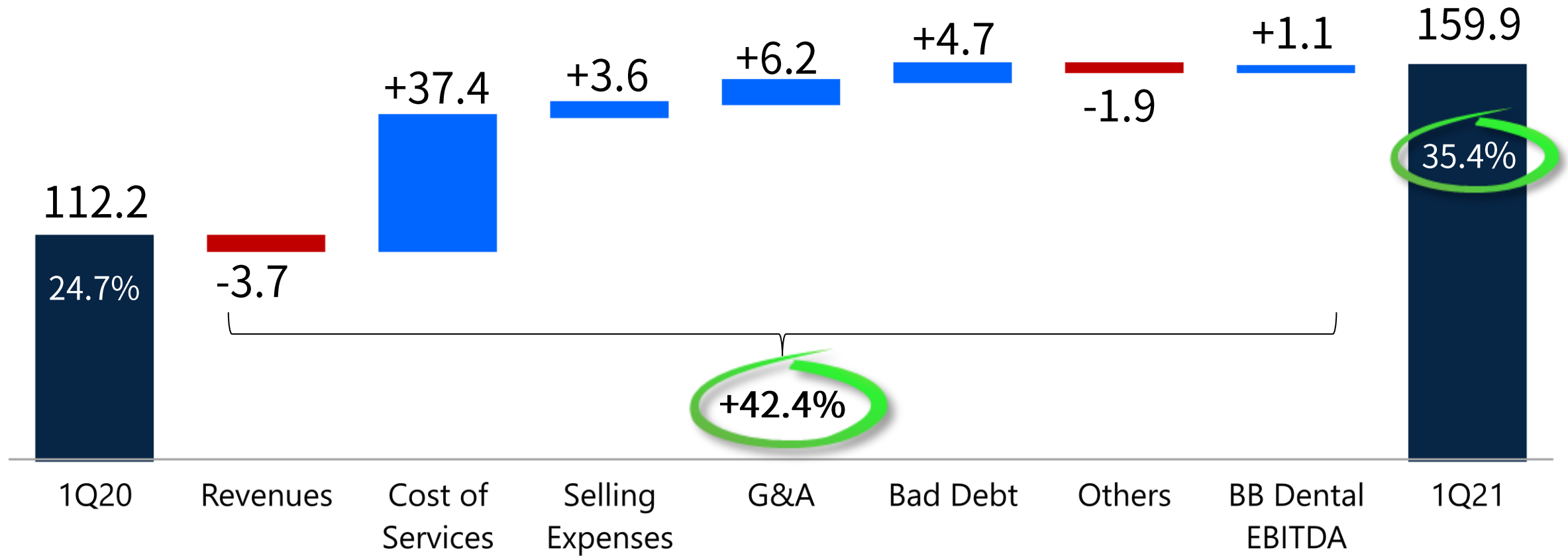
R\$ million and % of Sales





# Adjusted EBITDA: 1Q21 x 1Q20

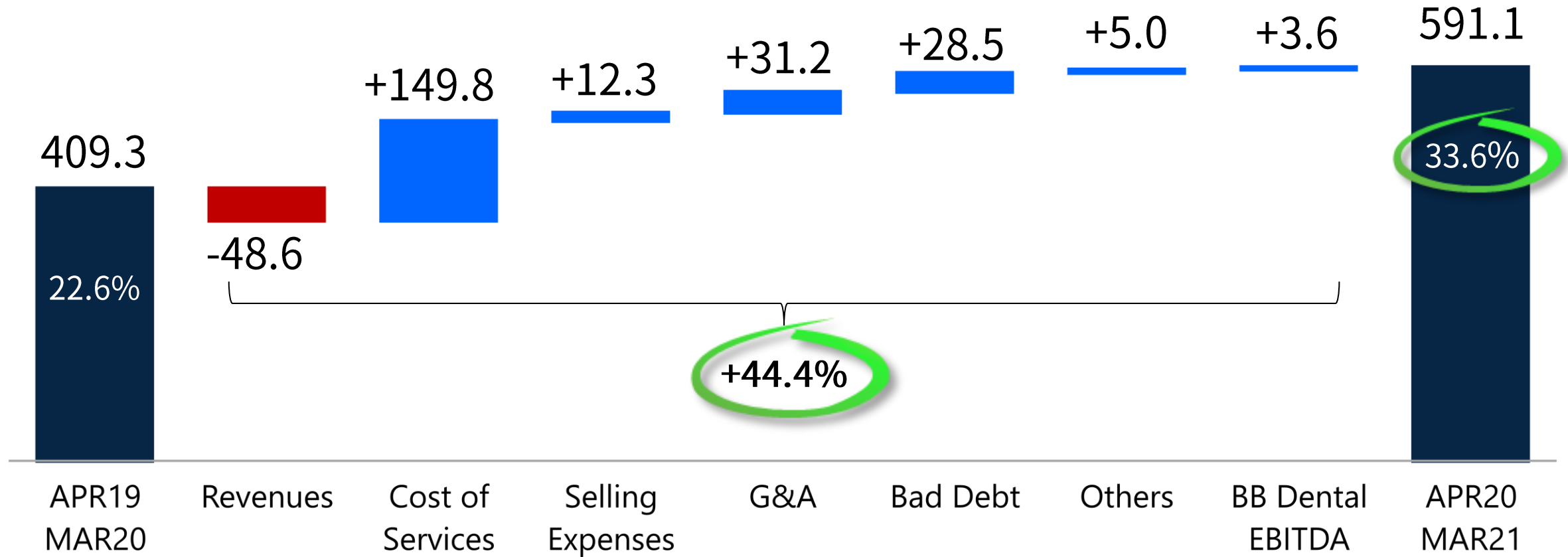
R\$ million % of Sales





# Adjusted EBITDA: APR20-MAR21 x APR19-MAR20

R\$ million % of Sales



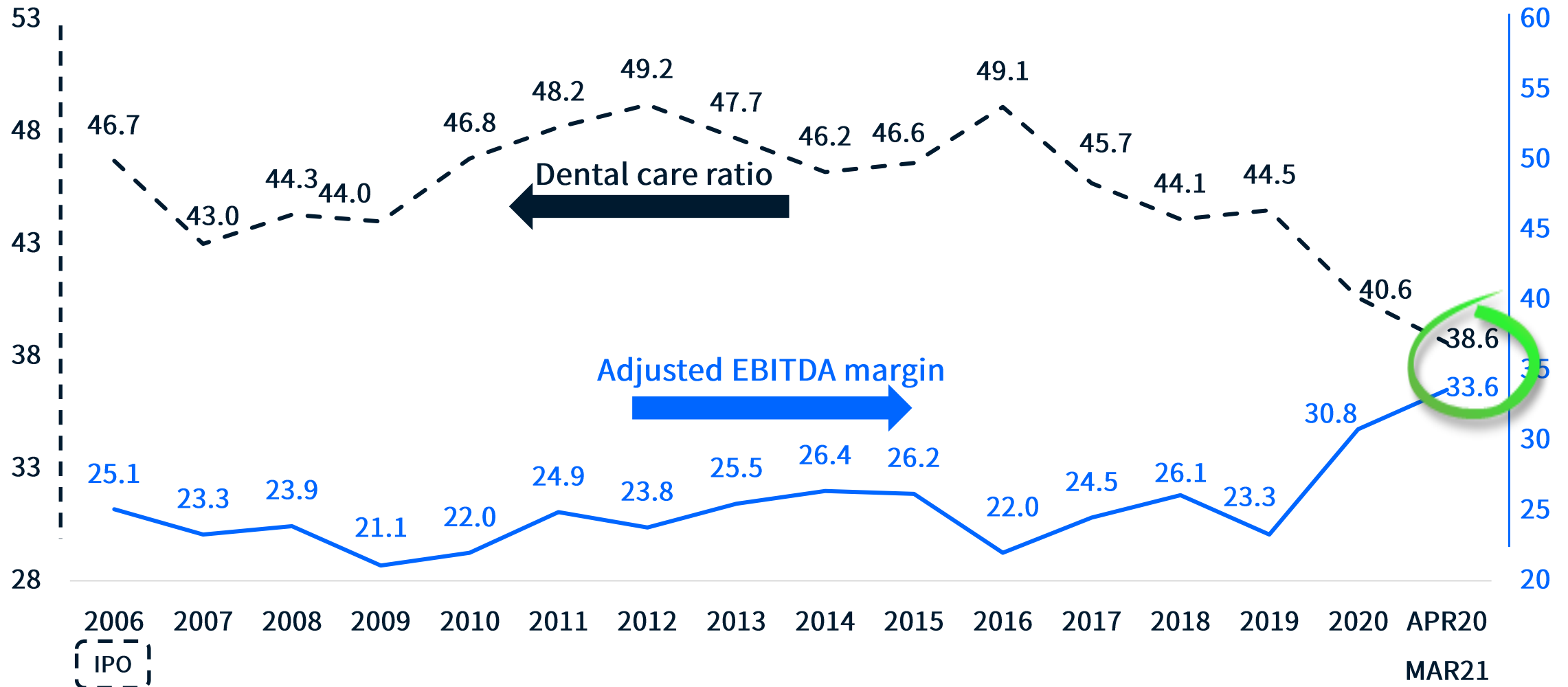


# Dental care ratio and Adjusted EBITDA margin since the IPO

% of Sales

Dental Care Ratio (%)

Adjusted EBITDA Margin (%)



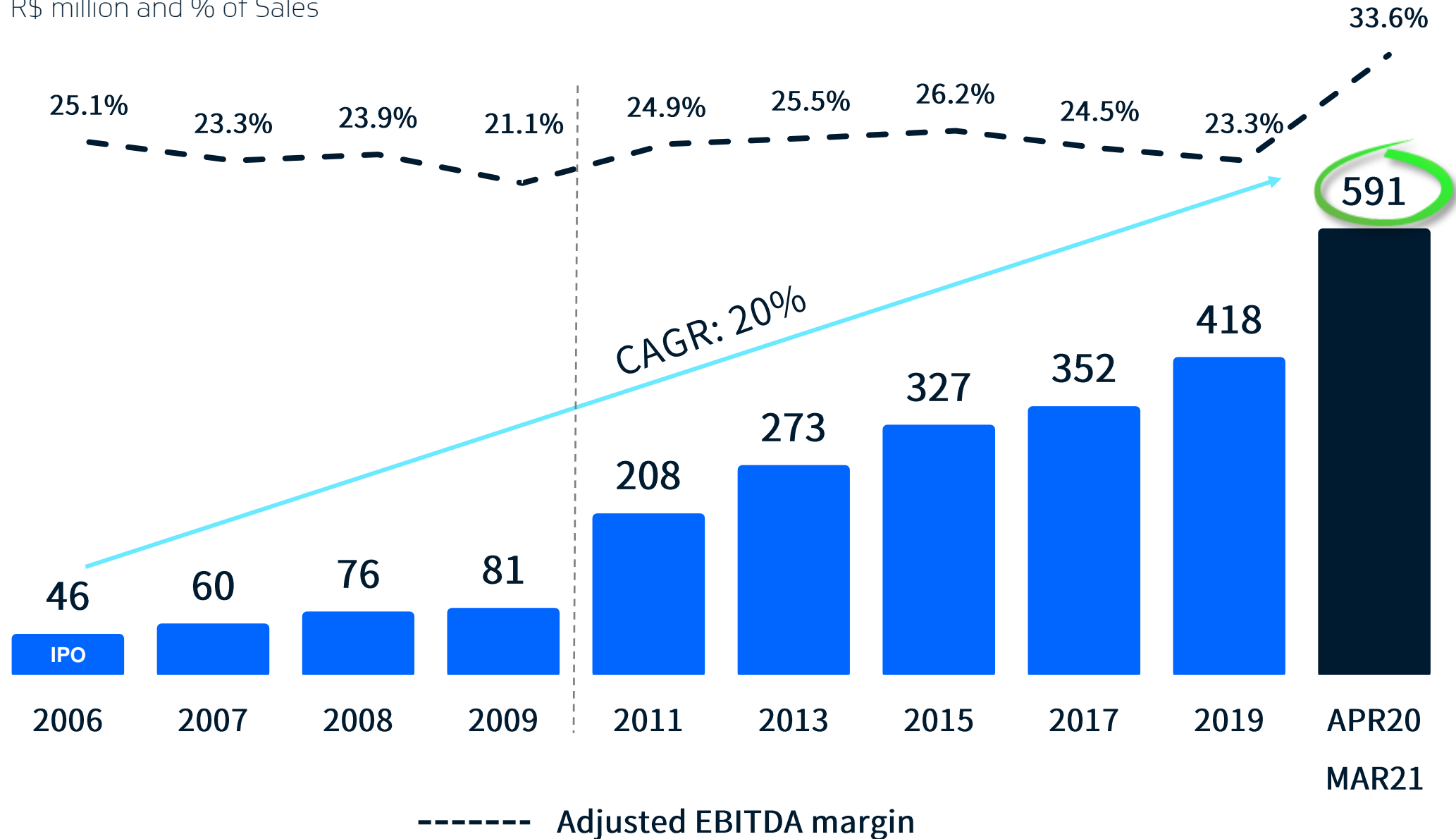
MAR21





# Adjusted EBITDA since the IPO

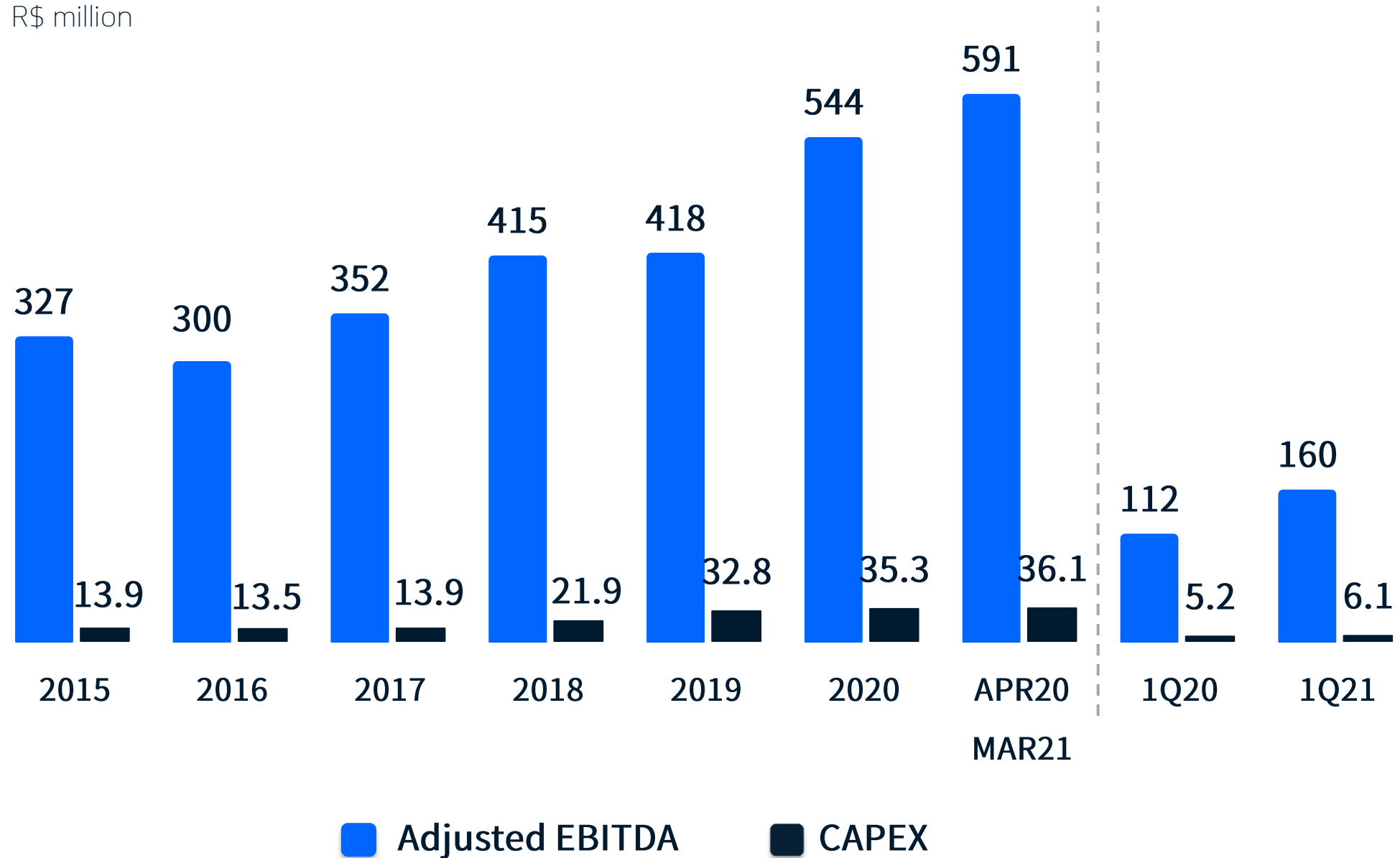
R\$ million and % of Sales





# Adjusted EBITDA and CAPEX

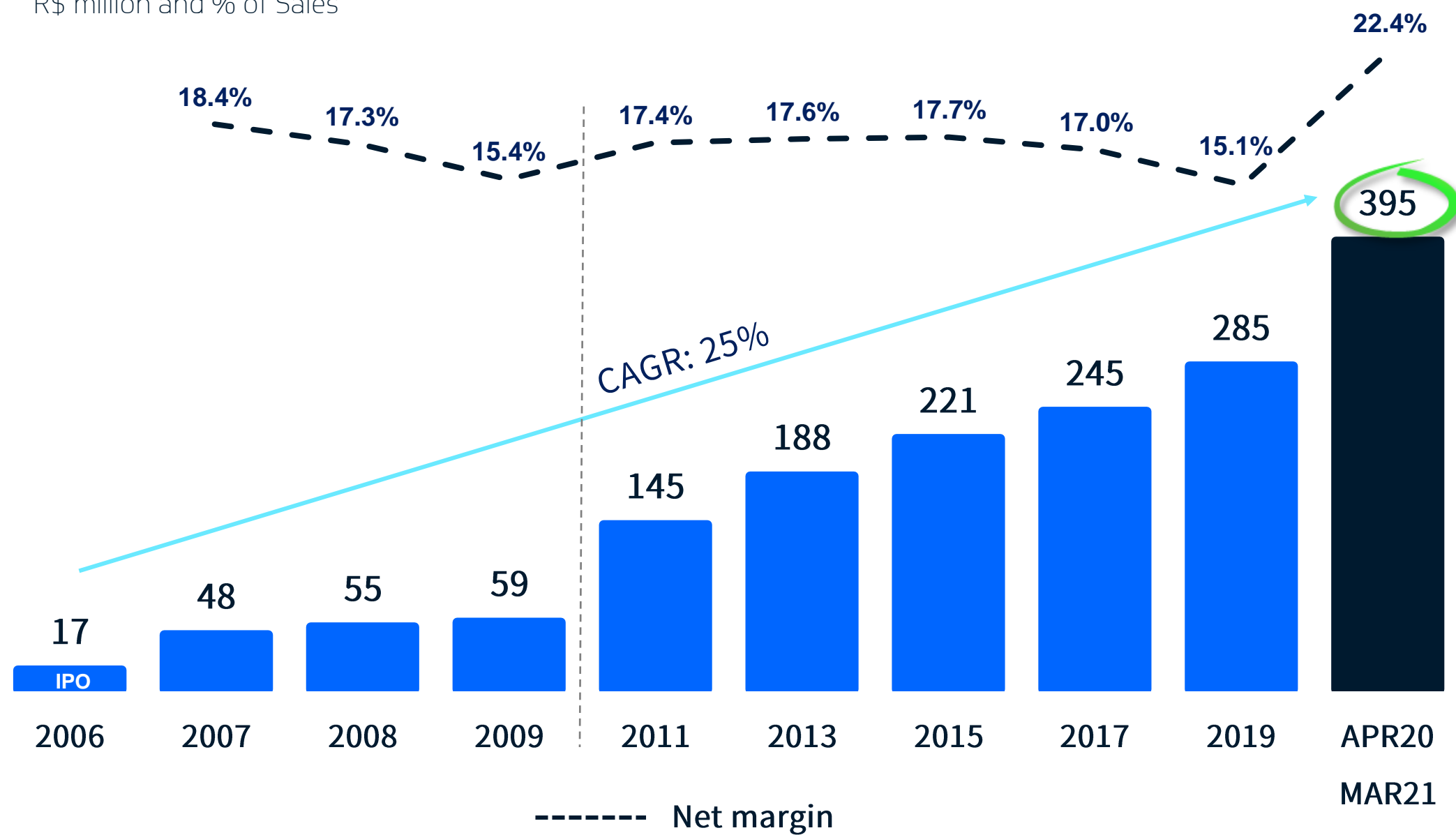
R\$ million



# Net Income and net margin since the IPO



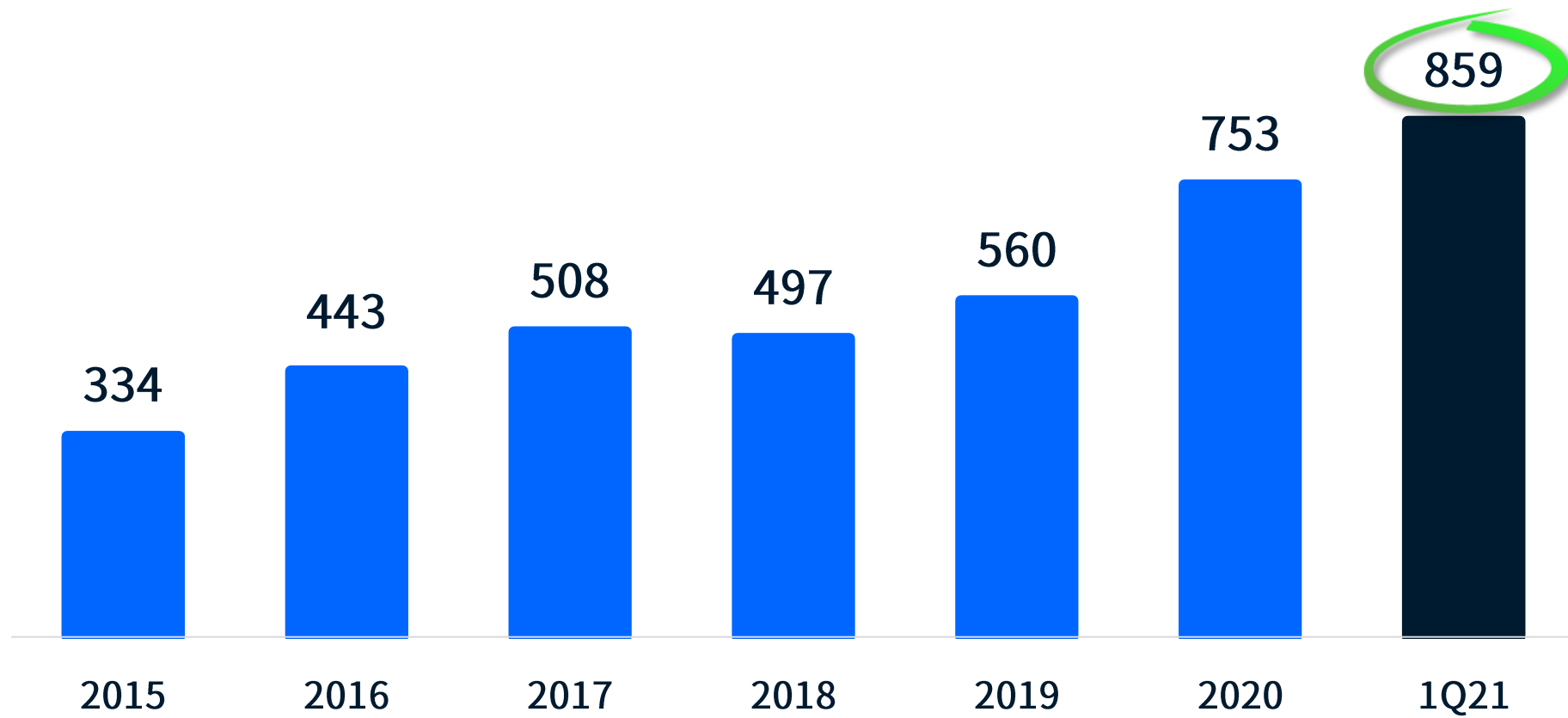
R\$ million and % of Sales





# Net Cash evolution

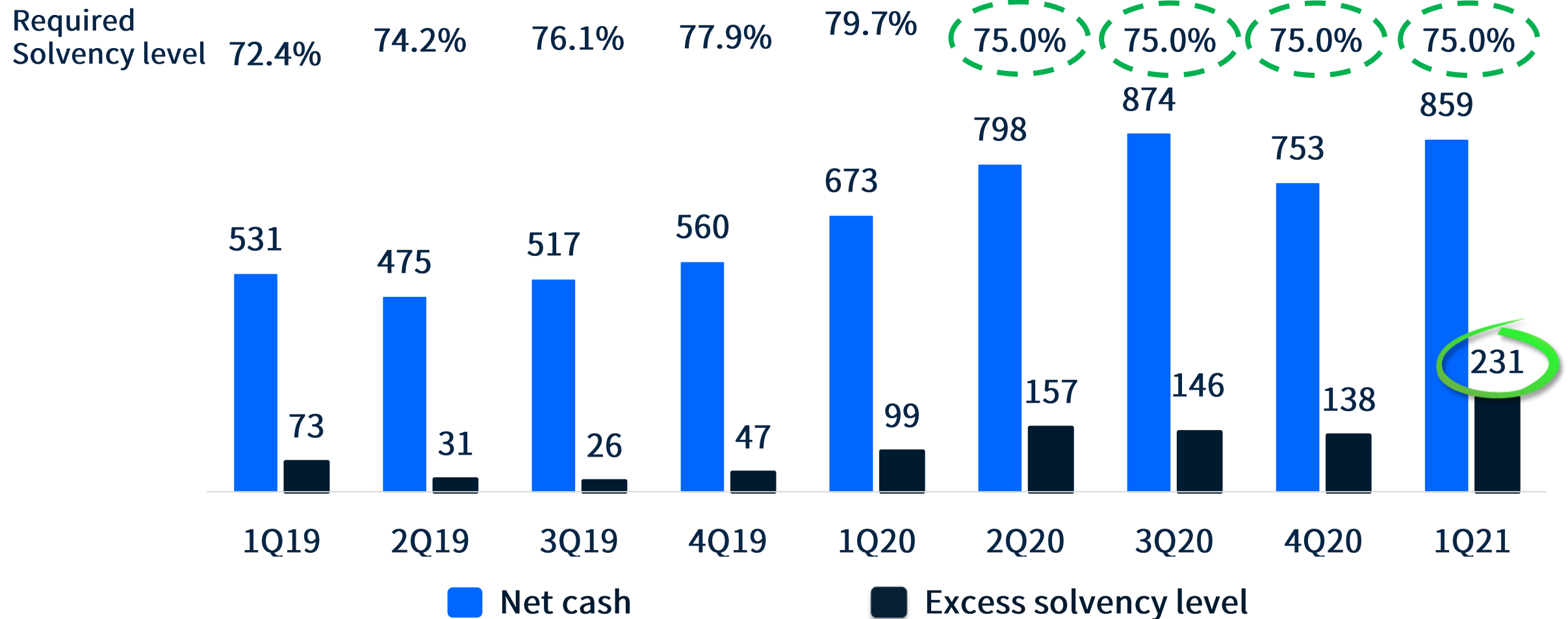
R\$ million





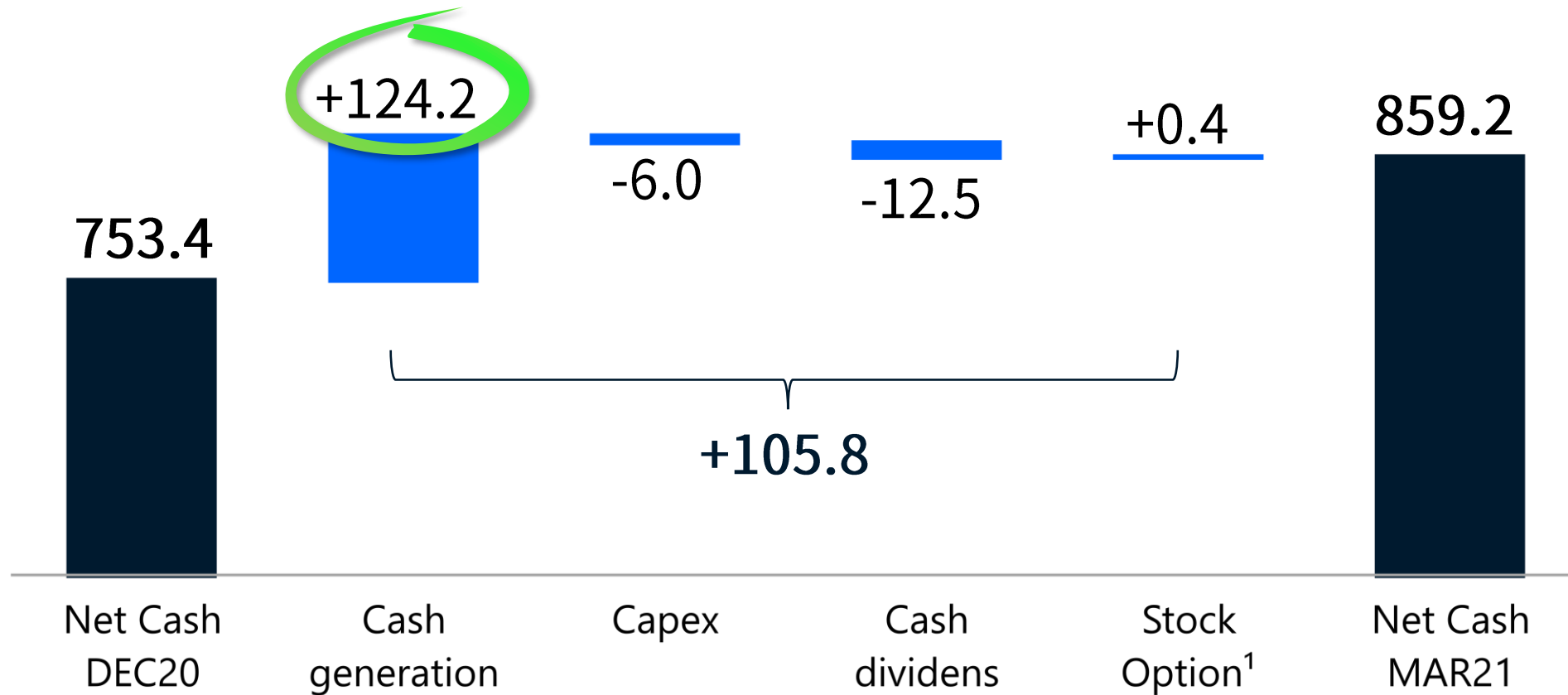
## Net cash and excess solvency level (R\$ million)

In 2Q20, the Company adhered to RN 451 of the National Health Agency (ANS), setting the required solvency at 75%, increasing the potential for distribution of future dividends



# Cash flow: 1Q21

R\$ million



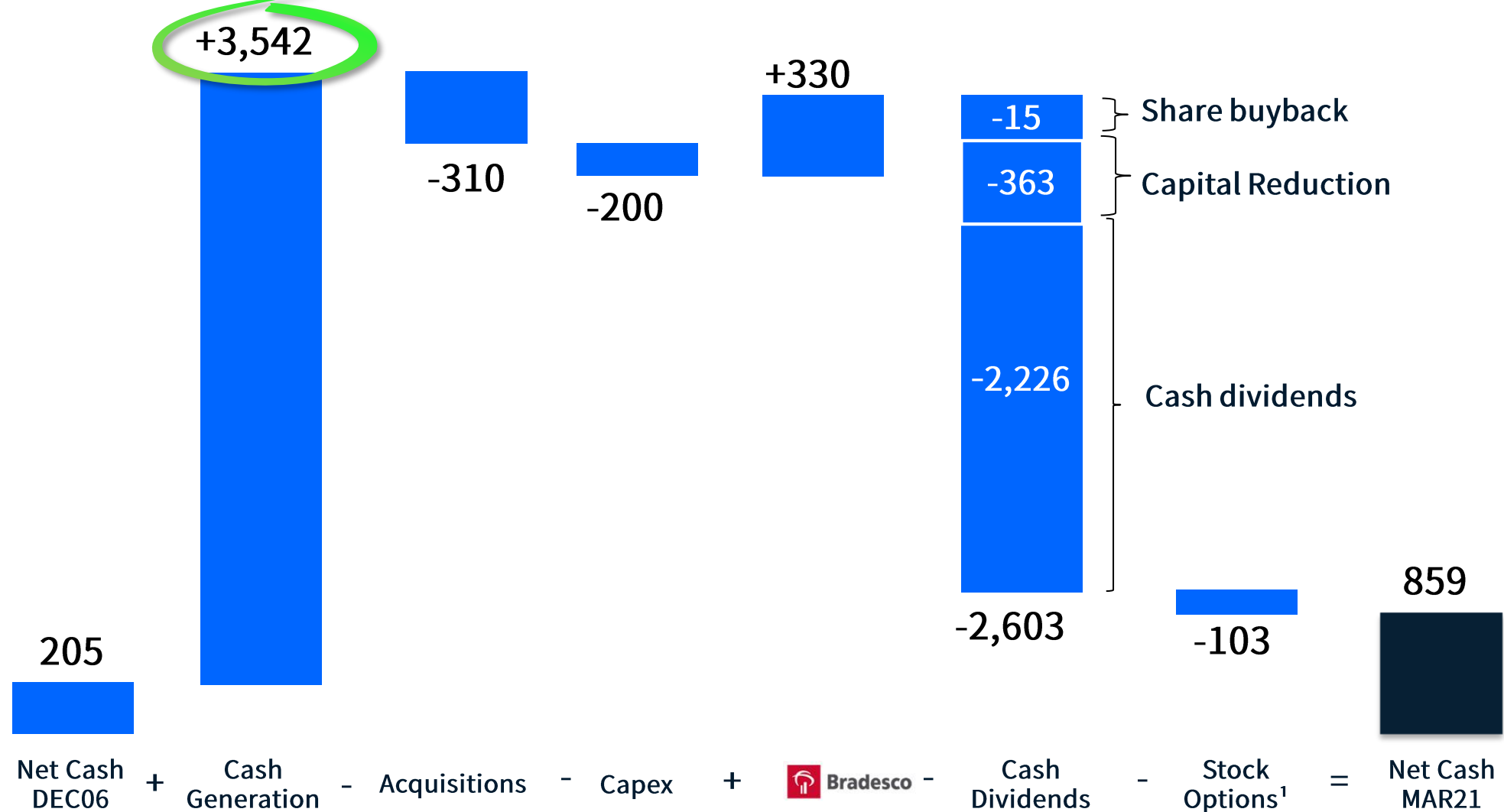
<sup>1</sup> Stock Options vesting reimbursements



# Cash flow since IPO: dividends our #1 priority

R\$ million

Since the IPO in 2006, Odontoprev business model required CAPEX of R\$200 million, compared to cash generation of R\$3.5 billion  
In the period, cash dividends was R\$2.6 billion.



<sup>1</sup>Buyback Program

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# Capital **Markets**

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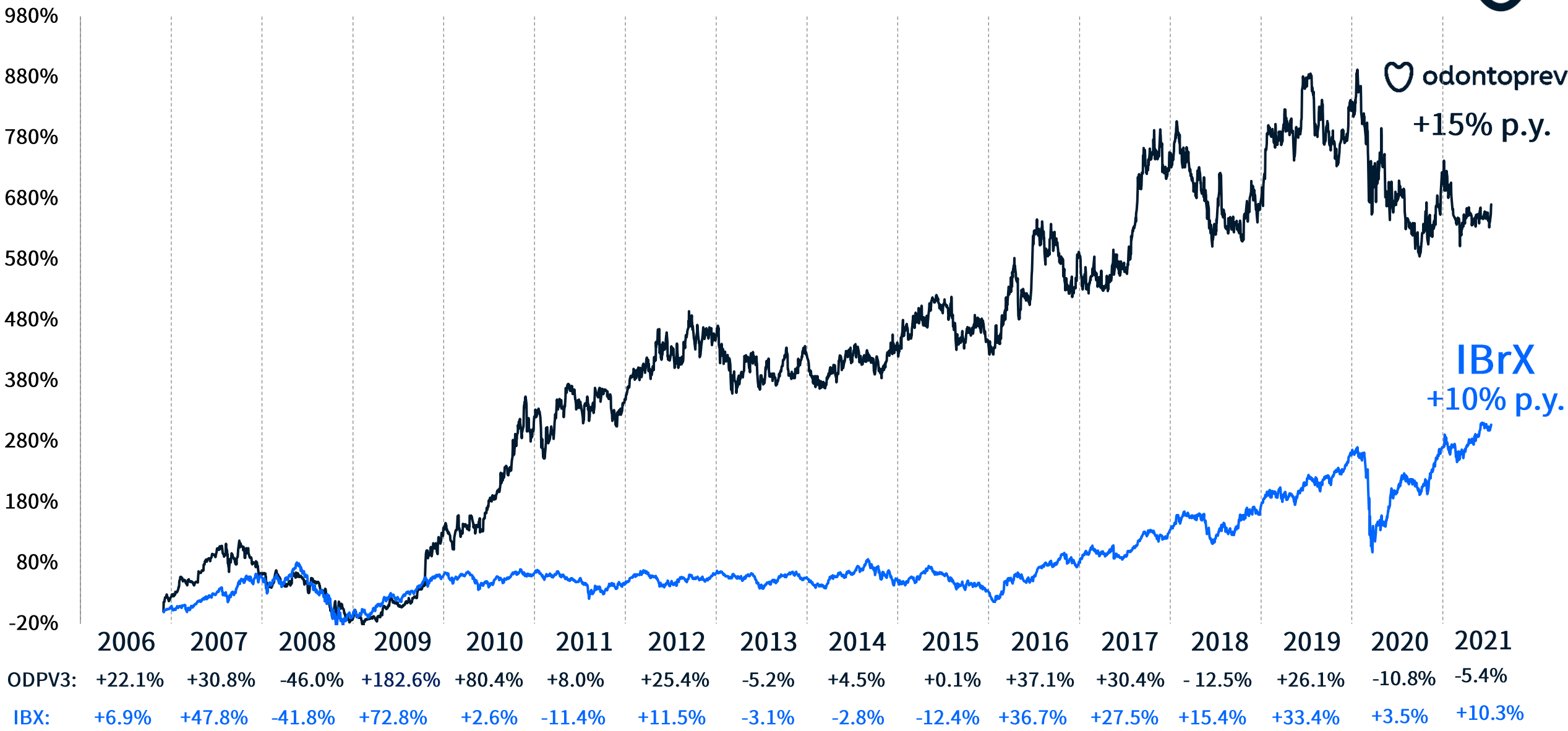


# Odontoprev total shareholder return since IPO x IBrX



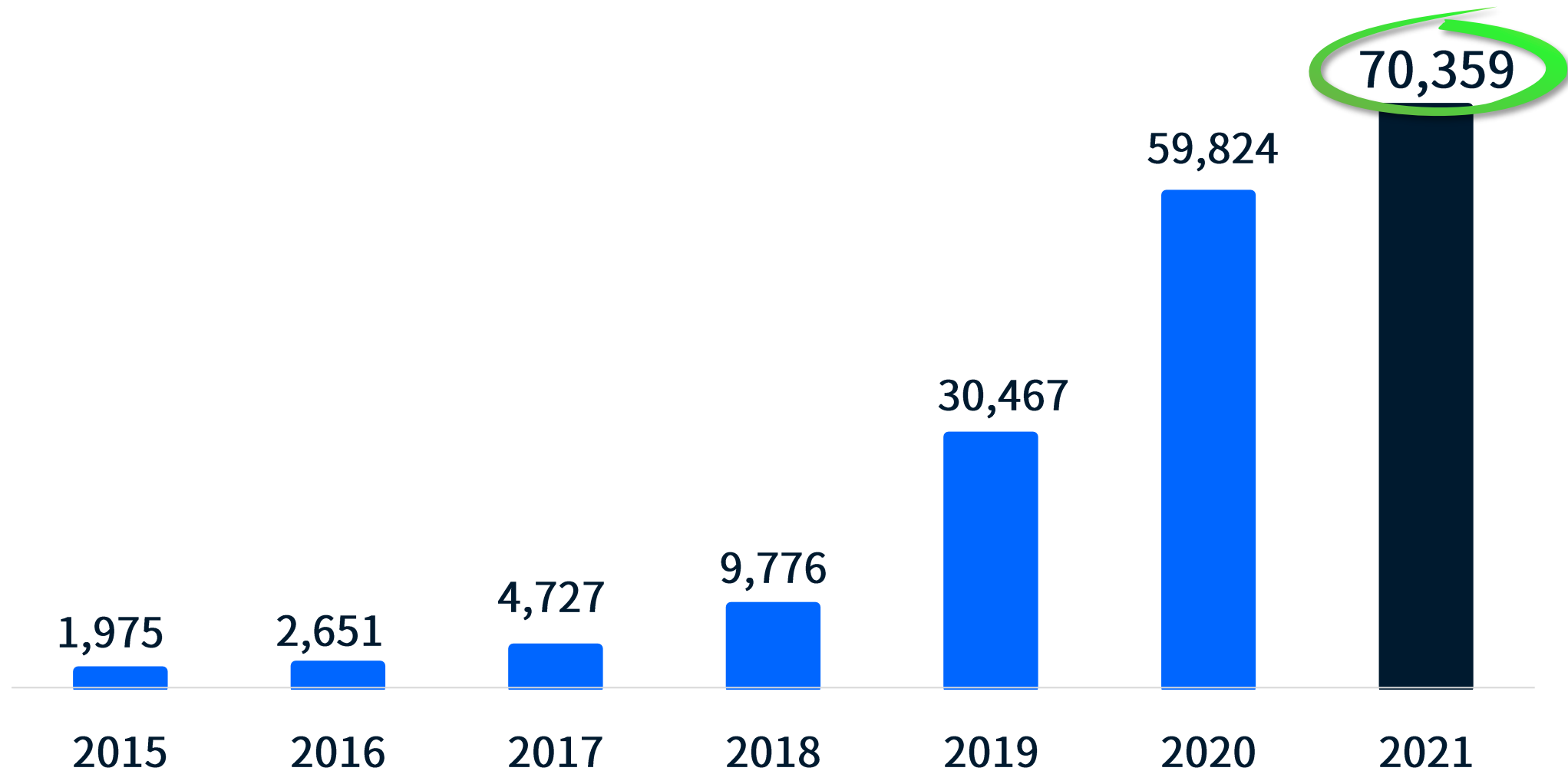
♡ odontoprev  
+15% p.y.

IBrX  
+10% p.y.





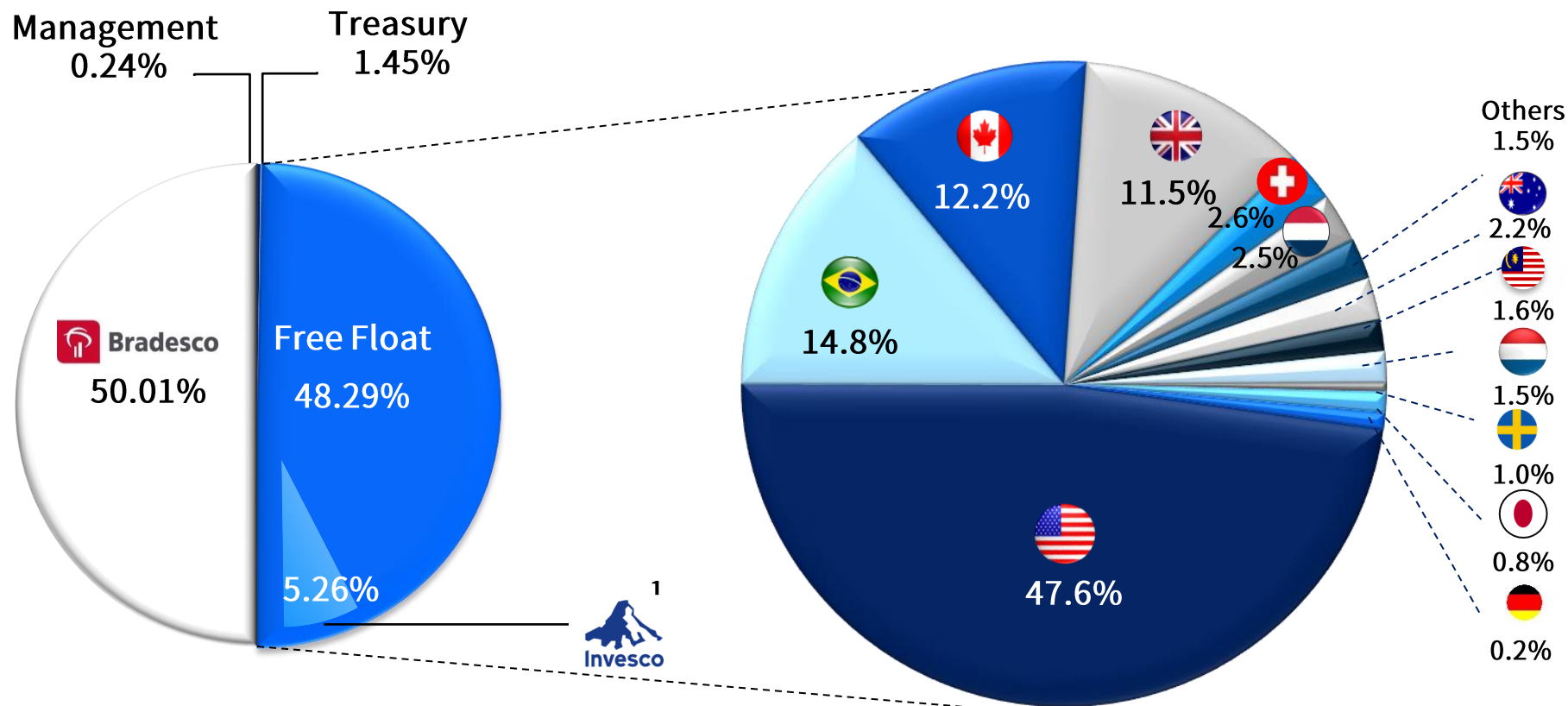
## Increasing number of individual investors



# Global shareholder structure: investors from more than 30 countries



JUN21



Total Capital

531,294,792 Shares

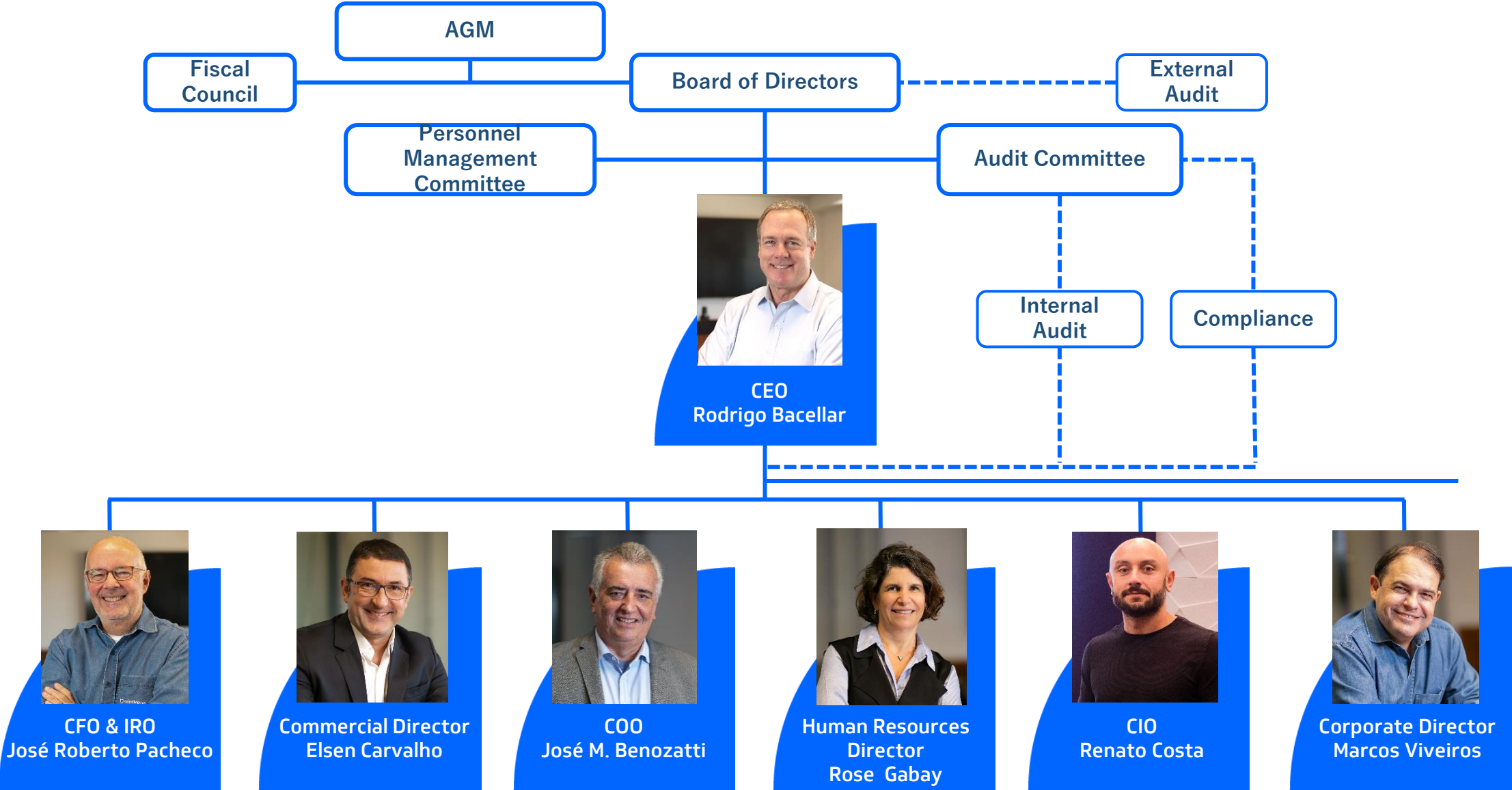
48% Free float

256,640,273 Shares

Source: Odontoprev

<sup>1</sup>as of Notice to the Market on Nov 03rd, 2020

# Professional management team since foundation in the 80's



# Key metrics for management's compensation



## Quantitative goals

- ✓ Revenue growth
- ✓ Incremental EBITDA (R\$)
- ✓ Member expansion

## Perception Studies

- ✓ Beneficiaries
- ✓ Dentists
- ✓ HR managers
- ✓ Quality of our services

# ESG metrics



Since the beginning of the pandemic, more than 6,000 Personal Protective Equipment (PPE's) were delivered to selected accredited dentists.

| Environmental key indicators                         | 1Q20    | 1Q21    |
|------------------------------------------------------|---------|---------|
| Total consumption of electricity (kWh) [GRI-302]     | 235,613 | 196,925 |
| Total consumption of water (m³) [GRI-303]            | 1,906   | 1,220   |
| Greenhouse gas emissions per scope (tCO2e) [GRI 305] | 142     | 94      |
| Waste Management[GRI 306]                            | 1,948   | 666     |
|                                                      |         |         |
|                                                      | 1T20    | 1T21    |
| Total employees¹                                     | 2,133   | 1,912   |
| Call Center employees                                | 570     | 501     |
|                                                      |         |         |
| Total turnover                                       | 5.9%    | 6.0%    |
|                                                      |         |         |
| [GRI G4-LA12]                                        |         |         |
| Gender distribution                                  |         |         |
| % Men                                                | 26.1%   | 25.6%   |
| % Women                                              | 73.9%   | 74.4%   |
|                                                      |         |         |
| % Women at Strategic Management                      | 46.0%   | 44.3%   |

# Odontoprev as a member of International ESG Indexes



Odontoprev was confirmed as a FTSE4Good Index Series constituent, for the fourth consecutive year.



Odontoprev was included in the Bloomberg 2020 Gender-Equality Index (GEI) for the second time.

Award winning IR Team



# **Institutional Investor**

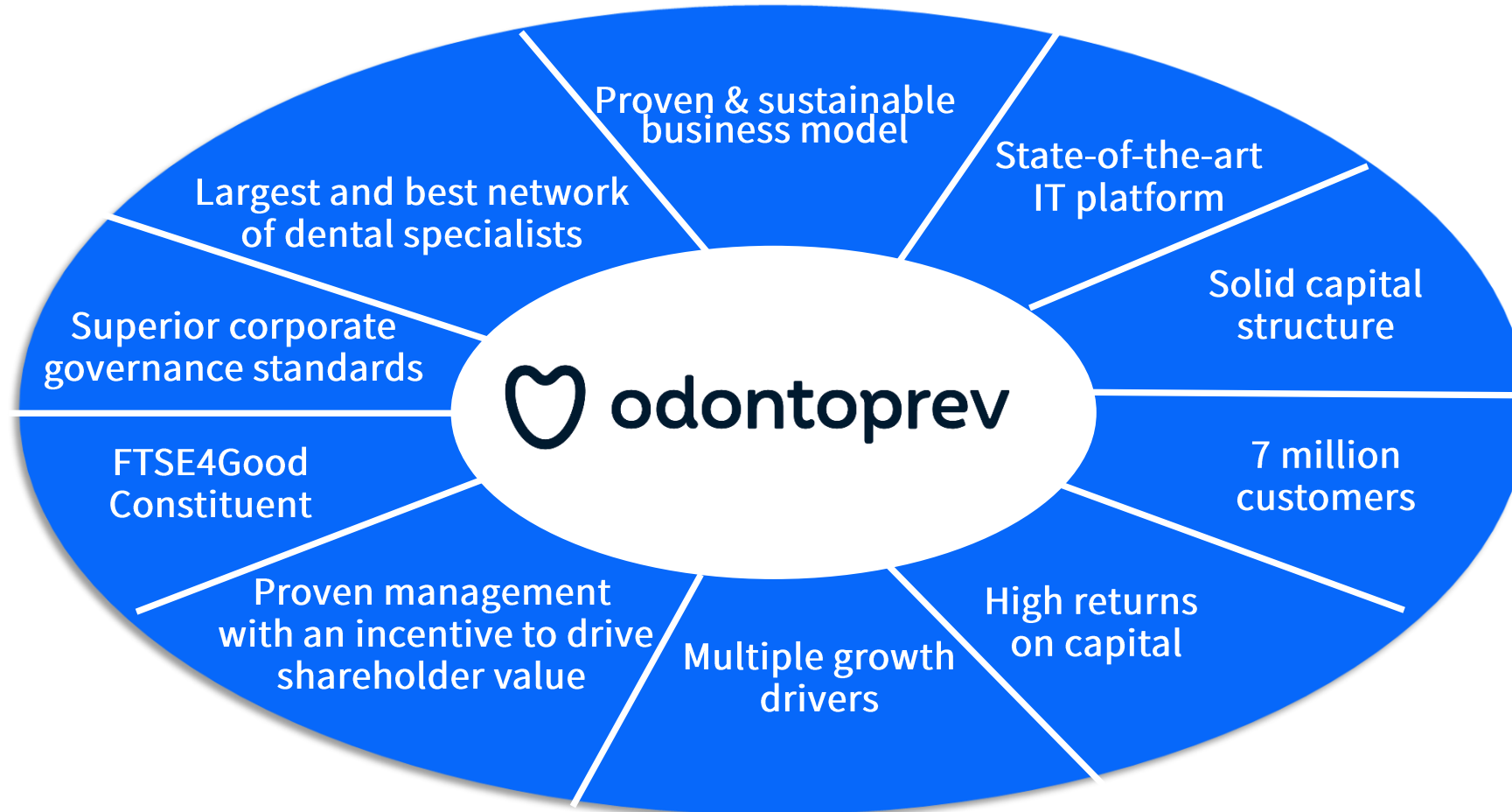
Awarded by the Latin America Executive Team / Healthcare

2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 /  
2020

... Thank you very much!



# Why Odontoprev?



# Upcoming IR events



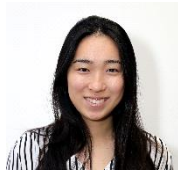
| UPCOMING EVENTS      |                                                                                     |                                                  |
|----------------------|-------------------------------------------------------------------------------------|--------------------------------------------------|
| Date                 | Broker                                                                              | Event                                            |
| Jun 22-23, 2021      |    | LatAm Conference                                 |
| Jul 28, 2021         |                                                                                     | 2Q21 Earnings Release                            |
| Jul 29, 2021         |                                                                                     | 2Q21 Webcast                                     |
| Aug 23-27, 2021      |    | 22 <sup>nd</sup> Santander Annual Conference     |
| Sep 13-16, 2021      |    | 24 <sup>th</sup> Annual Latin America Conference |
| Oct 27, 2021         |                                                                                     | 3Q21 Earnings Release                            |
| Oct 28, 2021         |                                                                                     | 3Q21 Webcast                                     |
| Nov 30 - Dec 2, 2021 |  | Global Emerging Markets One-on-One Conference    |



# Contact Investor Relations



**Jose Roberto  
Pacheco**  
CFO & IRO



**Stella Hong**  
IR Supervisor



**Catarina Bruno**  
IR Analyst

## Corporate Headquarters

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Custodian & Market Maker



Independent Auditors



B3 Ticker

# Appendix



| R\$ million                        | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | APR20<br>MAR21 | CAGR |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|------|
| Net Revenues                       | 182   | 259   | 318   | 382   | 685   | 835   | 955   | 1,070 | 1,156 | 1,250 | 1,365 | 1,437 | 1,592 | 1,795 | 1,765 | 1,762          | 17%  |
| Average ticket (R\$/memeber/month) | 12.25 | 12.53 | 12.07 | 12.80 | 12.87 | 13.66 | 14.33 | 15.22 | 16.07 | 17.04 | 18.58 | 19.66 | 20.43 | 21.13 | 20.47 | 20.30          | 4%   |
| Number of members (000)            | 1,492 | 2,113 | 2,460 | 4,175 | 4,978 | 5,533 | 5,976 | 6,172 | 6,316 | 6,409 | 6,267 | 6,309 | 7,230 | 7,400 | 7,510 | 7,544          | 12%  |
| EBITDA                             | 46    | 60    | 76    | 81    | 154   | 208   | 227   | 273   | 305   | 327   | 300   | 352   | 415   | 418   | 544   | 591            | 20%  |
| EBITDA Margin (%)                  | 25.1  | 23.3  | 23.9  | 21.1  | 22.4  | 24.9  | 23.8  | 25.5  | 26.4  | 26.2  | 22.0  | 24.5  | 26.1  | 23.3  | 30.8  | 33.6           | 25.2 |
| Net Income                         | 17    | 48    | 55    | 59    | 121   | 145   | 146   | 188   | 195   | 221   | 216   | 245   | 285   | 285   | 361   | 395            | 25%  |
| Market Cap                         | 872   | 1,122 | 587   | 2,833 | 4,443 | 4,711 | 5,701 | 5,223 | 5,239 | 5,021 | 6,694 | 8,453 | 7,305 | 8,963 | 7,730 | 6,987          | 16%  |
| ODPV3 Return (%)                   | 22    | 31    | -46   | 183   | 80    | 8     | 25    | -5    | 5     | 0     | 37    | 30    | -13   | 26    | -14   | -9             | 15%  |
| IBX-100 (%)                        | 7     | 48    | -42   | 73    | 3     | -11   | 12    | -3    | -3    | -12   | 37    | 28    | 15    | 33    | 4     | 62             | 10%  |

