Quarterly Results – 2nd Quarter 2019

- Net revenue of R$ 1.3 billion (+ 14.9%)
- EBITDA of R$ 268.0 million (+ 28.2%)
- EBITDA Margin of 21.0% (+ 2.2 pp)
- Net income of R$ 227.1 million (+ 51.4%)
- Total MLR of 59.9% (improvement of 1.1 p.p.)
- Number of health and dental members grows 7.1% and exceeds 4 million lives

Hapvida Participações e Investimentos S.A.
B3: HAPV3 - "New Market"
Stock price: R$ 44.26
Shares outstanding: 727,686,573
Market cap: R$ 32.7 bilhões
Contacts: ri@hapvida.com.br

2Q19 Conference Call
August 14, 2019 (Wednesday)
Portuguese (with simultaneous translation into English)
11hs (horário de Brasília) | 10hs (US/DST)
Webcast: ri.hapvida.com.br
Telefone: Brasil: +55 (11) 3181-8565 | **USA**: +1 (412) 717-9627

MESSAGE FROM MANAGEMENT

The last few months have been very intense and transformational for Hapvida. Our operation in Joinville (state of Santa Catarina), which inaugurated our entry into the southern region of Brazil, is already in full swing, with a fully-verticalized care delivery structure comprised of one high complexity general hospital, two clinics and two image diagnostic units. In May, we announced the acquisition of *Grupo São Francisco*, one of Brazil's leading supplementary healthcare companies, with a vertical business model and high operational performance. Also in May, we announced the acquisition of a hospital named *Hospital das Clinicas e Fraturas do Cariri* in Juazeiro do Norte (state of Ceará), in order to expand the Company’s region of operation in the Northeast. In June, we announced the acquisition of Grupo América, in the metro region of Goiânia (state of Goiás), with a service structure that includes hospitals, clinics and diagnostic units. Following this, in July, we announced the acquisition of *RN Saúde*, headquartered in the city of Uberaba (state of Minas Gerais), in the *Triângulo Mineiro* region.

Those recent movements reinforce our geographic expansion strategy and put us on a national leadership position in number of members. Most importantly, all of these acquisitions complement each other and will be used as platforms for us to develop the Hapvida business model in other regions, generating not only synergies with our company but also with each other. All of those these acquisitions is subject to the approval of the National Supplementary Health Agency (*Agência Nacional de Saúde Suplementar*) (“ANS”) and the Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica).*

In July, we concluded our first issuance of debentures, in the amount of R$ 2.0 billion, in 2 (two) series with maturities of five and seven years, contributing to a better capital structure for the company. The issuance was rated investment grade (AAA) by Fitch Ratings, confirming Hapvida’s financial and operational soundness. Also in July, we successfully concluded a subsequent shares offering (follow on) in a total amount of up to R$ 2.6 billion. The proceeds from the two operations mentioned above will be used to strengthen our proprietary care delivery structures and those of the companies that were newly acquired companies or are in the process of acquisition. In line with our expansion strategy, the proceeds will also be used to fund future acquisitions as well as to strengthen our working capital.

In the second quarter of 2019, we maintained an important growth and profitability pace, always focusing on welcoming our customers, quality of services and discipline in cost efficiency. We surpassed the mark of 4 million health and dental clients and presented revenue growth in both collective and individual portfolios. The good operating performance in the period with a MLR of 59.9%, combined with appropriate management of general & administrative expenses with a ratio of 10.3%, led our net income to grow 51.4% in the quarter, reaching R$ 227.1 million with a return on average equity (ROAE) of 71.6% in the last twelve months.

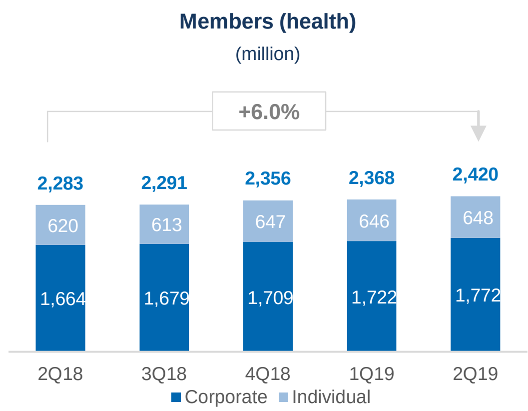
Vidahap, our program of initiatives in care coordination, is in full swing and continues to expand to new cities and public. In this quarter, for example, we expanded the *Medicina Preventiva* (preventive medicine) program to the state of Rio Grande do Norte, launched Nascer Bem in state of Amazonas and Viver Bem in the state of Bahia. *Vidahap*'s goal is to help all of our clients to live a full life, contributing to quality of life and better long-term MLR control.

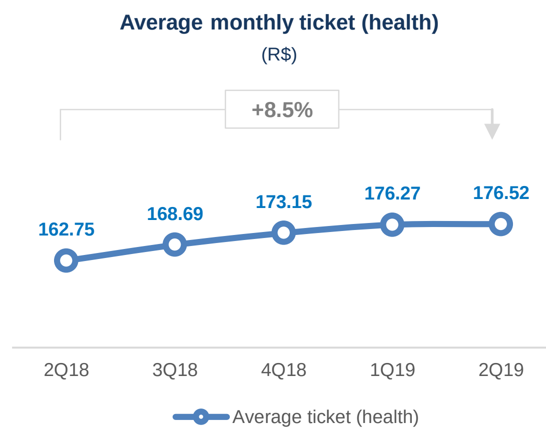
We remain confident of the Company's financial and operating performance and are aware of the challenges and opportunities that growth through acquisitions offer us, while remaining in pursuit of our mission to be present in an ever-increasing number of Brazilian cities and to serve with welcome, quality and cost efficiency. Once again, we would like to thank the board of directors, our shareholders, and the trust, dedication, and fundamental contribution of our more than 22,000 employees, medical and dental providers, brokers, business partners, and other company stakeholders. More importantly, we would like to thank our customers which are the main reason for the existence of our company.

Jorge Pinheiro
CEO

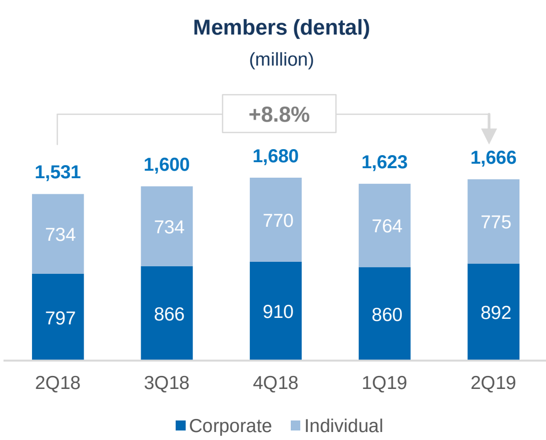
1. Members and average ticket

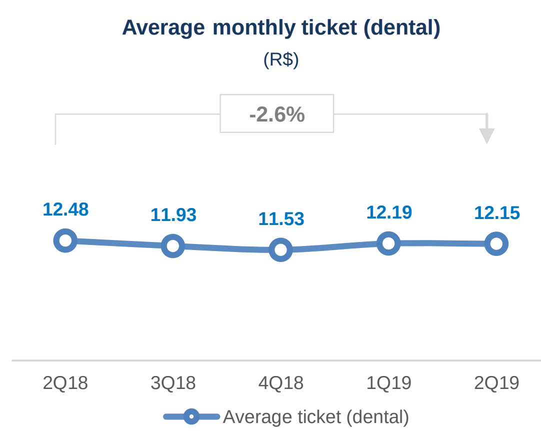
The number of beneficiaries increased by 6.0% when compared to 2Q18. Growth highlights in the period were in the states of Bahia, Ceará, Pernambuco, Piauí, Amazonas and Santa Catarina, with the beginning of operations in Joinville. The average ticket for the health segment grew 8.5% when compared to 2Q18.



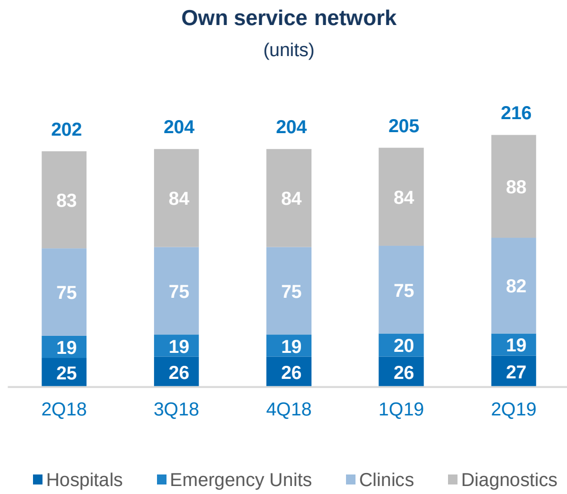


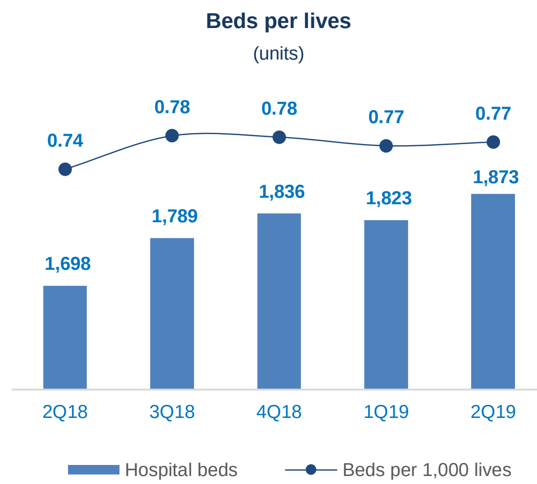
The number of beneficiaries of dental plans grew 8.8% compared to 2Q18. Growth highlights were in the states of Bahia, Ceará and Amazonas. The average ticket for the dental segment decreased 2.6% compared to 2Q18, mainly due to a higher share of collective plans in the total portfolio mix and a higher sale of emergency products, with a lower average ticket.





2. Own service network

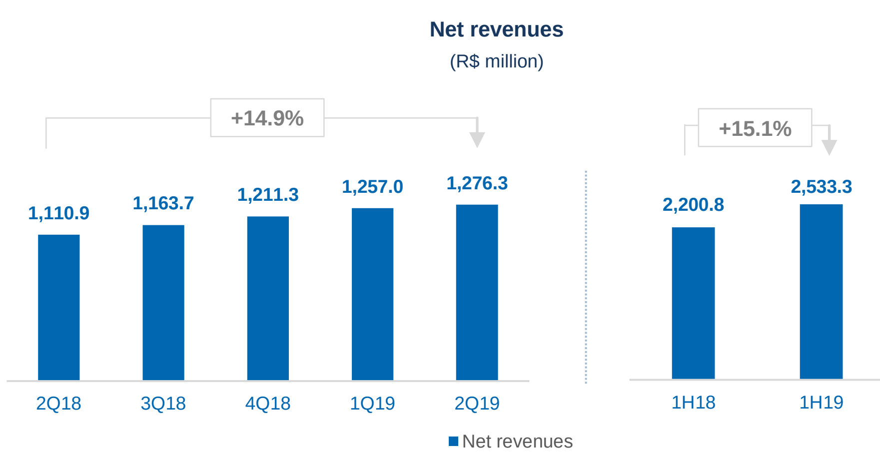




The company continues to expand its own network through the inauguration of new units, expansion and reform of existing ones, strengthening our strategy of verticalization and cost efficiency to better control losses and frequency of utilization (usage).

The company ended 2Q19 with 27 hospitals, 19 walk-in emergency units, 82 clinics and 88 diagnostic units, the largest service infrastructure in the country's North and Northeast regions. The company had 1,873 hospital beds at quarter end, which represents 0.77 beds per 1,000 lives. The increase in the number of hospital beds compared to 1Q19 is mainly due to the start of the 30-bed operation at Joinville General Hospital (with capacity to expand to around 140 hospital beds).

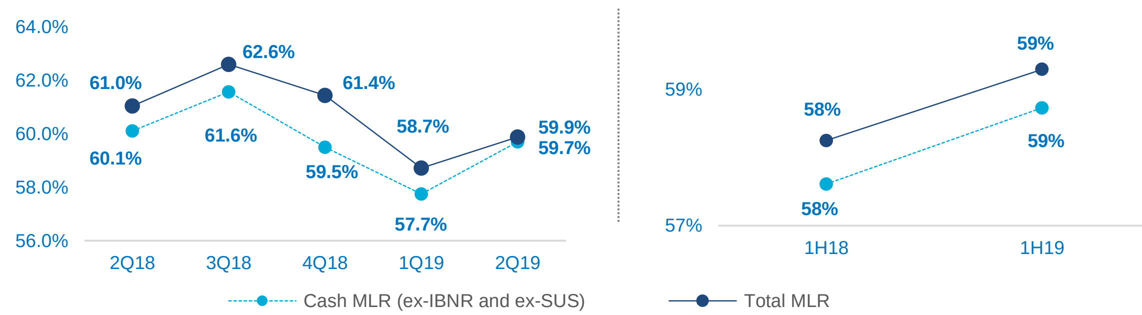
3. Net revenues



In 2Q19, net revenues increased by 14.9% when compared to 2Q18, mainly driven by a 6.0% increase in the number of beneficiaries of health care plans, with an 8.5% increase in average ticket and an 8.8% increase in the number of dental plan beneficiaries, which offset the 2.6% reduction in the average dental ticket, in addition to the price adjustments implemented, which are necessary for the economic balance of the contracts. In 1H19 net revenue totaled R$ 2.5 billion, up 15.1% over the same period last year.

4. MLR, Medical Costs and Technical Reserves

Medical Loss Ratio (MLR)
(%NOR)



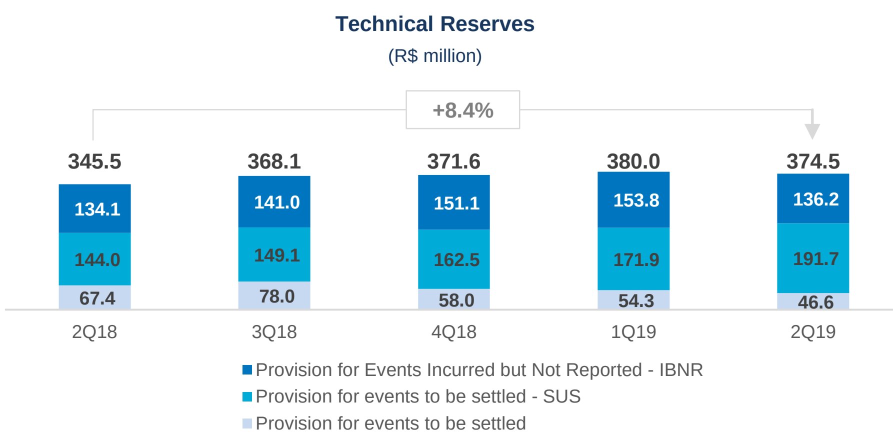
The total MLR (which includes changes in provision of events incurred but not reported – IBNR and provision for reimbursement to SUS) was 59.9%, an improvement of 1.1 p.p. compared to the same period of the previous year. The cash MLR (which excludes the impact variations in IBNR and reimbursement to SUS provisions) also improved by 0.4 p.p, ending the quarter at 59.7%. The MLR improvement between the comparative periods reflects the success of the constant work in claims management and investments in increasing the verticalization of our care delivery structures. It is important to point out that the MLR in the quarter improved even though it was impacted by: **(i)** the opening of new hospitals, clinics, emergency and diagnostic units (R$ 19.7 million); **(ii)** the reclassification of expenses with employees of the subsidiary Ultra Som, which were recorded as administrative expenses and started to be accounted for as losses (R$ 6.9 million); **(iii)** increase in rent payments with related parties (R$ 5.1 million) that was not yet adjusted to market value in 2Q18; **(iv)** the typical virus season incidence, with a higher number of medical visits in the period compared to 2Q18, but with lower severity reflecting in a decrease in hospitalization rates; and **(v)** an increase in provisions for reimbursement to SUS (R$ 19.8 million). As a positive impact, there was a net reversal of R$ 17.6 million in IBNR for the quarter as a result of advances in the process of filing and processing medical bills of our own network. The improvement of this process is the result of improvements made in our operating systems to adapt them to the interfaces with the new corporate ERP (SAP), which is being implemented.

(R$ million)	2Q19	2Q18	2Q19 x 2Q18	1Q19	2Q19 x 1Q19	1H19	1H18	1H19 x 1H18
Medical Costs – Cash	(761.9)	(667.7)	14.1%	(725.9)	5.0%	(1,487.8)	(1,267.9)	17.3%
Change in IBNR	17.6	(2.8)	NA	(2.7)	NA	14.9	(5.5)	NA
Change in SUS reimbursement provision	(19.8)	(7.5)	165.2%	(9.4)	110.1%	(29.3)	(8.5)	243.5%
Medical Costs – Total	(764.1)	(678.1)	12.7%	(738.0)	3.5%	(1,502.2)	(1,282.0)	17.2%
Cash MLR (ex-IBNR and ex-SUS)	59,7%	60,1%	-0.4 p.p.	57.7%	2.0 p.p.	58.7%	57.6%	1.1 p.p.
MLR (ex-IBNR, including SUS)	61,3%	60,8%	0.5 p.p.	58.5%	2.8 p.p.	59.9%	58.0%	1.9 p.p.
Total MLR	59,9%	61,0%	-1.1 p.p.	58.7%	1.2 p.p.	59.3%	58.3%	1.0 p.p.

Total medical costs amounted to R$ 764.1 million, an increase of 12.7% over 2Q18, positively impacted by IBNR's net reduction of R$ 17.6 million and negatively affected by a net increase of R$19.8 million in the provision for reimbursement to SUS.

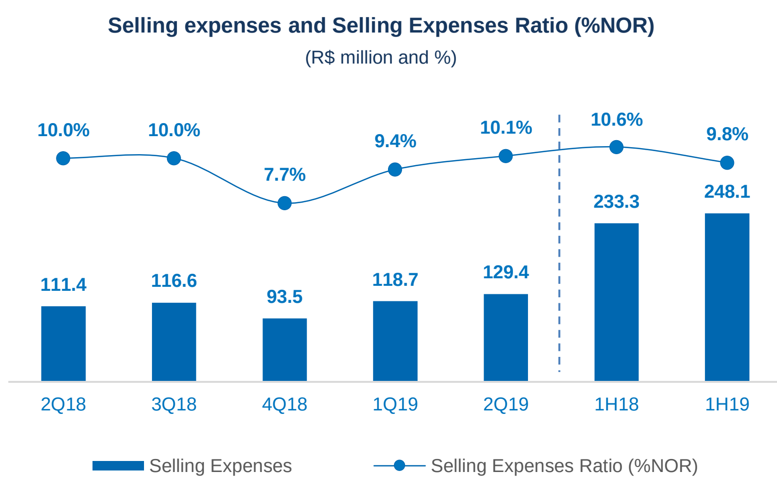
4. MLR, Medical Costs and Technical Reserves (cont.)

Total MLR in 1H19 compared to 1H18 increased by 1.0 p.p., mainly impacted by **(i)** opening of new units in the last 12 months (approximately R$ 15.0 million); **(ii)** a difference related rent payments with related parties (R$ 12.4 million); **(iii)** an increase in provisions for reimbursement to SUS (R$ 20.8 million more in the period); and **(v)** the reclassification of expenses with employees (R$ 6.9 million) in 2Q19, as a result of the general overhaul of the Company's cost center base, as a pre-implementation activity of the new corporate ERP (SAP). Included in the cost of the new units were both the expenses related to the implantation of new units in new locations (e.g. Joinville General Hospital) as well as expenses related to the renovation, expansion or replacement of smaller units to larger units (e.g. Manaus Hospital).



Total technical reserves for healthcare costs ended the quarter at R$ 374.5 million, an increase of 8.4% over 2Q18. IBNR ended the quarter at R$ 136.2 million, after a net reversal of R$ 17.6 million for the reasons described above. The provision for reported claims SUS increased by R$ 19.8 million, impacted by the acceleration in receiving bills in the period.

5. Selling expenses



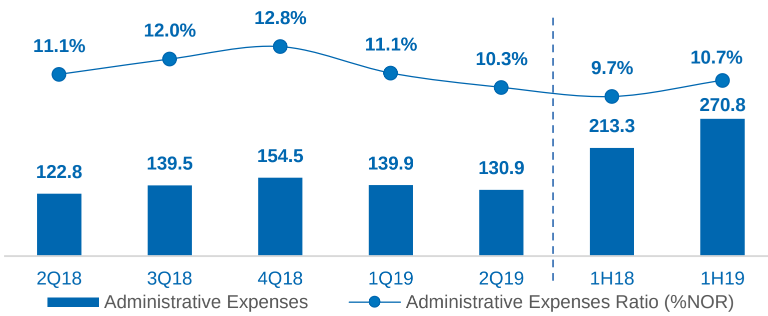
Selling expenses ratio (measured by dividing total selling expenses by net revenues) was 10.1% in 2Q19, stable compared to 2Q18. In 1H19, the ratio was 9.8%, an improvement of 0.8 p.p. compared to 1H18, mainly due to (i) an increase in deferral of commissions (positive impact of R$ 3.2 million in the first half), (ii) a reduction in the doubtful accounts provision of collective plans (positive impact of R$ 3.5 million), and (iii) a higher provision for doubtful accounts related to the default of a single corporate client (negative impact of R$ 12.6 million) occurred in 1H18 that did not repeat.

6. Administrative expenses

The administrative expenses ratio (measured by the ratio of total administrative expenses to net revenues) was 10.3% and 10.7%, a reduction of 0.8 p.p. and an increase of 1.0 p.p. compared to 2Q18 and 1H18, respectively. Administrative expenses totaled R$ 130.9 million in 2Q19 and R$ 270.8 million in 1H19, increases of 6.6% and 26.9%, respectively.

Administrative expenses and Administrative expenses (%NOR)

(R$ million e %)



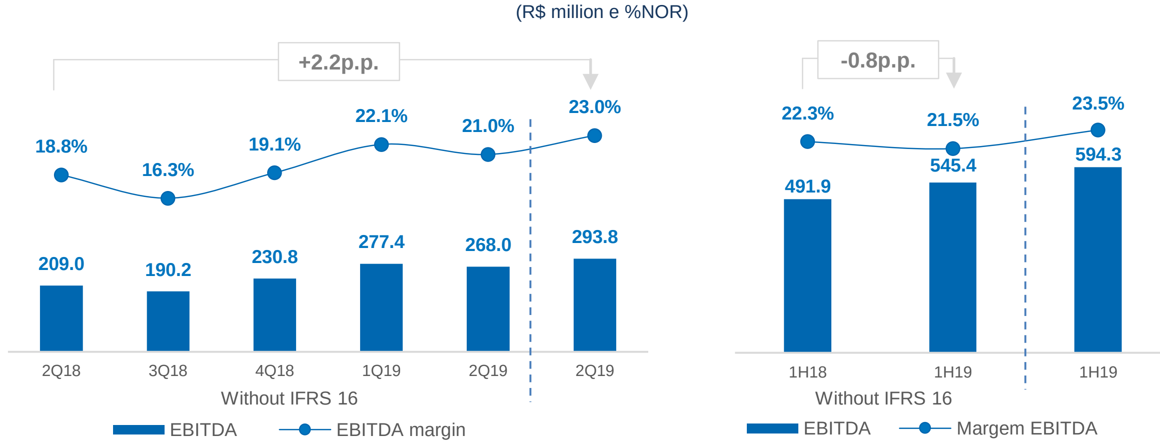
The main negative impacts on expenses between 2Q18 and 2Q19 were: **(i)** amortization of the portfolios acquired from Uniplam and Free Life in 2Q19 (R$ 3.3 million); **(ii)** increase in legal provisions (R$ 5.0 million); **(iii)** payment of court settlements (R$ 3.7 million); **(iv)** reversal of expenses related to some insurance in 2Q18 (positive impact of R$ 2.3 million) that did not repeat. The main positive effects were: **(i)** the reclassification of expenses with employees of the subsidiary Ultra Som, which were recorded as administrative expenses and started to be accounted for as medical costs (R$ 6.9 million), **(ii)** tax reversal (R$ 3.6 million) in 2Q19; **(iii)** tax regularization and reversal of tax contingencies (positive impact of R$ 6.0 million) in 2Q18, which did not repeat; and **(iv)** IPO expenses in 2Q18 (R$6.1 million).

When comparing 2Q19 with 1Q19, the ratio presents a reduction of 0.9 pp. (R$ 9.0 million). The main negatives were the increase in legal provisions (-R$ 5.0 million) and a payment of court settlements (-R$ 3.7 million) in 2Q19 which more than offset **(i)** for the reclassification of the Ultra Som's employees in 2Q19 (R$ 6.9 million); **(ii)** for the payment of short-term variable compensation in 1Q19 (R$ 5.0 million) which did not repeat; and (iii) for tax expenses in 1Q19 (R$ 3.1 million) that did not repeat.

7. EBITDA

EBITDA and EBITDA margin

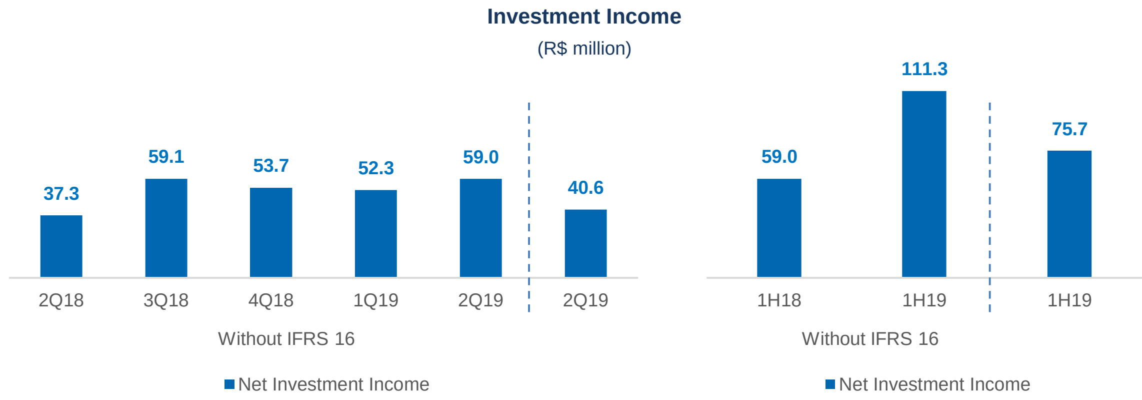
(R$ million e %NOR)



EBITDA (excluding IFRS 16 impact) reached R$ 268.0 million and R$ 545.4 million in 2Q19 and 1H19, respectively, with growth of 28.2% and 10.9% related to the same comparative periods of 2018 due to the factors already explained above. EBITDA Margin in 2Q19 was 21.0%, an increase of 2.2 p.p. compared to 2Q18, and 21.5% in 1H19, a reduction of 0.8 pp. versus 1H18.

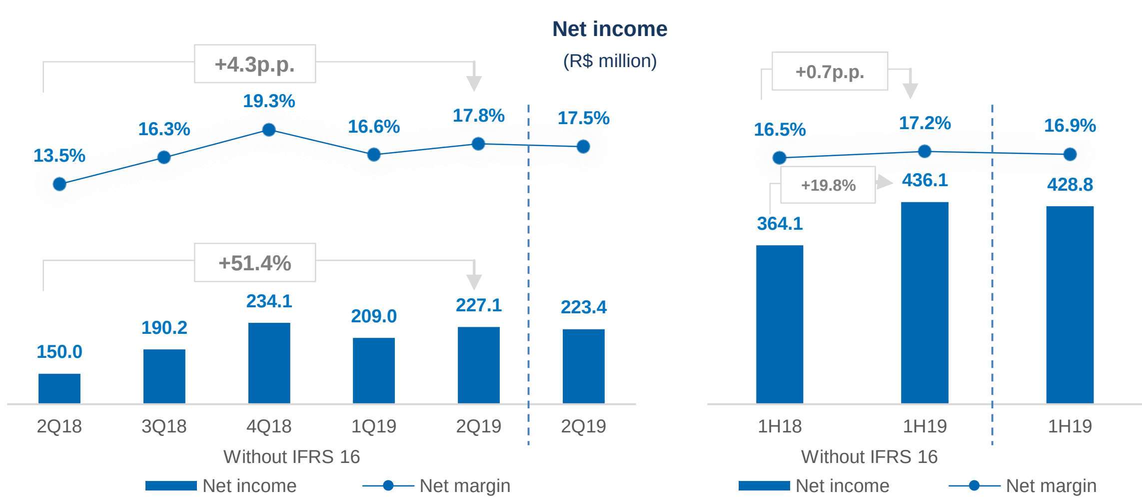
8. Investment Income

Net investment income was influenced by the net inflow of approximately R$ 2.53 billion in funds from the primary public offering of shares (IPO) during 2Q18. With the significant increase in cash and cash equivalents from April 2018, investment income in 1H19 was significantly higher from 1H18.



9. Net income

Net income for 2Q19 increased by 51.4% compared to 2Q18, with an increase of 4.3 p.p. in the net margin, with strong impact of the distribution of interest on capital approved in June 2019. In 1H19, net income reached R$ 436.1 million, an increase of 19.8% compared to the same period last year, with net margin of 17.2%, an increase of 0.7 p.p. in the same comparison. The effective tax rate for 2Q19 was 27.0%, 9.5 p.p. lower than the rate for 2Q18 due to the aforementioned distribution of interest on capital approved in June 2019.



10. IFRS16

The interim financial statements for 2Q19 were prepared with the effects of the adoption of IFRS 16, effective as of January 1st, 2019. Thus, lease agreements that meet the requirements of said standard are now accounted as lease liabilities, totaling R$ 863 million at the end of this quarter. As a result, rental expenses incurred throughout 2018, such as costs of services or location and operation expenses, are accounted in the depreciation and financial expenses lines. We present below the effects on the income statement from the standard application in 2Q19.

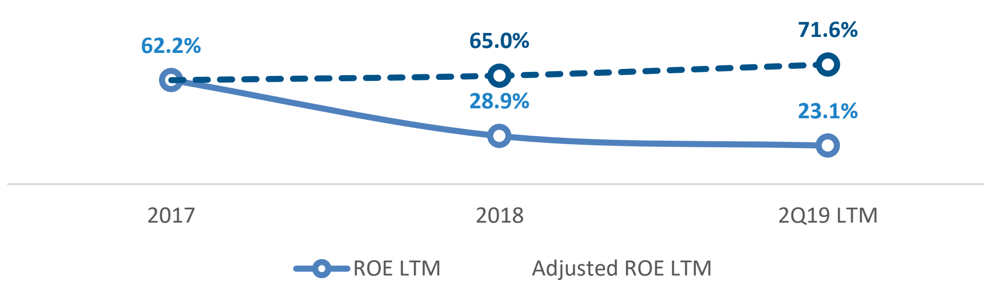
Values in R$ million

Item	2Q19 without IFRS 16	Rent Reversion	Depreciation and amortization	Financial expenses	2Q19 with IFRS 16
Cost of services provided (*ex-IBNR*)	(781.7)	23.8	(11.0)	-	(769.0)
Gross profit	**512.1**	**23.8**	**(11.0)**	**-**	**524.9**
Administrative expenses	(128.9)	1.9	(1.9)	-	(128.9)
Operational income	**251.9**	**25.7**	**(12.9)**	**-**	**264.7**
Financial result	59.0	-	-	(18.4)	40.6
IRPJ e CSLL	-	(8.8)	4.4	6.3	1.9
Net income	**227.1**	**16.9**	**(8.5)**	**(12.1)**	**223.4**
EBITDA	**268.0**	**25.7**	**n/a**	**n/a**	**293.8**

For comparability purposes, the result analysis in this earnings release are performed with and without the effects of the new standard adoption established in 2019, presented above.

11. ROE

The recalculated ROE (Return On average Equity) of the last 12 months was 71.6% at the end of 2Q19, up from 65.0% in 2018. The recalculated ROE excludes R$ 2.53 billion from the Company's initial primary public offering (IPO) that has not yet been invested in the operation.



Values in R$ million

Item	2017	2018	2Q19 LTM
Net income LTM (a)	650.6	788.3	860.3
Equity	1,308.3	3,605.9	3,936.5
Average equity (b)[1]	1,045.8	2,730.9	3,731.0
ROE (LTM) (c) = (a)/(b)	**62.2%**	**28.9%**	**23.1%**
Equity Excluding (BRL 2,53 bn from 2Q18 on)	1,308.3	1,075.9	1,406.5
Average equity Excluding (BRL 2,53 bn from 2Q18 on) (d)	1,045.8	1,212.9	1,201.0
ROE (LTM) Recalculated (e) = (a)/(d)	**62.2%**	**65.0%**	**71.6%**

[1]2017 and 2018 = Average equity of the previous 5 quarters

12. Cash generation and Capex

Free cash flow reached R$ 122.2 million in 2Q19, 105.4% higher than 2Q18 due to lower working capital variation in the period. Investments (Capex), net of depreciation and amortization arising from additions to property, plant and equipment and intangible assets totaled R$ 58.1 million in 2Q19, an increase of 23.2% mainly due to the expansion of our own network of care delivery structures.

Values in R$ million

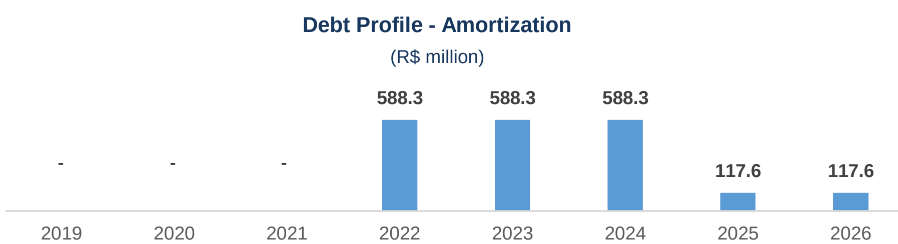
Item	2Q19	2Q18	2Q19 x 2Q18		1H19	1H18	1H19 x 1H18
EBIT	**251.9**	**198.7**	**26.7%**		**512.2**	**472.2**	**8.5%**
Effective tax rate	34.80%	36.40%	**-1.6p.p**		33.94%	31.46%	**2.5p.p**
NOPAT	**164.2**	**126.4**	**29.9%**		**338.4**	**323.6**	**4.6%**
(+) Depreciation and amortization	16.1	10.3	**57.4%**		33.2	19.6	**69.3%**
(+/-) Change in working capital[4]	(0.1)	(30.0)	**-99.8%**		24.7	(34,0)	**-172.2%**
(-) Cash CAPEX	(58.1)	(47.1)	**23.2%**		(134.2)	(99.8)	**34.4%**
Free cash flow	**122.2**	**59.5**	**105.4%**		**262.1**	**209.2**	**25.3%**

(1) Effective rate of 2Q19 excluding credits on tax losses

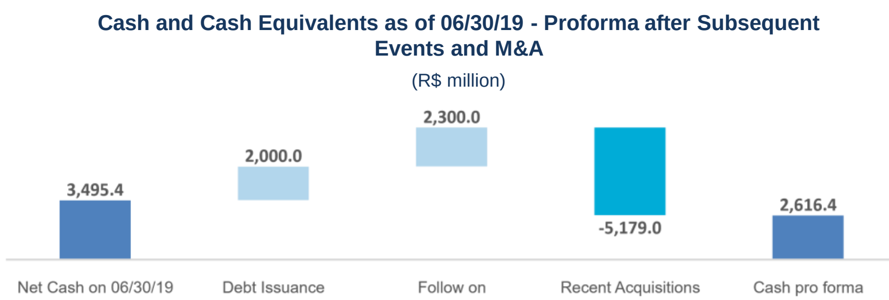
(2) Includes variations: **(i)** current assets: accounts receivable, inventories, other credits and advances to suppliers and **(ii)** current liabilities: loans, suppliers, technical provisions for health care operations net of PPCNG, debts of health care operations net of prepayments, other payables and social obligations.

13. Subsequent Events

On July 10, 2019, the Company concluded its first issue of debentures in the amount of R$ 2.0 billion in two series with maturity of five years (yielding 109.0% of CDI) and seven years (with 110.55% of the CDI), seeking a more efficient capital structure. The Company's issue was rated investment grade (AAA) by Fitch Ratings, confirming the soundness of Hapvida. The funds raised through this issue will be fully used for the acquisition of *Grupo São Francisco*.



Also in July 2019, we successfully completed the follow-on primary public offering of up to R$ 2.6 billion. The proceeds from this operation will be used to invest in strengthening Hapvida's own assistance structures, those of newly acquired companies, and companies in the process of acquisition. In line with our expansion strategy, the funds will also be used for future acquisitions as well as for working capital strengthening. We present below the cash position at the end of 2Q19 and the proforma position with the funding events mentioned above.



(1) Resources actually received include Base Offering and Additional Lot (hot issue). Total amount may be increased by ~R$ 300 million and reach R$ 2.6 billion if the Supplementary Lot (green shoe) is exercised.
(2) Acquisitions subject to approval by the National Supplementary Health Agency (ANS) and the Administrative Council for Economic Defense (Cade).

14. Income Statement - Summary

Item	2Q19	AV 2Q19	2Q18	AV 2Q18	2Q19 x 2Q18	1Q19	AV 1Q19	2TQ9 x 1Q19	2Q19 - IFRS 16	1H19	1H18	1H19 x 1H18
Revenues from gross payments	1,328.0	104.1%	1,160.5	104.5%	14.4%	1,309.6	104.2%	1.4%	1,328.0	2,637.5	2,296.6	14.8%
Revenue from other activities	4.7	0.4%	3.5	0.3%	35.5%	5.8	0.5%	-19.1%	4.7	10.5	6.5	60.8%
Deductions	(56.4)	4.4%	(53.0)	-4.8%	6.4%	(58.4)	4.6%	-3.4%	(56.4)	(114.8)	(102.3)	12.2%
Net revenues	**1,276.3**	**100.0%**	**1,110.9**	**100.0%**	**14.9%**	**1,257.0**	**100.0%**	**1.5%**	**1,276.3**	**2,533.3**	**2,200.8**	**15.1%**
Medical cost and others	(761.9)	59.7%	(667.7)	60.1%	14.1%	(725.9)	57.7%	5.0%	(749.1)	(1,487.8)	(1,267.9)	17.3%
Rent with related parties	(14.6)	1.1%	(9.6)	0.9%	53.0%	(13.2)	1.1%	-104.0%	-	(27.8)	(15.4)	81.4%
Change in IBNR	17.6	-1.4%	(2.8)	0.3%	-718.4%	(2.7)	0.2%	-746.5%	17.6	14.9	(5.5)	-368.5%
Change in SUS reimbursement provision	(19.8)	1.6%	(7.5)	0.7%	165.2%	(9.4)	0.8%	110.1%	(19.8)	(29.3)	(8.5)	243.5%
Total cost	**(764.1)**	**59.9%**	**(678.1)**	**61.0%**	**12.7%**	**(738.0)**	**58.7%**	**3.5%**	**(751.4)**	**(1,502.2)**	**(1,282.0)**	**17.2%**
Gross profit	**512.1**	**40.1%**	**432.9**	**39.0%**	**18.3%**	**519.0**	**41.3%**	**-1.3%**	**524.9**	**1,031.1**	**918.8**	**12.2%**
Gross margin	***40.1%***	-	***39.0%***	-	***-1,1p.p.***	***41.3%***	-	***-1,2p.p.***	***41.1%***	***40.7%***	***41.7%***	***-1,0p.p.***
Selling expenses	**(129.4)**	**10.1%**	**(111.4)**	**10.0%**	**16.2%**	**(118.7)**	**9.4%**	**9.0%**	**(129.4)**	**(248.1)**	**(233.3)**	**6.3%**
Administrative expenses	**(128.9)**	**10.1%**	**(132.2)**	**11.9%**	**-2.5%**	**(139.4)**	**11.1%**	**-7.5%**	**(128.9)**	**(268.3)**	**(223.1)**	**20.3%**
Personnel	(46.0)	3.6%	(52.7)	4.7%	-12.8%	(52.2)	4.2%	-11.9%	(46.0)	(98.1)	(85.1)	15.4%
Third party services	(25.2)	2.0%	(25.4)	2.3%	-0.7%	(20.7)	1.6%	22.3%	(25.2)	(45.9)	(43.2)	6.1%
Location and operation	(30.9)	2.4%	(26.5)	2.4%	16.2%	(33.3)	2.6%	-7.2%	(30.8)	(64.1)	(48.4)	32.5%
Taxes	1.3	-0.1%	(19.5)	1.8%	-106.9%	(11.3)	0.9%	-111.8%	1.3	(10.0)	(27.6)	-63.9%
Provisions for civil, labor and tax risks	(26.6)	2.1%	(7.8)	0.7%	241.2%	(19.1)	1.5%	39.4%	(26.6)	(45.7)	(16.6)	175.4%
Miscellaneous expenses	(1.6)	0.1%	(0.2)	0.0%	636.0%	(2.9)	0.2%	-45.3%	(1.6)	(4.5)	(2.2)	105.0%
Other expenses/operational revenues	**(2.0)**	**0.2%**	**9.5**	**0.9%**	**-120.7%**	**(0.6)**	**0.0%**	**255.6%**	**(2.0)**	**(2.5)**	**9.8**	**-125.6%**
Total expenses	**(260.3)**	**20.4%**	**(234.1)**	**21.1%**	**11.1%**	**(258.6)**	**20.6%**	**0.6%**	**(260.2)**	**(518.9)**	**(446.6)**	**16.2%**
Operational income	**251.9**	**19.7%**	**198.7**	**17.9%**	**26.7%**	**260.3**	**20.7%**	**-3.3%**	**264.7**	**512.2**	**472.2**	**8.5%**
Financial revenues	65.7	5.1%	50.5	4.5%	30.1%	60.3	4.8%	9.0%	65.7	126.0	84.6	48.9%
Financial expenses	(6.7)	0.5%	(13.2)	1.2%	-49.5%	(8.0)	0.6%	-16.4%	(25.1)	(14.7)	(25.6)	-42.6%
Financial result	**59.0**	**4.6%**	**37.3**	**3.4%**	**58.4%**	**52.3**	**4.2%**	**12.9%**	**40.6**	**111.3**	**59.0**	**88.5%**
EBIT	**310.9**	**24.4%**	**236.0**	**21.2%**	**31.7%**	**312.6**	**24.9%**	**-0.6%**	**305.3**	**623.5**	**531.2**	**17.4%**
IR and CSLL current	(108.1)	8.5%	(75.3)	-6.8%	43.6%	(103.0)	8.2%	4.9%	(108.1)	(211.1)	(166.3)	26.9%
IR and CSLL deferred	24.3	-1.9%	(10.7)	-1.0%	-326.8%	(0.5)	0.0%	-4534%	26.1	23.7	(0.8)	-3018.6%
IR and CSLL	**(83.8)**	**6.6%**	**(86.0)**	**7.7%**	**-2.5%**	**(103.6)**	**8.2%**	**-19.1%**	**(81.9)**	**(187.4)**	**(167.1)**	**12.1%**
Net income	**227.1**	**17.8%**	**150.0**	**13.5%**	**51.4%**	**209.0**	**16.6%**	**8.6%**	**223.4**	**436.1**	**364.1**	**19.8%**
Net margin	***17.8%***	-	***13.5%***	-	***4.3p.p.***	***16.6%***	-	***1.2p.p.***	***17.5%***	***17.2%***	***16.5%***	***0.7p.p.***

15. Balance Sheet – Summary

Item	2Q19 - IFRS 16	2Q19	2Q18	2Q19 x 2Q18	1Q19	2Q19 x 1Q19
Assets	**6,087.9**	**5,232.2**	**4,758.9**	**9.9%**	**5,175.5**	**1.1%**
Current assets	**1,926.3**	**1,926.3**	**1,138.6**	**69.2%**	**1,227.3**	**56.9%**
Cash and cash equivalents	143.0	143.0	113.0	26.5%	143.0	-0.1%
Short-term investments	1,094.0	1,094.0	671.9	62.8%	639.8	71.0%
Trade receivables	173.7	173.7	133.2	30.4%	167.6	3.7%
Other assets	410.8	410.8	102.9	299.2%	154.9	165.1%
Deferred commission	104.8	104.8	117.6	-10.9%	121.9	-14.0%
Non-current assets	**4,161.7**	**3,305.9**	**3,620.3**	**-8.7%**	**3,948.2**	**-16.3%**
Long-term investments	2,258.4	2,258.4	2,938.4	-23.1%	2,981.2	-24.2%
Deferred taxes	153.5	149.7	64.1	133.6%	125.5	19.3%
Judicial deposits	108.2	108.2	74.6	45.1%	101.2	6.9%
Deferred commission	120.3	120.3	90.9	32.4%	102.1	17.9%
Other assets	41.7	41.7	5.5	658.3%	41.8	-0.2%
Property, plant and equipment	1,344.3	492.3	361.6	36.2%	455.5	8.1%
Intangible assets	135.2	135.2	85.2	58.7%	140.9	-4.0%
Item	**2Q19 - IFRS 16**	**2Q19**	**2Q18**	**2Q19 x 2Q18**	**1Q19**	**2Q19 x 1Q19**
Liabilities and shareholders' equity	**6,087.9**	**5,232.2**	**4,758.9**	**9.9%**	**5,175.5**	**1.1%**
Current liabilities	**1,024.6**	**993.5**	**1,085.6**	**-8.5%**	**1,060.1**	**-6.3%**
Lending and Financing	-	-	6.1	-100.0%	-	0.0%
Trade payables	45.3	45.3	63.5	-28.7%	62.5	-27.5%
Technical provisions for health care operations	418.0	418.0	374.5	11.6%	414.3	0.9%
Health care payables	66.3	66.3	62.3	6.4%	62.7	5.8%
Payroll obligations	125.7	125.7	105.4	19.2%	110.3	13.9%
Taxes and contributions payable	74.4	74.4	50.8	46.5%	63.4	17.4%
Income and social contribution taxes	90.4	90.4	43.7	106.8%	90.2	0.2%
Dividends and interest on shareholders’ equity payable	104.6	104.6	367.3	-71.5%	184.5	-43.3%
leases payable	31.1	-	-	-	-	-
Related party payables	42.7	42.7	-	-	42.7	0.0%
Other accounts payable	26.3	26.3	12.0	119.0%	29.6	-11.2%
Non-current liabilities	**1,134.2**	**302.2**	**307.8**	**-1.8%**	**291.6**	**3.7%**
Taxes and contributions payable	12.0	12.0	11.9	1.0%	12.0	0.4%
leases payable	832.0	-	-	-	-	-
Provision for tax, civil and labor risks	283.5	283.5	245.5	15.5%	272.3	4.1%
Provision for investment losses	-	-	42.6	-100.0%	-	-
Other accounts payable	6.7	6.7	7.8	-14.2%	7.3	-8.3%
Shareholders' equity	**3,929.2**	**3,936.5**	**3,365.5**	**17.0%**	**3,823.9**	**2.9%**
Capital	2,810.2	2,810.2	2,810.0	0.0%	2,810.2	0.0%
Profit reserves	1,097.7	1,105.0	555.3	99.0%	1,001.1	10.4%
Equity attributable to controlling shareholders	3,907.9	3,915.2	3,365.3	16.3%	3,811.3	2.7%
Non-controlling interest	21.31	21.31	20.0%	10555.0%	12.56	69.6%

16. Cash Flow Statement – Summary

Item	2Q19 - IFRS 16	2Q19	2Q18	2Q19 x 2Q18	1Q19	2Q19 x 1Q19	1H19	1H18	1H19 x 1H18
Net income	**223.4**	**227.1**	**150.0**	**51.4%**	**209.0**	**8.6%**	**436.1**	**364.1**	**19.8%**
Adjustments to reconcile net income with cash	**163.7**	**134.3**	**144.7**	**-7.2%**	**128.3**	**4.6%**	**262.6**	**291.8**	**-10.0%**
Depreciation and amortization	16.2	16.2	10.2	58.4%	17.1	-5.4%	33.2	19.6	69.8%
Depreciation of usage rights	12.9	-	-	-	-	-	-	-	-
Technical provisions for health care operations	5.8	5.8	10.4	-44.0%	8.6	-32.2%	14.4	14.1	1.8%
Provision for losses on receivables	40.5	40.5	23.8	70.0%	36.4	11.1%	76.9	89.0	-13.6%
Write-off of property, plant and eq	0.2	0.2	0.1	51.0%	0.2	0.5%	0.3	0.1	157.5%
Write-off of intangible assets	9.0	9.0	-	-	1.2	659.6%	10.1	0.0	1014430.0%
Provision for tax, civil and labor risks	28.0	28.0	0.7	3902.0%	12.1	131.1%	40.1	4.1	884.5%
Income from financial investments	(49.1)	(49.1)	13.6	-461.1%	(50.8)	-3.4%	(99.9)	(2.3)	4306.8%
Interest and monetary restatement of leases	18.4	-	-	-	-	-	-	-	-
Tax income and social contribution	108.1	108.1	75.2	43.7%	103.0	4.9%	211.1	166.3	27.0%
Deferred taxes	(26.1)	(24.3)	10.7	-326.7%	0.5	-4531.2%	(23.7)	0.8	-3002.0%
(Increase) decrease in asset accounts	**(127.3)**	**(127.3)**	**(95.4)**	**33.4%**	**(81.7)**	**55.8%**	**(209.0)**	**(132.6)**	**57.6%**
Accounts receivable	(46.6)	(46.6)	(65.7)	-29.1%	(51.3)	-9.1%	(97.9)	(72.9)	34.3%
Inventory	(2.5)	(2.5)	(2.1)	20.0%	1.4	-275.4%	(1.1)	(0.4)	153.3%
Taxes recoverable	(14.5)	(14.5)	(1.7)	754.1%	(3.3)	338.0%	(17.8)	3.2	-654.6%
Financial investments	-	-	(1.9)	-100.0%	-	-	-	(1.3)	-100.0%
Judicial deposits	(23.8)	(23.8)	(13.2)	80.2%	(7.6)	211.9%	(31.4)	(23.4)	34.2%
Other assets	(38.7)	(38.7)	(13.8)	180.6%	(22.3)	73.5%	(61.1)	(19.6)	211.5%
Advance payments	-	-	(1.0)	-100.0%	-	-	-	(3.5)	-100.0%
Deferred Sales Expense	(1.1)	(1.1)	4.0	-128.7%	1.4	-182.9%	0.2	(14.7)	-101.6%
Increase (decrease) in liability accounts:	**(114.3)**	**(114.3)**	**(49.9)**	**129.1%**	**(48.7)**	**134.6%**	**(163.1)**	**(209.0)**	**-22.0%**
Technical provisions for health care operations	(2.1)	(2.1)	44.5	-104.8%	(2.4)	-11.6%	(4.5)	(3.5)	28.5%
Debts of health care operations	3.6	3.6	7.6	-52.6%	(2.5)	-243.2%	1.1	7.2	-84.8%
Social obligations	15.3	15.3	14.8	3.6%	(2.6)	-684.3%	12.7	7.3	73.2%
Suppliers	(17.2)	(17.2)	(0.5)	3340.8%	1.1	-1627.9%	(16.1)	5.0	-422.4%
Taxes and contributions payable	(3.2)	(3.2)	2.8	-214.9%	7.5	-143.1%	4.2	(21.0)	-120.2%
Other accounts payable	(2.9)	(2.9)	(17.7)	-83.7%	(3.0)	-5.2%	(5.9)	(26.4)	-77.5%
Income tax and social contribution paid	(107.8)	(107.8)	(101.4)	6.4%	(46.7)	130.8%	(154.6)	(177.5)	-12.9%

16. Cash Flow Statement – Summary (Cont.)

Item	2Q19 - IFRS 16	2Q19	2Q18	2Q19 x 2Q18	1Q19	2Q19 x 1Q19	1H19	1H18	1H19 x 1H18
Net cash provided by operating activities	**145.5**	**119.7**	**149.4**	**-19.9%**	**206.9**	**-42.1%**	**326.6**	**314.3**	**3.9%**
Cash flow from investing activities	**60.4**	**60.5**	**(2,507.2)**	**-102.4%**	**(258.3)**	**-123.4%**	**(197.9)**	**(2,357.9)**	**-91.6%**
Payments to related parties	-	-	5.6	-100.0%	0.0	-100.0%	0.0	5.8	-99.9%
Acquisition of property, plant and e	(48.1)	(48.0)	(36.5)	31.5%	(51.8)	-7.4%	(99.8)	(85.5)	16.8%
Acquisition of intangibles	6.1	6.1	(10.6)	-157.4%	(24.3)	-125.1%	(18.2)	(14.3)	27.3%
Acquisition/sale of investments	(215.4)	(215.4)	-	-	-	-	(215.4)	-	-
Financial investments	(924.7)	(924.7)	(5,070.5)	-81.8%	(850.3)	8.7%	(1,775.1)	(5,133.4)	-65.4%
Redemption of financial investmen	1,242.5	1,242.5	2,604.8	-52.3%	668.1	86.0%	1,910.6	2,869.5	-33.4%
Cash flow from financing activities	**(206.0)**	**(180.1)**	**2,122.9**	**-108.5%**	**9.0**	**-2101.2%**	**(171.1)**	**2,052.2**	**-108.3%**
Receipt of related parties	0.0	0.0	(5.7)	-100.2%	-	-	0.0	(5.4)	-100.2%
Payment / Acquisition of loans and financing	-	-	(0.5)	-100.0%	-	-	-	(0.5)	-100.0%
Payment of dividends and interest on own capital	-	-	(401.1)	-100.0%	-	-	-	(471.2)	-100.0%
Principal payments - Leases	(188.6)	(188.6)	-	-	-	-	(188.6)	-	-
Interest payments - Leases	(25.9)	-	-	-	-	-	-	-	-
Expenses with share issuance	-	-	(101.0)	-100.0%	-	-	-	(101.0)	-100.0%
Capital contribution	-	-	2,631.0	-100.0%	-	-	-	2,631.0	-100.0%
Non-controlling shareholding stake	8.5	8.5	0.2	4150.0%	9.0	-5.6%	17.5	(0.6)	-2869.0%
Change in cash and cash equivalents	**(0.1)**	**(0.1)**	**(234.8)**	**-100.0%**	**(42.4)**	**-99.8%**	**(42.5)**	**8.8**	**-583.8%**
Cash and cash equivalents at the beginning of the period	143.0	143.0	347.8	-58.9%	185.5	-22.9%	185.5	104.2	78.0%
Cash and cash equivalents at the end of the period	143.0	143.0	113.0	26.5%	143.0	-0.1%	143.0	113.0	26.5%

17. Glossary

ANS: National Supplementary Health Agency. It is the regulatory agency linked to the Ministry of Health responsible for the health sector in Brazil.

IGR: general complaints index. Its purpose is to present a behavior thermometer of the sector's operators in attending to the problems pointed out by the members. It includes the average number of complaints from members received in the previous three months and classified up to the data's date of extraction. The index is based presented per 10,000 members.

IBNR: provision of events occurred but not reported. Provision for payment of events that have already occurred and were not informed to the company before the end of the period, which was constituted based on actuarial methodology.

MAE: minimum adjusted equity. In order to operate in the healthcare market regulated by the ANS, the health plan operator must keep the adjusted shareholders' equity for economic purposes as established by the ANS. Minimum adjusted equity is calculated as equity less non-current intangible assets, tax credits arising from fiscal losses, deferred sales expenses and prepaid expenses.

Medical loss ratio: index that shows the relationship between healthcare expenses and total revenues from healthcare operations (effective payments).

OCR: outstanding claims reserve. Provision for the collateral of events that have already occurred, recorded in the accounts and not yet paid. The accounting record is made at the full amount informed by the supplier or member when the charge is presented to the entity, and is subsequently adjusted for glosses and discounts after company's evaluation (medical auditors).

SM: solvency margin. At a pre-established price, it corresponds to the adjusted shareholders' equity sufficiency to cover the greater of the following amounts: (i) 20% of the revenues from the gross payments or (ii) 33% of the last 36 months events annual average.

UPR: unearned premiums reserve. It is characterized by the accounting record of the charged by the operators to hedge contractual risk proportional to the days not yet elapsed within the monthly coverage period, to be appropriated as revenue only in the subsequent period when the term is actually incurred.

Some percentages and other figures included in this earnings release have been rounded for ease of presentation and therefore may present small differences in the tables and notes of quarterly information. Additionally, for the same reason, the totals in certain tables may not reflect the arithmetic sum of the previous values.