

Operator:

Good morning, ladies and gentlemen, and thank you for holding. Welcome to Qualicorp's 2Q26 earnings webcast. Joining us today are Mr. Mauricio Lopes, CEO, Mr. Eduardo Oliveira, VP, Mr. Eder Grande, CFO and IRO, and Mr. Eduardo Garcia, Head of IR.

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We also inform you that this event will be recorded. Participants will listen to the webcast during the Company's presentation, after which we will begin the Q&A session. Should you wish to pose a question, please click the raise hand button at the bottom of your screen and we will open your microphone.

Questions will be answered in the order they are received. Now, I would like to turn the call over to Mr. Mauricio Lopes, who will begin the presentation. Mr. Lopes, please go ahead.

Mauricio Lopes:

Good morning, everyone. It's great to be with you once again for our 2Q26 earnings call. This call will be a bit different. I will be working together with my colleagues since this is my last call as CEO. We are ending the transition process and I will turn the position over to Eduardo Oliveira, who's also here with us together with Eder. So, we will be working together, preparing for the transition.

So, my main takeaway message is that the plan has not been changed. What was defined three years ago as the turnaround strategy, qualification of sales, rebuilding more sustainable portfolio, creating products with lower readjustment for clients, leading to longer length of stay, remain completely unchanged.

And the effect of that in our core portfolio is very visible. We have had stability in our core portfolio in the last six months. We had one operator that was discontinued, but we have been talking about that for a few months, so it's nothing new. If you follow our Company, you knew this was going to happen and we communicated this to the market in a proactive manner.

But our core portfolio with the operators that work with us permanently continues to grow and continues with a disciplined MLR. So, in the next cycles, we expect lower readjustments, lower than SME for most of the portfolio, and our ability to offer customers more stable products that are more aligned with the reality of the country.

So, our product portfolio continues to be expanded. An example of that is that today, as we speak, we have a launch of many campaigns of portfolio with SulAmérica. We continue expanding with Unimed Belo Horizonte, so Unimed Insurance, and we continue launching in the

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state of Bahia with Promédica, which is a traditional operator in that location. We also expanded our portfolio in Rio de Janeiro, among others.

So, this quarter, we have had the launch of many products, expanding our portfolio, revising our pricing strategy, and implementing commercial campaigns throughout the country. So, our portfolio is increasingly comprehensive, increasing our chances to sell better and serve more customers, but also retain customers that cannot afford the product they currently hold.

And we always have a macro goal. We want sustainable and stable MLR, and this is something we have been having with all of our active operators. There is no active operator that has not had reduced MLR mapped throughout the years.

So, I would say we are on the right track. Origination has been showing improvements, not yet at the level that we expect, and Eduardo will talk about that in a minute, but it's on the right track. We are increasing the number of lives converted every quarter.

Churn continues under control. It's at 1.1% at our core portfolio, improving 1.3 p.p. year over year. So, we are on the right track to maintain our portfolio.

And when we see the core portfolio stabilizing in a lower churn, I would say these are clear signs of recovery for the active operators. We have seen a positive net adds for the portfolio. This shows that we have the right strategy.

It's a long-term strategy, maybe longer than we expected when we started this journey, but it's showing signs that it's well aligned to reality, and these portfolios will have stability for the coming years.

So, these are the highlights, and now I will turn the floor over to Eduardo. Edu, over to you.

Eduardo Oliveira:

Good morning, everyone. It's a pleasure to be here with you. Thank you, Maurício. It's great to work together with you during this call and during the transition we have been having recently. And starting on September 1st, I will take over. So, thank you so much for your leadership as CEO of the Company and the significant results we achieved in many indicators.

So, let's talk about the four Cs. What we are showing here is that the plan is not new. This is something that is already ongoing and that will sustain our next cycle. The quarter is a snapshot, but when you look at the whole film, we can see that the indicators have been improving consistently quarter after quarter.

The strategy in recent years was able to identify the structural issues of the affinity product and where the solution lies. So, we are designing sustainable products with the right pricing, correct underwriting, and commercial alignment. When these elements work together, this leads to a lower churn, longer length of stay, and higher LTV. This is what you can see on the slide and what we have been communicating to you over and over again.

The next C is about consistency, and I want to talk about two independent indicators that show this clearly. Adjusted churn in the last 12 months is at 36.9% this quarter. In 2023, we had a [More choices for you.](#)

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churn of 46.1%. So, over 9 p.p. of reduction in a bit over two and a half years. So, this has been dropping year after year.

In retail portfolio, this is a variable that adds a lot of value. Affinity readjustment is an important point here. We were below SME in 2025. So, readjustment is dropping and churn is dropping and this is no coincidence. This is our flywheel, working well with a healthier portfolio and every spin of the flywheel generates more confidence for the coming cycle.

The next C, which is very important and will be a focus from now on, is growth, and this growth will come with consistency and awareness. The work we have done in the last few years has made it available for us to harvest fruits with new products around the country with new operators that will bring growth to us, which is the main focus of the Company for the coming cycles.

We will seek tirelessly to adjust our base in a normalized portfolio perspective in order to make this stability turn into growth and growth materialize then as a result in top line increase.

The C for capital is also something that is very important. We went from R\$1.9 billion to R\$1.2 billion in gross debt and our net debt also reduced significantly, 16% in the last year alone, so we are at a healthy level now.

And this consistency that we see in the management of our portfolio product strategy and commercial strategy is also being seen in the capital allocation strategy. So, we have been sequentially improving our indicators. This quarter we amortized R\$560 million of principal and interests of QUAL16. And in spite of this amortization, we had cash generation for the 1H26 that was very healthy, and we have a seasonal business. Cash generation for the quarter does not reflect the reality of our business, so we prefer to have a perspective of the whole 1H of the year.

We are 7% above the 1Q25 in free cash generation, and although we had 7% less revenue adjusted EBITDA is higher. So, this means we are generating more cash, although revenue is lower.

Liability management for 2027 is something we are aware of, but we have been working diligently to address this topic and we are not worried about that.

So, now I would like to turn the floor over to Eder. I would say we are quite stable and confident in the work we are doing. Let's keep on making this flywheel spin to collect the fruits of this hard work. Thank you.

Eder Grande:

Good morning everyone. Let's talk about the managed portfolio. We started the quarter with 480,000 lives. The last small operator was included this last quarter. Adjusted portfolio, excluding this effect, closed with 466,000 lives. Gross adds closed at 38,000 lives, up 5% quarter on quarter.

And the most important point here is the quality of evolution. This happens with solid operators, a greater relationship between average length of stay and profitability. So, more importantly than the magnitude of the gross adds is actually their quality.

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Churn is at 14.8% and adjusted churn where we consider the effect of this operator was at 8.1%, a reduction of 1.3 quarter on quarter and the best level in recent years.

We closed the quarter with an LTM churn of 36.9%. So, three years in a row with churn decreases. This shows how successful our flywheel is. We can clearly see that the flywheel is spinning well with these numbers and churn is a clear evidence of that.

Now, financial performance, net revenue was at R\$317 million, a reduction compared to the previous quarter because of the discontinuation of the operator we mentioned earlier. And when it comes to expenses, the total amount is in line with the previous quarter, and when it comes to fixed expenses, we had an increase compared to the previous quarter because of provisions in payroll we had for the 1Q.

In variable expenses, we offset the increase in fixed expenses and there was a reduction in expenses with commissions. But there has been a partial offset of that effect with an increase in PCI, and that's because of small operators that had problems in 4Q25, so the loss actually materializes 180 days later.

Cash CAC closed at R\$31 million, well-controlled here, and penalized in R\$5 million in the sales campaign for the 2025 Christmas season. This was actually paid in the 2Q. So, if we exclude that effect, CAC for the quarter would have closed below 9%.

Adjusted EBITDA minus CAC is at R\$90 million with a margin of 28.3%. But if we excluded the effects of the campaign, we would have reached around 30% margins.

Regarding cash generation, recurring cash generation was R\$28.6 million. If we consider the corporate portfolio proceeds, including those proceeds, we would have reached R\$49.5 million.

You may say that the cash generation for the quarter was not that good, but we are actually looking at this from a different perspective. The 2Q and the 4Q are usually more challenging when it comes to cash flow and payments, and that's inherent to any services company. So we prefer to look at this considering the whole 1H of the year.

So, more important than the cash result is the cash generation trajectory, which has been sustained with the stabilization of our core operators and operational improvement. We closed June with net debt of R\$779 million in line with the previous quarter, a mild increase in leverage closing at 1.41x adjusted EBITDA. Gross debt is at R\$1.2 billion, a reduction of R\$570 million because of the last payment of the trench.

About the amortization schedule, 2026 has been addressed. 2027, we are still assessing the best alternatives. We are talking about banks and working capital or only banks. So, we are still talking about that, but we are not uncomfortable with that position. This is well addressed.

So, to wrap up, I have three take home messages. The numbers show this, and Mauricio mentioned, but these are three relevant takeaway message. Managed portfolio is stabilizing, churn reduction continues to happen, being very predictive, and our cash capital is robust, focusing on sustainable value generation.

So, these are my comments about the quarter. We can now start the Q&A session.

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Felipe Amâncio, Itaú BBA:

Good morning. I have two questions here on my side, the first is about churn. You talked about how if you exclude the one-off churn of that specific operator this quarter, we can see a trend of stabilization in the affinity base. So, looking at the rest of the year and also at 2027, does it make sense for us to think that the Company will have growth in its base starting next year? What are your targets for growth?

And my second question is about the debt amortization. Can you tell us about the negotiation plan and amortization for 2027 so that we can understand what alternatives the Company has? Thank you.

Eduardo Oliveira:

I will answer the first question here. As you know, we do not provide guidance, but when we look at Qualicorp's film and we look at LTM churn and the gross adds we are delivering as well as adjusted portfolio ex-operator, we can see that we have a stabilization of our portfolio.

Our focus will be to enhance this and deliver this consistently in the Company's both lines, increasing the Company's gross adds, being diligent in CAC allocation to keep on attracting healthy portfolios with lives that add value to the Company and partner operators and sequentially reducing churn like we have been doing.

So, the numbers are quite significant. Improvement of over 9 p.p. in three years of hard work in churn, and the flywheel significantly helps our churn rates because once we have more products, more operators, more eligibility and more products with the right price and eligibility, we have more retention offers to provide to customers.

And our goal is to keep on delivering the work we did in recent years with the same consistency to generate continuity, stabilizing our base. So, not only in an adjusted manner, but also in a normalized manner, we want a stable base that will bring us top line growth, which is what we will seek from now on.

Our main focus is to stabilize top line because we prefer to sell fewer products from more profitable operators than to keep on selling more products from less profitable operators, which could hurt our Company's margin.

So, this will be our focus. In the 1Q, we had a relevant readjustment portfolio in January, but we had a good performance in the 1Q, and the 2Q improved.

For the next portfolios, the collections are good. So, we expect that the portfolios with readjustments for the 3Q and 4Qs will have lower readjustments than the historical levels, which will lead to lower churn and greater stabilization.

Eder Grande:

About the debt, we are looking at two alternatives. We have been talking to partners. So, yes, there are some bilateral operations we have been considering, or a unionized transaction. And [More choices for you.](#)

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the conversations have been fruitful in that sense. And we can also work with working capital, lengthening the terms with some operators. So, we can do either one or another, or maybe both at the same time.

So we are addressing that, and this is not a concern for 2027. We are sure this is going to be addressed throughout the year.

Thiago, Banco Safra:

Good morning. Thank you for taking my questions. I actually have two questions. First, I would like to talk about the dynamics within the operators portfolio. You said that when you look at the core operators, there was an increase in the number of lives, and the mix was better as a result. So, I would like to understand how this evolved this quarter, if these operators continue to grow in number of lives, and what are your growth expectations with them?

Another point is about the relationship with operators overall. You have exclusivity agreements, and you have been developing new products. So, I would like to hear about these new contracts with the operators and the conversations you have been having with operators that are already part of the portfolio. Thank you.

Mauricio Lopes:

Thank you for your question. Thiago, I think this is actually well consolidated. For the quarter, as I mentioned, we had an increase in eligibility improvement in commercial conditions for Unimed and SulAmérica Insurance. We are launching products for SME and Affinity at Promédica, and we are launching products with exclusivity there. We also have Assim product improvements, Unimed Belo Horizonte. So, across all portfolios, things are working well.

And what the operators are saying is that the portfolio is very sustainable, and their appetite is increasing to expand businesses with us. They have understood that a better designed product for clients that are having financial difficulties, products that are more focused on the correct network will lead to lower readjustments, and this will lead to fewer lawsuits and a greater length of stay.

So this is working really well with the operators that are in our portfolio. And this example has actually been opening doors with new operators. Promédica is an example of that. They did not have structured retail products, but they decided to create a retail structure with us, and also other operators in the North and Northeast. So, this is working well, and I think that we will see fruits coming from this in the coming cycles.

Yes, I think we will continue to expand sales with the core operators, but I also believe that we will continue to open new options either for SME or Affinity with the new operators. We want this to work in both.

Qualicorp has to be a more comprehensive company here. It has to be a company that sells Affinity, but also retail. We want to be top of mind. We want to be the best in funnel management and the most efficient one in customer conversion and customer retention here with churn reduction.

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Gustavo Miele, Goldman Sachs:

Good morning. Thank you for your presentation. I would like to address two topics. The first, there is a line in your SG&A for lawsuit expenses that has had significant reduction quarter on quarter, and it seems curious because it actually goes against what we have been seeing in the industry. We see that this pressure has been increasing for most of the payers. What I would like to understand here is whether this line did better because in your pool of partners, the number of lawsuits was lower, or if you are now being able to re-educate the industry and you are now more proactive in these types of discussions. What is actually driving this reduction in this line at Qualicorp? I would like to understand that. That's my first question.

And my second question, going back to the discussion about churn, what is your take on the elasticity of readjustment of the affinity portfolio? Because churn is always significant in 3Q, considering the seasonal effects. So with the lower readjustment and also the fact that your current portfolio is now with healthier retention levels, do you expect a more controlled churn compared to the 3Q of previous years? Thank you.

Eduardo Oliveira:

About contingencies, yes, there has been an improvement, but we cannot ensure this is something structural. We think that the current level will stabilize at around 8%, 8.3%, 7.5%, so with a small variation depending on the quarterly behavior, loss prognosis, and things like that.

We believe that the level of lawsuits in this industry is still structurally high. We have been seeking efficiency in all lines, and the main cause for lawsuits is readjustment. Almost 50% of the lawsuits are filed due to readjustments. And when we look at the whole film, rather than the snapshot, the film is positive. So year after year, we have been making lower readjustments than the previous year, and that has been happening since 2023. So 2024 was better than 2023, 2025 was better than 2024, and 2026 will be better than 2025. So in the long term, this tends to decrease the number of lawsuits.

However, on the other hand, when there are operators with structural issues, you know, like the smaller operators, this can also lead to more lawsuits because we have discussions on coverage, procedure, bilateral cancellations.

When we have cancellations, like with the operator that we discontinued in the second live with cancellation of 150,000 lives, as an immediate result, we will see an increase in the number of lawsuits. But after things stabilize, then the number tends to go down. So in the long run, we should see a drop here.

Cancellations and coverage are the second and third main cause after readjustments for lawsuits. So when we stop operating with these less stable operators, there is a trend to see a long term drop in the number of lawsuits caused by unilateral cancellations of portfolios or discussion on health care coverage, because these operators usually have problems with network and service. So it was a strategic decision to focus on healthy operators that deliver what the clients have hired.

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So in the short term, we should see stabilization of this line with some mild variation one quarter or another. But in the long run, we should see a sequential improvement in this line because of these three factors I mentioned.

About churn, what we can say without giving you any guidance is what we have been seeing in recent quarters. So portfolios that have readjustments in 3Q, the readjustment negotiations are leading to lower readjustments than historically seen in the same portfolios in previous years. So in theory, this should reflect in a better controlled churn rate than the rate reported in previous 3Qs. This is very much in line with what happened in the 1Q and 2Q for the Company.

So we are actually looking at the LTM churn, and we will continue to track that in the 3Q because with the work we have been doing, we expect this churn to keep on decreasing.

Mauricio Lopes:

Another comment that you should bear in mind, it's easier said than done, of course, but there are two elements to be considered. We have portfolios with a poor origination from the past and portfolios with great origination here in the present time. So we still have a mix of different realities here, but something we have been able to do with almost all operators is to get a readjustment that is lower than the SME readjustment for the affinity portfolio.

And this is key. If we can keep this readjustment lower than the other retail portfolios, churn will be very low. And that's our target, although we still have some portfolios in products that will need a higher readjustment because of a phase-out policy or something like that.

The second point is about our retention structure. We now have about 150,000 to 200,000 SKUs in the retention structure. An SKU is a cross of a table for a profession in one region with one operator. So it's a huge volume, and it's impossible that our retention structure can always offer the best products to customers that are not satisfied.

So what we have been developing now are support structures to our retention team that can offer the best product to this customer considering the region they live, the profession they have, and the product they currently have. And we have been doing that for some quarters now and this is becoming more and more accurate.

So I believe that in about two or three quarters, our technology team will create a much more efficient retention structure and put that in place. And then NPS will be much better, retention will be better, and churn as well.

So we still have some complexities in older portfolios. The new portfolios are very well, but we are using technology to improve our retention structure.

Samuel Alves, BTG:

Good morning. I have one question only, the others have already been answered. About the reclassification of Gama to non-current assets, are you trying to renegotiate with them to get the amounts owed? How is this evolving?

Eder Grande:

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One of Gama's top clients was this operator that actually struggled in the 2Q. So they have been through some difficulties and because of that, we have been talking and we might renegotiate this obligation they have. For now, this is not a problem, but we are sitting down to have a conversation with them and we want to create a new debt amortization schedule with them.

Operator:

This concludes the Q&A session. I would now like to turn the floor over to Mr. Mauricio Lopes for his final remarks.

Mauricio Lopes:

I think that this quarter's summary consolidates some topics that I want to emphasize, because we have been very vocal when it comes to consistency, and Eduardo was also clear in his first remarks saying that consistency is key here.

The Board of Directors has defined clearly our strategic plan and the way we should operate, and we are following that playbook. So the operation needs to be well structured. We have to keep on seeking efficiency. We have G&A opportunities here and we will focus on stability or expansion of our core portfolio, and we are on the right track. We have had two quarters of stable core portfolio or with a mild growth, and we will keep on focusing on sustainable growth and on MLR, which continues to decrease.

We have been working with the operators to protect our members to reduce MLR and maintain these members in the portfolio for a longer period of time. And we consistently focused on the same topics in the last three years, and the Board is fully aligned with this proposal.

I am leaving the position of CEO to Eduardo feeling very reassured. The transition started in May and at the end of August the transition will be completed. This was very well structured, well designed and very smooth, and it could actually be shorter because Eduardo has vast experience at the Company, but we decided to do this transition in a well-structured manner as much as possible.

And I am very happy that we were able to develop the successor at our Company. Eduardo is a phenomenal talent. He is so skilled and we are very happy to have him. So we are very optimistic about this transition and even more optimistic about Eduardo's journey here in managing the Company from now on. And I will of course keep a close eye on him as Chairman of the Board.

So I would like to close this call, my last call as a CEO, thanking our partners, our shareholders and all of our commercial partners that believed in our turnaround strategy that started three years ago, and we worked really hard to make this a reality. It was hard and complex in a macro environment full of tensions, and we had a significant gross debt three years ago but our capital structure is now at a good position and, more than that, we have been able to rescue our agency in the commercial channel and, as leaders in the industry, this is actually a place that we have earned.

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So we fought together but with a lot of joy. Our team is able to deliver a lot to the members and to employees and I'm sure they will support Eduardo in his new journey and will deliver even more in the future.

So at the end of the month I will become the Chairman of the Board of Directors, one of the best board of directors I have worked with, and I will keep on supporting the Company being very close to the operations.

Thank you so much. So let's keep on working. There is a lot yet to come.

Operator:

Thank you all for joining us. This completes the 2Q26 earnings webcast of Qualicorp. Have a great day.

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