



ALLIAR – 3Q16 EARNINGS PRESENTATION

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For comparative purposes, we have presented two scenarios: **Pro forma** (unrevised and unassured by independent auditors), including Delfin Imagem S.A. as of January 1, 2015 and **Accounting**, including Delfin Imagem S.A. as of March 10, 2016, when the latter was acquired. All comparisons are with the same period in the previous year (YoY) unless otherwise stated.

SIZE



3rd largest

Diagnostics
company in Brazil

GROWTH



59% CAGR

2013-2015
Fastest growing
company in the sector

PROFITABILITY



22% EBITDA¹

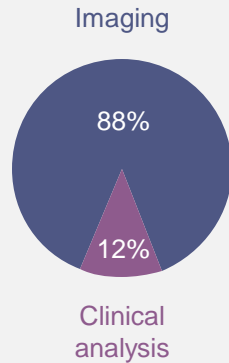
Attractive profit
margins

Fully Integrated and Scalable Business

Recognized as one of the most innovative companies in the sector

¹ Pro forma Adjusted EBITDA Margin 2015

FOCUS ON IMAGING DIAGNOSTICS



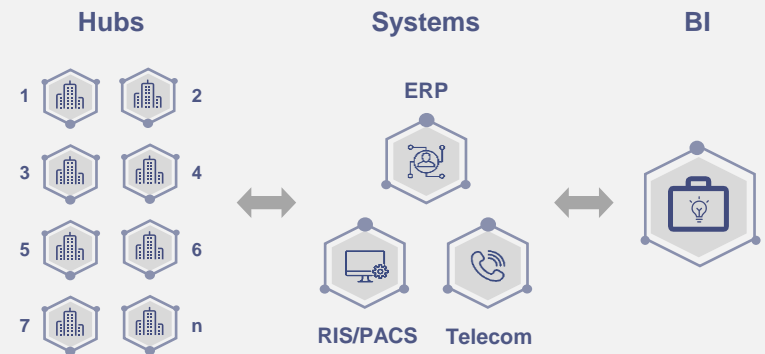
HUB & SPOKE EXPANSION MODEL



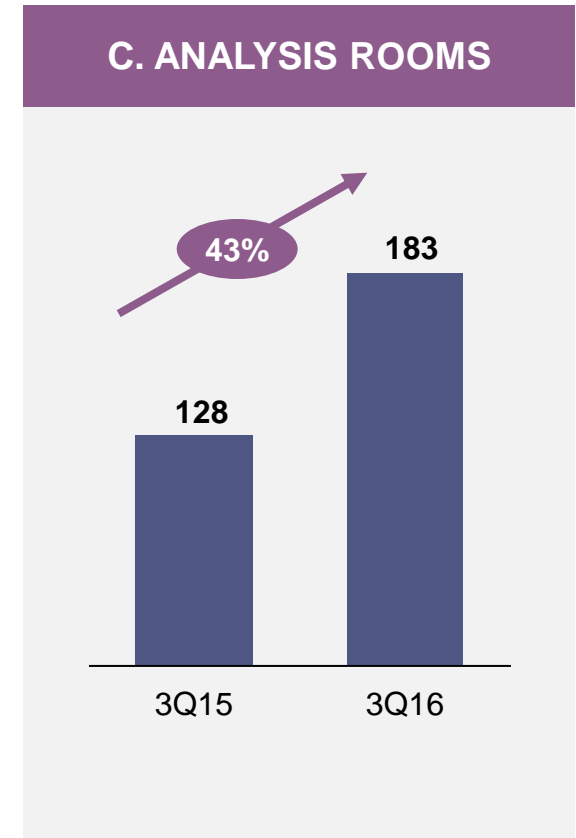
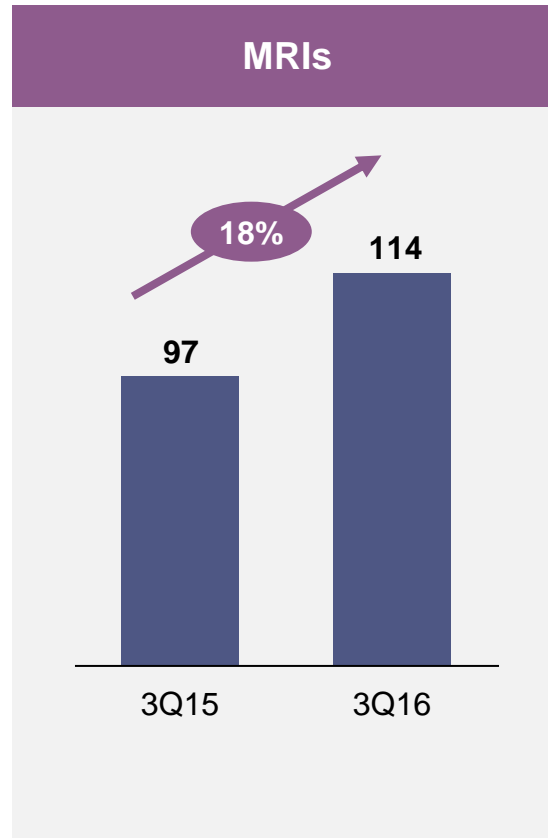
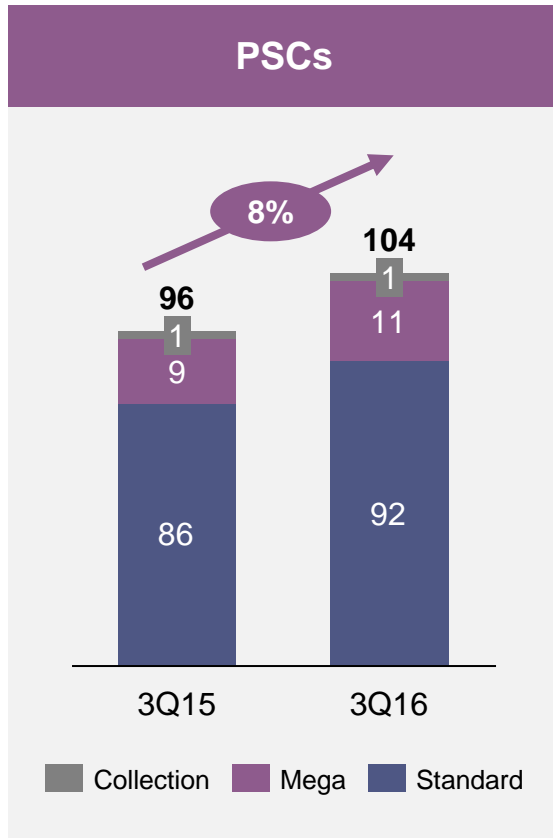
LOCALLY DRIVEN RELATIONSHIPS



INTEGRATED IT PLATFORM



- **Net Revenue** of R\$253.7 million, up by **37.1%** (+17.1% pro forma);
- **Adjusted EBITDA** of R\$59.4 million, an increase of **45.7%** (+27,3% pro forma), and **Adjusted LTM EBITDA** of R\$ 200.6 million (share traded at EV/EBITDA of R\$11.11x);
- Adjusted pro forma **EBITDA Margin** of **23.4%** (pro forma **improvement** of 188 bps);
- **Recurring Net Income** of R\$14.1 million, versus a net loss of R\$ 30.9 million in 3Q15;
- **LTM ROIC** without goodwill of **20.1%**;
- Installation of 2 new **MRI** machines (total of 114) and 9 new clinical analysis (**CA**) rooms (total of 183);
- 7 new PSCs (Patient Service Centers) **under construction**; 4 target-companies undergoing **due diligence**;
- **13 new medical partners** strengthening the **medical partnership** model;
- Conclusion of the **integration** of **Delfin Imagem**, acquired in March 2016.

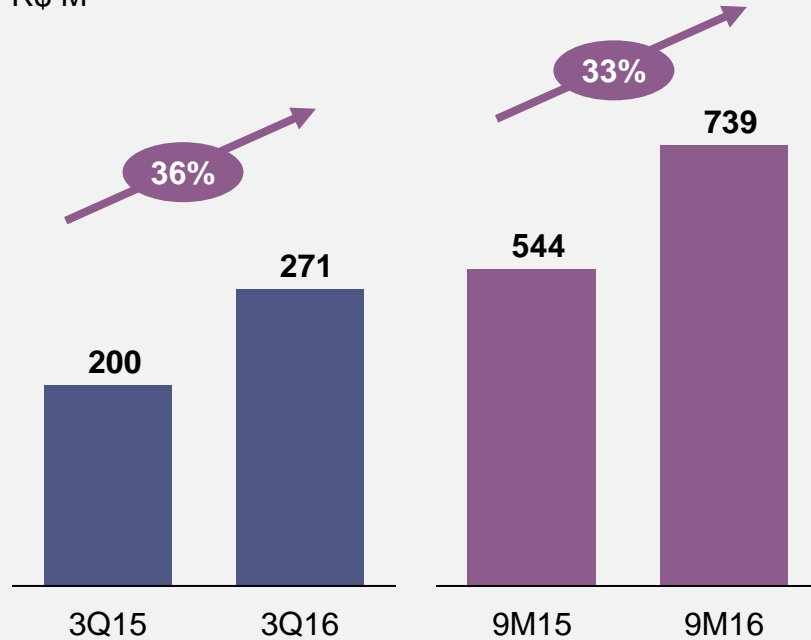


HIGHLIGHTS

- **8 new PSCs** (2 mega, 6 standard);
- **7 PSCs under construction** (3 mega, 4 collection points);
- Relevant increase in # of **MRIs** (17, 2 on 3Q) and Clinical Analysis **Rooms** (55, 9 on 3Q).

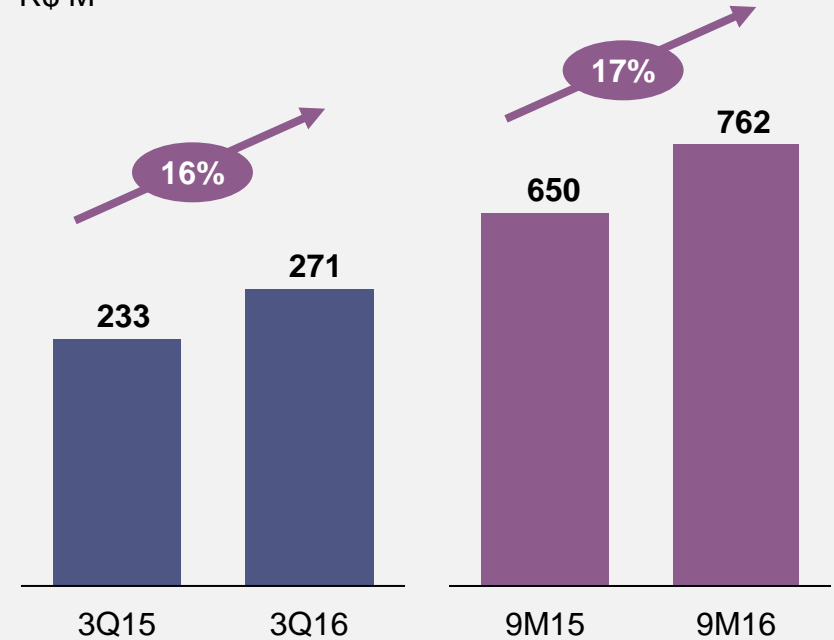
ACCOUNTING

R\$ M



PRO FORMA

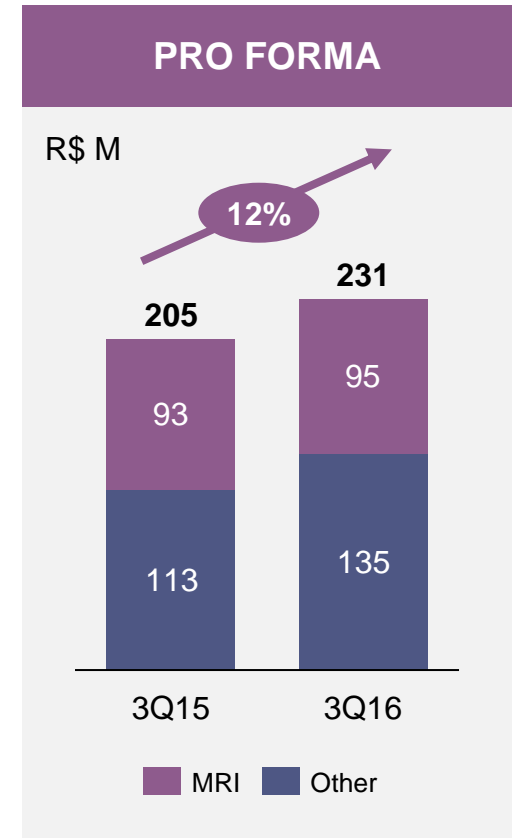
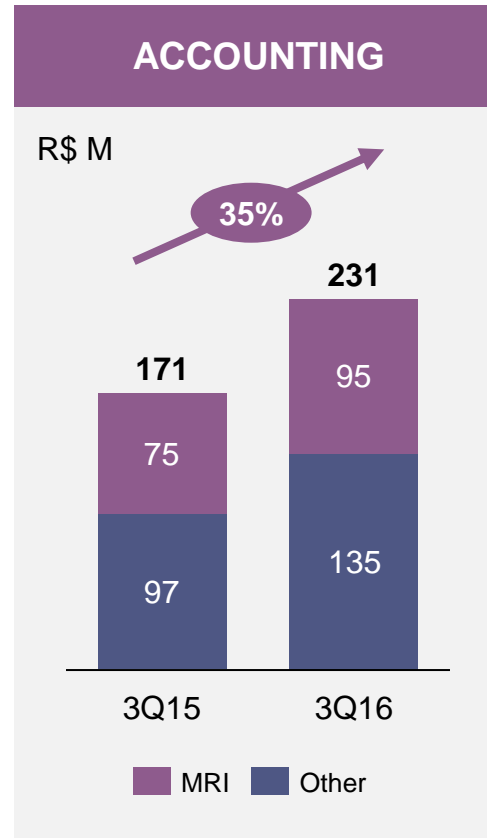
R\$ M



KEY DRIVERS

- Acquisition of Delfin Imagem;
- Ramp-up of recently installed MRI machines.

GROSS REVENUE – IMAGING



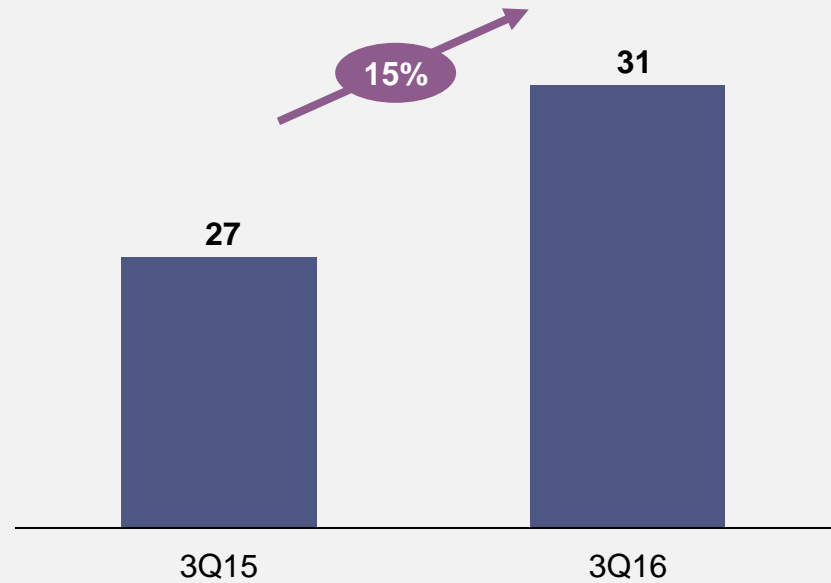
HIGHLIGHTS

- Strong top-line **growth**;
- **8%** increase in **revenue per MRI**.



ACCOUNTING / PRO FORMA¹

R\$ M



1) Both are identical, as Delfin does not offer clinical analysis

HIGHLIGHTS

- Service now offered in **29 PSCs** (vs. 13 on 3Q15);
- **Ramp-up** of new contracts during 3Q (**15% YoY** vs. 8% YoY for 9M16).

COST OF SERVICES

Cost of Services R\$ million	Pro forma (Delfin as of 01/01/2015)			
	3Q16	YoY	9M16	YoY
Medical Services	-40.3	11.4%	-122.4	12.0%
Medicine, Materials and Support Lab	-32.7	12.1%	-87.6	19.0%
Payroll, salaries and benefits	-32.6	10.3%	-94.0	5.6%
Depreciation and amortization	-14.0	16.7%	-36.1	11.9%
Maintenance	-7.2	-21.3%	-23.7	-4.2%
Rent	-5.7	8.7%	-18.3	12.1%
Third-party services	-4.8	14.6%	-11.4	40.0%
Utilities	-4.6	8.6%	-14.8	22.0%
Other costs	-0.2	N/A	-0.7	N/A
Total costs exclusively related to services	-142.1	13.8%	-409.1	12.9%
Construction costs	-8.1	653.0%	-25.3	1475.0%
Total Costs	-150.3	19.3%	-434.3	19.4%

KEY DRIVERS

- **Medical Services:** in line with revenue growth;
- **Medicine, Materials, and Support Lab:** increased costs of clinical analysis processing;
- **Payroll:** zero-based budgeting and operational efficiency gains;
- **Construction Costs:** accounting effect of PPP, with no impact to the results¹ (entirely offset by “construction revenue”)

¹ In accordance with the accounting rules applicable to the PPP (ICPC 01)

- **Write-down of parts** (non-cash): write-down of residual value (“accelerated depreciation”) of broken parts covered by the maintenance contract (the cost of the new parts is already included in our maintenance capex);
- **M&A expenses**: expenses related to the acquisition of Delfin Imagem, with a relevant portion being the advisory contract with Pátria (discontinued on 08/26/2016, M&A team internalized);
- **Reversal of earn-out**: reversal of a non-operating revenue related to the non-payment of a post-acquisition performance bonus (reversal of provision);
- **Provision for contingencies and integration expenses**: adjustment of Delfin Imagem’s provisions to Alliar criteria, and post-integration termination expenses of Delfin Imagem (as reported in the 1H16 financial statements);
- **Expenses with stock options**: settlement of the pre-IPO stock option programs (as reported in the IPO documents). As of 3Q16, long-term incentives for management and physicians will be granted under the new restricted share program.

OPERATING EXPENSES

Operating Expenses R\$ million	Pro forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY
Total Expenses	72.2	59.4	21.6%	203.6	150.6	35.2%
General and administrative expenses	64.2	61.4	4.7%	189.1	158.4	19.4%
Adjustments	0.0	1.3	N/A	15.6	2.5	534.0%
M&A expenses	0.0	0.5	N/A	7.1	0.8	737.7%
Provision for contingencies	0.0	0.1	N/A	6.8	0.1	N/A
Consulting/advisory services	0.0	0.4	N/A	1.1	0.7	58.9%
Restructuring/integration	0.0	0.3	N/A	0.7	0.9	-20.6%
Adjusted general and administrative expenses	64.2	60.1	6.9%	173.5	155.9	11.2%
Other expenses, net	11.6	0.4	3055.1%	23.2	-1.4	N/A
Adjustments	12.1	1.8	583.3%	22.9	-0.2	N/A
Reversal of Earn Out(+)	0.0	-2.5	N/A	0.0	-10.5	N/A
Write-down of parts (accounting/ non-cash)	3.7	4.3	-14.7%	13.9	10.3	35.1%
Stock Option expenses	8.4	0.0	N/A	9.0	0.0	N/A
Other expenses, net adjusted	-0.5	-1.4	-62.2%	0.3	-1.2	N/A
Resultado em participação societária	-3.6	-2.3	53.6%	-8.7	-6.5	35.0%
Total Adjusted Expenses	60.1	56.4	6.7%	165.0	148.3	11.3%

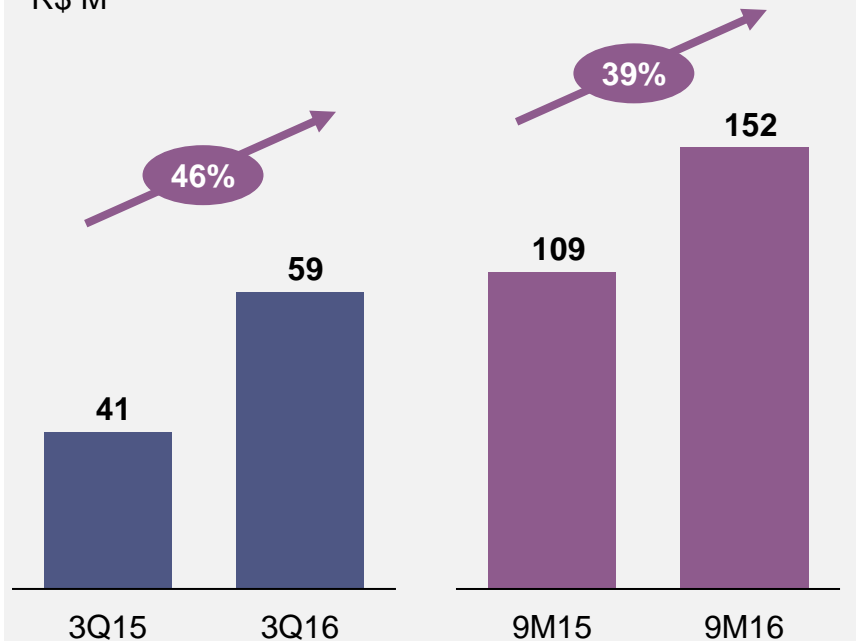
KEY DRIVERS

- **General and administrative expenses:** increase lower than revenue growth, contributing to Company's margin gain;
- **Other expenses, net:** R\$8.4 million from the settlement of the pre-IPO stock option plans.

ADJUSTED EBITDA

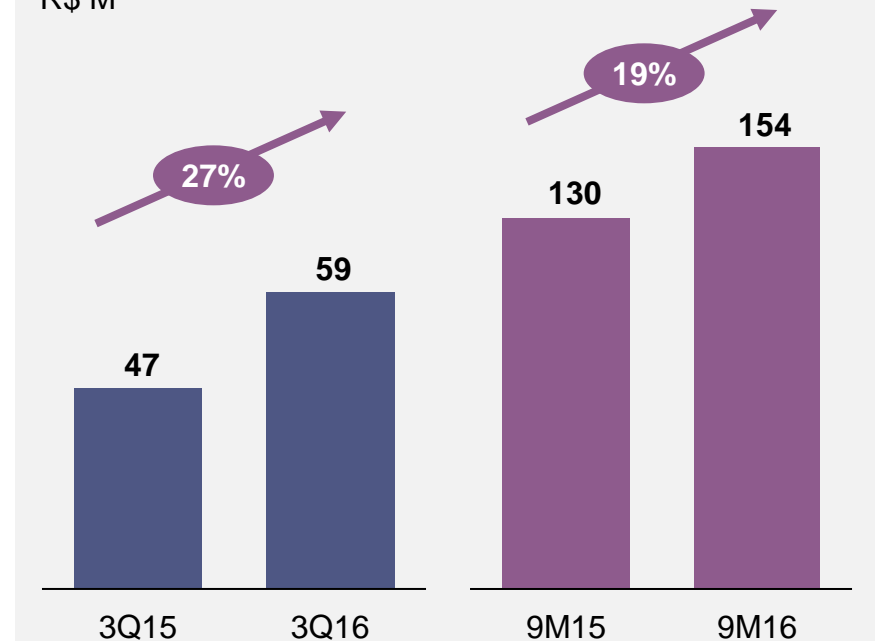
ACCOUNTING

R\$ M



PRO FORMA

R\$ M



KEY DRIVERS

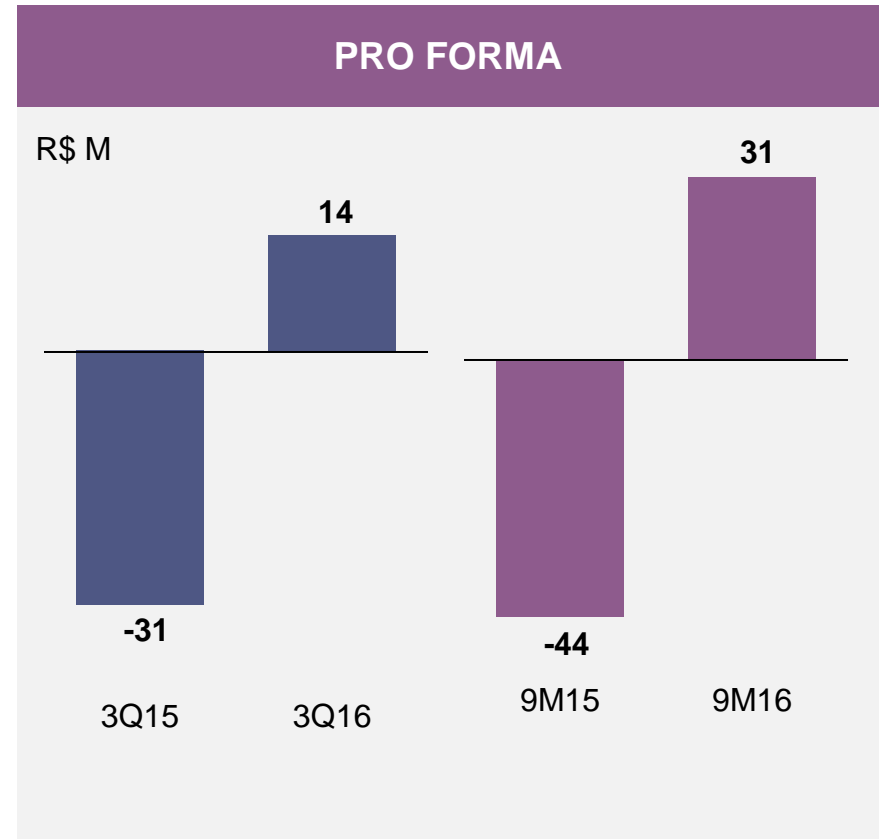
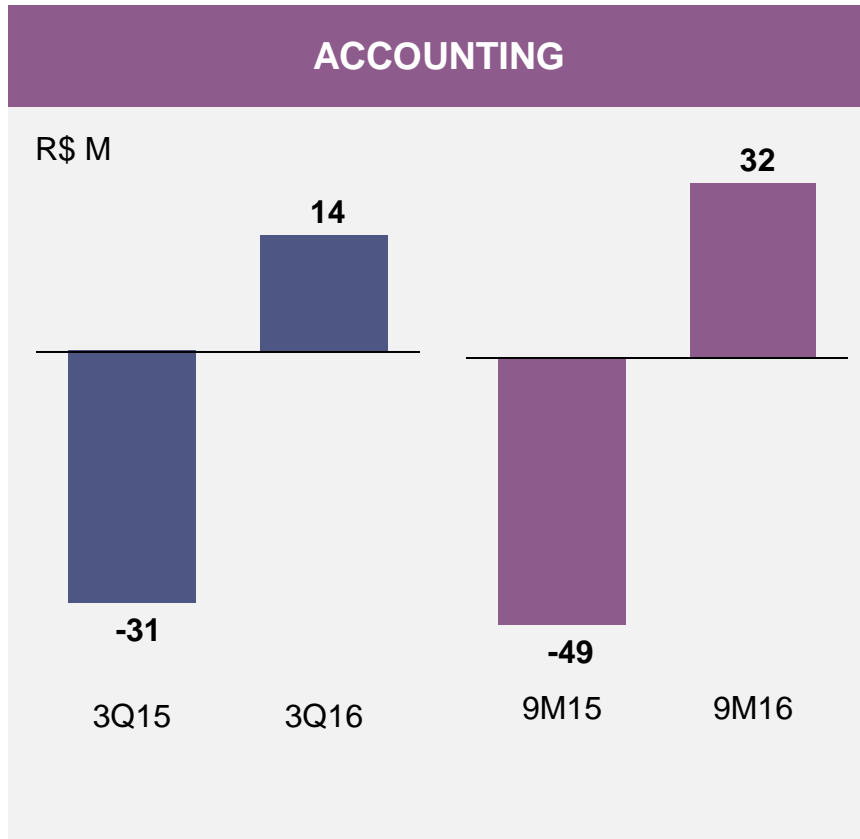
- Strong **revenue growth**
- **Payroll efficiency** gains (zero-based budgeting, command center maturation)
- **Diluted fixed costs**

Financial Result (R\$ million)	Accounting (Delfin as of 03/10/2016)					
	3Q16	Q15	YoY	9M16	9M15	YoY
Revenue from securities	1.0	0.2	516.9%	1.5	1.2	26.0%
Net FX variation	-7.8	-37.9	-79.4%	84.2	-87.7	N/A
Gain (loss) with derivative financial instruments	-1.6	7.6	N/A	-72.4	30.9	N/A
Interest on borrowings	-14.8	-11.1	34.1%	-52.8	-39.9	32.5%
Funding costs	-1.1	-0.1	837.5%	-1.4	-0.3	310.0%
Interest from accounts payable for corporate acquisition	-1.9	-1.2	56.2%	-4.0	-3.2	24.8%
Interest from payments in installments	-0.4	-0.3	47.5%	-0.5	-0.4	34.2%
Other financial revenue (expenses)	6.1	-5.7	N/A	-2.7	-2.5	9.8%
Total	-20.5	-48.4	-57.6%	-48.2	-101.8	-52.7%

KEY DRIVERS

- FX variation

RECURRING NET INCOME / LOSS



KEY DRIVERS

- EBITDA growth
- Improved financial result (FX variation)

Cash Flow R\$ Million	9M16	9M15
Net Income	8.8	-40.9
Net Income before Non-Cash Effects ¹	146.3	107.9
Working Capital	-72.2	-45.4
Operating Cash Flow	74.2	62.5
Investing Activities ²	-65.5	-71.4
Financing Activities	14.1	-12.4
Cash Increase (reduction)	22.8	-21.3
Non-recurring Effects ³	11.2	4.0
Recurring Operating Cash Flow	85.4	66.5
Conversion (Recurring Operating Cash Flow/ Adjusted EBITDA)	56%	61%

¹ Includes dividends received from Hospital da Bahia (operating unit)

² Includes Financial Assets: PPP Bahia CAPEX

³ Non-recurring effects: IPO expenses of R\$2.9M and the same adjustments used for EBITDA (M&A expenses R\$6.5M, Consulting and Advisory Services R\$ 1.0M, Restructuring/Integration R\$0.7 m)

HIGHLIGHTS 3Q16

- Recurring Operating Cash Flow growth YoY: **28,5%**
- Cash flow from operations after parts maintenance capex: **R\$ 61 M**

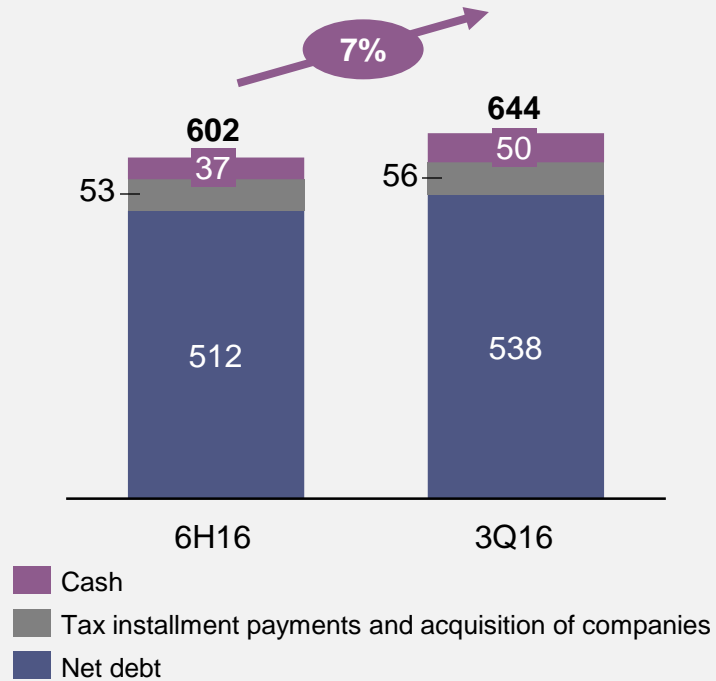
Accounts Receivable R\$ million	9M16	12M15	Var
Gross Total	276.8	180.6	53.3%
Provision for disallowance debt	-43.8	-25.0	75.0%
Net Total	233.0	155.6	49.8%
Falling due	204.9	137.1	49.5%
Overdue	71.9	43.6	65.0%
Overdue (Net of PDA)	28.1	18.5	51.6%
Accounts Receivable Days	78	76	3.0%

KEY DRIVERS

- Delfin acquisition on march/16;
- Sales **growth**;
- 3rd quarter **seasonality** (strongest quarter of the year).

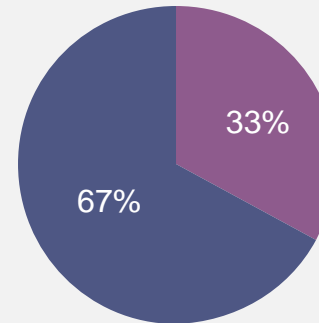
EVOLUTION

R\$ M



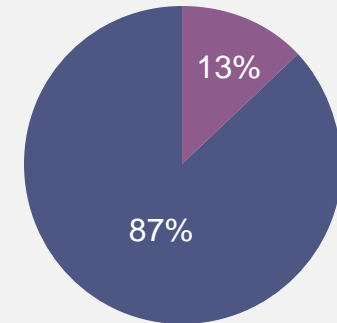
BREAKDOWN

Maturity



- Short-term
- Long-term

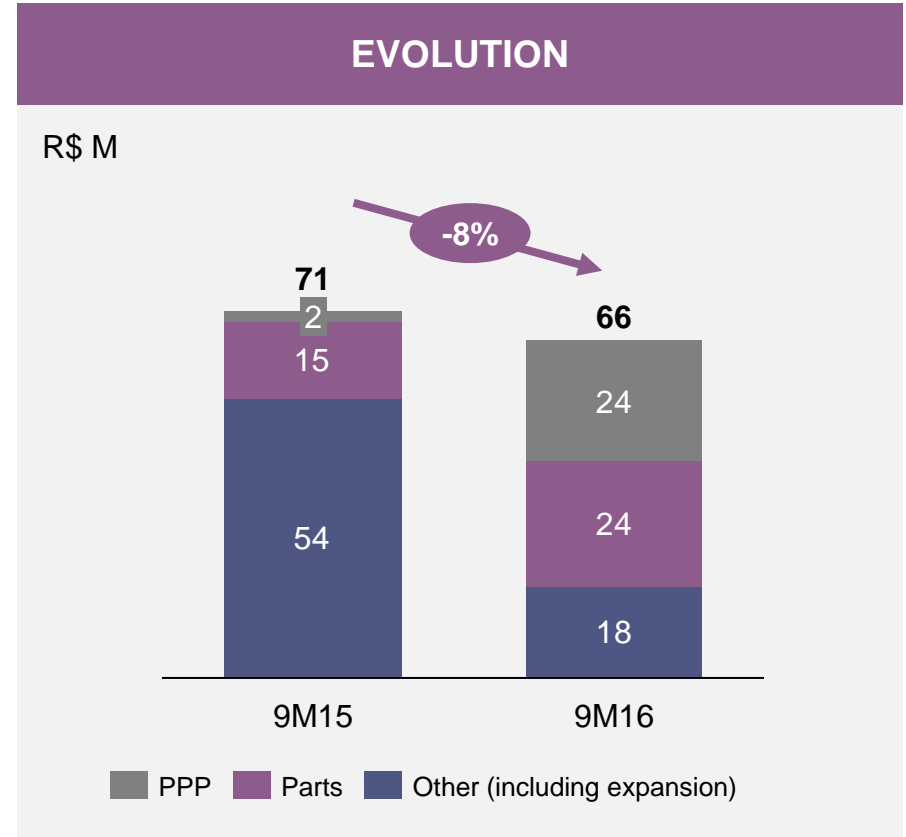
Currency



- USD
- BRL

HIGHLIGHTS

- **Leverage** (currently 3.0x Net Debt / Adjusted EBITDA) to be **reduced** after IPO;
- **R\$ 150M** pre-approved BNDES credit line available for organic **expansion**.



HIGHLIGHTS

- 7 PSCs under construction

- ✓ High **growth**
- ✓ High **profitability**
- ✓ Unique **business model**

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Join us on December 9th for the 1st Alliar Investors' Day!

AJUSTMENTS – EBITDA and NET INCOME

EBITDA (R\$ million)	Accounting (Delfin as of 03/10/2016)						Pro Forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY	3Q16	3Q15	YoY	9M16	9M15	YoY
	EBITDA	47.3	37.7	25.5%	116.6	107.0	9.0%	47.3	43.6	8.5%	115.9	128.0
Adjustments	12.1	3.1	295.1%	35.4	2.3	1460.2%	12.1	3.1	295.1%	38.6	2.3	1602.8%
Reversal of Earn Out (+)	0.0	-2.5		0.0	-10.5		0.0	-2.5		0.0	-10.5	
Write-down of parts (accounting/ non-cash)	3.7	4.3	-14.7%	13.5	10.3	30.9%	3.7	4.3	-14.7%	13.9	10.3	35.1%
M&A expenses	0.0	0.5		6.5	0.8	671.0%	0.0	0.5		7.1	0.8	737.7%
Provision for contingencies	0.0	0.1		4.5	0.1	5206.7%	0.0	0.1		6.8	0.1	7809.1%
Consulting/advisory services	0.0	0.4		1.1	0.7	58.9%	0.0	0.4		1.1	0.7	58.9%
Restructuring/integration	0.0	0.3		0.7	0.9	-20.6%	0.0	0.3		0.7	0.9	-20.6%
Stock Option expenses	8.4	0.0		9.0	0.0		8.4	0.0		9.0	0.0	
Adjusted EBITDA	59.4	40.8	45.7%	151.9	109.2	39.1%	59.4	46.7	27.3%	154.5	130.2	18.6%
EBITDA Margin %	23.4%	22.0%	138 bps	21.9%	21.1%	85 bps	23.4%	21.5%	188 bps	21.6%	21.4%	23 bps

Net Income (R\$ Million)	Accounting (Delfin as of 03/10/2016)						Pro Forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY	3Q16	3Q15	YoY	9M16	9M15	YoY
	Net Income	4.7	-29.7	N/A	8.8	-40.9	N/A	4.7	-29.9	N/A	5.3	-35.9
Net Margin	1.8%	-16.1%	1790 bps	1.3%	-7.9%	918 bps	1.8%	-13.8%	1563 bps	0.7%	-5.9%	665 bps
Adjustments ¹	9.5	-1.2	N/A	22.9	-8.0	N/A	9.5	-1.2	N/A	25.7	-8.0	N/A
Recurring Net Income¹	14.1	-30.9	N/A	31.7	-49.0	N/A	14.1	-31.1	N/A	31.0	-44.0	N/A
Fx variation with derivative financial instruments	9.4	30.2	-68.8%	-11.8	56.8	N/A	9.4	30.2	220.7%	-11.8	56.8	N/A
Recurring Net Income Adjusted to FX variation¹	23.5	-0.7	N/A	20.0	7.8	156.0%	23.5	-0.9	N/A	19.3	12.8	50.4%

1. Recurring Net Income: adjusted by the same EBITDA adjustments except for the write-down of parts.