

OdontoPrev

The healthcare of your smile

Corporate Presentation 2Q17

New growth cycle and value innovation

MSCI

UN GLOBAL COMPACT

30 years OdontoPrev

PNUD Empoderando vidas. Fortalecendo nações.

FTSE4Good

ODPV3 NOVO MERCADO BM&FBOVESPA

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4 Financial and Operational Performance

5 Working for the future

6 Capital Markets

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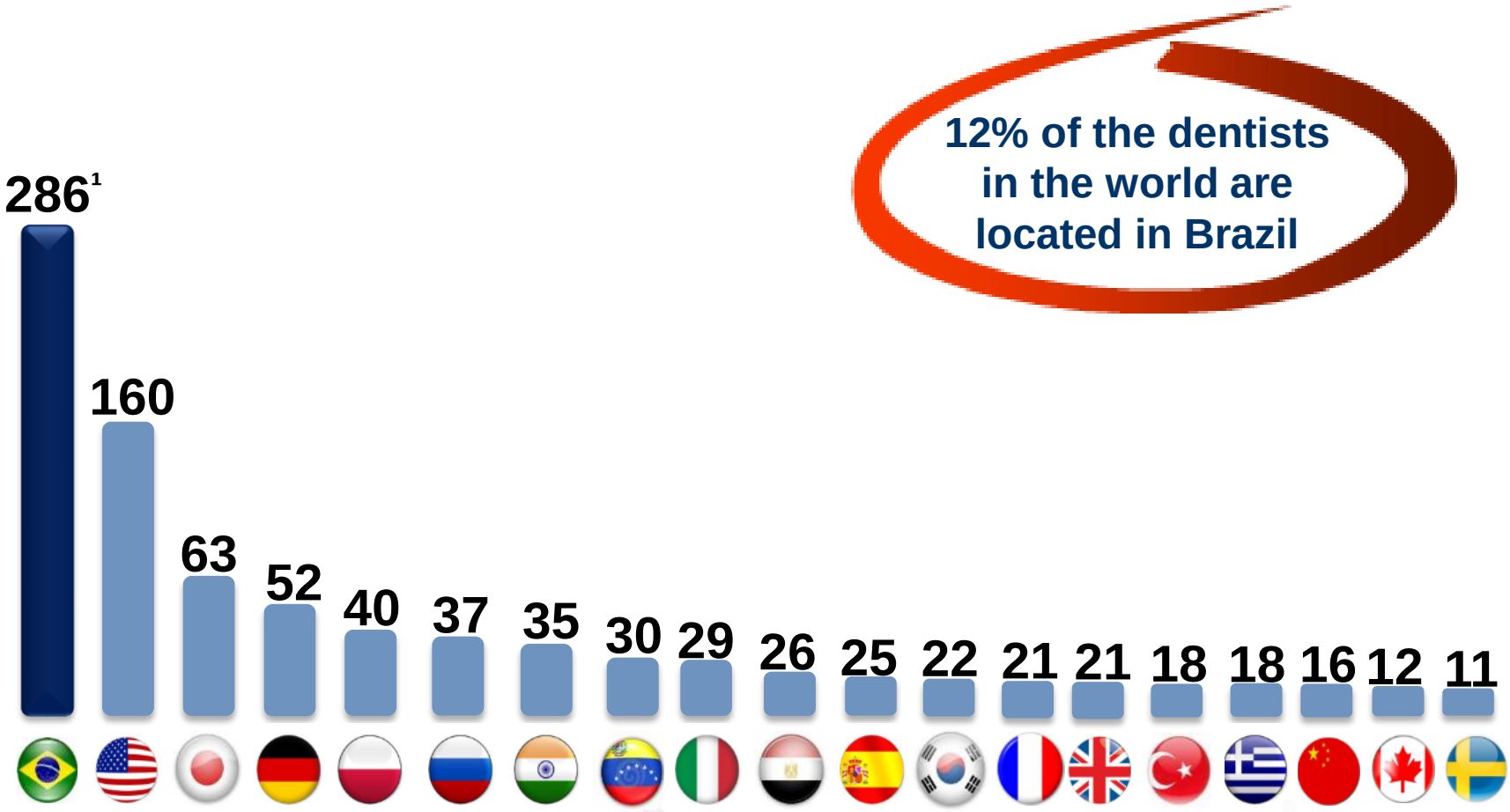
Dental benefits:

an incipient sector in Brazil

1

Brazil leads the global ranking of dentists

Number of dentists per country (thousand)



Source: FDI World Dental Federation – The Oral Health Atlas 2009

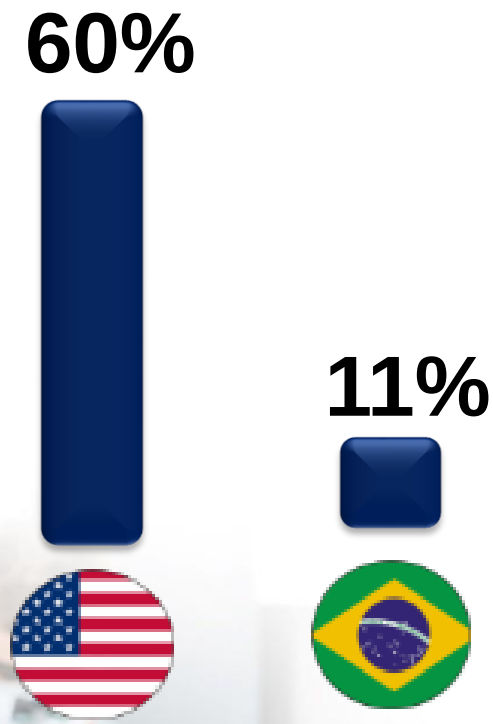
[1] Federal Council of Dentistry – Brazil (June 2017)

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Brazilian dental opportunity

Although 12% of world's dentists are located in the country, only 11% of brazilians have a dental plan

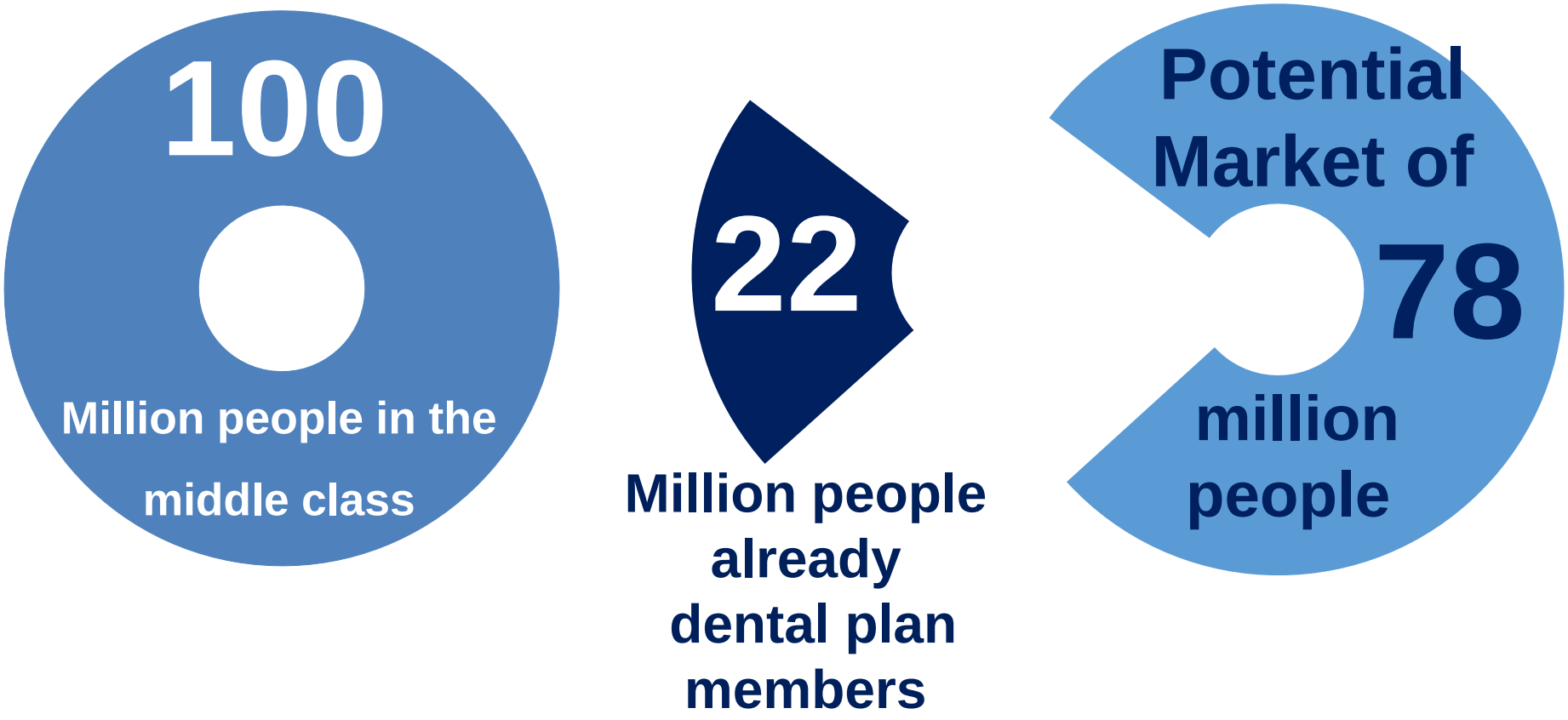




% of the population covered by a private dental plan

Source: OdontoPrev

Great portion of middle class don´t have dental plan

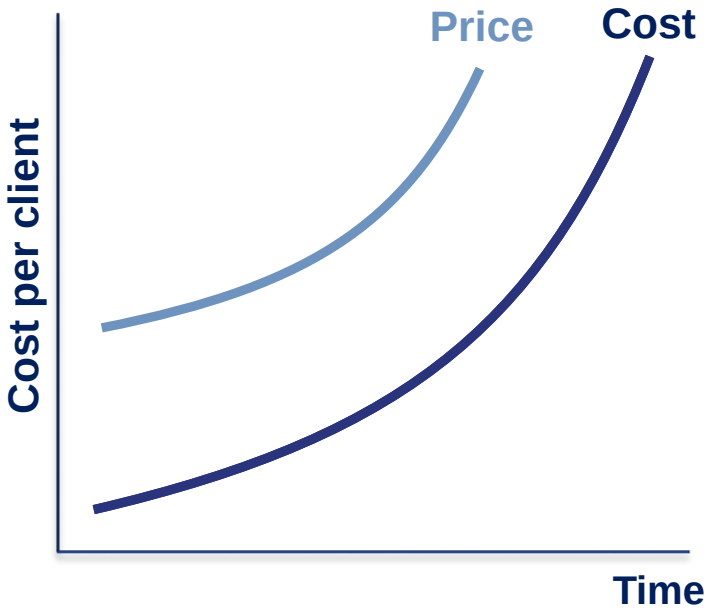


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Attractive cost dynamics

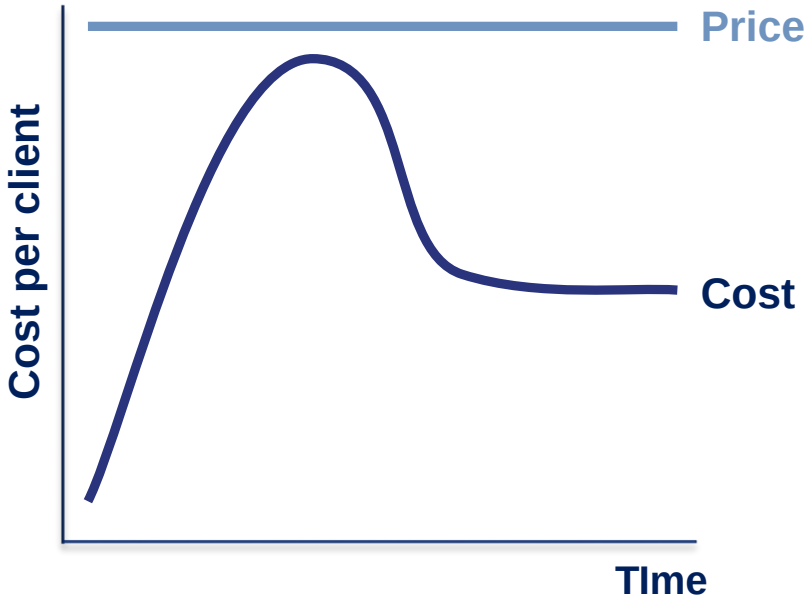
Over time, OdontoPrev Dental Plans present a predictable …

Medical Plans



- Cost increases by medical inflation and better technology
- Short-term contract: 1 year tenor

OdontoPrev Plans



- Predictable cost evolution due to prevention
- Long-term contract: 2 year + duration

… and more attractive cost profile than Medical Plans.

OdontoPrev Prepaid Business Model

- ✓ **High predictability of cash flow**
- ✓ **No working capital needs**
- ✓ **Low CAPEX requirements**

Positive cash flow generation every day



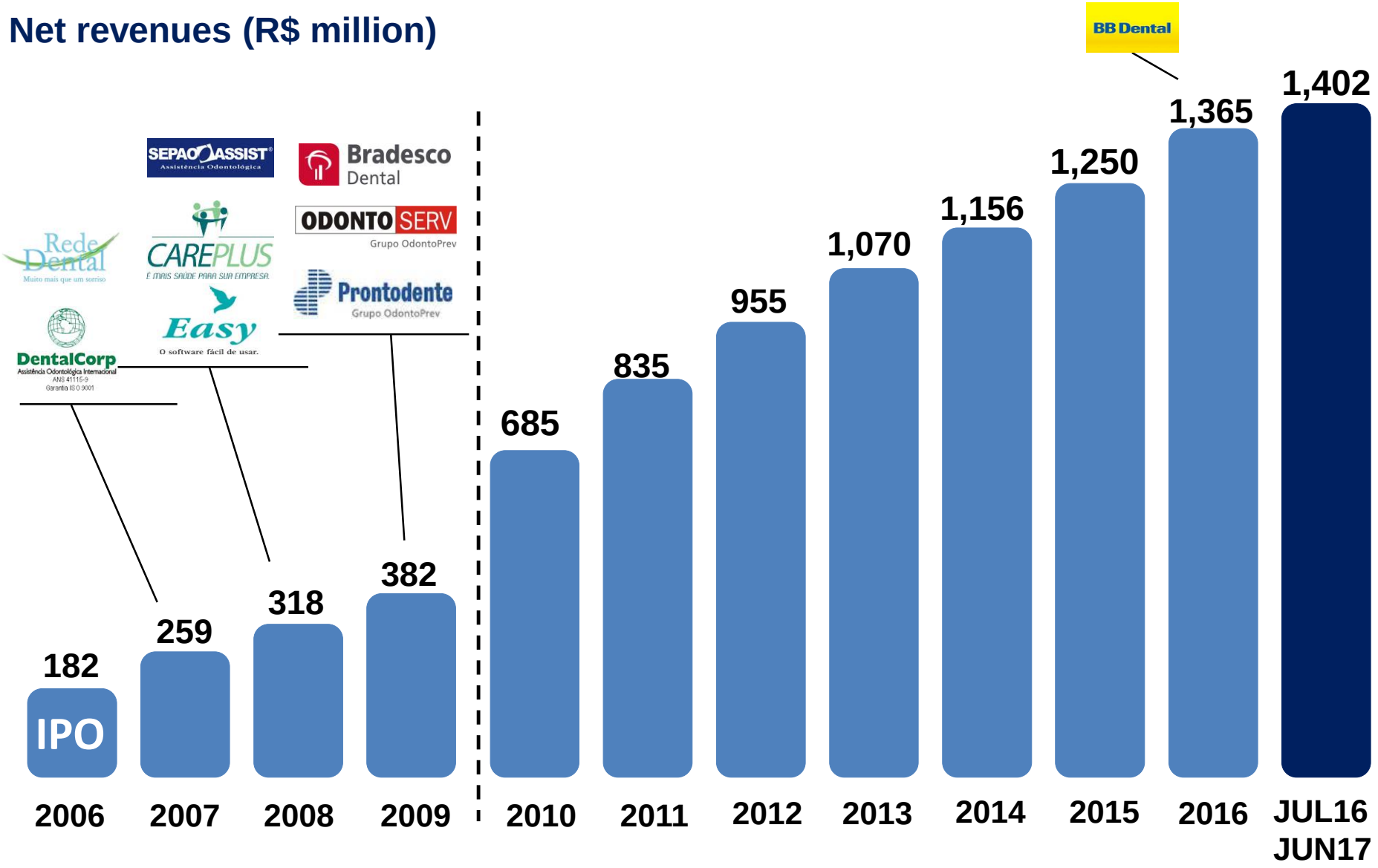
Inside OdontoPrev

2



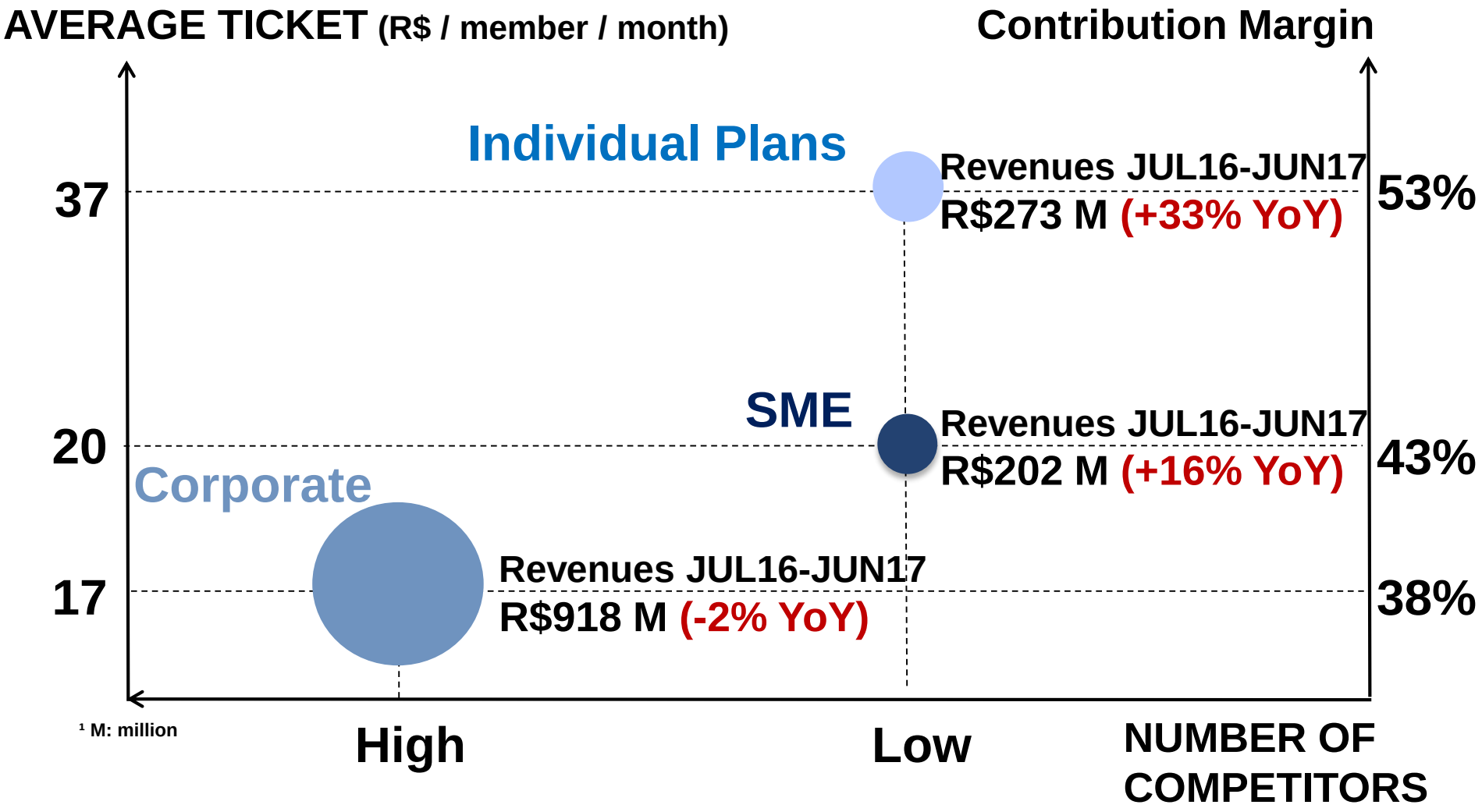
OdontoPrev: 10 years of sustainable value creation since IPO

Net revenues (R$ million)



Individual plans & SME: higher growth and better returns

JUL16 - JUN17



[1] M: million

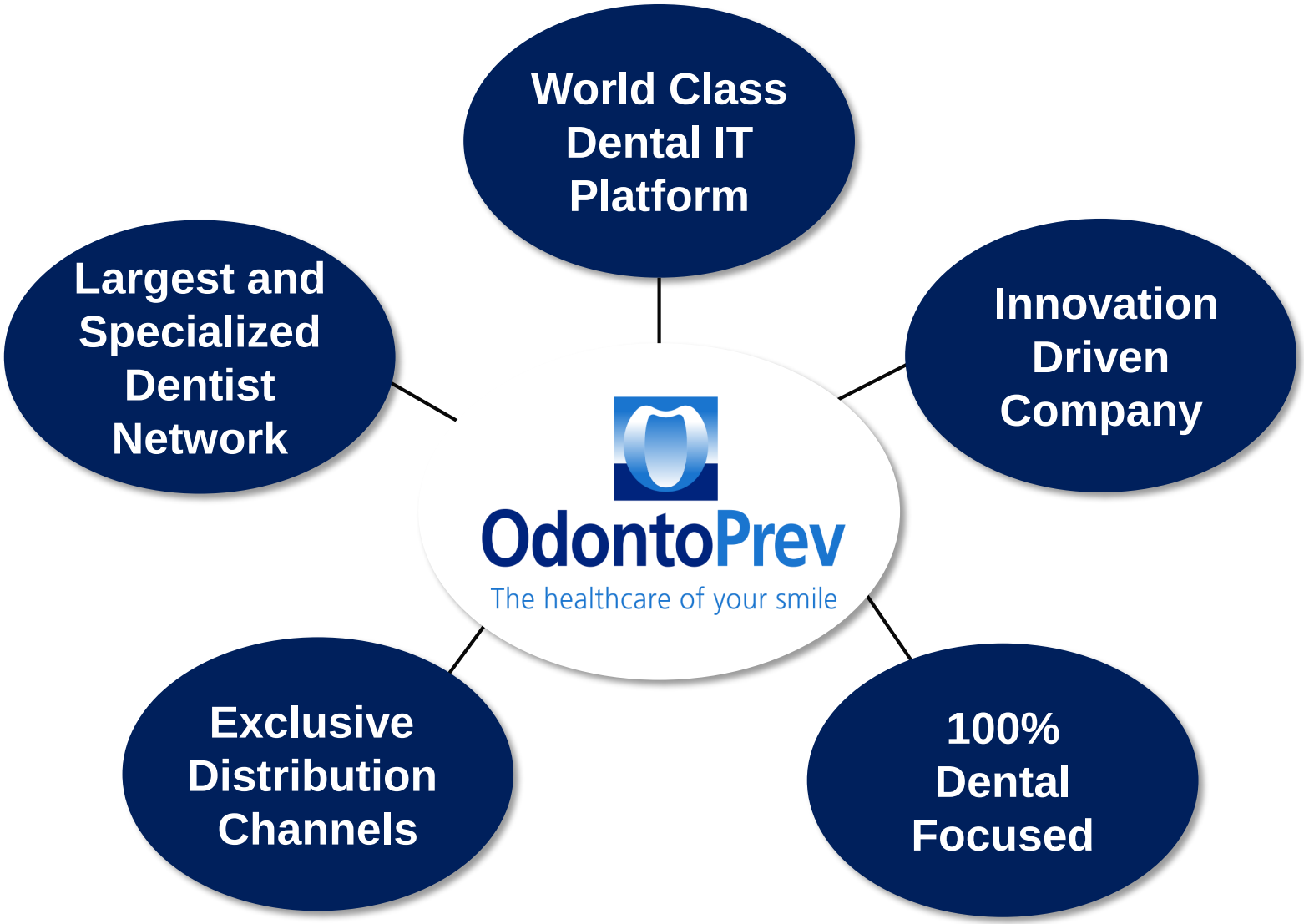
OdontoPrev

Strategic competitive advantages

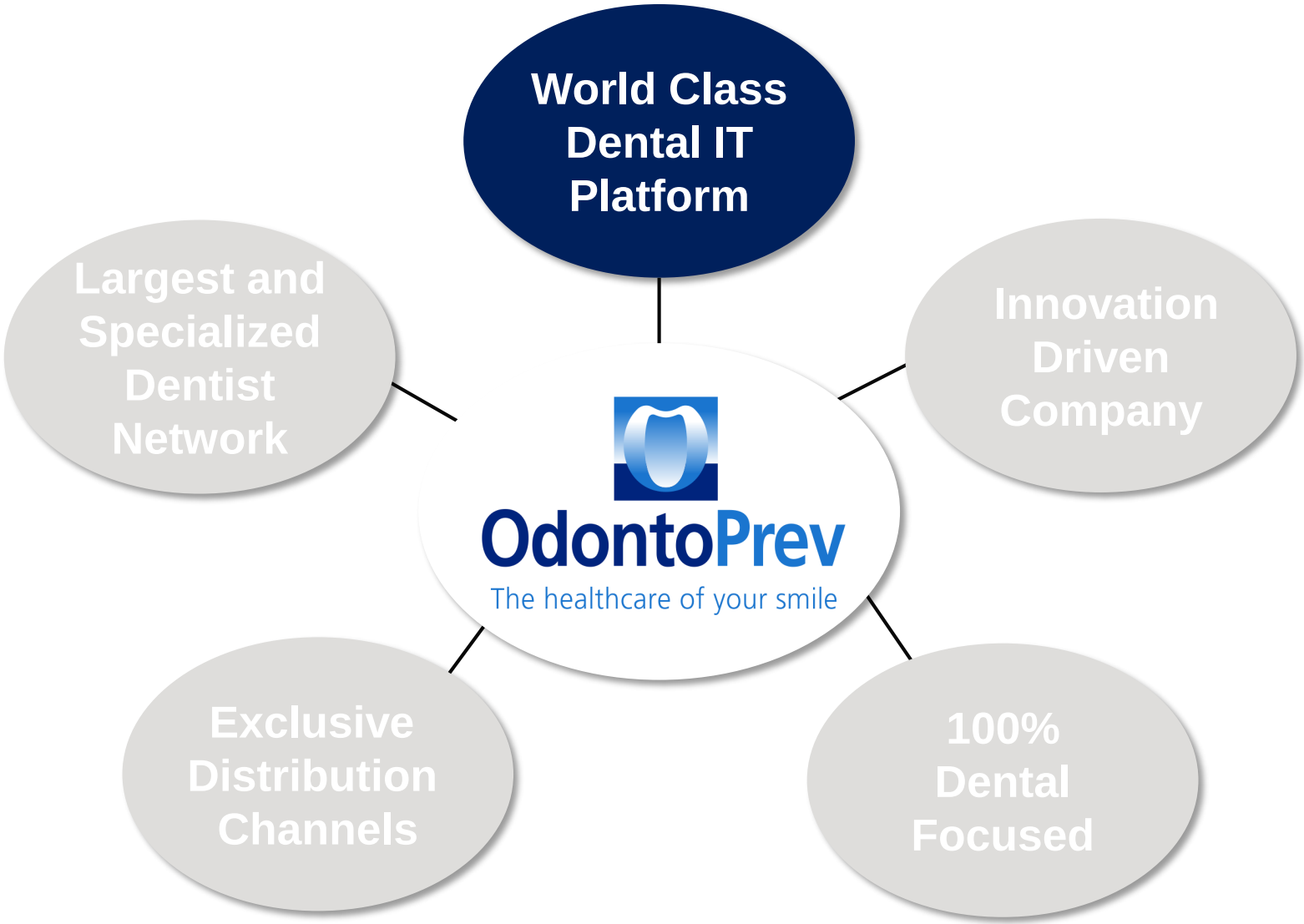
3



Strategic competitive advantages



Strategic competitive advantages



Proprietary IT Platform: information-driven decisions





+ Complete dental record of all beneficiaries

+ 29 years of actuarial data

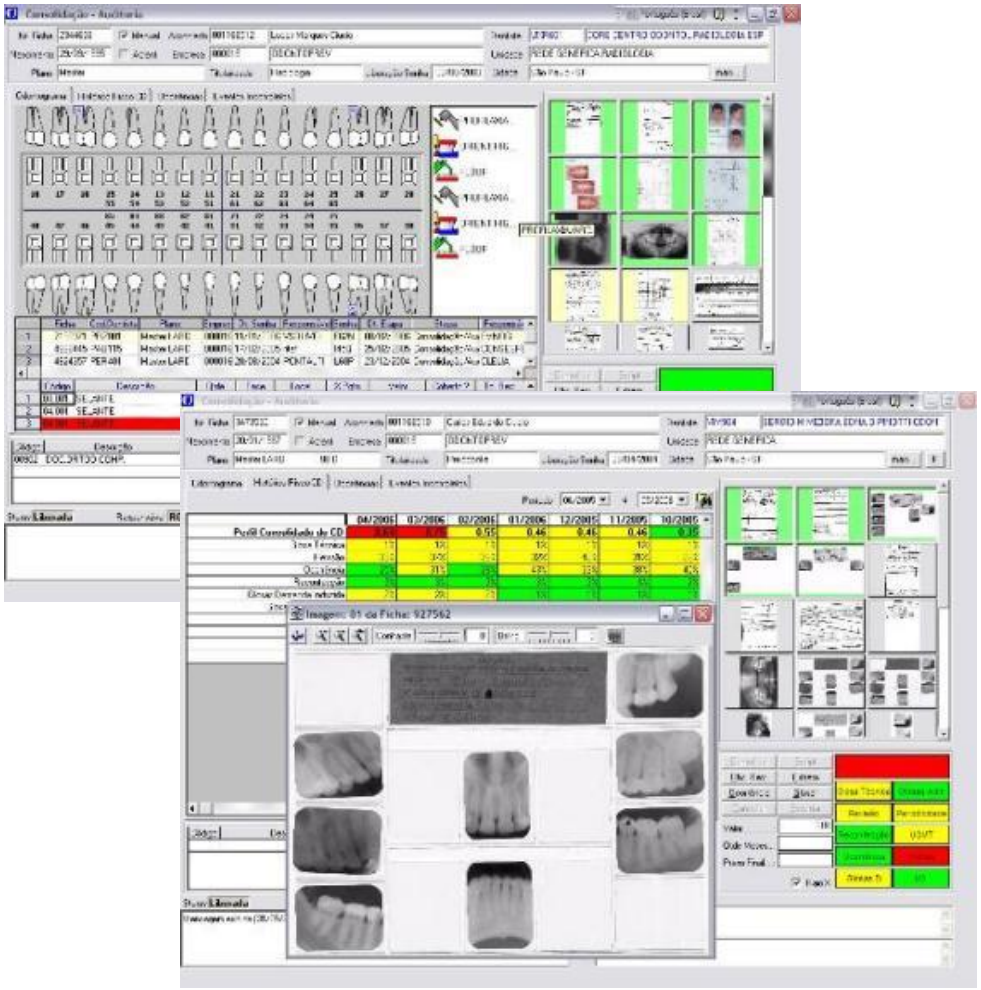
+ Risk Management and fraud prevention

Proprietary IT Platform: information-driven decisions

+ Quality assurance

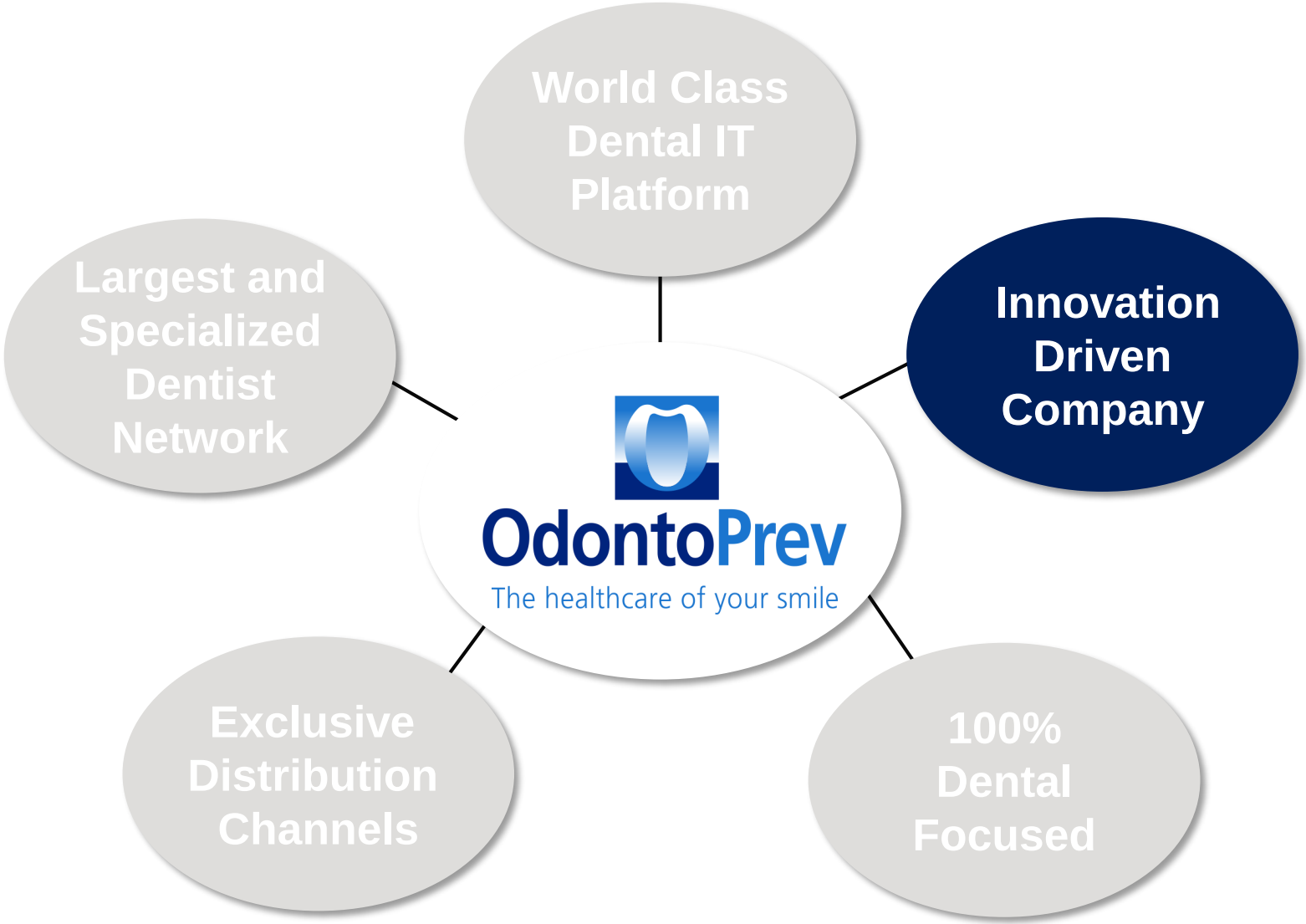
+ Clear barrier to entry

+ Cost control



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Strategic competitive advantages



Innovation driven Company



+ OdontoPrev online: individual plans sold at the web

UNNA
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+ New App for the accredited network of dentists

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Innovation driven Company



Premium individual plans

NEW



Welcome call tool, to increase retention

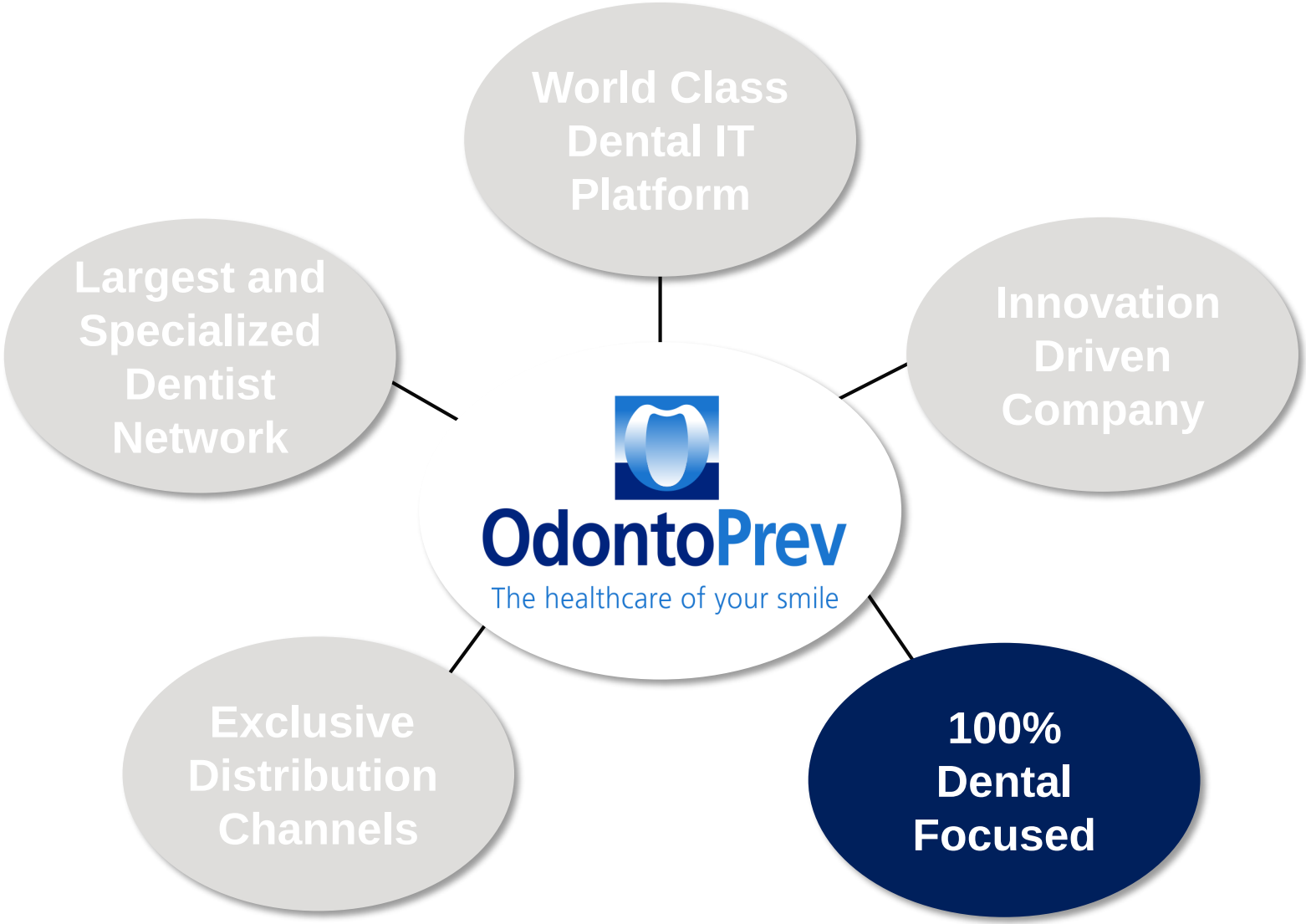
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Innovation driven Company

Top quality dental materials delivered door to door to the dentist free of charge

Exclusive agreement to prevent oral cancer

Strategic competitive advantages



OdontoPrev: Market leadership since 1998

Key players, brazilian dental sector (JUN 2017 thousand members)



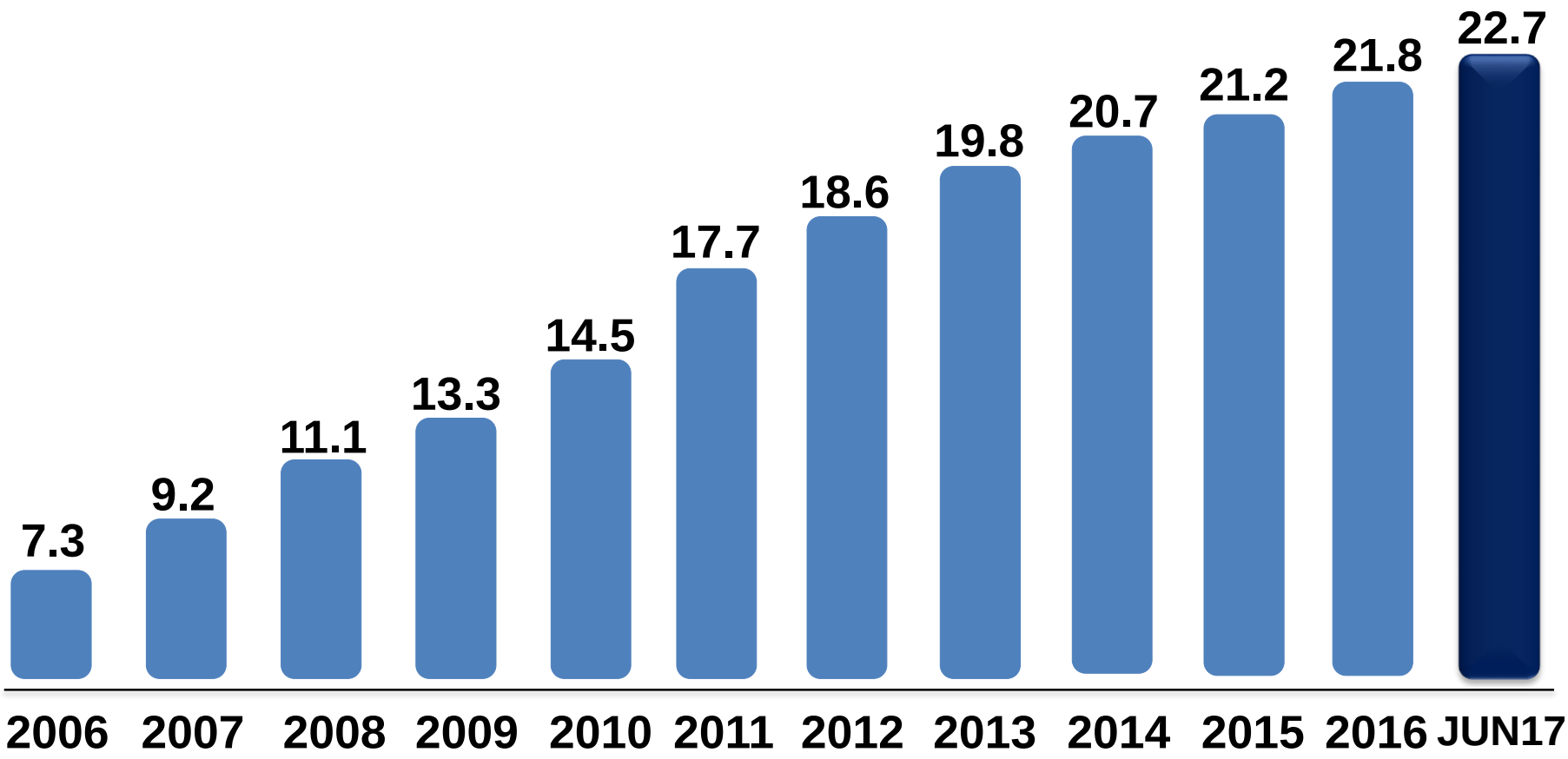
Source: ANS

¹Odontoprev

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Dental Plans sector evolution

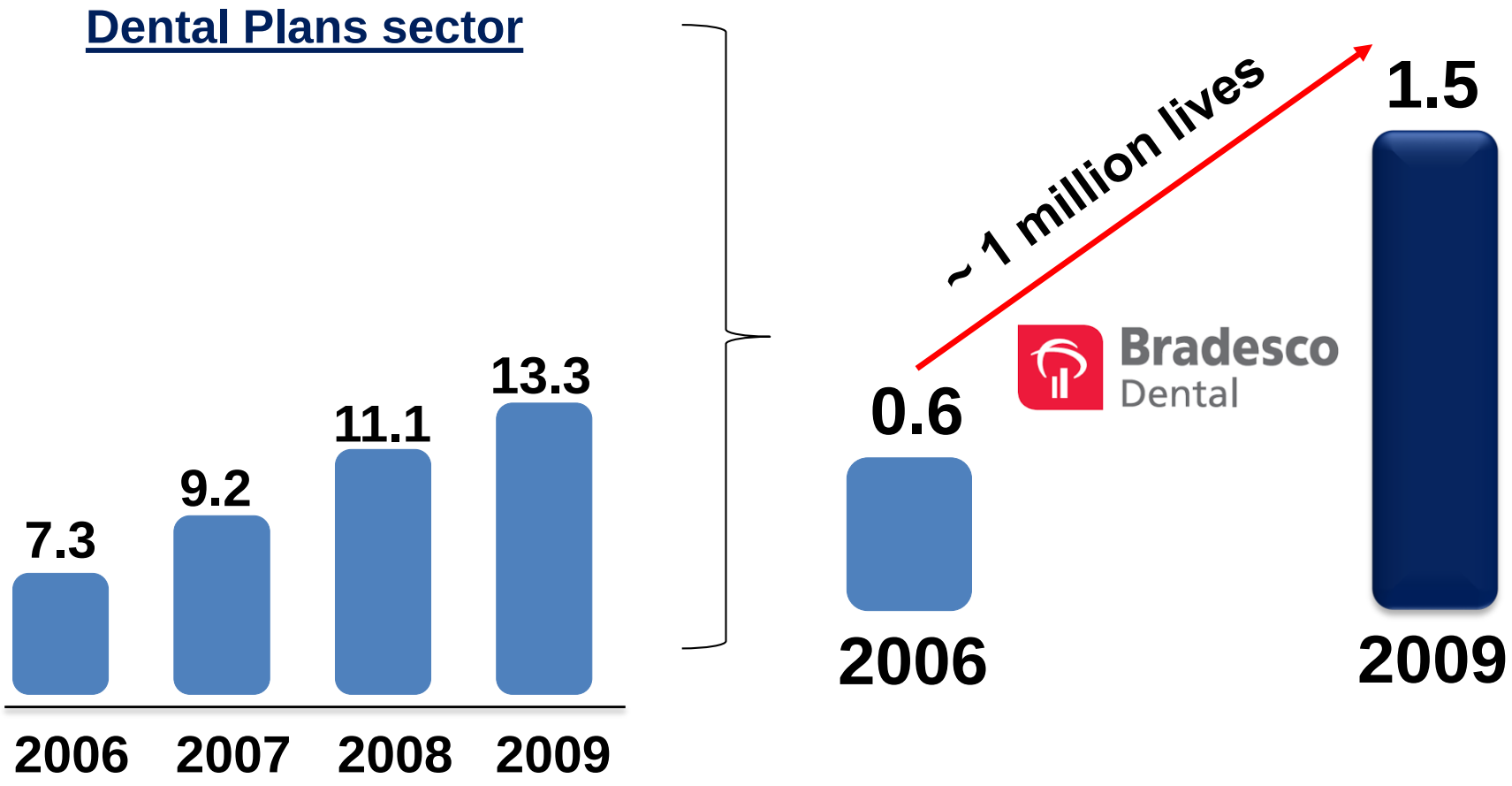
Million members



Source: ANS

3 accelerated growth cycles, over the last decade, brings new investors to the sector

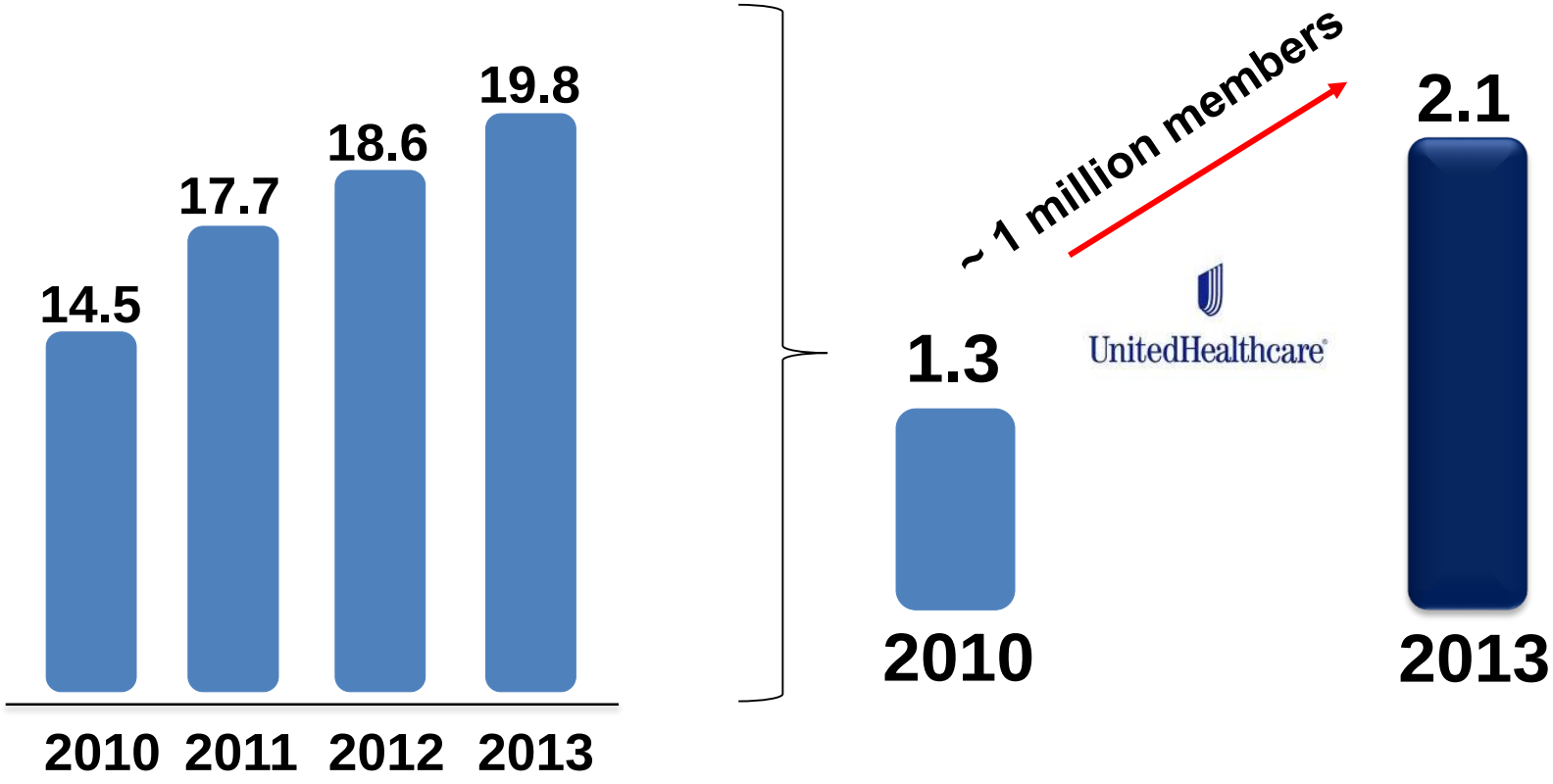
Cycle 01: Bradesco Dental 2006 - 2009 (million members)



Source: ANS

Cycle 02: Amil to UnitedHealthcare 2010 - 2013 (million members)

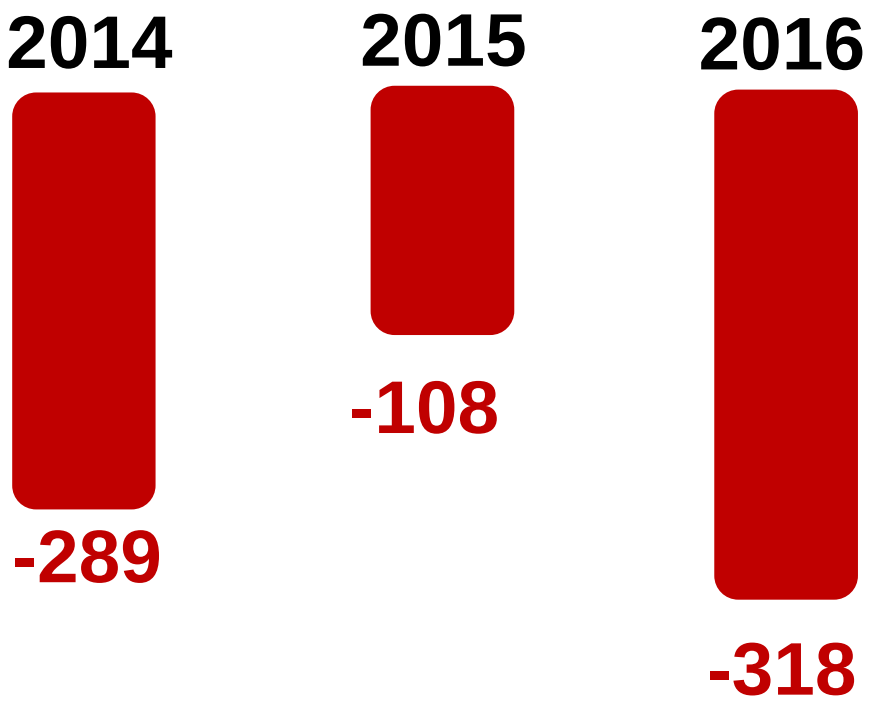
Dental Plans sector



Source: ANS

Results 2014 - 2016

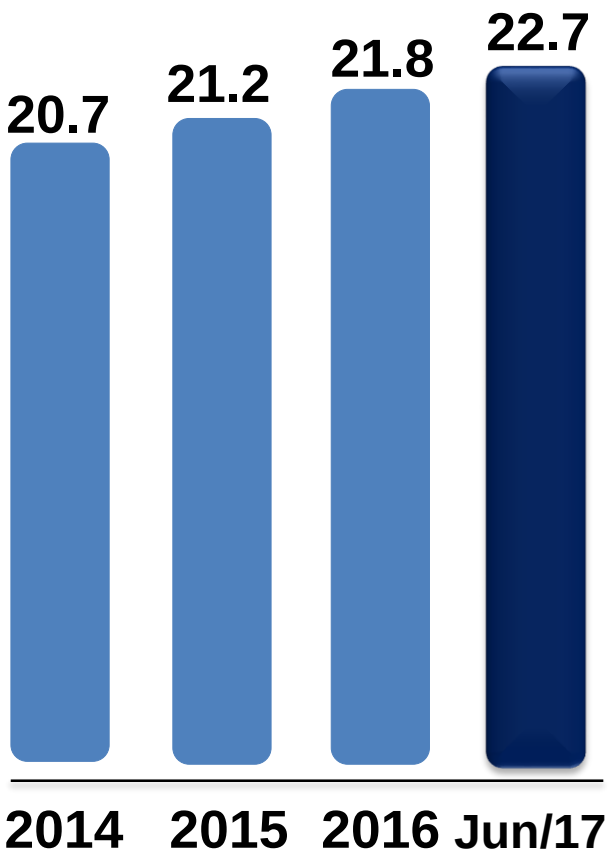
Net loss (R$ million)



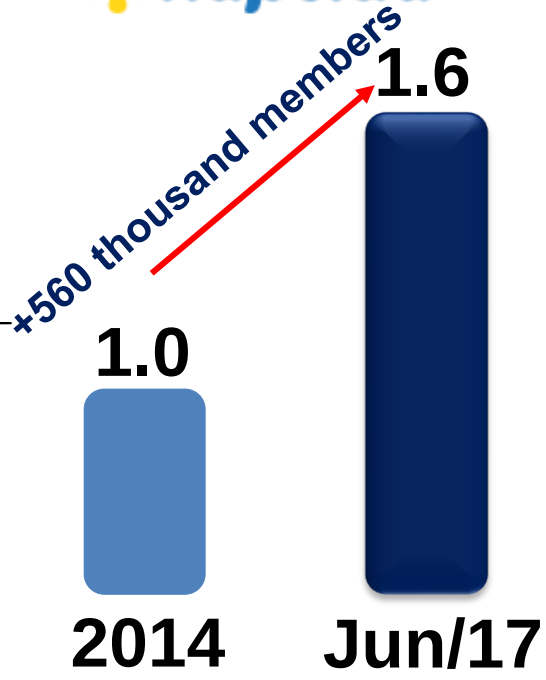
Source: Amil (Valor Econômico)

Cycle 03: Hapvida & Interodonto 2014 – JUN17 (million members)

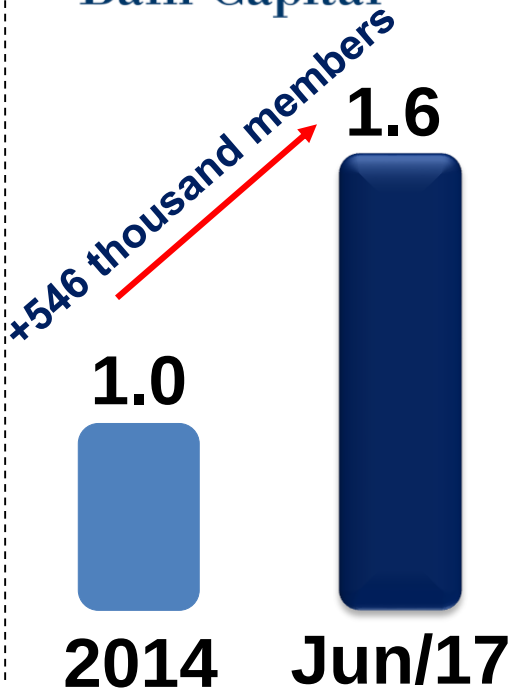
Dental Plans sector



hapvida



Bain Capital

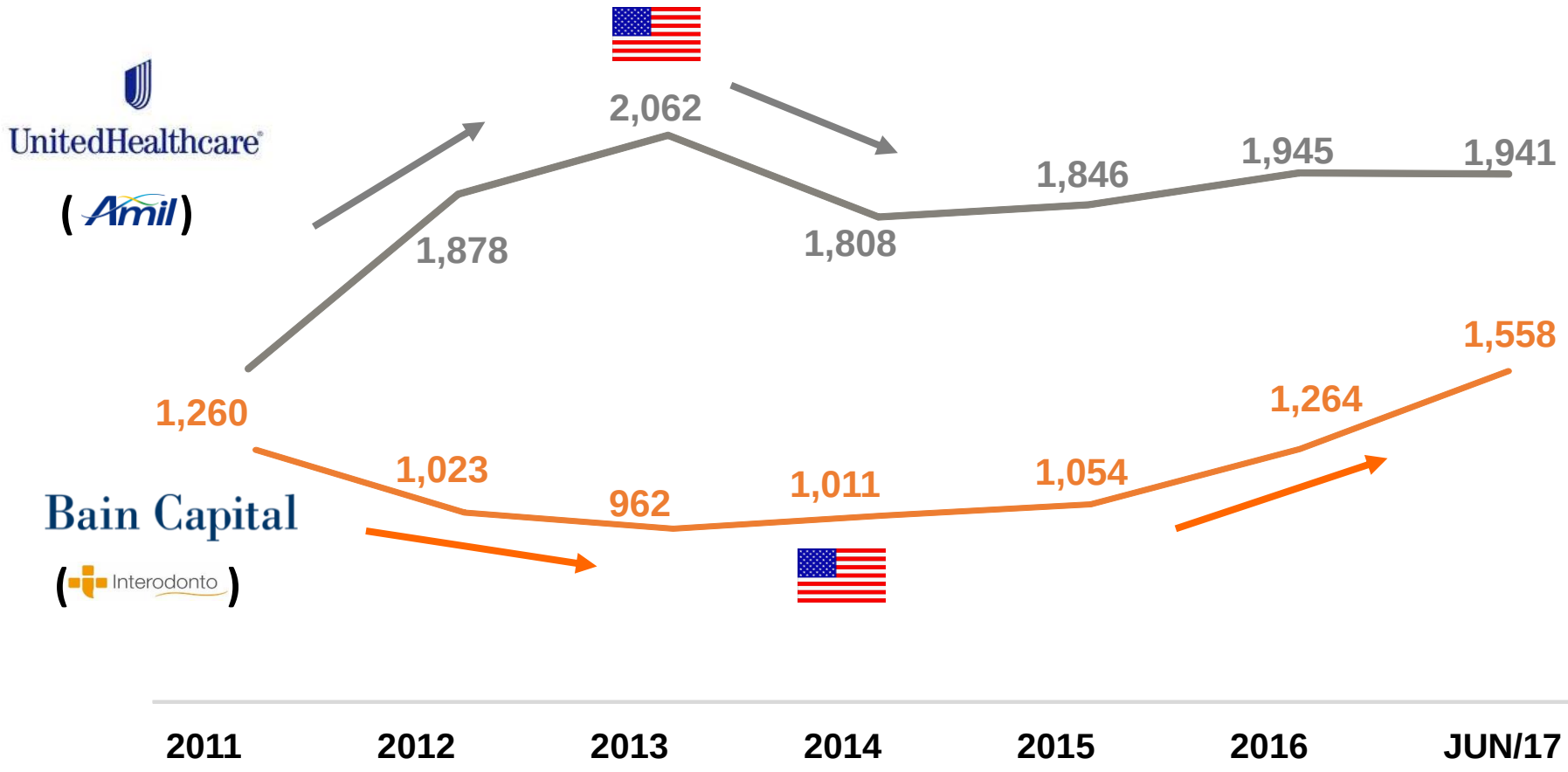


Source: ANS

OdontoPrev

Change in control brings a new strategy of peers

Thousand members

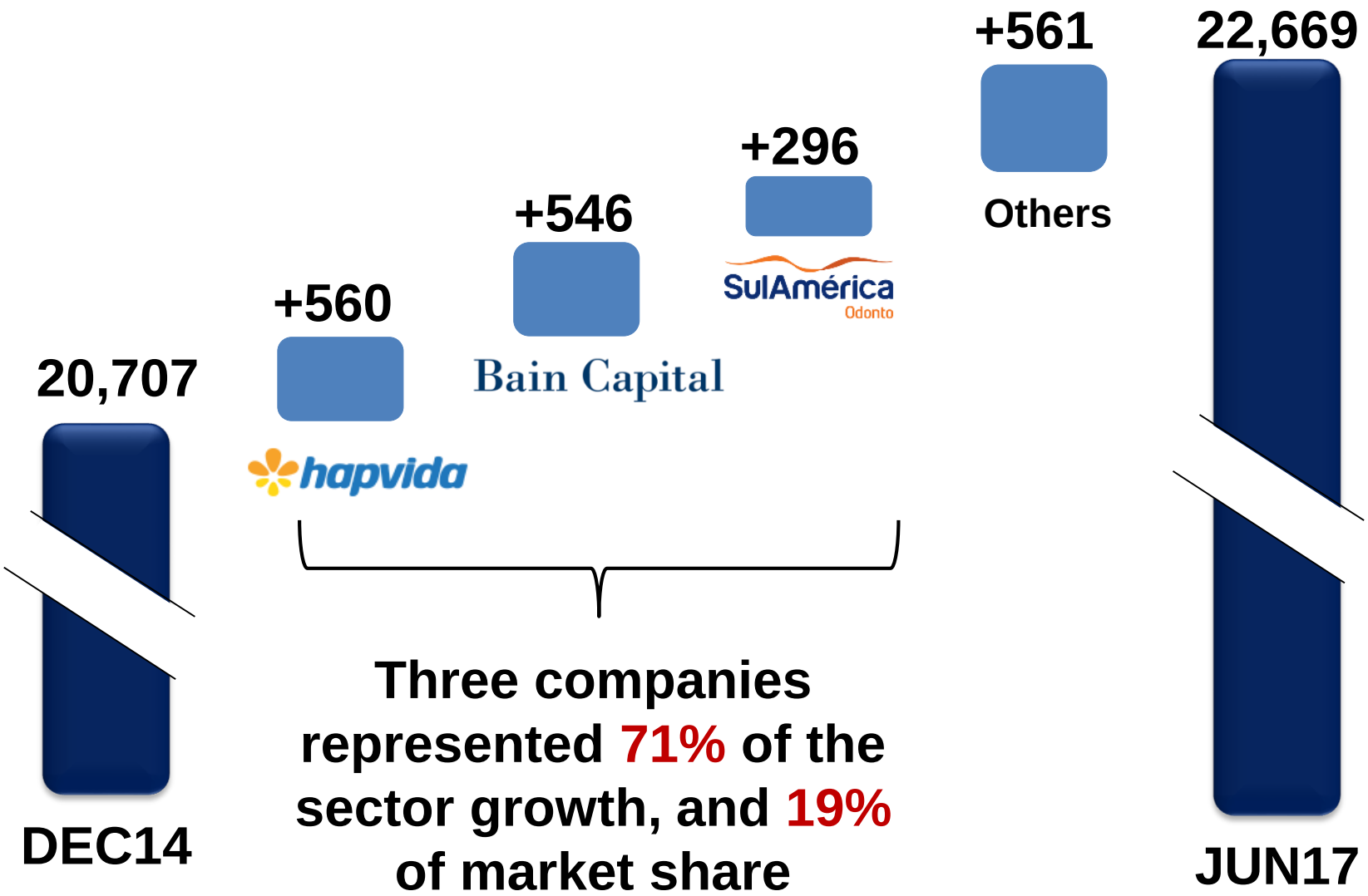


Source: ANS

OdontoPrev

Dental plans sector evolution DEC14 – JUN17

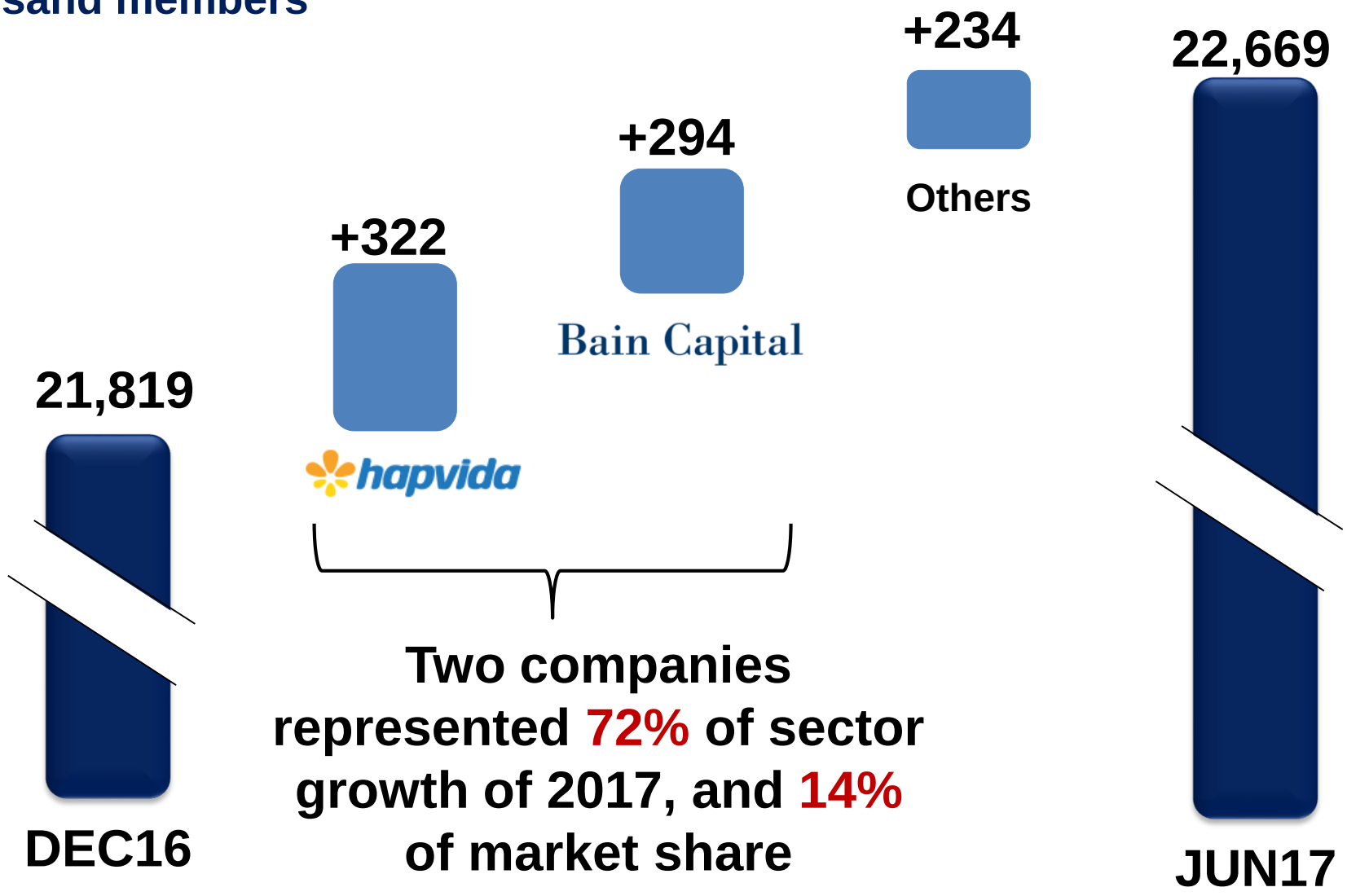
Thousand members



Source: ANS

Dental plans sector evolution DEC16 – JUN17

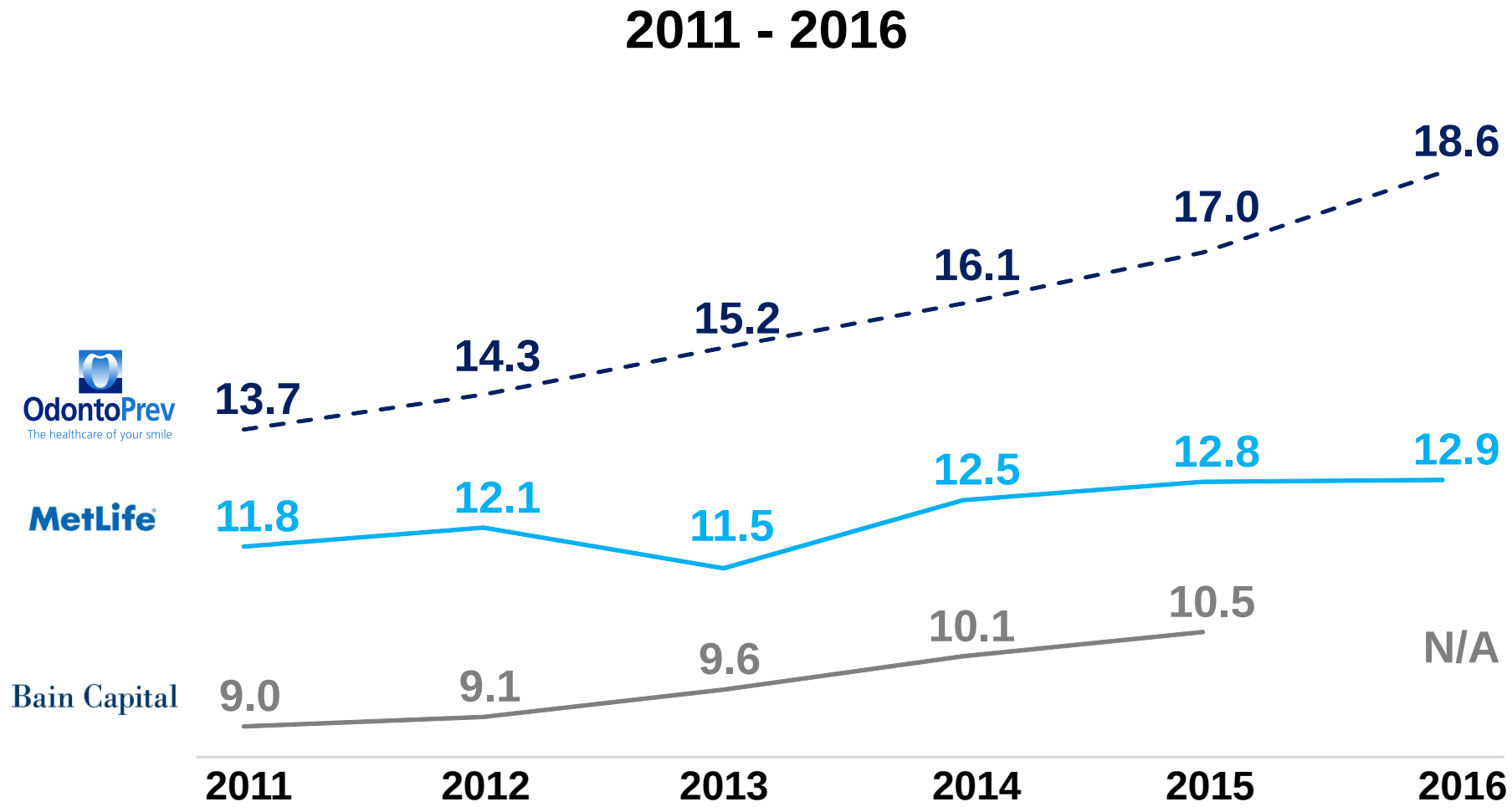
Thousand members



Source: ANS

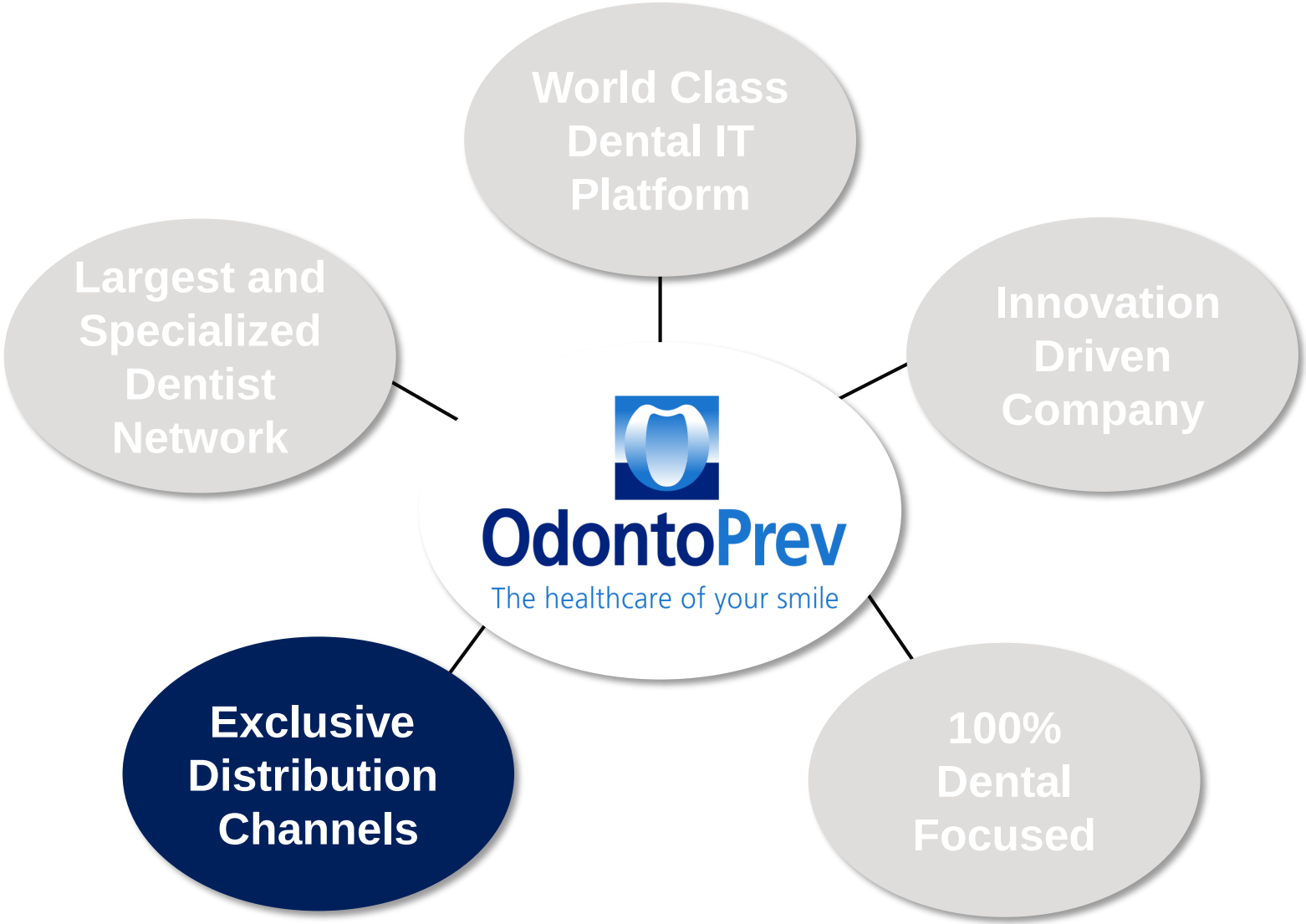
OdontoPrev

Average ticket evolution (R$/member/month)



Source: ANS

Strategic competitive advantages



Best in class distribution channels



Direct selling

Bradesco

BANCO DO BRASIL

HSBC

Bank channels



Brokers



Online selling



Retailers



Medical Plan Organizations

OdontoPrev

The largest bancassurance platforms in Brazil

	Bradesco	Banco do Brasil
Clients	+ 80 million	+ 60 million
National footprint		
Exclusivity		20 years

48% of branches & 52% of brazilian bank clients

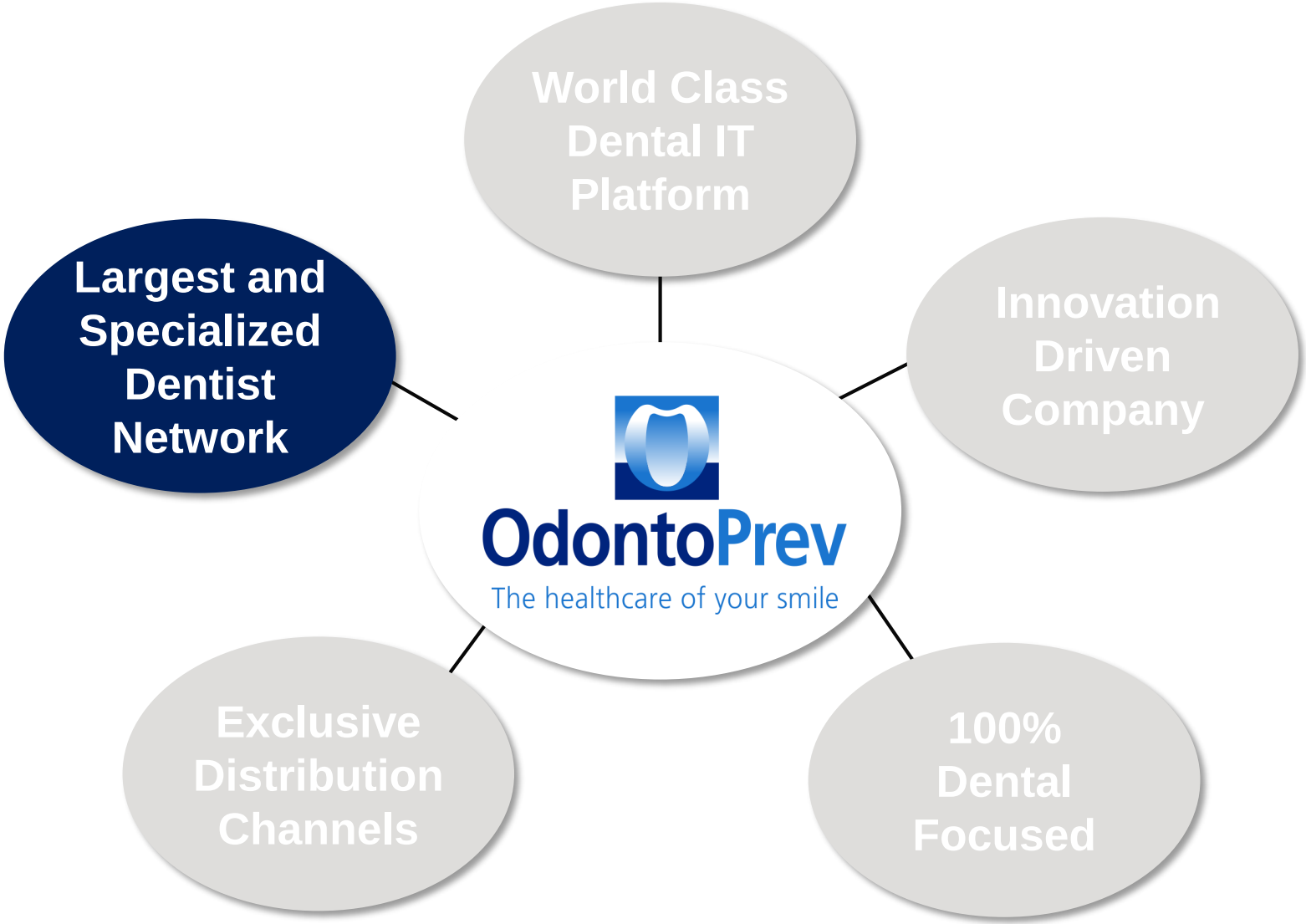
Banks: strong and committed long-term partners

OdontoPrev
The healthcare of your smile

Bradesco + Banco do Brasil
HSBC

Back-office	**Front-office**
Price maker	**Price takers**
Product design	**Selling**
Customer relationship	**National footprint capilarity**
Dentist network management	**Bank branches and brokers distribution**

Strategic competitive advantages



Largest and best dentist network

28,000 dentists at 2,200 cities

- ✓ National distribution
- ✓ Differentiated academic background
- ✓ Continuous education
- ✓ 24/7 call center



OdontoPrev:

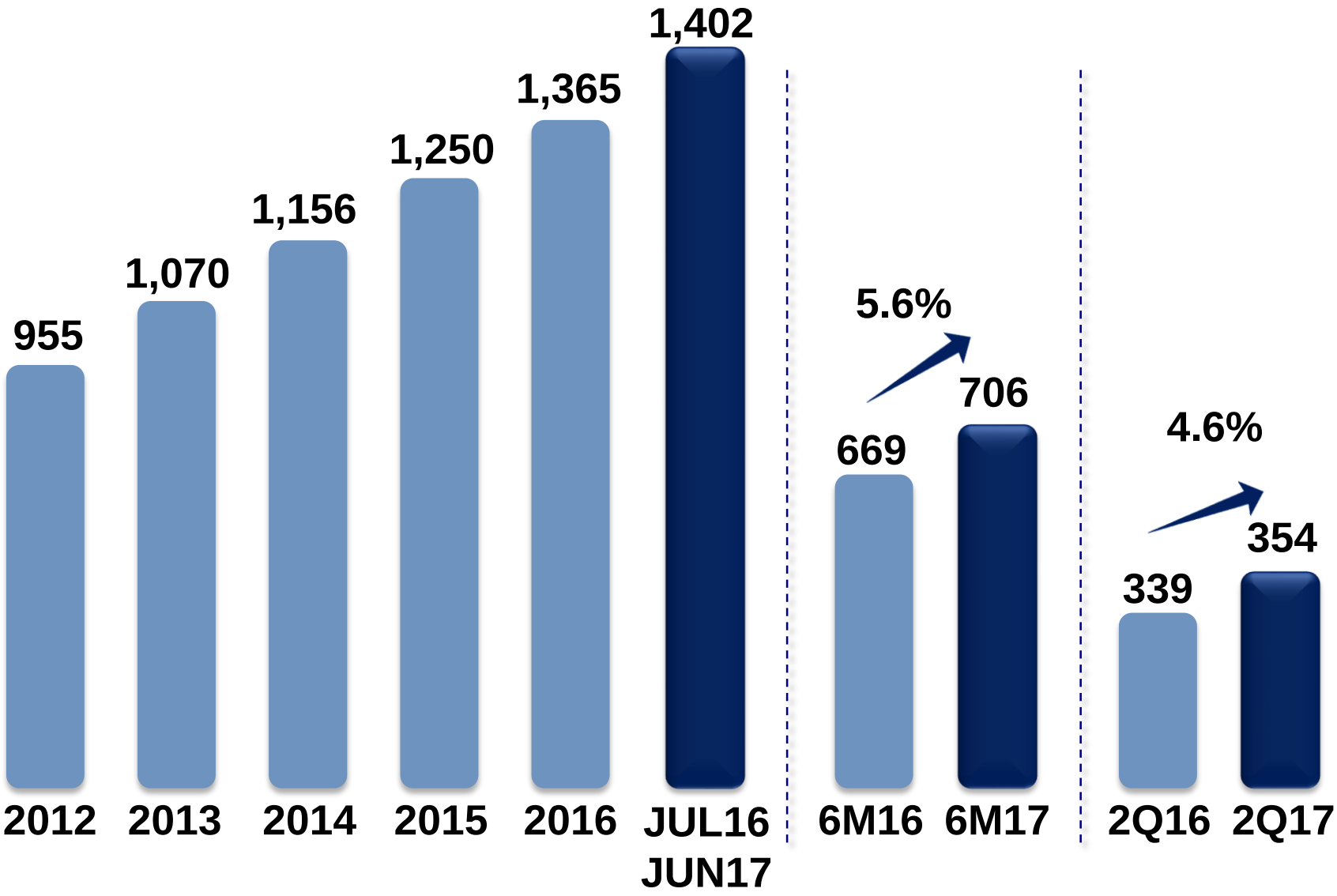
4

Financial and Operational Performance



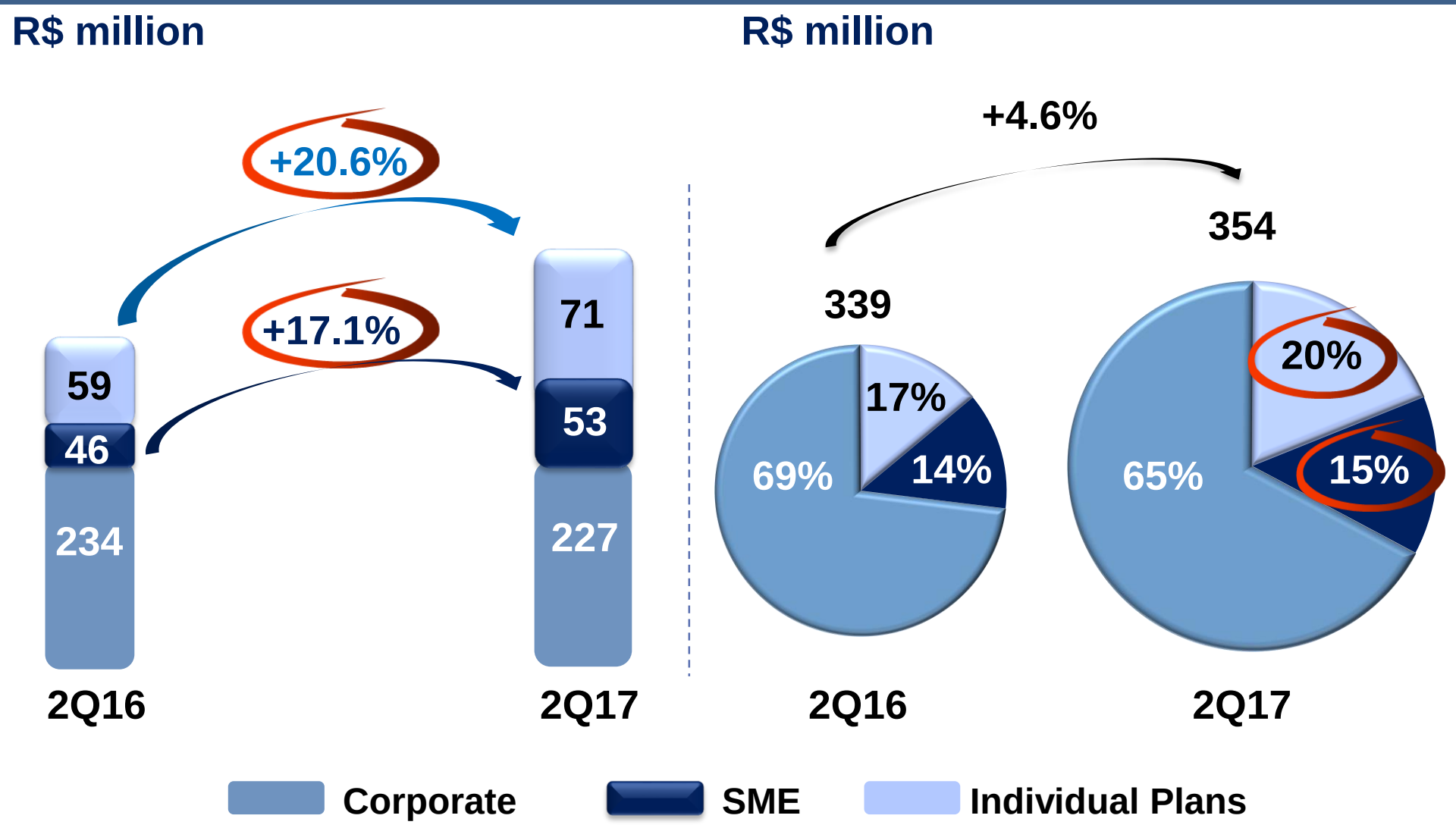
Net Revenues

R$ million

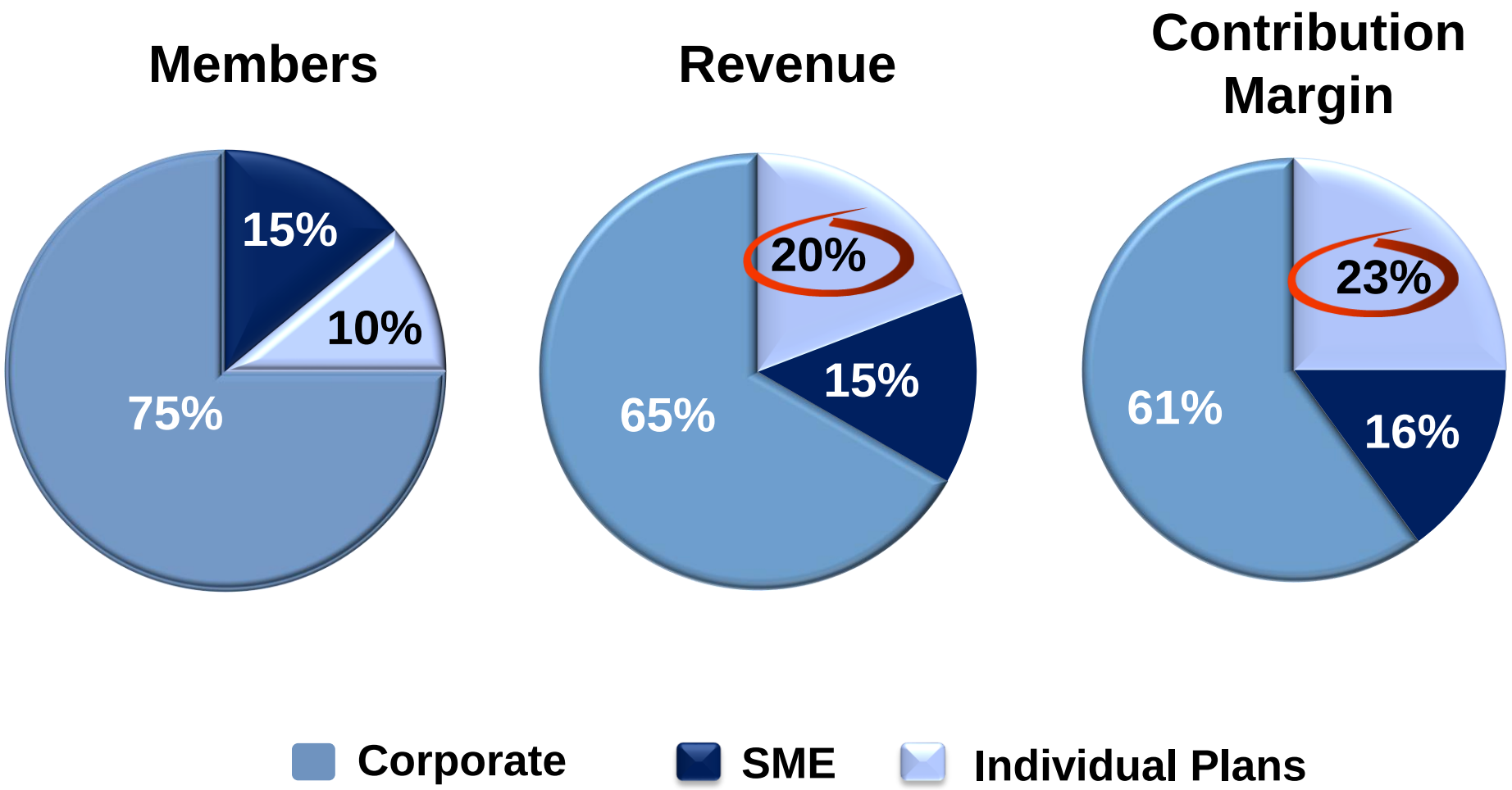


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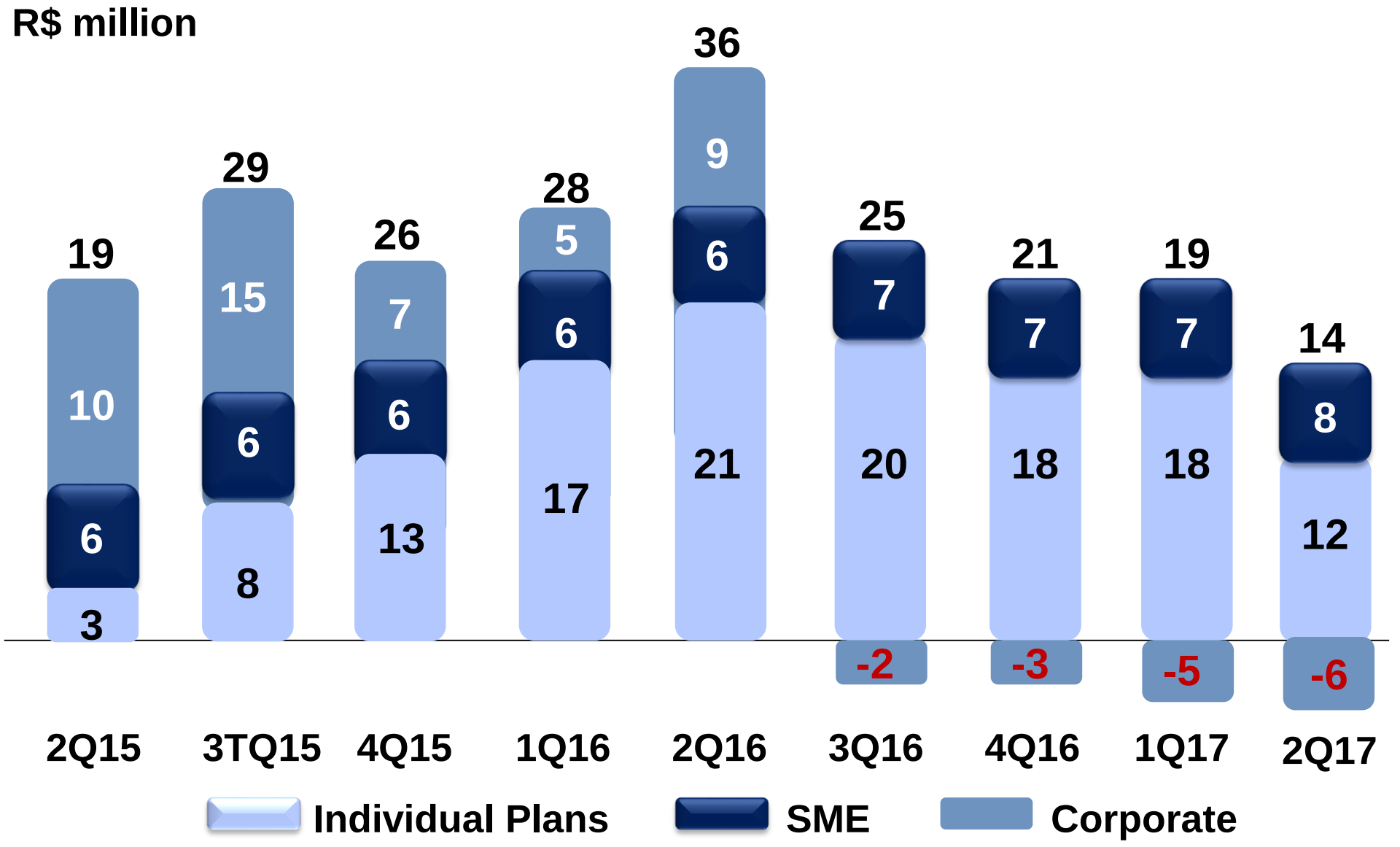
Revenue growth per segment in 2Q17



2Q17 Members, revenues and contribution margin

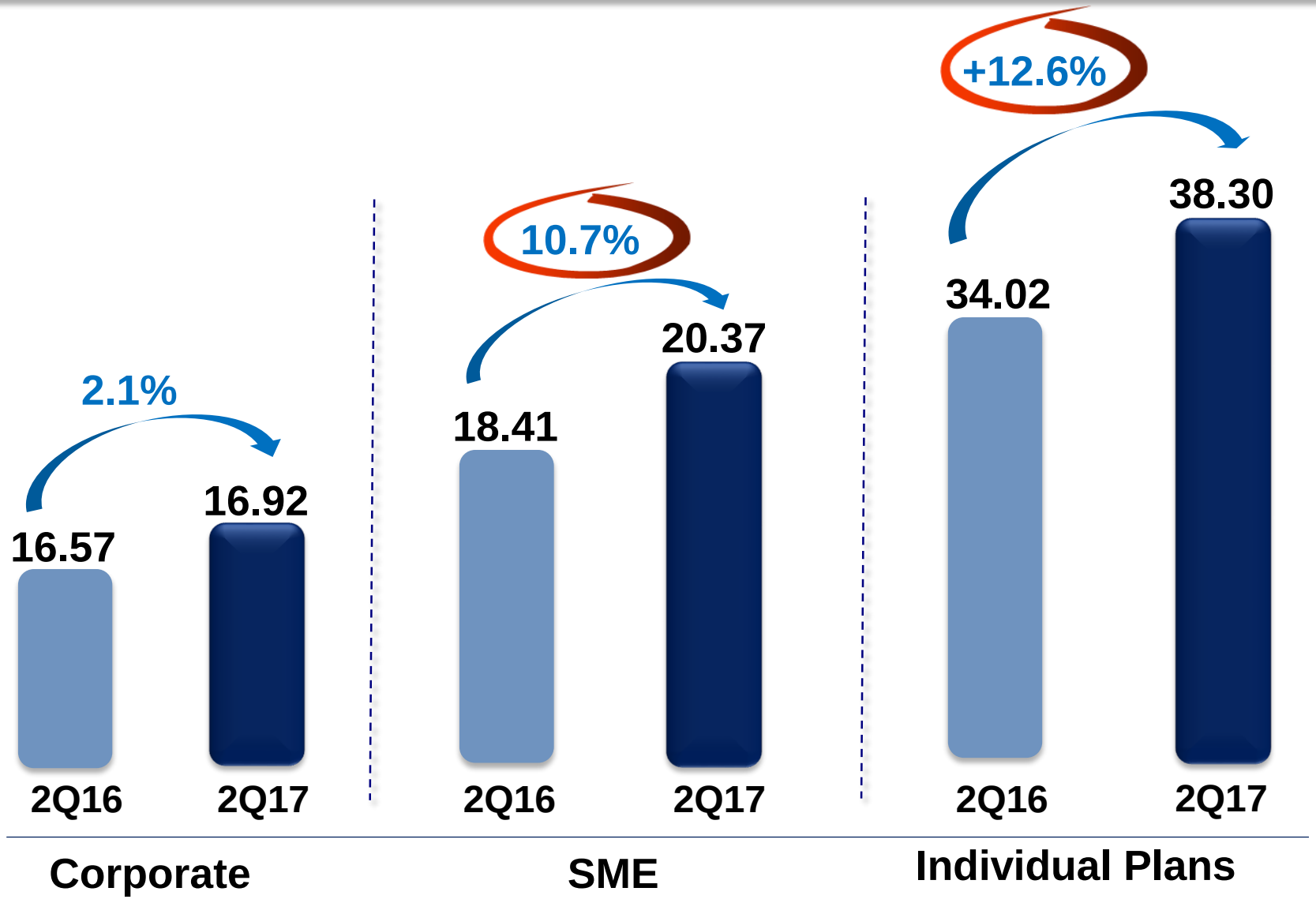


Incremental revenue per segment (YoY)



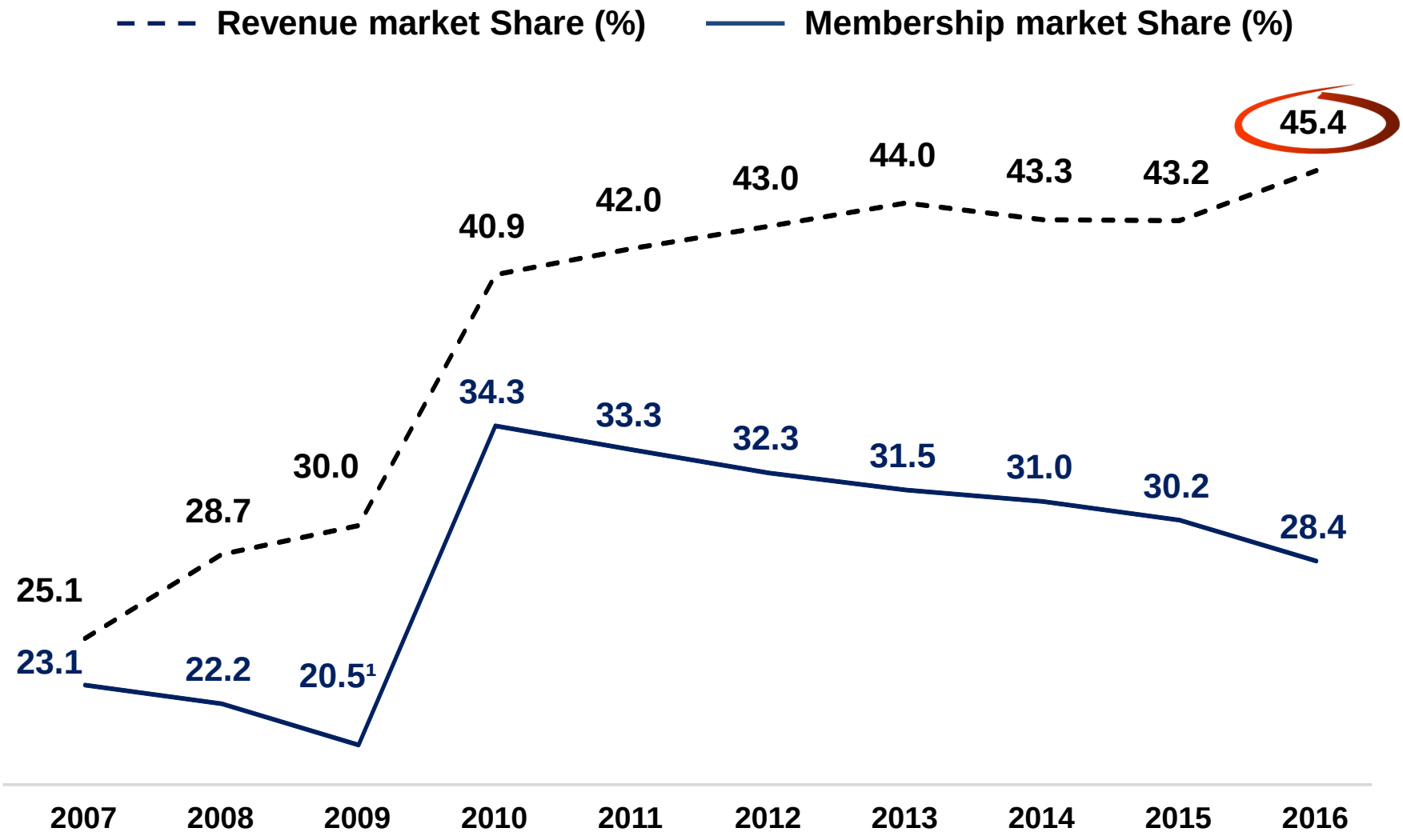
OdontoPrev

Average Ticket per Segment (R$/member/month and YoY∆%)



OdontoPrev

Revenue & membership market share: 2007 - 2016

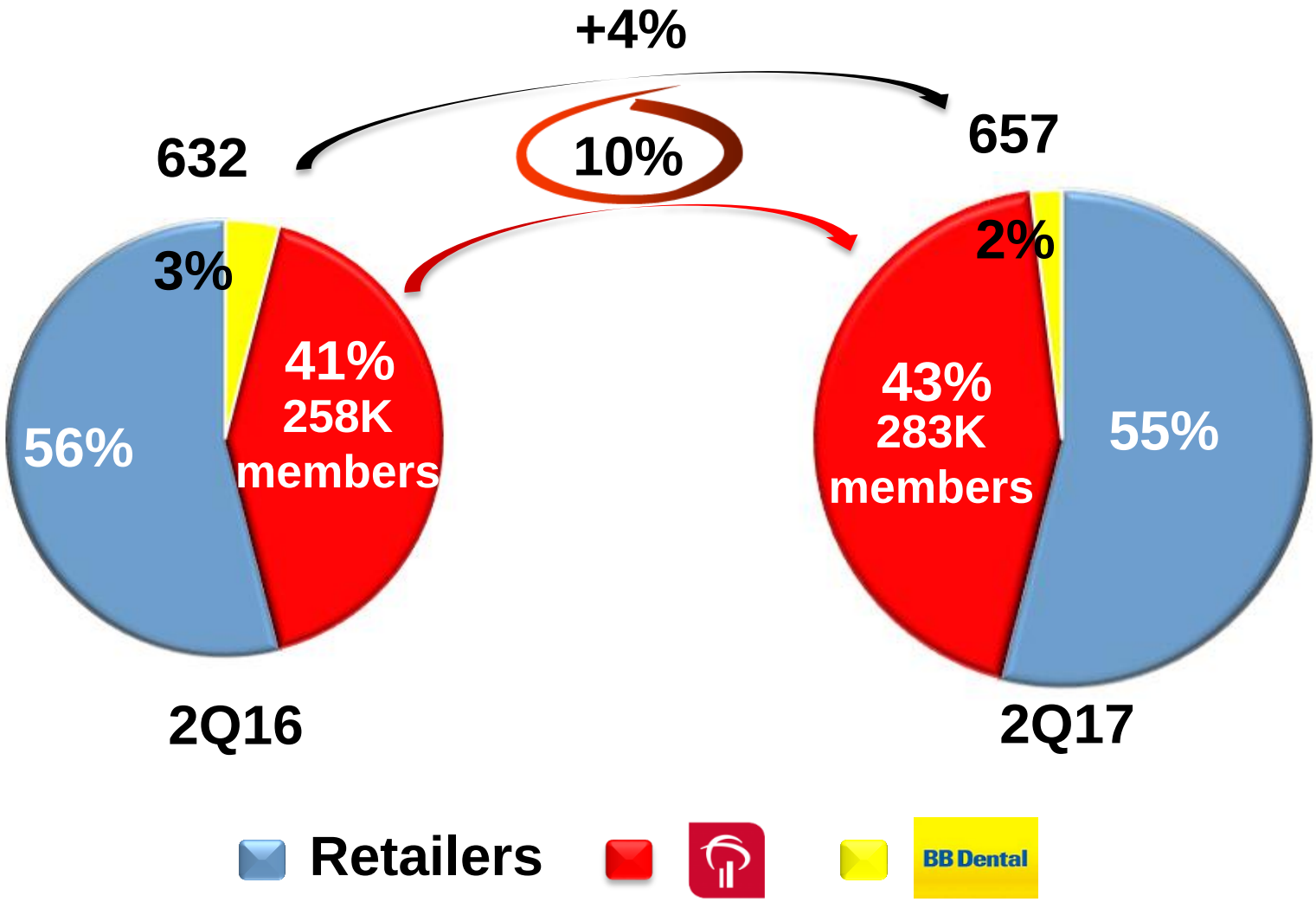


Source: ANS and OdontoPrev

¹ OdontoPrev membership portfolio ex-Bradesco

Breakdown of individual plans

Thousand members



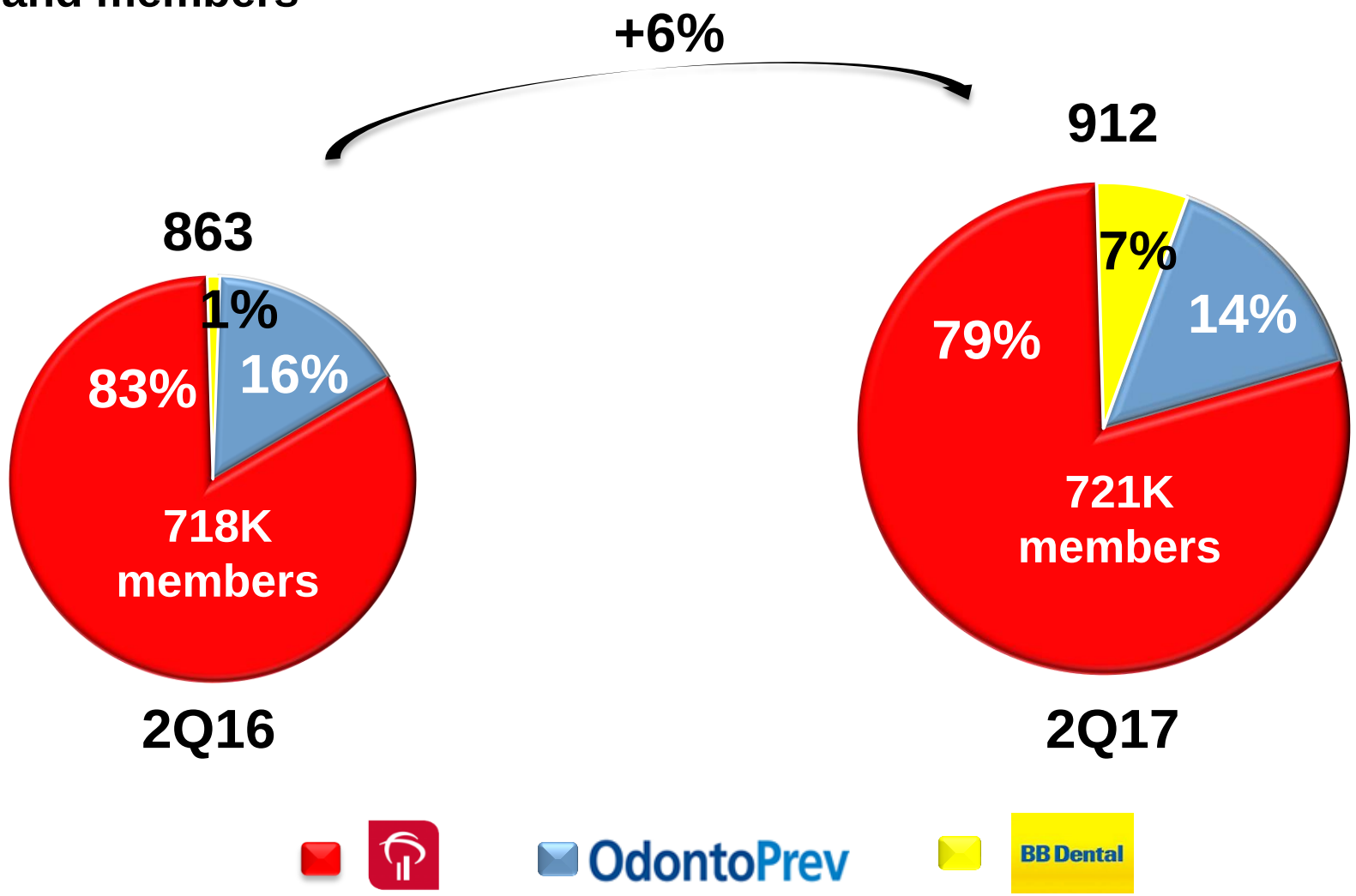
OdontoPrev

Positive effects of bank channels

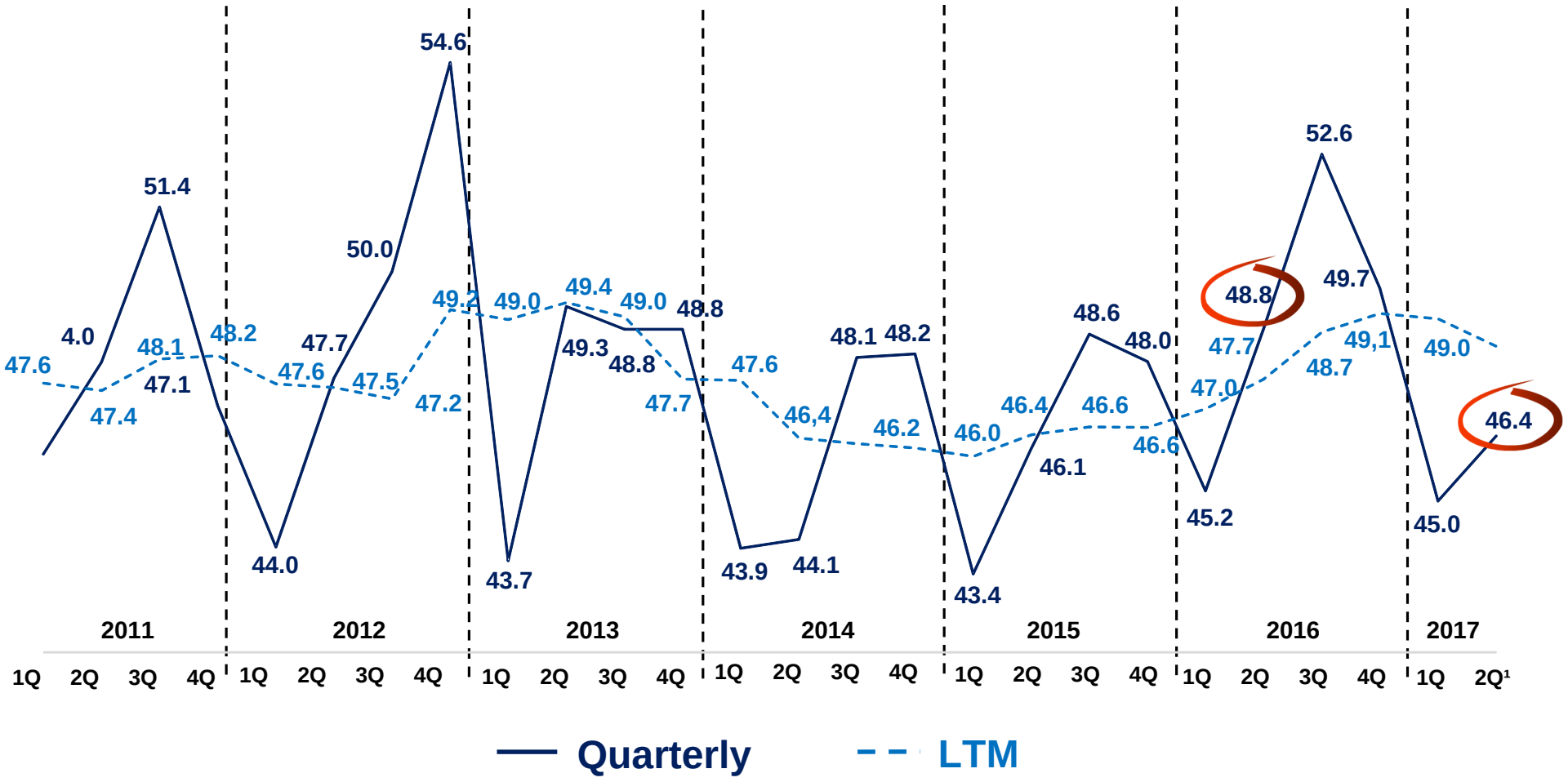
	& BB Dental	Retailers
2Q17 List prices	R$45.60	R$29.90
Selling expenses	10% - 15%	25% - 45%
Profitability	Higher	Lower

Breakdown of SME members

Thousand members



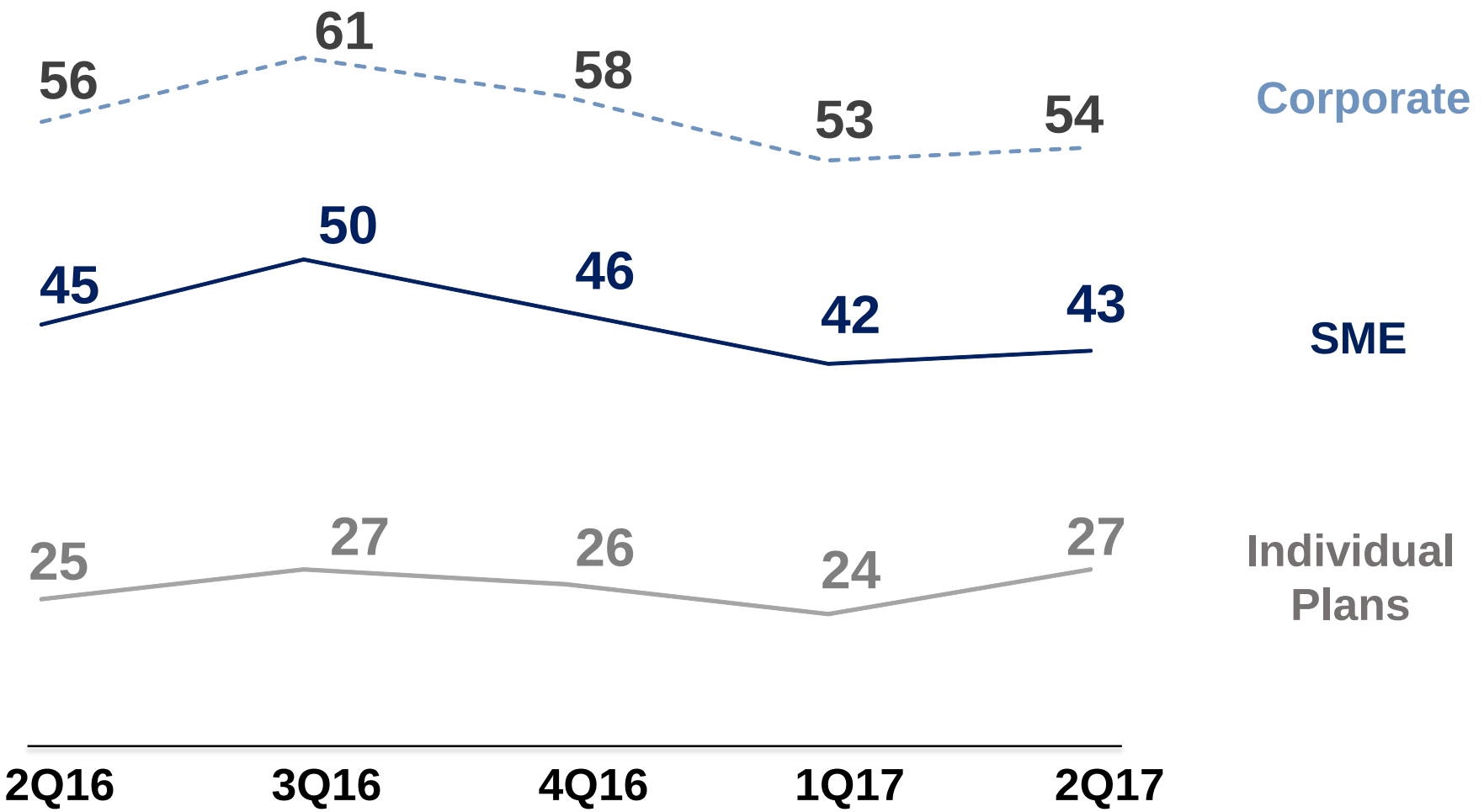
Quarterly and LTM Cost of Services (% of Sales)



¹Excludes Bradesco Dental and OdontoPrev INSS reversals

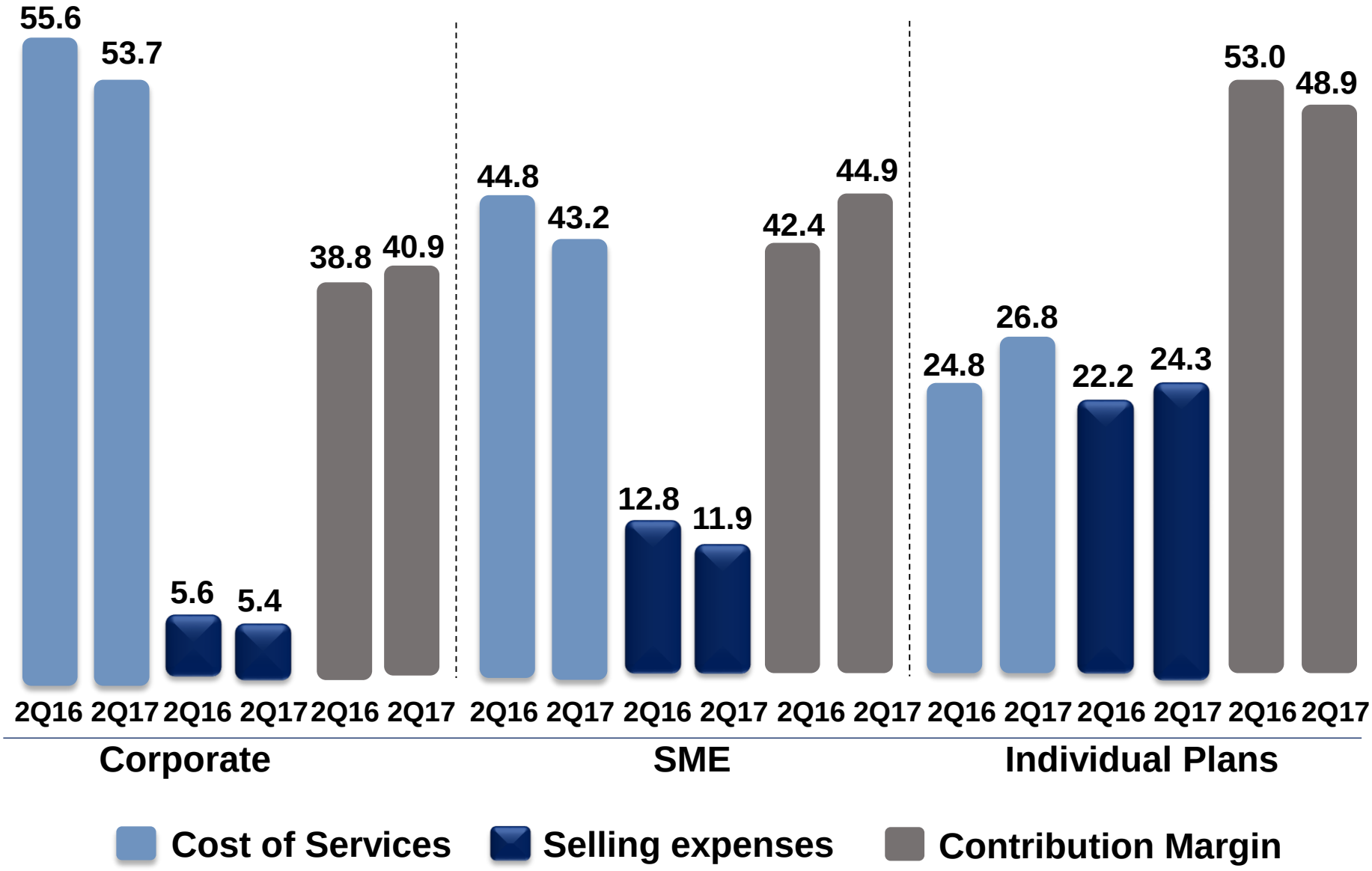
OdontoPrev

Dental Loss Ratio (% of Sales) per segment



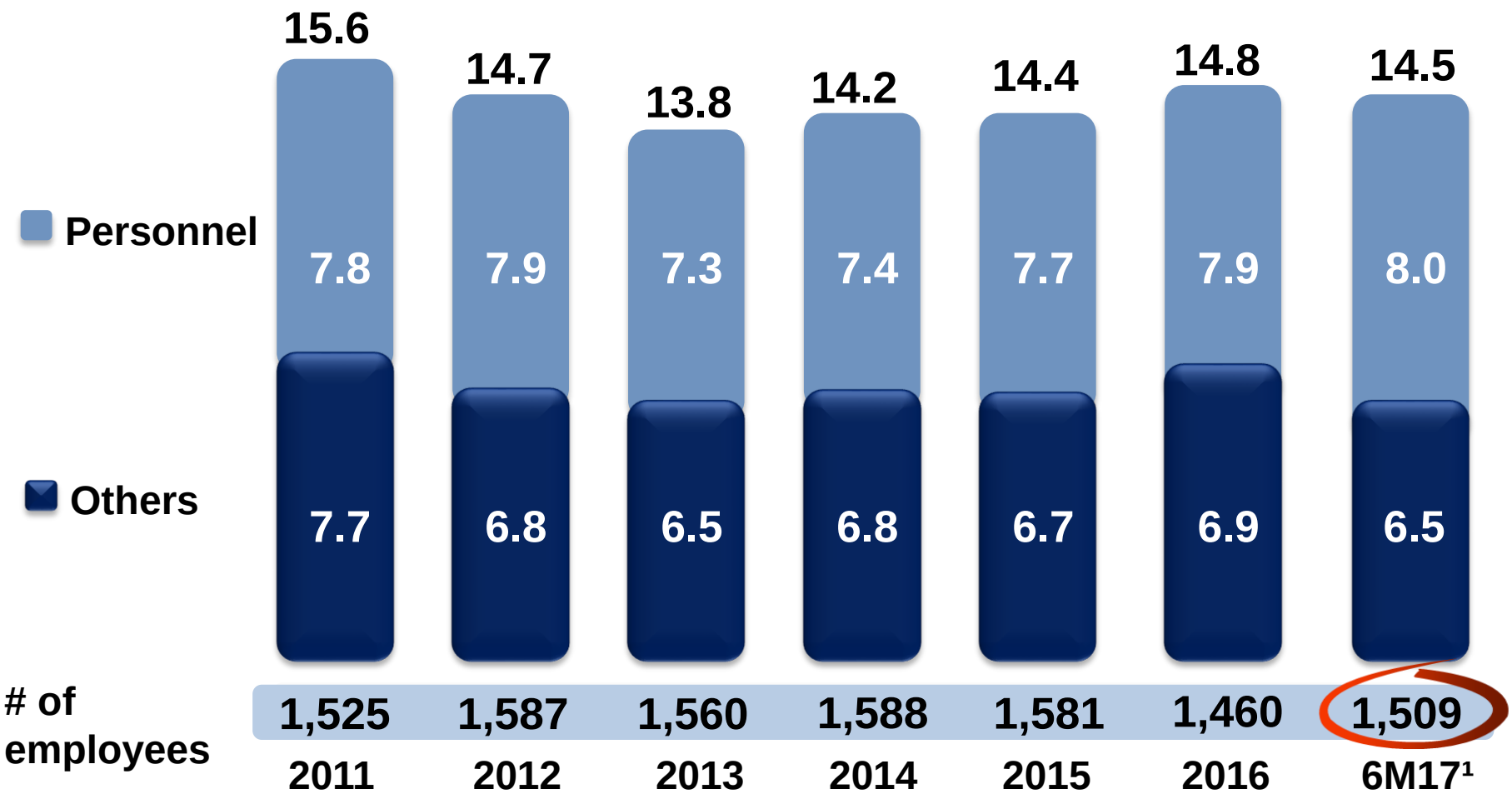
OdontoPrev

Key metrics per segment (% of Sales)



OdontoPrev

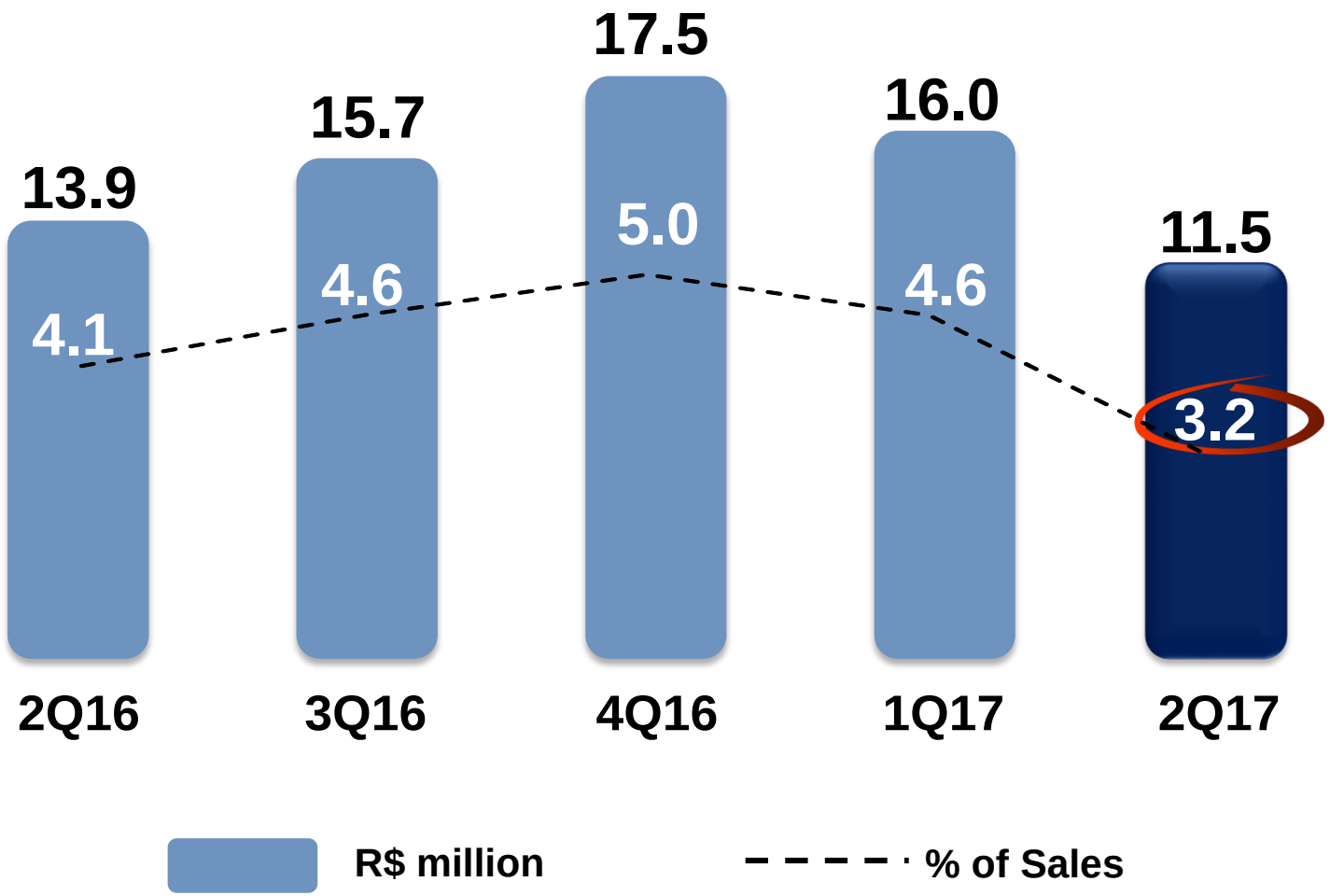
G&A (% of Sales)



[1]Excludes Bradesco Dental and OdontoPrev INSS reversals

Allowance for doubtful receivables

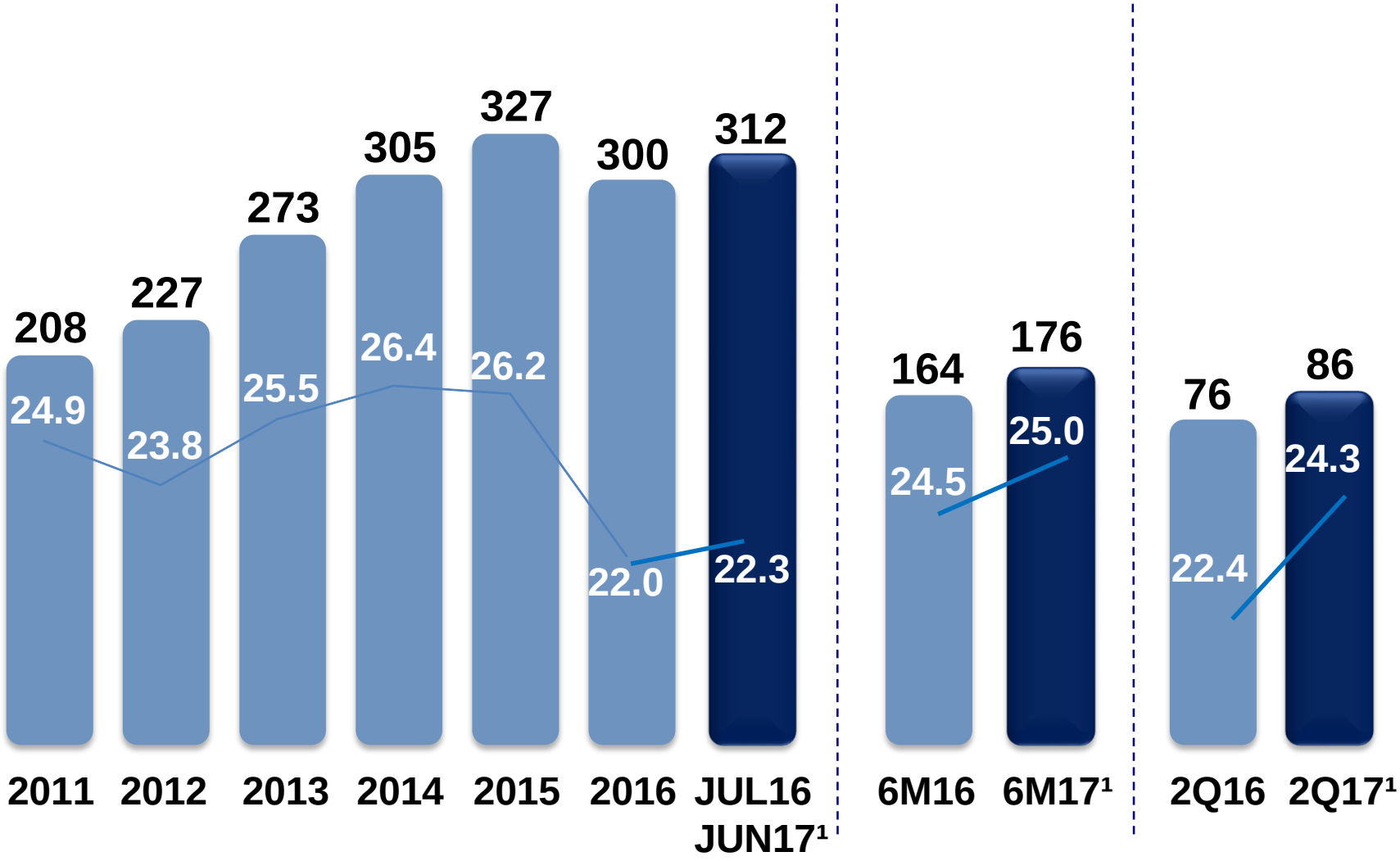
R$ million and % of Sales



OdontoPrev

Adjusted EBITDA and Adjusted EBITDA margin (ex-INSS[1])

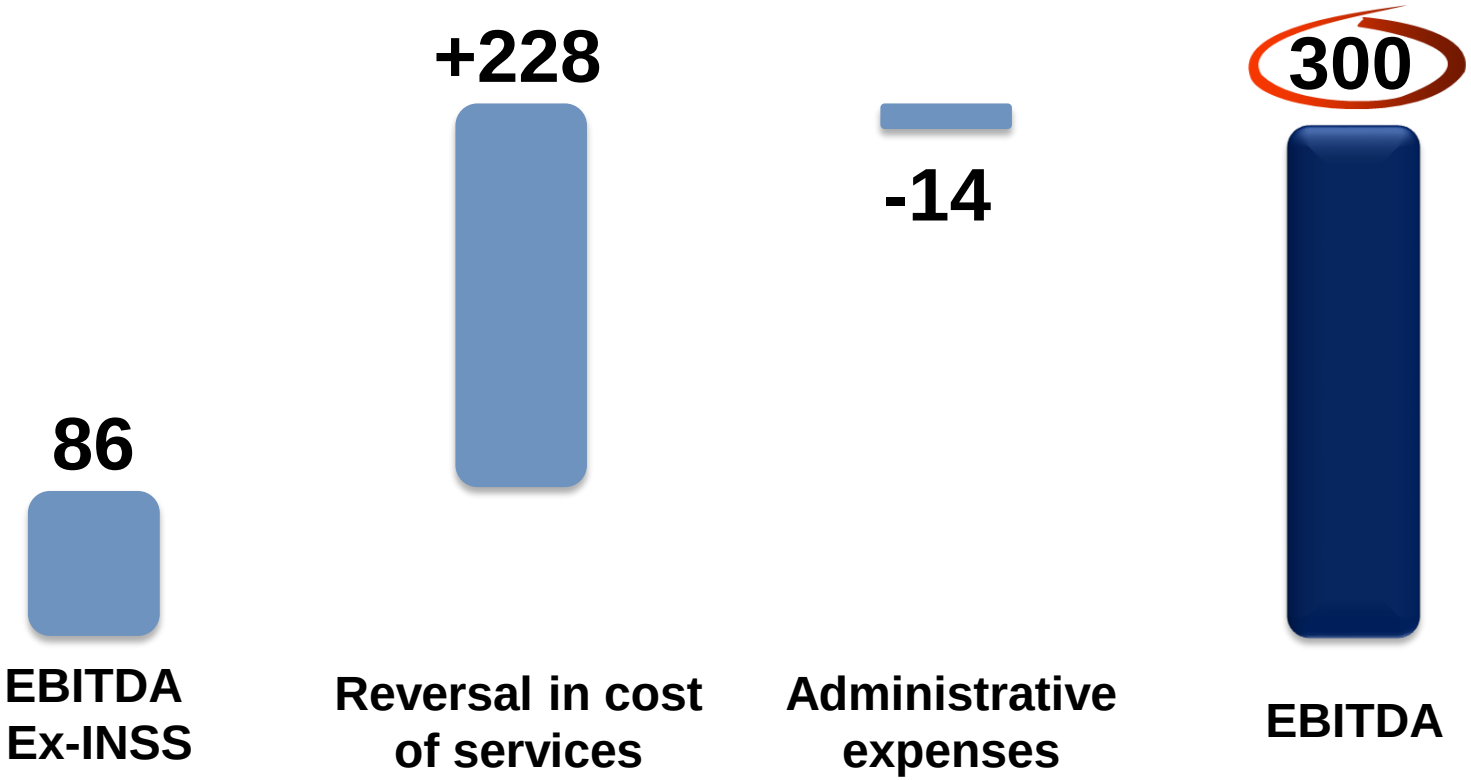
R$ million and % of Sales



[1]Excludes Bradesco Dental and OdontoPrev INSS reversals

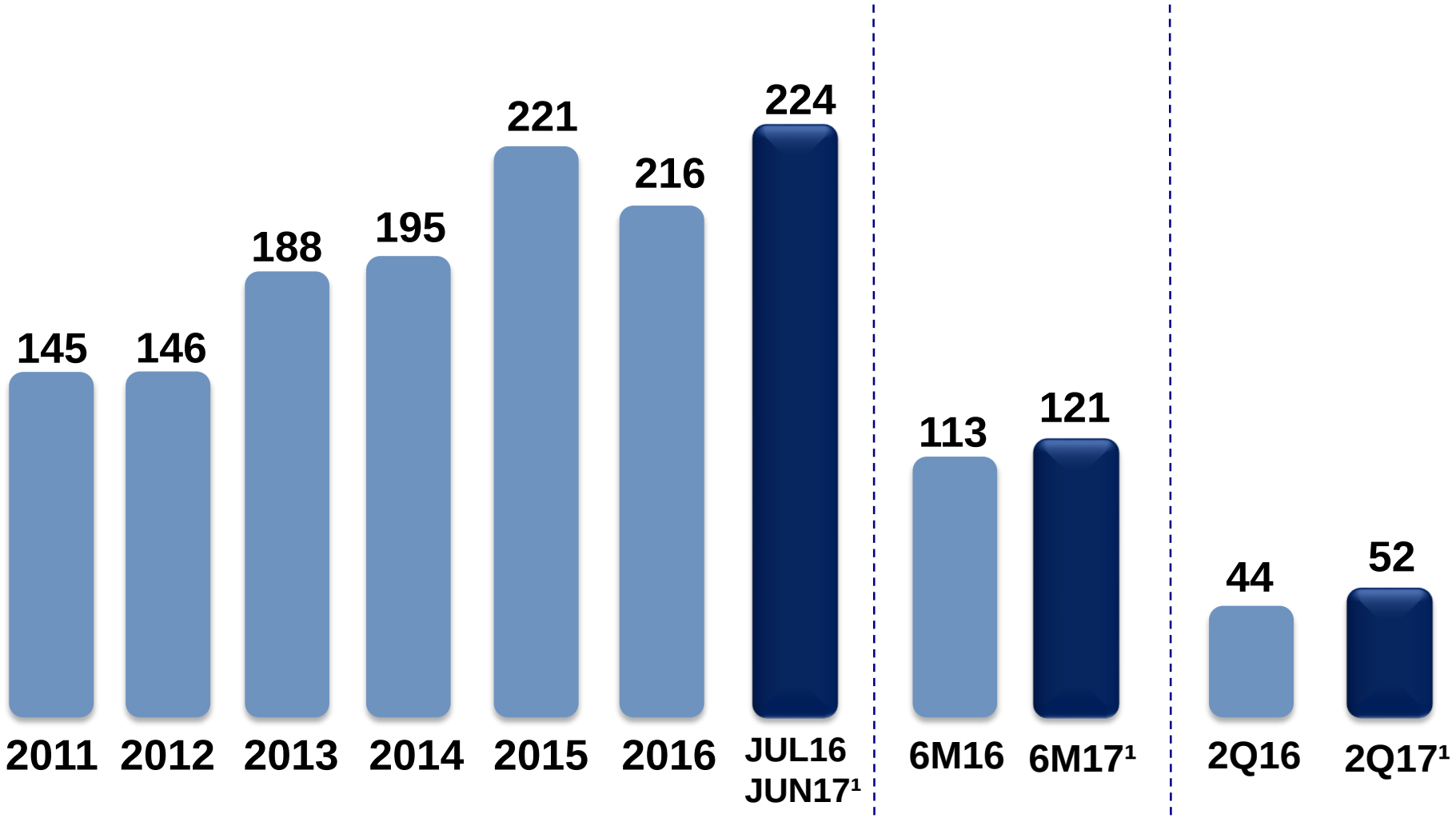
INSS reversal in 2Q17 and the Adjusted EBITDA

R$ million



Net Income (ex-INSS[1])

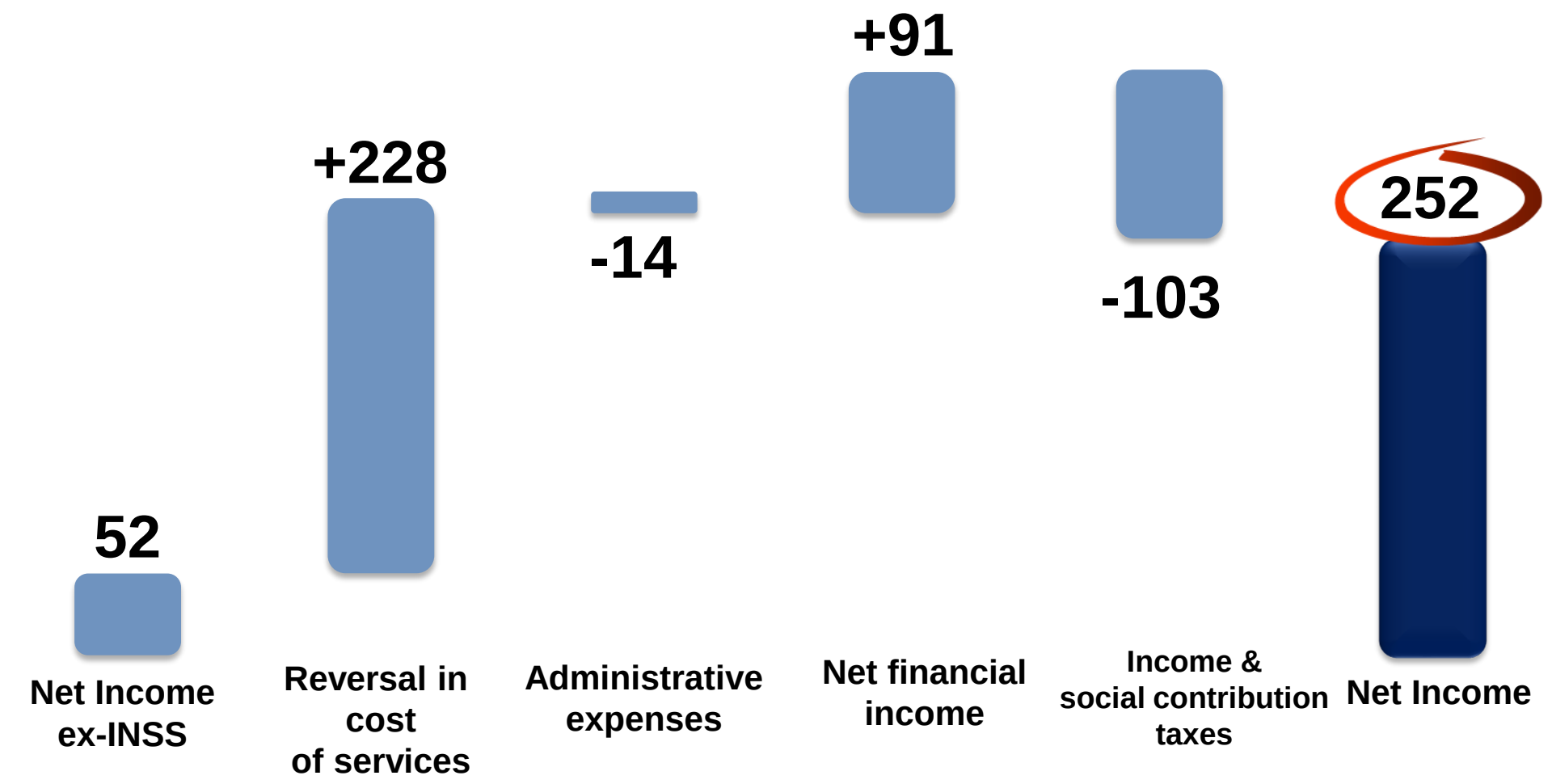
R$ million



[1]Excludes Bradesco Dental and OdontoPrev INSS reversals

INSS reversal in 2Q17 net income

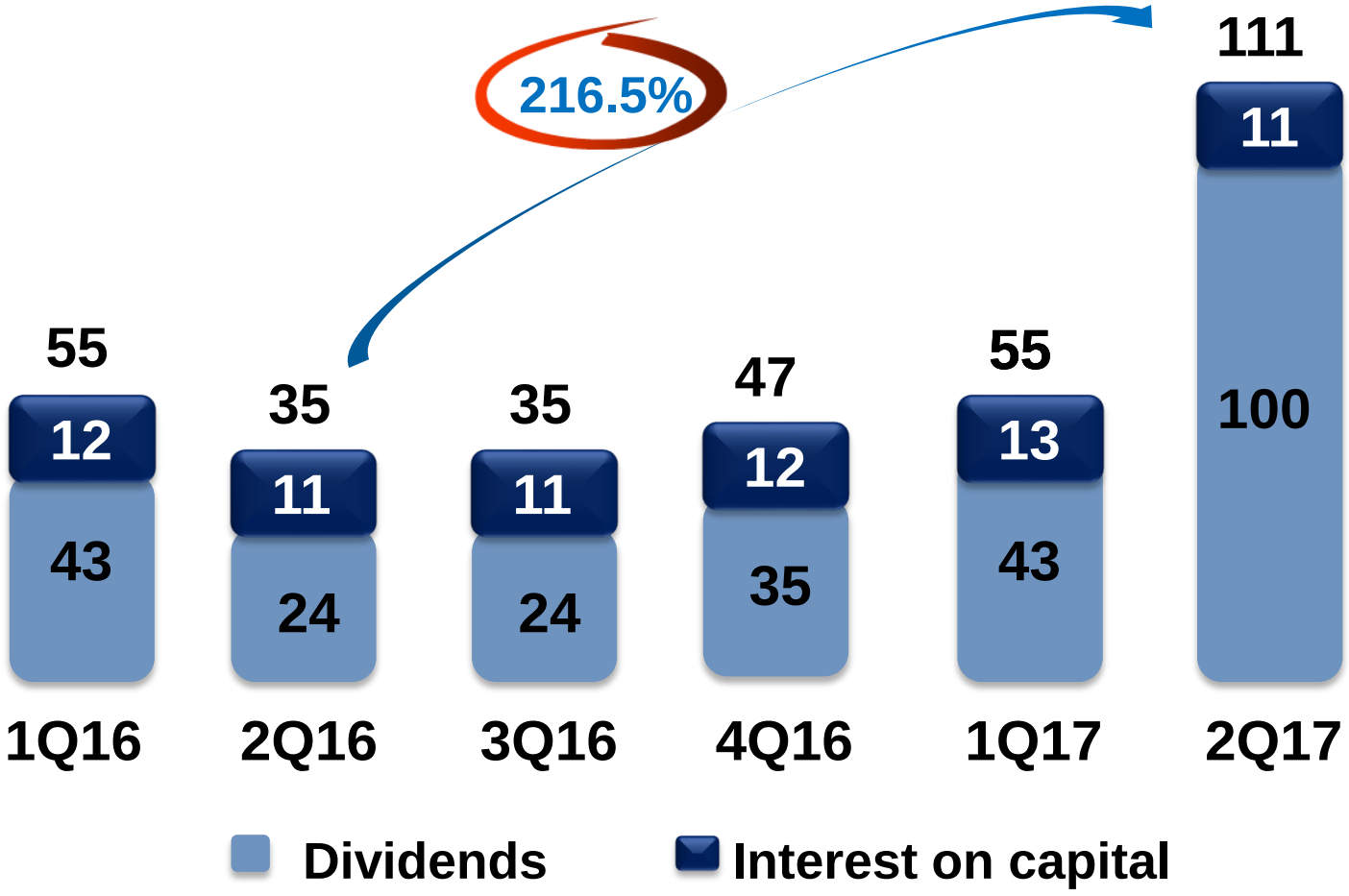
R$ million



OdontoPrev

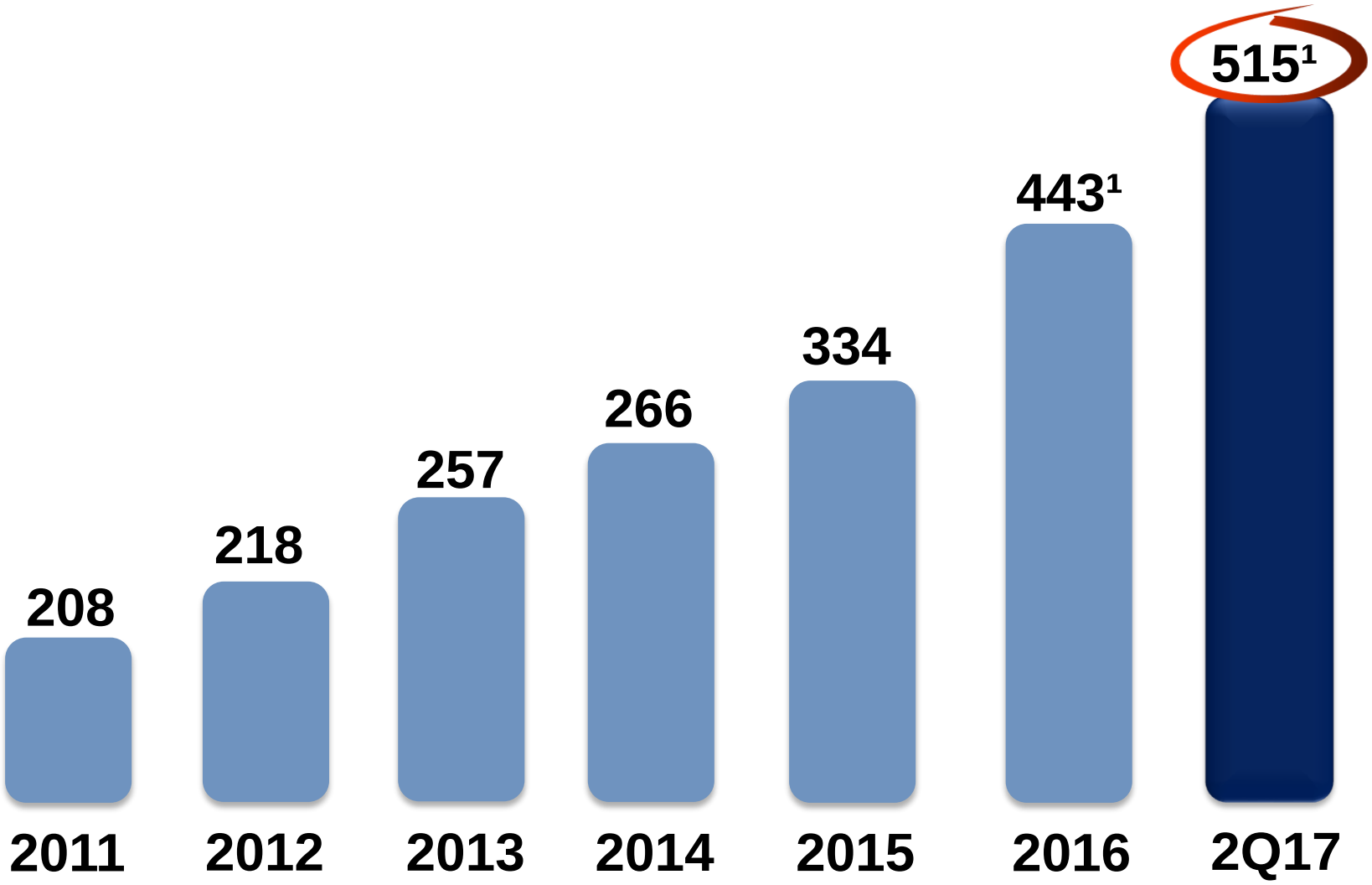
Quarterly cash dividends to investors

R$ million



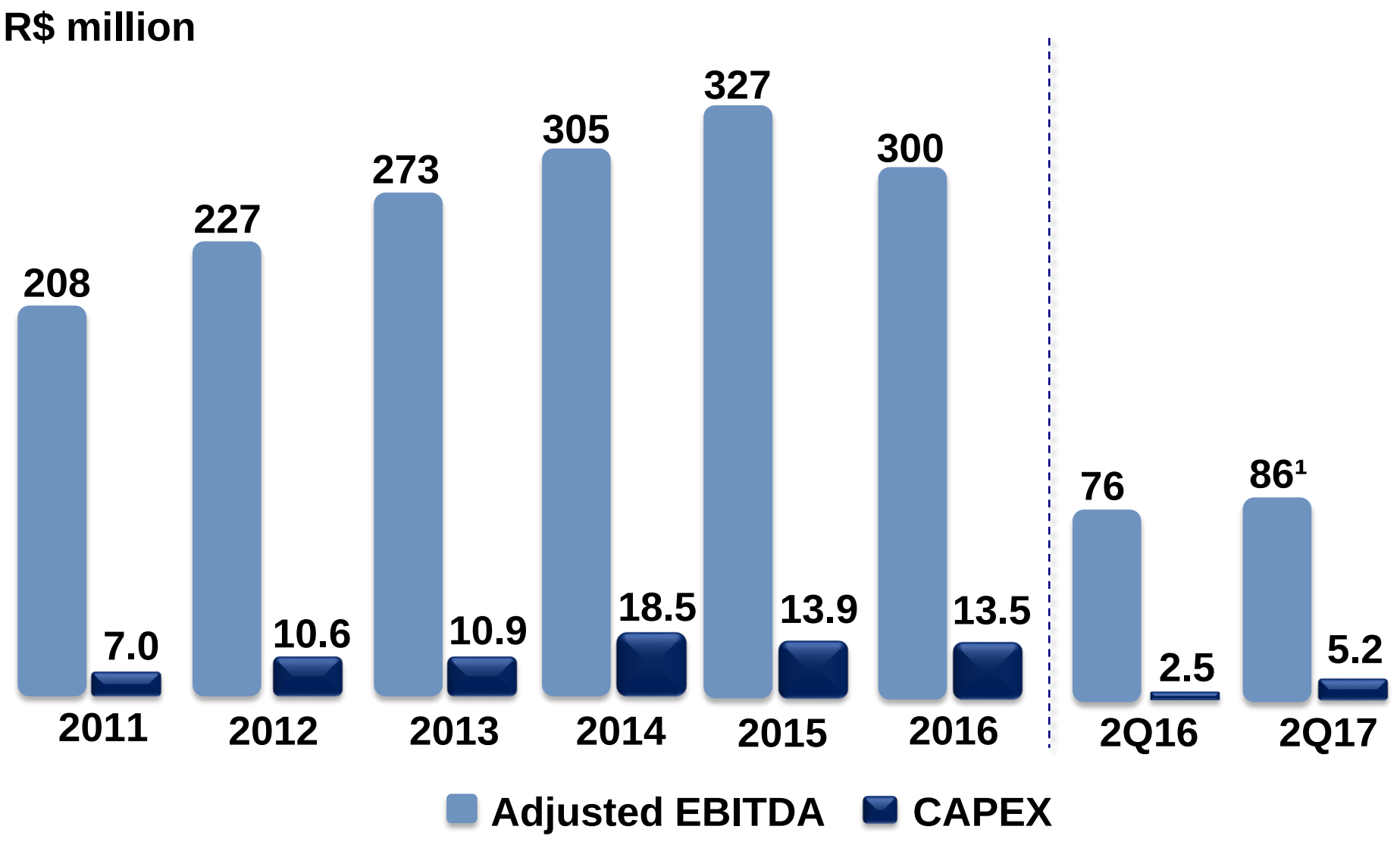
OdontoPrev

Net cash (R$ million)



[1] Includes R$114.8 million dedicated to ANS.

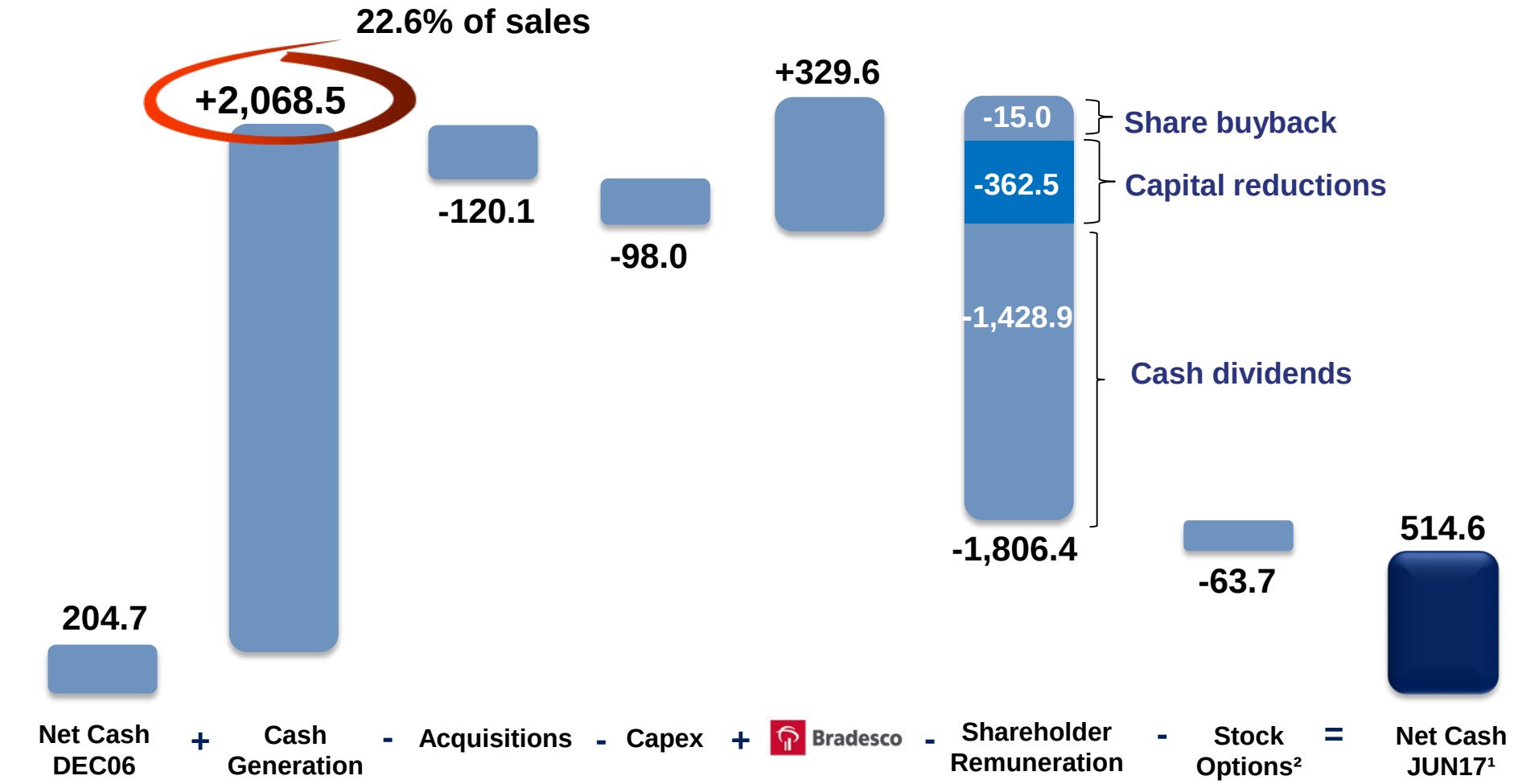
Capex: lower portion of Adjusted EBITDA



¹Excludes Bradesco Dental and OdontoPrev INSS reversals

Cash Flow since the IPO

R$ million



¹ Includes R$114.8 million dedicated to ANS

² Stock Options Program vesting reimbursement

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INSS: Provisions reversals in 2Q17

	Until 2010 Bradesco Dental	After 2010 OdontoPrev
Amount provisioned	R$45 million	R$303 million
Approval	July 10th, 2017	July 14th, 2017
Cash effect	Yes, in 3Q17	No
Annual growth	Selic (*)	Selic (*) + R$ 45 million

* Brazilian interest rate

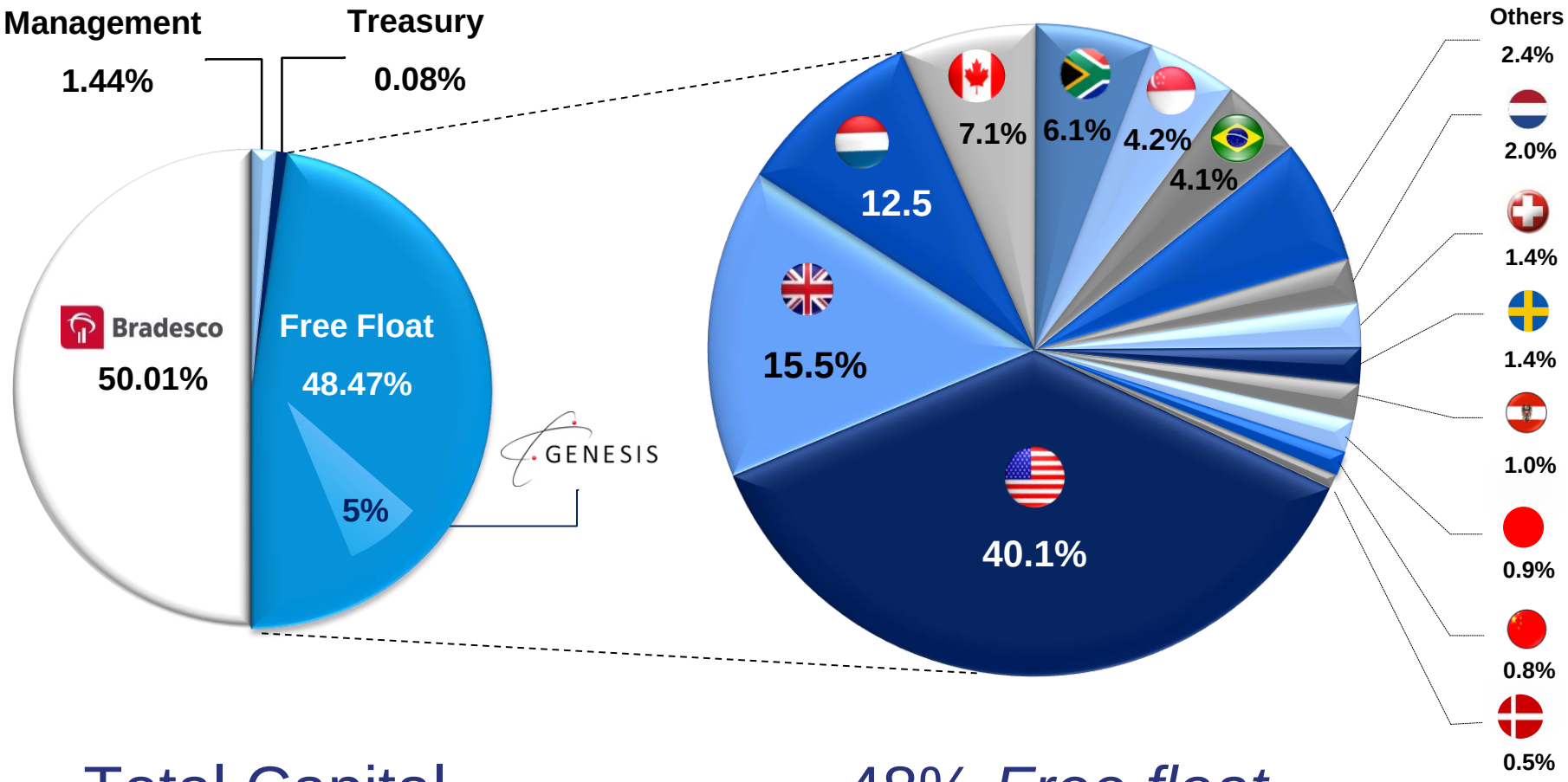


6

Capital Markets

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Global shareholder structure: investors from 37 countries



Total Capital

531,294,792 Shares

48% *Free float*

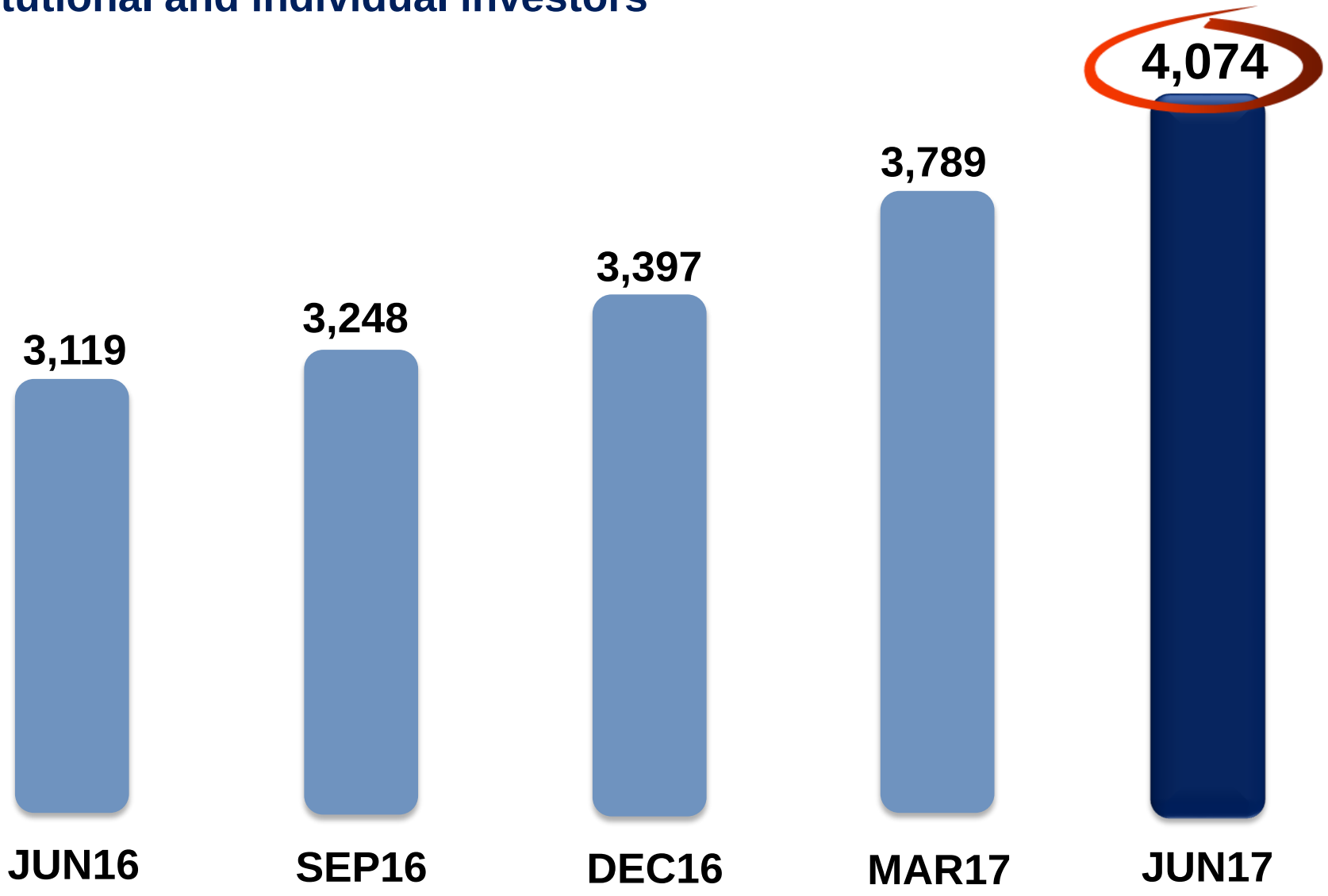
257,590,523 Shares

Source: OdontoPrev

OdontoPrev

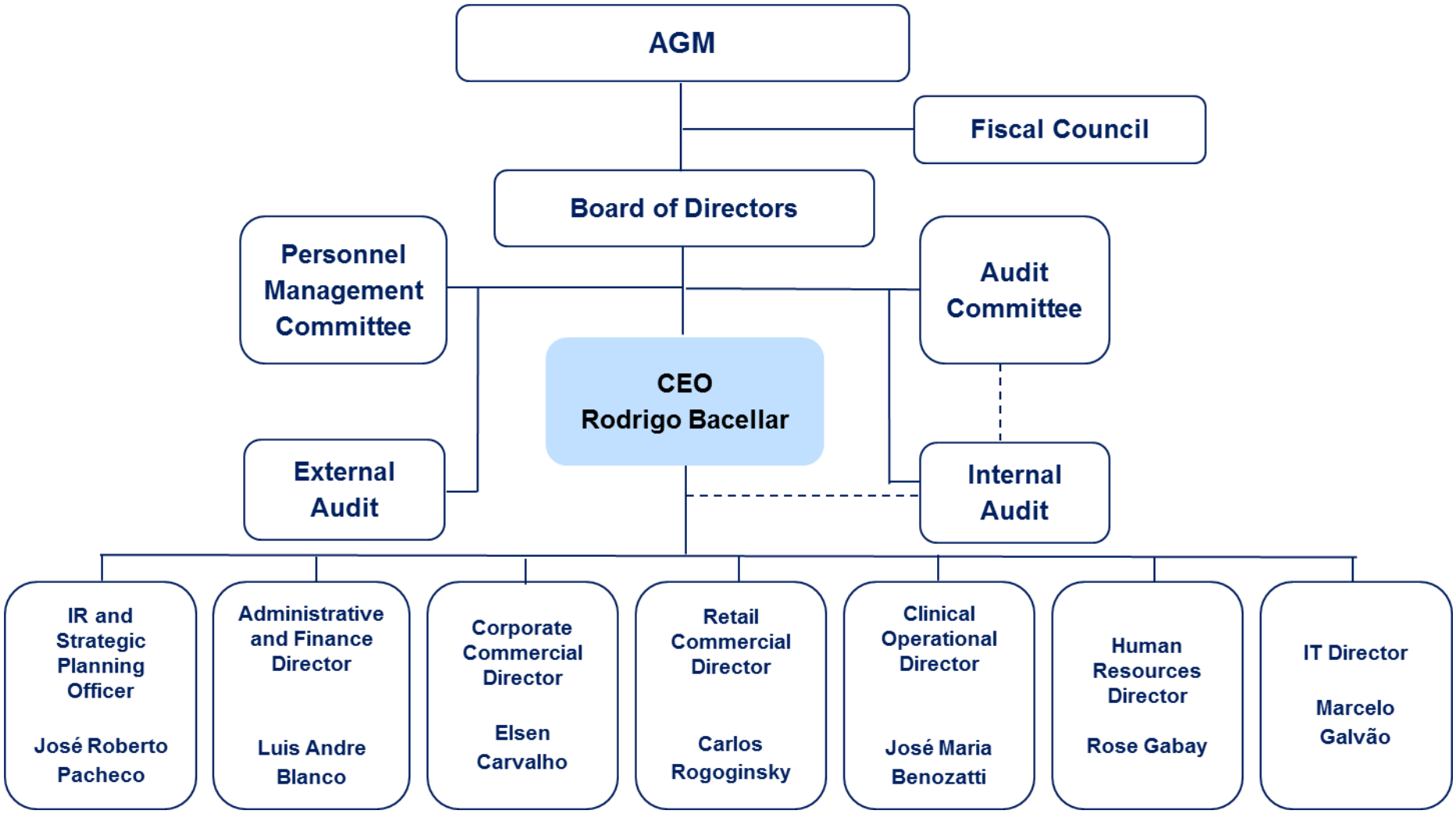
Increasing number of shareholders

Institutional and individual investors



OdontoPrev

Corporate Governance and professional management team



OdontoPrev

Superior Corporate Governance Standards

- **Chairman # CEO, since the 1990s**
- **Board of Directors without executive functions, 56% independent members**
- **AGM previous notice to shareholders of 30 days**
- **Disclosure of minimum, average and maximum annual compensation of executives**
- **3 CEOs since the foundation in 1987, and 1 IRO since IPO**

Key Metrics for management's compensation

Quantitative goals

- Revenue
- EBITDA (R$)
- Number of members

Perception Studies

- Beneficiaries
- Dentists
- HR managers
- Quality of services

OdontoPrev: One of the 60 most valuable Brazil brands in 2017

1. Skol
2. Bradesco
3. Brahma
4. Itaú
5. Globo
6. Antarctica
7. Sadia
8. Bohemia Desde 1853
9. Natura
10. Ypê
11. Ipiranga
12. Vivo
13. Lojas Americanas
14. Cielo
15. Petrobras
16. Caixa
17. Renner
18. Porto Seguro
19. Netshoes
20. Drogasil
21. Seara
22. Amil
23. Droga Raia
24. Iguatemi
25. Schincariol
26. Pão de Açúcar
27. Vale
28. Smiles
29. Frango
30. Vigor
31. multiplus
32. sbt
33. Yoki Paixão Brasileira
34. Anhanguera
35. OdontoPrev – The healthcare of your smile
36. CVC
37. Casas Bahia
38. TOTVS
39. Bauducco
40. BM&FBovespa – A Nova Bolsa
41. magazineluiza.com
42. Localiza
43. Tigre
44. extra
45. BTG Pactual
46. Suvinil
47. GOL – Linhas aéreas inteligentes
48. Dorflex
49. Adria
50. Friboi

Kantar Vermeer ranking, published by Revista Isto É Dinheiro – May 2017.

OdontoPrev awarded for the 7th consecutive year...

Institutional Investor

Best Healthcare Sector IR Program

of Latin America

2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016

... Thank you!

OdontoPrev

Feedback from the street

Aberdeen

“Well-run company, experienced and focused management team, complying with high Corporate Governance standards. Leadership position in a defensive market with favorable growth prospects. Strong balance sheet and cash generative business.”

Morgan Stanley **“One of the world’s best emerging markets business models”**

Santander

“We continue to view OdontoPrev as the best business model in the healthcare segment, combining a high return and cash-flow-generation profile.”

“#1 Company in Latin America with a technological competitive advantage”

UBS

“Strong fundamentals stand out on current environment. We believe that high multiples are supported by: 1) strong FCF generation; 2) balance sheet with no debt; 3) dividend yield and 4) high earnings visibility.”

Upcoming IR events

Date	Country	Broker	Event
Jul 27, 2017			2Q17 Webcast
Jul 27, 2017		Santander	Investor Presentation - São Paulo
Aug 22, 2017		J.P.Morgan	JP Morgan 11th Healthcare Check-Up - São Paulo
Sep 07, 2017		Bank of America Merrill Lynch	NDR BofA Merrill Lynch - Copenhagen
Sep 08, 2017		Bank of America Merrill Lynch	NDR BofA Merrill Lynch - Edinburgh
Sep 11-12, 2017		Morgan Stanley	Morgan Stanley LatAm Conference - London
Sep 19, 2017		UBS	UBS V Healthcare Day - São Paulo
Sep 27, 2017		J. Safra	NDR Safra - Rio de Janeiro
Oct 3, 2017		Bradesco	NDR Bradesco - Santiago
Oct 12, 2017		HSBC	NDR HSBC - Johannesburg
Oct 13, 2017		HSBC	NDR HSBC - Cape Town
Oct 25, 2017			3Q17 Earnings Release
Oct 26, 2017			3Q17 Webcast
Oct 26, 2017		BTG Pactual	Investor Presentation - São Paulo
Nov 1, 2017		Credit Suisse	NDR Credit Suisse - Rio de Janeiro
Nov 13, 2017		UBS	ESG NDR UBS - New York
Nov 14-15, 2017		Bradesco	Bradesco 7th Annual CEO Forum - New York
Nov 16-17, 2017		HSBC	ESG NDR HSBC - London
Nov 20-21, 2017		Itaú BBA	Itaú BBA's 10th LatAm Conference - London

OdontoPrev´s Investor Relations activities, including conference calls, webcasts, one-on-one meetings and public presentations are made by the Company's CEO and/or IRO since the 2006 IPO.

Why OdontoPrev?



Your Investor Relations Team

José Roberto Pacheco
Executive Director & IRO

Roberta Carneiro
IR Manager

Darcio Nunciatelli
IR Analyst

Stella Hong
IR Analyst

IR Awards Brazil 2016 magazine

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Custodian & Market Maker

Bradesco

Independent Auditors

KPMG
cutting through complexity™

B3 Ticker

ODPV3 NOVO MERCADO BM&FBOVESPA