

# Results 2Q19 – FLRY3

July 2019



# Disclosure

This presentation may contain forward-looking statements. Such statements are not statements of historical facts and reflect the beliefs and expectations of the Company's management. The words "anticipates", "believes", "estimates", "expects", "forecasts", "plans", "predicts", "project", "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties. Known risks and uncertainties include but are not limited to the impact of competitive services and pricing market acceptance of services, service transactions by the Company and its competitors, regulatory approval, currency fluctuations, changes in service mix offered, and other risks described in the Company's registration statement. Forward-looking statements speak only as of the date they are made and Grupo Fleury does not undertake any obligation to update them in light of new information or future developments.

**All figures are compared to 2Q18 and 6M18 except when stated otherwise.**

## 2Q19 Financial Highlights<sup>1</sup>

Net revenues of R\$ 787.6 MM (+8.2%). Highlight for the growth of 6.2% in the Fleury Brand.

Cancellations represented 1.3% (stable).

Recurring EBITDA of R\$ 190.6 MM (+6.6%), with recurring margin of 26.2%.

Recurring Net Income of R\$ 90.3 MM (+4.2%).

Return on Invested Capital (ROIC), excluding goodwill, reached 35.8%, impacted by non-recurring effects and conclusion of the acquisition of Lufe Serviços Médicos.

Non-recurring effects (R\$ 18.1 million): Provision for write-off of other accounts receivable, M&A expenses and organizational structure redesign project.

Subsequent event: In July/19, we announced a distribution of IOC<sup>2</sup> related to 6M 2019, in the amount of R\$ 63.3 million, corresponding to R\$ 0.2003 per share.

<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

<sup>2</sup> IOC: Interest on Capital

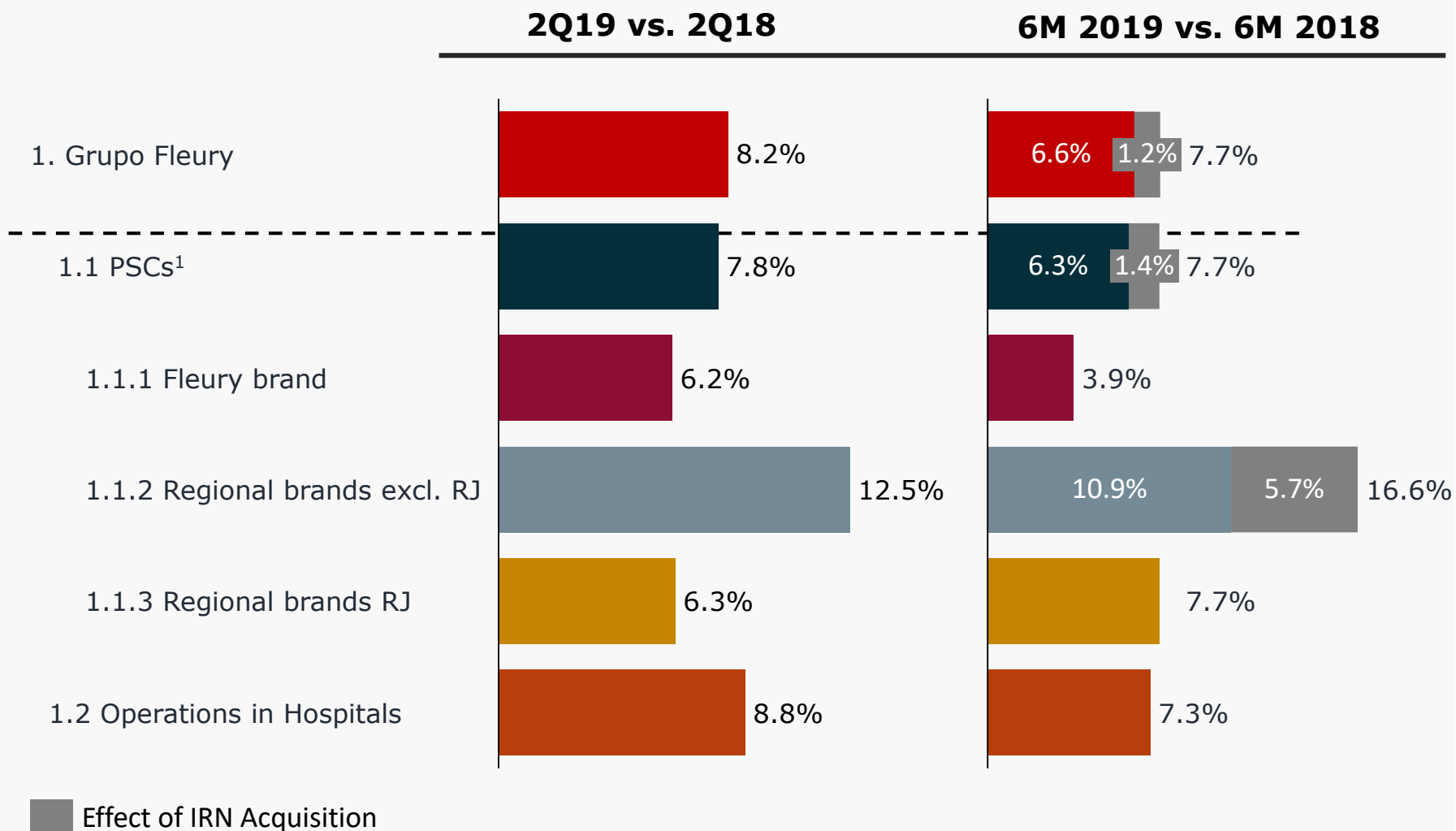
## 2Q19 Operating Highlights

- ✧ NPS<sup>1</sup> reached 76.4% (stable), maintaining the high level of differentiation of our services.
- ✧ Closing of the acquisition of the LAFE brand in Rio de Janeiro.
- ✧ Healthcare Business Platform: launch of the operation of Fleury Day Clinic in Orthopedics.
- ✧ Important advance in the portfolio of tests in personalized and precision medicine with the launch of two new tests in genomics.
- ✧ Grupo Fleury awards:
  - Top of Mind: Weinman brand as the most remembered in Laboratory for Clinical Analysis.
  - Modern Consumer Award: Leadership in Diagnostic Medicine category for the 18th consecutive year.
  - Ranking BrandZ Brasil, conducted by consulting company Katar, listed the Fleury brand as the 44<sup>th</sup> most valuable brand in Brazil.

<sup>1</sup> NPS: Net Promoter Score

# Gross Revenue

## Business segments performance

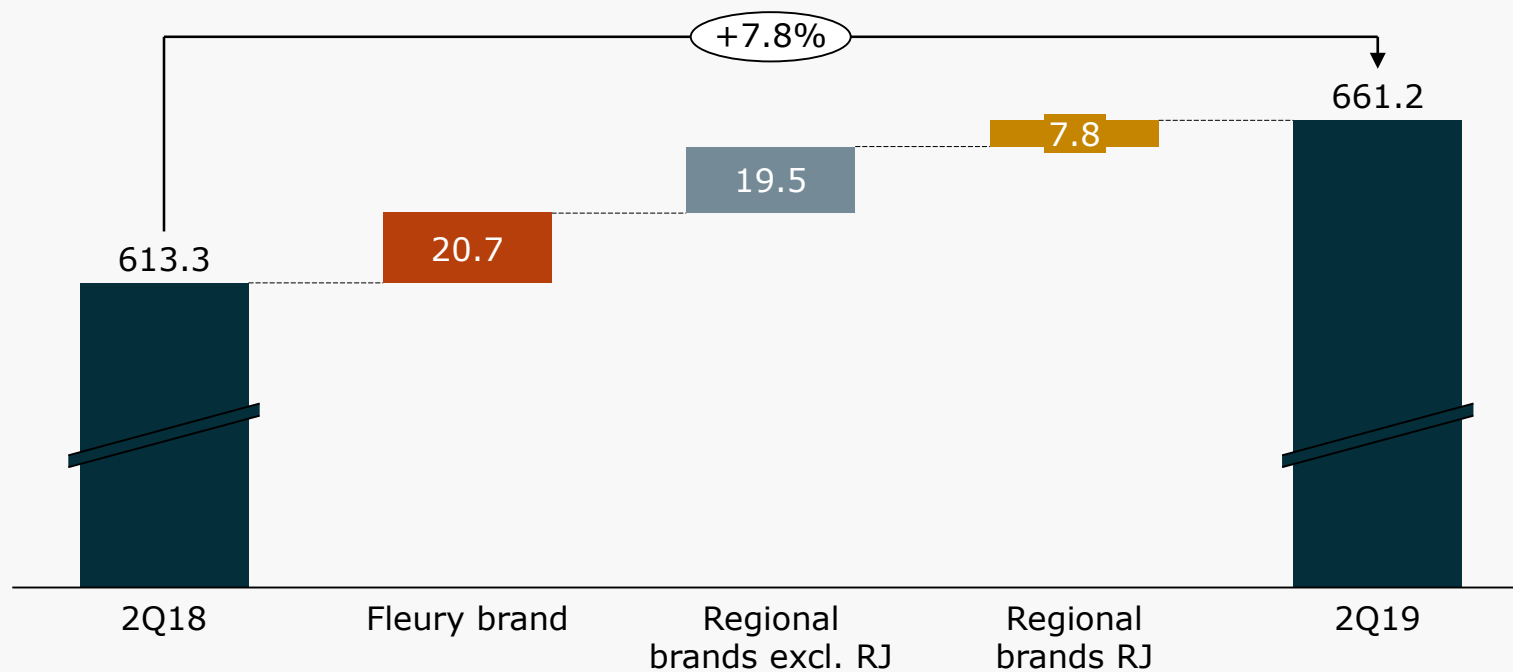


<sup>1</sup> PSCs: Patient Service Centers

# Gross Revenue

## PSCs<sup>1</sup> indicators

**PSCs<sup>1</sup> Gross Revenue (R\$ MM) per brand; Gross Revenue<sup>2</sup> and SSS<sup>3</sup> variation**



**GR<sup>2</sup> 2Q19 vs. 2Q18**

+6.2%

+12.5%

+6.3%

+7.8%

**SSS<sup>3</sup> 2Q19 vs. 2Q18**

+5.4%

+7.9%

+1.5%

+5.2%

<sup>1</sup> PSCs: Patient Service Centers

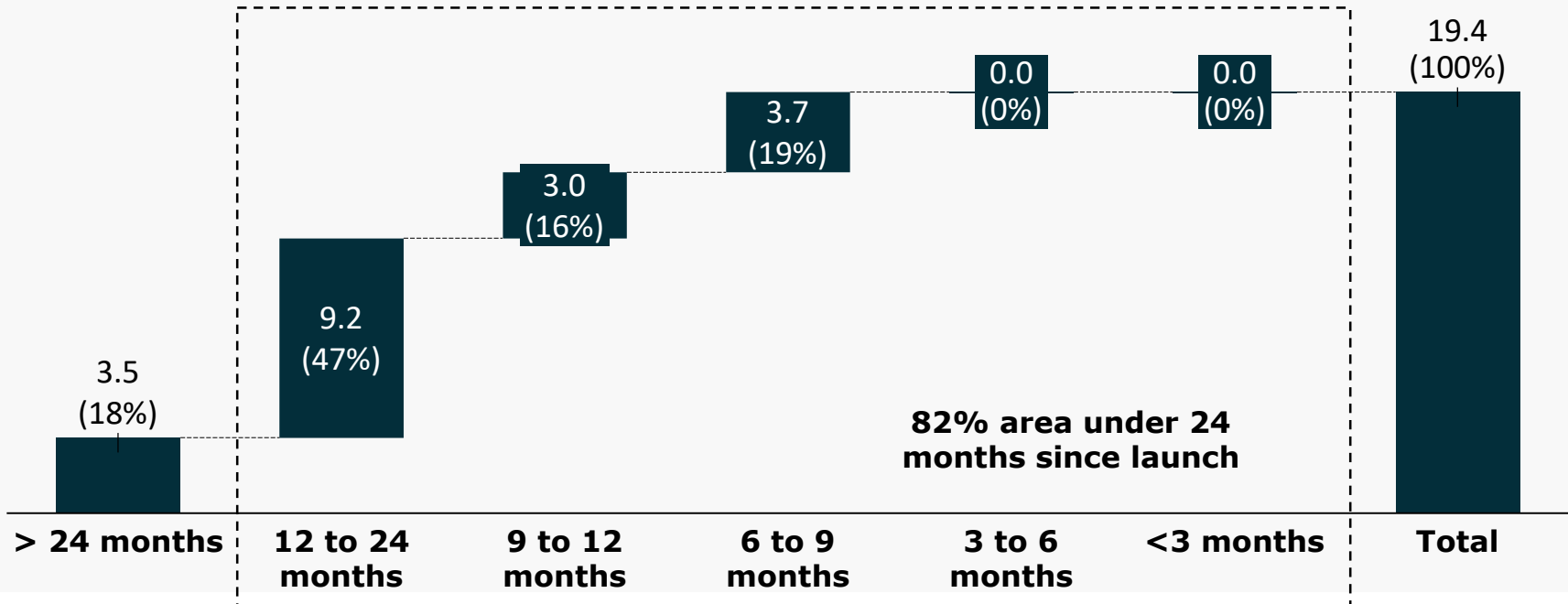
<sup>2</sup> GR: Gross Revenue

<sup>3</sup> SSS: Same Store Sales

# Expansion Plan

## Patient Service Area

Patient Service Area – Expansion Plan (thousands sqm)



Fleury Brand (6.2 thousand sqm): 58% area less than 24 months since launch



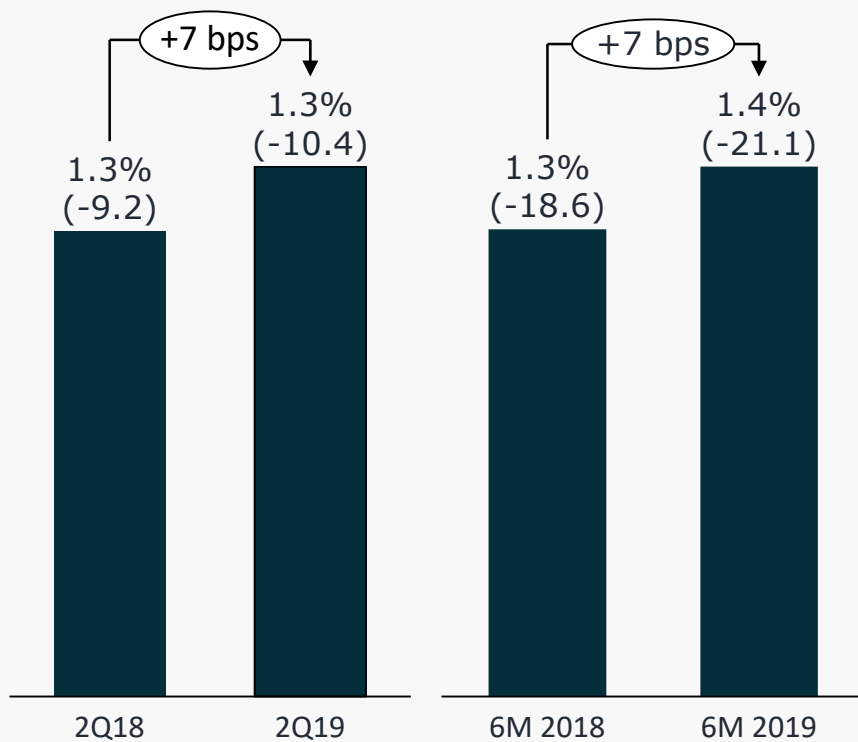
Regional brands excl. RJ (9.0 thousand sqm): 90% area less than 24 months since launch



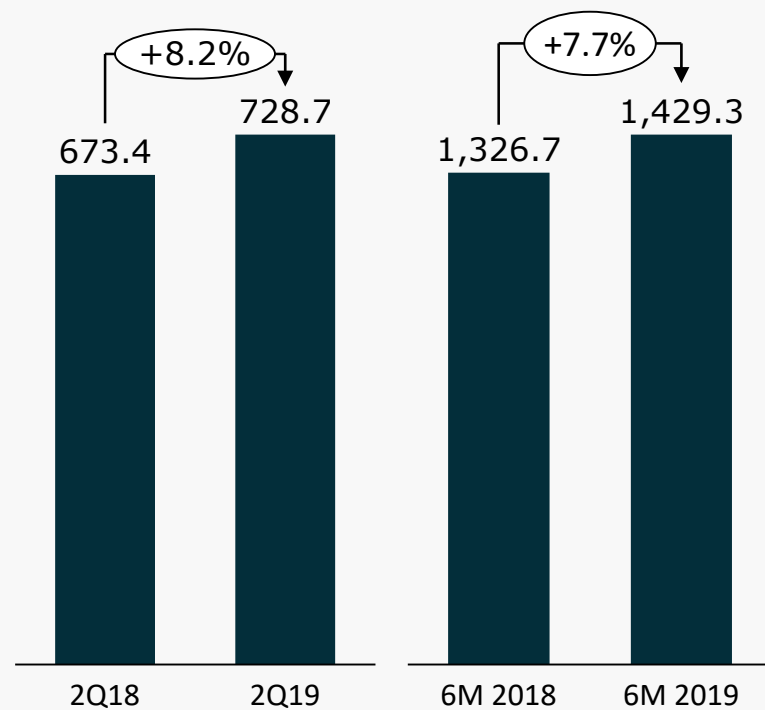
RJ Brands (4.2 thousand sqm): 100% area less than 24 months since launch

# Cancellations and Net Revenue

**Deductions + Cancellations/GR<sup>1</sup>(%)**  
**Deductions + Cancellations (R\$ MM)**



**Net Revenue (R\$ MM)**

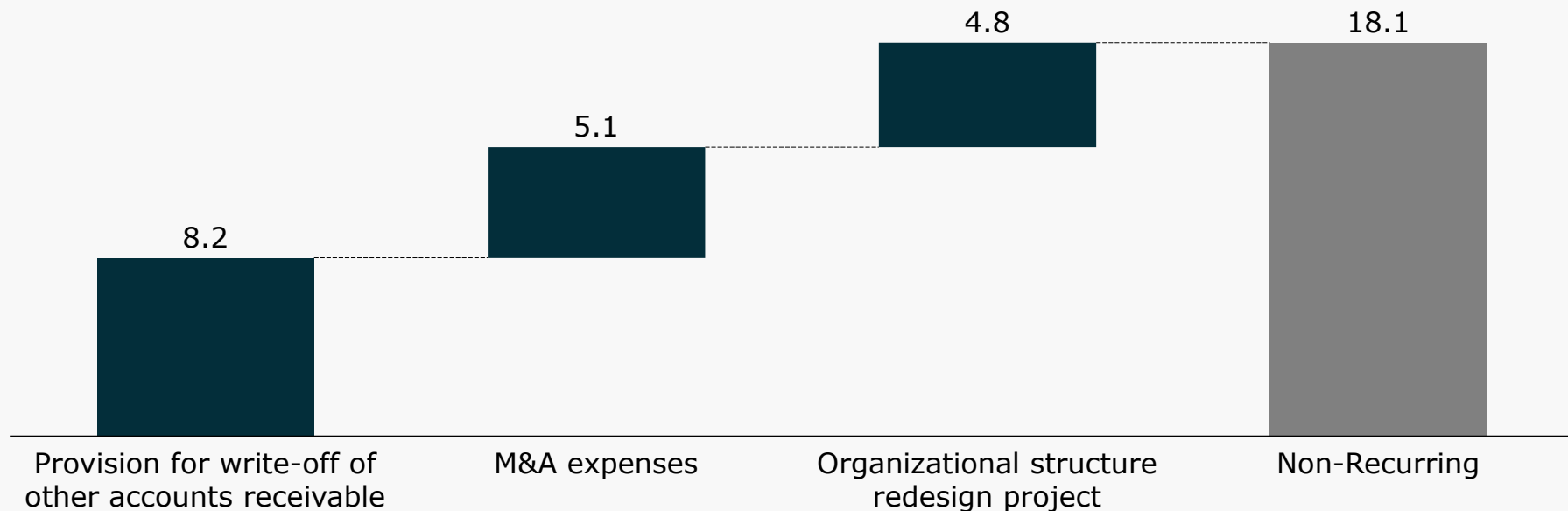



<sup>1</sup> GR: Gross Revenue





# Non-Recurring effects on Expenses<sup>1</sup>

## Non-Recurring Effects on Operating Expenses in 2Q19 (R\$ MM)



 Provision for write-off of other accounts receivable (R\$ 8.2 million): related to the part of accounts receivable generated from the sale of 5 service units in Rio de Janeiro in 2015 and as a result of the CADE process with the acquisition of Labs a+.

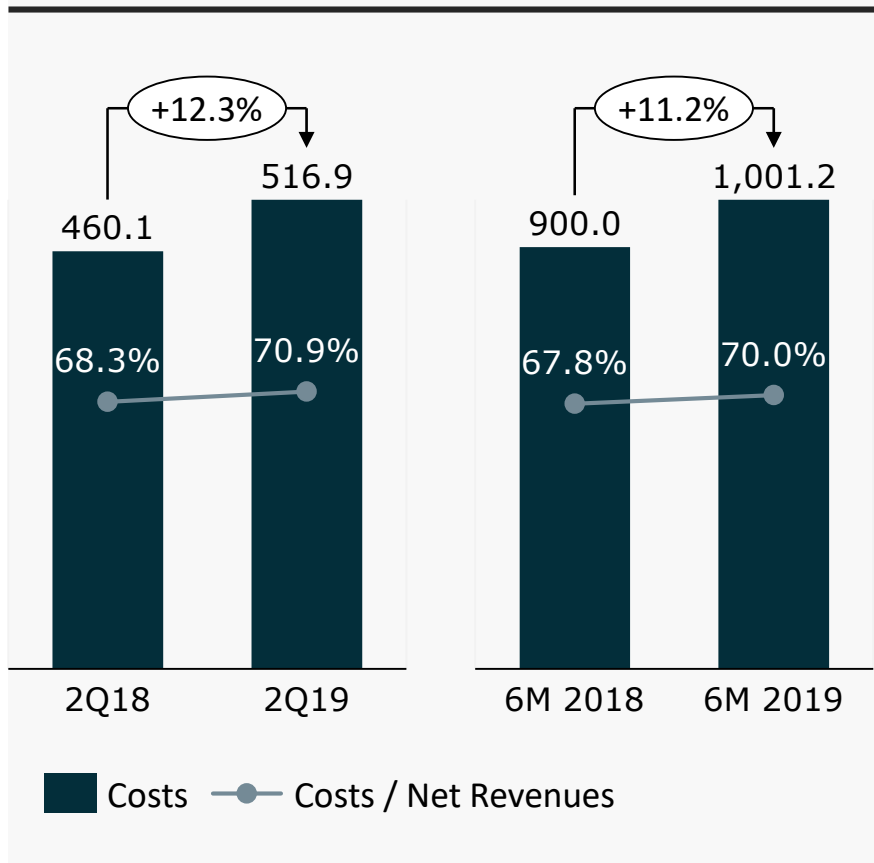
 M&A expenses (R \$ 5.1 million): related to advisory expenses.

 Organizational structure redesign project (R\$ 4.8 million): related to provision of labor indemnities expenses as a result of the project.

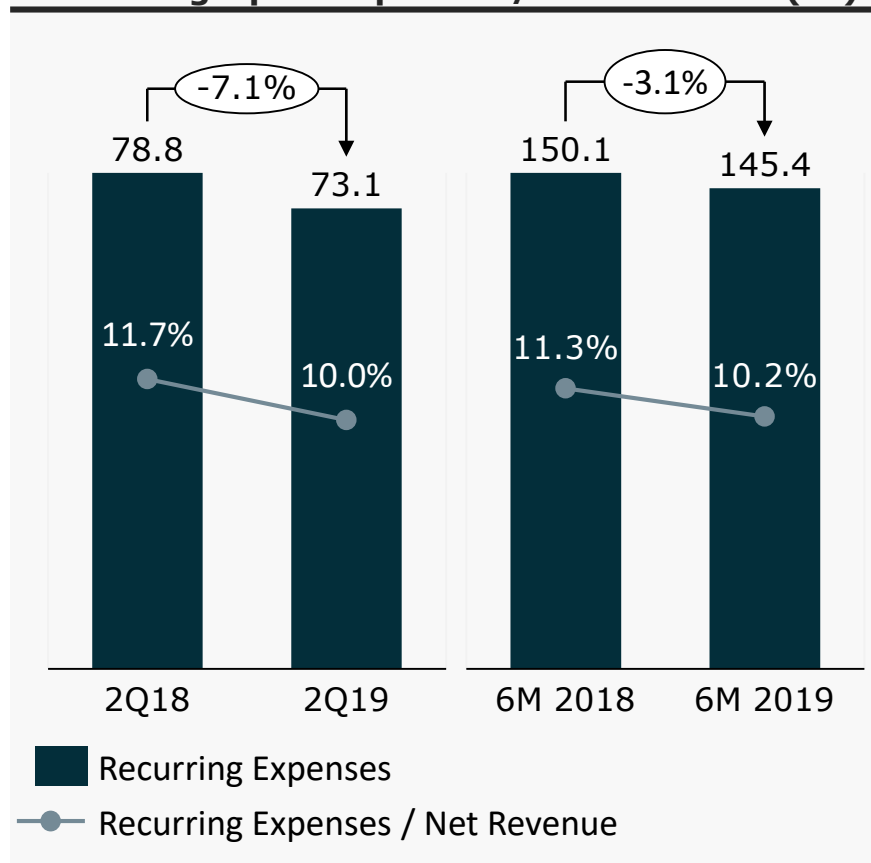
<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

# Costs and Expenses<sup>1</sup>

## Costs (R\$ MM) and Costs / Net Revenue (%)

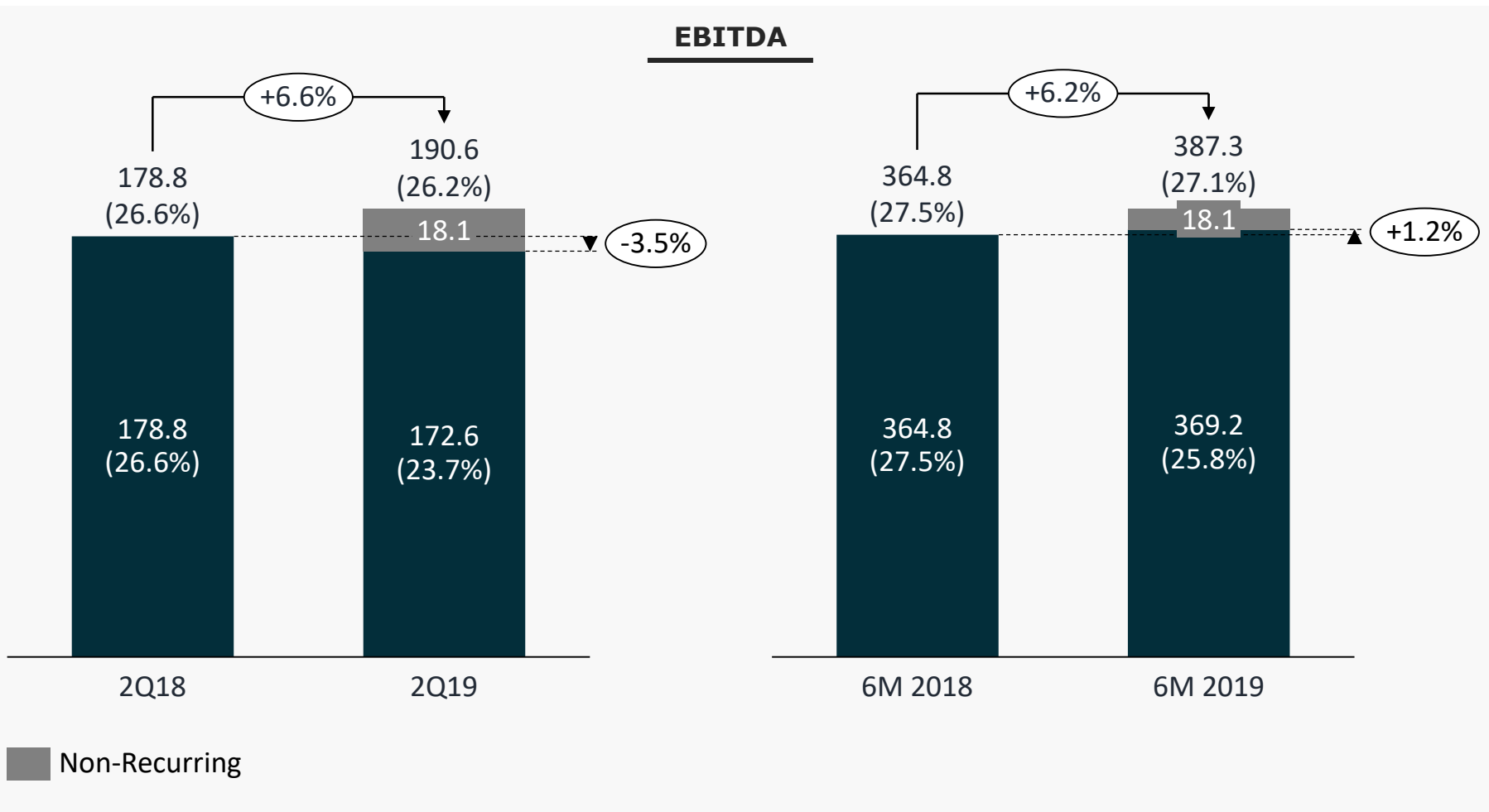


## Recurring Operating Expenses (R\$ MM) and Recurring Oper. Expenses / Net Revenue (%)



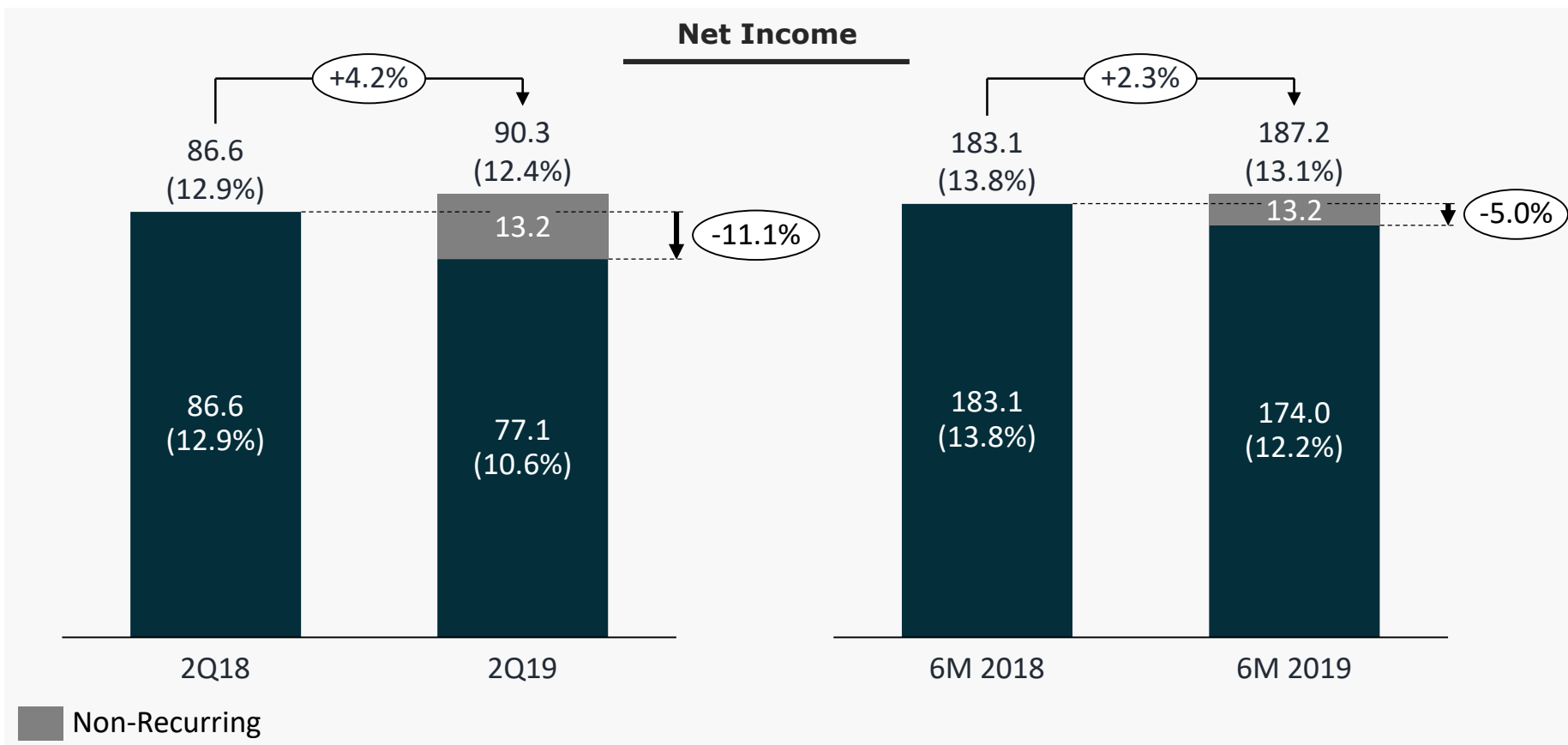
<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

# EBITDA (R\$ MM) and Margin (%)<sup>1</sup>



<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

# Net Income (R\$ MM) and Margin (%)<sup>1</sup>

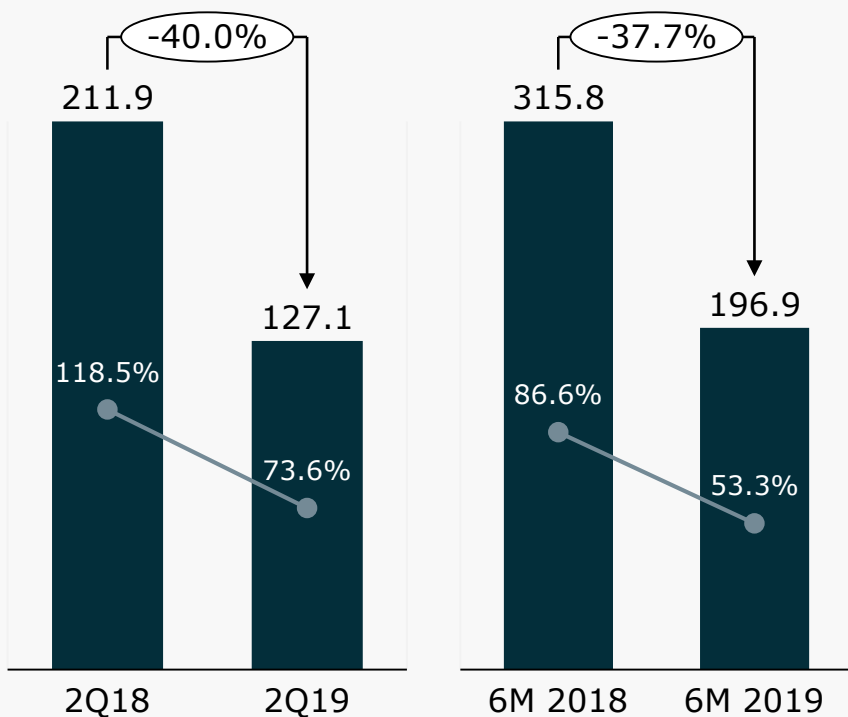


<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

# Cash Flow<sup>1</sup>

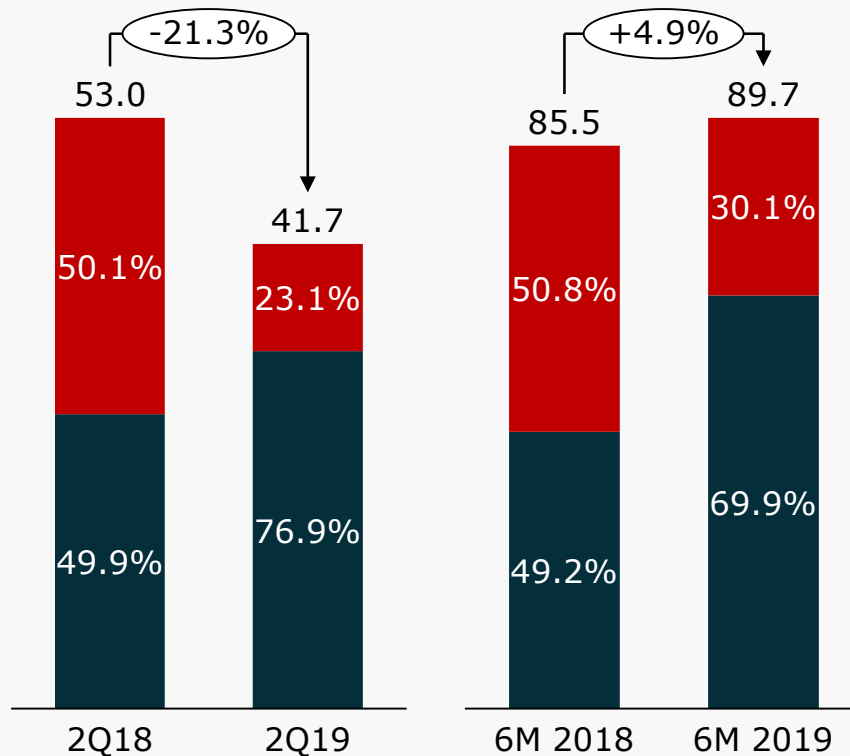
## Operating Cash Flow and CAPEX

Operating Cash Flow (R\$ MM) and EBITDA Conversion (%)



■ Operating Cash Flow  
● Operating Cash Flow Conversion to EBITDA

CAPEX (R\$ MM)

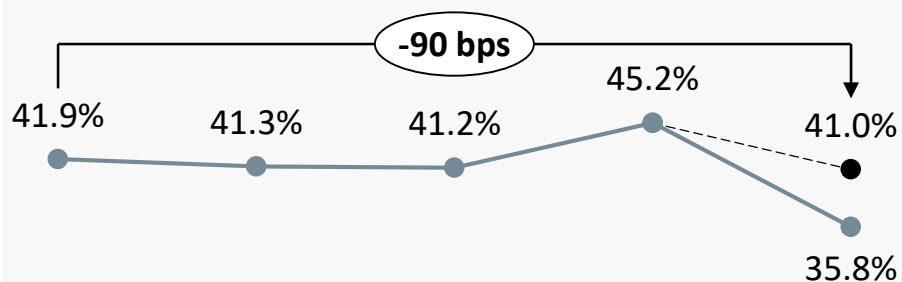


■ Others<sup>1</sup>  
■ Expansion and improvement in PSCs and Central Labs

<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

# ROIC and NPS<sup>1</sup>

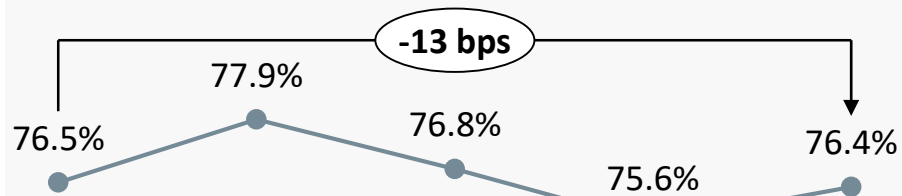
## ROIC excluding Goodwill LTM (%)



2Q18      3Q18      4Q18      1Q19      2Q19

—●— ROIC ex-goodwill (LTM)  
-●- Recurring ROIC ex-goodwill (LTM)

## NPS



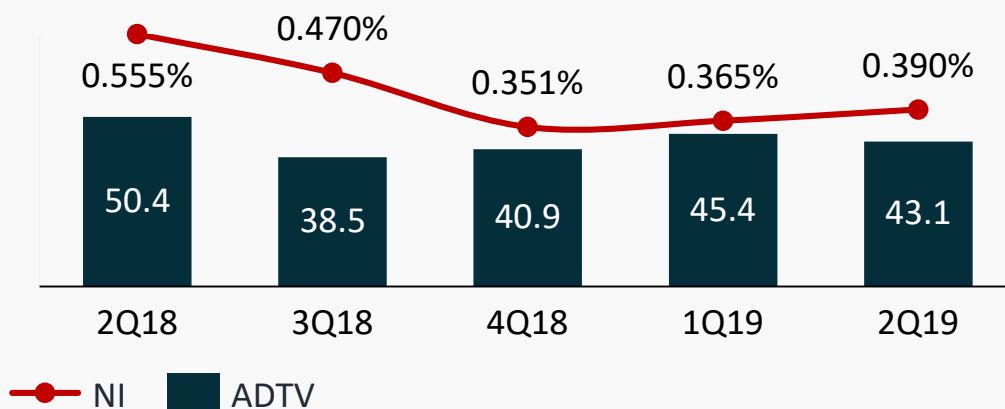
2Q18      3Q18      4Q18      1Q19      2Q19

<sup>1</sup> For comparison purposes, the figures are published without the effect of IFRS 16. Further details in the Earnings Release

# Capital Markets

As of 06.28.2019

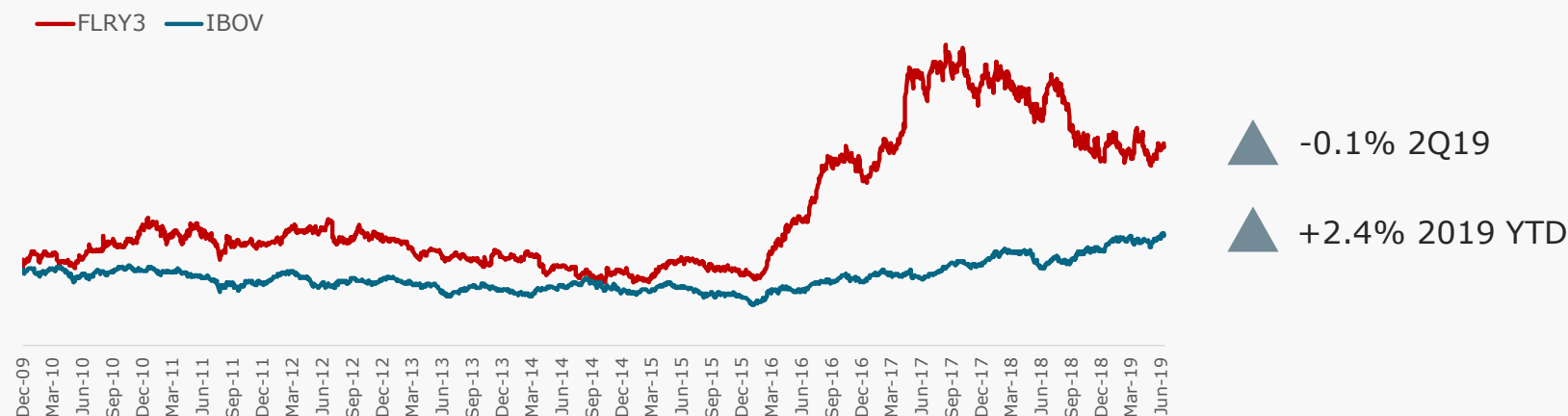
## Average Daily Trading Volume (ADTV<sup>1</sup> | in R\$ MM) and NI<sup>2</sup> (%)



### Shares and Market Cap

Total Shares	316,113,442
Market Cap	R\$ 6.7 billion
Price	R\$ 21.35

## Stock Performance x Ibovespa (IPO = 100 Basis)




<sup>1</sup> ADTV: Average Daily Trading Volume

<sup>2</sup> Negotiability Index


## Subsequent Event

### Distribution of Dividends

 The Board of Directors approved on July 25<sup>th</sup> the Interest on Capital distribution in the amount of R\$ 63.3 million

 R\$ 0.2003 per share

 Record date: July 30<sup>th</sup>, 2019

 Ex date: July 31<sup>th</sup>, 2019

 Payment: October 4<sup>th</sup>, 2019



# IR Events Calendar

Date	Event	Location
July 29th	2Q19 Results Meeting – XP Investimentos	São Paulo   Brasil
August 12th	20th Annual Conference Brazil – Santander	São Paulo   Brasil
August 20th	Brazil Consumer & Healthcare Check-up – JP Morgan	São Paulo   Brasil
September 9th	22nd Latin America Conference – Morgan Stanley	London   United Kingdom
September 17th	10th Latin American CEO Conference – BTG Pactual	New York   USA
September 23rd	IX Healthcare Day – UBS	São Paulo   Brasil

[Click here](#) to access the complete calendar.

# Results 2Q19 – FLRY3

July 2019

