



# 2019 Annual **Sustainability Report**



# Non-Corporate and Corporate Plans

Market segmentation makes it natural to expand and multiply OdontoPrev's dental plans through its distribution channel. The Company's strategic planning foresees the diversification of these channels and their continual specialization.

OdontoPrev's position is to prioritize the non-corporate segment, which includes small and medium enterprises (SMEs) and individual plans. This market segment poses attractive characteristics from a commercial viewpoint, such as the higher average ticket, lower number of competitors, accelerated growth in relation to the corporate segment, and higher contribution margins.

The products targeting the non-corporate segment raise relevant barriers to the entry of new competitors, since the operation in this market requires scale and quality of distribution; management of the credit risk of small or individual clients; ability to minimize the risk of adverse selection, and management technology.

OdontoPrev is the leader in this segment and ended 2019 with 1.1 million SMEs and 1.0 million individual beneficiaries. Since 2014, revenue from SMEs and Individual Plans has recorded 165% growth, CAGR of 22%, net revenue surged from 25% to 42% in 2019, increasing the average ticket, reducing the loss ratio, and potentializing the Company's exclusive banking distribution channels, in lower competition market niches.

## Corporate plans

While it increases its share in the non-corporate plans, OdontoPrev's corporate segment also represents its commercial pillar. At the end of 2019, the Company offered 501 different dental plans and recorded 5.2 million corporate beneficiaries.

## OdontoPrev sustains a level of excellence in the ANS Qualification Program, for the 10th consecutive year

The Company sustains a level of excellence in the Supplementary Health Performance Index (IDSS) of the ANS Qualification Program, achieving the best score among dental operators in 2019.

Through Operators Qualification Program, the ANS yearly evaluates the operators' performance and qualification, based on four issues: health quality and attention, guarantee of access, sustainability in the market, process management, and regulation. Under this program's criteria, evaluation scores vary from 0.0 to 1.0. In 2019, OdontoPrev hit the maximum index, between 0.80 and 1.00.

This achievement reflects the care and attention to more than 7 million beneficiaries, confirming the Company's excellence and quality of services rendered.