

Earnings 4Q20

Conference Call:

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Code: Fleury

Webcast: www.fleury.com.br/ir

In December 31st, 2020:

Total shares:

317,366,103

Market cap

R\$ 8,5 Bn | US\$ 1.6 Bn

Share price

R\$ 27.07 /US\$ 5,21

Fleury ON

B3: FLRY3

FLRY
B3 LISTED NM



IBOVESPA B3

IBRX100 B3

ISEB3

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São Paulo, February 25th, 2021 – Grupo Fleury announces today its 4th quarter 2020 (4Q20) results. All figures are compared to the same period of the previous year, unless otherwise stated, and are rounded to the nearest thousand. However, there may be differences when compared to the financial statements due to decimal digits.

The following numbers considers the implementation of IFRS 16 since 1Q19, unless noted otherwise.

Highlights

- Gross Revenue reached a new historical record in the quarter, totaling R\$ 1.0 billion, an increase of 28.5% in 4Q20. In the year, revenue grew by 2.1%, totaling R\$ 3.2 billion in 2020.
 - Client's Home Service in continuous expansion, with 98% growth in 4Q20, corresponding to 7.4% of Gross Revenue.
 - More than 750 thousand tests for Covid-19¹ were performed in 4Q20, and so far, more than 2.2 million, of which 1.1 million are RT-PCR and 1.1 million serologies.
 - More than 200 thousand Telemedicine consultations performed so far, through Saude iD.
 - Integrated Care: 95 contracts celebrated in 4Q20 (+20% compared to 3Q20), totaling 560 contracts by more than 500 Companies for resumption of their activities throughout 2020.
- Cancellations represented -1.0% (-36 bps) in 4Q20 and -1.1% (-26 bps) in 2020.
- Recurring EBITDA of R\$ 308.6 million (+58.2%), with a recurring margin of 33.3% (+616 bps) in 4Q20. In the year, R\$ 848.0 million (-5.7%), with recurring margin of 28.5% (-241 bps).
- Recurring Net Income of R\$ 155.5 million (+177.3%), with a recurring net margin of 16.8% (+897 bps) in 4Q20. In the year, R\$ 273.0 million (-16.1%), with a recurring net margin of 9.2% (-202bps).
- Operating Cashflow Generation of R\$ 272.3 million (+33.0%) in 4Q20. In 2020, R\$ 647.1 million (-11.6%).
- Return on Invested Capital (ROIC) without goodwill ex-IFRS 16 LTM of 32.4% (-628 bps).
- NPS² reached 70.4% in PSCs and 76.9% in Client's Home Service in 4Q20, impacted by the strong increase in demand in Patient Service Centers.
- Announcement in February 2021 of the distribution of R\$ 156.8 million in dividends referring to 2020 which, added to the interest on capital already paid, totaled R\$ 231.3 million on the result for 2020, resulting in a 90% payout and dividend yield of 2.7%³.

¹ Updated on 02/24/2021, including RT-PCR and Serology | ² Net Promoter Score | ³ considers FLRY3 share price on 12/30/2020 and net value of distributions through IoC.

Main Financial Indicators

Financial Indicators (R\$ MM)	4Q20	4Q19	Variation	2020	2019	Variation
Gross Revenue	1,000.5	778.6	28.5%	3,207.2	3,142.1	2.1%
Net Revenue	928.2	720.1	28.9%	2,971.6	2,905.1	2.3%
Gross Profit	306.4	213.4	43.6%	809.7	886.8	-8.7%
EBITDA	298.1	195.1	52.8%	837.5	881.0	-4.9%
EBITDA ex-IFRS 16	250.4	153.9	62.7%	664.1	719.6	-7.7%
Net Income	139.5	56.1	148.7%	257.0	312.3	-17.7%
Cancellations (% Gross Revenue)	-1.0%	-1.3%	36 bps	-1.1%	-1.4%	26 bps
Gross Margin %	33.0%	29.6%	338 bps	27.2%	30.5%	-328 bps
EBITDA Margin %	32.1%	27.1%	503 bps	28.2%	30.3%	-214 bps
EBITDA ex-IFRS 16 Margin %	27.0%	21.4%	561 bps	22.3%	24.8%	-242 bps
Effective Tax Rate	-13.1%	-25.5%	1237 bps	-24.6%	-26.7%	213 bps
Net Income Margin %	15.0%	7.8%	724 bps	8.6%	10.8%	-210.0 bps
Recurring EBITDA	308.6	195.1	58.2%	848.0	899.1	-5.7%
Recurring Net Income	155.5	56.1	177.3%	273.0	325.5	-16.1%
Recurring EBITDA Margin %	33.3%	27.1%	616 bps	28.5%	30.9%	-241 bps
Recurring Net Income Margin %	16.8%	7.8%	897 bps	9.2%	11.2%	-202 bps
Operating Cash Flow	272.3	204.7	33.0%	647.1	732.3	-11.6%
CAPEX	75.4	77.8	-3.1%	187.8	207.9	-9.6%
ROIC ex-IFRS 16 (LTM)	11.0%	14.1%	-312.0 bps	11.0%	14.1%	-312.0 bps
ROIC without goodwill ex-IFRS 16 (LTM)	32.4%	38.7%	-628 bps	32.4%	38.7%	-628 bps

Management Comments

1 billion in a quarter

We ended the fourth quarter of 2020 reaching a mark never reached in our almost 95 years of history: R\$ 1 billion in gross revenue, an increase of 28.5% compared to the same period of 2019. Other indicators reinforce that the company definitely surpassed the challenges imposed by the COVID-19 pandemic in early 2020. Recurring EBITDA reached R\$ 308.6 million (58% more than in the same period of 2019) and recurring net income totaled R\$ 155.5 million - 177% more than in the fourth quarter of 2019.

These expressive numbers are not just a historic achievement, but, above all, the confirmation that we are on the right track in our goal of becoming an increasingly complete healthcare company, which invests heavily in technology to create innovative product offerings and health services for individuals and companies, and able to take advantage of the skills already developed to take new leaps of growth in the future. Grupo Fleury, which in the past was a diagnostic medicine company, has transformed itself into a powerful healthcare ecosystem, integrated with healthtechs and other companies in the sector, and with a strong presence in the digital and physical environments.

200 thousand telemedicine consultations

We have never created and occupied as many new growth avenues as last year. One of the most promising concerns the provision of telemedicine services, which began in April 2020, and which has grown exponentially. We ended the year with almost 200 thousand appointments scheduled - half of these appointments occurred in the fourth quarter. A significant portion of patients who experienced this type of care for the first time have already had new consultations: 31.6% of the total. Due to this growing volume, last November we added a team of more than 100 nursing professionals to the team of 370 doctors who serve our telemedicine patients. This team of nurses was able to solve 30% of the cases treated and better direct teleconsultations, contributing to the quality and scalability of the service.

Projections for the growth of telemedicine in the leading countries in this market are enormous. In China, telemedicine services are expected to handle more than US\$ 54 billion in 2025 - almost seven times more than in 2020. In the United States, this market is forecast to move US\$ 35 billion in 2025, against US\$ 15 billion in 2020. We believe that, due to the Brazilian characteristics, the telemedicine market should present an intense growth curve in the country in the coming years.

The new healthcare consumption habits - and our ability to identify and respond to them quickly - have made us also advance in the Client's Home Service. In the fourth quarter, this type of service represented 7.4% of gross revenue, practically doubling in size compared to the same period in 2019.

The advancement of telemedicine and Client's Home Service shows that customers increasingly want to take the lead in their own healthcare and consume services and products in a hybrid way: not only in person, but also remote. We are convinced that this behavior will intensify in the coming years. For this reason, a significant part of our efforts in 2020 was to develop the necessary skills to meet this new model. In our view of the healthcare of the future, more important than the opening of new Patient Service Units will be our ability to integrate user data and make offers where consumers are able to enjoy all the benefits of our multichannel.

Saúde iD is now also B2C

Last September, we took a big step in this direction by launching Saúde iD, a pioneering digital platform, which was born with 7 million lives. In the first phase, this marketplace was only B2B and was available to operators and companies that contract healthcare services for their employees. From the beginning, one of the questions we heard the most was: when will there be a B2C version?

The answer came in February of this year, when Saúde iD launched its healthcare services subscription directly to the final consumer. This initiative represents an option of access to quality healthcare for people who do not have a healthcare plan - today almost 75% of the Brazilian population.

In our view, Saúde iD will consolidate itself as a hub for healthcare products and services, with packages that may include telemedicine, diagnostic tests, drug discounts and other offers that will be included in the platform.

Accelerated diversification

In the fourth quarter, we announced two relevant acquisitions. One of them was Centro de Infusões Pacaembu (CIP), with six service units in the city of São Paulo, which adds to the successful experience with the own infusion center that we opened in 2019. The other was the acquisition 80% of the traditional Clínica de Olhos Moacyr Cunha, in São Paulo. Ophthalmology is a specialty with increasing demand in Brazil, thanks to its strong correlation with population aging. Clínica de Olhos Moacyr Cunha is an example of an end-to-end solution, which works in clinical consultations, diagnostic tests and outpatient ophthalmologic surgeries - that is, it has a complete proposal to solve the patient's problem always in an outpatient setting.

We are also expanding organically to new links in the healthcare value chain. In December, we launched the Sommos DNA genetic testing platform that allows individuals, through genetic mapping, to engage in the prevention of potential hereditary diseases, in a model of direct contracting to the consumer. In the same month we started the operations of Pupilla, a platform of medical education developed to transmit knowledge in a digital way and with high quality for students, residents and specialists who wish to update themselves and go deeper into the most modern medical knowledge.

A few days ago, we announced the opening of Fleury Reproductive Medicine Center, to serve the growing number of women who postpone the decision to have children. The Fleury Reproductive Medicine Center complements the services we already offer for Women's healthcare.

These initiatives are added to others such as Day Clinic, for performing low and medium complexity orthopedic surgeries, which we started almost two years ago. All of them are connected with our mission of providing increasingly complete and integrated solutions for the management of people's health and well-being. All of them have the potential to be included in Saúde iD. Sometimes we are asked if, by opening up so many new growth fronts, we cannot lose focus. No! What we are doing is using technology and investing in new fronts to expand our concept of health and to be able to offer individuals and companies complete solutions. And it is precisely because we are a company with a medical origin that we have the legitimacy to integrate what today is only available in a fragmented way.

ESG principles at the center of the strategy

The B2C launch of Saúde iD is another step by Grupo Fleury in its mission to democratize access to healthcare in Brazil, generate positive social impact and contribute to the sustainability of the entire healthcare sector - in line with ESG principles. Just as we lead the digital transformation of the healthcare industry, we are leading the ESG transformation.

At the Fleury Investor Day held in December 2020, we announced three other initiatives that prove our pioneering spirit in this field. One is the creation of an exclusive committee to monitor the company's ESG agenda. The second is that starting this year we will become one of the few Brazilian companies to link sustainability targets to variable executive compensation. Finally, we announced a project to use solar energy to supply part of the Group's 117 units in São Paulo and Rio de Janeiro, starting in the second half of this year. We will use 100% clean energy, avoiding the emission of almost 7 thousand tons of CO2 annually (which is equivalent to planting almost 47 thousand trees), while reducing consumption costs.

We did all this while actively exercising our social role, on several fronts, during the COVID-19 pandemic. We participated in epidemiological research, collaborate in the Oxford vaccine development process, made our medical knowledge available to society, to answer questions about the disease and guide the population.

All of these efforts in the ESG field have been recognized internationally. In December 2020, Grupo Fleury became part of the Dow Jones Sustainability Index, in the Emerging Markets portfolio. The list includes 100 companies, of which only 9 are Brazilian. Detail: Fleury is the only healthcare sector company in the Americas included in this index. In February of this year we were included in the DJSI Sustainability Yearbook 2021, which selected 600 companies from around the world among 7000 analyzed. Fleury is the only non-American company to be included in the category of healthcare and service providers.

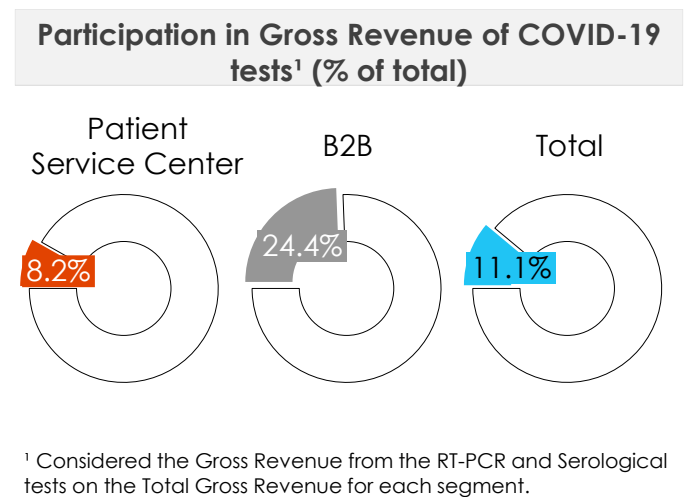
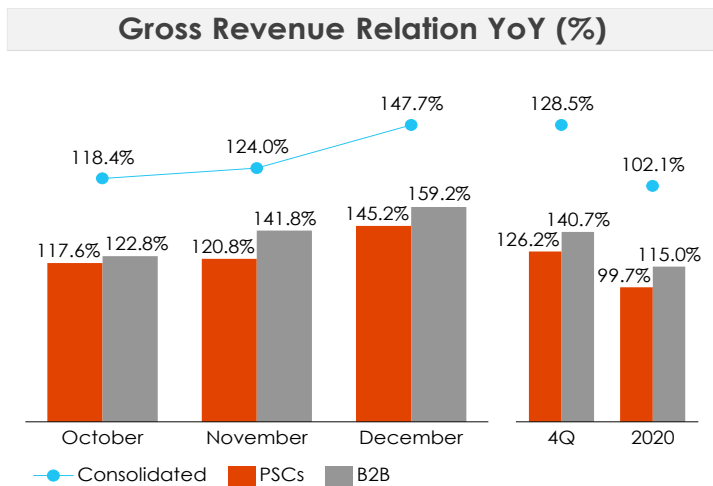
We cannot end this comment without thanking the dedication of our 11,000 employees and 3,000 doctors. Our people and our essence are the most responsible for having managed to overcome such a challenging year. It is with this team, with this culture and with the bases that we have built in the last months that we will take another leap in 2021 and transform healthcare through the intensive use of technology, with the creation of excellent medical offerings in scale and access never seen before.

Gross Revenue - COVID-19 Impacts

The resumption of the volumes of elective procedures in the Patient Service Centers that occurred in the third quarter, remained at high levels throughout the fourth quarter, and contributed to the 26.2% growth registered in the period, with highlight for the month of December that grew 45.2% compared to the same period in 2019. This trend was even stronger in the B2B, which grew 40.7% in the quarter, still reflecting the greater volume resulting from elective procedures and the continuous and relevant contribution of tests to Covid-19 both in the Patient Service Centers, as in the Hospitals and in the Reference Laboratory segment.

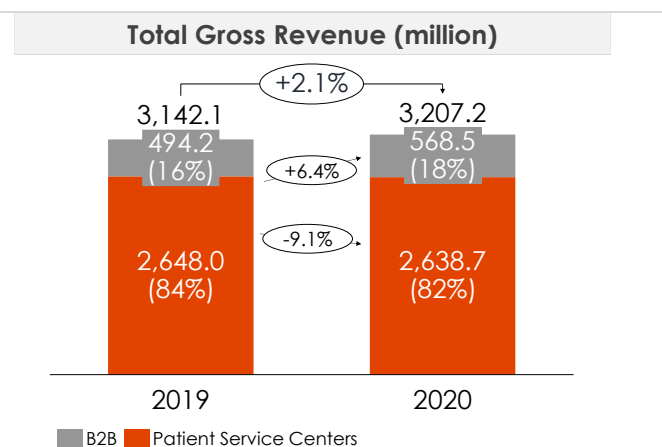
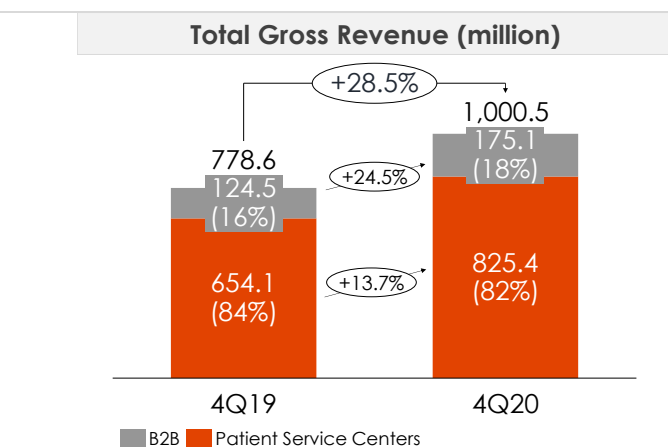
The contribution of Covid-19 tests to Gross Revenue remained at similar levels to those recorded in 3Q20, representing 11.1% in total Gross Revenue, with 8.2% in Patient Service Units. The volume of Covid-19 tests showed new growth reflecting the increase in registered cases, and the volume of elective procedures continued to show strong growth as mentioned above.

In B2B, the participation of the Covid-19 tests was 24.4%, in the same aforementioned effect and also due to the adoption of security protocols that reflect a greater number of tests for Covid-19.



Consolidated Gross Revenue

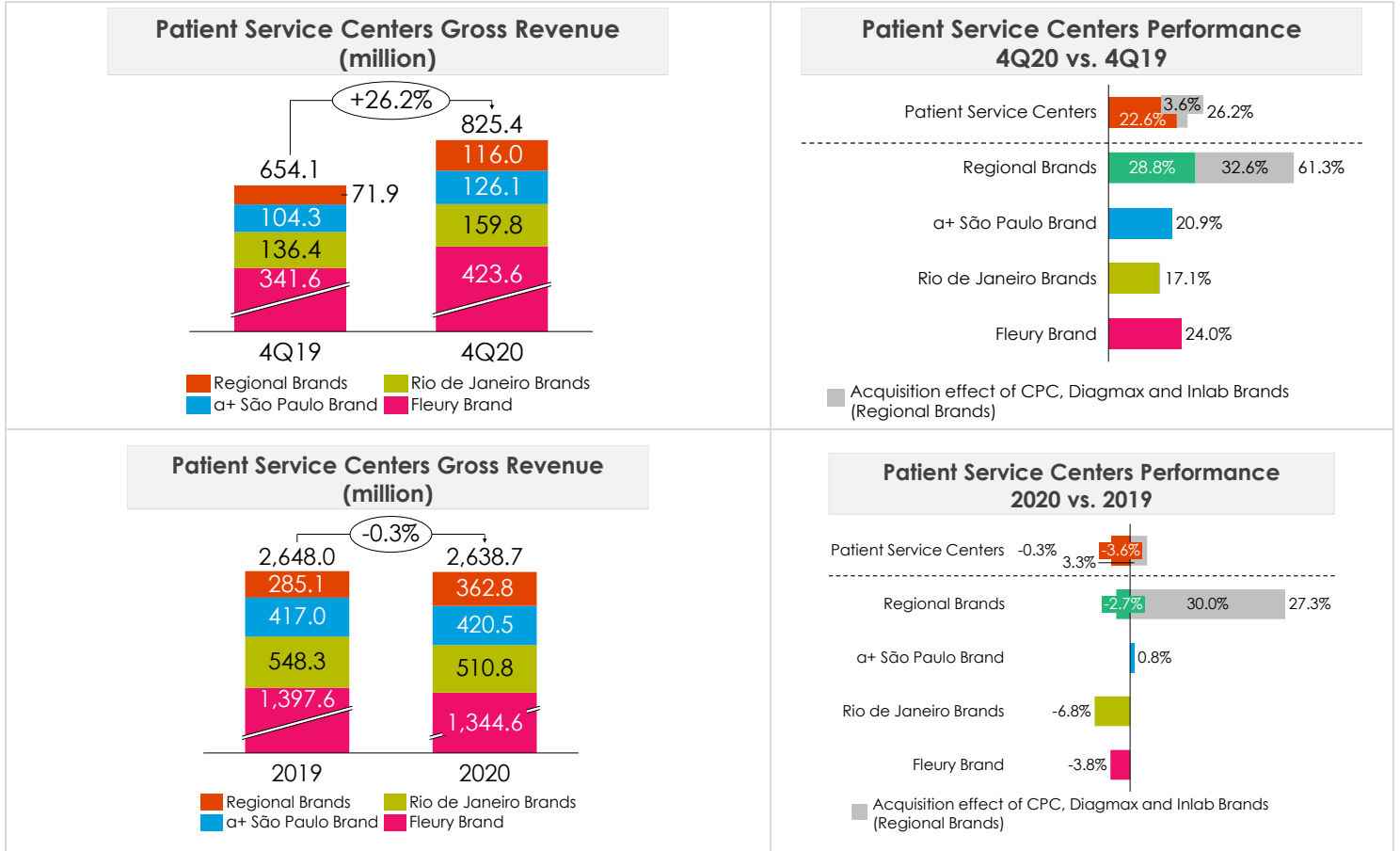
In 4Q20, total gross revenue reached R\$ 1.0 billion, an increase of 28.5%, with the Patient Service Centers reducing their share from 84% to 82% of Gross Revenue. In 2020, Gross Revenue totaled R\$ 3.2 billion, an increase of 2.1%, with Customer Service Units representing 82% of Gross Revenue.



Patient Service Centers

Gross Revenue | Patient Service Centers

In 4Q20, Gross Revenue from Patient Service Centers presented an increase of 26.2% (+ 22.6% organic), reaching R\$ 825.4 million. All the Company's brands showed significant growth, with highlight for the Fleury brand (+ 24.0%), a+ São Paulo (+ 20.9%) and Regional Brands (61.3%). In 2020, Customer Service Centers decreased 0.3% (-3.6% organic).



Volume and Gross Revenue per Test | Patient Service Centers

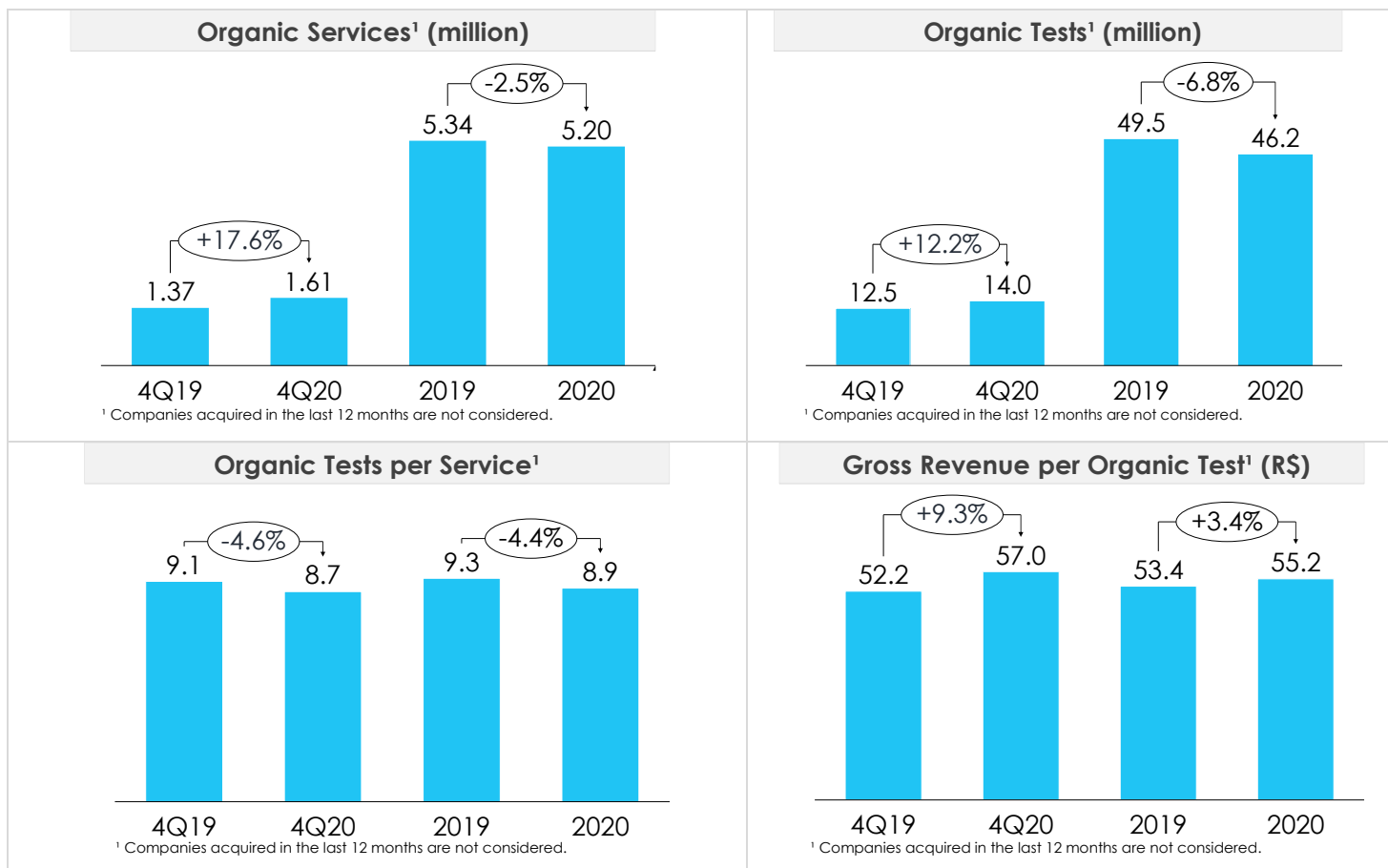
In 4Q20, the number of Organic Services reached 1.6 million, an increase of 17.6% compared to the previous year. The growth reflects the increase of demand in the period, due to the strong demand for elective procedures registered in the Patient Service Centers, reflecting the flexibility in the restrictions of social distancing and urban mobility in the regions where we operate, in addition to the greater contribution of the Covid-19 tests in the period.

In 4Q20, the volume of Organic Tests reached 14.0 million and registered an increase of 12.2% in the quarter. The increase reflects the strong demand recorded during the quarter, also linked to the participation of RT-PCR and Serology tests for Covid-19.

In 4Q20, the number of Organic Tests per Service decreased by -4.6% compared to 4Q19. Still reflecting the tests for Covid-19, RT-PCR and Serology, which are often not accompanied by other tests in service.

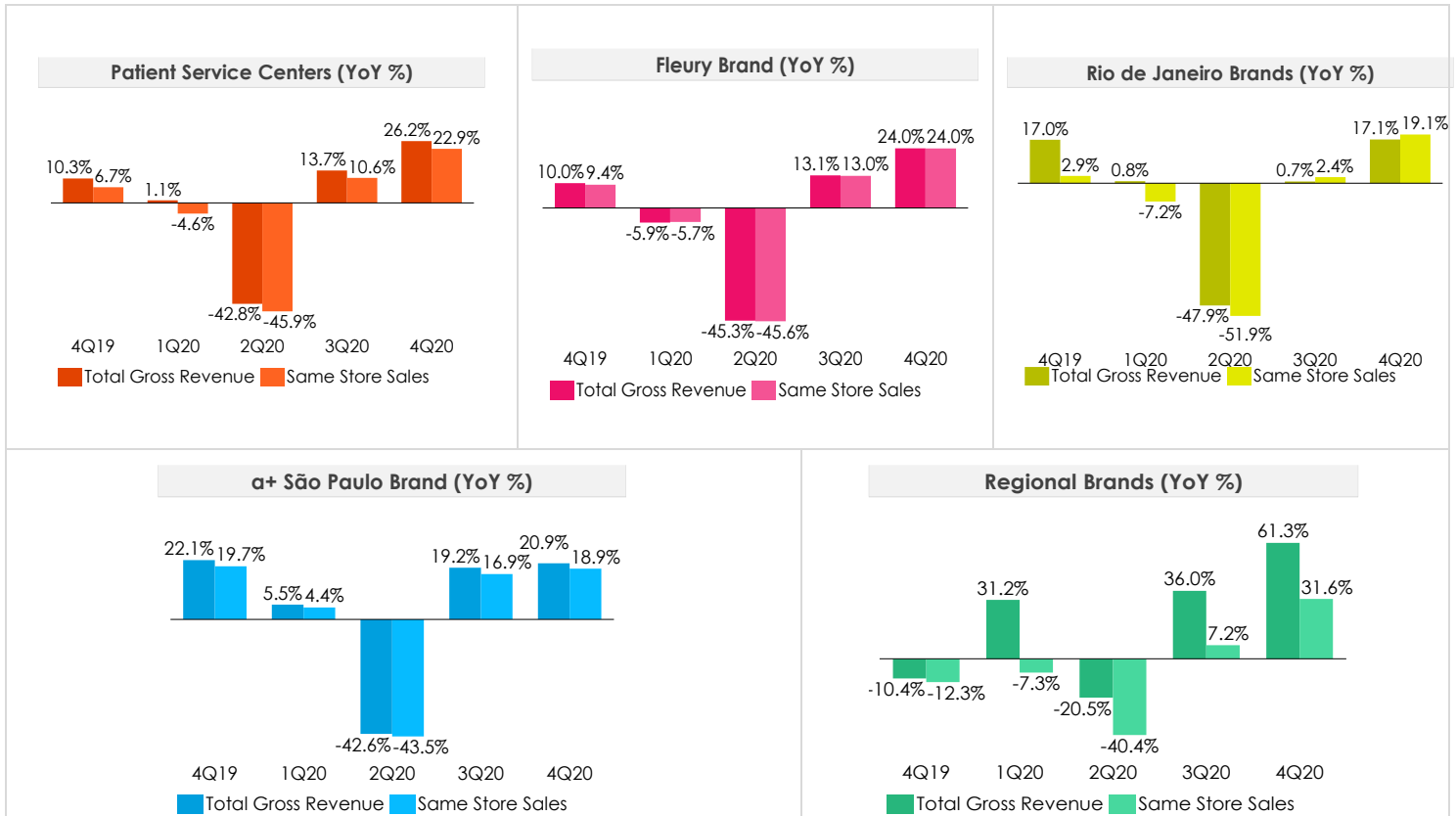
In 4Q20, Gross Revenue per Test increased by 9.3%, reaching R\$ 57.0 compared to R\$ 52.2 in the same period of the last year. The most relevant effect that occurred in the quarter is related to the mix of tests, with the high incidence of tests related to Covid-19, which represented 8.2% of the Patient Service Centers Gross Revenue, which have the highest Gross Revenue per Test.

The same comparisons are presented in the graphs below in relation to the accumulated of 12 months.



Gross Revenue and Same Store Sales | Patient Service Centers

In 4Q20, Gross Revenue from Patient Service Centers increased 26.2% (+ 22.6% organic). SSS presented growth of 22.9%. In the quarter, all brands showed significant growth in Gross Revenue and Same Store Sales. Additionally, and in line with the last quarters, we continue with our strategy of expanding the offering of the Client's Home Service in the main brands, through the expansion of routes and the inclusion of new services. In 4Q20, gross revenue from Client's Home Service grew by 98%, representing 7.4% of consolidated revenue in 4Q20. In 2020, Client's Home Service Gross Revenue grew by 76.7%, and represented 7.9% of the Company's Gross Revenue.



B2B: Hospital Operations and Lab-to-lab

Volume and Gross Revenue | B2B

In the 4Q20, B2B Operations have showed an increase in Gross Revenue of 40.7%, as a result of the increase of 9.3% in the volume of Tests, and the 28.7% increase in Gross Revenue per Test.

In the quarter, Hospital Operations increased 38.8% in Gross Revenue (+39.0% SSS). In view of the increase of the demand flow for elective procedures, the volume of Tests increased by 9.6%. Besides that, the Gross Revenue per Test was positively impacted by the higher incidence of Covid-19 tests, specially RT-PCR, which has higher Gross Revenue per Test.

In 4Q20, Lab-to-Lab grew 58.0% in Gross Revenue. Most of the increase comes from Gross Revenue per Test, which grew 53.2%, and the volume of tests presented growth of 3.1%. The growth in Gross Revenue per Test reflects the high volume of Covid-19 tests performed for partner labs.

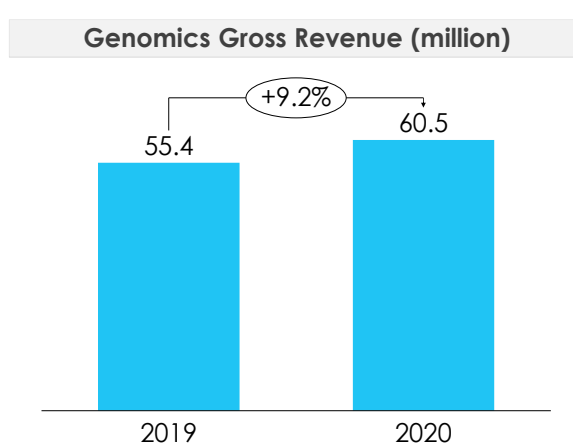
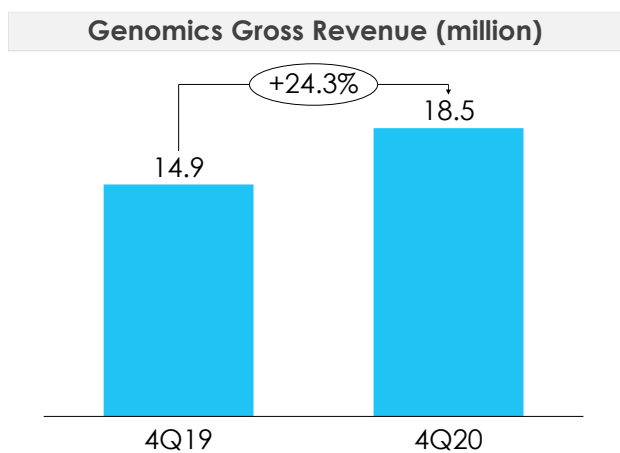
B2B Indicators	4Q20	4Q19	Variation	2020	2019	Variation
Gross Revenue (R\$ Million)						
B2B	175.1	124.5	40.7%	568.5	494.2	15.0%
Hospital Operations	156.1	112.5	38.8%	503.5	446.9	12.7%
Lab-to-Lab	19.0	12.0	58.0%	65.0	47.3	37.5%
Same Store Sales (R\$ Million)						
Hospital Operations	152.8	110.0	39.0%	NA	NA	NA
Tests (Million)						
B2B	8.9	8.1	9.3%	31.1	32.5	-4.4%
Hospital Operations	8.5	7.8	9.6%	29.9	31.1	-4.0%
Lab-to-Lab	0.4	0.3	3.1%	1.2	1.4	-14.6%
Average Ticket per Test (R\$)						
B2B	19.8	15.4	28.7%	18.3	15.2	20.4%
Hospital Operations	18.4	14.5	26.7%	16.8	14.4	17.3%
Lab-to-Lab	52.8	34.5	53.2%	53.3	33.1	61.0%

Precision and Personalized Medicine: Genomics

In diagnostic and precision medicine, 4Q20 gross revenue presented growth of 24%, with highlight to the website, which grew 27%, with more than 90% of this revenue originating from places where the Group does not have physical units. Also noteworthy is the front of projects with pharmaceutical companies, which ended 2020 with 9 programs and another 4 already closed to start in 2021. In 2020, the revenue from these programs presented growth of 60%.

In December, was launched Sommos DNA, a new brand of genetic tests for the general public, in the DTC (direct to consumer) model through e-commerce. The brand offers tests for healthy individuals, without the need for a medical order, focusing on the prevention of various oncological and cardiological clinical conditions, among others. The brand also offers consultations with genetics specialists for those who performed the test, in order to assist in the interpretation of results. The purpose of the service is to promote integrated care for customers, connecting lifestyle information with clinical and genetic data.

In 2020, Gross Revenue totaled R\$ 60.5 million, an increase of 9.2% compared to 2019.



Cost of Services

In 4Q20, Costs and Services Provided showed an increase of 22.7% in the period. Below, the analysis of the main cost lines in 4Q20 compared to 4Q19.

Personnel and Medical Services (+6.7%): The line mainly consists of costs related to Personnel and Benefits with fixed nature. The other costs are related to Medical Services, which have a variable nature. The growth occurs mainly due to the increase in the number of hires and higher integration costs of the acquired companies, and also to the effect of the collective agreement that occurred in November of 2020. In 4Q20, Personnel and Medical Services costs represented 30.1% of Net Revenue with a reduction of 626 bps, due to the strong demand in the quarter and reflecting the registered productivity gain.

General Services, Rentals and Utilities (+9.5%): The increase in the line in the quarter is mainly due to higher rental and occupancy costs of the acquired companies, in addition to higher costs related to IT infrastructure and rentals and maintenance of properties and equipment.

Materials and Test Intermediation (+67.7%): The growth is related to the costs with reagents to perform Covid-19 tests and Personal protective equipment (PPE) to offer service in the Patient Service Centers, reflecting the new increase in the volume of tests performed. Excluding this effect, the cost of input of reagents to other tests had similar growth to revenue excluding Covid-19 tests in 4Q20.

Depreciation and Amortization (+63.2%): Depreciation of the Real State right of use (effect of IFRS16), Medical Equipment and Real State improvements are the most representative of this line. In 4Q19 the balance was impacted by the change in the discount rate applied to the leases, reducing the amount of depreciation recorded in the period. Additionally, in 2020 there was a reflection of the depreciation resulting from the new acquisitions and the beginning of the depreciation of Digital projects to support service and operations.

General Expenses (+41.8%): Reached R\$ 2.0 million.

Cost of Services breakdown	4Q20		4Q19		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	(279.3)	-30.1%	(261.8)	-36.4%	6.7%	626.0 bps
General services, rentals and utilities	(123.3)	-13.3%	(112.6)	-15.6%	9.5%	235.8 bps
Materials and Test Intermediation	(133.9)	-14.4%	(79.9)	-11.1%	67.7%	-333.8 bps
Depreciation and Amortization	(83.2)	-9.0%	(51.0)	-7.1%	63.2%	-188.5 bps
General Expenses	(2.0)	-0.2%	(1.4)	-0.2%	41.8%	-2.0 bps
Cost of Services	-621.8	-67.0%	-506.7	-70.4%	22.7%	337.6 bps

Cost of Services breakdown	2020		2019		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	(987.5)	-33.2%	(1,013.2)	-34.9%	-2.5%	164.6 bps
General services, rentals and utilities	(446.3)	-15.0%	(426.3)	-14.7%	4.7%	-34.6 bps
Materials and Exam Intermediation	(426.9)	-14.4%	(310.5)	-10.7%	37.5%	-367.8 bps
Depreciation and Amortization	(296.4)	-10.0%	(261.4)	-9.0%	13.4%	-97.4 bps
General Expenses	(4.8)	-0.2%	(6.9)	-0.2%	-29.6%	7.4 bps
Cost of Services	-2,161.9	-72.8%	-2,018.3	-69.5%	7.1%	-327.8 bps

Operating Expenses and Equity in Subsidiaries

In 4Q20, Operating Expenses presented growth of 26.5%. Below, the analysis of the main expense lines in 4Q20 compared to 4Q19.

General and Administrative Expenses (+15.7%): Most of the line, approximately 70%, is related to fixed expenses, mainly Personnel and Benefits. The main effects are related to higher expenses with the Healthcare Platform and New Business strategy, in addition to expenses related to the Company's long-term incentive plan.

Depreciation and Amortization (+6.1%): Equals to 1.7% of the Net Revenue, increase of 36 bps. The greater representation of the line is related to software amortization.

Other Operating (Income)/Expenses (-119.8%): The main positive variations are due to credits deriving from accounts payable from the acquired companies.

Provision (Reversal) for Contingency (+414.4%): represented an increase of 147 bps. The increase reflects the non-recurring effect related to the provision for contingency, after a court decision in 4Q20, referred to ICMS on the import of equipment and supplies between 2012 to 2019 in the State of São Paulo.

Operating Expenses breakdown and Equity in Subsidiaries	4Q20		4Q19		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	(82.1)	-8.8%	(71.0)	-9.9%	15.7%	101 bps
Depreciation and Amortization	(15.5)	-1.7%	(14.6)	-2.0%	6.1%	36 bps
Other Operating (Income) Expenses	0.3	0.0%	(1.4)	-0.2%	-119.8%	23 bps
Provision (Reversal) for Contingency	(9.7)	-1.0%	3.1	0.4%	-414.4%	-147 bps
Equity in Subsidiaries	0.4	0.0%	(0.4)	-0.1%	-197.8%	9 bps
Operating Expenses and Equity in Sub.	-106.7	-11.5%	-84.3	-11.7%	26.5%	22 bps
Non-recurring	10.6	1.1%	0.0	0.0%	0.0%	114 bps
Recurring Operating Expenses and Equity in Sub.	-96.1	-10.4%	-84.3	-11.7%	14.0%	136 bps

Operating Expenses breakdown and Equity in Subsidiaries	2020		2019		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	(258.9)	-8.7%	(259.8)	-8.9%	-0.4%	23 bps
Depreciation and Amortization	(62.1)	-2.1%	(59.0)	-2.0%	5.2%	-6 bps
Other Operating (Income) Expenses	(1.1)	0.0%	(7.8)	-0.3%	-85.5%	23 bps
Provision (Reversal) for Contingency	(8.6)	-0.3%	0.3	0.0%	-2597.4%	-30 bps
Equity in Subsidiaries	(0.3)	0.0%	(0.3)	0.0%	-2.4%	0 bps
Operating Expenses and Equity in Sub.	-331.1	-11.1%	-326.7	-11.2%	1.3%	10 bps
Non-recurring	10.6	0.4%	18.1	0.6%	-41.7%	-27 bps
Recurring Operating Expenses and Equity in Sub.	-320.5	-10.8%	-308.6	-10.6%	3.9%	-16 bps

Income Statement

Net Revenue increased 28.9%, as a result of the 28.5% increase in Gross Revenue and reduction Cancellations and Discounts, reaching -1.0% in relation to Gross Revenue, with a decrease of 26 bps in the comparison with 4Q19. In 2020, Net Revenue totaled R\$ 3.0 billion, an increase of 2.3%.

Gross Profit reached R\$ 306.4 million, an increase of 43.6%, reflecting the growth in gross revenue, partially offset by the increase in costs in the period. In 2020, Gross Profit reached R\$ 809.7 million, a decrease of 8.7%. EBITDA reached R\$ 298.1 million, an increase of 52.8% compared to 4Q19. EBITDA ex-IFRS 16, which includes rental costs and expenses in its calculation, reached R\$ 250.4 million. Excluding the non-recurring effects related to the provision for ICMS contingency on imports of equipment and inputs in the quarter, recurring EBITDA totaled R\$ 308.6 million in 4Q20.

In 2020, EBITDA reached R\$ 837.5 million, down 4.9% compared to 2019. EBITDA ex-IFRS 16, reached R\$ 664.1 million. Excluding the related non-recurring effects mentioned above, recurring EBITDA totaled R\$ 848.0 million in 2020.

Net Income was R\$ 139.5 million, an increase of 148.7% compared to 4Q19. In 2020, net income totaled R\$ 257.0 million, a decrease of 17.7%. Excluding the non-recurring effects mentioned above, recurring net income totaled R\$ 155.5 million and R\$ 273.0 million in 4Q20 and 2020, respectively.

Income Statement (R\$ million)	4Q20	4Q19	Variation	2020	2019	Variation
Gross Revenue	1,000.5	778.6	28.5%	3,207.2	3,142.1	2.1%
Taxes on Gross Revenue	(62.5)	(48.0)	-30.2%	(199.9)	(193.8)	-3.1%
Cancellations	(9.9)	(10.5)	5.6%	(35.7)	(43.2)	17.4%
Cancellations (% Gross Revenue)	-1.0%	-1.3%	36.0 bps	-1.1%	-1.4%	26.0 bps
Net Revenue	928.2	720.1	28.9%	2,971.6	2,905.1	2.3%
Cost of Rendered Services	(621.8)	(506.7)	-22.7%	(2,161.9)	(2,018.3)	-7.1%
Gross Profit	306.4	213.4	43.6%	809.7	886.8	-8.7%
Gross Margin	33.0%	29.6%	338.0 bps	27.2%	30.5%	-328.0 bps
Operating Expenses and Equity in Subsidiaries	(106.7)	(84.3)	-26.5%	(331.1)	(326.7)	-1.3%
Financial Results	(39.2)	(53.8)	27.2%	(137.9)	(134.0)	-3.0%
Earnings Before Tax (EBIT)	160.5	75.3	113.3%	340.7	426.2	-20.1%
Income Tax and Social Contribution	(21.0)	(19.2)	-9.7%	(83.8)	(113.9)	26.4%
Effective Tax Rate	-13.1%	-25.5%	1237.0 bps	-24.6%	-26.7%	213.0 bps
Net Income	139.5	56.1	148.7%	257.0	312.3	-17.7%
Net Margin	15.0%	7.8%	724.0 bps	8.6%	10.8%	-210.0 bps
EBITDA	298.1	195.1	52.8%	837.5	881.0	-4.9%
EBITDA Margin	32.1%	27.1%	503.0 bps	28.2%	30.3%	-214.0 bps
EBITDA ex-IFRS 16	250.4	153.9	62.7%	664.1	719.6	-7.7%
EBITDA Margin ex-IFRS 16	27.0%	21.4%	561.0 bps	22.3%	24.8%	-242.0 bps
EBITDA Recorrente	308.6	195.1	58.2%	848.0	899.1	-5.7%
Margem EBITDA Recorrente	33.3%	27.1%	616.0 bps	28.5%	30.9%	-241.0 bps
Recurring Net Income	155.5	56.1	177.3%	273.0	325.5	-16.1%
Recurring Net Margin	16.8%	7.8%	897.0 bps	9.2%	11.2%	-202.0 bps

Indebtedness

Gross debt presented growth of 22.8% increase in the quarter, compared to 4Q19, as a result of issuances (R\$ 500 million in December 2019, R\$ 150 million in March 2020 and R\$ 400 million in April 2020).

Net debt grew 15.3%, compared to 4Q19 and the relation with EBITDA LTM ratio was 1.1x, stable when compared to 3Q20.

Due to the uncertainties and volatility caused by the Covid-19 pandemic, the Company carried out measures, aiming to establish an even more robust cash position in a preventive manner, in order to ensure that the Company can go through this period overcoming the needs that may arise.

Composition of Net Debt (R\$ MM)	4Q20	4Q19	Variation
Gross Debt (Debentures and Borrowings and Acquisitions)	2,012.6	1,639.2	22.8%
Cash, Cash Equivalents and Marketable Securities	1,111.4	857.8	29.6%
Net Debt	901.2	781.4	15.3%
Net Debt / EBITDA LTM	1.1x	0.9x	0.2x
EBITDA LTM / Financial Result LTM	6.1x	6.6x	-0.5x

Investments

In the quarter, the investments presented a decrease of 3.1%, reaching R\$ 75.4 million.

The investments in new Patient Service Centers, Expansion of Supply in Existing Patient Service Centers and Technical Areas increased by 23.0%, mainly related to investments made in new initiatives (Fleury Reproductive Medicine Center) and integration costs of acquired Companies.

In the Renewal of Equipment of Diagnostics and Maintenance, the 44.7% reduction compared to the same quarter of last year is explained by the lower concentration of large equipment replacement in 4Q20.

Investments in IT/Digital increased 9.3%, with a relevant highlight for investments focused on the development and expansion of the Company's healthcare platform and digitalization strategy.

CAPEX (R\$ million)	4Q20	4Q19	Variation	2020	2019	Variation
New PSC's, Offer Expansion in Existing Units and Technical Areas	27.3	22.2	23.0%	52.0	60.1	-13.5%
Diagnostic Equipment Renewal and Maintenance	13.0	23.5	-44.7%	44.7	63.0	-29.0%
IT/Digital	35.1	32.1	9.3%	91.1	84.7	7.5%
Total Capex	75.4	77.8	-3.1%	187.8	207.9	-9.6%

Cash Flow

In 4Q20, Operating Cash Flow registered R\$ 272.3 million, an increase of 33.0%. The increase reflects mainly the relevant growth in EBITDA in the quarter.

In Working Capital, the variation in accounts receivable had the most relevant impact, from R\$ 12.0 million in 4Q19 to R\$ -72.6 million in 4Q20. The impact is due to revenue growth during the quarter, especially in December, with a consequent increase in accounts receivable in relation to 3Q20. The impact of Accounts Receivable was offset by the increase in the balance of the Suppliers account, and also by the growth in the Other Assets and Liabilities account, due to the higher consumption of inventories and use of tax credits in the period.

In the quarter, the Average Collection Period was 64 days, an improvement of 3 days compared to 4Q19. The Free Cashflow to firm increase 53.5%, and the CAPEX level decreased by 3.1% compared to 4Q19.

Finally, Shareholder Free Cash Flow decreased, from R\$ 549.3 million to R\$ 106.0 million.

Cash Flow (R\$ MM)	4Q20	4Q19	▲ %	2020	2019	▲ %
EBITDA	298,1	195,1	52,8%	837,5	881,0	-4,9%
Provisions (reversions)	22,1	23,3	-5,1%	51,3	84,8	-39,5%
Income Tax Paid	(84,2)	(24,4)	-245,4%	(141,8)	(107,1)	-32,4%
Others Operating Results	8,3	(1,3)	713,5%	27,8	19,2	45,0%
Working Capital Variation:	27,9	12,0	132,3%	(127,7)	(145,6)	12,3%
Trade Accounts Receivables	(72,6)	12,0	-707,0%	(161,2)	(98,5)	-63,8%
Suppliers	53,5	31,0	72,3%	54,9	(10,9)	605,4%
Salaries / Charges	(9,5)	(26,4)	64,0%	(1,4)	(30,7)	95,4%
Others Assets and Liabilities	56,6	(4,5)	1347,9%	(19,9)	(5,6)	-255,6%
(=) Operating Cash Flow	272,3	204,7	33,0%	647,1	732,3	-11,6%
Capital Expenditures	(75,4)	(77,8)	3,1%	(187,8)	(207,9)	9,6%
Others Investing Activities	(2,3)	(0,1)	-1676,7%	(3,7)	(1,7)	-115,1%
(=) Free Cash Flow to Firm (FCFF)	194,6	126,8	53,5%	455,7	522,8	-12,8%
Interest Paid / Received	(21,7)	(26,8)	18,9%	(63,4)	(73,8)	14,2%
Change in Debt	(19,3)	493,5	-103,9%	342,9	303,0	13,2%
Leasing	(47,6)	(44,3)	7,6%	(173,4)	(162,3)	-6,8%
(=) Free Cash Flow to Equity (FCFE)	106,0	549,3	-80,7%	561,8	589,6	-4,7%
Dividends and Interest on Capital	(197,8)	(55,2)	-258,2%	(228,9)	(307,5)	25,5%
Payment of Acquisitions	(6,0)	(99,8)	94,0%	(83,2)	(240,4)	65,4%
Capital Increase (Stock Options)	0,0	0,0	0,0%	5,9	7,1	-16,8%
(=) Cash Flow	(97,8)	394,2	-124,8%	255,7	48,9	422,7%

¹ It does not consider the variation in Marketable securities

Cash Flow Indicators	4Q20	4Q19	▲	2020	2019	▲
Average Collection Period	64	67	9 days	80	66	-10 days
Average Payment Period	56	56	6 days	66	59	-2 days
Cash Flow Conversion to EBITDA	91,3%	104,9%	-1.360 bps	77,3%	83,1%	-585 bps

Organic Expansion Plan and Acquisitions

In October 2016, the Company announced the projection for opening from 73 to 90 new patient service centers until 2021, which compose the organic expansion plan. Until 4Q20, there were opened 54 patient service centers, corresponding to 74% of the lower range of the projection.

In addition to the 54 patient service centers inaugurated in the organic expansion plan, the Company also made acquisitions of six diagnostics brands, adding another 72 new patient service centers to the brand portfolio, with 36 patient service centers in regions where the Company already has operations and 36 patient service centers in new regions.

Patient Service Centers launched within the Organic Expansion Plan					
	Fleury Brand	Complexity	Patient Service Area (sqm)	State	Date
1	Fleury Santo André	Medium	587	São Paulo	feb/18
2	Fleury Carlos Weber	Medium	681	São Paulo	oct/17
3	Fleury Alameda Jaú	Fast site	380	São Paulo	set/17
4	Fleury Morumbi	Large	1,988	São Paulo	jul/17
5	Fleury Anália Franco	Large	1,214	São Paulo	jun/17
6	Fleury Heitor Penteado	Fast site	183	São Paulo	jun/17
7	Fleury São Caetano do Sul	Fast site	411	São Paulo	may/17
8	Fleury Cerro Corá	Fast site	233	São Paulo	apr/17
9	Fleury Ipiranga	Fast site	206	São Paulo	mar/17
10	Fleury Brasil	Fast site	235	São Paulo	jan/17
11	Fleury Moema	Fast site	126	São Paulo	dec/16
	Regional South	Complexity	Patient Service Area (sqm)	State	Date
1	a+ João Bettega	Small	128	Paraná	dec/17
2	a+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	a+ Ecoville	Small	47	Paraná	feb/17
5	a+ Champagnat	Small	81	Paraná	feb/17
6	a+ Centro	Small	29	Paraná	feb/17
7	a+ Batel	Small	134	Paraná	dec/16
8	a+ Nossa Saúde	Small	79	Paraná	oct/16
	a+ São Paulo	Complexity	Patient Service Area (sqm)	State	Date
1	a+ Canário	Grande	680	São Paulo	out/19
2	a+ Chácara Flora	Fast site	299	São Paulo	dec/18
3	a+ Verbo Divino	Fast site	196	São Paulo	dec/18
4	a+ Berrini	Fast site	199	São Paulo	dec/18
5	a+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
6	a+ Granja Viana	Fast site	231	São Paulo	aug/18
7	a+ Tatuapé	Large	1,483	São Paulo	aug/18
8	a+ Vila Andrade	Fast site	234	São Paulo	jul/18
9	a+ Brasil	Fast site	348	São Paulo	jul/18
10	a+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
11	a+ Ipiranga	Medium	359	São Paulo	jun/18
12	a+ Funchal	Fast site	239	São Paulo	may/18
13	a+ Guarulhos	Large	832	São Paulo	apr/18
14	a+ Pedroso de Morais	Medium	421	São Paulo	dec/17
15	a+ Leôncio Magalhães	Medium	544	São Paulo	nov/17
16	a+ Queiroz Filho	Medium	673	São Paulo	oct/17
17	a+ Santo André	Medium	437	São Paulo	jul/17
18	a+ Augusto Tolle	Fast site	392	São Paulo	jul/17
19	a+ Itaim Bibi	Fast site	207	São Paulo	may/17

Patient Service Centers launched within the Organic Expansion Plan (Part 2)					
Regional RJ	Complexity	Patient Service Area (sqm)	State	Date	
1	Felippe Mattoso Mena Barreto	Fast site	276	Rio de Janeiro	dec/18
2	Felippe Mattoso Av. das Américas	Large	1009	Rio de Janeiro	nov/18
3	Labs a+ Carioca	Fast site	559	Rio de Janeiro	nov/18
4	Labs a+ Posto 6	Medium	318	Rio de Janeiro	nov/18
5	Labs a+ Freguesia	Medium	363	Rio de Janeiro	nov/18
6	Labs a+ Flamengo	Medium	478	Rio de Janeiro	nov/18
7	Felippe Mattoso Ipanema	Fast site	239	Rio de Janeiro	dec/17
8	Labs a+ Catete	Fast site	145	Rio de Janeiro	dec/17
9	Labs a+ Shopping Santa Cruz	Fast site	131	Rio de Janeiro	dec/17
10	Labs a+ Mariz e Barros	Fast site	134	Rio de Janeiro	dec/17
11	Labs a+ Uruguai	Fast site	129	Rio de Janeiro	nov/17
12	Labs a+ Santa Rosa	Fast site	148	Rio de Janeiro	oct/17
13	Labs a+ Campo Grande	Fast site	281	Rio de Janeiro	sep/17
Regional Brasília	Complexity	Patient Service Area (sqm)	State	Date	
1	a+ Asa Sul	Fast site	58	Brasília	aug/17
2	a+ Sudoeste	Fast site	119	Brasília	aug/17
Regional Pernambuco	Complexity	Patient Service Area (sqm)	State	Date	
1	a+ Casa Forte	Small	151	Pernambuco	may/18
Total 54 PSCs		20,085 sqm			

PSCs inaugurated by brand				
Acquired Patient Service Centers (Part 1)				
Company	PSC	Complexity	PSCs area (sqm)	State
1	Serdil	Serdil	NA	Rio Grande do Sul
2	IRN	Matriz	NA	Rio Grande do Norte
3	IRN	Parnamirim	NA	Rio Grande do Norte
4	IRN	Lagoa Nova	NA	Rio Grande do Norte
5	LAFE	Alcantara	NA	Rio de Janeiro
6	LAFE	Armando Lombardi	NA	Rio de Janeiro
7	LAFE	Bairro de Fatima	NA	Rio de Janeiro
8	LAFE	Barra II	NA	Rio de Janeiro
9	LAFE	Barra III	NA	Rio de Janeiro
10	LAFE	Belford Roxo	NA	Rio de Janeiro
11	LAFE	Botafogo I	NA	Rio de Janeiro
12	LAFE	Copacabana I	NA	Rio de Janeiro
13	LAFE	Copacabana II	NA	Rio de Janeiro
14	LAFE	Del Castilho	NA	Rio de Janeiro
15	LAFE	Duque de Caxias I	NA	Rio de Janeiro
16	LAFE	Duque de Caxias II	NA	Rio de Janeiro
17	LAFE	Gavea	NA	Rio de Janeiro
18	LAFE	Guadalupe	NA	Rio de Janeiro
19	LAFE	Icarai	NA	Rio de Janeiro
20	LAFE	Ilha do Governador I	NA	Rio de Janeiro
21	LAFE	Ipanema I	NA	Rio de Janeiro
22	LAFE	Laranjeiras II	NA	Rio de Janeiro
23	LAFE	Nilopolis	NA	Rio de Janeiro
24	LAFE	Nova Iguacu I	NA	Rio de Janeiro
25	LAFE	Nova Iguacu II	NA	Rio de Janeiro
26	LAFE	Nova Iguacu III	NA	Rio de Janeiro
27	LAFE	Ouvidor	NA	Rio de Janeiro
28	LAFE	Sao Cristovão	NA	Rio de Janeiro
29	LAFE	Tijuca	NA	Rio de Janeiro
30	LAFE	Vila da Penha II	NA	Rio de Janeiro

Acquired Patient Service Centers (Part 2)					
31	CPC	Matriz	NA	838	Rio Grande do Norte
32	CPC	Mirassol	NA	94	Rio Grande do Norte
33	CPC	Alexandrino	NA	106	Rio Grande do Norte
34	CPC	Clinorte	NA	43	Rio Grande do Norte
35	CPC	Cidade Verde	NA	132	Rio Grande do Norte
36	CPC	Lima e Silva	NA	124	Rio Grande do Norte
37	CPC	Parnamirim	NA	77	Rio Grande do Norte
38	Diagmax	Cedire	NA	317	Pernambuco
39	Diagmax	Derby I	NA	414	Pernambuco
40	Diagmax	Derby II	NA	626	Pernambuco
41	Diagmax	Shopping Recife	NA	565	Pernambuco
42	Diagmax	Shopping Rio Mar	NA	697	Pernambuco
43	Diagmax	Shopping Tacaruma	NA	379	Pernambuco
44	Inlab	Anil	NA	70	Maranhão
45	Inlab	Araçagy	NA	122	Maranhão
46	Inlab	Bequimão	NA	93	Maranhão
47	Inlab	Centro	NA	75	Maranhão
48	Inlab	Cidade Operáeia	NA	67	Maranhão
49	Inlab	Cohab	NA	70	Maranhão
50	Inlab	Cohafuma	NA	88	Maranhão
51	Inlab	Cohajap	NA	72	Maranhão
52	Inlab	Cohama	NA	79	Maranhão
53	Inlab	Cohatrac	NA	64	Maranhão
54	Inlab	Holandeses	NA	324	Maranhão
55	Inlab	João Paulo	NA	153	Maranhão
56	Inlab	Lagoa	NA	82	Maranhão
57	Inlab	Maiobao	NA	76	Maranhão
58	Inlab	São Marcos	NA	24	Maranhão
59	Inlab	Shopping da Ilha	NA	57	Maranhão
60	Inlab	Turu	NA	47	Maranhão
61	Inlab	Olho D'Água	NA	84	Maranhão
62	Inlab	Vinhais	NA	73	Maranhão
63	Inlab	Matriz	NA	298	Maranhão
64	Inlab	Ponta do Farol	NA	65	Maranhão
65	Inlab	São Cristovão	NA	82	Maranhão
66	Inlab	Cassi	NA	15	Maranhão
67	Inlab	I-Medical	NA	9	Maranhão
68	Inlab	São Francisco	NA	22	Maranhão
Total 68 PSCs through acquisition				17382,08 sqm	

Performance Indicators

Operational Indicators	Description	Unit	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Income Statement											
Gross Revenue	Gross Revenue	R\$ MM	706.8	757.9	787.6	818.0	778.6	770.6	492.2	943.8	1,000.5
Net Revenue	Gross Revenue - Tax (ISS and PIS/COFINS) - Cancellations	R\$ MM	654.8	700.6	728.7	755.7	720.1	713.9	454.9	874.6	928.2
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation and Amortization	R\$ MM	(482.2)	(477.4)	(509.9)	(524.3)	(506.7)	(526.3)	(452.4)	(561.4)	(621.8)
SG&A	Does not include Other Operating Expenses / Revenues, Contingency Provisions and Equity in Subsidiaries	R\$ MM	(79.7)	(70.2)	(83.9)	(79.1)	(85.6)	(80.3)	(68.1)	(74.9)	(97.7)
EBIT	Earnings Before Interest and Taxes	R\$ MM	91.3	151.5	127.7	151.9	129.4	108.7	(65.1)	236.1	199.3
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R\$ MM	145.4	235.3	211.9	238.7	195.1	195.9	19.6	323.8	298.1
Net Finance Income	Interest Revenue - Interest Expenses	R\$ MM	(15.3)	(24.6)	(28.2)	(27.4)	(53.8)	(28.8)	(36.6)	(33.3)	(39.2)
Net Income	Net Income	R\$ MM	58.2	92.6	72.6	91.1	56.1	58.7	(73.3)	132.1	139.5
Net Cash Income	Net Income - Deferred income tax	R\$ MM	63.7	94.5	59.1	102.2	61.3	65.6	(89.8)	144.9	130.3
Result Indicators											
Cancellation Index	Cancellations / Gross Revenue	%	-1.2%	-1.4%	-1.3%	-1.4%	-1.3%	-1.2%	-1.4%	-1.1%	-1.0%
Gross Margin	Gross Profit / Net Revenue	%	26.3%	31.9%	30.0%	30.6%	29.6%	26.3%	0.6%	35.8%	33.0%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	13.9%	21.6%	17.5%	20.1%	18.0%	15.2%	-14.3%	27.0%	21.5%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	22.2%	33.6%	29.1%	31.6%	27.1%	27.4%	4.3%	37.0%	32.1%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-23.5%	-27.0%	-27.0%	-27.0%	-25.5%	-26.5%	-28.6%	-35.0%	-13.1%
Net Margin	Net Profit / Net Revenue	%	8.9%	13.2%	10.0%	12.1%	7.8%	8.2%	-16.1%	15.1%	15.0%
Net Cash Income Margin	(Net Income - Deferred income tax) / Net Revenue	%	9.7%	13.5%	8.1%	13.5%	8.5%	9.2%	-19.7%	16.6%	14.0%
Financial Debt											
Cash & Equivalents	Cash, Equivalents and Marketable Securities	R\$ MM	808.9	602.0	300.4	463.6	857.8	803.6	1,152.8	1,209.2	1,111.4
Gross Debt	Short and Long Term Debts (Borrowings and Debentures)	R\$ MM	1,305.8	1,131.9	1,150.4	1,155.0	1,639.2	1,692.2	2,057.7	2,035.2	2,012.6
Net Debt	Gross Debt - Cash and Cash equivalents	R\$ MM	497.0	529.8	850.1	691.4	781.4	888.6	904.9	826.0	901.2
Net Debt / EBITDA LTM	(Gross Debt - Cash and Cash equivalents) / EBITDA LTM	Multiple	0.7x	0.7x	1.1x	0.8x	0.9x	1.1x	1.4x	1.1x	1.1x
Profitability and Return											
ROIC without Goodwill ex-IFRS 16 (LTM)	NOPAT ex-IFRS 16 LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt - Goodwill)	%	41.2%	45.3%	36.0%	38.3%	38.7%	41.0%	21.2%	28.2%	32.4%
ROIC ex-IFRS 16 (LTM)	NOPAT ex-IFRS 16 LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt)	%	15.3%	15.8%	13.6%	14.1%	14.1%	13.1%	7.1%	9.2%	11.0%

FLEURY S.A. CONSOLIDATED BALANCE SHEET

Balance Sheet as of December 30th, 2020 and December 31st, 2019 (In R\$ thousand) – IFRS 16

	Consolidated	
	12/31/2020	12/31/2019
Assets		
Current		
Cash and cash equivalents	28,184	8,966
Marketable securities	1,013,621	795,298
Accounts receivable	704,468	570,086
Inventories	63,093	31,867
Taxes recoverable	22,325	17,514
IRP J e CSLL recoverable	33,245	49,804
Related Parties	-	26
Other assets	15,263	11,639
Derivative financial instruments	-	-
Total current	1,880,199	1,485,200
Non-current		
Marketable securities	69,615	53,538
Other assets	33,086	23,155
Deferred income tax and social contribution	12,232	12,590
Judicial deposits	24,988	39,170
Total non-current	139,921	128,353
Total assets	2,020,120	1,613,553
Liabilities and equity		
Current		
Financing	68,928	31,220
Debentures	403,322	177,276
Financial lease	105,039	131,939
Derivative financial instruments	367	126
Trade accounts payable	250,459	190,442
Payroll and related taxes payable	138,774	139,226
Taxes and contributions payable	37,417	30,941
IRP J e CSLL payable	212	448
Accounts payable - company acquisition	25,790	8,991
Dividends payable	74,504	31,207
Other accounts payable	4,959	5,219
Total current	1,109,771	747,035
Non-current		
Financing	531,949	47,914
Debentures	899,522	1,300,000
Financial lease	680,790	690,940
Liabilities	-	218
Deferred income tax and social contribution, net	405,217	409,843
Provision for tax, labor and civil risks	42,082	37,947
Taxes and contributions payable	14,910	21,527
Accounts payable - company acquisition	83,092	73,813
Other accounts payable	5,627	8,439
Total non-current	2,663,189	2,590,641
Total liabilities and equity	3,772,960	3,337,676
Equity		
Share capital	1,432,202	1,426,267
Capital reserve - options granted recognized	35,954	32,067
Legal reserve	115,725	102,876
Additional dividends proposed	169,643	197,766
(-) Treasury Shares	(2,674)	-
Total equity	1,758,850	1,758,976
Total liabilities and equity	5,523,810	5,096,652

FLEURY S.A. CONSOLIDATED INCOME STATEMENT

Income Statement of the period of three months as of December 31st, 2020 and December 31st, 2019 (In R\$ thousand, except Earnings per share) – IFRS 16

	Consolidated		Consolidated	
	4Q20	4Q19	2020	2019
Revenue from services rendered	928,155	720,114	2,971,616	2,905,107
Cost of services rendered	(621,775)	(506,719)	(2,161,887)	(2,016,715)
Gross Profit	306,380	213,395	809,729	888,392
Operating income (expenses)				
General and administrative	(97,651)	(85,626)	(320,958)	(320,387)
Other operating income (expenses), net	278	(1,407)	(1,136)	(7,839)
Provision for tax, labor and civil risks	(9,669)	3,076	(8,640)	346
Equity in the earnings (losses) of subsidiaries	371	(378)	(326)	(333)
Operating profit before financial result	199,709	129,060	478,669	560,179
Financial income	8,640	5,589	37,107	33,813
Financial expenses	(47,823)	(59,396)	(175,043)	(167,791)
Financial result	(39,183)	(53,807)	(137,936)	(133,978)
Earnings before income tax and social contribution	160,526	75,252	340,733	426,201
Income tax and social contribution:				
Current	(30,253)	(13,966)	(89,742)	(109,120)
Deferred	9,210	(5,210)	5,970	(4,764)
Profit for the period	139,483	56,076	256,961	312,317
Earnings per share attributable to owners of the Company				
Basic earnings per share (weighted average)	0.81	0.99	0.81	0.99
Diluted earnings per share (weighted average)	0.80	0.98	0.80	0.98

FLEURY S.A. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity as of December 31th, 2020 and December 31st, 2019 and 2018 (In R\$ thousand) – IFRS 16

	Share Capital		Capital Reserve		Legal Reserve	Investment Reserve		Additional dividends proposed	Equity
	Share Capital	Share issue expenses	Options granted recognized	Profit for the period		Profit for the period			
Balances on December 31, 2018	<u>1,441,920</u>	<u>(22,784)</u>	<u>26,259</u>	<u>217,305</u>	<u>87,261</u>	-	-	<u>1,749,961</u>	
Capital increase	7,131	-	-	-	-	-	-	7,131	
Stock option plan	-	-	5,807	-	-	-	-	5,807	
Profit for the period (R\$0,87 per share)	-	-	-	-	-	312,317	-	312,317	
Legal reserve	-	-	-	-	15,616	-	(15,616)	-	
Dividends	-	-	-	(217,305)	-	-	-	(217,305)	
Interest on own capital	-	-	-	-	-	(98,935)	-	(98,935)	
Intangible assets	-	-	-	197,766	-	(197,766)	-	-	
Balances on December 31, 2019	<u>1,449,051</u>	<u>(22,784)</u>	<u>32,066</u>	<u>197,766</u>	<u>102,877</u>	-	-	<u>1,758,976</u>	
Capital increase	5,935	-	-	-	-	-	-	5,935	
Stock option plan	-	-	3,888	-	-	-	-	3,888	
Profit for the period	-	-	-	-	-	256,961	-	256,961	
Legal reserve	-	-	-	(197,766)	-	-	-	(197,766)	
Dividends	-	-	-	-	-	(74,470)	-	(74,470)	
Interest on own capital	-	-	-	(2,674)	-	-	-	(2,674)	
Profit Reserve (Treasury Shares)	-	-	-	169,643	-	(169,643)	-	-	
Intangible assets	-	-	-	-	-	-	-	-	
Balances on December 31, 2020	<u>1,454,986</u>	<u>(22,784)</u>	<u>35,954</u>	<u>166,969</u>	<u>115,725</u>	-	-	<u>1,750,850</u>	

FLEURY S.A. CONSOLIDATED STATEMENTS OF CASH FLOW

Statements of Cash Flow of the period of December 31st, 2020 and December 31st, 2019 (In R\$ thousand) – IFRS 16

	Consolidated		Consolidated	
	4Q20	4Q19	2020	2019
Profit for the period	139,483	56,076	256,961	312,317
Items not affecting cash:				
Income tax and social contribution	21,043	19,176	83,772	113,884
Financial and expenses income	39,931	55,857	153,281	151,848
Depreciation and amortization	98,734	65,628	358,468	320,464
Equity in the earnings (losses) of subsidiaries	-	370	326	333
Stock option plan	2,642	1,430	5,557	5,808
Constitution of provision for tax, labor and civil risks	9,669	1,952	8,640	778
Estimated losses with doubtful accounts and disallowances	10,142	11,538	37,392	44,514
Profit sharing	-	303	(273)	32,069
Other	9,414	3,394	12,470	1,313
Cash flows from operating activities before changes in assets and liabilities	330,385	216,541	916,594	983,328
(Increase) decrease in accounts receivable	-	72,601	(161,223)	(96,835)
(Increase) decrease in inventories	-	18,594	(1,035)	(4,319)
(Increase) decrease in taxes recoverable	-	6,422	3,330	8,649
(Increase) decrease in judicial deposits	-	1,749	1,087	1,771
(Increase) decrease in other assets	-	16,819	(13,136)	(10,096)
Increase (decrease) in trade accounts payable	-	53,492	54,850	(10,852)
Increase (decrease) in labor liabilities	-	9,517	(1,416)	(30,677)
Increase (decrease) in tax liabilities	-	4,201	5,765	(4,403)
Increase (decrease) in taxes paid in installments	-	3,404	(8,648)	(3,890)
(Increase) decrease in other liabilities	-	12,383	12,839	6,701
Total variation in assets and liabilities	28,138	12,525	(127,658)	(143,951)
Income tax and social contribution paid	-	84,174	(141,795)	(107,060)
Net cash from operating activities	274,349	204,696	647,141	732,317
Acquisition of property and equipment and intangible assets	(75,495)	(77,780)	(187,816)	(207,856)
Sale of fixed assets	144	241	144	243
Marketable securities and interest earned	107,320	(391,747)	(234,400)	(95,185)
Payments	3,458	(97,888)	(73,697)	(237,240)
Related parties increase	-	350	-	350
Acquisition of	(9,458)	(1,930)	(9,458)	(3,146)
Payment of capital in subsidiary	(2,072)	-	(2,072)	-
Interest earned from financial investments	20	39	119	207
Net cash used in investing activities	23,917	568,715	(507,180)	(542,627)
Borrowings and debentures	-	500,000	550,000	500,000
Settlement (principal) of financing and debentures	-	18,983	(207,274)	(195,731)
Interest paid in financing and debentures	-	21,741	(63,470)	(74,030)
Financial expenses paid	-	2,360	(6,648)	(2,428)
Derivative financial instruments	-	36	2,825	111
Leasing	-	47,628	(173,350)	(162,270)
Capital integralization	-	-	5,935	7,131
Dividends and / or interest on shareholders' equity	-	197,752	(228,929)	(307,466)
Dividends	-	26	26	26
Risk Withdrawn Operation	-	316	142	(1,298)
Net cash used in financing activities	-	288,718	(120,743)	(235,955)
(Decrease) increase in cash and cash equivalents	9,548	2,497	19,218	(46,265)
Cash and cash equivalents	-	-	-	-
At the beginning of the period	18,636	6,469	8,966	55,231
At the end of the period	28,184	8,966	28,184	8,966
Variation in cash and cash equivalents	9,548	2,497	19,218	(46,265)

FLEURY S.A. CONSOLIDATED STATEMENTS OF VALUE ADDED

Statements of Value Added of the period of December 31st, 2020 and December 31st, 2019 (In R\$ thousand)

– IFRS 16

	Consolidated	
	12/31/20	12/31/19
Revenues	3,185,676	3,108,428
Goods and products sold and services rendered	3,205,193	3,140,759
Estimated losses with doubtful accounts and disallowances	(37,392)	(44,514)
Other revenue	17,875	12,183
Inputs purchased from third parties	(1,280,968)	(1,160,657)
Cost of goods and products sold and services rendered	(1,180,797)	(1,068,351)
Materials, electricity, outsourced services and others	(92,869)	(90,944)
Loss/recovery of asset values	(7,302)	(1,362)
Gross value added	1,904,708	1,947,771
Depreciation and amortization	(358,468)	(320,463)
Net value added	1,546,240	1,627,308
Value added received through transfer	38,296	35,079
Equity in the earnings (losses) of subsidiaries	(326)	(333)
Financial income	38,622	35,412
	-	-
Total value added	1,584,536	1,662,387
Distribution of value added	(1,584,536)	(1,662,387)
Personnel and charges	(715,926)	(698,060)
Direct remuneration	(490,078)	(477,630)
Benefits	(186,200)	(181,820)
Charges	(39,648)	(38,610)
Taxes, fees and contributions	(395,474)	(441,747)
Federal	(294,626)	(345,320)
Municipalities	(100,848)	(96,427)
Interest, rental and other operating expenses	(216,175)	(210,263)
Rental	(9,916)	(12,043)
Interest	(175,043)	(167,792)
Other operating expenses	(31,216)	(30,428)
Interest on own capital	(74,470)	(98,935)
Legal reserve	(12,848)	(15,616)
Retained earnings	(169,643)	(197,766)