



Qualicorp: 1Q23 Results

Public Presentation to Investors on May 11th, 2023



Disclaimer

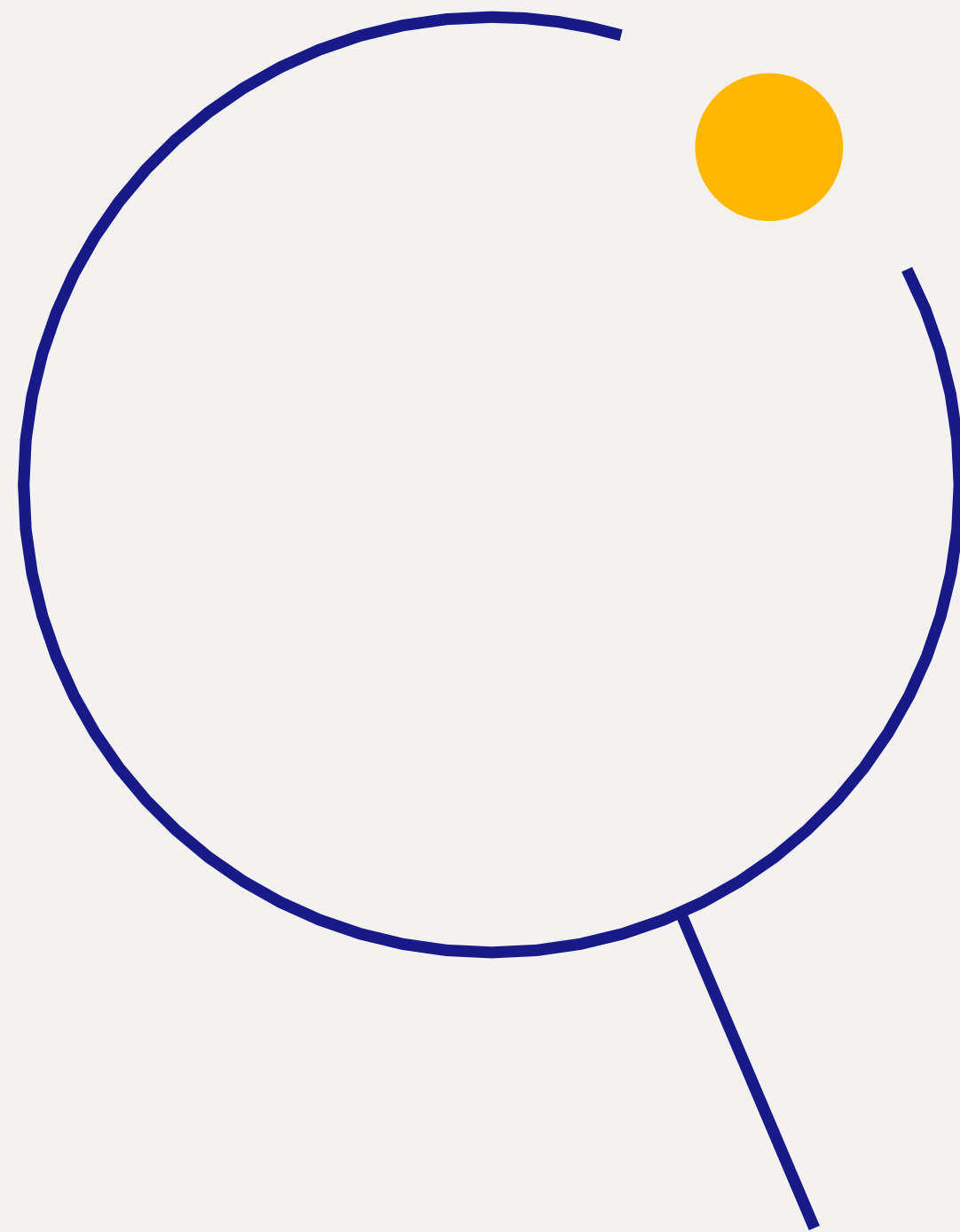
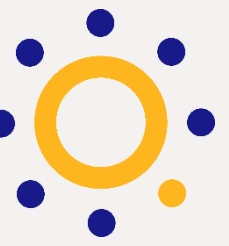
Forward-looking statements

This release may contain forward-looking statements concerning the business outlook, estimates of operating and financial results and growth prospects of Qualicorp. These statements are based exclusively on the expectations of the management of Qualicorp. regarding the prospects of the business and its continued ability to access capital markets to finance its business plan. These forward-looking statements are highly sensitive to changes in the capital markets, government regulations, competitive pressures, the performance of the industry and the Brazilian economy and other factors, as well as to the risk factors highlighted in documents previously filed by Qualicorp, and therefore are subject to change without prior notice.



Opening and Highlights

Elton Carluci- CEO



Highlights

- 1Q23 Results, with strong cash generation;
- OEGM: Dividends payment and Bylaws update;
- brAAA rating reaffirmed;
- New partnerships;
- IF Design Award 2023.

Debentures: brAAA Rating reaffirmed



**S&P Global
Ratings**

Comunicado à Imprensa

**Ratings 'brAAA' da Qualicorp reaffirmados por
geração de caixa resiliente, apesar da
deterioração das métricas de crédito;
perspectiva estável**

8 de maio de 2023

Resumo da Ação de Rating

- A Qualicorp Consultoria e Corretora de Seguros S.A. reportou receita líquida de R\$ 1.951 milhões e EBITDA ajustado pela S&P Global Ratings de R\$ 821 milhões nos últimos 12 meses findos em 31 de dezembro de 2022, uma diminuição de 6,9% e 20%, respectivamente, em relação ao mesmo período do ano anterior.

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CONTATO ANALÍTICO ADICIONAL

Bylaws and Dividends



R\$22MM dividends and Bylaws update approved, reinforcing Governance.

Bylaws and Policies

- Chapter I – Corporate Name, Head Office, Corporate Purpose and Term
- Chapter II – Capital Stock and Stocks
- Chapter III – General Meetings
- Chapter IV – Administration of the Company
- Chapter V – Auxiliary Bodies of the Management
- Chapter VI – Audit Committee
- Chapter VII – Corporate year, Financial Statements and Profits
- Chapter VIII – Disposal of the stock control, cancellation of the registration of publicly held company and delisting from the Novo Mercado
- Chapter IX – Dissolution and Liquidation
- Chapter X – Arbitration
- Chapter XI – General Provisions

| Payment Date | Type | Reference Period | Total (R\$) | Amount per Share (R\$) |
|------------------|-----------|------------------|-------------------|------------------------|
| Until 12/31/2023 | Dividends | 2022 | R\$ 22,044,324.22 | R\$ 0,079166778 |

Awards and Partnerships



Agreement renewal with the Ministry of Justice and Public Safety (MJSP), a 13-year partnership.

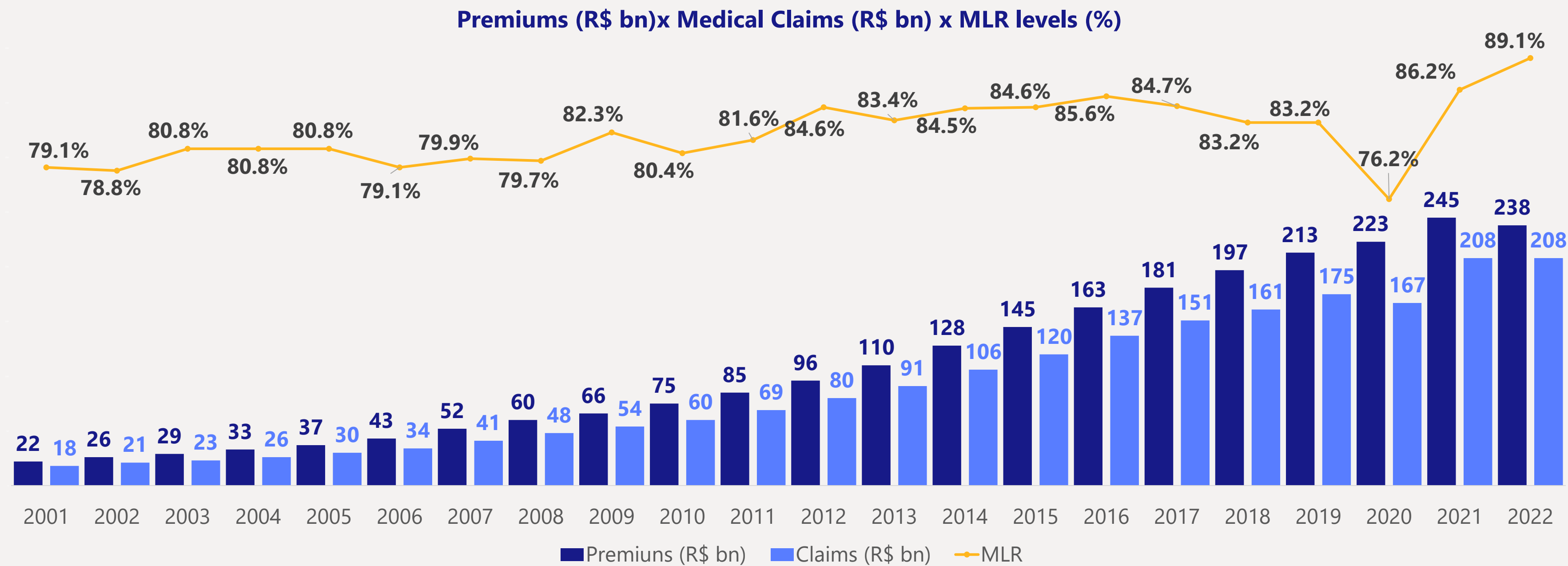


Award received by the IF Design Award 2023, in branding category, for Quali's brand transformation project.

Medical Loss Ratio



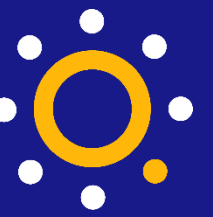
Frequencies and MLR reached the highest historical level of the century in 2022: 89.1%



Source: ANS.



2023 Strategy



Maximize value by prioritizing capital allocation, including:

- Investments rationalization and channel incentives;
- Austerity in spending and costs;
- Improvement in working capital;
- Other efficiency measures.



1Q23 Performance

Carlos Vasques - CFO



1Q23 Results



Highlights:

Free Cash Flow: R\$140.4 MN in 1Q23 (+20.3% QoQ) and 7x higher than 1Q22.

Lives Portfolio: 961.5 thousand Affinity Health lives in 1Q23 (-4.3% vs. 4T22)

Net Revenue: R\$457.3 MN in 1Q23 (+0.9 vs. 4Q22 and -8.9% vs. 1Q22)

Adjusted EBITDA: R\$210.3 MN in 1Q23 (-2.4% vs. 4Q22), with margin of 46.0% (-160 bps vs. 4Q22).

Net Income: R\$16.7 MN in 1Q23 (-77.5% vs. 1Q22).

Net Debt of R\$1.4 billion in 1Q23 (-5% vs. 4Q22), or 1.59x Adjusted EBITDA

| Key Indicators (R\$ MN) | 1Q23 | YoY | QoQ |
|-------------------------------------|---------|-----------|----------|
| Affinity Portfolio (thous. lives) | 2,337.0 | -9.6% | -3.5% |
| Affinity Health (thous. lives) | 961.5 | -16.6% | -4.3% |
| Gross Adds - organic (thous. lives) | 63.6 | -44.8% | -18.7% |
| Churn (thous. lives) | (107.2) | -18.2% | -21.1% |
| Net Revenue | 457.3 | -8.9% | 0.9% |
| Adjusted EBITDA ¹ | 210.3 | -16.8% | -2.4% |
| <i>Adjusted EBITDA Margin</i> | 46.0% | -436 bps | -158 bps |
| Net Income | 16.7 | -77.5% | NM |
| Net Debt | 1,418.4 | -1.5% | -5.2% |
| <i>Net Debt / Adj. EBITDA LTM</i> | 1.59x | 0.18x | -0.01x |
| Free Cash Flow | 140.4 | 599.5% | 20.3% |
| ROIC | 16.4% | -9.8 p.p. | -217 bps |

Income Statement



Highlights

Cost & Expense Control:

Excluding non-recurring effects, total Costs and Expenses: -1.7% QoQ and -0.9% YoY.

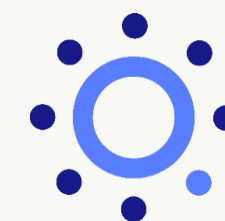
Adjusted EBITDA Margin: 46.0% in 1Q23, 158 bps retreat QoQ,

D&A: R\$114.7MM +2.3% QoQ and +17.2% YoY.

Financial Result: R\$66.9 MN in 1Q23, -4% QoQ and +65.3% YoY.

| Income Statement (R\$ MN) | 1Q23 | Var. YoY | Var. QoQ |
|----------------------------------|--------------|-------------------|-------------------|
| Net Revenue | 457.3 | -8.9% | 0.9% |
| (-) COGS and SG&A | (215.9) | -2.7% | -22.7% |
| (-) Contingencies and Legal Exp. | (5.5) | -2.9% | -76.4% |
| (-) Bad Debt Provision | (25.7) | 5.8% | 15.1% |
| (+/-) Other Oper. | (4.7) | -507.2% | -93.0% |
| EBITDA | 205.6 | -18.3% | 235.3% |
| EBITDA Margin | 44.9% | -5 bps | 31 bps |
| (+/-) EBITDA Adj. | 4.7 | 272.8% | -97.0% |
| Adjusted EBITDA | 210.3 | -16.8% | -2.4% |
| Adjusted EBITDA Margin | 46.0% | -436 bps | -158 bps |
| (-) D&A | (114.7) | 17.2% | 2.3% |
| (+/-) Fin. Inc. (Exp.) | (66.9) | 65.3% | -4.0% |
| (-) Income Tax./Social Contrib. | (4.9) | -86.7% | -111.5% |
| (-) Minority Interest | (2.4) | 4.8% | 35.2% |
| Net Income Controlling | 16.7 | -77.5% | NM |
| Net Margin | 3.6% | -11 bps | 21 bps |
| Non-Recurring Adjustments | 3.1 | 272.8% | -97.0% |
| Adjusted Net Income | 19.8 | -73.6% | -9.6% |
| Adjusted Net Margin | 4.3% | -10.6 p.p. | -50.4 p.p. |

Cash Flow



Highlights

Taxes: -R\$5.7 MN in 1Q23, -78.1% QoQ and -84.7% YoY.

Comissions: R\$64.1 MN in 1Q23, -8.3% QoQ and -0.7% YoY.

Working Capital: R\$28.8 MN in 1Q23 and -65.5% QoQ.

Free Cash Flow Generation: R\$140.4 MN in 1Q23, +20.3% QoQ and 7x higher than 1Q22.

| Cash Flow | 1Q23 | Var. YoY | Var. QoQ |
|--|--------------|---------------|---------------|
| EBITDA | 205.6 | -18.3% | 235.3% |
| Non cash adjustments | (2.8) | NM | -102.8% |
| Leasing payments | (4.9) | 46.4% | -3.2% |
| Commisions paid | (64.1) | -0.7% | -8.3% |
| Taxes Paid | (5.7) | -84.7% | -78.1% |
| Changes in Working Capital | 28.8 | NM | -65.5% |
| Cash Provided by Oper. Activities | 156.8 | 90.9% | 9.9% |
| Capex (Intang. + PP&E) | (13.9) | -11.8% | -2.3% |
| Operating Cash Flow after Capex | 142.9 | 115.2% | 11.3% |
| Acquisitions portfolio/companies | (2.5) | -94.6% | -78.6% |
| Free Cash Flow | 140.4 | 599.5% | 20.3% |
| Financial Income/Expenses | 21.3 | NM | NM |
| Loans and Funding | - | NM | NM |
| Financial Investments | 19.3 | NM | NM |
| Dividends Paid | - | NM | NM |
| Cash Prov. Financing Activ. | 40.6 | NM | NM |
| Cash Flow | 181.1 | NM | NM |

Q&A

