



**Institutional Presentation | 4Q20**

  
**SulAmérica**

**125**  
ANOS

# SulAmérica at a Glance

Solid business model with proven track record



### Financial highlights (2020)



Revenues **R\$20.0 billion**



Total assets **R\$27.9 billion**



Shareholders' equity **R\$8.1 billion**

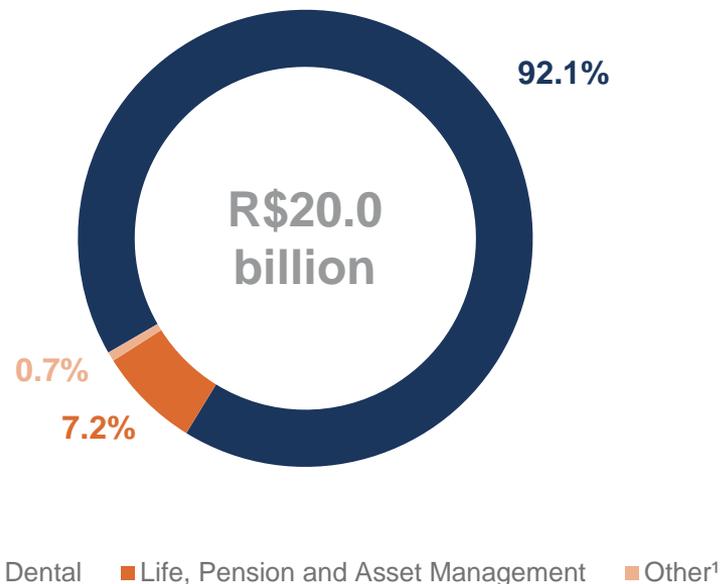


Gross Operating Margin **R\$2.6 billion**



Net income **R\$797.2 million**

### Revenue breakdown



Note: Revenues figures and breakdown, gross operating margin and net income consider 2020 adjusted figures, excluding the divested Auto/P&C segments.

(1) Other operating revenues consider the saving bonds segment and other Company revenues.



1895

SulAmérica is founded as a life insurer by the Larragoiti family



1929

Savings bonds introduced with SulaCap  
Begins Automobile insurance



1970

Enters healthcare business (ASO)



1987

Begins offering Private Pension plans through SulaPrev



1996

Acquisition of Brasilpar, begins Asset Management operations



2001/2

Dutch ING acquires stake with ownership at the holding company



2019

Acquisition of Paraná Clínicas  
Sale of auto and P&C operations to Allianz

2020

Investment in Órama  
Divestment of savings bonds

Acquisition of Prodent, a relevant dental operator



2013/14

ING sells its stake in SulAmérica

2011



Acquisition of Dental Plan



2007

SulAmérica's IPO at the São Paulo Stock Exchange (B3)

➤ Board of Directors and its Advisory Committees **actively promote the Company's strategy** and the **continuous improvement of ESG practices**

### Board of Directors



**60%**  
of independent members



**20%** of women

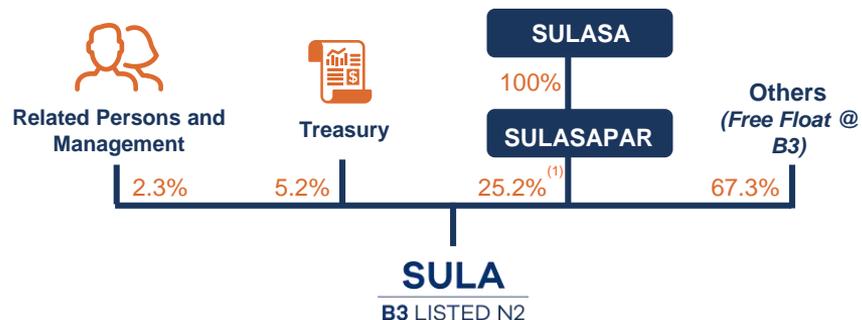
Valuing a mix of profile and experiences, as well as gender diversity



**5** Statutory Committees

Audit and Risk Management, Investments, Human Capital, Governance and Sustainability

### Shareholding Structure



▶ **R\$140 million**  
daily average traded volume'

### Signatory of global principles:



Global Compact



Principles for Sustainable Insurance



Principles for Responsible Investment

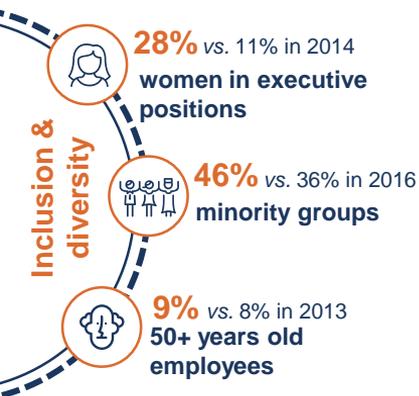
### Included in relevant sustainability indexes:

**Índice CDP Brasil**  
Resiliência Climática (ICDPR-70)  
Sustainability Yearbook  
Member 2021  
S&P Global

**FTSE4Good**  
ICO2B3



### Human capital development <sup>(1)</sup>



#### Talent and succession management



**88%** executive positions with mapped successors

**93%** of key personnel retention in 2020

#### Flexibility, collaboration and identity



Flexible working hours, homeworking, home office, collaborative spaces, new *dress code* with individual appreciation

### Products and services innovation

#### Aligned with SDG #3 – Health and well-being

*Saúde Ativa* program addressing health challenges



Multidisciplinary process for assessing risks and product opportunities

#### Technology focused on promoting access to healthcare and better life quality



Doctor Video Calls



Care Coordination



Doctor House Calls

### Financial education and conscious use of insurance



**Educaprevi:** private pension product designed for children and youngsters, featuring the support of *Escola Online* (online tutoring)

### Responsibility in Value Chain



Social and environmental engagement and evaluation of suppliers



Commitments to reduce emissions, energy and water consumptions, in addition to increase waste recycling by 2023

### Assistance and Services Quality



1<sup>st</sup> place <sup>(3)</sup> in Customer Support



### Great opportunities in Health & Wealth

- Resilient segments, with consistent growth at double-digit rates, especially Health insurance, which has still low coverage in Brazil, in addition to opportunities in the Dental segment
- Increased prospects in Wealth given the low interest rate environment and pension reform



### Strong and credible brand with proven track record

- SulAmérica is one of the strongest brands in the markets in which it operates, with a relevant position in Health & Dental
- 125-year history with a long-term focus and sustainable results



### Strong financial profile and operating efficiency

- Track record of improving operating performance
- Well positioned to benefit from secular growth trends + industry consolidation



### Experienced independent management team + strong and diversified Board of Directors

- Seasoned Management Team and Board of Directors, with deep understanding of the Brazilian markets
- Combination of knowledge, tradition and increasing diversity, with a mix of profiles and experiences

# Diversified Distribution Model and Strong Sales Force

Solid relationship with distribution network

## Corporate

Large corporate brokers



Corporate brokers



## Affinity

Large volume brokers



Niche players with retail distribution

## Partnerships

Financial and retail institutions



Partnerships with bancassurance



## Retail

Independent brokers



36,000+ independent brokers

+50 branches supporting sales & distribution

## Brand New Relationship Platform for Brokers



**CUSTOMER FOCUS:** EASY ACCESS TO ALL CLIENTS PRODUCTS AND CROSS-SELL OPPORTUNITIES

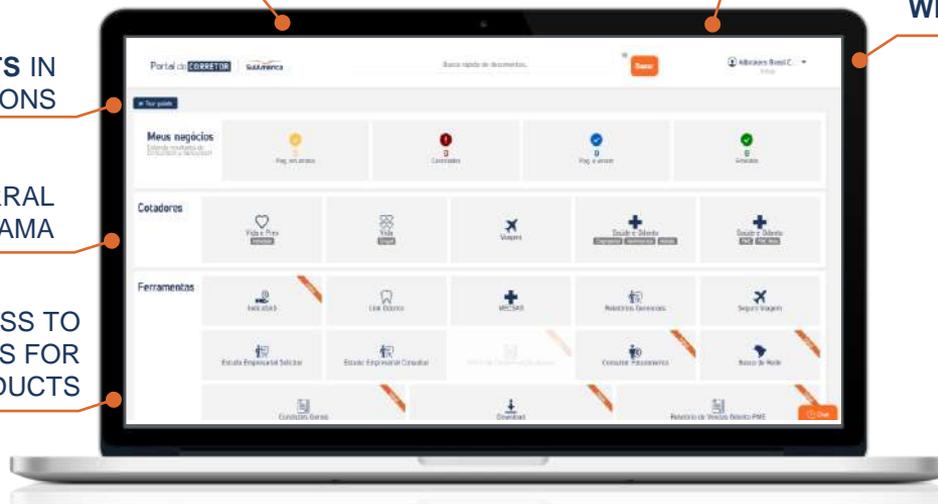
PERSONALIZED ASSISTANCE TO HELP IMPROVE PRODUCTIVITY AND GENERATE BUSINESS OPPORTUNITIES

SEAMLESS TRANSITION BETWEEN WEB AND MOBILE PLATFORMS

49K PARTICIPANTS IN ONLINE TRAINING SESSIONS

INDICASAS: REFERRAL PROGRAM TO ÓRAMA

FULLY ONLINE: EASY ACCESS TO ALL QUOTATION ENGINES FOR DIFFERENT PRODUCTS



- **Internal policies** to ensure the application of standards and guidelines for **information protection of intellectual property**, both for the **Company** and the **general public**

### Risk management

- **Continuous assessment** of emerging **cyber security risks**:



Review of procedures on **cyber threats**



**Security program** enhancement

### Safety and security culture

- **Data protection and cyber security culture program**, reaching all hierarchical levels:



Training and workshops



Campaigns and simulations  
(e.g. phishing prevention)

**Addressed themes:** data security and access management, personal data processing.

### Guidelines and practices



**Policies and regulations**

- *Periodically reviewed and widely disclosed*
- *Applicable to the entire Company and its suppliers*



**Periodic analysis of vulnerabilities**



**Incident response plan**



GDPR

### Data privacy



**Constant assessment** of potential impacts and privacy risks



**Data-mapping** across all business units



**GDPR\* Working Group** to address issues and demands



Development of **data privacy policy**

# Secular Growth Trend in Health & Wealth

## Resilient sectors and still highly underpenetrated

### Brazilian insurance market – revenue per segment

(R\$ billion)

CAGR: +9.4%



### Insurance penetration per segment in Brazil





Health & Dental

  
SulAmérica

**125**  
ANOS

# SulAmérica – Health & Dental

Several options for customers in a broad portfolio



## LARGE CORPORATE

Over 100 members



## SMALL & MEDIUM ENTERPRISES

3 to 99 members



## AFFINITY

Professional bodies, associations and organizations

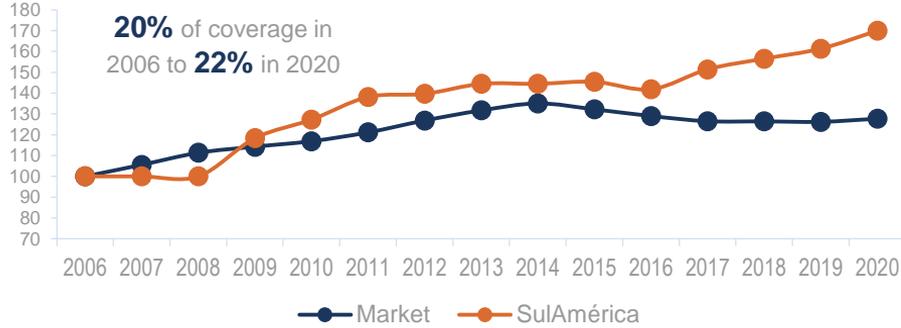
### Main features

- Nationwide coverage with wide range of products for all types of companies
- Broad preferred and high quality provider network
- Comprehensive portfolio
- New line of regional, more affordable products
- Offers based in high quality care
- Policies with annual price adjustments
- Well-being programs and Care Coordination strategy
- Increased use of technology and digital tools
- Co-payment programs – gaining relevance in the portfolio

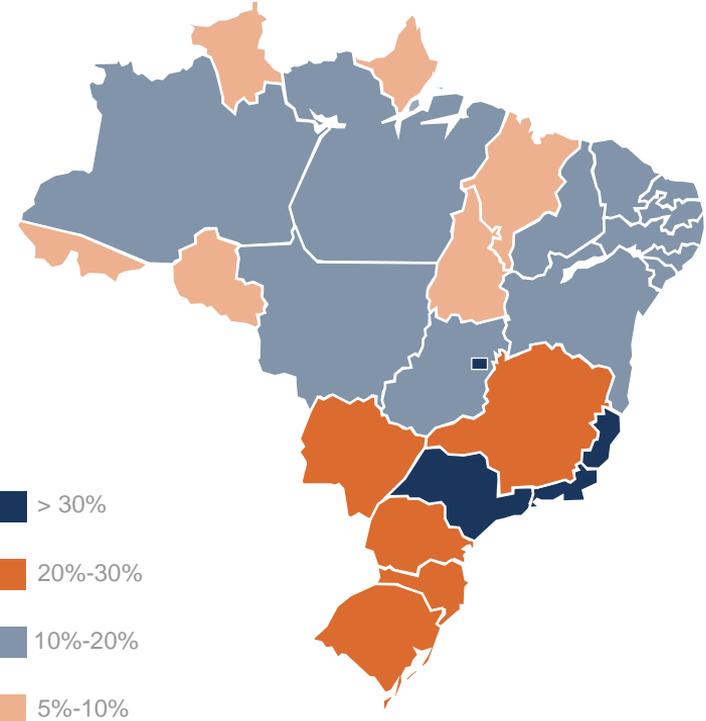


### Insured beneficiaries evolution

(indexed on 2006)

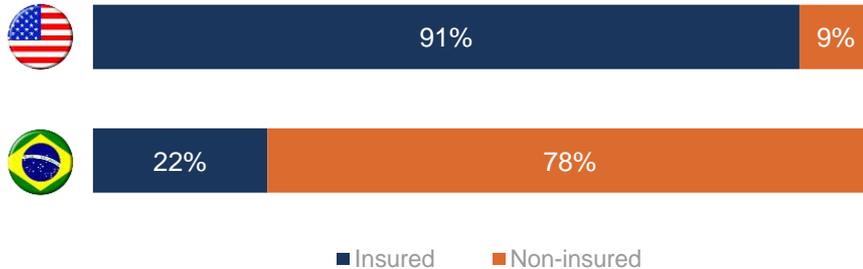


### Coverage per State



### Health plan penetration

(% of population)



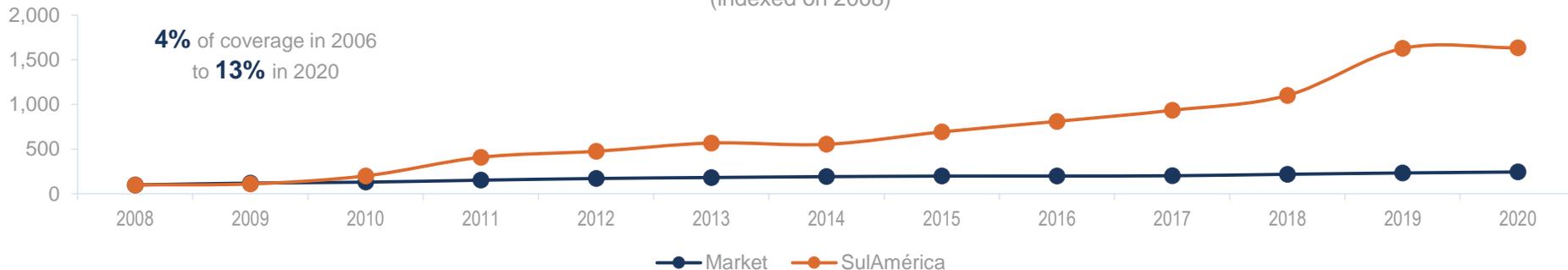
Source: ANS and Census US (2015).

# Market – Dental

High growth segment with market penetration opportunity

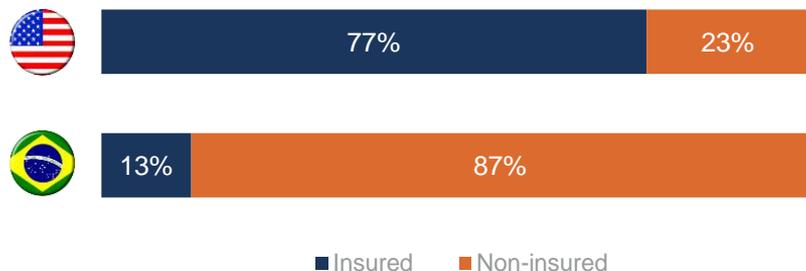
## Insured members evolution

(indexed on 2008)



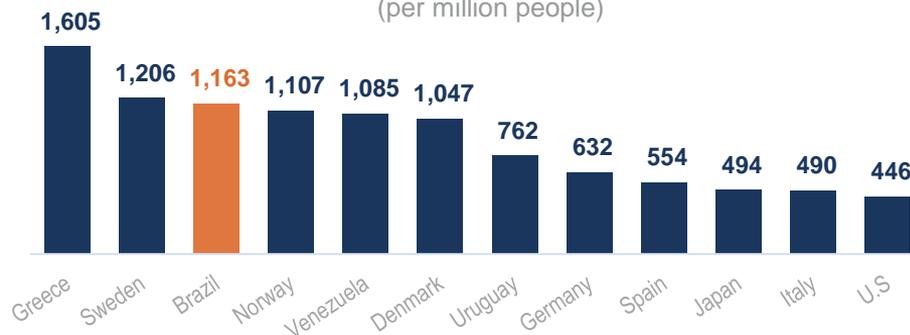
## Dental plan penetration

(% of population)



## # dentists per inhabitants

(per million people)

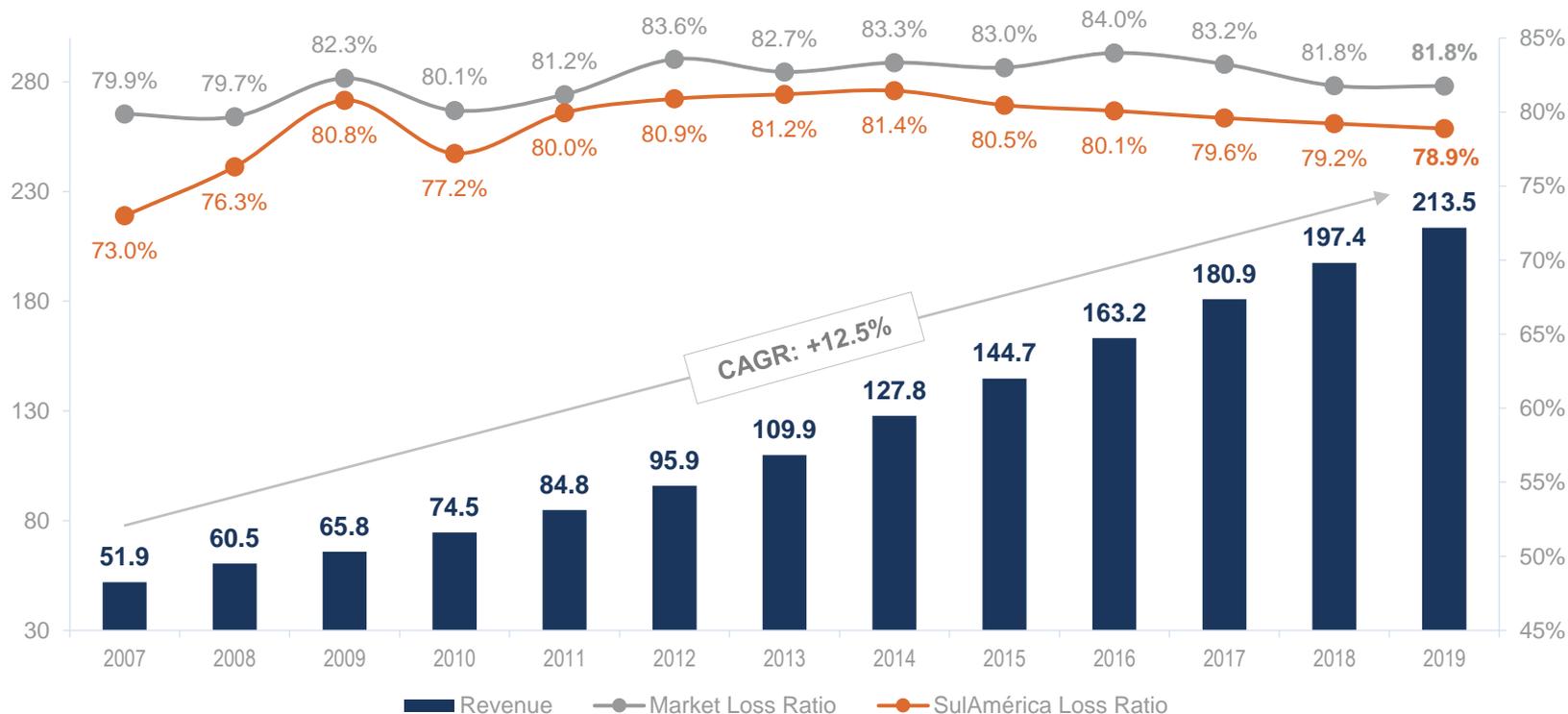


# Market – Health & Dental

## Evolution of private healthcare market

### Total market revenue and loss ratio

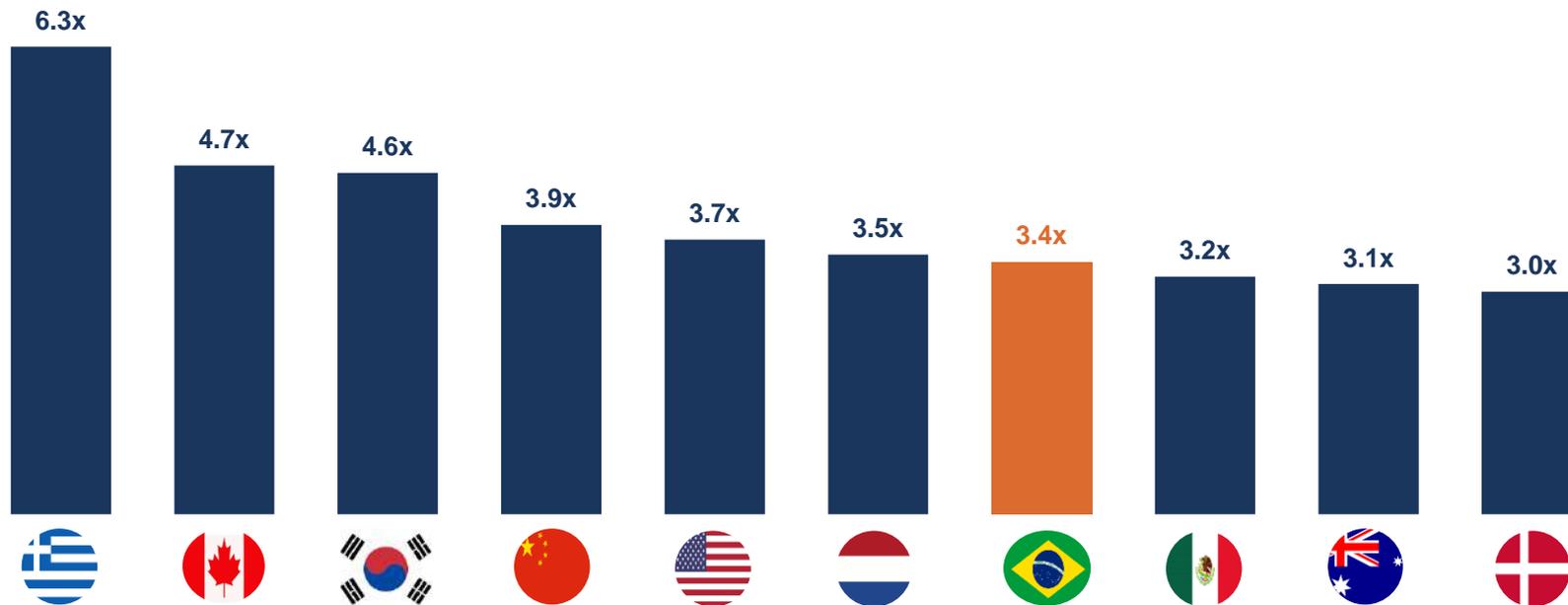
(R\$ billion and % of total)



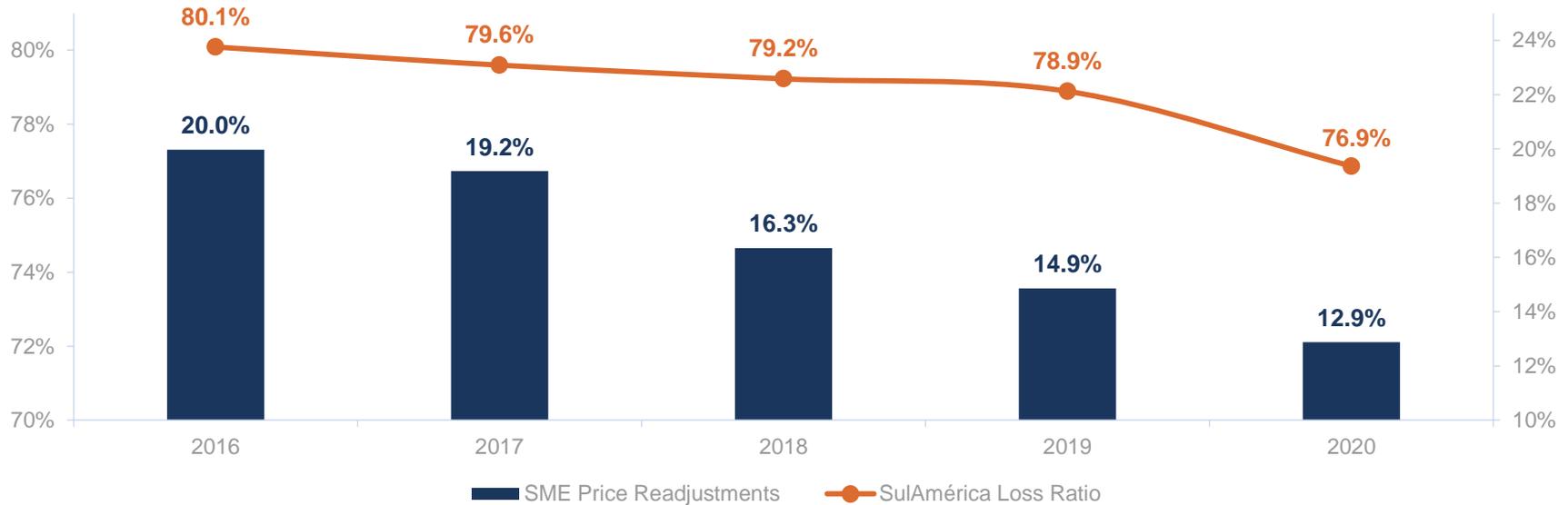
# Market – Medical Inflation

Running at high levels globally, not only in Brazil

## Medical inflation vs. benchmark CPI



### Annual price increases for SME plans vs. medical loss ratio



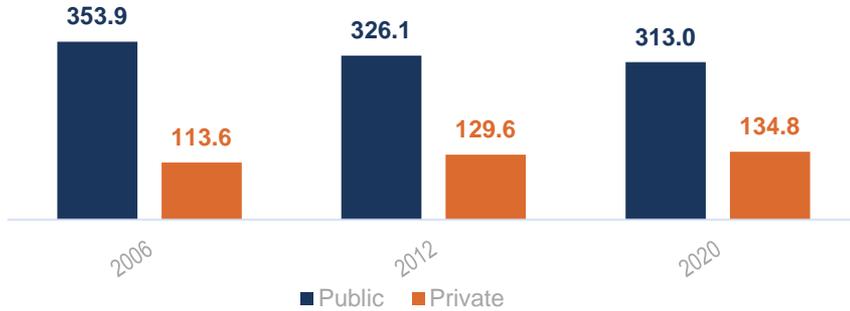
**Claims and health management** initiatives leading to **lower price increases (-710 BPS)** and **loss ratio improvement (+320 BPS)**

# Health Providers in Brazil

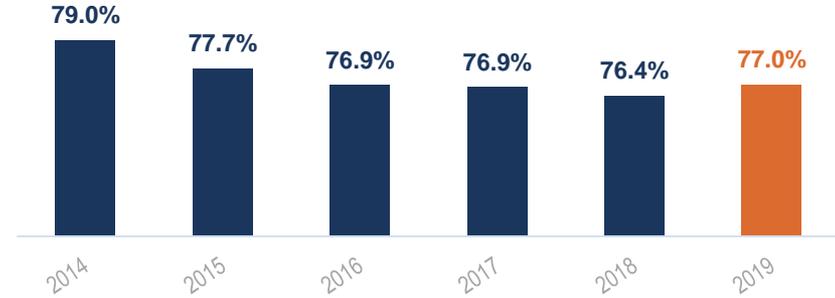
## Hospital beds and utilization levels evolution

### Hospital beds evolution

(thousand)

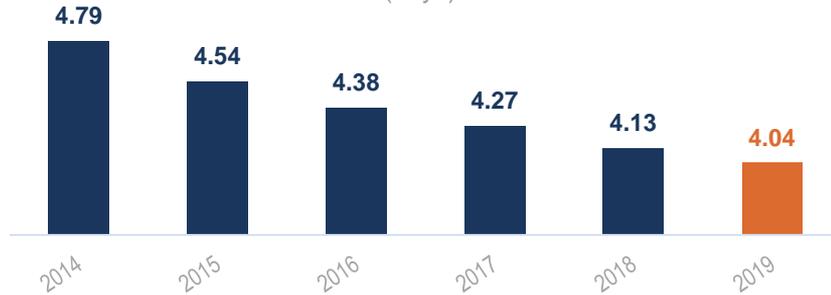


### Private hospitals occupancy rate

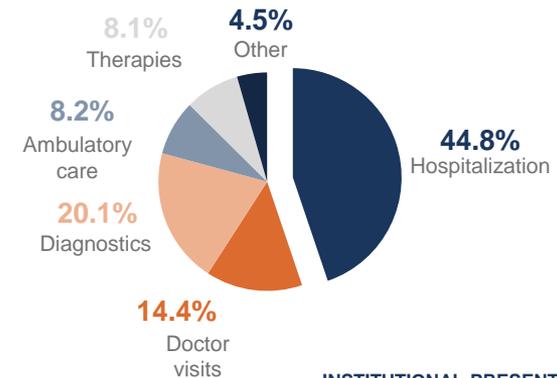


### Average length of stay in private hospital beds

(days)



### Health plan operators expenses breakdown

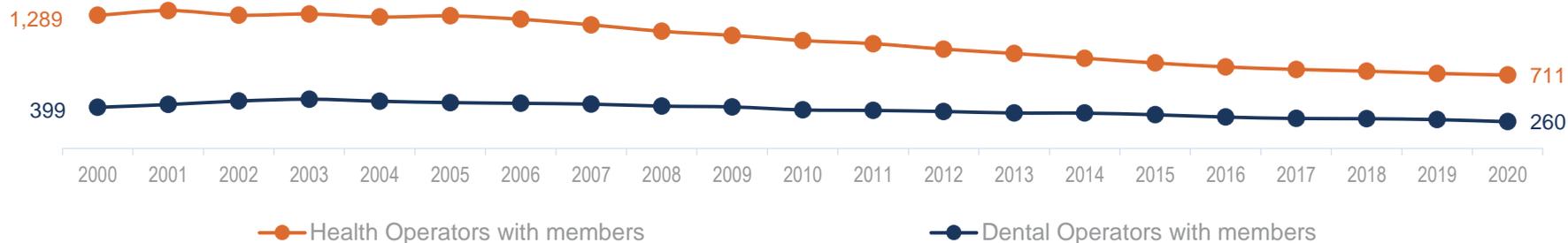


# Health and Dental Market – Private Healthcare Industry

Consolidation is accelerating

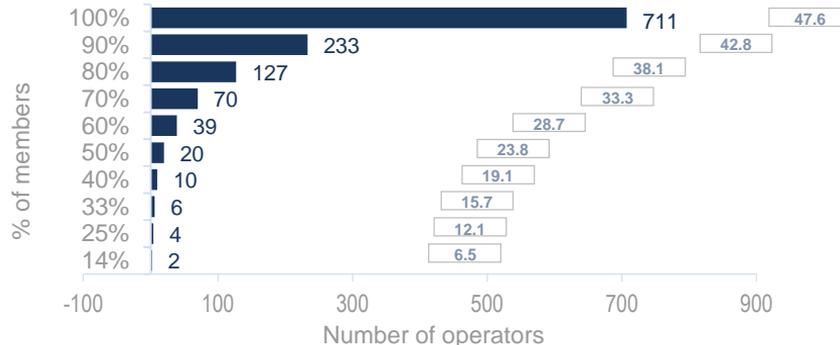
## Health & dental operators

(Dec/20)



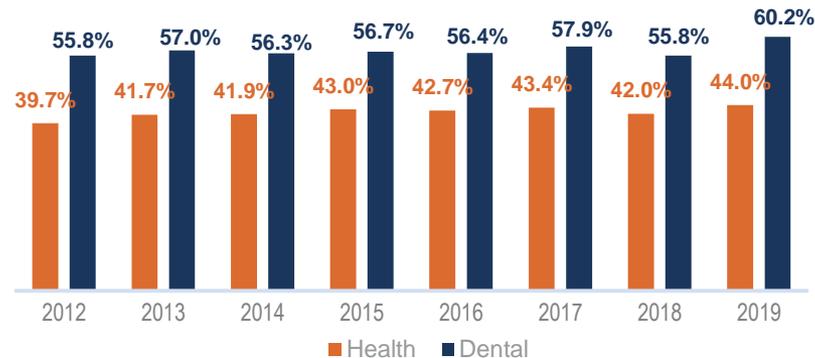
## Health members & operators

(million members – Dec/20)



## Top 5 health & dental operators

(% of revenues – Dec/19)



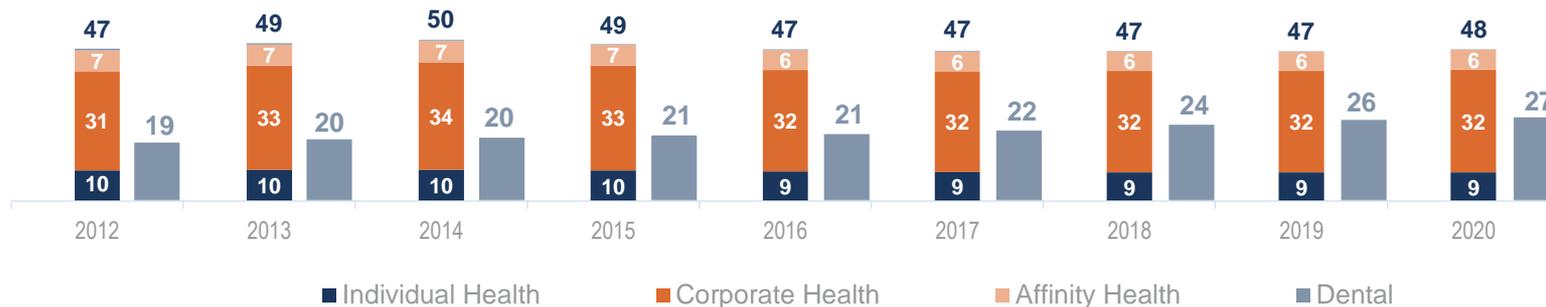
# Private Healthcare Industry

## Profile per type of insurance plan

Market	Insured members <sup>(1)</sup>	MoM change <sup>(1)</sup>	Coverage rate
 	47,564,363	+0.38%	22%
	27,050,313	+1.37%	13%

As of December/2020

Health & Dental total market members<sup>(2)</sup>  
(million)



Source: ANS.

(1) Numbers subject to retroactive changes by ANS (2) Does not consider "other" and "not informed" members in health.

# Health and Dental Market

## Market share in revenues



### HEALTH

Top 10 players

1 <sup>st</sup>	13.7%	Bradesco
2 <sup>nd</sup>	10.8%	Amil
3 <sup>rd</sup>	10.6%	SulAmérica
4 <sup>th</sup>	5.3%	NotreDame Intermédica
5 <sup>th</sup>	4.3%	hapvida
6 <sup>th</sup>	2.7%	Unimed Rio
7 <sup>th</sup>	2.6%	Central Nacional Unimed
8 <sup>th</sup>	2.4%	Unimed Belo Horizonte
9 <sup>th</sup>	2.2%	PREVENT SENIOR
10 <sup>th</sup>	1.6%	Unimed Porto Alegre

56% among the top 10 players



### DENTAL

Top 10 players

1 <sup>st</sup>	35.4%	Bradesco OdontoPrev
2 <sup>nd</sup>	12.3%	Amil Dental
3 <sup>rd</sup>	7.1%	SulAmérica
4 <sup>th</sup>	6.6%	hapvida
5 <sup>th</sup>	5.8%	NotreDame Intermédica
6 <sup>th</sup>	4.2%	MetLife
7 <sup>th</sup>	2.6%	PORTO SEGURO Odontológico
8 <sup>th</sup>	2.1%	SEGUROS Unimed
9 <sup>th</sup>	1.9%	DENTAL UNI
10 <sup>th</sup>	1.8%	UNIODONTO CAMPINAS

80% among the top 10 players

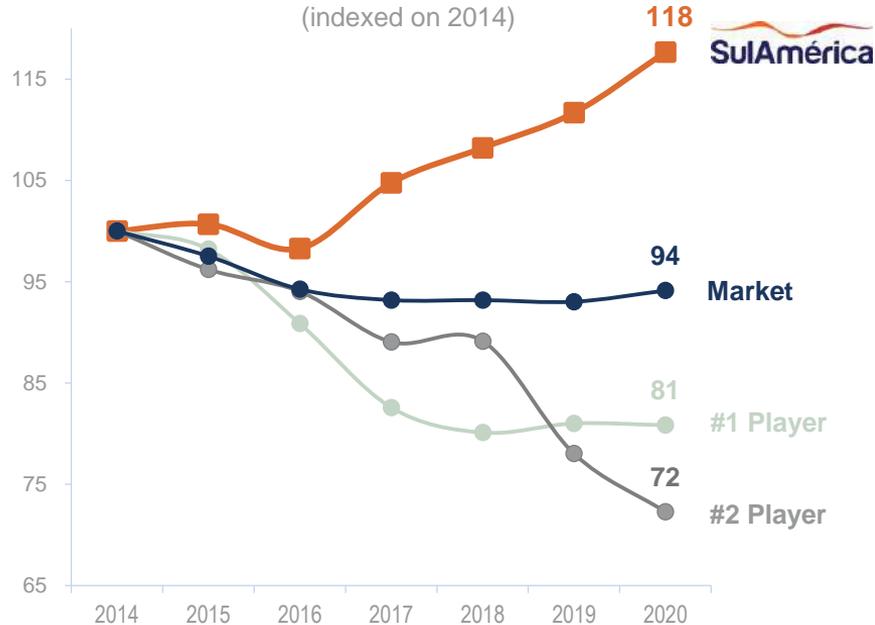
# SulAmérica – Solid Growth Trend in Health

In different environments, SulAmérica has been outperforming

➤ SulAmérica has been **growing above the market** and **organically gaining market share**

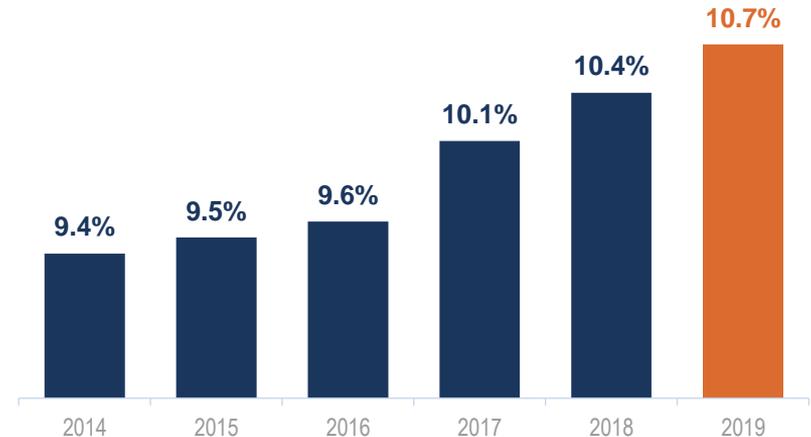
## Health membership evolution

(indexed on 2014)



## SulAmérica's market share

(% of total market revenues)



 **2.4 million**  
beneficiaries

 **1.8 million**  
beneficiaries



 **34%** of health  
clients have **dental**

 **44%** of dental  
clients have **health**



 **+1,200**  
hospitals

 **+3,600**  
laboratories

 **+18,300**  
health providers

 **+11,100**  
dental providers

### Service & Operational highlights



Health and wellness  
management in a  
Coordinated Care strategy



**367k**  
hospitalizations<sup>(2)</sup>



**26k**  
birth deliveries<sup>(2)</sup>



**8.8 million**  
doctor visits scheduled



procurement and delivery of  
special drugs



**15 million**  
pre-authorized procedures



**+10 million**  
processed reimbursements



**60 million**  
diagnostic tests requested

## Digital App – Health

FIRST IN BRAZIL TO USE MACHINE LEARNING FOR **APP-BASED REIMBURSEMENTS**  
NO MORE PAPER AND MAIL

FIRST TO PROVIDE ACCESS CONTROL THROUGH **FACE RECOGNITION**

**TOP RANKED** APP WITH A RATING OF 4.3/5

**TOP 10 DOWNLOADED APP** (HEALTH & MEDICINE)  
OVER 1.3 MILLION USERS



**IN-APP VIDEO CALLS WITH DOCTORS AND PSYCHOLOGISTS**

**REQUESTS FOR DOCTOR HOUSE CALLS**

**ENHANCEMENTS DURING THE COVID-19 PANDEMIC: INCREASED USE OF TECHNOLOGY AND DIGITAL TOOLS**

↑ **~529k** video appointments and therapies in 2020

# SulAmérica – Claims Management

More than 30 initiatives to curb costs and frequency



## Sourcing

direct purchase of drugs and special materials



**Second opinion** protocols



**Medical audit** teams



**Prior validation** of medical procedures



**Packages** of procedures, **global daily rates**, **bundles**, among others



**Medical board**



**Predictive audit** with **advanced analytics**



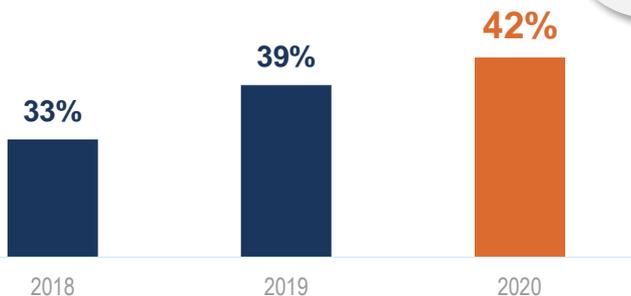
**Fraud prevention**

## Results



## New Payment Models

(% total claims)



**+200 hospitals** with price list negotiated for materials



**~29% savings** on direct purchase of materials



**Better diagnostic assertiveness** and **increase** in **non-surgical** recommendations



**+380 hospitals** with negotiated process for direct purchase of special materials and drugs

### Main highlights



**+236k**

clients impacted



Future mommy: **13% less**  
neonatal ICU cases



Mental Health: improvement of  
**80%** in **depression** and **anxiety**



Active back care: **47%**  
**less surgeries**

### Saúde Ativa initiatives



Active back  
care



Oncology



Well cared  
elderly



Future  
mommy



Mental health



Healthy aging



High-risk  
management



Chronic disease



Orthopedics

### Saúde Ativa services



Doctor  
house calls

**90%**

of patients did not go to  
the ER afterwards

**50**

cities with the  
service available



Medical orientation  
by phone

**24/7**  
support

**+112k**  
calls in 2020



Primary care  
network

**97%**

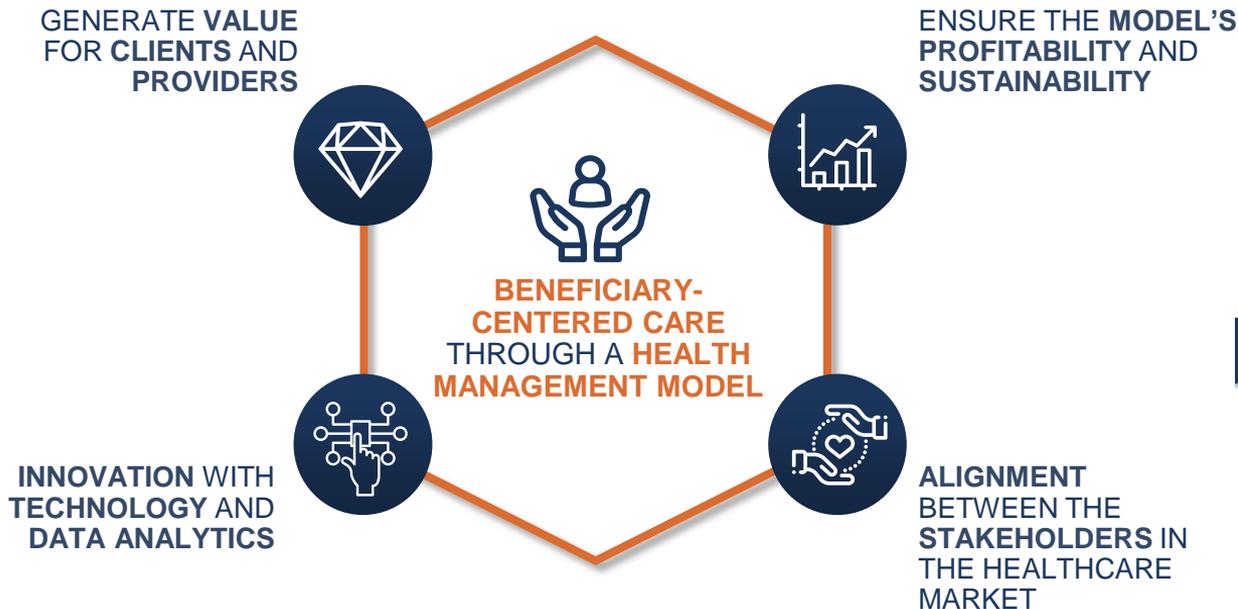
of cases solved in  
the network

**90**

NPS

# SulAmérica – Care Coordination

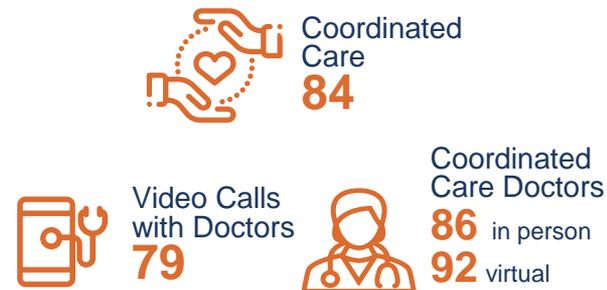
## Integration of the healthcare market



### Main figures

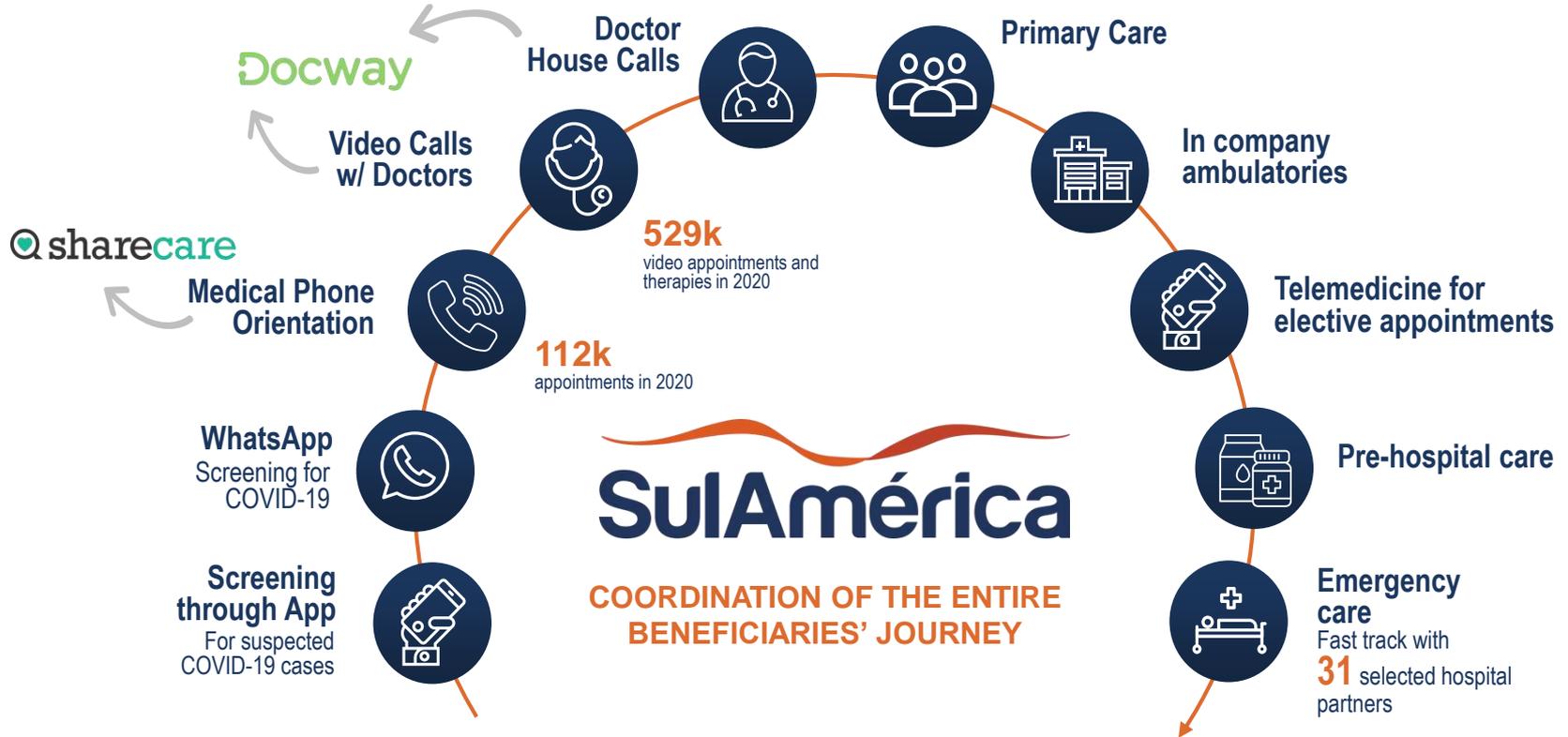


### High NPS\*



# SulAmérica – Care Coordination

## Integration of the healthcare market



# SulAmérica – Midticket strategy

Launch of SulAmérica Direto, new line of regional products

## SulAmérica DIRETO

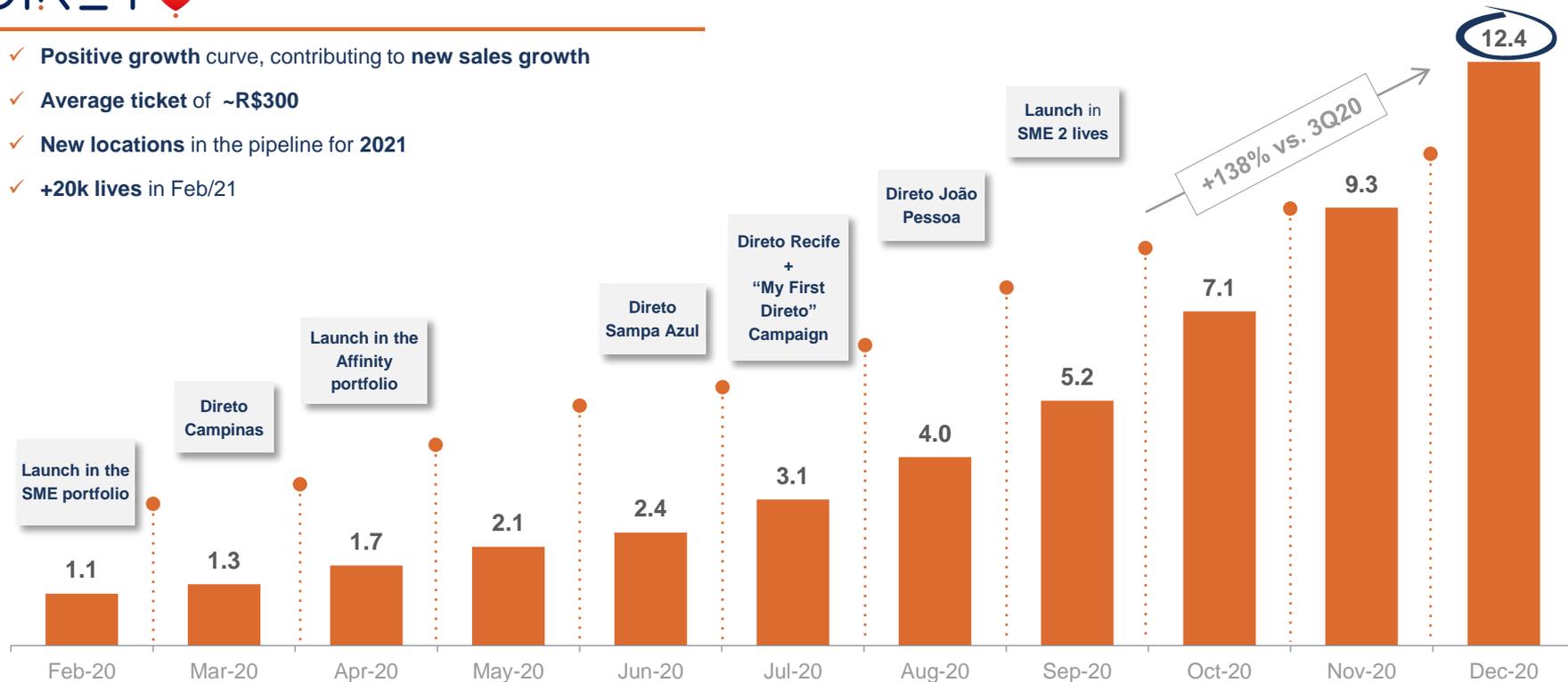
- **New, regional and more affordable products**
- Targeting **strategic regions**
- **Optimized network** with primary and secondary care
- **Strong partnership** with selected **top notch providers**
- **Revolution in payment models** – moving away from “fee for service”
- Recently **expanded to SME and Affinity** portfolios
- Soon to be expanded to **new locations**
- Boosts **retention strategy & increases potential addressable market**





### Active Beneficiaries – SulAmérica Direto (thousand)

- ✓ Positive growth curve, contributing to new sales growth
- ✓ Average ticket of ~R\$300
- ✓ New locations in the pipeline for 2021
- ✓ +20k lives in Feb/21



# SulAmérica – M&A Strategy in Health and Dental

Strategic deals to foster new growth opportunities

- **Active M&A pipeline**, seeking **strategic assets** to leverage new **growth opportunities**
- Targets should have **alignment** with **SulAmérica's strategic plan**
- **Dedicated M&A and integration teams**



## Recent M&A transactions



- **Prodent**, one of the **largest dental operators** in Brazil, was acquired in Oct-19
- More than **300k new beneficiaries** in dental plans
- Prodent brings **know how** in **individual** and **retail segments**, leveraging distribution channels
- Boosts the **strategy** to **grow** in the **high-growth dental segment**



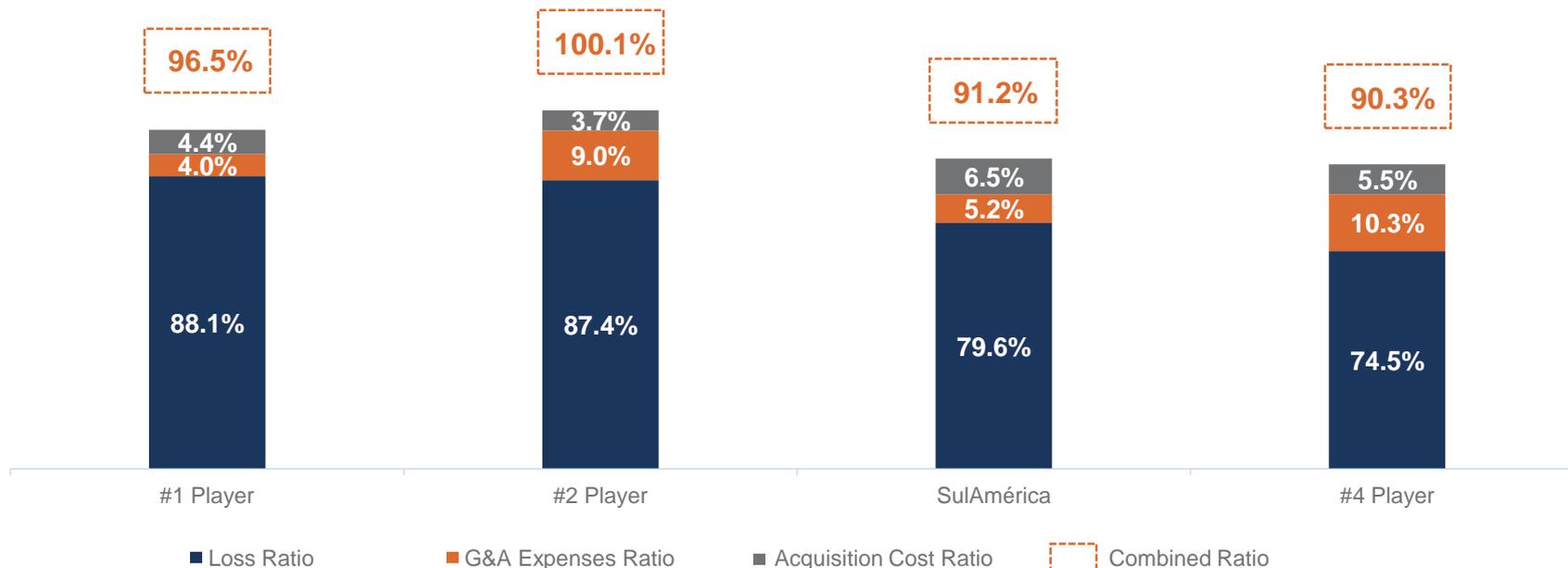
- **Paraná Clínicas** is the **fifth largest HMO** in **Paraná** state
- **90k health beneficiaries** almost only in **corporate plans**
- **Strategic region** with **high growth potential**
- **New level of average ticket** (below ~R\$200), accelerating our **midticket** strategy
- Clinics will bring **know how** for our **Coordinated Care** strategy

# SulAmérica – Proven model with solid profitability

## Verticalization does not represent meaningful advantage

➤ **Health insurers and HMOs have different cost structures:** overall performance considers not only the loss ratio

Combined ratio in 2019 – 4 largest healthcare companies

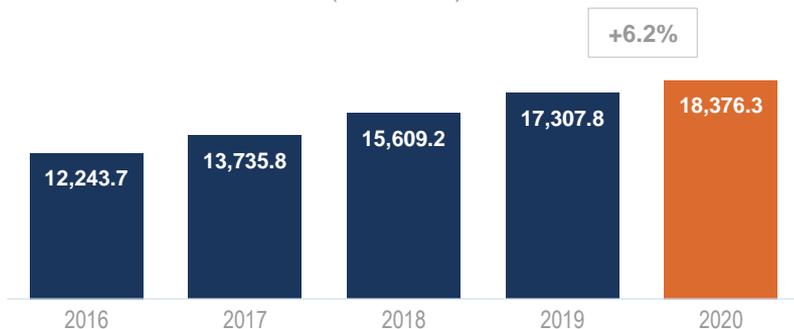


# SulAmérica – Health and Dental

## Financial and operational highlights

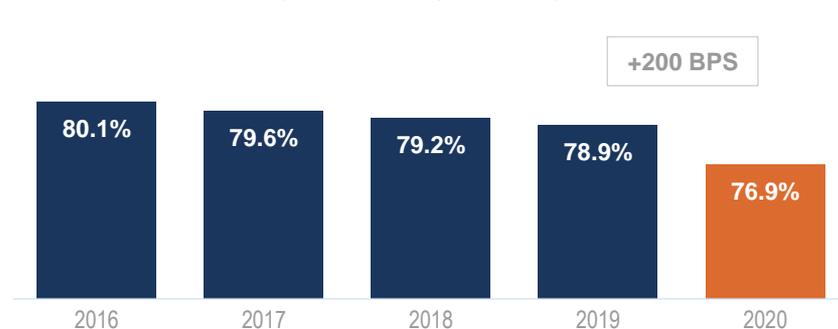
### Operating Revenues

(R\$ million)



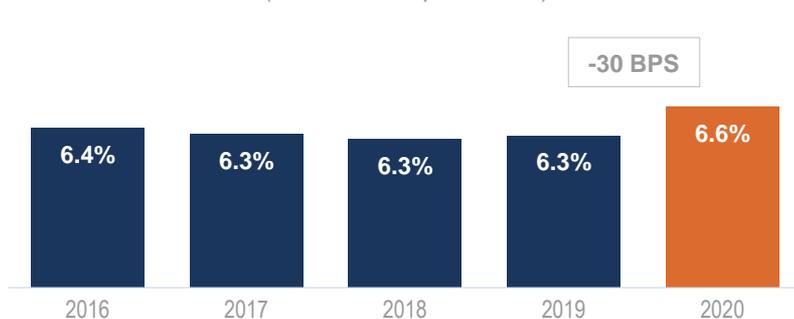
### Loss ratio

(% of earned premiums)



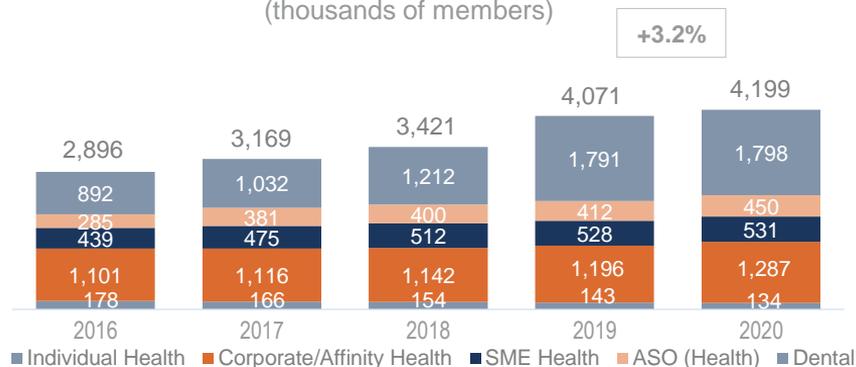
### Acquisition cost ratio

(% of earned premiums)



### Members

(thousands of members)





**Life, Pension & Asset**

  
**SulAmérica**

**125**  
ANOS



GROUP AND SME



INDIVIDUAL



CREDIT LIFE



TRAVEL

### Main features

- Death, accidental death and/or disability, funeral, critical diseases
- Travel insurance fully online gaining share
- Access to telemedicine (Video Calls w/ Doctors)
- Casualty lump sum product also offered
- 12-month contracts, no long-tail risk
- COVID-19 coverage

**3.7 mm**

insured lives

**R\$495 mm**  
in revenues/year

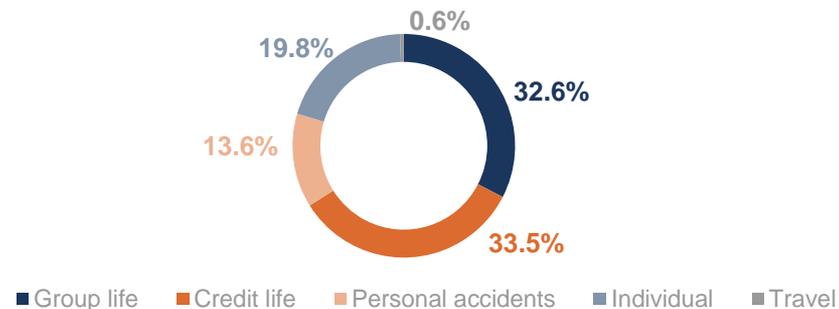
### Premiums

(R\$ billion)



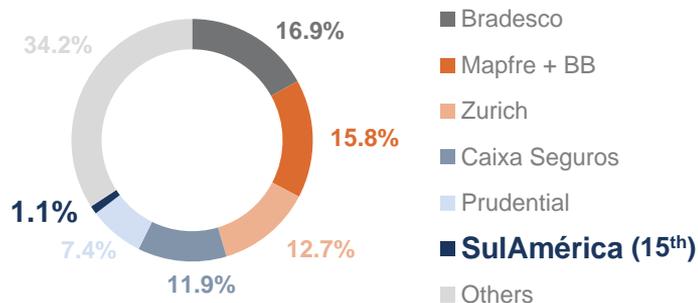
### Premium breakdown by insurance line

(% of total premiums; 2020)



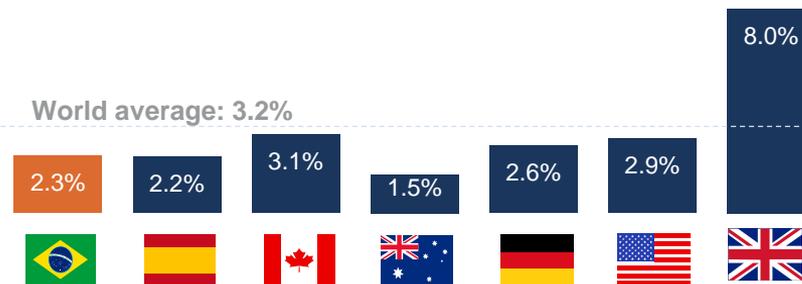
### Market share

(% of total premiums; 2020)



### Life insurance penetration

(insurance penetration as % of GDP; 2019)





GROUP



INDIVIDUAL

### Main features

- Offer of PGBL and VGBL products for companies and individuals
- Special services for family offices and investment distributors
- Wide list of funds to fit any profile and tailor-made services for HR departments
- Combined Value Proposition (Life + Pension + Asset Management)
- 10 sales offices specialized in Life, Investments and Pension
- Access to telemedicine (Video Calls w/ Doctors)



**R\$9.4 bn**

in pension reserves

# Private Pension – Total Market Information

## Overview

### Contributions

(R\$ billion)



### Technical reserves

(R\$ billion)



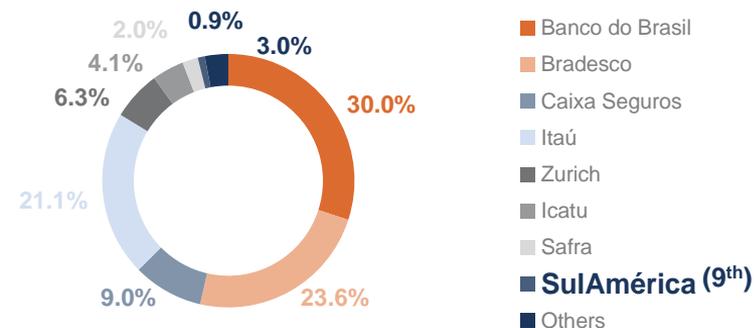
### Contribution breakdown

(% of total contribution; 2020)



### Market share

(% of total technical reserves; 2020)



# SulAmérica – Asset Management

Solid track record with domestic investment expertise



**FIXED INCOME**



**EQUITIES**



**MULTISTRATEGY**

## Main features

- One of the largest independent asset managers in Brazil with ~3% market share
- Diversified portfolio with equity and fixed income products for pension funds, corporates and individuals
- National partnerships (JGP, Brasil Plural, Ibiúna and Constellation)
- Highest S&P Rating: “AMP-1 – Very Strong”
- Signatory of PRI (Principles for Responsible Investment) since 2009

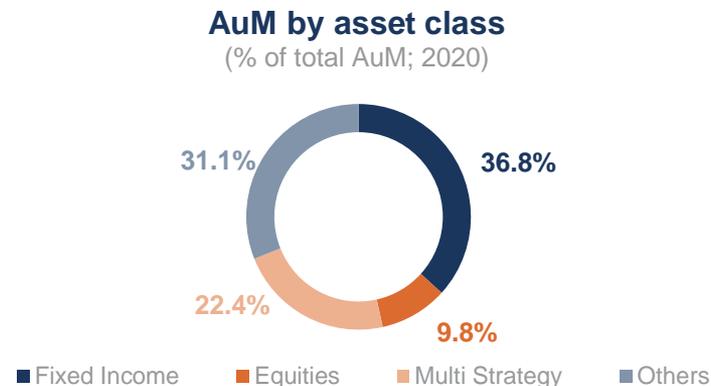
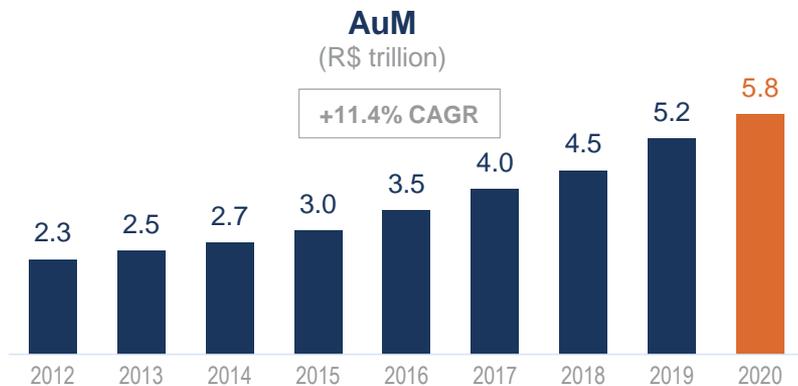


**R\$45.9 bn**

in assets under management

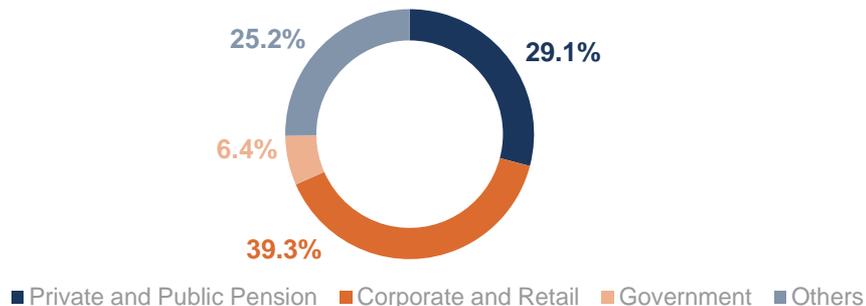
# Asset Management – Total Market Information

## Overview

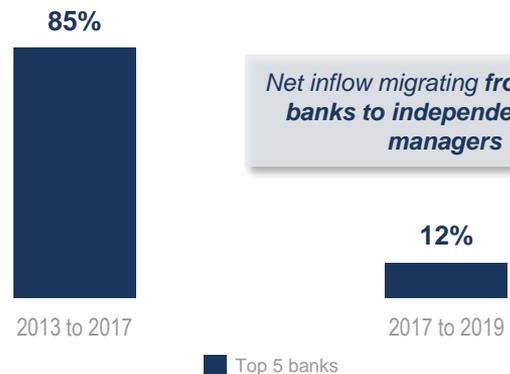


### AuM by investor type

(% of total AuM; 2020)



### Net inflow in investment funds in Brazil



# Strategic Investment in Órama

Focus on digital investment platforms

ÓRAMA

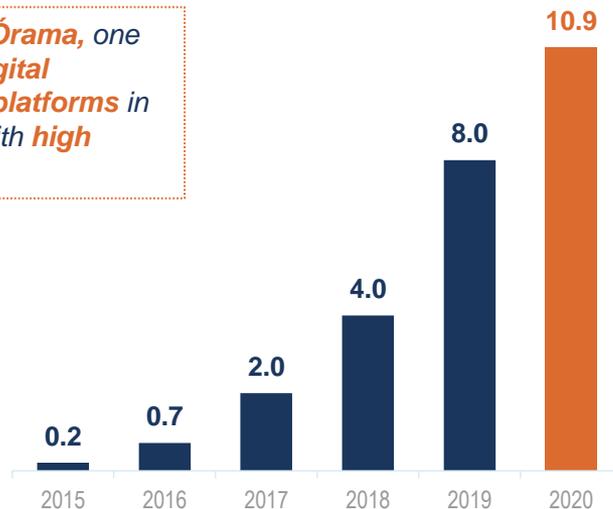


*25% stake in Órama, one of the main digital investments platforms in the country, with high growth rates*

## Assets under Custody (AuC)

(R\$ billion)

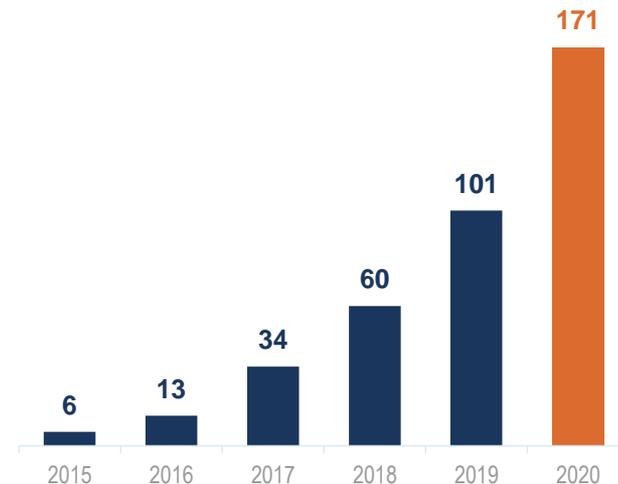
+37%



## Open Accounts

(thousand)

+69%



**Distribution opportunity:** leveraging the **broker channel** through **referral platform** for Órama



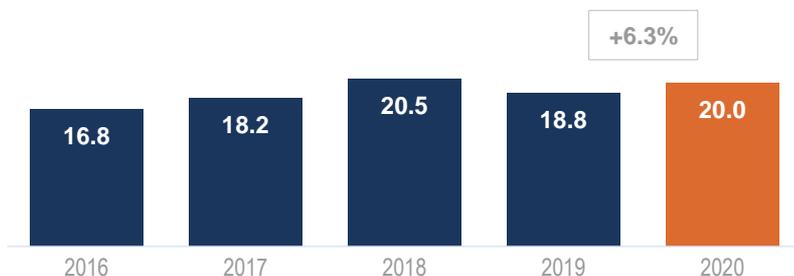
## Financial Highlights

SulAmérica

125 ANOS

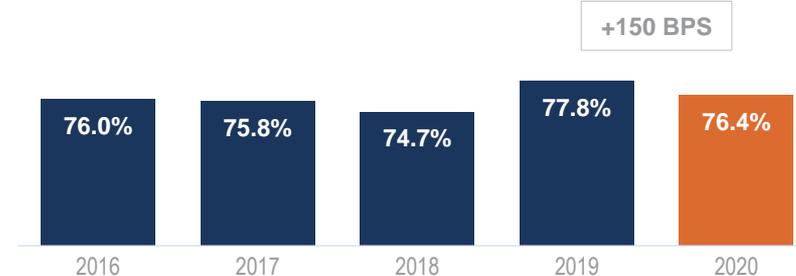
### Operating revenues

(R\$ billion)



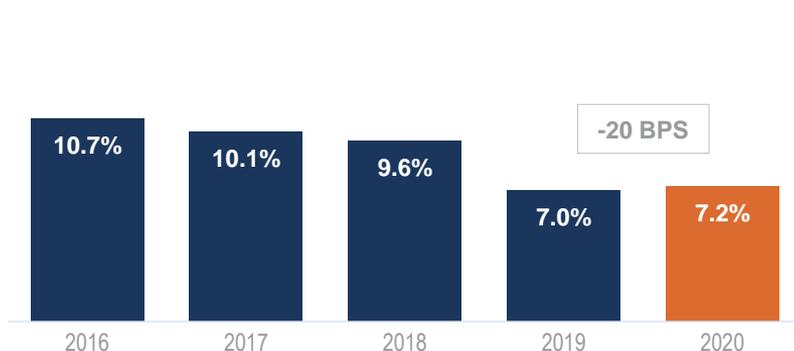
### Loss ratio

(% of earned premiums)



### Acquisition cost ratio

(% of earned premiums)



### Net income & ROAE<sup>(1)</sup>

(R\$ million)



Note: All figures until 2018 consider auto and P&C discontinued operations.

(1) Recurring ROAE (% last 12 months): excluding auto and P&C segments as of 3Q20.

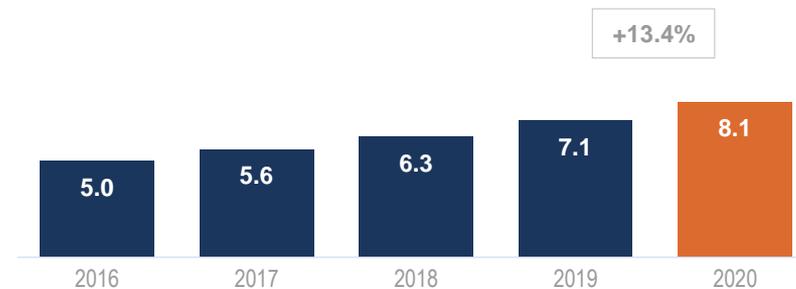
### Assets<sup>(1)</sup>

(R\$ billion)



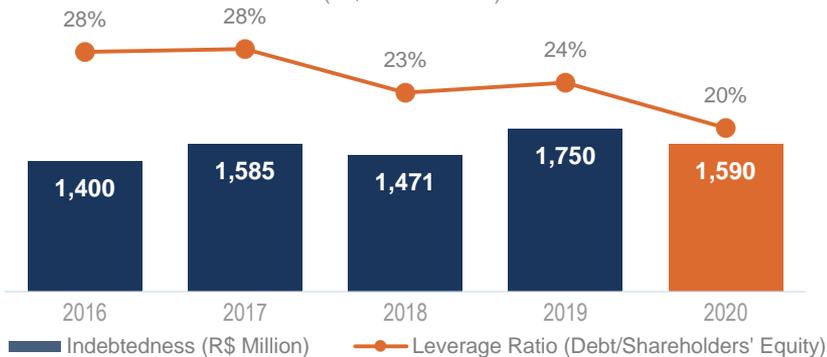
### Shareholders' equity<sup>(1)</sup>

(R\$ billion)



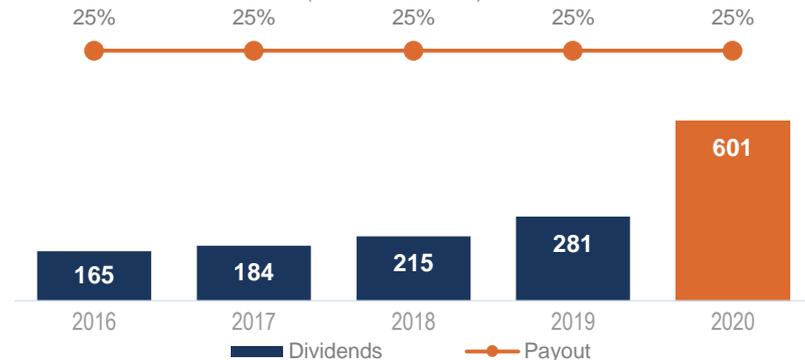
### Debt and leverage ratio<sup>(1)</sup>

(R\$ million / %)



### Dividends and payout

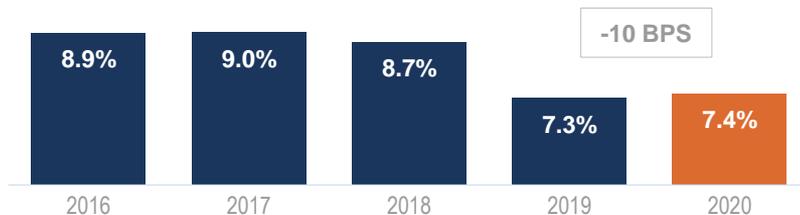
(R\$ million / %)



(1) Figures until 2019 consider auto and P&C discontinued operations, divested in Jul/20.

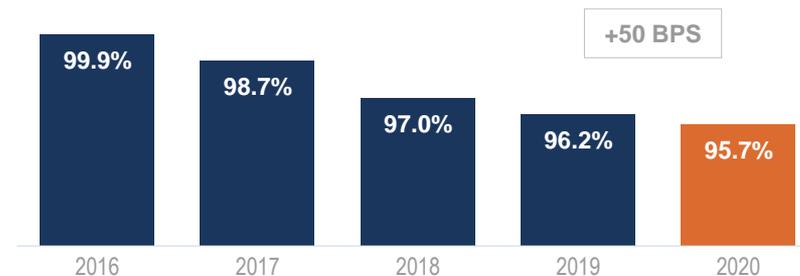
### General & administrative expenses ratio<sup>(1)</sup>

(% operating revenues)



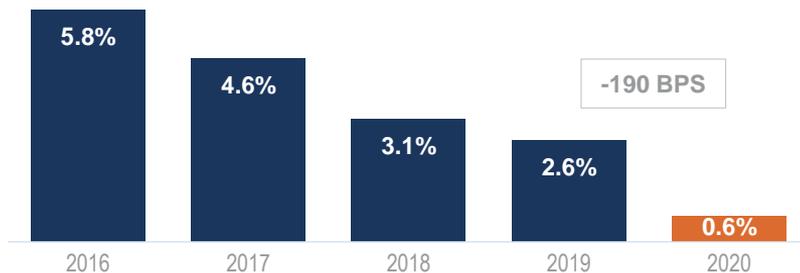
### Combined ratio<sup>(2)</sup>

(%)



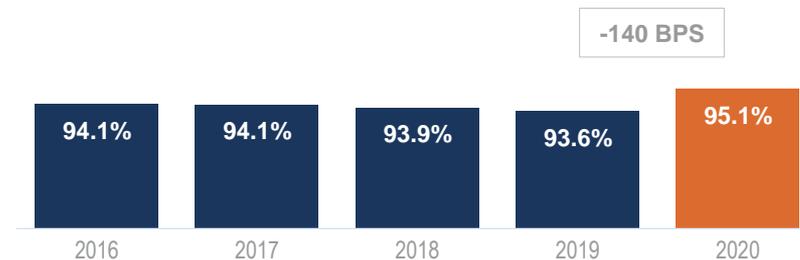
### Investment income ratio

(% of retained premiums)



### Operating ratio<sup>(3)</sup>

(%)

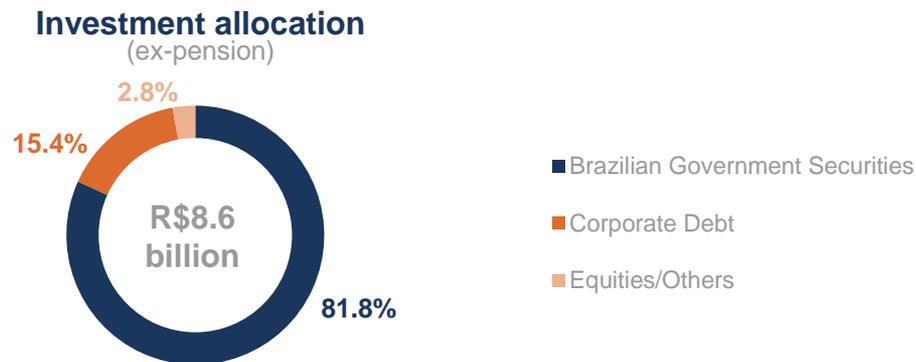


Note: All figures until 2018 consider auto and P&C discontinued operations.  
 (1) The G&A does not consider extraordinary items for 2019 and 2020.

(1) Equals the sum of the loss ratio, acquisition cost ratio, other insurance operating revenues and expenses ratio, insurance tax expenses ratio and G&A ratio. (2) Equals the difference between the combined ratio and the investment income ratio, which is calculated over retained premiums.

# SulAmérica – Insurance Float

## Investment strategy and allocation





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