



Conference Call

4Q19



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4Q19 and 2019 Highlights – Hapvida Consolidated¹



Key Operating and Financial Highlights

(R\$ million)	4Q19	4Q18	Δ	2019	2018	Δ
Net Revenues	1,785.4	1,211.3	47.4%	5,634.4	4,575.9	23.1%
Health beneficiaries (thousands)	3,511	2,356	49.0%	3,511	2,356	49.0%
Dental beneficiaries (thousands)	2,817	1,680	67.7%	2,817	1,680	67.7%
MLR - ex-SUS	58.7%	60.3%	-1.6 p.p.	59.1%	59.6%	-0.5 p.p.
MLR - Total	62.6%	61.4%	1.2 p.p.	61.3%	60.2%	1.1 p.p.
Administrative Expenses	15.1%	12.8%	2.3 p.p.	12.1%	11.1%	1.0 p.p.
Selling Expenses	8.2%	7.7%	0.5 p.p.	9.2%	9.7%	-0.5 p.p.
EBITDA	344.3	230.8	49.1%	1,125.1	913.0	23.2%
EBITDA margin	19.3%	19.1%	0.2 p.p.	20.0%	20.0%	0.0 p.p.
Net income	214.5	234.1	-8.3%	866.6	788.3	9.9%
ROE (% LTM) ²				42.4%	65.0%	-22.6 p.p.

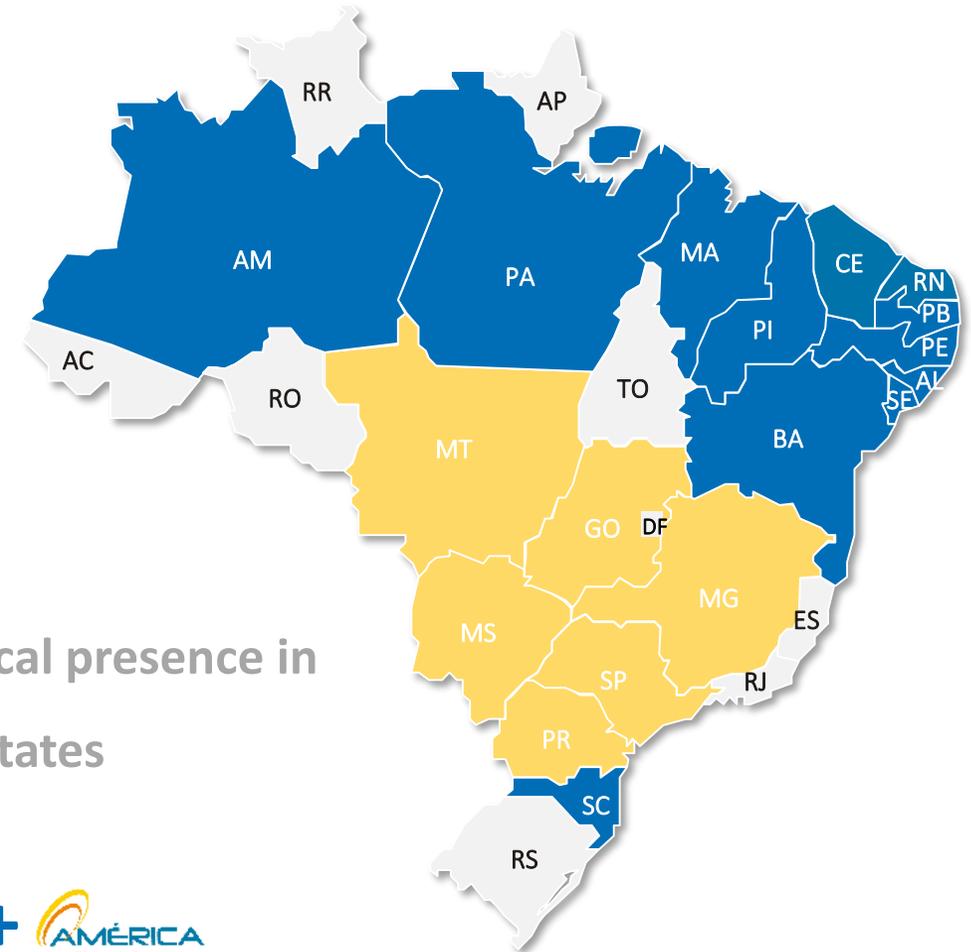
¹ Hapvida Consolidated figures include results of two months (November and December 2019) of the São Francisco Group's operations and one month (December 2019) of Grupo América's operations.

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

Own service network

Permanent investment in own network expansion

	4Q19	4Q18
Hospitals	39	26
Beds	2,635	1,836
Walk-in emergency units	42	19
Clinics	185	75
Diagnostic units	179	84

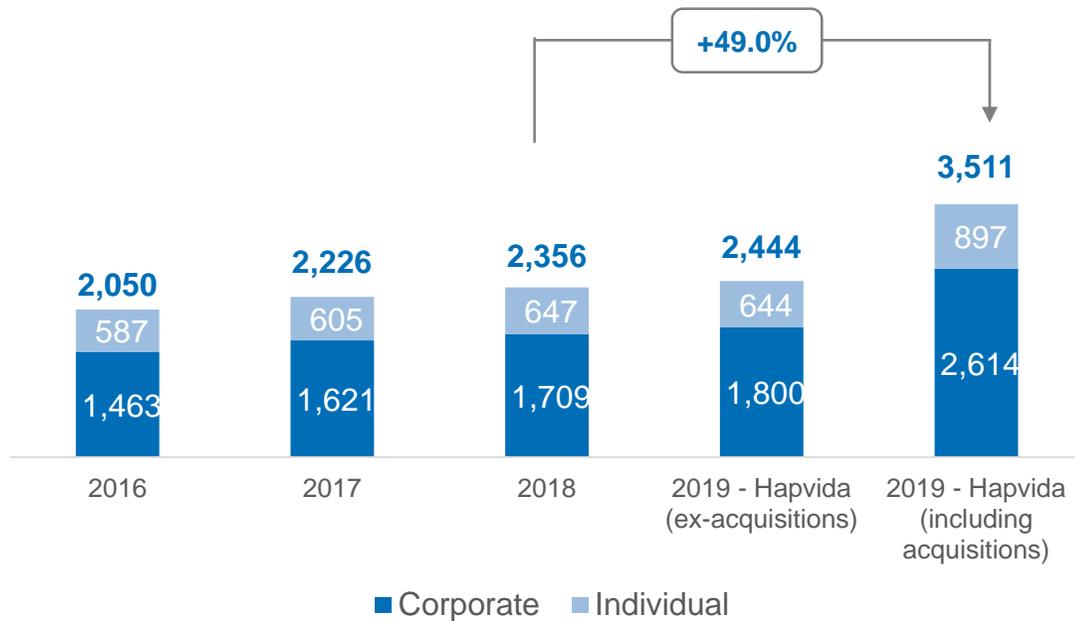


 + 
= **18** states

Beneficiaries

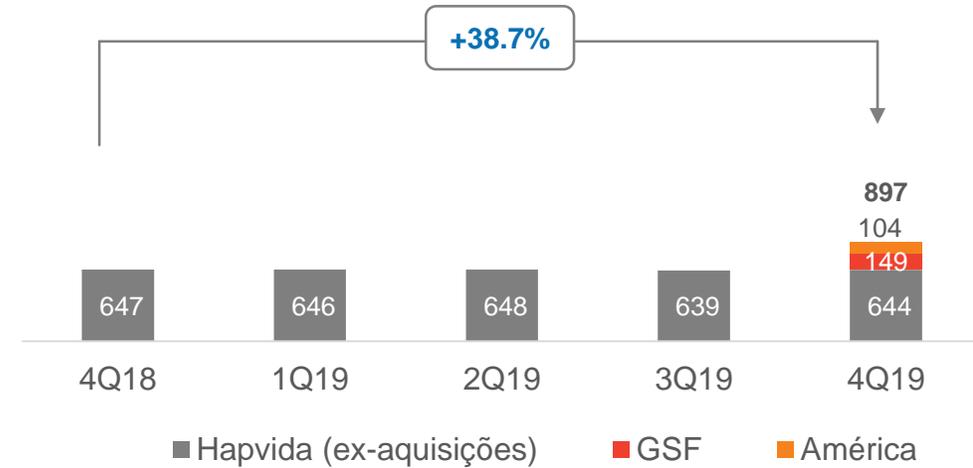
Health portfolio

Health beneficiaries - Hapvida Consolidated
(In thousands)



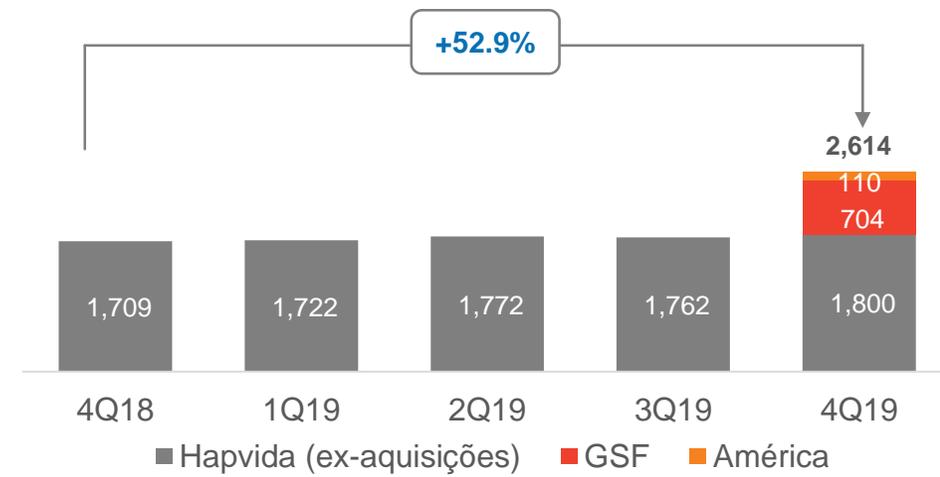
Health beneficiaries Individual

(In thousands)



Health beneficiaries Corporate

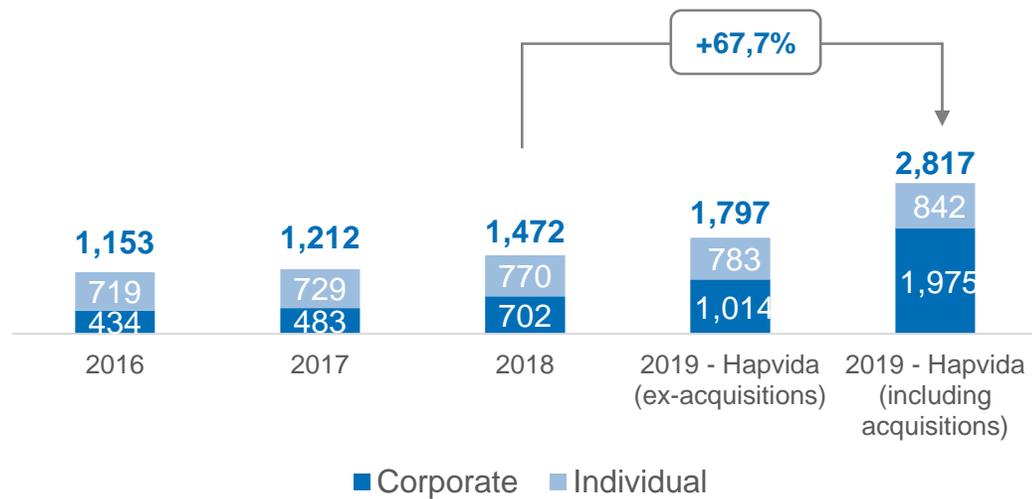
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Beneficiaries

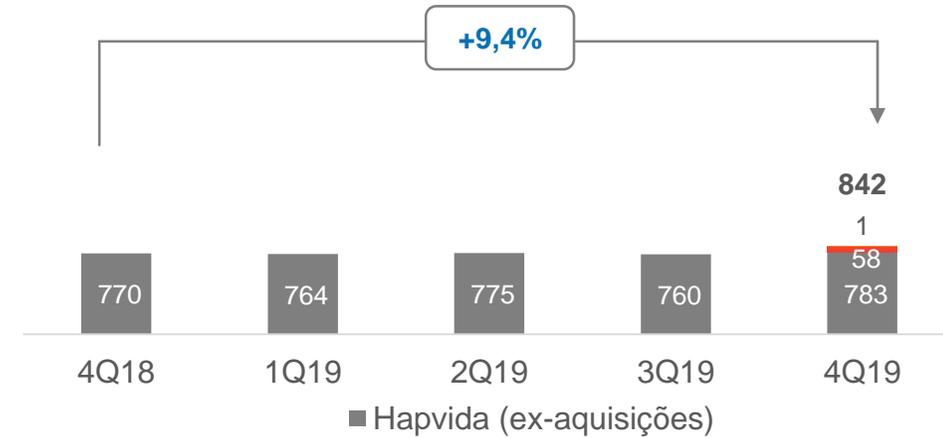
Dental portfolio

Dental beneficiaries - Hapvida Consolidated
(In thousands)



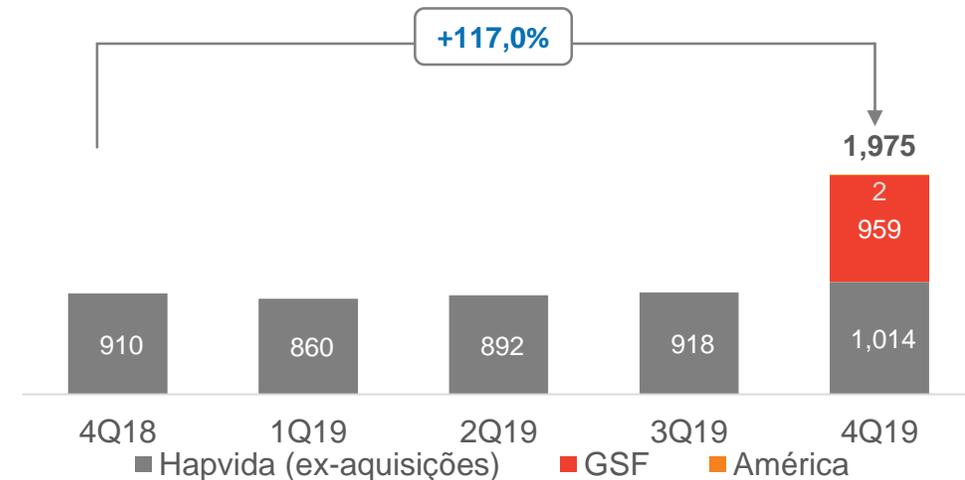
Dental beneficiaries - Individual

(In thousands)



Dental beneficiaries - Corporate

(In thousands)

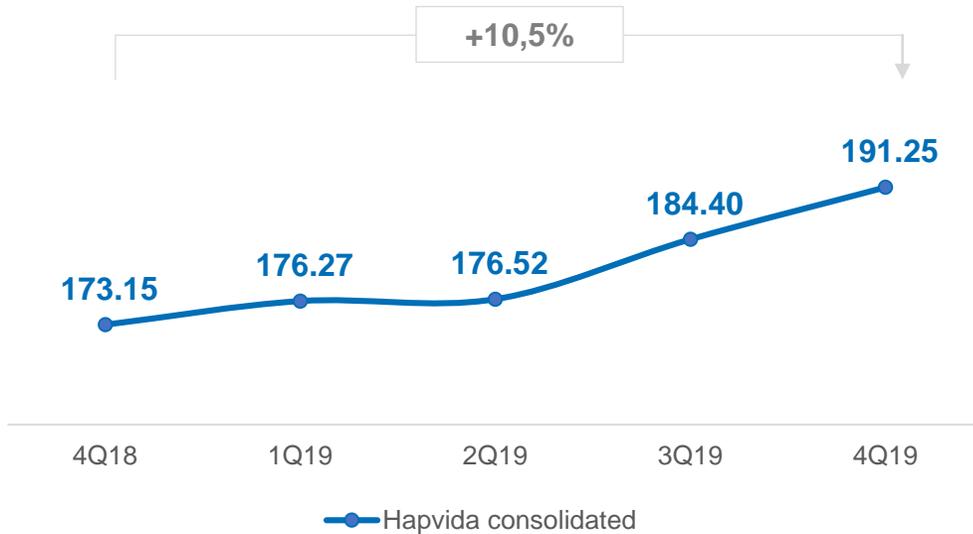


Average monthly ticket

Health portfolio

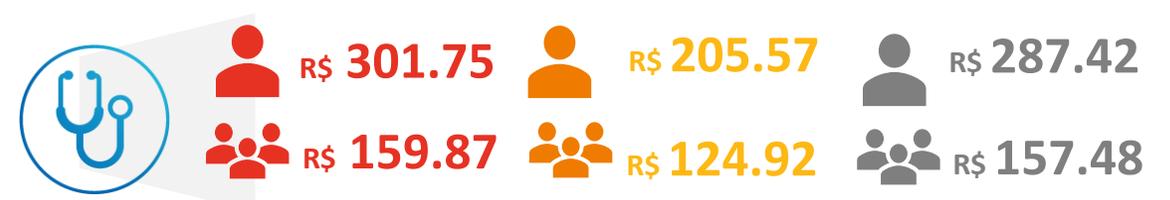
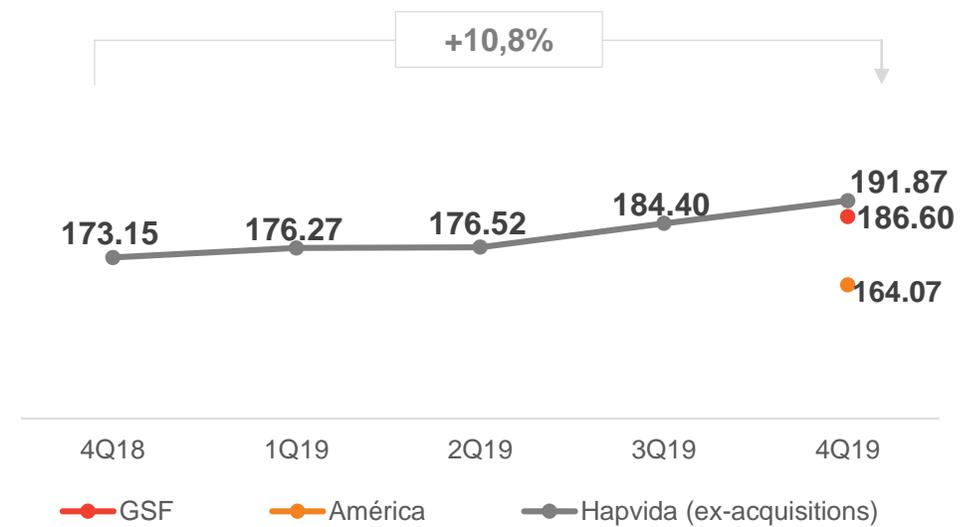
Average ticket consolidated (health)

(In R\$)



Average ticket per company (health)

(In R\$)

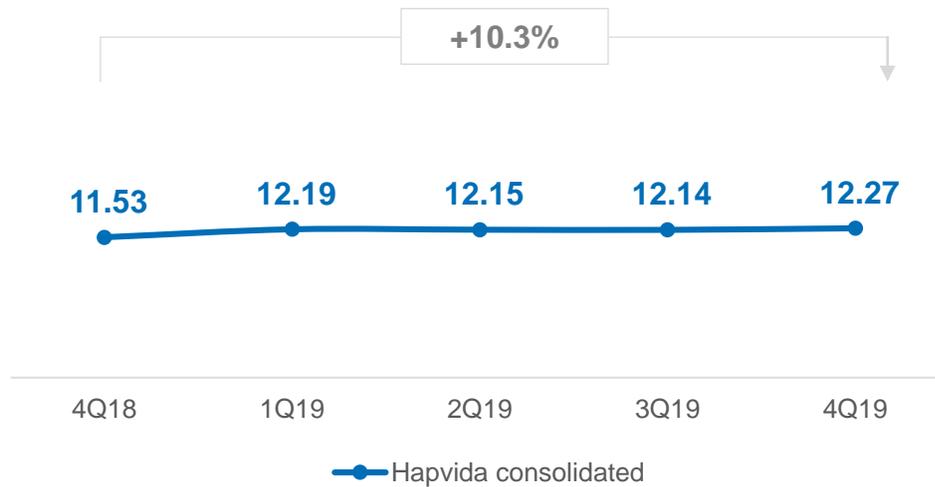


Average monthly ticket

Dental portfolio

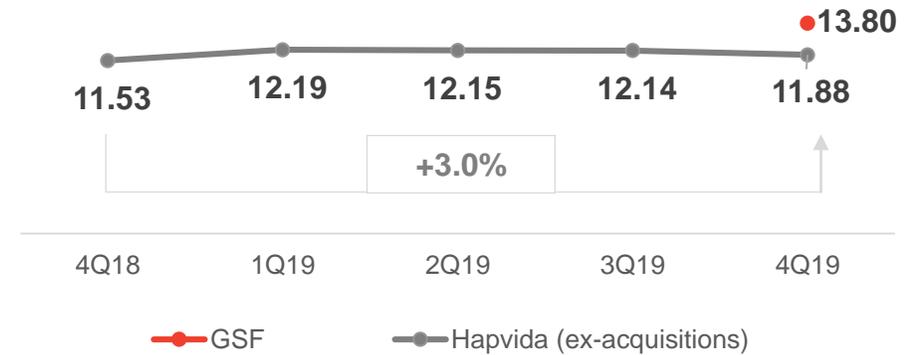
Average ticket consolidated (dental)

(em R\$)



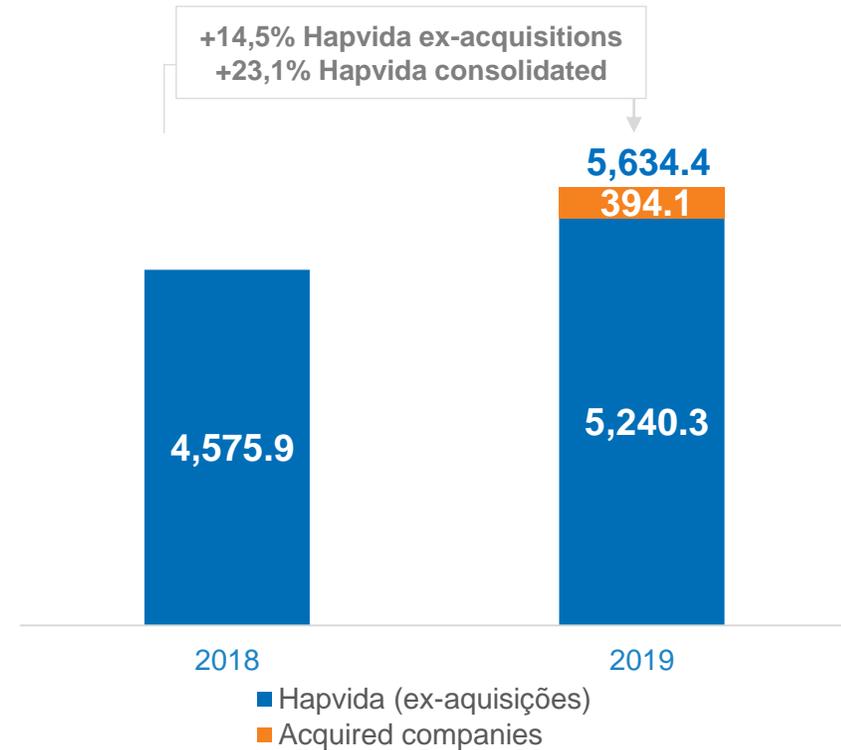
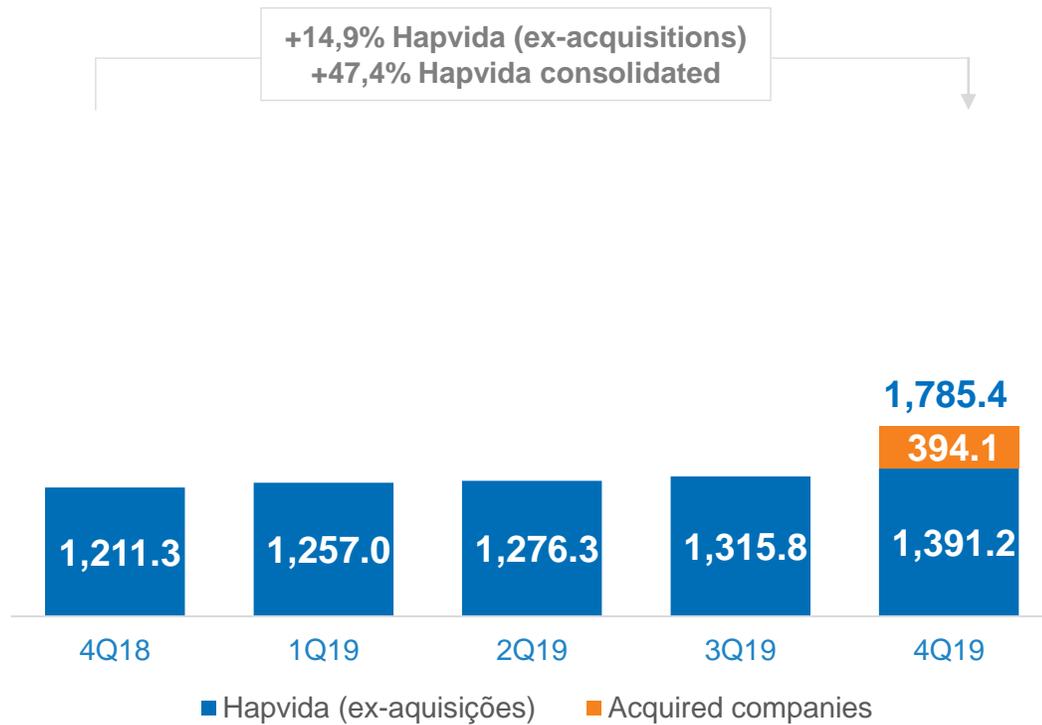
Average ticket per company (dental)

(In R\$)



Net revenues

(In R\$ million)



Medical Costs and Medical Loss Ratio (MLR)



Composition of Total Medical Costs

Hapvida ex-acquisitions

(R\$ million)

	4Q19	4Q18	4Q19 x 4Q18	2019	2018	2019 x 2018
Medical Costs - Cash	(784.5)	(710.6)	10.4%	(3,078.3)	(2,669.6)	15.3%
Depreciation and Amortization (D&A without IFRS16)	(12.2)	(10.1)	20.8%	(42.8)	(35.,5)	20.7%
Change in IBNR provision	16.3	(10.1)	-261.4%	60.2	(22.6)	-366.4%
Change in SUS reimbursement provision	(63.5)	(13.3)	377.4%	(117.4)	(27.0)	334.8%
Medical Costs - Total	(843.9)	(744.2)	13.4%	(3,178.3)	(2,754.7)	15.4%
Cash MLR (ex-Peona; ex-SUS; ex-D&A)	56.4%	58.7%	-2.3 p.p.	58.7%	58.3%	0.4 p.p.
MLR ex-SUS	56.1%	60.3%	-4.2 p.p.	58.4%	59.6%	-1.2 p.p.
Total MLR	60.7%	61.4%	-0.7 p.p.	60.7%	60.2%	0.5 p.p.

Composition of Total Medical Costs

Acquired companies*

(R\$ million)

	4Q19	2019
Medical Costs - Cash	(257.0)	(257.0)
Depreciation and Amortization (D&A without IFRS16)	(2.0)	(2.0)
Change in IBNR provision	(9.4)	(9.4)
Change in SUS reimbursement provision	(5.5)	(5.5)
Medical Costs - Total	(273.9)	(273.9)
Cash MLR (ex-Peona; ex-SUS; ex-D&A)	65.2%	65.2%
MLR ex-SUS	68.1%	68.1%
Total MLR	69.5%	69.5%

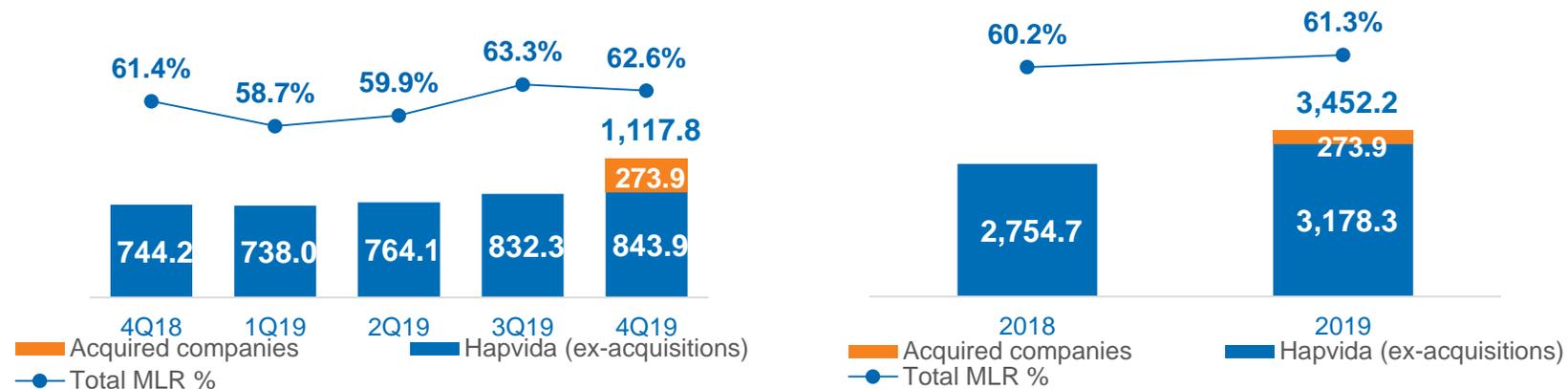
* Figures for 4Q19 and 2019 refer to November and December 2019 for San Francisco and December 2019 for America.

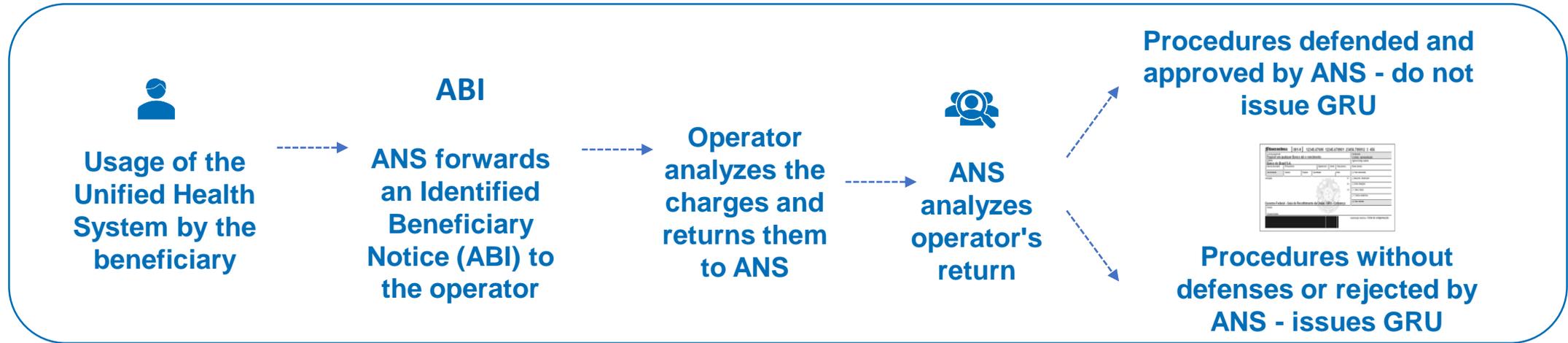
Composition of Total Medical Costs

Hapvida including acquisitions (R\$ million)	4Q19	4Q18	4Q19 x 4Q18	2019	2018	2019 x 2018
Medical Costs - Cash	(1,041.5)	(710.6)	46.6%	(3,335.3)	(2,669.6)	24.9%
Depreciation and Amortization (D&A without IFRS16)	(14.2)	(10.1)	40.4%	(44.8)	(35.5)	26.2%
Change in IBNR provision	6.9	(10.1)	-168.3%	50.8	(22.6)	-324.8%
Change in SUS reimbursement provision	(69.0)	(13.3)	418.8%	(122.9)	(27.0)	355.2%
Medical Costs - Total	(1,117.8)	(744.2)	50.2%	(3,452.2)	(2,754.7)	25.3%
Cash MLR (ex-Peona; ex-SUS; ex-D&A)	58.3%	58.7%	-0.4 p.p.	59.2%	58.3%	0.9 p.p.
MLR ex-SUS	58.7%	60.3%	-1.6 p.p.	59.1%	59.6%	-0.5 p.p.
Total MLR	62.6%	61.4%	1.2 p.p.	61.3%	60.2%	1.1 p.p.

Total Medical Costs Composition x MLR - Hapvida including acquisitions

(R\$ million and %)



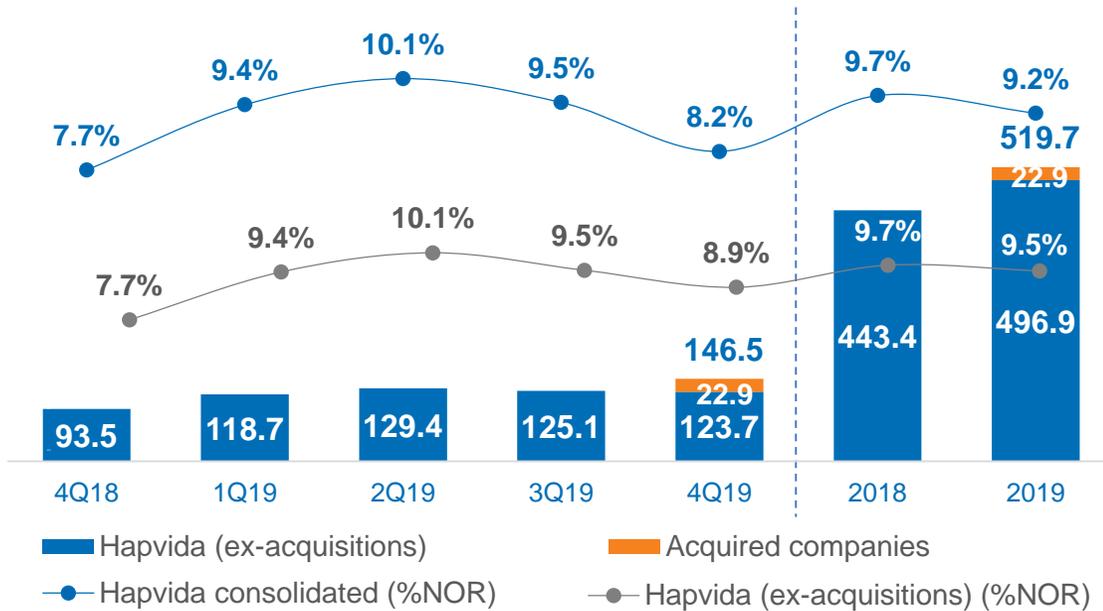


<i>(R\$ million)</i>	4Q19	2019
ABIs provision	44.6	61.0
Principal charged through GRUs	35.0	56.4
Interest, monetary restatement and fines	32.3	48.4
Reclassification of Interest, monetary restatement and fines to Financial results	(48.4)	(48.4)
SUS reimbursement – acquired companies	5.5	5.5
SUS reimbursement – Medical costs	60.0	122.9
Interest, monetary restatement and fines	48.4	48.4
SUS reimbursement – Financial results	48.4	48.4
SUS reimbursement provision	117.4	171.3

Selling and administrative expenses

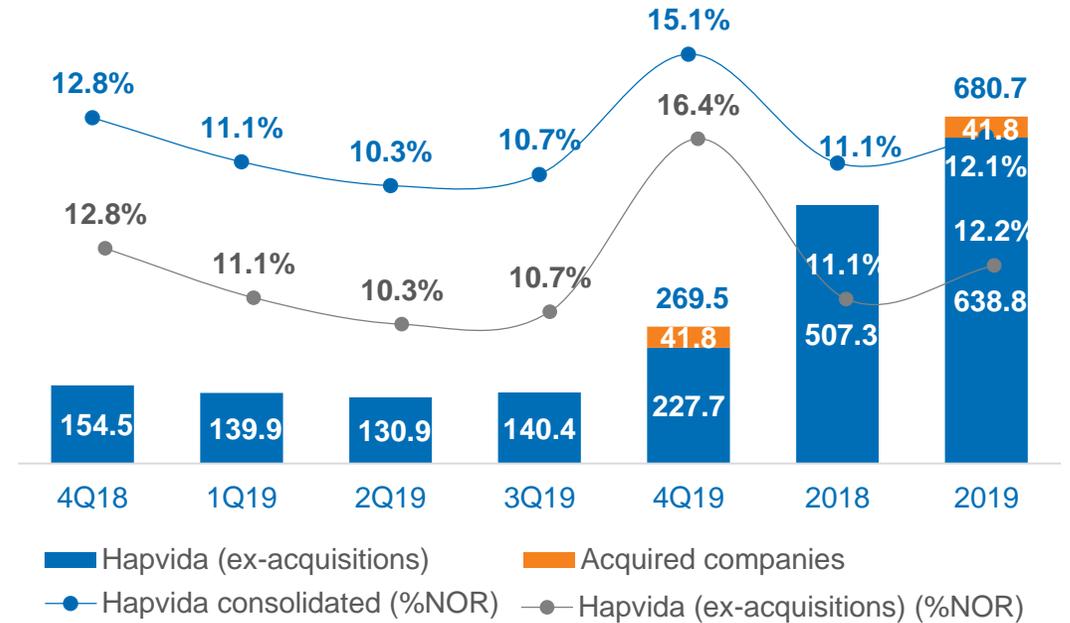
Selling expenses

(In R\$ million and %NOR)



Administrative expenses

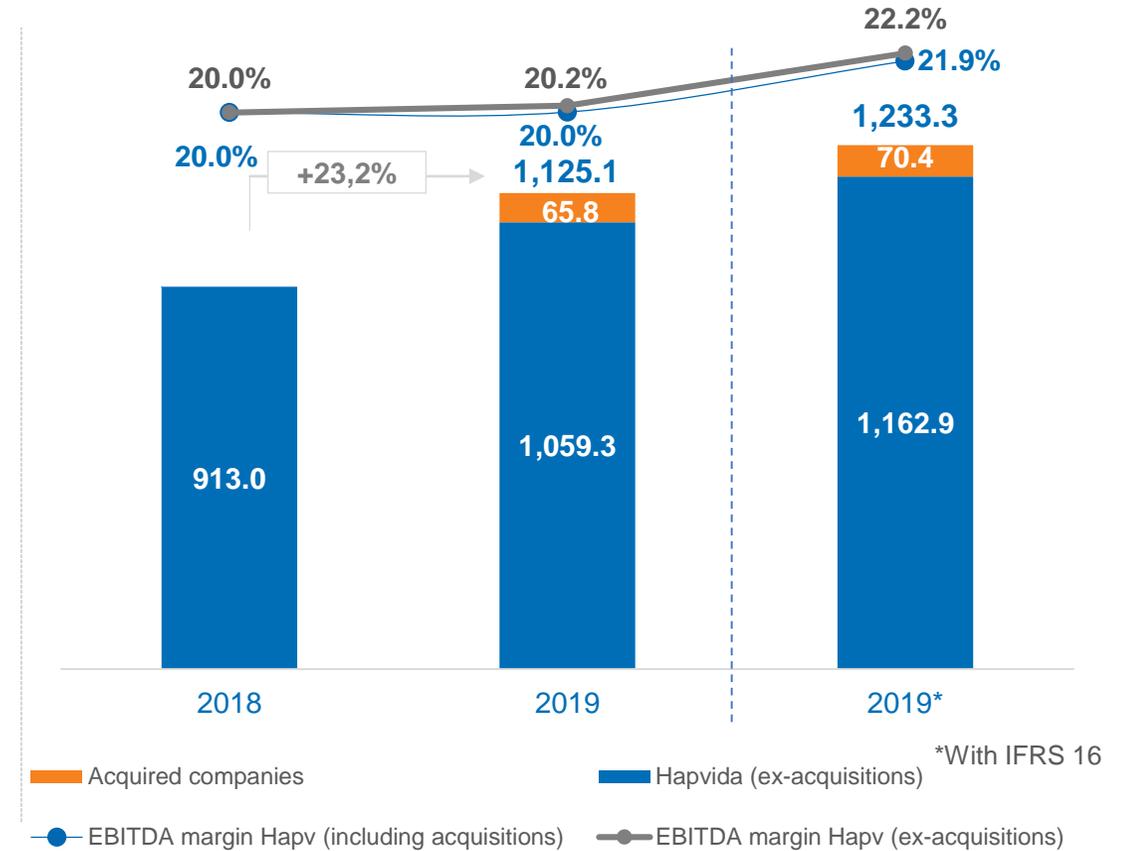
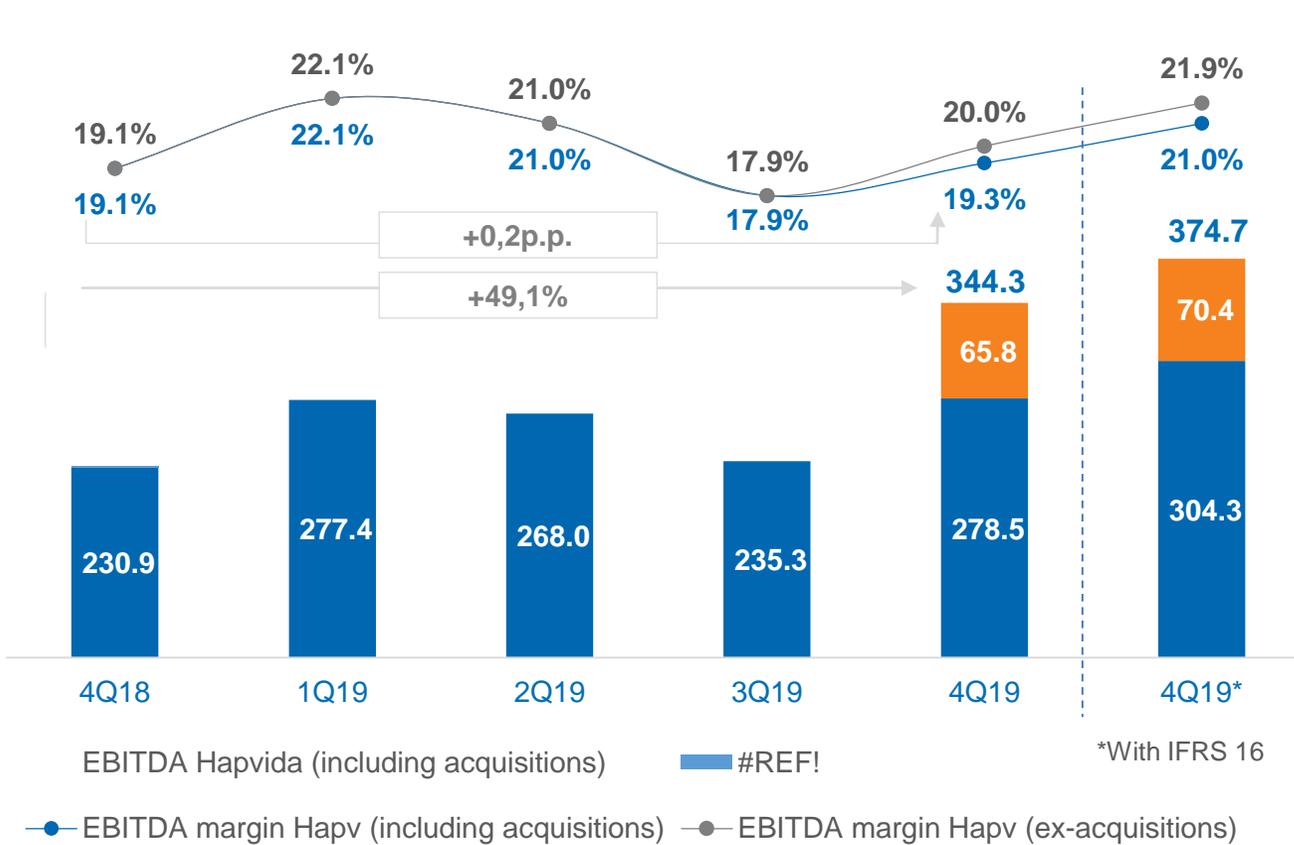
(In R\$ million and %NOR)



EBITDA and EBITDA margin

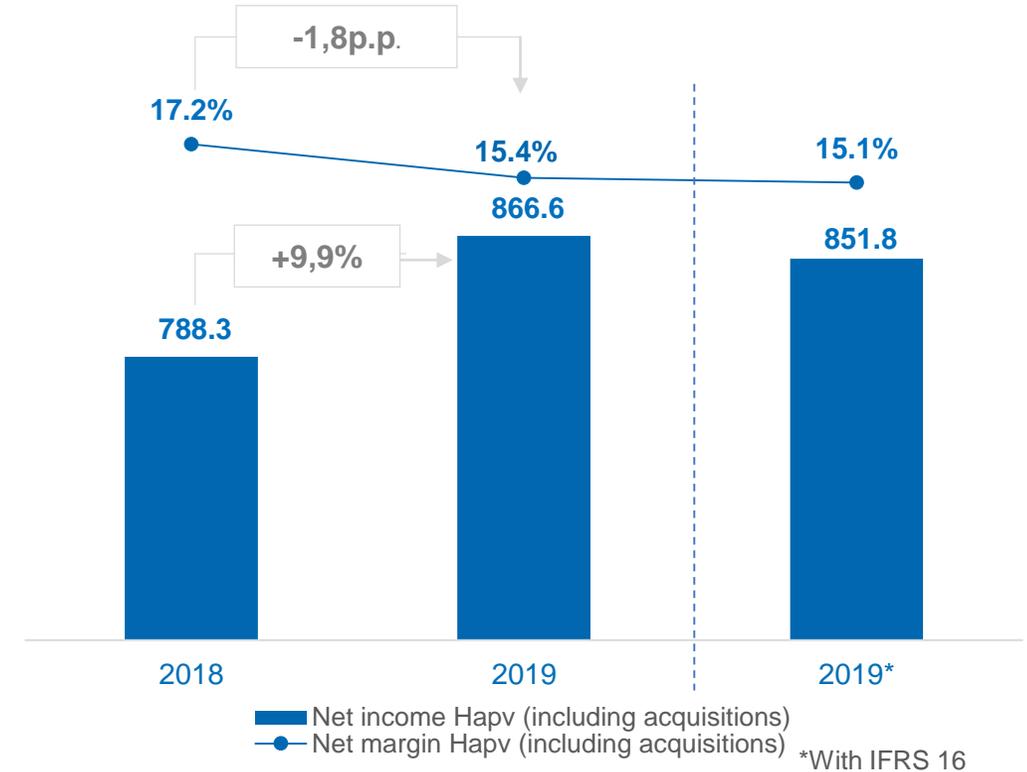
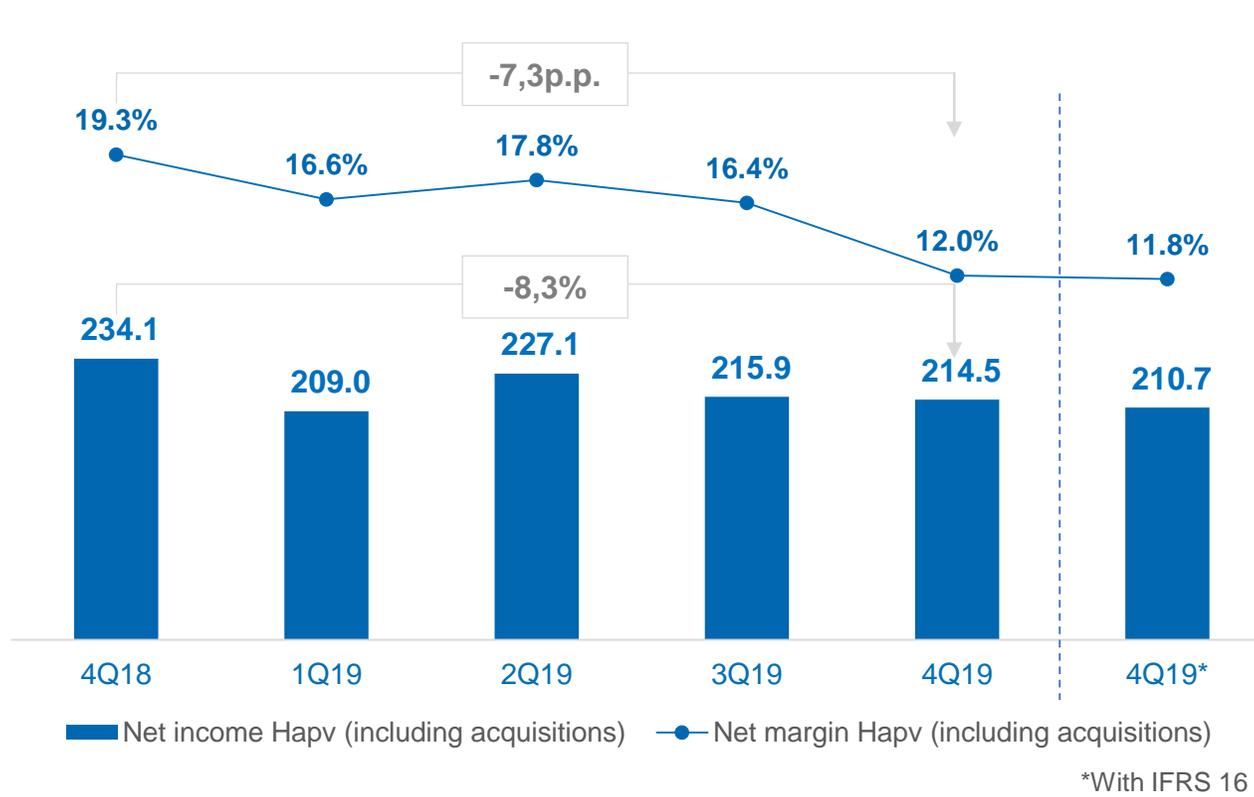


EBITDA and EBITDA margin
(In R\$ million and %NOR)

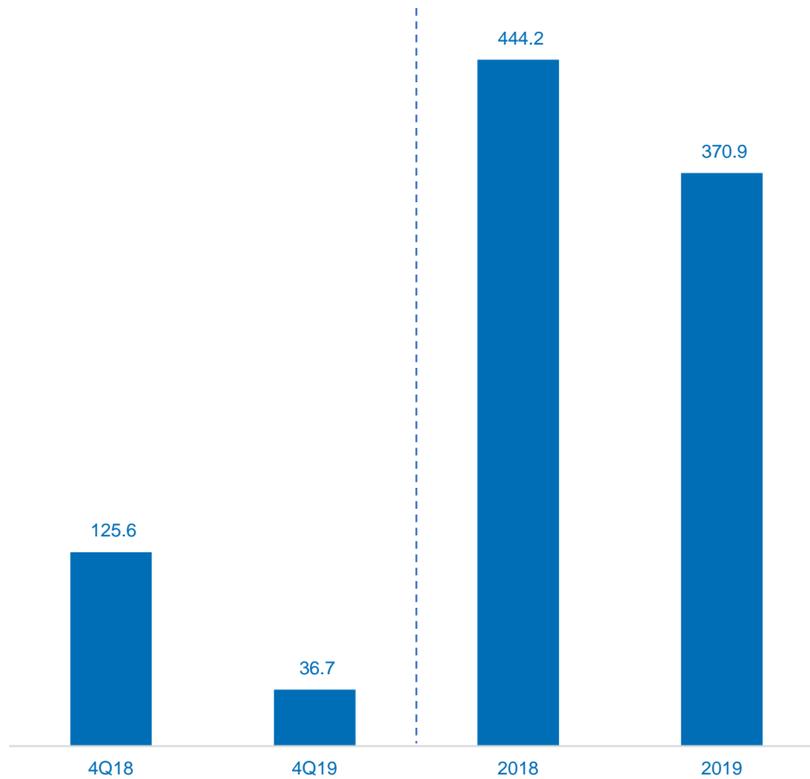


Net income and net margin

Net income and net margin
(In R\$ million and %NOR)



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



Capex
(In R\$ million)

