

# Corporate Presentation

May 2019



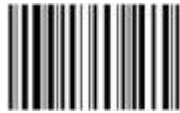
# We have a history as an innovative player in several fronts in the healthcare sector

Pioneer in the implementation of automated client service system



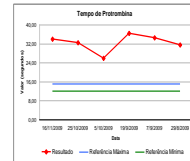
1982

Implementation of barcode system for safer identification of sample



1994

Results of exams with historical data



2004

Knowledge management



2007

Launch of a+ brand



2011

Agreement with Quest diagnostics for mass spectrometry's tests  
Partnership with IBM Watson Health for Genomics

2016

Launch of the Care Coordination offering: Primary Care, Drug Infusion and Day Clinic

2018

1983

First exams at the Diagnostic Center. Fleury is the first to offer integrated medicine solutions

1998

First company in the world to publish exam results on the Internet



2005

Diversified check-up

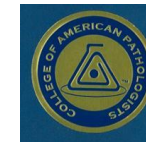


2009

**Itaim PSC**  
Incubator of innovations in client experience  
Use of art and culture in service innovation

2015

College of American Pathologist, accreditation for the 4<sup>th</sup> consecutive time



2017

Launch of the Genomics Portal, consolidating the leading position in the precision and predictive medicine

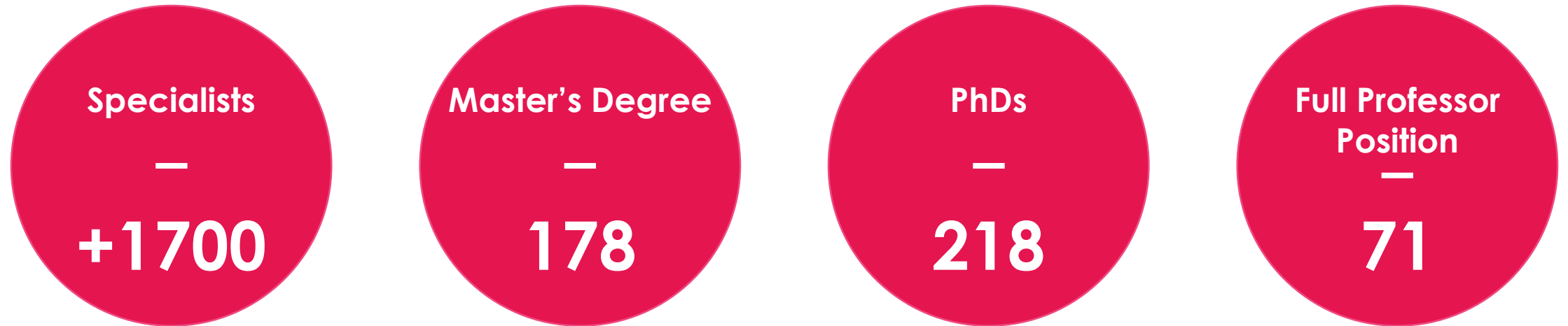


# Rigorous Quality Control Process

Main international accreditations and participation in proficiency programs



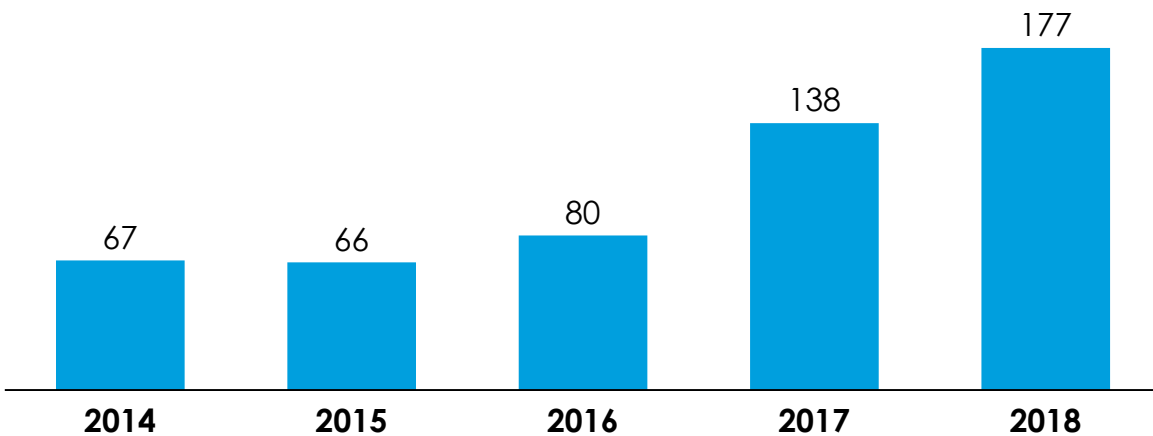
## Team of more than 2,200 highly trained Physicians



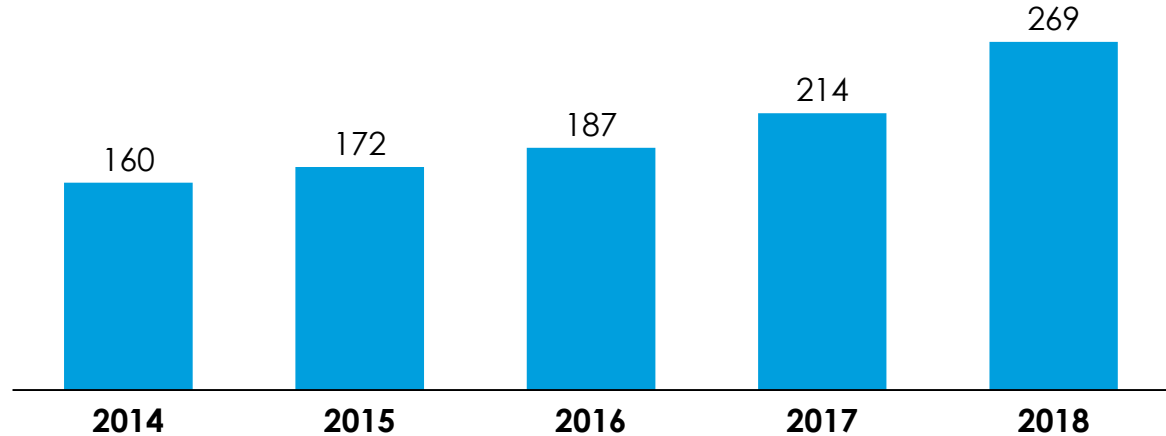
# Our knowledge management allows us to create pioneer products and services, with recognized medical quality

- ✦ 21 scientific bulletins
- ✦ 117 medical update meetings
- ✦ 138 articles gathered in the 28<sup>th</sup> Knowledge Symposium

# of New Products

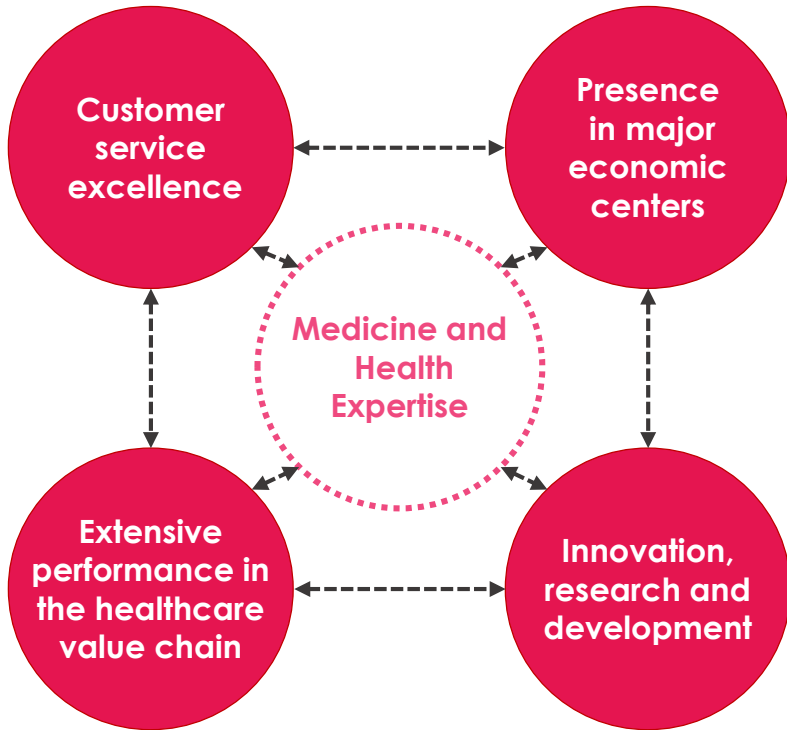


# Medical Consultancy Services (in thousands)



# Our Identity Pillars Make Us Unique

## Competency Map



We are **the best choice** for our clients in each business, segment and geography

## Comprehensive and Conclusive Diagnostics

Complete portfolio of exams – 3.5k exams:

Customer Service Excellence

Clinical Analyses



Imaging



Genomics

Reliability

High quality exams:

- State of the art methodologies and technologies.
- Renewed international certifications.
- Highly specialized technical staff to perform exams.
- Physicians trust over the diagnostics.

Integration

Diagnostic Information



Medical Knowledge Management

Integrated information analysis:

We provide several **diagnostic solution products**: Integrated Report, Evolutionary Medical Report, Artificial Intelligence (decision trees), etc.

# Operation throughout Brazil consists on three business and service models

## Patient Service Centers

Extensive capillarity with **185 PSCs** in **8 states** corresponding **68% of the Brazilian healthcare market**



## Hospitals operation

Strong presence in **25 renowned medical centers and hospitals**



## Reference laboratory<sup>1</sup>

Providing **high-complexity tests** for **+600 labs** throughout Brazil



<sup>1</sup> Tests performed for other labs

# Financial and Operating Figures

- ✓ Gross Revenue of **R\$ 2.9 bn** in 2018
- ✓ **Operating cash-flow** generation of **R\$ 702 mm** in 2018
- ✓ In 2018, **EBITDA** of **R\$ 692 mm** and **26.0% margin**
- ✓ **Net Income** of **R\$ 332 mm** in 2018
- ✓ In 2018, **Dividend Distribution** of **R\$ 315 mm**, **Payout** of **95%** and **Dividend Yield** of **4.8%**
- ✓ **ROIC<sup>1</sup> w/o Goodwill** in the 1Q19 of **45.2%**
- ✓ **~3.5 thousand types of exams** in 37 different areas:
  - Clinical Analyses: **71 mm exams**
  - Imaging and others: **5 mm exams**



**Patient Service Center**  
(84% of revenues)



**Operations in Hospitals**  
(15% of revenues)



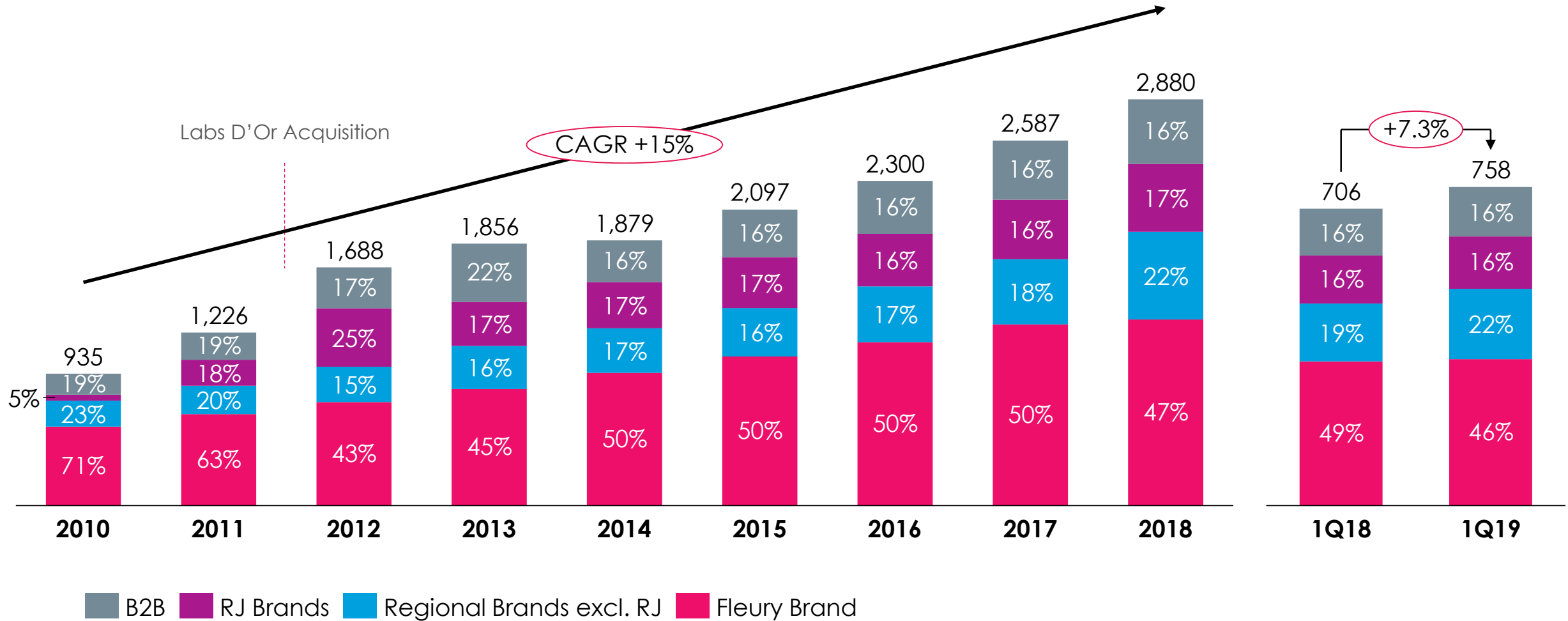
**Reference Laboratory**  
(1% of revenues)

<sup>1</sup> Figures in LTM, except when stated otherwise.



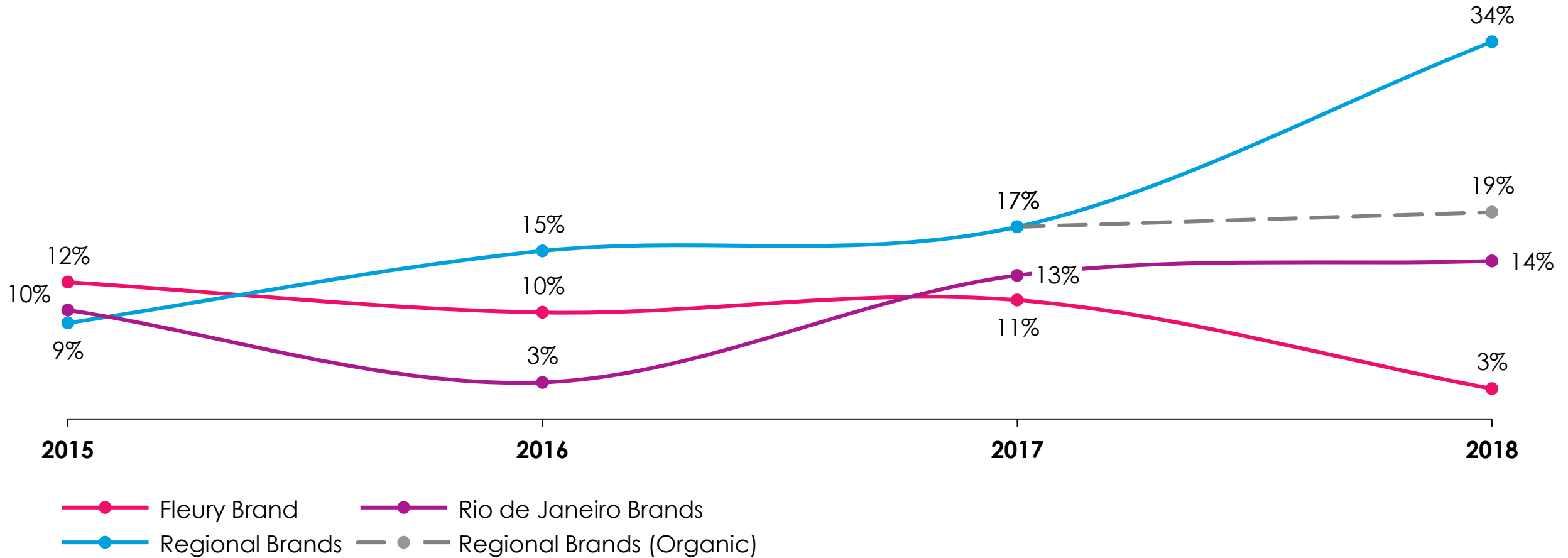
# Company's revenue breakdown has changed since 2010

## Revenue Breakdown (R\$ MM)

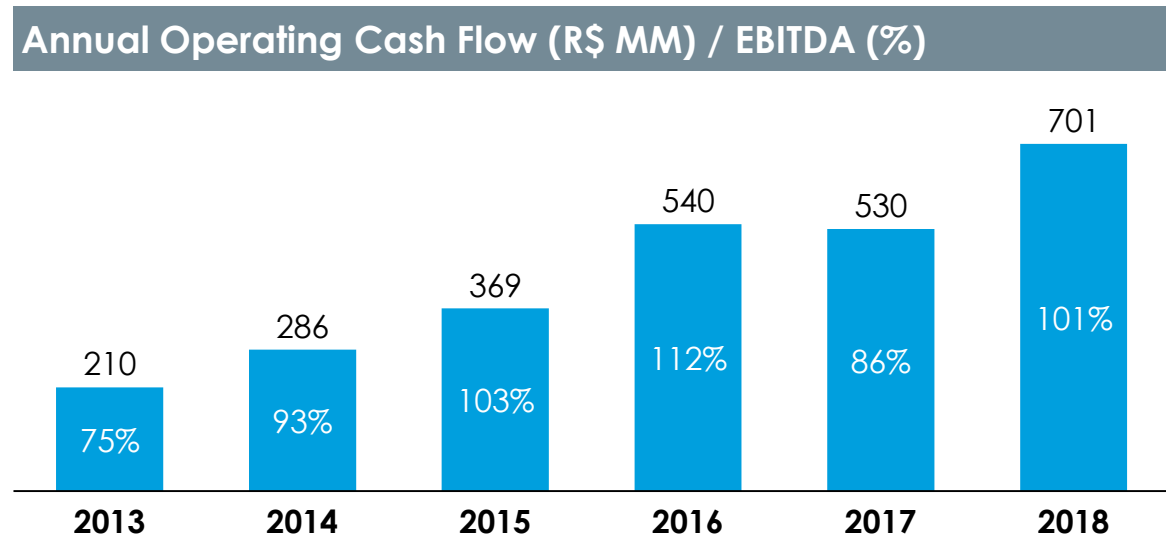
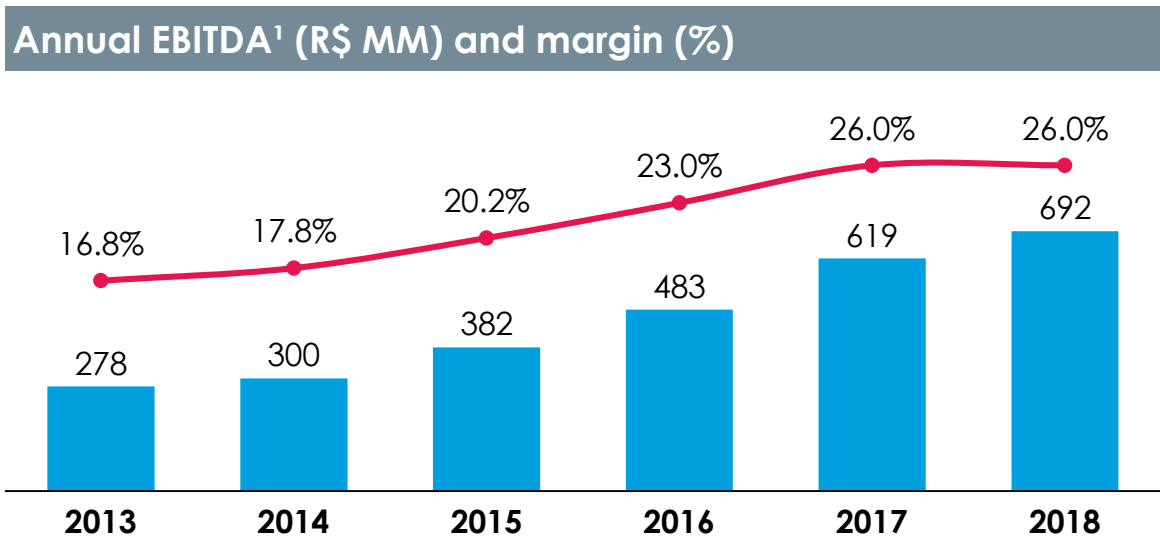
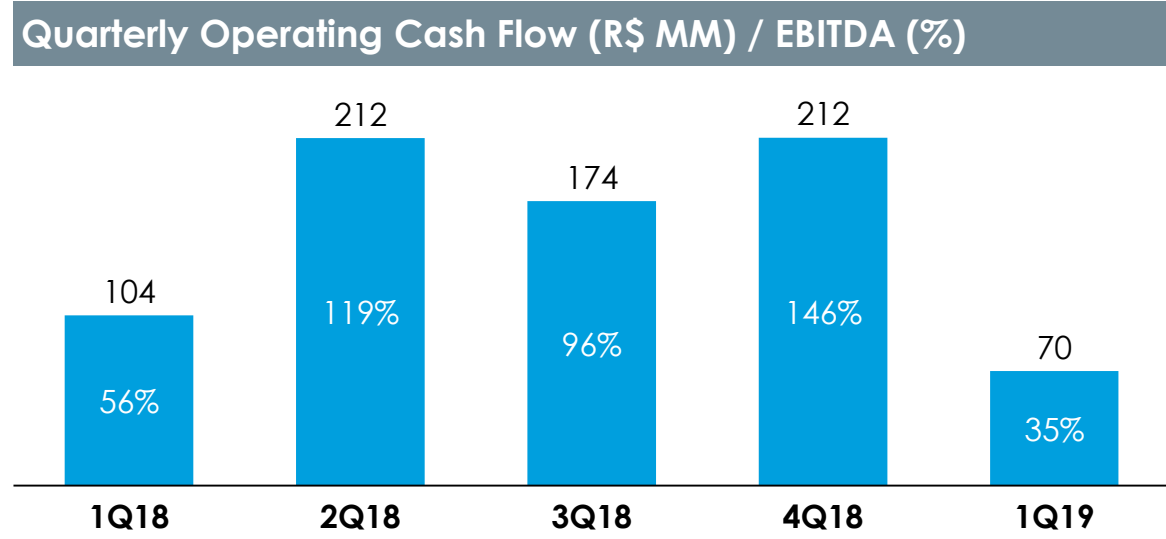
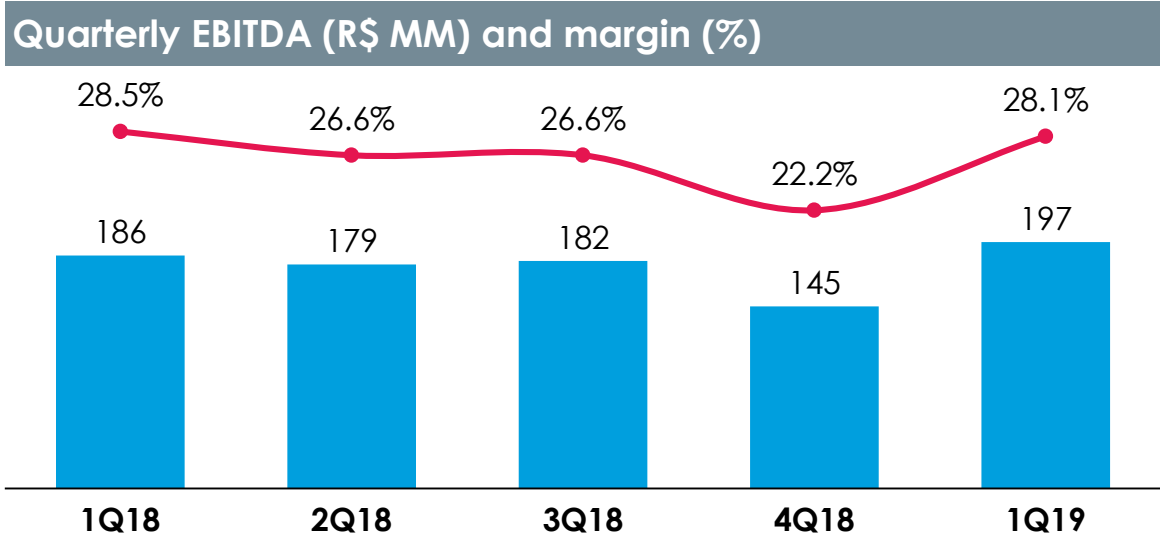


# Regional and Rio de Janeiro brands are posting a robust growth

Revenue Growth YoY (%)



# Financial indicators have shown sustainable growth



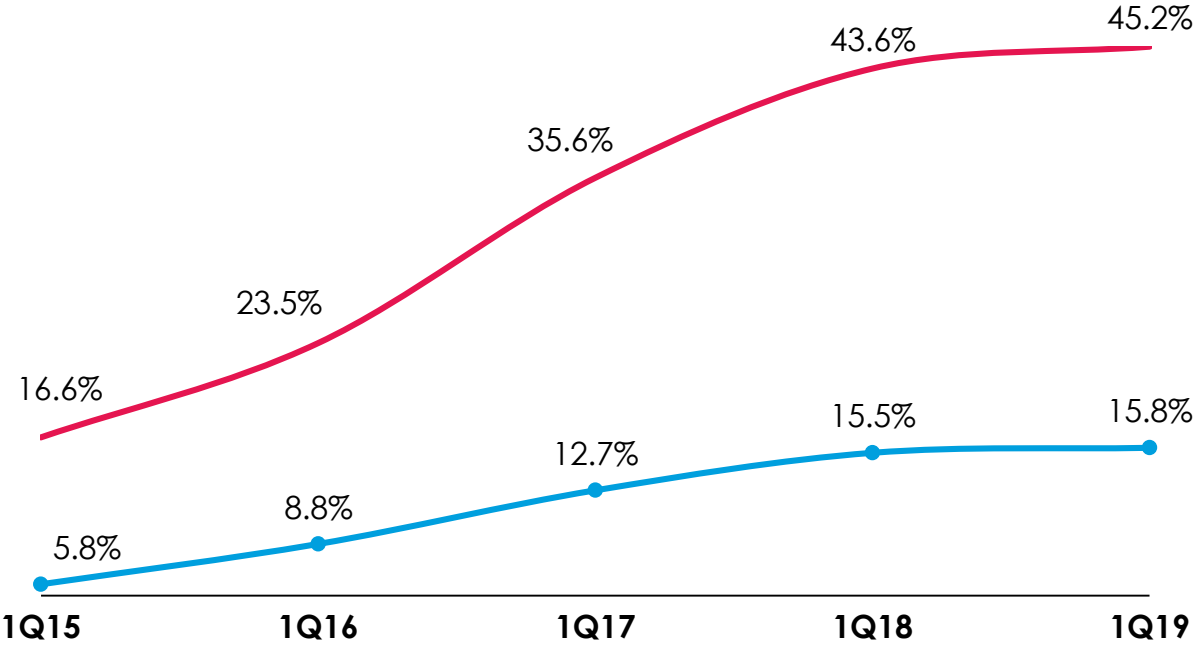
<sup>1</sup> EBITDA adjusted in 2015 and 2014 excluding non recurring.

# Cash Flow Statement

Cash Flow (R\$ MM)	1Q19	1Q18	▲ %	2018	2017	▲ %
<b>EBITDA</b>	<b>197</b>	<b>186</b>	<b>6%</b>	<b>692</b>	<b>619</b>	<b>12%</b>
Provisions (reversions)	20	22	-9%	78	83	-5%
Income Tax Paid	-23	-18	29%	-90	-35	158%
Others Operating Results	10	3	252%	30	8	282%
<b>Δ Working Capital:</b>	<b>-133</b>	<b>-89</b>	<b>50%</b>	<b>-50</b>	<b>-124</b>	<b>-60%</b>
Trade Accounts Receivables	-61	-54	13%	-34	-152	-78%
Suppliers	-27	-7	305%	45	5	796%
Salaries / Charges	-22	-14	59%	-4	-25	-86%
Others Assets and Liabilities	-23	-14	61%	-16	27	-159%
<b>(=) Operating Cash Flow</b>	<b>70</b>	<b>104</b>	<b>-33%</b>	<b>701</b>	<b>530</b>	<b>32%</b>
<b>(=) Operating Cash Flow / EBITDA</b>	<b>35%</b>	<b>56%</b>		<b>101%</b>	<b>86%</b>	
(+) Capital Expenditures	-48	-33	48%	-326	-296	10%
(+) Others Investing Activities	-5	0	-1382%	2	-6	-134%
<b>(=) Free Cash Flow to Firm (FCFF)</b>	<b>17</b>	<b>72</b>	<b>-76%</b>	<b>377</b>	<b>228</b>	<b>65%</b>
Interest Paid / Received	-13	-17	-23%	-71	-60	18%
Change in Debt	-174	-175	0%	202	229	-12%
<b>(=) Free Cash Flow to Equity (FCFE)</b>	<b>-170</b>	<b>-120</b>	<b>42%</b>	<b>508</b>	<b>397</b>	<b>28%</b>
Dividends and Interest on Capital	-35	-41	-16%	-303	-130	133%
(+) Payment of Acquisitions	-4	-40	-90%	-73	-15	388%
Capital Increase (Stock Options)	2	0	0%	6	13	-58%
<b>(=) Cash Flow</b>	<b>-207</b>	<b>-201</b>	<b>3%</b>	<b>137</b>	<b>265</b>	<b>-48%</b>

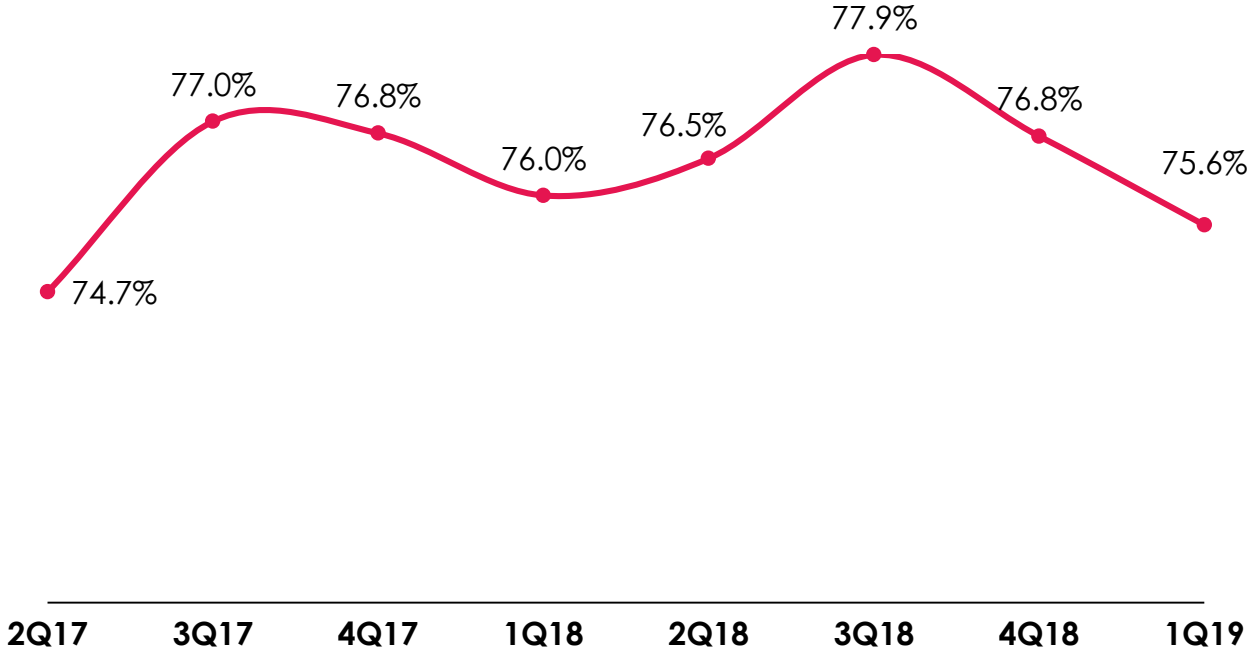
# Return and customer's satisfaction indicators have shown sustainability

Return on Invested Capital (%)



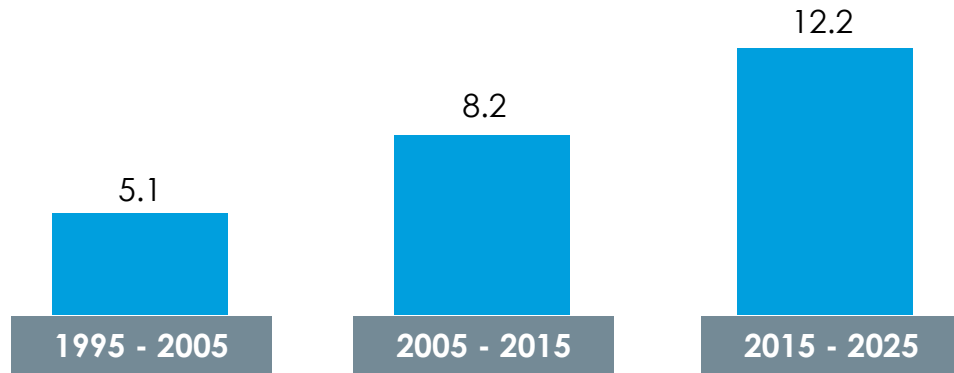
— ROIC w/o Goodwill  
— ROIC

Net Promoter Score – Client Experience (%)



# Health Sector Main Drivers

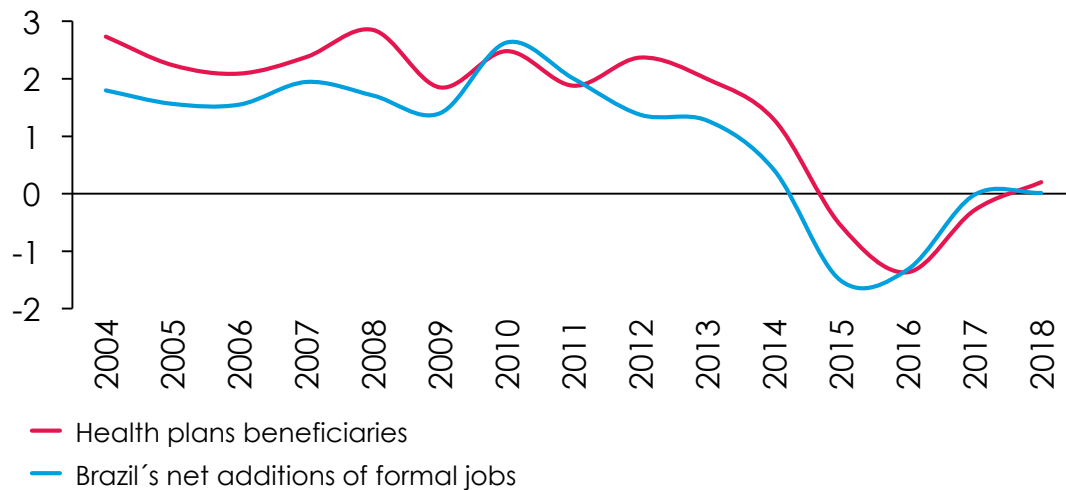
## Addition of population with age > 60 years



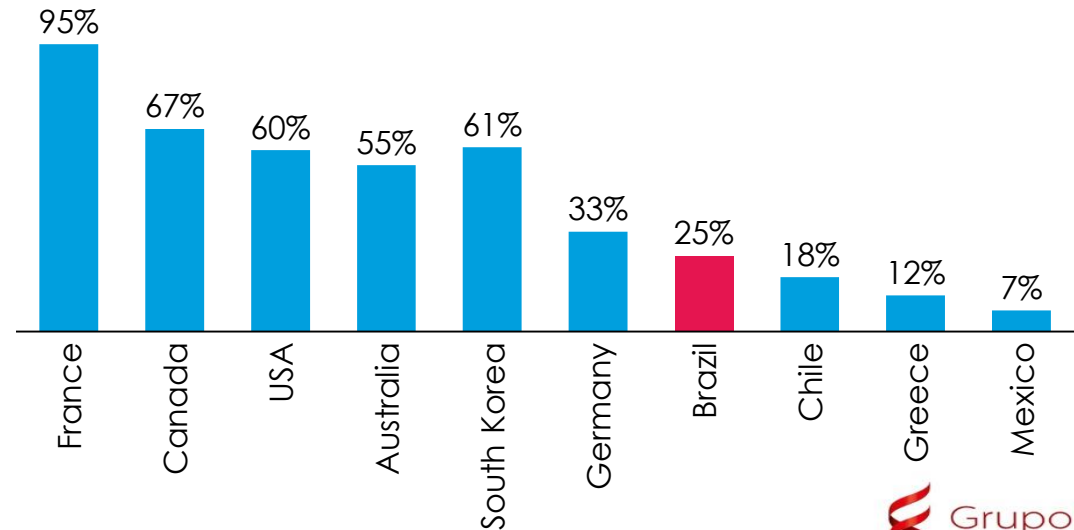
## Life Expectancy (age)



## Variation of Beneficiaries vs. Formal Jobs (MM)

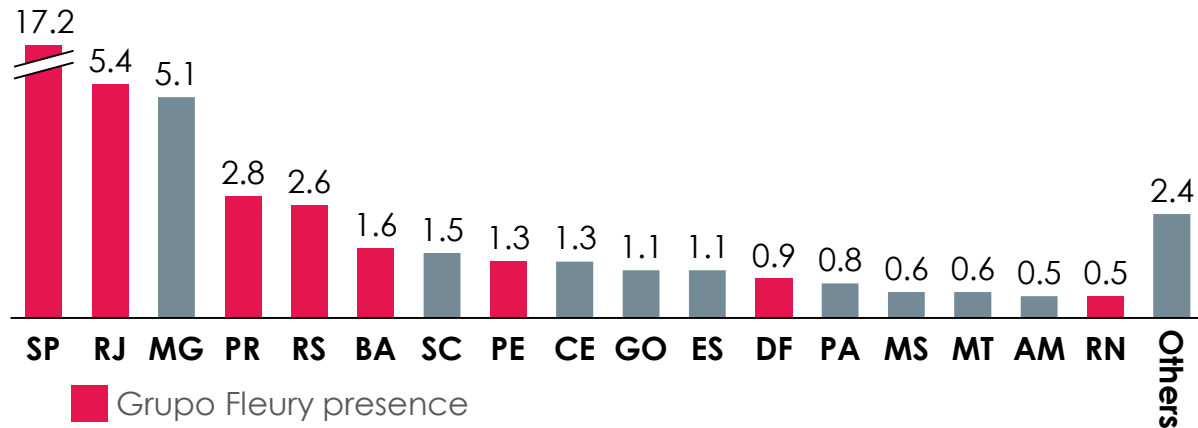


## Health Care Insurance Penetration



# The private medicine market is fragmented and still concentrated in the country's main economic centers

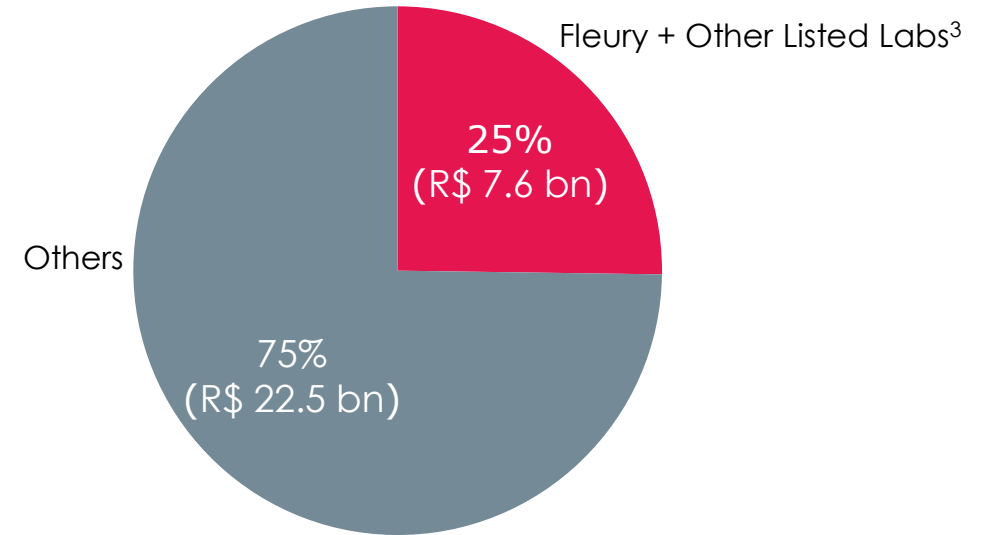
Number of Beneficiaries Private Medicine in 2018<sup>1</sup> (MM)



**~47.3 million beneficiaries**

**Grupo Fleury presence** represents **68%** of the overall market for private Healthcare

Public Listed Labs Market Share in Revenues 2018<sup>2</sup>



Brazil has approximately **16.000** labs that provide diagnostic medicine that generate approximately **R\$ 30.0 billion** in revenues.

<sup>1</sup> Source: ANS data, December 2017

<sup>2</sup> Source: ANS data and companies

<sup>3</sup> Dasa, Hermes Pardini and Alliar

# Expansion Plan through 2021

Brand	PSC Size and Complexity	Guidance (# PSCs)	Launched (# PSCs)
Fleury	Large	2	2
	Medium	2 to 3	2
	Small and Fast Sites	14 to 17	7
	<b>Total - range of PSCs openings</b>	<b>18 to 22</b>	<b>11 (55%)</b>
a+ SP	Large and Medium	6 to 8	7
	Small and Fast Sites	15 to 20	11
	<b>Total - range of PSCs openings</b>	<b>21 to 28</b>	<b>18 (73%)</b>
Rio de Janeiro (Labs a+ and Felipe Mattoso)	Large and Medium	8 to 9	4
	Small and Fast Sites	13 to 16	9
	<b>Total - range of PSCs openings</b>	<b>21 to 25</b>	<b>13 (57%)</b>
Other Regions (South, Northeast and Federal District)	Medium and Small	13 to 15	11
	<b>Total - range of PSCs openings</b>	<b>13 to 15</b>	<b>11 (79%)</b>
<b>Total</b>		<b>73 - 90</b>	<b>53 (65%)</b>



## Current Strategic Goals in Genomics



Complete, affordable portfolio with better results



"Tropicalization" vanguard portfolio for Brazil's scenario



Resolutive services in onco-genetics for the entire country



Pre and post-test medical advice and genetic counseling



Network of geneticists close to partners throughout Brazil



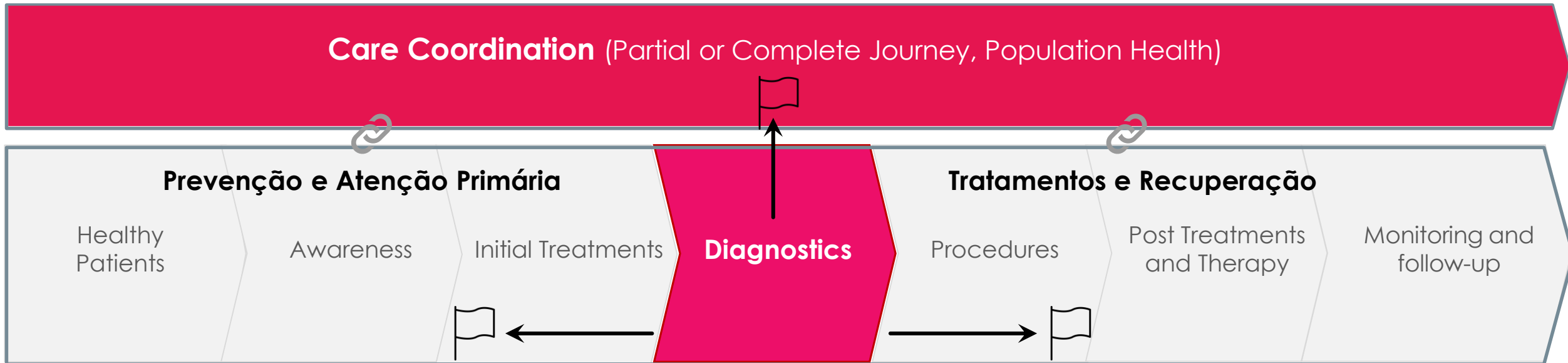
Data integration with new level of data science



Generating knowledge and research for onco-genetics

**"To be the best molecular diagnostic solution for patients, hospitals and healthcare providers through technical excellence, clinical staff, partnerships and research"**

# Fleury Brand New Offerings: Beyond Diagnostics

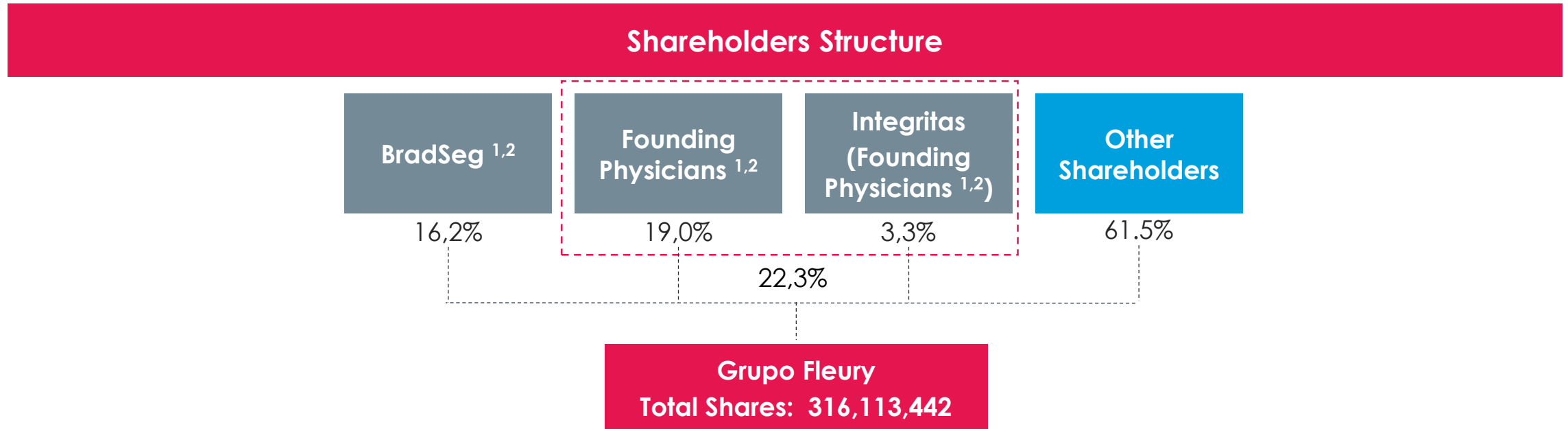


"Fleury brand will become a integrated healthcare platform for the individuals, being the protagonist in the value generation for the whole healthcare chain"

## Current Strategic Goals

- ⌘ Organic expansion in PSCs business. **Guidance of 73 to 90 new PSCs** between 2017 and 2021 **(53 PSCs already delivered)**
- ⌘ Continue to be **the leader of genomics segment in Brazil** and increase **revenue participation from 1% (2017) to 5% (2022)**
- ⌘ **New offerings** beyond diagnostics: **primary care, healthcare coordination, drug infusion, orthopedic procedures** and others
- ⌘ **Company's digital transformation:** medical knowledge, clients relationship, back-office processes and others
- ⌘ **Strong pillar on innovation:** R&D, startups and technical partnerships
- ⌘ **M&A Opportunities** to become the **market consolidator** in the diagnostic segment

# Shareholders Structure



## Board of Directors Composition

### 10 members

- 04 appointed by Integritas (Founding Physicians<sup>1</sup>)
- 03 appointed by Bradseg
- 03 Independent

### Four Board Advisory Committees and a Fiscal Board:

- Audit and Risk Management
- Finance and Projects
- Strategy
- Compensation, Nomination and Organizational Development

<sup>1</sup> Shares belonging to the Shareholder's Agreement

<sup>2</sup> Updated on April 2019