



alliar médicos à frente
sistema de diagnósticos de saúde



ALLIAR – 1Q18 RESULTS

LEGAL NOTICE

This presentation may contain certain forward-looking statements and information relating to Centro de Imagem Diagnósticos S.A. (Alliar) and its subsidiaries that reflect the current views and/or expectations of the Company's management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe", "anticipate", "expect", "estimate", "could", "envisage", "potential", "will likely result", or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from what is expressed in this presentation. Any third party (including investors) are solely and exclusively liable for any investment or business decision made or action taken in reliance on the information and statements contained in this presentation. or for any consequential, special or similar damages. Alliar does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition to factors identified elsewhere in this presentation, the following factors, among others, could cause actual results to differ materially from the forward-looking statements or historical performance: changes in the preferences and financial condition of our consumers, and competitive conditions in the markets we serve; changes in economic, political and business conditions in Brazil; governmental interventions resulting in changes in the Brazilian economy, taxes, tariffs or regulatory environment; our ability to compete successfully; changes in our business; our ability to successfully implement marketing strategies; our identification of business opportunities our ability to develop and introduce new products and services; changes in the cost of products and our operating costs; our level of indebtedness and other financial obligations; our ability to attract new customers; inflation in Brazil, devaluation of the Real against the U.S. Dollar and interest rate fluctuations; present or future changes in laws and regulations; and our ability to maintain existing business relationships, and to create new relationships.

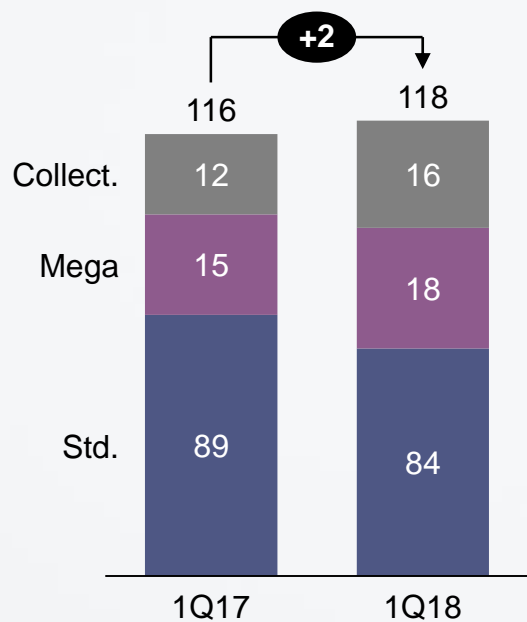
HIGHLIGHTS

- **Net revenue¹ growth of 6.3%** in the quarter, with same-store-sales (SSS) of **2%** (**5%** growth considering same comparable days base) and ramp-up of the new mega-units.
- Gross profit of R\$ **72.7** million in the quarter, growth of **12.4%** with gross margin reaching **27.7%** (+148 bps)
- **Adjusted EBITDA** of R\$ **59.4** million (**+19.6%**) in the quarter with an adjusted EBITDA margin of **22.6%** (+251 bps), reflecting the operating leverage through **cost reduction and strict expense control initiatives**.
- **Net income** (Shareholders) of R\$ **7.1** million in the quarter, a **22.8%** increase.
- **Operating cash generation** growth of **39.5%** to R\$ **31.1** million, with **52%** cash conversion (**+747 bps**), demonstrating the Company's high cash generation capacity.
- Net promoter score (**NPS**) of **60.5%** at the end of 1Q18, contemplating a single and improved methodology to capture data for **all Alliar brands**

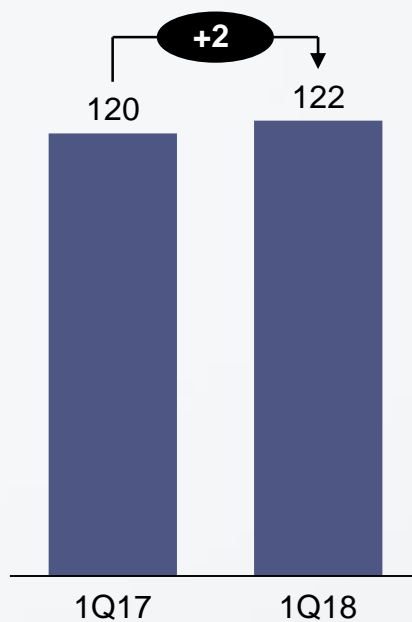
KEY ASSETS

Evolution

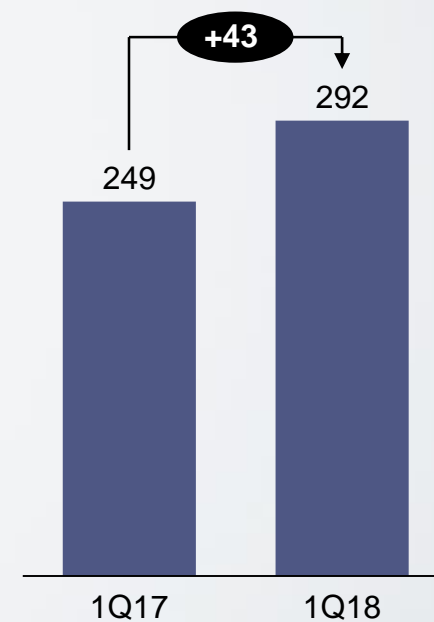
STORES



MRIs



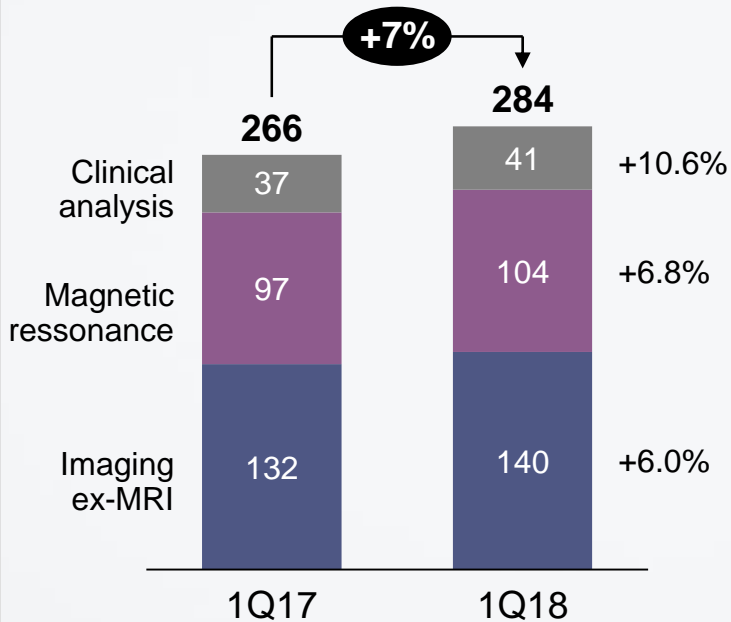
C. ANALYSIS ROOMS



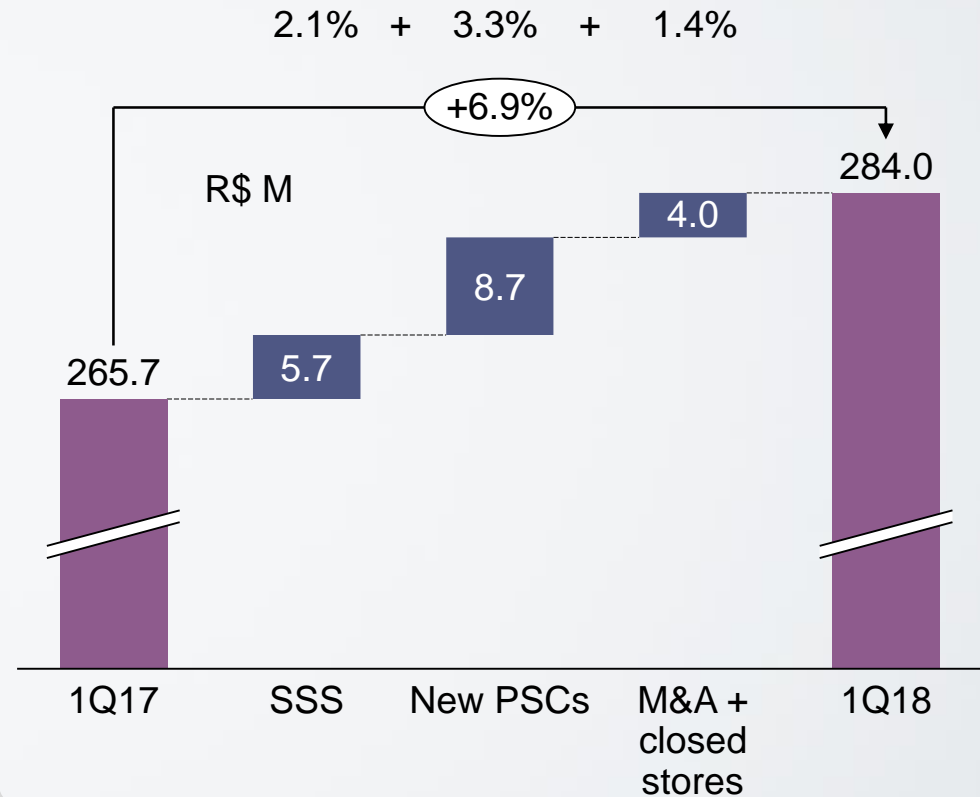
- Addition of 3 **mega stores** LTM (CDB brand in S. Bernardo and Móoca, Plani in S. José dos Campos)
- Clinical analysis offering stable vs. 4Q17: available in **53** stores (45% of total stores)

GROSS REVENUE¹

R\$ million



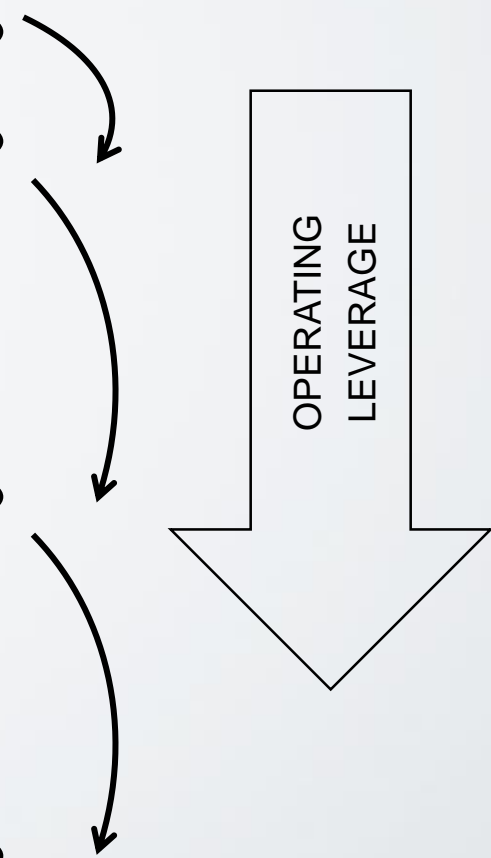
Contribution:



- **Consistent growths** on MRI and Imaging ex-MRI (ratio of **1.34** : 1)
- **Double-digit** clinical analysis growth, currently representing **14%** of revenues

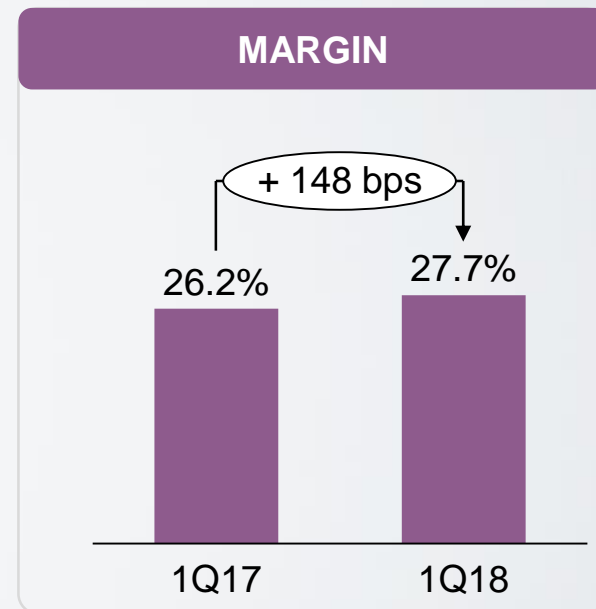
FINANCIAL PERFORMANCE

Income Statement Overview	1Q18	1Q17	YoY
Gross Revenue (ex-construction)	284.0	265.7	6.9%
Deductions	(21.8)	(19.0)	14.5%
Net Revenue (ex-construction)	262.3	246.7	6.3%
Cost of services	(189.5)	(181.9)	4.2%
Gross Profit	72.7	64.7	12.4%
<i>Gross Profit Margin</i>	27.7%	26.2%	148 bps
General and administrative expenses	(41.7)	(41.8)	-0.3%
Other income (expenses), net	(2.4)	(1.5)	57.5%
Share of profit (loss) on investments	3.3	3.5	-3.7%
(+) Depreciation and Amortization	19.7	20.9	-6.0%
EBITDA	51.7	45.9	12.8%
<i>(+/- adjustments)</i>	7.7	3.8	101.9%
Adjusted EBITDA	59.4	49.7	19.6%
<i>Adjusted EBITDA Margin</i>	22.6%	20.1%	251 bps
(-) Depreciation and Amortization	(19.7)	(20.9)	-6.0%
Finance income (expenses)	(16.7)	(9.8)	71.0%
EBT	15.3	15.1	1.1%
Taxes	(5.7)	(6.4)	-11.0%
<i>Effective tax rate</i>	-37.1%	-42.1%	503 bps
Attributable to non-controlling shareholders	(2.5)	(3.0)	-15.3%
Net Income (Shareholders)	7.1	5.8	22.8%
<i>Net margin (Shareholders)</i>	2.7%	2.3%	35 bps



GROSS PROFIT & MARGIN

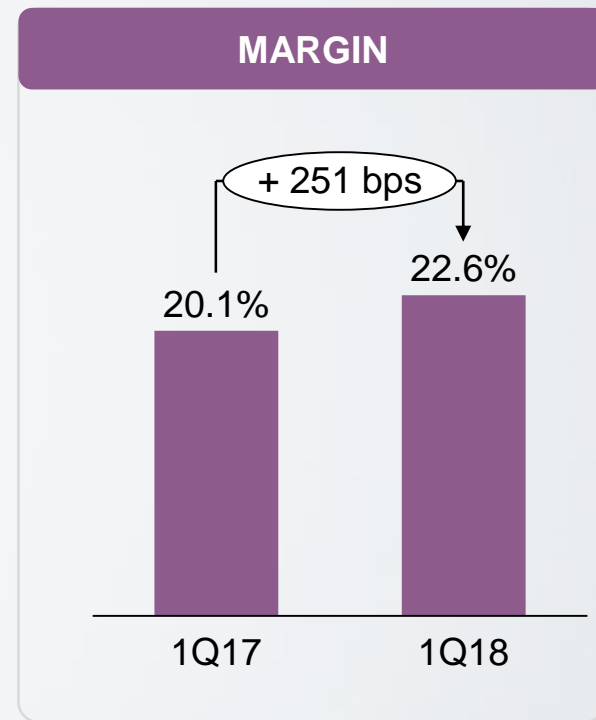
Gross Profit (R\$ Million)	1Q18	1Q17	YoY	% NRev (1Q18)	% NRev (1Q17)	YoY
Net Revenue (ex)	262.3	246.7	6.3%	-	-	-
Costs (ex)	-189.5	-181.9	4.2%	-72.3%	-73.8%	148 bps
Medical Services	-50.2	-44.0	14.2%	-19.1%	-17.8%	-134 bps
Employees	-49.7	-46.2	7.5%	-18.9%	-18.7%	-22 bps
Supplies and Support Labs	-30.1	-33.2	-9.4%	-11.5%	-13.5%	198 bps
Maintenance	-7.4	-7.3	0.7%	-2.8%	-3.0%	15 bps
Occupancy	-21.2	-20.0	6.2%	-8.1%	-8.1%	0 bps
Third-party serv. and others	-13.2	-12.3	6.7%	-5.0%	-5.0%	-3 bps
Deprec. and amortization	-17.7	-18.8	-5.9%	-6.8%	-7.6%	87 bps
Gross Profit	72.7	64.7	12.4%	27.7%	26.2%	148 bps
Construction cost	-0.9	-12.6	-93.2%	-	-	-



- **Gross profit** growth driven by **higher revenue** and **margin expansion**
- Highlight to **cost reduction initiatives** ('strategic sourcing')
- Growth of other lines negatively impacted by: (i) inauguration of units throughout 2017; (ii) full operation phase of the PPP; and (iii) increased participation of ultrasound and CA exams

Adj. EBITDA & MARGIN

EBITDA (R\$ Million)	1Q18	1Q17	YoY	% NRev (1Q18)	% NRev (1Q17)	YoY
Net Revenue (ex)	262.3	246.7	6.3%	-	-	-
Gross Profit	72.7	64.7	12.4%	27.7%	26.2%	148 bps
General and adm. expenses	-41.7	-41.8	-0.3%	-15.9%	-16.9%	104 bps
Employess	-22.2	-22.9	-3.2%	-8.5%	-9.3%	82 bps
Occupancy, 3 rd party, other	-16.4	-14.4	14.0%	-6.3%	-5.8%	-43 bps
Long-term incentive	-1.1	-2.3	-54.5%	-0.4%	-0.9%	53 bps
Depreciation and amort.	-2.0	-2.1	-6.0%	-0.8%	-0.8%	9 bps
Earnings of subsidiaries	-2.4	-1.5	57.5%	-0.9%	-0.6%	-31 bps
Other expenses, net	3.3	3.5	-3.7%	1.3%	1.4%	-14 bps
EBIT	32.0	24.9	28.6%	12.2%	10.1%	210 bps
Depreciation and amort.	19.7	20.9	-6.0%	7.5%	8.5%	-99 bps
EBITDA	51.7	45.9	12.8%	19.7%	18.6%	112 bps
Write-down of financial asset	7.7	3.8	101.9%	2.9%	1.5%	138 bps
Adjusted EBITDA	59.4	49.7	19.6%	22.6%	20.1%	251 bps



- Adj. EBITDA **growth of 19.6%** led to a margin of **22.6%** (+251 bps)
- The highlights are the revenue growth, **gross margin expansion** and tight **expenses control**
- Margin remains **below its potential** (units still in the maturation process)

FINANCIAL RESULT / DEBT

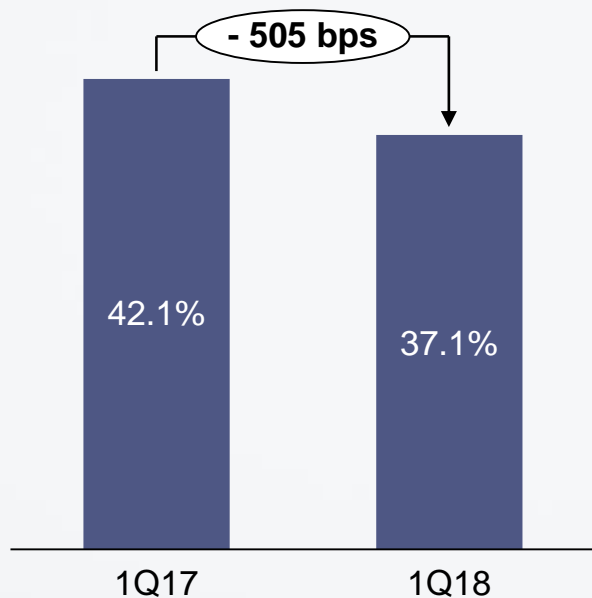
Financial Result (R\$ Million)	1Q18	4Q17	1Q17	YoY
Financial income	0.4	0.8	3.4	-87.1%
Financial expenses	-17.1	-27.3	-15.3	12.0%
FX effect on USD debt	0.0	-1.4	2.2	n/a
Total Financial Result	-16.7	-27.9	-9.8	71.0%

Debt (R\$ Million)	1Q18	4Q17	1Q17	4Q16	YoY
Loans and debentures	631.3	599.3	484.1	505.6	30.4%
Supplier 'drawee risk'	4.3	11.7	0.0	0.0	n/a
Derivative financial statements	1.0	1.3	32.8	38.7	-97.1%
Gross Bank Debt	636.6	612.2	516.9	544.3	23.2%
Gross Bank Debt R\$	625.0	598.6	439.7	258.8	42.1%
Gross Bank Debt US\$	11.7	13.5	77.3	285.5	-84.9%
Tax installment payments	9.3	9.2	8.9	9.1	4.3%
Acquisitions of companies	62.2	85.3	88.3	47.0	-29.5%
Total Gross Debt	708.2	706.6	614.2	600.3	15.3%
Cash and equivalents	71.8	95.3	59.2	202.8	21.4%
Total Net Debt	636.3	611.3	555.0	397.5	14.7%
Adjusted EBITDA LTM	232.5	224.9	224.1	207.5	3.8%
Total Net Debt / Adj. EBITDA	2.74 x	2.72 x	2.48 x	1.92 x	10.5%

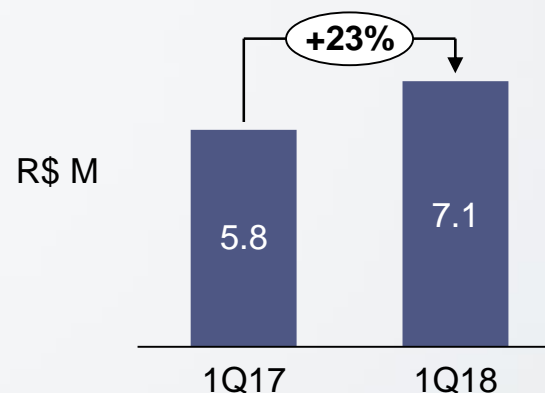
- Higher net debt level, favorable exchange effect in 1Q17 and lower average cash balance
- Evolution in comparison to 4Q17
- Gross debt in line with 4Q17
- 2.74x net debt to adj. EBITDA
- Only 2% of bank debt subject to foreign exchange effect

TAX RATE & NET INCOME

TAX RATE

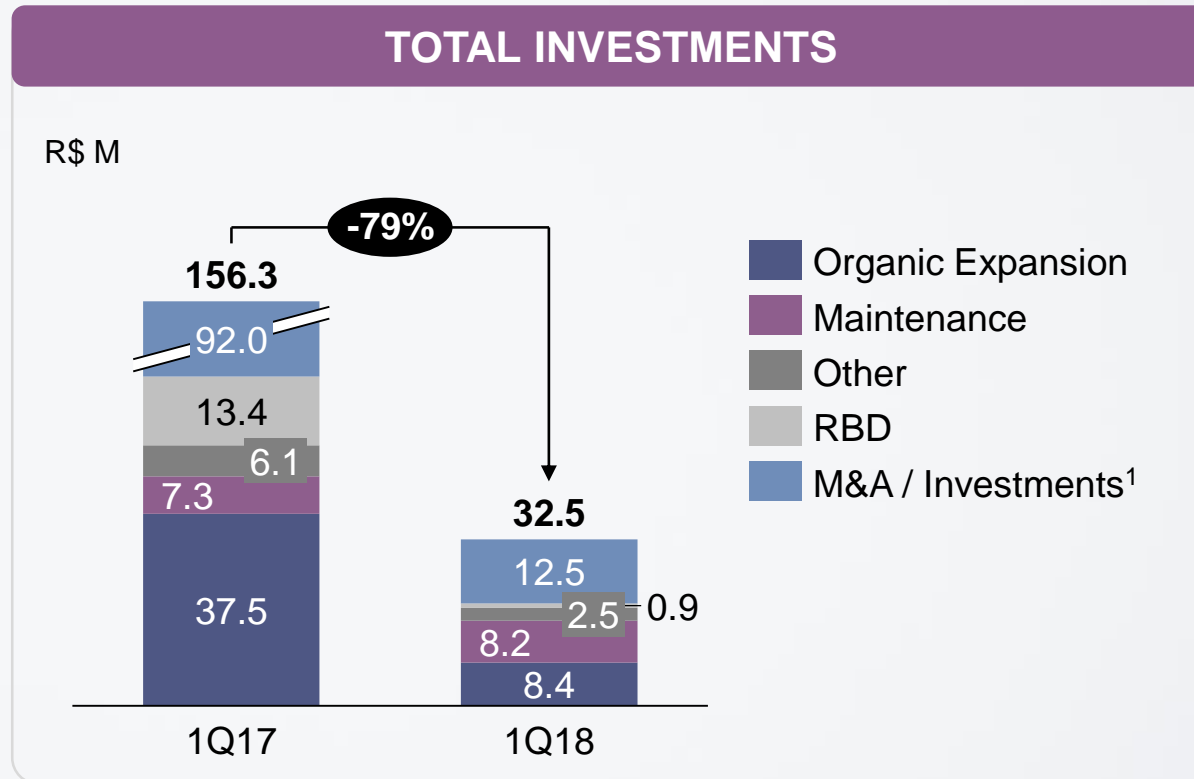


Net Income (R\$ Million)	1Q18	1Q17	YoY
Net Income	9.6	8.8	9.9%
Attributable to noncontrolling interests	2.5	3.0	-15.3%
Net Income (Shareholders)	7.1	5.8	22.8%
Net Income per share (in R\$)	0.06	0.05	19.2%
Net Margin	3.7%	3.6%	12 bps
Net Margin (Shareholders)	2.7%	2.3%	36 bps



- Alliar's efforts to **normalize its effective tax rate** (-505 bps vs. 1Q17 tax rate) begins to show-up; gradual improvement expected over the next quarters
- Net income growth higher than EBITDA growth demonstrates the **operating leverage** achieved, benefited by **cost reduction and expenses control initiatives**

INVESTMENTS

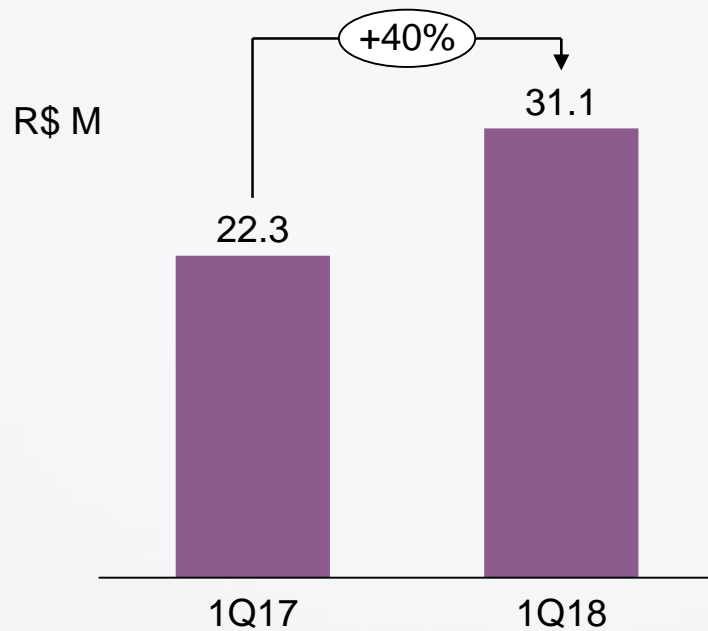


- 79% reduction reflects: (i) the anticipation of investments in organic expansion in 1Q17; and (ii) the conclusion of the investment cycle in the RBD (PPP Bahia)
- Total investments ex-M&A/Investments totaled **R\$ 20 million in 1Q18**
- Starting from our new growth cycle, evolution in free cash generation

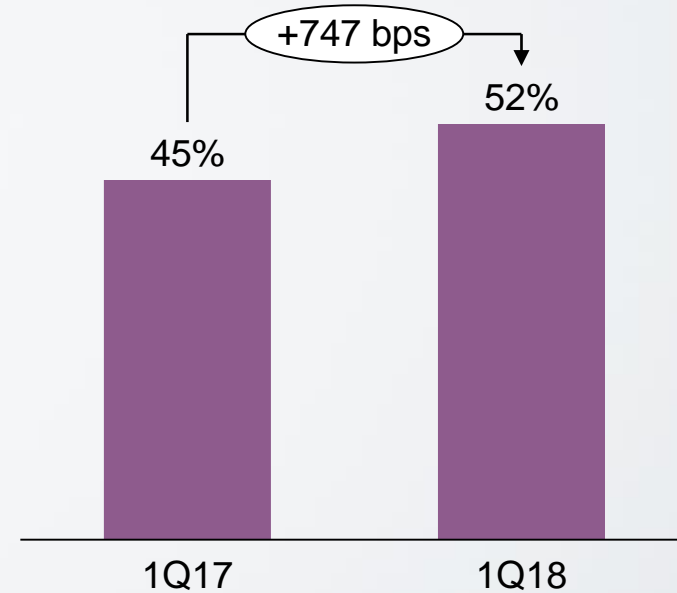
(1) M&A/Investments are in the accrual method (different from the cash flow)

CASH FLOW

OPERATING CASH FLOW



CASH CONVERSION



- **Operating Cash Flow** reached R\$ 31.1 million (+40%), with **52%** of cash conversion
- Alliar's high operating cash flow begins, from the new cycle, to convert into improved free cash flow

Q & A



CLOSING REMARKS

Start of new cycle 2018-2020 allows for Operating Leverage

- Focus on **Profitability** begins to reflect on the Company's results
 - **Ramp-up** of new **mega stores** in line with Company's expectations
 - **Higher Productivity** in Operations: **23.7** exams / MRI / day in 1Q18 average (+5.1% vs. 1Q17)
 - **Expansion** of margins and **higher** Net Income and Cash Generation





alliar médicos à frente
sistema de diagnósticos de saúde



IR Contacts

Frederico Oldani | CFO/IRO

Francisco de Paula | IR Manager

Phone: (55 11) 4369-1387

<http://ir.alliar.com>

ri@alliar.com